67. **TABLING OF THE 2025/26 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)**
(Directorate: Budget and Treasury Office) GD

1. STRATEGIC THRUST

The Rustenburg Local Municipality has adopted amongst others, the following, as its strategic thrust, "*To ensure sustainable municipal financial viability and management including good governance and public participation".*

2. PURPOSE OF THE REPORT

The purpose of this report is to table the 2025/26 MTREF to Council for approval in accordance with section 24 of the Municipal Financial Management Act 56 of 2003 (MFMA) and Municipal Budget and Reporting Regulations (MBRR).

3. EXECUTIVE SUMMARY

3.1 Legislative requirement

The Budget has been compiled in line with the MFMA, MBRR and MFMA Circulars No 51, 54, 55, 59, 66, 67, 70, 74, 75, 78,79 ,86, 89, 91, 93, 94, 98, 99, 107, 108, 112, 115, 122, 123, 126, 128, 129 and 130.

In terms of the Municipal Finance Management Regulations, Regulation 17:

(1) A municipal council must consider the full implications, financial or otherwise, of the annual budget and supporting documentation before approving the annual budget.

(2) When approving an annual budget, a municipal council must in terms of section 24(2)(c) of the Act, consider and adopt separate resolutions dealing with each of the matters contemplated in that section.

3.2 Background

As required by section 16(2) of the MFMA, the Executive Mayor tabled the draft 2025/26 MTREF budget, as per Item 61 of the 31st March 2025 council meeting. As required by section 23(1) of the MFMA, the municipal council resolved on item 61 to subject the draft 2025/26 MTREF budget to a public participation process.

3.3 Public participation and National Treasury assessment

Section 23 (1) of the MFMA requires that;

"When the annual budget has been tabled, the municipal council must consider any views of-

(a) the local community; and

(b) the National Treasury, the relevant Provincial Treasury and any Provincial or National organs of state or municipalities which made submissions on the budget."

Local Community:

The tabled budget was subjected to public consultation processes and made public, in line with council resolutions on item 61 and section 22 of the MFMA.

--- Attached as ***Annexure L*** of this report is the public notice, publication of the tabled 2025/26 MTREF and public participation schedule undertaken. The designated period for submission of written comments and inputs on the draft budget was from the 10th April 2025 to the 02nd May 2025.

No formal written public comments were received; however, the following key issues were raised during the public participation process:

Public Concern	Municipality Response
How does the budget allocation address service delivery?	Technical and Infrastructure services (water, electricity and sanitation) which is directly responsible for service delivery has been allocated 66% of the total budget. Roads Directorate has been

	allocated 7% and Community Development Directorate (refuse removal) 7%. In total **key service delivery areas allocated 80%** of total budget. **Administration and support functions is budgeted at 20%** of the total budget
How does the budget address backlog in infrastructure maintenance?	Budget allocations towards **repairs and maintenance** include: Water and sanitation (incl RWST) – R252,2 million Electricity – R53,8 million Roads and stormwater – R18,6 million Transport management – R22,4 million Buildings and others – R44,6 million

National Treasury:

Budget assessment engagement with National Treasury was held on the 09th May 2025. The engagement resulted in the key changes to the budget below.

3.4 Key changes to the tabled 2025/26 MTREF

The following key changes were made to the tabled 2025/26 MTREF;

- Contracted services decreased by R4 million in line with cost containment measures and National Treasury Assessment.
- Inventory consumed decreased by R6.1 million based on the latest available data for water purchases and National Treasury Assessment.
- Bulk purchases decreased by R60.2 million based on the latest available data for electricity purchases and National Treasury Assessment
- Sanitation tariffs increased to 13% in line with average bulk supplier increase and National Treasury Assessment resulting in additional revenue of R10 million.

The above changes were mostly due to the assessment by National Treasury. The nett impact of all changes on budgeted surplus was an **increase of R80 million**. This will assist with moving the municipality from an unfunded to a funded budget position subject to assessment by National Treasury.

3.5 The budget item and Annexures

The Budget has been compiled in accordance with the 2025/26 Medium Term Revenue and Expenditure Framework and include the following annexures:

--- Annexure A – Budget Book
--- Annexure B - Tariff Book
--- Annexure C - A Schedule
--- Annexure D – Budget Policies
--- Annexure E – RWST budget
--- Annexure F – MFMA Circular 129
--- Annexure G – MFMA Circular 130
--- Annexure H – Budget per Directorate
--- Annexure I – Revenue Collection Improvement Plan
--- Annexure J – Grant Funded Capital Projects
--- Annexure K – Quality Assurance Certificate
--- Annexure L – Notice of Tabled MTREF and public participation
--- Annexure M – Long Term Financial Plan Update
--- Annexure N – Roads Maintenance Plan
--- Annexure O – National Treasury Budget Assessment Report
--- Annexure P – Capital Projects

4. DISCUSSION

The 2025/26 MTREF will result in the below revenue, operating expenditure and capital expenditure;

- Total Revenue, inclusive of transfers and subsidies, is budgeted at **R7,338 billion**, which is ***below*** the 2024/25 adjustment budget revenue by **R303 million (4%)**.
- Operating expenditure is budgeted for **R6,732 billion**, which is ***below*** the 2024/25 adjustment budget revenue by **R153 million (2%).**
- Budgeted surplus before capital expenditure is **R605 million** while surplus after capital expenditure is **R123 million**.

- Capital expenditure is budgeted for **R483 million**, which is ***below*** the 2024/25 adjustments budget by **R216 million**.

The 2025/26 MTREF has been significantly being reduced from the original budget and adjustments budget of 2024/25, due to the decline in revenue, mainly from electricity sales as a result of reduced consumption by Glencore mine and electricity losses from illegal connections and incomplete billing.

Management has prepared Revenue Improvement Plans as a tool for implementation of measures to improve the revenue generation and collection of the municipality.

The below table summarises the budget:

Description	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Changes	% Change	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Total Revenue (including capital transfers and contributions)	7 641 798	(303 058)	-4%	7 338 740	7 719 130	7 944 611
Total Expenditure	6 886 111	(153 213)	-2%	6 732 898	7 040 056	7 194 721
Surplus/(Deficit)	755 687	(149 845)	-20%	605 842	679 074	749 891
Total Capital Funding				482 704	481 837	516 852
NETT Surplus				123 138	197 237	233 039
Total Budget (OPEX and CAPEX)				7 215 602	7 521 893	7 711 572

5. FINANCIAL COMMENTS

In terms of Section 15 of the Municipal Finance Management Act no 56 of 2003 (MFMA), a municipality may only incur expenditure in terms of an approved budget. Furthermore, Section 24 of the MFMA requires a municipal council to consider approval on the annual budget at least 30 days before the start of the budget year and to approve the budget before the start of the budget year.

The multi-year annual capital and operating budget for the 2025/26 financial year is R7,2 billion and for the two outer years is R7,5 billion and R7,7 billion (2026/27 and 2027/28).

6. LEGAL COMMENTS

The Budget Framework is set out in Chapter 4 of the MFMA and subject to this item, section 16 of the MFMA provides that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. The tabling of the Budget is therefore key for the consideration of Council prior to approval.

Subject to the above, regulation 14 of Municipal Budget and Reporting Regulations (MBRR) provides that an annual budget and supporting documentation tabled in a municipal council must be in the format in which it will eventually be approved by the council; and be credible and realistic such that it is capable of being approved and implemented as tabled.

Accordingly, the Council of a municipality, in exercising its legislative and executive authority, must ensure that the budget is prepared, approved and gets implemented as prescribed in section 11(3)(h) of the Municipal System Act.

In a situation where the budget is not approved in the first instance, then the council meeting must be convened within seven days to endeavour approving the budget again. This process must be repeated until the approval of budget is accomplished before the beginning of the financial year.

Failure to approve budget by the beginning of the new financial year shall therefore prompt the Executive Mayor to immediately report the matter to the MEC for local government in the province including making recommendations for appropriate provincial intervention.

The item served before the Special Mayoral Committee on the 26 May 2025 and the following recommendations were made:

RECOMMENDED: **ACTION**

1. That the Council approves the multi-year annual capital and operating budget for the 2025/26 financial year of R7,2 billion and for the two outer years is R7,5 billion and R7,7 billion (2026/27 and 2027/28) as set out in A1 Schedule as Annexure A: - CC

1.1 Table A1 – Budget Summary;
1.2 Table A2 – Budgeted Financial Performance;
1.3 (Revenue and expenditure by standard classification);
1.4 Table A3 – Budgeted Financial Performance;
1.5 (Revenue and expenditure by municipal vote);
1.6 Table A4 – Budgeted Financial Performance;
1.7 (Revenue and Expenditure);
1.8 Table A5 – Budgeted Capital Expenditure by Vote;
1.9 (Standard classification and funding);
1.10 Table A6 – Budgeted Financial Position;
1.11 Table A 7 – Budgeted Cash Flows;
1.12 Table A8- Cash backed reserves / accumulated Surplus reconciliation;
1.13 Table 9 – Asset Management;
1.14 Table 10 – Basic Delivery measurement.

2. That the budget as proposed include the budget for the Rustenburg Water Services Trust, in Annexure “E – RWST budget”; CC

4.	That Council take note that for the 2025/26 MTREF financial year the budget has a net surplus after capital expenditure of R123 million, R197 million and R233 million respectively.	CC
5.	That in terms of section 74 of the Local Government Municipal System Act, all consumptive tariffs, Rates, basic charges as proposed be approved for implementation on the 01 July 2025, and are attached as Annexure "B – TARIFF BOOK';	CC
6.	That the unspent conditional grant at end of 2024/25 not be committed to expenditure until approval has been obtained from National, Provincial Treasury in accordance with directives from National Treasury Circulars;	BTO/DTIS/PMU/DRT/DCD
7.	That the following proposed budget related policies with amendments be approved for implementation on the 01 July 2025. Policies are attached as Annexure "D";	CC

7.1 Budget Related Policies with Amendments;

Bereavement Policy;
Indigent Policy;
Tariffs Policy;
Property Rates Policy;
Credit Control and Debt Collection Policy;
Budget Policy
Funds and Reserves Policy;
Inventory Policy;
Supply Chain Management Policy;
Contract Management Policy

7.2 Budget Related Policies with no Amendments;

Borrowing Policy;

Travelling and Subsistence Policy;
Cash Management and Investment Policy;
Cost Containment Policy;
Commitment Policy;
Asset Management Policy;
Preferential Procurement Policy;
Electrical Engineering Contributions Policy;
Expenditure Management Policy;
Fleet Management Policy;
Insurance Claims Policy and Procedure;
Insurance Loss Control Committee Policy;
Investment Incentives Policy;
Petty Cash Management Policy;
Rewards, Gifts and Favor Policy;
Study Aid Policy;
Unauthorized, Irregular and Fruitless and Wasteful Policy
Accelerated Economic Empowerment and Transformation Policy;
Supplier Performance Monitoring Policy;
Corporate Social Responsibility Policy;
Procedures for the Administration of Traffic Fines Policy

8. That MFMA budget circulars from National Treasury be considered as Annexure “F” and “G”; CC

9. That the 2025/26 Medium Term Revenue and Expenditure (MTREF) Forecasts electronic formats be submitted to National Treasury and Provincial Treasury. BTO

10. That the MTREF Budget together with the tariffs, budget Related policies be placed on the municipal website and be published in terms of Section 21A and B of the Municipal Systems Act as well as the MFMA and applicable regulations. BTO

11.	That the notice and invitation for public participation attached as Annexure “L” to the report, be considered.	CC
12.	That the budget per municipal directorate according to our internal municipal structure be considered as Annexure “H”	CC
13.	That the Roads Maintenance Plan attached as Annexure “N” be considered	CC
14.	That the Long-Term Financial Plan attached as Annexure “M” be considered.	CC
15.	That the Revenue Collection Improvement Plan attached as Annexure “I” be considered.	CC
16.	That the Quality Assurance Certificate attached as Annexure “K” be considered	CC

RUSTENBURG LOCAL MUNICIPALITY

"A SMART AND ENVIRONMENTALLY FRIENDLY CITY WHERE ALL COMMUNITIES ENJOY A HIGH QUALITY OF LIFE AND DIVERSITY"

2025/26 TO 2027/28

MEDIUM-TERM REVENUE & EXPENDITURE FRAMEWORK

31st MAY 2025

Compiled in terms of Section 16 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and Schedule A (In-Year Reports of Municipalities) of the Municipal Budget and Reporting Regulations.

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Abbreviations and Acronyms

Acronym	Description
BSC	Budget Steering Committee
Budget Lekgotla	A planning forum aimed at identifying key spending priorities for the City for a specific planning cycle.
BPDM	Bojanala Platinum District Municipality
BRT	Bus rapid transport
CAPEX	Capital expenditure, spending on municipal assets such as land, buildings, roads, etc.
CATA	Culture, Arts and Traditional Affairs Grant
CBD	Central business district
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRR	Capital Replacement Reserves
DoRA	Division of Revenue Act
EM	Executive Mayor
FBE	Free basic electricity
FBS	Free basic services
FBW	Free basic water
GRAP	Generally Recognised Accounting Practice
HDA	Housing Development Agency
HSDG	Human Settlements Development Grant
IBT	Inclining Block Tariff
ICC	International Convention Centre
IDP	Integrated Development Plan, a strategic document detailing the Municipality's medium-term plan for development.
INEP	Integrated National Electrification Program
KI	Kilolitre
Km	Kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local economic development
MBRR	Municipal Budgeting and Reporting Regulations
MFMA	Municipal Finance Management Act, Act 56 of 2003, legislation providing a framework for financial management in local government
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of the Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act, Act 32 of 2000
mSCOA	Municipal Standard Chart of Accounts
MTREF	Medium- term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non- governmental organisations

NT	National Treasury of South Africa
OPEX	Operating expenditure, spending on the day-to-day operational activities such as salaries and wages, repairs and maintenance, general expenses
PBO	Public benefit organisations
PIC	Public Investment Corporation
PMS	Performance Management System
PPE	Property, plant and equipment
PPP	Public- Private Partnerships
PTNG	Public Transport Network Grant
RLM	Rustenburg Local Municipality
RWST	Rustenburg Water Services Trust
SA	South Africa
SALGA	South African Local Government Association
SALGBC	South African Local Government Bargaining Council
SDBIP	Service Delivery and Budget Implementation Plan, a detailed plan containing quarterly performance targets and monthly budget estimates
SHRA	Social Housing Regulatory Authority
SMME	Small, Micro and Medium Enterprises
VOTE	Segments (Departments/Municipal Entities/Programmes) into which a budget is divided for the appropriation of funds
WSIG	Water Services Infrastructure Grant

List of Votes according to our internal municipal structure

VOTE	**DESCRIPTION**
Vote 1	EXECUTIVE MAYOR
Vote 2	MUNICIPAL MANAGER
Vote 3	CORPORATE SUPPORT SERVICES
Vote 4	BUDGET AND TREASURY
Vote 5	PUBLIC SAFETY
Vote 6	PLANNING AND HUMAN SETTLEMENT
Vote 7	LOCAL ECONOMIC DEVELOPMENT
Vote 8	COMMUNITY DEVELOPMENT
Vote 9	TECHNICAL AND INFRASTRUCTURE
Vote 10	ROADS AND TRANSPORT
Vote 11	MUNICIPAL ENTITY

1. PURPOSE

1.1 The purpose of this document is to present to Council the 2025/2026 Medium-Term Revenue and Expenditure Framework (MTREF) in line with section 16, 17 and 23 of the Municipal Finance Management Act 56 of 2003 which states as follows:

Section 16:

(1) The municipal Council of the municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

(2) *In order for a municipality to comply with subsection (1), the Mayor of the municipality must table the annual budget at a Council meeting at least 90 days before the start of the budget year.*

Section 17:

(1) An annual budget of a municipality must be a schedule in the prescribed format –

(a) Setting out realistically anticipated revenue for the budget year from each revenue source.

(b) Appropriating expenditure for the budget year under the different votes of the municipality.

(c) Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year.

(d) Setting out –

(i) Estimated revenues and expenditure by vote for the current year; and

(ii) Actual revenue and expenditure by vote for the financial year preceding the current year; and

(e) A statement containing any other information required section 215 (3) of the Constitution or as may be prescribed.

(2) An annual budget must generally be divided into capital and an operating budget in accordance with international best practice, as may be prescribed.

(3) When an annual budget is tabled in terms of section 16(2), it must be accompanied by the following documents:

(a) Draft resolutions-

(i) approving the budget of the municipality.

(ii) imposing any municipal tax and setting any required municipal tariffs for the budget year; and

(iii) approving any other matter that may be prescribed.

(b) measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's integrated development plan;

(c) projection of cash flow for the budget year by revenue source, broken down per month.

(d) any proposed amendments to the municipality's integrated development plan following the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act.

(e) any proposed amendments to the budget-related policies of the municipality.

(f) particulars of the municipality's investments.

(g) any prescribed budget information on municipal entities under the sole or shared control of the municipality.

(h) particulars of all proposed new municipal entities which the municipality intends to establish or in which the municipality intends to participate.

(i) particulars of any proposed service delivery agreements, including material amendments to existing service delivery agreements.

(j) particulars of any proposed allocations or grants by the municipality to-

- *(i) other municipal entities.*
- *(ii) any municipal entities and other external mechanisms assisting the municipality in the exercise of its function or powers;*
- *(iii) any other organ of state.*
- *(iv) any organisations or bodies referred to in section 67 (1).*

(k) the proposed cost to the municipality for the budget year of the salary, allowances, and benefits of-

- *(i) each political office-bearer of the municipality.*
- *(ii) councillors of the municipality; and*
- *(iii) the municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager.*

(l) the proposed cost for the budget year to a municipal entity under the sole or shared control of the municipality of the salary, allowances and benefits of-

- *(i) each member of the entity's board of directors; and*
- *(ii) the chief executive officer and each senior manager of the entity; and*

(m)any other supporting documentation as may be prescribed.

Section 23:

(1) When the annual budget has been tabled, the municipal council must consider any views of-

(a) the local community; and

(b) the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.

(2) After considering all budget submissions, the council must give the mayor an opportunity -

(i) to respond to the submissions; and

(ii) if necessary, to revise the budget and table amendments for consideration by the council.

(3) The National Treasury may issue guidelines on the manner in which municipal councils should process their annual budgets, including guidelines on the formation of a committee of the council to consider the budget and to hold public hearings.

(4) No guidelines issued in terms of subsection (3) are binding on a municipal council unless adopted by the council.

The Budget has been compiled within the framework of the MFMA, Municipal Budget and Reporting Regulations (MBRR), MFMA Circulars No 129 and 130.

PART 1 – ANNUAL BUDGET

2. EXECUTIVE SUMMARY

2.1 A consolidated budget of **R7,2 billion** has been proposed for the 2025/26 Medium-Term Revenue and Expenditure Framework (MTREF) with **R7,5 billion** and **R7,7 billion** respectively for the two outer years.

2.2 The 2025/26 MTREF is the fourth budget being undertaken under the current Council. The MTREF is a representation of the overall planning framework and includes both capital and operating projects together with programmes aimed at ensuring that the strategic objectives, as set out in the 5-year Integrated Development Plan (IDP), of the municipality are met.

2.3 The 2025/26 MTREF was compiled with a key focus on affordability and sustainability. National Treasury's MFMA Circulars were adhered to, and the budget format and content incorporates the requirements of the MBRR. Budget (A – Schedule) was required to be extracted from the financial system in terms of MFMA Circular 130. This was complied with, however certain sheets required data input after extraction from the financial system.

2.4 In line with Chapter four (4) of the MFMA the following **PRINCIPLES** were applied in formulating the 2025/26 MTREF:

(i) Realistic and achievable revenue streams and collection rates.
(ii) Sustainable, affordable, realistic, and credible budget.
(iii) Budget that contributes to achieving strategic objectives set out in the IDP.
(iv) Income/ revenue driven budget: affordability i.e., if funds do not materialise, reduce expenditure.

2.5 The main **CHALLENGES** noted during the compilation of the 2025/26 MTREF are as follows:

i. National directive to table funded budget, which then direct reduction in expenditure commitments and have sufficient surplus to fund creditors.
ii. Economic slowdown and increase in unemployment rate that impacts negatively on collection rates and municipal ability to service bulk services (water and electricity) and maintain infrastructure.
iii. A significant decline in electricity sales due to some mine plants not being operational and electricity losses due to illegal connections and incomplete billing.
iv. A decline in water sales due to water shortages and low reservoir levels in Rustenburg.
v. Deteriorating infrastructure with minimum surplus cash to fund the overall replacement.
vi. Continued power cuts that impact businesses to level of close down.
vii. Widespread criminal activity on municipal electrical infrastructure.
viii. Increase in informal settlements and the related pressure on the provision of free basic services.

3. OPERATING BUDGET

3.1 The proposed budget has the following.

- Revenue budget (inclusive of capital transfers) is **R7,3 billion** reflecting a decrease of **R303 million** (4%) from the 2024/25 adjustments budget.
- Operating expenditure budget is **R6,7 billion** reflecting a decrease of **R153 million** (2%) from the 2024/25 adjustments budget.

- Capital expenditure budget is **R483 million**, reflecting a decrease of **R216 million** from the 2024/25 adjustments budget.

3.2 The main cost drivers of the operating budget are as follows:

- Cost of bulk purchases - water and electricity
- Provision for non-cash items – depreciation and impairment of receivables
- Remuneration of Councillors and Employees
- General operational costs and contracted services.

3.3 The table below sets out the Medium-Term Revenue and Expenditure Budget for the 2025/26 – 2027/28 financial years, within the available limited resources:

Description	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Changes	% Change	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Total Revenue (including capital transfers and contributions)	7 641 798	(303 058)	-4%	7 338 740	7 719 130	7 944 611
Total Expenditure	6 886 111	(153 213)	-2%	6 732 898	7 040 056	7 194 721
Surplus/(Deficit)	755 687	(149 845)	-20%	605 842	679 074	749 891
Total Capital Funding				482 704	481 837	516 852
NETT Surplus				123 138	197 237	233 039
Total Budget (OPEX and CAPEX)				7 215 602	7 521 893	7 711 572

3.4 Revenue Analysis

3.4.1 The decrease of 4% in anticipated revenue (including capital transfers and contributions) is mainly due to a decrease in sale of electricity despite expected tariff increases, which are still subject to NERSA approval.

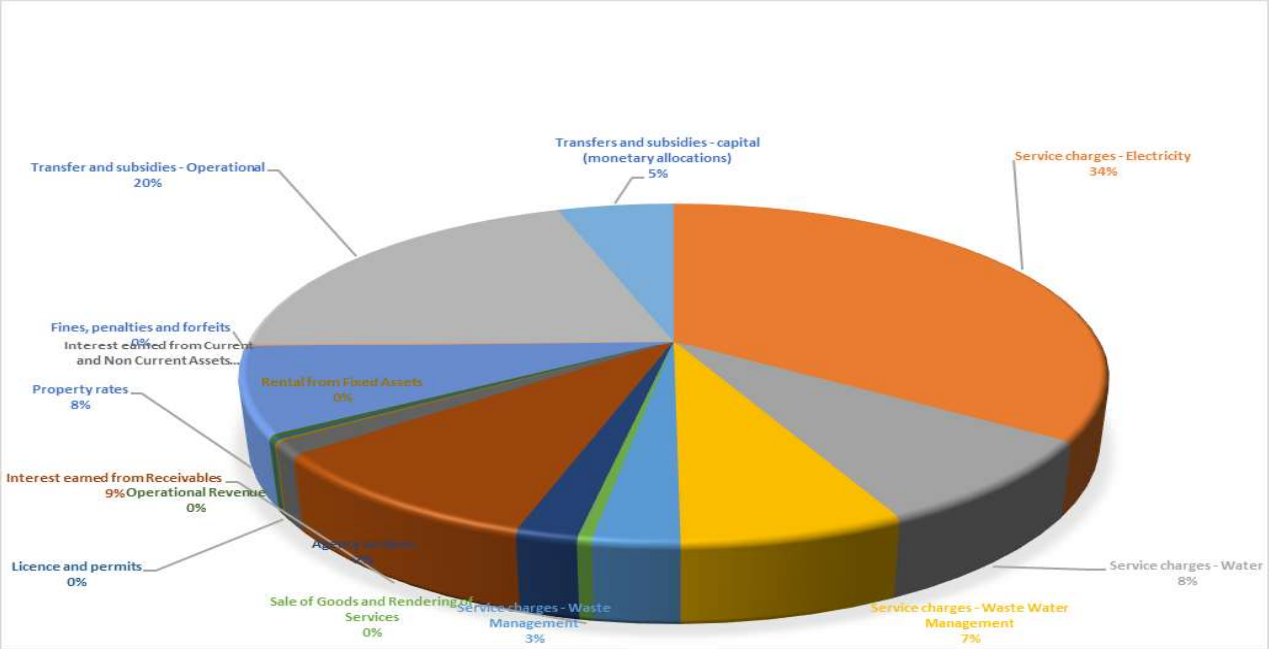
Table below indicates projected revenue by sources in comparison with adjustments budget for 2025/26:

Description	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	% Change	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue						
Exchange Revenue						
Service charges - Electricity	3 963 727	3 033 727	-17%	2 513 530	2 659 242	2 741 340
Service charges - Water	653 909	623 909	-1%	617 929	654 736	676 105
Service charges - Waste Water Management	480 629	480 629	10%	527 552	531 442	541 603
Service charges - Waste Management	190 415	190 415	5%	199 542	208 521	213 734
Sale of Goods and Rendering of Services	31 658	31 858	7%	34 228	34 730	35 694
Agency services	113 426	121 426	18%	143 375	149 827	153 573
Interest earned from Receivables	551 272	611 272	14%	695 528	723 427	762 882
Interest earned from Current and Non Current Assets	41 725	41 725	124%	93 352	95 303	95 427
Rental from Fixed Assets	14 622	14 565	-14%	12 537	13 030	13 315
Licence and permits	12 662	12 662	5%	13 309	13 908	14 255
Operational Revenue	19 272	19 272	7%	20 526	20 273	21 028
Non-Exchange Revenue						
Property rates	590 738	590 738	2%	600 347	627 363	643 047
Fines, penalties and forfeits	10 057	10 057	67%	16 794	17 549	17 988
Transfer and subsidies - Operational	1 393 874	1 397 019	5%	1 469 034	1 580 069	1 592 227
Gains on disposal of Assets	7 184	3 184	0%			
Total Revenue (excluding capital transfers and contributions)	**8 075 171**	**7 182 459**	-3%	**6 957 585**	**7 329 420**	**7 522 219**
Transfers and subsidies - capital (monetary allocations)	403 313	459 339	-17%	381 155	389 710	422 392
Total Revenue (including capital transfers and contributions)	**8 478 484**	**7 641 798**	-4%	**7 338 740**	**7 719 130**	**7 944 611**

3.4.2 The Revenue chart below depicts the percentages per revenue category of the total revenue:

The 2025/26 budget projects revenue from own source and constitutes majority of revenue of the municipality. Service charges (electricity, water, sanitation and refuse) represents approximately 52% of the total budgeted revenue of R7,3 billion, while property rates approximate 8%, interest on debtors approximate 9% and transfers and subsidies 25%.

REVENUE CHART



Property Rates: The property rates revenue is projected to increase by 2% from the 2024/25 adjustments budget. The nett increase is in line with the 2024/25 actual performance and tariff modelling done on property rates to ensure billing of all rateable properties on the valuation roll.

The rebates offered by the municipality include amongst others, the rebate on the first R100 000 on the value of the residential properties, additional 25% for privately owned towns, 25% for private schools, 25% off for pensioners as well as first 30% of the Public Service Infrastructure as per the requirements of the Municipal Property Rates Act 6 of 2004.

Service Charges - **Electricity** revenue is at R2,513 billion in the 2025/26 financial year with a decrease of 17% when compared to the 2024/25 adjustments budget. The decrease of 17% is due to the proposed tariff increase (12%) to fund the Eskom tariff increase on bulk purchases, which has been offset by the lost revenue from mining revenue consumption, illegal connections and incomplete billing.

Service charges - **water** charges are estimated at R617 million or, approximately 1% decrease from the 2024/25 adjustments budget. The decrease is mainly driven by the tariff increase from our bulk suppliers which has been offset by the lost revenue from water shortages and low reservoir levels. The decrease is in line with the unrealised revenue for the 2024/25 financial year.

Sewerage: Projected sewerage charges are estimated at R527 million, approximately 10% increase from the 2024/25 adjustments budget in line with proposed tariff increases aligned with actual performance. The sanitation revenue also includes anticipated revenue from the Rustenburg Water Services Trust which makes up the bulk of the revenue, including cost related to water usage.

Service charges – refuse: The projected revenue for waste management is at R199 million which reflect a 5% increase from the 2024/25 adjustments budget in line with proposed tariff increases aligned with actual performance.

Rental of facilities: An anticipated decrease in rental charges by approximately 14% from the 2024/25 adjustments budget in line with the inflation forecast guidelines by National Treasury and aligned with actual performance.

Interest earned on external investment: An anticipated increase of 124% from the 2024/25 adjusted budgeted aligned with actual performance. The municipality will continue with effective investment strategy (short term investment proposals from banks through asset managers in line with the regulations) to invest excess monthly cash from unspent grants and equitable share. Sufficient cash balances maintained in the high-interest rate environment continues to have a positive effect on interest income.

Interest on outstanding debtors: An anticipated increase of 14% in line with the projected revenue collection rate and actual performance

Income from fines, penalties and forfeits is anticipated to increase by 67% from the 2024/25 adjusted budget in line with the inflation forecast guidelines by National Treasury and aligned with actual performance.

Licences and Permits: The proposed revenue on licences and permits increases by 5% when compared to the 2024/25 adjustment budget in line with the inflation forecast guidelines by National Treasury.

Income for Agency Services is for Vehicle Testing and Licenses which is a function done by the municipality on behalf of the Provincial Government. It is important to note that a portion of this revenue is payable to Provincial Government under the 80/20 agreement and the municipality retains 20% before VAT of the revenue on vehicle testing and licenses. Income is projected to increase by 18% when compared to the 2024/25 adjustment budget in line with the inflation forecast guidelines by National Treasury and aligned with actual performance.

Transfers and subsidies, the anticipated allocation from grants is R1,9 billion in line with the allocation of DORA and grants letter from grantors.

Operational revenue has been increased by 7% when compared to the 2024/25 adjustment budget in line with the inflation forecast guidelines by National Treasury and aligned with actual performance.

Sale of Goods and Rendering of Services has increased by 7% in line with the increased bus routes and bus ticket sales from the RRT operations.

Tariffs

The tariffs for minor services will mainly increase in line with the estimated inflation rate of 4.3% over the 2025/26 MTREF considering the affordability of consumers in line with MFMA budget circular 130 from National Treasury.

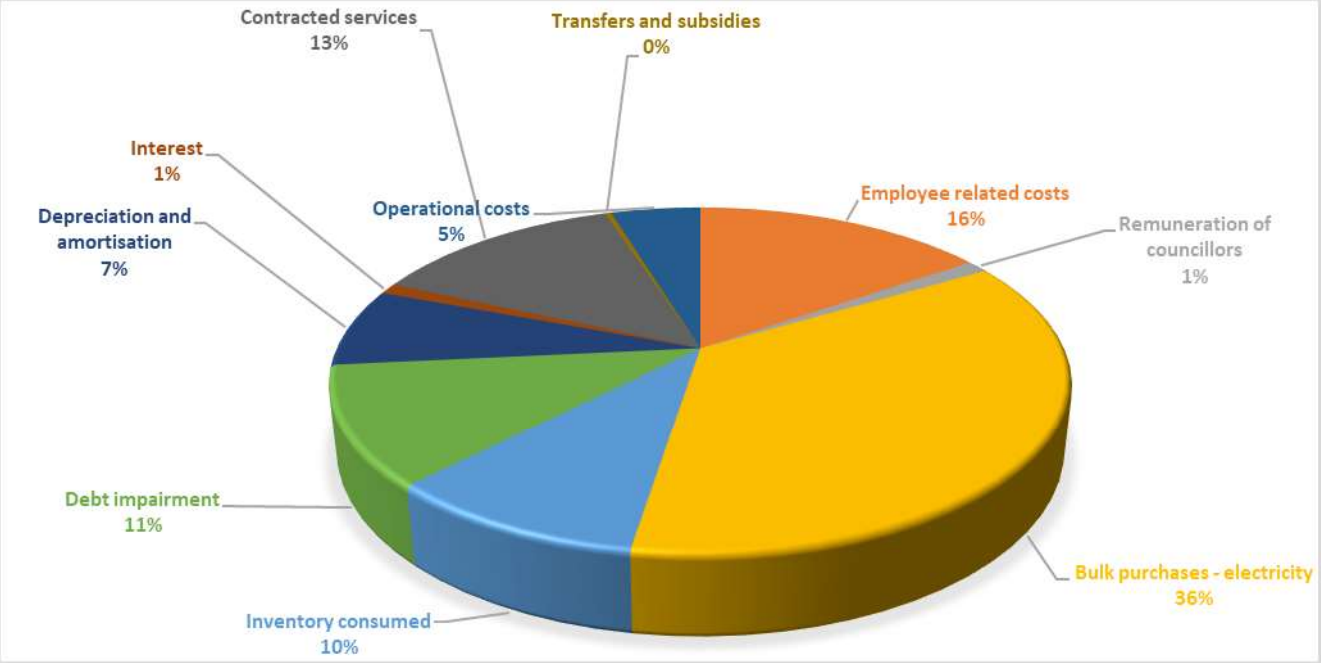
3.5 Operating Expenditure Analysis

3.5.1 The 2025/26 operating expenditure is projected to be **R6,7 billion**, which is a decrease of **2%** from the 2024/25 adjustments budget. The overall decrease is within the CPI Inflation increase of 4.3% as per National Treasury guidelines.

The decrease of 2% in total expenditure is mainly due to cost containment measures and conservative expenditure projections due to constraints on the ability of the municipality to generate revenue.

Description	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	% Change	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure						
Employee related costs	1 005 982	1 021 587	1%	1 034 970	1 078 203	1 091 660
Remuneration of councillors	74 787	74 787	4%	77 587	80 952	83 752
Bulk purchases - electricity	2 950 148	2 297 139	5%	2 423 181	2 553 675	2 621 961
Inventory consumed	671 401	634 957	4%	658 033	677 309	691 440
Debt impairment	849 157	849 157	-11%	752 019	792 319	796 319
Depreciation and amortisation	522 778	522 778	-6%	491 025	510 903	523 689
Interest	59 917	59 917	11%	66 725	68 415	69 520
Contracted services	1 044 242	1 041 935	-14%	892 108	926 998	958 070
Transfers and subsidies	24 177	24 177	-13%	20 967	21 908	22 564
Operational costs	329 276	359 676	-12%	316 282	329 374	335 746
Total Expenditure	**7 531 866**	**6 886 111**	-2%	**6 732 898**	**7 040 056**	**7 194 721**

3.5.2 **The chart below reflects the percentages per expenditure category of the total expenditure of Rustenburg Local Municipality:**



Employee related costs amounts to R1,034 billion and increases by 1% when compared to the 2024/25 adjustment budget. Anticipated SALGBC wage increase of 5% has already been factored in when projecting the salary increases for 2025/26. The projected actuals for the 2024/25 financial year is below the 2024/25 adjustment budget. The increase is 11% based on the current year projected actuals which includes filling of vacancies on a prioritised staggered basis.

Remuneration of Councillors: 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). An increase of 4%, is provided for when compared to the 2024/25 adjustment budget.

Bulk purchases – Electricity totals R2,423 billion for 2025/26 and increases by 5% when compared to the 2024/25 adjustment budget. Bulk purchases is influenced by the purchase of electricity from Eskom which is also influenced by consumer behaviour. The budget proposes annual increases that are informed by the expected increases of approved tariff of 12.7% by NERSA to Eskom for municipalities, which has been aligned to actual performance. The tariff increase is partially offset by lower consumption from mines.

Inventory Consumed: The bulk purchases – water and materials as proposed is R658 million and increases by 4% when compared to the 2024/25 adjustment budget. The budget proposes annual increases that are informed by the expected

average increases of 13% by Water Boards for municipalities, which has been partially offset by the water shortages and low reservoir levels around Rustenburg.

Debt Impairment: Provision for debt impairment is at R752 million for the 2025/26 budget. The Budget provision is influenced by the current projected collection rates and relates to debts that are deemed uncollectable.

Depreciation and Asset Impairment: The budgeted provision for non-cash items which reflects the usage of assets over their useful lives decreases by 6% when compared to the 2024/25 adjustment budget as fewer projects have been completed than anticipated.

Finance Charges- Repayment of interest on (cost of capital) on long term borrowing is informed by existing loans. Finance costs increases by 11% when compared to the 2024/25 adjustment budget due to accounting for the interest portion of the RRT operator compensation.

Contracted services: The proposed budget is R892 million and decreases by 14% when compared to the 2024/25 adjustment budget due to implementation of cost containment measures.

Operational Costs: The proposed budget is R316 million and decreases by 12% when compared to the 2024/25 adjustment budget due to implementation of cost containment measures.

Repairs and maintenance:

Repairs and maintenance is budgeted at 6.4% below the norm of 8%. Table below indicates repairs and maintenance performance as a % of total operating expenditure:

Description	2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Repairs and maintenance expenditure by Asset Class/Sub-class			
Infrastructure	**355 255**	**364 015**	**371 992**
Roads Infrastructure	15 118	16 276	16 048
Roads	13 625	14 715	14 448
Road Furniture	1 494	1 561	1 600
Electrical Infrastructure	74 834	77 122	78 550
HV Substations	42 239	43 240	43 821
LV Networks	28 422	29 701	30 444
Capital Spares	4 174	4 181	4 286
Water Supply Infrastructure	218 043	221 357	226 741
Reservoirs	9 418	9 841	10 087
Pump Stations	18 472	18 490	18 952
Water Treatment Works	107 393	107 496	110 183
Bulk Mains	30 000	31 350	32 134
Distribution	52 760	54 180	55 384
Sanitation Infrastructure	36 978	38 584	39 660
Reticulation	31 048	32 625	33 553
Waste Water Treatment Works	5 431	5 436	5 572
Toilet Facilities	500	523	536
Solid Waste Infrastructure	9 631	10 155	10 458
Waste Drop-off Points	9 631	10 155	10 458
Information and Communication Infrastructure	650	522	535
Data Centres	500	522	535
Core Layers	150	–	–
Community Assets	**4 462**	**4 806**	**5 078**
Community Facilities	1 816	1 942	1 985
Halls	908	949	972
Testing Stations	117	123	126
Libraries	342	402	406
Cemeteries/Crematoria	114	119	122
Parks	335	349	358
Sport and Recreation Facilities	2 646	2 864	3 093
Outdoor Facilities	2 326	2 530	2 751
Capital Spares	320	334	342
Investment properties	**1 025**	**1 070**	**1 097**
Revenue Generating	1 025	1 070	1 097
Improved Property	1 025	1 070	1 097
Other assets	**18 711**	**19 688**	**20 255**
Operational Buildings	17 211	18 120	18 648
Municipal Offices	14 380	15 117	15 545
Building Plan Offices	100	105	107
Yards	231	241	247
Depots	2 500	2 658	2 749
Housing	1 500	1 568	1 607
Social Housing	1 500	1 568	1 607
Computer Equipment	5 000	5 315	5 498
Computer Equipment	5 000	5 315	5 498
Furniture and Office Equipment	10 938	11 087	11 528
Furniture and Office Equipment	10 938	11 087	11 528
Machinery and Equipment	10 860	11 483	11 845
Machinery and Equipment	10 860	11 483	11 845
Transport Assets	15 000	15 675	16 067
Transport Assets	15 000	15 675	16 067
Total Repairs and Maintenance Expenditure	**421 251**	**433 140**	**443 360**
R&M as % Operating Expenditure	*6.4%*	*6.4%*	*6.3%*

4. CAPITAL EXPENDITURE BUDGET

The level of capital expenditure and borrowings are based on affordability, prudential indicators and sustainability (debt ratio, current ratio, operating surplus and the impact or return of the capital investment on the operating account).

4.1 The table below reflects the medium-term capital budget over the next three years.

Vote Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funded by:					
National Government	402 858	458 884	380 673	389 212	422 824
Provincial Government	455	455	482	498	498
Transfers recognised - capital	**403 313**	**459 339**	**381 155**	**389 710**	**423 322**
Borrowing	–	–	–	–	–
Internally generated funds	238 298	238 961	101 550	92 127	93 530
Total Capital Funding	**641 611**	**698 300**	**482 704**	**481 837**	**516 852**

The capital budget for the 2025/26 financial year amounts to **R482 million**. This capital budget is funded by Conditional Grants of **R381 million** and Internally generated funds of **R101 million**.

4.2 The grant funding comprises the following:

Capital Grant	Proposed 2025-2026	Proposed 2026-2027	Proposed 2027-2028
Department Sports Arts Culture Grant	481 514	497 831	497 831
Integrated National Electrification Programme Grant	14 700 000	23 000 000	24 040 000
Municipal Infrastructure Grant	273 808 050	298 698 050	313 131 400
Neighbourhood Development Partnership Grant	15 379 000	6 000 000	13 000 000
Public Transport Network Grant	26 786 193	21 375 802	22 352 813
Water Services Infrastructure Grant	50 000 000	40 138 000	50 300 000
Grand Total	**381 154 757**	**389 709 683**	**423 322 044**

The internally funded budget proposal is R101 million in 2025/26 and reduces to R92 million and R93 million respectively in the outer years. It represents 21%, 19% and 18% respectively over the 2025/26 – 2027/28 MTREF period. The below table is indicative of the proposed Internally funded projects.

AccountDescription	Funding Source	Proposed 2025-2026	Proposed 2026-2027	Proposed 2027-2028
Transport Assets-Acquisition of New Vehicles	CRR	8 250 000	7 837 500	8 033 438
Upgrading of Customer Care Centre	CRR	3 000 000	-	-
20MVA Sbstation Power Transformer (Voltaire Substation)	CRR	5 000 000	5 225 000	5 355 625
Replacement of 33 kV Cables (Noord Sub, Munic Sub,etc)	CRR	4 000 000	4 180 000	4 284 500
Refurbishment of Marikana Pumpstation	CRR	4 000 000	4 180 000	4 284 500
Software Acquisition: Supervisory Ctrl & Data Acquisition (S.C.A.D.A) Syste	CRR	2 500 000	2 750 000	3 000 000
Refurbishment of Aged Rural Network	CRR	2 500 000	2 750 000	3 000 000
Office Furniture - Centralized	CRR	1 750 000	1 500 000	1 500 000
Replacement of AC Pipes	CRR	2 000 000	2 100 000	2 250 000
Machinery and Equipment-Chiller Plants Upgrading	CRR	2 000 000	2 100 000	2 250 000
Ripple control for Industries and Waterkloof Substations	CRR	2 000 000	2 100 000	2 250 000
Refurbishment of vandilized network	CRR	2 000 000	2 100 000	2 250 000
Capex : P.P.E > Upgrading - Electricity Network	CRR	2 000 000	2 100 000	2 250 000
Park Substation - Replacement of 33kV switchgear and cabling	CRR	2 000 000	2 100 000	2 250 000
New Mains - Cashan Reservoir to Geelhout and Industrial Reservoirs	CRR	2 000 000	2 100 000	2 250 000
Refurbishment of Outfall Sewerlines- Boitekong WWTW Drainage areas	CRR	2 000 000	2 100 000	2 250 000
Refurbishment of Outfall Sewerlines- Rustenburg WWTW Drainage areas	CRR	2 000 000	2 100 000	2 250 000
Distribution - Refurbishment of 11kV Substation Equipment	CRR	1 500 000	1 650 000	1 750 000
HV Substations-Fencing and Guardhouses	CRR	1 250 000	1 400 000	1 500 000
Computer Equipment/laptops and computers	CRR	1 250 000	1 250 000	1 000 000
stores revamp & security upgrades	CRR	1 500 000	1 000 000	-
Distribution-WCWDM: Reduction of Water Loss	CRR	1 425 000	1 489 125	1 526 353
Anti Vandal Proof Metering Kiosk/ Boxes	CRR	1 250 000	1 306 250	1 338 906
Capital Spares-Smart Electrical Prepaid Meters and System	CRR	1 250 000	2 612 500	2 677 813
Machinery and Equipment- Replacement of Pumps	CRR	1 250 000	1 306 250	1 338 906
Smart Pre-Paid Water Meters	CRR	1 250 000	1 306 250	1 338 906
Refurbishment of 11KV Substation Buildings	CRR	1 229 444	1 284 769	1 316 889
HV Test machine and Equipment (replacement)	CRR	1 083 920	1 132 697	1 161 014
Machinery and Equipment-Replacement of Airconditioners	CRR	1 000 000	1 045 000	1 071 125
Servers of IT Infrastructure	CRR	1 000 000	1 250 000	1 250 000
CCTV Cameras	CRR	5 500 000	500 000	1 000 000
Upgrading of Kremetart Road Crossing	CRR	823 110	860 150	881 654
Supply and installation of solar panels on various facilities	CRR	1 300 000	1 202 900	1 320 587
Waterproofing at various RLM facilities	CRR	750 000	784 500	820 587
Upgrading of Krokodile Road Crossing/Waterivier	CRR	696 790	728 146	746 349
Upgrading of Watsonia / Golf Course Crossing	CRR	688 633	719 621	737 612
Upgrading of Phala Road Crossing	CRR	672 668	702 938	720 511
Refurbishment of Traffic Light Intersections	CRR	668 434	698 513	715 976
Upgrading of Pendoring Road Crossing	CRR	663 460	693 316	710 649
Upgrading of Middle Road Crossing	CRR	646 221	720 301	763 308
Dinie Estate - Electrification - Bulk line	CRR	601 857	628 940	644 664
Electrical Tools and Equipment (Protection relays, Reclosers & Two Way R	CRR	554 113	579 048	593 525
Renovation of East End Sport Facility	CRR	550 000	575 300	601 764
Installation of back-up water supply at various facilities	CRR	500 000	523 000	547 058
REVAMP OF CIVIC CENTER	CRR	500 000	523 000	547 058
REVAMP OF MPHENI BUILDING	CRR	500 000	523 000	547 058
STOVES	CRR	500 000	523 000	547 058
Access control	CRR	500 000	500 000	500 000
Refurbishment of Sewer pump stations	CRR	500 000	522 500	535 563
Renovation of various RLM public toilets	CRR	450 000	470 700	492 352
Refurbishment of Ben Marais Hall (move to fence zweli)	CRR	450 000	470 700	492 352
Supply, commission and installation of a generator at Civic Centre	CRR	1 500 000	418 400	437 646
Capex : P.P.E > Sound Equip & Lights_Civic Centre and various Halls	CRR	400 000	418 400	437 646

AccountDescription	Funding Source	Proposed 2025-2026	Proposed 2026-2027	Proposed 2027-2028
call centre system	CRR	400 000	-	-
Renovation of Lethabong Hall	CRR	350 000	366 100	1 266 175
Purchase Bomag rollers/Roads/Default/RRT : Roads And Stormwater	CRR	350 000	365 750	374 894
Renovation of Meriting Hall	CRR	300 000	313 800	328 235
Purchase road marking machine/Roads/Default/RRT : Roads And Stormwat	CRR	300 000	313 500	321 338
Renovation of Vehicle Testing Station	CRR	300 000	-	350 000
Capex : Injection tester - Primary and secondary	CRR	291 000	304 095	311 697
Capex : Batteries and Chargers	CRR	291 000	304 095	311 697
Municipal Running Cost/Acquisitions/Equitable Share/Roads/Whole of the M	CRR	274 314	286 658	293 824
Installation of fence at various RLM facilities (Incl RCCs)	CRR	250 000	261 500	273 529
Closure and rehabilitation of 5 Communal Sites	CRR	250 000	545 500	273 529
Rescue Equpment Jaws of Life	CRR	225 000	-	-
Capex : Distribution - Replacement of Electricians Tool Boxes	CRR	177 353	185 334	189 967
Brush cutters/ including sport facilities unit	CRR	197 500	300 000	200 000
Borehole installation x8	CRR	160 000	167 200	171 380
Supply and Installation of Pumps and Generators	CRR	150 000	156 900	164 117
Fire and Rescue equipment	CRR	150 000	100 000	100 000
Refurbishment of Pound	CRR	125 000	-	50 000
Tools and Equipment	CRR	125 000	130 625	133 891
Ride On Lawn Mower	CRR	100 000	200 000	85 000
Public Address system (PA)	CRR	100 000	-	-
Purchase Muitipurpose trailors/Roads/Default/RRT : Roads And Stormwate	CRR	100 000	104 500	107 113
Backup Water - RCCs x9 (Jojo Tanks)	CRR	99 500	-	-
Audit software: Licence fees	CRR	91 316	95 425	97 810
500 Liters per hour Reverse Osmosis Systems x9 (Purifying System)	CRR	82 500	-	-
Motors and Pumps	CRR	80 000	83 000	85 000
Binding Machine	CRR	75 000	-	-
Parking Area (Pavement and Carports)	CRR	75 000	78 375	80 334
Storage Lockers	CRR	75 000	-	-
Industrial carpet cleaning machines	CRR	55 000	57 530	60 176
Extension pruners	CRR	50 000	-	45 000
Chainsaws	CRR	50 000	-	60 000
Office Equipment (Two-Way Radios and Tablets)	CRR	50 000	52 250	53 556
Capex : Distribution - Replacement of Hydraulic Hand Tools In Store Room	CRR	48 500	50 683	51 950
Mobile wastewater pump	CRR	35 000	-	-
Office Equipment- Water Dispensers	CRR	30 439	-	-
Office Equipment	CRR	25 000	-	-
Office Equipment	CRR	25 000	-	-
Point of Sale Complete Register x 5 (TILLS)	CRR	25 000	-	-
Machinery	CRR	25 000	-	-
First Aid Boxes	CRR	25 000	10 000	15 000
Office Equipment (Hoover Vacuum Cleaner)	CRR	21 560	-	-
Fire and Escape Doors Ikageng & Rankelenyane RCCs	CRR	16 000	-	-
Road Safety Training Equipments	CRR	15 000	50 000	50 000
Generator	CRR	15 000	-	-
Projector	CRR	10 000	-	-
Devices:(Recording device, camera & projector)	CRR	5 000	-	-
Law enforcement vehicles	CRR	-	-	-
STUFF LOCKERS	CRR	300 000	-	-
Fire engine	CRR	-	2 500 000	-
Land acquisition	CRR	1 000 000	1 045 000	1 071 125
Capex : Leethabong Beehives	CRR	500 000	525 000	550 000
Capex : Revonations Farmer's Production Support Unit	CRR	250 000	300 000	350 000
Capex : Database Software	CRR	150 000	156 600	160 515
Capex : Self-Service Computer Screens	CRR	150 000	156 600	160 515
Capex : Mechanisation of Farmer's Production Support Unit	CRR	125 000	150 000	175 000
Capex : Digital Business License Software	CRR	100 000	104 400	107 010
Sliding tracked storage system	CRR	100 000	-	-
Sliding tracked storage system	CRR	100 000	-	-
Capex : Tools of Trade	CRR	50 000	52 200	53 505
Temporal Toilets	CRR	2 500 000	2 612 500	2 677 813
Speed Cameras	CRR	5 000 000	-	-
Total		**101 549 631**	**92 126 833**	**93 529 646**

5. FINANCIAL POSITION

The table below reflects the summary of the proposed financial position over the MTREF:

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial position					
Total current assets	1 270 244	945 839	1 762 604	2 404 849	3 192 292
Total non current assets	10 572 381	10 572 381	8 678 461	8 958 483	9 199 325
Total current liabilities	665 622	665 622	498 598	542 439	514 460
Total non current liabilities	450 476	450 476	482 034	491 816	474 631
Community wealth/Equity	10 726 528	10 402 123	9 460 433	10 329 077	11 402 526

6. CASH FLOW

The table below reflects the summary of the proposed cash flow:

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash flows					
Net cash from (used) operating	898 712	711 780	1 218 655	1 318 771	1 407 633
Net cash from (used) investing	(634 629)	(695 318)	(482 579)	(482 085)	(517 101)
Net cash from (used) financing	(152 742)	(122 742)	(142 384)	(148 855)	(153 770)
Cash/cash equivalents at the year end	866 578	542 172	1 135 864	1 823 695	2 560 458

The cash and cash equivalents are approximately **R1,218 billion** for the 2025/26 financial year.

Collection rate of 83% was used which is in line with the actual collection rate of 84% achieved at the end of December 2024. Credit Control and Debt Collection processes and actions are expected to start bearing fruit as a service provider has been appointed to provide capacity in this function.

7. ANNUAL BUDGET TABLES

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2025/26 MTREF.

Table A1: Consolidated Budget Summary

Explanatory notes to MBRR Table A1 - Budget Summary

Table A1 is a budget summary and provides an overview of the Municipality's budget that includes all major financial components (i.e., operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

1. Financial management reforms emphasise 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 is positive over the MTREF.

   (b) The capital budget to be spent is approximately R482 million in 2025/26, R481 million in 2026/27 and R516 million in 2027/28 financial years.

2. The Municipality's cash backing / surplus reconciliation over the 2025/26 MTREF shows a positive outcome, which is an indication that the Municipality will be able to afford its commitments over the next three years.

Table A2: Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The standard classification divides the municipal services into functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enable the National Treasury to compile the "whole of government" report.

- Note that as a general principle, the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Water, Wastewater and Waste management functions over the 2025/26 MTREF period.
- Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.
- The total revenue on this table includes capital transfers and expenditure.

Table A3: Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

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

- 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 municipality. This means it is possible to present the operating surplus or deficit of a vote.

- Note that the surpluses on these trading accounts are utilised as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure.
- The largest vote for the municipality is technical and infrastructure with a capital and operating estimate of over R4,7 billion over the medium term.
- The total revenue on this table includes capital transfers and expenditure includes taxation and excludes internal transfers.

Table A4: Consolidated Budgeted Financial Performance (revenue and expenditure)

Table A4 is a view of the budgeted financial performance in relation to the revenue and expenditure per revenue and expenditure category. Total revenue is **R7,338 billion** (including Capital Grant), and it represents a decrease of **4%** from 2024/25 period and **R7,719 billion** and **R7,944 billion** for financial year 2026/27 and 2027/28 respectively.

Expenditure is at **R6,732 billion** which is a decrease of **2%** from 2024/25 adjusted budget and **R7,040 billion** and **R7,194 billion** for the financial year 2026/27 and 2027/28 respectively.

Budgeted surplus is **R224 million** before Transfers and Subsidies – Capital of **R381 million**, which is representing an overall surplus of **R605 million**, with projected surpluses over the outer years of **R679 million** and **R750 million** respectively over the MTREF.

Table A5: Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

The 2025/26 Medium Term Revenue and Expenditure Framework (MTREF) will be tabled with no projects that are earmarked to be financed through a long-term borrowing.

46. Long-term debt. — (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

(b)Re-financing existing long-term debt subject to subsection (5).

(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; and

(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.

(4) financing costs, including—

(a) capitalized interest for a reasonable initial period.

(b) costs associated with security arrangements in accordance with section 48;

(c) discounts and fees in connection with the financing.

(d) fees for legal, financial, advisory, trustee, credit rating and other services directly connected to the financing; and

(e) costs connected to the sale or placement of debt, and costs for printing and publication directly connected to the financing

(f) costs of professional services directly related to the capital expenditure; and

(g) such other costs as may be prescribed.

(5) A municipality may borrow money for the purpose of re-financing existing long-term debt, provided that—

(a)the existing long-term debt was lawfully incurred;

(b) the re-financing does not extend the term of the debt beyond the useful life of the property, plant or (c) equipment for which the money was originally borrowed;

(d) the net present value of projected future payments (including principal and interest payments) after (e)re-financing is less than the net present value of projected future payments before re-financing; and

(f) the discount rate used in projecting net present value referred to in paragraph (c), 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.

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

The Municipality has been budgeting for below the norm on repairs and maintenance of electrical infrastructure in the previous financial years as a result of limited financial resources. A number of power interruptions are experienced during the unfavourable weather conditions. This is as a result of aged electricity infrastructure with limited capacity.

Explanatory Notes to MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.

- 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.
- The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
- The capital programmes are funded from national, provincial grants and transfers, public contributions and donations, loans and internally generated funds.

Table A6 - Budgeted Financial Position

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice and improves understanding of Councillors and management of the impact of the budget on the statement of financial position (balance sheet).
- 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. Table SA6 provides 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

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. 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 should 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 A7: Consolidated Budgeted Cash Flows

Explanatory notes to Table A7 - Budgeted Cash Flow Statement:

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget. Cash and cash equivalents is approximately R1,135 billion in the 2025/26 financial year as budgeted, and is at R1,823 billion and R2,560 billion for the outer years respectively.

Table A8: Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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 budget must be "funded". Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

The Municipality reflects a surplus of **R434 million** in the 2025/26 financial year.

Table A9: Consolidated Asset Management

Refer to ***Annexure C (***A1 Schedule sheet A9)

Explanatory notes to Table A9: Asset Management

- 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.
- National Treasury has recommended that municipalities should allocate at least **40%** of their capital budget to the renewal and upgrading of existing assets. The municipality budgeted **46%, 57%** and **56%** over the 2025/26 MTREF.
- Allocations to repairs and maintenance should be up to **8%** of PPE. The Municipality is below the **8% (4%)** of PPE over the 2025/26 to 2027/28 medium term and has increased allocation to these critical items compared to prior years.

  Below is the table for renewal, upgrading and repairs and maintenance over PPE.

Description	2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CAPITAL EXPENDITURE			
Total New Assets	256 832	205 240	225 713
Total Renewal of Existing Assets	45 918	28 690	29 139
Total Upgrading of Existing Assets	179 954	247 907	261 999
Total Capital Expenditure	482 704	481 837	516 852
Renewal and upgrading of Existing Assets as % of total capex	*46.8%*	*57.4%*	*56.3%*
Renewal and upgrading of Existing Assets as % of deprecn	*46.0%*	*54.1%*	*55.6%*
R&M as a % of PPE & Investment Property	*4.0%*	*4.1%*	*4.2%*
Renewal and upgrading and R&M as a % of PPE and Investment Property	*6.1%*	*6.7%*	*7.0%*

Table A10: Consolidated Basic Service Delivery Measurement

Explanatory notes to Table A10: basic Service Delivery Measurement

- Table A10 provides an overview of free basic services and service delivery level, including backlogs (below minimum service level) for each of the main services.
- The revenue cost of Free basic services amount to approximately **R307 million**, **R320 million** and **R328 million** respectively over the medium term.

8. TARIFF SETTING

The Municipality generate **52%** of revenue from Trading Services (Electricity, Water, Refuse and Sanitation). Electricity charges remain the largest revenue source totalling **34% or R2.5 billion** in 2025/26. Revenue is supplemented by contributions from both National and Provincial allocations (direct allocations: PTNG, MIG, WSIG, INEP, CATA).

The determination of cost reflective tariffs and sound tariff setting principles therefore plays a pivotal and strategic part of the compilation of the municipality's MTREF. The municipality need to identify the correct funding mix to ensure that the consolidated budget is funded.

Section 74 of the Municipal Systems Act 32 of 2000 (MSA) provides critical elements of a good Tariff Policy which has been taken into consideration when reviewing the Tariff Policy for the 2025/26 MTREF.

Tariff-setting as highlighted above plays 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 considered to ensure the financial sustainability of the municipality.

The following are general **contributory factors** for the increase in levels of rates and service charges:

(i) The cost of bulk purchases.
(ii) Cost of free basic services to indigents.
(iii) Increase in maintenance of network on infrastructure.
(iv) Consumer Price Index Inflation (increased cost of living)

A cost of supply was considered for electricity to determine cost reflective tariffs that inform realistically anticipated revenue streams for the 2025/26 MTREF. For the non-trading services, the tariffs are set having taken due consideration of the expected recovery to be achieved against the cost of providing the services.

National Treasury (NT) continues to encourage municipalities to keep increases in rates and tariffs at affordable levels for the budget to be realistic as required by the MFMA. Municipalities are required to justify in their budget documentation all increases more than the **4.3%** which is the upper boundary of the South African Reserve Bank's inflation target.

Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment, and therefore a collapse of the existing revenue base. Municipalities are further encouraged to set cost- reflective tariffs especially for trading services. The percentage increases of Eskom, Magalies Water and Rand Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and water tariffs is largely outside the control of the municipality.

Within this framework the municipality has undertaken the tariff setting process relating to its major service charges which are reflected in the tariff book, "***Annexure B"*** of the item:

The table below sets out the average tariff increases for trading services including Property rates for 2025/26 - 2027/28 financial years.

Service	Budget year 2025/26	Budget year +1 2026/27	Budget year +2 2027/28
Property rates	4.4%	4.4%	4.4%
Water (consumption)	13%	13%	13%
Electricity	12.2%	12.2%	12.2%
Sanitation	13%	13%	13%
Waste removal	4.4%	4.4%	4.4%

1. **Electricity Services Tariffs**

Electricity tariff increase is at **12,2%** (basic and consumption charges) while bulk contribution increased by **4.4%** and tariff to Glencore increased by **12,7%**. The proposed increase is below the increased tariff for Eskom. Proposed tariff will be subjected to approval by NERSA and the final tariff increase will be communicated to municipalities for final implementation. ***The NERSA approved tariff takes precedence in the case of any difference between the NERSA approval and council approval.***

2. **Water, Sanitation and Refuse Services Tariffs**

The proposed tariffs increase on these items are based on the guidance for the MTREF, proposed increases by water boards as well as addressing completeness of revenue issues identified during the most recent audit. National Treasury has recently issued Circular 130 which provided guidance on CPI inflation projections. Rand Water has proposed an increase of **16.8%,** which includes a 1% increment allocated to the Water Demand Management Fund. According to the corporate plan of Magalies Water, the tariff increases for the Vaalkop dam which supplies Rustenburg is estimated to increase by **9.4%. Water and Sanitation tariffs are based are based on the average cost of recovery from the bulk water providers.**

3. **Other trading and non-trading services**

With other services tariff increases, Circular 130 was used to calculate the increase taking into account the affordability of consumers.

9. COUNCIL RESOLUTIONS

RECOMMENDED THAT;		ACTION
9.1	That the Council approves the multi-year annual capital and operating budget for the 2025/26 financial year of **R7,2 billion** and for the two outer years is **R7,5 billion** and **R7,7 billion** (2026/27 and 2027/28) as set out in A1 Schedule as Annexure A: - • Table A1 – Budget Summary; • Table A2 – Budgeted Financial Performance; (Revenue and expenditure by standard classification); • Table A3 – Budgeted Financial Performance; (Revenue and expenditure by municipal vote); • Table A4 – Budgeted Financial Performance; (Revenue and Expenditure); • Table A5 – Budgeted Capital Expenditure by Vote; • Table A6 – Budgeted Financial Position; • Table A 7 – Budgeted Cash Flows; • Table A8- Cash backed reserves / accumulated Surplus reconciliation; • Table 9 – Asset Management; • Table 10 – Basic Delivery measurement;	CC
9.2	The budget as proposed include the budget for the Rustenburg Water Services Trust, in Annexure "E – RWST budget";	CC
9.3	That Council take note that for the 2025/26 MTREF financial year the Revenue and expenditure budget proposed has a surplus before capital expenditure of R605 million, R679 million and R750 million respectively.	CC
9.4	That Council take note that for the 2025/26 MTREF financial year the budget proposed has a net surplus after capital expenditure of R123 million, R197 million and R233 million	CC

respectively.

9.5	In terms of section 74 of the Local Government Municipal System Act, all consumptive tariffs, Rates, basic charges as proposed be approved for implementation on the 01 July 2025, and are attached as Annexure "B – TARIFF BOOK';	CC
9.6	The unspent conditional grant at end of 2024/25 not be committed to expenditure until approval has been obtained from National, Provincial in accordance with directives from National Treasury Circulars;	BTO/DTIS/ PMU/DRT/DCD
9.7	The following proposed budget related policies be approved for implementation on the 01 July 2025. Policies are attached as Annexure "D";	CC

<u>Budget Related Policies with Amendments;</u>

Bereavement Policy;
Indigent Policy;
Tariffs Policy;
Property Rates Policy
Credit Control and Debt Collection Policy
Budget Policy;
Funds and Reserves Policy;
Inventory Policy;
Supply Chain Management Policy;
Contracts Management Policy

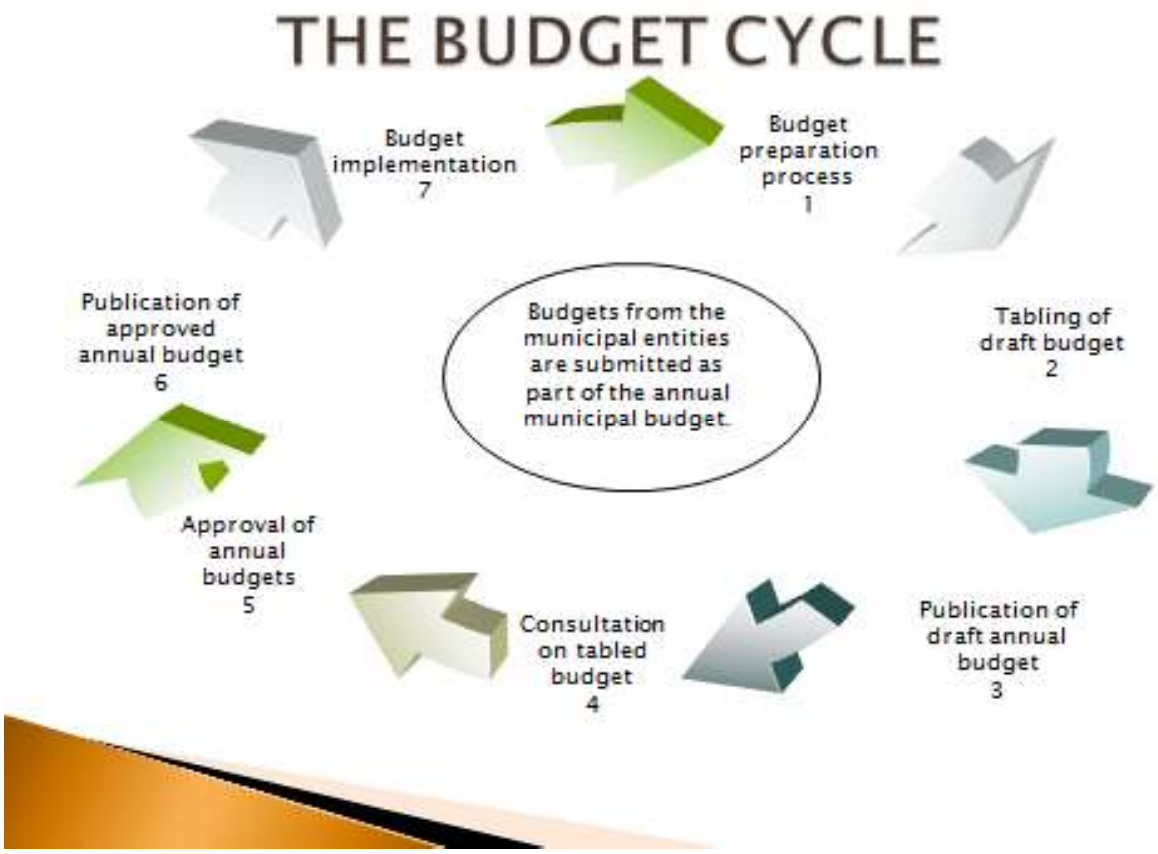
<u>Budget Related Policies with no Amendments</u>;

Borrowing Policy;
Travelling and Subsistence Policy;
Cash Management and Investment Policy;
Cost Containment Policy;
Commitment Policy;
Asset Management Policy;
Preferential Procurement Policy;
Electrictrical Engineering Contributions Policy;
Expenditure Management Policy;
Fleet Management Policy;
Insurance Claims Policy and Procedure;
Insurance Loss Control Committee Policy;
Investment Incentives Policy;
Petty Cash Management Policy;
Rewards, Gifts and Favor Policy;
Study Aid Policy;

	Unauthorized, Irregular and Fruitless and Wasteful Policy; Accelerated Economic Empowerment and Transformation Policy; Supplier Performance Monitoring Policy; Corporate Social Responsibility Policy; Procedures for the Administration of Traffic Fines Policy	
9.8	MFMA budget circulars from National Treasury be considered as Annexure “F” and “G”;	CC
9.9	That the 2025/26 Medium Term Revenue and Expenditure (MTREF) Forecasts electronic formats be submitted to National Treasury and Provincial Treasury;	BTO
9.10	The MTREF Budget together with the tariffs, budget related policies be placed on the municipal website and be published in terms of Section 21A and B of the Municipal Systems Act as well as the MFMA and applicable regulations.	BTO
9.11	That the notice and invitation for public participation attached as Annexure “L” to the report, be considered.	CC
9.12	The budget per municipal directorate according to our internal municipal structure be considered as Annexure “H”	CC
9.13	That the Roads Maintenance Plans attached as Annexure “N” be considered	CC
9.14	That the Long-Term Financial Plan attached as Annexure “M” be considered.	CC
9.15	That the Revenue Collection Improvement Plan attached as Annexure “I” be considered.	CC
9.16	That the Quality Assurance Certificate attached as Annexure “K” be considered	CC

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS



Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance of 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 purpose of the Budget Steering Committee is to ensure that:

- The process followed to compile the budget complies with legislation and good budget practices.

- There is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the Budget, considering the need to protect the financial sustainability of the municipality.
- The municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- The various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

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

2.1.2. IDP and Service Delivery and Budget Implementation Plan

The Rustenburg Local Municipality's IDP is its principal strategic planning instrument, which directly guides and informs it's planning, budget, and 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 applicable to this revision cycle included 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;
- Compilation of the SDBIP; and
- The review of the performance management and monitoring processes

2.1.4 Community Consultation

As per legislative requirements, once the draft budget is tabled in Council, it must be made available for the public to comment on. The public participation process will be undertaken in line with the prescripts of the MFMA, Municipal Systems Act, and other applicable legislation. The program was managed in conjunction with the Office of the Speaker. The tabling of the draft budget in March 2025 marked the commencement of community participation, encouraged discussion with all stakeholders and provided an opportunity for feedback.

The public participation process took place over April and May 2025.

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. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance.

One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

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. Rustenburg Local Municipality has seven strategic objectives for the 2025/26 MTREF and further planning refinements that have directly informed the compilation of the budget.

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.

The 2025/26 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.

Table SA4 is reconciliation between the IDP strategic objectives and budgeted revenue Table SA5 is reconciliation between the IDP strategic objectives and budgeted operating expenditure. Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure.

Table SA4: Reconciliation of IDP strategic objectives and budget (revenue)

Table SA5: Reconciliation of IDP strategic objectives and budget (operating expenditure)

Table SA6: Reconciliation of IDP strategic objectives and budget (capital)

(SEE Attached Annexure C - A Schedule sheet SA4, SA5 and SA6)

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 RLM 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 employees' 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.

Table SA8: Performance indicators and benchmarks (See Attached Annexure C – A Schedule)

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 borrowings is largely dependent on its creditworthiness and financial position.

Capital charges to operating expenditure are a measure of the cost of borrowing in relation to the operating expenditure. This is expected to increase in line with funding increase that can be attributed to additional loans repayments. Capital charges to operating expenditure are a measure of the cost of borrowing in relation to the operating expenditure.

Borrowing is considered a prudent financial instrument in financing capital infrastructure development, and this indicator will have to be carefully monitored going forward.

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions.

Liquidity ratio

The liquidity ratio is a measure of the ability of the municipality to utilize 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. Anything below 1 indicates a shortage in cash to meet creditor obligations. The norm is 1.5 – 2, which indicates a favourable liquidity position. The projected liquidity ratio is at 2.6 and is favourable.

Revenue Management

The municipality continues to integrate revenue enhancement initiatives with the budget planning process. Monthly performance reports are used to track performance against revenue targets, and remedial actions are implemented through appropriate governance structures.

Improvement of revenue collection and other revenue enhancement initiatives:

- Billing data cleansing. Desk top exercise has already commenced to align stands to the accurate water meters and stand numbers. If material issues still exists, the accounts discovered to be not billed for water will be escalated to water unit for further actioning by end of June 2025.
- DBSA will assist with procurement of bulk water meters as a drive for revenue enhancement and appointed service provider
- Debtor analysis to determine collectable and uncollectable for write off and debt collection efforts.
- Increased capacity through service provider to implement credit control process and proper meter reading.
- Law enforcement activities on revenue activities
- Direction on other revenue enhancement activities

Creditors Management

The Municipality continues to put processes in place to ensure that creditors are settled within the legislated 30 days of invoice. This can only be achieved through improved revenue collection and cash flow position. The Municipality strives to reduce expenditure on non-core goods and services. An Unauthorised, Irregular and

Fruitless and Wasteful Expenditure Policy has been developed to monitor and align spending to approved municipal priorities.

Indigent and FBS

For the 2025/26 financial year the Municipality will place an increased emphasis on revitalising its indigent register and make it a central instrument in contributing to revenue enhancement and poverty reduction.

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 following are free basic services for registered indigent consumers (households) in terms of the Municipality's Indigent Policy:

- 50kwh of electricity
- 6kl water
- Refuse 100%
- Sanitation 100%
- Property rates 100%
- Basic Water 100%
- Basic electricity 100%

Indigent households who qualify for free basic services will not be liable to pay for the municipal services except where they exceed the free basic services provided by Council in terms of the policy.

SERVICE DELIVERY STANDARDS

The following Rustenburg Local Municipality service standards have been approved by Council per item 221 of 27 June 2017.

CUSTOMER SERVICE STANDARDS

External Customers

- We expect our external customer to hold us accountable for adhering to these service standards.
- We will greet our customers in a polite and professional manner.
- We will listen effectively to our customers' requests and quickly take the necessary steps to assist them.
- We will keep our customers informed of unexpected delays and stoppage of services.

- We will inform our customers of normal process time, when they can expect completion and any delays that may arise in the process.
- We will stay in touch with our customers to inform them as to where we are with their service request.
- We will respond to all enquiries/ questions/ requests within 24 hours during normal business hours.
- We will finish our dealings with our customers in a polite and professional way.
- We will hold our customer accountable to uphold positive and constructive attitudes and behaviours at all times, in engagements with us, and even when our services are not meeting customer needs and expectations.

Internal Customers

- We will hold our employees accountable for adhering to these service standards.
- We will work with each other and together as a team and uphold positive attitudes and behaviours to service and customer.
- We will interact with each other in a polite and professional manner.
- We will inform our internal customers of normal process time, when they can expect completion and any delays that may arise in any process.
- We will stay in touch with our internal customers daily, either by e-mail or phone, or in person to inform/ update them as to where we are in any process.
- We will work to resolve issues with co-workers and other departments by discussing problems directly and working toward agreed upon solutions.
- We will be positive, considerate, reasonable, cooperative and helpful to every staff member to guarantee their positive attitude and behaviour and improved quality of services.
- We will hold ourselves and each other accountable for giving out negative comments and behaviours during and outside the service delivery process.

General

- We will make our goal to achieve the needs and expectations of all of our customer groups.
- We will anticipate the needs and expectations of communities we serve by proactively working to know and expect their needs.

- We will hold ourselves and each other accountable for our service commitment.
- We will at all times ensure that our information and communication style meets the needs and expectations of the customer (i.e.; audible voice, eye contact when speaking to someone, tone of voice) and communicate in a professional manner.
- We will make a deliberate effort to acknowledge and compliment employees when their service, attitudes and behaviour actions comply with and promote these standards.

GENERIC CUSTOMER SERVICES

CUSTOMER SERVICES	MEASURE	SERVICE STANDARD
We will provide our customer with the information he/she needs and expects, always	Access to information provided to customer always	Customer is made aware of sources and location of information and how to access.
		Municipality provides information the customer needs and expects.
Our Customer Care Centre will **answer calls/enquiries quickly to customer expectations**	Telephones and enquiries are attended to quickly as they are received	Telephone enquiries are answered within five (5) rings whenever possible.
		Written enquiries are acknowledged as they are received, and answers provided within 5 working days.
		Walk-in enquiries are attended to as they happen.
We will provide feedback/ report back on all business matters	Reports provided that meets customer needs and expectations	Reports provided to stakeholders/customers that address customer needs and expectations.

INFORMATION AND COMMUNICATION

INFORMATION & COMMUNICATION	MEASURE	SERVICE STANDARD
We will provide information and communication services that the	Information and communication	Information and communication provided according customer agreed

customer needs and expects	needs and expectations are agreed upon	needs and expectations
We promise to make our Customer Service Centre (CSC) fully serve the customer to improve your access to information	Customer Service Centre provides information that customer needs	Customer has access and receives the information he/she needs, always
We shall at all times (where possible) use the language /s our customer will understand	Provide information in the common official language/s that customer understands	Information is simple to understand.

FINANCIAL SERVICES

FINANCIAL SERVICES	MEASURE	SERVICE STANDARD
We promise to consult you when we set level of annual rates & tariffs and aim to achieve fair agreement with our customer	Published annual or revised rates and tariffs	Customer is well consulted in the process of setting rates and tariffs every year or when revision is necessary.
		Tariff for a service is fair to cover the cost of providing that service
	Bills are simple, clear, and understood by customer	Bill quantities and tariffs are explained during consultations and customer understands and can read bill, and pay for service received, and pay happily.
We promise to provide to correct /accurate readings of meters	Reading of meters is carried out monthly	Meters (electricity & water) are read once every month and correct figures are shown on the bill/ invoice
		Real time reading on bulk meters
		The Municipality on exceptional

		circumstances use estimates for not more than 3 months before reverting to actual readings.
We will provide customer with accurate bill/ invoice every month at the agreed date	Correct bill is delivered to customer at agreed date	Error free bill in a format that customer can read and understand by the 10th of each month.
		Respond to account queries/ inquires within 24 hours.
		Email statement to customers on the 7th of each month.
We promise to acknowledge enquiries & queries and give feedback on time	Enquiry acknowledgement	Acknowledgement is provided immediately upon receiving inquiry
	Response to enquiries	Answers to inquiries are provided upon receipt or within 10 working days when referred to official.
		Attending and completing financial queries with 72 hours.
We promise to pay or creditors within agreed upon timeframe	Pay the suppliers or service Providers.	Within 30 days of receipt of the invoice.
We commit to exercising credit control to retain financial sustainability of the Municipality	Issue notice to defaulting consumers.	Final demands issued 14 days after the date of the initial demand.

ELECTRICITY SERVICES

ELECTRICAL SERVICES	MEASURE	SERVICE STANDARD
We commit ourselves to standard supply and connection of electricity to our customer	Quick connection within agreed times	Provide service within 14 days after payment for normal network connections.
		Provide quotation and invoice within 21

		days for off-network connections
We will carry out repairs to restore your supply when loss of supply happens.	Faults are repaired as soon as they happen or are reported.	Supply is restored within 3 hours
		Customer is informed where it is not possible to restore service within 3 hours
		Municipality shall carry out faulty meter replacements within 7 days.
We will inform customer when we carry out planned maintenance that will result in cut of supply	Customer of informed 2 days in advance and expected times of loss of supply	Notice of supply cut is published and provided to customer through agreed means of communication
We will ensure that occur Customer Services Centre and Pay Centres provide you with information you need and expect	Customer Service Centre is able to provide the require information and procedures	Customer Service Centre has all the information customer needs and expects

WATER SERVICES

WATER SUPPLY	MEASURE	SERVICE STANDARD
Water is life. We will supply you with safe drinking water of high quality.	Water Quality Standards	We will supply water that meet National Water Quality Standards (SANS 241 of 2006) and meet any contractual agreement with our customers.
		We will annually conduct a Water Quality rating (Blue/Green/Brown/N0 drop)
	Continuity of supply	Water supplied 24 hours a day. Water tankering services are deployed where breakdowns interrupt supplies.
	Monitoring	We will monitor water quality levels monthly and make results available to you.
	Rural Areas	A minimum of 25 lcd (litres per person per day) will be supplied with standpipes allowing a maximum walking

WATER SUPPLY	MEASURE	SERVICE STANDARD
		distance of 200m
	Urban Areas	A minimum of 60 lcd will be supplied from the reticulation system
	New household connections	Within fourteen (14) days of receipt of payment.
MAINTENANCE & REPAIRS	MEASURE	SERVICE STANDARD
We will provide you with superior customer service	Supply interruption	We will give at least 21 days' notice and expected duration of repair of any interruption to the water supply due to planned maintenance work.
	Failure/leaks, Response time	Reaction within three (12) hours after the incident was reported.
	Failure/leaks, repairs done	Repaired within two (2) days of emergency action taken, (subject to procurement processes)
STAKEHOLDER PARTICIPATION	**MEASURE**	**SERVICE STANDARD**
We will encourage stakeholder participation	Water Services Forum	Meet once every month to share industry best practices and ensure that we keep you up to speed with recent developments in water services industry.

SANITATION

SANITATION PROVISION	MEASURE	SERVICE STANDARD
Your municipality will toilet system that are suitable to different settlement situations	Out-of-urban settlement	VIP latrine or other suitable.
	Urban settlement	Water-borne system or other suitable

MAINTENANCE & REPAIRS	MEASURE	SERVICE STANDARD
We will maintain and repair sanitation facilities to ensure they are functional and meet environment standards	Sewer blockages and sewer overflows	Repair works start within 3 hours of receiving the report of the blockage
	New connections	Connection starts within 10 working days of receiving full payment
	Draining of septic tanks	Draining starts within 24 hours after a request is received.
	Waste water disposal	Waste water will be discharged according to standards of the Department of Water and Sanitation.

REFUSE SERVICES

REFUSE SERVICES	MEASURE	SERVICE STANDARD
We will provide our household customer with four (4) colour coded plastic refuse bags to keep our households safe, clean and healthy	On weekly collection round	1 bag = food waste; 1 bag = plastic waste; 1 bag = metal cans; 1 bag = paper waste
We promise to collect household waste bags on the agreed day of the week to keep our households safe and healthy	Once a week	Waste bags are collected every week
We promise to clean the streets in town centres to keep our environment safe and clean	Daily	Streets are kept and free of litter
	Public Amenities	public areas cleaned after events 24hours
We promise to provide refuse bins in public places to keep our environment safe and clean	A bin at every junction of street	Bins are provided and emptied daily
We promise to implement an anti-littering promotion to keep our environment safe and clean	Anti-littering theme/ policy	Anti-littering awareness messages

REFUSE SERVICES	MEASURE	SERVICE STANDARD
We promise to maintain our refuse dump sites neat and well maintained to ensure safer environment	Fenced off and maintained dump sites	Fenced dump site and well managed refuse/ waste

INTEGRATED ENVIRONMENTAL MANAGEMENT

INTEGRATED ENVIRONMENTAL MANAGEMENT	MEASURE	SERVICE STANDARD
We promise to manage the environmental in a friendly manner	Monitoring of ambient air quality (Stations)	3 days in a week
	Comment on environmental impact assessment	Per application
	Time taken to resolve community complaints	7 days
	Community Capacity building - Environmental issues	bi weekly and as and when requested

COMMUNITY SERVICES

COMMUNITY FACILITIES SERVICES	MEASURE	SERVICE STANDARD
We promise to provide recreational facilities that are user-friendly	General Cleaning of facilities -	Daily
	Planned Maintenance	Off season
	Swimming Pools	Pools are open from 10h00 to 17h00 (Mon-Sat) and 14h00 to 17h00 on Sunday
	Refundable deposit	Refund within 31 days
LIBRARY AND INFORMATION SERVICES	**MEASURE**	**SERVICE STANDARD**
We promise to ensure sustained	Library membership for	Free of charge

accessibility to all our Libraries	Rustenburg residents	
	Library membership for persons residing outside Rustenburg jurisdiction	At annual approved rates
We promise to ensure sustained accessibility to all our Libraries	Number of books to be lent out and period	Four books per adult member and three per juvenile member for fourteen days
	Photocopying	At annual approved rates
	Public internet service	Free of charge
	Library operating hours	Monday to Friday 09H00-17H00. Saturdays 09H00-13H00

PARKS AND CEMETRIES

PARKS AND CEMETRIES	MEASURE	SERVICE STANDARD
We will provide dignified cemetery services	operating times for park	10H00 -18H30 Summer :10H00-17H00 Winter
	Maintenance of cemeteries (Frequency)	daily by cemetery employees based at those cemeteries. Cemeteries without permanent staff are maintained through grass cutting on bi-monthly basis
	Park Maintenance (Frequency)	daily. Currently being performed by Corporative on contractual basis
	Provision of graves	72 hrs after payment
	Provision of graves of indigents	Monday to Thursday
	Responding to complaints and requests	within 72 hours after the complaint or request

HOUSING/HUMAN SETTLEMENTS

HOUSING & HUMAN SETTLEMENTS	MEASURE	SERVICE STANDARD

We commit the Department of Human Settlements to implement their mandate to deliver houses and housing services to meet expectations of community in the IDP	Housing Chapters, programmes, and projects are implemented in targeted communities and communities are informed	Information is provided on delivery programmes and projects, targets and beneficiaries
We will work with interested Private Partners to deliver houses to the community	Housing delivery partnership programmes are published, and communities are informed	Housing delivery partnership programmes and projects are implemented, and beneficiaries and backlog are known

ROADS AND STORM WATER SERVICES

ROADS AND STORM WATER	MEASURE	SERVICE STANDARD
We will repair potholes in paved streets as they appear to ensure safety and comfort of customer	Monitoring, scheduled maintenance & emergency repair works; published works programme	Maintenance according to a scheduled work programme which we will publish 3 days
		Repair a road following an open trench service crossing within 24 Hours
		Emergency repairs will be carried out on potholes as they appear and are reported with in 48HRS
		Walk ways will be repaired within 72 hours.
We will maintenance our gravel roads to ensure safety and comfort of customer	Monitoring, scheduled maintenance & emergency repair works; published works programme	Maintenance according to a scheduled work programme which we will publish every 3months.
		Emergency repairs will be carried out on potholes as they appear and are reported
We will maintain driver visibility on our roads at all times to ensure safety of	Grass cutting & shrubs removal	Roads will be at all times kept in a clear safe way by cutting grass and removal of shrubs.

customer		
We will keep our roads clear of obstacles and hazards to ensure safety	Obstacles clearing to enhance road safety	Roads will be kept free of obstacles which may cause danger to our road users. Road Signs and markings maintenance within 3 days
	Maintaining of road side fences	Road side fences will be maintained at all times with community involvement to keep livestock and animals out
We will keep all drainages free of rubbish and objects to avoid flooding	Cleaning of water drain channels	Roads side and flood drains will be kept clear of rubbish and objects at all times with community involvement within 3 days

PLANNING AND DEVELOPMENT SERVICES

PLANNING & DEVELOPMENT	MEASURE	SERVICE STANDARD
We will consider and give a decision of approve/ disapprove your building plan applications within the shortest expected time within 90 days	Applications accepted, and reference and receipts are given within agreed times	Official letter of to prove application was received is provided to customer within 1 week is sent to customer
	Applications are processed within expected and agreed times	Plans smaller than 500m^2 are approved/ or disapproved within thirty (30) days and decision is officially communicated.
	Applications are processed within expected and agreed times	Plans larger than 500m^2 are approved/ or disapproved and decision is officially communicated within sixty (60) days
	Dealing with complaints is completed and replies are given to customers in expected and agreed time	Complaints are inspected and feedback is provided within five (5) days of receiving the complaint
	Certificates of Completion of Building are given in expected	Certificates of completion of building are provided within ten (10) days of receiving

PLANNING & DEVELOPMENT	MEASURE	SERVICE STANDARD
	time	application for the certificate
We will consider and give a decision of land development applications within the shortest expected time	Applications are accepted, and receipts are given on expected and agreed time	Official letter of receipt and confirmation of completeness of application are made within 14 days of receipt.
	Applications will be advertised at cost of applicant	Proof of advertisements is to be provided within 14 days of receipt of application being acknowledged.
	Comments are provided to applicant	Comments provided to applicant within 14 days after closing date stipulated in advertisement.
	Submission to Council	Submission is made to Council within 30 days after receiving of response to comments.
	Informing of decision of council	Decision of Council will be given within 14 days of Council minutes being given.
	Inspection of complaints and appeals	Complaints will be inspected within 5 days of receipt.

PUBLIC SAFETY

LICENSING AND TESTING	MEASURE	SERVICE STANDARD
We will make service accessible to the communities.	Decentralisation of services.	Fully resource office.
	Extension of services to Saturdays	Availability of personnel.
We will ensure that services are provided timeously, fairly and courteously.	Learner and driver licenses applications will be processed within a minimum of week.	Client service oriented personnel.
	Driver and learners license will be	Compliance in accordance with

	issued within two working days	rules, regulations and procedures.
	Application for registering of motor vehicle will be completed when all necessary documents are submitted.	Compliance in accordance with rules, regulations and procedures.
LAW ENFORCEMENT AND TRAFFIC SERVICES	**MEASURE**	**SERVICE STANDARD**
We undertake to ensure the prevalence of the rule of law	Enforcement of the law without any fear or favour.	Enforcement of law shall be in observance to the human rights of individuals.
We undertake to serve and protect all community and all road users.	Create a safe and secured environment.	Prevention of crime and promotion of Road Safety through prosecution, education and awareness, traffic engineering, Crime Prevention Through Environmental Design (CPTED) and involvement of communities.
We undertake to encourage community participation and involvement on issues affecting them	Building strong partnerships	• Discussing issues of common interest • Resolving conflicts in communities • Creating platforms or structures.
EMERGENCY SERVICES AND DISASTER MANAGEMENT	**MEASURE**	**SERVICE STANDARD**

We undertake to respond timeously to any disaster situation	All disaster situations will be addressed within three (3) days	• Activation of Joint Operation Committee (JOC) • Disaster Risk Management Assessment • Relief, recovery and mitigation of the situation.
We commit to enhance the weight of response to fire and rescue services	Decentralisation of fire services	• Operationalise fire houses • Establish ward based forums • Capacity building through training and community participation.
Licensing services	Registration of a vehicle within	Registration of a vehicle within 15 minutes
Licensing services	How long does it take to renew a vehicle license? (minutes)	5 minutes
Licensing services	Issuing of a duplicate registration certificate vehicle? (minutes)	5 minutes
Licensing services	De-register a vehicle? (minutes)	15 minutes
Licensing services	Renewal of the driver's license? (minutes)	30 minutes
Licensing services	What is the average reaction time of the fire service to an incident? (minutes)	5 minutes

2.4 BUDGET RELATED POLICIES

Rustenburg Local Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies are attached as **Annexure "D".** The following policies has been reviewed in order to align them to the latest legislative prescripts, accounting standards or to cut costs:

Budget Policy

Amendments to section 5.2 on the virement process to include:

a) Virements may not be approved in January or February during the adjustment budget period to ensure that adjustment and virement requests are not duplicated.

b) Virements may not be made across General Ledger categories (e.g. Bulk Purchases to Contracted Services) in line with MSCOA.

Bereavement Policy

Amendments to section 6 and 8 of the bereavement policy to include:

a) Official funeral procedures for current and former councillors to include escort, drill squad, band and fire engine (transportation of coffins)

b) No further costs or contribution shall be borne by the municipality

Credit Control and Debt Collection Policy

Key Amendments to CCDC policy include:

a) Clause 20 (2,5,6,7,9) - The deposit will be increased as per the Tariff Policy, in instances where the customer has defaulted on paying the account and holds a lower deposit.

b) Clause 22(d) - No refund of the amount for which the customer purchased prepaid municipal services (water and electricity) shall be given at the point of sale; incorrect purchase of prepaid token can only be refunded at the discretion of the CFO.

c) Clause 26(3) – Incentive Scheme - Interest that remain unpaid in the outstanding balance will be written back when a once off payment/settlement is made within 30 days.

d) Clause 31 – Arrangements – Changes include standardisation of arrangement procedures up to maximum of 36 months

e) Other changes to wording and alignment to the tariff policy and POPIA

Indigent Policy

Key Amendments to Indigent policy include:

a) Clause 1 & 13 – Deemed / Qualifying indigents – Property Value amended from R200 000 to R300 000.

b) Clause 12 – Targeting of Indigents – household income may not exceed four (increased from two) times the amount of state funded social grants

c) Clause 16(3)(d)(f)(g) – removed requirements for certified bank statements, proof of property ownership and letter of recommendation from ward councillor

d) Clause 18 – Extent of indigent support tabulated per service.

e) Other updates to wording, consent form and the application form.

Tariff Policy

Key Amendments to Tariff policy include:

a) Clause 23 (1) - The municipality will charge estimates using the client's last three consecutive actual consumptions

b) Clause 23 (2) - Estimates – Exceptional cases with no historical data

    i. Businesses and all other categories - 200 kilolitres - The size of the stand and type of installation might be considered in certain circumstances especially big businesses.

ii. Businesses and all other categories – 5000 KWH – The size of the stand and type of installation might be considered in certain circumstances especially big businesses.

c) Clause 24 – Valuation Roll - The municipality will levy a fee for any request for reason in terms of the Municipal Property Rates Act.

Property Rates Policy

Key Amendments to Property rates policy

a) Clause 26 – Request for reasons

It is the duty of the municipal valuer, after the processing of an objection, to notify the objectors, as well as the owner of the property:

i. The valuer's decision
ii. Any adjustment made to the valuation roll in respect of the property concerned; and
iii. Whether the decision is subject to the compulsory review process.

The objector or the owner may, within 30 days after such notice, in writing, apply to the municipal manager for the reasons for the decision. A prescribed fee will apply.

Funding and Reserves Policy

Key Amendments to Funding and Reserves policy include:

a) Clause 9.1.2 – Landfill Site Rehabilitation Provision

5% of the landfill site rehabilitation provision shall be cash backed and budgeted for accordingly as licence review / closure and rehabilitation / landfill operations.

Supply Chain Management, Contracts Management and Inventory Policy

Changes were made primarily to ensure alignment with the latest updates to Generally Recognised Accounting Practice (GRAP) standards and Supply Chain Management (SCM) regulations.

2.4 OVERVIEW OF BUDGET ASSUMPTIONS

Key factors that have been taken into consideration in the compilation of the 2025/26 MTREF include:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Rustenburg Local Municipality's 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.
- External factors: The global economic outlook remains gloomy due to the downward spiral in developing economies spurred by the lower commodity prices and an uneven and moderate recovery in developed economies.

General inflation outlook and its impact on the municipal activities

Inflation increases the cost of living of households and thereby increases the vulnerability of low and middle-income groups and negatively affects their ability to pay for municipal services. This negatively impacts the revenue generation and revenue collection rates of municipalities and consequently their ability to fund the planned programmes**.**

The municipality is projecting CPI at 4.3% for 2025/26 and 4.6% and 4.4% over the outer financial years.

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.

Collection rate for revenue services

The rate of revenue collection is currently expressed as a percentage of annual billings. For the medium term, collection rates for the various services are assumed at 83%. This is the measure of cash receipts of ratepayer and other revenue, whilst the debt impairment expense of total billable revenue estimated to be 17% over the two years.

In order for the municipality to realize the projected surplus, it would require the commitment of administration and Council alike to collect all anticipated revenue.

Salary increases.

Salary increases of 5% for 2025/26 has been budgeted to ensure alignment with the SALGBC wage agreement. Additional accruals for leave, bonuses and other employee benefits have been budgeted for. These have no cash effect for the municipality but are in line with the accrual basis of accounting.

Bulk Purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom, water from Rand Water, Magalies Water and bulk purchase of purified water from the Rustenburg Water Services Trust. Electricity bulk purchases from Eskom is assumed to increase by 12.7% and the cost of bulk purchases from water boards to increase by an average of 13%.

Credit rating

The credit rating by Moody in January 2020 assessed the credit profile of Rustenburg as Ba3, which is indicative of liquidity challenges in a tough operating environment.

Ability to spend and deliver on the programme

It is estimated that a spending rate of at least 100% will be achieved on operating expenditure and 100% on the capital programme for the 2025/26 MTREF of which performance has been factored into the cash flow budget.

2.6 OVERVIEW OF BUDGET FUNDING

Table SA15: Investment particulars by type (including bank)

NW373 Rustenburg - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality										
Securities - National Government		–	–	–	–	–	–	–	–	–
Listed Corporate Bonds		–	–	–	–	–	–			
Deposits - Bank		737 321	1 307 737	754 238	865 378	647 757	647 757	1 056 268	1 744 042	2 480 772
Deposits - Public Investment Commissioners		952	991	999	1 200	1 200	1 200	1 253	1 309	1 342
Deposits - Corporation for Public Deposits									–	–
Bankers Acceptance Certificates		–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks		–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)		–	–	–	–	–	–	–	–	–
Repurchase Agreements - Banks		–	–	–	–	–	–	–	–	–
Municipal Bonds		–	–	–	–	–	–	–	–	–
Municipality sub-total	1	**738 273**	**1 308 728**	**755 237**	**866 578**	**648 957**	**648 957**	**1 057 520**	**1 745 352**	**2 482 114**
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:		**738 273**	**1 308 728**	**755 237**	**866 578**	**648 957**	**648 957**	**1 057 520**	**1 745 352**	**2 482 114**

Table SA16: Investment particulars by maturity

NW373 Rustenburg - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality														
Short-Term Investments														-
ABSA: Investment Acc		Months	Flexible Deposit		Fixed	2.9				590	3	(3)		590
ABSA: Investment Acc		Months	Fixed Deposit		Fixed	9.21				6 818	65	(65)		6 818
ABSA: Investment Acc		Months	Fixed Deposit		Fixed	9.21				556	5	(5)		556
ABSA: Investment Acc		Months	Fixed Deposit		Fixed	9.5				31 452	-	(31 452)		-
ABSA: Investment Acc		Months	Fixed Deposit		Fixed	8.66				70 000	1 445	(1 445)		70 000
Standard Bank		Months	Call Deposit		Fixed	6.7				532	2			534
Standard Bank		Months	Call Deposit		Fixed	6.7				144	1			145
Kagiso Asset Management		Months	Money Market Assets		Variable	N/A				8 197	43			8 240
Sanlam		Months	Money Market Fund		Variable	N/A				11 204	38			11 242
Long-Term Investements														-
Sanlam Shares		Months	Ordinary - 12 948		Variable	81.41				1 054	63			1 117
Sanlam Shares		Months	Ordinary -323		Variable	81.41				26	2			28
														-
Municipality sub-total										130 573	1 667	(32 971)	-	99 270
Entities														
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									130 573		(32 971)	-	99 270

Table SA17: Borrowing

NW373 Rustenburg - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality										
Annuity and Bullet Loans		–	–	–	–	–	–	–	–	–
Long-Term Loans (non-annuity)		550 000	400 000	400 000	300 000	300 000	300 000	313 200	327 294	335 476
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	**550 000**	**400 000**	**400 000**	**300 000**	**300 000**	**300 000**	**313 200**	**327 294**	**335 476**
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	**550 000**	**400 000**	**400 000**	**300 000**	**300 000**	**300 000**	**313 200**	**327 294**	**335 476**

Table SA18: Transfers and grant receipts

NW373 Rustenburg - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**946 997**	**1 126 187**	**1 303 809**	**1 392 465**	**1 393 025**	**1 393 025**	**1 463 566**	**1 574 527**	**1 585 755**
Local Government Equitable Share	_	751 942	941 352	1 072 159	1 154 400	1 150 861	1 150 861	1 241 678	1 341 033	1 341 033
FMG		1 650	1 700	1 700	1 700	1 700	1 700	1 900	2 000	2 100
NDPG		–	100	–		–	–			
EPWP		6 388	2 853	2 196		1 572	1 572	2 359		
PTIS		170 056	166 656	208 193	218 530	218 873	218 873	198 425	210 944	225 292
PMU		12 461	13 527	14 560	12 635	13 781	13 781	14 411	15 721	16 481
LG SETA					–	245	245	793	829	849
Learnerships and Training						793	793			
Energy Efficiency and Demand Management		4 500	–	5 000	5 200	5 200	5 200	4 000	4 000	
Provincial Government:		**884**	**1 090**	**1 097**	**1 481**	**1 409**	**1 409**	**5 468**	**5 542**	**5 542**
North West_Capacity Building and Other_Specify (		884	1 090	1 097	1 481	1 409	1 409	1 468	1 542	1 542
Accreditation -Department of Human Settlement (P								4 000	4 000	4 000
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	**947 882**	**1 127 277**	**1 304 905**	**1 393 946**	**1 394 434**	**1 394 434**	**1 469 034**	**1 580 069**	**1 591 297**
Capital Transfers and Grants										
National Government:		**371 724**	**431 494**	**441 297**	**402 858**	**461 469**	**461 469**	**380 673**	**389 212**	**422 824**
Municipal Infrastructure Grant (MIG)	_	236 768	257 004	257 171	261 830	316 580	316 580	273 808	298 698	313 131
Public Transport and Systems	_	44 825	72 491	49 410	36 305	35 890	35 890	26 786	21 376	22 353
Neighbourhood Development Partnership		4 184	2 000	5 057	12 500	16 676	16 676	15 379	6 000	13 000
Integrated National Electrification Programme		8 000	30 000	44 660	22 223	22 223	22 223	14 700	23 000	24 040
Water Services Infrastructure Grant		77 947	70 000	85 000	70 000	70 000	70 000	50 000	40 138	50 300
FMG						100	100			
Municipal Systems Improvement										
Provincial Government:		**511**	**619**	**687**	**455**	**455**	**455**	**482**	**498**	**498**
North West_Capacity Building and Other_Capacity Building and Other_RECEIPTS		511	619	687	455	455	455	482	498	498
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	**372 235**	**432 113**	**441 985**	**403 313**	**461 924**	**461 924**	**381 155**	**389 710**	**423 322**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**1 320 117**	**1 559 390**	**1 746 890**	**1 797 259**	**1 856 358**	**1 856 358**	**1 850 189**	**1 969 779**	**2 014 619**

Table SA21: Transfers and grants made by the municipality

NW373 Rustenburg - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	
Cash Transfers to other municipalities											
Insert description	1	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	
Total Cash Transfers To Municipalities:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
Cash Transfers to Entities/Other External Mechanisms											
Insert description	2	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Entities/Ems'		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
Cash Transfers to other Organs of State											
Insert description	3	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Other Organs Of State:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
Cash Transfers to Organisations											
Community Projects		385	385	385	385	385	385	385	385	402	412
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations		**385**	**385**	**385**	**385**	**385**	**385**	**385**	**385**	**402**	**412**
Cash Transfers to Groups of Individuals											
Community Projects		67 743	323	202	23 792	23 792	23 792	23 792	20 582	21 506	22 151
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:		**67 743**	**323**	**202**	**23 792**	**23 792**	**23 792**	**23 792**	**20 582**	**21 506**	**22 151**
TOTAL CASH TRANSFERS AND GRANTS	6	**68 128**	**708**	**587**	**24 177**	**24 177**	**24 177**	**24 177**	**20 967**	**21 908**	**22 564**

Table A7: Consolidated Budgeted Cash Flows

NW373 Rustenburg - Table A7 Budgeted Cash Flows

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		391 893	516 902	549 646	486 633	486 633	486 633	486 633	600 347	627 363	643 047
Service charges		3 706 672	4 338 042	4 034 358	4 534 564	3 574 564	3 574 564	3 574 564	3 262 551	3 425 147	3 546 211
Other revenue		206 289	171 700	142 651	170 039	178 182	178 182	178 182	206 541	214 586	220 159
Transfers and Subsidies - Operational	1	1 004 359	1 167 077	1 273 193	1 393 874	1 393 874	1 393 874	1 393 874	1 469 034	1 580 069	1 591 297
Transfers and Subsidies - Capital	1	333 862	239 239	441 985	403 313	462 484	462 484	462 484	381 155	389 710	423 322
Interest		230 960	64 981	445 302	592 997	652 997	652 997	652 997	788 880	818 730	858 309
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(4 809 088)	(5 103 110)	(5 740 398)	(6 598 615)	(5 952 860)	(5 952 860)	(5 952 860)	(5 402 162)	(5 646 511)	(5 782 629)
Interest		(84 328)	(85 409)	(62 123)	(59 917)	(59 917)	(59 917)	(59 917)	(66 725)	(68 415)	(69 520)
Transfers and Subsidies	1	(19 502)	(20 292)	(21 164)	(24 177)	(24 177)	(24 177)	(24 177)	(20 967)	(21 908)	(22 564)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**961 116**	**1 289 129**	**1 063 451**	**898 712**	**711 780**	**711 780**	**711 780**	**1 218 655**	**1 318 771**	**1 407 633**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		6 200	2 157	7 088	7 184	3 184	3 184	3 184	–	–	–
Decrease (increase) in non-current receivables		–	–		–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	38	(201)	(201)	(201)	(201)	125	(248)	(249)
Payments											
Capital assets		(519 447)	(642 212)	(565 661)	(641 611)	(698 300)	(698 300)	(698 300)	(482 704)	(481 837)	(516 852)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(513 247)**	**(640 054)**	**(558 535)**	**(634 629)**	**(695 318)**	**(695 318)**	**(695 318)**	**(482 579)**	**(482 085)**	**(517 101)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	19 215	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		2 508	2 112	2 112	2 642	2 642	2 642	2 642	2 706	2 764	1 640
Payments											
Repayment of borrowing		(109 483)	(99 948)	(163 124)	(155 384)	(125 384)	(125 384)	(125 384)	(145 090)	(151 619)	(155 410)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(106 974)**	**(78 621)**	**(161 012)**	**(152 742)**	**(122 742)**	**(122 742)**	**(122 742)**	**(142 384)**	**(148 855)**	**(153 770)**
NET INCREASE/ (DECREASE) IN CASH HELD		**340 896**	**570 454**	**343 904**	**111 341**	**(106 280)**	**(106 280)**	**(106 280)**	**593 691**	**687 831**	**736 763**
Cash/cash equivalents at the year begin:	2	397 378	**738 273**	411 333	755 237	648 452	648 452	648 452	**542 172**	**1 135 864**	**1 823 695**
Cash/cash equivalents at the year end:	2	**738 273**	**1 308 728**	**755 237**	**866 578**	**542 172**	**542 172**	**542 172**	**1 135 864**	**1 823 695**	**2 560 458**

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 above is consistent with international standards of good financial management practice and also improves understanding of Councillors and management. 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 SA10: Funding compliance measurement

NW373 Rustenburg Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	738 273	1 308 728	755 237	866 578	542 172	542 172	542 172	1 135 864	1 823 695	2 560 458
Cash + investments at the yr end less applications - R'000	18(1)b	2	557 540	734 275	178 008	597 395	244 602	244 602	244 602	434 547	947 930	1 701 777
Cash year end/monthly employee/supplier payments	18(1)b	3	2.1	2.9	1.5	1.7	1.2	1.2	1.2	2.5	3.8	5.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	568 151	803 918	1 042 635	946 618	755 687	755 687	1 015 239	605 842	679 074	749 891
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	23.1%	3.1%	(4.8%)	(22.3%)	(6.0%)	(6.0%)	(15.4%)	(1.0%)	(3.1%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	62.3%	61.5%	53.6%	56.9%	51.9%	51.9%	51.9%	83.1%	83.1%	83.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7		15.5%	15.2%	14.4%	17.3%	17.3%	17.3%	16.9%	16.9%	16.5%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	9.3%	7.2%	(7.2%)	0.0%	0.0%	0.0%	202.3%	27.8%	29.7%
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	0.3%	0.5%	2.5%	3.7%	2.5%	2.5%	4.0%	4.1%	4.2%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	25.8%	16.6%	11.5%	1.0%	5.8%	5.8%	0.0%	9.5%	6.0%	5.6%

Funding compliance and measurement

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. 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. 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 budget must be "funded". Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

National Treasury requires that a municipality assesses its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the table below. 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. Each of the measures is discussed below.

Cash/cash equivalent position

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.

If the municipality's forecasted cash position is negative, for any year of the medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

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 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.

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.

Cash receipts as a percentage of billed revenue (excluding transfers, grants and contributions)

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.

It can be seen that the outcome is at 83 percent for each of the 2025/26 financial year. This measure and performance objective will have to be meticulously managed.

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 excluded. The Municipality's liquidity has improved, however the Municipality is still cautious about spending from own funds.

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. The municipality has budgeted for all transfers.

Consumer debtors change (Current and Non-current)

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

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 revenue budget is not being protected.

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. Further details in this regard are contained in Table SA34b

2.7 EXPENDITURE ON GRANTS

Table SA19: Expenditure on transfers and grant programme

NW373 Rustenburg - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**946 997**	**1 126 187**	**1 303 809**	**1 392 465**	**1 393 025**	**1 393 025**	**1 463 566**	**1 574 527**	**1 585 755**
Local Government Equitable Share		751 942	941 352	1 072 159	1 154 400	1 150 861	1 150 861	1 241 678	1 341 033	1 341 033
Finance Management		1 650	1 700	1 700	1 700	1 700	1 700	1 900	2 000	2 100
NDPG		–	100	–		–	–			
EPWP		6 388	2 853	2 196		1 572	1 572	2 359		
PTIS		170 056	166 656	208 193	218 530	218 873	218 873	198 425	210 944	225 292
PMU		12 461	13 527	14 560	12 635	13 781	13 781	14 411	15 721	16 481
LG SETA					–	245	245	793	829	849
Learnerships and Training						793	793			
Energy Efficiency and Demand Management		4 500	–	5 000	5 200	5 200	5 200	4 000	4 000	
Provincial Government:		**884**	**1 090**	**1 097**	**1 481**	**1 409**	**1 409**	**5 468**	**5 542**	**5 542**
DSAC		884	1 090	1 097	1 481	1 409	1 409	1 468	1 542	1 542
Accreditation -Department of Human Settlement (Provinc		–	–	–	–	–	–	4 000	4 000	4 000
0										
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Total operating expenditure of Transfers and Grants:		**947 882**	**1 127 277**	**1 304 905**	**1 393 946**	**1 394 434**	**1 394 434**	**1 469 034**	**1 580 069**	**1 591 297**
Capital expenditure of Transfers and Grants										
National Government:		**371 724**	**431 494**	**441 297**	**402 858**	**461 469**	**461 469**	**380 673**	**389 212**	**422 824**
Municipal Infrastructure Grant (MIG)		236 768	257 004	257 171	261 830	316 580	316 580	273 808	298 698	313 131
Public Transport and Systems		44 825	72 491	49 410	36 305	35 890	35 890	26 786	21 376	22 353
Neighbourhood Development Partnership		4 184	2 000	5 057	12 500	16 676	16 676	15 379	6 000	13 000
Department of Energy		8 000	30 000	44 660	22 223	22 223	22 223	14 700	23 000	24 040
WSIG		77 947	70 000	85 000	70 000	70 000	70 000	50 000	40 138	50 300
FMG						100	100			
Municipal Systems Improvement										
Provincial Government:		**511**	**619**	**687**	**455**	**455**	**455**	**482**	**498**	**498**
DSAC		511	619	687	455	455	455	482	498	498
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Total capital expenditure of Transfers and Grants		**372 235**	**432 113**	**441 985**	**403 313**	**461 924**	**461 924**	**381 155**	**389 710**	**423 322**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**1 320 117**	**1 559 390**	**1 746 890**	**1 797 259**	**1 856 358**	**1 856 358**	**1 850 189**	**1 969 779**	**2 014 619**

2.8 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Table SA25: Consolidated budgeted monthly revenue and expenditure

NW373 Rustenburg - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue																
Exchange Revenue																
Service charges - Electricity		209 461	209 461	209 461	209 461	209 461	209 461	209 461	209 461	209 461	209 461	209 461	209 461	2 513 530	2 659 242	2 741 340
Service charges - Water		51 494	51 494	51 494	51 494	51 494	51 494	51 494	51 494	51 494	51 494	51 494	51 494	617 929	654 736	676 105
Service charges - Waste Water Management		43 963	43 963	43 963	43 963	43 963	43 963	43 963	43 963	43 963	43 963	43 963	43 963	527 552	531 442	541 603
Service charges - Waste Management		16 628	16 628	16 628	16 628	16 628	16 628	16 628	16 628	16 628	16 628	16 628	16 629	199 542	208 521	213 734
Sale of Goods and Rendering of Services		2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852	34 228	34 730	35 694
Agency services		11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	143 375	149 827	153 573
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		40 561	40 561	40 561	40 561	40 561	40 561	40 561	40 561	40 561	40 561	40 561	40 561	486 728	505 231	539 231
Interest earned from Current and Non Current Assets		7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	93 352	95 303	95 427
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	12 537	13 030	13 315
Licence and permits		1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	13 309	13 908	14 255
Special rating levies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	20 526	20 273	21 028
Non-Exchange Revenue																
Property rates		50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	600 347	627 363	643 047
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	16 794	17 549	17 988
Licences or permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	1 469 034	1 580 069	1 592 227
Interest		17 400	17 400	17 400	17 400	17 400	17 400	17 400	17 400	17 400	17 400	17 400	17 400	208 800	218 196	223 651
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contrib		**579 799**	**579 799**	**579 799**	**579 799**	**579 799**	**579 799**	**579 799**	**579 799**	**579 799**	**579 799**	**579 799**	**579 799**	**6 957 585**	**7 329 420**	**7 522 219**
Expenditure																
Employee related costs		86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	1 034 970	1 078 203	1 091 660
Remuneration of councillors		6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	77 587	80 952	83 752
Bulk purchases - electricity		201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	2 423 181	2 553 675	2 621 961
Inventory consumed		54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	658 033	677 309	691 440
Debt impairment		62 668	62 668	62 668	62 668	62 668	62 668	62 668	62 668	62 668	62 668	62 668	62 668	752 019	792 319	796 319
Depreciation and amortisation		40 919	40 919	40 919	40 919	40 919	40 919	40 919	40 919	40 919	40 919	40 919	40 919	491 025	510 903	523 689
Interest		5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	66 725	68 415	69 520
Contracted services		74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	892 108	926 998	958 070
Transfers and subsidies		1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	20 967	21 908	22 564
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	316 282	329 374	335 746
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**561 075**	**561 075**	**561 075**	**561 075**	**561 075**	**561 075**	**561 075**	**561 075**	**561 075**	**561 075**	**561 075**	**561 075**	**6 732 898**	**7 040 056**	**7 194 721**
Surplus/(Deficit)		**18 724**	**18 724**	**18 724**	**18 724**	**18 724**	**18 724**	**18 724**	**18 724**	**18 724**	**18 724**	**18 724**	**18 724**	**224 687**	**289 364**	**327 499**
Transfers and subsidies - capital (monetary allocations)		31 763	31 763	31 763	31 763	31 763	31 763	31 763	31 763	31 763	31 763	31 763	31 763	381 155	389 710	422 392
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**605 842**	**679 074**	**749 891**
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**605 842**	**679 074**	**749 891**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**605 842**	**679 074**	**749 891**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**50 487**	**605 842**	**679 074**	**749 891**

Table SA26: Consolidated budgeted monthly revenue and expenditure (municipal vote)

NW373 Rustenburg - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote																
Vote 1 - Energy Sources		161 728	198 274	214 093	200 988	199 891	216 876	212 671	210 876	220 765	234 766	214 093	284 095	2 569 117	2 726 068	2 805 098
Vote 2 - Community and Social Services		264	385	325	411	399	363	389	417	534	456	401	314	4 657	4 869	4 940
Vote 3 - Environmental Protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Executive & Council		56 474	58 694	60 764	65 345	68 766	62 235	66 879	64 198	69 876	77 658	62 567	70 680	784 136	813 772	853 227
Vote 5 - Finance & Admin		59 819	61 823	67 009	71 455	70 877	68 765	66 007	70 000	69 201	69 167	65 117	66 159	805 399	846 447	862 822
Vote 6 - Road Transport		19 283	19 274	18 311	20 121	23 890	20 908	21 431	25 679	23 453	21 431	22 001	21 389	257 171	265 718	281 878
Vote 7 - Planning and Development		24 153	25 162	25 988	26 877	26 316	27 099	26 654	27 910	28 766	27 319	28 655	20 893	315 791	330 692	353 195
Vote 8 - Public Safety		10 298	12 415	11 587	11 487	12 123	14 790	14 790	16 123	16 501	17 654	19 877	16 203	173 849	181 673	186 215
Vote 9 - Sport and Recreation		24	26	29	46	42	57	44	48	49	52	50	23	491	513	526
Vote 10 - Housing		895	890	1 000	1 090	1 090	810	802	999	1 250	991	960	741	11 518	11 785	11 939
Vote 11 - Water Management		116 272	101 425	98 099	110 988	89 181	98 710	100 980	103 910	101 099	109 877	107 910	83 312	1 221 762	1 292 990	1 324 544
Vote 12 - [NAME OF VOTE 12]		24 152	26 173	37 877	42 890	35 234	35 088	36 543	30 988	33 877	30 877	31 568	33 871	399 137	423 735	429 056
Vote 13 - Waste Water Management		56 473	58 492	62 000	69 876	69 000	64 568	68 789	72 654	75 123	64 123	70 588	64 026	795 713	820 870	831 173
Vote 14 - Other				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Internal Audit				–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		**529 835**	**563 033**	**597 082**	**621 573**	**596 809**	**610 268**	**615 980**	**623 803**	**640 494**	**654 371**	**623 785**	**661 707**	**7 338 740**	**7 719 130**	**7 944 611**
Expenditure by Vote to be appropriated																
Vote 1 - Energy Sources		152 617	19 829	200 123	257 898	315 790	267 877	246 781	299 877	321 090	319 000	341 099	157 192	2 899 173	3 055 381	3 118 928
Vote 2 - Community and Social Services		6 793	6 859	6 191	7 000	6 211	6 432	6 988	6 501	6 989	6 522	6 890	7 316	80 692	82 875	83 971
Vote 3 - Environmental Protection		676	676	507	611	699	650	619	523	600	605	557	532	7 255	7 457	8 018
Vote 4 - Executive & Council		16 273	17 262	17 048	17 829	21 766	20 654	21 789	22 890	23 877	20 048	21 790	19 350	240 575	251 139	258 119
Vote 5 - Finance & Admin		34 252	36 728	40 679	41 790	41 766	41 909	41 790	40 890	40 879	38 123	39 568	33 625	471 998	493 485	510 318
Vote 6 - Road Transport		31 425	33 728	38 494	38 494	40 910	38 494	39 001	40 766	40 234	40 790	42 000	39 590	463 925	486 602	503 746
Vote 7 - Planning and Development		7 895	8 291	9 089	8 890	9 988	9 923	9 789	9 178	8 599	8 590	8 001	5 543	103 775	106 072	109 057
Vote 8 - Public Safety		30 262	31 272	31 123	30 910	33 876	35 123	34 403	38 000	39 877	37 232	35 790	33 965	411 833	431 486	442 373
Vote 9 - Sport and Recreation		3 526	3 163	3 000	3 345	3 299	3 301	3 390	3 301	3 421	3 345	3 509	3 544	40 145	42 014	43 222
Vote 10 - Housing		3 425	3 728	3 101	3 299	3 201	4 021	3 901	3 250	3 310	3 399	4 001	3 110	41 746	43 310	44 218
Vote 11 - Water Management		89 584	90 938	90 109	91 909	89 000	91 766	1 091	97 679	95 090	114 988	90 104	132 844	1 075 101	1 105 604	1 122 080
Vote 12 - [NAME OF VOTE 12]		18 293	19 920	22 877	23 089	25 790	26 790	23 890	22 910	24 790	23 089	23 089	22 541	277 067	300 086	309 455
Vote 13 - Waste Water Management		48 391	44 536	46 790	39 900	43 679	44 790	41 877	41 890	46 679	43 000	51 879	52 891	546 302	557 147	561 833
Vote 14 - Other		5 464	5 672	5 601	5 345	5 999	5 290	5 568	5 211	5 579	5 987	4 589	3 851	64 155	67 838	69 582
Vote 15 - Internal Audit		565	635	601	809	798	721	771	832	967	899	738	819	9 155	9 562	9 801
Total Expenditure by Vote		**449 441**	**323 237**	**515 333**	**571 118**	**642 771**	**597 741**	**481 647**	**633 697**	**661 980**	**665 617**	**673 603**	**516 713**	**6 732 898**	**7 040 056**	**7 194 721**
Surplus/(Deficit) before assoc.		**80 394**	**239 796**	**81 749**	**50 456**	**(45 961)**	**12 528**	**134 333**	**(9 894)**	**(21 486)**	**(11 247)**	**(49 818)**	**144 994**	**605 842**	**679 074**	**749 891**
Income Tax				–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities				–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions				–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**80 394**	**239 796**	**81 749**	**50 456**	**(45 961)**	**12 528**	**134 333**	**(9 894)**	**(21 486)**	**(11 247)**	**(49 818)**	**144 994**	**605 842**	**679 074**	**749 891**

Table SA27: Consolidated budgeted monthly revenue and expenditure (standard classification)

NW373 Rustenburg - Supporting Table SA27 Budgeted mo 7383951

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional																
Governance and administration		**88 340**	**93 657**	**91 885**	**84 648**	**95 181**	**86 882**	**101 733**	**86 855**	**96 415**	**90 954**	**92 533**	**93 539**	**1 102 623**	**1 154 796**	**1 176 540**
Executive and council		7 099	7 526	7 384	6 802	7 649	6 982	8 175	6 980	7 748	7 309	7 436	7 517	88 607	90 345	90 345
Finance and administration		81 241	86 131	84 501	77 845	87 532	79 900	93 558	79 875	88 667	83 645	85 097	86 022	1 014 016	1 064 452	1 086 195
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**15 416**	**16 344**	**16 035**	**14 772**	**16 610**	**15 162**	**17 753**	**15 157**	**16 825**	**15 872**	**16 148**	**16 323**	**192 416**	**200 825**	**205 654**
Community and social services		525	557	546	503	566	517	605	517	573	541	550	556	6 557	6 855	6 975
Sport and recreation		39	42	41	38	42	39	45	39	43	40	41	42	491	513	526
Public safety		13 929	14 767	14 487	13 346	15 007	13 699	16 040	13 694	15 202	14 341	14 590	14 748	173 849	181 673	186 215
Housing		923	978	960	884	994	908	1 063	907	1 007	950	967	977	11 518	11 785	11 939
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**45 753**	**48 506**	**47 588**	**43 840**	**49 295**	**44 997**	**52 689**	**44 983**	**49 934**	**47 106**	**47 924**	**48 445**	**571 062**	**594 424**	**633 038**
Planning and development		25 148	26 662	26 158	24 097	27 096	24 733	28 961	24 726	27 447	25 893	26 342	26 628	313 891	328 706	351 160
Road transport		20 604	21 844	21 431	19 743	22 200	20 264	23 728	20 258	22 487	21 214	21 582	21 817	257 171	265 718	281 878
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**437 658**	**463 998**	**455 219**	**419 363**	**471 547**	**430 434**	**504 010**	**430 300**	**477 661**	**450 607**	**458 428**	**473 413**	**5 472 639**	**5 769 085**	**5 929 379**
Energy sources		216 532	229 564	225 220	207 480	233 298	212 957	249 359	212 891	236 323	222 938	226 808	229 274	2 702 645	2 842 005	2 955 035
Water management		112 049	118 793	116 545	107 365	120 726	110 200	129 037	110 165	122 291	115 364	117 367	118 643	1 398 545	1 486 828	1 518 468
Waste water management		70 443	74 682	73 269	67 498	75 897	69 280	81 122	69 258	76 881	72 527	73 786	84 588	889 233	920 148	930 451
Waste management		38 634	40 960	40 185	37 020	41 626	37 997	44 492	37 985	42 166	39 778	40 468	40 908	482 217	520 104	525 424
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional		**587 167**	**622 506**	**610 728**	**562 623**	**632 633**	**577 475**	**676 186**	**577 295**	**640 835**	**604 540**	**615 032**	**631 720**	**7 338 740**	**7 719 130**	**7 944 611**
Expenditure - Functional																
Governance and administration		**66 555**	**70 560**	**69 225**	**63 773**	**71 708**	**65 456**	**76 645**	**65 436**	**72 638**	**68 524**	**69 713**	**69 471**	**829 702**	**867 815**	**894 764**
Executive and council		19 275	20 435	20 048	18 469	20 768	18 957	22 197	18 951	21 037	19 845	20 190	20 409	240 581	251 123	258 103
Finance and administration		46 546	49 347	48 414	44 600	50 150	45 778	53 603	45 763	50 800	47 923	48 755	48 285	579 966	607 129	626 861
Internal audit		734	778	763	703	790	721	845	721	801	755	768	777	9 155	9 562	9 801
Community and public safety		**46 015**	**48 785**	**47 862**	**44 092**	**49 579**	**45 256**	**52 992**	**45 242**	**50 221**	**47 377**	**48 199**	**47 723**	**573 343**	**598 563**	**612 636**
Community and social services		6 481	6 871	6 741	6 210	6 983	6 374	7 463	6 372	7 073	6 673	6 788	6 862	80 891	83 083	84 186
Sport and recreation		3 216	3 410	3 345	3 082	3 465	3 163	3 704	3 162	3 510	3 312	3 369	3 406	40 145	42 014	43 222
Public safety		32 974	34 958	34 297	31 595	35 527	32 429	37 973	32 419	35 987	33 949	34 538	33 914	410 561	430 156	441 010
Housing		3 345	3 546	3 479	3 205	3 604	3 289	3 852	3 288	3 650	3 444	3 503	3 541	41 746	43 310	44 218
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**42 538**	**45 098**	**44 244**	**40 759**	**45 831**	**41 835**	**48 987**	**41 822**	**46 426**	**43 796**	**44 556**	**45 041**	**530 933**	**554 127**	**573 658**
Planning and development		8 227	8 722	8 557	7 883	8 864	8 092	9 475	8 089	8 979	8 471	8 618	6 711	100 690	102 847	105 752
Road transport		33 729	35 759	35 082	32 319	36 341	33 172	38 842	33 162	36 812	34 727	35 330	37 714	422 988	443 823	459 889
Environmental protection		581	616	605	557	626	572	669	571	634	598	609	615	7 255	7 457	8 018
Trading services		**389 862**	**413 326**	**405 505**	**373 565**	**420 050**	**383 426**	**448 968**	**383 307**	**425 496**	**401 397**	**408 364**	**344 460**	**4 797 727**	**5 018 305**	**5 112 384**
Energy sources		237 260	251 540	246 781	227 343	255 632	233 344	273 231	233 271	258 946	244 280	248 520	189 025	2 899 173	3 055 381	3 118 928
Water management		86 628	91 841	90 104	83 007	93 336	85 198	99 761	85 171	94 546	89 191	90 739	85 580	1 075 101	1 105 604	1 122 080
Waste water management		43 769	46 403	45 525	41 939	47 158	43 046	50 405	43 033	47 769	45 064	45 846	46 344	546 302	557 147	561 833
Waste management		22 205	23 541	23 096	21 277	23 924	21 838	25 571	21 832	24 234	22 862	23 259	23 512	277 151	300 174	309 543
Other		**96**	**101**	**99**	**92**	**103**	**94**	**110**	**94**	**104**	**98**	**100**	**101**	**1 193**	**1 247**	**1 278**
Total Expenditure - Functional		**545 065**	**577 870**	**566 936**	**522 281**	**587 271**	**536 068**	**627 701**	**535 901**	**594 885**	**561 192**	**570 932**	**506 797**	**6 732 898**	**7 040 056**	**7 194 721**
Surplus/(Deficit) before assoc.		**42 102**	**44 636**	**43 792**	**40 342**	**45 362**	**41 407**	**48 485**	**41 394**	**45 950**	**43 348**	**44 100**	**124 923**	**605 842**	**679 074**	**749 891**
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**42 102**	**44 636**	**43 792**	**40 342**	**45 362**	**41 407**	**48 485**	**41 394**	**45 950**	**43 348**	**44 100**	**124 923**	**605 842**	**679 074**	**749 891**

Table SA28: Consolidated budgeted monthly capital expenditure (municipal vote)

NW373 Rustenburg - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Energy Sources		3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	46 917	58 442	61 244
Vote 2 - Community and Social Services		666	666	666	666	666	666	666	666	666	666	666	666	7 987	7 041	8 287
Vote 3 - Environmental Protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Executive & Council		304	304	304	304	304	304	304	304	304	304	304	304	3 643	167	171
Vote 5 - Finance & Admin		1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	18 900	17 812	16 991
Vote 6 - Road Transport		2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	32 001	26 871	28 010
Vote 7 - Planning and Development		24 310	24 310	24 310	24 310	24 310	24 310	24 310	24 310	24 310	24 310	24 310	24 310	291 722	307 188	328 759
Vote 8 - Public Safety		985	985	985	985	985	985	985	985	985	985	985	985	11 815	3 650	2 050
Vote 9 - Sport and Recreation		42	42	42	42	42	42	42	42	42	42	42	42	503	583	475
Vote 10 - Housing		42	42	42	42	42	42	42	42	42	42	42	42	500	523	547
Vote 11 - Water Management		4 067	4 067	4 067	4 067	4 067	4 067	4 067	4 067	4 067	4 067	4 067	4 067	48 800	37 361	46 699
Vote 12 - [NAME OF VOTE 12]		46	46	46	46	46	46	46	46	46	46	46	46	550	546	274
Vote 13 - Waste Water Management		1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	19 275	21 558	23 247
Vote 14 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Internal Audit		8	8	8	8	8	8	8	8	8	8	8	8	91	95	98
Capital single-year expenditure sub-total	2	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**482 704**	**481 837**	**516 852**
Total Capital Expenditure	2	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**482 704**	**481 837**	**516 852**

Table SA29: Consolidated budgeted monthly capital expenditure (standard classification)

NW373 Rustenburg - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital Expenditure - Functional	1															
Governance and administration		1 887	1 887	1 887	1 887	1 887	1 887	1 887	1 887	1 887	1 887	1 887	1 887	22 645	18 074	17 260
Executive and council		304	304	304	304	304	304	304	304	304	304	304	304	3 643	167	171
Finance and administration		1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	18 910	17 812	16 991
Internal audit		8	8	8	8	8	8	8	8	8	8	8	8	91	95	98
Community and public safety		1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	20 804	11 797	11 359
Community and social services		666	666	666	666	666	666	666	666	666	666	666	666	7 987	7 041	8 287
Sport and recreation		42	42	42	42	42	42	42	42	42	42	42	42	503	583	475
Public safety		985	985	985	985	985	985	985	985	985	985	985	985	11 815	3 650	2 050
Housing		42	42	42	42	42	42	42	42	42	42	42	42	500	523	547
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		26 976	26 976	26 976	26 976	26 976	26 976	26 976	26 976	26 976	26 976	26 976	26 976	323 713	334 059	356 769
Planning and development		24 309	24 309	24 309	24 309	24 309	24 309	24 309	24 309	24 309	24 309	24 309	24 309	291 712	307 188	328 759
Road transport		2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	32 001	26 871	28 010
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		9 629	9 629	9 629	9 629	9 629	9 629	9 629	9 629	9 629	9 629	9 629	9 629	115 542	117 907	131 464
Energy sources		3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	46 917	58 442	61 244
Water management		4 067	4 067	4 067	4 067	4 067	4 067	4 067	4 067	4 067	4 067	4 067	4 067	48 800	37 361	46 699
Waste water management		1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	19 275	21 558	23 247
Waste management		46	46	46	46	46	46	46	46	46	46	46	46	550	546	274
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	482 704	481 837	516 852
Funded by:																
National Government		31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	380 673	389 212	422 824
Provincial Government		40	40	40	40	40	40	40	40	40	40	40	40	482	498	498
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		31 763	31 763	31 763	31 763	31 763	31 763	31 763	31 763	31 763	31 763	31 763	31 763	381 155	389 710	423 322
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		8 462	8 462	8 462	8 462	8 462	8 462	8 462	8 462	8 462	8 462	8 462	8 462	101 550	92 127	93 530
Total Capital Funding		40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	482 704	481 837	516 852

Table SA30: Consolidated budgeted monthly cash flow

NW373 Rustenburg - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash Receipts By Source													1		
Property rates	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	600 347	627 363	643 047
Service charges - electricity revenue	183 512	183 512	183 512	183 512	183 512	183 512	183 512	183 512	183 512	183 512	183 512	183 512	2 202 148	2 290 148	2 300 148
Service charges - water revenue	39 939	39 939	39 939	39 939	39 939	39 939	39 939	39 939	39 939	39 939	39 939	39 939	479 273	491 035	560 726
Service charges - sanitation revenue	34 216	34 216	34 216	34 216	34 216	34 216	34 216	34 216	34 216	34 216	34 216	34 216	410 588	459 442	485 603
Service charges - refuse revenue	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	170 542	184 521	199 734
Rental of facilities and equipment	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	12 537	13 030	13 315
Interest earned - external investments	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	93 352	95 303	95 427
Interest earned - outstanding debtors	57 961	57 961	57 961	57 961	57 961	57 961	57 961	57 961	57 961	57 961	57 961	57 961	695 528	723 427	762 882
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	16 794	17 549	17 988
Licences and permits	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	13 309	13 908	14 255
Agency services	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	143 375	149 827	153 573
Transfers and Subsidies - Operational	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	1 469 034	1 580 069	1 591 297
Other revenue	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	20 526	20 273	21 028
Cash Receipts by Source	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**6 327 354**	**6 665 895**	**6 859 024**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	380 673	389 212	422 824
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	40	40	40	40	40	40	40	40	40	40	40	40	482	498	498
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	225	225	225	225	225	225	225	225	225	225	225	225	2 706	2 764	1 640
VAT Control (receipts)	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	10	10	10	10	10	10	10	10	10	10	10	10	125	(248)	(249)
Total Cash Receipts by Source	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**6 711 340**	**7 058 121**	**7 283 737**
Cash Payments by Type															
Employee related costs	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	1 034 970	1 078 203	1 091 660
Remuneration of councillors	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	77 587	80 952	83 752
Interest	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	66 725	68 415	69 520
Bulk purchases - electricity	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	2 423 181	2 553 675	2 621 961
Acquisitions - water & other inventory	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	658 033	677 309	691 440
Contracted services	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	892 108	926 998	958 070
Transfers and subsidies - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	20 967	21 908	22 564
Other expenditure	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	316 282	329 374	335 746
Cash Payments by Type	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**5 489 854**	**5 736 834**	**5 874 713**
Other Cash Flows/Payments by Type															
Capital assets	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	482 704	481 837	516 852
Repayment of borrowing	12 091	12 091	12 091	12 091	12 091	12 091	12 091	12 091	12 091	12 091	12 091	12 091	145 090	151 619	155 410
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**6 117 648**	**6 370 290**	**6 546 974**
NET INCREASE/(DECREASE) IN CASH HELD	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**593 691**	**687 831**	**736 763**
Cash/cash equivalents at the month/year begin:	542 172	591 647	641 121	690 595	740 069	789 544	839 018	888 492	937 967	987 441	1 036 915	1 086 389	542 172	1 135 864	1 823 695
Cash/cash equivalents at the month/year end:	591 647	641 121	690 595	740 069	789 544	839 018	888 492	937 967	987 441	1 036 915	1 086 389	1 135 864	1 135 864	1 823 695	2 560 458

2.9 LEGISLATION COMPLIANCE STATUS

The promulgation of the Municipal Finance Management Act (The Act) in 2003 has brought in proficiency and control measures to local government in terms of budgeting, monitoring and accounting on public funds. The Act has had a profound effect on local government operations that required transformation in financial discipline and planning processes. The budget preparation for 2025/26- 2027/28 complies with most of these key requirements.

The Act has created clear reporting standards for local government that conforms to international standards. In addition to providing for improved reporting by local government, the Act stipulates that new accounting and financial standards must be complied with. Compliance with MFMA implementation requirements has been substantially adhered to through the following activities:

a) In- year reporting

The Municipality's electronic reporting to National Treasury has gradually improved over time. The monthly and quarterly returns to NT have been submitted though not timeously in all occasions. Significant challenges were however experienced with regards to compiling these reports due to the implementation of the mSCOA compliant financial system. Some manual intervention was required in these reports.

MFMA training

The Rustenburg Local Municipality, in its strides to comply with the Act, has in its plan of compliance provided that all directors as well as all finance officials have to meet the requirements of the minimum competency framework. SCM official are register provincial treasury SCM training programme.

Accounting standards

The reform agenda set out through the Municipal Finance Management Act includes new accounting standards, which includes national standards such as Generally Recognised Accounting Practice (GRAP). The aforementioned accounting practices have been adhered to during the development of the budget.

Municipal Budget and Reporting Regulations

RLM budget has been compiled in accordance with the MFMA: Municipal Budget and Reporting Regulations promulgated in 2009. Other directives from the National Treasury, for example in the form of budget circulars, are also taken into cognisance. (Circulars are attached per Annexure F and G).

Budget and Treasury Office

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

Audit Committee

An Audit Committee has been established and is fully functional.

Annual Report

Annual report is compiled in terms of the MFMA and NT requirements.

b) SDBIP

The detailed SDBIP is directly aligned and informed by the budget and is approved 30 days after the approval of the budget.

c) Budget Steering Committee

A Joint IDP and Budget Steering Committee has been established in accordance with MBRR and is fully functional.

d) Alignment of Budget with development priorities

There is clear linkage between the budget and the IDP. The Municipality is implementing programme budgeting to ensure that the development programmes identified in the IDP are appropriately funded.

e) Public participation

In accordance with the Act, the Municipality's draft budget is made public immediately after tabling in Council to allow for the public to comments on it. The budget has a strong political oversight.

2.10 OTHER SUPPORTING DOCUMENTS

Other budget supporting documents are included in:

Annexure B– Tariff Book

Annexure C – A Schedule

Annexure D – Budget Related Policies

Annexure E – RWST Budget

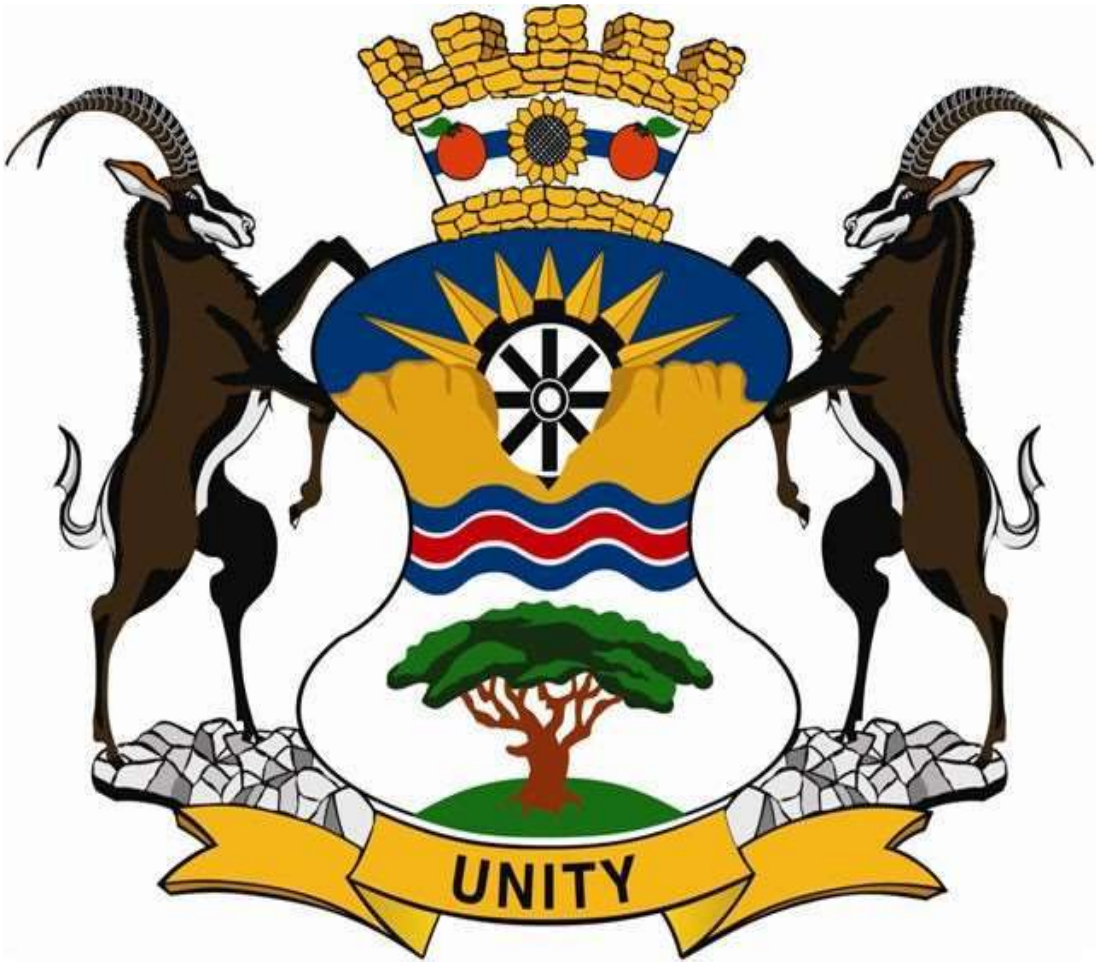
Annexure F – Circular 129

Annexure G – Circular 130

Annexure H – Budget per Directorate

NW 373 RUSTENBURG LOCAL MUNICIPALITY

TARIFF BOOK



2025 -2028 MTREF

ELECTRICITY TARIFFS APPLICATION OPTIONS FOR 2025/2026

Provide description of tariff structure where appropriate		RLM Proposed Percentage Increase - BASED ON LATEST FINANCIAL SUBMISSION	RLM Proposed Tariff 2024/2025	NERSA Approved Tariff 2024/2025	RLM Proposed Percentage Increase - BASED ON ESKOM'S MYPD6 2025/26	RLM Proposed Tariff 2025/2026	NERSA Approved Tariff 2025/2026	Billing Method
			Interim			Interim		
DOMESTIC TARIFFS								
Residential 1 Vacant Property	*Basic Charge (R/month)*	11.10%	384.67	42.31	12.20%	47.48		R/Month
Residential High Density Vacant Property	*Basic Charge (R/month)*	11.10%	4 948.88	544.38	12.20%	610.79		R/Month
Residential Life-line	*Block 1 (1-50 KWH)*	11.10%	167.24	167.37	12.20%	187.79		cent per kWh
	Block 2 (51-350 KWH)	11.10%	209.03	209.20	12.20%	234.72		cent per kWh
	Block 3 (351-600 KWH)	11.10%	278.97	279.19	12.20%	313.25		cent per kWh
	Block 4 (601 + KWH)	11.10%	335.62	335.89	12.20%	376.87		cent per kWh
Residential Town Prepaid	*Basic Charge (R/month)*	11.10%	396.18	396.50	12.20%	444.87		R/Month
	Block 1 (1-50 KWH)	11.10%	180.15	180.29	12.20%	202.29		cent per kWh
	Block 2 (51-350 KWH)	11.10%	213.94	214.11	12.20%	240.23		cent per kWh
	Block 3 (351-600 KWH)	11.10%	270.98	271.20	12.20%	304.29		cent per kWh
	Block 4 (601 + KWH)	11.10%	329.18	329.44	12.20%	369.63		cent per kWh
Residential (Domestic) Town Conventional	*Basic Charge (R/month)*	11.10%	539.27	539.71	12.20%	605.55		R/Month
	Block 1 (1-50 KWH)	11.10%	165.67	165.81	12.20%	186.04		cent per kWh
	Block 2 (51-350 KWH)	11.10%	207.12	209.29	12.20%	234.82		cent per kWh
	Block 3 (351-600 KWH)	11.10%	275.79	276.02	12.20%	309.69		cent per kWh
	Block 4 (601 + KWH)	11.10%	335.03	335.30	12.20%	376.21		cent per kWh
Residential Rural Prepaid	*Basic Charge (R/month)*	11.10%	588.40	588.87	12.20%	660.71		R/Month
	Block 1 (1-50 KWH)	11.10%	169.82	169.96	12.20%	190.70		cent per kWh
	Block 2 (51-350 KWH)	11.10%	212.28	212.46	12.20%	238.38		cent per kWh
	Block 3 (351-600 KWH)	11.10%	272.65	272.87	12.20%	306.16		cent per kWh
	Block 4 (601 + KWH)	11.10%	331.19	331.46	12.20%	371.90		cent per kWh
Residential Rural Coventional	*Basic Charge (R/month)*	11.10%	588.40	588.87	12.20%	660.71		R/Month
	Block 1 (1-50 KWH)	11.10%	169.82	169.96	12.20%	190.70		cent per kWh
	Block 2 (51-350 KWH)	11.10%	212.28	212.46	12.20%	238.38		cent per kWh
	Block 3 (351-600 KWH)	11.10%	272.65	272.87	12.20%	306.16		cent per kWh
	Block 4 (601 + KWH)	11.10%	331.19	331.46	12.20%	371.90		cent per kWh
NON-DOMESTIC SMALL TO LARGE CONSUMER TARIFFS (Including Residential Bulk)								
Business Zoned Vacant property	*Basic Charge (R/month)*	11.10%	1 643.78	180.82		202.88		R/Month
Non-domestic (Conventional) - Town + Rural	*Basic Charge (R/month)*	11.10%	165.12	1 645.10	12.20%	1 845.80		R/Month
	Energy Rate (c/kWh) Winter	11.10%	410.96	411.29	12.20%	461.47		cent per kWh
	Energy Rate (c/kWh) Summer	11.10%	308.24	308.49	12.20%	346.13		cent per kWh

Non-Domestic (Prepaid) - Town + Rural	*Basic Charge (R/month)*	11.10%	165.12	1 645.10	12.20%	1 845.80		R/Month
	Energy Rate (c/kWh) Winter	11.10%	410.96	411.29	12.20%	461.47		cent per kWh
	Energy Rate (c/kWh) Summer	11.10%	308.24	308.49	12.20%	346.13		cent per kWh
BULK CONSUMER TARIFFS (INDUSTRIAL TARIFFS)								
Industrial Zoned Vacant property	*Basic Charge (R/month)*	11.10%	4 948.88	544.38		610.79		R/Month
Bulk Supply Town and Rural 400 V	*Basic Charge (R/month)*	11.10%	4 948.88	4 952.89	12.20%	5 557.14		R/Month
	Energy Rate (c/kWh) Summer	11.10%	192.09	192.25	12.20%	215.70		cent per kWh
	Energy Rate (c/kWh) Winter	11.10%	311.66	309.84	12.20%	347.64		cent per kWh
	All season Network Demand Charge (R/kVA)	11.10%	75.41	75.47	12.20%	84.68		R/kVA
	All season Network Access Charge (R/kVA)	11.10%	301.59	301.83	12.20%	338.65		R/kVA max of NMD or highest last 12 months MD
Bulk Supply Town and Rural 11kV	*Basic Charge (R/month)*	11.10%	4 433.55	4 437.15	12.20%	4 978.48		R/Month
	Energy Rate (c/kWh) Summer	11.10%	188.32	188.44	12.20%	211.43		cent per kWh
	Energy Rate (c/kWh) Winter	11.10%	296.00	296.24	12.20%	332.38		cent per kWh
	Network Demand Charge (R/kVA)	11.10%	74.93	74.99	12.20%	84.14		R/kVA
	Network Access Charge (R/kVA)	11.10%	301.60	301.85	12.20%	338.68		R/kVA max of NMD or highest last 12 months MD
TIME -OF -USE								
11 kV Bulk supply Time-of-use	*Basic Charge (R/month)*	11.10%	18 054.46	18 069.09	12.20%	20 273.52		R/Month
	All season Network Demand Charge (R/kVA)	11.10%	85.14	85.21	12.20%	95.61		R/kVA
	All season Network Access Charge (R/kVA)	11.10%	65.64	65.69	12.20%	73.70		R/kVA max of NMD or highest last 12 months MD
	SUMMER Peak Energy (c/kWh)	11.10%	279.02	279.25	12.20%	313.32		cent per kWh
	Standard Energy (c/kWh)	11.10%	188.75	188.90	12.20%	211.95		cent per kWh
	Off-peak Energy (c/kWh)	11.10%	137.48	137.60	12.20%	154.39		cent per kWh
	WINTER Peak Energy (c/kWh)	11.10%	871.95	872.66	12.20%	979.12		cent per kWh
	Standard Energy (c/kWh)	11.10%	254.42	254.63	12.20%	285.69		cent per kWh
	Off-peak Energy (c/kWh)	11.10%	151.83	151.95	12.20%	170.49		cent per kWh
		11.10%	42.07	42.11	12.20%	47.25		cent per kVArh
33 kV Bulk supply Time-of-use	*Basic Charge (R/month)*	11.10%	16 252.86	16 265.81	12.20%	18 250.24		R/month
	Network Demand Charge (R/kVA)	11.10%	74.64	74.70	12.20%	83.81		R/kVA
	Network Access Charge (R/kVA)	11.10%	56.69	56.74	12.20%	63.66		R/kVA max of NMD or highest last 12 months MD
	SUMMER Peak Energy (c/kWh)	11.10%	249.45	249.65	12.20%	280.11		cent per kWh
	Standard Energy (c/kWh)	11.10%	168.20	168.34	12.20%	188.88		cent per kWh
	Off-peak Energy (c/kWh)	11.10%	118.13	118.22	12.20%	132.64		cent per kWh
	WINTER Peak Energy (c/kWh)	11.10%	784.28	784.92	12.20%	880.68		cent per kWh
	Standard Energy (c/kWh)	11.10%	226.78	226.97	12.20%	254.66		cent per kWh
	Off-peak Energy (c/kWh)	11.10%	132.29	132.40	12.20%	148.55		cent per kWh

	Reactive Energy (c/kVArh) - Winter only	11.10%	37.74	38.77	12.20%	43.50		cent per kVArh

GLENCORE

		RLM Proposed Percentage Increase	RLM Proposed Glencore Tariff on 33kV 2024/2025	NERSA Approved Glencore Tariff on 33kV 2024/2025	RLM Proposed Percentage Increase	RLM Proposed Glencore Tariff on 33kV 2025/2026	NERSA Approved Glencore Tariff on 33kV 2025/2026	Billing Method
			Interim			Interim		
PLEASE NOTE THE FOLLOWING - Glencore - Negotiated electricity pricing agreement (NPA) not finalized.								
Please note that this tariffs are not applicable or enforcable until NPA or Courtcase is resolved and approved by NERSA but merely a current guideline on ACTIVE ENERGY PRICES.		ESKOM ACCOUNT WILL VERIFY THE FINAL APPROVED 33KV TARIFFS						
33 kV Bulk supply Time of use NMD ≥ 150MVA - BASED ON ESKOM BOOKLET . PLEASE NOTE THE FOLLOWING - Glencore - Negotiated electricity pricing agreement (NPA) application was submitted to Nersa by Eskom. NPA tariffs and %surcharge is still to be agreed upon between Glencore and RLM as requested by NERSA.	*Basic Charge (R/month)*	12.72%	252 251.67	252 251.67	12.74%	284 388.53		R/kVA/m
	Network Transmission Charge	12.72%	17.31	17.31	12.74%	19.52		R/kVA
	Network Capacity (Access) Charge	12.72%	34.72	34.72	12.74%	39.14		R/kVA
	Network Demand charge	12.72%	60.17	65.81	12.74%	74.19		R/kVA
	Active energy Charge							
	LOW							
	Peak	12.72%	236.54	236.54	12.74%	266.68		c/kWh
	Standard	12.72%	168.31	168.31	12.74%	189.75		c/kWh
	Off-peak	12.72%	113.45	113.45	12.74%	127.90		c/kWh
	Active energy Charge							
	HIGH							
	Peak	12.72%	694.38	694.38	12.74%	782.84		c/kWh
	Standard	12.72%	220.98	220.98	12.74%	249.13		c/kWh
	Off-peak	12.72%	128.07	128.07	12.74%	144.39		c/kWh
	Electrification and Rural subsidy	12.72%	16.86	16.86	12.74%	19.01		c/kWh
	Ancillary Sevice Charge (Reliability)	12.72%	0.86	0.86	12.74%	0.97		c/kWh
	Urban Low Voltage Subsidy Charge (N/A)							c/kVarh
	Reactive energy (High Season)	12.72%	30.47	4.75	12.74%	5.36		c/kVarh
	Administration Charge (per POD p/day)	12.72%	271.03	271.03	12.74%	305.56		R/POD/Day
	Service Charge (R/Account/Day)	12.72%	8 486.74	8 486.74	12.74%	9 567.95		R/Account/Day

ELECTRICAL ENGINEERING CONTRIBUTIONS RATES

Item	Description		4.4% CPI Estimated Percentage Increase 2023	Rate Excl VAT 2023/2024	4.9% CPI Estimated Percentage Increase 2024	Rate Excl VAT 2024/2025	Unit		4.4% CPI Estimated Percentage Increase 2025	Rate Excl VAT 2025/2026	Unit
1.	**AFTER DIVERSITY MAXIMUM DEMAND (ADMD) VALUES** ADMD's applicable for the calculation of Engineering Contribution rates will be as follow: **Description** / **ADMD** Residential: As per NRS 069 and NRS 034 for the applicable consumption class Hotel, Guest House or equivalent: 80 VA/m^2 Business, Office or equivalent: 80 VA/m^2 Light Industrial, Garage or equivalent: 40 VA/m^2 Educational or equivalent: 20 VA/m^2 Devotional, agricultural, nursery, scrap yard or equivalent: 20 VA/m^2										
2.	**MAXIMUM DEMAND (IN KVA) CALCULATION**										
2.1	**General note:**										
2.1.1	The higher of the value calculated at secondary transformation level by: 1) The Developer's appointed Professional Electrical Engineer, or 2) The value as determined by the applicable formula below according to the development's zoning										
2.1.2	The RLM may advise the customer where it is deemed necessary for the customer to increase its notified maximum demand.										
2.1.3	Maximum demand may only be lowered by lowering town planning rights										
2.1.4	Where town planning rights cannot be lowered and a developer insists on a maximum demand lower than figures calculated according to 2.1.1 then the developer shall register a servitude of constraint in the title deed of the property concerned.										
2.1.5	A maximum demand shall be calculated for each legal property, or notarially tied property. In the case of new township or a mixed-use development a consolidated maximum demand may be calculated in terms of item 2.07 for the entire develoment.										
2.2	**Residential development**										
2.2.1	As determined according to Formula in par 4.2.2 of NRS 034-1:2001, as amended from time from time to time.										
2.2.2	Parameters a, b and c are determined as per table 3a of NRS 034-1:2001 as amended from time to time, for standard ADMD values.										
2.2.3	Parameters for a and b for a given circuit breaker size c shall be otherwise determined in terms of the formulae set out in NRS 034-1:2001, as amended from time to time.										
2.3	**Commercial, Governmental and other non-domestic loads, excluding industrial loads:** *Maximum demand (in kVA) = ADMD (in kVA/m^2 from Table 1) x FAR x Stand area (in m^2)* Where FAR is the Floor to Area Ratio, i.e. the area of total building floor area divided by total stand area. The total building floor area shall be deemed to include all lettable areas, including common building areas.										
2.4	**Light Industrial:** *Maximum demand (in kVA) = ADMD (in kVA/m^2 from Table 1) x FAR x Stand area (in m^2)*										
2.5	**Heavy Industrial:** As determined by the developer's consulting engineer (Professional Electrical Engineer)										
2.6	**Special loads:** Special loads are deemed to be loads associated with special zoning such as storage garages, cemeteries, churches. The higher of the value calculated at secondary transformation level by: 1. 13.8 kVA (equivalent to 60 A single phase) 2. the developer's appointed Professinal Electrical Engineer										
2.7	**Mixed-use loads:** Any combination of the above, with diversity factors applied or composite load curves summated to determine the annual coincident maximum demand of the saturated development (i.e. for the full development when all properties have been developed). Diversification factors shall be applied at secondary transformation level.										
2.8	**Phased developments** For phased developments, any combination of the above, subject thereto that Council has approved such phased development and the payment of contributions in respect of each phase.										

3.	**ENGINEERING CONTRIBUTIONS**						4.9% increase using MFMA Circular no.126					4.4% increase using MFMA Circular no.129 - 130
	Engineering contributions shall be calculated by multiplying the determined demand in kVA by the rate per kVA stated for the appropriate point of connection below:											
3.1	**For High voltage connections 88 kV**											
3.1.1	**For a connection directly to the 88 kV busbars of a primary intake-substation:**	4.40%	194.45	4.90%	203.98	per kVA		4.4%	212.95	per kVA		
	In addition, the developer pays for the dedicated infrastructure, being a full 88 kV feeder bay inclusive of busbar isolator, circuit breaker, CTs and VTs, line isolator, metering requirements, jumpers, clamps, protection relays and the 88 kV line.											
3.2	**For medium voltage connections (11 & 33 kV) from the urban network**											
3.2.1	**For a connection directly to thee 33 kV busbars of a substation:**	4.40%	585.72	4.90%	614.42	per kVA		4.4%	641.46	per kVA		
	In addition, the developer pays fot the dedicated infrastructure, being a 33 kV feeder bay inclusive of circuit breaker, CTs and VTs, metering requirements, protection relays and 33 kV cable.											
3.2.2	**For a connection directly to existing 33 kV cables:**	4.40%	0.00	4.90%	1 544.08	per kVA		4.4%	1 612.02	per kVA		
	In addition, the Developer shall be responsible to provide the dedicated infrastructure, inclusive of 33 kV circuit breaker, CTs and VTs, metering requirements, protection relays, 33 kV cable and terminations, transformers, 11kV infrastructure as well as any downstream infrastructure required.											
	This type of connection is not recommended and should be avoided where possible, especially along primary 33 kV cables with differential protection.											
3.2.3	**For a connection directly to the 11 kV busbars of a substation:**	4.40%	0.00	4.90%	1 544.08	per kVA		4.4%	1 612.02	per kVA		
	In addition, the developer pays for the dedicated infrastructure, being an 11 kV feeder bay inclusive of circuit breaker, CTs and VTs, metering requirements, protection relays and 11											
3.2.4	**For a connection directly to a 11 kV ring:**	4.40%	3 781.10	4.90%	3 966.38	per kVA		4.4%	4 140.90	per kVA		
	RLM pays for the ring main unit and upstream 11 kV infrastructure.											
	In addition, the developer pays for the dedicated infrastructure, being the bulk 11 kV meter and shall provide his own customer circuit breaker.											
3.3	**For low voltage connections from the urban network**											
3.3.1	**For a connection directly to the LV busbars of a Minisub:**	4.40%	4 815.01	4.90%	5 050.94	per kVA		4.4%	5 273.18	per kVA		
	RLM will provide the minisub and upstream 11 kV cable											
	In addition, the developer pays for the dedicated infrastructure, being a LV feeder breaker and the meter to be installed in the Minisub.											
3.3.2	**For a connection directly to the LV busbars of a distribution kiosk located along an LV feeder on the boundary of a property:**	4.40%	5 392.43	4.90%	5 656.66	per kVA		4.4%	5 905.55	per kVA		
	RLM will provide the upstream LV feeder, the LV distribution kiosk, the minisub and upstream 11 kV cable.											
	In addition, the developer pays for the dedicated infrastructure, being a LV feeder breaker and the meter to be installed in the contribution kiosk.											
3.4	**For medium voltage connections (11 & 33 kV) from the rural network**											
3.4.1	**For a connection directly to an 11 kV overhead line:**	4.40%	3 803.63	4.90%	3 990.01	per kVA		4.4%	4 165.57	per kVA		
	RLM pays for the ring main unit and upstream 11 kV infrastructure.											
	In addition, the developer pays for the dedicated infrastructure, being the bulk 11 kV meter and shall provide his own customer circuit breaker.											
3.5	**For low voltage connections from the rural network**											
3.5.1	**For a connection directly to the LV busbars of a Pole transformer:**	4.40%	4 459.31	4.90%	4 677.81	per kVA		4.4%	4 883.64	per kVA		
	RLM will provide the pole transformer and upstream 11 kV line.											
	In addition, the developer pays for the dedicated infrastructure, being a LV feeder breaker and the meter to be installed in the Minisub.											
3.5.2	**For a connection directly to the LV busbars of a distribution kiosk located along an LV overhead feeder on the boundary of a property:**	4.40%	4 767.58	4.90%	5 001.19	per kVA		4.4%	5 221.25	per kVA		
	RLM will provide the upstream LV overhead line feeder, the LV distribution kiosk, the pole transformer and upstream 11 kV lines.											
	In addition, the developer pays for the dedicated infrastructure, being a LV feeder breaker and the meter to be installed in the distribution kiosk.											

RUSTENBURG LOCAL MUNICIPALITY

DIRECTORATE - TECHNICAL AND INFRASTRUCTURE SERVICES

CIVIL BULK SERVICES CONTRIBUTIONS: NEW DEVELOPMENTS

1. CONTRIBUTIONS NORTH OF THE N4 (COUNCIL RES. 610 OF 25 SEPTEMBER 2001)

	Water		Sewerage		Roads		
Date	Pipeline	Storage	Pipeline	Treatment	Stormwater	Roads	
01 January 2023	R 1 091/Eq.Erf	R 1 091/Eq.Erf	R 2 458/Eq.Erf	R 2 192/m³	R 1210/Eq.Erf	R 3 350/trips	Increase with 4.7% CPI January 2023

2. CONTRIBUTIONS SOUTH OF THE N4 (COUNCIL RES. 69 OF 28 MAY 2002)

	Water	Sewerage		Roads		
Date	Water all inclusive	Pipeline	Treatment	Stormwater	Roads	
01 January 2023	R 7 170/Eq Erf	R 2 241/Eq.Erf	R 1 997/m³	R 1 090/Eq.Erf	R 3 186/trips	Increase with 4.7% CPI January 2023

3. CONTRIBUTIONS FOR THE DELTA AREA (COUNCIL RES. 25 - SEPTEMBER 2002)

	Water	Sewerage		Roads		
Date	Water all inclusive	Pipeline	Treatment	Stormwater	Roads	
01 January 2023	R 7 170/Eq Erf	R 2 148/Eq.Erf	R 1 997/m³	R 1 089/Eq.Erf	R 6 300/trips	Increase with 4.7% CPI January 2023

4. CONTRIBUTIONS FOR AREAS INCLUDING CUCKOO AVE (COUNCIL RES. 93 - 30 JULY 2002)

	Water	Sewerage		Roads		
Date	Water all inclusive	Pipeline	Treatment	Stormwater	Roads	
01 January 2023	R 7 170/Eq Erf	R 2 240/Eq.Erf	R 1 995/m³	R 1 086/Eq.Erf	R 7 685/trips	Increase with 4.7% CPI January 2023

NOTES:

Trips are calculated as follows:

a. Normal residential stand: (Res 1) 1.5 trips per normal household.
b. Cluster housing: (Res 2) 1.1 trips per normal household

WATER BASIC

CONSUMER	Approved Tariffs 2021/2022monthly	Approved Tariffs 2021/2022 annually	*2022/2023 Increase %*	Approved Tariffs 2022/2023 monthly	Approved Tariffs 2022/2023 annually	*2023/2024 Increase %*	Approved Tariffs 2023/2024 monthly	Approved Tariffs 2023/2024 annually	*2024/2025 Increase %*	Approved Tariffs 2024/2025 monthly	Approved Tariffs 2024/2025 annually	Proposed Tariffs 2025/2026 monthly	Proposed Tariffs 2025/2026 annually	Billing Method
Residential	95.25	1 143.04	4.80%	99.83	1 197.91	4.80%	104.62	1 255.41	4.80%	109.64	1 315.67	116.00	1 391.98	**Per Unit**
Residential Vacant	100.69	1 208.22	4.80%	105.52	1 266.22	4.80%	110.58	1 326.99	4.80%	115.89	1 390.69	122.61	1 471.35	**Per Unit**
INDUSTRIAL	103.01	1 236.08	4.80%	107.95	1 295.41	4.80%	113.13	1 357.59	4.80%	118.56	1 422.76	125.44	1 505.28	**Per Unit**
INDUSTRIAL - Vacant	104.16	1 249.88	4.80%	109.16	1 309.88	4.80%	114.40	1 372.75	4.80%	119.89	1 438.64	126.84	1 522.09	**Per Unit**
Agricultural	97.97	1 175.63	4.80%	102.67	1 232.06	4.80%	107.60	1 291.20	4.80%	112.76	1 353.18	119.31	1 431.66	**Per Unit**
BUSINESS	103.01	1 236.08	4.80%	107.95	1 295.41	4.80%	113.13	1 357.59	4.80%	118.56	1 422.76	125.44	1 505.28	**Per Unit**
BUSINESS - Vacant	103.01	1 236.08	4.80%	107.95	1 295.41	4.80%	113.13	1 357.59	4.80%	118.56	1 422.76	125.44	1 505.28	**Per Unit**
CHURCH	93.11	1 117.36	4.80%	97.58	1 170.99	4.80%	102.27	1 227.20	4.80%	107.18	1 286.10	113.39	1 360.70	**Per Unit**
Educational	93.11	1 117.36	4.80%	97.58	1 170.99	4.80%	102.27	1 227.20	4.80%	107.18	1 286.10	113.39	1 360.70	**Per Unit**
STATE OWNED	97.35	1 168.22	4.80%	102.02	1 224.29	4.80%	106.92	1 283.06	4.80%	112.05	1 344.65	118.55	1 422.64	**Per Unit**
MUNICIPALITY	97.35	1 168.22	4.80%	102.02	1 224.29	4.80%	106.92	1 283.06	4.80%	112.05	1 344.65	118.55	1 422.64	**Per Unit**

WATER TARIFFS

CONSUMER	Approved Tariff 2022/2023	2023/2024 Increase	Approved Tariff 2023/2024	2024/2025 Increase	Approved Tariff 2024/2025	Proposed 2025/2026 Increase	Proposed Tariff 2025/2026
DOMESTIC (Prepaid and Convertional meters) TOTAL							
Consumption 0KL to 12KL	16.0846	8.0%	17.3714	11.7%	18.7611	13.0%	R 21.20
Consumption 13KL to 25KL	17.0121	8.0%	18.3731	11.7%	19.8430	13.0%	R 22.42
Consumption 26KL to 40KL	20.4171	8.0%	22.0505	11.7%	23.8145	13.0%	R 26.91
Consumption 41KL to 60KL	25.7914	8.0%	27.8547	11.7%	30.0831	13.0%	R 33.99
Consumption above 60KL	29.2599	8.0%	31.6007	11.7%	34.1288	13.0%	R 38.57
Domestic consumers with no meter Minimum charge per household per month (Full waterborne sanitation)	**98.4774**	**8.0%**	**106.3556**	**11.7%**	**114.8640**	**150.0%**	**R 287.16**
Domestic consumers with no meter Minimum charge per household per month (Dry sanitation)	**98.4774**	**8.0%**	**106.3556**	**11.7%**	**114.8640**	**37.0%**	**R 157.36**
AGRICULTURAL DOMESTIC TOTAL							
Consumption 0KL to 12KL	21.8910	8.0%	23.6422	11.7%	26.3965	13.0%	R 29.83
Consumption 13KL to 25KL	24.0254	8.0%	25.9474	11.7%	28.9703	13.0%	R 32.74
Consumption 26KL to 40KL	26.6553	8.0%	28.7877	11.7%	32.1415	13.0%	R 36.32
Consumption 41KL to 60KL	26.2361	8.0%	28.3349	11.7%	31.6360	13.0%	R 35.75
Consumption above 60KL	28.5484	8.0%	30.8323	11.7%	34.4243	13.0%	R 38.90
							R -
INDUSTRIAL TOTAL							R -
Consumption 0KL to 60KL	25.6136	8.0%	27.6627	11.7%	30.8854	13.0%	R 34.90
Consumption 61KL to 100KL	28.4849	8.0%	30.7637	11.7%	34.3477	13.0%	R 38.81
Consumption 101KL to 150KL	29.9968	8.0%	32.3965	11.7%	36.1707	13.0%	R 40.87
Consumption 151KL+	33.9608	8.0%	36.6777	11.7%	40.9506	13.0%	R 46.27
							R -
							R -
INDUSTRIAL: BOSPOORT TOTAL							R -
Consumption 0KL to 60KL	27.0873	8.0%	29.2543	11.7%	32.6624	13.0%	R 36.91
Consumption 61KL to 100KL	29.2726	8.0%	31.6144	11.7%	35.2975	13.0%	R 39.89
Consumption 101KL to 150KL	28.5865	8.0%	30.8734	11.7%	34.4702	13.0%	R 38.95
Consumption 151KL+	31.0767	8.0%	33.5628	11.7%	37.4729	13.0%	R 42.34
							R -
COMMERCIAL TOTAL							R -
Consumption 0KL to 60KL	25.9566	8.0%	28.0331	11.7%	31.2989	13.0%	R 35.37
Consumption 61KL to 100KL	27.8369	8.0%	30.0639	11.7%	33.5663	13.0%	R 37.93
Consumption 101KL to 150KL	28.8406	8.0%	31.1478	11.7%	34.7765	13.0%	R 39.30
Consumption 151KL+	31.3181	8.0%	33.8236	11.7%	37.7640	13.0%	R 42.67
							R -
INSTITUTIONAL: Church TOTAL							R -
Consumption 0KL to 60KL	24.5717	8.0%	26.5375	11.7%	29.6291	13.0%	R 33.48
Consumption 61KL to 100KL	26.2234	8.0%	28.3213	11.7%	31.6207	13.0%	R 35.73
Consumption 101KL to 150KL	25.0672	8.0%	27.0726	11.7%	30.2266	13.0%	R 34.16
Consumption 151KL+	27.1254	8.0%	29.2954	11.7%	32.7083	13.0%	R 36.96
							R -
INSTITUTIONAL TOTAL							R -
Consumption 0KL to 60KL	24.0889	8.0%	26.0160	11.7%	29.0468	13.0%	R 32.82
Consumption 61KL to 100KL	25.7025	8.0%	27.7587	11.7%	30.9926	13.0%	R 35.02
Consumption 101KL to 150KL	24.8893	8.0%	26.8804	11.7%	30.0120	13.0%	R 33.91
Consumption 151KL+	27.2651	8.0%	29.4464	11.7%	32.8769	13.0%	R 37.15
							R -
INSTITUTIONAL:GOVERNMENT TOTAL							R -
Consumption 0KL to 60KL	25.6516	8.0%	27.7038	11.7%	30.9313	13.0%	R 34.95
Consumption 61KL to 100KL	29.9713	8.0%	32.3690	11.7%	36.1400	13.0%	R 40.84
Consumption 101KL to 150KL	28.8914	8.0%	31.2027	11.7%	34.8378	13.0%	R 39.37
Consumption 151KL+	31.7501	8.0%	34.2901	11.7%	38.2849	13.0%	R 43.26
							R -
PUBLIC AND PRIVATE SCHOOLS							R -
Consumption 0KL to 60KL	25.2070	8.0%	27.2235	11.7%	30.3951	13.0%	R 34.35
Consumption 61KL to 100KL	29.4505	8.0%	31.8066	11.7%	35.5120	13.0%	R 40.13
Consumption 101KL to 150KL	28.0148	8.0%	30.2560	11.7%	33.7809	13.0%	R 38.17
Consumption 151KL+	30.4160	8.0%	32.8493	11.7%	36.6762	13.0%	R 41.44
SPECIAL							
Consumption 0KL to 60KL	27.1762	8.0%	29.3503	11.7%	32.7696	13.0%	R 37.03
Consumption 61KL to 100KL	28.8153	8.0%	31.1205	11.7%	34.7460	13.0%	R 39.26
Consumption 101KL to 150KL	27.7734	8.0%	29.9953	11.7%	33.4897	13.0%	R 37.84
Consumption 151KL+	30.2890	8.0%	32.7121	11.7%	36.5231	13.0%	R 41.27

Consumption/month		Proposed
13.5	R	286.20
7.5	R	159.00

Table J.3: Residential AADD (per capita)

Land use		Persons per unit	Typical AADD #1 L/c/d	AADD range #1 L/c/d
Standpipe		5	25	10 to 40
Yard connection	With dry sanitation	5	50	40 to 60
	With low-flow (LOFLOs) sanitation	5	60	50 to 70
	With full-flush sanitation	5	70	60 to 80
House connection	Low-income housing	5	90	60 to 120
	Residential	5	230	120 to 400
	Group/cluster housing	3 to 5	120	130 to 120
	Flats	1 to 4	150	250 to 110

#1 - per capita calculated on persons per unit

Full household demand (5 people per household)					
Type of Connection	House Connections		Yard Connection		Standpipe
Type of Households	Residential	Low Income	With dry Sanitation	With full-flush Sanitaion	
Typical AADD	230	90	50	70	25
AADD (kl/day)	1.15	0.45	0.25	0.35	0.125
Monthly AADD (kl/month)	34.5	13.5	7.5	10.5	3.75

SUNDRY WATER TARIFFS

Description	Increase 2022/2023	Approved Tariff 2023/2024				Increase 2023/2024	Approved Tariff 2024/2025				Increase 2024/2025	Proposed Tariff 2025/2026				Increase 2025/2026
SUMMARY OF WATER CONNECTION		**Short**	**Long**	**Short (Prepaid)**	**Long (Prepaid)**		**Short**	**Long**	**Short (Prepaid)**	**Long (Prepaid)**		**Short**	**Long**	**Short (Prepaid)**	**Long (Prepaid)**	
15 mm Connection	6.50%	6 085.71	64 445.91	9 858.33	68 170.09	6.50%	6 481.28	68 634.90	10 499.12	72 601.15	6.50%	6 967.38	73 782.51	11 286.56	78 046.24	7.50%
20 mm Connection	6.50%	6 086.21	47 096.59	10 273.91	68 226.92	6.50%	6 481.81	50 157.87	10 941.72	72 661.66	6.50%	6 967.94	53 919.71	11 762.35	78 111.29	7.50%
25 mm Connection	6.50%	7 082.16	65 811.62	10 325.41	68 333.48	6.50%	7 542.50	70 089.38	10 996.56	72 775.16	6.50%	8 108.19	75 346.08	11 821.30	78 233.29	7.50%
	6.50%	**Short**	**Long**	**Short (AMR)**	**Long (AMR)**	6.50%	**Short**	**Long**	**Short (AMR)**	**Long (AMR)**	6.50%	**Short**	**Long**	**Short (AMR)**	**Long (AMR)**	7.50%
50 mm Connection	6.50%	25 623.50	102 380.34	34 684.43	111 443.04	6.50%	27 289.03	109 035.06	36 938.91	118 686.84	6.50%	29 335.70	117 212.69	39 709.33	127 588.35	7.50%
80 mm Connection	6.50%	35 306.01	112 693.32	44 368.71	121 754.24	6.50%	37 600.90	120 018.38	47 252.68	129 668.27	6.50%	40 420.97	129 019.76	50 796.63	139 393.39	7.50%
100 mm Connection	6.50%	42 207.38	151 476.64	51 268.31	128 891.81	6.50%	44 950.86	161 322.62	54 600.75	137 269.78	6.50%	48 322.17	173 421.82	58 695.80	147 565.01	7.50%
150 mm Connection	6.50%	63 890.04	151 476.64	72 952.74	157 802.61	6.50%	68 042.89	161 322.62	77 694.67	168 059.78	6.50%	73 146.11	173 421.82	83 521.77	180 664.27	7.50%
	6.50%					6.50%					6.50%					
SUMMARY OF SEWER CONNECTION	6.50%	**Short**	**Long**			6.50%	**Short**	**Long**			6.50%	**Short**	**Long**			
100 mm Sewer Connection	6.50%	5 065.03	82 091.81	-	-	6.50%	5 394.26	87 427.78	-	-	6.50%	5 744.88	93 110.58	-	-	6.50%
160 mm Sewer Connection	6.50%	5 507.24	92 971.32	-	-	6.50%	5 865.21	99 014.45	-	-	6.50%	6 246.44	105 450.39	-	-	6.50%
SUMMARY OF METER TEST		**Cost**					**Cost**					**Cost**				
15mm Meter Test	6.50%	1 259.15	-	-	-	6.50%	1 341.00	-	-	-	6.50%	1 441.57	-	-	-	7.50%
20mm Meter Test	6.50%	1 303.55	-	-	-	6.50%	1 388.28	-	-	-	6.50%	1 492.40	-	-	-	7.50%
25mm Meter Test	6.50%	1 937.56	-	-	-	6.50%	2 063.50	-	-	-	6.50%	2 218.27	-	-	-	7.50%
50mm Meter Test	6.50%	2 617.76	-	-	-	6.50%	2 787.91	-	-	-	6.50%	2 997.01	-	-	-	7.50%
50mm Meter Test (connection)	6.50%	5 212.44	-	-	-	6.50%	5 551.24	-	-	-	6.50%	5 967.59	-	-	-	7.50%
80mm Meter Test	6.50%	3 590.98	-	-	-	6.50%	3 824.39	-	-	-	6.50%	4 111.22	-	-	-	7.50%
80mm Meter Test (connection)	6.50%	6 833.88	-	-	-	6.50%	7 278.08	-	-	-	6.50%	7 823.94	-	-	-	7.50%
100mm Meter Test	6.50%	4 564.21	-	-	-	6.50%	4 860.89	-	-	-	6.50%	5 225.45	-	-	-	7.50%
100mm Meter Test (connection)	6.50%	7 805.32	-	-	-	6.50%	8 312.67	-	-	-	6.50%	8 936.12	-	-	-	7.50%
150 mm Meter Test	6.50%	6 670.49	-	-	-	6.50%	7 104.07	-	-	-	6.50%	7 636.88	-	-	-	7.50%
150mm Meter Test (connection)	6.50%	7 805.32	-	-	-	6.50%	8 312.67	-	-	-	6.50%	8 936.12	-	-	-	7.50%
200mm Meter Test	6.50%	6 670.49	-	-	-	6.50%	7 104.07	-	-	-	6.50%	7 636.88	-	-	-	7.50%
200mm Meter Test (connection)	6.50%	7 805.32	-	-	-	6.50%	8 312.67	-	-	-	6.50%	8 936.12	-	-	-	7.50%
15mm water meter KSM	6.50%	623.36	-	-	-	6.50%	663.88	-	-	-	6.50%	713.67	-	-	-	7.50%
15mm water metered box	6.50%	884.42	-	-	-	6.50%	941.91	-	-	-	6.50%	1 012.56	-	-	-	7.50%
20mm water meter KSM	6.50%	648.22	-	-	-	6.50%	690.36	-	-	-	6.50%	742.13	-	-	-	7.50%
20mm water metered box	6.50%	1 165.03	-	-	-	6.50%	1 240.76	-	-	-	6.50%	1 333.82	-	-	-	7.50%
25mm water meter KSM	6.50%	1 479.38	-	-	-	6.50%	1 575.54	-	-	-	6.50%	1 693.70	-	-	-	7.50%
25mm water metered box	6.50%	1 843.44	-	-	-	6.50%	1 963.26	-	-	-	6.50%	2 110.51	-	-	-	7.50%
50mm water meter	6.50%	4 102.46	-	-	-	6.50%	4 369.12	-	-	-	6.50%	4 696.81	-	-	-	7.50%
50mm combination meter	6.50%	13 230.88	-	-	-	6.50%	14 090.88	-	-	-	6.50%	15 147.70	-	-	-	7.50%
80mm water meter	6.50%	5 221.31	-	-	-	6.50%	5 560.70	-	-	-	6.50%	5 977.75	-	-	-	7.50%
80mm combination meter	6.50%	14 438.53	-	-	-	6.50%	15 377.03	-	-	-	6.50%	16 530.31	-	-	-	7.50%
100mm water meter	6.50%	5 736.34	-	-	-	6.50%	6 109.20	-	-	-	6.50%	6 567.39	-	-	-	7.50%
100mm combination meter	6.50%	15 983.61	-	-	-	6.50%	17 022.55	-	-	-	6.50%	18 299.24	-	-	-	7.50%
150mm water meter	6.50%	9 323.78	-	-	-	6.50%	9 929.82	-	-	-	6.50%	10 674.56	-	-	-	7.50%
150mm combination meter	6.50%	31 612.03	-	-	-	6.50%	33 666.81	-	-	-	6.50%	36 191.82	-	-	-	7.50%
Prepaid / smart meter 15 - 25 mm	6.50%	4 439.89	-	-	-	6.50%	4 728.48	-	-	-	6.50%	5 083.12	-	-	-	7.50%
OTHER SERVICES																
Description																
WSDP Copy	6.50%	412.02	-	-	-	6.50%	438.80	-	-	-	6.50%	467.32	-	-	-	6.50%
Water services bylaw copy	6.50%	103.00	-	-	-	6.50%	109.70	-	-	-	6.50%	116.83	-	-	-	6.50%
Delivery of water by tankers	6.50%	973.22	-	-	-	6.50%	1 036.48	-	-	-	6.50%	1 103.85	-	-	-	6.50%
Septic and sewer tank disludging per Liter	6.50%	0.41	-	-	-	6.50%	0.44	-	-	-	6.50%	0.47	-	-	-	6.50%
Treated Water per kl	6.50%	15.66	-	-	-	6.50%	16.67	-	-	-	6.50%	17.76	-	-	-	6.50%
Portable toilets hire	6.50%	474.18	-	-	-	6.50%	505.00	-	-	-	6.50%	537.83	-	-	-	6.50%
Night soil disposal per 5Kl or part	6.50%	568.06	-	-	-	6.50%	604.99	-	-	-	6.50%	644.31	-	-	-	6.50%
Rellocation of services fees	6.50%	Quote on request	-	-	-	6.50%	Quote on request				6.50%	Quote on request	-	-	-	6.50%
Damage recovery	6.50%	As per extent based on losses	-	-	-	6.50%	As per extent based on losses				6.50%	As per extent based on losses	-	-	-	6.50%
Adjustment of manhole	6.50%	Quote on request	-	-	-	6.50%	Quote on request				6.50%	Quote on request	-	-	-	6.50%
Subsequent Bylaw Contravention Notice Fees	6.50%		-	-	-	6.50%					6.50%	300.00	-	-	-	6.50%
Subsequent Industrial Effluent Permit Contravention fee	6.50%		-	-	-	6.50%					6.50%	300.00	-	-	-	6.50%
Permit Admin Fees	6.50%		-	-	-	6.50%					6.50%	500.00	-	-	-	6.50%
Wastewater Quality Check Per Parameter	6.50%	Based on current rates of appointed service provider	-	-	-	6.50%	Based on current rates of appointed service provider				6.50%	Based on current rates of appointed service provider	-	-	-	6.50%
Industrial Effluent Reinspection Fee	6.50%		-	-	-	6.50%					6.50%	500.00	-	-	-	6.50%
Industrial Effluent Permit Application Fee	6.50%		-	-	-	6.50%					6.50%	As per bylaw	-	-	-	6.50%
Industrial Effluent Permit Renewal Fee	6.50%		-	-	-	6.50%					6.50%	As per bylaw	-	-	-	6.50%
Bylaw Enforcement Reinspection Fee	6.50%		-	-	-	6.50%					6.50%	500.00	-	-	-	6.50%
Final Bylaw Contravention Notice Fees	6.50%		-	-	-	6.50%					6.50%	300.00	-	-	-	6.50%

SANITATION SERVICES

CONSUMER	Approved Tariff 2023/2024	*2024/2025 Increase %*	Approved Tariff 2024/2025	*2025/2026 Increase %*	Proposed Tariff 2025/2026	*2026/2027 Increase %*	Proposed Tariff 2026/2027	Billing Method
Residential 1 TOTAL								
Up to and including 300m2	202.8526	11.20%	225.5721	13.00%	254.8965	13.00%	288.0330	**Sewer points**
301m2 to 1000m2	215.0289	11.20%	239.1121	13.00%	270.1967	13.00%	305.3223	
1001m2 to 2000m2	232.2400	11.20%	258.2509	13.00%	291.8235	13.00%	329.7605	
2001m2 and Above	255.4436	11.20%	284.0532	13.00%	320.9802	13.00%	362.7076	
			-		-		-	
Residential 2-4 TOTAL			-		-		-	
Up to and including 300m2	204.6996	11.20%	227.6259	13.00%	257.2173	13.00%	290.6555	**Sewer points**
301m2 to 1000m2	216.9717	11.20%	241.2726	13.00%	272.6380	13.00%	308.0809	
1001m2 to 2000m2	234.3333	11.20%	260.5786	13.00%	294.4539	13.00%	332.7329	
2001m2 and Above	255.4436	11.20%	284.0532	13.00%	320.9802	13.00%	362.7076	
			-		-		-	
Business/Commmercial TOTAL			-		-		-	**Sewer points**
Up to and including 300m2	221.1719	11.20%	245.9431	13.00%	277.9157	13.00%	314.0448	
301m2 to 1000m2	245.5656	11.20%	273.0689	13.00%	308.5679	13.00%	348.6817	
1001m2 to 2000m2	277.5525	11.20%	308.6384	13.00%	348.7613	13.00%	394.1003	
2001m2 and Above	319.2941	11.20%	355.0551	13.00%	401.2122	13.00%	453.3698	
			-		-		-	
Industrial TOTAL			-		-		-	**Sewer points**
Up to and including 300m2	229.6269	11.20%	255.3451	13.00%	288.5399	13.00%	326.0501	
301m2 to 1000m2	254.9100	11.20%	283.4599	13.00%	320.3097	13.00%	361.9500	
1001m2 to 2000m2	288.1144	11.20%	320.3832	13.00%	362.0330	13.00%	409.0973	
2001m2 and Above	331.4431	11.20%	368.5647	13.00%	416.4781	13.00%	470.6203	
			-		-		-	
Government TOTAL			-		-		-	**Sewer points**
Up to and including 300m2	229.6269	11.20%	255.3451	13.00%	288.5399	13.00%	326.0501	
301m2 to 1000m2	254.9100	11.20%	283.4599	13.00%	320.3097	13.00%	361.9500	
1001m2 to 2000m2	288.1144	11.20%	320.3832	13.00%	362.0330	13.00%	409.0973	
2001m2 and Above	331.4431	11.20%	368.5647	13.00%	416.4781	13.00%	470.6203	
			-		-		-	
Church TOTAL			-		-		-	
Up to and including 300m2	221.1171	11.20%	245.8822	13.00%	277.8469	13.00%	313.9670	
301m2 to 1000m2	244.3617	11.20%	271.7302	13.00%	307.0551	13.00%	346.9723	
1001m2 to 2000m2	275.0215	11.20%	305.8239	13.00%	345.5810	13.00%	390.5065	
2001m2 and Above	319.2941	11.20%	355.0551	13.00%	401.2122	13.00%	453.3698	
			-		-		-	
Educational TOTAL			-		-		-	
Up to and including 300m2	221.1171	11.20%	245.8822	13.00%	277.8469	13.00%	313.9670	
301m2 to 1000m2	244.3617	11.20%	271.7302	13.00%	307.0551	13.00%	346.9723	
1001m2 to 2000m2	275.0215	11.20%	305.8239	13.00%	345.5810	13.00%	390.5065	
2001m2 and Above	319.2941	11.20%	355.0551	13.00%	401.2122	13.00%	453.3698	
			-		-		-	
Agri Residential TOTAL			-		-		-	
Up to and including 300m2	202.8662	11.20%	225.5873	13.00%	254.9136	13.00%	288.0524	
301m2 to 1000m2	215.0289	11.20%	239.1121	13.00%	270.1967	13.00%	305.3223	
1001m2 to 2000m2	232.2264	11.20%	258.2357	13.00%	291.8064	13.00%	329.7412	
2001m2 and Above	255.4572	11.20%	284.0684	13.00%	320.9973	13.00%	362.7269	
			-		-		-	
Agri Business TOTAL			-		-		-	
Up to and including 300m2	221.1992	11.20%	245.9735	13.00%	277.9501	13.00%	314.0836	
301m2 to 1000m2	245.5656	11.20%	273.0689	13.00%	308.5679	13.00%	348.6817	
1001m2 to 2000m2	277.5525	11.20%	308.6384	13.00%	348.7613	13.00%	394.1003	
2001m2 and Above	319.2941	11.20%	355.0551	13.00%	401.2122	13.00%	453.3698	
			-		-		-	
Municipal TOTAL			-		-		-	**Sewer points**
Up to and including 300m2	221.1992	11.20%	245.9735	13.00%	277.9501	13.00%	314.0836	
301m2 to 1000m2	245.5656	11.20%	273.0689	13.00%	308.5679	13.00%	348.6817	
1001m2 to 2000m2	277.5525	11.20%	308.6384	13.00%	348.7613	13.00%	394.1003	
2001m2 and Above	319.2941	11.20%	355.0551	13.00%	401.2122	13.00%	453.3698	
			-		-		-	
Special TOTAL			-		-		-	**Sewer points**
Up to and including 300m2	221.1992	11.20%	245.9735	13.00%	277.9501	13.00%	314.0836	
301m2 to 1000m2	247.8230	11.20%	275.5792	13.00%	311.4045	13.00%	351.8870	
1001m2 to 2000m2	288.4975	11.20%	320.8092	13.00%	362.5144	13.00%	409.6413	
2001m2 and Above	327.9270	11.20%	364.6548	13.00%	412.0600	13.00%	465.6277	
			-		-		-	
Vacant property TOTAL			-		-		-	
Up to and including 300m2	206.7654	11.20%	229.9231	13.00%	259.8131	13.00%	293.5888	
301m2 to 1000m2	227.4379	11.20%	252.9110	13.00%	285.7894	13.00%	322.9420	
1001m2 to 2000m2	254.7321	11.20%	283.2621	13.00%	320.0862	13.00%	361.6974	
2001m2 and Above	290.3992	11.20%	322.9239	13.00%	364.9040	13.00%	412.3416	

Industrial effluent monitoring

The following formula will apply for industrial effluent charges covering the conveyance, and treatment of industrial effluent.

$$Ti = C \times \frac{Qi}{Qt} \times [0,3 + 0,35\,Kc + 0,25\,Kn + 0,1\,Kp]$$

Where:

Ti	=	charge due in R/month
C	=	total cost of the sewerage undertaking of Rustenburg Local Municipality covering both treatment and conveyance and must include
Qi	=	sewage flow from the industry in m3/month
Qt	=	sum of design capacities of all the waste water treatment works of the Rustenburg Local Municipality in m3/month

$$Kc = \frac{CODi}{CODt}$$

Where: CODi = industry sewage COD
CODt = target COD as published in **Schedule A** in the Bylaws in mg/ℓ
The ratio(Kc) is the larger of 1 or the actual ratio

$$Kn = \frac{TKNi}{TKNt}$$

Where: TKNi = the industry TKN
TKNt = target TKN as published in **Schedule A** in the Bylaws in mg/ℓ
The ratio(Kn) is the larger of 1 or the actual ratio

$$Kp = \frac{Pi}{Pt}$$

Where: Pi = Phosphate of industry in mg/ℓ
Pt = target Phosphate as published in **Schedule A** in these Bylaws in mg/ℓ
The ratio(Kp) is the larger of 1 or the actual ratio.

(a) The factor of 0,3 represents the "fixed portion" of the costs. This is independent of the strength (or make-up of the sewage) and also deals with the

(b) The above formula is only applicable for the treatment of compliant effluent. If any constituent (heavy metals, any toxic substances etc.) exceeds
   i. Refuse to accept the effluent
   ii. Impose a fine on the industry
   iii. Insist on pre-treatment by the industry to render the effluent compliant prior to discharge to the municipal system.

(c) Fines for contravening the allowable limits of constituents in industrial effluents.

(d) The municipality sells treated sewage effluent to the mines as process water. There is stringent quality criteria associated with this and the mines

(e) The municipality will thus, in particular, enforce the fat and oil standards rigorously.

(f) The fines will be implemented as follows:
   i. First written warning. No fine
   ii. Second contravention R10 000.00 fine regardless of quantity or quality
   iii. Subsequent contraventions:
      - Spot fines of the larger of R 10 000 or a flow related minimum fine of R5 per m3 or as per written approval
      - Refuse to accept the effluent

BUILDING CONTROL

TARIFF DESCRIPTION	Approved Tariff 2021/2022	Approved Tariff 2022/2023	Current Tariff 2023/2024	Current Tariff 2024/2025	Prposed Tariff 2025/2026	Prposed Tariff 2026/2027	Prposed Tariff 2027/2028
	R/C	R/C	R/C	R/C	4.4%	4.5%	2.5%
						R/C	R/C
DETERMINATION OF CHARGES PAYABLE TO THE LOCAL AUTHORITY WITH REGARDS TO THE EXAMINATION OF APPROVAL OF BUILDING PLANS AND RELATED MATTERS							
DWELLING HOUSES							
For new residential buildings,additions,new proposals,/re designs,amended plans**(only residential buildings)**	R 4.80 per m² (minimun R480.00 levy)	R 5.00 per m² (minimun R500.00 levy)	R 5.20 per m² (minimun R520.00 levy)	R 5.40 per m² (minimun R540.00 levy)	R 5.64 per m² (minimun R565.00 levy)	R 5,89 per m² (minimun R589.00 levy)	R 6,00 per m² (minimun R600.00 levy)
For alterations, amended plans **(without additional area)**	R 4.80 per m² (minimun R480.00 levy)	R 5.00 per m² (minimun R500.00 levy)	R 5.20 per m² (minimun R520.00 levy)	R 5.40 per m² (minimun R540.00 levy)	R 5.64 per m² (minimun R565.00 levy)	R 5,89 per m² (minimun R589.00 levy)	R 6,00 per m² (minimun R600.00 levy)
OTHER BUILDINGS							
For new other buildings,additions,new proposals,/re designs,amended plans**(other buildings)**	R 6.80 per m² (minimun R800.00 levy)	R 7.20 per m² (minimun R835.00 levy)	R 7.50 per m² (minimun R870.00 levy)	R 7.80 per m² (minimun R910.00 levy)	R 8,14 per m² (minimun R950.00 levy)	R 8,51 per m² (minimun R1000.00 levy)	R 8,72 per m² (minimun R1050 levy)
For alterations, amended plans **(without additional area)**	R 6.80 per m² (minimun R800.00 levy)	R 7.20 per m² (minimun R835.00 levy)	R 7.50 per m² (minimun R870.00 levy)	R 7.50 per m² (minimun R910.00 levy)	R 8,14 per m² (minimun R950.00 levy)	R 8,51 per m² (minimun R1000.00 levy)	R 8,72 per m² (minimun R1050 levy)
For renewal of a plan after approval has lapsed	R510.00 per application	R530.00 per application	R550.00 per application	R580.00 per application	R605.00 per application	R632.00 per application	R650.00 per application
For tenant/ shop layouts	R850.00 per application	R900.00 per application	R940.00 per application	R980.00 per application	R1023.00 per application	R1069,00 per application	R1 096,00 per application
Minor building work	R510.00per application	R530.00per application	R550.00per application	R570.00per application	R595.00 per application	R622.00 per application	R638.00 per application
Re-roofing **(amended plan)**	R510.00 per application	R530.00 per application	R550.00 per application	R570.00 per application	R595.00 per application	R622.00 per application	R638.00 per application
Gas/fuel pumps installations	R845.00 per application	R900.00 per application	R940.00 per application	R980.00 per application	R1 023.00 per application	R1 069.00 per application	1 096,00 per application
Low cost housing -by goverment/ council	**No fee (submit proof)**	**No fee (submit proof)**	**No fee (submit proof)**	**No fee (submit proof)**			
Projects by state department on property owned by state	R2.10 per m² minimum or motivation for exemption DG of State Department	R2.20 per m² minimum or motivation for exemption DG of State Department	R2.30 per m² minimum or motivation for exemption DG of State Department	R2.40 per m² minimum or motivation for exemption DG of State Department	R2.51 per m² minimum or motivation for exemption DG of State Department	R2.63 per m² minimum or motivation for exemption DG of State Department	R2.70 per m² minimum or motivation for exemption DG of State Department
For section7(6) aplication	R4.30 per m² minimum R800.00 levy	R4.50 per m² minimum R835.00 levy	R4.70 per m² minimum R870.00 levy	R4.90 per m² minimum R910.00 levy	R5,20 per m² minimum R950.00 levy	R5.35 per m² minimum R1000.00 levy	R5,50 per m² minimum R1025.00 levy
Demolishment	R510.00 per application	R530.00 per application	R550.00 per application	R570.00 per application	R595.00 per application	R622,00 per application	R 638,00 per application
Antennae/masts	R510.00 per application	R530.00 per application	R550.00 per application	R570.00 per application	R595.00 per application	R622,00 per application	R 638,00 per application
For examination of preliminary sketch plans	R4.20 per m² minimum R480.00 levy	R4.40 per m² minimum R500.00 levy	R4.60 per m² minimum R520.00 levy	R4.80 per m² minimum R540.00 levy	R5,00 per m² minimum R565.00 levy	R5,23 per m² minimum R590.00 levy	R5,36 per m² minimum R605.00 levy
Inspection fee from 2nd re-inspection	R510.00 per application	R530.00 per application	R550.00 per application	R570.00 per application	R595.00 per application	R622,00 per application	R 638,00 per application

TOWN PLANNING

APPLICATION	Approved Tariff 2021/2022 R / C	Approved Tariff 2022/2023 R/C	Approved Tariff 2023/2024 R/C	Current Tariff 2024/2025 R/C	4.4% Prposed Tariff 2025/2026	4.5% Prposed Tariff 2026/2027 R/C	2.5% Prposed Tariff 2027/2028 R/C	
WRITTEN CONSENT APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME								
Second dwelling	R 717.02	R 745.70	R 1 342.27	R 1 402.67	R 1 464.39	R 1 530.28	R 1 568.54	
Building Line Relaxation	R 717.02	R 745.70	R 1 342.27	R 1 402.67	R 1 464.39	R 1 530.28	R 1 568.54	
Height Relaxation	R 717.02	R 745.70	R 1 342.27	R 1 402.67	R 1 464.39	R 1 530.28	R 1 568.54	
Coverage Relaxation	R 717.02	R 745.70	R 1 342.27	R 1 402.67	R 1 464.39	R 1 530.28	R 1 568.54	
Servitude Upliftment	R 717.02	R 745.70	R 1 342.27	R 1 402.67	R 1 464.39	R 1 530.28	R 1 568.54	
Relaxation of the line(s) of no access	R 717.02	R 745.70	R 1 342.27	R 1 402.67	R 1 464.39	R 1 530.28	R 1 568.54	
Provision of parking on adjacent property	R 717.02	R 745.70	R 1 342.27	R 1 402.67	R 1 464.39	R 1 530.28	R 1 568.54	
Relaxation of parking	R 717.02	R 745.70	R 1 342.27	R 1 402.67	R 1 464.39	R 1 530.28	R 1 568.54	
Site Development Plan	R 1 035.41	R 1 076.82	R 1 938.28	R 2 025.51	R 2 114.63	R 2 209.79	R 2 265.03	
Amendment of Site Development Plan	R 1 035.41	R 1 076.82	R 1 938.28	R 2 025.51	R 2 114.63	R 2 209.79	R 2 265.03	
Erection of screen wall(s) exceeding 20.meters in height	R 717.02	R 745.70	R 1 342.27	R 1 402.67	R 1 464.39	R 1 530.28	R 1 568.54	
Written consent objection	R 578.88	R 602.04	R 1 505.09	R 1 572.82	R 1 642.02	R 1 715.92	R 1 758.81	
Excision of an agricultural holding				R 1 402.67	R 1 464.39	R 1 530.28	R 1 568.54	NEW
Renewal of Special Consent Application	R 717.02	R 745.70	R 1 342.27	R 1 402.67	R 1 464.39	R 1 530.28	R 1 568.54	
SPECIAL CONSENT APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME								
Special Consent	R 1 276.17	R 1 327.22	R 2 388.99	R 2 496.49	R 2 606.34	R 2 723.63	R 2 791.72	
Special Consent Objection	R 578.88	R 602.04	R 1 505.09	R 1 572.82	R 1 642.02	R 1 715.92	R 1 758.81	
Cancellation or withdrawal of approved Special or Written consent application			R 1 505.09	R 1 572.82	R 1 642.02	R 1 715.92	R 1 758.81	
Closure of public space / park closure	R 1 276.17	R 1 327.22	R 2 388.99	R 2 496.49	R 2 606.34	R 2 723.63	R 2 791.72	
TEMPORARY CONSENT APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH LAND USE SCHEME.								
The erection and use of temporary buildings, or the use of existing buildings for site offices, storage rooms, workshops or such other uses as may be necessary during the erection of any permanent	R 717.02	R 745.70	R 1 342.27	R 1 402.67	R 1 464.39	R 1 530.28	R 1 568.54	
The occasional use of land or buildings for public religious exercise, place of instruction, institution, place of amusement or social hall, informal retail trade	R 717.02	R 745.70	R 1 342.27	R 1 402.67	R 1 464.39	R 1 530.28	R 1 568.54	
The use of land or building thereon for State or Municipal purposes	R 717.02	R 745.70	R 1 342.27	R 1 402.67	R 1 464.39	R 1 530.28	R 1 568.54	
Prospecting rights	R 1 276.17	R 1 327.22	R 2 388.99	R 2 496.49	R 2 606.34	R 2 723.63	R 2 791.72	
AMENDMENT SCHEME APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME.								
Amendment Scheme Applications	R 3 979.81	R 4 139.00	R 7 450.20	R 7 785.46	R 8 128.02	R 8 493.78	R 8 706.12	
Proclamation	R 1 447.20	R 1 505.09	R 2 709.16	R 2 831.08	R 2 955.64	R 3 088.65	R 3 165.86	
Floor Area Ratio Increase	R 3 979.81	R 4 139.00	R 7 450.20	R 7 785.46	R 8 128.02	R 8 493.78	R 8 706.12	
Amendment Scheme Objection	R 1 447.20	R 1 505.09	R 2 709.16	R 2 831.08	R 2 955.64	R 3 088.65	R 3 165.86	
Notice of appeal	R 3 734.06	R 3 883.43	R 6 990.17	R 7 304.73	R 7 626.13	R 7 969.31	R 8 168.54	
Notice to oppose appeal	R 1 244.69	R 1 294.48	R 2 330.06	R 2 434.91	R 2 542.04	R 2 656.44	R 2 722.85	
Intervener Status Section 45 (2)/ (3) and/or (4) of the Spatial Planning and Land Use Management Act 2013	R 1 110.92	R 1 155.35	R 2 079.63	R 2 173.22	R 2 268.84	R 2 370.94	R 2 430.21	

Contribution of rezoning application for all properties along Thabo Mbeki Drive and Beyers Naude Drive and Properties that gain access from Thabo Mbeki drive and Beyers Naude Drive.		R 13 800.00	R 24 840.00	R 25 957.80	R 27 099.94	R 28 319.44	R29 027.43	
Contribution of rezoning application within the blocked formd by Kock Street,Boven Street, Klopper Street, Bethlehem Street and Nelson Mandela Drive.		R 3 900.00	R 7 020.00	R 7 335.90	R 7 658.68	R 8 003.32	R 8 203.40	
REMOVAL OF RESTRICTIONS APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME.								
Removal of restrictive conditions	R1047.65	R1089.65	R1961.19	R2049.45	R2139.63	R2235.91	R2291.81	
TOWNSHIP ESTABLISHMENT APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME.								
Reservation of a township name			R 660.00	R 957.00	R999.11	R1044.07	R1070.17	
Township Establishment (1-100 erven)	R 8 755.58	R 9 105.80	R 16 390.44	R 17 128.01	R 17 881.64	R 18 686.31	R19 153.47	
Township with more than 100 stands	R 2 894.41	R 3 010.18	R 5 418.33	R 5 662.15	R 5 911.29	R 6 177.29	R6 331.73	PLEASE DELETE, DUPLICATE TO THE ABOVE
Proclamation notice	R1 582.50 per page	R 1 645.80 per page	R 2 962.44 per page	R 3 095.75 per page	R 3 231.96 per page	R 3 377.40 per page	R3 461.84 per page	
Extension of boundaries	R 8 755.58	R 9 105.80	R 16 390.44	R 17 128.01	R 17 881.64	R 18 686.31	R19 153.47	
Township Establishment Objection	R 2 894.41	R 3 010.18	R 7 525.45	R 7 864.10	R 8 210.12	R 8 579.58	R8 794.06	
Extension of time			R 1 505.09	R 1 572.82	R 1 642.02	R 1 715.92	R1 758.81	
DIVISION OF A TOWNSHIP APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME.								
Phasing/Division of a Township	R 2 170.80	R 2 257.64	R 4 063.75	R 4 246.61	R 4 433.46	R 4 632.97	R 4 748.79	
DIVISION OF LAND APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME.								
Division of Agriculture Land	R 645.22	R 671.03	R 1 207.85	R 1 262.21	R 1 317.74	R 1 377.04	R 1 411.47	
AMENDMENT OF AN APPROVED TOWNSHIP: APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME.								
Amendment of the layout plan	R 2 170.80	R 2 257.64	R 4 063.75	R 4 246.61	R 4 433.46	R 4 632.97	R 4 748.79	
Amendment of an approved township			R4 063.75	R 4 246.62	R 4 433.47	R 4 632.98	R 4 748.80	
CONSOLIDATION/SUBDIVISION : APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH LAND USE SCHEME.								
Subdivision	R 723.60	R 752.55	R 1 354.58	R 1 415.54	R 1 477.82	R 1 544.32	R 1 582.93	
Subdivision with more than 5(five) stands/stand	R 85.52	R 88.94	R 160.09	R 167.29	R 174.65	R 182.51	R 187.07	
Subdivision of Agricultural Land (Section 6) of the Town Planning and Townships Ordinance 20 of 1986.	R 723.60	R 752.55	R 1 354.58	R 1 415.54	R 1 477.82	R 1 544.32	R 1 582.93	
Consolidation	R 557.83	R 580.14	R 1 044.26	R 1 091.25	R 1 139.27	R 1 190.53	R 1 220.30	
OTHER APPLICATIONS								
Zoning Information	R 47.36	R 49.26	R 88.66	R 92.65	R 96.73	R 101.08	R 103.61	
Trade License	R 318.38	R 331.12	R 596.02	R 622.84	R 650.24	R 679.50	R 696.49	
COPIES & PRINTING								
A3	R 14.47	R 15.05	R 15.71	R 16.42	R 11.86	R 12.40	R 12.71	
A4	R 3.82	R 3.97	R 4.14	R 4.33	R 0.82	R 0.86	R 0.88	

HOUSING

							4.4%	4.5%	2.5%
	Approved Tariff 2019/2020	Approved Tariff 2020/2021	Approved Tariff 2021/2022	Approved Tariff 2022/2023	Approved Tariff 2023/2024	Current Tariff 2024/2025	Prposed Tariff 2025/2026	Prposed Tariff 2026/2027	Prposed Tariff 2027/2028
CRU'S BOITEKONG EXT 12 (NO INCREASE)									
1 BEDROOM	R 300.00	R 300.00	R 300.00	R 300.00	R 300.00	R 300.00	R 300.00	R 300.00	R 300.00
2 BEDROOM	R 500.00	R 500.00	R 500.00	R 500.00	R 500.00	R 500.00	R 500.00	R 500.00	R 500.00
3 BEDROOM	R 700.00	R 700.00	R 700.00	R 700.00	R 700.00	R 700.00	R 700.00	R 700.00	R 700.00
AMBERBOOM (LOW COST HOUSES)									
1 BEDROOM	20%	20%	20%	20%	20%	20%	20%	20%	20%
2 BEDROOM	25%	25%	25%	25%	25%	25%	25%	25%	25%
3 BEDROOM	30%	30%	30%	30%	30%	30%	30%	30%	30%
PERSONNEL HOUSES (MARKET RELATED)									
FLATS	R 3 500.00	R 3 500.00	R 3 500.00	R 3 500.00	R 3 500.00	R 3 500.00	R 3 500.00	R 3 500.00	R 3 500.00
HOUSES	R 3 500.00	R 3 500.00	R 3 500.00	R 3 500.00	R 3 500.00	R 3 500.00	R 3 500.00	R 3 500.00	R 3 500.00
KERK OLD AGE FLATS									
1 BEDROOM(SINGLE)	8%	8%	8%	8%	8%	8%	8%	8%	8%
2 BEDROOM(DOUBLE)	10%	10%	10%	10%	10%	10%	10%	10%	10%
GEELHOUT PARK OLD AGE FLATS									
2 BEDROOM(DOUBLE)	10%	10%	10%	10%	10%	10%	10%	10%	10%

ESTATES

								4.4%	4.5%	2.5%
APPLICATION	Approved Tariff 2018/2019	Approved Tariff 2019/2020	Approved Tariff 2020/2021	Approved Tariff 2021/2022	Current Tariff 2022/2023	Approved Tariff 2023/2024	Current Tariff 2024/2025	Prposed Tariff 2025/2026	Prposed Tariff 2026/2027	Prposed Tariff 2027/2028
	R / C	R / C	R / C	R / C	R/C	R/C	R/C	R/C	R/C	R/C
SPLUMA CERTIFICATE						1 083.67	1 136.77	1 186.78	1 240.19	1 271.19

RUSTENBURG PROPOSED RATES TARIFFS FOR 2025/2026

CATEGORY	AMOUNT	EXEMPTIONS	SUBTOTAL	IMPERMISEABLE REBATE	SUBTOTAL	Property Value Adjustment	Rate 2024/2025	PROJECTED RATE 2025/2026	PROJECTED GROSS INCOME	PHASE IN		SUB-TOTAL	Indigent/PENSIONERS REBATE	REBATES	REBATE VALUE	PROJECTED NET INCOME
RESIDENTIAL	50 475 905 557		50 475 905 557	7 842 000 000	42 633 905 557		0.0058	0.0061	258 156 824.93		-	258 156 824.93	2.00%		5 163 136.50	252 993 688.43
RES- MULTI PURPOSE			-		-		0.0000	0.0000	-			-				-
BUS &COM	13 971 279 000		13 293 854 000		13 293 854 000		0.0177	0.0185	245 654 469.30		-	245 654 469.30		0%	-	245 654 469.30
INDUSTRIAL	2 707 544 000		2 707 544 000		2 707 544 000		0.0177	0.0185	50 032 164.07		-	50 032 164.07		0%	-	50 032 164.07
PUBLIC WORSHIP	528 325 000	528 325 000	-		-		0.0000	0.0000	-			-		0%	-	-
MUNICIPAL PROP	1 117 890 000	1 117 890 000	-		-		0.0000	0.0000	-			-		0%	-	-
PUBLIC OPEN SPACE	17 369 000		17 369 000		17 369 000		0.0000	0.0000	-			-		0%	-	-
PSI	654 324 000		654 324 000		654 324 000		0.0016	0.0017	1 092 982.81			1 092 982.81		0%	-	1 092 982.81
GOVN PROP (PSP)	2 644 091 000		2 644 091 000		2 644 091 000	2 511 886 450	0.0016	0.0017	4 416 689.61			4 416 689.61		0%	-	4 416 689.61
EDUCATIONAL	408 960 000		408 960 000		408 960 000	388 512 000	0.0016	0.0017	683 126.78			683 126.78		0%	-	683 126.78
AGRICULTURE	10 972 439 000		10 972 439 000		10 972 439 000	10 423 817 050	0.0016	0.0017	18 328 362.11		-	18 328 362.11		0%	-	18 328 362.11
AGRI - RESIDENTIAL	-		-				0.0018	0.0019	-			-				-
Agri Business	-		-				0.0251	0.0262	-			-				-
Vacant Business	-						0.0255	0.0266	-			-				-
PBO	89 582 000		89 582 000		89 582 000			0.0000	-			-		0%	-	-
PRIVATE OWNED TOWN	686 107 129		645 172 000		645 172 000	612 913 400	0.0058	0.0061	3 906 645.49			3 906 645.49			-	3 906 645.49
MULTI PURPOSE USE	-		-		-			0.0000	-			-		0%	-	-
MINING PROPERTIES	1 037 214 000		1 037 214 000		1 037 214 000		0.0170	0.0190	19 748 554.56		-	19 748 554.56		0%	-	19 748 554.56
PRIVATE SCHOOLS			-		-		0.0016	0.0017	-			-		0%	-	-
PRIVATE OPEN SPACE	15 576 000		15 576 000		15 576 000		0.0016	0.0017	26 018.15			26 018.15		0%	-	26 018.15
PRIVATE ROAD	4 409 000		4 409 000		4 409 000		0.0016	0.0017	7 364.79			7 364.79		0%	-	7 364.79
PUBLIC ROAD	-		-		-			0.0000	-			-		0%	-	-
VACANT LAND	312 412 000		312 412 000		312 412 000		0.0106	0.0111	3 457 276.16		-	3 457 276.16		0%	-	3 457 276.16
CRECHES			-		-		0.0016	0.0017	-		-	-		0%	-	-
TOTAL	**85 643 426 686**	**1 646 215 000**	**83 997 211 686**	**7 842 000 000**	**76 155 211 686**				**605 510 478.75**		**-**	605 510 478.75			**5 163 136.50**	**600 347 342.25**

NOTES:

CATEGORY	farms AMOUNT	residential AMOUNT	total AMOUNT		
RESIDENTIAL	550 000	25 143 560 900	25 144 110 900	25 143 560 900	
RES- MULTI PURPOSE	23 800 000	30 080 000	53 880 000	29 430 000	650 000
BUS &COM	421 201 000	4 384 261 100	4 805 462 100	4 384 261 100	
INDUSTRIAL		1 165 174 000	1 165 174 000	1 163 674 000	1 500 000
PUBLIC WORSHIP	67 350 000	166 415 000	233 765 000	166 415 000	
MUNICIPAL PROP	149 846 000	390 952 500	540 798 500	390 952 500	
PUBLIC OPEN SPACE		2 573 500	2 573 500	2 573 500	
PSI	6 924 350	9 268 000	16 192 350	9 268 000	
GOVN PROP	409 033 000	465 416 000	874 449 000	465 416 000	
EDUCATION		85 500 000	85 500 000	85 500 000	
AGRICULTURE	2 702 807 500	-	2 702 807 500		
AGRI - RESIDENTIAL		-	-		
Agri Business		-	-		
AGRI - MINING		-	-		
PBO	7 000 000	21 000 000	28 000 000	21 000 000	
PRIVATE OWNED TOWN		388 830 025	388 830 025	388 830 025	
MULTI PURPOSE USE	191 680 000	11 570 000	203 250 000	11 570 000	
MINING PROPERTIES	894 036 200	-	894 036 200		
PRIVATE SCHOOLS		-	-		
PRIVATE OPEN SPACE		1 801 500	1 801 500		1 801 500
PRIVATE ROAD		1 997 000	1 997 000		1 997 000
PUBLIC ROAD		-	-		
VACANT LAND		740 734 376	740 734 376	111 906 500	625 810 976
CRECHES		-	-		
TOTAL	**4 874 228 050**	**33 009 133 901**	**37 883 361 951**	**32 374 357 525**	**631 759 476**	**33 006 117 001**

PROPERTY RATES PROPOSED TARIFFS 2025/2026

TARRIF DESCRIPTION	OLD TARRIF 2023/24	CURRENT TARIFFS 2024/25	PROPOSED TARIFFS 2025/26	% INCREASE	PROPOSED TARIFFS 2026/27	PROPOSED TARIFFS 2027/28
RESIDENTIAL PROPERTY	0.00560	0.005846	0.006104	4.4	0.00637	0.00665
BUSINESS/COMMERCIAL PROPERTY	0.01700	0.017748	0.018529	4.4	0.01934	0.02020
INDUSTRIAL PROPERTY	0.01700	0.017748	0.018529	4.4	0.01934	0.02020
RELIGIOUS PURPOSES PROPERTY	0.01700	0.017748	0.018529	4.4	0.01934	0.02020
MUNICIPAL PROPERTY	0.00560	0.005846	0.006104	4.4	0.00637	0.00665
PUBLIC OPEN SPACE	0.00560	0.005846	0.006104	4.4	0.00637	0.00665
PUBLIC SERVICE INFRASTRUCTURE	0.00150	0.001566	0.001638	4.4	0.00171	0.00179
PUBLIC SERVICE PURPOSE PROPERTIES	0.00150	0.001566	0.001635	4.4	0.00171	0.00178
EDUCATIONAL PROPERTY	0.00150	0.001566	0.001635	4.4	0.00171	0.00178
AGRICULTURAL PROPERTY	0.00150	0.001566	0.001635	4.4	0.00171	0.00178
PROPERTIES OWNED BY A PUBLIC BENEFIT ORGANIZATION AND USED FOR SPECIFIED PUBLIC BENEFIT ACTIVITIES	0.00150	0.001566	0.001635	4.4	0.00171	0.00178
PRIVATE OWED TOWN	0.00560	0.005846	0.006104	4.4	0.00637	0.00665
MINING PROPERTY	0.01700	0.017748	0.021298	20.0	0.02556	0.03067
PRIVATE OPEN SPACES	0.00150	0.001566	0.001635	4.4	0.00171	0.00178
PRIVATE ROAD	0.00150	0.001566	0.001635	4.4	0.00171	0.00178
VACANT LAND	0.01020	0.010649	0.011117	4.4	0.01161	0.01212
EXLUSIVE USE AREAS	0.00560	0.005846	0.006104	4.4	0.00637	0.00665
GUEST HOUSES PROPERTY	0.01700	0.017748	0.018529	4.4	0.01934	0.02020

SUNDRY PROPOSED TARIFFS 2025/2026 (BILLING)

TARIFF DESCRIPTION	Percentage increase/decrease 2025/2026	Aprroved Tariff 2023/2024	Approved Tariff 2024/2025	Proposed Tariff 2025/2026
	%	R	R	R
CLEARANCE CERTIFICATE FEE	4.90%	104.01	109.10	114.45
CLEARANCE APPLICATION FEE: MANUAL	4.90%	485.34	509.13	534.08
CLEARANCE APPLICATION FEE: ELECTRONIC (clearance.com)	4.90%	217.45	228.10	239.28
ISSUING OF DUPLICATION MUNICIPAL ACCOUNT OVER 3 MONTHS(per account)	4.90%	6.34	6.65	6.98
VALUATION ROLL - Soft copy	4.90%	1397.17	1465.63	1537.45
VALUATION ROLL - Hard copy	4.90%	1397.17	1465.63	1537.45
VALUATION CERTIFICATE	4.90%	108.52	113.83	119.41
DEED SEARCH	4.90%	80.59	84.54	88.68
LOST COPY OF CERTIFICATE	4.90%	86.73	90.98	95.44
ADMIN FEE ON TRANSFERS *(New)*	4.90%	6.85	7.19	7.54
SEARCHING OF ANY DISCLOSURE RECORD (P/H OR PART)	4.90%	19.85	20.83	21.85
Valuation Roll: Request for Reasons	4.90%	250.00	262.25	275.10

SUNDRY CHARGES -REVENUE

TARIFF DESCRIPTION	Tariff 2021/2022	Tariff 2022/2023	Tariff 2023/2024	Proposed Tariff 2024/2025	Proposed Tariff 2025/2026	Proposed Tariff 2026/2027	Proposed Tariff 2027/2028
	R	R	R	R			
EASYPAYMENT FEE	7.42	**8.16**	**9.02**	10	12.50	13.81	15.26
DEPOSIT : HouseHolds	1 909.22	**2 100.14**	**2 320.65**	2 564	2 833.58	3 131.10	3 459.87
DEPOSIT :Commercial*(Minimum, then allign to policy)		**10 000.00**	**11 050.00**	12 210	13 492.33	14 909.02	16 474.47
DEPOSIT : Industrial*		**50 000.00**	**55 250.00**	61 051	67 461.63	74 545.10	82 372.34
DEPOSIT : Government*		**5 000.00**	**5 525.00**	6 105	6 746.16	7 454.51	8 237.23
DEPOSIT : Agriculture*		**5 000.00**	**5 525.00**	6 105	6 746.16	7 454.51	8 237.23
DEPOSIT : Church*		**2 500.00**	**2 762.50**	3 053	3 373.08	3 727.26	4 118.62
DEPOSIT : Private Schools*		**10 000.00**	**11 050.00**	12 210	13 492.33	14 909.02	16 474.47
DEPOSIT : Private Hospital*		**50 000.00**	**55 250.00**	61 051	67 461.63	74 545.10	82 372.34
Deposit LPU	NEW				To be determined by DTIS		
Deposit 33KV	NEW				To be determined by DTIS		
DISHONOURED PAYMENT FEE	181.68	**190.76**	**210.79**	233	257.38	284.40	314.27
ISSUING OF DUPLICATE MUNICIPAL ACCOUNT OVER 3 MONTHS (per acc)	3.67	**15.00**	**16.58**	18	20.24	22.36	24.71
CHEQUE RE ISSUE	175.97	**DISCONTINUED**		-	-	-	-
ADMIN FEE ON TRANSFERS OF PAYMENTS (PER TRANSACTION)	6.45	**8.16**	**9.02**	10	15.00	25.00	27.63
ADMIN FEE ON ALLOCATION OF INCORRECT REFERENCE PAYMENTS (PER TRANSACTION)	**NEW**			10	11.50	13.23	14.61
FINAL DEMAND RESIDENTIAL/CHURCHES	41.30	43.03	**47.55**	80	92.00	105.80	116.91
FINAL DEMAND FEE BUSINESS	**NEW**				**180.00**		-
FINAL DEMAND AGRICULTURAL	**NEW**				**250.00**		-
ELECTRICITY RECONNECTION FEE - RESIDENTIAL/CHURCHES/GOVERNMENT	577.75	602.02	**665.23**	765	879.77	1 011.73	1 117.97
ELECTRICITY RECONNECTION FEE - BUSINESS/AGRICULTURAL	750.00	781.50	**863.56**	993	1 142.05	1 313.36	1 451.27
WATER RECONNECTION FEE- RESIDENTIAL/CHURCHES/GOVERNMENT	825.35	860.01	**950.31**	1 093	1 256.79	1 445.30	1 597.06
WATER RECONNECTION - BULK	950.00	989.90	**1 093.84**	1 258	1 446.60	1 663.59	1 838.27
WATER RECONNECTION FEE - BUSINESS/AGRICULTURAL	950.00	989.90	**1 093.84**	1 258	1 446.60	1 663.59	1 838.27
RECONNECTION : REMOVAL OF INSTALLATION - WATER	3 086.04	3 216.65	**3 859.98**	4 632	5 326.77	6 392.13	7 063.30
RECONNECTION: REMOVAL OF INSTALLATION - ELECTRICITY	4 500.00	4 689.00	**5 626.80**	6 752	7 764.98	9 317.98	10 296.37
DISCONNECTION: REMOVAL OF INSTALLATION - WATER			**3 500.00**	**4 200**	4 830.00	**5 796.00**	6 404.58
ELECTRICITY DISCONNECTION FEE BUSINESS/AGRICUULTURAL	**NEW**				**1 800.00**	**2 070.00**	2 287.35
ELECTRICITY DISCONNECTION FEE RESIDENTIAL/CHURCHES/GOVERNMENT	**NEW**				**800.00**	**920.00**	1 016.60
WATER RESTRICTION FEE RESIDENTIAL/CHURCHES	**NEW**				**1 200.00**	**1 380.00**	1 524.90
WATER DISCONNECTION FEE BUSINESS/AGRICULTURAL/GOVERNMENT	**NEW**				**2 100.00**	**2 415.00**	2 668.58
DISCONNECTION FEE: REMOVAL OF INSTALATION ELECTRICITY BUSINESS/AGRICULTURAL	**NEW**				**8 424.00**	**9 687.60**	10 704.80
DISCONNECTION: REMOVAL OF INSTALLATION - ELECTRICITY RESIDENTIAL	NEW		4 500.00	5 400	6 480.00	7 776.00	8 592.48
METER TAMPERING	**NEW**						-
Debt Collection- Admin fee	**NEW**				**120.00**	**138.00**	152.49
Debt Collection fee					**as per Debt Collector's Act(regulation May 2020) +Admin fee**		

Note: increase linked to CPI

The deposits must cover the costs of 2 months bill, so it exceeds the CPI

Penalty tariffs are increased above the threshold

New Credit control tariffs added to cover costs from the SP

CEMETERIES

CURRENT TARIFFS — *Tariff 2024 2025*

Description	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	Increase (%)4.4
Adult Resident	R 1 085.00	R 796.00	R 796.00	R 796.00	R 796.00	R 796.00	R 796.00	R 1 085.00	—	—	
Adult Non-resident	R 2 546.00	R 1 314.00	R 1 314.00	R 1 314.00	R 1 314.00	R 1 314.00	R 1 314.00	R 2 794.00	—	—	
Child Resident (under 12)	—	R 475.00	R 295.00	R 295.00	R 295.00	R 295.00	R 295.00	R 787.00	—	—	
Child Non-resident (under 12)	—	R 893.00	R 893.00	R 893.00	R 893.00	R 893.00	R 893.00	R 1 607.00	—	—	
Monumental: Adult resident	R 1 465.00	—	—	—	—	—	—	R 1 612.00	—	—	
Monumental: Adult Non-resident	—	—	—	—	—	—	—	R 2 793.00	—	—	
Monumental: Child Resident	—	—	—	—	—	—	—	R 1 268.00	—	—	
Monumental: Child Non-resident	—	—	—	—	—	—	—	R 2 467.00			
Pauper burial- Adults grave								R 340.00			
pauper burial- Child grave	—	—	—	—	—	—	—	R 172.00	—	—	

Remembrance Hall	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Urn Resident	R 470.00	—	—	—	—	—	—	R 470.00	—	—	
Urn Non-resident	R 732.00	—	—	—	—	—	—	R 732.00	—	—	

Sundry Tariffs	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Exhumation – All	R 340.00	R 340.00	R 340.00	R 340.00	R 340.00	R 340.00	R 340.00	R 340.00	R 340.00	R 340.00	
Approval of Plans: Residents	R 199.00	R 199.00	R 199.00	R 199.00	R 199.00	R 199.00	R 199.00	R 199.00	R 199.00	R 199.00	
Approval of Plans: Non Residents	R 639.00	—	R 280.00	R 280.00	R 280.00	R 280.00	R 280.00	R 280.00	R 280.00	R 280.00	
After Hours Burial: Resident	R 555.00	—	193	193	193	193	193	R 555.00	193	—	
After Hours Burial: Non Resident	R 664.00	R 664.00	R 664.00	R 664.00	R 664.00	R 664.00	R 664.00	R 664.00	—	—	
Re-opening	R 793.00	—	369	369	369	369	369	R 793.00	369	—	
Additional depth	R 108.00	—	108	108	108	108	108	R 108.00	—	—	
Oversize coffins	R 70.00	70	70	70	70	70	70	R 70.00	—	—	

Reservations

Description	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Garden Section	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	
Monumental Section	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	

CEMETERIES

PROPOSED — *Tariffs 2025 2026*

Description	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	Increase (%)4.4
Adult Resident	R 1 132.00	R 831.00	R 831.00	R 831.00	R 831.00	R 831.00	R 831.00	R 1 132.00	—	—	
Adult Non-resident	R 2 658.00	R 1 371.00	R 1 314.00	R 1 314.00	R 1 314.00	R 1 314.00	R 1 314.00	R 2 916.00	—	—	
Child Resident (under 12)	—	R 495.00	R 307.00	R 307.00	R 307.00	R 307.00	R 307.00	R 862.00	—	—	
Child Non-resident (under 12)	—	R 973.00	R 973.00	R 973.00	R 973.00	R 973.00	R 973.00	R 1 686.00	—	—	
Monumental: Adult resident	R 1 596.00	—	—	—	—	—	—	R 1 682.00	—	—	
Monumental: Adult Non-resident	—	—	—	—	—	—	—	R 2 915.00	—	—	
Monumental: Child Resident	—	—	—	—	—	—	—	R 1 323.00	—	—	
Monumental: Child Non-resident	—	—	—	—	—	—	—	R 2 575.00			
Pauper burial- Adults grave								R 355.00			
pauper burial- Child grave	—	—	—	—	—	—	—	R 180.00	—	—	

Remembrance Hall	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Urn Resident	R 490.00	—	—	—	—	—	—	R 490.00	—	—	
Urn Non-resident	R 767.00	—	—	—	—	—	—	R 767.00	—	—	

Sundry Tariffs	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Exhumation – All	R 353.00	R 353.00	R 353.00	R 353.00	R 353.00	R 353.00	R 353.00	R 353.00	R 353.00	R 353.00	
Approval of Plans: Residents	R 207.00	R 207.00	R 207.00	R 207.00	R 207.00	R 207.00	R 207.00	R 207.00	R 207.00	R 207.00	
Approval of Plans: Non Residents	R 667.00	—	R 292.00	R 292.00	R 292.00	R 292.00	R 292.00	R 292.00	R 292.00	R 292.00	
After Hours Burial: Resident	R 604.00	—	289	289	289	289	289	R 579.00	289	—	
After Hours Burial: Non Resident	R 693.00	R 693.00	R 693.00	R 693.00	R 693.00	R 693.00	R 693.00	R 693.00	—	—	
Re-opening	R 827.00	—	385	385	385	385	385	R 827.00	385	—	
Additional depth	R 112.00	—	R 112.00	R 112.00	R 112.00	R 112.00	R 112.00	R 112.00	—	—	
Oversize coffins	R 73.00	R 73.00	R 73.00	R 73.00	R 73.00	R 73.00	R 73.00	R 73.00	—	—	

Reservations

Description	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Garden Section	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	
Monumental Section	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	

CEMETERIES

PROPOSED — *Tariffs 2026 2027*

Description	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	Increase (%)4.5
Adult Resident	R 1 182.94	R 868.40	R 868.40	R 868.40	R 868.40	R 868.40	R 868.40	R 1 182.94	—	—	
Adult Non-resident	R 2 777.61	R 1 432.70	R 1 373.13	R 1 373.13	R 1 373.13	R 1 373.13	R 1 373.13	R 3 047.22	—	—	
Child Resident (under 12)	—	R 517.28	R 320.82	R 320.82	R 320.82	R 320.82	R 320.82	R 900.79	—	—	
Child Non-resident (under 12)	—	R 1 016.79	R 1 016.79	R 1 016.79	R 1 016.79	R 1 016.79	R 1 016.79	R 1 761.87	—	—	
Monumental: Adult resident	R 1 667.82	—	—	—	—	—	—	R 1 757.69	—	—	
Monumental: Adult Non-resident	—	—	—	—	—	—	—	R 3 046.18	—	—	
Monumental: Child Resident	—	—	—	—	—	—	—	R 1 382.54	—	—	
Monumental: Child Non-resident	—	—	—	—	—	—	—	R 2 690.88	R 0.00	R 0.00	
Pauper burial- Adults grave	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 370.98	R 0.00	R 0.00	
pauper burial- Child grave	—	—	—	—	—	—	—	R 188.10	—	—	
	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	
Remembrance Hall	—	—	—	—	—	—	—	—	—	—	
Urn Resident	R 512.05	—	—	—	—	—	—	R 512.05	—	—	
Urn Non-resident	R 801.52	—	—	—	—	—	—	R 801.52	—	—	
	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	
Sundry Tariffs	—	—	—	—	—	—	—	—	—	—	
Exhumation – All	R 368.89	R 368.89	R 368.89	R 368.89	R 368.89	R 368.89	R 368.89	R 368.89	R 368.89	R 368.89	

Approval of Plans: Residents	R 216.32	R 216.32	R 216.32	R 216.32	R 216.32	R 216.32	R 216.32	R 216.32	R 216.32	R 216.32	
Approval of Plans: Non Residents	R 697.02	--	R 305.14	R 305.14	R 305.14	R 305.14	R 305.14	R 305.14	R 305.14	R 305.14	
After Hours Burial: Resident	R 631.18	--	R 302.01	R 302.01	R 302.01	R 302.01	R 302.01	R 605.06	R 302.01	--	
After Hours Burial: Non Resident	R 724.19	R 724.19	R 724.19	R 724.19	R 724.19	R 724.19	R 724.19	R 724.19	--	--	
Re-opening	R 864.22	--	R 402.33	R 402.33	R 402.33	R 402.33	R 402.33	R 864.22	R 402.33	--	
Additional depth	R 117.04	--	R 117.04	R 117.04	R 117.04	R 117.04	R 117.04	R 117.04	--	--	
Oversize coffins	R 76.29	R 76.29	R 76.29	R 76.29	R 76.29	R 76.29	R 76.29	R 76.29	--	--	

Reservations

Description	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Garden Section	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	
Monumental Section	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	

CEMETERIES

					PROPOSED			*Tariffs 2027 2028*			
Description	**Donkerhoek**	**Zinniaville**	**Karlienpark**	**Marikana**	**Phatsima**	**Lethabong**	**Monakato**	**Rietvlei**	**Tlhabane**	**Sunrisepark**	**Increase (%)2.5**
Adult Resident	R 1 212.51	R 890.10	R 890.10	R 890.10	R 890.10	R 890.10	R 890.10	R 1 212.51	--	--	
Adult Non-resident	R 2 847.05	R 1 468.51	R 1 407.46	R 1 407.46	R 1 407.46	R 1 407.46	R 1 407.46	R 3 123.40	--	--	
Child Resident (under 12)	--	R 530.21	R 328.84	R 328.84	R 328.84	R 328.84	R 328.84	R 923.31	--	--	
Child Non-resident (under 12)	--	R 1 042.20	R 1 042.20	R 1 042.20	R 1 042.20	R 1 042.20	R 1 042.20	R 1 805.92	--	--	
Monumental: Adult resident	R 1 709.52	--	--	--	--	--	--	R 1 801.63	--	--	
Monumental: Adult Non-resident	--	--	--	--	--	--	--	R 3 122.33	--	--	
Monumental: Child Resident	--	--	--	--	--	--	--	R 1 417.10	--	--	
Monumental: Child Non-resident	--	--	--	--	--	--	--	R 2 758.15	R 0.00	R 0.00	
Pauper burial- Adults grave	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 380.25	R 0.00	R 0.00	
pauper burial- Child grave	--	--	--	--	--	--	--	R 192.80	--	--	
	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	
Remembrance Hall	--	--	--	--	--	--	--	--	--	--	
Urn Resident	R 524.85	--	--	--	--	--	--	R 524.85	--	--	
Urn Non-resident	R 821.55	--	--	--	--	--	--	R 821.55	--	--	
	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	
Sundry Tariffs	--	--	--	--	--	--	--	--	--	--	
Exhumation – All	R 378.11	R 378.11	R 378.11	R 378.11	R 378.11	R 378.11	R 378.11	R 378.11	R 378.11	R 378.11	
Approval of Plans: Residents	R 221.72	R 221.72	R 221.72	R 221.72	R 221.72	R 221.72	R 221.72	R 221.72	R 221.72	R 221.72	
Approval of Plans: Non Residents	R 714.44	--	R 312.77	R 312.77	R 312.77	R 312.77	R 312.77	R 312.77	R 312.77	R 312.77	
After Hours Burial: Resident	R 646.96	--	R 309.56	R 309.56	R 309.56	R 309.56	R 309.56	R 620.18	R 309.56	--	
After Hours Burial: Non Resident	R 742.29	R 742.29	R 742.29	R 742.29	R 742.29	R 742.29	R 742.29	R 742.29	--	--	
Re-opening	R 885.82	--	R 412.38	R 412.38	R 412.38	R 412.38	R 412.38	R 885.82	R 412.38	--	
Additional depth	R 119.97	--	R 119.97	R 119.97	R 119.97	R 119.97	R 119.97	R 119.97	--	--	
Oversize coffins	R 78.19	R 78.19	R 78.19	R 78.19	R 78.19	R 78.19	R 78.19	R 78.19	--	--	

Reservations

Description	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Garden Section	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	
Monumental Section	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	*No reservations*	

RUSTENBURG LOCAL MUNICIPALITY												
SPORTS FACILITIES	2024-25 (Current Tariffs)			2025-26 (Proposed Tariffs)			2026-27 (Proposed Tariffs)			2027-28 (Proposed Tariffs)		
Name of Facility	Rental	Refundable Deposit	Total	Rental	Refundable Deposit	Total	Rental	Refundable Deposit	Total	Rental	Refundable Deposit	Total
	24/25	24/25	24/25	Proposed 25/26	Proposed 25/26	25/26	Proposed 26/27	Proposed 26/27	26/27	Proposed 27/28	Proposed 27/28	27/28
Olympia Park Stadium (Private Use)	11 200	2 500	13 700	11 700	2 500	14 200	12 250	2 500	14 750	12 250	2 500	14 750
Olympia Park Stadium (Government)	8 170	2 500	10 670	8 500	2 500	11 000	9 000	2 500	11 500	9 000	2 500	11 500
Olympia Park Stadium (Professional Events)	24 530	3 700	28 230	25 600	4 000	29 600	27 000	4 000	31 000	28 000	4 000	32 000
Olympia Park Stadium (Schools/Education Centres)	5 110	2 500	7 610	5 300	2 500	7 800	5 550	2 500	8 050	5 550	2 500	8 050
Olympia Park Stadium Preparation Fee per day	1 840	-	1 840	1 900	-	1 900	2 000	-	2 000	2 000	-	2 000
Kitchen	1 340	620	1 960	2 000	500	2 500	2 000	500	2 500	2 100	500	2 600
Flood Lights Olympia Park Stadium per hour	1 075	-	1 075	1 100	-	1 100	1 200	-	1 200	1 200	-	1 200
Single Barricade	60	5 000	5 060	100	5 000	5 100	100	5 000	5 100	65	5 000	5 065
Double Barricade	110	5 000	5 110	150	5 000	5 150	150	5 000	5 150	120	5 000	5 120
Super Suite Hall	4 770	1 240	6 010	3 500	1 500	5 000	3 650	1 500	5 150	3 750	1 500	5 250
Super Suite Preparation Fee per day	1 020	-	1 020	1 000	-	1 000	1 000	-	1 000	1 100	-	1 100
Skierlik Hall (NEW TARIFF)	-	-	-	2 500	1 500	4 000	2 500	1 500	4 000	2 600	1 500	4 100
North West Hall	1 350	620	1 970	1 400	600	2 000	1 500	600	2 100	1 550	600	2 150
North West Hall Preparation Fee per day	600	-	600	650	-	650	700	-	700	750	-	750
Small Halls 2 to 5	1 230	620	1 850	1 280	500	1 780	1 300	500	1 800	1 330	500	1 830
Tennis Clubhouse	1 230	620	1 850	1 300	1 500	2 800	1 350	1 500	2 850	1 400	1 500	2 900
Ringball Clubhouse	1 230	620	1 850	1 300	1 500	2 800	1 350	1 500	2 850	1 400	1 500	2 900
Hockey Clubhouse	1 230	620	1 850	1 300	1 500	2 800	1 350	1 500	2 850	1 400	1 500	2 900
Rustenburg East Sports Clubhouse	1 230	620	1 850	1 300	1 500	2 800	1 350	1 500	2 850	1 400	1 500	2 900
Rustenburg East Tennis Clubhouse	1 230	620	1 850	1 300	1 500	2 800	1 350	1 500	2 850	1 400	1 500	2 900
Outside Sports Grounds Professional Events	5 450	2 000	7 450	5 700	2 000	7 700	5 950	2 000	7 950	6 100	2 000	8 100
Outside Sports Grounds Private Events	2 200	1 500	3 700	1 500	1 000	2 500	1 550	1 000	2 550	1 600	1 000	2 600
Outside Sports Grounds Sports Events	540	500	1 040	550	500	1 050	550	500	1 050	600	500	1 100

WASTE MANAGEMENT SERVICES UNIT											
DESCRIPTION	TARIFF CODE	UNIT	2022/2023 TARIFFS	2023/2024 TARIFFS	CURRENT TARIFFS 2024/2025	PROPOSED TARIFF 4.4% INCREASE 2025/2026	PROPOSED TARIFF 4.5% INCREASE 2026/2027	PROPOSED TARIFF 2.5 % INCREASE 2027/2028	BILLING METHOD	4,4% 2025/2026	CHANGES
1. DOMESTIC									PER UNIT		
Collection of 4 refuse bags/or 240L bin 1x per week - res 1 - Including Basic Charge.	AA	R/month	166.69	175.52	184.12	192.22	200.87	205.89		4.40%	
Additional refuse bags removal (Per Bag)			41.68	43.89	46.04	48.07	50.23	51.49			
Collection of 4 refuse bags/or 240L bin 1x per week res 2-4 per week res 2-4	BA	R/month	166.69	175.52	184.12	192.22	200.87	205.89			
Basic charge without collection (Applicable to vacant stands for street cleaning)			83.34	87.76	92.06	96.11	100.44	102.95			
2. COMMERCIAL/ INDUSTRIAL											
Basic Charge (without collection) for all businesses (Shops) per Unit		R/month		672.12	705.05	736.08	769.20	788.43		4.40%	
Basic Charge (With collection service) per unit		R/month	319.14	336.06	352.53	368.04	384.60	394.21			
Hotels (basic without collection) per Unit	New	R/month				192.60	201.27	206.30			New
Hotels (basic with collection) per Unit	New	R/month				288.90	301.90	309.45			New
Guest Houses (basic without collection) per unit	New	R/month				196.60	205.45	210.58			New
Guest Houses (basic with collection) per unit	New	R/month				288.90	301.90	309.45			New
240L Bulk Container 1 X per week	CF	R/month	638.29	672.12	705.05	736.08	769.20	788.43			
240L Bulk Container (Additional)	CG	R/month	543.42	572.22	600.26	626.67	654.87	671.24			
770L Bulk Container 1 X per week		R/month	1897.64	1998.21	2096.12	2188.35	2286.83	2344.00			
770L Bulk Container (Additional)		R/month	1604.35	1689.38	1772.16	1850.13	1933.39	1981.73			
1100L Bulk Container 1 X per week		R/month	2725.68	2870.14	3010.78	3143.25	3284.70	3366.81			
1100L Bulk Container (Additional)		R/month	2311.66	2434.18	2553.45	2665.81	2785.77	2855.41			
1.5 m³ Bulk Container 1 X per week	CB	R/month	3105.21	3269.79	3430.01	3580.93	3742.07	3835.62			
1.5 m³ Bulk Container 1 X week (Additional)	CC	R/month	2656.68	2797.48	2934.56	3063.68	3201.54	3281.58			
4.0 m³ Bulk Container 1 X per week		R/month	7072.99	7447.86	7812.81	8156.57	8523.61	8736.70			
4.0 m³ Bulk Container 1 X week (Additional)		R/month	5968.91	6285.26	6593.24	6883.34	7193.09	7372.92			
6.0 m³ Bulk Container 1 X per week	CD	R/month	10480.51	11035.98	11576.74	12086.12	12630.00	12945.74			
6.0 m³ Bulk Container 1 X week (Additional	CE	R/month	8884.36	9355.23	9813.64	10245.44	10706.48	10974.14			
3. INSTITUTIONAL											
Government Departments - Basic Charge without collection	New	R/month	175.09	184.37	193.40	737.49	770.68	789.94		4.40%	Amount of waste inspected and generated by institution
Government Departments - Basic Charge with collection	New	R/month				368.75	385.34	394.98			Amount of waste inspected and generated by institution
Churches - Basic charge without collection	New	R/month	175.09	184.37	193.40	737.49	770.68	789.94			Amount of waste inspected and generated by institution
Churches - Basic charge without collection	New	R/month				368.75	385.34	394.98			Amount of waste inspected and generated by institution
Educational Facilities - Basic Charge without collection	New	R/month	175.09	184.37	193.40	737.49	770.68	789.94			Amount of waste inspected and generated by institution
Educational Facilities - Basic Charge with collection	New	R/month				368.75	385.34	394.98			Amount of waste inspected and generated by institution
4. RENTAL SERVICES											
240L Bin Rental (Including disposal costs)	CJ	R/load	301.4	317.37	332.92	347.57	363.21	372.29		4.40%	
770L Container Rental (Including disposal costs)		R/load	604.37	636.40	667.58	696.96	728.32	746.53			
1100L Container Rental (Including disposal costs)		R/load	690.7	727.31	762.95	796.52	832.36	853.17			
4 m³ Skip Container Rental (Per Load/ Removal)	CK	R/load	800	842.40	883.68	922.56	964.07	988.18			
6 m³ Skip Container Rental (Per Load/ Removal)		R/load	1000	1053.00	1104.60	1153.20	1205.09	1235.22			
9 m³ Skip Container Rental (Per Load/ Removal)		R/load	1500	1579.50	1656.90	1729.80	1807.64	1852.83			
12 m³ Skip Container Rental (Per Load/ Removal)		R/load	1800	1895.40	1988.27	2075.76	2169.17	2223.40			
36/38 m³ Roro Container Rental (Per Load/Removal)		R/load	3000	3159.00	3313.79	3459.60	3615.28	3705.66			
5. REGISTRATION AND LICENSING OF PRIVATE WASTE COLLECTORS											
5.1. CLIENTS FROM RUSTENBURG JURISDICTION											
Annual Registration and Licensing of Commercial/Private waste collectors, ***before*** **30 September**, annually (Once off payment for above 4 tonnes/3500kg vehicles).			2297.58	2419.35	2537.90	2649.57	2768.80	2838.02	Per Vehicle	4.40%	
Annual Registration and Licensing of Commercial/Private waste collectors, ***before*** **30 September**, annually (Once off payment for less than 4 tonnes/3500kg vehicles)			574.39	604.83	634.47	662.38	692.19	709.50	Per Vehicle		
Annual Registration for Licensing of Commercial/Private waste collectors, ***after*** **30 September** each year. (Once off payment for above 4 tonnes/3500kg vehicles)					5075.80	5299.14	5537.60	5676.04	Per Vehicle		
Annual Registration and Licensing of Commercial/Private waste collectors, ***after*** **30 September** each year (Once off payment for less than 4 tonnes/3500kg vehicles).					1268.94	1324.77	1384.39	1419.00	Per Vehicle		
5.2. CLIENTS FROM OUTSIDE RUSTENBURG JURISDICTION											

Annual Registration and Licensing of Commercial/Private waste collectors, ***before*** **30 September**, annually (Once off payment for above 4 tonnes/3500kg vehicles)			3446.36	3629.02	3806.84	3974.34	4153.19	4257.02	Per Vehicle		
Annual Registration and Licensing of Commercial/Private waste collectors, ***before*** **30 September**, annually (Once off payment for less than 4 tonnes/3500kg vehicles).			1723.18	1814.51	1903.42	1987.17	2076.59	2128.51	Per Vehicle		
Annual Registration for Licensing of Commercial/Private waste collectors, ***after*** **30 September** each year. (Once off payment for above 4 tonnes/3500kg vehicles).					7613.68	7948.68	8306.37	8514.03	Per Vehicle	4.40%	New
Annual Registration and Licensing of Commercial/Private waste collectors, ***after*** **30 September** each year (Once off payment for less than 4 tonnes/3500kg vehicles).					3806.84	3974.34	4153.19	4257.02	Per Vehicle		New
6. OTHER SERVICES											
Rental of Waste Management hall		R/day	1382.41	1455.68	1527.01	1594.20	1665.94	1707.58			
Illegal Dumping Removal on empty stands 1- 1000 m²		R/stand	14050.13	14794.79	15519.73	16202.60	16931.72	17355.01			
Illegal Dumping Removal on empty stands 1001m² and above		R/stand	17388.8	18310.41	19207.62	20052.76	20955.13	21479.01			
Special Waste Removal	KA	R/t	1453.44	1530.47	1605.46	1676.10	1751.53	1795.32			
Carcass Removal	KD	R/carcass	401.63	422.92	443.64	463.16	484.01	496.11			
Condemned Foodstuff > ton		R/t	1371.15	1443.82	1514.57	1581.21	1652.36	1693.67			
Condemned Foodstuff < ton		<ton	600	631.80	662.76	691.92	723.06	741.13		4.40%	
Transportation of Condemned food > ton						5000.00	5225.00	5355.63			NEW
Street sweeper or collection worker		R/h	188.83	198.84	208.58	217.76	227.56	233.25			
Driver		R/h	279.14	293.93	308.33	321.90	336.38	344.79			
240 L Bin - Once off purchase		R	886.83	933.83	979.59	1022.69	1068.71	1095.43			
770 L Bin - Once off purchase		R	8346.61	8788.98	9219.64	9625.30	10058.44	10309.90			
1100 L Bin - Once off purchase		R	8694.39	9155.19	9603.79	10026.36	10477.55	10739.49			
7. DISPOSAL CHARGES AT THE WATERVAL LANDFILL SITE											
Landfill Site Access Cards		Per Vehicle			35.00	40.00	45.00	50.00			NEW-
Disposal charges at the Waterval Landfill (Non Municipal Resident)		R/t	517.22	544.63	571.32	596.45	623.30	638.88			
General waste (household waste and similar commercial, industrial and institutional wastes)		R/t	123.15	129.68	136.03	142.02	148.41	152.12			
Construction and demolition waste (uncontaminated soil and rubble up to a length of 80 cm from edge to		R/t	8.21	8.65	9.07	9.47	9.90	10.15			
Rubble (stone, concrete or asphalt) with a length of larger than 80 cm from edge to edge		R/t	16.43	17.30	18.15	18.95	19.80	20.29			
Mixed construction and demolition waste (including glass, packagings, gypsum, wood, plastics, metals,		R/t	1378.55	1451.61	1522.74	1589.74	1661.28	1702.81		4.40%	
Special waste (Includes solid, liquid, sludge waste or waste requiring special handling, e.g. condemned		R/t	328.4	345.81	362.75	378.72	395.76	405.65			
Mixed industrial and commercial waste		R/t	246.3	259.35	272.06	284.03	296.81	304.23			
Bulky waste (Furniture, sofas, beds, mattresses, shelfs, carpets, bicycles, and other bulky household		R/t	82.1	86.45	90.69	94.68	98.94	101.41			
Garden Waste Disposal - Residents		R/t	16.43	0.00	0.00	0.00	0.00	0.00			New
Garden Waste Disposal by commercial residents	NEW	R/t	0	17.30	18.15	18.95	19.80	20.29			New
ALL TARIFFS ARE EXCLUDING VAT											

RUSTENBURG LOCAL MUNICIPALITY					
SWIMMING POOLS					
Name of Facility	**Description**	**Current Tariff 24/25**	**Proposed Tariff 25/26**	**Proposed Tariff 26/27**	**Proposed Tariff 27/28**
Marais Street Swimming Pool	Adult (18 years and older)	R22.00	R22.00	R23.00	R24.00
	ild (between 3 and 17 years)	R8.00 (during weekends, School holidays and Public holidays)	R8.00 (during weekends, School holidays and Public holidays)	R9.00 (during weekends, School holidays and Public holidays)	R10.00 (during weekends, School holidays and Public holidays)
		R12.00 (during the week Monday to Friday)	R10.00 (during the week Monday to Friday)	R11.00 (during the week Monday to Friday)	R12.00 (during the week Monday to Friday)
	Pensioner (63 years and over / Pensioner with pension cards)	R17.00	R15.00	R15.00	R15.00
	School Group Booking (0 to 600 kids) no group bookings on weekends, school holidays and public holidays	R7.00 per ticket one entry	R7.00 per ticket one entry	R8.00 per ticket one entry	R9.00 per ticket one entry
	Private Event (terms and conditions apply)	R2 200.00	R2 300.00	R2 400.00	R2 500.00
	Gala (Provincial/National)	R3 250 (RLM collect gate takings) or R10 400 (Swimming Club collect gate takings) Access to the Clubhouse included (terms and conditions apply)	R2500 (RLM collect gate takings) or R4000 (Swimming Club collect gate takings) Access to the Clubhouse included (terms and	R2600 (RLM collect gate takings) or R4180 (Swimming Club collect gate takings) Access to the Clubhouse included (terms	R2700 (RLM collect gate takings) or R4380 (Swimming Club collect gate takings) Access to the Clubhouse included (terms
	Gala (School Inter-house/Inter-high))	R1 100 (Spectators pay normal entry fee at municipal cashier. Access to the Clubhouse included (terms and	R1 150 (Spectators pay normal entry fee at municipal cashier. Access to the Clubhouse	R1 200 (Spectators pay normal entry fee at municipal cashier. Access to the	R1 230 (Spectators pay normal entry fee at municipal cashier. Access
	Coaching or Teaching Swimming Lessons per month	R950.00	R1 000.00	R1 050.00	R1 100.00
	Harry Wulfse Hall	Deposit R620 Rental R1300 Total R1920	Deposit R600 Rental R1400 Total R2000	Deposit R600 Rental R1450 Total R2050	Deposit R600 Rental R1500 Total R2100
Middle Street Swimming Pool	Adult (18 years and older)	R22.00	R22.00	R23.00	R24.00
	ild (between 3 and 17 years)	R8.00 (during weekends, School holidays and Public holidays)	R8.00 (during weekends, School holidays and Public holidays)	R9.00 (during weekends, School holidays and Public holidays)	R10.00 (during weekends, School holidays and Public holidays)
		R12.00 (during the week Monday to Friday)	R10.00 (during the week Monday to Friday)	R11.00 (during the week Monday to Friday)	R12.00 (during the week Monday to Friday)
	Pensioner (63 years and over / Pensioner with pension cards)	R17.00	R15.00	R15.00	R15.00
	School Group Booking (0 to 600 kids) no group bookings on weekends, school holidays and public	R7.00 per ticket one entry	R7.00 per ticket one entry	R8.00 per ticket one entry	R9.00 per ticket one entry
	Coaching or Teaching Swimming Lessons per month	R950.00	R1 000.00	R1 050.00	R1 100.00
	Private Event (terms and conditions apply)	R2 200.00	R2 300.00	R2 400.00	R2 500.00
Zinniaville Swimming Pool	Adult (18 years and older)	R22.00	R22.00	R23.00	R24.00
	ild (between 3 and 17 years)	R8.00 (during weekends, School holidays and Public holidays)	R8.00 (during weekends, School holidays and Public holidays)	R9.00 (during weekends, School holidays and Public holidays)	R10.00 (during weekends, School holidays and Public holidays)
		R12.00 (during the week Monday to Friday)	R10.00 (during the week Monday to Friday)	R11.00 (during the week Monday to Friday)	R12.00 (during the week Monday to Friday)
	Pensioner (63 years and over / Pensioner with pension cards)	R17.00	R15.00	R15.00	R15.00
	School Group Booking (0 to 600 kids) no group bookings on weekends, school holidays and public holidays	R7.00 per ticket one entry	R7.00 per ticket one entry	R8.00 per ticket one entry	R9.00 per ticket one entry
	Coaching or Teaching Swimming Lessons per month	R950.00	R1 000.00	R1 050.00	R1 100.00
	Adult (18 years and older)	R22.00	R22.00	R23.00	R24.00
	ild (between 3 and 17 years)	R8.00 (during weekends, School holidays and Public holidays)	R8.00 (during weekends, School holidays and Public holidays)	R9.00 (during weekends, School holidays and Public holidays)	R10.00 (during weekends, School holidays and Public holidays)

Karlienpark Swimming Pool		R12.00 (during the week Monday to Friday)	R10.00 (during the week Monday to Friday)	R11.00 (during the week Monday to Friday)	R12.00 (during the week Monday to Friday)
	Pensioner (63 years and over / Pensioner with pension cards)	R17.00	R15.00	R15.00	R15.00
	School Group Booking (0 to 600 kids) no group bookings on weekends, school holidays and public holidays	R7.00 per ticket one entry	R7.00 per ticket one entry	R8.00 per ticket one entry	R9.00 per ticket one entry
	Coaching or Teaching Swimming Lessons per month	R950.00	R1 000.00	R1 050.00	R1 100.00
Monakato Swimming Pool	Adult (18 years and older)	R22.00	R22.00	R23.00	R24.00
	ild (between 3 and 17 years)	R8.00 (during weekends, School holidays and Public holidays)	R8.00 (during weekends, School holidays and Public holidays)	R9.00 (during weekends, School holidays and Public holidays)	R10.00 (during weekends, School holidays and Public holidays)
		R12.00 (during the week Monday to Friday)	R10.00 (during the week Monday to Friday)	R11.00 (during the week Monday to Friday)	R12.00 (during the week Monday to Friday)
	Pensioner (63 years and over / Pensioner with pension cards)	R17.00	R15.00	R15.00	R15.00
	School Group Booking (0 to 600 kids) no group bookings on weekends, school holidays and public holidays	R7.00 per ticket one entry	R7.00 per ticket one entry	R8.00 per ticket one entry	R9.00 per ticket one entry
	Coaching or Teaching Swimming Lessons per month	R950.00	R1 000.00	R1 050.00	R1 100.00

LIBRARY & INFORMATION SERVICES

Description	Old Tariff	Current 2024/25	Proposed 2025/26	Proposed 2026/27	Proposed 2027/28	2025/26 INCREASE	% INCREASE
	R/C	R/C	R/C	R/C	R / C	R / C	
FEES FOR OVERDUE LIBRARY MATERIAL							
Fine per week or part thereof (three days grace during first week)	R5, 50 per item	R5, 75 per item	R6,00 per item	R 6,30 per item	R 6,50	R0,25	4.40%
Maximum fine	R91,80 per item	R91,80 per item	R95,80 per item	R 100,00 per item	R102,50	R4,00	4.40%
FEES FOR DAMAGED OR LOST LIBRARY MATERIAL AND MEMBERSHIP CARD							
Loss or serious damage to any library material	Purchase price plus a 10% administration charge	Purchase price plus a 10% administration charge	Purchase price plus a 10% administration charge	Purchase price plus a 10% administration charge	Purchase price plus a 10% administration charge	Purchase price plus a 10% administration charge	
Any material mutilated, defaced, marked, creased or damaged by water, heat, fire, animals, or any other thing, but can still be circulated:							
Purchase price lower than R50,00	R 14,60 per item	R 14,60 per item	R 15, 30 per item	R 16,00 per item	R 16,40 per item	R0,70	4.40%
Purchase price higher than R50,00	R23,00 fine per item	R23,00 fine per item	R 24,00 fine per item	R 25.10 fine per item	R 25, 70 per item	R1,10	4.40%
Protective coverings of library material removed or damaged	R14,00 fine per item	R14,60 fine per item	R15,20 fine per item	R 15,90 per item	R 16,30 per item	R 0. 60	4.40%
Membership card lost or damaged -							
Issuing of duplicate card to **adults**	R45,00 per card	R45,00 per card	R47,00 per card	R49.10 per card	R 50,30 per card	R 2, 00	4,40%
Issuing of duplicate card to **children**	R25,00 per card	R25,00 per card	R26.10 per card	R27,30 per card	R 28,00 per card	R 1, 10	4.40%
MEMBERSHIP AND USER FEES							
Membership fees for loan services							
Books							

Persons residing and/or employed **within** the area of jurisdiction of the Rustenburg Local Municipality **(Adult). Renewable annually at the rate determined by Council for that financial year.**	R47,00 per card	R49.20 per card	R51.40 per card	R 53,70 per card	R 55,10 per card	R 2, 20	4.40%
Persons residing and/or employed **within** the area of jurisdiction of the Rustenburg Local Municipality **(Children). Renewable annually at the rate determined by Council for that financial year.**	R 25, 00 per card	R 26, 20 per card	R 27, 40 per card	R 28,60 per card	R 29,30 per card	R1,10	4.40%
Persons residing and/or employed **within** the area of jurisdiction of the Rustenburg Local Municipality **(Elderly)**, **Renewable annually at the rate determined by Council for that financial year.**	R0,00	R0,00	R30,00 per card	R31,10 per card	R31,90 per card	New Tariff	0.00%
Persons residing and/or employed **outside** the area of jurisdiction of the Rustenburg Local Municipality -							
(a) Adults (non refundable fee)	R87.00 per person per year	R91.00 per person	R95.00 per person per year	R99.30 per person per year	R101.80 per person per year	R 4.00	4.40%
(b) Children (non refundable fee)	R45,00 per person per year	R47,00 per person per year	R49,00 per person per year	R 51,00 per person	R 52,30 per person	R 2.00	4.40%
(c) Elderly (non refundable fee)	R0,00	R0,00	R50,00	R52,00	R54,00	New Tariff	0.00%
Early Learning Centres and Primary Schools **within** the area of jurisdiction of the Rustenburg Local Municipality **(Block Loan). Renewable annually at the rate determined by Council for that financial year.**	R0,00	R0,00	R100,00 per institution per year	R105,00 per institution per year	R110,00 per institution per year	New Tariff	0.00%
Audio-visual material							
Compact discs -							
(a)Persons residing and/or employed **within** the area of jurisdiction of the Rustenburg Local Municipality. **Renewable annually at the rate determined by Council for that financial year.**	R63.00 per person per year	R65,50 per person per year	R68,40 per person per year	R71,40 per person per year	R 73,20 per person	R 2,90	4.40%
(b)Persons residing and/or employed **outside** the area of jurisdiction of the Rustenburg Local Municipality	R103,00 per person per year	R107,50 per person per year	R112,20 per person per year	R117,20 per person per year	R 120,10 per person	R4,70	4,4%
Audio books, DVD's and art prints							
(a)Persons residing and/or employed **within** the area of jurisdiction of the Rustenburg Local Municipality. **Renewable annually at the rate determined by Council for that financial year.**	R43,00 per person per year	R45,00 per person per year	R47,00 per person per year	R49,10 per person per year	R 50,30 per person	R 2, 00	4,4%

(b)Persons residing and/or employed **outside** the area of jurisdiction of the Rustenburg Local Municipality	R67,00 per person per year	R70,00 per person per year	R73,10 per person per year	R76,40 per person per year	R 78,30 per person	R 3.10	4,4%
Reservation and external request							
Reservation of library material out on loan	R6,50 per item	R7, 00 per item	R7, 30 per item	R7,60 per item	R 7.80 per person	R0, 30	4,4%
Provincial library loans: Service resides with the Provincial Library Services.	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00	0.00%
Inter-library loans (on national level)	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00	0.00%
(1) Books: The service resides with the Provincial Library Services. Requests and costs are handled by the Provincial Library Services.	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00	0.00%
(2) Non-book material (periodicals, music scores, etc): NB The service resides with the Provincial Library Services. Requests and costs are handled by the Provincial Library Services.	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00	0.00%
SABINET (Computerised national information network)							
Information searches	R 0, 00	R0,00	R0,00	R0,00	R 0, 00	R 0, 00	0.00%
Inter-library loans via SABINET: Service discontinued and is now offered free of charge by the Provincial Library Service	R0, 00	R 0.00	R0,00	R0,00	R 0.00	R 0.00	0.00%
Internet							
Internet search/access	Free of charge: Province will be supplying access(PIA)	Free of charge: Province is supplying access to internet for free(PIA)	Free of charge: Province is supplying access to internet for free(PIA)	Free of charge: Province is supplying access to internet for free(PIA)	Free of charge: Province is supplying access to internet for free(PIA)	Free of charge: Province is supplying access to internet for free(PIA)	0.00%
Printouts							
§ A4 paper (black & white)	R2,00 per copy	R 3,00 per copy	R 3,10 per copy	R 3, 20 per copy	R 3,30 per copy	R0,10	4.40%
§ A4 paper (colour)	R4,00 per copy	R6,00 per copy	R6,30 per copy	R 6,60 per copy	R 6,80 per copy	R0,30	4.40%
Computer printouts							
Black ink printouts	R2,00 per A4 page	R 3,00 per copy	R 3,10 per copy	R 3,20 per copy	R 3,30 per copy	R0,10	4.40%
Colour ink printouts	R4,00 per A4 page	R 6,00 per copy	R 6,30 per copy	R 6,60 per copy	R 6,80 per copy	R0,30	4.40%
Photocopies							
A4 paper (black & white)	R2,00 per copy	R 3,00 per copy	R 3,10 per copy	R 3,20 per copy	R 3,30 per copy	R0,10	4.40%
A3 paper (black & white)	R4,00 per copy	R 6,00 per copy	R 6,30 per copy	R 6,60 per copy	R 6.80 per copy	R0,30	4.40%
A4 paper (colour)	R4,00 per copy	R6,00 per copy	R6,30 per copy	R6,60 per copy	R 6,80 per copy	R0,30	4.40%

A3 paper (colour)	R5,00 per copy	R12,00 per copy	R12,50 per copy	R13,10 per copy	R 13,40 per copy	R0,50	4.40%
Typing							
	R2.50 per page	R3, 00 per page	R3, 10 per page	R3.20 per page	R3.30 per page	R 0,10	4.40%
Facsimiles							
Facsimiles received (Facsimile facilities not activated on Municipal Devices)	R5,50 per page	R5,50 per page	R5,70 per page	R5,90 per page	R 6,00 per page	R 0. 20	4.40%
Facsimiles sent (Facsimile facilities not activated on Municipal Devices)	R6,00 per page	R6,00 per page	R6,30 per page	R6,60 per page	R 6,80 per page	R 0. 30	4.40%
Other services							
Services such as the provision of reference, study and reading facilities, information and reference enquiries, reader guidance services, etc	Free of charge	Free of charge	Free of charge	Free of charge	Free of charge		
RENTING OF AUDITORIUMS AND EQUIPMENT							
The full amount payable must be paid when making the reservation							
The breakage deposit indicated below will only be refunded if there were no losses or damages							
Library auditoriums and activity rooms							
Cultural associations and clubs, educational institutions, community development agents and welfare organisations: **Regular use**	R350,00 deposit and R400 rent per occasion	R350,00 deposit and R500,00 rent per occassion	R350,00 deposit and R522,00 rent per occassion	R350,00 deposit and R545,50 rent per occassion	R 350,00 deposit and R 559,50 rent per occasion	R0.00 deposit and R 22,00 rental	44.00%
Cultural associations and clubs, educational institutions, community development agents and welfare organisations: ***Ad hoc* use**	R400,00 deposit and R550,00 rent per occasion	R400,00 deposit and R650,00 rent per occassion	R400,00 deposit and R679,00 rent per occassion	R400,00 deposit and R709,00 rent per occassion	R 400,00 deposit and R 727,00 rent per occasion	R,00 deposit and R 29,00 rental	4.4%+
Businesses or profit-seeking body or individual	R800,00 deposit and R1000,00 rent per occasion	R800,00 deposit and R1 100,00 rent per occassion	R800,00 deposit and R1 148,00 rent per occassion	R800,00 deposit and R1 200,00 rent per occassion	R 800, 00 deposit and R 1 230,00 rent per occasion	R0,00 deposit and R 48,00 rental	4.4%+
Equipment							
Use of TV and video machine, slide or film projector, overhead projector, data video projector (with screen where required) and sound equipment -							
RENTING OF AUDITORIUMS AND EQUIPMENT	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	
(b) Businesses or profit-seeking body or individual	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	

RUSTENBURG LOCAL MUNICIPALITY

CIVIC CENTRE & COMMUNITY HALLS	2023-24 (PREVIOUS TARIFFS)			2025-2026 (CURRENT TARIFFS)						2025-2028 (PROPOSED TARIFFS)					
Name of Facility	Rental	Refundable Deposit	Total	Rental	Refundable Deposit	Total	Rental	Refundable Deposit	Total	Rental	Refundable Deposit	Total	Rental	Refundable Deposit	Total
	Current 23/24	Current 23/24	23/24	Proposed 24/25	Proposed 24/25		Proposed 25/26	Proposed 25/26		Proposed 26/27	Proposed 26/27		Proposed 27/28	Proposed 27/28	
							4,4% Increase			4,5% Increase			2,5% Increase		
Atrium	R5 543.00	R1 924.00	7 467	R5 800.00	R2 000.00	R7 800.00	R6 333.74	R2 092.00	R8 425.74	R6 631.43	R2 188.23	R8 819.66	R6 797.22	R2 188.23	R8 985.45
Auditorium	R10 568.00	R1 924.00	12 492	R11 000.00	R2 000.00	R13 000.00	R12 012.26	R2 092.00	R14 104.26	R12 576.87	R2 188.23	R14 765.10	R12 891.29	R2 188.23	R15 079.52
Banquet hall	R9 853.00	R1 924.00	11 777	R10 300.00	R2 000.00	R12 300.00	R11 247.85	R2 092.00	R13 339.85	R11 776.51	R2 188.23	R13 964.74	R12 070.92	R2 188.23	R14 259.15
Banquet hall half	R4 251.00	R1 924.00	6 175	R4 500.00	R2 000.00	R6 500.00	R4 914.11	R2 092.00	R7 006.11	R5 145.08	R2 188.23	R7 333.31	R5 273.71	R2 188.23	R7 461.94
Caucus rooms	R1 541.00	n/a	1 541	R1 600.00	n/a	R1 600.00	R1 747.24	n/a	R1 747.24	R1 829.37	n/a	R1 829.37	R1 875.10	n/a	R1 875.10
City hall	R9 879.00	R1 924.00	11 803	R10 400.00	R2 000.00	R12 400.00	R11 357.05	R2 092.00	R13 449.05	R11 890.86	R2 188.23	R14 079.09	R12 188.13	R2 188.23	R14 376.36
City hall half	R5 021.00	R1 924.00	6 945	R5 200.00	R2 000.00	R7 200.00	R5 678.52	R2 092.00	R7 770.52	R5 945.42	R2 188.23	R8 133.65	R6 094.06	R2 188.23	R8 282.29
Terrace/Pergola	R2 196.00	R771.00	2 967	R2 300.00	R1000.00	R3 300.00	R2 511.66	R1 004.60	R3 516.26	R2 629.71	R1 050.81	R3 680.52	R2 695.45	R1 050.81	R3 746.26
Main bar	R2 447.00	R771.00	3 218	R2 600.00	R1000.00	R3 600.00	R2 839.26	R1 004.60	R3 843.86	R2 972.71	R1 050.81	R4 023.52	R3 047.03	R1 050.81	R4 097.84
Preparation fee/Rehearsal fee	R1 867.00	n/a	1 876	R2000.00	n/a	R2 000.00	R2 184.05	n/a	R2 184.05	R2 286.70	n/a	R2 286.70	R2 343.87	n/a	R2 343.87
Hiring fee per chair	R14.60	n/a	R14.60	R15.00	n/a	R15.00	R16.38	n/a	R16.38	R17.15	n/a	R17.15	R17.58	n/a	R17.58
Hiring fee per square table	R31.00	n/a	R31.00	R30.00	n/a	R30.00	R32.76	n/a	R32.76	R34.30	n/a	R34.30	R35.16	n/a	R35.16
Hiring fee per round table	R42.00	n/a	R42.00	R40.00	n/a	R40.00	R43.68	n/a	R43.68	R45.73	n/a	R45.73	R46.87	n/a	R46.87
Foyer	R2 123.00	n/a	2 123	R2200.00	n/a	R2 200.00	R2 402.45	n/a	R2 402.45	R2 515.38	n/a	R2 515.38	R2 578.26	n/a	R2 578.26
B Tause Austrian Hall	R1 931.00	R1 082.00	R3 013.00	R2000.00	R1000.00	R3000.00	R2 184.05	R1 004.60	R3 188.65	R2 286.70	R1 050.81	R3 337.51	R2 343.87	R1 050.81	R3 394.68
Marikana Community Hall	R1 931.00	R1 082.00	R3 013.00	R2000.00	R1000.00	R3000.00	R2 184.05	R1 004.60	R3 188.65	R2 286.70	R1 050.81	R3 337.51	R2 340.79	R1 050.81	R3 391.60
Ben Marais Hall	R5 150.00	R2 166.00	R7 316.00	R5400.00	R2000.00	R7400.00	R5 896.93	R2 092.00	R7 988.93	R6 174.10	R2 188.23	R8 362.33	R6 328.45	R2 188.23	R8 516.68
Photoshoot	R260.00	n/a	R260.00	R300.00	n/a	R300.00	R327.61	n/a	R327.61	R343.00	n/a	R343.00	R351.58	n/a	R351.58
Boitekong Hall	R1 931.00	R1 082.00	R3 013.00	R2000.00	R1000.00	R3000.00	R2 184.05	R1 004.60	R3 188.65	R2 286.70	R1 050.81	R3 337.51	R2 343.87	R1 050.81	R3 394.68
Meriting Hall	R1 931.00	R1 082.00	R3 013.00	R2000.00	R1000.00	R3000.00	R2 184.05	R1 004.60	R3 188.65	R2 286.70	R1 050.81	R3 337.51	R2 343.87	R1 050.81	R3 394.68
Monakato Hall	R1 931.00	R1 082.00	R3 013.00	R2000.00	R1000.00	R3000.00	R2 184.05	R1 004.60	R3 188.65	R2 286.70	R1 050.81	R3 337.51	R2 343.87	R1 050.81	R3 394.68
Old Town Hall	R4 000.00	R2 166.00	R6 166.00	R4 000.00	R2000.00	R6000.00	R4 368.10	R2 092.00	R6 460.10	R4 573.40	R2 188.23	R6 761.63	R4 687.74	R2 188.23	R6 875.97
Phatsima Hall	R1 931.00	R1 082.00	R3 013.00	R2000.00	R1000.00	R3000.00	R2 184.05	R1 004.60	R3 188.65	R2 286.70	R1 050.81	R3 337.51	R2 343.87	R1 050.81	R3 394.68
Tlhabane Hall	R1 931.00	R1 082.00	R3 013.00	R2000.00	R1000.00	R3000.00	R2 184.05	R1 004.60	R3 188.65	R2 286.70	R1 050.81	R3 337.51	R2 343.87	R1 050.81	R3 394.68
WA van Zyl	R1 931.00	R1 082.00	R3 013.00	R2000.00	R1000.00	R3000.00	R2 184.05	R1 004.60	R3 188.65	R2 286.70	R1 050.81	R3 337.51	R2 343.87	R1 050.81	R3 394.68
Ziinniaville Hall	R1 931.00	R1 082.00	R3 013.00	R2000.00	R1000.00	R3000.00	R2 184.05	R1 004.60	R3 188.65	R2 286.70	R1 050.81	R3 337.51	R2 343.87	R1 050.81	R3 394.68
Paardekraal Hall	R1 931.00	R1 082.00	R3 013.00	R2000.00	R1000.00	R3000.00	R2 184.05	R1 004.60	R3 188.65	R2 286.70	R1 050.81	R3 337.51	R2 343.87	R1 050.81	R3 394.68
Sunrisepark Hall	R1 931.00	R1 082.00	R3 013.00	R2000.00	R1000.00	R3000.00	R2 184.05	R1 004.60	R3 188.65	R2 286.70	R1 050.81	R3 337.51	R2 343.87	R1 050.81	R3 394.68

WAYLEAVE TARIFFS FOR WORK DONE ON PUBLIC ROADS

TARRIF DESCRIPTION		Frequency	Total per Month Calculation	Tariffs 2024/25	2025/2026 Increase	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28
			R/C			R/C	R/C	R/C
Fee: Processing wayleave application for network construction connecting Hub, Node and Cell Towers	Per wayleave application (Calculated per area/suburb/township)	Once Off	R 5 717	R 5 717	4.6%	R 5 980	R 6 255	R 6 542
Fee: Micro trenching wayleave applications	Per wayleave application (Calculated per area/suburb/township)	Once Off	R 5 717	R 5 717	4.6%	R 5 980	R 6 255	R 6 542
Fee: Access Build ECN	Per wayleave application (Calculated per area/suburb/township)	Once Off	R 5 717	R 5 717	4.6%	R 5 980	R 6 255	R 6 542
Refundable Bank Guarantee	Per wayleave application/ Per one financial year. (Calculated per area/suburb/township)	Annual	R 2 186 116	R 2 186 116	4.6%	R 2 286 677	R 2 391 864	R 2 501 890
Fee: Utilising sewer and storm water systems for ECN	Per kilometre per annum	Annual	R 1 143	R 1 143	4.6%	R 1 196	R 1 251	R 1 308
Fee: Utilising municipal sleeve	Per kilometre per annum	Annual	R 1 715	R 1 715	4.6%	R 1 794	R 1 876	R 1 963
Fee: Laying ECN in the public road reserve	Per kilometre per annum	Annual	R 252	R 252	4.6%	R 263	R 275	R 288
Lane rental (street links between intersections, excluding intersections)	Fee per day	Once Off	R 86	R 86	4.6%	R 90	R 94	R 98
Lane rental (per intersection per day or part thereof)	Street link/day	Once Off	R 12 234	R 12 234	4.6%	R 12 796	R 13 385	R 14 001
Processing of application to close a road for construction purposes	Per road closure application	Once Off	R 2 744	R 2 744	4.6%	R 2 870	R 3 002	R 3 140
Penalties								
Fine for no wayleave approval and related documents on site. (per area)			R 114 334	R 114 334	4.6%	R 119 593	R 125 095	R 130 849
Penalty for exceeding the time allowed to do work in terms of the Wayleave approval, per day			R 11 433	R 11 433	4.6%	R 11 959	R 12 509	R 13 085

Penalty for exceeding the time allowed in terms of the Temporary Road Closure Approval, per day		R 228 668	R 228 668	4.6%	R 239 186	R 250 189	R 261 698
Fine for having temporary closed a road without written permission from the Roads and Storm water department		R 228 668	R 228 668	4.6%	R 239 186	R 250 189	R 261 698

TARIFFS FOR TRADING STALLS (INDIVIDUAL/SHARED)

TARRIF DESCRIPTION	Administrative Fee 2024/25	Draft Administrative Fee 2025/26	Refundable Deposit 2024/25	Draft Refundable Deposit 2025/26	2025/26 INCREASE	2025/26 INCREASE	Approved Tariffs 2024/25	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28
	Non-Refundable	Non-Refundable	Deposit	Deposit	R/C	(%)	R/C	R/C	R/C	R/C
MAX BORNMAN TRADING AREA										
6 x 6m Stalls	R 173	R 181	R 1 157	R 1 210	R 27	4.6%	R 593	R 621	R 649	R 679
6 x 6m Stall (Shared)	R 173	R 181	R 1 157	R 1 210	R 27	4.6%	R 593	R 621	R 649	R 679
3x 6m Stall	R 173	R 181	R 868	R 908	R 20	4.6%	R 445	R 465	R 487	R 509
3x 6m Stall (Shared)	R 173	R 181	R 868	R 908	R 20	4.6%	R 445	R 465	R 487	R 509
3 x 3m Stall	R 173	R 181	R 578	R 605	R 14	4.6%	R 295	R 309	R 323	R 338
HAWKERS/INFORMAL TRADING OPEN AREAS AT AREA ABUTING FATIMA BHAYAT DRIVE NEAR TUNNEL										
2 x 3m Open Space	R 122	R 127	R 122	R 127	R 8	4.6%	R 172	R 179	R 188	R 196
HAWKERS/INFORMAL TRADING OPEN SPACE 2: AREA OPPOSITE MAX BORNMAN SHOPPING CENTRE										
Demarcated Open Space	R 122	R 127	R 122	R 127	R 8	4.6%	R 172	R 179	R 188	R 196
SUPPLIERS' DEMARCATED OFFLOADING PARKINGSPACES : BETHLEHEM DRIVE										
Parking/Loading Zone/Space	R 122	R 127	R 974	R 1 019	R 27	4.6%	R 590	R 617	R 645	R 675
HAWKERS STALLS AT BAMTA TRADING SHARED/INDIVIDUAL STALLS										
3 x 4.1m Stalls (Shared)	R 122	R 127	R 60	R 63	R 11	4.6%	R 229	R 239	R 250	R 262
BAMTA Taxi Aisle	R 122	R 127	R 60	R 63	R 7	4.6%	R 172	R 178	R 187	R 195
BUS Rank Terminals	R 122	R 127	R 60	R 63	R 7	4.6%	R 172	R 178	R 187	R 195
HAWKERS STALLS AT THE MAIN TAXI RANK TRADING AREA (SHARED & INDIVIDUAL STALLS)										
3 x 3m Stall	R 122	R 127	R 487	R 510	R 12	4.6%	R 295	R 307	R 321	R 336
3 x 3m Stall (Shared)	R 122	R 127	R 487	R 510	R 12	4.6%	R 295	R 307	R 321	R 336
Taxi Aisle	R 122	R 127	R 60	R 63	R 7	4.6%	R 172	R 178	R 187	R 195
OPEN ALIENATED TRADING SPACES : OTHER AREAS OUTSIDE THE CBD										
Rustenburg & Extensions	R 122	R 127	R 61	R 64	R 8	4.6%	R 172	R 179	R 188	R 196
Tlhabane & Extensions	R 122	R 127	R 61	R 64	R 8	4.6%	R 172	R 179	R 188	R 196
Boitekong & Extensions	R 122	R 127	R 61	R 64	R 8	4.6%	R 172	R 179	R 188	R 196
Paardekraal & Extensions	R 122	R 127	R 61	R 64	R 8	4.6%	R 172	R 179	R 188	R 196
Meriting & Extensions	R 122	R 127	R 61	R 64	R 8	4.6%	R 172	R 179	R 188	R 196
Lethabong & Extensions	R 122	R 127	R 61	R 64	R 8	4.6%	R 172	R 179	R 188	R 196
Marikana & Extensions	R 122	R 127	R 61	R 64	R 8	4.6%	R 172	R 179	R 188	R 196
Phatsima & Extesnions	R 122	R 127	R 61	R 64	R 8	4.6%	R 172	R 179	R 188	R 196
Boshoek	R 122	R 127	R 61	R 64	R 8	4.6%	R 172	R 179	R 188	R 196
Monakato & Extensions	R 122	R 127	R 61	R 64	R 8	4.6%	R 172	R 179	R 188	R 196
Freedom Park & Extensions	R 122	R 127	R 61	R 64	R 8	4.6%	R 172	R 179	R 188	R 196
OTHER TRADING AREAS										
Trading near malls near the CBD (town) area	R -	R -	R -	R -	R 11	4.6%	R 229	R 239	R 250	R 262
Trading near malls near in the township and rural areas	R -	R -	R -	R -	R 11	4.6%	R 229	R 239	R 250	R 262
Trading from Mobile Container	R -	R -	R -	R -	R 50	4.6%	R 1 093	R 1 143	R 1 196	R 1 251

HIRING OF THE VARIOUS OFFICES OF THE SMME SUPPORT & DEVELOPMENT CENTRE

TARRIF DESCRIPTION	Frequency	Tariffs 2023/24	Approved Tariffs 2024/25	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28	2025/2026 INCREASE	2025/2026 INCREASE
		R/C	R/C	R/C	R/C	R/C	R/C	(%)
OFFICE 1								
Administrative Fee	Once Off	R 163	R 171	R 179	R 187	R 196	R 8	4.6% p.a
Usage	Per Day	R 570	R 598	R 626	R 655	R 685	R 28	4.6% p.a
Usage	5 Days Per Week	R 2 444	R 2 564	R 2 682	R 2 805	R 2 934	R 118	4.6% p.a
Usage	7 Days Per Week	R 2 852	R 2 991	R 3 129	R 3 273	R 3 423	R 138	4.6% p.a
Usage	Per Month	R 12 221	R 12 820	R 13 410	R 14 027	R 14 672	R 590	4.6% p.a
Usage	Per Annum	R 146 654	R 153 840	R 160 917	R 168 319	R 176 062	R 7 077	4.6% p.a
OFFICE 2								
Administrative Fee	Once Off	R 163	R 171	R 179	R 187	R 196	R 8	4.6% p.a
Usage	Per Day	R 570	R 598	R 626	R 655	R 685	R 28	4.6% p.a
Usage	5 Days Per Week	R 2 444	R 2 564	R 2 682	R 2 805	R 2 934	R 118	4.6% p.a
Usage	7 Days Per Week	R 2 852	R 2 991	R 3 129	R 3 273	R 3 423	R 138	4.6% p.a
Usage	Per Month	R 12 221	R 12 820	R 13 410	R 14 027	R 14 672	R 590	4.6% p.a
Usage	Per Annum	R 146 654	R 153 840	R 160 917	R 168 319	R 176 062	R 7 077	4.6% p.a
OFFICE 3								
Administrative Fee	Once Off	R 163	R 171	R 179	R 187	R 196	R 8	4.6% p.a
Usage	Per Day	R 570	R 598	R 626	R 655	R 685	R 28	4.6% p.a
Usage	5 Days Per Week	R 2 444	R 2 564	R 2 682	R 2 805	R 2 934	R 118	4.6% p.a
Usage	7 Days Per Week	R 2 852	R 2 991	R 3 129	R 3 273	R 3 423	R 138	4.6% p.a
Usage	Per Month	R 12 221	R 12 820	R 13 410	R 14 027	R 14 672	R 590	4.6% p.a
Usage	Per Annum	R 146 654	R 153 840	R 160 917	R 168 319	R 176 062	R 7 077	4.6% p.a

HIRING OF SHOWGROUNDS HALLS

TARRIF DESCRIPTION	Frequency	Tariffs 2023/24	Approved Tariffs 2024/25	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28	2025/2026 INCREASE	2025/2026 INCREASE
		R/C	R/C	R/C	R/C	R/C	R/C	(%)
HALLS								
Administrative Fee	Once Off	R 149	R 157	R 164	R 171	R 179	R 7	4.6% p.a
Ans van Zyl Hall	Per Day	R 3 734	R 3 917	R 4 097	R 4 286	R 4 483	R 180	4.6% p.a
Ans van Zyl Hall	Per Week	R 26 140	R 27 421	R 28 682	R 30 001	R 31 381	R 1 261	4.6% p.a
Ans van Zyl Hall	Per Month	R 74 685	R 78 344	R 81 948	R 85 718	R 89 661	R 3 604	4.6% p.a
Ans van Zyl Hall	Per Rtb Show	R 10 456	R 10 968	R 11 473	R 12 001	R 12 553	R 505	4.6% p.a
Administrative Fee	Once Off	R 149	R 157	R 164	R 171	R 179	R 7	4.6% p.a
Johann Voster	Per Day	R 3 734	R 3 917	R 4 097	R 4 286	R 4 483	R 180	4.6% p.a
Johann Voster	Per Week	R 18 671	R 19 586	R 20 487	R 21 429	R 22 415	R 901	4.6% p.a
Johann Voster	Per Month	R 55 544	R 58 266	R 60 946	R 63 749	R 66 682	R 2 680	4.6% p.a
Johann Voster	Per Rtb Show	R 7 464	R 7 830	R 8 190	R 8 567	R 8 961	R 360	4.6% p.a
Administrative Fee	Once Off	R 149	R 157	R 164	R 171	R 179	R 7	4.6% p.a
Opperman	Per Day	R 3 785	R 3 970	R 4 153	R 4 344	R 4 544	R 183	4.6% p.a
Opperman	Per Week	R 18 671	R 19 586	R 20 487	R 21 429	R 22 415	R 901	4.6% p.a
Opperman	Per Month	R 55 544	R 58 266	R 60 946	R 63 749	R 66 682	R 2 680	4.6% p.a
Opperman	Per Rtb Show	R 5 228	R 5 484	R 5 736	R 6 000	R 6 276	R 252	4.6% p.a
Administrative Fee	Once Off	R 149	R 157	R 164	R 171	R 179	R 7	4.6% p.a
Nolte- Bigger Hall	Per Day	R 745	R 781	R 817	R 855	R 894	R 36	4.6% p.a
Nolte- Bigger Hall	Per Week	R 22 405	R 23 503	R 24 584	R 25 715	R 26 898	R 1 081	4.6% p.a
Nolte- Bigger Hall	Per Month	R 59 748	R 62 676	R 65 559	R 68 574	R 71 729	R 2 883	4.6% p.a
Nolte- Bigger Hall	Per Rtb Show	R 8 215	R 8 618	R 9 014	R 9 429	R 9 863	R 396	4.6% p.a
Administrative Fee	Once Off	R 149	R 157	R 164	R 171	R 179	R 7	4.6% p.a
Nolte Small Hall	Per Day	R 2 768	R 2 903	R 3 037	R 3 177	R 3 323	R 134	4.6% p.a
Nolte Small Hall	Per Week	R 17 924	R 18 803	R 19 668	R 20 572	R 21 519	R 865	4.6% p.a
Nolte Small Hall	Per Month	R 54 740	R 57 422	R 60 063	R 62 826	R 65 716	R 2 641	4.6% p.a
Nolte Small Hall	Per Rtb Show	R 3 734	R 3 917	R 4 097	R 4 286	R 4 483	R 180	4.6% p.a
Administrative Fee	Once Off	R 149	R 157	R 164	R 171	R 179	R 7	4.6% p.a
KJH Behrens	Per Day	R 3 546	R 3 720	R 3 891	R 4 070	R 4 257	R 171	4.6% p.a
KJH Behrens	Per Week	R 26 140	R 27 421	R 28 682	R 30 001	R 31 381	R 1 261	4.6% p.a
KJH Behrens	Per Month	R 74 685	R 78 344	R 81 948	R 85 718	R 89 661	R 3 604	4.6% p.a
KJH Behrens	Per Rtb Show	R 10 456	R 10 968	R 11 473	R 12 001	R 12 553	R 505	4.6% p.a
Administrative Fee	Once Off	R 149	R 157	R 164	R 171	R 179	R 7	4.6% p.a
Flip Joubert	Per Day	R 3 734	R 3 917	R 4 097	R 4 286	R 4 483	R 180	4.6% p.a
Flip Joubert	Per Week	R 26 140	R 27 421	R 28 682	R 30 001	R 31 381	R 1 261	4.6% p.a
Flip Joubert	Per Month	R 74 685	R 78 344	R 81 948	R 85 718	R 89 661	R 3 604	4.6% p.a
Flip Joubert	Per Rtb Show	R 10 456	R 10 968	R 11 473	R 12 001	R 12 553	R 505	4.6% p.a
Administrative Fee	Once Off	R 149	R 157	R 164	R 171	R 179	R 7	4.6% p.a
Kobie van Zyl	Per Day	R 37 342	R 39 172	R 40 974	R 42 859	R 44 830	R 1 802	4.6% p.a
Kobie van Zyl	Per Week	R 26 140	R 27 421	R 28 682	R 30 001	R 31 381	R 1 261	4.6% p.a
Kobie van Zyl	Per Month	R 74 685	R 78 344	R 81 948	R 85 718	R 89 661	R 3 604	4.6% p.a
Kobie van Zyl	Per Rtb Show	R 10 456	R 10 968	R 11 472	R 12 000	R 12 552	R 505	4.6% p.a
RENTAL FOR RUSTENBURG SHOWS								
Application Fee	Once Off	R 3 270	R 3 430	R 3 588	R 3 753	R 3 925	R 158	4.6% p.a
Part or Whole of Showgrounds	Per Day	R 9 495	R 9 961	R 10 419	R 10 898	R 11 400	R 458	4.6% p.a
	Per Week	R 66 465	R 69 722	R 72 929	R 76 284	R 79 793	R 3 207	4.6% p.a
	Per Month	R 265 861	R 278 888	R 291 717	R 305 136	R 319 172	R 12 829	4.6% p.a

RENTAL FOR OVAL RACING / RELATED								
Application Fee	Once Off	R 3 270	R 3 430	R 3 588	R 3 753	R 3 925	R 158	4.6% p.a
Part or whole of Facility	Per Day	R 4 748	R 4 980	R 5 209	R 5 449	R 5 700	R 229	4.6% p.a
	Per Week	R 33 234	R 34 863	R 36 466	R 38 144	R 39 898	R 1 604	4.6% p.a
	Per Month	R 132 937	R 139 451	R 145 865	R 152 575	R 159 594	R 6 415	4.6% p.a
RENTAL FOR AGRICULTURE SHOWS / RELATED								
Application Fee	Once Off	R 2 180	R 2 287	R 2 392	R 2 502	R 2 617	R 105	4.6% p.a
Proposed Farmer Production Support Unit / Agri-Park	Per Day	R 1 962	R 2 058	R 2 153	R 2 252	R 2 355	R 95	4.6% p.a
	Per Week	R 13 733	R 14 406	R 15 069	R 15 762	R 16 487	R 663	4.6% p.a
	Per Month	R 54 933	R 57 624	R 60 275	R 63 048	R 65 948	R 2 651	4.6% p.a

*** 50% discount is proposed (for weekly and monthly rates only) for the financial year 2024/25 to ecourage increased and sustainable occupancy, collection and support to local small businesses**

NB: Discount does not apply to application / administrative fees

BUSINESS LICENSING TARIFFS
(Proposed tariffs in terms the NW Business Licensing Act no. 3 of 2019)

TARIFF DESCRIPTION	Approved Tariffs 2024/25	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28
SALE & SUPPLY OF PERISHABLE FOODSTUFFS				
Restaurants	R 1 049	R 1 091	R 1 141	R 1 194
Cafes	R 1 049	R 1 091	R 1 141	R 1 194
Coffee Houses	R 1 049	R 1 091	R 1 141	R 1 194
Fast Food Outlets	R 1 049	R 1 091	R 1 141	R 1 194
Kiosks	R 262	R 273	R 285	R 298
Supermarkets/ Hypermarkets	R 1 049	R 1 091	R 1 141	R 1 194
Vegetable/Fruit/Flower vendor	R 262	R 273	R 285	R 298
Informal trader/hawker	R 262	R 273	R 285	R 298
Spaza shop	R 262	R 273	R 285	R 298
PROVISION OF HEALTH AND OTHER CARE FACILITIES				
Private Hospitals	R 1 049	R 1 091	R 1 141	R 1 194
Private Clinics	R 1 049	R 1 091	R 1 141	R 1 194
Maternity & Baby Care Clinics	R 262	R 273	R 285	R 298
Creches/ Kindergartens	R 1 049	R 1 091	R 1 141	R 1 194
Pharmacies	R 1 049	R 1 091	R 1 141	R 1 194
Eye care providers	R 1 049	R 1 091	R 1 141	R 1 194
Laboratories	R 1 049	R 1 091	R 1 141	R 1 194
Beauty palours/Hair & Nail Salons/Slimming Clinics	R 525	R 545	R 571	R 597
ACCOMMODATION, ENTERTAINMENT AND LEISURE FACILITIES				
Hotels/Motels/Lodges	R 1 049	R 1 091	R 1 141	R 1 194
Bed and Breakfast facilities	R 525	R 545	R 571	R 597
Hostel facilities/Boarding Houses/Room rentals	R 1 049	R 1 091	R 1 141	R 1 194
Motor racing/Quad biking facilities	R 1 049	R 1 091	R 1 141	R 1 194
Bowling Alleys	R 525	R 545	R 571	R 597
Bars & Pubs	R 1 049	R 1 091	R 1 141	R 1 194
Liquor Outlets	R 1 049	R 1 091	R 1 141	R 1 194
Night clubs/ Dance halls	R 1 049	R 1 091	R 1 141	R 1 194
Cinema/ Drive-in	R 525	R 545	R 571	R 597
Theatres	R 525	R 545	R 571	R 597
Family entertainment facilities	R 1 049	R 1 091	R 1 141	R 1 194
OTHER RETAIL/ SERVICE OUTLETS				
Clothing/ Shoe retailers	R 1 049	R 1 091	R 1 141	R 1 194
Motor vehicle dealerships & service centres	R 1 049	R 1 091	R 1 141	R 1 194
Electronics provider	R 1 049	R 1 091	R 1 141	R 1 194
Building Materials suppliers	R 1 049	R 1 091	R 1 141	R 1 194
Factories	R 1 049	R 1 091	R 1 141	R 1 194
Household services providers (plumbing/electrical/construction etc.)	R 525	R 545	R 571	R 597
General dealers	R 525	R 545	R 571	R 597
Bookstores and Music dealerships	R 1 049	R 1 091	R 1 141	R 1 194
Laundromat/Dry Cleaners	R 525	R 545	R 571	R 597
Furniture and appliance dealers	R 1 049	R 1 091	R 1 141	R 1 194
Traditional herbs and accessories	R 525	R 545	R 571	R 597
Equipment hire providers	R 1 049	R 1 091	R 1 141	R 1 194
Carpenters/Upholsterers	R 525	R 545	R 571	R 597
Fuel retailers (LPG/Petrol/Diesel)	R 1 049	R 1 091	R 1 141	R 1 194
Factories	R 1 049	R 1 091	R 1 141	R 1 194
Storage facilities	R 1 049	R 1 091	R 1 141	R 1 194
OTHER LARGE/COMMERCIAL BUSINESSES				
Depots (Trucks/Recycling)	R 3 147	R 3 273	R 3 423	R 3 581
Processing plants	R 3 147	R 3 273	R 3 423	R 3 581
Shopping Malls	R 5 245	R 5 455	R 5 706	R 5 968
Mobile Container	R 1 049	R 1 091	R 1 141	R 1 194

OUTDOOR ADVERTISING SIGNS TARIFFS

TARIFF DESCRIPTION	Approved Tariffs 2024/25	Tariff Description	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28
CLASS 1: Billboards					
Administration fee	R 500	Fee applicable across board: Per Advertisement/Application	R 523	R 547	R 572
Gantry billboards (Display fee on Municipal Property and other Government facilities per month - site rental	R 18 944	Gantry billboards (>18m²<81m²)	R 19 815	R 20 727	R 21 680
Large billboards (Display fee on Municipal Property and other Government facilities per month - site rental	R 18 944	Large billboards (>41m²<81m²)	R 19 815	R 20 727	R 21 680
Medium billboards (Display fee on Municipal Property and other Government facilities per month - site rental	R 6 254	Medium billbords (>19m²<41m²)	R 6 542	R 6 842	R 7 157
Small billboards (Display fee on Municipal Property and other Government facilities per month - site rental	R 5 088	Small billboards (>4.5m²<19m²)	R 5 322	R 5 567	R 5 823
Smaller than 4.5m² (Display fee on Municipal Property and other Government facilities per month - site rental	R 4 411	Smaller than 4.5m²	R 4 614	R 4 826	R 5 048
Display fee: Per per month - site rental - Private Property, including Private Education faciities (All signs in Class 1)	R 10 168	All permissible sizes	R 10 636	R 11 125	R 11 637
Electric and illuminated signs for all Class 1 signs (Display fee on both Municipal and Private Properties per square metre)	R 604		R 632	R 661	R 692
Encroachment fee (Municipal land) per square meter for each sign type	R 350	Encroachment fee per square square meter (all classes)	R 366	R 383	R 401
CLASS 2: Signs On Buildings And Structures					
Projecting signs					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee per month - site rental	R 610		R 638	R 668	R 698
Encroachment fee(Municipal land) per square meter for each sign type	R 327		R 342	R 358	R 374
Building attachment (roof signs, signs and murals on walls and roofs, a sign in the fabric of a building and advertisements on towers, bridges and pylons)					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee per month - site rental	R 1 222		R 1 278	R 1 337	R 1 399
Wall signs/fascia signs					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee per sign per month - site rental	R 610	Display fee on Private Property: Per Advertisement/Application	R 638	R 667	R 698
Electric and illuminated signs for all Class 2 signs (Display fee on both Municipal and Private Properties per square metre)	R 604		R 632	R 661	R 692
Ground sign (excluding billboards)					
Encroachment fee(Municipal land) per square meter for each sign type	R 327		R 342	R 358	R 374
Display fee per Advertisement per month - site rental	R 1 788	Display fee on Private Property: Per Advertisement/Application	R 1 870	R 1 956	R 2 046
CLASS 3: Signs on Premises and miscellaneous signs					
Boundary walls and entrance gates					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee per Advertisement per month - site rental	R 1 253		R 1 311	R 1 371	R 1 434
Residential and community service oriented buildings (e.g. government facilities, NPOs and/or CBOs etc.)					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee per Advertisement per month - site rental	R 1 253		R 1 311	R 1 371	R 1 434
On –premises Business signs in urban Areas					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee per month - site rental	R 4 537		R 4 745	R 4 964	R 5 192
Residential and community service oriented buildings (e.g. government facilities, NPOs and/or CBOs etc.) - Urban areas					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498

Display fee per Advertisement	R 1 895		R 1 982	R 2 073	R 2 169
Signs for agricultural and related land use in rural and natural Arears					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee per Advertisement	R 1 222		R 1 278	R 1 337	R 1 398
Electric and illuminated signs for all Class 3 signs (Display fee on both Municipal and Private Properties per square metre)	R 604		R 632	R 661	R 692
CLASS 4: Signs for Pedestrian Environments and Streets-scaping					
Street furniture signs					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee per month - site rental	R 1 427		R 1 493	R 1 562	R 1 634
Street light/street pole signs, etc.					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee for advertisement per month - site rental	R 1 427		R 1 493	R 1 562	R 1 634
Permanent signs on poles					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee per advertisement per month	R 217		R 227	R 237	R 248
Electric and illuminated signs for all Class 4 signs (Display fee on both Municipal and Private Properties per square metre)	R 604		R 632	R 661	R 692
CLASS 5: Signs for Tourists and Travellers					
Service facility signs					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee for advertisement per month - site rental	R 1 253		R 1 311	R 1 371	R 1 434
Road traffic project signs					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee for advertisement per month - site rental	R 1 253		R 1 311	R 1 371	R 1 434
Tourism information signs					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee for Advertisement (Sponsored/Branded Tourism Attraction Signs) - Municipal Property per month - site rental	R 2 451		R 2 564	R 2 682	R 2 805
Display fee for Advertisement (Sponsored/Branded Tourism Attraction Signs) - Private Property per month - site rental	R 1 253	Display fee on Private Property: Per Advertisement/Application	R 1 311	R 1 371	R 1 434
Gateway signs					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee for Advertisement per month - site rental	R 1 253		R 1 311	R 1 371	R 1 434
Electric and illuminated signs for all Class 5 signs (Display fee on both Municipal and Private Properties per square metre)	R 604		R 632	R 661	R 692
CLASS 6: Mobile signs					
Advertising vehicles					
Administration fee	R 500	Per Advertisement/Application	R 523	R 547	R 572
Mobile trailer Advertising(limited to 14 days display)	R 4 411		R 512	R 535	R 560
Display fee per Advertisement (other Mobile signs)	R 526		R 550	R 575	R 601
Digital/Electronic/Electrical/Illuminated signs on mobile equipment					
Electric and illuminated signs for all Class 6 signs (Display fee on Municipal and Private Properties per square metre)	R 604		R 632	R 661	R 692
CLASS 7: Temporary Advertising					
In respect of general advertisements of a commercial nature (Events) i.e. construction site advertisements, signs for sporting events, festival & exhibitions, temporary window signs etc.					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Up to 100 posters (limited to 14 days display)	R 3 662		R 3 830	R 4 006	R 4 191
Fee per poster	R 37		R 39	R 41	R 43
Stickers for each poster	R 22		R 23	R 24	R 25

In respect of general advertisements for non-profit organisations(subject to submission of a NPO certificate from relevant authority- e.g. government					
In respect of election advertisements, per party/per candidate					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Posters (unlimited number)	R 3 051		R 3 192	R 3 339	R 3 492
Estate agents boards (Annual tariffs)					
Administration fee(per agency)	R 435	Per Advertisement/Application	R 455	R 476	R 498
Advertising deposit (per agent)	R 4 925		R 5 151	R 5 388	R 5 636
Annual Licensing Fee (Residential)	R 2 286		R 2 392	R 2 502	R 2 617
Annual Licensing Fee (Commercial, Industrial, Non-residential Property)	R 8 641		R 9 038	R 9 454	R 9 889
Banners					
Per banner per square meter (R300m²)	R 327		R 342	R 358	R 374
Sticker for each banner	R 22		R 23	R 24	R 25
Administration fee	R 435		R 455	R 476	R 498
CLASS 8: Other signs					
Security signs					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee for Advertisement per month - site rental	R 695		R 727	R 760	R 795
Public service and other information signs					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee for Advertisement per month - site rental	R 604		R 632	R 661	R 692
Aerial advertisements					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Display fee for Advertisement per month - site rental	R 2 450		R 2 562	R 2 680	R 2 803
Refundable Deposit					
Electric and illuminated signs for all Class 8 signs (Display fee on Municipal and Private Properties per square metre)					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Advertisement (per square meter for all permissible sizes) per month - site rental	R 604		R 632	R 661	R 692
Portable boards					
Administration fee	R 435	Per Advertisement/Application	R 455	R 476	R 498
Penalties					
For the erection of any sign without approval, per week per square meter	R 1 868	Fine per square meter per week per illegal sign	R 1 954	R 2 044	R 2 138
For the erection of any billboards without approval, per week per square meter	R 5 503	Fine per square meter per week per illegal billboard	R 5 756	R 6 021	R 6 298
For the erection of any posters without approval, per week	R 1 837	Fine for illegal posters per week	R 1 921	R 2 009	R 2 102
Storage fee (illegal confiscated signs)	R 91	Storage fee per day (Illegal Advertisements) for all applicable classes	R 95	R 100	R 104
Appeals	R 5 643	Lodging of an Appeal per advertisement for all classes	R 5 903	R 6 174	R 6 458
Inspections	R 226	Inspection Fee for all classes (Per application/Advertisement)	R 236	R 247	R 258
Removable posters, should the Municipality remove any poster (per poster)	R 122		R 128	R 134	R 140

HIRING OF THE VISITORS & INFORMATION CENTRE AND THE TIDC FACILITIES

TARRIF DESCRIPTION	Frequency	Total per Month Calculation	Rebate (40%)	Proposed Rate per day	Tariffs 2023/24	2024/2025 Increase	Draft Tariffs 2024/25	Proposed Tariffs 2025/26	Proposed Tariffs 2026/27
		R/C		R/C			R/C	R/C	R/C
TOURISM INFORMATION DEVELOPMENT CENTRE (TIDC)									
Store Rooms (29m²)	Monthly	R 1 729	R 692	R 35	R 992	4.6%	R 1 037	R 1 085	R 1 135
Coffee Shop (52m²)	Monthly	R 3 101	R 1 240	R 62	R 1 779	4.6%	R 1 860	R 1 946	R 2 035
Lapa (72m²)	Monthly	R 4 293	R 1 717	R 219	R 2 463	4.6%	R 2 576	R 2 694	R 2 818
Amphitheatre (97m²)	Monthly	R 5 784	R 2 313	R 549	R 3 318	4.6%	R 3 470	R 3 630	R 3 797
Rondavel 1 (68m²)	Monthly	R 7 704	R 3 081	-	R 4 419	4.6%	R 4 622	R 4 835	R 5 057
Rondavel 2 (76m²)	Monthly	R 8 610	R 3 444	-	R 4 939	4.6%	R 5 166	R 5 404	R 5 652
Rondavel 3 (102m²)	Monthly	R 11 555	R 4 622	-	R 6 628	4.6%	R 6 933	R 7 252	R 7 586
Rondavel 4 (116m²)	Monthly	R 12 450	R 4 980	-	R 7 141	4.6%	R 7 470	R 7 814	R 8 173
Rondavel 5 (122m²)	Monthly	R 13 094	R 5 238	-	R 7 511	4.6%	R 7 856	R 8 218	R 8 596
Rondavel 6 (186m²)	Monthly	R 17 745	R 7 098	-	R 10 179	4.6%	R 10 647	R 11 136	R 11 649
Administrative Fee	Daily				R 172	4.6%	R 179	R 188	R 196
TIDC Boardroom	Daily				R 1 143	4.6%	R 1 196	R 1 251	R 1 308
TIDC Kitchen	Daily				R 1 715	4.6%	R 1 794	R 1 876	R 1 963
TIDC Shaded and Play Areas	Daily				R 1 143	4.6%	R 1 196	R 1 251	R 1 308

*** 50% discount is proposed for the financial year 2024/25 to encourage increased and sustainable occupancy, collection and support to local small businesses**

NB: Discount does not apply to application / administrative fees

TARIFFS FOR TRADING PERMITS

TARRIF DESCRIPTION	Frequency	Tariffs 2024/25	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28	2025/26 INCREASE	2025/26 INCREASE
		R/C	R/C	R/C	R/C	R/C	(%)
Trading permits							
New Card	Yearly	R 114	120	125	131	R 5	4.6%
Renewal of card	As and When	R 172	179	188	196	R 8	4.6%

HIRING OF THE VARIOUS SPACES OF THE FLEA MARKET

TARRIF DESCRIPTION	Administrative Fee 2024/25	Draft Administrative Fee 2025/26	Approved Electricity Fee 2024/25	Draft Electricity Fee 2025/26	Refundable Deposit 2024/25	Draft Refundable Deposit 2025/26	Tariffs 2024/25	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28
	Non-Refundable	Non-Refundable	R/C	R/C	Deposit	Deposit	R/C	R/C	R/C	R/C
MAIN STALLS										
Stalls 22m2 (1 - 8)	R 172	R 180	R 172	R 179	R 2 704	R 2 828	R 2 704	R 2 828	R 2 958	R 3 095
Stalls 22m2 (9 - 23)	R 172	R 180	R 172	R 179	R 3 396	R 3 552	R 3 396	R 3 552	R 3 715	R 3 886
Store Room 24m2	R 172	R 180	R 172	R 179	R 2 607	R 2 727	R 2 607	R 2 727	R 2 852	R 2 983
Coffee Shop 103m2	R 172	R 180	R 172	R 179	R 11 188	R 11 702	R 11 188	R 11 702	R 12 240	R 12 804
POP -UP STALLS										
6 x 6m Stalls	R 57	R 60	N/A	N/A	R -	R -	R 219	R 229	R 239	R 250
3x 6m Stall	R 57	R 60	N/A	N/A	R -	R -	R 164	R 172	R 179	R 188
3 x 3m Stall	R 57	R 60	N/A	N/A	R -	R -	R 109	R 114	R 120	R 125

*** 50% discount is proposed for the financial year 2024/25 to encourage increased and sustainable occupancy, collection and support to local small businesses**

NB: Discount does not apply to application / administrative fees

RUSTENBURG
LOCAL MUNICIPALITY
DIRECTORATE : PUBLIC SAFETY

P O Box 16, Rustenburg, 0300, North West Province, South Africa

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FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

ZONES	CEMETRY	2025/2026	2026/2027	2027/2028
BLESKOP	RIETVLEI	R 486	R 509	R 521
BOITEKONG	RIETVLEI	R 436	R 457	R 468
BOITEKONG X 13	RIETVLEI	R 402	R 421	R 431
CASHAN	RIETVLEI	R 402	R 421	R 431
CHANENG	RIETVLEI	R 371	R 388	R 398
DONKERHOEK	RIETVLEI	R 236	R 247	R 253
EAST END	RIETVLEI	R 284	R 297	R 305
FREEDOM PARK	RIETVLEI	R 436	R 457	R 468
GEELHOUTPARK	RIETVLEI	R 235	R 245	R 252
JHB ROAD	RIETVLEI	R 402	R 421	R 431
KANANA	RIETVLEI	R 486	R 509	R 521
KARLIENPARK	RIETVLEI	R 284	R 297	R 305
KROONDAL	RIETVLEI	R 397	R 415	R 425
LEFARAGATLHE	RIETVLEI	R 235	R 245	R 252
LETHABONG	RIETVLEI	R 654	R 684	R 701
LUKA	RIETVLEI	R 351	R 367	R 376
MERITING	RIETVLEI	R 436	R 457	R 468
PAARDEKRAAL X1	RIETVLEI	R 436	R 457	R 468
PAARDEKRAAL X2	RIETVLEI	R 436	R 457	R 468
PHOKENG	RIETVLEI	R 370	R 387	R 396
PROTEA PARK	RIETVLEI	R 318	R 333	R 341
PTA ROAD	RIETVLEI	R 402	R 421	R 431
RAMOCHANA	RIETVLEI	R 370	R 387	R 396
RUSTENBURG CBD	RIETVLEI	R 235	R 245	R 252
RUSTENBURG NORTH	RIETVLEI	R 284	R 297	R 305
SERALENG	RIETVLEI	R 486	R 509	R 521
SONDELA	RIETVLEI	R 402	R 421	R 431
SUNRISE	RIETVLEI	R 402	R 421	R 431
THEKWANE	RIETVLEI	R 402	R 421	R 431
TLHABANE	RIETVLEI	R 235	R 245	R 252
TLHABANE WEST	RIETVLEI	R 235	R 245	R 252
ZINNIAVILLE	RIETVLEI	R 284	R 297	R 305

FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

ZONES	CEMETRY	2025/2026	2026/2027	2027/2028
BLESKOP	ZINNIAVILLE	R 318	R 333	R 341
BOITEKONG	ZINNIAVILLE	R 318	R 333	R 341
BOITEKONG X 13	ZINNIAVILLE	R 318	R 333	R 341
CASHAN	ZINNIAVILLE	R 318	R 333	R 341

EAST END	ZINNIAVILLE	R 269	R 281	R 288
FREEDOM PARK	ZINNIAVILLE	R 318	R 333	R 341
GEELHOUTPARK	ZINNIAVILLE	R 269	R 281	R 288
KANANA	ZINNIAVILLE	R 318	R 333	R 341
KARLIENPARK	ZINNIAVILLE	R 235	R 245	R 252
LETHABONG	ZINNIAVILLE	R 570	R 596	R 611
MERITING	ZINNIAVILLE	R 318	R 333	R 341
PAARDEKRAAL X1	ZINNIAVILLE	R 318	R 333	R 341
PAARDEKRAAL X2	ZINNIAVILLE	R 318	R 333	R 341
PHOKENG	ZINNIAVILLE	R 402	R 421	R 431
PROTEA PARK	ZINNIAVILLE	R 269	R 281	R 288
RAMOCHANA	ZINNIAVILLE	R 235	R 245	R 252
RUSTENBURG CBD	ZINNIAVILLE	R 235	R 245	R 252
RUSTENBURG NORTH	ZINNIAVILLE	R 269	R 281	R 288
SERALENG	ZINNIAVILLE	R 269	R 281	R 288
SONDELA	ZINNIAVILLE	R 269	R 281	R 288
SUNRISE	ZINNIAVILLE	R 235	R 245	R 252
THEKWANE	ZINNIAVILLE	R 235	R 245	R 252
TLHABANE	ZINNIAVILLE	R 269	R 281	R 288
TLHABANE WEST	ZINNIAVILLE	R 284	R 297	R 305
ZINNIAVILLE	ZINNIAVILLE	R 235	R 245	R 252

FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

ZONES	CEMETRY	2025/2026	2026/2027	2027/2028
BLESKOP	KARLIEN PARK	R 318	R 333	R 341
BOITEKONG	KARLIEN PARK	R 318	R 333	R 341
BOITEKONG X 13	KARLIEN PARK	R 318	R 333	R 341
CASHAN	KARLIEN PARK	R 318	R 333	R 341
EAST END	KARLIEN PARK	R 269	R 281	R 288
FREEDOM PARK	KARLIEN PARK	R 318	R 333	R 341
GEELHOUTPARK	KARLIEN PARK	R 269	R 281	R 288
KANANA	KARLIEN PARK	R 318	R 333	R 341
KARLIENPARK	KARLIEN PARK	R 235	R 245	R 252
LETHABONG	KARLIEN PARK	R 570	R 596	R 611
MERITING	KARLIEN PARK	R 318	R 333	R 341
PAARDEKRAAL X1	KARLIEN PARK	R 318	R 333	R 341
PAARDEKRAAL X2	KARLIEN PARK	R 318	R 333	R 341
PHOKENG	KARLIEN PARK	R 402	R 421	R 431
PROTEA PARK	KARLIEN PARK	R 269	R 281	R 288
RAMOCHANA	KARLIEN PARK	R 235	R 245	R 252
RUSTENBURG CBD	KARLIEN PARK	R 235	R 245	R 252
RUSTENBURG NORTH	KARLIEN PARK	R 269	R 281	R 288
SERALENG	KARLIEN PARK	R 269	R 281	R 288
SONDELA	KARLIEN PARK	R 269	R 281	R 288
SUNRISE	KARLIEN PARK	R 235	R 245	R 252
THEKWANE	KARLIEN PARK	R 235	R 245	R 252
TLHABANE	KARLIEN PARK	R 269	R 281	R 288
TLHABANE WEST	KARLIEN PARK	R 269	R 281	R 288
ZINNIAVILLE	KARLIEN PARK	R 235	R 245	R 252

FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

ZONES	CEMETRY	2025/2026	2026/2027	2027/2028
BLESKOP	TLHABANE	R 284	R 297	R 305
BOITEKONG	TLHABANE	R 284	R 297	R 305
BOITEKONG X 13	TLHABANE	R 284	R 297	R 305
CASHAN	TLHABANE	R 235	R 245	R 252
EAST END	TLHABANE	R 235	R 245	R 252
FREEDOM PARK	TLHABANE	R 284	R 297	R 305
GEELHOUTPARK	TLHABANE	R 269	R 281	R 288
KANANA	TLHABANE	R 402	R 421	R 431
KARLIENPARK	TLHABANE	R 235	R 245	R 252
LETHABONG	TLHABANE	R 570	R 596	R 611
MARIKANA	TLHABANE	R 570	R 596	R 611
MERITING	TLHABANE	R 284	R 297	R 305
PAARDEKRAAL X1	TLHABANE	R 284	R 297	R 305
PAARDEKRAAL X2	TLHABANE	R 284	R 297	R 305
PHOKENG	TLHABANE	R 370	R 387	R 396
PROTEA PARK	TLHABANE	R 235	R 245	R 252
RAMOCHANA	TLHABANE	R 235	R 245	R 252
RUSTENBURG CBD	TLHABANE	R 235	R 245	R 252
RUSTENBURG NORTH	TLHABANE	R 235	R 245	R 252
SERALENG	TLHABANE	R 284	R 297	R 305
SONDELA	TLHABANE	R 284	R 297	R 305
SUNRISE	TLHABANE	R 235	R 245	R 252
THEKWANE	TLHABANE	R 235	R 245	R 252
TLHABANE	TLHABANE	R 235	R 245	R 252
TLHABANE WEST	TLHABANE	R 235	R 245	R 252
ZINNIAVILLE	TLHABANE	R 235	R 245	R 252

FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

ZONES	CEMETRY	2025/2026	2026/2027	2027/2028
BLESKOP	DONKERHOEK	R 436	R 457	R 468
BOITEKONG	DONKERHOEK	R 436	R 457	R 468
BOITEKONG X 13	DONKERHOEK	R 402	R 421	R 431
CASHAN	DONKERHOEK	R 402	R 421	R 431
EAST END	DONKERHOEK	R 284	R 297	R 305
FREEDOM PARK	DONKERHOEK	R 436	R 457	R 468
GEELHOUTPARK	DONKERHOEK	R 235	R 245	R 252
JHB ROAD	DONKERHOEK	R 402	R 421	R 431
KANANA	DONKERHOEK	R 486	R 509	R 521
KARLIENPARK	DONKERHOEK	R 284	R 297	R 305
LETHABONG	DONKERHOEK	R 654	R 684	R 701
MERITING	DONKERHOEK	R 436	R 457	R 468
PAARDEKRAAL X1	DONKERHOEK	R 436	R 457	R 468
PAARDEKRAAL X2	DONKERHOEK	R 436	R 457	R 468
PHOKENG	DONKERHOEK	R 370	R 387	R 396
PROTEA PARK	DONKERHOEK	R 318	R 333	R 341
PTA ROAD	DONKERHOEK	R 402	R 421	R 431
RAMOCHANA	DONKERHOEK	R 370	R 387	R 396
RUSTENBURG CBD	DONKERHOEK	R 235	R 245	R 252

RUSTENBURG NORTH	DONKERHOEK	R 284	R 297	R 305
SERALENG	DONKERHOEK	R 486	R 509	R 521
SONDELA	DONKERHOEK	R 402	R 421	R 431
SUNRISE	DONKERHOEK	R 402	R 421	R 431
THEKWANE	DONKERHOEK	R 402	R 421	R 431
TLHABANE	DONKERHOEK	R 235	R 245	R 252
TLHABANE WEST	DONKERHOEK	R 235	R 245	R 252
ZINNIAVILLE	DONKERHOEK	R 284	R 297	R 305

FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

ZONES	CEMETRY	2025/2026	2026/2027	2027/2028
BARSEBA	BARSEBA	R 233	R 244	R 250
BETHANI	BETHANI	R 233	R 244	R 250
BOITEKONG	BOITEKONG	R 235	R 245	R 252
BOITEKONG	KANANA	R 266	R 278	R 285
BOITEKONG	BOITEKONG	R 233	R 244	R 250
CBD	MPHENI HOUSE	R 498	R 521	R 534
CBD	DEPT OF LABOUR	R 498	R 521	R 534
CBD	RUSTENBURG SAPS	R 498	R 521	R 534
CBD	JOB SHIMANKANE TABANE HOSPITAL	R 583	R 610	R 625
CBD	DEP. OF EDUCATION	R 249	R 260	R 267
CBD	SARS	R 284	R 297	R 305
CHANENG	CHANENG	R 235	R 245	R 252
CHANENG	CHANENG	R 233	R 244	R 250
FREEDOM PARK	WILDEBEES STADIUM	R 249	R 260	R 267
IKAGENG	IKAGENG	R 233	R 244	R 250
KANANA	KANANA	R 235	R 245	R 252
KANANA	KANANA	R 233	R 244	R 250
LESUNG	LESUNG	R 233	R 244	R 250
LETHABONG	LETHABONG	R 235	R 245	R 252
LETHABONG	LETHABONG SAPS	R 233	R 244	R 250
LETHABONG	LETHABONG CLINIC	R 233	R 244	R 250
LUKA	LUKA	R 233	R 244	R 250
LUKA	IMPALA PLATINUM MINES	R 284	R 297	R 305
MABITSE	MABITSE	R 233	R 244	R 250
MAFIKA	MAFIKA	R 233	R 244	R 250
MAILE	MAILE	R 233	R 244	R 250
MARIKANA	WONDERKOP	R 333	R 348	R 357
MARIKANA	MADITLHOKWA	R 417	R 436	R 447
MERITING	KANANA	R 269	R 281	R 288
MERITING	MERITING	R 233	R 244	R 250
MFIDIKWE	MFIDIKWE	R 233	R 244	R 250
MFIDIKWE	TSHUKUDU HIGH SCHOOL	R 333	R 348	R 357
MODIKWE	MODIKWE	R 233	R 244	R 250
MOGAJANE	MOGAJANE	R 233	R 244	R 250
MONAKATO	MONAKATO SAPS	R 233	R 244	R 250
MONAKATO	MUNICIPAL OFFICES	R 233	R 244	R 250
MONAKATO	MONAKATO CLINIC	R 233	R 244	R 250
MOSENTHAL	MOSENTHAL	R 233	R 244	R 250
PAARDEKRAAL	KANANA	R 235	R 245	R 252
PAARDEKRAAL	PAARDEKRAAL	R 233	R 244	R 250

PHATSIMA	PHATSIMA	R 233	R 244	R 250
PHOKENG	CHANENG	R 460	R 482	R 494
PHOKENG	PHOKENG	R 233	R 244	R 250
PHOKENG STADIUM	BAFOKENG CIVIC CENTRE	R 233	R 244	R 250
PHOKENG STADIUM	LEGATO	R 233	R 244	R 250
PHOKENG STADIUM	PHOKENG SAPS	R 233	R 244	R 250
PHOKENG STADIUM	PHOKENG CIVIC CENTRE	R 233	R 244	R 250
PHOTSANENG	PHOTSANENG	R 233	R 244	R 250
PHOTSANENG	TSHUKUDU HIGH SCHOOL	R 333	R 348	R 357
RANKELENYANE	RANKELENYANE	R 233	R 244	R 250
RUSTENBURG CBD	TLASENG	R 570	R 596	R 611
RUSTENBURG CBD	LETHABONG	R 654	R 684	R 701
RUSTENBURG CBD	MOSENTHAL	R 570	R 596	R 611
RUSTENBURG CBD	RANKELENYANE	R 486	R 509	R 521
RUSTENBURG CBD	RIETSPRUIT	R 570	R 596	R 611
RUSTENBURG CBD	MAILE	R 570	R 596	R 611
RUSTENBURG CBD	PHOKENG	R 402	R 421	R 431
RUSTENBURG CBD	CHANENG	R 486	R 509	R 521
RUSTENBURG CBD	MARIKANA	R 570	R 596	R 611
RUSTENBURG CBD	N4	R 235	R 245	R 252
RUSTENBURG CBD	PHATSIMA	R 570	R 596	R 611
RUSTENBURG CBD	LUKA	R 486	R 509	R 521
RUSTENBURG CBD	MAMEROTSE	R 654	R 684	R 701
RUSTENBURG CBD	TANTANANA	R 648	R 678	R 695
RUSTENBURG CBD	BLESKOP	R 555	R 580	R 595
RUSTENBURG CBD	MERITING	R 395	R 413	R 424
RUSTENBURG CBD	WONDERKOP	R 555	R 580	R 595
RUSTENBURG CBD	MFIDIKOE	R 555	R 580	R 595
RUSTENBURG CBD	LEFARAGATLHE	R 233	R 244	R 250
RUSTENBURG CBD	MODDERFONTEIN	R 462	R 483	R 495
RUSTENBURG CBD	PHOKENG	R 405	R 424	R 434
RUSTENBURG CBD	KANANA	R 486	R 509	R 521
RUSTENBURG TAXI RANK	MPHENI HOUSE	R 498	R 521	R 534
RUSTENBURG TAXI RANK	DEPT OF LABOUR	R 498	R 521	R 534
RUSTENBURG TAXI RANK	RUSTENBURG SAPS	R 498	R 521	R 534
RUSTENBURG TAXI RANK	JOB SHIMANKANE TABANE HOSPITAL	R 583	R 610	R 625
RUSTENBURG TAXI RANK	DEPT. OF EDUCATION	R 249	R 260	R 267
RUSTENBURG TAXI RANK	SARS	R 284	R 297	R 305
SERUTUBE	SERUTUBE	R 233	R 244	R 250
SUN RISE	SUN RISE	R 233	R 244	R 250
THEKWANE	THEKWANE	R 233	R 244	R 250
THEKWANE	TSHUKUDU HIGH SCHOOL	R 333	R 348	R 357
TLAPA	TLAPA	R 233	R 244	R 250
TLASENG	TLASENG	R 233	R 244	R 250
TLHABANE	PHOKENG	R 402	R 421	R 431
TLHABANE	KANANA	R 436	R 457	R 468
TSITSING	TSITSING	R 233	R 244	R 250

FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2024/2027
EFFECTIVE FROM 01 JULY 2024 TILL 30 JUNE 2027

		2025/2026	2026/2027	2027/2028
R510	LUKA	R 554	R 579	R 594
BOKAMOSO	BOKAMOSO	R 233	R 244	R 250
BOKAMOSO	RUSTENBURG CBD	R 317	R 332	R 340
KROONDAL	KROONDAL	R 233	R 244	R 250
KROONDAL	RUSTENBURG CBD	R 317	R 332	R 340
MADITLHOKWA	RUSTENBURG CBD	R 618	R 647	R 663
MAHUMAPELO	MAHUMAPELO	R 233	R 244	R 250
MAHUMAPELO	RUSTENBURG CBD	R 500	R 524	R 537
MAKITLHOKWA	MADITLHOKWA	R 233	R 244	R 250
MATEBELENG	MATEBELENG	R 233	R 244	R 250
MATEBELENG	RUSTENBURG CBD	R 317	R 332	R 340
MFIDIKWE	RUSTENBURG CBD	R 500	R 524	R 537
NKANENG	NKANENG	R 233	R 244	R 250
OLIFANTSNEK	RIETVLEI	R 233	R 244	R 250
PAARDEKRAAL	CHANENG	R 233	R 244	R 250
PHOTSANENG	PHOTSANENG	R 233	R 244	R 250
PHOTSANENG	RUSTENBURG CBD	R 515	R 538	R 552
REX	RUSTENBURG CBD	R 286	R 299	R 306
RUSTENBURG CBD	MAUMONG	R 482	R 504	R 517
RUSTENBURG CBD	TLAPA	R 500	R 524	R 537
RUSTENBURG CBD	MABITSE	R 461	R 482	R 494
RUSTENBURG CBD	MAFIKA	R 444	R 464	R 476
RUSTENBURG CBD	SERUTUBE	R 444	R 464	R 476
RUSTENBURG CBD	MAILE2	R 476	R 498	R 511
RUSTENBURG CBD	KOPMAN	R 476	R 498	R 511
RUSTENBURG CBD	LEKGALONG	R 461	R 482	R 494
RUSTENBURG CBD	IKAGENG	R 539	R 564	R 578
RUSTENBURG CBD	PAARDEKRAAL	R 374	R 391	R 401
RUSTENBURG CBD	BOITEKONG	R 374	R 391	R 401
RUSTENBURG CBD	LESUNG	R 594	R 622	R 637
THEKWANE	THEKWANE	R 233	R 244	R 250
THEKWANE	RUSTENBURG CBD	R 532	R 556	R 570
WATERFALL EAST	RTB (CBD/NOORD)	R 233	R 244	R 250
WATERKLOOF	LEFARAGATLHA	R 233	R 244	R 250
ZAKHELE	ZAKHELE	R 233	R 244	R 250

POUND AND TOWING - TAFIFFS
FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

TARIFF DESCRIPTION	2025/2026	2026/2027	2027/2028
TOWING FEES			
LIGHT MOTOR VEHICLE (UP TO 3500 KG)	R 1 479	R 1 547	R 1 585
HEAVY MOTOR VEHICLE (3501 KG AND UP)	R 2 219	R 2 322	R 2 380
POUND FEES			
STORAGE (MOTOR VEHICLE) PER DAY	R 646	R 675	R 692
STORAGE (GOODS) ONCE OFF ON RELEASE	R 4 068	R 4 255	R 4 361

PUBLIC PASSENGER AND GOODS TRANSPORTATION BY-LAW (RM) - TARIFFS FINANCIAL YEAR 2025/2028 EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

	2025/2026	2026/2027	2027/2028
MINIBUS TAXI (SEATING CAPACITY < 16 PERSONS)	R 63	R 66	R 67
MIDIBUS TAXI (SEATING CAPACITY > 17 PERSONS)	R 94	R 98	R 101
BUS	R 125	R 131	R 134
GOODS VEHICLES	R 125	R 131	R 134

ACCIDENT REPORT (COPY) AND WEIGHBRIDGE TARIFFS FINANCIAL YEAR 2025/2028 EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

	2025/2026	2026/2027	2027/2028
ACCIDENT REPORT (COPY)	R 60	R 60	R 60
WEIGHBRIDGE (TARE)			
TRAILER	R 105	R 109	R 112
MOTORCYCLE	R 157	R 164	R 168
LIGHT MOTOR VEHICLE	R 209	R 219	R 224
HEAVY MOTOR VEHICLE	R 261	R 273	R 280
EXTRA HEAVY MOTOR VEHICLE	R 314	R 328	R 336

UNIT MANAGER
TRAFFIC SERVICES
MR D DUBE

EMERGENCY AND DISASTER MANAGEMENT

A. FEES FOR HAZARDOUS SUBSTANCES AND FIRE PROTECTION SERVICES
Tariffs for rendering of fire safety services: plans, inspections, events, standby, fire water tests, rational designs, fireworks applications and hazardous substances

TARRIF DESCRIPTION		CURRENT 2024/2025	2025/2026	2026/2027	2027/2028
		4.9%	4.5%	4.6%	2.5%
Inspection of bulk depots and issuing of registration certificates	R 3 053	R 3 504	R 3 662	R 3 830	3 926
Inspection of spray booth and issuing of spray permit as well as inspection of storage, handling and use of	R 945	R 1 086	R 1 135	R 1 187	1 217
Inspection of a dangerous goods vehicle and issuing of transport permit	R 945	R 1 086	R 1 135	R 1 187	1 217
Issuing of certificate of fitness for a public building	R 945	R 1 086	R 1 135	R 1 187	1 217
Release of emergency incident information as contemplated in Section 2 of the Fire Brigade Service By-Laws	R 135	R 158	R 165	R 173	177
Temporary registration of hazardous substances installation for special events	R 68	R 90	R 94	R 98	101
Plan approval for fire Protection Plans inclusive of a fire Installation drawing or smoke ventilation plan(with a	R 29 716	R 39 352	R 41 123	R 43 014	44 090
Plan approval for tenant layouts / amendments / deviations(per floor / per tenant)	R 432	R 504	R 527	R 551	565
Plan approval for site development including amendments (SDP)(per submission)	R 432	R 504	R 527	R 551	565
Plan approval for hazardous substances including amendments / deviations(per submission)	R 432	R 504	R 527	R 551	565
Rational design for a thatched roof or lapa at a residential stand/erf(per submission)	R 527	R 610	R 637	R 667	683
Plans for temporary structures at events that includes the rational design thereof	R 527	R 610	R 637	R 667	683
Cost per Officer per hour or part thereof at events for standby and inspections	R 337	R 390	R 408	R 426	437
Rational designs	R 1 081	R 1 245	R 1 301	R 1 361	1 395
Fireworks display / discharge application	R 474	R 546	R 571	R 597	612
General Fire Safety compliance letter / inspection request / fire water reticulation test result out of schedule	R 338	R 390	R 408	R 426	437
Fire water reticulation tests at street hydrants per hydrant	R 338	R 390	R 408	R 426	437
Restoration of lapsed annual hazardous substance certificate	R 474	R 546	R 571	R 597	612

B. RENTAL PAYABLE FOR MAKING SERVICE EQUIPMENT AVAILABLE

Utilisation of vehicles		Utilisation cost per vehicle per hour or part hereof	2021/2022 (New Tariff)	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Type of vehicle	Call out cost		Total	4.7%	4.7%	4.6%	4.9%	4.5%	4.6%	2.5%
Rescue Pumper	R 250.00	500	R 750.00	R 795	R 875	R 962	R 1 110	R 1 160	R 1 213	1 244
Aerial Apparatus	R 450.00	900	R 1 350.00	R 1 431	R 1 574	R 1 732	R 1 998	R 2 088	R 2 184	2 239
Specialist Vehicle (Hazmat vehicle)	R 450.00	950	R 1 400.00	R 1 484	R 1 632	R 1 796	R 2 072	R 2 165	R 2 265	2 321
Water Tanker	R 300.00	650	R 950.00	R 1 007	R 1 108	R 1 218	R 1 406	R 1 469	R 1 537	1 575
Grass Unit	R 150.00	250	R 400.00	R 424	R 466	R 513	R 592	R 619	R 647	663
Incident Command vehicle / response vehicle	R 495.00	800	R 1 295.00	R 1 373	R 1 510	R 1 661	R 1 917	R 2 003	R 2 095	2 147
Diving Unit	R 450.00	950	R 1 400.00	R 1 484	R 1 632	R 1 796	R 2 072	R 2 165	R 2 265	2 321
Utilisation of Specialised Equipment	R 250.00	650	R 900.00	R 954	R 1 049	R 1 154	R 1 332	R 1 392	R 1 456	1 492
Kilometres (Km) Travelled		R2. 00/Km	R 2.00	R 2	R 2	R 3	R 3	R 3	R 3	3
							R -	R -	R -	-
USE OF PERSONNEL							R -	R -	R -	-
Personnel		R70.00/h per Member	R 70.00	R 74	R 82	R 90	R 104	R 108	R 113	116
					R -	R -	R -	R -	R -	-
USE OF WATER				R -	R -	R -	R -	R -	R -	-
Water used		R7.50/KL + Vat	R 7.50	R 8	R 9	R 10	R 11	R 12	R 12	12

Note:
1 The time is calculated from arrival to departure
2 Utilisation cost includes cost of personnel and equipment
3 Call out tariff will be rendered for all incidents where a fire vehicle arrived on scene,
a. Any form of scene safety including cones and regulating of traffic
b. Safety of the vehicle / s were ensured, which include the cutting of the battery cables
c. Fires: where a fire was extinguished before arrival but an investigation was done to ensure the house / building is safe
4. Utilisation Tariff will be rendered to the vehicle where work was done with the following equipment
- Hydraulic rescue set
- Positive pressure ventilator
- Carburandum Disc cutter
- Power saw
- Reciprocating saw
- Motorised break-in equipment

5. Fires: Any equipment used to extinguish the fire
6. Utilisation of Specialised Equipment tariff apply for Specialist rescue operations (High Angel, Swift Water, Urban Search and Rescued, Mountain Rescue, Diving)

a. Deliver of expert services in specialised fires

	2018/2019 (NEW)	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
	Total	6.0%	5.9%	4.7%	4.7%	4.6%	4.9%	4.5%	4.6%	2.5%
A maximum restriction of **R6 000.00** (VAT included) is placed per private household for fire and rescue services.	R 6 000.00	R 6 360	R 6 735	R 7 052	8 122	8 495	8 911	9 312	9 741	9 984

Exclusions
Fees are also applicable to all Council, Provincial and National Departments except the Office of the Mayor, Office of the Premier and office of the President.
The fees do not apply to grass, veld and rubbish fires on vacant Erf / Erven within the Rustenburg Local Municipality area.

Municipal annual budgets
and MTREF
&
supporting tables
mSCOA Version 6.9
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Accountability
Transparency
Information &
service delivery
national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA
Contact details:
Kgomotso Baloyi
National Treasury
Tel: (012) 315-5866
Electronic submissions:
LG Upload Portal

Preparation Instructions
Municipality Name:
NW373 Rustenburg
CFO Name:
Tel:
Fax:
E-Mail:
Budget for MTREF starting:
2025
Budget Year:
2025/26
Does this municipality have Entities?
Yes
If YES: Identify type of report:
Consolidated Informat
LGDB Export
Name Votes & Sub-Votes
Printing Instructions
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SA136

Organisational Structure Votes		Complete Votes & Sub-Votes	Select Org. Structure
Vote 1 - Energy Sources	**Vote 1**	**Energy Sources**	
Vote 2 - Community and Social Services	1.1	Electricity	1.1 - Electricity
Vote 3 - Environmental Protection	1.2	Street Lighting and Signal Systems	1.2 - Street Lighting and Signal Systems
Vote 4 - Executive & Council	1.3	[Name of sub-vote]	1.3 - [Name of sub-vote]
Vote 5 - Finance & Admin	1.4	[Name of sub-vote]	1.4 - [Name of sub-vote]
Vote 6 - Road Transport	1.5	[Name of sub-vote]	1.5 - [Name of sub-vote]
Vote 7 - Planning and Development	1.6	[Name of sub-vote]	1.6 - [Name of sub-vote]
Vote 8 - Public Safety	1.7	[Name of sub-vote]	1.7 - [Name of sub-vote]
Vote 9 - Sport and Recreation	1.8	[Name of sub-vote]	1.8 - [Name of sub-vote]
Vote 10 - Housing	1.9	[Name of sub-vote]	1.9 - [Name of sub-vote]
Vote 11 - Water Management	1.10	[Name of sub-vote]	1.10 - [Name of sub-vote]
Vote 12 - [NAME OF VOTE 12]	**Vote 2**	**Community and Social Services**	
Vote 13 - Waste Water Management	2.1	Libraries and Archives	2.1 - Libraries and Archives
Vote 14 - Other	2.2	Community Halls and Facilities	2.2 - Community Halls and Facilities
Vote 15 - Internal Audit	2.3	Child Care Facilities	2.3 - Child Care Facilities
	2.4	Aged Care	2.4 - Aged Care
	2.5	Cemeteries, Funeral Parlours and Crematoriums	2.5 - Cemeteries, Funeral Parlours and Crematoriums
	2.6	[Name of sub-vote]	2.6 - [Name of sub-vote]
	2.7	[Name of sub-vote]	2.7 - [Name of sub-vote]
	2.8	[Name of sub-vote]	2.8 - [Name of sub-vote]
	2.9	[Name of sub-vote]	2.9 - [Name of sub-vote]
	2.10	[Name of sub-vote]	2.10 - [Name of sub-vote]
	Vote 3	**Environmental Protection**	
	3.1	[Name of sub-vote]	3.1 - [Name of sub-vote]
	3.2	Mayor and Council	3.2 - Mayor and Council
	3.3	Municipal Manager, Town Secretary and Chief Executive	3.3 - Municipal Manager, Town Secretary and Chief Executive
	3.4	[Name of sub-vote]	3.4 - [Name of sub-vote]
	3.5	[Name of sub-vote]	3.5 - [Name of sub-vote]
	3.6	[Name of sub-vote]	3.6 - [Name of sub-vote]
	3.7	[Name of sub-vote]	3.7 - [Name of sub-vote]
	3.8	[Name of sub-vote]	3.8 - [Name of sub-vote]
	3.9	[Name of sub-vote]	3.9 - [Name of sub-vote]
	3.10	[Name of sub-vote]	3.10 - [Name of sub-vote]
	Vote 4	**Executive & Council**	
	4.1	Mayor and Council	4.1 - Mayor and Council
	4.2	Municipal Manager, Town Secretary and Chief Executive	4.2 - Municipal Manager, Town Secretary and Chief Executive
	4.3	[Name of sub-vote]	4.3 - [Name of sub-vote]
	4.4	[Name of sub-vote]	4.4 - [Name of sub-vote]
	4.5	[Name of sub-vote]	4.5 - [Name of sub-vote]
	4.6	[Name of sub-vote]	4.6 - [Name of sub-vote]
	4.7	[Name of sub-vote]	4.7 - [Name of sub-vote]
	4.8	[Name of sub-vote]	4.8 - [Name of sub-vote]
	4.9	[Name of sub-vote]	4.9 - [Name of sub-vote]
	4.10	[Name of sub-vote]	4.10 - [Name of sub-vote]
	Vote 5	**Finance & Admin**	
	5.1	Administrative and Corporate Support	5.1 - Administrative and Corporate Support
	5.2	Security Services	5.2 - Security Services
	5.3	Finance	5.3 - Finance
	5.4	Fleet Management	5.4 - Fleet Management
	5.5	Human Resources	5.5 - Human Resources
	5.6	Legal Services	5.6 - Legal Services
	5.7	Legal Services	5.7 - Legal Services
	5.8	Valuation Service	5.8 - Valuation Service
	5.9	Property Services	5.9 - Property Services
	5.10	[Name of sub-vote]	5.10 - [Name of sub-vote]
	Vote 6	**Road Transport**	
	6.1	Roads	6.1 - Roads
	6.2	Public Transport	6.2 - Public Transport
	6.3	Road and Traffic Regulation	6.3 - Road and Traffic Regulation
	6.4	Taxi Ranks	6.4 - Taxi Ranks
	6.5	[Name of sub-vote]	6.5 - [Name of sub-vote]
	6.6	[Name of sub-vote]	6.6 - [Name of sub-vote]
	6.7	[Name of sub-vote]	6.7 - [Name of sub-vote]
	6.8	[Name of sub-vote]	6.8 - [Name of sub-vote]
	6.9	[Name of sub-vote]	6.9 - [Name of sub-vote]
	6.10	[Name of sub-vote]	6.10 - [Name of sub-vote]
	Vote 7	**Planning and Development**	
	7.1	Project Management Unit	7.1 - Project Management Unit
	7.2	Regional Planning and Development	7.2 - Regional Planning and Development
	7.3	Economic Development/Planning	7.3 - Economic Development/Planning
	7.4	Support to Local Municipalities	7.4 - Support to Local Municipalities
	7.5	Support to Local Municipalities	7.5 - Support to Local Municipalities
	7.6	Corporate Wide Strategic Planning (IDPs, LEDs)	7.6 - Corporate Wide Strategic Planning (IDPs, LEDs)
	7.7	Risk Management	7.7 - Risk Management
	7.8	Billboards	7.8 - Billboards
	7.9	[Name of sub-vote]	7.9 - [Name of sub-vote]
	7.10	[Name of sub-vote]	7.10 - [Name of sub-vote]
	Vote 8	**Public Safety**	
	8.1	Fire Fighting and Protection	8.1 - Fire Fighting and Protection
	8.2	Cleansing	8.2 - Cleansing
	8.3	Civil Defence	8.3 - Civil Defence
	8.4	Civil Defence	8.4 - Civil Defence
	8.5	Licensing and Control of Animals	8.5 - Licensing and Control of Animals
	8.6	Police Forces, Traffic and Street Parking Control	8.6 - Police Forces, Traffic and Street Parking Control
	8.7	Pounds	8.7 - Pounds
	8.8	[Name of sub-vote]	8.8 - [Name of sub-vote]
	8.9	[Name of sub-vote]	8.9 - [Name of sub-vote]
	8.10	[Name of sub-vote]	8.10 - [Name of sub-vote]
	Vote 9	**Sport and Recreation**	
	9.1	Community Parks (including Nurseries)	9.1 - Community Parks (including Nurseries)
	9.2	Sports Grounds and Stadiums	9.2 - Sports Grounds and Stadiums
	9.3	Sports Grounds and Stadiums	9.3 - Sports Grounds and Stadiums
	9.4	[Name of sub-vote]	9.4 - [Name of sub-vote]
	9.5	[Name of sub-vote]	9.5 - [Name of sub-vote]
	9.6	[Name of sub-vote]	9.6 - [Name of sub-vote]
	9.7	[Name of sub-vote]	9.7 - [Name of sub-vote]
	9.8	[Name of sub-vote]	9.8 - [Name of sub-vote]
	9.9	[Name of sub-vote]	9.9 - [Name of sub-vote]
	9.10	[Name of sub-vote]	9.10 - [Name of sub-vote]
	Vote 10	**Housing**	
	10.1	[Name of sub-vote]	10.1 - [Name of sub-vote]
	10.2	[Name of sub-vote]	10.2 - [Name of sub-vote]
	10.3	[Name of sub-vote]	10.3 - [Name of sub-vote]
	10.4	[Name of sub-vote]	10.4 - [Name of sub-vote]
	10.5	[Name of sub-vote]	10.5 - [Name of sub-vote]
	10.6	[Name of sub-vote]	10.6 - [Name of sub-vote]
	10.7	[Name of sub-vote]	10.7 - [Name of sub-vote]
	10.8	[Name of sub-vote]	10.8 - [Name of sub-vote]
	10.9	[Name of sub-vote]	10.9 - [Name of sub-vote]
	10.10	[Name of sub-vote]	10.10 - [Name of sub-vote]
	Vote 11	**Water Management**	
	11.1	Water Treatment	11.1 - Water Treatment
	11.2	Water Distribution	11.2 - Water Distribution
	11.3	Water Storage	11.3 - Water Storage
	11.4	[Name of sub-vote]	11.4 - [Name of sub-vote]
	11.5	[Name of sub-vote]	11.5 - [Name of sub-vote]
	11.6	[Name of sub-vote]	11.6 - [Name of sub-vote]
	11.7	[Name of sub-vote]	11.7 - [Name of sub-vote]
	11.8	[Name of sub-vote]	11.8 - [Name of sub-vote]
	11.9	[Name of sub-vote]	11.9 - [Name of sub-vote]
	11.10	[Name of sub-vote]	11.10 - [Name of sub-vote]
	Vote 12	**[NAME OF VOTE 12]**	
	12.1	[Name of sub-vote]	12.1 - [Name of sub-vote]
	12.2	Waste Water Treatment	12.2 - Waste Water Treatment
	12.3	Sewerage	12.3 - Sewerage
	12.4	Public Toilets	12.4 - Public Toilets
	12.5	Storm Water Management	12.5 - Storm Water Management
	12.6	[Name of sub-vote]	12.6 - [Name of sub-vote]

12.7	[Name of sub-vote]	12.7 - [Name of sub-vote]	127
12.8	[Name of sub-vote]	12.8 - [Name of sub-vote]	128
12.9	[Name of sub-vote]	12.9 - [Name of sub-vote]	129
12.10	[Name of sub-vote]	12.10 - [Name of sub-vote]	1210
Vote 13	**Waste Water Management**		13
13.1	Waste Water Treatment	13.1 - Waste Water Treatment	131
13.2	Sewerage	13.2 - Sewerage	132
13.3	Public Toilets	13.3 - Public Toilets	133
13.4	Storm Water Management	13.4 - Storm Water Management	134
13.5	[Name of sub-vote]	13.5 - [Name of sub-vote]	135
13.6	[Name of sub-vote]	13.6 - [Name of sub-vote]	136
13.7	[Name of sub-vote]	13.7 - [Name of sub-vote]	137
13.8	[Name of sub-vote]	13.8 - [Name of sub-vote]	138
13.9	[Name of sub-vote]	13.9 - [Name of sub-vote]	139
13.10	[Name of sub-vote]	13.10 - [Name of sub-vote]	1310
Vote 14	**Other**		14
14.1	Markets	14.1 - Markets	141
14.2	Health Services	14.2 - Health Services	142
14.3	Licensing and Regulation	14.3 - Licensing and Regulation	143
14.4	Asset Management	14.4 - Asset Management	144
14.5	[Name of sub-vote]	14.5 - [Name of sub-vote]	145
14.6	[Name of sub-vote]	14.6 - [Name of sub-vote]	146
14.7	[Name of sub-vote]	14.7 - [Name of sub-vote]	147
14.8	[Name of sub-vote]	14.8 - [Name of sub-vote]	148
14.9	[Name of sub-vote]	14.9 - [Name of sub-vote]	149
14.10	[Name of sub-vote]	14.10 - [Name of sub-vote]	1410
Vote 15	**Internal Audit**		15
15.1	Governance Function	15.1 - Governance Function	151
15.2	[Name of sub-vote]	15.2 - [Name of sub-vote]	152
15.3	[Name of sub-vote]	15.3 - [Name of sub-vote]	153
15.4	[Name of sub-vote]	15.4 - [Name of sub-vote]	154
15.5	[Name of sub-vote]	15.5 - [Name of sub-vote]	155
15.6	[Name of sub-vote]	15.6 - [Name of sub-vote]	156
15.7	[Name of sub-vote]	15.7 - [Name of sub-vote]	157
15.8	[Name of sub-vote]	15.8 - [Name of sub-vote]	158
15.9	[Name of sub-vote]	15.9 - [Name of sub-vote]	159
15.10	[Name of sub-vote]	15.10 - [Name of sub-vote]	1510

NW373 Rustenburg - Contact Information

A. GENERAL INFORMATION

Municipality	**NW373 Rustenburg**
Grade	5
Province	**NW NORTH WEST**
Web Address	**www.rustenburg.gov.za**
e-mail Address	**munman@rustenburg.gov.za**

1 Grade in terms of the Remuneration of Public Office Bearers Act.

B. CONTACT INFORMATION

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City / Town	Rustenburg
Postal Code	299
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C. POLITICAL LEADERSHIP

Speaker:		**Secretary/PA to the Speaker:**	
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Mayor/Executive Mayor:		**Secretary/PA to the Mayor/Executive Mayor:**	
ID Number		ID Number	
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ID Number		ID Number	
Title		Title	
Name		Name	
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Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	

D. MANAGEMENT LEADERSHIP

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ID Number	
Title	
Name	
Telephone number	
Cell number	
Fax number	
E-mail address	

Official responsible for submitting financial information	
ID Number	
Title	
Name	
Telephone number	
Cell number	
Fax number	
E-mail address	

Official responsible for submitting financial information	
ID Number	
Title	
Name	
Telephone number	
Cell number	
Fax number	
E-mail address	

Official responsible for submitting financial information	
ID Number	
Title	
Name	
Telephone number	
Cell number	
Fax number	
E-mail address	

NW373 Rustenburg - Table A1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial Performance										
Property rates	496 067	516 902	549 646	590 738	590 738	590 738	590 738	600 347	627 363	643 047
Service charges	3 628 330	4 806 042	5 259 829	5 288 680	4 328 680	4 328 680	4 328 680	3 858 554	4 053 941	4 172 783
Investment revenue	25 149	26 217	37 383	41 725	41 725	41 725	41 725	93 352	95 303	95 427
Transfer and subsidies - Operational	947 882	1 127 277	1 304 905	1 393 874	1 397 019	1 397 019	1 397 019	1 469 034	1 580 069	1 592 227
Other own revenue	572 310	598 362	699 626	760 153	824 296	824 296	824 296	936 297	972 744	1 018 735
Total Revenue (excluding capital transfers and contributions)	5 669 738	7 074 800	7 851 389	8 075 171	7 182 459	7 182 459	7 182 459	6 957 585	7 329 420	7 522 219
Employee costs	875 664	905 598	929 095	1 005 982	1 021 587	1 021 587	1 021 587	1 034 970	1 078 203	1 091 660
Remuneration of councillors	68 229	70 958	71 890	74 787	74 787	74 787	74 787	77 587	80 952	83 752
Depreciation and amortisation	492 913	480 045	497 859	522 778	522 778	522 778	522 778	491 025	510 903	523 689
Interest	84 328	85 409	62 123	59 917	59 917	59 917	59 917	66 725	68 415	69 520
Inventory consumed and bulk purchases	2 132 268	3 164 333	3 528 029	3 621 549	2 932 096	2 932 096	2 672 847	3 081 214	3 230 984	3 313 401
Transfers and subsidies	19 502	20 292	21 164	24 177	24 177	24 177	24 177	20 967	21 908	22 564
Other expenditure	1 642 907	1 785 417	2 140 405	2 222 675	2 250 769	2 250 769	2 250 465	1 960 410	2 048 691	2 090 135
Total Expenditure	5 315 810	6 512 052	7 250 565	7 531 866	6 886 111	6 886 111	6 626 559	6 732 898	7 040 056	7 194 721
Surplus/(Deficit)	353 929	562 748	600 824	543 305	296 348	296 348	555 900	224 687	289 364	327 499
Transfers and subsidies - capital (monetary allocations)	214 223	241 169	441 810	403 313	459 339	459 339	459 339	381 155	389 710	422 392
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	568 151	803 918	1 042 635	946 618	755 687	755 687	1 015 239	605 842	679 074	749 891
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	568 151	803 918	1 042 635	946 618	755 687	755 687	1 015 239	605 842	679 074	749 891
Capital expenditure & funds sources										
Capital expenditure	519 447	624 513	565 411	641 611	698 300	698 300	698 300	482 704	481 837	516 852
Transfers recognised - capital	372 235	432 113	441 985	403 313	459 339	459 339	459 339	381 155	389 710	423 322
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	147 212	192 400	123 426	238 298	238 961	238 961	238 961	101 550	92 127	93 530
Total sources of capital funds	519 447	624 513	565 411	641 611	698 300	698 300	698 300	482 704	481 837	516 852
Financial position										
Total current assets	1 667 450	1 769 609	1 247 931	1 270 244	945 839	945 839	945 839	1 762 604	2 404 849	3 192 292
Total non current assets	10 840 868	10 985 650	10 895 616	10 572 381	10 572 381	10 572 381	10 572 381	8 678 461	8 958 483	9 199 325
Total current liabilities	731 214	778 598	729 317	665 622	665 622	665 622	665 622	498 598	542 439	514 460
Total non current liabilities	822 587	725 299	509 713	450 476	450 476	450 476	450 476	482 034	491 816	474 631
Community wealth/Equity	10 954 518	11 251 362	10 904 516	10 726 528	10 402 123	10 402 123	10 402 123	9 460 433	10 329 077	11 402 526
Cash flows										
Net cash from (used) operating	961 116	1 289 129	1 063 451	898 712	711 780	711 780	711 780	1 218 655	1 318 771	1 407 633
Net cash from (used) investing	(513 247)	(640 054)	(558 535)	(634 629)	(695 318)	(695 318)	(695 318)	(482 579)	(482 085)	(517 101)
Net cash from (used) financing	(106 974)	(78 621)	(161 012)	(152 742)	(122 742)	(122 742)	(122 742)	(142 384)	(148 855)	(153 770)
Cash/cash equivalents at the year end	738 273	1 308 728	755 237	866 578	542 172	542 172	542 172	1 135 864	1 823 695	2 560 458
Cash backing/surplus reconciliation										
Cash and investments available	739 226	1 309 718	756 236	867 778	543 372	543 372	543 372	1 136 939	1 825 018	2 562 030
Application of cash and investments	181 686	575 443	578 227	270 382	298 770	298 770	298 770	702 391	877 088	860 253
Balance - surplus (shortfall)	557 540	734 275	178 008	597 395	244 602	244 602	244 602	434 547	947 930	1 701 777
Asset management										
Asset register summary (WDV)	10 839 769	10 984 630	10 894 589	10 577 149	10 633 838	10 633 838	10 625 517	10 625 517	10 596 451	10 589 615
Depreciation	492 913	480 045	497 859	522 778	522 778	522 778	491 025	491 025	510 903	523 689
Renewal and Upgrading of Existing Assets	280 292	238 214	203 835	216 331	240 307	240 307	225 872	293 825	276 597	291 138
Repairs and Maintenance	34 552	57 491	276 158	396 284	270 531	270 531	421 251	421 251	433 140	443 360
Free services										
Cost of Free Basic Services provided	247 685	221 115	196 649	196 649	196 649	205 694	215 156	224 838	230 459	–
Revenue cost of free services provided	(72 667)	(74 557)	(77 838)	(84 580)	(84 580)	(84 580)	(92 074)	(96 217)	(98 622)	–
Households below minimum service level										
Water:	25	25	25	26	26	26	27	28	29	–
Sanitation/sewerage:	23	–	–	–	–	–	–	–	–	–
Energy:	15	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

NW373 Rustenburg - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional										
Governance and administration		**1 056 138**	**1 242 103**	**1 357 719**	**1 018 343**	**968 598**	**968 598**	**1 102 623**	**1 154 796**	**1 176 540**
Executive and council		25 724	36 473	44 629	36 980	36 980	36 980	88 607	90 345	90 345
Finance and administration		1 030 414	1 205 629	1 313 090	981 363	931 617	931 617	1 014 016	1 064 452	1 086 195
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**188 271**	**180 482**	**124 117**	**153 992**	**161 992**	**161 992**	**192 416**	**200 825**	**205 654**
Community and social services		4 779	5 456	5 571	6 575	6 575	6 575	6 557	6 855	6 975
Sport and recreation		243	149	1 400	464	464	464	491	513	526
Public safety		175 328	169 604	107 534	136 599	144 599	144 599	173 849	181 673	186 215
Housing		7 921	5 273	9 613	10 354	10 354	10 354	11 518	11 785	11 939
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**341 017**	**623 970**	**562 111**	**584 668**	**643 728**	**643 728**	**571 062**	**594 424**	**633 038**
Planning and development		167 156	239 927	302 257	296 306	355 365	355 365	313 891	328 706	351 160
Road transport		173 861	384 043	259 854	288 362	288 362	288 362	257 171	265 718	281 878
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**4 298 535**	**5 269 415**	**6 249 253**	**6 721 480**	**5 867 480**	**5 867 480**	**5 472 639**	**5 769 085**	**5 929 379**
Energy sources		2 730 639	3 604 531	4 118 630	4 076 312	3 256 312	3 256 312	2 702 645	2 842 005	2 955 035
Water management		994 157	1 088 873	1 138 619	1 388 097	1 358 097	1 358 097	1 398 545	1 486 828	1 518 468
Waste water management		281 002	280 946	643 357	809 866	809 866	809 866	889 233	920 148	930 451
Waste management		292 737	295 066	348 647	447 206	443 206	443 206	482 217	520 104	525 424
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional	2	**5 883 961**	**7 315 970**	**8 293 199**	**8 478 484**	**7 641 798**	**7 641 798**	**7 338 740**	**7 719 130**	**7 944 611**
Expenditure - Functional										
Governance and administration		**586 978**	**606 013**	**898 450**	**961 785**	**919 629**	**919 629**	**829 702**	**867 815**	**894 764**
Executive and council		237 853	255 093	283 481	289 602	296 999	296 999	240 581	251 123	258 103
Finance and administration		341 937	342 958	605 721	662 351	613 726	613 726	579 966	607 129	626 861
Internal audit		7 188	7 961	9 248	9 833	8 904	8 904	9 155	9 562	9 801
Community and public safety		**438 874**	**458 497**	**565 352**	**567 125**	**600 498**	**600 498**	**573 343**	**598 563**	**612 636**
Community and social services		45 691	49 446	80 300	79 402	78 425	78 425	80 891	83 083	84 186
Sport and recreation		36 359	37 213	61 504	71 091	71 091	71 091	40 145	42 014	43 222
Public safety		340 819	354 048	391 151	387 548	421 898	421 898	410 561	430 156	441 010
Housing		16 005	17 790	32 398	29 085	29 085	29 085	41 746	43 310	44 218
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**307 190**	**512 549**	**317 499**	**484 297**	**492 151**	**492 151**	**530 933**	**554 127**	**573 658**
Planning and development		69 746	64 990	77 566	105 984	97 354	97 354	100 690	102 847	105 752
Road transport		233 735	443 594	233 414	371 675	387 625	387 625	422 988	443 823	459 889
Environmental protection		3 709	3 965	6 519	6 638	7 172	7 172	7 255	7 457	8 018
Trading services		**3 982 741**	**4 934 994**	**5 468 174**	**5 517 516**	**4 872 691**	**4 872 691**	**4 797 727**	**5 018 305**	**5 112 384**
Energy sources		2 675 559	3 742 131	3 442 324	3 469 103	2 817 583	2 817 583	2 899 173	3 055 381	3 118 928
Water management		869 168	747 700	1 162 328	1 150 698	1 150 281	1 150 281	1 075 101	1 105 604	1 122 080
Waste water management		110 221	150 107	528 982	557 637	563 749	563 749	546 302	557 147	561 833
Waste management		327 793	295 056	334 540	340 078	341 078	341 078	277 151	300 174	309 543
Other	4	**26**	**–**	**1 089**	**1 143**	**1 143**	**1 143**	**1 193**	**1 247**	**1 278**
Total Expenditure - Functional	3	**5 315 810**	**6 512 052**	**7 250 565**	**7 531 866**	**6 886 111**	**6 886 111**	**6 732 898**	**7 040 056**	**7 194 721**
Surplus/(Deficit) for the year		**568 151**	**803 918**	**1 042 635**	**946 618**	**755 687**	**755 687**	**605 842**	**679 074**	**749 891**

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes

2. Total Revenue by functional classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)

3. Total Expenditure by Functional Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)

4. All amounts must be classified under a functional classification . The GFS function 'Other' is only for Abbatoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification.

NW373 Rustenburg - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional										
Municipal governance and administration		1 056 138	1 242 103	1 357 719	1 018 343	968 598	968 598	1 102 623	1 154 796	1 176 540
Executive and council		25 724	36 473	44 629	36 980	36 980	36 980	88 607	90 345	90 345
Mayor and Council		22 816	35 674	32 922	36 980	36 980	36 980	88 607	90 345	90 345
Municipal Manager, Town Secretary and Chief Executive		2 907	800	11 707	–	–	–	–	–	–
Finance and administration		1 030 414	1 205 629	1 313 090	981 363	931 617	931 617	1 014 016	1 064 452	1 086 195
Administrative and Corporate Support		–	–	46	45	45	45	45	45	45
Asset Management		–	–	–	–	–	–	–	–	–
Finance		1 029 684	1 204 890	1 311 669	980 405	930 414	930 414	1 013 128	1 063 528	1 085 251
Fleet Management		–	–	–	–	–	–	–	–	–
Human Resources		578	649	739	898	1 143	1 143	843	879	899
Information Technology		–	–	12	15	15	15	–	–	–
Legal Services		–	0	–	–	–	–	–	–	–
Marketing, Customer Relations, Publicity and Media Co-		–	–	–	–	–	–	–	–	–
Property Services		151	90	–	–	–	–	–	–	–
Risk Management		–	–	–	–	–	–	–	–	–
Security Services		–	–	–	–	–	–	–	–	–
Supply Chain Management		–	–	624	–	–	–	–	–	–
Valuation Service		–	–	–	–	–	–	–	–	–
Internal audit		–	–	–	–	–	–	–	–	–
Governance Function		–	–	–	–	–	–	–	–	–
Community and public safety		188 271	180 482	124 117	153 992	161 992	161 992	192 416	200 825	205 654
Community and social services		4 779	5 456	5 571	6 575	6 575	6 575	6 557	6 855	6 975
Aged Care		–	–	–	–	–	–	–	–	–
Agricultural		–	–	–	–	–	–	–	–	–
Animal Care and Diseases		–	–	–	–	–	–	–	–	–
Cemeteries, Funeral Parlours and Crematoriums		1 008	991	912	1 212	1 212	1 212	1 265	1 322	1 355
Child Care Facilities		–	–	–	–	–	–	–	–	–
Community Halls and Facilities		2 326	2 843	3 193	3 306	3 306	3 306	3 140	3 282	3 364
Consumer Protection		–	–	–	–	–	–	–	–	–
Cultural Matters		–	–	–	–	–	–	–	–	–
Disaster Management		0	–	–	–	–	–	–	–	–
Education		–	–	–	–	–	–	–	–	–
Indigenous and Customary Law		–	–	–	–	–	–	–	–	–
Industrial Promotion		–	–	–	–	–	–	–	–	–
Language Policy		–	–	–	–	–	–	–	–	–
Libraries and Archives		1 446	1 621	1 465	2 057	2 057	2 057	2 152	2 251	2 256
Literacy Programmes		–	–	–	–	–	–	–	–	–
Media Services		–	–	–	–	–	–	–	–	–
Museums and Art Galleries		–	–	–	–	–	–	–	–	–
Population Development		–	–	–	–	–	–	–	–	–
Provincial Cultural Matters		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Zoo's		–	–	–	–	–	–	–	–	–
Sport and recreation		243	149	1 400	464	464	464	491	513	526
Beaches and Jetties		–	–	–	–	–	–	–	–	–
Casinos, Racing, Gambling, Wagering		–	–	–	–	–	–	–	–	–
Community Parks (including Nurseries)		–	–	300	–	–	–	–	–	–
Recreational Facilities		1	1	548	120	120	120	125	131	134
Sports Grounds and Stadiums		242	147	552	344	344	344	365	382	391
Public safety		175 328	169 604	107 534	136 599	144 599	144 599	173 849	181 673	186 215
Civil Defence		–	–	–	–	–	–	–	–	–
Cleansing		–	–	–	–	–	–	–	–	–
Control of Public Nuisances		–	–	–	–	–	–	–	–	–
Fencing and Fences		–	–	–	–	–	–	–	–	–
Fire Fighting and Protection		21 102	29 008	20 937	22 163	22 163	22 163	29 378	30 700	31 468
Licensing and Control of Animals		154 225	140 596	85 611	113 403	121 403	121 403	143 392	149 845	153 591
Police Forces, Traffic and Street Parking Control		–	(0)	985	1 034	1 034	1 034	1 079	1 128	1 156
Pounds		–	–	–	–	–	–	–	–	–
Housing		7 921	5 273	9 613	10 354	10 354	10 354	11 518	11 785	11 939
Housing		7 921	5 273	9 613	10 354	10 354	10 354	11 518	11 785	11 939
Informal Settlements		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Ambulance		–	–	–	–	–	–	–	–	–
Health Services		–	–	–	–	–	–	–	–	–
Laboratory Services		–	–	–	–	–	–	–	–	–
Food Control		–	–	–	–	–	–	–	–	–
Health Surveillance and Prevention of Communicable		–	–	–	–	–	–	–	–	–
Vector Control		–	–	–	–	–	–	–	–	–
Chemical Safety		–	–	–	–	–	–	–	–	–

Economic and environmental services		**341 017**	**623 970**	**562 111**	**584 668**	**643 728**	**643 728**	**571 062**	**594 424**	**633 038**
Planning and development		**167 156**	**239 927**	**302 257**	**296 306**	**355 365**	**355 365**	**313 891**	**328 706**	**351 160**
Billboards		–	–	–	–	–	–	–	–	–
Corporate Wide Strategic Planning (IDPs, LEDs)		–	–	–	–	–	–	–	–	–
Central City Improvement District		–	–	–	–	–	–	–	–	–
Development Facilitation		–	–	–	–	–	–	–	–	–
Economic Development/Planning		77	1 615	1 670	1 087	1 221	1 221	1 042	1 088	1 115
Regional Planning and Development		–	–	–	–	–	–	–	–	–
Town Planning, Building Regulations and Enforcement, and		5 904	4 270	7 183	5 536	5 536	5 536	6 892	7 199	7 433
Project Management Unit		161 175	234 042	293 404	289 683	348 609	348 609	305 957	320 419	342 612
Provincial Planning		–	–	–	–	–	–	–	–	–
Support to Local Municipalities		–	–	–	–	–	–	–	–	–
Road transport		**173 861**	**384 043**	**259 854**	**288 362**	**288 362**	**288 362**	**257 171**	**265 718**	**281 878**
Public Transport		173 861	378 509	259 723	288 223	288 223	288 223	257 071	265 614	281 771
Road and Traffic Regulation		–	–	–	–	–	–	–	–	–
Roads		–	5 533	131	139	139	139	100	105	107
Taxi Ranks		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
Biodiversity and Landscape		–	–	–	–	–	–	–	–	–
Coastal Protection		–	–	–	–	–	–	–	–	–
Indigenous Forests		–	–	–	–	–	–	–	–	–
Nature Conservation		–	–	–	–	–	–	–	–	–
Pollution Control		–	–	–	–	–	–	–	–	–
Soil Conservation		–	–	–	–	–	–	–	–	–
Trading services		**4 298 535**	**5 269 415**	**6 249 253**	**6 721 480**	**5 867 480**	**5 867 480**	**5 472 639**	**5 769 085**	**5 929 379**
Energy sources		**2 730 639**	**3 604 531**	**4 118 630**	**4 076 312**	**3 256 312**	**3 256 312**	**2 702 645**	**2 842 005**	**2 955 035**
Electricity		2 730 639	3 604 531	4 118 630	4 076 312	3 256 312	3 256 312	2 702 645	2 842 005	2 955 035
Street Lighting and Signal Systems		–	–	–	–	–	–	–	–	–
Nonelectric Energy		–	–	–	–	–	–	–	–	–
Water management		**994 157**	**1 088 873**	**1 138 619**	**1 388 097**	**1 358 097**	**1 358 097**	**1 398 545**	**1 486 828**	**1 518 468**
Water Treatment		–	–	423 896	474 667	444 667	444 667	–	–	–
Water Distribution		994 157	1 088 873	714 723	913 429	913 429	913 429	1 398 545	1 486 828	1 518 468
Water Storage		–	–	–	–	–	–	–	–	–
Waste water management		**281 002**	**280 946**	**643 357**	**809 866**	**809 866**	**809 866**	**889 233**	**920 148**	**930 451**
Public Toilets		–	–	–	–	–	–	–	–	–
Sewerage		280 824	280 813	377 074	512 535	512 535	512 535	564 488	590 190	595 369
Storm Water Management		–	–	–	–	–	–	–	–	–
Waste Water Treatment		178	132	266 284	297 332	297 332	297 332	324 745	329 958	335 082
Waste management		**292 737**	**295 066**	**348 647**	**447 206**	**443 206**	**443 206**	**482 217**	**520 104**	**525 424**
Recycling		–	–	–	–	–	–	–	–	–
Solid Waste Disposal (Landfill Sites)		170 492	164 772	182 187	192 589	188 589	188 589	205 067	214 094	219 446
Solid Waste Removal		122 245	130 294	166 460	254 616	254 616	254 616	277 150	306 010	305 978
Street Cleaning		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Air Transport		–	–	–	–	–	–	–	–	–
Forestry		–	–	–	–	–	–	–	–	–
Licensing and Regulation		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Tourism		–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**5 883 961**	**7 315 970**	**8 293 199**	**8 478 484**	**7 641 798**	**7 641 798**	**7 338 740**	**7 719 130**	**7 944 611**

Expenditure - Functional									
Municipal governance and administration	**586 978**	**606 013**	**898 450**	**961 785**	**919 629**	**919 629**	**829 702**	**867 815**	**894 764**
Executive and council	237 853	255 093	283 481	289 602	296 999	296 999	240 581	251 123	258 103
Mayor and Council	142 081	155 738	166 084	180 591	186 591	186 591	196 130	204 687	210 506
Municipal Manager, Town Secretary and Chief Executive	95 772	99 355	117 397	109 011	110 408	110 408	44 451	46 436	47 597
Finance and administration	341 937	342 958	605 721	662 351	613 726	613 726	579 966	607 129	626 861
Administrative and Corporate Support	23 400	24 575	38 696	43 303	40 933	40 933	41 767	43 736	44 880
Asset Management	20 694	20 694	–	10 500	10 500	10 500	10 983	11 477	11 764
Finance	160 326	146 533	416 180	359 353	312 718	312 718	281 214	294 630	305 227
Fleet Management	–	–	12	70 880	71 176	71 176	64 831	67 928	68 433
Human Resources	13 817	34 896	30 141	34 484	32 029	32 029	30 931	32 471	33 342
Information Technology	23 893	19 779	38 078	40 901	41 071	41 071	39 964	41 950	44 104
Legal Services	28 775	24 621	26 763	28 079	33 407	33 407	35 218	35 679	37 701
Marketing, Customer Relations, Publicity and Media Co-	–	–	–	–	–	–	–	–	–
Property Services	68 894	69 647	52 992	71 773	68 845	68 845	71 836	75 892	77 959
Risk Management	2 138	2 213	2 638	2 962	2 902	2 902	3 101	3 240	3 321
Security Services	–	–	–	–	–	–	–	–	–
Supply Chain Management	–	–	–	–	30	30	–	–	–
Valuation Service	–	0	221	115	115	115	121	126	129
Internal audit	7 188	7 961	9 248	9 833	8 904	8 904	9 155	9 562	9 801
Governance Function	7 188	7 961	9 248	9 833	8 904	8 904	9 155	9 562	9 801
Community and public safety	**438 874**	**458 497**	**565 352**	**567 125**	**600 498**	**600 498**	**573 343**	**598 563**	**612 636**
Community and social services	**45 691**	**49 446**	**80 300**	**79 402**	**78 425**	**78 425**	**80 891**	**83 083**	**84 186**
Aged Care	–	–	15	15	15	15	–	–	–
Agricultural	–	–	–	–	–	–	–	–	–
Animal Care and Diseases	–	–	–	–	–	–	–	–	–
Cemeteries, Funeral Parlours and Crematoriums	6 874	7 203	7 724	8 107	8 107	8 107	8 547	8 923	9 142
Child Care Facilities	–	–	–	–	–	–	–	–	–
Community Halls and Facilities	18 969	21 534	35 653	32 486	31 509	31 509	33 881	35 551	36 387
Consumer Protection	–	–	–	–	–	–	–	–	–
Cultural Matters	–	–	–	–	–	–	–	–	–
Disaster Management	35	52	72	76	76	76	79	83	85
Education	–	–	–	–	–	–	–	–	–
Indigenous and Customary Law	–	–	–	–	–	–	–	–	–
Industrial Promotion	–	–	–	–	–	–	–	–	–
Language Policy	–	–	–	–	–	–	–	–	–
Libraries and Archives	19 813	20 658	36 835	38 718	38 718	38 718	38 383	38 525	38 572
Literacy Programmes	–	–	–	–	–	–	–	–	–
Media Services	–	–	–	–	–	–	–	–	–
Museums and Art Galleries	–	–	–	–	–	–	–	–	–
Population Development	–	–	–	–	–	–	–	–	–
Provincial Cultural Matters	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Zoo's	–	–	–	–	–	–	–	–	–
Sport and recreation	**36 359**	**37 213**	**61 504**	**71 091**	**71 091**	**71 091**	**40 145**	**42 014**	**43 222**
Beaches and Jetties	–	–	–	–	–	–	–	–	–
Casinos, Racing, Gambling, Wagering	–	–	–	–	–	–	–	–	–
Community Parks (including Nurseries)	22 559	22 295	38 719	45 614	45 614	45 614	17 345	18 125	18 587
Recreational Facilities	5 527	5 747	10 297	13 618	13 618	13 618	11 303	11 889	12 336
Sports Grounds and Stadiums	8 273	9 171	12 487	11 858	11 858	11 858	11 496	12 000	12 299
Public safety	**340 819**	**354 048**	**391 151**	**387 548**	**421 898**	**421 898**	**410 561**	**430 156**	**441 010**
Civil Defence	–	–	–	–	–	–	–	–	–
Cleansing	–	–	–	–	–	–	–	–	–
Control of Public Nuisances	1 073	3 554	1 356	273	273	273	1 485	1 552	1 591
Fencing and Fences	–	–	–	–	–	–	–	–	–
Fire Fighting and Protection	135 537	137 656	186 136	193 727	207 377	207 377	200 457	210 523	215 786
Licensing and Control of Animals	156 599	162 275	152 344	147 811	173 111	173 111	162 830	170 098	174 376
Police Forces, Traffic and Street Parking Control	47 610	50 563	45 887	45 737	41 137	41 137	45 560	47 745	49 014
Pounds	–	–	5 429	–	–	–	229	239	245
Housing	**16 005**	**17 790**	**32 398**	**29 085**	**29 085**	**29 085**	**41 746**	**43 310**	**44 218**
Housing	16 005	17 790	32 398	29 085	29 085	29 085	41 746	43 310	44 218
Informal Settlements	–	–	–	–	–	–	–	–	–
Health	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Ambulance	–	–	–	–	–	–	–	–	–
Health Services	–	–	–	–	–	–	–	–	–
Laboratory Services	–	–	–	–	–	–	–	–	–
Food Control	–	–	–	–	–	–	–	–	–
Health Surveillance and Prevention of Communicable	–	–	–	–	–	–	–	–	–
Vector Control	–	–	–	–	–	–	–	–	–
Chemical Safety	–	–	–	–	–	–	–	–	–

Economic and environmental services		**307 190**	**512 549**	**317 499**	**484 297**	**492 151**	**492 151**	**530 933**	**554 127**	**573 658**
Planning and development		**69 746**	**64 990**	**77 566**	**105 984**	**97 354**	**97 354**	**100 690**	**102 847**	**105 752**
Billboards		–	–	–	–	–	–	–	–	–
Corporate Wide Strategic Planning (IDPs, LEDs)		1 815	455	1 014	1 968	1 968	1 968	–	–	–
Central City Improvement District		–	–	–	–	–	–	–	–	–
Development Facilitation		–	–	–	–	–	–	–	–	–
Economic Development/Planning		20 577	21 771	28 206	46 055	41 622	41 622	35 711	39 888	41 220
Regional Planning and Development		311	–	3 728	5 890	3 890	3 890	–	–	–
Town Planning, Building Regulations and Enforcement, and		47 031	42 763	44 618	36 719	34 719	34 719	48 029	47 238	48 611
Project Management Unit		13	–	–	15 353	15 156	15 156	16 950	15 721	15 920
Provincial Planning		–	–	–	–	–	–	–	–	–
Support to Local Municipalities		–	–	–	–	–	–	–	–	–
Road transport		**233 735**	**443 594**	**233 414**	**371 675**	**387 625**	**387 625**	**422 988**	**443 823**	**459 889**
Public Transport		112 609	184 350	114 718	228 760	244 558	244 558	196 919	209 350	223 625
Road and Traffic Regulation		–	–	–	–	–	–	–	–	–
Roads		121 126	259 245	118 696	142 914	143 066	143 066	226 069	234 473	236 264
Taxi Ranks		–	–	–	–	–	–	–	–	–
Environmental protection		**3 709**	**3 965**	**6 519**	**6 638**	**7 172**	**7 172**	**7 255**	**7 457**	**8 018**
Biodiversity and Landscape		–	–	–	–	–	–	–	–	–
Coastal Protection		–	–	–	–	–	–	–	–	–
Indigenous Forests		–	–	–	–	–	–	–	–	–
Nature Conservation		–	–	–	–	–	–	–	–	–
Pollution Control		3 709	3 965	6 519	6 638	7 172	7 172	7 255	7 457	8 018
Soil Conservation		–	–	–	–	–	–	–	–	–
Trading services		**3 982 741**	**4 934 994**	**5 468 174**	**5 517 516**	**4 872 691**	**4 872 691**	**4 797 727**	**5 018 305**	**5 112 384**
Energy sources		**2 675 559**	**3 742 131**	**3 442 324**	**3 469 103**	**2 817 583**	**2 817 583**	**2 899 173**	**3 055 381**	**3 118 928**
Electricity		2 671 039	3 737 957	3 432 520	3 457 819	2 801 529	2 801 529	2 889 664	3 045 446	3 108 669
Street Lighting and Signal Systems		4 520	4 174	9 804	11 284	16 054	16 054	9 509	9 935	10 260
Nonelectric Energy		–	–	–	–	–	–	–	–	–
Water management		**869 168**	**747 700**	**1 162 328**	**1 150 698**	**1 150 281**	**1 150 281**	**1 075 101**	**1 105 604**	**1 122 080**
Water Treatment		0	0	–	26 498	26 498	26 498	–	–	–
Water Distribution		869 168	747 700	1 162 328	1 124 200	1 123 783	1 123 783	1 075 101	1 105 604	1 122 080
Water Storage		–	–	–	–	–	–	–	–	–
Waste water management		**110 221**	**150 107**	**528 982**	**557 637**	**563 749**	**563 749**	**546 302**	**557 147**	**561 833**
Public Toilets		–	–	–	–	–	–	–	–	–
Sewerage		109 930	149 939	353 243	355 527	361 639	361 639	335 299	345 942	345 348
Storm Water Management		290	167	352	–	–	–	–	–	–
Waste Water Treatment		1	1	175 387	202 110	202 110	202 110	211 003	211 205	216 486
Waste management		**327 793**	**295 056**	**334 540**	**340 078**	**341 078**	**341 078**	**277 151**	**300 174**	**309 543**
Recycling		–	–	–	–	–	–	–	–	–
Solid Waste Disposal (Landfill Sites)		60 981	37 590	14 243	15 951	14 951	14 951	14 370	15 046	15 447
Solid Waste Removal		266 812	257 466	320 297	324 127	326 127	326 127	262 781	285 128	294 095
Street Cleaning		–	–	–	–	–	–	–	–	–
Other		**26**	**–**	**1 089**	**1 143**	**1 143**	**1 143**	**1 193**	**1 247**	**1 278**
Abattoirs		–	–	–	–	–	–	–	–	–
Air Transport		–	–	–	–	–	–	–	–	–
Forestry		–	–	–	–	–	–	–	–	–
Licensing and Regulation		26	–	1 089	1 143	1 143	1 143	1 193	1 247	1 278
Markets		–	–	–	–	–	–	–	–	–
Tourism		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	**5 315 810**	**6 512 052**	**7 250 565**	**7 531 866**	**6 886 111**	**6 886 111**	**6 732 898**	**7 040 056**	**7 194 721**
Surplus/(Deficit) for the year		**568 151**	**803 918**	**1 042 635**	**946 618**	**755 687**	**755 687**	**605 842**	**679 074**	**749 891**

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison

2. Total Revenue by Functional Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)

3. Total Expenditure by Functional Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)

4. All amounts must be classified under a Functional classification. The GFS function 'Other' is only for Abbatoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

check oprev balance	-	-	-	-	-	-	-	-	-
check opexp balance	-	-	-	-	-	-	-	-	-

NW373 Rustenburg - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Energy Sources		2 390 053	3 755 118	4 591 389	4 025 040	3 095 040	3 095 040	2 569 117	2 726 068	2 805 098
Vote 2 - Community and Social Services		4 949	5 127	5 417	6 585	6 585	6 585	4 657	4 869	4 940
Vote 3 - Environmental Protection		–	–	–	–	–	–	–	–	–
Vote 4 - Executive & Council		25 928	24 058	94 629	49 480	109 480	109 480	784 136	813 772	853 227
Vote 5 - Finance & Admin		1 012 795	965 035	1 311 567	1 333 428	1 333 682	1 333 682	805 399	846 447	862 822
Vote 6 - Road Transport		213 778	240 845	259 854	285 518	285 518	285 518	257 171	265 718	281 878
Vote 7 - Planning and Development		267 576	285 391	271 569	281 306	340 365	340 365	315 791	330 692	353 195
Vote 8 - Public Safety		20 399	20 856	130 175	136 599	144 599	144 599	173 849	181 673	186 215
Vote 9 - Sport and Recreation		631	752	1 400	470	470	470	491	513	526
Vote 10 - Housing		3 778	4 377	9 613	10 354	10 354	10 354	11 518	11 785	11 939
Vote 11 - Water Management		1 019 182	1 108 093	1 138 619	1 239 343	1 209 343	1 209 343	1 221 762	1 292 990	1 324 544
Vote 12 - [NAME OF VOTE 12]		286 829	289 866	346 119	373 138	369 138	369 138	399 137	423 735	429 056
Vote 13 - Waste Water Management		483 063	506 025	132 848	737 222	737 222	737 222	795 713	820 870	831 173
Vote 14 - Other		155 000	110 426	–	–	–	–	–	–	–
Vote 15 - Internal Audit		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**5 883 961**	**7 315 970**	**8 293 199**	**8 478 484**	**7 641 798**	**7 641 798**	**7 338 740**	**7 719 130**	**7 944 611**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - Energy Sources		2 657 261	3 045 110	3 631 115	3 595 148	2 943 628	2 943 628	2 899 173	3 055 381	3 118 928
Vote 2 - Community and Social Services		71 729	77 547	79 697	81 429	80 929	80 929	80 692	82 875	83 971
Vote 3 - Environmental Protection		5 744	6 234	6 513	6 633	7 167	7 167	7 255	7 457	8 018
Vote 4 - Executive & Council		249 364	294 451	280 681	305 395	315 542	315 542	240 575	251 139	258 119
Vote 5 - Finance & Admin		359 722	566 511	601 730	501 534	455 492	455 492	471 998	493 485	510 318
Vote 6 - Road Transport		170 363	197 406	236 756	329 486	342 486	342 486	463 925	486 602	503 746
Vote 7 - Planning and Development		83 018	96 073	79 983	91 939	83 446	83 446	103 775	106 072	109 057
Vote 8 - Public Safety		310 593	345 768	390 490	387 886	422 236	422 236	411 833	431 486	442 373
Vote 9 - Sport and Recreation		97 814	71 687	59 809	66 160	65 660	65 660	40 145	42 014	43 222
Vote 10 - Housing		22 334	23 308	32 338	29 085	29 085	29 085	41 746	43 310	44 218
Vote 11 - Water Management		622 489	990 713	971 239	1 241 130	1 241 547	1 241 547	1 075 101	1 105 604	1 122 080
Vote 12 - [NAME OF VOTE 12]		209 616	322 309	330 507	342 992	343 992	343 992	277 067	300 086	309 455
Vote 13 - Waste Water Management		446 504	464 650	527 930	527 924	534 035	534 035	546 302	557 147	561 833
Vote 14 - Other		999	1 042	1 089	15 143	11 809	11 809	64 155	67 838	69 582
Vote 15 - Internal Audit		8 261	9 242	20 686	9 983	9 057	9 057	9 155	9 562	9 801
Total Expenditure by Vote	2	**5 315 810**	**6 512 052**	**7 250 565**	**7 531 866**	**6 886 111**	**6 886 111**	**6 732 898**	**7 040 056**	**7 194 721**
Surplus/(Deficit) for the year	2	**568 151**	**803 918**	**1 042 635**	**946 618**	**755 687**	**755 687**	**605 842**	**679 074**	**749 891**

References

1. Insert 'Vote'; e.g. department, if different to functional classification structure

2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)

3. Assign share in 'associate' to relevant Vote

NW373 Rustenburg - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Energy Sources		**2 390 053**	**3 755 118**	**4 591 389**	**4 025 040**	**3 095 040**	**3 095 040**	**2 569 117**	**2 726 068**	**2 805 098**
1.1 - Electricity		2 390 053	3 755 118	4 590 165	4 025 040	3 095 040	3 095 040	2 569 117	2 726 068	2 805 098
1.2 - Street Lighting and Signal Systems		–	–	1 224	–	–	–	–	–	–
1.3 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.4 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 2 - Community and Social Services		**4 949**	**5 127**	**5 417**	**6 585**	**6 585**	**6 585**	**4 657**	**4 869**	**4 940**
2.1 - Libraries and Archives		1 462	1 876	1 311	2 057	2 057	2 057	2 152	2 251	2 256
2.2 - Community Halls and Facilities		2 188	2 837	3 193	3 316	3 316	3 316	1 240	1 296	1 329
2.3 - Child Care Facilities		–	–	–	–	–	–	–	–	–
2.4 - Aged Care		–	–	–	–	–	–	–	–	–
2.5 - Cemeteries, Funeral Parlours and Crematoriums		1 299	414	912	1 212	1 212	1 212	1 265	1 322	1 355
2.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
2.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
2.8 - [Name of sub-vote]		0	–	–	–	–	–	–	–	–
2.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
2.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 3 - Environmental Protection		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
3.1 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.2 - Mayor and Council		–	–	–	–	–	–	–	–	–
3.3 - Municipal Manager, Town Secretary and Chief Execut		–	–	–	–	–	–	–	–	–
3.4 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 4 - Executive & Council		**25 928**	**24 058**	**94 629**	**49 480**	**109 480**	**109 480**	**784 136**	**813 772**	**853 227**
4.1 - Mayor and Council		21 114	21 958	82 922	36 980	96 980	96 980	784 136	813 772	853 227
4.2 - Municipal Manager, Town Secretary and Chief Execut		4 814	2 100	11 707	12 500	12 500	12 500	–	–	–
4.3 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
4.4 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
4.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
4.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
4.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
4.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
4.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
4.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 5 - Finance & Admin		**1 012 795**	**965 035**	**1 311 567**	**1 333 428**	**1 333 682**	**1 333 682**	**805 399**	**846 447**	**862 822**
5.1 - Administrative and Corporate Support		3 174	46	46	45	45	45	45	45	45
5.2 - Security Services		–	–	–	–	–	–	–	–	–
5.3 - Finance		1 007 763	964 301	1 310 894	1 332 470	1 332 479	1 332 479	804 511	845 523	861 877
5.4 - Fleet Management		–	–	–	–	–	–	–	–	–
5.5 - Human Resources		449	677	615	898	1 143	1 143	843	879	899
5.6 - Legal Services		12	12	12	15	15	15	–	–	–
5.7 - Legal Services		1 387	–	–	–	–	–	–	–	–
5.8 - Valuation Service		–	–	–	–	–	–	–	–	–
5.9 - Property Services		9	–	–	–	–	–	–	–	–
5.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 6 - Road Transport		**213 778**	**240 845**	**259 854**	**285 518**	**285 518**	**285 518**	**257 171**	**265 718**	**281 878**
6.1 - Roads		129	124	131	30 755	30 755	30 755	100	105	107
6.2 - Public Transport		213 649	240 721	259 723	254 763	254 763	254 763	257 071	265 614	281 771
6.3 - Road and Traffic Regulation		–	–	–	–	–	–	–	–	–
6.4 - Taxi Ranks		–	–	–	–	–	–	–	–	–
6.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 7 - Planning and Development		**267 576**	**285 391**	**271 569**	**281 306**	**340 365**	**340 365**	**315 791**	**330 692**	**353 195**
7.1 - Project Management Unit		255 777	273 543	267 277	277 183	336 109	336 109	305 957	320 419	342 612
7.2 - Regional Planning and Development		–	–	–	–	–	–	–	–	–
7.3 - Economic Development/Planning		3 894	3 507	1 670	1 087	1 221	1 221	1 042	1 088	1 115
7.4 - Support to Local Municipalities		7 906	8 341	2 622	3 036	3 036	3 036	8 792	9 185	9 468
7.5 - Support to Local Municipalities		–	–	–	–	–	–	–	–	–
7.6 - Corporate Wide Strategic Planning (IDPs, LEDs)		–	–	–	–	–	–	–	–	–
7.7 - Risk Management		–	–	–	–	–	–	–	–	–
7.8 - Billboards		–	–	–	–	–	–	–	–	–
7.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
7.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 8 - Public Safety		**20 399**	**20 856**	**130 175**	**136 599**	**144 599**	**144 599**	**173 849**	**181 673**	**186 215**
8.1 - Fire Fighting and Protection		18 683	19 912	20 937	22 163	22 163	22 163	29 436	30 757	31 524
8.2 - Cleansing		–	–	–	–	–	–	–	–	–
8.3 - Civil Defence		–	–	–	–	–	–	–	–	–
8.4 - Civil Defence		–	–	–	–	–	–	–	–	–
8.5 - Licensing and Control of Animals		–	–	108 253	113 403	121 403	121 403	143 334	149 788	153 535
8.6 - Police Forces, Traffic and Street Parking Control		1 716	944	985	1 034	1 034	1 034	1 079	1 128	1 156
8.7 - Pounds		–	–	–	–	–	–	–	–	–
8.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
8.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–

NW373 Rustenburg - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
8.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 9 - Sport and Recreation		**631**	**752**	**1 400**	**470**	**470**	**470**	**491**	**513**	**526**
9.1 - Community Parks (including Nurseries)		–	–	300	–	–	–	–	–	–
9.2 - Sports Grounds and Stadiums		312	525	548	120	120	120	125	131	134
9.3 - Sports Grounds and Stadiums		319	227	552	350	350	350	365	382	391
9.4 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
9.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
9.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
9.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
9.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
9.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
9.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 10 - Housing		**3 778**	**4 377**	**9 613**	**10 354**	**10 354**	**10 354**	**11 518**	**11 785**	**11 939**
10.1 - [Name of sub-vote]		3 778	4 377	9 613	10 354	10 354	10 354	11 518	11 785	11 939
10.2 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.3 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.4 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 11 - Water Management		**1 019 182**	**1 108 093**	**1 138 619**	**1 239 343**	**1 209 343**	**1 209 343**	**1 221 762**	**1 292 990**	**1 324 544**
11.1 - Water Treatment		434 941	388 789	423 896	474 667	444 667	444 667	–	–	–
11.2 - Water Distribution		584 241	719 303	714 723	764 676	764 676	764 676	1 221 762	1 292 990	1 324 544
11.3 - Water Storage		–	–	–	–	–	–	–	–	–
11.4 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
11.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
11.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
11.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
11.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
11.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
11.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		**286 829**	**289 866**	**346 119**	**373 138**	**369 138**	**369 138**	**399 137**	**423 735**	**429 056**
12.1 - [Name of sub-vote]		158 035	156 856	179 660	188 522	184 522	184 522	399 137	423 735	429 056
12.2 - Waste Water Treatment		128 794	133 010	166 460	184 616	184 616	184 616	–	–	–
12.3 - Sewerage		–	–	–	–	–	–	–	–	–
12.4 - Public Toilets		–	–	–	–	–	–	–	–	–
12.5 - Storm Water Management		–	–	–	–	–	–	–	–	–
12.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
12.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
12.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
12.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
12.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 13 - Waste Water Management		**483 063**	**506 025**	**132 848**	**737 222**	**737 222**	**737 222**	**795 713**	**820 870**	**831 173**
13.1 - Waste Water Treatment		213 820	254 330	65 781	297 332	297 332	297 332	334 745	329 958	335 082
13.2 - Sewerage		269 242	251 694	67 067	439 890	439 890	439 890	460 968	490 912	496 090
13.3 - Public Toilets		–	–	–	–	–	–	–	–	–
13.4 - Storm Water Management		–	–	–	–	–	–	–	–	–
13.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
13.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
13.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
13.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
13.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
13.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 14 - Other		**155 000**	**110 426**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
14.1 - Markets		–	–	–	–	–	–	–	–	–
14.2 - Health Services		–	–	–	–	–	–	–	–	–
14.3 - Licensing and Regulation		155 000	110 426	–	–	–	–	–	–	–
14.4 - Asset Management		–	–	–	–	–	–	–	–	–
14.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
14.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
14.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
14.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
14.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
14.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 15 - Internal Audit		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
15.1 - Governance Function		–	–	–	–	–	–	–	–	–
15.2 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.3 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.4 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**5 883 961**	**7 315 970**	**8 293 199**	**8 478 484**	**7 641 798**	**7 641 798**	**7 338 740**	**7 719 130**	**7 944 611**

NW373 Rustenburg - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure by Vote	1									
Vote 1 - Energy Sources		**2 657 261**	**3 045 110**	**3 631 115**	**3 595 148**	**2 943 628**	**2 943 628**	**2 899 173**	**3 055 381**	**3 118 928**
1.1 - Electricity		2 652 664	3 036 784	3 626 811	3 583 864	2 933 364	2 933 364	2 884 712	3 040 273	3 103 367
1.2 - Street Lighting and Signal Systems		4 597	8 325	4 304	11 284	10 264	10 264	14 461	15 108	15 561
1.3 - [Name of sub-vote]		–	–	–		–	–	–	–	–
1.4 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
1.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 2 - Community and Social Services		**71 729**	**77 547**	**79 697**	**81 429**	**80 929**	**80 929**	**80 692**	**82 875**	**83 971**
2.1 - Libraries and Archives		25 648	26 909	36 525	38 871	38 871	38 871	38 467	38 613	38 660
2.2 - Community Halls and Facilities		37 095	41 123	35 491	34 365	33 865	33 865	26 574	27 745	28 436
2.3 - Child Care Facilities		–	–	–	–	–	–	–	–	–
2.4 - Aged Care		14	15	15	15	15	15	–	–	–
2.5 - Cemeteries, Funeral Parlours and Crematoriums		8 905	9 432	7 594	8 102	8 102	8 102	8 547	8 923	9 142
2.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
2.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
2.8 - [Name of sub-vote]		66	69	72	76	76	76	7 103	7 593	7 733
2.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
2.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 3 - Environmental Protection		**5 744**	**6 234**	**6 513**	**6 633**	**7 167**	**7 167**	**7 255**	**7 457**	**8 018**
3.1 - [Name of sub-vote]		5 744	6 234	6 513	6 633	7 167	7 167	7 255	7 457	8 018
3.2 - Mayor and Council		–	–	–	–	–	–	–	–	–
3.3 - Municipal Manager, Town Secretary and Chief Execut		–	–	–	–	–	–	–	–	–
3.4 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
3.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 4 - Executive & Council		**249 364**	**294 451**	**280 681**	**305 395**	**315 542**	**315 542**	**240 575**	**251 139**	**258 119**
4.1 - Mayor and Council		148 610	166 089	165 544	180 702	186 702	186 702	196 130	204 687	210 506
4.2 - Municipal Manager, Town Secretary and Chief Execut		100 754	128 361	115 137	124 692	128 840	128 840	44 445	46 452	47 613
4.3 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
4.4 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
4.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
4.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
4.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
4.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
4.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
4.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 5 - Finance & Admin		**359 722**	**566 511**	**601 730**	**501 534**	**455 492**	**455 492**	**471 998**	**493 485**	**510 318**
5.1 - Administrative and Corporate Support		29 648	42 898	38 672	43 203	42 733	42 733	79 697	83 471	86 662
5.2 - Security Services		–	–	–	–	–	–	–	–	–
5.3 - Finance		200 453	388 692	417 331	285 181	238 171	238 171	163 959	175 095	181 798
5.4 - Fleet Management		14	15	12	13	308	308	64 831	67 928	68 433
5.5 - Human Resources		24 937	31 940	30 113	34 519	30 165	30 165	32 956	34 677	35 654
5.6 - Legal Services		28 643	28 758	37 628	41 001	41 171	41 171	–	–	–
5.7 - Legal Services		35 659	31 859	26 863	28 079	33 407	33 407	35 218	35 679	37 701
5.8 - Valuation Service		154	260	162	115	115	115	–	–	–
5.9 - Property Services		40 213	42 089	50 949	69 424	69 424	69 424	95 336	96 636	100 070
5.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 6 - Road Transport		**170 363**	**197 406**	**236 756**	**329 486**	**342 486**	**342 486**	**463 925**	**486 602**	**503 746**
6.1 - Roads		100 128	101 866	153 738	128 260	138 260	138 260	265 500	275 658	278 454
6.2 - Public Transport		70 235	95 540	83 018	201 226	204 226	204 226	198 425	210 944	225 292
6.3 - Road and Traffic Regulation		–	–	–	–	–	–	–	–	–
6.4 - Taxi Ranks		–	–	–	–	–	–	–	–	–
6.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
6.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 7 - Planning and Development		**83 018**	**96 073**	**79 983**	**91 939**	**83 446**	**83 446**	**103 775**	**106 072**	**109 057**
7.1 - Project Management Unit		–	–	–	–	(0)	(0)	16 950	15 721	15 920
7.2 - Regional Planning and Development		6 363	6 618	3 728	6 000	4 000	4 000	–	–	–
7.3 - Economic Development/Planning		34 589	47 751	28 146	44 620	40 187	40 187	35 711	39 888	41 220
7.4 - Support to Local Municipalities		37 816	35 963	44 467	36 594	34 594	34 594	42 753	41 724	42 959
7.5 - Support to Local Municipalities		–	–	–	–	–	–	–	–	–
7.6 - Corporate Wide Strategic Planning (IDPs, LEDs)		1 821	3 215	1 014	1 968	1 968	1 968	5 276	5 514	5 652
7.7 - Risk Management		2 430	2 527	2 628	2 757	2 697	2 697	3 086	3 225	3 305
7.8 - Billboards		–	–	–	–	–	–	–	–	–
7.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
7.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 8 - Public Safety		**310 593**	**345 768**	**390 490**	**387 886**	**422 236**	**422 236**	**411 833**	**431 486**	**442 373**
8.1 - Fire Fighting and Protection		134 443	129 319	185 910	193 873	207 523	207 523	215 943	226 646	232 337
8.2 - Cleansing		–	–	–	–	–	–	–	–	–
8.3 - Civil Defence		1 901	36	1 356	1 422	1 422	1 422	1 485	1 552	1 591
8.4 - Civil Defence		–	–	–	–	–	–	–	–	–
8.5 - Licensing and Control of Animals		122 268	160 836	151 930	146 848	172 148	172 148	150 016	156 767	160 686
8.6 - Police Forces, Traffic and Street Parking Control		44 981	48 293	45 865	40 047	35 447	35 447	44 389	46 521	47 759
8.7 - Pounds		7 000	7 284	5 429	5 695	5 695	5 695	–	–	–
8.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–

NW373 Rustenburg - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
8.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
8.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 9 - Sport and Recreation		**97 814**	**71 687**	**59 809**	**66 160**	**65 660**	**65 660**	**40 145**	**42 014**	**43 222**
9.1 - Community Parks (including Nurseries)		38 714	41 417	38 149	40 688	40 688	40 688	17 345	18 125	18 587
9.2 - Sports Grounds and Stadiums		12 070	12 816	9 564	13 618	13 118	13 118	11 496	12 000	12 299
9.3 - Sports Grounds and Stadiums		47 030	17 455	12 096	11 853	11 853	11 853	11 303	11 889	12 336
9.4 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
9.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
9.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
9.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
9.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
9.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
9.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 10 - Housing		**22 334**	**23 308**	**32 338**	**29 085**	**29 085**	**29 085**	**41 746**	**43 310**	**44 218**
10.1 - [Name of sub-vote]		22 334	23 308	32 338	29 085	29 085	29 085	41 746	43 310	44 218
10.2 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.3 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.4 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
10.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 11 - Water Management		**622 489**	**990 713**	**971 239**	**1 241 130**	**1 241 547**	**1 241 547**	**1 075 101**	**1 105 604**	**1 122 080**
11.1 - Water Treatment		–	–	–	26 498	26 498	26 498	–	–	–
11.2 - Water Distribution		622 489	990 713	519 389	1 214 633	1 215 050	1 215 050	1 075 101	1 105 604	1 122 080
11.3 - Water Storage		–	–	–	–	–	–	–	–	–
11.4 - [Name of sub-vote]		–	–	451 850	–	–	–	–	–	–
11.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
11.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
11.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
11.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
11.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
11.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		**209 616**	**322 309**	**330 507**	**342 992**	**343 992**	**343 992**	**277 067**	**300 086**	**309 455**
12.1 - [Name of sub-vote]		15 383	16 460	12 743	15 951	16 951	16 951			
12.2 - Waste Water Treatment		194 233	305 848	317 764	327 041	327 041	327 041	277 067	300 086	309 455
12.3 - Sewerage		–	–	–	–	–	–	–	–	–
12.4 - Public Toilets		–	–	–	–	–	–	–	–	–
12.5 - Storm Water Management		–	–	–	–	–	–	–	–	–
12.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
12.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
12.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
12.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
12.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 13 - Waste Water Management		**446 504**	**464 650**	**527 930**	**527 924**	**534 035**	**534 035**	**546 302**	**557 147**	**561 833**
13.1 - Waste Water Treatment		166 410	167 995	175 387	183 731	183 731	183 731	335 299	345 942	345 348
13.2 - Sewerage		280 075	296 635	352 543	343 823	349 935	349 935	211 003	211 205	216 486
13.3 - Public Toilets		–	–	–	–	–	–	–	–	–
13.4 - Storm Water Management		20	20	–	369	369	369	–	–	–
13.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
13.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
13.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
13.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
13.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
13.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 14 - Other		**999**	**1 042**	**1 089**	**15 143**	**11 809**	**11 809**	**64 155**	**67 838**	**69 582**
14.1 - Markets		–	–	–	–	–	–	–	–	–
14.2 - Health Services		–	–	–	–	–	–	–	–	–
14.3 - Licensing and Regulation		999	1 042	1 089	1 143	1 143	1 143	–	–	–
14.4 - Asset Management		–	–	–	14 000	13 166	13 166	64 155	67 838	69 582
14.5 - [Name of sub-vote]		–	–	–	–	(2 500)	(2 500)	–	–	–
14.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
14.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
14.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
14.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
14.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Vote 15 - Internal Audit		**8 261**	**9 242**	**20 686**	**9 983**	**9 057**	**9 057**	**9 155**	**9 562**	**9 801**
15.1 - Governance Function		8 261	9 242	20 686	9 983	9 057	9 057	9 155	9 562	9 801
15.2 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.3 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.4 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.5 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.6 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.7 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
15.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**5 315 810**	**6 512 052**	**7 250 565**	**7 531 866**	**6 886 111**	**6 886 111**	**6 732 898**	**7 040 056**	**7 194 721**
Surplus/(Deficit) for the year	2	**568 151**	**803 918**	**1 042 635**	**946 618**	**755 687**	**755 687**	**605 842**	**679 074**	**749 891**

References

1. Insert 'Vote'; e.g. Department, if different to Functional structure

2. Must reconcile to Financial Performance ('Revenue and Expenditure by Functional Classification' and 'Revenue and Expenditure')

3. Assign share in 'associate' to relevant Vote

NW373 Rustenburg - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	2 566 167	3 691 715	4 049 322	3 963 727	3 033 727	3 033 727	3 033 727	2 513 530	2 659 242	2 741 340
Service charges - Water	2	519 392	553 596	595 954	653 909	623 909	623 909	623 909	617 929	654 736	676 105
Service charges - Waste Water Management	2	386 771	405 800	432 405	480 629	480 629	480 629	480 629	527 552	531 442	541 603
Service charges - Waste Management	2	155 999	154 931	182 148	190 415	190 415	190 415	190 415	199 542	208 521	213 734
Sale of Goods and Rendering of Services		8 000	8 189	9 806	31 658	31 858	31 858	31 858	34 228	34 730	35 694
Agency services		104 983	110 424	108 282	113 426	121 426	121 426	121 426	143 375	149 827	153 573
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		411 621	428 086	527 919	551 272	611 272	611 272	611 272	486 728	505 231	539 231
Interest earned from Current and Non Current Assets		25 149	26 217	37 383	41 725	41 725	41 725	41 725	93 352	95 303	95 427
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-		-		-	-
Rental from Fixed Assets		11 078	14 080	14 021	14 622	14 565	14 565	14 565	12 537	13 030	13 315
Licence and permits		154	11 288	12 130	12 662	12 662	12 662	12 662	13 309	13 908	14 255
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		8 656	10 448	10 793	19 272	19 272	19 272	19 272	20 526	20 273	21 028
Non-Exchange Revenue											
Property rates	2	496 067	516 902	549 646	590 738	590 738	590 738	590 738	600 347	627 363	643 047
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		9 369	9 399	9 587	10 057	10 057	10 057	10 057	16 794	17 549	17 988
Licences or permits		12 247	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		947 882	1 127 277	1 304 905	1 393 874	1 397 019	1 397 019	1 397 019	1 469 034	1 580 069	1 592 227
Interest		-	-	-	-	-	-	-	208 800	218 196	223 651
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	(0)	-	-	-	-	-	-
Gains on disposal of Assets		6 200	6 448	7 088	7 184	3 184	3 184	3 184	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contri		**5 669 738**	**7 074 800**	**7 851 389**	**8 075 171**	**7 182 459**	**7 182 459**	**7 182 459**	**6 957 585**	**7 329 420**	**7 522 219**
Expenditure											
Employee related costs	2	875 664	905 598	929 095	1 005 982	1 021 587	1 021 587	1 021 587	1 034 970	1 078 203	1 091 660
Remuneration of councillors		68 229	70 958	71 890	74 787	74 787	74 787	74 787	77 587	80 952	83 752
Bulk purchases - electricity	2	1 627 750	2 617 167	2 956 723	2 950 148	2 297 139	2 297 139	2 297 139	2 423 181	2 553 675	2 621 961
Inventory consumed	8	504 518	547 166	571 307	671 401	634 957	634 957	375 708	658 033	677 309	691 440
Debt impairment	3	793 908	826 738	881 129	849 157	849 157	849 157	849 157	752 019	792 319	796 319
Depreciation and amortisation		492 913	480 045	497 859	522 778	522 778	522 778	522 778	491 025	510 903	523 689
Interest		84 328	85 409	62 123	59 917	59 917	59 917	59 917	66 725	68 415	69 520
Contracted services		612 110	708 127	940 211	1 044 242	1 041 935	1 041 935	1 041 935	892 108	926 998	958 070
Transfers and subsidies		19 502	20 292	21 164	24 177	24 177	24 177	24 177	20 967	21 908	22 564
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		236 888	250 552	319 065	329 276	359 676	359 676	359 373	316 282	329 374	335 746
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		**5 315 810**	**6 512 052**	**7 250 565**	**7 531 866**	**6 886 111**	**6 886 111**	**6 626 559**	**6 732 898**	**7 040 056**	**7 194 721**
Surplus/(Deficit)		**353 929**	**562 748**	**600 824**	**543 305**	**296 348**	**296 348**	**555 900**	**224 687**	**289 364**	**327 499**
Transfers and subsidies - capital (monetary	6	214 223	241 169	441 810	403 313	459 339	459 339	459 339	381 155	389 710	422 392
Transfers and subsidies - capital (in-kind)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**568 151**	**803 918**	**1 042 635**	**946 618**	**755 687**	**755 687**	**1 015 239**	**605 842**	**679 074**	**749 891**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**568 151**	**803 918**	**1 042 635**	**946 618**	**755 687**	**755 687**	**1 015 239**	**605 842**	**679 074**	**749 891**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**568 151**	**803 918**	**1 042 635**	**946 618**	**755 687**	**755 687**	**1 015 239**	**605 842**	**679 074**	**749 891**
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		13 052	35 957	5 763	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**581 203**	**839 875**	**1 048 398**	**946 618**	**755 687**	**755 687**	**1 015 239**	**605 842**	**679 074**	**749 891**

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Energy Sources		–	–	–	–	–	–	–	–	–	–
Vote 2 - Community and Social Services		–	–	–	–	–	–	–	–	–	–
Vote 3 - Environmental Protection		–	–	–	–	–	–	–	–	–	–
Vote 4 - Executive & Council		–	–	–	–	–	–	–	–	–	–
Vote 5 - Finance & Admin		–	–	–	–	–	–	–	–	–	–
Vote 6 - Road Transport		–	–	–	–	–	–	–	–	–	–
Vote 7 - Planning and Development		–	–	–	–	–	–	–	–	–	–
Vote 8 - Public Safety		–	–	–	–	–	–	–	–	–	–
Vote 9 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–
Vote 10 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 11 - Water Management		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 14 - Other		–	–	–	–	–	–	–	–	–	–
Vote 15 - Internal Audit		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Energy Sources		150 078	115 981	133 842	70 790	71 820	71 820	71 820	44 917	58 442	61 244
Vote 2 - Community and Social Services		12 663	41 026	16 458	10 168	10 168	10 168	10 168	7 987	7 041	8 287
Vote 3 - Environmental Protection		–	100	–	534	–	–	–	–	–	–
Vote 4 - Executive & Council		9 853	25 041	12 862	2 250	2 250	2 250	2 250	3 643	167	171
Vote 5 - Finance & Admin		3 000	13 929	21 450	93 335	102 385	102 385	102 385	18 900	17 812	16 991
Vote 6 - Road Transport		209 839	217 357	179 285	51 230	48 230	48 230	48 230	38 001	26 871	28 010
Vote 7 - Planning and Development		23 077	26 754	8 924	281 047	341 140	341 140	341 140	290 842	307 188	328 759
Vote 8 - Public Safety		9 777	15 553	2 250	28 188	18 388	18 388	18 388	11 815	3 650	2 050
Vote 9 - Sport and Recreation		9 725	13 442	12 005	2 280	2 280	2 280	2 280	4 503	583	475
Vote 10 - Housing		1 500	1 563	1 000	199	199	199	199	500	523	547
Vote 11 - Water Management		54 325	37 400	20 333	88 763	88 763	88 763	88 763	53 680	37 361	46 699
Vote 12 - [NAME OF VOTE 12]		3 425	4 880	4 890	1 984	1 984	1 984	1 984	550	546	274
Vote 13 - Waste Water Management		32 184	111 308	152 112	10 670	10 520	10 520	10 520	7 275	21 558	23 247
Vote 14 - Other		–	–	–	–	–	–	–	–	–	–
Vote 15 - Internal Audit		–	–	250	175	175	175	175	91	95	98
Capital single-year expenditure sub-total		**519 447**	**624 333**	**565 661**	**641 611**	**698 300**	**698 300**	**698 300**	**482 704**	**481 837**	**516 852**
Total Capital Expenditure - Vote		**519 447**	**624 333**	**565 661**	**641 611**	**698 300**	**698 300**	**698 300**	**482 704**	**481 837**	**516 852**
Capital Expenditure - Functional											
Governance and administration		**12 853**	**39 249**	**34 312**	**95 760**	**104 810**	**104 810**	**104 810**	**22 645**	**18 074**	**17 260**
Executive and council		9 853	25 041	12 862	2 250	2 250	2 250	2 250	3 643	167	171
Finance and administration		3 000	13 929	21 450	93 335	102 385	102 385	102 385	18 910	17 812	16 991
Internal audit		–	280	–	175	175	175	175	91	95	98
Community and public safety		**33 665**	**71 584**	**31 713**	**40 835**	**31 035**	**31 035**	**31 035**	**20 804**	**11 797**	**11 359**
Community and social services		12 663	41 026	16 458	10 168	10 168	10 168	10 168	7 987	7 041	8 287
Sport and recreation		9 725	13 442	12 005	2 280	2 280	2 280	2 280	503	583	475
Public safety		9 777	15 553	2 250	28 188	18 388	18 388	18 388	11 815	3 650	2 050
Housing		1 500	1 563	1 000	199	199	199	199	500	523	547
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**232 916**	**244 111**	**188 209**	**332 810**	**389 370**	**389 370**	**389 370**	**323 713**	**334 059**	**356 769**
Planning and development		23 077	26 754	8 924	281 047	341 140	341 140	341 140	291 712	307 188	328 759
Road transport		209 839	217 357	179 285	51 230	48 230	48 230	48 230	32 001	26 871	28 010
Environmental protection		–	–	–	534	–	–	–	–	–	–
Trading services		**240 013**	**269 569**	**311 177**	**172 206**	**173 086**	**173 086**	**173 086**	**115 542**	**117 907**	**131 464**
Energy sources		150 078	115 981	133 842	70 790	71 820	71 820	71 820	46 917	58 442	61 244
Water management		54 325	37 400	20 333	88 763	88 763	88 763	88 763	48 800	37 361	46 699
Waste water management		32 184	111 308	152 112	10 670	10 520	10 520	10 520	19 275	21 558	23 247
Waste management		3 425	4 880	4 890	1 984	1 984	1 984	1 984	550	546	274
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	3	**519 447**	**624 513**	**565 411**	**641 611**	**698 300**	**698 300**	**698 300**	**482 704**	**481 837**	**516 852**
Funded by:											
National Government		371 724	431 221	441 297	402 858	458 884	458 884	458 884	380 673	389 212	422 824
Provincial Government		511	892	687	455	455	455	455	482	498	498
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**372 235**	**432 113**	**441 985**	**403 313**	**459 339**	**459 339**	**459 339**	**381 155**	**389 710**	**423 322**
Borrowing	6	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Internally generated funds		147 212	192 400	123 426	238 298	238 961	238 961	238 961	101 550	92 127	93 530
Total Capital Funding	7	**519 447**	**624 513**	**565 411**	**641 611**	**698 300**	**698 300**	**698 300**	**482 704**	**481 837**	**516 852**

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).

2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year

3. Capital expenditure by functional classification must reconcile to the appropriations by vote

4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)

6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

7. Total Capital Funding must balance with Total Capital Expenditure

8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget

NW373 Rustenburg - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28

Capital expenditure - Municipal Vote Single-year expenditure appropriation	2									
Vote 1 - Energy Sources	150 078	115 981	133 842	70 790	71 820	71 820	71 820	44 917	58 442	61 244
1.1 - Electricity	131 078	96 981	107 842	70 790	71 820	71 820	71 820	44 917	58 442	61 244
1.2 - Street Lighting and Signal Systems	19 000	19 000	26 000	–	–	–		–	–	–
1.3 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
1.4 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
1.5 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
1.6 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
1.7 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
1.8 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
1.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
1.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
Vote 2 - Community and Social Services	12 663	41 026	16 458	10 168	10 168	10 168	10 168	7 987	7 041	8 287
2.1 - Libraries and Archives	511	892	687	455	455	455	455	482	498	498
2.2 - Community Halls and Facilities	1 300	17 134	3 770	8 937	8 937	8 937	8 937	6 755	5 758	6 969
2.3 - Child Care Facilities	–	–	–	776	776	776	776	750	785	821
2.4 - Aged Care	–	–	–	–	–	–		–	–	–
2.5 - Cemeteries, Funeral Parlours and Crematoriums	10 851	23 000	12 000	–	–	–		–	–	–
2.6 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
2.7 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
2.8 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
2.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
2.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
Vote 3 - Environmental Protection	–	100	–	534	–	–	–	–	–	–
3.1 - [Name of sub-vote]	–	100	–	534	–	–	–	–	–	–
3.2 - Mayor and Council	–	–	–	–	–	–	–	–	–	–
3.3 - Municipal Manager, Town Secretary and Chief Exe	–	–	–	–	–	–	–	–	–	–
3.4 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
3.5 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
3.6 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
3.7 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
3.8 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
3.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
3.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
Vote 4 - Executive & Council	9 853	25 041	12 862	2 250	2 250	2 250	2 250	3 643	167	171
4.1 - Mayor and Council	–	504	1 800	388	388	388	388	75	–	–
4.2 - Municipal Manager, Town Secretary and Chief Exe	9 853	24 537	11 062	1 862	1 862	1 862	1 862	3 568	167	171
4.3 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
4.4 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
4.5 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
4.6 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
4.7 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
4.8 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
4.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
4.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
Vote 5 - Finance & Admin	3 000	13 929	21 450	93 335	102 385	102 385	102 385	18 900	17 812	16 991
5.1 - Administrative and Corporate Support	32	30	–	–	–	–	–	–	–	–
5.2 - Security Services	–	4 650	950	970	970	970	970	500	523	547
5.3 - Finance	987	4 404	3 185	3 017	11 417	11 417	11 417	3 250	2 500	1 500
5.4 - Fleet Management	–	3 044	12 565	47 153	47 153	47 153	47 153	12 500	12 289	12 693
5.5 - Human Resources	–	–	–	–	–	–		–	–	–
5.6 - Legal Services	–	300	–	–	–	–		–	–	–
5.7 - Legal Services	–	–	–	–	–	–		–	–	–
5.8 - Valuation Service	–	–	–	–	–	–		–	–	–
5.9 - Property Services	–	–	–	–	–	–		–	–	–
5.10 - Information Technology	1 981	1 500	4 750	42 195	42 845	42 845	42 845	2 650	2 500	2 250
Vote 6 - Road Transport	209 839	217 357	179 285	51 230	48 230	48 230	48 230	38 001	26 871	28 010
6.1 - Roads	66 749	155 372	126 976	15 025	15 025	15 025	15 025	11 315	5 595	5 762
6.2 - Public Transport	143 090	61 765	33 710	31 205	7 575	7 575	7 575	26 686	9 276	9 696
6.3 - Road and Traffic Regulation	–	220	–	–	–	–	–	–	–	–
6.4 - Taxi Ranks	–	–	18 600	5 000	25 630	25 630	25 630	–	12 000	12 552
6.5 - [Name of sub-vote]	–	–	–	–	–	–		–	–	–
6.6 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
6.7 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
6.8 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
6.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
6.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
Vote 7 - Planning and Development	23 077	26 754	8 924	281 047	341 140	341 140	341 140	290 842	307 188	328 759
7.1 - Project Management Unit	–	–	–	274 330	333 256	333 256	333 256	288 307	304 698	326 131
7.2 - Regional Planning and Development	–	–	–	–	–	–	–	–	–	–
7.3 - Economic Development/Planning	14 790	20 502	7 200	5 116	6 283	6 283	6 283	1 325	1 445	1 557
7.4 - Support to Local Municipalities	6 000	6 252	1 724	1 601	1 601	1 601	1 601	1 200	1 045	1 071
7.5 - Support to Local Municipalities	–	–	–	–	–	–		–	–	–
7.6 - Corporate Wide Strategic Planning (IDPs, LEDs)	2 287	–	–	–	–	–		–	–	–
7.7 - Risk Management	–	–	–	–	–	–		10	–	–
7.8 - Billboards	–	–	–	–	–	–		–	–	–
7.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
7.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
Vote 8 - Public Safety	9 777	15 553	2 250	28 188	18 388	18 388	18 388	11 815	3 650	2 050
8.1 - Fire Fighting and Protection	2 312	6 660	650	4 200	4 200	4 200	4 200	375	2 600	100

8.2 - Cleansing		–	–	–	–	–	–	–	–	–	–
8.3 - Civil Defence		–	–	–	–	–	–	–	–	–	–
8.4 - Civil Defence		–	–	–	–	–	–	–	–	–	–
8.5 - Licensing and Control of Animals		–	4 033	–	3 104	3 104	3 104	3 104	300	–	350
8.6 - Police Forces, Traffic and Street Parking Control		7 465	3 210	1 600	19 807	10 007	10 007	10 007	11 140	1 050	1 600
8.7 - Pounds		–	1 650	–	1 077	1 077	1 077	1 077	–	–	–
8.8 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–	–
8.9 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–	–
8.10 - [Name of sub-vote]		–	–	–	–	–	–	–	–	–	–

Vote 9 - Sport and Recreation	9 725	13 442	12 005	2 280	2 280	2 280	2 280	4 503	583	475
9.1 - Community Parks (including Nurseries)	1 610	5 200	340	388	388	388	388	298	300	305
9.2 - Sports Grounds and Stadiums	115	647	465	485	485	485	485	4 105	83	85
9.3 - Sports Grounds and Stadiums	8 000	7 595	11 200	1 407	1 407	1 407	1 407	100	200	85
9.4 - [Name of sub-vote]	–	–	–	–	–	–		–	–	–
9.5 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
9.6 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
9.7 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
9.8 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
9.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
9.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
Vote 10 - Housing	1 500	1 563	1 000	199	199	199	199	500	523	547
10.1 - [Name of sub-vote]	1 500	1 563	1 000	199	199	199	199	500	523	547
10.2 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
10.3 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
10.4 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
10.5 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
10.6 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
10.7 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
10.8 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
10.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
10.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
Vote 11 - Water Management	54 325	37 400	20 333	88 763	88 763	88 763	88 763	53 680	37 361	46 699
11.1 - Water Treatment	54 325	32 900	8 000	–	–	–		–	–	–
11.2 - Water Distribution	–	4 500	12 333	88 763	88 763	88 763	88 763	53 680	37 361	46 699
11.3 - Water Storage	–	–	–	–	–	–		–	–	–
11.4 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
11.5 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
11.6 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
11.7 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
11.8 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
11.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
11.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
Vote 12 -Waste Management	3 425	4 880	4 890	1 984	1 984	1 984	1 984	550	546	274
12.1 -Solid Waste Removal	3 425	3 000	4 000	44	44	44	44	–	–	–
12.2 - Waste Water Treatment	–	1 880	890	1 940	1 940	1 940	1 940	550	546	274
12.3 - Sewerage	–	–	–	–	–	–		–	–	–
12.4 - Public Toilets	–	–	–	–	–	–	–	–	–	–
12.5 - Storm Water Management	–	–	–	–	–	–	–	–	–	–
12.6 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
12.7 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
12.8 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
12.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
12.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
Vote 13 - Waste Water Management	32 184	111 308	152 112	10 670	10 520	10 520	10 520	7 275	21 558	23 247
13.1 - Waste Water Treatment	–	–	–	–	–	–	–	–	–	–
13.2 - Sewerage	29 088	111 308	148 112	10 670	10 520	10 520	10 520	7 275	21 558	23 247
13.3 - Public Toilets	–	–	–	–	–	–		–	–	–
13.4 - Storm Water Management	3 097	–	4 000	–	–	–		–	–	–
13.5 - [Name of sub-vote]	–	–	–	–	–	–		–	–	–
13.6 - [Name of sub-vote]	–	–	–	–	–	–		–	–	–
13.7 - [Name of sub-vote]	–	–	–	–	–	–		–	–	–
13.8 - [Name of sub-vote]	–	–	–	–	–	–		–	–	–
13.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
13.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
Vote 14 - Other	–	–	–	–	–	–	–	–	–	–
14.1 - Markets	–	–	–	–	–	–	–	–	–	–
14.2 - Health Services	–	–	–	–	–	–	–	–	–	–
14.3 - Licensing and Regulation	–	–	–	–	–	–	–	–	–	–
14.4 - Asset Management	–	–	–	–	–	–	–	–	–	–
14.5 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
14.6 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
14.7 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
14.8 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
14.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
14.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
Vote 15 - Internal Audit	–	–	250	175	175	175	175	91	95	98
15.1 - Governance Function	–	–	250	175	175	175	175	91	95	98
15.2 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
15.3 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
15.4 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
15.5 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
15.6 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
15.7 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
15.8 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
15.9 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
15.10 - [Name of sub-vote]	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	519 447	624 333	565 661	641 611	698 300	698 300	698 300	482 704	481 837	516 852
Total Capital Expenditure	519 447	624 333	565 661	641 611	698 300	698 300	698 300	482 704	481 837	516 852

Multi-year appropriation for Budget Year 2025/26 in the 2024/25 Annual Budget				Multi-year appropriation for 2026/27 in the 2024/25 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
Appropriation for 2025/26	Adjustments in 2024/25	Downward adjustments for 2025/26	Appropriation carried forward	Appropriation for 2025/26	Adjustments in 2024/25	Downward adjustments for 2025/26	Appropriation carried forward	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28

NW373 Rustenburg - Table A6 Budgeted Financial Position

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS											
Current assets											
Cash and cash equivalents		705 051	1 262 207	700 272	755 129	430 724	430 724	430 724	876 689	1 328 691	1 823 442
Trade and other receivables from exchange transactions	1	190 431	198 049	207 159	131 619	131 619	131 619	131 619	479 238	448 779	481 592
Cash from non-exchange receivables	1	33 222	46 520	54 965	111 449	111 449	111 449	111 449	259 175	495 004	737 016
Current portion of non-current receivables		1 054	1 096	1 196	1 365	1 365	1 365	1 365	502	507	6 150
Inventory	2	626 517	146 115	163 017	145 030	145 030	145 030	145 030	147 000	131 868	144 092
VAT						–	–				
Other current assets		111 174	115 621	121 322	125 653	125 653	125 653	125 653	–	–	–
Total current assets		**1 667 450**	**1 769 609**	**1 247 931**	**1 270 244**	**945 839**	**945 839**	**945 839**	**1 762 604**	**2 404 849**	**3 192 292**
Non current assets											
Investments		952	991	999	1 200	1 200	1 200	1 200	1 075	1 323	1 573
Investment property		388 920	404 477	369 521	309 125	309 125	309 125	309 125	198 365	100 000	118 980
Property, plant and equipment	3	10 450 055	10 576 105	10 522 148	10 259 524	10 259 524	10 259 524	10 259 524	8 472 777	8 854 052	9 075 403
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets						–	–			–	–
Intangible assets		794	4 048	2 920	2 500	2 500	2 500	2 500	6 215	3 079	3 337
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–		–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–
Other non-current assets		147	30	29	32	32	32	32	30	29	32
Total non current assets		**10 840 868**	**10 985 650**	**10 895 616**	**10 572 381**	**10 572 381**	**10 572 381**	**10 572 381**	**8 678 461**	**8 958 483**	**9 199 325**
TOTAL ASSETS		**12 508 318**	**12 755 259**	**12 143 547**	**11 842 625**	**11 518 220**	**11 518 220**	**11 518 220**	**10 441 065**	**11 363 332**	**12 391 617**
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		96 103	85 003	103 124	89 346	89 346	89 346	89 346	75 679	65 678	45 679
Consumer deposits		52 789	54 901	57 481	60 124	60 124	60 124	60 124	62 829	65 594	67 233
Trade and other payables from exchange transactions	4	556 394	611 792	382 199	354 787	354 787	354 787	354 787	248 637	255 802	267 638
Trade and other payables from non-exchange transactions	5			158 346	148 365	148 365	148 365	148 365	55 486	76 457	65 346
Provision		25 927	26 902	28 166	13 000	13 000	13 000	13 000	35 000	57 000	46 000
VAT						–	–		20 967	21 908	22 564
Other current liabilities		–	–	–	–	–	–	–	–	–	–
Total current liabilities		**731 214**	**778 598**	**729 317**	**665 622**	**665 622**	**665 622**	**665 622**	**498 598**	**542 439**	**514 460**
Non current liabilities											
Financial liabilities	6	550 000	400 000	364 000	300 000	300 000	300 000	300 000	203 218	200 453	175 984
Provision	7	272 587	325 299	145 713	150 476	150 476	150 476	150 476	278 816	291 362	298 647
Long term portion of trade payables											–
Other non-current liabilities		–	–	–	–	–	–		–	–	–
Total non current liabilities		**822 587**	**725 299**	**509 713**	**450 476**	**450 476**	**450 476**	**450 476**	**482 034**	**491 816**	**474 631**
TOTAL LIABILITIES		**1 553 800**	**1 503 896**	**1 239 031**	**1 116 097**	**1 116 097**	**1 116 097**	**1 116 097**	**980 632**	**1 034 254**	**989 090**
NET ASSETS		**10 954 518**	**11 251 362**	**10 904 516**	**10 726 528**	**10 402 123**	**10 402 123**	**10 402 123**	**9 460 433**	**10 329 077**	**11 402 526**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	7 835 752	11 043 050	10 699 928	10 421 945	10 097 539	10 097 539	10 097 539	9 142 143	10 039 618	11 197 938
Reserves and funds	9	3 118 766	208 312	204 588	304 584	304 584	304 584	304 584	318 290	289 459	204 588
Other											
TOTAL COMMUNITY WEALTH/EQUITY	10	**10 954 518**	**11 251 362**	**10 904 516**	**10 726 528**	**10 402 123**	**10 402 123**	**10 402 123**	**9 460 433**	**10 329 077**	**11 402 526**

References

1. Detail breakdown in Table SA3 for Trade receivables from Exchange and Non-exchange transactions

2. Include completed low cost housing to be transferred to beneficiaries within 12 months detail provided in Table SA3

3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements) detail in SA3

4. Detail breakdown in Table SA3.

5. Detail breakdown in Table SA3.

Store Type	Classification	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Agricultural	Opening balance - Agricultural	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Agricultural	-	-	-	-	-	-	-	-	-	-
	Adjustments - Agricultural	-	-	-	-	-	-	-	-	-	-
	Issues - Agricultural	-	-	-	-	-	-	-	-	-	-
	Write Off - Agricultural	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Agricultural	-	-	-	-	-	-	-	-	-	-
Agricultural Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Consumables Standard Rated	Opening balance - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Consumables Standard Rated	5 712	3 169	22 062	91 202	91 202	91 202	91 202	3 411	3 570	3 659
	Adjustments - Consumables Standard Rated	(5 712)	(3 169)	(22 062)	(91 202)	(91 202)	(91 202)	(91 202)	(3 411)	(3 570)	(3 659)
	Issues - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
	Write Off - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Consumables	-	-	-	-	-	-	-	-	-	-
Consumables Standard Rated Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0**	**(0)**	**(0)**
Consumables Zero Rated	Opening balance - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Consumables Zero Rated	-	-	-	-	-	-	-	51	53	55
	Adjustments - Consumables Zero Rated	-	-	-	-	-	-	-	(51)	(53)	(55)
	Issues - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Write Off - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Consumables	-	-	-	-	-	-	-	-	-	-
Consumables Zero Rated Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(0)**	**(0)**
Finished Goods	Opening balance - Finished Goods	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Finished Goods	18 877	19 376	521	44 203	44 203	44 203	44 203	52 979	56 092	57 490
	Adjustments - Finished Goods	(18 877)	(19 376)	19 280	(44 203)	(44 203)	(44 203)	(44 203)	(52 979)	(56 092)	(57 490)
	Issues - Finished Goods	-	-	(19 280)	-	-	-	-	-	-	-
	Write Off - Finished Goods	-	521	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Finished Goods	-	-	-	-	-	-	-	-	-	-
Finished Goods Total		**-**	**521**	**521**	**-**	**-**	**-**	**-**	**0**	**(0)**	**(0)**
Housing Stock	Opening balance - Housing Stock	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Housing Stock	-	-	-	-	-	-	-	-	-	-
	Sales - Housing Stock	-	-	-	-	-	-	-	-	-	-
	Transfer - Housing stock	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Housing stock	-	-	-	-	-	-	-	-	-	-
Housing Stock Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Land	Opening balance - Land	-	130 000	-	-	-	-	-	-	-	-
	Acquisitions - Land	1 976 607	6 252	145 594	143 575	143 575	143 575	143 575	150 000	135 000	147 365
	Sales - land	-	-	6 927	1 455	1 455	1 455	1 455	(3 000)	(3 132)	(3 273)
	Adjustments - Land	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Land	626 517	9 342	-	-	-	-	-	-	-	-
	Transfers - Land	-	-	9 974	-	-	-	-	-	-	-
Land Total		**2 603 124**	**145 594**	**162 496**	**145 030**	**145 030**	**145 030**	**145 030**	**147 000**	**131 868**	**144 092**
Materials and Supplies	Opening balance - Materials and Supplies	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Materials and Supplies	18 877	19 376	521	44 203	44 203	44 203	44 203	52 979	56 092	57 490
	Adjustments - Materials and Supplies	(18 877)	(19 376)	19 280	(44 203)	(44 203)	(44 203)	(44 203)	(52 979)	(56 092)	(57 490)
	Issues - Materials and Supplies	-	-	(19 280)	-	-	-	-	-	-	-
	Write Off - Materials and Supplies	-	521	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Materials and Supplies	-	-	-	-	-	-	-	-	-	-
Materials and Supplies Total		**-**	**521**	**521**	**-**	**-**	**-**	**-**	**0**	**(0)**	**(0)**
Water	Opening balance - Water	(1 497 321)	-	-	-	-	-	-	-	-	-
	Acquisitions - Water bulk purchases	-	523 318	567 949	622 757	586 313	586 313	586 313	599 158	615 157	627 739
	Acquisitions - Water natural sources	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Water treatment works	-	523 318	567 949	622 757	586 313	586 313	586 313	599 158	615 157	627 739
	Billed Authorised Consumption:Billed Metered	-	-	-	-	-	-	-	-	-	-

NW373 Rustenburg - Table A7 Budgeted Cash Flows

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		391 893	516 902	549 646	486 633	486 633	486 633	486 633	600 347	627 363	643 047
Service charges		3 706 672	4 338 042	4 034 358	4 534 564	3 574 564	3 574 564	3 574 564	3 262 551	3 425 147	3 546 211
Other revenue		206 289	171 700	142 651	170 039	178 182	178 182	178 182	206 541	214 586	220 159
Transfers and Subsidies - Operational	1	1 004 359	1 167 077	1 273 193	1 393 874	1 393 874	1 393 874	1 393 874	1 469 034	1 580 069	1 591 297
Transfers and Subsidies - Capital	1	333 862	239 239	441 985	403 313	462 484	462 484	462 484	381 155	389 710	423 322
Interest		230 960	64 981	445 302	592 997	652 997	652 997	652 997	788 880	818 730	858 309
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(4 809 088)	(5 103 110)	(5 740 398)	(6 598 615)	(5 952 860)	(5 952 860)	(5 952 860)	(5 402 162)	(5 646 511)	(5 782 629)
Interest		(84 328)	(85 409)	(62 123)	(59 917)	(59 917)	(59 917)	(59 917)	(66 725)	(68 415)	(69 520)
Transfers and Subsidies	1	(19 502)	(20 292)	(21 164)	(24 177)	(24 177)	(24 177)	(24 177)	(20 967)	(21 908)	(22 564)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**961 116**	**1 289 129**	**1 063 451**	**898 712**	**711 780**	**711 780**	**711 780**	**1 218 655**	**1 318 771**	**1 407 633**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		6 200	2 157	7 088	7 184	3 184	3 184	3 184	–	–	–
Decrease (increase) in non-current receivables		–	–		–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	38	(201)	(201)	(201)	(201)	125	(248)	(249)
Payments											
Capital assets		(519 447)	(642 212)	(565 661)	(641 611)	(698 300)	(698 300)	(698 300)	(482 704)	(481 837)	(516 852)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(513 247)**	**(640 054)**	**(558 535)**	**(634 629)**	**(695 318)**	**(695 318)**	**(695 318)**	**(482 579)**	**(482 085)**	**(517 101)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	19 215	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		2 508	2 112	2 112	2 642	2 642	2 642	2 642	2 706	2 764	1 640
Payments											
Repayment of borrowing		(109 483)	(99 948)	(163 124)	(155 384)	(125 384)	(125 384)	(125 384)	(145 090)	(151 619)	(155 410)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(106 974)**	**(78 621)**	**(161 012)**	**(152 742)**	**(122 742)**	**(122 742)**	**(122 742)**	**(142 384)**	**(148 855)**	**(153 770)**
NET INCREASE/ (DECREASE) IN CASH HELD		**340 896**	**570 454**	**343 904**	**111 341**	**(106 280)**	**(106 280)**	**(106 280)**	**593 691**	**687 831**	**736 763**
Cash/cash equivalents at the year begin:	2	397 378	**738 273**	411 333	755 237	648 452	648 452	648 452	**542 172**	**1 135 864**	**1 823 695**
Cash/cash equivalents at the year end:	2	**738 273**	**1 308 728**	**755 237**	**866 578**	**542 172**	**542 172**	**542 172**	**1 135 864**	**1 823 695**	**2 560 458**

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	5 880 235	6 500 098	6 894 223	7 588 604	6 751 918	6 751 918	6 751 918	6 708 509	7 055 605	7 282 346
Total payments	(5 412 863)	(5 830 731)	(6 368 181)	(7 300 143)	(6 711 078)	(6 711 078)	(6 711 078)	(5 951 591)	(6 196 763)	(6 369 001)
	467 371	669 367	526 042	288 461	40 841	40 841	40 841	756 918	858 842	913 346

NW373 Rustenburg - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available											
Cash/cash equivalents at the year end	1	738 273	1 308 728	755 237	866 578	542 172	542 172	542 172	1 135 864	1 823 695	2 560 458
Other current investments > 90 days		(0)	0	–	(0)	–	–	–	–	–	–
Non current Investments	1	952	991	999	1 200	1 200	1 200	1 200	1 075	1 323	1 573
Cash and investments available:		**739 226**	**1 309 718**	**756 236**	**867 778**	**543 372**	**543 372**	**543 372**	**1 136 939**	**1 825 018**	**2 562 030**
Application of cash and investments											
Unspent conditional transfers		123 568	100 928	258 346	120 000	120 000	120 000	120 000	59 242	59 242	59 242
Unspent borrowing											
Statutory requirements	2								220 000	229 900	235 648
Other working capital requirements	3	(240 336)	122 314	67 264	110 858	139 246	139 246	139 246	401 637	528 334	498 113
Other provisions		298 454	352 201	252 617	39 524	39 524	39 524	39 524	21 512	59 612	67 251
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**181 686**	**575 443**	**578 227**	**270 382**	**298 770**	**298 770**	**298 770**	**702 391**	**877 088**	**860 253**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to		**557 540**	**734 275**	**178 008**	**597 395**	**244 602**	**244 602**	**244 602**	**434 547**	**947 930**	**1 701 777**
Creditors transferred to Debt Relief - Non-Current portion		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors Trf to		**557 540**	**734 275**	**178 008**	**597 395**	**244 602**	**244 602**	**244 602**	**434 547**	**947 930**	**1 701 777**

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 - Total Reserves to be backed by cash/investments excl Valuation reserve

Other working capital requirements										
Debtors	652 936	367 515	314 935	321 729	293 341	293 341	293 341	502 486	603 925	834 871
Creditors due	412 600	489 829	382 199	432 587	432 587	432 587	432 587	904 123	1 132 259	1 332 984
Total	240 336	(122 314)	(67 264)	(110 858)	(139 246)	(139 246)	(139 246)	(401 637)	(528 334)	(498 113)
Debtors collection assumptions										
Balance outstanding - debtors	1 048 659	597 112	587 502	565 604	565 604	565 604	565 604	604 539	726 872	1 000 088
Estimate of debtors collection rate	62.3%	61.5%	53.6%	56.9%	51.9%	51.9%	51.9%	83.1%	83.1%	83.5%
Long term investments committed										
Balance (*Insert description; eg sinking fund)*										
	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments										
Housing Development Fund	–	–	–	–	–	–	–	–	–	–
Capital replacement										
Self-insurance										
Compensation for Occupational Injuries and Diseases										
Employee Benefit reserve										
Non-current Provisions reserve										
Valuation roll reserve										
Investment in associate account										
Capitalisation										
6	–	–	–	–	–	–	–	–	–	–

Note:

6. Above reserves do not include Revaluation reserve. Revaluation reserve not required to be cash backed

NW373 Rustenburg - Table A9 Asset Management

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CAPITAL EXPENDITURE										
Total New Assets	1	**239 155**	**386 119**	**361 826**	**425 280**	**457 993**	**457 993**	**256 832**	**205 240**	**225 713**
Roads Infrastructure		72 944	142 614	101 433	52 718	34 048	34 048	29 870	10 424	17 910
Storm water Infrastructure		3 097	–	3 000	–	–	–	–	–	–
Electrical Infrastructure		28 600	25 732	40 590	24 319	24 319	24 319	22 744	16 218	9 349
Water Supply Infrastructure		28 609	1 200	–	78 148	77 488	77 488	47 685	36 092	45 398
Sanitation Infrastructure		7 300	99 140	133 762	102 656	151 636	151 636	90 450	69 276	72 592
Solid Waste Infrastructure		400	–	–	–	1 940	1 940	250	546	274
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***140 950***	***268 686***	***278 784***	***257 842***	***289 432***	***289 432***	***190 998***	***132 556***	***145 522***
Community Facilities		2 711	3 565	1 127	970	970	970	698	718	743
Sport and Recreation Facilities		8 000	8 517	12 750	13 395	8 395	8 395	11 170	9 196	1 080
Community Assets		***10 711***	***12 082***	***13 877***	***14 365***	***9 365***	***9 365***	***11 868***	***9 915***	***1 822***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		5 000	11 652	–	–	1 455	1 455	–	–	–
Non-revenue Generating		–	4 000	5 000	1 455	–	–	500	525	550
Investment properties		***5 000***	***15 652***	***5 000***	***1 455***	***1 455***	***1 455***	***500***	***525***	***550***
Operational Buildings		22 408	21 150	19 890	30 550	32 750	32 750	5 200	23 078	27 682
Housing		–	–	–	5	5	5	–	–	–
Other Assets		***22 408***	***21 150***	***19 890***	***30 555***	***32 755***	***32 755***	***5 200***	***23 078***	***27 682***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		10 250	6 700	8 750	8 129	8 435	8 435	2 841	3 106	3 365
Intangible Assets		***10 250***	***6 700***	***8 750***	***8 129***	***8 435***	***8 435***	***2 841***	***3 106***	***3 365***
Computer Equipment		**7 639**	**5 126**	**4 860**	**43 059**	**44 709**	**44 709**	**9 090**	**3 307**	**3 075**
Furniture and Office Equipment		**9 288**	**9 661**	**10 022**	**4 713**	**5 304**	**5 304**	**4 595**	**4 690**	**4 495**
Machinery and Equipment		**14 339**	**13 118**	**15 142**	**25 881**	**27 257**	**27 257**	**11 490**	**9 780**	**10 097**
Transport Assets		**12 570**	**28 090**	**4 000**	**37 827**	**37 827**	**37 827**	**19 250**	**17 239**	**28 033**
Land		**6 000**	**5 854**	**1 500**	**1 455**	**1 455**	**1 455**	**1 000**	**1 045**	**1 070**
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	**133 858**	**103 732**	**64 750**	**6 684**	**40 802**	**40 802**	**45 918**	**28 690**	**29 139**
Roads Infrastructure		63 678	59 531	42 400	–	5 385	5 385	25 000	7 054	7 378
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		50 500	31 621	20 850	4 065	34 091	34 091	7 918	8 599	9 216
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		8 000	–	–	–	–	–	11 000	11 515	11 998
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***122 178***	***91 152***	***63 250***	***4 065***	***39 476***	***39 476***	***43 918***	***27 167***	***28 592***
Community Facilities		2 000	2 000	500	–	–	–	–	–	–
Sport and Recreation Facilities		–	300	–	679	340	340	–	–	–
Community Assets		***2 000***	***2 300***	***500***	***679***	***340***	***340***	**–**	**–**	**–**
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		5 250	1 400	–	–	16	16	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		***5 250***	***1 400***	**–**	**–**	***16***	***16***	**–**	**–**	**–**
Operational Buildings		4 430	8 880	1 000	1 940	970	970	2 000	1 523	547
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***4 430***	***8 880***	***1 000***	***1 940***	***970***	***970***	***2 000***	***1 523***	***547***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets	6	**146 434**	**134 482**	**139 085**	**209 647**	**199 506**	**199 506**	**179 954**	**247 907**	**261 999**
Roads Infrastructure		33 703	29 328	27 513	–	5 000	5 000	–	–	–
Storm water Infrastructure		8 000	3 000	4 000	–	–	–	–	–	–
Electrical Infrastructure		48 550	50 191	63 629	42 889	29 638	29 638	30 950	40 011	40 839
Water Supply Infrastructure		21 000	5 500	16 333	158 610	76 809	76 809	90 781	189 703	193 860
Sanitation Infrastructure		13 088	11 168	10 351	–	77 149	77 149	46 232	14 000	21 500
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***124 341***	***99 187***	***121 825***	***201 499***	***188 597***	***188 597***	***167 963***	***243 714***	***256 199***
Community Facilities		13 903	30 932	14 010	–	6 134	6 134	2 616	2 720	3 728
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***13 903***	***30 932***	***14 010***	**–**	***6 134***	***6 134***	***2 616***	***2 720***	***3 728***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		1 000	–	1 000	–	2 000	2 000	–	–	–
Non-revenue Generating		2 000	2 000	–	2 910	–	–	375	450	525
Investment properties		***3 000***	***2 000***	***1 000***	***2 910***	***2 000***	***2 000***	***375***	***450***	***525***
Operational Buildings		–	–	–	485	243	243	–	–	–
Housing		1 500	1 563	1 000	388	194	194	500	523	547
Other Assets		***1 500***	***1 563***	***1 000***	***873***	***437***	***437***	***500***	***523***	***547***
Biological or Cultivated Assets		**3 690**	**800**	**1 250**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	3 000	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	***3 000***	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**4 365**	**2 183**	**2 183**	**5 500**	**500**	**1 000**
Transport Assets		**–**	**–**	**–**	**–**	**155**	**155**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	**519 447**	**624 333**	**565 661**	**641 611**	**698 300**	**698 300**	**482 704**	**481 837**	**516 852**
Roads Infrastructure		170 325	231 473	171 345	52 718	44 433	44 433	54 870	17 478	25 288
Storm water Infrastructure		11 097	3 000	7 000	–	–	–	–	–	–
Electrical Infrastructure		127 650	107 544	125 069	71 273	88 049	88 049	61 612	64 828	59 404
Water Supply Infrastructure		49 609	6 700	16 333	236 758	154 297	154 297	138 466	225 794	239 258
Sanitation Infrastructure		28 388	110 308	144 112	102 656	228 786	228 786	147 682	94 791	106 090
Solid Waste Infrastructure		400	–	–	–	1 940	1 940	250	546	274
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***387 469***	***459 025***	***463 859***	***463 405***	***517 505***	***517 505***	***402 879***	***403 437***	***430 314***
Community Facilities		18 614	36 497	15 637	970	7 104	7 104	3 314	3 438	4 471
Sport and Recreation Facilities		8 000	8 817	12 750	14 074	8 735	8 735	11 170	9 196	1 080
Community Assets		***26 614***	***45 314***	***28 387***	***15 044***	***15 839***	***15 839***	***14 484***	***12 634***	***5 550***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		11 250	13 052	1 000	–	3 471	3 471	–	–	–
Non-revenue Generating		2 000	6 000	5 000	4 365	–	–	875	975	1 075
Investment properties		***13 250***	***19 052***	***6 000***	***4 365***	***3 471***	***3 471***	***875***	***975***	***1 075***
Operational Buildings		26 838	30 030	20 890	32 975	33 963	33 963	7 200	24 601	28 229
Housing		1 500	1 563	1 000	393	199	199	500	523	547
Other Assets		***28 338***	***31 593***	***21 890***	***33 368***	***34 162***	***34 162***	***7 700***	***25 124***	***28 776***
Biological or Cultivated Assets		**3 690**	**800**	**1 250**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		10 250	6 700	8 750	8 129	8 435	8 435	5 841	3 106	3 365
Intangible Assets		***10 250***	***6 700***	***8 750***	***8 129***	***8 435***	***8 435***	***5 841***	***3 106***	***3 365***
Computer Equipment		**7 639**	**5 126**	**4 860**	**43 059**	**44 709**	**44 709**	**9 090**	**3 307**	**3 075**
Furniture and Office Equipment		**9 288**	**9 661**	**10 022**	**4 713**	**5 304**	**5 304**	**4 595**	**4 690**	**4 495**
Machinery and Equipment		**14 339**	**13 118**	**15 142**	**30 246**	**29 439**	**29 439**	**16 990**	**10 280**	**11 097**
Transport Assets		**12 570**	**28 090**	**4 000**	**37 827**	**37 982**	**37 982**	**19 250**	**17 239**	**28 033**
Land		**6 000**	**5 854**	**1 500**	**1 455**	**1 455**	**1 455**	**1 000**	**1 045**	**1 070**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**519 447**	**624 333**	**565 661**	**641 611**	**698 300**	**698 300**	**482 704**	**481 837**	**516 852**

ASSET REGISTER SUMMARY - PPE (WDV)	5	10 839 769	10 984 630	10 894 589	10 577 149	10 633 838	10 633 838	10 625 517	10 596 451	10 589 615
Roads Infrastructure		1 702 726	1 748 291	1 732 333	1 773 233	1 744 874	1 744 874	1 683 144	1 578 774	1 479 169
Storm water Infrastructure		1 165 292	1 191 527	1 192 141	1 282 166	1 282 166	1 282 166	1 282 166	1 282 166	1 282 166
Electrical Infrastructure		1 898 892	1 901 029	1 900 910	1 190 910	1 190 910	1 190 910	1 196 940	1 203 686	1 203 555
Water Supply Infrastructure		1 516 272	1 525 143	1 520 377	1 591 204	1 590 549	1 590 549	1 685 854	1 866 565	2 059 807
Sanitation Infrastructure		1 782 314	1 800 292	1 809 609	1 834 603	1 903 452	1 903 452	1 995 158	2 033 414	2 081 361
Solid Waste Infrastructure		1 498 019	1 507 141	1 509 384	1 579 384	1 579 384	1 579 384	1 579 634	1 580 180	1 580 453
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***9 563 515***	***9 673 422***	***9 664 754***	***9 251 500***	***9 291 336***	***9 291 336***	***9 422 896***	***9 544 785***	***9 686 512***
Community Assets		468 863	465 495	466 086	499 618	495 179	495 179	509 663	522 297	527 847
Heritage Assets		–	–	–	–	–	–	–	–	–
Investment properties		**159 445**	**161 829**	**153 629**	**153 629**	**158 719**	**158 719**	**154 053**	**149 232**	**144 244**
Other Assets		54 814	55 363	56 059	59 619	59 619	59 619	29 735	15 584	4 103
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		8 323	9 829	9 015	9 405	9 711	9 711	15 527	18 606	21 943
Computer Equipment		**141 164**	**142 615**	**131 935**	**149 832**	**151 482**	**151 482**	**155 677**	**153 869**	**151 701**
Furniture and Office Equipment		**45 210**	**55 262**	**54 588**	**57 452**	**58 183**	**58 183**	**(87 641)**	**(239 897)**	**(396 163)**
Machinery and Equipment		**51 950**	**54 252**	**42 959**	**49 396**	**49 912**	**49 912**	**61 010**	**65 133**	**69 919**
Transport Assets		**160 981**	**168 292**	**145 774**	**157 000**	**170 000**	**170 000**	**173 901**	**175 101**	**186 694**
Land		**185 504**	**198 272**	**169 790**	**189 697**	**189 697**	**189 697**	**190 697**	**191 742**	**192 814**
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**10 839 769**	**10 984 630**	**10 894 589**	**10 577 149**	**10 633 838**	**10 633 838**	**10 625 517**	**10 596 451**	**10 589 615**
EXPENDITURE OTHER ITEMS		**527 465**	**537 536**	**774 016**	**919 062**	**793 310**	**793 310**	**912 276**	**944 043**	**967 049**
Depreciation	7	492 913	480 045	497 859	522 778	522 778	522 778	491 025	510 903	523 689
Repairs and Maintenance by Asset Class	3	**34 552**	**57 491**	**276 158**	**396 284**	**270 531**	**270 531**	**421 251**	**433 140**	**443 360**
Roads Infrastructure		26	76	19 079	81 549	79 471	79 471	15 118	16 276	16 048
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		24 154	45 881	57 949	85 271	–	–	74 834	77 122	78 550
Water Supply Infrastructure		3 484	1 032	162 505	151 767	165 697	165 697	218 043	221 357	226 741
Sanitation Infrastructure		268	1 449	8 869	3 678	3 672	3 672	36 978	38 584	39 660
Solid Waste Infrastructure		–	–	6 088	–	12 288	12 288	9 631	10 155	10 458
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	650	522	535
Infrastructure		***27 932***	***48 437***	***254 490***	***322 266***	***261 128***	***261 128***	***355 255***	***364 015***	***371 992***
Community Facilities		29	–	306	6 084	5 584	5 584	1 816	1 942	1 985
Sport and Recreation Facilities		–	–	1 100	698	648	648	2 646	2 864	3 093
Community Assets		***29***	***–***	***1 406***	***6 782***	***6 232***	***6 232***	***4 462***	***4 806***	***5 078***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		58	–	–	1 110	1 310	1 310	1 025	1 070	1 097
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		***58***	***–***	***–***	***1 110***	***1 310***	***1 310***	***1 025***	***1 070***	***1 097***
Operational Buildings		466	1 141	6 529	21 401	17 401	17 401	17 211	18 120	18 648
Housing		934	849	1 500	1 000	1 000	1 000	1 500	1 568	1 607
Other Assets		***1 400***	***1 990***	***8 029***	***22 401***	***18 401***	***18 401***	***18 711***	***19 688***	***20 255***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		**4 291**	**5 011**	**7 032**	**6 700**	**6 650**	**6 650**	**5 000**	**5 315**	**5 498**
Furniture and Office Equipment		**360**	**756**	**30**	**8 000**	**8 000**	**8 000**	**10 938**	**11 087**	**11 528**
Machinery and Equipment		**483**	**1 297**	**1 249**	**6 293**	**1 293**	**1 293**	**10 860**	**11 483**	**11 845**
Transport Assets		–	–	**3 921**	**22 732**	**(32 483)**	**(32 483)**	**15 000**	**15 675**	**16 067**
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		**527 465**	**537 536**	**774 016**	**919 062**	**793 310**	**793 310**	**912 276**	**944 043**	**967 049**
Renewal and upgrading of Existing Assets as % of total capex		*54.0%*	*38.2%*	*36.0%*	*33.7%*	*34.4%*	*34.4%*	*46.8%*	*57.4%*	*56.3%*
Renewal and upgrading of Existing Assets as % of deprecn		*56.9%*	*49.6%*	*40.9%*	*41.4%*	*46.0%*	*46.0%*	*46.0%*	*54.1%*	*55.6%*
R&M as a % of PPE & Investment Property		*0.3%*	*0.5%*	*2.5%*	*3.7%*	*2.5%*	*2.5%*	*4.0%*	*4.1%*	*4.2%*
Renewal and upgrading and R&M as a % of PPE and Investment Prope		*2.9%*	*2.7%*	*4.4%*	*5.8%*	*4.8%*	*4.8%*	*6.1%*	*6.7%*	*7.0%*

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Detail of upgrading of existing assets provided in Table SA34e
7. Detail of depreciation provided in Table SA34d

NW373 Rustenburg - Table A10 Basic service delivery measurement

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets	1									
Water:										
Piped water inside dwelling		123 662	123 662	123 662	129 350	129 350	129 350	135 300	141 389	144 924
Piped water inside yard (but not in dwelling)		206 103	206 103	206 103	215 584	215 584	215 584	225 501	235 648	241 540
Using public tap (at least min.service level)	2	18 844	18 844	18 844	19 711	19 711	19 711	20 618	21 545	22 084
Other water supply (at least min.service level)	4	29 443	29 443	29 443	30 798	30 798	30 798	32 214	33 664	34 506
Minimum Service Level and Above sub-total		378 053	378 053	378 053	395 443	395 443	395 443	413 633	432 247	443 053
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	24 914	24 914	24 914	26 060	26 060	26 060	27 258	28 485	29 197
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		24 914	24 914	24 914	26 060	26 060	26 060	27 258	28 485	29 197
Total number of households	5	**402 966**	**402 966**	**402 966**	**421 503**	**421 503**	**421 503**	**440 892**	**460 732**	**472 250**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		234 562	304 930	325 647	325 647	325 647	340 627	356 296	372 329	381 637
Flush toilet (with septic tank)		21 259	27 636	29 514	29 514	29 514	30 871	32 291	33 744	34 588
Chemical toilet		4 484	5 829	6 225	6 225	6 225	6 511	6 811	7 117	7 295
Pit toilet (ventilated)		53 490	69 537	68 261	68 261	68 261	61 677	57 251	54 352	51 872
Other toilet provisions (> min.service level)		106 516	138 470	147 878	147 878	147 878	154 680	161 795	169 076	173 303
Minimum Service Level and Above sub-total		420 311	546 402	577 525	577 525	577 525	594 367	614 444	636 619	648 695
Bucket toilet		3 150	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		7 084	–	–	–	–	–	–	–	–
No toilet provisions		13 207	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		23 441	–	–	–	–	–	–	–	–
Total number of households	5	**443 752**	**546 402**	**577 525**	**577 525**	**577 525**	**594 367**	**614 444**	**636 619**	**648 695**
Energy:										
Electricity (at least min.service level)		13 520	14 061	15 016	15 016	15 016	15 707	16 430	17 169	17 598
Electricity - prepaid (min.service level)		58 240	60 570	64 685	64 685	64 685	67 661	70 773	73 958	75 807
Minimum Service Level and Above sub-total		71 760	74 631	79 701	79 701	79 701	83 368	87 203	91 127	93 405
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		14 842	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		14 842	–	–	–	–	–	–	–	–
Total number of households	5	**86 602**	**74 631**	**79 701**	**79 701**	**79 701**	**83 368**	**87 203**	**91 127**	**93 405**
Refuse:										
Removed at least once a week		176 794	178 147	190 250	190 250	190 250	199 002	208 156	217 523	222 961
Minimum Service Level and Above sub-total		176 794	178 147	190 250	190 250	190 250	199 002	208 156	217 523	222 961
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	5	**176 794**	**178 147**	**190 250**	**190 250**	**190 250**	**199 002**	**208 156**	**217 523**	**222 961**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		2 875	641	691	691	691	1 323	1 356	1 417	1 452
Sanitation (free minimum level service)		2 875	2 492	400	400	400	1 200	1 260	1 317	1 350
Electricity/other energy (50kwh per household per month)		2 875	560	691	691	691	1 323	1 356	1 417	1 452
Refuse (removed at least once a week)		2 875	738	796	796	796	1 432	1 470	1 537	1 575
Informal Settlements		119	195	234	234	234	244	256	267	274
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week **for indigent households**)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		247 685	221 115	196 649	196 649	196 649	205 694	215 156	224 838	230 459
Total cost of FBS provided	8	**247 685**	**221 115**	**196 649**	**196 649**	**196 649**	**205 694**	**215 156**	**224 838**	**230 459**
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)**		(46 407)	(48 356)	(50 483)	(52 957)	(52 957)	(52 957)	(55 287)	(57 775)	(59 219)
Water **(in excess of 6 kilolitres per indigent household per month)**		(7 604)	(7 590)	(7 924)	(9 559)	(9 559)	(9 559)	(14 500)	(15 153)	(15 531)
Sanitation **(in excess of free sanitation service to indigent households)**		(5 881)	(5 870)	(6 128)	(7 392)	(7 392)	(7 392)	(7 718)	(8 065)	(8 267)
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		(8 395)	(8 379)	(8 748)	(9 177)	(9 177)	(9 177)	(9 580)	(10 012)	(10 262)
Refuse **(in excess of one removal a week for indigent households)**		(4 380)	(4 363)	(4 555)	(5 495)	(5 495)	(5 495)	(4 988)	(5 213)	(5 343)
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		**(72 667)**	**(74 557)**	**(77 838)**	**(84 580)**	**(84 580)**	**(84 580)**	**(92 074)**	**(96 217)**	**(98 622)**

References

1. Include services provided by another entity; e.g. Eskom

2. Stand distance <= 200m from dwelling

3. Stand distance > 200m from dwelling

4. Borehole, spring, rain-water tank etc.

5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)

6. Include value of subsidy provided by municipality above provincial subsidy level

7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)

8. Must reflect the cost to the municipality of providing the Free Basic Service

9. Reflect the cost of free or subsidised services in excess to the National policy that are not funded from the Free Basic Services component of the Equitable Share

NW373 Rustenburg - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
REVENUE ITEMS:											
Non-exchange revenue by source											
Exchange Revenue	6										
Total Property Rates		542 474	565 258	600 129	643 695	643 695	643 695	643 695	655 634	685 138	702 266
Less Revenue Foregone ***(exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)***		(46 407)	(48 356)	(50 483)	(52 957)	(52 957)	(52 957)	(52 957)	(55 287)	(57 775)	(59 219)
Net Property Rates		**496 067**	**516 902**	**549 646**	**590 738**	**590 738**	**590 738**	**590 738**	**600 347**	**627 363**	**643 047**
Exchange revenue service charges											
Service charges - Electricity	6										
Total Service charges - Electricity		2 574 562	3 700 094	4 287 007	3 972 903	3 042 903	3 042 903	3 042 903	2 523 111	2 669 253	2 751 602
Less Revenue Foregone ***(in excess of 50 kwh per indigent household per month)***		(8 395)	(8 379)	(8 748)	(9 177)	(9 177)	(9 177)	(9 177)	(9 580)	(10 012)	(10 262)
Less Cost of Free Basis Services (50 kwh per indigent household per month)		–	–	–	–	–	–		–	–	–
Net Service charges - Electricity		**2 566 167**	**3 691 715**	**4 278 259**	**3 963 727**	**3 033 727**	**3 033 727**	**3 033 727**	**2 513 530**	**2 659 242**	**2 741 340**
Service charges - Water	6										
Total Service charges - Water		526 997	561 186	603 878	663 468	633 468	633 468	633 468	632 429	669 889	691 636
Less Revenue Foregone ***(in excess of 6 kilolitres per indigent household per month)***		(7 604)	(7 590)	(7 924)	(9 559)	(9 559)	(9 559)	(9 559)	(14 500)	(15 153)	(15 531)
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		–	–	–	–	–	–		–	–	–
Net Service charges - Water		**519 392**	**553 596**	**595 954**	**653 909**	**623 909**	**623 909**	**623 909**	**617 929**	**654 736**	**676 105**
Service charges - Waste Water Management											
Total Service charges - Waste Water Management		392 652	411 670	438 533	488 021	488 021	488 021	488 021	535 270	539 507	549 870
Less Revenue Foregone ***(in excess of free sanitation service to indigent households)***		(5 881)	(5 870)	(6 128)	(7 392)	(7 392)	(7 392)	(7 392)	(7 718)	(8 065)	(8 267)
Less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	–	–	–	–		–	–	–
Net Service charges - Waste Water Management		**386 771**	**405 800**	**432 405**	**480 629**	**480 629**	**480 629**	**480 629**	**527 552**	**531 442**	**541 603**
Service charges - Waste Management	6										
Total refuse removal revenue		160 379	159 294	177 703	195 910	195 910	195 910	195 910	204 530	213 734	219 077
Total landfill revenue		–	–	–	–	–	–	–	–	–	–
Less Revenue Foregone ***(in excess of one removal a week to indigent households)***		(4 380)	(4 363)	(4 555)	(5 495)	(5 495)	(5 495)	(5 495)	(4 988)	(5 213)	(5 343)
Less Cost of Free Basis Services (removed once a week to indigent households)		–	–	–	–	–	–		–	–	–
Net Service charges - Waste Management		**155 999**	**154 931**	**173 148**	**190 415**	**190 415**	**190 415**	**190 415**	**199 542**	**208 521**	**213 734**
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	613 400	545 432	590 767	649 742	642 390	642 390	642 390	642 358	667 885	669 564
Pension and UIF Contributions		89 331	107 187	120 863	123 855	120 385	120 385	120 385	127 830	133 436	136 757
Medical Aid Contributions		44 563	54 875	49 489	51 300	53 132	53 132	53 132	56 387	58 863	60 333
Overtime		27 117	49 850	35 890	41 201	57 100	57 100	57 100	58 010	60 595	63 658
Performance Bonus		34 921	41 889	38 259	41 530	41 496	41 496	41 496	44 321	46 255	47 405
Motor Vehicle Allowance		23 370	24 336	26 964	27 961	27 907	27 907	27 907	30 872	32 697	33 537
Cellphone Allowance		–	254	–	–	–	–	–	100	105	107
Housing Allowances		2 422	37 310	3 011	3 188	3 191	3 191	3 191	3 434	3 588	3 680
Other benefits and allowances		12 379	17 744	20 617	18 799	24 501	24 501	24 501	16 290	17 015	17 437
Payments in lieu of leave		4 469	844	4 281	4 222	4 742	4 742	4 742	4 660	4 837	4 963
Long service awards		4 078	1 924	4 936	5 401	6 280	6 280	6 280	6 027	6 250	6 381
Post-retirement benefit obligations	4	3 280	13 600	13 600	18 481	18 481	18 481	18 481	18 722	19 565	20 054
Entertainment		–	–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	26	366	366	366	3 863	4 026	4 120
Acting and post related allowance		11 789	2 232	10 062	11 796	13 136	13 136	13 136	13 374	13 971	14 322
In kind benefits		4 543	8 120	8 345	8 481	8 481	8 481	8 481	8 722	9 115	9 343
sub-total	5	**875 664**	**905 598**	**927 082**	**1 005 982**	**1 021 587**	**1 021 587**	**1 021 587**	**1 034 970**	**1 078 203**	**1 091 660**
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–	–	–	–
Total Employee related costs	1	**875 664**	**905 598**	**927 082**	**1 005 982**	**1 021 587**	**1 021 587**	**1 021 587**	**1 034 970**	**1 078 203**	**1 091 660**

Depreciation and amortisation											
Depreciation of Property, Plant & Equipment		492 913	480 045	497 842	522 753	522 753	522 753	522 753	490 999	510 876	523 661
Lease amortisation			–	17	25	25	25	25	26	27	28
Capital asset impairment		–	–	–	–	–	–	–	–	–	–
Total Depreciation and amortisation	1	**492 913**	**480 045**	**497 859**	**522 778**	**522 778**	**522 778**	**522 778**	**491 025**	**510 903**	**523 689**
Bulk purchases - electricity											
Electricity bulk purchases		1 627 750	2 617 167	3 116 723	2 950 148	2 297 139	2 297 139	2 297 139	2 423 181	2 553 675	2 621 961
Total bulk purchases	1	**1 627 750**	**2 617 167**	**3 116 723**	**2 950 148**	**2 297 139**	**2 297 139**	**2 297 139**	**2 423 181**	**2 553 675**	**2 621 961**
Transfers and grants											
Cash transfers and grants		68 128	708	587	24 177	24 177	24 177	24 177	20 967	21 908	22 564
Non-cash transfers and grants		24	–	–	–	–	–	–	–	–	–
Total transfers and grants	1	**68 152**	**708**	**587**	**24 177**	**24 177**	**24 177**	**24 177**	**20 967**	**21 908**	**22 564**
Contracted Services											
Outsourced Services		371 567	253 351	335 492	319 076	329 033	329 033	329 033	280 922	283 544	288 710
Consultants and Professional Services		94 063	161 047	154 075	209 153	173 518	173 518	173 518	152 028	153 499	159 800
Contractors		146 480	293 729	393 937	516 013	539 384	539 384	539 384	459 158	489 954	509 561
Total contracted services		**612 110**	**708 127**	**883 503**	**1 044 242**	**1 041 935**	**1 041 935**	**1 041 935**	**892 108**	**926 998**	**958 070**
Operational Costs											
Collection costs		–	–	22	22	22	22	22	23	25	25
Contributions to 'other' provisions		–	–	–	–	–	–	–	–	–	–
Audit fees		14 270	8 500	12 000	15 288	20 288	20 288	20 288	18 991	19 711	20 129
Other Operational Costs		222 618	242 052	287 029	313 965	339 062	339 062	339 062	297 268	309 639	315 592
Total Operational Costs	1	**236 888**	**250 552**	**299 051**	**329 276**	**359 373**	**359 373**	**359 373**	**316 282**	**329 374**	**335 746**
Repairs and Maintenance by Expenditure Item	8										
Employee related costs		–	–	–	–	–	–	–	–	–	–
Inventory Consumed (Project Maintenance)		34 552	57 491	276 158	396 284	270 531	270 531	270 531	421 251	433 140	443 360
Contracted Services		–	–	–	–	–	–	–	–	–	–
Other Expenditure		–	–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	9	34 552	57 491	276 158	396 284	270 531	270 531	270 531	421 251	433 140	443 360
Inventory Consumed											
Inventory Consumed - Water		479 286	523 318	567 949	622 757	586 313	586 313	586 313	599 158	615 157	627 739
Inventory Consumed - Other		25 231	23 848	3 358	137 051	137 051	137 051	137 051	58 875	62 152	63 701
Total Inventory Consumed & Other Material		**504 518**	**547 166**	**571 307**	**759 808**	**723 364**	**723 364**	**723 364**	**658 033**	**677 309**	**691 440**
	check	–	–	–	–	–	–		–	–	–

References

1. Must reconcile with 'Budgeted Financial Performance (Revenue and Expenditure)
2. Must reconcile to supporting documentation on staff salaries

4. Expenditure to meet any 'unfunded obligations'
5 This sub-total must agree with the total on SA22, but excluding councillor and board member items
6. Include a note for each revenue item that is affected by 'revenue foregone'

8. Repairs and Maintenance is not a GRAP item. However to facilitate transparency, municipalities must provide a breakdown of the amounts included in the relevant GRAP items that will be spent on Repairs and Maintenance.
9. Must reconcile with Repairs and Maintenance by Asset Class (Total Repairs and Maintenance) on Table SA34c.

NW373 Rustenburg - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Energy Sources	Vote 2 - Community and Social Services	Vote 3 - Environmental Protection	Vote 4 - Executive & Council	Vote 5 - Finance & Admin	Vote 6 - Road Transport	Vote 7 - Planning and Development	Vote 8 - Public Safety	Vote 9 - Sport and Recreation	Vote 10 - Housing	Vote 11 - Water Management	Vote 12 - [NAME OF VOTE 12]	Vote 13 - Waste Water Management	Vote 14 - Other	Vote 15 - Internal Audit	Total
R thousand	1																
Revenue																	
Exchange Revenue																	
Service charges - Electricity		2 503 882	–	–	–	265	–	–	–	–	–	–	–	–	–	–	2 504 148
Service charges - Water		–	–	–	–	–	–	–	–	–	–	617 929	–	–	–	–	617 929
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	530 883	–	–	530 883
Service charges - Waste Management		–	–	–	–	–	–	–	–	–	–	–	199 542	–	–	–	199 542
Sale of Goods and Rendering of Services		245	1 386	–	–	852	23 560	3 117	667	125	–	183	4 234	80	–	–	34 449
Agency services		–	–	–	–	–	–	–	143 375	–	–	–	–	–	–	–	143 375
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		133 528	–	–	–	–	–	–	–	–	–	176 600	83 080	93 520	–	–	486 728
Interest earned from Current and Non Current Assets		–	–	–	88 607	–	–	–	–	–	–	–	–	4 745	–	–	93 352
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		–	3 207	–	–	–	–	1 337	27	365	7 518	–	83	–	–	–	12 537
Licence and permits		–	–	–	–	–	–	219	13 080	–	–	–	–	150	–	–	13 449
Special rating levies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		248	7	–	–	6 854	8 400	3 091	691	(251)	–	735	–	295	–	–	20 071
Non-Exchange Revenue																	
Property rates		–	–	–	–	648 821	–	–	–	–	–	–	–	–	–	–	648 821
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		100	6	–	–	0	–	170	16 068	–	–	200	–	250	–	–	16 794
Licences or permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		40 558	1 468	–	–	196 897	198 425	16 770	–	–	4 000	552 897	195 279	220 413	–	–	1 426 706
Interest		–	–	–	–	208 800	–	–	–	–	–	–	–	–	–	–	208 800
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributi		2 678 562	6 074	–	88 607	1 062 490	230 385	24 704	173 907	240	11 518	1 348 545	482 217	850 336	–	–	6 957 585
Expenditure																	
Employee related costs		(65 351)	(60 647)	(4 427)	(101 528)	(194 294)	(64 313)	(66 178)	(234 238)	(21 401)	(17 255)	(111 315)	(68 955)	(18 704)	–	(7 829)	(1 036 434)
Remuneration of councillors		–	–	–	(77 587)	–	–	–	–	–	–	–	–	–	–	–	(77 587)
Bulk purchases - electricity		(2 423 181)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(2 423 181)
Inventory consumed		(25 420)	(849)	(7)	(678)	(3 646)	(799)	(692)	(285)	(1 330)	(50)	(614 800)	(584)	(8 873)	–	(22)	(658 033)
Debt impairment		(251 625)	–	–	–	(2 718)	–	–	–	–	–	(272 829)	(172 893)	(51 953)	–	–	(752 019)
Depreciation and amortisation		(55 581)	(26 274)	(46)	(5 674)	(89 182)	(98 938)	(5 647)	(23 617)	(10 294)	(12 726)	(54 161)	(72 738)	(36 145)	–	–	(491 025)
Interest		(16 000)	–	–	–	(41 025)	–	–	–	–	–	(3 600)	(2 500)	(3 600)	–	–	(66 725)
Contracted services		(97 231)	(3 949)	(1 030)	(4 765)	(162 928)	(206 339)	(32 032)	(42 692)	(5 452)	(12 006)	(51 160)	(64 449)	(209 163)		(910)	(894 108)
Transfers and subsidies		(5 962)	–	–	(2 935)	–	–	–	–	–	–	(2 133)	(5 006)	(4 931)	–	–	(20 967)
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		(3 331)	(3 884)	(81)	(52 909)	(110 372)	(15 246)	(3 530)	(111 343)	(2 274)	(352)	(3 826)	(1 591)	(3 684)	–	(394)	(312 818)
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		(2 943 682)	(95 603)	(5 592)	(246 076)	(604 165)	(385 635)	(108 080)	(412 175)	(40 751)	(42 389)	(1 113 825)	(388 717)	(337 053)	–	(9 155)	(6 732 898)
Surplus/(Deficit)		5 622 244	101 677	5 592	334 684	1 666 655	616 020	132 784	586 082	40 991	53 907	2 462 369	870 934	1 187 389	–	9 155	224 687
Transfers and subsidies - capital (monetary allocations)		46 917	482	–	–	29 525	32 001	200 712	–	–	2 893	48 800	550	19 275	–	–	381 155
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		5 669 161	102 158	5 592	334 684	1 696 180	648 021	333 496	586 082	40 991	56 800	2 511 169	871 484	1 206 664	–	9 155	605 842

References

1. Departmental columns to be based on municipal organisation structure

NW373 Rustenburg - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS											
Trade and other receivables from exchange transactions											
Electricity		3 345 938	3 545 596	3 711 096	3 481 265	3 481 265	3 481 265	3 481 265	690 833	765 263	781 227
Water		1 154 789	1 254 789	1 312 510	1 576 452	1 576 452	1 576 452	1 576 452	1 739 477	1 654 736	1 676 105
Waste		863 462	973 462	913 641	934 124	934 124	934 124	934 124	671 464	613 734	619 077
Waste Water		665 241	617 992	646 419	589 124	589 124	589 124	589 124	593 366	730 571	641 818
Other trade receivables from exchange transactions					-	-	-	-	3 533 172	3 533 172	3 533 172
Gross: Trade and other receivables from exchange transactions		**6 056 431**	**6 292 101**	**6 582 668**	**6 580 965**	**6 580 965**	**6 580 965**	**6 580 965**	**7 328 945**	**7 297 586**	**6 950 399**
Less: Impairment for debt		**(5 860 000)**	**(6 095 133)**	**(6 375 509)**	**(6 449 346)**	**(6 449 346)**	**(6 449 346)**	**(6 449 346)**	**(6 848 907)**	**(6 849 907)**	**(6 468 017)**
Impairment for Electricity		(2 947 688)	(3 442 802)	(3 622 661)	(3 411 643)	(3 411 643)	(3 411 643)	(3 411 643)	(580 824)	(580 824)	(580 824)
Impairment for Water		(1 481 064)	(1 197 673)	(1 210 526)	(1 544 523)	(1 544 523)	(1 544 523)	(1 544 523)	(1 652 167)	(1 652 167)	(1 502 197)
Impairment for Waste		(769 123)	(859 272)	(898 736)	(915 442)	(915 442)	(915 442)	(915 442)	(697 218)	(697 218)	(507 218)
Impairment for Waste Water		(643 124)	(615 445)	(643 756)	(577 341)	(577 341)	(577 341)	(577 341)	(485 076)	(485 076)	(403 076)
Impairment for other trade receivables from exchange transactio		-	-	-	-	-	-	-	(3 053 918)	(3 053 918)	(3 053 918)
Total net Trade and other receivables from Exchange Transactions		**196 431**	**198 048**	**207 159**	**131 619**	**131 619**	**131 619**	**131 619**	**479 238**	**448 779**	**481 592**
Receivables from non-exchange transactions											
Property rates				50 483	590 738	590 738	590 738	590 738	695 493	698 748	675 216
Less: Impairment of Property rates		-	-	-	(531 664)	(531 664)	(531 664)	(531 664)	(625 395)	(600 000)	(615 980)
Net Property rates		**-**	**-**	**-**	**59 074**	**59 074**	**59 074**	**59 074**	**70 098**	**98 748**	**59 236**
Other receivables from non-exchange transactions		33 222	46 520	54 965	52 375	52 375	52 375	52 375	219 109	436 256	677 779
Impairment for other receivables from non-exchange transactio		-	-	-	-	-	-	-			
Net other receivables from non-exchange transactions		**33 222**	**46 520**	**54 965**	**52 375**	**52 375**	**52 375**	**52 375**	**219 109**	**436 256**	**677 779**
Total net Receivables from non-exchange transactions		**33 222**	**46 520**	**54 965**	**111 449**	**111 449**	**111 449**	**111 449**	**289 175**	**493 004**	**737 016**
Inventory											
Water											
Opening Balance		(1 497 321)	-	-	-	-	-	-	-	-	-
System Input Volume		**-**	**523 318**	**567 949**	**622 757**	**586 313**	**586 313**	**586 313**	**599 158**	**615 157**	**627 739**
Water Treatment Works		-	-	-	-	-	-	-	-	-	-
Bulk Purchases		-	523 318	567 949	622 757	586 313	586 313	586 313	599 158	615 157	627 739
Natural Sources		-	-	-							
Authorised Consumption	6	(479 286)	(523 318)	(567 949)	(622 757)	(586 313)	(586 313)	(586 313)	(599 158)	(615 157)	(627 739)
Billed Authorised Consumption		(477 338)	(523 318)	(567 949)	(622 757)	(586 313)	(586 313)	(586 313)	(599 158)	(615 157)	(627 739)
Billed Metered Consumption		(477 338)	(523 318)	(567 949)	(622 757)	(586 313)	(586 313)	(586 313)	(599 158)	(615 157)	(627 739)
Free Basic Water		-	-	-	-	-	-	-			
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		(477 338)	(523 318)	(567 949)	(622 757)	(586 313)	(586 313)	(586 313)	(599 158)	(615 157)	(627 739)
Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
Unbilled Authorised Consumption		**(1 948)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Unbilled Metered Consumption		(1 556)	-	-	-	-	-	-	-	-	-
Unbilled Unmetered Consumption		(393)	-	-	-	-	-	-	-	-	-
Water Losses		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Apparent losses		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Unauthorised Consumption		-	-	-	-	-	-	-	-	-	-
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-
Real losses		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
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		-	-	-	-	-	-	-	-	-	-
Non-revenue Water		**(1 948)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing Balance Water		**(1 976 607)**	**-**	**(0)**	**0**	**-**	**-**	**-**	**-**	**-**	**-**
Agriculture											
Opening Balance		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing balance - Agricultural		-	-	-	-	-	-	-	-	-	-
Consumables											
Standard Rated											
Opening Balance		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Acquisitions		5 712	3 169	22 062	91 202	91 202	91 202	91 202	3 411	3 571	3 659
Issues	7	(5 712)	(3 169)	(22 062)	(91 202)	(91 202)	(91 202)	(91 202)	(3 411)	(3 571)	(3 659)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0**	**(0)**	**(0)**
Zero Rated											
Opening Balance		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Acquisitions		-	-	-	-	-	-	-	**51**	**53**	**55**
Issues	7	-	-	-	-	-	-	-	**(51)**	**(53)**	**(55)**
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Zero Rated		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(0)**	**(0)**
Finished Goods											
Opening Balance		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Acquisitions		642	1 303	576	1 646	1 646	1 646	1 646	2 433	2 437	2 497
Issues	7	(642)	(1 303)	(576)	(1 646)	(1 646)	(1 646)	(1 646)	(2 433)	(2 437)	(2 497)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing balance - Finished Goods		**-**	**-**	**(0)**	**0**	**0**	**0**	**0**	**(0)**	**0**	**0**
Materials and Supplies											
Opening Balance		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Acquisitions		18 877	19 386	521	44 203	44 203	44 203	44 203	52 975	56 052	57 493
Issues	7	(18 877)	(19 386)	(521)	(44 203)	(44 203)	(44 203)	(44 203)	(52 975)	(56 052)	(57 493)
Adjustments	8	-	-	(19 283)	-	-	-	-	-	-	-
Write-offs	9	-	-	521	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies		**-**	**521**	**521**	**-**	**-**	**-**	**-**	**0**	**(0)**	**(0)**
Work-in-progress											
Opening Balance		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Materials		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing balance - Work-in-progress		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing Stock											
Opening Balance		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Acquisitions		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing Balance - Housing Stock		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Land											
Opening Balance		**-**	**130 000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Acquisitions		1 976 607	6 252	145 594	143 575	143 575	143 575	143 575	**150 000**	**135 000**	**147 365**
Sales				6 527	1 455	1 455	1 455	1 455	**(3 000)**	**(3 132)**	**(3 273)**
Adjustments				-	-	-	-	-	-	-	-
Correction of Prior period errors		626 517	5 342	-	-	-	-	-	-	-	-
Transfers		-	-	5 974	-	-	-	-	-	-	-
Closing Balance - Land		**2 603 124**	**145 594**	**152 496**	**145 030**	**145 030**	**145 030**	**145 030**	**147 000**	**131 868**	**144 092**
Closing Balance - Inventory & Consumables		**626 517**	**146 115**	**153 017**	**145 030**	**145 030**	**145 030**	**145 030**	**147 000**	**131 868**	**144 092**
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		10 450 055	16 809 604	17 475 867	17 580 982	17 580 982	17 580 982	17 580 982	16 297 221	17 031 555	17 456 393
Leases recognised as PPE	3								-	-	-
Less: Accumulated depreciation			6 233 720	6 953 719	7 321 459	7 321 459	7 321 459	7 321 459	7 824 444	8 176 544	8 380 927
Total Property, plant and equipment (PPE)	2	**10 450 055**	**10 576 105**	**10 522 148**	**10 259 524**	**10 259 524**	**10 259 524**	**10 259 524**	**8 472 777**	**8 854 952**	**9 075 466**
Liabilities											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)			(14 945)			-	-	-	-	-	-
Current portion of long-term liabilities		96 103	99 948	103 124	89 346	89 346	89 346	89 346	75 679	65 678	45 679
Total Current liabilities - Borrowing		**96 103**	**85 003**	**103 124**	**89 346**	**89 346**	**89 346**	**89 346**	**75 679**	**65 678**	**45 679**
Trade and other payables											
Trade and other payables from exchange transactions	5	412 600	489 625	360 177	373 857	373 857	373 857	373 857	848 637	1 055 802	1 267 638
Other trade payables from exchange transactions				27 022	58 730	58 730	58 730	58 730	55 486	76 457	65 346
Trade payables from Non-exchange transactions: Unspent conditions		123 568	100 528	258 346	120 000	120 000	120 000	120 000	59 242	59 242	59 242
Trade payables from Non-exchange transactions: Other					-	-	-	-	21 967	21 968	22 564
VAT		20 226	21 684		-	-	-	-	-	-	-
Total Trade and other payables	2	**556 394**	**611 792**	**645 545**	**552 587**	**552 587**	**552 587**	**552 587**	**984 332**	**1 213 469**	**1 414 790**
Non current liabilities - Financial liabilities											
Borrowing	4	550 000	400 000	364 000	300 000	300 000	300 000	300 000	203 218	200 453	175 984
Other financial liabilities		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Financial liabilities		**550 000**	**400 000**	**364 000**	**300 000**	**300 000**	**300 000**	**300 000**	**203 218**	**200 453**	**175 984**
Non current liabilities - Long Term portion of trade payables											
Electricity Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Payables Accruals - General		-	-	-	-	-	-	-	-	-	-
Water Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Municipal Debt Relief		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Long Term portion of trade payables		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provisions - non-current											
Retirement benefits			77 988	45 713	50 476	50 476	50 476	50 476	83 226	86 911	89 145
Refuse/solid waste rehabilitation		74 124	248 210	100 000	100 000	100 000	100 000	100 000	195 590	204 352	209 501
Other		198 463			-	-	-	-	-	-	-
Total Provisions non-current		**272 587**	**326 298**	**145 713**	**150 476**	**150 476**	**150 476**	**150 476**	**278 816**	**291 262**	**298 647**
CHANGES IN NET ASSETS											
Accumulated surplus/(deficit)											
Accumulated surplus/(deficit) - opening balance		6 880 328	9 405 109	8 912 268	8 670 483	8 670 483	8 670 483	8 670 483	7 307 359	7 636 190	7 827 095
GRAP adjustments				84 494	86 465	86 465	86 465	86 465	90 270	94 332	98 593
Restated balance		6 880 328	9 405 109	8 996 762	8 756 948	8 756 948	8 756 948	8 756 948	7 397 629	7 730 522	7 925 688
Surplus/(Deficit)		568 151	819 948	1 042 625	945 618	799 687	799 687	1 015 235	609 842	679 074	749 884
Transfers to/from Reserves		359 294	367 435	153 841	184 584	184 584	184 584	184 584	98 343	90 347	100 347
Depreciation offsets					-	-	-	-	-	-	-
Other adjustments		33 978	462 598	506 691	507 104	507 104	507 104	507 104	-	-	-
Accumulated Surplus/(Deficit)	1	**7 835 751**	**11 043 056**	**10 699 920**	**10 395 255**	**10 204 323**	**10 204 323**	**10 463 873**	**8 191 814**	**8 499 943**	**8 774 623**
Reserves											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capitalisation		87 165	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		2 954 171	-	-	-	-	-	-	-	-	-
Revaluation		137 470	208 312	214 588	304 584	304 584	304 584	304 584	318 290	289 459	204 588
Total Reserves	2	**3 118 766**	**208 312**	**214 588**	**304 584**	**304 584**	**304 584**	**304 584**	**318 290**	**289 459**	**204 588**
TOTAL COMMUNITY WEALTH/EQUITY	2	**10 954 518**	**11 251 362**	**10 914 516**	**10 699 838**	**10 508 907**	**10 508 907**	**10 768 459**	**8 420 104**	**8 789 403**	**8 978 611**

References
1. Must reconcile with
2. Must reconcile with
3. Leases treated as assets to be depreciated as the same as purchased/constructed assets. Includes PPP asset element accounted for as finance leases
4. Borrowing must reconcile to Table A17
5. Trade Payables should only include Trade Payables from Exchange Transactions ("True Creditors")
6. Inventory Consumed - Water - included under "Inventory Consumed" on Table A4 - Detail to be submitted on Table SA1
7. Inventory Consumed Other - included under "Inventory Consumed" on Table A4 - Detail to be submitted on Table SA1
8. Inventory Transfers/Adjustments - Include under gains/losses on Table A4)
9. Inventory Write-offs - Include under losses on Table A4)

NW373 Rustenburg - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
1.1 Accelerated delivery and maintenance of quality basic and essential services to all Communities	Responsive, accountable, effective and efficient local government			4 029 921	5 167 730	5 812 802	5 998 008	4 946 686	4 946 686	4 921 028	5 200 524	5 316 461
1.2 Improved service delivery through provision of high quality, reliable and cost effective infrastructure based on integrated spatial planning				255 777	275 802	278 984	289 683	348 609	348 609	16 770	15 721	16 481
1.3 Develop and implement educational/awareness programmes to obtain community in and ownership in the use and protection of community and municipal facilities				5 579	5 361	5 542	4 927	4 911	4 911	4 667	4 884	4 968
1.4 Improved public transport infrastructure				246 287	280 645	259 854	257 150	288 362	288 362	230 385	244 342	259 525
2.1 Revive and expedite development of alternative high value adding economic growth sectors - agriculture, manufacturing, transportation services and products				1 318	–	–	–	–	–	–	–	–
2.2 Build and support broad-based black economic empowerment and sustainable Small, Medium and Micro Enterprises (SMMEs) business development				109	337	150	60	1	1	15	16	16
2.3 Create an enabling environment for the attraction, retention and expansion of foreign and local investments				–	–		–	–	–	–	–	–
2.4 Development of an integrated human resources that empowers communities skills development				2 240	1 450	1 450	1 000	1 200	1 200	1 000	1 044	1 070
3.1 Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability				98 708	202 082	226 012	180 000	180 000	180 000	194 204	209 744	209 744
3.2 Implement revenue management strategy to enhance municipal financial viability and sustainability				452 433	531 050	553 944	596 633	596 642	596 642	606 251	633 527	649 781
3.3 Implement sound and sustainable financial management and compliance controls				2 223	2 297	2 324	1 800	1 800	1 800	1 900	2 000	2 100
3.4 Develop and implement an integrated municipal core projects' funding and acquisition model aligned with funding institutions' terms and conditions				1 457	1 518	1 715	2 155	2 155	2 155	2 155	252	252
4.1 Implement integrated community safety and security strategy and measures				9 368	9 568	10 138	10 634	10 634	10 634	17 302	18 081	18 533
4.2 Implement an integrated by-law enforcement programme				116 610	101 714	120 038	125 965	133 965	133 965	156 547	163 592	167 682
5.1 Drive integrated rural development planning and infrastructural development				13 135	14 528	16 861	17 945	18 038	18 038	20 337	20 998	21 436
6.1 Drive good governance and legislative compliance in all municipal processes				1 387	–							
6.2 Promote public participation and partnerships with stakeholders on municipal programmes				432 676	479 983	560 779	588 252	648 252	648 252	784 136	813 772	853 227
7.1 Establish quality management processes in the delivery of all services				15	12	12	15	15	15	–	–	–
7.2 Review, realign and implement organisational structure to support the vision and objectives				495	723	785	943	1 188	1 188	888	924	944
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	5 669 738	7 074 800	7 851 389	8 075 171	7 182 459	7 182 459	6 957 585	7 329 420	7 522 219

References

1. Total revenue must reconcile to

2. Balance of allocations not directly linked to an IDP strategic objective

check op revenue balance – – – – – – – – –

NW373 Rustenburg - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
1.1 Accelerated delivery and maintenance of quality basic and essential services to all Communities	Responsive, accountable, effective and efficient local government			3 674 405	3 641 196	4 372 513	5 650 734	4 924 077	4 924 077	4 846 013	5 071 038	5 165 168
1.2 Improved service delivery through provision of high quality, reliable and cost effective infrastructure based on integrated spatial planning				24 885	22 983	18 082	18 942	19 008	19 008	21 902	20 894	21 222
1.3 Develop and implement educational/awareness programmes to obtain community in and ownership in the use and protection of community and municipal facilities				217 238	182 646	180 819	211 679	211 112	211 112	184 971	192 726	196 775
1.4 Improved public transport infrastructure				360 904	432 390	463 208	478 854	496 385	496 385	461 925	486 602	503 746
2.1 Revive and expedite development of alternative high value adding economic growth sectors - agriculture, manufacturing, transportation services and products				4 839	4 719	2 260	2 661	3 776	3 776	3 822	3 990	4 090
2.2 Build and support broad-based black economic empowerment and sustainable Small, Medium and Micro Enterprises (SMMEs) business development				13 104	15 181	7 479	13 770	13 111	13 111	13 228	13 932	14 390
2.3 Development of an integrated human resources that empowers communities skills development				6 007	9 027	7 204	9 308	7 948	7 948	10 321	10 775	11 045
3.1 Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability				34 368	22 604	50 085	51 873	48 103	48 103	33 509	35 490	36 640
3.2 Implement revenue management strategy to enhance municipal financial viability and sustainability				139 260	141 335	106 435	98 632	86 132	86 132	95 336	96 636	100 070
3.3 Implement sound and sustainable financial management and compliance controls				56 108	43 631	48 605	60 447	96 280	96 280	78 035	81 506	83 676
3.4 Develop and implement an integrated municipal core projects' funding and acquisition model aligned with funding institutions' terms and conditions				32 069	29 942	35 233	56 466	60 966	60 966	53 416	58 099	61 483
4.1 Explore and implement alternative eco-friendly and conservation interventions to preserve the environment.				5 744	6 134	6 519	6 633	7 172	7 172	7 255	7 457	8 018
4.2 Implement integrated community safety and security strategy and measures				146 668	136 949	183 487	187 010	193 311	193 311	191 149	199 690	204 783
4.3 Implement an integrated by-law enforcement programme				189 944	242 147	218 630	213 378	245 859	245 859	231 192	241 731	247 849
5.1 Drive integrated rural development planning and infrastructural development				79 440	80 276	74 836	93 978	86 448	86 448	100 114	101 738	104 524
6.1 Drive good governance and legislative compliance in all municipal processes				25 659	29 642	26 863	28 079	33 407	33 407	35 218	35 679	37 701
6.2 Promote public participation and partnerships with stakeholders on municipal programmes				161 830	168 353	164 217	181 241	186 591	186 591	196 130	204 687	210 506
7.1 Develop and implement integrated internal systems and processes.				4 387	4 469	4 346	5 463	5 729	5 729	7 482	7 803	7 998
7.2 Establish quality management processes in the delivery of all services				84 154	72 267	76 189	84 820	87 735	87 735	89 190	93 386	96 825
7.3 Review, realign and implement organisational structure to support the vision and objectives				54 797	1 226 161	1 203 555	77 899	72 961	72 961	72 689	76 198	78 213
Allocations to other priorities												
Total Expenditure			1	**5 315 810**	**6 512 052**	**7 250 565**	**7 531 866**	**6 886 111**	**6 886 111**	**6 732 898**	**7 040 056**	**7 194 721**

References

1. Total expenditure must reconcile to

2. Balance of allocations not directly linked to an IDP strategic objective

check op expenditure balance – – – – – – – – –

NW373 Rustenburg - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
1.1 Accelerated delivery and maintenance of quality basic and essential services to all Communities				191 201	223 713	291 516	447 447	504 674	504 674	350 784	400 592	433 179
1.2 Improved service delivery through provision of high quality, reliable and cost effective infrastructure based on integrated spatial planning				14 000	22 700	11 057	12 621	18 027	18 027	27 446	13 302	33 110
1.3 Develop and implement educational/awareness programmes to obtain community in and ownership in the use and protection of community and municipal facilities				33 118	59 118	29 413	23 418	18 418	18 418	18 989	18 147	9 309
1.4 Improved public transport infrastructure				222 133	250 037	191 385	63 352	62 524	62 524	42 001	26 871	28 010
2.1 Revive and expedite development of alternative high value adding economic growth sectors - agriculture, manufacturing, transportation services and products				–	–	–	–	–	–	–	–	–
2.2 Build and support broad-based black economic empowerment and sustainable Small, Medium and Micro Enterprises (SMMEs) business development				8 387	17 152	5 200	1 455	1 471	1 471	500	525	550
2.3 Development of an integrated human resources that empowers communities skills development				1 250	650	–	2 134	2 740	2 740	400	418	428
3.1 Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability				52	1 054	2 000	–	–	–	–	–	–
3.2 Implement revenue management strategy to enhance municipal financial viability and sustainability				160	350	2 185	970	970	970	–	–	–
3.3 Implement sound and sustainable financial management and compliance controls						–	2 047	10 447	10 447	3 250	2 500	1 500
3.4 Develop and implement an integrated municipal core projects' funding and acquisition model aligned with funding institutions' terms and conditions						–	–	–	–	–	–	–
4.1 Explore and implement alternative eco-friendly and conservation interventions to preserve the environment.				19 125	28 190	22 131	33 325	–	–	–	–	–
4.2 Implement integrated community safety and security strategy and measures				10 580	6 683	250	6 897	23 040	23 040	24 515	13 650	4 200
4.3 Implement an integrated by-law enforcement programme				–	–	–	–	6 848	6 848	6 300	1 000	1 850
5.1 Drive integrated rural development planning and infrastructural development				14 940	10 515	3 724	3 327	3 872	3 872	2 125	2 070	2 197
6.1 Drive good governance and legislative compliance in all municipal processes				–	–	–	–	–	–	5	–	–
6.2 Promote public participation and partnerships with stakeholders on municipal programmes				100	804	1 800	388	388	388	75	–	–
7.1 Develop and implement integrated internal systems and processes.				–	–	–	–	–	–	175	–	–
7.2 Establish quality management processes in the delivery of all services				4 401	3 367	5 000	44 232	44 882	44 882	6 140	2 763	2 519
7.3 Review, realign and implement organisational structure to support the vision and objectives				–	–	–	–	–	–	–	–	–
Allocations to other priorities			3									
Total Capital Expenditure			1	**519 447**	**624 333**	**565 661**	**641 611**	**698 300**	**698 300**	**482 704**	**481 837**	**516 852**
References												
1. Total capital expenditure must reconcile to Budgeted Capital Expenditure												
2. Goal code must be used on Table SA36												
3. Balance of allocations not directly linked to an IDP strategic objective												
check capital balance				–	–	–	–	–	–	–	–	–

NW373 Rustenburg - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Vote 1 - vote name										
Roads										
Resealin of Roads										
Cover potholes	Km		55.0%	55.0%	55.0%	55.0%	55.0%	58.0%	58.0%	58.0%
Sewer Reticulation	Number		58.0%	59.0%	63.0%	63.0%	63.0%	66.0%	66.0%	66.0%
Eradication of sewer backlog										
Connections										
Water reticulation	Meters		53.0%	54.0%	57.0%	57.0%	57.0%	60.0%	60.0%	60.0%
Eradication of water backlog										
Maximum water connections										
Electricity										
Electricity Backlog	Number		58.0%	59.0%	63.0%	63.0%	63.0%	66.0%	66.0%	66.0%
Electrification of households										
Street lighting	**Wards**		0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%
New Street Light										
Maintain Electricity Infrastructure										
Electricity Repairs and Maintenance	% Repaired		82.2%	83.2%	83.2%	83.8%	83.8%	85.0%	85.0%	85.0%
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
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

NW373 Rustenburg - Entities measureable performance objectives

Description	Unit of measurement	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Entity 1 - (name of entity)										
Insert measure/s description										
Entity 2 - (name of entity)										
Eradication of sewer backlog										
Entity 3 - (name of entity)										
Eradication of sewer backlog										
And so on for the rest of the Entities										

1. Include a measurable performance objective as agreed with the parent municipality (MFMA s87(5)(d))

2. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

NW373 Rustenburg - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.6%	2.8%	3.1%	2.9%	2.7%	2.7%	2.8%	3.1%	3.1%	3.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.4%	2.6%	2.9%	2.7%	2.6%	2.6%	2.6%	3.0%	3.0%	3.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	2.3	2.3	1.7	1.9	1.4	1.4	1.4	3.5	4.4	6.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.3	2.3	1.7	1.9	1.4	1.4	1.4	3.5	4.4	6.2
Liquidity Ratio	Monetary Assets/Current Liabilities	1.2	1.9	1.2	1.3	0.8	0.8	0.8	2.7	3.3	4.5
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		112.7%	100.8%	87.0%	94.4%	93.1%	93.1%	93.1%	99.2%	99.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		112.7%	100.8%	87.0%	94.4%	93.1%	93.1%	93.1%	99.2%	99.1%	99.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	18.5%	8.4%	7.5%	7.0%	7.9%	7.9%	7.9%	8.7%	9.9%	13.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))										
Creditors to Cash and Investments		55.9%	37.4%	47.7%	43.1%	69.0%	69.0%	69.0%	74.7%	57.9%	49.5%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical Total Volume Losses (kW) non technical Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase Water treatment works Natural sources										
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	15.4%	12.8%	11.8%	12.5%	14.2%	14.2%	14.2%	14.9%	14.7%	14.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	16.0%	13.8%	12.7%	13.4%	15.3%	15.3%		16.0%	15.8%	15.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.6%	0.8%	3.5%	4.9%	3.8%	3.8%		6.1%	5.9%	5.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.2%	8.0%	7.1%	7.2%	8.1%	8.1%	8.1%	8.0%	7.9%	7.9%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	34.3	11.6	10.5	10.4	10.4	10.4	7.7	7.2	7.2	7.4
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	17.6%	3.9%	4.1%	4.7%	5.7%	5.7%	5.7%	10.1%	14.8%	20.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.1	2.9	1.5	1.7	1.2	1.2	1.2	2.5	3.8	5.2

References

1. Consumer debtors > 12 months old are excluded from current assets

2. Only include if services provided by the municipality

NW373 Rustenburg - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2021/22	2022/23	2023/24	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			387	450	550	626 522	645 192	675 516	716 638	716 638	716 638	716 638
Females aged 5 - 14			32	35	37	53 515	55 110	57 700	60 354	60 354	60 354	60 354
Males aged 5 - 14			32	35	38	54 393	56 014	58 647	61 344	61 344	61 344	61 344
Females aged 15 - 34			69	72	99	111 464	114 786	120 181	125 709	125 709	125 709	125 709
Males aged 15 - 34			81	83	124	113 715	117 104	122 608	128 248	128 248	128 248	128 248
Unemployment			60	65	70	145 088	149 412	156 434	163 630	163 630	163 630	163 630
Monthly household income (no. of households)	1, 12											
No income			105	106	113	33 439	33 439	35 011	36 621	36 621	36 621	36 621
R1 - R1 600			105	106	113	5 374	5 374	5 627	5 885	5 885	5 885	5 885
R1 601 - R3 200			32	32	34	8 161	8 161	8 545	8 938	8 938	8 938	8 938
R3 201 - R6 400			5 352	5 427	5 715	22 293	22 293	23 341	24 414	24 414	24 414	24 414
R6 401 - R12 800			7 621	7 728	8 170	34 236	34 236	35 845	37 494	37 494	37 494	37 494
R12 801 - R25 600			11 819	11 984	12 657	45 979	45 979	48 140	50 354	50 354	50 354	50 354
R25 601 - R51 200			11 673	11 836	12 476	24 084	24 084	25 216	26 376	26 376	26 376	26 376
R52 201 - R102 400			37 746	38 274	40 423	14 132	14 132	14 796	15 477	15 477	15 477	15 477
R102 401 - R204 800			33 503	33 972	35 844	7 962	7 962	8 336	8 720	8 720	8 720	8 720
R204 801 - R409 600			29 450	29 862	31 570	2 389	2 389	2 501	2 616	2 616	2 616	2 616
R409 601 - R819 200			14 856	15 064	15 894	597	597	625	654	654	654	654
> R819 200			6 711	6 805	7 166	398	398	417	436	436	436	436
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Householddemographics (000)												
Number of people in municipal area			108 721	219 493	286	266	266	278 995	292	292	292	292
Number of poor people in municipal area			25 000	106	0	70	70	73 654	77	77	77	77
Number of households in municipal area			146 543	-	–	199	199	208 399	218	218	218	218
Number of poor households in municipal area			-	-	–	–	–	-	–	–	–	–
Definition of poor household (R per month)			-	106	113	3 063	3 063	3 207	3 354	3 354	3 354	3 354
Housing statistics	3											
Formal			65 695	65 695	65 695	178 941	178 941	187 351	195 969	195 969	195 969	195 969
Informal			80 848	80 848	80 848	76 062	76 062	79 637	83 300	83 300	83 300	83 300
Total number of households			146 543	146 543	146 543	255 003	255 003	266 988	279 270	279 270	279 270	279 270
Dwellings provided by municipality	4		146 543			3 640	3 640	3 811	3 986	3 986	3 986	3 986
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			146 543	-	-	3 640	3 640	3 811	3 986	3 986	3 986	3 986
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	Ref.		2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	123 662	123 662	123 662	129 350	129 350	129 350	135 300	141 389	144 924
		Piped water inside yard (but not in dwelling)	206 103	206 103	206 103	215 584	215 584	215 584	225 501	235 648	241 540
	8	Using public tap (at least min.service level)	18 844	18 844	18 844	19 711	19 711	19 711	20 618	21 545	22 084
	10	Other water supply (at least min.service level)	29 443	29 443	29 443	30 798	30 798	30 798	32 214	33 664	34 506
		Minimum Service Level and Above sub-total	378 053	378 053	378 053	395 443	395 443	395 443	413 633	432 247	443 053
	9	Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
	10	Other water supply (< min.service level)	24 914	24 914	24 914	26 060	26 060	26 060	27 258	28 485	29 197
		No water supply	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	24 914	24 914	24 914	26 060	26 060	26 060	27 258	28 485	29 197
		Total number of households	**402 966**	**402 966**	**402 966**	**421 503**	**421 503**	**421 503**	**440 892**	**460 732**	**472 250**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	234 562	304 930	325 647	325 647	325 647	340 627	356 296	372 329	381 637
		Flush toilet (with septic tank)	21 259	27 636	29 514	29 514	29 514	30 871	32 291	33 744	34 588
		Chemical toilet	4 484	5 829	6 225	6 225	6 225	6 511	6 811	7 117	7 295
		Pit toilet (ventilated)	53 490	69 537	68 261	68 261	68 261	61 677	57 251	54 352	51 872
		Other toilet provisions (> min.service level)	106 516	138 470	147 878	147 878	147 878	154 680	161 795	169 076	173 303
		Minimum Service Level and Above sub-total	420 311	546 402	577 525	577 525	577 525	594 367	614 444	636 619	648 695
		Bucket toilet	3 150	–	–	–	–	–	–	–	–
		Other toilet provisions (< min.service level)	7 084	–	–	–	–	–	–	–	–
		No toilet provisions	13 207	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	23 441	–	–	–	–	–	–	–	–
		Total number of households	**443 752**	**546 402**	**577 525**	**577 525**	**577 525**	**594 367**	**614 444**	**636 619**	**648 695**
		Energy:									
		Electricity (at least min.service level)	13 520	14 061	15 016	15 016	15 016	15 707	16 430	17 169	17 598
		Electricity - prepaid (min.service level)	58 240	60 570	64 685	64 685	64 685	67 661	70 773	73 958	75 807
		Minimum Service Level and Above sub-total	71 760	74 631	79 701	79 701	79 701	83 368	87 203	91 127	93 405
		Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	14 842	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	14 842	–	–	–	–	–	–	–	–
		Total number of households	**86 602**	**74 631**	**79 701**	**79 701**	**79 701**	**83 368**	**87 203**	**91 127**	**93 405**
		Refuse:									
		Removed at least once a week	176 794	178 147	190 250	190 250	190 250	199 002	208 156	217 523	222 961
		Minimum Service Level and Above sub-total	176 794	178 147	190 250	190 250	190 250	199 002	208 156	217 523	222 961
		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	**176 794**	**178 147**	**190 250**	**190 250**	**190 250**	**199 002**	**208 156**	**217 523**	**222 961**

Municipal in-house services	Ref.		2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	123 662	123 662	123 662	129 350	129 350	129 350	135 300	141 389	144 924
		Piped water inside yard (but not in dwelling)	206 103	206 103	206 103	215 584	215 584	215 584	225 501	235 648	241 540
	8	Using public tap (at least min.service level)	18 844	18 844	18 844	19 711	19 711	19 711	20 618	21 545	22 084
	10	Other water supply (at least min.service level)	29 443	29 443	29 443	30 798	30 798	30 798	32 214	33 664	34 506
		Minimum Service Level and Above sub-total	378 053	378 053	378 053	395 443	395 443	395 443	413 633	432 247	443 053
	9	Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
	10	Other water supply (< min.service level)	24 914	24 914	24 914	26 060	26 060	26 060	27 258	28 485	29 197
		No water supply	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	24 914	24 914	24 914	26 060	26 060	26 060	27 258	28 485	29 197
		Total number of households	**402 966**	**402 966**	**402 966**	**421 503**	**421 503**	**421 503**	**440 892**	**460 732**	**472 250**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	234 562	304 930	325 647	325 647	325 647	340 627	356 296	372 329	381 637
		Flush toilet (with septic tank)	21 259	27 636	29 514	29 514	29 514	30 871	32 291	33 744	34 588
		Chemical toilet	4 484	5 829	6 225	6 225	6 225	6 511	6 811	7 117	7 295
		Pit toilet (ventilated)	53 490	69 537	68 261	68 261	68 261	61 677	57 251	54 352	51 872
		Other toilet provisions (> min.service level)	106 516	138 470	147 878	147 878	147 878	154 680	161 795	169 076	173 303
		Minimum Service Level and Above sub-total	420 311	546 402	577 525	577 525	577 525	594 367	614 444	636 619	648 695
		Bucket toilet	3 150	–	–	–	–	–	–	–	–
		Other toilet provisions (< min.service level)	7 084	–	–	–	–	–	–	–	–
		No toilet provisions	13 207	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	23 441	–	–	–	–	–	–	–	–
		Total number of households	**443 752**	**546 402**	**577 525**	**577 525**	**577 525**	**594 367**	**614 444**	**636 619**	**648 695**
		Energy:									
		Electricity (at least min.service level)	13 520	14 061	15 016	15 016	15 016	15 707	16 430	17 169	17 598
		Electricity - prepaid (min.service level)	58 240	60 570	64 685	64 685	64 685	67 661	70 773	73 958	75 807
		Minimum Service Level and Above sub-total	71 760	74 631	79 701	79 701	79 701	83 368	87 203	91 127	93 405
		Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	14 842	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	14 842	–	–	–	–	–	–	–	–
		Total number of households	**86 602**	**74 631**	**79 701**	**79 701**	**79 701**	**83 368**	**87 203**	**91 127**	**93 405**
		Refuse:									
		Removed at least once a week	176 794	178 147	190 250	190 250	190 250	199 002	208 156	217 523	222 961
		Minimum Service Level and Above sub-total	176 794	178 147	190 250	190 250	190 250	199 002	208 156	217 523	222 961
		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	**176 794**	**178 147**	**190 250**	**190 250**	**190 250**	**199 002**	**208 156**	**217 523**	**222 961**

Municipal entity services	Ref.		2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Name of municipal entity		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	–	–	–	–	–	–	–	–	–
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.		2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
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			2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
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)**	8 041 556	8 395	8 747 991	8 747 991	8 747 991	9 150 399	9 571 317	10 002,026	10 252,077
		Number of HH receiving this type of FBS	2 675	560	691	691	691	1 323	1 356	1,417	1,452

		Informal settlements (Rands)	99 410 475	57 056 400	6 535 398	6 535 398	6 535 398	6 836 026	7 150 483	7 472 255	7 659 062
		Number of HH receiving this type of FBS	29 736	44 025	71 219	71 219	71 219	74 495	77 922	81 428	83 464
		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	99 410 475	57 056 400	6 535 398	6 535 398	6 535 398	6 836 026	7 150 483	7 472 255	7 659 062
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)**	7 283 773	7 604 259	7 923 638	7 923 638	7 923 638	8 288 125	8 669 379	9 059,501	9 285,989
		Number of HH receiving this type of FBS	2 675	641	691	691	691	1 323	1 356	1,417	1,452
		Informal settlements (Rands)	61 635 591	5 546 352	6 535 398	6 535 398	6 535 398	6 836 026	7 150 483	7 472,255	7 659,062
		Number of HH receiving this type of FBS	29 736	66 028	71 219	71 219	71 219	74 495	77 922	81,428	83,464
		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	61 635 591	5 546 352	6 535 398	6 535 398	6 535 398	6 836 026	7 150 483	7 472 255	7 659 062
Sanitation	Ref.	*Location of households for each type of FBS*									
		Formal settlements - (free sanitation service to									
List type of FBS service		**indigent households)**	5 633 106	5 880 963	6 127 963	6 127 963	6 127 963	6 409 849	6 704 703	7 006,415	7 181,575
		Number of HH receiving this type of FBS	2 675	2 492	400	400	400	1 200	1 260	1,317	1,350
		Informal settlements (Rands)	43 626 280	47 462 256	55 062 006	55 062 006	55 062 006	57 594 858	60 244 222	62 955,212	64 529,092
		Number of HH receiving this type of FBS	29 736	24 117	26 013	26 013	26 013	27 209	28 461	29,742	30,485
		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	43 626 280	47 462 256	55 062 006	55 062 006	55 062 006	57 594 858	60 244 222	62 955 212	64 529 092
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)**	4 195 088	4 379 672	4 554 859	4 554 859	4 554 859	4 764 383	4 983 544	5 207,803	5 337,999
		Number of HH receiving this type of FBS	2 675	738	796	796	796	1 432	1 470	1,537	1,575
		Informal settlements (Rands)	43 012 529	111 050 460	128 515 704	128 515 704	128 515 704	134 427 427	140 611 088	146 938,587	150 612,052
		Number of HH receiving this type of FBS	29 736	60 485	65 240	65 240	65 240	68 242	71 381	74,593	76,458
		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	43 012 529	111 050 460	128 515 704	128 515 704	128 515 704	134 427 427	140 611 088	146 938 587	150 612 052

Reference:

1. Monthly household income threshold. Should include all sources of income.

2. Show the poverty analysis the municipality uses to determine its indigents policy and the provision of services

3. Include total of all housing units within the municipality

4. Number of subsidised dwellings to be constructed by the municipality under agency agreement with province

5. Provide estimate based on building approval information. Include any non-subsidised dwellings constructed by the municipality

6. Insert actual or estimated % increases assumed as a basis for budget calculations

7. Insert actual or estimated % collection rate assumed as a basis for budget calculations for each revenue group

8. Stand distance <= 200m from dwelling

9. Stand distance > 200m from dwelling

10. Borehole, spring, rain-water tank etc.

11. Must agree to total number of households in municipal area

12. Household income categories assume an average 4 person household. Stats SA - Census 2011 Questionnaire

13. Based on National poverty line of R515 per capita per month (2008 prices), assuming an average household size of 4 persons

NW373 Rustenburg Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	738 273	1 308 728	755 237	866 578	542 172	542 172	542 172	1 135 864	1 823 695	2 560 458
Cash + investments at the yr end less applications - R'000	18(1)b	2	557 540	734 275	178 008	597 395	244 602	244 602	244 602	434 547	947 930	1 701 777
Cash year end/monthly employee/supplier payments	18(1)b	3	2,1	2,9	1,5	1,7	1,2	1,2	1,2	2,5	3,8	5,2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	568 151	803 918	1 042 635	946 618	755 687	755 687	1 015 239	605 842	679 074	749 891
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	23,1%	3,1%	(4,8%)	(22,3%)	(6,0%)	(6,0%)	(15,4%)	(1,0%)	(3,1%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	62,3%	61,5%	53,6%	56,9%	51,9%	51,9%	51,9%	83,1%	83,1%	83,5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7		15,5%	15,2%	14,4%	17,3%	17,3%	17,3%	16,9%	16,9%	16,5%
Capital payments % of capital expenditure	18(1)c;19	8	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	10,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	9,3%	7,2%	(7,2%)	0,0%	0,0%	0,0%	202,3%	27,8%	29,7%
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	0,3%	0,5%	2,5%	3,7%	2,5%	2,5%	4,0%	4,1%	4,2%	0,0%
Asset renewal % of capital budget	20(1)(vi)	14	25,8%	16,6%	11,5%	1,0%	5,8%	5,8%	0,0%	9,5%	6,0%	5,6%

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			29,1%	9,1%	1,2%	(16,3%)	0,0%	0,0%	(9,4%)	5,0%	2,9%
% incr Property Tax	18(1)a			4,2%	6,3%	7,5%	0,0%	0,0%	0,0%	1,6%	4,5%	2,5%
% incr Service charges - Electricity	18(1)a			43,9%	9,7%	(2,1%)	(23,5%)	0,0%	0,0%	(17,1%)	5,8%	3,1%
% incr Service charges - Water	18(1)a			6,6%	7,7%	9,7%	(4,6%)	0,0%	0,0%	(1,0%)	6,0%	3,3%
% incr Service charges - Waste Water Management	18(1)a			4,9%	6,6%	11,2%	0,0%	0,0%	0,0%	9,8%	0,7%	1,9%
% incr Service charges - Waste Management	18(1)a			(0,7%)	17,6%	4,5%	0,0%	0,0%	0,0%	4,8%	4,5%	2,5%
% incr in Sale of Goods and Rendering of Services	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		4 124 397	5 322 944	5 809 475	5 879 418	4 919 418	4 919 418	4 919 418	4 458 902	4 681 304	4 815 830
Service charges			4 124 397	5 322 944	5 809 475	5 879 418	4 919 418	4 919 418	4 919 418	4 458 902	4 681 304	4 815 830
Property rates			496 067	516 902	549 646	590 738	590 738	590 738	590 738	600 347	627 363	643 047
Service charges - electricity revenue			2 566 167	3 691 715	4 049 322	3 963 727	3 033 727	3 033 727	3 033 727	2 513 530	2 659 242	2 741 340
Service charges - water revenue			519 392	553 596	595 954	653 909	623 909	623 909	623 909	617 929	654 736	676 105
Service charges - sanitation revenue			386 771	405 800	432 405	480 629	480 629	480 629	480 629	527 552	531 442	541 603
Service charges - refuse removal			155 999	154 931	182 148	190 415	190 415	190 415	190 415	199 542	208 521	213 734
Agency services			104 983	110 424	108 282	113 426	121 426	121 426	121 426	143 375	149 827	153 573
Capital expenditure excluding capital grant funding			147 212	192 400	123 426	238 298	238 961	238 961	238 961	101 550	92 127	93 530
Cash receipts from ratepayers	18(1)a		4 304 854	5 026 644	4 726 655	5 191 236	4 239 379	4 239 379	4 239 379	4 069 440	4 267 096	4 409 418
Ratepayer & Other revenue	18(1)a		6 913 884	8 166 942	8 817 444	9 126 269	8 174 127	8 174 127	8 174 127	4 895 933	5 135 788	5 282 019
Change in consumer debtors (current and non-current)			N/A	20 958	17 655	(18 887)	–	–	–	494 462	205 375	280 469
Operating and Capital Grant Revenue	18(1)a		1 162 105	1 368 447	1 746 715	1 797 187	1 856 358	1 856 358	1 856 358	1 850 189	1 969 779	2 014 619
Capital expenditure - total	20(1)(vi)		519 447	624 513	565 411	641 611	698 300	698 300	698 300	482 704	481 837	516 852
Capital expenditure - renewal	20(1)(vi)		133 858	103 732	64 750	6 684	40 802	40 802		45 918	28 690	29 139
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												
List operating grants												
										–	–	–
DoRA capital												
List capital grants												
										–	–	–
Trend												
Change in consumer debtors (current and non-current)			N/A	20 958	17 655	(18 887)	–	–	–	494 462	205 375	280 469
Total Operating Revenue			5 669 738	7 074 800	7 851 389	8 075 171	7 182 459	7 182 459	7 182 459	6 957 585	7 329 420	7 522 219
Total Operating Expenditure			5 315 810	6 512 052	7 250 565	7 531 866	6 886 111	6 886 111	6 626 559	6 732 898	7 040 056	7 194 721
Operating Performance Surplus/(Deficit)			353 929	562 748	600 824	543 305	296 348	296 348	555 900	224 687	289 364	327 499
Cash and Cash Equivalents (30 June 2012)										1 135 864		
Revenue												
% Increase in Total Operating Revenue				24,8%	11,0%	2,9%	(11,1%)	0,0%	0,0%	(3,1%)	5,3%	2,6%
% Increase in Property Rates Revenue				4,2%	6,3%	7,5%	0,0%	0,0%	0,0%	1,6%	4,5%	2,5%
% Increase in Electricity Revenue				43,9%	9,7%	(2,1%)	(23,5%)	0,0%	0,0%	(17,1%)	5,8%	3,1%
% Increase in Property Rates & Services Charges				29,1%	9,1%	1,2%	(16,3%)	0,0%	0,0%	(9,4%)	5,0%	2,9%
Expenditure												
% Increase in Total Operating Expenditure				22,5%	11,3%	3,9%	(8,6%)	0,0%	(3,8%)	(2,2%)	4,6%	2,2%
% Increase in Employee Costs				3,4%	2,6%	8,3%	1,6%	0,0%	0,0%	1,3%	4,2%	1,2%
% Increase in Electricity Bulk Purchases				60,8%	19,1%	(5,3%)	(22,1%)	0,0%	0,0%	5,5%	5,4%	2,7%
Average Cost Per Budgeted Employee Position (Remuneration)					382029,2377	413643,9881				402712,0914		
Average Cost Per Councillor (Remuneration)					807756,7303	840308,2697				871768,9438		
R&M % of PPE			0,3%	0,5%	2,5%	3,7%	2,5%	2,5%		4,0%	4,1%	4,2%
Asset Renewal and R&M as a % of PPE			2,9%	2,7%	4,4%	5,8%	4,8%	4,8%		6,1%	6,7%	7,0%
Debt Impairment % of Total Billable Revenue			0,0%	15,5%	15,2%	14,4%	17,3%	17,3%	17,3%	16,9%	16,9%	16,5%
Capital Revenue												
Internally Funded & Other (R'000)			147 212	192 400	123 426	238 298	238 961	238 961	238 961	101 550	92 127	93 530
Borrowing (R'000)			–	–	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)			372 235	432 113	441 985	403 313	459 339	459 339	459 339	381 155	389 710	423 322
Internally Generated funds % of Non Grant Funding			100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Borrowing % of Non Grant Funding			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grant Funding % of Total Funding			71,7%	68,2%	78,2%	62,9%	65,8%	65,8%	65,8%	79,0%	80,9%	81,9%
Capital Expenditure												
Total Capital Programme (R'000)			519 447	624 513	565 411	641 611	698 300	698 300	698 300	482 704	481 837	516 852
Asset Renewal			280 292	238 214	203 835	216 331	240 307	240 307	225 872	293 825	276 597	291 138
Asset Renewal % of Total Capital Expenditure			54,0%	38,1%	36,1%	33,7%	34,4%	34,4%	32,3%	60,9%	57,4%	56,3%
Cash												
Cash Receipts % of Rate Payer & Other			62,3%	61,5%	53,6%	56,9%	51,9%	51,9%	51,9%	83,1%	83,1%	83,5%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
Borrowing												
Most recent Credit Rating										0		
Capital Charges to Operating			3,6%	2,8%	3,1%	2,9%	2,7%	2,7%	2,8%	3,1%	3,1%	3,1%
Borrowing Receipts % of Capital Expenditure			0,0%	10,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Reserves												
Uncommitted reserves after application of cash and investments			557 540	734 275	178 008	597 395	244 602	244 602	244 602	434 547	947 930	1 701 777
Free Services												
Free Basic Services as a % of Equitable Share			32,9%	23,5%	18,3%	17,0%	17,1%	17,9%		17,3%	16,8%	17,2%
Free Services as a % of Operating Revenue (excl operational transfers)			(1,5%)	(1,3%)	(1,2%)	(1,3%)	(1,5%)	(1,5%)		(1,7%)	(1,7%)	(1,7%)
High Level Outcome of Funding Compliance												
Total Operating Revenue			5 669 738	7 074 800	7 851 389	8 075 171	7 182 459	7 182 459	7 182 459	6 957 585	7 329 420	7 522 219
Total Operating Expenditure			5 315 810	6 512 052	7 250 565	7 531 866	6 886 111	6 886 111	6 626 559	6 732 898	7 040 056	7 194 721
Surplus/(Deficit) Budgeted Operating Statement			353 929	562 748	600 824	543 305	296 348	296 348	555 900	224 687	289 364	327 499
Surplus/(Deficit) Considering Reserves and Cash Backing			557 540	734 275	178 008	597 395	244 602	244 602	244 602	434 547	947 930	1 701 777
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.

NW373 Rustenburg - Supporting Table SA11 Property rates summary

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Valuation:	1									
Date of valuation:				2021/07/01		2021/07/01	2021/07/01	2021/07/01	2021/07/01	2026/07/01
Financial year valuation used				2022/06/30		2022/06/30	2022/06/30	2023/06/30	2024/06/30	2026/07/01
Municipal by-laws s6 in place? (Y/N)	2		Yes	Yes		Yes	Yes	Yes	Yes	Yes
Municipal/assistant valuer appointed? (Y/N)		Yes		No		No	No	Yes	Yes	Yes
Municipal partnership s38 used? (Y/N)			No	No		No	No	No	No	No
No. of assistant valuers (FTE)	3		1900/01/01	1900/01/01		1900/01/01	1900/01/01	1900/01/01	1900/01/01	1900/01/01
No. of data collectors (FTE)	3	1900/01/03	1900/01/03	1900/01/03		1900/01/03	1900/01/03	1900/01/03	1900/01/03	1900/01/03
No. of internal valuers (FTE)	3		1900/01/01	1900/01/00		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of external valuers (FTE)	3			1900/01/01		1900/01/01	1900/01/01	1900/01/01	1900/01/01	1900/01/01
No. of additional valuers (FTE)	4		No	1900/01/00		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
Valuation appeal board established? (Y/N)				Yes		Yes	Yes	Yes	Yes	Yes
Implementation time of new valuation roll (mths)		2021/07/01	2021/07/01	2021/07/01		2026/07/01	2026/07/01	2026/07/01	2026/07/01	2026/07/01
No. of properties	5		2133/04/08	2175/07/20		2186/03/04	2186/03/04	2186/03/04	2186/03/04	2186/03/04
No. of sectional title values	5			1928/11/10		1928/11/10	1928/11/10	1928/11/10	1928/11/10	1928/11/10
No. of unreasonably difficult properties s7(2)			1900/01/01	1900/01/00		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of supplementary valuations				1900/01/01		1900/01/01	1900/01/01	1900/01/01	1900/01/01	1900/01/01
No. of valuation roll amendments			1900/01/01	1900/01/02		1900/01/03	1900/01/03	1900/01/04	1900/01/05	1900/01/06
No. of objections by rate payers				1909/07/31		1922/08/04	1922/08/04	1922/08/04	1922/08/04	1922/08/04
No. of appeals by rate payers				1900/01/00		1901/10/31	1901/10/31	1901/10/31	1901/10/31	1901/10/31
No. of successful objections	8			1900/01/00		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of successful objections > 10%	8			1900/01/00		1907/11/01	1907/11/01	1907/11/01	1907/11/01	1907/11/01
Supplementary valuation				1900/01/01		1900/01/01	1900/01/01	1900/01/01	1900/01/01	1900/01/00
Public service infrastructure value (Rm)	5		1900/07/26	1900/01/00		##########	##########	##########	##########	##########
Municipality owned property value (Rm)				1900/07/26		##########	##########	##########	##########	##########
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		11	11	11		654	0	0	0	–
Valuation reductions-nature reserves/park (Rm)				–		–	–	–	–	–
Valuation reductions-mineral rights (Rm)				–		–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		1 107	1 107	1 107		48 966	48 966	48 966	48 966	48 966
Valuation reductions-public worship (Rm)		152	152	152		531	531	531	531	531
Valuation reductions-other (Rm)		8 110	8 110	8 110		8 110	8 110	8 110	8 110	8 110
Total valuation reductions:		**9 380**	**9 380**	**9 380**	**–**	**58 261**	**57 606**	**57 606**	**57 606**	**57 606**
Total value used for rating (Rm)	5									–
Total land value (Rm)	5	n/a	n/a	n/a		n/a	n/a	n/a	n/a	–
Total value of improvements (Rm)	5	n/a	n/a	n/a		n/a	n/a	n/a	n/a	–
Total market value (Rm)	5	34 730	40 730	40 730		86 038	86 038	86 038	86 038	86 038
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
Differential rates used? (Y/N)	5	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
Limit on annual rate increase (s20)? (Y/N)		Yes			Yes		Yes	Yes	Yes	Yes
Special rating area used? (Y/N)		Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
Phasing-in properties s21 (number)		Yes			Yes		Yes	Yes	Yes	Yes
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
Fixed amount minimum value (R'000)		Yes			Yes		Yes	Yes	Yes	Yes
Non-residential prescribed ratio s19? (%)					n/a		n/a	n/a	n/a	n/a
Rate revenue:										
Rate revenue budget (R '000)	6	337 184	337 184	337 184	337 184	337 184	337 184	337 184	337 184	337 184
Rate revenue expected to collect (R'000)	6	275 556	275 556	275 556	275 556	275 556	275 556	275 556	275 556	275 556
Expected cash collection rate (%)		0	0	0	0	0	0	0	0	0
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)				0	0	0	0	0	0	0
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)		37 068	37 068	37 068	37 068	37 068	37 068	37 068	37 068	37 068
Phase-in reductions/discounts (R'000)										
Total rebates,exemptns,reductns,discs (R'000)		**37 068**	**37 068**	**37 068**	**37 068**	**37 068**	**37 068**	**37 068**	**37 068**	**37 068**

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
7. Included in rate revenue budget
8. In favour of the rate-payer

NW373 Rustenburg - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
Current Year 2024/25												
Valuation:												
No. of properties		1 878	576	514	81 068	3 638	30	775	482	2 296	–	137
No. of sectional title property values					8 420 283 401						–	–
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		498	–	–	7 079	681	–		–	–	–	–
No. of appeals by rate-payers		157	–	–	357	156	–		–	–	–	–
No. of appeals by rate-payers finalised		91	–	–	253	18	–		–	–	–	–
No. of successful objections	5	–	–	–	–		–		–	–	–	–
No. of successful objections > 10%	5	–	–	–	–		–		–	–	–	–
Estimated no. of properties not valued		–	–	–	–		–		–	–	–	–
Years since last valuation **(select)**		1	1	1	1		1		1	1	–	–
Frequency of valuation **(select)**		4	4	4	4		4		4	4	–	–
Method of valuation used **(select)**		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.	–	–
Phasing-in properties s21 (number)		–	–	–	–		–		–	–	–	–
Combination of rating types used? (Y/N)		No	No	No	No		No		No	No	–	–
Flat rate used? (Y/N)		No	No	No	No		No		No	No	–	–
Is balance rated by uniform rate/variable rate?		Uniform	Uniform	Uniform	Uniform		Uniform		Uniform	Uniform	–	–
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	–	–	–	–	–	–	–	–	–	–	–
Rate revenue budget (R '000)		–	–	–	–	–	–	–	–	–	–	–
Rate revenue expected to collect (R'000)		–	–	–	–	–	–	–	–	–	–	–
Expected cash collection rate (%)	4	–	–	–	–	–	–	–	–	–	–	–
Special rating areas (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)												

References

1. Land & Assistance Act, Restitution of Land Rights, Communual Property Associations

2. Include value of additional reductions is 'free' value greater than MPRA minimum.

3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum

4. Include arrears collections

5. In favour of the rate-payer

6. Provide relevant information for historical comparisons.

NW373 Rustenburg - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
Budget Year 2025/26												
Valuation:												
No. of properties		1 878	576	514	81 068	3 638	30	775	482	2 296	–	–
No. of sectional title property values					8 420 283 401						–	–
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		498	–	–	7 079	681	–		–	–	–	–
No. of appeals by rate-payers		157	–	–	357	156	–		–	–	–	–
No. of appeals by rate-payers finalised		91	–	–	253	18	–		–	–	–	–
No. of successful objections	5	–	–	–	–		–		–	–	–	–
No. of successful objections > 10%	5	–	–	–	–		–		–	–	–	–
Estimated no. of properties not valued		–	–	–	–		–		–	–	–	–
Years since last valuation **(select)**		1	1	1	1		1		1	1	–	–
Frequency of valuation **(select)**		4	4	4	4		4		4	4	–	–
Method of valuation used **(select)**		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.	–	–
Phasing-in properties s21 (number)		–	–	–	–		–		–	–	–	–
Combination of rating types used? (Y/N)		No	No	No	No		No		No	No	–	–
Flat rate used? (Y/N)		No	No	No	No		No		No	No	–	–
Is balance rated by uniform rate/variable rate?		Uniform	Uniform	Uniform	Uniform		Uniform		Uniform	Uniform	–	–
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	–	–	–	–	–	–	–	–	–	–	–
Rate revenue budget (R '000)		–	–	–	–	–	–	–	–	–	–	–
Rate revenue expected to collect (R'000)		–	–	–	–	–	–	–	–	–	–	–
Expected cash collection rate (%)	4	–	–	–	–	–	–	–	–	–	–	–
Special rating areas (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)												

References

1. Land & Assistance Act, Restitution of Land Rights, Communual Property Associations

2. Include value of additional reductions is 'free' value greater than MPRA minimum.

3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum

4. Include arrears collections

5. In favour of the rate-payer

6. Provide relevant information for historical comparisons.

NW373 Rustenburg - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2021/22	2022/23	2023/24	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
							Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Property rates *(rate in the Rand)*	1								
Residential properties			0	0	0	0.0055	0.0058	0.0061	0.0063
Residential properties - vacant land			0	0	0	0.0111	0.0116	0.0122	0.0128
Formal/informal settlements							-	-	-
Small holdings			0	0	0	0.0022	0.0023	0.0024	0.0025
Farm properties - used			0	0	0	0.0022	0.0023	0.0024	0.0025
Farm properties - not used			0	0	0	0.0022	0.0023	0.0024	0.0025
Industrial properties			0	0	0	0.0167	0.0175	0.0184	0.0192
Business and commercial properties			0	0	0	0.0167	0.0175	0.0184	0.0192
Communal land - residential			-	-	-	-	-	-	-
Communal land - small holdings			-	-	-	-	-	-	-
Communal land - farm property			-	-	-	-	-	-	-
Communal land - business and commercial			-	-	-	-	-	-	-
Communal land - other			0	0	0	0.0150	0.0157	0.0165	0.0173
State-owned properties			0	0	0	0.0302	0.0317	0.0332	0.0348
Municipal properties					0	-	-	-	-
Public service infrastructure					0	-	-	-	-
Privately owned towns serviced by the owner			0	0	0	0.0094	0.0099	0.0103	0.0108
State trust land			-	-	-	-	-	-	-
Restitution and redistribution properties			-	-	-	-	-	-	-
Protected areas			-	-	-	-	-	-	-
National monuments properties			-	-	-	-	-	-	-
Property rates by usage			-	-	-	-	-	-	-
Business and commercial properties			-	-	-	-	-	-	-
Industrial properties			-	-	-	-	-	-	-
Mining properties			-	-	-	-	-	-	-
Residential properties			-	-	-	-	-	-	-
Agricultural properties			-	-	-	-	-	-	-
Public benefit organisations			-	-	-	-	-	-	-
Public service purpose properties			-	-	-	-	-	-	-
Public service infrastructure properties			-	-	-	-	-	-	-
Vacant land			-	-	-	-	-	-	-
Sport Clubs and Fields (Bitou only)			-	-	-	-	-	-	-
Sectional Title Garages (Drakenstein only)			-	-	-	-	-	-	-
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			-	-	-	-	-	-	-
Indigent rebate or exemption			-	-	-	-	-	-	-
Pensioners/social grants rebate or exemption			-	-	-	-	-	-	-
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)*			86	86	86	86	90	95	99
Service point - vacant land *(Rands/month)*			91	91	91	91	96	100	105
Water usage - flat rate tariff *(c/kl)*			86	86	86	86	90	95	99
Water usage - life line tariff		(describe structure)					-	-	-
Water usage - Block 1 (c/kl)		(fill in thresholds)	14	14	14	14	15	15	16
Water usage - Block 2 (c/kl)		(fill in thresholds)	13	13	13	13	14	14	15
Water usage - Block 3 (c/kl)		(fill in thresholds)	16	16	16	16	17	18	19
Water usage - Block 4 (c/kl)		(fill in thresholds)	23	23	23	23	24	25	26

	2	27	27	27	27	27	28	29	31
(fill in thresholds)									
(fill in thresholds)		-	-	-	-	-	-	-	-
Other									
Water usage - Block 5 (c/kl)		-	-	-	-	-	-	-	-
Water usage - Block 6 (c/kl)									

Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			-	-	-	-	-	-	-
Service point - vacant land *(Rands/month)*			-	-	-	-	-	-	-
Waste water - flat rate tariff *(c/kl)*			-	-	-	-	-	-	-
Volumetric charge - Block 1 (c/kl)		(fill in structure)	148	148	148	148	156	163	170
Volumetric charge - Block 2 (c/kl)		(fill in structure)	157	157	157	157	165	172	180
Volumetric charge - Block 3 (c/kl)		(fill in structure)	170	170	170	170	178	186	195
Volumetric charge - Block 4 (c/kl)		(fill in structure)	187	187	187	187	196	205	214
Other	2		-	-	-	-	-	-	-
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*				187	187	187	196	205	215
Service point - vacant land *(Rands/month)*							-	-	-
FBE		(how is this targeted?)		50	50	50	52	55	57
Life-line tariff - meter		(describe structure)					-	-	-
Life-line tariff - prepaid		(describe structure)					-	-	-
Flat rate tariff - meter *(c/kwh)*		#N/A					-	-	-
Flat rate tariff - prepaid*(c/kwh)*		#N/A					-	-	-
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)	90	90	90	90	94	98	103
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)	112	112	112	112	117	123	128
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)	146	146	146	146	154	161	168
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)	176	176	176	176	185	193	202
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)					-	-	-
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)	90	90	90	90	94	98	103
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)	112	112	112	112	117	123	128
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)	146	146	146	146	154	161	168
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)	176	176	176	176	185	193	202
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-
Other	2		-	-	-	-	-	-	-
Waste management tariffs									
Domestic									
Street cleaning charge			-	-	-	-	-	-	-
Basic charge/fixed fee			143	150	150	150	156	163	170
80l bin - once a week			-	-	-	-	-	-	-
250l bin - once a week			-	-	-	-	-	-	-

References

1. If properties are not rated or zero rated this must be indicated as such

2.Please provide detailed descriptions on Sheet SA13b

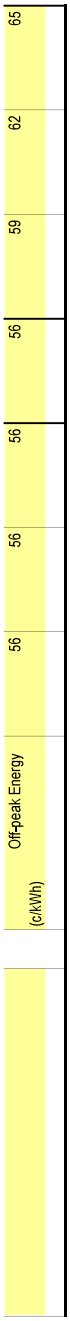
NW373 Rustenburg - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2021/22	2022/23	2023/24	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
							Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Exemptions, reductions and rebates *(Rands)*									
Rebate Earnings<4500			0	0	0	0	0	0	0
Rebate Earnings between 4500 and 5500			0	0	0	0	0	0	0
Rebate Earnings between 5500 and 6500			0	0	0	0	0	0	0
Government Rebates 20%			0	0	0	0	0	0	0
Residential Rebates			100 000	100 000	100 000	100 000	104 900	109 725	114 773
Water tariffs									
Domestic - Conventional		(0-12kl)	12	12	12	12	12	13	13
Domestic - Conventional		(13-25kl)	14	14	14	14	15	15	16
Domestic - Conventional		(26-40kl)	16	16	16	16	17	18	19
Domestic - Conventional		(41-60kl)	18	18	18	18	19	20	21
Domestic - Conventional		(60kl +)	20	20	20	20	21	22	23
							-	-	-
Domestic - Prepaid		(0-12kl)	12	12	12	12	12	13	13
Domestic - Prepaid		(13-25kl)	14	14	14	14	15	15	16
Domestic - Prepaid		(26-40kl)	16	16	16	16	17	18	19
			18	18	18	18	19	20	21
Domestic - Prepaid		(41-60kl)	20	20	20	20	21	22	23
		(60kl +)					-	-	-
			16	16	16	16	17	17	18
Domestic Agricultural		(0-12kl)	17	17	17	17	18	19	19
Domestic Agricultural		(13-25kl)	19	19	19	19	20	20	21
Domestic Agricultural		(26-40kl)	19	19	19	19	20	21	22
Domestic Agricultural		(41-60kl)	21	21	21	21	22	23	24
Domestic Agricultural		(60kl +)					-	-	-
			17	17	17	17	18	19	20
Industrial		(0-150kl) (0-60Kl New)	19	19	19	19	19	20	21
Industrial		(0 - 150) (61-100Kl New)	21	21	21	21	22	23	24
Industrial		(0-150kl) (101-150Kl New)	22	22	22	22	24	25	26
		(150kl +) (151Kl + New)					-	-	-
			18	18	18	18	19	20	21
Bospoort		(0-150kl) (0-60Kl New)	19	19	19	19	20	21	22
Bospoort		(0 - 150) (61-100Kl New)	20	20	20	20	21	22	23
Bospoort		(0-150kl) (101-150Kl New)	21	21	21	21	22	23	24
Bospoort		(150kl +) (151Kl + New)							
			17	17	17	17	18	19	20
Commercial		(0-150kl) (0-60Kl New)	18	18	18	18	19	20	21
Commercial		(0 - 150) (61-100Kl New)	20	20	20	20	21	22	23
Commercial		(0-150kl) (101-150Kl New)	21	21	21	21	22	23	24
Commercial		(150kl +) (151Kl + New)					-	-	-
			16	16	16	16	17	18	19
Institutional - Church		(0-150kl) (0-60Kl New)	17	17	17	17	18	19	20
Institutional - Church		(0 - 150) (61-100Kl New)	17	17	17	17	18	19	20
Institutional - Church		(0-150kl) (101-150Kl New)	18	18	18	18	19	20	21
		(150kl +) (151Kl + New)					-	-	-
			16	16	16	16	17	18	18
Institutional		(0-150kl) (0-60Kl New)	17	17	17	17	18	18	19
Institutional		(0 - 150) (61-100Kl New)	17	17	17	17	18	19	20
Institutional		(0-150kl) (101-150Kl New)	18	18	18	18	19	20	21

Institutional	(150kl +) (151Kl + New)					-	-	-
		16	16	16	16	16	17	18
Institutional - Government	(0-150kl) (0-60Kl New)	16	16	16	16	17	18	19
Institutional - Government	(0 - 150) (61-100Kl New)	17	17	17	17	17	18	19
Institutional - Government	(0-150kl) (101-150Kl New)	17	17	17	17	18	19	20
Institutional - Government	(150kl +) (151Kl + New)					-	-	-
		17	17	17	17	18	18	19
Institutional - Educational / Private and Public Schools	(0-150kl) (0-60Kl New)	19	19	19	19	20	21	22
Institutional - Educational / Private and Public Schools	(0 - 150) (61-100Kl New)	19	19	19	19	20	21	22
Institutional - Educational / Private and Public Schools	(0-150kl) (101-150Kl New)	20	20	20	20	21	22	23
Institutional - Educational / Private and Public Schools	(150kl +) (151Kl + New)					-	-	-
		18	18	18	18	19	20	21
Special	(0-150kl) (0-60Kl New)	19	19	19	19	20	21	22
Special	(0 - 150) (61-100Kl New)	19	19	19	19	20	21	22
Special	(0-150kl) (101-150Kl New)	20	20	20	20	21	22	23
Special	(150kl +) (151Kl + New)					-	-	-
		17	17	17	17	18	19	20
Institutional - Municipal	(0-150kl) (0-60Kl New)	20	20	20	20	20	21	22
Institutional - Municipal	(0 - 150) (61-100Kl New)	20	20	20	20	21	22	23
Institutional - Municipal	(0-150kl) (101-150Kl New)	21	21	21	21	22	23	24
Institutional - Municipal	(150kl +) (151Kl + New)					-	-	-
		17	17	17	17	18	19	20
Agricultural Business	(0-150kl) (0-60Kl New)	19	19	19	19	19	20	21
Agricultural Business	(0 - 150) (61-100Kl New)	21	21	21	21	22	23	24
Agricultural Business	(0-150kl) (101-150Kl New)	22	22	22	22	24	25	26
Agricultural Business	(150kl +) (151Kl + New)	23	23	23	23	24	25	26
Waste water tariffs								
Residential 2-4 TOTAL	Up to and including 300m2	128	128	128	128	135	141	147
	From 301 m2 to 1000m2	137	137	137	137	143	150	157
	1001m2 to 2000m2	148	148	148	148	155	163	170
	Larger than 2000m2	164	164	164	164	172	180	188
						-	-	-
Business/Commercial	Up to and including 300m2	140	140	140	140	147	153	161
	From 301 m2 to 1000m2	156	156	156	156	163	171	179
	1001m2 to 2000m2	177	177	177	177	185	194	203
	Larger than 2000m2	205	205	205	205	215	225	235
						-	-	-
Industrial	Up to and including 300m2	145	145	145	145	152	159	167
	From 301 m2 to 1000m2	162	162	162	162	170	177	185
	1001m2 to 2000m2	183	183	183	183	192	201	211
	Larger than 2000m2	212	212	212	212	223	233	244
						-	-	-
State-Owned	Up to and including 300m2	145	145	145	145	152	159	167
	From 301 m2 to 1000m2	162	162	162	162	170	177	185
	1001m2 to 2000m2	183	183	183	183	192	201	211
	Larger than 2000m2	212	212	212	212	223	233	244
						-	-	-
Religious	Up to and including 300m2	140	140	140	140	147	153	160
	From 301 m2 to 1000m2	155	155	155	155	163	170	178
	1001m2 to 2000m2	175	175	175	175	184	192	201
	Larger than 2000m2	205	205	205	205	215	225	235
						-	-	-

Educational	Up to and including 300m2	140	140	140	140	147	153	160
	From 301 m2 to 1000m2	155	155	155	155	163	170	178
	1001m2 to 2000m2	175	175	175	175	184	192	201
	Larger than 2000m2	205	205	205	205	215	225	235
Agricultural Resdential	Up to and including 300m2	128	128	128	128	135	141	147
	From 301 m2 to 1000m2	136	136	136	136	143	150	156
	1001m2 to 2000m2	148	148	148	148	155	162	170
	Larger than 2000m2	164	164	164	164	172	180	188
						-	-	-
Agricultural Business	Up to and including 300m2	140	140	140	140	147	153	161
	From 301 m2 to 1000m2	156	156	156	156	163	171	179
	1001m2 to 2000m2	177	177	177	177	185	194	203
	Larger than 2000m2	205	205	205	205	215	225	235
						-	-	-
Municipal	Up to and including 300m2	140	140	140	140	147	153	161
	From 301 m2 to 1000m2	156	156	156	156	163	171	179
	1001m2 to 2000m2	177	177	177	177	185	194	203
	Larger than 2000m2	205	205	205	205	215	225	235
						-	-	-
Special	Up to and including 300m2	140	140	140	140	147	153	161
	From 301 m2 to 1000m2	157	157	157	157	165	172	180
	1001m2 to 2000m2	184	184	184	184	193	202	211
	Larger than 2000m2	210	210	210	210	220	231	241
						-	-	-
Residential Vacant	Up to and including 300m2	131	131	131	131	137	143	150
	From 301 m2 to 1000m2	144	144	144	144	151	158	165
	1001m2 to 2000m2	162	162	162	162	170	178	186
	Larger than 2000m2	186	186	186	186	195	204	214
Electricity tariffs								
Residential 1(1-50 KWH)		86	86	86	86	90	94	98
Residential 1(51-350 KWH)		107	107	107	107	112	117	123
Residential 1(351-600 KWH)		130	130	130	130	137	143	150
Residential 1(601 + KWH)		157	157	157	157	165	172	180
						-	-	-
Residential 2(1-50 KWH)Prepaid		86	86	86	86	90	94	98
Residential 2(51-350 KWH)Prepaid		107	107	107	107	112	117	123
Residential 2(351-600 KWH)Prepaid		130	130	130	130	137	143	150
Residential 2(601 + KWH)Prepaid		157	157	157	157	165	172	180
						-	-	-
Business/Commercial	Energy Rate (c/kWh) Summer	177	177	177	177	186	194	203
Business/Commercial	Energy Rate (c/kWh) Winter	204	204	204	204	214	224	234
						-	-	-
Industrial (Bulk Supply Town 400 V)	Energy Rate (c/kWh) Summer	135	135	135	135	142	148	155
Industrial (Bulk Supply Town 400 V)	Energy Rate (c/kWh) Winter	173	173	173	173	182	190	199
Industrial (Bulk Supply Town 400 V)	Utilised Demand Charge	168	168	168	168	176	184	192
Industrial (Bulk Supply Town 400 V)	Maximum Demand Charge	42	42	42	42	44	46	48
						-	-	-
Agricultural (Bulk Supply Rural 400 V)	Energy Rate (c/kWh) Summer	150	150	150	150	157	165	172
Agricultural (Bulk Supply Rural 400 V)	Energy Rate (c/kWh) Winter	173	173	173	173	182	190	199
Agricultural (Bulk Supply Rural 400 V)	Utilised Demand Charge	177	177	177	177	186	195	204
Agricultural (Bulk Supply Rural 400 V)	Maximum Demand Charge	44	44	44	44	47	49	51
						-	-	-
Industrial (11kV Bulk Supply Town and Rural)	Energy Rate (c/kWh) Summer	132	132	132	132	139	145	152
Industrial (11kV Bulk Supply Town and Rural)	Energy Rate (c/kWh) Winter	159	159	159	159	167	174	182
Industrial (11kV Bulk Supply Town and Rural)	Utilised Demand Charge	40	40	40	40	42	44	46
Industrial (11kV Bulk Supply Town and Rural)	Maximum Demand Charge	162	162	162	162	170	177	185
						-	-	-
11 kV Bulk supply Time-of-use	SUMMER: Demand Charge (R/kVA)	37	37	37	37	39	40	42
	Access Charge (R/kVA)	28	28	28	28	29	31	32
	Peak Energy (c/kWh)	121	121	121	121	127	133	139

		Standard Energy (c/kWh)	82	82	82	82	86	90	94
		Off-peak Energy (c/kWh)	58	58	58	58	61	64	67
							-	-	-
	WINTER:	Demand Charge (R/kVA)	42	42	42	42	44	46	48
		Access Charge (R/kVA)	32	32	32	32	34	35	37
		Peak Energy (c/kWh)	434	434	434	434	456	477	499
		Standard Energy (c/kWh)	126	126	126	126	132	139	145
		Off-peak Energy (c/kWh)	74	74	74	74	78	81	85
		Reactive Energy (c/kVArh)	21	21	21	21	22	23	24
							-	-	-
33 kV Bulk supply Time-of-use	SUMMER:	Demand Charge (R/kVA)	42	42	42	42	44	46	48
		Access Charge (R/kVA)	3 181	3 181	3 181	3 181	3 336	3 490	3 650
		Peak Energy (c/kWh)	140	140	140	140	147	154	161
		Standard Energy (c/kWh)	94	94	94	94	99	103	108
		Off-peak Energy (c/kWh)	66	66	66	66	69	73	76
							-	-	-
	WINTER:	Demand Charge (R/kVA)	42	42	42	42	44	46	48
		Access Charge (R/kVA)	3 181	3 181	3 181	3 181	3 336	3 490	3 650
		Peak Energy (c/kWh)	439	439	439	439	460	482	504
		Standard Energy (c/kWh)	127	127	127	127	133	140	146
		Off-peak Energy (c/kWh)	74	74	74	74	77	81	85
		Reactive Energy (c/kVArh)	22	22	22	22	23	24	25
							-	-	-
33 kV Bulk supply NMD >150MVA	SUMMER:	Demand Charge (R/kVA)	29	29	29	29	30	32	33
		Access Charge (R/kVA)	16	16	16	16	17	17	18
		Transmission Energy (c/kWh)	8	8	8	8	8	9	9
		Peak Energy (c/kWh)	104	104	104	104	109	114	120
		Standard Energy (c/kWh)	74	74	74	74	78	81	85
		Off-peak Energy (c/kWh)	50	50	50	50	52	55	57
							-	-	-
	WINTER:	Demand Charge (R/kVA)	29	29	29	29	30	32	33
		Access Charge (R/kVA)	16	16	16	16	17	17	18
		Transmission Energy (c/kWh)	8	8	8	8	8	9	9
		Reactive Energy (c/kVArh)	14	14	14	14	14	15	16
		Peak Energy (c/kWh)	304	304	304	304	319	333	349
		Standard Energy (c/kWh)	97	97	97	97	102	107	112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Off-peak Energy
(c/kWh)

NW373 Rustenburg - Supporting Table SA14 Household bills

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26 % incr.	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		387.13	411.91	430.04	448.96	448.96	448.96	4.4%	468.71	489.33	510.87
Electricity: Basic levy		364.56	395.55	452.91	499.56	499.56	499.56	12.2%	560.50	585.17	610.91
Electricity: Consumption		1 663.03	1 804.38	1 883.78	2 077.81	2 077.81	2 077.81	12.2%	2 331.30	2 433.88	2 540.97
Water: Basic levy		94.84	99.58	106.06	111.15	111.15	111.15	4.8%	116.48	121.61	126.96
Water: Consumption		500.27	525.28	573.61	640.72	640.72	640.72	13.0%	724.01	755.87	789.13
Sanitation		198.75	211.67	231.15	252.41	252.41	252.41	9.2%	275.63	287.76	300.42
Refuse removal		158.78	165.45	174.22	182.76	182.76	182.76	4.4%	190.80	199.19	207.96
Other		–	–	–	–	–	–	–	–	–	–
sub-total		**3 367.37**	**3 613.84**	**3 851.75**	**4 213.36**	**4 213.36**	**4 213.36**	**10.8%**	**4 667.44**	**4 872.81**	**5 087.21**
VAT on Services		471.43	505.94	539.25	589.87	589.87	589.87	0.02	653.44	682.19	712.21
Total large household bill:		**3 838.80**	**4 119.77**	**4 391.00**	**4 803.23**	**4 803.23**	**4 803.23**	**10.8%**	**5 320.88**	**5 555.00**	**5 799.42**
% increase/-decrease			**7.3%**	**6.6%**	**9.4%**	**–**	**–**		**10.8%**	**4.4%**	**4.4%**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		258.09	274.60	286.69	299.30	299.30	299.30	4.4%	312.47	326.22	340.57
Electricity: Basic levy		364.56	395.55	452.91	499.56	499.56	499.56	12.2%	560.50	585.17	610.91
Electricity: Consumption		720.68	781.94	816.35	900.43	900.43	900.43	12.2%	1 010.28	1 054.74	1 101.14
Water: Basic levy		94.84	99.58	106.06	111.15	111.15	111.15	4.8%	116.48	121.61	126.96
Water: Consumption		400.53	420.56	459.25	512.99	512.99	512.99	13.0%	579.67	605.18	631.81
Sanitation		183.20	195.11	213.06	232.66	232.66	232.66	9.2%	254.07	265.25	276.92
Refuse removal		158.78	165.45	174.22	182.76	182.76	182.76	4.4%	190.80	199.19	207.96
Other		–	–	–	–	–	–	–	–	–	–
sub-total		**2 180.69**	**2 332.80**	**2 508.53**	**2 738.84**	**2 738.84**	**2 738.84**	**10.4%**	**3 024.28**	**3 157.35**	**3 296.27**
VAT on Services		305.30	326.59	351.19	383.44	383.44	383.44	0.01	423.40	442.03	461.48
Total small household bill:		**2 485.99**	**2 659.40**	**2 859.72**	**3 122.28**	**3 122.28**	**3 122.28**	**10.4%**	**3 447.68**	**3 599.37**	**3 757.75**
% increase/-decrease			**7.0%**	**7.5%**	**9.2%**	**–**	**–**		**10.4%**	**4.4%**	**4.4%**
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		129.05	137.31	143.35	149.66	149.66	149.66	4.4%	156.24	163.12	170.29
Electricity: Basic levy		364.56	395.55	452.91	499.56	499.56	499.56	12.2%	560.50	585.17	610.91
Electricity: Consumption		417.31	452.78	472.70	521.39	521.39	521.39	12.2%	585.00	610.74	637.61
Water: Basic levy		94.84	99.58	106.06	111.15	111.15	111.15	4.8%	116.48	121.61	126.96
Water: Consumption		226.36	237.68	259.55	289.91	289.91	289.91	13.0%	327.60	342.02	357.06
Sanitation		172.05	183.23	200.09	218.50	218.50	218.50	9.2%	238.60	249.10	260.06
Refuse removal		158.78	165.45	174.22	182.76	182.76	182.76	4.4%	190.80	199.19	207.96
Other		–	–	–	–	–	–	–	–	–	–
sub-total		**1 562.96**	**1 671.59**	**1 808.87**	**1 972.92**	**1 972.92**	**1 972.92**	**10.3%**	**2 175.23**	**2 270.94**	**2 370.86**
VAT on Services		218.81	234.02	253.24	276.21	276.21	276.21	0.01	304.53	317.93	331.92
Total small household bill:		**1 781.77**	**1 905.61**	**2 062.12**	**2 249.13**	**2 249.13**	**2 249.13**	**10.3%**	**2 479.76**	**2 588.87**	**2 702.78**
% increase/-decrease			**7.0%**	**8.2%**	**9.1%**	**–**	**–**		**10.3%**	**4.4%**	**4.4%**

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)

NW373 Rustenburg - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality										
Securities - National Government		–	–	–	–	–	–	–	–	–
Listed Corporate Bonds		–	–	–	–	–	–			
Deposits - Bank		737 321	1 307 737	754 238	865 378	647 757	647 757	1 056 268	1 744 042	2 480 772
Deposits - Public Investment Commissioners		952	991	999	1 200	1 200	1 200	1 253	1 309	1 342
Deposits - Corporation for Public Deposits									–	–
Bankers Acceptance Certificates		–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks		–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)		–	–	–	–	–	–	–	–	–
Repurchase Agreements - Banks		–	–	–	–	–	–	–	–	–
Municipal Bonds		–	–	–	–	–	–	–	–	–
Municipality sub-total	1	**738 273**	**1 308 728**	**755 237**	**866 578**	**648 957**	**648 957**	**1 057 520**	**1 745 352**	**2 482 114**
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:		**738 273**	**1 308 728**	**755 237**	**866 578**	**648 957**	**648 957**	**1 057 520**	**1 745 352**	**2 482 114**

References

1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

NW373 Rustenburg - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate [3]	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
Short-Term Investments														-
ABSA: Investment Acc		Months	Flexible Deposit		Fixed	2.9				590	3	(3)		590
ABSA: Investment Acc		Months	Fixed Deposit		Fixed	9.21				6 818	65	(65)		6 818
ABSA: Investment Acc		Months	Fixed Deposit		Fixed	9.21				556	5	(5)		556
ABSA: Investment Acc		Months	Fixed Deposit		Fixed	9.5				31 452	-	(31 452)		-
ABSA: Investment Acc		Months	Fixed Deposit		Fixed	8.66				70 000	1 445	(1 445)		70 000
Standard Bank		Months	Call Deposit		Fixed	6.7				532	2			534
Standard Bank		Months	Call Deposit		Fixed	6.7				144	1			145
Kagiso Asset Management		Months	Money Market Assets		Variable	N/A				8 197	43			8 240
Sanlam		Months	Money Market Fund		Variable	N/A				11 204	38			11 242
Long-Term Investements														-
Sanlam Shares		Months	Ordinary - 12 948		Variable	81.41				1 054	63			1 117
Sanlam Shares		Months	Ordinary -323		Variable	81.41				26	2			28
														-
Municipality sub-total										130 573	1 667	(32 971)	-	99 270
Entities														
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									130 573		(32 971)	-	99 270

References

1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)

2. List investments in expiry date order

3. If 'variable' is selected in column F, input interest rate range

4. Withdrawals to be entered as negative

check

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AGENDA: SPECIAL COUNCIL: 29 MAY 2025

NW373 Rustenburg - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality										
Annuity and Bullet Loans		–	–	–	–	–	–	–	–	–
Long-Term Loans (non-annuity)		550 000	400 000	400 000	300 000	300 000	300 000	313 200	327 294	335 476
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	**550 000**	**400 000**	**400 000**	**300 000**	**300 000**	**300 000**	**313 200**	**327 294**	**335 476**
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	**550 000**	**400 000**	**400 000**	**300 000**	**300 000**	**300 000**	**313 200**	**327 294**	**335 476**

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	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

References

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)

check borrowing balance	–	–	–	–	–	–	–	–	–

NW373 Rustenburg - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**946 997**	**1 126 187**	**1 303 809**	**1 392 465**	**1 393 025**	**1 393 025**	**1 463 566**	**1 574 527**	**1 585 755**
Local Government Equitable Share	_	751 942	941 352	1 072 159	1 154 400	1 150 861	1 150 861	1 241 678	1 341 033	1 341 033
FMG		1 650	1 700	1 700	1 700	1 700	1 700	1 900	2 000	2 100
NDPG		–	100	–		–	–			
EPWP		6 388	2 853	2 196		1 572	1 572	2 359		
PTIS		170 056	166 656	208 193	218 530	218 873	218 873	198 425	210 944	225 292
PMU		12 461	13 527	14 560	12 635	13 781	13 781	14 411	15 721	16 481
LG SETA					–	245	245	793	829	849
Learnerships and Training						793	793			
Energy Efficiency and Demand Management		4 500	–	5 000	5 200	5 200	5 200	4 000	4 000	
Provincial Government:		**884**	**1 090**	**1 097**	**1 481**	**1 409**	**1 409**	**5 468**	**5 542**	**5 542**
North West_Capacity Building and Other_Specify (A		884	1 090	1 097	1 481	1 409	1 409	1 468	1 542	1 542
Accreditation -Department of Human Settlement (Pl								4 000	4 000	4 000
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	**947 882**	**1 127 277**	**1 304 905**	**1 393 946**	**1 394 434**	**1 394 434**	**1 469 034**	**1 580 069**	**1 591 297**
Capital Transfers and Grants										
National Government:		**371 724**	**431 494**	**441 297**	**402 858**	**461 469**	**461 469**	**380 673**	**389 212**	**422 824**
Municipal Infrastructure Grant (MIG)	_	236 768	257 004	257 171	261 830	316 580	316 580	273 808	298 698	313 131
Public Transport and Systems	_	44 825	72 491	49 410	36 305	35 890	35 890	26 786	21 376	22 353
Neighbourhood Development Partnership		4 184	2 000	5 057	12 500	16 676	16 676	15 379	6 000	13 000
Integrated National Electrification Programme		8 000	30 000	44 660	22 223	22 223	22 223	14 700	23 000	24 040
Water Services Infrastructure Grant		77 947	70 000	85 000	70 000	70 000	70 000	50 000	40 138	50 300
FMG						100	100			
Municipal Systems Improvement										
Provincial Government:		**511**	**619**	**687**	**455**	**455**	**455**	**482**	**498**	**498**
North West_Capacity Building and Other_Capacity Building and Other_RECEIPTS		511	619	687	455	455	455	482	498	498
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	**372 235**	**432 113**	**441 985**	**403 313**	**461 924**	**461 924**	**381 155**	**389 710**	**423 322**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**1 320 117**	**1 559 390**	**1 746 890**	**1 797 259**	**1 856 358**	**1 856 358**	**1 850 189**	**1 969 779**	**2 014 619**

References

1. Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation

2. Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)

3. Replacement of RSC levies

4. Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality

5. Total transfers and grants must reconcile to Budgeted Cash Flows

6. Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)

NW373 Rustenburg - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**946 997**	**1 126 187**	**1 303 809**	**1 392 465**	**1 393 025**	**1 393 025**	**1 463 566**	**1 574 527**	**1 585 755**
Local Government Equitable Share		751 942	941 352	1 072 159	1 154 400	1 150 861	1 150 861	1 241 678	1 341 033	1 341 033
Finance Management		1 650	1 700	1 700	1 700	1 700	1 700	1 900	2 000	2 100
NDPG		–	100	–		–	–			
EPWP		6 388	2 853	2 196		1 572	1 572	2 359		
PTIS		170 056	166 656	208 193	218 530	218 873	218 873	198 425	210 944	225 292
PMU		12 461	13 527	14 560	12 635	13 781	13 781	14 411	15 721	16 481
LG SETA					–	245	245	793	829	849
Learnerships and Training						793	793			
Energy Efficiency and Demand Management		4 500	–	5 000	5 200	5 200	5 200	4 000	4 000	
Provincial Government:		**884**	**1 090**	**1 097**	**1 481**	**1 409**	**1 409**	**5 468**	**5 542**	**5 542**
DSAC		884	1 090	1 097	1 481	1 409	1 409	1 468	1 542	1 542
Accreditation -Department of Human Settlement (Provinc		–	–	–	–	–	–	4 000	4 000	4 000
0										
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Total operating expenditure of Transfers and Grants:		**947 882**	**1 127 277**	**1 304 905**	**1 393 946**	**1 394 434**	**1 394 434**	**1 469 034**	**1 580 069**	**1 591 297**
Capital expenditure of Transfers and Grants										
National Government:		**371 724**	**431 494**	**441 297**	**402 858**	**461 469**	**461 469**	**380 673**	**389 212**	**422 824**
Municipal Infrastructure Grant (MIG)		236 768	257 004	257 171	261 830	316 580	316 580	273 808	298 698	313 131
Public Transport and Systems		44 825	72 491	49 410	36 305	35 890	35 890	26 786	21 376	22 353
Neighbourhood Development Partnership		4 184	2 000	5 057	12 500	16 676	16 676	15 379	6 000	13 000
Department of Energy		8 000	30 000	44 660	22 223	22 223	22 223	14 700	23 000	24 040
WSIG		77 947	70 000	85 000	70 000	70 000	70 000	50 000	40 138	50 300
FMG						100	100			
Municipal Systems Improvement										
Provincial Government:		**511**	**619**	**687**	**455**	**455**	**455**	**482**	**498**	**498**
DSAC		511	619	687	455	455	455	482	498	498
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Total capital expenditure of Transfers and Grants		**372 235**	**432 113**	**441 985**	**403 313**	**461 924**	**461 924**	**381 155**	**389 710**	**423 322**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**1 320 117**	**1 559 390**	**1 746 890**	**1 797 259**	**1 856 358**	**1 856 358**	**1 850 189**	**1 969 779**	**2 014 619**

References

1. Expenditure must be separately listed for each transfer or grant received or recognised

NW373 Rustenburg - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		946 997	1 126 187	1 303 809	1 392 465	1 393 025	1 393 025	1 463 566	1 574 527	1 585 755
Repayment of grants										
Conditions met - transferred to revenue		**946 997**	**1 126 187**	**1 303 809**	**1 392 465**	**1 393 025**	**1 393 025**	**1 463 566**	**1 574 527**	**1 585 755**
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		884	1 090	1 097	1 481	1 409	1 409	5 468	5 542	5 542
Conditions met - transferred to revenue		**884**	**1 090**	**1 097**	**1 481**	**1 409**	**1 409**	**5 468**	**5 542**	**5 542**
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		**947 882**	**1 127 277**	**1 304 905**	**1 393 946**	**1 394 434**	**1 394 434**	**1 469 034**	**1 580 069**	**1 591 297**
Total operating transfers and grants - CTBM	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		371 724	431 494	441 297	402 858	461 469	461 469	380 673	389 212	422 824
Conditions met - transferred to revenue		**371 724**	**431 494**	**441 297**	**402 858**	**461 469**	**461 469**	**380 673**	**389 212**	**422 824**
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		511	619	687	455	455	455	482	498	498
Conditions met - transferred to revenue		**511**	**619**	**687**	**455**	**455**	**455**	**482**	**498**	**498**
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 capital transfers and grants revenue		**372 235**	**432 113**	**441 985**	**403 313**	**461 924**	**461 924**	**381 155**	**389 710**	**423 322**
Total capital transfers and grants - CTBM	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE		**1 320 117**	**1 559 390**	**1 746 890**	**1 797 259**	**1 856 358**	**1 856 358**	**1 850 189**	**1 969 779**	**2 014 619**
TOTAL TRANSFERS AND GRANTS - CTBM		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance

2. CTBM = conditions to be met

3. National Treasury database will require this reconciliation for each transfer/grant

NW373 Rustenburg - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	
Cash Transfers to other municipalities											
Insert description	1	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	
Cash Transfers to Entities/Other External Mechanisms											
Insert description	2	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	
Cash Transfers to other Organs of State											
Insert description	3	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	
Cash Transfers to Organisations											
Community Projects		385	385	385	385	385	385	385	385	402	412
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations		385	385	385	385	385	385	385	385	402	412
Cash Transfers to Groups of Individuals											
Community Projects		67 743	323	202	23 792	23 792	23 792	23 792	20 582	21 506	22 151
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:		67 743	323	202	23 792	23 792	23 792	23 792	20 582	21 506	22 151
TOTAL CASH TRANSFERS AND GRANTS	6	68 128	708	587	24 177	24 177	24 177	24 177	20 967	21 908	22 564
Non-Cash Transfers to other municipalities											
Insert description	1	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	
Non-Cash Transfers to Entities/Other External Mechanisms											
Insert description	2	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	
Non-Cash Transfers to other Organs of State											
Insert description	3	24	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Other Organs Of State:		24	–	–	–	–	–	–	–	–	
Non-Cash Grants to Organisations											
Insert description	4	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Organisations		–	–	–	–	–	–	–	–	–	
Groups of Individuals											
Insert description	5	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	
TOTAL NON-CASH TRANSFERS AND GRANTS		24	–	–	–	–	–	–	–	–	
TOTAL TRANSFERS AND GRANTS	6	68 152	708	587	24 177	24 177	24 177	24 177	20 967	21 908	22 564

References

1. Insert description listed by municipal name and demarcation code of recipient

2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)

3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)

4. Insert description of each other organisation (e.g. charity)

5 Insert description of each other organisation (e.g. the aged, child-headed households)

6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

NW373 Rustenburg - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		58 649	60 995	64 171	65 928	65 885	65 885	67 881	70 809	73 356
Pension and UIF Contributions		2 185	2 273	1 109	1 986	890	890	1 140	1 191	1 221
Medical Aid Contributions		1 040	1 082	537	767	920	920	1 094	1 144	1 172
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Cellphone Allowance		3 308	3 440	3 692	2 843	3 920	3 920	4 218	4 407	4 517
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		3 046	3 168	2 380	3 264	3 173	3 173	3 254	3 401	3 486
Sub Total - Councillors		**68 229**	**70 958**	**71 890**	**74 787**	**74 787**	**74 787**	**77 587**	**80 952**	**83 752**
% increase	4		**4.0%**	**1.3%**	**4.0%**	**(0.0%)**	**–**	**3.7%**	**4.3%**	**3.5%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		8 741	22 598	22 598	22 598	18 287	18 287	23 633	24 673	24 760
Pension and UIF Contributions		482	966	966	966	958	958	958	971	1 002
Medical Aid Contributions		175	367	367	367	407	407	407	425	443
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–		–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	12	12	12	12	13
Cellphone Allowance	3	2	2	2	2	2	2	2	2	2
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	195	303	303	303	314	314	314	328	342
Payments in lieu of leave		–	–	–	–	(34)	(34)	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–				–	–
In kind benefits		–	–	–	–	–	–		–	–
Sub Total - Senior Managers of Municipality		**9 594**	**24 236**	**24 236**	**24 236**	**19 947**	**19 947**	**25 327**	**26 412**	**26 562**
% increase	4		**152.6%**	**–**	**–**	**(17.7%)**	**–**	**27.0%**	**4.3%**	**0.6%**
Other Municipal Staff										
Basic Salaries and Wages		519 654	525 122	551 194	590 355	586 955	586 955	597 748	624 049	626 901
Pension and UIF Contributions		102 754	105 913	111 209	119 882	116 418	116 418	118 921	125 650	130 927
Medical Aid Contributions		52 747	54 508	57 233	60 667	62 460	62 460	62 702	63 417	63 417
Overtime		44 985	49 850	52 343	55 483	71 152	71 152	74 283	74 935	75 843
Performance Bonus		40 073	41 788	13 428	14 234	14 200	14 200	44 321	45 255	46 255
Motor Vehicle Allowance	3	24 315	24 336	25 553	27 086	27 021	27 021	28 336	30 047	30 047
Cellphone Allowance	3	232	246	258	273	273	273	98	102	102
Housing Allowances	3	4 895	37 310	39 176	41 526	41 529	41 529	3 434	3 588	3 588
Other benefits and allowances	3	23 774	25 969	27 267	31 904	37 595	37 595	43 107	43 779	44 197
Payments in lieu of leave		1 580	844	887	940	1 494	1 494	1 766	1 842	1 889
Long service awards		900	1 874	1 968	2 086	2 964	2 964	6 027	6 250	6 381
Post-retirement benefit obligations	6	15 000	13 600	14 280	15 137	15 137	15 137	16 722	17 546	18 367
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	340	340	–	–	–
Acting and post related allowance		–	–	10 062	14 666	16 594	16 594	13 644	16 860	18 752
In kind benefits				–	7 507	7 507	7 507	–	–	–
Sub Total - Other Municipal Staff		**830 909**	**881 362**	**904 859**	**981 746**	**1 001 640**	**1 001 640**	**1 011 108**	**1 053 321**	**1 066 666**
% increase	4		**6.1%**	**2.7%**	**8.5%**	**2.0%**	**–**	**0.9%**	**4.2%**	**1.3%**
Total Parent Municipality		**908 732**	**976 556**	**1 000 985**	**1 080 770**	**1 096 374**	**1 096 374**	**1 114 022**	**1 160 685**	**1 176 980**
			7.5%	**2.5%**	**8.0%**	**1.4%**	**–**	**1.6%**	**4.2%**	**1.4%**
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	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		**908 732**	**976 556**	**1 000 985**	**1 080 770**	**1 096 374**	**1 096 374**	**1 114 022**	**1 160 685**	**1 176 980**
% increase	4		**7.5%**	**2.5%**	**8.0%**	**1.4%**	**–**	**1.6%**	**4.2%**	**1.4%**
TOTAL MANAGERS AND STAFF	5,7	**840 503**	**905 598**	**929 095**	**1 005 982**	**1 021 587**	**1 021 587**	**1 036 434**	**1 079 733**	**1 093 228**

References

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved

2. s57 of the Systems Act

3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance

4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D

5. Must agree to the sub-total appearing on Table A1 (Employee costs)

6. Includes pension payments and employer contributions to medical aid

7. Correct as at 30 June

Column Definitions:

A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited

D. The original budget approved by council for the budget year.

E. The budget for the budget year as adjusted by council resolution in terms of section 28 of the MFMA.

F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.

G. The amount to be appropriated for the budget year.

H and I. The indicative projection

NW373 Rustenburg - 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			1 345 860.00	-	–	–	1 345 860
Chief Whip				1 270 674.00	-	–	–	1 270 674
Executive Mayor				1 627 978.00	-	–	–	1 627 978
Deputy Executive Mayor				-	-	–	–	–
Executive Committee				12 706 742.00	-	–	–	12 706 742
Total for all other councillors				57 836 182.00	-	–	–	57 836 182
Total Councillors	8	–	–	**74 787 436**	–			**74 787 436**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			2 085 748					2 085 748
Chief Finance Officer			1 668 601					1 668 601
DIRECTOR: TECHNICAL & INFR			1 668 601					1 668 601
DIRECTOR: CORPORATE SUPPORT SERVICE			1 668 601					1 668 601
DIRECTOR: COMMUNITY DEVELOPM			1 668 601					1 668 601
DIRECTOR ROADS AND TRANSPORT			1 423 378					1 423 378
List of each offical with packages >= senior manager								
DIRECTOR: LED			1 690 034					1 690 034
DIRECTOR: PUBLIC SAFETY			1 690 034					1 690 034
DIRECTOR: PLANNING			1 690 034					1 690 034
DEPUTY CHIEF FINANCIAL OFFICER			1 398 027					1 398 027
MANAGER: OFFICE OF THE EM			1 494 629					1 494 629
MANAGER: OFFICE OF THE MM			1 494 629					1 494 629
MANAGER: OFFICE OF THE SPEAKER			1 444 811					1 444 811
MANAGER: MPAC OFFICE			1 398 027					1 398 027
MANAGER: STRATEGIC PLANNING			1 398 027					1 398 027
MANAGER: OFFICE CHIEF WHIP			1 444 811					1 444 811
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	**25 326 591**	–	–	–		**25 326 591**
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	–	**25 326 591**	**74 787 436**	–	–		**100 114 027**

References

1. Pension and medical aid

2. Total package must equal the total cost to the municipality

3. List each political office bearer by designation. Provide a total for all other councillors

4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)

5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation

6. List each entity where municipality has an interest and state percentage ownership and control

7. List each senior manager reporting to the CEO of an Entity by designation

8. Must reconcile to relevant section of Table SA24

9. Must reconcile to totals shown for the budget year of Table SA22

10. Correct as at 30 June

NW373 Rustenburg - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2023/24			Current Year 2024/25			Budget Year 2025/26		
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)		89	–	89	89	–	89	89	–	89
Board Members of municipal entities	4	–	–	–	–		–	–	–	–
Municipal employees	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	43	–	43	43	–	43	43	43	–
Other Managers	7	–	–	–	–	–	–	–	–	–
Professionals		*2 121*	*1 426*	*695*	*2 121*	*1 426*	*695*	*2 279*	*1 692*	*586*
Finance		217	144	73	217	144	73	221	165	56
Spatial/town planning		86	80	6	86	80	6	93	88	5
Information Technology		13	11	2	13	11	2	13	11	2
Roads		181	135	46	181	135	46	225	194	31
Electricity		160	118	42	160	118	42	183	151	32
Water		288	241	47	288	241	47	327	253	74
Sanitation		48	26	22	48	26	22	50	23	26
Refuse		178	146	32	178	146	32	196	153	43
Other		950	525	425	950	525	425	971	654	317
Technicians		*52*	*44*	*8*	*52*	*44*	*8*	*55*	*50*	*5*
Finance		2	2	–	2	2	–	2	2	–
Spatial/town planning		7	6	1	7	6	1	8	7	1
Information Technology		5	5	–	5	5	–	5	5	–
Roads		4	4	–	4	4	–	4	4	–
Electricity		18	12	6	18	12	6	19	15	4
Water		6	6	–	6	6	–	6	6	–
Sanitation		3	3	–	3	3	–	4	4	–
Refuse								–	–	–
Other		7	6	1	7	6	1	7	7	–
Clerks (Clerical and administrative)		216	171	45	216	171	45	193	184	9
Service and sales workers								–	–	–
Skilled agricultural and fishery workers					–	–	–	–	–	–
Craft and related trades					–	–	–	–	–	–
Plant and Machine Operators		–	–	–	–	–	–	–	–	–
Elementary Occupations		–	–	–	–	–	–	–	–	–
TOTAL PERSONNEL NUMBERS	9	**2 521**	**1 641**	**880**	**2 521**	**1 641**	**880**	**2 659**	**1 969**	**689**
% increase					–	–	–	5.5%	20.0%	(21.7%)
Total municipal employees headcount	6, 10	–	–	–	–	–	–	–	–	–
Finance personnel headcount	8, 10	–	–	–	–	–	–	–	–	–
Human Resources personnel headcount	8, 10	–	–	–	–	–	–	–	–	–

References

1. Positions must be funded and aligned to the municipality's current organisational structure

2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.

3. s57 of the Systems Act

4. Include only in Consolidated Statements

5. Include municipal entity employees in Consolidated Statements

6. Include headcount (number fo persons, Not FTE) of managers and staff only (exclude councillors)

7. Managers who provide the direction of a critical technical function

8. Total number of employees working on these functions

NW373 Rustenburg - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue																
Exchange Revenue																
Service charges - Electricity		209 461	209 461	209 461	209 461	209 461	209 461	209 461	209 461	209 461	209 461	209 461	209 461	2 513 530	2 659 242	2 741 340
Service charges - Water		51 494	51 494	51 494	51 494	51 494	51 494	51 494	51 494	51 494	51 494	51 494	51 494	617 929	654 736	676 105
Service charges - Waste Water Management		43 963	43 963	43 963	43 963	43 963	43 963	43 963	43 963	43 963	43 963	43 963	43 963	527 552	531 442	541 603
Service charges - Waste Management		16 628	16 628	16 628	16 628	16 628	16 628	16 628	16 628	16 628	16 628	16 628	16 629	199 542	208 521	213 734
Sale of Goods and Rendering of Services		2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852	34 228	34 730	35 694
Agency services		11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	143 375	149 827	153 573
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		40 561	40 561	40 561	40 561	40 561	40 561	40 561	40 561	40 561	40 561	40 561	40 561	486 728	505 231	539 231
Interest earned from Current and Non Current Assets		7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	93 352	95 303	95 427
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	12 537	13 030	13 315
Licence and permits		1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	13 309	13 908	14 255
Special rating levies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	20 526	20 273	21 028
Non-Exchange Revenue																
Property rates		50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	600 347	627 363	643 047
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	16 794	17 549	17 988
Licences or permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	1 469 034	1 580 069	1 592 227
Interest		17 400	17 400	17 400	17 400	17 400	17 400	17 400	17 400	17 400	17 400	17 400	17 400	208 800	218 196	223 651
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contri		579 799	579 799	579 799	579 799	579 799	579 799	579 799	579 799	579 799	579 799	579 799	579 799	6 957 585	7 329 420	7 522 219
Expenditure																
Employee related costs		86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	1 034 970	1 078 203	1 091 660
Remuneration of councillors		6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	77 587	80 952	83 752
Bulk purchases - electricity		201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	2 423 181	2 553 675	2 621 961
Inventory consumed		54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	658 033	677 309	691 440
Debt impairment		62 668	62 668	62 668	62 668	62 668	62 668	62 668	62 668	62 668	62 668	62 668	62 668	752 019	792 319	796 319
Depreciation and amortisation		40 919	40 919	40 919	40 919	40 919	40 919	40 919	40 919	40 919	40 919	40 919	40 919	491 025	510 903	523 689
Interest		5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	66 725	68 415	69 520
Contracted services		74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	892 108	926 998	958 070
Transfers and subsidies		1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	20 967	21 908	22 564
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	316 282	329 374	335 746
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		561 075	561 075	561 075	561 075	561 075	561 075	561 075	561 075	561 075	561 075	561 075	561 075	6 732 898	7 040 056	7 194 721
Surplus/(Deficit)		18 724	18 724	18 724	18 724	18 724	18 724	18 724	18 724	18 724	18 724	18 724	18 724	224 687	289 364	327 499
Transfers and subsidies - capital (monetary allocations)		31 763	31 763	31 763	31 763	31 763	31 763	31 763	31 763	31 763	31 763	31 763	31 763	381 155	389 710	422 392
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	605 842	679 074	749 891
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	605 842	679 074	749 891
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	605 842	679 074	749 891
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	50 487	605 842	679 074	749 891

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

NW373 Rustenburg - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote																
Vote 1 - Energy Sources		161 728	198 274	214 093	200 988	199 891	216 876	212 671	210 876	220 765	234 766	214 093	284 095	2 569 117	2 726 068	2 805 098
Vote 2 - Community and Social Services		264	385	325	411	399	363	389	417	534	456	401	314	4 657	4 869	4 940
Vote 3 - Environmental Protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Executive & Council		56 474	58 694	60 764	65 345	68 766	62 235	66 879	64 198	69 876	77 658	62 567	70 680	784 136	813 772	853 227
Vote 5 - Finance & Admin		59 819	61 823	67 009	71 455	70 877	68 765	66 007	70 000	69 201	69 167	65 117	66 159	805 399	846 447	862 822
Vote 6 - Road Transport		19 283	19 274	18 311	20 121	23 890	20 908	21 431	25 679	23 453	21 431	22 001	21 389	257 171	265 718	281 878
Vote 7 - Planning and Development		24 153	25 162	25 988	26 877	26 316	27 099	26 654	27 910	28 766	27 319	28 655	20 893	315 791	330 692	353 195
Vote 8 - Public Safety		10 298	12 415	11 587	11 487	12 123	14 790	14 790	16 123	16 501	17 654	19 877	16 203	173 849	181 673	186 215
Vote 9 - Sport and Recreation		24	26	29	46	42	57	44	48	49	52	50	23	491	513	526
Vote 10 - Housing		895	890	1 000	1 090	1 090	810	802	999	1 250	991	960	741	11 518	11 785	11 939
Vote 11 - Water Management		116 272	101 425	98 099	110 988	89 181	98 710	100 980	103 910	101 099	109 877	107 910	83 312	1 221 762	1 292 990	1 324 544
Vote 12 - [NAME OF VOTE 12]		24 152	26 173	37 877	42 890	35 234	35 088	36 543	30 988	33 877	30 877	31 568	33 871	399 137	423 735	429 056
Vote 13 - Waste Water Management		56 473	58 492	62 000	69 876	69 000	64 568	68 789	72 654	75 123	64 123	70 588	64 026	795 713	820 870	831 173
Vote 14 - Other				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Internal Audit				–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		**529 835**	**563 033**	**597 082**	**621 573**	**596 809**	**610 268**	**615 980**	**623 803**	**640 494**	**654 371**	**623 785**	**661 707**	**7 338 740**	**7 719 130**	**7 944 611**
Expenditure by Vote to be appropriated																
Vote 1 - Energy Sources		152 617	19 829	200 123	257 898	315 790	267 877	246 781	299 877	321 090	319 000	341 099	157 192	2 899 173	3 055 381	3 118 928
Vote 2 - Community and Social Services		6 793	6 859	6 191	7 000	6 211	6 432	6 988	6 501	6 989	6 522	6 890	7 316	80 692	82 875	83 971
Vote 3 - Environmental Protection		676	676	507	611	699	650	619	523	600	605	557	532	7 255	7 457	8 018
Vote 4 - Executive & Council		16 273	17 262	17 048	17 829	21 766	20 654	21 789	22 890	23 877	20 048	21 790	19 350	240 575	251 139	258 119
Vote 5 - Finance & Admin		34 252	36 728	40 679	41 790	41 766	41 909	41 790	40 890	40 879	38 123	39 568	33 625	471 998	493 485	510 318
Vote 6 - Road Transport		31 425	33 728	38 494	38 494	40 910	38 494	39 001	40 766	40 234	40 790	42 000	39 590	463 925	486 602	503 746
Vote 7 - Planning and Development		7 895	8 291	9 089	8 890	9 988	9 923	9 789	9 178	8 599	8 590	8 001	5 543	103 775	106 072	109 057
Vote 8 - Public Safety		30 262	31 272	31 123	30 910	33 876	35 123	34 403	38 000	39 877	37 232	35 790	33 965	411 833	431 486	442 373
Vote 9 - Sport and Recreation		3 526	3 163	3 000	3 345	3 299	3 301	3 390	3 301	3 421	3 345	3 509	3 544	40 145	42 014	43 222
Vote 10 - Housing		3 425	3 728	3 101	3 299	3 201	4 021	3 901	3 250	3 310	3 399	4 001	3 110	41 746	43 310	44 218
Vote 11 - Water Management		89 584	90 938	90 109	91 909	89 000	91 766	1 091	97 679	95 090	114 988	90 104	132 844	1 075 101	1 105 604	1 122 080
Vote 12 - [NAME OF VOTE 12]		18 293	19 920	22 877	23 089	25 790	26 790	23 890	22 910	24 790	23 089	23 089	22 541	277 067	300 086	309 455
Vote 13 - Waste Water Management		48 391	44 536	46 790	39 900	43 679	44 790	41 877	41 890	46 679	43 000	51 879	52 891	546 302	557 147	561 833
Vote 14 - Other		5 464	5 672	5 601	5 345	5 999	5 290	5 568	5 211	5 579	5 987	4 589	3 851	64 155	67 838	69 582
Vote 15 - Internal Audit		565	635	601	809	798	721	771	832	967	899	738	819	9 155	9 562	9 801
Total Expenditure by Vote		**449 441**	**323 237**	**515 333**	**571 118**	**642 771**	**597 741**	**481 647**	**633 697**	**661 980**	**665 617**	**673 603**	**516 713**	**6 732 898**	**7 040 056**	**7 194 721**
Surplus/(Deficit) before assoc.		**80 394**	**239 796**	**81 749**	**50 456**	**(45 961)**	**12 528**	**134 333**	**(9 894)**	**(21 486)**	**(11 247)**	**(49 818)**	**144 994**	**605 842**	**679 074**	**749 891**
Income Tax				–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities				–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions				–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**80 394**	**239 796**	**81 749**	**50 456**	**(45 961)**	**12 528**	**134 333**	**(9 894)**	**(21 486)**	**(11 247)**	**(49 818)**	**144 994**	**605 842**	**679 074**	**749 891**

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

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NW373 Rustenburg - Supporting Table SA27 Budgeted m 7383951

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional																
Governance and administration		**88 340**	**93 657**	**91 885**	**84 648**	**95 181**	**86 882**	**101 733**	**86 855**	**96 415**	**90 954**	**92 533**	**93 539**	**1 102 623**	**1 154 796**	**1 176 540**
Executive and council		7 099	7 526	7 384	6 802	7 649	6 982	8 175	6 980	7 748	7 309	7 436	7 517	88 607	90 345	90 345
Finance and administration		81 241	86 131	84 501	77 845	87 532	79 900	93 558	79 875	88 667	83 645	85 097	86 022	1 014 016	1 064 452	1 086 195
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**15 416**	**16 344**	**16 035**	**14 772**	**16 610**	**15 162**	**17 753**	**15 157**	**16 825**	**15 872**	**16 148**	**16 323**	**192 416**	**200 825**	**205 654**
Community and social services		525	557	546	503	566	517	605	517	573	541	550	556	6 557	6 855	6 975
Sport and recreation		39	42	41	38	42	39	45	39	43	40	41	42	491	513	526
Public safety		13 929	14 767	14 487	13 346	15 007	13 699	16 040	13 694	15 202	14 341	14 590	14 748	173 849	181 673	186 215
Housing		923	978	960	884	994	908	1 063	907	1 007	950	967	977	11 518	11 785	11 939
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**45 753**	**48 506**	**47 588**	**43 840**	**49 295**	**44 997**	**52 689**	**44 983**	**49 934**	**47 106**	**47 924**	**48 445**	**571 062**	**594 424**	**633 038**
Planning and development		25 148	26 662	26 158	24 097	27 096	24 733	28 961	24 726	27 447	25 893	26 342	26 628	313 891	328 706	351 160
Road transport		20 604	21 844	21 431	19 743	22 200	20 264	23 728	20 258	22 487	21 214	21 582	21 817	257 171	265 718	281 878
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**437 658**	**463 998**	**455 219**	**419 363**	**471 547**	**430 434**	**504 010**	**430 300**	**477 661**	**450 607**	**458 428**	**473 413**	**5 472 639**	**5 769 085**	**5 929 379**
Energy sources		216 532	229 564	225 220	207 480	233 298	212 957	249 359	212 891	236 323	222 938	226 808	229 274	2 702 645	2 842 005	2 955 035
Water management		112 049	118 793	116 545	107 365	120 726	110 200	129 037	110 165	122 291	115 364	117 367	118 643	1 398 545	1 486 828	1 518 468
Waste water management		70 443	74 682	73 269	67 498	75 897	69 280	81 122	69 258	76 881	72 527	73 786	84 588	889 233	920 148	930 451
Waste management		38 634	40 960	40 185	37 020	41 626	37 997	44 492	37 985	42 166	39 778	40 468	40 908	482 217	520 104	525 424
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional		**587 167**	**622 506**	**610 728**	**562 623**	**632 633**	**577 475**	**676 186**	**577 295**	**640 835**	**604 540**	**615 032**	**631 720**	**7 338 740**	**7 719 130**	**7 944 611**
Expenditure - Functional																
Governance and administration		**66 555**	**70 560**	**69 225**	**63 773**	**71 708**	**65 456**	**76 645**	**65 436**	**72 638**	**68 524**	**69 713**	**69 471**	**829 702**	**867 815**	**894 764**
Executive and council		19 275	20 435	20 048	18 469	20 768	18 957	22 197	18 951	21 037	19 845	20 190	20 409	240 581	251 123	258 103
Finance and administration		46 546	49 347	48 414	44 600	50 150	45 778	53 603	45 763	50 800	47 923	48 755	48 285	579 966	607 129	626 861
Internal audit		734	778	763	703	790	721	845	721	801	755	768	777	9 155	9 562	9 801
Community and public safety		**46 015**	**48 785**	**47 862**	**44 092**	**49 579**	**45 256**	**52 992**	**45 242**	**50 221**	**47 377**	**48 199**	**47 723**	**573 343**	**598 563**	**612 636**
Community and social services		6 481	6 871	6 741	6 210	6 983	6 374	7 463	6 372	7 073	6 673	6 788	6 862	80 891	83 083	84 186
Sport and recreation		3 216	3 410	3 345	3 082	3 465	3 163	3 704	3 162	3 510	3 312	3 369	3 406	40 145	42 014	43 222
Public safety		32 974	34 958	34 297	31 595	35 527	32 429	37 973	32 419	35 987	33 949	34 538	33 914	410 561	430 156	441 010
Housing		3 345	3 546	3 479	3 205	3 604	3 289	3 852	3 288	3 650	3 444	3 503	3 541	41 746	43 310	44 218
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**42 538**	**45 098**	**44 244**	**40 759**	**45 831**	**41 835**	**48 987**	**41 822**	**46 426**	**43 796**	**44 556**	**45 041**	**530 933**	**554 127**	**573 658**
Planning and development		8 227	8 722	8 557	7 883	8 864	8 092	9 475	8 089	8 979	8 471	8 618	6 711	100 690	102 847	105 752
Road transport		33 729	35 759	35 082	32 319	36 341	33 172	38 842	33 162	36 812	34 727	35 330	37 714	422 988	443 823	459 889
Environmental protection		581	616	605	557	626	572	669	571	634	598	609	615	7 255	7 457	8 018
Trading services		**389 862**	**413 326**	**405 505**	**373 565**	**420 050**	**383 426**	**448 968**	**383 307**	**425 496**	**401 397**	**408 364**	**344 460**	**4 797 727**	**5 018 305**	**5 112 384**
Energy sources		237 260	251 540	246 781	227 343	255 632	233 344	273 231	233 271	258 946	244 280	248 520	189 025	2 899 173	3 055 381	3 118 928
Water management		86 628	91 841	90 104	83 007	93 336	85 198	99 761	85 171	94 546	89 191	90 739	85 580	1 075 101	1 105 604	1 122 080
Waste water management		43 769	46 403	45 525	41 939	47 158	43 046	50 405	43 033	47 769	45 064	45 846	46 344	546 302	557 147	561 833
Waste management		22 205	23 541	23 096	21 277	23 924	21 838	25 571	21 832	24 234	22 862	23 259	23 512	277 151	300 174	309 543
Other		**96**	**101**	**99**	**92**	**103**	**94**	**110**	**94**	**104**	**98**	**100**	**101**	**1 193**	**1 247**	**1 278**
Total Expenditure - Functional		**545 065**	**577 870**	**566 936**	**522 281**	**587 271**	**536 068**	**627 701**	**535 901**	**594 885**	**561 192**	**570 932**	**506 797**	**6 732 898**	**7 040 056**	**7 194 721**
Surplus/(Deficit) before assoc.		**42 102**	**44 636**	**43 792**	**40 342**	**45 362**	**41 407**	**48 485**	**41 394**	**45 950**	**43 348**	**44 100**	**124 923**	**605 842**	**679 074**	**749 891**
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**42 102**	**44 636**	**43 792**	**40 342**	**45 362**	**41 407**	**48 485**	**41 394**	**45 950**	**43 348**	**44 100**	**124 923**	**605 842**	**679 074**	**749 891**

References

1. Surplus (Deficit) must reconcile with Budeted Financial Performance

NW373 Rustenburg - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Multi-year expenditure ***to be appropriated***	1															
Vote 1 - Energy Sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Community and Social Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Environmental Protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Finance & Admin		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Road Transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Planning and Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Public Safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure ***to be appropriated***																
Vote 1 - Energy Sources		3 743	3 743	3 743	3 743	3 743	3 743	3 743	3 743	3 743	3 743	3 743	3 743	44 917	58 442	61 244
Vote 2 - Community and Social Services		666	666	666	666	666	666	666	666	666	666	666	666	7 987	7 041	8 287
Vote 3 - Environmental Protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Executive & Council		304	304	304	304	304	304	304	304	304	304	304	304	3 643	167	171
Vote 5 - Finance & Admin		1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	18 900	17 812	16 991
Vote 6 - Road Transport		3 167	3 167	3 167	3 167	3 167	3 167	3 167	3 167	3 167	3 167	3 167	3 167	38 001	26 871	28 010
Vote 7 - Planning and Development		24 237	24 237	24 237	24 237	24 237	24 237	24 237	24 237	24 237	24 237	24 237	24 237	290 842	307 188	328 759
Vote 8 - Public Safety		985	985	985	985	985	985	985	985	985	985	985	985	11 815	3 650	2 050
Vote 9 - Sport and Recreation		375	375	375	375	375	375	375	375	375	375	375	375	4 503	583	475
Vote 10 - Housing		42	42	42	42	42	42	42	42	42	42	42	42	500	523	547
Vote 11 - Water Management		4 473	4 473	4 473	4 473	4 473	4 473	4 473	4 473	4 473	4 473	4 473	4 473	53 680	37 361	46 699
Vote 12 - [NAME OF VOTE 12]		46	46	46	46	46	46	46	46	46	46	46	46	550	546	274
Vote 13 - Waste Water Management		606	606	606	606	606	606	606	606	606	606	606	606	7 275	21 558	23 247
Vote 14 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Internal Audit		8	8	8	8	8	8	8	8	8	8	8	8	91	95	98
Capital single-year expenditure sub-total	2	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**482 704**	**481 837**	**516 852**
Total Capital Expenditure	2	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**482 704**	**481 837**	**516 852**

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates

2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

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AGENDA: SPECIAL COUNCIL: 29 MAY 2025

NW373 Rustenburg - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital Expenditure - Functional	1															
Governance and administration		**1 887**	**1 887**	**1 887**	**1 887**	**1 887**	**1 887**	**1 887**	**1 887**	**1 887**	**1 887**	**1 887**	**1 887**	**22 645**	**18 074**	**17 260**
Executive and council		304	304	304	304	304	304	304	304	304	304	304	304	3 643	167	171
Finance and administration		1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	18 910	17 812	16 991
Internal audit		8	8	8	8	8	8	8	8	8	8	8	8	91	95	98
Community and public safety		**1 734**	**1 734**	**1 734**	**1 734**	**1 734**	**1 734**	**1 734**	**1 734**	**1 734**	**1 734**	**1 734**	**1 734**	**20 804**	**11 797**	**11 359**
Community and social services		666	666	666	666	666	666	666	666	666	666	666	666	7 987	7 041	8 287
Sport and recreation		42	42	42	42	42	42	42	42	42	42	42	42	503	583	475
Public safety		985	985	985	985	985	985	985	985	985	985	985	985	11 815	3 650	2 050
Housing		42	42	42	42	42	42	42	42	42	42	42	42	500	523	547
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**26 976**	**26 976**	**26 976**	**26 976**	**26 976**	**26 976**	**26 976**	**26 976**	**26 976**	**26 976**	**26 976**	**26 976**	**323 713**	**334 059**	**356 769**
Planning and development		24 309	24 309	24 309	24 309	24 309	24 309	24 309	24 309	24 309	24 309	24 309	24 309	291 712	307 188	328 759
Road transport		2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	2 667	32 001	26 871	28 010
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**9 629**	**9 629**	**9 629**	**9 629**	**9 629**	**9 629**	**9 629**	**9 629**	**9 629**	**9 629**	**9 629**	**9 629**	**115 542**	**117 907**	**131 464**
Energy sources		3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	46 917	58 442	61 244
Water management		4 067	4 067	4 067	4 067	4 067	4 067	4 067	4 067	4 067	4 067	4 067	4 067	48 800	37 361	46 699
Waste water management		1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	19 275	21 558	23 247
Waste management		46	46	46	46	46	46	46	46	46	46	46	46	550	546	274
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	2	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**482 704**	**481 837**	**516 852**
Funded by:																
National Government		31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	**31 723**	**380 673**	**389 212**	**422 824**
Provincial Government		40	40	40	40	40	40	40	40	40	40	40	40	482	498	498
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		**31 763**	**31 763**	**31 763**	**31 763**	**31 763**	**31 763**	**31 763**	**31 763**	**31 763**	**31 763**	**31 763**	**31 763**	**381 155**	**389 710**	**423 322**
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		8 462	8 462	8 462	8 462	8 462	8 462	8 462	8 462	8 462	8 462	8 462	8 462	101 550	92 127	93 530
Total Capital Funding		**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	**40 225**	40 225	40 225	482 704	481 837	516 852

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates

2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

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AGENDA: SPECIAL COUNCIL: 29 MAY 2025

NW373 Rustenburg - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash Receipts By Source													1		
Property rates	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	50 029	600 347	627 363	643 047
Service charges - electricity revenue	183 512	183 512	183 512	183 512	183 512	183 512	183 512	183 512	183 512	183 512	183 512	183 512	2 202 148	2 290 148	2 300 148
Service charges - water revenue	39 939	39 939	39 939	39 939	39 939	39 939	39 939	39 939	39 939	39 939	39 939	39 939	479 273	491 035	560 726
Service charges - sanitation revenue	34 216	34 216	34 216	34 216	34 216	34 216	34 216	34 216	34 216	34 216	34 216	34 216	410 588	459 442	485 603
Service charges - refuse revenue	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	170 542	184 521	199 734
Rental of facilities and equipment	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	1 045	12 537	13 030	13 315
Interest earned - external investments	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	7 779	93 352	95 303	95 427
Interest earned - outstanding debtors	57 961	57 961	57 961	57 961	57 961	57 961	57 961	57 961	57 961	57 961	57 961	57 961	695 528	723 427	762 882
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	16 794	17 549	17 988
Licences and permits	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	13 309	13 908	14 255
Agency services	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	11 948	143 375	149 827	153 573
Transfers and Subsidies - Operational	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	122 420	1 469 034	1 580 069	1 591 297
Other revenue	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	1 711	20 526	20 273	21 028
Cash Receipts by Source	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**527 280**	**6 327 354**	**6 665 895**	**6 859 024**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	31 723	380 673	389 212	422 824
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	40	40	40	40	40	40	40	40	40	40	40	40	482	498	498
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	225	225	225	225	225	225	225	225	225	225	225	225	2 706	2 764	1 640
VAT Control (receipts)	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	10	10	10	10	10	10	10	10	10	10	10	10	125	(248)	(249)
Total Cash Receipts by Source	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**559 278**	**6 711 340**	**7 058 121**	**7 283 737**
Cash Payments by Type															
Employee related costs	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	86 248	1 034 970	1 078 203	1 091 660
Remuneration of councillors	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	6 466	77 587	80 952	83 752
Interest	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	5 560	66 725	68 415	69 520
Bulk purchases - electricity	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	201 932	2 423 181	2 553 675	2 621 961
Acquisitions - water & other inventory	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	54 836	658 033	677 309	691 440
Contracted services	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	74 342	892 108	926 998	958 070
Transfers and subsidies - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	1 747	20 967	21 908	22 564
Other expenditure	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	26 357	316 282	329 374	335 746
Cash Payments by Type	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**457 488**	**5 489 854**	**5 736 834**	**5 874 713**
Other Cash Flows/Payments by Type															
Capital assets	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	40 225	482 704	481 837	516 852
Repayment of borrowing	12 091	12 091	12 091	12 091	12 091	12 091	12 091	12 091	12 091	12 091	12 091	12 091	145 090	151 619	155 410
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**509 804**	**6 117 648**	**6 370 290**	**6 546 974**
NET INCREASE/(DECREASE) IN CASH HELD	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**49 474**	**593 691**	**687 831**	**736 763**
Cash/cash equivalents at the month/year begin:	542 172	591 647	641 121	690 595	740 069	789 544	839 018	888 492	937 967	987 441	1 036 915	1 086 389	542 172	1 135 864	1 823 695
Cash/cash equivalents at the month/year end:	591 647	641 121	690 595	740 069	789 544	839 018	888 492	937 967	987 441	1 036 915	1 086 389	1 135 864	1 135 864	1 823 695	2 560 458

References

1. Note that this section of Table SA 30 is deliberately not linked to Table A4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure. However for the MTREF it is now directly linked to A7.

NW373 Rustenburg - NOT REQUIRED - municipality does not have entities

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R million		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial Performance										
Property rates										
Service charges		209 725	209 725	263 001	280 960	280 960	280 960	299 470	317 108	335 804
Investment revenue		4 095	4 095	4 320	4 523	4 523	4 523	31 585	21 188	16 149
Transfer and subsidies - 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)		213 820	213 820	267 321	285 483	285 483	285 483	331 056	338 296	351 953
Employee costs				3 934	4 268	4 268	4 268	5 740	6 049	6 450
Remuneration of Board Members										
Depreciation and amortisation		38 040	38 497	40 134	35 083	35 083	35 083	35 083	35 083	35 083
Interest		10 676	216							
Inventory consumed and bulk purchases										
Transfers and subsidies										
Other expenditure		116 532	145 058	120 000	151 601	151 601	151 601	241 603	258 026	278 982
Total Expenditure		165 247	183 772	164 068	190 952	190 952	190 952	282 426	299 158	320 515
Surplus/(Deficit)		48 573	30 048	103 253	94 531	94 531	94 531	48 630	39 139	31 438

NW373 Rustenburg - Supporting Table SA32 List of external mechanisms

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

References

1. Total agreement period from commencement until end

2. Annual value

NW373 Rustenburg - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Electricity Sales		**3 865 225**	**4 043 026**	**2 513 530**	**2 659 242**	**2 741 340**	**2 809 874**	**2 880 121**	**2 952 124**	**3 025 927**	**3 101 575**	**3 179 114**	**3 258 592**	37 029 690
Water Sales		**579 615**	**606 277**	**617 929**	**654 736**	**676 105**	**693 007**	**710 333**	**728 091**	**746 293**	**764 950**	**784 074**	**803 676**	8 365 087
Other		942	986	717 360	740 241	755 739	774 633	793 999	813 849	834 195	855 050	876 426	898 337	8 061 754
Total Operating Revenue Implication		**4 445 783**	**4 650 289**	**3 848 820**	**4 054 218**	**4 173 184**	**4 277 514**	**4 384 452**	**4 494 063**	**4 606 415**	**4 721 575**	**4 839 614**	**4 960 605**	53 456 532
Expenditure Obligation By Contract	2													
Eskom		2 740 174	2 866 222	2 483 378	2 553 675	2 621 961	2 687 510	2 754 698	2 823 566	2 894 155	2 966 509	3 040 671	3 116 688	33 549 207
Magalies Water		84 000	87 864	84 544	83 424	86 735	88 903	91 126	93 404	95 739	98 133	100 586	103 101	1 097 562
Rand Water		422 670	442 113	477 920	487 920	494 046	506 397	519 057	532 033	545 334	558 967	572 941	587 265	6 146 663
Bospoort WST		40 031	41 993	42 840	43 813	46 958	48 132	49 336	50 569	51 833	53 129	54 457	55 819	578 910
Kloof Water Works		1 483	–	–	–	–	–	–	–	–	–	–	–	1 483
Total Operating Expenditure Implication		3 288 359	3 438 192	3 088 682	3 168 833	3 249 700	3 330 943	3 414 216	3 499 572	3 587 061	3 676 738	3 768 656	3 862 872	41 373 824
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		**3 288 359**	**3 438 192**	**3 088 682**	**3 168 833**	**3 249 700**	**3 330 943**	**3 414 216**	**3 499 572**	**3 587 061**	**3 676 738**	**3 768 656**	**3 862 872**	41 373 824
Entities:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Entity Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–

References

1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column

2. List all contracts with future financial obligations beyond the three years covered by the MTREF (MFMA s33)

3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million

NW373 Rustenburg - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**140 950**	**268 686**	**278 784**	**257 842**	**289 432**	**289 432**	**190 998**	**132 556**	**145 522**
Roads Infrastructure		72 944	142 614	101 433	52 718	34 048	34 048	29 870	10 424	17 910
Roads		61 552	93 284	79 649	27 140	4 294	4 294	10 000	–	–
Road Structures		4 000	47 680	15 930	11 138	11 138	11 138	4 491	4 424	4 910
Road Furniture		7 392	1 650	5 854	14 440	18 616	18 616	15 379	6 000	13 000
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		3 097	–	3 000	–	–	–	–	–	–
Drainage Collection		3 097	–	3 000	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		28 600	25 732	40 590	24 319	24 319	24 319	22 744	16 218	9 349
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations				–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		5 400	3 856	4 330	1 616	–	–	1 892	1 977	2 026
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	2 819	2 819	–	–	–
MV Networks		4 200	2 876	–	–	–	–	–	–	–
LV Networks		19 000	19 000	1 469	1 204	–	–	602	629	645
Capital Spares				34 791	21 500	21 500	21 500	20 250	13 613	6 678
Water Supply Infrastructure		28 609	1 200	–	78 148	77 488	77 488	47 685	36 092	45 398
Dams and Weirs		1 650	1 000	–	194	194	194	–	–	–
Boreholes		–	–	–	194	234	234	160	167	171
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	30 000	30 000	30 000	12 160	8 160	10 734
Water Treatment Works			200	–	–	–	–	–	–	–
Bulk Mains		–	–	–	2 910	–	–	2 100	2 100	2 250
Distribution		26 959			44 850	47 060	47 060	33 265	25 664	32 242
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		7 300	99 140	133 762	102 656	151 636	151 636	90 450	69 276	72 592
Pump Station			25 000	30 484	–	–	–	–	–	–
Reticulation		6 000	46 010	63 086	97 156	145 136	145 136	87 000	68 805	67 100
Waste Water Treatment Works		–	23 000	30 692	–	–	–	–	–	–
Outfall Sewers		–	5 130	9 500	5 500	6 500	6 500	3 000	–	5 000
Toilet Facilities		1 300	–	–	–	–	–	450	471	492
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		400	–	–	–	1 940	1 940	250	546	274
Landfill Sites		–	–	–	–	–	–	250	546	274
Waste Transfer Stations		400	–	–	–	1 940	1 940	–	–	–
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		**10 711**	**12 082**	**13 877**	**14 365**	**9 365**	**9 365**	**11 868**	**9 915**	**1 822**
Community Facilities		2 711	3 565	1 127	970	970	970	698	718	743
Halls		–	2 550	200	485	485	485	400	418	438
Centres		124	615	–	97	97	97	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	587	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		300	400	340	388	388	388	298	300	305
Public Open Space		–	–	–	–	–	–	–	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets		2 287	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		8 000	8 517	12 750	13 395	8 395	8 395	11 170	9 196	1 080
Indoor Facilities		8 000	8 517	12 750	–	–	–	–	–	–
Outdoor Facilities			–		13 395	8 395	8 395	11 170	9 196	1 080
Capital Spares				–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage			–	–	–	–	–	–	–	–
Investment properties		**5 000**	**15 652**	**5 000**	**1 455**	**1 455**	**1 455**	**500**	**525**	**550**
Revenue Generating		5 000	11 652	–	–	1 455	1 455	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		5 000	11 652	–	–	1 455	1 455	–	–	–
Non-revenue Generating		–	4 000	5 000	1 455	–	–	500	525	550
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property			4 000	5 000	1 455	–	–	500	525	550
Other assets		**22 408**	**21 150**	**19 890**	**30 555**	**32 755**	**32 755**	**5 200**	**23 078**	**27 682**
Operational Buildings		22 408	21 150	19 890	30 550	32 750	32 750	5 200	23 078	27 682
Municipal Offices		500	1 500	890	–	–	–	–	–	–
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		17 458	15 000	10 000	14 550	4 750	4 750	125	–	50
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	1 500	–	–	–	–	75	78	80
Stores		150	50	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		300	100	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	5 000	5 000	18 000	18 000	–	12 000	12 552
Capital Spares		4 000	3 000	4 000	11 000	10 000	10 000	5 000	11 000	15 000
Housing		–	–	–	5	5	5	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	5	5	5	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		10 250	6 700	8 750	8 129	8 435	8 435	2 841	3 106	3 365
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		10 250	6 700	8 750	8 129	8 435	8 435	2 841	3 106	3 365
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		250	2 280	4 250	369	675	675	341	356	365
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		10 000	4 420	4 500	7 760	7 760	7 760	2 500	2 750	3 000
Computer Equipment		7 639	5 126	4 860	43 059	44 709	44 709	9 090	3 307	3 075
Computer Equipment		7 639	5 126	4 860	43 059	44 709	44 709	9 090	3 307	3 075
Furniture and Office Equipment		9 288	9 661	10 022	4 713	5 304	5 304	4 595	4 690	4 495
Furniture and Office Equipment		9 288	9 661	10 022	4 713	5 304	5 304	4 595	4 690	4 495
Machinery and Equipment		14 339	13 118	15 142	25 881	27 257	27 257	11 490	9 780	10 097
Machinery and Equipment		14 339	13 118	15 142	25 881	27 257	27 257	11 490	9 780	10 097
Transport Assets		12 570	28 090	4 000	37 827	37 827	37 827	19 250	17 239	28 033
Transport Assets		12 570	28 090	4 000	37 827	37 827	37 827	19 250	17 239	28 033
Land		6 000	5 854	1 500	1 455	1 455	1 455	1 000	1 045	1 070
Land		6 000	5 854	1 500	1 455	1 455	1 455	1 000	1 045	1 070
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	**239 155**	**386 119**	**361 826**	**425 280**	**457 993**	**457 993**	**256 832**	**205 240**	**225 713**

References

1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on upgrading of existing assets (SA34e) must reconcile to total capital expe

check balance	-	-	-	-	-	-	-	-	-	

NW373 Rustenburg - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**122 178**	**91 152**	**63 250**	**4 065**	**39 476**	**39 476**	**43 918**	**27 167**	**28 592**
Roads Infrastructure		63 678	59 531	42 400	–	5 385	5 385	25 000	7 054	7 378
Roads		63 678	59 531	42 400		5 385	5 385	25 000	7 054	7 378
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection			–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		50 500	31 621	20 850	4 065	34 091	34 091	7 918	8 599	9 216
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		10 000	5 420	5 600	–	22 939	22 939	2 750	3 050	3 250
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		30 500	20 781	13 459		9 815	9 815	4 500	4 850	5 250
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		10 000	5 420	1 790	4 065	1 337	1 337	668	699	716
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares			–	–	–	–	–	–	–	–
Sanitation Infrastructure		8 000	–	–	–	–	–	11 000	11 515	11 998
Pump Station		–	–	–	–	–	–	4 500	4 703	4 820
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		8 000	–	–	–	–	–	4 000	4 200	4 500
Toilet Facilities		–	–	–	–	–	–	2 500	2 613	2 678
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		**2 000**	**2 300**	**500**	**679**	**340**	**340**	**–**	**–**	**–**
Community Facilities		2 000	2 000	500	–	–	–	–	–	–
Halls		–	1 000	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		2 000	1 000	500	–	–	–	–	–	–
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	–	300	–	679	340	340	–	–	–	
Indoor Facilities	–	–	–	–	–	–	–	–	–	
Outdoor Facilities	–	300	–	679	340	340	–	–	–	
Capital Spares	–	–	–	–	–	–	–	–	–	
Heritage assets	–	–	–	–	–	–	–	–	–	
Monuments	–	–	–	–	–	–	–	–	–	
Historic Buildings	–	–	–	–	–	–	–	–	–	
Works of Art	–	–	–	–	–	–	–	–	–	
Conservation Areas	–	–	–	–	–	–	–	–	–	
Other Heritage	–	–	–	–	–	–	–	–	–	
Investment properties	**5 250**	**1 400**	**–**	**–**	**16**	**16**	**–**	**–**	**–**	
Revenue Generating	5 250	1 400	–	–	16	16	–	–	–	
Improved Property	4 750	700	–	–	–	–	–	–	–	
Unimproved Property	500	700	–	–	16	16	–	–	–	
Non-revenue Generating	–	–	–	–	–	–	–	–	–	
Improved Property	–	–	–	–	–	–	–	–	–	
Unimproved Property	–	–	–	–	–	–	–	–	–	
Other assets	**4 430**	**8 880**	**1 000**	**1 940**	**970**	**970**	**2 000**	**1 523**	**547**	
Operational Buildings	4 430	8 880	1 000	1 940	970	970	2 000	1 523	547	
Municipal Offices	4 430	8 880	1 000	1 940	970	970	500	523	547	
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–	
Building Plan Offices	–	–	–	–	–	–	–	–	–	
Workshops	–	–	–	–	–	–	–	–	–	
Yards	–	–	–	–	–	–	–	–	–	
Stores	–	–	–	–	–	–	1 500	1 000	–	
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	–	–	–	–	–	–	–	–	–	
Machinery and Equipment	–	–	–	–	–	–	–	–	–	
Transport Assets	–	–	–	–	–	–	–	–	–	
Transport Assets	–	–	–	–	–	–	–	–	–	
Land	–	–	–	–	–	–	–	–	–	
Land	–	–	–	–	–	–	–	–	–	
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–	
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–	
Living resources	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure on renewal of existing assets 1	**133 858**	**103 732**	**64 750**	**6 684**	**40 802**	**40 802**	**45 918**	**28 690**	**29 139**	
Renewal of Existing Assets as % of total capex	*25.8%*	*16.6%*	*11.4%*	*1.0%*	*5.8%*	*5.8%*	*9.5%*	*6.0%*	*5.6%*	
Renewal of Existing Assets as % of deprecn"	*27.2%*	*21.6%*	*13.0%*	*1.3%*	*7.8%*	*7.8%*	*9.4%*	*5.6%*	*5.6%*	

References

1. Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on upgrading of existing assets (SA34e) must reconcile to total capital e

NW373 Rustenburg - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		27 932	48 437	254 490	322 266	261 128	261 128	355 255	364 015	371 992
Roads Infrastructure		26	76	19 079	81 549	79 471	79 471	15 118	16 276	16 048
Roads		26	76	19 079	81 549	79 471	79 471	13 625	14 715	14 448
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	1 494	1 561	1 600
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		24 154	45 881	57 949	85 271	–	–	74 834	77 122	78 550
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		17 340	44 850	47 451	70 291	–	–	42 239	43 240	43 821
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		3 081	863	6 501	9 614	–	–	28 422	29 701	30 444
Capital Spares		3 733	168	3 996	5 366	–	–	4 174	4 181	4 286
Water Supply Infrastructure		3 484	1 032	162 505	151 767	165 697	165 697	218 043	221 357	226 741
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	8 599	9 021	7 021	7 021	9 418	9 841	10 087
Pump Stations		–	–	16 867	17 694	17 694	17 694	18 472	18 490	18 952
Water Treatment Works		–	–	98 062	74 701	74 701	74 701	107 393	107 496	110 183
Bulk Mains		–	–	–	–	–	–	30 000	31 350	32 134
Distribution		3 484	1 032	38 977	50 352	66 281	66 281	52 760	54 180	55 384
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		268	1 449	8 869	3 678	3 672	3 672	36 978	38 584	39 660
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		268	1 449	3 910	3 577	3 572	3 572	31 048	32 625	33 553
Waste Water Treatment Works		–	–	4 959	–	–	–	5 431	5 436	5 572
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	500	523	536
Capital Spares		–	–	–	100	100	100	–	–	–
Solid Waste Infrastructure		–	–	6 088	–	12 288	12 288	9 631	10 155	10 458
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	6 088	–	12 288	12 288	9 631	10 155	10 458
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		–	–	–	–	–	–	650	522	535
Data Centres		–	–	–	–	–	–	500	522	535
Core Layers		–	–	–	–	–	–	150	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–

Community Assets	29	–	1 406	6 782	6 232	6 232	4 462	4 806	5 078
Community Facilities	29	–	306	6 084	5 584	5 584	1 816	1 942	1 985
Halls	–	–	–	870	370	370	908	949	972
Centres	–	–	–	–	–	–	–	–	–
Crèches	–	–	–	–	–	–	–	–	–
Clinics/Care Centres	–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations	–	–	–	–	–	–	–	–	–
Testing Stations	–	–	–	178	178	178	117	123	126
Museums	–	–	–	–	–	–	–	–	–
Galleries	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Libraries	–	–	–	471	471	471	342	402	406
Cemeteries/Crematoria	–	–	–	109	109	109	114	119	122
Police	–	–	–	63	63	63	–	–	–
Parks	29	–	306	660	660	660	335	349	358
Public Open Space	–	–	–	3 733	3 733	3 733	–	–	–
Nature Reserves	–	–	–	–	–	–	–	–	–
Public Ablution Facilities	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Stalls	–	–	–	–	–	–	–	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Airports	–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	1 100	698	648	648	2 646	2 864	3 093
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	–	–	–	698	448	448	2 326	2 530	2 751
Capital Spares	–	–	1 100	–	200	200	320	334	342
Heritage assets	–	–	–	–	–	–	–	–	–
Monuments	–	–	–	–	–	–	–	–	–
Historic Buildings	–	–	–	–	–	–	–	–	–
Works of Art	–	–	–	–	–	–	–	–	–
Conservation Areas	–	–	–	–	–	–	–	–	–
Other Heritage	–	–	–	–	–	–	–	–	–
Investment properties	58	–	–	1 110	1 310	1 310	1 025	1 070	1 097
Revenue Generating	58	–	–	1 110	1 310	1 310	1 025	1 070	1 097
Improved Property	58	–	–	1 110	1 310	1 310	1 025	1 070	1 097
Unimproved Property	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Other assets	1 400	1 990	8 029	22 401	18 401	18 401	18 711	19 688	20 255
Operational Buildings	466	1 141	6 529	21 401	17 401	17 401	17 211	18 120	18 648
Municipal Offices	382	1 118	1 319	15 682	14 182	14 182	14 380	15 117	15 545
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–
Building Plan Offices	–	–	–	–	–	–	100	105	107
Workshops	–	–	–	–	–	–	–	–	–
Yards	84	23	211	219	219	219	231	241	247
Stores	–	–	–	–	–	–	–	–	–
Laboratories	–	–	–	–	–	–	–	–	–
Training Centres	–	–	–	–	–	–	–	–	–
Manufacturing Plant	–	–	–	–	–	–	–	–	–
Depots	–	–	5 000	5 500	3 000	3 000	2 500	2 658	2 749
Capital Spares	–	–	–	–	–	–	–	–	–
Housing	934	849	1 500	1 000	1 000	1 000	1 500	1 568	1 607
Staff Housing	–	–	–	–	–	–	–	–	–
Social Housing	934	849	1 500	1 000	1 000	1 000	1 500	1 568	1 607
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	4 291	5 011	7 032	6 700	6 650	6 650	5 000	5 315	5 498
Computer Equipment	4 291	5 011	7 032	6 700	6 650	6 650	5 000	5 315	5 498
Furniture and Office Equipment	360	756	30	8 000	8 000	8 000	10 938	11 087	11 528
Furniture and Office Equipment	360	756	30	8 000	8 000	8 000	10 938	11 087	11 528
Machinery and Equipment	483	1 297	1 249	6 293	1 293	1 293	10 860	11 483	11 845
Machinery and Equipment	483	1 297	1 249	6 293	1 293	1 293	10 860	11 483	11 845
Transport Assets	–	–	3 921	22 732	(32 483)	(32 483)	15 000	15 675	16 067
Transport Assets	–	–	3 921	22 732	(32 483)	(32 483)	15 000	15 675	16 067

Land	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–

Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	34 552	57 491	276 158	396 284	270 531	270 531	421 251	433 140	443 360
R&M as a % of PPE & Investment Property		*0.3%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
R&M as % Operating Expenditure		*0.6%*	*0.9%*	*3.8%*	*5.3%*	*3.9%*	*3.9%*	*6.4%*	*6.4%*	*6.3%*

References

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

NW373 Rustenburg - Supporting Table SA34d Depreciation by asset class

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Depreciation by Asset Class/Sub-class										
Infrastructure		416 765	145 347	172 367	307 285	307 285	307 285	271 319	281 548	288 587
Roads Infrastructure		64 822	–	–	111 473	111 473	111 473	116 600	121 847	124 894
Roads		64 822	–	–	111 473	111 473	111 473	116 600	121 847	124 894
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		96 916	72 761	55 518	53 239	53 239	53 239	55 581	58 082	59 535
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	53 239	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		96 916	72 761	55 518	–	53 239	53 239	55 581	58 082	59 535
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		158 738	72 586	116 848	79 493	79 493	79 493	54 161	56 598	58 013
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		7 583	–	–	26 498	26 498	26 498	27 664	28 908	29 631
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	26 498	26 498	26 498	–	–	–
Bulk Mains		–	–	41 069	–	–	–	–	–	–
Distribution		151 155	72 586	75 780	26 498	26 498	26 498	26 498	27 690	28 382
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	43 081	43 081	43 081	44 977	45 020	46 145
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	43 081	43 081	43 081	44 977	45 020	46 145
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		96 289	–	–	20 000	20 000	20 000	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		96 289	–	–	20 000	20 000	20 000	–	–	–
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	**9 231**	**7 291**	**–**	**5 298**	**5 298**	**5 298**	**5 541**	**5 796**	**6 063**
Revenue Generating	9 231	7 291	–	5 298	5 298	5 298	5 541	5 796	6 063
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	9 231	7 291	–	5 298	5 298	5 298	5 541	5 796	6 063
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Other assets	**46 122**	**46 122**	**25 147**	**36 000**	**36 000**	**36 000**	**37 584**	**39 275**	**40 257**
Operational Buildings	46 122	46 122	25 147	36 000	36 000	36 000	37 584	39 275	40 257
Municipal Offices	46 122	46 122	25 147	36 000	36 000	36 000	37 584	39 275	40 257
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	67	–	17	25	25	25	26	27	28
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	67	–	17	25	25	25	26	27	28
Water Rights	–	–	–	–	–	–	–	–	–
Effluent Licenses	–	–	–	–	–	–	–	–	–
Solid Waste Licenses	–	–	–	–	–	–	–	–	–
Computer Software and Applications	67	–	17	25	25	25	26	27	28
Load Settlement Software Applications	–	–	–	–	–	–	–	–	–
Unspecified	–	–	–	–	–	–	–	–	–
Computer Equipment	1 190	1 123	1 130	4 682	4 682	4 682	4 895	5 115	5 243
Computer Equipment	1 190	1 123	1 130	4 682	4 682	4 682	4 895	5 115	5 243
Furniture and Office Equipment	8 083	268 317	156 527	149 063	149 063	149 063	150 419	156 945	160 760
Furniture and Office Equipment	8 083	268 317	156 527	149 063	149 063	149 063	150 419	156 945	160 760
Machinery and Equipment	2 032	2 280	2 380	5 730	5 730	5 730	5 892	6 157	6 311
Machinery and Equipment	2 032	2 280	2 380	5 730	5 730	5 730	5 892	6 157	6 311
Transport Assets	9 423	9 565	140 291	14 695	14 695	14 695	15 349	16 039	16 440
Transport Assets	9 423	9 565	140 291	14 695	14 695	14 695	15 349	16 039	16 440
Land	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Living resources	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-
Zoological plants and animals	-	-	-	-	-	-	-	-	-

Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Depreciation	1	492 913	480 045	497 859	522 778	522 778	522 778	491 025	510 903	523 689

References

1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.

Check		-	-	-	-	-	-	-	-	-

NW373 Rustenburg - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		**124 341**	**99 187**	**121 825**	**201 499**	**188 597**	**188 597**	**167 963**	**243 714**	**256 199**
Roads Infrastructure		33 703	29 328	27 513	–	5 000	5 000	–	–	–
Roads		33 703	29 328	27 513		5 000	5 000			
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		8 000	3 000	4 000	–	–	–	–	–	–
Drainage Collection		8 000	3 000	4 000						
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		48 550	50 191	63 629	42 889	29 638	29 638	30 950	40 011	40 839
Power Plants			30 022	–	–	–	–	–	–	–
HV Substations		10 000		45 000	42 889	22 223	22 223	14 700	23 000	23 110
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	10 250	10 731	11 195
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		3 000	2 126	3 264		2 351	2 351	2 000	2 100	2 250
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		35 550	18 043	15 365		5 065	5 065	4 000	4 180	4 285
Water Supply Infrastructure		21 000	5 500	16 333	158 610	76 809	76 809	90 781	189 703	193 860
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		2 000	1 000	4 000	50 000	2 724	2 724	48 531	98 396	142 521
Bulk Mains		–	–	–	–	1 020	1 020	–	–	–
Distribution		19 000	4 500	12 333	96 000	62 306	62 306	41 000	90 000	50 000
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	12 610	10 760	10 760	1 250	1 306	1 339
Sanitation Infrastructure		13 088	11 168	10 351	–	77 149	77 149	46 232	14 000	21 500
Pump Station		3 000	2 126	1 263	–	–	–	–	–	–
Reticulation		10 000	9 042	9 088		77 149	77 149	46 232	14 000	21 500
Waste Water Treatment Works		–		–	–	–	–	–	–	–
Outfall Sewers		88		–	–	–	–	–	–	–
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		**13 903**	**30 932**	**14 010**	**–**	**6 134**	**6 134**	**2 616**	**2 720**	**3 728**
Community Facilities		13 903	30 932	14 010	–	6 134	6 134	2 616	2 720	3 728
Halls		–	–	–		2 716	2 716	1 850	1 935	2 907
Centres		3 077	5 050	950		970	970	516	523	547
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries			150		–	–	–	–	–	–
Cemeteries/Crematoria		10 826	23 000	12 000	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		–	–	–	–	–	–	–	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	2 732	1 060		2 448	2 448	250	262	274
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		**3 000**	**2 000**	**1 000**	**2 910**	**2 000**	**2 000**	**375**	**450**	**525**
Revenue Generating		1 000	–	1 000	–	2 000	2 000	–	–	–
Improved Property		1 000	–	–	–	–	–	–	–	–
Unimproved Property		–	–	1 000	–	2 000	2 000	–	–	–
Non-revenue Generating		2 000	2 000	–	2 910	–	–	375	450	525
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		2 000	2 000	–	2 910	–	–	375	450	525
Other assets		**1 500**	**1 563**	**1 000**	**873**	**437**	**437**	**500**	**523**	**547**
Operational Buildings		–	–	–	485	243	243	–	–	–
Municipal Offices		–	–	–	–	–	–	–	–	–
Pay/Enquiry Points		–	–	–	291	146	146	–	–	–
Building Plan Offices		–	–	–	194	97	97	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		1 500	1 563	1 000	388	194	194	500	523	547
Staff Housing		1 500	1 563	1 000	388	194	194	500	523	547
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		3 690	800	1 250	–	–	–	–	–	–
Biological or Cultivated Assets		3 690	800	1 250	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	3 000	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	3 000	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	3 000	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment			–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	4 365	2 183	2 183	5 500	500	1 000
Machinery and Equipment			–	–	4 365	2 183	2 183	5 500	500	1 000
Transport Assets		–	–	–	–	155	155	–	–	–
Transport Assets		–	–	–		155	155	–	–	–
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	1	**146 434**	**134 482**	**139 085**	**209 647**	**199 506**	**199 506**	**179 954**	**247 907**	**261 999**
Upgrading of Existing Assets as % of total capex		*28.2%*	*21.5%*	*24.6%*	*32.7%*	*28.6%*	*28.6%*	*37.3%*	*51.5%*	*50.7%*
Upgrading of Existing Assets as % of deprecn"		*29.7%*	*28.0%*	*27.9%*	*40.1%*	*38.2%*	*38.2%*	*36.6%*	*48.5%*	*50.0%*

References

1. Total Capital Expenditure on upgrading of existing assets (SA34e) plus Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) must reconcile to total capital exp

NW373 Rustenburg - Supporting Table SA35 Future financial implications of the capital budget

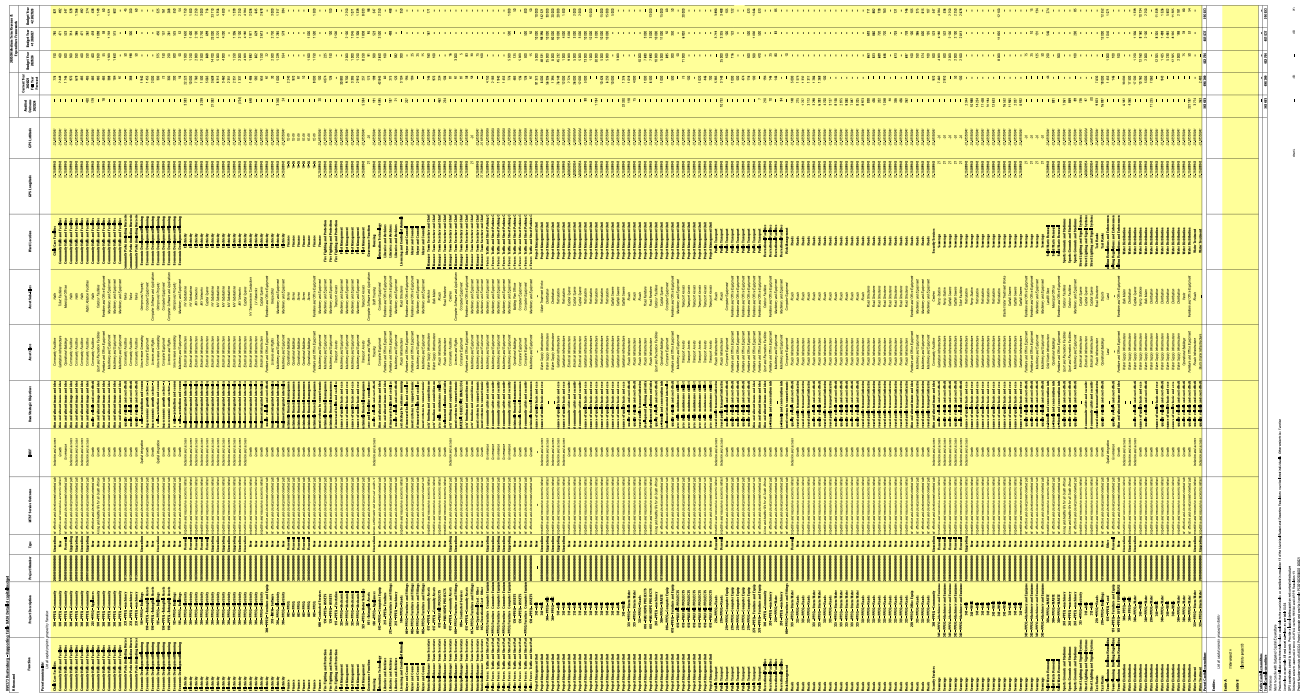
Vote Description	Ref	2025/26 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Present value
Capital expenditure	1							
Vote 1 - Energy Sources		44 917	58 442	61 244				
Vote 2 - Community and Social Services		7 987	7 041	8 287				
Vote 3 - Environmental Protection		–	–	–				
Vote 4 - Executive & Council		3 643	167	171				
Vote 5 - Finance & Admin		18 900	17 812	16 991				
Vote 6 - Road Transport		38 001	26 871	28 010				
Vote 7 - Planning and Development		290 842	307 188	328 759				
Vote 8 - Public Safety		11 815	3 650	2 050				
Vote 9 - Sport and Recreation		4 503	583	475				
Vote 10 - Housing		500	523	547				
Vote 11 - Water Management		53 680	37 361	46 699				
Vote 12 - [NAME OF VOTE 12]		550	546	274				
Vote 13 - Waste Water Management		7 275	21 558	23 247				
Vote 14 - Other		–	–	–				
Vote 15 - Internal Audit		91	95	98				
List entity summary if applicable								
Total Capital Expenditure		**482 704**	**481 837**	**516 852**	**–**	**–**	**–**	**–**
Future operational costs by vote	2							
Vote 1 - Energy Sources								
Vote 2 - Community and Social Services								
Vote 3 - Environmental Protection								
Vote 4 - Executive & Council								
Vote 5 - Finance & Admin								
Vote 6 - Road Transport								
Vote 7 - Planning and Development								
Vote 8 - Public Safety								
Vote 9 - Sport and Recreation								
Vote 10 - Housing								
Vote 11 - Water Management								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - Waste Water Management								
Vote 14 - Other								
Vote 15 - Internal Audit								
List entity summary if applicable								
Total future operational costs		–	–	–	–	–	–	–
Future revenue by source	3							
Exchange Revenue								
Service charges - Electricity								
Service charges - Water								
Service charges - Waste Water Management								
Service charges - Waste Management								
Agency services								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		**482 704**	**481 837**	**516 852**	**–**	**–**	**–**	**–**

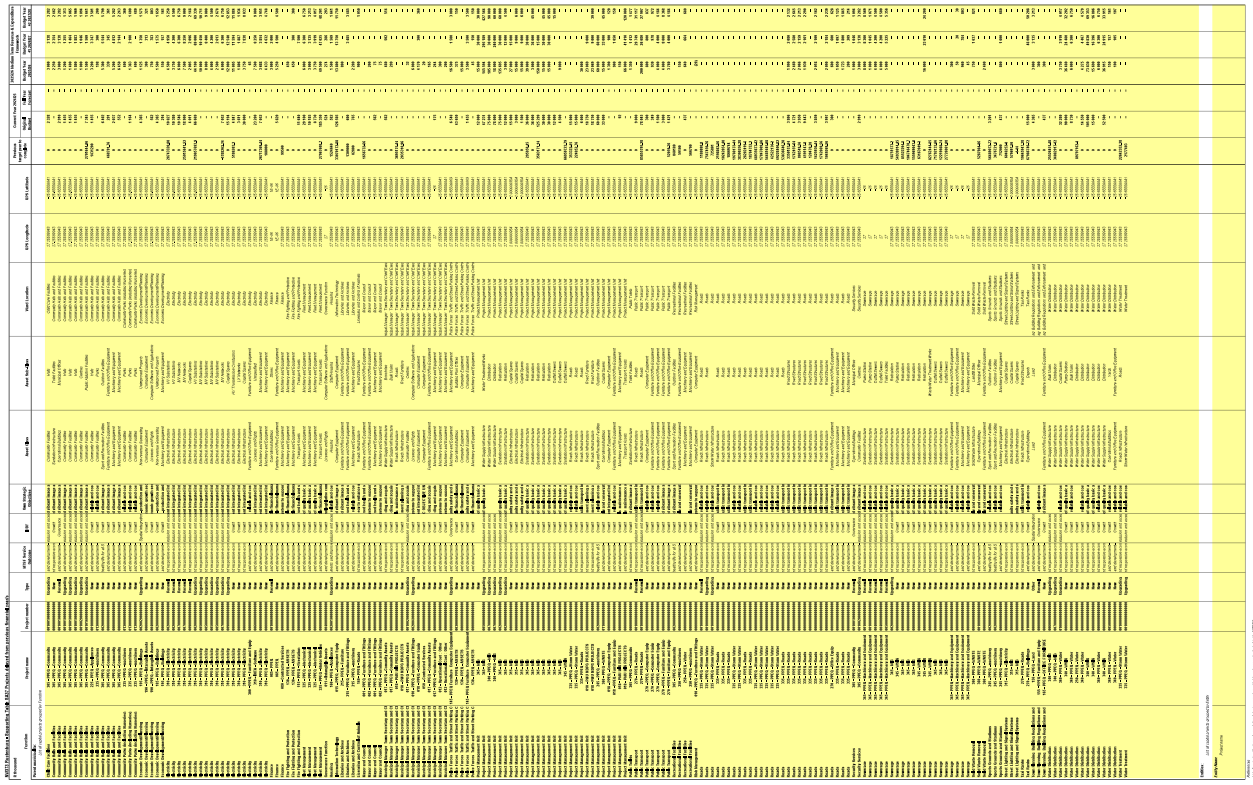
References

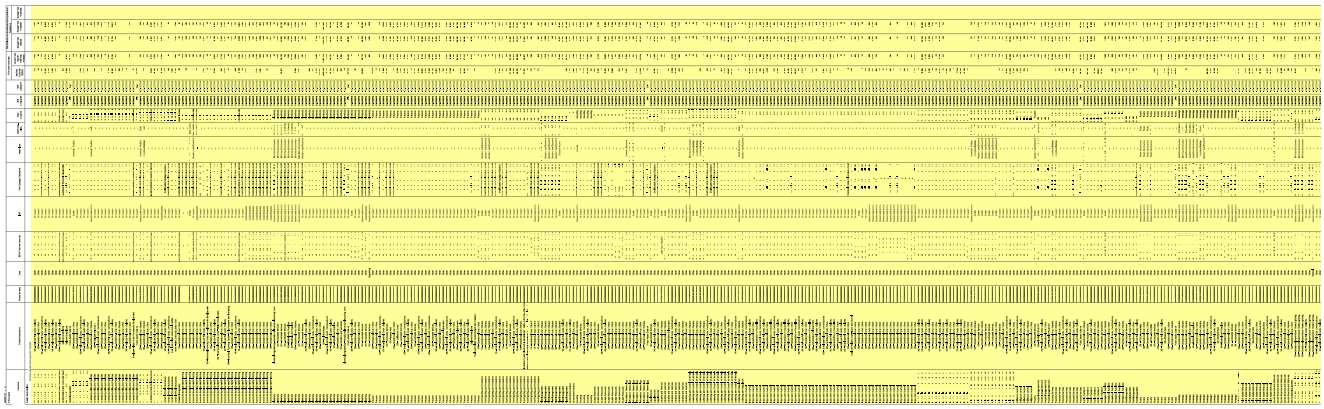
1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))

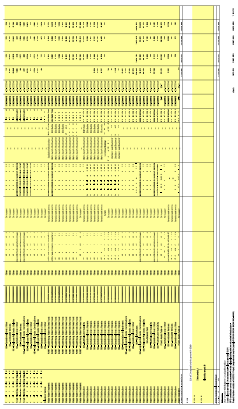
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))

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)









REVISED MUNICIPALITY BEREAVEMENT POLICY FOR SERVING AND FORMER COUNCILLORS

RUSTENBURG LOCAL MUNICIPALITY

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1. PREAMBLE

In terms of Section 156(5) of the Constitution and Section 8 (2) of Municipal System Act 2000, the Council has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions.

This civic funeral in honour of the deceased Councillor or Former Councillor which is arranged by and held under the name of the Council. The family of the deceased Councillor or Former Councillor has the choice of having a civic funeral or not.

2. AIMS AND OBJECTIVES

2.1 To provide a framework for the management of the bereavement processes for a deceased municipal Councillor and Former Councillor.

2.2 To make provision for the establishment of a sustainable mechanism for the provision of support to the family of a deceased Councillor and a Former Councillor.

2.3 To promote good fellowship during the time of the need to the bereaved family.

2.4 To provide **support** to bereaved families in the event of death of a Councillor and a Former Councillor.

2.1 DEFINITIONS

In this Policy, unless the context indicates otherwise_

2.1.1 "**Councillor**" means a member of the municipal council of Rustenburg Local Municipality.

2.1.2 "**Former Councillor**" means a former member of the municipal council of the Rustenburg Local Municipality, during the period dating back to the 05 December 2000 amalgamation.

2.1.3 "**Council**" or "Municipal Council" means a municipal council referred to in section 157 of the Constitution.

2.1.4 "**Bereavement Committee**" means a committee constituted and estableshed by the Council.

2.1.5 "**Family Member**" means any individual related by blood or affinity whose close association with the councillor or ex-councillor is equivalent of a family member.

3. SCOPE OF THE APPLICATION OF THIS POLICY

3.1 This policy will applay to ex- Councillors and current Councillors of the Rustenburg Local Municipality. ;

3.2 This policy shall not be applicable to (i) current councillors who are serving at the Bojanala Platinum District Municipality ; and (ii) former councillors currently serving at the Legislature or Parliament.

3.3 Provisions of this Policy will be binding to the Council, Councillors, Former Councillors and Management of the Municipality.

3.4 Application of this policy shall not be applicable to Employees of the Municipality, spouses and children of serving Councillors or Former Councillors of the Municipality.

4. PRINCIPLES UNDERPINNING THIS POLICY

4.1 This policy is designed to be used as a tool for comforting or consoling the bereaved family of the deceased Councillor or Former Councillor.

4.2 This policy is designed to enhance contents of the social culture in respect of mourning.

4.3 This policy strives to promote the principle of equality and it is intended not to discriminate directly or indirectly against anyone on one or more grounds, including race, gender, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, langauge and birth.

4.4 The funeral benefits that are provided in this policy are privileges accorded to the deceased Councilor or Former Councillor and as a result this should not be construed as a right of entitlement to the funeral benefit.

4.5 This is the official policy that governs the privileges to which deceased Councillors or Formers Councillor are entitled in the event of death.

5. PROCEDURE

5.1 Any Councillor or member of the family of the deceased Councillor or Former Councillor should notify the Speaker and the Single whip of the of the death of the Councilor or former Councillor. The Speaker, Single Whip, Executive Mayor and the Municipal Manager may delegate Councillors and Senior Officials to consult with the deceased family in preparation of the funeral.

5.2 A special meeting of Council shall be arranged upon the death of a Councillor or former Councillor to allow parties represented in the Council to express condolences to the next of kin.

5.3 During the Special Council meeting, a brief life history of the deceased shall be presented by the Executive Mayor.

5.4 The deceased Councillor's chair should be draped in black and where possible the enlarged photograph and a bouquet of flowers or a wreath be placed on the table of the deceased Councilor in the council chamber.

5.5 The family of the deceased and specific guests should be invited to the special meeting, and a special seating should be arranged for the bereaved family in the council chamber.

5.6 The Speaker, the Single Whip and the Executive Mayor in consultation with the Municipal Manager are authorized to make all necessary arrangements for the funeral in order to give effect to the provisions of this Policy.

5.7 The Council shall establish a bereavement committee which shall consist of not more than five (5) Councillors and not more than five (5) municipal officials. This committee shall be chaired by a Councillor.

6. FINANCIAL CONTRIBUTION BY THE COUNCIL

6.1 There shall be no costs in the running of the civic bereavement for the implementation of these policy.

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7. ARRANGEMENT OF THE MEMORIAL SERVICE

7.1 The Municipality shall arrange a memorial service for paying the last tribute to the deceased Councilor.

7.2 Such memorial service shall be arranged in consultation with the family of the deceased Councillor.

7.3 In the case of a political memorial service, the arrangement shall be decided by the Speaker in consultation with the Executive Mayor and the Municipal Manager.

7.4 The Preacher of the family choice or the shall be arranged at no cost to the municipality.

7.5 The memorial shall be held at a suitable venue chosen by the family and the municipality

7.5 The refreshments may be arranged only for the family members and special guests at the memorial service.

8. FUNERAL ATTENDANCE ARRAGEMENTS CREMATION SERVICES

8.1 At the discretion of the family, the family service may take place at the home of the deceased councillor or former councillor or hall or at the church. Family or friends or members of the political party may be pall bearers and the members of Public Safety officers shall lead the procession.

8.2 At the discretion of the family, the funeral service programme may be facilitated by the programme director chosen by the family.

8.3 Depending on the wishes of the family, the deceased may either be cremated or buried.

8.4 **The procedures for the civic funeral of deceased councillor or ex-councillor are as follows:**

8.4.1 The escort.

8.4.2 The Drill Squad.

8.4.3 The Band - If available, a band should perform at civic funerals.

8.4.4 The Fire Engine - A fire engine will be used to transport the coffin.

9. IMPLEMENTATION DATE

This policy shall come into full force and effect upon the acceptance hereof by the Council of the Municipality by resolution.

10. ADMINISTRATIVE UPKEEP OF THE POLICY

The Directorate : Corporate Support Services shall be the custodian of this policy and shall be responsible to review this policy on an annual basis or if the need arises, whichever comes first.

RUSTENBURG LOCAL MUNICIPALITY

Budget Policy

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DEFINITIONS

“Allocation", means-
(a) a municipality's share of the local government's equitable share referred to in section 214(1) (a) of the Constitution;
(b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
(c) an allocation of money to a municipality in terms of a provincial budget; or
(d) 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;

"aggregated expense and aggregated revenue ", means- the total income and/or expense which has been adjusted to remove distorting factors which are generally contra entries and are ad hoc, once off. or outside of the control of the Municipality. These include but are not limited to Xstrata's electricity, housing, internal charges, ‘below the line’ items, the 2010 stadium and other relevant ad hoc items.

"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-
(a) approved by a municipal council, or
(b) 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-
(a) the tariffs policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
(b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or
(c) the credit control 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 or power, includes an instruction or request to perform or to assist in performing the duty and which must be in writing;

"financial recovery plan" means a plan prepared in terms of section 141 of the MFMA

"financial statements", means statements consisting of at least-
(a) a statement of financial position;
(b) a 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 twelve months period commencing on 1 July and ending on 30 June each year

"financing agreement" includes any loan agreement, lease, and installment 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-
(a) 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;
(b) 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;
(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 No. 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 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 "unauthorized expenditure";

"investment", in relation to funds of a municipality, means-
(a) the placing on deposit of funds of a municipality with a financial institution; or
(b) 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;

"Municipal Structures Act" means the Local Government; Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

“long-term debt" means debt repayable over a period exceeding one year;

"executive mayor" means the councillor elected as the executive 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 dematerialized or electronic evidence of indebtedness intended to be used in trade;

"municipal entity" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"municipality"-
(a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
(b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 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-
(a) an employee of a municipality or municipal entity;
(b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
(c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"operating capital"- means
the cash funds required to cater for at least two months operating capital requirements and includes payment of creditors and provision for timing differences in payment of major electricity accounts

"overspending"-
(a) 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; or
(c) 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:

(a) 1 July to 30 September;
(b) 1 October to 31 December;
(c) 1 January to 31 March; or
(d) 1 April to 30 June;

"service delivery and budget implementation plan" means a detailed plan approved by the executive 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-
(a) projections for each month of-
(i) revenue to be collected, by source; and
(ii) operational and capital expenditure, by vote;
(b) service delivery targets and performance indicators for each quarter; and
(c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(l) (c) of the MFMA;

"short-term debt" means debt repayable over a period not exceeding one year;

"standards of generally recognized accounting practice," means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board

"unauthorized expenditure", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, 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)$_r$ (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 MFMA;

"budget transfer" means the transfer of funds between line items within a vote of the operating budget

"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 departments 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.
"**same category of expenditure" means –**

a) Having the same item number or description, e.g. Item number IE00036 or Employee related.

1. PURPOSE OF THE POLICY

The purpose of this policy is to promote sound and sustainable management budgeting in terms of the Municipal Financial Management Act (MFMA), S160 (6) of the Constitution and S 11(3) (h), (m) of Municipal Structures Act (MSA).

The municipality derives its legislative and executive authority to prepare, approve and implement the budget from S11 (3) (h) and (i) of the MSA, which includes the imposing and recovery of rates, taxes, levies, duties, service fees and surcharges on fees

2. BUDGET PRINCIPLES AND PREPARATION

2.1. Appropriate of Funds for Expenditure

The municipality may only incur expenditure in terms of an approval budget and within the limits of the amounts appropriated for the different votes in an approved budget, except where otherwise provided for in the MFMA and supporting regulations.

2.2. Funded Budget

Each annual and adjustments budget shall reflect a surplus and be fully funded, realistic, credible, viable and implementable.

Any unappropriated surplus from previous financial years shall be appropriated, as far as it is not required to finance the operating capital or for other operational purposes, to the municipality's Capital Replacement Reserve (CRR).

Any impending deficit shall be rectified in an adjustments budget. If a deficit arises at the end of a financial year the deficit will immediately be rectified in the adjustments budget for the ensuing financial year, and not offset against any unappropriated surplus carried forward from preceding financial years.

2.3. Budget Guidelines

The Chief Financial Officer shall prepare Budget Guidelines within the timeframe of the Budget/IDP Time schedule which contain the principles, objectives and strategies for the forthcoming budget. These will take cognizance of prevailing economic factors and guidelines issued by National and Provincial Government.

The Budget Guidelines give general direction to the budget process, indicate affordable budget growth and envisaged tariff increases. Within these principles the guidelines will provide the maximum incremental increase for each vote which must be used as the basis of preparation of the budget.

2.4. Budget Allocation and Submission by Directorates

The allocation of budget by the Director must be within the strategic direction of Council and the reviewed IDP and SDBIP.

The budget guidelines provide the allowable budgetary increment for each vote. The Director has the discretion to allocate budget to line-items within the vote, except where the chief financial officer determines provision must be made in terms of the municipality's approved policies, and contractual and statutory commitments. For example, salaries, depreciation charges, finance charges, insurance costs, skills development levies and administrative charges.

The Director shall justify the budget allocation for each vote and line-item. In motivating the allocations, the director will provide appropriate quarterly performance indicators and service delivery targets. Such indicators and targets shall be prepared with the approval of the municipal manager and the mayor.

Each Director must submit their budget within the budgetary guidelines. Submission of budgets which exceed the maximum incremental increase and/or do not provide appropriate evidence of funding for capital projects will not be considered as a submission of the directorate's budget.

2.5. SDBIP and Cash Flow Projections

The SDBIP submitted from each directorate shall include the following components:

i. Monthly projections of revenue to be collected for each source
ii. Monthly projections of expenditure (operating and capital) and revenue for each vote
iii. Quarterly projections of service delivery targets and performance indicators for each vote
iv. Ward information for expenditure and service delivery
V. Detailed capital works plan broken down by ward over three years

Each directorate shall provide a monthly cash flow projection for the by line item level for the operating budget and individually for each capital item. These cash flow projections will be consolidated into the SDBIP.

Draft SDBIP's will be submitted each May to coincide with final budget approval.

2.6. Depreciation and Finance Charges

Depreciation expenses shall be provided for in the operating budget. The cash surplus generated from depreciation expenses on fixed assets financed from external borrowings shall be transferred to the investments created to redeem such borrowing. The cash surplus generated by non-loan funded assets will be transferred to the Capital Replacement Reserve.

Depreciation and finance charges shall be charged to or apportioned between the directorates or votes to which the projects relate.

Depreciation and finance charges together shall not exceed 15% of the aggregate expenses in the operating budget of each annual or adjustments budget.

2.7. Impact of Increases on Rates and Tariffs

When considering the annual budget, council will take into account the impact of proposed increases in rates and service tariffs on the monthly accounts of households. The impact of increases will be assessed on a fair sample of randomly selected accounts. The Council will endeavor to limit the average additional impact of an increase to the consumer price index.

If an increase above the consumer price index for a major tariff can be justified, the relevant director will release a press statement prior to budget consultation.

2.8. Aggregate Rate Revenue

The municipality shall strive to maintain the revenue from property rates at not less than 25% of the aggregated revenues.

2.9. Labour Budget

The budget for salaries, allowances and salaries-related benefits shall be separately prepared, and not exceed 30% of the aggregate expenses of the operating budget of the annual or adjustments budget. In applying this principle, the remuneration of political office bearers and other councilors will be excluded from this percentage. Salaries are included in allowable increment limit of each vote.

3. OPERATING BUDGET

3.1. Provision for Accrued Leave

The municipality shall establish and maintain a provision for accrued leave entitlements equal to 100% of the accrued leave entitlement of officials as at 30 June of each financial year, and budget appropriately for contributions to the provision in each annual budget.

3.2. Provision for Bad Debts

The municipality shall establish and maintain a provision for bad debts in accordance with its rates and tariffs policies and realistic collection rates, and

budget appropriately for contributions to the provision in each annual budget and review in the adjustments budget.

3.3. Interest Earned

Interest earned on the municipality's investments shall be budgeted for in the revenue budget and an expense provided for transfer to the accumulated reserve based on the opening investment balance.

3.4. Provision for Maintenance of Fixed Assets

In each annual and adjustments budget there shall be adequate provision for the maintenance of fixed assets in accordance with the fixed asset management and accounting policy. At least 5% of the aggregated expense of each budget shall be set aside for maintenance. This amount includes salary and vehicle costs.

4. CAPITAL BUDGET

4.1. Capital Budget Preparation

Every Director in consultation with the Chief Financial Officer will prepare a draft Capital Budget in respect of the ensuing financial year and a draft Capital Programme for the following two financial years based on the following principles:-

- Year Two of the current Capital Budget shall become Year 1 of the next year's Budget and Year Three of the current Capital Programme shall become Year Two
- New projects may enter the Capital Budget in Year 3.

No capital project will be accepted for inclusion into the budget unless it is accompanied by the projected cost covering all financial years until the project is operational, future operational costs and revenue and cash flow for the project. For a new project to be considered as part of the budget it must be fully motivated and accompanied by a complete project appraisal.

The Capital Budget and Capital Programme shall

(a) indicate separately projects which are -
- committed projects;
- related to maintaining existing services/ infrastructure; o financed by grants and subsidies; and o other projects

(b) include the following in connection with new projects:-

- full motivations, including details of their impact on the operating budget. These projects must be accompanied by a complete project appraisal and life cycle costing.

- a monthly cash flow projection for the first full financial year of a project. The cash flow must differentiate between external payments and internal work performed.

- The status of the project in the Integrated Development Plan and motivation as to how the Integrated Development Plan will be supported.

- Evidence of secured funding for grant projects

(c) indicate projects that have been deleted from the previous programme and the reasons for deletion.

The tabled capital budget of the annual or adjustments budget will be properly balanced in that proposed capital expenses must be matched by funding which is realistic and from secured sources. Grant funded projects can only be included year 1 of the budget if the grant funding and the project's meeting of grant conditions has been confirmed in writing by the granting body.

Before approving a capital project, the Council must consider:

- the projected cost of the project over all the ensuing financial years until the project becomes operational,

- the future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on the operating budget (i.e. on property rates and service tariffs).

Before approving the capital budget of the annual or adjustments budget, the council shall consider the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets, and other ordinary operational expenses associated with any item on the capital budget.

Significant delays and under spend in implementation of the capital budget will result in reallocation of that budget as part of the adjustments budget.

4.2. Capital Replacement Reserve

The council shall maintain a Capital Replacement Reserve (CRR) for the purpose of financing capital projects and acquisition and replacement of assets. The CRR must be cash backed and before any asset can be budgeted for from the CRR financing must be available within the reserve. If there is insufficient cash in the CRR, transfers must be budgeted for and adjusted.

The 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;
- Interest on the investments of the CRR appropriated;
- Profit on sale of land
- royalties
- Further amounts appropriated as contributions in each annual or adjustments budget; and
- Net gains on the sale of fixed assets in terms of the fixed asset management and accounting policy.

5. BUDGET ADJUSTMENTS

5.1. Adjustments Budget

The Executive Mayor may table an adjustments budget where:

- There is material under collection of revenue
- To appropriate additional revenue that has become available but only to revise or accelerate spending on programmes already budgeted for
- To authorise unforeseeable and unavoidable expenditure supported by appropriate documentation in relation to the Exemption Report which is approved by the Mayor, Municipal Manager and Chief Financial Officer
- To authorise utilisation of projected savings between votes
- To authorise spending of unspent funds as at previous year within legislative prescripts.
- Budget adjustment of conditional grants funds to purposes within that specified in the relevant conditional grant framework can be done administratively and there must be a confirmation in writing from the relevant granter.
- Budget adjustment of transport can be done administratively to and from different directorates / department. All the request must come from The Director Technical Services and Infrastructure and the final approval of the budget must be done by the Chief Financial Officer.

All recommendations for budget adjustments must contain the financial comment by the Chief Financial Officer prior to consideration by the Mayoral Committee and Council.

Only Council may approve an adjustments budget.

5.2. Virement Process

Budget transfers refer to movement of budget funds between Votes within a Directorate.

All budget transfer proposals must be:

- completed on the appropriate documentation and forwarded to Budget Office for checking and implementation
- the effect of the budget transfer in the next two budget years should be indicated
- signed by the Director responsible for the vote
- approved in line with Council's System of Delegation *<Council resolution to accompany approval of policy>.*

Approval of budget transfers in the Operating Budget:

- are recommended by the Director for final approval by the Chief Financial Officer

Expenditure may only be committed or incurred after final approval.

The allowable percentage, number and amount of budget transfers per vote and per directorate will be reported to the Management on a monthly basis.

Projected cash flows in the SDBIP must be adjusted in line with budget transfers.

The following restrictions apply to budget transfers:

- Virement should not be permitted in relation to the revenue side of the budget;
- Virement between votes should be permitted where the proposed shifts in funding facilitate sound risk and financial management;
- Virement from the Capital Budget to the operating budget should not be permitted;
- Virement towards personnel expenditure should not be permitted;

- Virement to or from the following items should not be permitted: Bulk purchases, debt impairment, interest charged, depreciation, grants to individuals, revenue foregone, insurance and VAT;
- Virement should not result in adding new projects to the Capital Budget;
- Virement of conditional grants funds to purposes outside of that specified in the relevant conditional grant framework must not be permitted;
- Virement must be allowed within the same directorate.
- Virement on capital project for the same group of assets must be allowed (e.g. Fleet).

- No (Virement may be made where it would result in over expenditure of a line item

- If the budget transfer relates to an increase in the work force establishment, then the required approval processes and Council's existing recruitment policies and procedures will apply.

- **Virement** from the following categories can only be undertaken by the Chief Financial Officer, and) it must be within the relevant vote:
  - Salaries and allowances
  - **No virement should be allowed on protective clothing, shift allowance, temporary workers and overtime.**
  - Depreciation
  - Capital Costs (Interest and Redemption)
  - Appropriations
  - Contributions to Funds
  - Administration Costs
  - Municipal Rates and Services (Rates, Water, Electricity, Refuse and Sewerage)
  - Bulk services

- An approved Virement does not give expenditure authority, and expenditure resulting from approved Virement is subject to the supply chain management policy of Council
- Virement may not be made across Directorates (e.g LED to BTO) except in exceptional circumstances where grant funded projects with the same funding source cut across different directorates.
- **Virements may not be approved within the first three months of a financial year**.
- Virements may not be approved in January or February during the adjustment budget period to ensure that adjustment and virement requests are not duplicated.
- Virements may not be made across General Ledger categories (e.g. Bulk Purchases to Contracted Services).

6. UNSPENT FUNDS / ROLL OVER OF BUDGET

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, except for funds relating to capital expenditure appropriated in terms of S19 of the MFMA that are committed to identifiable projects.

Unspent conditional grants may be rolled over to the next financial year only if National Treasury has confirmed in writing whether or not the municipality may retain as a rollover any unspent funds because they are committed to identifiable projects. Conditions of the grant fund shall be taken into account in applying and approving rollover of funds.

Application for rollover of funds shall be forwarded to the budget office by the 15th of April each year to be included in next year's budget for adoption by Council in May. When applying to rollover the unspent funds, the directorates must supply Budget Office with the following information:-

- Details of each of the projects to which funds are committed;
- A progress report on the state of the implementation of each projects;
- The amount of funds committed to each project, and the conditional allocation from which the funds come from; and
- An indication of the time-period within which the funds are to be spent.

Requests for rollover of funds after 15 April will not be considered.

The budget for the current financial year will be reduced by the amount of the rollover required for the next financial year. Only existing projects can be rolled over and no new projects can be created.

There can be no rollover of operating budget. Any operational grants that are anticipated to be unspent at year end should be provided for in the new budget at the time of preparation.

Minor adjustments to the rolled over budget (to a maximum of 10% per project) shall be done during the first budget adjustment in the new financial year after taking into account revised expenditure up to the end of the previous financial year.

Rustenburg Local Municipality

CONTRACT MANAGEMENT POLICY

Reviewed 2025/2026 Financial Year

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PREAMBLE

The Constitution of the Republic of South Africa, 1996, states in section 195(1):

"Public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles –

(b) Efficient, economic and effective use of resources must be promoted.
(f) Public administration must be accountable."

Section 217(1) of the Constitution states:

"When an organ of state in the national, provincial or local sphere of government, or any other institution identified in the national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective."

In addition, section 217(2) (1) of the Constitution states:

"Subsection (1) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for –
(a) Categories of preference in the allocation of contracts; and
(b) The protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination."

The Rustenburg Local Municipality's SCM Policy provides guidelines on the acquisition of goods and services.

All transactions undertaken by the Rustenburg Local Municipality involves a contract, whether explicitly agreed upon in writing, or implicitly implied through actions. Properly managed contracts by all stakeholders involved can ensure that services are delivered within specifications as set and agreed upon during the acquisition of services (*inclusive of escalation clauses in the contracts, refer to GCC annexure B)*.

Good contract management by all stakeholders involved is essential for good financial management and will contribute to the effectiveness and efficiency of service delivery. A centralised strategic point of contract management will give strategic direction to all departments within the Rustenburg Local Municipality. This policy must be read in conjunction with the Rustenburg Local Municipality's SCM policy.

DEFINITIONS

In this Policy, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and the following definitions are assigned to the following terms:

TERMS	DEFINITIONS
the Act or MFMA	The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
Circular	Communications from National Treasury by means of circulars to enhance compliance and accountability to SCM Regulation and the MFMA of 2003
Contract Specialist/Champion/Administrator	The manager/director/administrator responsible for all day-to-day activities
Contractor	The party to the contract that is required to provide goods or services according to the terms of the agreement.
Contract Management	The activities necessary to manage a contract throughout all stages in the contract life cycle to ensure that immediate action is taken effectively and efficiently to the change that may occur to the contract
Contract Management system.	Computerised / manual system necessary to ensure proper Contract Management control and monitoring of contracts
Contract Register	Manual system necessary to ensure proper Contract Management control and monitoring of contracts.
Force Majeure	An event beyond the control of the contractor and not involving the contractor's fault or negligence and not foreseeable.
Litigate.	The act or process of contesting a lawsuit or seeking redress through the courts.
Parties.	Parties that stipulate obligations to one another to ensure that the contract term and condition are fulfilled.
Specification	The statement that provides detailed description of goods, services and works characteristics and identify performance

	requirements prepared when procuring goods, services and works.
Transversal Contract	Term contracts that are facilitated and arranged by National Treasury or Provincial Treasury for goods and services that are frequently required by Municipality.
Terms of Reference	The statement that defines clearly the task directive (methodology), objectives, goals and scope of the assignment and provide background information, prepared when procuring professional services.
Institution	Terms of Reference Unit / Function in the organisation as the role player to the procedures.
DIVISION	Includes the divisional section within the municipality.
FIRM CONTRACT PRICE	Contract prices provide for a fixed price which normally not subject to any adjustment.
NON-FIRM CONTRACT PRICE	Contracts prices that are subjected to changes if they are explicitly included in the agreement based on the economic pricing escalations.
HEAD OF DEPARTMENT	Any Director or Chief Financial Manager of the Municipal, including any Director reporting directly to the Municipal Manager
CONTRACT	The agreement that results from the acceptance of a bid by the Rustenburg Local Municipality
LONG-TERM CONTRACT	A contract with a duration exceeding one year
CONTRACT MANAGEMENT	The holistic term for all role players involved in an agreement
CONSTITUTION	The Constitution of the Republic of South Africa, 1996
CONTRACT ALTERATION	Changing technical writing or input errors to the original agreement of the contract without changing the scope of the contract
CONTRACT AMENDMENT	Changing the scope, nature, duration, purpose or objective of the agreement or contract (in the context of circular 62 and section 113(3) of the MFMA)

COMPETITIVE BIDDING PROCESS	A competitive bidding process referred to in the SCM policy of the Rustenburg Local Municipality
COMPETITIVE BID	A bid in terms of the competitive bidding process
TWO STAGE BIDDING	Two stage bidding process referred to in the SCM policy of the Rustenburg Local Municipality
FINAL AWARD	In relation to bids or quotations submitted for a contract, the final decision on which bid or quote to accept
FORMAL WRITTEN PRICE QUOTATION	Quotations referred to in the SCM policy of the Rustenburg Local Municipality
FRUITLESS AND WASTEFUL EXPENDITURE	Expenditure that was made in vain and would have been avoided if reasonable care been taken
REGULATION	The Municipal Supply Chain Management Regulations promulgated in terms of the Local Government: Municipal Finance Management Act, 2003
SOLE SUPPLIER	Goods and services procured in terms of section 110(2) of the MFMA
SUPPLY CHAIN MANAGEMENT CODE OF CONDUCT	The National Treasury's Code of Conduct for Supply Chain Management Practitioners and other role players in the Rustenburg Local Municipality
SYSTEMS ACT	The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), as amended
TREASURY GUIDELINES	Any guidelines on Supply Chain Management issued by the Minister in terms of section 168 of the Act
UNSOLICITED BID	Bids as defined in terms of section 113(1)(2)(3) of the MFMA
SUPPLY CHAIN MANAGEMENT	A systems approach to manage the entire flow of goods and services that will create and optimise value for customers in the form of products and services which specifically satisfy customer demands
SERVICE PROVIDER	An accredited service provider of the Rustenburg Local Municipality, goods and

	services required by the Municipal from time to time
GUIDE FOR ACCOUNTING OFFICERS	The supply chain management guide for accounting officers/authorities from the National Treasury, Republic of South Africa, 2004

ABBREVIATIONS

B-BBEE	Broad-Based Black Economic Empowerment
CIDB	Construction Industry Development Board Act, 2000 (Act 38 of 2000
MM	The official appointed by the Council as Municipal Manager and who will be the accounting officer of the Rustenburg Local Municipality as contemplated in the Act
GCC	General Conditions of Contract
GCFO	Group Chief Financial Officer of the Rustenburg Local Municipality
MFMA	Municipal Finance Management Act, 2003 (Act 56 of 2003)
MSA	Municipal Systems Act, 2000 (Act 32 of 2000)
NT	National Treasury
SCC	Special Conditions of Contract
SCM	Supply Chain Management
SDA	Service Delivery Agreement
SLA	Service Level Agreement
PPPFA	Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
CRA	Contract Registration Application
CFO	Chief Financial Officer
MCMG	Municipal Contract Management Guideline
CPA	Contract Price Adjustments
BAC	Bid Adjudication Committee
GPG	Gauteng Provincial Government
GPT	Gauteng Provincial Treasury
MBD	Municipal Bidding Document
TOR	Terms of Reference
RT	National Treasury Transversal Contract

1 INTRODUCTION

This policy framework provides a guide to contract management and a tool for effective contract management, and it applies to all municipal employees and contractors that are involved in the management of supplier contracts.

Good contract management is essential for sound financial management and contributes greatly to effective and efficient service delivery. Contract management is concerned with monitoring supplier performance to avoid bid violations (e.g. submission and payment of fictitious invoices and abuse of the variation procedures)

Contract management leads to increased savings and good quality on-time delivery. Furthermore, it is the process that enables both parties to a contract to meet their obligations in order to deliver the objectives required from the contract and invoices building a good working relationship between the parties. Contract management continues throughout the life of a contract and involves managing proactively to anticipate future needs as well as reacting to situations that arise.

One of the keys aims of contract management is to accelerate service delivery in accordance with the signed contract and attainment of value for money while managing risks. Active management of contractual relationships with the contractor will yield optimum efficiencies, effectiveness and economy of the service and balance in cost and risk.

This policy gives effect to the following legislation:

1.1 Section 217 of the Constitution, which states:

> "When an organ of state in the national, provincial or local sphere of government, or any other institution identified in the national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective."

1.2 Section 195(1)(a) to (i) of the Constitution

1.3 Section 116(1), (2) and (3) of the MFMA, which states:

> "(1) A contract or agreement procured through the supply chain management system of a municipality or municipal entity must—
> (a) be in writing.
> (b) stipulate the terms and conditions of the contract or agreement, which must include provisions providing for—

(i) the termination of the contract or agreement in the case of non- or underperformance.
(ii) dispute resolution mechanisms to settle disputes between the parties;
(iii) a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and
(iv) any other matters that may be prescribed.

(2) The accounting officer of a municipality or municipal entity must—
(a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced.
(b) monitor on a monthly basis the performance of the contractor under the contract or agreement.
(c) establish capacity in the administration of the municipality or municipal entity—
(i) to assist the accounting officer in carrying out the duties set out in paragraphs *(a)* and *(b)*; and
(ii) to oversee the day-to-day management of the contract or agreement; and
(d) regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.

(3) A contract or agreement procured through the supply chain management policy of the municipality or municipal entity may be amended by the parties, but only after—
(a) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent municipality; and
(b) the local community—
(i) has been given reasonable notice of the intention to amend the contract or agreement; and
(ii) has been invited to submit representations to the municipality or Municipal entity."

SCOPE AND OBJECTIVES

The objective of this policy/procedure is to set out the procedure that should be followed when drafting, monitoring, cancelling or renewing contracts or agreements procured through the Municipal's SCM.

This policy/procedure applies to all contracts entered into by the Municipality as a result of its SCM Policy.

This policy/procedure should be read and used in conjunction with the Municipal's SCM Policy

2. PURPOSE

The purpose of the Municipal Contract Management policy is to establish sound and consistent management practices with respect to municipal contracts. It describes the processes and assigns responsibilities to effectively administer contracts from:

- Preparation of contracts.
- Maintenance of contract register.
- Monitoring of payments.
- Control contract variation and price adjustment.
- Assess and monitor performance; and
- Manage contract disputes and close out of contracts.

2.2 Any other regulations pertaining to the Municipal's SCM Policy.
This policy applies when a municipality or a municipal entity –

- ❖ procures goods or services.
- ❖ disposes of goods no longer needed; and
- ❖ selects service providers and suppliers to provide assistance in the provision of municipal services including circumstances where chapter 8 of the Municipal Systems Act applies.

3 ROLE PLAYERS IN CONTRACT MANAGEMENT

3.1 Contract Administration/SCM
3.2 Legal Services
3.3 Contract Management/Project Manager/User department

3.4 All officials of the Rustenburg Local Municipality

4 CUSTODIANS OF BID AND CONTRACT DOCUMENTS

4.1 All bid and contract documents will be kept by the SCM Division.

4.2 No Directorate will keep original bid documents and contracts in his/her office.

4.3 Directorates will, however, be allowed to keep copies of contracts and bid documents for assessment and contract performance management purposes.

5 ROLE OF PROJECT MANAGER AND CONTRACT ADMINISTRATION

Project manager/User department	Contract administration
Nominated by the head of the section to manage the specific project. Often described as reporting officer in terms of the supplier's performance management system. Responsible for – a) quality control, financial management and other technical expertise needed for the success of the project. b) facilitating the signing of contracts with service providers; and c) assessing the performance in line with the Suppliers Performance Monitoring System (SPMS).	Official from the SCM Division responsible for contract administration. Responsible for – a) the safekeeping of all contract-related documents; and b) advising the reporting officer/project manager on the following: i. Drafting of the Service Level Agreement (SLA) ii. Contract expiry date iii. Price adjustments iv. Reporting on performance of the supplier to the accounting officer and the Council

3 CONTRACTS

3.1 TYPES OF CONTRACTS

The bidding documents should clearly state the type of contract to be entered into and contain the appropriate contract provisions.

3.1.1. LUMP SUM (FIRM FIXED PRICE) CONTRACT

- The most common types of contracts provide for payments based on lump sum prices, unit prices, reimbursable cost plus fees, or combinations thereof.
- 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.

3.1.2 TIME-BASED CONTRACT

- This type of contract is appropriate when it is difficult to define the scope and the length of services, either because the services are related to activities by others for which the completion period may vary, or because the input of the consultants required to attain the objectives of the assignment is difficult to assess.
- This type of contract is widely used for complex studies, supervision of construction, advisory services, and most training assignments.
- Payments are based on agreed hourly, daily, weekly, or monthly rates for staff (who are normally named in the contract) and on reimbursable items using actual expenses and / or agreed unit prices.
- The rates for staff include salary, social costs, overheads, fees (or profit), and, where appropriate, special allowances.
- This type of contract should include a maximum amount of total payments to be made to the consultants. This ceiling amount should include a contingency allowance for unforeseen work and duration and provision for price adjustments, where appropriate.
- Time-based contracts need to be closely monitored and administered to ensure that the assignment is progressing satisfactorily and payments claimed by the consultants are appropriate.
- Again the Guidelines on fees for Consultants issued by the Department of Public Service and Administration should be used as a benchmark to establish the appropriate tariffs, or to determine the reasonableness of the tariffs.

3.1.3. PERCENTAGE CONTRACT

- These contracts are commonly used for architectural services. They may be also used for procurement and inspection agents.
- Percentage contracts directly relate the fees paid to the consultant to the estimated or actual project construction cost, or the cost of the goods procured or inspected.
- The contracts are negotiated on the basis of market norms for the services and / or estimated staff-month costs for the services, or competitive bid. It should be borne in mind that in the case of architectural or engineering services, percentage contracts implicitly lack incentive for economic design and are hence discouraged.
- Therefore, the use of such a contract for architectural services is recommended only if it is based on a fixed target cost and covers precisely defined services (for example, not works supervision).

3.1.4. INDEFINITE DELIVERY CONTRACT (PRICE AGREEMENT)

- These contracts are used when Accounting Officers / Authorities need to have "on call" specialized services to provide advice on a particular activity, the extent and timing of which cannot be defined in advance.
- These are commonly used to retain "advisers" for implementation of complex projects (for example, dam panel), expert adjudicators for dispute resolution panels, Accounting Officer / Authority reforms, procurement advice, technical Troubleshooting, and so forth, normally for a period of a year or more.
- The Accounting Officer / Authority and the firm agree on the unit rates to be paid for the experts and payments are made on the basis of the time actually used.

3.1.5. REIMBURSABLE COST CONTRACTS

- Reimbursable cost contracts should be acceptable only in special circumstances, such as conditions of high risk or where costs cannot be determined in advance with sufficient accuracy.

- Such contracts should include appropriate incentives to limit costs and may only be concluded subject to the approval of the accounting officer/authority.

- It is advisable that the reasons and formal approval for following the reimbursement route are recorded for auditing purposes.

4. CONTRACT MANAGEMENT LIFECYCLE

The lifecycle begins with setting direction, high-level objectives and policies for the Municipality. This leads to the identification of the needs of the Municipality that can be fulfilled by acquiring goods, work 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 work provided are what the municipality and entity really need.

An effective Contract Management life cycle constitutes planning, contract arrangement, administration, performance management and close out.

4.1. STAGE 1: PLANNING

This stage refers to the consideration of contracts during the planning and budgeting processes. These processes will identify the need for contract creation and timeframes for implementation to ensure that delivery of goods and services occurs as approved in the budget.

During the strategic planning phase of the institution, goods, work 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~~ R300 000.00 must be submitted by Accounting Officers to Gauteng Provincial Treasury by the 31 July of each year. Records of planned procurement below ~~R200 000.00~~ R300 000.00 may be kept for contract reporting and monitoring.

The Procurement Plan document provides detailed information about the description of goods, services and works, estimated value, envisaged date of advertisement, closing of bid and date of award including the office responsible.

The contract management unit / function will be in consultation with the Acquisition unit responsible for monitoring contracts in line with the projects listed in the procurement plans and approved budgets.

It is vital for Contract Management unit / function to monitor contracts accordingly with approved procurement plans after award as it can lead to significant improvement on service delivery.

Contract planning should also cover the entire Service Delivery Budget Implementation Plan (SDIBP) period and beyond where applicable.

4.2. 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 ~~unit / function~~ section responsible for Contract Management will arrange for the signing of the contract as follows:

- Submit the tender document, which becomes the contract, to the ~~Deputy~~ Municipal Manager for signature.
- Issue an appointment letter, signed by the ~~CFO~~ Municipal Manager ~~and relevant head of department,~~ to the successful bidder for acceptance.
- The Contracts management section submits the documentation to legal for drafting a Service Level Agreement
- Arrangement of a Service Level Agreement (SLA) and / or contract document with the end user, if applicable. The SLA must be legally sound and vetted by the Municipal Legal Service prior to signing of the parties.
- ~~Capture contract award details in the Contract Management system of the Municipality and Contract Registration Application (CRA);~~
- Original signed contract resides with Contract Management unit, copy of which will be scanned and archived in supply chain filing system of the municipality;
- A copy of the signed contract is issued to the end user to prepare a requisition for the creation of purchase order.

4.2.1. 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 specification in the tender document is not sufficient~~. The SLA specifies the 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. The agreement is negotiated at the commencement of a contract and involves the understanding of the needs and constraints of both parties.

The purpose of developing SLA's and setting service levels is to enable the municipality to monitor and control the performance of the service received from the contractor against agreed standards. Service levels should be agreed by both parties and these are:

- Established at a reasonable level in line with the TOR / Specifications which contain the scope of work.
- Prioritised by the municipality in order of importance and on an agreed scale for example: critical, major, urgent, important, minor, easily monitored, such as objectives, tangible and quantifiable.
- To conclude the SLA within the shortest possible timeframe after the award of a contract as best practice.
- The SLA may be included in the bid document to allow bidders to have ample time to review the SLA, or a draft SLA may be requested together with the bid document.
- Unambiguous and understandable by all parties;
- Open to re-negotiation if justifiable to do so without being unfair to other potential suppliers and adhere to all applicable legislation;
- The contractor and the municipality jointly identify a statement of expectations and ability, the cost of receiving the service and the basis for the calculation of costs.

The contractor is accountable for the quality and performance levels of the services and the availability thereof. One of the principle objectives of a SLA is that both parties understand the basis and intent of the terms and conditions under which the services are to be delivered.

The definitions of terms should be an integral part of the negotiation and discussion process between the two parties. If there are other terms identified during discussions that are not in the list of defined terms, they should be added. Negotiations should include the following conditions:

- Not allow any preferred bidder a second or unfair opportunity.
- Not to the detriment of any other bidder.
- Not lead to a higher price than the bid as submitted.

It must be noted that a SLA is an agreement in its own and it should therefore not be used to change or refine the stipulations contained in the bid documents.

The list of common provisions is not exhaustive and other provisions will need to be drafted to suit the particular contractual arrangement; as a result,

professional advice should be sought to assist with drafting specific SLA provisions.

4.2.2. LEGAL VETTING OF SERVICE LEVEL AGREEMENT / FORMAL CONTRACT

Prior to signing a formal contract or service level agreement with a contractor, the Accounting Officers ~~/ Authorities~~ must ensure that such contracts or agreements are legally sound to avoid potential litigation and to minimize possible fraud and corruption.

This must include legal vetting by at least the Legal Services of the municipality and such contracts or agreements must be actively managed in order to ensure that both the institution and the contractor meet their respective obligations.

The legal division provides expert advice to the Contract Management unit and must be consulted in the following circumstances:

- Vetting of contract documents and service level agreements;
- Dispute resolutions, implementation of contract terms and conditions;
- Contract change of ownership, breach of contract, penalties, terminations, enforcement of indemnities, guarantees and contractual claims.

STAGE 3: CONTRACT ADMINISTRATION

This stage is important in Contract Management and overlaps with monitoring and performance assessment. It encompasses various activities that need to be completed on a day-to-day basis, including among others:

4.3. CONTRACT ADMINISTRATION

This stage is important in Contract Management and overlaps with monitoring and performance assessment. It encompasses various activities that need to be completed on a day-to-day basis, including among others:

4.3.1. CONTRACT REGISTER

- All approved contracts are registered in the Contract Management System / Tool to enable easy retrieval and identification of all contractual arrangements.
- ~~registered into the Contract Management System prior to forwarding to other parties for signature. The Contract Management unit / function should ensure that all signatures are obtained and contracts are updated in the system.~~
- Contract registers should be used to monitor contract end dates in order to notify the end user to commence with the procurement strategy on time, at least 6 or 12 months prior to the expiry of the contract.

Effective contract register should have the following characteristics:

- Contract number, name of contractor, description, award date, type of contract, amount, contract period, department, project manager, contact details, expenditure, and where possible, the commitment;
- This will simplify the reconciliation or cross-check between the register and the Municipality's financial management information system;
- Expenditure against the contract and value of commitment.

Contract register report will be established detailing status of contracts and the reports to be provided by the 6th of every month to the Head of SCM on the following:

- Valid contracts in place;
- Contracts due to expire in six or twelve months;
- Contracts extended;
- All expired contracts;
- Contract variation;
- Cancelled contracts;
- Contracts captured on the system; (where applicable)
- Value of commitments;
- ~~Value of accruals.~~

The Accounting Officer of a Municipality ~~or Municipal Entity~~ must annually report to the council of the Municipality on the management of the contract or agreement and the performance of the contractor.

4.3.2 CONTRACT PAYMENTS

Payments should be made in accordance with the provisions of the contract after delivery and budget confirmation should be obtained by the end user before affecting payments.

Evidence of delivery is required that the end user has certified that the work has been satisfactorily executed and met the required standards of performance, e.g. Goods Received Voucher (GRV), Payments certificates, etc.

Payments for satisfactory performance should not be delayed because this can undermine the relationship with the service provider. All payments due to creditors must be made within 30 days of receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgment. This implies that the amounts owing must be paid within 30 days of receipt of the invoice if the goods, works or services were delivered to the satisfaction of the Accounting Officer or delegated authority.

In cases where a discount is not a contract condition and the contractor offers a discount on the invoice, the discount, if possible, must be utilized for instance by making the payment within the time limit specified on the invoice.
In the event that only part of the invoice is queried, an arrangement should be made to pay that portion of the amount payable which is not subject to dispute and separately take action to remedy the disputed amount.

Payment outside the prescribed period of 30 days from receipt of invoice is deemed to be a contravention and may be reported as such by the Auditor-General as part of its audit finding.

Interest incurred in late payments will be declared fruitless and wasteful and should also be disclosed as such in the Annual Financial Statements.

4.3.3 CONTRACT VARIATION

It is recognized that, in exceptional cases, an Accounting Officer may deem it necessary to expand or vary orders against the original contract. The reasons for the variation should be clearly documented and should occur in defined circumstances.

A variation is mostly issued when extra work is added to the project after the contract has been signed. Deliverables and value for money should be assessed.

In order to mitigate against such practices, Accounting Officers / Authorities of Municipalities and Municipal Entities are directed that contracts may be expanded or varied by not more than 20% for construction related goods, services and / or infrastructure projects and 15% for all other goods and / or services of the original value

of the contract. Furthermore, any variation beyond the abovementioned thresholds must be reported to Council or the Board of Directors.

An expansion or variation in excess of the threshold where the contract or agreement procured through the Supply Chain Management policy of the Municipality or Municipal Entity may be amended by the parties.

The reasons for the proposed amendment should be tabled in the Council of the Municipality ~~or, in the case of a Municipal Entity the Council of its parent Municipality~~. The local community should be given reasonable notice of the intention to amend the contract or agreement; including an invite to submit representations to the Municipality or Municipal Entity as stated in Municipal SCM circular 62.

Such reports must include among others, the contract number, description, name of contractor, original contract amount, value and percentage of the variation and the reasons thereof.

End users also need to ensure that contract variations are not of such a level that they significantly change the contract requirement and / or substantial parts of the original transaction. If this is the case, it may be necessary to undertake another procurement process because the revised arrangements are substantially different to those selected through the original procurement. However, the Municipality should be aware of the following impacts associated with amendments, namely, financial resources and litigations.
No variation or modification of the terms of the contract may be made except by a written amendment signed by the contracted parties.

Municipalities should be aware of the impact that variation orders may have and should therefore endeavor to restrict the application to the absolute minimum through proper planning, comprehensive scope of work / Terms of Reference when inviting bids or quotations.

The Contract Management unit / function will forward the submission to the relevant committee as per municipal delegation authority for approval if consultation with legal services is required.
Upon approval, the Contract Management unit / function will issue a letter of amendment / addendum to the contractor and also inform the end-user to prepare a purchase requisition to create an order.

A contract cannot be varied after the original contract has ceased to exist.
The Contract Management unit / function will update the contract register and applicable Contract Management system

A contract or agreement procured through the SCM policy of the municipality or municipal entity may be amended by the parties, but only after—

a) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent municipality; and the local community—

(i) has been given reasonable notice of the intention to amend the contract or agreement; and

(ii) has been invited to submit representations to the municipality or municipal entity.

4.3.4 CONTRACT SECURED BY OTHER ORGANS OF STATE

The Municipality or Municipal Entity must obtain approval according to the municipal delegation of authority to procure goods, works and / or services under contracts secured by another organ of state. Accounting Officers should satisfy themselves that the applicable procurement processes were followed by obtaining any other information, including but not limited to, the following documents from the other organ of state:

- The bid advertisement.
- BSC, BEC and BAC appointment letters;
- Bid Evaluation report and minutes.
- Bid Adjudication report / minutes;
- Acceptance letter; and the Service Level Agreement / Contract document.

The Municipality ~~or Municipal Entity~~ must enter into a separate service level agreement (addendum) in line with the specification I Terms of Reference of the goods or services between the consenting service provider and the requesting municipality may not exceed the contract period concluded in the original contract of the Organ of the state.

6.3.5 CONTRACT PRICE ADJUSTMENT

Contractual conditions must stipulate circumstances under which the adjustments shall be considered and the process to be followed.

When prices are subjected to adjustment as a result of escalation in prices of labour and material, the contractor must indicate the various elements of the contract price that will escalate (e.g. labour, transport, fuel, protective etc.). The baseline date and relevant index and index numbers which were used in calculating the price.

Where a firm price is quoted, application for an adjustment of price will not be considered. However, if the increased price is as a result of unforeseen circumstances beyond the control of the contractor and could lead to his / her downfall such application may be considered. (Only statutory increases and cost factors). Such adjustments are to the disadvantage of the Municipality; thus it must be approved by the Accounting Officer or delegated authority.

In such cases the contractor will submit a letter to the end-user requesting price adjustments together with documentation substantiating or motivating the adjustment. The application should be in line with the signed terms and conditions of the contract and according to pricing schedule and costs.

The end user will submit a request to the Contract Management unit for consideration, and calculation should be prepared to justify the escalation or price adjustment thereof.

Approval of the price adjustment should be made within the municipal delegation authority by the Municipal Manager.

The amendment letter will be issued to the contractor and end user on acceptance of the price adjustment.

The contract register will be updated and the applicable Contract Management system. The escalation will be based on the month of the request from the Service provider.

6.3.6 CONTRACT EXPIRY NOTIFICATION

SCM unit in collaboration with Contract Management unit / function is responsible to ensure that timeous arrangement is made to notify end users when a contract is due for renewal within 6 months or 12 months prior to expiry. Communication with the end users must be in writing and documentation must be properly filed.

6.3.7 EXTENSION OF CONTRACT

Extension of a contract is undesirable because it often leads to uncontrolled increases in the contract prices and it can also be a contributing factor to circumventing the procurement processes. Lack of proper planning does not constitute a justifiable reason for dispensing with prescribed bidding processes by extending contracts.

Where justifiable reasons are provided for extending a contract, the relevant application may be considered favorably, and contractors may be approached by SCM unit with the request to indicate whether they are prepared to extend the contract period.

Approval to extend the contract should be requested before the expiry date of the contract considering the existing terms and conditions of the contract. It is advisable that when a contract is extended, terms and conditions remain the same.
The applicable Contract Management system must be updated.

6.3.8 TRANSVERSAL CONTRACTS

Transversal contracting enables the Municipality at all levels to purchase goods and services from a central list of approved suppliers who have been vetted for cost and quality.

Participating Municipalities will be responsible for Contract Management, placing purchase orders against transversal contracts, paying suppliers for goods / services rendered satisfactorily according to the terms and conditions of the contract, monitoring and reporting supplier performance.

6.3.9 RECORDS MANAGEMENT

It is important that the updated version of the contract incorporates any variations and correspondence related to the contract document and should be appropriately stored. This provides the basis for affecting payments and the ongoing management of the contract.

All tender documents and contract documents relating to a specific tender must be stored at the Supply Chain Management unit.

6.4 STAGE 4: CONTRACT PERFORMANCE MANAGEMENT

Performance management involves, performance monitoring, collecting data on performance, performance assessment, deciding whether performance meets the entity's needs, and taking appropriate action – such as understanding and extending features of good performance, correcting areas of under-performance; or amending contract requirements to meet changing needs.

A contract or agreement procured through the Supply Chain Management policy of a Municipality or Municipal Entity must stipulate the terms and conditions of the contract or agreement, which must include provisions for a periodic review of the contract or agreement once every three years in the case of a contract or agreement longer than three years to determine value for money.

The Accounting Officer / Authority or delegated authority of a Municipality or Municipal Entity must monitor on a monthly basis the performance of the contractor under the contract or agreement.

Performance management must be undertaken throughout the life of the contract and for all contracts, whether simple or complex. Along with performance indicators and standards, arrangements for monitoring and assessment should have been set out and agreed in the contract along with remedial action plans for non-performance.

The performance monitoring and assessment arrangements should also have been reviewed at the contract start up stage and any necessary plans, tools or systems developed. Systematic monitoring underpins performance assessment, and these do not occur in isolation from one another.
Poor performance should be recorded appropriately after engagement with the contractor. It should be taken into account that if proper record is not kept, such non-performance cannot be deemed a sound reason for passing over such contractors when evaluating future bids. In addition to any contractual or other remedies that may be pursued, the municipality may commence action in terms of Municipal Supply Chain Management Regulation 15(2) (d), thus the Accounting Officer must:

- Inform the contractor or person(s) by registered mail or by delivery of the notice by hand of the intention to impose the restriction, provide the reasons for such decision and the envisaged period of restriction.
- Allow the contractor and / or person(s) fourteen (14) calendar days to provide reasons why the envisaged restriction should not be imposed;
- If requested, allow the contractor and / or person(s) the right to present evidence in person and consider reasons submitted by the contractor.
- Impose the restriction or amended restriction;
- Inform the contractor and! or person(s) of the decision; and
- Inform the National Treasury within five working days of such restriction, particulars of the person(s) to be restricted, (including, where applicable, names of the restricted persons, identity numbers, trade name of enterprises, company registration numbers, income tax reference numbers and vat registration numbers), the reason(s) for the restriction, the period of restriction and the date of commencement of the restriction.

In practice, performance will be assessed, feedback and reports provided throughout the monitoring process.

The following are the reports to monitor the performance of contracts on monthly basis:

(a) PROGRESS REPORTS

- The end-user will complete a progress report indicating the stage of contract; achievement of milestones as per contract agreement; response time and deliveries within the contract period; quality of work, payments; poor performance; and actions.
- The progress report will be regularly submitted to the unit / function responsible for Performance Management for deliberations, recording discrepancies and filing. (Submission of progress reports will be determined by the nature and timeline of the project).

(b) PERFORMANCE SCORE CARDS

- The score cards will be applicable to once off purchases for goods and services where the end-user completes a score card after receipt of goods and services rating the performance of the contractor against agreed milestones and ensuring that goods / services are received within the agreed time- lines, acceptable quantity and quality. Furthermore, the score card will compel the end user to comment on the overall performance of the contractor.
- The completed score card will be submitted to the Performance Management unit for deliberations; recording and determining the aggregate performance of contractor and where applicable contractor database will be updated. (This implies that score performance cards will apply to once off purchases and progress reports will be used to assess performance of long-term projects)

(c) EXPENDITURE REPORT

- The Contract Management unit will on a regular basis extract the expenditure report where the contract value will be verified against the progress payments and validity of the contract.
- Discrepancies identified should be communicated timeously to the end-user and CFO to curb irregular expenditure.

6.4.1 CONTRACT RELATIONSHIP MANAGEMENT

It is important to establish and maintain a constructive relationship with the contractor and have regular communication. Providing positive and constructive feedback will assist in maintaining such a relationship.

Overall responsibility •	Each party nominates one person with the appropriate skills and experience as its representative to be responsible for the co-ordination and management between the parties over the life of the contract.
Weekly performance	Nominated representatives, including the contractor's service delivery manager and the project management, meet formally to review performance; aimed at discussing and resolving any minor issues relating to the performance of the contract.
Contract Management	At least quarterly, or regularly, a formal meeting is held. The meeting comprises senior representatives from the end user and the contractor. The purpose is to formally monitor the performance of the contract, consider any ways in which services may be improved, amendments to service levels and resolve, where possible, any issues that remain unresolved from the weekly contract meetings.

Relationship management is focused on keeping the relationship between the two parties open and constructive, resolving or easing tensions and identifying problems early.

Relationships should always be managed in a professional manner and be based on cooperation and mutual understanding taking into account the need for ethical behaviour.

Apart from formal monitoring, and in order to improve trust between the parties in the contract, it is important that the parties maintain regular contacts without waiting for the official reporting deadlines.

6.4.2 CONTRACT DISPUTES MANAGEMENT

A contract or agreement procured through the Supply Chain Management system of a Municipality or Municipal Entity must stipulate the terms and conditions of the contract or agreement, which must include provisions providing for dispute resolution mechanisms to settle disputes between the parties.

During the Contract Management phase, a disagreement becomes a dispute when it is not possible for the parties to resolve it without resorting to a formal resolution

mechanism. Generally, what a dispute is and when it is deemed to have occurred is defined in the contract, often in a dispute resolution clause.

Many disagreements and disputes arise when the parties cannot agree on issues related to the interpretation of contract provisions, the definition of deliverables, meeting performance standards and/or the effect of unexpected events.

It is important that any possibility of dispute or an actual dispute be recognized at an early stage and addressed as quickly as possible. Avoiding an escalation of disagreements can impact on contract deliverables and reduce the costs to both parties.

Where a dispute arises, the Contract Management Unit / function will obtain evidence from both parties and refer the matter to the legal service for opinion. The outcome and recommendation of the dispute will be submitted to the BAC for review and final recommendation to the Accounting Officer / Authority for approval.

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 reappearance of the dispute at a later stage.

Mediation: Mediation involves the use of a neutral third party to assist in resolving the dispute. The mediator does not impose a decision on the

parties in the way a court or arbitrator does, but instead seeks to help the parties resolve the dispute themselves. Mediation is usually regarded as a faster, less formal and less costly process than court proceedings or arbitration.

Arbitration: The aim of arbitration is to obtain a final and enforceable result without the costs, delays and the formalities of litigation. Arbitration proceedings are private, can be held at a mutually convenient time and the actual proceedings are less complex than litigation.

Litigation: Litigation is the act or process of contesting a lawsuit or seeking redress through the courts. It can be an expensive and time-consuming procedure and is generally taken when other avenues of dispute resolution have not been successful or are not available. Other approaches to resolving disputes or Contractor defaults should therefore be considered prior to litigation

6.4.4 RISKS RELATED TO CONTRACT MANAGEMENT

Contract risk must be appropriately managed such that:

- All contracts set out risk identification, monitoring and escalation procedures and mechanisms which are in line with the institution's enterprise risk management plan.
- All contracts identify contingency plans for supplier or buyer failure.
- For key suppliers and buyers, the contract manager monitors the financial health, tax compliance and overall performance of the supplier or buyer.
- Contract terms and potential ramifications around key issues including termination; warranty; indemnity; security; confidentiality; and dispute resolution are understood by the contract manager.

6.4.5 PENALTIES

Penalties between the Municipality and the contractor may include:

- Penalties: In accordance with paragraph 22 of the General Conditions of Contract, the Municipality/Entity will have the right to enforce the penalty clause on goods, works and services where the contractor fails to perform in accordance with contractual obligations.
- These penalties usually vary according to several factors, including the type of breach and its severity, duration, frequency, and effect on customers.
- The benefit of this approach is that the penalties are clear, agreed on, and more easily enforceable than a general claim for damages.

Some of the risks involved with contracts and penalty clauses to be applied per nature of contract:

Risk	Penalty clause
Late delivery	❖ Where deliveries are made (after the agreed delivery date), the purchaser has the right to enforce the penalty clause by deducting from the contract price a sum calculated on the delivered price of delayed goods or unperformed services using the ruling prime interest rate calculated for each day of the delay until actual delivery of performance ❖ In case of a delay in excess of 4 weeks, the Municipality is entitled to declare the order null and void without any cost being charged for this. The statutory cases of force majeure are considered to be reasons to suspend the agreement if they make the execution of the order impossible and in so far the supplier notifies the Municipality in writing within 5 days.
Non delivery	❖ Termination of the contract if delivery does not take place within 4 months or cancellation of the order. (To reduce open ended commitments) ❖ In the event of non-delivery, and upon comprehensive justification that the contractor has been engaged to remedy the unsatisfactory performance, the Municipality may impose as a penalty, a sum calculated on the delayed goods or unperformed services using the current prime interest rate calculated for each day of the actual performance
Inferior quality	❖ Enforcement of contract conditions

	❖ Settlement of disputes
Inability of contractor to perform as required	❖ Performance securities should be applied. The contract should dictate what must happen with the security if the contract is not to be completed and the Municipality suffered losses, the performance security shall be utilized to compensate for any loss. The SCC must specify the performance security amount.
Buy out transactions from transversal contracts	❖ When the time provided for the contractor to respond to the claim of non-performance has lapsed, the Municipality can buy out and any difference in cost must be recovered from the contractor
Sub-contractors not performing	❖ Disputes must be resolved between the main contractor and his sub-contractors ❖ Liability and obligations are under the contractor ❖ Enforce Termination of default ❖ Prohibit supplier from rendering any goods, service, and works in organ of state – Restrict supplier on the National Treasury 's Central Supplier Database
Skills not transferred in terms of consultants services	❖ The Municipality shall deduct from the contract price a percentage as a penalty for not transferring skills or for underperformed service.
Breach of contract	❖ Termination of default and recover any loss which the Municipality suffered as a result of arranging another contract
Contractor unfairly benefited using wrong preference points	❖ Misrepresentation of preference points should constitute termination of contract if it is justifiable and will be defendable in the court of law ❖ Impose a penalty of a percentage of the monetary value of the contract
Prohibition of State employees doing business with state	❖ No contracts must be awarded to state employees

6.4.6 TRANSFER AND CEDING OF CONTRACTS

The General Conditions of Contract section 19.1 dictate that the supplier shall not assign, in whole or in part, its obligations to perform under the contract except with the purchaser's prior written consent.

The Special Conditions of Contract should stipulate the conditions under which transfers / cessions shall be considered and the processes to be followed under such circumstances.
Applications for transfers / cession shall be completed and signed by both the transferor and the transferee and countersigned by two parties.

Full reasons for the transferring of the contract must be provided and the transferee's ability to carry out the contract must be established and reported to the Accounting Officer or delegate.

Unless it is otherwise in the best interest of the Municipality, it is unlikely that the transfer will be approved if the Municipality would suffer a loss as a result thereof or if there is an increased risk to the Municipality.

The principle of fairness dictates that should the contract be transferred to another provider it must be checked whether the number of preference points scored if at least the same or more than that scored by the original contractor. Thus, it should be indicated if the transfer would have had an influence on the award. However, the circumstances leading to the transfer must be pointed out and taken into consideration.

The contractor will raise the issue with the user division in writing where after the user division must comment on the viability of the transfer / cession and submit the request to the SCM unit / CSC.

If the transfer / cession is not viewed favourably for a justifiable reason, the SCM unit must inform the contractor of the decision in writing and provide the user division with the copies of the correspondence for filing purposes.

If the transfer / cession is viewed favourably, the SCM unit must involve Legal Services for the purposes of drawing up the transfer / cession documentation.

The SCM unit must facilitate the signing of the transfer / cession by all parties, must forward a copy to the user division and the contractor and must file the original signed transfer / cession documentation appropriately.

If the transfer/cession is not approved the original contractor will still be accountable to execute the contract.

The Accounting Officer or a delegated authority may allow cessions for the purpose of supplier/contractor development without putting Rustenburg Local Municipality at higher risk. Such conditions are subject to standard terms and conditions of contracts.

Cessions may include the following:

6.4.6.1 Supplier-To-Supplier Company Based On A Valid Agreement

This is where company A decides to give between 25% and 45% of its work to a competent company based on certain changes (financial or capacity-wise) after the award. The company may decide to cede its portion of the work based on a written cession agreement. The company is also required to notify Rustenburg Local Municipality and explain the rationale behind such a move.

6.4.6.2 Cession Based On Material Supplies

Based on lack of finance, the company that was awarded the bid may cede the entire or part of its payment to suppliers who will claim 'from his/her payment certificate. In this case, Rustenburg Local Municipality may pay the suppliers directly or accept a formal agreement between the suppliers and contractors' payment conditions until the end of the contract.

6.4.6.3 Cession Based On Access To Finance

This shall also include cases where a financial company pays the supplier/contractor in advance and later claims on ·the contractor's certificate. The bank may want a contractor to cede a certain portion of the contract to it as part of risk management. If that becomes the case, Rustenburg Local Municipality needs to be aware of such an arrangement and make its own analysis of the risks involved.

6.4.6.4 Cession Based On Insurance

The same may apply to insurance companies before they award insurance affecting cessions based on access to finance.

6.4.6.5 Cessions Based On Capacity

A company may obtain extra capacity owing to lack of skills within the company and allow a skilled company to take over part or a larger part of its work not more than 40%, based on an agreed cession without promoting fronting.

6.4.7 TERMINATION OF THE CONTRACT AND EXIT FROM THE RELATIONSHIP

Contract termination is the last resort to be sought by Municipality when dealing with disputes and non-performance. It should be taken into consideration that solving disputes through courts usually costs a lot of time and money.

Termination of a contract may be considered for a variety of reasons, such as non-compliance with contract conditions, delayed deliveries, bribery, death or sequestration/liquidation of the contractor.

If termination is considered, the following factors must be addressed to the Bid Adjudication Committee:

- The particular contract condition empowering the action for the purpose of resolving any dispute.
- What further arrangements will be made for completing the contract.
- Whether additional cost will be recovered from the contractor; and
- Payment of work already executed prior to cancellation of the contract.

The contract should contain detailed provisions on the mechanism to terminate all or part of the contract and exit from the relationship.

Under the following conditions, Municipalities may consider their rights to terminate the contracts through delegated authority if they are appropriately drafted:

- Failure to meet the service performance targets for critical services on a repeated basis;
- Failure to meet a certain number of service performance targets during a specified period or supplier has engaged in corrupt and fraudulent practices during the bidding process or the execution of the contract;
- Material breach of terms and conditions with the breach being either irreparable or not having been remedied within a specified period;
- Major financial difficulties being encountered by the contractors (e.g. under liquidation);
- Failure to meet mandatory requirements or failure to acquire certain accreditation or licence or approval during the life of the contract.

Exit provisions should be included in the contract to cover specific rights that will be required for termination, such as:

- The continued provision of the services following the notification of termination.
- The right of Municipalities or the new contractors, if necessary, to approach key members of the contractor's staff and to offer them jobs so as to retain the delivery capability.
- ~~The right to perform inventory check of assets owned by Municipalities;~~
- The right to transfer ownership of assets and equipment upon termination and
- The migration of data and systems and the provision of relevant information to Municipalities or the new contractor.

Contracts must include the possibility to be terminated. This will normally include the details of timing including periods of notice (exit clause) and direction on the payment upon termination. The contract or agreement will have stated the initial term with a specified period after which either party may terminate or renew the agreement, provided both parties agree to the terms and conditions.

Termination of a contract is usually detrimental to the municipality; therefore, serious thought must be given to the grounds for considering termination with legal assistance. The Contract Management System must be updated by cancelling the contract on the system and contract register.

6.5 STAGE 5: CLOSE OUT

This stage refers to the necessary actions to end or reconsider the contractor for future agreement and associated performance review. The activities associated with closing the project down, whether in accordance with the contract or as a result of early termination.

At the completion of the contract, the end-user will provide the contract close out report indicating overall performance of the contractor; stage of contract; achievement of milestones against the original contract agreement and timelines, payments; poor performance; action and other observation.

The close out report will be submitted to the Contract / Performance Management team for deliberation; filing purposes; recording discrepancies and where applicable a register and appropriate contract system will be updated. A close out report is applicable to contracts irrespective of contract period.

Different activities of course are associated with the different forms that contract termination can take. In the case of more complex, long-term or construction contracts ending in accordance with the original contract plan, best practice requires the need for

evidence that the contract has been completed to the satisfaction of all parties. This is normally carried out in two stages.

- To ascertain internally that there are no outstanding matters and,
- To secure agreement from contractor(s) that, apart from agreed ongoing liabilities, the contract(s) has ended.

The aim of the closure procedure is to provide a mechanism for managing the closure of the contract following the end of any retention or guarantee periods and the resolution of all other outstanding matters. The procedure is designed (where and if applicable) to:

- Ensure completion of all administrative matters.
- Record that all technical issues have been completed.
- Determine the extent of any liquidated damages to be deducted from the contract price.
- Record the end of the retention and guarantee periods and the date of the final inspection carried out.
- Record the date of release of retention and / or bank guarantees.
- To agree a statement of specific limits on continuing contractual obligations after completion of work and any ongoing obligations following the end of guarantees or maintenance periods.
- Transfer any assets, including data and intellectual property, and any loan items.
- Transfer operational systems to the successful contractor.
- Record the process of final contract payments and a summary of the financial payments made and received.
- Summarise claims made against or received from the contractor.
- Ensure the retention of records relating to the contract to counter any subsequent claims that may be brought. The Limitation sets out the general periods for six years or twelve years according to the type of contract within which an action 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.

The above stages might not be applicable in all contracts.

7 PROCEDURES WHEN DRAFTING CONTRACTS

7.1 All contracts of the Rustenburg Local Municipality should be in writing and should at least include the following:

- ❖ Termination of the agreement in case of non-performance or underperformance
- ❖ Dispute resolution mechanisms to settle disputes between the parties
- ❖ Price of the goods or services to be delivered to the Municipality and how performance will be evaluated
- ❖ Penalties in case of non-performance or underperformance
- ❖ Duration of the contract
- ❖ A periodic review of the contract or agreement once every three years in the case of a contract or agreement lasting longer than three years

7.2 All contracts that have serious financial implications for the Municipality should be handed over to the Municipal's legal adviser for review before being signed by the accounting officer or delegated official.

7.2.1 The following are regarded as contracts that have serious financial implications:

- ❖ A contract value to the amount of ~~R200 001,00~~ R300 000.00 or more; and/or
- ❖ a contract for a period of 12 months and more.

~~**8 PROCEDURE AFTER DRAFTING CONTRACTS**~~

~~8.1 After the contract has been signed by the Municipal Manager, it should be entered the contract register that should be maintained by the contract administration officer.~~

~~8.2 The register should at least include the following information (See Annexure D):~~

- ~~❖ Date that the contact was signed~~

- Contract value
- Contract start and end date
- Authority number
- Contract number
- Name of the contractor
- Brief description of the goods or services to be provided
- Duration of the contract
- Penalties under the contract
- Review date, if it is a contract of more than three years
- Remarks/Comments
- Financial implications, e.g. increase in rent amount

8.3 The contract administration officer should update this register monthly with all contracts entered into by the Municipal during that month.

8.4 A separate register should be maintained for contracts above R500 000 in addition to the register mentioned in 8.1 above. The following information should be included in that register (See Annexure E):

- Contract number
- Name of the contractor
- Brief description of the goods or services to be provided
- Duration of the contract
- Penalties under the contract
- Payments made to date
- Penalties paid by the municipality or contractor
- Amendment to the contract
- Remarks from site meeting or contract steering committee meeting that have impact on the contract
- Progress report from the head of department that procured the goods or services
- Financial implications

8.5 The contract administration officer should update this additional register monthly with all the information affecting the contract, and comments from the head of department that procured the goods.

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9 PROCEDURE FOR REVIEW OR CANCELLATION OF CONTRACTS

9.1 The head of SCM should inform the relevant head of department and/or municipal manager about the date of the review of the contract, at a reasonable period before the review date.

~~9.2 In case of non performance or underperformance by the contractor, remedies as outlined in the contract should be used by the Municipal.~~

~~**11 VARIATION OF ORDERS**~~

~~11.1 In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted, provided that there is no escalation in price.~~

~~11.2 The accounting officer will be delegated to approve variation orders as per point 11.1 above.~~

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12 REPORTING TO THE COUNCIL

12.1 The head of the SCM Division, with the assistance of the contract administration officer, should prepare monthly reports for submission to the accounting officer on the state of all contracts entered into through the Municipal's SCM system.

This report is required by section 116(d) of the MFMA.

12.2 The following information should be contained in the report (See Annexure F):

- Contract number
- Name of the contractor
- Brief description of the goods or services to be provided
- Duration of the contract
- Penalties under the contract
- Payments made to date
- Penalties paid by the municipality or contractor
- Amendments to the contract
- Remarks from site meeting or contract steering committee meeting that have impact on the contract
- Progress report from the head of department that procured the goods or services
- Any delays that might have an impact on the completion of the contract

13 REPORTING TO THE NATIONAL TREASURY

13.1 The ~~Group~~ Chief Financial Officer is required to submit information in respect of each contract and advertised quotations from R30 000 to ~~R200 000~~ R300 000.00 (VAT inclusive) and tenders from ~~R200 0000~~ R300 00.00 and above and must be signed by all parties to the National Treasury.

13.2 A report must be submitted each time a contract is awarded and signed by no later than 15 days after the end of each month.

13.3 Completed reports are to be emailed to the National Treasury ~~at contracts@treasury.gov.za or by facsimile to 012 326 5445.~~

13.4 The following information should be contained in the report:

- Name of the municipality
- Contract reference number
- Contract signing date
- Contract description
- Name of contractor
- Percentage equity ownership by black persons (no franchise prior to elections) based on information provided in Municipal Bid Document (MBD) 6.1
- Percentage equity ownership by black women based on information provided in MBD 6.1
- Percentage equity ownership by white women based on information provided in MBD 6.1
- Outsourced/subcontracted businesses to small businesses as a percentage of the annual turnover based on information provided in MBD 6.3, if applicable
- Percentage local content of final product in relation to the bid price based on the information provided in MBD 6.4, if applicable
- Total contract price (A)
- Total price of lowest acceptable bid (price of bid scoring the highest points for price) (B)
- Premium paid to promote specified goals (C) (C=A-B)
- Percentage premium paid (C/B x 100)

14 PROCEDURE FOR PERFORMANCE MANAGEMENT

14.1 Key components of an effective performance approach:

- Establish appropriate key performance indicators that are aligned with contract objectives
- Set clear targets

- ❖ Define monitoring and reporting process

14.2 The following KPIs must be applicable:

Quality	Level of goods/services delivered
Outputs	Total output delivered by supplier to deliver contract
Productivity	Measured output produced/delivered per unit (services performed per day
Cost	Total cost incurred to deliver service/good
Savings	Total savings delivered by the supplier to deliver the contract
Responsiveness	Lead-time to respond to requests
Customer delivery	Percentage of orders delivered

15 PROCEDURE FOR CONTRACT PRICE ESCALATION

15.1 An appropriate contract adjustment formula must be specified in the bid documents if deemed necessary (Annexure A).

15.2 Escalation notification must be in writing and presented before implementation for approval.

16 GENERAL AND SPECIAL CONTRACT CONDITIONS

16.1 To strive towards uniformity, all contracts must be based on the General Conditions of Contract (GCC), issued by the National Treasury (Annexure B).

16.2 Any aspect not covered by the GCC should be dealt with in the Special Contract Conditions (SCC).

16.3 These conditions should form an integral part of the bidding documents.

16.4 Accounting officers/authorities should ensure that the prescripts of the PPPFA and the regulations pertaining thereto, are adhered to.

16.5 The basis for bid evaluation and selection should be clearly outlined in the instructions to bidders and/or in the specifications.

17. CONCLUSION

This policy is applicable to all Rustenburg Local Municipality officials and must be implemented from the date of approval.

18. POLICY ADOPTION

This policy has been considered and approved by the Council of **Rustenburg Local Municipality** on this day…… of …… 2025

~~**Annexure A**~~

~~**Contract Price Escalation**~~

~~**1 Price adjustments due to escalation**~~

~~1.1 The procedure requires a careful analysis of all related aspects that will influence the adjusted price, including the cost for the additional administrative work.~~

~~1.2 If the accounting officer/authority resolves to allow price escalation as part of the contract, this should be specified in the bid documents, including the formula and the time frames at which intervals such price adjustments should be considered.~~

~~1.3 The following formula is recommended if adjustments of prices are approved:~~

~~1.3.1 Pa = The new escalated price to be calculated~~
~~1.3.2 (1-V) Pt = 85% of the original bid price~~
~~1.3.3 D1, D2= Each factor of the bid price, e.g. labor, transport, clothing, footwear, etc.~~
~~1.3.4 The total of the various factors D1, D2…etc. must add up to 100%~~
~~1.3.5 R1t, R2t = index figure obtained from new index (depends on the number of factors used)~~
~~1.3.6 R1o, R2o= index figure at time of bidding~~
~~1.3.7 VPt = 15% of the original bid price. This portion of the bid price remains firm, i.e. it is not subject to any price escalations~~

~~**2 Price adjustments due to the fluctuation in the Rate of Exchange (ROE)**~~

~~2.1 Rate of exchange claims relate to the fluctuation of other currencies in relation to the South African rand. When the government advertises bids which might involve~~

imported contents, whether wholly or partially, the ROE and future fluctuations are of vital importance, especially if it is a transversal contract for delivery over a specified period of more than one year.

2.2 The decision of who should take responsibility for any absorption of the fluctuation of a currency is similar to a decision of allocating risk. In this regard, there are two extreme possibilities:

- The supplier should bear all the risk and it is prescribed that the price will be fixed for the tenure of the contract, irrespective of the fluctuation of the currency. In such a case the supplier is free to arrange forward cover and/or to increase his/her price at bidding stage to cater for any fluctuation, thereby taking the risk of not being the successful bidder. Whatever route the supplier opts to follow, it will probably lead to an increase in price at the original bidding stage. This might lead to a situation at the commencement of the contract where the government will be obliged to pay more for the product than the retail price to the general public.

- The government can absorb the risk and suppliers may bid firm prices, subject to ROE variation. In such cases the supplier(s) may apply for price increases/decreases when the currency fluctuates in relation to the agreed currency. The problem in this regard is that the prices are not always adjusted when the Rand appreciates. In such cases, it is of vital importance that the accounting officer/authority ensures that prices are adjusted to the benefit of the State.

2.3 The ideal would be to find a balanced approach between the above extremes, considering other contributing factors that will influence the final price. According to proposals by the World Bank, price increases based on ROE should not be allowed if the tenure of a contract is less than 18 months. Due to the recent fluctuations of the Rand, this might be a very long period when seen in the South African context and a period of twelve months may be more appropriate.

2.4 The local and imported contents of the products under consideration will also have a vital impact on determining prices. Another aspect that will also impact on the determination of prices will be the frequency of price adjustments. If the contract allows for a monthly adjustment of prices, the supplier hardly bears any risk in this regard. Prescribing that price adjustments will only be considered at prescribed intervals (say every three months), it will, in a sense, split the risk between the State and the supplier.

~~2.5 It is therefore suggested that the accounting officer/authority, after thorough analysis of relevant information, determine on a case by case basis the optimum route to be followed for each commodity. It should, however, be emphasized that price adjustments based on ROE fluctuations should only be allowed on the imported contents of the commodity and only meet the suppliers' additional costs of the imported content.~~

Annexure B

General and Special Conditions of Contract

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT

NOTES

The purpose of this document is to –

(i) draw special attention to certain general conditions applicable to government bids, contracts and orders; and
(ii) ensure that clients are familiar with the rights and obligations of all parties involved in doing business with the government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract (GCC) will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC will prevail.

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General Conditions of Contract

1. Definitions

The following terms will be interpreted as indicated:

1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.

1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

~~1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidised by its government and encouraged to market its products internationally.~~

~~1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognised new product results that is substantially different in basic characteristics or in purpose or utility from its components.~~

~~1.7 "Day" means calendar day.~~

~~1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.~~

~~1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.~~

~~1.10 "Delivery into consignee's store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.~~

~~1.11 "Dumping" occurs when a private enterprise abroad markets its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.~~

~~1.12" Force majeure" means an event beyond the control of the supplier, not involving the supplier's fault or negligence, and was not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.~~

~~1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.~~

~~1.14 "GCC" means the General Conditions of Contract.~~

~~1.15 "Goods" means all the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.~~

1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs, such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry, as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.17 "Local content" means that portion of the bidding price which is not included in the imported content, provided that local manufacture does take place.

1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 "Order" means an official written order issued for the supply of goods, works or the rendering of a service.

1.20 "Project site," where applicable, means the place indicated in bidding documents.

1.21 "Purchaser" means the organisation purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

1.24 "Services" means those functional services supplementary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3 Where such special conditions of contract conflict with these general conditions, the special conditions will apply.

3. General

3.1 Unless indicated otherwise in the bidding documents, the purchaser will not be liable for any expense incurred in the preparation and submission of a bid. Where applicable, a non-refundable fee for documents may be charged.

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

4.1 The goods supplied will conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information; inspection

5.1 The supplier will not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person will be made in confidence and will extend only so far as may be necessary for purposes of such performance.

5.2 The supplier will not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1, except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1, will remain the property of the purchaser and will be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

5.4 The supplier will permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

6.1 The supplier will indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

7. Performance security

7.1 Within thirty (30) days of receipt of the notification of contract awarded, the successful bidder will furnish the purchaser with the performance security of the amount specified in the SCC.

7.2 The proceeds of the performance security will be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3 The performance security will be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and will be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser

(b) a cashier's or certified cheque

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in the SCC.

8. Inspections, tests and analyses

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that supplies to be produced or services to be rendered should, at any stage during production or execution or on completion, be subject to inspection, the premises of the bidder or contractor will be open, at all reasonable hours, for inspection by a representative of the department or an organisation acting on behalf of the department.

8.3 If there are no inspections requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections will be carried out, the purchaser will make the necessary arrangements itself, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses will be defrayed by the purchaser.

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost regarding these inspections, tests or analyses will be defrayed by the supplier.

8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

8.7 Any contract supplies may be inspected on or after delivery, may be tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies will be held at the cost and risk of the supplier who will, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal, the rejected supplies will be returned at the supplier's cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

8.8 The provisions of clauses 8.4 to 8.7 will not prejudice the right of the purchaser to cancel the contract because a breach of the conditions thereof, or to act in terms of Clause 23 of the GCC.

9. Packing

9.1 The supplier will provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the

contract. The packing will be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights will take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages will comply strictly with such special requirements as will be expressly provided for in the contract, including additional requirements, if any, specified in the SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

10.1 Delivery of the goods will be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in the SCC.

10.2 Documents to be submitted by the supplier are specified in the SCC.

11. Insurance

11.1 The goods supplied under the contract will be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

12. Transportation

12.1 Should a price other than an all-inclusive delivered price be required, this will be specified in the SCC.

13. Incidental services

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in the SCC:

(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period agreed upon by the parties, provided that this service will not relieve the supplier of any warranty obligations under this contract; and
(e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, will be agreed upon in advance by the parties and will not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare parts

14.1 As specified in the SCC, the supplier may be required to provide any or all the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

(a) Such spare parts as the purchaser may elect to purchase from the supplier, provided that this election will not relieve the supplier of any warranty obligations under the contract
(b) In the event of termination of production of the spare parts –
(i) advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials, unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract will have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission by the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty will remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the

port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in the SCC.

15.3 The purchaser will promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier will, within the period specified in the SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in the SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

16.1 The method and conditions of payment to be made to the supplier under this contract will be specified in the SCC.

16.2 The supplier will furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.

16.3 Payments will be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4 Payment will be made in Rand unless otherwise stipulated in the SCC.

17. Prices

17.1 Prices charged by the supplier for goods delivered and services performed under the contract will not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorised in the SCC or in the purchaser's request for bid validity extension, as the case may be.

18. Contract amendments

18.1 No variation in or modification of the terms of the contract will be made except by a written amendment signed by the parties concerned.

19. Assignment

19.1 The supplier will not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

20. Subcontracts

20.1 The supplier will notify the purchaser in writing of all subcontracts awarded under these contracts if not already specified in the bid. Such notification, in the original bid or later, will not relieve the supplier from any liability or obligation under the contract.

21. Delays in the supplier's performance

21.1 Delivery of the goods and performance of services will be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier will promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser will evaluate the situation and may, at his discretion, extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension will be ratified by the parties by amendment of contract.

21.3 No provision in a contract will be deemed to prohibit the obtaining of supplies or services from a national department, provincial department or a local authority.

21.4 The right is reserved to procure small quantities or to have minor essential services executed if an emergency arises outside of the contract if the supplier's point of supply is not situated at or near the place where the supplies are required, or if the supplier's services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations will render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser will, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract, and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser will, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part –

(a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
(b) if the supplier fails to perform any other obligation(s) under the contract; or
(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event that the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier will be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier will continue performance of the contract to the extent not terminated.

24. Anti-dumping and countervailing duties and rights

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidised import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference will be paid forthwith on demand by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor with regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier will not be liable for forfeiture of its performance security, damages, or termination for default if, and to the extent that, his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

25.2 If a force majeure situation arises, the supplier will promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier will continue to perform its obligations under the contract as far as is reasonably practical, and will seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27. Settlement of disputes

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties will make every effort to resolve such a dispute or difference amicably by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings will be conducted in accordance with the rules of procedure specified in the SCC.

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

(a) the parties will continue to perform their respective obligations under the contract unless they agree otherwise; and
(b) the purchaser will pay the supplier any monies due the supplier.

28. Limitation of liability

28.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6,

(a) the supplier will not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion will not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, will not exceed the total contract price, provided that this limitation will not apply to the cost of repairing or replacing defective equipment.

29. Governing language

29.1 The contract will be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties will also be written in English (section 5 (1-8) of the Rustenburg Local Municipality Language Policy of 2012).

30. Applicable law

30.1 The contract will be interpreted in accordance with South African laws, unless otherwise specified in the SCC.

31. Notices

31.1 Every written acceptance of a bid will be posted to the supplier concerned by registered or certified mail and any other notice to him will be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting will be deemed to be proper service of such notice.

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, will be reckoned from the date of posting of such notice.

32. Taxes and duties

32.1 A foreign supplier will be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2 A local supplier will be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract will be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Service.

~~Annexure C~~

~~Registration of contracts~~

~~Annexures A to C are typical annexures applicable to all municipal contracts. Information required may vary in detail depending on the nature of the project.~~

~~IN THE ANNEXURES~~	

~~ANNEXURE~~	~~TITLE~~
~~D~~	~~Register of all municipal contracts~~
~~E~~	~~Register of all contracts above R500 000,00 for a period exceeding three months~~
~~F~~	~~Report to the Council on contract management~~

~~ANNEXURE D~~

~~REGISTER OF ALL MUNICIPAL CONTRACTS~~

~~DATE~~	~~CONTRACT NUMBER~~	~~NAME OF CONTRACTOR~~	~~DESCRIPTION OF SERVICE/GOODS~~	~~DURATION~~	~~PENALTIES~~	~~REVIEW DATE~~	~~REMARKS/ COMMENTS~~

~~ANNEXURE E~~

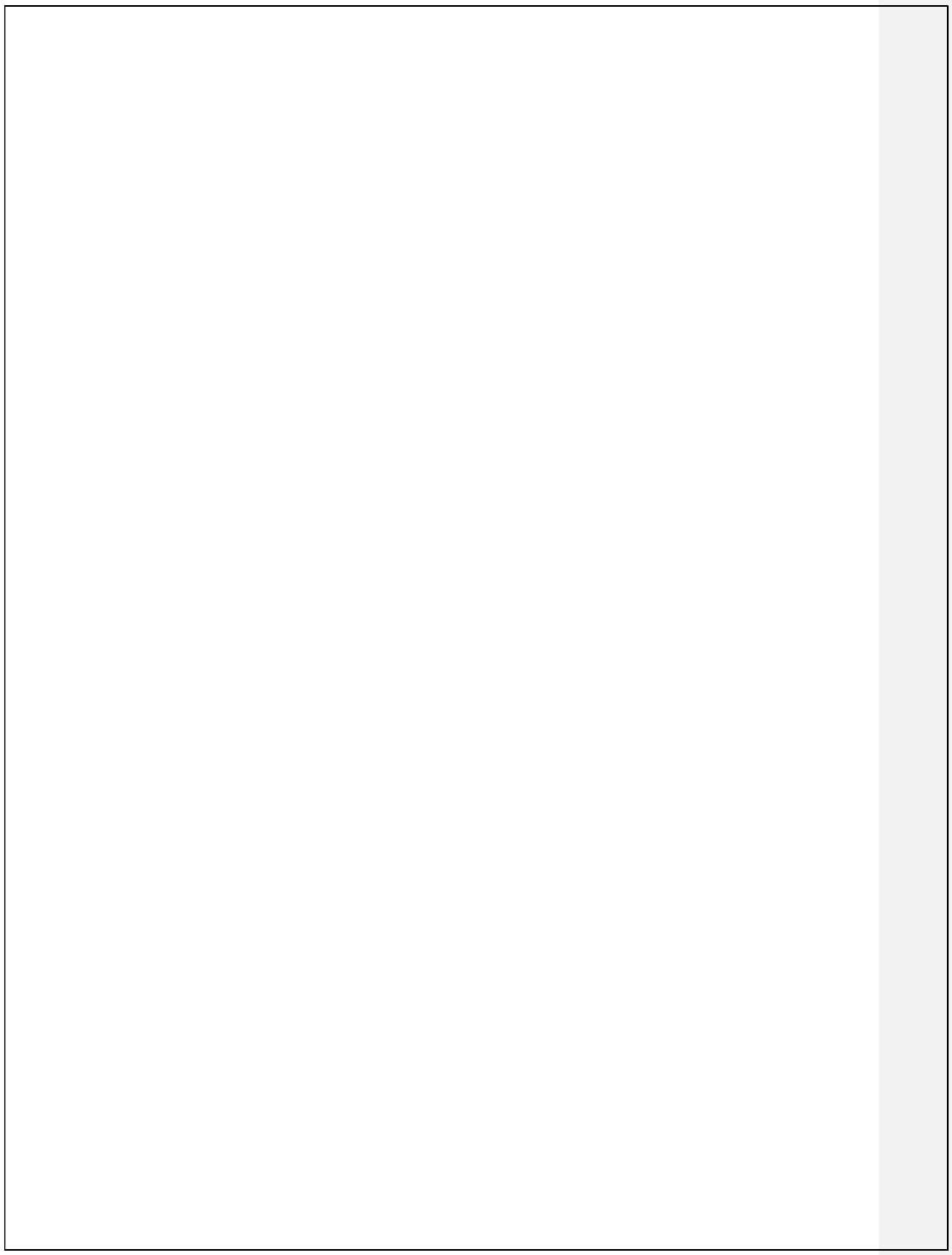
~~REGISTER OF ALL CONTRACTS ABOVE R500 000,00 FOR A PERIOD EXCEEDING THREE MONTHS~~

~~DATE~~	~~CONTRACT NUMBER~~	~~NAME OF CONTRACTOR~~	~~DESCRIPTION OF SERVICE/GOODS~~	~~DURATION~~	~~PENALTIES PAID~~	~~PAYMENT MADE TO DATE~~	~~AMENDMENTS TO CONTRACT~~

~~ANNEXURE F~~

~~REPORT TO THE COUNCIL ON CONTRACT MANAGEMENT~~

~~CONTRACT NUMBER~~	~~NAME OF CONTRACTOR~~	~~DESCRIPTION OF SERVICE/GOODS~~	~~DURATION~~	~~PENALTIES~~	~~PAYMENT MADE TO DATE~~	~~PENALTIES PAID~~	~~AMENDMENTS TO CONTRACT~~



RUSTENBURG

LOCAL MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION POLICY

PREAMBLE

(1) WHEREAS section 152(1)(b) of the Constitution of the Republic of South Africa, Act 108 of 1996 (hereinafter referred to as "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;

(2) AND WHEREAS section 153(a) of the Constitution provides that a Municipality must structure its administration, 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;

(3) AND WHEREAS section 195(1) of the Constitution provides that the public administration must be governed by the democratic values and principles enshrined in the Constitution, including:

- The promotion of the efficient, economic and effective use of resources;
- The provision of services impartially, fairly, equitably and without bias; and
- The fact that people's needs must be responded to;

(4) AND WHEREAS section 18(1)(a), read with sub-section (2) of the Municipal Finance Management Act, Act 56 of 2003 (hereinafter referred to as "the MFMA") provides that an annual budget of the Municipality should be funded from realistically anticipated revenues to be collected taking into account projected revenue for the current year based on collection levels to date and the actual revenue collected in the previous financial years;

(5) AND WHEREAS section 4(1)(c) of the Local Government: Municipal Systems Act, Act 32 of 2000 (hereinafter referred to as "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;

(6) AND WHEREAS section 5(1)(g), read with sub-section (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 Registered Indigent debtors, they pay promptly for services and pay the fees, surcharges on fees, other taxes, levies and duties imposed by the Municipality;

(7) AND WHEREAS section 6(2)(c), (e) and (f) of the Systems Act, provides that the administration of a Municipality must take measures to prevent corruption, give members of a local community full and accurate information about the level and standard of municipal services that they are entitled to receive, and inform the local community about how the Municipality is managed and of the costs involved and the persons in charge;

(8) AND WHEREAS in terms of the provisions of section 95 of the Systems Act, the Rustenburg Local Municipality (hereinafter referred to as “the Municipality”), in relation to the levying of rates and other taxes and the charging of fees for municipal services and within its financial and administrative capacity, must:

(a) establish a sound customer management system which aims to create a positive and reciprocal relationship between persons liable for these payments and the Municipality, and where applicable a service provider;

(b) establish mechanisms for consumers of municipal services and ratepayers to give feedback to the Municipality or other service provider regarding the quality of the municipal services and performance of the service provider;

(c) take reasonable steps to ensure that users of municipal services are informed of the costs involved in municipal service provision, the reasons for the payment of municipal service fees and the manner in which monies raised from such municipal service are utilised;

(d) where the consumption of municipal services has to be measured, take reasonable steps to ensure that the consumption by individual users of

municipal services is measured through accurate and verifiable metering systems;

(e) ensure that persons liable for payments receive regular and accurate statements that indicate the basis for calculating the amounts due;

(f) provide accessible mechanisms for those persons to query or verify statements and accounts and metered consumption;

(g) provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the Municipality which includes the declaring of disputes and procedures which allows for the dealing with such disputes;

(h) provide mechanisms to monitor the response time and efficiency in complying with sub-paragraph (g) above; and

(i) provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for municipal services;

(9) AND WHEREAS and in terms of the provisions of section 96 of the Systems Act, the Municipality must collect all money which is due and payable to it subject to the provisions of the Systems Act and other applicable legislation and for this purpose must adopt, maintain and implement a Credit Control and Debt Collection Policy which complies with the provisions of the Systems Act and is consistent with the Rates and Tariff Policies of the Municipality;

NOW THEREFORE the Municipality has adopted this policy in compliance with the provisions of the above referred to sections and specifically the provisions of section 97 of the Systems Act, to be known as the “Credit Control and Debt Collection Policy” which provides the contents for this policy.

THE RUSTENBURG

LOCAL MUNICIPALITY:

CREDIT CONTROL AND DEBT COLLECTION

POLICY

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CHAPTER 1

INTRODUCTORY PROVISIONS

1. DEFINITIONS

In this policy, except where the context otherwise indicates or it is expressly stipulated otherwise, the following words and expressions shall have the respective meanings assigned to them hereunder and words or expressions to which a meaning has been assigned in terms of the provisions of the Systems Act and the Tariff Policy or By-Law or the Rates Policy or By-Law of the Municipality, will have a corresponding meaning assigned thereto in terms of such policies or by-laws. All headings are included for convenience only and shall not be used in the interpretation of any of the provisions of this policy.

NO.	WORD/EXPRESSION	DEFINITION
	"A"	
1.1	"account"	Means the account opened for a customer in the financial system of the Municipality and in respect of which an account number is allocated, and in context also refer and include the entries and activities and/or arrears reflected on the account, containing and reflecting the liability of the consumer for the payment of rates, tariffs, levies, fees and the consumption of municipal services, which includes charges in respect of the following: (a) electricity consumption; (b) water consumption; (c) refuse removal and disposal; (d) sewerage services and sewer availability fees; (e) interest; and (f) miscellaneous and sundry fees and collection charges.

1.2	"arrears"	Means any amount due, owing and payable in respect of rates, tariffs, levies, fees and for the consumption of municipal services in terms of this policy and includes inter alia: (a) the principal amount; (b) collection charges; (c) interest; (d) default charges; (e) connection and disconnection fees; (f) any other amount owed to the Municipality not referred to above; and which was not paid on or before the payment date.
	"B"	
1.3	"billing"	Means proper notification and invoicing of a statement to a customer of amounts levied for rates, tariffs, levies, fees and the consumption of municipal services including all other amounts and charges due in terms of this policy as well as the net accumulated balance of the account.
1.4	"billing cycle"	Means the time period in respect of which a customer is liable to effect payment to the Municipality for rates, tariffs, levies, fees and consumption of municipal services, being a monthly cycle in respect of the tariffs, levies, fees and consumption of municipal services, and either a monthly or an annual cycle in respect of rates, and which cycle ends on the payment date.
	"C"	
1.5	"Chief Financial Officer"	Means a person appointed by the Council and designated by the Municipal Manager of the Municipality to manage the financial administration of the Municipality and who remains directly accountable to the Municipal Manager as

		contemplated in terms of the provisions of section 80(2)(a) read with the provisions of section 1 and section 81 of the MFMA.
1.6	"collection charges"	Means all costs incurred by the Municipality during the process of recovering monies due and payable to it, or arrears, including the charges which may be recovered by the Municipality in terms of section 75A of the Systems Act and includes: (a) the cost of reminding a customer of monies due and payable or arrears; (b) the cost of the termination, disconnection, restriction and reinstatement of municipal services; (c) the cost of any notice rendered, sent or delivered; (d) all legal cost, including attorney and client cost incurred in the recovery of arrears; and (e) any commission and other expenses relating to the recovery of arrears payable by the Municipality to any person or service provider.
1.7	"consumer"	Means any person or entity consuming or receiving municipal services, irrespective of whether such a person has concluded a service level agreement with the Municipality, and may also include a person who illegally and unlawfully connects to the municipal services infrastructure or who illegally and unlawfully gains access to or usage of the municipal services or who consumes any municipal services unlawfully. This also includes beneficiaries of RDP houses and documented beneficiaries of deceased estates who are still awaiting transfers.
1.8	"Council"	Means the Municipal Council of the Municipality as referred to and constituted in terms of the provisions of section 157 of the Constitution.

1.9	"credit control"	Includes all the functions relating to the collection of monies owed to the Municipality by consumers. Credit control under this definition starts once an account is in arrears or any consumer connects to any service infrastructure or consumes any municipal service lawfully or unlawfully.
1.10	"credit controller"	Means a person appointed by the Municipality to manage inter alia, the financial and administration credit control and debt collection of the Municipality's debtors.
1.11	"customer"	Means the owner of the premises or in exceptional circumstances a tenant, and includes a person or entity liable to the Municipality for the payment of tariffs, levies, fees and municipal consumption charges in terms of a service agreement concluded with the Municipality, and may include a person who applied to the Municipality to become a Registered Indigent in terms of the Indigent Policy, and who is not the owner of the premises, but who is: (a) the child in control of a child-headed household where the residential property is registered in the name of the deceased parent or deceased parents of that child; or (b) the party to whom the residential property is awarded in the event of a divorce; or (c) where a deceased estate has not been wound up: (i) in the case of a deceased estate, in whose name the residential property is registered, any heir to whom the registered property has been bequeathed; or (ii) a surviving spouse, where the surviving spouse was married in community of property to the deceased, and where the residential property is registered in both

		spouses' names, and the surviving spouse is the sole heir; or (iii) a surviving spouse, who was married in community of property to the deceased, together with any other heirs, if any, where the residential property is registered in the name of that deceased; or (iv) in the case where a portion of a residential property is registered in the name of a deceased estate, the surviving registered owners together with the heirs to the deceased estate; and who simultaneously with the application for indigent support in terms of the Indigent Policy, applied for the provision of municipal services in terms of this policy to be granted an account and to conclude a service agreement with the Municipality, and whose application has been approved by the Municipality, and as such has concluded a service agreement with the Municipality.
1.12	"customer management"	Means focusing on the customer's needs in a responsive and proactive manner to encourage payment, thereby limiting the need for credit control.
"D"		
1.13	"day(s)"	Means a normal calendar day which include a Saturday, Sunday and public holidays.
1.14	"debt collection"	Means the functions relating to the collection of arrears and includes the restructuring of such debt, and procedures and mechanisms for the collection of all monies due and payable to the Municipality in terms of this policy, and in respect of rates, tariffs, levies, fees and municipal consumption charges for municipal services, in order to ensure financial sustainability and the uninterrupted delivery of municipal services in the interest of the community.

1.15	"debtor"	Means any person, including a customer or consumer, who has failed to make payment of a debt due, owing and payable to the Municipality on or before the payment date.
1.16	"dispute"	Means a dispute as contemplated in terms of the provisions of section 102(2) of the Systems Act.
"E"		
1.17	"equipment"	Includes any building or other structure, pipe, pump, wire, cable, meter, engine, any apparatus, tools, device, connection system or network, service protection device, reticulation network or supply mains or any part of any of the aforegoing supplied or used in the supply, distribution or conveyance of municipal services or the measurement of consumption of such services, or any other accessories to any of the aforementioned.
1.18	"exceptional circumstances"	Means such circumstances which in the sole discretion of the Chief Financial Officer constitute an exception.
1.19	"Executive Mayor"	Means the Executive Mayor of the Municipality as elected in terms of section 55 of the Structures Act.
"H""		
1.20	"household"	Means the total number of persons who permanently resides and occupy a single premise for residential purposes.
"I"		
1.21	"indigent support"	Means the financial and other support, discounts, subsidies and assistance which the Municipality renders to Registered Indigents and households headed by Registered Indigents in terms of the Indigent Policy of the Municipality.
1.22	"interest"	Means the charge levied on arrears as referred to in the provisions of section 75A(1)(b) of the Systems Act and at the rate as resolved by the Council.
"M"		

1.23	"Mayoral Committee"	Means the Mayoral Committee as envisaged in terms of the provision of section 60 of the Structures Act.
1.24	"MFMA"	Means the Local Government: Municipal Finance Management Act, Act 56 of 2003.
1.25	"MPRA"	Means the Local Government: Municipal Property Rates Act, Act 6 of 2004.
1.26	"Municipality"	Means the RUSTENBURG LOCAL MUNICIPALITY (also referred to as "RLM") a local government and legal entity with full legal capacity as contemplated in section 2 of the Systems Act read with the provisions of Chapter 7 of the Constitution and sections 12 and 14 of the Structures Act, with its main place of business and the offices of the Municipal Manager, as envisaged in terms of the provisions of section 115(3) of the Systems Act, at: Missionary Mpheni House, CNR NELSON MANDELA & BEYERS NAUDE STREET, RUSTENBURG, NORTH WEST PROVINCE, and may, depending on the context, include: (a) its successor in title; or (b) a functionary, employee or official exercising a delegated power or carrying out an instruction, in the event of any power being delegated as contemplated in terms of the provisions of section 59 of the Systems Act, or exercising any lawful act in the furtherance of the Municipality's duties, functions and powers; or (c) an authorised service provider fulfilling a responsibility assigned to it by the Municipality through a service delivery agreement.
1.27	"Municipal Manager"	Means the Municipal Manager of the Municipality appointed in terms of the provisions of section 54A of the Systems Act and as referred to in the definition of "Accounting Officer" in section 1 of the

		MFMA, and also referred to in section 60 of the MFMA, and includes a person acting as an Accounting Officer, or the person to whom the Accounting Officer has delegated his/her authority to act.
1.28	"municipal services" or "services"	Means a service that a Municipality provides or may provide in terms of its powers and functions to or for the benefit of the local community irrespective of whether: (a) such service is provided or to be provided by the Municipality through an internal mechanism contemplated in section 76 of the Systems Act or by engaging an external mechanism contemplated in section 76; or (b) fees, charges or tariffs are levied in respect of such service or not.
"O"		
1.29	"occupier"	Means any person who occupies premises or part thereof, without taking cognisance of the title under which he or she occupies the premises.
1.30	"official application form"	Means the application form provided in Schedule 1 to this policy.
1.31	"owner"	Means: (a) the person in whose name the property is registered; (b) in the case where the person in whose name the property is registered, is insolvent or deceased, or is disqualified in terms of any legal position, the person who is responsible for administration or control of the property as curator, trustee, executor, administrator, legal manager, liquidator, usufructuary, servitude holder or any other duly authorised of appointed representative;

		(c) in the case where the Municipality or service provider is unable to establish the identity of such person, the person who is entitled to derive benefit from the property or any buildings thereon; (d) in the case of a lease agreement entered into for a period of 30 (thirty) years or longer, or for the natural life of the lessee or any other person mentioned in the lease, or is renewable from time to time at the will of the lessee indefinitely or for a period of periods which, together with the first period of the lease, amounts to 30 (thirty) years, the lessee or any other person to whom he has ceded his right, title and interest under the lease, or gratuitous successor to the lessee; (e) in relation to: (i) a piece of land delineated on a sectional title plan and which is registered in terms of the Sectional Title Act, Act 95 of 1986, without limiting it to the developer or body corporate in respect of the common property; (ii) a section as defined in the Sectional Title Act, Act 95 of 1986, the person in whose name that section is registered in terms of a "sectional title deed", including the lawfully appointed representative or agent of such person; (f) any legal entity including but not limited to: (i) a company registered in terms of the Companies Act, Act 61 of 1973, a trust inter vivos, trust mortis causa, a close corporation registered in terms of the Close Corporation Act, Act 69 of 1984 and any voluntary organisation;

		(ii) any provincial or national government department, or local authority; (iii) any Council or management body established in terms of any legal framework applicable to the Republic of South Africa; and (iv) any embassy or other foreign entity in whose name the property is registered; (g) in relation to property owned by the Municipality and which has been disposed of, but which has not been transferred to the person to whom it has been disposed of, from the date of the disposition concerned, such person; and (h) in relation to property owned by or under the control or management of the Municipality while held under a lease or any express or tacit extension thereof or under any other contract or under servitude or right analogous thereto, the person so holding the immovable property.
"P"		
1.32	"payment date"	Means the date by which any amount due, owing and payable should have been paid.
1.33	"person"	Means any natural or juristic person, local government body or like authority or an organ of state as defined in terms of section 239 of the Constitution, a company incorporated under any law, a body of persons whether incorporated or not, a statutory body, public utility body, voluntary association, club or trust.
1.34	"prepayment meter"	Means a meter whereby payment for municipal services is first made elsewhere and credit is transferred to such meters by means of a token or coded number or credit card or other means and such meter is programmed and dispenses pre-

		purchased municipal services as it is consumed by the consumer at a predetermined rate or charge.
1.35	"prepayment measuring system"	Means a meter and ancillary devices, approved by the Municipality designed to measure and allocate to a consumer the quantity of municipal services pre-purchased by the consumer.
1.36	"premises"	Means any property or any building or structure above or below ground levels on property and may include any vehicle, aircraft or vessel.
1.37	"property"	Means: (a) immovable property registered in the name of a person/owner including in the case of a sectional title scheme, a sectional title unit registered in the name of any person/ owner; (b) a right registered against immovable property in the name of a person excluding a mortgage bond registered against the property; (c) any piece of land, the external surface boundaries of which are delineated on: (i) a general plan or diagram registered in terms of the Land Survey Act, Act 9 of 1927 or in terms of the Deeds Registries Act, Act 47 of 1937 or; (ii) a sectional plan registered in terms of the Sectional Titles Act, Act 95 of 1986; which is situated within the area of the Municipality; (d) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or (e) public service infrastructure.
"R"		

1.38	"rates"	Means a municipal rate on property levied in terms of section 229(1)(a) of the Constitution and section 2(1) the MPRA.
1.39	"Registered Indigent"	Means a person who has applied to the Municipality in terms of the Indigent Policy to be registered as a Registered Indigent, whose application was approved by the Municipality, and who is indicated as a Registered Indigent on the Indigent Register as contemplated in the Indigent Policy of the Municipality.
	"S"	
1.40	"service agreement"	Means the written agreement concluded between the Municipality and a customer for the provision of municipal services to premises once the Municipality has approved the customers official application form for the rendering of such services to the customer and which contains the terms and conditions upon which the Municipality will render such services to the customer.
1.41	"service provider"	Means the Municipality as well as any external entity that provides municipal services to the consumer on behalf of the Municipality, pursuant to a service delivery agreement entered into with Municipality in terms of section 80 of the Systems Act, and may also include any authorised agent of the Municipality.
1.42	"statement"	Means the statement furnished to a customer reflecting the status of the account of the customer, or the liability of the consumer where such a consumer has no account, for the payment of rates, tariffs, levies, fees and the consumption of municipal services and which reflects the amount due to the Municipality by such customer/consumer in respect of the rates, tariffs, levies, fees and municipal services consumed and which includes charges in respect of the following:

		(a) electricity consumption; (b) water consumption; (c) refuse removal and disposal; (d) sewerage services and sewer availability fees; (e) interest; and (f) miscellaneous and sundry fees and collection charges.
1.43	"Structures Act"	Local Government: Municipal Structures Act, Act 117 of 1998.
1.44	"Systems Act"	Local Government: Municipal Systems Act, Act 32 of 2000.
	"T"	
1.45	"tamper"	Means any interference with, damage to, alteration of, by-passing of any connection to, or removal of any equipment and includes the consumption of or use of any municipal services not in accordance with this policy.
1.46	"tariff policy"	Means the Tariff Policy of the Municipality as envisaged in terms of the provisions of section 74 of the Systems Act.
1.47	"Tariff Schedule"	Means the Tariff Schedule as referred to in the Tariff Policy and approved by Council.
1.48	"tenant"	Means a person who is entitled to the use and enjoyment of premises for the payment of rent as a result of an agreement concluded with a person who has the right to extent such rights regarding the premises.
1.49	"this policy"	Means the Credit Control and Debt Collection Policy of the Municipality.

2. AIM AND PURPOSE

(1) This policy constitutes the policy of the Municipality as contemplated in terms of the provisions of section 96(b) of the Systems Act, read with the provisions of section 97 of the same act.

(2) This policy further provides for and gives effect to those matters set out in the provisions of section 95 of the Systems Act.

(3) The aim and purpose of this policy is to:

(a) ensure that all monies due and payable to the Municipality in respect of rates, tariffs, fees, levies, municipal services, surcharges on such fees, charges, tariffs, levies and interest which has accrued on any amounts due and payable in respect of the aforegoing and any collection charges in respect thereof, are collected promptly and efficiently;

(b) provide for credit control and debt collection procedures and mechanisms;

(c) provide relief for Registered Indigent account holders;

(d) provide for the setting of realistic targets consistent with generally recognised practices and collection ratios and the estimates of income as set out in the annual budget of the Municipality less the acceptable provision for bad debt as provided in Chapter 6 of this policy;

(e) provide for the levying of interest on arrears;

(f) provide for collection charges on the payment of any arrears;

(g) provide for the extension of time for the payment of arrears;

(h) provide for the dealing with disputes declared in terms of the provisions of section 102(2) of the Systems Act;

(i) provide for matters relating to the unauthorised consumption, theft and/or damages of or to equipment or municipal services;

(j) to provide for conditions relating to the supply of municipal services and the termination of municipal services or for restrictions on the provisions of municipal services when payments are in arrears;

(k) to provide for mechanism whereby statements or meter reading services may be queried or verified;

(l) to provide for mechanisms where irrecoverable debt is written off;

(m) to provide for penalties for non-compliance with the policy;

(n) to provide for incentives and disincentives in order to ensure cost effective debt collection; and

(o) to enable the Municipality to collect all budgeted income in order to fund its operational requirements in respect of service delivery to the community within its municipal area.

3. TITLE AND APPLICATION

(1) This policy is known as the Credit Control and Debt Collection Policy of the Rustenburg Local Municipality and is applicable to the municipal area of the Municipality.

(2) This policy revokes and replaces all previous policies, decisions and/or ad hoc paragraphs within any other policy, regarding the subject matter of this policy.

(3) This policy further applies to all monies due and payable to the Municipality for:

(a) rates levied in terms of the MPRA;

(b) fees, charges and tariffs levied in terms of section 75A of the Systems Act;

(c) the provision of municipal services by the Municipality, irrespective of whether such municipal service(s) is provided by the Municipality itself or on behalf of the Municipality through a service provider;

(d) interest which has or will accrue in respect of any arrears;

(e) collection charges; and/or

(f) municipal services provided through prepayment meters, as well as any fees, surcharges on fees and/or tariffs in respect thereof.

4. COMMENCEMENT AND VALIDITY

This policy shall come into full force and effect upon the acceptance hereof by the Council of the Municipality by resolution.

5. RESPONSIBLE AUTHORITY

(1) The responsible authority for the adoption and implementation of this policy is the Municipality and where applicable the Council of the Municipality.

(2) The Executive Mayor of the Municipality, in collaboration with his/her Mayoral Committee, as the supervisory authority in terms of the provisions of section 99 of the Systems Act, is responsible for and must:

(a) oversee and monitor the implementation and enforcement of this policy as well as the Credit Control and Debt Collection By-Law of the Municipality;

(b) oversee and monitor the performance of the Municipal Manager in implementing this policy and the Credit Control and Debt Collection By-Law of the Municipality;

(c) if and when necessary, evaluate or review this policy or the Credit Control and Debt Collection By-Law of the Municipality, in order to improve the efficiency of the credit and debt collection mechanisms, processes and/or procedures; and

(d) at such intervals as may be determined by the Council, report to a meeting of the Council on the execution of its supervisory duty.

(3) The Municipal Manager or any service provider, as the implementing authority in terms of the provisions of section 100 of the Systems Act, is responsible for and must:

(a) implement and enforce this policy and the Credit Control and Debt Collection By-Law of the Municipality;

(b) establish effective administrative mechanisms, processes and procedures in order to collect monies due and payable to the Municipality in accordance with this policy and the Credit Control and Debt Collection By-Law of the Municipality; and

(c) at such intervals as may be determined by the Council report the prescribed particulars to a meeting of the supervisory authority referred to in sub-paragraph (2) above.

6. GENERAL PRINCIPLES FOR CREDIT CONTROL AND DEBT COLLECTION

(1) The administrative integrity of the Municipality must be maintained in the implementation and enforcement of this policy.

(2) All customers must complete an official application form, formally requesting the Municipality to provide municipal services to such customers and to a specific premise. The rights and obligations of the customer and the Municipality are set out in the service application form and the service agreement, as well as the terms and conditions upon which the Municipality will provide the municipal services to the customer.

(3) Upon the approval of an application by the Municipality, the official application form will constitute a service agreement between the customer and the Municipality, which service agreement sets out the terms and conditions upon which the Municipality will provide the municipal services to such customer. The Municipal Manager may from time to time direct that a new service agreement be concluded with existing customers. The credit-worthiness and other information which the Municipality deems necessary in order to approve an application may be obtained and confirmed by the Municipality.

(4) A copy of the official application form, the terms and conditions upon which the Municipality will provide the municipal services and extracts of this policy and

the relevant Credit Control and Debt Collection By-Law of the Municipality, must be handed to every customer upon request at such fees as may be prescribed by Municipality.

(5) The Municipality will render a statement to the customer and will endeavour to cause it to be accurate and understandable and to be delivered to an address indicated by the customer.

(6) The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.

(7) The customer is entitled to efficient, effective and reasonable responses to enquiries and the resolution of disputes.

(8) Enforcement of payment, collection of arrears and the termination or restriction of municipal services for non-payment must be prompt and consistent.

(9) Unauthorised consumption, connection and reconnection of municipal services, the tampering with or theft of meters, municipal service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of municipal services will lead to summary disconnections, penalties, loss of rights and criminal prosecution.

(10) Incentives and disincentives may be used as part of the debt collection procedures.

(11) The debt collection process must be cost-effective and efficient.

(12) The effectiveness of the implementation of this policy by the Municipality will be regularly and efficiently reported on and monitored.

(13) The official application forms will be used to, inter alia, identify the category of customers according to this policy, credit risk and to determine the relevant levels of municipal services and deposits required as well as the premises in respect of which these municipal services should be rendered.

(14) Targets for performance in both customer service and debt collection will be set and pursued, as well as remedies implemented for non-performance.

(15) Customers that meet the criteria of the Municipality set out in the Indigent Policy to be recognised as Registered Indigents must be identified and supported, but must take note that their status as Registered Indigents will be listed for credit rating and reporting purposes.

CHAPTER 2

DUTIES AND FUNCTIONS

7. DUTIES AND FUNCTIONS OF THE COUNCIL AND/OR MUNICIPALITY

(1) To approve a budget in terms of the applicable provisions of the MFMA, consistent with the Integrated Development Plan of the Municipality and having regards to the needs of communities, ratepayers and residents.

(2) To determine and impose rates, fees, charges and tariffs to finance the budget of the Municipality and to take reasonable steps to collect funds due to the Municipality.

(3) To facilitate sufficient funds to enable the Municipality to give access to basic municipal services to the poor.

(4) To provide for provision for bad debts, in line with the payment record of customers as reflected in the financial statements of the Municipality.

(5) To set an improvement target for debt collection, in line with acceptable accounting ratios and resources available to the Municipal Manager.

(6) To provide a reporting framework for customer care, credit control and debt collection.

(7) To consider and approve a by-law to give effect to this policy.

(8) To revise the budget should the targets of the Municipality for customer care and management, credit control and debt collection not be met.

(9) To take disciplinary and/or legal action against Councillors, officials and service providers who/which do not execute the policies and by-laws of the Municipality, or act improperly in terms of such policies and by-laws.

(10) To delegate the required authority to monitor and enforce this policy to the Executive Mayor, Municipal Manager and Chief Financial Officer of the Municipality, as may be required in terms of section 59 of the Systems Act.

(11) To ensure sufficient capacity within the Directorate: Finance, for the implementation of this policy by the Municipality or to appoint a service provider to execute certain functions in terms of this policy.

(12) To assist the Municipal Manager in the execution of his/her duties, if and when required.

(13) To provide funds for the training of staff.

(14) To monitor the performance of the Executive Mayor and the Mayoral Committee regarding their respective roles in credit control and debt collection, supervising the implementation and enforcement of this policy and the Credit Control and Debt Collection By-Law.

8. DUTIES AND FUNCTIONS OF COUNCILLORS AND EMPLOYEES OF THE MUNICIPALITY

(1) To hold regular ward meetings to discuss matters relating to debt collection and credit control.

(2) To adhere to and convey the policies of the Municipality to customers.

(3) To adhere to the Code of Conduct for Councillors as set out in Schedule 1, and the Code of Conduct for Municipal Staff Members as set out in Schedule 2 to the Municipal Systems Act.

(4) To give inputs regarding applications to be registered as a Registered Indigent and related matters.

(5) To treat all customers with dignity and respect at all times.

(6) To exercise their duties in a honest and transparent manner.

(7) To ensure the proper functioning of the ward committee system.

(8) To address any unacceptable level of indebtedness within his/her ward as advised from time to time by the Executive Mayor, and the Councillor concerned:

(a) must without delay convene a meeting of the ward committee and report the matter to the committee or meeting for discussion and advice; and

(b) make appropriate recommendations to the Executive Mayor.

9. DUTIES AND FUNCTIONS OF EXECUTIVE MAYOR

(1) To ensure that the budget of the Municipality, cash flow and targets for debt collection are met and enforced in terms of this policy.

(2) To monitor the performance of the Municipal Manager in the implementation and enforcement of this policy.

(3) To review and evaluate this policy and the Credit Control and Debt Collection By-Law of the Municipality in order to improve the efficiency of the customer

care and management, credit control and debt collection procedures, mechanisms and processes of the Municipality.

(4) To report to the Council on the above referred to matters at intervals of 3 (three) months.

10. DUTIES AND FUNCTIONS OF THE MUNICIPAL MANAGER

(1) To implement a sustainable and proficient customer care management system.

(2) To implement this policy effectively and efficiently and to utilise the delegation system of the Municipality as provided for in terms of the provisions of section 59 of the Systems Act, to do so.

(3) To implement and maintain an appropriate accounting and credit control system.

(4) To bill customers and deliver statements.

(5) To demand payments of accounts by not later than the payment date.

(6) To levy interest and collection fees on arrears.

(7) To appropriate payments received.

(8) To collect arrears.

(9) To provide different payment methods to customers and debtors.

(10) To determine, execute and enforce customer care and management and credit control and debt collection measures.

(11) To determine all relevant work procedures for, inter alia, public relations, arrangements, the dealing with disputes declared in terms of the provisions of section 102(2) of the Systems Act, the disconnection of services, summonses, attachments of assets, sales in execution, write-off of debts, sundry debtors and legal processes.

(12) To instruct the attorneys of the Municipality to proceed with legal processes.

(13) To set performance targets for staff.

(14) To determine control and performance procedures.

(15) To monitor and enforce the performance of contracts with service providers who render services to the Municipality pertaining to credit control and debt collection as envisaged in terms of the provisions of section 116(2) of the MFMA.

(16) To report to the Executive Mayor as required in terms of the provisions of section 100(c) of the Systems Act.

(17) To appoint staff to execute and enforce the provisions of this policy and the by-laws executed in terms of this policy.

11. DUTIES AND FUNCTIONS OF COMMUNITIES, RATEPAYERS AND RESIDENTS

(1) Members of the community, ratepayers and residents have the duty to comply with the provisions of sections 5(2) of the Systems Act.

(2) To pay rates, levies, fees, charges and duties levied by the Municipality on or before the payment date in respect of all services consumed.

(3) To obtain a duplicate statement at the help desk of the Municipality where a statement has not been furnished by the Municipality.

(4) To notify the Municipality when municipal services are no longer required at a property(ies), and of any address or contact detail changes of the consumer.

(5) To safeguard and maintain service meters in a readable condition and to notify the Municipality immediately in the event that any meter is no longer accurate or functioning correctly.

(6) To observe and comply with the mechanisms, processes and policies of the Municipality in exercising their rights.

(7) To allow municipal officials reasonable access to their premises or property to execute any required functions regarding the municipal services including the reading of meters measuring consumption.

(8) To comply with the by-laws and other legislation of the Council of the Municipality.

(9) To refrain from tampering with municipal services, equipment and/or property of the Municipality and not to consume any municipal services unlawfully.

(10) To comply with the obligations, duties, terms and conditions in terms of which the Municipality provides municipal services.

CHAPTER 3

PERFORMANCE EVALUATION AND REPORTING

12. TARGETS AND PERFORMANCE OBJECTIVES

The Council, in consultation with the Municipal Manager, must establish a mechanism to set targets for debt collection, customer care and management and administrative performance, evaluate performances and take corrective actions on a regular basis to enhance credit control and debt collection.

13. INCOME AND COLLECTION TARGETS

The Council must set targets for the reduction of unpaid amounts for rates, fees, charges, tariffs and the consumption of municipal services, the increase of payments, the collection of arrears and the effective administration of accounts for these charges and the collection of the amounts due in terms of such statements, on or before the payment date as set out in such statements.

14. CUSTOMER SERVICE TARGETS

The Municipality has identified the following customer-targets and the Municipality sets as its aim the compliance with these targets.

(1)	Response time to a consumer on Provide queries and service complaints:	a reference number and acknowledge receipt within 7 (seven) days.
(2)	Resolution of/or response to queries and service complaints:	14 (fourteen) days from acknowledgement of receipt as referred to above, to resolve and/or respond to queries and service complaints.
(3)	Dealing with a dispute duly declared in terms of section 102(2) of the Systems Act:	As per the various time frames stipulated in this policy.

(4)	Date of delivery of first statement to new customers:	By second billing cycle after date of conclusion of a services agreement.
(5)	Reconnection time for municipal services which have been disconnected or suspended:	Within 24 (twenty-four) hours after payment/arrangement acceptable to the Municipality has been made.
(6)	Meter reading cycle:	Meters should be read on a monthly basis.
(7)	Applications to be recognised as Registered Indigents:	Within second billing cycle response for approval or disapproval, as well as provision of subsidy.
(8)	Debt turnover ratio:	45 (forty-five) days.
(9)	Issuance of clearance amounts payable:	10 (ten) working days.
(10)	Issuance of clearance certificate following payment of clearance amount:	7 (seven) working days from actual payment at cashiers and EFT into Municipality bank account from the same bank as Municipality or 10 (ten) working days following EFT from a bank that is not the bank where the Municipality keep its primary bank account.

15. ADMINISTRATIVE PERFORMANCE

The Council of the Municipality must set targets for the collection of debt and the application of debt collection mechanisms, based on the following principles:

(1) Debt collection must be prompt, efficient and cost effective, based on the following principles:

(a) the cost of the collection should not exceed the capital debt amount and recoverable charges and interest;

(b) the cost of the collection must be recovered from the defaulting customer; and

(c) reasonable steps must be taken to limit the cost of debt collection to the Municipality provided that the limitation on costs for debt collection does not hamper the prompt and efficient collection of the debt.

(2) Queries and disputes must be promptly addressed and disposed of.

(3) The debt collection mechanisms, as provided for in this policy must be applied without favour, consistently and equally against all debtors.

16. REPORTING

(1) The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Executive Mayor, as supervisory authority in terms of the provisions of section 99 of the Systems Act, read with the provisions of section 100(c).

(2) The report contemplated in sub-paragraph (1) above must contain particulars on:

(a) debt collection and cash collection statistics, showing detailed debt collection information, high level debt recovery information (numbers of customers, number of enquires and disputes, arrangements for the payment of debt, the arrears showing the different stages of maturity of debt). Where possible, the statistics should be divided into the following categories: wards, business (commerce and industry), domestic, state, institutional and other such divisions as required by from time to time by the Municipal Manager; and

(b) performance on all areas against targets agreed to in this policy.

(3) If in the opinion of the Chief Financial Officer, the Municipality will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by the Council, the Chief Financial Officer will report this (with motivation), to the Municipal Manager who will, if he/she agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realisable income levels.

(4) The Executive Mayor, as supervisory authority, shall, at intervals of 3 (three) months, report to the Council in terms of the provisions of section 99(c) of the Systems Act.

CHAPTER 4

CUSTOMER CARE AND MANAGEMENT

17. CUSTOMER CARE AND MANAGEMENT PRINCIPLES

The Municipality must manage its interaction with its customers in a responsible and pro-active manner with the aim of enhancing the payments for rates, fees, charges, tariffs and the consumption of municipal services, the reduction of arrears and to create a positive and co-operative relationship between the customer or consumer and the Municipality, and where applicable, a service provider.

18. COMMUNICATION

(1) The Municipality must publish the annual budget of the Municipality in terms of the provisions of section 22 of the MFMA and regulation 18 of the Municipal Budget and Reporting Regulations which will include the rates, fees, charges and tariffs the Municipality intends to adopt and has in fact adopted.

(2) This policy must be available in English and be made available by general publication and on specific request and must also be available for perusal at the offices of the Municipality. This policy is also a “budget related policy” as contemplated in terms of the provisions of section 17(3)(e), section 21(1)(a) and 21(1)(b) of the MFMA and regulation 7 of the Municipal Budget and Reporting Regulations.

(3) Ward Councillors will be required to hold regular ward meetings, at which customer care and debt collection issues must be given prominence.

(4) On approval of this policy, a comprehensive communication plan will be devised and implemented in order to inform customers of the provisions of this policy in respect of incentives, payment terms and arrangements in conjunction with the ward committees.

19. PROVISION OF MUNICIPAL SERVICES TO CUSTOMERS, MUNICIPAL SERVICE AGREEMENT AND CUSTOMER REGISTRATION

(1) Within the limits of its resources, municipal services will be provided by the Municipality to consumers, who are the owners of the premises to which the municipal services are provided or relate or in exceptional circumstances a tenant, and who have applied by way of the official application form for such services to be provided to the said premises indicated on the application form (as per Schedule 1 to this policy) and whose application was, in the discretion of the Municipality, approved by the Municipality. The approval of the application by the Municipality will constitute a service agreement between the Municipality and the consumer and constitute the opening of the account for the consumer. Once a consumer's application is approved, the consumer becomes a customer. The service agreement so concluded between the Municipality and the customer, together with the provisions of this policy and the applicable By-Laws of the Municipality shall in all respects govern the supply of the municipal services to the customer and the supply of the municipal services to the customer will at all times be subject to and provided in accordance with and upon the condition stipulated in the said agreement, policy and by-laws.

(2) The Municipality accepts that it has limited resources which in turn limit the nature and extent of municipal services that can be provided. The Municipality, having due regard to the Legislative Framework within which it operates, must endeavour to increase payments, reduce arrears and to extend the services it can provide. That said, the Municipality can only provide services within its ability and available resources.

(3) Notwithstanding the limitations as per clause 19(2), and in regard to clause 6 (4) of this policy, the Municipality shall endeavour to ensure that the accurate capture and verification of Customer information that is captured on its systems and applications, which will assist the Municipality in achieving the following:

(a) Customer will receive a statement at a valid address, as indicated by the customer and validated by the Municipality.

(b) The successful serving of Notices and other correspondence will increase, thus improving the success of Credit Control

(c) Improve the Contactability rate of Customers that are in the Debt Collection process.

(4) No new accounts will be opened, and no service agreements concluded by the Municipality with persons who do not qualify as a "customer", as defined in this policy. The Municipality however reserves the right to make an exception to this provision in this policy should a person who does not qualify as a "customer" in terms of this policy, satisfies the Municipality that there are exceptional circumstances requiring the status of "customer" to be extended to that person.

A further exception to the afore referred to provision pertains to persons who apply to the Municipality to become a Registered Indigent, in terms of the Indigent Policy of the Municipality, for which applications the following conditions apply:

(a) the applicant for the indigent support must be:

(i) the holder of an account with the Municipality for the provision of municipal services to the premises referred to in sub-paragraph (a) above, who has concluded a service agreement with the Municipality, as referred to above; or

(ii) in an instance where the applicant for the indigent support is not the holder of an account and has not concluded a service agreement with the Municipality, as required by sub-paragraph (i) above: the applicant must:

(aa) be the child in control of a child-headed household where the residential property is registered in the name of the deceased parent or deceased parents of that child; or

(bb) be the party to whom the residential property is awarded in the event of a divorce; or

(cc) be, where a deceased estate has not been wound up:

(aaa) in the case of a deceased estate, in whose name the residential property is registered, any

heir to whom the registered property has been bequeathed; or

(bbb) a surviving spouse, where the surviving spouse was married in community of property to the deceased, and where the residential property is registered in both spouses' names, and the surviving spouse is the sole heir; or

(ccc) a surviving spouse, who was married in community of property to the deceased, together with any other heirs, if any, where the residential property is registered in the name of that deceased; or

(ddd) in the case where a portion of a residential property is registered in the name of a deceased estate, the surviving registered owners together with the heirs to the deceased estate;

(dd) submit, simultaneously with the application for indigent support in terms of the Indigent Policy, an application for the provision of municipal services as referred to above, applying to the Municipality to be granted an account and to conclude a service agreement with the Municipality; and

(b) the total household income of all the household occupants in the indigent household (a household headed by a Registered Indigent, as defined and referred to in the Indigent Policy of the Municipality) above the age of 18 (eighteen) years on the residential property, may not exceed the amount as determined by Council from time to time. Currently the income amount is deemed to be less or equal to the amount received by two sate pensioners as determined annually by the Minister of Finance; and

(c) the premises to which the municipal services are rendered (or to be rendered) or relate must be a "residential property", as classified in terms of the categories of properties in terms of the provisions of the

Rates Policy and By-Law of the Municipality, and must be utilised solely for residential purposes, as well as situated within the municipal area of the Municipality; and

(d) the applicant may not be the registered owner of more than one immovable property nationally and internationally; and

(e) be a full-time occupant of the residential property or where the registered owner is unable to occupy the property due to no fault of such registered owner, the spouse or minor children may satisfy the occupancy requirement; and

(f) where applicable, must have a prepayment electricity meter, a water management device or a prepayment water meter installed.

(5) Any person who consumes or utilises any municipal services without entering into a service agreement with the Municipality and or who does not have an account for such services, shall be liable for the rates, fees, charges and tariffs relating to such municipal services, as provided for in this policy and the relevant By-Laws of the Municipality to the Municipality as if such a person had an account and concluded a service agreement with the Municipality and as such will be considered as a customer.

(6) Where any premises and/or consumer is provided with municipal services or municipal services are consumed or utilised at the premises and/or by the consumer, it shall be deemed that a service agreement has been concluded between the Municipality and the consumer and/or owner of the premises on the terms prevailing at the time and the owner of the premises will be billed and be liable for payment of the fees, charges and tariffs relating to such municipal services.

(7) The municipal services will only be provided by the Municipality to a customer under and upon the following conditions:

(a) Where the services are services that a municipality can provide and to the extent that the ability and resources of the Municipality allow the provision of such services.

(b) On approval by the Municipality of the written application for the municipal services which has been made on the prescribed form attached hereto as Schedule 1.

(c) The information and documentation required by the Municipality being furnished to the Municipality to its satisfaction.

(d) The amount of the deposit as prescribed in terms of this policy being paid to the Municipality, and deposited as security, or any other acceptable security, in the sole discretion of the Municipality, having been furnished to the Municipality.

(e) The applicant is an owner as defined in this policy or a holder of an account as contemplated in this policy.

(f) If the customer is an existing customer of the Municipality and any amount in respect of any rates, tariffs, fees, levies, municipal services, surcharges on such rates, fees, charges, tariffs, levies and interest which has accrued on any amounts due and payable in respect of the afore going and any collection charges in respect thereof, is in arrears, then:

(i) such arrears must be paid; or

(ii) an agreement for payment of the arrears in terms of this policy must have been entered into and payment in terms thereof must not be in arrears.

(g) The Municipality has verified through its billing system that the customer does not have an outstanding account in respect of any rates or municipal services relating to any other premises or accounts.

(8) The application form with which a customer applies to be provided with municipal services must at least contain the following information:

(a) confirmation by the customer that the customer is aware of and understands the contents of the form;

(b) acceptance by the customer of the provisions of the by-laws relating to the provision of the municipal services and acceptance of liability for the cost of the said services rendered until the service agreement is terminated or until such time as any arrears have been paid;

(c) name and full details of the customer;

(d) Any Unique Identifier such as but not limited to Identity Number or Passport Number with Date of Birth and Biometric Data

(e) address and stand/ erf number of premises to or on which the municipal services are to be rendered;

(f) address where the statement must be sent;

(g) extent and source of income of the customer;

(h) name and address of the applicant's employer, where appropriate;

(i) the purpose for which the municipal services will be supplied;

(j) the date on which the customer requires provision of the municipal services;

(k) an undertaking by the customer:

(i) that the customer is liable for the costs of debt collection, including any administration fees, penalties for late payment, legal costs, interest, disconnection fees and reconnection fees; and

(ii) that any alleged non-receipt of a statement does not exempt the customer from the duty to enquire from the Municipality as to the outstanding debt on the statement and to make payment to the Municipality of the debt;

(l) the type of municipal services to be supplied to the customer.

(10) The municipality must take reasonable steps to validate and or verify the information as per 8(c-h) provided by the customer in the application form

(9) When a customer makes application to the Municipality for the provision of municipal services, the Municipality must inform the customer of the different levels of services available and the tariffs and/or charges associated with each level of service and, where applicable, different metering options.

(10) The Municipality must ensure that the registration of new and existing customers is efficiently performed in regard to the following:

(a) new customer registrations must be correctly administered with the fully completed application form being duly signed by the customer and upon approval by the Municipality, duly countersigned by the Municipality;

(b) these service agreements must be retained and be readily accessible to authorised persons and employees of the Municipality only;

(c) the employees of the Municipality with customer contact must endeavour to update personal records of customers whenever customers liaise with the Municipality.

(11) A customer may at any time apply to the Municipality, in writing, to alter the level of municipal services elected in terms of the service agreement entered into, provided that such services are available and that any costs and expenditure associated with altering the level of services will be payable by the customer.

(12) A customer shall be liable for the payment of prescribed tariffs, fees, levies, municipal services consumed and surcharges on such, fees, charges, tariffs, levies and interest which has accrued on arrears and any debt collection charges in respect thereof.

(13) If the Municipality declines an application for the provision of municipal services or is unable to render such municipal services on the date requested for the provision of such municipal services to commence, or is unable to render the municipal services, the Municipality will inform the customer of such refusal and/or inability, the reasons therefore and, if applicable, when the Municipality will be able to provide such municipal services.

(14) The Municipality may, if circumstances require, enter into a special service agreement for the provision of municipal services without requiring the customer to which such municipal services are to be rendered to submit an application form and upon different terms and conditions than those stipulated in the service agreement annexed hereto as Schedule 1, provided that such a special service

agreement does not amount to unfair discrimination against customers of whom it is required to apply for the provision of municipal services as set out in Schedule 1, especially if the rendering of the municipal services warrants or requires the imposition of conditions not contained in the prescribed form.

(15) An application for the provision of municipal services for a period of less than one year shall be regarded as an application for a temporary supply of such services and shall be considered at the discretion of the Municipality, which may specify any special conditions to be satisfied in such case.

(16) When the application for the provision of municipal services relates to the supply of electricity, the application must be processed and if approved the municipal service of electricity must be available within the periods stipulated in NRS 047-1:2005, Edition 3, Electricity Supply Quality of Service.

(17) The Municipality may, if it deems necessary, require a third party to be bound jointly and severally as surety and co-principal debtor with the consumer for the payment of any prescribed levies, fees, charges and tariffs under these By-Laws.

(18) Municipal services shall be paid for by the consumer at the prescribed tariff or charge set out in the Tariff Policy of the Municipality and the accompanying Tariff Schedule thereto.

(19) If a customer uses a municipal service for a category or usage type other than that for which it is provided by the Municipality in terms of the service agreement with the customer, and as a consequence, is charged at a rate lower than the rate which should have been charged, the Municipality may make an adjustment of the amount charged in accordance with the rate which should have been charged and recover from the customer according to the tariffs and charges payable in accordance with such adjustment and may also review the amount of the deposit held in terms of this policy.

(20) If amendments to the prescribed tariff or charges formulated in terms of the Tariff Policy for municipal services provided, become operative on a date between measurements for the purpose of rendering a statement:

(a) it shall be deemed that the same quantity of municipal services was provided for in each period of twenty-four hours during the interval between measurements;

(b) any prescribed tariff or charge shall be calculated on a pro rata basis in accordance with the tariff or charge that applied immediately before such amendment; and

(c) any fixed charge shall be calculated on a pro rata basis in accordance with the charge that applied immediately before such amendment and such amended change.

(21) Where municipal services used by a consumer are charged at different tariff rates, the consumption shall be metered separately for each rate.

20. DEPOSIT

(1) At the time when the consumer makes written application to the Municipality applying for the provision of municipal services by the Municipality to a property, as set out and regulated in terms of the this policy, the consumer shall upon the approval of the application become a customer and shall first pay to the Municipality the deposit as set out in this policy, read with the Tariff Schedule, before such municipal services will be provided by the Municipality.

(2) Subject to the contents of sub-paragraph (6) below, the amount of the deposit in respect of a municipal account of a customer is calculated as set out below, and if the amount cannot be calculated the amount as set out in the Tariff Schedule, which may vary according to different categories of consumers, debtors, service providers, services, service standards, geographical areas and

other matters as long as the differentiation does not amount to unfair discrimination, and shall be determined by the Municipality in accordance with the Tariff Policy, this policy, any applicable by-laws of the Municipality and/or resolutions of the Council.

(3) The paying of a deposit is also required in the instance where the municipal services of water and electricity are provided by means of a prepayment meter system as provided in this policy.

(4) The deposit shall be used as security for payment of any service charges which are due or may become due to the Municipality arising out of the provision of municipal services, or the payment of any amount the customer may be liable for to the Municipality, or for any damage to equipment of the Municipality.

(5) The amount of the deposit payable by a customer shall be determined by the Municipality and will be set out in the provisions of the Tariff Policy and Tariff Schedule of the Municipality. The deposit shall be made in cash payment and bank transfers.

(6) In the case of Large Power Users (LPU) equal or greater than 500KVA, deposit for all existing customers will be managed on an ongoing basis in terms of the following principles:

(a) When a customer gets into arrears with the payment of his electricity accounts and the Municipality holds zero deposit, there will be an immediate review of his Consumer agreement and the required deposit will be raised on his account.

(b) When a customer gets into arrears with his account and the Municipality holds inadequate deposit, the deposit will only be reviewed once the threshold of the credit risk matric is breached.

(c) Where an existing customer with a good payment recorded applies for a substantial increase in his supply capacity or an additional point of delivery, additional deposit must be called for.

(d) Customer has acceptable payment recorded and pays by Direct Debit or EFT, Customer has 14 (fourteen)days, from bill date, in which to pay monthly account. A 14 (fourteen)days' notice, from final payment date, is given in cases of default before termination of supply.

(7) The Municipality may implement the paying of deposits by either a minimum deposit payable in the amount equal to twice the amount of the average monthly consumption pertaining to the property as calculated by the duly authorised municipal official, calculated for a period of 2 (two) months immediately preceding the payment of the deposit (if available), or in instances where it is not possible to calculate the amount of the deposit set out in the premise, prescribe a deposit amount for different categories of consumers, debtors, service providers, services, service standards and geographical areas, as determined annually by the Municipality, and set out in the Tariff Schedule of the Municipality.

(8) The Municipality may increase a deposit payable in respect of an arrear account as may be determined annually by the Council in terms of the Tariff Schedule of the Municipality.

(9) ~~The deposit shall, after the disconnection of a customer service in terms of this policy by the Municipality, be automatically increased to an amount as determined annually by the Council in terms of its Tariff Schedule for disconnected accounts. The deposit shall be adjusted upwards in terms of this paragraph notwithstanding that the customer is also liable for a service reconnection fee. The Municipality may in case of disconnection of an unpaid arrear account, allocate the deposit to the arrear account and the new increased deposit must be paid before the municipal service is reconnected~~. The deposit will be increased as per the Tariff Policy, in instances where the customer has defaulted on paying the account, and holds a lower deposit,

(10) The Municipality may also increase a deposit payable in respect of municipal services if the consumer uses the municipal service for a different usage type as for which the municipal services were provided for by the Municipality and as applied for.

(11) The Municipality may from time to time review the amount of the deposit in respect of any account and may increase or decrease the deposit, if such an adjustment is justifiable.

(12) The Municipality will not pay any interest to a customer on the deposit made by a customer and held by the Municipality.

(13) Upon the termination of the service agreement between the Municipality and a customer the deposit paid by a customer will be offset against any and all arrears or other outstanding amounts or balances owed to the Municipality. The balance of such a deposit will be refunded to the customer in terms of this policy.

(14) The different deposits provided for in terms of this paragraph will be reviewed annually both in terms of this policy and in terms of the Tariff Schedule. The Municipality shall maintain a register of deposits for this purpose. The total sum of deposits received shall constitute a short-term liability in the books of account of the Municipality.

(15) The Municipality may require a customer to whom municipal services are provided, and who was not previously been required to pay a deposit, for whatever reason, to pay a deposit on request, within a specified period.

(16) A deposit shall be forfeited to the Municipality if it has not been claimed within 3 (three) years of the termination of the service agreement.

(17) The payment of a deposit shall not be regarded as being a payment or part payment of any accounts due for the supply of municipal services for the purposes of obtaining any discount provided for in the Tariff Policy.

(18) Notwithstanding the provisions of this paragraph regarding the calculation of the amount of the deposit, the Municipality may in its sole discretion elect to increase the amount of the deposit if the consumer applying for an account, or

the customer with an existing account is, or becomes a credit risk to the Municipality.

21. METERING

(1) The Municipality shall at the customer's cost, in the form of a direct charge or prescribed fee, or if and when the Municipality so decides at the Municipality's cost, provide, install and maintain appropriately rated metering equipment, installed at the point of delivery/metering, for measuring the municipal services delivered to a premises. The metering device shall be provided and installed by the Municipality and shall at all times remain the property of the Municipality irrespective of the manner in which it is attached or installed in or on the premises.

(2) The Municipality will endeavour, within its financial capabilities, to ensure accurate meter reading and/or measuring of consumption at fixed monthly intervals with the minimum delay between the connection of the municipal services and the first and subsequent billing, except in the case of prepayment meter system. The consumption in respect of the municipal services shall be determined by the reading of the appropriate meter or meters and read at the determined monthly intervals except in instances where consumption shall be estimated in terms of this policy.

(3) Nothing contained in this policy shall be construed as imposing on the Municipality an obligation to cause any meter or measuring device installed by the Municipality on any premises to be measured or read at the end of a month or any other fixed period, and the Municipality may estimate the quantity of municipal services supplied over any period during the interval between successive measurements of the meter and render a statement to a consumer for the quantity of service so estimated.

(4) For the purposes of determining the consumption of the municipal services by a consumer, having regard to the metering system, it will be deemed unless the contrary is proved, that:

(a) the consumption is represented by the difference between the measurements taken at the beginning and at the end of a given period;

(b) the measuring device or meter was accurate during such period;

(c) the readings and/or entries in the records of the Municipality were correctly made;

(d) provided that if municipal services are supplied or taken by a consumer without it passing through the meter, the estimate of the Municipality of the consumption of the service consumed, shall be deemed to be correct; and

(e) regarding electricity meters, a meter shall be conclusively presumed to be registering accurately if it satisfies the requirements prescribed in NRS 057 Part 3 – Electricity Metering: Minimum Requirements.

(5) In the following instances the Municipality will be allowed to utilise estimate consumption for billing purposes:

(a) if the Municipality is, for whatsoever reason and irrespective of whether it is due to the fault of the consumer, or the Municipality, not able to read any meter;

(b) if the meter is defective or becomes inaccurate or defective, and an adjustment is required to be made;

(c) where a consumer vacates premises and a final reading is not possible;

(d) where municipal services supplied by the Municipality to any premises is in any way taken by the consumer without such service passing through any measuring device, for the period from the last previous reading of the meter until the date it is discovered that the municipal services are being used by the consumer without such services passing through the said meter;

(e) in the event of any unauthorised activity taking place pertaining to a measuring device or meter or municipal services as referred to in the

provisions of this policy dealing with unauthorised activities, theft, fraud and tampering; and

(f) before a meter or measuring device is installed.

(6) An estimate, as referred to above, shall be based on any one of the following criteria, as the Municipality may decide, taking into account, where applicable and making allowance for seasonable or other variations which may affect the consumption of the municipal service:

(a) the average monthly consumption (depending on the requirement of the estimate) of the municipal service to the premises during any 3 (three) months where meter readings and/or measurements were obtained, during an 18 (eighteen) month period prior to the date on which the estimate is required;

(b) the average monthly consumption (depending on the requirement of the estimate) of the municipal service to the premises during any 3 (three) months where meter readings and/or measurements were obtained, during an 18 (eighteen) month period after the date on which the estimate is required;

(7) In instances where a consumer is charged and/or liable toward the Municipality for the payment of municipal consumption charges based on estimated consumption as contemplated in this policy, the statement reflecting the estimated consumption will be adjusted to reflect actual consumption once the Municipality is able to obtain the actual reading of the meter concerned.

(8) Where the consumer requires a special reading, the Municipality must on receipt of a written notice from a consumer, of not less than 14 (fourteen) days' notice and subject to the payment of the prescribed charge, measure the quantity of municipal service supplied to a consumer at a time or on a day other than that upon which it would normally be measured.

(9) A consumer is entitled to request verification of meter readings and accuracy within reason but may be held liable for the cost thereof. This request must be made as a query in terms of the procedure prescribed in this policy.

(10) The Municipality will inform a customer when a meter replacement is to be made.

(11) The consumer shall at all times during the business hours between 8am and 5pm ensure that the Municipality has free and undisturbed access to metering equipment and the consumer shall accept any cost occasioned to permit such access including the cost of relocating any meter, if necessary.

(12) The following provisions will apply to the testing of meters:

(a) a meter shall be conclusively presumed to be registering accurately when it is tested and found to be within the limits of error as provided for in the applicable standard specifications for such a meter;

(b) 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 or inaccurate, the Municipality shall:

(i) in the case of a conventional meter, adjust the statement rendered;

(ii) in the case of prepayment meters:

(aa) render a statement where the meter has been under-registering; or

(bb) issue a free token where the meter has been over-registering;

(c) the customer shall be entitled to have the metering equipment tested by the Municipality on payment of the prescribed fee and by way of lodging a query as provided for in this policy with the Municipality querying the accuracy of the measuring device or meter. If the metering equipment is found not to comply with the meter accuracy requirements, applicable

to the relevant meter, an adjustment to the customer's account shall be made and the aforesaid fee shall be refunded;

(d) when a customer requires the accuracy of a measuring device or meter to be tested or verified the Municipality shall inform the customer of the prescribed range of accuracy applicable for the measuring device or meter as well as the cost implications, or estimated cost implications, occasioned by the testing or the measuring device or meter;

(e) a consumer is entitled, on giving the Municipality reasonable notice of the consumer's intention, to be present at the testing of any meter in which the consumer is interested.

(f) a customer shall have the right, at his own cost, to have the metering equipment tested by an accredited independent testing authority approved by the Municipality [and the result of such test shall be final and binding on both parties];

(g) meters shall be tested in the manner as provided for in the applicable standard specifications for the specific meter, or where the meter is a water meter, the meter must conform to the specifications as prescribed in terms of the Water Services Act, Act 108 of 1997

(h) the Municipality's finding as to the accuracy of a meter, after testing has been carried out, shall be final;

(i) the Municipality shall before removing a meter for testing take a reading of the meter and the current meter reading period shall be terminated at the time of the taking of such a reading;

(j) if after testing a meter the Municipality is satisfied that the meter is not registering correctly, it shall render the consumer an adjusted statement as referred to above;

(k) if the outcome of any test shows that a measuring device or meter is:

(i) within a prescribed range of accuracy, the consumer will be liable for the costs of such test and any other amounts outstanding. Such costs may be debited against the customer's account to which the measuring device or meter relates;

(ii) outside a prescribed range of accuracy, the Municipality will be liable for the costs of such test and the consumer must be

informed of the amount of any credit to which the consumer is entitled;

(l) if the measuring device or meter if found to be defective, the Municipality must:

(i) repair the measuring device or meter or install another device which is in good working order, without charge to the customer, unless the costs thereof are recoverable from the customer due to the measuring device or meter being tampered with; and

(ii) determine the quantity of municipal service for which the customer will be charged in lieu of the quantity measured by the defective measuring device or meter by making an estimate as provided for in this policy;

(m) any meter removed for testing by the Municipality must be retained intact and be available for inspection for a period of 3 (three) months after testing.

(13) The Municipality will allow readings of meters taken by consumers and submitted either telephonically, by fax or personally under the following conditions:

(a) provided the Municipality may obtain readings at any point in time to verify readings taken by the consumer, and in particular that the Municipality obtains any final reading should the consumer furnish the Municipality with a termination notice or move to another supply address;

(b) an audit reading during the normal reading cycles shall be obtained by the Municipality once every 6 (six) months;

(c) the Chief Financial Officer may, however cancel the voluntary reading convenience on any customer's account if the consumer fails to ensure that the audit reading referred to in above is obtained or should the consumer fail to render readings on 2 (two) consecutive occasions.

(14) The Municipality reserves the right to meter the supply of municipal services to shops and flats, tenement houses, sectional titles and similar buildings for the buildings as a whole or for individual units or for groups of units.

(15) The Municipality may require the installation at the customer's expense of a measuring device or meter to each dwelling unit, in separate occupancy, on any premises, for use in determining the quantity of municipal services supplied to each such unit provided that where fixed quantity delivery systems are used, a single measuring device may be used to supply more than one unit.

22. PRE-PAYMENT METER SYSTEM

The Municipality may avail the municipal services of electricity and water by means of a pre-payment metering system to which the following provisions apply:

(a) a customer may convert from a conventional meter to a pre-payment meter upon payment to the Municipality for the installation thereof and a deposit in an amount equal to the consumption of municipal services of such customer for the month preceding such installation;

(b) no pre-payment meter will be installed or activated by the Municipality where there is any outstanding amount due to the Municipality in respect of the account of a customer, except where an arrangement has been entered into with regards to the debt;

(c) customers whose supply of municipal services have been terminated or disconnected on at least 3 (three) occasions as a result of non-payment, are compelled to install a pre-paid meter before any re-connection will be made;

(d) no refund of the amount for which the customer purchased prepaid municipal services (water and electricity) shall be given at the point of sale; ~~Incorrect purchase of prepaid tokens can only be refunded at the discretion of the Chief Financial Officer~~

(e) when a customer vacates any premises where a pre-payment meter is installed, no refund for the credit remaining in the meter shall be made to the customer by the Municipality;

(f) the Municipality shall not be liable for the reinstatement of credit in a pre-payment meter lost due to tampering with, or the incorrect use or the abuse of, pre-payment meters and/or tokens;

(g) the Municipality may appoint vendors for the sale of credit for pre-payment meters and shall not guarantee the continued operation of any vendor services;

(h) where a customer is indebted to the Municipality for municipal services consumed or for any other service supplied by the Municipality, including rates, or for any tariff, fees or charges previously raised against the customer in connection with any service rendered, the Municipality may cease the purchasing of any additional prepaid services, and

(i) the provisions relating to Metering and the Limitation, Disconnection and Termination of the Municipal Services of Water and Electricity, as set out in this policy, apply mutatis mutandis to prepayment metering system.

23. STATEMENTS AND BILLING

(1) Customers who concluded a service agreement with the Municipality and/or who are liable to pay property rates to the Municipality, will receive a statement, at such applicable time in the billing cycle, which reflects the amounts due and payable to the Municipality for tariffs, fees, charges, the consumption of municipal services and/or property rates.

(2) The customer shall be liable for the payment of all rates, tariffs, fees, charges and the consumption of municipal services as levied and charged in terms of the prescribed Rates Policy, Tariff Policy, Tariff Schedule and applicable by-laws of the Municipality.

(3) The Municipality may, in addition to the charges levied for municipal services consumed or provided, levy a monthly fixed charge, annual fixed charge or once-off fixed charge in respect of the provision of municipal services in accordance with the Tariff Policy, Tariff Schedule and applicable by-laws of the Municipality.

(4) Where a fixed charge is levied as referred to above it shall be payable by every customer irrespective of whether such municipal services are used or accessed by the customer.

(5) A statement will be furnished in accordance with the applicable billing cycle and the due date for the payment of the statement will be stated on the statement.

(6) A statement will be furnished in accordance with the applicable billing cycle at the last recorded address of the customer with the Municipality.

(7) It is the responsibility of a customer to ensure that the postal and/or physical address of such customer, where such customer wishes to receive the statement, and other contact details of such customer are correct and up to date in respect of the records thereof with the Municipality. Any incorrect or outdated information does not excuse any customer from the duty and obligation to make payment to the Municipality of the amount due to the Municipality by such customer.

(8) It is the customer's responsibility to make enquiries and ensure timeous payments in the event of statements not being received and such receipt of the statement is not a precondition to the duty and responsibility of a customer to effect payment thereof to the Municipality.

(9) Where a statement is not paid in full, any lesser amount tendered and accepted by the Municipality, shall not be deemed to be in full and final settlement of such statement and acceptance shall be without prejudice to any of the rights of the Municipality.

(10) Where any payment made to the Municipality by negotiable instrument and such negotiable instrument is subsequently dishonoured by a bank, the Municipality:

(a) may recover the average bank charges incurred relating to dishonoured negotiable instruments against the account of the customer;

(b) shall regard such an event as a default on payment and will be entitled to utilise debt collection mechanisms as provided in this policy and to levy the relevant costs thereof against the customer's account;

(c) may insist on cash payments for all future statements; and

(d) may hand such customer over to the legal representatives of the Municipality for further legal action.

(11) A customer is entitled to request a duplicate statement from the Municipality at the cost of such customer.

(12) The Municipality will endeavour to ensure:

(a) accurate monthly billing with the application of appropriate and correct prescribed rates, fees, levies, tariffs and service charges and other related amounts due and payable;

(b) the timeous dispatch of statements to all customers;

(c) adequate provision and efficient operation of pay facilities throughout the Municipality;

(d) arrangements with third party institutions to accept payments on behalf of the Municipality. The responsibility to ensure that payments are reflected on the account however remains vested with the customer;

(e) appropriate hours of business to facilitate account payments;

(f) credit timeously any payment against the correct customers account;

(g) to provide easily understandable statements this will contain the following information:

(i) the consumption or estimated consumption of municipal services as determined for the measuring or consumption period;

(ii) the measuring or consumption period for municipal services;

(iii) the amount due based on the measured or estimated consumption;

(iv) the amount due and payable for property rates levied, fees, levies, tariffs and charges for municipal services rendered or fixed in terms of this policy;

(v) the amount in arrears, if any, and a notification that the Municipality shall be entitled to limit, disconnect or terminate the municipal services of water and electricity should the account remain in arrears;

(vi) the interest payable on any arrears, and collection charges in so far as they may be relevant;

(vii) the due date for payment.

(13) The Municipality may, in the event of a customer being in arrears, convey the following information to the customer in any such manner as the Municipality deems appropriate, including incorporating same into the statement, that:

(a) the customer may conclude an agreement as provided for in this policy with the Municipality for payment of the arrears in instalments, at the Municipality;

(b) if no such agreement, as envisaged above, is entered into the Municipality will be entitled to limit, disconnect or terminate municipal services;

(c) legal action may be instituted against any customer for the recovery of any amount in arrears and the customer will be held liable for payment of the legal costs;

(d) the defaulting customer's name may be listed with a credit bureau or any other equivalent body as a defaulter;

(e) the account may be handed over to a debt collector or attorney for collection;

(f) proof of registration, as a Registered Indigent, in terms of the Municipality's Indigent Policy must be handed in before the due date; and

(g) the municipal services may be limited, disconnected or terminated should the arrears remain unpaid.

(14) An error or omission in any statement or the failure by the Municipality to render a statement does not relieve a customer of the obligation to pay any amount due and payable. A customer remains liable for the payment of all amounts whether a statement has been rendered or not. The onus shall be on the customer to satisfy himself/ herself that the statement rendered is in accordance with the prescribed rate, tariff, levy or charge as set out in the Tariff Policy, Tariff Schedule and by-laws of the Municipality.

(15) Payments of statements must be received on or before the due date at a Municipal pay-point by the close of business. In the case of any electronic payments or payments via agents, the money must be received in the Municipality's bank account on or before the due date and not later than close of business on the said date.

(16) If payment of a statement is received after the due date, a late payment charge or interest as may be prescribed must be paid by the customer to the Municipality.

(17) The Municipality may hold any amount paid by a customer which is in excess of an existing debt in credit for the customer in anticipation of future rates, fees, levies and charges that may become owing in the future.

(18) In addition to the notices referred to in this policy, customers with large service accounts may also be managed by telephonic and personal contact directly with them.

(19) Where a body corporate is responsible for the payment of any arrears to the Municipality in respect of a sectional title development, the liability of the body corporate shall be extended to the members thereof, jointly, unless a member can proof that the member has already paid he/she/it's portion of the debt directly to the Municipality.

(20) Payment/s or amounts received will be allocated by the Municipality, and irrespective of the description or allocation afforded thereto by the person effecting the payment, to the oldest debt first and thereafter to current charges in the following order:

(a) interest;

(b) administration costs;

(c) legal and credit control charges;

(d) any other charges by the Municipality;

(e) refuse;

(f) sewer;

(g) rates;

(h) water;

(i) electricity.

(21) The amount due and payable on an account constitutes a consolidated debt, and any payment made of an amount less that the total amount due, will be allocated in reduction of the consolidated debt in the order specified above.

(22) The municipality may in terms of section 102, of Municipal Systems Act

a) Consolidate any separate accounts of persons liable for payments to the Municipality

b) Credit a payment by such a person against any account of that person

(23) Where an account remains in arrears for more than 60 (sixty) days:

(a) the debtor's name may be listed with a credit bureau or any other equivalent body as a defaulter; and

(b) the arrears may be handed over to a debt collector or an attorney for the collection of the arrears and/or the institution of legal steps against the debtor.

(c) the Municipality must implement procedures for the removal of any adverse information such as a default or judgment as contemplated in the National Credit Amendment Act No 19 0f 2014 ("NCAA").

(24) Arrears of consumers who make no further use of, or has no further access to municipal services are considered inactive debtors who will automatically be handed over to a debt collector or an attorney for the collection of the arrears and/or the institution of legal steps against such a debtor, provided that:

(a) the amount owing on such an inactive account is more than R 500.00 (five hundred rand);

(b) if smaller than R500.00 (five hundred rand) then recovery of such amount due will be subject to consideration of the cost- benefit ratio and whether such action shall be taken will be in the sole discretion of the Chief Financial Officer of the Municipality.

(25) Any consumer who is in arrears will not be allowed to submit any building plans for approval, or any applications for rezoning, consents or approvals in terms of the Municipality's Land Use Management Scheme and the applicable legislation.

(26) All information relating to accounts, statements and billing of customers are not public information and may not be disclosed by the Municipality, other than as provided for in law or in terms of the policy.

(27) in terms of section 118 (3) of the Act, an amount due for municipal service fees, surcharge on fees , property rates and other municipal taxes , levies and duties is a charge upon the property in connection with which the amount is owing and

enjoys preference over any mortgage bond registered against the property . Accordingly _–

a) All municipal debts must be paid by the owner of such property without prejudice to any claim which the municipality may have against another person

b) The owner of such property shall be liable for charges incurred in connection with such property during his or her ownership and shall remain liable irrespective of the change of ownership;

c) The Municipality reserves the right to cancel a contract with the customer in default and register the owner of such property for services on the property; and

d) The municipality will not provide any services on the property until all municipal debts on the property have been paid in full or suitable arrangements have been made to pay such debts.

(28) Where the property is owned by more than one person, each owner shall jointly and severally liable, the one paying the other to be absolved, for all municipal debts charged on the property.

(29) Owners shall be held jointly and severally liable, the one paying the other to be absolved , with their tenants who are registered as customers for debts on their property, except for property rates.

(30) Refuse removal shall form part of the property debt payable by the owner of the property.

(31) Directors of Companies , members of Close Corporations and Trustees shall sign personal surety ships with the Municipality when opening service accounts. If they are unable to sign the personal surety, they must pay a deposit equivalent to twice the usual deposit paid for opening accounts.

(32) The municipality may apply to the Companies and Intellectual Property Commission to re-register a deregistered company or close corporation for the purposes of recovering the amounts owed by that company or close corporation for all municipal debts which have accrued and shall recover the costs of registration from the directors or members accordingly

24. REFUNDS

(1) Any customer may apply in writing for a refund of a credit balance on an account of such customer, provided that no other account of such customer, or an account regarding any premises to which the account with the credit balance of such customer relates, is payable or in arrears.

(2) A written application for a refund should state the account number of the account on which the refund is requested, the amount of the refund, as well as the details of the bank account in which the refund should be deposited. The written application must be signed by the customer or the customer's authorised representative, in which instance the written application must be accompanied by a written power of attorney signed by the customer in terms of which the customer authorises the representative to apply for the refund on the customer's behalf.

(3) Refund applications will be considered, verified and processed by the Municipality in terms of its internal financial and accounting procedure.

(4) Refunds for an amount of less than R250 (two hundred and fifty rands) will not be granted by the Municipality as the cost and administrative burden associated with effecting such refund is not administratively and cost effective to the Municipality

(5) The manner in which the Municipality elects to affect the refund remains in the discretion of the Municipality and may include a refund by either electronic transfer OR credit the existing debtors account.

(6) A credit balance in respect of the account of a customer may be utilised to set off any arrears on any other account of such customer with the Municipality or any account regarding the premises to which the account with the credit balance of such customer relates, before the refund is effected.

(7) The Municipality is entitled to write back or appropriate any unclaimed money arising from a credit balance of a customer, if such amount is not claimed by such customer within a period of 3 (three) years from the date upon which it became due to the customer.

(8) The Municipality shall be entitled to utilise any sundry refundable deposit kept by the Municipality towards the payment of any arrears.

25. PAYMENT FACILITIES AND METHODS FOR PAYMENT

(1) The Municipality must operate and maintain suitable payment facilities which are accessible to all customers.

(2) Direct or electronic payments can be made into the bank account of the Municipality. The customer must state the account number allocated to the customer by the Municipality as the reference on the proof of payment and if payment is made in respect of more than 1 (one) account, the respective account numbers must be stated. It is and remains the duty of the customer, at the time of payment, to inform the Municipality of the details of the account(s) for which the customer affected a direct or an electronic payment into the bank account of the Municipality in order for the Municipality to be able to correctly assign the payment made by the customer.

(3) The Municipality may in terms of the provisions of section 103 of the Systems Act, with the consent of a customer, approach an employer to secure a debit or stop order arrangement to effect payments of the customer's account.

(4) The use of an agent by a customer to effect payment of the debt of such customer as well as the timeous payment of such debt to the Municipality is at the sole risk of the customer.

(5) Any direct deposits or electronic fund transfers of monies into the bank account of the Municipality, without the appropriate and correct reference details will be allocated in the books of the Municipality to a suspense account and it will remain the responsibility of the customer who made such deposit to ensure that the payment is allocated to the account of the customer.

(6) Municipal payment facilities will be maintained subject to acceptable levels of activity and having regard to the operational costs thereof.

(7) The Chief Financial Officer shall allocate payments made by the customers according to the pre-determined priorities set out in this policy.

26. INCENTIVE SCHEMES

(1) The Municipality may, in order to encourage prompt payment by customers and/or to reward regular payments made by customers or payments made by means of debit or stop orders or the full settlement of any arrangement for the paying off of debt in instalments, consider incentives to such customers from time to time and may enter into any arrangements available in law, including those provisions in section 103 of the Systems Act, and section 71 of NCA.

(2) The Council may from time to time implement incentives to promote prompt payment of accounts by encouraging ratepayers /consumers who are in arrears in respect of the payment of their accounts to clear their outstanding debt within a reasonable period of time.

(3) The incentives offered in this policy may only be valid for a limited period of time,

where after the Council may revert to normal sanctions to those customers who remain in default. interest that remain unpaid in the outstanding balance will be granted written back when a once off payment/settlement is made within 30 days.

~~The incentive on interest that remain unpaid in the outstanding balance will be granted written back as follows:~~

~~(a) 100% interest write back = once off payment/settlement is made within 7 days.~~

~~(b) 75% interest write back = payment/settlement is made within 30 days.~~

~~(c) 50% interest write back = payment/settlement is made within 60 days.~~

~~(d) 25% interest write back = payment/settlement is made within 90 days~~.

27. ENQUIRIES, DISPUTES AND SERVICE COMPLAINTS

(1) The Municipality will, within its administrative and financial ability, establish:

(a) a central office to deal with and address enquiries, disputes and/or service complaints received from customers;

(b) a centralised database dealing with enquiries, disputes and/or service complaints received from customers, in order to effectively address such enquiries, disputes and/or service complaints;

(c) appropriate training for employees of the Municipality dealing with the public to enhance communications and service delivery and to effect the prompt and effective method for dealing with enquiries, disputes and/or service complaints; and

(d) a communication mechanism to provide feedback on the application of the policies on customer care and management, credit control and debt collection, enquiries, disputes and/or service complaints, or any other issues of concern to the Municipal Manager, Executive Mayor and/or Council.

(2) A consumer may lodge a query consisting of questioning the accuracy of a statement or questioning any aspect regarding the provision of municipal services, including the accuracy of a measuring device or meter.

(4) A consumer may lodge a service complaint consisting of a complaint regarding the manner in which the Municipality is delivering the municipal service or any complaint regarding any other aspect or attribute of the municipal service or any other public service rendered by the Municipality including the customer care and customer management of the Municipality.

(5) A consumer may lodge a dispute as contemplated in section 102(2) of the Systems Act concerning any specific amount claimed by the Municipality from that consumer.

28. QUERIES AND SERVICE COMPLAINTS

(1) A query or service complaint may be lodged with the Municipality by a consumer in writing and must be addressed to the office of the Chief Financial Officer or such official as designated by the Chief Financial Officer to deal with queries or service complaints. The query or service complaint must contain the account number of the municipal account to which the query or service complaint relates if applicable, if the details of the query or service complaint as well as the contact details and identity of the consumer lodging the query or service complaint.

(2) The office of the Chief Financial Officer shall register the query or service complaint, provide a reference number and acknowledgment of receipt to the consumer lodging the query or service complaint within 7 (seven) days from receipt of the query or service complaint, and register the query or service complaint and its reference number in a register kept for this purpose.

(3) The office of the Chief Financial Officer will commence dealing with the query or service complaint by first determining whether the query or service complaint must be dealt with by the office of the Chief Financial Officer, or whether it

should rather be dealt with by the office of another responsible directorate more suitable to address the query or service complaint, in which instance the office of the Chief Financial Officer must immediately refer the query or the service complaint to such a directorate which directorate in turn must in writing acknowledge receipt of the query or service complaint and investigate the complaint.

(4) The Municipality, either the office of the Chief Financial Officer or the applicable directorate, must within 14 (fourteen) days from acknowledging receipt of the query or service complaint investigate the query or service complaint and inform the consumer who has lodged the query or service complaint of the outcome of the investigation in writing. The consumer must also be simultaneously informed of the consumer's right of appeal, as set out herein below. If the query or service complaint was not dealt with by the office of the Chief Financial Officer then the applicable directorate who dealt with the query or service complaint must also inform the office of the Chief Financial Officer of the outcome of the matter, in order to allow for the office of the Chief Financial Officer to record the fact that the matter was dealt with, in the register referred to above.

(5) Notwithstanding the lodging of a query or service complaint the consumer remains liable for the payment of the amount claimed by the Municipality in an instance where the query or service complaint pertains to an amount claimed by the Municipality or to make payment for municipal services in an instance where the query or service complaint relates to a municipal service or other public service provided by the Municipality. If the outcome of a query or service complaint indicates that the Municipality claimed payment of an amount or part of the amount which is not due, the Municipality will effect the necessary adjustment to the account and provide the required credit.

(6) A consumer who is aggrieved by the outcome of a query or service complaint lodged by the consumer may appeal the outcome, to which appeal process the following provisions apply:

(a) an appeal must be made in writing, setting out the details of the query or service complaint initially lodged by the consumer, the outcome which was received pertaining thereto from the Municipality as well as

the grounds of the appeal and the contact details and identity of the consumer lodging the appeal;

(b) an appeal must be lodged with the office of the Municipal Manager within 21 (twenty-one) days after the consumer received the outcome of the query or service complaint from the Municipality;

(c) if the appeal relates to the testing of any measuring device or meter the Municipality may require the consumer to make payment of an amount as determined by the Municipality to effect the testing of the measuring device or meter prior to the Municipality proceeding to deal with the appeal. If the outcome of the appeal is in favour of the consumer who lodged the appeal then such amount shall be refunded;

(d) once the office of the Municipal Manager has received a properly noted appeal, the office of the Municipal Manager must within 7 (seven) days proceed to request the office of the Chief Financial Officer or the applicable directorate who dealt with the query or service complaint to which the appeal relates to provide a written report in response to the grounds of appeal, within 14 (fourteen) days from being requested to do so, setting out the reasons of the outcome of the query or service complaint. The Municipal Manager may request any party to provide further detail or information as required to assist in the consideration of the appeal or to clarify any issues;

(e) the Municipal Manager shall then within 14 (fourteen) days after having received the response of the office of Chief Financial Officer or the applicable directorate and any additional information requested, consider the appeal and inform the consumer who lodged the appeal of the outcome in writing;

(f) if the appeal relates to the testing of any measuring device or meter the following provisions will apply to the appeal process:

(i) the Municipal Manager shall consider the appeal within 14 (fourteen) days after having received the outcome of the test results of the tests conducted; and

(ii) the provisions relating to the testing of a measuring device or meter as set out in this policy will apply mutatis mutandis;

(g) the decision of the Municipal Manager is final;

(h) the Municipal Manager may condone the late lodging of an appeal or any other procedural irregularity pertaining to an appeal in a written notice expressly doing so.

29. SECTION 102(2) DISPUTES

A dispute declared by a consumer in terms of the provisions of section 102(2) of the Systems Act, must be declared and dealt with as follows:

(a) a consumer who wishes to declare a dispute in terms of the provisions of section 102(2) of the Systems Act, must declare such dispute in writing to the office of the Municipal Manager of the Municipality by means of a written declaration of the dispute, which writing must contain and set out the following:

(i) the account number to which the dispute relates;

(ii) the specific amount(s) to which the dispute relates;

(iii) a detailed description of the dispute and the grounds upon which and the reasons why the dispute is being declared together with any supporting documentation;

(iv) the redress requested by the consumer;

(v) the signature of the consumer who/which is the account holder of the account to which the dispute relates, or if the dispute is being declared by a person other than the holder of the account to which the dispute relates, a power of attorney by the holder of the account to which the dispute relates authorising the person who declares the dispute to do so, which must accompany the written declaration of the dispute;

(b) a consumer who declares a dispute will only be entitled to the protection afforded to the consumer in terms of the provisions of section 102(2) of the Systems Act, if the dispute is declared as provided in terms of this policy;

(c) upon receipt of the written declaration of the dispute, the office of the Municipal Manager will within 7 (seven) days after receipt of the written declaration of dispute, refer the dispute to the office of the Chief Financial Officer or any delegated official of the Municipality, who will investigate the dispute and within 14 (fourteen) days after having received the dispute, make a finding on the outcome thereof as to the redress, if any, to be afforded to the consumer who declared the dispute;

(d) the office of the Chief Financial Officer or any delegated person must communicate the finding to the office of the Municipal Manager within the above stated 14 (fourteen) days, who in turn must communicate the finding of the Chief Financial Officer or any delegated official to the consumer who declared the dispute, within 7 (seven) days after having received the finding of the Chief Financial Officer or any delegated official;-

(e) a consumer who is aggrieved by the finding of the Chief Financial Officer or any delegated official may lodge an appeal against the finding of the Chief Financial Officer or any delegated official in accordance with the below stated provisions;

(f) an appeal lodged against the finding of the Chief Financial Officer or any delegated official on a dispute declared by a consumer, must:

(i) be lodged in writing to the office of the Municipal Manager and comply mutatis mutandis to the provisions of sub-paragraph (a) above;

(ii) be lodged within a period of 7 (seven) days after the date on which the finding of the Chief Financial Officer or any delegated official was dispatched to the consumer by the office of the Municipal Manager; and

(iii) be decided on by the Municipal Manager of the Municipality who may be advised by an attorney from the Panel of Attorneys of the Municipality, who must decide the outcome of the appeal and communicate the decision on the outcome of the appeal to the consumer who lodged the appeal within 14 (fourteen) days after the appeal has been received;

(g) the decision made by the Municipal Manager on an appeal lodged by the consumer who declared the appeal against the finding of the Chief Financial Officer or any delegated official , shall be final and binding on the parties and constitutes the disposal and end of the dispute declared in terms of section 102(2) of the Systems Act;

(h) where a dispute has been declared and such dispute has been dealt with as set out above, the subject matter of such a dispute is disposed of and the consumer who declared the dispute may not declare a further dispute on the subject decided matter, or any part thereof;

(i) the declaring of a section 102(2) dispute as contemplated above, does not excuse the consumer from paying, or suspend the obligation to pay the amount which forms the subject of the dispute, or any other amount due to the Municipality in terms of the statement containing the amount which forms the subject of the dispute;

(j) if the finding of the Chief Financial Officer or any delegated official or the Municipal Manager in the event of an appeal, is that an adjustment on an account is warranted to the benefit of the consumer who lodged the appeal, the relevant account will be credited accordingly.

30. GRANTING AN EXTENSION OF THE PERIOD IN WHICH TO MAKE PAYMENT OF AMOUNTS DUE IN TERMS OF AN ACCOUNT

(1) If a customer is not able to make payment to the Municipality of the amount due in terms of the statement of such a customer, on the due date of the said statement, the Municipality may, in its sole discretion and on receipt of a written application from the debtor, grant an extension of the period in terms of which payment of such statement must be made by the customer, on the following conditions:

(a) the customer shall apply in writing to the office of the Chief Financial Officer for an extension of the due date by which a debt reflected on a statement or portion thereof, must be paid to the Municipality;

(b) the written application referred to above must stipulate the account number of the customer, the reasons why the extension of the due date

is required, details of the financial position of the customer as well as the contact details and identity of the customer;

(c) the written application must be received by the office of the Chief Financial Officer prior to the due date for payment of the amount due in terms of the statement;

(d) the office of the Chief Financial Officer will consider the application by the customer as soon as reasonably possible and inform the customer of whether or not the application was granted, wholly or in part, and also stipulate the date upon which payment of the amount as reflected in the statement must be made in lieu of the due date as indicated on the statement;

(e) no extension may be granted to any customer who is under administration in terms of the Magistrates Court Act, Act 32 of 1944 or who has an arrangement with the Municipality to pay off previous arrears in instalments or within an extended time or against whom debt collection measures have been implemented;

(f) an extension for payment granted by the Municipality in terms of this policy, is subject to the customer signing an acknowledgment of debt for the arrear amount(s) not paid to the Municipality on the due date as reflected on the statement.

(2) If the customer fails to make payment of the amount reflected in the statement, or such amount as indicated by the office of the Chief Financial Officer, on the date indicated by the office of the Chief Financial Officer, then the customer will be in arrears with such an amount and the provisions of this policy will apply and the customer will become a debtor.

31. ARRANGEMENTS TO PAY ARREARS IN CONSECUTIVE INSTALMENTS

(1) If a debtor is in arrears with the payment of an account to the Municipality, the Municipality may, in its sole discretion, enter into a written arrangement for the payment of the arrears, on the following conditions:

(a) only a debtor or a person authorised in writing on behalf of a juristic person which is the debtor, will be allowed to enter into and sign an agreement or arrangement for the payment of any arrears;

(b) the written agreement has to be signed on behalf of the Municipality by the duly authorised official;

(c) the debtor must acknowledge the fact that the arrears are due and payable, and that the debtor will continue to make payment to the Municipality of the debtor's current account while simultaneously reducing the arrears in terms of the arrangement and must sign a separate acknowledgement of debt;

(d) any debtor who did not honour a previous arrangement or agreement, within a period of twelve (12) will not be considered for a new agreement or arrangement ~~unless exceptional circumstances exist; Consider each case on its merits~~

(e) the debtor must agree that the arrears will be settled by making consecutive monthly instalment payments which must be maintained, and any default will result in the whole outstanding amount becoming immediately due and payable and the municipal services, if applicable, being limited or disconnected without further notice, upon the debtor's default;

(f) the period over which as well as the monthly instalment which the debtor will be paying in terms of the arrangement to extinguish the arrears and interest, if any, will be agreed between the debtor and the Municipality with the provision that if the amount for the instalments or the period is not acceptable to the Municipality, the Municipality may decline to enter into the arrangement, and the debtor will be held liable for the immediate payment of the arrears and interest;

(g) a debtor will be required to complete a debit order for the payment of the instalments payable in terms of the arrangement;

(h) no arrangement for the payment of arrears will be longer than a period of ~~18 (eighteen)~~ 36 (thirty-six) months. ~~The Municipality may on an individual basis allow a longer period than the aforementioned 18 (eighteen) months for the payment of arrears, if exceptional circumstances exist that in the opinion of the Municipality warrants such an extension;~~

(2) The Municipality is entitled to require a debtor to comply with any or all of the following requirements in the event of an arrangement being granted:

(a) sign a consent to judgement and agreement containing the terms of the arrangement which may include terms in addition to those contained in this policy;

(b) provide a garnishee order/emolument order/stop order, if the debtor is employed;

(c) acknowledge liability of all costs including legal costs incurred; and

(d) prove levels of income and make reasonable payment of arrears based on the ability to pay.

(3) The Municipality, in exercising its discretion to conclude an arrangement with a debtor for the paying of arrears may also have regard to a debtor's:

(a) credit record;

(b) consumption of municipal services;

(c) level of the municipal service;

(d) whether previous arrangements to pay off arrears were entered into with the debtor and whether any were complied with; and

(e) any other relevant factors.

(4) A copy of the arrangement will be made available to the debtor.

(5) If a debtor fails to comply with an arrangement for the payment of arrears, the total of all outstanding amounts, including the arrears, any interest thereon, administration fees, costs incurred in taking relevant action, and penalties, including payment of a higher deposit, will be immediately due and payable and the Municipality will be entitled to limit or disconnect any municipal services being delivered to the said debtor, without further notice.

(6) The Municipality may at any time deviate from the arrangement guidelines provided in this policy, but only upon the written recommendation from the Chief Financial Officer to do so, which recommendation must be approved in writing by the Municipal Manager of the Municipality.

~~(7) Arrangements made outside the 18 (eighteen) month period will require written requested by the debtor to the office of the CFO. The request shall be accompanied by, at minimum, a 3-month bank statement, proof of identification and where necessary proof of ownership/authority over the property.~~

32. CATEGORIES OF DEBTORS AND GUIDELINES FOR THE GRANTING OF EXTENSIONS OF DUE DATES FOR PAYMENT OR THE ENTERING INTO OF ARRANGEMENTS FOR THE PAYING OFF OF ARREARS

In exercising its discretion whether or not to grant and extension of the period in terms of which the customer may make payment of an account, or to enter into an arrangement for the paying off arrears in instalments or any other applicable action to be taken by the Municipality regarding customers whose accounts are in arrears, the Municipality may also take into account the following guidelines and norms applicable to different the different categories of debtors referred to below:

OWNERS OF RESIDENTIAL PROPERTY	
DEBT	PAYMENT / ARRANGEMENT
R0 – R3 000	No arrangements will be made, and the accounts must be settled in full
~~R3~~ 001 - R10 000	40% of the outstanding debt must be paid by the debtor immediately as a down payment, and the balance of the outstanding amount must be paid in consecutive equal monthly instalments within a period of 3 (three) months or sooner.
R10 001.00 - R20 000.00	30% of the outstanding debt must be paid by the debtor immediately as a down payment, and the balance of the outstanding amount must be paid in consecutive equal monthly instalments within a period of 8 (eight) months or sooner.

R20 001.00 - R40 000.00	20% of the outstanding debt must be paid by the debtor immediately as down payment, and the balance of the outstanding amount must be paid in consecutive equal monthly instalments within a period of 12 (twelve) months or sooner.
R40 001.00 - R80 000	15% of the outstanding debt must be paid by the debtor immediately as a down payment, and the balance of the outstanding amount must be paid in consecutive equal monthly instalments within a period of 24 (twenty-four) months or sooner.
R80 000+	15% of the outstanding debt must be paid by the debtor immediately as a down payment, and the balance of the outstanding amount must be paid in consecutive equal monthly instalments within a period of 36 (thirty-six) months or sooner.

For all arrangements above R500 000, the Municipal Manager must give authorization for arrangements that deviates from section 32 of this policy

~~For all arrangement below R100 000 delegated to Section Manager: Credit Control and Debt Collection;~~
~~between R100 001 to R300 000.00 delegated to Unit head: Revenue;~~

~~above R300 001 to R1 000 000 to the Deputy Chief Financial Officer;~~

~~above R1 000 001 to R5 000 000 the Chief Financial Officer;~~

~~above R5 000 000 Municipal Manager and/or Chief Financial Officer must give authorisation.~~

OWNERS OF BUSINESSES, COMMERCIAL, INDUSTRIAL AND/OR MINING PROPERTY	
DEBT	PAYMENT / ARRANGEMENT
R0 – R40 000	No arrangement is allowed for this amount and the full outstanding amount must be paid by the debtor.
R40 001 – R150 000	50% of the outstanding debt together with the account for the month in which the arrangement is made must be paid by the debtor immediately as a down payment and the balance of the outstanding amount must be paid in consecutive equal monthly instalments within a period of 6 (six) months or sooner.

R150 001.00 – R500 000	30% of the outstanding debt together with the account for the month in which the arrangement is made must be paid by the debtor immediately as a down payment and the balance of the outstanding amount must be paid in monthly instalments within a period of 6 (six) months or sooner.
R500 001 – R1 000 000	25% of the outstanding debt together with the account for the month in which the arrangement is made must be paid by the debtor immediately as a down payment and the balance of the outstanding amount must be paid in monthly instalments within a period of 12 (twelve) months or sooner.
R1 000 000+	25% of the outstanding debt together with the account for the month in which the arrangement is made must be paid by the debtor immediately as a down payment and the balance of the outstanding amount must be paid in monthly instalments within a period of 18 (eighteen) months or sooner.

- **For all arrangements above R10 000 000 the Municipal Manager and/or the Chief Financial Officer must give authorisation**

~~For all arrangements below R100 000 delegated to Section Manager: Credit Control and Debt collection~~

~~between R100 001 to R300 000.00 delegated to Unit head: Revenue;~~
~~above R300 001 to R1 000 000 to the Deputy Chief Financial Officer;~~
~~above R1 000 001 to R5 000 000 the Chief Financial Officer;~~
~~above R5 000 000 Municipal Manager and/or Chief Financial Officer must give authorisation.~~

OWNERS OF PROPERTY USED FOR RELIGIOUS PURPOSES, PUBLIC BENEFIT ORGANISATIONS, WELFARE ORGANISATIONS, CHARITABLE INSTITUTIONS, ANIMAL WELFARE, MUSEUMS, LIBRARIES, ART GALLERIES AND BOTANICAL GARDENS, YOUTH DEVELOPMENT ORGANISATIONS AND/OR CULTURAL INSTITUTIONS AND EDUCATION	
DEFAULT	PAYMENT / ARRANGEMENT
R0 - R10 000	No arrangement is allowed for this amount and the full outstanding amount must be paid by the debtor.
R10 001 – R50 000	50% of the outstanding debt together with the account for the month in which the arrangement is made must be paid by the debtor immediately as a down payment and the balance of the

	outstanding amount must be paid in consecutive equal monthly instalments within a period of 6 (six) months or sooner.
R50 001 – R100 000	25% of the outstanding debt together with the account for the month in which the arrangement is made must be paid by the debtor immediately as a down payment and the balance of the outstanding amount must be paid in consecutive equal monthly instalments within a period of 12 (twelve) months or sooner.
R100 001+	20% of the outstanding debt together with the account for the month in which the arrangement is made must be paid by the debtor immediately as a down payment and the balance of the outstanding amount must be paid in consecutive equal monthly instalments within a period of 18 (eighteen) months or sooner.

DEBTORS UNDER ADMINISTRATION	
DEFAULT	PAYMENT / ARRANGEMENT
All debts:	The debt as at the date of the administration court order will be placed on hold and collected in terms of the court order by the administrator's dividend.
	The administrator is to open a new account on behalf of the debtor, with a new deposit – No account is to be opened/operated in the debtor's name as the debtor is not entitled to accumulate debt (refer to the provisions of section 74S of the Magistrates Courts Act, Act 32 of 1944.
	As soon as the Municipality is informed about the status of the debtor being placed under administration, the debtor is to be placed on limited services levels. The customer will be compelled to install a prepaid electricity meter, should one not already be in place. The Municipality will be entitled to recover the cost of the basic services by means of purchases made on the prepaid meter.
	Should there be any default on the current account the supply of services is to be limited or disconnected and the debt incorporated into the administration for the collection of this debt.

COUNCILLORS AND EMPLOYEES OF THE MUNICIPALITY:	
DEFAULT	PAYMENT / ARRANGEMENT
All debts:	In accordance with the provisions item 12A of Schedule 1 of Systems Act, a Councillor may not be in arrears to the Municipality for rates and/or services charges for a period longer than 3 (three) months. To ensure timeous payment of Councillors' accounts, all Councillors shall be subject to an automatic deduction instituted against the Councillor allowance payments, on a monthly basis. The Municipality shall deduct any arrear amounts from the salary of such a Councillor, which deduction is 25% of the gross salary
	In accordance with the provisions of Item 10 of Schedule 2 of Systems Act, an employee of the Municipality may not be in arrears to the Municipality for rates and/or services charges for a period longer than 3 (three) months, In order to ensure timeous payment of employees' accounts, all employees shall be subject to an automatic deduction instituted against the employees' salary payments, on a monthly basis, and the Municipality shall deduct any arrear amounts from the salary of such an employee after this period, which deduction is 25% of the gross salary of the employee, as in line with s34(2)(d) of the Basic conditions of Employment Act.
TEMPORARY ARRANGEMENTS FOR OCCUPANTS OF DECEASED ESTATES /SEPARATED SPOUSES	
Children from deceased estates	• Allow arrangements whilst Awaiting letter of authority/winding up of estate. • Submit death certificate for both/single parent and affidavit. • Ward Councillor to confirm relationship of children with the deceased.
Separated spouse	• Accompanied by sworn affidavits by both parties and condition of proposed settlement.

~~All Arrangements outside the policy:~~

- ~~Delegate approval of arrangements below R1 000 000 to the Deputy Chief Financial Officer;~~
- ~~Delegate approval of arrangements below R1 000 001 to R5 000 00 to the Chief Financial officer;~~
- ~~Delegate approval of arrangements above R5 000 001 to the Municipal Manager and/or Chief Financial Officer.~~

CHAPTER 5

CREDIT CONTROL AND DEBT COLLECTION MEASURES AND OTHER INSTANCES FOR THE LIMITATION, DISCONNECTION OR TERMINATION OF MUNICIPAL SERVICES

33. DIFFERENT DEBT COLLECTION AND CREDIT CONTROL MEASURES

(1) The Municipality shall be entitled to utilise and implement any one or more of the following debt collection and credit control measures in respect of any arrears and as provided for in this policy:

(a) a notice of demand.

(b) the limitation, disconnection or termination of the municipal services of water and electricity;

(c) the raising of penalties and interest charges on arrears;

(d) the institution of debt collection procedures and legal proceedings to recover debt

~~e) 60/40% prepayment debt recovery, the municipality may allocate 60% of payment to the arrears and 40% to the purchase of electricity to customer who purchases prepaid electricity with other services in arrears.~~

~~NOTE: Not to be considered until there is alignment of the prepaid system with the main financial system to automatically update the debtors account with the 40% debt recovery.~~

(2) As a result of the provisions of section 75A, as contained in Chapter 8 of the Systems Act, entitling a Municipality 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, the institution of legal proceedings to recover debt shall not constitute a “debt collection and credit control measure” for the purpose of and as contemplated in the provisions of section 102(1), read with section 102(2) of the Systems Act, as the

Municipality's right to levy and recover fees, charges or tariffs in respect of any function or service of the Municipality as well as collection charges and interest on any outstanding amount, is not a debt collection and credit control measure provided for in Chapter 9 of the Systems Act, but a statutory right of the Municipality provided for in Chapter 8.

34. NOTICE OF DEMAND

(1) When a consumer is in arrears the Municipality shall serve a notice of demand claiming payment of the arrears within 14 (fourteen)calendar days from the date depicted on the notice of demand and informing the consumer of the Municipality's right to limit, disconnect or terminate the municipal services of water and electricity should the arrears remain unpaid.

(2) The failure to serve a notice of demand does not relieve a consumer from paying such arrears.

(3) The notice of demand must contain the following:

(a) the amount in arrears and any interest payable;

(b) that the consumer's name may be listed with a credit bureau or any other equivalent body as a defaulter;

(c) that the account may be handed over to a debt collector or attorney for collection and/or the institution of legal steps; and

(d) and that the Municipality has the right to limit, disconnect or terminate the municipal services of water and electricity should the arrears remain unpaid, or the consumer's actions allow the Municipality to limit, disconnect or terminate the municipal services, without further notice;

(e) that, in the event of the limitation or discontinuation of the water or electricity provision services, the consumer is afforded an opportunity to make representations to the Municipality as to why the Municipality should not proceed to limit or discontinue the water supply services to the consumer, which representation must be made by the consumer within 14 (fourteen) days from the date of the notice of demand.

(4) The right to be afforded reasonable notice of the Municipality's intention to limit or discontinue the water supply services to a consumer or to be afforded an

opportunity to make representations to the Municipality as to why the Municipality should not proceed to limit or discontinue the water or electricity supply services to the consumer as referred to above, shall not apply in instances where:

(a) other consumers would be prejudiced;

(b) there is an emergency situation;

(c) the consumer has interfered with a limited or discontinued service.

(5) A notice of demand sent through ordinary post shall be deemed to be delivered and actionable should the debtor fail to make payment on the account or arrangement to settle the account.

(6) A notice of demand may be dispatched through e-mail/ sms

35. THE LIMITATION, DISCONNECTION OR TERMINATION OF THE MUNICIPAL SERVICES OF WATER AND ELECTRICITY

(1) The Municipality shall be entitled, subject to the 14 (fourteen) day notice period referred to above, to limit the municipal service of water, disconnect the municipal service of electricity (both conventional and pre-payment) or to terminate the provision of municipal services altogether, save for the provision of a limited supply of potable water, to a consumer, in the following instances:

(a) failure to pay arrears subsequent to a notice of demand being served;

(b) failure to rectify a breach of any of the provisions of this policy, or any other Policy, By-Law of the Municipality or statutory provision, after being notified of the said breach;

(c) failure to conclude or honour the terms and conditions of an arrangement to pay arrears in consecutive instalments;

(d) failure to comply with a condition of supply relating to any municipal service imposed by the Municipality;

(e) if there has been any unlawful obstruction of or interference with any equipment or services;

(f) if the consumer supplies or attempts to supply or "on sell" such municipal service to a person who is not entitled thereto or permits such service to continue;

(g) if the Municipality fails to obtain actual readings for a period of 3 (three) consecutive months and the consumer was notified in writing by the Municipality to avail the readings but fails to respond within the prescribed time;

(h) the building on the premises to which services were provided has been demolished;

(i) at the written request of the consumer;

(j) if there has been a material abuse of the municipal services by the consumer;

(k) if the execution of necessary and/or required repairs or maintenance necessitates;

(l) in instances of emergencies where the provision of certain municipal services are not possible; and

(m) if there has been any unlawful connection, or any unauthorised activity relating to any municipal installations or services or the services are used for the conducting of a category of use other than that for which the consumer is registered.

~~(n) Disconnection of services shall only take place from Monday to Thursday until 13h00 to allow consumers to make payments.~~

(2) The costs of any limitation, disconnection or termination of municipal services and the restoration or re-connection thereof, including any interest thereon, administration fees, additional charges, costs incurred in taking relevant action and any penalties, including the payment of a higher deposit, payable in terms of this policy, will be payable by the consumer in full to the Municipality before any reconnection or restoration of the municipal services will take place.

(3) The Municipality shall have the right to limit, disconnect or terminate municipal services in accordance with this policy if there is any arrears and irrespective of

whether payment has been made in full or in part for or towards the municipal service which has been limited, disconnected or terminated.

(4) Notwithstanding that a municipal service connection to an approved installation may have already been completed, the Municipality may at its absolute discretion, refuse to supply municipal services to that installation, until all arrears by the same consumer in respect of that or any other service connection, whether or not on the same premises, have been paid.

~~(6) An arrangement to pay arrears in consecutive instalments entered into after the municipal services was limited, disconnected or terminated, will not result in the municipal services being restored or reconnected until the arrears, any interest, administration fees, costs incurred in taking relevant action and any penalties, including payment of a higher deposit, are paid in full.~~

(6) The Municipality may without notice, limit, disconnect or terminate the provision of municipal services, including the supply of water and the supply of water and electricity services provided through pre-payment meters (which could include the restricting and/or allocation of credit purchases for pre payment meters) to any premises, and without prejudice any of the Municipality's rights, including the right to enter upon such premises and carry out, at the consumer's expense, such emergency work, as the Municipality may deem necessary and in the following circumstances:

(a) in an emergency where the Municipality considers it necessary as a matter of urgency to prevent any wastage of municipal services, unauthorised use of municipal services, damage to property, danger to life or pollution of municipal services, and national disaster or if sufficient municipal services are not available;

(b) where a consumer uses the municipal services for any purpose or deals with the supply of the municipal services in any manner which the Municipality has reasonable grounds for believing interferes in an improper or unsafe manner or is found to interfere in an improper or unsafe manner with the efficient supply of the municipal services to any

other consumer. Where the consumer causes or allows any other consumer to connect to the services supplied to him, the Municipality may limit, disconnect or terminate such municipal service but shall restore such service as soon as reasonably possible once the cause for the disconnection has been permanently remedied or removed;

(c) where a consumer causes a situation which is in the opinion of the Municipality constitutes a danger or potential danger to a person or property or a contravention of relevant legislation;

(d) where a consumer interferes with the supply to any other consumer;

(e) where there is a serious or grave risk to any person or property;

(f) for reasons of community safety or the safety of emergency personnel;

(g) where prima facie evidence exists of a consumer and/ or any person having tampered with or contravened the provisions of this policy the Municipality shall have the right to disconnect the supply of municipal services immediately and without prior notice to the consumer or premises where the contravention has taken place;

(h) if there has been material abuse of the municipal services;

(i) if the use of municipal services is creating unacceptable environmental damage or water pollution.

36. RECONNECTION OR REINSTATEMENT OF MUNICIPAL SERVICES

(1) The Municipality shall reconnect or reinstate municipal services limited, disconnected or terminated in terms of this policy, if:

(a) the arrears have been paid by the debtor, or an arrangement for the paying of the arrears in instalments has been concluded between the Municipality and the debtor; and

(b) the costs of any limitation, disconnection or termination of municipal services and the restoration or re-connection thereof, including any interest administration fees, additional charges, costs incurred in taking relevant action and any penalties, including the payment of a higher

deposit, payable in terms of this policy, have been paid by the debtor; and

(c) there are no other grounds to continue the limitation, disconnection or termination provided in this policy.

(2) The Municipality may when restoring or reinstating municipal services limited, disconnected or terminated as a result of non-payment or a breach of the terms of their policy, install or convert a conventional measuring device or meter with a prepayment metering system in order to execute credit control.

37. TERMINATION OF MUNICIPAL SERVICES BY CUSTOMER

If the customer is of the intention to terminate the services agreement with the Municipality or to terminate one or more of the municipal services being rendered to the customer, the customer shall give notice in writing, of not less than 7 (seven) days to the Municipality of this intention, by completing the relevant service discontinuation and account closure forms as prescribed by the Municipality requesting the Municipality to terminate the services agreement concluded with the Municipality and/or the provision of the municipal service(s). Until such time as the service agreement or municipal services have been terminated the customer remains liable for all and any charges, fees, tariffs, levies and the consumption charges of municipal services.

38. TERMINATION OF MUNICIPAL SERVICES AGREEMENT BY THE MUNICIPALITY

The Municipality may terminate the services agreement for the provision of a municipal services which the Municipality concluded with a customer, by notice in writing of not less than 30 (thirty) days:

(a) if the customer has not used the municipal service(s) during the preceding 6 (six) months and has not made arrangements to the satisfaction of the Municipality for the continuation of the relevant municipal service;

(b) if the Municipality has made an arrangement with another service provider to provide the municipal service concerned to the customer;

(c) the customer has vacated the premises to which the agreement concerned relates;

(d) if the customer has failed to comply with the provisions of this policy and the applicable by-laws and has failed to rectify such failure following notice to do so;

(e) the building on such premises has been demolished or declared unsafe for occupation;

(f) the customer has failed to pay the prescribed charges, fees, tariffs, levies, consumption charges or other amounts due to the Municipality.

39. TEMPORARY DISCONNECTION AND RECONNECTION

(1) The Municipality shall at the request of the customer and when reasonably possible, temporarily disconnect and reconnect the supply of municipal services for the consumer to effect an installation on the premises requiring the disconnection of the municipal services, upon payment of the prescribed fee for such disconnection and reconnection.

(2) The Municipality may temporarily disconnect or alter or move or change the supply of municipal services to any premises without notice, for the purpose of effecting repairs or carrying out tests or for any other legitimate purpose.

Regarding the temporary disconnection of the electricity supply, the Municipality will endeavour to give effect and implement to the provisions of NRS 047-1:2005 Edition 3 relating to planned disconnections.

40. LEVYING OF PENALTIES AND INTEREST CHARGES ON ARREARS

(1) The Municipality may in terms of section 75A of the Systems Act charge interest on arrears at the interest rate determined by the Council from time to time.

(2) Where any payment made to the Municipality is later dishonoured by the bank, the Municipality may levy such cost and administration fees against an account of the customer as approved from time to time by the Council and set out in the Tariff Schedule referred to in the Tariff Policy.

(3) All legal costs, including attorney and own client costs, incurred in the recovery of arrears shall be levied and recovered from the debtor.

(4) Where any action is taken by the Municipality in demanding payment from the debtor or reminding the debtor by means of telephone, fax, email, letter or otherwise, that the account of the said debtor is in arrears and that payments on the account are overdue, a penalty fee may be levied against the account of the debtor in the amount as set out in the Tariff Schedule of the Municipality.

(5) Where any municipal service is disconnected as a result of non-compliance with the provisions of this policy by the debtor, the Municipality shall be entitled to levy and recover the standard disconnection fee, as determined by the Municipality from time to time, from the debtor in terms of the Municipality's Tariff Schedule.

41. THE INSTITUTION OF DEBT COLLECTION PROCEDURES AND LEGAL PROCEEDINGS TO RECOVER DEBT

(1) Where an account remains in arrears for more than 60 (sixty) days: the debtor's name may be listed with a credit bureau or any other equivalent body as a defaulter and the arrears may be handed over to a debt collector or an attorney for the collection of the arrears and/or the institution of legal steps against the debtor.

(2) The Chief Financial Officer must exercise strict control over this process and must require regular progress reports from attorneys, debt collectors and/or other parties concerned.

(3) The Municipality must ensure that the terms, conditions, duties and obligations of any service providers appointed by the Municipality to collect outstanding debts, are sufficiently documented in a service level agreement and the Chief Financial Officer must ensure that the terms and conditions of the service level agreement are complied with.

(4) Once arrears have been handed to an attorney or other person for the collection of the arrears any further arrangements, agreements or communications must be made directly with such attorney or debt collector within the boundaries of this Credit Control and Debt Collection Policy.

(5) In terms of the provisions of section 103 of the Systems Act the Municipality may:

(a) with the consent of the debtor, enter into an agreement with the employer of the debtor in order to deduct from the salary or wages of such debtor:

(i) any outstanding amounts due to the Municipality in terms of this policy; or

(ii) such regular monthly amounts as may be agreed and

(b) provide special incentives for:

(i) employers to enter into such agreements; and

(ii) debtors to consent to such agreements.

(5) Any and all collection and/or legal fees occasioned by the debt collection process are payable by the debtor concerned.

(7) In the event that the Municipality has listed a consumer with a Credit Bureau and the consumer has subsequently settled their obligation in terms of the listing, the Municipality shall inform the Credit Bureau within 7 (seven) days of such payment and request the removal of the listing

42. FULL AND FINAL SETTLEMENT

If a consumer tenders payment of an amount less than the amount that is due and payable to the Municipality or tenders payment of any arrears, and such payment is accepted by the Municipality, such payment will not be in full and final settlement of the amount due and payable or arrears, irrespective of the consumer indicating that such payment is in full and final settlement, unless it is part of a written agreement between the consumer and the Municipality in terms of which the Municipality expressly states that it is prepared to accept the payment in full and final settlement.

43. JOINT AND SEVERAL LIABILITY OF OWNERS, TENANTS AND OCCUPIERS

Notwithstanding any other provision in this policy, the owner, tenant or occupier of premises to which municipal services are provided, or in respect of which any levies, fees, charges or tariffs are imposed or levied, are jointly and severally liable for the payment of any consumption charges, levies, fees, charges or tariffs, despite any contractual obligation or arrangement to the contrary between any of the said parties, and irrespective of whether a municipal services agreement was concluded between the

Municipality and such owner, tenant or occupier of the premises regarding the provision of the municipal services to which the consumption charges, levies, fees, charges or tariffs relate.

44. JOINT AND SEVERAL LIABILITY OF OWNERS, TENANTS AND OCCUPIERS FOR ARREARS REGARDING RATES

(1) In terms of section 28 of the MPRA the Municipality may recover arrears for rates in whole or in part from the owner, tenant or occupier of the property, despite any contractual obligation to the contrary on the tenant or occupier, subsequent to written notice to the tenant or occupier. The Municipality may recover these arrears only after the Municipality has served a written notice on the tenant or occupier.

(2) The amount the Municipality may recover from the tenant or occupier of a property in terms of sub-paragraph (1) is limited to the amount of the rent or other money due and payable, but not yet paid, by the tenant or occupier to the owner of the property.

(3) Any amount 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 of the owner.

(4) The tenant or occupier of a property must, on request by the Municipality, furnish the Municipality with a written statement specifying all payment to be made by the tenant or occupier to the owner of the property for rent or other money payable on the property during a period determined by the Municipality.

CHAPTER 6

CUSTOMER ASSISTANCE

45. RATE REBATE

Rate rebates will be granted as set out in the Rates Policy and By-Law of the Municipality.

46. FREE BASIC SERVICES

The Municipality will provide the free basic municipal services as set out in the Tariff Policy and By-Law of the Municipality. In the event that any municipal service is limited, disconnected or terminated in terms of this policy the free portion of such municipal services provided for in terms of this section and the Tariff Policy and By-Law, will also not be unlimited for as long as the municipal service remains limited, disconnected or terminated.

47. INDIGENT SUPPORT

The Municipality may extend indigent support to any consumer on application to the Municipality in the prescribed manner as set out in the Municipality's Indigent Policy.

CHAPTER 7

PROVISION FOR BAD AND IRRECOVERABLE DEBT

48. PROVISIONS FOR BAD DEBT

(1) The Municipality must ensure that there is an acceptable and sufficient provision for bad debt in the budget of the Municipality.

(2) The annual provision for bad debt shall be provided for as follows:

(a) 90% of all outstanding debts which are unpaid for a period of 90 (ninety) days or more, based on the estimated age analysis of the financial year end of which the financial statements are drawn up for; and

(b) 50% for 60 days based on the estimated age analysis of the financial year end of which the financial statements are drawn up for.

(3) Provision for bad debt is provided for in respect of the following services and amounts debited to customer accounts:

(a) rates;

(b) sewerage;

(c) water;

(d) electricity;

(e) refuse;

(f) basic electricity;

(g) basic water; and

(h) sundry debtors.

(4) The Chief Financial Officer must keep record of all provisions in accordance with general recognised accounting practices.

(5) The Chief Financial Officer must report to the Municipal Manager in a prescribed form and must review and adjust the provisions with the adjustment budget.

49. IRRECOVERABLE BAD DEBT AND WRITE OFFS

(1) The main purpose of writing off bad debts is to ensure:

(a) consistency in writing off bad debts;

(b) proper authorisation at appropriate levels for write offs;

(c) efficient and effective debt collection.

(2) Bad debts will be written off if the Municipality is satisfied that:

(a) recovery will cause undue hardship to the debtor or debtor's dependents;

(b) recovery is uneconomical or not cost effective;

(c) the provisions of all other policies of the Municipality, such as the Indigent Policy have been considered and where applicable applied;

(d) any debt collection and credit control measures implemented by the Municipality were exhausted and/or ineffective and/or not cost effective;

(e) a full report of all amounts to be written off is to be presented to the Council on a quarterly basis for approval;

(f) the write-off's in respect of the arrears of Registered Indigents will be undertaken in terms of the Indigent Policy of the Municipality;

(g) in the event of a claim against an insolvent estate, pursuing a claim against the estate bears the risk of a contribution or the prospect that no dividend will be received;

(h) a deceased estate has no liquid assets to cover the arrears following the final distribution of the estate or if the estate has not been reported to the Master and there is no reasonable prospect of recovering the arrears from the Estate;

(i) the arrears have, in law, prescribed and the prescription of the debt has been claimed and relied on by the consumer;

(j) the debtor is untraceable or cannot be identified in order to proceed with further action;

(k) the debtor has emigrated leaving no assets of value and it is not cost effective to pursue the claim further;

(l) it is not possible to quantify or prove the arrears;

(m) a court has ruled that the claim is not recoverable;

(n) the arrears are due to an irreconcilable administrative error by the Municipality including any alterations not affected timeously in the Municipality's records or the levying of interest in an instance where the capital was not in arrears;

(o) such amount constitutes the remainder of arrears on which the Municipality accepted an offer made in full and final settlement of such arrears, which offer is not for the entire amount of the arrears, but which is accepted in writing by the Municipal Manager;

(p) arrears may be written off to bad debts where the Municipality:

(i) expropriates any property; or

(ii) purchases any property; or

(iii) undertakes any obligations to develop any property.

(3) Arrears may be written off as bad debts where a property has been forfeited to the State in terms of the Prevention of Organised Crime Act, Act 121 of 1998; or where the occupants have been evicted from Council, Provincial or State-owned premise;

(4) Upon approval of successful indigent registration, the applicant's arrear debt will be written off. This will only occur only once per person. Where such a customer exceeds the allocated subsidy and fails to pay, the said customer will be subjected to this policy. Furthermore, should a customer lose his/her status as a Registered Indigent due to his/her financial recovery, such a customer will immediately be subject to the provisions of this policy should the account again fall into arrears.

(5) Where an exemption has been granted in terms of the Rates Policy of the Municipality to a ratepayer from the payment of property rates, such ratepayer will with effect from the date of such exemption, have its arrears in respect of its account, if any, written off;

(6) Should any tampering with or bypassing of any measuring device or meter be discovered, any arrears written-off in terms hereof, will become payable with immediate effect and any other action as per any legislation or policy which applies to such tampering and/or bypassing will be instituted;

(7) Where a ratepayer's status, entitling it to an exemption in terms of the Rates Policy of the Municipality, changes so that the ratepayer is no longer entitled to an exemption, any arrears written off subsequent to the changing of the status of the ratepayer will be reversed and become due and payable again;

(8) Any request for the writing off of arrears for an amount above R1 000.00 (one thousand rand) must be made to the Council. Such a request must be made in writing and must be submitted to Council for approval together with documentation indicating the applicable account number, the debtors full details, full details of the premises concerned in respect of the arrears, the arrears as well as a motivation for the requested write-off referring to the grounds set out in this policy allowing for a write off in the particular circumstances. The request must be compiled and submitted to Council for approval by way of a resolution as an irrecoverable debt write off. Arrears of less than R1 000.00 (one thousand rand) may be written off by means of a written resolution from the Municipal Manager supported by a written report and recommendation from the Chief Financial Officer and the details regarding the debtor and the arrears referred to above, must be included in the said report and recommendation.

(9) Notwithstanding the contents of the afore going paragraphs, the Municipality is under no obligation to write-off any particular debt and any approval of a write–off of arrears remains within the sole discretion of the Municipality.

(10) The Municipality is entitled to reverse any amount it has written-off upon it being discovered that a debtor has mislead (whether intentionally or negligently) the Municipality in terms of any information, documentation or representation made by such debtor in order to receive such write-off, in which event the Municipality is entitled to immediately effect the reversal of any write-off against the account of a debtor.

(11) The Municipality may write-back any amount previously written-off by it on behalf of a debtor where the account of such debtor, at any time, reflects a credit balance.

(12) Any write off of any arrears which was in error shall not bind the Municipality and be written back.

(13) The Municipality shall apply the terms of this policy fairly and consistently and in an open and transparent manner.

(14) Where a debt has in law prescribed and the consumer claims and relies on the extinguishing of the debt as the result of prescription of the debt, as envisaged in sub-paragraph (2)(i) above, the Municipal Manager has the delegated authority, which must be exercised in consultation with the Chief Financial Officer, to confirm that the debt has in fact prescribed and is accordingly written off. The Municipal Manager must report on all debts which have been written off as a result of the prescription thereof to Council.

CHAPTER 8

GENERAL PROVISIONS

50. RIGHT OF ACCESS OR ENTRY TO PROPERTY AND INSPECTION

(1) In terms of the provisions of section 101 of the Systems Act and section 41 of the MPRA, the Municipality must be given access to premises by the owner or occupier thereof or the customer or consumer of the municipal services thereon or thereto (cumulatively referred to hereafter as “person in control”) at all reasonable hours, or in the event of an emergency at any time, in order to request information, carry out an inspection and examination, to read, inspect, install or repair any measuring device or meter or service connection for reticulation, or to limit, disconnect or terminate the provision of any municipal services, or to execute any lawful act or conduct any lawful service, or to ensure compliance with any by-law of the Municipality or statute.

(2) Where, for whatever reason, access to a measuring device or meter or premises is not possible, the Municipality may:

(a) by written notice require the person in control to restore access at his/her own expense within a specified period; and

(b) where access to such a measuring device or meter or premises is required as a matter of urgency or in an emergency, the Municipality may without prior notice restore access to the measuring device, meter or premises and recover the costs in respect thereof from the person in control.

(3) A person in control who fails or refuses to provide access to the Municipality will be liable for the costs incurred by the Municipality, to gain access to the measuring device or meter or premises.

(4) If the Municipality considers it necessary, in order to enable the Municipality to perform any function properly and effectively in terms of this Policy, or any other policy or by-law of the Municipality, it may:

(a) by written notice require the person in control, at their own expense, to do specified work within a specified period;

(b) in the event of an emergency conduct the necessary work without any notice and cause the person in control to reimburse the Municipality for any expenses incurred in the execution of such work.

(5) If the work referred to 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 the Municipality shall bear the expense and cost connected therewith.

(6) Any person representing the Municipality must on request provide his or her identification and allow the consumer to verity the authority of the representative with the Municipality.

51. UNAUTHORISED ACTIVITIES – THEFT, FRAUD AND TAMPERING

(1) Any person who is illegally connected to municipal services, tampers with measuring devices or meters, the reticulation network or any other equipment of the Municipality for the provision of municipal services, and/or any person who commits any unauthorised activity, theft of, or damage to any infrastructure or equipment of the Municipality (also referred to as an "unauthorised activity") will be prosecuted and subjected to a credit control fine ~~of R1500.00~~ per tempered service, as per approved Tariff Policy

(2) No person shall in any manner, or for any reason whatsoever tamper with, interfere with, vandalise, fix advertising medium to, or deface any measuring device or meter or service connection or service protective device or supply

mains or equipment of the Municipality, or illegally connect into the municipal services of any other consumer or the Municipality.

(3) The provision of municipal services to any premises, and/or consumer, will be terminated immediately upon the Municipality becoming aware of any unauthorised activity in respect thereof as contemplated in this policy.

(4) The Municipal Manager must implement a monitoring system in order to identify consumers who commit any unauthorised activity.

(5) The Municipality reserves the right to institute legal action, including the laying of criminal charges and/or to take any other legal action against any person who commits an unauthorised activity.

(6) The Municipality may reward any whistle blower who reports unauthorised activity to the Municipality.

(7) An owner of premises will be held liable and fined for any unauthorised activity committed by an occupier of such premises.

(8) In the event of any unauthorised activity, the Municipality shall have the right to recover an amount based on estimated consumption as provided for in this policy. The estimated consumption by the Municipality shall be prima facie evidence of the consumption in the event of any unauthorised activity.

(9) Where a person illegally reconnects the supply of a municipal service which was disconnected by the Municipality in accordance with this policy, then the consumer shall be liable for all charges for such municipal service consumed between the date of disconnection and the date the supply is found to be reconnected and any other charges raised in this regard.

(10) Notwithstanding any other rights that the Municipality may have in terms of this policy, the Municipality may, in the event of any unauthorised activity, summarily terminate the supply of municipal services and may take any such steps as the Municipality may deem necessary to effect such termination, including, but not limited to the right to remove the measuring device or meter physically from the premises.

(11) Any contravention of this paragraph, whether intentional or negligent shall be sufficient to constitute an offence and unless the contrary is proved by the consumer, it shall be deemed that the contravention was due to an intentional act or omission of the person charged.

52. CLEARANCE CERTIFICATES

(1) In terms of the provisions of section 118 of the Systems Act a registrar of deeds may not register the transfer of property situated within the municipal area of the Municipality, except on production to such registrar of a prescribed certificate issued by the Municipality, which certifies that all amounts which became due in connection with such property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the 2 (two) years preceding the date of application for such certificate, have been fully paid.

(2) if a clearance certificate is requested in terms of section 118 (1) of the of Local Government: Municipal Systems Act, and payment is only made for two years preceding the date of application for the certificate, the balance of the debt shall remain as a charge against the ~~PREVIOUS OWNER~~ of the property.

(3) The certificate shall be endorsed with the balance owing as a charge against the property in order to bring the same to the attention of the seller, buyer and conveyance. Subject to 2 above an acknowledgement of debt must be signed.by the applicant. ~~The onus is on the conveyance to advise his or her clients accordingly.~~

~~(4) The municipality may institute legal proceedings against the seller or purchaser on auction of the property to recover the balance owed depending on the conditions of the action.~~

(5) The municipality reserves the right to follow any of the legal mechanisms available to it in order to recover the balance of the debt, including, lodging an urgent application to interdict the sale of the property until the debt is paid in full or an irrecoverable bank guarantee for the full outstanding debt, on date of registration of transfer has been furnished by the conveyance.

(6) Information and contact details of the purchaser provided on the revenue clearance certificate shall be used as details of the new owner (purchaser) for the purposes of billing for rates, services and consolidated accounts until the same has been changed by the purchaser.

(7) In the case of the transfer of immovable property by a trustee of an insolvent estate the provisions of this paragraph are subject to section 89 of the Insolvency Act, Act 24 of 1936.

(8) An amount due for municipal services, fees, surcharges on fees, property rates and other municipal rates, levies and duties provided for in this policy, is a charge upon the property and which amount enjoys preference, over any mortgage bond registered against the property from the date of registration of the transfer of the property into the name of the owner.

(9) If the owner of the property is not the person who has entered into a services agreement with the Municipality for the supply of municipal services to a property, the owner will become liable for the payment of the charges referred to in section 118(1)(b) of the Systems Act relating to the property, once the owner of the property applies for a clearance certificate in terms of section 118 of the System Act.

53. DAMAGE TO MUNICIPAL SERVICE INFRASTRUCTURE

(1) A consumer shall be liable for all and any costs to the Municipality arising from any damage to, or loss of any measuring device or meter or municipal service infrastructure relating to the provision of municipal services to premises, unless such damage is shown to have been occasioned by an Act of God or an act or

omission of the Municipality, or caused by an abnormality in the supply of municipal services to the premises.

(2) In the event of any damage occurring to any measuring device or meter or municipal service infrastructure relating to the provision of municipal services to premises, the consumer shall report and inform the Municipality as soon as the consumer becomes aware of the damage.

(3) Where it can be reasonably established that there has been intentional tempering of any measuring device or meter or municipal service infrastructure, resulting in the removal of such any measuring device or meter or municipal service infrastructure by the Directorate Technical and Infrastructure, a credit control reconnection fee shall be payable prior to the service being reinstituted or reinstalled

54. REPORTING DEFAULTERS

(1) The Municipality may in its discretion report any person that is indebted to the Municipality, to any company or organisation that collates and retains information regarding defaulters.

(2) The information to be included in such report shall be the available personal information of the defaulter or in the event that the defaulter is a legal person, the statutory details of the legal entity including information pertaining to the responsible officer of such legal person. Section 11(1) of the POPI Act shall apply.

55. PROCUREMENT OF GOODS AND SERVICES AND PAYMENTS IN TERMS OF CONTRACTS

(1) When submitting a tender for the provision or delivery of goods, each potential tenderer must prove to the satisfaction of the Municipality that all accounts for which the tenderer is liable, have been paid up to date and that all accounts for which each and every director, member, partner or trustees of the tenderer is liable have also been paid up to date.

(2) The municipality will at its sole discretion check whether all the municipal accounts are up to date, copies of all accounts sent to the tenderer and to each director, member, owner, partner, or trustees must be attached to the tender documents.

(3) Where a tenderer's place of business or business interests are outside the jurisdiction of the municipality a Revenue Clearance Certificate from the Municipality must be produced.

(4) Before awarding a tender, the municipal debts of the tenderer and each director , member , owner, partner or trustee of the tenderer must be paid in full.

(5) Where payments are due to a creditor in respect of goods or services provided to the Municipality or in terms of any contractual arrangement with the municipality may be set off against such payments.

(6) This policy applies to quotations, public tenders and tenders in terms of section 36 of the Supply chain management policy

56. NOTICE

(1) Any notice given by the Municipality in terms of this policy, the Credit Control and Debt Collection By-Law, the Tariff Policy and By-Law, the Rates Policy and By-Law, the Water By-Law, the Electricity By-Law or any other legislation shall, unless the contrary is proven by the person/entity to whom the notice was addressed, be 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 place of business or employment with a person apparently over the age of 16 (sixteen) years;

(c) when it has been posted by pre-paid registered or certified mail to that person's last known residential address or business address and an acknowledgment of the posting thereof from the postal service is obtained;

(d) when it has been served on that person's agent or representative in any of the manners provided for in this policy;

(e) when it has been posted in a conspicuous place on the premises to which the notice relates;

(f) when it has been faxed to that persons fax number and a confirmation of the successful sending of the fax is obtained;

(g) when it has been emailed to that persons email address and a confirmation of the successful sending of the email is obtained.

(2) In the case where compliance with a notice is required within a specified number of days, such period shall be deemed to commence on the date of service of the notice.

(3) 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 address that person by name.

(4) 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.

(5) Any person on whom a notice is served shall, comply with its terms or when a time is specified, comply with the terms of the notice within the specified time.

57. NON LIABILITY OF THE MUNICIPALITY

The Municipality nor any employee, official, person, body, organisation or corporation acting on behalf of the Municipality shall be liable for any loss or damages of whatsoever nature howsoever arising whether, direct or consequential, suffered or sustained by any person as a result of or arising from the provision, limitation, disconnection or termination, interruption or any other abnormality arising from the supply of municipal services, or any act or omission done by the Municipality or any employee, official, person, body, organisation or corporation acting on behalf of the Municipality.

58. CODE OF ETHICS

(1) All the officials of the Municipality shall embrace the spirit of Batho Pele and treat all consumers and debtors with dignity and respect at all times.

(2) Employees of the Municipality shall execute their duties in terms of this policy in an honest and transparent manner whilst protecting the confidentiality of information of consumers and debtors in accordance with the provisions of the Promotion of Access to Information Act, Act 2 of 2000.

59. STAFF AND COUNCILLORS IN ARREARS

(1) Item 10 of schedule 2 of the Act (Code of Conduct for Municipal Staff Members) states that –

a. A staff member of the Municipality may not be in arrears to the municipality for rates and service charges for a period longer than three months; and

b. A municipality may deduct outstanding amounts from a staff member's salary after this period; and

(2) The municipality shall liaise with the relevant staff on repayment of their arrears

(3) No special treatment shall be afforded to staff members whose accounts are in arrears

(4) Any staff member who has breached the code will be dealt with in accordance with disciplinary procedures adopted by the municipality in terms of the Act

(5) Item 12 A schedule 1 of the Act states that a Councillor may not be in arrears to the municipality for rates and service for a period longer than three months

(6) The Municipal Manager shall liaise with the Mayor and issue necessary salary deduction where appropriate for the councillors

60. AUTHENTICATION OF DOCUMENTS

Any document requiring authentication by the Municipality shall be sufficiently authenticated if signed by the Municipal Manager, or by a person duly authorised to do so, on behalf of the Municipality, by resolution of the Municipality and shall constitute prime facie proof of the authenticity, existence and contents of the document.

61. PRIMA FACIE EVIDENCE

In legal proceedings by, or on behalf of the Municipality, a certificate reflecting an amount due and owing to the Municipality, the identity of the debtor and any such other details as may be included in such a certificate and which is signed by the Municipal Manager, or by a person dully authorised to do so, on behalf of the Municipality, by resolution of the Municipality, shall subject to the provisions of section 3 of the Law of Evidence Amendment Act, Act 45 of 1988, upon its mere production constitute prima facie evidence of the contents of the certificate.

62. PROVISION OF INFORMATION

A consumer, debtor, owner, occupier or person within the area of supply of the Municipality must provide the Municipality with accurate information requested by the Municipality that is reasonably required by the Municipality for the implementation or enforcement of this policy.

63. AVAILABILITY OF POLICY AND BY-LAWS

(1) A copy of this policy and the Credit Control & Debt Collection By-Law of the Municipality shall be included in the Municipality's Municipal Code as required by the provisions of section 15 of the Systems Act.

(2) The Municipality shall take all required legal steps to inform consumers, debtors, owners and occupiers of the content of this policy.

(3) A copy of this policy and the Credit Control & Debt Collection By-Law of the Municipality shall be available for inspection at the offices of the Municipality at all reasonable times.

(4) A copy of this policy and the Credit Control & Debt Collection By-Law of the Municipality may be obtained from the Municipality against payment of an amount as determined by the Council.

64. BY-LAW TO GIVE EFFECT TO THIS POLICY

The Municipality shall adopt a by-law known as the Credit Control & Debt Collection By-Law to give effect to the implementation and enforcement of this policy.

RUSTENBURG LOCAL MUNICIPALITY

SCHEDULE 1: APPLICATION FOR MUNICIPAL SERVICES

PO Box _____ • Rustenburg • Tel: _____ (office hours) • Email: _____ •

• Cashier hours: 07:30 – 15:30 (Mondays to Fridays) • 08:00 – 12:00 (Saturdays) •

ACCOUNT NO.:													
RECEIPT NO.:													

**Mark if applicable with a "X"

Type of Application:		Commercial / Industrial	Institutional			
Type of Customer:	Individual	CC	Partner	Pty (Ltd)		Owner
Particulars of Applicant						
Name of corporate entity:						
Registration number of corporate entity:						
VAT Registration No.: (if applicable)						
Surname:				Initials:		
ID Number:						
Marital status:	Married	Unmarried	Single	Divorce	Widowed	
If married – in / out of community of property:						
Occupation:						
Tel. No. (Home):		Tel. No. (Work):				
Cellphone No.:		E-mail:				
Details of spouse where married in community of property:						
Surname:				Initials:		
ID Number:						
Occupation:						
Tel. No. (Work):		Cellphone No.:				
E-mail:						
Address of Applicant: (for purposes of statement delivery and physical address for the delivery of notices and documents)						

RUSTENBURG LOCAL MUNICIPALITY

SCHEDULE 1: APPLICATION FOR MUNICIPAL SERVICES

Physical Address:			
		Postal Code:	
Postal Address:			
		Postal Code:	
Next of Kin: (family members)			
1. Name:		Tel. No.:	
Physical Address:			
2. Name:		Tel. No.:	
Physical Address:			
Employer's Details:	Name:		
Physical Address:			
Tel. No.:		Period in Service:	
Gross Monthly Income:			
Source of monthly income, if other than salary:			
Credit References: (Please provide at least 2 credit references)			
Name of Company:			
Physical Address:			
Account Number:		Tel. No.:	
Name of Company:			
Physical Address:			
Account Number:		Tel. No.:	
Particulars of Owner (if not Applicant)			
Name of corporate entity:			
Registration number of corporate entity:			
Surname:		Initials:	
ID Number:			

RUSTENBURG LOCAL MUNICIPALITY

SCHEDULE 1: APPLICATION FOR MUNICIPAL SERVICES

Occupation:			
Tel. No.:		Cellphone No.:	
Physical Address:			
		Postal Code:	
Property to which municipal services must be provided			
Suburb:			
Zone:		Stand No.:	
Street Name:		Street No.:	
Number of persons over the age of 18 years living on the property:			

Conditions of Agreement

Copies of documents to be produced/submitted

1. Identification document must be produced.

2. Proof of property ownership (Deeds information)

3. In case of Close Corporation: (i) Ck2 Document submitted;

(ii) Resolution submitted.

4. In case of a Company: (i) Company Articles of Incorporation submitted;

(ii) Resolution submitted.

Definitions

The headings of the paragraphs in this Agreement are for the purpose of convenience and reference only and shall not be used in the interpretation of, nor modify, nor amplify, the terms of this Agreement, nor any paragraph thereof.

"Customer" means the person indicated as "applicant" on the form page of this Agreement, irrespective of whether he/she/it or someone else actually consumed or use the service or not.

"Domicilium" means the chosen address where notices must be delivered.

"Municipality" means the Rustenburg Local Municipality.

All other words shall bear the normal meaning of such word.

Authorisation

I guarantee that I am duly authorised by the Applicant to apply for the supply of this/these services and to sign the application form and this agreement. I hereby admit that I am liable, and hold myself bound to for the due and proper payment of any amounts due to the Municipality and which arises as a result of the supply and provision of the municipal services by the Municipality and the payment of the fees, charges and tariffs levied by the Municipality in relation to the said municipal services or the availability thereof, should it be found that I signed this agreement without proper authorisation.

Conditions for the supply and provision of municipal services

1. The supply and provision of and payment for the municipal service(s), fees, charges and tariffs levied by the Municipality shall be subject to and in accordance with the laws of SA, the By-laws of the Municipality and the Policies adopted from time to time by the Municipality, and which specifically govern or stand in relationship to the provision of the services.

2. I acknowledge that I/we have read and understand the contents of the relevant By-laws and Policies, which were available to me. The contents of the Credit Control and Debt Collection Policy and By-Law, the Tariff Policy and Tariff By-Law, the Rates Policy and Rates By-Law, Water Services By-Law and Electricity By-Law of the Municipality are herewith incorporated into this agreement by reference and the terms and conditions contained therein shall apply to the legal relationship between me and the Municipality.

Jurisdiction

Without prejudice to the rights of the Municipality, at its option, to institute proceedings in any other court having jurisdiction, the Municipality and the Customer hereby consent in terms of section 45 of the Magistrate Court Act, Act 32 of 1944, to the Municipality taking legal action for the enforcement of any rights under or arising from this agreement in a Magistrate Court, which has jurisdiction in respect of the Customer, in terms of section 28(1) of the Magistrates Court Act, notwithstanding the above will the parties have the right to approach the Supreme Court.

Payment for services

The Customer shall be liable for the payment of all and any municipal services consumed by the customer and/or delivered, supplied or rendered to the premises referred to in this agreement as well as the relevant and applicable fees, charges and tariffs levied by the Municipality regarding such services, before or on the date indicated on the monthly statement.

The Customer is also liable for the costs of debt collection, including any administration fees, penalties for late payment, legal costs, interest, disconnection fees and reconnection fees, if applicable.

The Customer agrees that the non-receipt of a statement does not exempt the Customer from the duty to enquire from the Municipality the outstanding debt on the account and to make payment to the Municipality of the debt.

Direct payments

Direct payments for electronic payments can be made into the bank account of the Rustenburg Local Municipality: _____ Bank

Branch: _____

Account No.: _____

Branch Code: _____

In order to allow for the Municipality to process electronic payments, the Customer must state the municipal account number as reference with the deposit, and four (4) official business days must be allowed for processing.

Waiver

The Customer hereby expressly renounces the benefits of the non reason or profound cause of the existence of the debt, the cases where there is a element of bookkeeping or accounting calculation is involved, the revision of accounts, no value recorded and, if there is more than one debtor, the debtor is jointly or separately liable for the debt or the creditor obtains the right to first act against the guarantor before the main debtor is excused.

Domicilium

The Customer chooses as the address where notices must be delivered, the address indicated as street address on the front page of this agreement.

Change of address and/or information

The Customer expressly undertake to inform the Municipality within 3 (three) days after such occurrence:

1. or any change of any address indicated on the front page of this agreement;
2. of the change of any particulars or personal circumstances indicated on the front page of this agreement.

Discontinuation of service

The Customer specifically agrees to inform the Municipality immediately in writing when the service is no longer required and specifically accept responsibility for the payment of services consumed as a result of any failure to inform the Council that the service is no longer required.

Indemnity

I hereby indemnify and hold harmless the Municipality or any employee, official, person, body, organisation or corporation acting on behalf of the Municipality from any liability of whatsoever nature for any loss or damages of whatsoever nature howsoever arising whether, direct or consequential, suffered or sustained, as a result of or arising from the provision, limitation, disconnection or termination, interruption or any other abnormality arising from the supply of municipal services, or any act or omission done by the Municipality or any employee, official, person, body, organisation or corporation acting on behalf of the Municipality.

Deposit

A deposit shall be forfeited to the Municipality if it has not been claimed within three years of the termination of the service agreement.

I hereby confirm that I have read, know and understand the contents of this agreement and agree to be bound thereby.

_____ _____

APPLICANT MUNICIPALITY

_____ _____

DATE DATE

_____

SIGNATURE OF OWNER

(if not Applicant)

_____

DATE

RUSTENBURG LOCAL MUNICIPALITY

SCHEDULE 1: APPLICATION FOR MUNICIPAL SERVICES

FOR OFFICE USE ONLY				
Deposit paid:	Date:			
	Amount:			
	Receipt No.:			
Account Number:				
Commencement of date of service:				
Area Code:				
Meter reading on commencement of services:			Electricity:	
			Water:	

-

RUSTENBURG LOCAL MUNICIPALITY

FUNDING AND RESERVES

2025/26

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1. INTRODUCTION

The purpose of this policy is to ensure that municipality maintains cost effective and efficient cash funding

To ensure that provisions and reserves are maintained at the sufficient required level to avoid future unfunded liabilities.

The policy is in line with the requirements of Section 8 of the Local Government: Municipal Budget and Reporting Regulation of 2009 (Government Gazette 32141 in order to monitor and sustain the municipality's financial management.

2. PURPOSE OF THE POLICY

2.1. The policy outlines the assumptions and methodology to be followed on estimating the following:

2.1.1. Anticipated revenue to be collected based on trading services to be billed and other revenue,

2.1.2. Provision for debt impairment based on the previous payment levels and past trends

2.1.3. Setting of cost reflective tariffs in relation to the consumers affordability

2.1.4. In line with the municipality's borrowing requirements

2.1.5. To ensure that funds are set aside monthly to fund reserves

2.1.6. Provision for rehabilitation of landfill sites

3. GUIDING PRINCIPLES

3.1. The funds and reserve policy is based on the following principles:

3.1.1. Credibility

- The SDBIP be informed by the budget that is consistent with the IDP
- Financial viability of the municipality not to be compromised
- To ensure capability to spend funds allocated

3.1.2. Sustainability

- Ensure financial viability of the municipality
- Anticipated revenue to be collected and anticipated spending to be realistic

3.1.3. Responsiveness

- The budget to be responsive to the needs of the community
- Alignment of budget, LED Strategy with IDP to give effect to the provincial and national priorities
- The budget to respond to the municipal economic growth objectives and socio economic needs of the community.

3.1.4. Affordability

- Tariff setting to take into account local economic conditions and ability of consumers to pay in relation to the cost of rendering the services

4. BUDGET ASSUMPTIONS AND METHODOLOGY

4.1 Funding the Annual Budget

- An annual budget may be funded from realistically anticipated revenues to be collected
- From the cash-backed accumulated surpluses from previous years not committed for any other purpose
- Borrowed funds earmarked to only fund the capital budget.
- Anticipated grants allocated to the municipality as gazetted for in the Division of Revenue Act (DORA).

4.2. Capital Budget

Capital budget provides funding for the municipality's capital programmes based on the needs identified by the community and the municipal objectives as outlined in the Integrated Development Plan of the municipality.

4.2.1. Basis of calculation

- The Zero based method is used in preparing the annual capital budget, except in cases where a contractual commitment has been made that will span over more than one financial year.
- Provisions on the capital budget shall be limited to the available financial resources and affordability.
- The annual budget shall be based on realistically anticipated revenue.
- Funds to be available (liquid cash) prior to budgeting
- Loans/ borrowing to be taken prior or be available prior to budgeting and must be equal to the anticipated capital expenditure.
- The impact of the capital budget on current and future operating budgets in terms of financial charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets and any other operating expenditure to be incurred resulting directly from the capital expenditure, should be carefully analysed when the annual capital budget is being compiled.
- In addition, council shall consider the likely impact of such operational expenses-net of any revenues expected to be generated by such item-on future property rates and services tariffs.

4.2.2. Funding of the Capital Budget

The capital budget shall be funded from the following:

4.2.2.1. **Own Funding Sources**
- The Council shall establish a Cash Replacement Reserve (CRR) for capital renewal, replacement and acquisition.
- Such reserve shall be established from unappropriated cash-backed accumulated surpluses

4.2.2.2. Amounts appropriated as contributions in each annual or adjustment budget
4.2.2.3. Public contributions, donations or other grants
4.2.2.4. Grants and subsidies allocated in the annual Division of Revenue Act
4.2.2.5. Grants and subsidies allocated by provincial government
4.2.2.6. Net gains on sale of fixed assets in terms of the fixed assets management and accounting policy
4.2.2.7. External loans/borrowings
4.2.2.8. Any other financing source secured by the municipality

4.2.3 Guiding principles on capital budget funding

4.2.3.1 Government grants and subsidies:

- Only gazetted allocations or transfers as reflected in the Division of Revenue Act or allocations per provincial gazette may be used to fund projects
- Conditions of the specific grant as allocated per projects must be taken into consideration.

4.2.3.2. Public contributions or donations/grants

- Capital projects will only be included in the annual budget if funding is guaranteed by means of the following:

I. A signed service level agreement
II. A contract or written confirmation
III. Or any legally binding document

4.2.4. Borrowing requirements

4.2.4.1. The borrowing requirements are used as a basis for determining the affordability of external loans over the Medium term and expenditure Framework. The ratios to be considered when taking up new loans/borrowings include the following:

I. Long term credit rating of at least BBB
II. Interest cost to total expenditure not to exceed 9%
III. Long –term debt to revenue (excluding grants) not to exceed 50%
IV. Consumers payment rate of above 95%
V. Percentage of capital charges to operating expenditure of less than 15%

4.2.5. Cash-backed accumulated Reserves (CRR)

- Capital projects of a smaller nature such as office equipment, furniture, plant and equipment etc, shall be funded from own operating revenue of the same financial year.
- Capital projects to replace upgrade existing assets will be funded from CRR
- Infrastructure projects to service new developments and revenue received from sale of erven must be allocated to capital reserve for services
- Capital projects to upgrade bulk services will be allocated to the Capital Bulk Contributions Reserve for each services (electricity, water, sewerage)

4.3. Operating Budget

4.3.1. **Basis of calculation**

The operating budget provides funding to directorates for their medium term planned expenditure.

- The incremental approach is used in preparing the annual operating budget, except in cases where a contractual commitment has been made that would span over more than one financial year. In these instances the zero based method will be followed.
- The annual operating budget shall be based on realistically anticipated revenue to be collected, which should cater for total anticipated spending in accordance with Section 18 of MFMA no 26 2003
- NB: Amounts for provision of depreciation and debt impairment, although non-cash items are not to be used to "balance' the operating budget shortfalls.

4.3.2 **Assumptions for various budget categories**

The municipality categorizes services rendered to the community according to its revenue generating capabilities as follows:-

4.3.2.1 Trading services (services that should generate predetermined surpluses that can be used to fund other services rendered.

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

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

4.3.3 **Funding of the Operating Budget**

The operating budget shall be financed from the following main sources of revenue:

4.3.3.1. Property rates

- Property rates 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 Valuation Roll, consistent with current and past trends
- Property rates tariffs are determined annually as part of the tariff setting process;
- Property rates rebates, exemptions and reductions are budgeted either as revenue foregone or as a grant as per the MFMA Budget circular 51 depending on the conditions thereof;
-

4.3.3.2. Service charges (electricity, refuse, sanitation, water)

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

I. Metered services comprising of electricity and water:-

- The consumption trends for the previous financial years
- Envisaged water restrictions or load shedding where applicable
- Actual revenue collected in previous financial years

II. **Refuse removal services**

- The actual number of erven receiving service per category
- Actual revenue collected in previous financial years

III. **Sewerage service**

- The actual number of erven receiving the service per category
- The consumption trends per category
- The actual revenue collected in the previous financial years
- Rebates, exemptions or reduction for service charges are budgeted either as revenue foregone or as a grant as per MFMA Budget Circular 51 depending on the conditions thereof;

4.3.3.3. Government grants and subsidies

- Revenue from government grants and subsidies shall be in line with allocations gazetted in the Division of revenue act and provincial gazettes.

4.3.3.4. Interest on investments

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

4.3.3.5. Rental fees

- Revenue from rental of property shall be charged based on the percentage growth rate as determined by Financial services for a particular budget year

4.3.3.6. Fines

- Projected revenue for fines shall be charged in terms of the approved tariffs, considering the past trends calculated on the basis of actual receipts extrapolated over 12 months and expected growth for a particular budget year.

4.3.3.7. Other sundry revenue

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

4.3.3.8. Cash –backed accumulated surpluses from previous years not committed for any other purpose.

4.3.4. Guiding principles when compiling the operating budget

4.3.4.1. the annual budget must be cash backed
4.3.4.2. provision for bad debt must be the difference of the actual payment levels percentage
4.3.4.3. growth parameters must be realistic, taking into account current economic conditions
4.3.4.4. tariffs adjustments must be realistic, taking into consideration affordability, bulk purchases increases and future projected growth according to the approved Integrated Development Plan
4.3.4.5. the tariffs increases should be cost reflective and as far as possible be limited to inflation targeting per budget circulars
4.3.4.6. revenue from public contributions, donations or any other grants may only be included in the budget if the following documents are received:-

I. a signed service level agreement
II. a contract or written confirmation
III. o r any other legally binding document.

4.3.5. Expenditure Categories

The following assumptions are used when compiling the operating budget spending:-

4.3.5.1. Salaries, wages and allowances

- A detailed salary budget shall be compiled on an annual basis
- Salaries and allowances are calculated based on the percentage increase as per the collective agreement between organized labor and the employer for the particular period
- All funded positions are budgeted for in total
- An additional 2% shall be allocated for filling of new critical positions as per the approved structure
- The remuneration of political office bearers shall be based on the limitations and percentages as determined by the responsible National Minister
- As a guiding principle the salary budget should not exceed 35% of the annual operating budget.

4.3.5.2. Collection Costs

- Will include and not limited to costs attributed to the maintenance of the financial system used for the collection of outstanding amounts based on the service level agreement including commission.

4.3.5.3. Depreciation

- Depreciation shall be budgeted for according to the asset register and to limit the impact of the implementation of

GRAP 17 a transfer shall be made from the accumulated surplus

- It shall be calculated at costs, using the straight line method, to allocate the depreciation cost to the residual values over the estimated useful lives of the assets

4.3.5.4. Interest on external borrowing

- It refers to interest and redemption that has to be repaid on external loans taken up by the municipality.
- The budget is determined by the repayments that the municipality is liable for, based on the loan agreement entered into with the other party.

4.3.5.5. Repairs and maintenance

- To ensure the health of the municipal asset base, sufficient provision must be made for the maintenance of the existing infrastructure assets based on affordable levels.
- Infrastructure maintenance costs shall be informed by the maintenance plan for each trading service

4.3.5.6. Bulk purchases

The expenditure on bulk purchases shall be determined using tariffs as stipulated by the Water boards, NERSA and any service provider from time to time.

4.3.5.7. Contributions to funds

Refers to the contributions made to provisions **(e.g. leave reserve funds)** on annual basis and is determined based on the actual expenditure in the previous year and any other factor that could have an effect

4.3.5.8. Internal charges

- These refer to inter departmental charges within the municipality.
- The performance of each line item is analysed where after the budget is based on the previous years' performance

4.3.5.9. Other expenditure

- Individual line items are to be revised annually when compiling the budget to ensure proper control over the expenditure
  - Increase for these line items shall be linked to the average inflation rate and macro-economic indicators unless a signed service level agreement stipulates otherwise.
  - As a guiding principle repairs and maintenance budget should constitute at least between 5% and 10% of the total operating budget based on the affordability levels
  - The maintenance budget percentage should increase annually be increased incrementally until the required targets are achieved.

4.3.5.10. Appropriations

It refers to the transfers to and from the capital replacement reserve to offset depreciation charges. Appropriations are determined on an annual basis.

5. DEBT MANAGEMENT

- Debt is manage in terms of the Council Credit Control Policy
- Provision for revenue that will not be collected shall be budgeted adequately as an expense and must be based on the projected annual nonpayment for services.

6. BORROWING MANAGEMENT

The borrowing requirements are based on the backlogs of the infrastructure needs taken into consideration the operational impact of any loans

7. CASH MANAGEMENT

- Cash availability shall be closely monitored to ensure a minimum cash days on hand of ninety (90) days for daily operations.
- Surplus cash not immediately required for operation purposes shall be invested in terms of the council's Investment Policy so as to maximize returns on the investments
- Municipality shall implement the inclining block tariffs and time of use tariffs

8. RESERVES

- To ensure that funding is readily available for future development and timeous replacement of aging infrastructure
- Municipality shall create dedicated reserves that are cash-backed all the time
- All reserves to be 'rein-fenced as internal reserves within the accumulated surplus, except for provisions as allowed by the General Recognised Accounting Practice (GRAP).
- The following are the recommended reserves to be re-in fenced and cash backed over a period of time:-

8.1. Capital Replacement Reserve

- The municipality shall establish the capital replacement reserve through contributions from the operating budget
- Once fully established, it shall provide internal funding for municipal capital replacement and renewal programme.
- The reserve shall be cash-backed all the time.

8.2. Bulk Capital Contributions Reserves

- This reserve shall supplement capital expenditure for the necessary expansion and upgrading of bulk infrastructure due to new developments
- Revenue generated through bulk services contributions shall be allocated to this reserve for each applicable service
- The reserve shall be cash-backed all the time

9. PROVISIONS

A provision is recognized when the municipality has a present obligation as a result of a past event and 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.

9.1. Provisions shall be revised annually and those settled within the next twelve months are treated as current liabilities.

9.1.1. Leave Provision

10% of the leave provision shall be cash backed-as not all leave balances are to be redeemed for cash at once.

9.1.2. Landfill site rehabilitation Provision

5% of the landfill site rehabilitation provision shall be cash backed and budgeted for accordingly as licence review / closure and rehabilitation / landfill operations.

9.1.3. Long Services Awards

5% of the long service leave provision shall be cash backed as not all long service awards are to be redeemed for cash at once.

9.1.4. Post-Retirements Benefits

The provision for medical care benefits to qualifying retired employees shall be cash backed to ensure the availability of cash for the payment of medical aid payments

10. IMPLEMENTATION AND REVIEW OF POLICY

- This policy shall be implemented once approved by Council
- To be implemented with effect from the 1st July 2017
- Shall be reviewed on an annual basis and tabled with other budget related policies as part of the budget process when circumstances warrant that to ensure that it is in line with the municipality's strategic objectives and legislation

RUSTENBURG

LOCAL MUNICIPALITY
DRAFT INDIGENT POLICY
2025/26

AGENDA: SPECIAL COUNCIL: 29 MAY 2025

PREAMBLE

(1) **WHEREAS** the provision of free basic municipal services by a Municipality is part of the broader social agenda and anti-poverty strategy of the South African Government, the Rustenburg Local Municipality (hereafter "the Municipality"), must give priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the Municipality have access to at least the minimum level of basic municipal services in terms of section 152(1)(b) and 153(b) of the Constitution of the Republic of South Africa, 108 of 1996 (hereafter the Constitution);

(2) **AND WHERE AS** a Municipality, as the third sphere of government, therefore has a constitutional duty to assist the National and Provincial spheres of government in the realisation of the abovementioned rights;

(3) **AND WHEREAS** the key purpose of this Indigent Policy is to ensure that households with no or a lower income level are not denied basic municipal service, and to ensure the sustainability of the rendering of these municipal services to indigent consumers, within the financial and capacity restraints of the Municipality;

(4) **AND WHEREAS** the Indigent Policy must be maintained for so long as the Municipality is able to, without compromising the financial stability and functioning of the Municipality;

(5) **AND WHEREAS** it is of importance to set appropriate and sustainable threshold levels and subsidies of tariffs for indigent consumers;

(6) **AND WHEREAS** the Municipality requires qualifying indigent consumers to register as such and to agree to the terms, conditions and restrictions of the Municipality by completing the Municipality's application documentation;

NOW THEREFORE, the Council adopts the following Indigent Policy.

THE RUSTENBURG LOCAL MUNICIPALITY:

INDIGENT POLICY

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CHAPTER 1
INTRODUCTORY PROVISIONS

1 DEFINITIONS

In this policy, except where the context otherwise indicates, or it is expressly stipulated otherwise, the following words and expressions shall have the respective meanings assigned to them hereunder, and words and expressions to which a meaning has been assigned in terms of the provisions of the Systems Act, the MFMA, the Credit Control & Debt Collection Policy and By-law, the Tariff Policy and By-law, as well as the Rates Policy and By-law of the Municipality, will have a corresponding meaning assigned thereto in terms of such policies or by-laws. All headings are included for convenience only and shall not be used in the interpretation of any of the provisions of this policy.

NO	WORD/EXPRESSION	DEFINITION
	"A"	
1.1	**"annual budget"**	Means the budget approved by the Councilors any particular financial year, and shall include any adjustments to such a budget.
1.2	**"annually"**	Means once every financial year.
1.3	**"applicant"**	Means the person applying to the Municipality to be afforded the status of a Registered Indigent in terms of this policy.
	"B"	
1.4	**"basic municipal service"**	Means 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.
	"C"	
1.5	**"Chief Financial Officer"**	Means the person appointed by the Council and designated by the Municipal Manager to manage the financial

		administration of the Municipality and who remains directly accountable to the Municipal Manager as contemplated in terms of the provisions of section 80(2)(a) read with section 1 and section 81 of the MFMA.
1.6	**"child"**	Means a minor person.
1.7	**"Constitution"**	Means the Constitution of the Republic of South Africa, 108 of 1996.
1.8	**"consumer"**	Means a person or entity consuming or receiving municipal services, and may include a customer or a tenant of a customer irrespective of whether such a person has concluded a service agreement with the Municipality, and may also include a person who illegally and unlawfully connected to the municipal services infrastructure or who illegally and unlawfully gained access to or usage of the municipal services.
1.9	**"Council"**	Means the Municipal Council of the Municipality as referred to and constituted in terms of the provisions of section 157 of the Constitution.
1.10	**"Credit Control & Debt Collection Policy" and "Credit Control &Debt Collection By-Law"**	Means the Credit Control and Debt Collection Policy as adopted by the Council of the Municipality and the Credit Control & Debt Collection By-Law adopted in terms of the provisions of section 96 and section 98 of the Systems Act.
1.11	**"customer"**	Means the owner of the premises or in exceptional circumstances a tenant, and includes a person or entity liable to the Municipality for the payment of tariffs, levies, fees and municipal consumption charges in terms of a service agreement concluded with the Municipality, and may include a person who applied to the Municipality to become a Registered Indigent in terms of this policy, and who is not the owner of the premises, but who is: (a) the child in control of a child-headed household where the residential property is registered in the name of the deceased parent or deceased parents of that child; or

		(b) the party to whom the residential property is awarded in the event of a divorce; or (c) where a deceased estate has not been wound up: (i) in the case of a deceased estate, in whose name the residential property is registered, any heir to whom the registered property has been bequeathed; or (ii) a surviving spouse, where the surviving spouse was married in community of property to the deceased, and where the residential property is registered in both spouses' names, and the surviving spouse is the sole heir; or (iii) a surviving spouse, who was married in community of property to the deceased, together with any other heirs, if any, where the residential property is registered in the name of that deceased; or (iv) in the case where a portion of a residential property is registered in the name of a deceased estate, the surviving registered owners together with the heirs to the deceased estate; and who simultaneously with the application for indigent support in terms of this policy, applied for the provision of municipal services in terms of the Credit Control & Debt Collection Policy and By-Law of the Municipality to be granted an account and to conclude a service agreement with the Municipality, and whose application has been approved by the Municipality, and as such has concluded a service agreement with the Municipality.
"D"		
1.12	**"deemed indigent"**	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. A deemed indigent means an individual whose property value does not exceed ~~**R200 000.00**~~ R300 000 or

		Who has a total house hold income not exceed that of a registered indigent according to data available to the municipality.
"E"		
1.13	**"equitable share"**	Means an allocation made by the National Government during a financial year, in its fiscal allocation, gazetted through the Division of Revenue Act (hereinafter "the DORA"), in order to assist municipalities to fund various expenses including expenses such as free basic services.
"F"		
1.13	**"free basic alternative energy"**	Means any other form of basic energy excluding electricity (including solar home system) deemed necessary to support basic energy needs of an indigent household as determined from time to time, and funded by the Government.
1.14	**"free basic electricity"**	Means a limited amount of free electricity deemed necessary to provide basic services as determined and funded by the National Government.
1.15	**"free basic sanitation"**	Means the prescribed minimum standard of services rendered to households including informal households, necessary for the safe, hygienic and adequate collection, removal, disposal or purification of human excreta, domestic waste-water and sewage prescribed in terms of the Act, under regulation 2 of Government Notice GN R509 in Gazette Notice 22355 of 8 June 2001 or as amended from time to time, or any substitution for that regulation;
1.16	**"free basic water supply"**	Means the prescribed minimum standard of water supply services necessary for the reliable supply of sufficient quantity and quality of water to household including informal households to support life and personal hygiene, prescribed in terms of the Act under regulation 3 Government Notice GN R509 in Gazette

		Notice 22355 of 8 June 2001, as amended from time to time, or any substitution for that regulation.
1.17	**"financial year"**	Means the period starting from 1 July in any year and ending on 30 June of the following year.
"H"		
1.18	**"household"**	Means the total number of persons who permanently reside in and occupy a single premise for residential purposes.
"I"		
1.19	**"Indigent Household"**	Means a household headed by a Registered Indigent.
1.20	**"Indigent Management System"**	Means the system consisting of designated officials of the Municipality supported by an electronic management system, equipped and designated to process applications for indigent support and used by the Municipality for the management of the Indigent Register.
1.21	**"Indigent Policy "or "this policy"**	Means the Indigent Policy, adopted by the Council of the Municipality.
1.22	**"Indigent Register"**	Means a record of the Registered Indigents established and maintained by the Municipality as per the provisions of this policy.
1.23	**"indigent support"**	Means the financial and other support, discounts, subsidies and assistance which the Municipality renders to Registered Indigents and households headed by Registered Indigents.
"M"		
1.24	**"Municipal Finance Management Act" or "MFMA"**	Means the Local Government: Municipal Finance Management Act, Act 56 of 2003 and the regulations promulgated in terms of this act.
1.25	**"Municipal Manager"**	Means the Municipal Manager of the Municipality appointed in terms of the provisions of section 54A of the Systems Act and as referred to in the definition of "Accounting Officer" in section 1 of the MFMA, and also referred to in section 60 of the MFMA, and includes a person acting as an Accounting

		Officer, or the person to whom the Accounting Officer has delegated his/her authority to act.
1.26	**"Municipality"**	Means the RUSTENBURG LOCAL MUNICIPALITY (also referred to as "the RLM") a local government and legal entity with full legal capacity as contemplated in section 2 of the Systems Act read with the provisions of Chapter 7 of the Constitution and sections 12 and 14 of the Structures Act, with its main place of business and the offices of the Municipal Manager, as envisaged in terms of the provisions of section 115(3) of the Systems Act, at: the Missionary Mpheni House, CNR NELSON MANDELA & BEYERS NAUDE STREET, RUSTENBURG, NORTH WEST PROVINCE, and may, depending on the context, include: (a) its successor in title; or (b) a functionary, employee or official exercising a delegated power or carrying out an instruction, in the event of any power being delegated as contemplated in terms of the provisions of section 59 of the Systems Act, or exercising any lawful act in the furtherance of the Municipality's duties, functions and powers; or (c) an authorised service provider fulfilling a responsibility assigned to it by the Municipality through a service delivery agreement.
1.27	**"Municipal Property Rates Act" or "MPRA"**	Means the Local Government: Property Rates Act, Act 6 of 2006 and the regulations promulgated in terms thereof.
1.28	**"municipal service" or "services"**	Means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether: (a) such service is provided or to be provided by the Municipality through an internal mechanism contemplated in section 76; and (b) fees, charges or tariffs are levied in respect of such service or not.

1.29	**"municipal tariff" or "tariff"**	Means a fee, charge or tariff for services which the Municipality may set for the provision of a municipal service to the local community, and includes a surcharge on such fee, charge or tariff.
	"O"	
1.30	**"occupier"**	Means any person who occupies premises or part thereof, without taking cognisance of the title under which he or she occupies the premises, and occupant has a corresponding meaning.
1.31	**"owner"**	Means: (a) the person in whose name the property is registered; (b) in the case where the person in whose name the property is registered, is insolvent or deceased, or is disqualified in terms of any legal action, the person who is responsible for administration or control of the property as curator, trustee, executor, administrator, legal manager, liquidator, usufructuary, servitude holder or any other duly authorised of appointed representative; (c) in the case where the Municipality or service provider is unable to establish the identity of such person, the person who is entitled to derive benefit from the property or any buildings thereon; (d) in the case of a lease agreement entered into for a period of 30(thirty) years or longer, or for the natural life of the lessee or any other person mentioned in the lease, or is renewable from time to time at the will of the lessee indefinitely or for a period of periods which, together with the first period of the lease, amounts to 30 (thirty) years, the lessee or any other person to whom he has ceded his right, title and interest under the lease, or gratuitous successor to the lessee; (e) In relation to:

		(i) a piece of land delineated on a sectional title plan and which is registered in terms of the Sectional Title Act, Act 95 of 1986, without limiting it to the developer or body corporate of the common property; (ii) a section as defined in the Sectional Title Act, Act 95 of 1986, the person in whose name that section is registered in terms of a "sectional title deed", including the lawfully appointed representative or agent of such person; (f) any legal entity including but not limited to: (i) a company registered in terms of the Companies Act, Act 61 of 1973, a trust inter vivos, trust mortis causa, a close corporation registered in terms of the Close Corporation Act, Act 69 of 1984 and any voluntary organisation; (ii) any provincial or national government department, or local authority; (iii) any Council or management body established in terms of any legal framework applicable to the Republic of South Africa; and (iv) any embassy or other foreign entity in whose name the property is registered; (g) in relation to property owned by the Municipality and which has been disposed of, but which has not been transferred to the person to whom it has been disposed of, from the date of the disposition concerned, such person; and (h) in relation to property owned by or under the control or management of the Municipality while held under a lease or any express or tacit extension thereof or under any other contract or under servitude or right analogous thereto, the person so holding the immovable property.

"P"		
1.32	**"premises"**	Means any property or any building or structure above or below ground levels on property and may include any vehicle, aircraft or vessel.
1.33	**"prepayment meter"**	Means a meter whereby payment for municipal services is first made elsewhere and credit is transferred to such meters by means of a token or coded number or credit card or other means and such meter is programmed and dispenses pre-purchased municipal services as it is consumed by the consumer at a predetermined rate or charge.
1.34	**"property"**	Means: (a) immovable property registered in the name of a person/owner including in the case of a sectional title scheme, a sectional title unit registered in the name of any person/owner; (b) a right registered against immovable property in the name of a person excluding a mortgage bond registered against the property; (c) any piece of land, the external surface boundaries of which are delineated on: (i) a general plan or diagram registered in terms of the Land Survey Act, Act 9 of 1927 or in terms of the Deeds Registries Act, Act 47 of 1937 or; (ii) a sectional plan registered in terms of the Sectional Titles Act, Act 95 of 1986; which is situated within the area of the Municipality;

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		(d) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or (e) public service infrastructure.
	"R"	
1.35	**"rates"**	Means a municipal rate on property levied in terms of the provisions of section 229(1)(a) of the Constitution and section 2(1) of the MPRA.
1.36	**"Rates Policy"**	Means the Rates Policy of the Municipality as adopted by the Municipality in terms of the provisions of section 3(1) of the MPRA.
1.37	**"Registered Indigent"**	Means a person, qualifying to be registered as an indigent in terms of this policy, who has applied to the Municipality in terms of this policy to be registered as a Registered Indigent, whose application was approved by the Municipality, and who is indicated as a Registered Indigent in the Indigent Register or any persons deemed to be an indigent by the municipality.
	"S"	
1.38	**"service agreement"**	Means the written agreement concluded between the Municipality and a customer for the provision of municipal services to premises once the Municipality has approved the customers' official application form for the rendering of such services to the customer and which contains the terms and conditions upon which the Municipality will render such services to the customer.
1.39	**"Structures Act"**	Means the Local Government: Municipal Structures Act, Act 117 of 1998 and the regulations promulgated in terms thereof.
1.40	**"subsidised services"**	Means the municipal services, the costs of which are either subsidised in full or in part by the Municipality.
1.41	**"Systems Act"**	Means the Local Government: Municipal Systems Act, Act 32 of 2000 and the regulations promulgated in terms thereof.

"T"		
1.42	**"Tariff Policy"**	Means the Tariff Policy of the Municipality adopted in terms of the provisions of section 74(1) of the Systems Act.
1.43	**"Tariff Schedule"**	Means the schedule containing details pertaining to the levels and application of the various fees, charges or tariffs as approved by the Council from time to time.
1.44	**"tenant"**	Means a person who is entitled to the use and enjoyment of premises for the payment of rent as a result of an agreement concluded with a person who has the right to extent such rights regarding the premises.

2 ABBREVIATIONS

In this policy the following abbreviations will be used to signify the meaning or entity as indicated:

CDW	Community Development Worker
~~DORA~~	~~Division of Revenue Act, as enacted at the beginning of April every year~~
DWAF	The National Department of Water Affairs and Forestry
ESG	Equitable Share Grant
IDP	Integrated Development Plan
kWh	Kilowatt hour
LED	Local Economic Development
MFMA	Local Government: Municipal Finance Management Act, Act 56 of 2003
MIG	Municipal Infrastructure Grant

MPRA	Local Government: Municipal Property Rates Act, Act 6 of 2006
UIF	Unemployment Insurance Fund

3 AIM AND PURPOSE

The aim and purpose of this policy is to ensure that Registered Indigents have access to basic municipal services, to ensure that the subsidy scheme for Registered Indigents forms part of the financial management system of the Municipality and to provide procedures and guidelines for the subsidisation of basic municipal services and tariff charges to the Registered Indigents.

4 TITLE AND APPLICATION

(1) This policy is known as the Indigent Policy of the Municipality and is applicable to the municipal area of the Municipality.

(2) This policy revokes all previous policies, decisions and/or *ad hoc* clauses within any other policy, regarding the subject matter of this policy.

S COMMENCEMENT AND VALIDITY

This policy shall come into full force and effect upon the acceptance thereof by the Council of the Municipality by resolution.

6 RESPONSIBLE AUTHORITY

(1) The responsible authority for the adoption and implementation of this policy is the Municipality, and where applicable the Council of the Municipality.

(2) In terms of the provisions of section 62 of the MFMA, the Municipal Manager of the Municipality is responsible for managing the financial administration of the Municipality, and must for this purpose, take all reasonable steps to ensure *inter alia* that the Municipality has and implements:

(a) The Tariff Policy referred to in section 74 of the Systems Act. Section 74(2)(c) of the Systems Act provides that the Tariff Policy must reflect *inter alia* that indigent households must have access to at least basic municipal services through:

(i) tariffs that cover only operating and maintenance cost;

(ii) special tariffs or lifeline tariffs for low levels of use or consumption of services or for basic levels of service; or

(iii) any other direct or indirect method of subsidisation of tariffs for indigent households.

(b) A Credit Control and Debt Collection Policy referred to in section 96(b) of the Systems Act. Section 97(1)(c) of the Systems Act provides that a Credit Control and Debt Collection Policy must provide for the provision for debtors who are Registered Indigents that is consistent with its rates and tariff policies and any national policy on indigents.

(3) The Chief Financial Officer will ensure that this policy is integrated with the Municipality's financial planning and processes, as well as the taking into account of the effect of this policy in the annual budget of the Municipality.

7 POLICY PRINCIPLES

The Municipality undertakes to promote the following principles regarding this policy:

(a) the Municipality will ensure that the funding portion designated for free basic municipal services, allocated as part of the equitable share received annually from National Government and other budgetary

provisions, is utilised for the benefit of Registered Indigents only and not to subsidise rates and service charges of those who can afford to pay same;

(b) the Municipality will link this policy with the Municipality's ntegrated Development Plan (IDP), Local Economic Development (LED) initiatives and poverty alleviation programmes;

(c) the Municipality will promote an integrated approach to free basic municipal service delivery;

(d) the Municipality will engage the local community in the development and implementation of this policy;

(e) the Municipality will ensure that any relief and/or support provided in terms of this policy is constitutional, practical, fair, equitable, justifiable and does not amount to unfair discrimination;

(f) the Municipality will provide indigent support within the available limits of their financial capacity in order not to jeopardise the financial stability of the Municipality or the sustainability of the provision of municipal services to all the customers of the Municipality and the community as a whole;

(g) the Municipality will review and amend the qualification criteria for indigent support on a regular basis and when necessary;

(h) the payment of basic municipal services should be affordable to the Registered Indigent; and

(i) an approved community communications programme, embodying the principles of transparency and fairness, must be implemented in respect of the indigent support programme.

8 POLICY OBJECTIVES

The objectives of this policy are the following:

(a) to provide basic municipal services to the community in a sustainable manner within the financial and administrative capacity of the Municipality;

(b) to ensure the financial sustainability of free basic municipal services through the determination of appropriate tariffs that contribute to such sustainability through fair and reasonable cross subsidisation;

(c) to establish a framework for the identification and management of indigent households, including a socio-economic analysis and an exit strategy to assist the indigent household to escape the burden of indigence;

(d) to provide procedures and guidelines for the subsidisation of basic municipal services and tariff charges to Registered Indigents;

(e) to ensure co-operative governance with other spheres of government; and

(f) to enhance the institutional and financial capacity of the Municipality to implement this policy.

9 LEGISLATIVE FRAMEWORK

This policy is designed and must be implemented within the framework of *inter alia* the following legislation:

(a) The Constitution;

(b) The Systems Act;

(c) The MFMA;

(d) The Promotion of Administrative Justice Act, Act 3 of 2000;

(e) The Promotion of Access to Information Act, Act 2 of 2000;

(f) The MPRA;

(g) The Water Service Act, Act 108 of 1997 and Regulations thereto; and

(h) The Waste Act, Act 59 of 2008 and the Regulations thereto

10 POLICIES, STRATEGIES AND GUIDELINES

There are several strategies and guidelines relating to free basic services which compliment this policy and which must be recognised and taken into account in the implementation of this policy, including:

(a) National Policy on Free Basic Services, National Policy on Free Basic Water, National Policy on Free Basic Electricity, National Policy for the provision of Basic Refuse Removal Services to Indigent Households.

(b) Free Basic Water Strategy and Guideline prepared by the DWAF.

(c) Free Basic Sanitation Strategy and Guidelines also prepared by DWAF.

(d) Guidelines on tariffs for municipal solid waste services prepared by the Department of Environmental Affairs and Tourism.

(e) Electricity Basic Support Tariff (Free Basic Electricity) Policy,1 April 2003, prepared by the Department of Minerals and Energy.

(f) National Policy on Free Basic Alternative Energy, 2007.

(g) The Property Rates Act, which provides for zero-rating of low value properties up to a value of R15000, thereby ensuring that households on these properties gain access to a package of public services for free.

11 FUNDING

The following internal and external sources of funding are available to the Municipality to provide basic municipal services to Registered Indigents:

(1) Internal Sources:

(a) Cross subsidies generated from the netted trading surplus from Trading Services or Economical Services, as referred to and categorised in terms of the Tariff Policy of the Municipality.

(b) The core administration revenue of the Municipality which include revenue generated by *inter alia* property rates.

(2) External sources:

The national fiscus, through the Equitable Share Grant (ESG) and Municipal Infrastructure Grant (MIG). This amount may be varied on a yearly basis according to the new allocation for a particular financial year.

12 TARGETING OF INDIGENT HOUSEHOLDS

(1) The implementation of this policy and the effective targeting of indigent persons will largely depend on the social analysis included in the IDP, the LED initiatives and other poverty relief programmes of the Municipality.

(2) The socio-economic information and performance indicators contained in these documents must form the basis for the targeting of indigent persons.

(3) Against the background of such socio-economic analysis, and within its financial and institutional capacity, the Municipality must decide which targeting method should be applied.

(4) The Municipality ~~may apply~~ applies the following targeting methods:

Targeting approach		Application
1.	~~Service levels~~	~~Lowest service levels normally in informal settlements and rural areas.~~

2.	Property value	Applicable only to Registered Indigents in respect of subsides or RDP housing to a value determined in addition to the rebate in terms of the MPRA.
3.	Gross household income	The total household income may not exceed the sum of ~~two~~ four times the amount of state funded social grants (old age pension - beneficiary older than 60 years) currently as set out on the **National Budget pronouncement on government grants**
~~4.~~	~~Geographical (Zone) targeting~~	~~Specific areas (rural or urban) where households are regarded as poor irrespective of service level.~~

(5) The Municipality may use any one of the above targeting methods or ~~any~~ combination thereof for the assessment and evaluation of an application by any person for indigent support and in determining whether any person applying for such indigent support qualifies for such support.

13 QUALIFICATION CRITERIA

(1) The Municipality shall, from time to time, determine the qualification criteria for a person to become a Registered Indigent in order to receive indigent support, provided that until the Municipality determines otherwise, the following criteria shall apply:

(a) the premises to which the municipal services are rendered (or to be rendered) or relate must be a "residential property", as classified in terms of the categories of properties in terms of the provisions of the Rates Policy and By-Law of the Municipality, and must be utilised solely for residential purposes, as well as situated within the municipal area of the Municipality; and

(b) the applicant applying for the indigent support, must be:

(i) the holder of an account with the Municipality for the provision of municipal services to the premises referred to in sub-paragraph (a) above, who has concluded a service agreement

with the Municipality, as referred to and defined in terms of the Credit Control & Debt Collection Policy and By-Law of the Municipality; or

(ii) in an instance where the applicant for the indigent support is not the holder of an account and has not concluded a service agreement with the Municipality, as required by sub-paragraph (i) above: the applicant must:

(aa) be the child in control of a child-headed household where the residential property is registered in the name of the deceased parent or deceased parents of that child; a letter from the Courts/magistrate indicating that the estate is in progress and Ward councilor confirmation

(bb) be the party to whom the residential property isawarded in the event of a divorce; or

(cc) be, where a deceased estate has not been wound up:

(aaa) in the case of a deceased estate, in whose name the residential property is registered, any heir to whom the registered property has been bequeathed; or still awaiting a letter of authority, whichever is applicable. The ward Councilor to confirm the relationship between the child and deceased parents

(bbb) a surviving spouse, where the surviving spouse was married in community of property to the deceased, and where the residential property is registered in both spouses' names, and the surviving spouse is the sole heir; or

(ccc) a surviving spouse, who was married in community of property to the deceased, together with any other heirs, if any, where the residential property is registered in the name of that deceased; or

(ddd) in the case where a portion of a residential

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deceased estate, the surviving registered owners together with the heirs to the deceased estate;

(dd) submit, simultaneously with the application for indigent support, an application for the provision of municipal services in terms of the provisions of the Credit Control & Debt Collection Policy and By-Law of the Municipality, applying to the Municipality to be granted an account and to conclude a service agreement with the Municipality; and

(c) the total household income of all the household occupants, of the indigent household to which the application relates, above the age of 18 (eighteen) years, on the residential property may not exceed the amount as determined by Council from time to time. This amount will be aligned to the National Budget pronouncement on government grants.

i) For persons below the age of 65, who are earning a total house hold income not exceeding 4 (four) times the amount received for government social pension grants

ii) For persons 65 years of age and above, earning in excess of the above threshold and below R20 000.00 gross household income, a benefit equal to half of the total benefits for registered indigents.

(e) the applicant must be a full-time occupant of the primary residential property owned; and

(f) where applicable, the applicant must have a prepayment electricity meter, a water management device or a prepayment water meter installed in terms of any applicable by-law or policy of the Municipality, as read with any approved tariff;

(g) the applicant must be a natural person.

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

(a) the property is used for residential purposes only as reflected in General Valuation roll;

(b) residential exclusion as per Property Rates Act 2004 (Act No 6 of 2004) is applicable to property;

(c) municipal value of property does not exceed maximum value ~~**R200 000**~~.R300 000

(2) The Municipality may call upon an applicant, a Registered Indigent or a debtor (as defined in terms of the provisions of the Credit Control & Debt Collection Policy of the Municipality) at any time to produce documents in support of their claim for indigence or Registered Indigent status and may approach any person in order to verify any claim made by an applicant.

(3) In a case where the applicant has registered business, and the business is dormant the applicant must submit the Turnover report from SARS; Financial report; and bank statements of the business as evidence.

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CHAPTER 2

ASSISTANCE PROCEDURES

14 COMMUNICATION

(1) The Municipality must develop a community communication strategy, embodying the principles of transparency and fairness, in terms of which communities will be informed and educated on the contents of this policy in order to provide a clear understanding of the provisions of this policy and the implementation thereof.

(2) Regular information dissemination and awareness campaigns by the Municipality must be undertaken to eliminate unrealistic expectations both in terms of qualifying criteria for indigent status, the extent of the benefits accorded to Registered Indigents, as well as municipal service delivery in general.

~~(3) The methods of communication that the Municipality may utilise include, but will not be limited to:~~

~~(a) Ward committees;~~

~~(b) Community Development Workers (CDW's);~~

~~(c) Local radio stations and newspapers;~~

~~(d) Municipal accounts;~~

~~(e) Imbizo's and road shows; and~~

~~(f) Jamborees where government and municipal officials are made available to assist residents with applications such as ID applications, pension- and social grant applications, etc.~~

~~(4) The Municipality must communicate the following to the community:~~

(a) what the Municipality is trying to achieve with regard to the Indigent Policy;

(b) how the Municipality will be going about implementing the Indigent Policy;

(c) what the value for indigent and non-indigent households is;

(d) who qualifies for the indigent support and how the Municipality has determined this;

(e) how qualifying households should access the indigent support; and

(f) the financial constraints of the Municipality which limits the levels of sustainable indigent support that can be provided.

15 INSTITUTIONAL ARRANGEMENTS

1. The Municipality shall appoint officials, or engage existing staff, or Community Development Workers (CDW's) who have been trained in terms of the Municipality'sdirections, to assist with the development and implementation of this policy. Furthermore, the Municipality shall establish indigent registration points, the cost ofwhich may be funded through the equitable share allocation, in its municipal area.

16 INDIGENT COMMITTEE

(1) The Municipality shall have an Indigent Committee tasked with the execution of the functions allocated to the said committee in this policy. The Chief Financial Officer, in consultation with the Municipal Manager, shall appoint the members of the committee from officials of the Municipality having the required financial, legal and administrative skills to serve on this committee, and the committee shall be known as the "Indigent Committee". This committee must meet at least twice a month and must ensure that systems are put in place to ensure communication between the Indigent Committee and the Ward Committees in the Municipality in order to ensure that the provisions of this policy are implemented, that it functions and filters down to the community. The Indigent Committee must monitor in conjunction with Ward Councillors, Ward Committees, CDW's and other persons

or organisations it may appoint, the execution and functioning of the indigent support programme.

(2) The main task of the committee will be to see to the implementation of this policy, the proper functioning of the Indigent Management System of the Municipality, and to approve applications for indigent support. Once an application for indigent support is submitted to the committee, the date on which the application was submitted to the Indigent Committee shall be noted in the Indigent Management System, in order to track the status of the application within the process.

(3) The Indigent Committee must consider each recommended application, assess and evaluate it on its own merits, taking duly cognisance of all the information submitted by the applicant and any other knowledge or information which members of the Indigent Committee may have in respect of the applicant.

(4) The Indigent Committee may require any further information from the applicant they deem necessary in order to assist them in making a fair and justifiable assessment and may conduct site visits or require the applicant to attend an interview with the Indigent Committee.

(5) The Municipality's Finance Department will assist the Indigent Committee and will review its financial system to determine if the applying household is on its system and if so, what the levels of consumption have been and the levels of payment from that household.

(6) After the fair and objective assessment of each application, the Indigent Committee shall either approve or reject such an application.

(7) Approved applicants must be included in the Municipality's financial system and the Municipal Manager must sign off on the approved application before the Municipality proceeds to connect or re-connect and provide the municipal services to the Registered Indigent.

(8) In the event of a successful application, the Indigent Management System must be updated to show this, the system must be flagged to indicate that the application has been approved and a letter must be sent to the applicant, within 7 (seven) days, informing him/her of the approval of his/her application, the extent of the municipal services to which the applicant is entitled and the period for which the registration will remain valid. The applicant will be regarded as a Registered Indigent once the Indigent Management System is updated to reflect the approval of the application.

(9) In the event that the application is declined, it must be captured as such in the Indigent Management System, and the system must be flagged and a letter sent to the applicant informing him/her of the refusal and the reason therefore the Indigent Committee must provide reasons, which are to be captured on the Indigent Management System, recording why an application has been declined.

2.

17 APPLICATION

(1) A person applying for indigent support must duly complete an official indigent support application form as prescribed by the Municipality (Schedule "A").

(2) Such application form shall be available at the main office of the Municipality and at approved registration points established by the Municipality, as referred to above and on the Municipality's web site

(3) The duly completed application form for the indigent support must be accompanied by the following documentation when such application for indigent support is lodged with the Municipality:

(a) the latest municipal account for the household, if there is such an account;

(b) a certified copy of the account holders' and/or applicant's identity document, where the original is not available and presented to the Municipality for the purposes of making a copy by the Municipality;

(c) proof of the income of **all** occupants residing on the premises to which the municipal services are rendered (or to be rendered) or relate, above the age of 18 (eighteen) years, i.e. a letter from his/her employer, salary slip/envelope, pension card, unemployment insurance fund (UIF) card or a certificate that confirms registration as "looking for employment";

~~(d) **bank statements of all the occupants residing on the premises above the age of 18 (eighteen) years, for the last 3 (three) months, certifiedby the bank and a sworn affidavit from each occupant that no otherbank accounts exist;**~~

(e) in the absence of any proof to be submitted either through sub-paragraphs (3)(c) ~~**or (3)(d)**~~ above, a sworn affidavit must be submitted by the applicant together with the documentation required in terms of paragraphs (3)(a) and (3)(b) above;

~~(f) **proof of property ownership or proof of the existence of the criteria set out in paragraph 13(1)(b)(ii) above; and**~~

~~(g) **A letter of recommendation from the Ward Councilor in the ward of residence**~~

(h) such other documentation as the Municipality reasonably determines from time to time.

(4) The Municipality may require any other documentation or information from the applicant which the Municipality may deem necessary to assess and evaluate the application.

(5) As part of the application the applicant must consent to the verification of the information submitted by them, by the Municipality, a credit bureau or any other similar agency performing external scans, as referred to in this policy.

(6) All applications must be confirmed and declared under oath and be signed before a Commissioner of Oath.

(7) The Municipality may from time to time perform site visits to the indigent applicants' properties. This can be done with the assistance of a ward councilor.

(8) Upon approval of successful indigent registration, the applicant's arrear debt will be written off. This will only occur only once per person. In the event that the indigent falls into arrears the Credit Control and Debt Collection Policy shall apply.

(seven) days proceed to request the office of the Chief Financial Officer to provide a written report in response to the grounds of appeal, within 14 (fourteen) days from being requested to do so, setting out the reasons for the decision ofthe Municipality. The Municipal Manager may request any party to provide further detail or information as required to assist in the consideration of the appeal or to clarify any issues;

(a) the Municipal Manager shall then within 14 (fourteen) days after having received the response of the office of Chief Financial Officer and any additional information requested, consider the appeal and inform the appellant who lodged the appealof the outcome in writing;

(b) the decision of the Municipal Manager is final;

(c) the Municipal Manager may condone the late lodging of an appeal or any other procedural irregularity pertaining to an appeal in a written notice expressly doing so.

CHAPTER 3

INDIGENT SUPPORT

18 THE EXTENT OF INDIGENT SUPPORT

1.The extent of the monthly indigent support granted to a Registered Indigent, will bedetermined based on budgetary allocations for a particular financial year and the municipal tariffs determined for each financial year as part of the Municipality's budget process and as set out in the Tariff Schedule, as referred to in the Municipality's Tariff Policy and By-Law.

2.The extent of the indigent support provided by the Municipality isas follows:

2.1 For the indigents below the age of 65, with the income below four time the grant of pension(SASSA)

SERVICE TYPE	AMOUNT
Electricity	50KwH
Water	6kl
Sewerage	100%
Refuse Removal	100%
Assessment Rates	100%
Basic Water	100%
Basic Electricity	100%

2.2 For the indigents above age of 65 with income above the one stated in 2.1 above but below R20 000

SERVICE TYPE	AMOUNT
Electricity	25KwH
Water	3kl
Sewerage	50%
Refuse Removal	50%
Assessment Rates	50%

Basic Water	50%
Basic Electricity	50%

~~(1) Electricity~~

~~(a) The National Electricity Basic Service Support Tariff (Free Basic Electricity) Policy, 1 April 2003, published under Government Notice 1693 in Government Gazette No. 25088 of 4 July 2003, provides that 50 (fifty) kWh per month is considered to be adequate electrical energy to meet the needs for lightning, media access, limited water heating and basic ironing (or basic cooking) for a poor household on the national electrical grid.~~

~~(b) The National Policy on Free Basic Alternative Energy, 2007, published under Government Notice 391 in Government Gazette No. 29760 of 2 April 2007, provides for, and is intended to provide indigent households with alternative energy where electricity is not available because the indigent households are not on the national electrical grid. The Policy provides that a municipality must give energy to the value equivalent to the cost of 50kWh, to an un-electrified indigent household.~~

~~(c) Taking into account the above mentioned, the Municipality will provide Free Basic Electricity/Alternative Energy in the following manner:~~

(i) Electricity for households on the national electricity grid

(aa) All Registered Indigents will receive 50 (fifty) kWh electricity per month fully subsidised.

(bb) Unused free electricity units will not be carried over tothe next month. Any meter tampering will result thatthe subsidisation will be withdrawn. In the event of the electricity supplied by Eskom directly, the Municipality will pay over an amount to Eskom equal to 50 (fifty) kWh of electricity per month based on the customers registered with the Municipality as indigent and not based on any indigent records submitted by Eskom, from their own records.

(ii) Alternative sources for households not on a national electricity grid

(aa) The Municipality will give energy to non-grid indigent households to the value equivalent to the cost of 50kWh per month, (or as prescribed the National Policy on Free Basic Alternative Energy from time to time) or an amount as determined and provided for by the Council in the annual budget from time to time and as published in terms of the Tariff Schedule, as referred to in the Tariff Policy and By-Law of the Municipality. The Municipality may provide a voucher to the Registered Indigent to obtain the energy from an approved merchant or supplier, in lieu of energy.

(bb) Alternative energy sources are *inter alia* paraffin, liquefied petroleum gas, coal and bio-ethanol gel.

(2) Water

(a) The Municipality will provide Registered Indigents with 6 (six) kilolitres of water per month fully subsidised or an amount as determined and provided for by the Council in the annual budget from time to time.

(c) The subsidy shall not be more than the applicable tariff for that year and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

(3) Sewerage

(a) The minimum standard for basic water supply services as prescribed in terms of Regulation 2 of the Regulations Relating to Compulsory Nationals Standards and Measures to Conserve Water, published under Government Notice R509 in Government Gazette No. 22355 of 8 June 2001 and promulgated in terms of the Water Services Act, Act 108 of 1997, are as follows:

(i) the provision of appropriate health and hygiene education; and

(ii) a toilet which is safe, reliable, environmentally sound, easy to keep clean, provides privacy and protection against the weather, well ventilated, keeps smells to a minimum and prevents the entry and exit of flies and other disease-carrying pests.

(b) All Registered Indigents shall be fully subsidised for sewerage levied.

(c) The subsidy shall not be more than the applicable tariff for that year and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

(4) Refuse Removal

(a) The minimum standard for basic refuse removal as prescribed in terms of paragraph 8 of the National Policy for the Provision of Basic Refuse Removal Services to Indigent Households, published under Government Notice 413 in Government Gazette No. 34385 of 22 June 2011, are as follows:

(i) Spatial and settlements demarcation for Basic Refuse Removal Services:

(aa) More than 40 (forty) dwelling units per hectare (high density): Frequent and reliable formal collection and disposal of solid waste to a landfill is required.

(bb) 10 (ten) to 40 (forty) units per hectare (mediumdensity): Communal collection and formal disposal of household refuse and litter is required.

(cc) Less than 10 (ten) dwelling units per hectare (low density): On-site disposal of general household waste in areas so designated by the Municipality and in accordance with the relevant guidelines for on-site disposal provided by the Municipality.

(ii) Collection frequency (applicable to medium and high density settlements): The collection frequency is dependent on the composition and the volumes of waste generated. The most appropriate collection frequency in medium and high density settlements is set out as:

(aa) At least once a week for purely biodegradable domestic waste but on-site composting should be promoted.

(bb) At least once a month for recyclable materials in rural areas.

(cc) At least once fortnightly for recyclable materials in urban areas.

(iii) Issuance of free receptacles:

(aa) The Municipality must provide appropriate free receptacles for refuse storage.

(bb) The number of free receptacles provided for household should be calculated based on the number of individuals residing in the household.

(cc) The Municipality should device appropriate strategiesto maintain a constant and consistent supply of such free receptacles.

(dd) Most communities do not consider the provision of skips as a "service". Where this alternative is unavoidable, the Municipality should ensure that the refuse is collected for placement in the skip as part of the service. Skips must be serviced frequently enough to avoid littering or dumping.

(b) All Registered Indigents shall be fully subsidised for the basic levy for refuse removal for one service connection as provided for by Council in the annual budget from time to time.

(c) The subsidy shall not be more than the applicable tariff for that year and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

(S) Property Rates

(a) Notwithstanding the rebate provided for in the provisions of MPRA applicable to residential properties, all Registered Indigents shall be fully subsidised for the payment of property rates provided for by Council in the annual budget from time to time and subject to the provisions of the Municipal Property Rates Act.

~~(b) The subsidy shall not be more than the applicable tariff for that year, and will be applied for the duration of that particular financial year. This subsidy shall form part of the Tariff Schedule applicable for the financial year.~~

(6) Exclusion

Nothing in this policy shall be interpreted as creating any right in favour of an applicant or Registered Indigent to be supplied with any municipal services or to have municipal services provided to the Indigent Household where any municipal service is not currently available at such site. Subsidies awarded to Registered Indigents shall apply only to those municipal services available at the site.

CHAPTER 4

PROCESS MANAGEMENT

19 VALIDITY PERIOD

(1) Save for the provisions of sub-paragraph (2) below, the validity period of assistance will be for the duration that the applicant remains a Registered Indigent and whilst so registered meets the criteria for registration as an indigent. Indigent households, in terms of the audit and review process, will be subjected to scrutiny and occasional inspection to determine any change in status. The Municipality may at any time revoke the status of a Registered Indigent who no longer qualifies as such or who breaches terms of this policy or any other policy or by-law of the Municipality.

(2) The validity cycle for approved indigents below the age of 65 shall be twelve months~~The validity cycle for approved indigents below the age of 65 shall run from the 1st (first) of July to the 30th (thirtieth) of June of each year, in line with the municipalities financial year.~~

(3) For the registered indigents who are pensioners and over 65 years old, the grant will be valid for a period of 36 (thirty-six) months from approval, and will be subjected to audits and verification annually.

(4) A Registered Indigent shall lose their status as such and immediately cease to be entitled to any benefits as a Registered Indigent in the event that the Registered Indigent no longer qualifies in terms of this policy to be registered as an indigent. The Municipality shall remove the details of any person who whilst registered as an indigent ceases to qualify as such, from the Indigent Register.

20 ARREARS AND EXCESS USAGE OF ALLOCATIONS

(1) On becoming a Registered Indigent, the arrears on the account of the Registered Indigent may be written off as provided for in the Credit Control & Debt Collection Policy & By-Law of the Municipality. Such write off is delegated to the Chief Financial Officer, or delegated authority

(2) The Municipality may implement restrictions on the provisions of municipal services to Registered Indigents where the said municipal services are subsidized by the Municipality in terms of this policy. A Registered Indigent shall accept and consent to such restrictions as part of the terms and conditions upon which the Municipality provides indigent support to a Registered Indigent. Where restrictions are not possible the Registered Indigent shall be responsible for paying for the consumption utilized in excess of the approved subsidy quantity.

(3) Upon the approval of an application for indigent support the water and electricity meters and measuring devices on the premises to which the municipal services are being rendered or relate will be converted to prepayment meters, at the cost of the Municipality, in order to enforce restrictions and measure the provisions of the said municipal services.

(4) If a prepayment meter cannot be installed immediately, the Registered Indigent may be subjected to restriction measures to only allow for the monthly-subsidised municipal services.

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(5) The writing off of any arrears is strictly subject to the provision that the premises to which the municipal services are being rendered or relate may not be sold within a period of 2 (two) years from the date that Registered Indigent is registered. In the case of the premises being sold inside a period of 2 (two) years the arrear debt, excluding any further accumulated interest, will be recovered before a clearance certificate in terms of section 118 of the Systems Act is issued by the Municipality.

21 TERMINATION OF INDIGENT SUPPORT

Indigent support to a Registered Indigent will be terminated under the following circumstances:

(a) upon death of the Registered Indigent;

(b) upon sale of the premises to which the municipal services, which are being subsidised in terms of indigent support, are rendered or relate;

(c) when circumstances in the indigent household have improved to the extent where the income threshold, as determined by the Municipality in terms of this policy, is exceeded;

(d) if there is any tampering or interference with the meters or measuring devices or restriction devices installed at the premises to which the municipal services, which are being subsidised in terms of indigent support, are rendered or relate;

(e) if the Registered Indigent is found to misrepresent about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:

(i) all arrears and interest as provided for in the Credit Control and Debt Collection Policy of the Municipality will be written back as if the write off had not taken place, and become payable immediately;

(ii) the credit control and debt collection measures as set out in the Credit Control & Debt Collection Policy and By-Law will apply; and

(iii) the Registered Indigent will not be eligible to apply for indigent support for a period of 5 (five) years.

22 AUDIT AND REVIEW

(1) The Municipality may conduct regular audits on Registered Indigents on the Indigent Register with regard to the information furnished by Registered Indigents, possible changes in status, the usage of allocations and debt collection measures applied and where necessary review the status of Registered Indigents. Registered Indigents shall be required to furnish such information as requested by the Municipality to conduct the audits from time to time.

(2) The frequency of audits will depend on the institutional capacity of the Municipality to do so. Quarterly targeted audits and reviews should be undertaken to ensure the verification and re-registration of each Registered Indigent at least once in a 3 (three) year cycle.

(3) The Municipality reserves the right to send officials or its agents to indigent households from time to time for the purpose of conducting an on-site audit.

(4) Where any doubt exists regarding the current status of a Registered Indigent, the matter should immediately be referred to the Municipal Manager or delegated authority

23 EXIT PROGRAMME

(1) Registered Indigents and the members of the indigent household headed by that Registered Indigent must be prepared to participate in exit programmes co-ordinated by the Municipality in collaboration with other government departments and the private sector.

(2) As part of its broader poverty reduction programme the Municipality undertakes to provide for the participation and accommodation of indigent persons in its local economic development (LED) initiatives and in the implementation of integrated development programmes where possible. Registered indigent and indigent households must partake in these programmes if so required by the Municipality.

(3) The Municipality must promote exit from indigence by:

(a) identifying Registered Indigents for inclusion in public works projects;

(b) initiating local job creation projects such as cleansing operations, small infrastructure projects, etc;

(c) facilitation of opportunities to enter the informal trade market;

(d) facilitation of food security projects; and

(e) liaison with National and Provincial departments to include Registered Indigents and other indigent persons in their public works programmes.

CHAPTER S

MISCELLANEOUS PROVISIONS

24 UPDATING AND MAINTENANCE OF AN INDIGENT REGISTER

(1) The Chief Financial Officer or his/her delegate will be responsible to compile and administer the database for Registered Indigents registered in terms of this policy.

(2) Registration will take place in terms of this policy on a continuous basis and in accordance with the programme of quarterly targeted audits and reviews. The Municipality may decide to launch special registration campaigns from time to time.

(3) The Chief Financial Officer or his/her delegate will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate that the registration programme is to take place.

25 PENALTIES AND DISQUALIFICATION FOR FALSE INFORMATION

(1) Applicants will be required to sign and submit a sworn affidavit, to the effect that all information supplied is true and that all income, i.e. from formal and/or informal sources, is declared. Non-compliance will make the application for indigent support invalid.

(2) Any applicant who supply false information will be disqualified from further participation in the indigent support scheme and be liable for the immediate repayment of all subsidies received and all debts including arrears and interest

thereon that have previously been written off. The Municipality may furthermore institute criminal proceedings, as it may deem fit.

(3) Registered Indigents shall immediately notify the Municipality of any changes in his/her or the indigent household's indigent status or circumstances where such change would mean that the Registered Indigent no longer meets the criteria for registration.

26 METHOD OF TRANSFER AND THE VALUE OF THE SUBSIDY

(1) No amount of money shall be paid to any Registered Indigent, but the subsidy shall be transferred, credited or indicated on a monthly basis:

(a) towards the Registered indigent's municipal account in respect of the premises to which the municipal services, which are being subsidized in terms of indigent support, are rendered or relate; and/or

(b) on the prepayment metering system installed on the premises to which the municipal services, which are being subsidized in terms of indigent support, are rendered or relate.

(2) Any credits or subsidies shall be based on the monthly current account of the Registered Indigent only and in accordance with the Tariff Policy.

(3) Subsidies, credits and vouchers shall not be transferable and no unused portion shall carry forward.

27 RESTORING SERVICES TO QUALIFIED HOUSEHOLDS

When a person qualifies and is registered as a Registered Indigent, any municipal services rendered to or relating to the premises to which the indigent support relates

which are at that time disconnected or terminated by the Municipality, shall be reinstated by the Municipality without any cost to the Registered Indigent. If services are to be restricted, discontinued or terminated in terms of the Credit Control & Debt Collection Policy after the Registered Indigent was registered as such, the approved tariff for reconnection will be payable by the Registered Indigent.

28 DEPOSITS

(1) In terms of the Credit Control & Debt Collection Policy and By-Law of the Municipality, all consumers must apply for the provision of municipal services before such services are rendered to a particular premises and such services will only be rendered once the consumer's application is approved by the Municipality and a written service agreement is concluded, at which time the consumer becomes a customer of the Municipality. On application for the provision of municipal services the consumer applying for the rendering of the municipal services must pay a deposit as prescribed by the Municipality.

(2) For the purposes of this policy and the rendering of indigent support to Registered Indigents, accounts will be opened for Registered Indigents without requiring the payment of any deposit. This is made possible through the fact that the value of services levied against these accounts is fully offset on a monthly basis against the applicable subsidy. This arrangement will immediately terminate if the status of the Registered Indigent changes.

(3) Where a person is allocated housing as per the RDP project, accounts will be opened without requiring any deposit.

29 MONITORING AND REPORTING

The Chief Financial Officer must report monthly on the status and implementation of indigent support in the Municipality to the Municipal Manager, via the Municipality's Service Delivery and Budget Implementation Plan to enable the Municipal Manager to report to Council and other interested parties. Such report shall reflect, with reference to the financial year and month to which the report relates, on the:

(a) number of application for indigent support received;

(b) the number of application for indigent support approved;

(c) number of Registered Indigents currently in the Municipality;

(d) amount of subsidy allocated per subsidy category;

(e) total amount spent by the Municipality on indigent support;

(f) amount of debt accumulating and debt recovery information (number of customers; enquires; arrangements for the paying off of debt in instalments; growth or diminishing of arrear debtors; ideally divided into wards, domestic, state, institutional and other such divisions);

(g) performance against targets set in respect of indigent support and poverty relief and in particular with regard to the following:

  (i) number of applications for indigent support dealt with;

  (ii) time taken to process and finalise applications;

  (iii) site visits undertaken; and

  (iv) awareness and exit initiatives;

(h) changes in the status of Registered Indigents.

30 CAPACITY BUILDING

The Municipality must ensure that all officials and councilors are appropriately capacitated in the contents, effect, implementation and workings of this policy in order

to ensure that this policy is implemented and extended to indigent persons who need the support extended by this policy to them.

31 IMPLEMENTATION AND REVIEW OF THIS POLICY

(1) This policy shall be implemented once approved by Council as part of the budgetary policies of the Municipality, as referred to in the provisions of regulation 7 of the Municipal Budget & Reporting Regulations, 2008, and section 17(3)(e), section 21(1)(b)(ii) (bb), section 22(a)(i) and section 24(2)(c)(v) of the MFMA.

(2) In terms of the provisions of section 17(1)(e) of the MFMA this policy must be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

APPLICATION TO BE REGISTERED ASA REGISTERED INDIGENT

MUNICIPAL ACCOUNT INFORMATION

Account No :		**Date of application:**	
Account Name:		**Erf No :**	
Street name:			
House No :		**Pre-paid No :**	
Total valuation below a R300 000 00:	**YES / NO**	**Ward Number:**	

APPLICANT'S PERSONAL INFORMATION

Surname of applicant:				
Full Names:				
Identity Number:				
Physical address:				
Postal address:				
			Postal Code:	
Telephone No :	**Home:**		**Work:**	
	Cell:		**Fax:**	
Marital Status:	**Married**	**Single**	**Divorced**	**Widowed**
Husband/Life partner:	**Birth date:**		**ID Number:**	
Wife/Life partner:	**Birth date:**		**ID Number:**	
Husband's Pension No.:			**Wife's Pension No.:**	
Name of Employer of applicant:				
Employer's address:				
Contact number of Employer:				

(delete which is not applicable)	
1 Do you own a motor vehicle?	**YES / NO**
If Yes, what is the registration number?	
2 Do you have any Investment account?	**YES / NO**
3 Do you have any other business activity on the premises to which the municipal services are rendered or relate to?	**YES / NO**
If Yes, what is your gross monthly income from that business?	**R**
4 Do you have tenants in your premises?	**YES / NO**
If Yes, how many tenants do you have?	
What is your total rental income?	**R**
5 Do you own other property?	**YES / NO**
If YES, provide address(es) of property(ies)	
6. Do you own any property outside Rustenburg Local Municipality jurisdiction	**YES/NO**
If Yes, address of property(ies):	

Personal particulars of all occupants above the age of 18 years residing on the premises to which the municipal services are rendered or rebate to:

ID Number	Surname	Initials	Employed (Yes/No)	Gross monthly income	Source of income

DOCUMENTS REQUIRED

The applicant is required to submit the following documents and the Municipality will not process the application if the required documentation is not provided

(a) the latest municipal account for the household, if there is such an account;

(b) a certified copy of the account holder's and/or applicant's identity document;

(c) proof of the income of **all** occupants residing on the premises to which the municipal services are

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his/her employer, salary slip/envelope, pension card, unemployment insurance fund (UIF) card or a certificate that confirms registration as "looking for employment";

~~(d) **bank statements of all the occupants residing on the premises above the age of 18 (eighteen) years, for the last 3 (three) months, certified by the bank and a sworn affidavit from each occupant that no other bank accounts exist;**~~

(e) in the absence of any proof to be submitted either through sub-paragraphs (c) ~~**or (d)**~~ above, a sworn affidavit must be submitted by the applicant together with the documentation required in terms of paragraphs (a) and (b) above;

(f) written proof of property ownership or written proof of the existence of the criteria set out in paragraph 13(1)(b)(ii) of the Indigent Policy of the Municipality which are as follows:

(i) 2 (two) affidavits from mayor persons confirming that the applicant is a child heading a household accompanied by the death certificate(s) of the child's parents and written proof that the residential property is registered in the name of the deceased parent or deceased parents of that child; or

(ii) the divorce order awarding the residential property to the applicant; or

(iii) the appointment letter of the executor of the estate and affidavit by the executor confirming that one of the following scenarios is applicable:

(aa) the residential property is registered in the name of the deceased and the applicantis the heir to whom the registered property has been bequeathed;

(bb) the applicant is the surviving spouse who was married in community of property to the deceased, together with any other heirs, if any, and that the residential property is registered in the name of that deceased; or

(cc) that a portion of the residential property is registered in the name of the deceased and that the applicant is the surviving registered owner of the remainder or a portion of the remainder of the property; and

(g) such other documentation as the Municipality reasonably determines from time to time.

DECLARATION BY APPLICANT

I the undersigned, **(full names and surname printed)** hereby apply to be registered as a Registered Indigent in order to receive indigent support in terms of the Indigent Policy of the Municipality, and do solemnly hereby declare under oath that:

(a) All the particulars furnished by me in this form, including the total gross income of myself and all the occupants above the age of 18 years residing on the premises, are to the best of my knowledge true and correct;

(b) I undertake that if the particulars furnished in this form should change for any reason, I will immediately notify the Municipality in writing thereof;

(c) I, nor any other occupant residing on the premises, own any other immovable property in the Republic of South Africa, apart from the property indicated on the account for which this application is made;

(d) I understand that should my monthly consumption exceed the free allocation of water and remain unpaid, my supply may be restricted by a flow control washer or any other method the Municipality may deem fit, and I will then only have access to my free allocation of water;

(e) I understand and agree that I may be subjected to restriction measures to only allow for the monthly subsides municipal services;

(f) I agree that if I have misrepresented myself in the qualifying criteria in order to benefit from Municipality's indigent support, I would be committing an offence and all benefits that have been received in terms of the indigent support will be reversed. Any amounts due will be for my account and I will be subject to normal debt collection procedures;

(g) I am a South African citizen;

(h) The Municipality may conduct any investigation, internal or external, including credit checks at any credit bureau to confirm any of the information provided by me and I hereby agree to any on-site visit by and municipal official;

(i) I accept that his application, if successful, will only be valid for 12 (twelve) months from date of approval and the onus will be on me to re-apply, if necessary, the end of the 12 (twelve) month period;

(j) This application will be subject to the terms and conditions as contained in the Indigent Policy of the Municipality as well as the Credit Control & Debt Collection Policy and By-Law of the Municipality;

(k) I agree that the information contained in this document is not confidential. A list of approved applicants (Registered Indigents) will be handed to Councillors, and will be publicly displayed;

(l) Due to the uncertainty of the availability of funds, the amount of allocation as well as the period of payment cannot be guaranteed by the Municipality.

SIGNATURE/THUMB PRINT OF APPLICANT **DATE**

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Signed and sworn before me at ……..on this the ……day of…….. 20….. , the deponent having acknowledged that he/she knows and understandsthe contents of this declaration and that he/she has no objection to the taking of the prescribed oath and that he/she considers it binding on his/her conscience. I certify that the provisions of Regulation R.1258 of 21 July 1972 have been complied with.

COMMISSIONER OF OATHS FULL NAMES **SIGNATURE**

COMPLETED BY:	
COUNCILLOR:	

CHECKED BY:……DATE: - - - - - - - - - - - - - -

APPROVED/NOT APPROVED:

SECTION MANAGER:…… DATE: - - - - - - - - - - - - - - - - -

CAPTURED BY:…… DATE: - - - - - - - - - - - - - - - - -

VERIFICATION FORM

Name:	
Ward number:	
Address visited:	
Date visited:	
Individual consulted:	
Declaration by Verification Officer	
I declare that I paid a visit to the premises as stated above I am in possession of a copy of the prescribed application form and declare that the details contained therein have been verified by me I am of the opinion that the contents of the application form are true and correct/false or incomplete	
If false or incomplete, complete the following:	
Recommendation:	
Reasons for my decision:	
I, (full names), recommend that support is not granted **SIGNED DATE**	
If information found to be correct, complete the following:	

I, (full names), recommend that support be granted

SIGNED DATE

Date received :

CONSENT FORM

CONSENT TO THE SOUTH AFRICAN REVENUE SERVICE (SARS), SOUTH AFRICAN SOCIAL SECURITY AGENCY(SASSA); AND ANY OTHER RELEVANT GOVERNMENT AGENCIES IN TERMS OF SECTION 69(6) *(b)* OF THE TAX ADMINISTRATION ACT NO 28 OF 2011 (TAA) AND POPI ACT 4 OF 2013.

I/we*, the undersigned Applicant(s), hereby give consent to SARS/SASSA, and any other government agencies to disclose my/our information to the *Rustenburg Local Municipality* for purposes of verifying the details of my/our income levels that I/we* have disclosed to the Municipality in support of my/our* application for a municipal indigent grant.

Particulars of Indigent Applicant

Municipality Name	
Name and surname (including maiden name, if applicable)	
Identity number	
Date of birth	
Taxpayer reference number	
Marital status	
Spouse's name and surname	
Spouse's identity number	
Spouse's date of birth	
Spouse's taxpayer reference number	
Residential address/ stand number / erf number	

Particulars of other household member(s) earning an income**

Name and surname	

Identity number	
Date of birth	
Taxpayer reference number	

Name and surname	
Identity number	
Date of birth	
Taxpayer reference number	

Signed by: _____ [*Applicant's name*] on this _____day of _____ at _____.

_____

[*Applicant's signature*]

Applicant's household member's name: _____

Signature: _____ [*Applicant's household member's signature*]

Date: _____

Rustenburg Local Municipality

INVENTORY MANAGEMENT POLICY

Reviewed 2025/2026 Financial Year

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1. DEFINITIONS

1.1 In this Policy, unless the context indicates otherwise, the following definitions are applied:

"Accounting Officer"	means the Municipal Manager for the Municipality as contemplated in section 60 of the Local Government: Municipal Finance Management Act, 56 of 2003
"CFO"	means the Chief Financial Officer designated in terms of section 80(2) (a) of the Local Government: Municipal Finance Management Act,56 of 2003
''Cost''	shall comprise costs of purchase, costs conversion and other costs incurred in bringing the inventories to their present location and condition.
"*Delegated authority*"	means the official who is given the authority for relevant functions in terms of the municipality's written delegations.
''Good, received voucher''	means a system generated document which is used to acknowledge the receipt of goods in good condition and correct quantities
"***Inventories***"	are assets: In the form of material or supplies to be consumed in the production process, In the form of materials or supplies to be consumed or distributed in the rendering of services Held for sale or distribution in the ordinary course of operations, or In the process of production for sale or distribution
"Stores Section Manager"	shall mean the person appointed to have oversight of stores.

"Municipality"	shall mean the Rustenburg Local Municipality.
"Net Realisable''	Is the estimated selling price in the ordinary course of operations less the estimated costs of completion and estimated costs necessary to make the sale exchange or distribution.
"Obsolete inventory"	means items that have expired, are redundant or damaged.
"Re-order level"	means the level of inventory at which inventory is re-ordered.
"Responsible manager"	means the official responsible for the budget of an organizational unit in the municipality, directorate or institution.
"Store"	means a place where inventory is stored and reserved for future use or a source from which supplies may be drawn;
" Stock Controller"	means the official responsible for the requisition, receipt, issue, recording, safeguarding of inventory, and cost-effective and efficient management of inventory.
''Stock issue note''	means a document that is used to authorize the removal or issue of stock items from stores.

2. OBJECTIVE OF THE POLICY

2.1 The policy aims to achieve the following objectives which are to: -

a) Provide guidelines that employees of the Municipality must follow in the management and control of inventory, including safeguarding and disposal of inventory.

b) Procure inventory in line with the established procurement principles contained in the Municipality's Supply Chain Management Policy.

c) Eliminate any potential misuse of inventory and possible theft.

3. SCOPE

3.1 This policy applies to Rustenburg Local Municipality's inventory received by the Stores and issued to users.

3.2 This policy specifically excludes:

a) pharmaceutical inventory, livestock, and face value forms; and

b) Equipment and other assets not defined as inventory.

4. LEGAL FRAMEWORK

4.1 In terms of the MFMA, the Accounting Officer for a municipality must:

a) Be responsible for the effective, efficient, economical, and transparent use of the resources of the municipality as per section 62 (1)(a);

b) Take all reasonable steps to prevent unauthorised, irregular, fruitless and wasteful expenditure and other losses as per section 62(1)(d);

c) Be responsible for the management, including the safeguarding and the maintenance of the assets, and for the management of the liabilities, of the municipality as per section 63 (1)(a) and (b).

4.2 **In terms of GRAP 12:**

4.2.1 Inventories shall be recognized as an asset if, and only if,

a) it is probable that future economic benefits or service potential associated with the item will flow to the entity, and

b) the cost of the inventories can be measured reliably

MEASUREMENT AT RECOGNITION

4.2.2 Inventories that qualify for recognition as assets shall initially be measured at cost

4.2.3 Where inventories are acquired at no cost, or for nominal consideration, their costs shall be their fair value as at the date of acquisition

MEASUREMENT AFTER RECOGNITION

4.2.4 Inventories shall be measured at the lower of cost and net realization value, except where paragraph 4.2.5 below applies.

4.2.5 Inventories shall be measured at the lower of cost and current replacement cost where they are held for:

a) distribution at no charge or for a nominal charge, or

b) consumption in the production process of goods to be distributed at no charge or for a nominal charge.

RECOGNITION AS AN EXPENSE

4.2.6 When inventories are sold, exchanged, or distributed the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized. If there is no related revenue, the expense is recognized when the goods are distributed, or related service is rendered. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write–down of inventories, arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

4.2.7 Some inventories may be allocated to other asset accounts, for example, inventory used as a component of self-constructed property, plant, or equipment. Inventories allocated to other assets in this way are recognized as an expense during the useful life of that asset.

5 INVENTORY PROCEDURES

5.1 The procedures for inventory must be followed to ensure that:

a) Inventory is always safeguarded.

b) There are accurate records of quantities on hand at all times.

c) Optimum inventory levels are maintained to meet the needs of users.

d) Only authorised issues of inventory are made to users; and

e) Items placed in the store are secured and only used for the purpose for which they were purchased.

5.2 Appointment of Responsible Officials

5.2.1 The Municipality must appoint, in writing, officials to perform the duties of a Storeman in terms of this Policy.

5.2.2 Adequate segregation of duties between the requisition, receipt, recording, storage, and safekeeping of inventory and the management and control thereof must be maintained to avoid the potential occurrence of errors and fraud.

5.3 Ordering of Inventory

5.3.1 Due diligence and care shall be exercised in identifying low-value and high-value items of inventory.

5.3.2 Minimum inventory level of high-value items shall be ordered; any maximum order shall be based on specific requirements/needs to avoid large amounts of cash tied up on inventory.

5.3.3 The stock controller assesses frequently the level of stock on shelf and on the system and when the inventory is low a requisition is communicated

5.3.4 The storeman or stock controller initiates a request electronically for stock replenishment which is routed to the procurement department for approval. Once approved a purchase order is generated by the procurement department.

5.3.5 A copy of the purchase order form will then be forwarded by the procurement department to the receiving department, for the receiving Storeman to match the goods to the delivery note and the purchase order once the goods are delivered.

5.3.6 Orders must thereafter be filed in date sequence.

5.3.7 This file must form the basis for the follow-up of orders and for matching goods that are delivered to the inventory department.

5.3.8 The orders file should be reviewed weekly by the Stores Section Manager and any orders which have not been delivered as per the agreement with the buyer must be followed up immediately.

5.4 Receipt of Inventory

5.4.1 The quantity and quality of the inventory received from suppliers must be according to specifications and information on the order form.

5.4.2 The Storeman must compare the delivery note to the purchase order before accepting the goods.

5.4.3 The invoice or delivery note must match the purchase order.

5.4.4 The stock controller captures the receipt of goods on the system and generates a Goods Received Voucher and signs it.

5.4.5 The Storeman must ensure that:

a) All delivery notes are signed by him/her

b) All incorrect delivery items are rejected and clearly identified on both copies of the delivery note; and

c) The supplier signs all amendments

5.4.6 The inventory received must be transferred to the store secured by the general worker with the signed Goods Received Voucher,

5.4.7 The inventories must be stored in their respective sections once they have been received as detailed in 5.5

5.4.8 The inventory record/register/database or system must be updated on the day the goods are received, by the Stock Controller.

5.5 Storage of Inventory

5.5.1 Inventory must be stored in a secured, exclusive use area, under lock and key, furthermore the inventory must be insured in terms of the Risk Management Policy of the municipality.

5.5.2 The area must be used exclusively for the storage of inventory, with limited authorised access only.

5.5.3 Inventory must be positioned to facilitate efficient handling and checking.

5.5.4 All items must be stored separately, with proper segregation.

5.5.5 Inventory must be clearly labeled for easy identification. Inventory tag/bin cards or inventory labels may be used to identify each item and to aid in the physical verification of the items.

5.5.6 Where possible, all items of the same type and reference must be stored together as per the description on the inventory records.

5.5.8 Due diligence and care must be exercised to prevent damage of, or deterioration of inventory.

5.5.9 Due regard must be given to any safety standards which may apply to the storage of certain inventories.

5.5.10 Steps must be taken to ensure safe custody of items, including precautions against loss or theft.

5.5.11 The Storeman or Delegated Official responsible for the custody and care of inventory must ensure that in his/her absence, such items, where applicable, are securely stored.

5.5.12 The responsibility for the custody of the storeroom keys must be allocated by the delegated authority to an official who is accountable for its use.

5.5.13 No unauthorised persons/officials shall obtain entry to premises, buildings or containers where inventory is kept, unless accompanied by the responsible official.

5.5.14 The following fire protection precautions must be adhered to:

a) Inventories of an inflammable or dangerous nature shall be stored and handled in such a manner that people or property are not endangered and in compliance with the requirements of any local authority.

b) The area must be clearly signposted; and

c) Fire extinguishing equipment must be placed in the area where inventories are held and must be serviced regularly.

5.6 Issue of Inventory

5.6.1 Only the Stoneman is authorised to issue inventory from the storeroom.

5.6.2 Inventory must only be issued in terms of the approved electronic requisition of the Municipality.

5.6.3 The Stock Controller must prepare the Stock Issue Note when stock items are to be issued in order for the storeman to pick up the items from the shelves

5.6.4 The official receiving the inventory and storeman must acknowledge the receipt and issues of stock items requested, by signing the Stock Issue Note prepared by the Stock Controller.

5.6.5 Inventories must be issued and used for official purposes only.

5.7 Obsolete inventory

5.7.1 The preparatory work for the disposal of obsolete inventory must be undertaken by the Storeman and verified by the Stores Section Managers.

5.7.2 The Accounting Officer or delegated authority must convene a Disposal Committee for the disposal of obsolete inventory.

5.7.3 The Disposal Committee should consist of at least three officials, one of whom must act as the chairperson.

5.7.4 The delegated authority may approve the write-off of inventory, if satisfied that: -

a) The inventory has expired and is redundant;

b) The inventory is of a specialised nature and has become outdated due to the introduction of upgraded and more effective products;

c) The inventory cannot be used for the purpose for which it was originally intended; or

d) The inventory has been damaged and is rendered useless.

5.7.5 All disposed items must be updated in the inventory records/register/database for the purposes of proper management and control.

5.8 Inventory count

5.8.1 Items may be subject to an inventory count on a quarterly basis.

5.8.2 Where the quantity of inventory is too large for the count to be completed on a single occasion, inventory counts may be carried out on a rotational basis with a full inventory count at the end of each financial year.

5.8.3 All approved Municipal procedures and processes must be complied with during the inventory count.

5.8.4 The Stores Section Manager must document and report to the CFO after investigating any discrepancies between the inventory records/register/database, bin/tag cards or inventory labels and the physical inventory.

5.8.5 The CFO must submit a report with the findings to the Accounting Officer, in order to have the matter reported to the Executive Committee of the Municipality for the write-off of any inventory's losses, or the write –up of surpluses.

5.8.6 The appropriate disciplinary action must be instituted when applicable.

5.8.7 The inventory record, register, database or system must be updated accordingly.

6 INVENTORY RECORDS

6.1. An inventory record/register/database must be maintained for all inventory items.

6.2 All relevant information must be included for the proper management and control of all inventory items. It is recommended that details include but are not limited to:

a) Order number/date.
b) Item description.
c) Quantity and value of stock on hand.
d) Quantity and value of stock received.
e) Quantity and value of stock issued.
f) Re-order level.
g) Optimum inventory level.
h) Quantity and value of obsolete stock; and
i) Opening/closing balance.

7. REPORTING

7.1 A report must be submitted at least annually to the Chief Financial Officer and/or the Responsible Manager detailing the following:

a) Any inventory shortages or surpluses and the reasons for such.
b) Any inventory deficits proposed to be written off; and
c) Any obsolete inventory items.

7.2 Inventories purchased during the financial year must be disclosed at cost in the disclosure notes of the Annual Financial Statements of the Municipality.

7.3 In terms of GRAP the financial statements shall disclose:

a) the accounting policies adopted in measuring inventories, including the cost formula used,
b) the total carrying amount of inventories and the carrying amount in classifications appropriate to the entity,
c) the carrying amount of inventories carried at fair value less costs to sell,
d) the amount of inventories recognized as an expense during the period,
e) the amount of any write-down of inventories recognized as an expense in the period,
f) the amount of any reversal of any write-down that is recognized as a reduction in the amount of inventories recognized as an expense in the period,

g) the circumstances or events that led to the reversal of a write-down of inventories, and

h) the carrying number of inventories pledged as security for liabilities.

8 POLICY ADOPTION

This policy has been considered and approved by the Council of **Rustenburg Local Municipality** on this day…… of …… 2025

ANNEXURE A:

PROCEDURES FOR ORDERING, RECEIPT, MAINTENANCE, ISSUING AND DISPOSAL OF STOCK

NO.	PROCEDURE	FREQUENCY
1.	**Ordering of Stock:**	
1.1	Stock reorder levels must be set by Stores Section Manager for all items by the and approved by the CFO or delegated official which will be as follows: • Reorder Level • Maximum Level • Minimum Level • Emergency Level	On-going
1.2	Stock reorder levels are monitored weekly by the Stores Section Manager and when an item has reached re-order level, a requisition is initiated.	On-going
1.3	The Storeman: • Must use the re-order levels as a primary source of information to complete the purchase requisition; and • Physical inspection of stock on shelves shall be conducted before the requisition is initiated	On-going
1.4	The purchase requisition is initiated electronically and routed to the procurement department for approval.	On going
1.5	A copy of the purchase order form will then be forwarded by the buying section to the stores section.	On going
1.6	The order must be matched to the requisition copy to verify that the correct quantities and correct items have been ordered.	On going
1.7	Orders must thereafter be filed in date sequence.	On going
1.8	This file must form the basis for follow up of orders and for	

NO.	PROCEDURE	FREQUENCY
	matching goods that are delivered to stores	On going
1.9	The orders file should be reviewed weekly by the Stores Section Manager and any orders, which have not been delivered as per the agreement with the buyer, must be followed up immediately.	On going
2.	**Receipt of Stock:**	
2.1	Goods will be delivered to the receiving area where the documentation will be recorded and then provided to the Stock Controller.	On going
2.2	The receiving official must match the delivery note to the purchase order, and generate a goods received voucher	On going
2.3	The Stores Controller / Store-man must compare the delivery note to the relevant order before accepting the goods.	On going
2.4	The Delivery Note must be signed by the Stores Controller / Store-man as proof of acceptance of the goods.	On going
2.5	A computerised Goods Received Vouchers and Stores Issue Notes which reflects full particulars of receipts and issues must be maintained by the Stores Controller / Store-man and updated immediately when goods are received or issued.	On going
2.6	Goods that are unused after the completion of the work or the fulfilment of the purpose for which they were issued, must be returned to the store and must be included in stock.	Periodically
2.7	Goods Returned Note shall be filled in if stock is returned by the department to the warehouse. The Goods Returned Note shall be prepared by the Responsible Official and signed by the Stores Section Manager	Periodically
2.8	The Storeman shall acknowledge the receipt of goods from the department by signing the Goods Returned Note	Periodically
3.	**Maintenance of Stores:**	
3.1.	Inventory and equipment belonging to the Municipality must be clearly marked/ bar-coded as such, to indicate ownership.	On going

NO.	PROCEDURE	FREQUENCY
3.2	Inventory belonging to the Municipality shall be kept in a place approved of by the CFO, subject to the conditions he or she determines.	On going
3.3	No section shall carry inventory in excess of its normal requirements, as may be determined by the CFO.	On going
3.4	The CFO shall ensure that at least once every financial year, stock-taking takes place as follows:	Annually
3.4.1	The financial year-end stock take will take place on the last day of the financial year or as close to that date as possible.	Annually
3.4.2	All Heads of Sections and the external auditors must be notified of the date of the annual year end stock take.	Annually
3.4.3	Stores must be closed at noon the day before stock take. A notice to this effect must be prominently displayed on the stores notice board.	Annually
3.4.4	In the case of an emergency, stock items may only be issued on the explicit authority of the Stores Section Manager.	Annually
3.4.5	Prior to stock take, the Stores Section Manager must ensure that all transactions up to the date of stock take, have been recorded. All goods received vouchers, requisition issues and goods returned notes should be captured onto the stores computer system.	Annually
3.4.6	An official delegated the responsibility, shall make available stock take listing sheets to auditors for recording the physical count figures.	Annually
3.4.7	Stock items must be counted in an orderly fashion from one end to the other, using the two-count method by a store-man and by persons not dealing with stock on a regular basis.	Annually
3.4.8	Stock that has been drawn for use at a later date should be included in the stock-count and not expensed. Consumables should also be included in the stock-count and not expensed.	Annually
3.4.9	After each item is counted, they must be marked with a sticker to indicate that they have been counted.	Annually

NO.	PROCEDURE	FREQUENCY
3.4.10	After each item is counted, the total must be entered onto the stock sheets.	Annually
3.4.11	Stock sheets must be signed by counters and checkers.	Annually
3.4.12	On completion of the count, all stock sheets must be handed to the Stores Section Manager.	Annually
3.4.13	Physical count figures will be verified to the computerised listing. The Stock Controller should not be involved in any aspect of this verification.	Annually
3.4.14	Should any discrepancies arise, a recount of the product is done, and the stock sheet entries are re-checked.	Annually
3.4.15	All write-offs of obsolete or damaged stock should be authorised by the CFO.	Annually
3.5.16	The Section Manager shall submit a report stating the quantity and value of any surplus or shortage of stores revealed by the stock-take, together with the possible reasons for this.	Annually
3.5.17	The CFO shall then report such surpluses and shortfalls to the Council for further steps to be taken, if necessary.	Annually
3.6	A thorough internal control system must be established by the CFO to ensure that when a change of officials responsible for stores and equipment takes place, accountability with regard to losses and deficits can be clearly established.	Periodically
4.	**Issue of Stock:**	
4.1	Only the Storemen are authorized to issue goods from the General stores.	On going
4.2	Goods should only be issued in terms of a properly authorised inventory requisition.	On going
4.3	The Responsible Manager must verify that the correct vote is entered on the requisition for the type of goods requested and that there is sufficient budget provision against the vote.	On going

NO.	PROCEDURE	FREQUENCY
4.6	A Stock Issue Note must then be generated from the system before goods are issued. Control of the issue book is the responsibility of the Stock Controller.	On going
4.7	The Stock Controller and recipient of goods must agree that the goods requisitioned, agree to the goods drawn from stores, which is consistent with the Stock Issue Note.	On going
4.8	The recipient must sign the stock issue note as evidence that the goods stated on the issue note, have been received.	On going
4.9	The signed stock issue notes must be filed in sequential order.	On going
5.	**Disposal of Goods:**	
5.1	The CFO must furnish the Council with a list of goods to be disposed of, together with the reasons for their disposal.	Periodically
5.2	The goods disposed of in the instance referred to above may only be handed over to the purchaser on full payment of the purchase price, or when other satisfactory arrangements for payment have been made with the CFO.	Periodically
5.3	Stock may be disposed of by public auction provided that the approval of Council is obtained.	Periodically

INVENTORY ISSUE NOTE

Rustenburg Local Municipality

Inventory Issue Number: _____

Reference Number: _____

Date: _____

Item Code	Item Description	Transaction Code	GL Account	Project	Quantity	Total Cost

Issued By: _____

Signature: _____

Date: _____

Received By: _____

Signature: _____

Date: _____

RUSTENBURG

LOCAL MUNICIPALITY

DRAFT
RATES POLICY
2025/2026

PREAMBLE

(1) **WHEREAS** the Constitution of the Republic of South Africa, 1996, and the Local Government: Municipal Property Rates Act, Act 6 of 2004, as amended by the provisions of the Local Government: Municipal Property Rates Amendment Act, Act 29 of 2014 (hereinafter referred to as "the MPRA"), empowers the Rustenburg Local Municipality (hereinafter referred to as "the Municipality") to impose rates on property;

(2) **AND WHEREAS** in terms of section 4(1)(c) of the Local Government: Municipal Systems Act, Act 32 of 2000 (hereinafter referred to as "the Systems Act"), the Municipality may, *inter alia*, levy rates on property to finance the operational expenditure of the Municipality;

(3) **AND WHEREAS** in terms of section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (hereinafter referred to as "the MFMA"), the Municipal Manager of the Municipality appointed in terms of section 82 of the Local Government: Municipal Structures Act, Act 117 of 1998 (hereinafter referred to as "the Structures Act"), must, in his capacity as the accounting officer of the Municipality, ensure that the Municipality has and implements a rates policy;

(4) **AND WHEREAS** the Municipality:

(a) must, in terms of section 3(1) of the MPRA, adopt a policy consistent with the MPRA on the levying of rates on rateable property within the municipal area of the Municipality;

(b) must, in terms of section 6(1) of the MPRA, adopt by-laws to give effect to the implementation of its rates policy;

(c) must, in terms of section 5(1) of the MPRA, annually review, and may, if necessary, amend this policy. Proposals for reviewing this policy must be considered by the Municipality in conjunction with its annual operating budget; and

(d) may, in terms of section 22 of the MPRA, levy an additional rate on property in a special rating area and, in doing so, may differentiate between different categories of property;

(5) **NOW THEREFORE**, this policy has been drafted in compliance with the provisions of sections 3(1) and 6(1) of the MPRA, and must be read within the context of the MPRA, and in as far as required, supplemented and amplified by the MPRA.

Commented [mm1]: Incorporation of illegal use into the policy and charge a higher tariff
Categorize all residential properties to be the same and distinguish them by charging a different tariff
Garages and all exclusive use must be the same.
All properties categorized as business must be charged the same tariff e.g must not have different ratings for

THE RUSTENBURG LOCAL MUNICIPALITY:

RATES POLICY

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CHAPTER 1

INTRODUCTORY PROVISIONS

1. DEFINITIONS

In this policy, except where the context otherwise indicates, or it is expressly stipulated otherwise, the following words and expressions shall have the respective meanings assigned to them hereunder, and words or expressions to which a meaning has been assigned in terms of the provisions of section 1 of the MPRA will have the meaning assigned thereto by the said act. All headings are included for convenience only and shall not be used in the interpretation of any of the provisions of this policy.

NO.	WORD/EXPRESSION	DEFINITION
	"A"	
1.1	**"account"**	Means the account furnished to an owner by the Municipality once the owner becomes liable for the payment of rates and which reflects the amount due to the Municipality by such owner in respect of the rates, and depending on the context may also refer to an "account" as defined in terms of the provisions of the Credit Control & Debt Collection Policy and By-Law of the Municipality.
1.2	**"agent"**	In relation to property, means a person appointed by the owner of such property: (a) to receive rental or other payments in respect of the property on behalf of the owner; (b) to make payments in respect of the property on behalf of the owner.

"C"		
1.3	**"certificate of occupancy"**	Means the certificate of occupancy issued by the Municipality in terms of the provisions of section 14 of the National Building Regulations and Building Standards Act, Act 103 of 1977.
1.4	"**consent use"**	Means the purpose for which land may lawfully be used and on which buildings may be erected and used only with the consent of the Municipality.
1.5	**"Council"**	Means the Municipal Council of the Municipality as referred to and constituted in terms of the provisions of section 157 of the Constitution.
1.6	**"current monthly rates"**	Means the rate levied on a property in the month immediately preceding the month in which application for a rebate has been made, where such application is required in terms of this policy, and in all other events, the month preceding the month in which the rebate will come into operation.
"E"		
1.7	**"exemption"**	In relation to the payment of a rate, means an exemption granted by the Municipality in terms of the provisions of section 15 of the MPRA.
"F"		
1.8	**"financial year"**	Means the period commencing on the 1st day of July in any calendar year and ending on the 30th day of June of the following calendar year.
"I"		
1.9	**"Income Tax Act"**	Means the Income Tax Act, Act 58 of 1962.
1.10	**"indigent support"**	Means the financial and other support, discounts, subsidies and assistance which the Municipality

		renders to Registered Indigents and households headed by Registered Indigents.
	"L"	
1.11	**"Land Use Management Scheme"**	Means the Land Use Management Scheme adopted by the Council in terms of the provisions of the Town Planning and Townships Ordinance, Ordinance 15 of 1986.
1.12	**"low cost residential property"**	Means a property which was obtained by the owner thereof, being the beneficiary of a subsidy availed to such owner in terms of the Housing Subsidy System, as provided for in the Housing Code, 2009, read with the provisions of the Housing Act, Act 107 of 1997.
	"M"	
1.13	**"MFMA"**	Means the Local Government: Municipal Finance Management Act, Act 56 of 2003.
1.14	**"MPRA"**	Means the Local Government: Municipal Property Rates Act, Act 6 of 20042004 as amended by Local Government: Municipal Property Rates Amendment Act, Act 29 of 2014.
1.15	**"MPRA Rate Ratio Regulations"**	Means the Municipal Property Rates Act: Regulations on the Rate Ratio between Residential and Non-Residential Properties promulgated in terms of the provisions of section 83 of the MPRA and published in GN R195 in GG 33016 of 12 March 2010.
1.16	**"Municipality"**	Means the RUSTENBURG LOCAL MUNICIPALITY (also referred to as the "RLM"), a local government and legal entity with full legal capacity as contemplated in section 2 of the Systems Act, read with the provisions of Chapter 7 of the Constitution of the Republic of South Africa and sections 12 and 14

		of the Local Government: Municipal Structures Act, Act 117 of 1998, with its main place of business and the offices of the Municipal Manager, as envisaged in terms of the provisions of section 115(3) of the Systems Act, at the Missionary Mpheni House, CNR NELSON MANDELA & BEYERS NAUDE STREET, RUSTENBURG, NORTH WEST PROVINCE, and includes: (a) its successor in title; or (b) a functionary exercising a delegated power or carrying out an instruction, in the event of any power being delegated as contemplated in terms of the provisions of section 59 of the Systems Act; or (c) an authorised service provider fulfilling a responsibility assigned to it by the Municipality through a service delivery agreement.
"N"		
1.17	**"non-residential property"**	Means all properties (including all undeveloped properties) other than those defined as "residential property".
"P"		
1.18	**"public service infrastructure"**	Means public service infrastructure as defined in the Municipal Property Rates Act, Act 6 of 2004.
1.19	**Public service purpose properties**	Means a property owned and used by an organ of state such as hospitals or clinics, schools, pre schools, early childhood development centres, further education and training colleges, national and provincial libraries and archives, police stations, correctional facilities and courts of law.

1.20	**Properties owned by public benefit organizations and used for specified public benefit activities**	Refers to property owned by a public benefit organisation and used for public benefit activities as listed in item 1(welfare and humanitarian), item 2 (health care), item 4(education and development) of Part 1 of the Ninth Schedule to the Income Tax Act.
"R"		
1.21	**"rateable property" and "property"**	Means property on which the Municipality may in terms of the provisions of sections 1, 2 and 7 of the MPRA levy a rate, excluding property fully excluded from the levying of rates in terms of the provisions of section 17 of the MPRA and including a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, 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 property; c) a land tenure right registered in the name of person of granted to a person in terms of legislation, or d) public service infrastructure.
1.22	**"ratepayer"**	Means any owner of rateable property as well as any owner of rateable property held under sectional title, situate within the municipal area of the Municipality.
1.23	**"rates"**	Means a municipal rate on property levied in terms of section 229(1)(a) of the Constitution and section 2(1) of the MPRA.
1.24	**"rebate"**	Means a discount granted in terms of the provisions of section 15 of the MPRA on the amount of the rate payable on the property.

1.25	**"reduction"**	Means the lowering in terms of the provisions of section 15 of the MPRA of the amount for which the property was valued and the rating at that lower amount.
1.26	**"Registered Indigent"**	Means a person who has applied to the Municipality in terms of the Indigent Policy of the Municipality to be registered as a Registered Indigent, whose application was approved by the Municipality, and who is indicated as a Registered Indigent on the Indigent Register, as contemplated in terms of the Indigent Policy of the Municipality
1.27		
"S"		
1.28	**"school"**	Means a school as defined in terms of the South African Schools Act, Act 84 of 1996 and include both a private and a public school.
1.29	**"Sectional Titles Act"**	Means the Sectional Titles Act, Act 95 of 1986.
1.30	**"Social housing"**	Means property registered in the name of the institution accredited in terms of the Social Housing Act 16 of 2008 which provides or intends to provide rental of co-operative housing options for households with a gross monthly household income less than the maximum housing subsidy income limit. Such property owners must also be registered with the South African Revenue Services as a Public Benefit Organization in terms of Section 30 of the Income Tax Act of 1962, read with Ninth Schedule to the Act.
1.31	**"State"**	In so far as it relates to property owned and used by the State, means property owned and used by the National Government and North West Provincial Government for the provision of community type

		services, including but not limited to police stations, hospitals. All other property owned and utilised by the State will be classified in accordance with its zoning i.e. business for offices, residential for housing schemes etc.
1.32	**"Structures Act"**	Means the Local Government: Municipal Structures Act, Act 117 of 1998.
1.33	**"Systems Act"**	Means the Local Government: Municipal Systems Act, Act 32 of 2000.
	"T"	
1.34	**"technical and other colleges"**	Means a public college and a private college as contemplated in the Further Education and Training Colleges Act, Act 16 of 2006.
1.35	**"the/this policy"**	Means the Property Rates Policy of the Municipality as adopted by the Municipality in terms of the provisions of section 3(1) of the MPRA.
1.36	**"threshold"**	Means the amount, determined from time to time by the Municipality during its annual budget process referred to in section 12(2) of the MPRA, to be deducted from the market value of residential properties, resulting in rates to be determined on the balance of the market value of such properties only.
	"V"	
1.37	**"valuation roll"**	Means a valuation roll prepared in terms of the provisions of section 30 of the MPRA or a supplementary valuation roll prepared in terms of the provisions of section 78 of the MPRA.
	"Z"	
1.38	**"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 Land Use Management Scheme, or any revision or amendment thereof, and "zoned" has a corresponding meaning, provided that where a property carries multiple zoning rights, the categorisation of such property will be in accordance with the highest rating category.

2. AIM AND PURPOSE

(1) This policy constitutes the policy as contemplated in terms of the provisions of section 3(1) of the MPRA and the aim and purpose of this policy is as set out in the provisions of section 3(3) of the MPRA.

(2) The aim of this policy is to:

(a) ensure that all owners of rateable property are informed about their liability for rates;

(b) specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates as contemplated in terms of the provisions of section 15 of the MPRA;

(c) empower the Municipality to specify a threshold at which rating in respect of residential properties may commence as provided for in terms of the provisions of section 15(1)(a) of the MPRA, which it is authorised to do;

(d) set out the criteria to be applied by the Municipality when it:

(i) increases rates; and

(ii) levies differential rates on different categories of property;

(e) provide for categories of public benefit organisations, approved in terms of the provisions of section 30(1) of the Income Tax Act, Act 58 of 1962

(hereinafter referred to as "the Income Tax Act"), which are ratepayers, and who may apply to the Municipality for relief from rates;

(f) recognise the State, organs of state and the owners of public service infrastructure as property owners;

(g) encourage the development of property;

(h) ensure that all persons liable for rates are treated equitably as required by the MPRA; and

(i) provide that any rebate is to benefit the owner in occupation of the property.

3. TITLE AND APPLICATION

(1) This policy is known as the Rates Policy of the Rustenburg Local Municipality.

(2) This policy revokes all previous policies, decisions and/or *ad hoc* clauses within any other policy, regarding the subject matter of this policy.

4. COMMENCEMENT AND VALIDITY

This policy shall come into force and effect on the first implementation of the general valuation roll to be prepared by the Municipality in terms of the provisions of section 30, read with section 31 of the MPRA. This policy shall form part of the Municipality's budget related policies when such budget is tabled in the Council of the Municipality in terms of the provisions of section 16(2) of the MFMA for approval, to allow for the Council of the Municipality to consider and approve this policy in terms of the provisions of section 24(1) of the MFMA. Once this policy is approved by the Council, the general valuation rolls to be compiled by the Municipality will be compiled taking account of the principles and provisions of this policy in as far as *inter alia* the different categories of properties and special rating areas are concerned.

5. RESPONSIBLE AUTHORITY

The responsible authority for the adoption, publication and implementation of this policy is the Municipality, and where applicable the Council of the Municipality.

CHAPTER 2

RATING PRINCIPLES AND CATEGORIES OF PROPERTY

6. OPERATIONAL BACKGROUND AND PRINCIPLES

(1) This policy has been prepared to ensure equitable treatment by the Municipality in the levying of rates on property owners, including owners under sectional title as contemplated in terms of the Sectional Titles Act, as well as any other person who may become liable for the payment of rates based on the guiding principles of equity, affordability, poverty alleviation, social and economic development, financial sustainability and cost efficiency.

(2) This policy must be read in conjunction with the provisions of the Land Use Management Scheme and the Town Planning and Townships Ordinance 15 of 1986, and any other applicable legislation, including, but not limited to, the MFMA, the Systems Act, and any legislation which replaces any of the acts or ordinance.

(3) The Municipality is required by the terms of section 16(1) of the MFMA, read with section 24(1) of the MFMA, to approve an annual operating budget prior to the commencement of every financial year. The income from rates must be used to

finance in full or in part, the annual operating expenditure of the Municipality as reflected in such budget.

(4) As provided in the MPRA, the Municipality has elected to differentiate between various categories of property and property owners. Some categories of property and categories of owners are granted relief from rates. The Municipality does, however, not grant relief from rates in respect of payments for rates to any category of owners or properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.

(5) Rates are levied in accordance with the provisions of the MPRA as a cent-in-the-rand based on the property value determined for a property as contained in the valuation roll and supplementary valuation roll.

7. ANNUAL OPERATING BUDGET

(1) Rates and rate ratios shall be levied and established as part of the approved annual budget of the Municipality and shall remain valid and in force and effect until amended, changed or varied by the Council.

(2) In terms of the provisions of section 28(6) of the MFMA a municipal tax may not be increased during a financial year, except when required in terms of a financial recovery plan.

(3) The Municipality must consider the levying of rates annually during the budget process as contemplated in section 12(2) of the MPRA.

(4) Rate increases must be used to finance the increase in operating costs of the municipal services and facilities of the Municipality.

(5) In determining the level of increases in rates, the criteria to be applied may include the following:

(a) the inflation rate as indicated by the consumer price index, excluding mortgage bonds;

(b) the financing of increased operating expenditure in the budget of the Municipality;

(c) the financing of additional maintenance expenditure included in the operating budget of the Municipality;

(d) the financing of additional depreciation charges included in the operating budget of the Municipality;

(e) the additional cost of servicing debt included in the operating budget of the Municipality;

(f) the augmentation of any revenue shortfall;

(g) the financing from the annual operating budget of expenditure related to anything the Municipality is lawfully empowered to do for which provision has to be made in the budget; (h) the taking into consideration of the medium-term budget growth factors as determined by National Treasury;

(h) the valuation roll; and

(i) any other relevant factor.

(6) Also in determining the level of increases in rates and in order to assist the Municipality in dealing with the criteria as set out above, the Municipality will make reference to the following classifications:

(a) Services:

(i) trading services (as referred to in the Tariff Policy);

(ii) non-trading services (as referred to in the Tariff Policy).

(b) Expenditure:

(i) salaries, wages and allowances;

(ii) bulk purchases;

(iii) general expenditure;

(iv) repairs and maintenance;

(v) capital charges;

(vi) contribution to fixed assets;

(vii) contribution to funds;

(aa) bad debts;

(bb) working capital; and

(cc) statutory funds;

(viii) contribution to reserves;

(ix) gross expenditure [(i) to (viii)];

(x) less charge-out (inter-departmental charge-outs);

(xi) nett expenditure [(ix) less (x)];

(xii) income; and

(xiii) surplus/deficit [difference between (xi) and (xii)].

(c) Cost centres (to which the costs associated with rendering the service can be allocated):

(i) by department;

(ii) by section/service; and

(iii) by division/service.

(7) Differential rates may be levied in terms of the provisions of section 8 of the MPRA according to the permitted use or, where applicable, the actual use of the property concerned.

(8) In addition to the criteria specified above, the following criteria may be considered in determining whether a differential rate should be applied:

(a) the need to promote economic development;

(b) any administrative advantages in applying a differential rate; and

(c) the need to alleviate the rates burden on the owners of any category of property specified in this policy.

(9) Rates are levied in accordance with the MPRA as an amount in the Rand based on the market value of all rateable property as reflected in the valuation roll and any supplementary valuation roll, as contemplated in terms of Chapters 6 and 8 of the MPRA, respectively.

8. CATEGORIES OF PROPERTY FOR LEVYING OF DIFFERENTIAL RATES

(1) The Municipality may levy different rates for different categories of rateable property, provided that the maximum ratio to the rate on residential property which may be imposed on agricultural/farming property, public service infrastructure property and public benefit organisation property may not exceed the ratio as published in terms of the MPRA Rate Ratio Regulations.

(2) All rateable property will be classified within a specific category and will be rated upon the said classification, which will be in accordance with the permitted use thereof, unless otherwise stated in this policy.

(3) For purposes of levying different rates based on the permitted use of properties in terms of the provisions of section 8(1)(b) of the MPRA, read with sections 3(3)(b) and 3(3)(c) of the MPRA, the following categories of property are determined, as well as the main criteria to be used in order to determine the category of the property:

(a) "Residential property" Means property which is:

(i) used predominantly (60% or more) for residential purposes, with not more than 2 (two) dwelling units per property, and includes 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); or

(ii) a unit registered in terms of the Sectional Titles Act, used predominantly (60% or more) for residential purposes, and includes any unit in the same sectional title scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or domestic worker's quarters (any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes and for clearance application purposes); or

(iii) owned by a share-block company and used predominantly (60% or more) for residential purposes; or

(iv) a retirement scheme or life right scheme used predominantly (60% or more) for residential purposes.

(b) Business and commercial property:

Refers to property on which the activity of buying, selling or trading in goods and/or services occurs. It includes any office or other accommodation on the same property, the use of which is incidental to the business, but excludes the business of mining. It further includes hostels, guesthouses, bed and breakfast establishments and properties which is being used for storage or parking in line with the zoning of such property. It also includes office blocks, retail shops, shopping centres, showrooms, petrol filling stations & private hospitals and clinics.

(c) Industrial Property

"Industrial property" means property used for the trading in, the manufacturing and production of good and products or the assembly or processing of finished products from raw materials or fabricated parts in respect of which capital and labour are utilised, and includes any office or other facility on the same property, the use of which is incidental to such activity;

(d) Mining property:

Refers to property used for mining purposes or purposes incidental to mining operations and including any building, other immovable structures and infrastructure above the surface required for purposes of mining and may also include a sub-category for vacant land zoned for mining purposes or purposes incidental to mining operations in terms of the Land Use Management Scheme, but excludes mining rights or a mining permit as defined in the Mineral & Petroleum Resources Development Act, Act 28 of 2002.

(e) Public service infrastructure property and private service infrastructure property:

Refers to property utilised to accommodate publicly or privately controlled infrastructure of the following kinds:

(i) national, provincial, municipal public roads or private roads;

(ii) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water or sewage pumps forming part of a water, waste water or sewer network serving the public;

(iii) power stations, power sub-stations or power lines forming part of an electricity network;

(iv) railway lines forming part of a national railway network;

(v) communication towers, masts, exchanges or lines forming part of a communication network;

(vi) runways or aprons at the municipal airport of the Municipality;

(vii) any other publicly controlled infrastructure as may be prescribed;

(viii) rights of way, easements or servitudes in connection with infrastructure mentioned in sub-paragraphs (3)(e)(i) to (3)(e)(viii) above;

but with the exemption that the public service infrastructure property referred to in paragraphs (a), (b), (e), (g) and (h) of the definition of "public service infrastructure", as contained in section 1 of the MPRA, may not be rated in terms of section 17(1) (aA) to the extent set out in the sliding-scale contained in section 93A (2) of the MPRA.

(f) Municipal properties:

Refers to property owned by, vested in or under the control and management of the Municipality and will consist of the following 2 (two) :

(i) Municipal property: not rateable:

The following types of property owned by, vested in or under the control and management of the Municipality are not rateable:

(aa) public service infrastructure owned by the Municipality, including those referred to in sub-paragraph(3)(e) above;

(bb) waste-dump sites;

(cc) municipal burial grounds and adjacent public open space within the burial ground precinct;

(dd) property used for the provision of public parks and zoned as public open space and includes undeveloped municipal property which is for the purposes of this policy deemed to be public open space;

(ee) property used for culture, sporting and recreational facilities other than property subject to a registered lease in terms of the Formalities in respect of Leases of Land Act, Act 18 of 1969, in which case the area subject to the lease shall be separately rated; and

(ff) municipal housing schemes.

(ii) Municipal property: rateable:

The following types of property owned by, vested in or under the control and management of the Municipality are rateable:

(aa) property leased to third parties in terms of a lease registered in terms of the Formalities in Respect of Leases of Land Act, Act 18 of 1969. Where property owned by the Municipality is leased to a third party, the rating thereof shall be the prevailing rating applied to the principle property; and

(bb) municipal property used for purposes other than those specified in sub-paragraph(f)(i) above.

(g) Agricultural/farming property:

Property in this category is limited to agricultural/farming property zoned as agricultural/farming and used for bona fide agricultural purposes with the property owner deriving his principal source of income from the produce of the land on such property, but 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. Agricultural/farming property not used for bona fide agricultural/farming purposes shall be rated according to the actual use thereof which include agricultural/farming property utilised commercially for the hospitality of guests, and/or eco-tourism or for the trading in or hunting of game.

(h) Properties owned by an organ of state and used for public service purposes. :

(i) It means a property owned and used by an organ of state such as hospitals, clinics, schools, pre schools, early childhood development centres, further education and training colleges, national and provincial libraries and archives, police stations, correctional facilities and courts of law.

(i) .

(i) Protected areas:

Refers to property which receives protection because of its recognised natural, ecological and/or cultural values.

(j) Multiple Purposes:

This category comprises of properties used for more than one purpose and that cannot be assigned to an existing category of property.

(k) Educational:

Refers to property owned by educational institutions which are registered with the South African Revenue Services in terms of the provisions of section 30 of the Income Tax Act and which provide education and development services as contemplated in terms of Part 1, section 4 of the Ninth Schedule to that Act and includes sub "private school" and "crèche".

(l) Public owned by publicbenefit organisations and used for specified public benefit activities:

Refers to property owned by a public benefit organisation and used for public benefit activities as listed in item 1(welfare and humanitarian), item 2 (health care), item 4(education and development) of Part 1 of the Ninth Schedule to the Income Tax Act.

(m) Property used for religious purposes:

Refers to property registered in the name of and used solely as a place of public worship by a religious community, including an official residence registered in the name of such community which is occupied by an office–bearer of such community who officiates at services at that place of public worship.

(n) Exclusive Use Area

Refers to an area within the Sectional Title Scheme where part of the Body Corporate is exclusively used by owners of sections.

(o) Sectional Title Garages

Refers to any garage within a residential sectional title scheme that has been registered as a separate sectional title unit.

(p) Vacant Land

Refers to any undeveloped land as listed in the valuation roll and includes

bulk land identified by the municipality and where there is an approved Surveyor General, Township Layout or approved general diagram, may be separately valued and rated notwithstanding the non-registration of any sub-divisions.

(q) Private Road

Refers to a road owned and maintained by a private individual, organisation or company rather than the government.

(r) Private Open Space

Refers to an outdoor area of a dwelling or residential building or land for the exclusive use of the occupants.

(s) **Privately owned towns serviced by the owner**

The municipality grants an additional rebate to be determined on an annual basis which applies to privately owned towns services by the owner

(4) In determining the category of a property referred to in sub-paragraph (3) above, the Municipality will take into consideration the following criteria, or a combination thereof:

(a) the actual dominant use of the property concerned;

(b) conditions for township establishment and land use rights pertaining to the property;

(c) the geographical area in which the property is situated;

(d) the nature and extent of the improvements on the property.

(5) In order to ensure certainty and consistency in the application of the criteria mentioned in sub-paragraph (4) above, the Municipality will endeavour to apply the above criteria uniformly and in order of priority as follows:

(a) properties must firstly be categorised in accordance with its permitted land use in terms of the Land Use Management Scheme;

(b) in addition to the land use of a property, the actual dominant use of a property may also be used to categorise, or to narrow or confirm the category of such property. An inspection of the property concerned may be undertaken in order to obtain such information;

(c) where the dominant and permitted use of a property differ, the actual dominant use will supersede the permitted use; and

(d) the geographical area where a property is situated, as well as the nature and extent of any improvements made to such property, may also be considered to categorise the property.

(6) Property used for multiple purposes must be categorised and rated in accordance with the provisions of section 9 of the MPRA.

(7) Property which is used in conflict to its zoning will be rated at the tariff applicable to properties used for business and commercial purposes.

CHAPTER 3

DIFFERENTIAL RATING, EXEMPTIONS, REDUCTIONS AND REBATES

9. DIFFERENTIAL RATING

(1) The Municipality will apply a differential rating system based on the different property categories set out in paragraph8 above, by means of a set rate to be applied to each category of property, provided that the maximum ratio to the rate on residential property which may be imposed on agricultural/farming property,

public service infrastructure property and public benefit organisation property may not exceed the ratio as published in terms of the MPRA Rate Ratio Regulations.

(2) The criteria for the implementation of the differential rating system on different categories of properties will be according to:

(a) the nature and use of the property;

(b) the sensitivity to rating of the category of property;

(c) the extent of municipal services and infrastructure available to the property;

(d) the nature and extent of reductions and rebates applicable to the owners of the category of property;

(e) the promotion of social and economic development; and

(f) whether the property is being used for the use permitted for the property by the provisions of the Land Use Management Scheme of the Municipality.

10. CATEGORIES OF PROPERTY OWNERS FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES AND THE CRITERIA FOR EXEMPTIONS, REDUCTIONS AND REBATES

The municipality will not levy a rate on the first part of the value up R 100 000,00 of the market value as per the Valuation Roll:

- on the first R 15 000 on the basis set out in section17 (1)(h) of the MPRA; and
- on the balance of the market value up to R 85 000 in terms of section 15 of the MPRA in respect of residential properties, provided that the Council from time to time during its annual budget process contemplated in section 12 (2) of the Act determine. as threshold, the amount to be deducted from the market value of the residential properties as a result of which rates will only be determined on the

balance of the market value of such properties after deduction of the threshold amount.

For purposes of exemptions, reductions and rebates from the payment of a rate levied on the different categories of property as contemplated in terms of the provisions of section 15(1) of the MPRA, the following categories of property owners and the criteria to be applied for the granting of exemptions, reductions and rebates to these categories of property owners are determined:

(1) Exemptions:

The following properties are either exempted from paying rates, or the owners thereof may apply to the Municipality to be exempted from the paying of rates as indicated below:

(a) An owner of residential property:

(i) low cost residential properties used for residential purposes are only fully exempted if the owner of such a property is a Registered Indigent in terms of the Municipality's Indigent Policy receiving indigent support. This is an important part of the Indigent Policy of the Municipality which is aimed primarily at alleviating poverty;

(ii) all residential properties with a market value of less than the amount annually determined by the Municipality in the Tariff Policy are exempted from paying rates. The impermissible rates contemplated in terms of section 17(1)(h) of the MPRA are included in the amount referred to above as annually determined by the Municipality;

(b) Property owned by the Municipality:

The Municipality is exempted from paying rates in respect of the property referred to in sub-paragraph 8(3)(f)(i) above.

(c) Property owned by Public Benefit Organisations:

The following Public Benefit Organisations **may apply** in writing to the Municipality (as per **"Schedule F"**) for an exemption from paying rates on property, provided a true and certified copy of a tax exemption certificate which has been issued by the South African Revenue Services as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act is submitted together with such application:

(i) State or Organ of State Owned Health Care Institutions:

State owned, or Organ of State owned property used solely for health care institution purposes, provided that all profits from the use of such property are used entirely for the benefit of such health care institution.

(ii) Welfare Institutions:

Property used exclusively as an orphanage, non-profit retirement village, old age home or benevolent institution, including workshops used by the residents, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the Municipality.

(iii) Educational Institutions:

Property owned by a non-profit educational institution, registered as such in terms of the applicable legislation.

(iv) Charitable Institutions:

Property owned by a non-profit institution or organisation, which performs charitable work.

(v) Sporting Bodies:

Property owned by an organisation which main purpose is to use such property for sporting purposes on a non-professional and non-profitable basis.

(vi) Cultural Institutions:

Property owned by an institution declared to be subject to the provisions of the Cultural Institutions Act, Act 119 of 1998.

(vii) Museums, Libraries, Art Galleries and Botanical Gardens:

Museums, Libraries, Art Galleries and/or Botanical Gardens, operated on a non-profit basis and open to the public.

(viii) Youth Development Organisations:

Property owned and used by an institution or organisation for the provision of youth leadership or a youth development programme on a non-profit basis.

(ix) Animal Welfare:

Property owned and used by an institution or organisation with the exclusive aim to protect birds, reptiles and/or animals on a non-profit basis.

(d) Property used for Religious purposes:

A Property used for Religious purposes as referred to in sub-paragraph 8(3)(n) above, is exempted from the payment of rates as per the provisions of section 17(1)(i) of the MPRA.

(e) Registered Indigents:

All Registered Indigents, registered in terms of the provisions of the Indigent Policy of the Municipality, shall be fully subsidised for the payment of property rates, as referred to in sub-paragraph (1)(a)(i) above as part of the indigent support such a person receives from the Municipality. The subsidy shall not be more than the applicable rate for that year, and will be applied for the duration of that particular fiscal year.

(f) Social Housing

Refers to property registered in the name of an institution accredited in terms of the Social Housing Act 16 of 2008 which provides or intends to provide rental of co-operative housing options for households with a gross monthly household income less than the maximum housing subsidy income limit. Such property owners may qualify to be rated at the same rate as public benefit organizations in terms of the MPRA, i.e. at a ratio of 1:0.25. Properties where the gross monthly household income exceeds the income limit or any other non-residential properties of such institution will not qualify in terms of this paragraph.

If the usage of a property changes during the financial year, the rebate applicable will be reduced pro rata for the balance of the financial year.

All accounts of the applicant must be up to date or arrangements must be made to pay any outstanding balances before any rebate will be granted.

(2) An exemption from the payment of rates will only qualify to be considered for exemption by the Municipality subject to the following conditions:

(a) on application, which application must be addressed in writing to the Municipality in the prescribed manner (as per **Schedule "F"**).

(b) a true and certified copy of a tax exemption certificate issued by the South African Revenue Service must be submitted together with the application;

(c) the Municipal Manager or the person to whom the authority to approve an application for an exemption has been delegated, must consider and approve or dismiss the application;

(d) in considering the application for an exemption the Municipality may request any such further and/or additional information and/or documentation as it deems necessary in order to consider such application;

(e) the application must be submitted to the Municipality before the end of **April preceding the start of the new municipal financial year (i.e. 1 July) for which such exemption is sought**; and

(f) the Municipality reserves the right to refuse any exemption if the details provided in the application are incomplete, incorrect or false.

(3) Reductions:

(a) The Municipality will consider reductions from rates payable by owners of property on an *ad hoc* basis, in any of the following circumstances:

(i) partial or destruction of a property and/or improvements on such property; and

(ii) in the event of a disaster, as defined in terms of the provisions of the Disaster Management Act, Act 57 of 2002, directly or indirectly affects the property.

(b) A reduction from rates payable by owners of property will only be granted by the Municipality subject to the following conditions:

(i) the owner of a property in respect of which a reduction is applied for must apply in writing to the Municipality for such reduction, and the onus will rest on such applicant to prove to the satisfaction of the Municipality that such property has been totally or partially destroyed or affected by a disaster as contemplated in sub-paragraph (3)(a)(i) and (ii) above. Such owner will further have to indicate to which extent the property can still be used and the impact on the value of the property;

(ii) the percentage of the reduction granted and the period for which the reduction will be granted, if any, is solely within the discretion of the Municipality;

(iii) the Municipal Manager or the person to whom this authority to approve an application for a reduction has been delegated, must consider and approve or dismiss the application; and

(iv) in considering the application for a reduction the Municipality may request any such further and/or additional information and/or documentation as it deems necessary in order to consider such application.

(4) Rebates:

(a) State-owned or Organ of State-owned property:

The State or an Organ of State will receive a rebate on rates applicable to State-owned or Organ of State-owned property, as determined in **Schedule "A"**, in the event of the full payment of the rates before 30 September of the applicable financial year. This rebate does not apply to State-owned or Organ of State-owned property zoned or used for residential purposes.

(b) Agricultural/farming property:

(i) the owners of agricultural/farming property may be granted a rebate subject to such owner providing the Municipality with the prescribed information as set out in **Schedule "C"** and in the format provided in **Schedule "C"**;

(ii) the prescribed information provided in the format of **Schedule "C"**, must be submitted to the Municipality before the end of April, preceding the financial for which the rebate is applied for;

(iii) rebates may be granted by utilizing the criteria as set out and referred to in paragraphs 3.1 to 3.2 of **Schedule "A"**.

(c) Public Service Infrastructure Property:

A rebate of 30% as mandated by the provisions of section 17(1)(a) of the MPRA will be granted by the Municipality for Public Service Infrastructure property as they provide essential municipal services to the local community.

(4B) Categories of owners:

(a) Retired and/or Disabled Persons Rate Rebate:

Retired and/or disabled persons qualify for special rebates according to their monthly household income as referred to and set out in paragraph 3.3 of **Schedule "A"**. To qualify for this rebate a property owner must comply with the following requirements:

(i) occupies the property as his/her normal and only residence;

(ii) be at least 60 years of age or have been awarded a disability pension from the Department of Social Development or other approved pension funds;

(iii) be in receipt of a total monthly household income from any and all sources (including income of spouses of owner) as set out in paragraph 3.3 of **Schedule "A"**;

(iv) not be the owner of more than one property;

(v) provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement;

(vi) property owners must apply to the Municipality for the rebate on the prescribed application form as set out in **Schedule "E"** and provide such documents as required therein;

(vii) this application must be submitted to the Municipality before the end of September preceding the start of the

new financial year of the Municipality for which the rebate is applied for;

(viii) the Municipal Manager or the person to whom the authority to approve the application for a rebate has been delegated, must consider and approve or dismiss the application;

(ix) in considering the application for a rebate the Municipality may request any such further and/or additional information and/or documentation as it deems necessary in order to consider such application;

(x) the Municipality reserves the right to refuse rebates if the details supplied in the application form are incomplete, incorrect or false; and

(xi) the extent of the rebate is set out in paragraph 3.3 of **Schedule "A"**.

(5) Persons or entities, who are in terms of the provisions of this policy entitled to apply for and receive an exemption, reduction or rebate from the payment of a rate levied, must apply annually and in the prescribed manner for such an exemption, reduction or rebate, and any such exemption, reduction or rebate approved will only be valid and applicable for 1 (one) financial year, and for so long as the person or entity continue to meet all of the circumstances and conditions that entitled the exemption, reduction or rebate to be granted, where after the approved exemption, reduction or rebate will lapse. If eligible, the person or entity who or which is desirous to obtain an exemption, reduction or rebate for the next financial year, must proceed to apply for such an exemption, reduction or rebate in the prescribed manner. Exemptions, reductions and rebates shall only be valid and applicable when granted and where the applicant meets the criteria therefor.

(6) A reduction, exemption or rebate granted to an applicant who does not qualify may be removed at any time.

(7) Any person or entity receiving any exemption, rebate or reduction shall immediately notify the municipal manager of the Municipality, in writing, if the circumstances or conditions which entitled the Municipality to grant the exemption, rebate or reduction, change or ceases to exist.

11. COST TO THE MUNICIPALITY DUE TO EXEMPTIONS, REDUCTIONS, REBATES, EXCLUSIONS, PHASING-IN AND THE BENEFIT THEREOF TO THE LOCAL COMMUNITY

(1) The Municipal Manager must ensure that all exemptions, reductions, rebates and the phasing-in of certain rates, as contemplated in terms of the provisions of sections 15 and 21 of the MPRA, are appropriately disclosed in the annual operating budget, annual financial statements and annual report of the Municipality and that such exemptions, reductions, rebates and phasing-in of certain rates are clearly indicated on the rate account which is submitted to every respective property owner liable to pay rates to the Municipality.

(2) The Municipal Manager must also disclose all costs in respect of such exemptions, reductions, rebates and/or phasing-in of rates, as provided in **Schedule "B"**.

(3) The benefit in respect of and the reasons and criteria for the granting of certain exemptions, reductions, rebates and/or phasing-in of certain rates to the various property owners includes, but is not limited to:

(a) the promotion of local economic development which includes the promotion of business investments within the municipal area of the Municipality;

(b) job creation for the local community;

(c) the promotion of service delivery by *inter alia* farmers;

(d) poverty alleviation of indigent individuals;

(e) social and moral development, including assistance to religious institutions, sporting bodies, educational institutions and/or other non-governmental organisations which promote health and/or other benefits to the local community; and

(f) improved local economic growth.

CHAPTER 4
GENERAL PROVISIONS

12. SPECIAL RATING AREAS

(1) The Municipality may, if and when it deems necessary, by means of a Council resolution determine special rating areas in consultation with the relevant communities as provided for in terms of the provisions of section 22 of the MPRA.

(2) The following matters shall be attended to in consultation with the property owners within the area where the Municipality considers imposing such special rating area:

(a) the proposed boundaries of the special rating area;

(b) statistical data in respect of the area concerned and any such further information as may be required by the property owners who owns property within the proposed special rating area;

(c) information in respect of the proposed improvements and/or upgrades, clearly indicating the estimated costs of each respective improvement and/or upgrade;

(d) the proposed financing of the improvements and/or upgrades;

(e) the priority of improvements and/or upgrades, if applicable;

(f) the socio-economic factors of the relevant property owners concerned;

(g) the different categories of property;

(h) the amount of the proposed special rating;

(i) the details regarding the implementation of the special rating;

(j) the additional income which will be generated by means of the special rating; and

(k) the precise manner in terms of which the Municipality will utilize the additional income so generated.

(3) A committee of property owners who own property within the proposed special rating area, consisting of 6 (six) property owners must be established in order to advise and consult the Municipality regarding such proposed special rating area. This committee will be elected by the inhabitants within the proposed special rating area concerned, who must be at least 18 (eighteen) years of age. The election of the committee will commence under the guidance of the Municipal Manager. The committee will serve in an advisory capacity only and will have no executive powers.

(4) The consent required from the property owners who own property within the proposed special rating area, must be obtained in writing or by means of a formal voting process under the auspices of the Municipal Manager. The majority vote is regarded as 50% plus 1 (one), of the property owners concerned. Each property owner, being the receiver of the monthly account for the municipal rate, will have 1 (one) vote each.

(5) In determining the special additional rates, the Municipality shall differentiate between different categories as referred to in paragraph 8 above.

(6) The additional rates levied must be utilized for the purpose of improving or upgrading the specific area only and not for any other purpose.

(7) The Municipality shall establish separate accounting and other record-keeping systems, compliant with GAMAP/GRAP, for the identified area and the property

4owners concerned shall be kept informed of progress with projects and financial implications on an annual basis.

(8) Council may approve a rebate, reduction or exception in a determined amount and for a determinable period to a specific property owner to set off or reduce any amounts payable by the Municipality to the property owner whether under a services agreement or otherwise.

13. RATE INCREASES

(1) In terms of the provisions of section 17(3)(a)(ii) of the MFMA and section 24(2)(c)(i) of the MFMA, read with section 28(6) of the MFMA, the Municipality may only consider the increase of rates annually during the drafting and adoption of its annual budget.

(2) Income derived from the increasing of rates must be used by the Municipality to finance any increase in operating costs of subsidized municipal services and/or any increase in the rendering of municipal services to the local community.

(3) The following annual adjustments may be considered and/or made in respect of subsidized municipal services and/or the rendering of municipal services to the local community:

(a) salary and/or wage increases as agreed with the South African Local Government Bargaining Council;

(b) salary increases of managers directly accountable to the Municipal Managers in terms of the provisions of section 56 of the Systems Act;

(c) inflation adjustments in respect of general expenditure, repairs, maintenance and/or contributions to statutory funds, and

(d) additional depreciation costs, interest on and/or reduction of loans associated with the assets obtained by the Municipality during the previous financial year.

(4) Extraordinary expenditure in respect of community municipal services which was not expected or budgeted for, may be financed by an increase of property rates.

(5) The Municipality must take into consideration the ability of ratepayers to afford any proposed increase of rates prior to implementing any increase of property rates.

(6) Any and all increases of property rates must be communicated to the local community in terms of paragraph14 of this policy and the applicable provisions of the MFMA.

14. NOTIFICATION OF RATES

(1) In terms of the provisions of section 16(2) of the MFMA, read with the provisions of section 22 of the MFMA, the public must be informed of the rates on property which the Municipality intends to levy in the next financial year as contained in the Municipality's annual budget. The public then may submit representations regarding the contents of the said annual budget in terms of the provisions of section 22(a) (ii) of the MFMA.

(2) Once the Council has, considered, in terms of the provisions of section 24(1) of the MFMA, amongst others, the representations by the public, the Council may proceed to approve the annual budget, and once it has done so the Municipality shall have levied the rate as contained in the annual budget as contemplated in terms of the provisions of section 24(2)(c)(i) of the MFMA.

(3) The Municipality must give notice to the local community of the rates levied on property in accordance with the provisions of section 14 of the MPRA, which in turn requires that the resolution levying the rates on property be promulgated by publishing the resolution levying the rates in the Provincial Gazette and within 60 (sixty) days after the passing of the resolution levying the rates:

(a) in terms of the provisions of section 14(3)(a) and (b) of the MPRA, whenever a Municipality passes a resolution as referred to in sub-paragraph (3) above, the Municipal Manger must, within 60 (sixty) days after the passing of the resolution levying the rates:

(i) Conspicuously display the resolution for a period of at least 30 (thirty) days:

(aa) at the Municipality's head and satellite offices and libraries; and

(bb) if the Municipality has an official website or a website available to it as envisaged in section 21B of the Systems Act, on that website; and

(ii) advertise in the media a notice stating that:

(aa) a resolution levying a rate on property has been passed by the Council; and

(bb) the resolution is available at the Municipality's head and satellite offices and libraries for public inspection during office hours and, if the Municipality has an official website or a website available to it, that the resolution is also available on that website.

(4) The resolution levying the rates must contain the date on which the resolution was passed, differentiate between categories of properties and reflect the cent amount in the rand rate for each category of propert

15. PAYMENT OF RATES

(1) A ratepayer has the option to pay the rates for which such ratepayer is liable to the Municipality in one annual instalment on or before the end of September of a given year, or to pay such rates monthly on or before the last day of the month.

(2) If the owner of rateable property wishes to opt for the payment of rates annually in one instalment, such owner must notify the Municipal Manager in writing of such election and the owner will then become liable to the Municipality to pay the rates on an annual basis, and full payment of the rates to be received by no later than the last day of September.

(3) Interest on arrear rates will be levied and payable as set out in terms of the provisions of section 75A(1)(b) of the Systems Act, read with section 97(1)(e) of the Systems Act and the applicable provisions of the Credit Control & Debt Collection Policy and by-laws of the Municipality.

(4) If the owner of rateable property fails, neglects or refuses to pay such rates which is owing and due to the Municipality, the Municipality must recover such rates in accordance with the provisions of its Credit Control and Debt Collection Policy and by-laws of the Municipality, read with the provisions of Chapter 9 of the Systems Act.

(5) Arrear rates may be recovered from any tenants or occupiers of a rateable property or their agent as set out in terms of the provisions of sections 28 and 29 of the MPRA.

16. PAYMENT OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

(1) Rates on property in respect of a sectional title scheme, shall be levied on the individual sectional title units in the scheme and not on the property as a whole.

(2) The rate levied on a sectional title unit is payable and must be recovered from the owner of such unit and no rates in respect of any such unit may be recovered from the established body corporate of the scheme.

(3) The provisions of sub-paragraph (2) above do not exempt a body corporate of a sectional title scheme from the payment of rates on a sectional title unit in respect of which such body corporate is the owner.

(4) A body corporate which controls a sectional title scheme may not apportion and collect rates contemplated in terms of the MPRA from the owners of the sectional title units in such scheme.

(5) The common area of the property in sectional title schemes, shall be proportionally divided and included into each sectional title unit and this proportioned common area shall be payable by the owners of the specific sectional title units.

17. ACCOUNTS TO BE FURNISHED

(1) The Municipality must furnish every owner of rateable property liable for the payment of such rates with a written account therefore, which account must provide:

(a) the amount due for such rates;

(b) the date upon or before which the rates are payable;

(c) the manner in terms of which the rates were calculated;

(d) the municipal value of the property for which the account was furnished; and

(e) the percentage or amount of any applicable exemptions, reductions and/or rebates.

(2) An owner of rateable property who/which is liable for the payment of such rates remains liable for the payment thereof, irrespective of whether such owner received an account furnished by the Municipality therefor.

(3) An owner contemplated in sub-paragraph (2) above, must enquire and attempt to obtain such account from the Municipality for the payment thereof and is responsible for enquiring and ascertaining from the Municipality, monthly and timeously, the amount due to the Municipality should no account be received.

(4) Where a rateable property is owned by 2 (two) or more owners, the Municipality may recover the applicable property rate therefore from anyone of the owners in order to reduce its administrative costs and in terms of the provisions of section 24(2)(a) of the MPRA.

(5) The Municipality and the ratepayer have the rights in respect of accounts, as set out in terms of the provisions of section 102 of the Systems Act and the provisions

of the Credit Control & Debt Collection Policy and by-laws of the Municipality dealing with accounts.

18. FREQUENCY OF VALUATION

(1) The Municipality must prepare a new valuation roll at least every 5 (five) financial years, and reserves the right to extend the validity of the valuation roll to 7 (seven) financial years in terms of the provisions of section 32(2)(b) of the MPRA.

(2) Supplementary valuations will be done on a continuous basis to ensure that the valuation roll is properly updated, as provided for in terms of the provisions of section 78 of the MPRA.

19. COMMUNITY PARTICIPATION

This policy may only be adopted once the Municipality has followed a process of community participation, in accordance with the provisions set out in Chapter 4 of the Systems Act and section 4(2) of the MPRA, and the Municipality must further take all comments and representations received as a result of the community participation process into account when it considers the adoption of this policy.

20. REGISTER OF PROPERTY

The Municipality must compile, maintain and display a register of properties in accordance with the provisions of section 23 of the MPRA.

21. CERTIFICATE OF OCCUPANCY

(1) Prior to a residential property being eligible for a rebate, a certificate of occupancy must have been issued in respect thereof, by the Municipality.

(2) The onus of obtaining a certificate of occupancy rests with the owner of a property.

22. ILLEGAL USE OF PROPERTY

8

(1) If a property is used for a use, other than that permitted for the property by the applicable provisions of the Land Use Management Scheme (also referred to as the "illegal use of the property"), the Municipality will be entitled to levy on the property concerned the highest tariff provided for in the differential rate categories of the Municipality.

(2) (a) The owner of property contemplated in sub-paragraph(1) above then bears the onus of satisfying the Municipality that the illegal use of the property has ceased and may request in writing from the Municipality to proceed to reinstate the levying of rates against the property as per the valuation roll;

(b) such a request in writing by the owner of the property must be accompanied by an affidavit by the owner of the property, confirming that the illegal use of the property has been ceased and that the property is being used for the use allowed for the property in terms of the provisions of the Land Use Management Scheme;

(c) the Municipality shall consider the request and if the cessation of illegal use of the property is verified and if the request is approved, the

Municipality will reinstate the levying of rates against the property as per the valuation roll.

(d) Where the valuer visited the property with illegal use, the valuer will change the category to the actual use of the property even if the zoning certificate has not been changed.

23. INSPECTION OF AND OBJECTIONS TO ENTRIES INTO THE VALUATION ROLL OF THE MUNICIPALITY

(1) Once the Municipality has given notice in terms of the provisions of section 49 of the MPRA that the valuation roll is open for public inspection, any person may within such period stated in section 49(1)(a) of the MPRA, in terms of the provisions of section 50(1) of the MPRA:

(a) inspect the roll during office hours;

(b) upon payment of a reasonable fee request the Municipality during office hours to provide an extract from the roll; and

(c) may lodge an objection with the Municipal Manager against any matter reflected in, or omitted from the roll.

(2) An objection as contemplated in sub-paragraph (1)(c) above, must be in relation to a specific individual property and not against the valuation roll as a whole.

(3) The lodging of an objection does not defer liability for the payment of rates beyond the date determined therefore.

(4) All objections received shall be dealt with in the manner prescribed in terms of the provisions of section 51 to section 54 of the MPRA.

24. UNREGISTERED PROPERTIES

Where the municipality can prove that the unregistered property is consuming municipal services, that property will be billed according to the use of that property even though it is not registered.

25. RATES CLEARANCE

1. Section 118 of the Local Government Municipal Systems Act, 2000 (Act No. 32 of 2000) states that; *A registrar of deeds may not register the transfer except on production of a prescribed certificate, issued by a municipality or municipalities in which that property is situated and which certifies that all amounts that became due in connection with that property for municipal service fees, surcharges on fees, property rates and other municipal taxes levies and duties during the two years preceding the date of the application for the certificate have been fully paid*

A prescribed certificate issued by a municipality in terms of sub section 1 is valid for a period of 60 days from the date it has been issued".

2. Definition of a Rates Clearance Certificate

A rates clearance is a certificate provided by the relevant local authority on application by a conveyancer to transfer a property. This certificate certifies that there is no current outstanding debt due by the seller on the property. The Registrar of Deeds may then pass transfer on the property and registration in the purchaser's name may go ahead.

3. **Process of obtaining rates clearance certificate**

The conveyancer or attorney needs to apply for clearance figures at the municipality and pay a prescribed fee.

The rates clearance figures will be issued by the municipality and will be valid for four (4) months.

The payment relating to the rates clearance figures needs to be effected on or before the end of the second month. No payments will be allowed after the end of the second month. The conveyancing attorney will need to re – apply for clearance figures if the payment was not received on or before the end of the second month. Any payment received after the above mentioned period will no longer be considered for clearances but will be used to pay the account. The above paragraph is as a result of non compliance by the municipality that was raised by the Chief Registry of Deeds.

26. Request for reasons:

It is the duty of the municipal valuer, after the processing of an objection, to notify the objectors, as well as the owner of the property concerned if the objector is the owner, in writing of –

- The valuer's decision
- Any adjustment made to the to the valuation roll in respect of the property concerned; and
- Whether the decision is subject to the compulsory review process.

The objector or the owner may, within 30 days after such notice, in writing, apply to the municipal manager for the reasons for the decision. The 30 day commence from the date the notice was sent, not when it was received. A prescribed fee will be required to accompany, this fee will included in the tariff policy as well as the tariff book.

27. BY-LAWS TO GIVE EFFECT TO RATES POLICY

The Municipality must adopt by-laws to give effect to the implementation of this policy.

28. POLICY REVIEW

This policy must be reviewed annually by the Council of the Municipality as prescribed in terms of the provisions of section 5 of the MPRA.

SCHEDULE "A" – REBATE ON RATES

NO.	CATEGORY / DESCRIPTION	APPLICABLE REBATE
1.	**Exemptions**:	
1.1	**Residential**	**R 100000.00**(The first R15 000.00 of the market value of a property assigned in the valuation roll or supplementary valuation roll is statutorily exempted from the levying of rates as per the provisions of section 17(1)(h) of the MPRA)
2.	**Reductions**:	
2.1	**Partial or destruction of a property and/or improvements on such property**	__%
2.2	**in the event of a disaster, as defined in terms of the provisions of the Disaster Management Act, Act 57 of 2002, directly or indirectly affects the property**	__%
3.	**Rebates**:	
	State owned or Organ of State owned properties (excluding properties zoned or used for residential purposes)	__%
	Residential Properties	__%
	Public schools	__%

	Private schools	__%
	Public Service Infrastructure	30% (but not less than 30% in terms of the provisions of section 17(1)(a) of the MPRA)
	Privately owned towns	25%
3.1	**Agricultural/Farming Land:**	
3.1.1	The extent of the municipal services provided to agricultural/farming property:	
	No municipal roads next to property	__%
	No municipal sewerage to the property	__%
	No municipal electricity to the property	__%
	No water supply to the property by the Municipality	__%
	No refuse removal provided by the Municipality	__%
3.1.2	The contribution of the farming/agriculture property to the local economy: A rebate may be granted to the owner of agricultural/farming property which contributes substantially to job creation, and the salaries/wages of farm workers are reasonable, e.g. if they meet minimum standards set by Government or if they are in line with the sector's average. In this regard the criteria are as follows and should be substantiated by the information provided in **Schedule "C"**:	
	Salaries/wages of farm workers meet minimum standards.	__%
3.1.3.	Rebates may be granted after submission of proof by the owner, as per **Schedule "C"**, to the extent to which agriculture assists in meeting service delivery and development obligations of the Municipality and contribution to the social and economic welfare of farm workers:	
	If the owner is providing permanent residential property to the farm workers and such property is registered in the name of such farm workers.	__%

	If such residential properties are provided with potable water.	__%
	If the owner has provided electricity to the residential properties of his farm workers.	__%
	If the owner is availing his land/buildings to be used for the purposes of a cemetery, education and/or recreational purposes of the farm workers and their dependants and the nearby community in general.	__%
3.2.	**Farming, Business, Commercial and Industrial:**	
3.2.1.	Contribution to job creation:	
	1 to 10 workers:	__%
	11 to 50 workers	__%
	51 workers or more	__%
3.2.2.	Social upliftment of the local community: (specify criteria and extent in order to calculate percentage of rebate)	
		__ %
3.2.3.	Establishment of infrastructure for the benefit of the local community: (specify criteria and extent in order to calculate percentage of rebate)	
		__%
3.3.	**Retired and/or disabled persons on residential property only, not receiving indigents, to be renewed every three years:**	**25%**

SCHEDULE "B"

THE COSTS ASSOCIATED WITH EXEMPTIONS, REDUCTIONS, REBATES, EXCLUSIONS AND PHASING IN OF RATES

FINANCIAL YEAR _____

NO.	COST ITEM	AMOUNT
1.	**Exemptions:**	
1.1	**Residential Property**	**R**
1.2	**Property owned by the Municipality**	**R**
1.3	**Property owned by Public Benefit Organisations:**	**R**
1.3.1	State or Organ of State Healthcare Institutions	R
1.3.2	Welfare Institutions	R
1.3.3	Educational Institutions	R
1.3.4	Charitable Institutions	R
1.3.5	Sporting Bodies	R
1.3.6	Cultural Institutions	R
1.3.7	Museums, Libraries, Art Galleries and Botanical Gardens	R
1.3.8	Youth Development Organisations	R
1.3.9	Animal Welfare	R
1.3.10	Property used for Religious Purposes	R
1.3.11	Registered Indigents	R
2.	**Reductions:**	
2.1	**Partial or Total Destruction of a property**	**R**
2.2	**Properties affected by Disaster**	**R**
3.	**Rebates:**	
3.1	**Categories of Property:**	**R**

3.1.2		R
3.1.3	Agricultural/farming property	R
3.1.4	Public Service Infrastructure property	R
3.2	**Categories of Owners of Property:**	**R**
3.2.1	Retired and/or Disabled persons	R
	TOTAL COST:	**R**

SCHEDULE "C"

APPLICATION TO BE RATED AS AGRICULTURAL/FARMING PROPERTY

USED FOR AGRICULTURAL/FARMING PURPOSES

FINANCIAL YEAR ____

Complete the following in full and return by hand to the offices of the Municipality, at the Missionary Mpheni House, CNR NELSON MANDELA & BEYERS NAUDE STREET, RUSTENBURG, NORTH WEST PROVINCE, or by post to P.O. Box __, Rustenburg, ____. Only applications with the original commissioner's oath stamp and duly commissioned will be accepted i.e. no copies or faxed application will be considered. Please note that the onus lies with the applicant to confirm that the Municipality has received his/her application.

Farm / Erf No.:		**Portion No.:**	
Farm Name:			

If you have previously been granted a bona fide farmers rebate and an inspection was carried out on your property, kindly provide the certificate number which was issued to you.												
Municipal Account Number:												
Registered Owner of Property:												
(full names)												
Physical Address of Owner:												
Postal Address of Owner:												
Telephone No.:	**Home:**					**Work:**						
	Cell:					**Fax:**						
E-mail Address:												

Is any portion of the property used for any purpose other than agriculture? (e.g. business, mining, eco-tourism, trading in or hunting game)

Mark with a 'X'

YES	NO

IF YES, DESCRIBE: _____

_____

_____

_____

LAND USE ANALYSIS

Number of boreholes	
Output – Litres / Hour	
Dams capacity	

Is the property exposed to a river?			
Yes		No	

Type of Farming (mark with a 'X')	Cash Crop	Citrus	Soft Fruit	Poultry	Livestock	Pasture	Grazing	Dairy

Other (please specify)	

LAND INFORMATION	EXTENT
Arable – Dry	
Arable – Irrigation	
Pasture – Dry	
Pasture – Irrigation	
Grazing – Veld	
Cash Crop	
Home site and farmyard	
Other (specify)	

LIVE STOCK INFORMATION	NUMBER OF LIVESTOCK
Cattle	
Sheep	
Poultry	
Goats	
Pigs	
Other (specify)	

Building No.	Description	Size M^2	Condition	Is the building functional

I the undersigned, _____ **(first name and surname printed)** in my capacity as _____ do hereby declare under oath that:

(1) the contents of this application and affidavit are within my personal knowledge, save where the contrary appears from the context hereof or is expressly stated otherwise, and are both true and correct;

(2) the above property complies with all the above mentioned conditions for an agricultural/farming property in terms of the Municipal Property Rates Act, Act 6 of 2004 and the Municipality's Rates Policy;

(3) I authorise that the Municipality may inspect the property at any reasonable time during the financial year to confirm the compliance with the conditions of the rebate. Where access is denied, the rebate may be withheld, or withdrawn, if already effective;

(4) I confirm that I have completed this application in full and am aware of the fact that if I have not, that my application cannot be processed until such time that I have done so;

(5) I undertake to notify the Municipality immediately should any change occur in the use of the property of the conditions conferring a rates rebate in terms of the Municipal Property Rates Act, Act 6 of 2004, the Municipal Systems Act, Act 32 of 2000 and the Rates Policy of the Municipality; and

(6) I further acknowledge that should it transpire that any information was knowingly/unlawfully/incorrectly recorded/supplied by me herein or otherwise, the Municipality has the right to withdraw any rebate granted and recover such rebate. The Municipality will raise interest on such accounts where such rebates were fraudulently obtained, and reserve the right to take further action against any person(s) who applied false information.

I further confirm under oath that:

(DELETE WHERE NOT APPLICABLE)

(1) I/The owner of the above referred to property **conducts / do not conduct***bona fide* farming activities on the property and I/the owner derive more than 50% of my/his/her/its income from the *bona fide* farming activities conducted on the property;

(2) I/The owner **avails / does not avail** land/buildings for cemetery, residential, educational and recreational purposes for the farm workers and their dependants and the nearby community in general, of which the details are as follows:

_____
_____
_____;

(3) The residential units on the above property **are / are not** provided with potable water;

(4) The residential units on the above property **are / are not** utilised for residential purposes by the farm workers employed on the above property;

(5) The residential units on the above property **have / have not** been provided with electricity;

(6) The residential units on the above property **are / are not** permanent residential property and **have / have not** been registered in the name of the farm workers employed on the above property;

(7) The salaries/wages of farm workers employed on the above property **meet / do not meet** the prescribed minimum standards in terms of the applicable labour legislation;

(8) I/The owner **contributes / do not contribute** to the social upliftment of the local community, of which the details are as follows:

_____
_____
_____;

(9) I/The owner **established / did not establish** infrastructure on the above property for the benefit of the local community, of which the details are as follows:

_____
_____
_____;

(10) I/The owner is registered as a bona fide farmer with SARS, and the last tax assessment is attached hereto as proof;

_____ _____

SIGNATURE OF AUTHORISED PERSON ON BEHALF OF APPLICANT **DATE**

Signed and sworn before me at _____ on this the _____ day of _____ 20___, the deponent having acknowledged that he/she knows and understands the contents of this declaration and that he/she has no objection to the taking of the prescribed oath and that he/she considers it binding on his/her conscience. I certify that the provisions of Regulation R.1258 of 21 July 1972 have been complied with.

_____ _____

COMMISSIONER OF OATHS FULL NAMES **SIGNATURE**

COMMISSIONER OF OATH'S STAMP

SCHEDULE "D"

APPLICATION FOR A RATE REBATE BY A PERSON OR ENTERPRISE WHO OR WHICH IS THE OWNER OF RATEABLE PROPERTY AND WHO OR WHICH PROMOTES LOCAL, SOCIAL AND ECONOMIC DEVELOPMENT

FINANCIAL YEAR ____

Complete the following in full and return by hand to the offices of the Municipality, at Missionary Mpheni House, c/o NELSON MANDELA & BEYERS NAUDE STREET, RUSTENBURG, NORTH WEST PROVINCE or send by post to P.O. Box __, Rustenburg, ___. Only applications with the original commissioner's oath stamp and duly commissioned will be accepted i.e. no copies or faxed application will be considered. Please note that the onus lies with the applicant to confirm that the Municipality has received his/her application.

Erf:		**Portion No.:**		**Suburb:**	
Name of Enterprise:					
Registration No. of Enterprise:					
Municipal Account Number:					
Registered Owner of Property:					
(full names or organisation name)					
Usage (purpose for which the					
property is used):					
Physical Address of Enterprise:					
Postal Address of Enterprise:					
Telephone No.:	**Home:**		**Work:**		
	Cell:		**Fax:**		
E-mail Address:					

The following documentation must be attached:

- the business plan of the enterprise indicating how the local, social and economic development objectives of the Municipality is met;
- a continuation plan issued by the directors/members of the enterprise and certified by the auditors of the enterprise stating that the objectives have been met in the first year after establishment and in which manner the enterprise will continue to meet the objectives;
- a true and certified copy of the documents of establishment of the enterprise, e.g. Trust Deed, Memorandum of Articles of Association, constitution or any other written confirmation or document under which or officially confirming that the organisation was established;
- a resolution by the enterprise, authorising the signee to apply for this rebate on behalf of the enterprise;
- a true and certified copy of the authorised person's identity document; and
- a true and certified copy of the most recent approved and signed audited financial statements.

I the undersigned _____ **(first name and surname printed)** in my capacity as _____, and duly authorised representative of the Applicant do hereby declare under oath that:

(1) the contents of this application/affidavit are within my personal knowledge, save where the contrary appears from the context hereof or is expressly stated otherwise, and are both true and correct;

(2) I give permission that the Municipality may inspect the property at any reasonable time during the financial year to confirm the compliance with the conditions of the rebate. Where access is denied, the rebate may be withheld, or withdrawn, if already effective;

(3) I confirm that I have completed this application in full and am aware of the fact that if I have not, that my application cannot be processed until such time that I have done so;

(4) I undertake to notify the Municipality immediately should any change occur in the use of the property of the conditions conferring a rates rebate in terms of the Municipal Property Rates Act, Act 6 of 2004, the Municipal Systems Act, Act 32 of 2000 and the Rates Policy of the Municipality;

(5) I further acknowledge that should it transpire that any information was knowingly/unlawfully/incorrectly recorded/supplied by me, the Municipality has the right to withdraw any rebate granted and recover such rebate. The Municipality will raise interest on such accounts where such rebates were fraudulently obtained, and reserve the right to take further action against any person(s) who applied false information;

(6) I confirm that the enterprise promotes local, social and economic development within the municipal area of the Municipality in the following manner:

_____

_____

_____

_____

(7) I confirm that the enterprise creates jobs within the municipal area, in the following manner:

_____

_____

_____

_____

(8) I confirm that the enterprise is involved and contributes to social upliftment of the local community, in the following manner:

_____

_____

_____

_____

(9) I confirm that the enterprise established the following infrastructure for the benefit of the local community:

_____

_____

_____

_____

_____ _____

SIGNATURE OF AUTHORISED PERSON ON BEHALF OF APPLICANT

DATE

Signed and sworn before me at _____ on this the _____ day of _____ 20___, the deponent having acknowledged that he/she knows and understands the contents of this declaration and that he/she has no objection to the taking of the prescribed oath and that he/she considers it binding on his/her conscience. I certify that the provisions of Regulation R.1258 of 21 July 1972 have been complied with.

_____ _____

COMMISSIONER OF OATHS FULL NAMES **SIGNATURE**

COMMISSIONER OF OATH'S STAMP

SCHEDULE "E"

APPLICATION FOR A PENSIONER'S AND/OR DISABLE PERSON'S PROPERTY RATES REBATE

FINANCIAL YEAR _____

To qualify for a pensioners and/or disabled person's property rates rebate, a retired and/or disabled property owner must:

(a) be a natural person;

(b) the property must be categorised as residential;

(c) be the owner of the property on the 1st of July of the year which is being applied for;

(d) occupy the property as his or her normal residence or where the owner is unable to occupy the property due to no fault of his/her own, the spouse/partner or minor children may satisfy the occupancy requirement;

(e) be a pensioner i.e. be at least 60 years of age on 1 July of the financial year concerned; or if the owner turns 60 during the year the rebate will be granted on a pro rata basis from the date on which the applicant turned 60; ***or***

be a disabled person, i.e. be in receipt of disability grant/pension and submit proof of the nature of the disability e.g. letter from doctor, with the application.

(f) be in receipt of a total gross annual income from all sources, excluding medical aid contributions received, child support / grant ***but including*** the income of the spouse/partner of the owner and ***all*** persons normally residing on that property, **not exceeding R 84 000per annum (R 7000per month);**

(g) not be in receipt of indigent support;

in addition:

(h) an usufructuary will be regarded as the owner;

(i) the owner will only qualify for one rebate per year, in other words the percentage rebate granted will remain in effect for the year, it will not be amended on an *ad hoc* basis should the household's financial circumstances change during the year; and

(j) applications will only be considered if there are no outstanding balances on any of the owner's municipal accounts. If there are outstanding balances, the application will only be considered after arrangements have been made at the Municipality, to pay the outstanding amounts. Furthermore,

the owner must ensure that he/she continues to pay the rates account in full until the rebate is granted, as no interest or monies due will be reversed.

This application must be accompanied by the following documents:

- original certified copy of bar-coded identity document; (owner and spouse/partner)
- pension statements (of owner and spouse/partner), last 3 months bank statements from **all bank, investment and retirement annuity accounts of owner and spouse/partner**, and proof of gross salary of any other persons living on the property (not just rental received). All documents provided must clearly state who it relates – documents which do not reflect person's name or ID number on will not be considered;
- a certified affidavit declaring any assistance (financially or otherwise) from any other sources including any assistance from family members. (Assistance received from family members will not however be included in the calculation of household income);
- provide a certified affidavit to explain ***all*** once-off monies received e.g. gifts, donations, pension pay-outs (e.g. on retirement), all bonuses, refunds, cash deposits, etc.; and
- in the case of usufructuary – a certified copy of the legal documents granting the usufruct such rights.

Please note:	**The Municipality can request any other document it deems necessary to substantiate the application.**

Kindly complete the following in FULL and return by hand to the Rustenburg Local Municipality, at the Missionary Mpheni House, c/o NELSON MANDELA & BEYERS NAUDE STREET, RUSTENBURG, NORTH WEST PROVINCE or send by post to P.O. Box __, Rustenburg, ___. Only applications with the original commissioner's oath stamp will be accepted i.e. no copies or faxed applications will be considered.

Erf/Unit No.:		**Suburb/Sectional Title Name:**											
Municipal Account No.:													
Registered Owner of Property:													
(full names)													
Physical Address of Owner:													

Postal Address of Owner:				
Telephone No.:	**Home:**		**Work:**	
	Cell:		**Fax:**	
E-mail Address:				

Gross Income Details	**GROSS INCOME – SELF (Annual)**	**GROSS INCOME – SPOUSE/PARTNER (Annual)**
Income from employer:		
Pension:		
Annuity:		
Interest on savings:		
Rentals:		
Financial assistance – from children etc.:		
Other: (please specify)		
TOTAL		

Occupants (Full Names)	**Relationship**	**Age**	**Gross Income (Annual)**

I the undersigned _____ **(first name and surname printed)** in my capacity as _____ of _____ ***(in the event of this application being completed by a person other than the applicant, by reasons of the fact that the applicant is not able to complete this application him/herself, then the person***

completing this application must state his/her full details and address, as well as the capacity in which he/she is representing or assisting the applicant)do hereby declare under oath:

(1) that the contents of this application/affidavit are within my personal knowledge, save where the contrary appears from the context hereof or is expressly stated otherwise, and are both true and correct;

(2) I confirm that the above property complies with all the above mentioned conditions for a pensioner's and/or disabled person's rebate in terms of the Municipal Property Rates Act, Act 6 of 2004 and the Municipality's Rates Policy;

(3) that I give permission that the Municipality may inspect the above property at any reasonable time during the financial year to confirm the compliance with the conditions of the rebate. Where access is denied, the rebate may be withheld, or withdrawn, if already effective;

(4) I did provide all the required documentation as stipulated on page 1 and2 of this application;

(5) I have completed this application in full and am aware of the fact that if I have not, that my application cannot be processed until such time that I have done so;

(6) I undertake to notify the Municipality immediately should any change occur in the use of the property of the conditions conferring a rates rebate in terms of the Municipal Systems Act, Act 32 of 2000 and the Rates Policy of the Municipality; and

(7) I further acknowledge that should it transpire that any information was knowingly/unlawfully/incorrectly recorded/supplied by me, the Municipality has the right to withdraw any rebate granted and recover such rebate. The Municipality will raise interest on such accounts where such rebates were fraudulently obtained, and reserve the right to take further action against any person(s) who applied false information.

_____ _____

SIGNATURE OF APPLICANT OR AUTHORISED PERSON ON BEHALF OF APPLICANT

DATE

Signed and sworn before me at _____ on this the _____ day of _____ 20___, the deponent having acknowledged that he/she knows and understands the contents of this declaration and that he/she has no objection to the taking of the prescribed oath and that he/she considers it binding on his/her conscience. I certify that the provisions of Regulation R.1258 of 21 July 1972 have been complied with.

_____ _____

COMMISSIONER OF OATHS FULL NAMES **SIGNATURE**

COMMISSIONER OF OATH'S STAMP

SCHEDULE "F"

APPLICATION FOR EXEMPTION FROM PROPERTY RATES AS CONTEMPLATED IN PARAGRAPH 10 OF THE MUNICIPALITY'S RATES POLICY FOR OWNERS OF PUBLIC BENEFIT ORGANISATIONS

FINANCIAL YEAR ☐

This application form is used for owners of residential properties and Public Benefit Organisations applying for exemptions in terms of the provisions of paragraph 10 of the Rates Policy of the Municipality.

Applications for exemptions by Public Benefit Organisations must be accompanied by a letter from the SARS confirming that the organisations qualify for exemption in terms of the Section 30 Income Tax Act, 1962, read with the Ninth Schedule to that Act.

All residential property owners and public benefit organisations seeking an exemption must submit either a letter from their auditors, or annual financial statements, or payslips, or salary advice confirming that the applicant qualifies for an exemption.

THE FOLLOWING DOCUMENTATION MUST BE ATTACHED, DEPENDING ON AND WHERE APPLICABLE TO OWNERS OF RESIDENTIAL PROPERTIES OR PUBLIC BENEFIT ORGANISATIONS:

1. A true and certified copy of the constitution, trust deed, memorandum of articles of association, or any other written instrument under which the organisation was established.
2. A true and certified copy of the tax exemption certificate issued for the organisation by the South African Revenue Service, as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, Act 58 of 1962.
3. A resolution by the organisation, authorising the signee to apply for this exemption, on behalf of the organisation.
4. A true and certified copy of the authorised person's or owner's Identity Document.
5. A true and certified copy of the most recent, approved and signed audited financial statements, salary advice, or pay slip.

The effective date of the rebate will be the date when the Municipality approves the application, irrespective of whether the property qualified for exemption in terms of its use prior to that date.

Kindly complete the following in FULL and return by hand to the Municipality, at the Missionary Mpheni House, c/o NELSON MANDELA & BEYERS NAUDE STREET, RUSTENBURG, NORTH WEST PROVINCE or send by post to P.O. Box __, Rustenburg, ___. Only applications with the original commissioner's oath stamp will be accepted i.e. no copies or faxed applications will be considered.

Erf:		**Portion No.:**		**Suburb:**	
Municipal Account Number:					
Registered Owner of Property:					
(full names or organisation name)					
Physical Address of Owner / Organisation:					
Postal Address of Owner / Organisation:					
Total monthly income of owner (if exemption is for owner of residential property):					
Telephone No.:	**Home:**		**Work:**		
	Cell:		**Fax:**		
E-mail Address:					

I confirm that I herewith, in terms of the provisions of paragraph 10 of the Rates Policy of the Municipality apply for an exemption from the payment of property rates for residential properties (as contemplated in paragraph 10(1)(a)(iii) of the Rates Policy) // for a Public Benefit Organization (delete which is not applicable).

I the undersigned _____ **(first name and surname printed)** in my capacity as owner / _____, (fill in or delete which is not applicable) and duly authorised by the Applicant to apply for this exemption on behalf of the Applicant, do hereby declare under oath

(1) that the contents of this application/affidavit are within my personal knowledge, save where the contrary appears from the context hereof or is expressly stated otherwise, and are both true and correct;

(2) that the above property complies with all the above mentioned conditions for a Public Benefit Organisation and not-to-gain institutions exemption, in terms of the Municipal Property Rates Act, Act 6 of 2004 and the Municipality's Rates Policy, if applicable;

(3) that I give permission that the Municipality may inspect the above property at any reasonable time during the fiscal year to confirm the compliance with the conditions of the rebate. Where access is denied, the rebate may be withheld, or withdrawn, if already effective;

(4) I confirm that I will provide all the required documentation as stipulated on page 1 of this application;

(5) I have completed this application in full and know if I have not, that my application cannot be processed until such time that I have done so;

(6) I undertake to notify the Municipality immediately should any change occur in my income or the use of the property of the conditions conferring a rates rebate in terms of the Municipal Property Rates Act, Act 6 of 2004, the Municipal Systems Act, Act 32 of 2000 and the Rates Policy of the Municipality; and

(7) I further acknowledge that should it transpire that any information was knowingly/unlawfully/incorrectly recorded/supplied by me, the Municipality has the right to withdraw any exemption granted and recover such exemption. The Municipality will raise interest on such accounts where such exemptions were fraudulently obtained, and reserve the right to take further action against any person(s) who applied false information.

_____ _____

SIGNATURE OF OWNER / AUTHORISED PERSON ON BEHALF OF APPLICANT (DELETE WHICH IS NOT APPLICABLE)

DATE

Signed and sworn before me at _____ on this the _____ day of _____ 20___, the deponent having acknowledged that he/she knows and understands the contents of this declaration and that he/she has no objection to the taking of the prescribed oath and that he/she considers it binding on his/her conscience. I certify that the provisions of Regulation R.1258 of 21 July 1972 have been complied with.

_____ _____

COMMISSIONER OF OATHS FULL NAMES SIGNATURE

COMMISSIONER OF OATH'S STAMP

Rustenburg Local Municipality

SUPPLY CHAIN MANAGEMENT POLICY

Reviewed 2025/2026 Financial Year

The Accounting Officer of the Rustenburg Local Municipality (hereinafter referred to as "the Municipality"), being responsible for managing the financial administration of the Municipality hereby, in terms of the provisions of section 62(1)(f)(iv), read with section 111 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (hereinafter referred to as the "MFMA"), and in order to give effect to section 217(1) of the Constitution of the Republic of South Africa, 1996 (hereinafter referred to as "the Constitution"), establishes the Supply Chain Management Policy of the Municipality (also hereinafter referred to as "the SCM Policy), as approved by its Council and which came into operation on and is to be implemented as such from the date of acceptance by the Council.

The SCM Policy of the Municipality will be one of the Municipality's budget related policies, as referred to in the provisions of regulation 7 of the Municipal Budget & Reporting Regulations, 2008 and section 17(3)(e), section 21(1)(b)(ii)(bb), section 22(a)(i) and section 24(2)(c)(v) of the MFMA, and accordingly the Municipality will annually revise this policy and this policy, or any amendments thereto will be approved by the Council of the Municipality during the process in terms of which the Municipality adopts its budget, as described in section 24 of the MFMA.

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CHAPTER 1

ESTABLISHMENT AND IMPLEMENTATION OF

THESUPPLY CHAIN MANAGEMENT POLICY

1. DEFINITIONS

In this policy, except where the context otherwise indicates, or it is expressly stipulated otherwise, the following words, expressions and/or abbreviations shall have the respective meanings assigned to them hereunder and words or expressions to which a meaning has been assigned in terms of the provisions of section 1 of the MFMA will have the corresponding meaning assigned thereto in terms of such section. Some of these words, expressions and/or abbreviations may not occur in the Policy but are included for the sake of completeness. All headings are included for convenience only and shall not be used in the interpretation of any of the provisions of this policy.

NO	WORD/EXPRESSION	DEFINITION
"A"		
1.1	**"Accounting Officer"**	The Municipal Manager of the Municipality as referred to the definition of "Accounting Officer" as defined in terms of the provisions of section 1 of the MFMA and referred to in section 60 of the MFMA and includes a person acting as an Accounting Officer, or the person to whom the Accounting Officer has delegated his/her authority to act. Also refer to the definition of Municipal Manager below.
1.2	**"adjudication points"**	The points referred to in the Preferential Procurement Policy Framework Act, Act 5 of 2000: Preferential Procurement Regulations, 2017, and the preferential procurement section of this policy, also referred to as "evaluation points" or "preference points".
1.3	**"all applicable taxes"**	Includes value added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.
1.4	**"Auditor-General"**	The person appointed as Auditor-General in terms of section 193 of the Constitution, and includes a person acting as Auditor-General, acting in terms of a delegation by the Auditor-General or designated by the Auditor-General to exercise a power or perform a duty of the Auditor-General.
1.5	**"authority"**	A right or power attached to a rank or position permitting the holder thereof to make decisions, to execute such decisions or to have such decisions executed, take command or to demand action by others.
"B"		

1.6	**"B-BBEE"**	The Broad Based Black Economic Empowerment as defined in terms of the provisions of section 1 of the Broad-Based Black Economic Empowerment Act, Act 53 of 2003.
1.7	**"B-BBEE status level of contributor"**	The B-BBEE status awarded to a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of the provisions of section 9(1) of the Broad-Based Black Economic Empowerment Act, Act 53 of 2003.
1.8	**"bid"**	Includes a responsive tender, quotation, expression of interest, proposal, or any other proposition for doing business with the Municipality, whether solicited or not, or a written offer in a prescribed or stipulated form in response to an invitation by the Municipality for the provisions of goods and services.
1.9	**"bidder"**	Any person or entity submitting a bid.
"C"		
1.10	**"capital asset"**	Any immovable asset such as land, property or buildings or 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.
1.11	**"Chief Financial Officer"**	A person appointed by the Council and designated by the Accounting Officer to manage the financial administration of the Municipality and who remains directly accountable to the Accounting Officer as contemplated in terms of the provisions of section 80(2)(a) read with section 1 and section 81 of the MFMA.
1.12	**"close family member"**	A spouse, child or parent of a person.
1.13	**"closing time"**	The time and date specified in bid documentation as the closing time for submission of bids after which no more bids may be submitted to or be accepted by the Municipality.
1.14	**"community-based vendor"**	A supplier of goods and/or services who resides in a target area or community, who/which meets the criteria for community-based vendors as determined by the Municipality from time to time, and who/which is registered on the list of the Municipality as an accredited prospective provider of goods and/or services.
1.15	**"comparative price"**	The price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration. A "non-firm price" means all prices other than a "firm price".
1.16	**"competitive bid"**	A responsive bid in terms of a competitive bidding process.
1.17	**"competitive bidding process"**	A competitive bidding process referred to in regulation 12(1)(d) of the SCMR and this policy.

1.18	**"consortium or joint venture"**	An association of persons or entities formed for the purpose of combining the expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract or contracts. The joint venture or consortium must be formalised by agreement between the parties thereto.
1.19	**"Construction Industry Development Board" or "CIDB"**	The Construction Industry Development Board established by section 2 of the Construction Industry Development Board Act.
1.20	**"Construction Industry Development Board Act"**	The Construction Industry Development Board Act, Act 38 of 2000.
1.21	**"construction works"**	The provision of a combination of goods and services arranged for the development, extension, installation, repair, maintenance, renewal, removal, renovation, alteration, dismantling or demolition of a fixed asset including building and engineering infrastructure.
1.22	**"consultant"**	A person or entity providing labour and knowledge-based expertise which is applied with reasonable skill, care and diligence.
1.23	**"contract"**	A written agreement resulting from the acceptance of a bid or quotation from a bidder by the Municipality and as contemplated in the provisions of section 116 of the MFMA.
1.24	**"contractor"**	A person or entity whose/which bid, or quotation has been accepted by the Municipality and "service provider" has a corresponding meaning.
1.25	**"Council"**	The Municipal Council of the Municipality, its legal successors in title and its delegates.
"D"		
1.26	**"days"**	Calendar days, unless the context indicates otherwise.
1.27	**"demand management"**	A system which insures that the resources required to support the strategic and operational commitments of the Municipality are delivered at the correct time, at the right price, and at the right location, and that the quantity and quality satisfy the needs of the Municipality.
1.28	**"designated sector"**	A sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced goods and/or services or locally manufactured goods meet the stipulated minimum threshold for local production and content.
1.29	**"disability"**	In respect of a person means a permanent impairment of a physical, intellectual or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner or in the range considered normal for a human being.

1.30	**"Disciplinary Regulations"**	Local Government: Disciplinary Regulations for Senior Managers, published under GN 344 in GG 34213 of 21 April 2011
1.31	**"disposal"**	A process of preparing, negotiating and concluding a written contract which involves the alienation of a capital asset of the Municipality, including a capital asset no longer needed by the Municipality or rights in respect thereof, by means of a sale or a donation, and "dispose" has a similar meaning.
1.32	**"disposal management"**	The system of the Municipality for the disposal or letting of assets, including unserviceable, redundant or obsolete assets in a cost-effective, but transparent and responsible manner, and entails the maintenance of records and documents.
"E"		
1.33	**"engineering and construction works"**	The provision of a combination of goods and services, arranged for the development and provision of an asset including construction works and engineering infrastructure, or for the refurbishment of an existing asset.
1.34	**"evaluation points"**	Refer to "adjudication points" and/or "preference points".
1.35	**"exempted capital asset"**	A municipal capital asset which is exempted by section 14(6) of the MFMA from the other provisions of that section, read with regulation 1 of the MATR.
"F"		
1.36	**"final award"**	The final decision on which bid or quote to accept.
1.37	**"firm price"**	The price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change in position, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of a law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of a contract.
1.38	**"formal written price quotation"**	Quotations referred to in this policy and in regulation 12(1)(c) of SCMR and includes an electronic offer to the Municipality in response to an invitation to submit such a quotation.
1.39	**"functionality"**	The measurement according to predetermined norms and/or criteria, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, considering, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder.
"G"		
1.40	**"general conditions of contract"**	The general conditions of contract as set out in the bid documentation applicable to the said bid and not limited to the

		General Conditions of Contract for Construction Contracts, 2010 of the South African Institute of Civil Engineers.
1.41	**"goods and/or services"**	Apart from the normal grammatical meaning, also includes engineering and construction works and consultant works.
1.42	**"green procurement"**	Considering environmental criteria for goods and services to be purchased to ensure that the related environmental impact is minimised.
"H"		
1.43	**"historically disadvantaged individual" or "HDI"**	A South African citizen who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution or the Constitution of the Republic of South Africa, Act 200 1993 ("the Interim Constitution"); and/or who is a female, and/or who has a disability, provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be an HDI.
"I"		
1.44	**"improper conduct"**	Conduct which is tantamount to fraud, corruption, favouritism, unfair, irregular and unlawful practices, misrepresentation of information submitted in bid documents for the purposes of procuring a contract with the Municipality, misrepresentation regarding the contractor's expertise and capacity to perform in terms of a contract procured via the Supply Chain Management System, breach of a contract procured via the Supply Chain Management System and failure to comply with the Supply Chain Management System.
1.45	**"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 with the meaning of the Public Finance Management Act, Act 1 of 1999; (e) a member of the accounting authority of any national or provincial public entity; or (f) an employee of Parliament or a provincial legislature.

1.46	**"information technology" or "IT"**	The acquisition, processing, storage and dissemination of vocal, pictorial, textual and numerical information by a microelectronics-based combination of computing and telecommunications.
1.47	**"Integrated Development Plan" or "IDP"**	The plan envisaged in terms of the provisions of section 25 of the MSA.
"L"		
1.48	**"list of accredited prospective providers"**	The list of accredited prospective providers that a Municipality must keep in terms of regulation 14 of the SCMR.
1.49	**"local business"**	Service providers with active offices within the municipal area of the Municipality, which shall be interpreted based on whether the offices are utilised for the goods and/or services to be procured, and whether most staff are local.
1.50	**"Local Government: Municipal Finance Management Act" or "MFMA"**	The Local Government: Municipal Finance Management Act, Act 56 of 2003.
1.51	**"Local Government: Municipal Systems Act" or "MSA"**	The Local Government: Municipal Systems Act, Act 32 of 2000.
1.52	**"Structures Act" or "MSTA"**	The Local Government: Municipal Structures Act, Act 117 of 1998.
1.53	**"long term contract"**	A contract with a duration period exceeding 1 (one) year.
"M"		
1.54	**"Municipal Asset Transfer Regulations" or "MATR"**	The Asset Transfer Regulations, 2008, published under GN R878 in GG 31346 of 22 August 2008 (with effect from 1 September 2008) and promulgated in terms of the provisions of section 168 of the MFMA.
1.55	**"Municipal Budget & Reporting Regulations, 2008"**	The Municipal Budget & Reporting Regulations, 2008, published under GN R393 in GG 32141 of 17 April 2009 (with effect from 1 July 2009) and promulgated in terms of the provisions of section 168 of the MFMA
1.56	**"municipal entity"**	Means: (a) a private company referred to in section 86B(1)(a) of the MSA; (b) a service utility; or (c) a multi-jurisdictional service utility; as contemplated in terms of the provisions of the MSA.

1.57	**"Municipality"**	Means the RUSTENBURG LOCAL MUNICIPALITY (also referred to as "RLM") a local government and legal entity with full legal capacity as contemplated in section 2 of the Systems Act read with the provisions of Chapter 7 of the Constitution and sections 12 and 14 of the Structures Act, with its main place of business and the offices of the Accounting Officer, as envisaged in terms of the provisions of section 115(3) of the Systems Act, at: Missionary Mpheni House, CNR NELSON MANDELA & BEYERS NAUDE STREET, RUSTENBURG, NORTH WEST PROVINCE, and may, depending on the context, include: (a) its successor in title; or (b) a functionary, employee or official exercising a delegated power or carrying out an instruction, in the event of any power being delegated as contemplated in terms of the provisions of section 59 of the Systems Act, or exercising any lawful act in the furtherance of the Municipality's duties, functions and powers; or (c) an authorised service provider fulfilling a responsibility assigned to it by the Municipality through a service delivery agreement.
1.58	**"Municipal Manager"**	The person appointed in terms of the provisions of section 54A of the MSA, and Accounting Officer of the Municipality.
1.59	**"Municipal Public-Private Partnership Regulations"**	The Municipal Public-Private Partnership Regulations, published under GN R309 in GG 27431 of 1 April 2005 (with effect from 1 April 2005) and promulgated in terms of the provisions of section 168 of the MFMA.
1.60	**"Municipality's Register of Tender and Contract Defaulters"**	The list compiled by the Municipality for purposes of the combating of abuse of the Supply Chain Management System in terms of which the persons reflected on the list are prohibited from being awarded any contract by the Municipality for the specified period reflected on the list.
"N"		
1.61	**"non-exempted capital asset"**	A municipal capital asset which is not exempted in terms of the provisions of section 14(6) of the MFMA from the other provisions of that section.
"O"		
1.62	**"obsolete"**	As asset of the Municipality which is no longer in use or out of date, or which has become obsolete by reason of it being replaced with something new.
1.63	**"official"**	In relation to the Municipality or municipal entity, means: (a) an employee of a Municipality or municipal entity;

		(b) a person seconded to a Municipality or municipal entity to work as a member of the staff of the Municipality or municipal entity; or (c) a person contracted by a Municipality or municipal entity to work as a member of the staff of the Municipality or municipal entity otherwise than as an employee.
1.64	**"organ of state"**	Means: (a) any department of state or administration in the national, provincial or local sphere of government; or (b) any other functionary or institution: (i) exercising a power or performing a function in terms of the Constitution or a provincial constitution; or (ii) exercising a public power or performing a public function in terms of any legislation but does not include a court or a judicial officer.
1.65	**"other applicable legislation"**	Any other legislation applicable to the supply chain management of the Municipality, including but not limited to the Preferential Procurement Policy Framework Act, the Broad-Based Black Economic Empowerment Act, the Construction Industry Development Board Act and the Consumer Protection Measures Act, Act 68 of 2008.
"P"		
1.66	**"planned project work"**	As opposed to term bids for the supply of goods and/or services that is of an ad-hoc or repetitive nature for a predetermined period.
1.67	**"this policy"**	This Supply Chain Management Policy of the Municipality.
1.68	**"preference points"**	Refer to "adjudication points" and/or "evaluation points".
1.69	**"Preferential Procurement Policy Framework Act" or "PPPFA"**	The Preferential Procurement Policy Framework Act, Act 5 of 2000.
1.70	**"Preferential Procurement Regulations" or "PPR"**	The regulations published in terms of the provisions of section 5 of the PPPFA, specifically the Preferential Procurement Regulations, 2011 published under Government Gazette No. 34350 of 8 June 2011.
1.71	**"Prevention and Combating of Corrupt Activities Act" or "PCCAA"**	The Prevention and Combating of Corrupt Activities Act, Act 12 of 2004.

1.72	**"prime contractor"**	The person or entity with whom the Municipality contracts, as opposed to sub-contractors, suppliers, manufacturers or service providers who contract with the prime contractor.
1.73	**"prime cost item(s)"**	An item in a bid, the price of which cannot be fixed at the time of bidding, and which may only relate to the supply of materials and not to the carrying out of works.
1.74	**"provisional sum(s)"**	An amount allocated for specialised work, to be executed by a specialised service provider and for which the details are not available at the time of bidding.
1.75	**"Promotion of Access to Information Act" or "PAIA"**	The Promotion of Access to Information Act, Act 2 of 2000.
1.76	**"Public-Private Partnership" or "PPP"**	Refers to the definition of "public-private partnership"" as defined in terms of the provisions of Regulation 1 of the Municipal Public-Private Partnership Regulations, published under GN R309 in GG 27431 of 1 April 2005 and promulgated in terms of the provisions of section 168 of the MFMA.
"Q"		
1.77	**"quality"**	The measure according to predetermined criteria, of the suitability of a proposal, design or product for the use for which it is intended and may also include the measure of the competency of a supplier.
"R"		
1.78	**"rand value"**	The total estimated value of a contract in South African Rands, calculated at the time of quotation and bid invitations and includes all applicable taxes and excise duties.
1.79	**"Republic"**	The Republic of South Africa.
1.80	**"responsible agent"**	Internal project managers being officials of the Municipality, or external consultants appointed by the Municipality to oversee the implementation of a project or contract.
1.81	**"risk management"**	The identification, measurement and economic control of risks that threaten the assets and income/earnings of person or entity or business or other enterprise.
"S"		
1.82	**"sole-source selection"**	The procuring of services or goods from one sole source because of the specialised or unique characteristics of the goods or services procured.
1.83	**"SITA"**	State Information Technology Agency.

1.84	**"small, medium and micro enterprises" or "SMME"**	Refers to "small enterprise" as defined in terms of the provisions of section 1 of the National Small Enterprise Act, Act 102 of 1996.
1.85	**"sub-contract"**	The agreement in terms of which or the act of a primary contractor appointing a sub-contractor.
1.86	**"sub-contractor"**	Any person or entity that is employed, assigned, or contracted by the prime contractor to carry out work in support of the prime contractor in the execution of a contract.
1.87	**"Supply Chain Management Policy"**	This Supply Chain Management Policy of the Municipality.
1.88	**"Supply Chain Management Regulations" or "SCMR"**	The Municipal Supply Chain Management Regulations, published under GN 868 in GG 27636 of 30 May 2005 and promulgated in terms of the provisions of section 168 of the MFMA.
1.89	**"Supply Chain Management Unit" or "SCMU"**	The Supply Chain Management Unit which functions under the management and control of the Accounting Officer of the Municipality, which unit is responsible for the implementation and management of this policy, as well as all other issues related to supply chain management which may be assigned to them by the Municipality.
"T"		
1.90	**"tender"**	Means bid in the context of procurement.
1.91	**"term bid"**	A rates-based bid for the ad hoc or repetitive supply of goods, services or construction works, where the individual rates are approved for use over a specified period.
1.92	**"total cost of ownership" or "TCO"**	The sum of direct spend, related spend, process spend, and opportunity cost associated within a specific commodity and service to the owner.
1.93	**"treasury guidelines"**	Any guidelines on supply chain management issued by the Minister in terms of the provisions of section 168 of the MFMA.
1.94	**"trust"**	The arrangement through which the property of one person is made over of bequeathed to a trustee to administer such property for the benefit of another person.
"U"		
1.95	**"unserviceable"**	The condition of an asset which is no longer suitable for use and cannot be economically repaired.
1.96	**"unsolicited bid"**	An offer submitted by any person or entity at its own initiative, without having been invited by the Municipality to do so as envisaged by section 113 of the MFMA read together with Regulation 37 of the SCMR.

2. INTRODUCTION

(1) Section 111 of the MFMA requires each Municipality to adopt and implement a Supply Chain Management Policy which gives effect to the requirements of the MFMA, and section 217(1) of the Constitution. In addition, the PPPFA requires the Municipality to determine its preferential procurement policy and to implement it within the framework prescribed. These requirements are given effect to herein.

(2) The Supply Chain Management System of the Municipality, contained in this policy, provides a mechanism to ensure fair, equitable, transparent, competitive and cost-effective procurement and, sustainable and accountable supply chain management within the Municipality whilst promoting black economic empowerment, which includes general principles for achieving the following socio-economic objectives:

(a) to stimulate and promote local economic development in a targeted and focused manner;

(b) to promote resource efficiency and “green procurement”;

(c) to facilitate creation of employment and business opportunities for the people of the Municipality with reference to HDI’s;

(d) to promote the competitiveness of local businesses;

(e) to increase the small business sector access, in general, to procurement business opportunities created by Council;

(f) to increase participation by small, medium and micro enterprises; and

(g) to promote joint venture or consortium partnerships.

3. TITLE AND APPLICATION OF THE POLICY

(1) This policy shall be known as the Municipality’s Supply Chain Management Policy and shall be applicable to the municipal area of the Municipality as determined by the Municipal Demarcation Board and promulgated in terms of the provisions of section 12(1) and section 12(3)(c) of the Structures Act.

(2) This policy applies to:

(a) the procuring of goods and/or services;

(b) the disposal of goods no longer needed by Council;

(c) the selection of contractors to help in the provision of municipal services otherwise than in circumstances where Chapter 8 of the MSA applies; and

(d) the selection of external mechanisms referred to in section 80(1)(b) of the MSA for the provisions of municipal services in circumstances contemplated in section 83 of that Act.

(3) Unless specifically stated otherwise herein or in the SCMR, this policy does not apply where the Municipality contracts with another organ of state for:

(a) the provision of goods and/or services to the Municipality; or

(b) the provision of a municipal service or assistance in the provision of a municipal service; or

(c) the procurement of goods and services under a contract secured by that organ of state, provided that the relevant supplier has agreed to such procurement and the process is compliant to the provisions of this policy; or

(4) Where the Municipality wishes to contract with another organ of state as envisaged in sub-paragraph (3), a report must nevertheless be submitted to the bid adjudication committee seeking authority to contract with another organ of state, including, water from the Department of Water Affairs or a public entity, another municipality or municipal entity and electricity from Eskom or another public entity, another municipality or municipal entity and approval must be given by the Accounting Officer in writing.

(5) The Municipality and all private person/s and/or entities must adhere to the principles, provisions, rules and requirements contained in this policy when dealing with any matter connected with and/or contained herein.

(6) This policy shall be in effect until otherwise replaced by another with amendments and approved by Council.

(7) Amendments to Regulations referred to in this policy shall automatically be applicable to Rustenburg Local Municipality irrespective of Council approval.

4. AIM AND PURPOSE OF THE SUPPLY CHAIN MANAGEMENT SYSTEM

(1) The aim and the purpose of the Supply Chain Management System is to have and maintain an efficient, fair, equitable, transparent, competitive and cost-effective supply chain system when sourcing and procuring goods and/or services, selling or letting of assets, which conforms to constitutional and legislative principles and maximises the benefits from the Municipality's consolidated buying power in the market place.

(2) The Municipality must manage its financial and administrative resources in such a manner as to meet and sustain statutory or social obligations.

5. OBJECTIVES OF THIS POLICY

(1) The objectives of this policy are to implement the legislative provisions relating to the supply chain management of the Municipality, that:

(a) gives effect to:

(i) section 217 of the Constitution; and

(ii) Part 1 of Chapter 11 and other applicable provisions of the MFMA;

(b) is fair, equitable, transparent, competitive and cost effective;

(c) complies with:

(i) the regulatory framework prescribed in Chapter 2 of the SCMR; and

(ii) any minimum norms and standards that may be prescribed by means of regulations or guidelines as envisaged by the provisions of section 168 of the MFMA;

(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) The Municipality shall not act otherwise than in accordance with this Supply Chain Management Policy when:

(a) procuring goods and/or services;

(b) disposing of goods no longer needed;

(c) selecting contractors to help in the provision of municipal services otherwise than in circumstances where Chapter 8 of the MSA applies; or

(d) in the case of the Municipality selecting external mechanisms referred to in section 80(1)(b) of the MSA for the provision of municipal services in circumstances contemplated in section 83 of that Act.

(3) To assure the creation of an environment where business can be conducted with integrity and in a fair, reasonable, and accountable manner, this policy will ensure that the Accounting Officer and all officials of the Municipality involved in Supply Chain Management activities must act with integrity, accountability, transparency and with the highest of ethical standards and free of favouritism, nepotism and corruption of any kind. The officials of the Municipality involved in Supply Chain Management activities must adhere to the code of ethical standards contained in this policy, together with the Code of Conduct for Municipal Staff Members as contained in Schedule 2 of the MSA.

6. DELEGATED AUTHORITY OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES

(1) The Council has, in terms of its delegation of powers and functions in terms of the provisions of section 59 of the MSA, delegated such additional powers and duties to the Accounting Officer to enable the Accounting Officer:

(a) to discharge the supply chain management responsibilities conferred to the Accounting Officer in terms of:

(i) Chapter 8 and Chapter 10 of the MFMA; and

(ii) this policy;

(b) to maximise administrative and operational efficiency in the implementation of the Supply Chain Management System;

(c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism, and unfair and irregular practices in the implementation of the Supply Chain Management System; and

(d) to comply with his/her responsibilities in terms of section 115 and other applicable provisions of the MFMA.

(2) Section 79 and 106 of the MFMA applies to the sub-delegation of powers and duties delegated to the Accounting Officer in terms of sub-paragraph (1) above.

(3) Neither the Council, nor the Accounting Officer may delegate or sub-delegate any supply chain management powers or duties:

(a) to a person who is not an official of the Municipality; or

(b) to a committee which is not exclusively composed of officials of the Municipality; or

(c) other than as provided for in the Municipality's system of delegations.

(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 this policy.

(5) No decision-making in terms of any Supply Chain Management powers and duties may be delegated or sub-delegated to an external advisor or consultant. Consultants may however be engaged to advise or assist the officials and any committee of the Municipality with any functions or advice.

(6) Delegations and/or sub-delegations of authority:

(a) must be in accordance with pre-established levels of authority to ensure control and division of responsibility;

(b) must be in terms of the Municipality's system of delegations;

(c) must be in writing;

(d) must be made to a specific position and not to a named individual;

(e) may be confirmed, varied, or revoked by the person who made such delegation or sub-delegation, but no such variation or revocation may detract from any right which may have accrued because of the delegation or sub-delegation; and

(f) does not divest the Accounting Officer of the responsibility and/or accountability concerning the exercise of the delegated power or the performance of the delegated duty.

(7) The Accounting Officer may confirm, vary, or revoke any decision taken in terms of a delegation or sub-delegation, provided that no such variation or revocation may detract from any right which may have accrued because of such decision.

(8) The Accounting Officer of the Municipality must develop and review, annually, a practical and efficient system of delegation and sub-delegation that will both maximise administrative and operational efficiency and provide adequate checks and balances in the financial administration of the Municipality.

6.1 SUB-DELEGATIONS

(1) The Accounting Officer may, in terms of the provisions of section 79 or 106 of the MFMA sub-delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of sub-paragraph 6(1) above, but any such sub-delegation must be consistent with the provisions of the MSA, the MFMA, the system of delegations adopted by the Municipality and this policy.

(2) The power to make a final award:

(a) above R300.000 (including VAT) shall not be sub-delegated by the Accounting Officer; to comply with this requirement, the Accounting Officer may either chair the bid adjudication committee or consider the recommendation of the bid adjudication committee and make a final award for bids above R300 000.00 (including VAT);

(b) Bids above R30 000.00 (including VAT), but not exceeding R300 000.00 (including VAT), shall be sub-delegated but only to:

(i) the Chief Financial Officer.

(ii) The Deputy Chief Financial Officer

(iii) a manager directly accountable to the chief financial officer

(3) The Accounting Officer to which the power to make final awards has been delegated in accordance with sub-paragraph (2) above, must within 7(seven) days of the end of

each month submit to Council, a written report containing particulars of each final award made, including:

(a) the amount of the award;

(b) the name of the person to whom the award was made; and

(c) the reason why the award was made to that person.

d) the Specific Goals' ~~scoring~~ of that supplier

(4) The Chief Financial Officer to which the power to make final awards has been sub-delegated in accordance with sub-paragraph (2) above, must within 7(seven) days of the end of each month submit to the Accounting Officer, a written report containing particulars of each final award made by such Chief Financial Officer, including:

(a) the amount of the award;

(b) the name of the person to whom the award was made; and

(c) the reason why the award was made to that person.

(d) the Specific Goals' ~~scoring~~ of that supplier

(5) All contract awards with a value exceeding ~~R300 000~~ R100 000.00 (VAT INCLUDED) must be captured and reported on a quarterly basis to Council.

(6) Sub-paragraphs (3) and (4) above do not apply to procurements out of petty cash.

(7) 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 this policy.

(8) No decision – making in terms of any supply chain management powers and duties may be delegated to an advisor or consultant.

6.2 OVERSIGHT ROLE OF THE MUNICIPALITY

(1) The Council must maintain oversight over the implementation of this policy by the Accounting Officer.

(2) For the purposes of such oversight the Accounting Officer must:

(i) within 30 days of the end of each financial year, submit a report on the implementation of the supply chain management policy of the municipality and of any municipal entity under its sole or shared control, to the council of the municipality;

(ii) whenever there are serious and material non-compliance, problems, or deviations in the implementation of this policy, immediately submit a report on such matters to the Council.

(3) The Accounting Officer must, within 10 (ten) days of the end of each quarter, submit a report on the implementation of this policy to the Executive Mayor of the Municipality.

(4) The Executive Mayor must provide general political guidance over the fiscal and financial affairs of the Municipality and may monitor and oversee the exercise of responsibilities assigned to the Accounting Officer and Chief Financial Officer in terms of the MFMA. This role of the Executive Mayor is an oversight role only, and specifically excludes any interference or influence in or over a decision to award procurement contracts.

(5) The reports of the municipality must be made public in accordance with Section 21A of the Municipal Systems Act. The reports of a municipal entity must be made public in a similar way.

6.3 SUPPLY CHAIN MANAGEMENT UNITS

(1) The Accounting Officer must establish a Supply Chain Management Unit to implement this policy.

(2) The Supply Chain Management Unit must, where possible, operate under the direct supervision of the Chief Financial Officer, or an official to whom this duty has been delegated in terms of this paragraph.

7. COMPETENCY AND TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS

(1) The Accounting Officer must ensure that all officials involved in the implementation of this policy meet the prescribed competency levels, and where necessary, shall provide or procure relevant training.

(2) The training of officials involved in implementing this policy must be in accordance with any treasury guidelines on supply chain management training.

8. DUTIES AND RESPONSIBILITIES

8.1 GENERAL RESPONSIBILITIES OF THE OFFICIALS OF THE MUNICIPALITY

(1) Each official must carry out their activities within his/her area of responsibility.

(2) Each official must take appropriate steps to prevent any unauthorised, irregular, fruitless and wasteful expenditure in his/her area of responsibility.

(3) Each official responsible for a task must carry it out in accordance with the various supply chain requirements contained in this policy.

(4) Any matter not specifically delegated or sub-delegated to an official, must be referred to the Accounting Officer for proper allocation thereof.

(5) Each official is responsible for all assets of the Municipality within his/her area of responsibility.

8.2 RESPONSIBILITIES OF THE ACCOUNTING OFFICER

(1) The Accounting Officer must:

(a) ensure strict adherence and compliance with the provisions of this policy and all relevant legislation;

(b) implement and comply with the provisions of this policy;

(c) appoint the members of the Bid committees after personally ensuring the competency and suitability of such members for the position;

(d) ensure that the most favourable service providers are appointed in accordance with this policy and that any deviations from a proposal by the bid adjudication committee are, reported to the Council at the next available Council meeting;

(e) establish a Supply Chain Management Unit within the financial directorate to assist the Accounting Officer to implement this policy;

(f) review this policy at least annually or when the Accounting Officer considers it necessary and submits proposals or amendments to this policy to the Council.

8.3 RESPONSIBILITIES OF THE DIRECTORS/MANAGER APPOINTED IN TERMS OF THE PROVISIONS OF SECTION 56 OF THE MUNICIPAL SYSTEM ACT

(1) Each director/manager of the Municipality, appointed in terms of the provisions of section 56 of the Municipal Systems Act , is responsible and accountable for:

(a) exercising the powers, performing the functions and discharging the duties conferred or assigned to him/her in terms of this policy or any delegation from the Accounting Officer;

(b) implementing this policy and any procedural and/or other prescripts issued in terms of this policy and within his/her area of responsibility;

(c) ensure compliance with this policy and any procedural and/or other prescripts issued in terms of this policy and within his/her area of responsibility;

(d) developing draft specifications, or causing draft specifications to be developed, for the procurement of his/her directorate for goods or services;

(e) the management of asset utilisation in his/her area of responsibility;

(f) planning for and, in as far as is possible, accurately estimating the costs for the provision of services, works or goods for which offers are to be solicited;

(g) selecting the appropriate preference point system to be utilised in the solicitation and evaluation of bids in accordance with the PPPFA and it's regulations (PPPR 2022);

(h) assuring that objectives and targets are achieved about procurements and/or disposals by the Municipality; and

(i) proper contract and project management of every contract and/or project undertaken by his/her directorate.

8.4 RESPONSIBILITIES OF THE CHIEF FINANCIAL OFFICER.

The Chief Financial Officer is the custodian of this policy and is responsible for:

(1) reporting to the Accounting Officer on the progress regarding the implementation of this policy;

(2) recommending improvements on the practical implementation of this policy and possible amendments;

(3) the conducting of procurement audits of the entire Supply Chain Management System to identify successes and/or failures and/or unauthorised, irregular, fruitless and wasteful expenditure and to report on any findings which are not in accordance with the provisions of this policy to the Accounting Officer;

(4) management of the quotation and competitive bidding process from the solicitation thereof to processing invoice payment;

(5) promoting a corporate approach by encouraging standardisation of items purchased within the Municipality to realise and achieve economies of scale;

(6) providing supplier interface on supplier performance issues;

(7) ensuring that all procurement and/or disposals are provided in accordance with all relevant legislation;

(8) managing procurement and/or disposals to ensure that the Supply Chain Management System and this policy are complied with;

(9) ensuring that the procurement and/or disposal process followed by the Municipality adheres to the preference targets without compromising price, quality, service and developmental objectives;

(10) ensuring that the officials of the Municipality who are involved in the supply chain management process receive the necessary training and are properly qualified to support the implementation of this policy;

(11) ~~specifying the amount to be paid by prospective service providers as a non-refundable deposit for enquiry documents issued by the Municipality;~~

(11) the verification of applications from prospective service providers for possible inclusion in the Supplier Database Register;

(12) submitting regular reports to the Accounting Officer and the relevant committee structure of the Municipality regarding progress and any matters of importance relating to this policy; and

(13) authorising and designating officials to distribute bid documentation, and when required notices regarding supply chain management matters.

8.5 RESPONSIBILITIES OF THE SUPPLY CHAIN MANAGEMENT UNIT

(1) The SCMU shall be subject to the management and control of, and accountable to the Chief Financial Officer.

(2) The SCMU must consist of at least the following sections or designate persons responsible for:

(a) demand management;

(b) procurement/acquisition management;

(c) logistics;

(d) performance and contract management;

(e) disposal and asset management; and

(f) risk management.

(3) The manager of the SCMU will be responsible and accountable for the day-to-day management of the SCMU.

(4) The personnel of the SCMU are appointed by the Accounting Officer in consultation with the Chief Financial Officer.

(5) The SCMU must issue, receive and finalise the appropriate documents for the procurement of goods and/or services by means of written or formal price quotations of a transaction value of over R2 000.00 (including VAT), up to R300 000.00 (including VAT), as well as all documents for procurement by means of a competitive bidding process of a transaction value of over

R300 000.00 (including VAT).

(6) All documents for the disposal of movable and/or immovable capital assets must be issued, received and dealt with by the SCMU.

9. COMMUNICATIONS

All correspondence regarding this policy must be addressed to the manager of the SCMU, Chief Financial Officer, and copied to the Accounting Officer.

CHAPTER 2

FRAMEWORK OF THE SCM POLICY

10. ESTABLISHMENT AND IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT SYSTEM

The Supply Chain Management System of the Municipality is an integrated system for the acquiring of goods, works and services on a fair, transparent, equitable, competitive and cost-effective basis and consists of the following systems:

(1) Demand management;

(2) Acquisition management;

(3) Logistics management;

(4) Disposal management;

(5) Risk management system; and

(6) Performance management.

11. DEMAND MANAGEMENT SYSTEM

(1) The Accounting Officer must establish, through operational procedures, an effective system of demand management in order to ensure that the resources required to support the strategic and operational commitments outlined in the Integrated Development Plan of the Municipality are delivered at the correct time, at the right price, at the right location, and that the quantity and quality satisfies the needs of the Municipality.

(2) The Municipality's Integrated Development Plan (IDP) is a comprehensive strategy document setting out how the Municipality intends to address its development challenges in a financial year. The IDP determines how the resources of the Municipality will be allocated and is the planning device on which the budget is based.

(3) The demand management system must:-

(a) Include timely development of procurement plans and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for, effectively delivered at the right locations, at the critical delivery dates, are of 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 repetitive nature;
(c) Include development of a system which results on continuing improvement in affordability and value for money, based on total costs of ownership and quality of procurement as competition amongst suppliers is enhanced;

(d) Provide for the compilation of the required specifications to ensure that its needs are met and;
(e) Provide for an appropriate industry analysis and research to ensure that innovations and technical benefits are maximised.

(4) In order to achieve effective demand management, the manager of the SCMU must continuously ensure

(a) that efficient and effective provisioning and procurement systems and practices are implemented to enable the Municipality to deliver the required quantity and quality of services to the communities;

(b) the establishment of uniformity in policies, procedures, documents and contract options and the implementation of sound systems of control and accountability;

(c) the development of a world-class professional Supply Chain Management System which results in continuing improvement in affordability and value for money, based on total cost of ownership and quality of procurement as competition amongst suppliers is enhanced; and

(d) in dealing with suppliers and potential suppliers that the Municipality responds promptly, courteously and efficiently to enquiries, suggestions and complaints.

(5) Each director/manager, appointed in terms of the provisions of section 56 of the MSA, must during the preparation of his/her directorate's estimates for the budget year:

(a) determine which functions must be performed;

(b) determine the products and services it must provide in the performance of those functions;

(c) conduct a condition assessment of the assets managed by his/her directorate;

(d) based on the analysis in terms of the above, make recommendations and determine the financial needs during the budget year for:

(i) maintaining existing assets at an acceptable level calculated to ensure the continued productivity of the asset in question and minor repairs;

(ii) repairing existing assets;

(iii) refurbishing or renovating existing assets;

(iv) extensive repairing of existing assets;

(v) replacing existing assets; and

(vi) acquiring new assets.

(6) The SCMU must, after consultation with each director/manager, compile a schedule of goods and services to be procured for capital projects in respect of each financial year, which schedule must be attached to the Municipality's budget implementation plan.

(7) During the consultations between the SCMU and the directors/managers, all reasonable steps must be taken to determine:

(a) the desired date and time at which a specific contract must be awarded;

(b) the desired date and time when specific goods must be delivered, services rendered, or work executed including key milestones and deliverables so that performance can be monitored and evaluated;

(c) the place where any goods to be supplied shall be delivered;

(d) the quantity of any goods to be supplied; and

(e) any other relevant matter.

(8) Procurement Plans-

~~9.1~~ 8.1 Circular No. 62 from the MFMA, No. 56 as issued by National Treasury:

(a) **Implementation of demand management and procurement plans.** The Accounting Officer of the RLM may, upon request, make available to the relevant Treasury a procurement plan containing all planned procurement for the financial year, in respect of the procurement of goods, services and infrastructure projects which exceeds R300 000 including vat. These procurement plans must be approved by the Accounting Officer or his/her delegate.

(b) **Heads of directorates and all user directorates** of the municipality must submit the procurement plans to the Accounting Officer of the municipality, the procurement plans must then be submitted to the head of supply chain management in the municipality or in the municipal entity to improve planning and management of resources, with the format contained in the procurement plans.

(c) Submission of Procurement Plans

Key priority	Deadline	Responsible
Forward Procurement Plans to SCM	~~March to April~~ April to May each financial year	Directorates
Forward Specifications to SCM	~~June to August~~ July – September each financial year	Directorates

12. ACQUISITION MANAGEMENT

(1) The acquisition management system provides the general conditions and procedures which are applicable, as amended from time to time, to all procurement, contracts, and orders of the Municipality.

(2) The acquisition management system of the Municipality must ensure that:

(a) goods and/or services, including construction works and consultant services are procured by the Municipality in accordance with authorised processes incorporated herein;

(b) expenditure on goods and/or services, including construction works and consultant services is incurred and managed in terms of an approved budget;

(c) the threshold values for the different procurement procedures are complied with;

(d) bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with the requirements of relevant legislation including the PPPFA and any conditions of the CIDB (in as far as applicable); and

(e) that any procurement guidelines issued by National Treasury or the Provincial Treasury are properly considered, this includes the Provincial Government and National Government programmes on National Key Priorities to address socio-economic development.

3. This policy except where provided otherwise in the policy, does not apply in respect of the procurement of goods and services contemplated in Section11(2) of the MFMA, including –

(a) Water from the Department of Water Affairs or public entity;
(b) Another municipality or a municipal entity; and
(c) Electricity from Eskom or another public entity, another municipality or a municipal entity.

(4) The Municipality must make public the details of the nature of goods and/or services together with the name/s of the provider/s where the Municipality procures such goods and/or services from another organ of state or a public entity.

(5) The Municipality must make public the fact that it procures goods and/or services otherwise than through its Supply Chain Management System, including:

(a) the kind/type of goods and/or services; and

(b) the name of the supplier.

(6) Where appropriate the Accounting Officer may appoint a neutral and/or independent observer to ensure fairness and transparency in the application of the acquisition management system, or to assist and advise the SCMU in the execution of their functions and duties.

(7) The Municipality may not enter into any contract which will impose financial obligations beyond the 3(three) years covered in the annual budget for that financial year unless the requirements of section 33(1) of the MFMA have been fully complied with or proper provision has been made in such contract to so comply.

(8) The following applies where the Municipality procures public-private partnership agreements:

(a) Part 2 of Chapter 11 of the MFMA; and

(b) section 33 of the same act where such agreement will have multi-year budgetary implications for the Municipality within the meaning of that section;

(c) the provisions of the Municipal Public-Private Partnership Regulations as published in terms of S 168 of the MFMA.

(9) In respect of any contract relating to the publication of official and/or legal notices and/or advertisements through the legislated medium of publication on behalf of the Municipality, a competitive bidding process need not be followed.

(10) The manager of the SCMU may request quotations directly from community-based vendors in a specific area or from a specific community for the procurement of goods and services for transaction amounts of a value less than R30 000.00 (including VAT).

(11) This policy, save where the SCMR provides otherwise, does not apply in respect of the procurement of:

(a) goods or services to the Municipality in terms of a contract with another organ of state;

(b) the provision of a municipal service in terms of a contract with another organ of state;

(c) goods and services under a contract secured by another organ of state provided that the supplier and that other organ of state has agreed and conserved in writing to such procurement and:

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

(ii) the Municipality on [reasonable enquiry] has no reason to believe that such contract was not validly procured;

(iii) there are demonstrable discounts or benefits for the Municipality to procure under such contract.

12.1 RANGE OF PROCUREMENT PROCESSES

(1) The procurement of goods and services including construction works and consultant services must be done through the range of procurement processes set out in this paragraph, which are:

(a) petty cash purchases up to, and including a transaction value of R2 000.00 (including VAT);

(b) minimum of three (3) written quotations for procurement of a transaction value exceeding R2 000.00, up to and including a transaction value of R30 000.00 (including VAT);

(c) formal written price quotations acquired through a seven- day quotation for procurements of a transaction value exceeding R30 000.00, up to and including a transaction value of R300 000.00 (including VAT); and

(d) a competitive bidding process for:

(i) procurements above a transaction value of R300 000 up to R50 000 000 (VAT included) using the 80/20 preferential point scoring system;
(ii) procurements above a transaction value of R 50 000 000 (VAT included) using the 90/10 preferential point scoring system; and
(iii) the procurement of long-term contracts

(2) The Accounting Officer of the Municipality may:

(a) lower, but not increase, the different threshold values specified in this acquisition management system; or

(b) direct that:

(i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000.00;

(ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R10 000.00; or

(iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R300 000.00.

(3) Goods and/or services may not be deliberately divided into parts or items of a lesser value merely to avoid complying with the requirements of this policy and when transaction values are determined for procurements consisting of various parts or items it must, in as far as possible, be treated, dealt with, and be calculated as a single transaction.

12.2 GENERAL PRECONDITIONS FOR THE CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS

(1) The Municipality shall not consider a formal written price quotation obtained through seven (7) day quotation or competitive bidding unless the provider who submitted the quotation or bid:

(a) has furnished the Municipality with that provider's:

(i) full name of the company.

(ii) proof of registration with Central Supplier Database (full CSD Report)

(iii) ~~tax reference number and~~ CSD registration number;

(iv) VAT registration number, if any,

(v) Fully completed quotation or tender document with all mandatory documents

(b) Has provided proof that the provider's tax matters are in order.
(c) The bidder must also appear on the compulsory briefing session (site inspection) attendance register, where applicable.
(d) the municipality must verify and attach proof of verification with all relevant documentation to prove that the verification was conducted.
(e) The designated official(s) should verify the bidder's tax compliance status prior to the finalisation of the award of the bid or price quotation obtained through seven (7) day quotation or competitive bidding process.
(f) Where the recommended bidder is not tax compliant, the bidder should be notified of their non-compliant status and the bidder must be requested to submit to the municipality within 7 working days, written proof from SARS of their tax compliance status or proof from SARS that they have made an arrangement to meet their outstanding tax obligations.
(g) The proof of tax compliance status submitted by the bidder to the municipality will be verified via the CSD.
(h) It is not the responsibility of the municipality to obtain a copy of the service provider's tax clearance certificate and or a PIN from the South African Revenue Services (SARS);
(i) The accounting officer should reject a bid submitted by the bidder if such a bidder;

a) fails to provide proof of tax compliance status within the time frame stated above.
b) Or has indicated:

(i) whether he/she or it is in the service of the state or has been in the service of the state in the previous 12 (twelve) months.

(ii) 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 12 (twelve) months; or

12.3. MUNICIPAL RATES AND TAXES STATEMENTS OF THE DIRECTORS

i) Current municipal rates and taxes statement in the names of the director (from the previous ~~billable~~ month determined by the date of tender closure) for each director's address must be attached; or
ii) Valid lease agreement of the director/s with all critical contractual obligations or,
iii) An original letter from tribal authority not older than three (3) months if the director/s are residing in a tribal land, or
iv) If the rates and taxes account is not in the names of the director/s the attached municipal rates and taxes statement must be submitted together with an original affidavit from the property owner whose names are appearing on the municipal rates and taxes statement to confirm that the director resides in their property.

v) For procurement expected to be less than 10 million, awards will not be made to bidders owing municipal rates and taxes for over 90 days at the time of tender closure.
vi) For procurement expected to be more than 10 million, awards will not be made to bidders owing municipal rates and taxes for over 30 days at the time of tender closure.
vii) In a case where the closure of the bid is extended by the Municipality because of an amendment or error in the tender document, all potential service providers must submit rates and taxes based on the new closure date. This must be communicated on the Addendum in the newspaper and any other portal used.
viii) In a case where the bid closure is extended with no amendment to the bid document, a new rates and taxes statement should be requested by SCMU in writing from all bidders who have submitted bids.
ix) In a case where the validity of the bid has been extended, all service providers who submitted bids must submit updated rates and taxes together with the confirmation of the price validity. This communication must be sent by SCMU.

12.4 MUNICIPAL RATES AND TAXES STATEMENTS OF THE COMPANY

i) Current municipal rates and taxes statement in the name of the company (from previous ~~billable~~ month determined by the date of tender closure) for the company's' address must be attached; or
ii) Valid lease agreement of the company (showing all critical contractual obligations, or
iii) An original letter from a tribal authority not older than three (3) months if the company is operating from a tribal, or
iv) If the rates and taxes account is not in the names of the company, the attached municipal rates and taxes statement must be submitted together with an original affidavit from the property owner whose name(s) are reflected on the municipal rates and taxes statement to confirm that the company operates from their property.
v) The company address written on the tender document, and the statement submitted must be the same as the one reflecting on the CSD report.
vi) For procurement expected to be less than 10 million, awards will not be made to bidders owing municipal rates and taxes for over 90 days at the time of tender closure.
vii) For procurement expected to be more than 10 million, awards will not be made to bidders owing municipal rates and taxes for over 30 days at the time of tender closure.
viii) In a case where the closure of the bid is extended by the Municipality because of an amendment or error in the tender document, all potential service providers must submit rates and taxes based on the new closure date. This must be communicated on the Addendum in the newspaper and any other portal used.

ix) In a case where the bid closure is extended with no amendment to the bid document, a new rates and taxes statement should be requested by SCMU in writing from all bidders who have submitted bids.

x) In a case where the validity of the bid has been extended, all service providers who submitted bids must submit updated rates and taxes together with the confirmation of the price validity. This communication must be sent by SCMU.

12.5 LISTS OF ACCREDITED PROSPECTIVE PROVIDERS:

(1) The Accounting Officer must:

(a) Keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements of Rustenburg Local Municipality. ~~through formal written price quotations~~; The Municipality will ~~have to~~ advertise on the website, for all the prospective bidders ~~will have~~ to register into the central supplier database to be able to do business with the Municipality.

12.6 PETTY CASH PURCHASES

(1) Petty cash purchases may be made where goods and/or services which does not exceed a transaction value of R2 000.00 (including VAT) are required.

(2) The Accounting Officer may delegate the petty cash procurement responsibilities to a manager reporting to the Accounting Officer on the terms and conditions set for delegations in this policy. The Manager may not in turn delegate the responsibility for petty cash purchases to any other official.

(3) Each director/manager appointed in terms of the provisions of section 56 of the MSA must compile and submit a monthly reconciliation report to the Chief Financial Officer, which report must include the total amount of petty cash purchases for that month accompanied by the receipts and appropriate documents for each purchase.

(4) Dividing any purchases into lesser transaction values to circumvent the written price quotation and/or formal written price quotation processes is prohibited.

(5) The total number of petty cash purchases per directorate is limited to 10 (ten) per month.

12.7 WRITTEN QUOTATIONS

(1) When the Municipality intends to procure by way of written quotations, goods and/or services which has a transaction value of over R2 000.00 (including VAT) up to and including R30 000.00 (including VAT), written price quotations must be obtained from at least 3 (three) different providers.

(2) If it is not possible to obtain at least 3 (three)written quotations, the reasons must be recorded and approved by the manager of the SCMU who must, within 3 (three) days before the end of each month, report to the Chief Financial Officer on any such approvals given in this regard.

(3) The Municipality must attempt to promote ongoing competition amongst providers of goods and/or services by inviting such providers to submit written quotations on a rotational basis.

(4) Service Providers must be requested to submit such quotations in writing.

(5) The Accounting Officer must record the names of the potential providers requested to provide quotations, together with their quoted prices.

(6) Dividing required purchases into lesser transaction values to circumvent the written price quotation process is not permissible.

(7) Goods and/or services to be procured which consist of various parts or items must, in as far as possible, be treated, dealt with and be calculated as a single procedure for competitive bidding

(8) The Accounting Officer must take all reasonable steps to ensure that the procurement of goods and services through written quotations is not abused and that full and complete records of all such procurements are kept including the date of the procurement, the goods or services procured, the selected provider, the details and prices of the other providers and any other relevant information.

(9) The Accounting Officer and the Chief Financial Officer must, monthly, be notified in writing of all written price quotations accepted by an official acting in terms of a sub-delegation.

(10) Notwithstanding the provisions of this paragraph, if ~~formal written price quotations have been invited on the official website of the Municipality~~, ~~or in~~ written price quotations were invited in writing to more than 3 potential suppliers, no additional quotes need be obtained where the number of responses thereto are less than 3 (three).

12.8. FORMAL WRITTEN PRICE QUOTATIONS:

(1) Requests to submit formal written price quotations which are likely to be more than R30 000.00 (including VAT) but not exceed R300 000.00 (including VAT), must be advertised for at least 7 (seven) ~~working~~ days on the official website of the Municipality as well as the official notice board of the Municipality.

(2) Quotation documents must be available for download on the Municipal website immediately when the advertisement is placed.
(3) The submissions must be submitted at the tender box of the Municipality no later than the stipulated date and time contained in the advert.
(4) The submissions must be recorded to indicate the name and where possible the bidding price of the potential suppliers.
(5) The 80/20 preference point system for acquisition of goods and services shall be used to evaluate submissions of formal written quotation received through the seven - day quotation process.
(6) The formal written quotation must be awarded to the highest scoring and acceptable bidder in terms of the PPPFA and its regulations.
(7) No formal quotation shall be awarded to any bidder owing rates and taxes more than 90 days.
(8) The power of final award may be sub-delegated to the Chief Financial Officer or any other official sub-delegated by the Chief Financial Officer.
(9) The sub-delegated authority must at the end of each month submit a report to the Chief Financial Officer regarding awards made through the seven-day formal written quotation process, which report must include the full name of the supplier, total amount of the award and whether the supplier is within the jurisdiction of the Rustenburg Local Municipality.
(10) No requirement for goods or services above an estimated transaction value of R30 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 seven (7) day quotation.
(11) Goods and/or services to be procured which consist of various parts or items must, in as far as possible, be treated, dealt with and be calculated as a single procedure for competitive bidding.

12.9 COMPETITIVE BIDS AND PROCESS FOR COMPETITIVE BIDS:

1. Competitive bids must be called for any procurement of goods and/or services above a transaction value of R300 000.00 (including VAT), and/or for any long-term contracts.
   (a) 80/20 preference point system for acquisition of goods, services or works with a rand value equal to or below R50 million (including VAT) must be used to calculate the points for price in respect of tenders with a rand value equal to or above R300 000 up to a rand value of R50 000 000 (inclusive of all applicable taxes).

- The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million inclusive of all applicable taxes.

Where –
Ps = Points scored for price under consideration;
Pt = Price of tender under consideration; and

Pmin = Price of lowest acceptable tender.

- A maximum of 20 points may be awarded to a tender for the Specific goals specified for the tender.
- The points scored for the Specific goals must be added to the points scored for the price and the total must be rounded off to the nearest two decimal places.
- Subject to section 2(1) (f) of the PPPFA 2000, the contract must be awarded to the tenderer scoring the highest points.

(b) 90/10 preference point system for acquisition of goods or services with Rand value above R50 million.

- The following point system for acquisition of goods or service with Rand value above R50 million, inclusive of all applicable taxes.

Where –

Ps = Points scored for prices of tender under consideration;

Pt = Price of tender under consideration; and

Pmin = Price of lowest acceptance tender

- A maximum of 10 points may be awarded to tenderer for the Specific goals specified for the tender.
- The points scored for the Specific goals must be added to the points scored for the price and the total must be rounded off to the nearest two decimal places.
- Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

(c) 80/20 preference points system for tenders for income-generating contracts with Rand value equal to or below R50 million.

The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender for income-generating contracts, with a Rand value equal to or below R50 million inclusive of all applicable taxes.

Where –
Ps = Points scored for price under consideration;
Pt = Price of tender under consideration; and
Pmax = Price of highest acceptable tender.

- A maximum of 20 points may be awarded to a tender for the Specific goals specified for the tender.
- The points scored for the Specific goals must be added to the points scored for the price and the total must be rounded off to the nearest two decimal places.
- Subject to section 2(1) (f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

(d) 90/10 preference points system for tenders for income-generating contracts with Rand value above R50 million.

The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million, inclusive of all applicable taxes.

Where –

Ps = Points scored for prices of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptance tender

- A maximum of 10 points may be awarded to tenderer for the Specific goals specified for the tender.
- The points scored for the Specific goals must be added to the points scored for the price and the total must be rounded off to the nearest two decimal places.
- Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system)	Number of points claimed (80/20 system) (To be completed by the tenderer)	Number of points allocated (90/10 system)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Means of Verification
Rustenburg Jurisdiction	5		3		Full CSD report
Rural /Township Businesses	4		2		Full CSD report
Black People	2		1		Full CSD report
Persons with Disability	2		1		Full CSD report
Youth	5		2		Full CSD report
Women	2		1		Full CSD report
~~**SMME's**~~	~~2~~		~~1~~		~~Full CSD report~~
Total	**20**		**10**		

(E) CRITERIA FOR BREAKING DEADLOCK IN SCORING

- 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 specific goals.
- If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

(d)Remedies

- If the Municipality is of the view that a tenderer submitted false information regarding a specific goal, it must –
  I. Inform the tenderer according; and
  II. allow the tenderer to make representations within 14 days as to why the tender may 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.
- After considering the representations referred to in sub-regulation (1)(b), the Municipality must, if it concludes that such information is false-
  - disqualify the tenderer or terminate the contract in whole or in part; and
  - if applicable, claim damages from the tender.

(2) No requirement for goods or services above an estimated transaction value of R300 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.

Evaluation of tenders on functionality – If tenders will be evaluated on functionality it must be clearly specified in the tender invitation. The evaluation criteria must be objective, and the following must be clearly specified:

(a) the evaluation criteria for measuring functionality;

(b) weight of each criterion;

(c) applicable values; and

(d) the minimum qualifying score for functionality.

- All resumes (CVs) submitted for functionality must be accompanied by a consent letter signed by the holder and a recently (not older than six months) certified copy identity document.
- All appointment and reference letters of projects for ~~bidders who passed functionality~~ the recommended bidder, must be verified by the Bid Evaluation Committee and where possible, verify with CIDB and/or E-tender.
- The Bid Specifications Committee can include any other means to verify any other documentation that must be submitted as part of the evaluation.

(3) All bid documents must indicate:
(i) the price validity of the bid in terms of days,
(ii) the general conditions of contract;
(iii) any Treasury guidelines on bid documentation; and

(iv) the requirements of the Construction Industry Development Board, in the case of a bid relating to the construction, upgrading, or refurbishment of buildings or infrastructure;

(v) include evaluation and adjudication criteria, including any criteria required by other applicable legislation;

(vi) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;

(4) If the value of the transaction is expected to exceed **R10** million (VAT included), require bidders to declare:

i. if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements -

(aa) for the past three years; or

(bb) since their establishment if established during the past three years;

ii. a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for than **30** days;

iii. circulars of any contracts awarded to the bidder by any 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;

13 PUBLIC INVITATION FOR COMPETITIVE BIDS

(1) Invitations for competitive bidding must be done through the E-tender website, the notice board, Local Newspaper, website of the Municipality and CIDB website where applicable.

The information 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 and 21 days for construction projects less than R10 million from the date on which the advertisement is placed and;

ii. bids must only be submitted on the bid documentation provided by the municipality.

(2) the accounting officer can determine a closure date for the submission of bids which is less than the 30 or 14 **-** days requirement, but only if such shorter period 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.

(3) The reasons referred to above must be written, addressed, and approved ~~by BSC and the~~ Accounting Officer.

(4) Bid documents must be submitted in a sealed packaging clearly marked with the tender number and description.

(5) Submissions must be placed ~~be placed~~ in the bid box in the foyer of the Municipal offices.

(6) Bidders must submit both a hard copy document and an electronic tender document in the form of a USB (only) which must be clearly marked with the company name. (Bidders will be disqualified for not submitting a USB containing the scanned bidding documentation)

~~(7) When the submission tender submission too big, the tenderer must be assisted by at least two SCM officials to open the tender box.~~

13.1 CANCELLATION AND RE-INVITATION OF TENDERS:

(a) in the event that the application of the 80/20 preference point systems, all tenders received exceed the rand value of R 50 000 000, the tender invitation must be cancelled.

(b) If a bid is advertised on 80/20 preference system and one or more of the acceptable tenders received are within the prescribed threshold of R 50 000 000, all tenders received must be evaluated on the 80/20 preference point system.

(c) In the event that, in the application of the 90/10 preference point system as stipulated in the tender documents, all tenders received are equal to, or below R50 000 000, the tender must be cancelled.

(d) If a bid is advertised on 90/10 preference system and one or more of the acceptable tenders received are above the prescribed threshold of R 50 000 000, all tenders received must be evaluated on the 90/10 preference point system.

(e) If it is unclear whether the 80/20 or 90/10 preference point system applies, the Municipality must, in the tender documents, stipulate that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

(f) When the Municipality has cancelled a tender invitation as contemplated in ~~sub-regulations~~ (13.1) (a) and (c) must re-invite tenders and must, in the tender documents, stipulate the correct preference point system to be applied.

(f) The Municipality must, prior to the award of a tender, cancel a tender if-

- due to changed circumstances, there is no longer a need for the services, works or goods requested; or
- funds are no longer available to cover the total envisaged expenditure; or
- no acceptable tenders are received.

The decision to cancel a tender ~~in terms of sub-regulation (4)~~ must be published on the ~~Government Tender Bulletin~~ e-tender ~~or~~ and the media in which the original tender invitation was advertised.

~~No requirement for goods and/or services above an estimated transaction value of R300 000.00 (VAT included), may be deliberately divided into parts or items of lesser value merely for the sake of circumventing the competitive bidding process and/or procuring such goods and/or services otherwise than through a competitive bidding process.~~

(4) ~~Goods and/or services to be procured which consist of various parts or items must, in as far as possible, be treated, dealt with and be calculated as a single procedures for competitive bidding~~

The accounting officer must establish standard operating procedures for a competitive bidding process for each of the following stages:

(a) the compilation of bidding documentation;
(b) the public invitation of bids;
(c) site meetings or briefing sessions, if applicable;
(d) the handling of bids submitted in response to public invitation;
(e) the evaluation of bids;
(f) the award of contracts;
(g) the administration of contracts; and
(h) proper record keeping transaction.

14 BID DOCUMENTATION FOR COMPETITIVE BIDS

(1) In addition to the contents of paragraph12.9 (3) of this policy, the compilation of bid documentation by the Municipality must:

(a) consider and contain, where applicable:

(i) the General Conditions of Contract of National Treasury (July 2010, or as amended from time to time);

(ii) any treasury guidelines on bid documentation;

(iii) the requirements of the CIDB, including the general conditions of contract, in the case of a bid relating to construction works, upgrading or refurbishment of buildings or infrastructure;

(iv) supply chain management guidelines of National Treasury or the Provincial Treasury in respect of goods and/or services;

(v) the General Conditions & Procedures of the State Tender Board;

(vi) the general conditions of contract, in as far as applicable; and in as far as the contents of the above referred to documents are in accordance and amplification of this policy, but in the event of any conflict between the contents of these documents and this policy, the provisions of this policy will prevail.

(b) include evaluation and adjudication criteria, including any criteria required by other applicable legislation, and in instances where functionality forms part of such criteria ensure that the bid documentation complies with the conditions

set pertaining to functionality as set out in the ~~PPR 2022~~ and National Treasury's SCM Circular 53;

(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 (including VAT), require bidders to furnish:

(i) their audited annual financial statements, if the bidder is required by law to prepare annual financial statements for auditing:

(aa) for the past 3(three) years; or

(bb) since their establishment, if the bidder was established during the past 3 (three) years;

(ii) a municipal rates and taxes statement of the bidder showing that the bidder has no undisputed commitments for municipal services towards a Municipality in respect of which payment is overdue for more than 30 (thirty) days;

(iii) particulars of any contracts awarded to the bidder by the Municipality during the past 5 (five) years, including particulars of any material non-compliance or dispute concerning the execution of such contract; and

(iv) a statement indicating whether any portion of the goods and/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 is expected to be transferred out of the Republic;

(e) stipulate that disputes, objections, complaints and quires must be dealt with as prescribed in terms of this policy and the SCMR;

(f) a clear indication of the terms and conditions of contract, specifications, criteria for evaluation and adjudication procedures to be followed where applicable, and include where, in exceptional circumstances, site inspections are compulsory;

(g) an appropriate contract and/or delivery period specification for all contracts;

(h) the requirements of the preferential procurement paragraph of this policy (Chapter 5) and be clearly set out in the bid documentation.

(2) Bid documentation and evaluation criteria may not be aimed at hampering competition, but rather to ensure fair, equitable, transparent, competitive and cost-effective bidding, as well as the protection or advancement of persons, or categories of persons, as embodied in the preferential procurement paragraph of this policy.

(3) Bid documentation must compel a bidder to furnish the following:

(a) full name/s;

(b) identification number, company or other registration number;

(c) tax reference number;

(d) VAT registration number, if any;

(e) CSD reference number;

(f) proof (municipal rates and taxes statement) that the bidder's account and that of any member or director of the bidder for municipal rates and taxes and municipal service charges are not in arrears; and

(g) disclosure as to whether:

(i) the bidder is listed on any government database of persons prohibited from doing business with the public sector; or

(ii) has failed to perform satisfactorily on a previous contract with the Municipality or any other municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;

(iii) the bidder or any of its members or directors has committed a corrupt or fraudulent act in competing for the contract;

(iv) the bidder or any of its members or directors:

(aa) has abused the Supply Chain Management System of the Municipality or has committed any improper conduct in relation to such system;

(bb) has been convicted or fraud or corruption during the past five years;

(cc) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public-sector contract during the past 5 years; or

(dd) has been listed in the Register for Tender Defaulters in terms of S29 of the Prevention and Combating or Corrupt Activities Act, Act 12 of 2004.

(4) A provision for the termination/cancellation of the contract in the case of no or under-performance must be included in the bid documentation.

(5) Unless otherwise indicated in the bid documents, the Municipality will not be liable for any expenses incurred in the preparation and/or submission of a bid.

(6) Bid documentation must state that the Municipality is not be obliged to accept the lowest bid, any alternative bid or any bid.

(7) Bid documentation must compel bidders to declare any conflict/s of interest they may have in the transaction for which the bid is submitted.

(8) The bid documentation must require bidders to disclose:

(a) whether he or she is in the service of the state, or has been in the service of the state within the previous 12 (twelve) months;

(b) if the bidder 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 12 (twelve) months; or

(c) whether a spouse, child or parent of the bidder or of a director, manager, shareholder or stakeholder referred to in sub-paragraph (8)(b) above, is or has been in the service of the state within the previous 12 (twelve) months.

(9) Bid documentation for consultant services must require bidders to furnish to the Municipality of all consultancy services, and any similar services (to the services being bid for) provided to the Municipality in the last 5 (five) years.

(10) Bid documentation for consultant services must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, item, system or process designed or devised by a consultant in terms of an appointment by the Municipality, shall vest in the Municipality.

(11) ~~Bid documentation may state that alternative bids can be submitted provided that a bid free of qualifications and strictly in accordance with the bid documents is also submitted.~~

(11) ~~Where provided for in the bid documentation, an alternative bid must be submitted on a separate complete set of bid documents and must clearly be marked "Alternative Bid", to distinguish it from the unqualified bid.~~

(12) ~~Bid documentation must state that the Municipality will not be bound to consider alternative bids.~~

(13) Bid documentation must provide the validity period of the bid. The validity of the bid can only be extended once and must be extended before they expire as stated on the bid document.

(14) Unless the Accounting Officer directs otherwise, bids are invited within the Republic only.

(15) The laws of the Republic will apply and govern contracts of the Municipality arising from the acceptance of bids.

(16) Bid documentation must also state that:

(a) the Municipality may award the bid to the bidder who has not scored the highest points if objective criteria, in addition to the criteria set out in section 2(1)(d) and section 2(1)(f) of the PPPFA, justify the award of the bid to another bidder; and

(b) where a bid appears to be unrealistic and the Accounting Officer has satisfied himself or herself on enquiry with the bidder that the bid cannot be completed on the terms or for the price so bid, that such bid may be excluded.

~~**12.7.2 PUBLIC INVITATION FOR COMPETITIVE BIDS**~~

~~(1) The accounting officer must determine the procedure for the invitation of competitive bids considering all applicable SCM Regulations, which must stipulate that:~~

~~(a) Any invitation to prospective providers to submit bids must be by means of a public advertisement on the E-tender website, the notice board, Local Newspaper, website of the Municipality and CIDB website~~

~~(2) The notice of invitation must contain the following advertisement information:~~

~~(a) the closure date and time for the submission of bids, which may not be less than 30 (thirty) days in the case of transactions over R10 million (including VAT), or which are of a long-term nature, 21 days for construction and 14 (fourteen) days in any other case, from the date on which the advertisement is placed in a newspaper, subject to sub-paragraph (3) below;~~

~~(b) a statement that bids may only be submitted on the bid documentation provided by the Municipality;~~

~~(c) the title of the proposed contract and the bid or contract reference number;~~

~~(d) such particulars of the proposed contract as the Municipality deems fit;~~

~~(e) the date, time and location of any site inspection (compulsory briefing session), if applicable;~~

~~(f) the method of accessing the bid documentation and when the bid documentations will be available,~~

~~(g) the place where bids must be submitted;~~

~~(h) the required CIDB contractor grading for construction works, if applicable; and~~

~~(i) the validity period of the bid.~~

~~(k) the evaluation criteria to used.~~

~~(3) The Accounting Officer may determine a closure date for the submission of bids which is less than the 30 (thirty), 21 days for construction or 14 (fourteen) days requirement provided in sub-paragraph (2) above, but only if such shorter period can be justified on the grounds of an emergency, urgency or any exceptional case where it is impractical or impossible to follow the official procurement process.~~

~~(4) The bid notice may require payment of a non-refundable tender fee by bidders wanting to access and submit bid documents, which tender fee will be determined by the Bid Specifications Committee.~~

~~(5) Bid documentation will be accessible to bidders until the closing date and time of bids.~~

~~(6) Bids submitted to the Municipality must be in sealed packaging.~~

~~(7) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.~~

12.7.3 SITE INSPECTIONS

(1) In general, and where applicable, site inspections will not be compulsory unless otherwise stated in the invitation to bid.

(2) If site inspections are compulsory and to be held, this fact, as well as full details of the site inspection must be included in the bid notice.

(3) Where site inspections are made compulsory, the date for the site inspection must be at least 7 (seven) days after the bid has been advertised, and an attendance register must be signed by all who are present at the meeting.

(4) Where a bid is compulsory and the bidder fails to sign the attendance register, such a bidder must be disqualified.

~~(5)~~ If at a site meeting, any additional information is provided, or clarification of vague points is given, such additional information or clarification must be conveyed to all bidders ~~in accordance with sub-paragraph12.7.12 below of this policy.~~

~~**12.7.5 PRE-QUALIFICATION CRITERIA FOR PREFERENTIAL PROCUREMENT**~~

~~1. RLM will apply pre-qualifying criteria to advance certain designated groups, that RLM must advertise the tender with a specific tendering condition that only one or more of the following tenderers may respond-~~

12.7.5. TWO-STAGE (PREQUALIFICATION) BIDDING PROCESS

(1) This process may be applied to bids for:

(a) large complex projects of a specialist or long-term nature; or

(b) where there are legislative, speciality design, technological and/or safety reasons to restrict bidding to firms who have proven their capability and qualification to meet the specific requirements of the bid;

(c) projects where it may be undesirable to prepare complete detailed technical specifications; or

(d) long term projects with a duration exceeding 3 (three) years.

(2) In the first stage of a bid (prequalification) bidding process, bidders are, invited to firstly prequalify in terms of predetermined criteria, without being required to submit detailed technical proposals and/or a financial offer. In the first stage bidders may be invited to submit technical proposals on conceptual design or performance specifications or other matters.

(3) In the second stage, all bidders that qualify in terms of the predetermined criteria will be shortlisted and invited to submit final technical proposals and priced bids.

(4) The notice inviting bidders to pre-qualify must comply with the provisions for the public invitation of competitive bids as

(5) Once bidders have pre-qualified for a project, they must be given no less than 7 (seven) days to submit a final technical proposal and/or a financial offer.

12.7.6 PREPARATION OF THE TERMS OF REFERENCE (TOR'S)

Rustenburg Local Municipality should prepare the TOR. The scope of the services described should be compatible with the available budget. The TOR should define clearly the task directive (methodology), objectives, goals and scope of the assignment and provide background information, including a list of existing relevant studies and basic data, to facilitate the consultants' preparation of their bids.

(1) Time frames linked to various tasks should be specified, as well as the frequency of monitoring actions. The respective responsibilities of Rustenburg Local Municipality and the consultant should be clearly defined.

(2) The evaluation criteria, their respective weights, the minimum qualifying score for functionality and the values that will be applied for evaluation should be clearly indicated. The evaluation criteria should include at least the following:

(a) Consultant's experience relevant to assignment.

(b) The qualifications of key personnel; and

(c) The transfer of knowledge (where applicable).

(3) In more complicated projects, provision may also be made for pre-bid briefing sessions or presentations by bidders as part of the evaluation process.

(4) A clear indication should be given of which preference point system in terms of the PPPFA and its associated Regulations will be applicable as well as the goals to be achieved and the points allocated for these goals.

(5) Detailed information on the evaluation process should be provided by firstly indicating the ratio of percentage between functionality and price. The percentage for price should be determined taking into account the complexity of the assignment and the relative importance of functionality. The percentage for price should normally be determined and approved by the Accounting Officer or the delegate prior to finalising the TOR.

(6) If transfer of knowledge or training is an objective, it should be specifically outlined along with details of number of staff to be trained, etc., to enable consultants to estimate the required resources. The TOR should list the services and surveys necessary to carry out the assignment and the expected outputs (for example reports, data, maps, surveys, etc), where applicable.

(7) Evaluation criteria could be divided into sub-criteria.

(8) Preparation of a well-thought-through cost estimate is essential if realistic budgetary resources are to be earmarked. The cost estimate should be based on the

Accounting Officer or delegate assessment of the resources needed to carry out the assignment such as staff time, logistical support and physical inputs (i.e. vehicles, laboratory equipment, etc). The cost of staff time should be estimated on a realistic basis for foreign and local personnel.

(9) The TOR should specify the validity period (~~normally 60 –~~ 90 days).

(10) The TOR should form part of the standard bid documentation~~. At this stage the evaluation panel, consisting of at least three members who are demographically representative in terms of race, gender and expertise, should also be selected and finalised~~.

~~(11) The Information Technology (IT) Unit shall collaborate with the procurement and supply chain teams to develop IT-related specifications for products and services, ensuring that they align with the organization's technology infrastructure and strategic objectives.~~

~~(12) The IT Unit shall provide technical expertise and guidance in drafting specifications to ensure that they are comprehensive, feasible, and meet the organization's IT standards and requirements~~

~~12.7.7 DRAFTING OF THE TERMS OF REFERENCE~~

~~(1) A consultant shall execute his/her tasks according to the TOR.~~

~~(2) The TOR shall clearly define the task directive (methodology), objectives, goals and scope of the assignment and provide background information to facilitate the consultants' preparation of their bids. It shall include at least the following:~~

~~(a) timeframes linked to various tasks.~~

~~(b) nature and frequency of monitoring actions.~~

~~(c) respective responsibilities of Rustenburg Local Municipality and consultant.~~

~~(d) evaluation criteria, their respective weights, minimum qualifying score for functionality, among others:~~

~~(i) consultant's experience.~~

~~(ii) quality of the methodology.~~

~~(iii) qualification of key personnel.~~

~~(iv) transfer of knowledge (where applicable).~~

~~(v) pre-bid briefing sessions or presentations by bidders, if necessary.~~

~~(vi) the relevant PPPFA preference point system to be used.~~

~~(vii) PPPFA goals to be attained through the contract as well as points allocated for these goals.~~

~~(viii) the ratio between price and functionality.~~

(ix) ~~consultants may be requested to submit their prices and proposals in two separate envelopes (two-envelope system)~~

12.7.8 VALIDITY PERIODS

(1) The period for which bids are to remain valid and binding must be indicated in the bid documents. If no bidder has been appointed during the validity period, or the extended validity period as referred to below, the bid will lapse.

(2) The validity period is calculated from the bid closure date and bids shall remain in force and binding until the end of the final day of that period.

(3) This period of validity may be extended by the chairperson of the bid evaluation committee, provided that:

(a) the original validity period of the bid has not already expired;

(b) all the bidders who have submitted bids have been requested to consent to the extension of the validity period and to confirm that their prices and terms will remain as initially stated until the expiry of the extended validity period.

(c) Bidders must ~~agree~~ respond in writing to the request of extension of the validity period of the bid and indicate whether their terms remain valid for the extended period

(d) If a supplier has indicated that their price offer has changed, the Municipality must evaluate based on the new price and a new recording be done.

(e) The price of the bidder can not be less than the original bidding price.

(f) Bidders who fail to respond ~~and agree~~ in writing to the extension of validity must be ~~disqualified~~ be evaluated on the original bidding price.

(g) the validity period of a bid must only be extended once.

(4) If bidders are requested to extend the validity period of their bids as referred to in sub-paragraph (3) because of an objection or complaint being lodged before tender is awarded:

(a) it must be made clear to bidders that this is the reason for the request for the extension of the validity period; and

(b) the responsible official must ensure that all bidders are requested to extend the validity period and terms of their bids where necessary to ensure that the bids remain valid throughout the objection or complaint period or until the objection or complaint is finalised.

12.7.9 Contract price escalation

(1) For contracts exceeding 1 (one) year, the municipality accepts CPI based price escalation on the anniversary of the contract. This escalation must be part of the tender document.

Contract price escalation formula: Original Price + CPI or any other industry related escalations.

(2) In a case where the price escalation is omitted in the tender document, the CPI will only be applicable on the request of the service provider based on the month of the request. Contracts Management must prepare an escalation to be approved by the Accounting Officer

(3) In general, if contract periods do not exceed 1 (one) year, the bid shall be a fixed price bid and not subject to contract price adjustment.

(4) If the contract exceeds the initial duration of the contract e.g 3 years, because of any extension of time granted or extension of the contract, the escalation formula will be contract price + CPI. This excludes contracts that are extended because of non-performance.

(5) If, however, because of any extension of time granted or extension of the bid validity period, the duration of a fixed price contract exceeds 1 (one) year, the contract will automatically be subject to contract price ~~adjustment~~ escalation for that period by which the extended contract period exceeds such 1 (one) year. This excludes contracts that are extended because of non-performance.

(6) The Contract Management section must conduct price escalation on the anniversary of the contract to be signed by the contract manager and the Chief Financial Officer/ Deputy Chief Financial Officer.

12.7.10 SAMPLES

(1) Where samples are called for in the bid documents, samples marked with the bid and item number as well as the bidder's name must be delivered separate from the bid to the address mentioned in the bid documents at the date and time of closure unless otherwise stated in the invitation.

(2) Bids may not be included in parcels/envelopes containing samples.

(3) If samples are not submitted as required in the bid documents or within any further time stipulated by the chairperson of the bid evaluation committee in writing, then the bid concerned may be declared non-responsive.

(4) Samples must be supplied by a bidder at his/her own expense and risk.

(5) The Municipality will not be obliged to pay for such samples or compensate for the loss thereof, unless otherwise specified in the bid documents, and reserves the right not to return such samples and to dispose of them at its own discretion.

(6) If a bid is accepted for the supply of goods according to a sample submitted by the bidder, that sample will become the contract sample.

(7) All goods/materials supplied shall comply in all respects to that contract sample.

12.7.11 CLOSING OF BIDS

(1) Bids shall close on the date and at the time stipulated in the bid notice inviting the bids.

(2) ~~Save in instances as contemplated in paragraph 12.7.2(3) above, the bid closing date may not be less than the periods as prescribed in terms of paragraph 12.7.2(2)(a) above.~~

(3) For banking services, the bid closing date must be at least 60 (sixty) days after publication of the notice.

(4) The bid closing date may be extended prior to the original bid closing date by of the Accounting Officer, if circumstances justify such an extension, ~~provided that~~ the closing date may not be extended unless a notice is published in the press where the bid was originally advertised, which notice must also be posted on the official notice boards designated by the Accounting Officer.

(5) Such extensions and or changes must be approved in writing by the Accounting Officer and kept for record purposes.

12.7.12 COMMUNICATION WITH BIDDERS BEFORE BID CLOSING

(1) The manager of the SCMU may, if necessary, communicate with prospective bidders and/or bidders prior to bids closing.

(2) Such communication shall be in the form of a notice issued to all prospective bidders and/or bidders who have already submitted bids or indicated the intention to do so. Communication will be done by the manager SCMU through an e-mail provided that, there was a compulsory briefing session. In instances where there was no compulsory briefing session, notice must be placed in the same platforms where the bid was originally advertised.

(3) A copy of the email and/or the notice shall be kept for record purposes.

(4) Notices should be issued at least one week prior to the bid closing date for competitive bids and 4 days in the case of formal written quotations, where possible.

(5) Notwithstanding a request for acknowledgement of receipt of any notice issued, the prospective bidders and/or bidders who have already submitted bids or indicated the

intention to do so will be deemed to have received such notice if the procedures ~~in sub-paragraphs (2), (3) and (4) above,~~ have been complied with.

12.7.13 SUBMISSION OF BIDS

(1) Bidders must submit both a hard copy document and an electronic tender document in the form of a USB (only) which must be clearly marked with the company name. (Bidders will be disqualified for not submitting a USB containing the scanned bidding documentation)

(2) Bids must be submitted before the closing date and time, at the address and in accordance with the directives in the bid documents.

(3) Each bid must be in a legible writing using non-erasable ~~black~~ ink and must be submitted on the official form of bid/offer issued with the bid documents.

(4) The bid must be submitted in a sealed packaging which is clearly marked with the bid number and/ or bid description ~~and the closing date~~ indicated on the envelope.

(5) The envelope may not contain documents relating to any bid other than that shown on the envelope.

(6) Only sealed bids which comply with the above points (1, 2, 3, 4 and 5) will be accepted.

(7) The onus shall be on the bidder to place the sealed envelope in the official, marked, and locked bid box provided for this purpose, at the designated venue, not later than the closing date and time specified in the bid notice.

(8) Posted bids will not be accepted for consideration.

(9) No bids forwarded by telegram, facsimile or similar apparatus may be considered.

(10) No person may amend or tamper with any bids or quotations after their submission.

12.7.14 LATE BIDS

(1) A bid is late if it is not placed in the relevant bid box by the closing time for such bid.

(2) A late bid will not be admitted for consideration and where feasible, but without any obligation to do so whatsoever, will be returned unopened to the bidder with the reason for the return thereof endorsed on the envelope.

12.7.15 OPENING OF BIDS

(1) At the specified closing time on the closing date, the applicable bid box must be opened in public.

(2) Immediately after the opening of the bid box, all bids must be opened in public and at the same time checked for physical and outward compliance as to whether the bid was contained in a sealed envelope.

(3) The officials opening the bids must in all cases read out the name of the bidder and, where practical, the amount of the bid.

(4) As soon as a bid or technical proposal has been opened the SCMU must ensure that:

(a) all bids received in time must be recorded in the bid opening register;

(b) the bid/proposal must be stamped with the official stamps, and endorsed with the opening official's signature;

(c) the name of the bidder, and where possible, the bid sum must be recorded in the bid opening record kept for that purpose;

(d) the responsible officials who opened the bid shall forthwith place their signatures on the bid opening register;

(e) the bid opening register must be made public for transparency; and

(f) the entries in the bid opening register must be published on the website of the Municipality.

(5) There shall be no obligation on the Municipality to re-direct bids found to have been accidentaly placed in the incorrect sealed packaging. Municipality disclaims any responsibility for seeing that the bids are in fact lodged in the correct sealed packaging or bid box.

(6) Bids placed in wrong sealed packaging must be recorded as such in the opening register and it must be indicated on the documents that they are wrong.

(7) Bids submitted in sealed envelopes in the bid box without a bid number or title on the envelope will be deemed unacceptable.

(8) Should a bidder be present during the opening and request their bid that was submitted in an incorrectly referenced packaging back, such a bidder must be assisted.

12.7.16 INVALID BIDS

(1) Bids will be invalid and be endorsed and recorded as such in the bid opening register by the responsible officials who are present for the opening, in the following instances:

(a) where the bid is not sealed.

(b) where the bid, including the bid price/tendered amount, where applicable is not submitted on the official form of bid/offer for CIDB related tenders.

(c) where the bid is not completed in non-erasable black ink.

(d) where the form of bid/offer has not been signed.

(e) where the form of bid/offer is signed, but the name of the bidder is not stated, or is indecipherable.

(f) where the bid envelope does not contain the title of the bid and/or bid number.

(2) ~~When bids are declared invalid at the bid opening, the bid sum of such bids may not be read out, however, the name of the bidder and the reason for the bid having been declared invalid must be announced and recorded in the bid opening record.~~

12.7.17 BID SUM

1. A bid will not necessarily be invalidated if the amount in words and the amount in figures do not correspond, in which case the amount in words must be read out at the bid opening and this will be the price upon which the bid is evaluated.
2. All rates, apart from rates set out in rate only bids, and proprietary information are confidential and may not be disclosed.

12.8.18 COMMITTEE SYSTEM FOR COMPETITIVE BIDS

(1) The committee system of the Municipality for competitive bids provides for:

(a) a bid specification committee;

(b) a bid evaluation committee; and

(c) a bid adjudication committee.

(2) The Accounting Officer of the Municipality:

(a) must appoint the members of each committee and, in doing so, must consider section 117 of the MFMA;

(b) may, when appropriate, appoint a neutral or independent observer to ensure fairness and transparency in the application of this acquisition management system; and

(c) may apply the committee system to formal written price quotations.

12.9 BID SPECIFICATIONS

(1) The bid specification committee must compile the specifications for each procurement of goods and/or services by Municipality.

(2) The specifications:

(a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods and/or services;

(b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, South African Bureau of Standards 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 refer to any 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 words “equivalent”;

(f) must indicate each specific goal for which points may be awarded;

(g) must reserve the Municipality’s right to reject any bid which is unrealistic or which if accepted may expose the Municipality to unacceptable risk provided that the Municipality has first, after consultation with the bidder, satisfied itself that the bid is indeed unrealistic and would expose the Municipality to unacceptable risk if accepted;

(h) must wherever professional services or construction or specialist services are procured, provide for a suitable mechanism to verify the expertise and ability of the bidder to undertake to execute the bid at an appropriate standard. This may include providing for pre-qualification criteria, previous track record or any other appropriate method; and

(i) must be approved by the Accounting Officer prior to publication of the invitation for bids;

12.10 BID SPECIFICATION COMMITTEE

(1) All bid specifications and bid documentation must be compiled by the bid specification committee of the Municipality. An ad hoc bid specification committee may be constituted for the continuation of procurement activities.

(2) The bid specification committee shall be comprised of at least 3 (three) officials of the Municipality, an appointed chairperson, a responsible official and at least 1 (one) supply chain management practitioner of the Municipality.

(3) Where appropriate a representative of internal audit department/division and/or legal services department/division and/or an external specialist advisor may form part of this

committee provided that no person, advisor or competent entity involved with the bid specification committee, or director of such corporate entity, may bid for any resulting contracts.

(4) Green procurement must be incorporated as far as reasonably possible, for all specifications of goods and/or services.

(5) The Accounting Officer, or his delegated authority, must adhere to the provisions of section 117 of the MFMA when appointing the members of the bid specification committees.

(6) Bid specification committee meetings must be conducted in accordance with the applicable Rules of Order/Standing Rules regulating the conduct of meetings of the Municipality and must be fully recorded.

12.11 BID EVALUATION

(1) The Municipality shall not be obliged to accept any bid.

(2) The Municipality shall have the right to accept the whole or part of a bid or any item or part of an item of a bid or to accept more than one bid for goods and services.

(3) The bid evaluation committee must:

(a) evaluate bids in accordance with:

(i) the specifications which were set for the bid; and

(ii) the points system as prescribed by the PPPFA, and if functionality forms a part of the evaluation criteria of the bid, then compliance with the applicable provisions of the PPR and National Treasury's Circular 53 pertaining to functionality must be ensured;

(b) evaluate each bidder's ability to execute the contract;

(c) check for responsiveness and compliance with the prescribed formalities and requirements as set out in the bid documentation, and

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

12.12 BID EVALUATION COMMITTEE

(1) The bid evaluation committee must as far as possible be composed of:

(a) officials from directorates requiring the goods and/or services; and

(b) at least one supply chain management practitioner of the Municipality.

(2) The responsible agent, if applicable, must carry out a preliminary evaluation of all valid bids received and submit a draft bid evaluation report to the bid evaluation committee

for consideration. The bid evaluation committee may engage independent external experts to provide reports or guidance to assist the bid evaluation committee in their evaluations provided that only the bid evaluation committee may exercise discretion and make any decisions and provided further that no such external person, advisor or entity involved with the bid evaluation committee, or director or member of such corporate entity, may bid for any resulting contracts.

(3) Any evaluation of a bid must consider the bids received and note for inclusion in the evaluation report all details of a bidder:

(a) whose bid was endorsed as being invalid by the responsible official at the bid opening;

(b) whose bid does not comply with the provisions of the Prevention and Combating or Corrupt Activities Act;

(c) whose bid does not comply with the general conditions applicable to bids and quotations of this policy;

(d) whose bid is not in compliance with administrative and mandatory documents, or whose bid is not in compliance the specifications for the bid or does not meet the pre-qualification criteria or who is otherwise excluded by the bid specifications or conditions;

(e) whose bid does meet the minimum points for functionality, if applicable;

(f) whose bid is not in compliance with the terms and conditions of the bid documentation;

(g) whose bid does not comply with any minimum points and goals stipulated in terms of the preferential procurement paragraph of this policy and the PPPFA;

(h) who is not registered on CSD;

(i) who, in the case of construction works acquisitions, does not comply with the requirements of the CIDB regarding registration of contractors;

(j) who has been confirmed by SARS that all their Tax matters are in order.

(4) Bids shall be evaluated according to the following, as applicable:

(a) functionality (where applicable);

(b) bid price and specific goals as per the applicable provisions of the PPPFA

(c) the unit rates and prices;

(d) any qualifications to the bid;

(e) the bid ranking obtained in respect of preferential procurement as required by this policy;

(f) the financial standing of the bidder, including its ability to furnish the required institutional guarantee, where applicable; and

(g) any other criteria specified in the bid documents.

(5) No bidder will be recommended for an award unless the bidder has demonstrated that it has the resources and skills required to fulfil its obligations in terms of the bid document and at the bid price.

(6) Additional information or clarification of bids may be called for if required but only in writing and as stipulated in terms of this policy.

(7) Where a bidder requests in writing, after the closing of bids, that his/her bid be withdrawn, then such a request may be considered and reported in the bid evaluation report for decision by the bid adjudication committee.

(8) The bidder obtaining the highest number of points must be recommended for allowed unless there are objective criteria in addition to the criteria mentioned in section 2(1)(d) and section 2(1)(e) of the PPPFA justifying the award of the bid to another bidder.

(9) Where, after bids have been brought to a comparative level, 2 (two) or more score equal total adjudication points, the recommended bidder shall be the one scoring the highest preference points.

(10) Where 2 (two) or more bids are equal in all respects, the bid evaluation committee will draw lots to decide on the recommendation for award, or may, in the case of goods and services, recommend splitting the award proportionately, where applicable.

(11) All disclosures of a conflict of interest must be considered by the bid evaluation committee and shall be reported to the bid adjudication committee.

(12) The bid evaluation committee must, having considered the responsible agent's draft report (if any), submit a report, including recommendations regarding the award of the bid or any other related matter, to the bid adjudication committee for award.

(13) A bid evaluation committee can either be constituted on an ad hoc basis for each project or procurement activity or be appointed by the Accounting Officer for a financial year, to evaluate bids received.

(14) The bid evaluation committee shall be comprised of at least 3 (three) officials of the Municipality, an appointed chairperson, who may be the same person as the chairperson of the bid specification committee, a responsible official and at least one supply chain management practitioner of the Municipality.

(15) Where appropriate, a representative of internal audit department/division and/or legal services department/division may form part of this committee, which may also include other internal specialists/experts as necessary.

(16) External specialists/experts may advise the bid evaluation committee, as required.

(17) The Accounting Officer, or his delegated authority, must, considering section 117 of the MFMA, appoint the members of the bid evaluation committees.

(18) Bid evaluation committee meetings must be conducted in accordance with the applicable Rules of Order/Standing Orders regulating the conduct of meetings of the Municipality.

12.13 BID ADJUDICATION

(1) The bid adjudication committee must:

(a) consider the report and recommendations of the bid evaluation committee; and

(b) either:

(i) make a recommendation to the Accounting Officer regarding the making of a final award; or

(ii) make another recommendation to the Accounting Officer on how to proceed with the relevant procurement.

(2) The Accounting Officer may negotiate or delegate the negotiations process to make the final terms of a contract with bidders identified through a competitive bidding process as preferred bidder, provided that such negotiation:

(a) does not allow any bidder a second or unfair opportunity;

(b) is not to the detriment of any other bidder;

(c) does not lead to a higher price than the bid as submitted; and

(d) minutes of such negotiations must be kept for record purposes; and overall

(e) does not materially affect the bid in a manner which compromises the integrity of the bidding process.

(3) If a bid other than the one recommended in the normal course of implementing this policy is approved, then the Accounting Officer must, within 10 (ten) working days and in writing, notify the Auditor-General, the Provincial Treasury and the National Treasury of the reasons for deviating from such recommendation.

(4) The above does not apply if a different supplier was approved in order to rectify an irregularity

(5) The Accounting Officer may, at any stage of a bidding process, refer any recommendation made by the bid evaluation committee or bid adjudication committee back to that committee for reconsideration of the recommendation.

(6) A person aggrieved by a decision or action taken in the execution of this policy may lodge within 14 (fourteen) days of such a decision or action a written objection or compliant to the Municipality against the decision or action as set out in paragraph 20.3below of this policy.

(7) Bid documents must state that any objection or complaint in terms of this policy must be submitted in writing to the Accounting Officer at the address stated, and must contain the following:

(a) reasons and/or grounds for the objection or complaint;

(b) the way in which the objector or complainant's rights have been affected; and

(c) the remedy sought by the objector or complainant.

(8) No bid must be formally accepted until either the expiry of the 14 (fourteen)day objection or complaint period has lapsed, or confirmation of the satisfactory resolution of any objection or complaint.

(9) If the Accounting Officer has resolved that a bid be accepted, the successful bidder must be notified in writing of this decision.

(10) The successful bidder must, in addition, be advised of the 14 (fourteen) day objection or complaint period and be notified that no rights accrue to him/her until the bid is formally accepted in writing.

(11) Every notification of decision must be sent via electronic mail to the address chosen by the bidder, with a copy of proof of transmission kept for record purposes.

(12) Where it becomes necessary to cancel or re-advertise formal bids, the Accounting Officer must make that decision in writing.

(12) Where bids have been cancelled, all bidders must be notified of such cancellation in writing by the ~~Section Manager Acquisition and Unit Manager SCM.~~ Accounting officer or delegated authority.

(13) It is not necessary to notify original bidders when new bids are invited and advertised.

(14) In the case of bids ~~for construction works, and~~ where the Accounting Officer resolved that there were no responsive bids received, then the bid may forthwith be re-advertised.

(15) Upon selection of the winning bidder, the ~~Section Manager of Acquisition, in conjunction with the Unit Manager of Supply Chain Management (SCM)~~ Chief Financial Officer or delegated authority, shall ensure that all losing bidders are promptly informed of the outcome of the bid process. This communication shall be conducted in a timely and professional manner, providing clear feedback on the decision-making process and addressing any queries or concerns raised by the losing bidders.

12.14 BID ADJUDICATION COMMITTEE

(1) The bid adjudication committee must consist of at least 4 (four) senior managers of the 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,

(b) at least one senior supply chain management practitioner who is an official of the Municipality; and

(c) a technical expert in the relevant field who is an official of the Municipality.

(2) The Accounting Officer must appoint the chairperson of the committee. When 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.

(3) 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.

(4) Where the bid adjudication committee decides to ~~award~~ recommend a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to ~~awarding~~ recommending the bid:

(a) ensure that the preferred bid is in all respects responsive and compliant and verify that the preferred bidder's mandatory documents are compliant.

(b) notify the Accounting Officer, who may:

(i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee; and

(ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

(5) 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.

(6) The Accounting Officer must comply with the procedure set out in section 114 of the MFMA within 10 (ten) working days if a bid other than the one recommended in the normal course of implementing this policy is approved.

12.14.1 FINAL AWARD OF BIDS EXCEEDING R300 000.00

(1) The Accounting Officer must approve recommendations for the Bid Adjudication Committee and make the final award to the highest scoring bidder

(2) In the event that the highest scoring bidder rejects appointment, then, the second highest scoring bidder must be awarded the contract depending on the validity of the bid. If the second highest scoring bidder also rejects the appointment, then the third highest scoring bidder must be awarded the contract depending on the validity of the bid.

(3) If a bidder other than the one recommended by the Bid Adjudication Committee in the normal course of implementing this supply chain management policy is approved by the Accounting Officer, the Accounting Officer must, comply to Section 114 of the MFMA ~~in writing, notify the Auditor-General, the Northwest Provincial Treasury and the National Treasury and, in the case of a Rustenburg Water Services Trust, also the Rustenburg Local Municipality, of the reasons for deviating from such recommendation.~~

12.15 TERM BIDS

(1) Term bids are for the supply of goods and/or services that are of an *ad-hoc* or repetitive nature for a predetermined period and where awarded will entitle, but not oblige, the Municipality to purchase the specified goods or services at the bid price from the successful bidder for the duration of the term.

(2) The Municipality may invite term bids.

(3) The general acquisition procedure for term bids must comply with procedures contained in the acquisition management system for competitive bids.

(4) Where applicable, bid documentation must state that the acceptance of term bids based on a schedule of rates will not necessarily guarantee the bidder any business with the Municipality.

(5) The practice of using term bids to circumvent the bid process in respect of what should be planned project work is not permissible.

(6) Material for repairs and maintenance can be purchased on a term bid where circumstances warrant it.

(7) Additional items included in a term bid by any bidder, which are clearly not an alternative to any of the items specified in the bid documents, will not be considered.

(8) The process for considering term bids must be in terms of the evaluation and adjudication procedures for conventional competitive bids.

12.16 PROCUREMENT OF BANKING SERVICES

(1) A contract for the provision of banking services to the Municipality:

(a) must be procured through competitive bids.

(b) must be consistent with section 7 of the MFMA and regulation 30 of the SCMR; and

(c) may not be for a period of more than 5 (five) years at a time.

(2) The process for procuring a contract for banking services must commence at least 9(nine) months before the end of an existing contract.

(3) The closure date for the submission of bids may not be less than 60 (sixty) days from the date on which the advertisement is advertised.

(4) Bids must be restricted to banks registered as such in terms of the Banks Act, Act 94 of 1990.

12.17 PROCUREMENT OF IT RELATED GOODS AND/OR SERVICES

(1) The Accounting Officer may request the SITA to assist the Municipality with the acquisition of IT related goods and/or services through a competitive bidding process.

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

(3) The Accounting Officer must notify SITA together with a motivation of the IT needs of the Municipality where:

(a) the transaction value of IT related goods and/or services required by the Municipality in any financial year will exceed R50 million (including VAT); or

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

(3) If SITA comments on the submission and the Municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments of SITA must be submitted to the Council, the Provincial and National Treasury and the Auditor General prior to awarding the bid.

12.19 PROCUREMENT OF GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS

(1) Goods, other than water, which necessitate special safety arrangements, may not be acquired or stored in bulk and more than immediate requirement, including gasses and fuel, unless sound justification therefore exists.

(2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership and cost advantages for the Municipality and the Accounting Officer may then authorise the same, in writing.

12.20 PROUDLY SA CAMPAIGN

The accounting officer must determine internal operating procedures supporting the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:

- Firstly –suppliers and businesses within the municipality or district.
- Secondly – suppliers and businesses within the relevant province.
- Thirdly – suppliers and businesses within the Republic of South Africa

12.21 APPOINTMENT OF CONSULTANTS

(1) The Accounting Officer may procure consulting services provided that National Treasury, Provincial Treasury and CIDB guidelines in respect of consulting services are considered when such procurements are made.

(2) A contract for the provision of consultancy services to the Municipality must be procured through competitive bids where:

(a) the value of the contract exceeds 300 000.00 (including VAT); or

(b) the duration period of the contract exceeds 1 (one) year.

(3) In addition to the requirements prescribed for competitive bids in this policy, bidders must furnish the Municipality with particulars of:

(a) all consultancy services provided to the Municipality in the last 5 (five) years; and

(b) any similar consultancy services provided to the Municipality in the last 5 (five) years.

(4) Dividing the transaction values of required consultant appointments into lesser transaction values to circumvent the competitive bidding process is not permitted.

(5) Where the estimated value of consultant fees is less than or equal to R300 000.00 (including VAT) and the duration of the appointment is less than 1 (one) year, the selection of a consultant to provide the required service must follow a written price quotation or a formal written price quotation procedure as provided for in this policy.

(6) Responsible agents must endeavour to ensure that there is rotation in respect of inviting suitably qualified consultants to submit quotes.

(7) A price/preference points system, contained in the preferential procurement paragraph of this policy, must be applied to such quotations.

(8) Where it is in the interests of the Municipality to follow an advertised process, a formal competitive bidding process in accordance with the requirements of this policy may be followed irrespective of the estimated value of the consultant fees.

(9) The Municipality 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 during the consultancy service is vested in the Municipality.

(10) The Municipality may only consider single-source selection where it is in line with the exceptional cases provided in treasury guidelines the justification for single-source selection is examined in the context of the overall interests of the Municipality and the project.

(11) ~~Single-source selection may be appropriate only if it presents a clear advantage over a competitive process:~~

~~(a) for services that represent a natural continuation of previous work carried out by the consultant, and continuity of downstream work is considered essential;~~

~~(b) where rapid selection is essential;~~

~~(c) for very small appointments;~~

~~(d) when only one consultant is qualified or has experience of exceptional worth for the project.~~

~~(12) Single source selection may also be justified in instances where the type of consultant services required are of a *sui generis* nature and based on a specific type of relationship of expertise, privilege, confidentiality, the utmost good faith and trust.~~

(13) ~~The reasons for single-source selection must be fully motivated in a report and approved by the bid adjudication committee prior to conclusion of a contract, provided that if the award is for an amount of R300 000.00 (including VAT) or less, such award must be approved by the manager of the SCMU.~~

(14) Single source shall be regarded as a deviation ~~in terms of paragraph 12.22 below~~ and must comply therewith.

12.21.1 REMUNERATION OF CONSULTANTS

The municipality may only contract in consultants after a gap analysis has been confirmed that the municipality does not have the requisite skills or resources in its full-time employ to perform the assignment in question. Based on a business case, the appointment of consultants may only be approved by the accounting officer. All requests to deviate from the instruction note may be directed to: The Director-General at National treasury.

- the consultants may only be remunerated at the rates:

(a) Determined in the “Guideline for fees”, issued by the South African Institute of Charted Accountants (SAICA);

(b) Set out in the “Guide on Hourly Fee Rates for Consultants”, by the Department of Public Service and Administration (DPSA); OR

(c) Prescribed by the body regulating the profession of the consultant.

(d) ~~A database of consultants shall be in place and be co-ordinated by the Supply Chain Management and Local Economic Development.~~

~~(e) An appointed consultant shall be subjected to the 25% sub-contracting of emerging smaller consultant companies from Rustenburg Municipality’s database of emerging smaller consultants, within one to three years of existence.~~

(f) The joint venture relationship in the consultants’ environment is explained in the following diagram (SMME development):

~~(i) in respect of professional consultant support, the following areas must be covered in support of emerging BBBEE consulting companies:~~

~~Professional area~~	~~Subcontracting Amount~~	~~%~~	~~Joint Venture Amount~~	~~%~~

~~Architect~~	~~R1M to R10M~~	~~Maximum of 25%~~	~~R10M and above~~	~~Between 30% and 40% JV~~
~~Structural Engineering~~	~~R1M to 10M~~	~~Maximum of 25%~~	~~R10M and above~~	~~Between 30% and 40% JV~~
~~Electrical Engineering~~	~~R1M to R10M~~	~~Maximum of 25%~~	~~R10M and above~~	~~Between 30% and 40% JV~~
~~Mechanical Engineering~~	~~R1M to R10M~~	~~Maximum of 25%~~	~~R10M and above~~	~~Between 30% and 40% JV~~
~~SI~~	~~R1M to R10M~~	~~Maximum of 25%~~	~~R10M and above~~	~~Between 30% and 40% JV~~
~~Civil Engineering~~	~~R1M to R10M~~	~~Maximum of 25%~~	~~R10M and above~~	~~Between 30% and 40% JV~~
~~Project Management~~	~~R1M to R10M~~	~~Maximum of 25%~~	~~R10M and above~~	~~Between 30% and 40% JV~~
~~Quantity Surveying~~	~~R1M to R10M~~	~~Maximum of 25%~~	~~R10M and above~~	~~Between 30% and 40% JV~~

12.21.2 PRIMARY REASONS FOR THE APPOINTMENT OF CONSULTANTS

(1) Consultants are engaged principally for the following reasons:

(a) to provide specialised services for limited periods without any obligation of permanent employment.

(b) to benefit from superior knowledge, transfer of skills and upgrading of a knowledge base while executing an assignment.

(c) to provide independent advice on the most suitable approaches, methodologies and solutions of projects.

12.21.3 MINIMUM REQUIREMENTS WHEN APPOINTING CONSULTANTS

(1) When appointing consultants, it is necessary to strive to satisfy the following minimum requirements:

(a) meeting the highest standards of quality and efficiency.

(b) obtaining advice that is unbiased, that is, being delivered by a consultant acting independently from any affiliation, economic or otherwise, which may cause conflicts between the consultant's interests and those of government.

(2) Ensuring the advice proposed, or assignment executed, meets the ethical principles of the consultancy professions.

12.21.4 MEASURES TO ADDRESS OVER RELIANCE ON CONSULTANTS ARE AS FOLLOWS:

a) Assessment of whether expertise required does not ~~reside where~~ exist in the Municipality.

b) Assess the cost effectiveness of make or buy decision to determine whether the objectives of the institution are better achieved through consultants or permanent work

c) Monitor and continually evaluate extend and use of consultants and ensure skills transfer where feasible.

12.21.5 APPLICABILITY OF PROCEDURES

(1) The procedures outlined herein apply to all contracts for consulting services. In procuring consulting services, the Accounting Officer or the delegate should satisfy himself/herself that:

(a) the procedures to be used will result in the selection of consultants who have the necessary professional qualifications.

(2) The selected consultant will carry out the assignment in accordance with the agreed schedule.

(3) The scope of the services is consistent with the needs of the project.

12.22 DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF PROCUREMENT PROCESS

(1) The Accounting Officer may:

(a) dispense with the official procurement processes established by this policy and to procure any required goods and/or services through any convenient process, which may include direct negotiations, but only:

(i) in an emergency.

(ii) if such goods and/or services are produced or available from a single provider only.

(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile.

(iv) for the acquisition of animals for zoos and nature reserve.

(v) for the acquisition of special works of art or historical objects where specifications are difficult to compile; and

(vi) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.

~~**THE FOLLOWING WILL BE CONSIDERED UNDER THESE IS NOT EXHAUSTIVE LIST:**~~

~~**The following are exempted as deviations but not limited to:**~~

- ~~Subscription includes newspapers on condition they are not acquired through an agent.~~
- ~~License software on condition that the original asset was acquired through competitive bidding.~~
- ~~Accommodation include Workshops, Conferences and Lekgotla.~~

~~**SOURCE MINIMUM THREE QUOTATIONS DIRECTLY FROM THE VENUE NOT THROUGH AN AGENT.**~~

- ~~Maintenance for fleets must be part of the original acquisition of the vehicle on condition that the original vehicle was acquired through competitive bidding.~~
- ~~Direct advertisement with media houses, on condition that there are no agents~~
- ~~In case of agents follow applicable competitive bidding.~~
- ~~Art work, artists, condition that there is a rotation process.~~
- ~~In the event of a major system failure; or In the event where the delivery of a municipal service would be significantly restricted.~~
- ~~In order to Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required call for bids;~~

RLM may procure the items listed below via a single source route:

- Books and magazines may be procured directly from the publisher.
- Newspaper advertisements ~~a may be~~
- Professional bodies offering training and conferences (CIGFARO, CESA, IIASA)
- The Manufacturer of the vehicle, plant, air conditioners elevators and equipment.

(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.

(2) The Accounting Officer must record the reasons for any deviations in terms of sub-paragraph (1)(a) and(1)(b) above and report them to the next meeting of the Council and must be included as a note to the annual financial statements. This sub-paragraph does not apply to the procurement of goods and services contemplated in ~~paragraph 3(3) of this~~ policy.

(3) The conditions relating to the procurement of contracts relating to an emergency, as referred to in sub-paragraph (1)(a)(i) above should include the existence of one or more of the following:

(a) the possibility of human injury or death;

(b) the prevalence of human suffering or deprivation of rights;

(c) the possibility of damage to property, or suffering and death of livestock and animals;

(d) the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the Municipality as a whole.

(e) the possibility of severe damage occurring to the natural environment.

(f) the possibility that failure to take necessary action may result in the Municipality not being able to render an essential community service; and

(g) the possibility that the security of the state could be compromised.

(4) The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, to allow time for the formal procurement process.

(5) Where interim measures to alleviate the immediate situation are appropriate, these should be considered to give time to procure a permanent solution.

(6) Emergency dispensation will not be granted in respect of circumstances other than those contemplated in sub-paragraph (3) above.

(7) Where possible, in an emergency, 3 (three) quotes in accordance with general acquisition management principles should be obtained and a report submitted to the Accounting Officer for approval. Where, however, time is of the essence, the emergency must be immediately addressed, and the process formalised in a report to the Accounting Officer as soon as possible thereafter.

(8) The Accounting Officer may, upon recommendation of the bid adjudication committee, and only if worthy cause exists condone any expenditure incurred in contravention of, or that is not in accordance with, a requirement of this policy, provided that:

(a) this power may not be sub-delegated by the Accounting Officer.

(b) such condonation will not preclude the taking of disciplinary steps against the responsible official; and

(c) the Accounting Officer record the reasons for the condonation in writing and report them to the next meeting of the Council and must be included as a note to the annual financial statements.

(8) In the event where the Accounting Officer refuses to condone any expenditure referred to in sub-paragraph (7) above, such expenditure will be deemed to be irregular expenditure as defined in terms of the provisions of section 1 of the MFMA and must be treated as such by the Accounting Officer according to the relevant provisions provided therefore in the MFMA.

12.23 UNSOLICITED BIDS

(1) The Municipality is not obliged to consider any unsolicited bids received outside a normal bidding process.

(2) The Municipality may only consider an unsolicited bid 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 for the Municipality.

(c) the person or entity 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.

(3) Where the Accounting Officer decides to consider an unsolicited bid that complies with sub-paragraph (2) above, the Municipality must make its decision public in accordance with section 21A of the MSA, together with:

(a) its reasons as to why the bid should not be open to other competitors.

(b) an explanation of the potential benefits for the Municipality were it to accept the unsolicited bid; and

(c) an invitation to the public or other potential suppliers to submit their written comments within 30 (thirty) days of the notice.

(4) Once the Municipality has received written comments pursuant to sub-paragraph (3) above, it must submit such comments, including any responses from the unsolicited bidder to the National Treasury and the relevant Provincial Treasury for comment.

(5) The Municipality's adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations.

(6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

(7) When considering the matter, the adjudication committee must consider:

(a) any comments submitted by the public; and

(b) any written comments and recommendations of the National Treasury or the relevant Provincial Treasury.

(8) Where any recommendations of the National Treasury or Provincial Treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the relevant Provincial Treasury and the National Treasury the reasons for rejecting or not following those recommendations.

(9) Such submission must be made within 7 (seven) days after the decision on the award of the unsolicited bid is taken, but no contract committing the Municipality to the bid may be entered or signed within 30 (thirty) days of the submission.

13 ~~LOGISTICS MANAGEMENT~~

Please refer to the inventory policy

~~Logistics management provides an effective logistic management system for the setting of inventory levels, placing of orders, receiving and distribution of goods, stores and warehouse management, expediting orders, transport management, vendor performance, maintenance and contract administration, as set out below:~~

~~13.1 SETTING OF INVENTORY LEVELS~~

~~(1) Levels must be determined.~~

~~(2) Stock items must be systematically replenished using the re-order point planning strategy in conjunction with minimum and maximum levels.~~

~~(3) Open reservations must be considered during the replenishment run.~~

~~13.2 PLACING OF ORDERS~~

~~(1) Purchase orders must be created with reference to requisitions where the supply source is by means of a contract or verbal, written or formal quotations.~~

~~(2) All purchase orders which are for imported goods and which are subject to rate and exchange adjustments must specify that the vendor must take out a forward exchange contract to fix the Rand based price in the purchase order.~~

~~(3) A proper record of all purchase orders must be kept by the manager of the SCMU and a copy thereof must be submitted to the Chief Financial Officer monthly.~~

~~(4) Standing orders will be utilised in cases where a longer-term arrangement, such as after hour services and copier contracts, are required.~~

~~(5) Purchase order approvals must be system based and will involve the procurement department only.~~

~~(6) The assets (for asset creation) and the insurance section (for claims) must be informed after approval of any purchase orders.~~

~~13.3 RECEIVING AND DISTRIBUTION OF GOODS~~

(1) Goods will be received on the Municipality's inventory system with specific reference to purchase orders.

(2) No over-receipt of stock may be allowed. The purchase order must be kept open for under-receipts for the outstanding delivery quantity.

(3) Goods must be issued from stock with reference to reservations.

(4) Goods may be issued for consumption against internal orders, cost centres, projects and assets under construction.

13.4 STORES AND WAREHOUSE MANAGEMENT

(1) The stores and warehousing function must be decentralised in different areas and will operate under the jurisdiction of the SCMU.

(2) The SCMU must ensure proper financial and budgetary control, uphold the principle of effective administration, proper stock holding and control, product standardisation, quality of products and a high standard of service levels.

13.5 EXPEDITING ORDERS

(1) The purchasing expeditor is required to monitor and expedite outstanding purchase orders.

(2) Reminder letters must be faxed sent automatically to vendors based on the reminder levels prior to the delivery due date which is set in the purchase order.

13.6 TRANSPORT MANAGEMENT

The Municipality's fleet management system/policy must be adhered to always.

13.7 VENDOR PERFORMANCE

(1) The Municipality must have a system which is able to evaluate a vendor 'performance regarding certain pre-determined criteria.

(2) The information will be available for contract negotiations and regular feedback to the vendors.

(3) In the event that a bidder is unable to perform on the contract as awarded, the second highest scoring bidder will be awarded the remainder of the contract. If the second

highest scoring bidder also fails to perform, the third highest scoring bidder will be awarded the contract only if the contract is in its year one.

(4) If a service provider is terminated as a result of poor performance, the said service provider will be barred from tendering with the municipality for a period of five years and reported to National Treasury.

(5) It is the responsibility of all bidders and service providers to ensure that they are able to meet the requirements of the contract and provide the necessary services in a timely and efficient manner. Failure to do so may result in penalties and disqualification from future tender opportunities.

13.8 CONTRACT MANAGEMENT

Please refer to the Contracts management policy

(1) The Accounting Officer must take all reasonable steps to ensure that contracts procured through this policy are properly implemented and enforced. To this end the Accounting Officer shall devise a system to ensure that he is given, monthly, all relevant details regarding the performance of each contract and details of defaults.

(2) The performance of contractor under the contract procured through this policy must be monitored monthly.

(3) All contracts must be administered by a designated official(s), having the necessary competencies to ensure effective management of the contract. The responsibility of managing a contract falls on the specific directorate to which such a contract relates together with and in co-operation with the SCMU.

(4) The Accounting Officer must regularly report to the Council on the management of contracts and the performance of contractors.

13.9 MAINTENANCE AND CONTRACT ADMINISTRATION

(1) Contracts relating to the procurement of goods and/or services will be captured on the Municipality's contract administration system in the form of a price schedule.

(2) Value (where the maximum value of the contract is restricted) and volume (where the maximum units procured are restricted) based contracts must be utilised in as far as possible.

(3) The use of fixed price and fixed term contracts must be promoted, and expenditure will be driven towards such contracts as opposed to once-off purchases.

(4) Consolidated procurement volumes must be utilised to drive down negotiated contract prices.

(5) Contract price adjustments may only be processed in accordance with contract terms and conditions and must accord with the provisions of this policy.

13.10 CONTRACT ADMINISTRATION

(1) Contract administration is the last stage of the procurement and contract cycle, and includes all administrative duties associated with a contract after it is executed, including contract review.

(2) The effectiveness of contract administration depend on how thoroughly the earlier steps were completed as changes can be made far more readily early in the tendering cycle than after contract management has commenced.

(3) Some of the key initial stages, which influence the effectiveness of contract administration and which the Municipality must properly implement, include:

(a) defining the outputs by writing specifications which identify what the aims and outputs of a contract will be;

(b) assessing risk;

(c) researching the market place, including conducting pre-tender briefings;

(d) formulating appropriate terms and conditions of contract;

(e) identifying appropriate performance measures and benchmarks so that all parties know in advance what is expected, and how it will be tested;

(f) actively creating competition, so the best possible suppliers bid for contracts; and

(g) evaluating bids competently, to select the best contractor, with a strong customer focus and good prospects of building a sound relationship.

13.11 LEVELS OF CONTRACT ADMINISTRATION

(1) There are three levels of contract administration, being:

(a) the first operational level for standard contracts for goods and services. Day to day contract administration should become no more than the execution of performance monitoring, record keeping and price adjustment authorisation functions;

(b) the second or intermediate level is for more complex contracts for services. This type of contract requires a more active role for the contract manager in developing the relationship between the Municipality and the contractor and includes the functions set out as part of the first operational level;

(c) the third level is for strategic contracts involving complex partnerships and outsourcing arrangements. These contracts require more active management

of the business relationships between the supplier and the users, for example to manage outputs and not the process and include the functions set out in the first operational level and the second level, as referred to above.

13.12 APPOINTING A CONTRACT MANAGER

(1) A contract manager must be appointed by the Accounting Officer together with the director in charge of the project prior to the execution of the contract.

(2) Where it is practical to do so, the contract manager must be involved at the earliest stage of the acquisition, which is the time of writing the specifications for the contract.

(3) Contract administration arrangements must be identified and planned to include, delegations, reporting requirements and relationships and specific task responsibilities.

(4) Directorates are responsible for ensuring that contract managers:

(a) prepare the contract administration plan;

(b) monitor the performance of the contract;

(c) are appointed with appropriate responsibility and accountability;

(d) are adequately trained so that they can perform and exercise the responsibility; and

(e) act with due care and diligence and observe all accounting and legal requirements.

13.13 DUTIES AND POWERS OF A CONTRACT MANAGER

(1) The contract manager's duties and powers are governed by the conditions of contract and the applicable legal principles and statutes.

(2) The contract manager must monitor the performance of the contract monthly and must report to the Accounting Officer on the performance of the contractor and the progress of the contract monthly.

(3) The contract manager is also required to form opinions and make decisions, and in doing so is expected to be even-handed, prudent and to protect the interests of the Municipality.

(4) The SCMU is responsible for notifying the contract manager 90 (ninety) days prior to the expiry of each contract to allow the contract manager sufficient time to decide whether to renew a contract or efficiently conclude a new contract.

(5) The contract manager must ensure that the contractor duly performs according to the specifications of the contract in delivering goods and/or services on time, in the correct manner and/or quantity and to the required standard.

(6) Regular meetings and site inspections must be held by the contract manager and the contractor to inspect the progress, deliverables, identify potential problems and/or possible remedial action during the contract period.

13.14 CONTRACT GUIDELINES

(1) A guideline, which provides a description of the roles and responsibilities of a contract manager during the contract administration stage, must be documented.

(2) The provisions of this paragraph are not an exhaustive description of contract administrative activities, and some tasks may not be carried out in the sequence presented, may be done concurrently with other tasks or may not be necessary in some circumstances.

13.15 DELEGATING TO CONTRACT ADMINISTRATOR

(1) Where appropriate, a contract manager may delegate some contract administration duties to a contract administrator.

(2) The contract administrator will be required to perform duties related to processes for record keeping, authorising payment and collecting data on contractor performance.

(3) The contract manager will however remain ultimately responsible and accountable for the performance of the contract.

13.16 CONTRACT MANAGEMENT PROCESS

(1) The contract manager must ensure that the contractor fulfils its obligations and complies with its liabilities under the contract and must also ensure that contractors are treated fairly and honestly. Any non-compliance with the terms of the contract and any non-delivery or anticipated non-delivery or breaches must be reported to the Accounting Officer in writing immediately.

(2) Both parties adhering to the agreed terms will result in:

(a) value for money;

(b) timeliness;

(c) cost effectiveness; and

(d) proper contract performance.

(3) In the event of non-compliance with any contract, the contractor must be placed in default in writing approved by the Municipality's legal advisors and a complete record of all written notices of non-compliance or nature of breach, as the case may be, must be kept on record.

13.17 DOCUMENT RETENTION

(1) The need exists to retain documents on a contract file for information and audit purposes, and in order to comply with the requirements of the records office.

(2) Proper records regarding all aspects of the contract must accordingly be maintained. The contract manager shall be responsible for ensuring that the Municipality has, on the appropriate control sheet, copies of all procurement documents, bids, awards, notices and other written communications.

13.18 GUIDELINES ON CONTRACT ADMINISTRATION

(1) The responsibilities of a contract manager may include the following:

(a) establishing a contract management plan for the execution of the contract, especially for contracts pertaining to construction and land development projects;

(b) reviewing the contract management process (including the contract management plan) on a regular basis;

(c) providing a liaison between internal managers and users, and suppliers to pre-empt, identify and resolve issues as they arise;

(d) monitoring the contractor's continuing performance against contract obligations;

(e) providing the contractor with advice and information regarding developments within the department, where such developments are likely to affect the products provided;

(f) determining if staged products should continue, and providing a procurement process for additional stages which meet the principle of obtaining value for money;

(g) providing accurate and timely reporting to the senior management in charge of the project, highlighting significant performance issues or problems;

(h) ensuring that insurance policy terms and conditions provide adequate protection for the Municipality and are maintained throughout the contract period;

(i) ensuring all products provided are certified as meeting the specifications before the supplier is paid;

(j) maintaining adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;

(k) managing contract change procedures;

(l) resolving disputes as they arise;

(m) conducting post contract reviews;

(n) pursuing remedies in the event of any breach of the contract;

(o) reporting on performance/non-performance to the Accounting Officer monthly; and

(p) the Accounting Officer must establish capacity and a system to ensure effective contract management.

14 DISPOSAL MANAGEMENT

Refer to Disposal policy.

(1) The disposal management system of the Municipality provides an effective system for the transfer of ownership, disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to section 14 of the MFMA and the MATR in as far as capital assets are concerned.

(2) Every disposal by the Municipality must comply with the relevant and applicable provisions of the MFMA and MATR in as far as capital assets are concerned.

(3) The way assets may be disposed of by the Municipality includes, but is not limited to, the following:

(a) transferring an asset to another organ of state in terms of a provision of the MFMA 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.

(4) Immovable property may be sold only at market related prices except when the public interest or the plight of the poor demands otherwise and in accordance with the provisions of the Disposal Policy of the Municipality.

(5) 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.

(6) In the case of the free disposal of computer equipment, the provincial department of education must first be approached to indicate within 30 (thirty) days whether any of the local schools are interested in the equipment.

(7) In the case of the disposal of firearms, the National Conventional Arms Control Committee must approve any sale or donation of firearms to any person or institution within or outside the Republic.

(8) Immovable property must be let at market related rates except when the public interest or the plight of the poor demands otherwise.

(9) All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property must be reviewed annually.

(10) Where assets are traded in for other assets, the highest possible trade-in price must be negotiated.

(11) As far as possible, assets to be disposed of must be subjected to recycling. Disposal to landfill is not allowed unless there are no available recycling options.

(12) Non-exempted capital assets must be transferred or permanently disposed of strictly in accordance with section 14 of the MFMA read with Chapter 2 of the MATR.

(13) Exempted capital assets must be transferred strictly in accordance with Chapter 3 of the MATR.

(14) The granting of rights by the Municipality to use, control or manage municipal capital assets, where section 14 of the MFMA do not apply, must be executed strictly in accordance with Chapter 4 of the MATR.

14.1 DISPOSAL MANAGEMENT FRAMEWORK

The authority to make the determinations and subsequently in principle approve the disposal of movable assets with a value of less than R 1 million in terms of section 14(2) (a) and (b) of the MFMA as set out in MAT regulation 5(1) (b) (i) and (ii) is delegated to the accounting officer in terms of paragraph 5(6) of the MAT regulations.

14.2 DISPOSAL CATEGORIES

A. Non-exempted capital assets

(1) General determinations

(a) The fair market value of all non-exempted capital assets should be determined before the transfer or disposal thereof is considered

~~(b) Where assets are traded in for other assets, the highest possible trade-in price should be negotiated.~~

~~(2) Approval in principle~~

~~(a) A capital asset may only be transferred or otherwise be permanently disposed of after the determinations have been made and an approval has been granted in principle in terms of sub-section 14 (2) of the MFMA as set out in MAT Regulation 5(1)(b)(I) and(ii).~~

~~(3) Advertising of proposed disposals in terms of the Local Government Ordinance 1939.~~

~~The proposed disposal of a non-exempted immovable capital asset should be advertised in case of objections in terms of section 79(18) of the Local Government Ordinance, 1939, if a public participation process is not required, as set out in sub-paragraph (4) and any objections should be submitted for consideration with the proposal in terms of MAT regulation 5(1) (b) (i) and (ii).~~

~~(4) Public participation process~~

~~(a) Capital assets may only be transferred or otherwise disposed of after the Accounting Officer has conducted a public participation process to facilitate the determinations and approval has been granted in principle in terms of the section 14(2) of the MFMA, if~~

~~(i) the fair market value of the capital asset exceeds any of the following amounts:~~

~~(aa) R50 million; or~~

~~(bb) 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~~

~~(ii) the combined value of any capital assets that the Municipality intends to transfer or dispose of in the relevant financial year exceeds five percent of the total value of its assets as determined in the latest audited financial~~

~~(b) Only the Municipal Council may authorize the public participation process referred to in sub-paragraph (a).~~

~~(i) A request to the Municipal Council for authorization of a public participation process must be accompanied by an information statement stating~~

~~(aa) the valuation of the capital asset to be transferred or disposed of and the method of valuation used to determine that valuation;~~

~~(bb) the reasons for the proposal to transfer or dispose of the capital asset;~~

~~(cc) any expected benefits to the Municipality that may result from the transfer of disposal;~~

~~(dd) any expected proceeds to be received by the Municipality arising from the transfer of disposal; and~~

~~(ee) any expected gain or loss that will be realized or incurred by the Municipality arising from the disposal.~~

~~(c) If the Municipal Council has authorized the accounting officer to conduct a public participation process in connection with any proposed transfer or disposal of a high-value capital asset or other asset referred to in MAT regulation 5(2), the accounting officer must at least 60 days before the meeting of the Council at which the determinations referred to in MAT regulation 5(1)(b) are to be considered,~~

~~(j) in accordance with section 21A of the Municipal Systems Act,~~

~~(aa) make public the proposal to transfer or dispose of the capital asset together with the information statement referred to in paragraph (b)(i); and~~

~~(bb) invite the local community and other interested persons to submit to the Municipality comments or representations in respect of the proposed transfer or disposal of the capital asset; and~~

~~(ii) Solicit the views and recommendations of the National Treasury and the provincial treasury on the matter.~~

~~(5) Consideration of proposals and applications~~

~~(a) The Municipal Council and the accounting officer in cases where the authority has been delegated, must, when considering any proposed transfer or disposal of a non-exempted capital asset in terms of MAT regulation 5(1)(b)(i) and (ii), take into account~~

~~(i) whether the capital asset may be required for the Municipality's own use at a later date;~~

~~(ii) the expected loss or gain that is expected to result from the proposed transfer or disposal;~~

~~(iii) the extent to which any compensation to be received in respect of the proposed transfer or disposal will result in a significant economic or financial cost or benefit to the Municipality;~~

~~(iv) the risks and rewards associated with the operation or control of the capital asset that is to be transferred or disposed of in relation to the Municipality's interests;~~

~~(v) the effect that the proposed transfer or disposal will have on the credit rating of the Municipality, its ability to raise long- term or short-term loans in the future and its financial position and cash flow;~~

~~(vi) any limitations or conditions attached to the capital asset or the transfer or disposal of the asset, and the consequences of any potential non-compliance with those conditions;~~

~~(vii) the estimated cost of the proposed transfer or disposal;~~

~~(viii) the transfer of any liabilities and reserve funds associated with the capital asset;~~

(ix) any comments or representations on the proposed transfer or disposal received from the local community and other interested persons;

(x) any written views and recommendations on the proposed transfer or disposal by the National Treasury and the relevant provincial treasury;

(xi) the interests of any affected organ. of state, the legal and economic interests and the interests of the local community; and

(xii) compliance with the legislative regime applicable to the proposed transfer or disposal.

(b) Approval in principle in terms of regulation 5(1)(b)(ii) that a non-exempted capital asset may be transferred or disposed of, may notwithstanding anything to the contrary in this policy, be given subject to any conditions, including conditions specifying

(i) the way in which the capital asset is to be sold or disposed of;

(ii) a floor price or minimum compensation for the capital asset;

(iii) whether the capital asset may be transferred or disposed of for less than its fair market value, in which case the criteria set out in MAT regulation 13(2) must first be considered;

(iv) a framework within which direct negotiations for the transfer or disposal of the capital asset must be conducted with another person, if the transfer or disposal is subject to direct negotiations

(c) A decision by the municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal service may in terms of section 14 of the MFMA not be reversed by the Municipality after that asset has been sold, transferred or otherwise disposed of.

14.3 DISPOSAL MECHANISMS

(1) The following disposal mechanisms should be used unless determined otherwise in terms of paragraph:

(a) Immovable assets

(i) the following immovable capital assets should be sold out of hand if only one unsolicited bid or application is received for the purchase of such asset:

(aa) Redundant portions of land and portions of land required for gardening purposes of less than 450 square meters in extent

(bb) Church sites

(cc) unimproved residential sites

(ii) transfers and disposals of immovable assets other than in terms of sub-paragraph (a) (i);

~~(iii) subsidiary assets attached to immovable assets that are unsafe and/or not economically viable to repair, may be destroyed after approval in principle has been obtained in terms of section 14(2) of the MFMA, subject thereto that~~

~~(aa) in case of a building, the necessary permit be obtained from the Municipality Planning Division;~~

~~(bb) the assets may be destroyed with in-house capacity or a service may be procured through the procurement processes set out in this policy~~

~~(b) Movable assets~~

~~(1) The following disposal methods should be used in respect of movable assets:~~

~~(aa) obsolete and redundant movable assets which cannot be disposed of in terms of the afore-going mechanisms, may be destroyed after approval in principle has been obtained in terms of section 14(2) of the MFMA- subject thereto that the assets may be destroyed with in-house capacity or a service procured through the procurement processes set out in this policy~~

~~(2) The disposal mechanisms set out in this paragraph do not apply to the transfer of a non-exempted capital asset if~~

~~(a) the Municipality~~

~~(i) reviews in terms of Chapter 8 of the Municipal Systems Act its service delivery mechanisms for the performance of a municipal service;~~

~~(ii) appoints a private sector party through a competitive bidding process as the service provider for the performance of that municipal service; and~~

~~(iii) transfers the capital asset as an integral component of the performance of that municipal service to that service provider; or~~

~~(b) the Municipality –~~

~~(i) appoints a private sector party or organ of state through a competitive bidding process as the service provider for the performance of a commercial service; and~~

~~(ii) transfers the capital asset as an integral component of the performance of that commercial service to that service provider.~~

~~(3) The Municipality may negotiate directly with the selected service provider regarding the transfer of a capital asset~~

~~(4) The Municipality may not commence with the process refer or negotiations unless approval in principle has been given in terms of MAT regulation 5(1)(b)(ii)) that the relevant capital asset may be transferred or disposed of.~~

~~(5) In applying the process referred to in sub-paragraph (1) or conducting negotiations referred to in sub-regulation (3), the Municipality must consider the gain or loss that will~~

~~(a) result from the transfer or disposal of the relevant capital asset; and~~

~~(b) be recorded in the accounting records of the Municipality.~~

~~(6) If the Municipality intends to transfer to a private sector party or organ of state a non-exempted capital asset following the selection through a competitive bidding process of a service provider for the performance of a municipal service or for the performance of a commercial service~~

~~(a) all assets needed or directly related to the performance of that service must be properly identified to distinguish those assets from the other assets of the Municipality;~~

~~(b) all decisions referred to in MAT regulation 5(1)(b)(i) and (ii) relating to the transfer of the capital asset must be taken as an integral part of the broader decision-making process on the appointment of a service provider for the performance of that service; and~~

~~(c) all documents prepared for the purpose of those decisions, must be taken into account in any feasibility study conducted to determine the financial and other implications of appointing a service provider for the performance of that service.~~

~~(7) Compensation for transfer of non-exempted municipal capital assets~~

~~(a) The compensation payable to the Municipality or for the transfer of a non-exempted capital asset must, subject to sub-paragraphs (b) and (c), reflect fair market value.~~

~~(b) The minimum selling prices of immovable property must be determined as set out in the Supplementary Alienation Policy Framework attached as annexure to the Supply Chain Management Policy~~

~~(c) If the Municipality, on account of the public interest, in particular in relation to the plight of the poor, intends to transfer a non-exempted capital asset for less than its fair market value, the Municipality must, when considering the proposed transfer, take into account~~

~~(i) the interests of the State and the local community;~~

~~(ii) the strategic and economic interests of the Municipality, including the long-term effect of the decision on the Municipality;~~

~~(iii) the constitutional rights and legal interests of all affected parties; whether the interests of the parties to the transfer should carry more weight than the interest of the local community, and how the individual interest is weighed against the collective interest; and~~

~~(iv) whether the local community would be better served if the capital asset is transferred at less than its fair market value, as opposed to a transfer of the asset at fair market value.~~

~~(8) Discharge of loans on assets transferred or disposed of~~

~~(a) The proceeds received from the transfer or disposal of an asset must be used to discharge any loans against the asset as at its redemption date, or another date as may be negotiated with the lender~~

~~(b) Sub-paragraph (a) may not be read as preventing the Municipality from negotiating with the private sector party or organ of state to whom an asset is transferred, to take over, as part of the compensation payable to the Municipality, any loan the Municipality made against the asset.~~

~~(9) Transfer agreements~~

~~(a) The Municipality may transfer assets approved for transfer to a private sector party or organ of state in terms of this policy, only by way of a written transfer agreement concluded between the Municipality and the receiving private sector party or organ of state.~~

~~(b) A transfer agreement must set out the terms and conditions of the transfer, including, at least –~~

~~(i) a sufficient description of the capital asset being transferred in order to identify the asset;~~

~~(ii) particulars of any subsidiary assets that are transferred with the capital asset;~~

~~(iii) particulars of any liabilities transferred with the asset;~~

~~(iv) the amount of compensation payable to the Municipality for the transfer of the asset or assets, and the terms and conditions of payment; and~~

~~(v) the effective date from which the risk and accountability for the asset or assets are transferred to the receiving party.~~

~~(a) If a capital asset is transferred following the selection of a service provider for the performance of a municipal service referred to in MAT regulation 12(2)(a) or for the performance of a commercial service referred to in MAT regulation 12(2)(b), through a competitive bidding process, the transfer agreement~~

~~(i) must make provision for:~~

~~(aa) contract termination in the case of non- or underperformance;~~

~~(bb) dispute resolution mechanisms to (bb)settle disputes between the parties; and~~

~~(cc) a period review of the agreement once in every three years, in the case of an agreement for longer than three years; and may be incorporated into any service delivery agreement or procurement contract to be concluded with the service provider.~~

~~(10) Access to transfer agreements~~

~~a) An agreement in terms of which the Municipality transfers a non-- exempted capital asset in terms this policy:~~

~~(i) must be made available in its entirety to the council of the Municipality; and~~

~~(ii) may not be withheld from public scrutiny except as provided for in terms of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000).~~

~~(11) Non-exempted capital assets not transferred or disposed of in terms of this policy~~

~~(a) Housing schemes: This policy is not applicable to housing schemes and disposals for the plight of the poor.~~

~~(b) Public private partnerships: The transfer and disposal of non - exempted capital assets emanating from public private partnership agreements should be done in terms of section 14 of the MFMA read with the Municipal Public Partnership Regulations promulgated in terms of the said Act.~~

~~**14.4 DISPOSAL OF REDUNDANT AND OBSOLETE GOODS, STOCK AND MATERIALS**~~

~~(1) Goods and stock do not meet the requirements of capital assets, as they cannot continuously and repeatedly be used for a period of more than one year in the production or supply of goods and services or for administrative purposes, or for rental to others and future economic and social benefit cannot be derived from them.~~

~~(2) Redundant and obsolete stock must be reported to the CFO on a quarterly basis, including the values of the said stock and the reasons why it has become redundant or obsolete.~~

~~(3) All determinations with regard to the advertising and selling or destruction of movable assets set out in this policy are mutatis mutandis applicable to the disposal of redundant and obsolete stock that has been written off by the CFO in terms of the relevant delegation.~~

15 RISK MANAGEMENT

(1) The risk management system of the Municipality provides for an effective system to identify, consider and avoid potential risks in the Supply Chain Management System.

(2) The management of risks pertaining to supply chain management must always comply with the criteria laid down in the Risk Management Policy of the Municipality.

(3) Managing risk must be part of the philosophy, practices and business plans of the Municipality and should not be viewed and practiced as a separate activity in isolation but must be integrated in the systems and functions of the Municipality. Risk management is an integral part of good management of acquisition activities and cannot be effectively performed in isolation from other aspects of acquisition management.

(4) Risk management includes, but is not limited to:

(a) early and systematic identification of risks on a case-by-case basis, analysis and assessment of risk, including conflicts of interest and the development of plans for handling the same;

(b) the allocation and acceptance of the responsibility of risk to the party best suited and placed to manage such risk;

(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 risk in a pro-active manner and the provision of adequate cover for residual risk;

(e) the assignment of relative risk to the contracting parties through clear and unambiguous contract documentation;

(f) ensuring that the costs incurred in managing risk are commensurate with the importance of the purchase and the risk to the operations of the Municipality; and

(g) taking appropriate professional advice from the appropriate officials or service providers to identify appropriate processes, procedures, outcomes, controls and other pertinent factors prior to undertaking activities with high levels of risk.

(5) The risk management process must be applied to all stages of supply chain management, be it the conceptual stage, project definition, specification preparation, acquisition approval or implementation to completion.

(6) Appropriate risk management conditions must therefore be incorporated in contracts and monitored.

16 PERFORMANCE MANAGEMENT

(1) The performance management system of the Municipality provides for an effective internal monitoring system to determine, based on a retrospective analysis, whether the authorised supply chain management processes are being, or were followed, and whether the desired objectives of this policy are being or were achieved.

(2) The Accounting Officer must establish and implement the system contemplated in sub-paragraph (1) above.

(3) Performance management must contain a monitoring process together with a process of retrospective analysis to determine whether:

(a) value for money has been attained;

(b) proper processes have been followed;

(c) desired objectives have been achieved;

(d) there is an opportunity to improve the process and limit similar risk in future;

(e) suppliers have been assessed and the results of the assessment; and

(f) there has been deviation from procedures and, if so, what the reasons for such deviation are.

(4) The performance management system must accordingly focus on, amongst other outcomes, the:

(a) achievement of goals;

(b) compliance to norms and standards and applicable legislation;

(c) savings generated;

(d) cost variances per item;

(e) non-compliance with contractual conditions and requirements; and

(f) cost efficiency of the procurement process itself.

CHAPTER 3

OTHER MATTERS

17. PROHIBITION ON AWARDS TO PERSONS WHOSE/WHICH TAX MATTERS ARE NOT IN ORDER

(1) The Municipality may not under any circumstances, irrespective of the procurement process followed, make an award above R15 000.00 to any person or entity whose/which tax matters have not been declared to be in order by The South African Revenue Services.

(2) Before making an award to a person or entity, the Municipality must first check with the South African Revenue Services whether that person's or entities' tax matters are in order.

(3) If the South African Revenue Services does not respond within 7 (seven) days such person's or entities' tax matters may for purposes of sub-paragraph (1) above, be presumed to be in order.

18. PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE

The Municipality may not under any circumstances, irrespective of the procurement process followed, make an award to a person or entity:

(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) who is an advisor or consultant contracted with Municipality.

19. 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 of the Municipality disclose the particulars of any award of more than R2 000.00 to a person who is a spouse, child or parent of a person in the service of the state, or who has been in the service of the state in the previous 12 (twelve) months, including:

(a) the name of that person;

(b) the capacity in which that person is or was in the service of the state; and

(c) the amount of the award.

20. CODE OF ETHICAL STANDARDS

(1) In addition to this code of ethical standards, the codes of conduct for councillors and municipal staff members as set out in Schedule 1 and Schedule 2to the MSA shall apply in the implementation of this policy.

(2) The code of ethical standards for officials and all other role-players in the Supply Chain Management System which is established hereby seeks to promote:

(a) mutual trust and respect; and

(b) an environment where business can be conducted with integrity and in a fair, honest and reasonable manner.

(3) An official and/or other role-player involved in the implementation of this policy:

(a) must treat all providers and potential providers equitably;

(b) may not use his or her position for private gain or to improperly benefit another person;

(c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person of more than R350.00 in value;

(d) notwithstanding sub-paragraph(c) above, must declare to the Accounting Officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that 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 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 the Municipality;

(h) must assist the Accounting Officer in combating fraud, corruption, favouritism, 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 Regulation 47 of the SCMR; or

(iii) any alleged breach of the code of ethical standards.

(4) All declarations in terms of sub-paragraph20(3)(d) and 20(3)(e) above, must be recorded by the Accounting Officer in a register which the Accounting Officer must keep for this purpose.

(5) All declarations by the Accounting Officer must be made to the Executive Mayor of the Municipality, who must ensure that such declarations are recorded in the register.

(6) The Accounting Officer is responsible to ensure that appropriate steps are taken against any official or other role-player who commits a breach of any provision of this code of ethical standards, and Council must ensure that the same measures are enforced where a breach has been committed by the Accounting Officer.

(7) A breach of the code of ethical standards and any adopted code/s of conduct must be dealt with in accordance with Schedule 1 or Schedule 2 of the MSA, depending upon the circumstances, or the Disciplinary Regulations.

(8) This Accounting Officer must, in his/her implementation of this policy, consider, adopt and apply the National Treasury's Code of Conduct for Supply Chain Management Practitioners (Practise Note SCM 4 of 2003). This code of conduct is binding on all officials and other role-players involved in the implementation of this policy and a copy thereof is available on the website www.treasury.gov.za/mfma located under “legislation”.

20.1 INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO THE MUNICIPALITY, ITS OFFICIALS AND/OR OTHER ROLE-PLAYERS

(1) No person who is a provider or prospective provider of goods and/or services to the Municipality, or a recipient or prospective recipient of goods disposed or to be disposed of by the Municipality, may either directly or through a representative or intermediary promise, offer or grant:

(a) any inducement or reward to the Municipality for or in connection with the award of a contract; or

(b) any reward, gift, favour or hospitality to any official of the Municipality or any other role-player involved in the implementation of this policy of the Municipality.

(2) The Accounting Officer of the Municipality must promptly report any alleged contravention of sub-paragraph (1) above 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.

(3) Sub-paragraph (1) above does not apply to gifts less than R500.00 in value.

(4) The Accounting Officer must, on becoming aware that any reasonably suspected crime has been committed involving any procurement or disposal process or contract, report same to the SAPS, Council and the Provincial and National Treasuries. The Municipality may help the SAPS and the National Prosecuting Authorities to ensure the effective prosecution of wrongdoers.

(5) The Municipality has a “zero tolerance” approach to criminal wrongdoing.

20.2 SPONSORSHIPS

The Accounting Officer of the Municipality must promptly disclose to the National Treasury and the relevant Provincial Treasury any sponsorship promised, offered or granted to the Municipality or any of its officials, whether directly or through a representative or intermediary, by any person who is:

(a) a provider or prospective provider of goods and/or services to the Municipality; or

(b) a recipient or prospective recipient of goods disposed or to be disposed of by the Municipality.

20.3 OBJECTIONS AND COMPLAINTS

Persons aggrieved by decisions or actions taken by the Municipality in the implementation of this policy, may lodge within 14 (fourteen) days of the decision or action, a written objection or complaint against the decision or action.

20.4 RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

(1) The Accounting Officer must appoint an independent and impartial person not directly involved in the supply chain management processes of the Municipality:

(a) to assist in the resolution of disputes between the Municipality and other persons regarding:

(i) any decisions or actions taken by the Municipality in the implementation of its Supply Chain Management System; or

(ii) any matter arising from a contract awarded during its 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.

(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.

(3) The person appointed by the Accounting Officer in terms of sub-paragraph (1) above 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.

(4) A dispute, objection, complaint or query may be referred to the relevant Provincial Treasury if:

(a) the dispute, objection, complaint or query is not resolved within 60 (sixty) days; or

(b) no response is received from the Municipality within 60 (sixty) days.

(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.

(6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

20.5 CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER

Where a service provider acts on behalf of the 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 Municipality must stipulate:

(a) a cap on the compensation payable to the service provider; and

(b) that such compensation must be performance based.

21 CESSION

The Accounting Officer or a delegated authority may allow cessions for the purpose of supplier/contractor development without putting Rustenburg Local Municipality at higher risk. Such conditions are subject to standard terms and conditions of contracts.

Cessions may include the following:

21.1 SUPPLIER-TO-SUPPLIER COMPANY BASED ON A VALID AGREEMENT

This is where company A decides to give between 25% and 45% of its work to a competent company based on certain changes (financial or capacity-wise) after the award. The company may decide to cede its portion of the work based on a written cession agreement. The company is also required to notify Rustenburg Local Municipality and explain the rationale behind such a move.

21.2 CESSION BASED ON MATERIAL SUPPLIES

Based on lack of finance, the company that was awarded the bid may cede the entire or part of its payment to suppliers who will claim 'from his/her payment certificate. In this case, Rustenburg Local Municipality may pay the suppliers directly or accept a formal agreement between the suppliers and contractors' payment conditions until the end of the contract.

21.3 CESSION BASED ON ACCESS TO FINANCE

This shall also include cases where a financial company pays the supplier/contractor in advance and later claims on ·the contractor's certificate. The bank may want a contractor to cede a certain portion of the contract to it as part of risk management. If that becomes the case, Rustenburg Local Municipality needs to be aware of such an arrangement and make its own analysis of the risks involved.

21.4 CESSION BASED ON INSURANCE

The same may apply to insurance companies before they award insurance affecting cessions based on access to finance.

21.5 CESSIONS BASED ON CAPACITY

A company may obtain extra capacity owing to lack of skills within the company and allow a skilled company to take over part or a larger part of its work not more than 40%, based on an agreed cession without promoting fronting.

22 SUPPLIER DEVELOPMENT PROGRAMME

(1) The objective of this programme is to help increase the capacity and capability of all suppliers doing business with the Rustenburg Local Municipality. Capacitate the suppliers on sustainable procurement requirements/practices and also promote BEE-related entrepreneurial development.

The E-Procurement Database Categories businesses in the following manner:

(a) women-owned businesses

(b) youth-owned businesses

(c) businesses owned by people with disability

(d) SMME-owned businesses.

(e) Military veterans- owned businesses

(2) The mechanism in supporting this programme will include:

(a) tender accessibility - to reach all suppliers from all sectors of society by advertising through the E-Procurement, National Treasury e-tender portal and appropriate media.

(b) early payment - Council shall, upon receipt of all relevant documentation, pay small and micro-suppliers within 15 days whenever possible.

(c) financial and non-financial support - assist small and micro-suppliers to expand capacity through: tendering advice, business training, access to procurement opportunities and contract guarantees.

23. ~~CONTRACT TERMINATION~~

~~(1) A contract may be terminated for many reasons, including a breach of contract, a legal dispute, supplier reconsideration, change of a supplier, etc. A contract may only be terminated strictly in accordance with the termination clauses and reasons for termination as contained in the contract.~~

~~(2) Before a contract is terminated, all risks need to be assessed in terms of the supply of the assets, goods or services, including legal risks, operational risks and financial risks. The Municipality Legal Department must get involved so as to determine the risk to the Municipality in terminating the contract, and how the Municipality's legal risk position will change, as a result of giving effect to a termination. The termination process and associated conditions thereof are described in the contract conditions. The payment to be settled between the parties differs depending on whether the Municipality terminates the contract, or the supplier terminates the contract. It is of utmost importance that the Municipality Treasury Section is informed of any terminations in cases where there is FOREX involved with forward cover taken out. The contract file must be updated with all correspondence between the Municipality and the Supplier for audit purposes and/or in the event of legal issues.~~

23.1 ~~CONTRACT TERMINATION CLAUSE PROCESS:~~

1) ~~In the event that either party seeks to terminate this contract, a written notice of termination must be provided to the other party at least 14 days in advance of the intended termination date. The termination notice shall clearly state the reasons for termination and the effective date of termination.~~

2) ~~Upon receipt of the termination notice, both parties shall engage in good faith discussions to facilitate a smooth transition and resolution of any outstanding matters. Any obligations or liabilities accrued prior to the termination date shall remain in effect and must be fulfilled by the respective parties.~~
3) ~~Following the effective date of termination, both parties shall cooperate in the return of any property, records, or confidential information belonging to the other party. Any outstanding payments, fees, or expenses owed by either party shall be settled within [insert timeframe] days of the termination date.~~
4) ~~Furthermore, upon termination of this contract, any confidentiality, intellectual property, and non-disclosure clauses outlined in the agreement shall remain in force to protect the interests of both parties.~~
5) ~~This contract termination clause is binding and supersedes any conflicting clauses or provisions within the contract. Both parties acknowledge and agree to abide by the terms and conditions set forth herein in the event of contract termination.~~

24. EMERGENCY PROCUREMENT

~~(1) In emergency cases, an institution may dispense with the invitation of bids and may obtain the required goods, works or services by preferably making use of the database of prospective suppliers, or otherwise in any manner to the best interest of the Rustenburg Local Municipality.~~

~~(2) Emergency cases are cases where early delivery is of critical importance and the invitation of competitive bids is either impossible or impractical. (However, a lack of proper planning should not be constituted as an emergency case.)~~

~~(3) In the case of an emergency, where a deviation from the procurement processes is necessary, or in any other exceptional case where it is impractical or impossible to follow the official procurement processes; this policy will allow the Accounting Officer:~~

~~(a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include negotiations; and~~

~~(b) to ratify or rectify 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.~~

~~(c) Appropriate authorisation must immediately be sought before work can commence.~~

~~(d) Relevant approval documentation, including the Report must be completed within 48 hours and submitted for FINAL ratification.~~

~~(4) The Accounting Officer must record the reasons for any such deviation envisioned in sub-paragraph (1) above and report them to the next meeting of the council or board of directors in the case of a municipal entity; as well as, include a note to the annual financial statements.~~

~~(5) Sub-paragraph (2) does not apply to the procurement of goods and services contemplated in section 110(2) of the Act.~~

25 SOLE SOURCE

(1) Where, as a result of proven in-depth market analysis, only one supplier in the market has been identified as being capable or available to supply the assets, goods or services in the existing circumstances, it may then become necessary to deviate from competitive tendering. ~~and follow the sole source process.~~

~~(2) Alternatively, the Sole Source Justification Form can be used to identify a supplier as a general sole source for a specified category of assets, goods or services to the Municipality for a maximum period of 1 year. In this case, the approval for the appointment of the supplier as a general sole source supplier for the identified category of supply /services needs to be obtained from the BAC, as this is considered to be a "blanket" approval with no specific value attached to the total number of orders / contracts to be placed with the supplier over the specified 1 year period. Suppliers falling into this category are generally OEM's. Once the "blanket" approval has been granted by the BAC to categorise the supplier as a general sole source for the category of supply /services, a Sole Source Justification Form will not be required for every order /contract placed with the supplier within the validity period of the "blanket approval". A list of these suppliers with their approved Sole Source Justification Forms, and corresponding validity periods, will be stored on the Documentation Management System for accessibility to all Supply Chain Management Officials.~~

(3) The management of sole suppliers is an important part of ensuring fairness, equitability, transparency, competitiveness, and cost-effectiveness.

(4) It is unacceptable for an End-User to refuse to use alternatives to a preferred supplier/brand where there is no valid technical or business case for such a decision.

~~(5) Supply Chain Management Officials and End-Users are not permitted to negotiate without prior tendering in order to avoid competition, to discriminate against certain suppliers or groups of suppliers, or to give unwarranted protection to selected suppliers.~~

~~(6) Sole Source Justification Forms will not be required in the case of negotiation with an Internal Supplier, or where the request for mandated negotiations is with two suppliers, which precludes execution of a competitive tender.~~

~~(7) It is furthermore a material breach of this policy for any employee to engage in negotiations with a supplier without an approved mandate to negotiate, or to participate in any negotiation on their own.~~

(8) There are a number of ways in which a supplier may be justified as a sole source:

(a) **TRUE SOLE SOURCE (MONOPOLY)**

Assets, goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute exists such as reasons connected with intellectual property rights (e.g. patents or copyrights), or in the absence of competition.

Thorough market research must be done to ensure that a true monopoly exists both in the local, national and international markets. In the longer term, the Municipality should consider alternatives or try to encourage development of competition. The sole supplier must provide a confirmation letter from the Department of Trade and Industry and competition.

(b) **INSTALLED BASE [ORIGINAL EQUIPMENT MANUFACTURER (OEM)]**

A change of supplier would compel the Municipality to obtain spare parts or additional assets, goods or services that are not compatible or interchangeable with existing assets, goods or services that were obtained from an original supplier. Spares can only be bought from the OEM, unless risk analysis shows that the use of parts from alternative manufacturers is feasible, and this has been confirmed in writing by the applicable technical experts.

The implications of installed base should be factored into procurement decisions, based on the initial Total Cost of Ownership analysis which has been confirmed in writing by the applicable technical experts.

(c) **INCOMPATIBLE MATERIAL**

Changing the source or type of materials, such as chemicals, lubricants or fuels, would necessitate the complete exchange of material due to incompatibility of material from different sources.

The Supply Chain Management Official, together with the End-User, may conduct a market analysis and apply a Total Cost of Ownership model to establish whether the complete change of material, “flush- out” and opportunity costs will be beneficial over time.

(d) ~~**ESTABLISHED (ON-SITE) SUPPLIER**~~

~~At times, additional works or services, not forming part of the initial contract, become necessary in order to complete the plant, system or structure. If separating the additional works / services from the original contract will be difficult for technical or economic reasons and/or the separation will cause significant cost or time constraints to the Municipality, a valid sole source motivation exists.~~

The Supply Chain Management Official together with the End-User must do a formal cost/benefit analysis to establish whether it is more cost-effective to continue with the established supplier, or whether to request competitive tenders/ proposals. This must form part of the motivation for the use of the supplier as a sole source. If negotiation only with the established supplier is envisaged, the negotiations must be based on a best estimate of the cost of the works / services excluding site establishment costs and a properly motivated request for a mandate to negotiate must be presented to the BAC.

(9) **THE FOLLOWING STEPS MUST BE FOLLOWED WHEN A SOLE SOURCE SUPPLIER IS IDENTIFIED:**

(a) The Head of Supply Chain Management, in developing the commercial strategy, arrives at the conclusion /deduction that a sole source supplier situation exists.

(b) The strategy indicating a sole source supplier situation must be compiled on the Commercial Strategy Approval template and approved by the Head of Supply Chain Management or delegated Official within Supply Chain Management and End User based on the strategy.

(c) Where the sole source is an OEM or a sole distributor of the OEM, who provides spare parts to the Municipality, the BAC must determine whether to proceed directly to negotiations or whether to follow an enquiry process. It is not permissible to request a quotation /proposal from a sole source supplier without first presenting the mandate request to the Accounting Officer, as Municipality employees (including Supply Chain Management Officials) are not permitted to engage with suppliers in negotiations without a formal mandate from an Accounting Officer.

(d) After approval of the commercial strategy, the Supply Chain Management Official, must complete a Commercial Transaction Approval Form requesting a mandate to negotiate from the Accounting Officer. The approval of the commercial strategy and the request for a mandate to negotiate may be handled together by the Accounting Officer.

(e) A formal supporting motivation for the use of the supplier as a sole source must be provided by the End-User and approved by his/her designated Official in their department, who is responsible for the technical and operational integrity of the assets, goods or services required. This motivation is set out within a Sole Source Justification Form which must be duly signed and validated by all required signatories and which must accompany the Commercial Transaction Approval Form for approval by the Accounting Officer.

(f) Prior research into the prices needs to be conducted by the Supply Chain Management Official in order to determine a real and aspiration base for negotiations on price, and any other parameters which may become a negotiation objective, forming part of the mandate request.

(g) The SCM Official and End-User, may present the Commercial Transaction Approval Form, together with the signed Sole Source Justification Form to the Accounting Officer for approval.

(h) Once the mandate is approved, the Supply Chain Management Official either proceeds directly with negotiations or prepares a RFQ /RFP, based on the approved mandate, and then issues the enquiry to the sole supplier for a quote/proposal. The offer /quotation is requested and submitted in the same way as for an informal tender amounting up to R200,000, and processed in the same way as a formal tender if greater than R200,000. The Supply Chain Management Official then develops and plans their strategy for negotiation based on the Supplier's proposal / quotation.

(i) In order to proceed with negotiations, the Supply Chain Management Official arranges a venue, invites the relevant supplier and the negotiation team as per the approved mandate, formulates an agenda and ensures that minutes of the negotiations are recorded in writing.

(j) The lead negotiator, as assigned by the Accounting Officer granting the mandate, will lead the negotiations and ensure that all mandated parameters are discussed and agreed upon. After each session of negotiations, the supplier and the Municipality sign off on the recorded minutes, as proof of what has been agreed upon and what remains outstanding for resolution.

(k) Should negotiations not transpire as per the negotiation strategy or where negotiations result in failing to achieve the required mandate, the lead negotiator must seek advice from the assigned negotiation controller who must advise and direct the negotiation team toward resolution of the issues or toward an alternative negotiation strategy.

(l) If the outcome of the negotiations is within the ambit of the approved mandate parameters, the Supply Chain Management Official submits feedback from the negotiations against the relevant section of the Commercial Transaction Approval Form to the Accounting Officer outlining the results of the negotiations against the mandate parameters.

(m) If the outcome of negotiations is outside the mandated parameters, the Supply Chain Management Official in consultation with the negotiation team may request an approval of a negotiated outcome, a revised mandate or may request cancellation of the transaction from the Accounting Officer.

(n) The SCM Official ensures that all relevant documents are filed for audit purposes.

26 PILOT / INNOVATIVE PROJECTS

(1) A bid for a pilot project is considered to be a bid that is received outside the normal bidding process.

(2) The Rustenburg Local Municipality is not obliged to accept a bid received to initiate a pilot project.

(3) If the Rustenburg Local Municipality decides to consider such a bid, it may do so only in accordance with a prescribed framework.

(4) In the case of such, a pilot project being approved by the Accounting Officer and initiated on behalf of Rustenburg Local Municipality, the policy will only allow the pilot project to proceed, if the pilot project:

(a) offering the proposed product or service is a demonstrably or proven unique innovative concept for the Rustenburg Local Municipality;

(b) offering the proposed product or service will be exceptionally beneficial to Rustenburg Local Municipality;

(c) will be at no cost to the Rustenburg Local Municipality;

(d) there must be demonstrable benefits that accrue to the Municipality

(e) has a sound and approved business case which has been reviewed by the Accounting Officer; and

(f) has an end user(s) which has/have accepted and remain liable and responsible for the project management plan, roll-out and deployment.

(5) The pilot project may not exceed a life-span of twenty-four (24) months and once this life-span has come to an end.

(6) There would be no expectation that the Municipality will automatically award to prospective supplier.

(7) The project must be advertised on an open tender and follow all policy processes and procedures in doing so.

(8) In instances where such project will be acquired the normal procurement process will be followed.

CHAPTER 4

COMBATING ABUSE OF THE SUPPLY CHAIN MANAGEMENT SYSTEM

27. COMBATING OF ABUSE OF THE SUPPLY CHAIN MANAGEMENT SYSTEM

(1) The terms of reference of this paragraph of this policy ensure compliance with Regulation 38 of the SCMR.

(2) The Accounting Officer shall take all reasonable steps to prevent abuse of the Supply Chain Management System and to investigate any allegations of improper conduct against the concerned official, councillor, or other role player and when justified may:

(a) take, or ensure that appropriate steps are taken, against such official, councillor or other role player; and/or

(b) inform the Speaker of any allegations against any councillor involved in contraventions of the Supply Chain Management System; and/or

(c) report any alleged criminal conduct to the South African Police Service and/or other recognised state authority dealing with criminal investigations.

(3) The steps referred to in sub-paragraph (2) above which the Accounting Officer may take include registering the affected person in the Municipality's Register of Tender and Contract Defaulters as well as:

(a) rejection or withdrawal of recommendations, or invalidation of decisions that were unlawfully or improperly made or influenced, including recommendations or decisions that were made or in any way influenced by:

(i) councillors in contravention of item 5, 6 or 9 of the Code of Conduct for Councillors set out in Schedule 1 of the MSA; or

(ii) municipal staff members in contravention of item 4, 5 or 8 of the Code of Conduct for Municipal Staff Members set out in Schedule 2 of the MSA;

(iii) the unlawful or improper conduct of a bidder or its representatives in competing for the contract;

(b) rejection of the bid of an affected person if that person or any of its representatives (including partners, directors of members):

(i) has failed to pay municipal rates and taxes or municipal service charges and such rates, taxes and charges are in arrears for a period longer than 3 (three) months, as at the date of the submission of the bid;

(ii) has abused the Supply Chain Management System or has committed any improper conduct in relation to the Supply Chain Management System;

(iii) has been convicted of fraud or corruption during the 5 (five) year period immediately preceding the invitation of bid in question;

(iv) is listed:

(aa) in the Register for Tender and or Contract Defaulters in terms of the provisions of section 29 of the Prevention and Combating of Corrupt Activities Act;

(bb) on the National Treasury's database as a person prohibited from doing business with the public sector or;

(cc) on the Municipality's Register of Tender and Contract Defaulters.

(v) who, during the last 5 (five) year period immediately preceding the invitation of the bid in question, failed to perform satisfactorily on a previous or current contract with the Municipality or other organ of state after written notice was given to the affected person that such person's performance was unsatisfactory; and/or

(vi) wilfully neglected and/or breached any government, municipal or other public-sector contract during the 5 (five) year period immediately preceding the invitation of the bid in question;

(c) cancellation of a contract awarded to a person if that person:

(i) committed a fraudulent act during the procurement process or the execution of the contract;

(ii) incited or participated in any corrupt or fraudulent act, by an official, councillor or other role-player during the procurement process or in the execution of that contract and the person who committed the corrupt or fraudulent act benefited there from.

27.1 MUNICIPALITY'S REGISTER OF TENDER AND CONTRACT DEFAULTERS

(1) The Accounting Officer shall, subject to the procedures prescribed in this policy, be entitled to list a person or any of its representatives, where applicable, on the Municipality's Register of Tender and Contract Defaulters for a period not exceeding 5 (five) years in any of the circumstances listed in terms of this policy.

(2) In the circumstances referred to in paragraph 21(3)(c)(i) and 21(3)(c)(ii) above, the person convicted of the relevant offense shall automatically also be listed on the Municipality's Register of Tender Contract Defaulters by the Accounting Officer.

(3) In circumstances where a preference in terms of the PPPFA has been obtained on a fraudulent basis or any specific goals are not attained in the performance of the contract, the affected person may be listed on the ~~Municipality's~~ National Treasury Register of Tender and Contract Defaulters for a period not exceeding 10 (ten)years.

(4) Any listing in terms of paragraph 21(3) above shall, at the discretion of the Accounting Officer, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first mentioned person, and with which enterprise or person the first-mentioned person, is, or was, in the opinion of the Accounting Officer, actively associated.

(5) A person who has been listed on the ~~Municipality's~~ National Treasury Register of Tender and Contract Defaulters shall not be entitled to be awarded any contract by the Municipality for the duration of the period reflected on such register.

(6) ~~The Accounting Officer may, on worthy cause shown, remove a person from the Municipality's Register of Tender Contract Defaulters or reduce the period for which a person is prohibited from being awarded any contract by the Municipality. The reasons therefore shall be disclosed at the next opportunity to Council.~~

27.2 AUTOMATIC REJECTION OF BID

The Accounting Officer may, after written verification with a person, automatically reject the bid of such a person if the person:

(a) has been convicted of fraud or corruption during the past 5 (five) year period immediately preceding the invitation of the bid in question; and/or

(b) is listed on the:

(i) Register for Tender Defaulters in terms of the provisions of section 29 of the Prevention and Combating of Corrupt Activities Act;

(ii) National Treasury's database as a person prohibited from doing business with the public sector; and/or

(iii) Municipality's Register of Tender and Contract Defaulters.

27.3 ADEQUATE NOTICE OF MANNER OF ABUSE OF THE SUPPLY CHAIN MANAGEMENT SYSTEM

(1) Once the Municipality has obtained *prima facie* evidence which it deems to be sufficient to initiate proceedings to take steps against the affected person as contemplated in paragraph 21(2) and 21(3) of this policy, the Municipality must give the affected person adequate written notice of the way it is alleged that the affected person abused the Supply Chain Management System

(2) In order to constitute adequate notice of the way it is alleged that the affected person abused the Supply Chain Management System the notice must:

(a) outline the grounds on which it is alleged that the affected person abused the Supply Chain Management System, with sufficient particulars to enable the affected person to respond to the allegations stipulated in the notice;

(b) refer to the applicable provisions of this policy in terms of which steps may be taken in the event where it is proved that the affected person abused the Supply Chain Management System;

(c) stipulate that the affected person must make written representations in response to such allegations of abuse of the Supply Chain Management System within 14(fourteen) calendar days of the date when the notice was served by a duly authorised person, acting on behalf of the Municipality, on the affected person;

(d) state that written submissions received after the due date for such submissions shall be disregarded unless worthy cause is shown by way of a request for condonation for the late lodgement of the submissions and only when the condonation would not lead to unnecessary delays or otherwise prejudice the public interest;

(e) state the name, official title, postal address, street address, telephone number of the official of the Municipality to whom written submissions or any correspondence in terms of this policy must be sent.

27.4 RIGHT OF ACCESS TO INFORMATION

(1) When furnishing the affected person with the notice ~~referred to in paragraph 21.3 above~~, the Municipality shall furnish the affected person with access to all documents upon which the Municipality relies in respect of the allegations against the affected person.

(2) The affected person shall be furnished by the Municipality with any such additional information as the affected person is entitled to in terms of PAIA on the same terms provided therein.

(3) Where further information is requested, the Municipality may, in its sole discretion and upon a written request to do so, ~~appropriately extend the period contemplated inparagraph21.3(2)(c)~~ so that the affected person is granted adequate time to consider any information provided pursuant to such request prior to the due date for such submissions.

27.5 ~~ADMINISTRATION OF HEARINGS.~~

~~(1) The Accounting Officer shall appoint an independent and impartial person, who may be an official of the Municipality, to preside and adjudicate on allegations of abuse of the Supply Chain Management System against an affected person.~~

~~(2) The Presiding Officer will adjudicate on the matter based on the written notice and written response and will inform all relevant parties accordingly should the matter, or part thereof be referred for an oral hearing.~~

~~27.6 RIGHT TO BE HEARD.~~

~~(1) An affected person shall, in accordance with and subject to, the procedures in terms of this policy, be granted the right to be heard upon receiving notice as contemplated in terms of paragraph21.3 above, and prior to the Accounting Officer taking any of the steps listed in paragraph 21(2) and 21(3) above.~~

~~27.7 ORAL HEARINGS~~

~~(1) An affected person does not have an automatic right to an oral hearing but may apply to the presiding officer to have the matter set down for an oral hearing in instances where the presiding officer decided to entertain the matter without oral evidence being heard, or not to refer the matter for an oral hearing.~~

~~(2) The presiding officer may grant such an opportunity in its discretion where the affected person has provided sufficient grounds to the presiding officer to refer the matter for an oral hearing~~

~~(3) The presiding officer shall take any relevant factor into account when deciding whether or not to grant an application referred to in sub-paragraph (2) above by an affected person.~~

~~(4) The presiding officer must ensure that notice of an oral hearing shall be served by a duly authorised person on all relevant parties within 7 (seven) days of receipt of their presentations referred to in paragraph21.3(2)(c) above, and must:~~

~~(a) set the date of the oral hearing;~~

~~(b) inform the affected person of their right to legal representation; and~~

~~(c) include any other information which the presiding officer may deem relevant or necessary to be included in the notice.~~

~~(5) The Municipality must be appropriately represented at these hearings by a natural person to lead the evidence against the affected person.~~

~~**27.8 PROCEDURE AT ORAL HEARING**~~

~~(1) The procedure to be followed at an oral hearing shall be determined by the presiding officer.~~

~~(2) Witnesses must testify under oath.~~

~~(3) Affected person(s) or their representatives shall have the right to present their case and to cross-examine any witnesses who testify at the hearing.~~

~~(4) Witnesses called by the affected person(s) shall be subjected to cross-examination by any party who may have an interest at the hearing.~~

~~**28.9 ONUS OF PROOF**~~

~~The onus is on the Municipality to prove any allegations of abuse of the Supply Chain Management System which proof shall be on a balance of probabilities.~~

~~**28.10 RIGHT TO LEGAL REPRESENTATION**~~

~~An affected person shall have a right to legal representation.~~

~~**28.11 RIGHT TO REQUEST REASONS**~~

~~An affected person shall be informed of the right to request written reasons in terms of the provisions of section 5 of PAIA in respect of any decision taken by the Municipality in terms of this policy.~~

~~**28.12 CRIMINAL PROCEEDINGS**~~

~~The Accounting Officer shall institute criminal proceedings where there is *prima facie* proof of abuse of the Supply Chain Management System that constitutes a criminal offence of corruption or fraud.~~

~~**28.13 INFORMING PROVINCIAL AND NATIONAL TREASURY**~~

~~The Accounting Officer must inform the Provincial and National Treasury of any actions taken in terms of this paragraph.~~

CHAPTER 5

PREFERENTIAL PROCUREMENT

28. PLANNING AND STIPULATION OF PREFERENCE POINT SYSTEM TO BE UTILISED

The Municipality must, prior to making an invitation for bidders:

(1) properly plan for, and, as far as possible, accurately estimate the costs of the provision of goods and/or services for which an invitation for bids is to be made;

(2) determine and stipulate the appropriate preference point system to be utilised in the evaluation and adjudication of the bids; and

(3) ~~determine whether the goods and/or services for which an invitation for bids is to be made have been designated for local production and content in terms of paragraph 34 below.~~

29. EVALUATION OF BIDDERS ON FUNCTIONALITY

(1) The Municipality must indicate in the invitation to submit a bid if such a bid will be evaluated for functionality.

(2) The evaluation criteria for measuring functionality must be objective and clearly stated.

(3) When evaluating bids on functionality, the:

(a) evaluation criteria for measuring functionality;

(b) weight of each criterion;

(c) applicable values; and

(d) minimum qualifying score for functionality; may not be so-

- low that it may jeopardize the quality of the required goods or services; or
- high that it is unreasonably restrictive.

Points scored for functionality must be rounded off to the nearest two decimal places.

(e) The above criteria must be clearly specified in the invitation to submit a bid.

(4) No bid must be regarded as an acceptable bid if such bid fails to achieve the minimum qualifying score for functionality as indicated in the bid invitation.

(5) Bids which have achieved the minimum qualification score for functionality must be evaluated further in terms of the preference point system prescribed in paragraphs 30 and 31 below.

(6) Score sheets should be signed by the panel members and if necessary written motivation may be requested from the panel members where there are vast discrepancies in the values awarded to each for each criterion or the committee can do the functionality together to avoid discrepancies and enhance objectivity.

30. THE 80/20 PREFERENCE POINT SYSTEM FOR THE ACQUISITION OF GOODS AND/OR SERVICES UP TO A RAND VALUE OF R50 MILLION

1.1 The following preference point systems are applicable to invitations to tender:
- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2 **To be completed by the organ of state**

a) The applicable preference point system for this tender is the 80/20 preference point system.

b) The 80/20 will be applicable in this tender.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:
(a) Price; and
(b) Specific Goals.

1.4 **To be completed by the organ of state:**
The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	**100**

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

(a) **"tender"** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation.

(b) **"price"** means an amount of money tendered for goods or services and includes all applicable taxes less all unconditional discounts.

(c) **"Rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes.

(d) **"tender for income-generating contracts"** means a written offer in the form

determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and

(e) **"The Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. **POINTS AWARDED FOR PRICE**

3.1.1 **THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS**

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20 **or** **90/10**

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right) \quad \text{or} \quad Ps = 90\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

3.2. **FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT**

3.2.1. **POINTS AWARDED FOR PRICE**

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20 **or** **90/10**

$$Ps = 80\left(1 + \frac{Pt - P\,max}{P\,max}\right) \quad \text{or} \quad Ps = 90\left(1 + \frac{Pt - P\,max}{Pmax}\right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point

system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.
***Note to tenderers: "The tenderer must indicate how they claim points for each preference point system. Points claimed will be verified by RLM using the CSD Report, and preference points will be allocated accordingly*. Bidders who fail to complete the table below will NOT be disqualified BUT will not be allocated preference points.**

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system)	Number of points claimed (80/20 system) (To be completed by the tenderer)	Number of points allocated (90/10 system)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Means of Verification
Rustenburg Jurisdiction	4		2		Full CSD report
Rural /Township Businesses	4		2		Full CSD report
Black People	2		1		Full CSD report
Persons with Disability	2		1		Full CSD report
Youth	4		2		Full CSD report
Women	2		1		Full CSD report
SMME's	2		1		Full CSD report
Total	**20**		**10**		

31.1 ROLES OF THE SUPPLY CHAIN MANAGEMENT OFFICE AND LOCAL ECONOMIC DEVELOPMENT IN SUBCONTRACTING THROUGH SCM PROCESSES:

31.1.1. LOCAL ECONOMIC DEVELOPMENT:

Refer to Local Economic Development policy.

1. ~~Identifying Local Suppliers: The LED office helps identify and promote local suppliers who can potentially act as subcontractors for the organization. They support local economic development by encouraging the use of local resources and creating opportunities for local businesses.~~
2. ~~Capacity Building and Skills Development: The LED office may provide training, mentorship, and support to local suppliers to help build their capacity and enhance their capabilities to meet the organization's subcontracting requirements.~~
3. ~~Inclusive Procurement Practices: The LED office promotes inclusive procurement practices that consider the social and economic impact of subcontracting on local communities. They may prioritize local suppliers who contribute to job creation, skills development, and economic empowerment.~~
4. ~~Collaboration and Networking: The LED office facilitates partnerships and collaborations between the organization and local suppliers, industry associations, and community organizations. They create networking opportunities to promote business growth and sustainability.~~
5. ~~Monitoring Economic Impact: The LED office monitors the economic impact of subcontracting activities on the local economy, such as job creation, income generation, and value creation. They assess the contribution of subcontracting to economic development goals and outcomes.~~

31.1.2 ROLES OF SUPPLY CHAIN MANAGEMENT OFFICE AND LOCAL ECONOMIC DEVELOPMENT IN SUBCONTRACTING THROUGH SCM PROCESSES:

31.1.3 LOCAL ECONOMIC DEVELOPMENT:

1. Facilitating: The Local Economic Development department plays a role in facilitating subcontracting opportunities for local businesses to promote economic growth and development within the community.
2. Coordinating: LED works with the SCM Office to identify suitable local businesses that can provide goods or services, facilitates outreach and engagement with local suppliers, and supports their participation in the procurement process.
3. Monitoring: LED monitors the impact of subcontracting on local economic development, tracks the participation of local businesses in subcontracting opportunities, and assesses the benefits of subcontracting for the local economy.
4. Managing: LED may be involved in managing programs or initiatives that support local suppliers, providing training and support to help them meet procurement requirements, and advocating for policies that promote local procurement.

Both the SCM Office and Local Economic Development should collaborate to ensure that subcontracting processes align with the organization's goals, promote economic development, and comply with procurement regulations. The SCM Office will primarily be responsible for facilitating, coordinating, monitoring, and managing the subcontracting process, while LED will

provide support and guidance to local businesses to enhance their participation in subcontracting opportunities.

32. AWARD OF CONTRACTS TO BIDDERS NOT SCORING THE HIGHEST NUMBER OF POINTS

A contract may be awarded to a bidder who/which did not score the highest total number of points, but only if objective criteria in addition to those contemplated in section 2(1)(d) and section 2(1)(e) of the PPPFA justify the award to another tenderer.

33. CANCELLATION AND RE-INVITATION OF BIDS

(1) (a) When, in the application of the 80/20 preference point system as stipulated in the bid documents, **all** bids received exceed the estimated rand value of ~~R1 million~~ R50 million, the bid invitation must be cancelled.

(b) ~~Where 1 (one) or more of the acceptable bids received are within the prescribed threshold of R1 million, all bids received must be evaluated on the 80/20 preference point system.~~

(2) (a) When, in the application of the 90/10 preference point system as stipulated in the bid documents, **all** bids received are equal to, or below ~~R1 million~~ R50 million, the bid must be cancelled.

(b) ~~Where 1 (one) or more of the acceptable bids received are above the prescribed threshold of R1 million, all bids received must be evaluated on the 90/10 preference point system.~~

(3) ~~Where the Municipality cancels a bid invitation as contemplated in sub-paragraphs (1) and (2) above, the Municipality must re-invite bidders and must stipulate in the bid documents the correct preference point system to be applied.~~

(4) The Municipality may, prior to the award of a bid, cancel such a bid when:

(a) due to changed circumstances, there is no longer a need for the requested goods and/or services;

(b) funds are no longer available to cover the total envisaged expenditure of the bid; or

(c) no acceptable bids are received.

(5) The decision to cancel a bid in terms of sub-paragraph (4) above must be published in the Government Tender Bulletin or the media in which the original bid invitation was advertised.

(6) An organ of state may only with the prior approval of the relevant treasury cancel a tender invitation for the second time.

(7) Negotiation with bidders who offered a none market related price:

- If the price offered by a bidder scoring the highest point is not market related the organ of state may not award the contract to the bidder, the organ of state may negotiate the price with the bidder or cancel the bid.
- The above only applies where the highest scoring bidder is higher than the market related price.

In a case where the highest scoring bidder has submitted a bid lower than the market related price, the Municipality must in writing invite the preferred supplier to present / illustrate how the service or product will be met at prices lower than the market.

Should the preferred supplier fail to illustrate such, then the Municipality can appoint the second highest scoring bidder considering market related prices.

34. PROCESS TO APPOINT FROM A PANEL OF APPOINTED SERVICE PROVIDERS

(1) The appointment of a panel of service-providers must be executed against a signed and approved specification which incorporates the sustainable procurements elements. An approval for contract award must be obtained from a relevant Delegated Approval Authority.

(2) The appointment of a panel of service providers must follow a two-stage process. The first stage is conducted as a pre-qualification enquiry where suppliers are first screened and pre-qualified for general compliance as per functionality ~~to technical, SHE, quality, and Product Development requirements, including specific goals, if applicable~~. Price is generally not requested as part of the pre-qualification enquiry, unless a standard rate is prescribed for acceptance.

(3) Once pre-qualified, suppliers on the panel may then compete on a per task order basis as part of the second stage, where they may quote based on the 80:20 or 90:10 preference point system as may be relevant to the task order, or where capacity /capability /location, treated as objective criteria, may become factors in task order award.

(4) The principle of rotation when sourcing form panels must be used to promote fairness and equitable work distribution.

(5) The Head of Supply Chain Management is responsible for putting in place appropriate systems and controls to ensure that:

(i) The department to send their request to SCM for the panel appointment process to start;
(ii) Requests from directorates to include specifications and be signed off by the Group Head
(iii) work / task orders to be distributed fairly and equitably among the panel of suppliers;
(iv) all RFQs relating to task orders must be formally received and
(v) task orders are placed against contracts with sufficient funds and time available for the completion of the supply / services;

(vi) Price and ~~BBBEE level of contribution~~ Specific goals to be evaluated and scored accordingly before the award is made,

(vii) Approved task orders are supported by an appointment letter from the accounting officer confirming the order / commitment; and

(viii) Procurement targets and objectives to be being monitored and tracked

(6) All of the above controls must be dealt with upfront as part of the approved strategy and executed during the contract management phase.

(7) Where FIXED RATES are applicable as in the case of framework contracts, direct appointment will be made without requesting quotations but strict compliance to ROTATION PRINCIPLE must be adhered to.

(8) An approval report will be signed by the Head of Supply Chain Management, relevant Director and Municipality Manager.

(9) A letter of appointment will be forwarded to the Accounting Officer or his/her nominee as per delegation for signature.

(10) Supply Chain Management will issue the appointment letter to the successful panellist and hand over the process to the department.

(11) Reports on the efficacy of the panel are to be compiled and submitted to Accounting Officer.

(12) If the appointment of a service provider from the panel is in year two and the project duration is five years, MFMA section 33 will have to be complied with.

(13) With reference to the opinion on the use of panel received from National Treasury on 27 March 2017, the following guidelines is to be implemented with immediate effect

(14) An approved panel/list of service providers established through a competitive bidding process will be used for service that are routine or of simple nature where the scope and content of work to be done can be described, and for a period of not more than three years. This includes consulting services.

(15) All panels in the Municipality are subject to annual review by contract management.

(16) The period of a framework agreement that is repetitive nature for services that the Municipality has an obligation to provide on an ongoing basis for the duration of the resulting contract(s), cannot extent beyond the 3 years period covered in the annual budget for the financial year in which the contract will commence, unless all related legislative process are complied with.

35. ~~LOCAL PRODUCTION AND CONTENT~~

~~(1) The Municipality must, in the case of designated sectors, where local production and content is of critical importance in the award of bids, advertise such bids with a specific bid condition that only locally produced goods and/or services or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.~~

(2) The instructions, circulars and guidelines issued by the National Treasury with specific reporting mechanisms to ensure compliance with sub-paragraph (1) above, must be considered by the Municipality when applying this paragraph.

(3) Where there is no designated sector, the Municipality may include, as a specific bid condition, that only locally produced goods and/or services or locally manufactured goods with a stipulated minimum threshold for local production and content will be considered, provided that such prescript and threshold(s) are in accordance with the specific directives issued for this purpose by the National Treasury in consultation with the Department Trade and Industry.

(4) Every bid issued in terms of this paragraph must be measurable and audited.

(5) Where necessary, for bids referred to in sub-paragraphs (1) and (3) above, a two-stage bidding process may be followed, where the first stage involves functionality and minimum threshold for local production and content and the second stage price and B-BBEE with the possibility of price negotiations only with the short-listed bidder(s).

(6) Evaluation of bids based on a stipulated minimum threshold for local production and content.

(7) Bids that were invited based on local production and content should be evaluated by following a two-stage binging process.

7.1 STAGE 1

a) Bids must be evaluated in terms of the evaluation criteria stipulated in the bid documents. The amendment of the stipulated minimum threshold for local production and content after the closure of bids is not allowed, as this may jeopardise the fairness of the process.
b) A bid will be disqualified if the bidder fails to achieve the stipulated minimum threshold for local production and content or if the declaration certificate for local content (MBD 6.2) is not submitted as part of the bid documentation.
    i. Since 16 July 2012, the Minister of Finance has approved the issuance of directive together with the Municipal Bidding Documents (MBD 6.2) "Declaration of Certificate for Local Production and Content for Designated Sectors" for the following sectors that have been designated:
        - Textiles, clothing, leather and footwear
        - Buses (bus body)
        - Steel power pylons
        - Canned/processed vegetables
        - Rail Rolling Stock
        - Set top boxes
        - Furniture
        - Electrical and telecom cable products

    All queries in this regard maybe directed to the National Treasury, tell (012) 315 5339.

ii. ~~For bids in respect of local content, only locally produced or locally manufactured textiles, clothing, leather and footwear from local raw materials or inputs will be considered.~~

iii. ~~If the raw material or input to be used for a specific item is not available locally, bidders should obtain written authorisation from the DTI, should there be a need to import such raw materials or input.~~

iv. ~~A copy of an authorisation letter must be submitted together with the bid document at the closing date and time of the bid. For further information, bidders may contact the clothing, textile and leather unit within DTI at telephone 012 394 3717/1390~~

v. ~~The accounting officer or delegated must stipulate in the bid invitation the exchange rate published by the South African Reserve Bank at 12:00 on the date of advertising of the bid.~~

vi. ~~Only SABS approved technical specification number SATS 1286:2011 must be used to calculate the local content.~~

35. GENERAL CONDITIONS

(1) Only bidders who/which have completed and signed the declaration part of the bid documentation may be considered for such bid.

(2) The Municipality must, when calculating comparative prices, consider any discounts which have been offered unconditionally as reflected in the bid.

(3) A discount which has been offered conditionally must, despite not being considered for evaluation purposes, be implemented when payment is provided.

(4) Points scored must be rounded off to the nearest 2 (two) decimal places.

(5) The organ of state must make available the list of all suppliers registered on a database approved by the National Treasury to provide the required goods or services in respect of the applicable designated groups mentioned in sub regulation (2) from which the tenderer must select a supplier.

36. DECLARATIONS

(1) A bid must, in the manner stipulated in the bid document, compel a bidder to declare that:

(a) the information provided is true and correct;

(b) the signatory to the bid is duly authorised; and

(c) documentary proof regarding any bid issue must, when required, be submitted to the satisfaction of the Municipality.

37. REMEDIES

(1) If an organ of state is of the view that a tenderer submitted false information regarding a specific goal, it must—

(a) inform the tenderer accordingly; and
(b) give the tenderer an opportunity to make representations within 14 days as to why the tender may 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.

(2) After considering the representations referred to in sub regulation (1)*(b)*, the organ of state may, if it concludes that such information is false—
(a) disqualify the tenderer or terminate the contract in whole or in part; and *(b)* if applicable, claim damages from the tenderer.

38 TREASURY INSTRUCTION NOTE ON COST CONTAINMENT

1. It is mandatory for accounting officers of directorates and constitutional institutions and accounting authorities of public entities listed Schedules 2 and 3 to the PFMA to implement the cost containment measures.
2. Hotel accommodation and related costs in respect of consultants may not exceed the amount of R1300 a night; air travel must be restricted to economy class and claims for kilometres may not exceed the rates approved by the Automobile Association of South Africa.
3. Expenses related to Catering and events the municipality may not incur catering expenses for internal meeting, i.e. for meetings attended only by persons in its employ, unless approved by the accounting officer.
4. the accounting officer must ensure that team building exercises and social functions, including year-end functions, are not financed from the municipal budget or by any suppliers or sponsors.
5. Corporate branded items availed to employees must be recovered at full cost.
6. Meetings and planning sessions must, as far as practically possible, be held in-house. In instances where such sessions cannot be held in-house, alternate facilities at other government institutions must be sought, unless approved by the accounting officer.

~~CHAPTER 6~~

~~CORPORATE SOCIAL RESPONSIBILITY LEVY~~

~~41. CORPORATE SOCIAL RESPONSIBILITY LEVY~~

~~41.1. APPLICABILITY OF THE CSR LEVY~~

~~41.1.1. Definition of "Rustenburg Based Service Provider"~~

~~The service provider from which the goods and services are being procured must be located within the Rustenburg Local Municipality jurisdiction. This includes a service provider whose~~

head office may be situated elsewhere but has established, a fully-fledged branch within this municipal jurisdiction. Service providers based outside the borders of RLM and who only appoints an agent and/ or commission a warehouse
in this municipal jurisdiction is not considered to be a "Rustenburg Local Municipality based Service Provider".

A copy of the rental/ lease agreement and a copy of the Rustenburg Local Municipal consumer service account, in the name of the service provider must be provided to the SCM Unit when a successful tender was awarded to them.

41.3 **ADVERTISEMENT OF BIDS BY THE SUPPLY CHAIN MANAGEMENT (SCM)**

The Supply Chain Management (SCM) Unit is obliged to ensure that all advertisements for prospective service providers and suppliers for goods or services in excess of R300 000 in value must specify that a 2% CSR levy including 15% VAT will be charged if the successful service provider or supplier is not a Rustenburg Based Service Provider as defined in clause 41.1 above.

The SCM Unit is further obliged to ensure that its tender documents contain a provision that a 2% CSR levy including 15% VAT will be charged if the successful service provider or supplier is not a Rustenburg Based Service Provider as defined in clause 41.1 above.

The SCM Unit will ensure that all Tenders ceded or sub-contracted to successful service providers that are situated outside the boundaries of Rustenburg Local Municipality must contribute a 2% CSR levy including 15% VAT on all payments made to them.

41.3 CONTRACTS/AWARDS TO WHICH THE 2% CSR LEVY INCLUDING 15% VAT WILL APPLY.

41.3.1. The payment of the 2% CSR levy, including 15% VAT will apply to all payments made in terms of contracts awarded through an official bidding process to all non-Rustenburg based service providers and suppliers as defined in clause 41.1 above provided that the award is for procurement of goods and services in excess of R300 000.

41.3.2 The payment of the 2% CSR LEVY, including 15% VAT shall also apply to all contracts awarded in terms of section 36 of the SCM Policy of RLM to all non-Rustenburg based service providers and suppliers as defined in clause 41.1 above provided that the award through deviation is for procurement of goods and services in excess of R300 000.

41.3.3 It is the responsibility of the Department who requests appointment of a non-Rustenburg based service provider in terms of Section 36 of the SCM policy of RLM to ensure that the prospective service provider is aware that a 2% CSR levy including 15% VAT will apply if they are appointed for procurement of goods and services in excess of R300 000, furthermore, the deviation report, as well as the appointment letter submitted to the Municipal Manager for approval of the appointment, should contain a recommendation for the 2% CSR levy including 15% VAT to be deducted.

~~42. CSR ADMINISTRATION PROCESS~~

~~42.1 The Expenditure Section requests certain (see clause 42.3 below) documents from the Supply Chain Management Section prior to processing payments to service providers appointed in terms of a tender process.~~

~~42.2 Where a service provider residing outside RLM's boundaries was awarded a tender, the appointment documents listed below will indicate that a 2% CSR levy which includes 15% VAT is to be deducted from payments to be made to that service provider.~~

~~42.3 The following documents, therefore, serve as an instruction to the Expenditure Section to withhold, where applicable, the 2% CSR levy, including 15% VAT from payments to service providers awarded tenders who reside outside RLM:~~

~~42.3.1 The approved Bid Adjudication (BAC) Report.~~
~~42.3.2 The appointment letter.~~
~~43.3.3 The signed service level agreement (SLA) where applicable.~~
~~43.3.4 The signed Tender document where the tender is to be used as the Service Level Agreement (SLA).~~

~~42.4 The processing of the CSR levy is done as follows for our Trade creditors:~~

~~43.4.1 For trade creditors processed through the Stores section, the Assistant Accountant: Creditors responsible for that creditor's account compiles a payment requisition (using a red ink pen) where the 2% CSR levy and the 15% VAT applicable on all the invoices that have been submitted by Stores Section for reconciliation and payment for a specific creditor will be captured.~~

~~43.4.2 The payment requisition is captured in red pen as an instruction to the Data Capturer to Debit that creditors account and credit the Social Responsibility Fund account in the general ledger and debit the 2% CSR Levy with 15% VAT and Credit Output VAT with 15% VAT with the amount levied on the creditor.~~

~~43.4.3 The reconciliation will then be compiled indicating all invoices to be paid as well as the CSR levies including 15% VAT to be deducted therefrom as captured on the system.~~

~~43..5 The processing of the CSR levy is done as follows for our Sundry creditors:~~
~~43.5.1 The Accountant Creditor responsible for that creditor's payment requisition will add two entries (using a red ink pen) on the payment requisition for the CSR levy which includes 15% VAT to be deducted from the payment to the service provider.~~

~~43.5.2 The invoice details contained on the payment requisition as well as the CSR levy including 15% VAT reflected on the payment requisition will then be captured by the~~

Data Capturer. The CSR levy including 15% VAT is captured in red ink on the requisition as an instruction to the Data Capturer to Debit that creditors account and Credit the Social Responsibility Fund account and debit the 2% CSR Levy with 15% VAT and Credit Output VAT with 15% VAT in the general ledger with the amount levied on the creditor.

43.5.3 Upon payment of the invoices due to a service provider to which the CSR levy applies, 2%, including 15% VAT thereof will then be withheld.

43.5.4 All unused CSR funds excluding 15% VAT will be invested in an interest- bearing call account by Budget & Treasury Section.

43.5.5 All interest received on invested funds per clause 43.5.4 or interest received on surplus funds in the CSR bank will be classified as CSR funding and will also be accounted for together with the CSR levies as prescribed in this policy.

43.5.6 All bank charges incurred on the CSR bank account will be accounted for as CSR expenditure and will be charged to the CSR fund account.

43.5.7 On a monthly basis an electronic reconciliation of the invoices received from service providers who contribute to the CSR fund is performed. The reconciliation is done to verify:

i. That 2% CSR levy including 15% VAT has been withheld from every payment where it applies,
ii. The total CSR general ledger account balances with the CSR bank control account,
iii. That expenditure from the CSR fund is accounted for correctly,
iv. That interest received on CSR funds and bank charges on the CSR bank account is correctly accounted for per clauses 43.5.4, 43.5.5, and 43.5.6 above, and v. That a transfer is done from the RLM's bank account to the CSR bank account to balance all amounts withheld from creditors in that month.

44. VALUE-ADDED TAX ON THE 2% CORPORATE SOCIAL RESPONSIBILITY LEVY

44.1 In terms of the Value-Add Tax Act No. 89 of 1991, the 2% CSR Levy is deemed to be a taxable supply in the hands of the Municipality and therefore must be taxed at 15%. 44.2 The 2% CSR Levy is, therefore, inclusive of 15% VAT. 44.3 The 15% VAT must be paid over to SARS monthly.

45. EVALUATION, MONITORING, AND REPORTING

45.1 Continuous evaluation, monitoring, and reporting of the CSR initiatives by the CSR Committee will provide evidence of performance, success stories, and areas requiring attention.

45.2 Reporting on CSR activities will demonstrate to the Executive Mayor and other

~~interested stakeholders the progress the Municipality has made with respect to the 2% CSR Fund that makes RLM a good corporate governance citizen for complying with this Policy. This will also allow for feedback and hence continuous improvement.~~

~~45.3 RLM will not be involved in the management of the projects that the Municipality supports, however, the recipients will be expected to provide quarterly reports on overall CSR project management and implementation.~~

~~45.4 A stakeholder management approach will be followed in the implementation of RLM's CSR program.~~

CHAPTER 6

GENERAL PROVISIONS/ADDITIONAL INFORMATION

39. COMPLIANCE

(1) Every contract entered by the Municipality shall be entered pursuant to or in connection with the Municipality's functions and shall comply with Acts and regulations

40. SCM OBJECTIVES

The objectives of Supply Chain Management (SCM) are to:

- give effect to the provisions of the Constitution-section 217, 1996;
- give effect to the provisions of the MFMA, 2003;
- transform outdated procurement and provisioning practises into an integrated SCM function;
- ensure that SCM forms an integral part of the financial management system of the Municipality;
- make significant improvement to financial management in the broader public sector;
- introduce a system for the appointment of consultants;

- create a mutual understanding and interpretation of government's preferential procurement policy objectives;
- promote consistency in respect of Supply Chain Management policy and other related policy initiatives in Government; align with global trends and ensure that South Africa adheres to international best practices

Tender Documents Tariffs

Tender documents will have different rates applied to them based on the value of the tender. The following rates will apply for tender documents:

(i) Tenders valued between R300 001 and R2 000 000 will be charged at a rate of ~~R500.00~~ R250
(ii) Tenders valued between R2 000 001 and R5 000 000 will be charged at a rate of ~~R1 000~~ R500
(iii) Tenders valued between R5 000 001 and R10 000 000 will be charged at a rate of ~~R2 000~~ R750
(iv) Tenders valued between R10 000 001 and R50 000 000 will be charged at a rate of ~~R5 000~~ R1000
(v) Tenders valued at R50 000 001 and above will be charged at a rate of ~~R10 000~~ R1500

These rates are applicable to all tender documents and must be paid in order to receive the necessary documents for tender submission. Any exceptions to these rates must be approve by the Municipal Manager.

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41. STANDARD FOR INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT

41.1 SCOPE

This standard establishes a supply chain management system for infrastructure procurement and delivery management by organs of state which are subject to the Public Finance Management Act, the Local Government: Municipal Finance Management Act, or which implement infrastructure projects on behalf of another organ of state in terms of section 238 of the Constitution of the Republic of South Africa, 1996. This standard:

a) Provides a control framework for the planning, design and execution of infrastructure projects, the tracking of such projects and the monitoring of performance which:

1) enables risks to be proactively managed;
2) is capable of being audited;
3) is aimed at ensuring that any infrastructure acquired or to be acquired:

- is in accordance with the legal mandates and strategic priorities;
- is delivered in the right quantity and quality, and at the right place and time;
- is financially, economically and technically viable and offers value for money over its life cycle;
- is affordable in terms of existing budget and future budgetary projections after taking into account life cycle costs;
- is acquired in accordance with any required statutory permissions;
- makes optimal utilisation of existing infrastructure as demand patterns change over time;
- can be readily and economically maintained; and

- is aligned between those who design and construct infrastructure, and those who subsequently occupy, use and manage the infrastructure;

b) Provides a control framework for infrastructure procurement;

c) Establishes requirements for the following matters as applied to infrastructure procurement and delivery management:

- institutional arrangements;
- demand management;
- acquisition management;
- contract management;
- logistics management;
- disposal management;
- reporting of supply chain management information;
- regular assessment of supply chain management performance;
- risk management and internal control; and

d) Establishes minimum requirements for infrastructure procurement.

This standard facilitates the allocation of clear responsibilities for performing activities and making decisions at gates.

The standard does not apply to:

a) the storage of goods and equipment, following their delivery to an organ of state, which are stored and issued to contractors or to employees of that organ of state;
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;
e) public private partnerships; and
f) the provision of municipal services by means of external mechanisms referred to in Chapter 8 of the Municipal Systems Act.

The standard includes the procurement of goods and services necessary for a new facility, as delivered to be occupied and used as a functional entity.

41.2 TERMS AND DEFINITIONS

41.2.1 For the purposes of this document, the definitions and terms given in SANS 10845-1,SANS 108452 and the following apply.

adjudication: a form of dispute resolution where, unlike other means of resolving disputes involving a third party intermediary, the outcome is a decision by a third party which is binding on the parties in dispute and is final unless and until reviewed by either arbitration or litigation

Advance payment: sum of money paid to the contractor after the contract is signed but before work starts or goods or services or any combination thereof are supplied

Alteration: changing, extending or modifying the character or condition of infrastructure

Building: infrastructure that has the provision of shelter for its occupants or contents as one of its main purposes, usually partially or totally enclosed and designed to stand permanently in one place

Building tuning: the review and fine-tuning of all the system settings made during the preoccupation commissioning, so that the re-commissioning which takes place at the end of the 12month tuning period results in settings which reflect how the occupants actually behave and the building responds to climatic conditions

Construction: everything that is constructed or results from construction operations

Control budget: the amount of money which is allocated or made available to deliver or maintain infrastructure associated with a project or package, including site costs, professional fees, all service and planning charges, applicable taxes, risk allowances and provision for price adjustment for inflation

Contract management: applying the terms and conditions, including the agreed procedures for the administration thereof

Contractor: person or organisation that contracts with the employer to provide goods or services or any combination thereof covered by the contract

Defect: non-conformity of a part or component of the works to a requirement specified in terms of a contract

Employer: organ of state intending to or entering into a contract with a contractor

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

Infrastructure:

a) immovable assets which are acquired, constructed or which result from construction operations; or
b) movable assets which cannot function independently from purpose-built immoveable assets

Infrastructure delivery: the combination of all planning, technical, administrative and managerial actions associated with the construction, supply, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

Infrastructure procurement: the procurement of goods or services including any combination thereof associated with the acquisition, refurbishment, 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

Major capital project: an infrastructure project or a series of interrelated infrastructure projects on a single site having an estimated cost, including those required for new facilities or systems to become fully operational, above a prescribed threshold

Major public entity: a public entity included in the list in Schedule 2 to the Public Finance Management Act

Metropolitan municipality: a Category A municipality as provided for in section 155 of the Constitution of the Republic of South Africa, 1996

National government business enterprise: a public entity included in the list in Schedule 3B to the Public Finance Management Act

Operation: combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use

Operations and maintenance support plan: a plan which establishes the organisational structure required for the operation and maintenance of the works over its service life, and the office, stores, furniture, equipment, Information and Communications Technology (ICT), engineering infrastructure and staff training requirements

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

Package: work which is grouped together for delivery under a single contract or an order

Portfolio: collection of projects or programmes and other work that are grouped together to facilitate effective management of that work to meet a strategic objective

Procurement document: documentation used to initiate or conclude (or both) a contract or the issuing of an order

Procurement strategy: selected packaging, contracting, pricing and targeting strategy and procurement procedure for a particular procurement

Programme: the grouping of a set of related projects in order to deliver outcomes and benefits related to strategic objectives which would not have been achieved had the projects been managed independently

Provincial government business enterprise: a public entity included in the list in Schedule 3D to the Public Finance Management Act

Public private partnership: a commercial transaction between an organ of state and a private party in terms of which the private party:

a) Performs an institutional function on behalf of the organ of state or acquires the use of state property for its own commercial purposes; and
b) Assumes substantial financial, technical and operational risks in connection with the performance of the institutional function or use of state property; and
c) Receives a benefit for performing the institutional function or from utilising the state property, either by way of:

    1) consideration to be paid by the organ of state which derives from a revenue fund or, where an organ of state is a national government business enterprise or a provincial government business enterprise, from the revenues of such institution; or

    2) Charges or fees to be collected by the private party from users or customers of a service provided to them; or

    3) A combination of such consideration and such charges or fees

Quality: totality of features and characteristics of a product or service that bears on the ability of the product or service to satisfy stated or implied needs

Refurbishment: modification and improvements to existing infrastructure in order to bring it up to an acceptable condition

Rehabilitation: extensive work to bring infrastructure back to acceptable functional conditions, often involving improvements

Repair: physical action taken to restore the required function of a faulty item

Retention sum: sum retained for a certain period to offset costs which may arise from the contractor's failure to comply fully with the contract

Service delivery agreement: an agreement between two or more organs of state setting out the terms and conditions and roles and responsibilities regarding infrastructure delivery which promotes and facilitates inter-institutional relations and the principles of participation, cooperation and coordination

Service life: the period of time after acquisition or construction during which the infrastructure or its parts meet or exceed the performance demanded or expected to be fulfilled

Stage: a collection of logically related activities in the infrastructure delivery cycle that culminates in the completion of a major deliverable

Statutory permission: any relevant approval, consent or permission in terms of any legislation required to plan and deliver the infrastructure

Target contract: a cost reimbursement contract in which a preliminary target cost is estimated and on completion of the work the difference between the target cost and the actual cost is apportioned between the parties to the contract on an agreed basis.

Value for money: the optimal use of resources to achieve intended outcomes

41.3 NORMATIVE REFERENCES

41.3.1 Acts of Parliament

The following referenced Acts of Parliament are indispensable for the application of this document:

- Architectural Profession Act, 2000 (Act No. 44 of 2000)
- Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
- Constitution of the Republic of South Africa, 1996
- Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)
- Engineering Profession Act, 2000 (Act No. 46 of 2000)
- Landscape Architectural Profession Act, 2000 (Act No. 45 of 2000)
- Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003)
- Municipal Systems Act, 2000 (Act No. 32 of 2000)
- National Archives and Record Services of South Africa Act, 1996 (Act No. 43 of 1996) Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)
- Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
- Project and Construction Management Professions Act, 2000 (Act No. 48 of 2000)
- Public Finance Management Act, 1999 (Act No. 1 of 1999)
- Quantity Surveying Profession Act of 2000 (Act No. 49 of 2000)
- South African Schools Act, 1996 (Act No. 84 of 1996)

41.3.2 Standards

The following referenced standards and the forms of contract identified in this standard are indispensable for the application of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

- South African Bureau of Standards, SANS 10845-1, *Construction procurement – Part 1: Processes, methods and procedures*
- *South African Bureau of Standards,* SANS 10845-2, *Construction procurement* – Part 2: Formatting and compilation of procurement documentation
- *South African Bureau of Standards,* SANS 10845-3, *Construction procurement* – Part 3: *Standard conditions of tender*
- *South African Bureau of Standards*, SANS 10845-4, *Construction procurement – Part 4: Standard conditions for the calling for expressions of interest*
- Standard for Uniformity in Construction Procurement, Construction Industry Development Board

41.4. CONTROL FRAMEWORKS

41.4.1 Control framework for infrastructure delivery management

41.4.1.1 General

The control framework for the management of infrastructure delivery shall comprise the applicable stages and gates as set out in Figure 1 and the key deliverables described in Table 1.Stages 3 to 9may be omitted where the required work does not involve the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure. Stages 5 and 6 may be omitted if sufficient information to proceed to stage 7 is contained in the stage 4 deliverable. Decisions to proceed to the next stage shall at each gate, subject to the provisions of 4.1.1.2, be based on the acceptability or approval of the end-of-stage deliverable.

A stage shall only be complete when the deliverable has been approved or accepted by the person or persons designated in the institutional arrangements to do so. Activities associated with stages 5 to9may be undertaken in parallel or series, provided that each stage is completed in sequence.

The level of detail contained in a deliverable associated with the end of each stage shall be sufficient to enable informed decisions to be made to proceed to the next stage. In the case of stages 3 to 6, such detail shall, in addition, be sufficient to form the basis of the scope of work for taking the package forward in terms of the selected contracting strategy.

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 standardized project where the risk of failing to achieve time, cost and quality objectives is relatively low; or

c) the organ of state's infrastructure procurement and delivery supply chain management policy requires that prefeasibility and feasibility reports be produced during stages 3 and 4 respectively.

Stages 3 and 4 shall be repeated for each package if the acceptance at stage 4 is for the acceptance of a project comprising a number of packages which are to be delivered over time.

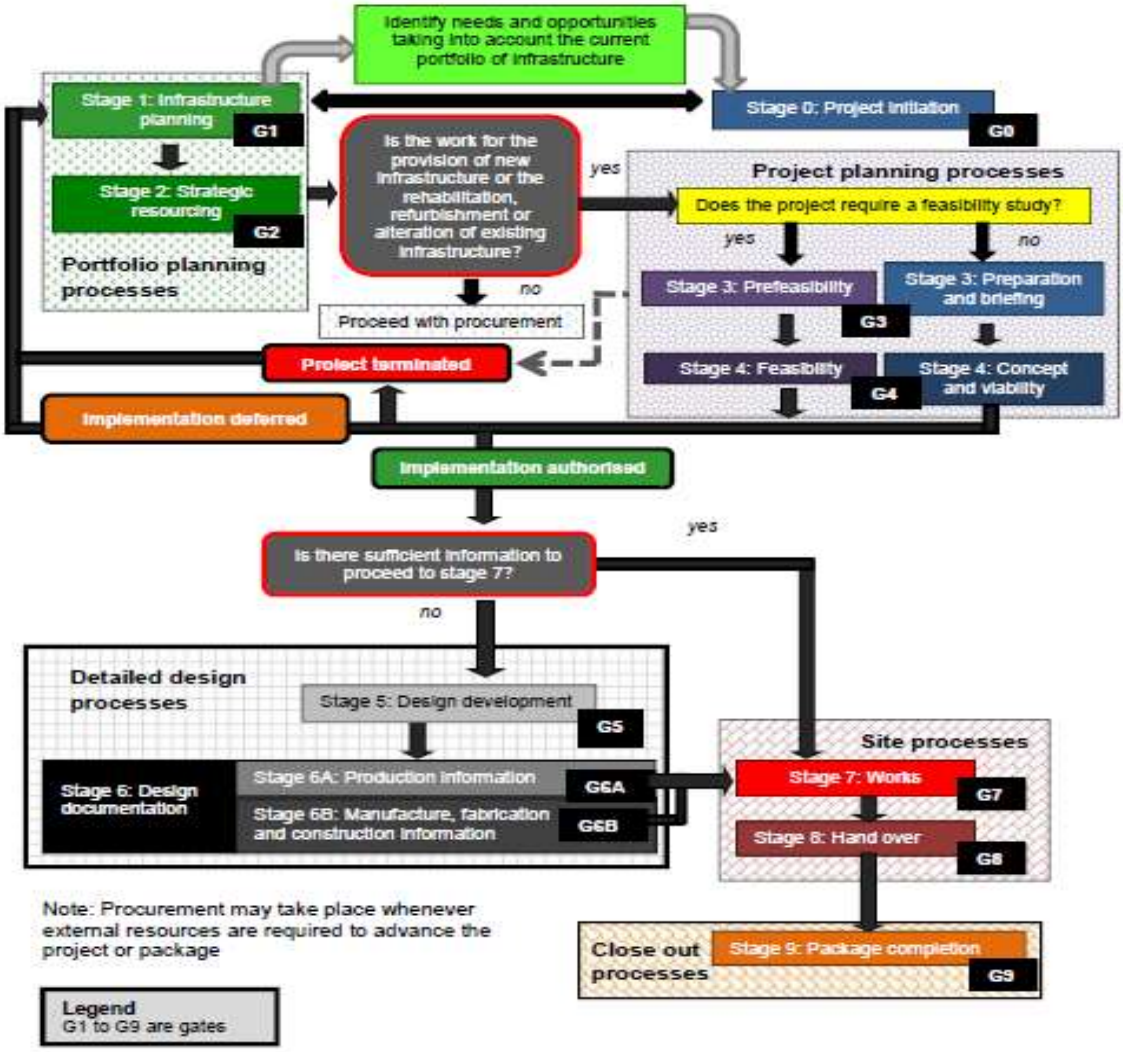

Figure 1: Stages and gates associated with the control framework for infrastructure delivery management

Table1: End-of-stage deliverables

Stage		End-of-stage deliverable
No	**Name**	
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
1	Infrastructure planning		An infrastructure plan which identifies and prioritises projects and packages against a forecasted budget over a period of at least five years
2	Strategic resourcing		A delivery and/or procurement strategy which, for a portfolio of projects, identifies the delivery strategy in respect of each project or package and, where needs are met through own procurement system, a procurement strategy
3	Prefeasibility		A prefeasibility report which determines whether or not it is worthwhile to proceed to the feasibility stage
	Preparation and briefing		A strategic brief which defines project objectives, needs, acceptance criteria and client priorities and aspirations, and which sets out the basis for the development of the concept report for one or more packages
4	Feasibility		A feasibility report which presents sufficient information to determine whether or not the project should be implemented
	Concept and viability		A concept report which establishes the detailed brief, scope, scale, form and control budget, and sets out the integrated concept for one or more packages
5	Design development		A design development report which develops in detail the approved concept to finalise the design and definition criteria, sets out the integrated developed design, and contains the cost plan and schedule for one or more packages
6	Design documentation	6A Production information	Production information which provides the detailing, performance definition, specification, sizing and positioning of all systems and components enabling either construction (where the constructor is able to build directly from the information prepared) or the production of manufacturing and installation information for construction
		6B Manufacture, fabrication and construction information	Manufacture, fabrication and construction information produced by or on behalf of the constructor, based on the production information provided for a package which enables manufacture, fabrication or construction to take place
7	Works		Completed works which are capable of being occupied or used
8	Handover		Works which have been taken over by the user or owner complete with record information
9	Package completion		Works with notified defects corrected, final account settled and the close out report issued

The infrastructure plan (stage 1), which is informed by demand management requirements as set out in 6.2, 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.

An organ of state may, if it deems it necessary, add additional gates to the control framework presented in Figure 1.

The approval of the infrastructure plan and the securing of the necessary budget shall be obtained prior to advancing to stage 3. All subsequent stages shall only be proceeded with if the necessary budget is in place.

The approvals or acceptances at each gate shall be retained for record purposes for a period of not less than five years of such acceptance or approval in a secured environment, unless otherwise determined in terms of the National Archives and Record Services of South Africa Act.

41.4.1.2 Stage 0: Project initiation

Projects, or groups of projects having a similar high-level scope, which are appraised, shall address particular strategic needs or business opportunities which fall within the organ of state's legislated or sanctioned mandate.

Objective decision-making criteria based on factors such as those relating to strategic objectives, national, provincial or regional priorities, the level of stakeholder support, legislative compliance, risk considerations and financial justification shall be used to motivate the acceptance of a project into the infrastructure plan.

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.

The decision-making criteria, findings, assumptions and recommendations shall be documented in the initiation report.

Stage 0 is complete when the initiation report is accepted.

41.4.1.3 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.

Stage 1 is complete when the infrastructure plan is approved.

41.4.1.4 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, based on the spend, organisational and market analysis, 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.

The procurement strategy shall include the rationale for adopting a particular option.

Organs of state who engage another organ of state to provide agency services shall develop a delivery management and procurement strategy covering the projects which are subject to an agency agreement (see 5.2), in consultation with that organ of state.

Stage 2 is complete when the delivery and procurement strategy is approved.

41.4.1.5 Stage 3: Preparation and briefing or prefeasibility

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.

Stage 3 is complete when the prefeasibility report or the strategic brief, as required, is accepted.

41.4.1.6 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 consents 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 packageor 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

Stage 4 is complete when the feasibility report or the concept report, as required, is accepted.

41.4.1.7 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.

Stage 5 is complete when the design development report is accepted.

41.4.1.8 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.

41.4.1.9 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.

41.4.1.10 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 or owner who shall accept such liabilities.

Stage 8 is complete when the end user or owner accepts liability for the works.

41.4.1.11 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 performance parameters outlined in 12;

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.

41.4.1.12 Approval of high-value national and provincial major capital projects

The approval process for major capital projects described in

To 4.1.12.6 shall apply to all national and provincial projects where the value of such projects including VAT exceeds:

a) National and provincial departments and constitutional institutions: R7,5 billion

b) Major public enterprise, national government business enterprise, provincial government business enterprise and other public entities, the lessor of:

1) R10 billion; or

2) 4% of the organ of state's total assets or, if applicable, 2% of the organ of state's total revenue as reflected in its latest audited financial statements.

The end-of-stage deliverables for stage 0(initiation report) and stage 4 (feasibility report) in the control framework for the management of infrastructure delivery (see Figure 1) shall, after taking into account the comments and recommendations of the relevant treasury, be approved by:

a) Cabinet, in the case of national departments, constitutional institutions and public entities listed in schedules 2, 3A and 3B of the Public Finance Management Act; or

b) The executive council, in the case of provincial departments and public entities listed in schedules 3C and 3D of the Public Finance Management Act.

The end-of-stage deliverables for stage 3 (prefeasibility) shall, after taking into account the comments and recommendations of the relevant treasury, be approved by:

a) the relevant member of the cabinet, in the case of national departments, constitutional institutions and public entities listed in schedules 2, 3A and 3B of the Public Finance Management Act; or

The relevant member of the executive council, in the case of provincial departments and public entities listed in schedules 3C and 3D of the Public Finance Management Act.

The initiator of the inception, prefeasibility and feasibility reports shall submit such reports to the relevant treasury for comment prior to making a submission to cabinet, the relevant minister, executive council or relevant member of the executive council, as applicable. The relevant treasury shall within three weeks of receiving a report submit comments and recommendations to the initiator who may revise such reports in the light of the comments and recommendations made, and:

a) Request the relevant treasury to make comments and recommendations on the revised reports; or

b) Submit the report together with the latest version of the relevant treasury comments and recommendations for approval.

41.4.1.13 Gateway reviews

41.4.1.13.1 Gateway reviews for major capital projects above a threshold

All major capital projects having an estimated capital expenditure equal to or above the threshold established in Table 2 shall have a gateway review of the end-of-stage 4 deliverable, prior to the acceptance of such deliverable. The review shall be initiated by the organ of state which intends implementing the project. 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.

Table2: Thresholds for gateway reviews of major capital projects

Organ of state	**Estimated cost inclusive of VAT**
National department	R100 million
Provincial department or metropolitan municipality	R100 million
Municipality other than a metropolitan municipality	R50 million
Major public entity	R500 million
National government business enterprise Provincial government business enterprise	R250 million
Other	R100 million

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.

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.

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.

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.

Aspects in the report shall be flagged as being: a) code red: team considers the aspect to pose a significant risk to the projector package; b) code amber: team considers the aspects which indicate a minor risk to the project or package; or c) code green: team considers the aspect to have been given adequate consideration to the extent that it is unlikely to jeopardise the success of progressing to the next stage, or minor adjustments may be required before proceeding.

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.

41.4.1.13.2 Gateway reviews initiated by the relevant treasury

A relevant treasury may at any time institute a gateway review of any of the end-of-stage deliverables associated with the control framework, irrespective of the estimated cost of a project. The focus of such a review shall be determined by the relevant treasury. The implementer of a project shall be notified of the review and its focus at least three weeks prior to the conducting of the review.

The implementer shall provide a person to lead the review and one other person to serve on the team, both of whom satisfy the requirements of 4.1.13.1.2.

The gateway review shall be conducted substantially in accordance with the provisions of 4.1.13.1.4 to 4.1.13.1.6.

41.5 CONTROL FRAMEWORK FOR INFRASTRUCTURE PROCUREMENT

41.5.1 General

Infrastructure procurement shall be implemented in accordance with the provisions of the control framework indicated in Figure 2 which contains:

a) Procurement gates;

b) Framework agreement gates;

c) reporting points, where applicable, for interfacing with the Construction Industry Development Board's (CIDB) register of projects; and

d) a gate relating to the interface with a financial management system.

The activities associated with the control framework indicated in Figure 2 are set out in Tables 3 and 4 whenever a negotiated, competitive selection or competitive negotiations procedure is applied, with the exception of the shopping procedure. Procurement Gates 6 and 7 may be combined in the case of the quotation procedure and the negotiation procedure where the value of the contract is less than the threshold set for the quotation procedure.

The level of detail contained in the documentation upon which a decision is made at a gate shall be sufficient to enable informed decisions to be made to proceed to the next activity or to undertake a particular procedure.

The approvals or acceptances at each gate shall be retained for record and audit purposes for a period of not less than five years of such acceptance or approval in a secured environment, unless otherwise determined in terms of the National Archives and Record Services of South Africa Act.

41.5.2 Specific requirements relating to the review of procurement documents

The approval of procurement documents at Procurement Gate 3 or Framework Agreement Gate 2 shall be based on the contents of a procurement documentation review report. Where the procurement relates to the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure, such a report shall be prepared by one or more persons who participated in the review and who are registered as:

a) 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;

b) A professional engineer or professional engineering technologist in terms of the Engineering Profession Act; or

c) A professional quantity surveyor in terms of the Quantity Surveying Professions Act.

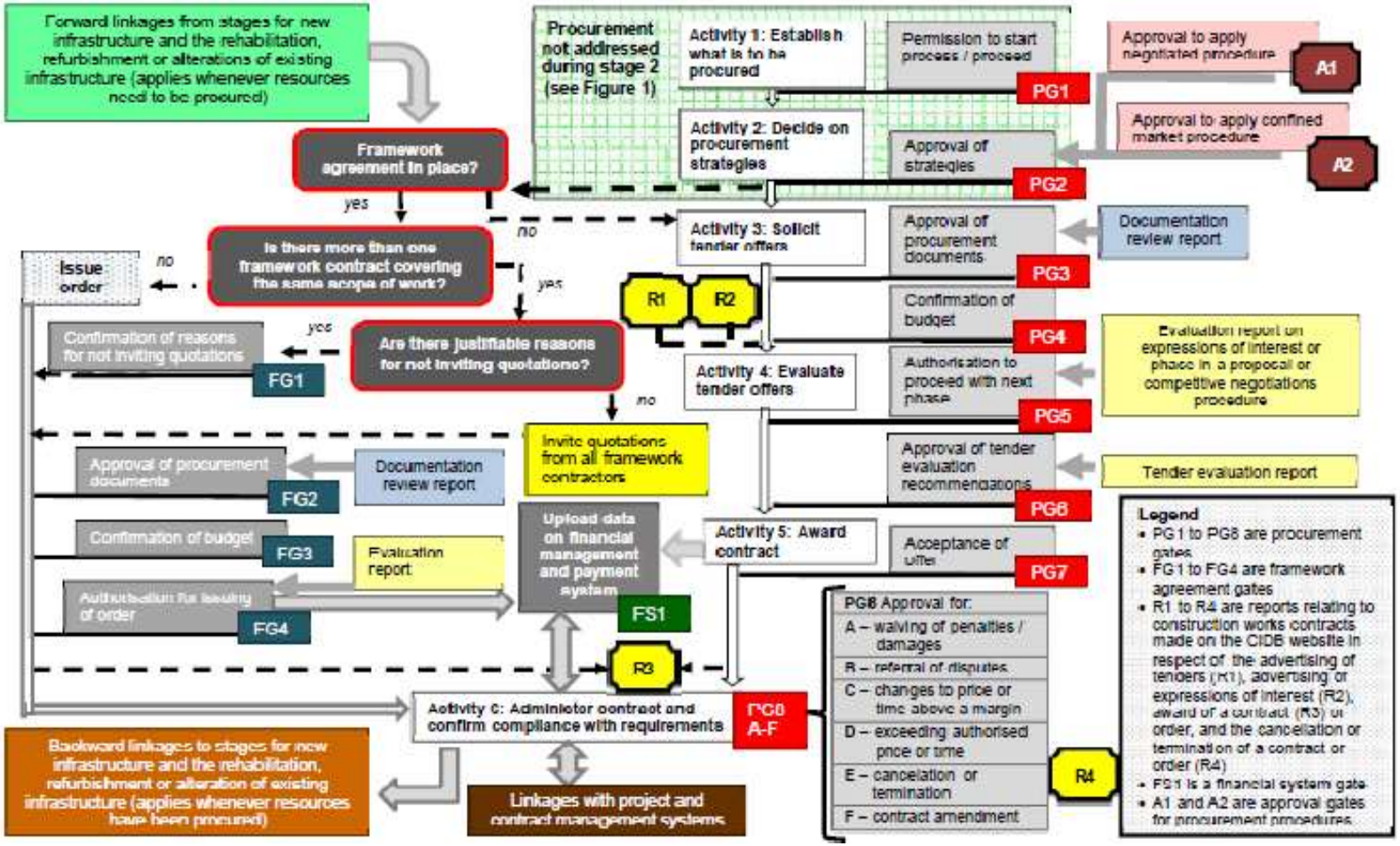

Figure 2: Control framework for procurement (acquisition and contact management) processes

Table3: Procurement activities and gates associated with the formation and conclusion of contracts above the threshold for the quotation procedure

Activity		Sub-Activity*		
1	Establish what is to be procured (Applies only to goods and services not addressed in a procurement strategy developed in terms of 4.1)	1.1	Prepare broad scope of work for procurement	
		1.2	Estimate financial value of proposed procurement	
		1.3 **PG1**	Obtain permission to start with the procurement process	
2	Decide on procurement strategy (Applies only to goods or services not included in a procurement strategy developed in terms of 4.1)	2.1	Establish opportunities for using procurement to promote developmental procurement policies, if any	
		2.2	Establish contracting and pricing strategy	
		2.3	Establish targeting strategy	
		2.4	Establish procurement procedure	
		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	
3	Solicit tender offers	3.1	Prepare procurement documents	
		3.2 **PG3**	Obtain approval for procurement documents	
		3.3 **PG4**	Confirm that budgets are in place	
		3.4	Invite: • tender offers; or • expressions of interest (qualified procedure or restricted competitive negotiations procedure)	
		3.5	Receive submissions	
		3.6	Open and record submissions received	
4	Evaluate tender offers	4.1	Qualified procedure, proposal procedure or competitive negotiations procedure only	Evaluate and prepare evaluation report on submissions received
		4.2 **PG5**		Obtain authorization to proceed with next phase of tender process
		4.3		Invite tender offers from qualified respondents or selected tenderers
		4.4		Open and record submissions received and, if necessary, repeat 4.1 to 4.4
		4.5	Evaluate tender offers and prepare a tender evaluation report	
		4.6 **PG6**	Confirm recommendations contained in the tender evaluation report	
5	Award contract	5.1	Notify unsuccessful tenderers of outcome	
		5.2	Compile contract document	
		5.3 **PG7**	Award contract	
		5.4	Capture contract award data on management systems	
		5.5 **GF1**	Upload data in financial management and payment system	
6	Administer contracts and confirm compliance with requirements	6.1	Administer contract in accordance with the terms and provisions of the contract	
		6.2	Confirm compliance with requirements	

		6.3	Capture contract completion / termination data
		6.4 PG8A	Obtain approval to waive penalties or low performance damages
		6.5 PG8B	Obtain approval to notify and refer a dispute to an adjudicator, or for final settlement to an arbitrator or court of law
		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
		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
		6.8 PG8E	Obtain approval to cancel or terminate a contract
		6.9 PG8F	Obtain approval to amend a contract
		6.10	Close out the contract

* Shaded cells indicate the presence of a procurement gate

Table4: Procurement activities and gates associated with the issuing of an order in terms of a framework agreement

Activity*	
1 **FG1**	Confirm justifiable reasons for selecting a framework contractor where there is more than one framework agreement covering the same scope of work
2	Prepare procurement documents
3 **FG2**	Obtain approval for procurement documents
4 **FG3**	Confirm that budgets are in place
5	Quotations amongst framework contractors not invited: Issue draft order documentation and consult with contractor and prepare evaluation report Quotations amongst framework contractors invited: Invite quotations from all framework contractors participating in the agreement, receive and evaluate submissions and prepare evaluation report
6 **FG4**	Authorize the issuing of the order
7	Log order onto management system
8	Issue order to contractor
9	Notify issuing of order to oversight person
10	Administer orders in accordance with contract and confirm compliance with requirements

*Shaded cells indicate the presence of a framework gate

The review of procurement documents associated with the negotiation, competitive selection or competitive negotiation procedure shall confirm that:

a) The procurement documents have been formatted and compiled in accordance with the requirements of SANS 10845-2, this standard and, where applicable, the CIDB Standard for Uniformity in Construction Procurement, and are aligned with the approved procurement strategy;
b) appropriate prompts for judgement are included in procurement documents in accordance with the requirements of SANS 10845-1 whenever quality is evaluated and scored in the evaluation of calls for expressions of interest or tender offers;
c) The selected form of contract in the case of a tender that is solicited is in accordance with the requirements of 14.5.3 and any standard templates required by the organ of state have been correctly applied;
d) the necessary approval has been obtained for additional clauses or variations to the standard clauses in the conditions of contract, conditions of tender or conditions for the calling for expressions of interest, as relevant, not provided for in the organ of state's approved templates;
e) the selected submission data in the case of a call for an expression of interest, or tender data and contract data options in the case of a tender, are likely to yield best value outcomes;
f) The scope of work adequately establishes what is required and the constraints to the manner in which the contract work is to be provided, and satisfies the drafting requirements of SANS 10845-1;
g) The submission or returnable documents are necessary and will enable submissions to be evaluated fairly and efficiently; and
h) The risk allocations in the contract and pricing data are appropriate.

The review of procurement documentation associated with the issuing of an order shall confirm that:

a) Any standard templates required by the organ of state have been correctly applied;

b) The necessary approval has been obtained for additional clauses or variations to the standard clauses in the conditions of contract not provided in the organ of state's approved templates or the contract;
c) The scope of work adequately establishes what is required and the constraints to the manner in which the contract work is to be provided;
d) The provisions for competition amongst framework contractors, if relevant, and the selected options are likely to yield best value outcomes; and
e) The risk allocations are appropriate.

The review conducted to confirm the provisions of 4.2.2.2 and 4.2.2.3 shall identify sections, if any, which require amendments or improvements.

The documentation review report shall:

a) List the names and qualifications of the team members;

b) Confirm that the documents are in accordance with the requirements of this standard;
c) Capture any comments or opinions which the team may wish to express; and
d) Recommend that the procurement documents be accepted with or without modifications.

41.5.3 Specific requirements relating to the evaluation of submissions

The authorization to proceed with the next phase (Procurement Gate 5), the approval of tender evaluation recommendations (Procurement Gate 6) and the authorization for the issuing of an order (Framework Agreement Gate 4) shall be based on the contents of an evaluation report.

The evaluation report shall be prepared by one or more persons who are conversant with the nature and subject matter of the procurement documents or the framework contract, and who are registered as:

a) A professional architect or professional senior architectural technologist in terms of the Architectural Profession Act;

b) A professional engineer or professional engineering technologist in terms of the Engineering Profession Act;

c) A professional landscape architect or a professional landscape technologist in terms of the Landscape Architectural Profession;

d) A professional project manager or a professional construction manager in terms of the Project and Construction Management Professions Act; or

e) A professional quantity surveyor in terms of the Quantity Surveying Profession Act.

All communications with respondents and tenderers during the procurement process to obtain information and clarifications shall be made in writing through the employer's agent named in the submission or tender data. Records of all communications in this regard shall be made and retained for auditing purposes.

Submissions shall be evaluated strictly in accordance with the provisions of the procurement documents (see Annex C of SANS 10845-3 and Annex C of SANS 10845-4, as relevant). Where quality is evaluated, at least three persons who satisfy the requirements of 4.2.3.2 shall undertake such evaluation. Quality shall be scored in terms of the prompts for judgement, with fixed scores assigned to each prompt, either individually and averaged or collectively, as appropriate.

Those involved in the evaluation of submissions shall record their scores for quality against each of the criteria during the process of evaluation, preferably with notes to substantiate the scores. Individuals should record their own markings on a separate sheet. These documents shall be placed on file as an audit trail and may form the basis of any debriefing that takes place.

Evaluation reports shall be prepared in accordance with the content headings and relevant guidelines contained in Tables 5 or 6, with modifications as necessary where a two-envelope, two-stage process or competitive negotiation procedure is followed. Such reports shall contain extracts from the procurement documents which are linked to the evaluation of submissions, such as eligibility criteria, criteria associated with evaluation methods, preferencing, quality criteria (including prompts for judgement), the method by which tenders are reduced to a common base and lists of returnable

documents. Such references shall enable those who are tasked with making decisions based on these documents to do so without having to refer back to submissions in order to understand the content of the report.

An evaluation report which recommends the award of a contract shall contain in annexures the reports, if any, of prior processes, e.g. a call for an expression of interest, a round in a competitive negotiation procedure or a stage in a competitive selection procedure.

An evaluation report covering the application of the negotiated procedure for the award of a contract or the issuing of an order, shall confirm that the negotiated amounts are market-related and represent value for money. Where the total of the prices associated with a target cost contract is negotiated, the total of prices shall be certified as being fair and reasonable by a professional quantity surveyor registered in terms of the Quantity Surveying Profession Actor a professional engineer registered in terms of the Engineering Profession Act.

Table 5: Content of an evaluation report relating to an expression of interest

Section heading		Subsection heading		Guidelines for the preparation of content
1	Summary	-	-	Provide an overview of the parameters associated with the expression of interest, preferably in tabular form, including the following as relevant: • Contract / project no and contract / project description • Purpose of the expression of interest • Media in which advertisement was placed • Advertisement date(s) • Estimated value of contract or orders which are likely to be awarded during the term of the contract, if applicable • Date from which documents were available • Number and title of addenda issued • Closing date • Details of clarification meeting, including date and place, if any • Number of submissions made • Number of responsive submissions received • Recommended outcomes of the process
2	**An overview of the evaluation process**	-	-	Provide an overview of the procurement process, indicating the eligibility criteria that were applied. State points relating to evaluation criteria, prompts for judgement and weightings relating thereto. Reproduce the list of returnable documents. Provide, if applicable, an overview as to how the quality aspects of the submissions were scored. Record that those involved in the evaluation of tenders have no conflicts of interest or have declared any conflict of interest that they may have, and the nature of such conflict.
3	**Evaluation process**	**3.1**	**Submissions received**	List the submissions that were received. Describe any noteworthy events regarding the opening of submissions, e.g. the returning of late submissions.
		3.2	**Completeness of submissions received**	Compare submissions received against the list of returnable documents. State if any submissions were incomplete and outline how clarifications were obtained. Confirm if respondents took into account addenda, if any, in their submission.
		3.3	**Responsiveness of respondents**	Identify which of the submissions received were non-responsive and provide clear reasons for declaring respondents to be nonresponsive.
		3.4	**Evaluation of submissions**	Record the manner in which submissions were evaluated. Record, where relevant, and preferably in a tabular form, the scores for each of the evaluation criteria and the total score (excluding those who failed to score above a threshold, if any).
		3.5	Reasons for disqualification on the grounds of corrupt or fraudulent practice	State reasons if applicable
		3.6	Compliance with legal requirements	Confirm as relevant that respondents are not barred from participation, tax matters are in order, are registered, etc.
4	**Tender recommendation**	-	-	Make a recommendation for the outcome of the process, e.g. admit to a database or prequalify / shortlist respondent to be invited to submit tender offers. Record the names and qualifications of those who performed the evaluation
5	**Confirmation of recommendations**	-	-	Make provision for the confirmation or amendment of the recommended action.

Table 6: Content of an evaluation report relating to the solicitation of tender offers

Section heading		Subsection heading		Guidelines for the preparation of content
1	**Summary**	**-**	**-**	Provide an overview of the parameters associated with the solicitation of the tender, preferably in tabular form, including the following as relevant: • Contract / Project / Tender number • Contract description • Contract duration • Purpose of tender • Contracting strategy, pricing strategy, form of contract and targeting strategy • Procurement procedure and method of tender evaluation • Tender validity expiry date • Alternative tenders (not permitted or state conditions under which permitted) • Media in which advertisement was placed, if not a nominated or qualified competitive selection procedure or a restricted competitive negotiations procedure • Date of advertisement(s) • Date from which documents were available • Details of clarification meeting, including date and place, if any • Tender closing date • Number and title of addenda issued • Number of tenders received • Number of responsive tenders • Recommended tender(s) • Cost estimate (budget), unless a framework contract • Lowest responsive and realistic tender used for comparative purposes (tender price, specific goals, etc.)
2	**An overview of the tender evaluation process**	**-**	**-**	Provide an overview of the procurement process, indicating the eligibility criteria that were applied and the evaluation criteria. State specific

				goals and points relating to preferences, as well as any quality evaluation criteria, prompts for judgement and weightings relating thereto. Reproduce the list of returnable documents. Provide an overview as to how the quality aspects of the tender were scored. Record that those involved in the evaluation of tenders have no conflicts of interest or have declared any conflict of interest that they may have, and the nature of such conflict.
3	**Tender evaluation process**	**3.1**	**Tender offers received**	List the tender offers that were received. Describe any noteworthy events regarding the opening of submissions, e.g. the returning of late tenders and the declaring of submissions non-responsive on the grounds that they were not received in the prescribed manner.
		3.2	**Completeness of tenders received**	Compare tender submissions received against list of returnable documents. State if any tender submissions received were incomplete and indicate what was not complete. Indicate what steps were taken to make incomplete tenders complete, only where this does not affect the competitive position of the tenderer in question. List all communications with tenderers. Confirm if tenderers took into account addenda, if any, in their tender submission.
		3.3	**Responsiveness of tenderers**	Identify which of the tenders received were non-responsive and provide clear reasons for declaring such tenders to be nonresponsive.
		3.4	Evaluation of tender offers	Record the manner in which tenderers were reduced to a common basis: Record preferably in a tabular form: • the scores for each of the evaluation criteria; • the total score (excluding those who failed to score above a threshold); • the pricing parameters that were tendered to enable compensation

				events to be evaluated of contractors to be paid in cost reimbursable or target cost contract. Provide reasons for not granting a preference or considering a financial offer to be unrealistically low.
		3.5	Reasons for disqualification on the grounds of corrupt or fraudulent practice	State reasons if applicable.
		3.6	Compliance with legal requirements	Confirm as relevant that tenderers are not barred from participation, tax matters are in order, are registered, etc.
		3.7	Acceptability of preferred tenderer	State any reasons why the tenderer with the highest points should not be considered for the award of the tender, e.g. commercial risk, restrictions, lack of capability and capacity, legal impediments, etc. Also state any arithmetical corrections that have been made.
4	Outcome of the evaluation	-	-	Make a recommendation for the award of the tender and state any qualifications / conditions associated with such an award. Record the names and qualifications of those who performed the evaluation.
5	Confirmation of recommendations	-	-	Make provision for the recommendations for the award of the tender to be confirmed or amended.

41.5.4 Authorisation to proceed with the next phase of the procurement process

The person authorized to enable a procurement process to progress to the next phase of the process shall review the evaluation report and either refer the report back to those responsible for such a report or authorize the procurement process to proceed to the next phase after:

a) Confirming that the report is complete and addresses all considerations necessary to make a decision;

b) Confirming the validity and reasonableness of reasons provided for the elimination of tenderers or respondents; and

c) Considering commercial risks and identifying any risks that have been overlooked which warrant investigation prior to taking a final decision.

41.5.5 Authorisation for issuing of an order

The person responsible for authorizing an order shall, prior to authorizing the issuing of an order:

a) Confirm that the required goods or services, or any combination thereof, are within the scope of work associated with the relevant framework contract; and

b) consider the recommendations of the evaluation report where competition amongst framework contracts takes place (see 14.3.6) or a significant proportion of the total of the prices is negotiated, based on the financial parameter contained in the framework contract, and either confirm the reasonableness of such recommendations and sign the acceptance of the order, or refer the evaluation report and recommendation back to those who prepared it.

41.6 INSTITUTIONAL ARRANGEMENTS

Organs of state who are responsible for infrastructure delivery shall establish a suitable infrastructure procurement and delivery supply chain management policy to implement this standard. Such a policy shall as a minimum:

- assign responsibilities for approving or accepting deliverables associated with a gate in the control framework or authorizing a procurement process or procedure;

- establish committees which are required by law, or equivalent quality management and governance arrangements;
- establish delegations for the awarding of a contract or the issuing of an order; and
- Establish ethical standards for those involved in the procurement and delivery of infrastructure.

An agency agreement shall be entered into between organs of state where responsibilities for implementation are delegated or assigned, or with a school governing body, established in terms of section 16 of the South African Schools Act, that makes a substantial financial contribution to a project. Such an agreement shall:

a) establish principles and requirements relating to the recovery of cost associated with the rendering of the service, claims for payments made on an agency basis including the release of retention sums, the settling of claims for payment and the documentation required to accompany such claims; and

b) Include a service delivery agreement which as relevant sets out at least the following:

1) Overall aims, objectives and priorities;

2) Governance structures;

3) Reporting requirements;

4) The scope of the services to be performed by the implementer during each financial year;

5) The projects and packages which are included in the infrastructure plan and which are to be delivered, and the timeframes for doing so;

6) The roles and responsibilities of the parties to the agreement, including requirements for the engagement and management of stakeholders;

7) Delegations to the implementer to accept end-of-stage deliverables on an agency basis;

8) Contributing resources, including human resources; and

9) Dispute resolution procedures.

The agency agreement shall be reviewed annually and amended or revised as necessary.

The implementer's supply chain management system shall be used to procure goods or services, or any combination thereof, for infrastructure covered by the agency agreement referred to in 5.2.

41.7 DEMAND MANAGEMENT

The demand management system shall be aimed at ensuring that goods and services, and any combination thereof required to support strategic and operational commitments, are delivered at the right price, time and place, and that the quality and quantity of such goods or services satisfy needs.

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

a) 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.

Identified projects shall be prioritised and budgeted for in an infrastructure plan (see 4.1.2.2).

Costs shall be proactively managed through the setting and proactive monitoring of control budgets for projects through the project planning, detailed design and site processes indicated in Figure 1.

41.8 ACQUISITION MANAGEMENT

Procurement of new infrastructure and the rehabilitation, refurbishment or alteration of existing infrastructure

Budgets submission for budget approval to advance a project or package relating to the delivery or planned maintenance of infrastructure in a financial year shall be broken down into the stages (see Figure 1) which have been completed.

Implementation plans relating to new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure which are aligned with the accepted delivery and procurement strategy, shall be developed for each project or package which is to be delivered in a financial year. Such a plan shall as necessary:

a) Identify the objectives of each project or programme of projects;

b) Identify the scope, budget and schedule for each project or package;

c) Outline the procurement strategy in respect of each project or package;

d) Provide a time management plan for each project, i.e. the baseline against which progress towards the attainment of milestone (key deliverables) target dates can be measured;

e) Provide the projected budget and cash flows which will enable planned and actual expenditure to be compared and revisions to the budget to be approved, and multiple project budgets to be managed;

f) Document the key success factors and the key performance indicators which need to be measured, monitored and evaluated;

g) contain a procurement plan which indicates the timeline for advertising and closing of tenders, and the obtaining of gate approvals leading up to the award of the contract or the issuing of an order;

h) Identify the major risks and how such risks are to be mitigated or managed;

i) indicate how quality requirements and expectations are to be met and managed;

j) Outline the controls and measures which will address health, safety, socio-economic or environmental risks;

k) Provide a communication plan which determines the lines of communication and the key activities associated therewith; and

l) Indicate the assigned internal and external resources with implementation responsibilities.

Financial data shall be gathered to enable a financial report to be generated at regular intervals which:

a) Lists the packages which have completed stage 7 (works) together with actual expenditure;

b) Indicates the following for packages which have advanced beyond stage 4 (concept and viability or feasibility) but have not yet completed stage 7 (works):

1) Budget for the financial year;

2) Actual expenditure to date;

3) Remaining budget for the year;

4) Forecast expenditure for the remainder of the year; and

5) Forecast over/under expenditure for the year;

c) Indicates professional fees associated with a project or package; and

d) Enables “actual” versus “planned” expenditure to be compared.

41.8.1 Procurement other than new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure

Annual procurement plans shall be prepared to cover the procurement of goods or services, or any combination other than that relating to new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure which exceed the threshold for quotations.

Annual procurement plans required in accordance with 7.2.1 shall contain the following information for all proposed tenders for a financial year where the proposed procurement is estimated to equal or exceed the threshold for quotations.

a) A description of the goods, services or works;

b) The estimated value of such goods, services or works, including all applicable taxes;

c) The envisaged date of advertisement;

d) The envisaged closing date for tenders; and

e) The envisaged date of award.

41.8.2 Use of an organ of state’s framework agreement by another organ of state

An organ of state may request in writing to make use of one or more framework contracts entered into by another organ of state. Such a request, signed by the accounting officer or accounting authority of that organ of state, shall:

a) Outline the scope and anticipated quantum of work associated with the work that is required;

b) Provide a motivation for the use of the framework agreement; and

c) Detail the benefit for the state to be derived from making use of the framework agreement.

The accounting officer or accounting authority may approve a request made in terms of 7.3.1 to make use of the organ of state’s framework contract, conditionally or unconditionally, if:

a) The framework agreement was put in place following a competitive tender process;

b) Confirmation is obtained that the framework contract is suitable for the intended use, and the required goods, services and works fall within the scope of such contract;

c) The framework contractor agrees in writing to accept an order from that organ of state;

d) The organ of state undertakes to pay the contractor in accordance with the terms and conditions of the agreement; and

e) The term of the framework agreement does not expire before the issuing of the required orders.

41.9 CONTRACT MANAGEMENT

The person responsible for the administration of the contract or an order on behalf of the employer shall:

a) Act as stated in the contract that is entered into, subject to any constraints that may be imposed by the employer or the employer's supply chain management policy for infrastructure procurement and delivery management, using any standard templates that are provided for communications required in terms of the contract;

b) Provide at least the following data within two weeks of the award of a contract or an order for capture on a contract management system:

1) Name and contract particulars;

2) The programme or project number, as relevant;

3) The contractual dates associated with the contract or order;

4) Except in the case of very low value goods or services contracts, a cash flow forecast;

5) The agreed total of prices or forecasted total of prices; and

6) Where applicable, whether or not provision is made for price adjustment for inflation, delay damages, performance bond and retention, and if so, what the quantum or estimated quantum of such provisions is;

c) Retain on a contract file, copies of certificates of insurances, bonds and the like;

d) Make an assessment of the amount due to the contractor where required in terms of the contract, or review the contractor's assessment of the amount due and timeously certify payment;

e) Revise the estimates for price adjustment for inflation where provided for, prepare an updated cash flow for the remainder of the contract based on the contractor's schedule, and capture these amounts together with the amounts due to the contractor and the retention amounts, if relevant, on a monthly basis;

f) Provide the revised total of the prices or completion date or delivery date for the contract, or an order, within one week of a contractor revising a forecast of the total of prices, or an event being implemented, which in terms of the contract increases the total of prices or delays delivery or completion, for capture on a contract management system;

g) Manage, if relevant, the interface between the contractor and those responsible for providing client inputs where a management, design and construct or develop and construct contracting strategy is utilized;

h) Develop and maintain a contract risk register;

i) Provide a monthly report on events which, in terms of the contract, cause the total of prices to increase or the contract completion date to be changed;

j) Report all insurance claims made within one week of the claim being lodged; and

k) Make inputs, if applicable, to the close out report in stage 9, including those relating to cost norms, contractor performance and the attainment, or not, of projective objectives.

The person responsible for administering the contract shall as necessary report on a monthly basis on the following:

a) The attainment of key performance indicators, if any, provided for in the contract or required by the sponsor of the project or in terms of legislation;

b) The number of improvement, contravention and prohibition notices issued by the health and safety agent; and

c) Incidents reportable in terms of the Construction Regulations issued in terms of the Occupational Health and Safety Act, briefly indicating the nature of the incident.

The person responsible for the administration of a contract or order relating to the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure, shall be registered in a professional category of registration in terms of the Architectural Profession Act, the Engineering Profession Act, Landscape Architectural Profession Act, the Project and Construction Management Professions Act or Quantity Surveying Profession Act.

41.10 LOGISTICS MANAGEMENT

Materials, equipment and plant may be procured and issued free of charge to a contractor for incorporation into the works. Care shall be taken to ensure that suitable arrangements or measures are in place to minimise:

a) Loss or damage to such items until the contractor has received and accepted them; and

b) Delays in supply which can result in increases in the contractor's prices for providing the works.

Procurement processes associated with long lead items of plant, equipment and materials may be initiated before the conclusion of stage 4 (concept and viability or feasibility). No contract may be entered into following such processes until stage 4 has been concluded and the budgets are in place to proceed.

41.11 DISPOSAL MANAGEMENT

A disposal committee / accounting officer shall decide 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:

a) Transfer to another organ of state, business unit or a charitable organization at market-related value or free of charge;

b) Recycling or re-use of component materials; or

c) Disposal by means of dumping at an authorized dump site, burning or demolition.

The reasons for adopting a disposal strategy shall be recorded prior to proceeding with such disposal.

41.12 REPORTING OF SUPPLY CHAIN MANAGEMENT INFORMATION

The implementer 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 the thresholds contained in Table 7. 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.

Table7: Thresholds, including VAT, for reporting the award of a contract or an order to the relevant treasury

Organ of state	**Value of contract or order including VAT**			
	Services contract	**Professional services**	**Supply**	**Engineering and construction works**
National department	R75 million	R75 million	R100 million	R100 million
Provincial department or metropolitan municipality	R50 million	R50 million	R100 million	R100 million
Municipality other than a metropolitan municipality	R25 million	R25 million	R50 million	R50 million
Major public entity	R250 million	R250 million	R500 million	R500 million
National government business enterprise Provincial government business enterprise	R125 million	R125 million	R250 million	R250 million
Other	R50 million	R50 million	R100 million	R100 million

Organs of state other than major public entities, national government business enterprises and provincial business enterprises shall report to the relevant treasury where a contract was awarded to a tenderer other than the tenderer recommended by a committee, giving reasons for such award.
The implementer shall prepare an annual report which contains the following in respect of a financial year and submit such report to the relevant treasury within two months after the financial year end:

a) The information contained in the performance report prepared in accordance with section 12 of this standard;

b) a brief progress report which reflects progress in terms of time and cost in relation to the time for completion or delivery and the total of prices at the award of the contract or the issuing of an order, and, if relevant, stages completed, on all contracts and orders above the threshold stated in Table 7;

c) an outline of the scope, value and duration of all contracts which were awarded as a result of unsolicited proposals, together with a brief motivation for such award;

d) Particulars relating to:

1) The cancellation or termination of contracts, together with the reasons therefore;

2) The use of a negotiated or confined market procurement procedure to enter into a supply, services, professional services or engineering and construction contract in excess of R10,0 million, including VAT, together with a brief motivation for doing so;

3) The evoking of the emergency procurement procedures where the value of the ensuing transaction exceeded R10,0 million, including VAT, together with a brief overview of the emergency and the outcomes of the procurement;

4) Disputes arising from contracts which have been referred to arbitration or a court of law for settlement; and

5) Contracts where the approval has been granted to increase the total of the prices or the time for completion at Procurement Gate 8D (see Figure 2 and Table 3).

41.13 ASSESSMENT OF SUPPLY CHAIN MANAGEMENT PERFORMANCE

An annual performance report shall be prepared for each portfolio of projects involving infrastructure delivery within two months of the financial year end which reflects performance in relation to at least the following:

a) Expenditure incurred in infrastructure delivery for the financial year, against the budget made available to cover such expenditure at the start of the year;

b) The average variance between planned and achieved completion of stages of all packages and projects;

c) 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 exceed20%, together with a brief explanation as to why such increases occurred;

d) 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;

e) 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;

f) 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;

g) 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

h) The average number of days that payment is later than that required under the terms of a contract.

41.14 RISK MANAGEMENT AND INTERNAL CONTROL

41.14.1 Risk management

Risk registers shall be established and maintained to enable risk mitigation relating to infrastructure procurement and delivery management to be proactively managed at a portfolio, programme, project and contract level. Such registers shall as a minimum contain:

a) The entry date of the risk;

b) A description of the risk, i.e. risk event, cause and possible outcome;

c) The measures and action to mitigate risk, i.e. a description of the action, responsibility for action and timetable for implementation;

d) Action status, i.e. actioned, takes no action, monitor and review or to be actioned.

Those responsible for establishing and maintaining risk registers shall issue risk reports when called upon to do so.

141.14.2 Internal control measures

The gates in the control frameworks provided in section 4 shall be used, as appropriate, to:

a) Authorise the proceeding with an activity within a process, or commencing with the next process;

b) Confirm conformity with requirements; or

c) Provide information which creates an opportunity for corrective action to be taken.

Suitable templates shall be used to record the approval or acceptance of documents at the gates provided in the control framework established in section 4.

41.15 INFRASTRUCTURE PROCUREMENT REQUIREMENTS

41.15.1 General

Procurement shall be undertaken in accordance with all applicable legislation and;

a) The relevant requirements of SANS 10845-1, SANS 10845-2, SANS 10845-3 and SANS 108454;

b) The administrative procedures embedded in the approved standard forms of contract identified in this standard; and

c) The provisions of this standard.

All contracts that are entered into with contractors following a procurement process shall be in writing.

Quality may be evaluated in tender submissions as other objective criteria as provided for in the Preferential Procurement Policy Framework Act in accordance with the provisions of SANS 10845-1.

The preference points system contained in the Preferential Procurement Policy Framework Act shall not be applied to disposals. An assumption shall be made in the case of tenders for framework agreements that the 90:10 preference points system applies.

All awards above the quotation threshold in competitive selection and competitive negotiation procurement processes shall be published at least on:

a) The organ of state's or relevant treasury's website; or

b) If required in terms of the Construction Industry Development Board Act, on the Construction Industry Development Board's website.

The publication of the award of a contract shall contain at least the following information:

a) Contract numbers and title;

b) A brief description of goods, services or works; and

c) The names of successful tenderers and their B-BBEE status level of contribution, and where practical, the total of the prices at award, the duration of the contract and the tender points scored during the tender evaluation process.

41.15.2 Usage of standard procedures

Goods or services or a combination thereof should generally be procured from the open market. Tenders may, however, be solicited from a confined market where:

a) It is established with reasonable certainty that:

1) Only a sole contractor is able to provide the goods or services or any combination thereof;

2) only a very limited number of contractors are able to provide goods, services or works which are not freely available in the market, or which are provided solely for the organ of state in accordance with unique requirements;

b) There is justification for standardizing goods or making use of manufacturer-accredited service providers;

c) A change in product or manufacturer requires modifications to related equipment and fixtures, e.g. a replacement pump requires costly changes to mountings, pipework or electrical connections or the replacement of circuit breakers requires costly changes to mounting frames, face panels, bus bars, wiring and the like; or

d) A replacement model requires the holding of additional spares or maintenance personnel.

The standard procurement procedures identified in Table 8 shall be implemented under the stated conditions in accordance with the provisions of

SANS 10845-1. Projects shall not be subdivided to reduce the estimated tender value to fall within a threshold applicable to a specific procurement procedure.

Table 8: Conditions under which procedures provided for in SANS 10845-1 may be utilized

Procedure	**Conditions which need to be satisfied in order to utilise the procedure**	
Competitive selection procedure		
Nominated procedure	Any procurement, the estimated value of which does not exceed a threshold stated in Table 9.	
Open procedure	Any procurement, except where the cost of advertising or the evaluation of a large number of tender submissions is disproportionate to the value of the work.	
Qualified procedure	Any procurement where: 1) a contract requires for its execution a high degree of specialized input, or requires skills and expertise that are not readily available; 2) a contract requires for its execution exceptional management skills or quality; 3) a tender submission requires significant tenderer inputs in order to respond appropriately to requirements so that a financial offer may be determined; 4) it is desirable, in a large programme or project, to link packages of work to tenderers who have the appropriate capacity and capability to compete against one another; 5) the time and cost required to examine and evaluate a large number of tender offers would be disproportionate to the procurement; 6) for practical reasons, it is necessary to limit the number of tender submissions that are received; or 7) the goods or services are not freely available in the market, or are manufactured solely for the organ of state in accordance with that organ of state's own specifications.	
Quotation procedure	Any procurement where the estimated value does not exceed a threshold stated in Table 9.	
Proposal procedure using the two envelope system	Services where tenderers are required to develop and price proposals to satisfy a broad scope of work.	
Proposal procedure using the two-stage system	Option 1	Any procurement in which tenderers are required to submit technical proposals and, if required, cost parameters around which a contract may be negotiated.
	Option 2	Any procurement in which tenderers are invited to submit technical proposals in the first stage and to submit tender offers based on procurement documents issued during the second stage.
Shopping procedure	Procurement which involves readily available goods and does not exceed the threshold value stated in Table 9.	
Restricted competitive negotiations	As for open competitive negotiations, but where: 1) a contract requires for its execution a high degree of specialized input, or requires skills and expertise that are not readily available; 2) a contract requires for its execution exceptional management skills or quality; 3) a tender submission requires significant tenderer inputs in order to respond appropriately to requirements so that a financial offer may be determined;	

	4) the time and cost required to examine and evaluate a large number of tender offers would be disproportionate to the procurement; 5) for practical reasons, it is necessary to limit the number of tender submissions that are received; or 6) a target price is tendered and finalized prior to the award of the contract.

Table 8 (concluded)

Procedure	**Conditions which need to be satisfied in order to utilize procedure**
Open competitive negotiations	Any procurement where: 1) it is not feasible to formulate detailed specifications for the work or to identify the characteristics of goods or works to obtain the most satisfactory solution to procurement needs; 2) there are various possible means of satisfying procurement needs; 3) the technical character of the goods or works, or the nature of the services, warrants the use of competitive negotiations to realise the most satisfactory solution to procurement needs; 4) the purpose of the contract is research, experimentation, study or development; or 5) all the tenders received in a competitive selection procedure are non-responsive and the calling for fresh tenders is likely to result in a similar outcome.
Negotiated procedure	Any procurement where: 1) a rapid response is required due to the presence of, or the imminent risk of, an extreme or emergency arising from: a) human injury or death. b) human suffering or deprivation of human rights. c) serious damage to property or financial loss. d) livestock or animal injury, suffering or death. e) serious environmental damage or degradation; or f) interruption of essential services. 2) the required goods, services or works cannot technically or economically be separated from another contract previously performed by a specific contractor; 3) only one contractor has been identified as possessing the necessary experience and qualifications or product to deliver value for money in relation to a particular need. 4) the services, goods or works do not exceed the threshold value stated in Table 9; 5) the service or works being procured are largely identical to work previously executed by that contractor and it is not in the interest of the public or the organ of state to solicit other tender offers. 6) a professional service contract does not exceed a threshold value stated in Table 9 and but can be based on time and proven cost;

	7) the nature of the works, goods or services, or the risks attached thereto, do not permit prior overall pricing; or 8) only one responsive tender is received.

Prior approval shall be obtained for the following procurement procedures, unless such a procedure is already provided for in the approved procurement strategy:

a) the negotiated procedure above the thresholds identified in Tables 8 and 9; and

b) 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 arising from the conditions set out in Table 8, and which can be dealt with, or the risks relating thereto arrested, within 48 hours.

Only a person authorized in terms of a policy developed in accordance with the provisions of section 5 may pursue a negotiated procedure in an emergency without the prior approval permitted in terms of 14.2.3.

Approval for the use of a confined market shall only be valid for a period not exceeding 18 months.

Table 9: Procurement thresholds

Procedure (see Table8 and SANS 10845-1)	**Conditions which need to be satisfied in order to utilize the procedure**	**Threshold (Rand including VAT)**		
		Schedule 2 public enterprise	**Department or a schedule 3 public enterprise**	**Municipality or a municipal entity**
Negotiated	The services, goods or works have a value not exceeding a threshold	R125 000	R75 000	R75 000
	A professional service contract has a value not exceeding a threshold	R500 000	R350 000	R200 000
Nominated procedure	Any procurement not exceeding a threshold	R2 500 000	R1 500 000	R1 500 000
Quotation procedure	Any procurement where the estimated value does not exceed a threshold	R2 000 000	R1 000 000	R200 000
Shopping procedure	Supplies contract which involves readily available goods not exceeding a threshold	R50 000	R50 000	R10 000

41.15.3 Framework agreements

Framework agreements may be entered into with contractors by:

a) Inviting tender offers to enter into a suitable contract for the required work, using stringent eligibility and evaluation criteria to ensure that contracts are entered into with only those contractors who have the capability and capacity to provide the required goods, services or works; and

b) Entering into a limited number of contracts based on the projected demand and geographic location for such goods, services or works.

The term of a framework agreement shall not exceed:

a) Three years in the case of all organs of state other than a major public entity, a national government business enterprise or a provincial government business enterprise; or

b) Four years in the case of a major public entity, a national government business enterprise or provincial government business enterprise.

Framework agreements that are entered into shall not commit an organ of state to any quantum of work beyond the first order, or bind the employer to make use of such agreements to meet its needs.

The employer may approach the market for goods or services, or a combination thereof, whenever it considers that better value in terms of time, cost and the quality which may be obtained.

Orders:

a) Shall cover only goods or services, or any combination thereof, falling within the scope of work associated with the agreement which may not be amended for the duration of the contract;

b) May not be issued after the expiry of the term of the framework agreement; and

c) May be completed even if the completion of the order is after the expiry of the term.

The issuing of orders with a number of framework contractors covering the same scope of work may be made with and without requiring competition amongst framework contractors. Where competition is required amongst framework contractors, it shall be conducted in a non-discriminatory manner such that competition is not distorted.

Competition amongst framework contractors for orders shall take place where:

a) There is no justifiable reason for issuing an order to a particular framework contractor, such as:

1) The framework contractor provided the most economical transaction when the financial parameters included in the contract are applied, and has the capacity to deliver;

2) The required goods, services or works cannot technically or economically be separated from another contract or order previously performed by a specific contractor;

3) The service or works being instructed are largely identical to work previously executed by that contractor;

4) The value of the order is less than the threshold for the quotation procedure;

5) The schedule for delivery necessitates that each of the framework contractors be issued with orders on a continuous basis; or

6) Capacity to execute the order;

b) The terms in the framework agreement are insufficiently precise or complete to cover the particular requirement, e.g. delivery time scales or time estimates to complete the order (productivity); or

c) A better quality of service can be obtained through a competitive process.

41.15.4 Design competitions

A single- or two-stage design competition may be used as a means to identify one or more suitable contractors to provide design services. The conditions for a design competition shall clearly state the purpose of the competition and the intentions of the promoter, the nature of the problem that is to be solved and all the practical requirements to be met by the competitors.

A design competition shall be initiated following a call for an expression of interest. All respondents who satisfy the admission requirements for a design competition and complete an application form shall be admitted to the competition as participants.

A jury who is independent of participants in the competition shall be appointed to collectively decide on the outcome of the competition. Such a jury shall be autonomous in its decisions or opinions and endeavour, adopt decisions on each individual submission by consensus and record its decisions in writing. Not less than 50% of the members serving on the jury shall have relevant professional qualifications in the subject matter of the competition.

The design competition shall be conducted in such a manner that the identity of any particular participant during the process is not known to the jury until after competition winners are announced. The awarding of prizes and honoraria may be linked to such competitions.

A contract may be negotiated with the winner of the design competition. Where more than one contract is awarded to participants in a design competition, all competitors in the final stage of the competition shall be invited to submit tender offers. Tender offers shall be evaluated in terms of method 4 of SANS 10845-3, with the score for quality being based solely on the ranking of the competition jury.

41.16 PROCUREMENT DOCUMENTATION

41.16.1 General

Procurement documents shall be developed in accordance with the provisions of SANS 10845-1 and SANS 10845-2 and, where aspects of the national register of contractors or register of projects established in terms of the Construction Industry Development Board Act are implemented through procurement documents, the CIDB Standard for Uniformity in Construction Procurement.

The Form of Offer and Acceptance contained in Annex B of SANS 10845-2 shall be used, with minimal contract-specific amendments, to form the basis of agreement arising from the solicitation of tender offers.

The formation of a contract in the single volume approach (see SANS 10845-2) shall occur once:

a) The schedule of deviations has been completed to reflect each and every amendment to the tender documents:

   1) Made in terms of addenda issued prior to the close of tenders; and

   2) Permitted in terms of the conditions of tender, and agreed to in the process of offer and acceptance; and

b) The acceptance portion of the Form of Offer and Acceptance has been signed by the person authorized to do so.

The formation of the contract in the three-volume approach (see SANS 10845-2) shall take place after:

a) Each and every amendment to the tender documents made in terms of addenda issued prior to the close of tenders, and those permitted in terms of

the conditions of tender and agreed to in the process of offer and acceptance have been incorporated into the final contract;

b) A brief summary of the changes made in the final contract document is included in the schedule of deviations so as to allow the reader to understand the nature and extent of the changes; and

c) The acceptance portion of the Form of Offer and Acceptance has been signed by the person authorized to do so.

A tenderer's covering letter shall not be included in the final contract document or referenced in the schedule of deviations. The agreed provisions of such a letter shall be stated in the schedule of deviations.

Standard returnable documents for infrastructure procurement contained in annexures A to E shall, where appropriate, form part of the Returnable Documents in procurement documents.

Standard documentation issued by a relevant treasury for non-infrastructure procurement shall not be included in infrastructure procurement documents unless they are found to be compatible, and not in conflict with the provisions of a procurement document which complies with the provisions of this standard.

41.16.2 Tender, submission and auction data

The tender data shall reference the Standard Conditions of Tender contained in SANS 10845-3.

The tender offer validity period provided for in the tender data shall generally not exceed eight weeks, and in exceptional circumstances shall not exceed 12 weeks.

The tender data associated with Method 3 (financial offer and preference) shall be as follows:

5.11.4	The procedure for the evaluation of responsive tenders is Method 3. The financial offer will be scored using the following formula: $A = \frac{(1 - (P - Pm))}{Pm}$ The value of W1 is: 1) 90 where the financial value, inclusive of VAT, of all responsive tenders received has a value in excess of R1 000 000; or 2) 80 where the financial value, inclusive of VAT, of one or more responsive tender offers has a value that equals or is less than R1 000 000.

	Up to 100 minus W1 tender evaluation points will be awarded to tenderers who complete the preferencing schedule and who are found to be eligible for the preference claimed.

The tender data associated with Method 4 (financial offer, quality and preferences) shall be as follows:

5.11.5	The procedure for the evaluation of responsive tenders is Method 4. The total number of tender evaluation points (TEV) shall be determined in accordance with the following formula: TEV = f1 (NFO + NP) + f2NQ where f1 and f2are fractions, f1 equals 1 minus f2 and f2 equals ……. NFO is the number of tender evaluation points awarded for the financial offer made in accordance with 5.11.7 where the score for financial offer is calculated using the following formula A = (1 - (P - Pm)) ---------- Pm and W1 equals: 1) 90 where the financial value, inclusive of VAT, of all responsive tenders received has a value in excess of R1 000 000; or 2) 80 where the financial value, inclusive of VAT, of one or more responsive tender offers has a value that equals or is less than R1 000 000. NP is the number of tender evaluation points awarded for preferences claimed in accordance with the Preferencing Schedule. NQ is the number of tender evaluation points awarded for quality offered in accordance with 5.11.9 where W2 = 100. Up to 100 minus W1 tender evaluation points will be awarded to tenderers who complete the preferencing schedule and who are found to be eligible for the preference claimed.

The submission data shall reference the Standard Conditions for the Calling for Expressions of Interest contained in SANS 10845-4.

Auction data shall be based on the auction data contained in SANS 10845-1.

41.16.3 Standard forms of contract

The standard forms of contract shall be selected from, and be suitable for use under the conditions described in Table 10.

The standard forms of contract shall be used with minimal contract amendments which do not change their intended usage and shall only be amended when absolutely necessary to accommodate special needs.

Adjudication shall be used to resolve disputes arising during the performance of a contract prior to proceeding to either arbitration or litigation.

Table10: Approved forms of contract related to the delivery and maintenance of infrastructure

Form of contract	Code	Intended usage
Construction Industry Development Board (CIDB)		
CIDB Standard Professional Service Contract	SPSC	Professional services
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.
FIDIC Conditions of Contract for Construction for Building and Engineering Works designed by the Employer	Red Book	Building or engineering works designed by the employer. (The works may include some elements of contractor-designed works.)
FIDIC Conditions of Contract for plant and design-build for electrical and mechanical plant, and for building and engineering works, designed by the contractor	Yellow Book	The provision of electrical or mechanical plant and the design and construction of building or engineering works
FIDIC Conditions of Contract for EPC Turnkey Projects	Silver Book	The provision on a design and construct (turnkey) basis of a process or power plant, of a factory or similar facility, or an infrastructure project or other type of development.

FIDIC Conditions of Contract for Design, Build and Operate Projects	Gold Book	"Green field" building or engineering works which are delivered in terms of a traditional design, build and operate sequence with a 20-year operation period. (The contractor has no responsibility for the financing of the project/package or its ultimate commercial success.)
South African Institution of Civil Engineering (SAICE)		
SAICE General Conditions of Contract for Construction Works	GCC	Engineering and construction, including any level of design responsibility
Joint Building Contracts Committee (JBCC)		
JBCC Principal Building Agreement	PBA	Buildings and related site works designed by the employer
JBCC Minor Works Agreement	MWA	Buildings and related site works of simple content designed by the employer.
Institution of Civil Engineers (ICE)		
NEC3 Engineering and Construction Contract	ECC	Engineering and construction including any level of design responsibility

Table 10 (concluded)

NEC3 Engineering and Construction Short Contract	ECSC	Engineering and construction which do not require sophisticated management techniques, comprise straightforward work and impose only low risks on both the employer and contractor.
NEC3 Professional Services Contract	PSC	Professional services, such as engineering, design or consultancy advice
NEC3 Professional Services Short Contract	PSCC	Professional services which do not require sophisticated management techniques, comprise straightforward work and impose only low risks on both the client and consultant.
NEC3 Term Service Contract	TSC	Manage and provide a service over a period of time.
NEC3 Term Service Short Contract	TSSC	Manage and provide a service over a period of time, or provide a service which does not require sophisticated management techniques, comprises straightforward work and imposes only low risks on both the employer and contractor.
NEC3 Supply Contract	SC	Local and international procurement of high-value goods and related services, including design.
NEC3 Supply Short Contract	SSC	Local and international procurement of goods under a single order or on a batch order basis and is suitable for use with contracts which do not require sophisticated management techniques, and impose only low risks on both the purchaser and the supplier.

41.16.4 Tender assessment schedules

Tender assessment schedules shall be used to take account of all tendered financial parameters that have an impact upon the final value of the contract.

41.16.5 Guarantees

Bonds which guarantee performance with a stated financial benefit in the event of non-performance:

a) Should as a general rule not be required in service, professional service and supply contracts; and

b) Shall be between 5% and 12, 5% of the contract or package order value, excluding VAT, and may be either a fixed or variable guarantee.

Advance payment, where required in engineering and construction and supply contracts and approved by the organ of state's chief financial officer, may only be made to contractors against the lodging of a suitable advance payment bond.

41.16.6 Retention monies

Retention monies that are held shall not exceed 10% of any amount due to a contractor. The total amount of retention monies held shall not exceed 5% of the contractor package order price.

41.16.7 Communications

All procurement documents and communications shall be in English.

41.16.8 Intellectual property rights

Organs of state shall as a general rule own the rights over the materials specifically prepared by a contractor in relation to a contract.

41.16.9 Budgetary items

Provision for budgetary items in procurement documents shall as far as possible be avoided. Assumptions should rather be stated in the pricing data so that they can be priced and adjusted in terms of the contract, should these assumptions be incorrect. Where unavoidable, estimates of the likely costs may be included in the contract to cover identified work or services to be performed by a subcontractor appointed in terms of the contract.

No provision for contingencies or price adjustment for inflation shall be made in the pricing data or included in the contract price at the time that the contract is awarded or an order is issued.

41.16.10 Professional indemnity insurance

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 of not less than R3 million in respect of each claim, without limit to the number of claims.

41.16.11 Developmental procurement policy

14.6.1 General

14.6.1.1 Organs of state shall utilize 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.

14.6.1.2 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.

14.6.1.3 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.

14.6.2 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.

42. AVAILABILITY OF THIS POLICY

(1) A copy of this policy shall be included in the Municipality's Municipal Code as required by the provisions of section 15 of the MSA.

(2) The Municipality shall take all required legal steps to inform consumers, debtors, owners and occupiers of the content of this policy.

(3) A copy of this policy shall be available for inspection at the offices of the Municipality at all reasonable times.

(4) A copy of this policy may be obtained from the Municipality against payment of an amount as determined by the Council.

43. IMPLEMENTATION AND REVIEW OF THIS POLICY

(1) This policy shall be recommended for review as and when treasury introduces new SCM Prescripts. Council as part of the budgetary policies of the Municipality, will note the changes as referred to in the provisions of regulation 7 of the Municipal Budget & Reporting Regulations, 2008, and section 17(3)(e), section 21(1)(b)(ii) (bb), section 22(a)(i) and section 24(2)(c)(v) of the MFMA.

(2) In terms of the provisions of section 17(1)(e) of the MFMA this policy must be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

44. SHORT TITLE

This policy shall be called the Supply Chain Management Policy of the Rustenburg Local Municipality. The 2022 PPPFA have been included verbatim thus reference to sub-regulations, readers should read the policy in juxtaposition with the PPPFA 2022 regulations for clear understanding.

The policy was reviewed and noted at a Council sitting on the _____Item number___ _____

RUSTENBURG LOCAL MUNICIPALITY

DRAFT

Tariff Policy

2025/2026

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CHAPTER 1: PREAMBLE, PURPOSE, PROBLEM STATEMENT, DEFINITIONS AND POLICY RULES AND PROVISIONS

1. Preamble

1) One of the primary functions of a Municipality is to provide services to the local community within its jurisdiction. The funding of these services is made possible by the levying of property taxes and charging of fees for services, imposing surcharges on fees, and, to the extent authorised by national legislation, other taxes, levies and duties.

2) Section 4(2) (d) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000 as amended) (ACT) prescribes that a Municipality has the duty to strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner. Accordingly, Tariffs may be set in a manner so as to recover the full cost of the service being provided or to recover part of the costs or bring about a surplus that can be utilized to subsidise non-economic services.

3) In terms of the provisions of the Constitution of the Republic of South Africa, 1996 (hereinafter referred to as "the Constitution"), and section 75A(1) of the Local Government: Municipal Systems Act, Act 32 of 2000 (hereinafter referred to as "the Systems Act"), the Rustenburg Local Municipality (hereinafter referred to as "the Municipality"), is entitled to levy and recover fees, charges or tariffs in respect of any function or service of the Municipality;

4) In terms of the provisions of section 74(1) of the Systems Act, and the provisions of section 62(1)(f)(i) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (hereinafter referred to as "the MFMA"), the

Municipality must adopt and implement a Tariff Policy on the levying of fees, charges or tariffs on municipal services provided by the Municipality itself or by way of service delivery agreements;

5) This Tariff Policy of the Municipality reflects the principles referred to in terms of the provisions of section 74(2) of the Systems Act and addresses the matters referred to in terms of the provisions of section 74(3) of the same Act, as well as a schedule containing the municipal tariffs of the Municipality pertaining to the municipal services as set out in the tariff policy;

6) **T**he municipal tariffs, as set out in the schedule of municipal tariffs annexed to this tariff policy, must undergo annual revision and must be tabled together with the Multi-Year Annual Tabled Budget to the Council of the Municipality for consideration and approval thereof, subject to public participation and comments obtained, annually before the 31st of March of each year in terms of the provisions of section 17(3)(a)(ii) read with the provisions of section 22 of the MFMA;

7) **The** comments received from members of the public in terms of the public participation process in respect of the contents of the municipal tariffs have to be considered by the Municipality in terms of the provisions of section 23(1) of the MFMA, for the possible amendment thereof, annually in dealing with the annual financial budget before the 31st of May each year;

8) **T**he adopted municipal tariffs apply to the Multi-Year Annual Budget in respect of a specific year during which the income is based on such adopted municipal tariffs, read with the general tariff principles contained in the tariff policy;

9) Should any of the municipal tariffs or general principles contained in the schedule setting out the municipal tariffs or tariff policy be changed by a resolution of the Council of the Municipality, an Adjustment Budget must be prepared to reflect the consequent effect of such resolution;

2. Aim and Purpose

The aim and purpose of this tariff Policy is to ensure that:

2.1 All Tariffs of the Municipality comply with legislation prevailing at the time of implementation.

2.2 All Tariffs approved by the Municipal Council, to fund Municipal services, are consistent with this Policy.

2.3 Municipal services are financially sustainable, affordable and equitable.

2.4 The needs of the indigent are taken into account in line with national government policy, taking into consideration, the affordability constraints of the Municipality.

2.5 There is consistency in how the Tariffs are determined and applied throughout the Municipality.

2.6 All Tariffs of the Municipality are determined in line with the principles as outlined in section 74(2) of the ACT. (See 5.10 below).

2.7 Surcharges on fees payable for municipal services are levied in terms of section 75A of the ACT and in accordance with Chapter 3 of the Municipal Fiscal Powers and Functions Act, Act 12 of 2007.

2.8 Where municipal services are provided through a service delivery agreement in terms of section 81(3) of the ACT, the Municipality remains responsible for controlling the setting and adjustment of Tariffs by the service provider for the municipal service in question.

3. Problem Statement

3.1 Harmonization and Standardization of setting and determination of Municipality Tariff Policy.

During the annual Budget process the Rustenburg Municipal Council approves Tariffs for services to be rendered or provided to the local community by each relevant Municipal Department or Unit, so that the cost of such services can be recovered from the customers to whom the services are rendered or provided. Currently, no adopted framework or policy exists which guides the basis upon which all fees, charges and tariffs are set.

This policy is therefore required to provide greater harmonization and effective control and accountability for the setting of tariffs within the Municipality in line with National Treasury's Methodology Costing for Local Government*1

3.2 Ensuring Financial Sustainability of Service Delivery

The Constitution and the ACT require that the Municipality must ensure that the services that it provides, are sustainable.

In terms of section 73(1) of the ACT, the Municipality must give effect to the provisions of the Constitution and give priority to the basic needs of the local community, promote the development of the local community and ensure that all members of the local community, have access to at least minimum level of basic municipal services.

Section 73 (2) of the ACT, further provides that the municipal services must be equitable and accessible, and be provided in a manner that is conducive to the prudent, economical, efficient and effective use of available resources and improvement of standards of quality over time,

be financially and environmentally sustainable and be regularly reviewed with a view to upgrading, extension and improvement.

The Tariffs for a service must therefore be sufficient to cover the cost of the initial capital expenditure required and interest thereon, managing and operating the service and maintenance, repairing and replacing the physical assets used in its provision. However, sustainability does not only mean that the price of the service must include and cover all the relevant cost elements, it also means that charges to be levied must be affordable, collected and recovered.

3.3 Redistribution / Cross Subsidisation

RLM has a wide range of customers, thus finding a proper funding model to arrive at appropriate Tariffs and cross-subsidisation mechanisms to meet the needs of the various customer groupings, is paramount.

The budget of the Municipality is important in ensuring the distribution of services in all communities. Monies collected from property rates are used to subsidise those services where the cost of the Tariff levied, is insufficient to cover the cost of the service. The Municipality may take into account trading surpluses realised to facilitate the cross subsidisation of services.

The Municipality faces a challenge in maintaining a balance between investments made in a productive capacity versus investment made in social services.

In order to effectively implement redistribution and cross subsidisation, the Municipality should endeavour to be transparent.

There is also an inherent cross subsidy between residential users of services and non-residential users of services. This subsidy is derived by applying certain ratios between residential users and non-residential users.

3.4 Imposition of Tariffs

Section 160(2)(c) of the Constitution states that the Municipal Council may not delegate the imposition of rates and other taxes, levies and duties.

Section 59 of the **ACT** further prohibits the Municipal Council from delegating its power to set Tariffs.

A challenge for the Municipality is to control the imposition of Tariffs by external service providers, where the entity provides services (through a service delivery agreement with a Municipality) which fall within the constitutional competence of the Municipality e.g. waste disposal, cemeteries, electricity or water. Tariffs as charged, may not have been approved by the Municipality and may be prejudicial to the local communities or customers.

The municipality will impose tariffs per stand, however, where there are multiple units within a stand, tariffs will be charged according to the number of units in that stand.

For residential purpose, where a water meter serves more than one unit, the tariff for consumption will be applied as follows:

Applicable tariff charged per block times the number of units served by the bulk meter from 01 July 2018. The municipality will divide the actual consumption with the number of units that are served by the meter. All the bulk water meters will be charged with a factor ten (10) effective 01 July 2023.

3.5 The "Consumer must pay principle" and Provision for the Indigent

The Municipality is responsible for ensuring access to the minimum level of basic services to the local communities within its municipal area. This is in line with Section 5(2) of the **ACT** which imposes a duty on members of the local community, 'where applicable, and subject to section 97(1)(c) of the ACT, to pay promptly service fees, surcharges on fees, rates on property and other taxes, levies and duties imposed by the municipality.' Having regard to this, it is critical for the Municipality to then set up Tariff structures which are realistic, cost reflective and also accommodate the Indigent as defined in this Policy.

4. Definitions

In this policy, except where the context otherwise indicates, or it is expressly stipulated otherwise, the following words and expressions shall have the respective meanings assigned to them hereunder, and words and expressions to which a meaning has been assigned in terms of the provisions of the Systems Act, the MFMA, the Credit Control & Debt Collection Policy and By-law, as well as the Indigent Policy of the Municipality, will have a corresponding meaning assigned thereto in terms of such policies or by-laws. All headings are included for convenience only and shall not be used in the interpretation of any of the provisions of this policy.

NO.	WORD/EXPRESSION	DEFINITION	
"A"			
1.1	**"ACT"**	means the Local Government Municipal Systems Act, Act 32 of 2000 as amended;	
1.2	**"Accounting Officer"**	Means the Municipal Manager appointed in terms of the provisions of section 60 of the MFMA.	

1.3	**"annual budget"**	Means the budget approved by the Council of the Municipality for any particular financial year and shall include any adjustments to such a budget.	
1.4	**"annually"**	Means once every financial year.	
"B"			
1.5	**"basic municipal service"**	Means 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.	
1.6	**"bulk electricity customer"**	**Means a bulk customer whose electricity demand exceeds or has previously exceeded 100kVA or 150A three phase LV, or any MV or HV connections.**	
1.6 A	**Bulk connection – (Sometimes also**	• **A Bulk connection larger than 150A three phase LV, or**	•

	referred to as Industrial Tariffs on Nersa approval Letters)	any MV or HV connections • Generally, a three-phase supply, where current transformers are required to reduce the measured current to a level that the meter can accept. Connections smaller than 150A three phase with current transformers should be converted to a normal business tariff type connection and the meter replaced with a 150 A direct driven meter.	
1.7	**"bulk consumer"**	Means a customer of electricity, water, sewerage or refuse removal services for commercial or industrial purposes.	
1.7 A	Business / Non-domestic electricity connection. (Sometimes also referred to as Commercial Tariffs on Nersa approval Letters)	Non-domestic consumers with three-phase supplies and connection sizes up to 150A or 100kVA. A client can switch from Bulk to Business /Non-domestic once in 12 months that the	

		connection be limited to 150A or 100kVA	
	Business rate - electricity	Means tariff for businesses, governmental institutions or similar supplies in urban or rural areas with a three phase electrical supply. The different rates will be implemented as determined and approved by Nersa on a yearly basis based on an NMD as determined by the Municipality from time to time. Non-domestic / Business connection. (Sometimes also referred to as Commercial Tariffs on Nersa approval Letters) Non-domestic consumers with three-phase supplies and connection sizes up to 150A or 100kVA.	

"C"			
		Means tariff for businesses, governmental institutions or similar supplies in urban or rural areas with a three phase electrical supply. The different rates will be implemented as determined and approved by Nersa on a yearly basis. Bulk connection – (Sometimes also referred to as Industrial Tariffs on Nersa approval Letters) A Bulk connection larger is than 100kVA or 150A three phase LV, or any MV or HV connections. Generally, a three-phase supply, where current transformers are required to reduce the measured current to	

		a level that the meter can accept. Connections smaller than 150A three phase with current transformers should be converted to a normal business tariff type connection and the meter replaced with a 150 A direct driven meter.	
1.8	**"Chief Financial Officer"**	Means a person designated in terms of the provisions of section 80(2)(a) of the MFMA.	
1.9	**"Constitution"**	Means the Constitution of the Republic of South Africa, Act 108 of 1996.	
1.10	**"Consumer"**	Means a person or entity consuming or receiving municipal services, and may include a customer or a tenant of a customer irrespective of whether such a	

		person has concluded a service agreement with the Municipality, and may also include a person who illegally and unlawfully connected to the municipal services infrastructure or who illegally and unlawfully gained access to or usage of the municipal services.	
1.11	**"Consumer Price Index excluding mortgage bonds" or "CPIX"**	Means the CPIX as determined and gazetted from time to time by the South African Bureau of Statistics.	
1.12	**"cost to be recovered"**	Means the cost reasonably associated with the rendering of a municipal service, including that the cost of purchasing or acquisition, the cost of processing, treatment or adoption of the product or service to be delivered or supplied, capital cost,	

		operating cost, maintenance cost, replacement cost, administrative cost and support systems costs and interest and may include a determined over-recovery per unit consumed.	
1.13	**"Council"**	Means the Municipal Council of the Municipality as referred to and constituted in terms of the provisions of section 157 of the Constitution.	
1.14	**"Credit Control & Debt Collection Policy and By-laws"**	Means the Credit Control and Debt Collection Policy and By-laws as adopted by the Council of the Municipality.	
1.15	**"customer"**	Means the owner of the premises or in exceptional circumstances a tenant, and includes a person or entity liable to the Municipality for the payment of tariffs, levies, fees and	

		municipal consumption charges in terms of a service agreement concluded with the Municipality, and may include a person who applied to the Municipality for indigent support in terms of the Indigent Policy, and who is not the owner of the premises, but who is: (a) the child in control of a child-headed household where the residential property is registered in the name of the deceased parent or deceased parents of that child; or (b) the party to whom the residential property is awarded in the event of a divorce; or	

		(c) where a deceased estate has not been wound up: (i) in the case of a deceased estate, in whose name the residential property is registered, any heir to whom the registered property has been bequeathed; or (ii) a surviving spouse, where the surviving spouse was married in community of property to the deceased, and where the residential property is	

		registered in both spouses' names, and the surviving spouse is the sole heir; or (iii) a surviving spouse, who was married in community of property to the deceased, together with any other heirs, if any, where the residential property is registered in the name of that deceased; or (iv) in the case where a portion of a residential property is registered in the name of	

		a deceased estate, the surviving registered owners together with the heirs to the deceased estate; and who simultaneously with the application for indigent support in terms of the Indigent Policy, applied for the provision of municipal services in terms of the Credit Control & Debt Collection Policy and By-Law of the Municipality to be granted an account and to conclude a service agreement with the Municipality, and whose application has been approved by the Municipality, and as such has concluded a service agreement with the Municipality.	
"D"			

1.16	**Disconnection Fee**	means a fee charged to a Customer upon termination or restriction of a municipal service supplied to a meter;	
"E"			
1.1.7	**External Service Provider**	means an external mechanism referred to in section 76(b) of the ACT which provides a municipal service for a municipality;	
"F"			
1.18	**"flat rates"**	Means the unit tariffs that are calculated by dividing the total cost by volume needed.	
1.19	**"fixed costs"**	Means costs that do not vary with consumption or volume produced.	
1.20	**'financial sustainability"**	in relation to the provision of a Municipal service, means the provision of the Municipal service in a manner aimed at ensuring that the financing of that service from internal and external	

		services, including budgeted income, grants and subsidies for the service, is sufficient to cover the costs of – (i) The initial capital expenditure required for the service; (ii) Operating the service; and (iii) c) Maintaining, repairing and replacing the physical asset used in the provision of the service.	
1.21	**"financial year"**	Means the period starting from 1 July in any year and ending on 30 June of the following year.	
"I"			
1.22	**"IDP"**	Integrated Development Plan envisaged in section 25 of the ACT	
1.23	**"Indigent"**	a Customer or any household or	

		category of households, including a child headed household, who or which qualifies for Tariff assistance as laid down in Annexure A to the Municipality's Credit Control and Debt Collection Policy and the Indigent Policy of the Municipality as determined by the Municipal Council annually, during the budget process,	
1.24	**"Indigent Policy"**	Means the Indigent Policy, adopted by the Council of the Municipality.	
1.25	**"indigent support"**	Means the financial and other support, discounts, subsidies and assistance which the Municipality renders to Registered Indigents and households headed by Registered Indigents.	
1.26	"**Interest rate"**	Means interest charged by the	

		municipality on all outstanding debtors.	
"M"			
1.26	**"Mayor"**	Means, in terms of the provisions of section 1 of the MFMA, in relation to a municipality with an executive mayor, the councillor elected as the executive mayor of the municipality in terms of section 55 of the Structures Act.	
1.27	**"major services"**	Represent the four municipal services (water, electricity, refuse removal and sewerage), instituted by the Municipality to fulfil the basic municipal services allocated to the Municipality in terms of the provisions of Section 84 of the Structures Act, and are those services on which monthly service charges are levied per consumer's account.	
1.28	**"minor services"**	Means those municipal services	

		for which the Municipality annually approve tariffs and shall, when deemed appropriate by the Municipality, be subsidised by property rates and general revenues, particularly when tariffs will prove uneconomical when charged to cover the cost of the municipal service concerned, or when the tariff is designed purely to regulate rather than finance the use of the particular municipal service or amenity.	
1.29	**"Municipal Finance Management Act" or "MFMA"**	Means the Local Government: Municipal Finance Management Act, Act 56 of 2003 and the regulations promulgated in terms of this act.	
	"MEC for local government"	means the member of the Executive Council of the province of the North	

		West province who is responsible for local government in such province;	
1.30	**"Municipality"**	Means the RUSTENBURG LOCAL MUNICIPALITY (also referred to as "RLM") a local government and legal entity with full legal capacity as contemplated in section 2 of the Systems Act read with the provisions of Chapter 7 of the Constitution and sections 12 and 14 of the Structures Act, with its main place of business and the offices of the Municipal Manager, as envisaged in terms of the provisions of section 115(3) of the Systems Act, at: Missionary Mpheni House, CNR NELSON MANDELA & BEYERS NAUDE STREET, RUSTENBURG,	

		NORTH WEST PROVINCE, and may, depending on the context, include: (a) its successor in title; or (b) a functionary, employee or official exercising a delegated power or carrying out an instruction, in the event of any power being delegated as contemplated in terms of the provisions of section 59 of the Systems Act, or exercising any lawful act in the furtherance of the Municipality's duties, functions and powers; or (c) an authorised service provider fulfilling a responsibility assigned to it by	

		the Municipality through a service delivery agreement.	
1.31	**"Municipal Council"**	means the RLM Municipal Council; a council composed and elected in terms of section 157 of the Constitution;	
1.32	**"Municipal Manager"**	A person appointed in terms of section 54A of the ACT as the head of administration of the Municipal Council;	
1.33	**"Municipal Property Rates Act" or "MPRA"**	Means the Local Government: Property Rates Act, Act 6 of 2006 and promulgated Regulations in line with the Act.	
1.34	**"municipal service" or "services"**	Means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether –	

		(a) such service is provided or to be provided by the Municipality through an internal mechanism contemplated in section 76 of the Systems Act or by engaging an external mechanism contemplated in section 76 of the Systems Act; and (b) fees, charges or tariffs are levied in respect of such service or not.	
"N"			
1.35	**"non-trading services"**	Services for which tariffs are not necessarily expected to cover the full cost of service provision. Any losses on the provision of these services are financed out of the income generated from	

		trading services and assessment rates.	
"P"			
1.36	**"prepayment meter"**	Means a meter whereby payment for municipal services is first made elsewhere and credit is transferred to such meters by means of a token or coded number or credit card and such meter is programmed and dispenses municipal services as it is consumed by the consumer at a predetermined rate and/or charge.	
"R"			
1.37	**"rates"**	Means a municipal rate on property levied in terms of the provisions of section 229(1)(a) of the Constitution and section 2(1) of the MPRA.	
1.38	**"Registered Indigent"**	Means a person, qualifying to be registered as an indigent in terms of the Indigent Policy of	

		the Municipality, who has applied to the Municipality in terms of the Indigent Policy to be registered as a Registered Indigent, whose application was approved by the Municipality, and who is indicated as a Registered Indigent in the Indigent Register.	
1.39	**"Re-connection fee"**	means fee charge to a Customer upon reconnection of Municipal services;	
1.40	**"RCC"**	Municipal Regional Community Centers	
"S"			
1.40	**"Service delivery agreement"**	means an agreement as envisaged in section 81 of the ACT;	
1.41	**"Special Tariff"**	means a charge as more fully referred to in 9.3.9, read together with 13 of this Policy;	
1.42	**"Sundry Tariff"**	means a charge as more fully referred to in paragraph 9.3.8 of this Policy;	

1.43	**"Surcharge"**	means a charge raised on and above a normal Tariff based either on a percentage and or a fixed amount;	
1.44	**"Structures Act"**	Means the Local Government: Municipal Structures Act, Act 117 of 1998 and promulgated regulations in line with the Act.	
1.45	**"subsidised services"**	Means municipal services in respect of which the tariffs do not cover the costs of provision and in respect of which such costs are subsidised by property rates and the general revenue of the Municipality.	
1.46	**"Systems Act"**	Means the Local Government Municipal Systems Act, Act 32 of 2000, as amended, by Act 44 of 2003 and any promulgated Regulations in line with the Act.	
"O"			

1.47	**"off-peak supply"**	Means an electricity supply on written request to a bulk customer which is supplied at times other than those of peak demand.	
"T"			
1.48	**"Tariff/ (municipal tariff)"**	means fees, levy , charges or a surcharge levied by the Municipality in respect of any function or service provided by the Municipality to the local community, and includes a surcharge on such Tariff but excludes the levying of rates by the Municipality in terms of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);	
1.49	**"Tariff book"**	Refers to the Tariff Tables that accompany the annual budget which is tabled before the Municipal Council in	

		terms of section 17(3) of the MFMA.	
1.50	**"tariff policy" or "this policy"**	Means this Tariff Policy of the Municipality adopted in terms of the provisions of section 74(1) of the Systems Act.	
1.51	**"temporary customer"**	Means a customer of electricity, water, sewerage or refuse removal services for a temporary period for specific project or occasion.	
1.52	**"total cost"**	Means he sum of all fixed and variable costs.	
1.53	**"trading services"**	Services which can, in principle, run as separate businesses, because tariffs can in theory be set in such a way as to yield a trading surplus. A key feature of trading services is that they can be provided by private enterprises. Consumers receive a direct *quid pro quo* for tariffs paid. Water, sanitation, electricity	

		and refuse removal form part of trading services.	
1.54	**"two-part tariffs"**	Are tariffs that are raised to cover the fixed and variable costs separately. The fixed costs are recovered by dividing the total fixed costs by the number of consumers per category and the variable costs are recovered by dividing the total variable costs by the volume consumed.	
"U"			
1.55	**"units consumed"**	Means the number of units consumed of a particular service and is measured in terms of the units of measurement reflected in this policy.	
"V"			
1.56	**"variable costs"**	Costs that vary with consumption at volume produced.	

5. Policy Rules and Provisions

5.1 This Policy applies to all tariffs levied by the Municipality. Such Tariffs must be consistent with the principles contained in this Policy and the National Treasury's Costing Methodology for Local Government Guideline[*1].

5.2 All Tariffs must be approved by resolution of the Municipal Council.

5.3 Details pertaining to specific levels and applications of the various Tariffs must be published in the Tariff Book tabled on an annual basis together with the Municipal Budget.

5.4 While full cost recovery is the optimum pricing outcome, the Municipality may adjust pricing to take into consideration socio- economic issues such as the Indigent by using a redistribution mechanism (cross subsidisation) as envisaged in this Policy.

5.5 Subject to 5.4 above, where a service is provided primarily for an individual user and actual service or consumption can be accurately measured, the cost of providing the service should be covered from the individual through the levying of a tariffs.

5.6 If a Municipal service is provided through a Service delivery agreement in terms of section 76(b)) of the **ACT**, the Municipality remains responsible for ensuring that the service is provided to the local community in terms of the provisions of the **ACT** and accordingly, must :

5.6.1 Control the setting, review and adjustment of the tariffs by the service provider for the Municipal Service in question.

5.6.2 Ensure that the Service delivery agreement contains a provision for tariffs to be adjusted by the service provider within the threshold determined by the Municipality.

5.7 Some services, although provided primarily for the benefit of individual users have important community benefits and, particularly where these services cannot be accurately measured, the cost of the service should be recovered by a combination of tariffs and rates. The provision of solid waste collection is such a service.

5.8 The Indigent should have access to basic services in line with the **ACT** and national government policy, taking into consideration the affordability constraints for the Municipality.

5.9 The Municipal Council may determine rebates applicable to different categories of users or the circumstances in which a Tariff may be waived at the time of adopting Tariffs.

5.10 All Tariffs imposed by the Municipality must comply with the following principles as set out in section 74(2) of the ACT and these principles must be applied when Tariffs are determined for approval by the Municipal Council:

5.10.1 All users of a municipal service should be treated equitably in the application of the Tariff; and shall be categorised as per the Municipality's Rates Policy;

5.10.2 The amount charged on individual users for services should be in proportion to their use of that service;

5.10.3 Provision may be made for the promotion of local economic development through special Tariffs for categories of commercial and industrial users;

5.10.4 The Tariff item must be supplied in a sustainable manner and the costs reasonably associated with the provision of such Tariff item, including capital, operating, maintenance, administration, replacement costs and interest charges must be reflected in the Tariff;

5.10.5 The Tariff must be set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned;

5.10.6 The economical, efficient and effective use of resources, the recycling of waste and other appropriate environmental objectives must be encouraged;

5.10.7 The Indigent must have access to at least basic services through:

5.10.7.1 Tariffs that cover only operating and maintenance costs;

5.10.7.2 Special Tariffs for low levels of use or consumption of service or for basic levels of service; or

5.10.7.3 any other direct or indirect method of subsidisation of Tariffs for the Indigent ;

5.10.8 The extent of subsidisation of Tariffs for the Indigent and other categories of users must be fully disclosed.

5.10.9 Correct cost allocations and measurement of historical costs should take place to ensure that no inappropriate subsidisation occurs.

5.11 The Municipal Council may, in appropriate circumstances, impose a surcharge on a Tariff for a service in accordance Municipal Fiscal powers and Functions Act, 2007 (Act 12 of 2007). A Tariff may not be increased during a financial year as stipulated in section 28(6) of the MFMA;

5.12 A Tariff may differentiate between different categories of users as contained in the Tariff Book, and other matters as long as the differentiation does not amount to unfair discrimination.

5.13 Where the Municipality provides a Municipal service (e.g. water or electricity) up to the cadastral boundary of a property, the Municipality has the right to control the setting, review and adjustment of Tariffs by the relevant authority supplying the service to the end user, within the boundaries of such property.

5.14 In addition to the provisions of the ACT, Tariffs for water services must comply with the Regulations under the Water Services Act, 1997(Act 108 of 1997), and Tariffs

for Electricity must comply with the provisions of the Electricity Regulation Act, 2006 (4 of 2006)

6. Title and Application

a) This policy is known as the Tariff Policy of the Municipality, and is applicable to the municipal area of the Municipality.

b) This policy revokes all previous policies, decisions and/or ad hoc clauses within any other policy, regarding the subject matter of this policy.

c) This policy further applies to all fees, charges or tariffs in respect of any municipal services provided by the Municipality.

7. Commencement and Validity

This policy shall come into force and effect upon the acceptance hereof by the Council of the Municipality by resolution, as contemplated in terms of the provisions of section 24(2)(c)(v) of the MFMA.

CHAPTER 2: CLASSIFICATION AND TARIFF STRATEGIES FOR SERVICE AND CROSS-SUBSIDISATION

8. Differentiation for Tariff Purposes

Section 74(3) of the ACT permits the Municipality to differentiate between different categories of users, debtors, service providers, services, service standards, geographical areas and other matters for tariff purposes as long as the differentiation does not amount to unfair discrimination.

Each Municipal Service is not compelled to differentiate for tariff purposes, but where it does, the differentiation must be consistent with this Policy and provision must be made in the Tariff Book for a separate Tariff for each category.

9. Categories of Services

Separate tariff structures may be imposed for the following categories of services (which the Municipal Council may change):

9.1 Trading services

(i) Water and Sanitation;

(ii) Electricity; and

(iii) Fresh Produce Markets.

(iv) Cleansing and Solid Waste

(v) Rates and General Services

(vi) All other services not listed in 9.1 above and as follows:

(vii)cemetery fees;

(viii) housing rental;

(ix) library fees, being:

(x) membership fees;

- fines;
- lost books;
- lost membership cards;

(xi) rental for utilising municipal property and municipal sports grounds;

(xii)lease of municipal property;

(xiii) building plan fees;

(xiv) advertisement sign fees

(xv) refuse bin sale;

(xvi) cleaning of overgrown stands;

(xvii) connection fees for major municipal services;

(xviii) photocopies and faxes;

(xix) clearance certificate fees

(xx) pound fees;

(xxi) cleansing of sewerage blockages;

(xxii) electricity or water disconnection and reconnection fees;

(xxiii) the provision of information or copies of records from the Municipality ' records

(xxiv) Towing Services by Public Safety

VAT is charged as per the existing national tax legislation.

10. Categories of Users

1) The Municipality shall differentiate between different categories of consumers, as provided in section 74(3) of the Systems Act, as long as the differentiation does not amount to unfair discrimination. Such differentiation shall at all times be reasonable and is as follows:

   a) Residential/Domestic;

   b) Business/Commercial;

   c) Vacant Land

   d) Industrial

   e) Agricultural

   f) Mining

   g) Institutional;

   h) Rural;

   i) Municipal;

   j) State owned or organ of state owned properties;

   k) Education;

   l) Exclusive Use Areas

   m) Garages

   n) Commercial Parking

   o) Multipurpose Property

   p) Public Service Infrastructure

   q) Public Benefit Organisation, and

   r) Special Category for specific consumers as may be determined by the Municipality from time to time.

2) A continuous effort should be made to group together those consumers who have more or less the same access to a specific municipal service.

11. Tariff Strategies for Services

11.1 Cost Elements

The following cost elements will be used as a basis of Calculation for the different categories of tariffs pertaining to different services:

- **Fixed costs**: which consist of the capital costs (interest and redemption) on external loans as well as internal advances and or depreciation whichever are applicable to the service, and any other costs of a permanent nature, as determined by the Municipal Council /National Treasury from time to time.
- **Variable cost**: This includes all other variable costs that have reference to the service.
- **Overheads**: Consist of interdepartmental charges charged out to a service, based on an agreed methodology.
- **Total cost:** consist of the fixed cost, variable cost and overhead cost.

11.2 NATIONAL ELECTRICITY REGULATOR (NERSA) GUIDELINES

Guidelines issued from time to time by the National Electricity Regulator will be taken into account in calculating tariffs for electricity.

11.3 TARIFF TYPES

11.3.1 In setting the fees, charges or tariffs for municipal services, the Municipal Council must:

a) accurately reflect costs to achieve economic efficiency;

b) ensure equity and fairness between different types and categories of consumers;

c) utilise appropriate metering and supporting technology; and

d) be transparent.

11.3.2 In determining the type of fee, charge or tariff applicable to the municipal service, the Council may make use of the following options, or a combination thereof:

(a) **Single tariff**: this Tariff shall consist of a cost per unit consumed. All costs will be recovered through unit charges at the level where income and expenditure breaks even. Subject to a recommendation by the Chief Financial Officer, the Municipal Council may decide to approve profits on trading services during the budget meeting. Such profits will be added to the fixed and variable cost of the service for the purpose of calculating the Tariffs;

(b) **Cost related**: *two, three or four part Tariff*: this Tariff shall consist of two to three parts. Management, capital, maintenance and operating costs will be recovered by grouping certain components together e.g. management, capital and maintenance costs may be grouped together and be recovered by a fixed charge, independent of consumption for all classes of consumers, while the variable costs may be recovered by a unit charge per unit consumed. Three part Tariffs will be used to calculate the Tariff for electricity and to provide for maximum demand and usage during limited demand. Four part tariff shall consist of four parts being the fixed cost per unit consumed, a monthly availability charge, an access charge which relates to a fixed tariff levied for the capacity utilised or reserved and a demand charge which relates to the time when, and the extent of the demand for the municipal service is made.

(c) **Inclining block tariff**: this Tariff is based on consumption levels being categorised into blocks, the Tariff being determined and increased as consumption levels increase. The first

step in the Tariffs will be calculated at operating and maintenance costs, the second at break-even point. Subsequent steps will be calculated to yield profits and to discourage excessive use of the commodity.

(d) **Declining block tariff**: this Tariff is the opposite of the inclining block Tariff and decreases as consumption levels increase. The first step will be calculated by dividing the fixed and variable cost and profit determined by the Municipal Council from time to time by the volume consumed. This Tariff will only be used for special agreements as contemplated in the applicable Bylaws/legislation.

(e) **Regulating Tariff**: this Tariff is only of a regulatory nature and the Municipality may recover the full or a portion of the cost associated with rendering the service.

(f) **Time-of-use tariff**: this Tariff is based on fixed charges, seasonal usage and time differentiated energy and demand charges.

(g**)** Basic, Availability or Fixed Tariff: this Tariff is a fixed charge, the calculation of which is based on the fixed cost of a service by dividing the cost into the Unit of Measure plus the application of any cross subsidy. This is payable based on the availability of the municipal services and irrespective of whether the municipal services are connected to a property, consumed or used. Once the Municipality provides a connection or the municipal services are consumed or used, the normal tariffs for the consumption will apply with the availability charge.

(h) **Sundry Tariff**: this Tariff is in respect of services and facilities other than the Tariffs referred to in above, and shall, when deemed appropriate by the Municipal Council in each annual budget, be subsidised by property rates and general revenues, particularly when the Tariffs will prove uneconomical when charged, to cover the cost of the service concerned, or when the cost cannot accurately be determined, or when the Tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

(i) **Outside Municipal Area**: This tariff shall apply to consumers who do not reside within the municipal area of jurisdiction of the Municipality but are making use, on application to the Municipality, of certain municipal services.

(j) **Special Tariffs**: is a Tariff approved by the Municipal Council and imposed by way of an Agreement as contemplated **in 13.1.1 and 13.1.2 of this Policy**; This tariff shall be determined and approved by Council on application for specific developments and/or informal settlements which may motivate or necessitate a special tariff, not provided for in the tariffs referred to above.

11.4 Units of Measures

11.4.1 **Property Value**: this measurement is used to determine the property rates as envisage on the Property Rates Act;

11.4.2 **Kilolitre**: this measurement is used to determine the consumption charge for water;

11.4.3 **Kilowatt hour**: this measurement is used to determine the consumption charge for electricity;

11.4.4 **Kilovolt Ampere**: this measurement is used to determine the demand charge for electricity;

11.4.5 **Kilolitre**: this measurement is used to calculate the tariff for refuse charges;

11.4.6 **Kilometre**: this measurement is used to calculate all vehicles that measure distance in kilometers;

11.4.7 **Hour**: this measurement is used for the calculation of tariffs for plant and machinery and to charge tariffs for man hours performing certain functions;

11.4.8 **Number off (Stands, Consumers, etc**): this measurement is used to calculate fixed, basic and availability Tariffs, see 9.3.7 above.

11.4.9 **Percentage:** this measurement is used to calculate a rate, number, ratio expressed as a fraction of 100 or amount in each hundred.

11.4.10 **Size of the stand, sewer points/ number of toilets (whichever is higher):** this measurement is used to calculate the tariff for sanitation charges.

To determine the number the units billed for fixed service charge of business and commercial and industrial properties. The verification from either of the following Directorates maybe used:

- Planning and Human Settlements: Building Controls Department
- Community Services: Waste Department
- Technical and Infrastructure Services: Electricity; Sanitation; and Water Departments

11.5 Calculation of Tariffs for Major Services

The primary purpose of a tariff is to recover the costs to be recovered of a particular municipal service and to endeavour to avoid in as far as possible the cross subsidising of the municipal service.

In order to determine the Tariff which must be charged for the supply of the four major Municipal services (water, electricity, refuse removal and sewerage) the municipality shall identify all the operational costs of the undertakings concerned, including specifically the following:

11.5.1 Cost of bulk purchases in the case of water and electricity;

11.5.2 Purification costs (water and sewer);

11.5.3 Distribution costs;

11.5.4 Distribution losses in the case of electricity and water;

11.5.5 depreciation and finance charges;

11.5.6 Maintenance of infrastructure and other fixed assets;

11.5.7 cost of approved indigent support measures and cross subsidising of low consumption;

11.5.8 Administration and service costs, including:

a. service charges levied by other departments such as finance, human resources and legal services;

b. reasonable general overheads, such as the costs associated with the office of the Municipal Manager;

c. adequate contributions to the provisions for bad debts and obsolescence of stock;

d. 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 the costing of the major services of the municipality).

11.5.9 The intended surplus to be generated for the financial year, such surplus to be applied:

a. as an appropriation to capital reserves; and/or

b. generally in relief of rates and general services.

11.6 **ACCESS TO BASIC SERVICES - INDIGENT**

11.6.1 Tariffs should seek to ensure that a minimum basic level of service is affordable for all households, ensuring all households (formal and informal) have access to basic services.

11.6.2 Free basic municipal services refer to those municipal services necessary to ensure an acceptable and reasonable quality of life and which municipal service, if not provided, could endanger public health or safety to the environment. It is one of the objects of the Municipality in terms of the provisions of the Constitution to provide same.

11.6.3 The Assistance to the Indigent Scheme as contained in the Municipality's Credit Control and Debt Collection Policy, should be taken into consideration when determining a Tariff in relation to basic services.

11.6.4 The Municipality shall consider relief in respect of a Tariff, for the Indigent to the extent that the Municipal Council deems such relief affordable in terms of each annual budget.

11.6.5 The indigent support granted to Registered Indigents by the Municipality in terms of the Indigent Policy of the Municipality, must be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.

11.6.6 Indigent support by the Municipality is restricted to qualifying indigent households with a combined income amount determined by the Municipality at the beginning of every

financial year, available on application to Registered Indigents, and to be applicable for the duration of that particular financial year.

11.6.7 The Municipality recognises the following categories of service charges to which indigent support may be applied:

(a) Electricity;

(b) Water;

(c) Refuse removal;

(d) Sewerage;

(e) Property rates; and

(f) Pauper burials.

12. Review of Tariffs

12.1 All Tariffs shall be reviewed annually.

13. Cross-Subsidisation

The Municipality realizes that in order to achieve its goal of the provision of access to basic services, cross subsidization must occur. This will result in increases in certain Tariffs, which are necessary to make good any shortfall resulting from the provision of subsidized basic services and to ensure a balanced budget on the trading account.

The Municipality subscribes to the policy that indigent households are entitled to access to at least basic services. A basic service is a service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety of the environment. These basic services include:

13.1. Domestic refuse removal;

13.2. Electricity;

13.3. Water;

13.4. Domestic Sewage disposal, as contemplated in the Municipality's Credit Control and Debt Collection Policy.

Unless otherwise determined by National or Provincial legislation, the following ratios are applicable to cross subsidise between categories of users.

Category of User	Ratio
Residential	1:1
Business & Commercial	1:2.5
Industrial	1:3

Agricultural	1:1
Public Service Infrastructure	1:2.5
Mining	1:3
Public Benefit Organisations	1:1

14. Promoting Local Economic Development

The Municipal Council may, when it determines Tariffs, have regard to the following:

(a) The promotion of local economic competitiveness; and

(b) The promotion of local economic development and growth.

15. Special Tariffs

15.1 Special Tariffs may be imposed, subject to approval by Municipal Council:-

15.1.1 In terms of an agreement entered into between the Municipality and any person or service provider, in line with applicable legislation. Such agreement must be approved by the Municipal Council; or

15.1.2 In terms of a service level agreement entered into between the Municipality and an external service provider as contemplated in section 76(b) of the ACT.

15.2 Special Tariffs are generally competitive, determined by the volumes and income generated.

CHAPTER 3: PROCEDURE FOR THE INTRODUCTION OF NEW OR REVISED TARIFFS

16. Procedures and Processes

16.1 Any introduction of new and or proposed changes to an existing Tariff must be submitted to the Municipal Council for approval prior to the tabling of the annual Budget in March and May of each year. The Tariff report must be authorised and signed by the Relevant Director of the municipal Unit which compiled the Tariff report, the CFO, Unit Manager - Billing, Head Legal Services and thereafter the Municipal Manager;

16.2 Once all the signatures of the above officials have been obtained, the Tariff report must be submitted to the relevant Standing Committee which has oversight over such Tariff, for approval in principle. A copy of the proposed Tariff report should be submitted to the Budget and Treasury Office;

16.3 If the Tariff is recommended for approval by the relevant committee or committees contemplated in 14.2 above, it must be forwarded to the Mayoral Committee for consideration and approval in principle, and thereafter to the Municipal Council for final adoption;

16.4 All Tariffs are levied by a resolution passed by the Municipal Council with a supporting vote of a majority of its members;

16.5 Once the Tariffs contained in the Tariff report have been adopted by the Municipal Council, the respective line department which introduced the Tariffs must, upon becoming aware that the Tariffs have been approved—

16.5.1 immediately forward a copy of the approved Tariffs to the Budget and Treasury Office together with a copy of the resolution of the Municipal Council; and

16.5.2 advise the Budget and Treasury Office that the Tariffs, as approved, by the Municipal Council are the new set of Tariffs for the relevant financial year, in question.

16.6 The Budget Office must collate all the Tariffs, as approved, and consolidate them into the Tariff book of the Municipality;

16.7 After a resolution contemplated in 16.5 above, has been passed, the Municipal Manager must, without delay-

16.7.1 conspicuously display a copy of the resolution for a period of at least 30 days at Mpheni House, Municipal libraries, RCC's, municipal website and at such other places within the Municipality to which the public has access as the Municipal Manager may determine;

16.7.2 publish in a newspaper of general circulation in the municipality a notice stating-

16.7.2.1 that a resolution as contemplated in 14.5 above, has been passed by the Municipal Council;

16.7.2.2 that a copy of the resolution is available for public inspection during office hours at Mpheni House, Municipal libraries, RCC's, municipal website and at the other places specified in the notice; and

16.7.2.3 the date on which the determination will come into operation; and

16.5.4.3 seek to convey the information referred to in paragraph 16.8.2 to the local community by means of radio broadcasts covering the area of the Municipality.

16.8 The Budget and Treasury Office must forthwith—

16.8.1 forward a copy of the notice referred to in paragraph 14.8.2 to the MEC for local government concerned; and

16.8.2 forward a copy of the resolution and accompanying Tariffs to the Legal Services Unit and to the Billing unit.

16.9 The Budget and Treasury Office must—

16.9.1 compile a collection of all approved Tariffs for the respective financial year; and

16.9.2 forward the approved Tariffs for the respective financial year to the Municipality's Communications Department.

16.10 Upon receipt of Tariffs from the Legal Services Unit, the Communications Department must immediately post such Tariffs under an identifiable tab in the Municipality's intranet and internet. It is the responsibility of the Accounting Officer:-

16.10.1 To provide the Council with a consolidated Tariff Table/Book in March and May each year when the Budget is tabled ,and

16.10.2 To issue such administrative directives to staff as may be necessary to ensure compliance.

17. Tariff Reports

17.1 Any municipal department wishing to introduce a new Tariff or propose a change to an existing Tariff must compile a Tariff report for consideration by the Municipal Council;

17.2 The Tariff report must, where applicable, provide details of the following:

17.2.1 a statement of the current income from the Tariff concerned and, if a surcharge is imposed, a statement of the Tariff income from such surcharge;

17.2.2 a statement of any income from subsidies from the tax revenue of the municipality;

17.2.3 a statement of any current subsidies from any provincial or national government source;

17.2.4 a statement of the current costs reasonably associated with the provision of the Tariff item concerned which shall be broken down into the following sub-items—

17.2.4.1 capital costs;

17.2.4.2 operating costs;

17.2.4.3 overhead costs;

17.2.4.4 bulk purchasing costs in respect of water and electricity reticulation services and other municipal services;

17.2.4.5 maintenance costs;

17.2.4.6 administration and regulatory costs;

17.2.4.7 replacement costs;

17.2.4.8 provision for bad debts;

17.2.4.9 interest charges;

17.2.4.10 cash requirement for the repayment of any borrowing; and

17.2.4.11 surplus (if any).

17.2.5 a statement of the anticipated costs for the next three financial years divided into the same sub-items mentioned above and, if those costs have changed or should change during the next three-year period, a brief summary of the reasons for the change;

17.2.6 a statement of the proposed increase or decrease in the Tariff and the anticipated revenue from such increased or decreased Tariff fee for the next financial year;

17.2.7 a statement of whether a subsidy is needed for the sustainability of the Tariff item concerned and, if so, whether funding is expected from the provincial or nation government or whether it is proposed that the subsidy be provided from the municipality's own sources;

17.2.8 a statement of the justification for any differentiation proposed in the fee for the same Tariff items; and

17.2.9 a statement of any justification for a lifeline Tariff, a special Tariff, a fixed Tariff or a minimum charge.

17.2.10 a statement indicating the cross subsidy in the Tariff; and

17.2.11 in the case of Tariffs for Water, Electricity, Sewer and Refuse a statement of the anticipated usage of the services per different category expressed in kl, kWh, kVa, and m³, whichever is applicable. The statement should also contain the number of users per category.

18. Accounts incorrectly billed

18.1 Any account that has been incorrectly billed will be corrected to a maximum of three years from the date the incorrect amount is identified, except in exceptional cases which can be approved by the CFO/ Unit Manager – billing, this will be applied in conjunction with the current by laws and in case where there is inconsistency, the by law will take precedence.

19. Interest charged on arrears

19.1 Interest shall be charged at prime rate plus one per month for property rates and prime rate plus two for other services. Interest must be paid to the Municipality on accounts that have not been paid within thirty days from the date on which such accounts became due.

20 Cleaning of stands

20.1 Should a vacant stand not be properly maintained and cleaned, the municipality can clean the stand and charge a fee determined in its tariff book.

21 Billing basic refuse collection on vacant stands

In terms of the Municipal Waste Management By Laws, the municipality charges basic waste on all vacant stands within proclaimed areas.

22 Billing of Sectional titles/flats and other properties having a bulk connection

22.1 The municipality will no longer bill individual meters in the above-mentioned properties, however, only the bulk meter will be billed in line with the municipal by laws.

23 Estimated charges

23.1. The municipality will charge estimates using the client's last three consecutive actual consumptions

23.2. Where there is no historical data to determine average consumption, the municipality will charge the average as per the categories below in case of emergency or exceptional circumstances e.g. clearances and credit control cases. In case of businesses, the size of the stand and installation will be considered.

Water

- Residential properties – 20 kilolitres
- Businesses and all other categories - 200 kilolitres - The size of the stand and type of installation ~~might~~ will be considered ~~in certain circumstances especially big businesses.~~

Electricity

- Residential – 600 KHW
- Businesses and all other categories – 5000 KWH – The size of the stand and type of installation ~~might~~ will be considered ~~in certain circumstances especially big businesses.~~

23.3. Socio-political issues (e.g. community unrest) impacting meter reading for a period of more than three months, the municipality will charge estimates using the client's last three consecutive average consumptions.

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24. Valuation Roll: Request for Reasons

- The municipality will levy a fee for any request for reason in terms of the Municipal Property Rates Act

25. Public Participation

25.1 The Accounting Officer shall arrange for a series of local meetings with the ward committees and the public of each ward to ensure proper participation by the local community in the affairs of Municipality. Such meetings shall be conducted during the budget participation process.

25.2 The ward councillor of the ward concerned shall chair any meeting referred to in 20.1 above. The object of the meeting will be to prepare comments and representations on Tariffs or their amendment. The Accounting Officer shall ensure that all such comments and representations made by any such meeting are referred to Mayoral Committee and Mayoral Committee shall take them into account when it reports thereon to the Municipal Council.

26. Enforcement and Oversight

This Policy, together with all departmental Tariff policies, is enforced through the Municipality's —

26.1 Tariff By-law;

26.2 Credit Control and Debt Collection By-law and Policy;

26.3 Water Services by law

26.4 Electricity by laws

26.5 Waste Management by laws

26.6 The CFO together with Unit Manager - Budget will have an oversight responsibility over all Tariffs submitted for approval to confirm that it complies with the principles stipulated in this Policy.

26.7 Any deviations from this Policy and National Treasury's Costing Methodology for Local Government Guideline shall be fully disclosed and reported to the Municipal Council.

27. Policy Evaluation and Review

27.1. This Policy must be reviewed by the Treasury Unit, assisted by the Legal Services Unit on an annual basis, prior to the commencement of the new financial year, and amendments made to strengthen the Policy, where applicable, for consideration during the annual Budget process.

28. Interpretation of this Policy

28.1 If there is a conflict of interpretation between the English version and a translated version, the English version prevails.

28.2 Unless the context indicates the contrary, any reference to an official or a designated post in this Policy, shall include the duly authorised nominees/delegates of such official or of the incumbent of such post.

28.3 This Policy must be read in conjunction with specific legislation applicable to each service and the following policies:

28.3.1 The Municipality's Credit Control and Debt Collection Policy

28.3.2 The Municipality's Rates Policy

RUSTENBURG LOCAL MUNICIPALITY

DRAFT FRAMEWORK FOR ACCELERATING ECONOMIC EMPOWERMENT AND TRANSFORMATION

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1. INTRODUCTION

The Constitution of the Republic of South Africa Chapter 7 Clause 152, mandates a municipality (Local Government) interlia to:

a) ensure the provision of services to communities in a sustainable manner;
b) promote social and economic development; and
c) encourage the involvement of communities and community organisations in the matters of local government.

Services can only be sustainably provided if there is a balance of the environmental, social and economic well-being of the communities. It is therefore imperative for the municipality to facilitate and ignite economic development of its communities through policies, supply chain management, job opportunities, infrastructure development and other developmental initiatives.

Clause 153 of the Constitution states that "*the municipality must participate in national and provincial development programmes"*. This includes all programmes including economic empowerment programmes that the National and Provincial Government might initiate. The objective of this clause is to ensure seamless and an integrated approach to social and economic development in the Local Government space. The Municipal Systems Act requirement of an Integrated Development Plan (IDP) further enhances the spirit of developmental integration within the municipal environment. It therefore means the activities of the various spheres of government and state organs should be integrated spatially, economically and the impact or benefits to the community must be understood by all. Ideally, the economic empowerment initiatives by each organ of the state must be harmonised with the initiatives of other organs of the state.

1.1 Economic Empowerment

Various legislations encourage the municipality directly or impliedly to support, prioritise and grow **black owned SMMEs** particularly those owned by **the Youth, Women, disabled people** and ensure their effective participation in the economic mainstreams. In Rustenburg Local Municipality, a proposed number of developmental initiatives will be undertaken in the 2024/25 financial year with a key focus on the following initiative.

Development initiatives.

- Supporting the development of alternative industries to support small business development. Sectors identified include Green Economy and Agriculture Development.
- Facilitate skills development to develop local contractors in collaboration with the National Department of Public Works.
- Small business development support in collaboration with Government and Private Sector Stakeholders
- Job Creation through Municipality's initiatives including capital projects.
- Leveraging the Municipality's supply chain to promote local procurement of Municipal goods and services.

Through these initiatives, SMMEs can be brought into the mainstream through Contractor Participation Goals (CPG), joint ventures, consortiums, EPWP programme and sectorial incubation programmes.

The empowerment initiative must operate within the auspices of;

- Section 217 of the Constitution
- Municipal Finance Management Act
- Preferential Procurement Policy Framework
- Broad-Based Black Economic Empowerment Act
- BEE Codes of Good Practice, Codes of good Practice and Scorecard.

2. PURPOSE OF THIS FRAMEWORK

The purpose of this framework document is to provide guidance to municipal officials and other state organs operating within the Rustenburg Local Municipal environment on how to effectively, fairly and transparently contribute to the economic empowerment of communities through developmental initiatives.

The framework seeks to provide channels of communication and reporting, forms of community economic empowerment, activity integration, ways of accessing opportunities, targeted groups and areas for potential partnerships or joint ventures.

3. BACKGROUND

The level of unemployment in Rustenburg Local Municipality is relatively high (26.4%) with most (34.7%) youth being unemployed (2011 Census). The National and Provincial governments have all highlighted poverty as a challenge that needs to be eradicated through job creation and small business enterprise development. Infrastructure development is one fundamental pillar identified to boost economic growth.

In the past three years, there has been growing concern about lack of tangible economic empowerment of communities within Rustenburg Local Municipality. Of major concern is that residents are not economically benefitting from infrastructure development projects that are being undertaken in their wards.

The municipality has a number of initiatives that seek to create opportunities for the local people and includes EPWP programs. However, these programs have not found their footprint in a structured manner in most infrastructure projects due to lack of knowledge and guidance on how this could be done. This document seeks to provide simplified

guidelines for dealing and ensuring economic empowerment of local communities through projects executed by the municipality

Through this initiative the municipality prioritises job creation, small business support and community empowerment as one of economic development thrusts in the next five years. The high rate of unemployment within the municipality is worrying especially the youth, disabled and women.

The following challenges were identified within Rustenburg Local Municipal Area (EMA) as:

- Need for Poverty alleviation.
- Rate of Service delivery
- Availability of Skills and competencies
- Barriers to entry
- Capacity limitations
- Collusion
- Slow pace of economic transformation

4. POLICY SUPPORT

Economic Empowerment/Transformation is part of a broader Transformation Framework that needs to be adopted by the Municipality.

This framework is in line

with PPPFA Regulations gazette on 20 January 2017.

A new SCM Procurement Bill is also being prepared currently and this may also impact on the proposals in this presentation.

The five elements of the BBBEE are to be taken into account when driving the empowerment initiative, these being;

- Ownership.
- Management Control.
- Skills Development.
- Enterprise and Supplier Development.
- Socio-Economic Development

EMPOWERMENT STRATEGIES

The empowerment strategies shall be curved within the following broad principles:

a) Every project with a contract value above R30 million shall set aside 30% of the project for CPG. This will be stipulated as a condition of tender as outlined in clause 5.4 [is this paragraph 5 (d) below] of this document.

b) Projects that are between R5million and R30million must stipulate that 30% of the project value will be allocated to sub-contractors. This will not be a condition of tender but a requirement and if companies fail to meet this requirement, penalties will be incurred. This condition must be explicit in the tender documents to be enforceable.

c) Subcontractors or service providers shall be selected from the Wards where the service or project is being undertaken. If the project is traversing a number of Wards, opportunities shall be granted to all subcontractors in the benefiting Wards at the beginning of the project irrespective of the project timelines.

d) In cases where there are no suitable contractors to do the job in a Ward, the main contractor or service provider shall select sub-contractors from the relevant Wards under the emerging contractor program to be implemented by the municipality or any such database of service providers kept by the municipality. However, should there be no subcontractors from the relevant wards, sub-contractors will be selected from boundaries within Rustenburg Local Municipality. Care must be taken by the municipality to ensure that main contractors do not bring in own sub-contractors from outside the municipality.

e) The main contractor/service provider is expected to provide training to the subcontractors. The training and coaching shall enable the subcontractor to apply for higher CIDB grading after the completion of the project or register with the appropriate professional or monitoring body. Training and skills transfer should be incorporated in the tender document to be enforceable.

i. RLM units must take proactive steps to identify wards with capital projects for the upcoming financial year and deliver training programmes to ensure that local labour and subcontractors are ready for inclusion in the capital projects prior to implementation, for example:

- SCM – procurement training at those wards for SMMEs
- LED – business registration, marketing, productivity, investment, and other compliance issues
- PMU/DTIS – technical training related to type of project for targeted sub-contractors and local unemployed people

f) Nominated Subcontractors

The municipality may provide nominated subcontractors to the main contractor or service provider at the tender stage who shall take full professional responsibility for the workmanship quality of the subcontractors he/she chooses. The subcontractor shall be selected from a database created for small ward contractors and service providers and/or Emerging Contractors database

g) Database

The Supply Chain Management Unit shall keep a database for ward-based contractors or service providers and shall be renewed once a year through adverts in the local media, notice boards of municipal offices and internet. The Ward Councillors maybe be alerted of advert so that they can disseminate the information about the tenders to the communities. Other State Organs may use this database.

h) Integration

The planned and actual economic empowerment of communities of all organs or state or role players working within the Rustenburg Local Municipality shall report to the Supply Chain Management Unit for integration and information sharing thereof

i) Communication

All communication regarding community empowerment initiatives shall be done through the municipality through the LED Office in partnership with SCM where upon he/she shall act swiftly to assist the third party. Communication by any Organ of State to individual community members or individual groups shall be avoided.

5. UNBUNDLING STRATEGIES

Unbundling of programs or projects afford a wide range of participation opportunities to the full spectrum of targeted groups or enterprises. This can range, from those operating as labour only contractors (are these labour brokers?) to those operating as prime contractors or suppliers. (Job opportunities for local labourers in wards with projects must be managed directly by the municipality to prevent accusations of *'importing'* of labour from other areas)

The use of Targeted Procurement enables contracts to be unbundled in a number of ways, viz.:

- by procuring works or services in the smallest practicable quantities
- by obligating prime contractors or service providers to engage targeted enterprises in the performance of their contracts in terms of resource specifications
- by requiring joint venture formation between large businesses and targeted enterprises (known as Structured Joint Venture); and
- by providing third party management support to enterprises which are not capable of operating as prime contractors (known as Development Contracts);
- by encouraging venture capital providers to assist small business enterprise;
- by requiring manufacturers to have some of their components of their products manufactured and procured from small business enterprise from within Rustenburg Local.

6. SUPPORT TARGET GROUPS

Having initiatives that support and sustain entities that are owned by PPG's in particular Youth, Women, Disabled, Military Veterans etc.

The proposed SCM Policy states that Rustenburg Local Municipality can implement a procurement process which incorporates;

i. categories of preference in the allocation of contracts; and

ii. the protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination

These programmes and initiatives include, amongst other things, the following;

- EPWP Construction Contractor Incubator/Development Program
- CPGs with area/ward based panels of contractors
- Joint Ventures and Consortiums
- Designated Sub-Contracting & Contractor/Supplier Development for Categories/Programmes with monopolistic and/or under-represented Service Providers
- Skilled and unskilled labour (Demarcated within Wards)

- Sectorial Incubation Programmes
- Co-operatives

7. EPWP CONSTRUCTION CONTRACTOR DEVELOPMENT/INCUBATOR PROGRAMMES

- Expressions of interest to register service providers for 36 months. This shall be done on a yearly basis
- Aim is to target labour intensive programmes
- Categories EPWP services e.g. bricklayers, construction, sidewalks etc.

In line with the Council approved EPWP Policy, and targets in the Performance Plans of Directors, Line Departments are to identify projects that are labour intensive that will form part of EPWP Contractor Development Programme.

The other spheres of government or State Organs operating in the municipality may also use the database of EPWP contractors or service providers developed and managed by the Municipality.

Unbundling of big projects and identifying opportunities and areas/ scope of works that can be carried out by emerging contractors and excising those from the main assignment shall be the norm.

The EPWP policy needs to be refreshed in order to address the current gaps as per 5.4

8. CPGs AND SUB-CONTRACTING

The revised regulations require organs of state to identify tenders, where it is feasible, to sub-contract a minimum of 30% of the value of the contract for contracts above R30 million.

The tenderer must sub-contract a minimum of 30% of the value of the contract to-

(a) an EME or QSE;
(b) an EME or QSE which is at least 51% owned by black people;
(c) an EME or QSE which is at least 51% owned by black people who are youth;
(d) an EME or QSE which is at least 51% owned by black people who are women;
(e) an EME or QSE which is at least 51% owned by black people with disabilities;
(f) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
(g) a cooperative which is at least 51% owned by black people;
(h) an EME or QSE which is at least 51% owned by black people who are military veterans; or
(i) more than one of the categories referred to in paragraphs (a) to (h).

Any bidder not meeting this requirement will be considered non-responsive & accordingly the bid will be disqualified.

The municipality should be the one informing main contractors which CPG's are to be utilised through consultation with relevant stakeholders. The following tools are to be utilised;

- Accredited database for various categories of services
- Accredited service providers within demarcated wards

This registration of these service providers will assist in identifying service providers that are currently undertaking work with Rustenburg Local Municipality and those that have been given opportunities within the financial year. (What is the frequency of rotation of opportunities for SMMEs)

9. JOINT VENTURE AND CONSORTIUM

Joint venture is "an association of firms of which at least one of the partners is an emerging partner for which purpose they combine their expertise, property, capital, efforts, skills and knowledge to execute a contract". For South African emerging contractors this must entail empowerment through capacity building based on democratic, participatory, and development strategies.

Joint venture agreements that must clearly define;

- Shareholding %.
- Terms and conditions
- Skills transfer
- Allocation and or distribution as per the scope of work

10. Designated Sub-Contracting & Contractor/Supplier Development for Categories/Programmes with monopolistic and/or under-represented Service Providers

Where there are areas/programs/sectors with monopolistic and/or under or poor representation the following shall be established

- incubation programs with panels of designated subcontractors

The designated sub-contractors on the panel are contracted directly to Rustenburg Local Municipality through an Incubation programme. This will be applicable in the following instances

- Sole or limited service providers

Accredited sectorial service providers e.g. Muvo cards only supplied by Standard Bank, Nashua photocopies supplied only by Kopano, Mercedes sole supplier of parts for buses, Soft-drinks only supplied by ABI.

11. Sectorial Incubation Programmes

The sectorial incubation programme is to counter monopolistic practices in particular sectorial areas.

- This programme must be undertaken over 36 months
- Accredited register of service providers
- Skills transfer programme

It will be incumbent upon the municipality or organs of state to ensure that the (would be) designated sub-contractors meet the industry norms and conventions and are compliant with the applicable prescripts.

Under no circumstances will the prescribed and applicable standards be compromised on the altar of this programme.

12. Skilled and unskilled labour (Demarcated within Wards)

Consultation must take place within each Ward before the start of a project to identify Skilled and unskilled labour to be utilised for the project through;

- Register of unemployed persons in each area

Ward structures in consultation with Project Managers to facilitate process on a rotational basis. The Tender document shall specify that 100% unskilled labour and 50 % skilled labour shall be sourced from the Local Community

13. Co-operatives

Procedures will be put in place to deal with Co-operatives and to identify further projects.

- Co-op will be appointed through an expression of interest in the following sectors;
- Grass and tree cutting
- Indigenous Grass and tree planting (Community Development Directorate)
- Cleaning of municipal buildings
- Cleaning of streams / storm water
- Combatting of illegal dumping in municipal wards (Waste Management Unit)
- Combatting water and sewerage leaks in wards (DTIS)
- Potholes on internal ward roads (Roads)
- Maintenance of street lights (Electrical Unit)
- Removal of illegal advertisements in municipal wards (LED)

- Labour support for small scale agriculture projects in wards through EPWP (LED)
- Re-use, re-purposing and re-manufacturing of waste products in wards (LED)

14. Suggested measures to support and grow SMMEs in particular Youth, Women, disabled

- Availability of credit facilities & financing
- The need for technical & managerial training especially through mentorship
- Allocating projects exclusively to the target groups to aid the transit of emerging to fully fledged contractors
- Monitoring contractors to ensure that only responsible target groups are selected
- Having more targeted projects

15. AREAS OF IMPROVEMENT

- Simplification in bid submission requirements
- Broadening of participation base of small suppliers
- Waiving of bid requirements
- Contractor registration / prequalification systems
- Procurement documentation
- Monitoring & reporting on empowerment initiatives
- Quality management & assurance
- Dispute mechanisms

16. PARTNERSHIP AGREEMENTS

In order for all the above empowerment initiative to work it requires partnership between Supply Chain Management, Business Support, (LED) Skills development and respective Line Departments through undertaking the following;

- Identification of Project that must have CPGs as part of their empowerment initiatives
- Analysis of spend areas to identify programmes/projects that must have designated sub-contracting as part of their empowerment initiatives.
- Compulsory specifications for Skills Development and other Socio-Economic objectives are utilised where applicable. (Same must be incorporated in RLM SCM regulations to be enforceable)

17. WAY FORWARD

This methodology requires a measurable component to enable the amount of participation by the target group to be quantified. Therefore, the municipality must provide;

- A level playing field for all tenderers, socio-economic deliverables and related specifications must be clearly and precisely defined.
- The key elements associated with socio-economic objects must accordingly:
  - Define what constitutes each target group. Identified parameters to be incorporated into the reporting template for measurement/ audit purposes. For example: Youth (Gender/Ward identifier/Economic sector/Value of contract), Disabled (Gender/Age/Ward identifier/Economic sector/Value of contract), Women (Age/Ward Identifier/ Economic sector/Value of contract);
  - Set goals (targets), measurable in monetary terms, which can be met by engaging the target groups in the pursuit of predetermined socio-economic / development objectives. To incorporate the targets explicitly in the SCM and other reporting documents;
  - Provide for the measurement of key indicators to ensure that goals may be quantified and audited during the performance of the contract; and
  - Set out of the manner in which goals can be achieved, as well as what and how penalties will be applied in the event that a contractor fails to meet his contractual obligations.
- Unit Directors to ensure that they have EPWP Policy related targets in their IPPs and those of relevant staff
- To review budget, identify and unpack their projects (current, soon to be awarded and to be advertised) to incorporate the dimensions of Empowerment as outlined
- To submit all Specifications with Empowerment methodology, failing which items will be returned.
- To Report to SCM on the planned Empowerment initiatives for projects (current, soon to be awarded and to be advertised)
- Stakeholder engagement, internal and external

Current standards available as SANAS documents to address socio-economic objectives

1) Targeting of affirmable business enterprise
2) Structured Joint Venture (Affirmable Partners)
3) Structured Joint Venture (Targeted Partners)
4) Targeting of local resources
5) Engagement of targeted labour
6) Targeting of affirmable professional service providers

Additions to be considered:

Fraud prevention

i. Fronting
ii. Importing of labour
iii. Use of undocumented immigrants

DRAFT ASSET MANAGEMENT POLICY & PROCEDURES MANUAL

RUSTENBURG

LOCAL MUNICIPALITY

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Asset Management Policy

CHAPTER 1 --- General Introduction

Part 1 – Preamble

New legislation such as the Municipal Finance Management Act (MFMA), That brought changes of compiling the financial statements including the size and complexity of the Rustenburg Local Municipality's (hereafter named RLM) operations, highlights the critical importance management:

The municipal council of Rustenburg Local Municipality wishes to adopt a policy to guide the Municipal Manager in the management of the municipality's assets.

The Municipal Manager as custodian of municipal funds and assets is responsible for the implementation of the management policy which regulates the acquisition, safeguarding and maintenance of all assets.

The Department Heads (Functional Heads) acquiring assets on behalf of RLM must ensure that only assets necessary for the efficient, effective and economical delivery of intended service delivery are procured. Those assets that require periodical maintenance must be properly maintained, to ensure that intended benefit to be derived from assets procured is realised. Assets no longer needed to deliver services, must be declared for further transfer to areas where needed or to be disposed of in the appropriate manner.

Individuals entrusted with RLM's assets have to properly utilize such assets to ensure that the intended benefit to be derived is realised. Adequate security measures to safeguard the RLM assets must be adhered to; to ensure that lose or theft of assets is minimized.

Assets acquisitions, movements, transfer and disposals policies and procedures must be adhered to at all times to ensure that the assets recorded in the Assets Register and funding sources are correctly identified and recorded appropriately. Disciplined assets management from the individual asset user up to top management must ensure that this is achieved.

This policy is applicable to all Departments and Strategic Executive Directors up to the Municipal manager's level.

PART 1.2 - OBJECTIVES

The objective of this Asset Management Policy is to ensure that the municipality:

- has consistence application of asset management principles;
- implement accrual accounting;
- complies with the MFMA and other related legislation;
- correctly accounts for assets under the GRAP accounting framework;
- safeguards and controls the assets of the municipality
- and optimise asset usage

Other objectives is:

a) To ensure the effective and efficient control, utilization ,safeguarding and management of the RLM'S property, plant and equipment are achieved.
b) To ensure that Functional Heads are aware of their roles and responsibilities regarding property, plant and equipment.
c) To set out the standards of physical asset management, recording and internal controls to ensure property, plant and equipment are safeguarded against loss and/or inappropriate utilisation.
d) To specify the processes required for acquisition, transfer and disposal of assets.

CHAPTER 2 ---- ROLES AND RESPONSIBILITIES

PART 2 - ROLE OF THE MUNICIPAL MANAGER (MM)

As the accounting officer of the municipality (section 63 of the MFMA), the Municipal Manager shall be the principal custodian of all the Municipality's assets and shall be responsible for ensuring that the asset management policy is meticulously applied and adhered to.

The Municipal Manager must ensure that:

a) The Municipality has and maintains a policy and internal control systems that accounts for the assets of the Municipality;
b) The Municipality's assets are valued in accordance with standards of generally recognised accounting practice;
c) That the Municipality has and maintains a system of internal control of assets including the assets register; and
d) Departmental Heads and their staff comply with this policy.
e) Asset management policy is reviewed annually.

PART 2.1 – ROLES AND RESPONSIBILITIES OF OFFICERS BELOW THE MUNICIPAL MANAGER

PART 2.1.1 - THE CHIEF FINANCIAL OFFICER (CFO)

- The CFO shall be the asset registrar of the municipality in terms of (section 79 of the MFMA), and shall ensure that a complete, accurate and up-to-date computerised asset register is maintained.
- The CFO shall be responsible to supply respective Directorates with a copy of the assets, as scheduled in the asset count programme.
- Shall submit a report to council on all lost assets and include all explanations of the responsible Directorates.
- Shall ensure that all assets of the municipality are covered in terms of the insurance policy of the municipality.
- Shall compile an asset count programme to ensure that all asset s are physically verified during a financial year.

The CFO must ensure that:

a) Appropriate systems of financial management and internal control are established and carried out diligently;
b) The financial and other resources of the municipality are utilized effectively, efficiently , economically and transparently;
c) Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
d) The systems, processes and registers are required to substantiate the financial values of the municipalities' assets are maintained to the standards sufficient to satisfy the requirements of the Auditor –General;
e) Financial process are established and maintained to ensure the Municipality's financial resources are optimally utilized through appropriate asset plan, budgeting, purchasing, maintenance and disposal decisions;
f) The municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets;
g) The senior managers and senior Management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets'
h) The CFO may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring that these activities are performed. The CFO shall delegate his/her authority to the Unit Head: Financial Management Services.

It shall still be responsibility of the CFO to report on all asset items to council.

PART 2.1.2 – UNIT HEAD: FINANACIAL MANAGEMENT SERVICES

Since the CFO has delegated the necessary authority to the Unit Head: Financial management services to ensure effective and efficient implementation of this policy, in terms of the MFMA.

The Unit Head: Financial Management Services shall keep an asset Register of the Municipality in which all property, plant and equipment and other material assets owned or leased by the Municipality' together with their appropriate carrying amounts.

He/she shall co-ordinate the submission of all integrated council items for the CFO to report in the council.

PART 2.1.3 ASSET MANAGEMENT SECTION (AMS)

The Unit Head: Financial Management unit discharges his/her responsibility through Asset Management Section(AMS). The section consists of officials that operate at the corporate level. The Asset Management Officials are Specialized team responsible for the centralized overall asset accounting management. The officials in this office are not accountable for the physical assets dedicated to the Departmental Head's.

Some critical duties of AMS include the following tasks:

a) Perform asset accounting in the Asset Register and programmed test asset verification to ensure that assets in the Asset Register and physical assets reflect a true reflection of RLM assets.
b) To ensure that the asset information serving in the council is correct identified in the Asset Register, to enable decision taken on such asset items to be affected timeously.
c) Provide continuous support to Asset Controllers.

PART 2.1.4 – DEPARTMENTAL HEADS / DIRECTORS

- The directors shall be responsible and accountable for all assets under their control.
- The directors must nominate officials (Asset Controllers) who shall safeguard the assets on their behalf; but they shall remain accountable for ensuring that these activities are performed.
- Directors are responsible to safeguard all assets against damage or loss.
- They are responsible to take disciplinary action against official who misappropriate the assets of the municipality.
- To ensure that all information, regarding assets, are submitted to the CFO who will ensure that assets are covered in terms of the council's insurance policy.

Department heads / Directors must ensure that:

a) The appropriate physical asset management and control (including asset internal control processes) are established and carried out for asset in their area of responsibility.
b) The municipality asset resources assigned to them are utilized effectively. Efficiently, economically and transparently.
c) Any unauthorized, irregular, fruitless or wasteful utilization, and losses resulting from criminal or negligent conduct, are prevented.
d) Their asset management controls can provide an accurate, reliable and up to date account of assets under their control.
e) They are able to justify that their asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives.
f) They must advise the CFO timeously and adequately of any change to the status or value of any assets under their control.
g) They forward assets items relating to the absence of any asset including asset demolished, destroyed or damaged or any other event materially affected assets values to the:

i. **Asset Management Section** (AMS) for assistance with the accurate asset information contained in the register.
ii. **Loss Control**, where losses case has been opened; and
iii. **Internal Audit**, where verification of the validity of the extent of diminished/appreciated assets values confirmation is applicable.
iv. **Public Safety,** to determine if proper security was in place for control at entrances to **buildings.**

PART 2.1.5 – ASSET CONTROLLERS

An Asset controller is responsible:

a) To act as the asset representative for the Directorate and to assist the Director to execute his/her responsibilities in respect of the assets under his or her control.
b) To report any assets purchased, sold, demolished, destroyed, relocated, or damaged or any other event, which materially affecting the value of an asset to the Asset Management Section (AMS) in the prescribed format on a monthly basis.
c) To verify all assets on the asset register in co-operation with the Asset Management Section or approved contractor as scheduled in the asset count programme as compiled by the Chief Financial Officer.
d) To ensure the inventory list as provided by the Asset Management Section (AMS) are displayed at the back of the door to all the offices under his or her control.

e) To ensure that consumable items not recorded in the asset register as determined by the Asset Management Section, be kept and maintained.
f) To submit a full report containing all relevant information to the Chief Financial Officer in respect of all assets that could not be traced.
g) To hand, all obsolete assets and asset that were replaced, in at the central stores and to provide such information to the Asset Management Section
h) To motivate and ensure that all personnel in the relevant Directorate take full responsibility of assets under their control and to sign a **Monthly Asset Accountability Statemen**t regarding the status of their assets for submission to the Asset Controller.
i) To receive all signed **Monthly Asset Accountability Statement** from employees in the Directorate and then prepare a consolidated Accountability Statement for the Directorate and signed by the Director for submission to the Chief Financial officer.

PART 2.1.6 PUBLIC SAFETY

Although the different asset users are primarily responsible for the safeguarding of the assets entrusted to them, the Public Safety Department is overall responsible for the safeguarding of assets, especially entrance control at buildings where a large concentration of RLM'S assets are being accommodated**.**

Public Safety is also responsible for the investigations of thefts, in order to identify weaknesses in the internal control. Asset Management Section and Asset Controllers should meet monthly or as deemed necessary with the Public Safety Department to discuss the weaknesses in the internal control systems as well as discussing the type of assets, which are frequently involved in theft/loss incidences and the tightening of identified weaknesses in the internal controls.

Public Safety must address the following:

a) Standardization of access control in the RLM.
b) Integrated approach towards losses.
c) Effective Control loss management and commitment.
d) Standing orders to officers.
e) Availing the access/exit security personnel to be trained on asset control documentation to be produced by persons possessing assets at the access/exit points

PART 2.1.7 – LOSS CONTROL COMMITTEE

Departmental Heads and their asset controllers must forward details of asset/s loss/es or damage/s to the Loss Control Committee for further investigation. The result Loss Control

Committee comments must be included in Insurance items to serve in the Insurance Claims Committee.

PART 2.1.8 – INTERNAL AUDIT

Internal auditors are charged with ensuring that municipal processes and associated controls are functioning as intended. They also can determine if a process of the municipality could be improved and could save the municipal money or could become more efficient. Ensuring that resources of the municipality are used effectively is a major role of internal auditors.

PART 2.1.9 ASSET/S USER/S (USERS)

a) Each user is responsible for the assets under their control, allocated to/used by them in the performance of their duties.
b) Each user must sign the asset inventory list containing the bar-coded assets allocated to them**.** These lists must be visibly displayed for audit purposes, preferably at the back of the doors. The asset Controllers and the Asset Management Section must keep copies of the movable asset lists.
c) Asset users are prohibited to move/transfer assets from the location recorded in the asset register without proper authorisation of form.
d) Each user must take all reasonable precautions to prevent their assets against losses and/or damages.
e) Each user must maintain or take steps to maintain their assets for their useful life. Users must check and verify their physical assets against their assets lists regularly and ensure that changes in physical assets in their possession are updated in their assets lists.
f) Any damage to assets must be immediately reported to superiors as well as their responsible asset controllers who will advise appropriate steps to be taken in relevant incidents.
g) The asset users must avail asset under their control at any time, at the request of the RLM or the Asset Management Section or External Audit or Internal Audit Unit for verification purpose.
h) In the event such asset being missing stolen or lost, the responsible user shall accordingly report the incident to the SAPS. The reported case information will be source document used to report missing/stolen/lost assets to their superiors, as well as to their responsible asset controllers who will take further appropriate action in the relevant incidents.
i) Should it be found that users were not properly utilizing/maintaining/securing assets under their control/stewardship leading to asset/s damages/losses such
user's Departmental Head must recover the replacement costs of such assets from the relevant user.

j) On resignation the user must complete the EXIT Clearance Certificate form and have it signed by all the parties concerned, to ensure that all assets are left in good working condition.

CHAPTER 3 – POLICIES

PART 3 – LIFE CYCLE ON ASSET

An asset life-cycle covers all phases of an asset's life starting with planning, through acquisition, operation, maintenance and disposal.

PART 3.1 – Planning policies

The identification of assets needs and financing options, where the requirement for a new/replacement asset is planned for and established, must be done at the planning stage.

PART 3.1.1 – FINANCING PLANNING

Property, plant and Equipment financial planning and decision-making must be informed by the integrated Development Plan (IDP) and strategic business initiatives in line with prevailing economic conditions and the Municipality's affordability.

PART 3.1.2 – pre-acquisition planning

Before a capital project is included in the budget for approval, the Departmental Head must demonstrate that they have considered:

a) The project cost over the financial years including initial set-up costs;
b) The future operational cost and revenue on the project, including tax and tariff implications;
c) The financial sustainability of the project over its life including revenue generation and subsidisation requirements;
d) The physical and financial stewardship of that assets throughout all stages in its life including acquisition, installation, maintenance, operations, disposal and rehabilitation;
e) The inclusion of this capital project in the IDP and future budgets; and
f) Alternative to this capital purchase.

PART – 3.1.3 APPROVAL TO THE ACQUIRE PROPERTY AND EQUIPMENT

Money can only be spent on a capital asset/project if:

a) The money has been appropriated in the capital budget;

b) The project, including the total cost has been approved by the RLM council;
c) The CFO confirms that funding is available for that specific project. (Any contract that will impose financial obligations beyond two years after the budget year must be appropriately disclosed)

PART 3.1.4 – CAPITAL PROJECTS FUNDING PLANNING

Within the municipality's ongoing financial, legislative or administrative capacity, the CFO will establish and maintain the funding strategies that optimise the municipality's ability to achieve its strategic objectives as stated in the IDP.

The acquisition of an assets shall not be funded over a period of longer than the useful life of an asset.

PART 3.1.5 – REPLACEMENT PLANNING

a) Property, Plant and Equipment are to be replaced when:
    i. They have reached the end of their useful life or economic life(i.e when the asset is fully depreciated); and the cost of maintaining such asset outweighs the economic benefit;
    ii. They have been lost, stolen, damaged beyond repair, or
    iii. They have been determined as obsolete, provide there is a continuing need for the service providing such an asset.
b) The future usefulness of an asset should be assessed continuously especially when the asset is fully depreciated. If it is fount that there is no evidence of any continuing need, the asset should not be replaced, and if still in good working condition; the asset could be transferred to where the need for such asset can still be identified.
c) The asset will only be replaced if:
    i. It has reached the end of its economic life.
    ii. It was lost, stolen or non-repairable.
    iii. It has become unserviceable.
    iv. It is not economical to continue using the asset when a replacement would ultimate bring economic saving benefit.
    v. It has been superseded by a later or more technologically superior model and;
    vi. The is a continuing need for the service provided by the asset in question or economic benefit.

PART 3.2 – ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment acquisition phase take effect through outright purchase or development/construction. Such Property, plant and Equipment acquisition must only be funded out of capital budget votes in line with IDP and not THROUGH OPERATIONAL BUDGET.

Recognition threshold is the cost related to the acquisition of the asset and must be greater than R1000.00 or the cost will be expensed (e.g., office bins, kettles, toasters, etc.). The municipality however may recognize items of the property, plant and equipment acquired at the cost less than R1000.00 where necessary for fair presentation and disclosure of the items of PPE. Whether if an item are capitalized or not is assessed by management every reporting period

PART 3.2.1 – PHYSICAL RECEIPTING AND MANGEMENT

The Departmental Head or his/her nominee must:

a) Ensure that purchasing of property, plant and equipment complies with all RLM'S policies and procedures.
b) Ensure that all movable assets received into their stewardship are appropriately identified and safeguarded or prevented from inappropriate usage or loss. This will include appropriate control over the physical access to these assets and regular stock takes to ensure any losses do not occur. Any known losses should be immediately reported to the CFO.

PART 3.2.2 THE DATE OF ACQUISITION

The date of acquisition of property, plant and equipment is deemed to be time when legal title and control passes to the municipality.

PART 3.2.3 DONATED ASSETS

The CFO must be informed about any donation to RLM and memorandum must be written and submitted to AMS.

Where an item of property, plant Equipment is acquired at no cost, or for a nominal cost, it will be valued at fair value as at the date of acquisition and included in the asset register if the fair value is greater than the recognition threshold.

Where the value of the asset is known, such value shall be included in the register in line with recognition criteria. It shall be the responsibility of the Departmental head or his nominee to notify the CFO and AMS of such assets for capitalisation purposes.

The Municipal Manager or his/her delegated official shall authorise all assets donated through inter RLM council donations, or public, individuals, private enterprises, Provincial or National Government, to the municipality prior to capitalisation.

PART 3.2.4 – PHYSICAL ASSETS IDENTIFIED NOT TO BE IN THE ASSET REGISTER.

The Director or his/her nominee may authorise the found assets submitted by the asset controller for inclusion in the assets register.

The asset controller shall submit form in respect of the found assets to the AMS for inclusion in the appropriate register.

PART 4 – TRANSFER OF PROPERTY PLANT AND EQUIPMENT

PART 4.1 – PERMANENT TRANSFER TO ANOTHER DEPARTMENT

a) The Departmental Head retains managerial accountability and control for a particular asset unless;
    i. Another Departmental Head agrees in writing to accept responsibility for that asset, and
    ii. The CFO or his/her nominee endorses transfer in the mass transfer form.
    iii. The Budget and Treasury Office appropriately amends the Asset Register for all approved transfers.
    iv. The new Departmental Head assumes all the accountabilities of the previous Departmental HEAD.

PART 4.2 – RELOCATION OR RE-ASSIGNNMENT OF PROPERTY OR EQUIPMENT.

The Departmental Head must ensure that the asset is appropriately safeguarded for loss, damage, or misuse whenever it is located. Safeguarding includes ensuring reasonable physical restrictions.

The Departmental Head must advice the CFO whenever an asset is permanently relocated or re-assigned from the location.

The departmental Head must advice the CFO whenever an asset is temporarily relocated or re-assigned from the location. In this case, the Departmental Head must advice the CFO when this asset is returned.

PART 5 – WRITE-OFF OF ASSET

An asset, even though fully depreciated shall be written off on the recommendation of the Departmental Head controlling or using the asset concerned, and with the approval of the RLM council.

The only reason for writing off assets, other than the sale of such assets during the process of alienation, shall be the loss, theft, destruction, material impairment, or decommissioning of the asset to be in question.

Departmental Heads shall report to the CFO on 31October and 30April of each financial year on any assets which such Departmental Head wishes to have written-off, stating in full the reason for such recommendation. The CFO shall consolidate all such reports, and shall promptly submit a recommendation to the council on the asset to be written off. Amongst the reason for the write-off by the Departmental Head should indicate the following that:

- The useful life of the asset has been expired;
- The asset has been destroyed;
- The asset is out dated;
- The asset has no further useful life;
- The asset does not exist anymore;
- The asset has been sold;
- The SCMP has been adhered to.

The normal disposal written-off assets are through auction but the RLM council may decide on any other method as deemed fit in line with RLM's supply chain management policy. Writing-off of assets not fully depreciated should be avoided since there is direct financial implication on operating revenue. Preferably, fully depreciated assets may be written off. In every instance where a **not** fully depreciated asset is written-off, the CFO shall effect such accounting adjustments in terms of appropriate accounting standards.

Disposing asset which could not be verified with in the reporting period:

Not found assets will only be considered for wright-off within the current reporting period also by the nature of such an asset. Generally, only assets verified as a not found for two consecutive years are considered as assets which most probably does not or no longer exist. There is a risk unnecessarily writing-off not found assets on a yearly basis, this is because most assets move around and can be "missed verified" while assets are in move or in the event where natural disaster prohibits certain asset verifications. Therefore, Not found assets are only disposed-off upon successfully verified as a not found for the second consecutive financial year.

PART 6 – FORMAT OF THE ASSET REGISTER

The asset register shall be maintained in the format determined by the CFO, which format shall comply with the requirements of generally recognised accounting practice (GRAP)

The asset register shall reflect the following information:

ACQUISITION

- Transaction Date
- Amount
- Supplier / Contractor
- Reference (invoice/contract/payment/order number)

IDENTIFICATION & LOCATION

- Category
- Asset number
- Serial Number
- Identifier
- Description
- Location

ACCOUNTABILITY

- Department
- Custodian
- Restrictions
- Ownership
- Licence
- Transfers

PERFORMANCE

- Capacity
- Performance measures
- Condition assessment
- Useful life
- Residual value

Disposal

- Date
- Amount

- Capacity
- Condition
- Remaining useful life
- Residual value
- Reason

ACCOUNTING

- Historical Cost
- Funding Sources
- Useful life
- Remaining useful life
- Residual value
- Depreciation method
- Impairment
- Revaluation
- Depreciation
- Accumulated depreciation
- Carrying amount
- Disposal

MANAGEMENT AND RISK

- Criticality Rating
- Maintenance history
- Operational History
- Risk assessment

An asset shall be capitalised, that is, 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 is available for use, where after it shall be appropriately capitalised as an asset.

An asset shall remain in the asset register for as long as it is in physical existence. The fact that an asset has been fully depreciated shall not in itself be a reason for writing-off such an asset.

PART 7 – ASSET FORMS

The following are compulsory standard forms to be used throughout the RLM. These forms must be completed before any purchase, transfer or disposal of assets or the commencement of any project involving the capital budget.

No.	Form names and short description	Form no.	Reference
1)	**Single transfer of movable assets** (To be used for all temporary or permanent movement or transfer of assets.)	**RLM 001**	**Chapter 6**
2)	**Mass transfer of movable assets** (To be used for all temporary or permanent movement or transfer of assets.)	**RLM 002**	**Chapter 6**
3)	**Monthly Asset Certificate** (To be submitted by Directors on monthly basis)	**RLM 003**	**Chapter 6**
4)	**Employee Clearance Certificate** (To be signed when **employee leaves service** of RLM)	**RLM 004**	**Chapter 6**
5)	**Asset handed-in at central stores** (To be used in respect of all broken, damaged, missing as well as eventually obsolete/redundant assets,)	**RLM 005**	**Chapter 6**
6)	**Appointment of asset controller** (Must be completed for all appointments of asset controllers.)	**RLM 006**	**Chapter 6**
7)	**Donation Received Form**	**RLM 007**	**Chapter 6**

PART 8 – CLASSIFICATION OF ASSETS

In compliance with the requirements of the National Treasury, the municipality should follow the various standards of GRAP relating to the assets. An item is recognised in statement of financial position as an asset if it satisfies the definition of and criteria for recognition of assets. The first step in the recognition is to establish whether the item meets the definition of asset. Secondly, the nature of the asset should be determined, and thereafter the recognition criterion is applied. Assets are classified into the following categories reporting purposes.

1) Property, Plant and Equipment (GRAP 17)
   - Land (not held as investment assets)
   - Infrastructure assets (assets which are part of a network of a similar assets)
   - Community assets (resources contributing to the general well-being of the community)

- Heritage assets (Cultural significant resources)
- Other assets (ordinary operational resources)

2) Intangible Assets (GRAP 102)
   - Intangible Assets (asset without physical substance held for ordinary operational resources)
   - Are not held for capital gain
3) INVESTMENT PROPERTY (GRAP 16)
   - Investment assets (resources held for capital or operational gain)

When accounting for current assets (that is of capital nature), the municipality should follow the various standards of GRAP relating to these assets) Current Assets (with a capital nature) are classified into the following categories for financial reporting purposes:

4) LAND INVENTORIES (GRAP 12)
   - Land Inventories (land or buildings owned or acquired with the intention of selling such property in the ordinary course of business)

To facilitate the practical management of infrastructure assets and Asset Register data, infrastructure assets have been further classified. The recommended classification for all assets are provided in **APPENDIX B.**

The CFO shall ensure that classifications specified by National Treasury, GRAP, and those adopted by the municipality are adhered to.

PART 9 – LAND AND BUILDINGS

- Land and Building comprises any land and buildings held (by the lessee under a finance lease) by the RLM to be used in the production or supply of goods or for administrative purpose and/or to provide services to the community. These assets include building assets such as offices, staff housing, aquariums, cemeteries, clinics, hospitals, game reserves, museums, parks and recreational assets such as tennis courts, swimming pools, golf courses, outdoor sports facilities etc. Land held for currently undetermined future use, should be included in PPE. In this class there is no intention of developing or selling the property in normal course of business

  Land and building shall be treated using the cost less depreciation model. Land shall initially be accounted for at cost price, or fair value in case where cost price is not known, and shall not be depreciated. Land on which infrastructure and/or buildings are located shall be listed separately in the land register and not with the infrastructure or building assets.

Land and Buildings shall be recorded under the following main categories:(in **APPENDIX B of Statement of Financial Position)**;

- Land
- Buildings

PART 10 – INFRASTRUCTURE ASSETS

- Infrastructure Assets comprised assets used for the delivery of infrastructure based services. These assets are typically including electricity, sanitation, roads and storm water, and water assets.
- The infrastructure Asset Register shall ensure complete representation of all infrastructure asset types. The level of detail of componentisation shall be defined to a level that balances the cost of collecting and maintaining the data with the benefits of minimising the risks of the municipality. An improvement plan stipulating the level of detail and the timing of improvements shall be prepared.

- Infrastructure assets are being valued at cost less accumulated depreciation and accumulated impairment. If cost can however not be established, then infrastructure assets will be valued at depreciated replacement cost. Depreciated replacement cost is an accepted fair value calculation for the assets where there is no active and liquid market. Depreciation shall be charged against such assets over their expected useful lives. The remaining useful life and residual value of, and the depreciation methods applied to infrastructure should be reviewed annually, but cost related to such reviews should be measured against benefits derived to ensure value for money.

Infrastructure Assets shall be recorded under the following main categories:(in

APPENDIX B of Statement of Financial Position);

- Electricity Network;
- Roads and Storm water;
- Water and Sanitation

PART 11 – OTHER ASSETS

- Other Assets of RLM include a variety of assets that are of indirect benefit to the communities they serve. These assets include office equipment, furniture and fittings, bins and containers, emergency equipment, motor vehicles, plant and equipment.

- Other asset is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation shall be charged against such assets over their expected useful lives. Other assets are not revalued.

Other Assets shall be recorded under the following main categories:(in

APPENDIX B of Statement of Financial Position);

- Bins and Containers
- Emergency Equipment
- Furniture and Fixtures
- Motor Vehicles
- Office Equipment
- Plant and Equipment
- Specialised Vehicles
- Other Assets

PART 12- INTENGIBLE ASSETS

Intangible Assets will be purchased, or will be internally developed, by the municipality and includes, but are not limited to, computer software, license fees, website development cost and valuation roll.

Intangible asset is stated at cost less accumulated amortisation and accumulated impairment losses. Such asset is amortised over the best estimate of useful life of the intangible asset.

The CFO, in consultation with Directors, shall ensure that all intangible assets are recorded in terms of the municipality's policies.

It is the responsibility of the Head of Information Technology to ensure that all licensed computer software other than operating software is accounted for.

PART 13 – INVESTMENT PROPERTY

Investment assets shall be accounted for in terms of GRAP 16 and shall not be classified as property, plant and equipment for purposes of preparing the Municipality's Statement of Financial Position.

Investment asset shall comprise land or buildings (or parts of buildings) or both held by the municipality, as the owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses. Land shall initially be accounted for at cost price, or fair value in case where cost price is not known and shall not be depreciated.

Depreciation is provided to write down the cost, less estimated residual value by equal instalments over the useful life of the property,

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and nofuture economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

- All properties held to earn market related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties.
- Land held for a currently undetermined future use. (If the municipality has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation).
- A building owned by the entity (or held by the entity under a finance lease) and leased out under one or more operating leases (this will include the property portfolio rented out by the Housing Board on a commercial basis on behalf of the municipality) and a building that is vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

If RLM Council resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as an ordinary asset until it is ready for its intended use – where after it shall be reclassified as an investment asset.
The CFO shall ensure that investment assets are recorded in an Investment Property register.

PART – 14 ASSETS TREATED AS INVENTORY

Inventory Property comprises any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the Municipality's statement of position.
Such inventories shall, however, be recorded in the asset register in the same manner as other assets, but a separate section of the assets register shall be maintained for this purpose.

PART 15 RECOGNITION OF HERITAGE ASSET IN THE ASSET REGISTER

If no original cost or fair values are available in the case of one or more or all heritage assets, the CFO may, if it is believed that the determination of fair value for the assets in question will be laborious or expensive undertaking, record such assets in the asset register without an indication of the cost or fair value concerned.
For balance sheet purpose, the existence of such heritage assets shall be disclosed by means of an appropriate note.

PART 16 – IDENTIFICATION OF ASSETS

An asset identification system is a means to uniquely identify each asset in the municipality in order to ensure that each asset can be accounted for on an individual
basis. Movable assets are identified using a barcode system by attaching a barcode to each item. Immovable assets shall be identified by means of an accurate description of their physical location.

In exercising this responsibility, every Director/Departmental Head shall adhered to all written directives issued by the Municipal Manager to the Department in question,
or general to all Departments, regard the control of or safekeeping of the RLM assets.
As far as practicable, all movable asset shall be bar-coded or uniquely marked.
Directors shall ensure that all the assets under their control are correctly identified.
Directors must ensure that all movable assets are bar-coded.
Immovable assets must be identified using naming and numbering conventions that enables easy location of the assets in the field

PART 17 – PROCEDURE IN CASE OF LOSS, THEFT, DESTRUCTION, OR IMPAIRMENT OF ASSETS.

Directors shall ensure that any incident of loss, theft, destruction, or material impairment of any asset controlled or used by the Department in question is promptly
reported in writing to the CFO and in case of suspected theft or malicious damage, also to the South African Police Services.

Directors must ensure that directives are adhered to.

- Claims to be reported to the CFO within 48 hours from the date of loss.
- Claims reported later than 48 hours from the date of loss must be accompanied by clear valid reason for late notification.
- Submitted claims must be comprehensive and must have all relevant documents relating to the claim such as a throughout description of the loss, date of loss, sketch of accident driver details, vehicle details, SAPS case details, cover sheet on the relevant person who submitted the claim and contact details. All supporting documents to be submitted with claim, claim form to be signed.

PART 18 – CAPITALIZATION OF CRITERIA: MATERIAL VALUE

- Buildings, Infrastructure, all fixtures and other tangible and non-tangible assets of a non-consumable nature of which the value is R1 000.00 or more, and the normal expected life of which is one year or more will be treated as fixed assets and be capitalised as such; and
- All tangible property with a value of more than R1 000.00 will be funded from a capital budget and included in the fixed asset register.

PART 19 – CAPITALIZATION OF CRITERIA: INTANGIBLE ITEMS

No intangible items shall be recognised as an asset, except that the CFO, acting in strict compliance with the criteria set out in IAS 38 (dealing with research and development expenses) may recommend to the RLM council that specific development cost be recognised as assets.

PART 20 – CAPITALIZATION OF CRITERIA: REISNTATEMENT, MAINTENANCE AND OTHER EXPENSES.

Only expenses incurred in the enhancement of an asset (in the form of improved or increased services or benefits flowing from the use of such asset) or expenses incurred in the material extension of the useful operating life of an asset shall be capitalised.

Expenses incurred in the maintenance or reinstatement of an asset shall be considered as operating expenses incurred, in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalised, irrespective of the quantum of the expenses concerned.

Expenses, which are reasonably ancillary to bringing into operation of an asset, may be capitalised as part of such asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, installation, assembly and communication costs.

PART 21 – CAPITALIZATION OF CRITERIA: MAINTENANCE PLANS.

Directors shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000-00 or more is promptly prepared and submitted to the Municipal Manager for approval. The maintenance plans contemplated in this part are subject to budgetary provision in terms of the normal budget process.

Maintenance plan shall be submitted to council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned.

Directors controlling or using the infrastructure asset in question, shall annually report to the to the Municipal Manager of the extent which the relevant maintenance plan has been complied with, and of the likely effect which any no-compliance my have on the useful operating life of the asset concerned.

The maintenance plans contemplated in this part are subjected to the budgetary provision in terms of the normal budget process.

PART 22 – GENERAL MAINTENANCE OF ASSETS

Directors shall be directly responsible for ensuring that all assets other than infrastructure assets are properly maintained and in a manner, which will ensure that such assets attain their useful life.

PART 23 – USEFUL LIFE OF ASSETS

National Treasury published its Local Government Asset Management Guideline in August 2008 that includes directives for useful lives of assets., but municipalities are allowed to use their judgement based on operational experience and in consultation with specialists where necessary in determining the useful lives for particular classes of assets. The calculation of useful life is based on a particular level of planned maintenance.

The remaining useful life of assets shall be reviewed annually. Changes emanating from such reviews should be accounted for as a change in accounting estimates in terms of GRAP 3.

During annual physical verification the condition of each asset must be reviewed to determine the validity of its remaining useful live as reflected on the asset register. All items identified as being impaired (with remaining useful lives shorter than anticipated as per the assets register) must be reported to the Chief Financial Officer who will implement steps to ensure that the impairments are incorporated in the assets register and reported on as required by the standards of GRAP.

The CFO shall ensure that remaining useful lives, and changes thereof, are properly recorded and accounted for in the Asset Register and general ledger.

PART 24 – RESIDUAL VALUE OF ASSETS

Residual value should be determined upon the initial recognition (capture) of assets. However, this will only be applicable to assets that are normally disposed of by selling them once the municipality does not have a need for such assets anymore, e.g. motor vehicles. In practice, the residual value of an asset is often insignificant and therefore immaterial in the calculation of the depreciable amount.

During annual physical verification the condition of each asset must be reviewed to determine the validity of its remaining residual values as reflected on the asset register.

The CFO shall ensure that residual values, and changes thereof, are properly recorded and accounted for in the Asset Register and general ledger.

PART 25 - DEPRECIATION OF ASSETS

All assets, except land, shall be depreciated over their reasonable useful lives. The residual value and the useful life of an asset shall be reviewed at each reporting date. The depreciation method applied must be reviewed at each reporting date.

Reasonable budgetary provisions shall be made annually for the depreciation of all applicable assets controlled or used during the ensuring financial year.

It is the municipality's current accounting policy to determine depreciation on assets other than land as calculated on cost, using the straight-line method, to depreciate their cost to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality.

Depreciation shall take the form of an expense both calculated and debited on a monthly basis against the appropriate line item in the department or begin when the asset is used or consumed. Depreciation of the asset should begin when the asset is ready to be used, i.e. the asset in the location or condition necessary for it to be able to operate in the manner it is intended by management. Depreciation of an asset ceases when the asset is derecognised. Therefore, depreciate does not cease when the asset becomes idle or is retired from active use and held for disposal unless the asset is fully depreciated. However, under certain methods of depreciation the depreciation charge can be zero while there is no production.

In the case of intangible assets while being included as an asset, the procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of the assets.

Directors must ensure that a budgetary provision is made for the depreciation of the assets under their control in ensuing financial year.

Directors must determine the reasonable useful life of the asset classifications under their control. Deviations from the standards of useful life must be motivated in writing to the Asset Management Committee for approval.

In case of an asset which is not listed in he asset classification list, Directors shall determine a useful operating life, in consultation with the CFO, and shall be guided in determining such useful life by the likely pattern in which the asset's benefits or service potential will be consumed.

The CFO shall ensure that depreciation shall be up to date on a monthly basis and be reconciled between the Asset Register and the General Ledger.

The CFO shall ensure that the residual value, useful life and depreciation method of an asset shall be reviewed at each reporting time.

PART 26 – IMPAIRMENT LOSSES

Asset shall be reviewed annually for impairment. Impairment of asset shall be recognised as an expense. The reversal of previous impairment losses recognised as an expense is recognised as an income.

The CFO shall ensure that impairment losses, or reversals therefore, are properly recorded an accounted for in the Asset Register and the General Ledger.

PART 27 RENEWAL OF ASSETS

Asset renewal is restoration of the service potential of the asset. Asset renewal is required to sustain service from infrastructure beyond the initial or original life of the asset. If the service provided by the asset is still required at the end of its useful life, the asset must be renewed. However, if the service is no longer required, the asset should not be renewed. Asset renewal projection are generally based on forecast renewal by replacement, refurbishment, rehabilitation or reconstruction of assets to maintain desired service levels.

Asset renewal shall be capitalised against the asset and the expected life of the asset adjusted to reflect the new asset life.

Directors shall ensure that renewals expenditure are correctly budgeted for in the capital budget and expensed against this budget.

Directors must ensure that renewals expenditure data are correctly captured against the assets and the expected lives adjusted.

PART 28 – REPLACEMENT OF ASSET

Assets that are replaced shall be written off at their carrying value. The replacement asset shall be accounted for as a separate new asset. All cost incurred to replace the asset shall be capitalised against the new asset. The SCMP will be applied.

Directors shall ensure that replacement expenditure are correctly budgeted for in the budget and expensed against this budget.

PART 29 – TRANSFER OF ASSET

The transfer of assets shall be controlled by the transfer processes in the policy and the Asset Register shall be updated accordingly.

The processes must be followed and apply to all transfer of assets from:

- One Department to another Department;
- One location to another within the same department;

- One building to another; and
- One entity to another.

Directors must ensure that all asset transfer information is passed to the Asset Office.

The CFO shall ensure that a process is in place to capture and record asset transfer data.

Staff of the Municipality, except for duly authorised staff , shall not move rented assets, such as photocopy machines.

No person shall transfer any IT equipment without the knowledge and written consent of the Head: Information Technology.

Directors must immediately report to the asset and insurance office any damages cause to asset and will be held responsible to investigate the cause or nature of such damage.

PART 30 – EXCHANGE OF ASSETS

The SCMP will be applied when assets are exchanged. The cost of assets acquired in exchanged for another asset shall be measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up, adjusted by the amount of any cash equivalents transferred.

An item of PPE may be acquired in exchange for a similar fair value or may be sold in exchange for an equity interest in a similar asset. No gain or loss recognised in both cases.

The Asset Management Committee shall approve all asset exchange in consultation with the relevant Directors.

PART 31 – DISPOSAL OF ASSET

The MFMA (Section 14 and 90) and the Municipal Supply Chain Management Regulation no. 27636 have specific requirements regarding the disposal of asset. Specifically;

- A municipality may not ...” permanently dispose of asset needed to provide the minimum level of basic municipal service”
- Where a municipal council has decided that a specific asset is not needed to provide the minimum level of basic services, a transfer of ownership of an asset must be fair, equitable , transparent, competitive and consistent with the municipality’s supply chain management policy.

Directors shall report in writing to the Asset Management Committee on the 28 February and 31 July of each financial year on all assets which they wish to disposal and the proposed method of disposal.
When deciding on a particular disposal method and consideration of the following, the SCMP on disposal of assets must be applied:

- The nature of the asset
- The potential market value
- Other intrinsic value of the asset
- Its location Its volume
- Its trade in price

- Its ability to support wider Government programmes;
- Environmental Considerations
- Market Conditions
- The asset's life

Appropriate means of disposal may include:

- Public Auction
- Public tender
- Transfer to another institution
- Sale to another institution
- Letting to another institution
- Trade-in
- Controlled dumping (for items that have low or are unhygienic)

The CFO shall consolidate the requests received from the various departments, and shall promptly report the consolidated information to the Asset Management Committee or to council, recommending the process of disposal to be adopted.

The Council shall delegate to the Asset Management Committee the authority to approve the alienation of any asset.

The Council shall ensure that the alienation of any asset takes place in compliance with Section 14 of the Municipal Finance Management Act,2004. The Act states that the municipality may not alienate any other asset required to provide a minimum level of service. The municipality may alienate any other asset, provided the municipality has considered the fair value and the economic and community value to be received in exchange for the asset.

Donation may be considered as a method of alienation, but such request must be motivated to the Asset Management Committee for approval.

Asset that are hazardous or need to be destroyed must be identified for tenders or quotations by professional disposal agencies.

Scrapping of assets that cannot be alienated otherwise may be considered as a method of alienation, but request must be motivated to the Asset Management Committee.

Once the assets are alienated, the CFO shall write-off the relevant assets in the Asset Register. The letting of immovable property must be done at market-related tariffs, unless the relevant treasury approves otherwise. No municipal property may be let free of charge without the prior approval of the council.

PART 32 – SELLING OF ASSETS

Selling of assets refers to the public sale of municipal assets approved for disposal.

The selling of assets must be within the parameters laid down in the SCMP. Further all assets earmarked for sale is sold by public auction or tender and the following steps shall be followed:

- A notice of the intention of the municipality to sell the asset shall be published in a local newspaper;

- In the case of public auction, the municipality shall appoint an independent auctioneer to conduct the auction; and
- In the case of a tender, the prescribed tender procedures of the municipality shall be followed.

Assets earmarked for sale shall be classified as Asset Held-for-Sale in terms of part 14 of this policy and shall not attract any further depreciation. Sold assets shall be written-off in the Asset Register.

A request for asset to be sold must be submitted to the Asset Management Committee for approval. The request must be accompanied by the a list of assets to be sold and the reasons for sale as described in part 30 above.

The council or Asset Management Committee may approve the engagement of auctioneers either on a quotation basis or by tender depending on the goods to be alienated.

Bidders are afforded the opportunity to make an offer on identifiable items. Bids are compared and the highest bidder is awarded the bid.

Once the assets are sold, the CFO shall write-off the relevant assets in the Assets Register.

If the proceeds of sale are less than the carrying value recorded in the asset register, such difference shall be recognised as loss for the department or vote concerned in the Statement of Financial Performance. If the proceeds of the sale, on the other hand, are more than the carrying value of the asset concerned, the difference shall be recognised as a gain for the carrying value of the department or vote concerned in the Statement of Financial Performance.

Transfer of assets to other municipalities, municipal entities (whether or not under the municipality's sole or partial control) or other organs of state shall take place in accordance with the above procedures, except that the process of alienation shall be by private treaty.

PART 33 – PHYSCICAL CONTROL

PART 33.1 PHYSICAL CONTROL / VERIFICATION

All movable assets shall be actively controlled, including an annual verification process.

Movable asset shall have a visible bar code or unique asset marking.

Annual verification of movable assets shall be conducted under the direction of asset office. This procedure will enable the municipality to identify the discrepancies and the dispositions and properly investigate and record the transactions.

Procedure should be established to adequately identify assets owned by others or subject to reclamation by donors.

The Budget and Treasury Office shall co-ordinate and control regularly physical checks, and all discrepancies are to be reported immediately to council.

Register shall be kept for all assets allocated to staff members. The individuals are responsible and accountable for the assets under their control. These registers shall be updated when assets are moved to different locations or allocated to a different staff member to facilitate control and physical verification.

Where a change in person in direct control of equipment takes place, a handing-over certificate shall be completed and signed by both parties concerned and a copy of this certificate must be forwarded to Budget and Treasury Office. If surpluses or deficiencies are found, the certificates shall be dealt as with stock-taking reports.

If for any reason the person from whom the asset is being taken over is not available, the asset controller should assist the person taking over with the checking of the equipment and the certification of any discrepancies.

In case of failure to comply with the requirements of a handing-over certificate, the person taking over shall be liable for any shortages, unless it can be established that the shortages existed prior to their taking over.

Any losses of and damage to equipment, excluding discrepancies at the stock-taking of losses resulting from normal handling or reasonable wear and tear, shall be reported to Council.

Independent checks from asset records shall be conducted to ensure that the assets physically exist, especially those that could be disposed of without a noticeable effect on operations.

Annual physical verification of assets shall be performed to identify items which are damaged, not in use or are obsolete due to changed circumstances, to ensure that they are appropriately repaired, written off or disposed off.

All newly acquired assets shall be delivered to / received by the procurement section where the assets will be bar-coded before dispatch to the persons who will be custodians of the assets. Where this is not practicable, the acquired assets must be delivered to the section issuing the requisition and that section must notify the Asset section so that bar-coding or asset marking can be arranged.

PART 33.2 INSURANCE OF ASSETS

Assets that are material in value and substance shall be insured at least against destruction, fire and theft. All Directors insure that all assets are insured in terms of the policy

Movable assets shall be insured from date of delivery. Directors shall insure that all movable assets are insured at least against fire and theft, and that all municipal buildings are insured at least against fire and allied perils.

If the municipality operates a self-insurance reserve (assuming such reserve to be allowed), the CFO shall annually determine the premiums payable by the

Departments or vote after having received a list of the assets and insurable values of all relevant assets from the Directors concerned.

The municipal manager shall recommend to the RLM Council, after consulting with the CFO, the basis of the insurance to be applied to each type of asset: either the carrying value or the replacement value of the assets concerned. Such recommendation shall take due cognisance of the budgetary resources of the municipality.

PART 33.3 – SAFEKEEPING OF ASSETS

Directors are, in terms of the employment contract, directly responsible for the physical safekeeping of any asset controlled or used by the department in question.
Asset safekeeping is the protection of assets from damage, theft, and safety risks.
Directors must ensure that safekeeping directives are adhered to.
Malicious damage, theft, and break-ins must be reported to the CFO within 48 hours of its occurrence or awareness. The CFO will inform the Insurance Claims Committee of such occurrence.
The Municipal Manager must report the criminal activities to the South African Police Services.

ASSET MANAGEMENT PROCEDURES

CHAPTER 4 - ASSET MANAGEMENT PROCEDURES

4.1 Introduction

The asset of the Rustenburg Local Municipality (RLM) are used and utilised by and on behalf of millions of people within the boundaries by the employees.

Section 77 and 78 of the MFMA, makes it clear that the top management must assist the accounting officer in managing and co-ordinating the financial administration of the municipality. Further they must ensure that the assets of the municipality are managed effectively, efficiently and economically and that are safeguarded and maintained to the necessary extent.

A manual of tasks is only significant if the task performer knows exactly where he/she fits into the larger picture, both organisationally and in the line of responsibilities.

The RLM decides to install an Asset Management System with bar code facilities, where certain movable assets are physically a marked with aluminium bar code labels, to fulfil the requirements of GRAP , which is required by new legislation.

This manual is an explanation of which, how, when and where tasks have to be performed regarding asset control and to give guidance to the performer of tasks on what is expected of him/her.

The Asset Management Manual has to be evaluated continually for sufficiency by the task performers and their seniors. Suggestions to improve the manual have to be canalised from the Department Asset Representatives, hereafter referred to as Asset Controllers. From the above mentioned, it is clear that this manual has to be revised formally at least annually by the Asset Management Section.

In order to utilise each person's creativity and innovation during the performance of this tasks to the maximum, only important tasks and a general description of what they involve, have been included in the manual. However, it is obvious that the manual has to be updated with important task improvements following from creative and innovative thoughts.

Please keep in mind that the main task of asset management revolves around discipline in respect of acquisitions, movement, maintenance and stocking as well as proper accounting.

A completely updated manual of tasks has to be available at all times for auditing and evaluation.

4.2 DEFINATIONS

Assets are items of intangible Assets, Investment Property or Property Plant and Equipment defined in this policy

An asset is defined in GRAP 17 as tangible of property, plant and equipment held by the Municipality for use in the production or supply of goods or services, for rental to others, or for administration purposes, and which is expected to be used during more than one reporting period (financial year).

An asset is thus either movable or fixed/immovable, under the control of the Municipality, and from which the Municipality reasonably expects to drive economic benefits, or reasonably expects to use in the delivery of service, over a period extending beyond one financial year.

To be recognised as an asset, an asset must meet the criteria referred to in parts 16, 17 and 18 below.

An asset held under a finance lease, shall be recognised as a municipal asset, since the Municipality has control over the leased assets.

Accounting officer means the Municipal Manager appointed is in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act no.117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal System Act 2000 (Act. No 32 of 2000)

Chief Financial Officer (CFO) Means an officer of the municipality designated by the Municipal Manager to be administratively in charge of the budgetary and treasury functions.

Carrying Amount is the amount at which an asset is recognised after deducting any accumulated depreciation (or amortisation) and accumulated impairment losses thereon.

Class of property, Plant and Equipment means a grouping of assets of similar nature or function in a municipality's operations that is shown as a single item for the purpose of disclosure in the financial statements.

Cost is the amount of cash or cash equivalents paid or the value of the other consideration given to acquire an asset at the time of its acquisition or construction, or , where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other standards of GRAP.

Historical Cost, the amount of cost to be recognised for, as an asset and carried forward until the related revenues is recognised.

Critical Assets are assets identified as having a high risk profile in terms of occupational health and safety standards and the consequences of failure could result in service delivery needs not being met and human health and safety as well as the environment being negatively affected.

Depreciable Amount is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair Value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

GRAP are standards of generally recognised accounting practice.

Impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

Infrastructure Assets are defined as any asset that is part of a network of similar assets. Example are roads, water reticulation schemes, sewerage purification, and truck mains, transport terminals and car parks.

Intangible Assets are defined as identifiable non-monetary assets without physical substance.

Investment Properties are defined as properties (Land or Buildings) that are acquired for economic and capital gains. Examples are office parks and undeveloped land acquired for purpose of resale in future years.

Land and Buildings are defined as a class of **PPE** when the land and buildings are held for purpose such as administration and provision of services. Land and Buildings therefore exclude Investment properties and Land Inventories.

MFMA refers to the Government: Municipal Finance Management Act(Act no.56of 2003).

Other Assets are defined as assets utilised in normal operations. Examples are plant and equipment, motor vehicles, furniture and fittings.

Property Plant and Equipment (**PPE)** is tangible assets that:

- Are held by municipality for use in the production or supply of goods or service, for rental to others, or administration purposes, and
- Are expected to be used during more than one period.

Recoverable Amount is the higher of the cash-generating asset's net selling price and its value in use.
Recoverable service is the higher of non- cash generating asset's net selling fair value less cost to sell and its value in use.
Residual Value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated cost of disposal. If the asset were already of the age and in the condition expected at the end of its useful life.
Useful Life:

- is the period of time over which an asset is expected to be used by the municipality; or
- The number of production or similar units expected to be obtained from the asset by the municipality's accounting officer.

Asset Controller (AC) The official delegated to control and administers the safe keeping of assets. It can be per Department, Unit or Section (number of rooms).

Consumable (minor value items)

- Items with smaller values which normally would be seen as disposable, even if the usability can be longer than a year. These items do not carry a value in the subsidiary register but are included for control purposes.
- Items on the list approved by the Directors but cannot be included in the asset register. (not bar-coded)
- **RLM - Rustenburg** Local Municipality

Small Tools, Small mechanical implements, held in hand, used for working upon something like spanners, screwdrivers.

Sub-Asset, An asset which does not have its own label and which forms part of a next higher assembly, such as an upgrade to pc or a CD writer.

Toolbox is a function available in the asset system that allows for control over the contents of toolboxes and other items that cannot be labelled, for example, cameras or other technical tools. It is not always a tangible toolbox but just a word used to group un-mark able assets together. The "toolbox" is therefore the asset in the assets register and not the items recorded in the toolbox, which will not be labelled. It will therefore only have one value for total toolbox. The first digit of the toolbox will always be a "T" followed by a number.

Unique asset number is a number, consist of five characters assigned t a specific movable asset and that appears on the bar code labels that is permanently affixed to the door frame of that room. **N.B: PLEASE DO NOT OVER PAINT**

4.3 PROCEDURES

4.3.1 MAINTENANCE

4.3.1.1 Directives and Procedures – Asset Management

a) Ensure that this manual is kept up to date and is compiled with at all times to effectively, efficiently and economically manage the assets. (Departments inputs for improvement of the manual should be passed on to **AMS** via the asset controllers.
b) The manual should, in spite of the periodical updating, be reviewed formally once a year. Any necessary adjustments should be made and forwarded to the relevant parties.

However, it is still the responsibility of the asset controllers to ensure that they have the latest version of the manual.

c) The manual shall be disseminated to all relevant stakeholders within the RLM.
d) The CFO or his/her nominee shall determine the training needs of various stakeholders with respect to the manual and arrange for appropriate training.
e) Non-compliance to this Asset Management Policy and Procedures shall be reported to the appropriate level of management for appropriate application of the RLM's disciplinary procedures.

4.3.1.2 Asset Register

a) All the assets of the RLM are recorded in the asset register.
b) They will be two mayor types of assets recorded.
    i. Fixed or immovable asset register like buildings, roads, electricity, sewerage and water networks.
    ii. Movable assets like cabinets, chairs, computers, desks, etc.
c) It shall be the responsibility of the AMS to maintain, reconcile and update the asset register on a monthly basis in order to ensure that fair value of the RLM'S asset register is reflected.
d) Individual asset types determined from time to time must be reflected in the Asset Register.
e) As Directors are responsible for all assets under their control, they must provide the CFO with Asset Accountability Statement as per form "RLM 102" .

4.3.1.3 Control Environment

a) Ensure that standard documentation for the nomination of asset controllers for asset control **(RLM 101)** is properly completed for each Department.
b) Ensure that each asset location is provided with **Movable Asset List from the System (Asset Register)** of all the asset dedicated to those locations. (Rooms, etc). The list should be updated when the asset situation changes in the location.
c) There must be floor plan for each building on which the rooms are clearly marked and numbered.
d) No alterations to or painting of buildings can commence, without liaison with the Asset Controllers to verify the room numbers and to make sure that the bar codes at the doors are not damaged and control must be exercised to ensure that the unique asset/s and room identification (bar codes) are **NOT PAINTED OVER.**

4.3.2 INCREASE OF ASSETS

4.3.2.1 BUDGET PROCESS

a) It is expected from each person in the asset control process to have an overall knowledge of the RLM'S budget process.

b) Help line management of each Department with the preparation of their capital budget. **The following criteria should be met and indicated.**

i. The intended asset has to be capitalised in accordance with the detail directives.
ii. The classification of each movable asset budgeted for, should be indicated.

(In case where there is no existing classification, or there is any uncertainty regarding the classification of an asset, the matter should be discussed with the AMS to obtain clarification on the matter).

iii. In case where the new asset is the replacement of an existing asset, the unique asset number of the asset that is going to be replaced has to be indicated to enable AMS to link the old and the new assets.
iv. Remember that the asset to be replaced must first be written off, before the new asset can be bought.

c) The following will assist in distinguishing capital and maintenance expenditure.

- Capital
  i. Acquiring a new asset.
  ii. Replacing an existing asset.
  iii. Enhancing an existing asset so that a useful life is expanded e.g rebuilding specific vehicles.
  iv. Normal cost of asset built from scratch

It is important to note that property, plant and equipment shall be capitalized at cost. The cost of an asset shall include all expenses necessary in bringing it to its working or its intended use and include purchase price, import duties, non-refundable purchase taxes, site preparation costs, delivery and handling costs as well as professional fees.

- Maintenance
  i. Restoring an asset so that it can continue to be used for its intended purpose.
  ii. Maintaining an asset so that it can be used for the period for which it was intended.

d) Ensure that all budgeted movable assets are properly broken down in the Department budget documents. This means amongst others that no movable assets can be budgeted for by means of the budget of any projects, e.g the construction of a building of roads.

e) Scrutinize the summarized capital budget set up by the Finance Department and ensure that:
   i. All movable budgeted for are in the asset register;
   ii. Classification of assets according to the capital budget agrees to the classification used in the asset register.
   iii. Unique asset numbers of all assets to be replaced are indicated against the new budgeted assets.

4.3.2.2 Purchase Process

a) It is expected of each person in the asset control to have an overall knowledge of the RLM's purchase process.
b) Ensure that new assets are only bought in accordance with the approved form in triplicate attached, should be reviewed and signed by the Asset Controllers to ensure that the items were budgeted for and that all the information on the form is correct. Asset Controller must keep one copy.

Please note

i. The new type of desks consists of many different items, which are bought as line items. The desk will eventually only has one bar code and the other items will be taken up as sub-assets.
ii. When you buy a PA system with slide, cables and Micro phones etc, it must be in three to four line items although the supplier provides them as a package deal. There are many similar cases.

c) All assets must be bought a direct order placed at procurement. A copy of form for movable assets or for immovable assets must be completed and also be sent to the Asset Management Section. More than one type of asset can be included in 1 form as long as the same vote number is used.
d) The Asset Controller will verify the information given and will return one signed copy to the relevant official, which will serve as authority to proceed with the purchase.
e) The Department can then send the requisition together with the signed copy of form or the procurement office. The normal process will continue via the Procurement.
f) It is important to keep in mind that the Procurement will in no circumstances issue an order for any capital item to be purchased, unless they are supplied with an authorised form from the asset controller. The staff at procurement will also in circumstances entered into arguments/discussions about what is an asset or not, but will refer all queries to the Asset Management Section if they are of the opinion that goods to be purchased, can be classified as assets.

g) In respect of insurance claims, the form must also be completed in fourfold for the assets that are claimed from the RLM insurer to be replaced due to any insured risks, when the insurance claim is reported.

i. One copy must be sent to AMS.
ii. One coy must be forwarded with the requisition to the buyers/procurement office.
iii. One copy must remain with the AC's file.

h) Ensure that new assets received meet the specifications according to the purchase requisitions. Asset Controllers inspect all new assets received in their Departments/Units to ensure they are according to the purchase documents.
i) Collect information of new additions in a file and supply the AMS with the information in order for them to update or process additions in the asset register.
j) **No** purchasing of assets should be financed through the **Operational budget.** Should such purchase takes place, this will immediately be reported to the CFO and appropriation action will be taken against the Department not followed the procedures.
k) **No** assets should be bought from **petty cash**.

4.3.2.3 **Take on of New Assets**

Asset Management Section can only correct all new purchases, if the correct information is supplied to them, so please insure that all asset purchases
forms reach the AMS at least on or before the **30th of each month**.

a) Obtain the file with all appropriate source documents – Asset forms from the ACs.
b) The following tasks should be performed by the various parties:
   i. Inspect the asset received and ensure they agree with the information on the source documents.
   ii. Mark the new assets, if applicable with a bar code label and record the room and toolbox number and other information for asset additions in the appropriate document.
      - Assets which can be for practical reasons not be marked with a bar code label or do not need to be marked, must still be recorded in the asset register (Toolbox).
   iii. Add the new asset to the movable assets list at the back of the door of the room with the date and signature.
   iv. Use the information on the forms as received from the Asset Controllers to update the Asset register.

c) Any asset which is not possible to be marked with a bar coded label should be described in detail in the control register. The applicable bar code should be pasted against the description in the asset register.

4.3.2.4 Processing in the Asset Register

a) At the end of each month the phoenix report of all new asset purchase must be drawn and downloaded in to an excel spread sheet.
b) Reconciliation must be done between the phoenix, Promise and information records received from Asset Controllers. Add the bar code number, serial number, locations, asset types department code and classifications.
c) After completion of reconciliation of new assets, uploading the excel file into the Asset management system and run the monthly depreciation for the month.
d) **In respect of the immovable assets**, Recon will be done on the monthly basis for all additions but the assets/projects will be capitalized or update the register annually once asset/projects are completed.

4.3.3 TRANSFER OF ASSETS

a) Absolutely no transfer of assets may take place without proper documentation being appropriately filled in and authorised.
b) The security staff controlling the entrances to the buildings must record details of the assets in a register, which must be signed by the person removing the asset.

4.3.3.1 Internal and External Transfer/movement of Assets

a) It shall be the responsibility of the transferor and the transferee in conjunction with the Asset Controller/s, to notify the Asset Management Section of such asset movements. Use the forms “RLM 003” (Internal transfers to the RLM locations) or “RLM 203” (External transfer to non RLM locations) to enable the adjustments to be processed in the asset register.

4.3.3.2 Assets going for repairs

a) To control assets that go for repairs, a room number per repairer/supplier must be created within the same Department; else depreciation ceases for as long as the assets is at the repairer/supplier. Use the repairer/suppliers name as the name of the occupant. Use the asset transfer procedure to move the asset.

b) In this way, the original room location is still available when the asset is returned. Yet, the physical Location Report will tell you which assets are at which Repairer/Supplier.
c) Asset sent for repair should be transferred on the system to a new location "awaiting repair" by using the correct documentation (form "RLM 003").
d) The release from RLM premises form "RLM 203" should also be completed.
e) A list of the assets that are under the "await repair" location on the asset register should be requested monthly and followed up.
f) Explanations should be obtained for any items in the "await repair" section for longer than one month.

4.3.3.3 **Transfer between the and within the Departments**

a) Obtain the required approvals.
b) Fill in form **.**
c) Take the forms to the asset controller and get the necessary authorisation to transfer the asset/s.
d) The asset controller will keep one copy, one copy goes to the AMS file, and one copy must accompany the asset and shall kept with the transferred asset and be submitted to the asset controller where the asset will be kept.
e) The respective asset controller must amend the movable asset list from where the asset was removed as well as where it was placed together with their signature and date.

4.3.3.4 Processing in the Asset Register

a) For control over completeness, record all forms received from Departments in a control register.

i. Update the asset register with the information on form.
ii. Ensure that all forms input is completely and accurately recorded in the Asset Register.
iii. Print new movable asset list for the rooms affected by the transfer of the assets and distribute them to the Asset Controllers involved, who shall replace the movable assets lists at the back of the doors of the rooms affected.

4.3.4 DECREASE OF ASSETS

4.3.4.1 Write-off of assets

a) Assets can be write-off when they are missing, obsolete, redundant or stolen. Assets that are missing or stolen must be transferred to the appropriate room numbers for missing or stolen assets. Remember that Department must obtain approval from the RLM Council, for an asset to be written-off and the item number of the resolution must be quoted.

b) An asset is redundant if it is uneconomical to repair or irreparable or has become useless to that Department.

c) Departments that have identified the obsolete or redundant assets that are no longer required for a service delivery, must be communicated to other departments through RLM communication office to enable other departments that have a need to utilise such assets, to notify the relevant Department of their need.

d) Should other departments require such assets, the assets identified cannot be regarded as obsolete/redundant, but must be transferred to the Department in need of such assets.

e) The responsible asset controller must check the reason for the write-offs are completed on the form in triplicate, for all assets to be written-off.

f) Application to write-off assets must be done monthly. The relevant forms must be in good time be submitted. To the Asset Management Section for comments and to check the details.

g) The internal Audit Department must verify the obsolete/redundant assets to be written off. This must be done before the item with details as per item is sent to the department's Portfolio Committee for approval.

h) The write-offs in any financial year, items (hardcopy and in electronic format) by the Departments, after approval by their portfolios, shall reach the AMS not later than 15th April of each year, to enable the year-end processing to be completed timeously. Losses occurring after the 15th April but before end of the Financial Year must be reported to the Chief Financial Officer immediately.

i) In respect of insurance claims the Departments must also complete form in triplicate for all assets claimed, to be written off and hand one copy to the Insurance office when the claim is submitted and one copy to the Asset Management Office for comments and to submit an item to RLM council.

j) When write-off approval is granted, it is the responsibility of the Department to advice Asset Management Section that approval was granted and to attach the resolution.

k) Only after approval for write off is granted, the obsolete/redundant assets must be taken to stores, only if they have storage space, for safekeeping until the asset can be sold on auction. A copy of complete form for the for the transfer of movable assets, together with the RLM council resolution must be handed to the Asset Management Section as well as to the stores.

4.3.4.2 Auctions/ Disposals

a) Tenders for conducting auctions or for disposal of redundant vehicles, equipment and material (either separately or collectively), on an as and when required basis, will from time be approved by the Tender and Procurement Committee.

b) Auction must be held annually before to dispose obsolete/redundant assets.

c) The Supply Chain Management must arrange to dispose all the redundant assets after approval by the RLM Council and only after the correct procedures were followed with the auctioneers, which RLM Council has appointed.

d) The Supply Chain and Stores must determine the auction dates in conjunction with the appointed auctioneer.

e) The auctioneer must carry out the following:-

i. The details of the auction must be advertised in the local newspapers two weeks prior to the auction date.
ii. The items must be arranged on the premises where the auction will be conducted.
iii. Lot numbers must be allocated and an auction roll must be complied.
iv. The conditions of sale must be read out prior to the commencement of the auction, in the presence of all potential buyers.
v. Collection of all monies generated during the auction before the assets/goods are removed.

f) The auctioneer conducting the auction, must carry out the following:

i. The total income of the auction must within 5 working days, be paid to the RLM.
ii. A statement of total income (Including VAT) of the auction, commission and VAT on commission must be supplied within 5 working days of the auction.
iii. The auctioneer must commit and bind himself by means of surety, for all the money collected at the auctions and must provide this to the Chief Financial Officer prior to the commencement of the auction.
iv. The buyers must remove all the auctioned items sold, within three (3) days working days after the auction.

v. The relevant official of the Chief Financial Officer' office(Supply Chain Management) must submit a summary of the income and expenditure of the auction to the Internal Audit Unit.
vi. Asset not sold at the auction must be reported to the RLM Council together with the recommendations on how to dispose them.
vii. The Asset Management Section must be advised of the sale prices, within seven days after the auction.
viii. Asset Management Section will only finally thereafter remove the asset/s from the assets register.

4.3.4.3 Disposal of Specialised and / or High Valued Items not achieving set Reserve or minimum prices on auctions.

a) In case where the specialised vehicle or high valued obsolete or redundant items does not achieved a pre determined reserve price on an auction, the following procedure must be followed:

i. Withdraw the item from auction.
ii. Invite quotations for the item by advertising in local and national news paper.
iii. Obtain more than three written quotations from institutions or Companies, which deals with or utilizes similar equipment or vehicles.
iv. Obtain approval from the Council.
v. Sell the items on the highest bidder.
vi. If less than three quotations where obtained, a written motivation should be placed on file for audit purposes indicating the steps taken to ensure that the item was disposed of at the highest attainable price.

4.3.4.4 Estrangement Information

a) The required information has to be completed by Departments before the assets can be dedicated to Sections (i.e. stores, auction) on standard form in triplicate and one copy be forwarded to Asset Management Section.
   i. The obsolete/redundant assets can only be sent to the stores, after approval by RLM Council and after form has been completed in fourfold.
   ii. In case where the missing assets have been reported to public safety department, form has to be completed in triplicate as soon as the case has been closed.

4.3.4.5 Processing in the Asset Register

a) For control over completeness, record all forms received from departments in control register.

   i. Appropriate disposal codes must be created.
   ii. The assets register can only be updated with the information on forms “” and the item, after approval by RLM Council.
   iii. The write-offs shall be performed in conjunction with the Budget and Financial Management Services to ensure that the source of funding, depreciation, etc. of all write-offs is correctly adjusted and appropriately accounted for.
   iv. The asset register and control register should be followed up on a monthly basis to ensure that there are no outstanding issues for more than two months.

4.3.4.6 Archiving a Written-off Assets

a) The information pertaining to assets written off according to the asset register should be once archived once a year (at the end of the financial year book year) to ensure that the information is not lost but can be retrieved at any stage.

4.3.4.7 Missing / Lost Assets

a) Missing assets report to AMS by relevant Asset Controllers are transferred to the section code “awaiting missing assets”. These assets will remain the responsibility of the relevant Department until approved written off is obtained and removed from the assets register. These assets can only be written off once a formal investigation conducted by the Public Safety Department and Internal Audit has been completed and RLM Council has approved their recommendation to write off the assets.

b) Form must be completed in triplicate and one copy together with the report from Public Safety Department submitted to Asset Management Section. The same procedures will apply as for other write offs.

4.3.5 Verification of Assets

4.3.5.1 Introduction

a) Assets will annually verified by the Asset Management Section in conjunction with the various Departments, by doing stocktaking (or verification) and quality evaluation. The former involves the scanning of the bar labels affixed to assets and room entrances and the recording (downloading) of such stock, in the assets register as well as verifying unmarking assets to the Consumer Items list – form.

b) Important information that has to be considered during the stocktaking is as follows:

   i. The stocktaking of the bar-coded assets is done with handed held terminals and scanners. Changes to the standard programmes are only performed under the direct supervision and control of the Asset Management Section.
   ii. If the scanner cannot read any bar code label, Asset Management Section has to verify the replacing of the label and to update the assets register with the change.

c) Verification have to be performed systematically per asset section and room in accordance with the frequency and procedures explained in the verification plan.
d) The occupants of the various buildings should well in advance be notified of the inspection processes and arrangements must be made that all the rooms be unlocked and where possible the occupants be present. Please also make sure that the assets are in the rooms where they should be. This will ensure saving time.
e) The verification dates have to be determined in such a way that all assets of the relevant Departments are verified once every financial year before 30 June.

4.3.5.2 Routine Verifications

a) Routine verifications should be conducted once or twice a year depending on the risk involved.

b) The person in charge of the verification must do the following:

i. Ensure that bar coded assets have been scanned and that all assets and items be compared to the movable assets list at the back of the door, before the room is left. This will decrease later follow up work.
ii. Ensure that assets scanned or verified are in good working condition. Any uncertainty regarding the quality or working condition of an asset should be recorded for later follow up.

c) Assets should be evaluated in terms of their:-

i. Financial performance: Are the assets operating costs / benefits similar to those for other comparable assets?
ii. Functionality: Are the assets functions fully utilised or are more advanced upgraded asset functions needed or are there new assets at a cost effective price rendering the current asset not worthy to keep?
iii. Physical condition : Is the assets adequately maintained?
iv. Utilisation : How intensively is the asset used?

d) Criteria – Factors considered during verification:
i. Assets are both deemed IN USE or NOT IN USE and in most cases supported with a reason why.
ii. Asset's condition ratings are based on prior year assessments vs current physical appearance and functionality.
iii. Assessment is made in terms of, "Does the asset in question still fulfil its function?" and "Is there any physical damage that can be visually identified, which impacts the role or service potential of the asset?"
iv. Factors that contribute to the condition assessment are wear & tear, rust, structural breaks, structural cracks, structural bends, leaking, damaged or not working components, oil leaks, open circuits, cuts in wires and vandalism.
v. In the event an assets condition had visually deteriorated drastically - in comparison to the prior year's assessment - the condition are dropped to the suitable condition grade.

e) Condition assessment:

Condition assessment of assets physically verified, are determined in terms of the table below.

Grade	Description	Detailed description
1	Very good	Sound structure, well maintained. Only normal maintenance required.
2	Good	Serves needs but minor deterioration (< 5%). Minor maintenance required.
3	Fair	Marginal, clearly evident deterioration (10-20%). Significant maintenance required.
4	Poor	Significant deterioration of structure and/or appearance. Significant impairment of functionality. Significant renewal/upgrade required.
5	Very poor	Unsound, failed needs reconstruction/ replacement (> 50% needs replacement)
6	Broken	No further life (impair immediately if any residual value is available)

f) As soon as the verification process is completed, the following standard reports have to be requested and followed up.

i. Assets on the movable assets list which have not been found during the verification process. Investigate why the items are not located where it should be according to the asset register.
If it was found as part of the scanning in the same building it can be automatically transferred with the approval of the Asset Controller.
Assets that cannot be found after investigation should be reported to the Public Safety Department and be written off in the asset register according to the procedures in this manual.

ii. Assets that have been inspected, but do not belong in the room according to the asset register. Corrections must be done and update the asset register immediately. The reason why the assets register was not updated during the movement of the assets must also be obtained.

4.3.5.3 Quality Evaluation

a) Obtain the standard quality control report for all assets which quality has been evaluated more than two years ago, as well as other assets as required and ensure that the assets register's details per individuals assets are correct.

i. In cases where the details are correct, the quality of the asset has to be evaluated. The bar code has to be scanned.

ii. In case where some details where some of the details are incorrect, an adjustment must be done in the asset register for correction.

4.3.5.4 Processing in the Asset Register

a) After completion of scanning the assets, AMS should download all the information to the Asset Register. Comparison between the information per hand held terminal will automatically be system and exception reports should be printed for follow up.

b) The assets register should be updated with any information revealed during the verification by using the appropriate forms.

4.3.6 Miscellaneous Procedures

4.3.6.1 Non – RLM Assets

a) Ensure that all assets in use on premises of the RLM, which are not RLM property, are properly recorded in a control register, as these assets cannot be labelled.
b) These assets can be the private property of an employee temporary hired by the RLM or belong to the Contractor.
c) The RML will not be held responsible if private property is damaged, lost or stolen on any RLM location.

4.3.6.2 Assets not previously marked

a) All unmarked RLM assets discovered and which do not represent new purchases in the relevant financial year have to be reported to the Asset Management Section. An investigation has to be done to find asset documentation that will assist in allocating correct information relating to such unmarked assets.
b) Take the unmarked assets up in the assets register at zero value, in accordance with the guidelines for initial take-on.

4.3.6.3 Overhead Reconciliation

a) Monthly: Reconcile the asset additions and write-offs in the main ledger with those in the asset register and rectify the reconciling items.
b) Annually : Summarise the additions and write-offs reconciliations, between the assets register and main ledger of the various departments on 30th June and ensure that the assets register and main ledger reconcile in total.

4.3.6.4 Bar code labels falling from movable assets and / or removed on Purpose.

a) As soon as the user notices that a bar code came loose or is missing on one of his/her has to report it immediately to the relevant Asset Controller.
b) The asset controller has to determine if the bar code has been removed on purpose or not.
c) If it has been removed on purpose, the asset controller has to determine whom the guilty party is, in order for the departmental head to take disciplinary action against the offender.
d) In both aforementioned cases (falling off and purposeful removal of bar code, the Asset Controller has to supply the existing asset number of the asset from which the bar code is missing, to the Asset Management to reorder the same unique bar-code replacement.

4.3.6.5 Audit Trail

a) The audit trail is the trail that can be traced back to determine the initial amount of a recorded asset.
b) Any change that has been made to the fields of any assets can be determined by means of the audit trail.
c) Any change that has been made by to the user definable fields can be determined by means of the audit trail.
d) The aforementioned reports should be requested monthly and be signed by Asset Management Section for accuracy.

4.3.6.6 Answering of audit enquiries

a) Audit queries with regard to differences between the physical existence of assets and theoretical information on the assets register have to be answered within three days after receipt of the enquiries.

4.3.6.7 Notify the Departments of non-verified assets information after asset count (Differences Between asset register and physical information)

a) As soon as the routine inspection has been done, the scanned information has to be uploaded into the system.
b) The reports on which the difference between the physical and asset register appear, have to be requested and the differences followed up.
c) Any differences which cannot be resolved, have to be brought to the attention of asset management section in a written report in which motivation for the differences are given

and decisions to adjust the asset records in the appropriate manner, following correct procedures.

4.3.6.8 Depreciation of Assets

a) The Chief Financial officer shall apply the classes of assets to be depreciated and method of depreciation to be used as determined by GRAP. The straight-line method of depreciation will be used.

4.3.6.9 Maintenance

a) The operation or maintenance phase is where the asset is used for its intended purpose. This phase may be punctuated by periodic refurbishment or mayor repair, requiring the asset to be taken out of services for period of time.
b) The Asset Controller must however put measures in place to maintain the asset over its useful life.

4.3.6.10 Exit Clearance Certificate

a) The respective Asset Controllers to sign the clearance certificate regarding verification of assets, when an assets users leave the services of the RLM.

4.3.6.10 Impairment of assets In our approach we rely mostly on the department heads to report to the asset department when occurrences as listed under 'GRAP 21 paragraph 23' have taken place.

In most instances impairment review is limited to the review of possible "Physical impairment" of the assets. Therefore, this impairment review method is directly linked to the high-level condition assessment carried out on the assets which have been physically verified.

Condition assessment

Condition assessment of assets physically verified, was determined in terms of the table below.

Grade	Description	Detailed description
1	Very good	Sound structure, well maintained. Only normal maintenance required.
2	Good	Serves needs but minor deterioration (< 5%). Minor maintenance required.
3	Fair	Marginal, clearly evident deterioration (10-20%). Significant maintenance required.

4	Poor	Significant deterioration of structure and/or appearance. Significant impairment of functionality. Significant renewal/upgrade required.
5	Very poor	Unsound, failed needs reconstruction/ replacement (> 50% needs replacement)
6	Broken	No further life (impair immediately if any residual value is available)

Assets are assessed as IN USE or NOT IN USE, and in most cases supported with a reason why. Asset's condition ratings are based on prior year assessments vs current physical appearance and functionality.

The assessment is made in terms of, "Does the asset in question still fulfil its function?" and "Is there any physical damage that can be visually identified, which impacts the role or service potential of the asset?"

Factors that contribute to the condition assessment are wear & tear, rust, structural breaks, structural cracks, structural bends, leaking, damaged or not working components, oil leaks, open circuits, cuts in wires and vandalism.

In the event an assets condition had visually deteriorated drastically - in comparison to the prior year's assessment - the condition is then dropped to the suitable condition grade.

Impact of the condition assessment

Once the condition of an asset is determined the condition rating is applied in order to ensure that the value of the asset is correctly reflected.
This is done by reducing the carrying value of the asset based on its condition, as per the table below:

Condition	Description	Rating
1	Very Good	95%
2	Good	70%
3	Fair	45%
4	Poor	25%
5	Very Poor	10%
6	Broken	0%

Where an assets condition decreased by more than one level in one year, the asset was deemed to be impaired and thus the carrying value, if more than the specific condition rating, was adjusted to reflect the rating value. The additional impairment will be equal to the difference between the carrying value and the recoverable service amount.

The following formula is applied:

Impairment =Cost x (Rating / 100) = Recoverable Service Amount

=Recoverable Service Amount - Carry Value

=Impairment effect

If the carry value is less than the recoverable service amount prior to impairment, such asset is left at carry value since the asset's objectives are within its condition rating.

4.3.6.11 Remaining Useful Life Adjustment of an asset

Refer to GRAP 17, paragraph 61 and 62 for assessing an assets RUL.

Condition assessment

The condition of the asset has a major impact with assessing an asset's RUL.

Asset's condition ratings are based on prior year assessments vs current physical appearance and functionality. The assessment was made in terms of, "Does the asset in question still fulfil its function?" and "Is there any physical damage that can be visually identified, which impacts the role or service potential of the asset?"

Factors that contribute towards the condition assessment of an asset are wear & tear, rust, structural breaks, structural cracks, structural bends, leaking, damaged or not working components, oil leaks, open circuits, cuts in wires and vandalism.

In the event where an assets condition had visually deteriorated drastically - in comparison to the prior year's assessment - with consensus of the official the condition was dropped to the suitable condition grade.

Impact of the condition assessment
Once the condition of an asset is determined the condition rating is applied in order to determine the calculated RUL.

This is done by adjusting the RUL of the asset based on its condition rating, as per the table below:

Condition	Description	Rating
1	Very Good	95%
2	Good	70%
3	Fair	45%
4	Poor	25%
5	Very Poor	10%
6	Broken	0%

The RUL is a key factor in determining the remaining period over which an asset will depreciate.

Approach

During the review of the RUL's of assets, we need to identify the assets deemed for adjustment. The identified assets are those in use with zero RUL and/or will depreciate to zero within the next 24 months. These assets are identified at the beginning of the reporting period. Assets which abide by this rule will therefore be adjusted to reflect their condition rating at year end.

RUL =EUL x (Rating / 100)

=RUL as at year end

Example

EUL	Previous RUL	Adjustment	Depreciation	RUL at Year End
10	0.8	4.7	-1 year	4.5 Years

An asset with a 'Fair' condition must have 45% left of its Economic Useful life (EUL) at year end. If the EUL is 10 years, then the RUL should be 4.5 years at year end upon applying the condition assessment. In essence the asset should have started with a RUL of 5.5 at the beginning of the year in order to have a RUL of 4.5 after depreciation at year end.

4.4 Maintenance of the Asset Register

4.4.1 Information to be Included in the Asset Register

ACQUISTION	IDENTIFICATION & LOCATION	ACCOUNTING	PERFOMANCE	DISPOSAL	ACCOUNTING
- Date - Amount - Supplier - Reference	- Asset Classification - Asset number - Bar-code - Description - Location	- Department - Custodian - Restrictions - Ownership	- Capacity - Performance measures - Condition assessment - Useful lives - Residual values	- Date - Amount - Capacity - Condition - Remaining useful life - Residual value - Reason	- Cost - Funding - Useful life - Remaining useful life - Residual value - Depreciation Method - Impairment - Depreciation - Accumulated depreciation - Book value - Disposal

4.4.2 Marking of Assets

a) The label must be applied on a side from which the asset is used.
b) The label is applied on top right hand side of the asset.
c) Avoid side, which could be moved against the wall or other assets.
d) Avoid labelling on top of surfaces where damage could occur.
e) Label major part of asset not on replaceable drawer or door
f) A scanner must able to read the label with ease; avoid positions where the natural hand scan motion is impaired.

CHAPTER 5

ANNEXURE A

5.1 EXPECTED USEFUL LIVES AND RESIDUAL VALUES

Category	Life
Bins and containers	10
Buildings	7 - 80
Emergency equipment	3 - 12
Furniture and fixtures	5 - 15
Heritage assets	Indefinite
Infrastructure Electricity	5 - 50
Infrastructure Roads and Transport	5 - 100
Infrastructure Sewerage	5 - 70
Infrastructure Water	5 - 70
Intangible assets	2 - 3
Landfill Site	20 - 25
Land	Indefinite
Land Inventory	Indefinite
Motor vehicles	5 - 15
Office equipment	3 -10
Other-Library	7 - 8
Plant and machinery	2 - 15
Specialised vehicle	7 - 20

Residual values are applied to the following classes at the specified rates:

Vehicles: 30% of the original cost price.

Furniture, Fittings and Office Equipment: 10% of the original cost price.

Other Assets:10% of the original cost price.

Computers: 10% of the original cost price.

Infrastructure: Nil due to the fact that it is not the intention to ever sell infrastructure assets.

RUSTENBURG LOCAL MUNICIPALITY

BORROWING FRAMEWORK POLICY AND GUIDELINES

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1. Purpose

(a) To establish a framework and guidelines for the borrowing of funds.

(b) To ensure compliance with statutory requirements and National Treasury borrowing regulations.

(c) To ensure that the funds are obtained at the lowest possible interest rates at minimum risk, within the parameters of authorised borrowings.

(d) To outline the appropriate actions of a prudent person standard in the context of managing overall debt.

(e) To maintain debt within specified limits and ensure adequate provision for the payment of debt and debt repayment **to** be sustainable.

2. Problem Statement

The Guidelines and Procedures have been written in compliance with relevant legislation, they offer certainty to the debt capital markets thereby ensuring a level of confidence in our municipal fiscal affairs. Consequently, the Municipality has access to a range of funding instruments for the provision of municipal infrastructure. Rustenburg Local Municipality ("Municipality"), in general, seeks to minimise its dependence on borrowings in order to curtail future revenue committed to debt servicing and redemption charges.

The Chief Financial Officer prudently manages interest rate, liquidity and credit risk exposures thereby obtaining the lowest possible interest rate for the Municipality's debt. The debt is taken on the most advantageous terms and conditions, taking cognisance of borrowing risk constraints, infrastructure needs and the borrowing limits determined by legislation. They also take into consideration the issues of the time value of money and to optimise the use of the term of the loan.

3. Legislation

The relevant legislation and regulations in terms of which borrowing decisions are governed are as follows:

- **Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) (See Annexure A)**
- **Constitution of the Republic of South Africa Act 108 of 1996 (See Annexure B)**

- **Municipal Regulations on Debt Disclosure (Local Government: Municipal Finance Management Act, Chapter 6) Government Gazette no. 29966, 15 June 2007) effective from 01 July 2007 for a municipality or municipal entity (See Annexure C).**
- **Municipal Finance Management Act No. 56 of 2003 Circular No.71 (See Annexure D)**

Guidelines and Procedures

4. General Approach to Borrowing

4.1.1 The Municipality may incur long term debt for the purpose of:

(a) Capital expenditure on infrastructure, property, plant or equipment to be used for the purpose of achieving the objectives of local government or

(b) Re-financing existing long-term debt as permitted.

4.1.2 The Municipality will, in general, seek to minimise its dependence on borrowings in order to reduce future revenue committed to debt servicing and redemption charges.

4.1.2 Borrowings shall be made with care, skill, prudence and diligence.

4.1.2 The Municipality shall maintain the Gearing Ratio to be below 45% and Debt service cost to be between 6% and 8%, in line with the MFMA Circular No.71

4.1.2 The fixing of debt repayments is a crucial consideration in meeting the legal requirements of the Municipality, that of annually producing a balanced budget.

4.1.2 Whilst the period for each loan debt may vary from time to time according to the needs of the Municipality in conjunction with various Lenders, presently the typical debt repayment period for loans is between five to twenty years, closely matching the underlying asset lives serviced by the loans.

4.1.2 Cognisance is taken of the useful lives of the underlying assets to be financed by the debt, and, moreover, careful consideration is taken of the interest rates on the interest yield curve. Should it be established that it is cost effective to borrow the funds on a shorter term (as opposed to the life of the asset) as indicated by the interest yield curve, the loan will be negotiated to optimise the most favourable and cost effective benefit to the Municipality.

4.1.2 There are from time to time various options offered from Financial Institutions which need to be treated on their merits and which could result in slightly lower interest rates being offered.

4.1.2 The Municipality's external borrowings have been mainly sourced from financial institutions amongst others commercial banks and development finance institutions.

4.1.2 Any official involved in the securing of loans by the Municipality must, when interacting with a prospective Lenders or when preparing documentation for consideration by a prospective Investors disclose all relevant information that may be requested or that may be material to the decision of the prospective Lender or Investor.

4.1.2 Reasonable care must be taken to ensure the accuracy of any information disclosed. Whilst this is a standard and acceptable business practice, it is also in compliance with section 49 of the Municipal Finance Management Act.

4.1.2 The prospective lenders must be furnished with the following:

(a) Audited annual financial statements for the preceding three financial years

(b) The approved annual budget

(c) The Integrated Development Plan

(d) Repayment schedules pertaining to existing long term debt

4.1.2 The Municipal Finance Management Act provides that the Municipality may not guarantee any debt of any entity except on the following conditions:

(a) The guarantee must be within limits specified in the municipality's approved budget

(b) The entity is a Municipal entity under its sole control and such guarantee is authorised by the council

4.1.2 Any guaranteed debt must be reflected in the approved business plan of the entity and must be authorised by the Municipality in the same manner and subject to the same conditions applicable to any other borrowings.

4.1.2 Neither the National nor Provincial Government may guarantee the debt of any Municipality.

4.1.2 All loans must be in the name of the Municipality

5. Specific factors that must be considered when borrowing

Surplus funds and external long-term debt are used to meet the objectives of the Integrated Development Plan (IDP) which include the service delivery programme, economic and social development and other demands of the changing and growing city.

5.1 The factors to be considered when borrowing are:

(a) Revenue generating ability of asset

(b) Type and extent of benefits to be obtained from the borrowing

(c) Length of time the benefits will be received

(d) Beneficiaries of the acquisition or development

(e) Impact of interest and redemption payments on both current and forecasted income

(f) Current and future capacity of the property tax base to pay for borrowings and the rate of growth of the property tax base

(g) Likely movements in interest rates for variable rate borrowings

(h) Other current and projected sources of funds

i) Competing demands for funds

(i) j) Timing of money market interest rate movements and the long term rates on the interest rate curve

5.2 After taking **a, b, c, d** above into account, the borrowing requirement will be determined by:

5.2.1 Obtaining the total capital budget value – as per IDP and MTERF.

5.2.1 Determining internal funding – the municipality from time to time, will use its surplus funds from operations to fund its capital programmes in order to reduce its reliance on external debt financing, thereby allowing it to borrow only funds from external sources when favourable market conditions prevail

5.2.1 Obtaining the figure for grants to be received – as allocated per national and provincial treasuries

5.2.1 Identifying cash shortages to be financed by external borrowings, after taking into account 5.2.2, and 5.2.3 above.

6. Types of Borrowings

Foreign borrowing is permitted in terms of section 47 of the Municipal Finance Management Act, whereby 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.

6.1 Short Term Borrowings

(a) The Municipal Finance Management Act provides that the Municipality may incur short term debt only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long term debt commitments.

(b) In terms of the Municipal Finance Management Act, incur short term debt only if the Chief Financial Officer has made a prior written finding that the debt is either within prudential limits on short term debt as previously approved by Municipality, or is necessary due to an emergency that could not reasonably have been foreseen and cannot await Council approval.

(c) The Municipality must pay off short term debt within the same financial year and may not renew or refinance its short term debt.

(d) Examples of short-term debt are bank overdrafts and commercial paper bills

6.2 Long Term Borrowings

A Municipality may incur long-term debt only in accordance with and subject to any applicable provisions of MFMA, 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

(b) Re-financing existing long-term debt subject to subsection (5).

Examples of long-term debt are as follows:

6.2.1 Annuity

(a) The loan amount, interest rate and repayment period offered by the financial institution are either fixed or variable.

(b) The calculation of the instalment payable on an annuity basis is simple and straightforward: the instalment of the loan can be repaid usually in equal six monthly instalments over the term of the loan.

6.2.1 Structured Finance Loans

(a) Structured finance is a service that generally involves highly complex financial transactions offered by many large financial institutions for companies with very unique financing needs.

(b) (It must be appreciated that before entering into any structured finance contract the Municipality, being a Statutory body, will carefully scrutinise all aspects of the structured finance loan agreement including seeking legal advice both from the Head: Legal and, where necessary, from Senior Legal Counsell to ensure that the Municipality is not participating in a structure which the South African Revenue Service may deem it to be one which leads to tax evasion.

(c) The Municipality will always adopt a prudent and carefully evaluated approach before entering into structured finance loan agreements

(d) The Municipality has not entered into any structured loan agreements recently, and in view of the tax implications under the present tax regime it is unlikely that it will enter into structured loan agreements in the near future. The loan amount, interest rate and repayment period offered by the financial institution are either fixed or variable. The calculation of the instalment payable on an annuity basis is simple and straightforward: the instalment of the loan can be repaid usually in equal six monthly instalments over the term of the loan.

6.2.1 Bonds

(e) A bond is an instrument used by Government, State-Owned Entity and Corporates to raise loan capital on the open market.

(f) Bond holders have the right to interest, usually paid on a semi-annual basis, and the repayment of the capital amount on maturity. The most critical variable factor in determining bond rates is the expected long term trend in inflation, in order to provide a return that equals inflation plus a risk premium.

(g) The higher the risk attached to a borrower, the higher will be the risk yield investors will demand.

(h) During its tenure, a bond will trade on the bond market at prevailing interest levels with bond prices inversely related to movements in interest rates.

7. Hedging

(a) Where the interest rate offered by the financial institution is on a variable basis, an Interest Rate Swap (IRS) may be taken out.

(b) An IRS agreement will need to be signed with the party agreeing to accept the variable rate and offer the fixed rate to the Municipality.

(c) An Interest Rate Swap Agreement must comply with the terms set out by the International Swap Dealers Association (ISDA).

8. Credit Rating

The Municipality has a Long-Term and Short-Term National Scale rating, which is reviewed on an annual basis. Currently the credit rating is being provided by Global Credit Rating (GCR).

9. Refinancing

(a) Section 46 of the Municipal Finance Management Act provides that the Municipality may refinance existing long term debt, if such refinancing is in accordance with the prescribed framework.

(b) The Municipality may borrow money for the purpose of re-financing existing long-term debt, provided that:

i. The existing long-term debt was lawfully incurred

ii. The re-financing 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

iii. The net present value of projected future payments (including principal and interest payments) after re-financing is less that the net present value of projected future payments before re-financing

iv. The discount rate used in projecting net present value referred to in the above paragraph 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.

(c) No loans will be prematurely redeemed unless there is a financial benefit to the Municipality.

10. Security

(a) The Municipal Finance Management Act provides that the Municipality may provide security for any of its debt obligations, including the giving of a lien, pledging, mortgaging or ceding an asset, or giving any other form of collateral.

(b) The Municipality may cede as security any category of revenue or rights of future revenue.

(c) Some Lenders may require the Municipality to agree to restrictions on debt that the Municipality may incur in future until the secured debt is settled.

11. Security

(a) Section 46 of the Municipal Finance Management Act stipulates that the Municipality may incur long-term debt only if a resolution of the Council, signed by the Mayor, has approved the debt agreement and the Accounting Officer has signed the agreement or other document which acknowledges the debt.

(b) At least 21 days prior to the meeting of the Council at which approval for the debt is to be considered:

i. The Municipality must make 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. (ii) Invite the Public, the National Treasury and Provincial Treasury to submit written comments or representations to the council in respect of the proposed debt.

(c) A copy of the information statement must be submitted to Council at least 21 days prior to the meeting to discuss the proposed loan, together with particulars of:

i. The essential repayment terms, including the anticipated debt repayment schedule; and

ii. (ii) The anticipated total cost in connection with such debt over the repayment period.

12. Provision for Redemption of Borrowings

(a) The Municipality may set up sinking funds to facilitate loan repayments, especially when the repayment is to be met by a bullet repayment on the maturity date of the loan.

(b) Such sinking funds may also be invested directly with the Lender's Bank.

(c) The maturity date and accumulated value of such investment must coincide with the maturity date and amount of the intended loan that is to be repaid.

(d) Use can also be made of guaranteed endowment policies to facilitate the payment on maturity date.

13. Non-Repayment of Borrowings

(a) The Municipality must honour all its borrowings obligations timeously as the failure to effect prompt payment will adversely affect the raising of future borrowings at favourable costs: failure even by one day, and even if only through

administrative oversight, will have severe repercussions, and may jeopardise the Municipality's favourable credit rating.

(b) In addition to the timeous repayment of the borrowings, the Municipality must adhere to the financial covenants stipulated in the loan agreements and the under mentioned are some examples of typical financial covenant requirements:

i. furnish the Lender with audited annual financial statements timeously

ii. long term credit rating not to decline below investment grade

iii. reporting of material changes in financial position of the Municipality

iv. Collection rates must not be less than a specified rate

v. Gearing, debt coverage and cost coverage ratios

14 Borrowing for Investment Purposes not Permitted

While in the past some Municipalities borrowed funds with the sole purpose of investing to earn a return their motive was clearly speculative and the cost of debt almost always more expensive than the return that the Municipality could derive by investing in permitted investments, consequently, as a principle, RLM Municipality does not borrow for investment purposes.

15. Other Borrowing Practices

Depending on economic conditions such as the shape of the interest yield curve, the Municipality may borrow in advance of its capital cash flow needs in a given financial year to take advantage of an inverse interest yield curve.

16. Reporting and Monitoring Requirements

Regular reporting mechanisms are in place in order to assess the performance of the borrowing portfolio and to ensure that the borrowings comply with policy objectives, guidelines, applicable laws and regulations.

17. Internal Controls

(a) The internal control procedure involves Internal Audit and Performance Management, and the Auditor General reviewing and testing the systems of the Finance Department on a regular basis.

(b) In order to prevent losses arising from fraud, misrepresentations, error, conflict of interest or imprudent action, a system of internal controls governs the administration and management of the portfolio.

(c) Controls deemed most important include:

(i) Control of collusion, separation of duties.

(ii) Custodial safekeeping of loan agreements and contracts.
(iii) Clear delegation of duties.
(iv) Checking and verification by senior officials of all transactions.
(v) Documentation of transactions and repayments.
(vi) Code of ethics and standards.
(vii) Procedure manuals.

(ii) Electronic Funds Transfer limits and a detailed procedure manual for the system.

18. National Treasury and Reporting Requirements

(a) Of the numerous returns submitted by the Municipality to National Treasury, one such report deals with the Municipality's external interest paid each month.

(b) Another return, prepared on a quarterly basis, requires the Municipality to itemise all its external borrowings for the quarter ended.

ANNEXURE A

LOCAL GOVERNMENT MUNICIPAL FINANCE MANAGEMENT ACT NO 56 OF 2003

CHAPTER 6 : DEBT

SHORT-TERM DEBT

45 (1) A municipality may incur short-term debt only in accordance with and subject to the provisions of this Act. A municipality may incur short-term debt only when necessary to bridge -

(a) shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or

(b) capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

A municipality may incur short term debt only if -

1) a resolution of the municipal council, signed by the mayor , has approved the debt agreement : and

2) the accounting officer has signed the agreement or other document which creates or acknowledges the debt .

(3) For the purpose of subsection (2) (a.) a municipal council may -

1) approve a short term debt individually ; or

2) approve an agreement with a lender for a short-term credit facility to be accessed as and when required , including a line of credit or bank overdraft facility , provided that -

(i) the credit limit must be specified in the resolution of the council ;

(ii) the terms of agreement , including the credit limit , may be changed only by a resolution of the council ; and

(iii) if the council approves a credit facility that is limited to emergency use , the accounting office must notify the council in writing as soon as practical of the amount , duration and any debt incurred in terms of such a credit facility , as well as options for repaying such debt.

(4) A municipality -

1) must pay off short-term debt within the financial year ; and

2) may not renew or refinance short-term debt , whether its own debt or that of any other entity, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year.

(a) No lender may wilfully extend credit to a municipality for the purpose of renewing or refinancing short-term debt that must be paid off in terms of subsection (4)(a).

2) if a lender wilfully extends credit to a municipality in contravention of paragraph (a), the municipality is not bound to repay the loan or interest on the loan .

(6) Subsection (5)(b) does not apply if the lender -

(a) relied in good faith on written representations of the municipality as to the purpose of the borrowing; and

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

LONG-TERM DEBT

(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

(b) re-financing existing long-term debt subject to subsection (5).

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

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-

1) has in accordance with subsection 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

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

(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.

4) Capital expenditure contemplated in subsection (1)(a) may include -

1) financing costs, including -

capitalised interest for a reasonable initial period;

costs associated with security arrangements in accordance with

section 48;

(i) 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

(b) costs of professional services directly related to the capital expenditure; and

such other costs as may be prescribed.

A municipality may borrow money for the purpose of re-financing existing long-term

debt, provided -

(a) the existing long-term debt was lawfully incurred;

the re-financing 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;

the net present value of projected future payments (including principal and interest payments) after re-financing is less than the net present value of projected future payments before re-financing and

the discount rate used in projecting net present value referred to in paragraph (c), 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.

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

CONDITIONS APPLYING TO BOTH SHORT-TERM AND LONG-TERM DEBT

A municipality may incur debt only if -

(a) the debt is denominated in Rand and is not indexed to, or affected by, fluctuations in the value the Rand against any foreign currency;

section 48 (3) has been complied with, if security is to be provided by the municipality

SECURITY

48. (1) A municipality may, by resolution of its council, provide security for -

(a) any of its debt obligations;

(b) any debt obligations of a municipal entity under its sole control; or

(c) contractual obligations of the municipality undertaken in connection with capital expenditure by other persons on property, plant or equipment to be used by the municipality or such other person for the purpose of achieving the objects of local government in terms of section 152 of the Constitution.

A municipality may in terms of subsection (1) provide any appropriate security including

by -

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

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 performance of the secured obligations, but this form of security may not affect compliance with section 8 (2)

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

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;

ceding as security any category of revenue or rights for future revenue;

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

undertaking to retain revenues or specific charges, fees, tariffs or funds at a particular level or at a level sufficient to meet its financial obligations;

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

agreeing to restrictions on debt that the municipality may incur in future until the secured debt is settled or or the secured obligations are met; and

(j) agreeing to such other arrangements as the municipality may consider necessary and prudent.

(3) A council resolution authorising the provision of security in terms of subsection (2)(a) -

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

if so, must indicate the matter in which the availability of the asset or right for provision of that minimum level of basic municipal services will be protected.

(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 asset

or right in a manner that would preclude or impede the continuation of that minimum level of basic municipal services.

(5) A determination in terms of subsection (3) 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.

DISCLOSURE

(1) Any person involved in the borrowing of money by a municipality must, when interacting with a prospective lender or when preparing documentation for consideration by a prospective investor -

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

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

A lender or investor may rely on written representations of the municipality, if the lender or investor did not know and had no reason to believe that those representations were false or misleading.

MUNICIPAL GUARANTEES

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

(a) The guarantee must be within limits specified in the municipality's approved budget:

a municipality may guarantee the debt of a municipal entity under its sole control only if the guarantee is authorised by the council in the same manner and subject to the same conditions applicable to a municipality in terms of this Chapter if it incurs debt

a municipality may guarantee the debt of a municipal entity under its shared control or of any other person, but only with the approval of the National Treasury, and then only if-

(i) the municipality creates, and maintains for the duration of the guarantee, a cash-backed reserve equal to its total potential financial exposure as a result of such guarantee; or

(ii) the municipality purchases and maintains in effect for the duration of the guarantee, a policy of insurance issued by a registered insurer, which covers the full amount of the municipality's potential financial exposure as a result of such guarantee.

NATIONAL AND PROVINCIAL GUARANTEES

51. Neither the national nor a provincial government may guarantee the debt of a municipality or municipal entity except to the extent that Chapter 8 of the Public/New Finance Management Act provides for such guarantees.

CHAPTER 8 : RESPONSIBILITIES OF MUNICIPAL OFFICERS

REPORTS AND REPORTABLE MATTERS

MONTHLY BUDGET STATEMENTS

71. (1) The accounting officer of a municipality must no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to end of that month

Actual revenue, per revenue source;

actual borrowing

actual expenditure, per vote

actual capital expenditure, per vote

the amount of any allocations received

RUSTENBURG

LOCAL MUNICIPALITY

CASH MANAGEMENT AND INVESTMENT POLICY

PREAMBLE

WHEREAS section 13 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (hereinafter referred to as "the MFMA") determines that the Rustenburg Local Municipality (hereafter "the Municipality") must within the prescribed legislative framework:

(a) conduct their cash management and investments; and

(b) invest money not immediately required.

AND WHEREAS in terms of section 13(2) of the MFMA, the Municipality must establish an appropriate and effective Cash Management and Investment Policy in accordance with the prescribed framework.

AND WHEREAS Councillors and officials as trustees of public funds, have an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible.

AND WHEREAS all investments made by the Municipality must be in accordance with the Local Government: Municipal Finance Management Act, Municipal Investment Regulations (hereafter "the Regulations") promulgated in terms of the MFMA and in accordance with the Cash Management and Investment Policy of the Municipality.

NOW THEREFORE the Municipality adopts the following Cash Management and Investment Policy in compliance with the provisions of the MFMA and Regulations and to be known as the Cash Management and Investment Policy (hereafter "this policy").

THE RUSTENBURG LOCAL MUNICIPALITY

CASH MANAGEMENT & INVESTMENT POLICY

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1. DEFINITIONS

(1) In this policy, except where the context otherwise indicates, or it is expressly stipulated otherwise, the following words and expressions shall have the respective meanings assigned to them hereunder, and words and expressions to which a meaning has been assigned in terms of the provisions of the MFMA, Systems Act and Regulations, will have a corresponding meaning assigned thereto in terms of the said Act. All headings are included for convenience only and shall not be used in the interpretation of any of the provisions of this policy.

NO.	WORD/EXPRESSION	DEFINITION
	"A"	
1.1	**"Accounting Officer"**	Means the Municipal Manager appointed in terms of section 60 of the MFMA.
1.2	**"accrued interest"**	Means interest income that has been earned but not yet paid in cash.
	"C"	
1.3	**"Chief Financial Officer"**	Means a person designated in terms of section 80(2)(a) of the MFMA.
1.4	**"Council"**	Means the municipal council of the Municipality as referred to and constituted in terms of the provisions of section 157 of the Constitution of the Republic of South Africa.
1.5	**"credit rating"**	Means a financial indicator to determine credit worthiness to be considered potential lender or investor.
	"I"	
1.6	**"investee"**	Means an institution with which an investment is placed, or its agent.

1.7	**"investment"**	Means in relation to funds of the Municipality: (a) the placing on deposit of funds of a municipality with a financial institution; or (b) the acquisition of assets with funds of a municipality not immediately required with the primary aim of preserving those funds.
1.8	**"investment manager"**	Means a natural person or legal entity that is a portfolio manager registered in terms of the Financial Markets Control Act, Act 55 of 1989 and Stock Exchanges Control Act, Act 1 of 1985, contracted by a municipality or municipal entity to: (a) advise it on investments; (b) manage investments on its behalf; or (c) advise it on investments and management investments on its behalf.
"L"		
1.9	**"liquidity"**	Means the ease with which an asset can be turned into cash and the certainty of the value it will fetch.
1.10	**"long term investment"**	Means an investment that matures in more than 1 (one) year, generally made over a period of 5 (five) years or more.
"M"		
1.11	**"market value"**	Means the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.
1.12	**"Mayor"**	Means, in terms of the provisions of section 1 of the MFMA, in relation to a municipality with an executive mayor, the councillor elected as the executive mayor of the municipality in terms of section 55 of the Structures Act.

1.13	**"Municipal Finance Management Act" or "MFMA"**	Means the Local Government: Municipal Finance Management Act, Act 56 of 2003.
1.14	**"Municipality"**	Means the RUSTENBURG LOCAL MUNICIPALITY a local government and legal entity with full legal capacity as contemplated in section 2 of the Systems Act read with the provisions of Chapter 7 of the Constitution and sections 12 and 14 of the Structures Act, with its main place of business and the offices of the Municipal Manager, as envisaged in terms of the provisions of section 115(3) of the Systems Act, at: Missionary Mpheni House, CNR NELSON MANDELA & BEYERS NAUDE STREET, RUSTENBURG, NORTH WEST PROVINCE, and may, depending on the context, include: (a) its successor in title; or (b) a functionary, employee or official exercising a delegated power or carrying out an instruction, in the event of any power being delegated as contemplated in terms of the provisions of section 59 of the Systems Act, or exercising any lawful act in the furtherance of the Municipality's duties, functions and powers; or (c) an authorised service provider fulfilling a responsibility assigned to it by the Municipality through a service delivery agreement.
1.15	**"Municipal Manager"**	Means the Municipal Manager and Accounting Officer of the Municipality appointed in terms of the provisions of section 54A of the Systems Act and as referred to in the definition of "Accounting Officer" in section 1 of the MFMA, and also

		referred to in section 60 of the MFMA, and includes a person acting as an Accounting Officer, or the person to whom the Accounting Officer has delegated his/her authority to act.
	"R"	
1.16	**"Regulation"**	Means the Local Government: Municipal Finance Management Act, Municipal Investment Regulations, promulgated in terms of the MFMA and published in Government Gazette No 27431 of 1 April 2005 under Government Notice R.308.
	"S"	
1.17	**"Short term Investment"**	Means an investment with a maturity date of less than 1 (one) year.
1.18	**"Structures Act"**	Means the Local Government: Municipal Structures Act, Act 117 of 1998.
1.19	**"Systems Act"**	Means the Local Government: Municipal Systems Act, Act 32 of 2000.
	"T"	
1.20	**"the/this policy"**	Means the Cash Management and Investment Policy of the Municipality as adopted by the Municipality in terms of section 13(2) of the MFMA.
1.21	**"Trust money"**	Means money held in trust on behalf of third parties in a trust contemplated in terms of section 12 of the MFMA.

2. INTRODUCTION

(1) As trustee of public funds, the Council has an obligation to ensure that all investments are made by the Municipality in the most efficient and effective manner.

(2) Money invested must be for the benefit of the whole of the community and must be governed by the principle objective to maximise returns from authorised investments, consistent with the secondary objective of minimising risk.

3. LEGISLATIVE CONTEXT

(1) This policy is established in terms of section 13(1) and section 13(2) of the MFMA which requires that the Municipality establish an appropriate and effective Cash Management and Investment Policy within which the Municipality must:

(a) conduct its cash management and investments; and

(b) invest money not immediately required in accordance with any framework which may be prescribed by law.

(2) In addition, the Regulations set out the framework within which all municipalities shall conduct their cash management and investment. The said regulations are annexed to this policy as **Annexure "A"**.

(3) This policy is consistent with the MFMA, the aforementioned gazetted framework and section 60(2) of the Systems Act.

(4) The Municipality shall at all times manage its banking accounts and investments, as well as implement this policy in compliance with the provisions of and the prescriptions made by the Minister of Finance in terms of the MFMA.

4. ADOPTION AND COMMENCEMENT OF THIS POLICY

(1) The Municipality shall adopt this policy which is consistent with the provisions of paragraph 3 above.

(2) All investments made by the Municipality or an investment manager on behalf of the Municipality must be in accordance with this policy and with any investment regulations promulgated by National Government.

(3) The effective date of this policy or any amendments thereto shall be the date of its adoption by Council.

5. PURPOSE OF THIS POLICY

The purpose of this policy is to secure the sound and sustainable management of the Municipality's surplus cash and investments.

6. SCOPE OF THIS POLICY

(1) This policy prescribes the manner in which the Municipality must conduct its cash management and investments. This policy further prescribes the obligations and the accountability of the Municipality as a trustee of public funds, and that cash resources are managed as effectively as possible by ensuring that such funds are invested with great care.

(2) This policy aims through effective cash flow management, having regard to legislative provisions, at gaining the highest possible return without undue risk to the investment during those periods when funds are not required.

(3) The policy governs the investment of money not immediately required by the Municipality for the defrayment of expenditure.

(4) This policy applies to all new and existing investments made by:

(a) the Municipality;

(b) all investment managers acting on behalf of the Municipality in making or managing investments.

(5) This policy does not apply to trust moneys administered by the Municipality where it is prescribed in the trust deed how the trust money is to be invested.

7. OBJECTIVES OF THIS POLICY

(1) To ensure compliance with the relevant legal and statutory requirements relating to cash management and investments.

(2) To ensure that investment of surplus funds of the Municipality forms part of the financial system of the Municipality.

(3) To create consistency in that the same procedure is followed in respect of each investment so as to conform to the requirements of transparency, equitability and fairness. In each case the preservation and safety of investments is a primary aim.

(4) To promote and ensure the need for investment diversification of the Municipality's investment portfolio across acceptable investees permitted types of investments and investment maturities.

(5) To ensure the liquidity needs of the Municipality are duly discounted and provided for.

(6) To ensure timeous reporting of the investment portfolio as required by the MFMA and in accordance with the Generally Recognised Accounting Practice (GRAP) and as required by the National Treasury.

(7) To establish a minimum acceptable credit rating and requirements for investments including:

(a) a list of approved investment types that may be made, subject to the provisions of this policy; and

(b) a list of approved institutions where or through which investments may be made, subject to the provision of this policy.

(8) To provide measures for ensuring implementation of this policy and internal control over, investment made as well as procedures for reporting on and monitoring of all investments made procedure for benchmarking and performance evaluation.

(9) To provide the assignment of roles and functions, any delegation of decision-making powers including the conditions for the use of investment managers, and their liability in the event of non-compliance with the provisions of this policy.

(10) To provide the procedures for the annual review of this policy.

8. PERMITTED INVESTMENT TYPES

(1) The Municipality shall only invest funds in any of the following investment types as set out and referred to in regulation 6 of the Regulations, being:

(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, Act 94 of 1990;

(d) deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, Act 45 of 1984;

(e) deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, Act 46 of 1984;

(f) banker's acceptance certificates or negotiable certificates of deposits of banks registered in terms of the Banks Act, Act 94 of 1990;

(g) guaranteed endowment policies with the intention of establishing a sinking fund;

(h) repurchase agreements with banks registered in terms of the Banks Act, Act 94 of 1990;

(i) municipal bonds issued by another municipality; and

(j) any other investment type as the Minister of Finance may identify by regulation in terms of section 168 of the MFMA, in consultation with the Financial Services Board.

9. PROHIBITED INVESTMENTS

(1) The Municipality shall not be permitted to make the following investments:

(a) investments in listed or unlisted shares or unit trusts;

(b) investments in stand alone or derivative instruments;

(c) investments denominated in, or linked to, foreign currencies;

(d) investments in market linked endowment policies.

(2) The Municipality shall not borrow funds for the purposes of investing, as stated in terms of the Borrowing Policy of the Municipality.

(3) Any investment in capital or money market instruments shall be held until maturity. The Municipality shall not buy or sell these instruments, to speculate with a view to making capital profits.

10. STANDARD OF CARE

(1) The Municipality must take all reasonable and prudent steps consistent with, and according to the provisions of this policy to ensure that it places its investments with credit-worthy institutions. The international rating given should be used to evaluate the creditworthiness of financial institutions.

(2) The investment shall be made with the judgement and care, under the prevailing circumstances, which a person of prudence, discretion and intelligence would exercise in the management of his/her own affairs, not for speculation, but for investment, and with primary regard to:

(a) the safety of its capital;

(b) the liquidity needs of the Municipality; and

(c) the probable income or return derived from the investment.

11. DELEGATION OF INVESTMENT PORTFOLIO MANAGEMENT

(1) The authority to make investments and fulfil all functions related herein is in terms of section 59 of the Systems Act delegated by the Council to the Chief Financial Officer who will exercise his/her power, function and duty to make investments on behalf of the Municipality within a policy framework determined by the Minister of Finance and in accordance with the provisions contained within this policy. This power may not be sub-delegated.

(2) The Chief Financial Officer shall make invitation and selection of competitive bids or offers from a list of approved institutions to make short-term investments as and when necessary.

(3) The Chief Financial Officer shall invite bids or offers from a list of approved institutions, in accordance with the applicable provisions of the Supply Chain Management Policy of the Municipality, and make investments in consultation with the Municipal Manager in respect of the long-term investment of funds.

12. REPORTING AND MONITORING

(1) The Accounting Officer, assisted by the Chief Financial Officer, shall in terms of section 71 of MFMA submit, on a monthly basis, a report describing in accordance with Generally Recognised Accounting Practice (GRAP) the investment portfolio of the Municipality as at the end of the month and such report shall contain at least the following particulars:

(a) the market value of each investment as at the beginning of the reporting period;

(b) any changes to the investment portfolio during the reporting period;

(c) the market value of each investment as at the end of the reporting period;

(d) applicable interest rates; and

(e) fully accrued interest or yield for the reporting period.

(2) There shall at all times be transparency, equitability, fairness and accountability in respect of every investment made and of the Municipality's investment portfolio. In this regard, details of all investment must form part of the monthly financial report by the Accounting Officer to the Mayor and the provincial treasury.

(3) There shall at all times be regular reporting mechanisms in place in order to assess the performance of the investment portfolio and to ensure that the investments comply with policy objectives, guidelines, applicable laws and regulations.

(4) The following investment reports shall be prepared:

(a) For the Chief Financial Officer:

(i) a daily summary of current investments for all Investees;

(ii) a detailed schedule of investment capital and interest maturing on the current day;

(iii) a daily summarised schedule of future maturities for all investments;

(iv) a monthly reconciliation of all interest accrued and interest received;

(v) each month, the weighted average actual return earned on investments for the month, together with a comparison to the previous 3, 6, 9 and 12 months, shall be calculated on a nominal annual compounded monthly basis and benchmarked against rates of return offered by other institutions.

(b) For the Mayor:

A monthly investment portfolio report (in accordance with the Generally Recognised Accounting Practice) to be submitted to the Mayor by the Accounting Officer, within 10 (ten) working days of the end of each month, as part of the section 71 report required in terms of the MFMA, detailing:

(i) the market value of each investment as at the beginning of the reporting period;

(ii) any changes in the investment portfolio during the reporting period;

(iii) the market value of each investment as at the end of the reporting period; and

(iv) fully accrued interest and yield for the reporting period.

(c) For Council:

(i) the Accounting Officer must table a quarterly report to Council within 30 (thirty) days after the end of each quarter on the cash withdrawals from the Municipality's bank account for investment purposes.

(d) For the Auditor-General:

(i) all investees shall, within 30 (thirty) days after the end of the financial year, notify the Auditor-General, in writing, of all investments held by them for and on behalf of the Municipality during that year, 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;

(ii) within 90 (ninety) days after opening up any new bank account, the Municipality shall notify the Auditor-General and the provincial treasury of the name, type and number of any new bank account opened by the Municipality; and annually before the start of a financial year, the name of each bank where the Municipality holds a bank account, and the type and number of the account.

(iii) all banks, where the Municipality, at the end of a financial year holds a bank account or held a bank account at any time during a financial year, must –

a) within 30 days after the end of that financial year notify the Auditor-General in writing of such bank account including –

(i) the type and number of the account; and

(ii) the opening and closing balances of that bank account in that financial year; and

b) promptly disclose information regarding the account when so requested by the National Treasury or the Auditor-General.

13. DIVERSIFICATION

No more than 60% of the total investment portfolio may be invested with a single institution, except with the prior authorisation of the Accounting Officer. As far as it is considered practical and reasonable, investments should have different maturity dates. .

14. COMPETITIVE SELECTION PROCESS AND INVITATION FOR QUOTATION

(1) No investments may be made without obtaining quotations from at least 3 (three) institutions or investees permitted in terms of this policy, for the terms for which the investment is to be placed.

(2) The selection of an investee for any investment shall be a competitive process in terms of the Supply Chain Management Policy of the Municipality.

(3) In the event of one or more of the investees offering a more beneficial rate for an alternative term, the other investees who previously quoted or invited to quote shall be approached for their rates on the alternative term.

(4) Written confirmation of the terms of the investments shall be prepared and signed with the investee in all cases.

(5) Save where other considerations or factors as provided in this policy apply the best rate offered shall secure the investment.

15. CONTROL OVER INVESTMENT(S)

(1) Proper records should be kept of all investment made. At the very least the following facts should be indicated for each investment: the institution, the funds, the interest rate and the maturity date.

(2) Interest correctly calculated should be received timeously together with any distributable capital.

(3) Investment documents and certificates shall be kept in a locked and fire-resistant safe.

(4) The Chief Financial Officer is responsible for ensuring that the invested funds are reasonably secure and should there be a measure of risk, such risk must be rated realistically.

(5) All investment made must be in the name of the Municipality and recorded as such by the Investee.

(6) The responsibility and the risk arising from any investment vests in the Municipality.

16. INVESTEE LIMITS

(1) Maximum investment levels shall be set for each approved Investee and these limits shall not be exceeded at the time of making the investment.

(4) The Municipality shall only invest with Investees having, reasonable investment grade ratings from a nationally or internally recognised credit rating agency.

(5) The Municipality shall ensure that it places its investments only with credit-worthy Investees. The credit worthiness of every Investee shall be monitored throughout the year on an ongoing basis.

(6) Any additions to or deletions from the list of approved Investees or any changes to the investment limits assigned to each Investee shall be approved by the Chief Financial Officer in consultation with the Accounting Officer.

17. ELECTRONIC FUNDS TRANSFER

(1) Investments shall be made by electronic transfer.

(2) Strict segregation of duties shall be maintained in respect of the creator of the payment and the payment authoriser.

(3) Investment payments shall be authorised by the Chief Financial Officer.

18. EFFECTIVE CASH MANAGEMENT

(1) In order to ensure adequate and efficient cash management of the Municipality, the Chief Financial Officer must establish and implement at all times a cash management plan and reports which entails at least the following:

(a) daily cash flow reporting shall be prepared as follows:

(i) a summary of the preceding day, and month date, closing bank account and investment balances, cash receipts, payments and inter-bank transfers;

(ii) a detailed schedule of investment capital and interest maturing on the current day;

(iii) a summarised schedule of daily investment maturities for all existing investments;

(iv) a summary of daily cash receipts and payments, actual against forecast for the month to date; and

(v) a daily projection of cash receipts and payments through to the end of the current month;

(b) monthly reporting showing:

(i) comparisons of actual cash flow with forecast, current month and year to date;

(ii) an explanation of any variances in sub-paragraph (i) above;

(iii) updating the estimates on a monthly basis and in reporting provides comments or explanations regarding any significant cash flow deviation in any calendar month;

(iv) a summarised monthly projected cash flow over the next 12 (twelve) months;

(v) an analysis of actual year to date cash receipts and payments and projected cash flows for the remaining months

of the current financial year to be submitted to National Treasury; and

(vi) the cash backing of statutory funds and reserves balances at the end of the month;

(c) every quarter preparing a revised detailed cash flow projection for the next 12 (twelve) months;

(d) regular reports indicating, when and for what periods and amounts surplus revenues may be invested, when and for what amounts investments will have to be liquidated, and when, if applicable, either long-term or short-term debt must be incurred; and

(e) preparing annually

(i) the annual estimates for the budget year of the municipality's cash flows per revenue sources divided into calendar months;

(ii) the annual cash flow budget for the new financial year.

(2) The Chief Financial Officer shall ensure regular and effective cash flow monitoring and forecasting which is essential for determining the timing and size of cash surpluses and deficits affecting investment decisions.

(3) The balance on the Municipality's current account shall be maintained at the minimum required level taking into account the day to day cash and expenditure requirements of the Municipality. Surplus cash shall be immediately invested in order to maximise interest earnings.

19. CASH COLLECTIONS

(1) All monies due to the Municipality must be collected as soon as possible and banked in a controlled and secure manner, on a daily basis as cash left in

the safe can pose a security risk, necessitate additional insurance coverage and does not earn any interest.

(2) All cash shortages should be paid for immediately and banked to the municipal bank account the next business day.

(3) All surpluses should be recorded and banked to the municipal bank account and will be forfeited if not claimed after 3 years.

(4) Special deposits should be arranged for the larger amounts received to make sure that these are banked on the same day that they are received.

(5) It is essential that all amounts owed to the Municipality be levied by way of a debit and be dealt with in accordance with the Credit Control & Debt Collection Policy of the Municipality.

(6) Adequate cash receipting points shall be made available to the public in all areas to facilitate prompt payment of accounts. Every effort should be made to encourage consumers to pay directly, or via third party agents, into the Municipality's bank account by electronic means.

(7) The Municipality shall review the debt collection performance regularly comparing monies presently owed to the Municipality in relation to the total income as well as a comparison to previous financial years in order to determine whether the debt collection is deteriorating or improving. Debt collection and credit control must be executed in terms of the provisions of the Credit Control & Debt Collection Policy of the Municipality

(8) The Chief Financial Officer shall regularly assess the daily available cash in the main bank account in order to determine the need for making daily call investments or making investment payments or withdrawals, whereas long-term investments need to be based on projections further into the future.

20. PETTY CASH

(1) The Chief Financial Officer will determine by way of a written petty cash policy the maximum amount and the nature of the petty cash disbursements, as well as managing the allocation of all petty cash floats.

(2) Payments by means of petty cash may be used internally, by officials of the Municipality for the purpose of acquiring goods and services that are small in nature and amount and may be required on an urgent basis.

(3) The provisions of the Supply Chain Management Policy of the Municipality concerning the acquiring of goods and services by way of petty cash, must be adhered to at all times.

21. PAYMENT TO SUPPLIERS

(1) The Accounting Officer, assisted by the Chief Financial Officer, shall establish written creditors' payment procedures in terms section 65(2) of the MFMA in order to ensure that the Municipality maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds.

(2) The Chief Financial Officer shall ensure that all tenders and quotations invited by and contracts entered into by the Municipality stipulate payment terms favourable to the Municipality, that is, payment to fall due not sooner than the conclusion of the month following the month in which a particular service is rendered to or goods are received by the Municipality.

(3) Suppliers shall be paid in accordance with the service level agreements concluded with such suppliers and the provisions of the Supply Chain Management Policy of the Municipality. The number of electronic batch payment runs shall be minimised and shall be done in a structured scheduled manner in order to facilitate efficient cash flow management.

(4) The Chief Financial Officer shall ensure that the Municipality optimises financial incentive opportunities arising from effecting earlier payments.

(5) In order to ensure continuous effective control of cash, any special payments to creditors shall only be made with the express approval of the Chief Financial Officer who shall be satisfied that there are compelling reasons for making such payments prior to the normal month end or other regular processing.

22. INVESTMENTS ETHICS AND PRINCIPLES

(1) The Chief Financial Officer shall be responsible for investing the surplus revenues of the Municipality, and shall manage such investments in consultation with the Accounting Officer, as the case may be, and in compliance with any policy directives formulated by Council and the prescriptions made by the Minister of Finance.

(2) Under no circumstances may any staff member be subjected to coercive measures of any description.

(3) No member of staff may accept any gift other than something that is so small (monetary value not exceeding R350.00 (Three hundred and fifty rand)) that it cannot possibly be seen as anything but a sign of goodwill, regardless of whether such gift influences such staff member in his/her work or is intended

to do so. Excessive gifts and hospitality must be refused and avoided. Any gift that is received by a member of staff from a prospective Investee shall be disclosed in writing to the Accounting Officer.

(4) The Chief Financial Officer must record and report all cases to the Accounting Officer where there is a contravention of this policy.

(5) No investment shall be made with an institution where the degree of risk is perceived to be higher than the average risk associated with investment institutions.

(6) No employee or councillor of the Municipality or their family may under any circumstances whatsoever on his/her own behalf or on behalf of any other person whether directly or indirectly, stipulate, claim or receive any consideration of whatever nature in connection with an investment made. This shall be confirmed annually by all Investees to the Auditor-General.

(7) No fee, commission or other reward may be paid or given, directly or indirectly, to a councillor or official of the Municipality, or to a spouse or close family member of such councillor or official, in respect of any investment made by the Municipality. This shall be confirmed annually by all Investees to the Auditor-General.

(8) All investments must be made without internal or external interference whether such interference comes from individual officials, councillors, agents, Investees or any other external body.

(9) The Municipality shall review its investments regularly and liquidate any investment that no longer has the minimum acceptable rating as specified.

(10) The Municipality must take all reasonable and prudent steps, consistent with the standard of care provided for in this policy to diversify its investment portfolio across institutions, types of investment and investment maturities. In this case it should be noted that a group of financial institutions would be treated as individual institutions.

(11) Investments made by or on behalf of the Municipality must:

(a) be made while maintaining a strict code of ethics and standards;

(b) be a genuine investment and not an investment made for speculation.

23. CONFIDENTIALITY

(1) Interest or investment rates shall not be divulged or disclosed to another institution or Investee.

(2) The Municipality's cash position and its future projected cash flows shall not be discussed with or disclosed to any Investee.

24. GENERAL INVESTMENT PRACTICE

(1) General principles:

(a) After determining whether cash is available for investment and fixing the maximum term of investment, the Chief Financial Officer shall consider the way in which the investment is to be made in conjunction with the Accounting Officer. All telephonic quotations (if applicable) must be recorded on a schedule and the accepted quotation must be confirmed in writing before the actual investment is made. The same procedure must be followed before re-investment is made with the same institution;

(b) Where a fixed deposit is made with an institution at a lower rate than the other quotations, reasons must be recorded by the Chief Financial Officer and reported to the Mayor as part of monthly financial report by the Accounting Officer.

(2) Payment of commission:

(a) The financial institution where a fixed deposit is made must issue a certificate with regard to each investment at the time when the investment is made, in which it states that the financial institution has not or will not pay any commission and has not or will not grant any other benefit for obtaining such investment to any employee or councillor of the Municipality or their family or an agent or any other such person, or to any person nominated by such agent or such other person, except where the Municipality has decided, in terms of duly authorising legislation, to appoint an agent, consultant or such other person, and the fee commission has been decided and approved by the Mayor before any investment is made with such a financial institution;

(b) In the case of long-term securities at insurance companies, any payment of commission to any agent, consultant or any other person, must be clearly stated on the application form and approved by the Mayor in terms of duly authorising legislation and shall not exceed industry norms, before any investment is made;

(c) If any fee, commission or other reward is paid to an Investment Manager in respect of an investment made by the Municipality, both the Investee and the Investment Manager must declare such payment to the Council by way of certificate disclosing full details of the payment. Fees, commissions and other rewards may under no circumstance exceed 5% of the total investment to which that fee, commission or other reward relates.

(3) “Call Deposits” and “Fixed Deposits” shorter than 12 (twelve) months:

(a) Quotations shall be solicited from a minimum of 3 (three) financial institutions bearing in mind the limits of the term for which it is intended to invest the funds. Should one of the institutions offer a better rate for a term, other than the term initially requested by the Municipality, the other institutions that were approached shall also be asked for quote a rate for the same term;

(b) It is acceptable to ask for quotations telephonically, as rates can generally change on a regular daily basis and time is a determining factor when an investment is made;

(c) The person responsible for requesting quotations from institutions should record the name of the institution, the name of the person who gave the telephonic quotation and the relevant terms and rates, and other facts such as whether the interest is payable on a monthly basis or on a maturity date. Written confirmation of the telephonic quotation accepted shall be given before the investment is made;

(d) Once the required number of quotations has been obtained, a decision shall be taken regarding the best terms offered and the institution with which the funds are going to be invested. The best offer is normally accepted, with thorough consideration of investment principles. No attempts may be made to make institutions compete with each other as far as their rates and terms are concerned. If institutions have been asked for a quotation with regard to a specific package, the institution has to be told to offer their best rate in their quotation. The institution shall be informed that, once the quotation has been given, no further bargaining or discussions would be entered into in that regard;

(e) The above-mentioned procedure should be followed regardless of whether the money is to be invested in a fixed deposit or on a call basis;

(f) The Municipality shall ensure that the investment document received is the genuine document, issued by an approved institution. The

investment capital should be paid over only to the institution with which it is to be invested, and not to any agent;

(g) The Chief Financial Officer should seek professional advice whenever there is a degree of uncertainty regarding investment opportunities that are required to be evaluated.

25. USE OF INVESTMENT MANAGERS

(1) The Municipality may employ an Investment Manager to:

(a) advise it on its investments; and/or

(b) manage specific investments on its behalf.

(2) The appointment of an Investment Manager shall be in accordance with the Municipality's Supply Chain Management Policy. No employee, councillor or official of the Municipality or any family member of any of the aforegoing may be appointed as Investment Manager.

(3) All investments made by an investment manager on behalf of the Municipality shall be in accordance with this policy and the Regulations.

(4) Where any investment fee, commission or any other amount is paid by the Investee to the Investment Manager in respect of the Municipality's investments, both the Investee and the investment manager shall declare such payment to Council by way of a certificate disclosing the full details of the payment. Such amount shall not exceed 5% of the investment to which it relates.

(5) Investment Managers found guilty of non-compliance with this policy, as well as the Regulations, shall be liable for any loss or penalty suffered by the Municipality.

26. ACCOUNTING FOR INVESTMENTS

The Municipality's investments shall be accounted for as held to maturity (HTM) financial investments in accordance with the Municipality's approved accounting policies. The investments shall be measured as at balance sheet date at the amortised cost, using the effective interest rate method, less any write off for impairment or non-collectability.

27. EXISTING INVESTMENTS

Nothing in this policy compels the Municipality to liquidate an investment which existed when the Regulations took effect merely because such investment does not meet the provisions of those regulations.

28. INVESTMENT DENOMINATED IN FOREIGN CURRENCY PROHIBITED

The Municipality may make an investment only if the investment is denominated in South African Rand and is not indexed to, or affected by, fluctuations in the value of the rand against any foreign currency.

29. ANNUAL REVIEW OF THIS POLICY

(1) This policy will be reviewed annually or earlier if so required by legislation.

(2) Any changes to this policy must be adopted by Council and be consistent with the MFMA and the Regulations.

ANNEXURE "A"

GOVERNMENT GAZETTE, 1 APRIL 2005

GOVERNMENT NOTICES

NATIONAL TREASURY Notice No. R. 308 dated 1 April 2005 in Gazette No. 27431

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT 2003 MUNICIPAL INVESTMENT REGULATIONS

The Minister of Finance, acting with the concurrence of the Minister for Provincial and Local Government, has in terms of Section 168, read with Section 13 and 99 (2)(g), of the Local Government : Municipal Finance Management Act, Act 56 of 2003, made the regulations as set out in the Schedule.

SCHEDULE

1. Definitions

In these regulations, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and:

(1) **"Act"** means the Local Government: Municipal Finance Management Act, Act 56 of 2003;

(2) **"Investee"** means an institution with which an investment is placed, or its agent;

(3) **"Investment Manager"** means a natural person or legal entity that is a portfolio manager registered in terms of the Financial Markets Control Act, Act 55 of 1989 and Stock Exchanges Control Act, Act 1 of 1985, contracted by a municipality or municipal entity to:

(a) advise it on investments;

(b) manage investments on its behalf; or

(c) advise it on investments and manage investments on its behalf.

(4) **"trust money"** means money held in trust on behalf of third parties in a trust contemplated in terms of Section 12 of the Act.

2. Application

(1) These regulations apply to:

(a) all municipalities;

(b) all municipal entities; and

(c) all Investment Managers acting on behalf of, or assisting, a municipality or municipal entity in making or managing investments.

(2) These regulations do not apply:

(a) to a pension or provident fund registered in terms of the Pension Funds Act, Act 24 of 1956, or any subsequent legislation; or

(b) in respect of trust money administered by a municipality or municipal entity where a trust deed prescribes how the trust money is to be invested.

(3) Municipal pension or provident funds which do not comply with sub-regulation (2)(a) are exempted from these regulations until 30 June 2005.

(4) The Accounting Officer of a municipality and municipal entity must provide the National Treasury with details of all pension or provident funds that do

not comply with sub-regulation (2)(a) within 30 (thirty) days of promulgation of these regulations.

3. Adoption of Investment Policies

(1) The investment policy to be established by a municipality in terms of Section 13(2) of the Act, must be:

(a) adopted by the Council of the municipality; and

(b) consistent with the Act and these regulations.

(2) The board of Directors of a municipal entity must adopt an investment policy for the entity consistent with the Act and these regulations.

(3) All investments made by a municipality or municipal entity, or by an Investment Manager on behalf of a municipality or municipal entity, must be in accordance with the investment policy of the municipality or entity and these regulations.

4. Core elements of Investment Policies

(1) The investment policy of a municipality or municipal entity must:

(a) be in writing;

(b) give effect to these regulations; and

(c) set out:

(i) the scope of the policy;

(ii) the objectives of the policy, with due regard to the provisions of these regulations relating to:

(aa) the preservation and safety of investments as the primary aim;

(bb) the need for investment diversification; and

(cc) the liquidity needs of the municipality or municipal entity;

(iii) a minimum acceptable credit rating for investments, including :-

(aa) a list of approved investment types that may be made, subject to regulation 6;

(bb) a list of approved institutions where or through which investments may be made, subject to regulation 10;

(iv) procedures for the invitation and selection of competitive bids or offers in accordance with Part 1 of Chapter 11 of the Act;

(v) measures for ensuring implementation of the policy and internal control over investments made;

(vi) procedures for reporting on and monitoring of all investments made, subject to regulation 9;

(vii) procedures for benchmarking and performance evaluation;

(viii) the assignment of roles and functions, including any delegation of decision-making powers;

(ix) if Investment Managers are to be used, conditions for their use, including their liability in the event of non-compliance with the policy or these regulations; and

(x) procedures for the annual review of the policy.

5. Standard of Care to be exercised when making Investments

Investments by a municipality or municipal entity, or by an Investment Manager on behalf of a municipality or entity:

(a) must be made with such judgment 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;

(b) may not be made for speculation but must be a genuine investment; and

(c) must in the first instance be made with primary regard being to the probable safety of the investment, in the second instance to the liquidity needs of the municipality or municipal entity and lastly to the probable income derived from the investment.

6. Permitted Investments

A municipality or municipal entity may invest funds only in any of the following investment types:

(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, Act 94 of 1990;

(d) deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, Act 45 of 1984;

(e) deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 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;

(h) repurchase agreements with banks registered in terms of the Banks Act, 1990;

(i) municipal bonds issued by a municipality; and

(j) any other investment type as the Minister may identify by regulation in terms of section 168 of the Act, in consultation with the Financial Services Board.

7. Investments denominated in foreign currencies prohibited

A municipality or municipal entity 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.

8. Payment of Commission

(1) No fee, commission or other reward may be paid to a councillor or official of a municipality or to a director or official of a municipal entity or to a spouse or close family member of such councillor, director or official in respect of any investment made or referred by a municipality or municipal entity.

(2) If an Investee pays any fee, commission or other reward to an Investment Manager in respect of any investment made by a municipality or municipal entity, both the Investee and the Investment Manager must declare such payment to the Council of the municipality or the board of directors of the municipal entity by way of a certificate disclosing full details of the payment.

9. Reporting requirements

(1) The accounting officer of a municipality or municipal entity must within 10 working days of the end of each month, as part of the Section 71 report

required by the Act, submit to the Mayor of the municipality or the board of directors of the municipal entity a report describing in accordance with generally recognised accounting practice the investment portfolio of that municipality or municipal entity as at the end of the month.

(2) The report referred to in sub regulation (1) above must set out at least:

(a) the market value of each investment as at the beginning of the reporting period;

(b) any changes to the investment portfolio during the reporting period;

(c) the market value of each investment as at the end of the reporting period; and

(d) fully accrued interest and yield for the reporting period.

10. Credit Requirements

(1) A municipality or municipal entity must take all reasonable and prudent steps consistent with its investment policy and according to the standard of care set out in regulation 5, to ensure that it places its investments with credit worthy institutions.

(2) A municipality or municipal entity must :-

(a) regularly monitor its investment portfolio; and

(b) when appropriate liquidate an investment that no longer has the minimum acceptable credit rating as specified in its investment policy.

11. Portfolio Diversification

A municipality or municipal entity must take all reasonable and prudent steps, consistent with its investment policy and according to the standard of care prescribed in regulation 5, to diversify its investment portfolio across institutions, types of investment and investment maturities.

12. Miscellaneous Provisions

(1) The responsibility and risk arising from any investment transaction vests in the relevant municipality or municipal entity.

(2) All investments made by a municipality or municipal entity must be in the name of that municipality or municipal entity.

(3) A municipality or municipal entity may not borrow money for the purpose of investment.

13. Existing Investments

Nothing in these regulations compels a municipality or municipal entity to liquidate an investment which existed when these regulations took effect merely because such investment does not comply with a provision of these regulations.

14. Commencement

These regulations take effect on 1 April 2005.

RUSTENBURG LOCAL MUNICIPALITY

Policy Name:	**Commitments Policy**
Policy Number:	
Status:	**Draft**
Date:	31 January 2022
Approved By:	
Date Approved:	
Date Last Amended:	New Policy
Date for Next Review:	2022
Date Published on Intranet:	

COMMITMENTS POLICY – DRAFT

ABBREVIATIONS:

MFMA - Municipal Finance Management Act, 2003 (Act 56 of 2003)
GRAP Generally Recognised Accounting Practice
AFS - Annual Financial Statements
AO - Accounting Officer

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1. LEGISLATIVE REQUIREMENTS

Municipal Finance Management Act (MFMA)

The MFMA endeavours "to secure sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities by establishing norms and standards and other requirements."

Chapter 12 of the MFMA places the onus on the Municipality to take responsibility for the preparation and adoption of an annual report in accordance with this Chapter. Chapter 12 provides guidance on the preparation of financial statements, disclosures on intergovernmental and other allocations and other compulsory disclosures.

2. OBJECTIVE

The objective of this Policy is to clearly define the responsibilities of Rustenburg Local Municipality, in terms of the MFMA, with respect to the identification and disclosure of both 'approved and contracted for' and 'approved but not yet contracted for' commitments in its Annual Financial Statements (AFS).

This policy document addresses the following areas:

2.1.1. The definition of a commitment
2.1.2. The definition of 'approved and contracted for' commitments.
2.1.3. The Accounting Policy with respect to commitments
2.1.4. Guidance on the identification and accounting treatment of commitments
2.1.5. Guidance on the disclosure requirements of commitments

3. TERMINOLOGY AND DEFINITIONS

A **commitment** represents goods/services that have been approved and/or contracted for, but where expenditure has not taken place at the reporting date. A commitment arises when a decision has been made to incur a liability in the future. The commitment converts to a liability when that intention becomes a present obligation – i.e. when the delivery of the contracted goods/services has taken place.

Capital commitments arise when the Rustenburg Local Municipality has entered into a contract on or before the end of the financial year/reporting date to incur expenditure over subsequent accounting periods relating to the construction of infrastructure, the purchase of major items of property, plant and equipment or significant consultancy costs.

An **approved and contracted for commitment** is where the expenditure has been approved and the contract has been awarded at the end of the financial year/reporting date.

Capital expenditure is expenditure incurred to purchase, upgrade or construct physical assets (for e.g. buildings) for which there will be a long-term benefit. Long-term is defined as longer than one year.

Current/Operational expenditure is expenditure incurred to purchase goods or services for which there will be a short-term benefit and which has been incurred in the normal course of business. Short-term is defined as less than one year.

Annual Financial Statements in relation to the Rustenburg Local Municipality means statements consisting of at least-

3.1.1 A statement of financial position
3.1.2 A statement of financial performance
3.1.3 A cash-flow statement
3.1.4 Any other statements that may be prescribed, and
3.1.5 Any notes to these statements.

Financial Year means a year ending on 30 June.

4. ACCOUNTING POLICY

This Policy has been formulated in terms of the MFMA and the Generally Recognised Accounting Practice Statement on Presentation of Financial Statements (GRAP1), as well as disclosure prescribed in the June 2006 National Treasury specimen annual financial statements.

Commitments are not recognised in the Statement of Financial Position nor the Statement of Financial Performance, but are included in the disclosure notes to the AFS.

The disclosure of commitments entered into before the end of the financial year/reporting date shall be done in the financial statements as prescribed in the following GRAP standards:

4.1.1 GRAP 1 – Presentation of Financial Statements (GRAP 1:.124) requires the disclosure of unrecognised contractual commitments

4.1.2 GRAP 13 – Leases (GRAP 13:.28) requires the disclosure of the future minimum lease payments

4.1.3 GRAP 17 – Property, Plant and Equipment (GRAP 17:.86 (c)) requires the disclosure of contractual commitments for the acquisition of property, plant and equipment.

4.1.4 GRAP 31 – Intangible Assets (GRAP 31:.123 (d)) requires the disclosure of contractual commitments for the acquisition of intangible assets.

5. IDENTIFICATION AND ACCOUNTING TREATMENT OF COMMITMENTS

In determining whether a commitment exists at the end of the financial year/reporting date, the following principles, according to the National Treasury Guidelines, should be applied:

5.1. Commitments represent goods/services that have been ordered, but for which no delivery has taken place at the reporting date. These amounts are not recognised in the Statement of Financial Position as a liability or as

expenditure in the Statement of Financial Performance, however are disclosed as part of the disclosure notes.

5.2. Items are classified as commitments where the Municipality commits itself to future transactions that will normally result in the outflow of resources.

5.3. Contracts that are entered into before the reporting date, but for which the corresponding goods/services have not been received are disclosed in the commitments disclosure note to the financial statements

5.4. Material contracts entered into after the reporting date, but prior to the approval of the AFS must be disclosed under subsequent events.

5.5. Other commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note if both the following criteria are met:

5.6. Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services), and

5.7. Contracts should relate to something other than the routine, business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

The transaction cycle to demonstrate at which stage commitments should be disclosed in the AFS has been represented in tabular format below:

Contracts exceeding **R200 000** are obtained through a competitive bidding process.

Stage	Decision to put contract to tender	Contract accepted and signed	Contract work commences		Payment made
Classification	No recognition / No disclosure	Commitment	Liability for work performed	Commitment for unperformed work	Settles the liability

6 GENERAL DISCLOSURE REQUIREMENTS OF COMMITMENTS

A. Notes to the Financial Statements

As a minimum, the following should be disclosed in the notes to the Financial Statements for commitments:

6.1.1 The aggregate amount of Capital expenditure approved and contracted for at the reporting date, to the extent that the amount has not been recorded in the Financial Statements

To ensure that there is no duplication, lease obligations are disclosed under a separate note.

B. CONTRACT / COMMITMENTS REGISTER

A capital / commitments register shall be maintained by the Supply Chain Management Unit. This register details the following information, essential for the calculation of commitments:

6.2.1 The period of the tender awarded
6.2.2 Original contract amount
6.2.3 Amounts already paid pertaining to that tender/contract
6.2.4 Amounts for which invoices have been received and which are therefore included in accruals and should be deducted from the commitment

In respect of current contracts:

Commitments loaded onto the Procurement System (Financial System) of which Goods Received Notes have not yet been raised at the reporting date.

C. DISCLOSURE EXAMPLE

NOTE FOR CURRENT AND CAPITAL COMMITMENTS

Current expenditure	**2021/22**	**2020/21**
Approved and contracted		
Capital expenditure		
Approved and contracted		
Total commitments		

7 Policy Implementation and Review

This policy is effective from xx

This policy shall be reviewed on xx

Approved by:

Date:

RUSTENBURG LOCAL MUNICIPALITY

2% CORPORATE SOCIAL RESPONSIBILITY POLICY

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1. PREAMBLE

The executive mayor of Rustenburg Local Municipality will executively approve the authorisation of a 2% Corporate Social Responsibility (CSR) levy, to be withheld from all successful service providers that are awarded the tender by RLM as from 1 July 2024 henceforth provided that such service providers are based outside RLM's area of jurisdiction.

While Rustenburg Local Municipality is committed to the highest ethical standards of good corporate governance practices that are evident in our business processes in terms of accounting and reporting on CSR transactions and payments, neither the Auditor General, nor the South African Revenue Services have ever since its implementation date reported any untoward transaction or payment.

King IV Report emphasizes the importance of social responsibility as being critical to good corporate governance and RLM has embraced a credible methodology in the form of a CSR Fund Policy.

The Municipality will be implementing a 2% CSR Levy on all new tenders awarded to Service Providers that are not based in Rustenburg. This decision is made to ensure that the burden of social responsibility is shared more equitably among all stakeholders. Additionally, this will help to drive further development and well-being in our community, as well as encourage local businesses to participate in the Municipality's tender processes. The CSR Levy demonstrates the Municipality's commitment to promoting social responsibility and sustainability in the years to come.

RLM withholds 2% CSR Levy from all payments made to a Service Provider when the following conditions are applicable:

- The Service Provider is residing outside the boundary walls of Rustenburg Local Municipality; and
- The Service Provider has benefited from the Municipality's tender processes by having been awarded a Tender.
- The Service Provider does not have a Rustenburg Local Municipality Debtors/Consumer Account for Rates, Taxes, and other Municipal Services.

The 2% CSR Levy to be applicable as from 1 July 2024 on all new tenders awarded to Service Providers that are not Rustenburg based.

2. PURPOSE

The purpose of this policy is to ensure that all service providers must contribute to the 2% CSR Fund on condition that:

2.1 The Service Provider awarded a Tender via a successful competitive bidding process, or via a Section 36 Deviation from or rectification of minor breaches of procurement processes.

2.2 The Service Provider is residing outside the boundary walls of Rustenburg.

2.3 The Service Provider pays rates and taxes and other municipal services charges to another Municipality and not to Rustenburg Local Municipality. And to ensure that the CFO:

2.4 Be responsible and accountable for the allocation, safeguarding, and recordkeeping of all transactions into and out of the CSR Account.

2.5 Create and maintain a separate banking account for the CSR Fund.

2.6 Ensure all income and expenditure from the CSR account are recorded. and that monthly reconciliations are performed.

2.7 Ensure that all tenders awarded to Service Providers who reside outside of RLM's jurisdiction are contributing to the 2% CSR Fund.

2.8To outline procedures to manage the CSR expenditure and income.

3. ACRONYMS/ABBREVIATIONS

Except if stated otherwise in this policy, the following abbreviations or acronyms will represent the following words:

Policy	**=**	Policy on 2% Corporate Social Responsibility
CSR	**=**	2% Corporate Social Responsibility
IDP	**=**	Integrated Development Plan
RLM	=	Rustenburg Local Municipality
MM	=	Municipal Manager
CFO	=	Chief Financial Officer
EM	=	Executive Mayor
SCM	=	Supply Chain Management
VAT	=	Value Added Tax

4. APPLICATION OF THIS POLICY

This policy applies to all Officials and Councilors of Rustenburg Local Municipality and all Service Providers who have been awarded a tender via our SCM tender processes and who are situated outside the boundary walls of Rustenburg Local Municipality upon awarding of the tender.

5. RUSTENBURG LOCAL MUNICIPALITY's FOCUS AREA

RLM's CSR activities cover the following areas:

5.1 Education

Education is important in the development of our society, particularly the youth. RLM recognizes the critical role that education plays in the transformation of South Africa as a country and our goal is to make it possible for more and more youth to enter into tertiary education. RLM has been contributing to the funding of the education of our community by providing bursaries to the youth on an annual basis, through the Executive Mayor's Office.

5.2 Socio-economic development

RLM has been involved in the area of socio-economic development throughout and some of the areas that RLM will continue to support are health and any bodily deformities, promotion of job creation, the elimination and eradication of poverty, indigence support programs, and community safety programs.

5.3 Sports, Recreation, Arts and Culture

Sports, Arts, Culture and Recreation is part of the soul of our country and the history of our nation, RLM recognizes this and will continue to support the arts, culture, sports, and recreational values of our community.

5.4 Disability and Disabled People

Rustenburg's 2% Social Responsibility Policy would also provide funding to procure wheelchairs, artificial limbs for the Disabled, and offer assistance in any form of funding alternations to their homes and motor vehicles, etc to the disabled persons, who is someone who has a physical or mental impairment that has a substantial and long-term adverse effect on his or her ability to carry out normal day to day activities. A person is disabled if they have a mental or physical impairment.

5.5 Other CSR Initiatives

RLM will actively identify other areas for involvement and funding depending on the nature of the needs identified and their benefit to society, especially our rural and peri-urban communities. During public participation roadshows, the Municipality will also take recommendations from local communities and businesses on worthwhile initiatives to which the CSR fund could be a benefit.

Also, the Executive Mayor of RLM may decide on any other community development social responsibility programs that he may think would benefit the community.

6. ESTABLISHMENT OF A CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

A Committee to oversee the administration of the Fund will be established in terms of this policy when the Municipality has received any requests from the Community, or from the Executive Mayor or the Grants-in-Aid Division for funding for any of the above-mentioned social responsibility activities. Every member will operate entirely unbiased and independently, and with the highest due care and skill particularly when it comes to decision making in terms of "How" and "to Whom" and "When" and "How much" will be funded by the CSR fund. No single committee member will have the authority to take a unilateral decision in terms of the spending of the CSR fund, but the entire committee would decide to **consider, approve and monitor** all the activities funded through the CSR fund by the Municipality.

6.1 The responsibility of the Committee will include the following:

- Ensure a standing item on the Executive Mayor's IDP/Budget Roadshow so that the community is aware of the CSR Fund and what they could expect from the Fund.
- The identification of worthy causes for funding and/or support.
- The assessment of requests received for funding or support from our communities.
- Consider, approval, and funding of social responsibility projects.
- Follow-up and monitoring of projects or initiatives that have been funded.
- Ensure all CSR levies excluding the 15% VAT raised are deposited into the CSR banking account as soon as possible.
- Meeting as and when to consider and approve and monitor CSR funding when there are social responsibility activities to consider, approve, and to monitor the fund and to give consideration and recommendation on the funded CSR initiatives.
- To ensure that the municipality includes in its annual budget sufficient provision for the CSR projects for that financial year to be funded from the CSR fund.
- To ensure that the 2% CSR Funding are never to be utilized to fund service delivery projects of the Municipality.
- To ensure that Municipal Employees are excluded from benefiting from the 2% CSR Fund.
- Reporting to the Mayoral Committee of RLM on an as and when basis when payments have been made from the Fund Account.

6.2 The composition of the Committee shall be as follows:

- The MMC: Finance (Chairperson)
- The Executive Mayor or his/her Nominee
- The MMC: Health & Social Development,
- The MMC: Sports, Arts, Culture, and Recreation
- The Executive Manager: Operations Management,
- The Executive Manager: Community Development Services

- The Executive Manager: Corporate Support Services
- The Chief Financial Officer
- Manager Expenditure
- Manager: Sports, Recreation & Arts

6.3 The role of the Committee shall be as follows:

6.3.1 The CSR Committee will meet quarterly or on an *ad-hoc* basis depending on urgent project proposals to be considered.

6.3.2 The quorum of the Committee for meetings will be at least four members.

6.3.3 The Committee will consider, approve and monitor all CSR programs/project proposals.

6.3.4 The Committee will review and adjust this funding consideration level from time to time.

6.4 Reporting to the Mayoral Committee quarterly

The role of the Executive Mayor or his/her nominee with respect to the 2% Corporate Social Responsibility fund will include the following:

- To ensure that RLM shows outstanding performance in the area of corporate social responsibility in line with any CSR Committee business plan and this policy.

- To submit a directive for corporate responsibility spending.

- To monitor social responsibility activities as contained in the quarterly social responsibility report.

- Decision-Making Criteria for Funding - The project proposals and/or programs selected or approved for funding by the CSR Committee must be in line with the focus areas identified above; and/or aligned with relevant Municipal legislation and RLM's corporate social responsibility strategy.

7. CSR FUNDING AND BUDGET

7.1 CSR Program Funding

7.1.1 RLM will make provision for the Corporate Social Responsibility budget to support all approved projects.

7.1.2 RLM's CSR budget will be based on and limited to the available amount in the CSR banking account and the approved proposals.

7.2 Steps identified for funding of CSR programs and projects.

The funding of CSR projects approved by the CSR Committee will be funded entirely from the CSR Fund in line with the focus areas stated above and as per the proposals received from various stakeholders. The Municipality will follow the steps identified below for funding of corporate social responsibility projects and programs:

7.2.1 Proposals received from communities, individuals, or organizations, or proposals identified within the Municipality.

7.2.2 All proposals for CSR funding except those identified through public participation meetings should be submitted formally to the CSR committee through the Executive Manager: Operations Management.

8. APPROVAL PROCEDURE

Step 1: Executive Mayor's Nominee prepares the funding proposal report according to the prescribed format and tables the Report to the Members of the Corporate Social Responsibility Committee for consideration.

Step 2: The CSR Committee considers, approves, or rejects the proposal. If a proposal is rejected, the CSR Committee will record the reasons for the rejection.

Step 3: If a proposal is approved, the CSR Committee will allocate funds to the project after the necessary agreements have been signed with the relevant beneficiary, organization or individuals.

Step 4. The Executive Mayor's Nominee will make arrangements with Budget and Treasury Section for the disbursement of the funds to the project.

Step 5: The Executive Mayor's Nominee will complete a Stock Requisition Form or request for quotations (RFQ) to be advertised in Rustenburg's website for seven (7) days, with clear specifications of the required products or services needed for the Approved Project and submit the signed Stock Requisition Form with supporting documents i.e., Project Specifications, Budget availability and original Approved CSR Committee Report and the Minutes of the CSR Committee Meeting where the funding proposal was considered, and approved, to Logistics Section in order to source Quotations.

Step 6: Logistics or Demand & Acquisition sub-sections will now source suitable Service Providers from Rustenburg registered with CSD (Central Supplier Data Base) who will be able to provide the products or services as per specifications outlined in the Stock Requisition Form and comply with all Supply Chain Management Policy and Procedures.

Step 7: Once the whole process of sourcing a suitable Service Provider has been completed, and Logistics or Demand & Acquisition sub-sections have issued the Awarded Service Provider with an official Purchase Order, goods/services will be delivered to Logistics sub-section and Proof of Delivery will be signed by the Head Storeman Logistics.

Step 8: The logistics sub-section would now forward the products/services to the Executive Mayor's Nominee and forward all the relevant documentation i.e. The Copy Approved CSR Committee Report, the Minutes of the CSR Committee Meeting where the funding proposal was considered, and approved by the CSR Committee, the original signed Stock Requisition or RFQ, the Purchase Order, the signed Delivery Note, and the Invoice to Expenditure Management for reconciliation and payment purposes.

9. MONITORING IMPLEMENTATION

9.1The CSR Committee continuously monitors projects that are being funded by RLM.

9.2 The Executive Mayor's Nominee is to ensure that proper reporting on the CSR project proposals and programs are made to the CSR Committee quarterly.

10. APPLICABILITY OF THE CSR LEVY

10.1 Definition of "Rustenburg-Based Service Provider"

The service provider from which the goods and services are being procured must be located within the Rustenburg Local Municipality jurisdiction. This includes a service provider whose head office may be situated elsewhere but has established, a fully-fledged branch within this municipal jurisdiction. Service providers based outside the borders of RLM and who only appoints an agent and/ or commission a warehouse in this municipal jurisdiction is not considered to be a "Rustenburg Local Municipality based Service Provider".

A copy of the rental/ lease agreement and a copy of the Rustenburg Local Municipal consumer service account, in the name of the service provider must be provided to the SCM Unit when a successful tender was awarded to them.

10.2 Advertisement of bids by The Supply Chain Management (SCM) Section

The Supply Chain Management (SCM) Section is obliged to ensure that all advertisements for prospective service providers and suppliers for goods or services in excess of R200 000 in value must specify that a **2% CSR** levy including 15% VAT will be charged if the successful service provider or supplier is not a Rustenburg Based Service Provider as defined in clause 10.1 above.

The SCM Section is further obliged to ensure that its tender documents contain a provision that a **2% CSR** levy including 15% VAT will be charged if the successful service provider or supplier is not a Rustenburg Based Service Provider as defined in clause 10.1 above.

The SCM Section will ensure that all Tenders ceded or sub-contracted to successful service providers that are situated outside the boundaries of Rustenburg Local Municipality must contribute a 2% CSR levy including 15% VAT on all payments made to them.

10.3 **Contracts/Awards to which the 2% CSR levy** including 15% VAT **will apply.**

10.3.1 The payment of the **2% CSR** levy, including 15% VAT will apply to all payments made in terms of contracts awarded through an official bidding process to all non-Rustenburg-based service providers and suppliers as defined in clause 10.1 above provided that the award is for procurement of goods and services over R300 000.

10.3.2 The payment of the **2% CSR LEVY,** including 15% VAT shall also apply to all contracts awarded in terms of section 36 of the SCM Policy of RLM to all non-Rustenburg based service providers and suppliers as defined in clause 10.1 above provided that the award through deviation is for procurement of goods and services in excess of R300 000.

10.3.3 It is the responsibility of the Department who requests appointment of a non-Rustenburg based service provider in terms of Section 36 of the SCM policy of RLM to ensure that the prospective service provider is aware that a **2% CSR** levy including 15% VAT will apply if they are appointed for procurement of goods and services more than R300 000, furthermore, the deviation report, as well as the appointment letter submitted to the Municipal Manager for approval of the appointment, should contain a recommendation for the **2% CSR** levy including 15% VAT to be deducted.

11. CSR ADMINISTRATION PROCESS

11.1 The Expenditure Section requests certain (see clause 11.3 below) documents from the Supply Chain Management Section prior to processing payments to service providers appointed in terms of a tender process.

11.2 Where a service provider residing outside RLM's boundaries was awarded a tender, the appointment documents listed below will indicate that a **2% CSR** levy which includes 15% VAT is to be deducted from payments to be made to that service provider.

11.3 The following documents, therefore, serve as an instruction to the Expenditure Section to withhold, where applicable, the **2% CSR** levy, including 15% VAT from payments to service providers awarded tenders who reside outside RLM:

11.3.1 The approved Bid Adjudication (BAC) Report.

11.3.2 The appointment letter.

11.3.3 The signed service level agreement (SLA) where applicable.

11.3.4 The signed Tender document where the tender is to be used as the Service Level Agreement (SLA).

11.4 The processing of the CSR levy is done as follows for our Trade creditors:

11.4.1. For trade creditors processed through the Stores section, the Assistant Accountant: Creditors responsible for that creditor's account compiles a payment requisition (using a red ink pen) where the 2% CSR levy and the 15% VAT applicable on all the invoices that have been submitted by Stores Section for reconciliation and payment for a specific creditor will be captured.

11.4.2The payment requisition is captured in red pen as an instruction to the Data Capturer to Debit that creditors account and credit the Social Responsibility Fund account in the general ledger and debit the 2% CSR Levy with 15% VAT and Credit Output VAT with
15% VAT with the amount levied on the creditor.

11.4.3The reconciliation will then be compiled indicating all invoices to be paid as well as the CSR levies including 15% VAT to be deducted therefrom as captured on the system.

11.5 The processing of the CSR levy is done as follows for our Sundry creditors:

11.5.1 The Accountant Creditor responsible for that creditor's payment requisition will add two entries (using a red ink pen) on the payment requisition for the CSR levy which includes 15%

VAT to be deducted from the payment to the service provider.

11.5.2 The invoice details contained on the payment requisition as well as the CSR levy including

15% VAT reflected on the payment requisition will then be captured by the Data Capturer. The CSR levy including 15% VAT is captured in red ink on the requisition as an instruction to the Data Capturer to Debit that creditors account and Credit the Social Responsibility Fund account and debit the 2% CSR Levy with 15% VAT and Credit Output VAT with 15% VAT in the general ledger with the amount levied on the creditor.

11.5.3 Upon payment of the invoices due to a service provider to which the CSR levy applies, 2%, including 15% VAT thereof will then be withheld.

11.5.4 All unused CSR funds excluding 15% VAT will be invested in an interest-bearing call account by Budget & Treasury Section.

11.5.5 All interest received on invested funds per clause 11.5.4 or interest received on surplus funds in the CSR bank will be classified as CSR funding and will also be accounted for together with the CSR levies as prescribed in this policy.

11.5.6 All bank charges incurred on the CSR bank account will be accounted for as CSR expenditure and will be charged to the CSR fund account.

11.5.7 On a monthly basis an electronic reconciliation of the invoices received from service providers who contribute to the CSR fund is performed. The reconciliation is done to verify:

i. That 2% CSR levy including 15% VAT has been withheld from every payment where it applies,
ii. The total CSR general ledger account balances with the CSR bank control account,

iii. That expenditure from the CSR fund is accounted for correctly,

iv. That interest received on CSR funds and bank charges on the CSR bank account is correctly accounted for per clauses11.5.4, 11.5.5, and 11.5.6 above, and

v. That a transfer is done from the RLM's bank account to the CSR bank account to balance all amounts withheld from creditors in that month.

12. VALUE-ADDED TAX ON THE 2% CORPORATE SOCIAL RESPONSIBILITY LEVY

12.1 In terms of the Value-Add Tax Act No. 89 of 1991, the 2% CSR Levy is deemed to be a taxable supply in the hands of the Municipality and therefore must be taxed at 15%.

12.2 The 2% CSR Levy is, therefore, inclusive of 15% VAT.

12.3 The 15% VAT must be paid over to SARS monthly.

13. EVALUATION, MONITORING, AND REPORTING

13.1 Continuous evaluation, monitoring, and reporting of the CSR initiatives by the CSR Committee will provide evidence of performance, success stories, and areas requiring attention.

13.2 Reporting on CSR activities will demonstrate to the Executive Mayor and other interested stakeholders the progress the Municipality has made with respect to the 2%CSR Fund that makes RLM a good corporate governance citizen for complying with this Policy. This will also allow for feedback and hence continuous improvement.

13.3 RLM will not be involved in the management of the projects that the Municipality supports, however, the recipients will be expected to provide quarterly reports on overall CSR project management and implementation.

13.4 A stakeholder management approach will be followed in the implementation of RLM's CSR program.

14. EFFECTIVE DATE

This Policy has been effective from the date of adoption by RLM's Council.

Rustenburg Local Municipality

COST CONTAINMENT POLICY

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PREAMBLE

Cost containment is the business practice of maintaining expense levels to prevent unnecessary spending or thoughtfully reducing expenses to improve profitability without long-term damage to the municipality. Cutting expenses in ways that decrease quality or reduce marketing efforts to bring in new business can lead to a company's demise and are not examples of a cost-containment strategy.

The following measures must be implemented, consistently with immediate effect to ensure the containment of costs: -

1. **Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners**

Measure

- Directors must ensure compliance with all the relevant policies and procedures, as it relates to employment contracts, for the employment categories.

Controls

- Directors must ensure that the employment contracts for the categories that are in line with the applicable HR policies, and must in conjunction with the Administration, Monitoring and Evaluation Directorate (AME), ensure compliance.

- The Administration, Monitoring and Evaluation Directorate must confirm if such proposed appointments are in line with the Municipal Systems Amendment Act (5 July 2011)

- The relevant recruitment notifications must be endorsed by the Budget & Treasury Section for budget availability, after HR has confirmed compliance with the applicable HR policies.

2. Travel claims

Measure

- Ensure effective control over travel claims.

Controls

- Directors must implement systems in their respective Directorates to ensure cost-effective and time efficient travelling.
- Travelling must be pre-authorised by the appropriate delegated official, before such costs are incurred, whilst the said official must ensure that kilometres claimed are indeed justifiable.
- The respective Directors should exercise control over the distances travelled.

3. Essential Vehicle User Scheme

Measure

- Limit expenditure under the scheme and apply the applicable policies and procedures consistently.

Controls

- Policy guidelines must be formulated by the Administration, Monitoring and Evaluation Directorate relating to the type of vehicles to be purchased by qualifying employees, requiring vehicles for the execution of their duties.

4. Acting Allowances

Measure

Acting allowances must be paid in accordance with the applicable HR policies, South African Local Government Bargaining Council (SALGBC Collective Agreements) and any applicable legislation.

Controls

- Acting appointments should only be cascaded to two levels below the acting position, to curb unnecessary costs.

- Acting **must** only be permitted in positions on the approved organogram, in line with Municipal Systems Amendment Act (5 July 2011).

- Acting **must** only be permitted in funded vacant positions.

- Prior to an employee being assigned to act, the request must firstly be forwarded to the Budget and Treasury Section to confirm budget availability.
- Acting for extended periods **must** be discouraged, unless **motivated** to the Municipal Manager, based on operational reasons. This will ensure that the municipality is not exposed to unnecessary litigation.

5. Overtime

Measure

- Overtime must be undertaken in compliance with all relevant policies, SALGBC Collective Agreements and applicable legislation (e.g. Basic Conditions of Employment Act).

Controls

- Overtime should only be approved where the necessary budget provision exists, after a need analysis has been undertaken by the relevant Directorate.

- Authority to work overtime in excess of 40 hours per month, must be obtained from the Municipal Manager **prior** to the overtime being worked, as this is in contravention of Section 10 of the Basic Conditions of Employment Act (BCEA).

- The Director **must** ensure that overtime worked in excess of 40 hours, was authorised **by the Municipal Manager prior** to the actual overtime being worked.

- ❖ The core working hours of the employees to be changed to a shift system, where applicable, to obviate the need for overtime.

- ❖ The regulations issued by the Department of Labour, relating to annual salary thresholds within which overtime may be paid, must be adhered to.

- ❖ The Administration, Monitoring and Evaluation Directorate must ensure that an Overtime Policy is developed and approved by Council, and such policy **must be** in line with the applicable legislation and regulations.

6. Catering, Refreshments & Entertainment

RLM relates to expenses for catering and events, states the following: -

i. C**onstitutional institutions** may not incur catering expenses for **internal meetings**, i.e. for meetings attended only by **persons in its employ**, unless approved by the accounting officer.

Catering expenses shall require prior approval.

ii. C**onstitutional institutions** may not incur expenses on **alcoholic beverages,** except for instances where alcohol is to be served at functions relating to: -

a. State banquets;

b. The promotion of South Africa and any of its goods or services;

or

c. The hosting of foreign dignitaries.

iii. The Accounting officers must ensure that team building exercises and social functions, including year-end functions, **are not financed from the budgets of their respective establishments or by any suppliers or sponsors.**

In implementing the aforementioned instruction, the following control measures are applicable as it relates to catering and entertainment: -

Control Measures

- Apart from tea, coffee and muffins, **no catering and refreshments** will be provided at Council workshops, retreats, strategic sessions, internal training sessions, official meetings (Standing Committees and other Council committees), Council meetings and Management meetings.

- At the discretion of the Municipal Manager, catering and refreshments **may** only be provided at meetings with overseas visitors and other spheres of government (Provincial/National), after budget availability has been confirmed by the Budget and Treasury Section.

7. Attendance of Conferences, Seminars & Workshops

Measures and Controls

- Conferences, seminars and workshops **may** be attended by Officials and Councillors, but only when absolutely necessary.

- The Director concerned must submit a motivation to the Municipal Manager, outlining the absolute necessity for attendance.
- The total size of municipal delegations attending conferences, seminars and workshops outside the Municipality, **must** be restricted to two delegates.

- The Director concerned must submit a motivation to the Municipal Manager, if the number of required attendees exceeds two delegates from the Municipality.

- Budget availability must be confirmed by the Budget & Treasury Section, in the first instance.

- In the event of training being provided at no cost to the Municipality, the size of the municipal delegation may be increased, subject to approval by the Municipal
- Manager.

8. Municipal Workshops, Retreats, Strategic Sessions and Internal training

Controls

- Only local municipal venues may be utilised to host municipal workshops, retreats, strategic sessions and internal training.

- The Director concerned must submit a motivation to the Municipal Manager, in the event of local municipal venues not being available.

- Alternative facilities at other government institutions must then be sourced, where such sessions cannot be held in-house.

- The necessary proof must be provided to the Municipal Manager, where local municipal venues or facilities at other government institutions are not available.

- Budget availability must be confirmed by the Budget & Treasury Section in the first instance, prior to the Municipal Manager approving the use of external venues.

9. Projects /Programme Launches

Controls

- The number of projects/programme launches must be minimised, so as to limit the associated costs to the Municipality.

- When different projects/programmes are launched in a particular ward, it must be organised as one launch and not as different launches for each and every project.

10. Use of Consultants

RLM relates to expenses for the use of consultants, states the following: -

i. C**onstitutional institutions** may only contract in consultants after a gap analysis has confirmed that the constitutional institution concerned does not have the requisite skills or resources in its fulltime employ to perform the assignment in question. Based on a business case, the appointment of consultants may only be approved by the accounting officer.

ii. Appoint consultants on a time and cost basis with specific start and end dates.

iii. Ensure the transfer of skills by consultants to the relevant officials of the municipality.

iv. Consultants may only be remunerated at the rates: -

a. Determined in the "Guideline for fees", issued by the South African Institute of Chartered Accountants (SAICA);

b. Set out in the "Guide on Hourly Fee Rates for Consultants", by the Department of Public Service and Administration (DPSA), or

c. Prescribed by the body regulating the profession of the consultant.

v. All contracts of consultants must include penalty clauses for poor performance and in this regard, accounting officers must invoke such clauses were deemed necessary.

vi. The accounting officer must develop and maintain a consultancy reduction plan to reduce the reliance on consultants.

In implementing the aforementioned instruction, the following control measures are applicable as it relates to the use of consultants.

Measure

- The use of consultants **must** be reviewed and curtailed.

Controls

- ❖ All pending appointments of consultants to be reviewed and no consultant services to be procured unless the Municipal Manager, based on a motivation from the Director concerned, endorses the procurement process.

- ❖ Directors must review the utilisation of consultants in their respective Directorates to determine if their continued services are still required.

- ❖ Requests for extension of consultants' contracts of appointment must be motivated in writing to the Municipal Manager, and he may in turn instruct the Director to table an item via the Bid Committee system to make recommendations in this regard.

- ❖ Any SLA or contract signed with consultants, must include

(i) penalty clauses for poor performance,

(ii) clauses that deal with skills transfer,

(iii) period of the contract must be clearly stated, amongst other pertinent clauses.

- ❖ The Municipal Manager **must** give instructions to all Directorates to develop a consultancy reduction plan, indicating how the Directorates intend to comply with the National Treasury instruction.

11. Telephone Costs (Landlines)

Measure

- ❖ The Council's policy relating to payment for private calls must be fully enforced by all Directorates.

Controls

- ❖ The cost of private calls must be recovered by all Directorates by providing a schedule on a monthly basis to the Finance Directorate (Payroll Office), so that the necessary deductions can be made from the affected municipal employees' salaries.

12. Uniforms and Clothing

Controls

- A Uniforms Policy **must** be drafted stipulating the guidelines, including type of uniforms, shoes and frequency of issue, etc in line with the working environment of the respective employees.

- A monthly reconciliation of uniforms purchased and issued to staff members must also be performed by the respective Directorates.

13. Travel and Subsistence

RLM relates to travel and subsistence expenses, the following control measures must be implemented: -

Control measures

- Only economy class tickets to be purchased for employees and Councillors, where the flying time of the flight is five (5) hours or less.

- The Municipal Manager may approve the purchase of business class tickets for employees with disabilities or for those with special needs, where the flying time is five (5) hours or less.

- Purchasing of air tickets for first class travel is not permitted, under any circumstances.

- Domestic hotel accommodation linked to travel and subsistence may not exceed R1 700 per night per person (including dinner, breakfast and parking). National Treasury may periodically review this amount.

- The amount of R1700 quoted above may be exceeded with approval of the Municipal Manager in instances:

(i) such as peak holiday periods, and

(ii) (ii) when South Africa is hosting an event in the country or in a particular geographical area that results in an abnormal increase in the number of local / international guests in the country or in that particular geographical area.

- Hiring of Vehicles for travelling **must** be undertaken in terms of the Council approved policy as it relates to vehicle groupings that can be hired per the level of employees / Councillors.

- Sharing of the mode of transport when Employees / Councillors travel to the same destination.

- Overnight accommodation **must** be limited to instances where the distance by road exceeds 500 kilometres to and from the destination (return journey).

- When a vehicle is hired, it must be shared between the Employees/Councillors attending the same workshop, conference, seminar, etc. (one vehicle to be hired per occasion).

- Flight bookings must be made timeously, to prevent unnecessary overnight stay costs.

14. VEHICLES USED FOR POLITICAL OFFICE-BEARERS

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 other procurement process as contemplated in sub-regulation (3), the Chief Financial Officer must provide the council with information relating to the following criterial which must be considered:

    a) Status of the current vehicles
    b) Affordability
    c) Extent of service delivery backlogs
    d) Terrain for effective usage of vehicle; and
    e) Any other policy of council

15. GENERAL MEASURES TO BE IMPLEMENTED

- In order to curb petrol expenditure, the municipality's vehicle tracking system should be utilised by the Directorates to monitor usage in order to curb abuse of municipal vehicles and excessive petrol consumption.

16. IMPLEMENTATION DATE OF THE COST CONTAINMENT POLICY

The accounting officer is to communicate this Policy for application in the municipality to ensure adherence with the reporting procedures and requirements.

17. MONITORING AND EVALUATION

Directors must put monitoring measures in place to ensure that the cost containment measures are strictly adhered to in their respective directorates.

The required reporting framework will be developed by the Director:

Administration, Monitoring and Evaluation and will be made available to all Directors. The Directors **must** report on the implementation of the CCP, to the Portfolio Committees and the Mayoral Committee on a quarterly basis.

18. CONSEQUENCE MANAGEMENT

Failure to implement or comply with this policy may result in any official of the municipality, political office bearer and councillor that authorised or incurred any expenditure contrary to this policy being held liable for financial misconduct or a financial offence in the case of political office bearers and councillors as defined in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014

18.1 The expenditure incurred contrary to this policy will also be measured against the definitions of unauthorised, irregular, and fruitless and wasteful expenditure.

18.2 Any person must report an allegation of non-compliance to the cost containment policy to the accounting officer of the municipality or delegated official.

18.3 The accounting officer must consider the allegations and determine whether to investigate and if disciplinary steps should be instituted.

Rustenburg Local Municipality Draft Cost Containment Strategy

1. INTRODUCTION

In the current economic world, it is crucial for the organization to develop a strategy to minimize cost and achieve the desired results of the organization at the end. Improved accountability and transparency can be realized through a more proactive and regular reporting of both cost containment activities and the results generated. The issues for concentration could be; security cost, cost of hiring equipment, catering cost, use of council vehicles, energy management. Consultation with employees and also obtaining input from all affected stakeholders (business, ratepayers, etc) can be beneficial to cost containment plan. Although some of the many cost saving measures have been implemented over years, it will assist to revisit them with the intention to improve. Proper planning also may assist the municipality to contain cost.

2. COST SAVING COMMITTEE

2.1 Each business unit must create a cost saving committee or cost saving must be a standing item on the agenda of monthly meeting of each business unit.

2.2 Increase accountability and evaluation of all cost saving planning measures must be communicated to all staff members.

2.3 Staff should be encouraged to come up with ideas and if the idea is implemented and cost saving is being realized the employee who came up with the idea be formally recognized in the form of an incentive.

2.4 A suggestion box must be placed in all major council offices for staff and the public to post their ideas on the box or an e-mail address be created where any staff member or member of the public can send their ideas.

2.5 Advertising of best and most successful initiative in municipal website and through corporate communicate can be effective communication tool.

3 AREAS FOR COST CONTAINMENT

3.1 Facilities

3.1.1 As far as possible encourages the use of council facilities for community meetings and staff meetings. This will mean a reduction in cost of hiring venues for meetings.

3.1.2 A study be undertaken to compare cost of hiring marquees versus cost of purchasing marquees in the long run.

3.1.3 List of available council facilities for meetings be provided on council website for staff to know and book the facility with the responsible person.

3.1.4 Cease all non-essential and non-routine maintenance unless there are health and safety issues concerns.

3.2 Security Cost

3.2.1 Review the need for security personnel in council facilities during the day and at night. In some facilities an alarm system can be at night (at low cost) and a security guard during the day.

3.3 Cost of Hiring Plant and Equipment

3.3.1 Council spent lot of money hiring plant/equipment and sound system.

3.3.2 Fleet must develop a register of items that are hired to monitor cost and identify those items that are hired on a regular basis. A plan be developed to acquire these items within 5 years.

3.3.3 Review cost of hiring compared to cost of purchasing and owning the equipment in the long term.

3.4 Catering Cost

3.4.1 Minimize catering for meetings and consider providing light meal where possible with the intention to reduce cost.

3.4.2 All catering requests to be submitted to the accounting officer for consideration and approval, subject to availability of funds.

3.4.3 The Chief Financial Officer submits to the Strategic Management Committee a list for consideration of which meetings should be permitted to have catering services.

3.5 Use of Council Vehicles

3.5.1 All employees who enjoy the benefit of taking council vehicle home after work must submit a motivation to Strategic Management Committee for review of the need for such benefit.

3.5.2 All new requests for employee to take council vehicle home after work must be submitted to Strategic Management Committee with a detailed motivation for consideration and approval.

3.5.3 A vehicle replacement programme must be developed to ensure that ageing fleet that is not cost effective to repair is replaced on time.

3.5.4 Employees that cause damage to council vehicle must be investigated and if found negligent disciplinary action must be taken and cost of repair be recovered from the employee.

3.5.5 Fleet must keep a register of repairs to vehicles and where cost to repair are more than the net book value step to auction the vehicle in terms of council policy must be taken.

3.6 Energy Management

3.6.1 Install motion lights or timers in all council buildings.

3.6.2 Install individual lights switches in each office instead of central controlled lights.

3.6.3 Encourage staff to turn off electric equipment in offices when not in use or after work.

RUSTENBURG LOCAL MUNICIPALITY

ELECTRICAL ENGINEERING CONTRIBUTIONS POLICY

2022

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GLOSSARY OF TERMS AND ABBREVIATIONS

For a glossary of terms and abbreviations, refer to the Definitions section of the Policy

RUSTENBURG LOCAL MUNICIPALITY

ELECTRICAL ENGINEERING CONTRIBUTIONS POLICY

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1. INTRODUCTION

1.1 The case for Engineering Contributions

The expansion through of development of a Municipality's area of jurisdiction results in an increasing number of applications for new connections, subdivision of land, application for rezoning and increased services requirements of existing customers.

Granting the rights to proceed with such developments causes a heavy burden on existing municipal service infrastructure and necessitates upgrading and/or extension of the infrastructure at enormous cost, if not immediately, then at a later stage.

It is accepted to be fair and equitable, that a developer who establishes new properties or applies for the subdivision of land, or for particular departures in utilization rights, should be obliged to make a financial contribution (henceforth referred to as an engineering contribution) for the upgrading and/or extension of existing or future engineering infrastructure.

Engineering Contributions (or sometimes referred to as Bulk Supply Contributions) deal with the recovery of capital for electrical infrastructure development to service these developments and future customers in a sustainable way.

The key to the successful implementation of this policy lies in the establishment of the optimum differentiation where developers must contribute capital for electricity infrastructure that will be recovered from property sale prices.

It is also important to ensure that double recovery of capital does not take place through ensuring that the consumption tariffs only deal with servicing the cost of capital portion of loan accounts where loans were used to facilitate capital expansion, and that the Engineering Contributions are utilized towards the capital requirements for network expansion (i.e. the capital portion of loan accounts).

1.2 Some key considerations

Existing customers and rate payers should only subsidise via the capital component in their electricity consumption tariffs for infrastructure spare capacity to ensure an acceptable level and quality of service and attract new developments.

It is extremely important to clearly define the level of services provided as this will lead to disagreements when developers or customers (at a later stage) have to pay additional engineering contributions when the service required is more than what was originally provided.

Pro-rata recovery of engineering contributions will make provision to upgrade and extend existing services to cater for the new developments but will not address the backlog problems created as a result of no or under-recovery in the past.

When developed land is sold without recovering the full extent of engineering contributions, either the Municipality or the new owner will have to pay the cost for servicing the property.

1.3 Aim of Policy

The aim of this document therefore is to establish a uniform approach to establish in which cases and to what extent engineering contributions will be levied by the municipality.

This policy recommends a methodology and application guidelines that are fair, reasonably easy to understand and practical and further determines the detail cost of the electricity engineering contributions.

2. DEFINITIONS

The following meanings apply in this policy document, unless indicated otherwise by the context:

2.1 GENERAL

a) *applicant* - customer and developer have the same meaning

b) *town* - city and municipality have the same meaning

c) *infrastructure* - with regard to municipal services – all external bulk services, link services as well as internal services and networks;

d) *services* and infrastructure have the same meaning

e) *municipality* – Rustenburg Local Municipality

f) *residential unit* - has the same as the meaning attached to it in the Provincial Regulations promulgated

2.2 **CAPACITY**

a) *Network Capacity* is the maximum technical limit of load that can be delivered by a particular network before equipment life would be abnormally reduced.

b) *Standard Network Capacity* is the maximum capacity that would economically be allowed on a particular network before system reinforcement is required.

c) *Utilised Capacity* is the maximum capacity used by the customer at the specific location of the customer. This would normally refer to the registered half hourly integrated kVA.

d) *Additional Capacity* refers to the additional amount of service required by increasing the notified maximum demand (NMD).

e) *Spare Network Capacity* is the difference between the network capacity and the diversified sum of the connected NMD.

f) *Authorised Capacity* refers to the demand calculated by applying the after diversity maximum demand (ADMD) at a point in the network that has been provided and paid for by the development. This will be the ADMD according to the zoning but could be higher as per contractual agreement.

g) *Zone Capacity* refer to the capacity associated with a development based on the type of development in the area and the average coverage (floor area ratio = FAR).

2.3 **ENGINEERING CONTRIBUTION**

a) *Engineering contribution* is the engineering service costs incurred through a once-off capital expenditure on plant, equipment and other productive resources to increase network capacity. This is the pro-rata cost to be paid by a developer to connect a new development or to provide for additional requirement for services. This cost is based on the nett present replacement value of the network being or to be shared by more than one customer. (also called: Engineering Charges, Developer Contributions, Bulk Contributions.)

b) *Capital allowance* is the contribution to network engineering service costs that are contained in the consumption tariffs - i.e. average engineering service costs recovered over time through the tariffs.

c) *Connection fees* are the up-front payment payable by the customer towards the cost of a standard new connection.

d) *Network charges* are part of the consumption tariffs that are unbundled to reflect the costs associated with networks and are usually based on the required capacity of the supply.

2.4 **COSTS**

a) *Network upstream costs* refer to costs that will be incurred closer to the source of electricity supply from the actual point where supply is / will be required.

b) *Cost sharing* refers to cases where costs are pooled and shared between the developers utilizing the network.

c) *Replacement value* refers to the value of installing and commissioning new equipment or networks to the required standard and in the year in which contribution calculations are done.

2.5 **DEVELOPMENT**

a) *Developers* are the entities who undertake the required activities of developing a particular area and this could also include the township establishment, Special / Written / Temporary Consent, Change of land use, Rezoning or Subdivision of land. This includes private persons or government at any level.

b) *Developments* are activities where the requirement or utilization of engineering services is changed and can include only one or various facets of the area.

c) *External services* refer to the networks that fall outside of the boundaries of a particular development but are required to service a particular development.

d) *Internal services* are networks that fall within the boundaries of the development and are specifically required to provide the required capacity to each stand in the development. It excludes service connections.

e) *Leapfrog Developments* are developments that are remote from the existing or available networks of the utility and beyond any short-term expansions of the services. No development inside a development objective area can be regarded as a leapfrog development.

f) *Subdivisions* refer to situations where a particular piece of land is subdivided, thus requiring one or more additional utility service connection/s to be made to the development. These are considered a development like any others in terms of determining engineering services contributions.

2.6 **ELECTRICITY USAGE**

a) *Diversity* refers to the ratio of the sum of the non-simultaneous maximum demands of various points of supply divided by the simultaneous maximum demand in time at a common point in the network. The closer to the source of supply the higher the diversity will be. (also referred to as After Diversity Maximum Demand (ADMD))

b) *Registered Maximum Demand* is the highest averaged demand, during any integrating period within a designated billing period (usually one month).

c) *Notified Maximum Demand* (NMD) is the contracted maximum demand notified in writing by the customer and accepted by the utility to supply.

d) *After Diversity Maximum Demand* (ADMD) is the maximum demand for a homogenous load class (i.e. a similar group of consumers) divided by the number of consumers in the group (kVA / residential unit). ADMD can also be determined by using the maximum demand divided by the total floor area (kVA/m^2). In some cases, property area is used.

2.7 **NETWORKS**

a) *Distribution Networks* refer to the service network of the utility. This includes all assets required to transfer the service from the in-feed point to the distributor and include service connections.

b) HV (high voltage) networks are the lines, cable, switches, protection and associated equipment at voltages from 44kV to 132kV.

c) *HV to MV transformation networks* refers to transformation networks between Distribution and Reticulation voltages which includes all substation equipment.

d) *MV (medium voltage) networks* are the lines, cables, switches, protection and all other associated equipment at voltages from 1 000V to 33kV.

e) *MV to LV transformation networks* are the transformation equipment between Reticulation and LV voltages which includes all substation equipment.

f) *LV (low voltage) networks* are the lines, cables, switches, protection and all other associated equipment at voltages below 1 000V.

g) *Metering* includes all equipment associated to measure and calculate the quantities of services used including: VT's and CT's, meters, modems, metering kiosks, seals, tamper protection, internal wiring, etc.

h) *Network strengthening / upgrading / augmentation* is the engineering service expenditure required to increase the capacity of the network to be able to meet increased demand or capacity required on the network.

i) *Network refurbishment* refers to major engineering service expenditure required to existing network equipment after the end of its technical life necessary to extend the life of the asset to an age similar to when it is new. It excludes costs to increase the capacity of the network.

j) *Point of supply (POS)* is a physical point on the network, where service is supplied to a customer or where the customer's installation connects to the utility network.

k) *Point if delivery (POD)* is the grouping of one or more POS at the same substation, for one customer, at the same voltage and same tariff.

l) *Rural network* are all networks not considered under the term urban.

m) *Urban networks* - supply to an applicant or customer that will be considered to be urban when:

1) It is a proclaimed township or within a proclaimed township as determined by the Council,
2) The number of connections within a 1km radius of the particular point of supply exceeds 314. **NOTE:** All connections within the particular development will qualify.
3) The number of current and newly applied connections per kilometre of MV line exceeds 44 and / or there are at least 40 connections in one development.

2.8 REFUNDS AND SURPLUS CHARGES

a) *Refund* of engineering contributions refer to amounts repaid to developers where they have previously paid full incremental cost for engineering service contributions which are later utilised by other customers.

b) *Surplus capacity* provided due to technical standards that may be shared in the near future will not be allocated as a contribution cost to the developer. The cost of surplus capacity provided due to technical requirements that will unlikely be shared in future (for example, the provision of a 20 MVA transformer to meet a 15 MVA load requirement), will not be pro-rated.

c) Assets that are later shared will result in a refund/reduction to the initial contributor only based on capacity. Adequate records must be kept by the Municipality.

2.9 SUPPLIES

a) *Firm supply* refers to a design standard that will ensure single contingency in security of supply. (Referred to N-1)

b) *Premium supplies* refer to supplies that have features that exceed the standard set for the particular utility on a specific network.

c) *Dedicated supply* refers to a network or a portion of network that is considered dedicated according to the best judgement at the time to the supply of a specific consumer and it is unlikely that it will be shared by another supply within a reasonable foreseeable period of 5 years.

d) *Engineering contribution subsidies* refer to situations where the required engineering services contribution, is funded by another party other than the one to whom it is due.

3. ABBREVIATIONS

The following abbreviations are used in this document:

AMD	Authorized maximum demand for a particular development.
ADMD	After diversity maximum demand
FAR	Floor area ratio
HV	High voltage
kV	Kilo-volt
kVA	Kilo-volt ampere
kWh	Kilowatt hour
LV	Low voltage
MV	Medium voltage
NRS 069	National Rationalized User Specification: Code of practice for the recovery of capital costs for distribution network assets
NMD	Notified maximum demand
NERSA	National Energy Regulator of SA
NPRV	Nett present replacement value
VAT	Value added tax

4. LEGISLATION

4.1.1 Constitution

In terms of section 151(3) of the Constitution of the Republic of South Africa, 1996, municipalities have the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution.

In terms of section 156(1)(a) of the Constitution of the Republic of South Africa, 1996, municipalities have the right to administer certain local government matters listed in Part B of Schedule 4 of the Constitution. Among these is “electricity and gas reticulation”.

The Constitution further makes provision for three categories of municipalities. The distinction between these categories is important in that it creates the basis for differentiated powers and functions between category B and C municipalities and for the possibility that this division of powers and functions may differ. In other words, the respective allocation of powers and functions does not have to be the same in all situations where category B and C municipalities

interact and may take into account the particular patterns of capacity / revenue and other local circumstances. The aim of this flexibility is to ensure that municipal services are provided in an equitable and sustainable manner, in terms of section 155(4).

4.1.2 Municipal Structures Act

The above-mentioned right to provide services is further provided for by the Local Government: Municipal Structures Act 117 of 1998, section 85(1) for the MEC to adjust the division of functions and powers between a district and a local municipality as set out in section 84(1), which refers to the distribution of electricity.

Section 74(1) of the Municipal Systems Act 32 of 2000 further provides that a municipal council must adopt and implement a tariff policy on the levying of fees for municipal services provided. Section 74(2)(b) specifically requires that the policy reflects the amount users pay for services should generally be in proportion to their use of that service.

4.1.3 Electricity Regulation Act

The municipality's distribution right is subject to and regulated in terms of Section 7(1) of the Electricity Regulation Act 4 of 2006 provides that: "*No person may, without a license issued by the Regulator in accordance with this Act-*

(a) operate any generation, transmission or distribution facility;
(b) import or export any electricity; or
(c) be involved in trading."

4.1.4 Town Planning Ordinance

The provisions of the Town Planning Ordinance are tabled below for the sake of completeness and historic importance.

In terms of section 48(1)(a) of the Town Planning and Township Ordinance 15 of 1986, contributions in respect of engineering services may (at the discretion of the local authority) be payable where an approved amendment scheme came into operation.

Section 121 of the Ordinance further stipulates that: "The applicant shall pay to the local authority concerned as a contribution concerned as a contribution towards the cost incurred by such local authority to install and provide the external engineering services or caused such services to be installed and provided-

(a) *an amount of money determined by agreement between the applicant and such local authority*".

4.1.5 Spatial Planning and Land Use Management Act

Section 49(4) of the Spatial Planning and Land use Management Act (SPLUMA), Act 16 of 2013, that replaced the Development Facilitation Act (Act 67 of 1995), makes provision for

contributions and stipulates that: *"An applicant may, in agreement with the municipality or service provider, install any external engineering service instead of payment of the applicable development charges, and the fair and reasonable cost of such external services may be set off against development charges payable."*

Section 49(5) further states that, where a developer is installing external engineering services in lieu of contributions payable, *"the provision of the Local government: Municipal Management Finance Management Act, 2003 (Act No. 56 of 2003), pertaining to procurement and the appointment of contractors on behalf of the municipality does not apply"*.

4.1.6 Distribution Tariff Code

Distribution Tariff Code - Version 6 - 2014 forms part of the distribution license conditions issued by NERSA [2].

Section 4.2.1(12) states that "*Connection charges will recover that portion of the full cost of dedicated assets and the approved standard scheduled capital contribution to shared upstream assets, not recovered by the tariff. The allocation of costs for connection charges is as per NRS 069.*"

Section 11(1) states that the connection charge "*… is payable in addition to the tariff charges and is payable on all dedicated costs plus a fair contribution to capacity on upstream networks".*

Section 11(3) states that *"the methodology used to calculate connection charges must be approved by NERSA, in line with NRS 069"*. Connection Charges in the Distribution Code refers to Engineering Contributions (for shared upstream infrastructure) as well as dedicated costs.

Section 11.1(10)(f) states that *"In addition to dedicated costs the customers shall be allocated a standard R/kVA contribution based on replacement costs, for shared upstream costs, whether new upstream investment is required or not".*

4.1.7 NRS 069

NRS 069 [1] defines a methodology to be used when calculating Engineering Contributions. Since NRS 069 is referred to by the Distribution Code, and the Distribution Code forms part of the License conditions Rustenburg Local Municipality must comply with, it becomes not only a guideline any more but an authoritative document.

5. RESPONSIBILITIES OF THE DEVELOPER

The provision of all internal engineering services and infrastructure within the boundary of the development are the responsibility of the developer.

Some exceptions may however occur where the specification of equipment is dictated by the municipality to be higher than that required by the development to cater for future developments or upgrading of existing infrastructure. The developer and the municipality should then enter into a services agreement or the additional requirements are to be funded by the municipality.

6. RESPONSIBILITIES OF THE MUNICIPALITY

In terms of the Distribution Network Code, the Distributor is required to invest by considering best practice technical alternatives and based on a least life-cycle cost approach. Least life cycle cost is the discounted least cost option over the lifetime of the equipment, taking into account the technical alternatives for investment, operating expenses and maintenance. Calculations to justify investment shall assume a typical project life expectancy of 25 years, except where otherwise dictated by plant life or project life expectancy.

The Distribution Tariff Code requires the Distributor to implement a methodology used to calculate connection charges approved by NERSA and being in line with NRS 069. The developer pays for all dedicated equipment and in addition be allocated a standard R/kVA contribution based on replacement costs for shared upstream costs, whether new upstream investment is required or not.

Contributions must be utilized to install the required infrastructure requested for, pay outstanding loans of the electrical service or to be preserved into a dedicated fund that is ring fenced for the specific service.

Adjacent distributors should coordinate and share contributions according to all infrastructure requirements (where applicable).

7. TYPES OF DEVELOPMENTS

Developments can primarily be categorized as follows:

- Township development / Extension of boundaries of townships
- Rezoning / change of land-use right / Special or Temporary Consent approved by the Local Municipality
- Subdivision of a property
- Increased services requirements that exceed the original limits of services designed or currently provided.

Although rural networks are significantly different, the principles and methodology of calculation are similar with the difference that infrastructure for urban areas is more capital intensive with a higher degree of supply reliability.

8. BASIC PRINCIPLES FOR CALCULATION OF ENGINEERING CONTRIBUTIONS

The following points form the basis of the electricity engineering contribution policy and guidelines:

a) A consistent approach should be applicable throughout the municipal area;
b) The approach should be in harmony with sound practices employed within South Africa and internationally;
c) The approach should be consistent within different utilization and zoning categories;
d) Contributions for each service should be financially ring-fenced;
e) Contributions should be targeted at developers to service properties to the full capacity according to the new zoning;
f) Contributions should be charged to customers when they exceed the designed capacity contributed by the developer or that associated with the zoning;
g) Capital and interest redemption through tariffs should be minimized;
h) Assets financed by engineering contributions remain the property of the distributor;
i) Assets financed by engineering contributions may be used for other customers;
j) The principle of contestability of dedicated networks and funded by customers is supported;
k) Recognition must be given in the longer-term to society benefits from most network extensions because they allow the utility to gradually extend and expand its distribution system to the benefit of all;
l) The standard must be transparent in the way it is set out and applied;
m) The approach should be relatively easy to implement and practical; and
n) The approach should be developed in consultation with representatives from all technical services.
o) Engineering contributions are calculated by the Electrical Engineering Department.

The calculation of engineering contributions must be based on the fundamental principle that customers or subsequent customers should not benefit from a new development at the cost of the developer, or that the developer should not benefit at the cost of customers.

The aim of the policy is to institute a uniform basis for the calculation of engineering contributions in the Municipality's area of jurisdiction as a whole. Calculation of engineering contributions is based on specific applications and guidelines as set out in the documentation for the various services.

The capital component for engineering infrastructure in the consumption tariffs should be limited to spare capacity. It is the municipalities' responsibility to ensure the level of spare capacity is limited as this places risk and an unfair burden onto customers via electricity inflated tariffs.

Developers in the case of Leap-Frog developments, who have funded bulk infrastructure networks in full, should receive a refund of the pro-rata contribution once other developments pay engineering contributions for sharing of that infrastructure. Refunding of contributions should be avoided where possible and be limited to a set a window period of 5 years as proposed by NRS 069.

Where developments are sharing bulk or link infrastructure, it should be done on a pro-rata basis and based on infrastructure cost and capacity.

The present property zoning and FAR or the existing rights, whichever is the greater, will be used as the basis to calculate the level of services to be credited.

9. ASSUMPTIONS

In developing and applying the policy, it is important to understand the situations and circumstances where the policy is intended to be applied. Minor adjustments based on the above principles will have to be made where applicable.

The following was assumed to form a consistent basis for the policy:

a) Consumption tariffs will contain various components which must cover:

   i. Operational and maintenance costs.

   ii. Capital cost of refurbishing networks at some time in the future when networks have reached the end of its technical and economic life. (Applicable to minimum required services).

   iii. Outstanding loans for spare capacity within the electricity infrastructure networks.

b) Contributions will be based on R/kVA for electricity services applicable at the pre-determined point of supply within the network.
c) Contributions are set by the required capacity, which are based on the full rights attainable on the property or notified demand requirements stated by the developer, whichever are the higher.
d) The engineering contributions are to be the same, irrespective of the service provider or customer, provided it is connected to and supplied through the municipal infrastructure networks.
e) Contributions only include municipal owned infrastructure.
f) Contributions are payable only for pro-rata shared infrastructure.

Connection costs are payable for all dedicated equipment. This also includes link or connection services, where applicable.

10. METHODOLOGY AND CALCULATION OF ELECTRICITY ENGINEERING CONTRIBUTION FEES

10.1 General

The methodology to be followed is the most important and critical part of the policy. It describes how contributions are made up and how the calculations should be done in respect of engineering contributions. It also addresses refunding of excess contribution payments where required.

This section also describes how the fees will be established for electricity contributions.

Where a step change in the electricity supply from ESKOM is required due to the additional load imposed by a new development, the developer will be required to fund the full pro-rata increased demand cost as part of the connection costs.

The Nett Present Replacement Values (NPRV) of each of the segments of the network is determined as follows:

a) HV network values are based on the actual or network quantities of existing equipment and immediate future expansion to complete the primary networks in terms of the master plan.
b) Calculations for the main substations and downstream networks are based on a generic network model, using the standards adopted by the municipality.
c) The municipal HV & MV supply network is segmented into the various voltage and functional equipment, where the POD's from Eskom is at 88, 33 or 11kV level:

    i. Main 88/33/11kV substation which includes 88kV main busbars, two 88kV bays, bus-section complete with switchgear, two 40MVA 88/33kV transformers and two 20 MVA 88/11kV Transformer, control panels, 33kV and 11kV switchgear;
    ii. 33/11kV substations which includes 33kV and 11kV switchgear, and two 20 MVA transformers;
    iii. Medium voltage 800mm2 Al XLPE 1-core XLPE inter-connection cables operating at 33kV;
    iv. Medium Voltage 300mm² Al 3-core XLPE inter-connection cables operating at 11kV.

d) 11kV Switching substation which includes 11kV switchgear complete with yard stone and fence.
e) Medium Voltage 120mm² Al unarmoured XLPE ring cables operating at 11kV. On average 300m MV cable per minisub is installed;
f) 500kVA miniature substation, complete with plinth, earth mat and MV cable terminations;
g) 100m low voltage 120mm² Al radial cable complete with 9-way distribution kiosks operating at 400V.

The nominal service capacity of each of the segments of the network is determined, based on standard ADMD's and the diversity at each voltage level.

10.2 ADMD

The following ADMD's at secondary transformer level will apply:

Table 1: Guideline ADMD values

Description	ADMD
Residential	As per NRS 069 and NRS 034 for the applicable consumption class

Description	ADMD
Hotel, Guest House or equivalent	80 VA/m²
Business, Office or equivalent	80 VA/m²
Light Industrial, Garage or equivalent	40 VA/m²
Educational or equivalent	20 VA/m²
Devotional, agricultural, nursery, scrap yard or equivalent	20 VA/m²

Notes:

a. The m² above refer to the larger of the FAR multiplied with the stand size or the coverage i.r.o. the property zoning.

b. The ADMD values above are at secondary transformation level. Diversity factors are applied in the rate calculation to account for increased diversity between loads at higher transformation and voltage levels.

c. Heavy industry is treated on its application for a connection.

d. The ADMD's are at load class peak, and not at system peak. For mixed-used developments, diversity must be applied between loads by calculating a composite load profile. The demand applicable in mixed-use developments for the purposes of the calculation of engineering contributions is the resulting maximum demand once the composite load profile has been determined (i.e. the expected NMD).

e. The ADMD for residential developments to be used is the capacity obtained after using the a, b and c parameters of the Herman-Beta method through the capacity formula tabled in NRS 034.

f. A developer's consulting engineer may request a higher demand than calculated through ADMD.

g. Where a lower demand is requested than calculated using the ADMD, a servitude of restraint of capacity must be registered over the property.

Gross floor area is used and is determined by multiplying the total stand area with the applicable FAR stipulated in the Town Planning Scheme.

Initial contribution will be based on the highest of the NMD on the application or the capacity as determined using the ADMD for the development or the relevant consumption classes.

The R/kVA engineering contribution fees of each segment are calculated by dividing replacement cost by the system capacity.

In order to apply the correct applicable fee, the point where the development will be connected to the municipal network must be determined to only include upstream shared equipment.

Should the customer require a prime supply, the additional costs to provide this will form part of the connection costs.

For a mixed-use development, the total capacity shall be determined by applying diversity between different load classes.

The formulae for the calculation of maximum demand are as follows:

Table 2: Maximum demand formulae

Category	Formula
Residential. This includes Residential 1 and Residential 2 Use Zones as per the RLM Town Planning Scheme.	$$MD = 0.23 \times n \times \frac{c}{a+b}\left[a + 1.28\sqrt{\frac{a \times b}{n(a+b+1)}}\right]$$ (Eq.1) (Capacity formula as per NRS 034) Where: *MD* = Maximum demand in kVA *n* = Number of consumers on heaviest loaded phase (see note in NRS 034) *a, b, c* = Beta probability curve parameters ADMD is given by $$ADMD = c\frac{a}{a+b} \times \frac{230}{1000}$$ (Eq.2) in kVA per residential unit Values for a, b, c for standard ADMD values can be obtained in NRS 034. For any other ADMD value, it must be calculated using the formulae given in NRS 034.

Category	Formula
Non-domestic and non-industrialloads not catered for elsewhere in this table, including Governmental, Offices, Retail and other Business related loads	MD (in kVA) = ADMD (in kVA/m^2) x FAR x Stand area (in m^2) (Eq.3) ADMD is selected from Table 1. This is applicable to any zoning where an FAR is specified that falls within the Business 1, Business 2, Special, Institutional, Municipal, Government, Transportation, Conservation, Recreational, Institutional and Public Open Space Use Zones as defined in the RLM Town Planning Scheme. Agricultural and High Potential/Unique Agricultural Use Zones with special consent for facilities which falls within any of the abovementioned Use Zones will be treated according to the formula in this category.
Light Industrial	MD (in kVA) = ADMD (in kVA/m^2) x Stand area (in m^2) (Eq.4) This is applicable to Industrial 1 and Industrial 2 uses, but exclude Noxious land use.
Agricultural, Heavy Industry, including Mining and Quarrying	As determined by the developer or the developer's consulting engineer (Professional Engineer). This is usually process dependent and includes Noxious land use.
Special loads	e.g. Storage garages, Cemeteries, Churches etc.: the higher of 13.8 kVA (60 A single phase at 230 V), or the demand calculated by the developer's consulting engineer.
Mixed use	Any combination of the above, with diversity factors applied or composite load curves summated to determine the annual maximum demand of the saturated development (i.e for the full development when all properties have been developed).

11. DETERMINATION OF ELECTRICITY ENGINEERING CONTRIBUTION FEES

This section describes in steps how the Electricity Contribution fees are determined according to the modelled network configuration and adopted standards.

a) The electricity supply networks are modelled to allow for standard equipment types and capacity and separated into logical components.
b) Each component is allocated the minimum of its own capacity / rating or the associated upstream or downstream component's capacity / rating.
c) Each component cost is allocated at the replacement values that include professional fees, installation and commissioning.
d) Provision for a base date and industry related escalation is built into the model.
e) Provision for a pre-determined portion for the respective equipment is subject to rate of exchange.
f) The cost per kVA is calculated taking all the above-mentioned into consideration.
g) Select a typical generic connections type at the applicable voltage levels at a differentiation of the point where the connection will be done.
h) Each generic connection is allocated all the respective components required to make the supply available with a diversity differentiation at all the voltage levels.

12. CALCULATION OF ENGINEERING SERVICES CONTRIBUTIONS

This section describes in steps how the Electricity Contribution fees are determined according to the modelled network configuration and adopted standards.

a) Only shared infrastructure is used to calculate contributions on a pro-rata basis.
b) Establish the point in the network where infrastructure will be shared with other developments.
c) Determine the incremental capacity to be charged for as follows:

    i. The highest of the demand required by a development or the calculated nominal capacity based on the approved zoning.

    ii. Only increased capacity will be applicable for any rezoning and full credit (in kVA) must be given for previous zoning rights.

d) Determine the optimum means to service the development for the medium and long term, taking cognisance to mitigate risk, avoid unutilised capacity and duplication of infrastructure.
e) Multiply the incremental capacity with the relevant engineering service contribution fee to determine the contribution payable.

13. SPECIAL CASES

13.1 **Leapfrog developments:**

Developments located remotely from the promulgated developed area or existing networks are classified as leapfrog developments.

The developer is normally responsible for all costs with regard to the provision or extension of services required by the development, without any contribution from the municipality.

The municipality may decide to specify larger equipment than what is required by the development due to the fault levels or in order to make provision for future developments.

In cases mentioned above, the municipality may only cost for the minimum standard equipment used by the municipality to meet the system and load requirements of the development.

14. REFUNDING OF ENGINEERING CONTRIBUTIONS

This section describes how developers should be refunded where they have funded the full incremental costs for services and sharing takes place at a future date.

a) Only the difference between the engineering contribution payable and the equivalent contribution for the development should be refunded.
b) Refunding should only be applicable for a window period of up to 5 years after the initial connection or as per agreement between the municipality and the developer in the case of a leapfrog type development.
c) Refunding must be based on proportionate capacity sharing of only shared infrastructure.
d) Refunding will be based on replacement values and the approved fees applicable at that time.
e) Refunding will be done on a pro-rata basis being based on the portion of additional service required of the capacity previously financed by private developments.
f) No refunding will be considered for initial overstating of service requirements.

15. LONG TERM LOAN AGREEMENTS WITH DEVELOPERS

This section covers the implications of the municipality entering into a loan agreement with a developer for the provision of shared infrastructure and the implications of the MFMA.

a) A debt agreement can be entered into with a developer who provides additional capital expenditure on behalf of the municipality in accordance with section 46(1).
b) The loan or debt agreement must be approved by a Council Resolution and signed by the Mayor in accordance with section 46(2).
c) A long-term debt taken up by a municipality is subject to the specific process stipulated in section 46(3).
d) The long-term debt may not be subject to rate of exchange of the Rand against any foreign currency.
e) The municipality may provide security to such a developer in terms of section 48(1)c.

16. IMPLEMENTATION ISSUES

This section stipulates who should make payments, by what means and when.

a) Engineering contributions due by the developer should be a condition for granting development / subdivision / rezoning approval.
b) Engineering contributions should be calculated and charged as soon as possible in the application process.
c) Payments should in all cases be made as follows:

   i. Township establishment, extension of boundaries of a township & rezoning: Prior to proclamation approval of the town / extension of boundaries / amendment scheme.
   ii. Special Written or Temporary Consent of Council: Within a period of thirty (30) days from date from approval by Council
   iii. Subdivisions: Prior to issuing a certificate confirming that all conditions imposed by council relating to the approval have been complied with.
   iv. Permits: Within a period of thirty (30) days from date of issuing a Permit by the Department of Local Government & Housing.
   v. Any consent given by Council which may require upgrading of the network.

d) The manner in which payments are made for each service must be flexible but should be agreed upon at the time of the signing the Services Agreement, alternatively it should be determined in a resolution of Council or letter of approval issued by Council. Acceptable alternatives are:

   i. The provision of a bank guarantee for the full cost of electrical services and it must make provision for escalation to the planned date of construction.
   ii. Cash payment.
   iii. Phasing of the payment according to pre-determined milestones such as pro-rata contribution per phase, subject to the developer offering an acceptable bank guarantee for the balance of the amount.
   iv. The physical provision of infrastructure to the value of the calculated contribution required for that service, forming part of the Services Agreement.

17. CHANGES TO TOWN PLANNING RIGHTS AND/OR DEMAND

Contributions will be applicable for developments exceeding the original designed capacity for each development as per approved contribution fees.

The zoning can be changed during the planning process, based on new information / requirements.

Where a downgrading of zone takes place after payment of contribution was made, no refund will be made of contributions already paid. The supply requirements may however increase in future up to the original service level, without any further contribution.

Where a developer wishes to reduce the demand in kVA calculated on which contributions will be applied, he should first consider reducing the town planning rights, e.g. reducing the FAR.

Where the developer cannot reduce the town planning rights, and still requires a lower demand value for the purposes of calculating engineering contributions, he can restrict the demand by registering a servitude of constraint in the title deed for the particular property

Where a consumer's notified maximum demand is increased in order to avoid penalties for exceeding the NMD on the monthly consumption charges, engineering contributions will be payable as well.

Where a consumer reduces his notified maximum demand, no refund for previously paid engineering contributions shall be considered.

18. PUBLICATION AND REVISION FREQUENCY OF RATES

The electricity contribution fees should be reviewed and updated annually and published with the annual municipal rates and tariffs.

19. CONTESTABILITY

A developer has the right to contest a quote from the utility and thus use a contractor to install the services to the municipal standards and specifications.

20. EXCLUSIONS AND EXEMPTIONS

Contributions will not be payable under the following circumstances:

a) Where existing municipal services or components thereof are established and are mainly financed from sources other than municipal funds. For instance, allocations and/or subsidies, i.e. INEP, MIG, etc.
b) Where the municipality is not the supply authority that providing electricity services in a specific municipal area.
c) For areas previously supplied by other and the distribution license is transferred, the exemption lapses as soon as the Municipality is established or provides the municipal service.
d) Indigent Customers registered on the municipal indigent database shall be exempted from paying engineering contributions, on condition that the supply remains limited to a maximum of 20A single phase and will be used exclusively for a single connection per erf or designated family living area. Only one such consent will be allowable per Indigent Customer. Should the customer at that address in future apply for the demand increase above 20A, the full payment of contribution for the new NMD will be payable.

ANNEXURES

ANNEXURE A: RATES SCHEDULE

ANNEXURE B: SINGLE LINE DIAGRAM WITH RATES

ANNEXURE A: RATES SCHEDULE

Refer to Annexure A attached as a separate document.

ANNEXURE B: SINGLE LINE DIAGRAM WITH RATES

Refer to Annexure B attached as a separate document

Rustenburg

Local Municipality

Draft Expenditure Management Policy

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1. ABBREVIATIONS

CFO	**– Chief Financial Officer**
CM	**– Council Minutes**
IDP	**– Integrated Development Plan**
MBRR	**– Municipal Budget Reporting Regulations**
MFMA	**– Municipal Finance Management Act, Act No. 56 of 2003**
MSA	**– Municipal Systems Act, Act No.32 of 2000**
MSTA	**– Municipal Structures Act No.117 of 1998**
MTREF	**– Medium Term Revenue and Expenditure Framework**
SDBIP	**– Service Delivery and Budget Implementation Plan**
GRN	**– Goods Received Note**
CSD	**– Central Supplier Database**
VAT	**– Value Added Tax**
EFT	**– Electronic File Transfer**

2. DEFINITIONS

"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 the annual budget approved by a municipal council; and includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;
"Assets" means resources controlled by the 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 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;

"Chief Financial Officer" means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act; who is administratively in charge of the budget and treasury office as per section 81(1) (2) of the MFMA;

"Councillor" means a member of 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" means the power to perform a function or duty which is given to office bearer, Councillor or staff members either in terms of section 59 of the MSA or section 79 of the MFMA;

"Executive Mayor" means the Councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act 117 of 1997;

Expenditure Management means all the procedures necessary to ensure that the payments of sums owed by the directorate are made in an efficient, effective and timely manner.

"Generally Recognised Accounting Practice" means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board;

"Financial statements" means statements consisting of at least –

a) Statement of Financial Position;
b) Statement of Financial Performance;
c) Cash-Flow Statement;
d) Any other statements that may be prescribed; and
e) Any notes to these statements;

"Financial year" means a twelve-month period commencing on 1st July and ending on 30th June each year;

"Fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"Irregular expenditure" means –

a. Expenditure incurred by the municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA, and which has not been condoned in terms of section 170 of the MFMA;
b. Expenditure incurred by the 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;
c. Expenditure incurred by the municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
d. expenditure incurred by the 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 the municipality which falls within the definition of "unauthorised expenditure";

"Local community" means that body of persons comprising-

a) the residents of the municipality;
b) the ratepayers of the municipality:
c) any civic organisations and non-governmental. private sector or Labour organisations or bodies which are involved in local affairs within the municipality: and
d) 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 includes, more specifically, the poor and other disadvantaged sections of such body of persons;

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"Long-term debt" means debt repayable over a period exceeding one year;

"Municipal council" means the council of the municipality referred to in section 18 of the Municipal Structures Act;

"Municipal entity" means company, co-operative. trust, fund or any other corporate entity established in terms of any applicable national or provincial legislation and which operates under the ownership control of one or more municipalities. and includes, in the case of a company under' such ownership control, any subsidiary of (hat company; or (b) a service utility (Municipal Systems Act 32 of 2000)

"Municipality" means the Rustenburg Local Municipality;

"Municipal service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety or the environment;

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"Official" means –
a) An employee of the municipality or municipal entity;
b) A person seconded to the municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
c) A person contracted by the municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"Overspending" means -

a) 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, causing expenditure under the vote to exceed the amount appropriated for that vote; or
c) in relation to expenditure under section 26 of the MFMA, causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"Previous financial year" means the financial year preceding the current year;

"Quarter" means any of the following periods in a financial year –
a) 1 July to 30 September refer to as the 1st quarter;
b) 1 October to 31 December refer to as the 2nd quarter;
c) 1 January to 31 March refer to as the 3rd quarter
d) 1 April to 30 June refer to as the 4th quarter;

"Service Delivery and Budget Implementation Plan" means a detailed plan approved by the executive mayor of the municipality, in terms of section 53(l) (c) (ii) of the MFMA, for implementing the municipality's delivery of municipal services;

"Unauthorised expenditure" means any expenditure incurred by a municipality otherwise than in accordance with sections 15 or 11(3) of the MFMA, 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 directorate 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 or a grant by the municipality otherwise than in accordance with the MFMA;

‘‘Vote’’ means one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different directorates of the municipality; and which specifies the total amount that is appropriated for the purposes of the directorate concerned and includes:
• Office of the Municipal Manager; Corporate Support Services; Budget and Treasury; Technical and Infrastructure Services; Community Development and Planning & Human Settlements;

‘‘Vote holder’’ means the senior manager to which the vote is assigned.

3. OBJECTIVE

The objective of the Rustenburg Local Municipality Expenditure Policy is –

- to set out Standard Operating Procedures that the municipal officials need to adhere to;
- to promote accountability and compliance with MFMA Act 56 of 2003 on payments made by the municipality;
- ensure that the principles applied, as a result of this policy, will enhance and support a healthy working capital position for the Rustenburg Local Municipality;
- set out a framework for Rustenburg Local Municipality to deal with:
    - All expenditure related transactions;
    - Unforeseen and unavoidable expenditure;
    - Unauthorised, Irregular and Fruitless and wasteful expenditure
    - To establish and maintain procedures to ensure adherence to the Municipality's IDP review and budget processes; and
- ensure that all monies due by the municipality is paid in full within the 30 days of date of invoice or statement; whichever is the latest as prescribed by the Municipal Finance Management Act, 2003 (Act No.53 of 2003)

4. EXPENDITURE MANAGEMENT

4.1 Payments to creditors

- All payments due must be settled within thirty (30) days "as per the section 65 of the MFMA" from the invoice date, and in the case of civil claims, from the date of settlement or court judgement
- Payments will only be made directly to the person or institution to which a contract was awarded and from which the invoice is received for legally rendering the service to the Municipality

Supporting documentation that must accompany the request for payments is as follows:

- an invoice made out to Rustenburg Local Municipality, with the supplier name, invoice date, invoice number, supplier VAT number (where applicable), description of goods/services, contact details and supplier banking details;

- the suppliers' statement, a GRN certificate approved in line with the delegated authority, as well as the CSD
- confirmation that there are sufficient funds on the vote number (budget availability);
- Invoices or statements submitted for payment to the Creditors' office by any Directorate shall be in such form as may be required by the CFO and must state the reference to the relevant vote to meet such payment.
- Vendor invoices must be reviewed for accuracy by comparing charges to purchase orders.
- Verification of goods and services purchased should be performed by the end-user directorates before any payment is recorded to confirm that they have been received.

Directors shall advise the CFO by means of the financial delegations of authority document as approved by the Accounting Officer of the names of officials empowered to sign payment vouchers and authorise payment of accounts

When a Directorate authorises the payment of accounts the signatory certifies and authorises that:

a) All processes in terms of the Supply Chain Management Policy of the Municipality had been followed, according to the directorates' knowledge;
b) The goods and services have been received and rendered in good order and are under the control of the Municipality
c) The account has not previously been submitted for payment;
d) The invoice amount is not in contra to the contract amount;
e) Sufficient budgetary provisions exist;

Payments must only be made on the date(s) and/or days indicated on the payment schedule approved by the CFO unless prior approval to effect payment on a different date is obtained from the Accounting Officer.

The Accounting Officer has the powers to delay payments beyond 30 days on negotiation with the supplier with a reasonable motive to challenges that result in failure to pay within the stipulated period.

Interest on late payments

No interest will be payable by the Municipality on any late payments unless due to negligence on behalf of an official of the Municipality.

In the case that the interest charged is due to the negligence of an official of the Municipality, the expenditure is classified as fruitless and wasteful expenditure and consequence management must be adhered to.

Salaries, Wages and Allowances & Third-Party Payments

The CFO shall be responsible for the calculation and payment of salaries, wages and allowances.

Payment shall be made in accordance with payroll batch approved by the Unit Head Expenditure to a nominated bank account of the municipal employee or Councillor.

The Payroll Section compiles a payroll batch with all relevant information of each employee and submits it to the Creditors office for allocation of payments.

The Directorate: Corporate Services is responsible to notify the *Unit Head: Financial Management Services* of all appointments, promotions, dismissals, resignations, transfers, absences for any reasons, and all matters affecting the emoluments of employees of the municipality.

The submission of such information to the CFO as may be determined from time to time.

The Directorate: Corporate Support Services shall be responsible for the maintenance of all records essential for the accurate determination of emoluments and leave due to employees of the municipality.

Banking details

Any changes to creditors' banking details will only be allowed when the following procedures have been met:

An original letter from the banking institution confirming the supplier's banking details with the bank official stamp and signature.

The banking details must appear on the Central Supplier Database (CSD) as a preferred bank account

4.2 Retentions

The respective Directorates shall submit all requests for payment complete, properly certified, approved in line with the delegation of authority, Supply Chain Management policy & MFMA and accompanied by the relevant invoices, completion certificate and other supporting documentation to the Creditors' Office at least 7 days before the payment run date.

Expenditure section must record retention on each payment made to projects that attract retention and maintain a retention register.

At the end of the projects, 50% of the retention value is released and a Practical Completion Certificate must be submitted with the claim. The remaining 50% of the retention amount will be released after the defects liability period as per contract with the Final Completion certificate.

Reconciliations of the retention register, and the General Ledger must be reviewed by the manager and approved by the CFO.

4.3 Petty Cash Payments

The following procedures must be followed in respect of petty cash payments:

- Every petty cash requisition must be supported by proper supporting documentation such as cash sale slips or receipts etc. Therefore, if cash is advanced without supporting documents it should be based on an advance until the purchase is made and the supporting document is submitted within the prescribed time, e.g. a week.
- Each requisition/expense must be entered onto the petty cash register
- No request for petty cash transactions may be lodged for items that is held as inventory in the municipal stores.
- The voucher must be signed by the person making the payment and the person that rendered the payment for purchases.
- All vouchers must be signed by a duly authorised official for the relevant user directorate.
- Supplement to the petty cash advance made must be done on a regular basis.
- All signed schedules and vouchers supported by the relevant invoices and vote allocations
- The register must be balanced and reconciled weekly. And the reconciliation must be signed by the employee compiling it, whilst the Head: Expenditure must review and sign it off.

4.4 Grant Expenditure

All project related claims shall be certified at project management level and by relevant directorate managers before forwarding for payment to ensure validation of data relating to claim and to avoid unauthorised, irregular, and fruitless and wasteful expenditure.

Expenditure section must ensure that the project expenditure is within allocated budget as per contract and retention is correctly accounted for on the financial system before payments are effected.

No payments will be allowed in respect of projects to be financed from external grants unless grant funding has been received.

Council may, however, approve payments before any funds have been received but only where funds have already been committed to in writing, by the relevant state directorate or other institution.

4.5 Capital Expenditure

Spending on capital projects shall be incurred only when—

1(a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2) of the MFMA;

(b) the project, including the total cost, has been approved by the council;

(c) the sources of funding have been considered, are available and have not been committed for other purposes.

(2) Before approving a capital project, the council must consider—

(a) the projected cost covering all financial years until the project is operational; and

b) the future operational costs and revenue on the project, including municipal tax and tariff implications.

4.6 Withdrawals from Bank Account

Any withdrawal from a bank account; in the name of the Rustenburg Local Municipality, may only occur in terms of section 11 of the MFMA.

All withdrawals must comply with the Cash & Investment Policy of the Rustenburg Local Municipality and shall be signed or authorised by not fewer than two people as authorised by the Accounting Officer.

The delegation of authority (Access to the Banking System) for officials to authorise electronic payments shall be in writing, kept on record and be reviewed as and when required by the Accounting Officer. Copies of such letters of authority will be kept by the Budget and Treasury Office.

4.7 Subsistence & Allowance

The municipality must ensure that when the travelling forms are received with the correct vote numbers on the documents and the correct amounts are recorded according to the day a person is travelling. (refer to Subsistence and Travelling Policy)

4.8 RECONCILIATIONS

Reconciliation activities must be performed before any payment is captured to confirm that the payment is for the approved purchases and is being billed correctly.

Creditors reconciliation should be performed to assure accuracy and timeliness of expenses.

5. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Before recommendation of a supplier is made to the relevant directorate, the Supply Chain Management Unit must ensure that:

a) All supply chain processes are duly followed in order to avoid irregular expenditure;

b) The recommendation of the supplier is directed to the employee with the appropriate level of authority; and
c) The prices, calculations and any taxes are correct in terms of the quotation or tender received;

II. All money owed by the Municipality must be paid within thirty (30) days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

III. Payments will only be made directly to the person or institution to which a contract was awarded and from which the invoice is received for legally rendering the service to the Municipality.

IV. All Unauthorised, Irregular, Fruitless and Wasteful Expenditure will be dealt with in terms of Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings promulgated in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003.

Section 32 (2) of the MFMA state that a municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure, 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.

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.

The accounting officer must promptly inform the mayor, the MEC for local government in the province and the Auditor-General, in writing, of—
(a) any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;
(b) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and
(c) the steps that have been taken—
(i) to recover or rectify such expenditure; and
(ii) to prevent a recurrence of such expenditure.

Responsibility of the accounting officer with regards to expenditure management: Section 65 -MFMA

The accounting officer of municipality is responsible for the management of the expenditure of the municipality and must, among others ensure-

- that the municipality has and maintains an effective systems of expenditure control, including procedures for the approval, authorisation, withdrawal, and payments of funds;
- that the municipality has and maintains a system of internal control in respect of creditors and payments;
- that payments made by the municipality are made-
  (i) directly to a person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
  (ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only up to a prescribed limit.
- That all money owing by the municipality be paid within 30 days on receipt of relevant invoices or statements, unless prescribed otherwise for certain categories of expenditure.
- That municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments.
- That the municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework.
- That all financial accounts of the municipality are closed at the end of each month and reconciled with its records.
- that the municipality has and maintains a management, accounting and information system which-
  (i) recognises expenditure when it is incurred;
  (ii) accounts for creditors and payments made by the municipality;
- Avoid and report on Unauthorised, irregular, fruitless and wasteful expenditure as soon as it occurs.

  Expenditure on staff, including Councillors are reported in line with section 66 of MFMA

Segregation of duties

The Accounting Officer must implement processes and control procedures that segregate duties among employees and that include effective oversight of activities and transactions.

Officials with access to create purchase orders or enter accounts payable invoices are not allowed access to add or change records on the system, nor approve those

purchase orders. A person independent of the purchase order creation must approve the purchase order.

However, users with access to create accounts receivable invoices have retained access to add or change customer records on the system.
Officials who create purchase orders may approve receipt of goods for those purchase orders.

Officials who enter or review accounts payable invoices must not approve payment of those invoices and may not review or enter invoices and also approve invoices within the same user group. A person independent of the invoice review process must approve invoice payments.
The supporting documentation to invoices may only be signed off by authorised delegates who do not have access to create the accounts.
Journals may only be approved by a person independent of the creation of the journal.

6. INTERNAL CONTROL PROCESSES

An official may not; spend, or enter into a commitment to spend public money except with the approval (either in writing or by duly authorised electronic means) of accounting officer or a properly delegated or authorised officer.
Before recommendation of a supplier is made to the relevant directorate, the supply chain unit must ensure that: -

a. All supply chain processes are duly followed to avoid irregular expenditure;
b. The recommendation of the supplier is directed to the employee with the appropriate level of authority; and
c. The prices, calculations and any taxes are corrected in terms of the
d. quotation or tender received.

The authority to initiate payments or purchases is outlined in the Delegation of Authority document approved by the Accounting Officer.

All procedures above are applicable to all municipal officials who may, at any given time, form part of an expenditure process and all payments may only be processed once all related procedures are adhered to.

A payment batch must be performed during the processing of payments to confirm information on the system agrees to the information on the payment voucher.

An EFT File is created to verify that the proof list and payment voucher reports are done.

The batch reports (EFT File and Remittance advice) are then printed for approval by the Expenditure Unit and Section Managers or by the Deputy CFO.

7. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented from the date of approval by Council and shall be reviewed on annual basis to ensure that it is in line with Rustenburg local Municipality's strategic objectives and legislation.

Specimen for approval of payments for Goods and Services

Full Names	Surname	Position	Directorate	Specimen signature1	Specimen signature2	Specimen signature3

RUSTENBURG LOCAL MUNICIPALITY
PETTY CASH VOUCHER

Applicant

Name: _____ Date: _____

Directorate: _____ Unit / Division: _____

Goods / Services

DESCRIPTION (FULL) :	AMOUNT
ALLOCATION / /	

Payment

I hereby acknowledge receipt of R _____ (_____)

Applicant (print name): _____

Signature: _____ Date: _____

Paid by: _____ Witness: _____

Certificate

I, the undersigned official of council, certifies that: the goods / services were received in full and in good order on behalf of council; the goods / services will be used for the purpose it was purchased for; the work was completed to my satisfaction; the price charged is reasonable and / or according to the contract / tender / quotation; the amount was spent to enhance council's interest; the expenditure is correct and according to the approved budget and allocation; I will return all unused material to the council's stores; where necessary I will ensure that the assets purchased are included in the official asset register; I accept responsibility for this order and payment may proceed.

_____ Director

_____ Date

Director Finance

Checked on behalf of the Director Finance _____ Date: _____

Rustenburg Local Municipality

FLEET MANAGEMENT POLICY

REVIEWED: NOVEMBER 2018

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FLEET MANAGEMENT POLICY

INTRODUCTION

Rustenburg Local Municipality adopted and implemented the policy to put measures in place that govern the use of council vehicles, disciplinary procedures, the maintenance procedures and other related matters.

The policy covers all types of vehicles owned by the Municipality, whether allocated to directorates or form part of pool items, items from donor organizations (if any) and any item hired by the Municipality.

It must be noted that this policy will be reviewed, revised and refined as an on-going framework and will therefore be subject to changes and adjustments.

SECTION 1. OBJECTIVES AND SCOPE

1.1 Fleet within a Municipality is supplied as a tool of trade to support the Municipality in the delivery of its objectives. Therefore, the aim of this policy is to ensure that Municipal fleet is used in the most cost-effective manner and also to ensure the correct and relevant utilization thereof.

1.2 Every driver in the Municipality must be given a copy of this policy before he/she is allowed to drive/operate the vehicle, machinery or equipment and should be made aware of what the policy entails. Non-compliance with standing rules contained in this document will render the offending official liable to disciplinary action.

1.3 The municipality may to some extent recover any losses suffered as a result of proven negligence of the driver/operator. The MFMA in Section 32(2) states that a municipality must recover unauthorized, irregular or fruitless and wasteful expenditure from the person liable for that expenditure.

SECTION 2. DEFINITIONS

"Municipality" means the Rustenburg Local Municipality

"Fleet manager" means an official appointed by the Municipality to preserve and manage the correct utilization and maintenance of the Municipal fleet.

"Directorate vehicle" means a vehicle permanently allocated to a directorate for its exclusive use, operated and maintained by its own budget.

"Pool vehicle" means any vehicle other than directorate vehicles and are for general use by officials / employees subject to availability.

"Wear and tear" means any loss or damage to a vehicle resulting from reasonable usage of the vehicle such as cracked or broken glass, stone chips, minor scratches, reasonable tyre wear etc.

"Major scratches" means an area on a vehicle where the clear coat is opened and the base coat damaged, necessitating a re-spray.

"Municipal manager" includes any delegates of the Municipal Manager;

"Underbody damage" means excessive damage to the exhaust system, underbody protection, chassis, sump guard etc.

"Unofficial passenger" means an unauthorized person found in an official transport or persons whose conveyance are not necessary for the execution of official duties as well as any employee(s) who is off duty or any private property which may be conveyed without written authority from the Directorate head concerned.

"Designated parking premise" means an official parking area used for parking Municipality vehicle at the end of a shift.

"Driver/operator" means an official / employee of the Municipality in possession of a valid unendorsed driver's license, which enables him/her to drive/operate a specific category of a vehicle/machinery.

"Classification code or fleet number" means a code or number used to identify a Municipality's vehicle.

"Vehicle inspector" means an official appointed by the Municipality to check, inspect, and monitor driver/vehicle performance.

"Private repair" means repairs to Municipality's vehicles by a party other than an authorized dealer, recommended by the insurance company or service provider approved by the Municipality.

"Accident" means an incident resulting in loss or damage to a Municipality vehicle but excluding fair wear and tear.

"Safe parking" means designated municipal parking

"Road traffic act" means the National Road Traffic Act, 1996 (Act No. 93 of 1996) as amended.

SECTION 3. PROPER USE OF MUNICIPAL VEHICLES

3.1 Municipal vehicle is strictly provided for official services only and not be used for private purpose. Council will provide the transport to on-duty employees in accordance with its operational requirements as well as in specific circumstances set below, approved by the relevant director/line manager

a) Shifts
b) Overtime
c) Standby
d) Training courses
e) Meetings
f) Injury on duty
g) Employees wellness related needs & sporting events

3.2 The Municipal vehicle shall only be driven by a Municipal employee with an approved authorized trip request by the line Manager.

3.3 Assessment for new council employees in possession of a driver's license will be conducted using a Council vehicle and all other employees will be re-assessed as an when need arise, provided the assessment is conducted by Municipal Driver's License Testing Officials to verify competency of the driver to operate the specified vehicle.

3.4 No Council vehicle may be used for informal driver training, such as by other council drivers, or related testing to obtain a driver's license.

3.5 The driver must be licensed in terms of the National Road Traffic Act for the class of vehicle under his/her control.

3.6 The allocation of vehicles, machinery, equipment and plant to other Directorates is at the discretion of the Director there-of. He/she must ensure that the "party" borrowing the vehicles, machinery equipment, plant etc. will meet the operational control requirements.

3.7 It is the responsibility of the driver to ensure that Logbooks with specific details are kept up to date and inspected by the Unit /Section Managers or designated representatives at least once a week.

3.8 No employee shall drive or operate any municipal vehicle unless he/she is fully authorized to do so.

3.9 Drivers are expected to use the shortest route to their destination so as to secure maximum operating efficiency at minimum expense.

3.10 Transporting unauthorized passengers using Municipal vehicles i.e. offering a lift to a hitchhiker, an off duty employee, a friend, or a family member is strictly prohibited. The Municipality accepts no liability for any unauthorized passenger transported without authorization.

3.11 Official transport is to be used in all instances where personnel and Councilors, who do not participate in transport allowance scheme, need to travel within / outside the Municipal area of jurisdiction by completing the relevant prescribed forms.

SECTION 4. DRIVERS CODE OF CONDUCT

4.1. Responsibility of the driver

4.1.1 Municipal vehicles can only be driven by authorized Municipal employees, except in special cases such as when the vehicle is driven by a private service provider's for the purpose of repairs or testing **(TR8 form must be completed)**

4.1.2 The driver to take a full responsibility of the Municipal vehicle once a vehicle is taken by him /her until such time vehicle keys are returned back to the office.

4.1.3 Drivers to ensure that malfunction of a drivers tag is reported to Fleet Manager immediately. Should a manual fuel transaction be required the relevant Unit Manager must motivate the request to the Fleet Manager. Only two (2) manual transactions will be allowed per vehicle.

4.1.4 Councilors (except the Executive Mayor, Speaker and Chief whip) are not allowed to drive official vehicles. Official transport arrangements for the Mayor, Speaker and Chief whip are to be handled by the Manager at their respective office and for all other Councilors by the office of the Mayor and or Office of the Speaker.

4.1.5 The full co-operation of all employees concerned is required to ensure that the municipal Transport System functions efficiently at all times. All drivers are expected to accept and exercise the responsibilities associated with the operation of vehicles, as described in this Policy and Procedures document.

4.1.6 Arrangement shall be made through the Vehicle Workshop and Directorate: Public Safety to assess the driving ability and skill of all/any potential new driver(s) appointed by the Council before being authorized to drive any Council vehicle and reassessment of drivers will be conducted every 12 months.

4.1.7 The driver must have an **unendorsed** valid driver's license and where applicable a Valid PrDP license as well.

4.1.8 Before issuing of a driver's tag, such a driver must be well conversant with the content of this policy and signed acknowledgement of same.

4.2 USAGE

4.2.1 Municipal transport is provided strictly for official purpose only and is not to be used for private purposes.

4.2.2 When a municipal vehicle is to be used, the driver must ensure that a copy of the Trip Authority duly authorized and signed, is held in the vehicle. Especially if the vehicle would be used outside the Rustenburg Local Municipality area of jurisdiction.

4.2.3 All municipal vehicles and mobile plant must be issued with a logbook. The driver/operator is required to record all his/her daily trips point to point in the logbook, of which the top sheet is to be detached or copy made and handed to his/her/Supervisor for checking on a weekly basis and retention for record purposes.

4.3. PUBLIC IMAGE

All municipal vehicles shall be driven in a SAFE and COURTEOUS manner, which will promote the Municipality's PUBLIC IMAGE. Municipal drivers, vehicles and work teams are constantly in public view. Their behavior shapes the public concept of municipal efficiency in general.

4.4. CAREFUL HANDLING

Municipal vehicles shall at all times be driven and handled with proper care and attention, to obtain the best mechanical service and avoid infringements of the law. Any evidence of neglect, rough handling or reckless driving shall be reported to the relevant Director/Unit/Section Manager concerned. In the event that directors fail to take relevant action, the Municipal Manager has to implement consequence management.

4.5 INSPECTION OF VEHICLES

4.5.1 Pre and post inspection of vehicles are to be carried out by drivers/operators on a daily basis and inspection form to be kept in a file for record purpose.

4.5.2. Every driver of a municipal motor vehicle must at all times ensure that the vehicle is in a roadworthy condition by completing inspection forms, failing which he/she will be responsible for the payment of any traffic fines that may be imposed.

4.5.3. The last user of a vehicle will be held responsible for any unreported damage/defects/loss. The onus is therefore on each driver to thoroughly inspect and report any damage/defects/loss to the supervisor and insurance office prior to acceptance.

4.5.4 All municipal vehicles will be inspected periodically by designated staff appointed by the Unit/Section Managers to ensure that a proper state of cleanliness, repair and efficiency is being maintained by the driver/person responsible for the vehicle. Ad hoc inspections will be done by the Fleet Management team and Unit Manager on all Municipal Vehicles on quarterly basis

4.5.5 Any senior manager of the Municipality has the right to stop and inspect any municipal vehicles and check for trip authorization

4.6 TRANSGRESSIONS

Failure to comply with the content of this policy and any other additional instructions issued by the relevant Director/Unit/Section Manager or Fleet Manager renders the offending employee liable to disciplinary action

4.7 RULES AND SAFETY

All the users of the municipal vehicles must ensure that they comply with the safety prescription contained in terms of National Road Traffic Act (NRTA) and other safety measures set by the municipality

4.8 PROFESSIONAL DRIVING PERMITS

4.8.1 Unit Managers to ensure that drivers are possession of Professional Driving Permits (PrDP's) for heavy vehicles as per the following categories

a) Heavy goods vehicle above 3.5t GVM
b) Articulated vehicles above 3.5kg GVM
c) Breakdown vehicle
d) Bus seating more than 12 passenger
e) Mini- bus seating more than 12 passengers
f) Refuse compactor
g) Water tanker

4.8.2 It is the responsibility of Operators and drivers to ensure that their PrDP's are current at all times and renewed prior to the expiry date.

4.8.3 Supervisors are required to do regular inspections and keep records of all relevant licenses and PrDP's of drivers under their control to ensure that vehicles are operated by fully licensed drivers.

SECTION 5. TRIP AUTHORITY

5.1 All movements must have an approved trip authority and registered on the logbook. In normal circumstances, may be authorized by a Section Head or Unit Manager and in other circumstances by the Municipal Manager or Manager in the Office of the Mayor , Office of Speaker and office of the Single whip.

5.2 If a vehicle is based away from the Main Municipality offices e.g. satellite station(s) or an official is required to be on standby, then a trip authority can be issued against a weekly or monthly work plan.

5.3 The signed trip authority and a logbook must be carried in the respective vehicle at all times; and be produced if requested to do so by the Traffic Official(s), Fleet Manager or Vehicle Inspector.

NB: Senior managers, Vehicle Inspectors, Fleet Manager and/or Traffic officials are mandated to stop any municipal vehicle at any given time to ascertain whether the necessary forms have been properly completed.

SECTION 6. PARKING OF MUNICIPAL VEHICLES

6.1 All Municipality vehicles must be returned to their designated parking premises immediately upon return from an official trip or end of shift.

6.2 The vehicle must be properly locked, and keys must be kept away in a safe place.

6.3 When the vehicle is away from its designated parking premises, the parking place should be lockable or have a 24-hour security. The driver must use a steering or gear lock on the vehicle. Where secure facilities are not available, the vehicle should be parked at the nearest official property e.g. police station. The driver of the vehicle is responsible for ensuring that the vehicle is parked as safely as circumstances may permit.

6.4 Specific authority from the Unit/Section Manager concerned must be obtained before an employee will be permitted to safeguard any official vehicle at a private residence (TR3 Form).

6.5 Such vehicle shall be parked on the premises of the employee, preferably in a lockable garage, but in the event of this being impossible, the vehicle shall be kept out of sight of road users and/or passers-by, behind a locked gate/fence.

6.6 The driver must ensure that the gear-lock (where available) is engaged and the key is removed when the vehicle is not in use.

6.7 The driver is responsible for any tools and equipment left on or in the vehicle when taken home.

6.8 The driver will be held liable should these be stolen from a vehicle not kept in a locked garage. Where vehicles are not kept in a locked garage, loose equipment must be securely locked away in the house, flat or garage.

6.9 To eliminate the possibility of the theft or loss of municipal assets, personal belongings and radio microphones whilst a motor vehicle is being serviced or repaired, all such items must be removed ***BEFORE*** the vehicle is delivered to the vehicle workshop or the relevant external service provider.

6.10 If vehicles are left at the service provider with such items still in the vehicle, the driver will be held responsible for any subsequent loss in this regard.

SECTION 7. VEHICLE KEYS

7.1 Employees in charge of vehicles and shall ensure that all the times the ignition, door lock, fuel cap; gear-lock and other keys of the vehicle in use are suitably safeguarded against loss or theft.

7.2 In the event of a vehicle's keys being lost or mislaid, the driver shall not attempt to open the locking system of the vehicle, but shall obtain assistance from the Vehicle workshop.

7.3 At no time shall a driver leave his/her vehicle unattended without first switching off the engine and removing the ignition key, engaging the gear-lock (if installed) and removing the key.

7.4 Vehicle keys will only be replaced on production of a copy of the relevant loss report. All costs for keys will be for the user's account.

7.5 Spare keys to be kept in a safe when not in use and can only be made available in emergency cases through superintend at mechanical workshop

SECTION 8. DAMAGE, LOSSES AND THEFT

8.1 An employee who takes over a municipal vehicle must ensure that any damage or loss is immediately brought to the notice of his/her supervisor in writing. Unless he/she complies with this instruction, he/she will be deemed to have received the vehicle in good order.

8.2 Any person found unlawfully removing fuel from a municipal vehicle or engaged in the unauthorized removal or exchange of any component on a municipal vehicle will be subjected to the strictest discipline, as prescribed in the prevailing Conditions of Service.

8.3 In the event of accident ,losses, theft or hijacking, the employee operating the vehicle shall immediately report the matter to his/her Supervisor, insurance and SAPS within 24hrs, who shall, in turn, ensure that the incident is dealt with in terms of the Municipality's Loss Control Policy Procedures Manual for Reporting of Incidents of Fraud/Theft/Loss.

8.4 In the event of accident, hijacking or armed robbery, the Unit/Section Manager concerned must ensure that the affected staff member(s) is/are given the necessary assistance in reporting the case to the relevant authorities and arrange for counseling if required

8.5 An official who is injured whilst using a Municipality vehicle on official duty either as a driver or as a passenger will be regarded as having been injured on duty and the matter will be dealt with in accordance with the arrangements applicable to injury on duty

8.6 Any Municipal vehicle may be subjected to a search by Municipal Security Personnel or by any official from supervisory level upwards.

SECTION 9. WITHDRAWAL OF PRIVILEGES

The Municipality, at its discretion, may withdraw any privilege and/or take disciplinary action against an official/employee, in the event of such official/employee having contravened any of the conditions contained hereunder:-

9.1 Driving under the influence of alcohol and/or intoxicating substance

9.2 Allowing any person or employee to drink alcohol or intoxicating substance while being transported on a Municipality vehicle.

9.3 Acting maliciously, intentionally or grossly negligent or permitting anyone else to willfully damage or misuse the Municipality's vehicle and equipment.

9.4 Failing to report any accident within the prescribed period.

9.5 Effecting a private repair.

9.6 In the event of a driver developing any disease or disability which will render him/her incapable of effectively controlling a vehicle and subject to a report from the Medical Doctor, he/she will be suspended temporarily or permanently from driving a municipal vehicle.

9.7 Admitting liability for loss or damage caused due to an accident to an outside party, whether orally or in writing, without the consent of the Municipality.
9.8 Failing to conduct a pre and post inspection on the vehicle using the pre-check form (Form TR4);
9.9 Failing to complete and carry a logbook in a vehicle at all times (Form TR6)
9.10 Engaging on unsafe, loading a vehicle beyond its design capabilities.
9.11 Taking the vehicle to a private service provider without authorization of an order.
9.12 Calling out a private field service mechanic or towing services when his/her vehicle has a break down without authority from the Vehicle Inspector or Workshop Superintendent.
9.13 Failing to record fuel issues on the logbook of the vehicle
9.14 Failing to bring a vehicle for service.
9.15 Being involved in three or more accidents (and having been found guilty of misconduct) in a period of 24months
9.16 Using a Municipality vehicle for private purposes or personal gain.
9.17 Smoking in a Municipality vehicle.
9.18 Operating any hydraulic or lifting equipment on an official vehicle without a valid operator's certificate.

SECTION 10. BREAKDOWN PROCEDURES

In the event of a breakdown, all care should be taken that the vehicle and its load are in the safest position possible and that warning triangles be placed at a distance of 45 meters in line with the center of the vehicle and in the direction of approaching traffic.

If the breakdown results in a traffic hazard, assistance must be requested from the Traffic Authorities.

10.1 In the event of a breakdown involving suspected brake failure, **THE VEHICLE MUST REMAIN STATIONAR**Y, to be moved only by the municipal breakdown crew.
10.2 Breakdowns must be reported to the Vehicle workshop.

The following information should be provided to breakdown crew:

10.2.1 Names of driver and the Unit.

10.2.2 Vehicle registration or fleet number.

10.2.3 Exact location where the vehicle has broken down.

10.2.4 Possible causes of breakdown.

10.2.5 Evidence of leaks (oil, water, hydraulic fluid, air, etc.)

10.2.6 Where the fault is located (e.g. front, rear, side)

10.2.7 Whether the vehicle is bogged down.

10.2.8 Breakdowns outside normal duty hours should be reported as follows:

Municipal-owned vehicles

Standby Cell phone number or Call Center @ 064 757 4993 /014 590 3187

Driver to remain with the vehicle until assistance is received.

No towing company is allowed to tow any Municipal vehicle without the authority from the Vehicle Workshop or insurance office. In the case where a Municipal vehicle is involved in an accident or broken down and is obstructing traffic flow, they may be allowed to move the vehicle out of the way but only on the instruction from the police and/or traffic officials.

SECTION 11. ACCIDENTS

11.1 in the event of an accident the driver/ operator must call the police, traffic officer, Vehicle Workshop Standby, supervisor and Head of Security of Rustenburg Local Municipality if possible. Accident to be reported within 24 hours to either or all of the officials mentioned above.

11.2 Driver or operators to complete an Incident Report Form and to be submitted to the insurance office. Under no circumstances must liability be admitted to any person at all or at any time, or payment offered or made to a third party until insurance processes were duly followed

11.3 In the event of a third party admitting liability, endeavors must be made to obtain a written statement from him/her to that effect.

11.4 Should the third party be suspected of being under the influence of intoxicating liquor or drugs, this fact must be brought under the attention of the police or traffic

officer or Head of Security of Rustenburg Local Municipality called to the scene of the accident and every assistance must be rendered to him/her in ensuring that the suspected person is examined by a doctor as soon as possible in accordance with the Road Traffic Act of 1996

11.5 The following particulars must be obtained, preferably at the scene of the accident:

11.5.1 Registration number, make and type of the other vehicle(s);

11.5.2 The name, address, ID number, home and work telephone number of the driver and the owner of the other vehicle;

11.5.3 The name of the insurance company of the other vehicle;

11.5.4 The nature and extent of the damage caused to the other vehicle(s) in this particular accident only if there is previous damage to such vehicle this should be recorded and pointed out to the police or traffic officer;

11.5.5 The name, address, ID number, home and work telephone number and estimated age of any passenger(s) and/or pedestrian(s) involved in the accident and of any person(s) killed or injured, as well as nature and extent of injuries;

11.5.6 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.

11.6 Should the driver of the Municipality's vehicle be required to appear at an autopsy or inquiry or should any criminal or civil proceedings be instituted against him/her, he must immediately notify Legal Unit and submit the summons, subpoena or notification to appear served before him/her to this unit

SECTION 12. THIRD PARTY CLAIMS

12.1 Third-party claims received must immediately be handed to the Directorate Budget and Treasury (Insurance Section).

12.2 If receipt of the claim is acknowledged, it must be stated clearly in the letter of acknowledgement that it is being done without prejudice and that the claim is

receiving attention. The letter must contain no statement or admission that could possibly prejudice the Municipality's case.

SECTION 13. INSURANCE

All municipal vehicles are covered by an insurance company appointed by the Municipality.

13.1 FORFEITURE OF COVER BY THE DRIVER

13.1 Use of Municipality vehicle without authority for other than official purposes.
13.2 Was not in possession of a valid driver's license.
13.3 Allowed the vehicle(s) to be handled by a person not authorized to do so.
13.4 Without authority, deviated from the authorized or official trip or route.
13.5 He/she was under the influence of intoxicating liquor or drugs
13.6 The concentration of alcohol in his/her blood was not less than that prescribed by legislation.
13.7 He/she was found guilty of contravening any of the Road Traffic Act and Regulations.

SECTION 14. FUEL AND OILS.

14.1 Where employees in charge of the municipal vehicles require fuel and /oil, they shall obtain same from the Municipal fuel station
14.2 Where fuel is required in containers or to refuel small plant, the relevant Unit Manager must engage the Fleet Manager to authorize the request against a separate requisition and should be made for emergencies only
14.3 Drivers are to ensure that vehicles are at all times filled with enough fuel to reach the prescribed refueling station. Should the driver encounter empty tank away from the prescribed refueling station, he/she will be liable for this negligence.
14.4 When on tour, any service provider linked to the approved supplier of fuel can be used. All the relevant documentation and delivery notes must be submitted to the Fleet Manager upon return to the municipality

SECTION 15. PROCEDURE TO REQUEST FOR OFFICIAL TRANSPORT

15.1 The applicant must complete a TR1 form and the signed form must be submitted to the Fleet Manager timeously prior trip.

15.2 It is expected from the driver to complete the TR2 form should the trip be scheduled outside the jurisdiction of RLM.

15.3 The Fleet Manager will issue / approve a vehicle upon receiving fully completed necessary forms depending on the availability of the vehicle.
The driver will then assume responsibility for the vehicle at that point and the vehicle will remain his /her responsibility until it is returned.

15.4 It is advisable that a driver under the centralized structure of the Fleet section be driving such a vehicle if possible. In the event where the applicant is required to be at the specific venue more than one day – due to availability of fleet – that the applicant be dropped at the location and the driver be informed – as specified on TR1 and TR2 – when to collect the applicant.

SECTION 16. TRAFFIC FINES

16.1 All fines obtained through transgression of Road Traffic Act will be borne by the Driver / operator.

16.2 Council shall recover outstanding fines from the salary of drivers where the transgressor fails to make payment in accordance to the Consequence Management Booklet adopted by council per item 221 of 29 July 2014.

16.3 All drivers to ensure that their municipal traffic fines and infringements are paid within one month of them being notified as such,
failing to which the Municipality shall deduct such fines directly from the driver or operator salary the following month.

SECTION 17. DISCIPLINARY PROCESSES AND PROCEDURE

Transgression in respect of this policy will be dealt with in accordance with the Council's collective agreement on disciplinary code

SECTION 18. LOAD ON VEHICLES

18.1 The load on any vehicle must not exceed the load recommended by the manufactures of the vehicles

18.2 Drivers / operators must familiarize themselves with the maximum load capacity of the particular vehicle

SECTION 19. SMOKING IN A MUNICIPAL VEHICLE

No smoking is permitted in a Municipal vehicle

SECTION 20. SUSPENSION OF EMPLOYEES FROM DRIVIING MUNICIPAL VEHICLE

20.1 In the event of a municipal vehicle being or having been subjected to misuse or irregular use, or the vehicle maliciously damaged by the driver; or

20.2 Where evidence exist that a driver is or was guilty of reckless or negligent conduct whilst driving a municipal vehicle, or such vehicle was involve in an accident; or

20.3 Where a driver of a municipal vehicle has been found guilty of driving such a vehicle under the influence of intoxicating liquor or narcotics, or whilst the concentration of alcohol in his or her blood was more than the allowed according to legislation: such driver will be suspended immediately from driving the municipal vehicles until such time a disciplinary tribunal has been concluded.

20.4 In the event of a driver developing any disease or disability which will render him / her incapable of controlling a vehicle effectively and subject to report from the medical practitioner, to the satisfaction of the municipal Manager, he/ she will be suspended temporarily or permanently from driving the municipal vehicle.

SECTION 21. WILLFUL LOSS, DAMAGE OR MISUSE OF MUNICIPALITY VEHICLES AND EQUIPMENT

The willful loss, damage or misuse of Municipality vehicles and equipment is unacceptable and will lead to prosecution.

SECTION 22. AMENDMENT OF POLICY

This policy can only be amended by Council and will be renewed annually

PRESCRIBED FORMS TO BE COMPLETED

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FORM TR1

RUSTENBURG
LOCAL MUNICIPALITY

REQUEST FOR OFFICIAL TRANSPORT AND DRIVER

I have been invited/ delegated to attend _____

at _____ (place) at _____ (time) on _____ (date)

and request that official transport be made available for this purpose.

Please select from the following options (if applicable):

Airport Drop-off: Lanseria ☐ Date _____ Time _____

Airport Collect: Lanseria ☐ Date _____ Time _____

Airport Drop-off: OR Tambo ☐ Date _____ Time _____

Airport Collect: OR Tambo ☐ Date _____ Time _____

A copy of the agenda/invitation is attached.

The following passenger/s will accompany me:

_____ _____

_____ _____

_____ _____

_____ _____

The vehicle is requested from _____ (time) on _____ (date)

until _____ (time) on _____ (date) _____

_____ _____

Signature (Applicant) Date

_____ _____

UNIT MANAGER: Date

_____ _____

DIRECTOR: Date

APPROVAL	
The above-mentioned trip is hereby authorized/declined **FOR OFFICE USE ONLY** Reason for declining: --- ---	
---	---
---	---
Vehicle Make:	**Vehicle Registration Number:**
_____	_____
ADMINISTRATOR: FLEET	**Date**

FORM TR1.1

RUSTENBURG
LOCAL MUNICIPALITY

REQUEST FOR OFFICIAL TRANSPORT AND DRIVER

(Portfolio Committees, Mayoral and Council)

Name of Applicant _____

Please tick the appropriate box:

Attending Portfolio Committee ☐ Attending Mayoral Committee ☐

Attending Council Meeting ☐ Delivering of Agenda ☐

Indicate which portfolio or committee/ _____

at _____ (place) at _____ (time) on _____ (date)

and request that official transport be made available for this purpose.

A copy of the agenda/invitation is attached.

The following passenger/s will accompany me:

_____ _____

_____ _____

_____ _____

_____ _____

The vehicle is requested from _____ (time) on _____ (date)

until _____ (time) on _____ (date) _____

_____ _____

Signature (Applicant) Date

_____ _____

UNIT MANAGER: ADMIN SUPPORT Date

APPROVAL

The above-mentioned trip is hereby authorized/declined

Reason for declining:

_____ _____

ADMINISTRATOR: FLEET **Date**

FOR OFFICE USE ONLY	
Driver	
Vehicle Make:	**Vehicle Registration Number:**

FORM TR2

RUSTENBURG LOCAL MUNICIPALITY

AUTHORITY FOR TRIP OUTSIDE THE AREA OF JURISDICTION

Authority is hereby requested for the under-mentioned person(s) to undertake a trip outside the jurisdiction of the Rustenburg Local Municipality. The following particulars are submitted:

NAME OF DRIVER:

Vehicle Make:	Registration Number:
Directorate:	Unit:

NAME(S) OF PASSENGER(S):
_____

DESTINATION:

Town/City	
Company or Institution	
Purpose of Visit	

DEPARTURE

Date:	Time:

RETURN

Date:	Time:

_____ Signature (Applicant)

_____ Date

_____ Unit Manager:

_____ Date

_____	_____
Director:	Date
_____	_____
Fleet Administrator:	Date

FORM TR3

RUSTENBURG LOCAL MUNICIPALITY

AUTHORITY TO USE OFFICIAL VEHICLE

THIS AUTHORISATION FORM MUST BE IN THE POSSESSION OF THE DRIVER OF ANY OFFICIAL VEHICLE WHICH IS USED AFTER NORMAL WORKING HOURS

Full Names of the Driver: _____

Designation: _____

Destination/Area in which Vehicle will be used: _____

Purpose of the trip:

_____

Registration Number of Vehicle: _____ Vehicle Make: _____

This request is for the period: from _____ to _____

Note: Only officials and Councillors of the Rustenburg local Municipality may be transported in Municipal vehicles.

Authorization for use of vehicle after hours	
UNIT MANAGER	
Signature	Date

Authorization for use of vehicle after hours	
DIRECTOR	
Signature	Date

Authorization for use of vehicle after hours	
FLEET ADMINISTRATOR	
Signature	Date

APPROVAL: OVERNIGHT PARKING OF MUNICIPAL VEHICLES (if required)

Tick applicable box

		Yes	No
1.	Will the vehicle be returned to their designated parking after official trip?		
2.	Vehicle will be parked at private residence		
3.	If parked at private residence, does the employee have a lockable garage?		
4.	In the event where the employee does not have a lockable garage, will the vehicle be parked behind a locked gate/fence?		

Vehicle Make: _____Registration Number of Vehicle: _____

Address where vehicle will be parked overnight:

_____

_____

_____

RECOMMENDED/NOT RECOMMENDED

_____ _____

UNIT MANAGER DATE

APPROVED/NOT APPROVED

_____ _____

DIRECTOR DATE

_____ _____

FLEET ADMINISTRATOR DATE

FORM TR4

RUSTENBURG LOCAL MUNICIPALITY

DAILY PRE & POST CHECK LIST

This form must be completed by the driver/operator while physically checking the following daily. All defects must be reported **IMMEDIATELY**. This form must be handed over to the Fleet Manager daily.

Directorate: _____ Unit: _____ Km Reading: _____

Reg. No: _____ Fleet No: _____ Date: _____

ITEM	Ok	Fault
Windscreen, wipers & all windows		
Wheel rims & nuts		
Tyre condition, pressure & treads		
Rear view mirrors		
Body work / scratches & dents		
Head & park lights		
Tail & stop lights		
Indicators		
Emergency lights		
Reverse lights		
Engine oil level		
Transmission oil level		
Hydraulic oil level		
Power steering oil level		
Battery water level		
Coolant level		
Cooling fan		

V-belts		
Water hoses		
Fuel lines		
Oil leaks		
Interior/cab		
Panel instruments		
Sufficient fuel		
Hooter		
Brakes/handbrake		
Hydraulic equipment & controls		
Pneumatic equipment & controls		
Speedometer/hour meter		
Emergency triangle		
Jack and wheel spanner		
Drain air tanks		
Fleet Policy received & briefing done		
COMMENTS:		

Driver's name:		**Fleet Manager signature:**	
Next service Km reading:			

RUSTENBURG LOCAL MUNICIPALITY

LOG BOOK

REG NO…….

MODEL……FROM……

DIVISION……MONTH……...

LAST KM READINGS	
CURRENT READINGS	
TOTAL KM READINGS	

DATE	KM READING	START TIME	REASON FOR TRIP	NO. OF PASS	DRIVERS NAME	SUPERVISOR;S SIGNATURE	PETROL DATE	AMAOUNT	LITRES	OIL	KM TRAVEL	TIME ENDS
	TOTAL											
											Petrol in tank beginning	
All the trips undertaken were necessary for the benefit of Rustenburg Municipality											Petrol in tank end	
											Km per litre	

DRIVERS SIGNATURE……..DATE…….

SUPERVISOR'S SIGNATURE……..

FORM TR7

RUSTENBURG LOCAL MUNICIPALITY

DRIVERS REPORT OF VEHICLE DEFECTS

This form must be used only to report defects. It must be completed by the driver and his foreman IMMEDIATELY on return from trip and must be handed over to the Vehicle Workshop IMMEDIATELY

No verbal reports

Date:_____

Driver's Name:_____

Directorate:_____ Vehicle Make:_____

Vehicle registration number:_____ Fleet number:_____

DEFECTS:_____

_____

Driver's signature: _____

Foreman's signature: _____

For office use.

Date: _____

Artisan's name: _____ Signature: _____

Workshop Foremen's signature: _____

RUSTENBURG
LOCAL MUNICIPALITY

SPECIAL PERMISSION TO DRIVE A MUNICIPAL VEHICLE

This form serves as a permit to drive a Municipal vehicle by a private person.
No private person is allowed to drive a Municipality vehicle without this permit in his possession.

Name of Institution / Workshop: _____

Name of Driver: _____ Signature: _____

Reason: _____

Vehicle Registration: _____

Division: _____

Motor No: _____

Date issued: _____

Date Returned: _____

Fleet Manager/Transport Inspector: _____

Signature: _____

The Fleet Manager or Vehicle Inspector or Workshop Superintendent can be contacted at the following telephone number for confirmation of this permit. – 014 590 3187/3570

This form is the property of the Municipality and it must be returned to the Municipality with the vehicle.

FORM TR9

RUSTENBURG
LOCAL MUNICIPALITY

MONTHLY VEHICLE/MACHINE RETURN

[TO BE SUBMITTED TO VEHICLE WORKSHOP BY THE 15TH OF THE FOLLOWING MONTH]

REG No: _____ FLEET No: _____

MONTH: _____

DIRECTORATE:

_____

VEHICLE/MACHINE DETAILS:

_____

Date	Km/Hour Meter		Km traveled	Hours worked	Hours Lost			OILS USED/LITRES				
	a.m	p.m			Repair	Rain	Not used	Eng	Trmsn	Diff	F.Dr	Hydr

TOTALS													
			A	B	C	D	E						

CERTIFIED CORRECT

OPERATOR/DRIVER

CERTIFIED CORRECT

FOREMAN/SUPERVISOR

PROCEDURE FOR REPLACEMENT/RENEWAL/SCRAPPING OF VEHICLES

TECHNICAL AND INFRASTRUCTURAL SERVICES: MECHANICAL ENGINEERING

FLEET MANAGEMENT UNIT

Introduction

The following procedure is to be adhered to for replacement/renewal/scrapping of Municipal vehicles & plant.

It is envisaged that vehicles/plant be renewed at the following intervals when funds permit:

Public Safety	Every 3 years (90 000km/ Maintenance Plan / or whichever comes first)
All passenger vehicles	Every 5 years (150 000km whichever comes first)
All light commercial vehicles	Every 5 year (150 000km whichever comes first)
Vehicle of the Executive Mayor	Every 5 years (Start of a term/120 000km / Maintenance plan / or whichever comes first)
Light commercial trucks up to 5 ton capacity	Every 5 years (150 000km whichever comes first)
Heavy commercial trucks 6-8 ton capacity	Every 7 years
Heavy commercial trucks 9-12 ton capacity	Every 10 years
Yellow Fleet or earth moving machines	Every 15 years

Before embarking on renewing a vehicle/plant, the Fleet Manager must consider the following aspects:

- Has a capital budget been processed for the purchase of vehicles/plant (vehicles/plant can only be acquired through the Capital Budget)
- If a capital budget is recorded, has it been approved?
- Establish the following information on the capital budget:

    - Full description
    - Project Identification number
    - Project Vote Number
    - Amount of funds approved.

The above information is obtained from the Budget & Treasury Directorate.

Only when above aspects have been investigated and confirmed, can the next phase be introduced namely replacement/renewal/scrapping of vehicles/plant.

Implementation of replacement/renewal/scrapping of vehicles/plant

It is standing practice when provision of funds is available to renew vehicles/plant at the beginning of the financial year. However, before renewing the fleet, the Fleet Manager has to perform the following tasks at least 3 months prior to the advertisement of the Bid to Procure Municipal Vehicles / plant:

- Study the Municipal Fleet Master schedule and identify the oldest vehicles by year, model, type and condition.
- Prepare a schedule of vehicles/plant to be replaced.

On completion of the above schedule, copies of it to be circulated to the following office bearers to monitor and limit major expenses on vehicles/plant identified to be replaced:

- Head: Mechanical Engineering Services
- Administrator; Fleet Management Services
- Vehicle Workshop Superintendent
- Fleet Inspectors
- Asset Management & Procurement Controller

The Fleet Inspector must arrange with Fleet Administrator, Workshop Superintendent and Fleet Manager for the vehicles/plant listed in above schedule to be called to the workshop for full mechanical assessments to be carried out and completed at least 2 months prior to beginning of the new financial year. The Fleet Inspector then issues the completed mechanical assessment documents to the Head Mechanical Engineering ~~Manager~~ for evaluation.

Head Mechanical Engineering ~~Manager~~ must evaluate and consider the following aspects of the mechanical assessment before a decision is made to replace/renew the unit:

- Mechanical condition rating for each category
- Total repair cost
- Odometer reading
- Year model and full age
- Trade value less repair cost = assessed value
- Note remarks on overall economical condition of the unit.

After considering the above aspects, he/she must determine which vehicles are to be replaced/renewed by type, quantity, total cost to renew versus funds available. The decision to replace by quantity and type will depend on user requirements and cost. Please note that the authorized Capital Budget shall not be exceeded.

He/she then prepares a Bid: document including the Technical specification (as requested) for the type of vehicle/plant to be replaced. Once the Bid document and specification is completed a meeting is arranged with the Specification Committee to consider and approve it.

At closing date of advertised contract/tender enquiries, the following have to be done:

- Collect all tender offers from Procurement ~~Directorate~~ Office
- Assess all tender offers received for correct details, documents and that the offer meets the specification as required.
- Identify all tender offers that meets the specification.
- Tender offers not meeting the specification are not to be considered, although they are included in the spreadsheet and reasons why they are not considered must be part of the item that is prepared for the evaluation committee.
- Prepare an item of all offers received and list deviations from specifications. The tenderers are ranked according to their price offers which includes options submitted (lowest to highest)
- Draft the committee item and make annexures of all the required documents to be considered
- When the item is correct and complete, it is sent to the Procurement ~~Directorate~~ Office for circulation to the various role players that has an interest in it.
- After the evaluation committee has approved the item and offers, it is to be included in the agenda for the Adjudication Committee
- On receiving approval from the Adjudication Committee, he/she can prepare the acceptance letters of appointment to the successful bidder for the purchase of the unit/s. Once the letter is checked for correctness and signed by the Municipal Manager it can be posted to the successful bidder.

The Fleet Manager can now formally request the Budget & Treasury to arrange a public auction in order to dispose of the "Replaced" vehicles. The request must reflect the following information regarding each vehicle that will be disposed of during the auction:

- Fleet Number
- Type of vehicle
- Year model
- Estimated value (guideline of reserve value)
- Committee date of approval to "scrap"
- Vote to be credited

The Budget & Treasury determines a date for the public auction and advertises as such in various newspapers the intension of the said auction. Prior to the actual auction, the vehicles to be auctioned will be re-assessed by the Fleet Inspector/s in consultation with the Fleet Manager in order to establish the final "reserve" value of the vehicles. The vehicles/plant are released for auction after completion of the required documentation and then auctioned and the proceeds gained are then credited to the relevant Votes.

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RUSTENBURG

LOCAL MUNICIPALITY

INSURANCE CLAIMS POLICY

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PART 2

1. CLAIMS AND INSURANCE PROCEDURES……7-17

PREAMBLE

This Insurance Policy provides the Rustenburg Local Municipality with a concise,comprehensible description of its treatment of risk. The contents should be read and adapted by all

charged with the responsibility of management. The information is both educational, practical and is presented in a form which will facilitate easy reference on a day to day basis.

The foundations of the Safety Programme are on the principle that Rustenburg Local Municipality should insure as little as possible. However, where Insurance is essential, it must be correctly and adequately arranged. In this way, Insurance is an effective system of financial protection, but by its very nature it is limited. Where risk is concerned, in its many forms, the Rustenburg Local Municipality requires protection of which Insurance is simply an integral part.

The protection programme referred to is based on the following broad principles :

- We must be constantly aware of the risks to which the Rustenburg Local Municipality is exposed.

- Such risks must be evaluated and measured for their likely incidence, degree of seriousness and potential costs in financial terms.

- If risks cannot be avoided or eliminated entirely, all reasonable steps must be taken to minimize and control them.

- Having concern for the assets and resources of the Rustenburg Local Municipality, decisions must be made concerning the extent to which it remains economical for us to absorb such risks ourselves, without recourse to Insurance.

- We must then decide what risks constitute a sufficiently serious exposure to justify the expenses of arranging Insurance; such cover may well be bought on a practical basis, provided it is adequate and correct.

This, in essence, is Rustenburg Local Municipality's basic approach to the treatment of risk and the purchase of Insurance. Provided the rules are followed and with Directorate's co-operation, we remain confident that the insurance programme will work successfully.

Such co-operation is essential in assisting the Municipality's Brokers with the identification of risks on a continuing basis, but, above all, Management must strictly enforce the risk control measures which have been encouraged and introduced throughout the Municipality by the Risk Management Unit. Some of the biggest losses in industry and commerce today are attributable to seemly immaterial lapses in management control, housekeeping, maintenance and carelessness. Every member of staff should be encouraged to develop risk awareness and to co-operate in the overall efforts of the Rustenburg Local Municipality, to avoid the irretrievable wastage of loss.

1. PURPOSE OF THIS DOCUMENT

1.1 This document indicates the policy of Rustenburg Local Municipality (RLM) for insuring of municipal assets, and for insuring the municipality, its employees and Councillors against public liability claims and other losses.

2. Background

2.1 In terms of section 63 (1) of the Municipal Finance Management Act, the Municipal Manager is responsible for the safeguarding of municipal assets

2.2 It is the responsibility of the Municipal Manager or his/her delegates to ensure that all municipal assets are safeguarded against all risks that will result in loss. This implies that reasonable care need to be taken to prevent / minimize loss.

2.3 Insurance brokers active in the municipal environment over years prepared a standard operating procedure for local authority insurance that takes all circumstances related to a municipality into account. There are however aspects in addition to this standard operating procedure that the Council can decide on policy in order to reduce premium without an increase in risk or where the Council is prepared to accept risk because of a very slim probability that an event might occur.

2.4 Responsible financial management of any municipality requires that assets are properly managed. Municipalities have large numbers of assets, including equipment, plant and machinery. As trustees of public funds, the Council must ensure that municipal assets are adequately insured at all times. The insurance should in addition protect the municipality, Councillors and employees against public liability claims and other losses.

3. OBJECTIVE OF THE INSURANCE POLICY

3.1 The objective of this policy is to ensure that Rustenburg Local Municipality's assets, councillors and employees are insured adequately and economically at all times. Detailed procedures, to ensure that management and employees within the municipality understand their respective responsibilities and duties, are provided in the standard operating procedures.

3.2 This document indicates the policy of Rustenburg Local Municipality for insuring municipal assets, and for insuring the municipality, its employees and Councillors against public liability claims and other losses.

3.3 In general, the objective of this policy is to ensure sound and sustainable financial management within Rustenburg Local Municipality have large numbers of assets, including PPE. As trustees of public funds, the Council must ensure that municipal assets are adequately insured at all times.

4. RELATIONSHIP WITH OTHER POLICIES

4.1 This policy, once effective, needs to be read in conjunction with other relevant approved policies of the municipality, including the following –

(a) Delegation of Powers (Delegations register) - Identifying the processes surrounding the establishment of delegated authority.

- GENERAL: General information and best practice for application in the municipality
- POLICY STATEMENT: A statement that reflects the specific policy approved by the municipality, in line with best practice
- RESPONSIBILITIES: Allocation of key responsibility areas to give effect to the approved policy INSURANCE POLICY AND PROCEDURE
- Actions to effectively implement the key responsibility areas indicated in the policy STANDARD OPERATING PROCEDURE

(b) SCM Policy - Regulating all processes and procedures relating to acquisitions of goods and services.

(c) Asset Management Policy.

(d) Fleet Management Policy.

(e) Budget Policy - The processes to be followed during the budget process as well as pre-determined prioritization methodology.

4.2 This policy does not overrule the requirement to comply with other policies. The Chief Financial Officer (CFO) will provide guidance or adjust these policies where an apparent conflict exists between this policy and other policies, legislation or regulations.

5. RECOVERY OF LOSS

5.1 All Directorates shall set up respective Loss Control Committee to investigate claims and co-ordinate decisions taken with the Insurance Claims Committee

5.2 The decisions based on the finding of the committee should be fair, consistent and transparent. These findings should then be escalated to Human Resources Directorates for disciplinary action and recovery of the loss where applicable.

6. LIMITS

On an annual basis the excess limits shall be assessed as part of the adjudication of the insurance quotations received from the Insurance Companies/Insurance Brokers.

7. PAYMENT OF EXCESSES (or losses below excess payable) BY EMPLOYEES

Where in the opinion of the relevant Director and the Municipal Manager, an employee's negligence led to the damage to, or loss of, an asset, the excess payable may be claimed from the employee concerned in terms of the outcome of the Disciplinary Procedures.

8. **INSURANCE CLAIMS REJECTED BY INSURER (above excess**)
Where in the opinion of the relevant Director and the Municipal Manager an employee's negligence led to the damage to, or loss of, an asset, the total loss to the municipality may be claimed from the employee concerned in terms of the outcome of the Disciplinary Procedures.

9. FAILURE TO REPORT AN INCIDENT
Failure to report an incident to the insurance section within the timeframes indicated on the SOP, may result in disciplinary action taken against the employee responsible for the asset. The outcome of the disciplinary process will determine whether the employee will be personally held liable for the losses incurred.

10. <u>RISK & INSURANCE PHILOSOPHY</u>

10.1.1 To identify and eliminate or reduce, as far as practicable, the conditions and practices which cause insurable losses.
10.1.2 When risk cannot be eliminated or reduced to workable levels
10.1.3 To purchase Insurance that will provide indemnity for catastrophic losses;

10.1.3.1 To retain those risks not considered to be of major importance to the operating position or financial stability of Rustenburg Local Municipality.

10.1.4 To retain whatever portion of the risk for Rustenburg Local Municipality's account, provided it is economically viable.
10.1.5 To maximize the overall Insurance purchasing power of Rustenburg Local Municipality.
10.1.6 To develop throughout Rustenburg Local Municipality a positive attitude towards identifying and controlling loss and minimizing risk exposures through the implementation of Risk Management techniques.
10.1.7 To consider capital expenditure on risk improvement recommendations, but only where it is cost effective in the medium and long term to implement such improvements.
10.1.8 To purchase Insurance from reputable Insurers and to avoid the use of non-registered Insurers and captive markets.

11. RISK MANAGEMENT

11.1 In its simplest form, Risk Management means knowing all the time :

(a) what your risks are;
(b) what they mean in financial terms;
(c) what can reasonably be done to eliminate or reduce them;
(d) what financial resources you have to absorb them economically; and ultimately,

(e) what Insurance is necessary for the potential catastrophes which remain.

11.2 This approach should form the basis of Rustenburg Local Municipality's Protection programme. Insurance must not be looked upon in isolation as the only real answer to risk. It is a financial system which, in itself, is incapable of making good some losses. Human life, loss of time, lost opportunities for profit, and loss of goodwill are but a few examples.

11.3 Consequently, Insurance is better bought last when all other Risk Management techniques have been adopted.

11.4 Risk Management must be a sound foundation to Rustenburg Local Municipality. Top management must be seen to identify themselves with its objectives. This is essential if others directly involved are to ensure that it works.

12. LOSS CONTROL

This is the practical application of Risk Management and its principal objectives are :

1. to give effect to the day to day application of Risk Management theory throughout your organization as an integral part of management practice;
2. to create and develop risk awareness among staff at all levels;
3. to educate all in the knowledge and practice of identifying and controlling risks on a continuing basis;
4. to achieve and maintain a high standard throughout of safety, security and good housekeeping so as to:-

   - minimize the incidence and impact of all losses (insured and self-insured);

   - control your Insurance costs;

   - generate increased efficiency, productivity and profitability;

   - promote a sense of pride and achievement in your operational standards.

CLAIMS AND INSURANCE PROCEDURES

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SECTION I

GENERAL PROCEDURE TO SUBMIT INSURANCE CLAIMS

RELEVANT CLAIM FORMS:-

(a) Annexure A: Property Loss – all property losses/damages/theft, Fire and Allied Perils, Business All Risks, Business Interruption, Money

(b) Annexure B: Motor Vehicle – Any damage to Council Vehicle and to third party

(c) Annexure C: Motor Theft;

(d) Annexure D: Fidelity;

(e) Annexure E: Public Liability : Claim From a Member of the Public;

(f) Annexure G: Stated Benefits / Personal Accident.

(g) Annexure H: SASRIA

The following must be adhered to before claims may be submitted :

1. Immediate notification of any claims or incidents likely to give rise to claims. Claims not notified within 30 days of occurrence may be rejected by the insurers for late notification.
2. Advice to the South African Police Services (SAPS), where applicable, ie theft, vehicle accidents etc.
3. As soon as possible after the event, notify the police, supervisor and Insurance Section, of any claim involving theft/damage of property and take all reasonable steps to discover the guilty party and to recover the property stolen or lost;
4. Non-admission of liability (whether liable or not) resulting from automobile accidents or any other cause.
5. Full information being provided as normally required by carriers in respect of transit claims, but the initial notification referred to above should not be delayed for any reason.
6. The duty to minimize damage losses and the need, therefore, to protect salvage and to act in principle "as if uninsured".
7. Following a potential claim, insurers have the right to examine the property damaged and this should not be disposed of. Once a claim has been settled, salvage generally becomes the property of the Insurers, and should continue to be protected until removed from the

   premises.

8. Where claims of magnitude arise, an assessor is normally appointed to investigate the cause of the loss and to assist in quantifying its effect. Where assessors are appointed, it will be done by Insurers following the notification procedure detailed in paragraph 1 above, but it is the responsibility of the Municipality’s Appointed Broker to maintain close liaison with the assessors and/or insurers at all times, so that the insured's interests are protected and claims settled as quickly as possible. Full co-operation with the assessors is essential..
9. In respect of vehicle accidents, the third party's name, address and vehicle registration number must be noted, together with names and addresses of independent witnesses, wherever possible.

ALWAYS BE VERY FRANK WHEN ANSWERING QUESTIONS IN THE CLAIM FORMS REGARDING LIABILITY OR BLAME FOR ACCIDENTS.

False or contrived statements serve only to complicate claims settlement procedures.

10. In the case of injuries arising from motor accidents, it must be noted on the Motor Vehicle Accident Form.
11. It is imperative that in respect of each and every loss or incident resulting in, or likely to result in a claim, an appropriate claim form be submitted without delay. These are available from the Annexures hereto.
12. Submission of claim forms to the Insurance Section is in addition to the initial notification referred to earlier and should be as soon as possible of occurrence of the loss or incident. Delays in notifying claims/losses or submitting supporting information will only serve to prejudice the Insured's rights of recovery in terms of the policy. Such delays should therefore be avoided at all costs.
13. All losses must be reported, regardless of whether these are insured or not, or fall within the deductible/excess.
14. It is important that all staff are made aware of the importance of reporting to management all incidents that may give rise to a claim.

SECTION I

1. PROCEDURES FOR CLAIM ADMINISTRATION GENERAL

1.1 All claims, however small they may be, are to be reported to the Insurance section, dealing with such claims on behalf of Council, within 48 hours of the date on which this accident/incident took place.

1.2 The Head of Directorate/Supervisor should be notified within 24 hours of the accident/incident.

1.3 Should negligence or recklessness be proved by the security and loss control committee, the official should be personally held liable for losses incurred by the municipality.

1.4 The supply of false information is regarded as Insurance fraud and applicable disciplinary steps can be initiated by the Directorate Corporate Support Services (Human Resource).

1.5 Claims will be reported by the Insurance Section to the insurers as soon as practical (preferably within 7 days).

1.6 All claims will be entered in claims register which is to be reconciled and reported to Insurance Claims Committee on a Monthly basis.

SECTION II

PROCEDURE TO SUBMIT DIRECTORATE CLAIMS : PROPERTY LOSS / DAMAGES

On the happening of the event, either damage to Municipal property or loss of Municipal

property:

1) These incidents must be reported to the SAPS within 48 hours and to the immediate supervisor and/or head of Directorate.
2) Reports from the Directorate involved should be submitted together with all relevant documentation to the insurance section.
3) Claims are forwarded with all relevant documentation (notice of claim form, claim form, affidavit, case number and any other proof that may be required) to the Insurers.
4) Damage to buildings (Civic and Housing units) should on discovery be immediately reported to the Civil Facility Unit and the Insurance Section.
5) In the case of damage to rental units the Housing Section is responsible for the report to the Insurance section and the reporting to the SAPS in the case of malicious damage.
6) The Civil Facility Unit should ensure that the building is safeguarded. If not possible, Security should be appointed to avoid further loss to Council and its Insurers.
7) Civil Facility Unit should also ensure that three (3) quotes are forwarded to the Insurance section as soon as possible to enable quick repairs.

SECTION III

PROCEDURE TO SUBMIT PUBLIC LIABILITY CLAIMS

There have been instances where Third Party Claimants have inferred that the Municipal employees with whom they have discussed their claims, have intimated that the Municipality was responsible for the injury/damage which was the subject of their complaint and that the Internal Insurance Fund will meet their claims.

Please ensure that the following procedures are approved as Municipal Employees are not authorized to commit the Municipality in any way:-

1) Do not admit any liability or leave the third party with the impression that the claim will be met.
2) Under no circumstances should words be used such as “have the motor car/radio/refrigerator or any other item repaired and send the account to the Chief Financial Officer”.
3) The Claimant should be informed that even if he assumes the Municipality is under a liability, he should where possible obtain at least three quotations, to affect the repairs.

   These quotations should be referred under cover of a written claim or complete a claim form, to the Chief Financial Officer: Budget and Treasury Office, Insurance Section

4) If the Claimant is referred as mentioned above, it must be made clear that this is for the purpose of enabling his/her claim to be investigated, in respect of both liability and quantum.
5) The Municipal Employee concerned must, as soon as possible, complete the Incident claim Form and register the incident with their Directorate, and submit this to their Insurance Section.

6) Where damage was caused by a municipal motor vehicle, the appropriate Motor Vehicle Accident Report, must be completed and submitted accordingly as required.

   (a) It is preferred that the driver call Rustenburg Traffic Directorate to the scene so that a formal Accident report can be done. If this is not possible, the accident must be reported to the nearest police station and obtain a police reference number.

7) The accident report must be completed immediately and handed to the Section/Unit Head and the insurance Section.
8) The relevant department and/or claimant should be requested to submit a comprehensive report of the incident to the Insurance Section, which should be submitted together with all relevant documentation to the insurers.

9) The report should include the following information:

   a) Detailed description of incident
   b) Date of first knowledge of incident
   c) Could incident have been avoided
   d) Steps taken/to be taken to prevent future incidents
   e) Applicable legislation

10) Where appropriate, the foregoing provisions should also be adhered to when a vehicle is hired.
11) Drivers are reminded that the aforementioned procedure must be adhered to as any transgressions may result in disciplinary action.
12) Vehicle must be used in accordance with "Description of Use" as mentioned in the Fleet Management Policy.

    Reminder: vehicle should not be used for social, domestic or pleasure purposes.

13) Claims not covered in terms of the Insurance Policy and claims that fall within excess (which are covered in terms of the policy) will be redirected (subsequent to confirmation from the insurance service provider) to the municipality's legal department / legal representative(s) to express an opinion based on the relevant findings(s) and consultation with the claimant in determination of whether or not, or to what extend the municipality is liable for related damages as claimed by third parties, or not. The approval / rejection of the above mentioned by the Senior Manager: Financial Management Services will be based on the expressed opinion received from municipality's legal Unit / legal representatives.

SECTION IV

PROCEDURE TO SUBMIT VEHICLE ACCIDENT CLAIMS

1) The responsible official (driver of councils vehicle), have to report the incident to his/her supervisor, who will assist (If necessary) with the claim to the Insurance Section, providing the information below and any other information required to lodge the claim:
   a) vehicle(s) involved,
   b) registration number(s) ,
   c) details of driver(s) of vehicle(s) ,
   d) residential/business addresses & telephone numbers,
   e) passengers details ,
   f) copies of identity document(s) and "Driving Licence(s)",
   g) witness report(s), police report and case number,
   h) description of damage to vehicle(s), date, time & location of scene of accident.
2) Where personal injury has occurred, the accident scene should ideally be visited by the safety official of the municipality and all relevant information should then be gathered by the safety official. The safety official must immediately institute a claim in terms of the COID Act and provide the insurance section with details of the accident in order to forward together with all other relevant information to the Insurers.
3) Any information with respect to the scene of the accident that may be required by the Insurers must be supplied by the safety officer and/or the relevant department.

SECTION IV

PROCEDURE TO SUBMIT STATED BENEFIT AND PERSONAL ACCIDENT CLAIMS

(1) Claim form, must be accompanied by the following documents:

- Death Certificate.
- Identity document of the deceased.
- 12 months recent payslips .
- Accident Report
- Doctor's report

SECTION V

PROCEDURE TO SUBMIT S.A.S.R.I.A. CLAIMS

S.A.S.R.I.A. means: South African Special Risks Insurance Association.

The General Insurance Fund Policy does not cover loss or damage to property caused by

civil commotion, labour disturbances, riot, strike, lockout and public disorder.

Should a claim arise from one of the causes aforementioned, a claim can be made against S.A.S.R.I.A. , provided that the department has taken such cover.

The requirement and procedure is as follows:

(1) in the event of a S.A.S.R.I.A. claim, the Directorate must complete a claim form, and forward same to Insurance Section;

(2) Insurance Section (Insurance Finance Clerk) to capture claim as cover type (S.A.S.R.I.A.) and forward the claim form to the Broker;

(3) the Broker to complete the necessary S.A.S.R.I.A. claim form and forward to S.A.S.R.I.A.

(4) the claim amount less the excess is paid to the Insurance Section;

(5) Insurance Section, (Insurance Finance Clerk), will credit the relevant Department and cancel the claim on the insurance system;

(6) should there be a shortfall or should the claim be repudiated by S.A.S.R.I.A. the department will bear the full cost of the claim; and

(7) Section Manager: Assets and Insurance, to review cover type S.A.S.R.I.A. on an annual basis.

SECTION VI

POLICY ON PERSONAL EFFECTS (SASRIA FOR COUNCILLORS)

1) The Executive Mayor and councillors houses up to the value of R1.5m (homeowners and householders combined) (VAT inclusive) can now be insured within the Municipality policy at a premium of R54.00 per annum/ R5.40 per month.
2) In the event that a mayor or councillor would request cover exceeding a limit of R1.5m, a separate SASRIA coupon should be issued accordingly.
3) The cover for house contents is capped at a maximum of 30% of the value of the property not exceeding the combined limit of R 1.5m. The Executive Mayor and councillors insured under the Municipality policy should be noted accordingly including their risk addresses. An inventory list of all their household contents should also be completed in the event of a claim.
4) Rental of domestic property following a special risk loss is offered for free on condition that same is also offered for free under the underlying policy. However, should there be no free rental provisions in terms of the underlying policy, and there is a premium charged in this regard, premium will likewise be charged in respect of SASRIA. The above facility is still available to Executive Mayor and councillors' during their term of office ONLY. Implementation of the above applies to all new business, renewals and endorsements. The above-mentioned changes are effective immediately.

SECTION VII

INFORMATION FOR STATISTICAL PURPOSES

1) Assets and Insurance Section compiles statistical reports every month, which will be distributed to all Departments for cognizance of new claims.
(2) Before renewal of insurance portfolio, annually, an insurance portfolio will be sent to all Directorates
representing insured items. This is to be reviewed by managers, adjusted and advised to the Assets and Insurance Section.
(3) It is the duty of every Unit to submit information to the Assets and Insurance Section on newly acquired
assets for insurance purposes.

SECTION VIII

HOW TO COMPLETE DIFFERENT SCHEDULES

2. COMBINED SCHEDULE - CONTENTS

a) Once a year the estimates are calculated in terms of percentage rate determined by the Assets and Insurance Section to ensure that assets are insured correctly as at day one average increasing all the contents.
b) the percentage gets updated into the system; and
c) combined schedule is run and sent by the Chief Financial Officer to all departments to check the percentage used, and to certify that the insured amount is correct.

3. CERTIFICATION OF SCHEDULES

3.1 COMBINED AND HOUSEOWNER'S COMPREHENSIVE SCHEDULE

After the estimates have been calculated in terms of percentage rate determined by the Assets and Insurance Section, Combined and Houseowner's comprehensive schedules are sent out to departments by the Chief Financial Officer for them to:

a) Ensure that all buildings and contents appear on the listing.
b) Delete all items that are no longer in existence.
c) Ensure that assets are insured as at day one average.

The following can be used as guidelines when determining projected values

STRUCTURE & PROJECTION OF PROPERTY VALUES

(SUMS INSURED)

General Guidelines

1. STRUCTURE COMPONENTS

a) Current replacement costs of buildings (to include boundary walls, fences, private roadways, etc), plant/machinery, stocks (i.e. raw materials, work in progress, finished goods and stores but excluding any stock in transit and any stock specifically excluded in terms of the policy), or other assets.
b) Allowance for cost of demolition, clearance of site, etc.
c) Allowance for Public Authority Requirements during rebuilding.
d) Allowance for Architects and/or other Professional Fees during rebuilding.

2. PROJECTION PERIODS

(a) Bear in mind that a loss could occur on the last day of your insurance period.
(b) Add to this, the period over which demolition and rebuilding could take place applicable to plant/machinery, project the values determined under 1 above to take into account escalation/inflation over:

(i) The period of Insurance

(ii) The demolition/rebuilding or replacement period following the period of insurance.

3. AVERAGE

In the event of under-insurance at date of loss or date of replacement, average could be

applied to any claim according to the degree of under-insurance, for example :

Total of values at risk at date of renewal R 1 000 000

Sum insured at date of loss R 800 000 (80%) Cost of rebuilding R 100 000

Insurance payment R 80 000 (80%)

Other policies are subject to average as detailed in the "Important Considerations".

4. MARKET VALUE CONDITIONS

If the basis of value is not on replacement value, then the sum insured should represent the estimated market value at the time of the loss.

3.2 SASRIA

In the combined and houseowner's comprehensive schedules there is a column for SASRIA.

It is the opinion of Rustenburg Local Municipality that S.A.S.R.I.A. will be applied to all assets,

property and plant and machinery, as a form of risk transferal

4. MOTOR VEHICLE COMPREHENSIVE

Motor Vehicle Comprehensive Schedule is sent out by the Chief Financial Officer once a year to fleet management

department for them to:

(a) Ensure that all vehicles appear on the listing, and that details are correct.

(b) Delete all vehicles that are no longer in existence.

(c) Ensure that vehicles are insured at replacement values and coded correctly.

SECTION VIIII

INSURANCE CLAIMS EXPERIENCE

(1) The Assets and Insurance Section compiles statistical reports monthly. This report shows the number of claims received by the Insurance Section for a period of 12 months and the total value of those claims, (paid and outstanding).

(2) This report/schedule is sent to Directorate Heads twice a year.

(3) Premiums charged to the Directorate are based on yearly claims experience. The increase in the number of claims result in the increase in the premiums charged.

(4) Directorate Heads are required to examine the Claims Summary Report and review their risks management.

SECTION X

HOW TO INSURE ASSETS

a) It is the duty of every Directorate to notify the Assets Insurance Section of any newly acquired assets, as they need to be insured. The following details must be given:-

- Description of Asset
- Purchase Date
- Purchase Price
- Copy of registration document
- Purchase value
- Purchase date
- Asset Barcode Number
- Fleet number

RUSTENBURG

LOCAL MUNICIPALITY

INSURANCE LOSS CLAIMS COMMITTEE POLICY

INSURANCE CLAIMS & LOSS CONTROL COMMITTEE POLICY

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PURPOSE

The purpose of implementing an Insurance Claims & Loss Control Committee Policy into the Municipality is to increase the safety and security of the Municipal assets, which helps reduce the frequency and possibly the severity of claims and ultimately lower insurance costs.

To provide for a written description of the Insurance Claims & Loss Control Committee (the "Committee") procedures established for Rustenburg Local Municipality.

This document is an overview of the individual procedures which support the Insurance Claims & Loss Control Committee and contains guidelines for Good Practice for claims and loss management within Rustenburg Local Municipality.

WHEREAS the municipality does from time to time receive claims from the public relating to possible damages caused in incidents occurring in the service delivery activities of the municipality;

AND WHEREAS from time to time the municipality has to deal with losses occurring within the organization pertaining to its employees, official equipment, vehicles and municipal property as a whole as well as private property of employees;

AND WHEREAS it is the purpose of the Insurance Claims & Loss Control Committee to evaluate and settle property loss/damage and/or liability claims in amounts less than the excess amount for which the Municipality is liable in terms of its Insurance Policy and Procedure;

NOW BE IT ENACTED by the Council of the Rustenburg Local Municipality, as follows: -

CHAPTER 1

COMMITTEE COMPOSITION

1.1 CUSTODIAN OF THE COMMITTEE

(a) The Insurance Claims Committee shall fall under the custodianship of the Chief Financial Officer of the Municipality.

(b) Members of the Committee shall be appointed, in writing, by the Municipal Manager or his/her authorized representative.

(c) The office of the CFO shall appoint a secretary for the Committee, the duty of whom it shall be to distribute Agendas for meetings of the Committee as well as record and minute meetings of the Committee.

(d) This Policy as well as the appointment of members of the Committee shall be reviewed annually by the Municipal Manager or his/her authorized representative.

(e) The CFO may delegate any of his/her duties under this policy to a Deputy Chief Financial Officer "DCFO" within the Budget and Treasury Office.

(f) All records required and generated by the procedures and working of the Committee shall be maintained and located in the Records Section of the Municipality.

(g) The Chairperson shall also be the technical mentor and coach of the Committee by providing guidance in terms of regulatory requirements, technical resources and references etc.

(h) Members: Complete the functions and tasks necessary to fulfil the goals and objectives of the Committee.

(i) All Directorates shall set up respective Loss Control Committee to investigate claims and co-ordinate decisions taken with the Insurance Claims Committee

1.2 MEMBERS AND REPRESENTATION

1.2.1. Representatives of Insurance Claims Committee be people of authority who can act on claims under questioning.

(a) The Committee membership shall comprise of the following standard members :-

Chairperson:	Chief Risk Officer
Deputy Chairperson:	Deputy CFO
Secretary:	CFO Secretariat
B.T.O. Officials:	Section Manager Assets & Insurance, Accountant Insurance & Finance Clerk Insurance
Legal Services:	Unit Manager
Occupational Health and Safety:	Unit Manager
Internal Audit:	Manager
Disaster Management:	Unit Manager
Mechanical Workshop:	Unit Manager
Law Enforcement:	Unit Manager/Security Manager
Traffic:	Unit Manager/Senior Superintendent

(b) Directorate Units shall be represented by the relevant Manager of that Unit in meetings of the Committee whenever a claim or loss arising from the activities of such a Unit is tabled before the Committee.

(c) Unit Managers may delegate a representative to attend meetings of the Committee on his/her behalf but only with the consent of the Chairperson of the Committee and further provided that such a representative shall be fully conversed and familiar with all relevant facts pertaining to the claim or loss

he/she shall be presenting before the Committee on behalf of the Unit.

1.3 ROLES AND RESPONSIBILITY OF LOSS CONTROL COMMITTEE

(a) To discuss the circumstances of all claims;
(b) To determine if negligence was the cause;
(c) To initiate disciplinary procedures if necessary;
(d) To establish preventative steps to prevent similar situation and or occurrences;
(e) To ensure that the claim forms were completed and signed duly and that it was submitted to the insurance office;
(f) To inform security manager in writing about all thefts and losses where a security company was on duty, within 72 hours;

To implement recommendations to the insurance claims committee.

1.4 ROLE AND RESPONSIBILITY OF INSURANCE CLAIMS COMMITTEE

(a) The committee has to evaluate and investigate claims and where necessary, make sure that the relevant Directorate takes disciplinary action

(b) The Insurance Claims Committee has the right to reject any claim, which was not considered by the respective Loss Control Committee.

(c) The Chairperson shall ensure the meeting agenda is completed and that assignments and commitments have been achieved and further that all records are sent to the Records Section for safekeeping.

(d) All records required and generated by the procedures and working of the Committee shall be maintained and located in the Records Section of the Municipality.

(e) The Chairperson shall also be the technical mentor and coach of the Committee by providing guidance in terms of regulatory requirements, technical resources and references etc.

(f) Members: Complete the functions and tasks necessary to fulfil the goals and objectives of the Committee.

1.5 QUORUM RULES

(a) A minimum 75% (6) of the membership plus the Manager(s) whose claims are being assessed are required to be present in order to hold a meeting and take a vote.

(b) Resolutions and process directions are passed by a majority vote.

1.6 MEETING SCHEDULES

The Committee will meet as claims arise but at least Monthly. The Insurance claims committee shall have meetings every first Friday of the month and Loss control committee shall have a meeting a week prior to the Insurance claims committee meeting.

1.7 AGENDAS MINUTES AND RECORDING OF MEETINGS

(a) The secretary of the Committee shall be responsible for compilation and distribution of Agendas for Committee meetings at least 3 days prior to a meeting.

(b) Agendas shall contain all relevant information as stipulated in this policy regarding a specific claim and/or loss including a written report from the relevant unit Manager to whose Unit the claim or loss relates.

(c) The secretary shall capture all resolutions of the meeting during the meeting and then record same in written Minutes of the meeting to be distributed to all attendees of a specific Committee Meeting.

(d) The secretary shall ensure that an attendance register is signed at all meetings of the Committee and also record any apologies accordingly.

CHAPTER 2

PROCEDURE

2.1 PURPOSE OF THE COMMITTEE

(a) The purpose of the Committee is to consider and settle or repudiate claims for damages caused to the property of members of public arising against the Municipality from time to time as well as consider and settle internal loss control issues as they arise.

(b) The Committee shall have the authority to deal with claims as described in sub-clause 2.1(a) on the merit of each individual claim, for claims which falls within the excess amount of the Municipality's liability under its public liability insurance policy.

(c) The Committee shall focus on the following goals and functions in order to meet the purpose identified:

(i) Review, consider and discuss all claims and losses received;

(ii) Settle, repudiate or refer back for further information all claims tabled before the Committee which falls within its mandate;

(iii) Attend meetings arranged for purposes of discussion and finalisation

(iv) Seek advice from any Third Party in considering and finalising claims before the Committee as the Committee may deem necessary.

CHAPTER 3

RECEIPT OF CLAIMS TO SERVE BEFORE THE COMMITTEE

3.1 SUBMISSION OF CLAIMS

(a) Claims against the Municipality have to be submitted by the Section Manager Assets and Insurance at the office of the Manager of the Unit allegedly responsible for the damage which gave rise to the claim.

(b) Potential claimants have to contact the office of the Section Manager Assets and Insurance where the necessary claim form can be obtained and again submitted with the required information and documentation required as indicated on the form.

(c) Claimants shall claim from their own insurance companies first before recourse is sought against the Municipality. No claimant shall refuse to claim for damages against their own insurance company. In all instances the claimant shall disclose the name and telephone number of their insurance company.

(d) Claims for consideration by the Committee have to be lodged with the Municipality within 1 calendar month of the date of the incident causing the alleged damage. Claims lodged outside this cut-off period shall not be considered by the Insurance Claims and Loss Control Committee of the Municipality.

(e) All claims lodged with the municipality shall contain the following information and be accompanied by the following relevant documentation: - (i) Completed claim form;

(ii) Sworn affidavit by the claimant on the circumstances how, date, time and place where the incident allegedly causing the damage occurred;

(iii) SAPS Case Number showing the incident has been reported with SAPS;

(iv) In the event of a motor vehicle accident, a detailed traffic accident report complete with sketches;

(v) 3x quotations for repairing of the damage allegedly caused;

(vi) Colour photographs of the scene of the incident as well as the damaged property (where damage is caused to mag-wheels and tyres the municipality reserves the right to inspect such mag-wheels and tyres);

(vii) A certified copy of the claimants' ID;

(viii) A certified copy of the damaged motor vehicle's registration/licensing documents;

(ix) A copy of the claimants' municipal services account for the month directly preceding the incident. In the event of the claimant being a tenant not receiving a municipal account, a copy of his/her rental agreement including a letter from the landlord confirming that the tenant's municipal services are paid to date;

(x) A letter from the claimant's insurance company indicating that a claim has been lodged with the insurer for the damage to the claimant's property, further indicating what the excess amount payable on the claim is.

3.2 CLAIMS ASSESSMENT

(a) Although all claims received shall be reviewed by the Committee, the Municipality is not obliged to honor any claim.

(b) Claims received shall be considered on merit of each individual claim.

Negligence on the part of the claimant shall result in discounting of the claim in the discretion of the committee.

(c) In all instances where alleged damage is caused to a claimant's property, the Municipality shall only consider payment of the claimant excess payable under his/her own insurance policy where the Committee is of the opinion that the claim has merit and warrants remuneration.

(d) Claims received shall within a period of 5 working days from date of receipt of such a claim, be submitted to the office of the Assets and Insurance by the relevant Unit Manager receiving the claim. Claims thus submitted shall contain all relevant information requested on the claim form and shall be accompanied by a written report of the relevant Unit Manager regarding the merit of the claim from the Unit's perspective.

(e) On receipt of a claim from the Unit Manager, the Finance Clerk Insurance shall acknowledge receipt of the claim and arrange for the claim to be lodged with the Records Section so that a file number can be allocated to the claim.

(f) Complete claims shall be forwarded to the Secretary of the Insurance Claims and Loss Control Committee who in turns shall compile an Agenda for the Committee and secure a date for the next meeting to consider claims.

(g) Claims have to be finalised within 30 working days following the date of receipt of a complete claim.

(h) Where the municipal rates and services account of the claimant is in arrears for more than 60 days, the claimant claim shall be repudiated by the Committee.

(i) Where the municipal rates and services account of the claimant is in arrears for 30 days, the claimant shall be allowed the opportunity to settle his/her municipal account and on submission of proof of such payment the claims shall be further considered by the Committee.

3.3 PAYMENT OF CLAIMS

(a) Claims deserving of payment in accordance with the Committee's resolution shall be limited to payment of the lowest quotation amount or the claimant's excess payment under his/her policy, whichever is the lesser amount.

(b) Where the Committee resolves to honour a claim against the Municipality, the payment shall be made ex gratia and in full and final settlement of the claimants claim.

(c) Costs for car rental and tow in services shall not be considered.

3.4 NO OR PARTIAL PAYMENT OF CLAIMS

(a) If the claim is denied, the Committee states and minutes explicitly to the claimant the reasons on which denial of the claim is based.

(b) If the amount offered is different from the amount claimed, the Committee explains the reason for this to the claimant.

(c) When the municipality is not responsible (by virtue of common law of delict principles) for meeting all or any part of the claim, the Committee notifies the claimant of this fact and explains why.

CHAPTER 4: LOSS CONTROL

4.1 RECEIPT OF LOSS CONTROL MATTERS FOR CONSIDERATION

(a) Incidents of internal loss control to be considered by the Committee shall be submitted to the office of the appointed Secretary of the Insurance Claims and Loss Control Committee for inclusion in the Agenda of the Committee.

(b) Incidents so submitted shall consist of a comprehensive written report by the relevant Unit Manager, which report shall contain information on the nature of the loss, how it occurred, what remedial steps have been taken to prevent future occurrences, disciplinary action taken if any, value of the loss and how the damage caused will be compensated. The said report shall also contain a recommendation to the Committee on how the incident has to be dealt with.

(c) When a loss control issue serves before the Committee, the relevant unit Manager shall avail himself/herself to ensure attendance of such a meeting of the Committee.

(d) Resolutions taken on loss control issues shall be final and binding and executed

accordingly, by the unit Manager.

CHAPTER 5: CLAIMS REGISTER

(a) A claims register shall be opened by the Finance Clerk Insurance and kept on all claims received and considered by the Committee. This register shall contain the date of the claim, the claimants name and ID number as well as the amount of the claim and whether the claim was paid out or not.

(b) Claims are documented in order to be able to address questions that may arise concerning the handling and payment of a claim.

CHAPTER 6: COMPLAINTS AND DISPUTES

6.1 FILING OF COMPLAINTS AND DISPUTES

(a) When a claimant files a complaint against the findings of the Committee, the Committee: -

(i) acknowledges receipt of the complaint within a reasonable period of time (15 days);

(ii) provides the claimant with explanations on how his/her complaint will be handled and the procedures to be followed

(iii) processes the complaint promptly and fairly

(iv) provides a final response in writing within a reasonable period of time (30 days).

6.2 PROCEDURE FOR DEALING WITH COMPLAINTS AND DISPUTES

(a) Once a complaint has been received and acknowledged, the letter of complaint together with the resolution of the Committee taken with regard to the claim on which a complaint has been received has to be tabled before the earliest next sitting of the Committee for consideration.

(b) Complaints and disputes so received shall be duly considered by the Committee, where after the Committee shall resolve on the matter and a final response on the complaint be forwarded to the claimant in writing.

6.3 DISPUTES

(a) If the claimant is dissatisfied with the final response from the Committee, the claimant shall be informed to forward his/her dispute in writing to the CFO and Manager Legal Services, who will then assess the matter and take a final decision regarding that claim or dispute and inform the claimant accordingly in writing.

RUSTENBURG LOCAL MUNICIPALITY

DRAFT: INVESTMENT INCENTIVES POLICY - 2018

Draft: Rustenburg Local Municipality Investment Incentives Policy (2018)

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Rustenburg Local Municipality

Draft: Investment Incentives Policy (2018)

SECTION A: INTRODUCTION

This section describes the problem statement that led to the drafting of the Investment Incentives Policy as well as applicable background information. The section serves as an introduction to the topic within which to contextualise the status quo description and the policy proposals that follows towards the end of this report.

1. Preamble

Municipalities across the world have a mandate to provide their respective communities with the best possible quality, affordable services and create suitable conditions for local business to thrive, create jobs and ensure that the municipality becomes financially sustainable. Provision of quality services is high on the priority lists of residents and business owners and is also a critical requirement for attractiveness of a city as people and corporations want to invest in a vibrant, clean, well-maintained, safe city with a highly capable and ethical administration.

Residents must be able to rely on the local government to make strategic decisions, guided by well-defined policies as procedures, that lead to prosperity for everyone who lives, visits or has business interests in the area. A municipality finds a balance between these competing but complementary responsibilities by developing and implementing dedicated instruments (strategies, programmes, projects and policies), to ensure that it succeeds in creating a quality, safe and vibrant environment for both business and ordinary residents.

One of those instruments is this Investment Incentive Policy, that is premised on the need for Rustenburg Local Municipality to ensure that the municipality achieves the outcome of attracting the necessary investment to implement economic and developmental infrastructure projects, that will ensure that the twin mandates of local municipalities are achieved.

2. Purpose of the policy

The incentive policy must create a connection between the municipal strategic intent and the strategy implementation document (Integrated Development Plan) and sector plans like the Spatial Development Framework, Land Use Management Scheme, the Local Economic Development Strategy and all the other infrastructure and environmental management plans.

The overarching purpose of this policy as articulated in Chapter 7 of The Constitution of the Republic of South Africa, mandates municipalities, per section 152 (1)(b) and (c) to ensure the provision of services to their communities in a sustainable manner; and; to promote social and economic development, respectively. Therefore, this policy seeks to identify relevant and effective internal instruments Rustenburg Local Municipality requires to achieve sustainable service delivery, social development, economic diversification and growth.

What the municipality needs to do is to identify the favourable conditions required for local, national, international capital owners to have enough confidence in the area to invest in its people and local economic growth. The policy will provide detail on the specific packages offered, the conditions that need to be met by potential investors to access such packages, how those will be implemented by the municipality and the required measurement criteria. The intention of this policy is to:

- Identify the package of incentives required to effectively attract investors to the city
- Create conditions suitable to the attraction and retention of investment, like reducing the cost of doing business and expediting approvals and appointments within the prescripts of legislation
- Establish mechanisms to expedite implementation of innovative, environment friendly, economic and social infrastructure investment in a cost effective and efficient manner
- Expedite creation of targeted sustainable urban planning, urban regeneration and township development to enhance the liveable city priority
- Ensure that skills development, sustainable jobs and procurement opportunities are created for locals through implementation of all government policies and projects, in a fair, easy to understand, easy to access with clear and consistent measurement criteria
- Define minimum standards (conditions) required for submission of applications, consideration and elimination of applications for incentives
- Ensure that the local environment is cared for through implementation of innovative green economy projects for future generations

3. Legislative context

The incentives policy is guided by the following Government legislation, policies, strategies and programmes:

- The Constitution of the Republic of South Africa
- National Development Plan 2030;
- National Industrial Development Framework;
- Industrial Policy Action Plan;
- Rustenburg Integrated Development Plan
- Rustenburg Spatial Development Framework
- Rustenburg Integrated Masterplan
- Rustenburg Local Economic Development Strategy

4. Problem statement

Rustenburg Local Municipality is a world-renowned of Platinum Group Metals mining area with a population of over 630 000 growing at an annual rate of 3.5%. Because of this character, it has an economy that is highly dependent on the mining, which has both economic advantages, disadvantages and risks.

Identified advantages to the mining activities are that the economy of the city can absorb a high number of job-seekers but conversely, attract a lot of hopeful job seekers who end up adding to the unemployment rate of the city. Statistics South Africa (2011 Census) reported that unemployment rates in Rustenburg are approximately 26.4% for the general population and the youth unemployment rate is at a troubling 37%. Low formal education and skills levels contribute to this situation.

Mining is finite and as such, not a sustainable economic activity. It is also vulnerable to external macro-economic factors. A reported downward trend in the production and sales of Platinum Group Metals (PGMs), per Statistics South Africa (Mining: Production and Sales; P2041 of February 2018) points to a bleak outlook for the economic sustainability of the city, as local mines look to downscaling production and retrenching employees. Other disadvantages to high mining activities are that the same operations undermine other economic sectors, land use, land distribution, agricultural production, tourism, consumption of municipal services, environmental impacts and pressure on housing provision. Such negative impacts of a dominant mining sector need strategic intervention contained in this policy.

The challenge for the municipality is to reduce the vulnerability of the local economy to external factors by working to diversify the local economy and ensure financial, social and economic sustainability of the area by developing mechanisms to attract and retain investment in education, technical and professional skills levels, infrastructure, agriculture and other catalytic projects and programmes like the renewable energy in the green economy. This can only be achieved by capitalising on the competitive and comparative advantages that the city has; like

- Location on the spine of major road networks (N4, provincial roads (R24 and R510),
- Existence of tourism routes, heritage sites,
- Being within reach of countries in the Southern African Development Community (SADEC), and,
- Being the economic hub of the North West Province.

Assumptions made, based on the information above, that need to be resolved are:

- A local economy that is highly dependent (tress index of over 65%) on a declining PGM mining production and sales output threatens the sustainability of the city beyond mining
- An above average (3.5%) inward migration of people hoping to be employed in local mines puts pressure on the provision of municipal services (housing, water, sewerage, waste removal and electricity provision)
- A depressed or declining output of local economic sectors (mining, agriculture, tourism, manufacturing, energy) contributes to the high unemployment rates. As at 2011, 196 123 of the 266 471 residents, aged between 16 – 65 were employed. A total of 105 188 young people were identified as unemployed.
- A favourable business environment will promote and attract capital investment
- Ease of access to investment capital, premised on provision of quality basic services, enhances growth of businesses in the municipality
- Clearly defined and easy to apply investment procedures will create business confidence from the investors, entrepreneurs and beneficiaries

The Investment Incentives Policy aims to address these identified problems by creating targeted investment attraction packages to:

- Enhance the creation of a favourable environment that will attract and retain capital investment in the local economy.
- Improve levels of business confidence in the municipality to enhance investor confidence.
- Address the high cost of creating greenfield infrastructure projects in the municipality.
- Ensure efficiency in receiving, processing and approving applications for identified incentive packages within applicable legislation
- Promote the establishment of professional project teams that will expedite innovative programme and project implementation
- Create suitable conditions for locals including SMMEs, to participate in the implementation of catalytic projects through education, skills transfer and capacity development programmes
- Ensure that local employment is also enhanced to reduce dependency and poverty levels in the municipality

The Investment Incentive Policy therefore focuses on improving systems, processes and mechanisms to coordinate investment and development facilitation to promote a more organized and transparent investment and development application processes and improve turnaround times. The policy further identifies key pillars necessary to achieve its objectives and unlock the city's development potential. These pillars include land release, delegations of authority, development and / or review of bulk contributions policies.

5. Defining Incentives and Development Charges

5.1. Incentives

"*non-market benefits used to influence the behaviour of an economic actor*".
For investors, incentives may be defined as any measurable advantages (in the form of fiscal, financial, or non-financial incentives) accorded to specific enterprises or categories of enterprises by (or at the direction of) a government, to encourage investors to behave in a certain manner.

5.2. Financial incentives

These may include direct grants and cost sharing schemes, lending instruments and guarantees. It may also refer to discounted prices on the market value of land or the direct provision of land on terms more favourable than that available on the open market.

5.3. Non-financial incentives

This refers to technical or business support incentives: Services to support investors in setting up and running their operations (often provided by an investment promotion agency). These can include preferential treatment and streamlined administrative processing, administrative consulting, direct administrative assistance, relocation support and support to *ex patriate* employees of the investor business. Cities can also provide business-centric research, market intelligence, opportunity identification, project packaging and industrial clustering and support.

5.4. Development charges

Development charges are once-off fees applied to offset the additional public-service investment cost resulting from an intensification of land use. These charges are an important component of a sustainable system of municipal infrastructure financing. The general concept of a development charge is that the urban growth and expansion of new land use development creates the need for additional infrastructure services. These services, which are an essential part of land use development, are a direct cost generated by that development and should therefore be paid for by the land developer to avoid the financial burden being imposed on municipalities or existing communities.

Development charges can and should cover a significant portion of the costs of providing infrastructure that supports economic growth. They are a strategic and efficient source of capital finance to pay for new infrastructure that supports economic growth.

The following are principles underpinning development charges:

- Equity and Fairness: Development charges should be reasonable, balanced and practical to be equitable to all stakeholders;
- Predictability: Development charges should be a predictable, legally certain and reliable source of revenue to the municipality for providing the necessary infrastructure;
- Spatial and economic neutrality: A primary role of a system of development charges is to ensure the timely, sustainable financing of required urban infrastructure. They should be determined on identifiable and measurable costs.
- Administrative ease and uniformity: The determination, calculation and operation of development charges should be administratively simple and transparent.

5.5. Fiscal or tax incentives

Fiscal or tax incentives may refer to exemptions or Income excluded from the tax base. It may also refer to allowances which are amounts deducted from gross taxable income. Credits or rebates are allowances which are amounts deducted from gross taxable income.

SECTION B: BACKGROUND OF INVESTMENT INCENTIVES

This section describes the current reality in the investment incentive environment. Holders of investment capital demand high returns on their investment due to the scarcity of capital resources, stringent controls placed by governments on financial flows and the increasing pressure for municipalities and other businesses to become financially viable.

6. Creating sustainable competitive advantage

Municipalities must craft innovative strategies to address the twin challenges of providing basic services and ensuring that the local conditions are conducive for the growth of the economy. In Rustenburg Local Municipality (RLM), the IDP provides a strategic plan to address most of the challenges. However, due to lack of financial resources for economic projects, economic infrastructure projects do not get adequate financial injection, thus the need for domestic and foreign direct investment attraction.

The fact that there are natural resources, adequate and competitive labour and other advantages does not make Rustenburg an investment destination of choice.

Attractiveness of a place for foreign direct investment to create sustainable competitive advantage requires innovative strategies and projects. These identified, and priority projects have been selected to create a diverse portfolio for interested investors and stimulate the economic growth of Rustenburg.

- Manufacturing: Logistics Hub, Mining Supplier Park, Factory Shops
- Tourism: Convention Centre and hotel, Flea market, Tourism and Heritage routes
- Agriculture and agro-processing: Fresh Produce Market, Urban Agricultural Hubs
- Green economy: Renewable and alternative energy production (solar, wind, mining, agricultural and landfill waste)
- Circular economy: Recycling and reusing of waste products
- Education: Centre for Science and Research Innovation, Tertiary Education Institutions
- Transport: Airport development, Bus Rapid Transport (RRT)
- CBD Regenerations
- Approved Precinct Development

7. Principles influencing investment decisions

7.1. Achievable and relevant performance criteria

Incentives must be tied to achievable and relevant performance criteria with clear and unambiguous mechanisms for monitoring and enforcement. Examples of conditions for the granting of incentives range from compliance with basic regulations to job creation and training targets.

7.2. Public access

All investment incentives should be published for ease of access by the general business community and public.

7.3. Legality and compliance

Tax incentives must comply with all relevant policy and legislation. Incentives should not be provided to companies which are not in compliance with the law. Incentives should align with core labour, health, safety and environmental standards. The investment incentives policy must be in line with national and provincial planning guidelines.

7.4. Low administrative complexity and clear criteria for granting rule-based incentives automatically

Transparent and objective eligibility criteria must be used to grant access to incentives. Unless incentives are tied to pre-defined, public, and rule-based systems they become vulnerable to corruption investor confusion and information asymmetries. Eligibility for incentives provided by law should be based on clearly defined, easy to understand, predetermined criteria. Qualifying criteria should be consistently applied to all businesses applying for incentives without prejudice.

Incentives should not be granted through special permission or certification by investment promotion agencies, ministries of trade, or other government agencies. Ascertaining whether a business is eligible for an incentive and subsequently obtaining an incentive should be a simple task for investors and be based on the submission of pre-determined criteria and easily provided evidence of eligibility. This approach ensures prompt decision making and quick turnaround times for investors.

7.5. Employment creation

Investment incentives must consider temporary and sustained job creation in the private sector. Private investors and entrepreneurs must create both temporary jobs and permanent employment during start-up and sustained operations.

7.6. Affordability of full financial costs

Determine the full financial costs of incentives under all possible circumstances. It is possible that incentives decrease tax income initially but increase tax income in the long-run. However, all incentive packages must be affordable and allow the municipality to meet its service delivery targets. High impact, low cost incentives should be targeted. Mitigate indirect costs of incentives.

7.7. Transparency

Information on incentives policy and the availability of incentives should be public knowledge. Freely provide local and foreign investors with information on existing incentives in the most open and public way possible. All incentives available should be clearly spelt out in full detail and kept up-to-date on the Municipality's website (www.rustenburg.gov.za) or another dedicated public website.

7.8. Clear identification of those responsible for implementation

Establish who (committee, agency, directorate or authority) is responsible for incentive implementation and for ensuring that the objectives and criteria for incentives are met.

7.9. Spatial inclusivity

Investment incentives that target specific sectors or businesses may run the risk of exacerbating spatial inequality. Investment incentives should include marginalised communities where possible. Policies that correct market or regulatory failures in all areas should be considered. However, this should be in line with the Spatial Development Framework.

7.10. Complementarity and alignment (national and provincial)

National, provincial and district government currently provide various programmes and packages that incentivise investment and job creation. Incentives offered by Rustenburg Local Municipality should align with these to enhance their impact. Furthermore, the RLM investment incentives policy should directly reflect its mandate as a separate and independent sphere of government i.e. it should relate to incentives that Rustenburg can uniquely provide.

7.11. Continuous review

The impact of the incentives on investment decisions will only be apparent when the investment incentives policy is implemented. Investment incentives need to be reviewed regularly to mitigate unintended consequences through adjustments. The review process will be made easier and more effective by keeping incentives simple, keeping records, and evaluating results. The full package of investment incentives should also be reviewed for effectiveness and investor popularity after a fixed period

SECTION C: POLICY DIRECTIVES

This section deals with the proposed incentive policy in line with the Municipality's vision and strategic objective.

8. Priority strategic programmes

These Municipality's developmental programme is guided by the spatial development framework which has six priorities which should direct the application of the proposed incentives:

Priority 1: Integrated spatial development supported by the required bulk infrastructure development

Priority 2: Accelerated and shared economic growth supported by creation of spatial economic opportunities

Priority 3: Sustainable use and management of natural resources

Priority 4: Integration of land use and transport development

Priority 5: Creation of sustainable settlements through access to appropriate housing and social facilities. (housing projects; informal settlements).

Priority 6: Creation of opportunities for sustainable rural development

9. Eligibility

The following provides guidelines in terms of eligible projects which the Municipality will consider for incentives applications.

Criteria for consideration

PRIORITY SECTOR / PROGRAMME	PROJECT TYPE	MIN INVESTMENT (R')
Education	Education precinct / facility / infrastructure / supporting amenities (student accommodation, retail development, etc.)	R100m
Agricultural Development	Urban Agriculture Hubs, Rural Agricultural projects / hubs, Agro-processing projects	R20m (primary agriculture development) R50m (agro-processing project)
Industrial Development	Logistics, Mining Supply, Green Economy, Manufacturing	R100m
Tourism	Convention centre, Hotel, Tourism Park	R100m
CBD Regeneration Projects	Single and Mixed-use high rise (Commercial, Residential and Retail),	R100m
Mixed Use Development	Combination of 3 or more land-uses, etc.	R300m
Precinct Development	Residential, Retail, Logistics, etc.	R50m

Assessment Criteria

CATEGORY	WEIGHT %	Score Max 10	Total Score
Local Content and Procurement	15	[redacted]	[redacted]
Bankable Business Plan and Financial Model	15		
Company Profile and Relevant Industry Experience	15		
Total Capital Investment Value	15		
Job Creation	10		
Green Economy	10		
Access to Market	5		
Skills Development	5		
Concept Design	5		
CSI Spend	5		
TOTAL	**100**	**100**	

POSSIBLE MAXIMUM SCORE: 1000. MIINIMUM QUALIFYING SCORE ACCEPTABLE: 700

10. Role of Municipal Directorates

Directorates in the municipality each have a critical contribution to the Investment Incentive Policy and the packages on offer including the implementation thereof. Each unit must present possible concessions regarding applications complexity and costs, processing and turnaround times. These must be analysed for value so that potential investors can appreciate the savings on offer. Care must be taken to apply the basic principles of this policy in making the decisions.

11. Proposed Investment Incentives

In South Africa, the Department of Trade and Industry (the dti) offers a set of incentives through the fiscus to encourage development and investment in various sectors such as manufacturing, agriculture, tourism and film. Other incentives from the Department of Trade and Industry (the dti) are tailor-made to attract and retain investments in the automotive, business processes, outsourcing and offshoring industries. While the Department of Trade and Industry (the dti) incentives go a long way in making South Africa more competitive. These incentives generally apply nationally. Cities still must compete for such investments. This makes the provision of investment incentives by cities an important ingredient in developing a city's competitiveness.

International best practice acknowledges the benefits of both financial and non-financial local incentives to investors in addition to the National Government incentives. It is recommended that Rustenburg follows the same practice to offer both financial and non-financial incentives

12. Financial Incentives

The Financial Investment Incentives proposed through this policy are described below.

12.1. Incentive F1: Electricity Rates Rebate

A monthly rate rebate as a percentage of total electricity consumed per month per new customer, as per the categories listed, for a period not exceeding 3 years, as follows:

Year	Action to follow	Rebate
Year 1	Rand value to be quantified/estimated in each case	20%
Year 2	Rand value to be quantified/estimated in each case	15%
Year 3	Rand value to be quantified/estimated in each case	10%
Year 4	Revenue Neutral	0%

The following rules apply, for practical implementation:

- Commencement date for the Year 1 rebate countdown – to be determined in each case, in consultation with the investor. The commencement date may be postponed, up to a maximum of 12 months from the date on which the connection was activated.

In the period preceding the commencement date agreed upon, full energy rates will be applicable, subject only to demand charges exemption, upon prior request, as specified in the Energy Tariffs schedule.

- A Notified Maximum Demand (NMD) must be stated by these customers. The full Network Access Charges (NAC) values, will be payable from the month in which the electricity connection is activated by. In cases where the NMD is understated, the understated value will be clawed back once it becomes evident.
- Upon completion of the 3-year period, the normal tariff clauses will be applicable in relation to the NMD and NAC values.

12.2. Incentive F2: Water Rates Rebate

A monthly rate / service tariff rebate as a percentage of total water and sewerage consumed per month per new customer, for a period not exceeding 3 years, as per the table below. This rebate is only available for investments above R100-million.

Year	Action to follow	Rebate
1	Rand value to be quantified/estimated in each case	20%
2	Rand value to be quantified/estimated in each case	15%
3	Rand value to be quantified/estimated in each case	10%
4	No rebate	0%

12.3. Incentive F3: Estate Rental Rebate

A rental rebate on council owned land will be provided as per the table below.

Qualifying project phase	Qualifying lease period	Qualifying investment value	Rebate	Maximum Duration
Planning	Less than 10 Years	Less than R100 million	100%	12 Months
Planning	More than 10 Years	More than R100 million	75%	12 Months
Construction	Less than 10 Years	More than R100 million	50%	12 Months

The rental rebate will only be applicable and effective from the date of the signing of the lease agreement.
The lease agreement for the qualifying project should be subjected to 12 months for the development to commence from the date of signing the agreement or a similar condition in compliance to the land disposal policy.

13. Nonfinancial Incentives

Non-Financial Investment Incentives formalised through this policy are described below.

13.1. Incentive NF1: Catalytic Projects Fast-Track Committee

Catalytic projects fast-tracking committee has been established to fast track investment and development proposals. The fast-tracking of investments and development proposals contributes towards reducing the cost of doing business as it improves the turnaround time for decision making. The Local Economic Development Directorates is establishing a one-stop office that will also improve the interaction with investors and developers and provide ease of access to Municipality's services relating to investment and development facilitation.

SECTION D: MONITORING AND EVALUATION

The incentives applications and their impact will be monitored by the Catalytic Projects Fast-Tracking Committee. The Local Economic Development Directorate will evaluate the impact of the incentives policy on an annual basis. Depending on the investment and macro-economic environments, the policy may be updated to ensure relevance and cost efficiency.

RUSTENBURG

LOCAL MUNICIPALITY

PETTY CASH POLICY

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INTRODUCTION

Section 62(1)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act no. 56 of 2003) (MFMA) states that the accounting officer 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 full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards. Therefore, the Rustenburg Local Municipality adopts the following petty cash policy

POLICY STATEMENT

1 Petty cash are funds to be used for small incidental purchases. Procedures have been established to encourage an effective administration and internal control of cash handling operations throughout the Rustenburg Local Municipality

2. REGULATORY FRAMEWORK

Legislation – Municipal Finance Management Act 56 of 2003

3. OBJECTIVES

The aim of the policy is to ensure that the petty cash funds of the municipality are managed and controlled effectively, efficiently, economically and transparent in accordance with the procurement processes of the municipality and the prescribed legislation.

4. DEFINITIONS

Accounting Officer: means the municipal officials referred to in section 60 of the

MFMA (2003) and include a person acting as the accounting officer.

Chief Financial Officer: The person designated in terms of section 80(2) (a) of Act 56 of 2003 (MFMA), and includes any person acting in that position or to whom authority

is delegated.

Petty Cash Float: The total sum of Petty Cash which has been granted to a Petty Cash Officer.

Petty Cash Officer: An employee, made responsible for the day-to-day operating of the Petty Cash Float.

Reconciliation: Is the process of comparing information, for example cash spent, compared with the relevant documentation and receipts.

Sub-advances: A relatively small amount of cash, made available by the Petty Cash Officer on request, to buy miscellaneous small items.

5. RESPONSIBILITY AND ACCOUNTABILITY

The key responsibilities in terms of the MFMA (Section 65) are: Accounting Officer (Municipal Manager)-

(1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.

(2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure:

(a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;

(b) that the municipality has and maintains a management, accounting and information system which:

(i) recognises expenditure when it is incurred;

(ii) accounts for creditors of the municipality; and

(iii) accounts for payments made by the municipality;

(c) that the municipality has and maintains a system of internal control in respect of creditors and payments;

(d) that payments by the municipality are made:

(i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and

6. PETTY CASH POLICY

6.1 General Policy

(a) The use of a petty cash float (a float may not exceed R10 000.00) is strictly confined to individual cash purchases of up to a maximum of R500.00 inclusive of VAT, unless authorized, to exceed the prescribed amount, by the Chief Financial Officer;

The user may not exceed R2000 for the procurement of the same goods for the month.

(b) The expenditure regarding petty cash purchases shall not be deliberately split into more than one transaction to avoid the said limit;

(c) A petty cash float is not to be used for any of the following:

(i) the cashing of cheques;

(ii) loans to any person whatsoever;

(iii) payment of personal remuneration to any person whatsoever, whether for fees, salaries, wages, travel allowance as part of

remuneration, honorarium or other reason, unless authorized by the Chief Financial Officer;

(iv) for instalment invoices such as rental of equipment or open orders, even if the amount falls within the specified limit;

(v) no approved store items may be purchased by means of a petty cash transaction;

(vi) no fixed assets may be purchased by means of a petty cash transaction; and

(vii) any purchase violating the true meaning of petty cash transactions, or petty cash purchases from a trading creditor that does exist on the financial system will be regarded as a deviation from the accepted accounting practices in the use of Petty Cash. Unless authorised by the Chief Financial Officer, deviations will be regarded as serious offences and will lead to disciplinary action;

(d) Other cash floats may also be established for the purpose of providing change for a cash register, or any purpose approved by the Chief Financial Officer. Use of such floats is restricted to the purpose for which they were established and does not form part of the scope of this policy;

(e) The Internal Audit section may conduct internal audits to evaluate compliance with this policy.

Request for reimbursement

3.2.5.1 Request for Petty Cash reimbursement must be authorised (signing on the receipt / invoice) by a delegated official, Head of Department or Manager as approved by Council, on the receipt.
The recipient must sign the Petty Cash voucher as proof of receipt and to verify that the amount is correct.

3.2.5.2 The official signatory must ensure that funds are available on the budget, prior to submitting claims.

3.2.5.3 An applicable vote number must be supplied on the Petty Cash voucher.

3.2.5.4 Reason for purchase must be supplied.

Documentation control

3.4.1 All documentation (Petty Cash voucher and receipts), applicable for the period between replenishments, must be kept in the lockable cash box which will always be kept in a locked, fire- and thief resistant safe.

3.4.2 With replenishment, the above documentation together will be reconciliation sheet must be attached to the cheque / payment voucher.

Reconciliation

3.5.1.1 A request for replenishment must be supported by a reconciliation sheet compiled by the Petty Cash official.

3.5.1.2 The above sheet must be signed by the Petty Cash official and authorised by the Accountant / Manager / Section 56 Appointments or Municipal Manager.

3.5.1.3 Such reconciliation must be done at least once a month.

3.5.1.4 A year-end reconciliation and replenishment must be done, at 30 June.

6.2 Establishing and Operating a Petty Cash Float

(a) To establish a new petty cash float or increase an existing advance, a written application must be made to the Chief Financial Officer by the relevant Manager of a department;

(c) The Senior administrative employee mentioned under 6.2

(b) will be responsible for the security and safe custody of the float;

(d) The minimal security arrangement that will be acceptable is that the float will be kept in a locked box which will be kept in a locked filing cabinet or safe;

6.3 Security of Petty Cash Floats and Documentation

(a) The cash on hand and used petty cash vouchers are to be kept in a locked box for which there should be two keys. One key is to be retained by the petty cash officer (on their person) normally responsible for the petty cash and the other to be kept by the senior administrative employee mentioned under 6.2

(b) in a safe, to be used only in an emergency.

(b) The locked petty cash box must be kept in a secure place when not in use and should be removed and returned by the responsible staff member only. At no stage should staff other than the responsible administrative/clerical staff member have access to the petty cash box.

(c) Under no circumstance are keys to be left in the lock to the petty cash box, cabinet or safe.

(d) If the responsible Petty Cash Officer is either going on leave or is leaving the Municipality's employment, the Petty Cash Officer must perform a reconciliation and a Summary Claim Cover Page compiled, before possession of Petty Cash, can be handed over. The Summary Claim Cover Page must be signed by both the Petty Cash Officer and the recipient, to verify that the amount in cash, correspond with the balance on the Summary Claim Cover Page; and

(e) When the Petty Cash is returned to the Petty Cash official, the same processes must be followed.

6.4 Completing a Cash Purchase Claim Form

(a) Petty cash claim forms is available from the designated petty cash official responsible for the petty cash in a particular department/section;

(b) The Cash Purchase Claim must be completed as follows:

(i) description and cost of the goods/services purchased.

(ii) purchaser's signature.

(iii) correct vote number with an adequate budget to be charged; and

(iv) signature of the Officer in Charge of Petty Cash.

(c) Original receipts and other valid documentation as required must be attached as proof of payment, with the signature of an appropriate financial delegate on this documentation. The receipt and invoice must be in a formal business format. Receipts must set forth the complete description of the purchase. When a vendor’s printed invoice is used as a receipt, the invoice must clearly indicate that it has been paid.

(d) A financial delegate cannot authorise a cash purchase claim where she or he is the purchaser.

6.5 Sub-Advances to Staff Members

(a) If it is necessary to make an initial sub-advance to a staff member, a receipt for cash advance must be completed. The receipt for cash advance Form must be completed as follows:

(i) description and estimated cost of the goods/services purchased;

(ii) purchaser's signature;

(iii) correct vote number with an adequate budget to be charged;

(iv) signature of the Petty Cash Officer;

(b) On completion of the purchase, the recording-, documentation- and authorization requirements will be as stated in the above paragraph: Completing a Cash Purchase Claim Form (Section 6.4);

(c) All such sub-advances will be accounted for within 24 hours, by submitting original receipts and other applicable documentation required, attached as proof of payment (with the approval signature on the documentation). Where this cannot be achieved, the buyer will be liable to pay back the advance without any delay or if not possible, alternatively be for the immediate recovery from the individual's salary;

(d) No more than one advance will be made for the same purchase/event.

6.6 Out-of-Pocket Payments

(a) Where a staff member has made a purchase from own funds and seeks reimbursement from the petty cash, supporting documentation must be provided to substantiate the claim;

(b) The responsibility to ensure that the purchase will be in accordance with all the prescriptions of this policy will be the sole responsibility of the purchaser of such item(s); and

(c) The recording-, documentation- and authorization requirements will be as stated in the above paragraphs (Section 6.4).

6.7 Reimbursement of Petty Cash Floats

(a) A petty cash float is operated on the basis that expenditure from the float is periodically reimbursed. Such reimbursement requires:

(i) returning the cash level of the petty cash float to its original level,

and;

(ii) charging the expenditure which has been incurred to the correct expenditure vote;

(b) At any given time the unspent amount i.e. cash on hand plus any advances made for which adequate proof must be available, shall equal the level of the petty cash advanced to a Department.

(c) Completed Cash Purchase Claim forms, with attached cash register slips, etc., must be submitted to the Expenditure Section for reimbursement, after the Summary Claim Cover Page and attached documentation have been authorised.

1. REGULATORY FRAMEWORK

Legislation – Municipal Finance Management Act 56 of 2003

1. INTRODUCTION

(1) As trustee of public funds, the Council has an obligation to ensure that all investments are made by the Municipality in the most efficient and effective manner.

(2) Money invested must be for the benefit of the whole of the community and must be governed by the principle objective to maximise returns from authorised investments, consistent with the secondary objective of minimising risk.

2. LEGISLATIVE CONTEXT

(1) This policy is established in terms of section 13(1) and section 13(2) of the MFMA which requires that the Municipality establish an appropriate and effective Cash Management and Investment Policy within which the Municipality must:

(a) conduct its cash management and investments; and

(b) invest money not immediately required in accordance with any framework which may be prescribed by law.

(2) In addition, the Regulations set out the framework within which all municipalities shall conduct their cash management and investment. The said regulations are annexed to this policy as **Annexure "A"**.

(3) This policy is consistent with the MFMA, the aforementioned gazetted framework and section 60(2) of the Systems Act.

(4) The Municipality shall at all times manage its banking accounts and investments, as well as implement this policy in compliance with the provisions of and the prescriptions made by the Minister of Finance in terms of the MFMA.

4. ADOPTION AND COMMENCEMENT OF THIS POLICY

(1) The Municipality shall adopt this policy which is consistent with the provisions of paragraph 3 above.

(2) All investments made by the Municipality or an investment manager on behalf of the Municipality must be in accordance with this policy and with any investment regulations promulgated by National Government.

(3) The effective date of this policy or any amendments thereto shall be the date of its adoption by Council.

5. PURPOSE OF THIS POLICY

The purpose of this policy is to secure the sound and sustainable management of the Municipality's surplus cash and investments.

6. SCOPE OF THIS POLICY

(1) This policy prescribes the manner in which the Municipality must conduct its cash management and investments. This policy further prescribes the obligations and the accountability of the Municipality as a trustee of public

funds, and that cash resources are managed as effectively as possible by ensuring that such funds are invested with great care.

(2) This policy aims through effective cash flow management, having regard to legislative provisions, at gaining the highest possible return without undue risk to the investment during those periods when funds are not required.

(3) The policy governs the investment of money not immediately required by the Municipality for the defrayment of expenditure.

(4) This policy applies to all new and existing investments made by:

(a) the Municipality;

(b) all investment managers acting on behalf of the Municipality in making or managing investments.

(5) This policy does not apply to trust moneys administered by the Municipality where it is prescribed in the trust deed how the trust money is to be invested.

7. OBJECTIVES OF THIS POLICY

(1) To ensure compliance with the relevant legal and statutory requirements relating to cash management and investments.

(2) To ensure that investment of surplus funds of the Municipality forms part of the financial system of the Municipality.

(3) To create consistency in that the same procedure is followed in respect of each investment so as to conform to the requirements of transparency,

equitability and fairness. In each case the preservation and safety of investments is a primary aim.

(4) To promote and ensure the need for investment diversification of the Municipality's investment portfolio across acceptable investees permitted types of investments and investment maturities.

(5) To ensure the liquidity needs of the Municipality are duly discounted and provided for.

(6) To ensure timeous reporting of the investment portfolio as required by the MFMA and in accordance with the Generally Recognised Accounting Practice (GRAP) and as required by the National Treasury.

(7) To establish a minimum acceptable credit rating and requirements for investments including:

(a) a list of approved investment types that may be made, subject to the provisions of this policy; and

(b) a list of approved institutions where or through which investments may be made, subject to the provision of this policy.

(8) To provide measures for ensuring implementation of this policy and internal control over, investment made as well as procedures for reporting on and monitoring of all investments made procedure for benchmarking and performance evaluation.

(9) To provide the assignment of roles and functions, any delegation of decision-making powers including the conditions for the use of investment managers,

and their liability in the event of non-compliance with the provisions of this policy.

(10) To provide the procedures for the annual review of this policy.

8. PERMITTED INVESTMENT TYPES

(1) The Municipality shall only invest funds in any of the following investment types as set out and referred to in regulation 6 of the Regulations, being:

(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, Act 94 of 1990;

(d) deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, Act 45 of 1984;

(e) deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, Act 46 of 1984;

(f) banker's acceptance certificates or negotiable certificates of deposits of banks registered in terms of the Banks Act, Act 94 of 1990;

(g) guaranteed endowment policies with the intention of establishing a sinking fund;

(h) repurchase agreements with banks registered in terms of the Banks Act, Act 94 of 1990;

(i) municipal bonds issued by another municipality; and

(j) any other investment type as the Minister of Finance may identify by regulation in terms of section 168 of the MFMA, in consultation with the Financial Services Board.

9. PROHIBITED INVESTMENTS

(1) The Municipality shall not be permitted to make the following investments:

(a) investments in listed or unlisted shares or unit trusts;

(b) investments in stand alone or derivative instruments;

(c) investments denominated in, or linked to, foreign currencies;

(d) investments in market linked endowment policies.

(2) The Municipality shall not borrow funds for the purposes of investing, as stated in terms of the Borrowing Policy of the Municipality.

(3) Any investment in capital or money market instruments shall be held until maturity. The Municipality shall not buy or sell these instruments, to speculate with a view to making capital profits.

10. STANDARD OF CARE

(1) The Municipality must take all reasonable and prudent steps consistent with, and according to the provisions of this policy to ensure that it places its investments with credit-worthy institutions. The international rating given should be used to evaluate the creditworthiness of financial institutions.

(2) The investment shall be made with the judgement and care, under the prevailing circumstances, which a person of prudence, discretion and intelligence would exercise in the management of his/her own affairs, not for speculation, but for investment, and with primary regard to:

(a) the safety of its capital;

(b) the liquidity needs of the Municipality; and

(c) the probable income or return derived from the investment.

11. DELEGATION OF INVESTMENT PORTFOLIO MANAGEMENT

(1) The authority to make investments and fulfil all functions related herein is in terms of section 59 of the Systems Act delegated by the Council to the Chief Financial Officer who will exercise his/her power, function and duty to make investments on behalf of the Municipality within a policy framework determined by the Minister of Finance and in accordance with the provisions contained within this policy. This power may not be sub-delegated.

(2) The Chief Financial Officer shall make invitation and selection of competitive bids or offers from a list of approved institutions to make short-term investments as and when necessary.

(3) The Chief Financial Officer shall invite bids or offers from a list of approved institutions, in accordance with the applicable provisions of the Supply Chain Management Policy of the Municipality, and make investments in consultation with the Municipal Manager in respect of the long-term investment of funds.

12. REPORTING AND MONITORING

(1) The Accounting Officer, assisted by the Chief Financial Officer, shall in terms of section 71 of MFMA submit, on a monthly basis, a report describing in accordance with Generally Recognised Accounting Practice (GRAP) the investment portfolio of the Municipality as at the end of the month and such report shall contain at least the following particulars:

(a) the market value of each investment as at the beginning of the reporting period;

(b) any changes to the investment portfolio during the reporting period;

(c) the market value of each investment as at the end of the reporting period;

(d) applicable interest rates; and

(e) fully accrued interest or yield for the reporting period.

(2) There shall at all times be transparency, equitability, fairness and accountability in respect of every investment made and of the Municipality's investment portfolio. In this regard, details of all investment must form part of the monthly financial report by the Accounting Officer to the Mayor and the provincial treasury.

(3) There shall at all times be regular reporting mechanisms in place in order to assess the performance of the investment portfolio and to ensure that the investments comply with policy objectives, guidelines, applicable laws and regulations.

(4) The following investment reports shall be prepared:

(a) <u>For the Chief Financial Officer</u>:

(i) a daily summary of current investments for all Investees;

(ii) a detailed schedule of investment capital and interest maturing on the current day;

(iii) a daily summarised schedule of future maturities for all investments;

(iv) a monthly reconciliation of all interest accrued and interest received;

(v) each month, the weighted average actual return earned on investments for the month, together with a comparison to the previous 3, 6, 9 and 12 months, shall be calculated on a

nominal annual compounded monthly basis and benchmarked against rates of return offered by other institutions.

(b) For the Mayor:

A monthly investment portfolio report (in accordance with the Generally Recognised Accounting Practice) to be submitted to the Mayor by the Accounting Officer, within 10 (ten) working days of the end of each month, as part of the section 71 report required in terms of the MFMA, detailing:

(i) the market value of each investment as at the beginning of the reporting period;

(ii) any changes in the investment portfolio during the reporting period;

(iii) the market value of each investment as at the end of the reporting period; and

(iv) fully accrued interest and yield for the reporting period.

(c) For Council:

(i) the Accounting Officer must table a quarterly report to Council within 30 (thirty) days after the end of each quarter on the cash withdrawals from the Municipality's bank account for investment purposes.

(d) For the Auditor-General:

(i) all investees shall, within 30 (thirty) days after the end of the financial year, notify the Auditor-General, in writing, of all investments held by them for and on behalf of the Municipality during that year, 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;

(ii) within 90 (ninety) days after opening up any new bank account, the Municipality shall notify the Auditor-General and the provincial treasury of the name, type and number of any new bank account opened by the Municipality; and annually before the start of a financial year, the name of each bank account where the Municipality holds a bank account, and the type and number of the account.

(iii) all banks, where the Municipality, at the end of a financial year holds a bank account or held a bank account at any time during a financial year, must –

a) within 30 days after the end of that financial year notify the Auditor-General in writing of such bank account including –

(i) the type and number of the account; and

(ii) the opening and closing balances of that bank account in that financial year; and

b) promptly disclose information regarding the account when so requested by the National Treasury or the Auditor-General.

13. DIVERSIFICATION

No more than 50% of the total investment portfolio may be invested with a single institution, except with the prior authorisation of Council.

14. COMPETITIVE SELECTION PROCESS AND INVITATION FOR QUOTATION

(1) No investments may be made without obtaining quotations from at least 3 (three) institutions or investees permitted in terms of this policy, for the terms for which the investment is to be placed.

(2) The selection of an investee for any investment shall be a competitive process in terms of the Supply Chain Management Policy of the Municipality.

(3) In the event of one or more of the investees offering a more beneficial rate for an alternative term, the other investees who previously quoted or invited to quote shall be approached for their rates on the alternative term.

(4) Written confirmation of the terms of the investments shall be prepared and signed with the investee in all cases.

(5) Save where other considerations or factors as provided in this policy apply the best rate offered shall secure the investment.

15. CONTROL OVER INVESTMENT(S)

(1) Proper records should be kept of all investment made. At the very least the following facts should be indicated for each investment: the institution, the funds, the interest rate and the maturity date.

(2) Interest correctly calculated should be received timeously together with any distributable capital.

(3) Investment documents and certificates shall be kept in a locked and fire-resistant safe.

(4) The Chief Financial Officer is responsible for ensuring that the invested funds are reasonably secure and should there be a measure of risk, such risk must be rated realistically.

(5) All investment made must be in the name of the Municipality and recorded as such by the Investee.

(6) The responsibility and the risk arising from any investment vests in the Municipality.

16. INVESTEE LIMITS

(1) Maximum investment levels shall be set for each approved Investee and these limits shall not be exceeded at the time of making the investment.

(2) The investment limit per deposit taking institution shall be calculated using the balance sheet figures obtained from the individual Investee's Reserve Bank DI900 return and taking into account:

(a) 5% of total equity divided by total assets multiplied by total deposits;

(b) the ratio of the individual limits per Investee, calculated above, as a percentage of the total limits, shall then be applied daily to the actual funds invested and available for investment. In this way a daily investment limit, as per the calculated ratio, shall be determined per Investee for any given level of total actual investments.

(3) Investee limits and ratios based on the above formulae shall be revised annually or as required upon the addition or deletion of an institution to or from the list of approved deposit taking Investees.

(4) The Municipality shall only invest with Investees having, as applicable, an investment grade rating of A.1 or better for short term investments and an A or better rating for long term investments from a nationally or internally recognised credit rating agency.

(5) The Municipality shall ensure that it places its investments only with credit-worthy Investees. The credit worthiness of every Investee shall be monitored throughout the year on an ongoing basis.

(6) Any additions to or deletions from the list of approved Investees or any changes to the investment limits assigned to each Investee shall be approved by the Chief Financial Officer in consultation with the Accounting Officer.

17. ELECTRONIC FUNDS TRANSFER

(1) Investments shall be made by electronic transfer.

(2) Strict segregation of duties shall be maintained in respect of the creator of the payment and the payment authoriser.

(3) Investment payments shall be authorised by the Chief Financial Officer.

18. EFFECTIVE CASH MANAGEMENT

(1) In order to ensure adequate and efficient cash management of the Municipality, the Chief Financial Officer must establish and implement at all times a cash management plan and reports which entails at least the following:

(a) daily cash flow reporting shall be prepared as follows:

(i) a summary of the preceding day, and month date, closing bank account and investment balances, cash receipts, payments and inter-bank transfers;

(ii) a detailed schedule of investment capital and interest maturing on the current day;

(iii) a summarised schedule of daily investment maturities for all existing investments;

(iv) a summary of daily cash receipts and payments, actual against forecast for the month to date; and

(v) a daily projection of cash receipts and payments through to the end of the current month;

(b) monthly reporting showing:

(i) comparisons of actual cash flow with forecast, current month and year to date;

(ii) an explanation of any variances in sub-paragraph (i) above;

(iii) updating the estimates on a monthly basis and in reporting provides comments or explanations regarding any significant cash flow deviation in any calendar month;

(iv) a summarised monthly projected cash flow over the next 12 (twelve) months;

(v) an analysis of actual year to date cash receipts and payments and projected cash flows for the remaining months of the current financial year to be submitted to National Treasury; and

(vi) the cash backing of statutory funds and reserves balances at the end of the month;

(c) every quarter preparing a revised detailed cash flow projection for the next 12 (twelve) months;

(d) regular reports indicating, when and for what periods and amounts surplus revenues may be invested, when and for what amounts investments will have to be liquidated, and when, if applicable, either long-term or short-term debt must be incurred; and

(e) preparing annually

(i) the annual estimates for the budget year of the municipality's cash flows per revenue sources divided into calendar months;

(ii) the annual cash flow budget for the new financial year.

(2) The Chief Financial Officer shall ensure regular and effective cash flow monitoring and forecasting which is essential for determining the timing and size of cash surpluses and deficits affecting investment decisions.

(3) The balance on the Municipality's current account shall be maintained at the minimum required level taking into account the day to day cash and expenditure requirements of the Municipality. Surplus cash shall be immediately invested in order to maximise interest earnings.

19. CASH COLLECTIONS

(1) All monies due to the Municipality must be collected as soon as possible and banked in a controlled and secure manner, on a daily basis as cash left in the safe can pose a security risk, necessitate additional insurance coverage and does not earn any interest.

(2) All cash shortages should be paid for immediately and banked to the municipal bank account the next business day.

(3) All surpluses should be recorded and banked to the municipal bank account and will be forfeited if not claimed after 3 years.

(4) Special deposits should be arranged for the larger amounts received to make sure that these are banked on the same day that they are received.

(5) It is essential that all amounts owed to the Municipality be levied by way of a debit and be dealt with in accordance with the Credit Control & Debt Collection Policy of the Municipality.

(6) Adequate cash receipting points shall be made available to the public in all areas to facilitate prompt payment of accounts. Every effort should be made to encourage consumers to pay directly, or via third party agents, into the Municipality's bank account by electronic means.

(7) The Municipality shall review the debt collection performance regularly comparing monies presently owed to the Municipality in relation to the total income as well as a comparison to previous financial years in order to determine whether the debt collection is deteriorating or improving. Debt collection and credit control must be executed in terms of the provisions of the Credit Control & Debt Collection Policy of the Municipality

(8) The Chief Financial Officer shall regularly assess the daily available cash in the main bank account in order to determine the need for making daily call investments or making investment payments or withdrawals, whereas long-term investments need to be based on projections further into the future.

20. PETTY CASH

(1) The Chief Financial Officer will determine by way of written petty cash procedures the maximum amount and the nature of the petty cash disbursements, as well as managing the allocation of all petty cash floats.

(2) Payments by means of petty cash may be used internally, by officials of the Municipality for the purpose of acquiring goods and services that are small in nature and amount and may be required on an urgent basis.

(3) The provisions of the Supply Chain Management Policy of the Municipality concerning the acquiring of goods and services by way of petty cash, must be adhered to at all times.

21. PAYMENT TO SUPPLIERS

(1) The Accounting Officer, assisted by the Chief Financial Officer, shall establish written creditors' payment procedures in terms section 65(2) of the MFMA in order to ensure that the Municipality maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds.

(2) The Chief Financial Officer shall ensure that all tenders and quotations invited by and contracts entered into by the Municipality stipulate payment terms favourable to the Municipality, that is, payment to fall due not sooner than the conclusion of the month following the month in which a particular service is rendered to or goods are received by the Municipality.

(3) Suppliers shall be paid in accordance with the service level agreements concluded with such suppliers and the provisions of the Supply Chain Management Policy of the Municipality. The number of electronic batch payment runs shall be minimised and shall be done in a structured scheduled manner in order to facilitate efficient cash flow management.

(4) The Chief Financial Officer shall ensure that the Municipality optimises financial incentive opportunities arising from effecting earlier payments.

(5) In order to ensure continuous effective control of cash, any special payments to creditors shall only be made with the express approval of the Chief

Financial Officer who shall be satisfied that there are compelling reasons for making such payments prior to the normal month end or other regular processing.

22. INVESTMENTS ETHICS AND PRINCIPLES

(1) The Chief Financial Officer shall be responsible for investing the surplus revenues of the Municipality and shall manage such investments in consultation with the Accounting Officer, as the case may be, and in compliance with any policy directives formulated by Council and the prescriptions made by the Minister of Finance.

(2) Under no circumstances may any staff member be subjected to coercive measures of any description.

(3) No member of staff may accept any gift other than something that is so small (monetary value not exceeding R350.00 (Three hundred and fifty rand)) that it cannot possibly be seen as anything but a sign of goodwill, regardless of whether such gift influences such staff member in his/her work or is intended to do so. Excessive gifts and hospitality must be refused and avoided.

(4) The Chief Financial Officer must record and report all cases to the Accounting Officer where there is a contravention of this policy.

(5) No investment shall be made with an institution where the degree of risk is perceived to be higher than the average risk associated with investment institutions.

(6) No employee or councillor of the Municipality or their family may under any circumstances whatsoever on his/her own behalf or on behalf of any other

person whether directly or indirectly, stipulate, claim or receive any consideration of whatever nature in connection with an investment made. This shall be confirmed annually by all Investees to the Auditor-General.

(7) No fee, commission or other reward may be paid or given, directly or indirectly, to a councillor or official of the Municipality, or to a spouse or close family member of such councillor or official, in respect of any investment made by the Municipality. This shall be confirmed annually by all Investees to the Auditor-General.

(8) All investments must be made without internal or external interference whether such interference comes from individual officials, councillors, agents, Investees or any other external body.

(9) The Municipality shall review its investments regularly and liquidate any investment that no longer has the minimum acceptable rating as specified.

(10) The Municipality must take all reasonable and prudent steps, consistent with the standard of care provided for in this policy to diversify its investment portfolio across institutions, types of investment and investment maturities. In this case it should be noted that a group of financial institutions would be treated as individual institutions.

(11) Investments made by or on behalf of the Municipality must:

(a) be made while maintaining a strict code of ethics and standards;

(b) be a genuine investment and not an investment made for speculation.

23. CONFIDENTIALITY

(1) Interest or investment rates shall not be divulged or disclosed to another institution or Investee.

(2) The Municipality's cash position and its future projected cash flows shall not be discussed with or disclosed to any Investee.

24. GENERAL INVESTMENT PRACTICE

(1) General principles:

(a) After determining whether cash is available for investment and fixing the maximum term of investment, the Chief Financial Officer shall consider the way in which the investment is to be made in conjunction with the Accounting Officer. Because rates can vary according to money market perceptions with regard to the term of investment, quotations for fixed deposits should be requested telephonically for a period within the limitations of the maximum term. All telephonic quotations must be recorded on a schedule and the accepted quotation must be confirmed in writing before the actual investment is made. The same procedure must be followed before re-investment is made with the same institution;

(b) Where a fixed deposit is made with an institution at a lower rate than the other quotations, reasons must be recorded by the Chief Financial Officer and reported to the Mayor as part of monthly financial report by the Accounting Officer.

(2) Payment of commission:

(a) The financial institution where a fixed deposit is made must issue a certificate with regard to each investment at the time when the

investment is made, in which it states that the financial institution has not or will not pay any commission and has not or will not grant any other benefit for obtaining such investment to any employee or councillor of the Municipality or their family or an agent or any other such person, or to any person nominated by such agent or such other person, except where the Municipality has decided, in terms of duly authorising legislation, to appoint an agent, consultant or such other person, and the fee commission has been decided and approved by the Mayor before any investment is made with such a financial institution;

(b) In the case of long-term securities at insurance companies, any payment of commission to any agent, consultant or any other person, must be clearly stated on the application form and approved by the Mayor in terms of duly authorising legislation and shall not exceed industry norms, before any investment is made;

(c) If any fee, commission or other reward is paid to an Investment Manager in respect of an investment made by the Municipality, both the Investee and the Investment Manager must declare such payment to the Council by way of certificate disclosing full details of the payment.

(3) "Call Deposits" and "Fixed Deposits" shorter than 12 (twelve) months:

(a) Quotations shall be solicited from a minimum of 3 (three) financial institutions bearing in mind the limits of the term for which it is intended to invest the funds. Should one of the institutions offer a better rate for a term, other than the term initially requested by the Municipality, the other institutions that were approached shall also be asked for quote a rate for the same term;

(b) It is acceptable to ask for quotations telephonically, as rates can generally change on a regular daily basis and time is a determining factor when an investment is made;

(c) The person responsible for requesting quotations from institutions should record the name of the institution, the name of the person who gave the telephonic quotation and the relevant terms and rates, and other facts such as whether the interest is payable on a monthly basis or on a maturity date. Written confirmation of the telephonic quotation accepted shall be given before the investment is made;

(d) Once the required number of quotations has been obtained, a decision shall be taken regarding the best terms offered and the institution with which the funds are going to be invested. The best offer is normally accepted, with thorough consideration of investment principles. No attempts may be made to make institutions compete with each other as far as their rates and terms are concerned. If institutions have been asked for a quotation with regard to a specific package, the institution has to be told to offer their best rate in their quotation. The institution shall be informed that, once the quotation has been given, no further bargaining or discussions would be entered into in that regard;

(e) The above mentioned procedure should be followed regardless of whether the money is to be invested in a fixed deposit or on a call basis;

(f) The Municipality shall ensure that the investment document received is the genuine document, issued by an approved institution. The investment capital should be paid over only to the institution with which it is to be invested, and not to any agent;

(g) The Chief Financial Officer should seek professional advice whenever there is a degree of uncertainty regarding investment opportunities that are required to be evaluated.

25. USE OF INVESTMENT MANAGERS

(1) The Municipality may employ an Investment Manager to:

(a) advise it on its investments; and/or

(b) manage specific investments on its behalf.

(2) The appointment of an Investment Manager shall be in accordance with the Municipality's Supply Chain Management Policy. No employee, councillor or official of the Municipality or any family member of any of the aforegoing may be appointed as Investment Manager.

(3) All investments made by an investment manager on behalf of the Municipality shall be in accordance with this policy and the Regulations.

(4) Where any investment fee, commission or any other amount is paid by the Investee to the Investment Manager in respect of the Municipality's investments, both the Investee and the investment manager shall declare such payment to Council by way of a certificate disclosing the full details of the payment. Such amount shall not exceed industry norms.

(5) Investment Managers found guilty of non-compliance with this policy, as well as the Regulations, shall be liable for any loss or penalty suffered by the Municipality.

26. ACCOUNTING FOR INVESTMENTS

The Municipality's investments shall be accounted for as held to maturity (HTM) financial investments in accordance with the Municipality's approved accounting policies. The investments shall be measured as at balance sheet date at the amortised cost, using the effective interest rate method, less any write off for impairment or non collectability.

27. EXISTING INVESTMENTS

Nothing in this policy compels the Municipality to liquidate an investment which existed when the Regulations took effect merely because such investment does not meet the provisions of those regulations.

28. INVESTMENT DENOMINATED IN FOREIGN CURRENCY PROHIBITED

The Municipality may make an investment only if the investment is denominated in South African Rand and is not indexed to, or affected by, fluctuations in the value of the rand against any foreign currency.

29. ANNUAL REVIEW OF THIS POLICY

(1) This policy will be reviewed annually or earlier if so required by legislation.

(2) Any changes to this policy must be adopted by Council and be consistent with the MFMA and the Regulations.

ANNEXURE "A"

GOVERNMENT GAZETTE, 1 APRIL 2005

GOVERNMENT NOTICES

NATIONAL TREASURY Notice No. R. 308 dated 1 April 2005 in Gazette No. 27431

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT 2003 MUNICIPAL INVESTMENT REGULATIONS

The Minister of Finance, acting with the concurrence of the Minister for Provincial and Local Government, has in terms of Section 168, read with Section 13 and 99 (2)(g), of the Local Government : Municipal Finance Management Act, Act 56 of 2003, made the regulations as set out in the Schedule.

SCHEDULE

1. Definitions

In these regulations, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and:

(1) **"Act"** means the Local Government: Municipal Finance Management Act, Act 56 of 2003;

(2) **"Investee"** means an institution with which an investment is placed, or its agent;

(3) **"Investment Manager"** means a natural person or legal entity that is a portfolio manager registered in terms of the Financial Markets Control Act, Act 55 of 1989 and Stock Exchanges Control Act, Act 1 of 1985, contracted by a municipality or municipal entity to:

(a) advise it on investments;

(b) manage investments on its behalf; or

(c) advise it on investments and manage investments on its behalf.

(4) **"trust money"** means money held in trust on behalf of third parties in a trust contemplated in terms of Section 12 of the Act.

2. Application

(1) These regulations apply to:

(a) all municipalities;

(b) all municipal entities; and

(c) all Investment Managers acting on behalf of, or assisting, a municipality or municipal entity in making or managing investments.

(2) These regulations do not apply:

(a) to a pension or provident fund registered in terms of the Pension Funds Act, Act 24 of 1956, or any subsequent legislation; or

(b) in respect of trust money administered by a municipality or municipal entity where a trust deed prescribes how the trust money is to be invested.

(3) Municipal pension or provident funds which do not comply with sub-regulation (2)(a) are exempted from these regulations until 30 June 2005.

(4) The Accounting Officer of a municipality and municipal entity must provide the National Treasury with details of all pension or provident funds that do

not comply with sub-regulation (2)(a) within 30 (thirty) days of promulgation of these regulations.

3. Adoption of Investment Policies

(1) The investment policy to be established by a municipality in terms of Section 13(2) of the Act, must be:

(a) adopted by the Council of the municipality; and

(b) consistent with the Act and these regulations.

(2) The board of Directors of a municipal entity must adopt an investment policy for the entity consistent with the Act and these regulations.

(3) All investments made by a municipality or municipal entity, or by an Investment Manager on behalf of a municipality or municipal entity, must be in accordance with the investment policy of the municipality or entity and these regulations.

4. Core elements of Investment Policies

(1) The investment policy of a municipality or municipal entity must:

(a) be in writing;

(b) give effect to these regulations; and

(c) set out:

(i) the scope of the policy;

(ii) the objectives of the policy, with due regard to the provisions of these regulations relating to:

(aa) the preservation and safety of investments as the primary aim;

(bb) the need for investment diversification; and

(cc) the liquidity needs of the municipality or municipal entity;

(iii) a minimum acceptable credit rating for investments, including :-

(aa) a list of approved investment types that may be made, subject to regulation 6;

(bb) a list of approved institutions where or through which investments may be made, subject to regulation 10;

(iv) procedures for the invitation and selection of competitive bids or offers in accordance with Part 1 of Chapter 11 of the Act;

(v) measures for ensuring implementation of the policy and internal control over investments made;

(vi) procedures for reporting on and monitoring of all investments made, subject to regulation 9;

(vii) procedures for benchmarking and performance evaluation;

(viii) the assignment of roles and functions, including any delegation of decision-making powers;

(ix) if Investment Managers are to be used, conditions for their use, including their liability in the event of non-compliance with the policy or these regulations; and

(x) procedures for the annual review of the policy.

5. Standard of Care to be exercised when making Investments

Investments by a municipality or municipal entity, or by an Investment Manager on behalf of a municipality or entity:

(a) must be made with such judgment 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;

(b) may not be made for speculation but must be a genuine investment; and

(c) must in the first instance be made with primary regard being to the probable safety of the investment, in the second instance to the liquidity needs of the municipality or municipal entity and lastly to the probable income derived from the investment.

6. Permitted Investments

A municipality or municipal entity may invest funds only in any of the following investment types:

(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, Act 94 of 1990;

(d) deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, Act 45 of 1984;

(e) deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 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;

(h) repurchase agreements with banks registered in terms of the Banks Act, 1990;

(i) municipal bonds issued by a municipality; and

(j) any other investment type as the Minister may identify by regulation in terms of section 168 of the Act, in consultation with the Financial Services Board.

7. Investments denominated in foreign currencies prohibited

A municipality or municipal entity 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.

8. Payment of Commission

(1) No fee, commission or other reward may be paid to a councillor or official of a municipality or to a director or official of a municipal entity or to a spouse or close family member of such councillor, director or official in respect of any investment made or referred by a municipality or municipal entity.

(2) If an Investee pays any fee, commission or other reward to an Investment Manager in respect of any investment made by a municipality or municipal entity, both the Investee and the Investment Manager must declare such payment to the Council of the municipality or the board of directors of the municipal entity by way of a certificate disclosing full details of the payment.

9. Reporting requirements

(1) The accounting officer of a municipality or municipal entity must within 10 working days of the end of each month, as part of the Section 71 report

required by the Act, submit to the Mayor of the municipality or the board of directors of the municipal entity a report describing in accordance with generally recognised accounting practice the investment portfolio of that municipality or municipal entity as at the end of the month.

(2) The report referred to in sub regulation (1) above must set out at least:

(a) the market value of each investment as at the beginning of the reporting period;

(b) any changes to the investment portfolio during the reporting period;

(c) the market value of each investment as at the end of the reporting period; and

(d) fully accrued interest and yield for the reporting period.

10. Credit Requirements

(1) A municipality or municipal entity must take all reasonable and prudent steps consistent with its investment policy and according to the standard of care set out in regulation 5, to ensure that it places its investments with credit worthy institutions.

(2) A municipality or municipal entity must :-

(a) regularly monitor its investment portfolio; and

(b) when appropriate liquidate an investment that no longer has the minimum acceptable credit rating as specified in its investment policy.

11. Portfolio Diversification

A municipality or municipal entity must take all reasonable and prudent steps, consistent with its investment policy and according to the standard of care prescribed in regulation 5, to diversify its investment portfolio across institutions, types of investment and investment maturities.

12. Miscellaneous Provisions

(1) The responsibility and risk arising from any investment transaction vests in the relevant municipality or municipal entity.

(2) All investments made by a municipality or municipal entity must be in the name of that municipality or municipal entity.

(3) A municipality or municipal entity may not borrow money for the purpose of investment.

13. Existing Investments

Nothing in these regulations compels a municipality or municipal entity to liquidate an investment which existed when these regulations took effect merely because such investment does not comply with a provision of these regulations.

14. Commencement

These regulations take effect on 1 April 2005.

ANNEXURE "B"

LIST OF CURRENTLY APPROVED INVESTEES

A. Deposit taking institutions

ABSA Bank

FirstRand Bank

Investec Bank

Nedbank

Standard Bank

Public Investment Commissioners

Corporation for Public Deposits

B. Corporate bond issuers

None currently approved.

C. Municipal bond issuers

None currently approved.

D. Endowment policy issuers

E. National Government / Parastatals

RSA fixed income stock.

Eskom fixed income stock

AGENDA: SPECIAL COUNCIL: 29 MAY 2025

RUSTENBURG LOCAL MUNICIPALITY

DRAFT PREFERENTIAL PROCUREMENT POLICY:

Version 1

Issued in terms of the Preferential Procurement Policy Framework Act 5 of 2000, and its regulations.

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1. ACRONYMS AND ABBREVIATIONS

AO	Accounting Officer
RLM	Rustenburg Local Municipality
CSD	Central Supplier Database
GCC	General Conditions of Contract
MFMA	Municipal Finance Management Act, 1999 (Act No. 1 of 1999)
PPPFA	Preferential Procurement Policy Framework Act, 2000 (Act No. 5of 2000)
MBD	Municipal Bidding Documents
SCM	Supply Chain Management
SMME's	Small, Medium and Micro Enterprise

2. PURPOSE

The broad purpose of the Preferential Procurement Policy is to sets out guidelines for fair, equitable, transparent, competitive and cost-effective Supply Chain Management (SCM) systems:

2.1. Validate Municipality's commitment to Preferential Procurement.

2.2. Ensure effective and efficient application of resources.

2.3. Promote accountability, transparency and fairness.

2.4. Create opportunities for local small, medium, and micro enterprises.

2.5. Stimulate socio-economic development.

2.6. Promote competitive bidding.

3. SCOPE OF APPLICATION

This Policy applies to the procurement of all goods and services and sale and letting of assets by Rustenburg Local Municipality.

4. DEFINITIONS

"Administrative action" bears the meaning assigned to it in the Promotion of Administrative Justice Act, No 3 of 2000.

"bidder/tenderer" means any natural or legal person who makes an offer in response to a Request for Quotation (RFQ), a Request for Proposal (RFP) or a Request for Bid (RFB).

"Black people" is a generic term which means Africans, Coloureds, Indians and Chinese –

- Who are citizens of the Republic of South Africa by birth or descent; or
- Who became citizens of the Republic of South Africa by naturalization-
- Before 27 April 1994; or
- On or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalization prior to that date."

"Central Supplier Database (**CSD**)" is a single database that will serve as the source of all supplier information for organs of state. The supplier information is verified with institutions such as the South African Revenue Service, Companies and Intellectual Property Commission, Bank Institutions, etc.

"Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein as defined in the General Conditions of Contract.

"Municipality" in the context of this policy means the ***Rustenburg Local Municipality***

"highest acceptable tender" means a tender that complies with all specifications and conditions of tender and that has the highest price compared to other tenders;

"lowest acceptable tender" means a tender that complies with all specifications and conditions of tender and that has the lowest price compared to other tenders;

"price" means an amount of money tendered for goods or services and includes all applicable taxes less all unconditional discounts.

"Rand value" means the total estimated value of a contract in Rand, calculated at the time of the tender invitation.

"specific goals" means specific goals as contemplated in section 2(1)(d) of the Preferential Procurement Policy Framework Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994;

"tender" means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation.

"tender for income-generating contracts" means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and

"the Act" means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

"Rural business" means a business whose main address is within villages or other areas other than urban/or township.

"Township business" means a business whose main address is within township.

5. POLICY OBJECTIVES

5.1. To ensure that procurement of goods and services within the Municipality is aligned to the Preferential Procurement Policy Framework Act 2000 and its regulations, 2022;

5.2. To give effect to the provisions of the Rustenburg Local Municipality Procurement Strategy.

5.3. Provide clarity on the Municipality's approach to procurement, particularly with regards to requirements of preferential procurement.

5.4. Provide access to procurement opportunities for Historical Disadvantaged Individuals (**HDI**).

5.5. Promote participation by SMMEs.

5.6. Promote local economic development and SMME support and development.

5.7. Promote joint venture opportunities between HDI-owned enterprises, SMMEs, and other business entities.

6. LEGISLATIVE FRAMEWORK

6.1. Constitution of the Republic of South Africa, 1996

Section 217(1) of the Constitution, 1996 (Act 108 of 1996) provides that when contracting for goods and services, organs of state must do so in accordance with a system that is fair, equitable, transparent, competitive, and cost-effective. Section 217(2) and (3) of the Constitution allows organs of state to grant preferences when procuring for goods and services within a Framework prescribed by National legislation.

6.2. Municipal Finance Management Act (MFMA), 56 of 2003

6.2.1. The MFMA aims to ensure an effective, efficient and transparent system of financial management as well as procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective.

6.2.2. Sections 38 and 51 of the MFMA deals with SCM requirements and must be read together with the SCM TR 16A effective form 15 March 2005. Both these sets of prescripts support the application of the PPPFA.

6.3. Preferential Procurement Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000) and its associated regulations as amended

6.4. The PPPFA, 2000 and PPR 2022 took effect on 3 February 2000 and 16 February 2023 respectively. The main aim is that an organ of state **must determine its preferential procurement policy** and implement such within the preferential procurement framework.

7. POLICY PRONOUNCEMENT /POLICY CONTENT

7.1 ROLES AND RESPONSIBILITIES

Stakeholders	Policy Development	Policy Approval	Policy Implementation	Monitoring and Evaluation
Member of the Executive Council	Accountable and approves policies in line with the four I's of authority: identifying, initiating, integrating and interpreting. Provides political leadership, vision and policy direction	Approves all Municipal policies in line with powers conferred by delegation	Members of the Executive Council exercise executive authority through a wide range of responsibilities, including overseeing the implementation of approved Policies. Oversees policy implementation in relations with to electoral mandate	Approves amendment of the reviewed policy
Chief Financial Officer	Contribute to the policy agenda and recommends for the approval of new	Adopts all the Municipal Policies	Oversees the Implementation of the Municipality's policies and delivers the outputs	Adopt amendment of the policy after the review.

Stakeholders	Policy Development	Policy Approval	Policy Implementation	Monitoring and Evaluation
	policies in line with delegated powers Informs and advises elected political officials accurately, completely and on time		defined in the Municipality's budget. Implements policy and ministerial decisions efficiently and effectively, and in ways that promotes preferential procurement	
Supply Chain Management (SCM) Unit.	Identify policy gaps in line with the Municipality procurement regulations.	Makes recommendations on this Policy	Implements policy and ministerial decisions efficiently and effectively, and in ways that promote preferential procurement	Monitor and assess policy implementation and consolidate implementation reports for further actions.

Stakeholders	Policy Development	Policy Approval	Policy Implementation	Monitoring and Evaluation
Strategic Planning Research and Policy	Offer various units with strategic and technical support on policy development Scrutinise early intentions of developing policies to test whether they are worthwhile or not or to review or amend. Co-ordinates the consultation and supports the development of Municipal policies. Ensure that policy and legislative development processes are inclusive of Socio-Economic Impact Assessment System (SEIAS). Ensure that policies and legislation development is according to the planned schedule and legislative programme	Validates all policies' preapproval for compliance and alignment with the Municipal mandate Ensures policies are aligned with a Municipality- wide policy and the national policy.	Implement policies within the area of responsibility Play an oversight role on the implementation of approved policies and legislation	Assists in the monitoring and evaluation of Municipal policies. Work with the Municipal Monitoring and Evaluation Units.

Stakeholders	Policy Development	Policy Approval	Policy Implementation	Monitoring and Evaluation
Labour Management Forum	Analyse and make inputs on the draft policy.	Recommend the adoption of all policies to the Accounting Officer and the Executive Authority	Ensures that all policies implemented are analysed and checked for justifiability in terms of policy implementation for employer and employee	Monitors and evaluates all Municipal policies.
Communication Services	Circulate the drafted policy for inputs to all staff and other relevant stakeholders.	Informs all staff and other relevant stakeholders on the approval of all policies	Communicates all approved policies to all staff and other relevant stakeholders.	Informs all staff and other relevant stakeholders on the Monitoring and Evaluation of the policy process

8 IDENTIFICATION OF SPECIFIC GOAL

8.1 Petty Cash

The following direct purchase will be utilised for awarding of quotations. The range of quotations will be between the rand value of R1 to R 2 000.

8.2 Quotations

The following specific goals and applicable points will be utilised for awarding of quotations.

The range of quotations will be between the rand value of R30 000 to R 200 000.

Ownership	Means of Verification
Rustenburg Jurisdiction	Latest (not older than three months) Municipal Account/Traditional Council letter
Rural /Township Businesses	Latest (not older than three months) Municipal Account/Traditional Council letter
Black People	Valid Sworn Affidavit
Persons with Disability	Disability verification letter
Youth	Certified ID copy
Women	Certified ID copy
SMME's	Company registration

8.3 Open Tenders

The following specific goals will be utilised for awarding of tenders. They can be applicable individually or wholly in awarding of points. The points will be allocated on merit per tender in line with the specification. The range of open tenders will be for rand value above R 200 001.

Ownership	Means of Verification
Rustenburg Jurisdiction	Latest (not older than three months) Municipal Account/Traditional Council letter
Rural /Township Businesses	Latest (not older than three months) Municipal Account/Traditional Council letter
Black People	Valid Sworn Affidavit
Persons with Disability	Disability verification letter
Youth	Certified ID copy
Women	Certified ID copy
SMME's	Company registration

8.4 Failure to submit means of verification will result in zero points awarded for specific goals.

9 IDENTIFICATION OF PREFERENCE POINT SYSTEM

9.1 Accounting Officer (AO) must, in the tender documents, stipulate—

9.1.1 the applicable preference point system as envisaged in paragraphs 9.2, 9.3, 9.4 or 9.5.

9.1.2 the specific goal in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.

9.1.3 if it is unclear whether the 80/20 or 90/10 preference point system applies, the AO will, in the tender documents, stipulate in the case of—

9.1.3.1 an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system: or

9.1.3.2 any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

9.2 The 80/20 preference point system for acquisition of goods or services with and value equal to or below R50 million.

9.2.1 The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

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

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmin = Price of lowest acceptable tender.

9.2.2 A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.

9.2.3 The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

9.2.4 Subject to section 2(1)(f) of the PPPF Act, the contract must be awarded to the tenderer scoring the highest points.

9.3 The 90/10 preference point system for acquisition of goods or services with Rand value above R50 million

9.3.1 The following formula must be used to calculate the points out 90 for price in respect of an invitation for tender with a Rand value above R50 million, inclusive of all applicable taxes:

$$Ps = 90\left(1 - \frac{Pt - P\min}{P\min}\right)$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmin = Price of lowest acceptable tender.

9.3.2 A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.

9.3.3 The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

9.3.4 Subject to section 2(1)(f) of the PPPF Act, the contract must be awarded to the tenderer scoring the highest points.

9.4 The 80/20 preference points system for tenders for income-generating contracts with Rand value equal to or below R50 million.

9.4.1 The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$Ps = 80\left(1 + \frac{Pt - Pmax}{Pmax}\right)$$ Where –

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

9.4.2 A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender

9.4.3 The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

9.4.4 Subject to section 2(1)(f) of the PPPF Act, the contract must be awarded to the tenderer scoring the highest points.

9.5 90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million

9.5.1 The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million, inclusive of all applicable taxes:

$$Ps = 90\left(1 + \frac{Pt - Pmax}{Pmax}\right)$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

9.5.2 A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.

9.5.3 The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

9.5.4 Subject to section 2(1)(f) of the PPPF Act, the contract must be awarded to the tenderer scoring the highest points.

10 CRITERIA FOR BREAKING DEADLOCK IN SCORING

10.1 If two or more tenderers score an equal total number of points, the contract will be awarded to the tenderer that scored the highest points for specific goals.

10.2 If two or more tenderers score equal total points in all respects, the award will be decided by the drawing of lots.

11 REMEDIES

11.1 If the AO is of the view that a tenderer submitted false information regarding a specific goal, it must—inform the tenderer; accordingly, and give the tenderer an opportunity to make representations within 14 days as to why the tender may 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.

11.2 After considering the representations referred to in subparagraph (11.1.2), the AO may, if it concludes that such information is false—disqualify the tenderer or terminate the contract in whole or in part; and if applicable, claim damages from the tenderer

12. INCEPTION DATE

This policy takes effect upon approval by the Municipal Council.

13. REVIEW

This policy shall be reviewed by the Municipality every year or as and when necessary.

14. DATE OF COMMENCEMENT

This policy takes effect upon approval by the Municipal Council.

15. APPROVAL

DOCUMENT TITLE	PREFERENTIAL PROCUREMENT POLICY
COMPILED BY:	SUPPLY CHAIN MANAGEMENT _____ _____ UNIT MANAGER DATE
RECOMMENDED BY:	 _____ _____ CHIEF FINANCIAL OFFICER DATE
QUALIFIED BY:	 _____ _____ DIRECTOR STRATEGIC PLANNING, RESEARCH, MONITORING AND EVALUATION DATE
ADOPTED BY:	

	_____ _____ ACCOUNTING OFFICER DATE
APPROVED BY	_____ _____ MEMBER OF THE EXECUTIVE COUNCIL DATE

RUSTENBURG LOCAL MUNICIPALITY

REWARDS, GIFTS AND FAVOUR POLICY

REWARDS, GIFTS AND FAVOURS POLICY

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REWARDS, GIFTS AND FAVOURS POLICY

PART 1 OBJECTIVE

To set out in clear terms the rules that apply to offers of a reward, gift or favours from persons having or proposing to have a contractual relationship with the municipality and the responsibilities of councillors and staff members in this regard. The Code of Conduct and Rewards, Gifts and Favours Policy is aimed at ensuring that councillors and staff members conduct themselves so that their good faith and integrity should not be open to question.

PART 2 GENERAL PRINCIPLES

Councillors and staff members will appreciate that receipt of hospitality or acceptance of gifts is, in law, no different from the receipt of monies.

To resolve any doubts about the wisdom of accepting rewards, gifts and favours whether or not such is intended (or might be thought to be intended) to influence councillors or staff member's actions, where there is an offer of hospitality or gifts from persons having of proposing to have contractual relationship with the municipality, then the proper course of action for councillors and staff members is:

a) To consider acceptance of any such offer only where the councillor or staff member regards it as normal and reasonable. "Normal and reasonable" is defined for this purpose as no more than the municipality would be prepared to offer in equivalent circumstances. The council will provide guidance as to what may be considered appropriate and councillors and staff members should not exceed such guidance without the specific and written authority of the Executive Mayor or Municipal Manager.

b) Councillors and staff members must ensure that any rewards, gifts and favours not of a level or amount which would lead to the public perception that the individual might be influenced. Councillors and staff members should ask themselves the question "how would acceptance of the reward, gift or favour be perceived by an objective member of the public" and check the answer by seeking an independent view from within the organization's governance and management structure.

c) If there is doubt as to the propriety of acceptance, the councillor or staff member should decline the offer of a reward, gift or favour.

As a matter of law, it does not matter if the gift, reward or favour is given to or received by the councillor or staff member before or after a contract is awarded or other favour shown. **However, the timing of any acceptance of the reward, gift or favour is important, as demonstrating a possible connection between the acceptance and the grant of a contract. No reward, gift or favour should be accepted from a tenderer in the period between invitation to tender and acceptance by the municipality, nor, so**

far as is practicable, in the immediate period before invitations to tender are requested or the immediate period after the grant of a contract. To an extend, a period foreseeable which can be directly linked to the awarding of that particular contract.

Schedule 1 and 2 of the Municipal Systems Act No. 32 of 2000 contains the code of conduct for councillors and municipal staff members respectively.

SCHEDULE 1 SECTION 9 STATES:

1. A councillor may not request, solicit or accept any reward, gift or favour for:

    a) Voting or not voting in a particular manner on any matter before the municipal council or before a committee of which that councillor is a member;
    b) Persuading the council or any committee in regard to the exercise of any power, function or duty;
    c) Making a representation to the council or any committee of the council; or
    d) Disclosing privileged or confidential information.

SCHEDULE 2 SECTION 8 STATES:

1. A staff member of the municipality may not request, solicit or accept any reward or gift in favour for:

    a) Persuading the council of the municipality, or any structure or functionary of the council, with regard to the exercise of any power or the performance of any duty;
    b) Making a representation to the council, or any structure or functionary of the council;
    c) Disclosing any privileged or confidential information; or
    d) Doing or not doing anything within that staff member's powers or duties.

2. As staff member must without delay report to superior official or to the speaker of the council any offer which, if accepted by the staff member, would constitute a breach of (1).

The code of conduct prohibits any councillor or staff member from "soliciting" any gift benefit or reward for example by asking or hinting or making innuendo to that effect, whether directly or indirectly in the workplace or elsewhere through the agency of a colleague, friend or relative.

Within reason, the distribution of company specific items shall not be classified as gifts, favours or rewards. However, this indulgence should not be extended to tenderers, persons with whom there are legal disputes or any person in an adversarial or doubtful relationship with the municipality.

PART 3 VALUE OF REWARDS, GIFTS AND FAVOURS (Normal and Reasonable)

Councillors and staff members are required to report and register rewards, gifts and favours above a prescribed value which is determined by council from time to time.

PART 4 REGISTER OF REWARDS, GIFTS AND FAVOURS

An electronic register will be kept and maintained in the office of the Municipal Manager and Internal Audit should review the register periodically. A gift declaration Form (ANNEXURE A) shall be completed by councillors and staff members who have received a rewards, gift or favour which exceeds the approved value. Each declaration submitted will be allocated a serial number by the municipal manager for reference purposes.

PART 5 RESPONSIBILITY OF COUNCILLORS AND STAFF MEMBERS TO DECLARE REWARDS, GIFTS AND FAVOURS

It is the responsibility of councillors and staff members to declare all rewards, gifts and or favours which exceed the value determined by council.

PART 6 AUTHORITY TO ACCEPT REWARDS, GIFTS OR FAVOURS

Staff Members

The responsibility of granting authority to staff members to accept rewards, gifts or favours rests with the Municipal Manager.

Councillors

The responsibility of granting authority to councillors to accept rewards, gifts or favours rests with the Executive Mayor.

PART 7 ACCOUNTABILITY

The Municipal Manager shall provide details of all rewards, gifts and favours received by councillors and staff members and authorized by the Executive Mayor or Municipal Manager to the Audit Committee and Mayoral Committee on a quarterly basis.

PART 8 ENFORCEMENT

Municipal Councillors or staff members who accept rewards, gifts or favours without declaring them in breach of the code of conduct will be dealt with in terms of the disciplinary procedures of the municipality.

ANNEXURE A

RUSTENBURG MUNICIPALITY

DECLARATION OF REWARD, GIFT OR FAVOUR FOR GIFT REGISTER	
Register Number: _ _ _ _ _ _ _ _ _ _ _	Date: _ _ _ _ _ _ / _ _ _ _ _ _ / _ _ _ _ _

Details of Sponsor (Contributor)	
Company Name	
Name of Company Representative	
Service Provided	
Relationship	
Service Period	

Details of Recipient	
Name	
Branch / Department	
Staff Number	

Details of Reward, Gift or Favour Received

No.	Description	Approx. Monetary Value

Have any rewards gifts or favours been received from this company before? (Mark with "X")	Yes		No	

If yes, please provide a description of this gift (s):

Executive Mayor/Municipal Manager Approval (FOR OFFICE USE ONLY)

The above gift is: (Mark with "X")

	To be returned to supplier with a letter of thanks
	To be enjoyed by the councillor or official, above
	To be enjoyed by the branch / department under management supervision

Comments

Municipal Manager / Executive Mayor: _

(Signature)

Date: _ _ _ _ _ _ / _ _ _ _ _ _ _ _ / _ _ _ _ _ _

Rustenburg Local Municipality

STUDY AID POLICY

Policy Governance

Policy Title	**STUDY AID POLICY**	
Role & Process	**Responsible Individual Name and/or Date**	**Responsibility Accepted Signature**
DCSS Director		
Policy Custodian	DCSS	
Policy Author	DCSS	
LLF Consultation Date		
LLF Consultation Reference	(ITEM #)	
Council Approval Date		
Council Approval Reference	(COUNCIL RESOLUTION NUMBER)	
DCSS Director		
Policy Approved		
Policy Inception Date	DATE OF APPROVAL AT COUNCIL	
Review Cycle Period	2 YEARS (AS AND WHEN NECESSARY)	
Review Start Date		
Review Completion Date	(AFTER NECCESARY CONSULTATION AND SUBSEQUENT APPROVAL)	
Legislative References	• Constitution of RSA Employment Equity Act, 1998 (Act 55 of 1998); • Skills Development Act, 1998 (Act No. 97 of 1998); • The Basic Conditions of Employment Act, 1997 (Act No.75 of 1997); • Labour Relations Act, 1995 (Act 65 of 1995); • Occupational Health and Safety Act,	

	1993 (Act No. 85 of 1993); • Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) • The Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No.4 of 2000) (PEPUDA) • Collective Agreements • The South African Qualifications Authority (SAQA) • Government Gazette Act No, 40167 of the 29 July 2016. • Local Government : Municipal Staff Regulation. 20 September 2021. • SAQA Act – South African Qualification Authority Act, 1995 (No. 8 of 1995) – as amended. • SETA – Sector Education and Training Authority. • SDA - Skills Development Act, 1998 (N0. 97 of 1998) as amended. • SDL Act - Skills Development Levies Act, 1999 (No. 9 of 1999) as amended.	
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1. PREAMBLE

Rustenburg Local Municipality (RLM) must ensure depth of competencies exist, especially in key management, leadership and technical positions where skills are both critical and scarce. Pro-active and deliberate planning must ensure that RLM can sustain effective continuity where incumbents in such select position/s vacate the post/s.

2. PURPOSE

The purpose of this policy is to provide Employees with guidelines regarding studying, subsequent leave, examination and the obligations of Employees and includes the following:

2.1 Enabling full-time employees to undergo formal part-time study, modular , full time or training by means of financial assistance in the form of a study aid and leave concessions in order to enable its employees to better qualify themselves for posts on RLM's staff establishment, to in this way facilitate personnel development.

2.2 Identifying expertise that RLM has a need for and to develop this to the benefit of RLM to ensure higher quality employees for RLM;

2.3 RLM shall approve annually budget, within its financial means, an amount to enable the training of its employees

2.4 To give an opportunity to RLM employees to study any field that is within local government not necessarily within their area of work but to advance their career path to be able to access promotional opportunities anywhere in the RLM.

2.5 To give opportunity to RLM employees to have access to internal training institution as regulated through Training and Development section.

3. SCOPE AND APPLICATION

This policy applies to all permanent employees of the Municipality as defined in the Labour Relations Act, 65 of 1995 as amended who are identified through the Study Aid application process including fixed term employees.

The terms "Education, Training and Development" (ETD) covers various forms of learning that takes place at diverse sites as well as at specialist and academic institutions. The content of learning covers technical and non-technical fields, capacity building as well as general employee training.

4. OBJECTIVES OF THE STUDY AID

Is to encourage employees to engage in or continue their studies in order to:

4.1 Offer Employee's opportunities to acquire qualifications to satisfy the Human Resource needs of the RLM, as well as to enhance the career development needs of the Employees.

4.2 Improve the quality of life of employees, their career prospects;

4.3 Enable RLM to keep up with the rapid changes in terms of technology and deal pro-actively with the transformation of local government.

4.4 Increase the levels of investment in education and training in the Municipality and that the return of that investment be realized;

4.6 Encourage Management across RLM organization (Unit and Section 56 Managers):

4.6.1 To facilitate active learning in the workplace and;

4.6.2 To provide employees with opportunities to acquire new skills and knowledge;

4.7 Introduce fair and reasonable objective principles for education, training and development of employees in the employment of RLM; and

4.8 Provide guiding standards for career development of employees in the employment of RLM.

4.9 Effectively deal with financial challenges and increasing education fees, that poses a challenge and unaffordability, defeat the purpose of education and development of employees.

4.10 Define clear principles and legal framework within which the policy must be applicable.

5. DEFINITIONS

The following definitions and principles will apply to the Municipality's Study Aid Policy. In this policy, the definitions mean:

5.1 Employee – permanently employed employee in the service of the Municipality.

5.2 Study Aid – financial support granted to Employees for approved study purposes.

5.3 Institution - Educational institution registered in terms of SAQA requirements.

5.4 ETD – Education Training and Development.

5.5 Examinations - A final testing of the proficiency or knowledge of a student for a qualification in a particular subject/module prescribed by the institution.

5.6 Group discussions - The attendance of group discussions, study schools and class attendance organized by the institution, also the testing of proficiency or knowledge of a student to qualify for an examination.

5.7 Studies shall include a national certificate, diploma and degrees

5.7 SAQA Act – South African Qualification Authority Act, 1995 (No. 8 of 1995) – as amended.

5.8 SETA – Sector Education and Training Authority.

5.9 SDA - Skills Development Act, 1998 (N0. 97 of 1998) as amended.

5.10 SDL Act - Skills Development Levies Act, 1999 (No. 9 of 1999) as amended.

5.11 NQF- National Qualification Framework

5.12 Internal training institution means - an accredited onsite training facility managed by RLM.

5.13 RLM - Rustenburg Local Municipality

5.14 Training and Development section - means a division of a municipality where training is manage

5.15 Study Stream - means a series of area- specific courses that you take as part of your qualification that allows an employee specialise in a particular field of study.

6. LEGAL FRAMEWORK

6.1 Occupational Health and Safety Act, 85 of 1993.

6.2 South African Qualifications Authority Act, 58 of 1995

6.3 Labour Relations Act, 65 of 1995.

6.4 Constitution of the RSA, 108 of 1996

6.5 Basic Conditions of Employment Act, 75 of 1997 as amended.

6.6 White Paper on Local Government, March 1998

6.7 Employment Equity Act, 55 of 1998

6.8 Skills Development Act, 97 of 1998

6.9 Skills Development Levies Act, 9 of 1999

6.10 Municipal Systems Act, 1999

6.11 Promotion of Equality and Prevention of unfair discrimination Bill, 57 of 1999

6.12 Performance Management System;

6.13 POPI Act- Protection of Personal Information Act

7. PRINCIPLES

The policy is based on the following principles, which are acknowledged by the RLM:

7.1 The training and development of employees as such are thus of extreme importance in order to render the appropriate quality and quantity of service.

7.2. The development of our human resources should aim at improving knowledge, skills and attitude and unlocking potential to the benefit of the employee and the RLM.

7.3 The RLM will engage in training partnerships with external institutions to address specific training needs.

7.4 The RLM acknowledges Training Centre's and other approved institutions as structures.

7.5 Approved in-service training and development programmes or workshops will be conducted during normal working hours.

7.6 Recognized Trade Unions are equal partners in the process of education, training, and development as well as in the creation of policy and structures for the purpose of developing their members.

7.7 All training shall be performance based, aimed at present and future career development, and comply with the accepted desired standards.

7.8 All education, training and development activities shall be local government driven.

7.9 Successful completion of a qualification does not automatically entitle trainees to promotion or salary increments.

8. POLICY CONTENT

Criteria for the granting of study aid:

8.1 Any qualification which is pursued by an employee should be applicable to the functions and activities of RLM authorities.

8.2 Qualifications may only be pursued at educational institutions established, registered and approved by the South African Qualification Authority.

8.3 Participation in the study aid will be limited to one recognized pre-graduate and post-graduate qualification per Employee.

8.4 If an employee abandons his or her studies in an approved recognized qualification, he/she have to **pay back the amount already paid for him/her** in the qualification that is being abandoned before he/she can apply for study aid in another qualification.

8.5 Employee can change a qualification registered with an educational institution if the institution discontinues the qualification and a **written proof must be provided** to that effect. In that instance an employee will not be required to repay any amount paid on his or her behalf.

8.6 When an official is transferred and or promoted to another directorate with other functions and she/he decides to change his/her course, it would not be seen as the discontinuing of studies.

8.7 The goal of the study aid is to offer opportunities to officials to acquire qualifications to satisfy the Human Resource needs of Council, as well as to enhance the career development needs of the employees.

8.8 **Study aid may be granted to Employees who –**

8.8.1 Have been appointed permanently in the service of the RLM;

8.8.2 Qualify for admission to a particular qualification or remainder thereof at the educational institution;

8.8.3 Are identified to enroll for development programmes as part of career development and employment equity guidelines of RLM;

8.8.4 Did not already make use of a study aid in completing a study stream.

9. FUNCTIONAL POLICY

9.1 Applying for a study aid:

Employees shall apply in writing for a Study Aid on the prescribed application form.

9.2 Approving of study aid:

9.2.1 The allocation of Study Aid is delegated to the Director: Corporate Support Services.

9.2.2 The allocation of a study aid is valid for the total duration of the approved qualification that it has been granted for, subject to the availability of funds.

9.2.3 The average number of employees who will be eligible for Study Aid approval per annum shall be 250 on the first come first serve basis as captured on the application submission register.

9.3 Payment of study aid:

9.3.1 No study aid shall be paid out for the first year of studies to an Employee unless the Employee's application for a Study Aid for a specific qualification has been approved.

9.3.2 A written agreement must be entered into between the Employee concerned and the RLM, before any payments can be made.

9.3.3 No payments shall be made for the remaining years of studies before:

- previous examination results were submitted.
- all the subjects/module have been passed.

9.4 Composition of a study aid:

9.4.1 **Study expenses**:

- The actual study expenses for registration, class, examination and/or qualification fees, as well as prescribed books, for the applicable year shall be paid to the Educational Institution on submission of an Employee quotations/invoice up to an amount of R50 000 per annum,: and shall not include examination re-write.
- Where an employee submits a receipt as proof of payment towards her/his approved study expenses the employee shall be reimbursed.
- No subsistence and travelling or any other expenditure shall be paid for.

9.4.2 If the employee submits the quotation higher than the maximum amount, he/she shall be responsible for payment of the difference.

9.5 Proof of progress and completion of studies

9.5.1 All employees awarded Financial Study Aid Assistance must provide a certified copy of results for each academic period financial assistance was granted.

9.5.2 This will serve as proof of progress or completion of studies for each academic term financial assistance was granted.

9.5.3 It will also serve as the basis for continued payment for the studies for the employee in the approved study stream.

10. CONDITIONS \ OBLIGATIONS OF AN EMPLOYEE AND RLM

10.1 The RLM may at any time on its sole discretion cancel the study aid if the RLM is of the opinion that an employee's progress is unsatisfactory or if he/she fails to comply with other obligations in terms of the policy or study aid agreement;

10.2 A written agreement shall be entered into between the Employee and the RLM in which the Employee commits himself/herself to serve in the RLM as follows:

10.2.1 Work back for RLM for a continuous period of **one (1) year** for each year paid out, commencing on the first day of the month following the successful academic year before leaving the services/employment of RLM.

10.2.2 An employee will be required to remain in the RLM's service for a period of **one (1) year** for each year for which study aid was granted. This required period will come into effect annually on the date on which the last examination for the year was written. Where no examination was written but a mater thesis was submitted, an employee will be required to remain in the RLM's service for **one (1) year** after his/her thesis has been finally accepted.

10.2.3 Should an employee leave the RLM's service before the time frame mentioned in clause 10.2.2 for whatever reason but excluding medical unfit and death, an employee will be liable to pay the whole amount of the study aid back to RLM without interest for the qualification registered for.

10.2.4 When an Employee fails a subject(s)/module(s), such employee would be required to produce proof of payment for the failed subjects/modules before any applications for further study aid could be granted for the next semester subject(s)'/module(s) or registration.

10.2.5 RLM Employee qualifies for a second qualification registration when he/she has reached a ceiling on a qualification he/she was studying or when the qualification she/he has registered for is discontinued by the institution.

10.3 Study Aid payment approval conditions

10.3.1 No study aid shall be paid out unless the employee's application for a Study Aid has been approved.

10.3.2 A written agreement must be entered into between the Employee concerned and the Municipality wherein the provisions of this policy are reaffirmed, before any payments can be made. Employees will be required to sign a Study Aid Agreement which sets out repayment guidelines should they not be successful/ fail exams or leave Rustenburg Local Municipality.

10.3.3 No payments shall be made for the remaining years of studies in the study stream before:

10.3.3.1.1 previous examination results are submitted;

10.3.3.1.2 all the subjects/module have been passed.

11. SPECIFIC REGULATIONS

11.1 Merit Study Aid:

An Employee receiving a merit Study Aid from an educational institution can still apply for a Study Aid.

11.2 Study leave:

11.2.1 Study leave of three (3) full days including the day of examination shall be granted Immediately after registration, this shall exclude public holidays and weekends. (Employees who are on shift system will be accommodated on shift roster).

11.2.2 Where an examination timetable contains consecutive exam dates, the employee will only receive the three days allocation for the first exam subject.

11.2.2 In order to be granted such leave, the employee must:

11.2.2.1 Submit written proof of his/her examination roster/time table;

11.2.2.2 Submit application for leave at least ten (10) working days prior to the date on which the leave is required;

11.2.2.3 In the case of Doctorates/Master/honors studies submit proof of his/her thesis/dissertation roster.

11.2.2.4 Submit written proof of examination time table organized by the institution or testing or proficiency or knowledge to quality for an examination.

11.2.2.5 An Employee who is a part time or distance learning student and who is studying for an approved qualification, shall be granted study leave on the

dates on which he/she is required to present him/herself as a candidate for such examination/block classes.

12. REWRITING EXAMINATIONS:

12.1 Special leave of one (1) full working day for the purpose of re-writing the examination shall be granted.

12.2 The RLM will not cover any costs for re-writing.

13. LEAVE FOR RESEARCH:

13.1 The amount of special leave days per unnum for research purpose shall be aligned to the condition of Service and shall be granted to an employee admitted for a post graduate qualification.

13.2 Submit written proof of research, organized by the institution.

13.3 No subsistence and travelling allowance is payable when Employees have to attend/conduct research.

13.3 The cost of extra voluntary lessons, supplementary examination fees, re-registration, supplementary textbooks, stationery, travelling and accommodation will be for **employee's own account.**

14. RECOGNITION OF PRIOR LEARNING (RPL)

14.1 Recognition of Prior Learning (RPL) is an assessment process through which learners may be awarded credits for learning which they have already obtained through work experience or some form of prior learning.

14.2 During this assessment, learners must show that they meet the learning outcomes in the learning standards for a qualification through demonstrating what they know and are able to do. It is possible to obtain access to the final integrated summative assessment for a whole qualification, or part of a qualification, through RPL.

14.3 RPL assessments are subject to:

14.3.1 Operational requirements
14.3.2 Organisational needs
14.3.3 The availability of financial and human resources
14.3.4 Operational constraints

14.4 RLM is committed to advocating RPL as an accessible and developmental tool for building the organisation and its employees and recognising the value of the principle of RPL for the

development of previously disadvantaged individuals and for equipping all employees with qualifications relevant to their occupational category and level.

14.5 Employees who have the relevant prior experience, but no formal learning/qualification will be afforded the opportunity to undergo RPL at a cost not more than approved Study expenses

14.6 Recognition of prior learning assessment shall be conducted:

14.6.1 By service providers that are accredited by the relevant Education and Training Quality Assurance Body; and

14.6.2 In line with the provisions of the National Qualifications Framework established in terms of the National Qualifications Framework Act, 2008 (Act No.67 of 2008)

15. UPHOLDING OF POLICY

The Director: Corporate Support Services will be responsible for the upholding of this policy.

16. APPROVAL OF STUDY AID SCHEME

The allocation of study aid is delegated to the Director: Corporate Support Services.

A study aid allocation is valid for the total duration of the specific study stream it has been granted for.

17. REVIEW OF POLICY

This policy will be reviewed after two years or whenever necessary as per legislation changes.

Signed by the Parties and witnesses on the following date and place:

Date..... **Place**.....

.....

a. Municipal Manager

.....

b. SAMWU Chairperson

.....

c. IMATU Chairperson

.....

d. Witness (1)

.....

e. Witness (2)

.....

RUSTENBURG LOCAL
MUNICIPALITY

SUPPLIER PERFORMANCE
MONITORING POLICY

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1. DEFINITIONS

1. ACCOUNTING OFFICER

   In relation to a municipality, means the municipal official referred to in Section 60 of the Municipal Finance Management Act No. 56 of 2003; and includes a person acting as the accounting officer.

2. CIDB Construction Industry Development Board

3. CLIENT DEPARTMENT

   The department that has requested the contract

4. EMPLOYER'S REPRESENTIVE

   Municipal Employee; Municipal Manager; Manager; Director; Unit Manager; Section Manager. This person will be from the client directorate, if an implementing directorate for the contract exists; otherwise, the Employee's representative will be from implementing directorate.

5. IMPLEMENTING DEPARTMENT

   The department that is implementing the contract on behalf of the client department in some cases the client and implementing departments will be the same.

6. MUNICIPALITY

   Rustenburg Local Municipality

7. MUNICIPAL SERVICE

   A service that a municipality in terms of its powers and functions provides to or for the benefit of local community

8. REPORTING OFFICER

   The municipal employee who is responsible for managing the service delivery agreement or contract and who will complete the performance assessment forms.

9. SERVICE DELIVERY AGREEMENT

   An agreement between a municipality and an institution or person mentioned in section 76 (b) in terms of which a municipal service is provided by that institution or person, either to the Municipality or on behalf of the Municipality

10. SERVICE PROVIDER PERFORMANCE ASSESSMENT FORM

    A form that identifies the competencies and key performance indicators that will be monitored and reported on

11. SERVICE PROVIDER

    Any person, institution or company that provides a service to or on behalf of the municipality

12. SUPPORTING SERVICE

    A service that is provided to support a municipal service

2. PREAMBLE

In preparation of this policy, Performance Monitoring of Service Providers, the following were consulted:

- Legislation
- Regulations of Acts
- Rustenburg SCM Policies
- Service Providers
- Legal Services
- Council
- Rustenburg staff

This policy will only apply to contracts that have been awarded or reviewed after adoption of this policy.

The implementation of the policy, once adopted, will be all contracts value greater than R 300, 000.00

3. PURPOSE

The purpose of this document is to set the framework for monitoring the performance of service providers of the Rustenburg Local Municipality.

Service providers play in vital role in the performance of the organization as many municipal services and supporting services are outsourced to service providers. The Municipality is responsible for ensuring effective and efficient service delivery to the community. Therefore there is a need to monitor the performance of service providers.

The objective of performance monitoring of service providers is to obtain a measure of the service provider's performance under the contract. Performance assessments during the course of a contract help both the Municipality and the service provider to reach a common understanding of the requirements of both parties about the work.

A rigorous reporting system is an excellent tool to provide feedback to a service provider on its performance on each project. It helps to identify areas that the Service Provider is excelling in and any areas that need improvement.

Performance reports can be used in the assessment of a service provider for pre-qualification, selective tender list, registration, tender evaluation and— in the event of termination— for unsatisfactory performance under a contract.

Further, business support strategies and interventions can be appropriately tailored to achieve government's developmental objectives for targeted enterprises.

The objectives of this policy are to:

i. ensure a high quality of service is maintained
ii. detect underperformance early, thereby reducing the risks to projects
iii. create mechanisms to improve performance where targets are not being achieved
iv. provide data to municipal officials so that informed decisions can be made
v. assist in government's developmental objectives in the form of structuring appropriate business support strategies/interventions to targeted enterprises
vi. assess the suitability of a service provider for pre-qualification, selective tender lists or expressions of interest.

4. PROBLEM STATEMENT

A municipal service can be provided by the Municipality by entering into a Service Delivery Agreement in terms of Section 76(b) of the Municipal System Act 32 of 2000 with an external service provider.

The Municipality is responsible for monitoring and assessing the Implementation of the agreement, including the performance of the service provider in accordance with section 41 of the Municipal Systems Act 32 of 2000

The performance of service providers that have been selected to provide assistance in the provision of a municipal service, otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies, is required, by Section 116 of the Municipal Finance Management Act, to be monitored and reported on.

While departments have mechanisms in place to monitor the work done by service providers, there is no standard guideline set by the Municipality.

This policy sets out the framework on monitoring and reporting on the performance of service providers.

5. POLICY

1. All service providers or prospective service providers must be made aware of:
    a) Assessment and reporting of a service provider's performance;
    b) the use of the service provider performance reports when evaluating service providers for registration, pre-qualification, selective tender list, expressions of interest or awarding of a contract; and
    c) the exchange of information on service provider performance reports between government units/departments.

2. The appointed service provider must be given the opportunity to discuss the performance criteria with the Implementing Department/Project Manager before commencement of the contract. Any amendments must be agreed to by the following parties:

    a) Service Provider
    b) Client/Implementing Department

The decision to change a criterion after commencement of a contract is the responsibility of the Reporting Officer after consultation with the Head of the Department.

These amendments must be signed by the service provider and the implementing department and attached to the contract or service delivery agreement. (SLA)

3. A service provider's performance must be assessed in the context of the project as a whole. The respective roles and obligations of the Municipality
4. and service provider under the contract must be taken into account.

5. Persons preparing or reviewing the performance of a service provider must consider whether satisfactory progress or completion of a project has been affected by any matters which are:

    a. outside the service provider's control, or
    b. the result of some action by the Municipality.

    That is, evaluation against performance criteria must measure the service provider's performance, after taking into account matters beyond the service provider's control.

If there is evidence that the underperformance or non-performance of the service provider is due to factors caused by the Municipality then:

i. there will be no penalization of the service provider
ii. the Accounting Officer, or delegated official, must take corrective action where necessary.

6. The performance assessment reports will be made available to inter-departmental, inter-governmental departments and the CIDB (where applicable) only:

(a). on completion of a contract; and

(b). if there are no pending disputes.

7. The Service Provider must be notified of the assessment.
8. The Service Provider may respond on the assessment in this, in writing, and this must be filled with the assessment.
9. The conditions appointment set in the contract will determine what action will be taken against the service provider if underperformance or non - performance is detected.
10. Appropriate key performance indicators for the contract must be set by the Municipality as a yardstick for measuring performance
11. Measurable targets must be set for each key performance indicator.
12. The SMART principle as laid out in the Municipality's Organizational Performance Framework must be followed in developing key performance indicators.

(Specific, Measurable, Achievable, Realistic, Time-framed)

13. The key performance indicators must be reviewed annually.

14. The management of the contract or agreement and the performance of the service provider must be reported quarterly to the Council of the Municipality – Annexure A.

15. The performance information must be audited

(a). as part of the municipality's internal auditing process; and

(b). annually by the Auditor-General.

Support provided by the Municipality in underperforming areas

16. The Municipality will facilitate support interventions to service providers in the identified areas of underperformance.

17. Service providers who have been identified as under-performing in identified areas must be informed of these support interventions.
18. The support interventions may be:

    (a). sponsored by the Municipality,
    (b). subsidized by the Municipality; or
    (c). paid for by the attending service provider.
19. Records of support interventions and attendance registers must be signed by all parties and filed.
20. The impact of the support interventions provided by the Municipality to he service provider must be monitored.

Roles and responsibilities of municipal officials

21. The table below outlines the roles and responsibilities of municipal officials

ROLE	RESPONSIBILITY
Reporting Officer	• Line Departments • Monitor and assess work done or service provided as per the service delivery agreement or contract • Report on the performance of the service provider
Reviewing Officer	Review the assessment made by the reporting office
Supply Chain Management	• Manage the performance monitoring process • Report on contract management and service provider performance to council quarterly • Report to Council annually on the performance of service providers • Investigate and report on the impact of the interventions on areas of underperformance as part of the quarterly and annually report. • Review the policy and process annually. • Liaise with Business Support Unit on interventions for underperforming areas
Accounting Officer Delegated to performance ➢	• Ensure that KPI's are included in the individual Performance Plan of the Municipal Official • Review the policy and process annually • Facilitate the quarterly and annual report to internal Audit
internal Audit	Audit the performance information
	.

6. PROCEDURE

1) The requirements of this policy must be included in the contract of the service provider.
2) The performance of the contractor under the contract or agreement must be assessed monthly by the Reporting Officer.
3) The assessment must be filed in the contract file or captured onto the database.
4) The Reporting Officer must complete the Service Provider Assessment Form on the database at the end of each quarter and on completion or termination of the contract.

(Refer to Annexure B for the Service Provider Assessment Form)

5. The Reviewing Officer must review the assessment on the database for each quarter.
6. The quarterly assessment must be completed within 7 working days after the end of each quarter.
7. The Reporting Officer must provide a copy of the assessment to the Service Provider at the end of each quarterly assessment period.
8. Supply Chain Management Unit will review the quarterly Service Provider Assessments within 20 days after the end of each quarter..

7. POLICY EVALUATION AND REVIEW

The policy will be reviewed annually by Supply Chain Management. This will include a review of the policy document

STANDARD PERFORMANCE CRITERIA AND EVALUATION

If the contract falls within the threshold of R200 000,00 and above, performance management should be performed. The performance criteria should be listed in the contract documents.

Projects of service delivery vary in terms of implementation; therefore other performance criteria may be added to the ones indicated in this policy. Directorates will be allowed to develop additional assessment criteria and such addition shall be incorporated in the contract document and approved by the Accounting Officer.

The recommended performance gradings are outlined in this document.

Should it come to the attention of Council during the assessment that there is a material breach of contract by the service provider; sanctions will be imposed

against that service provider. Sanctions might include reporting the matter to National Treasury for blacklisting and to South African Police Services if fraud and corruption has been detected.

Contract should have contracts period, which is the start of the project and the end of the project. The agreed milestones for intermediate phases of work or services or goods to be provided as well as the completion time for the overall engagement should be met.

The work plan forms the basis for assessing the service provider`s ability to manage time.

For some engagements, the only available measure of time management is the completion of the work by the stated completion period.

In assessing the service provider`s time management performance the following should be considered:

(a) Ability to meet programmed milestones,
(b) Timely allocation of resources to critical activities,
(c) Updating of the work program to account for unforeseen delays,
(d) Overall progress of the work,
(e) Timely submission of meaningful progress reports,

Standard of service.

Description	Weight	Scores
Standard of service.	**20 %**	**< 10 =poor** **15 =acceptable** **18=Good**

Standard of work will generally be measured against the technical, financial, and reporting requirements set out in the conditions of engagements. In particular, the following should be considered:

(a) Compliance with the contract or brief,
(b) Quality of works including conformance with specified criteria, if applicable,

(c) Achievement of contract standard,
(d) Adherence to budget,
(e) Reviews and reports delivered in accordance with the brief,
(f) Amount of rework required from the service provider,
(g) Need to engage another service provider to undertake additional or remedial work,
(h) Extent of involvement required from the consultant or client to achieve the desired standard of works,

Assessment items include:

(a) Adoption and commitment to partnering principles with clients, consultants, sub- contractors, and suppliers,
(b) Commitment and implementation of a management approach that fosters continuous improvements, self assessments and general industry standards,
(c) Commitment to resolving issues through open and effective communication with a non-adversarial approach.

Other Categories

Other performance criteria may be included to meet specific requirements in the contract and such additions must be approved by the Accounting officer.

Assessment of service provider`s performance

The service provider`s performance should be assessed against the performance criteria and graded in accordance with the following definitions':

	Definition	Assessment percentage level
Outstanding	Performed to satisfactory	>90-100%
Better	Standards often exceeds the anticipated goods or services or level of performance	>75%
Acceptable	Standards often meets the required level of performance	>60%
Marginal	Mostly meets required level of performance but has some scope for improvement	>50%
Unsatisfactory	Well below the required standards, does not meet the level of performance required by the client	<50%

Overall performance

Assessment of overall performance should reflect the service provider`s performance against the criteria stated in the contract document.

Review and recommendations

The Reporting Officer and the Reviewing Officer must make every effort to ensure that comments are objective, accurate, can be substantiated and supported by facts.

The Reviewing Officer is to ensure that the report is objective and accurate so that it can be used reliably for making decisions concerning pre-qualification, selective tender lists or selection of a tenderer.

Overall comment

In completing reports it is important to report on good performance as well as unsatisfactory performance. Performance reports form parts of future evaluations; service providers with good reviews should be noted.

Assessment comments should be kept to the facts relating to the contract at hand. Where it is considered necessary to give an opinion, the opinion should be:

(a) A first hand opinion,
(b) Recorded and signed by the reporting Officer,
(c) And be about the service provider, not individual,
(d) Be factual and preferably be supported with relevant documents.

In particular, comments should commence with “in my opinion”

- For example, “ in my opinion, the service provider did not provided suitable experienced leader of the design team or
- In my opinion, the management of the sub contractors was not satisfactory”

Comments should refer to the weakness/failure of the service provider and not to individuals, do not use extreme language.

- For Example, “in my opinion, the service provider was totally (or completely) inefficient”.

  It is easy to challenge such opinions, as there may be some area, no matter how small, where the service provider was not inefficient and/ or you are unable to substantiate the inefficiency.

  Reasons for any opinion should be stated and should refer to the relevant evidence for that opinion.

Unsatisfactory performance

A service provider `s performance may be rated as unsatisfactory in one or more of the assessment criteria or in the overall assessment

By and large, an unsatisfactory overall rating will lead to a recommendation that the service provider be assessed or regarded as unsuitable for further work of a similar nature for Council.

Review of performance ratings of “Unsatisfactory”

Overall assessment satisfactory (but rated unsatisfactory in one or more assessment criteria in one or more performance reports)

The procedure below is to be used where the overall assessment is satisfactory but one or more of the assessment criteria is rated as unsatisfactory, i.e. below 50%.

The service provider must be made aware if its performance is rated as unsatisfactory in any assessment criterion and be given an opportunity to comment on the report in accordance with the following procedure:

(1) The service provider is to be advised in writing of the assessment and request to respond in writing within a reasonable time, that is 10 working days from the date of transmission.
(2) The Reviewing Officer considers the service provider`s response and the service provider are advised if the unsatisfactory rating (s) is to be retained.

Overall assessment unsatisfactory

Where the overall assessment is unsatisfactory or the service provider is not recommended for further work of similar nature for Council, the following procedure applies:

(1) A meeting between the service provider, the Reporting Officer and Reviewing Officer is to be convened.
(2) At that meeting, reasons for the scoring seen in the performance report are to be discussed and the discussion minuted.
(3) The service provider shall be given the opportunity to respond in writing i.e 10 days of the meeting.
(4) The service provider`s response may provide grounds that would allow the performance report to be adjusted, however doing so is entirely at the discretion of the Reviewing Officer. An adjustment must be evidence based. The onus is on the Service Provider to produce the evidence.

If upon completion of steps 1 to 4 the service provider`s overall assessment remains unsatisfactory, the service provider is to be informed that they seek a further review by Council which will be undertaken in accordance with the review process.

End of contract performance report (closing report)

The end of contract performance report will be an important source of data for evaluation of performance of a service provider. For this reason, the final report should reflect the performance of the service provider throughout the entire contract period.

When performance is unsatisfactory, concise supporting evidence and all relevant details of the unsatisfactory performance must accompany the report.

All performance reports must be accompanied by documentary evidence supporting the reports, including minutes of meetings with the service provider.

Management of information exchange

The supply chain management unit, the performance section will be the custodian of all performance management information.

The information may be exchanged with other spheres of government and the service provider must be notified when entering into a contract.

Confidentially of the information will be maintained and the exchange of information will be done only when approved by the accounting office.

TRAFFIC FINES ADMINISTRATION POLICY PROCEDURE MANUAL

TRAFFIC DEPARTMENT

TRAFFIC FINES ADMINISTRATION PROCEDURE MANUAL

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TRAFFIC DEPARTMENT

TRAFFIC FINES ADMINISTRATION PROCEDURE MANUAL

1. PURPOSE

This document is a Procedure Manual for the Administration of Traffic Fines.

2. ORDER AND RECEIVING OF DOCUMENTS

2.1 SEC 341, BY-LAWS AND SEC 56 SUMMONS

Documents are ordered from the suppliers and when received, captured on the TCS system: in this sequence numbers

a. First notice number
b. Last notice number
c. Quantity of tickets per book

The system document register of all documents received is printed.

The document register must be checked monthly by the Supervisor Admin, to make sure that no book is ordered without a document register printed.

2.2 HAND RECEIPT BOOKS

Hand Receipt Books are received from the Municipality and when received, books are being registered in a Hand receipt book Register.

When Issuing a receipt book, the following must be written in the Register:

a. Name of Cashier
b. Signature of Cashier
d. Date when the book is received.

When Receipts is issued:

a. The Receipt numbers of issued receipts must be written on the Register
b. The Total amount of the Receipts issued must be written in the register.

When Receipt book is full:

a. The receipt book must be signed back with the date of receipt in the Register.

The books must be filed in the Strong Room.

3. ISSUING AND RETURNING OF TRAFFIC FINES NOTICES

3.1 SECTION 56 / BY-LAWS / 341 BOOKS

a. When Section 56 / By-Laws / 341 Books (Traffic Fine Books) are issued to Traffic Officials, the Official must sign the Section 56 / By-Law / 341 Book Register.

b. The following details are captured on the Section 56 / By-Law / 341 Book Register:

- Range of Notice Numbers / books issued / received.
- Name of Official receiving / returning Section 56 / By-Law / 341 Books.
- Signature of Official
- Official personnel number, and
- Date issued / return.

c. When a Section 56 / By-Law / 341book is empty, the Official will return the book with all the 3rd duplicated inside the book, and only then will a new Section 56 / By-Law / 341 book be issued.

d. Each Official will only have one Section 56 / By-Law / 341 book at a time.

4. TRAFFIC FINE LIFE SPAN

4.1 SEC 56 & BY-LAWS

The life span of a Traffic Fine is as follows:

a. Issued to the Motorist

b. To be paid by the Motorist as an admission of Guilt.
c. If not paid the Motorist is expected to appear before the Court as per Court Trial date on the fine.
d. After 14 days, if the motorist did not appear before the Court, the Warrant of Arrest is issued.
e. The Warrants of Arrest must be executed, paid and finalized.
f. If it is not finalized, the Warrant of Arrest were prescribed (lapsed) after 2 (two) years from date of issue.
g. The prescribed (lapsed) Warrant of Arrest are therefore send to Court for cancellation.

4.2 341

The life span of a Traffic Fine is as follows:

Issued to the Motorist

a. To be paid by the Motorist as an admission of Guilt.
b. If not paid within 30 (Thirty days a summons is issued for the Motorist to appear in Court as per Court Trial date on the Summon.
c. After 14 days, if the motorist did not appear before the Court, the Warrant of Arrest is issued.
d. The Warrants of Arrest must be executed, paid and finalized.
e. If it is not finalized, the Warrant of Arrest will prescribe (lapse) after 2 (two) years from date of authorization.
f. The prescribed (lapsed) Warrants of Arrest are therefore send to Court for cancellation.

5 CANCELLATION OF TICKETS

5.1 TRAFFIC FINES CANCELLED BY A TRAFFIC OFFICER

Any ticket cancelled by a traffic officer, must be handed-in the same way as other tickets.

The cancelled ticket must be cancelled in this way:

a. Two lines must be drawn across the length of the original ticket, and the word "CANCELLED" written between the two lines.
b. The reason for the cancellation must also be written on the original cancelled ticket, and the relevant traffic officer must sign on the ticket.
c. If a new ticket was issued for the cancelled one, the number of the new ticket must be written on the cancelled ticket.

The Original Ticket and the Control Document of a cancelled ticket must be attached to the control sheet, when it is handed-in with the other tickets. The 3rd copy must remain in the book.

5.2 TRAFFIC FINES CANCELLED FOR A SPECIFIC REASON (MISTAKES ON TICKETS)

a. All Traffic fines that for a specific reason, the offender cannot be prosecuted, must be Cancelled.
b. These Traffic fines must be on a weekly basis be submitted to the Senior Public prosecutor for withdrawal.

c. The Supervisor Admin must check all the Traffic fines prepared for Cancellation and make sure that the reason as written on the Traffic fines is a valid reason for withdrawal.

d. All Control Documents of the Traffic fine must be put together, and a list with reasons of cancellation compiled by the Administration Supervisor must be attached and send to the Senior Prosecutor for cancellation of the Traffic fines.

e. If the Supervisor Admin is satisfied with the reasons indicated on the ticket, the control sheet must be signed. The ticket can now be submitted to the Prosecutor for withdrawal.

f. All tickets withdrawn by the Prosecutor must be stamped withdrawn on all Control Documents and the Prosecutor signature on the ticket

g. After the Senior Prosecutor has cancelled all the Traffic fines and stamped, then the Traffic fines can be captured as a cancellation on the Traffic Management System.

The withdrawn Traffic fines must now be filed in sequential number.

6. HAND – IN OF TRAFFIC FINES

- The Official brings in Control Documents of the Fines that were issued for that day;
- The transfer of the control sheet is recorded in the "System document register" for control purposes.
- The Admin Official must complete a daily control sheet/books listing all the ticket numbers issued for that day that is signed by the Official;
- The number of tickets is compared to the quantity stated on the control sheet by the Administrative Superintendent/Supervisor and signed as correctly stated;
- The tickets are then split according to their court dates
- Tickets will then be captured in to the system

- The officer must daily complete a control sheet and attached the control documents of all the Traffic fines issued, for the day.

- When a Traffic fine is cancelled, the original copy and control document must be attached to the control sheet, and the 3rd copy remain in the book.

- The Traffic fines must be listed per type of document, and from the first notice to the last notice number.

- The officer must sign the control sheet, and submit it to the Assistant Superintendent on duty, who must check that all the Traffic fines listed on the control sheet are attached.

- The Assistant Superintendent on duty must submit all the Traffic fines and control sheet to the Superintendent on duty, for checking.
- The Superintendent must submit all the Traffic fines and control sheet to the Admin Section the next working day.

- The Administrator at the admin section must check all the control sheet for:

    - The number of Traffic fines listed, and sequential numbers
    - The type of document listed.

- The Traffic fines handed-in, must be listed in the Document register by the Clerk in the Admin Section.

- Any missing Traffic fines, must be reported to the Admin Supervisor, and the Admin Supervisor must follow it up with the relevant Superintendent.

- If the missing Traffic fines cannot be traced, the steps as listed in "Missing Traffic fines" must be followed.
- The control sheets must be filed in the relevant officer's Traffic fine file.
- The Traffic fines must now be sorted by type of document, and distribute to the relevant Administrators for capture on the Traffic Management System.

7. MISSING TRAFFIC FINES

a. The Supervisor Admin must monthly extract a missing Section 341 Traffic fine and missing Section 56 Traffic fine reports, and checks for the outstanding Traffic fines.

b. When a traffic officer cannot submit the outstanding Traffic fine, the relevant Officer must report the matter to the SAPS, and submit a full report on how the ticket(s) got lost (Affidavit)

c. The report must be submitted to the Superintendent on duty, and the supervisor must investigate the matter and submit a report indicating if the member has been negligent or not

d. If the member has been negligent, disciplinary action must be taken against the relevant member.

e. Any missing tickets must be reported to the Administrative Supervisor and must be followed up
with the Superintendent on a daily basis;

8. CAPTURING OF DOCUMENTS (TRAFFIC FINES)

8.1 SEC 56 AND BY-LAWS

- The information listed on the Office copy of the Section 56 Summons must be captured on the TCS-System:

a. Number of the notice;
b. Details of the offender;
c. Vehicle registration number;
d. Vehicle make
e. Location of the Offence
f. Description of the Offence;
g. Time and date of the Offence;
h. Offence amount and date of payment and;
i. The date of Trial;
j. Officer details.

- After all the Section 56 Summonses for the day has been captured, a daily register must be printed;
- The information listed on the daily register must be compared against the information on the Office copy of the Section 56 Summons and signed by the Superintendent;
- If all information is captured correctly, the Office copies must be filed in sequential number in the relevant file.

8.2 CAPTURING OF 341

- 341 is Capturing on the Traffic Management System.
- At the End of each day the tickets captured must be Exported on the E-Natis System.
- Each Morning The 341 will then be imported from the E-Natis System.

- The information of the vehicle listed on the 341 Notice must be checked with the information on the e-NATIS print-out indicating:

a. Type of vehicle
b. Make of vehicle
c. Ownership

- The E-Natis Print-out will indicate whether the vehicle is still active or not

- Admin clerk must check if the is any special marks regarding the vehicle

a. Stolen Vehicle

b. Vehicle sold

- When the information of the vehicle listed on the Section 341 Notice does not match the eNATIS information of the registered vehicle or vehicle is listed as stolen, there can be no prosecution and the Traffic fine is marked “MAKE DIFFERENCE” or “STOLEN VEHICLE”

- This Traffic fine must then be withdrawn on the Traffic Management System.

- Every day after all the Section 341 Traffic fines for that day has been captured, a Section 341 Daily Register must be printed, and the information must be checked to verify if all the information has been captured correctly.

- The Admin Supervisor must sign on the daily register as proof that the information has been checked.

- The daily register must be filled.

- The tickets must be filed in sequential number in the safe.

9 CAMERA OFFENCES

9.1 Films for camera prosecutions is purchased from thesupplier and recorded on the film stock record.

9.2 Every film must be marked with a sequentialnumber

9.3 The films must be kept in a safe place and controlledby the Superintendent responsible for speed law enforcement.

9.4 The traffic officer who operate the camera, withdrawfilms as needed and sign in the film-stock register next to the number of the films taken.

9.5 The traffic officer will keep the films in his possession, and only use it to capture offenderscommitting traffic offences.

9.6 When completing the shift, the traffic officer operating the camera must take all films used duringhis shift for development as soon as possible.

9.7 When the films have been developed, the traffic officer must capture the films on a control sheet andsubmit them to the Ass Superintendent.

9.8 The Ass Superintendent must check the control sheetif the films as indicated on the control sheet is attached, and then submit the control sheet with the films to the Superintendent Speed Law Enforcement.

9.9 The Superintendent must check the control sheet, and verify that all the films listed attached.

9.10 The Superintendent must mark the films submitted inthe film stock-

register and check if there are no outstanding films. If satisfied that there are no outstanding films, he must submit the films to the clerk camera prosecutions, the next working day.

9.11 The clerk must check if all the films indicated on the control sheet, is attached and file the control sheet in the relevant traffic officer's Ills.

9.12 The films are red by an admin clerk and the offenderinformation is listed on a camera offender list.

9.13 Film number

9.14 Traffic Officer who manned the camera

9.15 Place of offence & location code

9.16 Date

9.17 Person who read the film

9.17.1 Film number

(g) Photo number

(h) Time of offence

(i) Registration number of vehicle

(j) Make of vehicle

(k) Type of vehicle

(l) Speed

(m) Fine

(n) Offence code

(0) Ticket number

(p) Comments — when there is a blank photo or it isnot possible to prosecute,

the supervisor must sign on the camera offender list as confirmation t The clerk must file the film's in sequential number.

offender list, and attach the NATIS printout to the Offender list.

9.18 If any vehicle listed on the offender list, does not match the vehicle identified by the registration number on NATIS, theclerk must mark a note on the offender list regarding the difference.

9.19 If a vehicle has been listed as sold, the clerk must comparethe date of offence with the date the vehicle was sold.

If the vehicle was sold prior to the date of offence, the information of the new *ow eT* must be obtained from theLicense Department.

9.20 The camera offences of those offenders that match theNATIS information must be captured on the TRAFFICOFFENCE SYSTEM.

9.21 The section 341 camera mailers must be printed

[Report, General Documents, 341 Camera mailers, **Firs** notice number, Last notice number, Test **print** —check if the printing is correct Print]

8.23 The office copy of the camera mailers must be filed.

The camera mailers must be posted to the offenders as soon as possible. Must reach the offender within 30 days from the date of offence.

10 GENERATE OF SEC 54 SUMMONSES

10.1 All Section 341 tickets that have not received any responseFOR the owner/driver within 30days of issue will be generated into a Section 54 Summons.

10.2 To generate Section 54 summonses, the system must besetup.

- [Data Capture, Prosecutions, Generate Sec 341]

10.3 The Court date must be set-up
10.4 Generate Section 54 summonses print the Sec 54 control register.
10.5 Print the Sec 54 summonses, and check if all the summonsesas listed on the Sec 54-control register, has been printed.
10.6 The Clerk of the court must authorize all the printed sec 54summonses.

The clerk of the court must separate the control document hold the sec 54 summons and file the control document inthe safe according to the court date.

The sec 54 summonses and a copy of the control register must now be forwarded to the Support section for serving.

11 RETURN OF SUMMONS SERVED

When a Sec 54 Summons has been served/delivered to thepublic the result must be captured on the system.

The results are

a. Personal
b. Postal services
c. Not traceable

[Data Capture, Generate Sec 341, Return of Service]

The return of service copy of the Sec 54 summons must be submitted to the clerk of the court and attached to the controlcopy of the Sec 54 summons.

12 COURT ROLE

The court role is printed 5 warning days before the courtdate.

[Data Capture, Reports, Court Register, 54 CourtRegister]

After printing the court role it is handed to the Clerk of Court.

The clerk of the court must prepare all tickets as listed on thecourt role, for appearance.

The court role and all control documents of tickets listed onthe court role must be submitted

13 CASE RESULT

13.1 After the court role has been finalized, a carbon copy of thecourt role is taken to the office of the Traffic Department, and the outcome of every case is captured on the system.

Data Capture, Prosecutions, Case Result

13.2 The information must be checked to verify that the case result has been captured correctly, and the relevant adminclerk that captured the case result, must sign on the courtrole as proof that he/she has captured the case results.

The copy of the court role must be filed for audit purpose.

14 WARRANT OF ARREST

14.1 When the case results of the court role have been captured,and a warrant of arrest has been authorized, the warrants ofarrest for that court role must be printed.

14.2 The warrant of arrest register must be printed.

[Warrant of arrest register, court date, Court code, First notice number, **Last** notice number.]

The notice before warrant of arrest must be printed. [Data **Capture,**

Prosecutions, Notice before W.O.A.,
First notice **number;** last notice number, Court code.]

The warrant of arrest must be printed.

The first notice number and the last notice number for therelevant court date must be entered.
The numbers of the warrant of arrest must be verified withthe warrant of arrest register after it has been printed.

The warrant of arrest and the warrant register must be given to the Clerk of*Ae Court for submission to the Magistrate for authorization.

The clerk of the court must check and compare if all thewarrants of arrest as listed in the Warrant of Arrest register has been printed.

If any warrant listed on the warrant of arrest register is not printed; the warrant must be re-printed.

15 REPRESENTATIONS

The Offender can request for a Representation form to complete for either reduction or withdrawal from the Prosecutor.

It is the prerogative of the Prosecutor to decide on the fine.

The Representation must be registered on the Traffic Management System, if the Offender went to the Prosecutor without a Representation form, an empty form with Reference number must be attached on the Traffic fine with the result and be registered on the Traffic Management System.

The Prosecutor write the result on the Traffic fine with a stamp and signature. The results will then be captured on the Traffic Management System.

16 ADMISSION OF GUILT

16.1 PAYMENT PROCEDURE

a. When a person wants to pay Admission of Guilt fine, the Cashier must ask the client for the ticket / fine and check if the Ticket / Fine was issued by a Traffic / Law Enforcement Official of the Department.

b. If a Traffic / Law Enforcement Official of the Department issued the Ticket, the Cashier must check if any payment has been made on the relevant ticket / fine.

c. If no payment has been made, the Cashier must ask the Client what form of payment he / she want to use and check if the value of payment is equal to the fine indicated on the System.

d. If the value of payment is equal to the fine indicted on the system, the Cashier can accept the payment and capture it on the System.

e. The Cashier must now print a system-generated receipt and give the original copy of the receipt to the client.

f. If the receipt must be cancelled for any reason, the Cashier must record the reason for the cancellation of the receipt on the original copy of the receipt. The Admin Supervisor must review the reason for the cancelling of the receipt, and sign on the original copy of the receipt.

16.2PAYMENT RECEIVED BY POST

- Is recorded in a register, and submitted to the Cashier.
- The Cashier must capture the payments on the System and record the receipt number next to the relevant ticket number in the postal payment register.
- The Admin Supervisor must check the postal payment register daily to make sure that all postal payments have been captured.

16.3BANK DEPOSITS / EFT PAYMENTS

- The Admin Supervisor receives a Bank Statement on the 1st working day of the new month for the previous month from Treasury.
- The Admin Supervisor must go through the Bank Statement and identified all Traffic fines paid through their ticket number or vehicle number plate.
- The Bank deposits must be paid by the Cashier on the TCS System and the receipts together with the Bank Statements must be allocated to the Traffic votes.
- Copies of the Bank Statement and Receipts must be send to the Treasury Department.

16.3.1 Partial Payments

When the Offender Deposit less than the Original Fine amount in the Traffic Bank Account, the fine will be paid on the System (TCS) as a Partial Payment, and an Internal Representation Result on the TCS System will be performed to reduce the fine amount equal to what is outstanding. A list will be drawn of the Partial payments signed by the Administrator and the Section Manager

17 HANDWRITTEN RECEIPTS

a. When the Computer System is off line, the Cashier must issue a hand written receipt to the person who pays the fine.

a. The hand written receipt must indicate the following:

- Ticket number
- Fine amount in figures and words
- Registration number of vehicle
- Signature of the cashier
- Date Stamp (Original receipt)

b. When the Computer System comes on-line, the Cashier must capture all the hand written receipts on the TCS System.

18 RECONCILLIATIONS

a. At the end of each day the Cashier must cash-up, and submit the TCS carbon copy list of receipts, and the hand receipt book to the Supervisor.

b. The Admin Supervisor must print the relevant reports.

(End of day Registers, payments, print receipt totals)

- Spot fine
- Admission of Guilt
- Daily payment by Users
- Contempt of Court

c. The Admin Supervisor must check if all the hand receipts have been captured.

d. The Admin Supervisor must check and verify if the money collected by the Cashier is equal to the totals of the relevant printouts.

e. If the money collected is equal to the amount of the report printed by the Supervisor, the Cashier must complete the bank deposit book and put the deposit book and money in the courier deposit bag, and put the deposit bag in the safe.

f. If the money collected by the Cashier does not match the amount of the print-out, the Supervisor

and Cashier must then identify the imbalance and rectified it to balance, and after the imbalance had been rectified and the money is balancing with the report, then the money must be banked.

- Surplus money – must be banked with the other money and the surplus must be allocated to the separate vote allocated.
- Money Short – The Cashier must pay - in the money short.

g. The Courier company will collect the deposit bag on a daily basis, and take the money to the bank.

h. The Supervisor now make copies of the Bank Deposit Slip, Credit Card Slips and any other Bank Deposits or EFT Transactions.

i. The Supervisor compile a list with all Vote numbers and allocate each receipt to the relevant vote number and submit all documents to the Treasury Department.

j. The daily Cash up reconciliations must be signed by the Cashier, Administrator and Superintendent.

RUSTENBURG
LOCAL MUNICIPALITY

DRAFT TRAVELLING AND SUBSISTANCE POLICY

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1. INTRODUCTION

To ensure the proper administration of all regulations regarding travelling and subsistence for employees, full-time and part time Councillors as well as their attendance of conferences, workshops and meetings, the formulation and up keeping of a comprehensive policy is essential.

2. DEFINITIONS

"delegate" Council to delegated by the workshops and work	Include any Employee who is delegated by the attend seminars and congress, or who is Municipal Manager to attend meetings, outside the municipal area. Any Councillor nominated by the Council and / or Executive Mayor as representative on public bodies and delegated to attend meetings, congresses and some other functions.
"official transport" Municipality, regarded as circumstances and	vehicles of the Rustenburg Local suitable by the Municipal Manager for the trip to be undertaken.
"per night"	when staying overnight.

3. OBJECTIVE OF THE TRAVELLING AND SUBSISTANCE ALLOWANCE AND ATTENDANCE OF CONFERENCES, WORKSHOPS AND MEETINGS POLICY FOR EMPLOYEES.

The objective of the policy is to create an organized and effective framework to enable Employees and Councillors to attend official business of the Council, and to

cover reasonable expenses therefore, by paying the relevant travelling- and subsistence allowances, within specifically approved stipulations.

4. SPECIFICATION OF THE POLICY

By formulating a policy for travelling and subsistence allowances, and the attendance of conferences, workshops and meetings for Employees and Councillors, the Council aims at the following targets:

4.1 To establish a fixed base for the travelling and subsistence arrangements of employees.
4.2 To accommodate the unique travelling and subsistence needs of employees.
4.3 To lay down a policy on the usage of all official vehicles as well as vehicles in terms of the transport allowance scheme for purposes as stated in this policy.
4.4 To establish a fixed framework for the attendance of official meeting, congresses, seminars, external training sessions and workshops outside the jurisdictional area of the Rustenburg Local Municipality.

5. UP KEEP OF POLICY

Adjustments to the policy shall take place under the following circumstances:

5.1 Should the Council's approach to the policy change
5.2 Should new legislation by means of laws, ordinances and / or regulations require adjustments to the policy.
5.3 When adjustments to the inflation rate necessitate adjustments to the tariffs, which should be considered annually with income-/expenditure budget.

6. ATTENDANCE OF CONGRESSES, SEMINARS AND WORKSHOPS

6.1 Attached is a list of the Associations and Institutes, which congresses and seminars are attended by
delegates of the Council, as will be amended in accordance with guidelines from SALGA and in addition the Executive Mayor may be invited from time to time to become a member of other institutions, organizations, etc

6.2 Delegates

6.2.1 Municipal Manager

Although the Municipal Manager has to attend certain congresses/seminars either officially or as a member, he may also attend other congresses/seminars, and should indicate during the budget-meeting which congresses /seminars he intends to attend, for approval by the Council.

6.2.2 Councillors

The general provision for Councillors, individual Directors must provide on their budgets for Councillors in their Directorates, to attend specific conferences, seminars, workshops and meetings, relevant to the duties of each Directorate, on a separate vote number.

After the delegates have been assigned, Councillors may, due to unique personal circumstances, change assignments. In such cases, the Municipal Manager and the Executive Mayor shall be informed of the change.

6.2.3 Functionaries

The Municipal Manager and Political Head and Director concerned shall resolve on the employee delegation to attend a specific congress / seminar and that the functionaries be rotated to enhance capacity building.

6.2.4 Executive members of Institutes

It may occur that employees are selected to serve on the Executive Committees of Institutions. As this is a special privilege for the employee concerned, and the public image of the Council is extended at the same time, such an employee will, regardless of his salary level, also be delegated to attend a specific congress/seminar, provided that he is not already a Director of a Directorate or functionary, subject thereto that any employee delegation is limited to two employees is limited to two employees (including the Director of the Directorate).

Employees who are elected on the executive committees of institutes should be free to attend the meetings

of the institute concerned, provided that travelling and subsistence allowance and special leave with remuneration be limited to one institute only.

6.2.5 SALGA North West Workgroups

In case where Employees and Councillors serve on any advisory / technical committee of SALGA, permission is granted to attend one or more than one day workshops, or advisory / technical committee meetings, provided that such delegations be limited to two persons.

7. SUBSISTENCE TO EMPLOYEES AND COUNCILLORS

7.1 The municipality must ensure that when the travelling forms are received with the correct vote numbers on the documents and the correct amounts are recorded according to the day a person is travelling.

The fuel must be calculated according to the fuel rates from the Department of Mineral Resources and Energy. The following must be attached or confirmed upon submitting a Travel and Subsistence claim:

- That there is an attachment for the necessary trip an invitation or course dates or the reason and date for travelling
- The director has signed the form
- If the person sleeps over, then the form must be signed by the Accounting Officer
- If the person is travelling with his private car, then he must submit an invoice of the purchase price of the car.

Once signed then it must be taken to the salary directorate.

7.2 If an Employee or Councillors delegated to attend a seminar/meeting or have to work outside the area of the Rustenburg Local Municipality, the subsistence as in 7.1.2.1 is payable, subject to the conditions as specified below:

7.2.1Seminars/meetings and work outside the municipal area

a. All invitations shall be judged to determine usefulness to the Council, and accreditation by SALGA to Local Government.

b. Employees must be delegated by the Director concerned to attend seminars.

c. *Councillors must be delegated by the Executive Mayor or Council to attend meetings, congresses, seminars and other functions, and if delegated by the Executive Mayor, a report shall be submitted to Council afterwards.*

d. *The Managers in the executive offices of the Council are authorized to approve applications of Councillors for a one-day visit or stay overnight where official meetings are scheduled for two consecutive days and the circumstances are of such nature that they have to stay overnight*.

e. The Municipal Manager is authorized to approve for Councillors to stay overnight for a period of more than two consecutive days, provided that such applications are accompanied by Financial Comments from BTO confirming availability of funds.

f. Employees must be delegated by the Municipal Manager to attend workshops, meetings and also work outside the municipal area, as follows:

g. Where work has to be done outside the municipal area, excluding the following: Inspections during working hours, work with regard to the electricity supply network, water supply network or work done on property of the Council, fire services and duties of the Driver / Security Officer of the Executive Mayor, for trips outside the area of Rustenburg Local Municipality, as done with the scope of the daily operational duties. *(Removed health inspections at dairy farms and ambulance services)*

7.2.1(a) The Director is authorized to approve applications of officials to stay overnight where meetings are scheduled for two consecutive days and the circumstances are of such nature that they have to stay overnight, provided that such applications are accompanied by Financial Comments from BTO confirming availability of funds.

7.2.2(b) The Municipal Manager is authorized to approve for officials to stay overnight for a period of more than two consecutive days, provided that such applications are accompanied by Financial Comments from BTO confirming availability of funds.

7.2.3 When staying overnight for seminars/meetings:

a. *If it is approved for a delegate to sleep over, an allowance of R196.00 per night (for no booked accommodation) shall be payable, if the delegate does not use hotel accommodation. If hotel accommodation is used (booked accommodation), the actual cost of the accommodation will be payable, to a maximum of R 1 700.00/night (inclusive of dinner, breakfast and parking). The delegate shall submit an inclusive quotation, as provided by the hotel, to the Budget and Treasury Office.*

   Council may only approve accommodation that exceeds R1700 (National Treasury New Accommodation Rates Annexure A - 2022)

   - during peak holiday periods
   - when South Africa is hosting an event in the country or in a particular geographical area that results in an abnormal increase in the number of local and/or international guests in the country or in that particularly geographical area.

   In the event where the available accommodation is more expensive, the Municipal Manager, in consultation with the Executive Mayor, should reconsider a higher amount.

b. Incidental costs that are in line with SARS determination shall be payable to a delegate where the delegate is absent from his /her usual place of residence.

c. If a delegate has supper while staying overnight when attending a congress, seminar, meeting, course or workshop, the voucher for the meal may be claimed to the maximum of SARS determination, on condition that delegates submit documentary proof of actual expenditure.

d. Overnight accommodation must be limited to instances where the distance by road where the return trip exceeds 500 kilometers.

e. For purposes of calculating the starting time of the proceedings of a congress or meeting, the meeting of the delegate shall be seen as part of the congress- or meeting-procedure.

f. For calculation of the travelling –time, the forward journey is considered to take place on the day of the commencement of the proceedings. If however, the availability of petrol, the normal estimated travelling time (also of employees from remote areas), the additional time for booking-in at accommodation, parking, plus

time for registration at the congress or meeting, should necessitate departure from home before 06:00, the Municipal Manager shall take these aspects into account and may approve earlier departure, authorizing the trip to start on such days or days as deemed necessary by the Municipal Manager, with due consideration of 7.2.3(h).

g. In case of return-trips, 18:00 is taken to be a reasonable time to be back home, taking into account the available of transport to the home of the delegate concerned, at the said time, with due consideration of 7.2.3(h).

h. The Municipal Manager may grant approval to delegates from remote areas to stay over in Rustenburg the night prior to departure at 06:00, or the night of arrival back in Rustenburg at 18:00, if transport from- and to their homes are not available.

i. Secure parking at hotels, parking garages as well as Toll-fees will be reimbursed over and above the incidental costs payable per day, provided that documentary proof of the actual expenditure is submitted.

7.2.4 When staying overnight for work outside municipal area

a. When a delegate/ employee has to stay overnight when involved in Council work outside the municipal area and sleeping facilities are available for free, incidental costs as per SARS determination per day or part of a day is payable.
b. When an employee has to stay overnight when involved in Council work outside municipal area and sleeping facilities for free are not available, an amount as determined in 7.2.5 shall be applicable.

7.2.5 When staying overnight for courses or training:

a. If it is approved for an employee to sleep over, an allowance in accordance with the actual expenditure shall be payable provided that R500.00 per night not be exceeded.

b. Incidental costs that are in line with SARS determination shall be payable to a delegate where the delegate is absent from his /her usual place of residence.

c. If an employee has supper while staying overnight when attending a course or workshop, the voucher for the meal may be claimed to the maximum of SARS

determination, on condition that delegate submit **documentary proof of actual expenditure.**

d. Overnight accommodation must be limited to instances where the distance by road where the return trip exceeds 500 kilometers.

e. Incidental costs that are in line with SARS determination shall be payable to a delegate sent for training, if they are accommodated where no meals are supplied over week-ends. Should all meals be provided with the accommodation, no incidental costs will be payable.

f. Secure parking at hotels, parking garages as well as Toll-fees will be reimbursed over and above the incidental costs payable per day, provided that documentary proof of the actual expenditure is submitted.

7.2.6 When not staying overnight

a. Any delegate who attend a one-day congress, seminar, course, meeting or workshop outside the area of the Rustenburg Local Municipality, (except those mentioned in paragraph 7.1.2.4 (c) and (d), or is outside the area of the Rustenburg Local Municipality for work purposes (except those mentioned in paragraph 7.1.1 (d) and 8.2), may claim his/her incidental costs per day.

b. The purpose of the incidental costs is only to compensate employees who are not at their office or workplace during their normal lunch break.

c. In respect of meetings, ad hoc visits, etc. in terms of which a delegate has been instructed by SALGA and other institutions on its behalf, they shall be responsible for such travelling and subsistence allowance, according to their policy.

d. Where an organization other than the Council pays a sitting allowance, no day allowance as determined in clause 7.1.2.4 (a) supra, will be payable.

7.2.7 Applicants invited to attend interviews

7.2.7.1 Incidental costs are payable to applicants from outside the jurisdictional area of the Rustenburg Local Municipality. If it is necessary to stay overnight due to certain circumstances, the Municipal Manager may approve an amount of R 500.00 per person per night.

7.2.7.2 Should applicants attend interviews for posts in Rustenburg on invitation, an amount equal to the AA-tariffs as amended from time to time to a maximum engine capacity of 3000 cm³ shall be payable, for running costs.

7.2.7.3 If proof of toll paid is submitted, the amount will be refunded.

7.2.7.4 An amount of the AA – tariff of a leaded running cost for a vehicle with engine capacity of 1800cm³ - 2000 cm³ shall be payable to interviewees.

8. TRAVELLING ALLOWANCE PAYABLE TO EMPLOYEES/ COUNCILLORS OF THE COUNCIL

8.1 If employees or Councillors are delegated or if they pay visits outside the municipal area, the following travelling allowance is payable, subject to the conditions as stated below:

a. If official transport is provided, the petrol, oil and other specific costs of the official vehicle concerned will be refunded, subject thereto that the necessary documentation is submitted.

b. If an employee or Councillor uses a private vehicle, excluding a transport allowance scheme vehicle, compensation will be refunded in accordance with the AA-tables, as amended from time to time, and applicable on an annual distance of 30 000 km for fixed costs, and a maximum engine capacity of 3 000 cc, for running costs.

(i) Fixed cost:

An amount per kilometer, as indicated on the AA-tables for vehicles that travel an annual distance of 30 000 km, based on the purchase price of the vehicle used to a maximum amount of 100% of the employee's annual salary, plus (Verify with SARS for extract to support)

(ii) Running cost per kilometer, based on the engine cubic capacity of the vehicle concerned, with a maximum of 3 000 cm³, as indicated in the AA-tables, as may be amended from time to time.

c. If a transport allowance scheme vehicle is used, the running cost is payable in accordance with the AA-tables, as may be amended from time to time, as follows:

Engine capacity of the vehicle concerned, to a maximum engine capacity of 3 000 cc.

(If travelling by train, the price of a first class train ticket is payable.)

d. If travelling by air, when economic class is not available a business class ticket may be bought, subject to it being approved b the Municipal Manager beforehand. Travelling cost to the nearest airport in accordance with this resolution as stipulated by the Municipal Manager, also including parking fees, bus tickets between the airport and accommodation, as well as freight, if necessary, in regard of which satisfactory written proof shall be submitted, is payable. No connection or transfer flights from Sun City to Johannesburg International Airport will be considered.

e. If travelling by luxury bus, the cost of a return-ticket is payable.

f. If proof of toll paid, as well as parking fees are submitted, the amount will be refunded.

The following reservations are applicable to the above-mentioned conditions:

8.2 Notwithstanding any stipulation included in the Policy, trips outside the area of the Rustenburg Local
Municipality shall be considered as trips within municipal area in the following instances:

If work is being done in regard of:

a. The rural electricity network, within the supply-area of the Council.

b. Water supply network within the supply-area of the Council and the Bospoort Water-Scheme.

c. Any other property of the Council within the areas as mentioned in (a) and (b) above.

d. Duties of the Driver / Security Officer of the Mayor for trips outside the area of the Rustenburg Local Municipality.

e. Fire Services.

9. CANCELLATIONS

a. The official must provide reasons for any cancellation in writing within 2 working days of the actual cancellation/ non-attendance to the SCM(Buyers)to determine liability for possible fruitless and wasteful expenditure.
b. Unless properly motivated and approved by the Municipal Manager, the official will be held responsible for administration costs and/or costs for non-cancellation of reservations including non-attendance.

c. If an official trip is cancelled or postponed, the official must write a memo for cancellation authorized by the relevant Manager and the Municipal Manager to inform the SCM(Buyers)/Creditors immediately.

d. In cases where no cancellation letter was received and no motivation is submitted for non-attendance, these amounts may be deducted from the official's salary should no motivation be submitted and approved by the Municipal Manager. It is the responsibility of the delegate to ensure that the SCM(Buyers)/Creditors is notified of any cancellations and non-attendance.

Where extensions in all forms of travel are necessary, confirmation of such extensions must be authorized in writing according to Financial Delegations. (See Attached Delegation Form)

10. ACCOUNTABILITY

10.1.1 If any employee or Councillor is delegated to attend a seminar/meeting/workshop and has received the necessary allowances and is prevented from attending, due to whatever circumstances, after the matter has been assessed, all monies shall be paid back immediately. Failing this, the monies shall be deducted from the monthly salary of the employee or Councillor concerned. If this is not done, discipline will proceed, after the matter has been assessed. This expenditure will be classified as fruitless expenditure.

10.1.2 Delegates/representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event, failing which the Council will take the necessary steps to recover all expenses incurred by an association, or by the Council, to enable such delegate/representative to attend, provided that such delegate / representative be afforded the opportunity to submit reasons for not being able to be present from commencement to conclusion of such an event.

11. VISIT ABROAD

11.1.1 Applications for official trips abroad are handled in terms of the attached guidelines of the Department of International Relations and Cooperation for Local Government Officials, as provided by SALGA and guidelines from the Office of the MEC (circular attached).

11.1.2 Incidental Costs during visits abroad will be in line with the SARS determination, or as recommended by SALGA, whichever is greater.

12. USE OF OFFICIAL VEHICLES

This part of the policy deals mainly with the use of official vehicles outside the municipal area, but when applying this paragraph, the stipulations as stated in paragraph 8.2 shall be taken into account as well.

12.1.1 Outside trips undertaken by employees participating in the Transport Scheme. A Transport Allowance Scheme vehicle must be used, and the employee concerned must be compensated in accordance with paragraph 8.1 (c), regardless of the approved fixed kilometers per month applicable to the position.

12.1.2 Outside trips undertaken by employees other than those mentioned in paragraph 11.1.

11.2.1 If employees other than those mentioned in paragraph 11.1 undertake trips outside the municipal area, official transport shall be used.

11.2.2 If no official is available, employees making use of their private vehicles shall be compensated in accordance with paragraph 8.1 (b).

13. HIRING OF VEHICLES AND FLIGHTS

Should an employee have to attend a seminar/congress/meeting as a delegate of the Council, and travels by air, train or bus to the destination, a vehicle may be hired from an acknowledged vehicle hire company for official journeys regarding the seminar/congress/meeting, subject to the following conditions:

a. The cylinder capacity of the vehicle may not exceed 1 600cm³.

b. If there are more than four delegates, two vehicles or a microbus may be hired.

c. If a microbus is hired, the cylinder capacity may exceed 1 600 cm³.

d. Delegates may use the hired vehicle for private journeys in the vicinity of the seminar. A log sheet shall be kept for all journeys with the hired vehicle. Private journeys exceeding the free kilometers/day as provided by the hiring company, will be for the account of the delegate hiring the vehicle.

e. Economy class tickets may only be purchased for flights of 5 hours or less.

f. The Municipal Manager may approve business class travel for employees with disabilities or for those with special needs.

g. All accounts for hire vehicles shall be certified as correct by the delegate hiring the vehicle before submitting it to the Budget and Treasury Office.

h. Arrangements which cannot be accommodated by this paragraph (Hiring of Vehicles) can be authorized by the Municipal Manager.

14. RESPONSIBILITY OF THE MUNICIPAL MANAGER

The Municipal Manager accepts responsibility to apply travel and subsistence arrangements and the attendance of Conferences, Workshops and meetings in terms of the stipulations of the policy.

15. RESPONSIBILITY OF THE DIRECTORS

The Directors and Managers in the Executive Offices recognize and accept the responsibility to see to it that recommendations to the Municipal Manager around travel and subsistence arrangements and the attendance of Conferences, Workshops and Meetings shall comply with all stipulations of this policy.

16. FORMS

16.1 General travel and subsistence arrangements

When applying for travel and subsistence allowances and arrangements, the attached form shall be completed in full, for visits outside the Municipal area. For visits within the Municipal area with an official vehicle, the specific attached form (Application for use of an Official Vehicle) shall be completed in full.

17. CONTROL MEASURES

17.1 Approval of journeys undertaken in terms of this policy, is as follows:

17.1.1 Congress / Seminars / Meetings / Work

Municipal Manager and Officials

Delegates to be determined by means of this policy.

17.2 Availability of Funds

Directors and Managers in the Executive Offices shall see to it that sufficient funds be provided annually for the purpose of this policy. Where there are insufficient funds due to unforeseen circumstances, a veriment or adjustment should be done, in order to make funds available.

18. RESPONSIBILITY FOR THE UP KEEP POLICY

The responsibility for the administrative up keep of the policy is as follows:

Adjustments to tariffs: Director: Budget and Treasury Office

Other adjustments: Director: Corporate Support Services

19. LIST OF ASSOCIATIONS AND INSTITUTES

The following associations and institutes qualify for delegations from the Council to attend their Congress, Seminars and Annual General Meetings:

Directorate: Corporate Support Services
The South African Institute for Local Government Management.
Southern African Institute of Management Services.
Institute of Municipal Personnel Practitioners of South Africa.
National Occupational and Safety Association.

Directorate: Public Safety
Institute of Traffic Officers of Southern Africa.
South African Fire Services Institute.
South African Institute of License Officers.
Emergency and Disaster Management Association of Southern Africa.
North West Traffic Control Coordination Committee (Provincial).
Crime Prevention and Liaison Committee.
Working Group on the Road Transport Quality System (National).
National Traffic Control Coordinating Committee.
South African Road Federation.

Directorate: Technical and Infrastructure Services
Institute of Municipal Engineers of Southern Africa.
Institute of Civil Engineers.
Institute of Solid Water Management.
Water Institute of South Africa.
Association of Municipal Electricity Undertakings (Southern Africa).
South African National Committee on Illumination.

Directorate: Community Development

Institute of Environmental Health.
South African Institute for Librarian and Information Science.
IMASA.
IERM (Institute of Environmental and Recreation Management).
South African Horticultural Affiliated Services Association.
South African Landscaping Institution.
South African Nursery Association.
Interior Plants Capers Association.
Fertilizer Society of South Africa.
SAIEH (South African Institute of Environmental Health, Inclusive of 12 Professional Boards).
HPCSA (Health Professions Council of South Africa).
South African Nursing Council (Individual membership affiliation).

Directorate: Planning and Human Settlement

Institute of Environment and Recreation Management.
South African Institute of Town and Regional Planners.

Directorate: Budget and Treasury

CIGFARO	(Chartered Institute of Government, Finance, Audit and Risk Officers)
SARPA	(SA Revenue Protection Association).
SALGA	(Provincial and National).
GOVERNMENT	(All Provincial and National Government Departments related to Local Government Activities).
USER GROUP	(Workgroup in relation to Supplier of Financial system).

General

SALGA NORTH WEST
Technical Committees of SALAGA North-West.

SALGA

Bargaining Council.
Intergovernmental Management Forum which is established in terms of section 41 of the Constitution.

Office of the Municipal Manager

Institute of the Internal Auditors (IIA).

RUSTENBURG LOCAL MUNICIPALITY
APPLICATION FOR SUBSISTENCE AND/OR TRAVELLING ALLOWANCE (Councillors)

COUNCILLOR: _____ PAY NUMBER: _____

1. SUBSISTENCE ALLOWANCE

Departure from Rustenburg		Return to Rustenburg		*Office use only*			
				Number of		Vote No	Amount
Date	Time	Date	Time	Days at R	Nights at R		

2. TRAVELLING ALLOWANCE

2.1 Transport: Reg No: _____ | Official | Scheme | Private |

2.2 Year, Model & cc _____

2.3 Destination: _____

2.4 Distance: _____ km @ R_____ (return)

2.5 Fuel: Official vehicle (Vouchers attached)

2.6 Other expenses (Attach vouchers e.g. toll-gate & parking)

2.7 Public Transport (Bus, Air & Rail)

2.8 TOTAL PAYABLE

3. PURPOSE OF JOURNEY: _____

I hereby certify that the above-mentioned information is correct, that the journey that will be/was undertaken, is in the interest of the Council and that no money in regard with this claim was received from any other institution.

_____ DATE

_____ COUNCILLOR

4. AUTHORISATION:

RESOLUTION NO: _____ DATE OF RESOLUTION_____

MUNICIPAL MANAGER: approved/not approved: _____ DATE _____

Comments: _____

EXECUTIVE MAYOR: approved/not approved: _____ DATE _____

Comments: _____

CHECKED ON BEHALF OF DIRECTOR: FINANCE: _____ DATE _____

5. DIRECTORATE: FINANCE : PETTY CASH VOUCHER

I hereby certify the above-mentioned to be correct and in accordance to my department and my budget vote as approved by the Council, that the vote number is correct and payment may proceed.

Paid by: _____ Director: Finance: _____ Witness: _____

I hereby acknowledge receipt of: R : (_____

_____)

_____ COUNCILLOR

RUSTENBURG LOCAL MUNICIPALITY
APPLICATION FOR SUBSISTENCE AND/OR TRAVELLING ALLOWANCE

APPLICANT: _____ DIRECTORATE: _____

POSITION: _____ JOB LEVEL: _____ PAY NUMBER: _____

ADDRESS: _____

1. SUBSISTENCE ALLOWANCE

Departure from Rustenburg		Return to Rustenburg		*Office use only*			
				Number of		Vote No	Amount
Date	Time	Date	Time	Days at R	Nights at R		
					-		

2. TRAVELLING ALLOWANCE

2.1 Transport:
Reg Transport Official Scheme Private
Year, Model & cc:

2.2 Destination:

2.3 Distance: _____km @ R _____ (return)

2.4 Fuel: Official vehicle (Vouchers attached)

2.5 Other expenses (Attach vouchers e.g. toll-gate & parking)

2.6 Public Transport (Bus, Air & Rail)

2.7 TOTAL PAYABLE R

3. *PURPOSE OF JOURNEY*:

I hereby certify that the above-mentioned information is correct, that the journey that will be/was undertaken, is in the interest of the Council and that no money in regard with this claim was received from any other institution.

DATE _____ APPLICANT: _____

4. *AUTHORISATION:*

RESOLUTION NO:

EXECUTIVE MAYOR / MUNICIPAL MANAGER/DIRECTOR: _____ DATE : _____

CHECKED ON BEHALF OF DIRECTOR: FINANCE: _____ DATE : _____

5. *DIRECTORATE: FINANCE : PETTY CASH VOUCHER*

I hereby certify the above-mentioned to be correct and in accordance to my department and my budget vote as approved by the Council, that the vote number is correct and payment may proceed.

Paid by: _____ Director: Finance: _____ Witness: _____

I hereby acknowledge receipt of: R : (_____

_____)

APPLICANT:

UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE POLICY

RUSTENBURG LOCAL MUNICIPALITY

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ABBREVIATIONS/ACRONYMS

Except if otherwise stated in this policy, the following abbreviations or acronyms will represent the following words:

CFO	-	Chief Financial Officer
COO	-	Chief Operations Officer
EM	-	Executive Manager
MIG	-	Municipal Infrastructure Grant
RLM	-	Rustenburg Local Municipality
MFMA	-	Municipal Finance Management Act, 2003, No. 56 of 2003
MPAC	-	Rustenburg Local Municipality's Municipal Public Accounts Committee
MM or AO	-	Municipal Manager or Accounting Officer
SAPS	-	South African Police Services
MSA	-	Municipal Systems Act, 2000, No. Act 32 of 2000
Structures Act	-	Municipal Structures Act, 1998, Act No 117 of 1998
RPOBA	-	Remuneration of Public Office Bearers Act
Policy	-	Policy on unauthorised, irregular, fruitless and wasteful expenditure
MBRR	-	Municipality Budget Rules and Regulations

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1. INTRODUCTION

1.1. In terms of section 62 of the Municipal Finance Management Act No. 56 of 2003 (herein referred to as "MFMA"), the accounting officer is responsible for managing the financial affairs of Rustenburg Local Municipality (RLM) and he/she must, for this purpose, inter alia:

a) Take all reasonable steps to ensure that unauthorised, irregular; fruitless and wasteful expenditure and other losses are prevented; and

b) Ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any official or councillor of RLM who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

1.2. This is to ensure the effective, efficient and transparent systems of financial, risk management and internal control.

2. OBJECTIVE

2.1. This document sets out RLM"s policy and procedures with regards to unauthorised, irregular, fruitless and wasteful expenditure.

2.2. This policy aims to ensure that, amongst other things:

a) Unauthorised, irregular, or fruitless and wasteful expenditure is prevented, detected, processed, recorded, and reported in a timely manner;

b) Officials and councillors have a clear and comprehensive understanding of the procedures they must follow to prevent and/or address unauthorised, irregular, fruitless and wasteful expenditure;

c) RLM"s resources are managed in compliance with the MFMA, the municipal regulations and other relevant legislation; and

d) All officials and councillors are aware of their responsibilities in respect of unauthorised, irregular, fruitless and wasteful expenditure.

3. ENABLING LEGISLATION

The following enabling legislation sets the precedent for the development of RLM"s unauthorised, irregular, fruitless and wasteful expenditure Policy:

a) The Constitution of the Republic of South Africa, 1996, Act No 108 of 1996;

b) The Municipal Finance Management Act, 2003, No 56 of 2003;

c) The Remuneration of Public Office Bearers Act;

d) Municipal Systems Act, 2000, Act No 32 of 2000;

e) MFMA Circular 68;

f) Any other legislation, regulation or circular that may impact this policy; and

g) Municipal Structures Act No. 117 of 1998.

4. APPLICATION OF THIS POLICY

4.1. This policy applies to all officials and councillors of RLM.

4.2. This policy should be read in conjunction with the following of RLM:

a) Delegations of Authority;

b) Procedures for unauthorised, irregular, fruitless and wasteful expenditure;

c) Policy on financial misconduct;

d) Code of Conduct for Municipal Staff Members; and

e) Code of Conduct for Councillors.

4.3. Officials and Councillors must ensure that all instances of unauthorised, irregular as well as fruitless and wasteful expenditure are prevented, detected and reported in a timely manner.

5. DEFINITIONS

Except if otherwise indicated:

"Councillor" means member of municipal councillor\ of RLM.

"Fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

"Financial Misconduct" means any misappropriation, mismanagement, waste or theft of the finances of a municipality, and also includes any form of financial misconduct specifically set out in sections 171 and 172 of the Act.

"Irregular expenditure", in relation to a municipality or municipal entity, means:

a) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
b) expenditure incurred by a municipality 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 this 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);

d) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of RLM 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; or

e) excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure".

"Official", in relation to a RLM, means:

a) an employee of RLM;

b) a person seconded to RLM or to work as a member of the staff of the RLM; or

c) a person contracted by RLM to work as a member of the staff of the RLM or otherwise than as an employee.

"Overspending" means:

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; or

c) In relation to expenditure under section 26, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section.

"Political Office Bearer" means the speaker, executive mayor, mayor, deputy mayor, or a member of the executive committee as referred to in the Municipal Structures Act.

"Prohibited expenditure" in relation to this policy, means unauthorised, irregular, fruitless and wasteful expenditure;

"Senior Manager" in relation to a municipality, means a manager referred to in section 56 of the Municipal Systems Act.

"Unauthorised expenditure", 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 RLM otherwise than in accordance with the MFMA.

"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 departments 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.

6 UNAUTHORISED EXPENDITURE

6.1. Rustenburg Local Municipality may incur expenditure only in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget.

6.2. Expenditure incurred within the ambit of RLM‟s virement policy is not regarded as unauthorised expenditure.

6.3. Any 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, economic entity or organ of state and expenditure in the form of a grant that is not permitted in terms of the MFMA is regarded as unauthorised expenditure.

6.4. Unauthorised expenditure would include:

a) Any overspending in relation to both the operational budget and capital budget of the municipality;

b) Overspending in relation to each of the votes on both the operational budget and capital budget;

c) Use of funds allocated to one department for purposes of another department or for purposes that are not provided for in the budget;

d) Funds that have been designated for a specific purpose or project within a department's vote may not be used for any other purpose;

e) Any use of conditional grant funds for a purpose other than that specified in the relevant conditional grant framework is classified as unauthorised expenditure;

f) Any grant to an individual or household unless it is in terms of the municipality's indigent policy, bursary scheme, corporate social responsibility policy, councillors discretionary grant or the grants-in-aid;

g) Unforeseen and unavoidable expenditure not authorised within an adjustments budget within 60 days after the expenditure was incurred; and

h) Any overspending on non-cash items, for example depreciation, impairments, provisions.

6.5 Officials and councillors must ensure that all instances of fruitless and wasteful expenditure are prevented where possible, and are detected and reported in a timely manner.

6.6 Expenditures that are NOT classified as unauthorized expenditure

Given the definition of unauthorised expenditure, the following are examples of expenditure that is NOT unauthorised expenditure:

i. Any over-collection on the revenue side of the budget as this is not an expenditure; and
ii. Any expenditure incurred in respect of:
- any of the transactions mentioned in section 11(1)(a) to (j) of the MFMA;
- re-allocation of funds and the use of such funds in accordance with a council approved virement policy;
- overspending of an amount allocated by standard classification on the main budget Table A2 (Budgeted Financial Performance: revenue and expenditure by standard classification), as long as it does not result in overspending of a „vote" on the main budget Table A3 (Budgeted Financial Performance: revenue and expenditure by municipal vote) and Table A4 (Budgeted Financial Performance: revenue and expenditure (read in conjunction with supporting Table SA1) of the MBRR; and
- overspending of an amount allocated by standard classification on the main budget Table A5 (Budgeted Capital Expenditure by vote, standard classification and funding) of the MBRR so long as it does not result in overspending of a „vote" on the main budget Table A5.

6.6.1. Money withdrawn from a bank account under the following circumstances, without appropriation, in terms of an approved budget, is not regarded as unauthorised expenditure:

a). To defray expenditure authorised in terms of section 26 (4) of the MFMA, [Section 26: Consequences of failure to approve a budget before the start of the budget year];

b) To defray unforeseen / unavoidable expenditure circumstances strictly in accordance with Section 29 (1) of the MFMA [Section 29: Unforeseen

and unavoidable expenditure] failing which the unforeseen /unavoidable expenditure is unauthorised;

c) re-allocation of funds and the use of such funds in accordance with a council approved virement policy;

d) Expenditure incurred from a special bank account for relief, charitable or trust purposes provided of course that it is done strictly in accordance with Section 12 of the MFMA [Section 12: Relief, charitable, trust or other funds];

e) To pay over to a person or organ of state money received by the RLM on behalf of that person or organ of state, including—

(i) money collected by the RLM on behalf of that person or organ of state by agreement; or

(ii) any insurance or other payments received by the RLM for that person or organ of state;

f) To refund money incorrectly paid into a bank account;

g) To refund guarantees, sureties and security deposits;

h) For cash management and investment purposes in accordance with section 13 [Section 13: Cash Management and Investments]; and

i) To defray increased expenditure in terms of section 31 [Section 31:

Shifting of funds between multi-year appropriations].

6.6.2 Any expenditure approved in terms the Municipal Budget and Reporting Regulations (MBRR).

7 IRREGULAR EXPENDITURE

7.1. Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality‟ supply chain management policy.

7.2. Irregular expenditure is actually expenditure that is in violation of some or another procedural/legislative requirement as specified in the MFMA.

7.3. Irregular expenditure excludes unauthorised expenditure.

7.4. Although a transaction or an event may trigger irregular expenditure, a Council will only identify irregular expenditure when a payment is made. The recognition of irregular expenditure must be linked to a financial transaction.

7.5. If the possibility of irregular expenditure is determined prior to a payment being made, the transgression shall be regarded as a matter of non-compliance.

7.6. Remuneration of councillors.

7.6.1. Payments to RLM councillors cannot exceed the upper limits of the salaries, allowances and benefits for those councillors as promulgated in the Public Officers Bearers Act.

7.6.2. Any remuneration paid or given in cash or in kind to a person as a councillor or as a member of a political structure of RLM otherwise than in accordance with 7.6.1 including any bonus, bursary, loan, advance or other benefit, must be classified as irregular expenditure.

7.7. Irregular staff appointments

7.7.1. No person may be employed in RLM unless the post to which he or she is appointed, is provided for in the RLM‟s staff establishment of the municipality as approved by the council.

7.7.2. Any person who takes a decision contemplated in subparagraph (7.7.1) knowing that such decision is unlawful, will be held personally liable for any irregular expenditure that the municipality may incur as a result of such invalid decision.

7.8 Officials and councillors must ensure that all instances of irregular expenditure are prevented where possible and are detected and reported in a timely manner.

8. FRUITLESS AND WASTEFUL EXPENDITURE

8.1. All officials and councillors must always act cautiously when spending public money and ensure that they abide by the public and accountability principles which are to promote “efficient, economic and effective use of resources and the attainment of value for money”.

8.2. Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

8.3. This type of expenditure is incurred where no value for money is received for expenditure or the use of resources. No particular expenditure is explicitly identified by the MFMA as fruitless and wasteful.

8.4. Expenditure incurred that has been budgeted for (authorised) and was not regarded as irregular expenditure could be classified as fruitless and wasteful expenditure.

8.5.1 An expense is only fruitless and wasteful in terms of this policy if:

(i) It was made in vain (meaning that the municipality did not receive value for money) and;

(ii) and would have been avoided had reasonable care been exercised (meaning that the official or councillor concerned was carelessor negligent in causing the expenditure to be incurred by the municipality, furthermore another official or councillor under the same circumstances would have been able to avoid incurring the same expenditure).

8.5.2 In determining whether expenditure is fruitless and wasteful, officials and councillors must apply the requirement of reasonable care as an objective measurement to determine whether or not a particular expenditure was fruitless and wasteful, that is-

a) Would the average man (in this case the average experienced official or councillor) have incurred the particular expenditure under exactly the same conditions or circumstances? and

b) Is the expenditure being incurred at the right price, right quality, right time and right quantity?

8.6 Officials and councillors must ensure that all instances of fruitless and wasteful expenditure are prevented where possible, and are detected and reported in a timely manner.

9 REPORTING ON UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

9.1. Reporting of unauthorised, irregular, fruitless and wasteful expenditure must be done at the appropriate level, as this could constitute financial misconduct, as follows:

a) a Councillor of a municipality, must be reported to the Speaker of the council;

b) the municipal manager and speaker, must be reported to the mayor;

c) senior managers or the chief financial officer of a municipality, must be reported to the municipal manager;

d) all cases of prohibited expenditure reported as per a), b) and c) above must be reported to Council, and be referred by Council to MPAC for investigation unless the allegations are frivolous, vexatious, speculative or obviously unfounded; and

e) officials below seniormanagement level of the municipality must be reported to the CFO.

9.2. All reports made by officials, councillors must be treated with utmost confidentially.

9.3. The MM must promptly inform the Mayor, the MEC for local government in the Province and the Auditor-General, in writing, of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality:

a) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and

b) the steps that have been taken:

- To recover or rectify such expenditure; and
- To prevent a recurrence of such expenditure.

9.4. All expenditure classified as unauthorised, irregular, fruitless and wasteful expenditure must be reported to:

a) The Finance Portfolio Committee on a quarterly basis

b) Mayoral Committee on a quarterly basis

c) Council on a quarterly basis;

d) MPAC on a quarterly basis; and

e) Audit Committee on a quarterly basis.

9.5. In accounting for unauthorised, irregular, fruitless and wasteful expenditure, municipal manager or delegated officials (as may be relevant) must ensure that:

a) All confirmed unauthorised, irregular, fruitless and wasteful expenditure must be recorded in separate account, in the accounting system of RLM, created for each of the above types of expenditure;

b) All such expenditure is disclosed in the annual financial statements as required by the MFMA and treasury requirements; and

c) Details pertaining to unauthorised, irregular, fruitless and wasteful expenditure must be disclosed in the Municipality's Annual Report.

10. MAINTNANCE OF A REGISTER FOR UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

10.1. Council must maintain a register of all incidents of unauthorised, irregular, fruitless and wasteful expenditure:

a) This register will be maintained by the CFO for all officials other than the CFO and MM;

b) A separate register must be maintained by the MM for expenditure incurred by CFO;

c) A separate register must be maintained by the Mayor for expenditure incurred by the MM; and

d) The Speaker will maintain a register for expenditure incurred by the Mayor and Councillors.

10.2. These registers must be updated on a monthly basis.

11. INVESTIGATIONS OF UNAUTHORISED AND IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

11.1. MPAC must institute an investigation of all prohibited expenditure reported in terms of clause 9.1. (d)above, after it is referred to it by Council.

11.2. The CFO must seek the Municipal Managers approval to investigation all prohibited expenditure reported to him/her in terms of clause 9.1(e) unless the allegations are frivolous, vexatious, speculative or obviously unfounded.

11.3. Once the nature of the expenditure is confirmed as unauthorised, irregular, fruitless and wasteful expenditure, the person to whom the prohibited expenditure was reported in terms of clause 9.1 above must institute the necessary procedures which could include disciplinary as well criminal proceedings.

12. DISCIPLINARY AND CRIMINAL CHARGES FOR UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

12.1. After having followed a proper investigation, as per paragraph 11 above, the MPAC or the CFO as the case may be must determine whether there is a prima facie case and that a Councillor or official made, permitted or authorized prohibited expenditure.

12.2. If a prima facie case has been established, as per paragraph 12.1 above, then MPAC, mayor or municipal manager (as may be relevant) must institute disciplinary action as follows:

a) Financial misconduct in terms of section 171 of the MFMA: in the case of an official that deliberately or negligently:

(i) contravened a provision of the MFMA which resulted in prohibited expenditure; or

(ii) made, permitted or authorised an irregular expenditure (due to non-compliance with any of legislation mentioned in the definition of irregular expenditure);

b) Breach of the Code of Conduct for Municipal Staff Members: in the case of an official whose actions in making, permitting or authorizing an prohibited expenditure constitute a breach of the Code; and

c) Breach of the Code of Conduct for Councillors: in the case of a Councillor, whose actions in making, permitting or authorizing an irregular expenditure constitute a breach of the Code. This would also include instances where a councillor knowingly voted in favour or agreed with a resolution before council that contravened legislation resulting in prohibited expenditure when implemented, or where the Councillor improperly interfered in the management or administration of the municipality.

12.3. The MPAC, mayor or municipal manager or delegated officials (as may be relevant) must promptly report to the SAPS all cases of alleged:

a) Irregular expenditure that constitute a criminal offence; and

b) Theft and fraud that occurred in the municipality.

12.4. The Mayor must take all reasonable steps to ensure that all cases referred to in the above paragraph are reported to the South African Police Service if:

a) The charge is against the MM; or

b) The MM fails to comply with the above paragraph.

13. RECOVERY UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

13.1. The MM or delegated person 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

authorised in an adjustment budget; OR

certified by the municipal council, after investigation by MPAC, as irrecoverable and is written off by council; and

b) in the case of irregular or fruitless and wasteful expenditure, is after investigation by MPAC, certified by council as irrecoverable and written off by council.

13.2. Irregular expenditures resulting from breaches of the Public Office-Bearers Act must be recovered from the Councillor to whom it was paid.

13.3. Once it has been established who is liable for the unauthorised, irregular, fruitless and wasteful expenditure, the Municipal Manager must in writing request that the liable Councillor or official to pay the amount within 30 days or in reasonable instalments.

13.4. Without limiting liability in terms of the common law or other legislation, the MM must recover any such expenditure, in full, from official or Councillor where:

a) In the case of a Councillor, the Councillor knowingly or after having been advised by the MM that the expenditure is likely to result in unauthorised, irregular or fruitless and wasteful expenditure, instructed an official of RLM to incur the expenditure; and

b) In case of the official, the official deliberately or negligently incurred such expenditure.

13.5. The fact that the Council may have approved the expenditure for writing off or deemed it to be irrecoverable is no excuse in:

a) Either disciplinary or criminal proceedings against a person charged with the commission of an offence or a breach of the MFMA relating to such unauthorised, irregular or fruitless and wasteful expenditure; or

b) Recovery of such expenditure from such person.

13.6. If the official or councillor fails to make satisfactory payment arrangements or fails to honour payment arrangements made, the amount owed for prohibited expenditure must be recovered through the normal debt collection process of the municipality.

14 CONSEQUENCES OF NON-COMPLIANCE

14.1. Any official or councillor who does not comply with their reporting duties in terms of this policy could be found guilty of Financial Misconduct.

14.2. Any councillor or official of RLM will be committing an act of financial misconduct if that councillor or official deliberately or negligently makes or permits, or instructs another official of RLM to make, an unauthorised, irregular or fruitless and wasteful expenditure.

15. **PROTECTION OF OFFICIALS OR COUNCILLORS WHO HAVE REPORTED UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

15.1. If any official or councillor who has complied with this policy and as a result thereof has been subjected to intimidation, victimisation, threats such official or councillor should immediately report such threats, victimisation or intimidation immediately to the MM or the Mayor where applicable.

15.2. The MM or Mayor must immediately take appropriate action to ensure that protection of the official or councillor after receiving the above report.

15.3. Where the nature of the threats warrants such action, the threats should be reported to the SAPS by the official concerned, the MM or the Mayor, where applicable.

16 EFFECTIVE DATE

This policy will be effective upon adoption by Council.

17 REVIEW OF POLICY

This policy must be reviewed and updated:

a) Annually in line with the budget cycle and submitted with the budget policies; or

b) Sooner if new legislation, regulation or circulars are issued that will impact this policy.

SPEAKER OF RUSTENBURG LOCAL MUNICIPALITY

Date:

RUSTENBURG WATER SERVICES TRUST
ADJUSTMENT BUDGET 2025/2026 v1. - 13-03-2025

	Adjustment Budget 30 June'25	Draft Budget 30 June'26	Medium Term Budget 30 June'27	Medium Term Budget 30 June'28	Medium Term Budget 30 June'29
Revenue:					
RLM - STC Income	81 313 880	86 192 712	91 364 275	96 846 132	102 656 899
Boitekong - STC Income	19 184 357	20 335 418	21 555 543	22 848 876	24 219 808
Bospoort	62 233 037	65 967 019	69 925 040	74 120 542	78 567 775
RLM - Lethabong & Monakato	6 441 179	6 827 650	7 237 309	7 671 547	8 131 840
RLM - Kloof	3 733 226	3 957 220	4 194 653	4 446 332	4 713 112
RLM - Effluent	1 597 264	1 693 100	1 794 686	1 902 368	2 016 510
RLM - Bokamoso	5 500 000	5 500 000	5 500 000	5 500 000	5 500 000
	180 002 943	190 473 119	201 571 506	213 335 797	225 805 944
Water Sales-Off take - Mines	85 427 982	90 553 661	95 986 880	101 746 093	107 850 859
Glencore	1 582 043	1 792 455	1 900 002	2 014 002	2 134 842
Other	12 000	12 000	12 000	12 000	12 000
Total Income	267 024 967	282 831 235	299 470 389	317 107 892	335 803 645
Expenses:					
Contracted Services:					
- Operator cost: Rustenburg plant	-84 150 912	-86 249 523	-93 149 484	-100 601 443	-108 649 559
- Operator cost: Boitekong plant	-34 460 890	-29 905 592	-32 298 039	-34 881 883	-37 672 433
- Operator cost: Bospoort plant	-30 405 253	-31 840 091	-34 387 299	-37 138 283	-40 109 345
- Operator cost: Monakato and Lethabong	-4 728 860	-5 218 891	-5 636 403	-6 087 315	-6 574 300
- Operator cost: Kloof	-2 085 277	-2 343 487	-2 530 966	-2 733 443	-2 952 119
- Operator cost: Bokamoso	-4 950 000	-4 950 000	-5 346 000	-5 773 680	-6 235 574
- Operator cost: Effluent	-1 277 812	-1 380 036	-1 455 938	-1 536 015	-1 620 496
- Operator cost: Management	-7 987 936	-8 626 971	-9 101 454	-9 602 034	-10 130 146
	-170 046 941	-170 514 592	-183 905 584	-198 354 096	-213 943 972
Gross Profit	96 978 026	112 316 643	115 564 805	118 753 796	121 859 673
	0	0	0	0	0
General Expenses:					
Asset Revaluation GRAP17	-2 500 000	-2 500 000	-3 000 000	-	-
Bank Charges	-7 536	-7 950	-8 387	-8 849	-9 335
Computer & IT expenses	-30 000	-31 650	-33 391	-35 227	-37 165
Communications and Corporate Identity	-600 000	-300 000	-316 500	-333 908	-352 272
DWS Compliance	-249 682	-263 415	-277 902	-293 187	-309 312
External Audit Fees	-2 017 356	-2 128 311	-2 245 368	-2 368 863	-2 499 151
Impairment loss	-778 264	-821 068	-866 227	-913 869	-964 132
Insurance	-1 054 037	-1 748 265	-1 844 420	-1 945 863	-2 052 886
Leasing Charges	-41 971	-	-	-	-
Legal Fees	-921 961	-972 669	-1 026 165	-1 082 605	-1 142 148
Marketing	-50 000	-18 000	-18 990	-20 034	-21 136
Office expenses	-18 000	-18 990	-20 034	-21 136	-22 299
Office Rental	-240 000	-253 200	-267 126	-281 818	-297 318
O & M Supervision	-3 717 738	-3 922 214	-4 137 936	-4 365 522	-4 605 626
Printing & Stationary	-12 780	-13 483	-14 224	-15 007	-15 832
Research and Development	-300 000	-300 000	-330 000	-363 000	-399 300
Repairs & Maintenance	-35 174 682	-38 692 150	-42 561 365	-46 817 501	-51 499 251
Salaries	-3 276 027	-5 415 335	-5 740 255	-6 084 671	-6 449 751
RLM - Section 78 Process	-1 000 000	-1 500 000	-	-	-
Sucscriptions	-21 300	-22 472	-23 707	-25 011	-26 387
Telephone & Data	-50 000	-52 750	-55 651	-58 712	-61 941
Training	-85 200	-89 886	-94 830	-100 045	-105 548
Travel and Accommodation	-24 000	-25 320	-26 713	-28 182	-29 732
Trustees Remuneration	-1 031 748	-500 000	-527 500	-556 513	-587 121
	-53 202 281	-59 597 127	-63 436 693	-65 719 523	-71 487 643
Earnings before interest, depreciation & tax	43 775 745	52 719 516	52 128 112	53 034 273	50 372 030
Interest Received	41 180 778	31 447 079	31 585 285	21 188 159	16 149 336
Interest Paid	-	-	-	-	-
Depreciation	-28 083 175	-35 083 175	-35 083 175	-35 083 175	-35 083 175
Earnings after interest, depreciation & tax	56 873 348	49 083 419	48 630 222	39 139 256	31 438 191

RUSTENBURG WATER SERVICES TRUST
ADJUSTMENT BUDGET 2025/2026 v1. - 13-03-2025

	Adjustment Budget 30 June'25	Draft Budget 30 June'26	Medium Term Budget 30 June'27	Medium Term Budget 30 June'28	Medium Term Budget 30 June'29
BALANCE SHEET					
Assets					
Nett Plant Assets	584 883 991	557 479 747	530 540 345	504 093 900	477 597 192
WIP - Capital Projects					
WIP - Bospoort Bulk	159 652 110	267 002 472	438 982 199	488 816 110	488 816 110
WIP - Monakato Inlet	388 987	388 987	388 987	388 987	388 987
WIP - Bospoort Plant Ext	132 251 361	277 497 362	425 846 112	486 346 112	486 346 112
WIP - Rustenburg Plant Ext	36 975 759	76 909 578	307 534 911	538 160 244	768 785 577
Total Plant and Equipment	**914 152 208**	**1 179 278 146**	**1 703 292 554**	**2 017 805 353**	**2 221 933 978**
Debtors - RLM	69 647 865	36 507 348	38 634 539	40 889 361	43 279 473
Debtors - Mines	19 678 767	17 699 672	18 761 652	19 887 352	21 080 593
Bank and cash	571 765 067	574 277 911	385 239 247	293 624 289	119 319 767
Total Assets	**1 575 243 907**	**1 807 763 077**	**2 145 927 992**	**2 372 206 355**	**2 405 613 810**
Equity / Liabilities					
Statutory Funds	1 000	1 000	1 000	1 000	1 000
Reserves - Revaluation	444 589 771	444 589 771	444 589 771	444 589 771	444 589 771
Retained income - prior years	810 225 282	867 098 630	916 182 049	964 812 271	1 003 951 527
Profit - this year	56 873 348	49 083 419	48 630 222	39 139 256	31 438 191
RLM Lease	-	-	-	-	-
Creditors	20 053 330	20 454 900	22 132 623	23 950 200	25 919 465
Equity:					
MIG contribution - Bospoort Bulk	149 093 209	256 443 571	313 675 209	313 675 209	313 675 209
MIG contribution - Bospoort Plant	57 432 207	93 182 207	93 182 207	93 182 207	93 182 207
MIG contribution - Rustenburg Plant	36 975 759	76 909 578	307 534 911	492 856 441	492 856 441
	1 575 243 907	1 807 763 077	2 145 927 992	2 372 206 355	2 405 613 811

Municipal Budget Circular for the 2025/26 MTREF

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Introduction

This budget circular provides guidance to municipalities with their compilation of the 2025/26 Medium Term Revenue and Expenditure Framework (MTREF). It 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 management 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 in areas of the budget preparation that are not covered in this circular.

1. The South African economy and inflation targets

The National Treasury has lowered its 2024 economic growth forecast to 1.1 per cent, from the 1.3 per cent projected in the 2024 Budget Review, weighed down by stop-start economic growth and stubborn inflation in the first half of the year. The economy has since strengthened in response to the suspension of power cuts since March 2024, improved confidence following the formation of the government of national unity in June, better than-expected inflation outcomes in recent months and reduced borrowing costs. All these factors are expected to continue to support the economy over the period ahead.

GDP growth is projected to average 1.8 per cent from 2025 to 2027, up from 1.2 per cent in the preceding three years. The pace of growth is still being limited by persistent – though gradually easing – constraints, particularly in logistics infrastructure. Faster growth depends largely on maintaining macroeconomic stability, the continued implementation of structural economic reforms, improving state capabilities and supporting higher infrastructure investment.

The following macro-economic forecasts must be considered when preparing the 2025/26 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2023 - 2027

Fiscal year	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Forecast		
CPI Inflation	5.9%	4.6%	4.4%	4.5%	2.5%

Source: Medium Term Budget Policy Statement 2024.

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.

Growth in household consumption expenditure is expected to improve to 1.2 per cent in 2024, up from 0.7 per cent in 2023. Households have seen growth in real incomes as this year progressed and inflation has cooled, while consumer confidence has been buoyed by several factors, including stable electricity supply and expectations of improving financial conditions following a September cut in interest rates. Real purchasing power is expected to be bolstered by a further moderation in inflation and lower interest rates supporting household balance sheets. The newly implemented two-pot retirement system, which allows consumers to withdraw a portion of their savings before retirement, may also boost household consumption over the next few years depending on the eventual use of the withdrawn funds.

During 2024, headline inflation has cooled to its lowest rate in over three years, supported by lower food and transport prices. Underlying inflation – measured by the core inflation rate, which excludes volatile items such as food, non-alcoholic beverages, fuels, and energy – has also moderated to two-year lows, supported by lower imported inflation. Headline inflation is projected to stabilise around the midpoint of the 3–6 per cent inflation target range in the medium term. Lower food prices, a stronger rand and comparatively low oil prices present favourable risks. Meanwhile, unfavourable risks to the outlook include higher administered prices and unfavourable weather conditions for agriculture.

Even though confidence of the consumers has been uplifted by the improved economy, households are still struggling to pay municipal accounts and that has a negative impact on municipal own revenues. It is therefore noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections.

2. Key focus areas for the 2025/26 budget process

2.1 Local government conditional grants allocations

Over the 2025 Medium-Term Expenditure Framework (MTEF), the government proposes an allocation of 9.8 per cent to local government. Local government funding is projected to increase from R184.8 billion in 2025/26 to R197.9 billion in 2027/28. In 2025/26, this comprises R106.1 billion for the local government equitable share, R16.8 billion from the general fuel levy sharing with metros, and R61.8 billion for both direct and indirect conditional grants. The increased allocations to local government reflect the government's commitment to social protection as a cornerstone of its fiscal strategy, ensuring ongoing support for indigent populations and the expansion of critical infrastructure through conditional grants. These figures represent the preliminary fiscal framework outlined in the 2024 Medium Term Budget Policy Statement. The final details will be provided in the 2025 Budget Review.

Notable changes to the conditional grants system

Government has finalised its review of the conditional grant system and developed a range of reforms based on the results. These reforms are aimed to rationalise conditional grants and enhance their effectiveness and will be implemented from 2025/26.

In the metro space, National Treasury remain committed to consolidating grants to improve efficiency and effectiveness. Starting with the 2025 Budget, the Neighbourhood Development Partnership Grant (NDPG direct) and the Programme and Project Preparation Support Grant (PPPSG)will be consolidated. Over the 2025 Medium-Term Revenue and Expenditure Framework (MTREF), further reforms will include integrating the Municipal Systems Improvement Grant (MSIG) and the Neighbourhood Development Partnership Grant (NDPG indirect) into the budget baselines of the Department of Cooperative Governance and the National Treasury, respectively. Both departments will still earmark these to ensure that these allocations are used for their original purposes.

Additionally, the non-metro components of the NDPG direct will be merged with a portion of the PPPSG, and the grant will be redesigned to better serve its objectives. Most of other proposed reforms being discussed currently are planned for medium- to long-term implementation.

NT advise municipalities to utilise the indicative numbers that were presented in the 2024 Division of Revenue Act when developing the 2025/26 MTREF calculations. It is crucial to also consider the

proposed changes to baselines that were presented in the 2024 MTBPS, as they may have an impact. NT recommend this must be prioritised in all budgetary planning for the upcoming fiscal year. In terms of the outer year allocations (2027/28 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2024 Division of Revenue Act for 2025/26. The Division of Revenue Bill, 2024, which includes the annexures outlining allocations to each municipality is available at:
https://www.treasury.gov.za/documents/national%20budget/2024/default.aspx

Division Of Revenue Amendment Bill, 2024 (DoRAB)

Additional funding to the Municipal Disaster Recovery Grant – R684 million is added to the Municipal Disaster Recovery Grant (MDRG – Recovery) to fund the reconstruction and rehabilitation of municipal infrastructure damaged by the flood and storm surges that occurred in various parts of the country between December 2023 and July 2024. This will benefit several municipalities in five provinces with the following breakdown: Eastern Cape municipalities (10): R319 million; Free State municipalities (4): R48 million; KwaZulu-Natal municipalities (7): R152 million; Limpopo municipalities (4): R88 million; and Mpumalanga municipalities (4): R77 million.

Reprioritisation from the Public Transport Network Grant – R300 million is shifted from the Public Transport Network Grant (PTNG) to the Taxi Relief Fund to fund the extension of the programme. While the fund was introduced as a relief measure during the height of the COVID- 19 pandemic, it has been extended and forms part of the work that the Department of Transport is undertaking in the formalisation of the taxi industry.

Rescheduling of BFI funding in the Regional Bulk Infrastructure Grant – reduction of R225 million to the allocation of Drakenstein Local Municipality in the Regional Bulk Infrastructure Grant (RBIG) to align to the revised implementation plan and cashflow projections for the sanitation infrastructure upgrade project funded through the BFI.

Roll-over – R29 million is rolled over in the MSIG to complete projects related to the development of the Smart Cities Framework, Capital Expenditure Framework, Data Management Project, and Records Management Project.

Changes to conditional grant frameworks and allocations

The framework of the MDRG – recovery will be amended to ring-fence the additional funds for the repair and reconstruction of municipal infrastructure damaged by the disasters that occurred between December 2023 and June 2024.

The framework of the RBIG will be updated to amend the ring-fenced BFI amount for Drakenstein Local Municipality's sanitation infrastructure upgrade project.

The framework of the PTNG is amended to reflect the revised 2024/25 baseline following the reprioritisation towards the Taxi Relief Fund.

The framework of the MSIG is amended to account for the approved roll-over in the 2024/25 financial year.

Details per municipality, of the changes to allocations for the municipal disaster recovery grant, municipal systems improvement grant, public transport network grant and regional bulk infrastructure grant that have been described in Part 2 of the explanatory memorandum to the DoRAB will be gazetted. These changes per municipality are shown in **Annexures D** to **E and Appendix A** of the DoRAB.

All amended frameworks will be gazetted in terms of section 15(2) of the 2024 DoRA, after consulting Parliament.

2.2 Metropolitan Municipalities Trading Services Reform performance incentive

The provision of water, sanitation, electricity, and solid waste management are in a significant decline, resulting in poor reliability, safety, and accessibility of these services. The immediate cause of service decline is long-term and systemic underinvestment in maintaining, rehabilitating, and expanding infrastructure assets. Fundamental weaknesses in the structure and management of trading services underpin and exacerbate underinvestment in trading services infrastructure and assets. Currently, trading services face negative cash flows, placing at risk overall metropolitan municipalities (refers herein as metros)'s finances and their ability to support the necessary investments and contribute to the financial health of the entire municipality. Thus, there is a growing risk to municipal finances from the impact of failing trading services and an urgent need to incentivise the turnaround of trading services/ utilities to improve performance and increase investment in infrastructure.

A new feature of the conditional grant structure from 2024/25 is a performance incentive for metros who agree to embark upon specific trading services reforms, subject to performance on accountability, financial and operational performance metrics. The purpose of the Metro Trading Services performance incentive is to support and incentivise the turnaround of metro trading services to functional utilities that can access loan finance.

The incentive programme is currently planned to run over six years, from 2024/25 to 2030/31, and will cover water and sanitation (W&S), electricity and energy (E&E), and solid waste management (SWM). Maximum performance incentive amounts will be allocated to metros through the annual Division of Revenue Act, based on household and poverty indices. The envisaged scale of the incentive is such that, with commensurate internally generated funding, metro trading services capital expenditure can more than double compared to the current baseline.

To access the performance incentive, most metros have already developed Trading Services Reform Strategies, with two annexures (A1: Institutional Road Map, and A2: Business and Investment Plans) for their Water and Sanitation and Electricity and Energy Trading Services. (See Guidance Note 2: Assessment Criteria, Process and Timeframes, Metro preparations for the introduction of trading services infrastructure financing reforms). The date for submission of Solid Waste Management A, A1 and A2s is 31 July 2025. The guidance note is accessible at this link on the National Treasury website.

Metros with acceptable reform strategies for W&S and E&E will need to develop a third Annexure to their sector-specific Trading Services Reform Strategies, namely Annexure 3: Performance Improvement Action Plan (PIAP). Each A3: PIAP will have approximately 40 indicators across three performance areas (Accountability, Financial and Operational (W&S or E&E or SWM).

For each indicator, metros will specify their starting points, ambitions, programmes to accomplish the ambitions, and annual targets for the six years of the programme. The A3: PIAP as agreed to by National Treasury and passed by the metro council will become the metro's trading service **performance contract** against which incentive allocations are confirmed or adjusted, through the Division of Revenue Act. The Council-approved sector-specific A3: PIAP must be submitted to National Treasury as part of the metro's submission of budget documentation.

Metros are currently receiving formal feedback on submissions already made. Workshop briefings, a Guidance Note, and direct support will be provided to enable metros to complete the A3: PIAP template.

For metros seeking to access the incentive, the second day of the Mid-year Budget and Performance Review (MYBR) engagements will be dedicated in assessing the readiness for trading services reform and the details of A3: PIAP. Metros should submit a complete first draft A3: PIAP prior to the MYBR engagement.

Similarly, for metros seeking to access the incentive, the Budget and Benchmark engagements will devote time to assess investment plans, commercial initiatives, of trading services. Metros should be ready for the meeting with a final A3: PIAP.

Metros who have been or are unable to generate satisfactory Trading Services Reform Strategy documents will have further opportunities (with assistance of NT) to join the programme in future.

2.3. Reporting requirements for Disaster Allocations

National Treasury has in the previous circular (MFMA Circular No. 126 dated 07 December 2023) indicated that municipalities that receive their disaster funding before the start of the municipal year, i.e., 01 July, but after the end of the national financial year, 31 March, do not need to request a rollover as any deemed unspent disaster fund transferred to municipalities during that period (01 April to 30 June) will be regarded as an automatic rollover. This consideration is done because funding for this form of a disaster would have been transferred from the new year's allocation. Therefore, National Treasury will support that these unspent monies be carried over into the new municipal year's budget. The contents of MFMA Circular No 126 are not repeated here as the position still holds.

Disaster response funding for local government is provided for in the Division of Revenue Act, 2024 (Act No. 24 of 2024) (DoRA) through the Municipal Disaster Response Grant schedule 7B (MDRG 7B); and the Municipal Recovery Grant schedule 5B (MDRG 5B).

Funds from the MDRG 7B allocations are unallocated until a classification of a disaster by the Head of National Disaster Management Centre (NDMC) in terms of Section 23(1)(b) of the Disaster Management Act, 2002 (Act No. 57 of 2002). This grant provides for the immediate release of funds for disaster response if an occurrence cannot be adequately addressed in line with section 2(1)(b) of the Disaster Management Act, 2002 (Act No. 57 of 2002).

The MDRG 5B funds longer-term rehabilitation and reconstruction of municipal infrastructure damaged by a disaster.

Section 25 of the 2024 DoRA provides that:

(3) (a) The transferring officer may, with the approval of the National Treasury, make one or more transfers of a Schedule 7 allocation to a province or municipality for a classified disaster, within 100 days after the date of the classification of the disaster.
(c) The National Treasury must, within 21 days after the end of the 100-day period envisaged in paragraph (a), by notice in the Gazette, publish all transfers of a Schedule 7 allocations made for a classified disaster.
(f) The funds approved in terms of paragraph (a) must be included in municipal adjustments budgets.

Any additional disaster funding that may be approved by the National Treasury through section 19 (6) of the DoRA which states that "On a joint request by the transferring officer and the National Disaster Management Centre (NDMC), the National Treasury may approve that a conditional allocation in Schedule 4, 5 or 6, or a portion thereof, be reallocated to pay for the alleviation of the impact of a classified disaster or the reconstruction or rehabilitation of infrastructure damage caused by a classified disaster", must comply with all the reporting requirements in the DoRA. Before the National Treasury approves a reallocation, the receiving officer of the conditional allocation in Schedule 4 or 5 or the transferring officer of a Schedule 6

allocation must confirm that the affected funds are not committed in terms of any statutory or contractual obligation". These funds upon approval constitute a part of the total disaster allocation for that financial year and must comply with the framework conditions of the disaster funding.

Upon approval by the National Treasury either through section 25(3)(a) or section 19(6), municipalities are required to follow all reporting prescripts in terms of the DoRA. In terms of the duties of receiving officer in respect of schedule 5 or 7 allocations, section 12 requires municipalities to report expenditure and transfers received monthly, not later than 10 working days after the end of each month. Further, a municipality must submit a quarterly non-financial performance report within 30 days after the end of each quarter. Lastly, municipalities must evaluate the financial and non-financial performance of the municipality, in respect of programmes partially or fully funded by a schedule 5 allocation and submit such evaluation to the transferring officer and the relevant provincial treasury within two months after the end of the 2024/25 financial year applicable to a municipality. The reporting must also comply with the framework of the Disaster grant.

In addition to the reporting requirements outlined in section 12 of the DoRA, municipalities must adhere to the reporting guidelines specified in the disaster management frameworks. Municipalities are required to implement all approved projects and ensure that allocated funds are used for their intended purposes. Municipalities should submit disaster assessment reports and funding requests, signed by the Accounting Officer, to the Provincial Disaster Management Centre (PDMC) within 14 days of the disaster classification. Additionally, municipalities must provide a performance report, including supporting evidence (such as payment certificates, photographs, and invoices) demonstrating the progress of project implementation, to the PDMC within 30 days after the end of the quarter in which the funds were utilised. National Treasury may withhold and / or stop any funds due to the municipality that does not adhere to the reporting requirements in the DoRA.

In terms of any disaster funding that municipalities receive between 01 July and 31 March and have not been spent by the end of the municipal year, 30 June, a request for a rollover is required and it is not deemed automatic. This is slightly different from an instance wherein disaster response funds are transferred to municipalities after the end of the national financial year, 31 March.

2.4. Budgeting and reporting of the Integrated National Electrification Programme (INEP)

The DoRA provides for the allocation to ensure access to electricity through provision of capital subsidies to Eskom and municipalities for the eradication of the household's electrification backlogs and to ensure universal access to electricity.

These allocations are made to Eskom for the Eskom areas of supply and to municipalities for their areas of supply. This allocation criteria on the electrification programme follows the powers and functions (licensed and unlicensed) to both municipalities and Eskom. However, there are instances where some allocations that are within the Eskom areas of supply, are made to municipalities. This is done to accelerate the delivery of the electrification services and the eradication of backlogs.

National Treasury has therefore issued the *m*SCOA Circular No. 16 dated 16 October 2024 to provide more detailed guidance on the budgeting for these forms of funding. Municipalities are therefore requested to follow the *m*SCOA Circular No. 16.

2.5. Stopping and reallocation guidelines

The Division of Revenue Act provides that in instances where municipalities reflect a serious or persistent material breach of the Act (DoRA and MFMA), i.e., non-compliance against the provisions of the Acts, non-compliance against grant framework and significant under-expenditure, National Treasury may at its discretion or at the request of the transferring officer stop and reallocate the conditional grants from non-complying municipalities to best performing municipalities.

Following the 2024/25 mid-year expenditure reports (second quarter report) in terms of section 10 of the 2024 DoRA and sections 71 and 72 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), National Treasury annually considers invoking sections 18 and 19 of DoRA.

In terms of DoRA, National Treasury utilises the reported information from both municipalities and the transferring officers in terms of section 10 and section 71 of the DoRA and MFMA, respectively. The second quarter reports dated 31 December annually is targeted as a benchmark to determine whether municipalities have adequately performed against the total allocations made. Various conditional grant frameworks give guide on the conditions required for compliance and as a measure of the performance of the municipalities.

Transferring officers are required as part of section 12 of DoRA (duties of the transferring officer) to assess and monitor the performance of the municipalities against the conditional grants and recommend to National Treasury that underperforming municipalities should be considered for stopping, while best performing municipalities are considered for additional funding in terms of sections 18 and 19 of DoRA (stopping and reallocation). In terms of section 18(2) of DoRA, a request by a transferring officer or a receiving officer to stop the transfer of a schedule 4B or 5B allocation, or a portion thereof must be submitted to the National Treasury by **31 January 2025**.

National Treasury is required in terms of sections 17, 18 and 19 of DoRA and section 38 of the MFMA to consult municipalities and afford them an opportunity to make a written representation as to why their conditional grants should not be stopped. Only after National Treasury has consulted and engaged municipalities on this intention (stopping), would the Treasury decide to either stop or not stop. Therefore, the stopping and reallocation process is a consultative "process" for which National Treasury must decide on. Recommendations from all relevant stakeholders, i.e., transferring officers and provincial treasuries are considered before the National Treasury decides.

The following questions form part of the decision when National Treasury writes to municipalities to consider stopping the allocation due to persistent underspending and non-compliance against the provisions of the legislations:

- Why expenditure reported as at 31 December 2024 is below 40 per cent;
- Progress report against approved projections (provide list/ names of approved projects);
- Representation on the cash coverage for grants transferred (Liquidity ratio) and all committed unspent funds must be ringfenced;
- Representation on the initial cash flow projections against actual performance;
- Progress report on any approved rolled over for 2023/24 financial year;
- Commitment that the allocated funds are committed and that they will be fully spent by the end of the financial year, 30 June 2025, i.e., commitment that the municipality will not request rollover against the funds proposed to be stopped;
- Representation on all projects awarded after the second quarter of the municipal financial year as at 31 December 2024;

- Representation on any commitments made against Supply Chain Management Regulation 32 projects in terms of the Supply Chain Management policy and chapter 11 of the MFMA and progress made against these projects;
- Declaration by the municipality on the amount that should be stopped by National Treasury;
- All reporting must be accurate and aligned to *m*SCOA system and
- An acceleration plan against the 2024/25 approved implementation plan.

According to section 19 of DoRA, when a schedule 4B or 5B allocation, or a portion thereof, is stopped in terms of section 18, the National Treasury may, after consultation with the transferring officer and the relevant provincial treasury, determine the portion of the allocation to be reallocated, as the same type of allocation as it was allocated originally, to one or more provinces or municipalities, on condition that the allocation must be spent by the end of the 2024/25 financial year.

Reallocation is therefore based on availability of funding, with priority being reallocation of funds within the same district or a province. Priority is also given to the best performing municipalities, municipalities with ready projects for implementation, committed multi-projects that could be brought forward, etc i.e., A maximum expenditure of 70 per cent against original allocation is used as an indicator for reallocation. In terms of stopping of the allocations against slow spending municipalities, a 40 per cent benchmark is used to engage municipalities whether their funds should be stopped or not. It is important to note that a representation from municipalities in terms of section 38(2) (a) of the MFMA and a recommendation from the transferring officer/ provincial treasury is considered before National Treasury can stop the funds.

3. Revenue Management

The weak economic growth continues to impact municipal finances, and this has strained consumers' ability to pay for services as communicated in MFMA Circular No. 89. Coupled with this conundrum is the marginal growth in national transfers as compared to the past. These two critical factors necessitate municipalities to function optimally, suggesting that municipal operations, processes, and procedures must be efficient. Inefficiencies in this space are guaranteed to manifest on municipal finances. Although some municipalities have managed these challenges well, others have fallen into financial distress and face liquidity challenges. Subsequently, municipalities are unable to meet their payment obligations to Eskom, water boards and other creditors. Therefore, municipalities must maximise their revenue generating potential and collect what is due to them and concurrently, eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide for their core mandate and to service their debt obligations. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend money that they do not have.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring that the tariffs are cost reflective for the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be 4.4 per cent; therefore, municipalities are required to justify all increases more than the projected inflation target for 2025/26 in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include details of their revenue growth assumptions for the different service charges in the budget narrative.

3.1 Revenue enhancement and Improved debt collection

Although different methods and tools are available to municipalities for improving revenue and debt collection through external sources, National Treasury would like to encourage municipalities to productively make use of the available revenue tools developed and available.

A useful method to ensure that all properties in the municipality are levied as per the 2014 Amended Property Rates Act and the municipality's tariffs and rates policies, is the correct use of the **National Treasury Valuation Roll Reconciliation Tool**. Except for property rates, other statistical data of consumers, like the number of users for different services (although it will not perfectly match) can also be benchmarked against.

The correct use of **National Treasury Cost Reflective Tariff** and **Valuation Roll Reconciliation Tools**, together with the statistical data from the municipal billing system, must be utilised to ensure the maximum levying of revenue. Unfortunately, these tools cannot be used successfully if the input data is not correct and / or output is not correctly interpretated.

The **Smart Meters Grant Roll-Out and RT29-2024** Transversal Tender (available to all government institutions) are both useful not only to improve revenue in municipalities, but also to assist in improving debt collection. Not only can water and electricity losses be reduced, but cash can be generated up front.

By making use of the available tools and smart metering systems, municipalities will be in a better position to prepare cost-reflective tariffs and credible funded budgets, budgets that align with actual revenues and expenditures.

Municipalities must focus on increasing collection rates, curbing material losses, and aligning their budgets with actual financial realities.

3.2 Maximising the revenue generation of the municipal revenue base

Property Rates

Reference is made to MFMA Circulars No. 93, paragraph 3, 98 paragraph 4.1 and 123 paragraph 5.1. The emphasis in these MFMA Circulars is to ensure that municipalities are using their entire revenue base for the revenue budget projections. The status quo remains; however, it is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

The periodic general valuation of properties can result in significant changes in the market values of properties, especially where regular supplementary valuations are not done during the period of validity of the valuation roll. In the year in which a new valuation roll is implemented, where the general valuation of properties results in significant increases in the market values of a significant proportion of the properties, it would be advisable to reduce the cent in the Rand rates for categories of rateable properties for which the greater proportion of the market values increased significantly in the general valuation. To do this, the municipality must run various permutations of different cent in the Rand rates against different categories of properties to ascertain the rates payable against the different permutations.

The use of the Valuation Roll Reconciliation tool of National Treasury, can assist to test the various permutations of tariffs. After running the different permutations, the municipality can then determine cent in the Rand rates for the different categories of rateable properties that do not cause rates shocks that increase the rates payable by property owners excessively.

Municipalities are referred to the Department of Cooperative Governance's practice note in this regard, which is contained in the Local Government: Municipal Property Rates Act General Guidelines (March 2020) which can be found at the following link:

https://www.cogta.gov.za/index.php/municipal-property-rates/

Requirements for a billing report

The Billing report must at a minimum provide the following per each property:

- Market value;
- Property category;
- Amount billed;
- Unique property identifier (linked to the Valuation Roll);
- Property owner;
- Rebate value;
- Exemption value; and
- Reduction value.

Although the format of the billing reports will vary across municipalities, the billing report will always have the above-mentioned specifics for any municipality regardless of the financial system used as they all use the valuation roll as the basis to update the municipal financial system. Municipalities are advised to engage their service providers in ensuring that there is a standardised billing report that considers the minimum billing report requirements.

Part A and Part B Register

Reference is made to the Municipal Property Rates Act – section 23 of the MPRA reads as follows:

1. A municipality must draw up and maintain a register in respect of properties situated within that municipality, consisting of a Part A and Part B;
2. Part A of the register consists of the current valuation roll of the municipality, including any supplementary valuation rolls of the municipality prepared in terms of section 78;
3. Part B of the register must specify which properties on the valuation roll or any supplementary valuation rolls are subject to – (a) an exemption from the rate in terms of section 15; (b) a rebate on or a reduction in the rate in terms of section 15; (c) a phasing-in of the rate in terms of section 21; or (d) an exclusion referred to in section 17 (1) (a), (e), (g), (h) and (i);
4. The register must be open for inspection by the public during office hours. If the municipality has an official website or another website available to it, the register must be displayed on that website; and
5. A municipality must at regular intervals, but at least annually, update Part B of the register. Part A of the register must be updated in accordance with the provisions of this Act relating to the updating and supplementing of valuation rolls.

Based on the cited section, municipalities are expected to comply with the provisions of section 23 of the MPRA to ensure that the latest information is used in the reconciliation process. All revenue foregone as supported by municipal policies due to municipal reductions rebates and exemptions must be accounted for in the Part B register and all subsequent supplementary rolls performed are accounted for using a Part A register.

Furthermore, municipalities are also advised and expected to comply with section 8(1) of the MPRA in terms of the billing methodology that should be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used

in the reconciliation process. A further test would be to reconcile this information with the Deeds Office registry.

In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the Valuation roll, Part A register of the billing system to National Treasury on a quarterly basis by no later than the 10th working day after the end of the quarter. A detailed action plan must accompany the reconciliation where variances are noted.

A copy of the Valuation Roll Reconciliation Tool template is available as **Annexure A** of this Circular.

The information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: https://lg.treasury.gov.za/ibi_apps/signin.

3.3 Setting cost reflective tariffs

It is important that municipalities periodically conduct cost of supply studies in the provision of each basic service. Municipalities must ensure that when tariffs are designed that consumption charges for services are only based on consumption and all other variable costs and fixed costs e.g., salary and wages, etc. should be covered by a fixed charge. Municipalities must ensure that when tariffs are designed, capital repayment of loans are included in the provision for depreciation that must be budgeted for.

During the budgeting process, provision must be made for revenue to be generated by the tariffs levied for services to address the maintenance of infrastructure. Repairs and Maintenance need to be sufficiently covered in Employee Related Costs, Contracted Services, Operational Expenditure, and Inventory Consumed. New infrastructure developments in a municipal area of jurisdiction should be obliged to consider and incorporate efficiency sources of energy available such as solar or wind to respond to the ongoing global energy crisis. Using the latest format of the Cost Reflective Tariff Tool after the upload of the Adjustments Budget, again after the Tabled Budget (Draft Budget) and again after the Council Approved Budget, municipalities will be able to have a better understanding of the cost reflectiveness of its tariffs and future tariff adjustments successfully explained.

It is important to note that the Cost Reflective Tariff Tool's outcome is dependent on a well-structured budget with all applicable revenue and expenditure items included.

The latest version, National Treasury Tariff Tool Linked Vol. 2 of 27 November 2024, is available as **Annexure B** of this Circular. This latest Volume 2 now replaces the Tariff Setting Tool - 05 November 2019 mentioned in MFMA Circular No. 98.

The populated Cost Reflective Tariff Tool, must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at:

https://lg.treasury.gov.za/ibi_apps/signin.

3.4 Consumer Deposits and securities

Credit control policies must be reviewed and amended to include the raising of consumer deposits, the authority to raise deposits must be deleted where it is still in the Electricity and Water by-laws, this must be included in the credit control and debt collection by-laws. Deposits must be equal or more than two months bulk accounts from water services authorities and Eskom.

3.5 Contracts with customers

All municipalities should ensure that their service agreements with customers address the following matters:

- Requirements of POPIA;
- Digital and Physical Domicile for the delivery of notices;
- Acceptance of liability in the case of proven tampering of services;
- Acceptance of Magistrates Court Jurisdiction if in arrears and legal action has been taken;
- Acceptance to adhere to Municipal policies and by-laws;
- Acceptance and approval to be handed over to third party if in arrears inclusive of credit bureau;
- Acceptance to give access to meter readers to read meters;
- Municipality accept to render promptly bills; and
- Municipality accept to limit the estimation of consumption on meters.

3.6 Indigent Management

It is critical to progressively manage the restriction of free basic services to national policy limits. Therefore, free basic services to indigent households must be restricted. Where any unlimited supply or supply above national policy limits is provided, the budget narrative must explicitly articulate how this is funded, also in a context of facilitating adequate asset management and adequate provision for related debt impairment and ability to maintain payment of Eskom, bulk water, and other creditors.

Establishing and maintaining credible indigent register – It is important that the municipalities undertake the following actions to conduct quality control and monitor the indigents:

- Check accuracy and identify any overstatement of the indigent debtor which will enable municipalities to confirm the accuracy of the reported number of indigent debtors;
- Proactively identify indigent citizens and accelerate the registration process through data-driven indigency status verification, as a precursor to tabling applications to Council for approval;
- Verify the status of indigents on the current indigent register thereby reducing the risk of citizens benefiting from the indigent subsidy when they do not qualify for it anymore;
- Create a verifiable indigent register which reduces performance audit risk through the provision of monthly controls and credible, third party, data-driven evidence to support the validity of households registered as indigent;
- Use the insight provided regarding indigents to make any necessary amendments to current Indigent Policy; and
- Municipalities are advised to work closely with DCoG and their respective provincial counterparts to simplify its indigent management registration processes – even consider qualifying criteria that can be independently checked without requiring a hefty administration burden on indigent households that are already financially constrained, including facilitating such on-site close to where indigents may reside. It is noted that the municipality needs to report on all indigent households for water and energy within its demarcation also in the Eskom supplied areas since the LGES: Free basis services (FBS) allocation is targeted at the demarcation. The municipality must therefore focus in its 2024/25 MTREF Schedule A submission to report on all indigent households (also in Eskom supplied areas).

3.7. Voluntary restriction of notified maximum demand (NMD)

Municipalities are advised that Eskom agreed with National Treasury that once a municipality in principle agreed to a Notified Maximum Demand (NMD) restriction with National Treasury,

Eskom will within 30 days of National Treasury request advise on its ability to restrict the NMD at bulk supply points in that municipality. Eskom will restrict the NMD or not charge any NMD exceedance charges and penalties to the municipality until 30 June 2027 or earlier as may be agreed between National Treasury and the municipality. Should any municipality with the electricity function not be able to maintain its Eskom bulk account, it is strongly urged to make an application to the National Treasury for such a voluntary restriction of its NMD by Eskom. The application must include a council resolution to the effect that council approves and agrees to such a voluntary restriction and the effective date thereof. National Treasury will then make an application to Eskom for this purpose.

3.8. Pro-actively managing collection of municipal revenue in Eskom supplied areas

The National Treasury notes that in the context of the Electricity Regulation Act, 2006 (ERA) existing section 21(5) prohibiting Eskom to cut supply in their areas to assist municipalities to collect on rates, water, wastewater and refuse removal – municipalities have no other tool but the restriction of water to collect in Eskom supply areas. Until ERA is amended it is critical that municipalities update their By-laws and policies to facilitate and legally allow the restriction of water as part of proper credit control for municipal revenue collection in Eskom supplied areas. The process before the supply of water is restricted/ limited, must honour the water supply rights of the indigent as well as the administrative processes and procedures, as contained in the municipal by-laws and policies read with section 4(3)(a) of the Water Services Act.

3.9. Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In the municipal financial year 2024/25, bulk electricity costs increased by 12.7 per cent, a slight decrease as compared to 15.0 per cent in the 2023/24 municipal financial year.

Given the absence of an approved tariff increase by Eskom and no approval of Eskom tariff application available yet for the 2025/26 financial year, municipalities are cautioned to not only use the National Treasury Cost Reflective Tariff Tool, but also to do the Cost of Supply Study as prescribed by NERSA.

3.10. Organ of State Debt

The reconciliation of Organ of State debt begins with the municipal statement as the foundational document, serving as the baseline for reviewing and verifying all transactions, balances, and outstanding amounts between the municipality and the respective organ of state. This statement ensures that the reconciliation process is rooted in the municipality's official financial records. Technical and provincial advisors must meticulously analyse the statement to confirm that it accurately reflects all billed amounts, payments received, adjustments made, and any interest or penalties applied. By starting with the municipal statement, the process systematically identifies discrepancies and allows for their resolution through collaboration with the municipality and the organ of state.

Using the municipal statement as the starting point, the municipality will cross-check it against the organ of state's financial records, identifying mismatches or omissions. The detailed analysis will uncover issues such as unrecorded payments, incorrect billing, or misallocated funds. Once all discrepancies are resolved and the accounts are reconciled, the verified amounts become final and binding. It is imperative that all accounts verified during this reconciliation process are settled in full. This ensures that both the municipality and the organ of state fulfil their financial obligations, promoting accountability and reducing long-standing debt burdens.

As part of the reconciliation, municipalities must apply their credit control and debt collection policies, which are also applicable to Organ of State accounts. These policies ensure structured and proactive debt management, including efforts to engage the organ of state to finalise payment agreements for the settled amounts. Additionally, any credits or overpayments identified during reconciliation must be processed promptly by the municipality through issuing credit notes or adjusting in their financial systems. Evidence supporting reconciled balances, credits, or any adjustments must be retained to ensure compliance with financial management standards and to maintain transparency.

Finally, once the reconciliation is complete and all parties agree on the verified balances, the municipality must formally sign off on the reconciled accounts. This step signifies the accuracy and acceptance of the financial records. The organ of state must then ensure that all verified accounts are settled in full without delay, demonstrating its commitment to sound financial management and equitable treatment of debtors. By enforcing credit control measures and focusing on timely settlement, the municipality not only improves its financial position, but also strengthens relationships with organs of state, fostering a culture of accountability and mutual respect.

4. Funding of municipal budgets and other management issues

4.1. Funding of municipal budgets

National Treasury has observed over the years that many municipalities that adopt unfunded budgets are adopting budget funding plans as a mere compliance exercise. There is very little progress made to turn around from an unfunded budget position, to a funded one. To this effect, National Treasury will only allow municipalities to turn around from an unfunded budget position to a funded position within three years, of which in each year there should be measurable progress in terms of the improvement in the collection rate and cost containment initiatives. Failure for the municipalities to show visible progress each year, such municipality will not be allowed to table an unfunded budget. On monthly basis, these municipalities are required to submit progress reports to the GoMuni Portal which must be closely monitored by the respective Provincial Treasuries.

Also note that all municipalities that adopted funded budgets in 2024/25, will not be allowed to adopt unfunded budgets in 2025/26 and going forward, this implies that such budget will be referred by National/ Provincial treasury for review until the funded position is achieved. This is to enforce compliance with Section 18 of the MFMA and to encourage prudent financial management which includes collecting what is due to a municipality and paying for services rendered.

4.2. Employee related Costs

The salary and wage collective agreement were signed by the parties of the South African Local Government Bargaining Council (SALGBC) on Friday, 6 September 2024 and municipalities are expected to implement the agreement with immediate effect as from 1 July 2024.

In respect of the 2025/26 financial year, all employees covered by this agreement shall receive, with effect from 1 July 2025, an increase based on the average CPI percentage for the period 1 February 2024 until 31 January 2025, plus 0.75 per cent. The publications of Statistics South Africa shall be used to determine the average CPI.

In case the average CPI percentage for the period 1 February 2025 until 31 January 2026 is less than 4 per cent, it will be deemed to be 4 per cent, and if the average CPI percentage for this period is higher than 7 per cent, it will be deemed to be 7 per cent.

Municipalities that wish to be exempted from the collective agreement for this financial year, should apply 30-days from the date of approval of the budget of the municipality by the municipal council, or 30 June 2025. The onus to prove the case for the granting of exemption lies with the applicant municipality, and guidance is provided by SALGA.

If the municipality has missed the deadline to apply for exemption, and still wishes to do so, then the municipality will have to apply for condonation for the late referral and must show good cause of the referral as the panellist has the power to condone any failure to meet timelines. The panellist has the powers to grant full or partial exemption, and a municipality can apply to be exempted from any provision in the agreement.

In addition, the municipality must ensure that it enlists responses to all the indicators in terms of Sections 138 and 140 of the Municipal Finance Management Act. All the above are intended to ensure that municipalities find it easier to file appropriate exemption applications backed by relevant financial information.

4.3. 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 consider the fiscal constraints. Municipalities should also consider the guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councilor(s) concerned.

4.4. Municipal Pension Fund Contributions

It has been observed that municipalities have defaulted on their responsibility to ensure that 3rd party payment obligations are met, despite deductions being made from employees' salaries. This has put several municipal employees in a very unfortunate situation where they have no funds in their pension fund accounts despite salary deductions having been made.

We wish to refer accounting officers to their fiduciary responsibilities as outlined in section 61(2)(a) of the MFMA, in terms of which an accounting officer may not act in a way that is inconsistent with the duties assigned to accounting officers of municipalities in terms of the MFMA. The failure to pay over deductions to pension funds is inconsistent with section 65(2)(f) of the MFMA which requires the accounting officer to ensure that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments. Equally of importance is to ensure that payments to these statutory bodies are prioritised, or suitable arrangements are made with them towards settling their accounts.

Such failure constitutes an act of financial misconduct in terms of section 171(1)(b) of the MFMA, which provides that the accounting officer of a municipality commits an act of financial misconduct if he or she deliberately or negligently fails to comply with a duty imposed by a provision of the Act on the accounting officer of a municipality.

Additionally, the above failure also constitutes a financial offence in terms of section 173 of the MFMA, read together with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. Section 173 of the MFMA provides that the accounting officer is guilty of an offence if that accounting officer, amongst others, deliberately or in a grossly negligent way contravenes or fails to comply with section 65(2)(f) of the MFMA.

Municipalities must therefore ensure that measures are put in place to ensure that salary deductions for pension fund contributions are paid over to the pension funds. In addition, those municipalities who have outstanding pension fund contributions are advised to ensure that any outstanding payments are paid over by latest end of the 2024/25 financial year, failure which will result in punitive measures being implemented against relevant municipalities.

Equally important is to ensure that payments to these statutory bodies are prioritised, or suitable arrangements are made with them towards settling their accounts. The two bodies must be equally urged to ensure that they provide suitable attachments when they issue their invoices to the municipality so that there is clarity of payments being made.

4.5. Unauthorised, irregular, fruitless and wasteful expenditure reduction and implementation of consequence management

Section 62(1)(d) of the Local Government: Municipal Finance Management Act, 2003 (MFMA) requires an accounting officer of a municipality to take reasonable steps to prevent unauthorised, irregular, or fruitless and wasteful expenditure (UIFWE) and other losses. Section 62(1)(e) of the MFMA obligates the accounting officer to ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any municipal official who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

We have noted that many municipalities still have high UIFWE disclosed in their annual financial statements. The high UIFWE balances confirms that more still needs be done by the Municipal Public Accounts Committee (MPAC) in line with section 32 of the MFMA to address the balance of UIFWE. Municipalities are continuing to incur UIFWE year-on-year, which is indicative of ineffective preventative.

In addition to the above, many municipalities are still not establishing disciplinary boards or ensuring that the board in place to investigate allegations or instances of financial misconduct are functional. The disciplinary board is an independent advisory body that assists the council with the investigation of allegations of financial misconduct and is required in terms of regulation 4(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014. Therefore, the establishment of a disciplinary board is a legislative requirement.

Therefore, municipalities are required to submit an action plan that must address timelines for the establishment of the disciplinary board (where one does not exist) as well as addressing the backlogs of financial misconduct investigations. The action plan must address the period from 02 January 2024 to 31 August 2025. The action plan should include monthly calendar actions that will allow the monitoring of the compiled action plan.

The action plan should include the following information:

a. a plan to process the UIFWE balances up to 30 June 2024 by 31 August 2025 and how future UIFWE will be prevented with specific UIFWE prevention controls;
b. the key process changes (including administrative processes) the municipality will implement to ensure that the UIFWE balances are processed to adhere to the August 2025 deadline; and
c. the process to be followed to establish and appoint members of the disciplinary board and address the backlog of financial misconduct referrals to the disciplinary board.

The above action plan must be approved by council together with the 2024/25 adjustments budget and should be submitted to the National Treasury through the MFMA helpdesk at mfma@treasury.gov.za by the latest end of February 2025.

4.6. Special Adjustment Budget to authorise 2023/24 Unauthorised Expenditure

Section 28(2)(g) of the MFMA, read with regulation 23(6) of the Municipal Budget and Reporting (MBRR), provides the circumstances and the timelines within which the municipality must adjust its budget in relation to the unauthorised expenditure incurred during the previous financial year.

Regulation 23(6)(a) of the MBRR requires that the budget be dealt with as part of the adjustments budget contemplated in sub-regulation (1) of the MBRR. In terms of sub-regulation (1), an adjustments budget referred to in sections 28(2)(b), (d) and (f) of the MFMA 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 current year. Additionally, in terms of regulation 23(6)(b), a special adjustments budget must be tabled in the municipal council when a mayor tables the annual report in terms of section 127(2) of the MFMA, which may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the MFMA.

Therefore, municipalities are reminded to take this opportunity to table and approve an adjustments budget in relation to the unauthorised expenditure which was incurred during the 2023/24 financial year in line with section 28(2)(g) of the MFMA, read with regulation 23(6).

5. Municipal Standard Chart of Accounts (*m*SCOA)

5.1. Release of Version 6.9 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 6.9 is released with this circular. Version 6.9 of the chart will be effective from 2025/26 and must be used to compile the 2025/26 MTREF. The linkages to chart version 6.9 can be downloaded from GoMuni on the following link under the *m*SCOA/ List *m*SCOA WIP account linkages menu option:

https://lg.treasury.gov.za/ibi_apps/signin

The reports on the Local Government and Reporting System (LGDRS) are populated from financial and non-financial data strings. Municipalities must use the linkages on GoMuni referred to above and not the formulas in the regulated MBRR Schedules when generating their data strings.

The MBRR Schedules (A to F) and non-financial data string (A1S) was also aligned to chart version 6.9. A protected version of the MBRR Schedules for version 6.9 of the A1S are available on the MFMA Webpage on the link below:

http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx

Municipalities must verify that the A1S data string does not contain spaces and special characters prior to submission to the GoMuni Upload portal as this will result in the data not pulling through on table A10 of the A1 system generated schedule.

All municipalities must prepare their 2025/26 MTREF budgets using the budget modules of their integrated systems solution, generate their financial and non-financial data string and produce the Schedule A1 directly from the integrated systems solution. The manual preparation of these documents outside the integrated systems solution is not allowed in terms of the *m*SCOA Regulations.

For the National Treasury to consider a new chart change in version 6.10 of the chart, the issue must be logged with all relevant detail, supporting documents and screenshots (where applicable) on the *m*SCOA Frequently Asked Question (FAQ) portal by 31 August 2025. The *m*SCOA FAQ portal can be accessed by all registered GoMuni users on the following link:

https://lg.treasury.gov.za/ibi_apps/signin

Importantly, when a FAQ is logged, it is considered by the FAQ committee after it has been investigated. If the FAQ members do not find grounds for a chart change, the FAQ will be closed with an explanation. If there is merit for a chart change in the next version of the chart, the matter is referred to the *m*SCOA Technical and Steering Committees for recommendation and approval. This process only concludes by the end of October annually. The FAQ process will therefore not provide quick responses to queries.

If a query pertains to GoMuni related issues (such as the **A**, **B** and **C** Schedules) and not a chart change, then an email with all relevant detail, supporting documents and screenshots must be send to lgdataqueries@treaury.gov.za.

It should also be noted that *m*SCOA Circulars No 9, 10, 11 and 12 have also been aligned to *m*SCOA chart version 6.9 and the addendums to these circulars are released with this circular and will be published on the MFMA webpage. The addendums to these circulars can be accessed on the following link:

https://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx

5.2. Future chart changes

The following chart changes are still under consultation and if approved, it will be effected in chart version 6.10:

5.2.1. Cost capitalisation to assets (current and non-current)

The National Treasury has received multiple requests through the *m*SCOA FAQ database to include items for Cost Capitalisation to Assets (current and non-Current) in alignment with the principle applied to Employee Related Costs (Cost Capitalisation to PPE). The requested items pertain mainly to the following categories:

- Employee Related Cost
- Depreciation
- Contracted services (such as maintenance)
- Consumables and materials
- Other operating costs etc

In terms of the Generally Recognised Accounting Practice (GRAP), GRAP 1.104 states that *an entity shall present an analysis of expenses using a classification based on either the nature of expenses or their function within the entity, whichever provides information that is reliable and more relevant.*

Municipalities provide this analysis based on the nature of the expenses.

GRAP 12 further requires that *Inventories paragraphs 19 to 28 must be considered to determine which costs must be included in the cost price of inventory.* In terms of paragraph 19 *the cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.*

This GRAP standard specifically requires that any conversion costs be accounted for as part of the cost of inventory, rather than being expensed according to their nature. These costs may include labour and other expenses for personnel directly involved in the conversion process, such as water purification, as well as any attributable overheads.

When costs related to water inventory are capitalised in accordance with GRAP 12.19, no expense is recognised at the time of incurrence since a capital item is created. The expense is only recognised when the water inventory is distributed, at which point it is recorded as "Inventory consumed". This will reflect the nature of the expense incurred.

This is similar in principle to costs that are capitalised to property, plant, and equipment in accordance with GRAP 17.22. GRAP 17.22 outlines that examples of directly attributable costs that should be capitalised as part of the cost of an item of property, plant, and equipment (PPE) include expenses such as employee costs related to the construction or acquisition of the PPE, site preparation, delivery, installation, and assembly costs, among others. Once the PPE is ready for use (i.e., when it becomes available for its intended purpose), an expense is recognised in the form of "Depreciation". This depreciation represents the nature of the expense incurred over time, rather than the individual costs that were initially capitalised.

Therefore, it would not be correct to analyse and present the cost items incurred per GRAP 12.19 as the expense items outlined in the requirements of GRAP 1.104. The actual expense, by nature, is the "inventory consumed" expense, which reflects the consumption of the inventory rather than the individual costs incurred during its acquisition or conversion.

Given the current lack of consistency and the fact that only a few municipalities are accurately accounting for cost capitalisation, a guide will be issued once the consultation process with National Treasury's Office of the Accountant-General, the Accounting Standards Board (OAG), and the Auditor-General (AGSA) has been concluded.

5.2.2. Entity reporting

Currently the Local Government Database and Reporting System (LGDRS) does not make provision for the separate submission of data strings for municipal entities. However, NT is in the process of developing data strings for entities for implementation in chart version 6.10. In the interim, municipalities must verify the VAT 201 return information directly with their entity. It should be emphasised that SARS is using the *m*SCOA data strings submitted to the GoMuni Upload portal for their verification processes relating to VAT 201 returns, and municipalities should ensure that their consolidated data strings are credible, as incorrect data will negatively impact this process.

5.2.3. SARS binding general ruling BGR74

This binding general ruling issued by SARS under section 89 of the Tax Administration Act 28 of 2011 sets out the VAT treatment of supplies of goods or services made by municipalities to the national or provincial government under each contracting method. This BGR does not determine the contractual agreement between the parties but gives the VAT implications based on the nature of the transaction and the contractual capacity of the parties to the agreement. Note that the BGR 74 must be interpreted with the Value-Added Tax Act 89 of 1991.

In applying the principles of BGR 74, it is possible for municipalities to recognise output tax liabilities which they previously did not recognise. Municipalities must make appropriate payment arrangements with SARS to settle their previous unrecognised output tax liabilities due to SARS while ensuring that current output tax liabilities are settled without delay. While municipalities under BGR 74 may need to recognise output tax liabilities, municipalities should

also recognise possible previously unrecognised input tax deductions, for example, in the case of VAT expenditure incurred while completing certain housing programmes.

In accordance with the guidelines outlined in mSCOA Circular No. 12: Guidance on Value Added Tax (VAT), where municipalities are the developers for housing projects (excluding where the housing project relates to rental stock), municipalities can deduct the input tax on VAT expenditure incurred in the payment of housing and other contractors, which they have contracted in the course of constructing the houses. The VAT 409 Guide for Fixed Property and Construction for Vendors provides further guidance on the issue of low-cost housing.

In accordance with section 65(2)(f) of the MFMA, the municipality must comply with its tax commitments. Failure by the accounting officer of a municipality to comply with the duty imposed by section 65(2)(f) of the MFMA, which relates to tax commitments, not only constitutes an act of financial misconduct in terms of section 171(1)(b) of the MFMA, but also a financial offence in terms of section 173 of the MFMA. In terms of MFMA Circular No. 74, municipalities were advised to refrain from engaging tax consultants or other external service providers in preparing and reviewing their VAT returns. Where municipalities appoint tax consultants and other service providers to assist with the preparation, submission, review or correcting of VAT returns, the expenditure incurred in paying for the tax consultants and other service providers constitutes fruitless and wasteful expenditure.

5.2.4. Costing segment

The costing segment includes provisions for secondary cost allocation and categorise charge-out and recoveries separately. This approach ensures that there is a clear distinction in costs associated with both internal allocations and external recoveries, allowing for more accurate financial management and reporting. Due to the inconsistent implementation of the costing segment across municipalities, the National Treasury will review the costing segment in 2025. Changes to the principles in the Project Summary Document (PSD) as well as the *m*SCOA chart version 6.10 are envisaged.

5.3. Improving *m*SCOA data strings credibility

5.3.1 Balance Sheet Budgeting

Balance sheet budgeting refers to the practise where the revenue and expenditure transactions, as well as the financial impact of these transactions on the statement of financial position, are included in the budget. In other words, all the planned transactions must be included in the budget. The debiting and crediting of all the transactions that will transpire in the ensuing financial year equates to balance sheet budgeting; thus, planning for the expense as well as the accrual, and payment of the liability. The revenue and expenditure must be accrued in the control accounts at correct posting levels and payments made and received. The correct combination of the *m*SCOA segments must also be used to ensure that data strings are credible. The PSD provides guidance on data string combinations.

Financial system solutions should be set-up correctly for balance sheet budgeting.

5.3.2 Use of external service providers

When municipalities appoint external service providers, they must ensure that these service providers have the expertise and skills to comply with the *m*SCOA Regulations. Section 5(2) of these regulations states that:

(2) The financial and business applications or systems used by a municipality or municipal entity must—

(a) provide for the hosting of the general ledger structured in accordance with the classification framework determined in terms of regulation 4(2);

(b) be capable of accommodating and operating the standard chart of accounts;

(c) provide a portal allowing for free access, for information purposes, to the general ledger of the municipality or municipal entity, by any person authorised by the Director-General or the Accounting officer of the municipality.

This means that service providers appointed by the municipality **must** comply with the following requirements when performing the work that they were appointed to do:

- Have sufficient working knowledge to use the *m*SCOA accounts and regulated segments correctly;
- Use systems and tools that comply with the provisions of the *m*SCOA Regulation 5(1) and (2);
- Use the data available on the integrated financial system solution of the municipality to:
  - Prepare key documents such as the IDP, budget, in-year reports, AFS, asset registers, etc.; and
  - Develop analysis tools and dashboards for the municipality.

When an external service provider uses excel spreadsheets or systems and tools that are not *m*SCOA compliant and populate these spreadsheets and tools from data outside of the system solution, it has a detrimental impact on the credibility of data string submitted to the GoMuni Upload portal as the data will not be aligned to the data in the spreadsheets and tools of the external service provider. This compromises the intention of *m*SCOA to have one version of the truth for reporting to municipal management, council, provincial and national government.

*m*SCOA requires planning, budgeting, transacting, and reporting to be done directly in and from the integrated financial system solution. Furthermore, the MFMA and the Preferential Procurement Regulations (2022) that became effective on 16 January 2023 allows for the blacklisting of companies to do business with the state for a period of up to 10 years for non-performance and other malpractices such as not complying with legislative requirements.

5.3.4 Use of modules on integrated system solution

The *m*SCOA Regulations required municipalities to acquire integrated system solutions from 01 July 2017 to enable the seamless integration of information to the General Ledger on the core financial system. Whereas most municipalities have complied with the Regulations, a number of municipalities are not fully utilising the modules available on their integrated system solution. Instead, they are purchasing the same modules from third-party system providers, and this constitutes fruitless and wasteful expenditure.

Often these third-party modules and sub-systems do not integrate seamlessly with the core system solution to ensure smooth and efficient operations; thereby necessitating manual intervention to integrate and consolidate reporting.

Where third-party modules/ sub-systems are being used by municipalities, it is important to ensure that monthly and year-end adjustments are processed in the core system solution and not in the third-party modules/ sub-systems to achieve accuracy in financial reporting and

prevent discrepancies in information. It should also be noted that the rules for integration between the core system solution and third-party modules/ sub-systems must be set by the core system provider and the latter is not required to integrate with any third-party module/ sub-system provider unless this has been agreed upon in the service level agreement.

5.3.5 Audited Actuals (AUDA) Data String vs Annual Financial Statements (AFS)

The *m*SCOA data string assessments performed by the national and provincial treasuries identified that there is generally poor alignment between the audited data strings submitted to the GoMuni Upload portal and the AFS submitted and audited by the Auditor-General South Africa (AGSA).

Adjusting journals agreed upon with AGSA must be processed in the core financial system and not in the AFS Tool. The misalignment has a direct impact on the opening balances that is critical to the statement of financial position and cash flow.

Municipalities must ensure that the pre-audited (PAUD), audited (AUDA) and restated (RAUD) data strings are carefully reviewed before submission thereof to the GoMuni Upload portal. The Trial Balance, audit data strings and AFS must be in perfect alignment before submission.

5.4. Ownership of data on municipal systems

Section 65(2)(e) of the MFMA requires that monies owed by the municipality must be paid within 30 days of receipt of an invoice. Often when municipalities default for extended periods on payments to municipal system providers, system support is suspended until payment has been received or a payment plan has been agreed to. National Treasury supports that penalties are imposed by creditors for the non-payment of services and goods that were delivered. However, it must be emphasised that the ownership of the data contained in municipal systems rests with the municipality and in cases where services are suspended, the municipality should still be able to access their data. Also, where there is a migration to another system solution, the data on the legacy system must be transferred to the municipality. This applies to data stored on a server owned by the municipality, off-site server owned by a third party or in the cloud.

It is therefore important that the service level agreement entered with system providers clearly outlines the format and procedures related to access to data to minimise operational disruptions and ensure that legislative deadlines are met.

5.5. Budget override and virement

In terms of Sections 15 of the MFMA, a municipality may incur expenditure only within the limits of the amounts appropriated for the different votes in a council approved budget. However, National and Provincial Treasuries often identify transactions against items where no budget has been allocated in their data string analysis. This is a clear indication that the budget controls in the integrated system solution have been overridden. The National Treasury has instructed system vendors to ensure that strict controls are in place when the budget is overridden on the system as this bad practice circumvents the build-in system controls that should eliminate unauthorised and irregular expenditure.

Municipalities must review their Virement policy annually and ensure that it aligns with the principles and guidance in *m*SCOA Circular No. 8 (29 April 2020). Virements may only be made between existing budget provisions and must be included in an adjustments budget.

Accounting Officers are reminded that once the council has approved the annual budget for the financial year, it must be locked, and any amendments to the budget can only be made through the adjustments budget process, in accordance with the MBRR.

From the 2025/26 MTREF, municipalities will be required to report on their virements through the submission of a separate data string on virements in the form of a virement string and budget report. Validation rules applicable to the virement data string will be communicated in due course.

5.6. Regulation of the minimum business processes and technical specifications for *m*SCOA

In terms of Regulation 6(1) and 7(1) of Municipal Regulations on Standard Chart of Accounts (2014), the Minister of Finance may determine the minimum business process requirements and system requirements for municipalities and municipal entities to enable the implementation of the regulations.

In 2024, extensive work was done regarding the regulations. The project consists of the following main outputs and planned time frames:

No	Output	Planned Time Frame
1	Review and update the minimum business processes for *m*SCOA	April 2024 to March 2025
2	Develop standard operating procedures for *m*SCOA	February 2025 to April 2025
3	Review and update the minimum technical specifications for *m*SCOA	April 2025 to Oct 2025
4	Align the current ICT due diligence assessment for mSCOA to the updated *m*SCOA requirements	
5	Develop Regulations on the minimum business processes and technical specifications for *m*SCOA	Oct/November 2025
6	Training on the new Regulations	November 2025 to Feb 2026

The comments and inputs received at the working groups engagements and via the dedicated email box on the minimum business processes for *m*SCOA have been considered and incorporated as applicable. Stakeholders are encouraged to provide their final inputs **by 31 January 2025** to *m*SCOARegs@treasury.gov.za

All presentations and draft documents for comments can be located on the MFMA Webpage under *m*SCOA – Municipal Standard Chart of Accounts/ Regulations on Minimum Business Processes and Technical Specifications for *m*SCOA/ Working Groups on the following link:

https://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/mSCOA%20Minimum%20Requirements/Forms/AllItems.aspx

6. Muni eMonitor, FMCMM and Audit Action Plan System

6.1 Muni eMonitor

National Treasury launched and rolled out the Muni eMonitor System in November 2023 to strengthen the capacity and capability of municipalities and municipal entities to comply with the provisions of the MFMA and its regulations, to improve information flows for public accountability, to enhance monitoring, oversight, support measures and effective reporting by various stakeholders in municipalities, municipal entities, provincial treasuries, and National Treasury. Numerous capacity-building sessions were undertaken with various stakeholders, and Muni eMonitor champions were identified in every municipality and provincial treasury. More information on the system is also provided in MFMA Circular No. 125 on National Treasury's website.

The system consists of two main components, namely: the MFMA legislated calendar with the Actions Management function and the Evaluations Questionnaire function. The implementation plan of the two main components is as follows:

MFMA legislated calendar with the Actions Management function – All Actions appearing under the legislative calendar for each month must be processed within the specific month that they appear in the calendar.

Evaluations Questionnaire – Evaluations (covering various financial management disciplines) will be published by National Treasury (on a quarterly and ad hoc basis) for municipalities to complete and submit on the system within the deadlines stipulated by National Treasury (These evaluations replace the previous reporting requirements that municipalities were required to complete in Excel).

It has been noted that since the launch and rollout of the system, there are still municipalities/ municipal entities that have not completed and submitted the Actions Management and Evaluation Questionnaire on the Muni eMonitor system. Please note that sections 74 and 104 of the MFMA state that the Accounting Officer of a municipality/ municipal entity must submit to the National Treasury such information, returns, documents, explanations, and motivations as may be prescribed or as may be required. Therefore, to avoid any possible non-compliance, municipalities are requested to complete and submit both the Actions Management and Evaluation Questionnaires within the timeframes/ deadlines stipulated in the system.

Furthermore, it has also been noted that some municipalities are reporting information without adequate review and verification of the accuracy of the information provided by the municipality/ municipal entity. Municipalities/ municipal entities are advised that National Treasury will be using the information submitted on the Muni eMonitor system as input into the MFMA Compliance report, and thus, the onus lies with municipalities/municipal entities to submit credible information on the system to ensure that the report correctly reflects the situation at their institution.

6.2 Audit Action Plans

It is mandatory that municipalities and municipal entities develop their Audit Action plans on the FMCMM and Audit Action Plan web-enabled system and monitor and report on the implementation of the developed action plans to address the findings on the system. It has been noted that a few municipalities are still preparing and monitoring audit action plans outside of the web-enabled system.

Municipalities are reminded that the completion of the Audit Action Plan on the web-enabled system is one of the criteria required for the disbursement of the Equitable Share. Therefore, to avoid any possible withholding of the grant, municipalities are requested to develop, monitor, and report on the implementation of the Audit Action Plan on the FMCMM and Audit Action Plan web-enabled system.

6.3 Financial Management Capability Maturity Model (FMCMM)

MFMA Circular No. 114 documents the annual implementation plan for the completion of the FMCMM assessment. It breaks down the completion of the 21 modules over a 12-month period. It has been noted that many municipalities are still not completing the FMCMM on the web-enabled system and/ or are not developing action plans to address internal control deficiencies identified through the assessment.

The Auditor General of South Africa has repeatedly reported that the system of internal controls at municipalities is either not in place or ineffective. Furthermore, the 2022/23 audit outcomes indicate that 42 per cent of municipalities (excluding outstanding audits) are still receiving

negative audit outcomes, thereby highlighting weaknesses in financial management and internal control deficiencies.

We have also noted a strong correlation between municipalities scoring low in specific modules and them having audit findings in those same disciplines. Therefore, it is requested that municipalities prioritise the completion of the FMCMM assessment (in line with MFMA Circular No. 114) as well as complete the development and implementation of the generated action plans to address the internal control deficiencies identified and to put in place risk mitigation strategies to ensure that weaknesses identified are addressed proactively so that they do not adversely impact on the future audit outcomes.

7. SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLANS (SDBIP)

7.1. Key Performance Indicators (KPIs) in the top-layer of SDBIP

SDBIPs serve as a critical performance management tool, aligning municipal KPIs with budgets and Integrated Development Plans (IDPs) to enable effective monitoring of service delivery performance, as emphasised in MFMA Circular No. 13. To operationalise IDPs, municipalities translate the broader strategic objectives outlined in IDPs into specific, measurable, and monitorable performance indicators and targets in the SDBIP. A distinguishing feature of the SDBIP is its emphasis on measurability. National Treasury has observed ongoing challenges in structuring and revising key KPIs within the SDBIP during the financial year. These challenges stem from misalignment between the Integrated Development Plan (IDP), budget, and SDBIP, leading to ineffective performance monitoring and reporting.

To address these issues, municipalities are advised to adhere to the Municipal Finance Management Act (MFMA) and guidance outlined in related MFMA Circulars. Specifically, MFMA Circular No. 13 emphasises the importance of aligning the SDBIP with the IDP and budget to ensure cohesive planning and execution. Additionally, MFMA Circular No. 88 provides guidance on standardised set of indicators, aiming to improve the quality of performance information across municipalities.

Overcrowding of KPIs in the SDBIP

Municipalities continue to include an extensive number of KPIs in their strategic scorecard or top-layer SDBIP or without aggregating departmental output indicators or lower layer SDBIP, despite the guidance outlined in MFMA Circular No. 13. This high volume of indicators in top-layer SDBIPs can dilute focus and make monitoring cumbersome. Municipalities are therefore encouraged to streamline their indicators by consolidating KPIs in the top-layer SDBIP, focusing on most critical indicators in achieving strategic objectives, ensuring a more manageable and effective monitoring process.

Clarity of objectives

Many KPIs lack clarity regarding their alignment with municipal objectives and intended service delivery outcomes outlined in the IDPs. This raises concerns about the 'ultimate objective' of these indicators, questioning their relevance and purpose. Additionally, municipalities duplicate KPIs across multiple functional areas or departments, resulting in redundant reporting efforts. Municipalities are urged to align all KPIs with the SMART criteria (Specific, Measurable, Achievable, Relevant, and Time-bound) and strategic objectives or priorities outlined in IDPs, this will enable better monitoring of progress, identifying performance challenges, and taking

timely corrective actions. Reference is made to the Framework of Managing Performance and Programme Information (FMPPI) for further guidance on performance management.

7.2. Adjustments to the SDBIP

Municipalities adjust KPIs during the financial year, generally following adjustments budgets under Section 28 of the MFMA. While these KPI adjustments may be necessary to respond to unforeseen circumstances, underperformance of revenue or policy changes, some municipalities use this process to manipulate original KPIs to avoid accountability for underperformance. This practice undermines transparency, as original KPIs are excluded from Section 52(d) reports or Annual Performance Reports (APRs), compromising the municipal council's role to exercise oversight, and limiting stakeholders' ability to assess actual performance against initial KPIs and targets.

Adjustments to KPIs are driven by either external or internal factors. External factors include but are not limited to, significant changes in external circumstances, unforeseeable or unavoidable expenditure referred to in Sections 28(2)(c) and 29, national policy developments or changes to nationally prescribed indicators. Internal factors include, adjustments budgets as contemplated in Section 28(2) (a, b, d, e, and f), wording errors and poorly defined KPIs.
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7.3. Criteria for adjusting KPIs in the SDBIP

The following criteria outline the conditions under which a municipality may amend the KPIs in the SDBIP during the financial year:

Internal factors
• Only KPI targets may be adjusted due to under-collection of revenue or reprioritisation of funds, in terms of the council-approved adjustments budget referred to in Section 28(2) (a, e & d) of the MFMA. • Only KPI targets may be adjusted during the financial year, in line with Section 28(2)(b), to account for additional funding or resources that have become available during the financial year, enabling the revision or acceleration of spending programme already prioritised in the IDP. • KPI description may be revised to correct errors in the wording. An explanation for the correction must accompany the revision. • KPIs may be adjusted to align with changes in municipal circumstances or emergencies, provided these adjustments remain consistent with the strategic objectives and priorities outlined in the IDP. The reasons for these changes must be clearly explained in the revised SDBIP.
External factors
• KPIs may be adjusted in response to amendments to legislation, government policies, or frameworks introduced by national or relevant provincial departments, affecting original KPIs. The related legislation or policy must be referenced and documented as evidence for the change. • KPIs may be changed to respond to natural disasters, unforeseeable or unavoidable expenditures referred to in Sections 28(2)(c) and 29 of the MFMA. The reasons for these changes must be adequately justified. • KPIs may change because of revisions to nationally prescribed indicators as contemplated by the applicable legislation or circular. An explanation for these KPI revisions must be articulated in the SDBIP, referencing the relevant legislation, framework or circular.
Cross-cutting conditions
• Municipalities must reflect all KPI changes in their SDBIPs and APRs, providing clear and justifiable reasons for each change and detailing the process followed.

• Both the original and revised KPIs must continue to be reported on in the Section 52(d) of the MFMA and the APR for accountability and transparency.
• KPI changes are prohibited during the fourth quarter of the financial year (April – June). Only KPI changes in relation to natural disaster or unavoidable or unforeseen expenditure will be permitted during the fourth quarter of the financial year.

7.4. Alignment of the adjustments budget and adjustments to the SDBIP

When a municipality adjusts its KPIs during the financial year, it must align the changes with the provisions of Section 28 of the MFMA and the Municipal Budgeting and Reporting Regulations (MBRR). The table below outlines the different types of adjustments budgets and their linkage to SDBIP adjustments:

Types of adjustments budget	**Timeframes**	**Sections of MFMA and MBRR**	**SDBIP KPIs in-year changes**
Adjustments due to under-collection of revenue	Anytime	S.28(2)(a)	Only changes to KPI targets are allowed
Main adjustments budget	February – after the tabling of the mid-year budget assessment and performance Only one adjustments budget referred to in Section 23(1) except S.28(2)(b)	S.28(2) (b, d & f) Reg. 23(1&2)	Allows for amendments to the SDBIP to address underperformance or realignment with revised priorities and allocations. This is subjected to the conditions outlined above
Additional funds from national / provincial government	60 days after the approval of the relevant national / provincial adjustments budget	S.28(2)(b) Reg. 23(3)	Only changes to KPI targets are allowed
Unforeseen and unavoidable expenditure	Within 60 days of expenditure being incurred	S.28(2)(c), 29(3) & 32 Reg. 23(4), 71 & 72	KPIs may be adjusted to reflect changes in resources or priorities caused by these expenditures
Roll-over of municipal funds	Before 25 August	S.28 (2)(e), Reg. 23(5)	Linked to revisions of the SDBIP to include projects and targets funded by rolled-over amounts
Authorisation of unauthorised expenditure	During main adjustments budget in February. After tabling of the annual report for that year (7 months after the financial year end)	S. 28(g), 32, 127(2) Reg. 23(6)	No changes to KPIs are allowed

All SDBIP adjustments must be tabled and approved in council.

National Treasury further discourages excessive or unjustified KPI revisions during the financial year as such practices distort municipal performance monitoring and reporting.

N.B This guidance relating to in-year KPI changes in SDBIP should be read in conjunction with guidance provided in the MFMA Circular No. 88 – Addendum 6.

8. The Municipal Budget and Reporting Regulations

8.1. Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A, 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	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Pitso Zwane	012-315 5171	Pitso.Zwane@Treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Pitso Zwane	012-315 5171	Pitso.Zwane@Treasury.gov.za
	Oreal Tshidino	012 315 5090	Oreal.Tshidino@Treasury.gov.za
City of Tshwane and	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
City of Johannesburg	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
	Enock Ndlovu	012-315 5866	Enock.Ndlovu@treasury.gov.za
City of Ekurhuleni	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Lunathi Dumani		Lunathi.dumani@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Lunathi Dumani		Lunathi.dumani@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
eThekwini	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
uMhlathuze	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Pitso Zwane		Pitso.Zwane@Treasury.gov.za
Limpopo	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
	Jabulile Ngwenya		Jabulile.ngwenya@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Liyasa Nxozi	012 315 5613	liyasa.nxozi@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Liyasa Nxozi	012 315 5613	liyasa.nxozi@treasury.gov.za
North West	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
	Khanyisile Khosa		khanyisile.khoza@treasury.gov.za
Mafikeng	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Western Cape	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Enock Ndlovu	012-315 5385	Enock.Ndlovu@treasury.gov.za
	Khanyisile Khoza		khanyisile.khoza@treasury.gov.za
Cape Town	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Technical issues on GoMuni Website	Data management		lgdataqueries@treasury.gov.za

9. Submitting budget documentation and A schedules for the 2025/26 MTREF

9.1. Submissions to the National Treasury

Municipalities are reminded to submit documents and queries to the correct portals/ mailboxes. These portals/ mailboxes are:

- https://lg.treasury.gov.za/ibi_apps/welcome (GoMuni Upload Portal) – All documents required in terms of legislation by approved registered users, including: *m*SCOA Data Strings; Budget-related, in-year and year-end documents and schedules (A, B and C); Revenue and MFRS Documents (as per MFMA Circular No. 126) procurement spent reports, etc.:
- lgdataqueries@treasury.gov.za – Database related and submission queries;
- lgdocuments@treasury.gov.za – Only Provincial Treasuries may send contact details to lgdocuments@treasury.gov.za ; and
- *m*SCOA Regulations@treasury.gov.za – all inputs and comments relating to the intended mSCOA Regulations on the minimum business processes and system specifications; and
- Rolloverapplication@treasury.gov.za – all rollover applications and queries related to the conditional grants.

Any document/ queries that are submitted to the incorrect portal/ mailbox will not be processed and the submission status report will continue to reflect the documents as outstanding.

9.2. Time frames for submission

The LGDRS will be locked at 00:00 on the 10th working day of every month for the submission of data strings due, as required in terms of section 71 of the MFMA. Closed periods will not be opened to correct errors or to accommodate non-submission of data strings, regardless of whether a Schedule G application was done or not.

Municipalities must therefore verify the credibility and accuracy of the information in their financial system prior to closing the month on the ERP system and submitting the *m*SCOA data strings to the LGDRS. In 2025, functionality will be added to the GoMuni Upload portal that will require accounting officers and Chief Financial Officers to sign-off on the accuracy and completeness of the data strings prior to the submission thereof.

The GoMuni Upload portal can be accessed by registered users on the following link:

https://lg.treasury.gov.za/ibi_apps/signin

Since the 2020/21 MTREF, municipalities are no longer required 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. PDF versions of documents must be submitted to the GoMuni Upload portal.

9.3. Updating of contact details on GoMuni

Municipalities are reminded to update their contact details on the LGDRS as and when changes occur. Often emails containing important information and deadlines are returned and do not reach the intended LGDRS users due to outdated contact information of users. From 01 July 2024, municipal officials must update their own contact details on the LGDRS. Updates made by municipal officials on the LGDRS are validated and approved for upload by the Contacts Administrators within each municipality that was nominated by the Municipal Manager for this purpose.

Municipalities that have not yet nominated Contact Administrators to validate and approve changes in contact details for their municipality are requested to nominated two officials by 30 January 2025 to ensure that the contact details for their respective municipality are always up

to date. Nomination forms can be requested from lgdataqueries@treasury.gov.za. Municipal Contacts Administrators will be trained in a virtual session to perform this task.

Registered LGDRS users can download the contact details for their municipality on the LGDRS by logging-in to GoMuni on the following link and then accessing the report under Database/Contacts/Reporting/Contact information:

https://lg.treasury.gov.za/ibi_apps/signin

9.4. Training on GoMuni

The training schedule and GoMuni links for 2025 to assist those users that require new or refresher training on how to draw reports on the LGDRS, is available on the GoMuni/ Go Training portal on the following link:

https://lg.treasury.gov.za/ibi_apps/portal

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
06 December 2024

Municipal Budget Circular for the 2025/26 MTREF

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Introduction:

This budget circular provides guidance to municipalities with their compilation of the 2025/26 Medium Term Revenue and Expenditure Framework (MTREF). It 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 management 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 in areas of the budget preparation that are not covered in this circular.

1. The South African economy and inflation targets:

GDP growth is expected to average 1.8 per cent from 2025 to 2027. Medium-term growth will be underpinned by household consumption on the back of rising purchasing power, moderate employment recovery and wealth gains. Continued investments in renewable energy and easing structural constraints are expected to support higher investment. Key factors for achieving faster economic growth and creating much-needed jobs include greater collaboration with the private sector in energy and transport, rapid implementation of structural reforms, easing of regulatory constraints and increased infrastructure investment.

The following macro-economic forecasts must be considered when preparing the 2025/26 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2023 - 2028

Fiscal year	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Forecast		
CPI Inflation	6.0%	4.4%	4.3%	4.6%	4.4%

Source: National Treasury Budget Review 2025.

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.

Headline inflation declined to 2.9 per cent in the fourth quarter of 2024, resulting in average inflation of 4.4 per cent for the year. Consumer inflation is projected to average 4.3 per cent in 2025 and 4.6 per cent in 2026, picking up slightly as the value-added tax (VAT) increase pushes up prices. The VAT effect is seen mainly in core inflation, which, after averaging 4.3 per cent in 2024, is projected to rise to 4.6 per cent in 2026. Lower global crude oil prices are expected to support muted fuel price inflation.

Due to weaker economic growth and other economic factors such as the current VAT increase which puts added pressure on households, households will likely struggle to pay municipal accounts which will impact negatively on municipal own revenues. It is therefore noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections or for clear articulation of all the factors affecting the tariffs.

VAT Increase

In the Minister's Budget speech on 12 March 2025, two increases in the standard rate of VAT were announced. The first-rate increase of 0.5 percentage point applies from 1 May 2025, and the second-rate increase of 0.5 percentage point will apply from 1 April 2026. SARS has issued the following guidelines in this regard:

- A Pocket Guide on the VAT rate increase on 1 May 2025; and
- Frequently Asked Questions (FAQs) to guide vendors and the public on the first rate increase effective from 1 May 2025 and to ensure consistency on certain practical and technical aspects of implementing the change to the VAT rate. More guidance on the second-rate increase will be communicated in due course.

Municipalities should also refer to **VAT 404 – Guide for Vendors**. These guidelines are available on the SARS website **www.sars.gov.za**.

2. Key focus areas for the 2025/26 budget process:

2.1. Local government allocations

Over the 2025 MTEF, the local government equitable share and direct conditional grants amount to a total of R552.7 billion, made up of R332.4 billion in the local government equitable share, R52.9 billion in the general fuel levy sharing with metros and R167.4 billion in direct conditional grants. Direct transfers to local government grow in line with inflation, increasing at an annual average of 4.4 per cent over the MTEF, with the local government equitable share growing at a slightly higher rate (5.2 per cent).

Review of the Municipal Capacity Building Programme

As part of the next phase of the ongoing review of local government capacity-building programmes, the National Treasury will consolidate its financial management support initiatives into a unified Local Government Financial Management Capability Development Programme. This integrated programme will provide a comprehensive framework for equipping municipalities with the tools, knowledge and resources needed to strengthen governance and improve service delivery. By streamlining existing initiatives and fostering collaboration, the programme aims to deliver targeted, impactful and sustainable support to municipalities across the country.

The programme will align with the National Treasury's Capability Development Framework and adopt a differentiated approach tailored to the unique needs and maturity levels of municipalities. Key features include pre-grant capacity assessments to identify gaps, multi-year grants to build sustainable in-house capabilities and a municipal scorecard to monitor progress and link it to grant allocations. Collaboration with partners such as South African Local Government Association (SALGA), the Department of Cooperative Governance (DCoG) and academic institutions will ensure the design and delivery of customised capacity-building packages. Beyond financial management, the programme will serve as a foundation for a broader government-wide initiative to integrate capability development across all municipal functions, including governance and service delivery. This cohesive, long-term strategy underscores the importance of a unified effort to achieve sustainable municipal development and improve outcomes for communities nationwide.

Update on the conditional grant for smart prepaid meters

As indicated in the 2024/25 financial year, the National Treasury now oversees the smart meters grant as an indirect grant through a transversal contract to regulate distribution quality and costs. This grant aims to enhance energy efficiency and support the integration of renewable energy to better meet consumer needs.

Over the 2025 MTEF period, the grant will continue to support municipal debt relief efforts by focusing on municipalities already enrolled in the program. Over time, the grant is expected to expand to additional municipalities, aiming to enhance financial sustainability and management. This grant is allocated R2.3 billion over the 2025 MTEF.

Improving regulatory levers and reforms

By enhancing the usage of regulatory frameworks in the conditional grants system, the government is taking steps to ensure that municipalities prioritise critical projects and utilise resources effectively. The use of results from the Department of Water and Sanitation's Watch Reports in the prioritisation of water and sanitation projects funded from general-purpose grants such as the integrated urban development grant (IUDG), municipal infrastructure grant (MIG) and the urban settlements development grant (USDG) will improve the quality and impact of these projects. Further, requiring municipalities to use the results of green drop, blue drop and no drop assessments in planning and prioritising projects will drive greater accountability and transparency in the use of grant funds, promoting sustainable and effective service delivery.

2.2. Post 2024 MTBPS changes

Since the tabling of the 2024 MTBPS, additional changes have been proposed to local government allocations. These include:

- Shifting R245 million over the MTEF period from the MIG to the IUDG. This follows Alfred Duma Local Municipality qualifying to participate in the IUDG;
- Shifting R494 million in 2025/26 from the direct component of the MIG to the indirect component to address wastewater infrastructure issues in 21 municipalities;
- Introducing a new Urban Development Financing Grant (UDFG). The baseline of this grant is funded from the metro component of the neighbourhood development partnership grant (NDPG) (R924 million over the MTEF period) and 80 per cent of the programme and project preparation support grant (PPPSG) (R981 million over the MTEF period);
- Introducing a new Urban Development Financing Grant (UDFG). The baseline of this grant is funded from the component of the neighbourhood development partnership grant (NDPG) (R924 million over the MTEF period) and 80 per cent of the programme and project preparation support grant (PPPSG) (R981 million over the MTEF period);
- Expansion of the Water Financing Component in the 2024/25 Urban Settlement Development Grant to electricity and solid waste management, in addition to water and sanitation, in the Trading Services Component of the 2025/26 Urban Settlement Development Grant framework. This component introduces a condition that a minimum of 56 per cent of the USDG be allocated to water and sanitation, electricity and energy; and solid waste management services capital infrastructure projects aligned to metro-approved trading services investment plans of the grant;
- An additional R450 million in 2025/26, from the Public Employment Programme;
- Additional funding from the Budget Facility for Infrastructure that will flow through the UDFG is as follows:
    - City of Johannesburg: R578 million in 2026/27 and R533 million in 2027/28 for a wastewater project.

- eThekwini Metropolitan Municipality: R56 million in 2025/26, R109 million in 2026/27 and R101 million in 2027/28 for a project to address non-revenue water.

- Merging the non-metro component of the NDPG and the remaining 20 per cent of the PPPSG into a single grant (called NDPG), with a baseline of R1.4 billion over the MTEF period;
- A reduction of R435 million in 2025/26 and increases of R425 million in 2026/27 and R660 million in 2027/28 to the public transport network grant (PTNG) to align with the revised implementation plan and cash flow projections for the City of Cape Town's MyCiTi programme, funded from the Budget Facility for Infrastructure;
- An additional R225 million in 2026/27 to the regional bulk infrastructure grant (RBIG) allocation for Drakenstein Local Municipality. This adjustment, carried through from the 2024 Division of Revenue Amendment Act, aligns with the municipality's revised implementation plan and cash flow projections; and
- Discontinuing the municipal systems improvement grant (MSIG). Its baseline will be redirected to the Department of Cooperative Governance and earmarked for national government to support municipalities.

2.3. Review of the local government fiscal framework

The aim of the review is to critically examine the financial viability of the local government fiscal framework (LGFF) and identify key factors influencing its effectiveness, stability, and long-term sustainability. This will be achieved by conducting an in-depth examination of existing policies, practices, and mechanisms governing the allocation, management, and utilisation of fiscal resources at the local government level. The review will be mainly centred around the following thematic areas:

- Overall LGFF baseline profile of distressed and optimally functioning local governments institutions and refinement of LGFF problem statement;
- LGES formula;
- Local government expenditure reviews;
- Fiscal leakages in local government; and
- Additional revenue considerations, including existing revenues options, including those that are undersubscribed, and exploring new additional own revenue sources and improved municipal borrowing for strengthening infrastructure investment and maintenance.

2.4. Update on the review of the conditional grants

In September 2024, government concluded a comprehensive review of the conditional grant system and developed reforms based on the findings. These reforms, which will be implemented progressively over the next three years, are designed to rationalise the conditional grant framework, integrate certain grants into the provincial equitable share and national departments' budget vote, and enhance the overall effectiveness of the system. This initiative underscores government's commitment to improving service delivery while ensuring the prudent management of public resources.

The review process was underpinned by an extensive consultation phase conducted between July and December 2024 during which the National Treasury presented the findings and recommendations arising from the review. Most of the proposed reforms are intended for medium- to long-term implementation, with a select number of reforms being prioritised for the short-term and will be introduced during the 2025 MTEF period.

Further consultations are planned to follow the tabling of the 2025 Budget. These engagements will include impact assessments and preparatory work to ensure the successful rollout of the proposed changes. The reforms aim to address systemic challenges within the grant system and are guided by the principles of equity, efficiency, and sustainability. Key areas of reform include the following:

I) *Enhancing differentiation and effectiveness in the grant system:* A central objective of the reforms is to introduce greater differentiation within the grant system to address the diverse needs of municipalities. This includes reducing the growing reliance on grants by metropolitan municipalities while providing targeted support to municipalities with limited capacity. By addressing service delivery challenges and locational disparities, the reforms aim to create a more responsive and equitable system. Specific measures under this initiative include refining allocation methodologies to balance equity and efficiency considerations, strengthening co-funding requirements to promote shared responsibility and sustainability, reducing restrictive earmarking and ring-fencing to allow for greater flexibility in the use of funds, introducing or enhancing performance-based incentives to drive accountability and improve outcomes, and improving the alignment of related grants to reduce fragmentation and duplication; and

II) *Rationalising the number of grants:* As part of the reforms, the number of conditional grants allocated to subnational governments will be streamlined to address the duplication of grants and mitigate the administrative burdens associated with the proliferation of funding streams. By simplifying the grant system, government aims to improve efficiency and reduce reporting requirements, enabling municipalities to focus on service delivery. Proposed measures include:

- Merging water reticulation grants to create a unified funding mechanism for water infrastructure;
- Consolidating energy grants to streamline support for energy-related projects;
- Combining urban development grants to enhance the coordination of urban infrastructure investments; and
- Discontinuing grants that are better suited as provincial programmes, such as those for road maintenance, sports development, and capacity-building initiatives.

These reforms represent a decisive step towards a more efficient and effective intergovernmental fiscal framework. By addressing systemic inefficiencies and aligning resources with service delivery priorities, government reaffirms its commitment to fostering sustainable development and improving the quality of life for all citizens. The implementation of these reforms will be closely monitored to ensure that they achieve their intended objectives while maintaining fiscal discipline and accountability.

2.5. Funding for Local Economic Development (LED) Programmes

National Treasury is mindful of the essential role played by municipalities in driving economic development and job creation to mitigate inequality and attract private investment. In addition to the infrastructure grants, municipalities also receive about 66 per cent of their allocations in unconditional grants, which can be utilised to fund operational parts of the LED initiatives. However, it is important to note that economic development does not rely solely on a single funding pot, but on various forms of government programmes and grants. This includes support and initiatives from the Department of Trade, Industry and Competition funded by provinces through their equitable share.

Whilst there is a call for the creation of a conditional grant, it is worth noting that the creation of a dedicated grant for LED initiatives comes with its challenges. In the past, when such grants were introduced, government institutions reprioritised funds that were initially funding the LED programmes, leading to over-reliance on conditional grants. This dependence undermines the

purpose and sustainability of these programmes, as their funding is primarily dependent on the availability of funds from the fiscus and the performance of the economy. Therefore, there is a need to align conditional grants with economic development areas while also ensuring their integration with other government spheres to support the developmental mandate effectively.

In addition, it is also crucial for municipalities to provide essential services such as electricity, water, and sanitation efficiently. The efficient provision of these services is crucial for attracting private investment, fostering economic growth, and promoting a conducive environment for businesses to thrive. Therefore, National Treasury urges municipalities to prioritise the provision of these services to enhance economic development and improve the quality of life for their residents.

2.6. Metro Trading Services Reform Incentive

Background – the background to the metro trading services performance incentive grant was outlined in the 2024/25 Budget Circular under the heading `Reforms to improve the efficiency and financial sustainability of metro trading services. The local government grant review process and the metro trading services reform process are converging into an incentive grant to incentivise a turnaround in the performance of metro trading services.

Progress made – Over the last year metro municipalities have engaged in substantial preparatory work regarding turnaround and reform strategies in Water and Sanitation and Electricity and Energy. Metros have in respect of each of these trading services prepared Trading Services Reform Strategies (A) with annexures A1 (Institutional Road Maps), and A2 (Business and Improvement Plans). They are currently preparing Annexure A3 (Performance Improvement Action Plans)[1]. All submissions are assessed by interdepartmental teams from the Departments of Water and Sanitation, Mineral Resources and Energy, DCoG, DHS, National Treasury and SALGA.

Programme planning and assessment framework – the incentive grant framework is currently planned to run for six years from 2025/26 (Year 1) to 2030/31 (Year 6). Year 1 focuses on establishing the necessary accountability, financial transparency, and strategic planning foundations for the five subsequent years (Years 2 to 6) of strategy implementation.

Metros will have three planning opportunities

Development of version 1 of the Annexure A3: Performance Improvement Action Plan (A3: PIAP v1) (indicative targets for all indicators, accompanied by firm targets to achieve minimum commitments in year 1) to be approved by Council alongside metro budget documents by June 2025.

Development of version 2 of the A3: PIAP v2 (with minimum commitments achieved, and realistic annual targets for all indicators) to be approved by Council with metro budget documents by June 2026.

Development of version 3 of the A3: PIAP v3 (with minimum commitments retained and an opportunity to reset annual targets) to be approved by Council with metro budget documents by June 2028 (details provided in Guidance Note 4).

The intention of the incentive programme is that incentive grant allocations should be awarded to metros according to independently assessed performance against the targets of their reform strategies as set out in the relevant A3-PIAP.

Special arrangements are necessary to determine the provisional incentive allocations provided for under the Division of Revenue Bill (2025) for years 1 and 2 of the programme. In these

[1] See https://mfma.treasury.gov.za/Guidelines/Documents/Trading%20Services for Guidance Notes and Resource Documents issued to assist.

cases, performance will be assessed against the commitment to (year 1) and achievement of (year 2) minimum commitments as follows:

- **YEAR 1**: Metro Councils who in Year 0 (2024/25, i.e. by the end of this municipal financial year), pass a satisfactory A3 PIAP v1 with minimum commitments, will be awarded the Year 1 allocation as finalised in the National Adjusted Budget process;

- Draft submissions from participating metros were reviewed during the 2025 Mid-year Budget, and final submissions will similarly be assessed during 2025 Budget and Benchmarking engagements during April to May 2025. Assessment and independent confirmation will be undertaken and submitted to the National Treasury;

- **YEAR 2 and 3:** Similarly, Metro Councils who in Year 1 (2025/26, i.e. by the end of June 2026) achieve the eight minimum commitments and pass a satisfactory A3 PIAP v2, will be awarded the Year 2 and Year 3 allocations as finalised. This is appropriate since planned spending for those years will by then be based upon well-substantiated business turnaround and financial strategies;

- Draft and final submissions will be reviewed and assessed during the Mid-year Budget and Performance and Budget and Performance engagements, and final submissions to metro Council will need NT approval. Assessment and independent confirmation will be undertaken and submitted to the National Treasury; and

- **YEARS 4, 5 and 6:** Once strategy implementation is underway, incentive allocations for any year (Y) will depend upon metro performance against numerical targets set for year (Y-2). This must be assessed after financial year end, but early enough during year (Y-1) to enter the budget process for Year (Y). The earliest this can apply is for Year 4, based on assessed performance in Year 2. This arrangement will determine incentive allocations for Years 4, 5 and 6.

- Independent assessments will be conducted annually, to confirm that minimum commitments remain in place, and to assess performance against targets.

Indicative incentive allocations

The indicative incentive allocations per metro per financial year are based on poverty-weighted population formula. Annexure W1 to the 2025 division of revenue sets out indicative figures which represent the maxima potentially available to metros currently participating in the programme, based on the assessed status of each metro trading services strategy as at 15th of January 2025 (they include solid waste management from Year 2 (2026/27).

The indicative allocations are not yet actual budget allocations. Firm announcements regarding Year 1 (2025/26) incentive grant allocations will be included in the National Adjusted Budget in October 2025 and confirmed in allocation letters. Metros will accommodate these incentive allocations in their own adjustments budget as soon as possible but not later than the 28th of February 2026.

Adverse or disclaimed audit findings

No metro which has received an adverse or disclaimed financial audit for the previous financial year will be eligible to access their incentive grant award in the forthcoming year.

Re-opening of incentive grant window

As previously communicated, Solid Waste Management is scheduled for inclusion in the incentive programme from Year 2 (2026/27) onwards. Metros wishing to include solid waste

management in their trading services reform strategies should submit the necessary documentation according to the following schedule:

a. **Council-approved Trading Services Reform Strategy (A)** which is due on 31st of July 2025 which includes Annexure A1 (Institutional Road Map) and Annexure A2 (Business and Improvement Plan);
b. **Draft Annexure A3 version 1 (Performance Improvement Action Plan)** at the Mid-year review stage which is due in January 2026;
c. **Final draft Annexure A3-PIAP version 1** at the Budget and Benchmark stage during April 2026; and
d. **Council approved A3-PIAP version 1** due by June 2026.

Note: This re-opening of the incentive grant window also applies to metros which (a) have not previously met eligibility requirements in the water and sanitation or electricity and energy trading services, and (b) seek another opportunity to enter the programme. Such metros should follow the same schedule as above.

2.7. Alignment between the Metro Trading Service Reform and MFMA Circular No.88

The implementation of MFMA Circular No. 88 continues in all categories of municipalities. In December 2024, Addendum 6 of the MFMA Circular No. 88 was published providing an update on the preparation of statutory planning and reporting documents required for the 2025/26 Medium Term Revenue and Expenditure Framework (MTREF). Addendum 6 provided guidance to the municipalities on in-year changes to indicators in the Service Delivery Budget and Implementation Plan (SDBIP) and guidance for 'estimate' values in indicator reporting. Further guidance on indicator revisions and definitional clarification was also provided.

Selected MFMA Circular No. 88 indicators are also being used to track the performance of the metros as part of the A3 PIAP: Performance Improvement Action Plan of the Metro Trading Service Reform (MTSR). In line with the rationalisation and standardisation objective of the MFMA Circular No. 88 reform, this ensures that there is alignment and line of sight across various reporting frameworks. Furthermore, this promotes consistency in planning, budgeting, and reporting while reinforcing the overall objectives of the reform agenda. The MTSR targets water and sanitation, electricity and energy and solid waste management in the metropolitan municipalities focusing on institutional performance and accountability, financial performance, governance and operational or service delivery performance. Although the MFMA Circular No. 88 reporting and the MTS reforms are complementary reforms, the MTS is a targeted reform linked to a performance incentive grant. Where possible the MTSR utilises the MFMA Circular No. 88 indicators, as reflected in MTSR Guidance Note 4 Addendum that was circulated to the metros on the 3rd of March 2025. However, noting the targeted business operations turnaround required of MTS, several performance indicators outside the MFMA Circular No. 88 process have been developed for operational monitoring and reporting distinct from the statutory plans and reports in which all MFMA Circular No. 88 indicators find expression.

Future reporting on the selected MFMA Circular No. 88 indicators that form part of the A3 PIAP should be sourced from the MFMA Circular No. 88 reporting platform to ensure seamless integration between the two reforms. At this stage, the exact modalities and protocols to derive reporting efficiencies between the A3 PIAP and the MFMA Circular No. 88 reporting platform are still being confirmed, and municipalities should expect further guidance from the National Treasury on the coordination and synchronisation of reporting.

This section should be read in conjunction with paragraph 2.3 of the MFMA Circular No. 88 Addendum 6.

2.8. Three-year and one-year capital appropriations

To facilitate the delivery of large capital projects, section 16(3) of the MFMA allows a municipality to appropriate capital budgets for three financial years, i.e. the budget year and the following two years of the MTREF. The aim of such multi-year capital appropriations is to:

- lock the council into funding the full cost of large capital projects so as to ensure their successful completion;
- facilitate the forward planning of capital projects and programmes; enable the municipality to initiate procurement processes for capital projects in the two outer years of the MTREF (given the funds are appropriated) and so ensure improved levels of capital spending; and
- enable funding for such capital projects to be brought forward in terms of section 31 of the MFMA to facilitate more rapid project implementation (although National Treasury would prefer municipalities to the use of the mid-year adjustments budget for this purpose).

Municipalities are encouraged to use these provisions of the MFMA appropriately, and ensure they divide their capital budgets correctly between the 'multi-year expenditure' and the 'single year expenditure' sections on Tables A5A and A5. Further information can be obtained in MFMA Circular No. 58.

2.9. Criteria for the release of the Equitable Share

The criteria for the release of the equitable share which were covered in MFMA Circulars No. 122 remains relevant, and are still applicable for the release of equitable share instalments in the 2025/26 financial year.

Failure to comply with the criteria will result in National Treasury invoking Section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

2.10. Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2024 (Act No.24 of 2024) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2024 (Act No. 48 of 2024), any conditional allocation or a portion thereof that is not spent at the end of the 2024/25 financial year reverts to the National Revenue Fund (NRF), 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 21(2) of the 2024 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 21(2) of the 2024 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated, spent and the balance per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):

a) Proof that the service provider was appointed for delivery of the project before 31 March 2025; or
b) Proof of project tender and tender submissions published and closed before 31 March 2025 or with the appointment of contractor or service provider for delivery of service before 30 June 2025 in cases where additional funding was allocated during the course of the financial year of the project;
c) Incorporation of the Appropriation Statement; and
d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2025 (attach cash flow projection for the applicable grant).

4. A progress report (also reflecting 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 on the original allocation per the DoRA;
7. Rollover of rollovers will not be considered. Municipalities must therefore 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 because 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 2025, 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 2024 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 2025;
3. Accurate disclosure of grant performance in the 2024/25 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact that local government is required to comply with different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relate to rollover processes and disclose conditional grant performance in the 2024/25 pre-audited Annual Financial Statements (i.e. Cash coverage and unspent conditional grants in the Statement of Financial Position) in order to verify grant expenditure; and
5. Cash available reflected in the Statement of Financial Position and Cash Flow Statements and the bank (net position including short term investments) as at 30 June 2025 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 2024/25 allocation to the municipality. In cases where 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 2024/25 allocation;
2. Rollover request of the same grant for the third consecutive time. In a case where a municipality is applying for rollover as a result of additional funding, the application will be carefully considered;
3. Funding for projects procured through Regulation 32 and 37 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 March 2025. All invoices issued to the municipality before 31 March 2025 should be paid within the same year against the allocated conditional grants. i.e. invoices must be paid within 30 days.

2.11. Unspent conditional grant funds for 2024/25

The process to ensure the return of unspent conditional grants for the 2024/25 financial year will be managed in accordance with Section 21 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

Step 1: Municipalities must submit their June 2025 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 reconciles;
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 2025. The unspent grant values must be determined based on the guidance that was provided in *m*SCOA Circular No. 13 in as far as VAT, retention and interest is concerned; and
Step 3: If the receiving officer wants to motivate in terms of Section 21(2) of the 2024 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 2025.

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 2025;
Step 5: National Treasury will communicate the unspent conditional grants amount by 12 November 2025. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund (NRF) by 19 November 2025; and
Step 6: Any unspent conditional grant funds that should have but has not been repaid to the National Revenue Fund (NRF) by 19 November 2025, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's December 2025 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.

2.12. Rollover of the Urban Development Financing Grant : metro trading services component

The normal rules regarding rollovers will apply to the incentive grant. Essentially the Budget allocated during the National MTEF and reflected in the annual Division of Revenue Bill will make provision that the cash flows be synchronised to achievements in line with the Annexure A3: Performance Improvement Action Plan (A3: PIAP).

Municipalities must submit all rollover applications and queries related to the conditional grants to Rolloverapplication@treasury.gov.za.

3. Revenue Management

3.1. Prioritise funding the Electricity Revenue Protection Program

Past years' increasing electricity tariffs continue to strain consumers' ability to afford this service. Municipalities as a result are at higher risk of non-technical losses particularly related to theft and illegal by-passing. Many municipalities do not have dedicated Revenue Protection staff in place or have reduced their operational funding for Revenue Protection culminating in an overall reduced collection and related strain on cash flow and the ability to pay creditors. Municipalities are advised to prioritise the following Revenue Protection measures in the 2025/26 and future MTREFs:

- A dedicated Revenue Protection Unit for Electricity administered by the senior manager responsible for the municipal Electricity Infrastructure Directorate taking into consideration the recommendations and standards the recommendations and standards set-out in NRS055 (Code of Practice for Revenue Protection);
- Allocating adequate funds in the budget to fund the municipality's Electricity Revenue Protection Unit's operational needs;
- In allocating funding, the business threat of increasing non-technical losses to the municipality's particular specifics must be considered to achieve a balance, while ensuring the Revenue Protection staff organogram and operational program is adequately funded and able to fulfil its role; and
- The municipality to demonstrate in its MTREF submission that a percentage of the revenue from the Energy function is ring-fenced to fund the municipal Revenue Protection Program operational need(s) towards developing the program to fruition.

3.2. Revenue Management Assessment Tool

Every municipality, in anticipation of the annual budget process and the review of critical revenue management related policies should assess and review its revenue management value chain to identify any gaps, duplications and / or inefficiencies for alignment with the approved organogram and related delegations. Refer to MFMA Budget Circular No. 126 (Annexure B: Submission checklist: Revenue Management Documents) and MFMA Budget Circular No. 128 (Item 7.3 contained in Annexure A). The municipality must submit its review to the National Treasury in the format of the Municipal Revenue Management Assessment Tool – to be uploaded to the National Treasury GoMuni upload portal annually as part of the Revenue Management Documents that are required.

The Revenue Assessment Tool was developed through the collaboration of the National Treasury, the Department of Cooperative Governance (DCoG) and SALGA. The initiative created the opportunity for stakeholders to acknowledge the fragmented and diverse nature of support provided to municipalities in this area often resulting in duplicated efforts and little

systemic change across municipalities and the need for a Single Integrated Revenue Management Framework (SIRMF).

The SIRMF is a national framework for revenue management that guides and outlines the intervention and leadership role both municipalities and oversight bodies should play in addressing challenges relating to the revenue management value chain and ultimately financial sustainability. The SIRMF emphasises the significant role of National and Provincial Government in supporting municipalities in the process of revenue management improvement and how the relevant departments will coordinate their support and their monitoring and evaluation role(s).

The SIRMF was designed on the existing statutory framework, with an emphasis on compliance. Within the scope of related tasks and responsibilities, the SIRMF provides direction on how municipalities may enhance revenue management as a major approach for increasing the municipality's viability and sustainability. Completing the Municipal Revenue Assessment Tool can assist the municipal council, senior management team and oversight bodies to assess, understand and improve critical revenue management practices of the municipality.

The tool provides an indication of gaps, flaws, duplications, inefficiencies and risks in the existing revenue value chain that could compromise or affect whether the revenue component of the budget sufficiently caters for long-term planning and is credible and funded. It further provides a comprehensive overview of current revenue management processes by identifying strengths, weaknesses, and areas that need improvement. The tool focuses on eighteen (18) critical areas within the revenue management value chain and helps pinpoint specific areas for optimising revenue collection processes.

National Treasury is in the process of institutionalising and implementing the tool, this includes conducting training throughout provinces.

The tool is comprehensive and must be completed by all municipalities during the 2025/26 MTREF with a thorough review of the revenue value chain, thereafter this exercise will only be necessary in every alternate year. However, municipalities with revenue collection rates below 85 per cent and all municipalities participating in Debt Relief must annually undertake this exercise until they achieve an average annual collection of 95 per cent as outlined in MFMA Circular No. 71.

The tool was already rolled out during the 2024/25 financial year and the National Treasury provided training. The Municipal Revenue Assessment Tool is attached as **Annexure A** of this Circular.

3.3. Cost Reflective Tariff Tool

As part of the budget process, the municipality must annually undertake an assessment to determine if the intended / implemented tariffs are cost reflective, whether all critical cost components were considered in the tariff calculation(s), whether the Local Government Equitable Share component relating to basic services were allocated to the actual service(s) and to demonstrate that the Revenue Component of the budget is credible and funded; etc. To facilitate this exercise, the municipality must complete and submit this calculation(s) / tariff assessment in the format of the National Treasury Tariff Tool as part of its tabled, adopted and adjustment MTREF submissions to the National Treasury GoMuni portal. The Cost Reflective Tariff Tool outcomes must also be reported to and approved by Council as part of the respective tabled and adopted MTREF submissions.

If the Tariff Tool indicates significant tariff shortfalls, any major tariff increases should be phased-in over two to three years and can be approved for the outer years (2026/27, 2027/28 and 2028/29). Thus, the indicative tariffs can be phased in over a period of three years.

The latest format of the National Treasury Tariff Tool that must be used and submitted is attached as **Annexure B** of this circular.

3.4. Electricity Tariffs

Cost of Supply Study (COS) for electricity tariff applications

On 20 October 2022, the Nelson Mandela Bay Chamber of Business issued a ruling outlining the requirements that municipalities must comply with when determining tariffs. The ruling found NERSA's Guideline and Benchmark method for approving municipal electricity tariffs unlawful and invalid. The court ordered that all electricity tariff applications from 2024/25 Financial Year, should be supported by a Cost of Supply (COS) study. Municipalities are reminded of the critical importance of complying with the court order, failing which, municipalities would be in breach of the court order and in contempt of court. The need for conducting a COS timeously and adhering to the timelines set by NERSA for the submission of applications is imperative as these cannot be approved by NERSA without the COS.

NERSA has indicated that it will be able to process and decide on municipal tariff applications based on Cost of Supply (COS) studies for the financial year 2025/26 by the end of June 2025 for the implementation in the new Financial Year. However, the Minister of Finance will engage NERSA to conclude this process sooner, to allow municipalities sufficient time to take account of the approved tariffs in the finalisation of their budgets. Tariff applications will not be considered unless they are supported by a Cost of Supply study. NERSA has indicated that the approval of Eskom's Retail Tariff Plan (RTP) and Eskom's Retail Tariff Structural Adjustment (ERTSA) for FY2025/26 is anticipated prior to 15 March 2025. Following the ERTSA decision, municipalities will be informed of the outcome to assist them in formulating their individual tariffs, which will then be approved for implementation in FY2025/26.

From the 2025/26 MTREF, municipalities will be required to submit the following documents pertaining to electricity tariff applications to the GoMuni Upload portal:

- NERSA D Form and COS study submitted to NERSA. For the 2025/26 tariff increase, municipalities with the tabled budget and thereafter 31 October 2025 (i.e. applications pertaining to 2026/27 tariff increases and beyond); and
- NERSA tariff approval with the tabled budget.

3.5. Municipal Valuation Roll Reconciliation Tool

Reference is made to MFMA Circulars No. 93 (paragraph 3), No. 98 (paragraph 4.1), No. 123 (paragraph 5.1), and particularly No. 126, (paragraph 3.1). To ensure the municipality's rates base is complete, and aligns to the business process and system requirements articulated in Annexure B of MFMA Circular No. 80 (08 March 2016) and the Municipal Property Rates Act (MPRA) (section 23): Part A: Register of the latest consolidated general valuation roll (GVR), and the MPRA categories, the municipality need to monthly perform the reconciliation in the format of the National Treasury Municipal Valuation Roll Reconciliation Tool.

The municipality must submit the completed tool together with the related documentation to the National Treasury GoMuni portal as follows:	**Timeframe**
1. The municipality's list of Property Rates tariffs approved by council for the financial year reported on together with the Council resolution that approved such.	Annually

2.	The municipality's time schedule for implementing its new general valuation roll (GVR) (aligned to the MPRA).	Annually
3.	The Municipal Property Rates Act (MPRA) (section 23): Part A Register of the latest consolidated general valuation roll (GVR).	Annually
4.	Municipality Valuation Roll Reconciliation – undertake monthly but only required to submit quarterly.	Quarterly
5.	Property Rates Transaction List (for the 3rd month of every quarter).	Quarterly

To assist municipalities in complying with these requirements, the National Treasury will provide follow-up training.

3.6. Prohibition on vending system(s) / third party vending solutions without consulting the National Treasury

Recently there have been several iterations on private service offerings of vending system(s) / solution(s) offered to municipalities. These include service provider(s) funding metering solutions for municipalities parallel to a pre-paid solution (requiring a vending platform) – these service providers then collect on behalf of the municipality in exchange for a fee. However, in several cases, the service provider does not pay over to the municipality what is collected and / or claim a fee that is out of proportion to what is reasonable. This is worsened by many municipalities not weekly / monthly undertaking the appropriate reconciliation of what they provide / sell (also via pre-paid) against what revenue they receive in return from the service provider(s). *As an Example*: Most recently a municipality in Eastern Cape was victim to an arrangement where the service provider offered the municipality R60 million funding but will takeaway almost R540 million at the end of the arrangement causing significant harm to the community and official(s) of that municipality and may leave the municipality worse off than initially.

The MFMA, read together with the recently assented Public Procurement Act, provide a clear framework for procurement in local government. The MFMA regulatory framework in terms of section 116 read with MFMA Circular No. 62 furthermore provide clear guidance on how amendments to contracts should be undertaken. Any offerings beyond the initial scope of the contract, in our view, should not be considered as a contract amendment, but rather a change or extension of scope, which warrants a whole new or separate procurement process.

The National Treasury therefore confirms that with immediate effect, no municipality may enter into and / or extend any related vending system(s) / solution(s) without consulting and obtaining the written input of the National Treasury and the relevant Provincial Treasury. Should any municipal official and / or political office bearer fail to honour this prohibition, she/ he could render themselves personally liable for any related financial loss over and above potential criminal liability for financial misconduct.

In addition, third party vending solutions used by municipalities must align to the integration requirements set out in Annexure B of MFMA Circular No. 80 (08 March 2016). In terms of the requirements, third party solutions must, without (manual) intervention or manipulation, integrate and constantly balance with the core financial system solution. The rules for integration are determined by vendor of the core system solution. Where the core system solution already provides the necessary functionality offered by the third-party vendor and the municipality has already paid for the functionality and / or are paying annual licencing fees to access this functionality, such expenditure will constitute wasteful and fruitless expenditure and should be dealt worth accordingly.

The municipality should send any request for the written input of the National Treasury together with the signed and / or proposed contract for such a service offering to: both RevenueManagement@treasury.gov.za and mfma@treasury.gov.za for the attention of Mr. Sadesh Ramjathan, Director: Local Government Budget Analysis: Revenue Section, and Mr. Wayne McComans, Chief Director: MFMA Implementation and parallel to the relevant Provincial Treasury.

3.7. Training Tools by the National Treasury

Revenue Management Assessment Tool

Municipalities must submit the Revenue Management Assessment Tool annually as set-out above. Training was already undertaken across all provinces during the 2024/25 financial year. The National Treasury will facilitate follow-up training during 2025/26 upon request only to municipalities, provincial treasuries and technical advisors deployed to municipalities and provincial treasuries. Municipalities and provincial treasuries can request training via the relevant Provincial Treasury who is responsible to coordinate requests for training. It is noted that any National Treasury deployed technical advisor may directly request training from the National Treasury as may be required. Requests for training and any related queries must be directed to RevenueManagement@treasury.gov.za and Sadesh.ramjathan@treasury.gov.za for the attention of Mr. Sadesh Ramjathan.

Tariff Tool

Municipalities must undertake a tariff assessment in the format of the National Treasury Tariff Tool as explained above. The National Treasury will facilitate follow-up training during the first quarter of the financial year 2025 and thereafter upon request only to municipalities, provincial treasuries and technical advisors deployed to municipalities and provincial treasuries. Training must be scheduled for a **full day** and would be more relevant towards municipal processes if scheduled:

- Before and/ or during the **Adjustments Budget preparation** (for re-allocations);
- Before and/ or during the **Tabled Budget process** (to evaluate tariff changes); or
- Before the **final MTREF submission** to Council for approval.

Municipalities and provincial treasuries can request training via the relevant Provincial Treasury. Any National Treasury deployed technical advisor may directly request training as may be directed to National Treasury as may be required. Requests for training and any related queries must be directed to RevenueManagement@treasury.gov.za and Sadesh.ramjathan@treasury.gov.za for the attention of Mr. Sadesh Ramjathan.

Municipal Valuation Roll Reconciliation Tool

The National Treasury confirms the guidance already provided in MFMA Circular No. 129 to the effect that municipalities must reconcile valuation rolls monthly and submit such quarterly to the National Treasury together with the related documentation set-out above.

The National Treasury will facilitate follow-up training during the first quarter of the financial year and thereafter upon request only to municipalities, provincial treasuries and technical advisors deployed to municipalities and provincial treasuries on Municipal Valuation Roll Reconciliation Tool. Training must be scheduled for at least **two full days** and can be facilitated at any time since municipalities perform this task monthly. Municipalities and provincial treasuries can request training via the relevant Provincial Treasury. Any National Treasury deployed technical

advisor may directly request training as may be required. Requests for training and any related queries must be directed to RevenueManagement@treasury.gov.za and Sadesh.ramjathan@treasury.gov.za for the attention of Mr. Sadesh Ramjathan.

4. Budget and other management issues:

4.1. 2025/26 Municipal Budget Tabling Timelines

The National Treasury would like to advise the municipalities that late tabling of the 2025 National Budget in Parliament does not really affect the timelines of the preparations/ conclusion of the municipal budget process. The 2025 National Budget was tabled by the Minister of Finance on 12 March 2025 which implies that Provincial Governments have two weeks thereafter to table the 2025 Provincial Budgets in the Provincial Legislatures, i.e. 31 March 2025. This is in line with the PFMA – Treasury Regulations. Municipalities have sufficient time to accommodate the allocations in the DOR Bill in their 2025/26 MTREF Budgets before tabling on 31 March 2025, that is 19 days or two weeks to table the budget before 31 March 2025.

The transfers from provinces to municipalities which are supposed to be included in provincial budgets and gazetted by provinces, should for all practical reasons also be available on the 27 March 2025. Given that municipalities have 10 months to prepare their upcoming budgets prior to tabling it in Council for consideration, National Treasury has previously advised municipalities to use the outer years of the Annual DoRA as projections, add inflation to calculate the third year of the MTREF, when finalising the tabled budget.

For those municipalities where the budgets were already in an advance stage of preparations, they will have between tabling and the adoption stage of the budget (end of May 2025) to include and accommodate all the transfers for both national and provincial governments. This will allow National and Provincial Treasuries to verify and reconcile the transfers with the DoR Bill and provincial Gazettes.

4.2. Management of Water Tankers

There is a growing trend of water challenges in most municipalities in the country which is spiraling out of control. This is a direct threat to municipalities' financial sustainability and could lead to a lack of trading in this key source of municipal revenue.

Most municipalities have tried to procure water tankers to close the gap in areas which are increasingly experiencing sporadic water supply challenges. As a result, the municipalities are not able to trade, leading to less revenue and an unprofitable water business.

It has emerged in the recent Mid-year Budget and Performance Review engagements that contracted water tankers have developed as a business rather than a stop gap measure.

As such, municipalities are encouraged to protect their revenue through avoiding protracted long contracts of water tankers. Where possible the municipality should use its internal water tankers as a temporary measure with a clear intention to restore the service.

If the municipality provides a long-term service, such as water for informal settlements, it is advised that tanks should be purchased and refilled with municipal water tankers. The aim should always be to strike a balance between the provision of service and protecting municipal revenue. Proper checks and balances must be considered as well as internal controls to avoid abuse in this regard and to ensure that in the event that the Office of the Auditor General Africa of South investigates these services, the use of water tankers and water tanks is based on sound business principles.

4.3. Asset Management

According to Municipal Budget and Reporting Regulations (Table A9), the municipalities were advised to allocate 60 per cent of the total Capital Expenditure budget to new acquisition while the remaining 40 per cent to renewal and upgrading of the new assets.

Given the current challenges of aging and dilapidated infrastructure faced by the municipalities, which contributes to high level of losses, municipalities are advised **to allocate at least 60 per cent** of the capital expenditure to renewal/ upgrading of the existing assets while 40 per cent should acquire new assets.

The National Treasury realised that year-on-year, municipalities priorities the acquisition of new assets and the existing assets are being neglected to a dilapidated condition. Another factor which causes a factor is lack of maintenance during the lifespan of the assets which National Treasury encourages the municipalities to allocate at least 8 per cent towards repairs and maintenance as outlined in MFMA Circulars No. 55 and 71.

5. Municipal Standard Chart of Accounts (*m*SCOA):

5.1. Go Live on Version 6.9 of the Chart

*m*SCOA version 6.9 will go live on 24 March 2025, whereafter municipalities will be able to upload their tabled budget (TABB) and tabled project files (PRTA) data strings for the 2025/26 MTREF on the GoMuni portal.

After going live on version 6.9 of the chart, all the reports available on the LGDRS will be aligned to *m*SCOA chart version 6.9. This includes the format of the Section 71 report for Q3 and Q4 of 2024/25 and the adjustments budget for 2024/25.

The Municipal Budget and Reporting Regulations (MBRR) Schedules (A to F) and non-financial data string (A1S) was also aligned to version 6.9 of the chart. A **protected** version of the MBRR Schedules for version 6.9 of the chart and A1 Schedule is available on the on the MFMA Webpage on the link below:

http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx

The reports on the Local Government and Reporting System (LGDRS) are populated from financial and non-financial data strings and both strings are required for the data to pull through correctly on the reports available on the LGDRS. Municipalities must use the linkages on GoMuni referred to above and not the formulas in the regulated Municipal Budget and Reporting (MBRR) Schedules when generating their A schedule from the financial system.

In terms of the *m*SCOA Regulations, municipalities must generate the regulated MBRR schedules that is tabled and adopted by Council directly from their integrated financial system solutions and not import or captured it on their system solutions at a later stage. This is necessary to ensure that there is 'one version of the truth', namely the data in the integrated financial system solutions is the same as the report tabled and adopted by Council and the information submitted to the National Treasury and other stakeholders.

5.2. mSCOA data strings credibility

Municipalities must verify the credibility and accuracy of the tabled budget (TABB) and project file (PRTA) data strings **prior and post** to uploading it to the National Treasury Local Government Database and Reporting System (LGDRS). These data strings will be the sole source used by National and Provincial Treasuries to analyse and determine if the municipality's budget is funded, and the credibility is therefore of utmost importance.

Registered users from municipalities, provincial treasuries and National Treasury have full access to their data on the LGDRS and can draw the information to verify the accuracy of the figures for their respective municipalities or province (in the case of provincial treasuries). The LGDRS reports can be accessed by registered users on the following link:

https://lg.treasury.gov.za/ibi_apps/signin

5.3. Submission of virement information

From the 2025/26 MTREF, municipalities will be required to report on their virements through the submission of a separate data string, as well as a report on virements done by the municipality. This submission must be done monthly to the GoMuni Upload Portal and should be generated from the core financial system. The validation rules applicable to the monthly IYM submission will also be applied to the virement data strings.

The attached **Annexure D** provides guidance on the layout and information required on the virement budget report, while **Annexure E** provides the layout of the virement data strings.

This will enable national and provincial treasuries to keep track of the virements done when they do their Section 71 analysis. The virements will be reflected in a separate report and will not form part of the consolidated Section 71(7) reporting to provincial legislatures or the consolidated Section 71 publication issued by the National Treasury. For the consolidated S71 reporting and publication, performance will only be compared to the adopted budget in the first eight months of the year and the adjustments budget in the last four months of the year.

Municipalities must review their virement policy annually and ensure that it aligns with the principles and guidance in MFMA Circulars No 12, 51 and 88 and *m*SCOA Circular No. 8 (29 April 2020). Virements may only be made between existing budget provisions and must be included in an adjustments budget. The Council approved virement policy must be submitted as part of the budget documents on Go Muni. Please note that documents must be submitted individually and not as a batch.

5.4. Medium-Term Development Plan (MTDP)

Cabinet has recently approved the Medium-Term Development Plan (MTDP) for 2024 to 2029. The Department of Planning, Monitoring and Evaluation (DPME) will issue the MTDP in due course. These revised priorities, reflecting the new administration's vision, will be integrated into *m*SCOA version 6.10. For *m*SCOA budgeting and reporting in the 2025/26 MTREF, municipalities should continue using the IUDF and MTSF priorities as per *m*SCOA version 6.9.

5.5. Upgrading and procurement of *m*SCOA system solutions and/or functionality

From March 2023, the National Treasury has alerted municipalities that the minimum business processes and system specifications for *m*SCOA will be regulated and that municipalities should exercise extreme caution when changing or upgrading their integrated financial system solutions to avoid procuring system functionality that might not comply with the said regulations. Municipalities are reminded to implement the due diligence processes set out in MFMA Budget Circulars No. 93, 98, 107, 112, 123 and *m*SCOA Circulars No. 5 and 6 **prior** to procuring new or upgrading system functionality to protect them from making incorrect decisions in this regard.

This also applies when 3rd party system functionality is procured that is required to integrate with the core system solution.

Importantly, if an open tender process is not followed (e.g. when Section 33 or 116 of the MFMA and SCM Regulations 36 (deviations) are utilised), **the market must be tested prior to embarking on procurement**. The municipality must be able to substantiate that the product, service or similar offering is not available elsewhere in the market at a cheaper cost and that using these procurement vehicles have significant economic or financial value benefits to the municipality. Where legislation requires that the views of the National Treasury must be sought, the relevant documentation must be emailed to mfma@treasury.gov.za. If the processes required in term of legislative are not followed, a contract might be found invalid by a court of law.

5.6. Issues pertaining to the regulations on the minimum *m*SCOA requirements

National Treasury is currently in the process of developing business processes, standard operating procedures (SOPs) and minimum system specifications to underpin the Regulations of the minimum business processes and system specifications for *m*SCOA.

All the required business processes, procedures and systems functionality pertaining to the Regulations will be made available to municipalities **at no cost** in a format that can be imported, customised and utilised in a process modelling tool of their choice. Municipalities are cautioned against incurring unnecessary expenditure to procure specialised software and tools or appoint service providers to adapt and customize their business processes, especially as the requirements have not been finalised yet.

It must further be emphasized that the documents released for comments on the MFMA Webpage are the sole property of the National Treasury and may only be used for the intended purpose of providing comments on the proposals. **Any company that sells or distributes these documents or parts thereof for any other purposes without the explicit written permission of the National Treasury will be blacklisted on the basis of Intellectual Property Violations (i.e. unauthorized distribution of government documents)**.

It should also be noted that the intention of the recent demonstrations on the systems used by municipalities that was conducted by the National Treasury was to determine key implementation gaps as per MFMA Circular No. 80 (dated 08 March 2016). These gaps must be addressed by the respective municipalities in their *m*SCOA municipal road maps. National Treasury shared the observations with system vendors with a view that gaps in system functionality should be further explored and addressed by them. The demonstrations were not on any specific systems in the market but on modules used by a specific municipality to give effect to the requirements of MFMA Circular No 80. **It will therefore be unacceptable and a misrepresentation for any system vendor to claim that their respective system was found compliant by the National Treasury**.

5.7. Special adjustments budget to authorise unauthorised expenditure

In terms of regulation 23(6)(b) of the MBRR, council may authorise unauthorised expenditure in a special adjustments budget tabled in council when the mayor tables the annual report in terms of section 127(2) of the MFMA. This special adjustments budget **may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the MFMA**. This process may not be used to condone poor planning, budgeting, or financial management after the adoption of the budget.

Detailed guidance in this regard was provided in MFMA Circular No. 68 (dated 13 October 2021).

Further development work with regard to this matter will be undertaken during 2025 and proper guidance will be provided in subsequent MFMA Budget Circulars. For now, municipality should continue with the current practices until further notice. Under no circumstances should municipalities require their systems vendors to open their financial systems especially where the Auditor General of South Africa have already signed off on their annual audited financial statements.

Municipalities are also reminded of the guidance provided in our email dated 21 August 2024 on the *Submission of the 2023/24 Annual Financial Statements (AFS) – (Pre-Audit Information)* and *m*SCOA Circular No. 15 (08 July 2024) on the period closures controls for the following periods.

- **Month 12**: The financial year ends in month 12 (as at 30 June of the financial year). Month 12 (4th Quarter section 71 reports) represents the **preliminary outcome** information. The closing balances of month 12 must be programmatically transferred in the core financial system to the opening balances of the new financial year in month 01 of the new reporting period;
- **Period 13** when the AFS are prepared during July and August annually. Period 13 represents the **pre-audit outcome** information (the AFS as submitted to the AG;
- **Period 14** represents the **audit outcome** information (the AFS on which the AGSA has expressed an opinion. Audit approved journals must be processed in period 14; and
- **Period 15** when the adjustments to the AFS following the approval of the adjustments budget to authorise and legalise unauthorised expenditure referred to in Regulation 28(6) of the MBRR is effected.

The AFS submitted to AGSA must reconcile with the pre-audited (PAUD, CRPA and DBPA), audited (AUDA, CRAU, DBAU) and restated (RAUD) data strings submitted to the GoMuni Upload portal and these data strings must be submitted as end-results and NOT movements when submitting the *m*SCOA data strings. Importantly, any transactions that were processed as part of the preparation and auditing of the AFS after year-end (month 12) in period 13, 14 and 15 must be reflected in the corresponding month of the new financial year by using net movements. The net movements will result in either an increase or decrease in the new financial year in the corresponding month of month 01 to 03 of the current financial year. E.g. changes in period 13 must be reflected in month 02 or 03 of the new financial year. A similar process is applicable when restatements of previous financial year figures occur and when material errors are identified which impacts on the previous years' AFS and must be corrected in period 15.

With regards to year-end information, the aim is to collect three sets of information (preliminary, pre-audited and audited). This ensures that the latest outcome information is always available to inform planning and budget decision making process for national, provincial and local government.

6. Submitting documents to the GoMuni Upload Portal:

6.1. Submission of additional reports

In addition to the virement policies that must be uploaded to GoMuni Upload portal from 01 July 2025, the following changes pertaining to document submissions to the GoMuni Upload portal must be noted:

Uploading of Section 41 Reports on prices and payments for bulk resources

From the 2025/26 MTREF, the Department of Water and Sanitation, Eskom, and Water Boards will be required to upload their monthly Section 41 reports on the GoMuni Upload portal to enhance transparency and oversight. This will replace the current email submission process. Training on the upload procedure will be provided to all relevant stakeholders to ensure a smooth transition.

Municipal Procurement Plans

MFMA Circulars No. 62 (dated 20 August 2012) and 94 (dated 08 March 2019) requested for the submission of annual municipal procurement plans. From the 2025/26 MTREF, municipalities will be required to upload their annual procurements plans in PDF format on the GoMuni Upload portal. These plans should encompass comprehensive information on planned procurements, estimated costs, and the proposed procurement strategies. Both draft and final procurement plans should be submitted with the annual tabled and adopted budget documentation.

Revenue related and debt relief documentation

All municipalities are required to annually upload the Revenue Management related documents as per the Document Submission Checklist attached as **Annexure C** to the GoMuni Upload Portal. These documents must be submitted in the specified format and within the timeframes indicated. Also note that items 15 and 17 in **Annexure C** are only relevant to Municipal (Eskom) Debt Relief participants and item 19 to both Municipal (Eskom) and Water Debt Relief participants. In relation to items 15, 17 and 19, all other municipalities must submit a "Not Applicable" form to prevent these items reflecting as outstanding.

6.2. Submission and sign-off of key tabling dates

In the past, the National Treasury requested information on an annual basis from municipalities on the actual tabling dates of legislated processes such as the various budget processes, AFS and Annual Report. This information was submitted through an excel spreadsheet. From 01 July 2025, municipalities will be required to enter the legislative tabling dates directly on the GoMuni portal, replacing the manual spreadsheet process.

Additionally, the Accounting Officer of each municipality will be required to sign-off on the accuracy of the captured dates on the LGDRS.

Further guidance on the submission and sign-off procedures will be provided in due course.

7. The Municipal Budget and Reporting Regulations:

7.1. Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A, 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 Pitso Zwane Mandla Gilimani	012-315 5553/ 0609242914 012-315 5171 012-315 5807/0661198036	Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za Mandla.Gilimani@treasury.gov.za

Free State	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng City of Tshwane and City of Johannesburg City of Ekurhuleni	Matjatji Mashoeshoe Pitso Zwane Willem Voigt Makgabo Mabotja Kgomotso Baloyi Lunathi Dumani	012-315 5553 012-315 7538 012-315 5830 012-315 5156 012-315 5866/082 887 2968	Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za Lunathi.dumani@treasury.gov.za
KwaZulu-Natal eThekwini uMhlathuze	Kgomotso Baloyi Lunathi Dumani Kevin Bell Sifiso Mabaso Matjatji Mashoeshoe Pitso Zwane	012-315 5866 012-315 5725 012-315 5952/060 923 7343 012-315 5553/060 326 6885 012 315 7538	Kgomotso.Baloyi@treasury.gov.za Lunathi.dumani@treasury.gov.za Kevin.Bell@treasury.gov.za Sifiso.mabaso@treasury.gov.za Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za
Limpopo	Sifiso Mabaso Jabulile Ngwenya	012-315 5952/060 923 7343	Sifiso.Mabaso@treasury.gov.za Jabulile.ngwenya@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
North West Mafikeng	Willem Voigt Makgabo Mabotja Khanyisile Khosa Cethekile Moshane	012-315 5830 012-315 5156 012-315 5079	WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za khanyisile.khoza@treasury.gov.za Cethekile.moshane@treasury.gov.za
Western Cape Cape Town George	Willem Voigt Khanyisile Khoza Kgomotso Baloyi Sifiso Mabaso	012-315 5830 012-315 5385 012-315 5866/082 887 2968 012-315 5952/ 060 923 7343	WillemCordes.Voigt@treasury.gov.za khanyisile.khoza@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Technical issues on GoMuni	Data management		lgdataqueries@treasury.gov.za
Local government Conditional Grants			Sello.mashaba@treasury.gov.za Pretty.mavhungu@treasury.gov.za Marvin.ngobeni@treasury.gov.za Akanyang.modise@treasury.gov.za Sandra.adams@treasury.gov.za

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JH Hattingh
Chief Director: Local Government Budget Analysis
19 March 2025

APPENDIX - BUDGET PER DIRECTORATE 2025/26

BUDGET PER VOTE (INTERNAL DEPARTMENT STRUCTURE)	BUDGET REVENUE	BUDGET OPEX	BUDGET CAPEX
Vote 1 - EXECUTIVE MAYOR	784 135 536	196 130 052	75 000
Vote 2 - MUNICIPAL MANAGER	305 957 000	108 875 873	31 093 754
Vote 3 - CORPORATE SUPPORT SERVICES	888 043	112 653 258	2 650 000
Vote 4 - BUDGET AND TREASURY	804 510 698	260 295 637	3 250 000
Vote 5 - PUBLIC SAFETY	173 849 481	412 832 953	11 815 000
Vote 6 - PLANNING AND HUMAN SETTLEMENT	20 310 409	87 775 247	1 700 000
Vote 7 - LOCAL ECONOMIC DEVELOPMENT	1 042 000	37 710 690	1 325 000
Vote 8 - COMMUNITY DEVELOPMENT	404 285 047	469 292 834	24 539 014
Vote 9 - TECHNICAL AND INFRASTRUCTURE	4 261 845 862	4 372 403 083	364 255 233
Vote 10 - ROADS AND TRANSPORT - **Note 1**	257 171 035	463 925 044	42 001 388
Vote 11 - MUNICIPAL ENTITY	324 744 917	211 003 294	
TOTAL	**7 338 740 028**	**6 732 897 964**	**482 704 389**

Budgeted Surplus **605 842 064**

The organisational structure on the latest National Treasury A - Schedule template differs to the municipal organisational structure. This is because the organisational structure on the latest budget template is based on the function segment. This segment provides for the classification of the budget according to the function or service delivery objective. This schedule illustrates the budget per municipal directorate based on our internal department structure.

Note 1 - Vote 10 consists of RRT which is fully grant funded and Roads and Stormwater

	BUDGET REVENUE	BUDGET OPEX	BUDGET CAPEX
RRT	257 171 035	198 424 807	36 786 193
ROADS & STORMWATER	-	265 500 237	5 215 195
Vote 10 - ROADS AND TRANSPORT	**257 171 035**	**463 925 044**	**42 001 388**

REVENUE COLLECTION IMPROVEMENT PLAN: MARCH 2025 – DECEMBER 2025

	PROCESS DESCRIPTION	TIMELINES	RESPONSIBILITY	RESOURCES	PROGRESS REPORT
1.	**IMPLEMENTATION OF DEBT COLLECTION FUNCTION**				
	• SCM process • Issue of appointment letters • Contracting • On boarding process • Implementation of debt collection process	• 26 Feb 25 • 04 Mar 25 • 15 Mar 25 • 15-31 Mar • 01 April 25	• Revenue UH • SCM UH • MM • Revenue UH • Revenue UH	• None • None • None • None • Debt profiling report	• SCM Evaluation report in progress
2.	**RECONFIGURATION OF REVENUE PROTECTION TEAM (RPT) - (RA – TIMA)**				
	• Engage with RPT to assess performance • Process reconfiguration request and approval • Resource the team and finalise the 6 months plan • Implementation of 6 months drive **(RA – TIMA)**	• 28 Feb 25 • 07 Mar 25 • 8 - 28 Mar • 15 Apr 25	Champions: UH Revenue CFO MM Support: Directors DTIS, DPHS, DPS, Legal	As per the report	• 03 Meeting held with RPT • Request processed and in signing stage

3.	**REVITALISATION OF CREDIT CONTROL FUNCTION - SERVICE PROVIDER (RA – TIMA)**				
	• Analysis of the payment report and daily action – 3 months • Complexes: Partner with Body Corporates to unlock challenges and improve collection • Tlhabane, Geelhout-park and Zinniaville– Political intervention on service delivery and intimidations • Phased approach credit control – East Areas	• 07 Mar 25 • 21 Mar 25 • 17 Mar – 30 Apr 25 • 15 Apr 25	• SP • CFO • MM, MMCs, EM • Councillors, DPS	• None • None • Service delivery • Security stakeholders	• Complete
4.	**RA TIMA – COMMUNICATION (newspaper, radio, and social media)**				
	• Pamphlet design & print (RA -TIMA, Account update, Indigent reg, Interest incentive) • Distribution – Social media, newspaper, Councillors	• 17 – 26 Mar • 1 – 15 Apr	• Revenue UH & Comms • Revenue UH, Comms	• None	
5.	**INCENTIVE SCHEME**				
	• Incentive scheme concept • Incentive scheme approval • Communication and set up • Implementation	• 01 – 30 Apr • 30 May 25 • 01 June – Forward	• Revenue UH&CFO • MM/CFO/Council • Revenue UH & Comms	Financial system upgrade	

		• 01 Jul – 31 Dec 25	•		
6.	**CORPORATE CUSTOMER CARE**				
	• Establish committee • Monthly account review • Monthly communication	17 March, forward	Revenue UH DCFO/CFO Billing UH	None	
7.	**DISTRIBUTION OF MUNICIPAL ACCOUNTS**				
	• Meter readers • Account update (emails) • EPWP - Bicycles	• 01 Jul 25 • 07 April • 01 Jul 25	• Billing UH • Revenue UH • Billing UH	• Temp official (• xx • Bicycles – 45-90	

Annexure J - Grant Funded Capital Projects

AccountDescription	Funding Source	Proposed 2025-2026	Proposed 2026-2027	Proposed 2027-2028
Lethabong Internal Sewer Reticulation, Toilet Structures and Upgrading of WWTW-Phase D	Municipal Infrastructure Grant	50 000 000	5 000 000	-
Upgrading & Extension of the Bospoort water Treatment Plant	Municipal Infrastructure Grant	48 531 300	98 396 400	142 521 400
Construction of Tlhabane AC Sewer	Municipal Infrastructure Grant	45 231 750	10 000 000	20 000 000
Construction of Tlhabane AC Water	Municipal Infrastructure Grant	35 000 000	10 000 000	30 000 000
Lethabong Internal Sewer Reticulation, Toilet Structures and Upgrading of WWTW - Phase A	Municipal Infrastructure Grant	13 000 000	10 000 000	-
Procurement of Speciliazed Vehicles	Municipal Infrastructure Grant	11 000 000	6 901 650	20 000 000
Boitekong Ward 19 Roads And Stormwater Drainage Phase	Municipal Infrastructure Grant	10 000 000	-	-
Construction of Seraleng Sports Facility	Municipal Infrastructure Grant	10 000 000	10 000 000	-
Installation of High Mast Light in Kanana Phase 2	Municipal Infrastructure Grant	9 000 000	5 000 000	-
Construction of Bospoort Bulk Water Pipeline	Municipal Infrastructure Grant	6 000 000	80 000 000	20 000 000
Lethabong Internal Sewer Reticulation, Toilet Structures and Upgrading of WWTW-Phase E	Municipal Infrastructure Grant	5 000 000	10 000 000	15 000 000
Lethabong Internal Sewer Reticulation, Toilet Structures and Upgrading of WWTW-Phase F	Municipal Infrastructure Grant	5 000 000	10 000 000	15 000 000
Marikana Waster Transfer Station Constructions	Municipal Infrastructure Grant	5 000 000	11 000 000	15 000 000
Professional Fees: Lethabong Internal Sewer Reticulation, Toilet Structures and Upgrading of WWTW	Municipal Infrastructure Grant	5 000 000	10 000 000	10 000 000
Installation of Highmast lights in Kanana - Phase A	Municipal Infrastructure Grant	5 000 000	3 000 000	2 000 000
Installation of High Mast Lights: Kanana Phase C	Municipal Infrastructure Grant	5 000 000	3 000 000	2 000 000
Upgrading of the Western Bulk Sewer Lines - Phase B	Municipal Infrastructure Grant	3 000 000	-	-
Lethabong Internal Sewer Reticulation, Toilet Structures and Upgrading of WWTW - Phase C	Municipal Infrastructure Grant	1 000 000	12 000 000	15 000 000
Upgrading of the Western Bulk Sewer Lines	Municipal Infrastructure Grant	1 000 000	4 000 000	1 500 000
Laptops	Municipal Infrastructure Grant	695 000	50 000	60 000
Furniture	Municipal Infrastructure Grant	300 000	350 000	50 000
Machinery (Vacuum Cleaner)	Municipal Infrastructure Grant	50 000	-	-
Upgrading of the Western Bulk Sewer Lines - Phase A	Municipal Infrastructure Grant	-	-	5 000 000
Construction of Sidewalks from Marikana CBD to Township	Neighbourhood Development Partnership Grant	7 689 500	3 000 000	-
Construction of Sidewalks from Marikana CBD to Township: Road (D1325)	Neighbourhood Development Partnership Grant	7 689 500	3 000 000	13 000 000
Integrated National Electrification Programme (New Boitekong 88/11kv Substation)	Integrated National Electrification Programme Grant	14 700 000	23 000 000	24 040 000
Water tankers	DSAC	381 514	-	
Laptops	DSAC	100 000		
Office and Specialized Library Furniture	DSAC	-	497 831.00	497 831.00
Equipment	Public Transport Network Grant	100 000	100 000	104 600
Airconditioners	Public Transport Network Grant	100 000	100 000	104 600
Laptops	Public Transport Network Grant	116 193	122 193	121 538
Upgrade of Rustenburg Rapid Transport Office	Public Transport Network Grant	500 000	500 000	523 000
Furniture	Public Transport Network Grant	500 000	1 000 000	1 046 000
Machinery and Equipment	Public Transport Network Grant	470 000	500 000	523 000
Non-Motorised Walkway	Public Transport Network Grant	-	3 718 609	3 889 665
Bus Stations	Public Transport Network Grant	25 000 000	3 335 000	3 488 410
Bus Depot	Public Transport Network Grant	-	12 000 000	12 552 000
Replacement of Bulk and reticualtion Pipeline in Meriting 4 and 5	Water Services Infrastructure Grant	12 305 000	8 305 000	11 558 886
Replacement of Bulk and water storages and reticualtion pipeline in Greater Boitekong	Water Services Infrastructure Grant	5 230 000	5 465 350	5 601 984
Replacement of bulk and water storages and reticualtion pipeline in Phatsima	Water Services Infrastructure Grant	12 305 000	8 305 000	11 305 000
Pump Station-Monakato water storages and Pumpstation	Water Services Infrastructure Grant	12 160 000	8 160 000	10 734 005
Toilets and network connections to Boitekong Pump Station	Water Services Infrastructure Grant	8 000 000	9 902 650	11 100 125
Total		**381 154 757**	**389 709 683**	**423 322 044**

RUSTENBURG
LOCAL MUNICIPALITY
OFFICE OF THE MUNICIPAL MANAGER

P O Box 16, Rustenburg, 0300, North West Province, South Africa
Tel: (014) 590 3551 Email:munman@rustenburg.gov.za

Enquiries: Budget and Treasury Office

19 May 2025

I, Adv. A Khuduge, the Municipal Manager of Rustenburg Local Municipality, hereby certify that the 2025/26 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 Budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name : Adv. Ashmar Khuduge

Municipal Manager of Rustenburg Local Municipality (NW373)

Signature : _____

Date : 2025/05/22

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NOTICE 12/2025

IDP REVIEW 2025/2026 AND TABLED MTREF BUDGET 2025/2026

The Municipal Council of the Rustenburg Local Municipality adopted in a Special Council Meeting of the 31st March 2025 the IDP Review for 2025/26 per item 60 in accordance with requirements of Section 34 (a) (i) of the Municipal Systems Act 32 of 2000 as amended and the tabled 2025/26 MTREF (with the Tariffs and Budget Related Policies) per Item 61.

Notice is hereby given in terms of Section 21 of the Local Government: Municipal Systems Act, no 32 of 2000 (MSA) read with Sections 22 and 23 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) of the tabled IDP Review 2025/26 and 2025/26 MTREF as per above quoted item numbers.

Sections 21 and 21 A of the Municipal Systems Act; requires that the Municipality should publicize the said documents inviting the local community to submit representations in connection with the IDP and avail the document for public comments whilst the MFMA states the same with the tabled budget.

The IDP Review 2025/26 and MTREF 2025/26 (with the Tariffs and Budget Related Policies) will be open for comments and inputs for a period of 21 days effective from 10th April 2025. The closing date for comments is set for 02nd May 2025 at 10h00.

In terms of the provisions for public participation on the above Acts, the National Treasury, Provincial Treasury and the Local Community are hereby invited to peruse and submit written representations in connection with the IDP Review and the tabled 2025/26 MTREF to the Municipal Manager through email. **Comments should be in MS Word format and not exceed 5MB in size.**

Emails are to be directed to the following addresses:
gmoopelwa@rustenburg.gov.za, CMosiane@rustenburg.gov.za, mdikoko@rustenburg.gov.za and tjugmohan@rustenburg.gov.za

The IDP review 2025/26 and Tabled MTREF 2025/26 (with the Tariffs and Budget Related Policies) will be available for perusal from Thursday 10th April 2025 at the following venues:

- Municipal Building: Missionary Mpheni House, Corner Nelson Mandela and Beyers Naude Drive;
- Municipal Offices and RCC's: Marikana, Hartebeesfontein/ Lethabong, Phatsima, Monnakato, Boitekong, Ikageng, Rankelenyane, Freedom Park, Phokeng Civic Centre;
- Tribal Offices: Rankelenyane, Bethanie;
- Rustenburg Main Library; Community Libraries: Phatsima, Boitekong, Monnakato, Mamerotse Info Hub, Lethabong, Rankelenyane, Barseba, Tlhabane, Marikana, Mathopestad, Charora Info Hub, Karlien Park and Zinniaville; or

This may also be viewed on the Municipal website (www.rustenburg.gov.za)

A summary of the Operating Budget, Capital Budget as well as the proposed tariffs for 2025/26 is provided below:

- Operating Revenue and Expenditure by Standard Classification: Table A4 (version 6.9 2025/26 MTREF) – See Annexure A
- Budgeted Capital Expenditure by vote Standard Classification: Table A5 (version 6.9 2025/26 MTREF) – See Annexure B
- Proposed Tariffs 2025/26 – See Annexure C

For more information on the budget please contact Mr. Terence Jugmohan, Mr. Mmileng Dikoko, Mr. Kgomotso Motsugi, Mrs. Julia Kwatlhai or Ms. Remofiloe Monageng on 014 590 3280 / 3372 / 3325 / 3625 / 3626 / 3754 and for IDP Ms. Gloria Moopelwa or Ms. Cindi Mosiane at 014 590 3251 / 3106 respectively.

Adv. A Khuduge
Municipal Manager
01 April 2025

Revised launch date for contactless payments on N1N4

RUSTENBURG HERALD - RUSTENBURG - Bakwena Platinum Corridor Concessionaire (Pty) Ltd, (Bakwena) wishes to inform road users of the revised launch date for contactless payments along the Bakwena N1N4 route, now scheduled for the last quarter of 2025.

This new payment method offers improved security by enabling real time payments while keeping your card in your possession during transactions.

Contactless payment methods that will be accepted once Bakwena goes live include:

Contactless-enabled debit or credit cards (Europay, Mastercard, Visa (EMV)) issued by all South African banks;

NFC-enabled devices (smartphones, smartwatches) linked to a virtual card;

Payment apps like Apple Pay, Samsung Pay and Google Wallet;

All alternative tap-and-pay apps that allow the use of SA issued bank cards will be accepted at the contactless terminals.

If you do not have a contactless card or device, you will still be able to pay with cash or use a SANRAL tag. Tags are faster and more secure as they eliminate the need to stop and hand over a card. Currently Bakwena does not accept debit cards.

Until the launch of contactless payment, Bakwena will continue to accept the following payment methods at its toll plazas: South African Credit and fleet cards via magstripe payments, cash and SANRAL tags.

Swartruggens residents and municipal officials unite for progress

RUSTENBURG HERALD - SWARTRUGGENS - A crucial four-hour meeting recently took place in Swartruggens, bringing together the town's Mayor, Municipal Manager, and senior officials responsible for services and infrastructure.

The meeting followed the unveiling of the new Achievement Board alongside the N4, which reflects performance ratings on municipal service delivery.

Residents expressed their appreciation for the officials' willingness to engage with the community and address key concerns.

During the discussions, short-term goals were established to improve various municipal services.

Among the commitments made was an effort to enhance the Achievement Board, which already shows a 4% improvement in key areas such as integrity, inclusiveness, participation, and commitment - an encouraging step forward.

To recognise those who have made a significant impact on the community, a special appreciation ceremony was held on 3 April at Die Padstal.

The municipal waste management team was honoured with a floating trophy for their diligence, commitment, and reliability in keeping the town clean (and giving this service with a smile!). Each member of the team also received a voucher, sponsored by local residents, to spend at a local business in the town.

Several individuals were also acknowledged for their contributions to community well-being. Lenie Mullet was recognised for her role as a mediator between the municipality and residents. Herman and Lindie Steyn, Leon and Gina Kelly, as well as Louis Cilliers were thanked for their ongoing and unwavering dedication to the town.

Following the ceremony, Gerhard de Kock from Die Padstal treated attendees to a delicious stir-fry lunch, reinforcing the spirit of unity and appreciation among residents.

The ultimate goal remains clear: For the residents of Swartruggens to join hands, free from hidden agendas, and work together for the greater good; ensuring the continuous improvement and beautification of their beloved town.

As the community continues to take steps toward revitalisation, the message remains clear: Bit by bit, Swartruggens will rise from the ashes!

Residents from Swartruggens and the Municipality joining hands to make their town the best of the best.

Municipality Waste Removal Team receiving their certificates and vouchers.

Residents involved in the revival of Swartruggens town: Apie van Rensburg, Lenie Mullet, Lindie Steyn, Herman Steyn and Gerhard de Kock. Absent: Leon and Gina Kelly and Louis Cilliers.

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NOTICE 12/2025

DRAFT IDP REVIEW 2025/2026 AND TABLED MTREF BUDGET 2025/2026

The Municipal Council of the Rustenburg Local Municipality adopted in a Special Council Meeting of the 31st March 2025 the Draft IDP Review for 2025/26 per item 60 in accordance with requirements of Section 34 (a) (i) of the Municipal Systems Act 32 of 2000 as amended and the tabled 2025/26 MTREF (with the Tariffs and Budget Related Policies) per Item 61.

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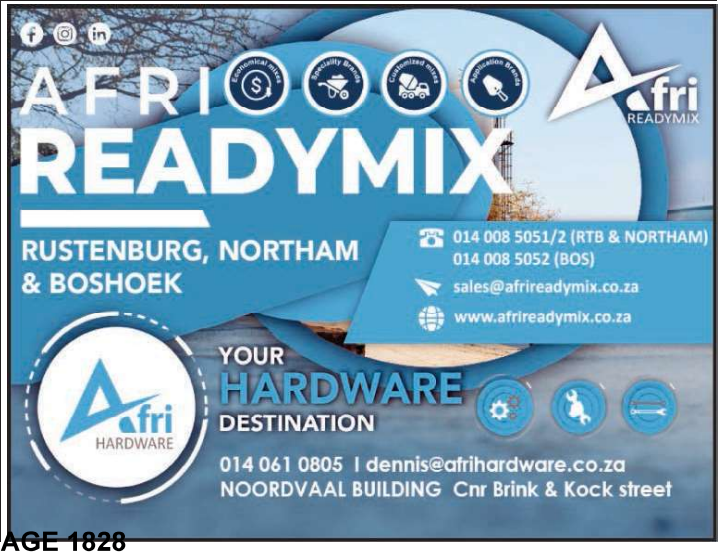
Adv. A Khuduge
Municipal Manager
01 April 2025



Two more arrested in R25 million fraud case

RUSTENBURG HERALD - RUSTENBURG - Esther Malesa (45), Director of Kea's Project and Moses Malesa (53), Director of Marole Nameng Trading Enterprise, were arrested by members of the Hawks' Serious Commercial Crime Investigation on Monday, 7 April, on charges of fraud, money laundering and corruption.

They consequently appeared in the Rustenburg Magistrates' Court and Esther Malesa was granted R100 000 bail, whilst Moses Malesa was granted bail to the amount of R50 000.

The pair joins five other accused, who were arrested last month, implicated in the defrauding of the Bojanala Platinum District Municiplaity of over R25 million between December 2018 and May 2019.

It is alleged that Leslina Olga Ndlovu (45), the former Chief Financial Officer (CFO) of Bojanala Platinum District Municipality, colluded with Esther Malesa to have her company (Kea's Project), that was not registered on the municipality's database of service providers, claim payments for services that were allegedly rendered to the municipality. Ndlovu and Malesa reportedly used details of a registered service provider to claim payments.

However, these payments amounting to over R25 million were allegedly paid into Esther Malesa's (Kea's Project) bank account.

Investigation revealed that funds were transferred from Esther Malesa company's bank account into the bank accounts of the other accused. Leslina Ndlovu's company, Mahle Supply, received over R2 million, Patrick Tlhapi (53), the former Chief Whip at the Bojanala Platinum District Municipality, received R150 000, while Gontse Kekana, the Secretary to the former Municipal Manager, benefitted R850 000. Mantsho Gloria Moremi (38), the Director of Moremi Investments, received R600 000, and Moses Malesa received over R5 million from Esther Malesa's company.

Esther Malesa and Moses Malesa appeared in court along with the five other accused who are out on bail. Esther Malesa faces 53 counts of fraud, 84 counts of money laundering, and three counts of corruption. Moses Malesa faces seven counts of money laundering. Their matter, along with the five others, has been postponed to 2 July for further investigation.

The acting North West Provincial Head of the Directorate for Priority Crime Investigation, Brigadier Silas Munzhedzi, and the Director of Public Prosecutions in North West, Dr Rachel Makhari, have applauded collaborative work between the Hawks and NPA in ensuring that the accused are brought to book.

Esther Malesa was arrested on Monday, 7 April, and faces 84 counts of money laundering.

NW373 Rustenburg - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	2,566,167	3,691,715	4,049,322	3,963,727	3,033,727	3,033,727	3,033,727	2,513,530	2,659,242	2,741,340
Service charges - Water	2	519,392	553,596	595,954	653,909	623,909	623,909	623,909	617,929	654,736	676,105
Service charges - Waste Water Management	2	386,771	405,800	432,405	480,629	480,629	480,629	480,629	517,552	531,442	541,603
Service charges - Waste Management	2	155,999	154,931	182,148	190,415	190,415	190,415	190,415	199,542	208,521	213,734
Sale of Goods and Rendering of Services		8,000	8,189	9,806	31,658	31,858	31,858	31,858	34,228	34,730	35,694
Agency services		104,983	110,424	108,282	113,426	121,426	121,426	121,426	143,375	149,827	153,573
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		411,621	428,086	527,919	551,272	611,272	611,272	611,272	486,728	505,231	539,231
Interest earned from Current and Non Current Assets		25,149	26,217	37,383	41,725	41,725	41,725	41,725	93,352	95,303	95,427
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-		-	-
Rental from Fixed Assets		11,078	14,080	14,021	14,622	14,565	14,565	14,565	12,537	13,030	13,315
Licence and permits		154	11,288	12,130	12,662	12,662	12,662	12,662	13,309	13,908	14,255
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		8,656	10,448	10,793	19,272	19,272	19,272	19,272	20,526	20,273	21,028
Non-Exchange Revenue											
Property rates	2	496,067	516,902	549,646	590,738	590,738	590,738	590,738	600,347	627,363	643,047
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		9,369	9,399	9,587	10,057	10,057	10,057	10,057	16,794	17,549	17,988
Licences or permits		12,247	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		947,882	1,127,277	1,304,905	1,393,874	1,397,019	1,397,019	1,397,019	1,469,034	1,580,069	1,592,227
Interest		-	-	-	-	-	-	-	208,800	218,196	223,651
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	(0)	-	-	-	-	-	-
Gains on disposal of Assets		6,200	6,448	7,088	7,184	3,184	3,184	3,184	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contril		**5,669,738**	**7,074,800**	**7,851,389**	**8,075,171**	**7,182,459**	**7,182,459**	**7,182,459**	**6,947,585**	**7,329,420**	**7,522,219**
Expenditure											
Employee related costs	2	875,664	905,598	929,095	1,005,982	1,021,587	1,021,587	1,021,587	1,034,970	1,078,203	1,091,660
Remuneration of councillors		68,229	70,958	71,890	74,787	74,787	74,787	74,787	77,587	80,952	83,752
Bulk purchases - electricity	2	1,627,750	2,617,167	2,956,723	2,950,148	2,297,139	2,297,139	2,297,139	2,483,378	2,553,675	2,621,961
Inventory consumed	8	504,518	547,166	571,307	671,401	634,957	634,957	375,708	664,179	677,309	691,440
Debt impairment	3	793,908	826,738	881,129	849,157	849,157	849,157	849,157	752,019	792,319	796,319
Depreciation and amortisation		492,913	480,045	497,859	522,778	522,778	522,778	522,778	491,025	510,903	523,689
Interest		84,328	85,409	62,123	59,917	59,917	59,917	59,917	66,725	68,415	69,520
Contracted services		612,110	708,127	940,211	1,044,242	1,041,935	1,041,935	1,041,935	896,108	926,998	958,070
Transfers and subsidies		19,502	20,292	21,164	24,177	24,177	24,177	24,177	20,967	21,908	22,564
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		236,888	250,552	319,065	329,276	359,676	359,676	359,373	316,282	329,374	335,746
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		**5,315,810**	**6,512,052**	**7,250,565**	**7,531,866**	**6,886,111**	**6,886,111**	**6,626,559**	**6,803,241**	**7,040,056**	**7,194,721**
Surplus/(Deficit)		**353,929**	**562,748**	**600,824**	**543,305**	**296,348**	**296,348**	**555,900**	**144,344**	**289,364**	**327,499**
Transfers and subsidies - capital (monetary	6	214,223	241,169	441,810	403,313	459,339	459,339	459,339	381,155	389,710	422,392
Transfers and subsidies - capital (in-kind)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**568,151**	**803,918**	**1,042,635**	**946,618**	**755,687**	**755,687**	**1,015,239**	**525,499**	**679,074**	**749,891**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**568,151**	**803,918**	**1,042,635**	**946,618**	**755,687**	**755,687**	**1,015,239**	**525,499**	**679,074**	**749,891**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**568,151**	**803,918**	**1,042,635**	**946,618**	**755,687**	**755,687**	**1,015,239**	**525,499**	**679,074**	**749,891**
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		13,052	35,957	5,763	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**581,203**	**839,875**	**1,048,398**	**946,618**	**755,687**	**755,687**	**1,015,239**	**525,499**	**679,074**	**749,891**

RUSTENBURG HERALD

Koster/N4 road project halts due to extortionists

RUSTENBURG HERALD - KOSTER - In a positive response to a serious concern of extortion, a multidisciplinary team consisting of the Provincial Organised Crime, Anti-Gang Unit and Rustenburg Public Order Police (POP) arrested five male suspects on Tuesday, 1 April.

The accused, Andrew Matane (42), Blasius Makati (49), Chapel Mahlasela (50), Thabo Frederick (50) and Lazarus Mazaleni (54) appeared in the Koster Magistrate's Court on Wednesday, 2 April, on charges of extortion at a construction site, intimidation, malicious damage to property and kidnapping. Their case was postponed to a later date for bail application.

The accused's arrest came after an investigation conducted subsequent to Provincial Organised Crime receiving an extortion complaint in March from a South African National Roads Agency Limited (SANRAL) contractor appointed to reconstruct the road between N4 and Koster. According to information, the accused disrupted the construction and intimidated the contractor, project managers, and employees after their bids for appointment as sub-contractors did not succeed. Furthermore, they intimidated and forced construction officials to stay in a meeting, despite having been called to respond to issues they were called on to clarify. Additionally, the accused allegedly mobilised members of the community to disrupt and stop the project, leading to the closure of the site.

The police eventually effected the arrests and investigations into the matter continues.

During the release of the Province Third Quarter Crime Statistics, the Acting Provincial Commissioner in response to the concerns of the Premier and the Provincial Executive, sent out a strong message that those who commit acts of extortion and protests that often target contractors and critical infrastructure will be hunted down, arrested and be prosecuted. The South African Police Service commented that, "This arrest is just one of many that will follow," after the suspects were arrested.

Legal Aid announces new financial aid thresholds

RUSTENBURG HERALD - RUSTENBURG - The Legal Aid South Africa Means Test, used to determine if applicants qualify for legal aid, has been revised upwards to cater for increases in the Consumer Price Index (CPI).

By adjusting the financial eligibility criteria, Legal Aid SA aims to support individuals and families who may otherwise struggle to afford legal representation.

In criminal cases, children continue to automatically qualify for legal aid and do not have to take the Means Test. If it is a civil case, the family of the child will need to take and pass the Means Test. The revised Means Test took effect from Tuesday, 1 April, and will continue to be applied to all new applications received from this date onwards. For applications for legal aid in criminal/civil cases, applicants must earn less than R9 100 per month. In situations where civil cases have to be settled, individuals who apply for legal aid (as a member of a household or based on their spouse's income) must see the applicant earn less than R9 900 per month.

If an applicant owns movable assets (as part of a household with no property ownership), these must not be worth more than R167 900. If an applicant owns immovable assets, these must not be worth more than R787 600.

For more information, contact Legal Aid South Africa Communication Executive and National Spokesperson Pateka Quwe on 073 028 6647 or the Media and Marketing Manager Godfrey Matsobe on 081 018 1395.

Table A5 Budgeted Capital Expenditure

Rustenburg Local Municipality

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure - Vote											
Vote 1 - Energy Sources		150,078	115,981	133,842	70,790	71,820	71,820	71,820	46,917	58,442	61,244
Vote 2 - Community and Social Services		12,663	41,026	16,458	10,168	10,168	10,168	10,168	7,987	7,041	8,287
Vote 3 - Environmental Protection		–	100	–	534	–	–	–	–	–	–
Vote 4 - Executive & Council		9,853	25,041	12,862	2,250	2,250	2,250	2,250	3,643	167	171
Vote 5 - Finance & Admin		3,000	13,929	21,450	93,335	102,385	102,385	102,385	18,900	17,812	16,991
Vote 6 - Road Transport		209,839	217,357	179,285	51,230	48,230	48,230	48,230	32,001	26,871	28,010
Vote 7 - Planning and Development		23,077	26,754	8,924	281,047	341,140	341,140	341,140	291,722	307,188	328,759
Vote 8 - Public Safety		9,777	15,553	2,250	28,188	18,388	18,388	18,388	11,815	3,650	2,050
Vote 9 - Sport and Recreation		9,725	13,442	12,005	2,280	2,280	2,280	2,280	503	583	475
Vote 10 - Housing		1,500	1,563	1,000	199	199	199	199	500	523	547
Vote 11 - Water Management		54,325	37,400	20,333	88,763	88,763	88,763	88,763	48,800	37,361	46,699
Vote 12 - [NAME OF VOTE 12]		3,425	4,880	4,890	1,984	1,984	1,984	1,984	550	546	274
Vote 13 - Waste Water Management		32,184	111,308	152,112	10,670	10,520	10,520	10,520	19,275	21,558	23,247
Vote 14 - Other		–	–	–	–	–	–	–	–	–	–
Vote 15 - Internal Audit		–	–	250	175	175	175	175	91	95	98
Capital single-year expenditure sub-total		**519,447**	**624,333**	**565,661**	**641,611**	**698,300**	**698,300**	**698,300**	**482,704**	**481,837**	**516,852**
Total Capital Expenditure - Vote		**519,447**	**624,333**	**565,661**	**641,611**	**698,300**	**698,300**	**698,300**	**482,704**	**481,837**	**516,852**
Capital Expenditure - Functional											
Governance and administration		**12,853**	**39,249**	**34,312**	**95,760**	**104,810**	**104,810**	**104,810**	**22,645**	**18,074**	**17,260**
Executive and council		9,853	25,041	12,862	2,250	2,250	2,250	2,250	3,643	167	171
Finance and administration		3,000	13,929	21,450	93,335	102,385	102,385	102,385	18,910	17,812	16,991
Internal audit		–	280	–	175	175	175	175	91	95	98
Community and public safety		**33,665**	**71,584**	**31,713**	**40,835**	**31,035**	**31,035**	**31,035**	**20,804**	**11,797**	**11,359**
Community and social services		12,663	41,026	16,458	10,168	10,168	10,168	10,168	7,987	7,041	8,287
Sport and recreation		9,725	13,442	12,005	2,280	2,280	2,280	2,280	503	583	475
Public safety		9,777	15,553	2,250	28,188	18,388	18,388	18,388	11,815	3,650	2,050
Housing		1,500	1,563	1,000	199	199	199	199	500	523	547
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**232,916**	**244,111**	**188,209**	**332,810**	**389,370**	**389,370**	**389,370**	**323,713**	**334,059**	**356,769**
Planning and development		23,077	26,754	8,924	281,047	341,140	341,140	341,140	291,712	307,188	328,759
Road transport		209,839	217,357	179,285	51,230	48,230	48,230	48,230	32,001	26,871	28,010
Environmental protection		–	–	–	534	–	–	–	–	–	–
Trading services		**240,013**	**269,569**	**311,177**	**172,206**	**173,086**	**173,086**	173,086	115,542	**117,907**	**131,464**
Energy sources		150,078	115,981	133,842	70,790	71,820	71,820	71,820	46,917	58,442	61,244
Water management		54,325	37,400	20,333	88,763	88,763	88,763	88,763	48,800	37,361	46,699
Waste water management		32,184	111,308	152,112	10,670	10,520	10,520	10,520	19,275	21,558	23,247
Waste management		3,425	4,880	4,890	1,984	1,984	1,984	1,984	550	546	274
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	**519,447**	**624,513**	**565,411**	**641,611**	**698,300**	**698,300**	**698,300**	**482,704**	**481,837**	**516,852**
Funded by:											
National Government		371,724	431,221	441,297	402,858	458,884	458,884	458,884	380,673	389,212	422,824
Provincial Government		511	892	687	455	455	455	455	482	498	498
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**372,235**	**432,113**	**441,985**	**403,313**	**459,339**	**459,339**	**459,339**	**381,155**	**389,710**	**423,322**
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		147,212	192,400	123,426	238,298	238,961	238,961	238,961	101,550	92,127	93,530
Total Capital Funding	7	**519,447**	**624,513**	**565,411**	**641,611**	**698,300**	**698,300**	**698,300**	**482,704**	**481,837**	**516,852**

NW 373 RUSTENBURG LOCAL MUNICIPALITY
TARIFF BOOK

2025 -2028 MTREF

ELECTRICITY TARIFFS APPLICATION OPTIONS FOR 2025/2026

Provide description of tariff structure where appropriate		RLM Proposed Percentage Increase - BASED ON LATEST FINANCIAL SUBMISSION	RLM Proposed Tariff 2024/2025	NERSA Approved Tariff 2024/2025	RLM Proposed Percentage Increase - BASED ON ESKOM'S MYPD6 2025/26	RLM Proposed Tariff 2025/2026	NERSA Approved Tariff 2025/2026	Billing Method
			Interim			Interim		
DOMESTIC TARIFFS								
Residential 1 Vacant Property	***Basic Charge*** *(R/month)*	11.10%	384.67	42.31	12.20%	47.48		R/Month
Residential High Density Vacant Property	***Basic Charge*** *(R/month)*	11.10%	4 948.88	544.38	12.20%	610.79		R/Month
Residential Life-line	*Block 1 (1-50 KWH)*	11.10%	167.24	167.37	12.20%	187.79		cent per kWh
	Block 2 (51-350 KWH)	11.10%	209.03	209.20	12.20%	234.72		cent per kWh
	Block 3 (351-600 KWH)	11.10%	278.97	279.19	12.20%	313.25		cent per kWh
	Block 4 (601 + KWH)	11.10%	335.62	335.89	12.20%	376.87		cent per kWh
Residential Town Prepaid	***Basic Charge*** *(R/month)*	11.10%	396.18	396.50	12.20%	444.87		R/Month
	Block 1 (1-50 KWH)	11.10%	180.15	180.29	12.20%	202.29		cent per kWh
	Block 2 (51-350 KWH)	11.10%	213.94	214.11	12.20%	240.23		cent per kWh
	Block 3 (351-600 KWH)	11.10%	270.98	271.20	12.20%	304.29		cent per kWh
	Block 4 (601 + KWH)	11.10%	329.18	329.44	12.20%	369.63		cent per kWh
Residential (Domestic) Town Conventional	***Basic Charge*** *(R/month)*	11.10%	539.27	539.71	12.20%	605.55		R/Month
	Block 1 (1-50 KWH)	11.10%	165.67	165.81	12.20%	186.04		cent per kWh
	Block 2 (51-350 KWH)	11.10%	207.12	209.29	12.20%	234.82		cent per kWh
	Block 3 (351-600 KWH)	11.10%	275.79	276.02	12.20%	309.69		cent per kWh
	Block 4 (601 + KWH)	11.10%	335.03	335.30	12.20%	376.21		cent per kWh
Residential Rural Prepaid	***Basic Charge*** *(R/month)*	11.10%	588.40	588.87	12.20%	660.71		R/Month
	Block 1 (1-50 KWH)	11.10%	169.82	169.96	12.20%	190.70		cent per kWh
	Block 2 (51-350 KWH)	11.10%	212.28	212.46	12.20%	238.38		cent per kWh
	Block 3 (351-600 KWH)	11.10%	272.65	272.87	12.20%	306.16		cent per kWh
	Block 4 (601 + KWH)	11.10%	331.19	331.46	12.20%	371.90		cent per kWh
Residential Rural Coventional	***Basic Charge*** *(R/month)*	11.10%	588.40	588.87	12.20%	660.71		R/Month
	Block 1 (1-50 KWH)	11.10%	169.82	169.96	12.20%	190.70		cent per kWh
	Block 2 (51-350 KWH)	11.10%	212.28	212.46	12.20%	238.38		cent per kWh
	Block 3 (351-600 KWH)	11.10%	272.65	272.87	12.20%	306.16		cent per kWh
	Block 4 (601 + KWH)	11.10%	331.19	331.46	12.20%	371.90		cent per kWh
NON-DOMESTIC SMALL TO LARGE CONSUMER TARIFFS (Including Residential Bulk)								
Business Zoned Vacant property	***Basic Charge*** *(R/month)*	11.10%	1 643.78	180.82		202.88		R/Month
Non-domestic (Conventional) - Town + Rural	***Basic Charge*** *(R/month)*	11.10%	165.12	1 645.10	12.20%	1 845.80		R/Month
	Energy Rate (c/kWh) Winter	11.10%	410.96	411.29	12.20%	461.47		cent per kWh
	Energy Rate (c/kWh) Summer	11.10%	308.24	308.49	12.20%	346.13		cent per kWh
Non-Domestic (Prepaid) - Town + Rural	***Basic Charge*** *(R/month)*	11.10%	165.12	1 645.10	12.20%	1 845.80		R/Month
	Energy Rate (c/kWh) Winter	11.10%	410.96	411.29	12.20%	461.47		cent per kWh
	Energy Rate (c/kWh) Summer	11.10%	308.24	308.49	12.20%	346.13		cent per kWh
BULK CONSUMER TARIFFS (INDUSTRIAL TARIFFS)								
Industrial Zoned Vacant property	***Basic Charge*** *(R/month)*	11.10%	4 948.88	544.38		610.79		R/Month
Bulk Supply Town and Rural 400 V	***Basic Charge*** *(R/month)*	11.10%	4 948.88	4 952.89	12.20%	5 557.14		R/Month
	Energy Rate (c/kWh) Summer	11.10%	192.09	192.25	12.20%	215.70		cent per kWh
	Energy Rate (c/kWh) Winter	11.10%	311.66	309.84	12.20%	347.64		cent per kWh
	All season Network Demand Charge (R/kVA)	11.10%	75.41	75.47	12.20%	84.68		R/kVA
	All season Network Access Charge (R/kVA)	11.10%	301.59	301.83	12.20%	338.65		R/kVA max of NMD or highest last 12 months MD
Bulk Supply Town and Rural 11kV	***Basic Charge*** *(R/month)*	11.10%	4 433.55	4 437.15	12.20%	4 978.48		R/Month
	Energy Rate (c/kWh) Summer	11.10%	188.32	188.44	12.20%	211.43		cent per kWh
	Energy Rate (c/kWh) Winter	11.10%	296.00	296.24	12.20%	332.38		cent per kWh
	Network Demand Charge (R/kVA)	11.10%	74.93	74.99	12.20%	84.14		R/kVA
	Network Access Charge (R/kVA)	11.10%	301.60	301.85	12.20%	338.68		R/kVA max of NMD or highest last 12 months MD
TIME -OF -USE								
11 kV Bulk supply Time-of-use	***Basic Charge*** *(R/month)*	11.10%	18 054.46	18 069.09	12.20%	20 273.52		R/Month
	All season Network Demand Charge (R/kVA)	11.10%	85.14	85.21	12.20%	95.61		R/kVA
	All season Network Access Charge (R/kVA)	11.10%	65.64	65.69	12.20%	73.70		R/kVA max of NMD or highest last 12 months MD
	SUMMER Peak Energy (c/kWh)	11.10%	279.02	279.25	12.20%	313.32		cent per kWh
	Standard Energy (c/kWh)	11.10%	188.75	188.90	12.20%	211.95		cent per kWh
	Off-peak Energy (c/kWh)	11.10%	137.48	137.60	12.20%	154.39		cent per kWh
	WINTER Peak Energy (c/kWh)	11.10%	871.95	872.66	12.20%	979.12		cent per kWh
	Standard Energy (c/kWh)	11.10%	254.42	254.63	12.20%	285.69		cent per kWh
	Off-peak Energy (c/kWh)	11.10%	151.83	151.95	12.20%	170.49		cent per kWh
		11.10%	42.07	42.11	12.20%	47.25		cent per kVArh
33 kV Bulk supply Time-of-use	***Basic Charge*** *(R/month)*	11.10%	16 252.86	16 265.81	12.20%	18 250.24		R/month
	Network Demand Charge (R/kVA)	11.10%	74.64	74.70	12.20%	83.81		R/kVA
	Network Access Charge (R/kVA)	11.10%	56.69	56.74	12.20%	63.66		R/kVA max of NMD or highest last 12 months MD
	SUMMER Peak Energy (c/kWh)	11.10%	249.45	249.65	12.20%	280.11		cent per kWh
	Standard Energy (c/kWh)	11.10%	168.20	168.34	12.20%	188.88		cent per kWh
	Off-peak Energy (c/kWh)	11.10%	118.13	118.22	12.20%	132.64		cent per kWh
	WINTER Peak Energy (c/kWh)	11.10%	784.28	784.92	12.20%	880.68		cent per kWh
	Standard Energy (c/kWh)	11.10%	226.78	226.97	12.20%	254.66		cent per kWh
	Off-peak Energy (c/kWh)	11.10%	132.29	132.40	12.20%	148.55		cent per kWh
	Reactive Energy (c/kVArh) - Winter only	11.10%	37.74	38.77	12.20%	43.50		cent per kVArh

RUSTENBURG PROPOSED RATES TARIFFS FOR 2025/2026

CATEGORY	AMOUNT	EXEMPTIONS	SUBTOTAL	IMPERMISEABLE REBATE	SUBTOTAL	Property Value Adjustment	Rate 2024/ 2025	PROJECTED RATE 2025/2026	PROJECTED GROSS INCOME	SUB-TOTAL	Indigent/PENSIONERS REBATE	REBATES	REBATE VALUE	PROJECTED NET INCOME
RESIDENTIAL	50 475 905 557		50 475 905 557	7 842 000 000	42 633 905 557		0,01	0,01	258 156 824,93	258 156 824,93	2,00%		5 163 136,50	252 993 688,43
RES- MULTI PURPOSE	-		-		-		0,00	0,00	-	-				-
BUS &COM	13 971 279 000		13 293 854 000		13 293 854 000		0,02	0,02	245 654 469,30	245 654 469,30		0%	-	245 654 469,30
INDUSTRIAL	2 707 544 000		2 707 544 000		2 707 544 000		0,02	0,02	50 032 164,07	50 032 164,07		0%	-	50 032 164,07
PUBLIC WORSHIP	528 325 000	528 325 000	-		-		0,00	0,00	-	-		0%	-	-
MUNICIPAL PROP	1 117 890 000	1 117 890 000	-		-		0,00	0,00	-	-		0%	-	-
PUBLIC OPEN SPACE	17 369 000		17 369 000		17 369 000		0,00	0,00	-	-		0%	-	-
PSI	654 324 000		654 324 000		654 324 000		0,00	0,00	1 092 982,81	1 092 982,81		0%	-	1 092 982,81
GOVN PROP (PSP)	2 644 091 000		2 644 091 000		2 644 091 000	2 511 886 450	0,00	0,00	4 416 689,61	4 416 689,61		0%	-	4 416 689,61
EDUCATIONAL	408 960 000		408 960 000		408 960 000	388 512 000	0,00	0,00	683 126,78	683 126,78		0%	-	683 126,78
AGRICULTURE	10 972 439 000		10 972 439 000		10 972 439 000	10 423 817 050	0,00	0,00	18 328 362,11	18 328 362,11		0%	-	18 328 362,11
AGRI - RESIDENTIAL	-		-				0,00	0,00	-	-				-
Agri Business	-		-				0,03	0,03	-	-				-
Vacant Business	-						0,03	0,03	-	-				-
PBO	89 582 000		89 582 000		89 582 000			0,00	-	-		0%	-	-
PRIVATE OWNED TOWN	686 107 129		645 172 000		645 172 000	612 913 400	0,01	0,01	3 906 645,49	3 906 645,49			-	3 906 645,49
MULTI PURPOSE USE	-		-		-			0,00	-	-		0%	-	-
MINING PROPERTIES	1 037 214 000		1 037 214 000		1 037 214 000		0,02	0,02	19 748 554,56	19 748 554,56		0%	-	19 748 554,56
PRIVATE SCHOOLS			-		-		0,00	0,00	-	-		0%	-	-
PRIVATE OPEN SPACE	15 576 000		15 576 000		15 576 000		0,00	0,00	26 018,15	26 018,15		0%	-	26 018,15
PRIVATE ROAD	4 409 000		4 409 000		4 409 000		0,00	0,00	7 364,79	7 364,79		0%	-	7 364,79
PUBLIC ROAD	-		-		-			0,00	-	-		0%	-	-
VACANT LAND	312 412 000		312 412 000		312 412 000		0,01	0,01	3 457 276,16	3 457 276,16		0%	-	3 457 276,16
CRECHES			-		-		0,00	0,00	-	-		0%	-	-
TOTAL	85 643 426 686	1 646 215 000	83 997 211 686	7 842 000 000	76 155 211 686				605 510 478,75	605 510 478,75			5 163 136,50	600 347 342,25

Notes:

	farms	residential	total				
CATEGORY	AMOUNT	AMOUNT	AMOUNT				
RESIDENTIAL	550 000	25 143 560 900	25 144 110 900	25 143 560 900			
RES- MULTI PURPOSE	23 800 000	30 080 000	53 880 000	29 430 000	650 000		
BUS &COM	421 201 000	4 384 261 100	4 805 462 100	4 384 261 100			
INDUSTRIAL		1 165 174 000	1 165 174 000	1 163 674 000	1 500 000		
PUBLIC WORSHIP	67 350 000	166 415 000	233 765 000	166 415 000			
MUNICIPAL PROP	149 846 000	390 952 500	540 798 500	390 952 500			
PUBLIC OPEN SPACE		2 573 500	2 573 500	2 573 500			
PSI	6 924 350	9 268 000	16 192 350	9 268 000			
GOVN PROP	409 033 000	465 416 000	874 449 000	465 416 000			
EDUCATION		85 500 000	85 500 000	85 500 000			
AGRICULTURE	2 702 807 500	-	2 702 807 500				
AGRI - RESIDENTIAL		-	-				
Agri Business		-	-				
AGRI - MINING		-	-				
PBO	7 000 000	21 000 000	28 000 000	21 000 000			
PRIVATE OWNED TOWN		388 830 025	388 830 025	388 830 025			
MULTI PURPOSE USE	191 680 000	11 570 000	203 250 000	11 570 000			
MINING PROPERTIES	894 036 200	-	894 036 200				
PRIVATE SCHOOLS		-	-				
PRIVATE OPEN SPACE		1 801 500	1 801 500		1 801 500		
PRIVATE ROAD		1 997 000	1 997 000		1 997 000		
PUBLIC ROAD		-	-				
VACANT LAND		740 734 376	740 734 376	111 906 500	625 810 976		
CRECHES		-	-				
TOTAL	4 874 228 050	33 009 133 901	37 883 361 951	32 374 357 525	631 759 476		33 006 117 001

GLENCORE

			RLM Proposed Percentage Increase	RLM Proposed Glencore Tariff on 33kV 2024/2025	NERSA Approved Glencore Tariff on 33kV 2024/2025	RLM Proposed Percentage Increase	RLM Proposed Glencore Tariff on 33kV 2025/2026	NERSA Approved Glencore Tariff on 33kV 2025/2026	Billing Method
				Interim			Interim		
PLEASE NOTE THE FOLLOWING - Glencore - Negotiated electricity pricing agreement (NPA) not finalized.									
Please note that this tariffs are not applicable or enforcable until NPA or Courtcase is resolved and approved by NERSA but merely a current guideline on ACTIVE ENERGY PRICES.			ESKOM ACCOUNT WILL VERIFY THE FINAL APPROVED 33KV TARIFFS						
33 kV Bulk supply Time of use NMD ≥ 150MVA - BASED ON ESKOM BOOKLET. PLEASE NOTE THE FOLLOWING - Glencore - Negotiated electricity pricing agreement (NPA) application was submitted to Nersa by Eskom. NPA tariffs and %surcharge is still to be agreed upon between Glencore and RLM as requested by NERSA.		***Basic Charge** (R/month)*	12.72%	252 251.67	252 251.67	12.74%	284 388.53		R/kVA/m
		Network Transmission Charge	12.72%	17.31	17.31	12.74%	19.52		R/kVA
		Network Capacity (Access) Charge	12.72%	34.72	34.72	12.74%	39.14		R/kVA
		Network Demand charge	12.72%	60.17	65.81	12.74%	74.19		R/kVA
		Active energy Charge							
		LOW							
		Peak	12.72%	236.54	236.54	12.74%	266.68		c/kWh
		Standard	12.72%	168.31	168.31	12.74%	189.75		c/kWh
		Off-peak	12.72%	113.45	113.45	12.74%	127.90		c/kWh
		Active energy Charge							
		HIGH							
		Peak	12.72%	694.38	694.38	12.74%	782.84		c/kWh
		Standard	12.72%	220.98	220.98	12.74%	249.13		c/kWh
		Off-peak	12.72%	128.07	128.07	12.74%	144.39		c/kWh
		Electrification and Rural subsidy	12.72%	16.86	16.86	12.74%	19.01		c/kWh
		Ancillary Sevice Charge (Reliability)	12.72%	0.86	0.86	12.74%	0.97		c/kWh
		Urban Low Voltage Subsidy Charge (N/A)							c/kVarh
		Reactive energy (High Season)	12.72%	30.47	4.75	12.74%	5.36		c/kVarh
		Administration Charge (per POD p/day)	12.72%	271.03	271.03	12.74%	305.56		R/POD/Day
		Service Charge (R/Account/Day)	12.72%	8 486.74	8 486.74	12.74%	9 567.95		R/Account/Day

MTREF FINAL TARIFF BOOK 2024-25 - ESKOM INCLUDED. JAN 2025

ELECTRICAL ENGINEERING CONTRIBUTIONS RATES

Item	Description		4.4% CPI Estimated Percentage Increase 2023	Rate Excl VAT 2023/2024	4.9% CPI Estimated Percentage Increase 2024	Rate Excl VAT 2024/2025	Unit	4.9% increase using MFMA Circular no.126	3% CPI Estimated Percentage Increase 2025	Rate Excl VAT 2025/2026	Unit
1.	**AFTER DIVERSITY MAXIMUM DEMAND (ADMD) VALUES**										
	ADMD's applicable for the calculation of Engineering Contribution rates will be as follow:										
	Description	**ADMD**									
	Residential	As per NRS 069 and NRS 034 for the applicable consumption class									
	Hotel, Guest House or equivalent	80 VA/m²									
	Business, Office or equivalent	80 VA/m²									
	Light Industrial, Garage or equivalent	40 VA/m²									
	Educational or equivalent	20 VA/m²									
	Devotional, agricultural, nursery, scrap yard or equivalent	20 VA/m²									
2.	**MAXIMUM DEMAND (IN KVA) CALCULATION**										
2.1	**General note:**										
2.1.1	The higher of the value calculated at secondary transformation level by: 1) The Developer's appointed Professional Electrical Engineer, or 2) The value as determined by the applicable formula below according to the development's zoning										
2.1.2	The RLM may advise the customer where it is deemed necessary for the customer to increase its notified maximum demand.										
2.1.3	Maximum demand may only be lowered by lowering town planning rights.										
2.1.4	Where town planning rights cannot be lowered and a developer insists on a maximum demand lower than figures calculated according to 2.1.1 then the developer shall register a servitude of constraint in the title deed of the property concerned.										
2.1.5	A maximum demand shall be calculated for each legal property, or notarially tied property. In the case of new township or a mixed-use development a consolidated maximum demand may be calculated in terms of item 2.07 for the entire develoment.										
2.2	**Residential development**										
2.2.1	As determined according to Formula in par 4.2.2 of NRS 034-1:2001, as amended from time from time to time.										
2.2.2	Parameters a, b and c are determined as per table 3a of NRS 034-1:2001 as amended from time to time, for standard ADMD values.										
2.2.3	Parameters for a and b for a given circuit breaker size c shall be otherwise determined in terms of the formulae set out in NRS 034-1:2001, as amended from time to time.										
2.3	**Commercial, Governmental and other non-domestic loads, excluding industrial loads:** *Maximum demand (in kVA) = ADMD (in kVA/m² from Table 1) x FAR x Stand area (in m²)* Where FAR is the Floor to Area Ratio, i.e. the area of total building floor area divided by total stand area. The total building floor area shall be deemed to include all lettable areas, including common building areas.										
2.4	**Light Industrial:** *Maximum demand (in kVA) = ADMD (in kVA/m² from Table 1) x FAR x Stand area (in m²)*										
2.5	**Heavy Industrial:** As determined by the developer's consulting engineer (Professional Electrical Engineer)										
2.6	**Special loads:** Special loads are deemed to be loads associated with special zoning such as storage garages, cemeteries, churches. The higher of the value calculated at secondary transformation level by: 1. 13.8 kVA (quivalent to 60 A single phase) 2. the developer's appointed Professinal Electrical Engineer										
2.7	**Mixed-use loads:** Any combination of the above, with diversity factors applied or composite load curves summated to determine the annual coincident maximum demand of the saturated development (i.e. for the full development when all properties have been developed). Diversification factors shall be applied at secondary transformation level.										
2.8	**Phased developments** For phased developments, any combination of the above, subject thereto that Council has approved such phased development and the payment of contributions in respect of each phase.										
3.	**ENGINEERING CONTRIBUTIONS** Engineering contributions shall be calculated by multiplying the determined demand in kVA by the rate per kVA stated for the appropriate point of connection below:						4.9% increase using MFMA Circular no. 126				4.4% increase using MFMA Circular no. 129
3.1	**For High voltage connections 88 kV**										
3.1.1	**For a connection directly to the 88 kV busbars of a primary intake-substation:** In addition, the developer pays for the dedicated infrastructure, being a full 88 kV feeder bay inclusive of busbar isolator, circuit breaker, CTs and VTs, line isolator, metering requirements, jumpers, clamps, protection relays and the 88 kV line.	4.40%	194.45	4.90%	203.98	per kVA		4.4%	212.95	per kVA	
3.2	**For medium voltage connections (11 & 33 kV) from the urban network**										
3.2.1	**For a connection directly to thee 33 kV busbars of a substation:** In addition, the developer pays fot the dedicated infrastructure, being a 33 kV feeder bay inclusive of circuit breaker, CTs and VTs, metering requirements, protection relays and 33 kV cable.	4.40%	585.72	4.90%	614.42	per kVA		4.4%	641.46	per kVA	
3.2.2	**For a connection directly to existing 33 kV cables:** In addition, the Developer shall be responsible to provide the dedicated infrastructure, inclusive of 33 kV circuit breaker, CTs and VTs, metering requirements, protection relays, 33 kV cable and terminations, transformers, 11kV infrastructure as well as any downstream infrastructure required. *This type of connection is not recommended and should be avoided where possible, especially along primary 33 kV cables with differential protection.*	4.40%	0.00	4.90%	1 544.08	per KVA		4.4%	1 612.02	per kVA	
3.2.3	**For a connection directly to the 11 kV busbars of a substation:** In addition, the developer pays for the dedicated infrastructure, being an 11 kV feeder bay inclusive of circuit breaker, CTs and VTs, metering requirements, protection relays and 11 kV cable.	4.40%	0.00	4.90%	1 544.08	per kVA		4.4%	1 612.02	per kVA	
3.2.4	**For a connection directly to a 11 kV ring:** RLM pays for the ring main unit and upstream 11 kV infrastructure. In addition, the developer pays for the dedicated infrastructure, being the bulk 11 kV meter and shall provide his own customer circuit breaker.	4.40%	3 781.10	4.90%	3 966.38	per kVA		4.4%	4 140.90	per kVA	
3.3	**For low voltage connections from the urban network**										
3.3.1	**For a connection directly to the LV busbars of a Minisub:**	4.40%	4 815.01	4.90%	5 050.94	per kVA		4.4%	5 273.18	per kVA	
3.3.2	RLM will provide the minisub and upstream 11 kV cable. In addition, the developer pays for the dedicated infrastructure, being a LV feeder breaker and the meter to be installed in the Minisub. For a connection directly to the LV busbars of a distribution kiosk located along an LV feeder on the boundary of a property: RLM will provide the upstream LV feeder, the LV distribution kiosk, the minisub and upstream 11 kV cable. In addition, the developer pays for the dedicated infrastructure, being a LV feeder breaker and the meter to be installed in the contribution kiosk.	4.40%	5 392.43	4.90%	5 656.66	per kVA		4.4%	5 905.55	per kVA	
3.4	**For medium voltage connections (11 & 33 kV) from the rural network**										
3.4.1	For a connection directly to an 11 kV overhead line: RLM pays for the ring main unit and upstream 11 kV infrastructure. In addition, the developer pays for the dedicated infrastructure, being the bulk 11 kV meter and shall provide his own customer circuit breaker.	4.40%	3 803.63	4.90%	3 990.01	per kVA		4.4%	4 165.57	per kVA	
3.5	**For low voltage connections from the rural network**										
3.5.1	For a connection directly to the LV busbars of a Pole transformer: RLM will provide	4.40%	4 459.31	4.90%	4 677.81	per kVA		4.4%	4 883.64	per kVA	
3.5.2	the pole transformer and upstream 11 kV line. In addition, the developer pays for the dedicated infrastructure, being a LV feeder breaker and the meter to be installed in the Minisub. For a connection directly to the LV busbars of a distribution kiosk located along an LV overhead feeder on the boundary of a property: RLM will provide the upstream LV overhead line feeder, the LV distribution kiosk, the pole transformer and upstream 11 kV lines. In addition, the developer pays for the dedicated infrastructure, being a LV feeder breaker and the meter to be installed in the distribution kiosk.	4.40%	4 767.58	4.90%	5 001.19	per kVA		4.4%	5 221.25	per kVA	

RUSTENBURG LOCAL MUNICIPALITY. DIRECTORATE - TECHNICAL AND INFRASTRUCTURE SERVICES

CIVIL BULK SERVICES CONTRIBUTIONS: NEW DEVELOPMENTS

1. CONTRIBUTIONS NORTH OF THE N4 (COUNCIL RES. 610 OF 25 SEPTEMBER 2001)

	Water		Sewerage		Roads		
Date	Pipeline	Storage	Pipeline	Treatment	Stormwater	Roads	Increase with 4.7% CPI January 2023
01 January 2023	R 1 091/Eq.Erf	R 1 091/Eq.Erf	R 2 458/Eq.Erf	R 2 192/m³	R 1210/Eq.Erf	R 3 350/trips	

2. CONTRIBUTIONS SOUTH OF THE N4 (COUNCIL RES. 69 OF 28 MAY 2002)

	Water	Sewerage		Roads		
Date	Water all inclusive	Pipeline	Treatment	Stormwater	Roads	Increase with 4.7% CPI January 2023
01 January 2023	R 7 170/Eq Erf	R 2 241/Eq.Erf	R 1 997/m³	R 1 090/Eq.Erf	R 3 186/trips	

3. CONTRIBUTIONS FOR THE DELTA AREA (COUNCIL RES. 25 - SEPTEMBER 2002)

	Water	Sewerage		Roads		
Date	Water all inclusive	Pipeline	Treatment	Stormwater	Roads	Increase with 4.7% CPI January 2023
01 January 2023	R 7 170/Eq Erf	R 2 148/Eq.Erf	R 1 997/m³	R 1 089/Eq.Erf	R 6 300/trips	

4. CONTRIBUTIONS FOR AREAS INCLUDING CUCKOO AVE (COUNCIL RES. 93 - 30 JULY 2002)

	Water	Sewerage		Roads		
Date	Water all inclusive	Pipeline	Treatment	Stormwater	Roads	Increase with 4.7% CPI January 2023
01 January 2023	R 7 170/Eq Erf	R 2 240/Eq.Erf	R 1 995/m³	R 1 086/Eq.Erf	R 6 685/trips	

NOTES:
Trips are calculated as follows:
a. Normal residential stand:(Res 1) **1.5 trips per normal household.** **b. Cluster housing: (Res 2)** **1.1 trips per normal household.**

WATER BASIC

CONSUMER	Approved Tariffs 2021/2022 monthly	Approved Tariffs 2021/2022 annually	2022/2023 Increase %	Approved Tariffs 2022/2023 monthly	Approved Tariffs 2022/2023 annually	2023/2024 Increase %	Approved Tariffs 2023/2024 monthly	Approved Tariffs 2023/2024 annually	2024/2025 Increase %	Approved Tariffs 2024/2025 monthly	Approved Tariffs 2024/2025 annually	Proposed Tariffs 2025/2026 monthly	Proposed Tariffs 2025/2026 annually	Billing Method
Residential	95.25	1 143.04	4.80%	99.83	1 197.91	4.80%	104.62	1 255.41	4.80%	109.64	1 315.67	116.00	1 391.98	Per Unit
Residential Vacant	100.69	1 208.22	4.80%	105.52	1 266.22	4.80%	110.58	1 326.99	4.80%	115.89	1 390.69	122.61	1 471.35	Per Unit
INDUSTRIAL	103.01	1 236.08	4.80%	107.95	1 295.41	4.80%	113.13	1 357.59	4.80%	118.56	1 422.76	125.44	1 505.28	Per Unit
INDUSTRIAL - Vacant	104.16	1 249.88	4.80%	109.16	1 309.88	4.80%	114.40	1 372.75	4.80%	119.89	1 438.64	126.84	1 522.09	Per Unit
Agricultural	97.97	1 175.63	4.80%	102.67	1 232.06	4.80%	107.60	1 291.20	4.80%	112.76	1 353.18	119.31	1 431.66	Per Unit
BUSINESS	103.01	1 236.08	4.80%	107.95	1 295.41	4.80%	113.13	1 357.59	4.80%	118.56	1 422.76	125.44	1 505.28	Per Unit
BUSINESS - Vacant	103.01	1 236.08	4.80%	107.95	1 295.41	4.80%	113.13	1 357.59	4.80%	118.56	1 422.76	125.44	1 505.28	Per Unit
CHURCH	93.11	1 117.36	4.80%	97.58	1 170.99	4.80%	102.27	1 227.20	4.80%	107.18	1 286.10	113.39	1 360.70	Per Unit
Educational	93.11	1 117.36	4.80%	97.58	1 170.99	4.80%	102.27	1 227.20	4.80%	107.18	1 286.10	113.39	1 360.70	Per Unit
STATE OWNED	97.35	1 168.22	4.80%	102.02	1 224.29	4.80%	106.92	1 283.06	4.80%	112.05	1 344.65	118.55	1 422.64	Per Unit
MUNICIPALITY	97.35	1 168.22	4.80%	102.02	1 224.29	4.80%	106.92	1 283.06	4.80%	112.05	1 344.65	118.55	1 422.64	Per Unit

WATER TARIFFS

CONSUMER	Approved Tariff 2022/2023	2023/2024 Increase	Approved Tariff 2023/2024	2024/2025 Increase	Approved Tariff 2024/2025	Proposed 2025/2026 Increase	Proposed Tariff 2025/2026
DOMESTIC (Prepaid and Convertional meters) TOTAL							
Consumption 0KL to 12KL	16.0846	8.0%	17.3714	11.7%	18.7611	13.0%	R21.20
Consumption 13KL to 25KL	17.0121	8.0%	18.3731	11.7%	19.8430	13.0%	R22.42
Consumption 26KL to 40KL	20.4171	8.0%	22.0505	11.7%	23.8145	13.0%	R26.91
Consumption 41KL TO 60KL	25.7914	8.0%	27.8547	11.7%	30.0831	13.0%	R33.99
Consumption above 60KL	29.2599	8.0%	31.6007	11.7%	34.1288	13.0%	R38.57
Domestic consumers with no meter Minimum charge per household per month (Full waterborne sanitation)	**98.4774**	**8.0%**	**106.3556**	**11.7%**	**114.8640**	**150.0%**	**R287.16**
Domestic consumers with no meter Minimum charge per household per month (Dry sanitation)	**98.4774**	**8.0%**	**106.3556**	**11.7%**	**114.8640**	**37.0%**	**R157.36**
AGRICULTURAL DOMESTIC TOTAL							
Consumption 0KL to 12KL	21.8910	8.0%	23.6422	11.7%	26.3965	13.0%	R29.83
Consumption 13KL to 25KL	24.0254	8.0%	25.9474	11.7%	28.9703	13.0%	R32.74
Consumption 26KL to 40KL	26.6553	8.0%	28.7877	11.7%	32.1415	13.0%	R36.32
Consumption 41KL to 60KL	26.2361	8.0%	28.3349	11.7%	31.6360	13.0%	R35.75
Consumption above 60KL	28.5484	8.0%	30.8323	11.7%	34.4243	13.0%	R38.90
INDUSTRIAL TOTAL							R-
Consumption 0KL to 60KL	25.6136	8.0%	27.6627	11.7%	30.8854	13.0%	R34.90
Consumption 61KL to 100KL	28.4849	8.0%	30.7637	11.7%	34.3477	13.0%	R38.81
Consumption 101KL to 150KL	29.9968	8.0%	32.3965	11.7%	36.1707	13.0%	R40.87
Consumption 151KL+	33.9608	8.0%	36.6777	11.7%	40.9506	13.0%	R46.27
INDUSTRIAL: BOSPOORT TOTAL							
Consumption 0KL to 60KL	27.0873	8.0%	29.2543	11.7%	32.6624	13.0%	R36.91
Consumption 61KL to 100KL	29.2726	8.0%	31.6144	11.7%	35.2975	13.0%	R36.91
Consumption 101KL to 150KL	28.5865	8.0%	30.8734	11.7%	34.4702	13.0%	R38.95
Consumption 151KL+	31.0767	8.0%	33.5628	11.7%	37.4729	13.0%	R42.34
COMMERCIAL TOTAL							R-
Consumption 0KL to 60KL	25.9566	8.0%	28.0331	11.7%	31.2989	13.0%	R35.37
Consumption 61KL to 100KL	27.8369	8.0%	30.0639	11.7%	33.5663	13.0%	R37.93
Consumption 101KL to 150KL	28.8406	8.0%	31.1478	11.7%	34.7765	13.0%	R39.30
Consumption 151KL+	31.3181	8.0%	33.8236	11.7%	37.7640	13.0%	R42.67
INSTITUTIONAL: Church TOTAL							R-
Consumption 0KL to 60KL	24.5717	8.0%	26.5375	11.7%	29 6291	13.0%	R33.48
Consumption 61KL to 100KL	26.2234	8.0%	28.3213	11.7%	31.6207	13.0%	R35.73
Consumption 101KL to 150KL	25.0672	8.0%	27.0726	11.7%	30.2266	13.0%	R34.16
Consumption 151KL+	27.1254	8.0%	29.2954	11.7%	32.7083	13.0%	R36.96
INSTITUTIONAL TOTAL							R-
Consumption 0KL to 60KL	24.0889	8.0%	26.0160	11.7%	29.0468	13.0%	R32.82
Consumption 61KL to 100KL	25.7025	8.0%	27.7587	11.7%	30.9926	13.0%	R35.02
Consumption 101KL to 150KL	24.8893	8.0%	26.8804	11.7%	30.0120	13.0%	R33.91
Consumption 151KL+	27.2651	8.0%	29.4464	11.7%	32.8769	13.0%	R37.15
INSTITUTIONAL:GOVERNMENT TOTAL							R-
Consumption 0KL to 60KL	25.6516	8.0%	27.7038	11.7%	30.9313	13.0%	R34.95
Consumption 61KL to 100KL	29.9713	8.0%	32.3690	11.7%	36.1400	13.0%	R40.84
Consumption 101KL to 150KL	28.8914	8.0%	31.2027	11.7%	34.8378	13.0%	R39.37
Consumption 151KL+	31.7501	8.0%	34.2901	11.7%	38.2849	13.0%	R43.26
PUBLIC AND PRIVATE SCHOOLS							R-
Consumption 0KL to 60KL	25.2070	8.0%	27.2235	11.7%	30.3951	13.0%	R34.35
Consumption 61KL to 100KL	29.4505	8.0%	31.8066	11.7%	35.5120	13.0%	R40.13
Consumption 101KL to 150KL	28.0148	8.0%	30.2560	11.7%	33.7809	13.0%	R38.17
Consumption 151KL+	30.4160	8.0%	32.8493	11.7%	36.6762	13.0%	R41.44
SPECIAL							
Consumption 0KL to 60KL	27.1762	8.0%	29.3503	11.7%	32.7696	13.0%	R37.03
Consumption 61KL to 100KL	28.8153	8.0%	31.1205	11.7%	34.7460	13.0%	R39.26
Consumption 101KL to 150KL	27.7734	8.0%	29.9953	11.7%	33.4897	13.0%	R37.84
Consumption 151KL+	30.2890	8.0%	32.7121	11.7%	36.5231	13.0%	R41.27

Industrial effluent monitoring

The following formula will apply for industrial effluent charges covering the conveyance, and treatment of industrial effluent.

$$Ti = C \times \frac{Qi}{Qt} \times [0,3 + 0,35\,Kc + 0,25\,Kn + 0,1\,Kp]$$

Where:

Ti = charge due in R/month

C = total cost of the sewerage undertaking of Rustenburg Local Municipality covering both treatment and conveyance and must include fixed, semi fixed and variable charges (R/month).

Qi = sewage flow from the industry in m³/month

Qt = sum of design capacities of all the waste water treatment works of the Rustenburg Local Municipality in m³/month

$$Kc = \frac{CODi}{CODt}$$

Where: CODi = industry sewage COD

CODt = target COD as published in **Schedule A** in the Bylaws in mg/ℓ

The ratio(Kc) is the larger of 1 or the actual ratio

$$Kn = \frac{TKNi}{TKNt}$$

Where: TKNi = the industry TKN

TKNt = target TKN as published in **Schedule A** in the Bylaws in mg/ℓ

The ratio(Kn) is the larger of 1 or the actual ratio

$$Kp = \frac{Pi}{Pt}$$

Where: Pi = Phosphate of industry in mg/ℓ

Pt = target Phosphate as published in **Schedule A** in these Bylaws in mg/ℓ

The ratio(Kp) is the larger of 1 or the actual ratio.

(a) The factor of 0,3 represents the "fixed portion" of the costs. This is independent of the strength (or make-up of the sewage) and also deals with the conveyance costs.

(b) The above formula is only applicable for the treatment of compliant effluent. If any constituent (heavy metals, any toxic substances etc.) exceeds the approved values, the municipality may introduce any of the following steps:
   i. Refuse to accept the effluent
   ii. Impose a fine on the industry
   iii. Insist on pre-treatment by the industry to render the effluent compliant prior to discharge to the municipal system.

(c) Fines for contravening the allowable limits of constituents in industrial effluents.

(d) The municipality sells treated sewage effluent to the mines as process water. There is stringent quality criteria associated with this and the mines may refuse to accept sub-standard effluent. In this case the municipality must provide them with potable water at no incremental cost. The one major concern is fats and oils in the effluent as that impact negatively on the mines processes.

(e) The municipality will thus, in particular, enforce the fat and oil standards rigorously.

(f) The fines will be implemented as follows:
   i. First written warning. No fine
   ii. Second contravention R10 000.00 fine regardless of quantity or quality
   iii. Subsequent contraventions:
   - Spot fines of the larger of R 10 000 or a flow related minimum fine of R5 per m3 or as per written approval
   - Refuse to accept the effluent

SUNDRY WATER TARIFFS

Description	Increase 2022/2023	Approved Tariff 2023/2024				Increase 2023/2024	Approved Tariff 2024/2025				Increase 2024/2025	Proposed Tariff 2025/2026				Increase 2025/2026
SUMMARY OF WATER CONNECTION		Short	Long	Short (Prepaid)	Long (Prepaid)		Short	Long	Short (Prepaid)	Long (Prepaid)		Short	Long	Short (Prepaid)	Long (Prepaid)	
15 mm Connection	6,50%	6 085,71	64 445,91	9 858,33	68 170,09	6,50%	6 481,28	68 634,90	10 499,12	72 601,15	6,50%	6 967,38	73 782,51	11 286,56	78 046,24	7,50%
20 mm Connection	6,50%	6 086,21	47 096,59	10 273,91	68 226,92	6,50%	6 481,81	50 157,87	10 941,72	72 661,66	6,50%	6 967,94	53 919,71	11 762,35	78 111,29	7,50%
25 mm Connection	6,50%	7 082,16	65 811,62	10 325,41	68 333,48	6,50%	7 542,50	70 089,38	10 996,56	72 775,16	6,50%	8 108,19	75 346,08	11 821,30	78 233,29	7,50%
	6,50%	Short	Long	Short (AMR)	Long (AMR)	6,50%	Short	Long	Short (AMR)	Long (AMR)	6,50%	Short	Long	Short (AMR)	Long (AMR)	7,50%
50 mm Connection	6,50%	25 623,50	102 380,34	34 684,43	111 443,04	6,50%	27 289,03	109 035,06	36 938,91	118 686,84	6,50%	29 335,70	117 212,69	39 709,33	127 588,35	7,50%
80 mm Connection	6,50%	35 306,01	112 693,32	44 368,71	121 754,24	6,50%	37 600,90	120 018,38	47 252,68	129 668,27	6,50%	40 420,97	129 019,76	50 796,63	139 393,39	7,50%
100 mm Connection	6,50%	42 207,38	151 476,64	51 268,31	128 891,81	6,50%	44 950,86	161 322,62	54 600,75	137 269,78	6,50%	48 322,17	173 421,82	58 695,80	147 565,01	7,50%
150 mm Connection	6,50%	63 890,04	151 476,64	72 952,74	157 802,61	6,50%	68 042,89	161 322,62	77 694,67	168 059,78	6,50%	73 146,11	173 421,82	83 521,77	180 664,27	7,50%
SUMMARY OF SEWER CONNECTION	**6,50%**	**Short**	**Long**			**6,50%**	**Short**	**Long**			**6,50%**	**Short**	**Long**			
100 mm Sewer Connection	6,50%	5 065,03	82 091,81	-	-	6,50%	5 394,26	87 427,78	-	-	6,50%	5 744,88	93 110,58	-	-	6,50%
160 mm Sewer Connection	6,50%	5 507,24	92 971,32	-	-	6,50%	5 865,21	99 014,45	-	-	6,50%	6 246,44	105 450,39	-	-	6,50%
SUMMARY OF METER TEST		**Cost**					**Cost**					**Cost**				
15mm Meter Test	6,50%	1 259,15	-	-	-	6,50%	1 341,00	-	-	-	6,50%	1 441,57	-	-	-	7,50%
20mm Meter Test	6,50%	1 303,55	-	-	-	6,50%	1 388,28	-	-	-	6,50%	1 492,40	-	-	-	7,50%
25mm Meter Test	6,50%	1 937,56	-	-	-	6,50%	2 063,50	-	-	-	6,50%	2 218,27	-	-	-	7,50%
50mm Meter Test	6,50%	2 617,76	-	-	-	6,50%	2 787,91	-	-	-	6,50%	2 997,01	-	-	-	7,50%
50mm Meter Test (connection)	6,50%	5 212,44	-	-	-	6,50%	5 551,24	-	-	-	6,50%	5 967,59	-	-	-	7,50%
80mm Meter Test	6,50%	3 590,98	-	-	-	6,50%	3 824,39	-	-	-	6,50%	4 111,22	-	-	-	7,50%
80mm Meter Test (connection)	6,50%	6 833,88	-	-	-	6,50%	7 278,08	-	-	-	6,50%	7 823,94	-	-	-	7,50%
100mm Meter Test	6,50%	4 564,21	-	-	-	6,50%	4 860,89	-	-	-	6,50%	5 225,45	-	-	-	7,50%
100mm Meter Test (connection)	6,50%	7 805,32	-	-	-	6,50%	8 312,67	-	-	-	6,50%	8 936,12	-	-	-	7,50%
150 mm Meter Test	6,50%	6 670,49	-	-	-	6,50%	7 104,07	-	-	-	6,50%	7 636,88	-	-	-	7,50%
150mm Meter Test (connection)	6,50%	7 805,32	-	-	-	6,50%	8 312,67	-	-	-	6,50%	8 936,12	-	-	-	7,50%
200mm Meter Test	6,50%	6 670,49	-	-	-	6,50%	7 104,07	-	-	-	6,50%	7 636,88	-	-	-	7,50%
200mm Meter Test (connection)	6,50%	7 805,32	-	-	-	6,50%	8 312,67	-	-	-	6,50%	8 936,12	-	-	-	7,50%
15mm water meter KSM	6,50%	623,36	-	-	-	6,50%	663,88	-	-	-	6,50%	713,67	-	-	-	7,50%
15mm water metered box	6,50%	884,42	-	-	-	6,50%	941,91	-	-	-	6,50%	1 012,56	-	-	-	7,50%
20mm water meter KSM	6,50%	648,22	-	-	-	6,50%	690,36	-	-	-	6,50%	742,13	-	-	-	7,50%
20mm water metered box	6,50%	1 165,03	-	-	-	6,50%	1 240,76	-	-	-	6,50%	1 333,82	-	-	-	7,50%
25mm water meter KSM	6,50%	1 479,38	-	-	-	6,50%	1 575,54	-	-	-	6,50%	1 693,70	-	-	-	7,50%
25mm water metered box	6,50%	1 843,44	-	-	-	6,50%	1 963,26	-	-	-	6,50%	2 110,51	-	-	-	7,50%
50mm water meter	6,50%	4 102,46	-	-	-	6,50%	4 369,12	-	-	-	6,50%	4 696,81	-	-	-	7,50%
50mm combination meter	6,50%	13 230,88	-	-	-	6,50%	14 090,88	-	-	-	6,50%	15 147,70	-	-	-	7,50%
80mm water meter	6,50%	5 221,31	-	-	-	6,50%	5 560,70	-	-	-	6,50%	5 977,75	-	-	-	7,50%
80mm combination meter	6,50%	14 438,53	-	-	-	6,50%	15 377,03	-	-	-	6,50%	16 530,31	-	-	-	7,50%
100mm water meter	6,50%	5 736,34	-	-	-	6,50%	6 109,20	-	-	-	6,50%	6 567,39	-	-	-	7,50%
100mm combination meter	6,50%	15 983,61	-	-	-	6,50%	17 022,55	-	-	-	6,50%	18 299,24	-	-	-	7,50%
150mm water meter	6,50%	9 323,78	-	-	-	6,50%	9 929,82	-	-	-	6,50%	10 674,56	-	-	-	7,50%
150mm combination meter	6,50%	31 612,03	-	-	-	6,50%	33 666,81	-	-	-	6,50%	36 191,82	-	-	-	7,50%
Prepaid / smart meter 15 - 25 mm	6,50%	4 439,89	-	-	-	6,50%	4 728,48	-	-	-	6,50%	5 083,12	-	-	-	7,50%
OTHER SERVICES																
Description																
WSDP Copy	6,50%	412,02	-	-	-	6,50%	438,80	-	-	-	6,50%	467,32	-	-	-	6,50%
Water services bylaw copy	6,50%	103,00	-	-	-	6,50%	109,70	-	-	-	6,50%	116,83	-	-	-	6,50%
Delivery of water by tankers	6,50%	973,22	-	-	-	6,50%	1 036,48	-	-	-	6,50%	1 103,85	-	-	-	6,50%
Septic and sewer tank disludging per Liter	6,50%	0,41	-	-	-	6,50%	0,44	-	-	-	6,50%	0,47	-	-	-	6,50%
Treated Water per kl	6,50%	15,66	-	-	-	6,50%	16,67	-	-	-	6,50%	17,76	-	-	-	6,50%
Portable toilets hire	6,50%	474,18	-	-	-	6,50%	505,00	-	-	-	6,50%	537,83	-	-	-	6,50%
Night soil disposal per 5Kl or part	6,50%	568,06	-	-	-	6,50%	604,99	-	-	-	6,50%	644,31	-	-	-	6,50%
Relocation of services fees	6,50%	Quote on request	-	-	-	6,50%	Quote on request				6,50%	Quote on request	-	-	-	6,50%
Damage recovery	6,50%	As per extent based on losses	-	-	-	6,50%	As per extent based on losses				6,50%	As per extent based on losses	-	-	-	6,50%
Adjustment of manhole	6,50%	Quote on request	-	-	-	6,50%	Quote on request				6,50%	Quote on request	-	-	-	6,50%
Subsequent Bylaw Contravention Notice Fees	6,50%		-	-	-	6,50%					6,50%	300,00	-	-	-	6,50%
Subsequent Industrial Effluent Permit Contravention fee	6,50%		-	-	-	6,50%					6,50%	300,00	-	-	-	6,50%
Permit Admin Fees	6,50%		-	-	-	6,50%					6,50%	500,00	-	-	-	6,50%
Wastewater Quality Check Per Parameter	6,50%	Based on current rates of appointed service provider	-	-	-	6,50%	Based on current rates of appointed service provider				6,50%	Based on current rates of appointed service provider	-	-	-	6,50%
Industrial Effluent Reinspection Fee	6,50%		-	-	-	6,50%					6,50%	500,00	-	-	-	6,50%
Industrial Effluent Permit Application Fee	6,50%		-	-	-	6,50%					6,50%	As per bylaw	-	-	-	6,50%
Industrial Effluent Permit Renewal Fee	6,50%		-	-	-	6,50%					6,50%	As per bylaw	-	-	-	6,50%
Bylaw Enforcement Reinspection Fee	6,50%		-	-	-	6,50%					6,50%	500,00	-	-	-	6,50%
Final Bylaw Contravention Notice Fees	6,50%		-	-	-	6,50%					6,50%	300,00	-	-	-	6,50%

SANITATION SERVICES

CONSUMER	Approved Tariff 2023/2024	2024/2025 Increase %	Approved Tariff 2024/2025	2025/2026 Increase %	Proposed Tariff 2025/2026	2026/2027 Increase %	Proposed Tariff 2026/2027	Billing Method
Residential 1 TOTAL								
Up to and including 300m²	202,8526	11,20%	225,5721	9,20%	246,3247	9,20%	268,9866	Sewer points
301m² to 1000m²	215,0289	11,20%	239,1121	9,20%	261,1105	9,20%	285,1326	
1001m² to 2000m²	232,2400	11,20%	258,2509	9,20%	282,0100	9,20%	307,9549	
2001m² and Above	255,4436	11,20%	284,0532	9,20%	310,1861	9,20%	338,7233	
Residential 2-4 TOTAL								
Up to and including 300m²	204,6996	11,20%	227,6259	9,20%	248,5675	9,20%	271,4357	Sewer points
301m² to 1000m²	216,9717	11,20%	241,2726	9,20%	263,4696	9,20%	287,7088	
1001m² to 2000m²	234,3333	11,20%	260,5786	9,20%	284,6519	9,20%	310,7307	
2001m² and Above	255,4436	11,20%	284,0532	9,20%	310,1861	9,20%	338,7233	
Business/Commercial TOTAL								Sewer points
Up to and including 300m²	221,1719	11,20%	245,9431	9,20%	268,5699	9,20%	293,2783	
301m² to 1000m²	245,5656	11,20%	273,0689	9,20%	298,1913	9,20%	325,6248	
1001m² to 2000m²	277,5525	11,20%	308,6384	9,20%	337,0331	9,20%	368,0401	
2001m² and Above	319,2941	11,20%	355,0551	9,20%	387,7202	9,20%	423,3904	
Industrial TOTAL								Sewer points
Up to and including 300m²	229,6269	11,20%	255,3451	9,20%	278,8368	9,20%	304,4898	
301m² to 1000m²	254,9100	11,20%	283,4599	9,20%	309,5382	9,20%	338,0157	
1001m² to 2000m²	288,1144	11,20%	320,3832	9,20%	349,8585	9,20%	382,0455	
2001m² and Above	331,4431	11,20%	368,5647	9,20%	402,4726	9,20%	439,5001	
Government TOTAL								Sewer points
Up to and including 300m²	229,6269	11,20%	255,3451	9,20%	278,8368	9,20%	304,4898	
301m² to 1000m²	254,9100	11,20%	283,4599	9,20%	309,5382	9,20%	338,0157	
1001m² to 2000m²	288,1144	11,20%	320,3832	9,20%	349,8585	9,20%	382,0455	
2001m² and Above	331,4431	11,20%	368,5647	9,20%	402,4726	9,20%	439,5001	
Church TOTAL								
Up to and including 300m²	221,1171	11,20%	245,8822	9,20%	268,5034	9,20%	293,2057	
301m² to 1000m²	244,3617	11,20%	271,7302	9,20%	296,7294	9,20%	324,0285	
1001m² to 2000m²	275,0215	11,20%	305,8239	9,20%	333,9596	9,20%	364,6839	
2001m² and Above	319,2941	11,20%	355,0551	9,20%	387,7202	9,20%	423,3904	
Educational TOTAL								
Up to and including 300m²	221,1171	11,20%	245,8822	9,20%	268,5034	9,20%	293,2057	
301m² to 1000m²	244,3617	11,20%	271,7302	9,20%	296,7294	9,20%	324,0285	
1001m² to 2000m²	275,0215	11,20%	305,8239	9,20%	333,9596	9,20%	364,6839	
2001m² and Above	319,2941	11,20%	355,0551	9,20%	387,7202	9,20%	423,3904	
Agri Residential TOTAL								
Up to and including 300m²	202,8662	11,20%	225,5873	9,20%	246,3413	9,20%	269,0047	
301m² to 1000m²	215,0289	11,20%	239,1121	9,20%	261,1105	9,20%	285,1326	
1001m² to 2000m²	232,2264	11,20%	258,2357	9,20%	281,9934	9,20%	307,9368	
2001m² and Above	255,4572	11,20%	284,0684	9,20%	310,2027	9,20%	338,7413	
Agri Business TOTAL								
Up to and including 300m²	221,1992	11,20%	245,9735	9,20%	268,6031	9,20%	293,3146	
301m² to 1000m²	245,5656	11,20%	273,0689	9,20%	298,1913	9,20%	325,6248	
1001m² to 2000m²	277,5525	11,20%	308,6384	9,20%	337,0331	9,20%	368,0401	
2001m² and Above	319,2941	11,20%	355,0551	9,20%	387,7202	9,20%	423,3904	
Municipal TOTAL								Sewer points
Up to and including 300m²	221,1992	11,20%	245,9735	9,20%	268,6031	9,20%	293,3146	
301m² to 1000m²	245,5656	11,20%	273,0689	9,20%	298,1913	9,20%	325,6248	
1001m² to 2000m²	277,5525	11,20%	308,6384	9,20%	337,0331	9,20%	368,0401	
2001m² and Above	319,2941	11,20%	355,0551	9,20%	387,7202	9,20%	423,3904	
Special TOTAL								Sewer points
Up to and including 300m²	221,1992	11,20%	245,9735	9,20%	268,6031	9,20%	293,3146	
301m² to 1000m²	247,8230	11,20%	275,5792	9,20%	300,9324	9,20%	328,6182	
1001m² to 2000m²	288,4975	11,20%	320,8092	9,20%	350,3237	9,20%	382,5535	
2001m² and Above	327,9270	11,20%	364,6548	9,20%	398,2031	9,20%	434,8378	
Vacant property TOTAL								
Up to and including 300m²	206,7654	11,20%	229,9231	9,20%	251,0760	9,20%	274,1750	
301m² to 1000m²	227,4379	11,20%	252,9110	9,20%	276,1788	9,20%	301,5872	
1001m² to 2000m²	254,7321	11,20%	283,2621	9,20%	309,3222	9,20%	337,7799	
2001m² and Above	290,3992	11,20%	322,9239	9,20%	352,6329	9,20%	385,0752	

WASTE MANAGEMENT SERVICES UNIT

Description	Tariff Code	Unit	2022/2023 TARIFFS	2023/2024 TARIFFS	CURRENT TARIFFS 2024/2025	Proposed Tariff 4,4% INCREASE 2025/2026	Proposed Tariff 4,5% INCREASE 2026/2027	Proposed Tariff 2,5 % INCREASE 2027/2028	Billig method	4,4% 2025/2026	Changes
1. DOMESTIC									Per unit		
Collection of 4 refuse bags/or 240L bin 1x per week -res 1 - Including Basic Charge.	AA	R/month	166,69	175,52	184,12	192,22	200,87	205,89		4,40%	
Additional refuse bags removal (Per Bag)			41,68	43,89	46,04	48,07	50,23	51,49			
Collection of 4 refuse bags/or 240L bin 1x per week res 2-4 per week res 2-4	BA	R/month	166,69	175,52	184,12	192,22	200,87	205,89			
Basic charge without collection (Applicable to vacant stands for street cleaning)			83,34	87,76	92,06	96,11	100,44	102,95			
2. COMMERCIAL/INDUSTRIAL											
Basic Charge (without collection) for all businesses (Shops) per Unit		R/month		672,12	705,05	736,08	769,20	788,43		4,40%	
Basic Charge (With collection service) per unit		R/month	319,14	336,06	352,53	368,04	384,60	394,21			
Hotels (basic without collection) per Unit	New	R/month				192,60	201,27	206,30			New
Hotels (basic with collection) per Unit	New	R/month				288,90	301,90	309,45			New
Guest Houses (basic without collection) per unit	New	R/month				196,60	205,45	210,58			New
Guest Houses (basic with collection) per unit	New	R/month				288,90	301,90	309,45			New
240L Bulk Container 1 X per week	CF	R/month	638,29	672,12	705,05	736,08	769,20	788,43			
240L Bulk Container (Additional)	CG	R/month	543,42	572,22	600,26	626,67	654,87	671,24			
770L Bulk Container 1 X per week		R/month	1897,64	1998,21	2096,12	2188,35	2286,83	2344,00			
770L Bulk Container (Additional)		R/month	1604,35	1689,38	1772,16	1850,13	1933,39	1981,73			
1100L Bulk Container 1 X per week		R/month	2725,68	2870,14	3010,78	3143,25	3284,70	3366,81			
1100L Bulk Container (Additional)		R/month	2311,66	2434,18	2553,45	2665,81	2785,77	2855,41			
1.5 m³ Bulk Container 1 X per week	CB	R/month	3105,21	3269,79	3430,01	3580,93	3742,07	3835,62			
1.5 m³ Bulk Container 1 X week (Additional)	CC	R/month	2656,68	2797,48	2934,56	3063,68	3201,54	3281,58			
4.0 m³ Bulk Container 1 X per week		R/month	7072,99	7447,86	7812,81	8156,57	8523,61	8736,70			
4.0 m³ Bulk Container 1 X week (Additional)		R/month	5968,91	6285,26	6593,24	6883,34	7193,09	7372,92			
6.0 m³ Bulk Container 1 X per week	CD	R/month	10480,51	11035,98	11576,74	12086,12	12630,00	12945,74			
6.0 m³ Bulk Container 1 X week (Additional)	CE	R/month	8884,36	9355,23	9813,64	10245,44	10706,48	10974,14			
3. INSTITUTIONAL											
Government Departments - Basic Charge without collection	New	R/month	175,09	184,37	193,40	737,49	770,68	789,94		4,40%	Amount of waste inspected and generated by institution
Government Departments - Basic Charge with collection	New	R/month				368,75	385,34	394,98			Amount of waste inspected and generated by institution
Churches - Basic charge without collection	New	R/month	175,09	184,37	193,40	737,49	770,68	789,94			Amount of waste inspected and generated by institution
Churches - Basic charge without collection	New	R/month				368,75	385,34	394,98			Amount of waste inspected and generated by institution
"Educational Facilities - Basic Charge without collection"	New	R/month	175,09	184,37	193,40	737,49	770,68	789,94			Amount of waste inspected and generated by institution
"Educational Facilities - Basic Charge with collection"	New	R/month				368,75	385,34	394,98			Amount of waste inspected and generated by institution

WASTE MANAGEMENT SERVICES UNIT

Description	Tariff Code	Unit	2022/ 2023 TARIFFS	2023/ 2024 TARIFFS	CURRENT TARIFFS 2024/2025	Proposed Tariff 4.4% INCREASE 2025/2026	Proposed Tariff 4.5% INCREASE 2026/2027	Proposed Tariff 2.5 % INCREASE 2027/2028	Billing method	4,4% 2025/2026	Changes
4. RENTAL SERVICES											
240L Bin Rental (Including disposal costs)	CJ	R/load	301,4	317,37	332,92	347,57	363,21	372,29			
770L Container Rental (Including disposal costs)		R/load	604,37	636,40	667,58	696,96	728,32	746,53			
1100L Container Rental (Including disposal costs)		R/load	690,7	727,31	762,95	796,52	832,36	853,17			
4 m³ Skip Container Rental (Per Load/ Removal)	CK	R/load	800	842,40	883,68	922,56	964,07	988,18		4,40%	
6 m³ Skip Container Rental (Per Load/ Removal)		R/load	1000	1053,00	1104,60	1153,20	1205,09	1235,22			
9 m³ Skip Container Rental (Per Load/ Removal)		R/load	1500	1579,50	1656,90	1729,80	1807,64	1852,83			
12 m³ Skip Container Rental (Per Load/ Removal)		R/load	1800	1895,40	1988,27	2075,76	2169,17	2223,40			
36/38 m³ Roro Container Rental (Per Load/ Removal)		R/load	3000	3159,00	3313,79	3459,60	3615,28	3705,66			
5. REGISTRATION AND LICENSING OF PRIVATE WASTE COLLECTORS											
5.1. CLIENTS FROM RUSTENBURG JURISDICTION											
Annual Registration and Licensing of Commercial/Private waste collectors, before 30 September, annually (Once off payment for above 4 tonnes/3500kg vehicles).			2297,58	2419,35	2537,90	2649,57	2768,80	2838,02	Per Vehicle	4,40%	
Annual Registration and Licensing of Commercial/Private waste collectors, before 30 September, annually (Once off payment for less than 4 tonnes/3500kg vehicles).			574,39	604,83	634,47	662,38	692,19	709,50	Per Vehicle		
Annual Registration for Licensing of Commercial/ Private waste collectors, after 30 September each year. (Once off payment for above 4 tonnes/3500kg vehicles)					5075,80	5299,14	5537,60	5676,04	Per Vehicle		
Annual Registration and Licensing of Commercial/Private waste collectors, after 30 September each year (Once off payment for less than 4 tonnes/3500kg vehicles).					1268,94	1324,77	1384,39	1419,00	Per Vehicle		
5.2. CLIENTS FROM OUTSIDE RUSTENBURG JURISDICTION											
Annual Registration and Licensing of Commercial/Private waste collectors, before 30 September, annually (Once off payment for above 4 tonnes/3500kg vehicles)			3446,36	3629,02	3806,84	3974,34	4153,19	4257,02	Per Vehicle	4,40%	
Annual Registration and Licensing of Commercial/Private waste collectors, before 30 September, annually (Once off payment for less than 4 tonnes/3500kg vehicles).			1723,18	1814,51	1903,42	1987,17	2076,59	2128,51	Per Vehicle		
Annual Registration for Licensing of Commercial/Private waste collectors, after 30 September each year. (Once off payment for above 4 tonnes/3500kg vehicles).					7613,68	7948,68	8306,37	8514,03	Per Vehicle		New
Annual Registration and Licensing of Commercial/Private waste collectors, after 30 September each year (Once off payment for less than 4 tonnes/3500kg vehicles).					3806,84	3974,34	4153,19	4257,02	Per Vehicle		New
6. OTHER SERVICES											
Rental of Waste Management hall		R/day	1382,41	1455,68	1527,01	1594,20	1665,94	1707,58			
Illegal Dumping Removal on empty stands 1- 1000 m²		R/stand	14050,13	14794,79	15519,73	16202,60	16931,72	17355,01			
Illegal Dumping Removal on empty stands 1001m² and above		R/stand	17388,8	18310,41	19207,62	20052,76	20955,13	21479,01			
Special Waste Removal	KA	R/t	1453,44	1530,47	1605,46	1676,10	1751,53	1795,32			
Carcass Removal	KD	R/carcass	401,63	422,92	443,64	463,16	484,01	496,11			
Condemned Foodstuff > ton		R/t	1371,15	1443,82	1514,57	1581,21	1652,36	1693,67			
Condemned Foodstuff < ton		<ton	600	631,80	662,76	691,92	723,06	741,13		4,40%	
Transportation of Condemned food > ton						5000,00	5225,00	5355,63			NEW
Street sweeper or collection worker		R/h	188,83	198,84	208,58	217,76	227,56	233,25			
Driver		R/h	279,14	293,93	308,33	321,90	336,38	344,79			
240 L Bin - Once off purchase		R	886,83	933,83	979,59	1022,69	1068,71	1095,43			
770 L Bin - Once off purchase		R	8346,61	8788,98	9219,64	9625,30	10058,44	10309,90			
1100 L Bin - Once off purchase		R	8694,39	9155,19	9603,79	10026,36	10477,55	10739,49			
7. DISPOSAL CHARGES AT THE WATERVAL LANDFILL SITE											
Landfill Site Access Cards		Per Vehicle			35,00	40,00	45,00	50,00			NEW-
Disposal charges at the Waterval Landfill (Non Municipal Resident)		R/t	517,22	544,63	571,32	596,45	623,30	638,88			
General waste (household waste and similar commercial, industrial and institutional wastes)		R/t	123,15	129,68	136,03	142,02	148,41	152,12			
Construction and demolition waste (uncontaminated soil and rubble up to a length of 80 cm from edge to edge)		R/t	8.21	8.65	9.07	9.47	9.90	10.15			
Rubble (stone, concrete or asphalt) with a length of larger than 80 cm from edge to edge		R/t	16,43	17,30	18,15	18,95	19,80	20,29			
Mixed construction and demolition waste (including glass, packagings, gypsum, wood, plastics, metals, etc.)		R/t	1378,55	1451,61	1522,74	1589,74	1661,28	1702,81			
Special waste (Includes solid, liquid, sludge waste or waste requiring special handling, e.g. condemned foodstuff, animal carcasses, de-listed sanitary waste, rags and grit from sewerage works, incinerator e.g. condemned foodstuff, animal carcasses, de-listed sanitary waste, rags and grit from sewerage works, incinerator ash, sludge etc. All special wastes will require prior approval		R/t	328,4	345,81	362,75	378,72	395,76	405,65		4,40%	
Mixed industrial and commercial waste		R/t	246,3	259,35	272,06	284,03	296,81	304,23			
Bulky waste (Furniture, sofas, beds, mattresses, shelfs, carpets, bicycles, and other bulky household items)		R/t	82,1	86,45	90,69	94,68	98,94	101,41			
Garden Waste Disposal - Residents		R/t	16,43	0,00	0,00	0,00	0,00	0,00			New
Garden Waste Disposal by commercial residents	NEW	R/t	0	17,30	18,15	18,95	19,80	20,29			New

ALL TARIFFS ARE EXCLUDING VAT

SWIMMING POOLS

Name of Facility	Description	Current Tariff 24/25	Proposed Tariff 25/26	Proposed Tariff 26/27	Proposed Tariff 27/28
Marais Street Swimming Pool	Adult (18 years and older)	R22,00	R22,00	R23,00	R24,00
	Child (between 3 and 17 years)	R8.00 (during weekends, School holidays and Public holidays)	R8.00 (during weekends, School holidays and Public holidays)	R9.00 (during weekends, School holidays and Public holidays)	R10.00 (during weekends, School holidays and Public holidays)
		R12.00 (during the week Monday to Friday)	R10.00 (during the week Monday to Friday)	R11.00 (during the week Monday to Friday)	R12.00 (during the week Monday to Friday)
	Pensioner (63 years and over / Pensioner with pension cards)	R17,00	R15,00	R15,00	R15,00
	School Group Booking (0 to 600 kids) no group bookings on weekends, school holidays and public holidays	R7.00 per ticket one entry	R7.00 per ticket one entry	R8.00 per ticket one entry	R9.00 per ticket one entry
	Private Event (terms and conditions apply)	R2 200,00	R2 300,00	R2 400,00	R2 500,00
	Gala (Provincial/National)	R3 250 (RLM collect gate takings) or R10 400 (Swimming Club collect gate takings) Access to the Clubhouse included (terms and conditions apply)	R2500 (RLM collect gate takings) or R4000 (Swimming Club collect gate takings) Access to the Clubhouse included (terms and conditions apply)	R2600 (RLM collect gate takings) or R4180 (Swimming Club collect gate takings) Access to the Clubhouse included (terms and conditions apply)	R2700 (RLM collect gate takings) or R4380 (Swimming Club collect gate takings) Access to the Clubhouse included (terms and conditions apply)
	Gala (School Inter-house/ Inter-high))	R1 100 (Spectators pay normal entry fee at municipal cashier. Access to the Clubhouse included (terms and conditions apply)	R1 150 (Spectators pay normal entry fee at municipal cashier. Access to the Clubhouse included (terms and conditions apply)	R1 200 (Spectators pay normal entry fee at municipal cashier. Access to the Clubhouse included (terms and conditions apply)	R1 230 (Spectators pay normal entry fee at municipal cashier. Access to the Clubhouse included (terms and conditions apply)
	Coaching or Teaching Swimming Lessons per month	R950,00	R1 000,00	R1 050.00	R1 100,00
	Harry Wulfse Hall	Deposit R620 Rental R1300 Total R1920	Deposit R600 Rental R1400 Total R2000	Deposit R600 Rental R1450 Total R2050	Deposit R600 Rental R1500 Total R2100
Middle Street Swimming Pool	Adult (18 years and older)	R22,00	R22,00	R23,00	R24,00
	Child (between 3 and 17 years)	R8.00 (during weekends, School holidays and Public holidays)	R8.00 (during weekends, School holidays and Public holidays)	R9.00 (during weekends, School holidays and Public holidays)	R10.00 (during weekends, School holidays and Public holidays)
		R12.00 (during the week Monday to Friday)	R10.00 (during the week Monday to Friday)	R11.00 (during the week Monday to Friday)	R12.00 (during the week Monday to Friday)
	Pensioner (63 years and over / Pensioner with pension cards)	R17,00	R15,00	R15,00	R15,00
	School Group Booking (0 to 600 kids) no group bookings on weekends, school holidays and public holidays	R7.00 per ticket one entry	R7.00 per ticket one entry	R8.00 per ticket one entry	R9.00 per ticket one entry
	Coaching or Teaching Swimming Lessons per month	R950,00	R1 000,00	R1 050.00	R1 100,00
	Private Event (terms and conditions apply)	R2 200,00	R2 300,00	R2 400,00	R2 500,00
Zinniaville Swimming Pool	Adult (18 years and older)	R22,00	R22,00	R23,00	R24,00
	Child (between 3 and 17 years)	R8.00 (during weekends, School holidays and Public holidays)	R8.00 (during weekends, School holidays and Public holidays)	R9.00 (during weekends, School holidays and Public holidays)	R10.00 (during weekends, School holidays and Public holidays)
		R12.00 (during the week Monday to Friday)	R10.00 (during the week Monday to Friday)	R11.00 (during the week Monday to Friday)	R12.00 (during the week Monday to Friday)
	Pensioner (63 years and over / Pensioner with pension cards)	R17,00	R15,00	R15,00	R15,00
	School Group Booking (0 to 600 kids) no group bookings on weekends, school holidays and public holidays	R7.00 per ticket one entry	R7.00 per ticket one entry	R8.00 per ticket one entry	R9.00 per ticket one entry
	Coaching or Teaching Swimming Lessons per month	R950,00	R1 000,00	R1 050.00	R1 100,00
Karlienpark Swimming Pool	Adult (18 years and older)	R22,00	R22,00	R23,00	R24,00
	Child (between 3 and 17 years)	R8.00 (during weekends, School holidays and Public holidays)	R8.00 (during weekends, School holidays and Public holidays)	R9.00 (during weekends, School holidays and Public holidays)	R10.00 (during weekends, School holidays and Public holidays)
		R12.00 (during the week Monday to Friday)	R10.00 (during the week Monday to Friday)	R11.00 (during the week Monday to Friday)	R12.00 (during the week Monday to Friday)
	Pensioner (63 years and over / Pensioner with pension cards)	R17,00	R15,00	R15,00	R15,00
	School Group Booking (0 to 600 kids) no group bookings on weekends, school holidays and public holidays	R7.00 per ticket one entry	R7.00 per ticket one entry	R8.00 per ticket one entry	R9.00 per ticket one entry
	Coaching or Teaching Swimming Lessons per month	R950,00	R1 000,00	R1 050.00	R1 100,00
Monakato Swimming Pool	Adult (18 years and older)	R22,00	R22,00	R23,00	R24,00
	Child (between 3 and 17 years)	R8.00 (during weekends, School holidays and Public holidays)	R8.00 (during weekends, School holidays and Public holidays)	R9.00 (during weekends, School holidays and Public holidays)	R10.00 (during weekends, School holidays and Public holidays)
		R12.00 (during the week Monday to Friday)	R10.00 (during the week Monday to Friday)	R11.00 (during the week Monday to Friday)	R12.00 (during the week Monday to Friday)
	Pensioner (63 years and over / Pensioner with pension cards)	R17,00	R15,00	R15,00	R15,00
	School Group Booking (0 to 600 kids) no group bookings on weekends, school holidays and public holidays	R7.00 per ticket one entry	R7.00 per ticket one entry	R8.00 per ticket one entry	R9.00 per ticket one entry
	Coaching or Teaching Swimming Lessons per month	R950,00	R1 000,00	R1 050.00	R1 100,00

LIBRARY & INFORMATION SERVICES Description	Old Tariff R/C	Current 2024/25 R/C	" Proposed 2025/26 " R/C	" Proposed 2026/27 " R/C	" Proposed 2027/28 " R / C	2025/26 INCREASE R / C	% INCREASE
FEES FOR OVERDUE LIBRARY MATERIAL							
Fine per week or part thereof (three days grace during first week)	R5, 50 per item	R5, 75 per item	R6,00 per item	R 6,30 per item	R 6,50	R0,25	4,40%
Maximum fine	R91,80 per item	R91,80 per item	R95,80 per item	R 100,00 per item	R102,50	R4,00	4,40%
FEES FOR DAMAGED OR LOST LIBRARY MATERIAL AND MEMBERSHIP CARD							
Loss or serious damage to any library material	Purchase price plus a 10% administration charge	Purchase price plus a 10% administration charge	Purchase price plus a 10% administration charge	Purchase price plus a 10% administration charge	Purchase price plus a 10% administration charge	Purchase price plus a 10% administration charge	
Any material mutilated, defaced, marked, creased or damaged by water, heat, fire, animals, or any other thing, but can still be circulated:							
Purchase price lower than R50,00	R 14,60 per item	R 14,60 per item	R 15, 30 per item	R 16,00 per item	R 16,40 per item	R0,70	4,40%
Purchase price higher than R50,00	R23,00 fine per item	R23,00 fine per item	R 24,00 fine per item	R 25,10 fine per item	R 25, 70 per item	R1,10	4,40%
Protective coverings of library material removed or damaged	R14,00 fine per item	R14,60 fine per item	R15,20 fine per item	R 15,90 per item	R 16,30 per item	R 0. 60	4,40%
Membership card lost or damaged -							
Issuing of duplicate card to adults	R45,00 per card	R45,00 per card	R47.00 per card	R49.10 per card	R 50,30 per card	R 2, 00	4,40%
Issuing of duplicate card to children	R25,00 per card	R25,00 per card	R26.10 per card	R27.30 per card	R 28,00 per card	R 1, 10	4,40%
MEMBERSHIP AND USER FEES							
Membership fees for loan services							
Books							
Persons residing and/or employed within the area of jurisdiction of the Rustenburg Local Municipality (Adult). Renewable annually at the rate determined by Council for that financial year.	R47,00 per card	R49.20 per card	R51.40 per card	R 53,70 per card	R 55,10 per card	R 2, 20	4,40%
Persons residing and/or employed within the area of jurisdiction of the Rustenburg Local Municipality (Children). Renewable annually at the rate determined by Council for that financial year.	R 25, 00 per card	R 26, 20 per card	R 27, 40 per card	R 28,60 per card	R 29,30 per card	R1,10	4,40%
Persons residing and/or employed within the area of jurisdiction of the Rustenburg Local Municipality (Elderly), Renewable annually at the rate determined by Council for that financial year.	R0,00	R0,00	R30,00 per card	R31,10 per card	R31,90 per card	New Tariff	0,00%
Persons residing and/or employed outside the area of jurisdiction of the Rustenburg Local Municipality -							
(a) Adults (non refundable fee)	R87.00 per person per year	R91.00 per person	R95.00 per person per year	R99.30 per person per year	R101.80 per person per year	R 4,00	4,40%
(b) Children (non refundable fee)	"R45,00 per person per year"	R47,00 per person per year	R49,00 per person per year	R 51,00 per person	R 52,30 per person	R 2,00	4,40%
(c) Elderly (non refundable fee)	R0,00	R0,00	R50,00	R52,00	R54,00	New Tariff	0,00%
Early Learning Centres and Primary Schools within the area of jurisdiction of the Rustenburg Local Municipality (Block Loan). Renewable annually at the rate determined by Council for that financial year.	R0,00	R0,00	R100,00 per institution per year	R105,00 per institution per year	R110,00 per institution per year	New Tariff	0,00%
Audio-visual material							
Compact discs -							
(a) Persons residing and/or employed within the area of jurisdiction of the Rustenburg Local Municipality. Renewable annually at the rate determined by Council for that financial year.	"R63.00 per person per year"	R65,50 per person per year	R68,40 per person per year	R71,40 per person per year	R 73,20 per person	R 2,90	4,40%
(b) Persons residing and/or employed outside the area of jurisdiction of the Rustenburg Local Municipality	"R103,00 per person per year"	R107,50 per person per year	R112,20 per person per year	R117,20 per person per year	R 120,10 per person	R4,70	4,4%
Audio books, DVD's and art prints							
(a) Persons residing and/or employed within the area of jurisdiction of the Rustenburg Local Municipality. Renewable annually at the rate determined by Council for that financial year.	"R43,00 per person per year"	R45,00 per person per year	R47,00 per person per year	R49,10 per person per year	R 50,30 per person	R 2, 00	4,4%
(b) Persons residing and/or employed outside the area of jurisdiction of the Rustenburg Local Municipality	"R67,00 per person per year"	R70,00 per person per year	R73,10 per person per year	R76,40 per person per year	R 78,30 per person	R 3,10	4,4%
Reservation and external request							
Reservation of library material out on loan	R6,50 per item	R7, 00 per item	R7, 30 per item	R7,60 per item	R 7.80 per person	R0, 30	4,4%
Provincial library loans: Service resides with the Provincial Library Services.	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	0,00%
Inter-library loans (on national level)	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	0,00%
(1) Books: The service resides with the Provincial Library Services. Requests and costs are handled by the Provincial Library Services.	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	0,00%
(2) Non-book material (periodicals, music scores, etc): NB The service resides with the Provincial Library Services. Requests and costs are handled by the Provincial Library Services.	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	0,00%
SABINET (Computerised national information network)							
Information searches	R 0, 00	R0,00	R0,00	R0,00	R 0, 00	R 0, 00	0,00%
Inter-library loans via SABINET: Service discontinued and is now offered free of charge by the Provincial Library Service	R0, 00	R 0,00	R0,00	R0,00	R 0,00	R 0,00	0,00%
Internet							
Internet search/access	Free of charge: Province will be supplying access(PIA)	Free of charge: Province is supplying access to internet for free(PIA)	Free of charge: Province is supplying access to internet for free(PIA)	Free of charge: Province is supplying access to internet for free(PIA)	Free of charge: Province is supplying access to internet for free(PIA)	Free of charge: Province is supplying access to internet for free(PIA)	0,00%
Printouts							
§ A4 paper (black & white)	R2,00 per copy	R 3,00 per copy	R 3,10 per copy	R 3, 20 per copy	R 3,30 per copy	R0,10	4,40%
§ A4 paper (colour)	R4,00 per copy	R6,00 per copy	R6,30 per copy	R 6,60 per copy	R 6,80 per copy	R0,30	4,40%
Computer printouts							4,9% +
Black ink printouts	R2,00 per A4 page	R 3,00 per copy	R 3,10 per copy	R 3,20 per copy	R 3,30 per copy	R0,10	4,40%
Colour ink printouts	R4,00 per A4 page	R 6,00 per copy	R 6,30 per copy	R 6,60 per copy	R 6,80 per copy	R0,30	4,40%
Photocopies							
A4 paper (black & white)	R2,00 per copy	R 3,00 per copy	R 3,10 per copy	R 3,20 per copy	R 3,30 per copy	R0,10	4,40%
A3 paper (black & white)	R4,00 per copy	R 6,00 per copy	R 6,30 per copy	R 6,60 per copy	R 6,80 per copy	R0,30	4,40%
A4 paper (colour)	R4,00 per copy	R6,00 per copy	R6,30 per copy	R6,60 per copy	R 6,80 per copy	R0,30	4,40%
A3 paper (colour)	R5,00 per copy	R12,00 per copy	R12,50 per copy	R13,10 per copy	R 13,40 per copy	R0,50	4,40%
Typing							
	R2.50 per page	R3, 00 per page	R3, 10 per page	R3.20 per page	R3.30 per page	R 0,10	4,40%
Facsimiles							
Facsimiles received (Facsimile facilities not activated on Municipal Devices)	R5,50 per page	R5,50 per page	R5,70 per page	R5,90 per page	R 6,00 per page	R 0. 20	4,40%
Facsimiles sent (Facsimile facilities not activated on Municipal Devices)	R6,00 per page	R6,00 per page	R6,30 per page	R6,60 per page	R 6,80 per page	R 0. 30	4,40%
Other services							
Services such as the provision of reference, study and reading facilities, information and reference enquiries, reader guidance services, etc	Free of charge	Free of charge	Free of charge	Free of charge	Free of charge		
RENTING OF AUDITORIUMS AND EQUIPMENT							
The full amount payable must be paid when making the reservation							
The breakage deposit indicated below will only be refunded if there were no losses or damages							
Library auditoriums and activity rooms							
Cultural associations and clubs, educational institutions, community development agents and welfare organisations: Regular use	"R350,00 deposit and R400 rent per occasion"	R350,00 deposit and R500,00 rent per occasion	R350,00 deposit and R522,00 rent per occasion	R350,00 deposit and R545,50 rent per occasion	R 350,00 deposit and R 559,50 rent per occasion	R0.00 deposit and R 22,00 rental	44,00%
Cultural associations and clubs, educational institutions, community development agents and welfare organisations: Ad hoc use	R400,00 deposit and R550,00 rent per occasion	R400,00 deposit and R650,00 rent per occasion	R400,00 deposit and R679,00 rent per occasion	R400,00 deposit and R709,00 rent per occasion	R 400,00 deposit and R 727,00 rent per occasion	R,00 deposit and R 29,00 rental	4.4%+
Businesses or profit-seeking body or individual	"R800,00 deposit and R1000,00 rent per occasion"	R800,00 deposit and R1 100,00 rent per occasion	R800,00 deposit and R1 148,00 rent per occasion	R800,00 deposit and R1 200,00 rent per occasion	R 800, 00 deposit and R 1 230,00 rent per occasion	R0,00 deposit and R 48,00 rental	4.4%+
Equipment							
Use of TV and video machine, slide or film projector, overhead projector, data video projector (with screen where required) and sound equipment -							
RENTING OF AUDITORIUMS AND EQUIPMENT	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	
(b) Businesses or profit-seeking body or individual	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	Similar than for the equipment of the Civic Centre	

CIVIC CENTRE & COMMUNITY HALLS	2023-24 (PREVIOUS TARIFFS)			2025-2026 (CURRENT TARIFFS)						2025-2028 (PROPOSED TARIFFS)					
Name of Facility	Rental	Refundable Deposit	Total	Rental	Refundable Deposit	Total	Rental	Refundable Deposit	Total	Rental	Refundable Deposit	Total	Rental	Refundable Deposit	Total
	Current 23/24	Current 23/24	23/24	Proposed 24/25	Proposed 24/25		Proposed 25/26	Proposed 25/26		Proposed 26/27	Proposed 26/27		Proposed 27/28	Proposed 27/28	
							4,4% Increase			4,5 Increase			2,5% Increase		
Atrium	R5 543,00	R1 924,00	7 467	R5 800.00	R2 000,00	R7 800.00	R6 333,74	R2 092,00	R8 425,74	R6 631,43	R2 188,23	R8 819,66	R6 797,22	R2 188,23	R8 985,45
Auditorium	R10 568,00	R1 924,00	12 492	R11 000.00	R2 000,00	R13 000.00	R12 012,26	R2 092,00	R14 104,26	R12 576,87	R2 188,23	R14 765,10	R12 891,29	R2 188,23	R15 079,52
Banquet hall	R9 853,00	R1 924,00	11 777	R10 300.00	R2 000,00	R12 300.00	R11 247,85	R2 092,00	R13 339,85	R11 776,51	R2 188,23	R13 964,74	R12 070,92	R2 188,23	R14 259,15
Banquet hall half	R4 251,00	R1 924,00	6 175	R4 500.00	R2 000,00	R6 500.00	R4 914,11	R2 092,00	R7 006,11	R5 145,08	R2 188,23	R7 333,31	R5 273,71	R2 188,23	R7 461,94
Caucus rooms	R1 541,00	n/a	1 541	R1 600.00	n/a	R1 600.00	R1 747,24	n/a	R1 747,24	R1 829,37	n/a	R1 829,37	R1 875,10	n/a	R1 875,10
City hall	R9 879,00	R1 924,00	11 803	R10 400.00	R2 000,00	R12 400.00	R11 357,05	R2 092,00	R13 449,05	R11 890,86	R2 188,23	R14 079,09	R12 188,13	R2 188,23	R14 376,36
City hall half	R5 021,00	R1 924,00	6 945	R5 200.00	R2 000,00	R7 200.00	R5 678,52	R2 092,00	R7 770,52	R5 945,42	R2 188,23	R8 133,65	R6 094,06	R2 188,23	R8 282,29
Terrace/Pergola	R2 196,00	R771,00	2 967	R2 300.00	R1000.00	R3 300.00	R2 511,66	R1 004,60	R3 516,26	R2 629,71	R1 050,81	R3 680,52	R2 695,45	R1 050,81	R3 746,26
Main bar	R2 447,00	R771,00	3 218	R2 600.00	R1000.00	R3 600.00	R2 839,26	R1 004,60	R3 843,86	R2 972,71	R1 050,81	R4 023,52	R3 047,03	R1 050,81	R4 097,84
Preparation fee/Rehearsal fee	R1 867,00	n/a	1 876	R2000.00	n/a	R2 000,00	R2 184,05	n/a	R2 184,05	R2 286,70	n/a	R2 286,70	R2 343,87	n/a	R2 343,87
Hiring fee per chair	R14,60	n/a	R14,60	R15,00	n/a	R15,00	R16,38	n/a	R16,38	R17,15	n/a	R17,15	R17,58	n/a	R17,58
Hiring fee per square table	R31,00	n/a	R31,00	R30,00	n/a	R30,00	R32,76	n/a	R32,76	R34,30	n/a	R34,30	R35,16	n/a	R35,16
Hiring fee per round table	R42,00	n/a	R42,00	R40,00	n/a	R40,00	R43,68	n/a	R43,68	R45,73	n/a	R45,73	R46,87	n/a	R46,87
Foyer	R2 123,00	n/a	2 123	R2200.00	n/a	R2 200,00	R2 402,45	n/a	R2 402,45	R2 515,38	n/a	R2 515,38	R2 578,26	n/a	R2 578,26
B Tause Austrian Hall	R1 931,00	R1 082,00	R3 013,00	R2000.00	R1000.00	R3000.00	R2 184,05	R1 004,60	R3 188,65	R2 286,70	R1 050,81	R3 337,51	R2 343,87	R1 050,81	R3 394,68
Marikana Community Hall	R1 931,00	R1 082,00	R3 013,00	R2000.00	R1000.00	R3000.00	R2 184,05	R1 004,60	R3 188,65	R2 286,70	R1 050,81	R3 337,51	R2 340,79	R1 050,81	R3 391,60
Ben Marais Hall	R5 150,00	R2 166,00	R7 316,00	R5400.00	R2000.00	R7400.00	R5 896,93	R2 092,00	R7 988,93	R6 174,10	R2 188,23	R8 362,33	R6 328,45	R2 188,23	R8 516,68
Photoshoot	R260,00	n/a	R260,00	R300,00	n/a	R300.00	R327,61	n/a	R327,61	R343,00	n/a	R343,00	R351,58	n/a	R351,58
Boitekong Hall	R1 931,00	R1 082,00	R3 013,00	R2000.00	R1000.00	R3000.00	R2 184,05	R1 004,60	R3 188,65	R2 286,70	R1 050,81	R3 337,51	R2 343,87	R1 050,81	R3 394,68
Meriting Hall	R1 931,00	R1 082,00	R3 013,00	R2000.00	R1000.00	R3000.00	R2 184,05	R1 004,60	R3 188,65	R2 286,70	R1 050,81	R3 337,51	R2 343,87	R1 050,81	R3 394,68
Monakato Hall	R1 931,00	R1 082,00	R3 013,00	R2000.00	R1000.00	R3000.00	R2 184,05	R1 004,60	R3 188,65	R2 286,70	R1 050,81	R3 337,51	R2 343,87	R1 050,81	R3 394,68
Old Town Hall	R4 000,00	R2 166,00	R6 166,00	R4 000,00	R2000.00	R6000.00	R4 368,10	R2 092,00	R6 460,10	R4 573,40	R2 188,23	R6 761,63	R4 687,74	R2 188,23	R6 875,97
Phatsima Hall	R1 931,00	R1 082,00	R3 013,00	R2000.00	R1000.00	R3000.00	R2 184,05	R1 004,60	R3 188,65	R2 286,70	R1 050,81	R3 337,51	R2 343,87	R1 050,81	R3 394,68
Tlhabane Hall	R1 931,00	R1 082,00	R3 013,00	R2000.00	R1000.00	R3000.00	R2 184,05	R1 004,60	R3 188,65	R2 286,70	R1 050,81	R3 337,51	R2 343,87	R1 050,81	R3 394,68
WA van Zyl	R1 931,00	R1 082,00	R3 013,00	R2000.00	R1000.00	R3000.00	R2 184,05	R1 004,60	R3 188,65	R2 286,70	R1 050,81	R3 337,51	R2 343,87	R1 050,81	R3 394,68
Zinniaville Hall	R1 931,00	R1 082,00	R3 013,00	R2000.00	R1000.00	R3000.00	R2 184,05	R1 004,60	R3 188,65	R2 286,70	R1 050,81	R3 337,51	R2 343,87	R1 050,81	R3 394,68
Paardekraal Hall	R1 931,00	R1 082,00	R3 013,00	R2000.00	R1000.00	R3000.00	R2 184,05	R1 004,60	R3 188,65	R2 286,70	R1 050,81	R3 337,51	R2 343,87	R1 050,81	R3 394,68
Sunrisepark Hall	R1 931,00	R1 082,00	R3 013,00	R2000.00	R1000.00	R3000.00	R2 184,05	R1 004,60	R3 188,65	R2 286,70	R1 050,81	R3 337,51	R2 343,87	R1 050,81	R3 394,68

SPORTS FACILITIES	2024-25 (Current Tariffs)			2025-26 (Proposed Tariffs)			2026-27 (Proposed Tariffs)			2027-28 (Proposed Tariffs)		
Name of Facility	Rental	Refundable Dep.	Total	Rental	Refundable Dep.	Total	Rental	Refundable Dep.	Total	Rental	Refundable Dep.	Total
	24/25	24/25	24/25	Proposed 25/26	Proposed 25/26	25/26	Proposed 26/27	Proposed 26/27	26/27	Proposed 27/28	Proposed 27/28	27/28
Olympia Park Stadium (Private Use)	11 200	2 500	13 700	11 700	2 500	14 200	12 250	2 500	14 750	12 250	2 500	14 750
Olympia Park Stadium (Government)	8 170	2 500	10 670	8 500	2 500	11 000	9 000	2 500	11 500	9 000	2 500	11 500
Olympia Park Stadium (Professional Events)	24 530	3 700	28 230	25 600	4 000	29 600	27 000	4 000	31 000	28 000	4 000	32 000
Olympia Park Stadium (Schools/Education Centres)	5 110	2 500	7 610	5 300	2 500	7 800	5 550	2 500	8 050	5 550	2 500	8 050
Olympia Park Stadium Preparation Fee per day	1 840	-	1 840	1 900	-	1 900	2 000	-	2 000	2 000	-	2 000
Kitchen	1 340	620	1 960	2 000	500	2 500	2 000	500	2 500	2 100	500	2 600
Flood Lights Olympia Park Stadium per hour	1 075	-	1 075	1 100	-	1 100	1 200	-	1 200	1 200	-	1 200
Single Barricade	60	5 000	5 060	100	5 000	5 100	100	5 000	5 100	65	5 000	5 065
Double Barricade	110	5 000	5 110	150	5 000	5 150	150	5 000	5 150	120	5 000	5 120
Super Suite Hall	4 770	1 240	6 010	3 500	1 500	5 000	3 650	1 500	5 150	3 750	1 500	5 250
Super Suite Preparation Fee per day	1 020	-	1 020	1 000	-	1 000	1 000	-	1 000	1 100	-	1 100
Skierlik Hall (NEW TARIFF)	-	-	-	2 500	1 500	4 000	2 500	1 500	4 000	2 600	1 500	4 100
North West Hall	1 350	620	1 970	1 400	600	2 000	1 500	600	2 100	1 550	600	2 150
North West Hall Preparation Fee per day	600	-	600	650	-	650	700	-	700	750	-	750
Small Halls 2 to 5	1 230	620	1 850	1 280	500	1 780	1 300	500	1 800	1 330	500	1 830
Tennis Clubhouse	1 230	620	1 850	1 300	1 500	2 800	1 350	1 500	2 850	1 400	1 500	2 900
Ringball Clubhouse	1 230	620	1 850	1 300	1 500	2 800	1 350	1 500	2 850	1 400	1 500	2 900
Hockey Clubhouse	1 230	620	1 850	1 300	1 500	2 800	1 350	1 500	2 850	1 400	1 500	2 900
Rustenburg East Sports Clubhouse	1 230	620	1 850	1 300	1 500	2 800	1 350	1 500	2 850	1 400	1 500	2 900
Rustenburg East Tennis Clubhouse	1 230	620	1 850	1 300	1 500	2 800	1 350	1 500	2 850	1 400	1 500	2 900
Outside Sports Grounds Professional Events	5 450	2 000	7 450	5 700	2 000	7 700	5 950	2 000	7 950	6 100	2 000	8 100
Outside Sports Grounds Private Events	2 200	1 500	3 700	1 500	1 000	2 500	1 550	1 000	2 550	1 600	1 000	2 600
Outside Sports Grounds Sports Events	540	500	1 040	550	500	1 050	550	500	1 050	600	500	1 100

CEMETERIES											
				CURRENT TARIFFS					Tariff 2024 2025		
Description	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	Increase (%)4.4
Adult Resident	R 1 085,00	R 796,00	R 796,00	R 796,00	R 796,00	R 796,00	R 796,00	R 1 085,00	------	------	
Adult Non-resident	R 2 546,00	R 1 314,00	R 1 314,00	R 1 314,00	R 1 314,00	R 1 314,00	R 1 314,00	R 2 794,00	------	------	
Child Resident (under 12)	------	R 475,00	R 295,00	R 295,00	R 295,00	R 295,00	R 295,00	R 787,00	------	------	
Child Non-resident (under 12)	------	R 893,00	R 893,00	R 893,00	R 893,00	R 893,00	R 893,00	R 1 607,00	------	------	
Monumental: Adult resident	R 1 465,00	--------	-------	------	------	-------	------	R 1 612,00	------	------	
Monumental: Adult Non-resident	----------	------	------	-------	-------	--------	-------	R 2 793,00	----	----	
Monumental: Child Resident	----------	------	------	-------	------	-------	-------	R 1 268,00	----	----	
Monumental: Child Non-resident	----------	------	----	----	-----	----	------	R 2 467,00			
Pauper burial- Adults grave								R 340,00			
pauper burial- Child grave	-------	-------	--------	--------	-------	--------	-------	R 172,00	-------	------	
Remembrance Hall	**Donkerhoek**	**Zinniaville**	**Karlienpark**	**Marikana**	**Phatsima**	**Lethabong**	**Monakato**	**Rietvlei**	**Tlhabane**	**Sunrisepark**	
Urn Resident	R 470,00	------	----	----	----	-----	------	R 470,00	---	------	
Urn Non-resident	R 732,00	------	----	------	------	----	------	R 732,00	----	------	
Sundry Tariffs	**Donkerhoek**	**Zinniaville**	**Karlienpark**	**Marikana**	**Phatsima**	**Lethabong**	**Monakato**	**Rietvlei**	**Tlhabane**	**Sunrisepark**	
Exhumation – All	R 340,00	R 340,00	R 340,00	R 340,00	R 340,00	R 340,00	R 340,00	R 340,00	R 340,00	R 340,00	
Approval of Plans: Residents	R 199,00	R 199,00	R 199,00	R 199,00	R 199,00	R 199,00	R 199,00	R 199,00	R 199,00	R 199,00	
Approval of Plans: Non Residents	R 639,00	--------	R 280,00	R 280,00	R 280,00	R 280,00	R 280,00	R 280,00	R 280,00	R 280,00	
After Hours Burial: Resident	R 555,00	------	193	193	193	193	193	R 555,00	193	-------	
After Hours Burial: Non Resident	R 664,00	R 664,00	R 664,00	R 664,00	R 664,00	R 664,00	R 664,00	R 664,00	-------	-------	
Re-opening	R 793,00	------	369	369	369	369	369	R 793,00	369	-------	
Additional depth	R 108,00	--------	108	108	108	108	108	R 108,00	------	-------	
Oversize coffins	R 70,00	70	70	70	70	70	70	R 70,00	------	-------	
Reservations											
Description	**Donkerhoek**	**Zinniaville**	**Karlienpark**	**Marikana**	**Phatsima**	**Lethabong**	**Monakato**	**Rietvlei**	**Tlhabane**	**Sunrisepark**	
Garden Section	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	
Monumental Section	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	

CEMETERIES											
				PROPOSED					Tariff 2025 2026		
Description	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	Increase (%)4.4
Adult Resident	R 1 132,00	R 831,00	R 831,00	R 831,00	R 831,00	R 831,00	R 831,00	R 1 132,00	------	------	
Adult Non-resident	R 2 658,00	R 1 371,00	R 1 314,00	R 1 314,00	R 1 314,00	R 1 314,00	R 1 314,00	R 2 916,00	------	------	
Child Resident (under 12)	------	R 495,00	R 307,00	R 307,00	R 307,00	R 307,00	R 307,00	R 862,00	------	------	
Child Non-resident (under 12)	------	R 973,00	R 973,00	R 973,00	R 973,00	R 973,00	R 973,00	R 1 686,00	------	------	
Monumental: Adult resident	R 1 596,00	--------	------	------	------	--------	-------	R 1 682,00	------	-------	
Monumental: Adult Non-resident	----------	------	------	-------	-------	--------	-------	R 2 915,00	----	----	
Monumental: Child Resident	----------	------	------	-------	------	-------	-------	R 1 323,00	----	----	
Monumental: Child Non-resident	----------	------	----	----	-----	----	------	R 2 575,00			
Pauper burial- Adults grave								R 355,00			
pauper burial- Child grave	-------	-------	--------	--------	-------	--------	-------	R 180,00	-------	------	
Remembrance Hall	**Donkerhoek**	**Zinniaville**	**Karlienpark**	**Marikana**	**Phatsima**	**Lethabong**	**Monakato**	**Rietvlei**	**Tlhabane**	**Sunrisepark**	
Urn Resident	R 490,00	------	----	----	----	-----	------	R 490,00	---	------	
Urn Non-resident	R 767,00	------	----	------	------	----	------	R 767,00	----	------	
Sundry Tariffs	**Donkerhoek**	**Zinniaville**	**Karlienpark**	**Marikana**	**Phatsima**	**Lethabong**	**Monakato**	**Rietvlei**	**Tlhabane**	**Sunrisepark**	
Exhumation – All	R 353,00	R 353,00	R 353,00	R 353,00	R 353,00	R 353,00	R 353,00	R 353,00	R 353,00	R 353,00	
Approval of Plans: Residents	R 207,00	R 207,00	R 207,00	R 207,00	R 207,00	R 207,00	R 207,00	R 207,00	R 207,00	R 207,00	
Approval of Plans: Non Residents	R 667,00	--------	R 292,00	R 292,00	R 292,00	R 292,00	R 292,00	R 292,00	R 292,00	R 292,00	
After Hours Burial: Resident	R 604,00	------	289	289	289	289	289	R 579,00	289	-------	
After Hours Burial: Non Resident	R 693,00	R 693,00	R 693,00	R 693,00	R 693,00	R 693,00	R 693,00	R 693,00	-------	-------	
Re-opening	R 827,00	------	385	385	385	385	385	R 827,00	385	-------	
Additional depth	R 112,00	--------	R 112,00	R 112,00	R 112,00	R 112,00	R 112,00	R 112,00	------	-------	
Oversize coffins	R 73,00	R 73,00	R 73,00	R 73,00	R 73,00	R 73,00	R 73,00	R 73,00	------	-------	
Reservations											
Description	**Donkerhoek**	**Zinniaville**	**Karlienpark**	**Marikana**	**Phatsima**	**Lethabong**	**Monakato**	**Rietvlei**	**Tlhabane**	**Sunrisepark**	
Garden Section	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	
Monumental Section	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	

CEMETERIES											
				PROPOSED					Tariffs 2026 2027		
Description	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	Increase (%)4.4
Adult Resident	R 1 182,94	R 868,40	R 868,40	R 868,40	R 868,40	R 868,40	R 868,40	R 1 182,94	------	------	
Adult Non-resident	R 2 777,61	R 1 432,70	R 1 373,13	R 1 373,13	R 1 373,13	R 1 373,13	R 1 373,13	R 3 047,22	------	------	
Child Resident (under 12)	------	R 517,28	R 320,82	R 320,82	R 320,82	R 320,82	R 320,82	R 900,79	------	------	
Child Non-resident (under 12)	------	R 1 016,79	R 1 016,79	R 1 016,79	R 1 016,79	R 1 016,79	R 1 016,79	R 1 761,87	------	------	
Monumental: Adult resident	R 1 667,82	------	------	------	------	------	------	R 1 757,69	------	------	
Monumental: Adult Non-resident	------	------	------	------	------	------	------	R 3 046,18	------	------	
Monumental: Child Resident	------	------	------	------	------	------	------	R 1 382,54	------	------	
Monumental: Child Non-resident	------	------	------	------	------	------	------	R 2 690,88	R 0,00	R 0,00	
Pauper burial- Adults grave	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 370,98	R 0,00	R 0,00	
pauper burial- Child grave	------	------	------	------	------	------	------	R 188,10	------	------	
Remembrance Hall	**Donkerhoek**	**Zinniaville**	**Karlienpark**	**Marikana**	**Phatsima**	**Lethabong**	**Monakato**	**Rietvlei**	**Tlhabane**	**Sunrisepark**	
Urn Resident	R 512,05	------	------	------	------	------	------	R 512,05	------	------	
Urn Non-resident	R 801,52	------	------	------	------	------	------	R 801,52	------	------	
Sundry Tariffs	**Donkerhoek**	**Zinniaville**	**Karlienpark**	**Marikana**	**Phatsima**	**Lethabong**	**Monakato**	**Rietvlei**	**Tlhabane**	**Sunrisepark**	
Exhumation – All	R 368,89	R 368,89	R 368,89	R 368,89	R 368,89	R 368,89	R 368,89	R 368,89	R 368,89	R 368,89	
Approval of Plans: Residents	R 216,32	R 216,32	R 216,32	R 216,32	R 216,32	R 216,32	R 216,32	R 216,32	R 216,32	R 216,32	
Approval of Plans: Non Residents	R 697,02	------	R 305,14	R 305,14	R 305,14	R 305,14	R 305,14	R 305,14	R 305,14	R 305,14	
After Hours Burial: Resident	R 631,18	------	R 302,01	R 302,01	R 302,01	R 302,01	R 302,01	R 605,06	R 302,01	------	
After Hours Burial: Non Resident	R 724,19	R 724,19	R 724,19	R 724,19	R 724,19	R 724,19	R 724,19	R 724,19	------	------	
Re-opening	R 864,22	------	R 402,33	R 402,33	R 402,33	R 402,33	R 402,33	R 864,22	R 402,33	------	
Additional depth	R 117,04	------	R 117,04	R 117,04	R 117,04	R 117,04	R 117,04	R 117,04	------	------	
Oversize coffins	R 76,29	R 76,29	R 76,29	R 76,29	R 76,29	R 76,29	R 76,29	R 76,29	------	------	
Reservations											
Description	**Donkerhoek**	**Zinniaville**	**Karlienpark**	**Marikana**	**Phatsima**	**Lethabong**	**Monakato**	**Rietvlei**	**Tlhabane**	**Sunrisepark**	
Garden Section	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	
Monumental Section	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	

CEMETERIES											
				PROPOSED					Tariffs 2027 2028		
Description	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	Increase (%)2.5
Adult Resident	R 1 212,51	R 890,10	R 890,10	R 890,10	R 890,10	R 890,10	R 890,10	R 1 212,51	------	------	
Adult Non-resident	R 2 847,05	R 1 468,51	R 1 407,46	R 1 407,46	R 1 407,46	R 1 407,46	R 1 407,46	R 3 123,40	------	------	
Child Resident (under 12)	------	R 530,21	R 328,84	R 328,84	R 328,84	R 328,84	R 328,84	R 923,31	------	------	
Child Non-resident (under 12)	------	R 1 042,20	R 1 042,20	R 1 042,20	R 1 042,20	R 1 042,20	R 1 042,20	R 1 805,92	------	------	
Monumental: Adult resident	R 1 709,52	------	------	------	------	------	------	R 1 801,63	------	------	
Monumental: Adult Non-resident	------	------	------	------	------	------	------	R 3 122,33	------	------	
Monumental: Child Resident	------	------	------	------	------	------	------	R 1 417,10	------	------	
Monumental: Child Non-resident	------	------	------	------	------	------	------	R 2 758,15	R 0,00	R 0,00	
Pauper burial- Adults grave	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 380,25	R 0,00	R 0,00	
pauper burial- Child grave	------	------	------	------	------	------	------	R 192,80	------	------	
Remembrance Hall	**Donkerhoek**	**Zinniaville**	**Karlienpark**	**Marikana**	**Phatsima**	**Lethabong**	**Monakato**	**Rietvlei**	**Tlhabane**	**Sunrisepark**	
Urn Resident	R 524,85	------	------	------	------	------	------	R 524,85	------	------	
Urn Non-resident	R 821,55	------	------	------	------	------	------	R 821,55	------	------	
Sundry Tariffs	**Donkerhoek**	**Zinniaville**	**Karlienpark**	**Marikana**	**Phatsima**	**Lethabong**	**Monakato**	**Rietvlei**	**Tlhabane**	**Sunrisepark**	
Exhumation – All	R 378,11	R 378,11	R 378,11	R 378,11	R 378,11	R 378,11	R 378,11	R 378,11	R 378,11	R 378,11	
Approval of Plans: Residents	R 221,72	R 221,72	R 221,72	R 221,72	R 221,72	R 221,72	R 221,72	R 221,72	R 221,72	R 221,72	
Approval of Plans: Non Residents	R 714,44	------	R 312,77	R 312,77	R 312,77	R 312,77	R 312,77	R 312,77	R 312,77	R 312,77	
After Hours Burial: Resident	R 646,96	------	R 309,56	R 309,56	R 309,56	R 309,56	R 309,56	R 620,18	R 309,56	------	
After Hours Burial: Non Resident	R 742,29	R 742,29	R 742,29	R 742,29	R 742,29	R 742,29	R 742,29	R 742,29	------	------	
Re-opening	R 885,82	------	R 412,38	R 412,38	R 412,38	R 412,38	R 412,38	R 885,82	R 412,38	------	
Additional depth	R 119,97	------	R 119,97	R 119,97	R 119,97	R 119,97	R 119,97	R 119,97	------	------	
Oversize coffins	R 78,19	R 78,19	R 78,19	R 78,19	R 78,19	R 78,19	R 78,19	R 78,19	------	------	
Reservations											
Description	**Donkerhoek**	**Zinniaville**	**Karlienpark**	**Marikana**	**Phatsima**	**Lethabong**	**Monakato**	**Rietvlei**	**Tlhabane**	**Sunrisepark**	
Garden Section	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	
Monumental Section	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	No reservations	

HIRING OF SHOWGROUNDS HALLS

TARIFF DESCRIPTION	Frequency	Tariffs 2023/24	Approved Tariffs 2024/25	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28	2025/2026 INCREASE	2025/2026 INCREASE
		R/C	R/C	R/C	R/C	R/C	R/C	(%)
HALLS								
Administrative Fee	**Once Off**	**R149**	**R157**	**R164**	**R171**	**R179**	**R7**	**4.6% p.a**
Ans van Zyl Hall	Per Day	R3 734	R3 917	R4 097	R4 286	R4 483	R180	4.6% p.a
Ans van Zyl Hall	Per Week	R26 140	R27 421	R28 682	R30 001	R31 381	R1 261	4.6% p.a
Ans van Zyl Hall	Per Month	R74 685	R78 344	R81 948	R85 718	R89 661	R3 604	4.6% p.a
Ans van Zyl Hall	Per Rtb Show	R10 456	R10 968	R11 473	R12 001	R12 553	R505	4.6% p.a
Administrative Fee	**Once Off**	**R149**	**R157**	**R164**	**R171**	**R179**	**R7**	**4.6% p.a**
Johann Voster	Per Day	R3 734	R3 917	R4 097	R4 286	R4 483	R180	4.6% p.a
Johann Voster	Per Week	R18 671	R19 586	R20 487	R21 429	R22 415	R901	4.6% p.a
Johann Voster	Per Month	R55 544	R58 266	R60 946	R63 749	R66 682	R2 680	4.6% p.a
Johann Voster	Per Rtb Show	R7 464	R7 830	R8 190	R8 567	R8 961	R360	4.6% p.a
Administrative Fee	**Once Off**	**R149**	**R157**	**R164**	**R171**	**R179**	**R7**	**4.6% p.a**
Opperman	Per Day	R3 785	R3 970	R4 153	R4 344	R4 544	R183	4.6% p.a
Opperman	Per Week	R18 671	R19 586	R20 487	R21 429	R22 415	R901	4.6% p.a
Opperman	Per Month	R55 544	R58 266	R60 946	R63 749	R66 682	R2 680	4.6% p.a
Opperman	Per Rtb Show	R5 228	R5 484	R5 736	R6 000	R6 276	R252	4.6% p.a
Administrative Fee	**Once Off**	**R149**	**R157**	**R164**	**R171**	**R179**	**R7**	**4.6% p.a**
Nolte- Bigger Hall	Per Day	R745	R781	R817	R855	R894	R36	4.6% p.a
Nolte- Bigger Hall	Per Week	R22 405	R23 503	R24 584	R25 715	R26 898	R1 081	4.6% p.a
Nolte- Bigger Hall	Per Month	R59 748	R62 676	R65 559	R68 574	R71 729	R2 883	4.6% p.a
Nolte- Bigger Hall	Per Rtb Show	R8 215	R8 618	R9 014	R9 429	R9 863	R396	4.6% p.a
Administrative Fee	**Once Off**	**R149**	**R157**	**R164**	**R171**	**R179**	**R7**	**4.6% p.a**
Nolte Small Hall	Per Day	R2 768	R2 903	R3 037	R3 177	R3 323	R134	4.6% p.a
Nolte Small Hall	Per Week	R17 924	R18 803	R19 668	R20 572	R21 519	R865	4.6% p.a
Nolte Small Hall	Per Month	R54 740	R57 422	R60 063	R62 826	R65 716	R2 641	4.6% p.a
Nolte Small Hall	Per Rtb Show	R3 734	R3 917	R4 097	R4 286	R4 483	R180	4.6% p.a
Administrative Fee	**Once Off**	**R149**	**R157**	**R164**	**R171**	**R179**	**R7**	**4.6% p.a**
KJH Behrens	Per Day	R3 546	R3 720	R3 891	R4 070	R4 257	R171	4.6% p.a
KJH Behrens	Per Week	R26 140	R27 421	R28 682	R30 001	R31 381	R1 261	4.6% p.a
KJH Behrens	Per Month	R74 685	R78 344	R81 948	R85 718	R89 661	R3 604	4.6% p.a
KJH Behrens	Per Rtb Show	R10 456	R10 968	R11 473	R12 001	R12 553	R505	4.6% p.a
Administrative Fee	**Once Off**	**R149**	**R157**	**R164**	**R171**	**R179**	**R7**	**4.6% p.a**
Flip Joubert	Per Day	R3 734	R3 917	R4 097	R4 286	R4 483	R180	4.6% p.a
Flip Joubert	Per Week	R26 140	R27 421	R28 682	R30 001	R31 381	R1 261	4.6% p.a
Flip Joubert	Per Month	R74 685	R78 344	R81 948	R85 718	R89 661	R3 604	4.6% p.a
Flip Joubert	Per Rtb Show	R10 456	R10 968	R11 473	R12 001	R12 553	R505	4.6% p.a
Administrative Fee	**Once Off**	**R149**	**R157**	**R164**	**R171**	**R179**	**R7**	**4.6% p.a**
Kobie van Zyl	Per Day	R37 342	R39 172	R40 974	R42 859	R44 830	R1 802	4.6% p.a
Kobie van Zyl	Per Week	R26 140	R27 421	R28 682	R30 001	R31 381	R1 261	4.6% p.a
Kobie van Zyl	Per Month	R74 685	R78 344	R81 948	R85 718	R89 661	R3 604	4.6% p.a
Kobie van Zyl	Per Rtb Show	R10 456	R10 968	R11 472	R12 000	R12 552	R505	4.6% p.a
RENTAL FOR RUSTENBURG SHOWS								
Application Fee	Once Off	R3 270	R3 430	R3 588	R3 753	R3 925	R158	4.6% p.a
Part or Whole of Showgrounds	Per Day	R9 495	R9 961	R10 419	R10 898	R11 400	R458	4.6% p.a
	Per Week	R66 465	R69 722	R72 929	R76 284	R79 793	R3 207	4.6% p.a
	Per Month	R265 861	R278 888	R291 717	R305 136	R319 172	R12 829	4.6% p.a
RENTAL FOR OVAL RACING / RELATED								
Application Fee	Once Off	R3 270	R3 430	R3 588	R3 753	R3 925	R158	4.6% p.a
Part or whole of Facility	Per Day	R4 748	R4 980	R5 209	R5 449	R5 700	R229	4.6% p.a
	Per Week	R33 234	R34 863	R36 466	R38 144	R39 898	R1 604	4.6% p.a
	Per Month	R132 937	R139 451	R145 865	R152 575	R159 594	R6 415	4.6% p.a
RENTAL FOR AGRICULTURE SHOWS / RELATED								
Application Fee	Once Off	R2 180	R2 287	R2 392	R2 502	R2 617	R105	4.6% p.a
Proposed Farmer Production Support Unit / Agri-Park	Per Day	R1 962	R2 058	R2 153	R2 252	R2 355	R95	4.6% p.a
	Per Week	R13 733	R14 406	R15 069	R15 762	R16 487	R663	4.6% p.a
	Per Month	R54 933	R57 624	R60 275	R63 048	R65 948	R2 651	4.6% p.a

*** 50% discount is proposed (for weekly and monthly rates only) for the financial year 2024/25 to encourage increased and sustainable occupancy, collection and support to local small businesses**

NB: Discount does not apply to application / administrative fees

HIRING OF THE VARIOUS OFFICES OF THE SMME SUPPORT & DEVELOPMENT CENTRE

TARIFF DESCRIPTION	Frequency	Tariffs 2023/24	Approved Tariffs 2024/25	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28	2025/2026 INCREASE	2025/2026 INCREASE
		R/C	R/C	R/C	R/C	R/C	R/C	(%)
OFFICE 1								
Administrative Fee	Once Off	R163	R171	R179	R187	R196	R8	4.6% p.a
Usage	Per Day	R570	R598	R626	R655	R685	R28	4.6% p.a
Usage	5 Days Per Week	R2 444	R2 564	R2 682	R2 805	R2 934	R118	4.6% p.a
Usage	7 Days Per Week	R2 852	R2 991	R3 129	R3 273	R3 423	R138	4.6% p.a
Usage	Per Month	R12 221	R12 820	R13 410	R14 027	R14 672	R590	4.6% p.a
Usage	Per Annum	R146 654	R153 840	R160 917	R168 319	R176 062	R7 077	4.6% p.a
OFFICE 2								
Administrative Fee	Once Off	R163	R171	R179	R187	R196	R8	4.6% p.a
Usage	Per Day	R570	R598	R626	R655	R685	R28	4.6% p.a
Usage	5 Days Per Week	R2 444	R2 564	R2 682	R2 805	R2 934	R118	4.6% p.a
Usage	7 Days Per Week	R2 852	R2 991	R3 129	R3 273	R3 423	R138	4.6% p.a
Usage	Per Month	R12 221	R12 820	R13 410	R14 027	R14 672	R590	4.6% p.a
Usage	Per Annum	R146 654	R153 840	R160 917	R168 319	R176 062	R7 077	4.6% p.a
OFFICE 3								
Administrative Fee	Once Off	R163	R171	R179	R187	R196	R8	4.6% p.a
Usage	Per Day	R570	R598	R626	R655	R685	R28	4.6% p.a
Usage	5 Days Per Week	R2 444	R2 564	R2 682	R2 805	R2 934	R118	4.6% p.a
Usage	7 Days Per Week	R2 852	R2 991	R3 129	R3 273	R3 423	R138	4.6% p.a
Usage	Per Month	R12 221	R12 820	R13 410	R14 027	R14 672	R590	4.6% p.a
Usage	Per Annum	R146 654	R153 840	R160 917	R168 319	R176 062	R7 077	4.6% p.a

BUILDING CONTROL					4,4%	4,5%	2,5%
TARIFF DESCRIPTION	Approved Tariff 2021/2022	Approved Tariff 2022/2023	Current Tariff 2023/2024	Current Tariff 2024/2025	Proposed Tariff 2025/2026	Proposed Tariff 2026/2027	Proposed Tariff 2027/2028
	R/C	R/C	R/C	R/C		R/C	R/C
DETERMINATION OF CHARGES PAYABLE TO THE LOCAL AUTHORITY WITH REGARDS TO THE EXAMINATION OF APPROVAL OF BUILDING PLANS AND RELATED MATTERS							
DWELLING HOUSES							
For new residential buildings,additions,new proposals,/re designs,amended plans **(only residential buildings)**	R 4.80 per m² (minimum R480.00 levy)	R 5.00 per m² (minimum R500.00 levy)	R 5.20 per m² (minimum R520.00 levy)	R 5.40 per m² (minimum R540.00 levy)	R 5.64 per m² (minimum R565.00 levy)	R 5,89 per m² (minimum R589.00 levy)	R 6,00 per m² (minimum R600.00 levy)
For alterations, amended plans **(without additional area)**	R 4.80 per m² (minimum R480.00 levy)	R 5.00 per m² (minimum R500.00 levy)	R 5.20 per m² (minimum R520.00 levy)	R 5.40 per m² (minimum R540.00 levy)	R 5.64 per m² (minimum R565.00 levy)	R 5,89 per m² (minimum R589.00 levy)	R 6,00 per m² (minimum R600.00 levy)
OTHER BUILDINGS							
For new other buildings,additions,new proposals,/re designs,amended plans **(other buildings)**	R 6.80 per m² (minimum R800.00 levy)	R 7.20 per m² (minimum R835.00 levy)	R 7.50 per m² (minimum R870.00 levy)	R 7.80 per m² (minimum R910.00 levy)	R 8,14 per m² (minimum R950.00 levy)	R 8,51 per m² (minimum R1000.00 levy)	R 8,72 per m² (minimum R1050 levy)
For alterations, amended plans **(without additional area)**	R 6.80 per m² (minimum R800.00 levy)	R 7.20 per m² (minimum R835.00 levy)	R 7.50 per m² (minimum R870.00 levy)	R 7.50 per m² (minimum R910.00 levy)	R 8,14 per m² (minimum R950.00 levy)	R 8,51 per m² (minimum R1000.00 levy)	R 8,72 per m² (minimum R1050 levy)
For renewal of a plan after approval has lapsed	R510.00 per application	R530.00 per application	R550.00 per application	R580.00 per application	R605.00 per application	R632.00 per application	R650.00 per application
For tenant/ shop layouts	R850.00 per application	R900.00 per application	R940.00 per application	R980.00 per application	R1023.00 per application	R1069.00 per application	R1 096,00 per application
Minor building work	R510.00per application	R530.00 per application	R550.00 per application	R570.00 per application	R595.00 per application	R622.00 per application	R638.00 per application
Re-roofing **(amended plan)**	R510.00 per application	R530.00 per application	R550.00 per application	R570.00 per application	R595.00 per application	R622.00 per application	R638.00 per application
Gas/fuel pumps installations	R845.00 per application	R900.00 per application	R940.00 per application	R980.00 per application	R1 023.00 per application	R1 069.00 per application	1 096.00 per application
Low cost housing -by government/ council	**No fee (submit proof)**	**No fee (submit proof)**	**No fee (submit proof)**	**No fee (submit proof)**			
Projects by state department on property owned by state	R2.10 per m² minimum or motivation for exemption DG of State Department	R2.20 per m² minimum or motivation for exemption DG of State Department	R2.30 per m² minimum or motivation for exemption DG of State Department	R2.40 per m² minimum or motivation for exemption DG of State Department	R2.51 per m² minimum or motivation for exemption DG of State Department	R2.63 per m² minimum or motivation for exemption DG of State Department	R2.70 per m² minimum or motivation for exemption DG of State Department
For section7(6) aplication	R4.30 per m² minimum R800.00 levy	R4.50 per m² minimum R835.00 levy	R4.70 per m² minimum R870.00 levy	R4.90 per m² minimum R910.00 levy	R5,20 per m² minimum R950.00 levy	R5.35 per m² minimum R1000.00 levy	R5,50 per m² minimum R1025.00 levy
Demolishment	R510.00 per application	R530.00 per application	R550.00 per application	R570.00 per application	R595.00 per application	R622.00 per application	R 638.00 per application
Antennae/masts	R510.00 per application	R530.00 per application	R550.00 per application	R570.00 per application	R595.00 per application	R622,00 per application	R 638.00 per application
For examination of preliminary sketch plans	R4.20 per m² minimum R480.00 levy	R4.40 per m² minimum R500.00 levy	R4.60 per m² minimum R520.00 levy	R4.80 per m² minimum R540.00 levy	R5,00 per m² minimum R565.00 levy	R5,23 per m² minimum R590.00 levy	R5,36 per m² minimum R605.00 levy
Inspection fee from 2nd re-inspection	R510.00 per application	R530.00 per application	R550.00 per application	R570.00 per application	R595.00 per application	R622,00 per application	R 638.00 per application

TARIFFS FOR TRADING STALLS (INDIVIDUAL/SHARED)

TARIFF DESCRIPTION	Administrative Fee 2024/25	Draft Administrative Fee 2025/26	Refundable Deposit 2024/25	Draft Refundable Deposit 2025/26	2025/26 INCREASE	2025/26 INCREASE	Approved Tariffs 2024/25	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28
	Non-Refundable	Non-Refundable	Deposit	Deposit	R/C	(%)	R/C	R/C	R/C	R/C
MAX BORNMAN TRADING AREA										
6 x 6m Stalls	R173	R181	R1 157	R1 210	R27	4,6%	R593	R621	R649	R679
6 x 6m Stall (Shared)	R173	R181	R1 157	R1 210	R27	4,6%	R593	R621	R649	R679
3x 6m Stall	R173	R181	R868	R908	R20	4,6%	R445	R465	R487	R509
3x 6m Stall (Shared)	R173	R181	R868	R908	R20	4,6%	R445	R465	R487	R509
3 x 3m Stall	R173	R181	R578	R605	R14	4,6%	R295	R309	R323	R338
HAWKERS/INFORMAL TRADING OPEN AREAS AT AREA ABUTING FATIMA BHAYAT DRIVE NEAR TUNNEL										
2 x 3m Open Space	R122	R127	R122	R127	R8	4,6%	R172	R179	R188	R196
HAWKERS/INFORMAL TRADING OPEN SPACE 2: AREA OPPOSITE MAX BORNMAN SHOPPING CENTRE										
Demarcated Open Space	R122	R127	R122	R127	R8	4,6%	R172	R179	R188	R196
SUPPLIERS' DEMARCATED OFFLOADING PARKING SPACES : BETHLEHEM DRIVE										
Parking/Loading Zone/Space	R122	R127	R974	R1 019	R27	4,6%	R590	R617	R645	R675
HAWKERS STALLS AT BAMTA TRADING SHARED/INDIVIDUAL STALLS										
3 x 4.1m Stalls (Shared)	R122	R127	R60	R63	R11	4,6%	R229	R239	R250	R262
BAMTA Taxi Aisle	**R122**	**R127**	**R60**	**R63**	**R7**	**4,6%**	**R172**	**R178**	**R187**	**R195**
BUS Rank Terminals	R122	R127	R60	R63	R7	4,6%	R172	R178	R187	R195
HAWKERS STALLS AT THE MAIN TAXI RANK TRADING AREA (SHARED & INDIVIDUAL STALLS)										
3 x 3m Stall	R122	R127	R487	R510	R12	4,6%	R295	R307	R321	R336
3 x 3m Stall (Shared)	R122	R127	R487	R510	R12	4,6%	R295	R307	R321	R336
Taxi Aisle	R122	R127	R60	R63	R7	4,6%	R172	R178	R187	R195
OPEN ALIENATED TRADING SPACES : OTHER AREAS OUTSIDE THE CBD										
Rustenburg & Extensions	R122	R127	R61	R64	R8	4,6%	R172	R179	R188	R196
Tlhabane & Extensions	R122	R127	R61	R64	R8	4,6%	R172	R179	R188	R196
Boitekong & Extensions	R122	R127	R61	R64	R8	4,6%	R172	R179	R188	R196
Paardekraal & Extensions	R122	R127	R61	R64	R8	4,6%	R172	R179	R188	R196
Meriting & Extensions	R122	R127	R61	R64	R8	4,6%	R172	R179	R188	R196
Lethabong & Extensions	R122	R127	R61	R64	R8	4,6%	R172	R179	R188	R196
Marikana & Extensions	R122	R127	R61	R64	R8	4,6%	R172	R179	R188	R196
Phatsima & Extesnions	R122	R127	R61	R64	R8	4,6%	R172	R179	R188	R196
Boshoek	R122	R127	R61	R64	R8	4,6%	R172	R179	R188	R196
Monakato & Extensions	R122	R127	R61	R64	R8	4,6%	R172	R179	R188	R196
Freedom Park & Extensions	R122	R127	R61	R64	R8	4,6%	R172	R179	R188	R196
OTHER TRADING AREAS										
Trading near malls near the CBD (town) area	R-	R-	R-	R-	R11	4,6%	R229	R239	R250	R262
Trading near malls near in the township and rural areas	R-	R-	R-	R-	R11	4,6%	R229	R239	R250	R262
Trading from Mobile Container	R-	R-	R-	R-	R50	4,6%	R1 093	R1 143	R1 196	R1 251

RUSTENBURG HERALD

OUTDOOR ADVERTISING SIGNS TARIFFS TARIFF DESCRIPTION	Approved Tariffs 2024/25	Tariff Description	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28
CLASS 1: Billboards					
Administration fee	R500	Fee applicable across board: Per Advertisement/Application	R523	R547	R572
Gantry billboards (Display fee on Municipal Property and other Government facilities per month - site rental	R18 944	Gantry billboards (>18m²<81m²)	R19 815	R20 727	R21 680
Large billboards (Display fee on Municipal Property and other Government facilities per month - site rental	R18 944	Large billboards (>41m²<81m²)	R19 815	R20 727	R21 680
Medium billboards (Display fee on Municipal Property and other Government facilities per month - site rental	R6 254	Medium billbords (>19m²<41m²)	R6 542	R6 842	R7 157
Small billboards (Display fee on Municipal Property and other Government facilities per month - site rental	R5 088	Small billboards (>4.5m²<19m²)	R5 322	R5 567	R5 823
Smaller than 4.5m² (Display fee on Municipal Property and other Government facilities per month - site rental	R4 411	Smaller than 4.5m²	R4 614	R4 826	R5 048
Display fee: Per per month - site rental - Private Property, including Private Education facities (All signs in Class 1)	R10 168	All permissible sizes	R10 636	R11 125	R11 637
Electric and illuminated signs for all Class 1 signs (Display fee on both Municipal and Private Properties per square metre)	R604		R632	R661	R692
Encroachment fee (Municipal land) per square meter for each sign type	R350	Encroachment fee per square square meter (all classes)	R366	R383	R401
CLASS 2: Signs On Buildings And Structures					
Projecting signs					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee per month - site rental	R610		R638	R668	R698
Encroachment fee(Municipal land) per square meter for each sign type	R327		R342	R358	R374
Building attachment (roof signs, signs and murals on walls and roofs, a sign in the fabric of a building and advertisements on towers, bridges and pylons)					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee per month - site rental	R1 222		R1 278	R1 337	R1 399
Wall signs/fascia signs					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee per sign per month - site rental	R610	Display fee on Private Property: Per Advertisement/Application	R638	R667	R698
Electric and illuminated signs for all Class 2 signs (Display fee on both Municipal and Private Properties per square metre)	R604		R632	R661	R692
Ground sign (excluding billboards)					
Encroachment fee(Municipal land) per square meter for each sign type	R327		R342	R358	R374
Display fee per Advertisement per month - site rental	R1 788	Display fee on Private Property: Per Advertisement/Application	R1 870	R1 956	R2 046
CLASS 3: Signs on Premises and miscellaneous signs					
Boundary walls and entrance gates					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee per Advertisement per month - site rental	R1 253		R1 311	R1 371	R1 434
Residential and community service oriented buildings (e.g. government facilities, NPOs and/or CBOs etc.)					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee per Advertisement per month - site rental	R1 253		R1 311	R1 371	R1 434
On –premises Business signs in urban Areas					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee per month - site rental	R4 537		R4 745	R4 964	R5 192
Residential and community service oriented buildings (e.g. government facilities, NPOs and/or CBOs etc.) - Urban areas					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee per Advertisement	R1 895		R1 982	R2 073	R2 169
Signs for agricultural and related land use in rural and natural Arears					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee per Advertisement	R1 222		R1 278	R1 337	R1 398
Electric and illuminated signs for all Class 3 signs (Display fee on both Municipal and Private Properties per square metre)	R604		R632	R661	R692
CLASS 4: Signs for Pedestrian Environments and Streets-scaping					
Street furniture signs					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee per month - site rental	R1 427		R1 493	R1 562	R1 634
Street light/street pole signs, etc.					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee for advertisement per month - site rental	R1 427		R1 493	R1 562	R1 634
Permanent signs on poles					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee per advertisement per month	R217		R227	R237	R248
Electric and illuminated signs for all Class 4 signs (Display fee on both Municipal and Private Properties per square metre)	R604		R632	R661	R692
CLASS 5: Signs for Tourists and Travellers					
Service facility signs					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee for advertisement per month - site rental	R1 253		R1 311	R1 371	R1 434
Road traffic project signs					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee for advertisement per month - site rental	R1 253		R1 311	R1 371	R1 434
Tourism information signs					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee for Advertisement (Sponsored/Branded Tourism Attraction Signs) - Municipal Property per month - site rental	R2 451		R2 564	R2 682	R2 805
Display fee for Advertisement (Sponsored/Branded Tourism Attraction Signs) - Private Property per month - site rental	R1 253	Display fee on Private Property: Per Advertisement/Application	R1 311	R1 371	R1 434
Gateway signs					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee for Advertisement per month - site rental	R1 253		R1 311	R1 371	R1 434
Electric and illuminated signs for all Class 5 signs (Display fee on both Municipal and Private Properties per square metre)	R604		R632	R661	R692
CLASS 6: Mobile signs					
Advertising vehicles					
Administration fee	R500	Per Advertisement/Application	R523	R547	R572
Mobile trailer Advertising(limited to 14 days display)	R4 411		R512	R535	R560
Display fee per Advertisement (other Mobile signs)	R526		R550	R575	R601
Digital/Electronic/Electrical/Illuminated signs on mobile equipment					
Electric and illuminated signs for all Class 6 signs (Display fee on Municipal and Private Properties per square metre)	R604		R632	R661	R692
CLASS 7: Temporary Advertising					
In respect of general advertisements of a commercial nature (Events) i.e. construction site advertisements, signs for sporting events, festival & exhibitions, temporary window signs etc.					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Up to 100 posters (limited to 14 days display)	R3 662		R3 830	R4 006	R4 191
Fee per poster	R37		R39	R41	R43
Stickers for each poster	R22		R23	R24	R25
In respect of general advertisements for non-profit organisations(subject to submission of a NPO certificate from relevant authority- e.g. government					
In respect of election advertisements, per party/per candidate					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Posters (unlimited number)	R3 051		R3 192	R3 339	R3 492
Estate agents boards (Annual tariffs)					
Administration fee(per agency)	R435	Per Advertisement/Application	R455	R476	R498
Advertising deposit (per agent)	R4 925		R5 151	R5 388	R5 636
Annual Licensing Fee (Residential)	R2 286		R2 392	R2 502	R2 617
Annual Licensing Fee (Commercial, Industrial, Non-residential Property)	R8 641		R9 038	R9 454	R9 889
Banners					
Per banner per square meter (R300m²)	R327		R342	R358	R374
Sticker for each banner	R22		R23	R24	R25
Administration fee	R435		R455	R476	R498
CLASS 8: Other signs					
Security signs					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee for Advertisement per month - site rental	R695		R727	R760	R795
Public service and other information signs					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee for Advertisement per month - site rental	R604		R632	R661	R692
Aerial advertisements					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Display fee for Advertisement per month - site rental	R2 450		R2 562	R2 680	R2 803
Refundable Deposit					
Electric and illuminated signs for all Class 8 signs (Display fee on Municipal and Private Properties per square metre)					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Advertisement (per square meter for all permissible sizes) per month - site rental	R604		R632	R661	R692
Portable boards					
Administration fee	R435	Per Advertisement/Application	R455	R476	R498
Penalties					
For the erection of any sign without approval, per week per square meter	R1 868	Fine per square meter per week per illegal sign	R1 954	R2 044	R2 138
For the erection of any billboards without approval, per week per square meter	R5 503	Fine per square meter per week per illegal billboard	R5 756	R6 021	R6 298
For the erection of any posters without approval, per week	R1 837	Fine for illegal posters per week	R1 921	R2 009	R2 102
Storage fee (illegal confiscated signs)	R91	Storage fee per day (Illegal Advertisements) for all applicable classes	R95	R100	R104
Appeals	R5 643	Lodging of an Appeal per advertisement for all classes	R5 903	R6 174	R6 458
Inspections	R226	Inspection Fee for all classes (Per application/Advertisement)	R236	R247	R258
Removable posters, should the Municipality remove any poster (per poster)	R122		R128	R134	R140

BUSINESS LICENSING TARIFFS (Proposed tariffs in terms the NW Business Licensing Act no. 3 of 2019)

TARIFF DESCRIPTION	Approved Tariffs 2024/25	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28
SALE & SUPPLY OF PERISHABLE FOODSTUFFS				
Restaurants	R1 049	R1 091	R1 141	R1 194
Cafes	R1 049	R1 091	R1 141	R1 194
Coffee Houses	R1 049	R1 091	R1 141	R1 194
Fast Food Outlets	R1 049	R1 091	R1 141	R1 194
Kiosks	R262	R273	R285	R298
Supermarkets/ Hyper-markets	R1 049	R1 091	R1 141	R1 194
Vegetable/Fruit/Flower vendor	R262	R273	R285	R298
Informal trader/hawker	R262	R273	R285	R298
Spaza shop	R262	R273	R285	R298
PROVISION OF HEALTH AND OTHER CARE FACILITIES				
Private Hospitals	R1 049	R1 091	R1 141	R1 194
Private Clinics	R1 049	R1 091	R1 141	R1 194
Maternity & Baby Care Clinics	R262	R273	R285	R298
Creches/ Kindergartens	R1 049	R1 091	R1 141	R1 194
Pharmacies	R1 049	R1 091	R1 141	R1 194
Eye care providers	R1 049	R1 091	R1 141	R1 194
Laboratories	R1 049	R1 091	R1 141	R1 194
Beauty palours/Hair & Nail Salons/Slimming Clinics	R525	R545	R571	R597
ACCOMMODATION, ENTERTAINMENT AND LEISURE FACILITIES				
Hotels/Motels/Lodges	R1 049	R1 091	R1 141	R1 194
Bed and Breakfast facilities	R525	R545	R571	R597
Hostel facilities/Boarding Housee/Room rentals	R1 049	R1 091	R1 141	R1 194
Motor racing/Quad biking facilities	R1 049	R1 091	R1 141	R1 194
Bowling Alleys	R525	R545	R571	R597
Bars & Pubs	R1 049	R1 091	R1 141	R1 194
Liquor Outlets	R1 049	R1 091	R1 141	R1 194
Night clubs/ Dance halls	R1 049	R1 091	R1 141	R1 194
Cinema/ Drive-in	R525	R545	R571	R597
Theatres	R525	R545	R571	R597
Family entertainment facilities	R1 049	R1 091	R1 141	R1 194
OTHER RETAIL/ SERVICE OUTLETS				
Clothing/ Shoe retailers	R1 049	R1 091	R1 141	R1 194
Motor vehicle dealerships & service centres	R1 049	R1 091	R1 141	R1 194
Electronics provider	R1 049	R1 091	R1 141	R1 194
Building Materials suppliers	R1 049	R1 091	R1 141	R1 194
Factories	R1 049	R1 091	R1 141	R1 194
Household services pro-viders (plumbing/electrical/ construction etc.)	R525	R545	R571	R597
General dealers	R525	R545	R571	R597
Bookstores and Music dealerships	R1 049	R1 091	R1 141	R1 194
Laundromat/Dry Cleaners	R525	R545	R571	R597
Furniture and appliance dealers	R1 049	R1 091	R1 141	R1 194
Traditional herbs and accessories	R525	R545	R571	R597
Equipment hire providers	R1 049	R1 091	R1 141	R1 194
Carpenters/Upholsterers	R525	R545	R571	R597
Fuel retailers (LPG/Petrol/ Diesel)	R1 049	R1 091	R1 141	R1 194
Factories	R1 049	R1 091	R1 141	R1 194
Storage facilities	R1 049	R1 091	R1 141	R1 194
OTHER LARGE/COMMERCIAL BUSINESSES				
Depots (Trucks/Recycling)	R3 147	R3 273	R3 423	R3 581
Processing plants	R3 147	R3 273	R3 423	R3 581
Shopping Malls	R5 245	R5 455	R5 706	R5 968
Mobile Container	R1 049	R1 091	R1 141	R1 194

HOUSING							4,4%	4,5%	2,5%
	Approved Tariff 2019/2020	Approved Tariff 2020/2021	Approved Tariff 2021/2022	Approved Tariff 2022/2023	Approved Tariff 2023/2024	Current Tariff 2024/2025	Proposed Tariff 2025/2026	Proposed Tariff 2026/2027	Proposed Tariff 2027/2028
CRU'S BOITEKONG EXT 12 (NO INCREASE)									
1 BEDR	R 300	R 300	R 300	R 300	R 300	R 300	R 300	R 300	R 300
2 BEDR	R 500	R 500	R 500	R 500	R 500	R 500	R 500	R 500	R 500
3 BEDR	R 700	R 700	R 700	R 700	R 700	R 700	R 700	R 700	R 700
AMBERBOOM (LOW COST HOUSES)									
1 BEDR	20%	20%	20%	20%	20%	20%	20%	20%	20%
2 BEDR	25%	25%	25%	25%	25%	25%	25%	25%	25%
3 BEDR	30%	30%	30%	30%	30%	30%	30%	30%	30%
PERSONNEL HOUSES (MARKET RELATED)									
FLATS	R3 500	R3 500	R3 500	R3 500	R3 500	R3 500	R3 500	R3 500	R3 500
HOUSES	R3 500	R 3500	R3 500	R3 500	R3 500	R3 500	R3 500	R3 500	R3 500
KERK OLD AGE FLATS									
1 BEDR (SINGLE)	8%	8%	8%	8%	8%	8%	8%	8%	8%
2 BEDR (DOUBLE)	10%	10%	10%	10%	10%	10%	10%	10%	10%
GEELHOUT PARK OLD AGE FLATS									
2 BEDR (DOUBLE)	10%	10%	10%	10%	10%	10%	10%	10%	10%

ESTATES							4.4%	4.5%	2.5%
APPLICATION	Approved Tariff 2019/2020	Approved Tariff 2020/2021	Approved Tariff 2021/2022	Current Tariff 2022/2023	Approved Tariff 2023/2024	Current Tariff 2024/2025	Prposed Tariff 2025/2026	Prposed Tariff 2026/2027	Prposed Tariff 2027/2028
	R / C	R / C	R / C	R / C	R/C	R/C	R/C	R/C	
SPLUMA CERTIFI-CATE					1 083,67	1 136,77	1 186,78	1 240,19	1 271,19

HIRING OF THE VISITORS & INFORMATION CENTRE AND THE TIDC FACILITIES

TARIFF DESCRIPTION	Frequency	Total per Month Calculation	Rebate (40%)	Proposed Rate per day	Tariffs 2023/24	"2024/2025 Increase"	Draft Tariffs 2024/25	Proposed Tariffs 2025/26	Proposed Tariffs 2026/27
		R/C		R/C			R/C	R/C	R/C
TOURISM INFORMATION DEVELOPMENT CENTRE (TIDC)									
Store Rooms (29m²)	Monthly	R1 729	R692	R35	R992	4,6%	R1 037	R1 085	R1 135
Coffee Shop (52m²)	Monthly	R3 101	R1 240	R62	R1 779	4,6%	R1 860	R1 946	R2 035
Lapa (72m²)	Monthly	R4 293	R1 717	R219	R2 463	4,6%	R2 576	R2 694	R2 818
Amphitheatre (97m²)	Monthly	R5 784	R2 313	R549	R3 318	4,6%	R3 470	R3 630	R3 797
Rondavel 1 (68m²)	Monthly	R7 704	R3 081	-	R4 419	4,6%	R4 622	R4 835	R5 057
Rondavel 2 (76m²)	Monthly	R8 610	R3 444	-	R4 939	4,6%	R5 166	R5 404	R5 652
Rondavel 3 (102m²)	Monthly	R11 555	R4 622	-	R6 628	4,6%	R6 933	R7 252	R7 586
Rondavel 4 (116m²)	Monthly	R12 450	R4 980	-	R7 141	4,6%	R7 470	R7 814	R8 173
Rondavel 5 (122m²)	Monthly	R13 094	R5 238	-	R7 511	4,6%	R7 856	R8 218	R8 596
Rondavel 6 (186m²)	Monthly	R17 745	R7 098	-	R10 179	4,6%	R10 647	R11 136	R11 649
Administrative Fee	Daily				R172	4,6%	R179	R188	R196
TIDC Boardroom	Daily				R1 143	4,6%	R1 196	R1 251	R1 308
TIDC Kitchen	Daily				R1 715	4,6%	R1 794	R1 876	R1 963
TIDC Shaded and Play Areas	Daily				R1 143	4,6%	R1 196	R1 251	R1 308

*** 50% discount is proposed for the financial year 2024/25 to encourage increased and sustainable occupancy, collection and support to local small businesses**
NB: Discount does not apply to application / administrative fees

TARIFFS FOR TRADING PERMITS

TARRIF DESCRIPTION	Frequency	Tariffs 2024/25	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28	2025/26 INCREASE	2025/26 INCREASE
		R/C	R/C	R/C	R/C	R/C	(%)
Trading permits							
New Card	Yearly	R114	120	125	131	R5	4,6%
Renewal of card	As and When	R172	179	188	196	R8	4,6%

HIRING OF THE VARIOUS SPACES OF THE FLEA MARKET

TARIFF DESCRIPTION	Adminis-trative Fee 2024/25	Draft Administrative Fee 2025/26	Approved Electricity Fee 2024/25	Draft Electric-ity Fee 2025/26	Refundable Deposit 2024/25	Draft Re-fundable Deposit 2025/26	Tariffs 2024/25	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28
	Non-Refund-able	Non-Refundable	R/C	R/C	Deposit	Deposit	R/C	R/C	R/C	R/C
MAIN STALLS										
Stalls 22m² (1 - 8)	R172	R180	R172	R179	R2 704	R2 828	R2 704	R2 828	R2 958	R3 095
Stalls 22m² (9 - 23)	R172	R180	R172	R179	R3 396	R3 552	R3 396	R3 552	R3 715	R3 886
Store Room 24m²	R172	R180	R172	R179	R2 607	R2 727	R2 607	R2 727	R2 852	R2 983
Coffee Shop 103m²	R172	R180	R172	R179	R11 188	R11 702	R11 188	R11 702	R12 240	R12 804
POP -UP STALLS										
6 x 6m Stalls	R57	R60	N/A	N/A	R-	R-	R219	R229	R239	R250
3x 6m Stall	R57	R60	N/A	N/A	R-	R-	R164	R172	R179	R188
3 x 3m Stall	R57	R60	N/A	N/A	R-	R-	R109	R114	R120	R125

*** 50% discount is proposed for the financial year 2024/25 to encourage increased and sustainable occupancy, collection and support to local small businesses**
NB: Discount does not apply to application / administrative fees

WAYLEAVE TARIFFS FOR WORK DONE ON PUBLIC ROADS

TARIFF DESCRIPTION		Frequency	Total per Month Calculation	Tariffs 2024/25	2025/2026 Increase	Draft Tariffs 2025/26	Proposed Tariffs 2026/27	Proposed Tariffs 2027/28
			R/C			R/C	R/C	R/C
Fee: Processing wayleave application for network con-struction connecting Hub, Node and Cell Towers	Per wayleave application (Calculated per area/ suburb/township)	Once Off	R5 717	R5 717	4,6%	R5 980	R6 255	R6 542
Fee: Micro trenching wayleave applications	Per wayleave application (Calculated per area/ suburb/township)	Once Off	R5 717	R5 717	4,6%	R5 980	R6 255	R6 542
Fee: Access Build ECN	Per wayleave application (Calculated per area/ suburb/township)	Once Off	R5 717	R5 717	4,6%	R5 980	R6 255	R6 542
Refundable Bank Guarantee	Per wayleave applica-tion/ Per one financial year. (Calculated per area/suburb/township)	Annual	R2 186 116	R2 186 116	4,6%	R2 286 677	R2 391 864	R2 501 890
Fee: Utilising sewer and storm water systems for ECN	Per kilometre per annum	Annual	R1 143	R1 143	4,6%	R1 196	R1 251	R1 308
Fee: Utilising municipal sleeve	Per kilometre per annum	Annual	R1 715	R1 715	4,6%	R1 794	R1 876	R1 963
Fee: Laying ECN in the public road reserve	Per kilometre per annum	Annual	R252	R252	4,6%	R263	R275	R288
Lane rental (street links between intersections, excluding intersections)	Fee per day	Once Off	R86	R86	4,6%	R90	R94	R98
Lane rental (per intersection per day or part thereof)	Street link/day	Once Off	R12 234	R12 234	4,6%	R12 796	R13 385	R14 001
Processing of application to close a road for construction purposes	Per road closure application	Once Off	R2 744	R2 744	4,6%	R2 870	R3 002	R3 140
Penalties								
Fine for no wayleave approval and related docu-ments on site. (per area)			R114 334	R114 334	4,6%	R119 593	R125 095	R130 849
Penalty for exceeding the time allowed to do work in terms of the Wayleave approval, per day			R11 433	R11 433	4,6%	R11 959	R12 509	R13 085
Penalty for exceeding the time allowed in terms of the Temporary Road Closure Approval, per day			R228 668	R228 668	4,6%	R239 186	R250 189	R261 698
Fine for having temporary closed a road without written permission from the Roads and Storm water department			R228 668	R228 668	4,6%	R239 186	R250 189	R261 698

SUNDRY PROPOSED TARIFFS 2025/2026 (BILLING)

TARIFF DESCRIPTION	Percentage increase/ decrease 2025/2026	Approved Tariff 2023/2024	Approved Tariff 2024/2025	Proposed Tariff 2025/2026
	R	R	R	R
CLEARANCE CERTIFICATE FEE	4,90%	104,01	109.10	114,45
CLEARANCE APPLICATION FEE: MANUAL	4,90%	485,34	509,13	534,08
CLEARANCE APPLICATION FEE: ELECTRONIC (clearance.com)	4,90%	217,45	228.10	239,28
ISSUING OF DUPLICATION MUNICI-PAL ACCOUNT OVER 3 MONTHS(per account)	4,90%	6,34	6,65	6,98
VALUATION ROLL - Soft copy	4,90%	1397,17	1465,63	1537,45
VALUATION ROLL - Hard copy	4,90%	1397,17	1465,63	1537,45
VALUATION CERTIFICATE	4,90%	108,52	113.83	119,41
DEED SEARCH	4,90%	80,59	84.54	88,68
LOST COPY OF CERTIFICATE	4,90%	86,73	90.98	95.44
ADMIN FEE ON TRANSFERS **(New)**	4,90%	6,85	7.19	7,54
SEARCHING OF ANY DISCLOSURE RECORD (P/H OR PART)	4,90%	19,85	20.83	21,85
Valuation Roll: Request for Reasons	4,90%	250,00	262,25	275,10

SUNDRY CHARGES -REVENUE

TARIFF DESCRIPTION	Tariff 2021/2022	Tariff 2022/2023	Tariff 2023/2024	Proposed Tariff 2024/2025	Proposed Tariff 2025/2026	Proposed Tariff 2026/2027	Proposed Tariff 2027/2028
	R	R	R	R			
EASY PAYMENT FEE	7,42	8,16	9,02	10	12,50	13,81	15,26
DEPOSIT : HouseHolds	1 909,22	2 100,14	2 320,65	2 564	2 833,58	3 131,10	3 459,87
DEPOSIT :Commercial*(Mini-mum, then allign to policy)		10 000,00	11 050,00	12 210	13 492,33	14 909,02	16 474,47
DEPOSIT : Industrial*		50 000,00	55 250,00	61 051	67 461,63	74 545,10	82 372,34
DEPOSIT : Government*		5 000,00	5 525,00	6 105	6 746,16	7 454,51	8 237,23
DEPOSIT : Agriculture*		5 000,00	5 525,00	6 105	6 746,16	7 454,51	8 237,23
DEPOSIT : Church*		2 500,00	2 762,50	3 053	3 373,08	3 727,26	4 118,62
DEPOSIT : Private Schools*		10 000,00	11 050,00	12 210	13 492,33	14 909,02	16 474,47
DEPOSIT : Private Hospital*		50 000,00	55 250,00	61 051	67 461,63	74 545,10	82 372,34
Deposit LPU	NEW				To be determined by DTIS		
Deposit 33KV	NEW				To be determined by DTIS		
DISHONOURED PAYMENT FEE	181,68	190,76	210,79	233	257,38	284,40	314,27
ISSUING OF DUPLICATE MUNICIPAL ACCOUNT OVER 3 MONTHS (per acc)	3,67	15,00	16,58	18	20,24	22,36	24,71
CHEQUE RE ISSUE	175,97	DISCON-TINUED		-	-	-	-
ADMIN FEE ON TRANSFERS OF PAYMENTS (PER TRANSACTION)	6,45	8,16	9,02	10	15,00	25,00	27,63
ADMIN FEE ON ALLO-CATION OF INCORRECT REFERENCE PAYMENTS (PER TRANSACTION)	NEW			10	11,50	13,23	14,61
FINAL DEMAND RESIDEN-TIAL/CHURCHES	41,30	43,03	47,55	80	92,00	105,80	116,91
FINAL DEMAND FEE BUSINESS	NEW				180,00		-
FINAL DEMAND AGRICUL-TURAL	NEW				250,00		-
ELECTRICITY RECONNEC-TION FEE - RESIDENTIAL/ CHURCHES/GOVERNMENT	577,75	602,02	665,23	765	879,77	1 011,73	1 117,97
ELECTRICITY RECONNEC-TION FEE - BUSINESS/ AGRICULTURAL	750,00	781,50	863,56	993	1 142,05	1 313,36	1 451,27
WATER RECONNECTION FEE- RESIDENTIAL/ CHURCHES/GOVERNMENT	825,35	860,01	950,31	1 093	1 256,79	1 445,30	1 597,06
WATER RECONNECTION - BULK	950,00	989,90	1 093,84	1 258	1 446,60	1 663,59	1 838,27
WATER RECONNECTION FEE - BUSINESS/AGRI-CULTURAL	950,00	989,90	1 093,84	1 258	1 446,60	1 663,59	1 838,27
RECONNECTION : RE-MOVAL OF INSTALLATION - WATER	3 086,04	3 216,65	3 859,98	4 632	5 326,77	6 392,13	7 063,30
RECONNECTION: REMOVAL OF INSTALLATION - ELEC-TRICITY	4 500,00	4 689,00	5 626,80	6 752	7 764,98	9 317,98	10 296,37
DISCONNECTION: RE-MOVAL OF INSTALLATION - WATER			3 500,00	4 200	4 830,00	5 796,00	6 404,58
ELECTRICITY DISCON-NECTION FEE BUSINESS/ AGRICUULTURAL	NEW				1 800,00	2 070,00	2 287,35
ELECTRICITY DISCONNEC-TION FEE RESIDENTIAL/ CHURCHES/GOVERNMENT	NEW				800,00	920,00	1 016,60
WATER RESTRICTION FEE RESIDENTIAL/CHURCHES	NEW				1 200,00	1 380,00	1 524,90
WATER DISCONNECTION FEE BUSINESS/AGRICUL-TURAL/GOVERNMENT	NEW				2 100,00	2 415,00	2 668,58
DISCONNECTION FEE: REMOVAL OF INSTALATION ELECTRICITY BUSINESS/ AGRICULTURAL	NEW				8 424,00	9 687,60	10 704,80
DISCONNECTION: REMOV-AL OF INSTALLATION - ELECTRICITY RESIDENTIAL	NEW		4 500,00	5 400	6 480,00	7 776,00	8 592,48
METER TAMPERING	NEW						-
Debt Collection- Admin fee	NEW				120,00	138,00	152,49
Debt Collection fee					as per Debt Collector's Act(regula-tion May 2020) +Admin fee		

Note: increase linked to CPI
The deposits must cover the costs of 2 months bill, so it exceeds the CPI
Penalty tariffs are increased above the threshold
New Credit control tariffs added to cover costs from the SP

TOWN PLANNING

APPLICATION	Approved Tariff 2021/2022	Approved Tariff 2022/2023	Approved Tariff 2023/2024	Current Tariff 2024/2025	4,4% Prposed Tariff 2025/2026	4,5% Prposed Tariff 2026/2027	2,5% Prposed Tariff 2027/2028
	R / C	R/C	R/C	R/C		R/C	R/C
WRITTEN CONSENT APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME							
Second dwelling	R717,02	R745,70	R1 342,27	R1 402,67	R1 464,39	R1 530,28	R1 568,54
Building Line Relaxation	R717,02	R745,70	R1 342,27	R1 402,67	R1 464,39	R1 530,28	R1 568,54
Height Relaxation	R717,02	R745,70	R1 342,27	R1 402,67	R1 464,39	R1 530,28	R1 568,54
Coverage Relaxation	R717,02	R745,70	R1 342,27	R1 402,67	R1 464,39	R1 530,28	R1 568,54
Servitude Upliftment	R717,02	R745,70	R1 342,27	R1 402,67	R1 464,39	R1 530,28	R1 568,54
Relaxation of the line(s) of no access	R717,02	R745,70	R1 342,27	R1 402,67	R1 464,39	R1 530,28	R1 568,54
Provision of parking on adjacent property	R717,02	R745,70	R1 342,27	R1 402,67	R1 464,39	R1 530,28	R1 568,54
Relaxation of parking	R717,02	R745,70	R1 342,27	R1 402,67	R1 464,39	R1 530,28	R1 568,54
Site Development Plan	R1 035,41	R1 076,82	R1 938,28	R2 025,51	R2 114,63	R2 209,79	R2 265,03
Amendment of Site Development Plan	R1 035,41	R1 076,82	R1 938,28	R2 025,51	R2 114,63	R2 209,79	R2 265,03
Erection of screen wall(s) exceeding 20.meters in height	R717,02	R745,70	R1 342,27	R1 402,67	R1 464,39	R1 530,28	R1 568,54
Written consent objection	R578,88	R602,04	R1 505,09	R1 572,82	R1 642,02	R1 715,92	R1 758,81
Excision of an agricultural holding				R1 402,67	R1 464,39	R1 530,28	R1 568,54
Renewal of Special Consent Application	R717,02	R745,70	R1 342,27	R1 402,67	R1 464,39	R1 530,28	R1 568,54
SPECIAL CONSENT APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME							
Special Consent	R1 276,17	R1 327,22	R2 388,99	R2 496,49	R2 606,34	R2 723,63	R2 791,72
Special Consent Objection	R578,88	R602,04	R1 505,09	R1 572,82	R1 642,02	R1 715,92	R1 758,81
Cancellation or withdrawal of approved Special or Written consent application			R1 505,09	R1 572,82	R1 642,02	R1 715,92	R1 758,81
Closure of public space / park closure	R1 276,17	R1 327,22	R2 388,99	R2 496,49	R2 606,34	R2 723,63	R2 791,72
TEMPORARY CONSENT APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH LAND USE SCHEME.							
The erection and use of temporary buildings, or the use of existing buildings for site offices, storage rooms, workshops or such other uses as may be necessary during the erection of any permanent	R717,02	R745,70	R1 342,27	R1 402,67	R1 464,39	R1 530,28	R1 568,54
The occasional use of land or buildings for public religious exercise, place of instruction, institution, place of amusement or social hall, informal retail trade	R717,02	R745,70	R1 342,27	R1 402,67	R1 464,39	R1 530,28	R1 568,54
The use of land or building thereon for State or Municipal purposes	R717,02	R745,70	R1 342,27	R1 402,67	R1 464,39	R1 530,28	R1 568,54
Prospecting rights	R1 276,17	R1 327,22	R2 388,99	R2 496,49	R2 606,34	R2 723,63	R2 791,72
AMENDMENT SCHEME APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME.							
Amendment Scheme Applications	R3 979,81	R4 139,00	R7 450,20	R7 785,46	R8 128,02	R8 493,78	R8 706,12
Proclamation	R1 447,20	R1 505,09	R2 709,16	R2 831,08	R2 955,64	R3 088,65	R3 165,86
Floor Area Ratio Increase	R3 979,81	R4 139,00	R7 450,20	R7 785,46	R8 128,02	R8 493,78	R8 706,12
Amendment Scheme Objection	R1 447,20	R1 505,09	R2 709,16	R2 831,08	R2 955,64	R3 088,65	R3 165,86
Notice of appeal	R3 734,06	R3 883,43	R6 990,17	R7 304,73	R7 626,13	R7 969,31	R8 168,54
Notice to oppose appeal	R1 244,69	R1 294,48	R2 330,06	R2 434,91	R2 542,04	R2 656,44	R2 722,85
Intervener Status Section 45 (2)/ (3) and/or (4) of the Spatial Planning and Land Use Management Act 2013	R1 110,92	R1 155,35	R2 079,63	R2 173,22	R2 268,84	R2 370,94	R2 430,21
Contribution of rezoning application for all properties along Thabo Mbeki Drive and Beyers Naude Drive and Properties that gain access from Thabo Mbeki drive and Beyers Naude Drive.		R13 800,00	R24 840,00	R25 957,80	R27 099,94	R28 319,44	R29 027,43
Contribution of rezoning application within the blocked formed by Kock Street.Boven Street. Klopper Street. Bethlehem Street and Nelson Mandela Drive.		R3 900.00	R7 020.00	R7 335.90	R7 658.68	R8 003.32	R8 203.40
REMOVAL OF RESTRICTIONS APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME.							
Removal of restrictive conditions	R1047.65	R1089.65	R1961.19	R2049.45	R2139.63	R2235.91	R2291.81
TOWNSHIP ESTABLISHMENT APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME.							
Reservation of a township name			R660,00	R957,00	R999.11	R1044.07	R1070.17
Township Establishment (1-100 erven)	R8 755,58	R9 105,80	R16 390,44	R17 128,01	R17 881,64	R18 686,31	R19 153,47
Proclamation notice	R1 582,50 per page	R1 645,80 per page	R2 962,44 per page	R3 095,75 per page	R3 231,96 per page	R3 377,40 per page	R3 461,84 per page
Extension of boundaries	R8 755,58	R9 105,80	R16 390,44	R17 128,01	R17 881,64	R18 686,31	R19 153,47
Township Establishment Objection	R2 894,41	R3 010,18	R7 525,45	R7 864,10	R8 210,12	R8 579,58	R8 794,06
Extension of time			R1 505,09	R1 572,82	R1 642,02	R1 715,92	R1 758,81
DIVISION OF A TOWNSHIP APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME.							
Phasing/Division of a Township	R2 170,80	R2 257,64	R4 063,75	R4 246,61	R4 433,46	R4 632,97	R4 748,79
DIVISION OF LAND APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME.							
Division of Agriculture Land	R645,22	R671,03	R1 207,85	R1 262,21	R1 317,74	R1 377,04	R1 411,47
AMENDMENT OF AN APPROVED TOWNSHIP: APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH THE LAND USE SCHEME.							
Amendment of the layout plan	R2 170,80	R2 257,64	R4 063,75	R4 246,61	R4 433,46	R4 632,97	R4 748,79
Amendment of an approved township			R4 063,75	R4 246,62	R4 433,47	R4 632,98	R4 748,80
CONSOLIDATION/SUBDIVISION : APPLICATION IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW READ WITH LAND USE SCHEME.							
Subdivision	R723,60	R752,55	R1 354,58	R1 415,54	R1 477,82	R1 544,32	R1 582,93
Subdivision with more than 5(five) stands/stand	R85,52	R88,94	R160,09	R167,29	R174,65	R182,51	R187,07
Subdivision of Agricultural Land (Section 6) of the Town Planning and Townships Ordinance 20 of 1986.	R723,60	R752,55	R1 354,58	R1 415,54	R1 477,82	R1 544,32	R1 582,93
Consolidation	R557,83	R580,14	R1 044,26	R1 091,25	R1 139,27	R1 190,53	R1 220,30
OTHER APPLICATIONS							
Zoning Information	R47,36	R49,26	R88,66	R92,65	R96,73	R101,08	R103,61
Trade License	R318,38	R331,12	R596,02	R622,84	R650,24	R679,50	R696,49
COPIES & PRINTING							
A3	R14,47	R15,05	R15,71	R16,42	R11,86	R12,40	R12,71
A4	R3,82	R3,97	R4,14	R4,33	R0,82	R0,86	R0,88

PROPERTY RATES PROPOSED TARIFFS 2025/2026

TARIFF DESCRIPTION	OLD TARIFF 2023/24	CURRENT TARIFFS 2024/25	PROPOSED TARIFFS 2025/26	% INCREASE	PROPOSED TARIFFS 2026/27	PROPOSED TARIFFS 2027/28
RESIDENTIAL PROPERTY	0,00560	0,005846	0,006104	4,4	0,00637	0,00665
BUSINESS/COMMERCIAL PROPERTY	0,01700	0,017748	0,018529	4,4	0,01934	0,02020
INDUSTRIAL PROPERTY	0,01700	0,017748	0,018529	4,4	0,01934	0,02020
RELIGIOUS PURPOSES PROPERTY	0,01700	0,017748	0,018529	4,4	0,01934	0,02020
MUNICIPAL PROPERTY	0,00560	0,005846	0,006104	4,4	0,00637	0,00665
PUBLIC OPEN SPACE	0,00560	0,005846	0,006104	4,4	0,00637	0,00665
PUBLIC SERVICE INFRASTRUCTURE	0,00150	0,001566	0,001638	4,4	0,00171	0,00179
PUBLIC SERVICE PURPOSE PROPERTIES	0,00150	0,001566	0,001635	4,4	0,00171	0,00178
EDUCATIONAL PROPERTY	0,00150	0,001566	0,001635	4,4	0,00171	0,00178
AGRICULTURAL PROPERTY	0,00150	0,001566	0,001635	4,4	0,00171	0,00178
PROPERTIES OWNED BY A PUBLIC BENEFIT ORGANIZATION AND USED FOR SPECIFIED PUBLIC BENEFIT ACTIVITIES	0,00150	0,001566	0,001635	4,4	0,00171	0,00178
PRIVATE OWED TOWN	0,00560	0,005846	0,006104	4,4	0,00637	0,00665
MINING PROPERTY	0,01700	0,017748	0,021298	20,0	0,02556	0,03067
PRIVATE OPEN SPACES	0,00150	0,001566	0,001635	4,4	0,00171	0,00178
PRIVATE ROAD	0,00150	0,001566	0,001635	4,4	0,00171	0,00178
VACANT LAND	0,01020	0,010649	0,011117	4,4	0,01161	0,01212
EXLUSIVE USE AREAS	0,00560	0,005846	0,006104	4,4	0,00637	0,00665
GUEST HOUSES PROPERTY	0,01700	0,017748	0,018529	4,4	0,01934	0,02020

FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

ZONES	CEMETRY	2025/2026	2026/2027	2027/2028
BLESKOP	RIETVLEI	R 486	R 509	R 521
BOITEKONG	RIETVLEI	R 436	R 457	R 468
BOITEKONG X 13	RIETVLEI	R 402	R 421	R 431
CASHAN	RIETVLEI	R 402	R 421	R 431
CHANENG	RIETVLEI	R 371	R 388	R 398
DONKERHOEK	RIETVLEI	R 236	R 247	R 253
EAST END	RIETVLEI	R 284	R 297	R 305
FREEDOM PARK	RIETVLEI	R 436	R 457	R 468
GEELHOUTPARK	RIETVLEI	R 235	R 245	R 252
JHB ROAD	RIETVLEI	R 402	R 421	R 431
KANANA	RIETVLEI	R 486	R 509	R 521
KARLIENPARK	RIETVLEI	R 284	R 297	R 305
KROONDAL	RIETVLEI	R 397	R 415	R 425
LEFARAGATLHE	RIETVLEI	R 235	R 245	R 252
LETHABONG	RIETVLEI	R 654	R 684	R 701
LUKA	RIETVLEI	R 351	R 367	R 376
MERITING	RIETVLEI	R 436	R 457	R 468
PAARDEKRAAL X1	RIETVLEI	R 436	R 457	R 468
PAARDEKRAAL X2	RIETVLEI	R 436	R 457	R 468
PHOKENG	RIETVLEI	R 370	R 387	R 396
PROTEA PARK	RIETVLEI	R 318	R 333	R 341
PTA ROAD	RIETVLEI	R 402	R 421	R 431
RAMOCHANA	RIETVLEI	R 370	R 387	R 396
RUSTENBURG CBD	RIETVLEI	R 235	R 245	R 252
RUSTENBURG NORTH	RIETVLEI	R 284	R 297	R 305
SERALENG	RIETVLEI	R 486	R 509	R 521
SONDELA	RIETVLEI	R 402	R 421	R 431
SUNRISE	RIETVLEI	R 402	R 421	R 431
THEKWANE	RIETVLEI	R 402	R 421	R 431
TLHABANE	RIETVLEI	R 235	R 245	R 252
TLHABANE WEST	RIETVLEI	R 235	R 245	R 252
ZINNIAVILLE	RIETVLEI	R 284	R 297	R 305

FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

ZONES	CEMETRY	2025/2026	2026/2027	2027/2028
BLESKOP	ZINNIAVILLE	R 318	R 333	R 341
BOITEKONG	ZINNIAVILLE	R 318	R 333	R 341
BOITEKONG X 13	ZINNIAVILLE	R 318	R 333	R 341
CASHAN	ZINNIAVILLE	R 318	R 333	R 341
EAST END	ZINNIAVILLE	R 269	R 281	R 288
FREEDOM PARK	ZINNIAVILLE	R 318	R 333	R 341
GEELHOUTPARK	ZINNIAVILLE	R 269	R 281	R 288
KANANA	ZINNIAVILLE	R 318	R 333	R 341
KARLIENPARK	ZINNIAVILLE	R 235	R 245	R 252
LETHABONG	ZINNIAVILLE	R 570	R 596	R 611
MERITING	ZINNIAVILLE	R 318	R 333	R 341
PAARDEKRAAL X1	ZINNIAVILLE	R 318	R 333	R 341
PAARDEKRAAL X2	ZINNIAVILLE	R 318	R 333	R 341
PHOKENG	ZINNIAVILLE	R 402	R 421	R 431
PROTEA PARK	ZINNIAVILLE	R 269	R 281	R 288
RAMOCHANA	ZINNIAVILLE	R 235	R 245	R 252
RUSTENBURG CBD	ZINNIAVILLE	R 235	R 245	R 252
RUSTENBURG NORTH	ZINNIAVILLE	R 269	R 281	R 288
SERALENG	ZINNIAVILLE	R 269	R 281	R 288
SONDELA	ZINNIAVILLE	R 269	R 281	R 288
SUNRISE	ZINNIAVILLE	R 235	R 245	R 252
THEKWANE	ZINNIAVILLE	R 235	R 245	R 252
TLHABANE	ZINNIAVILLE	R 269	R 281	R 288
TLHABANE WEST	ZINNIAVILLE	R 284	R 297	R 305
ZINNIAVILLE	ZINNIAVILLE	R 235	R 245	R 252

FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

ZONES	CEMETRY	2025/2026	2026/2027	2027/2028
BLESKOP	KARLIEN PARK	R 318	R 333	R 341
BOITEKONG	KARLIEN PARK	R 318	R 333	R 341
BOITEKONG X 13	KARLIEN PARK	R 318	R 333	R 341
CASHAN	KARLIEN PARK	R 318	R 333	R 341
EAST END	KARLIEN PARK	R 269	R 281	R 288
FREEDOM PARK	KARLIEN PARK	R 318	R 333	R 341
GEELHOUTPARK	KARLIEN PARK	R 269	R 281	R 288
KANANA	KARLIEN PARK	R 318	R 333	R 341
KARLIENPARK	KARLIEN PARK	R 235	R 245	R 252
LETHABONG	KARLIEN PARK	R 570	R 596	R 611
MERITING	KARLIEN PARK	R 318	R 333	R 341
PAARDEKRAAL X1	KARLIEN PARK	R 318	R 333	R 341
PAARDEKRAAL X2	KARLIEN PARK	R 318	R 333	R 341
PHOKENG	KARLIEN PARK	R 402	R 421	R 431
PROTEA PARK	KARLIEN PARK	R 269	R 281	R 288
RAMOCHANA	KARLIEN PARK	R 235	R 245	R 252
RUSTENBURG CBD	KARLIEN PARK	R 235	R 245	R 252
RUSTENBURG NORTH	KARLIEN PARK	R 269	R 281	R 288
SERALENG	KARLIEN PARK	R 269	R 281	R 288
SONDELA	KARLIEN PARK	R 269	R 281	R 288
SUNRISE	KARLIEN PARK	R 235	R 245	R 252
THEKWANE	KARLIEN PARK	R 235	R 245	R 252
TLHABANE	KARLIEN PARK	R 269	R 281	R 288
TLHABANE WEST	KARLIEN PARK	R 269	R 281	R 288
ZINNIAVILLE	KARLIEN PARK	R 235	R 245	R 252

FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

ZONES	CEMETRY	2025/2026	2026/2027	2027/2028
BLESKOP	TLHABANE	R 284	R 297	R 305
BOITEKONG	TLHABANE	R 284	R 297	R 305
BOITEKONG X 13	TLHABANE	R 284	R 297	R 305
CASHAN	TLHABANE	R 235	R 245	R 252
EAST END	TLHABANE	R 235	R 245	R 252
FREEDOM PARK	TLHABANE	R 284	R 297	R 305
GEELHOUTPARK	TLHABANE	R 269	R 281	R 288
KANANA	TLHABANE	R 402	R 421	R 431
KARLIENPARK	TLHABANE	R 235	R 245	R 252
LETHABONG	TLHABANE	R 570	R 596	R 611
MARIKANA	TLHABANE	R 570	R 596	R 611
MERITING	TLHABANE	R 284	R 297	R 305
PAARDEKRAAL X1	TLHABANE	R 284	R 297	R 305
PAARDEKRAAL X2	TLHABANE	R 284	R 297	R 305
PHOKENG	TLHABANE	R 370	R 387	R 396
PROTEA PARK	TLHABANE	R 235	R 245	R 252
RAMOCHANA	TLHABANE	R 235	R 245	R 252
RUSTENBURG CBD	TLHABANE	R 235	R 245	R 252
RUSTENBURG NORTH	TLHABANE	R 235	R 245	R 252
SERALENG	TLHABANE	R 284	R 297	R 305
SONDELA	TLHABANE	R 284	R 297	R 305
SUNRISE	TLHABANE	R 235	R 245	R 252

FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

ZONES	CEMETRY	2025/2026	2026/2027	2027/2028
THEKWANE	TLHABANE	R 235	R 245	R 252
TLHABANE	TLHABANE	R 235	R 245	R 252
TLHABANE WEST	TLHABANE	R 235	R 245	R 252
ZINNIAVILLE	TLHABANE	R 235	R 245	R 252

FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

ZONES	CEMETRY	2025/2026	2026/2027	2027/2028
BLESKOP	DONKERHOEK	R 436	R 457	R 468
BOITEKONG	DONKERHOEK	R 436	R 457	R 468
BOITEKONG X 13	DONKERHOEK	R 402	R 421	R 431
CASHAN	DONKERHOEK	R 402	R 421	R 431
EAST END	DONKERHOEK	R 284	R 297	R 305
FREEDOM PARK	DONKERHOEK	R 436	R 457	R 468
GEELHOUTPARK	DONKERHOEK	R 235	R 245	R 252
JHB ROAD	DONKERHOEK	R 402	R 421	R 431
KANANA	DONKERHOEK	R 486	R 509	R 521
KARLIENPARK	DONKERHOEK	R 284	R 297	R 305
LETHABONG	DONKERHOEK	R 654	R 684	R 701
MERITING	DONKERHOEK	R 436	R 457	R 468
PAARDEKRAAL X1	DONKERHOEK	R 436	R 457	R 468
PAARDEKRAAL X2	DONKERHOEK	R 436	R 457	R 468
PHOKENG	DONKERHOEK	R 370	R 387	R 396
PROTEA PARK	DONKERHOEK	R 318	R 333	R 341
PTA ROAD	DONKERHOEK	R 402	R 421	R 431
RAMOCHANA	DONKERHOEK	R 370	R 387	R 396
RUSTENBURG CBD	DONKERHOEK	R 235	R 245	R 252
RUSTENBURG NORTH	DONKERHOEK	R 284	R 297	R 305
SERALENG	DONKERHOEK	R 486	R 509	R 521
SONDELA	DONKERHOEK	R 402	R 421	R 431
SUNRISE	DONKERHOEK	R 402	R 421	R 431
THEKWANE	DONKERHOEK	R 402	R 421	R 431
TLHABANE	DONKERHOEK	R 235	R 245	R 252
TLHABANE WEST	DONKERHOEK	R 235	R 245	R 252
ZINNIAVILLE	DONKERHOEK	R 284	R 297	R 305

FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

ZONES	CEMETRY	2025/2026	2026/2027	2027/2028
BARSEBA	BARSEBA	R 233	R 244	R 250
BETHANI	BETHANI	R 233	R 244	R 250
BOITEKONG	BOITEKONG	R 235	R 245	R 252
BOITEKONG	KANANA	R 266	R 278	R 285
BOITEKONG	BOITEKONG	R 233	R 244	R 250
CBD	MPHENI HOUSE	R 498	R 521	R 534
CBD	DEPT OF LABOUR	R 498	R 521	R 534
CBD	RUSTENBURG SAPS	R 498	R 521	R 534
CBD	JOB SHIMAN-KANE TABANE HOSPITAL	R 583	R 610	R 625
CBD	DEP. OF EDUCA-TION	R 249	R 260	R 267
CBD	SARS	R 284	R 297	R 305
CHANENG	CHANENG	R 235	R 245	R 252
CHANENG	CHANENG	R 233	R 244	R 250
FREEDOM PARK	WILDEBEES STADIUM	R 249	R 260	R 267
IKAGENG	IKAGENG	R 233	R 244	R 250
KANANA	KANANA	R 235	R 245	R 252
KANANA	KANANA	R 233	R 244	R 250
LESUNG	LESUNG	R 233	R 244	R 250
LETHABONG	LETHABONG	R 235	R 245	R 252
LETHABONG	LETHABONG SAPS	R 233	R 244	R 250
LETHABONG	LETHABONG CLINIC	R 233	R 244	R 250
LUKA	LUKA	R 233	R 244	R 250
LUKA	IMPALA PLATI-NUM MINES	R 284	R 297	R 305
MABITSE	MABITSE	R 233	R 244	R 250
MAFIKA	MAFIKA	R 233	R 244	R 250
MAILE	MAILE	R 233	R 244	R 250
MARIKANA	WONDERKOP	R 333	R 348	R 357
MARIKANA	MADITLHOKWA	R 417	R 436	R 447
MERITING	KANANA	R 269	R 281	R 288
MERITING	MERITING	R 233	R 244	R 250
MFIDIKWE	MFIDIKWE	R 233	R 244	R 250
MFIDIKWE	TSHUKUDU HIGH SCHOOL	R 333	R 348	R 357
MODIKWE	MODIKWE	R 233	R 244	R 250
MOGAJANE	MOGAJANE	R 233	R 244	R 250
MONAKATO	MONAKATO SAPS	R 233	R 244	R 250
MONAKATO	MUNICIPAL OFFICES	R 233	R 244	R 250
MONAKATO	MONAKATO CLINIC	R 233	R 244	R 250
MOSENTHAL	MOSENTHAL	R 233	R 244	R 250
PAARDEKRAAL	KANANA	R 235	R 245	R 252
PAARDEKRAAL	PAARDEKRAAL	R 233	R 244	R 250
PHATSIMA	PHATSIMA	R 233	R 244	R 250
PHOKENG	CHANENG	R 460	R 482	R 494
PHOKENG	PHOKENG	R 233	R 244	R 250
PHOKENG STADIUM	BAFOKENG CIVIC CENTRE	R 233	R 244	R 250
PHOKENG STADIUM	LEGATO	R 233	R 244	R 250
PHOKENG STADIUM	PHOKENG SAPS	R 233	R 244	R 250
PHOKENG STADIUM	PHOKENG CIVIC CENTRE	R 233	R 244	R 250
PHOTSANENG	PHOTSANENG	R 233	R 244	R 250
PHOTSANENG	TSHUKUDU HIGH SCHOOL	R 333	R 348	R 357
RANKELENYANE	RANKELENYANE	R 233	R 244	R 250
RUSTENBURG CBD	TLASENG	R 570	R 596	R 611
RUSTENBURG CBD	LETHABONG	R 654	R 684	R 701
RUSTENBURG CBD	MOSENTHAL	R 570	R 596	R 611
RUSTENBURG CBD	RANKELENYANE	R 486	R 509	R 521
RUSTENBURG CBD	RIETSPRUIT	R 570	R 596	R 611
RUSTENBURG CBD	MAILE	R 570	R 596	R 611
RUSTENBURG CBD	PHOKENG	R 402	R 421	R 431
RUSTENBURG CBD	CHANENG	R 486	R 509	R 521
RUSTENBURG CBD	MARIKANA	R 570	R 596	R 611
RUSTENBURG CBD	N4	R 235	R 245	R 252
RUSTENBURG CBD	PHATSIMA	R 570	R 596	R 611
RUSTENBURG CBD	LUKA	R 486	R 509	R 521
RUSTENBURG CBD	MAMEROTSE	R 654	R 684	R 701

FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

ZONES	CEMETRY	2025/2026	2026/2027	2027/2028
RUSTENBURG CBD	TANTANANA	R 648	R 678	R 695
RUSTENBURG CBD	BLESKOP	R 555	R 580	R 595
RUSTENBURG CBD	MERITING	R 395	R 413	R 424
RUSTENBURG CBD	WONDERKOP	R 555	R 580	R 595
RUSTENBURG CBD	MFIDIKOE	R 555	R 580	R 595
RUSTENBURG CBD	LEFARAGATLHE	R 233	R 244	R 250
RUSTENBURG CBD	MODDERFON-TEIN	R 462	R 483	R 495
RUSTENBURG CBD	PHOKENG	R 405	R 424	R 434
RUSTENBURG CBD	KANANA	R 486	R 509	R 521
RUSTENBURG TAXI RANK	MPHENI HOUSE	R 498	R 521	R 534
RUSTENBURG TAXI RANK	DEPT OF LABOUR	R 498	R 521	R 534
RUSTENBURG TAXI RANK	RUSTENBURG SAPS	R 498	R 521	R 534
RUSTENBURG TAXI RANK	JOB SHIMAN-KANE TABANE HOSPITAL	R 583	R 610	R 625
RUSTENBURG TAXI RANK	DEPT. OF EDU-CATION	R 249	R 260	R 267
RUSTENBURG TAXI RANK	SARS	R 284	R 297	R 305
SERUTUBE	SERUTUBE	R 233	R 244	R 250
SUN RISE	SUN RISE	R 233	R 244	R 250
THEKWANE	THEKWANE	R 233	R 244	R 250
THEKWANE	TSHUKUDU HIGH SCHOOL	R 333	R 348	R 357
TLAPA	TLAPA	R 233	R 244	R 250
TLASENG	TLASENG	R 233	R 244	R 250
TLHABANE	PHOKENG	R 402	R 421	R 431
TLHABANE	KANANA	R 436	R 457	R 468
TSITSING	TSITSING	R 233	R 244	R 250

FUNERAL ESCORT TARIFFS – FINANCIAL YEAR 2024/2027
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

		2025/2026	2026/2027	2027/2028
R510	LUKA	R 554	R 579	R 594
BOKAMOSO	BOKAMOSO	R 233	R 244	R 250
BOKAMOSO	RUSTENBURG CBD	R 317	R 332	R 340
KROONDAL	KROONDAL	R 233	R 244	R 250
KROONDAL	RUSTENBURG CBD	R 317	R 332	R 340
MADITLHOKWA	RUSTENBURG CBD	R 618	R 647	R 663
MAHUMAPELO	MAHUMAPELO	R 233	R 244	R 250
MAHUMAPELO	RUSTENBURG CBD	R 500	R 524	R 537
MAKITLHOKWA	MADITLHOKWA	R 233	R 244	R 250
MATEBELENG	MATEBELENG	R 233	R 244	R 250
MATEBELENG	RUSTENBURG CBD	R 317	R 332	R 340
MFIDIKWE	RUSTENBURG CBD	R 500	R 524	R 537
NKANENG	NKANENG	R 233	R 244	R 250
OLIFANTSNEK	RIETVLEI	R 233	R 244	R 250
PAARDEKRAAL	CHANENG	R 233	R 244	R 250
PHOTSANENG	PHOTSANENG	R 233	R 244	R 250
PHOTSANENG	RUSTENBURG CBD	R 515	R 538	R 552
REX	RUSTENBURG CBD	R 286	R 299	R 306
RUSTENBURG CBD	MAUMONG	R 482	R 504	R 517
RUSTENBURG CBD	TLAPA	R 500	R 524	R 537
RUSTENBURG CBD	MABITSE	R 461	R 482	R 494
RUSTENBURG CBD	MAFIKA	R 444	R 464	R 476
RUSTENBURG CBD	SERUTUBE	R 444	R 464	R 476
RUSTENBURG CBD	MAILE2	R 476	R 498	R 511
RUSTENBURG CBD	KOPMAN	R 476	R 498	R 511
RUSTENBURG CBD	LEKGALONG	R 461	R 482	R 494
RUSTENBURG CBD	IKAGENG	R 539	R 564	R 578
RUSTENBURG CBD	PAARDEKRAAL	R 374	R 391	R 401
RUSTENBURG CBD	BOITEKONG	R 374	R 391	R 401
RUSTENBURG CBD	LESUNG	R 594	R 622	R 637
THEKWANE	THEKWANE	R 233	R 244	R 250
THEKWANE	RUSTENBURG CBD	R 532	R 556	R 570
WATERFALL EAST	RTB (CBD/ NOORD)	R 233	R 244	R 250
WATERKLOOF	LEFARAGATLHA	R 233	R 244	R 250
ZAKHELE	ZAKHELE	R 233	R 244	R 250

POUND AND TOWING - TARIFFS
FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

TARIFF DESCRIPTION	2025/2026	2026/2027	2027/2028
TOWING FEES			
LIGHT MOTOR VEHICLE (UP TO 3500 KG)	R 1 479	R 1 547	R 1 585
HEAVY MOTOR VEHICLE (3501 KG AND UP)	R 2 219	R 2 322	R 2 380
POUND FEES			
STORAGE (MOTOR VEHICLE) PER DAY	R 646	R 675	R 692
STORAGE (GOODS) ONCE OFF ON RELEASE	R 4 068	R 4 255	R 4 361

PUBLIC PASSENGER AND GOODS TRANSPORTATION BY-LAW (RM) -
TARIFFS FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

	2025/2026	2026/2027	2027/2028
MINIBUS TAXI (SEATING CAPACITY < 16 PERSONS)	R 63	R 66	R 67
MINIBUS TAXI (SEATING CAPACITY > 17 PERSONS)	R 94	R 98	R 101
BUS	R 125	R 131	R 134
GOODS VEHICLES	R 125	R 131	R 134

ACCIDENT REPORT (COPY) AND WEIGHBRIDGE
TARIFFS FINANCIAL YEAR 2025/2028
EFFECTIVE FROM 01 JULY 2025 TILL 30 JUNE 2028

	2025/2026	2026/2027	2027/2028
ACCIDENT REPORT (COPY)	R 60	R 60	R 60
WEIGHBRIDGE (TARE)			
TRAILER	R105	R109	R112
MOTORCYCLE	R157	R164	R168
LIGHT MOTOR VEHICLE	R209	R219	R224
HEAVY MOTOR VEHICLE	R261	R273	R280
EXTRA HEAVY MOTOR VEHICLE	R314	R328	R336

UNIT MANAGER
TRAFFIC SERVICES
MR D DUBE

EMERGENCY AND DISASTER MANAGEMENT

A. FEES FOR HAZARDOUS SUBSTANCES AND FIRE PROTECTION SERVICES

Tariffs for rendering of fire safety services: plans, inspections, events, standby, fire water tests, rational designs, fireworks applications and hazardous substances

TARRIF DESCRIPTION		CURRENT 2024/25	2025/2026	2026/2027	2027/2028
		4,9%	4,5%	4,6%	2,5%
Inspection of bulk depots and issuing of registration certificates		R 3 053	R 3 504	R 3 662	R 3 830	3 926
Inspection of spray booth and issuing of spray permit as well as inspection of storage, handling and use of hazardous substances, and issuing of registration certificate		R 945	R 1 086	R 1 135	R 1 187	1 217
Inspection of a dangerous goods vehicle and issuing of transport permit		R 945	R 1 086	R 1 135	R 1 187	1 217
Issuing of certificate of fitness for a public building		R 945	R 1 086	R 1 135	R 1 187	1 217
Release of emergency incident information as contemplated in Section 2 of the Fire Brigade Service By-Laws		R 135	R 158	R 165	R 173	177
Temporary registration of hazardous substances installation for special events		R 68	R 90	R 94	R 98	101
Plan approval for fire Protection Plans inclusive of a fire Installation drawing or smoke ventilation plan(with a minimum fee of)		R 29 716	R 39 352	R 41 123	R 43 014	44 090
Plan approval for tenant layouts / amendments / deviations(per floor / per tenant)		R 432	R 504	R 527	R 551	565
Plan approval for site development including amendments (SDP)(per submission)		R 432	R 504	R 527	R 551	565
Plan approval for hazardous substances including amendments / deviations(per submission)		R 432	R 504	R 527	R 551	565
Rational design for a thatched roof or lapa at a residential stand/erf(per submission)		R 527	R 610	R 637	R 667	683
Plans for temporary structures at events that includes the rational design thereof		R 527	R 610	R 637	R 667	683
Cost per Officer per hour or part thereof at events for standby and inspections		R 337	R 390	R 408	R 426	437
Rational designs		R 1 081	R 1 245	R 1 301	R 1 361	1 395
Fireworks display / discharge application		R 474	R 546	R 571	R 597	612
General Fire Safety compliance letter / inspection request / fire water reticulation test result out of schedule		R 338	R 390	R 408	R 426	437
Fire water reticulation tests at street hydrants per hydrant		R 338	R 390	R 408	R 426	437
Restoration of lapsed annual hazardous substance certificate		R 474	R 546	R 571	R 597	612

B. RENTAL PAYABLE FOR MAKING SERVICE EQUIPMENT AVAILABLE

Utilisation of vehicles		Utilisation cost per vehicle per hour or part hereof	"2021/2022 (New Tariff)"	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Type of vehicle	Call out cost		Total	4,7%	4,7%	4,6%	4,9%	4,5%	4,6%	2,5%
Rescue Pumper	R 250,00	500	R 750,00	R 795	R 875	R 962	R 1 110	R 1 160	R 1 213	R 1 244
Aerial Apparatus	R 450,00	900	R 1 350,00	R 1 431	R 1 574	R 1 732	R 1 998	R 2 088	R 2 184	R 2 239
Specialist Vehicle (Hazmat vehicle)	R 450,00	950	R 1 400,00	R 1 484	R 1 632	R 1 796	R 2 072	R 2 165	R 2 265	R 2 321
Water Tanker	R 300,00	650	R 950,00	R 1 007	R 1 108	R 1 218	R 1 406	R 1 469	R 1 537	R 1 575
Grass Unit	R 150,00	250	R 400,00	R 424	R 466	R 513	R 592	R 619	R 647	R 663
Incident Command vehicle / response vehicle	R 495,00	800	R 1 295,00	R 1 373	R 1 510	R 1 661	R 1 917	R 2 003	R 2 095	R 2 147
Diving Unit	R 450,00	950	R 1 400,00	R 1 484	R 1 632	R 1 796	R 2 072	R 2 165	R 2 265	R 2 321
Utilisation of Specialised Equipment	R 250,00	650	R 900,00	R 954	R 1 049	R 1 154	R 1 332	R 1 392	R 1 456	R 1 492
Kilometres (Km) Travelled		R2. 00/Km	R 2,00	R 2	R 2	R 3	R 3	R 3	R 3	R 3
							R -	R -	R -	
USE OF PERSONNEL							**R -**	**R -**	**R -**	
Personnel		R70.00/h per Member	R 70,00	R 74	R 82	R 90	R 104	R 108	R 113	R 116
					R -	R -	R -	R -	R -	
USE OF WATER				**R -**	**R -**	**R -**	**R -**	**R -**	**R -**	
Water used		R7.50/KL + Vat	R 7,50	R 8	R 9	R 10	R 11	R 12	R 12	R 12

	"2018/2019 (NEW)"	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
	Total	6,0%	5,9%	4,7%	4,7%	4,6%	4,9%	4,5%	4,6%	2,5%
A maximum restriction of **R6 000.00** (VAT included) is placed per private household for fire and rescue services.	R 6 000,00	R 6 360	R 6 735	R 7 052	8 122	8 495	8 911	9 312	9 741	9 984

Note:
1. The time is calculated from arrival to departure
2. Utilisation cost includes cost of personnel and equipment
3. Call out tariff will be rendered for all incidents where a fire vehicle arrived on scene, To all vehicles involved in an accident as well as for the following services rendered

a. Any form of scene safety including cones and regulating of traffic
b. Safety of the vehicle / s were ensured, which include the cutting of the battery cables
c. Fires: where a fire was extinguished before arrival but an investigation was done to ensure the house / building is safe
4. Utilisation Tariff will be rendered to the vehicle where work was done with the following equipment
- Hydraulic rescue set
- Positive pressure ventilator
- Carburandum Disc cutter
- Power saw
- Reciprocating saw
- Motorised break-in equipment

5. Fires: Any equipment used to extinguish the fire
- Portable pumps

Flooding: All houses involved in a flood
6. Utilisation of Specialised Equipment tariff apply for Specialist rescue operations (High Angel, Swift Water, Urban Search and Rescue, Mountain Rescue, Diving)

a. Deliver of expert services in specialised fires

Exclusions

Fees are also applicable to all Council, Provincial and National Departments except the Office of the Mayor, Office of the Premier and office of the President.
The fees do not apply to grass, veld and rubbish fires on vacant Erf / Erven within the Rustenburg Local Municipality area.
Persons registered on the Council's Indigents Register will be exempted from paying costs for fire and rescue services.
Members of registered Fire Protection Associations established in terms of the National Veld and Forest Act, 1998 (Act 101 of 1998) will be exempted from paying any fees for fire services.
Informal residences i.e. a residence that does not receive any municipal services i.r.o electricity, water, waste removal and waterborne sewerage will be exempted from paying fees for fire services with regard to house fires.

Tariffs for making available fire and rescue equipment and rendering a standby service and events

1. For all standby services at events a full tariff for all the vehicles on standby, will be issued for the total of hours on standby.
2. All special services will receive full accounts

The Municipality may withdraw such equipment at any time should the Municipality need it elsewhere.

Note:
1. The time is calculated from arrival to departure
2. Utilisation cost includes cost of personnel and equipment
3. A single tariff per vehicle per hour is charged.

Utilisation of material

The tariff for material used is cost plus a surcharge of 15%. Provided that in respect of material for which the Municipality has determined a tariff, that tariff shall apply in accordance with Section 14 (urgent cases) Fire Brigade Services (Act 99 of 1977)
Renting out of equipment outside the jurisdiction area of the Municipality
The tariffs as set out in this Annexure plus a surcharge of 50%.

C. ADJUSTMENT IN FEES PAYABLE TO THE SERVICE AS CONTEMPLATED IN CLAUSES A AND B OF THIS ANNEXURE

The Service must ensure that all fees referred to in clauses A and B of this Annexure are adjusted to keep trend with inflation according to the Consumer Price Index (CPI).

GENERAL DIRECTIVES FOR THE PAYMENT OF THE ABOVE FEES

1. All certificates of registration, certificates of fitness and/or spraying permits will be valid for twelve (12) calendar months. A written application for the renewal of the certificate or permit must reach the Service at least one calendar month prior to the expiry thereof.
2. When application is made for registration, the appropriate application form, correctly completed in full, must be accompanied by the prescribed fees.
3. All the appropriate application forms are available from the Service and must be completed in full and, where applicable, be duly signed.
4. If, for whatever reason, the Service rejects an application for any certificate of registration, certificate of fitness or any permit, the applicant must, within 14 days (excluding weekends and public holidays) of the date of rejection, take corrective steps to ensure that the document in question is issued at no additional cost, failing which the applicant must pay the prescribed fees again.
5. (a) The tariff for premises that are liable to registration in respect of paragraph 1(2) or (3), or a combination of them, will be a single fee of R700,00, irrespective of the combination of items:

Provided that such combination applies to one premises and is under the same control.

(b) If there are different divisions and/or affiliates within a business and/or company situated on the same premises but each division and/or affiliate is managed separately, each division and/or affiliate is liable to registration separately.
i. All monies are payable in advance.
ii. All fees are also applicable to Council.
6. All relevant application forms are available at the Emergency Services Department (Fire Brigade Services) and must be completed in full and where applicable, signed properly.
7. If certificates and/or spray/transport permits are refused, the applicant must take remedial steps within 14 days in order for the re-inspection to be free of charge and to ensure the issuing of the relevant registration certificate or permit. Failing this, the prescribed tariffs will again be payable in full.

Restoration of lapsed certificate (each year certificate has not been renewed) R700, 00 (including VAT) plus current year registration fee

D. FEES PAYABLE FOR TRAINING AND DEVELOPMENT (FIRE & RESCUE TRAINING ACADEMY) INCLUDING RENTALS OF FACILITIES AND EQUIPMENTS							2024/2025	2025/2026	2026/2027	2027/2028
							4,9%	4,5%	4,6%	2,5%
Fire Fighter I	R 6 090	10 Weeks	R 6 455	R 6 843	R 7 246	R 7 667	11 106	11 606	12 140	12 443,13
Fire Fighter I Challenge	R 1 785	-	R 1 892	R 2 006	R 2 124	R 2 247	3 256	3 403	3 559	3 648,01
Haz-Mat Awareness	R 1 365	2 Weeks	R 1 447	R 1 534	R 1 624	R 1 718	2 490	2 602	2 722	2 789,79
Fire Fighter II	R 3 465	4 Weeks	R 3 673	R 3 893	R 4 123	R 4 362	6 319	6 603	6 907	7 079,79
Fire Fighter II Challenge	R 1 785	-	R 1 892	R 2 006	R 2 124	R 2 247	3 255	3 401	3 558	3 646,89
Haz-Mat Operational	R 2 415	2 Weeks	R 2 560	R 2 713	R 2 874	R 3 040	4 404	4 602	4 814	4 934,23
Fire Services Instructor	R 3 465	2 Weeks	R 3 673	R 3 893	R 4 123	R 4 362	6 319	6 603	6 907	7 079,79
Vehicle Rescue	R 1 365	2 Weeks	R 1 447	R 1 534	R 1 624	R 1 718	2 490	2 602	2 722	2 789,79
Basic Fire Fighting And Safety	R 514	1 Day	R 549	R 582	R 616	R 652	985	1 029	1 077	1 103,59
Industrial Fire Fighting	R 1 040	5 Days	R 1 190	R 1 261	R 1 336	R 1 413	1 991	2 081	2 176	2 230,71
SCBA	R 630	3 Days	R 645	R 684	R 724	R 766	1 208	1 262	1 320	1 353,44
Pump Operator	R 4 830	5 Days	R 5 120	R 5 427	R 5 747	R 6 081	8 809	9 205	9 629	9 869,57
All Appliances(Hydraulic Platform, Turntable Ladder, Industrial Foam Pumper)	R 5 512	5 Days	R 5 843	R 6 193	R 6 559	R 6 939	10 052	10 504	10 988	11 262,23
Rental of Porta Cabin Sleeping Rooms per person per day sharing	52.50 \ Per Room \ Sharing	1 Day	58.00 \ Per Room \ Sharing	62.00 \ Per Room \ Sharing	65.00 \ Per Room \ Sharing	69	100	105	109	112,04
Rental of Training Props per day	409.50 \ hr	Per Hour	466.00 \hr	493.00 \hr	512 \hr	541	785	820	858	879,51
Rental of Training Lecture-room per day	462	Per Day	484	513	543	575	875	914	956	980,35

E. Disaster Management

Tariffs for rendering of Evacuation plans and emergency evacuation drills

Description of service		Total
Emergency evacuation plans		Free of charge
Emergency assistance rendered at emergency evacuation drills	per official per hour or part thereof	Free of charge
Plan development, approval & site inspection for events organised by private/government organisations		Free of charge
Venue Operations Centre for events organised by private/ government organisations	per official per hour or part thereof	Free of charge
Plan development, approval & site inspection for events organised by RLM or RLM partnering with private sector		Free of charge
Venue Operations Centre for events organised by RLM or RLM partnering with private sector	per official per hour or part thereof	Free of charge

RUSTENBURG
LOCAL MUNICIPALITY
OFFICE OF THE SPEAKER
P O Box 16, Rustenburg, 0300, North West Province, South Africa
Tel: (014) 590 3417 Fax: (014) 590 3006 Email: speaker@rustenburg.gov.za

FINAL - UPDATED - Public Participation Draft Schedule on the IDP Review 2025/2026 and MTREF 2025/2026

NO	WARD NO/NAME	COUNCILOR	DATE	VENUE	TIME	COMMENTS
1	**23** - Kanana	CLLR MOKAPI- 061 514 9926	05/05	**MAKOKOMA TRIBAL OFFICE**	10H00- 12H00	
2	**19,22**, **39 –** Sunrise, Ext 1, Sunrise view, Ramochana	CLLR MAKHUTO- 066 318 8331 CLLR MPELE- 083 423 1238 CLLR MOSITO – 073 106 2533	05/05	**SUNRISE VIEW SPORTS GROUND**	13H00- 15H00	
3	**8-** Tlhabane West	CLLR MODUKE- 084 572 8853	05/05	**GEELHOUT PARK SECONDARY SCHOOL**	16H00- 18H00	
4	**34-** Bokamoso Mfidikoe, Bokamaoso Zakhele	CLR PHIRI- 073 892 2247	06/05	**BOKAMOSO SPORTS GROUND**	10H00- 12H00	
5	**26** - Tlaseng	CLLR MMAPITSA- 083 468 3273	06/05	**TLASENG PRIMARY SCHOOL**	13H00 – 15H00	
6	**33, 45** Photsaneng, Thekwane, Karee, Nkaneng, Bleskop,	CLLR KHOELI- 078 239 0883 CLLR MOLEFE- 079 272 3011	06/05	**THEKWANE PRIMARY SCHOOL**	16H00- 18H00	
7	**36 –** Mathopestad, Molote city, Syferbult,	CLLR SERUNYE- 060 434 1419	07/05	**SYFERBUILT**	10H00- 12H00	

AGENDA SPECIAL COUNCIL 29 MAY 2025

NO	WARD NO/NAME	CONTACT DETAILS	DATE	VENUE	TIME	COMMENTS
8	**7** - Lefaragatlha	CLLR PULE- 071 105 2430	07/05	**LEFARAGATLHE COMM HALL**	13H00- 18H00	
9	**35** - Kroondal	CLLR MKHOLWA- 073 399 0313	07/05	**KROONDAL PRIMARY SCHOOL**	16H00- 15H00	
10	**3**- Luka	CLLR MPUTLE- 083 950 5592	08/05	**MOGONO COMMUNCITY HALL**	10H00 – 12H00	
11	**5 –** Phokeng	CLLR MOREKI- 068 575 2681	08/05	**LESEDI APOSTOLIC CHURCH**	13H00 – 15H00	
12	**43 -** Karlienpark, Zinniaville,Nkandla	CLLR SNYDERS- 064 659 0363	08/05	**KARLIEN PARK (COMMUNITY PARK)**	16H00 18H00	
13	**2** - Chaneng & Robega	CLLR LANGENI- 064 060 2880	09/05	**ROBEGA COMMUNITY HALL**	10H00 - 12H00	
14	**1 –** Boshoek, Phatsima	CLLR SETHONGA 078 200 0761	09/05	**PHATSIMA COMMUNITY HALL**	13H00- 15H00	
15	**4** - Luka	CLLR VENA- 083 720 6131	09/05	**RAMOTSE PRIMARY SCHOOL**	16H00- 18H00	
16	**41–** Seraleng, Paardekraal	CLLR XHINELA- 073 410 0753	**TBC**	**SERALENG PRIMARY SCHOOL**	**TO BE CONFIRMED**	

INCA
Portfolio Managers

RUSTENBURG LOCAL MUNICIPALITY

Long-Term Financial Plan – *Update 2025*

Rustenburg
Local Municipality

Prepared by
INCA Portfolio Managers
February 2025

REPORT OVERVIEW – INTRODUCTION AND BACKGROUND

Rustenburg Local Municipality (Rustenburg) appointed INCA Portfolio Managers in 2022 to prepare a Long-Term Financial Plan (LTFP). The output of the assignment was a report entitled *Rustenburg Local Municipality Long-Term Financial Plan: 2022/23 – 2031/32*. This *2025 Update* aims to update the LTFP based on the latest available information and report on the findings.

The objective of a Long-Term Financial Plan is to recommend strategies and policies that will maximise the probability of the municipality's financial sustainability into the future. This is achieved by predicting future cash flows and affordable capital expenditure based on the municipality's historic performance and the environment in which it operates.

A summary of the demographic, economic and household infrastructure perspective was updated with the latest available information as published by S&P Global Insight (S&P). The historic financial analysis was updated with the information captured in the municipality's audited financial statements of 30 June 2024. IPM's Long-Term Financial Model (latest and updated version) was populated and run with this latest information, and the outcome thereof is reflected in this report. In particular, the model was calibrated against the municipality's audited financial statements as well as the Adjustment Budget for the 3 years from 2024/2025 to 2026/2027.

ABBREVIATIONS USED

AFS	Annual Financial Statements
CAPEX	Capital Expenditure
CRR	Capital Replacement Reserve
CPI	Consumer Price Index
FY	Financial Year
FYE	Financial Year Ended
GVA	Gross Value Added
IP	Investment Property
IPM	INCA Portfolio Managers
LM	Local Municipality
LTFM	Long-Term Financial Model
LTFP	Long-Term Financial Plan
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
MRRI	Municipal Revenue Risk Indicator
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Energy Regulator of South Africa
NT	National Treasury
OPEX	Operational Expenditure
PPE	Property, Plant and Equipment
R ‘000	Rand x 1 000
SA	South Africa
S&P	S&P Global Market Intelligence ReX v2434

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EXECUTIVE SUMMARY

KEY FINDINGS AND CONCLUSIONS DRAWN FROM THE 2024 LTFP UPDATE

HIGHLIGHTS FROM THE AUDITED FY2023/24 FINANCIAL RESULTS

- The liquidity position improved during FY2023/24, evidenced by the liquidity ratio of 0.83:1 (FYE2022/23: 0.62:1). However, this remains well below the NT recommended norm of 1.5-2:1.
- The collection rate was calculated at 82.2% This was below the NT recommended norm of 95%. Our calculation methodology follows that of NT's Circular 71.
- Financial performance regressed during FY2023/24, with an increase in the accounting deficit to R134.3 million. Furthermore, the municipality posted an operating deficit of R1.0 billion.
- The municipality utilised cash for operations amounting to R261.8 million (FY2022/23: R191.3 million).
- Electricity services remained the main revenue stream for the municipality, contributing an average of 49.0% to total revenue over the review period. This is followed by equitable share with 15.0%.
- Electricity bulk purchases remained the main expenditure item, accounting for 27.2% of operating expenditure in FY2023/24 and averaging 36.5% over the review period. This is followed by staff costs at 13.9% and depreciation at 8.0%. The municipality's employee-related expenditure, which includes staff costs and contracted services, remains affordable, averaging 18.2%—well below the NT norm of 40.0%.
- The debtors age analysis indicates that 94.7% of debtors are older than 90 days.
- Rustenburg has increased its capital spending over the review period with the FY2023/24 capital expenditure amounting to R1.5 billion. The total capital outlay over the review period amounted to R6.4 billion. This was primarily funded by capital grants.
- The municipality recorded a cash surplus exceeding the minimum liquidity requirement of R682.6 million in FY2023/24. Cash surpluses were achieved in only two years during the review period.
- High distribution losses 53.2% for water and 26.3% for electricity.

LONG-TERM FINANCIAL PLAN UPDATE

An analysis of the municipality's historical performance has shown that the Adopted Budget was overly optimistic. This raised concerns about the likelihood of meeting the budgeted targets, given the significant differences between Adopted budget and the municipality's historic performance. Based on this, it seems highly probable that the municipality will not fully meet the expectations outlined in the Adopted Budget. Before considering any adjustments to the Adopted Budget, an MTREF Case was developed to assess the viability of the Adopted budget over the medium term. This exercise aimed to determine whether the budget was structurally sound and sustainable considering the municipality's current fiscal position. The MTREF Case results revealed that the proposed budget was not sustainable, prompting the need for a more realistic approach, which is addressed in the Base Case.

The Base Case aims to address the municipality's historical financial challenges, such as consistent operating deficits averaging R400 million annually over the past 8- years of the review period. The Adopted Budget indicates that the municipality is expected to transition from ongoing deficits to a projected surplus of nearly R1.0 billion by FY2024/25.

However, upon analysis, achieving this will require drastic changes, which may be considered impractical for the municipality within such a short period. To develop a realistic Base Case model, the figures from the Adopted Budget 2024/25 – 2026/27 and historic audited financial statements were used. The objective of the model is to utilise realistic assumptions to support future financial sustainability.

The following are the key assumptions were incorporated into the Base Case:

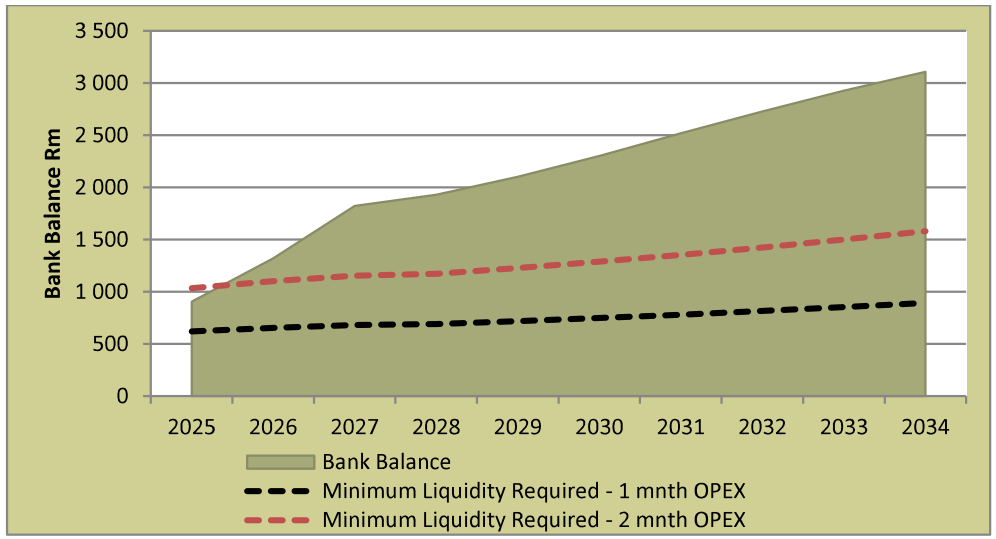
1. The collection is assumed to improve to 85.0% and maintained for the entire planning period.
2. Operating expenditure (Opex) was increased by 3.0% over the entire Planning Period. The budget was not reflective of the municipality's expenditure trends.
3. Tariff increases were included as put forward in the Adopted Budget Document FY2024/25.
4. Creditors days were adjusted downwards from 142 days to 60 days over a 10-year period to mitigate the forecast rise in creditors.
5. A programme was run to increase the interest earned on outstanding debtors and bringing it closer to the historical levels.
6. The Adopted Budget capital investment programme was adjusted over the MTREF period, as follows:
    a. FY2024/25: R500.0 million (Budget: R641.6 million)
    b. FY2025/26: R580.0 million (Budget: R620.4 million)
    c. FY2026/27: R600.0 million (Budget: R630.6 million)
    d. FY2027/28: R650.0 million
    e. Assumed growth in capital investment beyond the MTREF period is 5.0% p.a.
7. Repairs and maintenance expenditure was increased to 5% of PPE & IP.
8. Electricity losses were reduced to 20.0% (from 26.3%) over a five-year period, while water distribution losses were reduced to 45.0% (from 53.2%) over the same period.

LONG-TERM FINANCIAL MODEL OUTCOMES

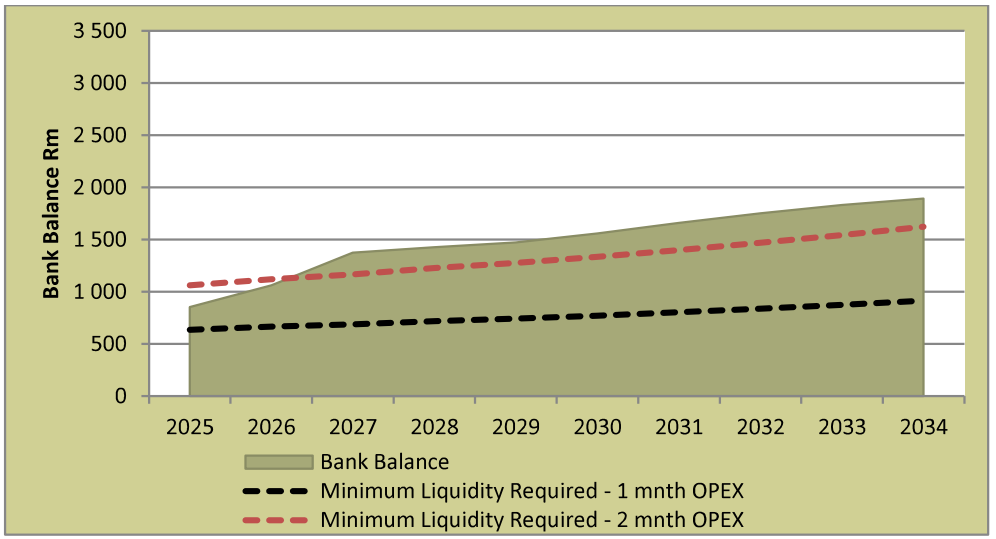
Based on these assumptions, key outcomes for the 10-year planning period are summarised in the table and graphs below:

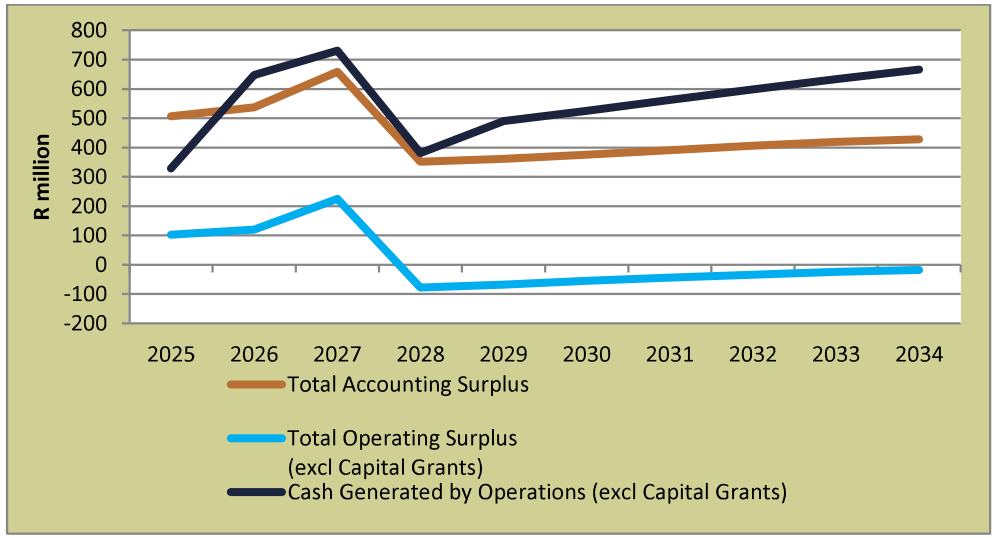
Outcome	MTREF Case	Base Case
Average annual % increase in Revenue	5,0%	5,4%
Average annual % increase in Expenditure	4,4%	4,7%
Accounting Surplus accumulated during Planning Period (Rm)	R 4 436	R 4 344
Operating Surplus accumulated during Planning Period (Rm)	R 129	R 36
Cash generated by Operations during Planning Period (Rm)	R 5 564	R 4 038
Average annual increase in Gross Consumer Debtors	2,9%	3,4%
Capital investment programme during Planning Period (Rm)	R 7 450	R 7 140
External Loan Financing during Planning Period (Rm)	R 0	R 0
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 3 109	R 1 893
No of Months Cash Cover at the end of the Planning Period (Rm)	4,5	2,7
Liquidity Ratio at the end of the Planning Period	1.3 : 1	1.7 : 1
Gearing at the end of the Planning Period	0,0%	0,0%
Debt Service to Total Expense Ratio at the end of the Planning Period	0,7%	0,3%

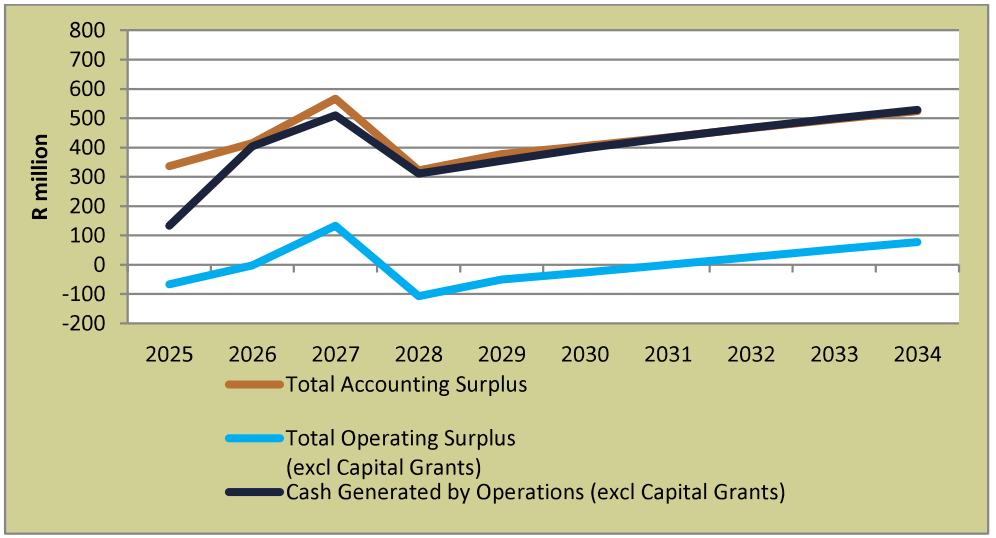
MTREF CASE SCENARIO



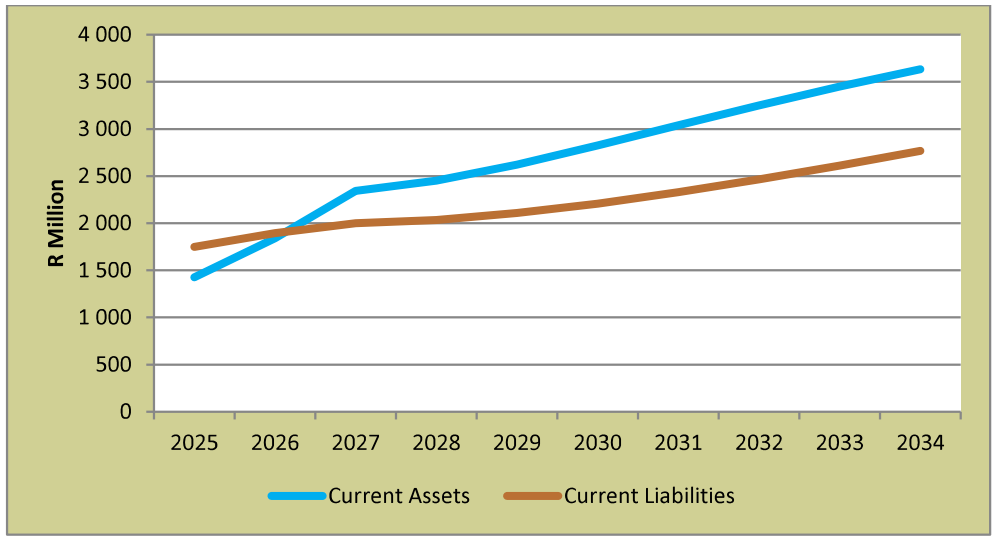
BASE CASE SCENARIO



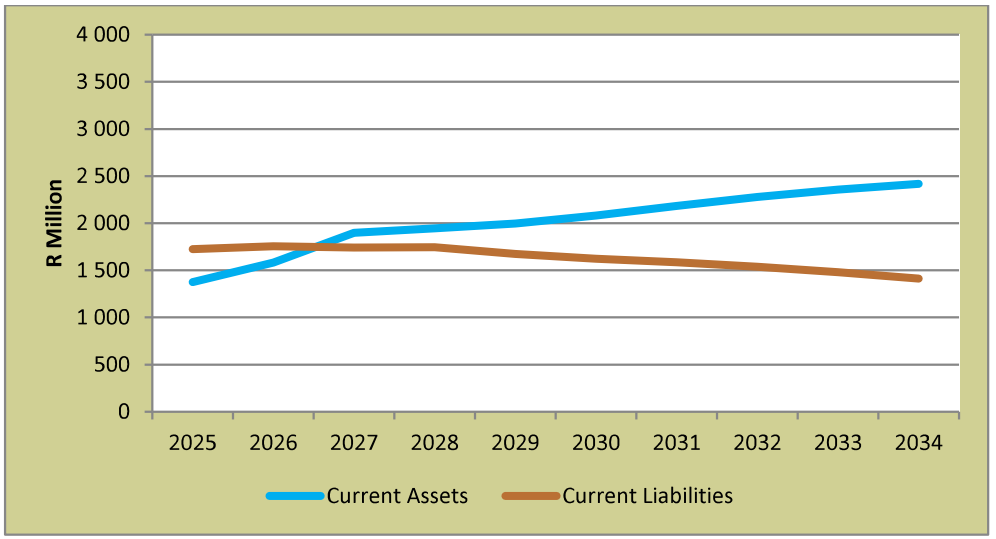


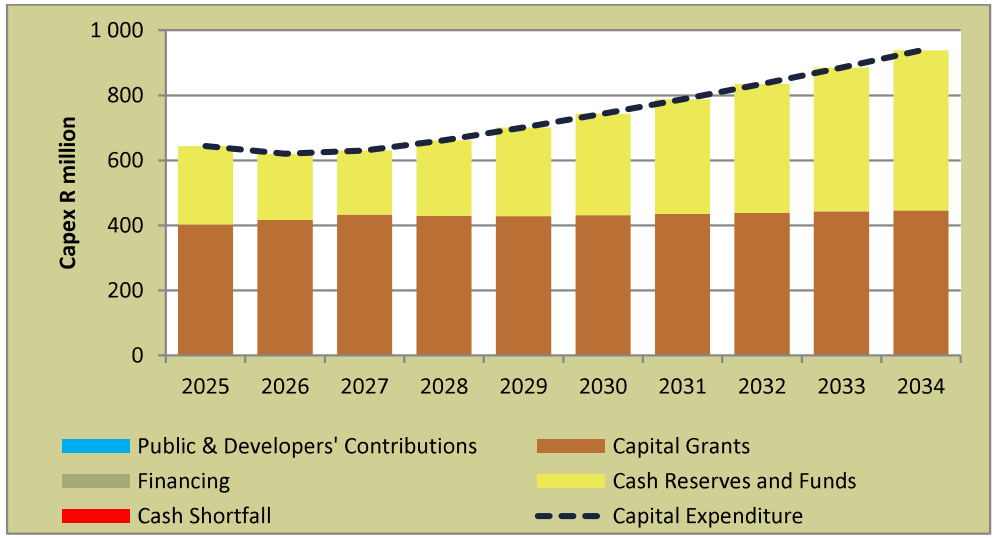


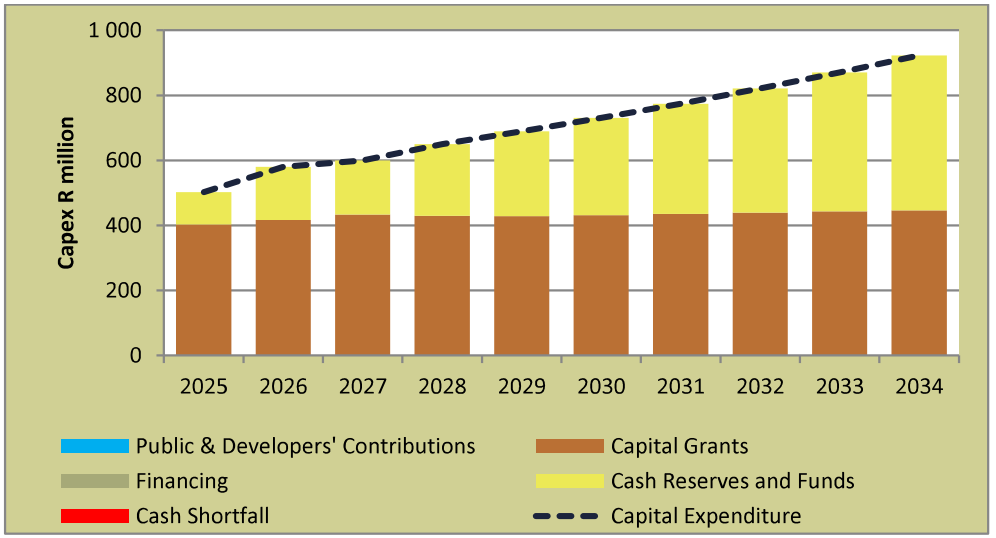
MTREF CASE SCENARIO



BASE CASE SCENARIO







MTREF VS BASE CASE

1. Rustenburg's operating budget is overly ambitious, projecting an operating surplus over the MTREF period, which contrasts with the municipality's historical performance. It is unlikely the municipality will meet these budget expectations.
2. The MTREF Case, was developed using the adopted budget assumptions, with key financial metrics (such as repairs and maintenance to PPE & IP, distribution losses, and creditor days) held constant at their FY2023/24 levels to evaluate the impact of maintaining the status quo.
3. The MTREF Case showed an unrealistic long-term outlook, with healthy liquidity and cash flow despite initial poor financial performance.
4. The Base Case was developed to address potential issues or areas for improvement identified in the MTREF Case, ensuring a more realistic financial path.
5. The MTREF shows an ambitious outlook as evidence by the cash and cash equivalents forecast to reach amounts in excess of R3 billion. The municipality is forecast to meet its 1-month opex requirement from as early as FY2025/26.
6. The MTREF shows high surpluses contrary to historic results. The Base Case firstly improves the historic deficits of the municipality and improves thereon. Applying a realistic increase based on inputted data and historical trends.

RECOMMENDATIONS

Based on the results of the Long-Term Financial Model, ***it is recommended that*** Rustenburg:

---

1. Strengthen critical repair and maintenance efforts by evaluating cost-effectiveness while prioritising efficiency to minimise service disruptions.
2. Maintain a balanced funding mix that stabilises the municipality's financial position and liquidity before deploying large sums from its own cash reserves. Ensure prudent capital investment allocation, balancing affordability with long-term financial viability while safeguarding the integrity and effectiveness of the capital investment programme. In the long-term capital investment strategy, prioritising investment in productive assets that foster economic growth is essential.
3. Establish a formalised capital investment prioritisation and tracking system to optimise management's investment decisions and mitigate the risk of both over- and under-spending on capital projects.
4. Maintain an average collection rate of no less than 85%. To safeguard this rate and prevent any decline, implement strategic measures that sustain high revenue collection levels while protecting the municipality's financial stability and surplus. Key initiatives include conducting regular audits of the indigency register, adopting modern and efficient methods for delivering pre-termination notices on overdue accounts, and ensuring continuous data cleansing to address inaccuracies. Additionally, proactively following up with zero-consumption consumers, enforcing timely and effective credit control actions, and enhancing convenient payment methods will streamline collections and encourage prompt payments. Collectively, these measures will strengthen the municipality's financial health and service delivery.
5. Institutionalise the use of a sophisticated tariff model to ensure that tariffs accurately reflect the true cost of service delivery across the organisation, including property rates and overhead costs.
6. Update the long-term financial plan annually with the most recent data to maintain its relevance as a strategic tool for the annual budgeting process. Institutionalising the long-term financial model to support strategic financial decision-making will provide significant benefits to the municipality.

DEMOGRAPHIC, ECONOMIC AND HOUSEHOLD INFRASTRUCTURE

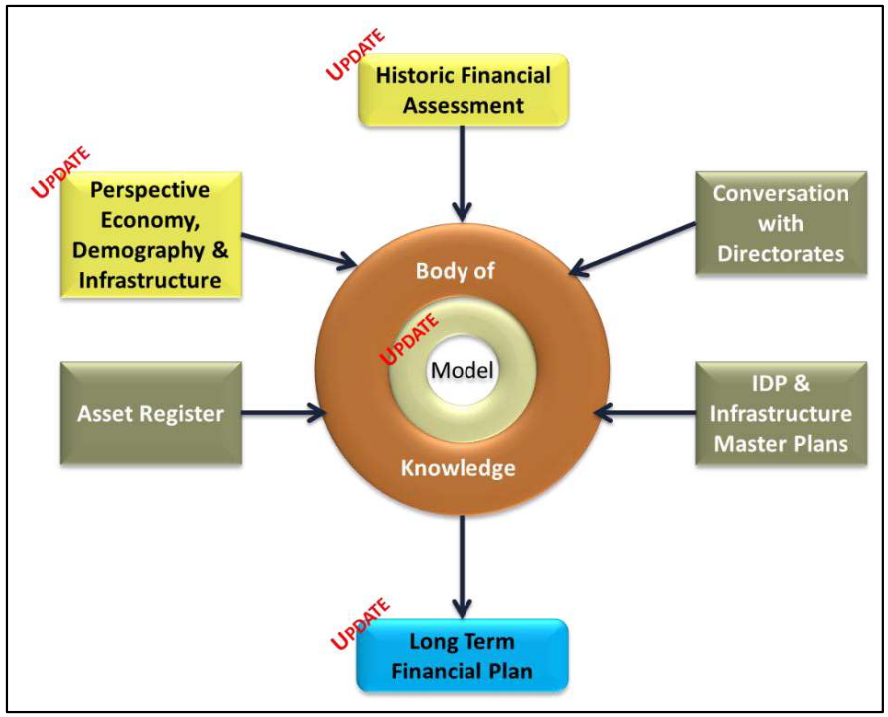
- Rustenburg has the largest population in the Bojanala Platinum District, with a total population of 674 069 people in 2023. The population has grown at an average rate of 1.3% p.a. over the past 5 years, with a population density of 197.3 people per km^2.
- The municipality has the lowest household formation in the district at 15.8% since 2014. Rustenburg largely managed to keep pace with the rate of household formation, despite the Infrastructure Index fluctuating between 0.69 and 0.76 throughout the review period.
- Rustenburg reduced the level of backlogs in the provision of all services over the review period. Despite this, the sanitation and refuse backlogs remain high at 21.0% and 25.5% respectively.
- Rustenburg income per household amounts to R100 521.
- The official unemployment rate increased to 61.8% in 2023 (60.4% in 2022), making it the highest in the district. Mining remained the predominant provider of employment in Rustenburg in 2023 making up 54.9% of all the employment opportunities in the municipality.
- The economy has exhibited slow growth over the review period, with an annual average decline of 4.2% over the last 5 years. This is exceeded by the annual average population growth rate of 1.3% over the same period.
- Rustenburg has a Tress Index of 86.2, indicative of a very concentrated economy. The predominant contributing was mining accounting for over 70.% of economic output in the municipality
- Tourism sector spend in the municipality amounted to R2.6 billion in 2023.

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	Ratio Analysis
9	Conclusions

PLANNING PROCESS

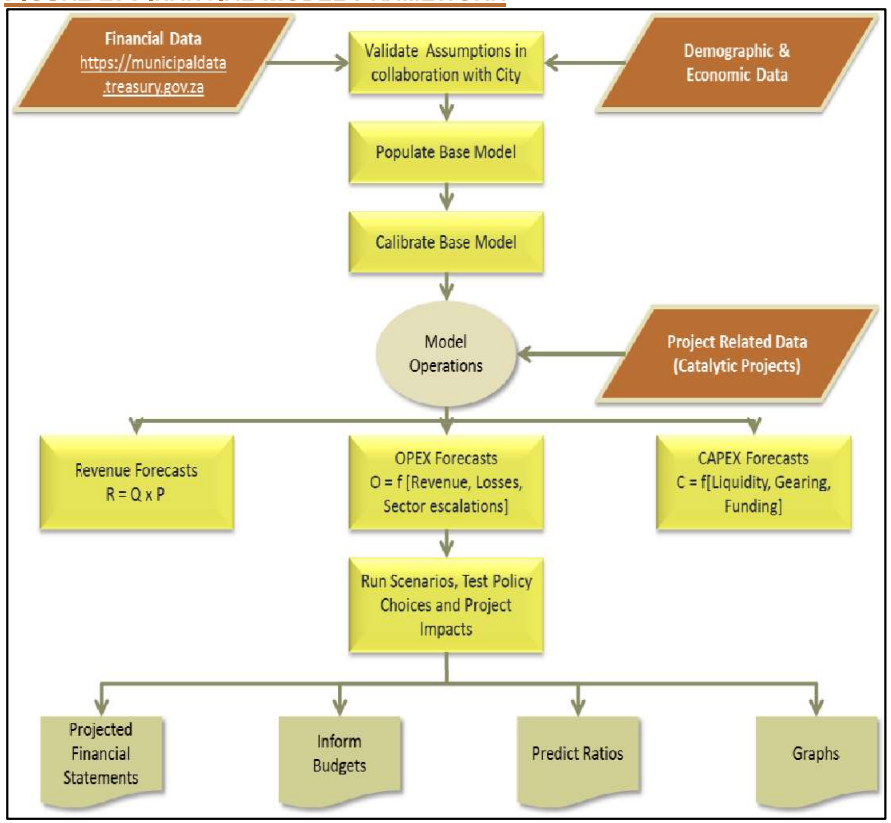
The diagram below illustrates the steps in the process that were followed in drafting the LTFP and the steps taken during this 2024 "LTFP Update":

FIGURE 1: PLANNING PROCESS



The long-term financial model was populated with the latest information of Rustenburg and used to make a Base Case financial forecast of the future financial performance, financial position, and cash flow of the municipality. The diagram below illustrates the outline of the model.

FIGURE 2: FINANCIAL MODEL FRAMEWORK



The model methodology remains the same and the capital budget as presented in the MTREF was utilised and forecasts of an affordable future capex were made.

1	Planning Process
2	**Updated Perspectives (Demographic, Economic, Household Infrastructure)**
3	Updated Historic Financial Assessment
4	Long-Term Financial Model Outcomes
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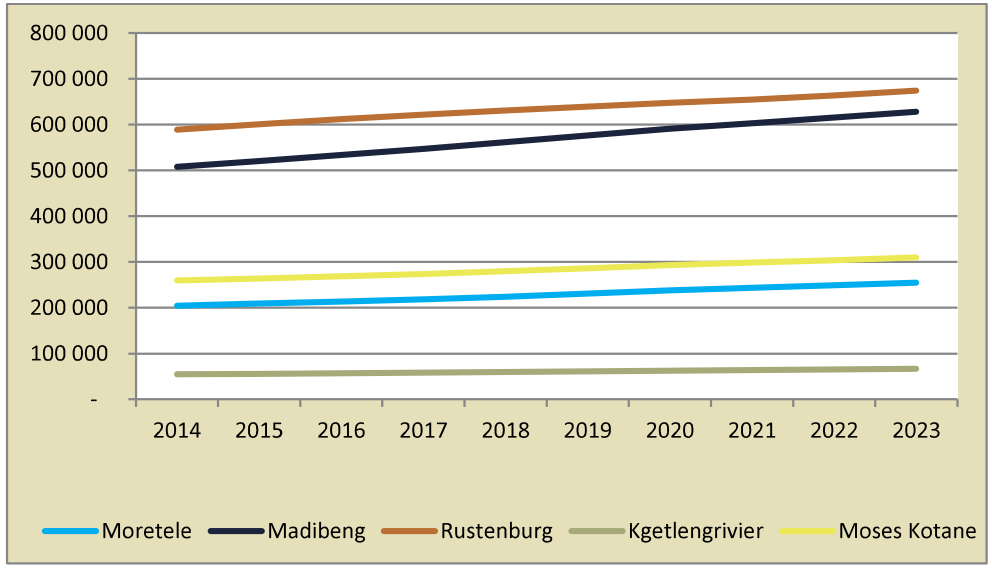
8	Ratio Analysis
9	Conclusions

UPDATED PERSPECTIVES (DEMOGRAPHIC, ECONOMIC, HOUSEHOLD INFRASTRUCTURE)

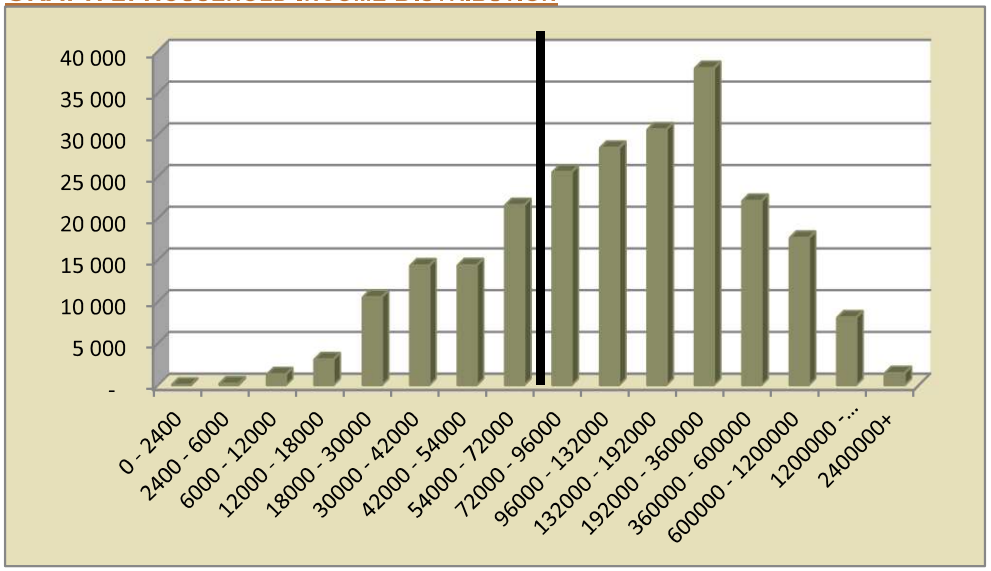
DEMOGRAPHY

Rustenburg has a total population of 674 069 people in 2023. This represents approximately 34.9% of the district's total population of 1 933 521 people. This makes Rustenburg the most populous municipality in the district. The population grew at a rate of 1.5% in 2023. Over the past 5 years the average population growth was 1.3% p.a. This rate equals the national average of 1.30% p.a. over the same period. Additionally, Rustenburg is the most densely populated municipality in the district, with population density of 197.3km people per km^2. The low population growth rate, in theory, provides stability and alleviates pressure on service delivery. It may, however, also imply that the low growth within the area may result in lower expectations of future revenue growth within the municipality.

GRAPH 1: TOTAL POPULATION



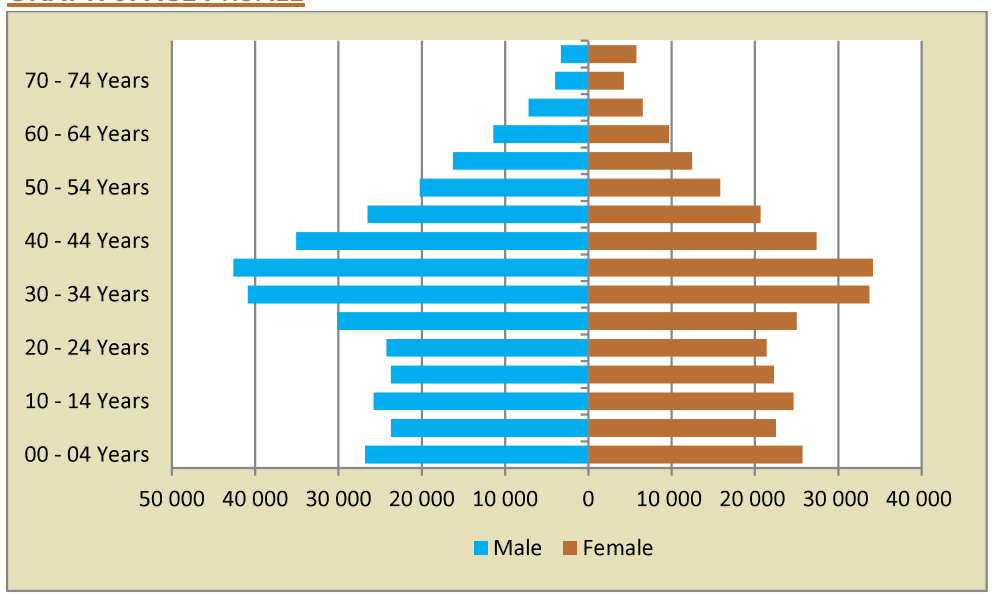
GRAPH 2: HOUSEHOLD INCOME DISTRIBUTION



GRAPH 2 above illustrates a comparison of the household income distribution of Rustenburg LM. Approximately 92.5% of the households in the municipality earn an income above the Equitable share bracket of R54 000 p.a. Theoretically, households earning less than R54 000 p.a. are indicative of the number of indigent households in the municipal area and reflect those who qualify for and/or are largely reliant on government grants as a source of income. The provision of RDP-level of basic services to these households is theoretically covered by the equitable share and this should compensate the municipality for providing free basic services.

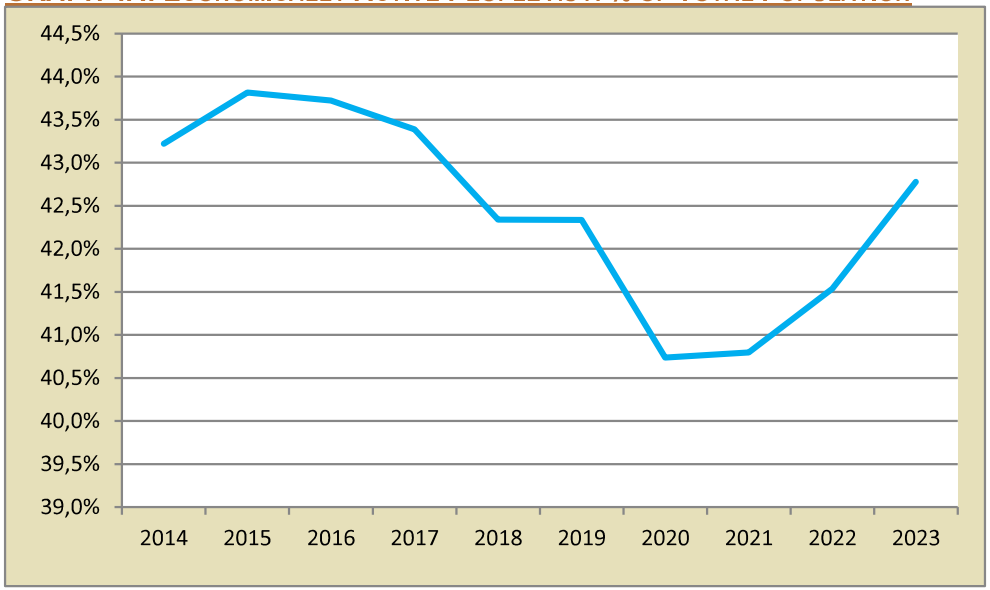
Average household income grew at a rate of 4.0% during 2023. In absolute terms, the average household income increased from R290 019.2 p.a. in 2022 to R301 743.5 p.a. in 2023. This is the highest household income in the district, it also exceeds the national average of R288 656.9.

GRAPH 3: AGE PROFILE



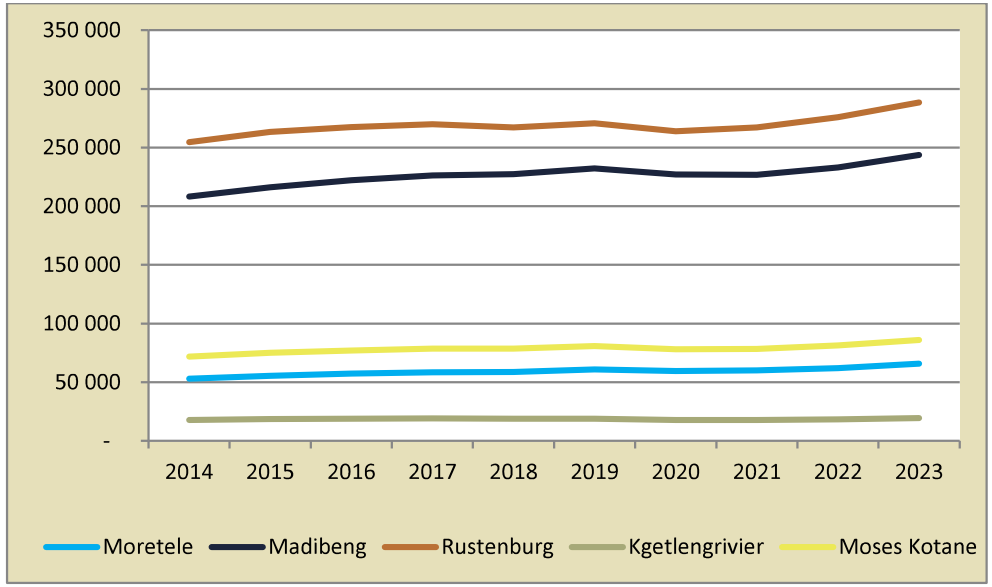
GRAPH 3 above depicts the demographic make-up of Rustenburg LM's population, specifically delineating both the gender and age distribution. Notably, the graph above illustrates that the population is predominantly male, making up 54% of the population. This is expected, as the area has a strong mining presence, an industry predominantly dominated by men. Furthermore, it is evident that Rustenburg's age profile is reflective of a society with ample job seekers that is characterised by a large proportion of the municipality's population (59.7%) falling between the typical working ages of 25- and 64 years.

GRAPH 4A: ECONOMICALLY ACTIVE PEOPLE AS A % OF TOTAL POPULATION



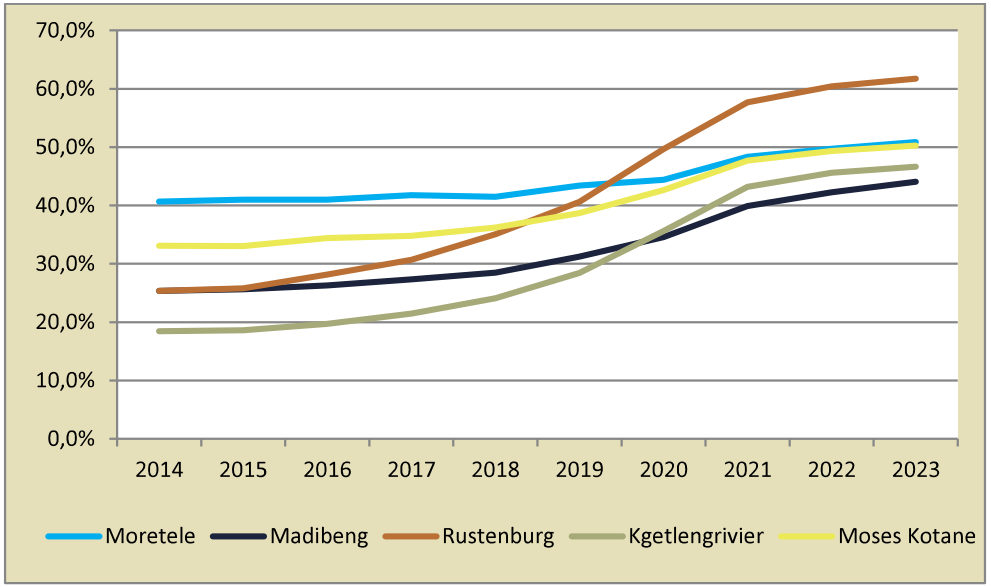
The total number of Economically Active People (EAP), which represents people who are willing and able to work, has seen a relatively upward trend since 2020. A comparative analysis shows that Rustenburg has the highest EAP as a percentage of the population in the district. Furthermore, the recent upward trend observed since 2020 suggests that Rustenburg is gradually recuperating from the aftermath of the COVID-19 pandemic.

GRAPH 4B: ECONOMICALLY ACTIVE POPULATION



GRAPH 4B above depicts the trend in the number of economically active people in each of the municipalities within the Bojanala Platinum District over the past 10 years. Rustenburg has the highest number of economically active population within the district with Madibeng coming in second.

GRAPH 5: OFFICIAL UNEMPLOYMENT RATE



Whilst the municipal area may attract work seekers as reflected in the rise in EAP numbers, unemployment remains a major problem. The official unemployment rate in Rustenburg rose to 61.8% in 2023, up from 60.4% the previous year, highlighting the municipality's ongoing challenge with unemployment. This rate is the highest in the district, significantly exceeding both the North West province's rate of 38.1% and South Africa's national rate of 32.7%.

It is important to note that the official unemployment rate is based on a narrow definition that excludes discouraged workers and those not actively seeking employment. Therefore, if a broader and more realistic definition were applied, the actual unemployment rate would likely be considerably higher.

ECONOMY

Here's the improved version with better grammar, readability, and flow:

Rustenburg's total gross value added (GVA), which measures economic output, amounted to R30.4 billion (at constant prices) in 2023. This represents 30.7% of the Bojanala Platinum District's total GVA of R98.9 billion (constant prices). The municipality's economy was significantly impacted by the pandemic, as evidenced by an economic contraction of 11.9% in 2020. However, this improved in 2021 with a 4.1% recovery. In 2023, the local economy expanded by 1.9%. Despite this growth, there is concern over the slow increase in GVA compared to population growth over the past five years. While the population grew at an average annual rate of 1.3%, the economy contracted by 4.2% per year over the same period. This trend suggests a potential decline in the overall wealth and well-being of residents.

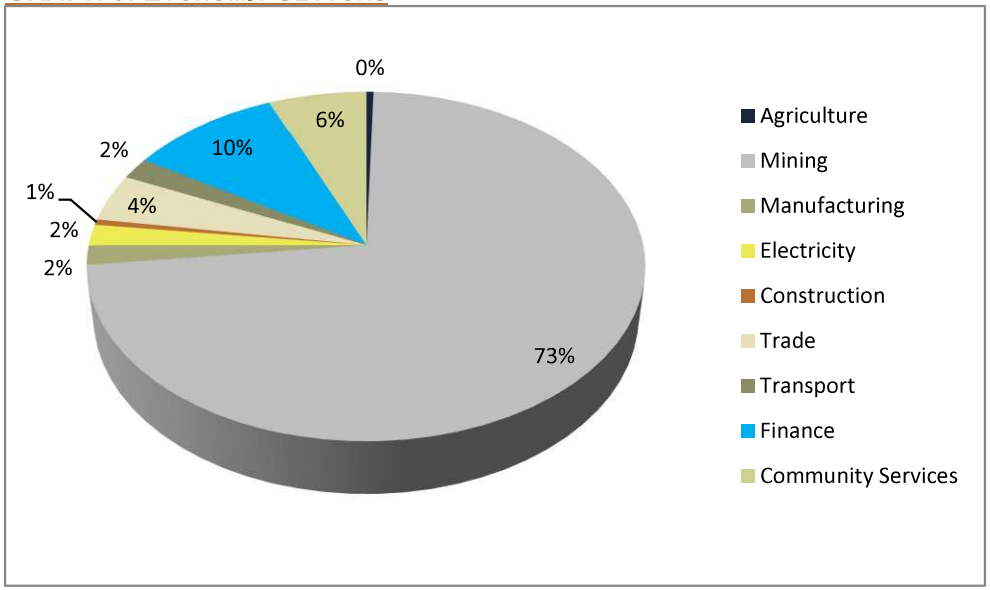
Rustenburg's economy remains highly concentrated, as reflected by a Tress Index of 86.2. A Tress Index of zero indicates a fully diversified economy, while a higher index (closer to 100) signifies greater economic concentration. In Rustenburg, mining activities dominate the local economy. Greater economic diversification reduces risk by spreading the impact of adverse economic conditions across multiple sectors, mitigating potential downturns.

The local economy is heavily driven by the primary sector, with approximately 73.2% of economic output in 2023 stemming from these activities. Mining remains the dominant contributor, accounting for 72.7% of the total GVA.

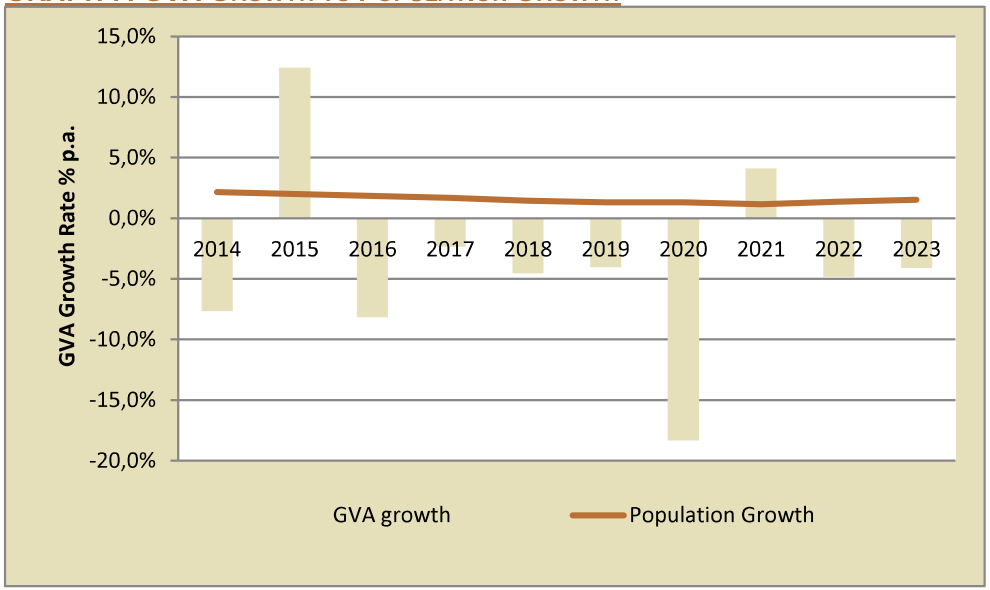
TABLE 1: PROPORTIONAL GROWTH OF ECONOMIC SECTORS

Subsector	2014	2023
Agriculture	0,8%	0,5%
Mining	61,7%	72,7%
Manufacturing	3,2%	1,8%
Electricity	2,0%	1,9%
Construction	1,2%	0,5%
Trade	7,6%	4,4%
Transport	2,9%	2,0%
Finance	10,7%	9,8%
Community Services	10,0%	6,4%

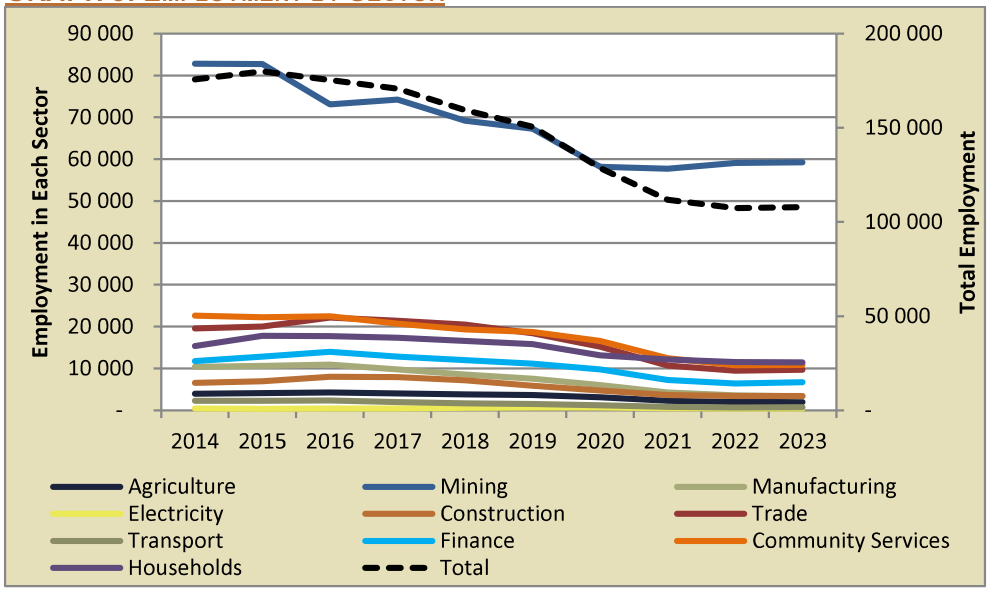
GRAPH 6: ECONOMIC SECTORS



GRAPH 7: GVA GROWTH VS POPULATION GROWTH



GRAPH 8: EMPLOYMENT BY SECTOR

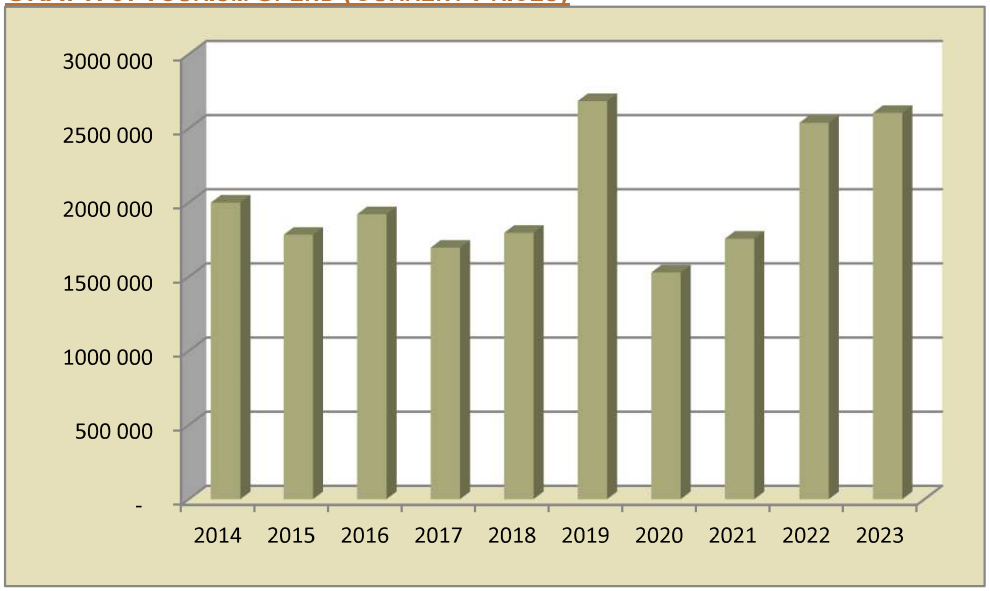


GRAPH 7 above compares economic growth and population growth over the review period. As mentioned, the slow GVA growth is a concern. For eight out of the ten years in the review period—except for 2015 and 2021—population growth outpaced economic growth. As a result, the municipality's population has grown faster than its GVA, which could impact overall economic sustainability.

To address this, the municipality must continue investing in productive assets that foster economic growth. Leveraging its current financial strength, the municipality is encouraged to increase capital investment, prioritising projects that stimulate economic activity and support long-term development.

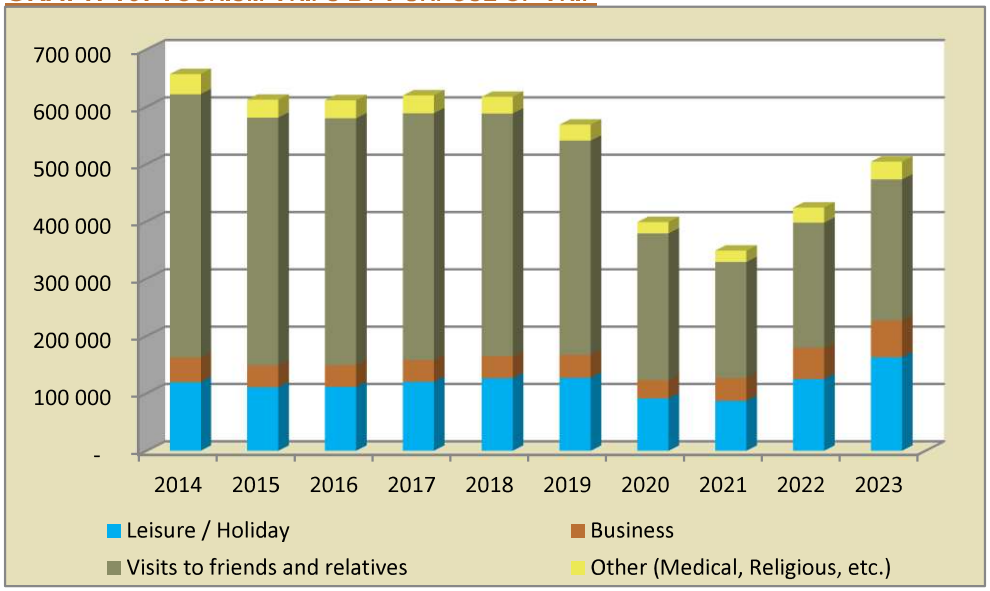
GRAPH 8 above shows that, despite an increase in employment opportunities, the overall unemployment rate in the municipality continued to rise, reaching 61.8%. While the total number of employment opportunities grew by 0.5%, this growth was insufficient to significantly reduce the unemployment rate. As expected, mining remains the dominant sector, contributing 54.9% of the total employment opportunities in Rustenburg LM. Community services and finance follow, contributing 10.6% and 10.0%, respectively. Despite these contributions, the persistent rise in unemployment underscores the challenges the municipality faces in creating sufficient employment opportunities to meet the growing demand.

GRAPH 9: TOURISM SPEND (CURRENT PRICES)



According to the figures provided by S&P Global Market Intelligence, tourism spend in Rustenburg increased during by 2.6% in 2023, rising from R2.5 billion in 2022 to R2.6 billion in 2023. The impact of COVID-19 is evident in the severe decline in tourism spend observed in 2020. Tourism spend contributed approximately 8.6% of economic output in 2023. This would suggest that tourism plays an important role in the municipality's economy.

GRAPH 10: TOURISM TRIPS BY PURPOSE OF TRIP

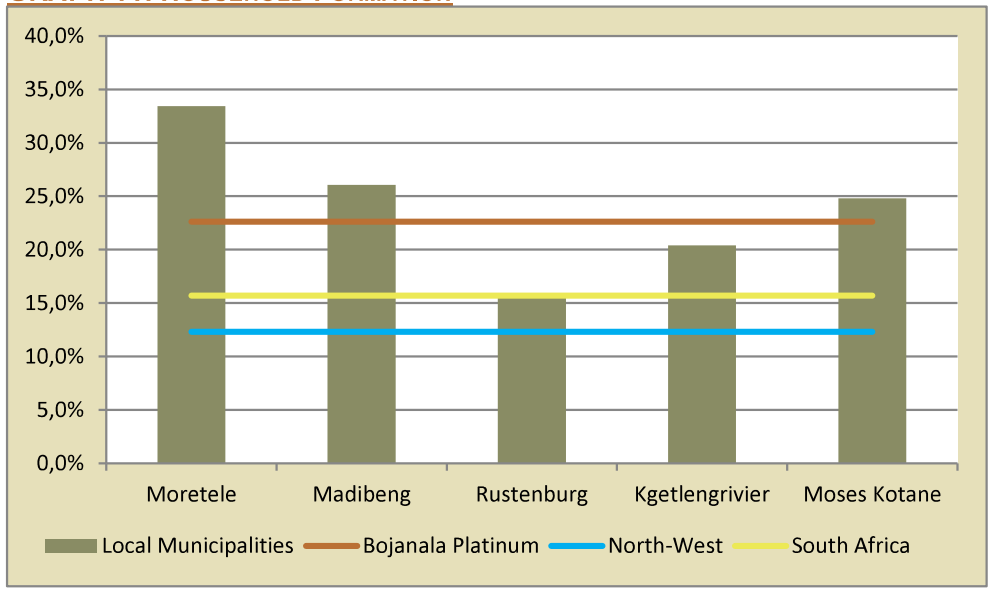


GRAPH 10 illustrates the number and purpose of trips within the municipality's tourism sector in 2023. The total number of trips increased by 18.9% during the year, reaching 504,407. Visiting friends and relatives remained the primary reason for travel, accounting for 48.8% of all trips. This was followed by leisure and holiday trips, which made up 32.3% of the total.

HOUSEHOLD INFRASTRUCTURE

Household formation in Rustenburg since 2014 came in at 15.8%. This translates to an additional 30 622 households in absolute terms. This was the lowest amongst all the municipalities within the district. Rustenburg's rate of household formation was lower than the district rate (22.6%) but higher than both the national (12.3%) and provincial (15.7%) rates. This slow growth in households in theory alleviate additional pressure on the municipality to keep up with the increase in the demand for infrastructure services, as more households form within the municipality.

GRAPH 11: HOUSEHOLD FORMATION



Rustenburg's Infrastructure Index has fluctuated between 0.69 and 0.76 throughout the review period. In 2023 the index was 0.76. This above the District-, and Provincial indices which were 0.68 and 0.69 respectively.

It must be emphasised that the Infrastructure Index provides an indication as to the level of access to municipal services in a municipality and is not an indication as to the quality and security with which these services are provided.

GRAPH 12: INFRASTRUCTURE INDEX

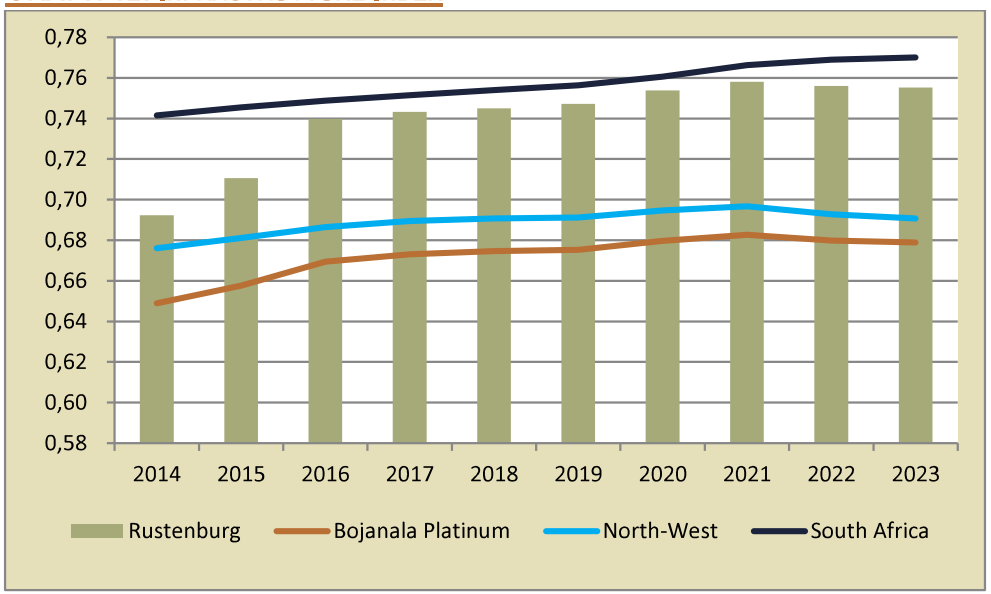


TABLE 2 below compares service backlogs between Rustenburg and the Bojanala Platinum District. Over the review period, Rustenburg has improved access to services across all categories, outperforming the district in three out of four.

Despite these improvements, the municipality must continue investing in critical infrastructure to further reduce backlogs and ensure residents have access to essential services. Notably, backlogs in sanitation and refuse removal services remain high at 21.0% and 25.5%, respectively.

TABLE 2: HOUSEHOLD INFRASTRUCTURE PROVISION

Infrastructure	Bojanala Platinum		Rustenburg	
Above RDP Level				
Sanitation	411 932	65,7%	177 433	79,0%
Water	549 650	87,7%	208 254	92,7%
Electricity	574 711	91,7%	200 986	89,5%
Refuse Removal	328 020	52,3%	167 267	74,5%
Below RDP or None				
Sanitation	214 890	34,3%	47 123	21,0%
Water	77 172	12,3%	16 302	7,3%
Electricity	52 110	8,3%	23 570	10,5%
Refuse Removal	298 802	47,7%	57 289	25,5%
Total Number of Households	**626 822**	**100,0%**	**224 556**	**100,0%**

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 Ratio Analysis

9 Conclusions

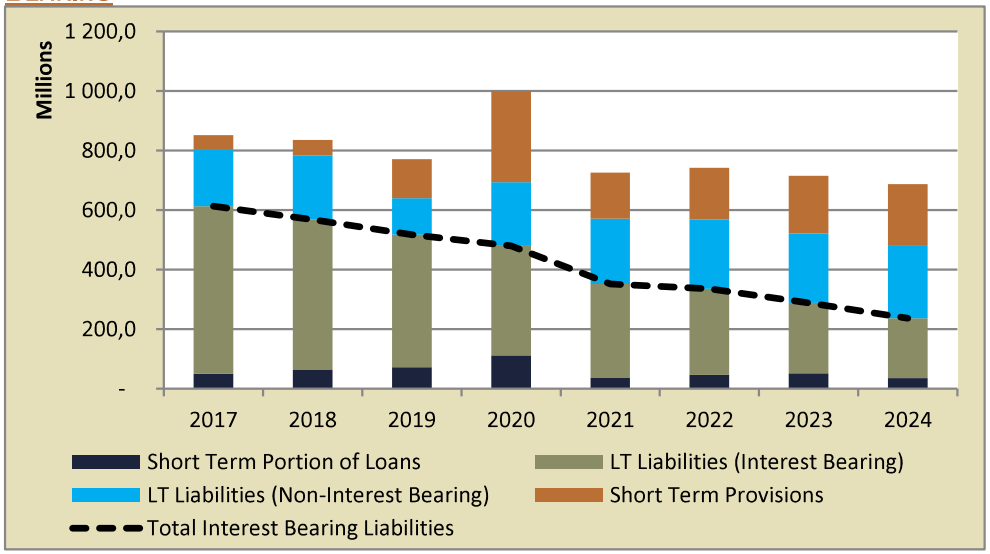
UPDATED HISTORIC FINANCIAL ASSESSMENT

FINANCIAL POSITION

As of FYE2023/24, Rustenburg's net fixed asset position declined by 6.0%, decreasing from R9.8 billion to R9.2 billion. The accumulated surplus also followed a downward trend, falling by 1.6% from R8.3 billion in the previous year to R8.2 billion in FY2023/24, indicating reasonably good financial health, despite the marginal decline.

However, the reduction in assets may suggest inadequate investment in capital projects or increased asset depreciation, which could hinder future growth and infrastructure sustainability. Additionally, the decline in the accumulated surplus points to a weakening in the municipality's overall financial position.

GRAPH 13: LONG-TERM LIABILITIES: INTEREST BEARING VS NON-INTEREST BEARING

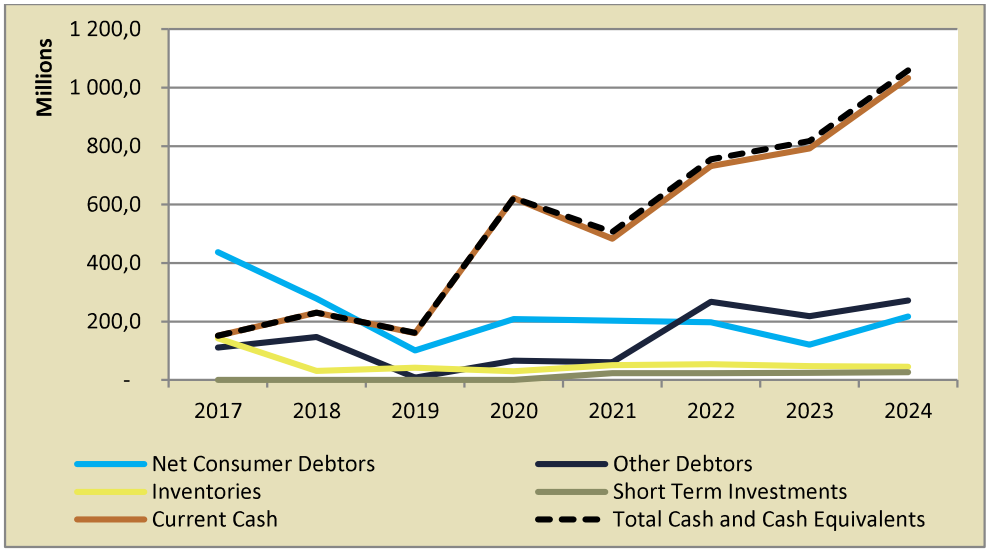


As of the end of the financial year 2023/24, Rustenburg LM's long-term liabilities decreased by 3.8%, from R715.2 million in FYE2022/23 to R687.9 million FYE2023/24. A closer look reveals a significant reduction in interest-bearing liabilities, which declined by 18.0% to R236.9 million. This decrease was mainly driven by a considerable reduction in the current portion of loans, which played a key role in the overall decline in interest-bearing liabilities. However, it is important to note that the municipality also incurred additional borrowings during the review period.

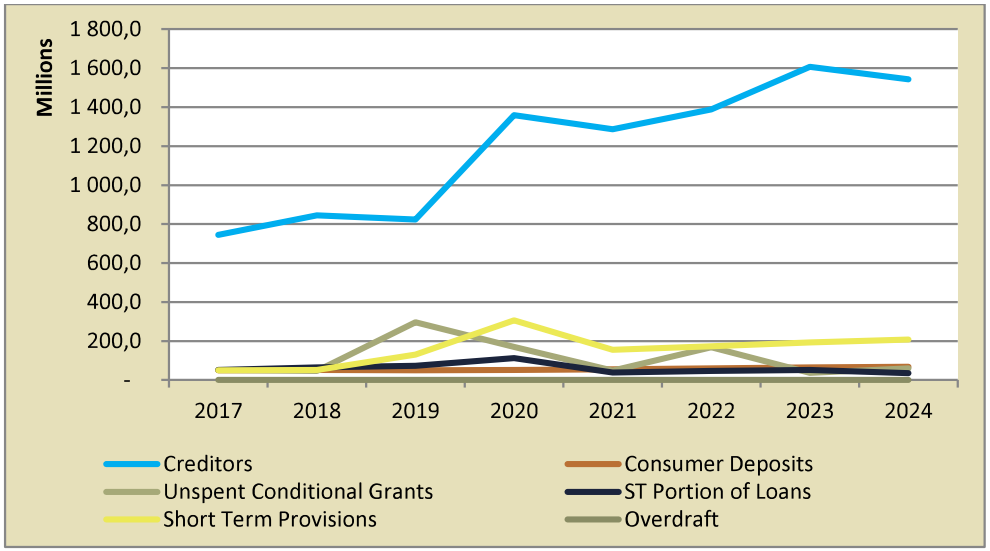
Non-interest-bearing liabilities, mainly consisting of provisions for landfill site rehabilitation and employee benefit obligations, increased by 5.8%, rising from R426.3 million in FY2022/23 to R451 million. This increase was largely attributed to an adjustment in the discount rate for the municipality's environmental rehabilitation provision, reflecting changes in long-term financial assumptions. Additionally, provisions increased due to the Rustenburg Water Trust.

In line with the continued reduction in interest-bearing liabilities, Rustenburg's gearing ratio also declined, reaching 4% in FY2023/24. This decrease reflects the municipality's ongoing efforts to reduce debt, with the gearing ratio remaining well below the National Treasury's maximum threshold of 45%. Similarly, the municipality's debt service-to-total expense ratio fell to 1.1% in FY2023/24, staying well below the National Treasury's maximum allowable level of 8%.

GRAPH 14: CURRENT ASSETS



GRAPH 15: CURRENT LIABILITIES



Current assets increased by 32.4% during the year, reaching a total of R1.6 billion as of FYE2023/24. This was primarily driven by an increase in the municipality's net consumer debtors and cash and cash equivalents. The rise in consumer debtors indicates that a significant portion of the municipality's liquid reserves is tied up in outstanding debts. This presents a potential risk for the municipality in the event of non-payment, as over 94.7% of the municipality's debtors are older than 90 days. Cash and cash equivalents increased by 30.3%, rising to R1.1 billion from R817.0 million in the prior year. Cash and cash equivalents now represent the largest portion of the municipality's current assets, constituting over 65% of the total.

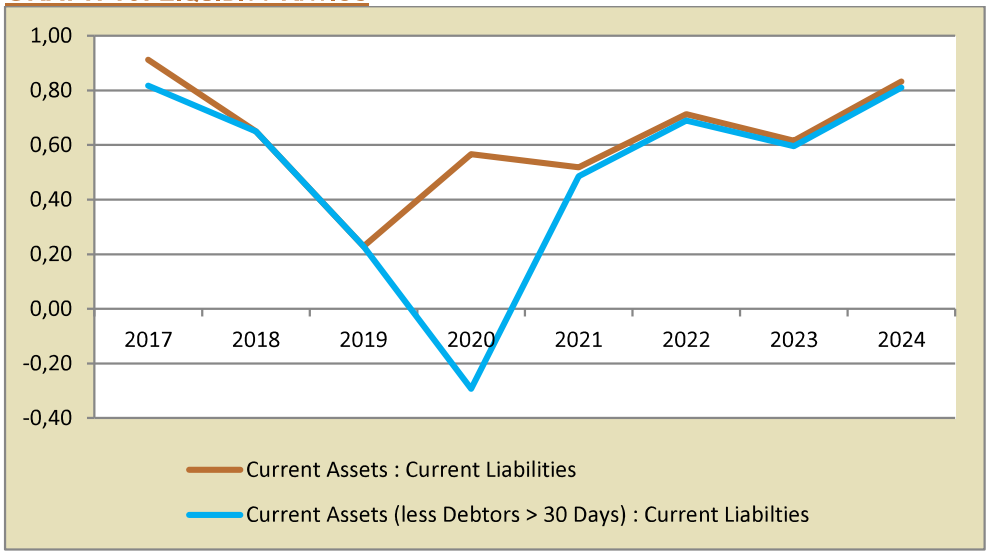
Current liabilities decreased by 3.2% during the year from R1.95 billion as at FYE2022/23 to R1.91 billion at the current year end. This was driven primarily by decreases in creditors as well as short-term position of loans. The unspent conditional grants increased by 62.5% to R59.8 million from R36.8 million in the prior year. It is important to highlight that over the review period the municipality has consistently underutilised its allocated grant funding, with a balance of unspent conditional grants in all 8 years under review. This may indicate potential delays in the capital programme implementation or potential constraints thereof.

The movements in current assets and current liabilities resulted in an initial deterioration in the liquidity position up to FY2020 whereafter it improved t through to 2024. With the current liabilities growing at a higher margin than the current assets, this resulted in a poor liquidity position. The liquidity ratio moved from 0.62:1 in the prior year to 0.83:1 as at FYE2023/24. Albeit an improvement this remains significantly lower than the NT recommended norm of 1.5-2:1. A liquidity below one also suggests that the municipality may struggle to service their current obligations as they become due and payable.

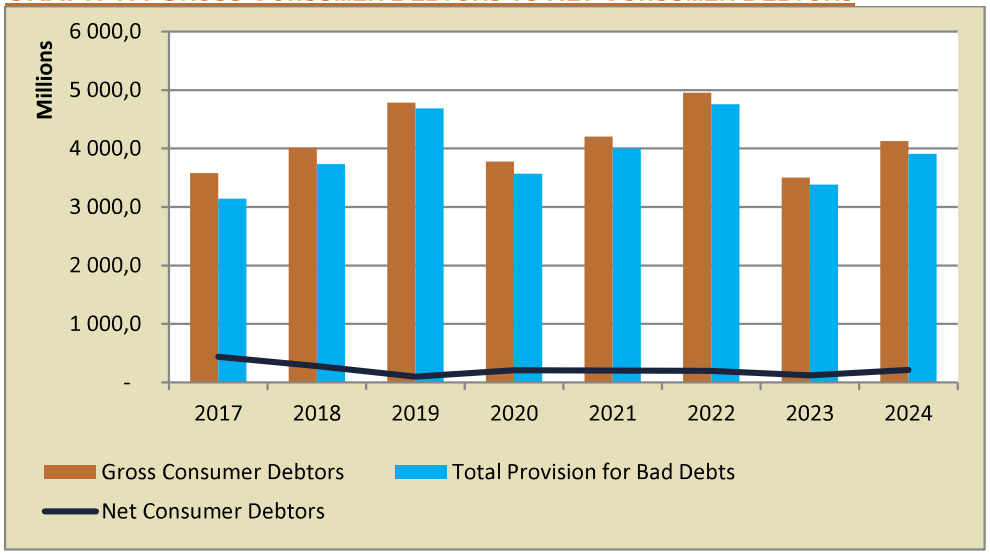
TABLE 3: LIQUIDITY RATIOS

	2017	2018	2019	2020	2021	2022	2023	2024
Current Assets : Current Liabilities	0,91	0,65	0,23	0,57	0,52	0,71	0,62	0,83
Current Assets (less Debtors > 30 Days) : Current Liabilities	0,82	0,65	0,23	-0,29	0,49	0,69	0,60	0,81

GRAPH 16: LIQUIDITY RATIOS



GRAPH 17: GROSS CONSUMER DEBTORS VS NET CONSUMER DEBTORS

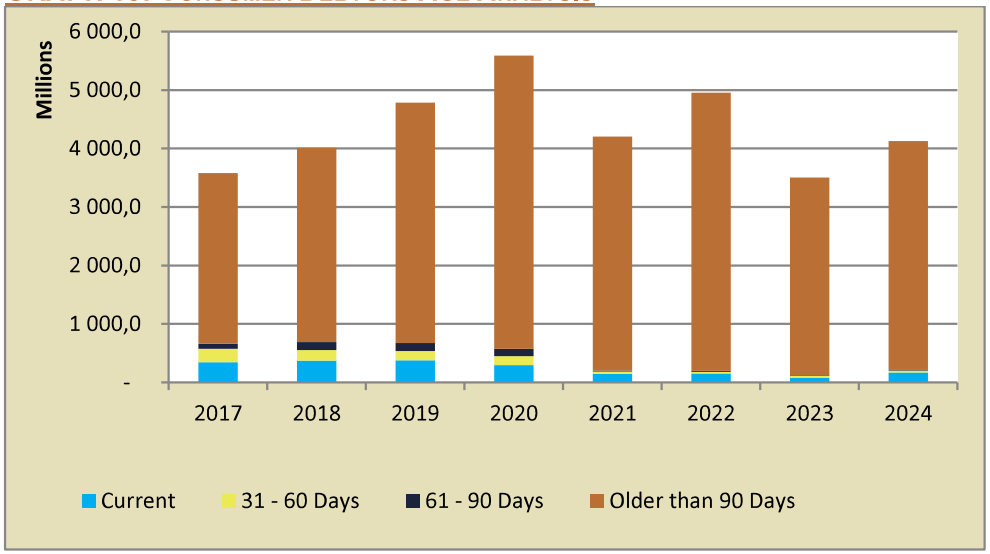


Gross consumer debtors increased by 17.8% during FY2023/24 to R4.1 billion, up from R3.5 billion in the prior year. The provision for bad debts also increased from R3.4 billion in the prior year to R3.9 billion as at FYE2023/24. Overall, this resulted in an increase in net consumer debtors, which totalled R216.8 million. The municipality's provision for bad debts as a percentage of overdue debtors (older than 90 days) was 100.0%. This suggests that the municipality has provided adequately for the risk of bad debts. The collection rate was calculated to be 82% in FY2023/24. The calculation utilised by IPM follows the same formula as NT's Circular 71. The municipality must prioritise the improvement of the collection rate, with achieving NT's norm of 95% the goal.

TABLE 4: DEBTORS RATIOS

	2018	2019	2020	2021	2022	2023	2024
Increase in Billed Income p.a. (R'm)	31	310	(104)	330	1 065	251	(1 348)
% Increase in Billed Income p.a.	1%	10%	-3%	10%	30%	5%	-28%
Gross Consumer Debtors Growth	12%	19%	-21%	11%	18%	-29%	18%
Payment Ratio / Collection Rate	86%	77%	131%	87%	84%	130%	82%
Provision for bad debts as a % of consumer debtors greater than 90 days	112%	114%	71%	100%	100%	100%	100%
Net Debtor Days	34	11	24	21	16	9	23

GRAPH 18: CONSUMER DEBTORS AGE ANALYSIS



An analysis of the debtors ageing reveals that debtors older than 90 days formed the largest pool of debtors, accounting for 94.7% of the total consumer debtors at the current year end. These debtors older than 90 days pose the most significant risk of non-payment. The large number of debtors exceeding 90 days further suggests that the municipality may encounter potential threats to their liquidity position, should they be unable to collect these debts.

FINANCIAL PERFORMANCE

The municipality's financial performance showed signs of deterioration during FY2023/24. Total Income, including Capital Grants, decreased by 12.2% from R7.2 billion in FY2022/23 to R6.3 billion in the current financial year. The municipality's Total Expenditure decreased 8.1% to R6.5 billion in FY2023/24. This had a significant negative impact on both the accounting surplus and operating deficit.

The municipality moved from an accounting surplus of R168.7 million, to a deficit of R134.3 million – a decrease of 179.6%. Furthermore, the operating deficit increased by 112.3% amounting to R1.0 billion, suggesting a deterioration in the overall financial performance of the municipality. If the trend of expenditure increasing or decreasing at a higher rate than income continues, it could lead to a sustained poor financial position for the municipality..

Cash generated by operations (exclusive of capital grants), decreased by 36.8% or, R70.5 million in absolute terms, to R261.8 million.

GRAPH 19: ANALYSIS OF SURPLUS

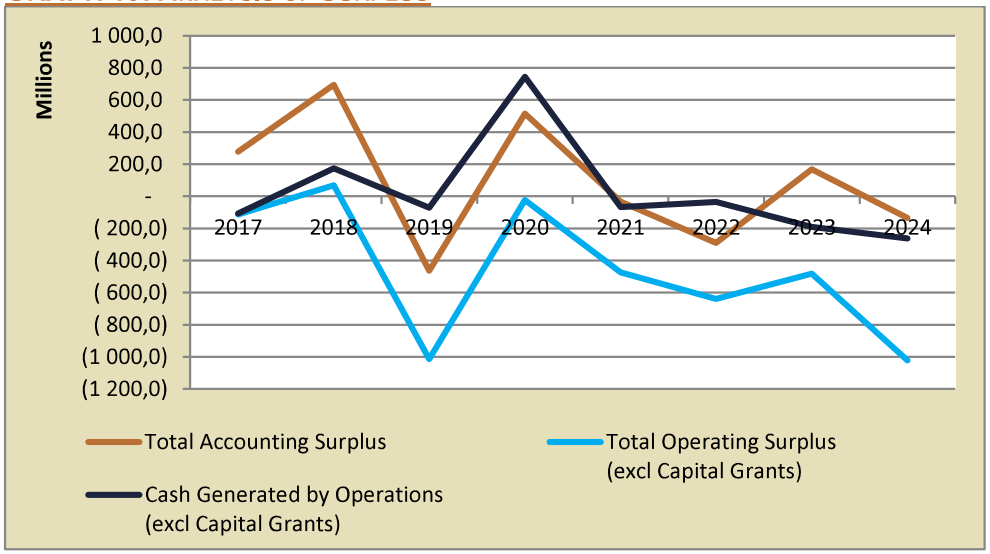
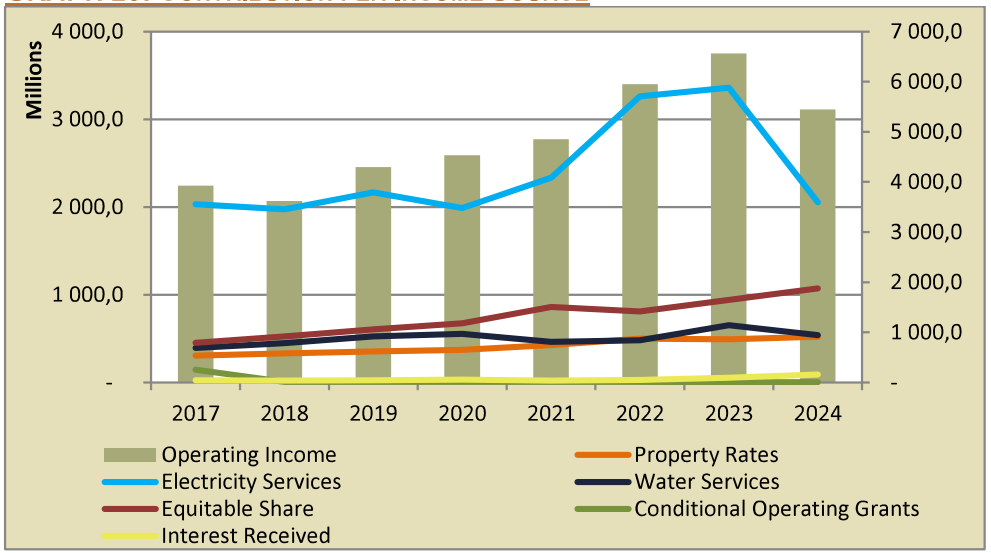


TABLE 5: TOTAL INCOME VS TOTAL EXPENDITURE

	2017	2018	2019	2020	2021	2022	2023	2024
Total Income	4 317	4 249	4 845	5 072	5 291	6 300	7 215	6 337
Total Operating Expenditure	4 040	3 554	5 310	4 558	5 325	6 589	7 046	6 472
Operating Income (excl Cond Grants)	460	1	896	451	793	923	974	1 127

GRAPH 20: CONTRIBUTION PER INCOME SOURCE

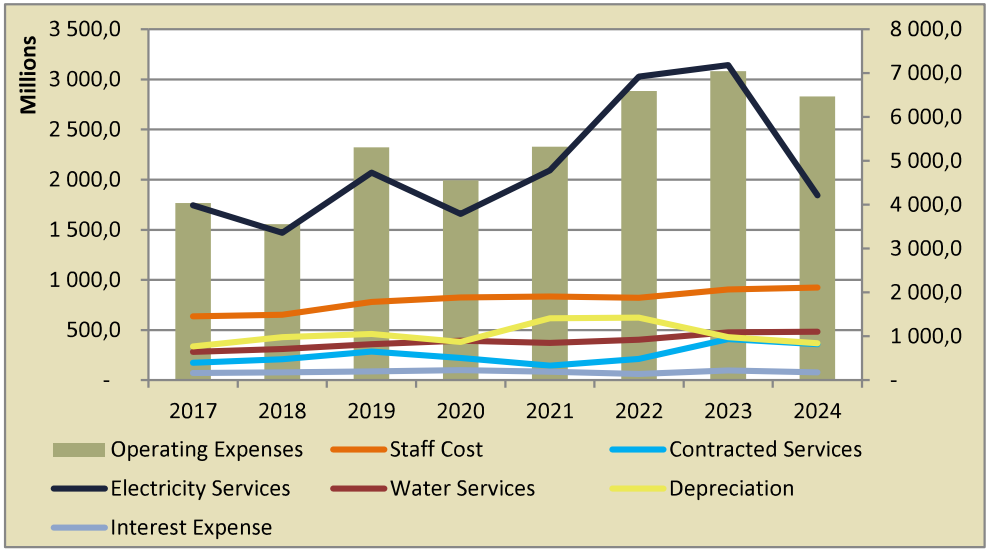


GRAPH 20 above shows that Rustenburg LMs operating income decreased. This decrease was due to the decline in electricity services. Despite the decline, electricity services remained the principal revenue generator for the municipality over the review period, accounting for the majority of revenue with an average contribution of 49.0%.This was followed by equitable share (15.0%) and water services (10.0%).

Since electricity income is the main source of the municipality's revenue, the energy crisis poses a significant threat to the municipality's financial sustainability. To mitigate this risk, it is recommended that the municipality further explores alternative

revenue sources and implements stringent management of its operational expenditure. Furthermore, it is crucial that the municipality's tariffs accurately reflect the true cost of supply to help mitigate the financial risks posed by the energy crisis.

GRAPH 21: CONTRIBUTION PER EXPENDITURE ITEM



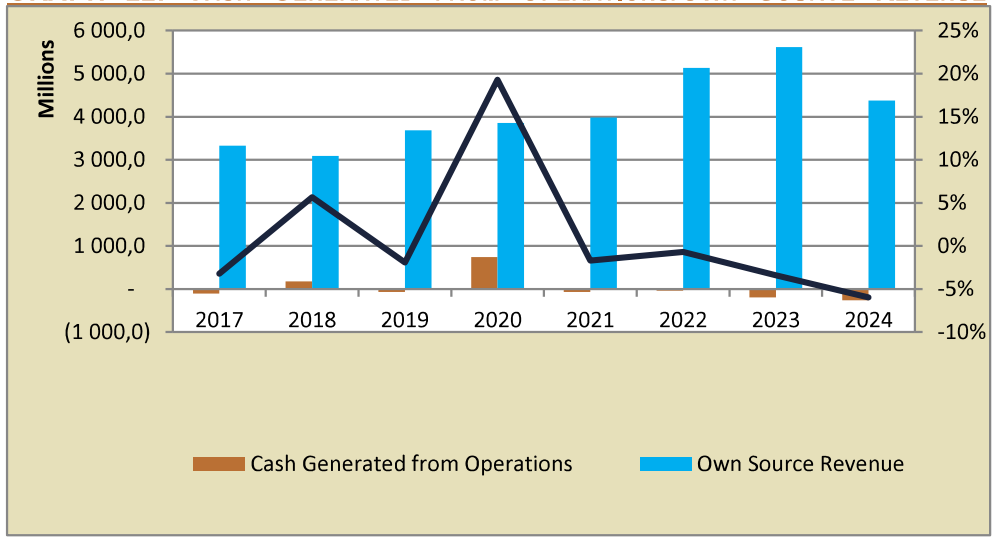
The decrease in total operating expenditure was primarily driven by significant decreases in electricity services (41.3%), contracted services (13%), and depreciation (14.4%). In absolute terms the electricity service expenditure moved from R3.1 billion to R1.8 billion. This decrease is the direct result of the termination of the provision of electricity to Glencore, which now sources its electricity directly from Eskom now, as opposed to the municipality.

Electricity bulk purchases remained the predominant expenditure item, accounting for approximately 36.5% of operating expenditure in FY2023/24. This is followed by staff costs with 13.9% The combined contribution of employee related expenditure (staff costs and contracted services) averaged 18.2% over the review period. This remained within the NT maximum norm of 40%. However, these should be monitored by the municipality. Such as renegotiation of service provider contracts with its service providers.

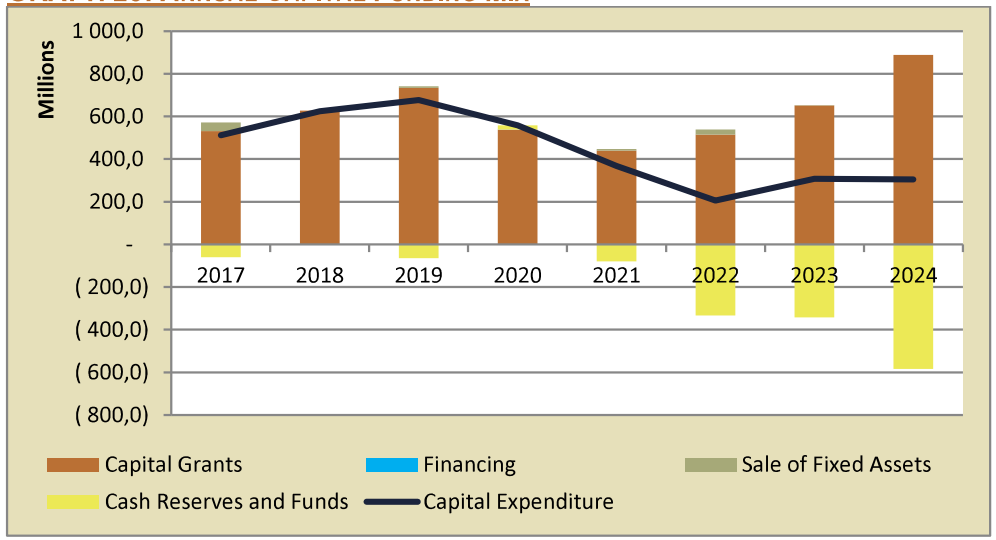
Repairs and maintenance expenditure increased during the year, from R151.9 million in FY2022/23 to R188.6 million in the current year, an equivalent increase of 24.2%. This translates to 2.1% of PPE & IP. This is below the NT norm of 8%. The municipality must continue to allocate sufficient resources to ensuring that it prioritises maintaining the integrity of its asset base through adequate repairs and maintenance expenditure, coupled with a targeted capital investment programme.

CASH FLOW

GRAPH 22: CASH GENERATED FROM OPERATIONS/OWN SOURCE REVENUE



GRAPH 23: ANNUAL CAPITAL FUNDING MIX

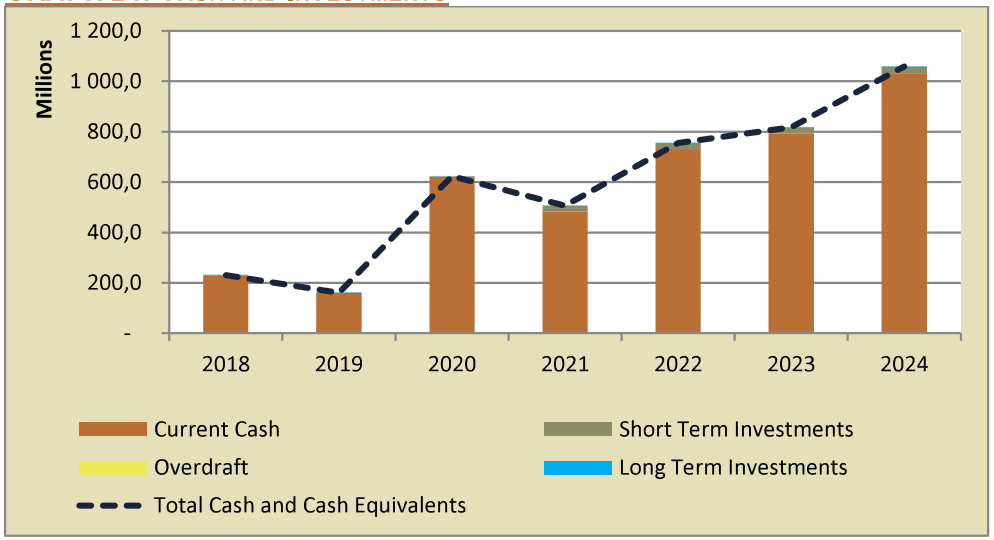


The municipality has not been able to generate sufficient cash from operating activities since FY2020/21. As of FYE2023/24, the municipality had a cash outflow of R261.8 million, a 36.8% increase from the prior year's outflow of R191.3 million. This suggest that the municipality is in financial distress and jeopardises the core functions of the municipality. This will affect its ability to fund essential services, maintain infrastructure, or service debt without resorting to borrowing or other financial mechanisms.

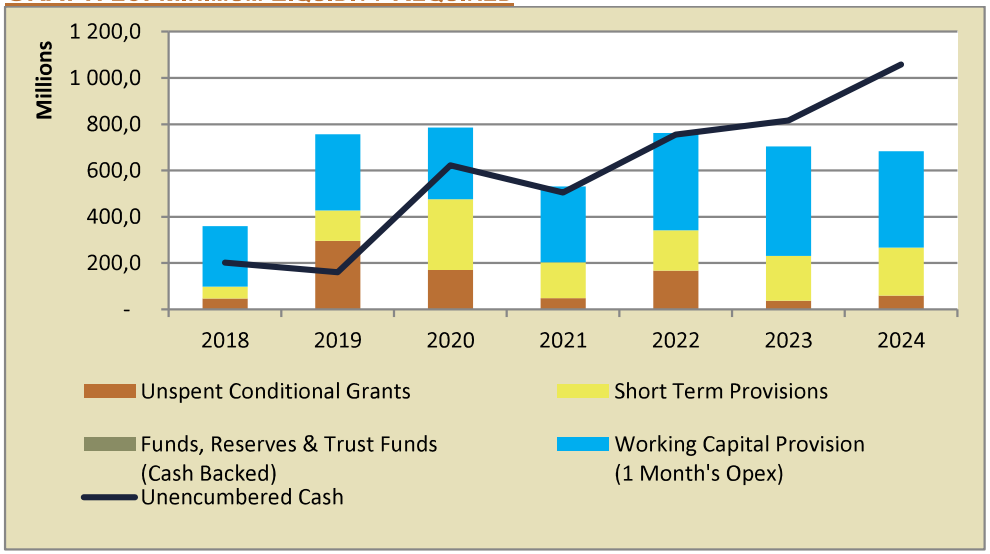
Furthermore, the low collection rate (82.2%) has negatively impacted the city's ability to generate cash from its revenue. GRAPH 22 indicates that on average, the city's cash generated from operations over the 8-year period comprised a mere 1% p.a. of own source revenue.Rustenburg LM's capital Investment totalled R305.2 million in FY2023/24 and averaging R444.6 million over the review period. This is a concern as the municipality has consistently underutilised their available capital grants. The capital investment programme has been predominantly funded by capital grants.

GRAPH 24 below indicates signs of an upward trend in cash and cash equivalents. As at FY2023/24, the cash and cash equivalents balance reached R1.1 billion. However, this improvement in cash reserves has not been entire achieved through financially sustainable practices. Notably, creditor days remain above the normal threshold of 30 days, the collection rate decreased during the year, and there are unspent conditional grants that will need to be repaid unless rolled over.

GRAPH 24: CASH AND INVESTMENTS



GRAPH 25: MINIMUM LIQUIDITY REQUIRED



Every municipality is required to maintain sufficient cash reserves which are sufficient to cover the following statutory requirements:

- Unspent conditional grants
- Short-term provisions
- Cash-backed funds and reserves
- A working capital provision including 1-month's operating expenditure

The minimum liquidity requirement for FY2023/24 amounted to R682.6 million. As illustrated in GRAPH 25 above, cash surpluses above the minimum liquidity requirements were posted for only two years of the review period. The ability to maintain sufficient liquidity to cover the minimum liquidity requirement is a strong indicator of long-term sustainability. However, this is a cause of concern as the municipality posted surpluses for only 2 years in the review period. The cash coverage ratio (including working capital) increased during the year to 1.6. Rustenburg liquidity position was poor throughout the review period averaging 0.63:1. This suggests that the municipality is not in a financially sustainable position.

TABLE 6: MINIMUM LIQUIDITY REQUIREMENTS

	2017	2018	2019	2020	2021	2022	2023	2024
Unspent Conditional Grants	51,7	46,4	296,1	169,4	48,4	167,5	36,8	59,8
Short Term Provisions	49,5	52,1	131,2	306,2	154,5	173,5	193,5	207,6
Funds, Reserves & Trust Funds (Cash Backed)	98,5	-	-	-	-	-	-	-
Total	**199,8**	**98,6**	**427,3**	**475,6**	**202,9**	**341,0**	**230,3**	**267,4**
Unencumbered Cash	122,5	201,1	160,6	622,2	505,4	754,6	816,4	1 058,7
Cash Coverage Ratio (excl Working Capital)	0,6	2,0	0,4	1,3	2,5	2,2	3,5	4,0
Working Capital Provision (1 Month's Opex)	270,4	260,3	329,3	310,6	327,8	421,3	473,1	415,2
Cash Coverage Ratio (incl Working Capital)	0,3	0,6	0,2	0,8	1,0	1,0	1,2	1,6
Minimum Liquidity Required	470,2	358,9	756,5	786,2	530,7	762,3	703,4	682,6
Cash Surplus/(Shortfall)	**(347,7)**	**(157,8)**	**(596,0)**	**(164,0)**	**(25,2)**	**(7,7)**	**113,0**	**376,1**

IPM SHADOW CREDIT SCORE

***Note**: The IPM Shadow Credit Score is based on the latest available information (2023 audited financial statements and previous audit reports)*

Rustenburg LM was assessed for an IPM shadow credit score to provide information to management and to council as to the current risk rating that the municipality may receive from external lenders, which will determine the municipality's cost of funding. Any improvements to the shadow credit rating over time will result in more affordable lending rates.

The Model calculates a credit score considering the following factors in order of weighting: Finance, Economic, Institutional, Socio Economic and Environmental. Although financial performance outweighs other factors, the other factors are by no means considered of less importance. Institutional strength and stability are as important to the sustainability of the municipality as the financial performance and having a sizeable economic base. The individual credit score of each municipality is calculated through scoring its performance against IPM's own predefined norms to derive a score.

Based on the FY2023/24 performance of Rustenburg, the IPM credit model reflects a score of **3.2** which is comparable to a **<BB+** on a national ratings scale. This credit score is considered as too low, and it is **not Investment Grade** level and means Rustenburg would not be successful in accessing external borrowing at competitive rates.

The results obtained from the assessment, per module, are presented below:

TABLE 7: IPM CREDIT MODEL OUTCOMES

Modules	2024 (5)
Financial	**0.8**
Institutional	**2.6**
Socio-Economic	**1.6**
Infrastructure	**1.2**
Environmental	**2.3**

The assessment indicates that the financial and infrastructure modules are the municipality's main impediment to achieving higher credit scores. Prioritising strong liquidity and the ability to generate cash from operations, strong collection rates and maintaining minimum liquidity requirements will improve scoring in this category.

The municipality performed well in the institutional module. The high score achieved under institutional capacity module had a positive impact on the credit score. The municipality must attempt to improve its audit opinion received from the Auditor General to further improve this module.

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	Ratio Analysis
9	Conclusions

LONG-TERM FINANCIAL MODEL OUTCOMES

MTREF CASE SCENARIO

The MTREF Case was developed using the unadjusted figures from the Adjustment Budget for the 2024/25-2026/27 period. Upon analysing the Adopted Budget, we observed that the municipality has taken an overly ambitious approach in compiling the operating budget, as reflected by the budgeted operating surpluses across the MTREF period. This approach contrasts with the recent historic trend, where the municipality achieved an operating deficit in FY2023/24 and the 5 years preceding that. The last time the municipality achieved an operating surplus was in FY2017/18. Given this, we believe the municipality is unlikely to achieve these results without additional measures being taken up.

This MTREF Case has been developed to present the outcomes of the Long-Term Financial Model (LTFM) before any adjustments are made to the current MTREF. For this analysis, we assumed an 85% collection rate throughout the forecast period and maintained the existing capital investment program and funding mix. Additionally, we projected that capital expenditure would grow by 5% per year after the MTREF period, while distribution losses remained at the same levels as in FY2023/24.

The results of this scenario, shown in TABLE 8. It is clear, despite the approach taken by the municipality the assumptions in the adopted budget are not sustainable. The municipality is forecast to achieve operating surpluses over the MTREF period only. Beyond that the financial performance is forecast to deteriorate with the municipality achieving operating deficits for the remainder of the planning period.

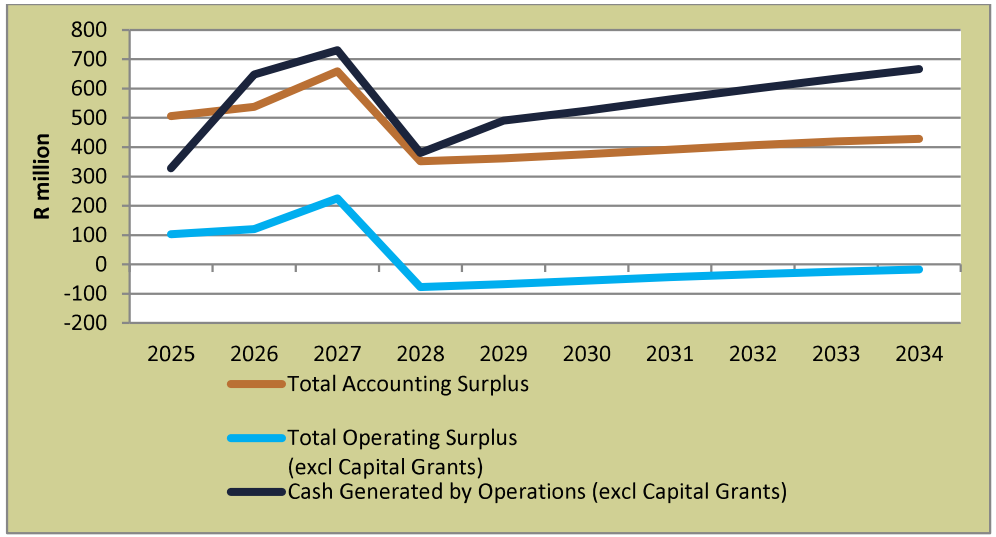
The cash position is expected to improve throughout the planning period, this is primarily due to an increase in the municipality's creditors days, suggesting that the municipality delaying payments of creditors to preserve its cash position. The liquidity ratio forecast to average 1.3:1 for most of the period. This is due to the operating deficits forecast from FY2027/28 onwards.

Overall, the MTREF Case scenario reflects relatively poor financial performance and a strained liquidity position. The underlying causes of the poor financial performance and strained liquidity position have been addressed in developing the Base Case.

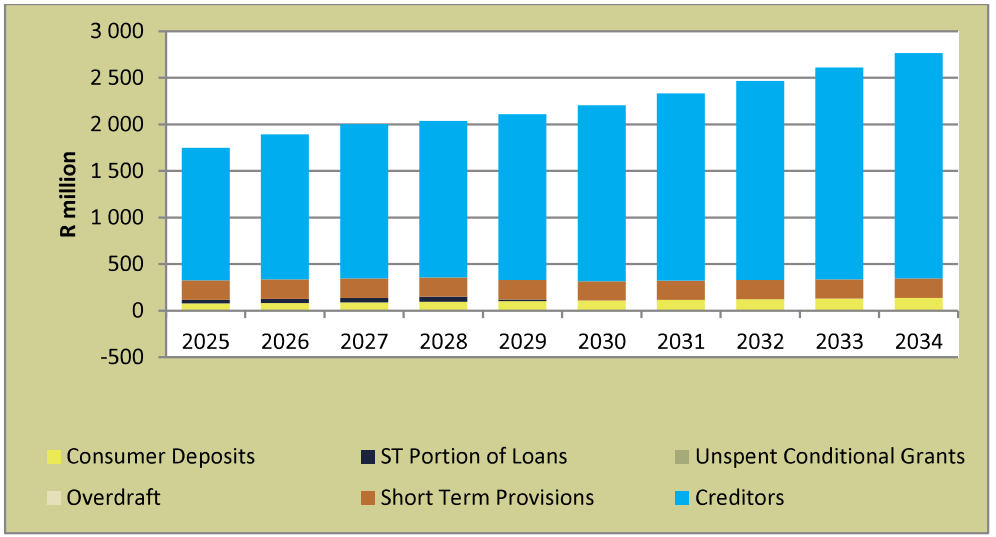
TABLE 8: MTREF CASE OUTCOMES

Outcome	MTREF Case
Average annual % increase in Revenue	5,0%
Average annual % increase in Expenditure	4,4%
Accounting Surplus accumulated during Planning. Period (Rm)	R 4 436
Operating Surplus accumulated during Planning. Period (Rm)	R 129
Cash generated by Operations during Planning. Period (Rm)	R 5 564
Average annual increase in Gross Consumer Debtors	2,9%
Capital investment programme during Planning. Period (Rm)	R 7 450
External Loan Financing during Planning Period (Rm)	R 0
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 3 109
No of Months Cash Cover at the end of the Planning Period (Rm)	4,5
Liquidity Ratio at the end of the Planning Period	1.3 : 1
Gearing at the end of the Planning Period	0,0%
Debt Service to Total Expense Ratio at the end of the Planning Period	0,7%

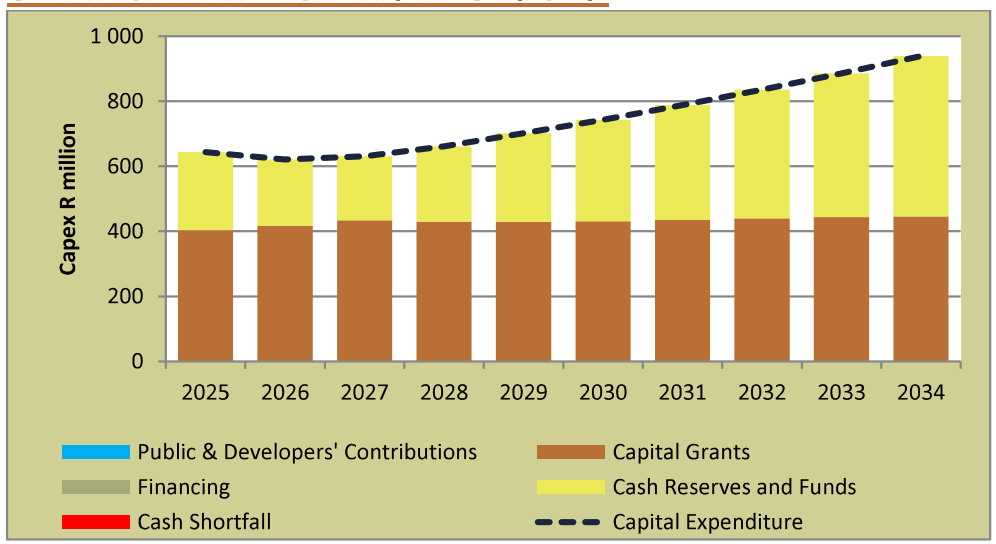
GRAPH 26: MTREF CASE SCENARIO: ANALYSIS OF SURPLUS



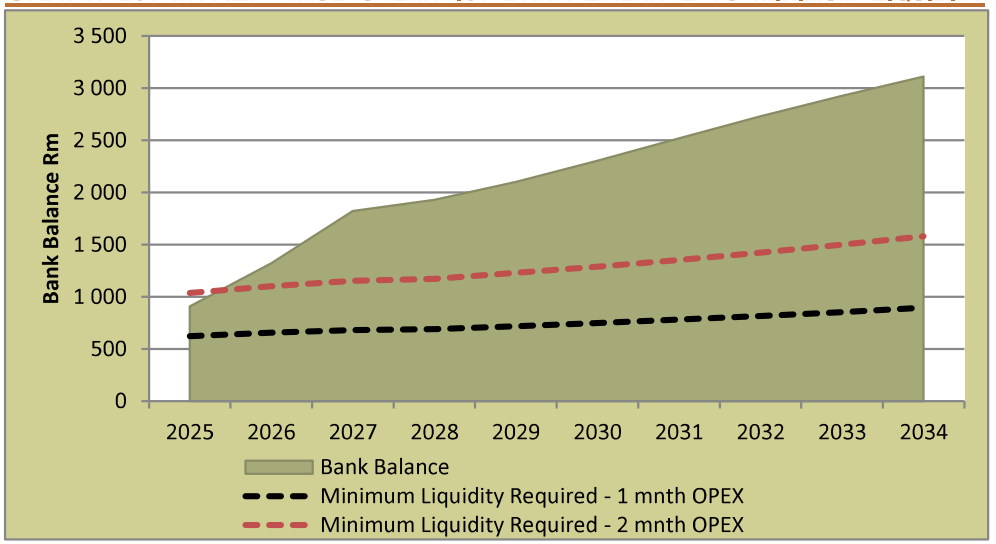
GRAPH 27: MTREF CASE SCENARIO: CURRENT LIABILITIES



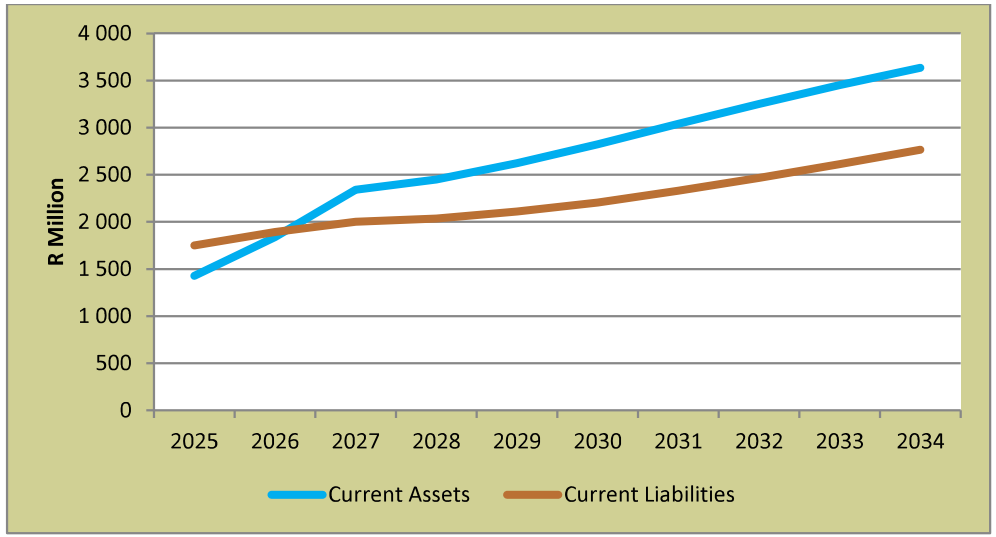
GRAPH 28: MTREF CASE: CAPITAL FUNDING MIX



GRAPH 29: MTREF CASE SCENARIO: BANK BALANCE VS MINIMUM LIQUIDITY



GRAPH 30: MTREF CASE SCENARIO: CURRENT ASSETS VS CURRENT LIABILITIES



BASE CASE SCENARIO

As mentioned above, an analysis of the municipality's historical performance has shown that the Adopted Budget was overly optimistic. This raised concerns about the likelihood of meeting the budgeted targets, given the significant differences between Adopted budget and the municipality's historic performance. Based on this, it seems highly probable that the municipality will not fully meet the expectations outlined in the Adopted Budget.

Before considering any adjustments to the Adopted Budget, an MTREF Case was developed to assess the viability of the Adopted budget over the medium term. This exercise aimed to determine whether the budget was structurally sound and sustainable in light of the municipality's current fiscal position. The MTREF Case results revealed that the proposed budget was not sustainable, prompting the need for a more realistic approach, which is addressed in the Base Case .

The Base Case aims to address the municipality's historical financial challenges, including consistent operating deficits averaging R400 million annually over the past eight years of the review period. The Adopted Budget projects a shift from these ongoing deficits to a surplus of nearly R1.0 billion by FY2024/25. However, upon analysis, achieving this turnaround would require drastic changes that may be impractical for the municipality to implement within such a short timeframe..

To develop a realistic Base Case model, the figures from the Adopted Budget 2024/25 – 2026/27 and historic audited financial statements were used. The objective of the model is to utilise realistic assumptions to support future financial sustainability. The following are the key assumptions:

1. The collection is assumed to improve to 85.0% and maintained for the entire planning period.
2. Operating expenditure (Opex) was increased by 3.0% over the entire planning period. The budget was not reflective of the municipality's expenditure trends.
3. Tariff increases were included as put forward in the Adopted Budget Document FY2024/25.
4. Creditors days were adjusted downwards from 142 days to 60 days over a 10-year period to mitigate the forecast rise in creditors.
5. A programme was run to increase the interest earned on outstanding debtors closer to the historical levels.
6. The Adopted Budget capital investment programme was adjusted over the MTREF period, as follows:
    a. FY2024/25: R500.0 million (Budget: R641.6 million)
    b. FY2025/26: R580.0 million (Budget: R620.4 million)
    c. FY2026/27: R600.0 million (Budget: R630.6 million)
    d. FY2027/28: R650.0 million

    Assumed growth in capital investment beyond the MTREF period is 5.0% p.a.
7. Repairs and maintenance expenditure was increased to 5% of PPE & IP.
8. Electricity losses were reduced to 20.0% (from 26.3%) over a five-year period, while water distribution losses were reduced to 45.0% (from 53.2%) over the same period.

The outcomes of the Base Case are presented below.

TABLE 9: BASE CASE OUTCOMES

Outcome	Base Case
Average annual % increase in Revenue	5,4%
Average annual % increase in Expenditure	4,7%
Accounting Surplus accumulated during Planning Period (Rm)	R 4 344
Operating Surplus accumulated during Planning Period (Rm)	R 36
Cash generated by Operations during Planning Period (Rm)	R 4 038
Average annual increase in Gross Consumer Debtors	3,4%
Capital investment programme during Planning Period (Rm)	R 7 140
External Loan Financing during Planning Period (Rm)	R 0
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 1 853
No of Months Cash Cover at the end of the Planning Period (Rm)	2,7
Liquidity Ratio at the end of the Planning Period	1.7 : 1
Gearing at the end of the Planning Period	0,0%
Debt Service to Total Expense Ratio at the end of the Planning Period	0,3%

The assumptions and recommendations provided in the Base Case aim to improve the municipality's financial performance, with a specific focus on consistently achieving accounting- and operating surpluses.

The Base Case includes a program aimed at increasing interest income from outstanding debtors. Historically, the municipality recorded a five-year average of R450.0 million in interest from outstanding debtors. Beyond the MTREF period, the model projected a sharp decline in this revenue stream, dropping from R600 million in FY2026/27 to R17.0 million in FY2027/28 due to improvements in the collection rate. However, this reduction was deemed excessive and the program was revised to increase the interest income on outstanding debtors by approximately R250 million. While this remains lower than historical trends, it more accurately reflects the impact of an improved collection rate.

Financial performance is forecast to initially improve over the period FY2025/26-FY2026/27, however, deteriorates briefly in FY2027/28. Thereafter annual improvements are forecast from FY2028/29 onwards. The decline in FY2027/28 results from the cumulative impact of the above assumptions taking effect. Rustenburg LM is forecast to post accounting surpluses for the entire planning period.

The Base Case presents a more realistic long-term outcome considering the historic performance. The impact of an improved collection rate is observed in the forecast financial performance, which starts to trend upwards from FY2028/29 onwards, despite prevailing accounting- and operating deficits, as seen in GRAPH 31 below. The graph shows an upward trajectory from this point with the municipality achieving an operating surplus in FY2031/32.

Cash is forecast to be generated by operations from FY2024/25 onwards. Year-on-year improvements are forecast thereafter. This is driven by the forecast improvement in financial performance as well as the assumed improvement in the collection rate. The municipality is forecast to generate cash from operations to the value of R4.0 billion over the planning period. This improved cash position is further reflected in the forecast bank balance, which is expected to improve gradually over the planning period, culminating in a bank balance of R1.9 billion as at FYE2033/34. It is noteworthy to mention that this improvement in the cash position comes with the municipality consistently servicing their current creditors accounts, as illustrated in GRAPH 35 below.

The Base Case capital investment program has been adjusted over the MTREF period to better align with the municipality's cash flow and financial performance. Initially, the capital expenditure (CAPEX) has been reduced for FY2024/25 to FY2027/28. This cautious approach is intended to ensure that the municipality focuses on improving its financial health first, particularly by generating sufficient cash flow and improved liquidity position. Once the financial position stabilises and cash flow improves, capital spending can accelerate beyond FY2027/28.

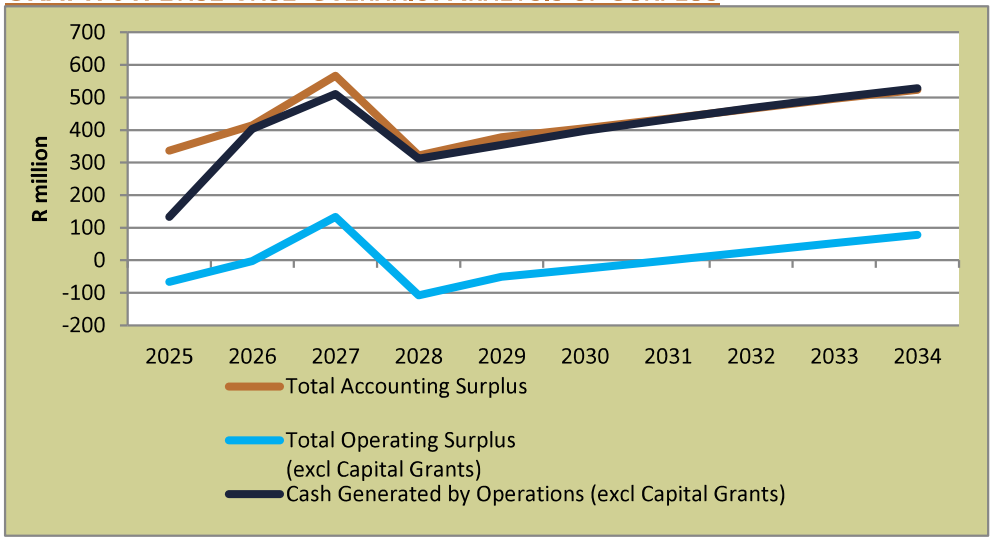
This approach allows the municipality to build a stronger financial foundation before committing to larger investments in infrastructure and other capital projects. The strategy aims to strike a balance between managing current financial constraints and ensuring that the municipality takes full advantage of available resources as its financial situation improves.

GRAPH 32 illustrates the funding mix for this adjusted capital investment program, highlighting an increase in the amount of cash used to fund CAPEX over time. This change reflects the municipality's growing ability to generate cash flow, which will be directed toward capital projects. The Base Case capital investment programme will be discussed further in Section 6 of this report.

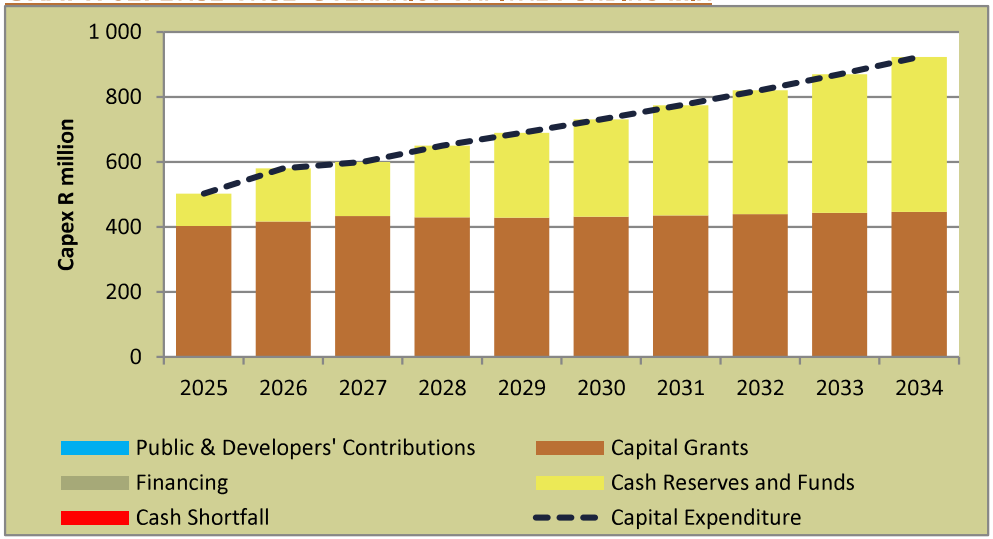
The municipality's liquidity position is forecast to remain stable over the planning period. The municipality is forecast to maintain a healthy liquidity ratio throughout 10-year planning period, with the planning period end liquidity ratio forecast to reach 1.7:1. The bank balance, as depicted in GRAPH 33 below shows the minimum liquidity requirement of 1-month's operating expenditure is forecast to be met for the entire planning period and is focused to double from FY2027/28. This is a key indicator of long-term sustainability. It must be stated that the forecast improvement in the bank balance and liquidity position is dependent on the Base Case assumptions being met.

The Base Case assumptions are considered realistic and achievable, serving as recommendations for the municipality to follow to ensure long-term financial sustainability.

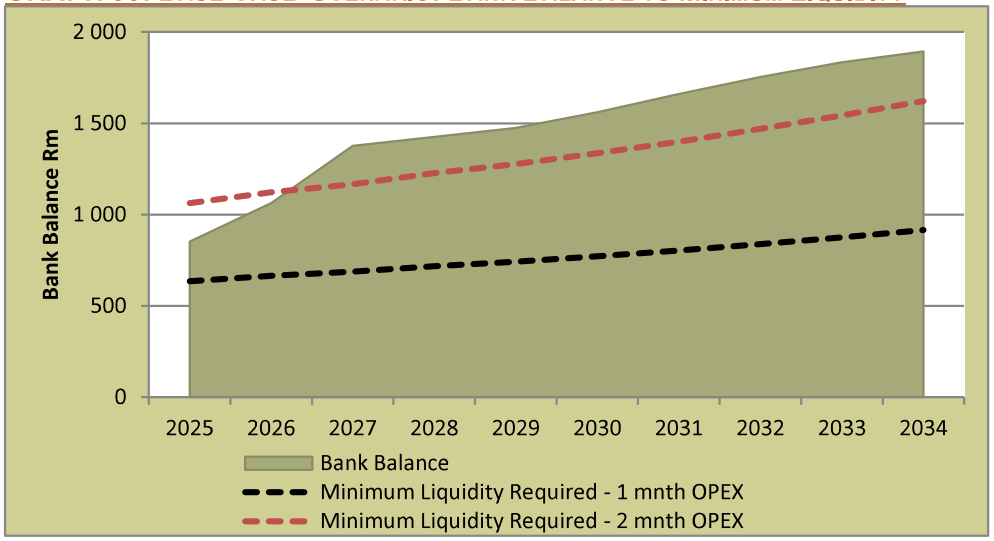
GRAPH 31: BASE CASE SCENARIO: ANALYSIS OF SURPLUS



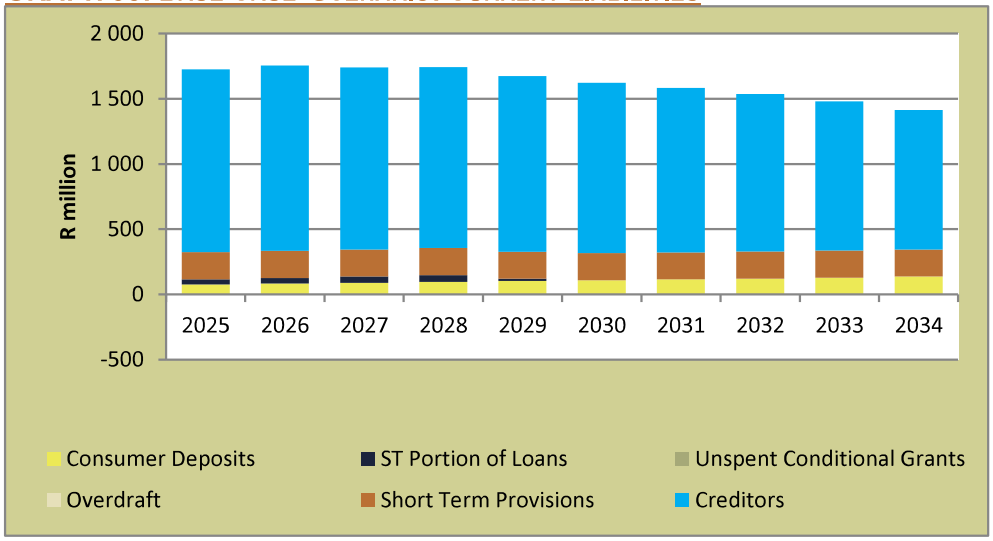
GRAPH 32: BASE CASE SCENARIO: CAPITAL FUNDING MIX



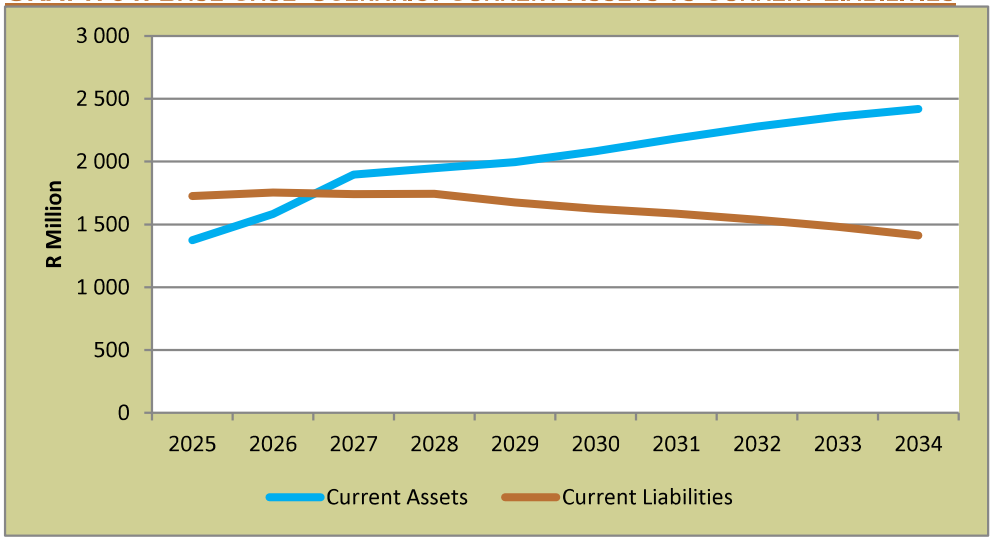
GRAPH 33: BASE CASE SCENARIO: BANK BALANCE VS MINIMUM LIQUIDITY



GRAPH 35: BASE CASE SCENARIO: CURRENT LIABILITIES



GRAPH 34: BASE CASE SCENARIO: CURRENT ASSETS VS CURRENT LIABILITIES



1 Planning Process

2 Updated Perspectives (Demographic, Economic, Household Infrastructure)

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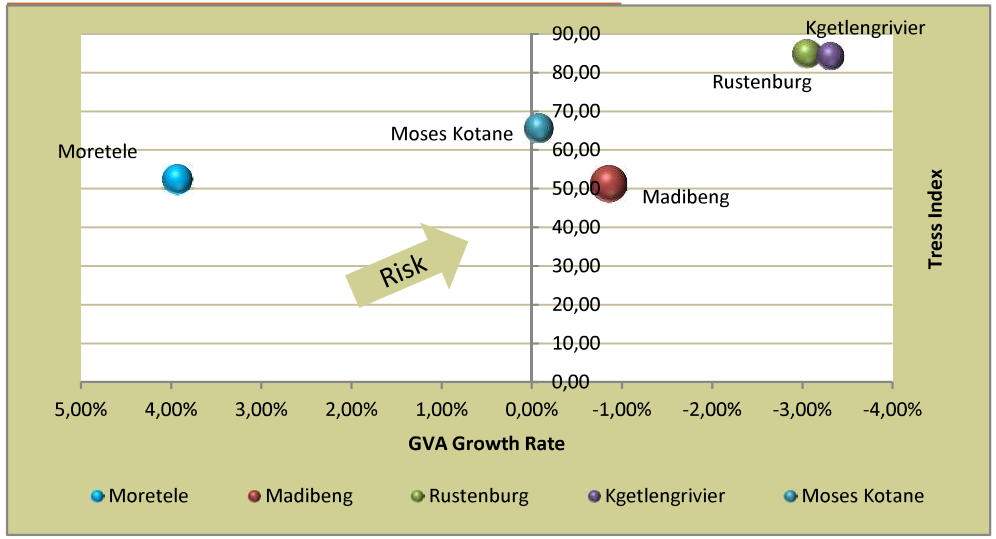
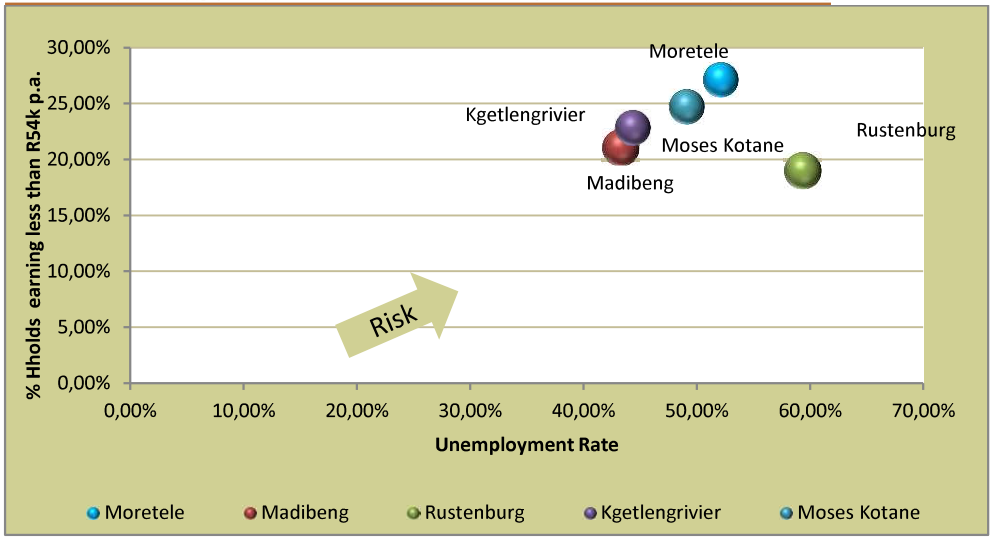
FUTURE REVENUES

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

GRAPH 36: ECONOMIC RISK COMPONENT OF MRRI



GRAPH 37: HOUSEHOLD ABILITY TO PAY RISK COMPONENT OF MRRI



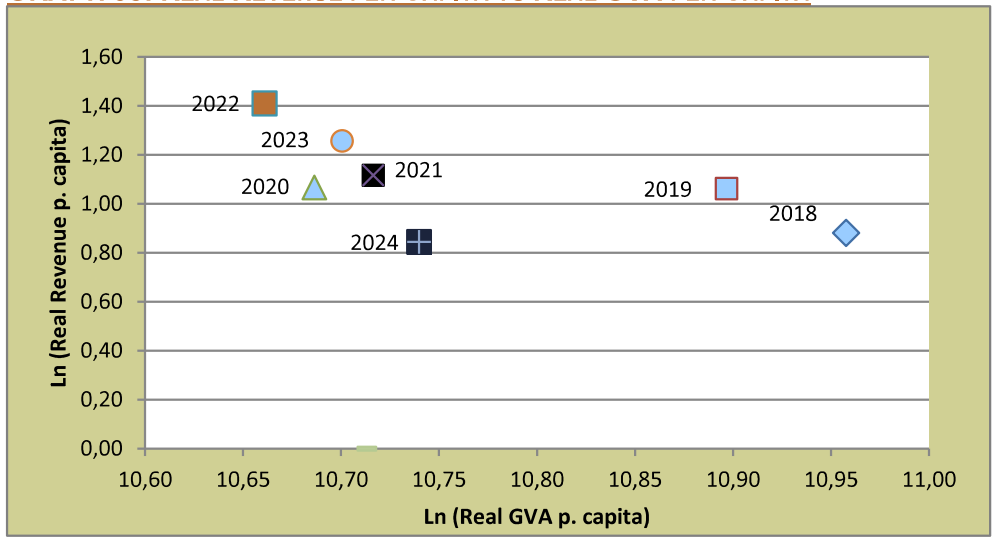
The Municipal Revenue Risk Indicator (MRRI) measures the risk of the municipality's ability to generate its own revenues. This is a function of the economy (size of the economy as measured by GVA per capita, GVA growth rate and Tress Index); and the household ability to pay (measured by percentage of households with income below R54 000 p.a., unemployment rate and human development index).

Rustenburg experienced economic decline in recent years, with a 5-year annual average Gross Value Added (GVA) growth rate of -4.2%. This GVA is significantly outpaced by the town's annual population growth rate, which averaged 2.1% over the same period. In 2023, the GVA per capita stood at R44 372. The Rustenburg economy is highly concentrated, as reflected by a Tress Index of 86.2. This index suggests significance dependency on a specific sector contributing to a **"High"** rating on the economic risk component of the Municipal Risk Rating Index (MRRI).

The percentage of indigent households reliant on support, the official unemployment rate of 59.3% and the human development index of 0.69 resulted in a **"High"** rating on the household ability to pay risk component of MRRI. The driving force behind this rating is the high rate of unemployment.

As a result, Rustenburg has a **"High"** risk rating on the MRRI indicator scale - i.e., there is a medium to high risk that the municipality will not be able to generate the forecast cash revenue expected in future.

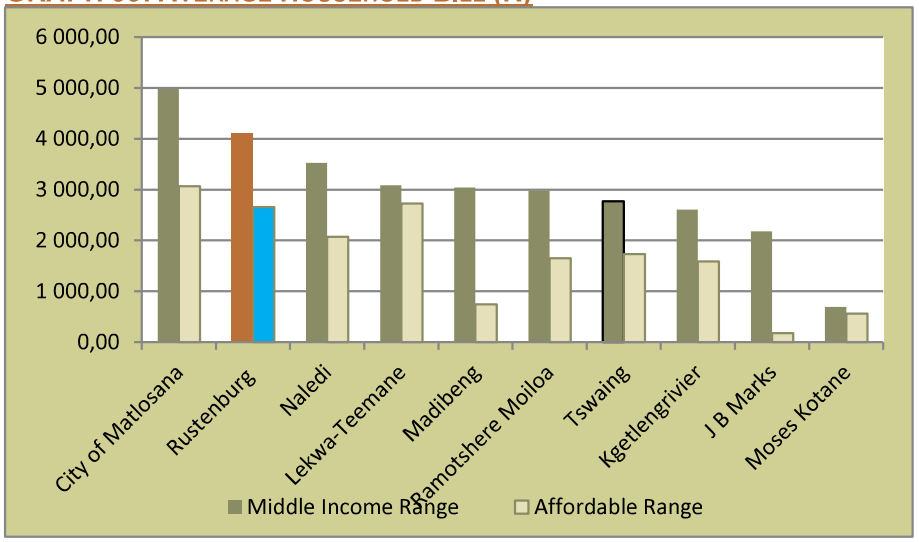
GRAPH 38: REAL REVENUE PER CAPITA VS REAL GVA PER CAPITA



Real municipal revenue (excluding capital transfers) per capita fluctuated considerably during the review period. A significant increase was observed from 2018 until 2022, before a reduction in 2023 and 2024. Real GVA per capita has reflected an overall increasing trend since 2022.

It is the municipality's responsibility to create an economic growth environment locally. This will assist in alleviating pressure on households to service their municipal bill, thus providing additional security to the municipality's future revenue prospects. A prolonged period of sluggish economic growth will place further strain on the municipality's revenue base as households struggle to service their municipal bill.

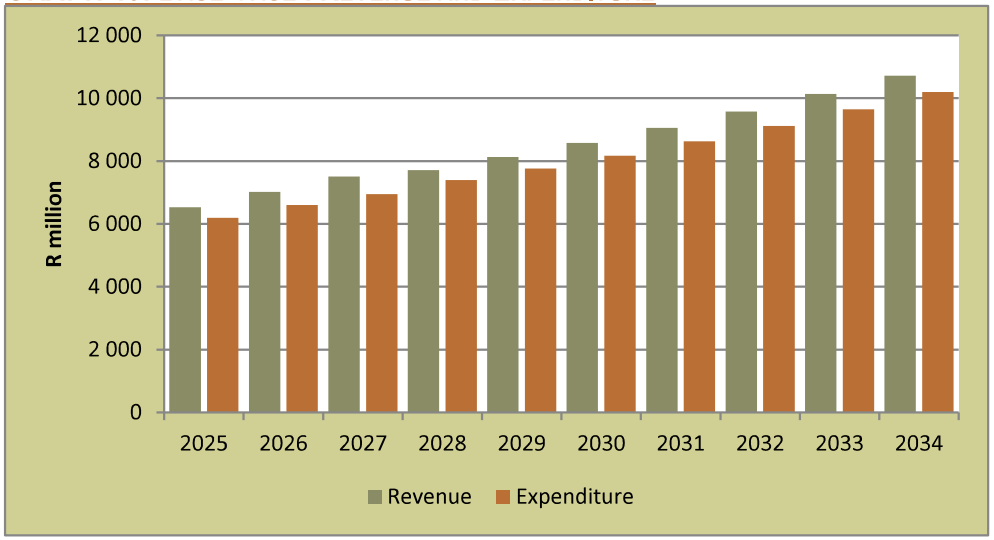
GRAPH 39: AVERAGE HOUSEHOLD BILL (R)



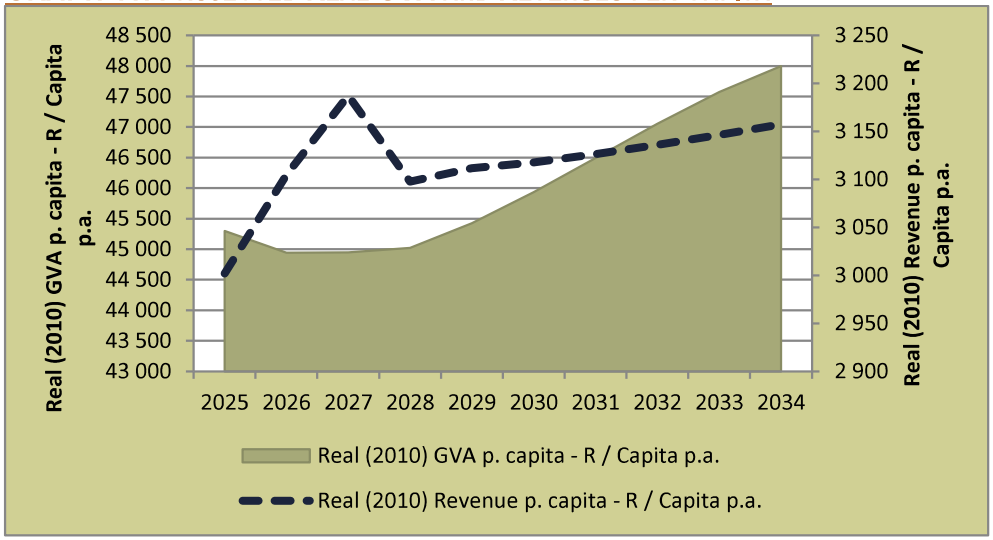
A comparison of the average household bills for middle-income and affordable-income households across selected municipalities in the North-West (using data from Budget Table SA14 for 2023/24 tariffs) shows that Rustenburg falls within the higher range. However, when considering the quality and scope of services provided by Rustenburg relative to its municipal counterparts, the current household bill is seen as both reasonable and justifiable. Nonetheless, the potential for future tariff increases is limited by the financial capacity of households to absorb higher costs and pay for services.

MUNICIPAL REVENUES

GRAPH 40: BASE CASE : REVENUE AND EXPENDITURE



GRAPH 41: PROJECTED REAL GVA AND REVENUES PER CAPITA

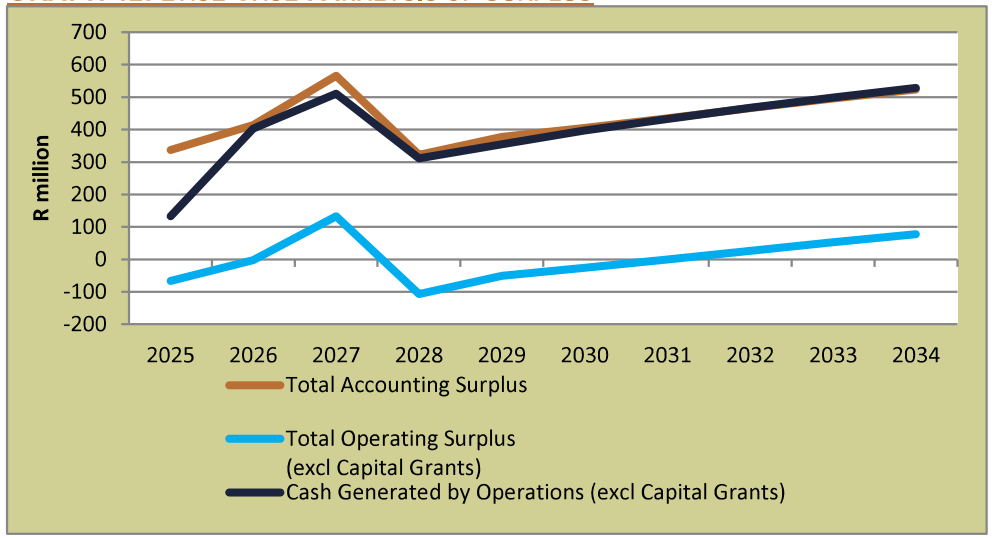


The Base Case estimates that, over the planning period, future nominal revenue (including capital grants) will grow at an average rate of 5.4% p.a. This growth in revenue includes: (i) tariff increases, (ii) increased sales and (iii) additional revenue sources. Future nominal expenditure is estimated to grow at an equivalent rate of 4.7% over the same period.

Electricity services are forecast to remain the main revenue generator for the municipality with an annual average contribution of 41.7%. This is followed by Equitable Share with an annual average contribution of 19.7%. On the expenditure side, electricity bulk purchases are forecast to remain the main expenditure item with an annual average contribution of 34.3%. Employee related expenditure, inclusive of staff costs and contracted services, are forecast to contribute a combined 29.9% p.a. on average over the planning period.

Real GVA per capita is forecast to increase gradually by 6.6% over the planning period, from R45 299 p.a. in 2025 to R47 995 in 2034. Real revenue per capita on the other hand, is forecast to increase at a comparatively lower rate of 5.6% from R3 002 p.a. in 2025 to R3 157 p.a. in 2034. The growth of the local economy is crucial for the municipality, as it directly impacts its ability to generate revenue (MRRI). A stronger local economy will expand the municipality's revenue base, supporting the growth and acceleration of the capital investment program. This is especially important to meet the needs of a growing population and the increasing demand for municipal services.

GRAPH 42: BASE CASE : ANALYSIS OF SURPLUS



The municipality is forecast to generate cash from operations for the entire planning period. A total of R4.0 billion in cash is forecast to be generated by operations over the planning period. This is underpinned by the forecast improvements to financial performance as well as the assumed improvement in the collection rate.

1	Planning Process
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AFFORDABLE FUTURE CAPITAL INVESTMENT

CAPEX AFFORDABILITY AND FUNDING

The 10-year affordable capital envelope is calculated at R7.14 billion.

TABLE 10: CAPEX AFFORDABILITY

Total 10-year CAPEX **Affordability:**	=	R7.14 billion

MTREF CAPITAL FUNDING MIX

Rustenburg's Adopted Budget FY2024/25 to FY2026/27 expects a capital budget amounting to R1.89 billion, funded as follows:

TABLE 11: MTREF CASE 3-YEAR MTREF FUNDING MIX R'M

R'm	Total	2024/25	2025/26	2026/27
Public & Developers Contributions	**0**	0	0	0
Capital Grants	**1 254**	403	417	434
Financing	**0**	0	0	0
Cash Reserves and Funds	**642**	241	204	197
Cash Shortfall	**0**	0	0	0
Total	**1 896**	**644**	**621**	**631**

10-YEAR CAPITAL FUNDING MIX

The capital funding mix for the 10-year planning period is forecast to be as follows:

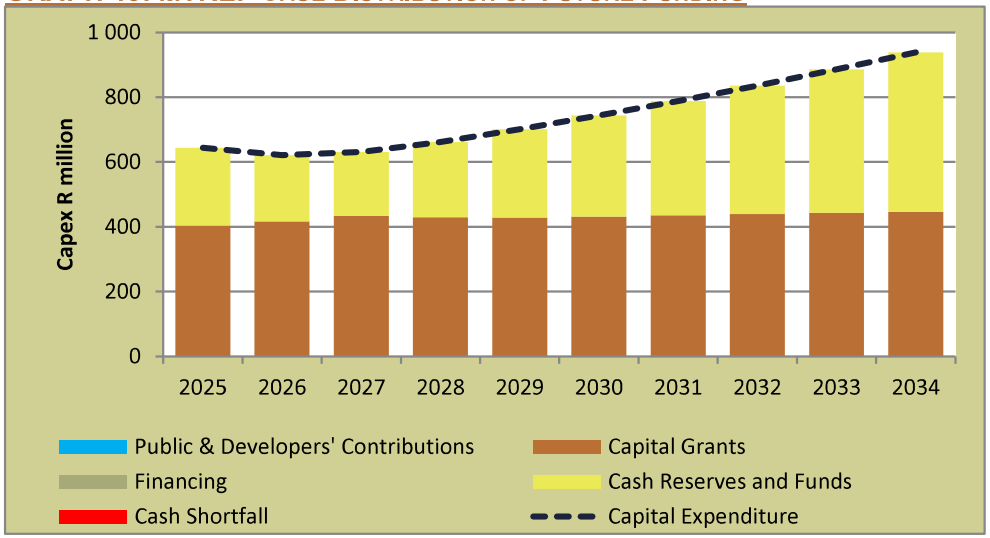
TABLE 12: BASE CASE 10-YEAR CAPITAL FUNDING MIX

Source	Rm	%
Public & Developers' Contributions	0	0 %
Capital Grants	4 307.9	60.3%
Financing	0	0 %
Cash Reserves and Funds	2 832.2	39.7%
Cash Shortfall	0	0 %
Capital Expenditure	**7 140.1**	**100 %**

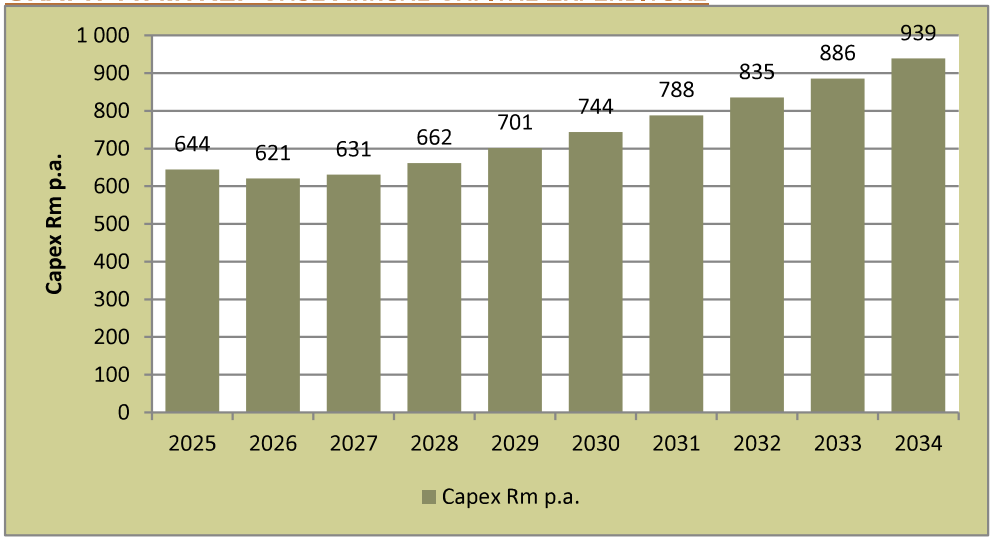
Rustenburg's historic capital funding mix was mainly funded through capital grants. While the municipality has placed reliance on grant funding, a notable increase in the utilisation of own cash reserves was observed in the MTREF. The overutilisation of the municipality's own cash to fund capital expenditure is a key factor contributing to the deterioration of its liquidity position. Given the current financial trajectory of Rustenburg LM, relying on internal funds would further weaken its financial standing. In contrast, the Base Case limits the use of cash reserves to strengthen liquidity. Once liquidity improves, the Base Case gradually reintroduces the use of cash reserves.

The MTREF Case and Base Case funding mix are presented in the graphs below:

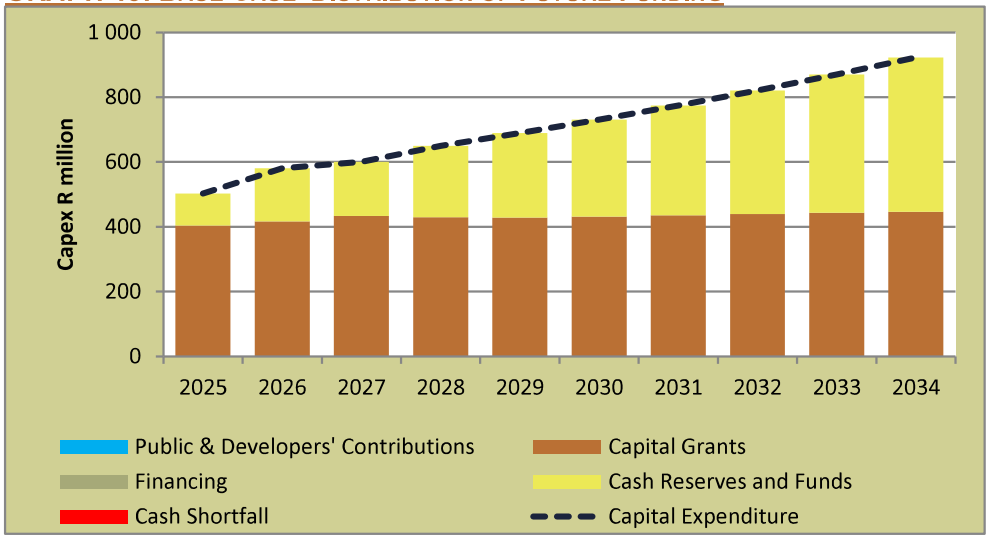
GRAPH 43: MTREF CASE DISTRIBUTION OF FUTURE FUNDING



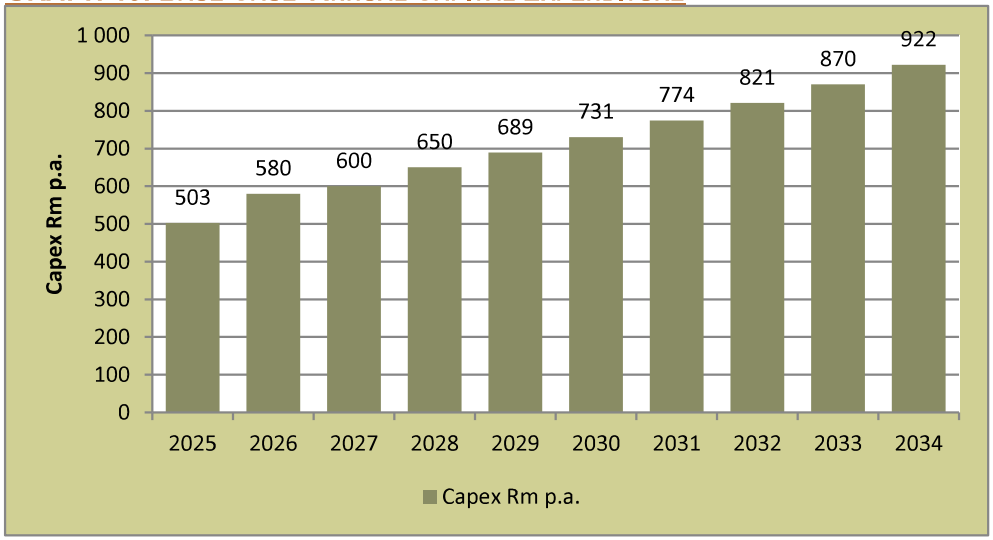
GRAPH 44: MTREF CASE ANNUAL CAPITAL EXPENDITURE



GRAPH 45: BASE CASE DISTRIBUTION OF FUTURE FUNDING



GRAPH 46: BASE CASE ANNUAL CAPITAL EXPENDITURE



The Base Case 's funding mix and capital expenditure graphs are presented in the graphs below:

TABLE 13: MTREF CASE DISTRIBUTION OF FUTURE CAPITAL FUNDING (R'M)

R'm	Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Public & Developers' Contributions	0	0	0	0	0	0	0	0	0	0	0
Capital Grants	4 308	403	417	434	430	429	431	435	440	444	446
Financing	0	0	0	0	0	0	0	0	0	0	0
Cash Reserves and Funds	3 142	241	204	197	232	273	312	353	396	442	493
Cash Shortfall	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure	7 450	644	621	631	662	701	744	788	835	886	939

TABLE 14: BASE CASE DISTRIBUTION OF FUTURE CAPITAL FUNDING (R'M)

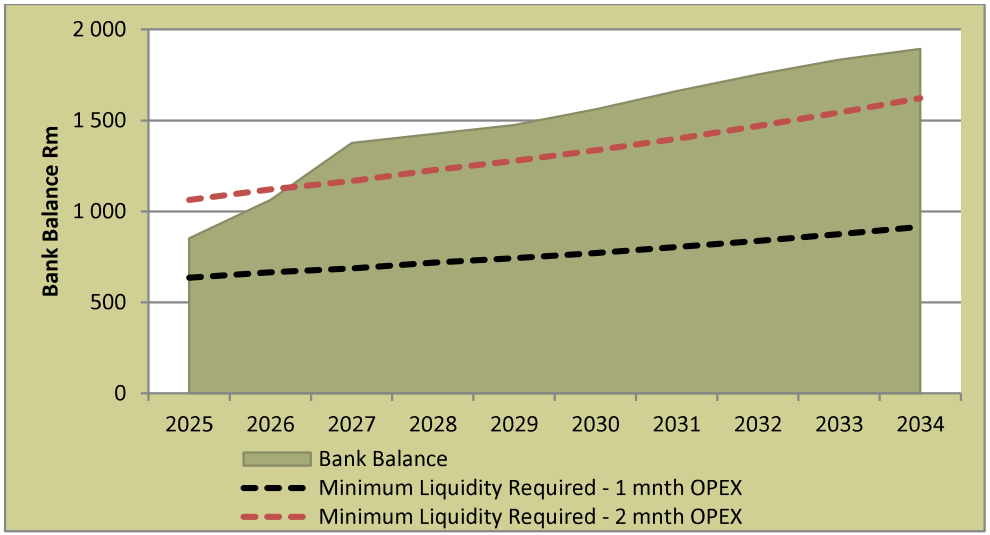
R'm	Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Public & Developers' Contributions	0	0	0	0	0	0	0	0	0	0	0
Capital Grants	4 308	403	417	434	430	429	431	435	440	444	446
Financing	0	0	0	0	0	0	0	0	0	0	0
Cash Reserves and Funds	2 832	99	163	166	221	260	299	339	381	426	476
Cash Shortfall	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure	7140	503	580	600	650	689	731	774	821	870	922

LIQUIDITY AND CAPITAL REPLACEMENT RESERVE

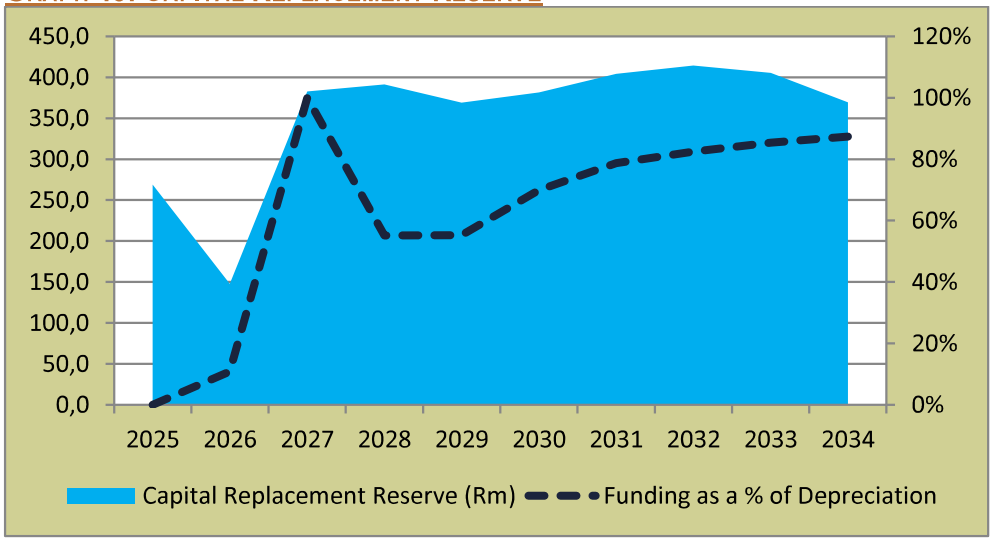
The minimum liquidity levels cater for unspent conditional grants, cash-backed reserves, short-term provisions and 1-month's working capital (operating expenditure). Liquidity is forecast to be sufficient to cover 1-month's operating expenditure for the entire planning period. This is forecast to double, covering 2-months's operating expenditure from FY2026/27, highlighting how the Base Case is moving the municipality into sustainability. This is despite a significant portion of the capital outlay being funded through own cash reserves over the planning period. It would be prudent to continue to build liquidity levels to allow for the capital replacement reserve to be built up to fund future capital expenditure.

It is recommended that the annual depreciation charges be utilised as a guide to determine the extent of the funds to be set aside for future capital investment.

GRAPH 47: BANK BALANCE VS MINIMUM LIQUIDITY REQUIREMENTS



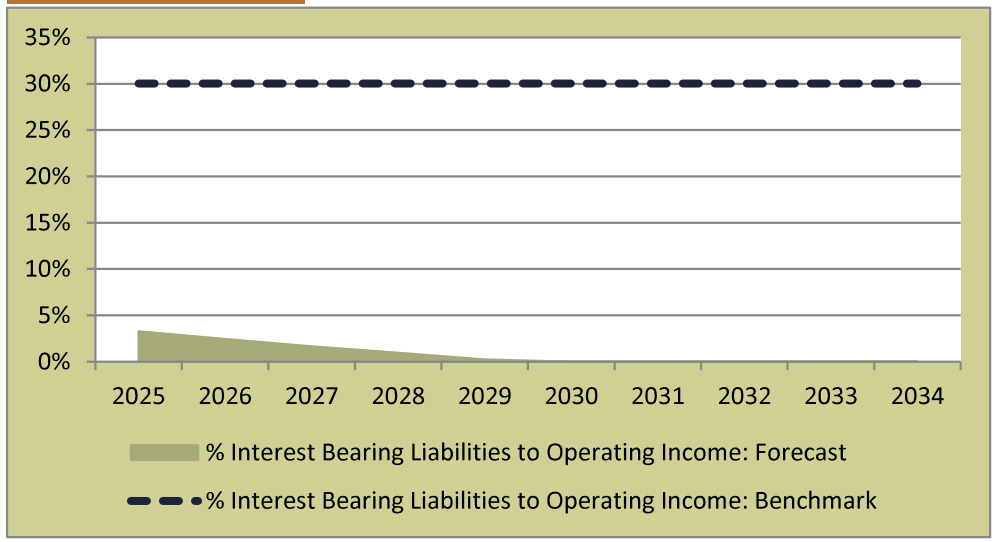
GRAPH 48: CAPITAL REPLACEMENT RESERVE



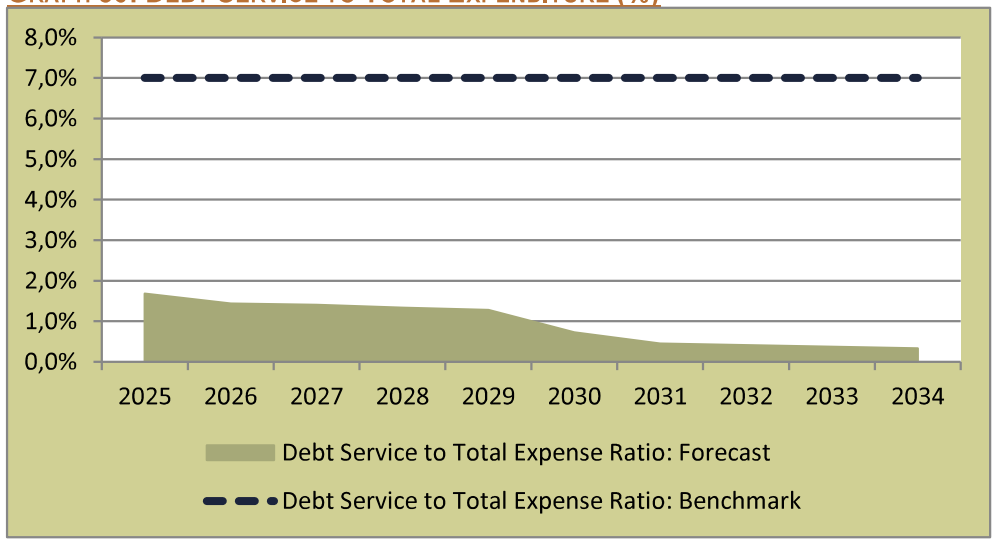
GEARING

In the Base Case, no borrowing is recommended. Therefore, the gearing ratio and debt service ratio are both expected to reach 0% at the end of the planning period.

GRAPH 49: GEARING (%)



GRAPH 50: DEBT SERVICE TO TOTAL EXPENDITURE (%)



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SCENARIOS ANALYSIS

Considering our analysis of the Adjustment Budget and the risks identified as part of this update, the following scenarios were run to indicate the potential outcomes. The main purpose of these scenarios is to assist the municipality in its strategic decision making and to serve as an input to the budget for FY2025/26. Unless otherwise stated, all other input variables are assumed to be consistent with the Base Case.

1. **To demonstrate the impact of collection rate sensitivity on long-term financial sustainability:**

    1.1. A positive & negative scenario indicating the impact of movements of 2.0% above and below the Base Case collection rate of 85.0%. All other input variables are assumed to be consistent with the Base Case.

2. **To indicate the financial impact of an improvement in profitability on the long-term financial sustainability:**

    2.1. A negative scenario reflecting the impact of a 2.0% increase in the Opex of the municipality from the Base Case i.e. a further 2.0% increase. This means a total increase of 5.0%

    2.2. A positive scenario reflecting the impact of a reduction in operating expenditure of 2.0% from the Base Case.

3. **To demonstrate the need for an improvement in the level of distribution losses:**

    3.1. A scenario, considering the impact of not achieving the reduction of the high water and electricity distribution losses. Historical losses of around 65.2% and 26.3%. The Base Case assumed an improvement of these losses with the water losses reduced to 45.0% and electricity losses reduced to 20.0%. In this scenario the distribution losses will be kept as is.

4. **To indicate the viability of an accelerated capital investment programme that is as planned in the Adopted budget.**

    4.1. A scenario indicating the impact of the municipality accelerating the capital investment programme through the use of own cash. All other input variables are assumed to be consistent with the Base Case.

SCENARIO 1: SENSITIVITY ANALYSIS ON THE COLLECTION RATE

1. COLLECTION RATE 83%

Should the municipality's income base erode further, and pressure on households to pay municipal bills continue to rise, a decline in the collection rate is expected. To assess the impact of these adverse conditions on the municipality's finances, the model was adjusted by assuming the collection rate of 83%, which is 2 percentage points lower than the budget, will be achieved throughout the planning period, with all other input variables and assumptions remaining constant as per the Base Case.

The forecast indicates a significant decline in the municipality's financial performance, with an accumulated operating deficit of R1.4 billion expected over the planning period. Additionally, the municipality's cash balance is projected to decrease, with the bank balance forecasted to fall to R550.0 million from R1.9 billion as in the Base Case. This reduction poses a serious threat to the municipality's liquidity, putting it at risk of failing to meet its minimum liquidity requirements from FY2030/31. As shown in the bank balance graph below, should the collection rate drops. The liquidity is forecast to fall below 1, reaching 0.8:1 at the end of the planning period.

If the collection rate is not improved, the municipality will face severe cash flow problems that could prevent it from paying creditors on time. A lack of sufficient cash reserves would also jeopardise the municipality's capital investment program. With limited liquidity, the municipality may be forced to cut capital expenditures, potentially halting or delaying important infrastructure projects that are crucial for the long-term economic development of the community.

This scenario highlights the critical need to increase the collection rate above the current Base Case level of 85%. Without this improvement and the application of stricter credit control measures, cash flow will continue to deteriorate, further jeopardising the municipality's financial stability and its ability to invest in future growth

2. COLLECTION RATE 87%

An increase in the collection rate significantly improves the municipality's financial performance, as reflected by the operating surplus which is forecast to reach an accumulated amount of R1.3 billion by the end of the planning period compared to the Base Case . Additionally, there is a substantial improvement in the municipality's cash generation, with a 63.8% increase in the municipality' cash and cash equivalents. The municipality is forecasted to meet its minimum liquidity requirements, including two months' operating expenses, with a bank balance of R3.1 billion by the end of the planning period. The liquidity is forecast to reach 2.7:1.

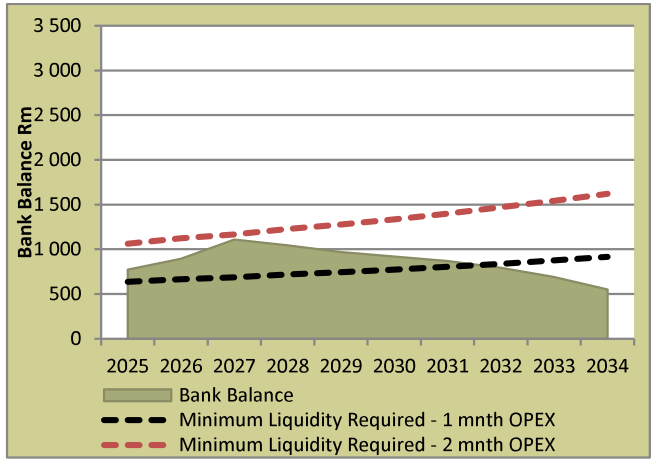
The outcomes of both the positive and negative collection rate scenarios highlight the significant impact that fluctuations in the collection rate can have on the municipality's finances. It is crucial for the municipality to maintain the assumptions presented in the Base Case, with particular focus on improving the collection rate. By actively monitoring and addressing this key factor, the municipality can better navigate potential financial challenges and strengthen its fiscal resilience. A steadfast commitment to optimising the collection rate will not only enhance the municipality's financial stability but also ensure the efficient allocation of resources toward essential services and infrastructure development, supporting sustainable growth and prosperity for the community.

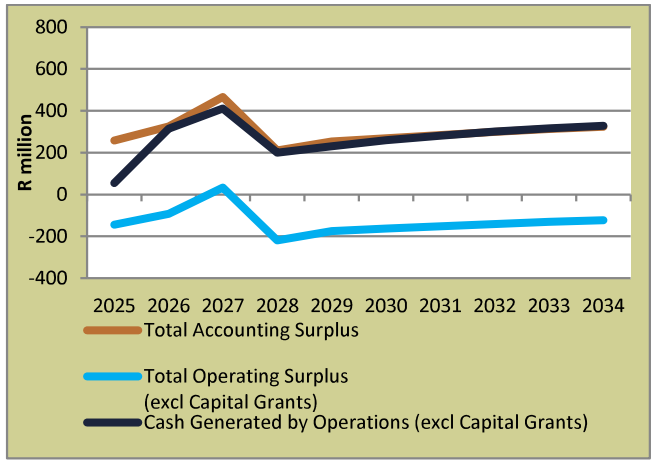
TABLE 15: COLLECTION RATE SENSITIVITY

Outcome	Collection Rate 83%	Base Case 85%	Collection Rate 87%
Average annual % increase in Revenue	5,3%	5,4%	5,5%
Average annual % increase in Expenditure	4,8%	4,7%	4,5%
Accounting Surplus accumulated during Planning Period (Rm)	R 3 001	R 4 344	R 5 687
Operating Surplus accumulated during Planning Period (Rm)	-R 1 307	R 36	R 1 379
Cash generated by Operations during Planning Period (Rm)	R 2 695	R 4 038	R 5 382
Average annual increase in Gross Consumer Debtors	4,5%	3,4%	2,1%
Capital investment programme during Planning Period (Rm)	R 7 140	R 7 140	R 7 140
External Loan Financing during Planning Period (Rm)	R 0	R 0	R 0
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 550	R 1 893	R 3 327
No of Months Cash Cover at the end of the Planning Period (Rm)	0,8	2,7	4,6
Liquidity Ratio at the end of the Planning Period	0.8 : 1	1.7 : 1	2.7 : 1
Gearing at the end of the Planning Period	0,0%	0,0%	0,0%
Debt Service to Total Expense Ratio at the end of the Planning Period	0,3%	0,3%	0,3%

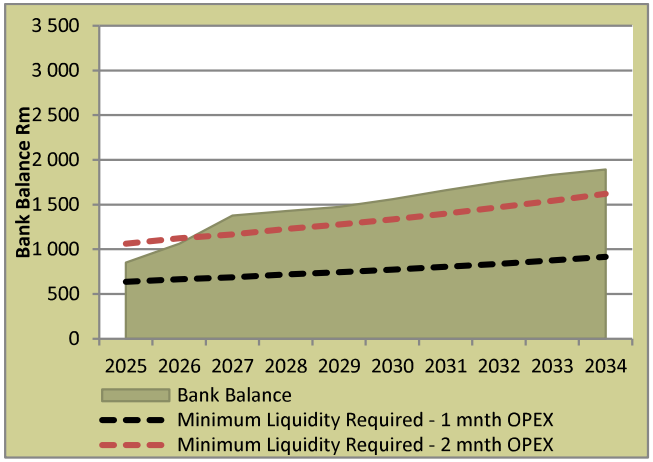
SCENARIO 1: SENSITIVITY ANALYSIS ON THE COLLECTION RATE

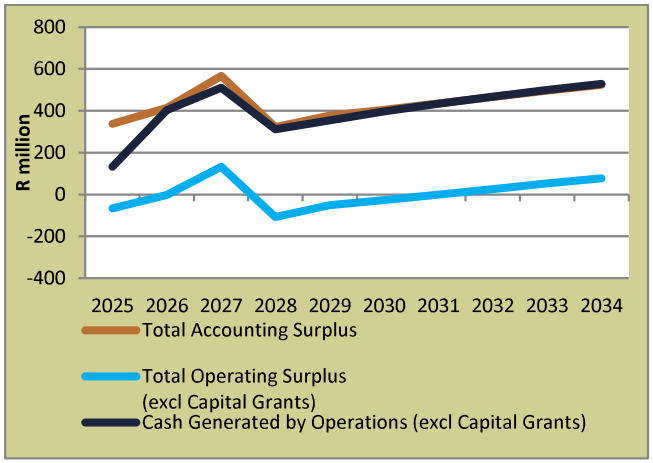
DECREASE COLLECTION RATE



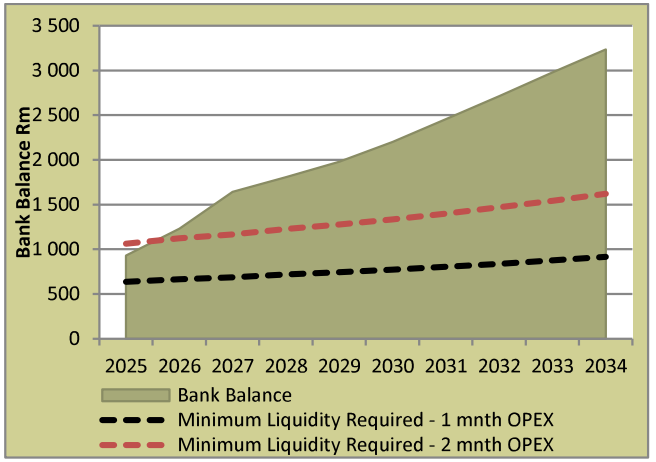


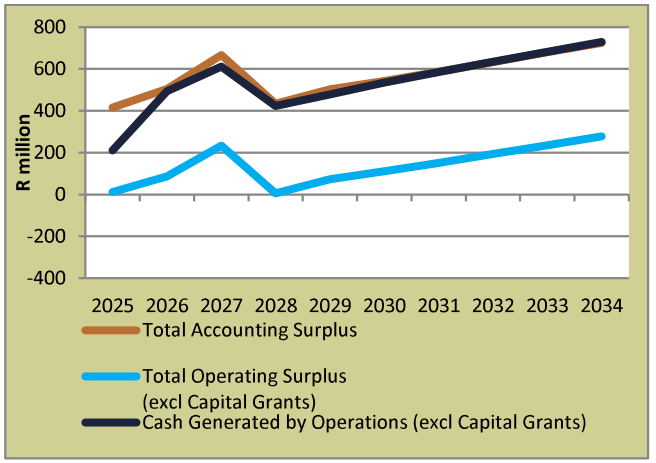
BASE CASE





INCREASE COLLECTION RATE





SCENARIO 2: SENSITIVITY ANALYSIS ON THE OPERATING EXPENDITURE

1. INCREASE IN OPERATING EXPENDITURE 2% HIGHER THAN THE BASE CASE

Should the economic circumstances remain as volatile as they are currently, one can expect an increase in the operating expenditure of the municipality.

To assess the impact that such adverse conditions will have on the finances of the municipality, the model was adjusted by assuming the municipality will have no cuts on its operating expenditure from the Base Case level. All other input variables and assumptions remain constant.

The results indicate a significant deterioration in financial performance, with an accumulated operating deficit of R1.5 billion, marking a substantial decline from the Base Case. The cash balance drops to R327 million, leaving the municipality unable to meet minimum liquidity requirements, which could result in difficulties in paying creditors on time and sustaining its capital investment program. This underscores the importance of maintaining strict oversight over operational expenditure.

2. DECREASING OPERATING EXPENDITURE 2% LOWER THAN THE BASE CASE

To assess the impact on the finances of the municipality, the model was adjusted by decreasing the Base Cas scenario operating expenditure by 2 percentage points while keeping all the other input assumptions constant.

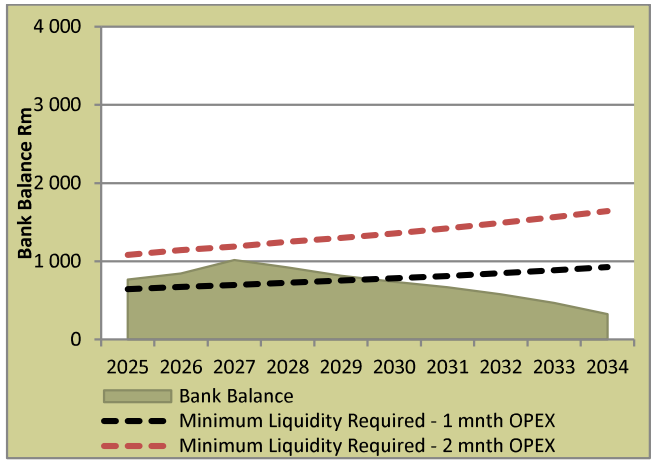
The results indicate a significant improvement in the cash balance to a position where the municipality will be able to meet the minimum liquidity requirement of 1-month's Opex for the entire planning period and 2-month's Opex from FY2029/30. Financial Performance is forecast to improve, with the municipality expected to achieve an accumulated Operating Surplus forecast to total R1.6 billion over the planning period. Other potential benefits include the ability to pay its obligations when they fall due and sustain an accelerated capital investment programme.

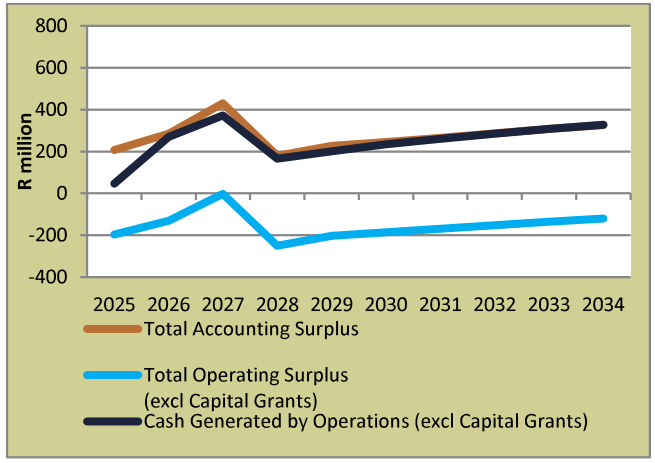
TABLE 16: OPEX SENSITIVITY

Outcome	OPEX +2%	Base Case	OPEX -2%
Average annual % increase in Revenue	5,3%	5,4%	5,5%
Average annual % increase in Expenditure	4,8%	4,7%	4,5%
Accounting Surplus accumulated during Planning Period (Rm)	R 2 759	R 4 344	R 5 916
Operating Surplus accumulated during Planning Period (Rm)	-R 1 549	R 36	R 1 608
Cash generated by Operations during Planning Period (Rm)	R 2 472	R 4 038	R 5 592
Average annual increase in Gross Consumer Debtors	3,4%	3,4%	3,4%
Capital investment programme during Planning Period (Rm)	R 7 140	R 7 140	R 7 140
External Loan Financing during Planning Period (Rm)	R 0	R 0	R 0
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 327	R 1 893	R 3 447
No of Months Cash Cover at the end of the Planning Period (Rm)	0,5	2,7	4,9
Liquidity Ratio at the end of the Planning Period	0.6 : 1	1.7 : 1	2.8 : 1
Gearing at the end of the Planning Period	0,0%	0,0%	0,0%
Debt Service to Total Expense Ratio at the end of the Planning Period	0,3%	0,3%	0,3%

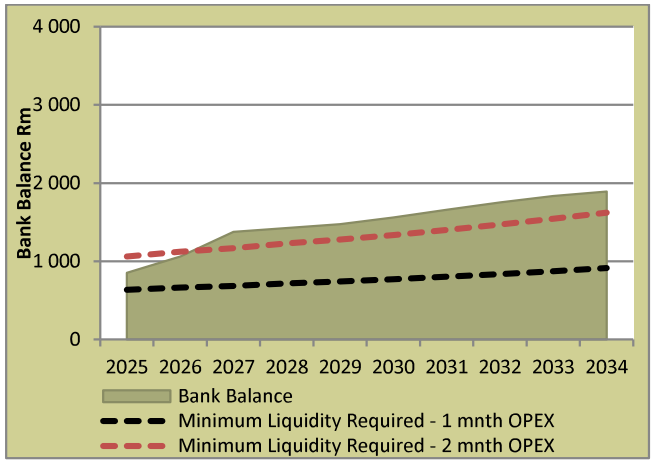
SCENARIO 2: SENSITIVITY ANALYSIS ON OPERATING EXPENDITURE

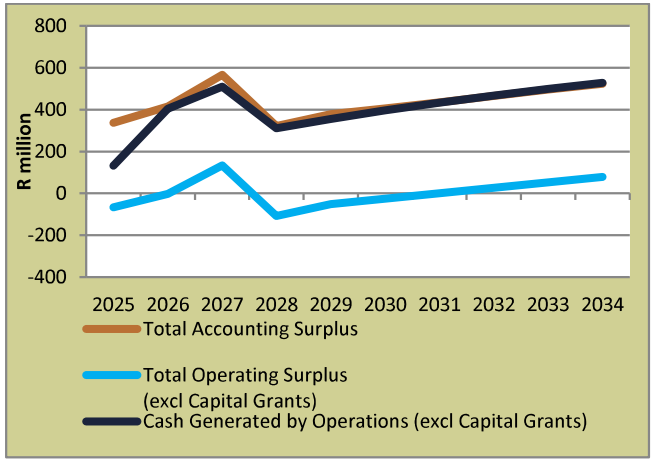
INCREASE OPEX (+2%)



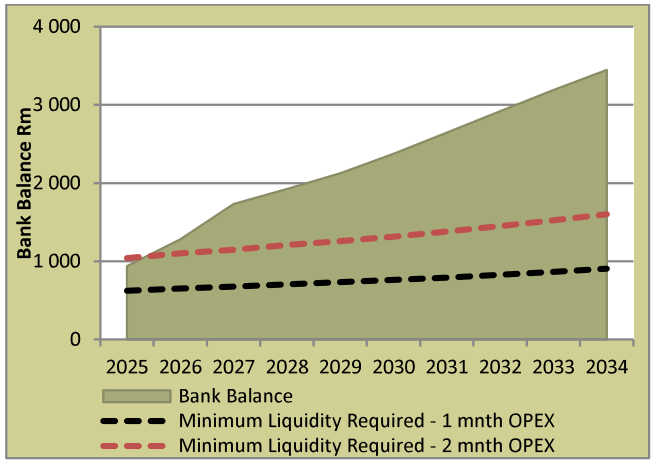


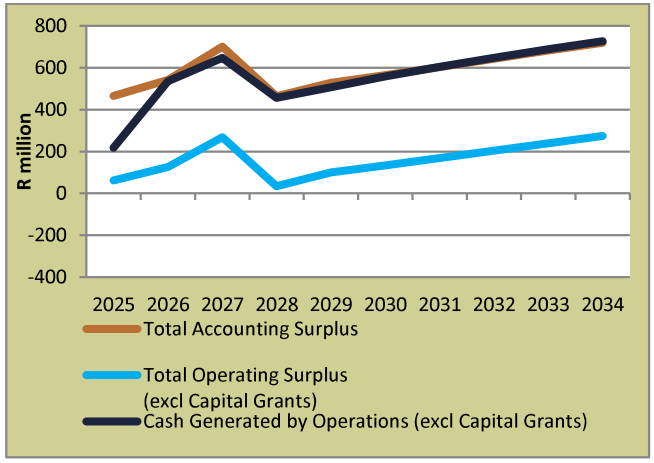
BASE CASE SCENARIO





DECREASED OPEX (-2%)





SCENARIO 3: NO IMPROVEMENT IN DISTRIBUTION LOSSES

The municipality is currently facing a significant challenge in the form of high distribution losses, which not only pose a serious financial risk but also threaten its long-term sustainability. Addressing these losses is crucial, as any measures taken to reduce them will bring substantial benefits.

The primary concern lies in the distribution losses related to essential services like water and electricity, which exceed the National Treasury's norms. This issue requires urgent attention. To better understand the potential impact of these losses, a scenario analysis was conducted, assuming the current level of distribution losses remains unchanged.

The Base Case, aimed at improving Rustenburg LM's financial sustainability, proposes reducing electricity and water losses to 20.0% and 45.0%, respectively, over a five-year period. This strategy was designed to mitigate the financial strain caused by the high distribution losses.

The scenario analysis demonstrated that maintaining current distribution loss levels would significantly weaken key financial metrics. The forecast projects a sharp decline in the accumulated operating surplus, shifting from R36.0 million in the Base Case to a deficit exceeding R1.8 billion by the end of the planning period. Additionally, accumulated cash generated from operations is expected to drop to R2.2 billion, while the bank balance is projected to decline to R59 million—far below the Base Case forecast of R1.9 billion. The municipality's liquidity position is also expected to deteriorate, with a forecasted ratio of 0.4:1 by the end of the planning period.

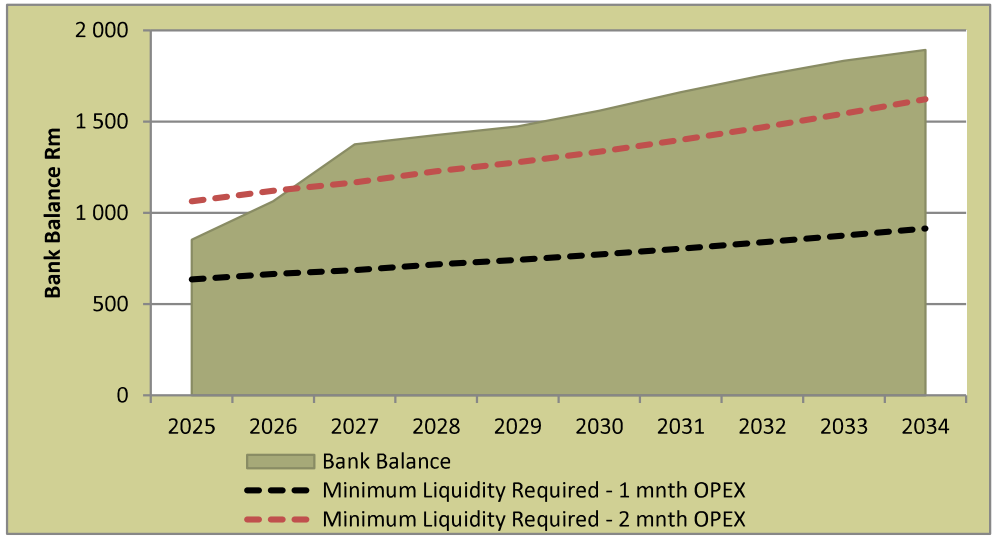
These outcomes highlight the urgent need for measures to reduce distribution losses. Failure to address this issue will put the municipality's long-term financial sustainability at serious risk

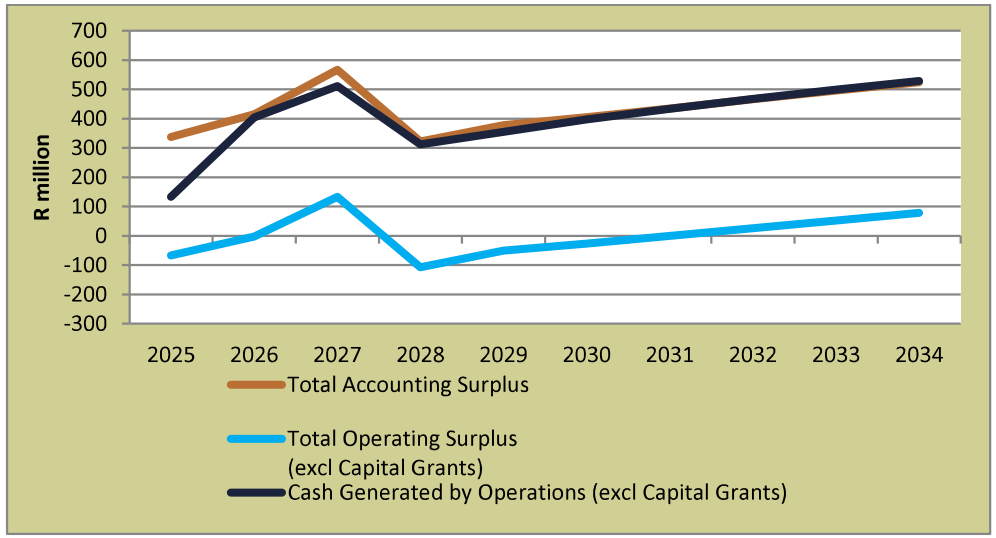
TABLE 17: SCENARIO 3: DISTRIBUTION LOSSES

Outcome	Base Case	Scenario
Average annual % increase in Revenue	5,4%	5,3%
Average annual % increase in Expenditure	4,7%	4,9%
Accounting Surplus accumulated during Planning Period (Rm)	R 4 344	R 2 472
Operating Surplus accumulated during Planning Period (Rm)	R 36	-R 1 836
Cash generated by Operations during Planning Period (Rm)	R 4 038	R 2 204
Average annual increase in Gross Consumer Debtors	3,4%	3,4%
Capital investment programme during Planning Period (Rm)	R 7 140	R 7 140
External Loan Financing during Planning Period (Rm)	R 0	R 0
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 1 893	R 59
No of Months Cash Cover at the end of the Planning Period (Rm)	2,7	0,1
Liquidity Ratio at the end of the Planning Period	1.7 : 1	0.4 : 1
Gearing at the end of the Planning Period	0,0%	0,0%
Debt Service to Total Expense Ratio at the end of the Planning Period	0,3%	0,3%

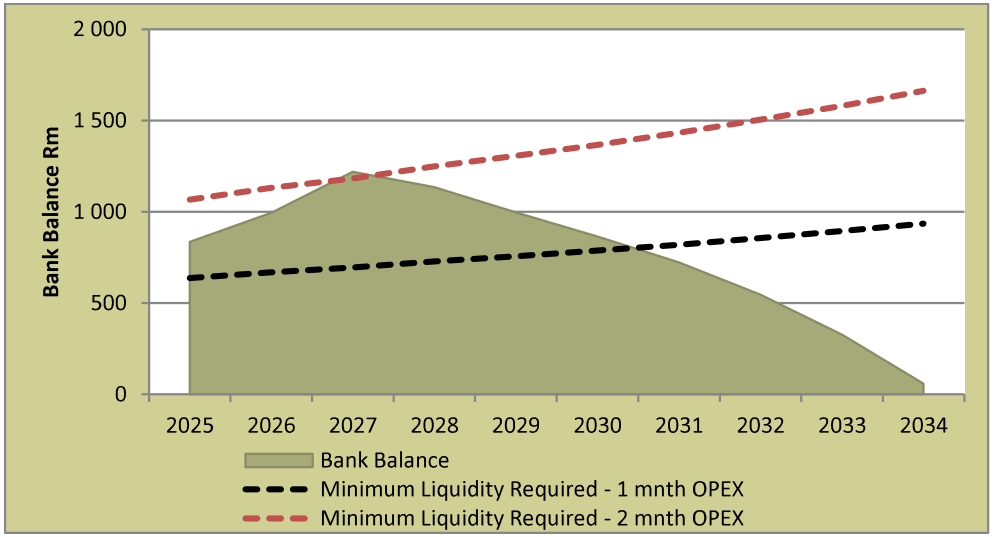
SCENARIO 3 : NO IMPROVEMENT IN DISTRIBUTION LOSSES

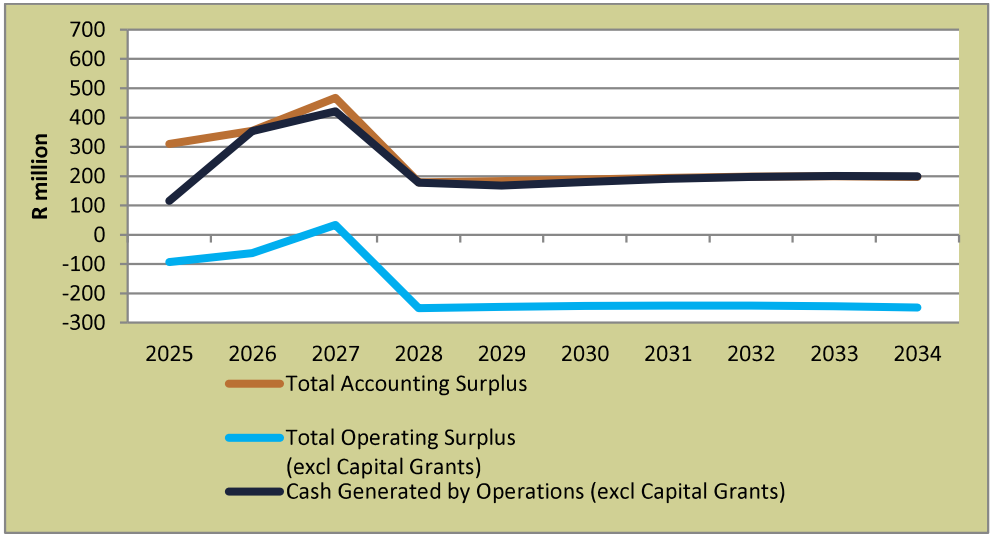
BASE CASE SCENARIO



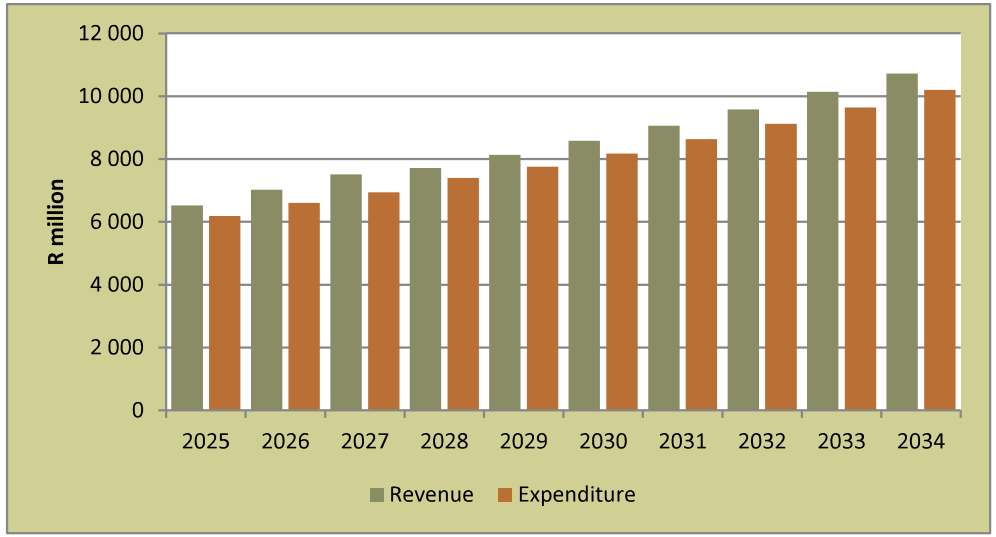


SCENARIO 3

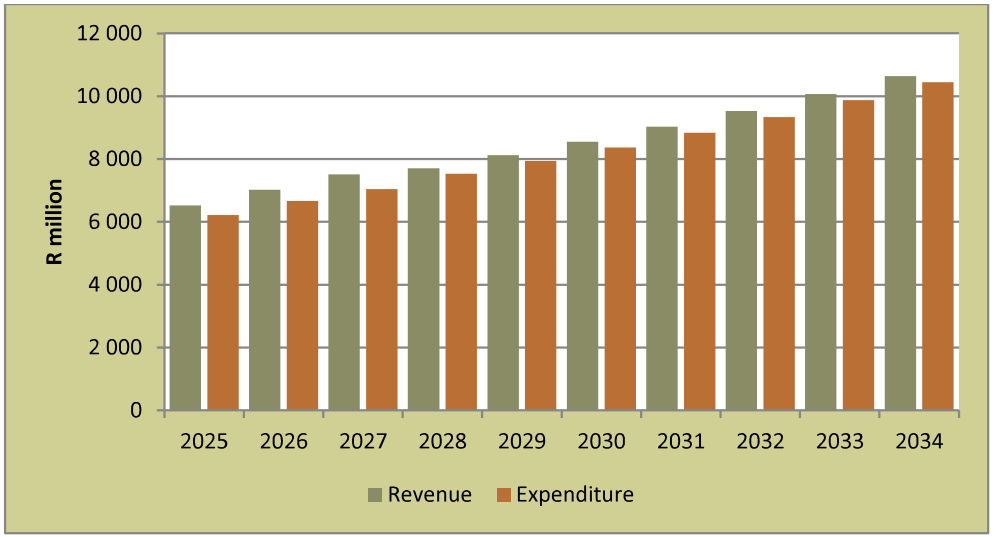


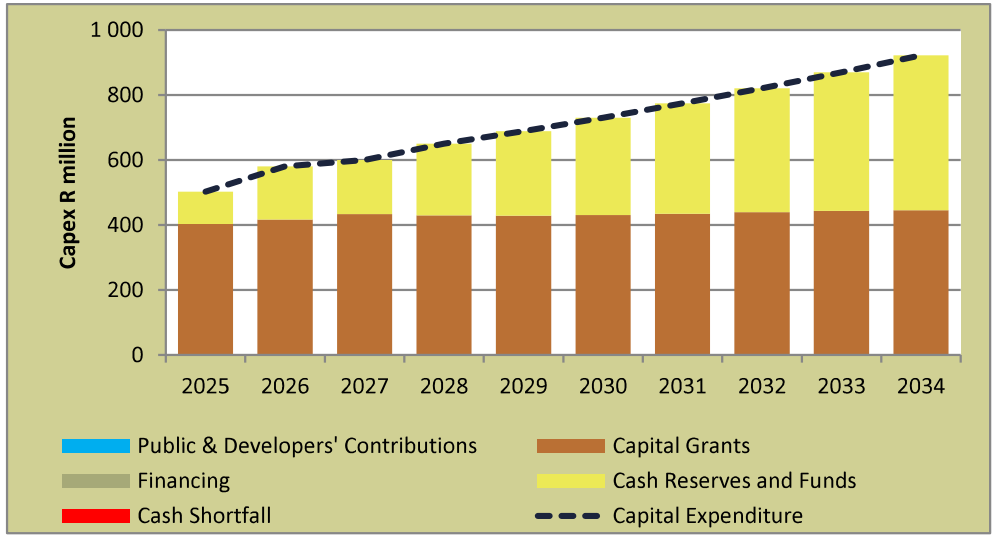


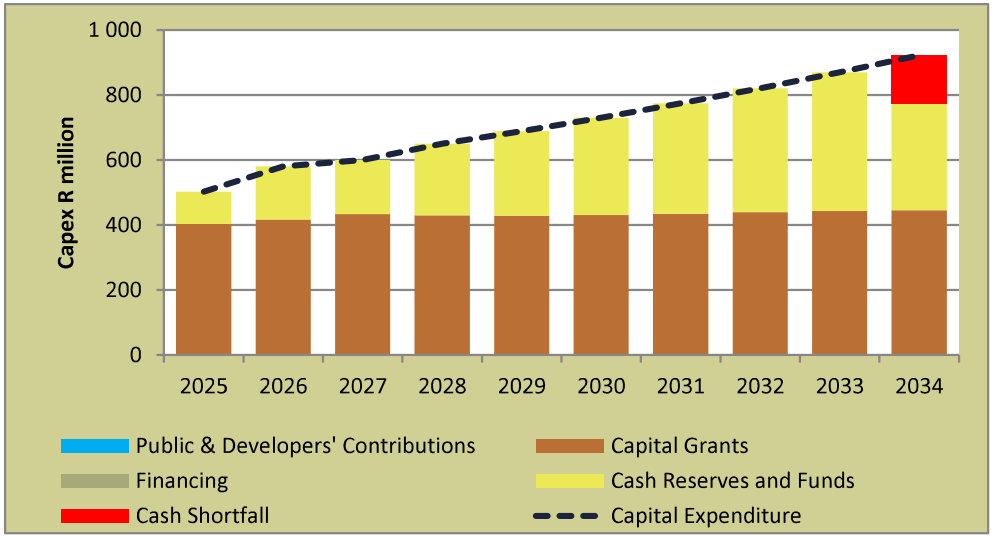
BASE CASE SCENARIO



SCENARIO 3







SCENARIO 4: BUDGET CAPEX MAINTAINED USING OWN CASH

The Base Case outlines an adjusted capital investment program in response to the municipality's financial and liquidity challenges. In this scenario, capital investment is reduced from the adopted budget to improve the municipality's financial position and maintain a healthy liquidity balance. The capital investment is reduced for the period FY2024/25 to FY2027/28.

However, this scenario also explores the impact of accelerating the capital investment program, as proposed in the adopted budget, by utilising a significant portion of the municipality's own cash reserves.

Under this accelerated capital investment scenario, an additional R362 million is injected into the program, bringing the total capital investment to R7.5 billion by the end of the planning period. While this increased spending on CAPEX could support infrastructure development, it is important to highlight the impact associated with excessive use the municipality's own cash reserves for this purpose. Moreso, as Rustenburg LM does not have access to external funding and relies strictly on capital grants and own cash. The Base Case emphasises the need to preserve cash reserves to safeguard the municipality's financial health and long-term sustainability.

The impact of this acceleration on other financial metrics is concerning. The municipality is projected to experience a significant reduction in operating surpluses compared to the Base Case. The municipality will have an accumulated operating deficit or R286 million. Cash generated from operations is also forecast to decline, suggesting that the increase in capital spending will not be offset by improved cash generation. In fact, the municipality is expected to generate less cash from operations, indicating that the accelerated CAPEX is putting additional strain on its financial position.

Furthermore, the increased spending on capital investment is forecast to result in a reduced bank balance, with R1.2 billion projected by the end of the planning period. While the municipality is expected to meet its minimum liquidity requirement of one month's operating expenditure throughout the planning period, the situation will worsen. The liquidity ratio at the end of FY2033/34 is forecast to decline to 1.3:1, which is below the National Treasury's prescribed norm of 1.5–2:1. This signals a potential liquidity risk, as the municipality will face difficulties in meeting its financial obligations if this trend continues.

In conclusion, it is not advisable for the municipality to significantly increase capital expenditure by relying on its own cash reserves. While this approach may appear beneficial for short-term infrastructure development, it poses a significant risk to the municipality's long-term financial stability. Rapidly depleting cash reserves could weaken its ability to meet future financial obligations and reduce flexibility in addressing unforeseen challenges.

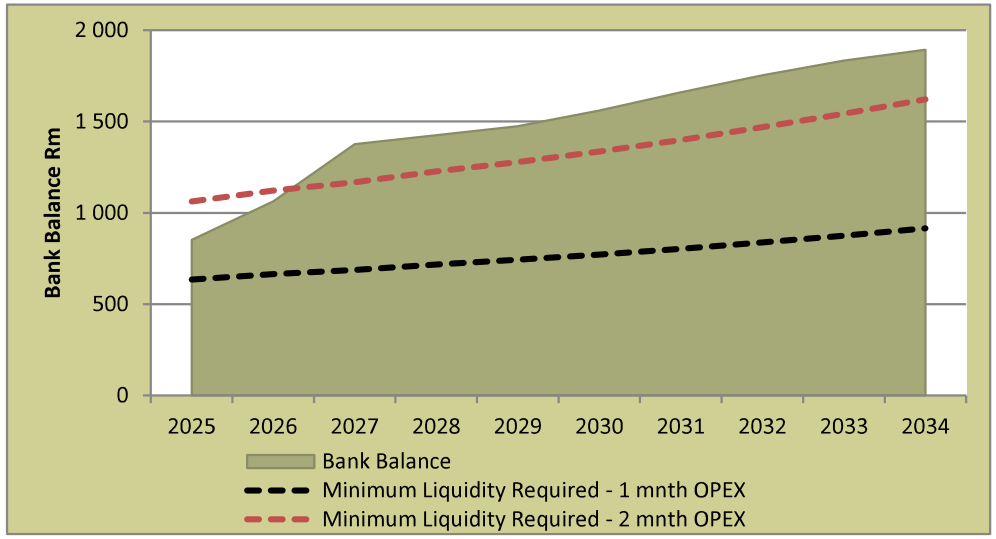
To ensure sustainable growth and fiscal resilience, the municipality should prioritize preserving its cash reserves and adopt a more balanced approach to capital investment. This strategy will safeguard its financial health while enabling continued investment in essential services and infrastructure over the long term."

TABLE 17: SCENARIO 4: CAPEX

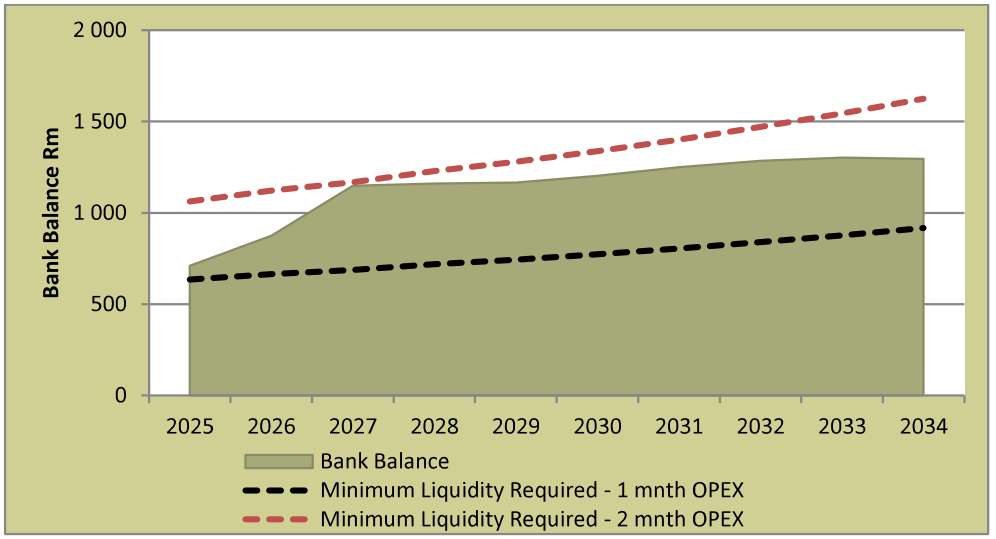
Outcome	Base Case	Capex
Average annual % increase in Revenue	5,4%	5,4%
Average annual % increase in Expenditure	4,7%	4,7%
Accounting Surplus accumulated during Planning Period (Rm)	R 4 344	R 4 022
Operating Surplus accumulated during Planning Period (Rm)	R 36	-R 286
Cash generated by Operations during Planning Period (Rm)	R 4 038	R 3 803
Average annual increase in Gross Consumer Debtors	3,4%	3,4%
Capital investment programme during Planning Period (Rm)	R 7 140	R 7 502
External Loan Financing during Planning Period (Rm)	R 0	R 0
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 1 893	R 1 296
No of Months Cash Cover at the end of the Planning Period (Rm)	2,7	1,8
Liquidity Ratio at the end of the Planning Period	1.7 : 1	1.3 : 1
Gearing at the end of the Planning Period	0,0%	0,0%
Debt Service to Total Expense Ratio at the end of the Planning Period	0,3%	0,3%

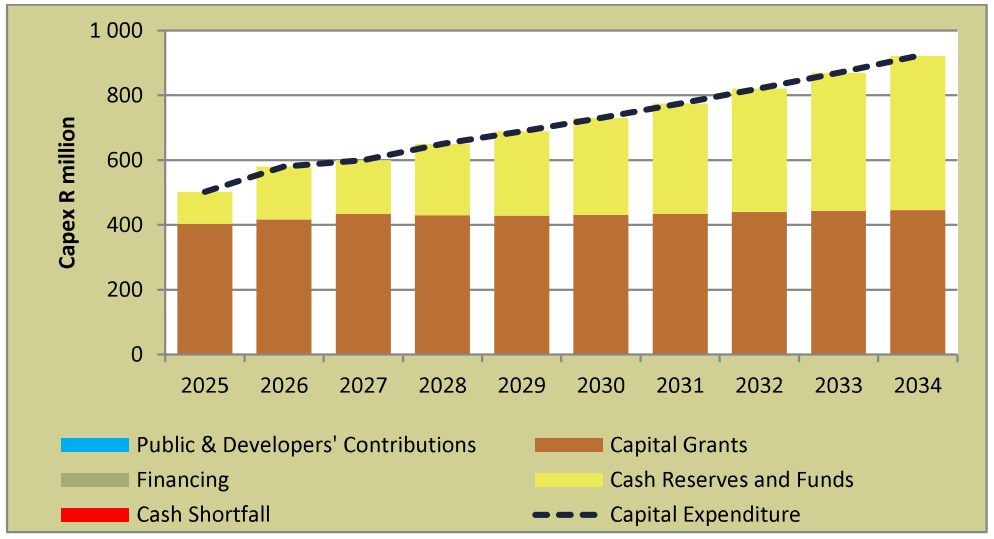
SCENARIO: BUDGET CAPEX MAINTAINED

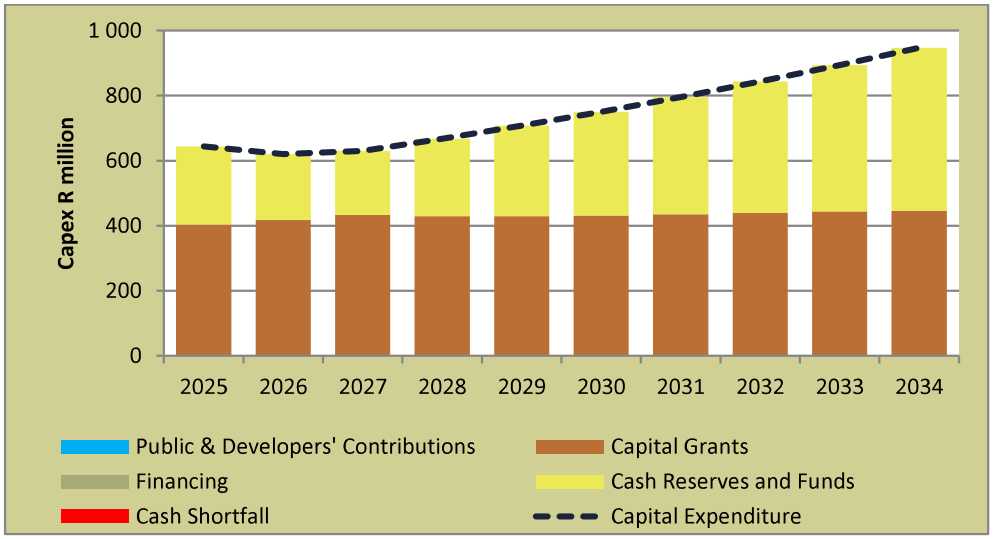
BASE CASE SCENARIO



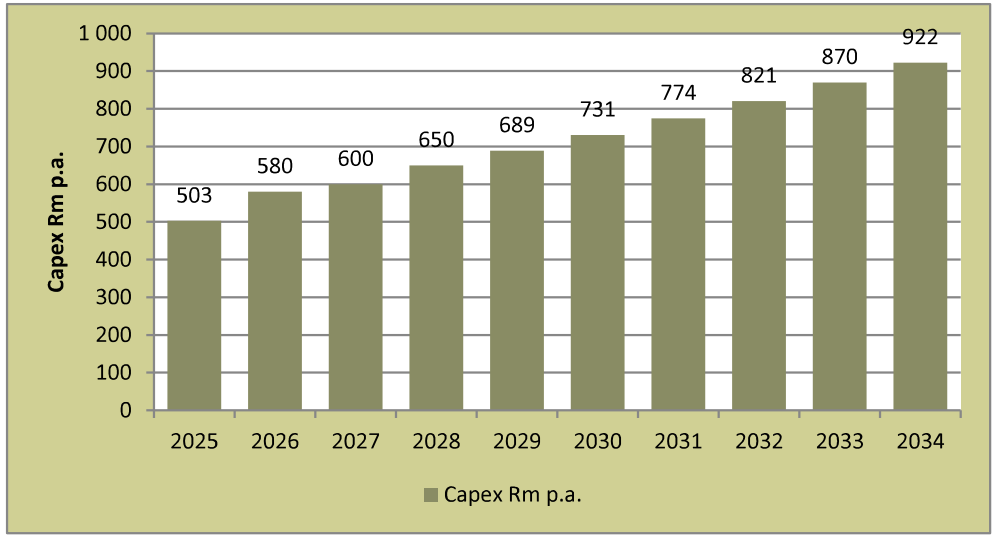
CAPEX SCENARIO



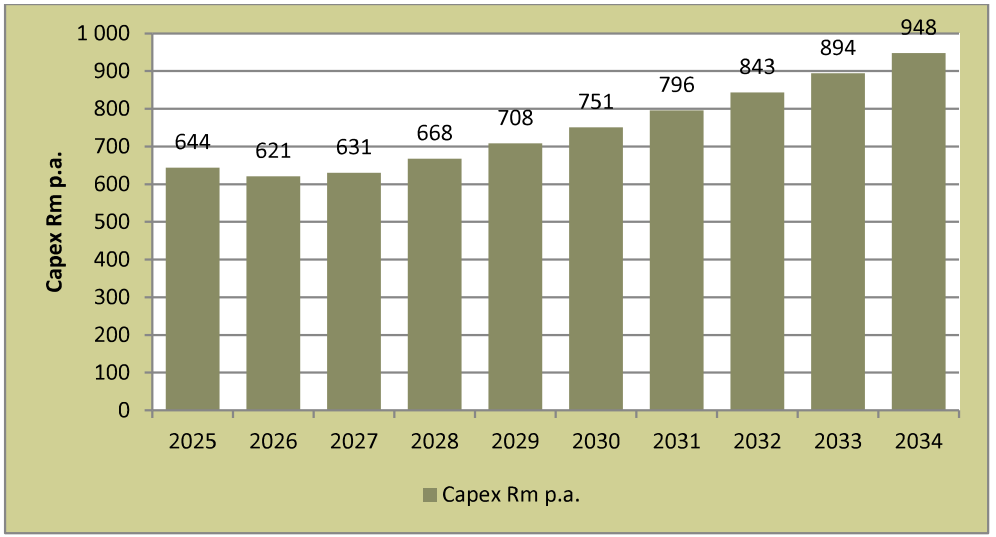


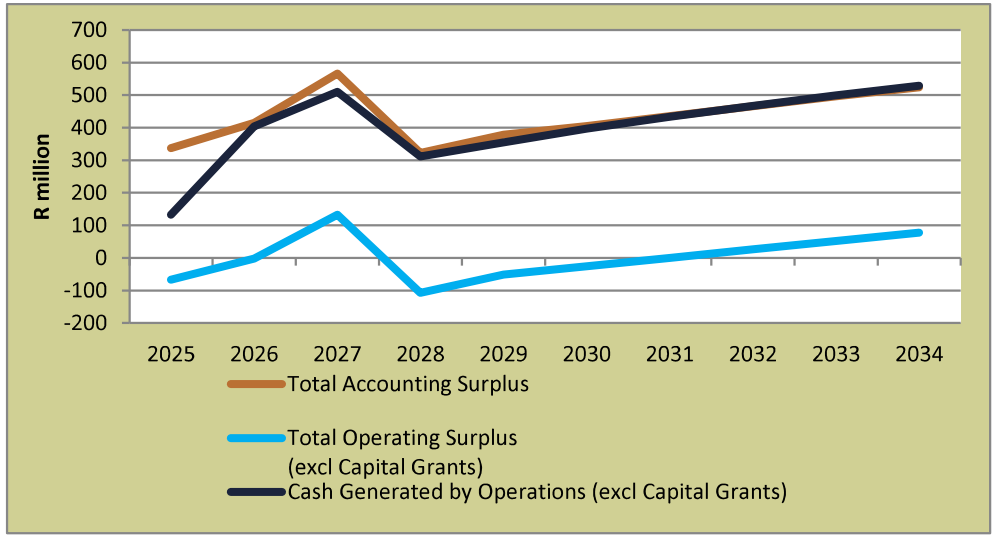


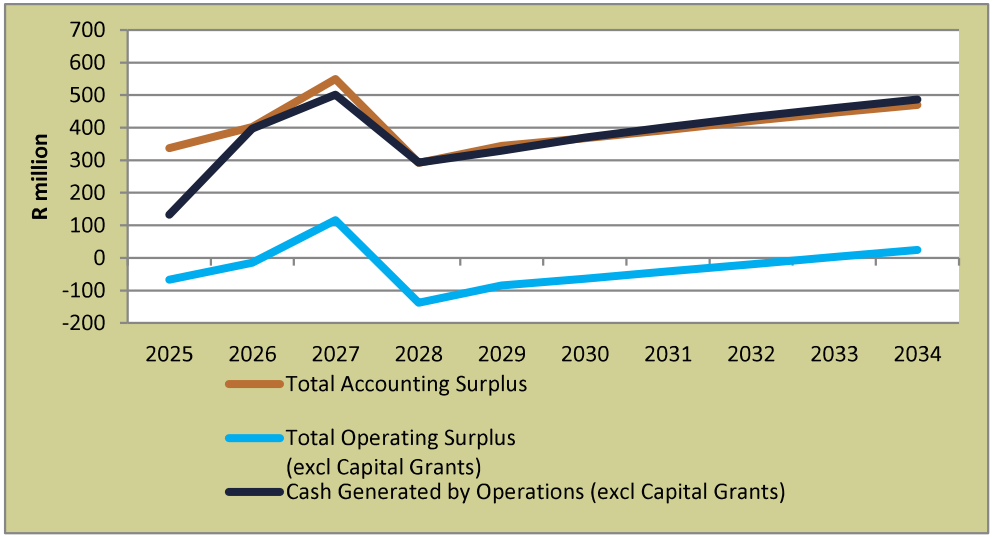
BASE CASE SCENARIO



CAPEX SCENARIO







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	**Ratio Analysis**
9	Conclusions

FORECAST RATIOS

The Base Case forecast 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.

		N.T. NORM	2025	2027	2029	2031	2033	2034	COMMENTS
FINANCIAL POSITION									
ASSET MANAGEMENT									
R29	Capital Expenditure / Total Expenditure	10% - 20%	7,5%	7,9%	8,2%	8,2%	8,3%	8,3%	CAPEX as a % of Total Expenditure will remain below the recommended range for the entire planning period.
R27	Repairs and Maintenance as % of PPE and Investment Property	8%	4,0%	4,0%	5,0%	5,0%	5,0%	5,0%	Repairs and maintenance as a percentage of PPE and IP will increase to 5% closer to the 8% norm over the planning period.
DEBTORS MANAGEMENT									
R4	Gross Consumer Debtors Growth		0,2%	2,5%	3,6%	4,3%	4,8%	5,1%	The Collection Rate is assumed to reach 85% in a year and maintained for the entire planning period.
R5	Payment Ratio / Collection Rate	95%	85,1%	85,1%	85,1%	85,1%	85,1%	85,1%	
LIQUIDITY MANAGEMENT									
R49	Cash Coverage Ratio (excl Working Capital)		4,1 : 1	6,6 : 1	7,1 : 1	8 : 1	8,8 : 1	9,1 : 1	The bank balance will meet the minimum liquidity requirement until the end of the planning period. The liquidity ratio will rise to 1.6:1 by the end of the planning period.
R50	Cash Coverage Ratio (incl Working Capital)		1,3 : 1	2 : 1	2 : 1	2 : 1	2,1 : 1	2 : 1	
R51	Cash Surplus / Shortfall on Minimum Liquidity Requirements		R 211,3 m	R 681,9 m	R 724,0 m	R 848,5 m	R 948,8 m	R 968,8 m	
R1	Liquidity Ratio (Current Assets: Current Liabilities)	1:1.5 - 1:2.1	0,8 : 1	1,1 : 1	1,2 : 1	1,4 : 1	1,6 : 1	1,7 : 1	
LIABILITY MANAGEMENT									
R45	Debt Service as % of Total Operating Expenditure	6% - 8%	1,7%	1,4%	1,3%	0,5%	0,4%	0,3%	The external financing programme is forecast to reach 0 as the municipality is not eligible to borrow.
R6	Total Debt (Borrowings) / Operating Revenue	45%	3,3%	1,7%	0,2%	0,0%	0,0%	0,0%	
R7	Repayment Capacity Ratio		0,43	0,13	0,02	0,00	0,00	0,00	
R46	Debt Service Cover Ratio (Cash Generated by Operations / Debt Service)		5,2 : 1	9,7 : 1	7,9 : 1	22,3 : 1	26,3 : 1	29,1 : 1	

		N.T. NORM	2025	2027	2029	2031	2033	2034	COMMENTS
SUSTAINABILITY									
	Net Financial Liabilities Ratio	< 60%	12,4%	2,2%	-0,6%	-3,4%	-5,4%	-6,1%	Net Financial Liabilities are below the benchmark, but the Operating Surplus Ratio remains below the recommended lower benchmark until the end of the planning period. Asset Sustainability is not calculated but entered as an assumption in the model. The municipality must ensure that a greater proportion of CAPEX is spent on asset replacement should it be required.
	Operating Surplus Ratio	0% - 10%	-1,1%	1,9%	-0,7%	0,0%	0,5%	0,8%	
	Asset Sustainability Ratio	> 90%	1,7%	4,0%	4,1%	4,4%	4,6%	4,7%	
FINANCIAL PERFORMANCE									
EFFICIENCY									
R42	**Net Operating Surplus / Total Operating Revenue**	>= 0%	-1,1%	1,9%	-0,7%	0,0%	0,5%	0,8%	The net operating surplus is below 0% for the MTREF period and improves to 0.8% by 2034, an indication that the municipality should endeavour to improve financial performance by managing expenditure and improving the water and electricity surplus margins.
R43	**Electricity Surplus / Total Electricity Revenue**		9,2%	8,7%	11,0%	11,0%	11,0%	11,0%	
R44	**Water Surplus / Total Water Revenue**		16,6%	28,3%	34,1%	34,1%	34,1%	34,1%	
REVENUE MANAGEMENT									
R8	**Increase in Billed Income p.a. (R'm)**		R 419,2 m	R 333,4 m	R 284,0 m	R 323,8 m	R 376,9 m	R 402,9 m	Billed Revenue and Operating Revenue Growth is, for the most part, above forecast CPI over the planning period. Cash generated from operations is expected improve throughout the planning period.
R9	**% Increase in Billed Income p.a.**	CPI	11,9%	7,8%	5,7%	5,9%	6,1%	6,1%	
R12	**Operating Revenue Growth %**	CPI	12,4%	7,2%	5,8%	5,9%	6,0%	6,0%	
R47	**Cash Generated by Operations / Own Revenue**		11,3%	17,2%	13,2%	13,1%	12,7%	12,4%	
R48	**Cash Generated by Operations / Total Operating Revenue**		8,8%	13,3%	10,2%	10,1%	9,7%	9,5%	

		N.T. NORM	2025	2027	2029	2031	2033	2034	COMMENTS
EXPENDITURE MANAGEMENT									
	Creditors Payment Period	30	413	280	215	171	133	116	Creditors' payment period is higher than the NT benchmark but will reduce over the planning period reaching 116 a substantial improvement from 413 days.
R30	**Contribution per Expenditure Item: Staff Cost (Salaries, Wages and Allowances)**	25% - 40%	16,1%	15,6%	15,4%	15,4%	15,2%	15,2%	
	Contribution per expenditure item: Contracted Services	2% - 5%	14,9%	14,1%	14,8%	14,3%	13,9%	13,7%	Staff costs as a percentage of total expenditure is forecast to remain within the recommended benchmark throughout the planning period. Contracted services to total expenditure, however, is forecast to exceed the recommended benchmark.
GRANT DEPENDENCY									
R10	**Total Grants / Total Revenue**		27,5%	26,9%	27,2%	27,0%	26,7%	26,5%	The municipality can generate funds from its own sources and without being overly reliant on capital grants. This reliance should be reduced as the tightening of the national fiscus will result in a declining reliance on transfers from other spheres of government.
R11	**Own Source Revenue to Total Operating Revenue**		77,2%	77,6%	76,9%	76,7%	76,7%	76,6%	
	Capital Grants to Total Capital Expenditure		80,3%	72,3%	62,2%	56,2%	51,0%	48,4%	

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 Ratio Analysis

9 Conclusions

CONCLUSION

OUTCOME OF THE INDEPENDENT FINANCIAL ASSESSMENT

Financial Performance
Rustenburg's financial performance declined in FY2023/24, shifting from an accounting surplus to a deficit of R134.3 million. The operating deficit also worsened, increasing from R481.9 million in FY2022/23 to R1.0 billion. Cash generated from operations (excluding capital grants) deteriorated further, with cash utilisation rising from R191.3 million to R261.8 million. Electricity remained the primary revenue source (37.7%), followed by Equitable Share revenue (19.7%).

Operating Expenditure
Bulk electricity purchases were the largest operating expense, accounting for 27.2% of total costs, down from 42.7% in the previous year. Over the review period, these purchases averaged 36.5% of annual operating expenditure. Staff costs, the second-highest expense, accounted for 13.9% in FY2023/24. Combined with contracted services, staff-related expenditure consistently remained below the National Treasury's 40% threshold.

Liquidity & Cash Flow
The collection rate for FY2023/24 was 82.2%, with the liquidity ratio improving to 0.83:1 (up from 0.62:1 in FY2022/23). While the municipality posted a cash surplus of R213.0 million above minimum liquidity requirements, it only recorded surpluses in two of the past eight years. Cash used in operations increased significantly to R261.8 million. The municipality's liquidity remains a concern, especially given that creditor payment periods exceed the National Treasury's 30-day benchmark.

Debtors & Collections
Net debtor days stood at 22 days. However, 94.7% of gross outstanding debtors were overdue by more than 90 days, highlighting ongoing collection challenges. Although the provision for bad debts exceeds 100% of these aged accounts, a more robust debt recovery strategy is needed to address the municipality's collection inefficiencies.

STRENGTHS

- Low gearing and debt service ratio
- Positive bank balance

WEAKNESSES

- Volatile financial performance.
- Collection Rate of 82.2% is lower than the prior year 97.8% and below NT norm of 95%.
- High Reliance on Electricity revenue.
- High distribution losses on water and electricity
- Poor liquidity and cash generation

OUTCOME OF THE FUTURE FORECASTS

Base Case Scenario
An analysis of the municipality's historical performance has revealed that the Adopted Budget was overly optimistic. This raised concerns about the likelihood of meeting the budgeted targets, given the significant differences between Adopted budget and the municipality's historic performance. Based on this, it seems highly probable that the municipality will not fully meet the expectations outlined in the Adopted Budget.

Before considering any adjustments to the Adopted Budget, an MTREF Case was developed to assess the viability of the Adopted budget over the medium term. This exercise aimed to determine whether the budget was structurally sound and sustainable in light of the municipality's current fiscal position. The MTREF Case results revealed that the proposed budget was not sustainable, prompting the need for a more realistic approach, which is addressed in the Base Case.

The Base Case aims to address the municipality's historical financial challenges, such as consistent operating deficits averaging R400 million annually over the past 8- years of the review period. The Adopted budget suggests that the municipality is expected to move from these ongoing deficits to a projected surplus of nearly R1.0 billion by FY2024/25. Which when analysed will require drastic changes which can be considered impractical for the municipality to achieve that in such a short period.

To develop a realistic Base Case model, the figures from the Adopted Budget 2024/25 – 2026/27 and historic audited financial statements were used. The objective of the model is to utilise realistic assumptions to support future financial sustainability. The following are the key assumptions:

1. The collection is assumed to improve to 85.0% and maintained for the entire planning period.
2. Operating expenditure (Opex) was increased by 3.0% over the entire Planning Period. The budget was not reflective of the municipality's expenditure trends.
3. Tariff increases were included as put forward in the Adopted Budget Document FY2024/25.
4. Creditors days were adjusted downwards from 142 days to 60 days over a 10-year period to mitigate the forecast rise in creditors.
5. A programme was run to increase the interest earned on outstanding debtors closer to the historical levels.
6. The Adopted Budget capital investment programme was adjusted over the MTREF period, as follows:
    a. FY2024/25: R500.0 million (Budget: R641.6 million)
    b. FY2025/26: R580.0 million (Budget: R620.4 million)
    c. FY2026/27: R600.0 million (Budget: R630.6 million)
    d. FY2027/28: R650.0 million
    e. Assumed growth in capital investment beyond the MTREF period is 5.0% p.a.
7. Repairs and maintenance expenditure was increased to 5% of PPE & IP.
8. Electricity losses were reduced to 20.0% (from 26.3%) over a five-year period, while water distribution losses were reduced to 45.0% (from 53.2%) over the same period.

Additional scenarios were conducted to evaluate the impact of potential improvements or regressions in key metrics, as well as the effects of different strategic decisions. The results of these scenarios are summarised below:

SCENARIOS

SENSITIVITY ANALYSIS ON THE COLLECTION RATE

A negative scenario was analysed, assessing the impact of a reduced collection rate of 83% instead of the Base Case rate of 85%. The results showed a significant decline in financial performance and cash generation, with the liquidity ratio dropping to 0.8:1 compared to 1.7:1 in the Base Case.

Conversely, a positive scenario considered a higher collection rate of 87%, leading to a substantial improvement in financial performance, with the liquidity ratio increasing to 2.7:1.

These outcomes underscore the critical importance of maintaining a high collection rate. The municipality must ensure that the 85% Base Case target is met while striving for continuous improvements to strengthen financial sustainability.

SENSITIVITY ANALYSIS ON OPERATING EXPENDITURE

A sensitivity analysis was conducted to assess the impact of changes in operating expenditure. In one scenario, operating expenditure was reduced by 2 percentage points from the Base Case, resulting in improved financial performance and a strong

liquidity ratio of 2.8:1 by the end of the planning period. Cash balances were also projected to increase significantly, reaching R3.4 billion.

In contrast, an increase of 2 percentage points in operating expenditure led to a sharp deterioration in financial performance and cash generation, with the municipality unable to meet its liquidity requirement of one month's operating expenditure from FY2028/29.

Prudent financial management is essential for Rustenburg, as it directly affects the municipality and its residents. Strong financial performance creates opportunities for sustained growth and development.

NO CHANGES IN DISTRIBUTION LOSSES

A scenario was analysed to assess the long-term impact of maintaining current distribution losses of 26.3% for electricity and 53.2% for water. The results showed a significant decline in financial performance, reduced cash generation, and a weakened liquidity position, with the liquidity ratio projected to drop to 0.4:1 by the end of the planning period.

To mitigate these risks, the Base Case assumes a reduction in water and electricity losses. A targeted decrease to 45.0% for water and 20.0% for electricity over five years is recommended, requiring rigorous efforts. The positive impact of these reductions on municipal operations is detailed in this report. Additionally, while indigent households should continue to have access to water, strict adherence to regular payment protocols is necessary for all other households.

BUDGET CAPEX MAINTAINED

A scenario was analysed to assess the impact of an accelerated capital investment programme, as proposed in the municipality's budget, compared to the Base Case. This approach relies on increased use of the municipality's own cash reserves.
The financial implications are concerning, with operating surpluses projected to decline significantly. The increase in capital spending is not expected to be offset by improved cash generation, resulting in lower cash inflows from operations and additional strain on the municipality's financial position.

Overall, financial performance is expected to deteriorate, with the liquidity ratio forecast to decline to 1.3:1 by the end of the planning period—below the National Treasury's recommended range of 1.5–2:1.

CONCLUSION

Optimistic Forecast vs. Realistic Plan: The Adopted Operating Budget initially presented an overly optimistic outlook, whereas the Base Case provides a more realistic and sustainable financial strategy.
Financial Stability: By addressing historical deficits, implementing prudent budgeting, and maintaining fiscal discipline, the municipality is better positioned for long-term financial health, laying a stable foundation for future growth and development.
Financial Sustainability and Resilience: The report serves as a roadmap for fostering financial sustainability and resilience. The municipality must apply the recommendations to strengthen its financial position while navigating economic challenges and potential financial shocks.
Investment and Growth: Strengthened financial management will enable greater investment in infrastructure and economic development, reducing unemployment and improving residents' quality of life.
Key Priorities: Rustenburg should adopt the Base Case with a strong focus on improving the collection rate, reducing operating expenditure, and minimising distribution losses. Achieving these goals will secure the municipality's long-term financial sustainability and resilience.

ANNEXURE 1: PROJECTED FINANCIAL STATEMENTS

Municipal Financial Model - Rustenburg Local Municipality
Statement of Financial Performance

Model year	0	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**
R thousands											
Revenue											
Property rates	521 602	591 661	603 874	619 166	635 778	658 644	684 540	712 813	742 784	773 729	804 838
Service Charges	2 976 487	3 322 723	3 677 178	3 994 584	4 293 605	4 553 640	4 822 102	5 116 353	5 435 963	5 780 454	6 150 684
Service charges - electricity	2 054 300	2 241 044	2 526 055	2 768 638	2 985 650	3 216 417	3 461 907	3 729 589	4 019 584	4 331 913	4 667 730
Service charges - water	538 388	654 002	682 498	711 906	743 006	740 777	730 010	720 355	711 421	702 884	694 425
Service charges - waste water management	206 869	237 292	269 653	306 229	347 851	370 818	395 547	422 227	450 794	481 170	513 403
Service charges - waste management	176 930	190 384	198 972	207 812	217 099	225 628	234 638	244 182	254 164	264 486	275 125
Service charges - other	–	–	–	–	–	–	–	–	–	–	–
Rental from fixed assets	11 720	14 622	15 311	16 024	17 170	18 304	19 525	20 842	22 252	23 751	25 342
Interest	89 759	55 711	38 871	51 584	69 919	74 993	79 301	85 003	90 752	95 256	98 124
Interest earned from receivables	673 321	551 272	574 832	599 499	17 321	18 894	20 382	21 827	23 201	24 475	25 621
Dividends	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	15 927	10 057	10 529	11 023	11 812	12 592	13 432	14 338	15 308	16 339	17 434
Licences and permits	14 463	12 662	13 247	13 861	14 759	15 819	17 022	18 358	19 810	21 359	22 980
Agency services	17 731	113 426	118 074	122 940	131 738	140 436	149 801	159 906	170 724	182 228	194 436
Transfer and subsidies - Operational	1 075 804	1 393 874	1 490 377	1 584 485	1 681 815	1 782 501	1 890 614	2 006 764	2 130 509	2 261 337	2 399 222
Other revenue	51 912	50 930	53 730	58 438	405 956	422 975	441 227	460 617	480 986	502 153	523 935
Gains on disposal of Assets	23	7 184	7 338	7 500	8 218	9 124	10 226	11 532	13 046	14 766	16 678
Total revenue before Capital Grants	5 448 748	6 124 122	6 603 361	7 079 102	7 288 092	7 707 923	8 148 172	8 628 351	9 145 336	9 695 848	10 279 294
Transfers and subsidies - capital (monetary allocations)	888 724	403 313	417 037	433 562	429 600	428 845	431 072	435 130	439 719	443 649	445 950
Public & developers contributions	–	–	–	–	–	–	–	–	–	–	–
Total Revenue after Capital Grants	6 337 472	6 527 435	7 020 398	7 512 664	7 717 692	8 136 767	8 579 244	9 063 481	9 585 055	10 139 496	10 725 244
Operating expenditure											
Employee related costs	859 630	1 005 982	1 051 855	1 097 859	1 153 590	1 214 184	1 279 435	1 349 064	1 422 710	1 499 910	1 580 088
Remuneration of councillors	65 283	74 787	78 228	81 748	84 671	87 849	91 252	94 850	98 605	102 476	106 417
Debt impairment	1 127 089	603 780	659 546	710 342	776 157	820 534	866 777	917 397	972 216	1 031 040	1 093 867
Depreciation and amortisation	368 240	386 355	386 957	400 979	415 831	430 809	445 477	459 984	474 469	489 066	503 902
Interest	79 047	68 088	55 432	54 054	50 730	46 952	41 382	38 871	37 616	35 808	33 450
Bulk purchases - electricity	1 844 264	2 035 805	2 320 899	2 526 387	2 685 474	2 862 823	3 081 326	3 319 580	3 577 694	3 855 688	4 154 587
Inventory Consumed	481 461	603 835	577 654	563 268	553 370	552 221	552 071	553 743	556 905	561 215	566 299
Contracted services	357 123	996 565	1 043 699	1 061 555	1 203 022	1 247 928	1 296 360	1 348 677	1 404 829	1 464 749	1 528 575
Transfers and subsidies	160 133	24 177	25 289	26 427	27 961	29 522	31 191	32 978	34 873	36 868	38 963
Other expenditure	1 135 297	391 276	406 360	423 652	444 644	466 014	488 848	513 297	539 240	566 544	595 208
Losses on disposal of Assets	(5 763)	–	–	–	–	–	–	–	–	–	–
Total Expenditure	6 471 804	6 190 650	6 605 920	6 946 272	7 395 450	7 758 837	8 174 119	8 628 440	9 119 157	9 643 364	10 201 355
Suplus/ (Shortfall) for the year	**(134 332)**	**336 785**	**414 478**	**566 392**	**322 242**	**377 930**	**405 125**	**435 040**	**465 898**	**496 132**	**523 889**

Municipal Financial Model - Rustenburg Local Municipality
Statement of Financial Position

Model year	0	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**
R thousands											
Non-current assets:	9 178 981	9 508 437	9 698 237	9 891 265	10 125 568	10 383 928	10 668 983	10 983 372	11 329 742	11 710 763	12 129 147
Property, plant and equipment	9 081 935	9 195 580	9 388 623	9 587 644	9 821 813	10 080 004	10 364 867	10 679 044	11 025 185	11 405 966	11 824 101
Intangible assets	–	2 500	2 701	2 612	2 746	2 915	3 107	3 319	3 547	3 788	4 037
Investment properties	–	309 125	305 534	300 000	300 000	300 000	300 000	300 000	300 000	300 000	300 000
Investments	1 074	1 200	1 345	978	978	978	978	978	978	978	978
Long-term receivables	–	–	–	–	–	–	–	–	–	–	–
Other non-current assets	95 972	32	34	31	31	31	31	31	31	31	31
Current assets:	1 593 514	1 373 436	1 583 961	1 896 726	1 947 311	1 995 679	2 082 465	2 183 554	2 277 255	2 358 123	2 419 145
Inventories	45 688	27 263	26 959	27 039	27 343	27 897	28 518	29 234	30 031	30 897	31 822
Trade and other receivables	488 577	493 924	493 924	493 924	493 924	493 924	493 924	493 924	493 924	493 924	493 924
Cash & Short term investments	1 059 249	852 249	1 063 078	1 375 763	1 426 044	1 473 858	1 560 023	1 660 396	1 753 299	1 833 302	1 893 399
TOTAL ASSETS	**10 772 496**	**10 881 873**	**11 282 199**	**11 787 991**	**12 072 879**	**12 379 607**	**12 751 448**	**13 166 926**	**13 606 996**	**14 068 886**	**14 548 293**
Municipal Funds:	8 414 898	8 751 683	9 166 162	9 732 554	10 054 796	10 432 726	10 837 851	11 272 892	11 738 790	12 234 922	12 758 811
Housing development fund & Other Cash Backed Reserves	–	–	–	–	–	–	–	–	–	–	–
Reserves (Not Cash Backed)	256 919	304 584	306 485	309 123	309 123	309 123	309 123	309 123	309 123	309 123	309 123
Accumulated surplus	8 157 979	8 447 099	8 859 677	9 423 431	9 745 673	10 123 603	10 528 728	10 963 769	11 429 667	11 925 799	12 449 688
Non-current liabilities:	444 618	404 922	361 509	313 776	273 795	271 682	289 563	309 306	330 596	353 051	376 221
Long-term liabilities (Interest Bearing)	201 201	161 505	118 092	70 359	17 875	0	0	0	0	0	0
Non-current provisions	243 417	243 417	243 417	243 417	255 920	271 682	289 563	309 306	330 596	353 051	376 221
Current liabilities:	1 912 980	1 725 268	1 754 528	1 741 661	1 744 289	1 675 200	1 624 034	1 584 729	1 537 611	1 480 914	1 413 261
Consumer deposits	67 952	76 443	82 717	89 143	96 021	102 006	108 136	114 643	121 537	128 849	136 755
Provisions	207 613	207 613	207 613	207 613	207 613	207 613	207 613	207 613	207 613	207 613	207 613
Trade payables	1 546 758	1 401 730	1 420 786	1 397 172	1 388 171	1 347 706	1 308 284	1 262 473	1 208 462	1 144 452	1 068 893
Unspent conditional grants	54 961	–	–	–	–	–	–	–	–	–	–
Bank overdraft	–	–	–	–	–	–	–	–	–	–	–
Current portion of interest bearing liabilities	35 696	39 483	43 413	47 733	52 484	17 875	–	–	–	–	–
TOTAL MUNICIPAL FUNDS AND LIABILTIES	**10 772 496**	**10 881 873**	**11 282 199**	**11 787 991**	**12 072 879**	**12 379 607**	**12 751 448**	**13 166 926**	**13 606 996**	**14 068 886**	**14 548 293**

Municipal Financial Model - Rustenburg Local Municipality
Cash Flow Statement

Model year	0	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**
R thousands											
Cash flows from Operating Activities											
Suplus/Deficit for the year *including* Capital Grants	(134 332)	336 785	414 478	566 392	322 242	377 930	405 125	435 040	465 898	496 132	523 889
Suplus/Deficit for the year *excluding* Capital Grants & Contributions		(66 528)	(2 559)	132 830	(107 358)	(50 914)	(25 947)	(89)	26 179	52 484	77 939
Capital Grants & Contributions		403 313	417 037	433 562	429 600	428 845	431 072	435 130	439 719	443 649	445 950
Adjustments for non-cash items:											
Depreciation, amortisation and impairment loss	368 240	386 355	386 957	400 979	415 831	430 809	445 477	459 984	474 469	489 066	503 902
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	–	–	–	–	12 503	15 762	17 882	19 743	21 290	22 456	23 169
(Increase) / Release from non-current interest bearing assets	–	(126)	(145)	367	–	–	–	–	–	–	–
Capitalised interest	–	–	–	–	–	–	–	–	–	–	–
Operating surplus before working capital changes:	233 908	723 014	801 290	967 738	750 576	824 501	868 484	914 767	961 656	1 007 654	1 050 961
Change in W/C Investment	–	(186 911)	19 360	(23 693)	(9 305)	(41 019)	(40 043)	(46 527)	(54 809)	(64 876)	(76 483)
(Increase)/decrease in inventories	–	18 425	304	(80)	(304)	(554)	(621)	(716)	(797)	(866)	(925)
(Increase)/decrease accounts receivable	–	(5 347)	(0)	–	0	0	0	0	(0)	(0)	0
Increase/(decrease) in trade payables	–	(145 029)	19 056	(23 614)	(9 001)	(40 465)	(39 422)	(45 811)	(54 011)	(64 010)	(75 558)
Increase/(decrease) in unspent grants	–	(54 961)	–	–	–	–	–	–	–	–	–
Net cash flow from Operating activities	233 908	536 103	820 650	944 045	741 271	783 482	828 440	868 240	906 848	942 778	974 478
Cash flows from Investing Activities											
Capital expenditure	–	(502 500)	(580 201)	(599 911)	(650 134)	(689 169)	(730 532)	(774 372)	(820 838)	(870 088)	(922 286)
Decrease/(Increase) in non-current receivables	–	95 940	(2)	3	–	–	–	–	–	–	–
(Additions) / Disposals of investment property	–	(309 125)	3 591	5 534	–	–	–	–	–	–	–
Net cash flow from Investing activities	–	(715 685)	(576 612)	(594 374)	(650 134)	(689 169)	(730 532)	(774 372)	(820 838)	(870 088)	(922 286)
Cash flows from Financing Activities											
New loans raised	–	–	–	–	–	–	–	–	–	–	–
Loans repaid	–	(35 909)	(39 483)	(43 413)	(47 733)	(52 484)	(17 875)	–	–	–	–
(Decrease) / Increase in consumer deposits	–	8 491	6 274	6 426	6 878	5 984	6 131	6 506	6 894	7 312	7 906
Net cash flow from Financing activities	–	(27 419)	(33 209)	(36 986)	(40 855)	(46 499)	(11 744)	6 506	6 894	7 312	7 906
Change in Cash	233 908	(207 000)	210 829	312 685	50 282	47 814	86 164	100 374	92 903	80 002	60 098
Cash/(Overdraft), Beginning		1 059 249	852 249	1 063 078	1 375 763	1 426 044	1 473 858	1 560 023	1 660 396	1 753 299	1 833 302
Cash/(Overdraft), Ending	**1 059 249**	**852 249**	**1 063 078**	**1 375 763**	**1 426 044**	**1 473 858**	**1 560 023**	**1 660 396**	**1 753 299**	**1 833 302**	**1 893 399**

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RUSTENBURG LOCAL MUNICIPALITY
ANNUAL MAINTENANCE PLAN 2025/2026 (ALL WARDS)

(Roads and Stormwater Maintenance in Key Areas)

OBJECTIVES

The main objective of the unit is to maintain and upgrade the roads and stormwater facilities of Rustenburg Local Municipality and keep them in good condition/ To upgrade streets in Rustenburg to supply safe and dust free facilities.
The Unit's aims of minimizing threat to flooding, protecting receiving water bodies; promote multi-functional use of stormwater management systems and developing sustainable roads and stormwater drainage systems.

- To ensure safe roads (public and personal safety).
- To reduce flood damage, including damage to life and property.
- To optimize roads space availability and improve accessibility to public transport.
- Maintain groundwater recharge
- To implement best value systems to deliver long term value for money.
- To protect public through proper design and operation of stormwater systems.
- To serve the anticipated future traffic demand with recommendations on phasing of implementation and triggers that would indicate when major road network improvements are required.

PERFORMANCE

The Unit's performance is acceptable with room for improvement, with challenges experienced throughout the municipality, we are still thriving to deliver the best service to the communities of Rustenburg.
Preventative and corrective maintenance needs to be strategized to ensure long-term effectiveness of roads and stormwater facilities

1. BASIC SERVICE DELIVERY

(Deliverables of the Directorate – and consumers serviced).

1.1. Status of **provision** of (***Roads and Stormwater Unit***: Directorate: Roads and Transport).

RLM has a total road network distance of **1,911.732** km of which **1052.598 km** are tarred (paved) and **859.134 km** are gravel (unpaved). Approximately 977 Km of paved roads have been assessed, and this comprises of approximately 770 km of flexible paved roads, approximately 0,75 km of concrete paved roads, and approximately 206,8 km of block paved roads.

The majority of the paved roads range from good to fair surface conditions implying that these roads have fair motorable condition. The gravel or earth roads

range from fair to poor gravel quality and quantity implying that these roads have poor motorable condition. The need for Re-gravelling is therefore found to be very high. Roads with poor profiles are without Camber and this results in water ponding.

According to the Visual Condition Assessment conducted in 2012, The average Visual Gravel Index (VGI) for RLM unpaved roads was calculated to be forty-one percent (41%) which implied that most of the roads were in poor state. The average Visual Condition Index (VCI) and Reseal Condition Index (RCI) for paved roads were calculated to be 69% and 61% respectively which implies that the road network was in the fair condition.

1.2 Status of **maintenance** of ***Roads and Stormwater Drainage System***.

1.2.1 The Unit is divided into Four Main focal activities:

1.2.1.1-Tar Patching & Resealing of Roads (Surface maintenance)
1.2.1.2-Regravelling & Blading of roads (Rural roads)
1.2.1.3-Stormwater Maintenance
1.2.1.3-Road Markings and Road Signage

1.2.2 <u>TAR PATCHING & RESEALING OF ROADS</u>

- Responsible for potholes patching and road surface maintenance.
- An allocation of R11M is requested in 2025/2026 financial year for repairs to streets and installation of speed humps.
- Tar Patching involves Pothole repairs and slurry seals to keep the road in a good riding condition.
- Resealing of Roads-involves resurfacing of the roads with crushed stones and bitumen to prolong the lifetime of the Infrastructure.

The unit has to do visual inspection to determine the level of deterioration on the streets and draw up a programme for resealing of roads.

TEAM DESCRIPTION	RESOURCES REQUIRED	Required	Available	Breakdown	COMMENTS
Tar Patching	Double Cab	X 9	6	6	CREW CABS with Tow Bars needed to replace the 6 Cabsters
	(Bomag) pedestrian roller	7	2	2	Needed for proper patch work
	Diesel Cutting Saw	5	2	-	Required to be used per team

	Pick and Shovels	50	30	20	Each team utilises this when on site
	Trailors	X8	1	7	For transporting bomags to site for each team

1.2.3 REGRAVELLING & BLADING FOR ROADS

- An allocation of R2.5M is requested on the 2025/2026 financial year
- Responsible for rural roads (grading and blading of the roads)

3.1.2 (a) - Regravelling involves Import of material & compaction to build a road to a gravel standard. This work requires Tipper trucks, Graders, Water Bowser, compaction Roller & Front end Loaders. Due to ageing machinery and equipment the Unit depends on the Plant Hire Contract to execute the work.

3.1.2 (b)-Blading – The grader blades the existing roads to smoothen the riding Quality.

TEAM DESCRIPTION	RESOURCES REQUIRED	Required	Available	Breakdown	COMMENTS
Blading and Regravelling	Graders	3	1	1	Repeated breakdowns
	Excavator	2	-	-	One excavator that is used at stormwater maintenance
	Water Bowser	2	-	1	The one that is available is at workshop to be fixed
	Tipper trucks	6	3	5	The 5 that have breakdown need to be replaced since they are too old
	TLB	1	-	-	At workshop
	12 Ton Roller	2	-	-	Needed for proper Regravelling work
	Crew Cabs	2	-	-	Needed for this section
	Low Bed & Trailor	2	1	-	One is operating at Roads
	Front End Loader	2	-	1	
	Bull Dozer	2	-	1	Gear box

1.2.4 STORMWATER CLEANING

- Responsible for the maintenance of all stormwater infrastructure, including kerb inlets, open channels, concrete pipes, concrete culverts.
- An allocation of R3.0m is requested in 2025/2026 financial year.
- Replace Catch-pits Slabs/
- Cleaning of open Stormwater channels.
- Cleaning of Sub surface drainage channels.

TEAM DESCRIPTION	RESOURCES REQUIRED	Required	Available	Breakdown	COMMENTS
Stormwater Maintenance	Double Cab	7	1	6	CREW CABS needed to replace the 7 Cabsters
	TLB	2	-	1	At workshop for service/ broken
	Bob Cat	2	-	1	Awaiting service/ broken
	Pedestrian Roller	1	-	-	Not on contract-SCM to source
	Concrete Mixer	1	-	-	No longer mixing since it has been broken
	Water Bowser	1	-	-	Needed to flush the stormwater pipes after cleaning
	Tipper Truck	2	1	-	Cleaning of material on site
	Crane Truck	2	1	1	No Service provider
	Jet Cleaner	2	-	-	Cannot borrow from DTIS

1.2.4 TECHNICAL SECTION: ROAD MARKINGS AND ROAD SIGNS

- Responsible for all road furniture, including road markings, signage (warning, directional and Prohibition)
- An allocation of R3.1M is requested in 2025/2026 financial year for the road markings and acquiring the road paint, R1.M for the signages.
- Road markings and marking of speed humps
- Replacing road traffic signs.
- Replacing street name plates.

TEAM DESCRIPTION	RESOURCES REQUIRED	Required	Available	Breakdown	COMMENTS
Technical Section	Cabster truck	5	-	2	Need Crew cabs
	Mechanical Broom	2	-	1	Required to clean the surface before marking
	Petrol Broom	7	7	-	
	Road Marking machine	-	-	2	Workshop to repair
	Road marking Paints	Numbers	-	N/A	Order processing
	Stop signs	Numbers	80	N/A	Order processing

MAINTENANCE PLAN SCHEDULE

Ward	Area	Start Date	Finish Date	Days
REGION 8				
1	Bothibello Primary School, Phatsima Municipal Offices, Boshoek Primary School, Mafenya Middle School, Rasimone Primary School, Boekenhoutfountein	01-Jul-2025	05-Jul-2025	5
2	Chaneng Primary School, Marea Mmamodimo Catholic Church, Charora High School	08-Jul-2025	12-Jul-2025	5
3	Bafokeng North Mine, Mogono Primary School, Luka Lutheran Church	15-Jul-2025	19-Jul-2025	5
4	Luka Primary School, Kelokitso Early Learning, Old Police Station, Ramotse Primary School.	22-Jul-2025	26-Jul-2025	5
5	Matlhware Primary School, Lekgotla la lemenong, Lesedi Church, Bafokeng High, Kgale Primary School	29-Jul-2025	02-Aug-2025	5
6	Moremogolo Primary School, Matole Middle School, Semare Early Learning Centre, Sarone Primary School, Motswere Early Learning Centre, Dithabaneng Station	5-Aug-2025	09-Aug-2025	5
7	Buantja Primary School, Ratsie Open Space, Lefaragatlhe Primary School, Lekwakwa Primary School	12-Aug-2025	16-Aug-2025	5
REGION 1				
8	Geelhout Park Open space, Tlhabane west Primary School	19-Aug-2025	23-Aug-2025	5
9	H F Tlou High School, J D Mosia School, Tlhabane Community Hall	26-Aug-2025	30-Aug-2025	5
10	Bapedi Lutheran Church, Kgwadikgwadi Primary School, Nkukise Primary School	02-Sep-2025	06-Sep-2025	5
11	Tlhabane stadium, Rampa Primary School	09-Sep-2025	13-Sep-2025	5
13	Rustenburg North Primary School, Old Municipal Building	16-Sep-2025	20-Sep-2025	5
18	David Brink Primary School, Rustenburg East	23-Sep-2025	27-Sep-2025	5
REGION 2				
14	Olympia, Harry Whulfse Hall, Bersig, Vastrap Primary School	30-Sep-2025	11-Oct-2025	5
15	Safarituine, Cashan EXT 4 & 6	07-Oct-2025	11-Oct-2025	5
16	Mooka farmhouse, Geelhout Park Secondary, Kloof Primary School, Van Zyl Hall	14-Oct-2025	18-Oct-2025	5
17	Selly Park Secondary School, Cashan Open Space	21-Oct-2025	25-Oct-2025	5
42	Sports Ground, Thabo Mbeki, Town Hall, WATERFALL EAST, CBD, EXT 5	28-Oct-2025	01-Nov-2025	5
REGION 3				
12	Meriting EXT 1, 2 ,4&5 Phase 1,2&3	04-Nov-2025	08-Nov-2025	5
19	Itireleng Supermarket, Sunrise Park Contractors Open Space, Boikagong Secondary	11-Nov-2025	15-Nov-2025	5
20	Boitekong EXT 2,8 &16	18-Nov-2025	22-Nov-2025	5
21	Boitekong, EXT 4,5&6	25-Nov-2025	29-Nov-2025	5
22	Paardekraal Primary School, Kanana hostel	02-Dec-2025	06-Dec-2025	5
23	Majela Middle School, Kanana Catholic Church, Kanana Lutheran Church, Kanana Primary School, Kanana Butchery	09-Dec-2025	13-Dec-2025	5
39	Ramochana	15-Dec-2025	20-Dec-2025	5
Ward	**Area**	**Start Date**	**Finish Date**	**Days**

REGION 4				
24	Freedom Park, Hostel no: 09 ,02 Shaft	06-Jan-2026	10-Jan-2026	5
25	Roman, Monakato, Tsope, Matlhare, Tshikane, Morogong	13-Jan-2026	17-Jan-2026	5
26	Impala South Hostel,	20-Jan-2026	24-Jan-2026	5
27	Uncle Frank Pre School, Fapha Primary School Lethabong Community Hall	27-Jan-2026	31-Jan-2026	5
28	Barelwanedi School, Noka ya Lerato School, Ruskraal Primary School	03-Feb-2026	07-Feb-2026	5
44	Khibitswane Primary School, Serutube Primary School, Lesung Community Hall, Tshare Primary School, Tsunyane Primary School, Ikageng Municipal Office	10-Feb-2026	14-Feb-2026	5
Ward	**Area**	**Start Date**	**Finish Date**	**Days**
REGION 5				
29	Ramatlama Middle School, Mabitse Primary School, Maumong Primary School, Barseba Primary School, Mamogale Segale Primary School	17-Feb-2026	21-Feb-2026	5
30	Modikokwe Community Hall, Dimapo Primary School, Bethanie Tribal Office	24-Feb-2026	28-Feb-2026	5
31	Tlapa Primary School, Marikana High School, Marikana Community Hall	02-Mar-2026	06-Mar-2026	5
32	NG Kerk Mmaditlhokwa, Marikana Primary School Wagkraal Farm, Suurplat Farm, Retief Junior Secondary School	09-Mar-2026	13-Mar-2026	5
REGION 6				
33	Bleskop Nqawana Hall, Nkaneng, Bleskop Hostel,	16-Mar-2026	20-Mar-2026	5
34	Zakhele Squatter Camp, Mfidikwe Primary School, Bokamoso Open Space, Central Deep Training Centre	23-Mar-2026	27-Mar-2026	5
35	Kroondal Gemeenskap Saal, Tirelong Primary School, Matebeleng New Stand, Water Recreation Centre	30-Mar-2026	03-Apr-2026	5
36	Ntsedimane Garage, Rex Supermarket, Rex Monato Primary School, Olifantshoek Primary School, Hassen Café, Boons Police Station, Breedsvlei Primary School, Mathopestad Primary School, Bakudung Primary School	06-Apr-2026	10-Apr-2026	5
45	Tlhage Primary School, Karee Mine, Photsaneng Primary School	13-Apr-2026	17-Apr-2026	5
REGION 7				
37	Paardekraal Ext 01, Sondela	20-Apr-2026	24-Apr-2026	5
38	Freedom Park Informal Settlement, Ext 13 Health	27-Apr-2026	01-May-2026	5
40	Paardekraal Community Hall, Chachalaza, Boitekong Garage	04-May-2026	08-May-2026	5
41	Seraleng RDP, Meriting Community Hall	11-May-2026	15-May-2026	5
43	Jabula Hostel, Zinniaville Community Hall, Karlien Park Primary School	18-May-2026	22-May-2026	5

FROM: Mr Willem Voigt, Tel: 012 315 5830, **Email:** WillemCordes.Voigt@treasury.gov.za

Ref No: NW373/19

Adv Ashmar Khuduge
Municipal Manager
Rustenburg Local Municipality
P. O Box 16
RUSTENBURG
0300

Dear Adv. Khuduge

NATIONAL TREASURY'S 2025/26 MTREF BUDGET ASSESSMENT – RUSTENBURG LOCAL MUNICIPALITY

The revised 2025/26 MTREF budget uploaded on the National Treasury's GoMuni portal on 21 May 2025, refers.

Following the assessment of the municipality's revised 2025/26 Medium-Term Revenue and Expenditure Framework (MTREF), it has been determined that the budget is funded in accordance with the provisions of Section 18 of the Municipal Finance Management Act, 2003 (MFMA).

Yours sincerely

WILLEM VOIGT
DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS
DATE: 23 May 2025

ANNEXURE P - OWN FUNDING CAPITAL EXPENDITURE

Account Description	Funding Source	Proposed 2025-2026	Proposed 2026-2027	Proposed 2027-2028
Transport Assets-Acquisition of New Vehicles	CRR	8 250 000	7 837 500	8 033 438
Upgrading of Customer Care Centre	CRR	3 000 000	-	-
20MVA Sbstation Power Transformer (Voltaire Substation)	CRR	5 000 000	5 225 000	5 355 625
Replacement of 33 kV Cables (Noord Sub, Munic Sub,etc)	CRR	4 000 000	4 180 000	4 284 500
Refurbishment of Marikana Pumpstation	CRR	4 000 000	4 180 000	4 284 500
Software Acquisition: Supervisory Ctrl & Data Acquisition (S.C.A.D.A) Syste	CRR	2 500 000	2 750 000	3 000 000
Refurbishment of Aged Rural Network	CRR	2 500 000	2 750 000	3 000 000
Office Furniture - Centralized	CRR	1 750 000	1 500 000	1 500 000
Replacement of AC Pipes	CRR	2 000 000	2 100 000	2 250 000
Machinery and Equipment-Chiller Plants Upgrading	CRR	2 000 000	2 100 000	2 250 000
Ripple control for Industries and Waterkloof Substations	CRR	2 000 000	2 100 000	2 250 000
Refurbishment of vandilized network	CRR	2 000 000	2 100 000	2 250 000
Capex : P.P.E > Upgrading - Electricity Network	CRR	2 000 000	2 100 000	2 250 000
Park Substation - Replacement of 33kV switchgear and cabling	CRR	2 000 000	2 100 000	2 250 000
New Mains - Cashan Reservoir to Geelhout and Industrial Reservoirs	CRR	2 000 000	2 100 000	2 250 000
Refurbishment of Outfall Sewerlines- Boitekong WWTW Drainage areas	CRR	2 000 000	2 100 000	2 250 000
Refurbishment of Outfall Sewerlines- Rustenburg WWTW Drainage areas	CRR	2 000 000	2 100 000	2 250 000
Distribution - Refurbishment of 11kV Substation Equipment	CRR	1 500 000	1 650 000	1 750 000
HV Substations-Fencing and Guardhouses	CRR	1 250 000	1 400 000	1 500 000
Computer Equipment/laptops and computers	CRR	1 250 000	1 250 000	1 000 000
stores revamp & security upgrades	CRR	1 500 000	1 000 000	-
Distribution-WCWDM: Reduction of Water Loss	CRR	1 425 000	1 489 125	1 526 353
Anti Vandal Proof Metering Kiosk/ Boxes	CRR	1 250 000	1 306 250	1 338 906
Capital Spares-Smart Electrical Prepaid Meters and System	CRR	1 250 000	2 612 500	2 677 813
Machinery and Equipment- Replacement of Pumps	CRR	1 250 000	1 306 250	1 338 906
Smart Pre-Paid Water Meters	CRR	1 250 000	1 306 250	1 338 906
Refurbishment of 11KV Substation Buildings	CRR	1 229 444	1 284 769	1 316 889
HV Test machine and Equipment (replacement)	CRR	1 083 920	1 132 697	1 161 014
Machinery and Equipment-Replacement of Airconditioners	CRR	1 000 000	1 045 000	1 071 125

Servers of IT Infrastructure	CRR	1 000 000	1 250 000	1 250 000
CCTV Cameras	CRR	5 500 000	500 000	1 000 000
Upgrading of Kremetart Road Crossing	CRR	823 110	860 150	881 654
Supply and installation of solar panels on various facilities	CRR	1 300 000	1 202 900	1 320 587
Waterproofing at various RLM facilities	CRR	750 000	784 500	820 587
Upgrading of Krokodile Road Crossing/Waterivier	CRR	696 790	728 146	746 349
Upgrading of Watsonia / Golf Course Crossing	CRR	688 633	719 621	737 612
Upgrading of Phala Road Crossing	CRR	672 668	702 938	720 511
Refurbishment of Traffic Light Intersections	CRR	668 434	698 513	715 976
Upgrading of Pendoring Road Crossing	CRR	663 460	693 316	710 649
Upgrading of Middle Road Crossing	CRR	646 221	720 301	763 308
Dinie Estate - Electrification - Bulk line	CRR	601 857	628 940	644 664
Electrical Tools and Equipment (Protection relays, Reclosers & Two Way R	CRR	554 113	579 048	593 525
Renovation of East End Sport Facility	CRR	550 000	575 300	601 764
Installation of back-up water supply at various facilities	CRR	500 000	523 000	547 058
REVAMP OF CIVIC CENTER	CRR	500 000	523 000	547 058
REVAMP OF MPHENI BUILDING	CRR	500 000	523 000	547 058
STOVES	CRR	500 000	523 000	547 058
Access control	CRR	500 000	500 000	500 000
Refurbishment of Sewer pump stations	CRR	500 000	522 500	535 563
Renovation of various RLM public toilets	CRR	450 000	470 700	492 352
Refurbishment of Ben Marais Hall (move to fence zweli)	CRR	450 000	470 700	492 352
Supply, commission and installation of a generator at Civic Centre	CRR	1 500 000	418 400	437 646
Capex : P.P.E > Sound Equip & Lights_Civic Centre and various Halls	CRR	400 000	418 400	437 646
call centre system	CRR	400 000	-	-
Renovation of Lethabong Hall	CRR	350 000	366 100	1 266 175
Purchase Bomag rollers/Roads/Default/RRT : Roads And Stormwater	CRR	350 000	365 750	374 894
Renovation of Meriting Hall	CRR	300 000	313 800	328 235
Purchase road marking machine/Roads/Default/RRT : Roads And Stormwa	CRR	300 000	313 500	321 338
Renovation of Vehicle Testing Station	CRR	300 000	-	350 000
Capex : Injection tester - Primary and secondary	CRR	291 000	304 095	311 697
Capex : Batteries and Chargers	CRR	291 000	304 095	311 697
Municipal Running Cost/Acquisitions/Equitable Share/Roads/Whole of the M	CRR	274 314	286 658	293 824
Installation of fence at various RLM facilities (Incl RCCs)	CRR	250 000	261 500	273 529
Closure and rehabilitation of 5 Communal Sites	CRR	250 000	545 500	273 529
Rescue Equpment Jaws of Life	CRR	225 000	-	-

Capex : Distribution - Replacement of Electricians Tool Boxes	CRR	177 353	185 334	189 967
Brush cutters/ including sport facilities unit	CRR	197 500	300 000	200 000
Borehole installation x8	CRR	160 000	167 200	171 380
Supply and Installation of Pumps and Generators	CRR	150 000	156 900	164 117
Fire and Rescue equipment	CRR	150 000	100 000	100 000
Refurbishment of Pound	CRR	125 000	-	50 000
Tools and Equipment	CRR	125 000	130 625	133 891
Ride On Lawn Mower	CRR	100 000	200 000	85 000
Public Address system (PA)	CRR	100 000	-	-
Purchase Muitipurpose trailors/Roads/Default/RRT : Roads And Stormwate	CRR	100 000	104 500	107 113
Backup Water - RCCs x9 (Jojo Tanks)	CRR	99 500	-	-
Audit software: Licence fees	CRR	91 316	95 425	97 810
500 Liters per hour Reverse Osmosis Systems x9 (Purifying System)	CRR	82 500	-	-
Motors and Pumps	CRR	80 000	83 000	85 000
Binding Machine	CRR	75 000	-	-
Parking Area (Pavement and Carports)	CRR	75 000	78 375	80 334
Storage Lockers	CRR	75 000	-	-
Industrial carpet cleaning machines	CRR	55 000	57 530	60 176
Extension pruners	CRR	50 000	-	45 000
Chainsaws	CRR	50 000	-	60 000
Office Equipment (Two-Way Radios and Tablets)	CRR	50 000	52 250	53 556
Capex : Distribution - Replacement of Hydraulic Hand Tools In Store Room	CRR	48 500	50 683	51 950
Mobile wastewater pump	CRR	35 000	-	-
Office Equipment- Water Dispensers	CRR	30 439	-	-
Office Equipment	CRR	25 000	-	-
Office Equipment	CRR	25 000	-	-
Point of Sale Complete Register x 5 (TILLS)	CRR	25 000	-	-
Machinery	CRR	25 000	-	-
First Aid Boxes	CRR	25 000	10 000	15 000
Office Equipment (Hoover Vacuum Cleaner)	CRR	21 560	-	-
Fire and Escape Doors Ikageng & Rankelenyane RCCs	CRR	16 000	-	-
Road Safety Training Equipments	CRR	15 000	50 000	50 000
Generator	CRR	15 000	-	-
Projector	CRR	10 000	-	-
Devices:(Recording device, camera & projector)	CRR	5 000	-	-
STUFF LOCKERS	CRR	300 000	-	-
Fire engine	CRR	-	2 500 000	-
Land acquisition	CRR	1 000 000	1 045 000	1 071 125
Capex : Leethabong Beehives	CRR	500 000	525 000	550 000

Capex : Revonations Farmer's Production Support Unit	CRR	250 000	300 000	350 000
Capex : Database Software	CRR	150 000	156 600	160 515
Capex : Self-Service Computer Screens	CRR	150 000	156 600	160 515
Capex : Mechanisation of Farmer's Production Support Unit	CRR	125 000	150 000	175 000
Capex : Digital Business License Software	CRR	100 000	104 400	107 010
Sliding tracked storage system	CRR	100 000	-	-
Sliding tracked storage system	CRR	100 000	-	-
Capex : Tools of Trade	CRR	50 000	52 200	53 505
Temporal Toilets	CRR	2 500 000	2 612 500	2 677 813
Speed Cameras	CRR	5 000 000	-	-
Total		**101 549 631**	**92 126 833**	**93 529 646**