100. **TABLING OF THE 2021/22 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)**
(Directorate: Budget and Treasury) GD

1. STRATEGIC THRUST

The Rustenburg Local Municipality has adopted the following strategic priority:
"To promote sound Financial Management and Good Governance"

2. PURPOSE OF THE REPORT

The requirements for the compilation and submission of the Budget are contained in Chapter 4 of the MFMA and Municipal Budget and Reporting Regulations.

The purpose of this report is to table the final 2021/22 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

The Budget is the most important document in enforcing accountability of Administration in relation to the strategic planning and deliverables as determined by Council. The budget guides and determines the day to day actions necessary for the delivery of municipal services to the community.

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

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high- priority programmes so as to maintain sound financial stewardship.

The Budget has been compiled within the framework of the Municipal Financial Management Act (MFMA), Municipal Budget and Reporting Regulations (MBRR), MFMA Circulars No 51, 54, 55, 59, 66, 67, 70, 74, 75, 78,79 ,86, 89, 91, 93, 94, 98, 99, 107 and 108

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.

The Budget book has been compiled in accordance with 2021/22 Medium Term Revenue and Expenditure Framework.

--- Annexure A – Budget Book
--- Annexure B - Tariff Book
--- Annexure C - A Schedule
--- Annexure D – Budget policies
--- Annexure E – RWST budget
--- Annexure F – Circular 107
--- Annexure G – Circular 108
--- Annexure H – New Valuation Roll 2021/22

Although the A1 schedule tables and supporting schedules have been incorporated into the 2021/22 MTREF budget book, they have also been attached as Annexure C.

The proposed operating revenue budget (exclusive of transfers and subsidies) is R5,670 billion and the operating expenditure budget approximately R5,330 billion for the 2021/22 financial year. The 2021/22 revenue projection is anticipated to be above by R450 million (9%) from the adjustment budget revenue of 2020/21 whilst the expenditure will be above by R352 million (7%) from the anticipated adjustment budget expenditure of 2020/21. Average revenue increase of 9% is considered reliable as COVID 19 is expected to have less of an impact on the municipal revenue generation. Surplus generated over the MTREF will be used to fund historical creditors and commitments.

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	% Change	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Total Revenue (excluding capital transfers and contributions)	**5 219 337**	**9%**	**5 669 738**	**5 948 370**	**6 223 393**
Total Expenditure	**4 978 056**	**7%**	**5 330 189**	**5 548 784**	**5 803 255**
Surplus/(Deficit)	**241 280**	**41%**	**339 550**	**399 586**	**420 137**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	426 821	3%	441 638	522 687	528 572
Surplus/(Deficit) after capital transfers & contributions	**668 102**	**17%**	**781 188**	**922 273**	**948 710**

Rustenburg Local Municipality is budgeting for a surplus before capital transfers and contributions of R339 million and R781 million after capital transfers and contributions which will be utilised towards funding portion of capital investments and historic debts.

	RECOMMENDED:	**ACTION**
1.	That the Council approves the multi-year annual capital and operating budget for the 2021/22 financial year of R5.9 billion and the two outer years of R6.2 billion, R6.5 billion (2022/23 and 2023/24) 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
3.	That Council take note that for the 2021/22 MTREF financial year the Revenue and expenditure budget proposed has a surplus of R781 million, R922 million and R949 million respectively;	CC
4.	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 2021, and are attached as Annexure "B – TARIFF BOOK';	CC
5.	That the unspent conditional grant at end of 2020/21 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
6.	That the following proposed budget related policies with amendments be approved for implementation on the 01 July 2021. Policies are attached as Annexure "D";	CC
6.1	<u>Budget related policies and By-Laws with Amendments;</u> Property Rates Policy; Tariffs Policy;	

Indigent Policy;
Credit Control and Debt Collection Policy

6.2 Budget related policies with no amendments;
Accelerate Economic Empowerment and Transformation;
Borrowing Policy;
Cash Management and Investment Policy;
Assets Management Policy and Proceudre Manual ;
Cost Containment Policy;
Funds and Reserves Policy;
Inventory Policy;
Rewards, Gifts and Favor Policy;
Study Aid Policy
Travelling and Subsistence;
Unauthorized, Irregular and Fruitless and Wasteful Expenditure Policy;
Budget Policy;
Supply Chain Management Policy;
Bereavement Policy for Serving and Former Councillors
Contract Management Policy;
Electrictrical Engineering Contributions Policy;
Expenditure Management Policy;
Insurance Policy and Procedure;
Insurance Claims and Loss Control Committee Policy;
Investment Incentives Policy
Petty Cash Management Policy

7.	That MFMA budget circulars from National Treasury be considered as Annexure “F” and “G”;	CC
8.	That the 2021/22 Medium Term Revenue and Expenditure (MTREF Forecasts electronic formats be submitted to National Treasury and Provincial Treasury;	BTO
9.	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
10.	That the budget be subjected to public participation	BTO OSP
11.	That the proposed implementation approach for the new general valuation roll be considered as Annexure “H”	CC

RUSTENBURG LOCAL

MUNICIPALITY

"A WORLD CLASS CITY WHERE ALL COMMUNITIES ENJOY THE HIGH QUALITY OF LIFE"

2021/22 TO 2023/24

MEDIUM-TERM REVENUE & EXPENDITURE FRAMEWORK

31st MARCH 2021

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
Kl	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

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

PURPOSE

The purpose of this document is to present to Council the 2021/2022 Medium-Term Revenue and Expenditure Framework (MTREF) in line with both 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 51, 54, 55, 59, 66, 67, 70, 74, 75, 78,79 ,86, 89, 91, 93, 94, 98, 99, 107 and 108

PART 1 – ANNUAL BUDGET

1.1 EXECUTIVE SUMMARY

A consolidated budget of **R5,9 billion** has been proposed for the 2021/22 Medium-Term Revenue and Expenditure Framework (MTREF) with **R6,2 billion** and **R6,5 billion** respectively for the two outer years. The 2021/22 MTREF budget is the fifth 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 revised 5-year Integrated Development Plan (IDP), of the municipality are met.

The 2021/22 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 MBRRR. Budget (A – Schedule) was required to be extracted from the financial system in terms of MFMA Circular 107. This was complied with, however certain sheets required data input after extraction from the financial system

In line with Chapter four (4) of the MFMA the following **PRINCIPLES** were applied in formulating the 2021/22 MTREF:

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

The main **CHALLENGES** noted during the compilation of the 2021/2022 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) The impact of COVID 19 pandemic in the economy of Rustenburg, revenue generation and collection rate.
(iv) National Treasury austerity measures with minimal growth in grant allocations.
(v) Increase in informal settlements and the related pressure on the provision of free basic services.

(vi) National Treasury released MFMA Circular 108 which provides guidance on compilation of municipal budgets during March 2021 when the draft budget was already at an advanced stage. This will be considered with other public participation inputs for the final budget

Austerity Measures that have been applied to the 2021/22 MTREF:

(i) National Treasury cost containment guidelines.
(ii) Reduction of overtime, through shift system and improved staff performance management
(iii) Catering, and use of consultants are some of the costs that are closely monitored.
(iv) Cost effective fleet management

1.2 OPERATING BUDGET FRAMEWORK

The proposed operating revenue budget (exclusive of transfers and subsidies) is approximately **R5,670 billion** and the operating expenditure budget is totalling **R5,330 billion** for the 2021/22 financial year. The 2021/22 revenue projection is anticipated to be **over by R450 million (9%)** from the adjustment budget revenue of 2020/21 whilst the expenditure will be **R352 million (7%)** from the anticipated adjustment budget expenditure of 2020/21.

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

- Cost of bulk purchases - water and electricity
- Repairs and maintenance of infrastructure;
- Remuneration of Councillors and Employees as a result of filling of vacancies and provision for salary increase and;
- Provision for non-cash items – depreciation and impairment of receivables

The table below sets out the Medium –Term Revenue and Expenditure Budget for the 2021/22 – 2023/24 financial years, within the available limited resources:

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	% Change	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Total Revenue (excluding capital transfers and contributions)	**5 219 337**	**9%**	**5 669 738**	**5 948 370**	**6 223 393**
Total Expenditure	**4 978 056**	**7%**	**5 330 189**	**5 548 784**	**5 803 255**
Surplus/(Deficit)	**241 280**	**41%**	**339 550**	**399 586**	**420 137**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	426 821	3%	441 638	522 687	528 572
Surplus/(Deficit) after capital transfers & contributions	**668 102**	**17%**	**781 188**	**922 273**	**948 710**

Rustenburg Local Municipality is budgeting for a surplus before capital transfers and contributions of R339 million and R781 million after capital transfers and contributions which will be utilised towards funding the capital investment.

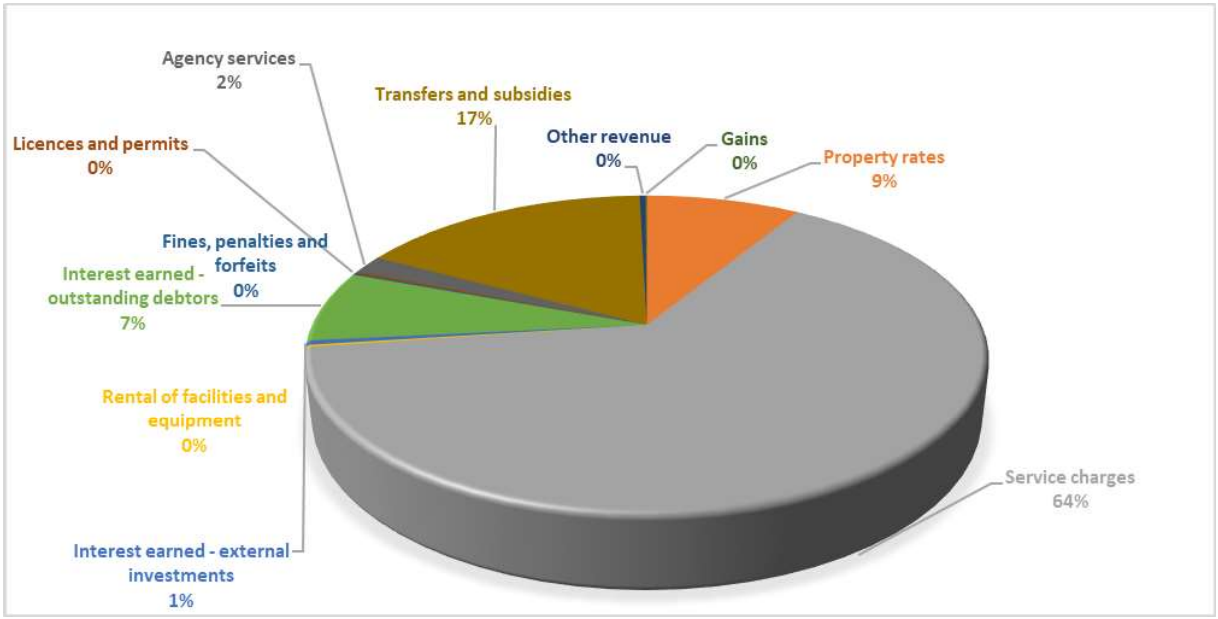
Revenue Analysis

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	% Change	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source					
Property rates	398 240	25%	496 067	527 816	561 596
Service charges - electricity revenue	2 252 622	14%	2 566 521	2 653 333	2 774 973
Service charges - water revenue	499 602	4%	519 713	542 580	566 996
Service charges - sanitation revenue	372 054	4%	387 019	404 048	422 230
Service charges - refuse revenue	150 234	4%	156 184	163 056	170 393
Rental of facilities and equipment	10 498	6%	11 078	11 566	12 086
Interest earned - external investments	22 768	10%	25 149	26 301	27 528
Interest earned - outstanding debtors	395 409	4%	411 621	429 732	449 070
Fines, penalties and forfeits	9 000	4%	9 369	9 781	10 221
Licences and permits	11 913	4%	12 401	12 947	13 530
Agency services	100 849	4%	104 983	109 603	114 535
Transfers and subsidies	952 112	-1%	946 775	1 033 744	1 075 297
Other revenue	30 002	-44%	16 656	17 390	18 173
Gains	14 035	-56%	6 200	6 473	6 764
Total Revenue (excluding capital transfers and	5 219 337	9%	5 669 738	5 948 370	6 223 393

The increase of 9% in anticipated revenue is mainly due to expected lower impact of COVID 19 on the municipal revenue generation as we expect the economy to be fully open during the 2021/22 financial year

The chart below depicts the percentages per revenue category of the total revenue of Rustenburg Local Municipality:

Revenue chart



The 2021/22 budget for service charges (electricity, water, sanitation and refuse) represents approximately **64.0 %** of the total budgeted revenue of **R5, 670 billion**, while property rates approximates **9%** and transfers and subsidies **17%.** Revenue from own source constitutes majority of revenue of the municipality.

Property Rates: The property rates revenue is projected to increase by **25%** (R98 million) from the 2020/21 adjustments budget. The increase is the effect of implementation new general valuation roll.

Service Charges - **Electricity** revenue is at *R2. 57 billion* in the 2021/22 financial year with an increase of 14% when compared to the 2020/21 adjustments budget. The increase is due to tariff increase aligned to the approved tariff increase by Eskom as well as increase. We also expect businesses to be fully open and not experience any further downtime due to COVID 19. Bulk consumers and mining houses are now operating at full capacity and therefore expect above average increases in revenue from sale of electricity. We expect an increase in electricity consumption as well as customers. ***The tariffs are subject to NERSA approval***.

Service charges - **water** charges are estimated at R519 million or, approximately 4% increase from the 2020/21 adjustments budget. The increase is mainly driven by the tariff increase from our bulk supplier and the cost of maintenance of infrastructure.

Sewerage: Projected sewerage charges are estimated at R387 million, approximately 4% increase from the 2020/21 adjustments budget. The sanitation revenue also includes anticipated revenue from the Rustenburg Water Services Trust which makes up the bulk of the revenue.

Service charges – refuse: The projected revenue for waste management is at R156 million which reflect a 4% increase from the 2020/21 adjustments budget.

Rental of facilities: An anticipated increase in rental charges by approximately R580 thousand in the 2020/21 MTREF mainly aligned to the 2020/21 performance on rental charges.

Interest earned on external investment: An anticipated increase of 10% or R2,3 million from the 2020/21 adjusted budgeted. The municipality will be embarking on 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.

Interest on outstanding debtors: An anticipated increase of 4% or R16,2 million in line with the projected revenue collection rate.

Income from **fines, penalties and forfeits** is anticipated to increase by R369 thousand from the 2020/21 adjusted budget. The increase is in line with current actual revenue performance, noting that the municipality has a strategy and in a process of acquiring proper equipment for traffic management.

Licences and Permits- The proposed revenue on licences and permits increases by 4% or R488 thousand when compared to the 2020/21 adjustment budget.

The **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 4% (R4 million) in line with the current actual performance.

Transfers and subsidies, the anticipated allocations from grants is R946 million which is 1% decrease from 2020/21 adjusted budget. The allocations are in line with the DORA.

Other revenue has been reduced by R13,3 million or 44% aligned with current revenue performance on various other revenue sources to achieve realistic budget.

Gains on Disposal of assets has decreased by R7,8 million (56%) in line with available packet of disposable assets and prior period performance on anticipated sale of properties/assets.

The tariffs for minor services will mainly increase in line with estimated inflation of 3.9% over the 2020/21 MTREF in line with circular 108 from National Treasury.

Expenditure Analysis

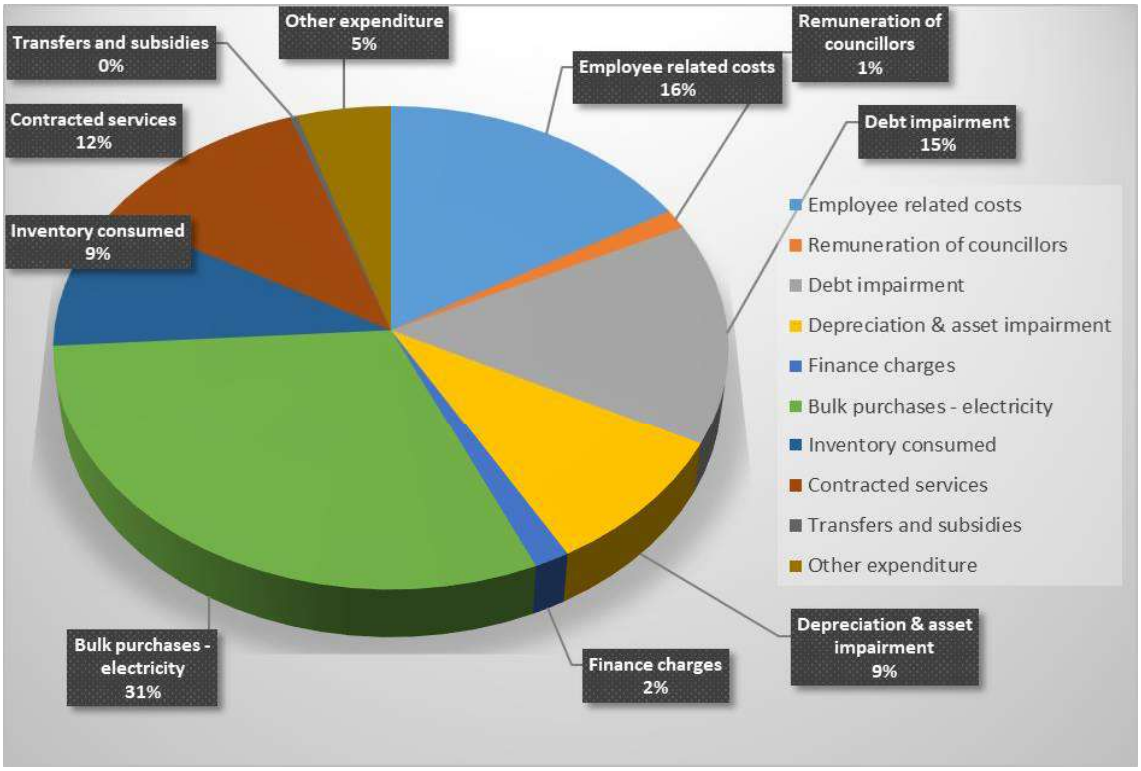
The 2021/22 expenditure is anticipated to be **R5, 330 billion**, which is an increase of **7%** from the 2020/21 adjustments budget.

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	% Change	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Employee related costs	799 309	10	875 664	908 100	948 904
Remuneration of councillors	64 306	6	68 229	71 231	74 437
Debt impairment	898 087	- 12	793 908	828 840	866 138
Depreciation & asset impairm	507 217	- 3	492 913	514 601	537 758
Finance charges	38 167	121	84 328	88 041	92 005
Bulk purchases - electricity	1 134 162	44	1 627 750	1 699 371	1 775 843
Inventory consumed	427 952	17	498 896	520 852	544 246
Contracted services	421 883	45	610 610	629 089	660 820
Transfers and subsidies	19 610	- 1	19 502	20 360	21 276
Other expenditure	667 363	- 61	258 388	268 298	281 829
Total Expenditure	**4 978 056**		**5 330 189**	**5 548 784**	**5 803 255**

The increase of R352 million (7%) in total expenditure is mainly driven by the increase in Employee related costs and mainly Bulk purchase. Accruals for leave, bonuses and other employee benefits have been included in line with the accrual basis of accounting. Bulk purchases are expected to pick up as we do not expect any further downtime due to COVID 19. Finance charges are also aligned to loan facilities and cater for the new loan that is being sourced. Contracted services and other expenditure have also been re-aligned with the latest mSCOA chart.

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

Expenditure Chart



Bulk purchases including inventory consumed approximate **40%** of the total operating expenditure of the municipality. Employee related cost and remuneration of councillors approximate **17%** of the total expenditure. **24%** of the total expenditure is made up of non-cash items (depreciation of assets and impairment of receivables).

Financial Position

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

Description	2019/20	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Financial position					
Total current assets	1 233 724	2 680 003	1 747 292	2 763 530	3 826 300
Total non-current assets	12 199 014	10 546 376	10 548 693	10 675 900	10 791 500
Total current liabilities	766 259	1 533 038	1 331 214	1 305 888	1 195 736
Total non-current liabilities	954 058	1 150 356	1 203 587	1 196 036	1 173 444
Community wealth/Equity	11 712 421	10 542 986	9 761 184	10 937 505	12 248 621

The projected current ratio over the 2021/22 MTREF is 1.3:1. The Municipality is working on the financial plan to improve on the current ratio. Total assets exceed total liabilities.

Cash flow

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

Description	2019/20	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash flows					
Net cash from (used) operating	960 234	2 503 314	1 568 769	1 746 459	1 808 662
net cash from (used) Investing	(670 286)	(557 370)	(620 670)	(640 819)	(652 533)
Net cash from (used) Financing	(86 115)	22 025	(106 974)	(111 457)	(116 209)
Cash/Cash equivalents at the year end	486 405	2 198 603	1 235 624	2 229 807	3 269 727

The net increase in cash held of Rustenburg Local Municipality is projected to approximate **R1 235 billion** for the 2021/22 financial year.

Collection rate of 80% was used which is marginally higher than the actual collection rate of 73% achieved for the year under audit as COVID 19 is expected to have less of an impact on the municipal revenue generation. Furthermore credit control has been intensified through appointment of a service provider to implement credit control, improve on meter reading and data cleansing for accurate and complete revenue.

1.3 CAPITAL EXPENDITURE

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

	Adjusted Budget 2020/21	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Total Capital Expenditure - Functional	**578 806**	**626 870**	**647 292**	**659 297**
Funded by:				
National Government	426 206	441 318	522 392	528 339
Provincial Government	615	320	295	233
Transfer and subsidy - Capital		2 287		
Transfers recognised - Capital		443 925	522 687	528 572
Borrowing	125 000	–	–	–
Internally generated funds	26 985	182 945	124 605	130 725
Total Capital Funding	**578 806**	**626 870**	**647 292**	**659 297**

The capital budget for the 2021/22 financial year amounts to approximately **R626 million**. This capital budget is funded by GRANTS of **R444 million**, Internal generated funds of **R183 million**.

The grant funding comprises the following:

GRANT	R'000
Municipal Infrastructure Grant (MIG)	236 768
Public Transport and Systems	101 603
Neighbourhood Development Partnership	10 000
Department of Energy	15 000
Water Infrastructure Grant	–
WSIG	77 947
Total	**441 318**

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 2021/22 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 R626 million in 2021/22, R647 million in the 2022/23 and R659 million in 2023/24 financial years.

2. The Municipality's cash backing / surplus reconciliation over the 2021/22 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 Electricity, Water, Waste water and Waste management functions over the 2021/22 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 estimate of R3,2 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 R5,6 billion (excluding Capital Grant), and it represents an increase of 9% from 2020/21 period and R5, 948 billion and R6,223 billion for financial year 2022/23 and 2023/24 respectively. Expenditure is at R5,330 billion which is an increase of 7% from 2020/21 adjusted budget. Expected average increase of 4.2% and 4.4% over the outer years.

Budgeted surplus is R339 million representing an increase of R98 million from 2020/21 adjustment budget, with projected surpluses over the outer years of R60 million and R20,5 million respectively.

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

The 2021/22 Medium Term Revenue and Expenditure Framework (MTREF) will be tabled with one projects that is 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)R 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, 235 billion in the 2021/22 financial year as budgeted, and is at R2,229 billion and R3,269 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 R339 million in 2021/22 financial year.

Table A9: Consolidated Asset Management

Refer to ***Annexure C***

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 of existing assets, and allocations to repairs and maintenance should be 8 % of PPE. The Municipality does meet the 40 % (49.7%) but does not meet the 8 % of PPE over the 2021/22 to 2023/24 medium term (at 5.4%).

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 R91 million, R93,8 million and R96 million respectively over the medium term.

1.5 TARIFF SETTING

The Municipality generate **65%** of revenue generated from Trading Services (Electricity, Water and Sanitation). Electricity charges remain the largest revenue source totalling 46% or R2.6 billion in the 2021/22. Revenue is supplemented by contributions from both National and Provincial allocations (direct allocations: PTNG, MIG, WSIG, INEP, CATA). The 2021/22 MTREF makes provision for a loan to be utilised for installation electricity smart meters in order to improve meter reading and credible billing and revenue collection.

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 consolidate budget is funded. The Municipal Systems Act 32 of 2000, under section 74 of the Act, provides critical elements of a good Tariff Policy which has been taken into consideration when reviewing the Tariff Policy for the 2021/22 MTREF.

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

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

A cost of supply was considered for main services tariffs being electricity, water and sanitation in order to determine cost reflective tariffs that inform realistically anticipated revenue streams for the 2021/22 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 in order for the budget to be realistic as required by the MFMA. Municipalities are required to justify in their budget documentation all increases in excess of the 3.9% 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 such as water and sanitation, electricity and refuse removal. 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.

Implementation of the new Valuation Roll effective 01 July 2021 would result in increase in the property rates should tariff increase also factored. Municipality will adopt phased in tariff adjustment not to overburden the residents with high property rates

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:

1. **Electricity Services Tariffs**

Electricity tariff increase is at 6.20% (basic and consumption charges) while bulk contribution increased by 4.5% increase. The proposed increased 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.

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

The proposed tariffs increase on these items are based on 4.1% increase as per Circular 107 (4th December 2020) which was issued as part of the guidance for the MTREF. National Treasury has recently issued Circular 107 (4th December 2020) which provided guidance on CPI inflation projections.

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

With other services tariff increases, Circular 107 was used to calculate the increase 4.1% CPI rate.

1.6 COUNCIL RESOLUTIONS

RECOMMENDATIONS:

1. That the multi-year annual capital and operating budget for the 2021/22 financial year of **R5.9 billion** and the two outer years of **R6.2 billion**, **R6.5 billion** (2022/23 and 2023/24) and related policies and by-laws be tabled as per the following tables as set out in A1 Schedule as Annexure A: -

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";

3. That Council take note that for the 2021/22 MTREF financial year the Revenue and expenditure budget proposed has a surplus of R 339

million, R399 million and R420 million respectively;

4. That in terms of section 74 of the Local Government Municipal System Act, all consumptive tariffs, Rates, basic charges as proposed be considered, amended and be subjected to public participation prior to implementation in July 2021, and are attached as **Annexure "B –** TARIFF BOOK';

5. That all the sundry tariffs and other tariffs be amended as proposed in **Annexure "B –** TARIFF BOOK" be subjected to public participation prior to implementation on 01 July 2021;

6. That the unspent conditional grant at end of 2020/21 not be committed to expenditure until approval has been obtained from National, Provincial in accordance with directives from National Treasury Circulars;

7. That the following proposed budget related policies with amendments be considered and be subjected to public participation prior to implementation on 01 July 2021. policies are attached as Annexure "D";

7.1 Budget related policies and By-Laws with Amendments:

- Property Rates Policy;
- Tariffs Policy;
- Credit Control and Debt Collection Policy;
- Indigent Policy;

7.2 Budget related policies with no amendments;

- Accelerate Economic Empowerment and Transformation;
- Fixed Assets Management Policy;
- Borrowing Policy;
- Cash Management and Investment Policy;
- Cost Containment Policy
- Funds and Reserves Policy;
- Inventory Policy;
- Rewards, Gifts and Favour Policy;
- Study Aid Policy
- Travelling and Subsistence;
- Unauthorized, Irregular and Fruitless and Wasteful Expenditure Policy;

- Budget Policy;
- Supply Chain Management Policy;
- Bereavement Policy for Serving and Former Councillors
- Contract Management Policy;
- Electrical Engineering Contributions Policy;
- Expenditure Management Policy;
- Insurance Policy and Procedure;
- Investment Incentives Policy
- Petty Cash Management Policy

8. That MFMA budget circulars from National Treasury be considered as **Annexure "F**" and **"G"**;

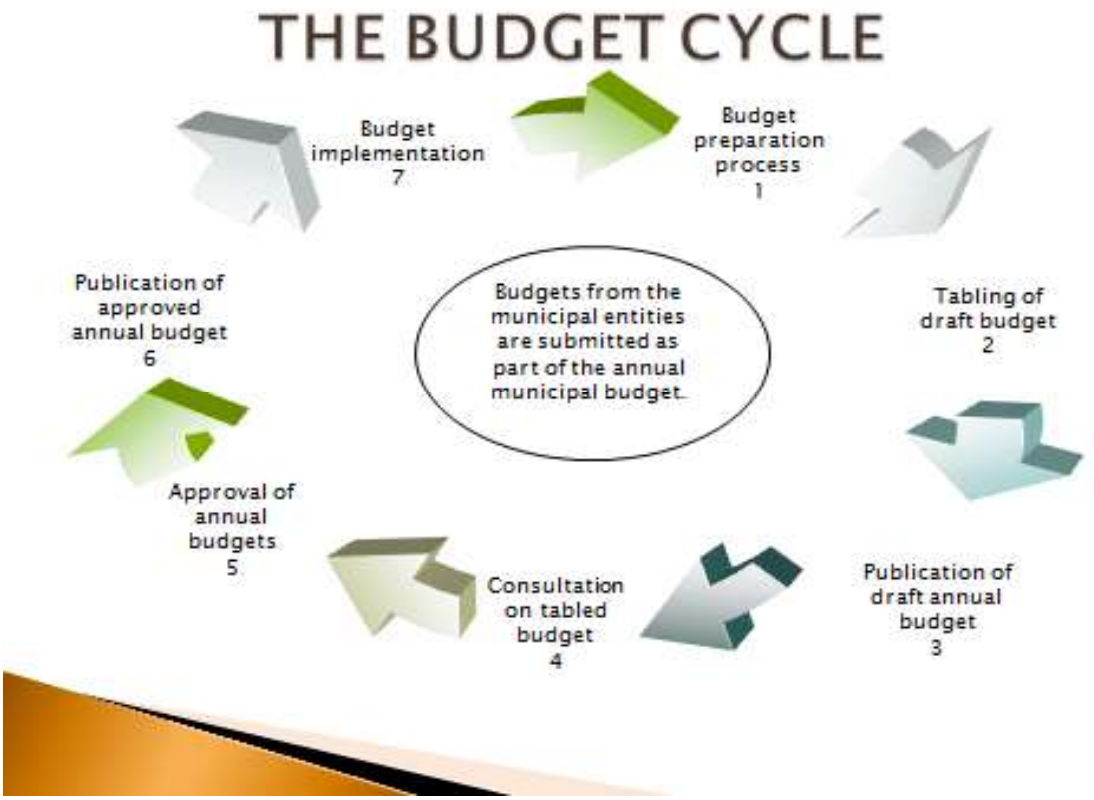
9. That the tabled 2021/22 Medium Term Revenue and Expenditure (MTREF Forecasts both printed and electronic formats be submitted to National Treasury and Provincial Treasury;

10. That the tabled (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. The budget will be subjected to public participation.

11. That the proposed implementation approach for the new general valuation roll be considered as Annexure "H"

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 City'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 was 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 2021 will marked the commencement of community participation, encouraged discussion with all stakeholders and provided an opportunity for feedback.

The public participation process will take place over April/May 2021.

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 2021/22 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 2021/22 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

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 projected liquidity ratio is at 0.9 and is unfavourable.

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 through assistance from DBSA and appointed service provider
- Debtor analysis to debtor 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 2021/22 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
- Sanitation

Indigent households who qualifies 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 customer needs and expects	Information and communication needs and expectations are agreed upon	Information and communication provided according customer agreed 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 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

REFUSE SERVICES	MEASURE	SERVICE STANDARD
We promise to implement an anti-littering promotion to keep our environment safe and clean	Anti-littering theme/ policy	Anti-littering awareness messages
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 accessibility to all our Libraries	Library membership for Rustenburg residents	Free of charge
	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 customer	Grass cutting & shrubs removal	Roads will be at all times kept in a clear safe way by cutting grass and removal of shrubs.
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/	Applications accepted, and reference and receipts are given	Official letter of to prove application was received is provided to customer within 1 week is sent to

PLANNING & DEVELOPMENT	MEASURE	SERVICE STANDARD
disapprove your building plan applications within the shortest expected time within 90 days	within agreed times	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 time	Certificates of completion of building are provided within ten (10) days of receiving 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 issued within two working days	Compliance in accordance with 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 legislative prescripts or to cut costs:

Property Rates Policy

Implementation of the New General Valuation Roll in terms of the Municipal Property Rates Act (MPRA) from the 1st of July 2021. The other aim of the policy is to ensure that all owners of rateable properties are informed about their liability for rates. The municipality revises its Rates Policy annually as per legislative requirements.

Summary of changes:

Any property not falling within the ambit of the categories referred to above, shall be deemed to be business and commercial for the purposes of levying a rate.

All unregistered properties shall be included in the financial system and charged according to usage when they are identified.

The above additions will assist the municipality in levying rates in cases where properties do not fall in any of the categories in the property rates policy as well as those properties which are not registered.

Tariff Policy

RLM tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Summary of changes:

Billing of Sectional titles/flats and other properties having a bulk connection

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.

The above will make sure that the municipality comply with its by law as well as making sure that all property owners staying in complexes pay for water.

Budget Policy

The Budget Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the RLM system of delegations.

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the

financial management practices of municipalities. To ensure that the RLM continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

Credit control and debt collection policy

The following amendments/inclusions were effected:

- As soon as the client enters into an arrangement, the interest on the account will not be levied as long as the consumer honors the arrangement.
- Once a customer has been approved as indigent, their debt will be written off.
- Beneficiaries of RDP can open accounts with the municipality while the transfer process has not been finalized so the municipality can start billing for the services that are rendered to these beneficiaries.

Summary of changes:

Section 20(5) we added "The deposit shall be made in cash payment. Exceptions can be made by the Chief Financial Officer only for large power users (as defined in sub-paragraph 6 below) whose deposit is R1 000 000 or more, to accept 50% bank guarantee and 50% cash."

Section 32 the payment period for residential owners owing R40 001.00 and above, who want to make payment arrangements was extended from 18 months to 24 months

Section 32 under payment arrangement for Councillor and Employees we added" In order 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."

A new debt collection measure was added on Section 33(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."

On Section 34(1) we changed 14 working days to 14 calendar days.

Indigent Policy

Summary of Changes:

Definition of Free Basic Electricity was amended to include basic electricity charge.

Under qualification criteria Section 13(3) was added which says that an applicant must own one immovable property.

2.4 OVERVIEW OF BUDGET ASSUMPTIONS

Key factors that have been taken into consideration in the compilation of the 2020/21 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 4.1% for 2021/22 and 4.2% 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 80.7%. This is the measure of cash receipts of ratepayer and other revenue, whilst the debt impairment expense of total billable revenue estimated to be 19.2% and 19.3% 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

In terms of the circular 107, salary increases of 4.1% for 2021/22 has been budgeted for. 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. At the time of compiling the draft budget, SALGA had not released their annual circular which provides guidance on salary increases

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 6.2% and the cost of bulk purchases from water boards averagely increased by 5.4%

Credit rating

The credit rating by Moody in January 2020 assessed the credit profile of Rustenburg (Ba3) reflects its weak and deteriorating operating performance, and weak

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 2021/22 MTREF of which performance has been factored into the cash flow budget.

2.6 OVERVIEW OF BUDGET FUNDING

Table SA15: Investment particulars by type

NW373 Rustenburg - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		111 689	218 351	(205 928)	1 031 996	1 494 396	1 494 396	503 947	1 467 395	2 473 767
Deposits - Public Investment Commissioners		801	1 037	877	917	917	917	959	1 003	1 049
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	**112 490**	**219 388**	**(205 051)**	**1 032 913**	**1 495 313**	**1 495 313**	**504 906**	**1 468 398**	**2 474 816**
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:		**112 490**	**219 388**	**(205 051)**	**1 032 913**	**1 495 313**	**1 495 313**	**504 906**	**1 468 398**	**2 474 816**

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														
ABSA: Call Account		Monthly	Call Savings		Variable					13 345	470	(125 000)	112 002	818
ABSA: Investment Acc		Monthly	Flexible Deposit		Variable	2.9				590	1	(1)	-	590
ABSA: Investment Acc		Monthly	Fixed Deposit		Variable	5.3				5 237	29	(29)	-	5 237
ABSA: Investment Acc		Monthly	Fixed Deposit		Variable	5.2				430	2	(2)	-	430
ABSA: Investment Acc		Monthly	Fixed Deposit		Variable	3.75				2 320	1	-	-	2 321
Standard Bank		Monthly	Call Deposit		Variable	6.7				456	0	-	-	456
Standard Bank		Monthly	Call Deposit		Variable	6.7				124	0	-	-	124
Kagiso Asset Management		Monthly	Money Market Assets		Variable	N/A				6 582	14	-	-	6 595
Sanlam			Money Market Fund		Variable	N/A				8 740	23	-	-	8 763
														-
Sanlam Shares		Monthly	Ordinary - 12 948		Variable	57.66				747	40			787
Sanlam Shares		Monthly	Ordinary -323		Variable	57.66				19	1			20
Municipality sub-total										38 589		(125 032)	112 002	26 141
Entities														
														-
														-
														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									38 589		(125 032)	112 002	26 141

Table SA17: Borrowing

NW373 Rustenburg - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)		516 642	445 404	703 000	888 000	888 000	888 000	931 000	912 000	876 910
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	**516 642**	**445 404**	**703 000**	**888 000**	**888 000**	**888 000**	**931 000**	**912 000**	**876 910**
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	**516 642**	**445 404**	**703 000**	**888 000**	**888 000**	**888 000**	**931 000**	**912 000**	**876 910**

Table SA18: Transfers and grant receipts

NW373 Rustenburg - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		532 021	610 251	843 687	866 960	966 611	966 611	945 464	1 032 141	1 073 304
Local Government Equitable Share		526 072	605 006	675 452	756 697	861 905	861 905	808 419	889 452	924 096
Finance Management		1 700	1 700	1 700	1 700	1 300	1 300	1 650	1 700	1 700
NDPG		–	–	–	–	–	–	–	–	–
EPWP		4 249	3 545	3 786	5 422	5 422	5 422	6 388	6 669	6 969
PTIS		–	–	155 701	85 102	80 445	80 445	112 046	116 793	126 377
PMU		–	–	7 048	13 039	13 039	13 039	12 461	13 527	14 162
MIG		–	–	–	–	–	–	–	–	–
Energy Efficiency and Demand Management					5 000	4 500	4 500	4 500	4 000	–
Other transfers/grants [insert description]										
Provincial Government:		–	–	2 943	1 546	1 727	1 727	1 311	1 336	1 398
CATA				1 602	1 546	1 727	1 727	1 311	1 336	1 398
LG-SETA				–						
Disaster Relief Grant				1 341						
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	532 021	610 251	846 631	868 506	968 338	968 338	946 775	1 033 477	1 074 702
Capital Transfers and Grants										
National Government:		625 980	543 665	534 079	459 086	426 206	426 206	441 318	522 392	528 339
Municipal Infrastructure Grant (MIG)		239 841	251 570	236 559	220 409	220 409	220 409	236 768	257 004	269 083
Public Transport and Systems		314 156	213 819	161 610	145 837	113 837	113 837	101 603	121 661	121 930
Neighbourhood Development Partnership		–	–	20 000	10 000	10 000	10 000	10 000	10 000	10 000
Department of Energy		–	10 038	15 410	10 000	8 720	8 720	15 000	33 000	31 015
Water Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement		–	–		–	400	400			
WSIG		71 983	68 238	100 500	72 840	72 840	72 840	77 947	100 728	96 311
Other capital transfers/grants [insert desc]										
Provincial Government:		566	2 437	4 249	–	315	315	320	295	233
DPLG		–	–	2 500	–	–	–	–	–	–
CATA		566	2 437	1 749	–	315	315	320	295	233
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	626 546	546 102	538 328	459 086	426 521	426 521	441 638	522 687	528 572
TOTAL RECEIPTS OF TRANSFERS & GRANTS		1 158 567	1 156 353	1 384 959	1 327 592	1 394 860	1 394 860	1 388 413	1 556 164	1 603 274

Table SA21: Transfers and grants made by the municipality

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash Transfers to other municipalities											
Insert description	1	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Entities/Other External Mechanisms											
Insert description	2	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Cash Transfers to other Organs of State											
Insert description	3	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Organisations											
Insert description		–	3	–	335	335	335	335	385	385	385
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations		–	3	–	335	335	335	335	385	385	385
Cash Transfers to Groups of Individuals											
Insert description		–	23 322	20 100	19 208	19 275	19 275	19 275	19 117	19 975	20 891
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:		–	23 322	20 100	19 208	19 275	19 275	19 275	19 117	19 975	20 891
TOTAL CASH TRANSFERS AND GRANTS	6	–	23 325	20 100	19 543	19 610	19 610	19 610	19 502	20 360	21 276
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	–	250	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Other Organs Of State:		–	250	–	–	–	–	–	–	–	–
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		–	250	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS	6	–	23 575	20 100	19 543	19 610	19 610	19 610	19 502	20 360	21 276

Table A7: Consolidated Budgeted Cash Flows

NW373 Rustenburg - Table A7 Budgeted Cash Flows

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		330 842	353 910	336 122	309 140	309 140	309 140	309 140	425 942	434 602	478 153
Service charges		2 744 474	2 296 784	2 769 049	2 794 986	2 794 986	2 794 986	2 794 986	3 206 842	3 343 743	3 481 088
Other revenue		34 818	34 801	124 366	147 260	147 260	147 260	147 260	154 489	161 287	168 545
Transfers and Subsidies - Operational	1	532 021	649 468	846 823	868 506	868 506	868 506	868 506	946 775	1 033 744	1 075 297
Transfers and Subsidies - Capital	1	626 546	506 885	538 136	459 086	968 172	968 172	968 172	441 318	522 392	528 339
Interest		22 181	308 085	445 975	422 721	419 086	419 086	419 086	436 771	456 033	476 598
Dividends									–	–	–
Payments											
Suppliers and employees		(2 862 004)	(2 985 750)	(4 031 468)	(2 858 658)	(2 941 659)	(2 941 659)	(2 941 659)	(3 939 538)	(4 096 942)	(4 286 077)
Finance charges		(624 312)	(10 282)	(50 877)	(43 444)	(43 444)	(43 444)	(43 444)	(84 328)	(88 041)	(92 005)
Transfers and Grants	1			(17 892)	(18 684)	(18 734)	(18 734)	(18 734)	(19 502)	(20 360)	(21 276)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**804 566**	**1 153 901**	**960 234**	**2 080 914**	**2 503 314**	**2 503 314**	**2 503 314**	**1 568 769**	**1 746 459**	**1 808 662**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(3 445)	6 824	1 052	14 035	14 035	14 035	14 035	6 200	6 473	6 764
Decrease (increase) in non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(624 172)	(665 448)	(671 337)	(611 404)	(571 404)	(571 404)	(571 404)	(626 870)	(647 292)	(659 297)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(627 617)**	**(658 624)**	**(670 286)**	**(597 370)**	**(557 370)**	**(557 370)**	**(557 370)**	**(620 670)**	**(640 819)**	**(652 533)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing		(3 596)	(8 631)	–	125 000	125 000	125 000	125 000	–	–	–
Increase (decrease) in consumer deposits		476	191	2 398	2 398	2 398	2 398	2 398	2 508	2 624	2 892
Payments											
Repayment of borrowing		(116 331)	(116 330)	(88 513)	(105 373)	(105 373)	(105 373)	(105 373)	(109 483)	(114 081)	(119 100)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(119 451)**	**(124 770)**	**(86 115)**	**22 025**	**22 025**	**22 025**	**22 025**	**(106 974)**	**(111 457)**	**(116 209)**
NET INCREASE/ (DECREASE) IN CASH HELD		**57 498**	**370 507**	**203 833**	**1 505 569**	**1 967 969**	**1 967 969**	**1 967 969**	**841 125**	**994 183**	**1 039 920**
Cash/cash equivalents at the year begin:	2	**173 136**	**230 634**	**282 572**	230 634	230 634	230 634	230 634	**394 499**	**1 235 624**	**2 229 807**
Cash/cash equivalents at the year end:	2	**230 634**	**601 141**	**486 405**	**1 736 203**	**2 198 603**	**2 198 603**	**2 198 603**	**1 235 624**	**2 229 807**	**3 269 727**

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	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	230 634	601 141	486 405	1 736 203	2 198 603	2 198 603	2 198 603	1 235 624	2 229 807	3 269 727
Cash + investments at the yr end less applications - R'000	18(1)b	2	(327 713)	(1 165 524)	227 477	469 261	935 108	935 108	935 108	271 082	1 307 857	2 474 243
Cash year end/monthly employee/supplier payments	18(1)b	3	0.9	1.7	1.5	6.1	7.1	7.1	7.1	3.5	6.0	8.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	307 033	(263 685)	717 787	1 502 090	846 447	846 447	846 447	966 488	1 115 356	1 150 289
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	5.3%	5.6%	(6.0%)	(7.8%)	(6.0%)	(6.0%)	6.3%	(2.0%)	(1.2%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	100.8%	72.6%	75.0%	75.7%	76.9%	76.9%	76.9%	80.7%	80.7%	80.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	18.3%	28.5%	17.0%	24.0%	24.5%	24.5%	24.5%	19.2%	19.3%	19.3%
Capital payments % of capital expenditure	18(1)c;19	8	82.9%	57.4%	100.0%	100.0%	98.7%	98.7%	98.7%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	(2.9%)	(1.4%)	0.0%	82.1%	82.2%	82.2%	82.2%	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.	(68.8%)	373.8%	(53.7%)	0.0%	0.0%	0.0%	3.9%	4.2%	4.4%
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	1.2%	1.1%	1.8%	0.9%	0.9%	0.9%	1.4%	1.4%	1.4%	1.5%
Asset renewal % of capital budget	20(1)(vi)	14	9.8%	22.3%	90.3%	70.6%	47.3%	47.3%	0.0%	24.5%	25.5%	23.1%

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 capital expenditure (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 80.7, 80.7 and 80.7 percent for each of the respective financial years. 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 and therefore the Municipality has increased the 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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**532 021**	**610 251**	**843 687**	**866 960**	**966 611**	**966 611**	**945 464**	**1 032 141**	**1 073 304**
Local Government Equitable Share		526 072	605 006	675 452	756 697	861 905	861 905	808 419	889 452	924 096
Finance Management		1 700	1 700	1 700	1 700	1 300	1 300	1 650	1 700	1 700
NDPG		–	–	–	–	–	–	–	–	–
EPWP		4 249	3 545	3 786	5 422	5 422	5 422	6 388	6 669	6 969
PTIS		–	–	155 701	85 102	80 445	80 445	112 046	116 793	126 377
PMU		–	–	7 048	13 039	13 039	13 039	12 461	13 527	14 162
MIG		–	–	–	–	–	–	–	–	–
Energy Efficiency and Demand Management					5 000	4 500	4 500	4 500	4 000	–
Other transfers/grants [insert description]										
Provincial Government:		**–**	**–**	**2 943**	**1 546**	**1 727**	**1 727**	**1 311**	**1 336**	**1 398**
CATA		–	–	1 602	1 546	1 727	1 727	1 311	1 336	1 398
LG-SETA		–	–	–						
Disaster Relief Grant		–	–	1 341						
Other transfers/grants [insert description]										
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Total operating expenditure of Transfers and Grants:		**532 021**	**610 251**	**846 631**	**868 506**	**968 338**	**968 338**	**946 775**	**1 033 477**	**1 074 702**
Capital expenditure of Transfers and Grants										
National Government:		**625 980**	**543 665**	**534 079**	**459 086**	**426 206**	**426 206**	**441 318**	**522 392**	**528 339**
Municipal Infrastructure Grant (MIG)		239 841	251 570	236 559	220 409	220 409	220 409	236 768	257 004	269 083
Public Transport and Systems		314 156	213 819	161 610	145 837	113 837	113 837	101 603	121 661	121 930
Neighbourhood Development Partnership		–	–	20 000	10 000	10 000	10 000	10 000	10 000	10 000
Department of Energy		–	10 038	15 410	10 000	8 720	8 720	15 000	33 000	31 015
Water Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement		–	–		–	400	400			
WSIG		71 983	68 238	100 500	72 840	72 840	72 840	77 947	100 728	96 311
Other capital transfers/grants [insert desc]										
Provincial Government:		**566**	**2 437**	**4 249**	**–**	**315**	**315**	**320**	**295**	**233**
DPLG		**–**	**–**	**2 500**	**–**	**–**	**–**	**–**	**–**	**–**
CATA		566	2 437	1 749	–	315	315	320	295	233
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Total capital expenditure of Transfers and Grants		**626 546**	**546 102**	**538 328**	**459 086**	**426 521**	**426 521**	**441 638**	**522 687**	**528 572**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**1 158 567**	**1 156 353**	**1 384 959**	**1 327 592**	**1 394 860**	**1 394 860**	**1 388 413**	**1 556 164**	**1 603 274**

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 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source																
Property rates		33 000	44 000	41 000	41 000	39 000	42 000	41 000	39 000	48 000	42 000	44 000	42 067	496 067	527 816	561 596
Service charges - electricity revenue		165 000	195 000	195 000	295 000	195 000	195 000	195 000	205 000	215 000	221 000	235 000	255 521	2 566 521	2 653 333	2 774 973
Service charges - water revenue		43 309	43 309	47 000	47 300	43 309	35 000	44 309	43 309	45 309	43 309	43 309	40 938	519 713	542 580	566 996
Service charges - sanitation revenue		40 000	20 000	40 000	50 000	30 000	20 000	30 000	10 000	50 000	30 000	35 000	32 019	387 019	404 048	422 230
Service charges - refuse revenue		13 055	13 055	13 055	13 055	13 055	13 055	13 055	13 055	13 055	13 055	13 055	12 575	156 184	163 056	170 393
Rental of facilities and equipment		750	650	500	750	800	1 050	900	1 100	1 000	1 300	1 200	1 078	11 078	11 566	12 086
Interest earned - external investments		2 501	2 700	2 900	2 100	1 200	1 900	2 600	2 200	2 100	1 500	1 100	2 349	25 149	26 301	27 528
Interest earned - outstanding debtors		49 000	46 000	44 000	38 000	29 000	35 000	31 000	35 000	30 000	24 000	25 000	25 621	411 621	429 732	449 070
Dividends received													–	–	–	–
Fines, penalties and forfeits		750	850	950	500	650	800	970	1 000	850	750	650	649	9 369	9 781	10 221
Licences and permits		850	1 100	1 250	900	800	750	1 000	1 150	1 150	1 000	1 200	1 251	12 401	12 947	13 530
Agency services		8 000	9 000	10 000	11 000	8 000	8 000	10 000	7 500	7 500	9 500	8 500	7 983	104 983	109 603	114 535
Transfers and subsidies		80 000	45 000	52 000	55 000	65 000	75 000	80 000	50 000	70 000	110 000	150 000	114 775	946 775	1 033 744	1 075 297
Other revenue		1 500	1 550	1 250	1 150	1 000	1 750	1 650	1 500	1 250	1 350	1 350	1 356	16 656	17 390	18 173
Gains		450	450	480	490	410	480	430	400	420	550	800	840	6 200	6 473	6 764
Total Revenue (excluding capital transfers and contributions		**438 165**	**422 665**	**449 385**	**556 245**	**427 225**	**429 785**	**451 915**	**410 215**	**485 635**	**499 315**	**560 165**	**539 024**	**5 669 738**	**5 948 370**	**6 223 393**
Expenditure By Type																
Employee related costs		80 000	75 000	66 000	75 000	70 000	82 000	67 000	61 000	59 000	70 000	85 000	85 664	875 664	908 100	948 904
Remuneration of councillors		6 200	4 100	4 200	4 500	7 500	5 500	5 200	7 500	6 000	6 000	6 000	5 529	68 229	71 231	74 437
Debt impairment		79 000	75 000	79 000	68 000	61 000	48 000	66 000	77 000	68 000	42 000	61 000	69 908	793 908	828 840	866 138
Depreciation & asset impairment		41 526	39 303	42 617	38 384	39 029	42 314	41 525	39 192	42 617	41 829	43 829	40 747	492 913	514 601	537 758
Finance charges		5 500	5 000	5 500	6 000	9 000	10 000	6 000	6 000	5 000	10 000	8 100	8 228	84 328	88 041	92 005
Bulk purchases - electricity		110 000	120 000	130 000	150 000	160 000	170 000	120 000	150 000	170 000	125 000	110 000	112 750	1 627 750	1 699 371	1 775 843
Inventory consumed		39 202	40 291	39 283	42 617	42 999	43 829	39 028	42 819	41 920	39 992	42 617	44 298	498 896	520 852	544 246
Contracted services		55 000	52 000	51 000	50 000	45 000	40 000	38 000	52 000	30 000	59 000	75 000	63 610	610 610	629 089	660 820
Transfers and subsidies		1 350	1 900	2 100	1 300	1 900	1 800	1 200	1 500	1 600	1 700	2 000	1 152	19 502	20 360	21 276
Other expenditure		25 000	25 000	23 000	20 000	23 000	27 000	22 000	20 000	18 500	16 000	18 000	20 888	258 388	268 298	281 829
Losses													–	–	–	–
Total Expenditure		**442 778**	**437 594**	**442 700**	**455 801**	**459 428**	**470 443**	**405 953**	**457 011**	**442 638**	**411 521**	**451 546**	**452 774**	**5 330 189**	**5 548 784**	**5 803 255**
Surplus/(Deficit)		**(4 613)**	**(14 929)**	**6 685**	**100 444**	**(32 203)**	**(40 658)**	**45 961**	**(46 796)**	**42 997**	**87 793**	**108 618**	**86 250**	**339 550**	**399 586**	**420 137**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			109 735			110 346			109 983				111 574	441 638	522 687	528 572
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)													–	–	–	–
Transfers and subsidies - capital (in-kind - all)													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(4 613)**	**94 806**	**6 685**	**100 444**	**78 142**	**(40 658)**	**45 961**	**63 187**	**42 997**	**87 793**	**108 618**	**197 824**	**781 188**	**922 273**	**948 710**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**(4 613)**	**94 806**	**6 685**	**100 444**	**78 142**	**(40 658)**	**45 961**	**63 187**	**42 997**	**87 793**	**108 618**	**197 824**	**781 188**	**922 273**	**948 710**

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 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote																
Vote 1 - EXECUTIVE MAYOR		33 876	36 890	34 789	30 988	37 123	37 654	36 891	37 654	34 567	36 981	36 875	38 387	432 676	451 713	472 040
Vote 2 - MUNICIPAL MANAGER		22 266	23 123	20 876	23 000	21 012	22 765	25 123	22 099	21 654	20 000	22 091	23 157	267 167	288 817	301 905
Vote 3 - CORPORATE SUPPORT SERVICES		49	37	38	44	47	43	45	44	42	39	36	43	507	530	553
Vote 4 - BUDGET AND TREASURY		46 098	48 987	41 234	45 091	44 123	44 123	46 000	56 099	57 321	59 876	58 001	54 993	601 946	643 882	682 151
Vote 5 - PUBLIC SAFETY		10 124	10 789	10 000	10 001	10 900	10 910	10 631	10 234	10 501	10 998	10 880	10 011	125 978	131 521	137 440
Vote 6 - PLANNING AND HUMAN SETTLEMENT		1 046	1 024	1 075	1 001	1 010	1 001	1 001	1 050	1 020	999	1 048	1 633	12 908	13 476	14 082
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		300	350	316	320	311	321	318	320	319	301	350	369	3 894	4 065	4 248
Vote 8 - COMMUNITY DEVELOPMENT		23 000	24 346	22 457	23 901	25 679	20 123	23 988	24 123	24 891	23 827	26 988	26 555	289 877	309 571	322 599
Vote 9 - TECHNICAL AND INFRASTRUCTURE		310 091	307 123	317 679	316 123	305 789	319 390	300 123	340 988	361 099	370 988	350 075	349 357	3 948 825	4 165 353	4 334 540
Vote 10 - ROADS AND TRANSPORT		300	300	316	320	311	321	318	320	319	301	300	210 353	213 778	238 856	249 043
Vote 11 - MUNICIPAL ENTITY		17 818	17 000	18 654	17 876	18 301	18 123	17 890	17 123	17 988	17 765	17 988	17 293	213 820	223 273	233 364
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Total Revenue by Vote		**464 968**	**469 970**	**467 434**	**468 665**	**464 606**	**474 775**	**462 328**	**510 053**	**529 722**	**542 076**	**524 632**	**732 150**	**6 111 376**	**6 471 057**	**6 751 965**
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE MAYOR		13 234	13 890	12 551	13 678	14 300	12 456	13 789	14 321	13 999	12 235	14 331	14 046	162 830	169 973	177 600
Vote 2 - MUNICIPAL MANAGER		8 432	8 234	9 190	8 368	8 512	8 303	8 689	8 478	9 110	8 987	8 331	9 772	104 406	102 932	107 513
Vote 3 - CORPORATE SUPPORT SERVICES		6 578	7 578	6 578	8 578	6 578	6 578	7 578	6 578	5 578	5 578	6 578	8 082	82 440	86 067	89 941
Vote 4 - BUDGET AND TREASURY		24 500	20 987	21 789	20 598	21 357	20 301	21 765	20 765	21 432	20 765	26 540	21 006	261 805	272 224	283 294
Vote 5 - PUBLIC SAFETY		28 765	27 123	25 232	27 890	28 232	26 579	28 678	26 348	28 765	26 348	27 000	29 101	330 062	337 840	353 043
Vote 6 - PLANNING AND HUMAN SETTLEMENT		5 752	5 742	5 742	5 742	5 742	5 742	5 742	5 742	5 742	5 742	5 742	5 851	69 021	72 058	75 301
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		2 864	2 874	2 874	2 874	2 874	2 874	2 874	2 874	2 874	2 874	2 874	2 765	34 368	32 480	33 942
Vote 8 - COMMUNITY DEVELOPMENT		43 572	43 100	42 567	43 789	43 600	43 123	44 000	43 127	43 987	43 567	40 567	41 048	516 048	538 829	563 135
Vote 9 - TECHNICAL AND INFRASTRUCTURE		268 711	235 123	261 235	269 876	270 765	265 341	290 987	243 212	268 789	276 543	289 099	284 850	3 224 532	3 366 414	3 517 904
Vote 10 - ROADS AND TRANSPORT		29 099	29 076	30 564	30 235	29 765	30 988	29 100	31 890	30 123	31 123	30 123	28 817	360 904	376 610	397 889
Vote 11 - MUNICIPAL ENTITY		15 398	14 999	15 543	15 123	15 501	15 802	15 789	15 000	15 789	15 999	15 765	13 064	183 772	193 356	203 694
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Total Expenditure by Vote		**446 904**	**408 727**	**433 865**	**446 751**	**447 227**	**438 086**	**468 991**	**418 335**	**446 188**	**449 761**	**466 949**	**458 403**	**5 330 189**	**5 548 784**	**5 803 255**
Surplus/(Deficit) before assoc.		**18 063**	**61 243**	**33 569**	**21 914**	**17 379**	**36 688**	**(6 663)**	**91 718**	**83 533**	**92 315**	**57 682**	**273 747**	**781 188**	**922 273**	**948 710**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**18 063**	**61 243**	**33 569**	**21 914**	**17 379**	**36 688**	**(6 663)**	**91 718**	**83 533**	**92 315**	**57 682**	**273 747**	**781 188**	**922 273**	**948 710**

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

NW373 Rustenburg - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue - Functional																
Governance and administration		**80 059**	**84 877**	**83 271**	**76 712**	**86 258**	**88 737**	**92 196**	**88 713**	**87 376**	**92 427**	**93 858**	**91 895**	**1 046 379**	**1 107 429**	**1 166 108**
Executive and council		2 493	2 643	2 593	2 389	2 686	2 452	2 871	2 451	2 721	2 567	2 611	2 639	31 114	32 043	33 035
Finance and administration		77 566	82 234	80 678	74 324	83 572	86 285	89 325	86 262	84 655	89 861	91 247	89 255	1 015 265	1 075 386	1 133 074
Internal audit													–	–	–	–
Community and public safety		**2 389**	**2 533**	**2 485**	**2 289**	**2 574**	**2 350**	**2 752**	**2 349**	**2 608**	**2 460**	**2 503**	**2 530**	**29 822**	**31 063**	**32 387**
Community and social services		367	389	382	352	396	361	423	361	401	378	385	389	4 585	4 715	4 854
Sport and recreation		43	45	44	41	46	42	49	42	46	44	45	45	531	554	579
Public safety		1 681	1 782	1 748	1 610	1 811	1 653	1 936	1 652	1 834	1 730	1 761	1 780	20 978	21 901	22 887
Housing		299	317	311	286	322	294	344	294	326	308	313	316	3 728	3 892	4 067
Health													–	–	–	–
Economic and environmental services		**38 573**	**40 895**	**40 121**	**36 961**	**41 560**	**37 937**	**44 421**	**37 925**	**42 099**	**39 715**	**40 404**	**40 843**	**481 455**	**528 645**	**552 414**
Planning and development		21 446	22 737	22 306	20 549	23 106	21 092	24 697	21 085	23 406	22 080	22 464	22 708	267 676	289 789	303 371
Road transport		17 128	18 158	17 815	16 412	18 454	16 845	19 724	16 840	18 693	17 634	17 940	18 135	213 778	238 856	249 043
Environmental protection													–	–	–	–
Trading services		**338 168**	**378 520**	**361 737**	**344 032**	**384 353**	**362 585**	**389 436**	**362 482**	**389 077**	**370 173**	**374 216**	**393 942**	**4 448 721**	**4 694 301**	**4 886 503**
Energy sources		191 461	222 984	209 143	203 458	226 286	218 300	220 488	218 242	228 961	219 126	220 547	238 603	2 617 598	2 725 008	2 842 021
Water management		85 424	90 566	88 852	81 854	92 039	84 014	98 375	83 988	93 232	87 952	89 478	90 451	1 066 227	1 158 601	1 198 746
Waste water management		38 374	40 684	39 914	36 770	41 346	37 741	44 192	37 729	41 882	39 510	40 195	40 632	478 968	505 170	527 296
Waste management		22 908	24 287	23 827	21 951	24 682	22 530	26 381	22 523	25 002	23 586	23 995	24 256	285 929	305 521	318 440
Other		8 412	8 919	8 750	8 061	9 064	8 274	9 688	8 271	9 181	8 661	8 812	**8 907**	**105 000**	**109 620**	**114 553**
Total Revenue - Functional		**467 602**	**515 744**	**496 364**	**468 055**	**523 809**	**499 883**	**538 493**	**499 740**	**530 341**	**513 437**	**519 792**	**538 118**	**6 111 376**	**6 471 057**	**6 751 965**
Expenditure - Functional																
Governance and administration		**68 599**	**72 727**	**71 351**	**65 731**	**73 911**	**67 466**	**78 999**	**67 445**	**74 869**	**70 628**	**71 854**	**72 636**	**856 217**	**886 700**	**927 446**
Executive and council		23 770	25 200	24 724	22 776	25 610	23 377	27 374	23 370	25 942	24 473	24 898	25 169	296 684	303 649	317 160
Finance and administration		44 191	46 850	45 964	42 343	47 612	43 461	50 890	43 448	48 230	45 498	46 288	46 791	551 566	574 734	601 595
Internal audit		638	677	664	612	688	628	735	628	697	657	669	676	7 967	8 317	8 692
Community and public safety		**43 204**	**45 805**	**44 938**	**41 398**	**46 550**	**42 491**	**49 754**	**42 478**	**47 153**	**44 483**	**45 255**	**45 747**	**539 256**	**556 207**	**581 279**
Community and social services		6 087	6 453	6 331	5 832	6 558	5 986	7 009	5 984	6 643	6 267	6 375	6 445	75 970	79 281	82 788
Sport and recreation		8 247	8 743	8 578	7 902	8 886	8 111	9 497	8 108	9 001	8 491	8 638	8 732	102 936	107 465	112 301
Public safety		27 069	28 698	28 155	25 938	29 165	26 622	31 173	26 614	29 543	27 870	28 354	28 662	337 863	345 985	361 657
Housing		1 802	1 910	1 874	1 726	1 941	1 772	2 075	1 771	1 966	1 855	1 887	1 908	22 487	23 476	24 533
Health													–	–	–	–
Economic and environmental services		**18 797**	**19 928**	**19 551**	**18 011**	**20 252**	**18 487**	**21 647**	**18 481**	**20 515**	**19 353**	**19 689**	**19 903**	**234 614**	**241 363**	**254 416**
Planning and development		6 482	6 872	6 742	6 211	6 984	6 375	7 464	6 373	7 074	6 674	6 789	6 863	80 902	81 062	82 576
Road transport		11 855	12 568	12 331	11 359	12 773	11 659	13 652	11 656	12 939	12 206	12 418	12 553	147 968	154 304	165 574
Environmental protection		460	488	479	441	496	453	530	452	502	474	482	487	5 744	5 997	6 267
Trading services		**296 366**	**314 203**	**308 258**	**283 978**	**319 315**	**291 474**	**341 298**	**291 384**	**323 455**	**305 135**	**310 431**	**313 806**	**3 699 102**	**3 863 471**	**4 039 024**
Energy sources		163 276	173 102	169 827	156 450	175 918	160 580	188 029	160 530	178 199	168 106	171 024	172 884	2 037 927	2 127 598	2 223 341
Water management		87 154	92 399	90 651	83 511	93 903	85 715	100 367	85 689	95 120	89 733	91 290	92 283	1 087 816	1 137 178	1 189 983
Waste water management		22 794	24 166	23 709	21 841	24 559	22 418	26 250	22 411	24 877	23 468	23 876	24 135	284 504	297 023	310 389
Waste management		23 143	24 535	24 071	22 175	24 935	22 761	26 651	22 754	25 258	23 827	24 241	24 505	288 855	301 673	315 311
Other		80	85	83	77	86	79	92	79	87	82	84	**85**	**999**	**1 042**	**1 089**
Total Expenditure - Functional		**427 047**	**452 748**	**444 182**	**409 195**	**460 114**	**419 997**	**491 790**	**419 867**	**466 079**	**439 682**	**447 313**	**452 176**	**5 330 189**	**5 548 784**	**5 803 255**
Surplus/(Deficit) before assoc.		**40 555**	**62 996**	**52 182**	**58 860**	**63 695**	**79 886**	**46 703**	**79 873**	**64 262**	**73 755**	**72 480**	**85 941**	**781 188**	**922 273**	**948 710**
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**40 555**	**62 996**	**52 182**	**58 860**	**63 695**	**79 886**	**46 703**	**79 873**	**64 262**	**73 755**	**72 480**	**85 941**	**781 188**	**922 273**	**948 710**

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

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

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Multi-year expenditure *to be appropriated*	1															
Vote 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													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Capital multi-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*																
Vote 1 - EXECUTIVE MAYOR		5	6	9	2	1	7	4	10	19	12	12	13	100	105	109
Vote 2 - MUNICIPAL MANAGER		835	565	762	883	893	996	1 173	1 353	1 758	1 748	2 718	692	14 376	11 613	12 093
Vote 3 - CORPORATE SUPPORT SERVICES		439	127	576	194	272	231	291	585	242	464	231	373	4 025	4 000	4 000
Vote 4 - BUDGET AND TREASURY		14	1	23	8	2	5	23	12	26	35	22	40	212	55	57
Vote 5 - PUBLIC SAFETY		919	1 324	1 783	637	918	1 242	1 898	2 839	3 425	2 617	2 122	3 980	23 705	8 198	5 713
Vote 6 - PLANNING AND HUMAN SETTLEMENT		93	183	239	119	393	738	565	819	783	894	1 284	1 390	7 500	7 776	8 065
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		902	819	1 287	992	718	1 292	1 738	974	1 328	2 829	1 783	2 415	17 077	15 240	15 711
Vote 8 - COMMUNITY DEVELOPMENT		983	1 272	2 011	1 829	1 673	3 728	2 819	3 819	1 928	4 738	3 829	5 518	34 148	55 514	21 309
Vote 9 - TECHNICAL AND INFRASTRUCTURE		15 463	19 093	16 273	18 889	16 273	17 121	19 193	28 820	16 274	21 829	32 718	27 936	249 882	256 628	283 226
Vote 10 - ROADS AND TRANSPORT		16 173	21 516	17 827	19 992	28 918	22 182	19 183	28 394	22 114	21 718	29 192	28 636	275 845	288 164	309 013
Vote 11 - MUNICIPAL ENTITY													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Capital single-year expenditure sub-total	2	**35 827**	**44 905**	**40 790**	**43 546**	**50 061**	**47 541**	**46 887**	**67 625**	**47 897**	**56 886**	**73 912**	**70 992**	**626 870**	**647 292**	**659 297**
Total Capital Expenditure	2	**35 827**	**44 905**	**40 790**	**43 546**	**50 061**	**47 541**	**46 887**	**67 625**	**47 897**	**56 886**	**73 912**	**70 992**	**626 870**	**647 292**	**659 297**

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

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

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital Expenditure - Functional	1															
Governance and administration		670	987	1 045	1 297	1 679	994	687	1 931	930	959	612	1 055	12 845	11 931	12 271
Executive and council		5	6	9	2	1	7	4	10	19	12	12	13	100	105	109
Finance and administration		657	979	1 030	1 285	1 674	980	673	1 909	892	918	575	1 016	12 588	11 714	12 068
Internal audit		7	3	6	9	4	7	10	12	18	28	26	26	157	113	93
Community and public safety		2 198	2 840	2 740	3 474	4 068	2 387	4 851	6 132	7 121	4 675	5 090	5 425	51 001	55 053	17 511
Community and social services		746	850	322	464	919	676	1 983	2 292	1 874	911	1 894	941	13 871	25 295	233
Sport and recreation		425	624	819	938	1 029	637	894	1 193	1 938	817	1 029	1 580	11 925	20 060	10 065
Public safety		928	1 283	1 474	1 983	2 019	902	1 929	2 574	3 219	2 819	1 903	2 672	23 705	8 198	5 713
Housing		98	84	125	89	100	172	45	74	90	127	264	232	1 500	1 500	1 500
Health													–	–	–	–
Economic and environmental services		16 181	21 112	25 410	31 832	22 647	12 968	20 495	18 889	22 011	33 210	44 893	43 274	312 922	321 181	343 289
Planning and development		1 928	1 829	3 292	3 093	2 819	2 674	4 222	3 726	2 728	2 918	3 622	4 224	37 077	33 016	34 276
Road transport		14 253	19 283	22 118	28 738	19 827	10 294	16 273	15 163	19 283	30 292	41 272	39 050	275 845	288 164	309 013
Environmental protection													–	–	–	–
Trading services		19 267	9 170	21 299	6 058	15 627	14 741	25 517	28 389	26 543	27 265	25 009	31 218	250 102	259 128	286 226
Energy sources		14 153	7 183	19 103	3 716	12 019	9 918	18 928	17 283	12 726	11 728	6 728	10 639	144 125	129 900	136 915
Water management		3 425	991	1 282	817	1 574	2 910	4 829	8 696	9 707	12 837	14 252	16 126	77 447	115 228	130 811
Waste water management		1 627	918	817	1 463	2 019	1 837	1 617	2 309	3 928	2 647	3 929	4 387	27 500	11 500	15 500
Waste management		62	78	97	62	14	75	143	101	182	52	99	66	1 030	2 500	3 000
Other													–	–	–	–
Total Capital Expenditure - Functional	2	38 316	34 109	50 494	42 661	44 020	31 089	51 550	55 341	56 605	66 108	75 604	80 972	626 870	647 292	659 297
Funded by:																
National Government		32 019	25 648	12 829	7 181	33 029	21 918	37 282	44 217	39 102	45 363	67 174	75 555	441 318	522 392	528 339
Provincial Government				27	8		22	72	59	36	22	26	48	320	295	233
District Municipality													–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)													2 287	2 287	–	–
Transfers recognised - capital		32 019	25 648	12 856	7 189	33 029	21 940	37 354	44 276	39 138	45 385	67 199	77 890	443 925	522 687	528 572
Borrowing													–	–	–	–
Internally generated funds		6 297	8 461	37 638	35 471	10 991	9 149	14 196	11 065	17 467	20 723	8 405	3 082	182 945	124 605	130 725
Total Capital Funding		38 316	34 109	50 494	42 661	44 020	31 089	51 550	55 341	56 605	66 108	75 604	80 972	626 870	647 292	659 297

Table SA30: Consolidated budgeted monthly cash flow

NW373 Rustenburg - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash Receipts By Source															
Property rates	36 848	33 989	35 477	39 875	33 949	39 874	31 348	35 690	37 891	40 937	43 984	16 083	425 942	434 602	478 153
Service charges - electricity revenue	158 375	158 458	188 375	188 375	197 974	184 874	193 874	188 638	199 847	198 365	219 839	197 392	2 274 383	2 363 536	2 464 968
Service charges - water revenue	42 783	44 858	43 848	40 123	40 597	40 986	41 928	45 679	44 986	44 547	43 486	31 435	505 256	512 103	526 498
Service charges - sanitation revenue	22 837	24 988	23 837	25 765	26 897	25 894	27 985	23 928	23 938	28 985	24 983	22 980	303 019	335 048	344 230
Service charges - refuse revenue	9 877	10 984	10 837	10 988	10 697	10 548	11 880	9 476	10 987	10 848	10 984	6 078	124 184	133 056	145 393
Rental of facilities and equipment	833	977	989	875	985	999	874	894	874	987	946	846	11 078	11 566	12 086
Interest earned - external investments	1 576	1 764	1 868	1 879	1 764	1 676	1 764	1 787	2 787	2 736	2 798	2 748	25 149	26 301	27 528
Interest earned - outstanding debtors	31 874	33 749	35 750	34 990	33 635	31 837	34 677	34 986	35 988	36 988	35 986	31 162	411 621	429 732	449 070
Dividends received												–	–	–	–
Fines, penalties and forfeits	782	799	746	757	789	809	815	747	784	858	785	698	9 369	9 781	10 221
Licences and permits	877	1 260	1 276	1 387	987	955	935	887	984	987	874	991	12 401	12 947	13 530
Agency services	8 576	8 346	8 959	9 121	8 835	8 985	8 735	8 837	8 576	8 641	8 599	8 774	104 983	109 603	114 535
Transfers and Subsidies - Operational	76 535	75 124	78 127	79 837	80 124	76 123	77 235	78 335	79 898	74 987	85 123	85 325	946 775	1 033 744	1 075 297
Other revenue			1 172	1 617	1 719	1 353	1 819	1 672	1 615	1 883	1 718	2 089	16 656	17 390	18 173
Cash Receipts by Source	**391 773**	**395 293**	**431 261**	**435 590**	**438 952**	**424 912**	**433 868**	**431 556**	**449 156**	**451 750**	**480 105**	**406 601**	**5 170 819**	**5 429 410**	**5 679 681**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		109 735			110 346			109 983				111 254	441 318	522 392	528 339
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)				106			105					109	320	295	233
Proceeds on Disposal of Fixed and Intangible Assets	1 545				1 579				1 512			1 564	6 200	6 473	6 764
Short term loans												–			
Borrowing long term/refinancing												–			
Increase (decrease) in consumer deposits	148	175	198	231	198	195	198	194	185	178	223	382	2 508	2 624	2 892
Decrease (increase) in non-current receivables												–			
Decrease (increase) in non-current investments												–			
Total Cash Receipts by Source	**393 467**	**505 204**	**431 460**	**435 927**	**551 075**	**425 108**	**434 171**	**541 733**	**450 854**	**451 929**	**480 328**	**519 911**	**5 621 165**	**5 961 193**	**6 217 910**
Cash Payments by Type															
Employee related costs	73 988	71 122	72 878	72 982	73 486	71 124	74 123	73 123	72 123	73 456	74 122	73 135	875 664	908 100	948 904
Remuneration of councillors	5 457	5 489	5 123	5 612	5 698	5 612	5 691	5 312	5 988	5 212	6 123	6 910	68 229	71 231	74 437
Finance charges	6 912	6 953	6 971	6 991	7 212	7 399	7 268	7 299	7 368	7 459	7 123	5 372	84 328	88 041	92 005
Bulk purchases - electricity			161 527	172 827	156 217	152 674	151 315	162 132	152 423	152 426	162 726	203 482	1 627 750	1 699 371	1 775 843
Acquisitions - water & other inventory	40 124	40 346	40 612	41 987	44 124	42 099	41 098	42 098	41 346	43 675	40 000	41 388	498 896	520 852	544 246
Contracted services	51 094	51 346	51 876	52 123	50 987	50 123	50 567	51 980	49 876	52 123	52 123	46 390	610 610	629 089	660 820
Transfers and grants - other municipalities												–			
Transfers and grants - other	1 512	1 546	1 599	1 612	1 669	1 690	1 723	1 689	1 650	1 736	1 673	1 402	19 502	20 360	21 276
Other expenditure			14 153	15 163	27 262	28 191	26 172	28 394	29 283	29 283	32 182	28 306	258 388	268 298	281 829
Cash Payments by Type	**179 087**	**176 802**	**354 740**	**369 299**	**366 656**	**358 912**	**357 958**	**372 027**	**360 057**	**365 371**	**376 074**	**406 384**	**4 043 368**	**4 205 343**	**4 399 359**
Other Cash Flows/Payments by Type															
Capital assets	50 123	50 987	51 236	51 568	51 987	52 100	52 235	54 987	54 235	53 765	56 124	47 522	626 870	647 292	659 297
Repayment of borrowing	27 365			27 987				26 476				27 655	109 483	114 081	119 100
Other Cash Flows/Payments												–			
Total Cash Payments by Type	**256 575**	**227 789**	**405 976**	**448 854**	**418 643**	**411 012**	**410 193**	**453 490**	**414 292**	**419 136**	**432 198**	**481 561**	**4 779 720**	**4 966 716**	**5 177 756**
NET INCREASE/(DECREASE) IN CASH HELD	**136 891**	**277 414**	**25 483**	**(12 927)**	**132 431**	**14 096**	**23 978**	**88 242**	**36 562**	**32 793**	**48 130**	**38 351**	**841 445**	**994 478**	**1 040 153**
Cash/cash equivalents at the month/year begin:	394 499	531 390	808 804	834 288	821 361	953 792	967 889	991 866	1 080 108	1 116 671	1 149 463	1 197 594	394 499	1 235 944	2 230 422
Cash/cash equivalents at the month/year end:	531 390	808 804	834 288	821 361	953 792	967 889	991 866	1 080 108	1 116 671	1 149 463	1 197 594	1 235 944	1 235 944	2 230 422	3 270 575

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 2021/22- 2023/24 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. Manually 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).

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 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

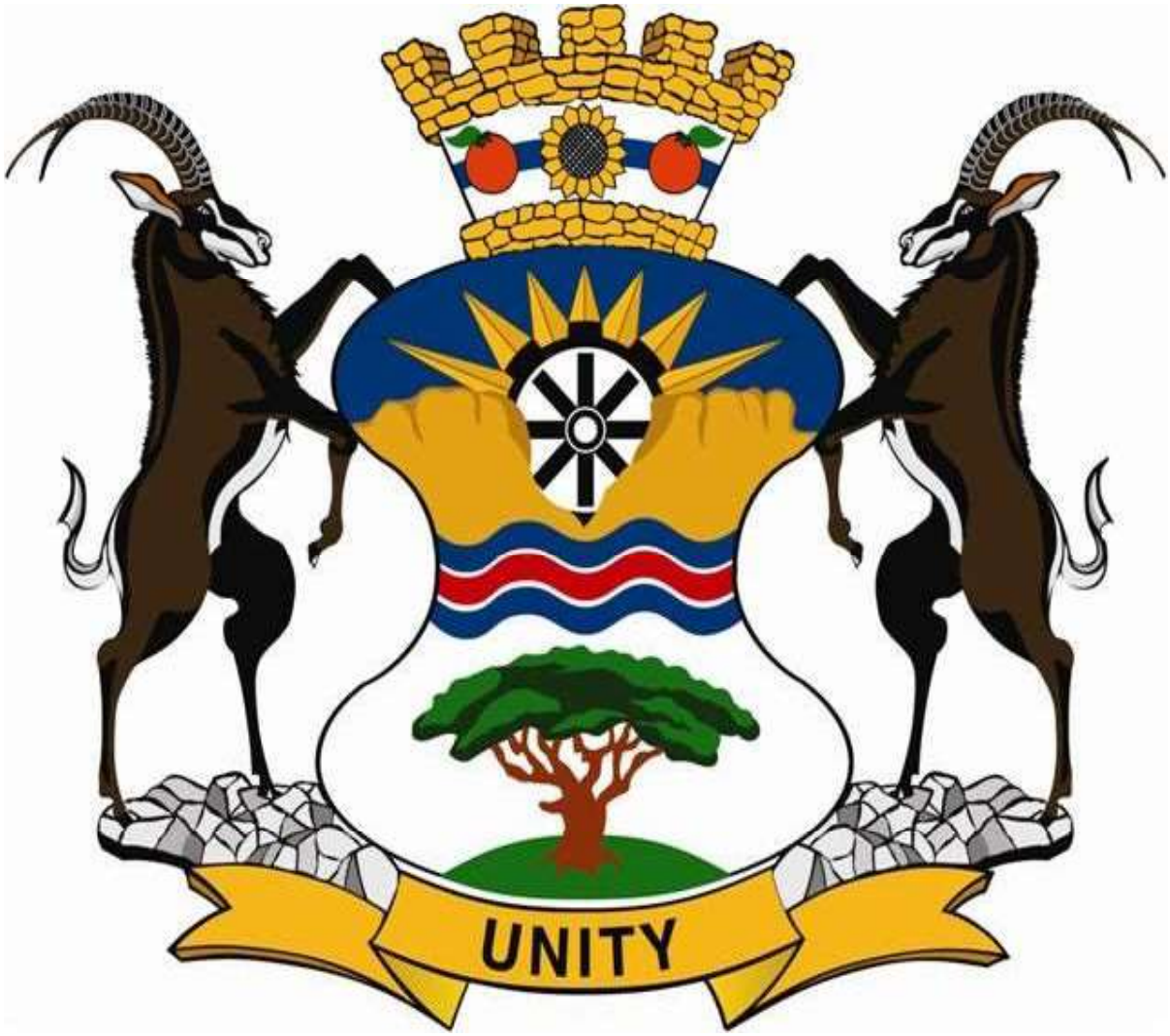
Annexure F – Circular 107

Annexure G – Circular 108

Annexure H – New Valuation Roll 2021/22

NW 373 RUSTENBURG LOCAL MUNICIPALITY

TARIFF BOOK



2021 -2024

ELECTRICITY TARIFFS

	Provide description of tariff structure where appropriate	*Approved Tariff 2020/21*	*Percentage Increase*	*Draft Tariff 2021/2022*	*Percentage Increase*	*Draft Tariff 2022/2023*	*Percentage Increase*	*Draft Tariff 2023/2024*	**Billing Method**
DOMESTIC TARIFFS									
Residential 1 Vacant Property	*Basic Charge (R/month)*	244.47	6.20%	259.62	6.20%	275.72	6.20%	292.81	**R/Month**
Residential High Density Vacant Property	*Basic Charge (R/month)*	3 145.11	6.20%	3 340.11	6.20%	3 547.19	6.20%	3 767.12	**R/Month**
Residential Life-line	*Block 1 (1-50 KWH)*	106.28	6.20%	112.87	6.20%	119.87	6.20%	127.30	cent per kWh
	Block 2 (51-350 KWH)	132.85	6.20%	141.09	6.20%	149.83	6.20%	159.12	cent per kWh
	Block 3 (351-600 KWH)	177.28	6.20%	188.27	6.20%	199.95	6.20%	212.34	cent per kWh
	Block 4 (601 + KWH)	213.29	6.20%	226.51	6.20%	240.56	6.20%	255.47	cent per kWh
Residential Town Prepaid	*Basic Charge (R/month)*	244.47	6.20%	259.62	6.20%	275.72	6.20%	292.81	**R/Month**
	Block 1 (1-50 KWH)	114.49	6.20%	121.59	6.20%	129.13	6.20%	137.14	cent per kWh
	Block 2 (51-350 KWH)	135.96	6.20%	144.39	6.20%	153.34	6.20%	162.85	cent per kWh
	Block 3 (351-600 KWH)	172.21	6.20%	182.89	6.20%	194.23	6.20%	206.27	cent per kWh
	Block 4 (601 + KWH)	209.20	6.20%	222.17	6.20%	235.95	6.20%	250.57	cent per kWh
Residential Town Conventional	*Basic Charge (R/month)*	342.72	6.20%	363.97	6.20%	386.53	6.20%	410.50	**R/Month**
	Block 1 (1-50 KWH)	105.29	6.20%	111.81	6.20%	118.75	6.20%	126.11	cent per kWh
	Block 2 (51-350 KWH)	131.63	6.20%	139.79	6.20%	148.46	6.20%	157.66	cent per kWh
	Block 3 (351-600 KWH)	175.28	6.20%	186.15	6.20%	197.69	6.20%	209.95	cent per kWh
	Block 4 (601 + KWH)	212.92	6.20%	226.12	6.20%	240.14	6.20%	255.03	cent per kWh
Residential Rural Prepaid	*Basic Charge (R/month)*	373.93	6.20%	397.11	6.20%	421.73	6.20%	447.88	**R/Month**
	Block 1 (1-50 KWH)	107.92	6.20%	114.61	6.20%	121.72	6.20%	129.26	cent per kWh
	Block 2 (51-350 KWH)	134.90	6.20%	143.26	6.20%	152.15	6.20%	161.58	cent per kWh
	Block 3 (351-600 KWH)	173.28	6.20%	184.02	6.20%	195.43	6.20%	207.55	cent per kWh
	Block 4 (601 + KWH)	210.47	6.20%	223.52	6.20%	237.38	6.20%	252.10	cent per kWh
Residential Rural Coventional	*Basic Charge (R/month)*	373.93	6.20%	397.11	6.20%	421.73	6.20%	447.88	**R/Month**
	Block 1 (1-50 KWH)	107.92	6.20%	114.61	6.20%	121.72	6.20%	129.26	cent per kWh
	Block 2 (51-350 KWH)	134.90	6.20%	143.26	6.20%	152.15	6.20%	161.58	cent per kWh
	Block 3 (351-600 KWH)	173.28	6.20%	184.02	6.20%	195.43	6.20%	207.55	cent per kWh
	Block 4 (601 + KWH)	210.47	6.20%	223.52	6.20%	237.38	6.20%	252.10	cent per kWh
NON-DOMESTIC SMALL TO LARGE CONSUMER TARIFFS (Including Residential Bulk)									
Business Zoned Vacant property	*Basic Charge (R/month)*	1 044.65	6.20%	1 109.42	6.20%	1 178.21	6.20%	1 251.25	**R/Month**
Non-domestic (Conventional) - Town + Rural	*Basic Charge (R/month)*	1 044.65	6.20%	1 109.42	6.20%	1 178.21	6.20%	1 251.25	**R/Month**
	Energy Rate (c/kWh) Winter	261.16	6.20%	277.36	6.20%	294.55	6.20%	312.81	cent per kWh
	Energy Rate (c/kWh) Summer	195.89	6.20%	208.04	6.20%	220.93	6.20%	234.63	cent per kWh
Non-Domestic (Prepaid) - Town + Rural	*Basic Charge (R/month)*	1 044.65	6.20%	1 109.42	6.20%	1 178.21	6.20%	1 251.25	**R/Month**
	Energy Rate (c/kWh) Winter	261.16	6.20%	277.36	6.20%	294.55	6.20%	312.81	cent per kWh
	Energy Rate (c/kWh) Summer	195.89	6.20%	208.04	6.20%	220.93	6.20%	234.63	cent per kWh
BULK CONSUMER TARIFFS									
Industrial Zoned Vacant property	*Basic Charge (R/month)*	3 145.11	6.20%	3 340.11	6.20%	3 547.19	6.20%	3 767.12	**R/Month**
Bulk Supply Town and Rural 400 V	*Basic Charge (R/month)*	3 145.11	6.20%	3 340.11	6.20%	3 547.19	6.20%	3 767.12	**R/Month**
	Energy Rate (c/kWh) Summer	117.98	6.20%	125.29	6.20%	133.06	6.20%	141.31	cent per kWh
	Energy Rate (c/kWh) Winter	198.07	6.20%	210.35	6.20%	223.39	6.20%	237.24	cent per kWh
	All season Network Demand Charge (R/kVA)	47.93	6.20%	50.90	6.20%	54.05	6.20%	57.40	R/kVA
	All season Network Access Charge (R/kVA)	191.66	6.20%	203.55	6.20%	216.17	6.20%	229.57	R/kVA max of NMD or last 12 months MD
Bulk Supply Town and Rural 11kV	*Basic Charge (R/month)*	2 817.61	6.20%	2 992.30	6.20%	3 177.83	6.20%	3 374.85	**R/Month**
	Energy Rate (c/kWh) Summer	120.71	6.20%	128.19	6.20%	136.14	6.20%	144.58	cent per kWh

	Provide description of tariff structure where appropriate	*Approved Tariff 2020/21*	*Percentage Increase*	*Draft Tariff 2021/2022*	*Percentage Increase*	*Draft Tariff 2022/2023*	*Percentage Increase*	*Draft Tariff 2023/2024*	**Billing Method**
	Energy Rate (c/kWh) Winter	189.76	6.20%	201.53	6.20%	214.02	6.20%	227.29	cent per kWh
	Network Demand Charge (R/kVA)	48.04	6.20%	51.02	6.20%	54.19	6.20%	57.54	R/kVA
	Network Access Charge (R/kVA)	193.36	6.20%	205.35	6.20%	218.08	6.20%	231.60	R/kVA max of NMD or last 12 months MD
TIME -OF -USE									
11 kV Bulk supply Time-of-use	*Basic Charge (R/month)*	11 473.95	6.20%	12 185.33	6.20%	12 940.82	6.20%	13 743.15	**R/Month**
	All season Network Demand Charge (R/kVA)	54.11	6.20%	57.46	6.20%	61.03	6.20%	64.81	R/kVA
	All season Network Access Charge (R/kVA)	41.72	6.20%	44.31	6.20%	47.06	6.20%	49.97	R/kVA max of NMD or last 12 months MD
	SUMMER Peak Energy (c/kWh)	177.32	6.20%	188.32	6.20%	199.99	6.20%	212.39	cent per kWh
	Standard Energy (c/kWh)	119.95	6.20%	127.39	6.20%	135.29	6.20%	143.68	cent per kWh
	Off-peak Energy (c/kWh)	87.37	6.20%	92.78	6.20%	98.54	6.20%	104.64	cent per kWh
	WINTER Peak Energy (c/kWh)	554.14	6.20%	588.50	6.20%	624.98	6.20%	663.73	cent per kWh
	Standard Energy (c/kWh)	161.68	6.20%	171.70	6.20%	182.35	6.20%	193.65	cent per kWh
	Off-peak Energy (c/kWh)	96.49	6.20%	102.47	6.20%	108.83	6.20%	115.57	cent per kWh
	Reactive Energy (c/kVArh), winter only	26.74	6.20%	28.39	6.20%	30.15	6.20%	32.02	cent per kVArh
33 kV Bulk supply Time-of-use NMD < 150MVA	*Basic Charge (R/month)*	10 328.85	6.20%	10 969.24	6.20%	11 649.34	6.20%	12 371.59	**R/month**
	Network Demand Charge (R/kVA)	47.44	6.20%	50.38	6.20%	53.50	6.20%	56.82	R/kVA
	Network Access Charge (R/kVA)	36.03	6.20%	38.26	6.20%	40.64	6.20%	43.16	R/kVA max of NMD or last 12 months MD
	SUMMER Peak Energy (c/kWh)	158.53	6.20%	168.36	6.20%	178.80	6.20%	189.89	cent per kWh
	Standard Energy (c/kWh)	106.89	6.20%	113.52	6.20%	120.55	6.20%	128.03	cent per kWh
	Off-peak Energy (c/kWh)	75.07	6.20%	79.72	6.20%	84.66	6.20%	89.91	cent per kWh
	WINTER Peak Energy (c/kWh)	498.43	6.20%	529.33	6.20%	562.15	6.20%	597.00	cent per kWh
	Standard Energy (c/kWh)	144.12	6.20%	153.05	6.20%	162.54	6.20%	172.62	cent per kWh
	Off-peak Energy (c/kWh)	84.07	6.20%	89.29	6.20%	94.82	6.20%	100.70	cent per kWh
	Reactive Energy (c/kVArh) - Winter only	24.62	6.20%	26.15	6.20%	27.77	6.20%	29.49	cent per kVArh
33 kV Bulk supply Time of use NMD ≥ 150MVA (Eskom Megaflex + 7.5%)	*Basic Charge (R/month)*	147 591.49	6.20%	156 742.16	6.20%	166 460.18	6.20%	176 780.71	R/month
	All season Network Demand Charge (R/kVA)	38.51	6.20%	40.90	6.20%	43.43	6.20%	46.13	R/kVA
	All season Network Capacity Charge (R/kVA)	20.32	6.20%	21.58	6.20%	22.92	6.20%	24.34	R/kVA max of NMD or last 12 months MD
	All season Transmission Network Charge (R/kVA)	10.13	6.20%	10.76	6.20%	11.43	6.20%	12.13	R/kVA
	Reactive Energy (c/kVArh) - Winter	17.79	6.20%	18.89	6.20%	20.06	6.20%	21.31	cent per kVArh
	SUMMER Peak Energy (c/kWh)	138.42	6.20%	147.00	6.20%	156.12	6.20%	165.80	cent per kWh
	Standard Energy (c/kWh)	98.50	6.20%	104.61	6.20%	111.09	6.20%	117.98	cent per kWh
	Off-peak Energy (c/kWh)	66.39	6.20%	70.51	6.20%	74.88	6.20%	79.52	cent per kWh
	WINTER Peak Energy (c/kWh)	402.95	6.20%	427.93	6.20%	454.46	6.20%	482.64	cent per kWh
	Standard Energy (c/kWh)	129.31	6.20%	137.33	6.20%	145.84	6.20%	154.88	cent per kWh
	Off-peak Energy (c/kWh)	74.95	6.20%	79.60	6.20%	84.53	6.20%	89.77	cent per kWh

ELECTRICAL ENGINEERING CONTRIBUTIONS RATES

Item	Description	Rate Excl VAT 2020/2021	Percentage Increase 2020/2021	Rate Excl VAT 2021/2022	Unit
1.	**AFTER DIVERSITY MAXIMUM DEMAND (ADMD) VALUES** ADMD's applicable for the calculation of engineering contribution rates will be as follows:				
	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** **Increase with 4.6% CPI as per Nersa guidelines 14 May 2020 as forecasted by the Bureau of Economic Research for 20/21.** 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: 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.	171.54	4.50%	179.26	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.	516.72	4.50%	539.98	per kVA
3.2.2	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.	2 966.46	4.50%	3 099.95	per kVA
3.2.3	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.	3 335.69	4.50%	3 485.80	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: 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	4 247.81	4.50%	4 438.96	per kVA

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: 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.	4 757.21	4.50%	4 971.28	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.	3 355.57	4.50%	3 506.57	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 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.	3 934.01	4.50%	4 111.04	per kVA
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: 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.	4 205.97	4.50%	4 395.23	per kVA

WATER BASIC

CONSUMER	Approved Tariffs 2020/2021 monthly	Approved Tariffs 2020/2021 annually	*2021/2022 Increase %*	Proposed Tariffs 2021/2022 monthly	Proposed Tariffs 2021/2022 annually	*2022/2023 Increase %*	Proposed Tariffs 2022/2023 monthly	Proposed Tariffs 2022/2023 annually	*2023/2024 Increase %*	Proposed Tariffs 2023/2024 monthly	Proposed Tariffs 2023/2024 annually	Billing Method
Residential	89.44	1 073.28	5.40%	94.27	1 131.24	5.40%	99.36	1 192.32	5.40%	104.73	1 256.71	**Per Unit**
Residential Vacant	94.54	1 134.48	5.40%	99.65	1 195.74	5.40%	105.03	1 260.31	5.40%	110.70	1 328.37	**Per Unit**
INDUSTRIAL	96.72	1 160.64	5.40%	101.94	1 223.31	5.40%	107.45	1 289.37	5.40%	113.25	1 359.00	**Per Unit**
INDUSTRIAL - Vacant	97.80	1 173.60	5.40%	103.08	1 236.97	5.40%	108.65	1 303.77	5.40%	114.51	1 374.17	**Per Unit**
Agricultural	91.99	1 103.88	5.40%	96.96	1 163.49	5.40%	102.19	1 226.32	5.40%	107.71	1 292.54	**Per Unit**
BUSINESS	96.72	1 160.64	5.40%	101.94	1 223.31	5.40%	107.45	1 289.37	5.40%	113.25	1 359.00	**Per Unit**
BUSINESS - Vacant	96.72	1 160.64	5.40%	101.94	1 223.31	5.40%	107.45	1 289.37	5.40%	113.25	1 359.00	**Per Unit**
CHURCH	87.43	1 049.16	5.40%	92.15	1 105.81	5.40%	97.13	1 165.53	5.40%	102.37	1 228.47	
Educational	87.43	1 049.16	5.40%	92.15	1 105.81	5.40%	97.13	1 165.53	5.40%	102.37	1 228.47	
STATE OWNED	91.41	1 096.92	5.40%	96.35	1 156.15	5.40%	101.55	1 218.59	5.40%	107.03	1 284.39	
MUNICIPALITY	91.41	1 096.92	5.40%	96.35	1 156.15	5.40%	101.55	1 218.59	5.40%	107.03	1 284.39	

WATER TARIFFS

CONSUMER	Approved Tariff 2020/2021	2021/2022 Increase	Proposed Tariff 2021/2022	2022/2023 Increase	Proposed Tariff 2022/2023	2023/2024 Increase	Proposed Tariff 2023/2024
DOMESTIC (Prepaid and Convertional meters) TOTAL							
Consumption 0KL to 12KL	13.9842	5.4%	14.7393	5.4%	15.5353	5.4%	16.3742
Consumption 13KL to 25KL	14.7906	5.4%	15.5893	5.4%	16.4311	5.4%	17.3184
Consumption 26KL to 40KL	17.7509	5.4%	18.7094	5.4%	19.7198	5.4%	20.7846
Consumption 41KL to 60KL	22.4234	5.4%	23.6343	5.4%	24.9105	5.4%	26.2557
Consumption above 60KL	25.4390	5.4%	26.8127	5.4%	28.2606	5.4%	29.7867
Domestic consumers with no meter Minimum charge per household per month	85.6176	5.4%	90.2410	5.4%	95.1140	5.4%	100.2501
AGRICULTURAL DOMESTIC TOTAL							
Consumption 0KL to 12KL	19.0323	5.4%	20.0600	5.4%	21.1433	5.4%	22.2850
Consumption 13KL to 25KL	20.8880	5.4%	22.0160	5.4%	23.2048	5.4%	24.4579
Consumption 26KL to 40KL	23.1745	5.4%	24.4259	5.4%	25.7449	5.4%	27.1351
Consumption 41KL to 60KL	22.8100	5.4%	24.0417	5.4%	25.3400	5.4%	26.7084
Consumption above 60KL	24.8204	5.4%	26.1607	5.4%	27.5734	5.4%	29.0623
INDUSTRIAL TOTAL							
Consumption 0KL to 60KL	22.2688	5.4%	23.4713	5.4%	24.7388	5.4%	26.0747
Consumption 61KL to 100KL	24.7652	5.4%	26.1025	5.4%	27.5121	5.4%	28.9977
Consumption 101KL to 150KL	26.0796	5.4%	27.4879	5.4%	28.9722	5.4%	30.5367
Consumption 151KL+	29.5260	5.4%	31.1204	5.4%	32.8009	5.4%	34.5722
INDUSTRIAL: BOSPOORT TOTAL							
Consumption 0KL to 60KL	23.5501	5.4%	24.8218	5.4%	26.1622	5.4%	27.5749
Consumption 61KL to 100KL	25.4500	5.4%	26.8243	5.4%	28.2728	5.4%	29.7995
Consumption 101KL to 150KL	24.8535	5.4%	26.1956	5.4%	27.6102	5.4%	29.1011
Consumption 151KL+	27.0185	5.4%	28.4775	5.4%	30.0153	5.4%	31.6361
COMMERCIAL TOTAL							
Consumption 0KL to 60KL	22.5670	5.4%	23.7856	5.4%	25.0700	5.4%	26.4238
Consumption 61KL to 100KL	24.2018	5.4%	25.5087	5.4%	26.8862	5.4%	28.3380
Consumption 101KL to 150KL	25.0744	5.4%	26.4284	5.4%	27.8556	5.4%	29.3598
Consumption 151KL+	27.2284	5.4%	28.6987	5.4%	30.2485	5.4%	31.8819
INSTITUTIONAL: Church TOTAL							
Consumption 0KL to 60KL	21.3630	5.4%	22.5166	5.4%	23.7325	5.4%	25.0141
Consumption 61KL to 100KL	22.7990	5.4%	24.0301	5.4%	25.3278	5.4%	26.6955
Consumption 101KL to 150KL	21.7938	5.4%	22.9707	5.4%	24.2111	5.4%	25.5185
Consumption 151KL+	23.5832	5.4%	24.8567	5.4%	26.1990	5.4%	27.6137
INSTITUTIONAL TOTAL							

Consumption 0KL to 60KL	20.9432	5.4%	22.0741	5.4%	23.2661	5.4%	24.5225
Consumption 61KL to 100KL	22.3461	5.4%	23.5528	5.4%	24.8246	5.4%	26.1652
Consumption 101KL to 150KL	21.6391	5.4%	22.8076	5.4%	24.0392	5.4%	25.3373
Consumption 151KL+	23.7047	5.4%	24.9848	5.4%	26.3339	5.4%	27.7560
INSTITUTIONAL:GOVERNMENT TOTAL							
Consumption 0KL to 60KL	22.3019	5.4%	23.5062	5.4%	24.7755	5.4%	26.1134
Consumption 61KL to 100KL	26.0575	5.4%	27.4646	5.4%	28.9477	5.4%	30.5109
Consumption 101KL to 150KL	25.1186	5.4%	26.4750	5.4%	27.9047	5.4%	29.4115
Consumption 151KL+	27.6040	5.4%	29.0946	5.4%	30.6657	5.4%	32.3217
PUBLIC AND PRIVATE SCHOOLS							
Consumption 0KL to 60KL	21.9153	5.4%	23.0987	5.4%	24.3461	5.4%	25.6607
Consumption 61KL to 100KL	25.6047	5.4%	26.9874	5.4%	28.4447	5.4%	29.9807
Consumption 101KL to 150KL	24.3565	5.4%	25.6718	5.4%	27.0580	5.4%	28.5192
Consumption 151KL+	26.4441	5.4%	27.8721	5.4%	29.3772	5.4%	30.9635
SPECIAL							
Consumption 0KL to 60KL	23.6274	5.4%	24.9033	5.4%	26.2481	5.4%	27.6655
Consumption 61KL to 100KL	25.0524	5.4%	26.4052	5.4%	27.8311	5.4%	29.3340
Consumption 101KL to 150KL	24.1466	5.4%	25.4505	5.4%	26.8248	5.4%	28.2734
Consumption 151KL+	26.3337	5.4%	27.7557	5.4%	29.2545	5.4%	30.8343

SUNDRY WATER TARIFFS

Description	Approved Tariff 2020/2021				Increase 2021/2022	Proposed Tariff 2021/2022				Increase 2022/2023	Proposed Tariff 2022/2023				Increase 2023/2024	Proposed Tariff 2023/2024			
SUMMARY OF WATER CONNECTION	**Short**	**Long**	**Short (Prepaid)**	**Long (Prepaid)**		**Short**	**Long**	**Short (Prepaid)**	**Long (Prepaid)**		**Short**	**Long**	**Short (Prepaid)**	**Long (Prepaid)**		**Short**	**Long**	**Short (Prepaid)**	**Long (Prepaid)**
15 mm Connection	5 038,05	53 351,49	8 161,21	56 434,55	5,40%	5 310,10	56 232,47	8 601,92	59 482,02	5,40%	5 596,85	59 269,02	9 066,42	62 694,04	5,40%	5 899,08	62 469,55	9 556,01	66 079,52
20 mm Connection	5 038,46	38 988,87	8 505,25	56 481,59	5,40%	5 310,54	41 094,27	8 964,53	59 531,60	5,40%	5 597,31	43 313,36	9 448,62	62 746,30	5,40%	5 899,56	45 652,28	9 958,84	66 134,60
25 mm Connection	5 862,96	54 482,09	8 547,88	56 569,81	5,40%	6 179,56	57 424,12	9 009,47	59 624,58	5,40%	6 513,26	60 525,03	9 495,98	62 844,31	5,40%	6 864,97	63 793,38	10 008,76	66 237,90
	Short	**Long**	**Short (AMR)**	**Long (AMR)**		**Short**	**Long**	**Short (AMR)**	**Long (AMR)**		**Short**	**Long**	**Short (AMR)**	**Long (AMR)**		**Short**	**Long**	**Short (AMR)**	**Long (AMR)**
50 mm Connection	21 212,39	84 755,47	28 713,47	92 258,02	5,40%	22 357,86	89 332,27	30 264,00	97 239,95	5,40%	23 565,18	94 156,21	31 898,25	102 490,91	5,40%	24 837,70	99 240,64	33 620,76	108 025,42
80 mm Connection	29 228,05	93 293,06	36 730,60	100 794,14	5,40%	30 806,36	98 330,89	38 714,05	106 237,02	5,40%	32 469,91	103 640,75	40 804,61	111 973,82	5,40%	34 223,28	109 237,35	43 008,06	118 020,41
100 mm Connection	34 941,34	125 399,80	42 442,42	106 702,97	5,40%	36 828,17	132 171,39	44 734,31	112 464,93	5,40%	38 816,89	139 308,64	47 149,96	118 538,04	5,40%	40 913,01	146 831,31	49 696,06	124 939,09
150 mm Connection	52 891,31	125 399,80	60 393,86	130 636,75	5,40%	55 747,44	132 171,39	63 655,13	137 691,13	5,40%	58 757,80	139 308,64	67 092,51	145 126,46	5,40%	61 930,72	146 831,31	70 715,50	152 963,28
				-					-					-					-
SUMMARY OF SEWER CONNECTION	**Short**	**Long**				**Short**	**Long**				**Short**	**Long**				**Short**	**Long**		
100 mm Sewer Connection	4 193,08	67 959,63	-	-	5,40%	4 419,51	71 629,45	-	-	5,40%	4 658,16	75 497,44	-	-	5,40%	4 909,70	79 574,30	-	-
160 mm Sewer Connection	4 559,16	76 966,22	-	-	5,40%	4 805,35	81 122,40	-	-	5,40%	5 064,84	85 503,01	-	-	5,40%	5 338,35	90 120,17	-	-
SUMMARY OF METER TEST	**Cost**					**Cost**					**Cost**					**Cost**			
15mm Meter Test	1 042,39				5,40%	1 098,68	-	-	-	5,40%	1 158,01	-	-	-	5,40%	1 220,54	-	-	-
20mm Meter Test	1 079,14				5,40%	1 137,41	-	-	-	5,40%	1 198,83	-	-	-	5,40%	1 263,57	-	-	-
25mm Meter Test	1 604,01				5,40%	1 690,63	-	-	-	5,40%	1 781,92	-	-	-	5,40%	1 878,14	-	-	-
50mm Meter Test	2 167,11				5,40%	2 284,13	-	-	-	5,40%	2 407,48	-	-	-	5,40%	2 537,48	-	-	-
50mm Meter Test (connection)	4 315,11				5,40%	4 548,13	-	-	-	5,40%	4 793,72	-	-	-	5,40%	5 052,59	-	-	-
80mm Meter Test	2 972,79				5,40%	3 133,32	-	-	-	5,40%	3 302,52	-	-	-	5,40%	3 480,86	-	-	-
80mm Meter Test (connection)	5 657,42				5,40%	5 962,92	-	-	-	5,40%	6 284,92	-	-	-	5,40%	6 624,30	-	-	-
100mm Meter Test	3 778,48				5,40%	3 982,52	-	-	-	5,40%	4 197,57	-	-	-	5,40%	4 424,24	-	-	-
100mm Meter Test (connection)	6 461,63				5,40%	6 810,56	-	-	-	5,40%	7 178,33	-	-	-	5,40%	7 565,96	-	-	-
150 mm Meter Test	5 522,16				5,40%	5 820,36	-	-	-	5,40%	6 134,66	-	-	-	5,40%	6 465,93	-	-	-
150mm Meter Test (connection)	6 461,63				5,40%	6 810,56	-	-	-	5,40%	7 178,33	-	-	-	5,40%	7 565,96	-	-	-
200mm Meter Test	5 522,16				5,40%	5 820,36	-	-	-	5,40%	6 134,66	-	-	-	5,40%	6 465,93	-	-	-
200mm Meter Test (connection)	6 461,63				5,40%	6 810,56	-	-	-	5,40%	7 178,33	-	-	-	5,40%	7 565,96	-	-	-
15mm water meter KSM	516,05				5,40%	543,92	-	-	-	5,40%	573,29	-	-	-	5,40%	604,25	-	-	-
15mm water metered box	732,17				5,40%	771,71	-	-	-	5,40%	813,38	-	-	-	5,40%	857,30	-	-	-
20mm water meter KSM	536,63				5,40%	565,61	-	-	-	5,40%	596,15	-	-	-	5,40%	628,34	-	-	-
20mm water metered box	964,47				5,40%	1 016,55	-	-	-	5,40%	1 071,45	-	-	-	5,40%	1 129,30	-	-	-
25mm water meter KSM	1 224,70				5,40%	1 290,83	-	-	-	5,40%	1 360,54	-	-	-	5,40%	1 434,01	-	-	-
25mm water metered box	1 526,09				5,40%	1 608,50	-	-	-	5,40%	1 695,36	-	-	-	5,40%	1 786,91	-	-	-
50mm water meter	3 396,22				5,40%	3 579,62	-	-	-	5,40%	3 772,92	-	-	-	5,40%	3 976,65	-	-	-
50mm combination meter	10 953,17				5,40%	11 544,64	-	-	-	5,40%	12 168,05	-	-	-	5,40%	12 825,13	-	-	-
80mm water meter	4 322,46				5,40%	4 555,87	-	-	-	5,40%	4 801,89	-	-	-	5,40%	5 061,19	-	-	-
80mm combination meter	11 952,92				5,40%	12 598,38	-	-	-	5,40%	13 278,69	-	-	-	5,40%	13 995,74	-	-	-
100mm water meter	4 748,82				5,40%	5 005,26	-	-	-	5,40%	5 275,54	-	-	-	5,40%	5 560,42	-	-	-
100mm combination meter	13 232,02				5,40%	13 946,55	-	-	-	5,40%	14 699,66	-	-	-	5,40%	15 493,44	-	-	-
150mm water meter	7 718,68				5,40%	8 135,49	-	-	-	5,40%	8 574,81	-	-	-	5,40%	9 037,84	-	-	-
150mm combination meter	26 169,99				5,40%	27 583,17	-	-	-	5,40%	29 072,66	-	-	-	5,40%	30 642,58	-	-	-
Prepaid / smart meter 15 - 25 mm	3 675,56				5,40%	3 874,04	-	-	-	5,40%	4 083,24	-	-	-	5,40%	4 303,73	-	-	-
OTHER SERVICES																			
Description																			
WSDP Copy	341,09				5,40%	359,51	-	-	-	5,40%	378,92	-	-	-	5,40%	399,38	-	-	-
Water services bylaw copy	85,27				5,40%	89,87	-	-	-	5,40%	94,73	-	-	-	5,40%	99,84	-	-	-
Delivery of water by tankers	805,68				5,40%	849,19	-	-	-	5,40%	895,04	-	-	-	5,40%	943,38	-	-	-
Septic and sewer tank disludging per Liter	0,34				5,40%	0,36	-	-	-	5,40%	0,38	-	-	-	5,40%	0,40	-	-	-
Treated Water per kl	12,96				5,40%	13,66	-	-	-	5,40%	14,40	-	-	-	5,40%	15,17	-	-	-
Portable toilets hire	392,55				5,40%	413,75	-	-	-	5,40%	436,09	-	-	-	5,40%	459,64	-	-	-
Water quality check per parameter	Based on current rates of appointed service provider					Based on current rates of appointed service provider					Based on current rates of appointed service provider					Based on current rates of appointed service provider			
Night soil disposal per 5Kl or part	470,27				5,40%	495,66	-	-	-	5,40%	522,43	-	-	-	5,40%	550,64	-	-	-
Prepaid meter tag	169,10				5,40%	178,23	-	-	-	5,40%	187,86	-	-	-	5,40%	198,00	-	-	-
Rellocation of services	Quote on request					Quote on request					Quote on request					Quote on request			
Damage recovery	As per extent based on losses					As per extent based on losses					As per extent based on losses					As per extent based on losses			
Adjustment of manhole	Quote on request					Quote on request					Quote on request					Quote on request			

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	
01-07-21	R 1 048/Eq.Erf	R 1 048/Eq.Erf	R 2 362/Eq.Erf	R 2 106/m³	R 1 163/Eq.Erf	R 3 218/trips	Increase with 4.5% budget indication

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

	Water	Sewerage		Roads		
Date	Water all inclusive	Pipeline	Treatment	Stormwater	Roads	
01-07-21	R 6 888/Eq Erf	R 2 153/Eq.Erf	R 1 919/m³	R 1 047/Eq.Erf	R 3 060/trips	Increase with 4.5% budget indication

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

	Water	Sewerage		Roads		
Date	Water all inclusive	Pipeline	Treatment	Stormwater	Roads	
01-07-21	R 6 888/Eq Erf	R 2 064/Eq.Erf	R 1 919/m³	R 1 046/Eq.Erf	R 6 054/trips	Increase with 4.5% budget indication

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

	Water	Sewerage		Roads		
Date	Water all inclusive	Pipeline	Treatment	Stormwater	Roads	
01-07-21	R 6 888/Eq Erf	R 2 152/Eq.Erf	R 1 916/m³	R 1 044/Eq.Erf	R 7 383/trips	Increase with 4.5% budget indication

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

SANITATION SERVICES

CONSUMER	Approved Tariff 2020/2021	*2021/2022 Increase %*	Proposed Tariff 2021/2022	*2022/2023 Increase %*	Proposed Tariff 2022/2023	*2023/2024 Increase %*	Proposed Tariff 2023/2024	Billing Method
Residential 1 TOTAL								
Up to and including 300m2	163.7792	5.40%	172.6233	5.40%	181.9449	5.40%	191.7700	
301m2 to 1000m2	173.6101	5.40%	182.9850	5.40%	192.8662	5.40%	203.2810	
1001m2 to 2000m2	187.5060	5.40%	197.6313	5.40%	208.3034	5.40%	219.5518	
2001m2 and Above	206.2401	5.40%	217.3771	5.40%	229.1154	5.40%	241.4877	
Residential 2-4 TOTAL								
Up to and including 300m2	165.2704	5.40%	174.1950	5.40%	183.6015	5.40%	193.5160	**Sewer points**
301m2 to 1000m2	175.1787	5.40%	184.6383	5.40%	194.6088	5.40%	205.1177	
1001m2 to 2000m2	189.1961	5.40%	199.4127	5.40%	210.1810	5.40%	221.5307	
2001m2 and Above	206.2401	5.40%	217.3771	5.40%	229.1154	5.40%	241.4877	
Business/Commmercial TOTAL								**Sewer points**
Up to and including 300m2	178.5698	5.40%	188.2126	5.40%	198.3760	5.40%	209.0884	
301m2 to 1000m2	198.2648	5.40%	208.9711	5.40%	220.2555	5.40%	232.1493	
1001m2 to 2000m2	224.0904	5.40%	236.1913	5.40%	248.9456	5.40%	262.3887	
2001m2 and Above	257.7918	5.40%	271.7126	5.40%	286.3850	5.40%	301.8498	
Industrial TOTAL								**Sewer points**
Up to and including 300m2	185.3962	5.40%	195.4076	5.40%	205.9596	5.40%	217.0814	
301m2 to 1000m2	205.8093	5.40%	216.9230	5.40%	228.6368	5.40%	240.9832	
1001m2 to 2000m2	232.6179	5.40%	245.1793	5.40%	258.4189	5.40%	272.3736	
2001m2 and Above	267.6006	5.40%	282.0510	5.40%	297.2818	5.40%	313.3350	
Government TOTAL								**Sewer points**
Up to and including 300m2	185.3962	5.40%	195.4076	5.40%	205.9596	5.40%	217.0814	
301m2 to 1000m2	205.8093	5.40%	216.9230	5.40%	228.6368	5.40%	240.9832	
1001m2 to 2000m2	232.6179	5.40%	245.1793	5.40%	258.4189	5.40%	272.3736	
2001m2 and Above	267.6006	5.40%	282.0510	5.40%	297.2818	5.40%	313.3350	
Church TOTAL								**Sewer points**
Up to and including 300m2	178.5256	5.40%	188.1660	5.40%	198.3269	5.40%	209.0366	
301m2 to 1000m2	197.2928	5.40%	207.9466	5.40%	219.1757	5.40%	231.0112	
1001m2 to 2000m2	222.0469	5.40%	234.0374	5.40%	246.6755	5.40%	259.9959	
2001m2 and Above	257.7918	5.40%	271.7126	5.40%	286.3850	5.40%	301.8498	
Educational TOTAL								**Sewer points**
Up to and including 300m2	178.5256	5.40%	188.1660	5.40%	198.3269	5.40%	209.0366	
301m2 to 1000m2	197.2928	5.40%	207.9466	5.40%	219.1757	5.40%	231.0112	
1001m2 to 2000m2	222.0469	5.40%	234.0374	5.40%	246.6755	5.40%	259.9959	
2001m2 and Above	257.7918	5.40%	271.7126	5.40%	286.3850	5.40%	301.8498	

Agri Residential TOTAL								**Sewer points**
Up to and including 300m2	163.7902	5.40%	172.6349	5.40%	181.9572	5.40%	191.7828	
301m2 to 1000m2	173.6101	5.40%	182.9850	5.40%	192.8662	5.40%	203.2810	
1001m2 to 2000m2	187.4950	5.40%	197.6197	5.40%	208.2912	5.40%	219.5389	
2001m2 and Above	206.2511	5.40%	217.3887	5.40%	229.1276	5.40%	241.5005	
Agri Business TOTAL								**Sewer points**
Up to and including 300m2	178.5919	5.40%	188.2359	5.40%	198.4006	5.40%	209.1142	
301m2 to 1000m2	198.2648	5.40%	208.9711	5.40%	220.2555	5.40%	232.1493	
1001m2 to 2000m2	224.0904	5.40%	236.1913	5.40%	248.9456	5.40%	262.3887	
2001m2 and Above	257.7918	5.40%	271.7126	5.40%	286.3850	5.40%	301.8498	
Municipal TOTAL								
Up to and including 300m2	178.5919	5.40%	188.2359	5.40%	198.4006	5.40%	209.1142	
301m2 to 1000m2	198.2648	5.40%	208.9711	5.40%	220.2555	5.40%	232.1493	
1001m2 to 2000m2	224.0904	5.40%	236.1913	5.40%	248.9456	5.40%	262.3887	
2001m2 and Above	257.7918	5.40%	271.7126	5.40%	286.3850	5.40%	301.8498	
Special TOTAL								
Up to and including 300m2	178.5919	5.40%	188.2359	5.40%	198.4006	5.40%	209.1142	
301m2 to 1000m2	200.0874	5.40%	210.8921	5.40%	222.2803	5.40%	234.2834	
1001m2 to 2000m2	232.9272	5.40%	245.5053	5.40%	258.7626	5.40%	272.7357	
2001m2 and Above	264.7618	5.40%	279.0589	5.40%	294.1281	5.40%	310.0110	
Vacant property TOTAL								
Up to and including 300m2	166.9383	5.40%	175.9530	5.40%	185.4544	5.40%	195.4690	
301m2 to 1000m2	183.6289	5.40%	193.5449	5.40%	203.9963	5.40%	215.0121	
1001m2 to 2000m2	205.6657	5.40%	216.7716	5.40%	228.4773	5.40%	240.8151	
2001m2 and Above	234.4626	5.40%	247.1236	5.40%	260.4683	5.40%	274.5335	

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
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

(b) The above formula is only applicable for the treatment of compliant effluent. If any constituent (heavy metals, any toxic substances etc.)

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

(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

WASTE MANAGEMENT

Description	Tariff Code	Unit	Approved Tarriffs 2019/2020	Approved Tariff 2020/2021	Proposed Tariff 2021/2022	Proposed Tarriff 2022/2023	Proposed Tarriff 2022/2023	Billig method	4.6% Increase 2020/2021	Changes
1. DOMESTIC								*Per unit*		
Collection of 4 refuse bags/or 1 240L bin 1x per week -res 1	*AA*	*R/month*	145.10	152.94	159.97	167.33	175.03		4.6	Change description to collection of 4 refuse bags 1x per week - res 1
ADDITIONAL REFUSE BAGS REMOVAL (PER BAG)	*NEW*		36.28	38.24	40.00	41.84	43.76		4.6	Will be charged when additional bags are identified at premises
Collection of 4 refuse bags/or 1 240L bin 1x per week res 2-4	*BA*	*R/month*	145.10	152.94	159.97	167.33	175.03		4.6	Change description to collection of 4 refuse bags 1x per week res 2-4
BASIC CHARGE WITHOUT COLLECTION (Includes street cleaning)	*NEW*		72.55	76.47	79.99	83.66	87.51		4.6	Should be charged on all vacant stands
2. COMMERCIAL/INDUSTRIAL								*Per Business*		
BASIC CHARGE (WITHOUT COLLECTION)		*R/month*	555.62	585.62	612.56	640.74	670.21		4.6	New
BASIC CHARGE (COLLECTION RENDERED)		*R/month*	0.00	292.81	306.28	320.37	335.10			new
BAG COLLECTION 2 X PER WEEK (including street cleaning costs) 4 bags		*R/month*	555.62	585.62	612.56	640.74	670.21		4.6	New
240L BULK CONTAINER 1 X WEEK	*CF*	*R/month*	555.62	585.62	612.56	640.74	670.21		4.6	
240L BULK CONTAINER (ADDITIONAL)	*CG*	*R/month*	473.04	498.58	521.52	545.51	570.60		4.6	
770L BULK CONTAINER 1 X WEEK		*R/month*	1651.86	1741.06	1821.15	1904.92	1992.55		4.6	
770L BULK CONTAINER (ADDITIONAL)		*R/month*	1396.56	1471.97	1539.69	1610.51	1684.59		4.6	
1100L BULK CONTAINER 1 X WEEK		*R/month*	2372.66	2500.78	2615.82	2736.15	2862.01		4.6	
1100L BULK CONTAINER (ADDITIONAL)		*R/month*	2012.26	2120.92	2218.48	2320.53	2427.28		4.6	
1.5 m³ BULK CONTAINER 1 X WEEK	*CB*	*R/month*	2703.03	2848.99	2980.05	3117.13	3260.52		4.6	
1.5 m³ BULK CONTAINER 1 X WEEK (ADDITIONAL)	*CC*	*R/month*	2312.59	2437.47	2549.59	2666.87	2789.55		4.6	
4.0 m³ BULK CONTAINER 1 X WEEK		*R/month*	6156.91	6489.38	6787.89	7100.14	7426.74		4.6	
4.0 m³ BULK CONTAINER 1 X WEEK (ADDITIONAL)		*R/month*	5195.83	5476.40	5728.32	5991.82	6267.45		4.6	
6.0 m³ BULK CONTAINER 1 X WEEK	*CD*	*R/month*	9123.10	9615.75	10058.07	10520.74	11004.70		4.6	
6.0 m³ BULK CONTAINER 1 X WEEK (ADDITIONAL)	*CE*	*R/month*	7733.68	8151.30	8526.26	8918.47	9328.72		4.6	
3. INSTITUTIONAL								*Per Unit*		Remove
MUNICIPAL	*EA*	*R/month*	152.41	160.64	168.03	175.76	183.84		4.6	
GOVERNMENT	*FA*	*R/month*	152.41	160.64	168.03	175.76	183.84		4.6	
CHURCH	*GA*	*R/month*	152.41	160.64	168.03	175.76	183.84		4.6	
EDUCATIONAL	*JA*	*R/month*	152.41	160.64	168.03	175.76	183.84		4.6	
4. RENTAL SERVICES								*Per Unit*		
240L BIN RENTAL (Including disposal costs)	*CJ*	*R/week*	274.43	289.25	289.25	302.56	316.47		0	

770L CONTAINER RENTAL (Including disposal costs)		*R/week*	550.29	580.01	580.01	606.69	634.60		0	
1100L CONTAINER RENTAL (Including disposal costs)		*R/week*	628.90	662.86	662.86	693.35	725.25		0	
4 m³ SKIP CONTAINER RENTAL (First Removal)	*CK*	*R/week*	1515.09	1596.90	1596.09	1669.51	1746.31		0	
4 m³ SKIP CONTAINER RENTAL (Additional Removal)		*R/week*	1286.40	1355.87	1355.87	1418.24	1483.48		0	
6 m³ SKIP CONTAINER RENTAL (First Removal)	*CL*	*R/week*	2186.88	2304.97	2304.97	2411.00	2521.90		0	
6 m³ SKIP CONTAINER RENTAL (Additional Removal)		*R/week*	1858.13	1958.47	1958.47	2048.56	2142.79		0	
9 m³ SKIP CONTAINER RENTAL (First Removal)		*R/week*	3215.99	3389.65	3389.65	3545.57	3708.67		0	
9 m³ SKIP CONTAINER RENTAL (Additional Removal)		*R/week*	2733.59	2881.20	2881.20	3013.74	3152.37		0	
36 m³ RORO CONTAINER RENTAL (First Removal)		*R/week*	7718.39	8135.18	8135.18	8509.40	8900.83		0	
36 m³ RORO CONTAINER RENTAL (Additional Removal)		*R/week*	6560.63	6914.90	6914.90	7232.99	7565.70		0	
5. OTHER SERVICES										
ANNUAL REGISTRATION AND LICENSING OF COMMERCIAL/PRIVATE WASTE COLLECTORS FROM THE JURISDICTION OF RLM (ONCE OFF PAYMENT THAT MUST BE PAID ONCE IN A FINANCIAL YEAR) Above 4 ton vehicle	*NEW*		2000.00	2108.00	2204.97	2306.40	2412.49	NEW	4.6	
ANNUAL REGISTRATION AND LICENSING OF COMMERCIAL/PRIVATE WASTE COLLECTORS FROM THE JURISDICTION OF RLM (ONCE OFF PAYMENT THAT MUST BE PAID ONCE IN A FINANCIAL YEAR) Less than 4 ton vehicle	*NEW*		500.00	527.00	551.24	576.60	603.12	NEW	4.6	
ANNUAL REGISTRATION AND LICENSING OF COMMERCIAL/PRIVATE WASTE COLLECTORS FROM OUTSIDE THE JURISDICTION OF RLM (ONCE OFF PAYMENT THAT MUST BE PAID ONCE IN A FINANCIAL YEAR) More than 4 ton vehicle	*NEW*		3000.00	3162.00	3307.45	3459.59	3618.74	NEW	4.6	
ANNUAL REGISTRATION AND LICENSING OF COMMERCIAL/PRIVATE WASTE COLLECTORS FROM OUTSIDE THE JURISDICTION OF RLM (ONCE OFF PAYMENT THAT MUST BE PAID ONCE IN A FINANCIAL YEAR) Less than 4 ton vehicle	*NEW*		1500.00	1581.00	1653.73	1729.80	1809.37	NEW	4.6	
RENEWAL OF ANNUAL LICENSES FOR COMMERCIAL/PRIVATE WASTE COLLECTORS (WASTE COLLECTORS IN/OUT OF THE RLM JURISDICTION)	*NEW*		1000.00	1054.00	1102.48	1153.20	1206.25	NEW	4.6	
RENTAL OF WASTE MANAGEMENT HALL		*R/day*	1203.36	1268.34	1326.69	1387.71	1451.55		4.6	
RENTAL OF PA (SOUND) SYSTEM		*R/day*	983.88	1037.01	1084.71	1134.61	1186.80		4.6	
WASTE REMOVAL INFORMAL SETTLEMENT PER SHACK		*R/shack*	22.72	23.95	25.05	26.20	27.41		4.6	
ILLEGAL DUMPING REMOVAL ON EMPTY STANDS 1- 1000 SQUARE METERS		*R/stand*	12230.39	12890.83	13483.81	14104.06	14752.85		4.6	
ILLEGAL DUMPING REMOVAL ON EMPTY STANDS 1001 SQUARE METERS AND ABOVE		*R/stand*	15136,64	15954,02	16687,90	17455,55	18258,50		4,6	
SPECIAL WASTE REMOVAL	*KA*	*R/t*	1265.19	1333.51	1394.85	1459.01	1526.13		4.6	
CARCASS REMOVAL	*KD*	*R/carcass*	349.61	368.49	385.44	403.17	421.72		4.6	
CONDEMNED FOODSTUFF		*R/t*	1193.56	1258.01	1315.88	1376.41	1439.73		4.6	
STREET SWEEPER OR COLLECTION WORKER		*R/h*	164.37	173.25	181.22	189.55	198.27		4.6	
DRIVER		*R/h*	242.99	256.11	267.89	280.22	293.11		4.6	
240 LITER BIN ONCE OFF PURCHASE		*R*	771.97	813.66	851.08	890.23	931.19		4.6	
770 LITER BIN ONCE OFF PURCHASE		*R*	7265.58	7657.92	8010.19	8378.65	8764.07		4.6	
1100 LITER BIN ONCE OFF PURCHASE		*R*	7568.31	7977.00	8343.94	8727.76	9129.24		4.6	
6. DISPOSAL CHARGES AT THE DROP-OFF CENTRES AND TRANSFER STATIONS										
GARDEN WASTE		*R/t*	14.30	15.07	15.77	16.49	17.25		4.6	
8. DISPOSAL CHARGES AT THE WATERVAL LANDFILL			0.00	0.00	0.00	0.00	0.00		4.6	

Non Municipal Resident		*R/t*	450.23	474.54	496.37	519.20	543.09		4.6	
General waste (household waste and similar commercial, industrial and institutional wastes)		*R/t*	107.20	112.99	118.19	123.62	129.31		4.6	
Construction and demolition waste (uncontaminated soil and rubble up to a length of 80 cm from edge to edge)		*R/t*	7.15	7.54	7.88	8.25	8.62		4.6	
Rubble (stone, concrete or asphalt) with a length of larger than 80 cm from edge to edge		*R/t*	14.30	15.07	15.77	16.49	17.25		4.6	
Mixed construction and demolition waste (including glass, packagings, gypsum, wood, plastics, metals, etc.)		*R/t*	1200.00	1264.80	1322.98	1383.84	1447.49		4.6	
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 ash, sludge etc.		*R/t*	285.87	301.31	315.17	329.66	344.83		4.6	
all special wastes will require prior approval and				0.00	0.00	0.00	0.00		4.6	
laboratory testing)				0.00	0.00	0.00	0.00		4.6	
Mixed industrial and commercial waste		*R/t*	214.40	225.98	236.37	247.25	258.62		4.6	
Waste tyres up to a diameter of 0.8 m (normal passenger vehicle tyre) - without wheel rim		*R/tyre*	200.00	210.80	220.50	230.64	241.25		4.6	
Waste tyres up to a diameter of 0.8 m (normal passenger vehicle tyre) - with wheel rim		*R/tyre*	300.00	316.20	330.75	345.96	361.87		4.6	
Waste tyres with a diameter of larger than 0.8 m - without wheel rim		*R/tyre*	500.00	527.00	551.24	576.60	603.12		4.6	
Waste tyres with a diameter of larger than 0.8 m - with wheel rim		*R/tyre*	800.00	843.20	881.99	922.56	965.00		4.6	
Tyres cut or shredded		*R/t*	2000.00	2108.00	2204.97	2306.40	2412.49		4.6	
Bulky waste (Furniture, sofas, beds, mattresses, shelfs, carpets, bicycles, and other bulky household items)		*R/t*	71.47	75.33	78.79	82.42	86.21		4.6	

RUSTENBURG LOCAL MUNICIPALITY					
SWIMMING POOLS					
Name of Facility	**Description**	**Current Tariff 20/21**	**Proposed Tariff 21/22**	**Proposed Tariff 22/23**	**Proposed Tariff 23/24**
Marais Street Swimming Pool	Adult (18 years and older)	R20.00	R21.00	R22.00	R23.00
	Child (between 3 and 17 years)	R5.00 (during weekends, School holidays and Public holidays)	R6.00 (during weekends, School holidays and Public holidays)	R7.00 (during weekends, School holidays and Public holidays)	R8.00 (during weekends, School holidays and Public holidays)
		R10.00 (during the week Monday to Friday)	R11.00 (during the week Monday to Friday)	R12.00 (during the week Monday to Friday)	R13.00 (during the week Monday to Friday)
	Pensioner (60 years and over / Pensioner with pension cards)	R15.00	R15.00	R15.00	R15.00
	School Group Booking (0 to 600 kids) no group bookings on weekends, school holidays and public holidays	R5.00 per ticket one entry	R6.00 per ticket one entry	R7.00 per ticket one entry	R8.00 per ticket one entry
	Private Event (terms and conditions apply)	R2 000.00	R2 100.00	R2 200.00	R2 300.00
	Gala (Provincial/National)	R4 000 (RLM collect gate takings) or R10 000 (Swimming Club collect gate takings)	R4 000 (RLM collect gate takings) or R10 000 (Swimming Club collect gate takings)	R4 000 (RLM collect gate takings) or R10 000 (Swimming Club collect gate takings)	R4 000 (RLM collect gate takings) or R10 000 (Swimming Club collect gate takings)
	Gala (School Inter-house/Inter-high))	R1 000 (Spectators pay normal entry fee at municipal cashier. Access to the Clubhouse included (terms and conditions apply)	R1 050 (Spectators pay normal entry fee at municipal cashier. Access to the Clubhouse included (terms and conditions apply)	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)
	Coaching or Teaching Swimming Lessons per month	R800.00	R850.00	R900.00	R950.00
	Hiring of the Clubhouse Marais Street Pool (NEW TARIFF)	**NEW TARIFF**	**R1130 Refundable Deposit R620**	**R1130 Refundable Deposit R620**	**R1130 Refundable Deposit R620**
Name of Facility	**Description**	**Current Tariff 20/21**	**Proposed Tariff 21/22**	**Proposed Tariff 22/23**	**Proposed Tariff 23/24**
Middle Street Swimming Pool	Adult (18 years and older)	R20.00	R21.00	R22.00	R23.00
	Child (between 3 and 17 years)	R5.00 (during weekends, School holidays and Public holidays)	R6.00 (during weekends, School holidays and Public holidays)	R7.00 (during weekends, School holidays and Public holidays)	R8.00 (during weekends, School holidays and Public holidays)
		R10.00 (during the week Monday to Friday)	R11.00 (during the week Monday to Friday)	R12.00 (during the week Monday to Friday)	R13.00 (during the week Monday to Friday)
	Pensioner (60 years and over / Pensioner with pension cards)	R15.00	R15.00	R15.00	R15.00
	School Group Booking (0 to 600 kids) no group bookings on weekends, school holidays and public holidays	R5.00 per ticket one entry	R6.00 per ticket one entry	R7.00 per ticket one entry	R8.00 per ticket one entry
	Coaching or Teaching Swimming Lessons per month	R800.00	R850.00	R900.00	R950.00
	Private Event (terms and conditions apply)	R2 000.00	R2 100.00	R2 200.00	R2 300.00
Name of Facility	**Description**	**Current Tariff 20/21**	**Proposed Tariff 21/22**	**Proposed Tariff 22/23**	**Proposed Tariff 23/24**
Zinniaville Swimming Pool	Adult (18 years and older)	R20.00	R21.00	R22.00	R23.00
	Child (between 3 and 17 years)	R5.00 (during weekends, School holidays and Public holidays)	R6.00 (during weekends, School holidays and Public holidays)	R7.00 (during weekends, School holidays and Public holidays)	R8.00 (during weekends, School holidays and Public holidays)
		R10.00 (during the week Monday to Friday)	R11.00 (during the week Monday to Friday)	R12.00 (during the week Monday to Friday)	R13.00 (during the week Monday to Friday)
	Pensioner (60 years and over / Pensioner with pension cards)	R15.00	R15.00	R15.00	R15.00
	School Group Booking (0 to 600 kids) no group bookings on weekends, school holidays and public holidays	R5.00 per ticket one entry	R6.00 per ticket one entry	R7.00 per ticket one entry	R8.00 per ticket one entry
	Coaching or Teaching Swimming Lessons per month	R800.00	R850.00	R900.00	R950.00
	Private Event (terms and conditions apply)	R2 000.00	R2 100.00	R2 200.00	R2 300.00
Name of Facility	**Description**	**Current Tariff 20/21**	**Proposed Tariff 21/22**	**Proposed Tariff 22/23**	**Proposed Tariff 23/24**
	Adult (18 years and older)	R20.00	R21.00	R22.00	R23.00

Karlienpark Swimming Pool	Child (between 3 and 17 years)	R5.00 (during weekends, School holidays and Public holidays)	R6.00 (during weekends, School holidays and Public holidays)	R7.00 (during weekends, School holidays and Public holidays)	R8.00 (during weekends, School holidays and Public holidays)
		R10.00 (during the week Monday to Friday)	R11.00 (during the week Monday to Friday)	R12.00 (during the week Monday to Friday)	R13.00 (during the week Monday to Friday)
	Pensioner (60 years and over / Pensioner with pension cards)	R15.00	R15.00	R15.00	R15.00
	School Group Booking (0 to 600 kids) no group bookings on weekends, school holidays and public holidays	R5.00 per ticket one entry	R6.00 per ticket one entry	R7.00 per ticket one entry	R8.00 per ticket one entry
	Coaching or Teaching Swimming Lessons per month	R800.00	R850.00	R900.00	R950.00
	Private Event (terms and conditions apply)	R2 000.00	R2 100.00	R2 200.00	R2 300.00
Name of Facility	**Description**	**Current Tariff 20/21**	**Proposed Tariff 21/22**	**Proposed Tariff 22/23**	**Proposed Tariff 23/24**
Monakato Swimming Pool	Adult (18 years and older)	R20.00	R21.00	R22.00	R23.00
	Child (between 3 and 17 years)	R5.00 (during weekends, School holidays and Public holidays)	R6.00 (during weekends, School holidays and Public holidays)	R7.00 (during weekends, School holidays and Public holidays)	R8.00 (during weekends, School holidays and Public holidays)
		R10.00 (during the week Monday to Friday)	R11.00 (during the week Monday to Friday)	R12.00 (during the week Monday to Friday)	R13.00 (during the week Monday to Friday)
	Pensioner (60 years and over / Pensioner with pension cards)	R15.00	R15.00	R15.00	R15.00
	School Group Booking (0 to 600 kids) no group bookings on weekends, school holidays and public holidays	R5.00 per ticket one entry	R6.00 per ticket one entry	R7.00 per ticket one entry	R8.00 per ticket one entry
	Coaching or Teaching Swimming Lessons per month	R800.00	R850.00	R900.00	R950.00
	Private Event (terms and conditions apply)	R2 000.00	R2 100.00	R2 200.00	R2 300.00

LIBRARY AND INFORMATION SERVICES TARIFFS	OLD TARIFF	Tariff 2020/21	Current Tariff 2021/22	Proposed 2022/23	Proposed 2023/24	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)	R2,50 per item	R5,00 per item	R5,50 per item	R5,50 per item	R5,75 per item	R 0.50	4.60%
Maximum fine	R60,00 per item	R83,00 per item	R86,00 per item	R88,00 per item	R90,00 per item	R3, 00	
FEES FOR DAMAGED OR LOST LIBRARY MATERIAL AND							
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	R13,50 fine per item	R14,00 fine per item	R14,00 fine per item	R14,00 fine per item	R 17, 00 per fine	R 0,00	4.6% recommended
Purchase price higher than R50,00	R15,00 fine per item	R21.00 fine per item	R22,00 fine per item	R22,00 fine per item	R 26, 00	R 0.00	Increase above 4.6% recommended due to non increase in two consecutive financial years
Protective coverings of library material removed or damaged	R10,00 fine per item	R13,50 fine per item	R14,00 fine per item	R14,00 fine per item	R 17, 00 per item	R 0, 00	Increase above 4.6% recommended due to non increase in two consecutive financial years
Membership card lost or damaged -							
Issuing of duplicate card to **adults**	R20,00 per card	R28,50 per card	R30,00 per card	R30,00 per card	R 36, 50	R 2, 50	Increase above 4.6% recommended due to non increase in two consecutive financial years
Issuing of duplicate card to **children**	R15,00 per card	R21,00 per card	R22,00 per card	R22,00 per card	R 26, 00 per card	R 1.00	Increase above 4.6% recommended due to non increase in two consecutive financial years
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							
(a) Adults (non refundable fee)		R10, 00 per person	R 30, 00 per person	R 45, 00 per person	R55, 00 per person	R 1, 00	Increase above 4.6% recommended due to non increase in two consecutive financial years
(b) Children (non refundable fee)		R10, 00 per person	R 15, 00 per person	R ,25 00 per person	R35, 00 per person	R 1, 01	Increase above 4.6% recommended due to non increase in two consecutive financial years
Persons residing and/or employed **outside** the area of jurisdiction of the Rustenburg Local Municipality -							
(a) Adults (non refundable fee)	R55,00 per person per year	R79, 00 per person per year	R83, 00 per person per year	R83, 00 per person per year	R101, 00 per person per year	R 4.00	Increase above 4.6% recommended
(b) Children (non refundable fee)	R25,00 per person per year	R40, 00 per person per year	R43, 00 per person per year	R43, 00 per person per year	R52, 00 per person per year	R 3.00	Increase above 4.6% recommended
Audio-visual material							
Records, compact discs and cassettes -							
(a)Persons residing and/or employed **within** the area of jurisdiction of the Rustenburg Local Municipality	R45,00 per person per year	R60, 00 per person per year	R63, 00 per person per year	R63, 00 per person per year	R 69, 00 per person per year	R 3, 00	4.6% recommended due to non
(b)Persons residing and/or employed **outside** the area of jurisdiction of the Rustenburg Local Municipality	R80,00 per person per year	R100, 00 per person per year	R103, 000 per person per year	R103,00 per person per year	R125,00 per person per year	R 3.00	Increase above 4.6% recommended
Books on tape, videos and art prints							
(a)Persons residing and/or employed **within** the area of jurisdiction of the Rustenburg Local Municipality	R30,00 per person per year	R41, 00 per person per year	R43, 00 per person per year	R43, 00 per person per year	R 52 per person per year	R 3.00	4.6% recommended
(b)Persons residing and/or employed **outside** the area of jurisdiction of the Rustenburg Local Municipality	R50,00 per person per year	R65,00 per person per year	R67,00 per person per year	R67, 00 per person per year	R81,50 per person per year	R 3.00	4.6% recommended due to non
Reservation and external request							

Reservation of library material out on loan	R3,50 per item	R6, 00 per item	R6, 50 per item	R6, 50 per item	R7, 0 per item	R 0.50	Increase above 4.6% recommended due to non increase in two consecutive financial years
Provincial library loans	R4,50 per item	R00 per item	R0,00per item	R0,0 0 per item	R 0,00 per item	R 0.60	Increase above 4.6% recommended due to non increase in two consecutive financial years
Inter-library loans (on national level)							
(1) Books							
(2) Non-book material (periodicals, music scores, etc)							
SABINET (Computerised national information network)							
Information searches						0	0
Inter-library loans via SABINET: Service discontinued and is now offered free of charge by the Provincial Library Service	R4,00 per request, R2,00 per enquiry unit plus costs of lending library/institution	R0,00 per request, R2,00 per enquiry unit plus costs of lending library/institution	R0,00 per request, R2,20 per enquiry unit plus costs of lending library/institution	R0,00 per request, R2,30 per enquiry unit plus costs of lending library/institution	R 0.00	R 0.00	0
Internet							
Internet search/access	Free of charge: Province will be supplying access(PIA)	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)	0	0
Internet printouts							
§ A4 paper (black & white)	R3,00 per A4 page	R1,00 per A4 page	R2,00 per A4 page	R2,00 per A4 page	R3,00 per A4 page	R 1.00	Increase percentage above 4.6% in an attempt to catch up with market related costs.
§ A4 paper (colour)	R6,00 per A4 page	R2,00 per A4 page	R4,00 per A4 page	R4,00 per A4 page	R6,00 per A4 page	R 2.00	Increase percentage above 4.6% in an attempt to catch up with market related costs.
Computer printouts							
Black ink printouts	R3,00 per A4 page	R1,50 per A4 page	R2,00 per A4 page	R2,00 per A4 page	R3,00 per A4 page	R 0, 50	Increase percentage above 4.6% in an attempt to catch up with market related costs.
Colour ink printouts	R6,00 per A4 page	R2,00 per A4 page	R3,00 per A4 page	R3,00 per A4 page	R4,00 per A4 page	R 1.00	Increase percentage above 4.6% in an attempt to catch up with market related costs.
Photocopies							
A4 paper (black & white)	R0,70 per copy	R1,50 per copy	R2,00 per copy	R2,00 per copy	R3,00 per copy	R 0.50	
A3 paper (black & white)	R1,30 per copy	R3,00 per copy	R4,00 per copy	R4,00 per copy	R6,00 per copy	R 1.00	
A4 paper (colour)	R3,00 per copy	R2,00 per copy	R3,00 per copy	R3,00 per copy	R4,00 per copy	R 1.00	
A3 paper (colour)	R6,00 per copy	R3,00 per copy	R4,00 per copy	R4,00 per copy	R6,00 per copy	R 2.00	
Facsimiles							
Facsimiles received	R3,00 per page	R5,50 per page	R5,50 per page	R5,50 per page	R6,00 per page	R 0.50	
Facsimiles sent	R3,50 per page	R6,00 per page	R6,00 per page	R6,00 per page	R6,50 per page	R 0.50	
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**	R100,00 deposit and R150,00 rent per occasion	R350,00 deposit and R400,00 rent per occasion	R350,00 deposit and R400 rent per occasion	R350,00 deposit and R400 rent per occasion	R400,00 deposit and R500 rent per occasion	R 0.00	percentage above 4.6% in an attempt to increase
Cultural associations and clubs, educational institutions, community development agents and welfare organisations: ***Ad hoc* use**	R100,00 deposit and R150,00 rent per occasion	R400,00 deposit and R550,00 rent per occasion	R400,00 deposit and R550 rent per occasion	R400,00 deposit and R550 rent per occasion	R500,00 deposit and R650 rent per occasion	R 100.00	percentage above 4.6% in an attempt to
Businesses or profit-seeking body or individual	R150,00 deposit and R250,00 rent per occasion	R700,00 deposit and R900,00 rent per occasion	R800,00 deposit and R1000,00 rent per occasion	R800,00 deposit and R1000,00 rent per occasion	R900,00 deposit and R1 100,00 rent per occasion	R 100.00	percentage above 4.6% in an attempt to catch up with
Equipment							
Use of TV and video machine, slide or film projector, overhead projector, data video projector (with screen where required) and sound equipment -							
(a) Organisations indicated in points 4.1.1 and 4.1.2 above	Similar as the equipment of the Civic Centre	Similar as 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		

CIVIC CENTRE & COMMUNITY HALLS	RENTAL	REFUNDABLE DEPOSIT	TOTAL	RENTAL	REFUNDABLE DEPOSIT	TOTAL	RENTAL	REFUNDABLE DEPOSIT	TOTAL	RENTAL	REFUNDABLE DEPOSIT	TOTAL
NAME OF FACILITY	Current 20/21	Current 20/21	Total 20/21	Proposed 21/22	Proposed 21/22	Total 21/22	Proposed 22/23	Proposed 22/23	Total 22/23	Proposed 23/24	Proposed 23/24	Total 23/24
Atrium	R4 848.00	R1 686.00	R6 534.00	R5 066.00	R1 760.00	R6 826.00	R5 300.00	R1 840.00	R7 140.00	R5 543.00	R1 924.00	7 467
Auditorium	R9 244.00	R1 686.00	R10 930.00	R9 660.00	R1 760.00	R11 420.00	R10 104.00	R1 840.00	R11 944.00	R10 568.00	R1 924.00	12 492
Banquet hall	R7 330.00	R1 686.00	R9 016.00	R7 660.00	R1 760.00	R9 420.00	R8 012.00	R1 840.00	R9 852.00	R9 853.00	R1 924.00	11 777
Banquet hall half	R3 720.00	R1 686.00	R5 406.00	R3 890.00	R1 760.00	R5 650.00	R4 065.00	R1 840.00	R5 905.00	R4 251.00	R1 924.00	6 175
Caucus rooms	R1 350.00	n/a	R1 350.00	R1 410.00	n/a	R1 410.00	R1 474.00	n/a	R1 474.00	R1 541.00	n/a	1 541
City hall	R8 460.00	R1 686.00	R10 146.00	R9 030.00	R1 760.00	R10 790.00	R9 445.00	R1 840.00	R11 285.00	R9 879.00	R1 924.00	11 803
City hall half	R4 395.00	R1 686.00	R6 081.00	R4 590.00	R1 760.00	R6 350.00	R4 801.00	R1 840.00	R6 641.00	R5 021.00	R1 924.00	6 945
Terrace/Pergola	R1 920.00	R675.00	R2 595.00	R2 006.00	R705.00	R2 710.00	R2 100.00	R738.00	R2 838.00	R2 196.00	R771.00	2 967
Main bar	R2 140.00	R675.00	R2 815.00	R2 236.00	R705.00	R2 941.00	R2 340.00	R738.00	R3 078.00	R2 447.00	R771.00	3 218
Preparation fee/Rehearsal fee	R1 580.00	n/a	R1 580.00	R1 650.00	n/a	R1 650.00	R1 725.00	n/a	R1 725.00	R1 867.00	n/a	1 876
Hiring fee per chair	R12.00	n/a	R12.00	R13.00	n/a	R13.00	R14.00	n/a	R14.00	R14.60	n/a	15
Hiring fee per square table	R28.00	n/a	R28.00	R29.00	n/a	R29.00	R30.00	n/a	R30.00	R31.00	n/a	31
Hiring fee per round table	R39.00	n/a	R39.00	R40.00	n/a	R40.00	R41.00	n/a	R41.00	R42.00	n/a	42
Foyer	R1 855.00	n/a	R1 855.00	R1 940.00	n/a	R1 940.00	R2 030.00	n/a	R2 030.00	R2 123.00	n/a	2 123
Government rates												

COMMUNITY HALLS

NAME OF FACILITY	RENTAL	REFUNDABLE DEPOSIT	TOTAL	RENTAL	REFUNDABLE DEPOSIT	TOTAL	RENTAL	REFUNDABLE DEPOSIT	TOTAL	RENTAL	REFUNDABLE DEPOSIT	TOTAL
		Current 20/21	Total 20/21	Proposed 21/22	Proposed 21/22	Total 21/22	Proposed 22/23	Proposed 22/23	Total 22/23	Proposed 23/24	Proposed 23/24	Total 23/24
B Tause Austrian Hall	R 1 690	R 950	R 2 640	R 1 766	R 990	R 2 756	R 1 847	R 1 035	R 2 882	R 1 931	R 1 082	R 3 013
Ben Marais Hall	R 4 510	R 1 897	R 6 407	R 4 710	R 1 980	R 6 690	R 4 926	R 2 071	R 6 997	R 5 150	R 2 166	R 7 316
Boitekong Hall	R 1 690	R 950	R 2 640	R 1 766	R 990	R 2 756	R 1 847	R 1 035	R 2 882	R 1 931	R 1 082	R 3 013
Meriting Hall	R 1 690	R 950	R 2 640	R 1 766	R 990	R 2 756	R 1 847	R 1 035	R 2 882	R 1 931	R 1 082	R 3 013
Monakato Hall	R 1 690	R 950	R 2 640	R 1 766	R 990	R 2 756	R 1 847	R 1 035	R 2 882	R 1 931	R 1 082	R 3 013
Old Town Hall	R 3 500	R 1 897	R 5 397	R 3 657	R 1 980	R 5 637	R 3 825	R 2 071	R 5 896	R 4 000	R 2 166	R 6 166
Phatsima Hall	R 1 690	R 950	R 2 640	R 1 766	R 990	R 2 756	R 1 847	R 1 035	R 2 882	R 1 931	R 1 082	R 3 013
Tlhabane Hall	R 1 690	R 950	R 2 640	R 1 766	R 990	R 2 756	R 1 847	R 1 035	R 2 882	R 1 931	R 1 082	R 3 013
WA van Zyl	R 1 690	R 950	R 2 640	R 1 766	R 990	R 2 756	R 1 847	R 1 035	R 2 882	R 1 931	R 1 082	R 3 013
Ziinniaville Hall	R 1 690	R 950	R 2 640	R 1 766	R 990	R 2 756	R 1 847	R 1 035	R 2 882	R 1 931	R 1 082	R 3 013
Paardekraal Hall	R 1 690	R 950	R 2 640	R 1 766	R 990	R 2 756	R 1 847	R 1 035	R 2 882	R 1 931	R 1 082	R 3 013
Sunrisepark Hall	R 1 690	R 950	R 2 640	R 1 766	R 990	R 2 756	R 1 847	R 1 035	R 2 882	R 1 931	R 1 082	R 3 013
	R 1 690	R 950	R 2 640	R 1 766	R 990	R 2 756	R 1 847	R 1 035	R 2 882	R 1 931	R 1 082	R 3 013

RUSTENBURG LOCAL MUNICIPALITY

SPORTS FACILITIES

	20/21 Financial Year (Current)			21/22 Financial Year			22/23 Financial Year			23/24 Financial Year		
Name of Facility	**Rental**	**Refundable Deposit**	**Total**	**Rental**	**Refundable Deposit**	**Total**	**Rental**	**Refundable Deposit**	**Total**	**Rental**	**Refundable Deposit**	**Total**
	current	**current**	**current**	**Proposed 21/22**	**Proposed 21/22**	**21/22**	**Proposed 22/23**	**Proposed 22/23**	**22/23**	**Proposed 23/24**	**Proposed 23/24**	**23/24**
Olympia Park Stadium (Private Use)	R9 900.00	R2 500.00	R12 400.00	R10 400.00	R2 600.00	R13 000.00	R10 900.00	R2 700.00	R13 600.00	R11 400.00	R2 800.00	R14 200.00
Olympia Park Stadium (Government)	R7 400.00	R2 500.00	R9 900.00	R7 800.00	R2 600.00	R10 400.00	R8 200.00	R2 700.00	R10 900.00	R8 600.00	R2 800.00	R11 400.00
Olympia Park Stadium (Professional Events)	R22 500.00	R3 700.00	R26 200.00	R23 700.00	R3 900.00	R27 600.00	R24 900.00	R4 100.00	R29 000.00	R26 000.00	R4 300.00	R30 300.00
Olympia Park Stadium (Schools/Education Centres)	R4 700.00	R2 500.00	R7 200.00	R4 950.00	R2 600.00	R7 550.00	R5 200.00	R2 700.00	R7 900.00	R5 400.00	R2 800.00	R8 200.00
Olympia Park Stadium Preparation Fee per day	R1 700.00	R0.00	R1 700.00	R1 800.00	R0.00	R1 800.00	R1 900.00	R0.00	R1 900.00	R2 000.00	R0.00	R2 000.00
Kitchen	R1 240.00	R620.00	R1 860.00	R1 300.00	R650.00	R1 950.00	R1 370.00	R680.00	R2 050.00	R1 400.00	R700.00	R2 100.00
Flood Lights Olympia Park Stadium per hour	R990.00	R0.00	R990.00	R1 050.00	R0.00	R1 050.00	R1 100.00	R0.00	R1 100.00	R1 150.00	R0.00	R1 150.00
Single Barricade	R150.00	R1 000.00	R1 150.00	R160.00	R1 050.00	R1 210.00	R170.00	R1 100.00	R1 270.00	R180.00	R1 150.00	R1 330.00
Double Barricade	R250.00	R2 000.00	R2 250.00	R260.00	R2 100.00	R2 360.00	R270.00	R2 200.00	R2 470.00	R280.00	R2 300.00	R2 580.00
Artificial grass per m^2	R160.00	R2 000.00	R2 160.00	R170.00	R2 100.00	R2 270.00	R180.00	R2 200.00	R2 380.00	R190.00	R2 300.00	R2 490.00
Super Suite Hall	R4 380.00	R1 240.00	R5 620.00	R4 600.00	R1 300.00	R5 900.00	R4 800.00	R1 370.00	R6 170.00	R5 000.00	R1 400.00	R6 400.00
Super Suite Preparation Fee per day	R902.00	R0.00	R902.00	R950.00	R0.00	R950.00	R1 000.00	R0.00	R1 000.00	R1 050.00	R0.00	R1 050.00
North West Hall	R1 240.00	R620.00	R1 860.00	R1 300.00	R650.00	R1 950.00	R1 370.00	R680.00	R2 050.00	R1 400.00	R700.00	R2 100.00
North West Hall Preparation Fee per day	R560.00	R0.00	R560.00	R590.00	R0.00	R590.00	R620.00	R0.00	R620.00	R650.00	R0.00	R650.00
Small Halls 2 to 5	R1 130.00	R620.00	R1 750.00	R1 190.00	R650.00	R1 840.00	R1 250.00	R680.00	R1 930.00	R1 300.00	R700.00	R2 000.00
Judo Hall Olympia Park Stadium (NEW TARIFF)	R1 130.00	R620.00	R1 750.00	R1 190.00	R650.00	R1 840.00	R1 250.00	R680.00	R1 930.00	R1 300.00	R700.00	R2 000.00
Tennis Clubhouse Olympia Park Stadium	R1 130.00	R620.00	R1 750.00	R1 190.00	R650.00	R1 840.00	R1 250.00	R680.00	R1 930.00	R1 300.00	R700.00	R2 000.00
Tennis Clubhouse Bobbies Sports Grounds (NEW TARIFF)	R1 130.00	R620.00	R1 750.00	R1 190.00	R650.00	R1 840.00	R1 250.00	R680.00	R1 930.00	R1 300.00	R700.00	R2 000.00
Rugby Clubhouse Bobbies Sports Grounds (NEW TARIFF)	R1 130.00	R620.00	R1 750.00	R1 190.00	R650.00	R1 840.00	R1 250.00	R680.00	R1 930.00	R1 300.00	R700.00	R2 000.00
Boardroom Boitekong Stadium(NEW Tariff)	R800.00	R500.00	R1 300.00	R850.00	R520.00	R1 370.00	R900.00	R550.00	R1 450.00	R950.00	R600.00	R1 550.00
Outside Sports Grounds Professional Events	R5 000.00	R2 000.00	R7 000.00	R5 270.00	R2 100.00	R7 370.00	R5 550.00	R2 200.00	R7 750.00	R5 800.00	R2 300.00	R8 100.00
Outside Sports Grounds Private Events	R0.00	R1 500.00	R3 500.00	R2 100.00	R1 600.00	R3 700.00	R2 200.00	R1 680.00	R3 880.00	R2 300.00	R1 750.00	R4 050.00
Outside Sports Grounds Sports Events	R500.00	R1 000.00	R1 500.00	R530.00	R1 050.00	R1 580.00	R560.00	R1 100.00	R1 660.00	R580.00	R1 150.00	R1 730.00

CEMETERIES

CURRENT YEAR

Tarrif 2020 2021

Description	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Adult Resident	R 825.00	R 616.00	R 616.00	R 616.00	R 616.00	R 616.00	R 616.00	R 914.00	----	----	
Adult Non-resident	R 1 234.00	R 1 107.00	R 1 107.00	R 1 107.00	R 1 107.00	R 1 107.00	R 1 107.00	R 2 366.00	------	------	
Child Resident (under 14)	R 590.00	R 470.00	R 250.00	R 250.00	R 250.00	R 250.00	R 250.00	R 663.00	------	------	
Child Non-resident (under 14)	R 1 180.00	R 752.00	R 752.00	R 752.00	R 752.00	R 752.00	R 752.00	R 1 352.00	------	----	
Monumental: Adult resident	R 1 180.00	-----	------	-------	-------	------	-------	R 1 352.00	------	-------	
Monumental: Adult Non-resident	R 2 240.00	-----	------	------	------	------	------	R 2 397.00			
Monumental: Child Resident	R 1 018.00	-----	------	------	------	------	------	R 2 397.00	------	------	
Monumental: Child Non-resident	R 2 240.00	-----	------	-------	------	------	------	R 2 397.00	------	------	
Pauper burial - New Tariff	-----	-----	-----	------	-----	-----	-----	R300 per grave			

Remembrance Hall	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Urn Resident	R 1 258.00	-----	------	------	------	------	------	R 1 258.00	------	-------	
Urn Non-resident	R 1 288.00	-----	----	------	------	------	------	R 1 288.00	------	------	

Sundry Tariffs	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Exhumation – All	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	R 300.00	
Approval of Plans: Residents	R 269.00	-----	R 176.00	R 176.00	R 176.00	R 176.00	R 176.00	R 176.00	R 176.00	R 176.00	
Approval of Plans: Non Residents	R 538.00	R 227.00	R 227.00	R 227.00	R 227.00	R 227.00	R 227.00	R 237.00	R 227.00	R 227.00	
After Hours Burial: Resident	R 511.00	-----	105	105	105	105	105	R 511.00	105	105	
After Hours Burial: Non Resident	R 538.00	------	156	156	156	156	156	R 538.00	156	156	
Re-opening	R 669.00	300	300	300	300	300	300	R 669.00	-----	----	
Oversize coffins	R 58.00	58	58	58	58	58	58	58	-----	-----	

RESERVATION

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

Tarrif 2021 2022

Description	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	Increase (%)
Adult Resident	R 862.00	R 644.00	R 644.00	R 644.00	R 644.00	R 644.00	R 644.00	R 956.00	---	------	
Adult Non-resident	R 1 158.00	R 1 158.00	R 1 158.00	R 1 158.00	R 1 158.00	R 1 158.00	R 1 158.00	R 2 366.00			
Child Resident (under 14)	R 617.00	R 419.00	R 261.00	R 261.00	R 261.00	R 261.00	R 261.00	R 693.00	------	----	
Child Non-resident (under 14)	R 1 234.00	R 786.00	R 786.00	R 786.00	R 786.00	R 786.00	R 786.00	R 1 414.00	------	-------	
Monumental: Adult resident	R 1 291.00	------	------	------	----	----	-------	R 1 291.00	----	---	
Monumental: Adult Non-resident	R 2 240.00	------	------	------	------	------	------	R 2 240.00	------	------	
Monumental: Child Resident	R 1 064.00	------	------	------	------	------	------	R 1 064.00	------	-------	
Monumental: Child Non-resident	R 2 343.00	-------	------	------	------	----	----	R 2 343.00	------	------	

Remembrance Hall	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Urn Resident	R 1 315.00	----	----	----	------	----	----	R 1 315.00	------	------	
Urn Non-resident	R 1 345.00	----	----	----	------	----	---	R 1 345.00	------	------	

Sundry Tariffs	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Exhumation – All	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	R 300.00	
Approval of Plans: Residents	R 176.00	-----	R 176.00	R 176.00	R 176.00	R 176.00	R 176.00	R 176.00	R 176.00	R 176.00	
Approval of Plans: Non Residents	R 562.00	---	R 237.00	R 237.00	R 237.00	R 237.00	R 237.00	R 562.00	R 237.00	R 237.00	
After Hours Burial: Resident	R 534.00	---	109	109	109	109	109	R 534.00	109	109	
After Hours Burial: Non Resident	R 562.00	562	163	163	163	163	163	R 562.00	163	163	
Re-opening	R 699.00	313	313	313	313	313	313	R 699.00	313	313	
Oversize coffins	R 60.00	60	60	60	60	60	60	R 60.00	----	----	

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 ***Tarrif 2022 2023***

Description	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	Increase (%)
Adult Resident	R 942.00	R 702.00	R 702.00	R 702.00	R 702.00	R 702.00	R 702.00	R 1 044.00	-------	-------	4.5%
Adult Non-resident	R 1 338.00	R 1 338.00	R 1 338.00	R 1 338.00	R 1 338.00	R 1 338.00	R 1 338.00	R 2 584.00	-------	-------	
Child Resident (under 14)	R 703.00	R 561.00	R 312.00	R 312.00	R 312.00	R 312.00	R 312.00	R 790.00	-------	-------	
Child Non-resident (under 14)	R 1 289.00	R 859.00	R 859.00	R 859.00	R 859.00	R 859.00	R 859.00	R 1 544.00	-------	--------	
Monumental: Adult resident	R 1 348.00	------	-------	-------	--------	-------	-------	R 1 544.00	-------	--------	
Monumental: Adult Non-resident	R 2 559.00	------	-------	-------	--------	--------	------	R 2 676.00	-------	--------	
Monumental: Child Resident	R 1 162.00	-------	--------	--------	-------	--------	--------	R 1 215.00	-------	-------	
Monumental: Child Non-resident	R 2 559.00	-------	--------	--------	-------	--------	-------	R 2 676.00	-------	------	

Remembrance Hall	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Urn Resident	R 1 437.00	------	-------	-------	-------	------	-------	R 1 437.00	------	-------	
Urn Non-resident	R 1 470.00							R 1 470.00			

Sundry Tariffs	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Exhumation – All	R 327.00	R 327.00	R 327.00	R 327.00	R 327.00	R 327.00	R 327.00	R 327.00	R 327.00	R 327.00	
Approval of Plans: Residents	R 200.00	R 184.00	R 184.00	R 184.00	R 184.00	R 184.00	R 184.00	R 307.00	R 184.00	R 184.00	
Approval of Plans: Non Residents	R 642.00	R 270.00	R 270.00	R 270.00	R 270.00	R 270.00	R 270.00	R 370.00	R 370.00	R 370.00	
After Hours Burial: Resident	R 582.00	114	114	114	114	114	114	R 582.00	114	----	
After Hours Burial: Non Resident	R 642.00	178	178	178	178	178	178	R 642.00	-----	-----	
Re-opening	R 798.00	342	342	342	342	342	342	R 798.00	------	-------	
Oversize coffins	R 70.00	47	47	47	47	47	47	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 ***Tarrif 2023 2024***

Description	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	Increase (%)
Adult Resident	R 985.00	R 734.00	R 734.00	R 734.00	R 734.00	R 734.00	R 734.00	R 1 092.00	------	------	
Adult Non-resident	R 2 000.00	R 1 399.00	R 1 399.00	R 1 399.00	R 1 399.00	R 1 399.00	R 1 399.00	R 2 702.00	------	------	
Child Resident (under 14)	R 735.00	R 586.00	R 326.00	R 326.00	R 326.00	R 326.00	R 326.00	R 826.00	------	------	
Child Non-resident (under 14)	R 1 348.00	R 898.00	R 859.00	R 859.00	R 859.00	R 859.00	R 859.00	R 1 615.00	------	------	
Monumental: Adult resident	R 1 410.00	--------	------	------	------	-------	------	R 1 615.00	------	------	
Monumental: Adult Non-resident	R 2 676.00	------	------	-------	-------	--------	-------	R 2 676.00	----	----	
Monumental: Child Resident	R 1 215.00	-------	-------	--------	-------	-------	-------	R 1 215.00	----	------	
Monumental: Child Non-resident	R 2 676.00	-------	----	----	-----	-----	------	R 2 676.00			

Remembrance Hall	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Urn Resident	R 1 503.00	-----	----	----	----	-----	-----	R 1 503.00	---	-----	
Urn Non-resident	R 1 537.00	-----	----	-----	-----	----	-----	R 2 537.00	----	-----	

Sundry Tariffs	Donkerhoek	Zinniaville	Karlienpark	Marikana	Phatsima	Lethabong	Monakato	Rietvlei	Tlhabane	Sunrisepark	
Exhumation – All	R 342.00	R 342.00	R 342.00	R 342.00	R 342.00	R 342.00	R 342.00	R 342.00	R 342.00	R 342.00	
Approval of Plans: Residents	R 209.00	R 192.00	R 192.00	R 192.00	R 192.00	R 192.00	R 192.00	R 321.00	R 192.00	R 192.00	
Approval of Plans: Non Residents	R 671.00	R 284.00	R 284.00	R 284.00	R 284.00	R 284.00	R 284.00	R 387.00	R 284.00	R 284.00	
After Hours Burial: Resident	R 608.00	119	119	119	119	119	119	R 608.00	119	119	
After Hours Burial: Non Resident	R 671.00	186	186	186	186	186	186	R 671.00	186	186	
Re-opening	R 834.00	357	357	357	357	357	357	R 834.00	357	357	
Oversize coffins	R 73.00	49	49	49	49	49	49	R 73.00	49	49	

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

TARRIF DESCRIPTION	Frequency	Tariffs 2020/21	Draft Tariffs 2021/22	Proposed Tariffs 2022/23	Proposed Tariffs 2023/24	2021/2022 INCREASE	2021/22 INCREASE
		R/C	R/C	R/C	R/C	R/C	(%)
HALLS							
Administrative Fee	Once Off	R 137	R 143	R 150	R 157	R 6	4.6% p.a
Ans van Zyl Hall	Per Day	R 3 426	R 3 584	R 3 749	R 3 921	R 158	4.6% p.a
Ans van Zyl Hall	Per Week	R 23 983	R 25 086	R 26 240	R 27 447	R 1 103	4.6% p.a
Ans van Zyl Hall	Per Month	R 68 523	R 71 675	R 74 972	R 78 420	R 3 152	4.6% p.a
Ans van Zyl Hall	Per Rtb Show	R 9 593	R 10 034	R 10 496	R 10 979	R 441	4.6% p.a
Administrative Fee	Once Off	R 137	R 143	R 150	R 157	R 6	4.6% p.a
Johann Voster	Per Day	R 3 426	R 3 584	R 3 749	R 3 921	R 158	4.6% p.a
Johann Voster	Per Week	R 17 131	R 17 919	R 18 743	R 19 605	R 788	4.6% p.a
Johann Voster	Per Month	R 50 961	R 53 305	R 55 757	R 58 322	R 2 344	4.6% p.a
Johann Voster	Per Rtb Show	R 6 848	R 7 163	R 7 493	R 7 837	R 315	4.6% p.a
Administrative Fee	Once Off	R 137	R 143	R 150	R 157	R 6	4.6% p.a
Opperman	Per Day	R 3 473	R 3 632	R 3 799	R 3 974	R 160	4.6% p.a
Opperman	Per Week	R 17 131	R 17 919	R 18 743	R 19 605	R 788	4.6% p.a
Opperman	Per Month	R 50 961	R 53 305	R 55 757	R 58 322	R 2 344	4.6% p.a
Opperman	Per Rtb Show	R 4 797	R 5 017	R 5 248	R 5 489	R 221	4.6% p.a
Administrative Fee	Once Off	R 137	R 143	R 150	R 157	R 6	4.6% p.a
Nolte- Bigger Hall	Per Day	R 683	R 715	R 748	R 782	R 31	4.6% p.a
Nolte- Bigger Hall	Per Week	R 20 557	R 21 502	R 22 491	R 23 526	R 946	4.6% p.a
Nolte- Bigger Hall	Per Month	R 54 818	R 57 340	R 59 977	R 62 736	R 2 522	4.6% p.a
Nolte- Bigger Hall	Per Rtb Show	R 7 537	R 7 884	R 8 247	R 8 626	R 347	4.6% p.a
Administrative Fee	Once Off	R 137	R 143	R 150	R 157	R 6	4.6% p.a
Nolte Small Hall	Per Day	R 2 539	R 2 656	R 2 778	R 2 906	R 117	4.6% p.a
Nolte Small Hall	Per Week	R 16 445	R 17 202	R 17 993	R 18 821	R 756	4.6% p.a
Nolte Small Hall	Per Month	R 50 223	R 52 533	R 54 950	R 57 478	R 2 310	4.6% p.a
Nolte Small Hall	Per Rtb Show	R 3 426	R 3 584	R 3 749	R 3 921	R 158	4.6% p.a
Administrative Fee	Once Off	R 137	R 143	R 150	R 157	R 6	4.6% p.a
KJH Behrens	Per Day	R 3 254	R 3 403	R 3 560	R 3 724	R 150	4.6% p.a
KJH Behrens	Per Week	R 23 983	R 25 086	R 26 240	R 27 447	R 1 103	4.6% p.a
KJH Behrens	Per Month	R 68 523	R 71 675	R 74 972	R 78 420	R 3 152	4.6% p.a
KJH Behrens	Per Rtb Show	R 9 593	R 10 034	R 10 496	R 10 979	R 441	4.6% p.a
Administrative Fee	Once Off	R 137	R 143	R 150	R 157	R 6	4.6% p.a
Flip Joubert	Per Day	R 3 426	R 3 584	R 3 749	R 3 921	R 158	4.6% p.a
Flip Joubert	Per Week	R 23 983	R 25 086	R 26 240	R 27 447	R 1 103	4.6% p.a
Flip Joubert	Per Month	R 68 523	R 71 675	R 74 972	R 78 420	R 3 152	4.6% p.a
Flip Joubert	Per Rtb Show	R 9 593	R 10 034	R 10 496	R 10 979	R 441	4.6% p.a
Administrative Fee	Once Off	R 137	R 143	R 150	R 157	R 6	4.6% p.a
Kobie van Zyl	Per Day	R 34 261	R 35 837	R 37 486	R 39 210	R 1 576	4.6% p.a
Kobie van Zyl	Per Week	R 23 983	R 25 086	R 26 240	R 27 447	R 1 103	4.6% p.a
Kobie van Zyl	Per Month	R 68 523	R 71 675	R 74 972	R 78 420	R 3 152	4.6% p.a
Kobie van Zyl	Per Rtb Show	R 9 593	R 10 034	R 10 496	R 10 979	R 441	4.6% p.a
RENTAL FOR RUSTENBURG SHOWS							
Application Fee	Once Off	R 3 000	R 3 138	R 3 282	R 3 433	R 138	4.6% p.a
Part or Whole of Showgrounds	Per Day	R 8 712	R 9 113	R 9 532	R 9 970	R 401	4.6% p.a
	Per Week	R 60 981	R 63 786	R 66 720	R 69 789	R 2 805	4.6% p.a
	Per Month	R 243 924	R 255 145	R 266 881	R 279 158	R 11 221	4.6% p.a
RENTAL FOR OVAL RACING / RELATED							
Application Fee	Once Off	R 3 000	R 3 138	R 3 282	R 3 433	R 138	4.6% p.a
Part or whole of Facility	Per Day	R 4 356	R 4 556	R 4 766	R 4 985	R 200	4.6% p.a
	Per Week	R 30 492	R 31 895	R 33 362	R 34 896	R 1 403	4.6% p.a
	Per Month	R 121 968	R 127 579	R 133 447	R 139 586	R 5 611	4.6% p.a
RENTAL FOR AGRICULTURE SHOWS / RELATED							
Application Fee	Once Off	R 2 000	R 2 092	R 2 188	R 2 289	R 92	4.6% p.a
Proposed Farmer Production Support Unit / Agri-Park	Per Day	R 1 800	R 1 883	R 1 969	R 2 060	R 83	4.6% p.a
	Per Week	R 12 600	R 13 180	R 13 786	R 14 420	R 580	4.6% p.a
	Per Month	R 50 400	R 52 718	R 55 143	R 57 680	R 2 318	4.6% p.a

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

TARRIF DESCRIPTION	Frequency	Tariffs 2020/21	Draft Tariffs 2021/22	Proposed Tariffs 2022/23	Proposed Tariffs 2023/24	2021/2022 INCREASE	2021/22 INCREASE
		R/C	R/C	R/C	R/C	R/C	(%)
OFFICE 1							
Administrative Fee	Once Off	R 149	R 156	R 164	R 171	R 7	4.6% p.a
Usage	Per Day	R 523	R 547	R 573	R 599	R 24	4.6% p.a
Usage	5 Days Per Week	R 2 243	R 2 346	R 2 454	R 2 566	R 103	4.6% p.a
Usage	7 Days Per Week	R 2 616	R 2 737	R 2 863	R 2 994	R 120	4.6% p.a
Usage	Per Month	R 11 213	R 11 729	R 12 268	R 12 832	R 516	4.6% p.a
Usage	Per Annum	R 134 553	R 140 743	R 147 217	R 153 989	R 6 189	4.6% p.a
OFFICE 2							
Administrative Fee	Once Off	R 149	R 156	R 164	R 171	R 7	4.6% p.a
Usage	Per Day	R 523	R 547	R 573	R 599	R 24	4.6% p.a
Usage	5 Days Per Week	R 2 243	R 2 346	R 2 454	R 2 566	R 103	4.6% p.a
Usage	7 Days Per Week	R 2 616	R 2 737	R 2 863	R 2 994	R 120	4.6% p.a
Usage	Per Month	R 11 213	R 11 729	R 12 268	R 12 832	R 516	4.6% p.a
Usage	Per Annum	R 134 553	R 140 743	R 147 217	R 153 989	R 6 189	4.6% p.a
OFFICE 3							
Administrative Fee	Once Off	R 149	R 156	R 164	R 171	R 7	4.6% p.a
Usage	Per Day	R 523	R 547	R 573	R 599	R 24	4.6% p.a
Usage	5 Days Per Week	R 2 243	R 2 346	R 2 454	R 2 566	R 103	4.6% p.a
Usage	7 Days Per Week	R 2 616	R 2 737	R 2 863	R 2 994	R 120	4.6% p.a
Usage	Per Month	R 11 213	R 11 729	R 12 268	R 12 832	R 516	4.6% p.a
Usage	Per Annum	R 134 553	R 140 743	R 147 217	R 153 989	R 6 189	4.6% p.a

TARIFFS FOR TRADING STALLS (INDIVIDUAL/SHARED)

TARRIF DESCRIPTION	Administrative Fee 2021/22	Draft Administrative Fee 2021/22	Refundable Deposit 2020/21	Draft Refundable Deposit 2021/22	Tariffs 2020/21	2020/21 INCREASE	2020/21 INCREASE	Draft Tariffs 2021/22	Proposed Tariffs 2022/23	Proposed Tariffs 2023/24
	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 158	R 165	R 1 054	R 1 102	R 519	R 24	4.6%	R 543	R 568	R 594
6 x 6m Stall (Shared)	R 158	R 165	R 1 054	R 1 102	R 519	R 24	4.6%	R 543	R 568	R 594
3x 6m Stall	R 158	R 165	R 791	R 827	R 389	R 18	4.6%	R 407	R 426	R 445
3x 6m Stall (Shared)	R 158	R 165	R 791	R 827	R 389	R 18	4.6%	R 407	R 426	R 445
3 x 3m Stall	R 158	R 165	R 527	R 551	R 258	R 12	4.6%	R 270	R 282	R 295
HAWKERS/INFORMAL TRADING OPEN AREAS AT AREA ABUTING FATIMA BHAYAT DRIVE NEAR TUNNEL										
2 x 3m Open Space	R 111	R 116	R 111	R 116	R 150	R 7	4.6%	R 157	R 164	R 172
HAWKERS/INFORMAL TRADING OPEN SPACE 2: AREA OPPOSITE MAX BORNMAN SHOPPING CENTRE										
Demarcated Open Space	R 111	R 116	R 111	R 116	R 150	R 7	4.6%	R 157	R 164	R 172
SUPPLIERS' DEMARCATED OFFLOADING PARKINGSPACES : BETHLEHEM DRIVE										
Parking/Loading Zone/Space	R 111	R 116	R 888	R 929	R 516	R 24	4.6%	R 540	R 565	R 591
HAWKERS STALLS AT BAMTA TRADING SHARED/INDIVIDUAL STALLS										
3 x 4.1m Stalls (Shared)	R 111	R 116	R 55	R 58	R 200	R 9	4.6%	R 209	R 219	R 229
BAMTA Taxi Aisle	R 111	R 116	R 55	R 58	R 150	R 7	4.6%	R 157	R 164	R 172
BUS Rank Terminals	R 111	R 116	R 55	R 58	R 150	R 7	4.6%	R 157	R 164	R 172
HAWKERS STALLS AT THE MAIN TAXI RANK TRADING AREA (SHARED & INDIVIDUAL STALLS)										
3 x 3m Stall	R 111	R 116	R 444	R 464	R 258	R 12	4.6%	R 270	R 282	R 295
3 x 3m Stall (Shared)	R 111	R 116	R 444	R 464	R 258	R 12	4.6%	R 270	R 282	R 295
Taxi Aisle	R 111	R 116	R 55	R 58	R 150	R 7	4.6%	R 157	R 164	R 172
OPEN ALIENATED TRADING SPACES : OTHER AREAS OUTSIDE THE CBD										
Rustenburg & Extensions	R 111	R 116	R 55	R 58	R 150	R 7	4.6%	R 157	R 164	R 172
Tlhabane & Extensions	R 111	R 116	R 55	R 58	R 150	R 7	4.6%	R 157	R 164	R 172
Boitekong & Extensions	R 111	R 116	R 55	R 58	R 150	R 7	4.6%	R 157	R 164	R 172
Paardekraal & Extensions	R 111	R 116	R 55	R 58	R 150	R 7	4.6%	R 157	R 164	R 172
Meriting & Extensions	R 111	R 116	R 55	R 58	R 150	R 7	4.6%	R 157	R 164	R 172
Lethabong & Extensions	R 111	R 116	R 55	R 58	R 150	R 7	4.6%	R 157	R 164	R 172
Marikana & Extensions	R 111	R 116	R 55	R 58	R 150	R 7	4.6%	R 157	R 164	R 172
Phatsima & Extesnions	R 111	R 116	R 55	R 58	R 150	R 7	4.6%	R 157	R 164	R 172
Boshoek	R 111	R 116	R 55	R 58	R 150	R 7	4.6%	R 157	R 164	R 172
Monakato & Extensions	R 111	R 116	R 55	R 58	R 150	R 7	4.6%	R 157	R 164	R 172
Freedom Park & Extensions	R 111	R 116	R 55	R 58	R 150	R 7	4.6%	R 157	R 164	R 172
OTHER TRADING AREAS										
Trading near malls near the CBD (town) area	R -	R -	R -	R -	R 200	R 9	4.6%	R 209	R 219	R 229
Trading near malls near in the township and rural areas	R -	R -	R -	R -	R 200	R 9	4.6%	R 209	R 219	R 229
Trading from Mobile Container	R -	R -	R -	R -	R -	R 1 000	4.6%	R 1 000	R 1 046	R 1 094

OUTDOOR ADVERTISING SIGNS' TARIFFS

TARRIF DESCRIPTION	Tariffs 2020/21	Amended Tariff Description	Draft Tariffs 2021/22	Proposed Tariffs 2022/23	Proposed Tariffs 2023/24	
CLASS 1: Billboards						
Administration fee	R 382	Fee applicable across board: Per Advertisement/Application	R 399	R 418	R 437	
Gantry billboards (on Municipal Property)	R 16 617	Gantry billboards (>18m²<81m²)	R 17 381	R 18 180	R 19 017	
Large billboards (on Municipal Property)	R 16 617	Large billboards (>41m²<81m²)	R 17 381	R 18 180	R 19 017	
Medium billboards (on Municipal Property)	R 5 486	Medium billbords (>19m²<41m²)	R 5 738	R 6 002	R 6 278	
Small billboards (on Municipal Property)	R 4 463	Small billboards (>4.5m²<19m²)	R 4 668	R 4 883	R 5 107	
Smaller than 4.5m² (on Municipal Property)	R 3 869	Smaller than 4.5m²	R 4 047	R 4 233	R 4 428	
Display fee: Per Advertisement/Application - Private Property (All signs in Class 1)	R 8 919	All permissible sizes	R 9 329	R 9 758	R 10 207	
Encroachment fee(council land) per square meter for each sign type	R 3 323	Encroachment fee per square square meter (all classes)	R 300	R 314	R 328	Proposal to charge encroachment on Council land at R300 per square meter as the current rate is deemed unaffordable
CLASS 2: Signs On Buildings And Structures						
Projecting signs						
Administration fee	R 382	Per Advertisement/Application	R 399	R 418	R 437	
Display fee per Application	R 535		R 560	R 586	R 613	
Encroachment fee(council land) per square meter for each sign type	R 2 028		R 300	R 314	R 328	Proposal to charge encroachment on Council land at R300 per square meter as the current rate is deemed unaffordable
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 382	Per Advertisement/Application	R 400	R 418	R 437	
Display fee per Advertisement	R 1 072		R 1 121	R 1 173	R 1 227	Proposal to remove the description as it confused stakeholders and there were objections to the reason and intent of the tariff.
Wall signs/fascia signs						
Administration fee	R 382	Per Advertisement/Application	R 400	R 418	R 437	
Display fee per sign	R 535	Display fee on Private Property: Per Advertisement/Application	R 560	R 585	R 612	
Ground sign (excluding billboards)						
Encroachment fee(council land) per square meter for each sign type	R -		R 300	R 314	R 328	Proposal to charge encroachment on Council land at R300 per square meter as the current rate is deemed unaffordable
Display fee per Advertisement	R -	Display fee on Private Property: Per Advertisement/Application	R 1 640	R 1 716	R 1 794	
CLASS 3: Signs on Premises and miscellaneous signs						
Boundary walls and entrance gates						
Administration fee	R 382	Per Advertisement/Application	R 399	R 418	R 437	
Display fee per Advertisement	R 1 099		R 1 150	R 1 203	R 1 258	
Residential and community-oriented buildings						
Administration fee	R 382	Per Advertisement/Application	R 399	R 418	R 437	
Display fee per Advertisement	R 1 099		R 1 150	R 1 203	R 1 258	
On –premises Business signs in urban Areas						
Administration fee	R 382	Per Advertisement/Application	R 399	R 418	R 437	
Display fee per Application	R 3 979		R 4 162	R 4 354	R 4 554	
Miscellaneous signs for urban residential oriented land use and community services						
Administration fee	R 382	Per Advertisement/Application	R 399	R 418	R 437	
Display fee per Advertisement	R 1 662		R 1 739	R 1 819	R 1 902	
Signs for agricultural and related land use in rural and natural Areas						
Administration fee	R 382	Per Advertisement/Application	R 399	R 418	R 437	
Display fee per Advertisement	R 1 072		R 1 121	R 1 173	R 1 226	
CLASS 4: Signs for Pedestrian Environments and Streets-scaping						
Street furniture signs						
Administration fee	R 382	Per Advertisement/Application	R 400	R 418	R 437	
Display fee per Advertisement	R 1 252		R 1 310	R 1 370	R 1 433	
Street light/street pole sign, etc.						
Administration fee	R 382	Per Advertisement/Application	R 400	R 418	R 437	
Display fee per Advertisement	R 1 252		R 1 310	R 1 370	R 1 433	
Permanent signs on poles						
Administration fee	R 382	Per Advertisement/Application	R 400	R 418	R 437	

Display fee per Advertisement	R 5 352		R 5 598	R 5 856	R 6 125	Proposal to rename the item as indicated as there are new installations of permanent fixtures on lamp poles that are larger than A1 posters. The tariff to be an annual tariff for these
CLASS 5: Signs for Tourists and Travellers			R -			
Service facility signs						
Administration fee	R 382	Per Advertisement/Application	R 400	R 418	R 437	
Display fee per Advertisement	R 1 099		R 1 150	R 1 202	R 1 258	
Road traffic project signs						
Administration fee	R 382	Per Advertisement/Application	R 400	R 418	R 437	
Display fee per Advertisement	R 1 099		R 1 150	R 1 202	R 1 258	
Tourism information signs						
Administration fee	R 382	Per Advertisement/Application	R 400	R 418	R 437	
Display fee per Advertisement (Sponsored/Branded Tourism Attraction Signs) - Municipal Property	R 2 150		R 2 249	R 2 352	R 2 461	
Display fee per Advertisement (Sponsored/Branded Tourism Attraction Signs) - Private Property	R 1 099	Display fee on Private Property: Per	R 1 150	R 1 202	R 1 258	
Gateway signs						
Administration fee	R 382	Per Advertisement/Application	R 400	R 418	R 437	
Display fee per Advertisement	R 1 099		R 1 150	R 1 202	R 1 258	
CLASS 6: Mobile signs						
Advertising vehicles						
Administration fee	R 382	Per Advertisement/Application	R 400	R 418	R 437	
Mobile trailer Advertising(14 days Display)	R 428		R 448	R 468	R 490	
Display fee per Advertisement (other Mobile signs)	R 461		R 482	R 504	R 528	
Digital signs						
Application fee	R 1 786	Per Advertisement/Application	R -	R -	R -	Proposal that Digital signs be removed as there are tariffs for Illuminated signs under Class 8: Other Signs. Stakeholders have indicated that the current rates are unaffordable
Rental fee per sign (Municipal property)	R -		R -	R -	R -	
Rental fee per sign (Private property)	R 9 540	Display fee on Private Property: Per Advertisement/Application	R -	R -	R -	
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 382	Per Advertisement/Application	R 399	R 418	R 437	
Up to 100 posters	R 3 212		R 3 360	R 3 514	R 3 676	
Each poster thereafter, an additional	R 33		R 34	R 36	R 38	
Stickers for each poster	R 19		R 20	R 21	R 22	
In respect of general advertisements for awareness campaigns with commercial content logo:						
Administration fee	R 382	Per Advertisement/Application	R 399	R 418	R 437	
Up to 100 posters, or part thereof	R 2 675		R 2 799	R 2 927	R 3 062	
Each poster thereafter, an additional	R 28		R 29	R 30	R 32	
In respect of general advertisements for non-profit organisations(subject to submission of a NPO certificate from relevant authority- e.g. government						
Administration fee	R 382	Per Advertisement/Application	R 399	R 418	R 437	
Up to 100 posters, or part thereof	R 1 282		R 1 340	R 1 402	R 1 467	
Each poster thereafter, an additional	R 14		R 14	R 15	R 16	
Stickers for each poster	R 11		R 11	R 12	R 12	
In respect of election advertisements, per party/per candidate						
Posters (unlimited number)	R 2 677		R 2 800	R 2 928	R 3 063	
Administration fee	R 382	Per Advertisement/Application	R 399	R 418	R 437	
Estate agents boards						
Administration fee(per agency)	R 382	Per Advertisement/Application	R 399	R 418	R 437	
Display fee per Advertisement	R 886		R 927	R 970	R 1 014	
Advertising deposit (per agent)	R 4 320		R 4 518	R 4 726	R 4 943	
Annual Licensing Fee (Residential)	R 2 006		R 2 098	R 2 194	R 2 295	
Annual Licensing Fee (Commercial, Industrial, Non-residential Property)	R 7 579		R 7 928	R 8 292	R 8 674	
Banners						
Per banner	R 665		R 695	R 727	R 761	Proposal for Banners to be charged at R300 per square metre as these differ in size. A flat rate is not efficient.
Sticker for each banner	R 19		R 20	R 21	R 22	
Administration fee	R 382		R 399	R 418	R 437	
Removable posters, should council be required to remove any poster (per poster)	R 107		R 112	R 117	R 123	
CLASS 8: Other signs						
Security signs						
Administration fee	R 382	Per Advertisement/Application	R 399	R 418	R 437	
Display fee per Advertisement	R 610		R 638	R 667	R 698	
Public service and other information signs						
Administration fee	R 382	Per Advertisement/Application	R 399	R 418	R 437	

Display fee per Advertisement	R 530		R 554	R 580	R 607	
Aerial advertisements						
Administration fee	R 382	Per Advertisement/Application	R 399	R 418	R 437	
Display fee per Advertisement	R 2 149		R 2 247	R 2 351	R 2 459	
Refundable Deposit						
Electric and illuminated signs						
Administration fee	R 382	Per Advertisement/Application	R 399	R 418	R 437	
Advertisement (per square meter for all permissible sizes)	R 530		R 554	R 580	R 607	
Portable boards						
Administration fee	R 382	Per Advertisement/Application	R 399	R 418	R 437	
Display fee per Advertisement	R 4 320		R 4 518	R 4 726	R 4 943	
For the erection of any billboards without approval, per week per square meter	R 270	Fine per square meter per week per illegal billboard	R 282	R 295	R 309	
For the erection of any posters without approval, per week	R 1 757	Fine for illegal posters per week	R 1 838	R 1 923	R 2 011	
Storage fee (illegal confiscated signs)	R 80	Storage fee per day (Illegal Advertisements) for all applicable classes	R 84	R 88	R 92	
Appeals	R 4 950	Lodging of an Appeal per advertisement for all classes	R 5 178	R 5 416	R 5 665	
Inspections	R 198	Inspection Fee for all classes (Per application/Advertisement)	R 207	R 217	R 227	

BUSINESS LICENSING TARIFFS

TARIFF DESCRIPTION	Amended Tariff Description	Draft Tariffs 2021/22	Proposed Tariffs 2022/23	Proposed Tariffs 2023/24
SALE & SUPPLY OF PERISHABLE FOODSTUFFS				
Restaurants		R 1 000	R 1 046	R 1 094
Cafes		R 1 000	R 1 046	R 1 094
Coffee Houses		R 1 000	R 1 046	R 1 094
Fast Food Outlets		R 1 000	R 1 046	R 1 094
Kiosks		R 250	R 262	R 274
Supermarkets/ Hypermarkets		R 1 000	R 1 046	R 1 094
Vegetable/Fruit/Flower vendor		R 250	R 262	R 274
Informal trader/hawker		R 250	R 262	R 274
Spaza shop		R 250	R 262	R 274
PROVISION OF HEALTH AND OTHER CARE FACILITIES				
Private Hospitals		R 1 000	R 1 046	R 1 094
Private Clinics		R 1 000	R 1 046	R 1 094
Maternity & Baby Care Clinics		R 250	R 262	R 274
Creches/ Kindergartens		R 1 000	R 1 046	R 1 094
Pharmacies		R 1 000	R 1 046	R 1 094
Eye care providers		R 1 000	R 1 046	R 1 094
Laboratories		R 1 000	R 1 046	R 1 094
Beauty palours/Hair & Nail Salons/Slimming Clinics		R 500	R 523	R 547
ACCOMMODATION, ENTERTAINMENT AND LEISURE FACILITIES				
Hotels/Motels/Lodges		R 1 000	R 1 046	R 1 094
Bed and Breakfast facilities		R 500	R 523	R 547
Hostel facilities/Boarding Houses/Room rentals		R 1 000	R 1 046	R 1 094
Motor racing/Quad biking facilities		R 1 000	R 1 046	R 1 094
Bowling Alleys		R 500	R 523	R 547
Bars & Pubs		R 1 000	R 1 046	R 1 094
Liquor Outlets		R 1 000	R 1 046	R 1 094
Night clubs/ Dance halls		R 1 000	R 1 046	R 1 094
Cinema/ Drive-in		R 500	R 523	R 547
Theatres		R 500	R 523	R 547
Family entertainment facilities		R 1 000	R 1 046	R 1 094
OTHER RETAIL/ SERVICE OUTLETS				
Clothing/ Shoe retailers		R 1 000	R 1 046	R 1 094
Motor vehicle dealerships & service centres		R 1 000	R 1 046	R 1 094
Electronics provider		R 1 000	R 1 046	R 1 094
Building Materials suppliers		R 1 000	R 1 046	R 1 094
Factories		R 1 000	R 1 046	R 1 094
Household services providers (plumbing/electrical/construction etc.)		R 500	R 523	R 547
General dealers		R 500	R 523	R 547
Bookstores and Music dealerships		R 1 000	R 1 046	R 1 094
Laundromat/Dry Cleaners		R 500	R 523	R 547
Furniture and appliance dealers		R 1 000	R 1 046	R 1 094
Traditional herbs and accessories		R 500	R 523	R 547
Equipment hire providers		R 1 000	R 1 046	R 1 094
Carpenters/Upholsterers		R 500	R 523	R 547
Fuel retailers (LPG/Petrol/Diesel)		R 1 000	R 1 046	R 1 094
Factories		R 1 000	R 1 046	R 1 094
Storage facilities		R 1 000	R 1 046	R 1 094
OTHER LARGE/COMMERCIAL BUSINESSES				
Depots (Trucks/Recycling)		R 3 000	R 3 138	R 3 282
Processing plants		R 3 000	R 3 138	R 3 282
Shopping Malls		R 5 000	R 5 230	R 5 471
Mobile Container		R 1 000	R 1 046	R 1 094

HIRING OF THE VISITORS & INFORMATION CENTRE AND THE TIDC FACILITIES

TARRIF DESCRIPTION	Frequency	Total per Month Calculation	Rebate (40%)	Proposed Rate per day	Tariffs 2020/21	2021/2022 Increase	Draft Tariffs 2021/22	Proposed Tariffs 2022/23	Proposed Tariffs 2023/24
		R/C		R/C			R/C	R/C	R/C
TOURISM INFORMATION DEVELOPMENT CENTRE (TIDC)									
Store Rooms (29m²)	Monthly	R 1 517	R 607	R 30	R 870	4.6%	R 910	R 952	R 996
Coffee Shop (52m²)	Monthly	R 2 720	R 1 088	R 54	R 1 560	4.6%	R 1 632	R 1 707	R 1 785
Lapa (72m²)	Monthly	R 3 766	R 1 506	R 209	R 2 160	4.6%	R 2 259	R 2 363	R 2 472
Amphitheatre (97m²)	Monthly	R 5 073	R 2 029	R 523	R 2 910	4.6%	R 3 044	R 3 184	R 3 330
Rondavel 1 (68m²)	Monthly	R 6 757	R 2 703	-	R 3 876	4.6%	R 4 054	R 4 241	R 4 436
Rondavel 2 (76m²)	Monthly	R 7 552	R 3 021	-	R 4 332	4.6%	R 4 531	R 4 740	R 4 958
Rondavel 3 (102m²)	Monthly	R 10 136	R 4 054	-	R 5 814	4.6%	R 6 081	R 6 361	R 6 654
Rondavel 4 (116m²)	Monthly	R 10 920	R 4 368	-	R 6 264	4.6%	R 6 552	R 6 854	R 7 169
Rondavel 5 (122m²)	Monthly	R 11 485	R 4 594	-	R 6 588	4.6%	R 6 891	R 7 208	R 7 540
Rondavel 6 (186m²)	Monthly	R 15 564	R 6 226	-	R 8 928	4.6%	R 9 339	R 9 768	R 10 218
Administrative Fee	Daily				R 150	4.6%	R 157	R 164	R 172
TIDC Boardroom	Daily				R 1 000	4.6%	R 1 046	R 1 094	R 1 144
TIDC Kitchen	Daily				R 1 500	4.6%	R 1 569	R 1 641	R 1 717
TIDC Shaded and Play Areas	Daily				R 1 000	4.6%	R 1 046	R 1 094	R 1 144

TARIFFS FOR TRADING PERMITS

TARRIF DESCRIPTION	Frequency	Tariffs 2020/21	Draft Tariffs 2021/22	Proposed Tariffs 2022/23	Proposed Tariffs 2023/24	2021/22 INCREASE	2021/22 INCREASE
		R/C	R/C	R/C	R/C	R/C	(%)
Trading permits							
New Card	Yearly	R 100	R 105	R 109	R 114	R 5	4.6%
Renewal of card	As and When	R 150	R 157	R 164	R 172	R 7	4.6%

HIRING OF THE VARIOUS SPACES OF THE FLEA MARKET

TARRIF DESCRIPTION	Administrative Fee 2020/21	Draft Administrative Fee 2021/22	Approved Electricity Fee 2021/22	Refundable Deposit 2020/21	Draft Refundable Deposit 2021/22	Tariffs 2020/21	Draft Tariffs 2021/22	Proposed Tariffs 2022/23	Proposed Tariffs 2023/24
	Non-Refundable	Non-Refundable	R/C	Deposit	Deposit	R/C	R/C	R/C	R/C
MAIN STALLS									
Stalls 22m2 (1 - 8)	R 150	R 157	R 157	R 2 365	R 2 474	R 2 365	R 2 474	R 2 588	R 2 707
Stalls 22m2 (9 - 23)	R 150	R 157	R 157	R 2 970	R 3 107	R 2 970	R 3 107	R 3 250	R 3 399
Store Room 24m2	R 150	R 157	R 157	R 2 280	R 2 385	R 2 280	R 2 385	R 2 495	R 2 609
Coffee Shop 103m2	R 150	R 157	R 157	R 9 785	R 10 235	R 9 785	R 10 235	R 10 706	R 11 198
POP -UP STALLS									
6 x 6m Stalls	R 50	R 52	N/A	R -	R -	R 200	R 200	R 209	R 219
3x 6m Stall	R 50	R 52	N/A	R -	R -	R 150	R 150	R 157	R 164
3 x 3m Stall	R 50	R 52	N/A	R -	R -	R 100	R 100	R 105	R 109

BUILDING CONTROL

TARIFF DESCRIPTION	Approved Tariff 2019/2020	Current Tariff 2020/2021	Proposed Tariff 2021/2022	Proposed Tariff 2022/2023	Proposed Tariff 2023/2024
	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 4.30 per m² (minimun R450.00 levy)	R 4.55 per m² (minimun R455.00 levy)	R 4.80 per m² (minimun R480.00 levy)	R 5.00 per m² (minimun R480.00 levy)	R 5.20 per m² (minimun R480.00 levy)
For alterations, amended plans **(without additional area)**	R 4.30 per m² (minimun R450.00 levy)	R 4.55 per m² (minimun R455.00 levy)	R 4.80 per m² (minimun R480.00 levy)	R 5.00 per m² (minimun R480.00 levy)	R 5.20 per m² (minimun R480.00 levy)
OTHER BUILDINGS					
For new other buildings,additions,new proposals,/re designs,amended plans**(other buildings)**	R 6.10 per m² (minimun R760.00 levy)	R 6.45 per m² (minimun R800.00 levy)	R 6.80 per m² (minimun R800.00 levy)	R 7.20 per m² (minimun R800.00 levy)	R 7.50 per m² (minimun R800.00 levy)
For alterations, amended plans **(without additional area)**	R 6.10 per m² (minimun R760.00 levy)	R 6.45 per m² (minimun R800.00 levy)	R 6.80 per m² (minimun R800.00 levy)	R 7.20 per m² (minimun R800.00 levy)	R 7.50 per m² (minimun R800.00 levy)
For renewal of a plan after approval has lapsed	R450.00 per application	R480.00 per application	R510.00 per application	R540.00 per application	R560.00 per application
For tenant/ shop layouts	R760.00 per application	R800.00 per application	R850.00 per application	R900.00 per application	R940.00 per application
Minor building work	R450.00 per application	R480.00per application	R510.00per application	R540.00per application	R560.00per application
Re-roofing **(amended plan)**	R450.00 per application	R480.00 per application	R510.00 per application	R540.00 per application	R560.00 per application
Gas/fuel pumps installations	R760.00 per application	R800.00 per application	R845.00 per application	R900.00 per application	R940.00 per application
Low cost housing -by goverment/ council	**No fee (submit proof)**	**No fee (submit proof)**	**No fee (submit proof)**	**No fee (submit proof)**	**No fee (submit proof)**
Projects by state department on property owned by state	R1.80 per m² minimum or motivation for	R2.00 per m² minimum or motivation for	R2.10 per m² minimum or motivation for	R2.20 per m² minimum or motivation for	R2.30 per m² minimum or motivation for
For section7(6) aplication	R3.60 per m² minimum R760.00 levy	R4.00 per m² minimum R800.00 levy	R4.30 per m² minimum R800.00 levy	R4.50 per m² minimum R800.00 levy	R4.60 per m² minimum R800.00 levy
	R450.00 per application	R480.00 per application	R510.00 per application	R540.00 per application	R560.00 per application
Antennae/masts	R450.00 per application	R480.00 per application	R510.00 per application	R540.00 per application	R560.00 per application
For examination of preliminary sketch plans	R3.60 per m² minimum R450.00 levy	R4.00 per m² minimum R480.00 levy	R4.20 per m² minimum R480.00 levy	R4.40 per m² minimum R480.00 levy	R4.60 per m² minimum R480.00 levy
Inspection fee from 2nd re-inspection	R450.00 per application	R480.00 per application	R510.00 per application	R540.00 per application	R560.00 per application

TOWN PLANNING

APPLICATION	Approved Tariff 2018/2019 R / C	Approved Tariff 2019/2020 R / C	Current Tariff 2020/2021 R / C	Proposed Tariff 2021/2022 R / C	Proposed Tariff 2022/2023 R/C	Proposed Tariff 2023/2024 R/C
WRITTEN CONSENT APPLICATION IN TERMS OF THE LAND USE MANAGEMENT SCHEME READ WITH THE RELEVANT SECTION OF SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW.						
Second dwelling	R 611.21	R 645.43	R 680.29	R 717.02	R 755.74	R 790.51
Building Line Relaxation	R 611.21	R 645.43	R 680.29	R 717.02	R 755.74	R 790.51
Height Relaxation	R 611.21	R 645.43	R 680.29	R 717.02	R 755.74	R 790.51
Coverage Relaxation	R 611.21	R 645.43	R 680.29	R 717.02	R 755.74	R 790.51
Servitude Upliftment	R 611.21	R 645.43	R 680.29	R 717.02	R 755.74	R 790.51
Relaxation of the line(s) of no access	R 611.21	R 645.43	R 680.29	R 717.02	R 755.74	R 790.51
Provision of parking on adjacent property	R 611.21	R 645.43	R 680.29	R 717.02	R 755.74	R 790.51
Relaxation of parking	R 611.21	R 645.43	R 680.29	R 717.02	R 755.74	R 790.51
Site Development Plan	R 882.60	R 932.03	R 982.36	R 1 035.41	R 1 091.32	R 1 141.52
Amendment of Site Development Plan	R 882.60	R 932.03	R 982.36	R 1 035.41	R 1 091.32	R 1 141.52
Erection of screen wall(s) exceeding 20.meters in height	R 611.21	R 645.43	R 680.29	R 717.02	R 755.74	R 790.51
Written consent objection	R 493.45	R 521.08	R 549.22	R 578.88	R 610.14	R 638.21
Renewal of Special Consent Application	R -610.14	-	R 680.29	R 717.02	R 755.74	R 790.51
SPECIAL CONSENT APPLICATION IN TERMS OF THE LAND USE MANAGEMENT SCHEME READ WITH THE RELEVANT SECTION OF SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW.						
Special Consent	R 1 087.84	R 1 148.75	R 1 210.79	R 1 276.17	R 1 345.08	R 1 406.96
Special Consent Objection/submission	R 493.45	R 521.08	R 549.22	R 578.88	R 610.14	R 638.21 R -
Closure of public space / park closure	R 1 087.84	R 1 148.75	R 1 210.79	R 1 276.17	R 1 345.08	R 1 406.96
TEMPORARY CONSENT APPLICATION IN TERMS OF THE LAND USE MANAGEMENT SCHEME READ WITH THE RELEVANT SECTION OF SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW.						
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 611.21	R 645.43	R 680.29	R 717.02	R 755.74	R 790.51
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 611.21	R 645.43	R 680.29	R 717.02	R 755.74	R 790.51
The use of land or building thereon for State or Municipal purposes	R 611.21	R 645.43	R 680.29	R 717.02	R 755.74	R 790.51
Prospecting rights	R 611.21	R 645.43	R 1 210.79	R 1 276.17	R 1 345.08	R 1 406.96

AMENDMENT SCHEME APPLICATION IN TERMS OF THE LAND USE MANAGEMENT SCHEME READ WITH THE RELEVANT SECTION OF SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW.						
Amendment Scheme Applications	R 3 392.48	R 3 582.46	R 3 775.91	R 3 979.81	R 4 194.72	R 4 387.67
Proclamation	R 1 233.63	R 1 302.71	R 1 373.06	R 1 447.20	R 1 525.35	R 1 595.52
Floor Area Ratio Increase	R 3 392.48	R 3 582.46	R 3 775.91	R 3 979.81	R 4 194.72	R 4 387.67
Amendment Scheme Objection	R 1 233.63	R 1 302.71	R 1 373.06	R 1 447.20	R 1 525.35	R 1 595.52
						R -
Notice of appeal	R 3 183.00	R 3 361.25	R 3 542.76	R 3 734.06	R 3 935.70	R 4 116.75
Notice to oppose appeal	R 1 061.00	R 1 120.42	R 1 180.92	R 1 244.69	R 1 311.90	R 1 372.25
Intervener Status ()Section 45 (2)/ (3) and/or (4) of the Spatial Planning and Land Use Management Act 2013		R 1 000.00	R 1 054.00	R 1 110.92	R 1 170.91	R 1 224.77
REMOVAL OF RESTRICTIONS APPLICATION IN TERMS OF THE LAND USE MANAGEMENT SCHEME READ WITH THE RELEVANT SECTION OF SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW.						
Removal of restrictive conditions	R 280.37	R 296.07	R 680.29	R 1 047.65	R 1 104.22	R 1 155.01
TOWNSHIP ESTABLISHMENT APPLICATION IN TERMS OF THE LAND USE MANAGEMENT SCHEME READ WITH THE RELEVANT SECTION OF SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW.						
Township Establishment (1-100 erven)	R 7 463.45	R 7 881.40	R 8 307.00	R 8 755.58	R 9 228.38	R 9 652.88
Township with more than 100 stands	R 2 467.26	R 2 605.42	R 2 746.12	R 2 894.41	R 3 050.70	R 3 191.04
Proclamation notice	R1 500/page	R1 500/page	R1 500/page	R1 582.50 /page	R1667.955 /page	R1744.69 /page
Extension of boundaries	R 7 463.45	R 7 881.40	R 8 307.00	R 8 755.58	R 9 228.38	R 9 652.88
Township Establishment Objection	R 2 467.26	R 2 605.42	R 2 746.12	R 2 894.41	R 3 050.70	R 3 191.04
DIVISION OF A TOWNSHIP APPLICATION IN TERMS OF THE LAND USE MANAGEMENT SCHEME READ WITH THE RELEVANT SECTION OF SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW.						
Division of a Township	R 1 850.44	R 1 954.07	R 2 059.59	R 2 170.80	R 2 288.03	R 2 393.28
DIVISION OF LAND APPLICATION IN TERMS OF THE LAND USE MANAGEMENT SCHEME READ WITH THE RELEVANT SECTION OF SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW.						
Division of Agriculture Land	R 550-00	R 580-80	R 612.16	R 645.22	R 680.06	R 711.34
AMENDMENT OF AN APPROVED TOWNSHIP: APPLICATION IN TERMS OF THE LAND USE MANAGEMENT SCHEME READ WITH THE RELEVANT SECTION OF SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW.						
Amendment of the layout plan	R 1 850.44	R 1 954.07	R 2 059.59	R 2 170.80	R 2 288.03	R 2 393.28
CONSOLIDATION/SUBDIVISION : APPLICATION IN TERMS OF THE LAND USE MANAGEMENT SCHEME READ WITH THE RELEVANT SECTION OF SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW.						
Subdivision	R 616.81	R 651.36	R 686.53	R 723.60	R 762.68	R 797.76

Subdivision with more than 5(five) stands/stand	R 72.90	R 76.98	R 81.14	R 85.52	R 90.13	R 94.28
Subdivision of Agricultural Land (Section 6) of the Town Planning and Townships Ordinance 20 of 1986.	R 616.81	R 651.36	R 686.53	R 723.60	R 762.68	R 797.76
Consolidation	R 475.51	R 502.14	R 529.25	R 557.83	R 587.95	R 615.00
OTHER APPLICATIONS						
Zoning Information	R 40.37	R 42.63	R 44.94	R 47.36	R 49.92	R 52.22
Trade License	R 271.40	R 286.60	R 302.07	R 318.38	R 335.58	R 351.01
Original Plans and Duresters						
AO	R 67.29	R 71.06	R 74.89	R 78.94	R 83.20	R 87.03
A1	R 56.07	R 59.21	R 62.41	R 65.78	R 69.33	R 72.52
A2	R 44.86	R 47.37	R 49.93	R 52.63	R 55.47	R 58.02
A3	R 19.07	R 20.13	R 21.22	R 22.37	R 23.57	R 24.66
A4	R 11.21	R 11.84	R 12.48	R 13.16	R 13.87	R 14.50
Original Plans (paper)						
AO	R 37.01	R 39.08	R 41.19	R 43.42	R 45.76	R 47.87
A1	R 30.28	R 31.98	R 33.70	R 35.52	R 37.44	R 39.16
A2	R 24.67	R 26.05	R 27.46	R 28.94	R 30.51	R 31.91
A3	R 12.34	R 13.03	R 13.73	R 14.47	R 15.25	R 15.96
A4	R 3.25	R 3.43	R 3.62	R 3.82	R 4.02	R 4.21

HOUSING

	Approved Tariff 2019/2020	Current Tariff 2020/2021	Proposed Tariff 2021/2022	Proposed Tariff 2022/2023	Proposed Tariff 2023/2024
CRU'S BOITEKONG EXT 12 (NO INCREASE)					
1 BEDROOM	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
3 BEDROOM	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%
2 BEDROOM	25%	25%	25%	25%	25%
3 BEDROOM	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
HOUSES	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%
2 BEDROOM(DOUBLE)	10%	10%	10%	10%	10%
GEELHOUT PARK OLD AGE FLATS					
2 BEDROOM(DOUBLE)	10%	10%	10%	10%	10%

Description	Approved Tariffs 2020/21	Percetage increase 2021/22	Proposed Tariffs 2021/22	Proposed tariffs 2022/23	Proposed tariffs 2022/23	
CLEARANCE CERTIFICATE FEE	87.99	0.054	92.74	97.75	103.03	
CLEARANCE APPLICATION FEE - MANUAL	183.97	1.48	456.25	480.88	506.85	Tariff incorretly captured in 2020/21 financial year.
CLEARANCE APPLICATION FEE - ELECTRONIC	410.61	-1.48	-197.09	(207.74)	(218.95)	Tariff incorretly captured in 2020/21 financial year.
VALUATION ROLL - SOFT COPY	1182.02	0.054	1 245.85	1 313.12	1 384.03	
VALUATION ROLL - HARD COPY	1182.02	0.054	1 245.85	1 313.12	1 384.03	
VALUATION CERTIFICATE	91.8	0.054	96.76	101.98	107.49	
DEEDS CEARCH	68.18	0.054	71.86	75.74	79.83	
LOST COPY CERTIFICATE	73.37	0.054	77.33	81.51	85.91	
SEARCHING OF ANY DISCLOSURE RECORD	17.70/HOUR OR PART	0.054	18.66	19.66	20.73	

Catergory	2021/22			2022/23			2023/24			2024/25	
	PHASE IN	REDUCTION IN TARIFF		PHASE IN	REDUCTION IN TARIFF		PHASE IN	REDUCTION IN TARIFF		PHASE IN	REDUCTION IN TARIFF
RESIDENTIAL	190 200 890.34	193 046 959.73		226 085 959.82	205 401 965.16		261 971 029.31	218 547 690.93		297 856 098.80	232 534 743.15
BUS &COM	197 459 911.92	200 004 210.00		257 864 820.48	212 804 479.44		318 269 729.04	226 423 966.12		378 674 637.60	240 915 099.96
INDUSTRIAL	46 723 995.53	40 048 245.00		56 869 203.25	42 611 332.68		67 014 410.98	45 338 457.97		77 159 618.70	48 240 119.28
PUBLIC WORSHIP	-	-									
MUNICIPAL PROP	-	-									
PUBLIC OPEN SPACE	-	-									
PSI	27 103.30	46 529.60		41 930.20	49 507.49		56 757.10	52 675.97		71 584.00	56 047.24
GOVN PROP	53 861 586.53	7 324 864.30		86 618 323.35	7 793 655.62		119 375 060.18	8 292 449.57		152 131 797.00	8 823 166.35
EDUCATIONAL	13 528 534.50	2 608 596.90		26 409 669.00	2 775 547.10		39 290 803.50	2 953 182.12		52 171 938.00	3 142 185.77
AGRICULTURE	11 526 890.63	13 568 349.60		14 642 721.75	14 436 723.97		17 758 552.88	15 360 674.31		20 874 384.00	16 343 757.46
PBO	503 975.25	93 161.90		980 950.50	99 124.26		1 457 925.75	105 468.21		1 934 901.00	112 218.18
PRIVATE OWNED TOWN	897 012.80	2 992 360.00		2 114 137.60	3 183 871.04		3 331 262.40	3 387 638.79		4 548 387.20	3 604 447.67
MINING PROPERTIES	3 693 470.70	5 239 350.00		6 013 428.80	5 574 668.40		8 333 386.90	5 931 447.18		10 653 345.00	6 311 059.80
PRIVATE OPEN SPACE	45 955.98	20 248.80		74 250.12	21 544.72		102 544.26	22 923.59		130 838.40	24 390.69
PRIVATE ROAD	11 132.00	5 738.20		19 192.00	6 105.44		27 252.00	6 496.19		35 312.00	6 911.95
VACANT LAND	12 239 849.13	31 068 837.00		21 853 201.65	33 057 242.57		31 466 554.18	35 172 906.09		41 079 906.70	37 423 972.08
TOTAL	**530 720 308.59**	**496 067 451.03**		**699 587 788.52**	**527 815 767.90**		**868 455 268.46**	**561 595 977.04**		**1 037 322 748.40**	**597 538 119.58**

Catergory	2021/22			2022/23			2023/24			2024/25	
	PHASE IN	REDUCTION IN TARIFF		PHASE IN	REDUCTION IN TARIFF		PHASE IN	REDUCTION IN TARIFF		PHASE IN	REDUCTION IN TARIFF
RESIDENTIAL	217 415 201.81	193 046 959.73		287 051 252.43	205 401 965.16		367 215 444.95	218 547 690.93		564 171 163.67	232 534 743.15
BUS &COM	209 974 976.76	200 004 210.00		292 367 859.84	212 804 479.44		383 268 476.52	226 423 966.12		558 930 523.08	240 915 099.96
INDUSTRIAL	49 634 140.58	40 048 245.00		64 346 814.75	42 611 332.68		47 711 342.01	45 338 457.97		94 542 316.01	48 240 119.28
PUBLIC WORSHIP	-	-									
MUNICIPAL PROP	-	-									
PUBLIC OPEN SPACE	-	-									
PSI	28 458.47	46 529.60		48 219.73	49 507.49		68 108.52	52 675.97		84 067.84	56 047.24
GOVN PROP	57 252 871.60	7 324 864.30		98 167 433.13	7 793 655.62		143 692 202.06	8 292 449.57		170 737 676.12	8 823 166.35
EDUCATIONAL	14 413 092.53	2 608 596.90		29 863 241.10	2 775 547.10		47 300 082.68	2 953 182.12		48 129 252.68	3 142 185.77
AGRICULTURE	12 103 235.16	13 568 349.60		16 839 130.01	14 436 723.97		21 310 263.45	15 360 674.31		32 244 640.80	16 343 757.46
PBO	536 229.67	93 161.90		570 548.36	99 124.26		607 063.46	105 468.21		641 667.78	112 218.18
PRIVATE OWNED TOWN	1 239 729.30	2 992 360.00		2 593 123.60	3 183 871.04		4 139 990.80	3 387 638.79		4 184 416.80	3 604 447.67
MINING PROPERTIES	3 935 665.50	5 239 350.00		6 802 075.20	5 574 668.40		10 067 916.74	5 931 447.18		11 828 714.86	6 311 059.80
PRIVATE OPEN SPACE	48 691.46	20 248.80		83 973.35	21 544.72		123 297.27	22 923.59		146 005.35	24 390.69
PRIVATE ROAD	11 827.75	5 738.20		21 830.90	6 105.44		44 179.20	6 496.19		50 054.40	6 911.95
VACANT LAND	13 062 696.13	31 068 837.00		24 791 447.25	33 057 242.57		37 812 749.98	35 172 906.09		41 189 674.18	37 423 972.08
TOTAL	**579 656 816.69**	**496 067 451.03**		**823 546 949.66**	**527 815 767.90**		**1 063 361 117.63**	**561 595 977.04**		**1 526 880 173.56**	**597 538 119.58**

Catergory	property values	Rebate	2021/22	2022/23	2023/24	2024/25		Tariffs 2021/22	2022/23	2023/24	2024/25
RESIDENTIAL	46 451 391 946.62	7 842 000 000.00	193 046 959.73	205 401 965.16	218 547 690.93	232 534 743.15		0.0050	0.0053	0.0057	0.0060
RES- MULTI PURPOSE			-	-	-	-		-	-	-	-
BUS &COM	13 333 614 000.00		200 004 210.00	212 804 479.44	226 423 966.12	240 915 099.96		0.0150	0.0160	0.0170	0.0181
INDUSTRIAL	2 669 883 000.00		40 048 245.00	42 611 332.68	45 338 457.97	48 240 119.28		0.0150	0.0160	0.0170	0.0181
PUBLIC WORSHIP	469 165 000.00		-	-	-	-		-	-	-	-
MUNICIPAL PROP	1 182 356 000.00		-	-	-	-		-	-	-	-
PUBLIC OPEN SPACE	13 910 000.00		-	-	-	-		-	-	-	-
PSI	35 792 000.00		46 529.60	49 507.49	52 675.97	56 047.24		0.0013	0.0014	0.0015	0.0016
GOVN PROP	5 634 511 000.00		7 324 864.30	7 793 655.62	8 292 449.57	8 823 166.35		0.0013	0.0014	0.0015	0.0016
EDUCATIONAL	2 006 613 000.00		2 608 596.90	2 775 547.10	2 953 182.12	3 142 185.77		0.0013	0.0014	0.0015	0.0016
AGRICULTURE	10 437 192 000.00		13 568 349.60	14 436 723.97	15 360 674.31	16 343 757.46		0.0013	0.0014	0.0015	0.0016
PBO	71 663 000.00		93 161.90	99 124.26	105 468.21	112 218.18		0.0013	0.0014	0.0015	0.0016
PRIVATE OWNED TOWN	645 172 000.00	46 700 000.00	2 992 360.00	3 183 871.04	3 387 638.79	3 604 447.67		0.0050	0.0053	0.0057	0.0060
MINING PROPERTIES	349 290 000.00		5 239 350.00	5 574 668.40	5 931 447.18	6 311 059.80		0.0150	0.0160	0.0170	0.0181
PRIVATE OPEN SPACE	15 576 000.00		20 248.80	21 544.72	22 923.59	24 390.69		0.0013	0.0014	0.0015	0.0016
PRIVATE ROAD	4 414 000.00		5 738.20	6 105.44	6 496.19	6 911.95		0.0013	0.0014	0.0015	0.0016
VACANT LAND	3 452 093 000.00		31 068 837.00	33 057 242.57	35 172 906.09	37 423 972.08		0.0090	0.0096	0.0102	0.0108
TOTAL	**86 772 635 947**		**496 067 451.0331**	**527 815 767.8992**	**561 595 977.0448**	**597 538 119.5756**		**0**	**0**	**0**	**0**

Assumption that property rates will increase by 6.4%

Catergory	Tota1 2021/22 - values	Increase split of the amount into 4 years	Total 2020/21 - values	Rebates	2021/22 projected revenue	2022/223 projected revenue	2022/223 projected revenue	2022/223 projected revenue	Tariff used - 2020/21 no increase
RESIDENTIAL	46 451 391 947.00	4721719669.25	27 564 513 270	7 259 800 000	190 200 890	226 085 960	261 971 029	297 856 099	0.0076
RES- MULTI PURPOSE		0.00			-	-	-	-	0.0076
BUS &COM	13 333 614 000.00	2126933400.00	4 825 880 400		197 459 912	257 864 820	318 269 729	378 674 638	0.0284
INDUSTRIAL	2 669 883 000.00	351045250.00	1 265 702 000		46 723 996	56 869 203	67 014 411	77 159 619	0.0289
PUBLIC WORSHIP	469 165 000.00	105758750.00	46 130 000		-	-	-	-	
MUNICIPAL PROP	1 182 356 000.00	247435700.00	192 613 200		-	-	-	-	
PUBLIC OPEN SPACE	13 910 000.00	-22916200.00	105 574 800		-	-	-	-	0.002
PSI	35 792 000.00	7413450.00	6 138 200		27 103	41 930	56 757	71 584	0.002
GOVN PROP	5 634 511 000.00	1213212475.00	781 661 100		53 861 587	86 618 323	119 375 060	152 131 797	0.027
EDUCATIONAL	2 006 613 000.00	495428250.00	24 900 000		13 528 535	26 409 669	39 290 804	52 171 938	0.026
AGRICULTURE	10 437 192 000.00	1557915562.50	4 205 529 750		11 526 891	14 642 722	17 758 553	20 874 384	0.002
PBO	71 663 000.00	17665750.00	1 000 000		503 975	980 951	1 457 926	1 934 901	0.027
PRIVATE OWNED TOWN	645 172 000.00	160148000.00	4 580 000	46 700 000	897 013	2 114 138	3 331 262	4 548 387	0.0076
MINING PROPERTIES	349 290 000.00	76064200.00	45 033 200		3 693 471	6 013 429	8 333 387	10 653 345	0.0305
PRIVATE OPEN SPACE	15 576 000.00	3368350.00	2 102 600		45 956	74 250	102 544	130 838	0.0084
PRIVATE ROAD	4 414 000.00	1007500.00	384 000		11 132	19 192	27 252	35 312	0.008
VACANT LAND	3 452 093 000.00	807844750.00	220 714 000		12 239 849	21 853 202	31 466 554	41 079 907	0.0119
TOTAL			**39 292 456 520**		**530 720 309**	**699 587 789**	**868 455 268**	**1 037 322 748**	

								Phase in of the increase				Total property rates per year				Assumption that property rates will increase by 6.4%					
Catergory	**Total 2020/21**		**2021/22**	**2022/23**	**2023/24**	**2024/25**	**Total 2021/22**	**25%**	**25%**	**25%**	**25%**	**2021/22**	**2022/23**	**2023/24**	**2024/25**						
RESIDENTIAL	27 564 513 270	7 259 800 000	164 468 177	174 620 534	186 803 362	196 955 719	46 451 391 947	52 947 024	112 430 718	180 412 083	253 622 783	217 415 202	287 051 252	367 215 445	564 171 164	0.0076	6.40%	0.0081	0.0086	0.0092	0.0097
RES- MULTI PURPOSE																0.0076	6.40%	0.0081	0.0086	0.0092	0.0097
BUS &COM	4 825 880 400		145 741 588	155 393 349	165 045 110	175 662 047	13 333 614 000	64 233 389	136 974 511	218 223 367	309 681 503	209 974 977	292 367 860	383 268 477	558 930 523	0.0284	6.40%	0.0302	0.0322	0.0342	0.0364
INDUSTRIAL	1 265 702 000		38 857 051	41 388 455	44 046 430	46 830 974	2 669 883 000	10 777 089	22 958 359	3 664 912	51 954 697	49 634 141	64 346 815	47 711 342	94 542 316	0.0289	6.40%	0.0307	0.0327	0.0348	0.0370
PUBLIC WORSHIP	46 130 000		-	-	-	-	469 165 000	-	-	-	-	-	-	-	-						
MUNICIPAL PROP	192 613 200		-	-	-	-	1 182 356 000	-	-	-	-	-	-	-	-						
PUBLIC OPEN SPACE	105 574 800		-	-	-	-	13 910 000	-	-	-	-	-	-	-	-	0.002	6.40%	0.0021	0.0023	0.0024	0.0026
PSI	6 138 200		12 890	14 118	14 732	15 959	35 792 000	15 568	34 102	53 377	77 100	28 458	48 220	68 109	84 068	0.002	6.40%	0.0021	0.0023	0.0024	0.0026
GOVN PROP	781 661 100		22 433 674	23 918 830	25 403 986	27 045 474	5 634 511 000	34 819 198	74 248 603	118 288 216	167 908 607	57 252 872	98 167 433	143 692 202	170 737 676	0.027	6.40%	0.0287	0.0306	0.0325	0.0346
EDUCATIONAL	24 900 000		689 730	732 060	779 370	829 170	2 006 613 000	13 723 363	29 131 181	46 520 713	65 991 043	14 413 093	29 863 241	47 300 083	48 129 253	0.026	6.40%	0.0277	0.0294	0.0313	0.0333
AGRICULTURE	4 205 529 750		8 831 612	9 672 718	10 093 271	10 934 377	10 437 192 000	3 271 623	7 166 412	11 216 992	16 202 322	12 103 235	16 839 130	21 310 263	32 244 641	0.002	6.40%	0.0021	0.0023	0.0024	0.0026
PBO	1 000 000		28 728	30 567	32 523	34 604	71 663 000	507 502	539 982	574 541	611 311	536 230	570 548	607 063	641 668	0.027	6.40%	0.0287	0.0306	0.0325	0.0346
PRIVATE OWNED TOWN	4 580 000	46 700 000	37 098	39 388	42 136	44 426	645 172 000	1 202 631	2 553 736	4 097 855	6 213 742	1 239 729	2 593 124	4 139 991	4 184 417	0.0076	6.40%	0.0081	0.0086	0.0092	0.0097
MINING PROPERTIES	45 033 200		1 463 579	1 553 645	1 693 248	1 760 798	349 290 000	2 472 087	5 248 430	8 374 668	11 896 441	3 935 666	6 802 075	10 067 917	11 828 715	0.0305	6.40%	0.0325	0.0345	0.0367	0.0391
PRIVATE OPEN SPACE	2 102 600		18 713	19 975	21 236	22 708	15 576 000	29 978	63 999	102 061	145 513	48 691	83 973	123 297	146 005	0.0084	6.40%	0.0089	0.0095	0.0101	0.0108
PRIVATE ROAD	384 000		3 264	3 494	5 491	5 875	4 414 000	8 564	18 337	38 688	41 509	11 828	21 831	44 179	50 054	0.008	6.40%	0.0085	0.0091	0.0096	0.0103
VACANT LAND	220 714 000		2 803 068	2 979 639	3 156 210	3 376 924	3 452 093 000	10 259 628	21 811 808	34 656 540	49 440 099	13 062 696	24 791 447	37 812 750	41 189 674	0.0119	6.40%	0.0127	0.0135	0.0143	0.0153
TOTAL	**39 292 456 520**		**385 389 173**				**86 772 635 947**					**579 656 817**	**823 546 950**	**1 063 361 118**	**1 526 880 174**						

Comparison of market values for two financial years

Catergory	Total 2020/21	Total 2021/22	Variance	Variance in percentage
RESIDENTIAL	27 564 513 270	46 451 391 947	18 886 878 677	69
RES- MULTI PURPOSE			-	
BUS &COM	4 825 880 400	13 333 614 000	8 507 733 600	176
INDUSTRIAL	1 265 702 000	2 669 883 000	1 404 181 000	111
PUBLIC WORSHIP	46 130 000	469 165 000	423 035 000	917
MUNICIPAL PROP	192 613 200	1 182 356 000	989 742 800	514
PUBLIC OPEN SPACE	105 574 800	13 910 000	-91 664 800	-87
PSI	6 138 200	35 792 000	29 653 800	483
GOVN PROP	781 661 100	5 634 511 000	4 852 849 900	621
EDUCATIONAL	24 900 000	2 006 613 000	1 981 713 000	7 959
AGRICULTURE	4 205 529 750	10 437 192 000	6 231 662 250	148
PBO	1 000 000	71 663 000	70 663 000	7 066
PRIVATE OWNED TOWN	4 580 000	645 172 000	640 592 000	13 987
MINING PROPERTIES	45 033 200	349 290 000	304 256 800	676
PRIVATE OPEN SPACE	2 102 600	15 576 000	13 473 400	641
PRIVATE ROAD	384 000	4 414 000	4 030 000	1 049
VACANT LAND	220 714 000	3 452 093 000	3 231 379 000	1 464
TOTAL	**39 292 456 520**	**86 772 635 947**	47 480 179 427	121

Comparison of projected revenue

Catergory	Total 2020/21	Total 2021/22	Variance	Variance in percentage
RESIDENTIAL	152 439 340.47	189 186 021	36 746 680	24
BUS &COM	138 124 418	200 004 210	61 879 792	45
INDUSTRIAL	36 899 770	40 048 245	3 148 475	9
PUBLIC WORSHIP			-	
PSI	-	4 470	4 470	100
GOVN PROP	19 162 078	7 043 139	-12 118 939	-63
EDUCATIONAL	651 743	2 508 266	1 856 524	285
AGRICULTURE	7 786 050	13 046 490	5 260 440	68
PRIVATE OWNED TOWN	2 866 779	2 244 270	-622 509	-22
MINING PROPERTIES	1 379 961	5 239 350	3 859 389	280
PRIVATE OPEN SPACE	14 989	19 470	4 481	30
PRIVATE ROAD	3 269	5 518	2 249	69
VACANT LAND	2 653 689	31 068 837	28 415 148	1 071
TOTAL	**361 982 086**	**490 418 285**	**128 436 199**	**35**

RUSTENBURG PROPOSED RATES TARIFFS FOR 2020/2021

CATEGORY	AMOUNT	EXEMPTIONS	SUBTOTAL	IMPERMISEABLE REBATE	Rebates	SUBTOTAL	Rate 2021/2022	PROJECTED RATE 2021/2022			PROJECTED GROSS INCOME	PHASE IN		SUB-TOTAL	Indigent/PENSIONERS REBATE	REBATES	REBATE VALUE	PROJECTED NET INCOME				
RESIDENTIAL	46 451 391 947		46 451 391 947	7 842 000 000		38 609 391 947	0.0050	0.0050	0.0076	34%	193 046 959.73		-	193 046 959.73	2.00%		3 860 939.19	189 186 020.54				
RES- MULTI PURPOSE			-			-		0.0000			-			-				-				
BUS &COM	13 333 614 000		13 333 614 000			13 333 614 000	0.0150	0.0150	0.0284	47%	200 004 210.00		-	200 004 210.00		0%	-	200 004 210.00	230 000.00	0.0076	1 748.00	145.67
INDUSTRIAL	2 669 883 000		2 669 883 000			2 669 883 000	0.0150	0.0150	0.0289	48%	40 048 245.00		-	40 048 245.00		0%	-	40 048 245.00	490 000.00	0.005	2 450.00	204.17
PUBLIC WORSHIP	469 165 000	469 165 000	-			-		0.0013			-	25% of residential tariff		-		0%	-	-			702.00	
MUNICIPAL PROP	1 182 356 000	1 182 356 000	-			-		0.0000			-			-		0%	-	-			40%	
PUBLIC OPEN SPACE	13 910 000	13 910 000	-			13 910 000	0.0013	0.0013				25% of residential tariff		-		0%	-	-				
PSI	35 792 000		35 792 000			35 792 000	0.0013	0.0013	0.0020	38%	44 740.00	25% of residential tariff		44 740.00		0%	-	44 740.00				
GOVN PROP	5 634 511 000		5 634 511 000			5 634 511 000	0.0013	0.0013	0.0270	95%	7 043 138.75	25% of residential tariff		7 043 138.75		20%	1 408 627.75	5 634 511.00				
EDUCATIONAL	2 006 613 000		2 006 613 000			2 006 613 000	0.0010	0.0013	0.0260	95%	2 508 266.25			2 508 266.25		20%	501 653.25	2 006 613.00				
AGRICULTURE	10 437 192 000		10 437 192 000			10 437 192 000	0.0013	0.0013	0.0020	38%	13 046 490.00	25% of the residential tariff		13 046 490.00		20%	2 609 298.00	10 437 192.00				
AGRI - RESIDENTIAL	-		-			-	0.0013	0.0013			-			-				-				
Agri Business	-		-			-	0.0212	0.0212			-			-				-				
Vacant Business	-		-			-	0.0215	0.0215			-			-				-				
PBO	71 663 000		71 663 000			71 663 000	0.0013	0.0013	0.0000		89 578.75	25% of the residential tariff				0%	-	-				
PRIVATE OWNED TOWN	645 172 000		645 172 000	46 700 000	149 618 000	448 854 000	0.0050	0.0050	0.0076	34%	2 244 270.00	Additional rebate of 25%		2 244 270.00			-	2 244 270.00				
MULTI PURPOSE USE	-		-			-		0.0000			-			-		0%	-	-				
MINING PROPERTIES	349 290 000		349 290 000			349 290 000	0.0150	0.0150	0.0305	51%	5 239 350.00		-	5 239 350.00		0%	-	5 239 350.00				
PRIVATE SCHOOLS	-		-			-	0.0236	0.0236			-			-		0%	-	-				
PRIVATE OPEN SPACE	15 576 000		15 576 000			15 576 000	0.0013	0.0013	0.0084	85%	19 470.00	25% of residential as it is fo		19 470.00		0%	-	19 470.00				
PRIVATE ROAD	4 414 000		4 414 000			4 414 000	0.0013	0.0013	0.0080	84%	5 517.50	25% of residential		5 517.50		0%	-	5 517.50				
PUBLIC ROAD	-		-			-		0.0000			-			-		0%	-	-				
VACANT LAND	3 452 093 000		3 452 093 000			3 452 093 000	0.0090	0.0090	0.0119	24%	31 068 837.00		-	31 068 837.00		0%	-	31 068 837.00				
CRECHES			-			-	0.0236	0.0236			-		-	-		0%	-	-				
TOTAL	**86 772 635 947**	**1 665 431 000**	**85 107 204 947**	**7 888 700 000**		**77 218 504 947**					**494 409 072.98**		**-**	494 409 072.98			**8 380 518.19**	**485 938 976.04**				

2015/2016	**86 772 635 947**		
2014/2015			
Difference	**86 772 635 947**	#DIV/0!	increase in value

Monthly income previous year	14 900 000.00	
Projected annual income	178 800 000.00	
Increase	307 138 976.04	172%

NOTES:

178800000

210017722.9

RUSTENBURG PROPOSED RATES TARIFFS FOR 2020/2021

CATEGORY	AMOUNT	EXEMPTIONS	SUBTOTAL	IMPERMISEABLE REBATE	SUBTOTAL	Rate 2019/2020	PROJECTED RATE 2020/2021	PROJECTED GROSS INCOME	PHASE IN		SUB-TOTAL	Indigent/PENSIONERS REBATE	REBATES	REBATE VALUE	PROJECTED NET INCOME
RESIDENTIAL	27 564 513 270		27 564 513 270	7 259 800 000	20 304 713 270	0,0072	0,0077	155 550 347.42		-	155 550 347.42	2.00%		3 111 006.95	152 439 340.47
RES- MULTI PURPOSE			-		-		0.0000	-			-				-
BUS &COM	4 825 880 400		4 825 880 400		4 825 880 400	0,0269	0,0286	138 124 418.46		-	138 124 418.46		0%	-	138 124 418.46
INDUSTRIAL	1 265 702 000		1 265 702 000		1 265 702 000	0,0274	0,0292	36 899 769.83		-	36 899 769.83		0%	-	36 899 769.83
PUBLIC WORSHIP	46 130 000	46 130 000	-		-		0.0000	-			-		0%	-	-
MUNICIPAL PROP	192 613 200	192 613 200	-		-		0.0000	-			-		0%	-	-
PUBLIC OPEN SPACE	105 574 800		105 574 800		105 574 800		0.0000	-			-		0%	-	-
PSI	6 138 200		6 138 200		6 138 200		0.0000	-			-		0%	-	-
GOVN PROP	781 661 100		781 661 100	78 166 110	703 494 990	0,0256	0,0272	19 162 077.94			19 162 077.94		0%	-	19 162 077.94
EDUCATIONAL	24 900 000		24 900 000		24 900 000	0,0246	0,0262	651 742.56			651 742.56		0%	-	651 742.56
AGRICULTURE	4 205 529 750		4 205 529 750	354 100 000	3 851 429 750	0,0019	0,0020	7 786 050.38		-	7 786 050.38		0%	-	7 786 050.38
AGRI - RESIDENTIAL	-		-			0,0014	0,0015	-			-				-
Agri Business	-		-			0,0212	0,0226	-			-				-
Vacant Business	-					0,0215	0,0229	-			-				-
PBO	1 000 000		1 000 000		1 000 000		0,0000	-			-		0%	-	-
PRIVATE OWNED TOWN	4 580 000		561 321 000	140 330 250	420 990 750	0,0064	0,0068	2 866 778.61			2 866 778.61		0%	-	2 866 778.61
MULTI PURPOSE USE	-		-		-		0.0000	-			-		0%	-	-
MINING PROPERTIES	45 033 200		45 033 200		45 033 200	0,0288	0,0306	1 379 961.35		-	1 379 961.35		0%	-	1 379 961.35
PRIVATE SCHOOLS	-		-		-	0,0236	0,0251	-			-		0%	-	-
PRIVATE OPEN SPACE	2 102 600		2 102 600		2 102 600	0,0067	0,0071	14 989.01			14 989.01		0%	-	14 989.01
PRIVATE ROAD	384 000		384 000		384 000	0,0080	0,0085	3 268.61			3 268.61		0%	-	3 268.61
PUBLIC ROAD	-		-		-		0.0000	-			-		0%	-	-
VACANT LAND	220 714 000		220 714 000		220 714 000	0,0113	0,0120	2 653 688.56		-	2 653 688.56		0%	-	2 653 688.56
CRECHE			-		-	0,0236	0,0251	-		-	-		0%	-	-
TOTAL	**39 292 456 520**	**238 743 200**	**39 053 713 320**	**7 832 396 360**	**31 221 316 960**			**365 093 092.73**		**-**	365 093 092.73			**3 111 006.95**	**361 982 085.79**

2015/2016	**39 292 456 520**		
2014/2015			
Difference	**39 292 456 520**	#DIV/0!	increase in value

Monthly income previous year	14 900 000.00	
Projected annual income	178 800 000.00	
Increase	183 182 085.79	102%

NOTES:

178800000

210017722.9

LET ME KNOW WHAT THE FINAL OUTCOME IS!!!!

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**

26994304901
4792977050
6096080000

SUNDRY CHARGES

TARIFF DESCRIPTION	Approved Tariffs 2020/21	Percentage increase 2021/2022	Proposed Tariff 2021/2022	Proposed Tariff 2022/2023	Proposed Tariff 2023/2024
			R	R	R
EASYPAYMENT FEE	3.68	64.00	7.42	8.16	8.98
DEPOSIT : HouseHolds	1801.15	6.00	1909.22	2100.14	2310.16
DEPOSIT :Commercial*					
DEPOSIT : Industrial*					
DEPOSIT : Government*					
DEPOSIT : Agriculture*					
DEPOSIT : Church*					
DEPOSIT : Private Schools*					
DEPOSIT : Private Hospital*					
DISHONOURED PAYMENT FEE	173.03	5.00	181.68	190.76	200.3
ISSUING OF DUPLICATE MUNICIPAL ACCOUNT OVER 3 MONTHS (per acc)	3.48	5.46	3.67	5.5	5.75
CHEQUE RE ISSUE	158.81	5.03	175.97	193.57	212.92
ADMIN FEE ON TRANSFERS	5.8	5.51	6.45	7.1	7.8
FINAL DEMAND	34.39		41.3	49.55	54.5
ELECTRICITY RECONNECTION FEE - RESIDENTIAL/CHURCHES/GOVERNMENT	481.46		577.75	693.3	762.6
ELECTRICITY RECONNECTION FEE - BUSINESS/AGRICULTURAL(NEW)	**0**		**750**	**900**	**990**
WATER RECONNECTION FEE- RESIDENTIAL/CHURCHES/GOVERNMENT	687.79		825.35	990.42	1089.46
WATER RECONNECTION - BULK(NEW)	**0**		**950**	**1140**	**1254**
WATER RECONNECTION FEE - BUSINESS/AGRICULTURAL(NEW)	**0**		**950**	**1140**	**1254**
RECONNECTION : REMOVAL OF INSTALLATION - WATER	2571.7		3086.04	3703.25	4073.3
RECONNECTION: REMOVAL OF INSTALLATION - ELECTRICITY**(New)**	2571.7		4500	5400	5940
NB* All other deposits except for Households(Residential) is based on average of 3 highest consumption of similar existing operations					

RUSTENBURG
LOCAL MUNICIPALITY
DIRECTORATE : PUBLIC SAFETY

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

Tel: (014) 590 3340 Fax: (086) 660 0097 Email : aoor@rustenburg.gov.za

ESCORT TARIFFS – FUNERAL – FINANCIAL YEAR 2021/2024
EFFECTIVE FROM 01 JULY 2021

ZONES	CEMETRY	2021/2022	2022/2023	2023/2024
BLESKOP	RIETVLEI	R 418	R 438	R 458
BOITEKONG	RIETVLEI	R 376	R 393	R 411
BOITEKONG X 13	RIETVLEI	R 346	R 362	R 379
CASHAN	RIETVLEI	R 346	R 362	R 379
CHANENG	RIETVLEI	R 320	R 334	R 350
DONKERHOEK	RIETVLEI	R 203	R 213	R 222
EAST END	RIETVLEI	R 245	R 256	R 268
FREEDOM PARK	RIETVLEI	R 376	R 393	R 411
GEELHOUTPARK	RIETVLEI	R 202	R 211	R 221
JHB ROAD	RIETVLEI	R 346	R 362	R 379
KANANA	RIETVLEI	R 418	R 438	R 458
KARLIENPARK	RIETVLEI	R 245	R 256	R 268
KROONDAL	RIETVLEI	R 341	R 357	R 374
LEFARAGATLHE	RIETVLEI	R 202	R 211	R 221
LETHABONG	RIETVLEI	R 563	R 589	R 616
LUKA	RIETVLEI	R 302	R 316	R 331
MERITING	RIETVLEI	R 376	R 393	R 411
PAARDEKRAAL X1	RIETVLEI	R 376	R 393	R 411
PAARDEKRAAL X2	RIETVLEI	R 376	R 393	R 411
PHOKENG	RIETVLEI	R 318	R 333	R 348
PROTEA PARK	RIETVLEI	R 274	R 287	R 300
PTA ROAD	RIETVLEI	R 346	R 362	R 379
RAMOCHANA	RIETVLEI	R 318	R 333	R 348
RUSTENBURG CBD	RIETVLEI	R 202	R 211	R 221
RUSTENBURG NORTH	RIETVLEI	R 245	R 256	R 268
SERALENG	RIETVLEI	R 418	R 438	R 458
SONDELA	RIETVLEI	R 346	R 362	R 379
SUNRISE	RIETVLEI	R 346	R 362	R 379
TLHABANE	RIETVLEI	R 202	R 211	R 221
TLHABANE WEST	RIETVLEI	R 202	R 211	R 221
ZINNIVILLE	RIETVLEI	R 245	R 256	R 268

ESCORT TARIFFS – FUNERAL – FINANCIAL YEAR 2021/2024
EFFECTIVE FROM 01 JULY 2021

ZONES	CEMETRY	2021/2022	2022/2023	2023/2024

BOITEKONG	ZINNIAVILLE	R 274	R 287	R 300
BOITEKONG X 13	ZINNIAVILLE	R 274	R 287	R 300
CASHAN	ZINNIAVILLE	R 274	R 287	R 300
EAST END	ZINNIAVILLE	R 231	R 242	R 253
FREEDOM PARK	ZINNIAVILLE	R 274	R 287	R 300
GEELHOUTPARK	ZINNIAVILLE	R 231	R 242	R 253
KANANA	ZINNIAVILLE	R 274	R 287	R 300
KARLIENPARK	ZINNIAVILLE	R 202	R 211	R 221
LETHABONG	ZINNIAVILLE	R 491	R 513	R 537
MERITING	ZINNIAVILLE	R 274	R 287	R 300
PAARDEKRAAL X1	ZINNIAVILLE	R 274	R 287	R 300
PAARDEKRAAL X2	ZINNIAVILLE	R 274	R 287	R 300
PHOKENG	ZINNIAVILLE	R 346	R 362	R 379
PROTEA PARK	ZINNIAVILLE	R 231	R 242	R 253
RAMOCHANA	ZINNIAVILLE	R 202	R 211	R 221
RUSTENBURG CBD	ZINNIAVILLE	R 202	R 211	R 221
RUSTENBURG NORTH	ZINNIAVILLE	R 231	R 242	R 253
SERALENG	ZINNIAVILLE	R 231	R 242	R 253
SONDELA	ZINNIAVILLE	R 231	R 242	R 253
SUNRISE	ZINNIAVILLE	R 202	R 211	R 221
TLHABANE	ZINNIAVILLE	R 231	R 242	R 253
TLHABANE WEST	ZINNIAVILLE	R 245	R 256	R 268
ZINNIVILLE	ZINNIAVILLE	R 202	R 211	R 221

ESCORT TARIFFS – FUNERAL – FINANCIAL YEAR 2021/2024
EFFECTIVE FROM 01 JULY 2021

ZONES	CEMETRY	2021/2022	2022/2023	2023/2024
BOITEKONG	KARLIEN PARK	R 274	R 287	R 300
BOITEKONG X 13	KARLIEN PARK	R 274	R 287	R 300
CASHAN	KARLIEN PARK	R 274	R 287	R 300

EAST END	KARLIEN PARK	R 231	R 242	R 253
FREEDOM PARK	KARLIEN PARK	R 274	R 287	R 300
GEELHOUTPARK	KARLIEN PARK	R 231	R 242	R 253
KANANA	KARLIEN PARK	R 274	R 287	R 300
KARLIENPARK	KARLIEN PARK	R 202	R 211	R 221
LETHABONG	KARLIEN PARK	R 491	R 513	R 537
MERITING	KARLIEN PARK	R 274	R 287	R 300
PAARDEKRAAL X1	KARLIEN PARK	R 274	R 287	R 300
PAARDEKRAAL X2	KARLIEN PARK	R 274	R 287	R 300
PHOKENG	KARLIEN PARK	R 346	R 362	R 379
PROTEA PARK	KARLIEN PARK	R 231	R 242	R 253
RAMOCHANA	KARLIEN PARK	R 202	R 211	R 221
RUSTENBURG CBD	KARLIEN PARK	R 202	R 211	R 221
RUSTENBURG NORTH	KARLIEN PARK	R 231	R 242	R 253
SERALENG	KARLIEN PARK	R 231	R 242	R 253
SONDELA	KARLIEN PARK	R 231	R 242	R 253
SUNRISE	KARLIEN PARK	R 202	R 211	R 221
TLHABANE	KARLIEN PARK	R 231	R 242	R 253
TLHABANE WEST	KARLIEN PARK	R 231	R 242	R 253
ZINNIVILLE	KARLIEN PARK	R 202	R 211	R 221

ESCORT TARIFFS – FUNERAL – FINANCIAL YEAR 2021/2024
EFFECTIVE FROM 01 JULY 2021

ZONES	CEMETRY	2021/2022	2022/2023	2023/2024
BOITEKONG	TLHABANE	R 245	R 256	R 268
BOITEKONG X 13	TLHABANE	R 245	R 256	R 268
CASHAN	TLHABANE	R 202	R 211	R 221
EAST END	TLHABANE	R 202	R 211	R 221
FREEDOM PARK	TLHABANE	R 245	R 256	R 268
GEELHOUTPARK	TLHABANE	R 231	R 242	R 253
KANANA	TLHABANE	R 346	R 362	R 379
KARLIENPARK	TLHABANE	R 202	R 211	R 221

LETHABONG	TLHABANE	R 491	R 513	R 537
MERITING	TLHABANE	R 245	R 256	R 268
PAARDEKRAAL X1	TLHABANE	R 245	R 256	R 268
PAARDEKRAAL X2	TLHABANE	R 245	R 256	R 268
PHOKENG	TLHABANE	R 318	R 333	R 348
PROTEA PARK	TLHABANE	R 202	R 211	R 221
RAMOCHANA	TLHABANE	R 202	R 211	R 221
RUSTENBURG CBD	TLHABANE	R 202	R 211	R 221
RUSTENBURG NORTH	TLHABANE	R 202	R 211	R 221
SERALENG	TLHABANE	R 245	R 256	R 268
SONDELA	TLHABANE	R 245	R 256	R 268
SUNRISE	TLHABANE	R 202	R 211	R 221
TLHABANE	TLHABANE	R 202	R 211	R 221
TLHABANE WEST	TLHABANE	R 202	R 211	R 221
ZINNIVILLE	TLHABANE	R 202	R 211	R 221

ESCORT TARIFFS – FUNERAL – FINANCIAL YEAR 2021/2024
EFFECTIVE FROM 01 JULY 2021

ZONES	CEMETRY	2021/2022	2022/2023	2023/2024
BOITEKONG	DONKERHOEK	R 376	R 393	R 411
BOITEKONG X 13	DONKERHOEK	R 346	R 362	R 379
CASHAN	DONKERHOEK	R 346	R 362	R 379
EAST END	DONKERHOEK	R 245	R 256	R 268
FREEDOM PARK	DONKERHOEK	R 376	R 393	R 411
GEELHOUTPARK	DONKERHOEK	R 202	R 211	R 221
JHB ROAD	DONKERHOEK	R 346	R 362	R 379
KANANA	DONKERHOEK	R 418	R 438	R 458
KARLIENPARK	DONKERHOEK	R 245	R 256	R 268
LETHABONG	DONKERHOEK	R 563	R 589	R 616
MERITING	DONKERHOEK	R 376	R 393	R 411
PAARDEKRAAL X1	DONKERHOEK	R 376	R 393	R 411

PAARDEKRAAL X2	DONKERHOEK	R 376	R 393	R 411
PHOKENG	DONKERHOEK	R 318	R 333	R 348
PROTEA PARK	DONKERHOEK	R 274	R 287	R 300
PTA ROAD	DONKERHOEK	R 346	R 362	R 379
RAMOCHANA	DONKERHOEK	R 318	R 333	R 348
RUSTENBURG CBD	DONKERHOEK	R 202	R 211	R 221
RUSTENBURG NORTH	DONKERHOEK	R 245	R 256	R 268
SERALENG	DONKERHOEK	R 418	R 438	R 458
SONDELA	DONKERHOEK	R 346	R 362	R 379
SUNRISE	DONKERHOEK	R 346	R 362	R 379
TLHABANE	DONKERHOEK	R 202	R 211	R 221
TLHABANE WEST	DONKERHOEK	R 202	R 211	R 221
ZINNIVILLE	DONKERHOEK	R 245	R 256	R 268

ESCORT TARIFFS – FUNERAL – FINANCIAL YEAR 2021/2024
EFFECTIVE FROM 01 JULY 2021

ZONES	CEMETRY	2021/2022	2022/2023	2023/2024
BOITEKONG	BOITEKONG	R 202	R 211	R 221
BOITEKONG	KANANA	R 229	R 239	R 250
CHANENG	CHANENG	R 202	R 211	R 221
KANANA	KANANA	R 202	R 211	R 221
LETHABONG	LETHABONG	R 202	R 211	R 221
MERITING	KANANA	R 231	R 242	R 253
PAARDEKRAAL	KANANA	R 202	R 211	R 221
PHOKENG	PHOKENG	R 202	R 211	R 221
RUSTENBURG	TLASENG	R 491	R 513	R 537
RUSTENBURG	LETHABONG	R 563	R 589	R 616
RUSTENBURG	MOSENTHAL	R 491	R 513	R 537
RUSTENBURG	RANKELENYANE	R 418	R 438	R 458
RUSTENBURG	RIETSPRUIT	R 491	R 513	R 537
RUSTENBURG	MAILE	R 491	R 513	R 537
RUSTENBURG	PHOKENG	R 346	R 362	R 379
RUSTENBURG	CHANENG	R 418	R 438	R 458
RUSTENBURG	MARIKANA	R 491	R 513	R 537

RUSTENBURG	N4	R 202	R 211	R 221
RUSTENBURG	PHATSIMA	R 491	R 513	R 537
RUSTENBURG	LUKA	R 418	R 438	R 458
RUSTENBURG	MAMEROTSE	R 563	R 589	R 616
RUSTENBURG	TATANANA	R 558	R 584	R 610
RUSTENBURG	BLESKOP	R 477	R 499	R 522
RUSTENBURG	MERITING	R 340	R 356	R 372
RUSTENBURG	WONDERKOP	R 477	R 499	R 522
RUSTENBURG	MFIDIKOE	R 477	R 499	R 522
RUSTENBURG	LEFARAGATLHE	R 201	R 210	R 220
RUSTENBURG	MODDERFONTEIN	R 397	R 416	R 435
RUSTENBURG	PHOKENG	R 349	R 365	R 381
RUSTENBURG CBD	KANANA	R 418	R 438	R 458
TLHABANE	PHOKENG	R 346	R 362	R 379
TLHABANE	KANANA	R 376	R 393	R 411

ESCORT TARIFFS – FUNERAL – FINANCIAL YEAR 2021/2024
EFFECTIVE FROM 01 JULY 2021

TARIFF DESCRIPTION	2021/2022	2022/2023	2023/2024
ESCORT ORDINARY PER VEHICLE PLUS R4.50 PER KM	R 190	R 198	R 208
HEAVY VEHICLE ESCORTS PER 2 VEHICLES PLUS R4.50 PER KM	R 1 910	R 1 998	R 2 090
LABOUR COST PER TRAFFIC OFFICER PER HOUR			
WEEK DAYS	R 236	R 247	R 258
SATURDAY	R 236	R 247	R 258
SUNDAY / PUBLIC HOLIDAY	R 285	R 298	R 312
FUNERALS AND SOME SPORTING EVENTS PER VEHICLE	R 190	R 198	R 208
TOWING FEES	R 0		
LIGHT MOTOR VEHICLE (UP TO 3500 KG)	R 1 273	R 1 331	R 1 392
HEAVY MOTOR VEHICLE (3501 KG AND UP)	R 1 910	R 1 998	R 2 090
LIGHT MOTOR VEHICLE PER KM (THE FIRST 25KM)	R 34	R 36	R 37
HEAVY MOTOR VEHICLE (ADDITIONAL COST PER KM)	R 38	R 40	R 42
POUND FEES	R 0	R 0	R 0

STORAGE (MOTOR VEHICLE) PER DAY	R 556	R 581	R 608
STORAGE (GOODS) ONCE OFF ON RELEASE	R 3 501	R 3 662	R 3 830

MARATHONS / FUN RUN / FUN WALK / ESCORTS / MARCHES AND MOTORCADE TARIFFS FOR FINANCIAL YEAR 2021/2024 EFFECTIVE FROM 01 JULY 2021

		2021/2022	2022/2023	2023/2024
00 – 5 KM	ALL AREA	R 683	R 714	R 747
05 – 10 KM	APPLICABLE TO ALL AREA	R 1 364	R 1 427	R 1 493
10 – 15 KM	APPLICABLE TO ALL AREA	R 2 040	R 2 134	R 2 232
15 – 20 KM FUN RUN	APPLICABLE TO ALL AREA	R 2 835	R 2 965	R 3 102
20 – 30 KM FUN RUN	APPLICABLE TO ALL AREA	R 3 781	R 3 955	R 4 137
30 – 40 KM FUN RUN	APPLICABLE TO ALL AREA	R 5 673	R 5 934	R 6 206
40 – 50 KM FUN RUN	APPLICABLE TO ALL AREA	R 9 455	R 9 890	R 10 345
BARSEBA	BARSEBA	R 201	R 210	R 220
BETHANI	BETHANI	R 201	R 210	R 220
BOITEKONG	BOITEKONG	R 201	R 210	R 220
CBD	MPHENI HOUSE	R 428	R 448	R 469
CBD	DEPT OF LABOUR	R 428	R 448	R 469
CBD	RUSTENBURGS SAPS	R 428	R 448	R 469
CBD	JOB SHIMANKANE TABANE	R 502	R 525	R 549

CBD	DEP. OF EDUCATION	R 214	R 224	R 234
CBD	SARS	R 245	R 256	R 268
CHANENG	CHANENG	R 201	R 210	R 220
FREEDOM PARK	WILDEBEES STADIUM	R 214	R 224	R 234
IKAGENG	IKAGENG	R 201	R 210	R 220
KANANA	KANANA	R 201	R 210	R 220
LESUNG	LESUNG	R 201	R 210	R 220
LETHABONG	LETHABONG	R 201	R 210	R 220
LETHABONG	LETHABONG SAPS	R 201	R 210	R 220
LETHABONG	LETHABONG MUNICIPAL OFFICES	R 201	R 210	R 220
LETHABONG	LETHABONG CLINIC	R 201	R 210	R 220
LUKA	LUKA	R 201	R 210	R 220
LUKA	IMPALA PLATINUM MINES	R 245	R 256	R 268
MABITSE	MABITSE	R 201	R 210	R 220
MAFIKA	MAFIKA	R 201	R 210	R 220
MAILE	MAILE	R 201	R 210	R 220
MARIKANA	WONDERKOP	R 286	R 299	R 313
MARIKANA	MADITLHOKWA	R 359	R 375	R 392
MERITING	MERITING	R 201	R 210	R 220
MFIDIKWE	MFIDIKWE	R 201	R 210	R 220
MFIDIKWE	TSHUKUDU HIGH SCHOOL	R 286	R 299	R 313
MODIKWE	MODIKWE	R 201	R 210	R 220
MOGAJANE	MOGAJANE	R 201	R 210	R 220
MONAKATO	MONAKATO SAPS	R 201	R 210	R 220
MONAKATO	MUNICIPAL OFFICES	R 201	R 210	R 220
MONAKATO	MONAKATO CLINIC	R 201	R 210	R 220
MOSENTHAL	MOSENTHAL	R 201	R 210	R 220
PAARDEKRAAL	PAARDEKRAAL	R 201	R 210	R 220
PHATSIMA	PHATSIMA	R 201	R 210	R 220
PHOKENG	PHOKENG	R 201	R 210	R 220
PHOKENG STADIUM	BAFOKENG CIVIC CENTRE	R 201	R 210	R 220
PHOKENG STADIUM	LEGATO	R 201	R 210	R 220
PHOKENG STADIUM	PHOKENG SAPS	R 201	R 210	R 220
PHOKENG STADIUM	LEBONE CONVENTIONAL HIGH SCHOOL	R 201	R 210	R 220
PHOTSANENG	PHOTSANENG	R 201	R 210	R 220
PHOTSANENG	TSHUKUDU HIGH SCHOOL	R 286	R 299	R 313
RANKELENYANE	RANKELENYANE	R 201	R 210	R 220
RUSTENBURG TAXI	MPHENI HOUSE	R 428	R 448	R 469
RUSTENBURG TAXI RANK	DEPT OF LABOUR	R 428	R 448	R 469
RUSTENBURG TAXI RANK	RUSTENBURG SAPS	R 428	R 448	R 469

RUSTENBURG TAXI RANK	JOB SHIMANKANE TABANE HOSPITAL	R 502	R 525	R 549
RUSTENBURG TAXI	DEPT. OF EDUCATION	R 214	R 224	R 234
RUSTENBURG TAXI RANK	SARS	R 245	R 256	R 268
SERUTUBE	SERUTUBE	R 201	R 210	R 220
SUN RISE	SUN RISE	R 201	R 210	R 220
THEKWANE	THEKWANE	R 201	R 210	R 220
THEKWANE	TSHUKUDU HIGH SCHOOL	R 286	R 299	R 313
TLAPA	TLAPA	R 201	R 210	R 220
TLASENG	TLASENG	R 201	R 210	R 220
TSITSING	TSITSING	R 201	R 210	R 220

ESCORT TARIFFS – FINANCIAL YEAR 2021/2024
EFFECTIVE FROM 01 JULY 2021

		2021/2022	2022/2023	2023/2024
BOKAMOSO	BOKAMOSO	R 201	R 210	R 220
BOKAMOSO	RUSTENBURG CBD	R 273	R 285	R 299
KROONDAL	KROONDAL	R 201	R 210	R 220
KROONDAL	RUSTENBURG CBD	R 273	R 285	R 299
MADITLHOKWA	RUSTENBURG CBD	R 532	R 557	R 582
MAHUMAPELO	MAHUMAPELO	R 201	R 210	R 220
MAHUMAPELO	RUSTENBURG CBD	R 431	R 451	R 471
MAKITLHOKWA	MADITLHOKWA	R 201	R 210	R 220
MATEBELENG	MATEBELENG	R 201	R 210	R 220
MATEBELENG	RUSTENBURG CBD	R 273	R 285	R 299
MFIDIKWE	MFIDIKWE	R 201	R 210	R 220
MFIDIKWE	RUSTENBURG CBD	R 431	R 451	R 471
NKANENG	NKANENG	R 201	R 210	R 220
PHOTSANENG	PHOTSANENG	R 201	R 210	R 220
PHOTSANENG	RUSTENBURG CBD	R 443	R 463	R 485
REX	RUSTENBURG	R 246	R 257	R 269
RUSTENBURG CBD	MAUMONG	R 415	R 434	R 454
RUSTENBURG CBD	TLAPA	R 431	R 451	R 471
RUSTENBURG CBD	MABITSE	R 396	R 415	R 434
RUSTENBURG CBD	MAFIKA	R 382	R 399	R 418
RUSTENBURG CBD	SERUTUBE	R 382	R 399	R 418
RUSTENBURG CBD	MAILE2	R 410	R 429	R 448
RUSTENBURG CBD	KOPMAN	R 410	R 429	R 448
RUSTENBURG CBD	LEKGALONG	R 396	R 415	R 434
RUSTENBURG CBD	IKAGENG	R 464	R 485	R 507
RUSTENBURG CBD	LESUNG	R 511	R 535	R 560
THEKWANE	THEKWANE	R 201	R 210	R 220
THEKWANE	RUSTENBURG CBD	R 458	R 479	R 501
ZAKHELE	ZAKHELE	R 201	R 210	R 220

PUBLIC PASSENGER AND GOODS TRANSPORT BY-LAW DECOL (RM) -
TARIFFS FINANCIAL YEAR 2021/2024
EFFECTIVE FROM 01 JULY 2021

	2021/2022	2022/2023	2023/2024
MINIBUS TAXI (SEATING CAPACITY < 16 PERSONS)	R 130	R 136	R 142
MINIBUS TAXI (SEATING CAPACITY > 17 PERSONS)	R 169	R 177	R 185
BUS	R 218	R 228	R 238
GOODS VEHICLES	R 247	R 259	R 270
	R 0	R 0	R 0
ACCIDENT REPORT (COPY)	R 66	R 69	R 72

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 2019/2020 2019/2020	Approved 2020/2021	Approved % increase 2020/2021	Approved 2021/2022	Approved 2022/2023
Inspection of bulk depots and issuing of registration certificates	R 2 775.30	R 3 052.83	9%	R 3 327.58	R 3 627.07
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 859.10	R 945.01	9%	R 1 030.06	R 3 957.13
Inspection of a dangerous goods vehicle and issuing of transport permit	R 859.10	R 945.01	9%	R 1 030.06	R 4 317.23
Issuing of certificate of fitness for a public building	R 859.10	R 945.01	9%	R 1 030.06	R 4 710.10
Release of emergency incident information as contemplated in Section 2 of the Fire Brigade Service By-Laws	R 123.20	R 135.52	9%	R 147.72	R 5 138.72
Temporary registration of hazardous substances installation for special events	R 61.60	R 67.76	9%	R 73.86	R 5 606.34
Plan approval for fire Protection Plans inclusive of a fire Installation drawing or smoke ventilation plan (per m2 or part thereof)	R 2.20	R 2.42	9%	R 2.64	R 6 116.52
Plan approval for fire Protection Plans inclusive of a fire Installation drawing or smoke ventilation plan(with a minimum fee of)	R 27 013.80	R 29 715.18	9%	R 32 389.55	R 6 673.12
Plan approval for fire Protection Plans inclusive of a fire Installation drawing or smoke ventilation plan(per building plan submitted and a maximum fee of)	R 27 013.80	R 29 715.18	9%	R 32 389.55	R 7 280.37
Plan approval for tenant layouts / amendments / deviations(per floor / per tenant)	R 392.70	R 431.97	9%	R 470.85	R 7 942.89
Plan approval for site development including amendments (SDP)(per submission)	R 392.70	R 431.97	9%	R 470.85	R 8 665.69
Plan approval for hazardous substances including amendments / deviations(per submission)	R 392.70	R 431.97	9%	R 470.85	R 9 454.27
Rational design for a thatched roof or lapa at a residential stand/erf(per submission)	R 478.50	R 526.35	9%	R 573.72	R 10 314.61
Plans for temporary structures at events that includes the rational design thereof	R 478.50	R 526.35	9%	R 573.72	R 11 253.23
Cost per Officer per hour or part thereof at events for standby and inspections	R 305.80	R 336.38	9%	R 366.65	R 12 277.28
Rational designs	R 982.30	R 1 080.53	9%	R 1 177.78	R 13 394.51
Fireworks display / discharge application	R 430.10	R 473.11	9%	R 515.69	R 14 613.41
General Fire Safety compliance letter / inspection request / fire water reticulation test result out of schedule	R 306.90	R 337.59	9%	R 367.97	R 15 943.23
Fire water reticulation tests at street hydrants per hydrant	R 306.90	R 337.59	9%	R 367.97	R 17 394.07
Restoration of lapsed annual hazardous substance certificate	R 430.10	R 473.11	9%	R 515.69	R 18 976.93

B. RENTAL PAYABLE FOR MAKING SERVICE EQUIPMENT AVAILABLE

Utilisation of vehicles	Call out cost	Utilisation cost per vehicle per	Approved	Approved	Approved % increase	Approved	Approved
Type of vehicle			2019/2020	2020/2021	2020/2021	2021/2022	2022/2023
Rescue Pumper	R 250.00	R 500.00	R 961.95	R 1 058.15	9%	R 1 153.38	R 1 257.18
Aerial Apparatus	R 450.00	R 900.00	R 1 731.51	R 1 904.66	9%	R 2 076.08	R 2 262.93
Specialist Vehicle (Hazmat vehicle)	R 450.00	R 950.00	R 1 795.64	R 1 975.20	9%	R 2 152.97	R 2 346.74
Water Tanker	R 300.00	R 650.00	R 1 218.47	R 1 340.32	9%	R 1 460.95	R 1 592.43
Grass Unit	R 150.00	R 250.00	R 513.04	R 564.34	9%	R 615.13	R 670.50
Incident Command vehicle / response vehicle	R 495.00	R 800.00	R 1 660.97	R 1 827.06	9%	R 1 991.50	R 2 170.73
Diving Unit	R 450.00	R 950.00	R 1 795.64	R 1 975.20	9%	R 2 152.97	R 2 346.74
Utilisation of Specialised Equipment	R 250.00	R 650.00	R 1 154.34	R 1 269.77	9%	R 1 384.05	R 1 508.62
Kilometres (Km) Travelled		R2. 00	R 2.57	R 2.82	9%	R 3.08	R 3.35
USE OF PERSONNEL							
Personnel per h / per member		R 70.00	R 89.78	R 98.76	9%	R 107.65	R 117.34
USE OF WATER							
Water used per kl + Vat		R 7.50	R 9.62	R 10.58	9%	R 11.53	R 12.57

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 Rescued, Mountain Rescue, Diving)

a. Deliver of expert services in specialised fires

	Approved	Approved	Approved % increase	Approved	Approved
	2019/2020	2020/2021	2020/2021	2021/2022	2022/2023
A maximum restriction of **R6 000.00** (VAT included) is placed per private household for fire and rescue services.	7 409	8 150	9%	8 883	9 683

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
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

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

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

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
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
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

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

i. All monies are payable in advance.

6. All relevant application forms are available at the Emergency Services Department (Fire Brigade Services) and must be completed in full and where applicable,
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

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	Approved			Approved 2020 /2021	Approved 2021 / 2022	Approved 2022 / 2023
	2019/2020			9%	9%	9%
Fire Fighter I	R 9 277	10 Weeks	R 9 277	10 112	11 022	12 014
Fire Fighter I Challenge	R 2 719	-	R 2 719	2 964	3 231	3 521
Haz-Mat Awareness	R 2 079	2 Weeks	R 2 079	2 266	2 470	2 693
Fire Fighter II	R 5 278	4 Weeks	R 5 278	5 753	6 271	6 835
Fire Fighter II Challenge	R 2 719	-	R 2 719	2 964	3 231	3 521
Haz-Mat Operational	R 3 679	2 Weeks	R 3 679	4 010	4 371	4 764
Fire Services Instructor	R 5 278	2 Weeks	R 5 278	5 753	6 271	6 835
Vehicle Rescue	R 2 079	2 Weeks	R 2 079	2 266	2 470	2 693
Basic Fire Fighting And Safety	R 823	1 Day	R 823	897	977	1 065
Industrial Fire Fighting	R 1 663	5 Days	R 1 663	1 813	1 976	2 154
SCBA	R 1 008	3 Days	R 1 008	1 099	1 198	1 306
Pump Operator	R 7 357	5 Days	R 7 357	8 020	8 741	9 528
All Appliances(Hydraulic Platform, Turntable Ladder, Industrial Foam Pumper)	R 8 396	5 Days	R 8 396	9 152	9 976	10 873
Rental of Porta Cabin Sleeping Rooms per person per day sharing	83.49 \ Per Room \ Sharing	1 Day	83	91	99	108
Rental of Training Props per Hour	654.61	Per Hour	655	714	778	848
Rental of Training Lecture-room per day	731.1726973	Per Day	731	797	869	947

E. Disaster Management

Tariffs for rendering of Evacuation plans and emergency evacuation drills

		With effect from 1 July 2020 until 30 June 2021
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		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	per official per	

organised by RLM or RLM partnering with private sector	hour or part thereof	Free of charge

Services Within Municipal jurisdiction (Monthly contribution of fire lev)	Approved Tariff 2020/2021
1 Rescue Involving public safety for humanitarian nature (Swimming pool rescue, Snake Rescue (cordoning of the area) , Bees Rescue (cordoning of the area), Public protest involving burning of tyres, decontamination of spillage on national and public roads etc.)	No costs to owner
2 Fire Involving informal, domestic structure as per indigenous policy	No costs to owner
3 Fire Levies - Domestic (where fire services are readily available)	R 28.91
4 Fire Levy - Non Domestic (where fire services are readily available)	R 40.23
5 Fire Availability Levy - Domestic (Where re-action time is greater than 30 minutes)	R 21.61
6 Fire Availability Levy - Non Domestic (Where re-action time is greater than 30 minutes)	R 28.91

Municipal annual budgets and MTREF & supporting tables

mSCOA Version 6.5

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Accountability

Transparency

Information & service delivery

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Contact details:

Elsabé Rossouw
National Treasury
Tel: (012) 315-5534
Electronic submissions:
LG Upload Portal

Organisational Structure Votes		Complete Votes & Sub-Votes	Select Org. Structure	
Vote 1 - EXECUTIVE MAYOR	Vote 1	EXECUTIVE MAYOR		1
Vote 2 - MUNICIPAL MANAGER	1,1	001 - OFFICE OF THE EXECUTIVE MAYOR	1.1 - 001 - OFFICE OF THE EXECUTIVE MAYOR	11
Vote 3 - CORPORATE SUPPORT SERVICES	1,2	002 - OFFICE OF THE SPEAKER	1.2 - 002 - OFFICE OF THE SPEAKER	12
Vote 4 - BUDGET AND TREASURY	1,3	003 - MAYORAL COMMITTEE	1.3 - 003 - MAYORAL COMMITTEE	13
Vote 5 - PUBLIC SAFETY	1,4	004 - COUNCIL GENERAL	1.4 - 004 - COUNCIL GENERAL	14
Vote 6 - PLANNING AND HUMAN SETTLEMENT	1,5	005 - OFFICE OF THE CHIEF WHIP	1.5 - 005 - OFFICE OF THE CHIEF WHIP	15
Vote 7 - LOCAL ECONOMIC DEVELOPMENT	1,6	006 - INTERGOVERNMENTAL RELATIONS	1.6 - 006 - INTERGOVERNMENTAL RELATIONS	16
Vote 8 - COMMUNITY DEVELOPMENT	1,7	007 - OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS	1.7 - 007 - OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS	17
Vote 9 - TECHNICAL AND INFRASTRUCTURE	1,8	008 - MONITORING AND EVALUATION	1.8 - 008 - MONITORING AND EVALUATION	18
Vote 10 - ROADS AND TRANSPORT	1,9	[Name of sub-vote]	1.9 - [Name of sub-vote]	19
Vote 11 - MUNICIPAL ENTITY	1.10	[Name of sub-vote]	1.10 - [Name of sub-vote]	110
Vote 12 - [NAME OF VOTE 12]	Vote 2	MUNICIPAL MANAGER		2
Vote 13 - [NAME OF VOTE 13]	2,1	010 - OFFICE OF THE MUNICIPAL MANAGER	2.1 - 010 - OFFICE OF THE MUNICIPAL MANAGER	21
Vote 14 - [NAME OF VOTE 14]	2,2	011 - INTERNAL AUDITING	2.2 - 011 - INTERNAL AUDITING	22
Vote 15 - [NAME OF VOTE 15]	2,3	012 - INTEGRATED DEVELOPMENT PLAN (IDP)	2.3 - 012 - INTEGRATED DEVELOPMENT PLAN (IDP)	23
	2,4	013 - CORPORATE ADVISORY	2.4 - 013 - CORPORATE ADVISORY	24
	2,5	014 - PERFORMANCE MANAGEMENT SYSTEM	2.5 - 014 - PERFORMANCE MANAGEMENT SYSTEM	25
	2,6	017 - REGIONAL COMMUNITY CENTRES	2.6 - 017 - REGIONAL COMMUNITY CENTRES	26
	2,7	018 - PROJECT MANAGEMENT UNIT	2.7 - 018 - PROJECT MANAGEMENT UNIT	27
	2,8	019 - OFFICE OF THE CHIEF OPERATIONS OFFICER	2.8 - 019 - OFFICE OF THE CHIEF OPERATIONS OFFICER	28
	2,9	050 - LEGAL AND VALUATION SERVICES	2.9 - 050 - LEGAL AND VALUATION SERVICES	29
	2.10	[Name of sub-vote]	2.10 - [Name of sub-vote]	210
	Vote 3	CORPORATE SUPPORT SERVICES		3
	3,1	020 - OFFICE OF THE DIRECTOR CORPORATE SUPPORT SERV	3.1 - 020 - OFFICE OF THE DIRECTOR CORPORATE SUPPORT SERVICES	31
	3,2	015 - INFORMATION TECHNOLOGY	3.2 - 015 - INFORMATION TECHNOLOGY	32
	3,3	025 - ADMINISTRATIVE SUPPORT	3.3 - 025 - ADMINISTRATIVE SUPPORT	33
	3,4	030 - HUMAN RESOURCE MANAGEMENT	3.4 - 030 - HUMAN RESOURCE MANAGEMENT	34
	3,5	035 - OCCUPATIONALHEALTH AND SAFETYY	3.5 - 035 - OCCUPATIONALHEALTH AND SAFETYY	35
	3,6	[Name of sub-vote]	3.6 - [Name of sub-vote]	36
	3,7	[Name of sub-vote]	3.7 - [Name of sub-vote]	37
	3,8	[Name of sub-vote]	3.8 - [Name of sub-vote]	38
	3,9	[Name of sub-vote]	3.9 - [Name of sub-vote]	39
	3.10	[Name of sub-vote]	3.10 - [Name of sub-vote]	310
	Vote 4	BUDGET AND TREASURY		4
	4,1	070 - OFFICE OF THE CHIEF FINANCIAL OFFICER	4.1 - 070 - OFFICE OF THE CHIEF FINANCIAL OFFICER	41
	4,2	075 - ACCOUNTING SERVICES	4.2 - 075 - ACCOUNTING SERVICES	42
	4,3	076 - BILLING	4.3 - 076 - BILLING	43
	4,4	080 - FINANCIAL CONTROL	4.4 - 080 - FINANCIAL CONTROL	44
	4,5	085 - SUPPLY CHAIN MANAGEMENT	4.5 - 085 - SUPPLY CHAIN MANAGEMENT	45
	4,6	090 - FINANCIAL MANAGEMENT SERVICES	4.6 - 090 - FINANCIAL MANAGEMENT SERVICES	46
	4,7	[Name of sub-vote]	4.7 - [Name of sub-vote]	47
	4,8	[Name of sub-vote]	4.8 - [Name of sub-vote]	48
	4,9	[Name of sub-vote]	4.9 - [Name of sub-vote]	49
	4.10	[Name of sub-vote]	4.10 - [Name of sub-vote]	410
	Vote 5	PUBLIC SAFETY		5
	5,1	100 - OFFICE OF THE DIRECTOR PUBLIC SAFETY	5.1 - 100 - OFFICE OF THE DIRECTOR PUBLIC SAFETY	51
	5,2	115 - EMERGENCY AND DISASTER MANAGEMENT	5.2 - 115 - EMERGENCY AND DISASTER MANAGEMENT	52
	5,3	130 - TRAFFIC SERVICES	5.3 - 130 - TRAFFIC SERVICES	53
	5,4	140 - TESTING AND LICENSES	5.4 - 140 - TESTING AND LICENSES	54
	5,5	145 - LAW ENFORCEMENT	5.5 - 145 - LAW ENFORCEMENT	55
	5,6	[Name of sub-vote]	5.6 - [Name of sub-vote]	56
	5,7	[Name of sub-vote]	5.7 - [Name of sub-vote]	57
	5,8	[Name of sub-vote]	5.8 - [Name of sub-vote]	58
	5,9	[Name of sub-vote]	5.9 - [Name of sub-vote]	59
	5.10	[Name of sub-vote]	5.10 - [Name of sub-vote]	510
	Vote 6	PLANNING AND HUMAN SETTLEMENT		6
	6,1	150 - OFFICE OF THE DIRECTOR PLANNING AND HUMAN SETL	6.1 - 150 - OFFICE OF THE DIRECTOR PLANNING AND HUMAN SETLEMENT	61
	6,2	155 - DEVELOPMENT PLANNING	6.2 - 155 - DEVELOPMENT PLANNING	62
	6,3	156 - ESTATES	6.3 - 156 - ESTATES	63
	6,4	160 - HOUSING PROVISION	6.4 - 160 - HOUSING PROVISION	64
	6,5	165 - BUILDING CONTROL AND REGULATIONS	6.5 - 165 - BUILDING CONTROL AND REGULATIONS	65
	6,6	[Name of sub-vote]	6.6 - [Name of sub-vote]	66
	6,7	[Name of sub-vote]	6.7 - [Name of sub-vote]	67
	6,8	[Name of sub-vote]	6.8 - [Name of sub-vote]	68
	6,9	[Name of sub-vote]	6.9 - [Name of sub-vote]	69
	6.10	[Name of sub-vote]	6.10 - [Name of sub-vote]	610
	Vote 7	LOCAL ECONOMIC DEVELOPMENT		7
	7,1	180 - LOCAL ECONOMIC DEVELOPMENT	7.1 - 180 - LOCAL ECONOMIC DEVELOPMENT	71
	7,2	185 - ENTERPRISE DEVELOPMENT	7.2 - 185 - ENTERPRISE DEVELOPMENT	72
	7,3	190 - POLICY AND RESEARCH	7.3 - 190 - POLICY AND RESEARCH	73
	7,4	195 - RURAL DEVELOPMENT	7.4 - 195 - RURAL DEVELOPMENT	74
	7,5	[Name of sub-vote]	7.5 - [Name of sub-vote]	75
	7,6	[Name of sub-vote]	7.6 - [Name of sub-vote]	76
	7,7	[Name of sub-vote]	7.7 - [Name of sub-vote]	77
	7,8	[Name of sub-vote]	7.8 - [Name of sub-vote]	78
	7,9	[Name of sub-vote]	7.9 - [Name of sub-vote]	79
	7.10	[Name of sub-vote]	7.10 - [Name of sub-vote]	710
	Vote 8	COMMUNITY DEVELOPMENT		8
	8,1	200 - OFFICE OF THE DIRECTOR COMMUNITY DEVELOPMENT	8.1 - 200 - OFFICE OF THE DIRECTOR COMMUNITY DEVELOPMENT	81
	8,2	215 - LIBRARY AND INFORMATION SERVICES	8.2 - 215 - LIBRARY AND INFORMATION SERVICES	82
	8,3	220 - CEMETERIES	8.3 - 220 - CEMETERIES	83
	8,4	225 - COMMUNITY HALLS	8.4 - 225 - COMMUNITY HALLS	84
	8,5	235 - PARKS AND OPEN AREAS	8.5 - 235 - PARKS AND OPEN AREAS	85
	8,6	245 - SPORT FACILITIES	8.6 - 245 - SPORT FACILITIES	86
	8,7	250 - SWIMMING POOLS	8.7 - 250 - SWIMMING POOLS	87
	8,8	175 - INTEGRATED ENVIRONMENTAL MANAGEMENT	8.8 - 175 - INTEGRATED ENVIRONMENTAL MANAGEMENT	88
	8,9	305 - CIVIL FACILITIES DEVELOPMENT AND MANAGEMENT	8.9 - 305 - CIVIL FACILITIES DEVELOPMENT AND MANAGEMENT	89
	8.10	360 - WASTE MANAGEMENT	8.10 - 360 - WASTE MANAGEMENT	810
	Vote 9	TECHNICAL AND INFRASTRUCTURE		9
	9,1	300 - OFFICE OF THE DIRECTOR TECHNICAL SERVICSE AND I	9.1 - 300 - OFFICE OF THE DIRECTOR TECHNICAL SERVICSE AND INFRASTRUCTURE	91
	9,2	310 - ELECTRICAL ENGINEERING SERVICES	9.2 - 310 - ELECTRICAL ENGINEERING SERVICES	92
	9,3	315 - STREET LIGHTING	9.3 - 315 - STREET LIGHTING	93
	9,4	325 - MECHANICAL ENGINEERING SERVICES	9.4 - 325 - MECHANICAL ENGINEERING SERVICES	94
	9,5	340 - WATER SERVICE	9.5 - 340 - WATER SERVICE	95
	9,6	345 - SANITATION SERVICE	9.6 - 345 - SANITATION SERVICE	96
	9,7	[Name of sub-vote]	9.7 - [Name of sub-vote]	97
	9,8	[Name of sub-vote]	9.8 - [Name of sub-vote]	98
	9,9	[Name of sub-vote]	9.9 - [Name of sub-vote]	99
	9.10	[Name of sub-vote]	9.10 - [Name of sub-vote]	910
	Vote 10	ROADS AND TRANSPORT		10
	10,1	270 - RUSTENBURG RAPID TRANSPORT	10.1 - 270 - RUSTENBURG RAPID TRANSPORT	101
	10,2	335 - ROADS AND STORMWATER	10.2 - 335 - ROADS AND STORMWATER	102
	10,3	[Name of sub-vote]	10.3 - [Name of sub-vote]	103
	10,4	[Name of sub-vote]	10.4 - [Name of sub-vote]	104
	10,5	[Name of sub-vote]	10.5 - [Name of sub-vote]	105
	10,6	[Name of sub-vote]	10.6 - [Name of sub-vote]	106
	10,7	[Name of sub-vote]	10.7 - [Name of sub-vote]	107
	10,8	[Name of sub-vote]	10.8 - [Name of sub-vote]	108
	10,9	[Name of sub-vote]	10.9 - [Name of sub-vote]	109
	10.10	[Name of sub-vote]	10.10 - [Name of sub-vote]	###
	Vote 11	MUNICIPAL ENTITY		11
	11,1	RUSTENBURG WATER SERVICE TRUST	11.1 - RUSTENBURG WATER SERVICE TRUST	111
	11,2	[Name of sub-vote]	11.2 - [Name of sub-vote]	112

11,3	[Name of sub-vote]	11.3 - [Name of sub-vote]	113
11,4	[Name of sub-vote]	11.4 - [Name of sub-vote]	114
11,5	[Name of sub-vote]	11.5 - [Name of sub-vote]	115
11,6	[Name of sub-vote]	11.6 - [Name of sub-vote]	116
11,7	[Name of sub-vote]	11.7 - [Name of sub-vote]	117
11,8	[Name of sub-vote]	11.8 - [Name of sub-vote]	118
11,9	[Name of sub-vote]	11.9 - [Name of sub-vote]	119
11.10	[Name of sub-vote]	11.10 - [Name of sub-vote]	###
Vote 12	**[NAME OF VOTE 12]**		12
12,1	[Name of sub-vote]	12.1 - [Name of sub-vote]	121
12,2	[Name of sub-vote]	12.2 - [Name of sub-vote]	122
12,3	[Name of sub-vote]	12.3 - [Name of sub-vote]	123
12,4	[Name of sub-vote]	12.4 - [Name of sub-vote]	124
12,5	[Name of sub-vote]	12.5 - [Name of sub-vote]	125
12,6	[Name of sub-vote]	12.6 - [Name of sub-vote]	126
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]	###
Vote 13	**[NAME OF VOTE 13]**		13
13,1	[Name of sub-vote]	13.1 - [Name of sub-vote]	131
13,2	[Name of sub-vote]	13.2 - [Name of sub-vote]	132
13,3	[Name of sub-vote]	13.3 - [Name of sub-vote]	133
13,4	[Name of sub-vote]	13.4 - [Name of sub-vote]	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]	###
Vote 14	**[NAME OF VOTE 14]**		14
14,1	[Name of sub-vote]	14.1 - [Name of sub-vote]	141
14,2	[Name of sub-vote]	14.2 - [Name of sub-vote]	142
14,3	[Name of sub-vote]	14.3 - [Name of sub-vote]	143
14,4	[Name of sub-vote]	14.4 - [Name of sub-vote]	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]	###
Vote 15	**[NAME OF VOTE 15]**		15
15,1	[Name of sub-vote]	15.1 - [Name of sub-vote]	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]	###

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	

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

B. CONTACT INFORMATION

Postal address:	
P.O. Box	P O BOX 16
City / Town	RUSTENBURG
Postal Code	0300
Street address	
Building	Missionary Mpheni House
Street No. & Name	C/O Nelson Mandela & Beyers Naude Drive
City / Town	Rustenburg
Postal Code	0300
General Contacts	
Telephone number	014 590 3111
Fax number	014 590 3399

C. POLITICAL LEADERSHIP

Speaker:		**Secretary/PA to the Speaker:**	
ID Number	760327 0305 083	ID Number	820905 0349 082
Title	Ms	Title	Ms
Name	Sheila Mabale-Huma	Name	Olivia Tsetse
Telephone number	014 590 3415	Telephone number	014 590 3417
Cell number	082 552 3047	Cell number	078 180 4009
Fax number	014 590 3015	Fax number	014 590 3015
E-mail address	speaker@rustenburg.gov.za	E-mail address	speaker@rustenburg.gov.za
Mayor/Executive Mayor:		**Secretary/PA to the Mayor/Executive Mayor:**	
ID Number	720104 6580 081	ID Number	830529 0661 086
Title	Cllr	Title	Mrs
Name	Mpho Khunou	Name	Bollhale Asnath Kobe
Telephone number	014 590 3004	Telephone number	014 590 3004
Cell number	082 561 3442	Cell number	078 732 8739
Fax number	014 590 3006	Fax number	014 590 3006
E-mail address	executive.mayor@rustenburg.gov.za	E-mail address	bkobe@rustenburg.gov.za
Deputy Mayor/Executive Mayor:		**Secretary/PA to the Deputy Mayor/Executive Mayor:**	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	

D. MANAGEMENT LEADERSHIP

Municipal Manager:		**Secretary/PA to the Municipal Manager:**	
ID Number	740528 5462 085	ID Number	700402 0262 080
Title	Mr	Title	Ms
Name	Sello Victor	Name	Daphne Regina Mafisa
Telephone number	014 590 3551	Telephone number	014 590 3551
Cell number	083 445 4406	Cell number	082 255 9040
Fax number	014 590 3003	Fax number	014 590 3003
E-mail address	vmakona@rustenburg.gov.za	E-mail address	munman@rustenburg.gov.za
Chief Financial Officer		**Secretary/PA to the Chief Financial Officer**	
ID Number	830826 557 508	ID Number	801216 0440 084
Title	Mr	Title	Ms
Name	Godfrey Ditsele	Name	Ntsiki Modisagae
Telephone number	014 590 3312	Telephone number	014 590 3129
Cell number	066 470 6941	Cell number	083 514 3437
Fax number	014 590 3399	Fax number	014 590 3399
E-mail address	gditsele@rustenburg.gov.za	E-mail address	secretary_bto@rustenburg.gov.za
Official responsible for submitting financial information		**Official responsible for submitting financial information**	
ID Number	610119 0692 087	ID Number	781028 5394 081
Title	Ms	Title	Mr
Name	Vivian Mdhluli	Name	Mmileng Dikoko
Telephone number	014 590 3887	Telephone number	014 590 3325
Cell number	072 521 7432	Cell number	072 322 0296
Fax number	014 590 3399	Fax number	014 590 3416
E-mail address	vmdhluli@rustenburg.gov.za	E-mail address	mdikoko@rustenburg.gov.za

Official responsible for submitting financial information	
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Official responsible for submitting financial information	
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Official responsible for submitting financial information	
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Title	Ms
Name	Dina Sekhu
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Cell number	072 561 1778
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E-mail address	dsekhu@rustenburg.gov.za

Official responsible for submitting financial information	
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Title	Mr
Name	Lloyd Mokalake
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Cell number	078 173 9651
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Official responsible for submitting financial information	
ID Number	861126 5344 081
Title	Mr
Name	Moss Ngobeni
Telephone number	014 590 3623
Cell number	079 838 7454
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Official responsible for submitting financial information	
ID Number	870814 0721 085
Title	Ms
Name	Tshepiso Tapile
Telephone number	014 590 3624
Cell number	073 292 4453
Fax number	014 590 3416
E-mail address	ttapile@rustenburg.gvo.za

Official responsible for submitting financial information	
ID Number	831220 5947 089
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Name	Tsholo Sereme
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Cell number	061 073 2312
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E-mail address	tsereme@rustenburg.gov.za

Official responsible for submitting financial information	
ID Number	920304 0647 084
Title	Ms
Name	Refilwe Kgwadi
Telephone number	014 590 3511
Cell number	073 972 6292
Fax number	014 590 3416
E-mail address	rkgwadi@rustenburg.gov.za

Official responsible for submitting financial information	
ID Number	920628 6167 089
Title	Mr
Name	Kgomotso Motsugi
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Official responsible for submitting financial information	
ID Number	930712 0433 081
Title	Ms
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Fax number	014 590 3416
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Official responsible for submitting financial information	
ID Number	890923 5862 087
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Name	Zwelithini Nkosi
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Fax number	014 590 3416
E-mail address	znkosi@rustenburg.gov.za

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	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Financial Performance										
Property rates	**330 842**	353 910	362 089	398 240	398 240	398 240	398 240	448 942	478 602	510 153
Service charges	2 678 318	2 996 447	3 378 545	3 340 912	3 274 512	3 274 512	3 274 512	3 676 561	3 812 230	3 986 035
Investment revenue	22 181	25 696	20 774	27 312	22 768	22 768	22 768	25 149	26 301	27 528
Transfers recognised - operational	506 809	595 003	496 604	852 579	952 112	952 112	952 112	946 775	1 033 744	1 075 297
Other own revenue	84 457	373 733	734 831	571 705	571 705	571 705	571 705	572 310	597 492	624 380
Total Revenue (excluding capital transfers and contributions)	3 622 607	4 344 789	4 992 843	5 190 749	5 219 337	5 219 337	5 219 337	5 669 738	5 948 370	6 223 393
Employee costs	612 373	724 916	739 404	792 398	799 309	799 309	799 309	875 664	908 100	948 904
Remuneration of councillors	38 650	53 751	60 893	64 306	64 306	64 306	64 306	68 229	71 231	74 437
Depreciation & asset impairment	423 582	454 064	448 974	507 217	507 217	507 217	507 217	492 913	514 601	537 758
Finance charges	77 039	73 902	50 877	43 444	38 167	38 167	38 167	84 328	88 041	92 005
Inventory consumed and bulk purchases	1 889 725	2 530 439	2 486 449	1 378 646	1 562 114	1 562 114	1 562 114	2 126 647	2 220 223	2 320 088
Transfers and grants	–	23 575	20 100	19 543	19 610	19 610	19 610	19 502	20 360	21 276
Other expenditure	1 056 593	1 458 030	1 124 195	1 520 535	1 987 332	1 987 332	1 987 332	1 662 907	1 726 228	1 808 787
Total Expenditure	4 097 962	5 318 677	4 930 892	4 326 090	4 978 056	4 978 056	4 978 056	5 330 189	5 548 784	5 803 255
Surplus/(Deficit)	(475 355)	(973 888)	61 950	864 659	241 280	241 280	241 280	339 550	399 586	420 137
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	626 547	546 102	485 172	459 086	426 821	426 821	426 821	441 638	522 687	528 572
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	151 192	(427 786)	547 122	1 323 745	668 102	668 102	668 102	781 188	922 273	948 710
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	151 192	(427 786)	547 122	1 323 745	668 102	668 102	668 102	781 188	922 273	948 710
Capital expenditure & funds sources										
Capital expenditure	**752 682**	1 158 961	671 337	611 404	578 806	578 806	578 806	626 870	647 292	659 297
Transfers recognised - capital	**626 546**	546 102	538 328	459 086	426 821	426 821	426 821	443 925	522 687	528 572
Borrowing	**–**	–	–	125 000	125 000	125 000	125 000	–	–	–
Internally generated funds	**126 136**	612 859	133 009	27 319	26 985	26 985	26 985	182 945	124 605	130 725
Total sources of capital funds	**752 682**	1 158 961	671 337	611 404	578 806	578 806	578 806	626 870	647 292	659 297
Financial position										
Total current assets	**767 307**	885 464	1 233 724	2 242 965	2 680 003	2 680 003	2 680 003	1 747 292	2 763 530	3 826 300
Total non current assets	**8 864 667**	9 066 140	12 199 014	10 625 521	10 546 376	10 546 376	10 546 376	10 548 693	10 675 900	10 791 500
Total current liabilities	**1 059 124**	1 879 213	766 259	1 533 038	1 533 038	1 533 038	1 533 038	1 331 214	1 305 888	1 195 736
Total non current liabilities	**718 596**	675 309	954 058	1 150 356	1 150 356	1 150 356	1 150 356	1 203 587	1 196 036	1 173 444
Community wealth/Equity	**7 854 255**	7 397 082	11 712 421	10 185 093	10 542 986	10 542 986	10 542 986	9 761 184	10 937 505	12 248 621
Cash flows										
Net cash from (used) operating	**804 566**	1 153 901	960 234	2 080 914	2 503 314	2 503 314	2 503 314	1 568 769	1 746 459	1 808 662
Net cash from (used) investing	**(627 617)**	(658 624)	(670 286)	(597 370)	(557 370)	(557 370)	(557 370)	(620 670)	(640 819)	(652 533)
Net cash from (used) financing	**(119 451)**	(124 770)	(86 115)	22 025	22 025	22 025	22 025	(106 974)	(111 457)	(116 209)
Cash/cash equivalents at the year end	**230 634**	601 141	486 405	1 736 203	2 198 603	2 198 603	2 198 603	1 235 624	2 229 807	3 269 727
Cash backing/surplus reconciliation										
Cash and investments available	**231 831**	602 178	487 282	1 737 120	2 199 520	2 199 520	2 199 520	1 236 576	2 230 799	3 270 763
Application of cash and investments	**559 544**	1 767 702	259 805	1 267 859	1 264 411	1 264 411	1 264 411	965 495	922 942	796 520
Balance - surplus (shortfall)	**(327 713)**	(1 165 524)	227 477	469 261	935 108	935 108	935 108	271 082	1 307 857	2 474 243
Asset management										
Asset register summary (WDV)	**9 065 103**	12 199 370	10 624 463	10 545 318	10 545 318	10 545 318	10 545 318	10 547 593	10 674 754	10 790 303
Depreciation	**423 582**	454 064	448 974	507 217	507 217	507 217	507 217	492 913	514 601	537 710
Renewal and Upgrading of Existing Assets	**73 898**	258 875	606 148	431 662	413 236	413 236	413 236	245 198	284 147	306 581
Repairs and Maintenance	**108 460**	101 828	212 063	89 328	91 452	91 452	91 452	139 164	145 242	151 735
Free services										
Cost of Free Basic Services provided	**211 895**	255 074	260 362	264 926	264 926	264 926	246 269	246 269	261 150	277 639
Revenue cost of free services provided	**84 778**	87 098	89 514	91 644	91 644	91 644	91 855	91 855	93 897	96 077
Households below minimum service level										
Water:	16	16	16	16	16	16	22	22	23	24
Sanitation/sewerage:	14	14	14	14	14	18	23	23	30	32
Energy:	30	30	30	30	30	–	–	–	–	–
Refuse:	86	86	86	86	86	87	87	87	87	91

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

Functional Classification Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue - Functional										
Governance and administration		**541 472**	**625 267**	**845 708**	**851 008**	**857 607**	**857 607**	**999 254**	**1 058 216**	**1 114 665**
Executive and council		207 991	259 912	281 390	20 282	20 282	20 282	31 114	32 043	33 035
Finance and administration		333 481	365 356	564 318	830 725	837 325	837 325	968 140	1 026 173	1 081 630
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**29 081**	**311 959**	**96 191**	**28 627**	**28 508**	**28 508**	**29 822**	**31 063**	**32 387**
Community and social services		2 730	2 182	3 814	4 383	4 265	4 265	4 585	4 715	4 854
Sport and recreation		1 339	1 907	2 014	510	510	510	531	554	579
Public safety		20 083	168 560	84 847	20 152	20 152	20 152	20 978	21 901	22 887
Housing		4 929	139 311	5 516	3 581	3 581	3 581	3 728	3 892	4 067
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**381 125**	**503 710**	**190 664**	**122 558**	**117 901**	**117 901**	**481 455**	**528 645**	**552 414**
Planning and development		20 131	63 953	16 871	37 332	37 332	37 332	267 676	289 789	303 371
Road transport		360 995	439 757	173 792	85 226	80 569	80 569	213 778	238 856	249 043
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**3 297 475**	**3 449 955**	**4 345 452**	**4 546 778**	**4 541 277**	**4 541 277**	**4 495 846**	**4 743 514**	**4 937 947**
Energy sources		1 974 224	2 190 288	2 284 010	2 435 325	2 424 825	2 424 825	2 664 723	2 774 222	2 893 465
Water management		447 398	538 599	845 656	941 132	969 340	969 340	1 066 227	1 158 601	1 198 746
Waste water management		751 592	591 646	983 672	923 317	890 108	890 108	478 968	505 170	527 296
Waste management		124 261	129 422	232 114	247 004	257 004	257 004	285 929	305 521	318 440
Other	4	–	–	–	**100 864**	**100 864**	**100 864**	**105 000**	**109 620**	**114 553**
Total Revenue - Functional	2	**4 249 154**	**4 890 891**	**5 478 014**	**5 649 835**	**5 646 158**	**5 646 158**	**6 111 376**	**6 471 057**	**6 751 965**
Expenditure - Functional										
Governance and administration		**501 909**	**516 370**	**580 614**	**768 081**	**788 296**	**788 296**	**856 217**	**886 700**	**927 446**
Executive and council		130 857	157 325	175 621	261 038	262 358	262 358	296 684	303 649	317 160
Finance and administration		366 058	353 704	399 007	505 839	524 829	524 829	551 566	574 734	601 595
Internal audit		4 995	5 341	5 986	1 205	1 109	1 109	7 967	8 317	8 692
Community and public safety		**239 382**	**492 619**	**352 206**	**482 986**	**499 810**	**499 810**	**539 256**	**556 207**	**581 279**
Community and social services		55 322	63 131	63 786	76 210	72 220	72 220	75 970	79 281	82 788
Sport and recreation		94 322	94 587	98 490	103 224	102 619	102 619	102 936	107 465	112 301
Public safety		70 075	179 952	166 328	280 222	302 095	302 095	337 863	345 985	361 657
Housing		19 662	154 949	22 372	23 330	22 877	22 877	22 487	23 476	24 533
Health		–	–	1 230	–	–	–	–	–	–
Economic and environmental services		**445 417**	**475 134**	**537 301**	**174 171**	**184 292**	**184 292**	**234 614**	**241 363**	**254 416**
Planning and development		59 016	72 413	76 761	73 567	73 965	73 965	80 902	81 062	82 576
Road transport		381 688	397 604	455 321	94 931	104 874	104 874	147 968	154 304	165 574
Environmental protection		4 713	5 117	5 219	5 674	5 454	5 454	5 744	5 997	6 267
Trading services		**2 911 254**	**3 834 554**	**3 460 771**	**2 899 912**	**3 504 719**	**3 504 719**	**3 699 102**	**3 863 471**	**4 039 024**
Energy sources		1 831 433	1 937 089	2 027 290	1 471 428	1 924 483	1 924 483	2 037 927	2 127 598	2 223 341
Water management		520 996	1 257 848	781 577	885 482	1 020 284	1 020 284	1 087 816	1 137 178	1 189 983
Waste water management		361 667	383 299	371 545	264 230	260 050	260 050	284 504	297 023	310 389
Waste management		197 157	256 317	280 359	278 773	299 902	299 902	288 855	301 673	315 311
Other	4	–	–	–	**939**	**939**	**939**	**999**	**1 042**	**1 089**
Total Expenditure - Functional	3	**4 097 962**	**5 318 677**	**4 930 892**	**4 326 090**	**4 978 056**	**4 978 056**	**5 330 189**	**5 548 784**	**5 803 255**
Surplus/(Deficit) for the year		**151 192**	**(427 786)**	**547 122**	**1 323 745**	**668 102**	**668 102**	**781 188**	**922 273**	**948 710**

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue - Functional										
Municipal governance and administration		**541 472**	**625 267**	**845 708**	**851 008**	**857 607**	**857 607**	**999 254**	**1 058 216**	**1 114 665**
Executive and council		207 991	259 912	281 390	20 282	20 282	20 282	31 114	32 043	33 035
Mayor and Council		207 053	259 859	281 338	20 282	20 282	20 282	21 114	22 043	23 035
Municipal Manager, Town Secretary and Chief Executive		938	52	52	–	–	–	10 000	10 000	10 000
Finance and administration		333 481	365 356	564 318	830 725	837 325	837 325	968 140	1 026 173	1 081 630
Administrative and Corporate Support		1 791	7 095	42	44	44	44	46	48	50
Asset Management								–	–	–
Finance		330 842	353 910	563 208	828 346	834 946	834 946	965 663	1 023 587	1 078 928
Fleet Management								–	–	–
Human Resources		382	388	410	432	432	432	449	469	490
Information Technology		15	10	11	12	12	12	12	12	13
Legal Services		1	3 000	162	1 333	1 333	1 333	1 387	1 448	1 514
Marketing, Customer Relations, Publicity and Media Co-								–	–	–
Property Services		8	8	15	9	9	9	9	9	10
Risk Management								–	–	–
Security Services		419	444	470	–	–	–	–	–	–
Supply Chain Management		23	500	–	551	551	551	573	599	625
Valuation Service								–	–	–
Internal audit		–	–	–	–	–	–	–	–	–
Governance Function		–	–	–	–	–	–	–	–	–
Community and public safety		**29 081**	**311 959**	**96 191**	**28 627**	**28 508**	**28 508**	**29 822**	**31 063**	**32 387**
Community and social services		**2 730**	**2 182**	**3 814**	**4 383**	**4 265**	**4 265**	**4 585**	**4 715**	**4 854**
Aged Care								–	–	–
Agricultural								–	–	–
Animal Care and Diseases								–	–	–
Cemeteries, Funeral Parlours and Crematoriums		918	945	996	383	383	383	399	416	435
Child Care Facilities		0	0					–	–	–
Community Halls and Facilities		1 076	1 025	1 080	2 207	2 207	2 207	2 298	2 399	2 507
Consumer Protection								–	–	–
Cultural Matters								–	–	–
Disaster Management								–	–	–
Education								–	–	–
Indigenous and Customary Law								–	–	–
Industrial Promotion								–	–	–
Language Policy								–	–	–
Libraries and Archives		737	212	1 738	1 794	1 675	1 675	1 889	1 900	1 912
Literacy Programmes								–	–	–
Media Services								–	–	–
Museums and Art Galleries								–	–	–
Population Development								–	–	–
Provincial Cultural Matters								–	–	–
Theatres								–	–	–
Zoo's								–	–	–
Sport and recreation		**1 339**	**1 907**	**2 014**	**510**	**510**	**510**	**531**	**554**	**579**
Beaches and Jetties								–	–	–
Casinos, Racing, Gambling, Wagering								–	–	–
Community Parks (including Nurseries)								–	–	–
Recreational Facilities		1 099	1 711	1 070	300	300	300	312	326	341
Sports Grounds and Stadiums		240	195	944	210	210	210	219	228	238
Public safety		**20 083**	**168 560**	**84 847**	**20 152**	**20 152**	**20 152**	**20 978**	**21 901**	**22 887**
Civil Defence								–	–	–
Cleansing								–	–	–
Control of Public Nuisances								–	–	–
Fencing and Fences								–	–	–
Fire Fighting and Protection		548	580	1 955	18 504	18 504	18 504	19 262	20 110	21 015
Licensing and Control of Animals		19 536	167 980	82 892	–	–	–	–	–	–
Police Forces, Traffic and Street Parking Control		–	–	–	1 648	1 648	1 648	1 716	1 791	1 872
Pounds								–	–	–
Housing		**4 929**	**139 311**	**5 516**	**3 581**	**3 581**	**3 581**	**3 728**	**3 892**	**4 067**
Housing		4 929	139 311	5 516	3 581	3 581	3 581	3 728	3 892	4 067
Informal Settlements								–	–	–
Health		–	–	–	–	–	–	–	–	–
Ambulance								–	–	–
Health Services								–	–	–
Laboratory Services								–	–	–
Food Control								–	–	–
Health Surveillance and Prevention of Communicable Diseases								–	–	–
Vector Control								–	–	–
Chemical Safety								–	–	–

Economic and environmental services		**381 125**	**503 710**	**190 664**	**122 558**	**117 901**	**117 901**	**481 455**	**528 645**	**552 414**
Planning and development		**20 131**	**63 953**	**16 871**	**37 332**	**37 332**	**37 332**	**267 676**	**289 789**	**303 371**
Billboards								–	–	–
Corporate Wide Strategic Planning (IDPs, LEDs)								–	–	–
Central City Improvement District								–	–	–
Development Facilitation								–	–	–
Economic Development/Planning		366	884	2 456	3 596	3 596	3 596	3 894	4 065	4 248
Regional Planning and Development								–	–	–
Town Planning, Building Regulations and Enforcement, and City		8 870	52 168	3 248	15 122	15 122	15 122	8 006	8 358	8 734
Project Management Unit		10 894	10 901	11 167	18 614	18 614	18 614	255 777	277 366	290 388
Provincial Planning								–	–	–
Support to Local Municipalities								–	–	–
Road transport		**360 995**	**439 757**	**173 792**	**85 226**	**80 569**	**80 569**	**213 778**	**238 856**	**249 043**
Public Transport		359 260	422 597	161 701	85 102	80 445	80 445	213 649	238 721	248 902
Road and Traffic Regulation		1 681	17 103	12 032	–	–	–	–	–	–
Roads		53	56	60	124	124	124	129	135	141
Taxi Ranks								–	–	–
Environmental protection		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biodiversity and Landscape								–	–	–
Coastal Protection								–	–	–
Indigenous Forests								–	–	–
Nature Conservation								–	–	–
Pollution Control								–	–	–
Soil Conservation								–	–	–
Trading services		**3 297 475**	**3 449 955**	**4 345 452**	**4 546 778**	**4 541 277**	**4 541 277**	**4 495 846**	**4 743 514**	**4 937 947**
Energy sources		**1 974 224**	**2 190 288**	**2 284 010**	**2 435 325**	**2 424 825**	**2 424 825**	**2 664 723**	**2 774 222**	**2 893 465**
Electricity		1 974 224	2 190 288	2 283 818	2 435 325	2 424 825	2 424 825	2 664 723	2 774 222	2 893 465
Street Lighting and Signal Systems		–	–	192						
Nonelectric Energy										
Water management		**447 398**	**538 599**	**845 656**	**941 132**	**969 340**	**969 340**	**1 066 227**	**1 158 601**	**1 198 746**
Water Treatment		–	–	–	417 810	417 810	417 810	434 941	454 078	474 511
Water Distribution		447 398	538 599	845 656	523 322	551 530	551 530	631 286	704 523	724 235
Water Storage								–	–	–
Waste water management		**751 592**	**591 646**	**983 672**	**923 317**	**890 108**	**890 108**	**478 968**	**505 170**	**527 296**
Public Toilets								–	–	–
Sewerage		117 047	132 850	445 344	464 231	463 287	463 287	478 968	505 170	527 296
Storm Water Management		634 545	458 796	538 328	459 086	426 821	426 821	–	–	–
Waste Water Treatment								–	–	–
Waste management		**124 261**	**129 422**	**232 114**	**247 004**	**257 004**	**257 004**	**285 929**	**305 521**	**318 440**
Recycling								–	–	–
Solid Waste Disposal (Landfill Sites)		–	–	–	151 811	151 811	151 811	158 035	164 988	172 413
Solid Waste Removal		124 261	129 422	232 114	95 193	105 193	105 193	127 894	140 533	146 027
Street Cleaning								–	–	–
Other		**–**	**–**	**–**	**100 864**	**100 864**	**100 864**	**105 000**	**109 620**	**114 553**
Abattoirs								–	–	–
Air Transport								–	–	–
Forestry								–	–	–
Licensing and Regulation		–	–	–	100 864	100 864	100 864	105 000	109 620	114 553
Markets								–	–	–
Tourism								–	–	–
Total Revenue - Functional	2	**4 249 154**	**4 890 891**	**5 478 014**	**5 649 835**	**5 646 158**	**5 646 158**	**6 111 376**	**6 471 057**	**6 751 965**

Expenditure - Functional									
Municipal governance and administration	**501 909**	**516 370**	**580 614**	**768 081**	**788 296**	**788 296**	**856 217**	**886 700**	**927 446**
Executive and council	130 857	157 325	175 621	261 038	262 358	262 358	296 684	303 649	317 160
Mayor and Council	93 081	119 050	135 175	131 180	134 212	134 212	161 830	168 929	176 429
Municipal Manager, Town Secretary and Chief Executive	37 775	38 275	40 446	129 859	128 146	128 146	134 854	134 720	140 731
Finance and administration	366 058	353 704	399 007	505 839	524 829	524 829	551 566	574 734	601 595
Administrative and Corporate Support	39 856	184 420	26 465	40 681	40 089	40 089	42 109	43 961	45 940
Asset Management	–	22 773	–		–	–	–	–	–
Finance	165 408	20 917	174 757	353 647	358 917	358 917	385 432	401 290	420 350
Fleet Management	21 095	32 496	31 889	14	10 014	10 014	14	15	16
Human Resources	18 908	13 530	23 085	23 772	23 772	23 772	25 937	27 079	28 297
Information Technology	31 477		36 529	27 973	27 373	27 373	28 643	29 904	31 249
Legal Services	20 730	34 147	25 364	17 533	24 533	24 533	25 659	26 788	27 994
Marketing, Customer Relations, Publicity and Media Co-							–	–	–
Property Services	32 200	33 660	40 316	42 071	39 983	39 983	41 343	43 162	45 104
Risk Management	–	11 761	–	–	–	–	2 274	2 374	2 477
Security Services	24 740	–	29 056	–	–	–	–	–	–
Supply Chain Management	11 644	–	11 547	148	148	148	–	–	–
Valuation Service	–	–	–	–	–	–	154	161	168
Internal audit	4 995	5 341	5 986	1 205	1 109	1 109	7 967	8 317	8 692
Governance Function	4 995	5 341	5 986	1 205	1 109	1 109	7 967	8 317	8 692
Community and public safety	**239 382**	**492 619**	**352 206**	**482 986**	**499 810**	**499 810**	**539 256**	**556 207**	**581 279**
Community and social services	**55 322**	**63 131**	**63 786**	**76 210**	**72 220**	**72 220**	**75 970**	**79 281**	**82 788**
Aged Care	–	–	–	14	14	14	14	15	16
Agricultural							–	–	–
Animal Care and Diseases							–	–	–
Cemeteries, Funeral Parlours and Crematoriums	7 642	7 929	8 511	8 695	8 395	8 395	8 896	9 287	9 705
Child Care Facilities							–	–	–
Community Halls and Facilities	27 592	33 563	31 806	41 347	37 365	37 365	39 305	41 035	42 881
Consumer Protection							–	–	–
Cultural Matters							–	–	–
Disaster Management	–	–	–	64	64	64	66	69	72
Education							–	–	–
Indigenous and Customary Law							–	–	–
Industrial Promotion							–	–	–
Language Policy							–	–	–
Libraries and Archives	20 089	21 638	23 469	26 091	26 382	26 382	27 689	28 875	30 113
Literacy Programmes							–	–	–
Media Services							–	–	–
Museums and Art Galleries							–	–	–
Population Development							–	–	–
Provincial Cultural Matters							–	–	–
Theatres							–	–	–
Zoo's							–	–	–
Sport and recreation	**94 322**	**94 587**	**98 490**	**103 224**	**102 619**	**102 619**	**102 936**	**107 465**	**112 301**
Beaches and Jetties							–	–	–
Casinos, Racing, Gambling, Wagering							–	–	–
Community Parks (including Nurseries)	32 694	35 596	38 565	40 354	40 185	40 185	42 564	44 437	46 437
Recreational Facilities	17 817	13 285	8 946	11 965	11 636	11 636	12 242	12 781	13 356
Sports Grounds and Stadiums	43 811	45 706	50 978	50 906	50 797	50 797	48 130	50 247	52 508
Public safety	**70 075**	**179 952**	**166 328**	**280 222**	**302 095**	**302 095**	**337 863**	**345 985**	**361 657**
Civil Defence	3 751	10 127	4 404	–	–	–	–	–	–
Cleansing							–	–	–
Control of Public Nuisances	–	–	–	1 826	1 826	1 826	1 901	1 985	2 074
Fencing and Fences							–	–	–
Fire Fighting and Protection	34 719	33 710	40 892	108 381	131 634	131 634	139 043	143 741	150 210
Licensing and Control of Animals	31 606	136 115	121 031	133 579	131 494	131 494	135 634	141 601	147 973
Police Forces, Traffic and Street Parking Control	–	–	–	36 436	37 140	37 140	54 285	56 570	59 218
Pounds							7 000	2 088	2 182
Housing	**19 662**	**154 949**	**22 372**	**23 330**	**22 877**	**22 877**	**22 487**	**23 476**	**24 533**
Housing	19 662	154 949	22 372	23 330	22 877	22 877	22 487	23 476	24 533
Informal Settlements	–	–	–	–					
Health	**–**	**–**	**1 230**	**–**	**–**	**–**	**–**	**–**	**–**
Ambulance							–	–	–
Health Services	–	–	1 230	–	–	–	–	–	–
Laboratory Services							–	–	–
Food Control							–	–	–
Health Surveillance and Prevention of Communicable Diseases							–	–	–
Vector Control							–	–	–
Chemical Safety							–	–	–

Economic and environmental services		**445 417**	**475 134**	**537 301**	**174 171**	**184 292**	**184 292**	**234 614**	**241 363**	**254 416**
Planning and development		**59 016**	**72 413**	**76 761**	**73 567**	**73 965**	**73 965**	**80 902**	**81 062**	**82 576**
Billboards								-	-	-
Corporate Wide Strategic Planning (IDPs, LEDs)		-	-	-	2 801	2 801	2 801	2 967	3 097	3 237
Central City Improvement District								-	-	-
Development Facilitation								-	-	-
Economic Development/Planning		2 466	2 630	8 818	27 596	25 994	25 994	34 368	32 480	33 990
Regional Planning and Development		16 064	25 210	21 075	4 893	6 593	6 593	6 863	7 165	7 488
Town Planning, Building Regulations and Enforcement, and City		-	-	-	32 842	33 142	33 142	36 704	38 319	37 862
Project Management Unit		29 751	34 173	35 975	5 435	5 435	5 435	-	-	-
Provincial Planning		10 735	10 401	10 893	-	-	-	-	-	-
Support to Local Municipalities								-	-	-
Road transport		**381 688**	**397 604**	**455 321**	**94 931**	**104 874**	**104 874**	**147 968**	**154 304**	**165 574**
Public Transport		67 341	85 652	154 957	71 654	72 497	72 497	67 876	69 569	73 952
Road and Traffic Regulation		75 338	81 957	83 968	-	-	-	-	-	-
Roads		239 009	229 995	216 396	23 276	32 376	32 376	80 092	84 735	91 621
Taxi Ranks								-	-	-
Environmental protection		**4 713**	**5 117**	**5 219**	**5 674**	**5 454**	**5 454**	**5 744**	**5 997**	**6 267**
Biodiversity and Landscape								-	-	-
Coastal Protection								-	-	-
Indigenous Forests								-	-	-
Nature Conservation								-	-	-
Pollution Control		4 713	5 117	5 219	5 674	5 454	5 454	5 744	5 997	6 267
Soil Conservation								-	-	-
Trading services		**2 911 254**	**3 834 554**	**3 460 771**	**2 899 912**	**3 504 719**	**3 504 719**	**3 699 102**	**3 863 471**	**4 039 024**
Energy sources		**1 831 433**	**1 937 089**	**2 027 290**	**1 471 428**	**1 924 483**	**1 924 483**	**2 037 927**	**2 127 598**	**2 223 341**
Electricity		1 826 108	1 931 440	2 021 803	1 466 955	1 920 011	1 920 011	2 033 250	2 122 715	2 218 239
Street Lighting and Signal Systems		5 325	5 649	5 486	4 472	4 472	4 472	4 677	4 883	5 102
Nonelectric Energy								-	-	-
Water management		**520 996**	**1 257 848**	**781 577**	**885 482**	**1 020 284**	**1 020 284**	**1 087 816**	**1 137 178**	**1 189 983**
Water Treatment								-	-	-
Water Distribution		520 996	1 257 848	781 577	885 482	1 020 284	1 020 284	1 087 816	1 137 178	1 189 983
Water Storage								-	-	-
Waste water management		**361 667**	**383 299**	**371 545**	**264 230**	**260 050**	**260 050**	**284 504**	**297 023**	**310 389**
Public Toilets		-	-	-	4 044	4 044	4 044	4 210	4 395	4 593
Sewerage		361 667	383 299	371 545	260 167	255 987	255 987	280 275	292 607	305 774
Storm Water Management		-	-	-	19	19	19	20	20	21
Waste Water Treatment								-	-	-
Waste management		**197 157**	**256 317**	**280 359**	**278 773**	**299 902**	**299 902**	**288 855**	**301 673**	**315 311**
Recycling								-	-	-
Solid Waste Disposal (Landfill Sites)		197 157	256 317	280 359	7 247	10 676	10 676	16 833	17 601	18 414
Solid Waste Removal		-	-	-	271 526	289 226	289 226	272 023	284 072	296 897
Street Cleaning								-	-	-
Other		**-**	**-**	**-**	**939**	**939**	**939**	**999**	**1 042**	**1 089**
Abattoirs								-	-	-
Air Transport								-	-	-
Forestry								-	-	-
Licensing and Regulation		-	-	-	939	939	939	999	1 042	1 089
Markets								-	-	-
Tourism								-	-	-
Total Expenditure - Functional	3	**4 097 962**	**5 318 677**	**4 930 892**	**4 326 090**	**4 978 056**	**4 978 056**	**5 330 189**	**5 548 784**	**5 803 255**
Surplus/(Deficit) for the year		**151 192**	**(427 786)**	**547 122**	**1 323 745**	**668 102**	**668 102**	**781 188**	**922 273**	**948 710**

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	-	-	-	-	-	-	*0*	-	-
check opexp balance	-	-	-	-	-	-	*1*	*-0*	*-0*

1110	IR
1120	IR
1201	IR
1202	IR
1204	IR
1205	IR
1206	IR
1207	IR
1208	IR
1209	IR
1210	IR
1211	IR
1212	IR
1213	IR
1214	IR
1301	IR
2101	IR
2102	IR
2103	IR
2104	IR
2105	IR
2106	IR
2107	IR
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2121	IR
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2303	IR
2304	IR
2305	IR
2306	IR
2307	IR
2308	IR
2401	IR
2402	IR
2501	IR
2502	IR
2503	IR
2504	IR
2505	IR
2506	IR
2507	IR

3101	IR
3102	IR
3103	IR
3104	IR
3105	IR
3106	IR
3107	IR
3108	IR
3109	IR
3110	IR
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4401	IR
4402	IR
4403	IR
4404	IR
5001	IR
5002	IR
5003	IR
5004	IR
5005	IR
5006	IR

1110	IE
1120	IE
1201	IE
1202	IE
1204	IE
1205	IE
1206	IE
1207	IE
1208	IE
1209	IE
1210	IE
1211	IE
1212	IE
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2204	IE
2205	IE
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2307	IE
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2402	IE
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2503	IE
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2505	IE
2506	IE
2507	IE

3101	IE
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4301	IE
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4303	IE
4304	IE
4401	IE
4402	IE
4403	IE
4404	IE
5001	IE
5002	IE
5003	IE
5004	IE
5005	IE
5006	IE

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

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote	1									
Vote 1 - EXECUTIVE MAYOR		207 053	259 859	435 338	415 635	415 635	415 635	432 676	451 713	472 040
Vote 2 - MUNICIPAL MANAGER		11 833	13 953	13 381	19 949	19 949	19 949	267 167	288 817	301 905
Vote 3 - CORPORATE SUPPORT SERVICES		434	438	463	487	487	487	507	530	553
Vote 4 - BUDGET AND TREASURY		344 746	372 493	409 208	433 702	440 301	440 301	554 821	594 668	630 708
Vote 5 - PUBLIC SAFETY		32 185	185 677	103 349	121 017	121 017	121 017	125 978	131 521	137 440
Vote 6 - PLANNING AND HUMAN SETTLEMENT		13 799	191 479	8 764	19 329	19 329	19 329	12 908	13 476	14 082
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		366	884	2 456	3 696	3 696	3 696	3 894	4 065	4 248
Vote 8 - COMMUNITY DEVELOPMENT		222 303	314 011	237 950	251 177	261 058	261 058	289 877	309 571	322 599
Vote 9 - TECHNICAL AND INFRASTRUCTURE		3 348 934	3 257 734	3 889 247	4 084 664	4 080 108	4 080 108	3 995 950	4 214 566	4 385 983
Vote 10 - ROADS AND TRANSPORT		67 500	85 821	155 761	85 227	80 570	80 570	213 778	238 856	249 043
Vote 11 - MUNICIPAL ENTITY		–	208 542	222 097	214 952	204 008	204 008	213 820	223 273	233 364
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**4 249 154**	**4 890 891**	**5 478 014**	**5 649 835**	**5 646 158**	**5 646 158**	**6 111 376**	**6 471 057**	**6 751 965**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - EXECUTIVE MAYOR		93 081	136 736	135 175	95 833	134 101	134 101	162 830	169 973	177 600
Vote 2 - MUNICIPAL MANAGER		74 235	67 548	87 130	91 172	97 120	97 120	104 406	102 932	107 513
Vote 3 - CORPORATE SUPPORT SERVICES		81 633	79 697	89 240	79 541	86 516	86 516	82 440	86 067	89 941
Vote 4 - BUDGET AND TREASURY		167 053	196 181	196 304	221 994	217 096	217 096	261 805	272 224	283 294
Vote 5 - PUBLIC SAFETY		170 153	295 139	279 352	279 432	301 090	301 090	330 062	337 840	353 043
Vote 6 - PLANNING AND HUMAN SETTLEMENT		51 879	311 399	58 498	63 862	65 862	65 862	69 021	72 058	75 301
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		16 064	26 310	21 075	27 596	25 994	25 994	34 368	32 480	33 942
Vote 8 - COMMUNITY DEVELOPMENT		387 611	467 897	489 222	524 038	522 829	522 829	516 048	538 829	563 135
Vote 9 - TECHNICAL AND INFRASTRUCTURE		2 739 903	3 260 189	3 094 890	2 469 821	3 089 345	3 089 345	3 224 532	3 366 414	3 517 904
Vote 10 - ROADS AND TRANSPORT		316 350	315 646	356 853	307 554	314 497	314 497	360 904	376 610	397 889
Vote 11 - MUNICIPAL ENTITY		–	161 935	123 154	165 247	123 606	123 606	183 772	193 356	203 694
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**4 097 962**	**5 318 677**	**4 930 892**	**4 326 090**	**4 978 056**	**4 978 056**	**5 330 189**	**5 548 784**	**5 803 255**
Surplus/(Deficit) for the year	2	**151 192**	**(427 786)**	**547 122**	**1 323 745**	**668 102**	**668 102**	**781 188**	**922 273**	**948 710**

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote	1									
Vote 1 - EXECUTIVE MAYOR		**207 053**	**259 859**	**435 338**	**415 635**	**415 635**	**415 635**	**432 676**	**451 713**	**472 040**
1.1 - 001 - OFFICE OF THE EXECUTIVE MAYOR										
1.2 - 002 - OFFICE OF THE SPEAKER										
1.3 - 003 - MAYORAL COMMITTEE										
1.4 - 004 - COUNCIL GENERAL		207 053	259 859	435 338	415 635	415 635	415 635	432 676	451 713	472 040
1.5 - 005 - OFFICE OF THE CHIEF WHIP										
1.6 - 006 - INTERGOVERNMENTAL RELATIONS										
1.7 - 007 - OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS										
1.8 - 008 - MONITORING AND EVALUATION										
Vote 2 - MUNICIPAL MANAGER		**11 833**	**13 953**	**13 381**	**19 949**	**19 949**	**19 949**	**267 167**	**288 817**	**301 905**
2.1 - 010 - OFFICE OF THE MUNICIPAL MANAGER		136	50	50		–	–			
2.2 - 011 - INTERNAL AUDITING		–	–	–		–	–			
2.3 - 012 - INTEGRATED DEVELOPMENT PLAN (IDP)		–	–	–		–	–			
2.4 - 013 - CORPORATE ADVISORY		–	–	–		–	–			
2.5 - 014 - PERFORMANCE MANAGEMENT SYSTEM		–	–	–		–	–			
2.6 - 017 - REGIONAL COMMUNITY CENTRES		2	2	2	3	3	3	3	3	3
2.7 - 018 - PROJECT MANAGEMENT UNIT		10 894	10 901	11 167	18 614	18 614	18 614	265 777	287 366	300 388
2.8 - 019 - OFFICE OF THE CHIEF OPERATIONS OFFIC		800		2 000		–	–			
2.9 - 050 - LEGAL AND VALUATION SERVICES		1	3 000	162	1 333	1 333	1 333	1 387	1 448	1 514
						–	–			
Vote 3 - CORPORATE SUPPORT SERVICES		**434**	**438**	**463**	**487**	**487**	**487**	**507**	**530**	**553**
3.1 - 020 - OFFICE OF THE DIRECTOR CORPORATE SU		–	–	–		–	–			
3.2 - 015 - INFORMATION TECHNOLOGY		15	10	11	12	12	12	12	13	13
3.3 - 025 - ADMINISTRATIVE SUPPORT		37	39	42	44	44	44	46	48	50
3.4 - 030 - HUMAN RESOURCE MANAGEMENT		382	388	410	432	432	432	449	469	490
3.5 - 035 - OCCUPATIONALHEALTH AND SAFETYY		–	–	–		–	–			
						–	–			
						–	–			
						–	–			
						–	–			
						–	–			
Vote 4 - BUDGET AND TREASURY		**344 746**	**372 493**	**409 208**	**433 702**	**440 301**	**440 301**	**554 821**	**594 668**	**630 708**
4.1 - 070 - OFFICE OF THE CHIEF FINANCIAL OFFICER			–	–	28 442	28 442	28 442	98 708	108 602	112 832
4.2 - 075 - ACCOUNTING SERVICES		3 742	4 815	1 410	3 369	3 369	3 369	3 522	3 677	3 842
4.3 - 076 - BILLING		335 465	364 275	404 140	398 240	405 240	405 240	448 911	478 570	510 119
4.4 - 080 - FINANCIAL CONTROL		3 700	1 700	1 799	1 700	1 300	1 300	1 650	1 700	1 700
4.5 - 085 - SUPPLY CHAIN MANAGEMENT		23	500	525	551	551	551	573	599	625
4.6 - 090 - FINANCIAL MANAGEMENT SERVICES		1 816	1 203	1 334	1 400	1 400	1 400	1 457	1 521	1 589
						–	–			
Vote 5 - PUBLIC SAFETY		**32 185**	**185 677**	**103 349**	**121 017**	**121 017**	**121 017**	**125 978**	**131 521**	**137 440**
5.1 - 100 - OFFICE OF THE DIRECTOR PUBLIC SAFETY			–	–		–	–			
5.2 - 115 - EMERGENCY AND DISASTER MANAGEMENT		548	580	1 833	873	873	873	908	948	991
5.3 - 130 - TRAFFIC SERVICES		1 681	17 103	1 436	8 221	8 221	8 221	8 459	8 832	9 229
5.4 - 140 - TESTING AND LICENSES		29 537	167 550	99 609	111 426	111 426	111 426	115 995	121 099	126 548
5.5 - 145 - LAW ENFORCEMENT		419	444	470	497	497	497	616	643	672
						–	–			
						–	–			
						–	–			
						–	–			
Vote 6 - PLANNING AND HUMAN SETTLEMENT		**13 799**	**191 479**	**8 764**	**19 329**	**19 329**	**19 329**	**12 908**	**13 476**	**14 082**
6.1 - 150 - OFFICE OF THE DIRECTOR PLANNING AND		–	–	–		–	–			
6.2 - 155 - DEVELOPMENT PLANNING		841	1 697	776	513	513	513	654	683	713
6.3 - 156 - ESTATES		7 455	48 676	1 591	14 657	14 657	14 657	7 578	7 911	8 267
6.4 - 160 - HOUSING PROVISION		4 929	139 311	5 516	3 781	3 781	3 781	3 728	3 892	4 067
6.5 - 165 - BUILDING CONTROL AND REGULATIONS		574	1 796	880	378	378	378	948	990	1 034
						–	–			
						–	–			
						–	–			
						–	–			
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		**366**	**884**	**2 456**	**3 696**	**3 696**	**3 696**	**3 894**	**4 065**	**4 248**
7.1 - 180 - LOCAL ECONOMIC DEVELOPMENT		285	302	6	1 271	1 271	1 271	1 318	1 376	1 438
7.2 - 185 - ENTERPRISE DEVELOPMENT		81	582	450	55	55	55	109	114	119
7.3 - 190 - POLICY AND RESEARCH		–		2 000	2 150	2 150	2 150	2 240	2 338	2 444
7.4 - 195 - RURAL DEVELOPMENT					220	220	220	227	237	247
						–	–			
						–	–			
Vote 8 - COMMUNITY DEVELOPMENT		**222 303**	**314 011**	**237 950**	**251 177**	**261 058**	**261 058**	**289 877**	**309 571**	**322 599**
8.1 - 200 - OFFICE OF THE DIRECTOR COMMUNITY DE		19	14	–		–	–			
8.2 - 215 - LIBRARY AND INFORMATION SERVICES		737	642	1 738	1 794	1 675	1 675	1 889	1 900	1 912
8.3 - 220 - CEMETERIES		918	945	996	383	383	383	399	416	435
8.4 - 225 - COMMUNITY HALLS		1 076	1 025	1 080	1 378	1 378	1 378	1 121	1 170	1 223
8.5 - 235 - PARKS AND OPEN AREAS		955	1 011	1 070		–	–			
8.6 - 245 - SPORT FACILITIES		240	195	206	310	310	310	219	228	238
8.7 - 250 - SWIMMING POOLS		144	700	738	300	300	300	312	326	341
8.8 - 175 - INTEGRATED ENVIRONMENTAL MANAGEME		0		–		–	–			
8.9 - 305 - CIVIL FACILITIES DEVELOPMENT AND MANA		8	8	9	9	9	9	9	9	10

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

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
8.10 - 360 - WASTE MANAGEMENT		218 206	309 471	232 114	247 004	257 004	257 004	285 929	305 521	318 440
Vote 9 - TECHNICAL AND INFRASTRUCTURE		**3 348 934**	**3 257 734**	**3 889 247**	**4 084 664**	**4 080 108**	**4 080 108**	**3 995 950**	**4 214 566**	**4 385 983**
9.1 - 300 - OFFICE OF THE DIRECTOR TECHNICAL SER		1 735	7 042	6		–	–			
9.2 - 310 - ELECTRICAL ENGINEERING SERVICES		2 005 284	2 078 721	2 283 818	2 435 308	2 424 808	2 424 808	2 664 723	2 774 222	2 893 465
9.3 - 315 - STREET LIGHTING		–	–	192		–	–			
9.4 - 325 - MECHANICAL ENGINEERING SERVICES				–		–	–			
9.5 - 340 - WATER SERVICE		622 501	524 514	845 656	933 905	962 113	962 113	1 061 985	1 154 127	1 194 028
9.6 - 345 - SANITATION SERVICE		189 409	188 662	223 247	256 366	266 366	266 366	269 242	286 217	298 490
		530 006	458 796	536 328	459 086	426 821	426 821			
						–	–			
						–	–			
Vote 10 - ROADS AND TRANSPORT		**67 500**	**85 821**	**155 761**	**85 227**	**80 570**	**80 570**	**213 778**	**238 856**	**249 043**
10.1 - 270 - RUSTENBURG RAPID TRANSPORT		67 447	85 764	155 701	85 227	80 570	80 570	213 778	238 856	249 043
10.2 - 335 - ROADS AND STORMWATER		53	56	60		–	–			
						–	–			
						–	–			
						–	–			
						–	–			
Vote 11 - MUNICIPAL ENTITY		**–**	**208 542**	**222 097**	**214 952**	**204 008**	**204 008**	**213 820**	**223 273**	**233 364**
11.1 - RUSTENBURG WATER SERVICE TRUST			208 542	222 097	214 952	204 008	204 008	213 820	223 273	233 364
						–	–			
						–	–			
						–	–			
						–	–			
						–	–			
Vote 12 - [NAME OF VOTE 12]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Vote 13 - [NAME OF VOTE 13]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Vote 14 - [NAME OF VOTE 14]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Vote 15 - [NAME OF VOTE 15]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue by Vote	2	**4 249 154**	**4 890 891**	**5 478 014**	**5 649 835**	**5 646 158**	**5 646 158**	**6 111 376**	**6 471 057**	**6 751 965**

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

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Expenditure by Vote	1									
Vote 1 - EXECUTIVE MAYOR		**93 081**	**136 736**	**135 175**	**95 833**	**134 101**	**134 101**	**162 830**	**169 973**	**177 600**
1.1 - 001 - OFFICE OF THE EXECUTIVE MAYOR		16 055	31 578	17 284	353	19 446	19 446	21 803	22 763	23 787
1.2 - 002 - OFFICE OF THE SPEAKER		10 304	17 540	18 584	7 111	17 895	17 895	18 776	19 602	20 484
1.3 - 003 - MAYORAL COMMITTEE		10 586	11 326	12 873	13 605	13 605	13 605	14 433	15 068	15 746
1.4 - 004 - COUNCIL GENERAL		48 908	67 065	76 292	435	72 410	72 410	95 385	99 561	104 019
1.5 - 005 - OFFICE OF THE CHIEF WHIP		3 386	4 813	5 204	69 378	5 794	5 794	6 113	6 381	6 669
1.6 - 006 - INTERGOVERNMENTAL RELATIONS		1 543	1 649	1 758	1 867	1 867	1 867	1 980	2 067	2 160
1.7 - 007 - OFFICE OF THE MUNICIPAL PUBLIC ACCOU		2 112	2 570	3 028	2 931	2 931	2 931	3 099	3 236	3 381
1.8 - 008 - MONITORING AND EVALUATION		187	197	151	153	153	153	1 241	1 295	1 354
				-		-	-			
Vote 2 - MUNICIPAL MANAGER		**74 235**	**67 548**	**87 130**	**91 172**	**97 120**	**97 120**	**104 406**	**102 932**	**107 513**
2.1 - 010 - OFFICE OF THE MUNICIPAL MANAGER		14 860	14 632	19 712	36 146	35 546	35 546	37 050	38 680	40 420
2.2 - 011 - INTERNAL AUDITING		4 995	5 341	5 986	7 200	6 748	6 748	7 967	8 317	8 692
2.3 - 012 - INTEGRATED DEVELOPMENT PLAN (IDP)		1 599	1 704	1 814	1 919	1 949	1 949	4 387	4 580	4 786
2.4 - 013 - CORPORATE ADVISORY		-	-	-		-	-	-	-	-
2.5 - 014 - PERFORMANCE MANAGEMENT SYSTEM		34	35	35	97	67	67	70	73	76
2.6 - 017 - REGIONAL COMMUNITY CENTRES		8 092	8 651	9 232	9 817	9 817	9 817	10 425	10 968	11 383
2.7 - 018 - PROJECT MANAGEMENT UNIT		10 735	10 401	10 834	18 452	18 452	18 452	18 849	13 527	14 162
2.8 - 019 - OFFICE OF THE CHIEF OPERATIONS OFFIC		13 191	13 253	14 152		-	-	-	-	-
2.9 - 050 - LEGAL AND VALUATION SERVICES		20 730	13 530	25 364	17 541	24 541	24 541	25 659	26 788	27 994
						-	-			
Vote 3 - CORPORATE SUPPORT SERVICES		**81 633**	**79 697**	**89 240**	**79 541**	**86 516**	**86 516**	**82 440**	**86 067**	**89 941**
3.1 - 020 - OFFICE OF THE DIRECTOR CORPORATE SU		2 577	2 765	2 950	3 017	3 017	3 017	3 198	3 339	3 489
3.2 - 015 - INFORMATION TECHNOLOGY		31 477	32 496	36 529	27 973	35 540	35 540	28 643	29 902	31 249
3.3 - 025 - ADMINISTRATIVE SUPPORT		23 004	17 413	20 162	14 465	14 465	14 465	15 297	15 970	16 689
3.4 - 030 - HUMAN RESOURCE MANAGEMENT		18 908	20 916	23 085	21 134	21 134	21 134	22 302	23 286	24 331
3.5 - 035 - OCCUPATIONALHEALTH AND SAFETYY		5 667	6 107	6 515	12 952	12 360	12 360	12 999	13 571	14 182
						-	-			
						-	-			
Vote 4 - BUDGET AND TREASURY		**167 053**	**196 181**	**196 304**	**221 994**	**217 096**	**217 096**	**261 805**	**272 224**	**283 294**
4.1 - 070 - OFFICE OF THE CHIEF FINANCIAL OFFICER		35 346	32 898	21 846	11 632	13 370	13 370	34 368	34 781	35 221
4.2 - 075 - ACCOUNTING SERVICES		40 065	65 889	83 638	113 564	114 396	114 396	104 995	109 615	114 547
4.3 - 076 - BILLING		23 995	37 115	31 692	27 568	32 568	32 568	34 265	35 794	37 426
4.4 - 080 - FINANCIAL CONTROL		37 971	28 747	25 550	29 806	17 338	17 338	34 612	36 112	37 660
4.5 - 085 - SUPPLY CHAIN MANAGEMENT		11 644	11 761	11 488	13 683	13 683	13 683	21 497	22 442	23 452
4.6 - 090 - FINANCIAL MANAGEMENT SERVICES		18 033	19 771	22 090	25 740	25 740	25 740	32 069	33 480	34 987
						-	-			
Vote 5 - PUBLIC SAFETY		**170 153**	**295 139**	**279 352**	**279 432**	**301 090**	**301 090**	**330 062**	**337 840**	**353 043**
5.1 - 100 - OFFICE OF THE DIRECTOR PUBLIC SAFETY		3 751	4 027	4 404	5 623	5 638	5 638	5 972	6 234	6 515
5.2 - 115 - EMERGENCY AND DISASTER MANAGEMENT		34 719	38 710	41 292	48 829	52 944	52 944	57 187	58 283	60 906
5.3 - 130 - TRAFFIC SERVICES		75 338	88 057	81 068	79 176	97 514	97 514	82 931	86 476	90 367
5.4 - 140 - TESTING AND LICENSES		31 606	135 685	123 531	111 124	111 009	111 009	116 206	121 319	126 778
5.5 - 145 - LAW ENFORCEMENT		24 740	28 660	29 056	34 681	33 985	33 985	67 766	65 528	68 477
						-	-			
Vote 6 - PLANNING AND HUMAN SETTLEMENT		**51 879**	**311 399**	**58 498**	**63 862**	**65 862**	**65 862**	**69 021**	**72 058**	**75 301**
6.1 - 150 - OFFICE OF THE DIRECTOR PLANNING AND		2 466	2 630	2 897	3 054	3 054	3 054	3 351	3 499	3 656
6.2 - 155 - DEVELOPMENT PLANNING		21 023	23 870	22 887	26 214	27 719	27 719	30 737	32 089	33 533
6.3 - 156 - ESTATES		3 596	3 736	4 398	4 999	5 495	5 495	5 774	6 028	6 299
6.4 - 160 - HOUSING PROVISION		19 662	275 697	22 372	23 330	23 330	23 330	22 487	23 476	24 533
6.5 - 165 - BUILDING CONTROL AND REGULATIONS		5 132	5 467	5 943	6 264	6 264	6 264	6 673	6 966	7 280
						-	-			
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		**16 064**	**26 310**	**21 075**	**27 596**	**25 994**	**25 994**	**34 368**	**32 480**	**33 942**
7.1 - 180 - LOCAL ECONOMIC DEVELOPMENT		3 513	10 908	7 415	4 570	4 570	4 570	4 839	5 052	5 279
7.2 - 185 - ENTERPRISE DEVELOPMENT		4 369	9 177	8 666	9 925	9 075	9 075	13 104	13 159	13 751
7.3 - 190 - POLICY AND RESEARCH		8 182	6 225	4 751	5 627	3 877	3 877	6 007	4 907	5 128
7.4 - 195 - RURAL DEVELOPMENT				242	7 474	8 471	8 471	10 418	9 363	9 784
						-	-			
						-	-			
Vote 8 - COMMUNITY DEVELOPMENT		**387 611**	**467 897**	**489 222**	**524 038**	**522 829**	**522 829**	**516 048**	**538 829**	**563 135**
8.1 - 200 - OFFICE OF THE DIRECTOR COMMUNITY DE		11 903	16 830	5 920	8 182	7 223	7 223	7 580	7 914	8 270
8.2 - 215 - LIBRARY AND INFORMATION SERVICES		20 089	22 068	23 469	26 091	26 382	26 382	27 689	28 875	30 175
8.3 - 220 - CEMETERIES		7 642	7 929	8 511	8 695	8 395	8 395	8 896	9 287	9 705
8.4 - 225 - COMMUNITY HALLS		27 592	33 563	41 276	33 167	30 135	30 135	31 717	33 112	34 602
8.5 - 235 - PARKS AND OPEN AREAS		32 694	35 596	38 565	40 354	40 185	40 185	42 564	44 437	46 437
8.6 - 245 - SPORT FACILITIES		43 811	45 706	39 706	50 906	50 797	50 797	48 130	50 247	52 508
8.7 - 250 - SWIMMING POOLS		9 811	10 607	11 248	11 965	11 636	11 636	12 242	12 781	13 356
8.8 - 175 - INTEGRATED ENVIRONMENTAL MANAGEME		4 713	5 117	5 219	5 674	5 454	5 454	5 744	5 997	6 267

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

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
8.9 - 305 - CIVIL FACILITIES DEVELOPMENT AND MANA		32 200	34 147	34 948	38 753	38 675	38 675	38 420	40 111	41 916
8.10 - 360 - WASTE MANAGEMENT		197 156	256 334	280 359	300 252	303 946	303 946	293 066	306 069	319 898
Vote 9 - TECHNICAL AND INFRASTRUCTURE		**2 739 903**	**3 260 189**	**3 094 890**	**2 469 821**	**3 089 345**	**3 089 345**	**3 224 532**	**3 366 414**	**3 517 904**
9.1 - 300 - OFFICE OF THE DIRECTOR TECHNICAL SER		4 712	5 033	5 743	5 696	5 696	5 696	6 035	6 301	6 584
9.2 - 310 - ELECTRICAL ENGINEERING SERVICES		1 818 555	2 172 935	2 021 803	1 433 047	1 914 308	1 914 308	2 027 207	2 116 407	2 211 647
9.3 - 315 - STREET LIGHTING		5 325	5 649	5 486	6 272	6 272	6 272	6 550	6 838	7 146
9.4 - 325 - MECHANICAL ENGINEERING SERVICES		21 095	22 773	31 389	24 360	40 615	40 615	45 206	47 195	49 318
9.5 - 340 - WATER SERVICE		528 549	832 433	817 539	770 889	824 436	824 436	858 852	896 642	936 991
9.6 - 345 - SANITATION SERVICE		361 667	221 366	212 929	229 558	298 019	298 019	280 681	293 031	306 217
						–	–			
Vote 10 - ROADS AND TRANSPORT		**316 350**	**315 646**	**356 853**	**307 554**	**314 497**	**314 497**	**360 904**	**376 610**	**397 889**
10.1 - 270 - RUSTENBURG RAPID TRANSPORT		67 341	85 652	154 957	85 102	80 445	80 445	112 046	116 793	126 377
10.2 - 335 - ROADS AND STORMWATER		249 009	229 994	201 896	222 452	234 052	234 052	248 859	259 816	271 512
						–	–			
Vote 11 - MUNICIPAL ENTITY		**–**	**161 935**	**123 154**	**165 247**	**123 606**	**123 606**	**183 772**	**193 356**	**203 694**
11.1 - RUSTENBURG WATER SERVICE TRUST			161 935	123 154	165 247	123 606	123 606	183 772	193 356	203 694
Vote 12 - [NAME OF VOTE 12]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Vote 13 - [NAME OF VOTE 13]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Vote 14 - [NAME OF VOTE 14]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Vote 15 - [NAME OF VOTE 15]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Expenditure by Vote	2	**4 097 962**	**5 318 677**	**4 930 892**	**4 326 090**	**4 978 056**	**4 978 056**	**5 330 189**	**5 548 784**	**5 803 255**
Surplus/(Deficit) for the year	2	**151 192**	**(427 786)**	**547 122**	**1 323 745**	**668 102**	**668 102**	**781 188**	**922 273**	**948 710**

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 A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote	1									
Vote 1 - EXECUTIVE MAYOR		**207 053**	**259 859**	**435 338**	**415 635**	**415 635**	**415 635**	**432 676**	**451 713**	**472 040**
1.1 - 001 - OFFICE OF THE EXECUTIVE MAYOR										
1.2 - 002 - OFFICE OF THE SPEAKER										
1.3 - 003 - MAYORAL COMMITTEE										
1.4 - 004 - COUNCIL GENERAL		207 053	259 859	435 338	415 635	415 635	415 635	432 676	451 713	472 040
1.5 - 005 - OFFICE OF THE CHIEF WHIP										
1.6 - 006 - INTERGOVERNMENTAL RELATIONS										
1.7 - 007 - OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS										
1.8 - 008 - MONITORING AND EVALUATION										
Vote 2 - MUNICIPAL MANAGER		**11 833**	**13 953**	**13 381**	**19 949**	**19 949**	**19 949**	**267 167**	**288 817**	**301 905**
2.1 - 010 - OFFICE OF THE MUNICIPAL MANAGER		136	50	50		–	–			
2.2 - 011 - INTERNAL AUDITING		–	–	–		–	–			
2.3 - 012 - INTEGRATED DEVELOPMENT PLAN (IDP)		–	–	–		–	–			
2.4 - 013 - CORPORATE ADVISORY		–	–	–		–	–			
2.5 - 014 - PERFORMANCE MANAGEMENT SYSTEM		–	–	–		–	–			
2.6 - 017 - REGIONAL COMMUNITY CENTRES		2	2	2	3	3	3	3	3	3
2.7 - 018 - PROJECT MANAGEMENT UNIT		10 894	10 901	11 167	18 614	18 614	18 614	265 777	287 366	300 388
2.8 - 019 - OFFICE OF THE CHIEF OPERATIONS OFFIC		800		2 000		–	–			
2.9 - 050 - LEGAL AND VALUATION SERVICES		1	3 000	162	1 333	1 333	1 333	1 387	1 448	1 514
						–	–			
Vote 3 - CORPORATE SUPPORT SERVICES		**434**	**438**	**463**	**487**	**487**	**487**	**507**	**530**	**553**
3.1 - 020 - OFFICE OF THE DIRECTOR CORPORATE SU		–	–	–		–	–			
3.2 - 015 - INFORMATION TECHNOLOGY		15	10	11	12	12	12	12	13	13
3.3 - 025 - ADMINISTRATIVE SUPPORT		37	39	42	44	44	44	46	48	50
3.4 - 030 - HUMAN RESOURCE MANAGEMENT		382	388	410	432	432	432	449	469	490
3.5 - 035 - OCCUPATIONALHEALTH AND SAFETYY		–	–	–		–	–			
						–	–			
						–	–			
						–	–			
						–	–			
						–	–			
Vote 4 - BUDGET AND TREASURY		**344 746**	**372 493**	**409 208**	**433 702**	**440 301**	**440 301**	**554 821**	**594 668**	**630 708**
4.1 - 070 - OFFICE OF THE CHIEF FINANCIAL OFFICER			–	–	28 442	28 442	28 442	98 708	108 602	112 832
4.2 - 075 - ACCOUNTING SERVICES		3 742	4 815	1 410	3 369	3 369	3 369	3 522	3 677	3 842
4.3 - 076 - BILLING		335 465	364 275	404 140	398 240	405 240	405 240	448 911	478 570	510 119
4.4 - 080 - FINANCIAL CONTROL		3 700	1 700	1 799	1 700	1 300	1 300	1 650	1 700	1 700
4.5 - 085 - SUPPLY CHAIN MANAGEMENT		23	500	525	551	551	551	573	599	625
4.6 - 090 - FINANCIAL MANAGEMENT SERVICES		1 816	1 203	1 334	1 400	1 400	1 400	1 457	1 521	1 589
						–	–			
Vote 5 - PUBLIC SAFETY		**32 185**	**185 677**	**103 349**	**121 017**	**121 017**	**121 017**	**125 978**	**131 521**	**137 440**
5.1 - 100 - OFFICE OF THE DIRECTOR PUBLIC SAFETY			–	–		–	–			
5.2 - 115 - EMERGENCY AND DISASTER MANAGEMENT		548	580	1 833	873	873	873	908	948	991
5.3 - 130 - TRAFFIC SERVICES		1 681	17 103	1 436	8 221	8 221	8 221	8 459	8 832	9 229
5.4 - 140 - TESTING AND LICENSES		29 537	167 550	99 609	111 426	111 426	111 426	115 995	121 099	126 548
5.5 - 145 - LAW ENFORCEMENT		419	444	470	497	497	497	616	643	672
						–	–			
						–	–			
						–	–			
						–	–			
Vote 6 - PLANNING AND HUMAN SETTLEMENT		**13 799**	**191 479**	**8 764**	**19 329**	**19 329**	**19 329**	**12 908**	**13 476**	**14 082**
6.1 - 150 - OFFICE OF THE DIRECTOR PLANNING AND		–	–	–		–	–			
6.2 - 155 - DEVELOPMENT PLANNING		841	1 697	776	513	513	513	654	683	713
6.3 - 156 - ESTATES		7 455	48 676	1 591	14 657	14 657	14 657	7 578	7 911	8 267
6.4 - 160 - HOUSING PROVISION		4 929	139 311	5 516	3 781	3 781	3 781	3 728	3 892	4 067
6.5 - 165 - BUILDING CONTROL AND REGULATIONS		574	1 796	880	378	378	378	948	990	1 034
						–	–			
						–	–			
						–	–			
						–	–			
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		**366**	**884**	**2 456**	**3 696**	**3 696**	**3 696**	**3 894**	**4 065**	**4 248**
7.1 - 180 - LOCAL ECONOMIC DEVELOPMENT		285	302	6	1 271	1 271	1 271	1 318	1 376	1 438
7.2 - 185 - ENTERPRISE DEVELOPMENT		81	582	450	55	55	55	109	114	119
7.3 - 190 - POLICY AND RESEARCH		–		2 000	2 150	2 150	2 150	2 240	2 338	2 444
7.4 - 195 - RURAL DEVELOPMENT					220	220	220	227	237	247
						–	–			
						–	–			
Vote 8 - COMMUNITY DEVELOPMENT		**222 303**	**314 011**	**237 950**	**251 177**	**261 058**	**261 058**	**289 877**	**309 571**	**322 599**
8.1 - 200 - OFFICE OF THE DIRECTOR COMMUNITY DE		19	14	–		–	–			
8.2 - 215 - LIBRARY AND INFORMATION SERVICES		737	642	1 738	1 794	1 675	1 675	1 889	1 900	1 912
8.3 - 220 - CEMETERIES		918	945	996	383	383	383	399	416	435
8.4 - 225 - COMMUNITY HALLS		1 076	1 025	1 080	1 378	1 378	1 378	1 121	1 170	1 223
8.5 - 235 - PARKS AND OPEN AREAS		955	1 011	1 070		–	–			
8.6 - 245 - SPORT FACILITIES		240	195	206	310	310	310	219	228	238
8.7 - 250 - SWIMMING POOLS		144	700	738	300	300	300	312	326	341
8.8 - 175 - INTEGRATED ENVIRONMENTAL MANAGEME		0		–		–	–			
8.9 - 305 - CIVIL FACILITIES DEVELOPMENT AND MANA		8	8	9	9	9	9	9	9	10

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

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
8.10 - 360 - WASTE MANAGEMENT		218 206	309 471	232 114	247 004	257 004	257 004	285 929	305 521	318 440
Vote 9 - TECHNICAL AND INFRASTRUCTURE		**3 348 934**	**3 257 734**	**3 889 247**	**4 084 664**	**4 080 108**	**4 080 108**	**3 995 950**	**4 214 566**	**4 385 983**
9.1 - 300 - OFFICE OF THE DIRECTOR TECHNICAL SER		1 735	7 042	6		–	–			
9.2 - 310 - ELECTRICAL ENGINEERING SERVICES		2 005 284	2 078 721	2 283 818	2 435 308	2 424 808	2 424 808	2 664 723	2 774 222	2 893 465
9.3 - 315 - STREET LIGHTING		–	–	192		–	–			
9.4 - 325 - MECHANICAL ENGINEERING SERVICES				–		–	–			
9.5 - 340 - WATER SERVICE		622 501	524 514	845 656	933 905	962 113	962 113	1 061 985	1 154 127	1 194 028
9.6 - 345 - SANITATION SERVICE		189 409	188 662	223 247	256 366	266 366	266 366	269 242	286 217	298 490
		530 006	458 796	536 328	459 086	426 821	426 821			
						–	–			
						–	–			
Vote 10 - ROADS AND TRANSPORT		**67 500**	**85 821**	**155 761**	**85 227**	**80 570**	**80 570**	**213 778**	**238 856**	**249 043**
10.1 - 270 - RUSTENBURG RAPID TRANSPORT		67 447	85 764	155 701	85 227	80 570	80 570	213 778	238 856	249 043
10.2 - 335 - ROADS AND STORMWATER		53	56	60		–	–			
						–	–			
						–	–			
						–	–			
						–	–			
Vote 11 - MUNICIPAL ENTITY		**–**	**208 542**	**222 097**	**214 952**	**204 008**	**204 008**	**213 820**	**223 273**	**233 364**
11.1 - RUSTENBURG WATER SERVICE TRUST			208 542	222 097	214 952	204 008	204 008	213 820	223 273	233 364
						–	–			
						–	–			
						–	–			
						–	–			
						–	–			
Vote 12 - [NAME OF VOTE 12]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Vote 13 - [NAME OF VOTE 13]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Vote 14 - [NAME OF VOTE 14]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Vote 15 - [NAME OF VOTE 15]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue by Vote	2	**4 249 154**	**4 890 891**	**5 478 014**	**5 649 835**	**5 646 158**	**5 646 158**	**6 111 376**	**6 471 057**	**6 751 965**

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

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Expenditure by Vote	1									
Vote 1 - EXECUTIVE MAYOR		**93 081**	**136 736**	**135 175**	**95 833**	**134 101**	**134 101**	**162 830**	**169 973**	**177 600**
1.1 - 001 - OFFICE OF THE EXECUTIVE MAYOR		16 055	31 578	17 284	353	19 446	19 446	21 803	22 763	23 787
1.2 - 002 - OFFICE OF THE SPEAKER		10 304	17 540	18 584	7 111	17 895	17 895	18 776	19 602	20 484
1.3 - 003 - MAYORAL COMMITTEE		10 586	11 326	12 873	13 605	13 605	13 605	14 433	15 068	15 746
1.4 - 004 - COUNCIL GENERAL		48 908	67 065	76 292	435	72 410	72 410	95 385	99 561	104 019
1.5 - 005 - OFFICE OF THE CHIEF WHIP		3 386	4 813	5 204	69 378	5 794	5 794	6 113	6 381	6 669
1.6 - 006 - INTERGOVERNMENTAL RELATIONS		1 543	1 649	1 758	1 867	1 867	1 867	1 980	2 067	2 160
1.7 - 007 - OFFICE OF THE MUNICIPAL PUBLIC ACCOU		2 112	2 570	3 028	2 931	2 931	2 931	3 099	3 236	3 381
1.8 - 008 - MONITORING AND EVALUATION		187	197	151	153	153	153	1 241	1 295	1 354
				-		-	-			
Vote 2 - MUNICIPAL MANAGER		**74 235**	**67 548**	**87 130**	**91 172**	**97 120**	**97 120**	**104 406**	**102 932**	**107 513**
2.1 - 010 - OFFICE OF THE MUNICIPAL MANAGER		14 860	14 632	19 712	36 146	35 546	35 546	37 050	38 680	40 420
2.2 - 011 - INTERNAL AUDITING		4 995	5 341	5 986	7 200	6 748	6 748	7 967	8 317	8 692
2.3 - 012 - INTEGRATED DEVELOPMENT PLAN (IDP)		1 599	1 704	1 814	1 919	1 949	1 949	4 387	4 580	4 786
2.4 - 013 - CORPORATE ADVISORY		-	-	-		-	-	-	-	-
2.5 - 014 - PERFORMANCE MANAGEMENT SYSTEM		34	35	35	97	67	67	70	73	76
2.6 - 017 - REGIONAL COMMUNITY CENTRES		8 092	8 651	9 232	9 817	9 817	9 817	10 425	10 968	11 383
2.7 - 018 - PROJECT MANAGEMENT UNIT		10 735	10 401	10 834	18 452	18 452	18 452	18 849	13 527	14 162
2.8 - 019 - OFFICE OF THE CHIEF OPERATIONS OFFIC		13 191	13 253	14 152		-	-	-	-	-
2.9 - 050 - LEGAL AND VALUATION SERVICES		20 730	13 530	25 364	17 541	24 541	24 541	25 659	26 788	27 994
						-	-			
Vote 3 - CORPORATE SUPPORT SERVICES		**81 633**	**79 697**	**89 240**	**79 541**	**86 516**	**86 516**	**82 440**	**86 067**	**89 941**
3.1 - 020 - OFFICE OF THE DIRECTOR CORPORATE SU		2 577	2 765	2 950	3 017	3 017	3 017	3 198	3 339	3 489
3.2 - 015 - INFORMATION TECHNOLOGY		31 477	32 496	36 529	27 973	35 540	35 540	28 643	29 902	31 249
3.3 - 025 - ADMINISTRATIVE SUPPORT		23 004	17 413	20 162	14 465	14 465	14 465	15 297	15 970	16 689
3.4 - 030 - HUMAN RESOURCE MANAGEMENT		18 908	20 916	23 085	21 134	21 134	21 134	22 302	23 286	24 331
3.5 - 035 - OCCUPATIONALHEALTH AND SAFETYY		5 667	6 107	6 515	12 952	12 360	12 360	12 999	13 571	14 182
						-	-			
						-	-			
Vote 4 - BUDGET AND TREASURY		**167 053**	**196 181**	**196 304**	**221 994**	**217 096**	**217 096**	**261 805**	**272 224**	**283 294**
4.1 - 070 - OFFICE OF THE CHIEF FINANCIAL OFFICER		35 346	32 898	21 846	11 632	13 370	13 370	34 368	34 781	35 221
4.2 - 075 - ACCOUNTING SERVICES		40 065	65 889	83 638	113 564	114 396	114 396	104 995	109 615	114 547
4.3 - 076 - BILLING		23 995	37 115	31 692	27 568	32 568	32 568	34 265	35 794	37 426
4.4 - 080 - FINANCIAL CONTROL		37 971	28 747	25 550	29 806	17 338	17 338	34 612	36 112	37 660
4.5 - 085 - SUPPLY CHAIN MANAGEMENT		11 644	11 761	11 488	13 683	13 683	13 683	21 497	22 442	23 452
4.6 - 090 - FINANCIAL MANAGEMENT SERVICES		18 033	19 771	22 090	25 740	25 740	25 740	32 069	33 480	34 987
						-	-			
Vote 5 - PUBLIC SAFETY		**170 153**	**295 139**	**279 352**	**279 432**	**301 090**	**301 090**	**330 062**	**337 840**	**353 043**
5.1 - 100 - OFFICE OF THE DIRECTOR PUBLIC SAFETY		3 751	4 027	4 404	5 623	5 638	5 638	5 972	6 234	6 515
5.2 - 115 - EMERGENCY AND DISASTER MANAGEMENT		34 719	38 710	41 292	48 829	52 944	52 944	57 187	58 283	60 906
5.3 - 130 - TRAFFIC SERVICES		75 338	88 057	81 068	79 176	97 514	97 514	82 931	86 476	90 367
5.4 - 140 - TESTING AND LICENSES		31 606	135 685	123 531	111 124	111 009	111 009	116 206	121 319	126 778
5.5 - 145 - LAW ENFORCEMENT		24 740	28 660	29 056	34 681	33 985	33 985	67 766	65 528	68 477
						-	-			
Vote 6 - PLANNING AND HUMAN SETTLEMENT		**51 879**	**311 399**	**58 498**	**63 862**	**65 862**	**65 862**	**69 021**	**72 058**	**75 301**
6.1 - 150 - OFFICE OF THE DIRECTOR PLANNING AND		2 466	2 630	2 897	3 054	3 054	3 054	3 351	3 499	3 656
6.2 - 155 - DEVELOPMENT PLANNING		21 023	23 870	22 887	26 214	27 719	27 719	30 737	32 089	33 533
6.3 - 156 - ESTATES		3 596	3 736	4 398	4 999	5 495	5 495	5 774	6 028	6 299
6.4 - 160 - HOUSING PROVISION		19 662	275 697	22 372	23 330	23 330	23 330	22 487	23 476	24 533
6.5 - 165 - BUILDING CONTROL AND REGULATIONS		5 132	5 467	5 943	6 264	6 264	6 264	6 673	6 966	7 280
						-	-			
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		**16 064**	**26 310**	**21 075**	**27 596**	**25 994**	**25 994**	**34 368**	**32 480**	**33 942**
7.1 - 180 - LOCAL ECONOMIC DEVELOPMENT		3 513	10 908	7 415	4 570	4 570	4 570	4 839	5 052	5 279
7.2 - 185 - ENTERPRISE DEVELOPMENT		4 369	9 177	8 666	9 925	9 075	9 075	13 104	13 159	13 751
7.3 - 190 - POLICY AND RESEARCH		8 182	6 225	4 751	5 627	3 877	3 877	6 007	4 907	5 128
7.4 - 195 - RURAL DEVELOPMENT				242	7 474	8 471	8 471	10 418	9 363	9 784
						-	-			
						-	-			
Vote 8 - COMMUNITY DEVELOPMENT		**387 611**	**467 897**	**489 222**	**524 038**	**522 829**	**522 829**	**516 048**	**538 829**	**563 135**
8.1 - 200 - OFFICE OF THE DIRECTOR COMMUNITY DE		11 903	16 830	5 920	8 182	7 223	7 223	7 580	7 914	8 270
8.2 - 215 - LIBRARY AND INFORMATION SERVICES		20 089	22 068	23 469	26 091	26 382	26 382	27 689	28 875	30 175
8.3 - 220 - CEMETERIES		7 642	7 929	8 511	8 695	8 395	8 395	8 896	9 287	9 705
8.4 - 225 - COMMUNITY HALLS		27 592	33 563	41 276	33 167	30 135	30 135	31 717	33 112	34 602
8.5 - 235 - PARKS AND OPEN AREAS		32 694	35 596	38 565	40 354	40 185	40 185	42 564	44 437	46 437
8.6 - 245 - SPORT FACILITIES		43 811	45 706	39 706	50 906	50 797	50 797	48 130	50 247	52 508
8.7 - 250 - SWIMMING POOLS		9 811	10 607	11 248	11 965	11 636	11 636	12 242	12 781	13 356
8.8 - 175 - INTEGRATED ENVIRONMENTAL MANAGEME		4 713	5 117	5 219	5 674	5 454	5 454	5 744	5 997	6 267

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

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
8.9 - 305 - CIVIL FACILITIES DEVELOPMENT AND MANA		32 200	34 147	34 948	38 753	38 675	38 675	38 420	40 111	41 916
8.10 - 360 - WASTE MANAGEMENT		197 156	256 334	280 359	300 252	303 946	303 946	293 066	306 069	319 898
Vote 9 - TECHNICAL AND INFRASTRUCTURE		**2 739 903**	**3 260 189**	**3 094 890**	**2 469 821**	**3 089 345**	**3 089 345**	**3 224 532**	**3 366 414**	**3 517 904**
9.1 - 300 - OFFICE OF THE DIRECTOR TECHNICAL SER		4 712	5 033	5 743	5 696	5 696	5 696	6 035	6 301	6 584
9.2 - 310 - ELECTRICAL ENGINEERING SERVICES		1 818 555	2 172 935	2 021 803	1 433 047	1 914 308	1 914 308	2 027 207	2 116 407	2 211 647
9.3 - 315 - STREET LIGHTING		5 325	5 649	5 486	6 272	6 272	6 272	6 550	6 838	7 146
9.4 - 325 - MECHANICAL ENGINEERING SERVICES		21 095	22 773	31 389	24 360	40 615	40 615	45 206	47 195	49 318
9.5 - 340 - WATER SERVICE		528 549	832 433	817 539	770 889	824 436	824 436	858 852	896 642	936 991
9.6 - 345 - SANITATION SERVICE		361 667	221 366	212 929	229 558	298 019	298 019	280 681	293 031	306 217
						–	–			
Vote 10 - ROADS AND TRANSPORT		**316 350**	**315 646**	**356 853**	**307 554**	**314 497**	**314 497**	**360 904**	**376 610**	**397 889**
10.1 - 270 - RUSTENBURG RAPID TRANSPORT		67 341	85 652	154 957	85 102	80 445	80 445	112 046	116 793	126 377
10.2 - 335 - ROADS AND STORMWATER		249 009	229 994	201 896	222 452	234 052	234 052	248 859	259 816	271 512
						–	–			
Vote 11 - MUNICIPAL ENTITY		**–**	**161 935**	**123 154**	**165 247**	**123 606**	**123 606**	**183 772**	**193 356**	**203 694**
11.1 - RUSTENBURG WATER SERVICE TRUST			161 935	123 154	165 247	123 606	123 606	183 772	193 356	203 694
Vote 12 - [NAME OF VOTE 12]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Vote 13 - [NAME OF VOTE 13]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Vote 14 - [NAME OF VOTE 14]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Vote 15 - [NAME OF VOTE 15]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Expenditure by Vote	2	**4 097 962**	**5 318 677**	**4 930 892**	**4 326 090**	**4 978 056**	**4 978 056**	**5 330 189**	**5 548 784**	**5 803 255**
Surplus/(Deficit) for the year	2	**151 192**	**(427 786)**	**547 122**	**1 323 745**	**668 102**	**668 102**	**781 188**	**922 273**	**948 710**

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	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source											
Property rates	2	330 842	353 910	362 089	398 240	398 240	398 240	398 240	448 942	478 602	510 153
Service charges - electricity revenue	2	1 975 688	2 190 374	2 253 258	2 312 622	2 252 622	2 252 622	2 252 622	2 613 646	2 702 546	2 826 416
Service charges - water revenue	2	453 323	538 949	620 181	499 602	499 602	499 602	499 602	519 713	542 580	566 996
Service charges - sanitation revenue	2	121 629	137 702	335 045	378 454	372 054	372 054	372 054	387 019	404 048	422 230
Service charges - refuse revenue	2	127 678	129 422	170 061	150 234	150 234	150 234	150 234	156 184	163 056	170 393
Rental of facilities and equipment		12 474	20 137	11 604	10 498	10 498	10 498	10 498	11 078	11 566	12 086
Interest earned - external investments		22 181	25 696	20 774	27 312	22 768	22 768	22 768	25 149	26 301	27 528
Interest earned - outstanding debtors		–	282 389	261 054	395 409	395 409	395 409	395 409	411 621	429 732	449 070
Dividends received		3 322	24 471	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		14 580	8 046	18 708	9 000	9 000	9 000	9 000	9 369	9 781	10 221
Licences and permits		10 398	16 772	10 213	11 913	11 913	11 913	11 913	12 401	12 947	13 530
Agency services		19 934	1 037	131 249	100 849	100 849	100 849	100 849	104 983	109 603	114 535
Transfers and subsidies		506 809	595 003	496 604	852 579	952 112	952 112	952 112	946 775	1 033 744	1 075 297
Other revenue	2	19 648	19 918	131 527	30 002	30 002	30 002	30 002	16 656	17 390	18 173
Gains		4 101	963	170 477	14 035	14 035	14 035	14 035	6 200	6 473	6 764
Total Revenue (excluding capital transfers and contributions)		**3 622 607**	**4 344 789**	**4 992 843**	**5 190 749**	**5 219 337**	**5 219 337**	**5 219 337**	**5 669 738**	**5 948 370**	**6 223 393**
Expenditure By Type											
Employee related costs	2	612 373	724 916	739 404	792 398	799 309	799 309	799 309	875 664	908 100	948 904
Remuneration of councillors		38 650	53 751	60 893	64 306	64 306	64 306	64 306	68 229	71 231	74 437
Debt impairment	3	550 717	953 771	635 638	898 087	898 087	898 087	898 087	793 908	828 840	866 138
Depreciation & asset impairment	2	423 582	454 064	448 974	507 217	507 217	507 217	507 217	492 913	514 601	537 758
Finance charges		77 039	73 902	50 877	43 444	38 167	38 167	38 167	84 328	88 041	92 005
Bulk purchases - electricity	2	1 470 502	2 071 179	1 852 986	1 076 055	1 134 162	1 134 162	1 134 162	1 627 750	1 699 371	1 775 843
Inventory consumed	8	419 223	459 260	633 464	302 591	427 952	427 952	427 952	498 896	520 852	544 246
Contracted services		209 902	286 616	251 400	394 970	421 883	421 883	421 883	610 610	629 089	660 820
Transfers and subsidies		–	23 575	20 100	19 543	19 610	19 610	19 610	19 502	20 360	21 276
Other expenditure	4, 5	295 973	217 644	237 158	227 479	667 363	667 363	667 363	258 388	268 298	281 829
Losses											
Total Expenditure		**4 097 962**	**5 318 677**	**4 930 892**	**4 326 090**	**4 978 056**	**4 978 056**	**4 978 056**	**5 330 189**	**5 548 784**	**5 803 255**
Surplus/(Deficit)		**(475 355)**	**(973 888)**	**61 950**	**864 659**	**241 280**	**241 280**	**241 280**	**339 550**	**399 586**	**420 137**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		626 547	546 102	485 172	459 086	426 821	426 821	426 821	441 638	522 687	528 572
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–									
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		**151 192**	**(427 786)**	**547 122**	**1 323 745**	**668 102**	**668 102**	**668 102**	**781 188**	**922 273**	**948 710**
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		**151 192**	**(427 786)**	**547 122**	**1 323 745**	**668 102**	**668 102**	**668 102**	**781 188**	**922 273**	**948 710**
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**151 192**	**(427 786)**	**547 122**	**1 323 745**	**668 102**	**668 102**	**668 102**	**781 188**	**922 273**	**948 710**
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		**151 192**	**(427 786)**	**547 122**	**1 323 745**	**668 102**	**668 102**	**668 102**	**781 188**	**922 273**	**948 710**

References

1. Classifications are revenue sources and expenditure type

2. Detail to be provided in Table SA1

3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment

4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs

5. Repairs & maintenance detailed in Table A9 and Table SA34c

6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)

7. Equity method (Includes Joint Ventures)

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 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		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*	2										
Vote 1 - EXECUTIVE MAYOR		–	996	47	–	–	–	–	100	105	109
Vote 2 - MUNICIPAL MANAGER		–	485	34 075	12 419	7 893	7 893	7 893	14 376	11 613	12 093
Vote 3 - CORPORATE SUPPORT SERVICES		–	15 338	2 505	1 000	1 592	1 592	1 592	4 025	4 000	4 000
Vote 4 - BUDGET AND TREASURY		–	460	1 500	550	950	950	950	212	55	57
Vote 5 - PUBLIC SAFETY		–	16 319	5 000	2 950	1 950	1 950	1 950	23 705	8 198	5 713
Vote 6 - PLANNING AND HUMAN SETTLEMENT		–	1 089	9 450	3 500	3 500	3 500	3 500	7 500	7 776	8 065
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		273	12 025	4 700	650	750	750	750	17 077	15 240	15 711
Vote 8 - COMMUNITY DEVELOPMENT		4 859	43 480	51 081	21 210	8 565	8 565	8 565	34 148	55 514	21 309
Vote 9 - TECHNICAL AND INFRASTRUCTURE		229 204	318 459	288 064	312 400	292 360	292 360	292 360	249 882	256 628	283 226
Vote 10 - ROADS AND TRANSPORT		486 699	697 057	274 916	256 726	261 246	261 246	261 246	275 845	288 164	309 013
Vote 11 - MUNICIPAL ENTITY		31 646	53 253	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**752 682**	**1 158 961**	**671 337**	**611 404**	**578 806**	**578 806**	**578 806**	**626 870**	**647 292**	**659 297**
Total Capital Expenditure - Vote		**752 682**	**1 158 961**	**671 337**	**611 404**	**578 806**	**578 806**	**578 806**	**626 870**	**647 292**	**659 297**
Capital Expenditure - Functional											
Governance and administration		–	**1 941**	**111 756**	**50 969**	**17 435**	**17 435**	**17 435**	**12 845**	**11 931**	**12 271**
Executive and council		–	1 481	34 114	13 155	8 630	8 630	8 630	100	105	109
Finance and administration		–	460	77 635	37 550	8 542	8 542	8 542	12 588	11 714	12 068
Internal audit		–	–	8	264	264	264	264	157	113	93
Community and public safety		**20 634**	**45 333**	**11 070**	**11 320**	**4 015**	**4 015**	**4 015**	**51 001**	**55 053**	**17 511**
Community and social services		1 807	29 014	2 749	6 770	465	465	465	13 871	25 295	233
Sport and recreation		–	–	822	100	100	100	100	11 925	20 060	10 065
Public safety		18 828	16 319	5 000	2 950	1 950	1 950	1 950	23 705	8 198	5 713
Housing		–	–	2 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500
Health		–	–	–		–	–	–			
Economic and environmental services		**486 972**	**710 171**	**286 566**	**259 376**	**263 996**	**263 996**	**263 996**	**312 922**	**321 181**	**343 289**
Planning and development		273	13 114	11 650	2 650	2 750	2 750	2 750	37 077	33 016	34 276
Road transport		486 699	697 057	274 916	256 726	261 246	261 246	261 246	275 845	288 164	309 013
Environmental protection		–		–		–	–	–	–	–	–
Trading services		**245 075**	**386 179**	**261 945**	**289 740**	**293 360**	**293 360**	**293 360**	**250 102**	**259 128**	**286 226**
Energy sources		85 674	27 768	33 492	68 800	130 520	130 520	130 520	144 125	129 900	136 915
Water management		87 999	257 889	161 527	151 500	101 500	101 500	101 500	77 447	115 228	130 811
Waste water management		68 349	86 055	61 725	62 100	60 340	60 340	60 340	27 500	11 500	15 500
Waste management		3 053	14 466	5 200	7 340	1 000	1 000	1 000	1 030	2 500	3 000
Other		–	**15 338**			–	–	–	–	–	–
Total Capital Expenditure - Functional	3	**752 682**	**1 158 961**	**671 337**	**611 404**	**578 806**	**578 806**	**578 806**	**626 870**	**647 292**	**659 297**
Funded by:											
National Government		625 980	543 665	534 079	459 086	426 206	426 206	426 206	441 318	522 392	528 339
Provincial Government		566	2 437	4 249	–	615	615	615	320	295	233
District Municipality				–		–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)									2 287	–	–
Transfers recognised - capital	4	**626 546**	**546 102**	**538 328**	**459 086**	**426 821**	**426 821**	**426 821**	**443 925**	**522 687**	**528 572**
Borrowing	6	–	–	–	125 000	125 000	125 000	125 000	–	–	–
Internally generated funds		126 136	612 859	133 009	27 319	26 985	26 985	26 985	182 945	124 605	130 725
Total Capital Funding	7	**752 682**	**1 158 961**	**671 337**	**611 404**	**578 806**	**578 806**	**578 806**	**626 870**	**647 292**	**659 297**

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	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Municipal Vote											
Multi-year expenditure appropriation	2										
Vote 1 - EXECUTIVE MAYOR		–	–	–	–	–	–	–	–	–	–
1.1 - 001 - OFFICE OF THE EXECUTIVE MAYOR									–	–	–
1.2 - 002 - OFFICE OF THE SPEAKER									–	–	–
1.3 - 003 - MAYORAL COMMITTEE									–	–	–
1.4 - 004 - COUNCIL GENERAL									–	–	–
1.5 - 005 - OFFICE OF THE CHIEF WHIP									–	–	–
1.6 - 006 - INTERGOVERNMENTAL RELATIONS									–	–	–
1.7 - 007 - OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS									–	–	–
1.8 - 008 - MONITORING AND EVALUATION									–	–	–
									–	–	–
									–	–	–
Vote 2 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–
2.1 - 010 - OFFICE OF THE MUNICIPAL MANAGER									–	–	–
2.2 - 011 - INTERNAL AUDITING									–	–	–
2.3 - 012 - INTEGRATED DEVELOPMENT PLAN (IDP)									–	–	–
2.4 - 013 - CORPORATE ADVISORY									–	–	–
2.5 - 014 - PERFORMANCE MANAGEMENT SYSTEM									–	–	–
2.6 - 017 - REGIONAL COMMUNITY CENTRES									–	–	–
2.7 - 018 - PROJECT MANAGEMENT UNIT									–	–	–
2.8 - 019 - OFFICE OF THE CHIEF OPERATIONS OFFICER									–	–	–
2.9 - 050 - LEGAL AND VALUATION SERVICES									–	–	–
									–	–	–
Vote 3 - CORPORATE SUPPORT SERVICES		–	–	–	–	–	–	–	–	–	–
3.1 - 020 - OFFICE OF THE DIRECTOR CORPORATE SUPPORT SERVICES									–	–	–
3.2 - 015 - INFORMATION TECHNOLOGY									–	–	–
3.3 - 025 - ADMINISTRATIVE SUPPORT									–	–	–
3.4 - 030 - HUMAN RESOURCE MANAGEMENT									–	–	–
3.5 - 035 - OCCUPATIONALHEALTH AND SAFETYY									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 4 - BUDGET AND TREASURY		–	–	–	–	–	–	–	–	–	–
4.1 - 070 - OFFICE OF THE CHIEF FINANCIAL OFFICER									–	–	–
4.2 - 075 - ACCOUNTING SERVICES									–	–	–
4.3 - 076 - BILLING									–	–	–
4.4 - 080 - FINANCIAL CONTROL									–	–	–
4.5 - 085 - SUPPLY CHAIN MANAGEMENT									–	–	–
4.6 - 090 - FINANCIAL MANAGEMENT SERVICES									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 5 - PUBLIC SAFETY		–	–	–	–	–	–	–	–	–	–
5.1 - 100 - OFFICE OF THE DIRECTOR PUBLIC SAFETY									–	–	–
5.2 - 115 - EMERGENCY AND DISASTER MANAGEMENT									–	–	–
5.3 - 130 - TRAFFIC SERVICES									–	–	–
5.4 - 140 - TESTING AND LICENSES									–	–	–
5.5 - 145 - LAW ENFORCEMENT									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 6 - PLANNING AND HUMAN SETTLEMENT		–	–	–	–	–	–	–	–	–	–
6.1 - 150 - OFFICE OF THE DIRECTOR PLANNING AND HUMAN SETLEMENT									–	–	–
6.2 - 155 - DEVELOPMENT PLANNING									–	–	–
6.3 - 156 - ESTATES									–	–	–
6.4 - 160 - HOUSING PROVISION									–	–	–
6.5 - 165 - BUILDING CONTROL AND REGULATIONS									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		–	–	–	–	–	–	–	–	–	–
7.1 - 180 - LOCAL ECONOMIC DEVELOPMENT									–	–	–
7.2 - 185 - ENTERPRISE DEVELOPMENT									–	–	–
7.3 - 190 - POLICY AND RESEARCH									–	–	–
7.4 - 195 - RURAL DEVELOPMENT									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–

Vote 8 - COMMUNITY DEVELOPMENT	–	–	–	–	–	–	–	–	–	–	
8.1 - 200 - OFFICE OF THE DIRECTOR COMMUNITY DEVELOPMENT								–	–	–	
8.2 - 215 - LIBRARY AND INFORMATION SERVICES								–	–	–	
8.3 - 220 - CEMETERIES								–	–	–	
8.4 - 225 - COMMUNITY HALLS								–	–	–	
8.5 - 235 - PARKS AND OPEN AREAS								–	–	–	
8.6 - 245 - SPORT FACILITIES								–	–	–	
8.7 - 250 - SWIMMING POOLS								–	–	–	
8.8 - 175 - INTEGRATED ENVIRONMENTAL MANAGEMENT								–	–	–	
8.9 - 305 - CIVIL FACILITIES DEVELOPMENT AND MANAGEMENT								–	–	–	
8.10 - 360 - WASTE MANAGEMENT								–	–	–	
Vote 9 - TECHNICAL AND INFRASTRUCTURE	–	–	–	–	–	–	–	–	–	–	
9.1 - 300 - OFFICE OF THE DIRECTOR TECHNICAL SERVICSE AND INFRASTRUCTURE DEVELOPMENT								–	–	–	
9.2 - 310 - ELECTRICAL ENGINEERING SERVICES								–	–	–	
9.3 - 315 - STREET LIGHTING								–	–	–	
9.4 - 325 - MECHANICAL ENGINEERING SERVICES								–	–	–	
9.5 - 340 - WATER SERVICE								–	–	–	
9.6 - 345 - SANITATION SERVICE								–	–	–	
								–	–	–	
								–	–	–	
								–	–	–	
								–	–	–	
Vote 10 - ROADS AND TRANSPORT	–	–	–	–	–	–	–	–	–	–	
10.1 - 270 - RUSTENBURG RAPID TRANSPORT								–	–	–	
10.2 - 335 - ROADS AND STORMWATER								–	–	–	
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Vote 11 - MUNICIPAL ENTITY	–	–	–	–	–	–	–	–	–	–	
11.1 - RUSTENBURG WATER SERVICE TRUST								–	–	–	
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Vote 12 - [NAME OF VOTE 12]	–	–	–	–	–	–	–	–	–	–	
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Vote 13 - [NAME OF VOTE 13]	–	–	–	–	–	–	–	–	–	–	
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Vote 14 - [NAME OF VOTE 14]	–	–	–	–	–	–	–	–	–	–	
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Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–	–	
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Capital multi-year expenditure sub-total	–	–	–	–	–	–	–	–	–	–	

Capital expenditure - Municipal Vote Single-year expenditure appropriation	2										
Vote 1 - EXECUTIVE MAYOR		–	996	47	–	–	–	–	100	105	109
1.1 - 001 - OFFICE OF THE EXECUTIVE MAYOR		–	570	47					100	105	109
1.2 - 002 - OFFICE OF THE SPEAKER		–	425								
1.3 - 003 - MAYORAL COMMITTEE		–									
1.4 - 004 - COUNCIL GENERAL		–									
1.5 - 005 - OFFICE OF THE CHIEF WHIP		–	1								
1.6 - 006 - INTERGOVERNMENTAL RELATIONS		–									
1.7 - 007 - OFFICE OF THE MUNICIPAL PUBLIC ACCOU		–									
1.8 - 008 - MONITORING AND EVALUATION		–									
Vote 2 - MUNICIPAL MANAGER		–	485	34 075	12 419	7 893	7 893	7 893	14 376	11 613	12 093
2.1 - 010 - OFFICE OF THE MUNICIPAL MANAGER		–	450	28 900	155	355	355	355			
2.2 - 011 - INTERNAL AUDITING		–	35	8	264	264	264	264	157	113	93
2.3 - 012 - INTEGRATED DEVELOPMENT PLAN (IDP)		–		–	–	–	–	–			
2.4 - 013 - CORPORATE ADVISORY		–		–	–	–	–	–			
2.5 - 014 - PERFORMANCE MANAGEMENT SYSTEM		–		–	–	–	–	–			
2.6 - 017 - REGIONAL COMMUNITY CENTRES		–	–	3 360	–	1 275	1 275	1 275	219		
2.7 - 018 - PROJECT MANAGEMENT UNIT		–		1 808	12 000	6 000	6 000	6 000	14 000	11 500	12 000
2.8 - 019 - OFFICE OF THE CHIEF OPERATIONS OFFIC		–		–	–	–	–	–			
2.9 - 050 - LEGAL AND VALUATION SERVICES		–		–	–	–	–	–			
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Vote 3 - CORPORATE SUPPORT SERVICES		–	15 338	2 505	1 000	1 592	1 592	1 592	4 025	4 000	4 000
3.1 - 020 - OFFICE OF THE DIRECTOR CORPORATE SU		–	–	5		–	–	–	25	–	–
3.2 - 015 - INFORMATION TECHNOLOGY		–	14 770	2 500	1 000	1 000	1 000	1 000	4 000	4 000	4 000
3.3 - 025 - ADMINISTRATIVE SUPPORT		–	461			–	–	–			
3.4 - 030 - HUMAN RESOURCE MANAGEMENT		–	107			–	–	–			
3.5 - 035 - OCCUPATIONALHEALTH AND SAFETYY		–	–			592	592	592			
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Vote 4 - BUDGET AND TREASURY		–	460	1 500	550	950	950	950	212	55	57
4.1 - 070 - OFFICE OF THE CHIEF FINANCIAL OFFICER		–	–	–	–	–	–	–			
4.2 - 075 - ACCOUNTING SERVICES		–	–	500	50	50	50	50	52	55	57
4.3 - 076 - BILLING		–	214	1 000	–	–	–	–			
4.4 - 080 - FINANCIAL CONTROL		–	–		–	400	400	400			
4.5 - 085 - SUPPLY CHAIN MANAGEMENT		–	224		500	500	500	500	160		
4.6 - 090 - FINANCIAL MANAGEMENT SERVICES		–	22		–	–	–	–			
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Vote 5 - PUBLIC SAFETY		–	16 319	5 000	2 950	1 950	1 950	1 950	23 705	8 198	5 713
5.1 - 100 - OFFICE OF THE DIRECTOR PUBLIC SAFETY		–	11	–	–	–	–	–			
5.2 - 115 - EMERGENCY AND DISASTER MANAGEMENT		–	–	2 500	–	–	–	–	12 360	2 563	1 368
5.3 - 130 - TRAFFIC SERVICES		–	13 946	2 440	700	750	750	750	765	205	120
5.4 - 140 - TESTING AND LICENSES		–	34	60	1 250	1 200	1 200	1 200	1 600	2 610	1 675
5.5 - 145 - LAW ENFORCEMENT		–	2 328	–	1 000	–	–	–	8 980	2 820	2 550
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Vote 6 - PLANNING AND HUMAN SETTLEMENT		–	1 089	9 450	3 500	3 500	3 500	3 500	7 500	7 776	8 065
6.1 - 150 - OFFICE OF THE DIRECTOR PLANNING AND		–	–	–		–	–	–			
6.2 - 155 - DEVELOPMENT PLANNING		–	–	–		–	–	–			
6.3 - 156 - ESTATES		–	–	6 848	2 000	2 000	2 000	2 000	6 000	6 276	6 565
6.4 - 160 - HOUSING PROVISION		–	413	2 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500
6.5 - 165 - BUILDING CONTROL AND REGULATIONS		–	676	102	–	–	–	–			
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Vote 7 - LOCAL ECONOMIC DEVELOPMENT		273	12 025	4 700	650	750	750	750	17 077	15 240	15 711
7.1 - 180 - LOCAL ECONOMIC DEVELOPMENT		273	12 025	1 700	–	–	–	–			
7.2 - 185 - ENTERPRISE DEVELOPMENT		–		3 000	650	750	750	750	8 387	6 151	6 204
7.3 - 190 - POLICY AND RESEARCH		–		–	–	–	–	–	1 250	1 308	1 368
7.4 - 195 - RURAL DEVELOPMENT		–			–	–	–	–	7 440	7 782	8 140
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Vote 8 - COMMUNITY DEVELOPMENT		4 859	43 480	51 081	21 210	8 565	8 565	8 565	34 148	55 514	21 309
8.1 - 200 - OFFICE OF THE DIRECTOR COMMUNITY DE		–	–	–	–	–	–	–			
8.2 - 215 - LIBRARY AND INFORMATION SERVICES		566	3 079	1 749	–	615	615	615	320	295	233
8.3 - 220 - CEMETERIES		1 241	–	1 000	6 620	1 200	1 200	1 200	13 551	25 000	
8.4 - 225 - COMMUNITY HALLS		–	2 125	–	–	–	–	–			
8.5 - 235 - PARKS AND OPEN AREAS		–	6 935	753	150	150	150	150	1 810		
8.6 - 245 - SPORT FACILITIES		–	231	(12)	–	–	–	–	10 000	20 000	10 000
8.7 - 250 - SWIMMING POOLS		–	676	81	100	100	100	100	115	60	65
8.8 - 175 - INTEGRATED ENVIRONMENTAL MANAGEME		–		–	–	–	–	–			
8.9 - 305 - CIVIL FACILITIES DEVELOPMENT AND MANA		–	15 968	42 311	7 000	5 500	5 500	5 500	7 322	7 659	8 011
8.10 - 360 - WASTE MANAGEMENT		3 053	14 466	5 200	7 340	1 000	1 000	1 000	1 030	2 500	3 000

Vote 9 - TECHNICAL AND INFRASTRUCTURE	**229 204**	**318 459**	**288 064**	**312 400**	**292 360**	**292 360**	**292 360**	**249 882**	**256 628**	**283 226**
9.1 - 300 - OFFICE OF THE DIRECTOR TECHNICAL SER	–	–	1 000	–	–	–	–			
9.2 - 310 - ELECTRICAL ENGINEERING SERVICES	85 674	22 016	31 300	45 800	124 520	124 520	124 520	138 125	119 400	124 915
9.3 - 315 - STREET LIGHTING	18 828	5 752	2 192	23 000	6 000	6 000	6 000	6 000	10 500	12 000
9.4 - 325 - MECHANICAL ENGINEERING SERVICES	–	62 766	30 319	30 000				810	–	–
9.5 - 340 - WATER SERVICE	87 999	195 123	161 527	151 500	101 500	101 500	101 500	77 447	115 228	130 811
9.6 - 345 - SANITATION SERVICE	36 703	32 802	61 725	62 100	60 340	60 340	60 340	27 500	11 500	15 500
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Vote 10 - ROADS AND TRANSPORT	**486 699**	**697 057**	**274 916**	**256 726**	**261 246**	**261 246**	**261 246**	**275 845**	**288 164**	**309 013**
10.1 - 270 - RUSTENBURG RAPID TRANSPORT	415 679	36 007	161 979	145 837	113 837	113 837	113 837	101 603	121 661	121 930
10.2 - 335 - ROADS AND STORMWATER	71 020	661 049	112 937	110 889	147 409	147 409	147 409	174 241	166 504	187 083
Vote 11 - MUNICIPAL ENTITY	**31 646**	**53 253**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
11.1 - RUSTENBURG WATER SERVICE TRUST	31 646	53 253	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Vote 13 - [NAME OF VOTE 13]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Vote 14 - [NAME OF VOTE 14]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Vote 15 - [NAME OF VOTE 15]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Capital single-year expenditure sub-total	**752 682**	**1 158 961**	**671 337**	**611 404**	**578 806**	**578 806**	**578 806**	**626 870**	**647 292**	**659 297**
Total Capital Expenditure	**752 682**	**1 158 961**	**671 337**	**611 404**	**578 806**	**578 806**	**578 806**	**626 870**	**647 292**	**659 297**

Multi-year appropriation for Budget Year 2021/22 in the 2019/20 Annual Budget				Multi-year appropriation for 2021/22 in the 2019/20 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
Appropriation for 2021/22	Adjustments in 2020/21	Downward adjustments for 2021/22	Appropriation carried forward	Appropriation for 2020/21	Adjustments in 2019/20	Downward adjustments for 2020/21	Appropriation carried forward	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
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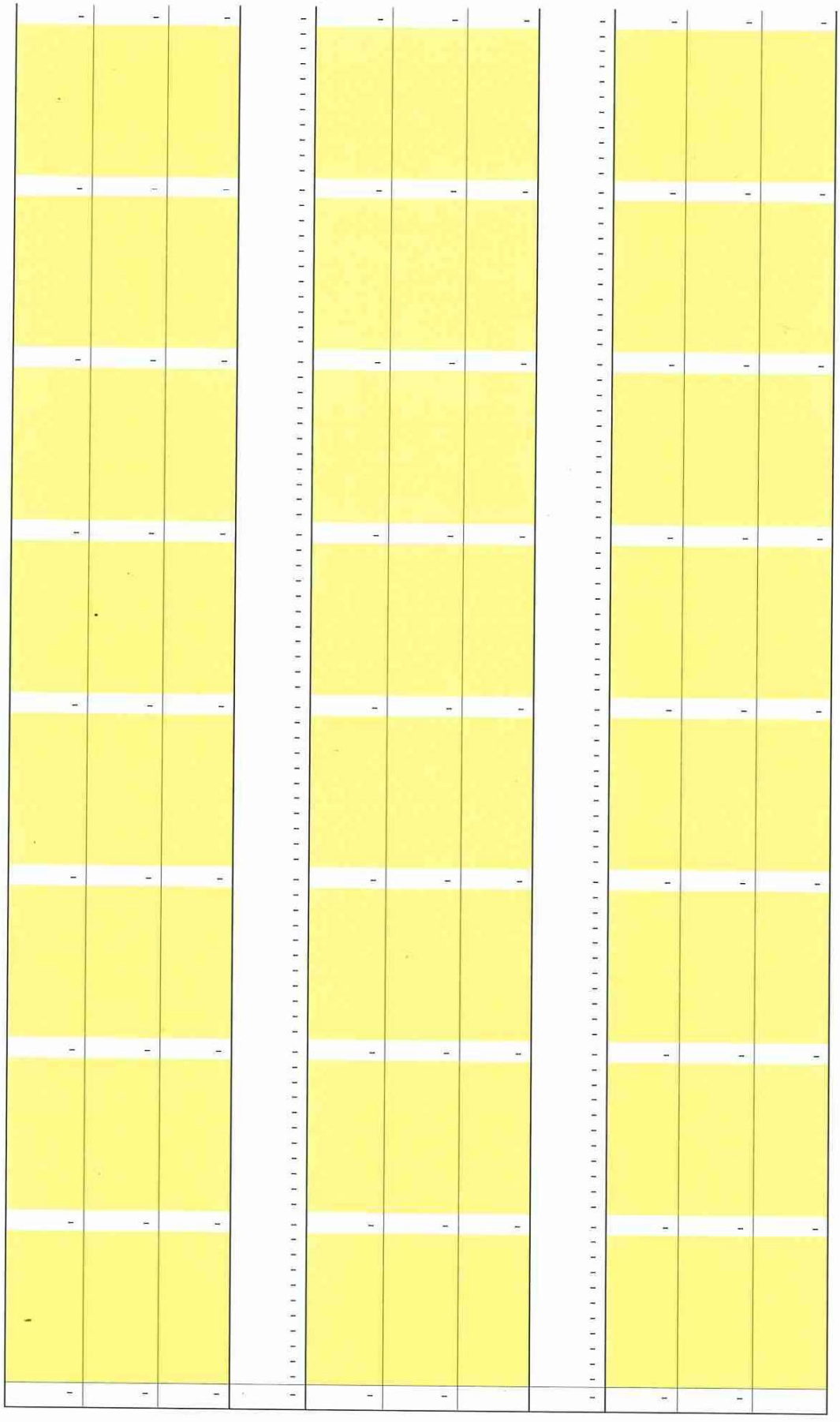
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Capital expenditure - Municipal Vote Single-year expenditure appropriation	2										
Vote 1 - EXECUTIVE MAYOR		–	996	47	–	–	–	–	100	105	109
1.1 - 001 - OFFICE OF THE EXECUTIVE MAYOR		–	570	47					100	105	109
1.2 - 002 - OFFICE OF THE SPEAKER		–	425								
1.3 - 003 - MAYORAL COMMITTEE		–									
1.4 - 004 - COUNCIL GENERAL		–									
1.5 - 005 - OFFICE OF THE CHIEF WHIP		–	1								
1.6 - 006 - INTERGOVERNMENTAL RELATIONS		–									
1.7 - 007 - OFFICE OF THE MUNICIPAL PUBLIC ACCOU		–									
1.8 - 008 - MONITORING AND EVALUATION		–									
Vote 2 - MUNICIPAL MANAGER		–	485	34,075	12,419	7,893	7,893	7,893	14,376	11,613	12,093
2.1 - 010 - OFFICE OF THE MUNICIPAL MANAGER		–	450	28,900	155	355	355	355			
2.2 - 011 - INTERNAL AUDITING		–	35	8	264	264	264	264	157	113	93
2.3 - 012 - INTEGRATED DEVELOPMENT PLAN (IDP)		–		–	–	–	–	–			
2.4 - 013 - CORPORATE ADVISORY		–		–	–	–	–	–			
2.5 - 014 - PERFORMANCE MANAGEMENT SYSTEM		–		–	–	–	–	–			
2.6 - 017 - REGIONAL COMMUNITY CENTRES		–	–	3,360	–	1,275	1,275	1,275	219		
2.7 - 018 - PROJECT MANAGEMENT UNIT		–		1,808	12,000	6,000	6,000	6,000	14,000	11,500	12,000
2.8 - 019 - OFFICE OF THE CHIEF OPERATIONS OFFIC		–		–	–	–	–	–			
2.9 - 050 - LEGAL AND VALUATION SERVICES		–		–	–	–	–	–			
						–	–	–			
Vote 3 - CORPORATE SUPPORT SERVICES		–	15,338	2,505	1,000	1,592	1,592	1,592	4,025	4,000	4,000
3.1 - 020 - OFFICE OF THE DIRECTOR CORPORATE SU		–	–	5		–	–	–	25	–	–
3.2 - 015 - INFORMATION TECHNOLOGY		–	14,770	2,500	1,000	1,000	1,000	1,000	4,000	4,000	4,000
3.3 - 025 - ADMINISTRATIVE SUPPORT		–	461			–	–	–			
3.4 - 030 - HUMAN RESOURCE MANAGEMENT		–	107			–	–	–			
3.5 - 035 - OCCUPATIONALHEALTH AND SAFETYY		–	–			592	592	592			
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Vote 4 - BUDGET AND TREASURY		–	460	1,500	550	950	950	950	212	55	57
4.1 - 070 - OFFICE OF THE CHIEF FINANCIAL OFFICER		–	–	–	–	–	–	–			
4.2 - 075 - ACCOUNTING SERVICES		–	–	500	50	50	50	50	52	55	57
4.3 - 076 - BILLING		–	214	1,000	–	–	–	–			
4.4 - 080 - FINANCIAL CONTROL		–	–		–	400	400	400			
4.5 - 085 - SUPPLY CHAIN MANAGEMENT		–	224		500	500	500	500	160		
4.6 - 090 - FINANCIAL MANAGEMENT SERVICES		–	22		–	–	–	–			
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Vote 5 - PUBLIC SAFETY		–	16,319	5,000	2,950	1,950	1,950	1,950	23,705	8,198	5,713
5.1 - 100 - OFFICE OF THE DIRECTOR PUBLIC SAFETY		–	11	–	–	–	–	–			
5.2 - 115 - EMERGENCY AND DISASTER MANAGEMEN		–	–	2,500	–	–	–	–	12,360	2,563	1,368
5.3 - 130 - TRAFFIC SERVICES		–	13,946	2,440	700	750	750	750	765	205	120
5.4 - 140 - TESTING AND LICENSES		–	34	60	1,250	1,200	1,200	1,200	1,600	2,610	1,675
5.5 - 145 - LAW ENFORCEMENT		–	2,328	–	1,000	–	–	–	8,980	2,820	2,550
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Vote 6 - PLANNING AND HUMAN SETTLEMENT		–	1,089	9,450	3,500	3,500	3,500	3,500	7,500	7,776	8,065
6.1 - 150 - OFFICE OF THE DIRECTOR PLANNING AND		–	–	–		–	–	–			
6.2 - 155 - DEVELOPMENT PLANNING		–	–	–		–	–	–			
6.3 - 156 - ESTATES		–	–	6,848	2,000	2,000	2,000	2,000	6,000	6,276	6,565
6.4 - 160 - HOUSING PROVISION		–	413	2,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
6.5 - 165 - BUILDING CONTROL AND REGULATIONS		–	676	102	–	–	–	–			
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						–	–	–			
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		273	12,025	4,700	650	750	750	750	17,077	15,240	15,711
7.1 - 180 - LOCAL ECONOMIC DEVELOPMENT		273	12,025	1,700	–	–	–	–			
7.2 - 185 - ENTERPRISE DEVELOPMENT		–		3,000	650	750	750	750	8,387	6,151	6,204
7.3 - 190 - POLICY AND RESEARCH		–		–	–	–	–	–	1,250	1,308	1,368
7.4 - 195 - RURAL DEVELOPMENT		–			–	–	–	–	7,440	7,782	8,140
						–	–	–			
						–	–	–			
						–	–	–			
						–	–	–			
Vote 8 - COMMUNITY DEVELOPMENT		4,859	43,480	51,081	21,210	8,565	8,565	8,565	34,148	55,514	21,309
8.1 - 200 - OFFICE OF THE DIRECTOR COMMUNITY DE		–	–	–	–	–	–	–			
8.2 - 215 - LIBRARY AND INFORMATION SERVICES		566	3,079	1,749	–	615	615	615	320	295	233
8.3 - 220 - CEMETERIES		1,241	–	1,000	6,620	1,200	1,200	1,200	13,551	25,000	
8.4 - 225 - COMMUNITY HALLS		–	2,125	–	–	–	–	–			
8.5 - 235 - PARKS AND OPEN AREAS		–	6,935	753	150	150	150	150	1,810		
8.6 - 245 - SPORT FACILITIES		–	231	(12)	–	–	–	–	10,000	20,000	10,000
8.7 - 250 - SWIMMING POOLS		–	676	81	100	100	100	100	115	60	65
8.8 - 175 - INTEGRATED ENVIRONMENTAL MANAGEME		–		–	–	–	–	–			
8.9 - 305 - CIVIL FACILITIES DEVELOPMENT AND MAN/		–	15,968	42,311	7,000	5,500	5,500	5,500	7,322	7,659	8,011
8.10 - 360 - WASTE MANAGEMENT		3,053	14,466	5,200	7,340	1,000	1,000	1,000	1,030	2,500	3,000

Vote 9 - TECHNICAL AND INFRASTRUCTURE	**229,204**	**318,459**	**288,064**	**312,400**	**292,360**	**292,360**	**292,360**	**249,882**	**256,628**	**283,226**
9.1 - 300 - OFFICE OF THE DIRECTOR TECHNICAL SER	–	–	1,000	–	–	–	–			
9.2 - 310 - ELECTRICAL ENGINEERING SERVICES	85,674	22,016	31,300	45,800	124,520	124,520	124,520	138,125	119,400	124,915
9.3 - 315 - STREET LIGHTING	18,828	5,752	2,192	23,000	6,000	6,000	6,000	6,000	10,500	12,000
9.4 - 325 - MECHANICAL ENGINEERING SERVICES	–	62,766	30,319	30,000				810	–	–
9.5 - 340 - WATER SERVICE	87,999	195,123	161,527	151,500	101,500	101,500	101,500	77,447	115,228	130,811
9.6 - 345 - SANITATION SERVICE	36,703	32,802	61,725	62,100	60,340	60,340	60,340	27,500	11,500	15,500
					–	–	–			
					–	–	–			
					–	–	–			
					–	–	–			
Vote 10 - ROADS AND TRANSPORT	**486,699**	**697,057**	**274,916**	**256,726**	**261,246**	**261,246**	**261,246**	**275,845**	**288,164**	**309,013**
10.1 - 270 - RUSTENBURG RAPID TRANSPORT	415,679	36,007	161,979	145,837	113,837	113,837	113,837	101,603	121,661	121,930
10.2 - 335 - ROADS AND STORMWATER	71,020	661,049	112,937	110,889	147,409	147,409	147,409	174,241	166,504	187,083
Vote 11 - MUNICIPAL ENTITY	**31,646**	**53,253**	–	–	–	–	–	–	–	–
11.1 - RUSTENBURG WATER SERVICE TRUST	31,646	53,253	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	752,682	1,158,961	671,337	611,404	578,806	578,806	578,806	626,870	647,292	659,297
Total Capital Expenditure	752,682	1,158,961	671,337	611,404	578,806	578,806	578,806	626,870	647,292	659,297

Multi-year appropriation for Budget Year 2021/22 in the 2019/20 Annual Budget				Multi-year appropriation for 2021/22 in the 2019/20 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
Appropriation for 2021/22	Adjustments in 2020/21	Downward adjustments for 2021/22	Appropriation carried forward	Appropriation for 2020/21	Adjustments in 2019/20	Downward adjustments for 2020/21	Appropriation carried forward	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–



NW373 Rustenburg - Table A6 Budgeted Financial Position

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
ASSETS											
Current assets											
Cash		119 341	382 790	692 333	704 207	704 207	704 207	704 207	731 671	762 401	795 947
Call investment deposits	1	111 293	218 351	(205 928)	1 031 996	1 494 396	1 494 396	1 494 396	503 953	1 467 406	2 473 780
Consumer debtors	1	312 074	128 053	525 902	183 283	183 283	183 283	183 283	190 431	198 429	207 160
Other debtors		113 701	4 675	102 393	107 001	107 001	107 001	107 001	111 174	115 843	120 941
Current portion of long-term receivables		121	78	971	1 015	1 015	1 015	1 015	1 054	1 098	1 147
Inventory	2	110 777	151 517	118 054	215 463	190 101	190 101	190 101	209 009	218 351	227 326
Total current assets		**767 307**	**885 464**	**1 233 724**	**2 242 965**	**2 680 003**	**2 680 003**	**2 680 003**	**1 747 292**	**2 763 530**	**3 826 300**
Non current assets											
Long-term receivables											
Investments		1 197	1 037	877	917	917	917	917	952	992	1 036
Investment property		180 346	169 589	358 202	374 321	374 321	374 321	374 321	388 920	405 254	423 086
Investment in Associate											
Property, plant and equipment	3	8 681 703	8 894 111	11 838 995	10 249 301	10 170 156	10 170 156	10 170 156	10 157 800	10 268 589	10 366 268
Biological											
Intangible		52	34	804	840	840	840	840	873	910	950
Other non-current assets		1 369	1 369	136	142	142	142	142	147	154	160
Total non current assets		**8 864 667**	**9 066 140**	**12 199 014**	**10 625 521**	**10 546 376**	**10 546 376**	**10 546 376**	**10 548 693**	**10 675 900**	**10 791 500**
TOTAL ASSETS		**9 631 975**	**9 951 604**	**13 432 739**	**12 868 487**	**13 226 379**	**13 226 379**	**13 226 379**	**12 295 985**	**13 439 429**	**14 617 800**
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	64 637	72 714	88 513	92 496	92 496	92 496	92 496	96 103	100 140	104 546
Consumer deposits		51 631	49 364	48 620	50 808	50 808	50 808	50 808	52 789	55 007	57 427
Trade and other payables	4	890 723	1 733 938	605 302	1 364 838	1 364 838	1 364 838	1 364 838	1 156 453	1 123 788	1 005 624
Provisions		52 133	23 197	23 824	24 896	24 896	24 896	24 896	25 867	26 954	28 140
Total current liabilities		**1 059 124**	**1 879 213**	**766 259**	**1 533 038**	**1 533 038**	**1 533 038**	**1 533 038**	**1 331 214**	**1 305 888**	**1 195 736**
Non current liabilities											
Borrowing		516 642	445 404	703 000	888 000	888 000	888 000	888 000	931 000	912 000	876 910
Provisions		201 954	229 905	251 058	262 356	262 356	262 356	262 356	272 587	284 036	296 534
Total non current liabilities		**718 596**	**675 309**	**954 058**	**1 150 356**	**1 150 356**	**1 150 356**	**1 150 356**	**1 203 587**	**1 196 036**	**1 173 444**
TOTAL LIABILITIES		**1 777 720**	**2 554 522**	**1 720 317**	**2 683 393**	**2 683 393**	**2 683 393**	**2 683 393**	**2 534 801**	**2 501 924**	**2 369 180**
NET ASSETS	5	**7 854 255**	**7 397 082**	**11 712 421**	**10 185 093**	**10 542 986**	**10 542 986**	**10 542 986**	**9 761 184**	**10 937 505**	**12 248 621**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		7 587 916	7 130 944	11 413 441	9 886 113	10 244 006	10 244 006	10 244 006	9 492 204	10 660 890	11 963 670
Reserves	4	266 339	266 138	298 980	298 980	298 980	298 980	298 980	268 980	276 616	284 950
TOTAL COMMUNITY WEALTH/EQUITY	5	**7 854 255**	**7 397 082**	**11 712 421**	**10 185 093**	**10 542 986**	**10 542 986**	**10 542 986**	**9 761 184**	**10 937 505**	**12 248 621**

References

1. Detail to be provided in Table SA3

2. Include completed low cost housing to be transferred to beneficiaries within 12 months

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

4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.

5. Net assets must balance with Total Community Wealth/Equity

NW373 Rustenburg - Table A7 Budgeted Cash Flows

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework				
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24		
CASH FLOW FROM OPERATING ACTIVITIES													
Receipts													
Property rates		330 842	353 910	336 122	309 140	309 140	309 140	309 140	425 942	434 602	478 153	0120D	
Service charges		2 744 474	2 296 784	2 769 049	2 794 986	2 794 986	2 794 986	2 794 986	3 206 842	3 343 743	3 481 088	0130D	
Other revenue		34 818	34 801	124 366	147 260	147 260	147 260	147 260	154 489	161 287	168 545	0140D	
Transfers and Subsidies - Operational	1	532 021	649 468	846 823	868 506	868 506	868 506	868 506	946 775	1 033 744	1 075 297	0150D	
Transfers and Subsidies - Capital	1	626 546	506 885	538 136	459 086	968 172	968 172	968 172	441 318	522 392	528 339	0160D	
Interest		22 181	308 085	445 975	422 721	419 086	419 086	419 086	436 771	456 033	476 598	0170I	
Dividends									–	–	–	0180D	
Payments													
Suppliers and employees		(2 862 004)	(2 985 750)	(4 031 468)	(2 858 658)	(2 941 659)	(2 941 659)	(2 941 659)	(3 939 538)	(4 096 942)	(4 286 077)	0200	
Finance charges		(624 312)	(10 282)	(50 877)	(43 444)	(43 444)	(43 444)	(43 444)	(84 328)	(88 041)	(92 005)	0210	
Transfers and Grants	1			(17 892)	(18 684)	(18 734)	(18 734)	(18 734)	(19 502)	(20 360)	(21 276)	0220	
NET CASH FROM/(USED) OPERATING ACTIVITIES		**804 566**	**1 153 901**	**960 234**	**2 080 914**	**2 503 314**	**2 503 314**	**2 503 314**	**1 568 769**	**1 746 459**	**1 808 662**		
CASH FLOWS FROM INVESTING ACTIVITIES													
Receipts													
Proceeds on disposal of PPE		(3 445)	6 824	1 052	14 035	14 035	14 035	14 035	6 200	6 473	6 764	0260D	
Decrease (increase) in non-current receivables									–	–	–		
Decrease (increase) in non-current investments									–	–	–		
Payments													
Capital assets		(624 172)	(665 448)	(671 337)	(611 404)	(571 404)	(571 404)	(571 404)	(626 870)	(647 292)	(659 297)	0310	
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(627 617)**	**(658 624)**	**(670 286)**	**(597 370)**	**(557 370)**	**(557 370)**	**(557 370)**	**(620 670)**	**(640 819)**	**(652 533)**		
CASH FLOWS FROM FINANCING ACTIVITIES													
Receipts													
Short term loans									–	–	–	0350	D
Borrowing long term/refinancing		(3 596)	(8 631)	–	125 000	125 000	125 000	125 000	–	–	–	0360	D
Increase (decrease) in consumer deposits		476	191	2 398	2 398	2 398	2 398	2 398	2 508	2 624	2 892		
Payments													
Repayment of borrowing		(116 331)	(116 330)	(88 513)	(105 373)	(105 373)	(105 373)	(105 373)	(109 483)	(114 081)	(119 100)	0390	
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(119 451)**	**(124 770)**	**(86 115)**	**22 025**	**22 025**	**22 025**	**22 025**	**(106 974)**	**(111 457)**	**(116 209)**		
NET INCREASE/ (DECREASE) IN CASH HELD		**57 498**	**370 507**	**203 833**	**1 505 569**	**1 967 969**	**1 967 969**	**1 967 969**	**841 125**	**994 183**	**1 039 920**		
Cash/cash equivalents at the year begin:	2	**173 136**	**230 634**	**282 572**	230 634	230 634	230 634	230 634	**394 499**	**1 235 624**	**2 229 807**	0420	
Cash/cash equivalents at the year end:	2	**230 634**	**601 141**	**486 405**	**1 736 203**	**2 198 603**	**2 198 603**	**2 198 603**	**1 235 624**	**2 229 807**	**3 269 727**		

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	4 287 437	4 156 757	5 061 522	5 015 735	5 521 186	5 521 186	5 521 186	5 618 337	5 958 275	6 214 785
Total payments	(4 110 488)	(3 661 480)	(4 771 574)	(3 532 191)	(3 575 242)	(3 575 242)	(3 575 242)	(4 670 238)	(4 852 635)	(5 058 656)
	176 949	495 277	289 948	1 483 544	1 945 944	1 945 944	1 945 944	948 099	1 105 640	1 156 129
Borrowings & investments & c.deposits	(3 120)	(8 440)	2 398	127 398	127 398	127 398	127 398	2 508	2 624	2 892
Repayment of borrowing	(116 331)	(116 330)	(88 513)	(105 373)	(105 373)	(105 373)	(105 373)	(109 483)	(114 081)	(119 100)
	57 498	370 507	203 833	1 505 569	1 967 969	1 967 969	1 967 969	841 125	994 183	1 039 920
	–	–	(0)	–	–	–	–	–	–	–

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash and investments available											
Cash/cash equivalents at the year end	1	230 634	601 141	486 405	1 736 203	2 198 603	2 198 603	2 198 603	1 235 624	2 229 807	3 269 727
Other current investments > 90 days		–	0	–	–	–	–	–	–	–	–
Non current assets - Investments	1	1 197	1 037	877	917	917	917	917	952	992	1 036
Cash and investments available:		**231 831**	**602 178**	**487 282**	**1 737 120**	**2 199 520**	**2 199 520**	**2 199 520**	**1 236 576**	**2 230 799**	**3 270 763**
Application of cash and investments											
Unspent conditional transfers		46 426	–	45 000	145 371	145 371	145 371	145 371	123 568	115 891	106 799
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2	(17 010)	(17 912)	(18 628)	(14 321)	(14 321)	(14 321)	(14 321)	(12 321)	(15 124)	(15 325)
Other working capital requirements	3	415 219	1 664 614	107 593	980 343	976 895	976 895	976 895	769 191	733 205	611 984
Other provisions		62 340	65 644	68 270	24 896	24 896	24 896	24 896	24 896	26 042	27 239
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	52 569	55 355	57 570	131 570	131 570	131 570	131 570	60 160	62 928	65 822
Total Application of cash and investments:		**559 544**	**1 767 702**	**259 805**	**1 267 859**	**1 264 411**	**1 264 411**	**1 264 411**	**965 495**	**922 942**	**796 520**
Surplus(shortfall)		**(327 713)**	**(1 165 524)**	**227 477**	**469 261**	**935 108**	**935 108**	**935 108**	**271 082**	**1 307 857**	**2 474 243**

References

1. Must reconcile with Budgeted Cash Flows

2. For example: VAT, taxation

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

4. For example: sinking fund requirements for borrowing

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

Other working capital requirements										
Debtors	429 078	96 370	471 337	219 657	223 105	223 105	223 105	243 469	253 617	264 838
Creditors due	844 297	1 760 984	578 930	1 200 000	1 200 000	1 200 000	1 200 000	1 012 660	986 822	876 822
Total	(415 219)	(1 664 614)	(107 593)	(980 343)	(976 895)	(976 895)	(976 895)	(769 191)	(733 205)	(611 984)
Debtors collection assumptions										
Balance outstanding - debtors	425 775	132 728	628 295	290 284	290 284	290 284	290 284	301 605	314 273	328 101
Estimate of debtors collection rate	100,8%	72,6%	75,0%	75,7%	76,9%	76,9%	76,9%	80,7%	80,7%	80,7%
Long term investments committed										
Balance (*Insert description; eg sinking fund)*										
	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments										
Housing Development Fund	–	8 523	8 864	8 864	8 864	8 864	8 864	8 864	9 236	9 643
Capital replacement										
Self-insurance										
Other (list)										
	–	8 523	8 864	8 864	8 864	8 864	8 864	8 864	9 236	9 643

NW373 Rustenburg - Table A9 Asset Management

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
CAPITAL EXPENDITURE										
Total New Assets	1	**678 784**	**900 086**	**65 190**	**179 742**	**165 570**	**165 570**	**381 672**	**363 145**	**352 717**
Roads Infrastructure		486 699	603 956	8 010	43 953	65 109	65 109	62 000	49 500	51 000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		85 198	10 649	14 420	15 500	9 100	9 100	101 150	72 300	79 150
Water Supply Infrastructure		61 835	81 290	–	78 740	44 000	44 000	40 000	38 000	38 000
Sanitation Infrastructure		36 703	14 406	–	19 195	18 000	18 000	21 000	45 000	60 000
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***670 436***	***710 301***	***22 430***	***157 388***	***136 209***	***136 209***	***224 150***	***204 800***	***228 150***
Community Facilities		839	–	4 010	12 800	1 300	1 300	25 826	46 000	10 500
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***839***	**–**	***4 010***	***12 800***	***1 300***	***1 300***	***25 826***	***46 000***	***10 500***
Heritage Assets		**–**	**–**	**311**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	13 358	15 354	16 370
Non-revenue Generating		–	–	–	–	4 794	4 794	–	–	–
Investment properties		**–**	**–**	**–**	**–**	***4 794***	***4 794***	***13 358***	***15 354***	***16 370***
Operational Buildings		–	25 055	17 404	–	–	–	45 061	44 493	43 398
Housing		–	–	–	1 676	–	–	–	–	–
Other Assets		**–**	***25 055***	***17 404***	***1 676***	**–**	**–**	***45 061***	***44 493***	***43 398***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	3 000	3 000	10 335	10 350	10 367
Intangible Assets		**–**	**–**	**–**	**–**	***3 000***	***3 000***	***10 335***	***10 350***	***10 367***
Computer Equipment		**–**	**3 884**	**3 150**	**1 075**	**2 399**	**2 399**	**7 089**	**5 642**	**5 153**
Furniture and Office Equipment		**–**	**724**	**375**	**5 087**	**7 066**	**7 066**	**13 532**	**7 065**	**8 316**
Machinery and Equipment		**–**	**–**	**100**	**1 116**	**8 152**	**8 152**	**24 270**	**22 613**	**21 969**
Transport Assets		**7 509**	**160 122**	**17 410**	**600**	**650**	**650**	**12 050**	**550**	**1 930**
Land		**–**	**–**	**–**	**–**	**2 000**	**2 000**	**6 000**	**6 276**	**6 565**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Renewal of Existing Assets	2	**73 898**	**258 875**	**606 148**	**431 662**	**273 531**	**273 531**	**153 756**	**165 120**	**152 326**
Roads Infrastructure		–	58 845	264 506	269 145	133 441	133 441	126 309	114 869	106 468
Storm water Infrastructure		–	5 752	17 000	–	–	–	–	–	–
Electrical Infrastructure		18 828	–	2 000	10 800	105 000	105 000	–	–	–
Water Supply Infrastructure		18 655	106 729	161 527	80 000	10 000	10 000	1 000	1 000	1 000
Sanitation Infrastructure		31 646	71 940	61 595	40 500	20 840	20 840	25 947	48 728	44 311
Solid Waste Infrastructure		3 053	314	5 200	16 324	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***72 182***	***243 580***	***511 828***	***416 769***	***269 281***	***269 281***	***153 256***	***164 597***	***151 779***
Community Facilities		1 241	–	8 606	8 400	200	200	–	–	–
Sport and Recreation Facilities		–	–	596	230	–	–	–	–	–
Community Assets		***1 241***	**–**	***9 202***	***8 630***	***200***	***200***	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	550	550	500	523	547
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	***550***	***550***	***500***	***523***	***547***
Operational Buildings		–	–	37 265	3 000	3 500	3 500	–	–	–
Housing		–	–	2 500	–	–	–	–	–	–
Other Assets		**–**	**–**	***39 765***	***3 000***	***3 500***	***3 500***	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	264	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	***264***	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**2 229**	**1 000**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**314**	**1 069**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**476**	**14 981**	**4 888**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**30 319**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**6 848**	**2 000**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Total Upgrading of Existing Assets	6	–	–	–	–	139 705	139 705	91 442	119 028	154 255
Roads Infrastructure		–	–	–	–	73 400	73 400	36 000	42 974	55 000
Storm water Infrastructure		–	–	–	–	–	–	4 000	5 000	4 083
Electrical Infrastructure		–	–	–	–	6 700	6 700	15 500	28 000	28 000
Water Supply Infrastructure		–	–	–	–	38 500	38 500	12 500	27 500	47 500
Sanitation Infrastructure		–	–	–	–	16 500	16 500	19 500	11 500	15 500
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	*135 100*	*135 100*	*87 500*	*114 974*	*150 083*
Community Facilities		–	–	–	–	3 025	3 025	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	*3 025*	*3 025*	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	80	80	2 442	2 554	2 672
Housing		–	–	–	–	1 500	1 500	1 500	1 500	1 500
Other Assets		–	–	–	–	*1 580*	*1 580*	*3 942*	*4 054*	*4 172*
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		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	**752 682**	**1 158 961**	**671 337**	**611 404**	**578 806**	**578 806**	**626 870**	**647 292**	**659 297**
Roads Infrastructure		486 699	662 801	272 516	313 098	271 950	271 950	224 309	207 342	212 468
Storm water Infrastructure		–	5 752	17 000	–	–	–	4 000	5 000	4 083
Electrical Infrastructure		104 026	10 649	16 420	26 300	120 800	120 800	116 650	100 300	107 150
Water Supply Infrastructure		80 490	188 019	161 527	158 740	92 500	92 500	53 500	66 500	86 500
Sanitation Infrastructure		68 349	86 346	61 595	59 695	55 340	55 340	66 447	105 228	119 811
Solid Waste Infrastructure		3 053	314	5 200	16 324	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*742 617*	*953 881*	*534 258*	*574 157*	*540 590*	*540 590*	*464 906*	*484 370*	*530 012*
Community Facilities		2 080	–	12 616	21 200	4 525	4 525	25 826	46 000	10 500
Sport and Recreation Facilities		–	–	596	230	–	–	–	–	–
Community Assets		*2 080*	–	*13 212*	*21 430*	*4 525*	*4 525*	*25 826*	*46 000*	*10 500*
Heritage Assets		–	–	311	–	–	–	–	–	–
Revenue Generating		–	–	–	–	550	550	13 858	15 877	16 917
Non-revenue Generating		–	–	–	–	4 794	4 794	–	–	–
Investment properties		–	–	–	–	*5 344*	*5 344*	*13 858*	*15 877*	*16 917*
Operational Buildings		–	25 055	54 669	3 000	3 580	3 580	47 503	47 048	46 069
Housing		–	–	2 500	1 676	1 500	1 500	1 500	1 500	1 500
Other Assets		–	*25 055*	*57 169*	*4 676*	*5 080*	*5 080*	*49 003*	*48 548*	*47 569*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	264	3 000	3 000	10 335	10 350	10 367
Intangible Assets		–	–	–	*264*	*3 000*	*3 000*	*10 335*	*10 350*	*10 367*
Computer Equipment		–	3 884	5 379	2 075	2 399	2 399	7 089	5 642	5 153
Furniture and Office Equipment		–	1 038	1 444	5 087	7 066	7 066	13 532	7 065	8 316
Machinery and Equipment		476	14 981	4 988	1 116	8 152	8 152	24 270	22 613	21 969
Transport Assets		7 509	160 122	47 729	600	650	650	12 050	550	1 930
Land		–	–	6 848	2 000	2 000	2 000	6 000	6 276	6 565
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		**752 682**	**1 158 961**	**671 337**	**611 404**	**578 806**	**578 806**	**626 870**	**647 292**	**659 297**

ASSET REGISTER SUMMARY - PPE (WDV)	5	9 065 103	12 199 370	10 624 463	10 545 318	10 545 318	10 545 318	10 547 593	10 674 754	10 790 303
Roads Infrastructure		4 557 976	6 850 104	2 563 839	2 625 694	2 624 214	2 624 214	2 574 253	2 628 027	2 678 615
Storm water Infrastructure		–	–	–	–	–	–			
Electrical Infrastructure		784 549	748 616	2 137 540	1 909 125	1 914 845	1 914 845	1 979 537	2 025 593	2 076 057
Water Supply Infrastructure		606 910	653 906	2 344 256	1 970 789	1 990 789	1 990 789	1 974 629	1 968 404	1 978 906
Sanitation Infrastructure		920 916	847 226	1 596 313	1 691 081	1 669 321	1 669 321	1 661 870	1 689 950	1 729 140
Solid Waste Infrastructure		3 621	953 804	1 303 509	1 582 380	1 576 040	1 576 040	1 540 052	1 502 480	1 463 217
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		***6 873 971***	***10 053 657***	***9 945 457***	***9 779 070***	***9 775 210***	***9 775 210***	***9 730 342***	***9 814 452***	***9 925 935***
Community Assets		1 241	1 241	94 813	40 867	37 337	37 337	4 950	5 264	6 183
Heritage Assets		1 369	1 369	–	–	–	–			
Investment properties		180 346	169 589	310 652	303 898	303 898	303 898	313 678	325 298	327 401
Other Assets		1 425 557	1 419 094		82 499	81 049	81 049	97 690	100 453	100 717
Biological or Cultivated Assets						–	–			
Intangible Assets		52	34	706	970	1 170	1 170	1 505	1 855	2 221
Computer Equipment		7 902	5 686	43 988	45 512	45 512	45 512	51 992	52 999	53 489
Furniture and Office Equipment		32 112	85 498	90 272	94 140	92 615	92 615	104 506	107 330	107 383
Machinery and Equipment		511 307	435 253	83 938	85 054	85 646	85 646	103 949	120 333	121 841
Transport Assets		31 246	27 950	54 638	107 310	116 882	116 882	126 980	128 492	125 293
Land		–	–	–	6 000	6 000	6 000	12 000	18 276	19 841
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**9 065 103**	**12 199 370**	**10 624 463**	**10 545 318**	**10 545 318**	**10 545 318**	**10 547 593**	**10 674 754**	**10 790 303**
EXPENDITURE OTHER ITEMS		**532 042**	**555 892**	**661 037**	**596 545**	**598 670**	**598 670**	**632 077**	**659 842**	**689 445**
Depreciation	7	423 582	454 064	448 974	507 217	507 217	507 217	492 913	514 601	537 710
Repairs and Maintenance by Asset Class	3	**108 460**	**101 828**	**212 063**	**89 328**	**91 452**	**91 452**	**139 164**	**145 242**	**151 735**
Roads Infrastructure		5 080	17 375	25 357	3 914	3 564	3 564	8 494	8 868	9 267
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		6 626	22 837	60 400	20 200	22 825	22 825	28 751	30 018	31 369
Water Supply Infrastructure		8 189	25 339	36 090	11 654	6 654	6 654	16 612	17 342	18 123
Sanitation Infrastructure		55 854	–	49 470	45 853	49 610	49 610	51 737	54 013	56 444
Solid Waste Infrastructure		8 679	17 284	13 533	654	1 576	1 576	350	366	383
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***84 429***	***82 835***	***184 849***	***82 275***	***84 229***	***84 229***	***105 943***	***110 608***	***115 586***
Community Facilities		2 386	8 800	15 941	1 195	1 195	1 195	1 927	1 986	2 053
Sport and Recreation Facilities		–	311	329	–	–	–	349	339	332
Community Assets		***2 386***	***9 111***	***16 270***	***1 195***	***1 195***	***1 195***	***2 277***	***2 325***	***2 385***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	689	878	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	***689***	***878***	–	–	–	–	–	–
Operational Buildings		21 645	2 842	3 372	918	1 088	1 088	5 106	5 330	5 570
Housing		–	–	–	–	–	–	956	998	1 043
Other Assets		***21 645***	***2 842***	***3 372***	***918***	***1 088***	***1 088***	***6 061***	***6 328***	***6 613***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	**6 353**	**6 693**	**4 940**	**940**	**940**	**618**	**645**	**674**
Furniture and Office Equipment		–	–	–	–	**4 000**	**4 000**	**6**	**6**	**7**
Machinery and Equipment		–	–	–	–	–	–	**6 952**	**7 259**	**7 586**
Transport Assets		–	–	–	–	–	–	**17 307**	**18 071**	**18 884**
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		**532 042**	**555 892**	**661 037**	**596 545**	**598 670**	**598 670**	**632 077**	**659 842**	**689 445**
Renewal and upgrading of Existing Assets as % of total capex		*9,8%*	*22,3%*	*90,3%*	*70,6%*	*71,4%*	*71,4%*	*39,1%*	*43,9%*	*46,5%*
Renewal and upgrading of Existing Assets as % of deprecn		*17,4%*	*57,0%*	*135,0%*	*85,1%*	*81,5%*	*81,5%*	*49,7%*	*55,2%*	*57,0%*
R&M as a % of PPE		*1,2%*	*1,1%*	*1,8%*	*0,9%*	*0,9%*	*0,9%*	*1,4%*	*1,4%*	*1,5%*
Renewal and upgrading and R&M as a % of PPE		*2,0%*	*3,0%*	*8,0%*	*5,0%*	*5,0%*	*5,0%*	*4,0%*	*4,0%*	*4,0%*

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Household service targets	1									
Water:										
Piped water inside dwelling		74 912	74 912	74 912	74 912	74 912	105 000	109 200	113 568	118 792
Piped water inside yard (but not in dwelling)		138 915	138 915	138 915	138 915	138 915	175 000	182 000	189 280	197 987
Using public tap (at least min.service level)	2	14 189	14 189	14 189	14 189	14 189	16 000	16 640	17 306	18 102
Other water supply (at least min.service level)	4	18 080	18 080	18 080	18 080	18 080	25 000	26 000	27 040	28 284
Minimum Service Level and Above sub-total		246 096	246 096	246 096	246 096	246 096	321 000	333 840	347 194	363 165
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	16 480	16 480	16 480	16 480	16 480	16 480	22 000	22 880	23 932
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		16 480	16 480	16 480	16 480	16 480	16 480	22 000	22 880	23 932
Total number of households	5	**262 576**	**262 576**	**262 576**	**262 576**	**262 576**	**337 480**	**355 840**	**370 074**	**387 097**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		138 794	138 794	138 794	138 794	138 794	180 432	234 562	304 930	318 957
Flush toilet (with septic tank)		12 579	12 579	12 579	12 579	12 579	16 353	21 259	27 636	28 907
Chemical toilet		2 653	2 653	2 653	2 653	2 653	3 449	4 484	5 829	6 097
Pit toilet (ventilated)		31 651	31 651	31 651	31 651	31 651	41 146	53 490	69 537	72 736
Other toilet provisions (> min.service level)		63 027	63 027	63 027	63 027	63 027	81 935	106 516	138 470	144 840
Minimum Service Level and Above sub-total		248 704	248 704	248 704	248 704	248 704	323 315	420 311	546 402	571 536
Bucket toilet		1 864	1 864	1 864	1 864	1 864	2 423	3 150	4 095	4 283
Other toilet provisions (< min.service level)		4 192	4 192	4 192	4 192	4 192	5 450	7 084	9 210	9 634
No toilet provisions		7 815	7 815	7 815	7 815	7 815	10 160	13 207	17 170	17 960
Below Minimum Service Level sub-total		13 871	13 871	13 871	13 871	13 871	18 033	23 441	30 475	31 877
Total number of households	5	**262 575**	**262 575**	**262 575**	**262 575**	**262 575**	**341 348**	**443 752**	**576 877**	**603 413**
Energy:										
Electricity (at least min.service level)		4 797	4 797	4 797	4 797	4 797	13 000	13 520	14 061	14 708
Electricity - prepaid (min.service level)		201 186	201 186	201 186	201 186	201 186	56 000	58 240	60 570	63 356
Minimum Service Level and Above sub-total		205 983	205 983	205 983	205 983	205 983	69 000	71 760	74 631	78 064
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		29 684	29 684	29 684	29 684	29 684	–	–	–	–
Below Minimum Service Level sub-total		29 684	29 684	29 684	29 684	29 684	–	–	–	–
Total number of households	5	**235 667**	**235 667**	**235 667**	**235 667**	**235 667**	**69 000**	**71 760**	**74 631**	**78 064**
Refuse:										
Removed at least once a week		176 089	176 089	176 089	176 089	176 089	176 441	176 794	178 147	186 342
Minimum Service Level and Above sub-total		176 089	176 089	176 089	176 089	176 089	176 441	176 794	178 147	186 342
Removed less frequently than once a week		13 618	13 618	13 618	13 618	13 618	13 645	13 672	13 699	14 329
Using communal refuse dump		8 468	8 468	8 468	8 468	8 468	8 484	8 501	8 518	8 910
Using own refuse dump		42 717	42 717	42 717	42 717	42 717	42 802	42 887	42 972	44 949
Other rubbish disposal		6 682	6 682	6 682	6 682	6 682	6 695	6 708	6 721	7 030
No rubbish disposal		15 002	15 002	15 002	15 002	15 002	15 032	15 062	15 092	15 786
Below Minimum Service Level sub-total		86 487	86 487	86 487	86 487	86 487	86 658	86 830	87 002	91 004
Total number of households	5	**262 576**	**262 576**	**262 576**	**262 576**	**262 576**	**263 099**	**263 624**	**265 149**	**277 346**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		27 759	2 875	2 875	2 875	2 875	2 875	641	647	654
Sanitation (free minimum level service)		27 759	2 875	2 875	2 875	2 875	2 875	2 492	2 517	2 542
Electricity/other energy (50kwh per household per month)		27 759	2 875	2 875	2 875	2 875	2 875	560	566	571
Refuse (removed at least once a week)		27 759	2 875	2 875	2 875	2 875	2 875	738	745	753
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		–	5 925	6 275	6 638	6 638	6 638	7 284	7 604	7 946
Sanitation (free sanitation service to **indigent households**)		–	–	4 853	5 134	5 134	5 134	5 633	5 881	6 146
Electricity/other energy (50kwh per **indigent** household per month)		–	1 464	1 550	1 640	1 640	1 640	8 042	8 395	8 773
Refuse (removed once a week **for indigent households**)		–	–	–	3 828	3 828	3 828	4 195	4 380	4 577
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		211 895	247 685	247 685	247 685	247 685	247 685	221 115	234 890	250 197
Total cost of FBS provided		**211 895**	**255 074**	**260 362**	**264 926**	**264 926**	**264 926**	**246 269**	**261 150**	**277 639**
Highest level of free service provided per household										
Property rates (R value threshold)		100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)			–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		105	122	122	122	122	122	122	122	122
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)		45 449	45 449	45 449	45 449	45 449	45 449	45 449	45 449	45 449
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		39 329	41 650	44 065	46 195	46 195	46 195	46 407	48 449	50 629
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		**84 778**	**87 098**	**89 514**	**91 644**	**91 644**	**91 644**	**91 855**	**93 897**	**96 077**

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 to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1)

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		370 171	395 560	406 155	444 435	444 435	444 435	444 435	495 349	527 051	560 781
Less Revenue Foregone ***(exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)***		39 329	41 650	44 065	46 195	46 195	46 195	46 195	46 407	48 449	50 629
Net Property Rates		**330 842**	**353 910**	**362 089**	**398 240**	**398 240**	**398 240**	**398 240**	**448 942**	**478 602**	**510 153**
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		1 975 688	2 191 838	2 254 809	2 314 263	2 254 262	2 254 262	2 254 262	2 621 687	2 710 942	2 835 189
Less Revenue Foregone ***(in excess of 50 kwh per indigent household per month)***											
Less Cost of Free Basis Services (50 kwh per indigent household per month)		–	1 464	1 550	1 640	1 640	1 640	1 640	8 042	8 395	8 773
Net Service charges - electricity revenue		**1 975 688**	**2 190 374**	**2 253 258**	**2 312 622**	**2 252 622**	**2 252 622**	**2 252 622**	**2 613 646**	**2 702 546**	**2 826 416**
Service charges - water revenue	6										
Total Service charges - water revenue		453 323	544 874	626 455	506 241	506 241	506 241	506 241	526 997	550 185	574 943
Less Revenue Foregone ***(in excess of 6 kilolitres per indigent household per month)***											
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		–	5 925	6 275	6 638	6 638	6 638	6 638	7 284	7 604	7 946
Net Service charges - water revenue		**453 323**	**538 949**	**620 181**	**499 602**	**499 602**	**499 602**	**499 602**	**519 713**	**542 580**	**566 996**
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		121 629	137 702	339 898	383 588	377 188	377 188	377 188	392 652	409 929	428 376
Less Revenue Foregone ***(in excess of free sanitation service to indigent households)***											
Less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	4 853	5 134	5 134	5 134	5 134	5 633	5 881	6 146
Net Service charges - sanitation revenue		**121 629**	**137 702**	**335 045**	**378 454**	**372 054**	**372 054**	**372 054**	**387 019**	**404 048**	**422 230**
Service charges - refuse revenue	6										
Total refuse removal revenue		127 678	129 422	170 061	154 062	154 062	154 062	154 062	160 379	167 435	174 970
Total landfill revenue											
Less Revenue Foregone ***(in excess of one removal a week to indigent households)***											
Less Cost of Free Basis Services (removed once a week to indigent households)		–	–	–	3 828	3 828	3 828	3 828	4 195	4 380	4 577
Net Service charges - refuse revenue		**127 678**	**129 422**	**170 061**	**150 234**	**150 234**	**150 234**	**150 234**	**156 184**	**163 056**	**170 393**
Other Revenue by source											
Administrative Handling Fees									66	69	72
Bad Debts Recovered									1 387	1 448	1 514
Breakages and Losses Recovered									856	894	934
Collection Charges									1 686	1 760	1 839
Commission									439	458	479
Discounts and Early Settlements									231	241	252
Incidental Cash Surpluses									322	336	351
Inspection Fees									3 458	3 610	3 772
Registration Fees									56	59	61
Staff Recoveries									46	48	50
Request for Information									716	748	781
Insurance Refund									1 223	1 276	1 334
Sale of Property									–	–	–
Merchandising, Jobbing and Contracts									–	–	–
Bursary Repayment									–	–	–
Recovery Infrastructure Maintenance									137	143	149
Skills Development Levy Refund									–	–	–
Arbor City Awards Competition		9 824	9 959	65 763	15 001	15 001	15 001	15 001	–	–	–
Other Revenue		9 824	9 959	65 763	15 001	15 001	15 001	15 001	6 034	6 301	6 585
Total 'Other' Revenue	1	**19 648**	**19 918**	**131 527**	**30 002**	**30 002**	**30 002**	**30 002**	**16 656**	**17 390**	**18 173**
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	380 690	724 916	739 404	792 398	799 309	799 309	799 309	875 664	908 100	948 904
Pension and UIF Contributions		70 623									
Medical Aid Contributions		37 246									
Overtime		32 947									
Performance Bonus											
Motor Vehicle Allowance		24 626									
Cellphone Allowance		–									
Housing Allowances		1 929									
Other benefits and allowances		64 312									
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations	4										
sub-total	5	**612 373**	**724 916**	**739 404**	**792 398**	**799 309**	**799 309**	**799 309**	**875 664**	**908 100**	**948 904**
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	**612 373**	**724 916**	**739 404**	**792 398**	**799 309**	**799 309**	**799 309**	**875 664**	**908 100**	**948 904**

Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		423 582	454 064	448 974	507 217	507 217	507 217	507 217	492 913	514 601	537 758
Lease amortisation											
Capital asset impairment											
Total Depreciation & asset impairment	1	**423 582**	**454 064**	**448 974**	**507 217**	**507 217**	**507 217**	**507 217**	**492 913**	**514 601**	**537 758**
Bulk purchases - electricity											
Electricity bulk purchases		1 470 502	2 071 179	1 852 986	1 076 055	1 134 162	1 134 162	1 134 162	1 627 750	1 699 371	1 775 843
Total bulk purchases	1	**1 470 502**	**2 071 179**	**1 852 986**	**1 076 055**	**1 134 162**	**1 134 162**	**1 134 162**	**1 627 750**	**1 699 371**	**1 775 843**
Transfers and grants											
Cash transfers and grants		–	23 325	20 100	19 543	19 610	19 610	19 610	19 502	20 360	21 276
Non-cash transfers and grants		–	250	–	–	–	–	–	–	–	–
Total transfers and grants	1	**–**	**23 575**	**20 100**	**19 543**	**19 610**	**19 610**	**19 610**	**19 502**	**20 360**	**21 276**
Contracted services											
Outsourced Services		209 902	286 616	251 400	394 970	421 883	421 883	421 883	610 610	629 089	660 820
Consultants and Professional Services											
Contractors											
Total contracted services		**209 902**	**286 616**	**251 400**	**394 970**	**421 883**	**421 883**	**421 883**	**610 610**	**629 089**	**660 820**
Other Expenditure By Type											
Collection costs											
Contributions to 'other' provisions											
Audit fees											
Other Expenditure		295 973	217 644	237 158	227 479	667 363	667 363	667 363	258 388	268 298	281 829
Total 'Other' Expenditure	1	**295 973**	**217 644**	**237 158**	**227 479**	**667 363**	**667 363**	**667 363**	**258 388**	**268 298**	**281 829**

by Expenditure Item	8										
Employee related costs											
Inventory Consumed (Project Maintenance)		108 460	101 828	212 063	89 328	91 452	91 452	91 452	139 164	145 242	151 735
Contracted Services											
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	108 460	101 828	212 063	89 328	91 452	91 452	91 452	139 164	145 242	151 735

Inventory Consumed										
Inventory Consumed - Water	310 762	357 432	421 401	282 364	407 726	407 726	407 726	474 443	495 318	517 607
Inventory Consumed - Other	108 461	101 828	212 063	20 227	20 227	20 227	20 227	24 454	25 534	26 638
Total Inventory Consumed & Other Material	**419 223**	**459 260**	**633 464**	**302 591**	**427 952**	**427 952**	**427 952**	**498 896**	**520 852**	**544 246**

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'

7. Special consideration may have to be given to including 'goodwill arising' or 'joint venture' budgets where circumstances require this (include separately under relevant notes)

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.

10. Only applicable to municipalities that have adopted the 'revaluation method' in GRAP 17. The aim is to prevent overstating 'depreciation and asset impairment'

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

Description	Ref	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	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates					448 942												**448 942**
Service charges - electricity revenue					212					2 427 916							**2 428 128**
Service charges - water revenue										519 713							**519 713**
Service charges - sanitation revenue										387 019		209 725					**596 744**
Service charges - refuse revenue										156 184							**156 184**
Rental of facilities and equipment						24	9 306	275	1 474								**11 079**
Interest earned - external investments		21 054								4 095		4 095					**29 244**
Interest earned - outstanding debtors		411 621															**411 621**
Dividends received																	**–**
Fines, penalties and forfeits					0	8 631		312	10	416							**9 369**
Licences and permits						10 995		1 041			365						**12 401**
Agency services						104 983											**104 983**
Other revenue			1 390	485	4 544	406	110	1 369	320	831	7 202						**16 656**
Transfers and subsidies			265 617		100 358	126 289			296 303		129 905						**918 473**
Gains							2 000		4 200								**6 200**
Total Revenue (excluding capital transfers and contribution		**432 676**	**267 007**	**485**	**554 056**	**251 329**	**11 416**	**2 997**	**302 307**	**3 496 173**	**137 472**	**213 820**	**–**	**–**	**–**	**–**	**5 669 738**
Expenditure By Type																	
Employee related costs		83 000	82 000	81 000	69 500	72 500	93 000	86 500	84 000	133 500	90 664						**875 664**
Remuneration of councillors		69 596															**69 596**
Debt impairment					76 350	7 000			116 712	588 847							**788 908**
Depreciation & asset impairment		516	520	189	6 549	16 383	9 381	895	112 510	197 701	148 268	38 497					**531 410**
Finance charges					11 000				15 549	43 231	14 549	216					**84 544**
Bulk purchases - electricity										1 627 750							**1 627 750**
Inventory consumed		1 354	265	388	55	968	134	137	3 275	308 269	3 912						**318 757**
Contracted services		4 034	20 667	11 731	32 911	36 881	19 814	7 263	74 894	279 060	123 355						**610 610**
Transfers and subsidies		485			3 881				4 210	10 926							**19 502**
Other expenditure		32 952	3 347	77	13 593	98 819	2 165	2 181	19 613	28 910	56 731	145 058					**403 446**
Losses																	**–**
Total Expenditure		**191 938**	**106 799**	**93 386**	**213 839**	**232 550**	**124 495**	**96 977**	**430 762**	**3 218 194**	**437 479**	**183 772**	**–**	**–**	**–**	**–**	**5 330 189**
Surplus/(Deficit)		**240 738**	**160 208**	**(92 901)**	**340 218**	**18 779**	**(113 079)**	**(93 980)**	**(128 455)**	**277 980**	**(300 007)**	**30 048**	**–**	**–**	**–**	**–**	**339 550**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			14 000					5 000	24 846	121 947	275 845						**441 638**
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)																	**–**
Transfers and subsidies - capital (in-kind - all)																	**–**
Surplus/(Deficit) after capital transfers & contributions		**240 738**	**174 208**	**(92 901)**	**340 218**	**18 779**	**(113 079)**	**(88 980)**	**(103 609)**	**399 927**	**(24 162)**	**30 048**	**–**	**–**	**–**	**–**	**781 188**

References

1. Departmental columns to be based on municipal organisation structure

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
ASSETS											
Call investment deposits											
Call deposits		230 634	601 141	486 405	1 736 203	2 198 603	2 198 603	2 198 603	1 235 624	2 229 807	3 269 727
Other current investments											
		230 634	601 141	486 405	1 736 203	2 198 603	2 198 603	2 198 603	1 235 624	2 229 807	3 269 727
Consumer debtors											
Consumer debtors		3 344 649	3 321 355	4 009 841	5 824 000	5 824 000	5 824 000	5 824 000	6 051 136	6 305 284	6 582 716
Less: Provision for debt impairment		(3 032 575)	(3 193 302)	(3 483 939)	(5 640 717)	(5 640 717)	(5 640 717)	(5 640 717)	(5 860 705)	(6 106 854)	(6 375 566)
Total Consumer debtors	2	312 074	128 053	525 902	183 283	183 283	183 283	183 283	190 431	198 429	207 150
Debt impairment provision											
Balance at the beginning of the year		–	–	–	1 333 890	1 333 890	1 333 890	1 333 890	–	–	–
Contributions to the provision		3 032 575	3 193 302	3 483 939	4 306 826	4 306 826	4 306 826	4 306 826	4 474 793	4 649 309	4 830 632
Bad debts written-off											
Balance at end of year		3 032 575	3 193 302	3 483 939	5 640 717	5 640 717	5 640 717	5 640 717	4 474 793	4 649 309	4 830 632
Inventory											
Water											
Opening Balance		–	(310 762)	(668 194)	(1 089 595)	(1 089 595)	(1 089 595)	(1 089 595)	(1 497 321)	(1 971 763)	(2 467 081)
System Input Volume		–	–	–	–	–	–	–	–	–	–
Water Treatment Works											
Bulk Purchases											
Natural Sources											
Authorised Consumption	6	(310 762)	(357 432)	(421 401)	(282 364)	(407 726)	(407 726)	(407 726)	(474 443)	(495 318)	(517 607)
Billed Authorised Consumption		(310 762)	(357 432)	(421 401)	(282 364)	(407 726)	(407 726)	(407 726)	(474 443)	(495 318)	(517 607)
Billed Metered Consumption		(310 762)	(357 432)	(421 401)	(282 364)	(407 726)	(407 726)	(407 726)	(474 443)	(495 318)	(517 607)
Free Basic Water											
Subsidised Water											
Revenue Water		(310 762)	(357 432)	(421 401)	(282 364)	(407 726)	(407 726)	(407 726)	(474 443)	(495 318)	(517 607)
Billed Unmetered Consumption		–	–	–	–	–	–	–	–	–	–
Free Basic Water											
Subsidised Water											
Revenue Water											
UnBilled Authorised Consumption		–	–	–	–	–	–	–	–	–	–
Unbilled Metered Consumption											
Unbilled Unmetered Consumption											
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		–	–	–	–	–	–	–	–	–	–
Closing Balance Water		(310 762)	(668 194)	(1 089 595)	(1 371 959)	(1 497 321)	(1 497 321)	(1 497 321)	(1 971 763)	(2 467 081)	(2 984 689)
Agricultural											
Opening Balance			–	–	–	–	–	–	–	–	–
Acquisitions											
Issues	7										
Adjustments	8										
Write-offs	9										
Closing balance - Agricultural		–	–	–	–	–	–	–	–	–	–
Consumables											
Standard Rated											
Opening Balance			–	–	–	–	–	–	–	–	–
Acquisitions											
Issues	7										
Adjustments	8										
Write-offs	9										
Closing balance - Consumables Standard Rated		–	–	–	–	–	–	–	–	–	–
Zero Rated											
Opening Balance			–	–	–	–	–	–	–	–	–
Acquisitions											
Issues	7										
Adjustments	8										
Write-offs	9										
Closing balance - Consumables Zero Rated		–	–	–	–	–	–	–	–	–	–
Finished Goods											
Opening Balance			(108 461)	(210 289)	(422 351)	(422 351)	(422 351)	(422 351)	(442 578)	(418 124)	(443 658)
Acquisitions											
Issues	7	(108 461)	(101 828)	(212 063)	(20 227)	(20 227)	(20 227)	(20 227)	24 454	(25 534)	(26 638)
Adjustments	8										
Write-offs	9										
Closing balance - Finished Goods		(108 461)	(210 289)	(422 351)	(442 578)	(442 578)	(442 578)	(442 578)	(418 124)	(443 658)	(470 297)
Materials and Supplies											
Opening Balance			–	–	–	–	–	–	–	–	–
Acquisitions											
Issues	7										
Adjustments	8										
Write-offs	9										
Closing balance - Materials and Supplies		–	–	–	–	–	–	–	–	–	–
Work-in-progress											
Opening Balance			–	–	–	–	–	–	–	–	–
Materials											
Transfers											
Closing balance - Work-in-progress		–	–	–	–	–	–	–	–	–	–
Housing Stock											
Opening Balance			–	–	–	–	–	–	–	–	–
Acquisitions											
Transfers											
Sales											
Closing Balance - Housing Stock		–	–	–	–	–	–	–	–	–	–
Land											
Opening Balance			530 000	1 030 000	1 630 000	1 630 000	1 630 000	1 630 000	2 130 000	2 598 896	3 129 091
Acquisitions									468 896	520 852	544 246
Sales											
Adjustments											
Correction of Prior period errors		530 000	500 000	600 000	400 000	500 000	500 000	500 000	(30 000)	9 342	8 974
Closing Balance - Land		530 000	1 030 000	1 630 000	2 030 000	2 130 000	2 130 000	2 130 000	2 598 896	3 129 091	3 682 311
Closing Balance - Inventory & Consumables		110 777	151 917	118 054	215 463	190 101	190 101	190 101	209 989	218 351	227 326
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		13 466 910	13 931 881	16 519 184	16 203 690	16 164 117	16 164 117	16 164 117	16 750 987	17 438 279	18 097 577
Leases recognised as PPE	3	–									
Less: Accumulated depreciation		4 784 207	5 037 770	4 680 188	5 994 389	5 993 961	5 993 961	5 993 961	6 633 197	7 169 690	7 731 309
Total Property, plant and equipment (PPE)	2	8 681 703	8 894 111	11 838 996	10 249 301	10 170 156	10 170 156	10 170 156	10 157 800	10 268 589	10 366 268
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		64 637	72 714	88 513	92 496	92 496	92 496	92 496	96 103	100 140	104 546
Total Current liabilities - Borrowing		64 637	72 714	88 513	92 496	92 496	92 496	92 496	96 103	100 140	104 546
Trade and other payables											
Trade Payables	5	831 801	1 760 984	578 930	1 200 000	1 200 000	1 200 000	1 200 000	1 012 660	986 822	876 822
Other creditors		12 496									
Unspent conditional transfers		46 426		45 000	145 371	145 371	145 371	145 371	123 568	115 891	106 799
VAT			(27 049)	(18 628)	19 466	19 466	19 466	19 466	20 225	21 075	22 002
Total Trade and other payables	2	890 723	1 733 936	605 302	1 364 838	1 364 838	1 364 838	1 364 838	1 156 453	1 123 788	1 005 624
Non current liabilities - Borrowing											
Borrowing	4	516 642	445 404	703 000	888 000	888 000	888 000	888 000	931 000	912 000	876 910
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		516 642	445 404	703 000	888 000	888 000	888 000	888 000	931 000	912 000	876 910
Provisions - non-current											
Retirement benefits		43 025	35 495	36 914	38 575	38 575	38 575	38 575	40 080	41 763	43 601
Refuse landfill site rehabilitation		12 990	30 149	31 395	32 766	32 766	32 766	32 766	34 044	35 474	37 035
Other		146 339	164 261	162 788	191 014	191 014	191 014	191 014	198 463	206 799	215 898
Total Provisions - non-current		201 954	229 905	231 098	262 356	262 356	262 356	262 356	272 587	284 036	296 534
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		6 932 442	8 989 499	10 338 970	8 011 288	9 024 824	9 024 824	9 024 824	8 138 444	9 141 996	10 392 088
GRAP adjustments											
Restated balance		6 932 442	8 989 499	10 338 970	8 011 288	9 024 824	9 024 824	9 024 824	8 138 444	9 141 996	10 392 088
Surplus/(Deficit)		151 192	(427 786)	547 122	1 323 745	668 102	668 102	668 102	781 188	922 273	948 710
Appropriations to Reserves		(52 467)	(1 937 836)								
Transfers to/from Reserves		297 127	312 975	325 390	340 032	340 032	340 032	340 032	353 294	368 132	384 330
Depreciation offsets		155 841	164 101	170 665	178 345	178 345	178 345	178 345	185 306	193 083	201 579
Other adjustments		104 781	30 091	31 295	32 703	32 703	32 703	32 703	33 976	35 406	36 963
Accumulated Surplus/(Deficit)	1	7 587 916	7 130 944	11 413 441	9 886 113	10 244 006	10 244 006	10 244 006	9 492 204	10 660 890	11 963 670
Reserves											
Housing Development Fund			8 523	8 864	8 864	8 864	8 864	8 864	8 864	9 236	9 643
Capital replacement			91 335	117 185	117 185	117 185	117 185	117 185	87 185	87 185	87 185
Self-insurance			21 476	22 335	22 335	22 335	22 335	22 335	22 335	23 273	24 297
Other reserves			12 678	13 185	13 185	13 185	13 185	13 185	13 185	13 739	14 344
Revaluation		266 339	132 125	137 410	137 410	137 410	137 410	137 410	137 410	143 182	149 482
Total Reserves	2	266 339	266 138	298 980	298 980	298 980	298 980	298 980	268 980	276 616	284 950
TOTAL COMMUNITY WEALTH/EQUITY	2	7 854 255	7 397 082	11 712 421	10 185 093	10 542 986	10 542 986	10 542 986	9 761 184	10 937 505	12 248 621

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

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
1. Efficient provision of quality basic service sand infrastructure within a well-planned spatial structure	Accelerated delivery and maintenance of quality basic and essential services to all Communities			3 565 414	3 768 713	4 345 360	4 540 620	4 541 119	4 541 119	4 220 700	4 482 361	4 682 787
	Improved service delivery through provision of high quality, reliable and cost effective infrastructure based on integrated spatial planning			12 629	17 943	11 173	18 614	18 614	18 614	265 777	287 366	300 388
	Develop and implement educational/awareness programmes to obtain community in and ownership in the use and protection of community and municipal facilities			4 088	4 532	5 837	4 173	4 055	4 055	3 948	4 050	4 159
	Implementation of a City Business Development (CBD) Regeneration Strategy			53	56	60						
	Improved public transport infrastructure			67 447	85 764	155 701	85 227	80 570	80 570	213 778	238 856	249 043
2. Drive diversified economic growth and job creation	Consolidated Rustenburg minerals index, value- production and economic growth path quantification and impact			–	–	–	–	–	–			
	Revive and expedite development of alternative high value adding economic growth sectors - agriculture, manufacturing, transportation services and products			285	302	6	1 271	1 271	1 271	1 318	1 376	1 438
	Build and support broad-based black economic empowerment and sustainable Small, Medium and Micro Enterprises (SMMEs) business development			81	582	450	55	55	55	109	114	119
	Create an enabling environment for the attraction, retention and expansion of foreign and local investments			–	–	–	–	–	–	–	–	–
	Stimulate and facilitate sustainable tourism development and marketing of Rustenburg City as a world-class destination			–	–	–	–	–	–	–	–	–
	Development of an integrated human resources that empowers communities skills development			–	–	2 000	2 150	2 150	2 150	2 240	2 338	2 444
	Development of an institutional integrated human resources capability that enhances institutional competence			–	–	–	–	–	–	–	–	–
3. Ensure municipal financial viability and management	Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability			–	–	–	28 442	28 442	28 442	98 708	108 602	112 832
	Implement revenue management strategy to enhance municipal financial viability and sustainability			339 207	369 090	405 950	401 610	408 609	408 609	452 433	482 247	513 961
	Implement sound and sustainable financial management and compliance controls			3 723	2 200	2 324	2 251	1 851	1 851	2 223	2 299	2 325
	Develop and implement an integrated municipal core projects' funding and acquisition model aligned with funding institutions' terms and conditions			1 816	1 203	1 334	1 400	1 400	1 400	1 457	1 521	1 589
4. Maintain clean, green, safe and healthy municipal enviroment for all	Implement quality and improved health and social services to Communities			–	–	–	–	–	–	–	–	–
	Explore and implement alternative eco-friendly and conservation interventions to preserve the environment			0	–	–	–	–	–	–	–	–
	Implement integrated community safety and security strategy and measures			2 229	17 683	3 462	9 094	9 094	9 094	9 368	9 780	10 220
	Implement an integrated by-law enforcement programme			29 966	167 994	100 079	111 923	111 923	111 923	116 610	121 741	127 220
5. Transform and maintain a vibrant and sustainable rural development	Drive integrated rural development planning and infrastructural development			13 799	191 479	8 764	19 549	19 549	19 549	13 135	13 713	14 330
	Provide conductive environment for rural economic development through sustainable SMME's mentoring			–	–	–	–	–	–	–	–	–
6. Uphold good governance and public participation principles	Drive good governance and legislative compliance in all municipal processes			1	3 000	162	1 333	1 333	1 333	1 387	1 448	1 514
	Promote public participation and partnerships with stakeholders on municipal programmes			207 053	299 859	435 338	415 635	415 635	415 635	432 676	451 713	472 040
	Establish and maintain strong partnerships with local (mining) industries to oversee social responsibility programmes, job creation and local economic development			–	–	–	–	–	–	–	–	–
7. Drive optimal municipal institutional development, transformation and capacity building	Develop and implement integrated internal systems and processes			–	–	–	–	–	–			
	Develop, implement and review internal policies and procedures on regular basis			–	–	–	–	–	–	–	–	–
	Establish and inculcate a service delivery culture			–	–	–	–	–	–	–	–	–
	Establish quality management processes in the delivery of all services			953	62	63	3	3	3	15	15	16
	Maintain a positive and vibrant image and identity of the municipality			–	–	–	–	–	–	–	–	–
	Provide credible leadership in driving transformation initiatives			–	–	–	–	–	–	–	–	–
	Develop and implement internal capability model (institutional core and critical competencies, scarce skills, maintenance skills) that enhance institutional and external stakeholders' development communities and institutional capability			–	–	–	–	–	–	–	–	–
	Review, realign and implement organisational structure to support the vision and objectives			419	428	452	487	487	487	495	517	540
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**4 249 154**	**4 890 891**	**5 478 014**	**5 649 835**	**5 646 158**	**5 646 158**	**5 836 376**	**6 210 057**	**6 476 965**

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

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

check op revenue balance – – – – – – (275 000) (261 000) (275 000)

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

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
1. Efficient provision of quality basic service sand infrastructure within a well-planned spatial structure	Accelerated delivery and maintenance of quality basic and essential services to all Communities			2 927 012	3 667 776	3 487 174	2 923 352	3 504 929	3 504 929	3 688 784	3 852 699	4 027 766
	Improved service delivery through provision of high quality, reliable and cost effective infrastructure based on integrated spatial			15 447	15 434	16 577	24 148	24 148	24 148	24 885	19 827	20 747
	Develop and implement educational/awareness programmes to obtain community in and ownership in the use and			185 741	206 446	203 644	218 112	213 429	213 429	217 238	226 764	236 970
	Implementation of a City Business Development (CBD) Regeneration Strategy			–	–	–	–	–	–	–	–	–
	Improved public transport infrastructure			316 350	315 647	356 853	307 554	314 497	314 497	360 904	376 610	397 889
2. Drive diversified economic growth and job creation	Consolidated Rustenburg minerals index, value- production and economic growth path quantification and impact			–	–	–	–	–	–	–	–	–
	Revive and expedite development of alternative high value adding economic growth sectors - agriculture, manufacturing,			3 523	10 908	7 415	4 570	4 570	4 570	4 839	5 052	5 279
	Build and support broad-based black economic empowerment and sustainable Small, Medium and Micro Enterprises (SMMEs)			4 369	9 177	8 666	9 925	9 075	9 075	13 104	13 159	13 751
	Create an enabling environment for the attraction, retention and expansion of foreign and local investments			–	–	–	–	–	–	–	–	–
	Stimulate and facilitate sustainable tourism development and marketing of Rustenburg City as a world-class destination			–	–		–	–	–	–	–	–
	Development of an integrated human resources that empowers communities skills development			8 182	6 225	4 751	5 627	3 877	3 877	6 007	4 907	5 128
	Development of an institutional integrated human resources capability that enhances institutional competence			–		–	–	–	–	–	–	–
3. Ensure municipal financial viability and management	Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial			35 346	32 898	21 846	11 632	13 370	13 370	34 368	34 781	35 221
	Implement revenue management strategy to enhance municipal financial viability and sustainability			64 060	103 004	115 330	141 132	146 964	146 964	139 260	145 408	151 974
	Implement sound and sustainable financial management and compliance controls			49 615	40 508	37 038	43 489	31 022	31 022	56 108	58 554	61 113
	Develop and implement an integrated municipal core projects' funding and acquisition model aligned with funding institutions'			18 033	19 771	22 090	25 740	25 740	25 740	32 069	33 480	34 987
4. Maintain clean, green, safe and healthy municipal enviroment for all	Implement quality and improved health and social services to Communities			–	–	–	–	–	–	–	–	–
	Explore and implement alternative eco-friendly and conservation interventions to preserve the environment			4 713	5 117	5 219	5 674	5 454	5 454	5 744	5 997	6 267
	Implement integrated community safety and security strategy and measures			115 382	132 416	127 846	134 276	156 730	156 730	146 668	151 598	158 420
	Implement an integrated by-law enforcement programme			60 096	168 372	156 992	151 428	150 632	150 632	189 944	193 081	201 770
5. Transform and maintain a vibrant and sustainable rural development	Drive integrated rural development planning and infrastructural development			51 879	311 398	58 740	71 336	74 333	74 333	79 440	81 421	85 085
	Provide conductive environment for rural economic development through sustainable SMME's mentoring			–	–	–	–	–	–	–	–	–
6. Uphold good governance and public participation principles	Drive good governance and legislative compliance in all municipal processes			20 730	13 530	25 364	17 541	24 541	24 541	25 659	26 788	27 994
	Promote public participation and partnerships with stakeholders on municipal programmes			93 081	136 736	135 175	95 833	134 101	134 101	161 830	168 929	176 509
	Establish and maintain strong partnerships with local (mining) industries to oversee social responsibility programmes, job			–		–	–	–	–	–	–	–
7. Drive optimal municipal institutional development, transformation and capacity building	Develop and implement integrated internal systems and processes			1 599	1 704	1 814	1 919	1 949	1 949	4 387	4 580	4 786
	Develop, implement and review internal policies and procedures on regular basis			–	–	–	–	–	–	–	–	–
	Establish and inculcate a service delivery culture			–	–	–	–	–	–	–	–	–
	Establish quality management processes in the delivery of all services			72 648	74 408	85 647	81 233	87 718	87 718	84 154	87 941	91 820
	Maintain a positive and vibrant image and identity of the municipality			–		–	–	–	–	–	–	–
	Provide credible leadership in driving transformation initiatives			–		–	–	–	–	–	–	–
	Develop and implement internal capability model (institutional core and critical competencies, scarce skills, maintenance skills) that			–		–	–	–	–	–	–	–
	Review, realign and implement organisational structure to support the vision and objectives			50 156	47 200	52 711	51 568	50 976	50 976	54 797	57 208	59 782
Allocations to other priorities												
Total Expenditure			1	**4 097 962**	**5 318 677**	**4 930 892**	**4 326 090**	**4 978 056**	**4 978 056**	**5 330 189**	**5 548 784**	**5 803 255**
References												
1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)												
2. Balance of allocations not directly linked to an IDP strategic objective												
check op expenditure balance				–	–	–	–	*(0)*	*(0)*	*0*	*(0)*	*(0)*

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

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
1 .Efficient provision of quality basic service sand infrastructure within a well-planned spatial structure	Accelerated delivery and maintenance of quality basic and essential services to all Communities	A		245 075	380 427	290 071	296 740	287 360	287 360	244 912	248 628	274 226
	Improved service delivery through provision of high quality, reliable and cost effective infrastructure based on integrated spatial	B		–	–	2 808	12 000	6 000	6 000	14 000	11 500	12 000
	Develop and implement educational/awareness programmes to obtain community in and ownership in the use and	C		1 807	29 014	45 881	13 870	7 565	7 565	33 118	53 014	18 309
	Implementation of a City Business Development (CBD) Regeneration Strategy	D		–	–	–	–	–	–	–	–	–
	Improved public transport infrastructure	E		486 699	696 697	274 916	256 726	261 246	261 246	275 845	288 164	309 013
2. Drive diversified economic growth and job creation	Consolidated Rustenburg minerals index, value- production and economic growth path quantification and impact	F		–	–	–	–	–	–	–	–	–
	Revive and expedite development of alternative high value adding economic growth sectors - agriculture, manufacturing,	G		273	12 025	1 700	–	–	–	–	–	–
	Build and support broad-based black economic empowerment and sustainable Small, Medium and Micro Enterprises (SMMEs)	H		–	–	3 000	650	750	750	8 387	6 151	6 204
	Create an enabling environment for the attraction, retention and expansion of foreign and local investments	I		–	–	–	–	–	–	–	–	–
	Stimulate and facilitate sustainable tourism development and marketing of Rustenburg City as a world-class destination	J		–	–	–	–	–	–	–	–	–
	Development of an integrated human resources that empowers communities skills development	K		–	–	–	–	–	–	1 250	1 308	1 368
	Development of an institutional integrated human resources capability that enhances institutional competence	L		–	–	–	–	–	–	–	–	–
3. Ensure municpal financial viability and management	Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial	M		–	–	–	–	–	–	–	–	–
	Implement revenue management strategy to enhance municipal financial viability and sustainability	N		–	214	1 500	50	50	50	52	55	57
	Implement sound and sustainable financial management and compliance controls	O		–	224	–	500	900	900	160	–	–
	Develop and implement an integrated municipal core projects' funding and acquisition model aligned with funding institutions'	P		–	22	–	–	–	–	–	–	–
4. Maintain clean, green, safe and healthy municipal enviroment for all	Implement quality and improved health and social services to Communities	Q		–	–	–	–	–	–	–	–	–
	Explore and implement alternative eco-friendly and conservation interventions to preserve the environment	R		–	–	–	–	–	–	–	–	–
	Implement integrated community safety and security strategy and measures	S		18 828	19 698	7 132	23 700	6 750	6 750	19 125	13 268	13 488
	Implement an integrated by-law enforcement programme	T		–	2 733	60	2 250	1 200	1 200	10 580	5 430	4 225
5. Transform and maintain a vibrant and sustainable rural development	Drive integrated rural development planning and infrastructural development	U		–	1 089	9 450	3 500	3 500	3 500	14 940	15 558	16 205
	Provide conductive environment for rural economic development through sustainable SMME's mentoring	K		–	–	–	–	–	–	–	–	–
6. Uphold good governance and public participation principles	Drive good governance and legislative compliance in all municipal processes	L		–	–	–	–	–	–	–	–	–
	Promote public participation and partnerships with stakeholders on municipal programmes	M		–	996	47	–	–	–	100	105	109
	Establish and maintain strong partnerships with local (mining) industries to oversee social responsibility programmes, job	N		–	–	–	–	–	–	–	–	–
7. Drive optimal municipal institutional development, transformation and capacity building	Develop and implement integrated internal systems and processes	O		–	–	–	–	–	–	–	–	–
	Develop, implement and review internal policies and procedures on regular basis	P		–	–	–	–	–	–	–	–	–
	Establish and inculcate a service delivery culture	Q		–	–	–	–	–	–	–	–	–
	Establish quality management processes in the delivery of all services	R		–	15 255	34 768	1 419	2 893	2 893	4 376	4 113	4 093
	Maintain a positive and vibrant image and identity of the municipality	S		–	–	–	–	–	–	–	–	–
	Provide credible leadership in driving transformation initiatives	T		–	–	–	–	–	–	–	–	–
	Develop and implement internal capability model (institutional core and critical competencies, scarce skills, maintenance skills) that	U		–	–	–	–	–	–	–	–	–
	Review, realign and implement organisational structure to support the vision and objectives	V		–	568	5	–	592	592	25	–	–
Allocations to other priorities			3									
Total Capital Expenditure			1	**752 682**	**1 158 961**	**671 337**	**611 404**	**578 806**	**578 806**	**626 870**	**647 292**	**659 297**

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 – – – – – – *0* *0* *0*

NW373 Rustenburg - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
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	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
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	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4,7%	3,6%	2,8%	3,4%	2,9%	2,9%	2,9%	3,6%	3,6%	3,6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	6,2%	5,1%	3,1%	3,4%	3,4%	3,4%	3,4%	4,1%	4,1%	4,1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-2,9%	-1,4%	0,0%	82,1%	82,2%	82,2%	82,2%	0,0%	0,0%	0,0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	194,0%	167,4%	235,1%	297,0%	297,0%	297,0%	297,0%	346,1%	329,7%	307,7%
Liquidity											
Current Ratio	Current assets/current liabilities	0,7	0,5	1,6	1,5	1,7	1,7	1,7	1,3	2,1	3,2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0,7	0,5	1,6	1,4	1,7	1,7	1,7	1,2	2,0	3,1
Liquidity Ratio	Monetary Assets/Current Liabilities	0,2	0,3	0,6	1,1	1,4	1,4	1,4	0,9	1,7	2,7
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		102,2%	79,1%	83,0%	83,0%	84,5%	84,5%	84,5%	88,1%	88,1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		102,2%	79,1%	83,0%	83,0%	84,5%	84,5%	84,5%	88,1%	88,1%	88,1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	11,8%	3,1%	12,6%	5,6%	5,6%	5,6%	5,6%	5,3%	5,3%	5,3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))		100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Creditors to Cash and Investments		360,7%	292,9%	119,0%	69,1%	54,6%	54,6%	54,6%	82,0%	44,3%	26,8%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	159038000	323780000	151662954	151662954	151662954	151662954	134261824	112836681	101553013	101553013
	Total Cost of Losses (Rand '000)	143 647	273 422	124 797	124 797	124 797	124 797	120 988	109 373	98 436	98 436
	% Volume (units purchased and generated less units sold)/units purchased and generated	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	4,0%	4,0%	4,0%	104,0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	16 917	22 911	15 856	15 856	15 856	15 856	13 527	11 526	10 374	10 374
	Total Cost of Losses (Rand '000)	119195755	205768000	113235967	113235967	113235967	113235967	104342562	94938261	85444435	85444435
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	16,9%	16,7%	14,8%	15,3%	15,3%	15,3%	15,3%	15,4%	15,3%	15,2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	18,2%	17,2%	16,2%	16,5%	16,5%	16,5%		16,6%	16,5%	16,4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3,0%	2,3%	4,2%	1,7%	1,8%	1,8%		2,5%	2,4%	2,4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13,8%	12,2%	10,0%	10,6%	10,4%	10,4%	10,4%	10,2%	10,1%	10,1%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7,3	7,0	8,5	8,3	8,3	8,3	7,8	8,3	8,3	8,6
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	14,1%	3,9%	16,8%	7,8%	7,9%	7,9%	7,9%	7,3%	7,3%	7,3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0,9	1,7	1,5	6,1	7,1	7,1	7,1	3,5	6,0	8,4

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	2017/18 Outcome	2018/19 Outcome	2019/20 Outcome	Current Year 2020/21 Original Budget	2021/22 Medium Term Revenue & Expenditure Framework Outcome	Outcome	Outcome
Demographics												
Population			387	450	550	627	627	627	627	627	645	645
Females aged 5 - 14			32	35	37	54	54	54	54	54	55	55
Males aged 5 - 14			32	35	38	54	54	54	54	54	56	56
Females aged 15 - 34			69	72	99	111	111	111	111	111	115	115
Males aged 15 - 34			81	83	124	114	114	114	114	114	117	117
Unemployment			60	65	70	145	145	145	145	145	149	149
Monthly household income (no. of households)	1, 12											
No income			105	106	113	125	125	33 439	33 439	33 439	33 439	33 439
R1 - R1 600			105	106	113	103	103	5 374	5 374	5 374	5 374	5 374
R1 601 - R3 200			32	32	34	116	116	8 161	8 161	8 161	8 161	8 161
R3 201 - R6 400			5 352	5 427	5 715	6 149	6 149	22 293	22 293	22 293	22 293	22 293
R6 401 - R12 800			7 621	7 728	8 170	17 760	17 760	34 236	34 236	34 236	34 236	34 236
R12 801 - R25 600			11 819	11 984	12 657	43 536	43 536	45 979	45 979	45 979	45 979	45 979
R25 601 - R51 200			11 673	11 836	12 476	55 893	55 893	24 084	24 084	24 084	24 084	24 084
R52 201 - R102 400			37 746	38 274	40 423	28 253	28 253	14 132	14 132	14 132	14 132	14 132
R102 401 - R204 800			33 503	33 972	35 844	15 454	15 454	7 962	7 962	7 962	7 962	7 962
R204 801 - R409 600			29 450	29 862	31 570	5 693	5 693	2 389	2 389	2 389	2 389	2 389
R409 601 - R819 200			14 856	15 064	15 894	5 693	5 693	597	597	597	597	597
> R819 200			6 711	6 805	7 166	1 303	1 303	398	398	398	398	398
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			108 721	219 493	286	582	266	266	266	266	266	266
Number of poor people in municipal area			25 000	106	0	409	70	70	70	70	70	70
Number of households in municipal area			146 543	-	–	–	199	199	199	199	199	199
Number of poor households in municipal area			-	-	–	–	–	–	–	–	–	–
Definition of poor household (R per month)			-	106	113	2 863	3 063	3 063	3 063	3 063	3 063	3 063
Housing statistics	3											
Formal			65 695	65 695	65 695	178 815	178 815	178 815	178 815	178 941	178 941	178 941
Informal			80 848	80 848	80 848	83 761	83 761	83 761	83 761	76 062	76 062	76 062
Total number of households			146 543	146 543	146 543	262 576	262 576	262 576	262 576	255 003	255 003	255 003
Dwellings provided by municipality	4		146 543									
Dwellings provided by province/s									3 640	3 640	3 640	3 640
Dwellings provided by private sector	5											
Total new housing dwellings			146 543	-	-	-	-	-	3 640	3 640	3 640	3 640
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.		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	74 912	74 912	74 912	74 912	74 912	105 000	109 200	113 568	118 792
		Piped water inside yard (but not in dwelling)	138 915	138 915	138 915	138 915	138 915	175 000	182 000	189 280	197 987
	8	Using public tap (at least min.service level)	14 189	14 189	14 189	14 189	14 189	16 000	16 640	17 306	18 102
	10	Other water supply (at least min.service level)	18 080	18 080	18 080	18 080	18 080	25 000	26 000	27 040	28 284
		Minimum Service Level and Above sub-total	246 096	246 096	246 096	246 096	246 096	321 000	333 840	347 194	363 165
	9	Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
	10	Other water supply (< min.service level)	16 480	16 480	16 480	16 480	16 480	16 480	22 000	22 880	23 932
		No water supply	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	16 480	16 480	16 480	16 480	16 480	16 480	22 000	22 880	23 932
		Total number of households	**262 576**	**262 576**	**262 576**	**262 576**	**262 576**	**337 480**	**355 840**	**370 074**	**387 097**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	138 794	138 794	138 794	138 794	138 794	180 432	234 562	304 930	318 957
		Flush toilet (with septic tank)	12 579	12 579	12 579	12 579	12 579	16 353	21 259	27 636	28 907
		Chemical toilet	2 653	2 653	2 653	2 653	2 653	3 449	4 484	5 829	6 097
		Pit toilet (ventilated)	31 651	31 651	31 651	31 651	31 651	41 146	53 490	69 537	72 736
		Other toilet provisions (> min.service level)	63 027	63 027	63 027	63 027	63 027	81 935	106 516	138 470	144 840
		Minimum Service Level and Above sub-total	248 704	248 704	248 704	248 704	248 704	323 315	420 311	546 402	571 536
		Bucket toilet	1 864	1 864	1 864	1 864	1 864	2 423	3 150	4 095	4 283
		Other toilet provisions (< min.service level)	4 192	4 192	4 192	4 192	4 192	5 450	7 084	9 210	9 634
		No toilet provisions	7 815	7 815	7 815	7 815	7 815	10 160	13 207	17 170	17 960
		Below Minimum Service Level sub-total	13 871	13 871	13 871	13 871	13 871	18 033	23 441	30 475	31 877
		Total number of households	**262 575**	**262 575**	**262 575**	**262 575**	**262 575**	**341 348**	**443 752**	**576 877**	**603 413**
		Energy:									
		Electricity (at least min.service level)	4 797	4 797	4 797	4 797	4 797	13 000	13 520	14 061	14 708
		Electricity - prepaid (min.service level)	201 186	201 186	201 186	201 186	201 186	56 000	58 240	60 570	63 356
		Minimum Service Level and Above sub-total	205 983	205 983	205 983	205 983	205 983	69 000	71 760	74 631	78 064
		Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	29 684	29 684	29 684	29 684	29 684	–	–	–	–
		Below Minimum Service Level sub-total	29 684	29 684	29 684	29 684	29 684	–	–	–	–
		Total number of households	**235 667**	**235 667**	**235 667**	**235 667**	**235 667**	**69 000**	**71 760**	**74 631**	**78 064**
		Refuse:									
		Removed at least once a week	176 089	176 089	176 089	176 089	176 089	176 441	176 794	178 147	186 342
		Minimum Service Level and Above sub-total	176 089	176 089	176 089	176 089	176 089	176 441	176 794	178 147	186 342
		Removed less frequently than once a week	13 618	13 618	13 618	13 618	13 618	13 645	13 672	13 699	14 329
		Using communal refuse dump	8 468	8 468	8 468	8 468	8 468	8 484	8 501	8 518	8 910
		Using own refuse dump	42 717	42 717	42 717	42 717	42 717	42 802	42 887	42 972	44 949
		Other rubbish disposal	6 682	6 682	6 682	6 682	6 682	6 695	6 708	6 721	7 030
		No rubbish disposal	15 002	15 002	15 002	15 002	15 002	15 032	15 062	15 092	15 786
		Below Minimum Service Level sub-total	86 487	86 487	86 487	86 487	86 487	86 658	86 830	87 002	91 004
		Total number of households	**262 576**	**262 576**	**262 576**	**262 576**	**262 576**	**263 099**	**263 624**	**265 149**	**277 346**

Municipal in-house services	Ref.		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	74 912	74 912	74 912	74 912	74 912	105 000	109 200	113 568	118 792
		Piped water inside yard (but not in dwelling)	138 915	138 915	138 915	138 915	138 915	175 000	182 000	189 280	197 987
	8	Using public tap (at least min.service level)	14 189	14 189	14 189	14 189	14 189	16 000	16 640	17 306	18 102
	10	Other water supply (at least min.service level)	18 080	18 080	18 080	18 080	18 080	25 000	26 000	27 040	28 284
		Minimum Service Level and Above sub-total	246 096	246 096	246 096	246 096	246 096	321 000	333 840	347 194	363 165
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)	16 480	16 480	16 480	16 480	16 480	16 480	22 000	22 880	23 932
		No water supply									
		Below Minimum Service Level sub-total	16 480	16 480	16 480	16 480	16 480	16 480	22 000	22 880	23 932
		Total number of households	**262 576**	**262 576**	**262 576**	**262 576**	**262 576**	**337 480**	**355 840**	**370 074**	**387 097**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	138 794	138 794	138 794	138 794	138 794	180 432	234 562	304 930	318 957
		Flush toilet (with septic tank)	12 579	12 579	12 579	12 579	12 579	16 353	21 259	27 636	28 907
		Chemical toilet	2 653	2 653	2 653	2 653	2 653	3 449	4 484	5 829	6 097
		Pit toilet (ventilated)	31 651	31 651	31 651	31 651	31 651	41 146	53 490	69 537	72 736
		Other toilet provisions (> min.service level)	63 027	63 027	63 027	63 027	63 027	81 935	106 516	138 470	144 840
		Minimum Service Level and Above sub-total	248 704	248 704	248 704	248 704	248 704	323 315	420 311	546 402	571 536
		Bucket toilet	1 864	1 864	1 864	1 864	1 864	2 423	3 150	4 095	4 283
		Other toilet provisions (< min.service level)	4 192	4 192	4 192	4 192	4 192	5 450	7 084	9 210	9 634
		No toilet provisions	7 815	7 815	7 815	7 815	7 815	10 160	13 207	17 170	17 960
		Below Minimum Service Level sub-total	13 871	13 871	13 871	13 871	13 871	18 033	23 441	30 475	31 877
		Total number of households	**262 575**	**262 575**	**262 575**	**262 575**	**262 575**	**341 348**	**443 752**	**576 877**	**603 413**
		Energy:									
		Electricity (at least min.service level)	4 797	4 797	4 797	4 797	4 797	13 000	13 520	14 061	14 708
		Electricity - prepaid (min.service level)	201 186	201 186	201 186	201 186	201 186	56 000	58 240	60 570	63 356
		Minimum Service Level and Above sub-total	205 983	205 983	205 983	205 983	205 983	69 000	71 760	74 631	78 064
		Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	14 842	14 842	14 842	14 842	14 842	–	–	–	–
		Below Minimum Service Level sub-total	14 842	14 842	14 842	14 842	14 842	–	–	–	–
		Total number of households	**220 825**	**220 825**	**220 825**	**220 825**	**220 825**	**69 000**	**71 760**	**74 631**	**78 064**
		Refuse:									
		Removed at least once a week	176 089	176 089	176 089	176 089	176 089	176 441	176 794	178 147	186 342
		Minimum Service Level and Above sub-total	176 089	176 089	176 089	176 089	176 089	176 441	176 794	178 147	186 342
		Removed less frequently than once a week	13 618	13 618	13 618	13 618	13 618	13 645	13 672	13 699	14 329
		Using communal refuse dump	8 468	8 468	8 468	8 468	8 468	8 484	8 501	8 518	8 910
		Using own refuse dump	42 717	42 717	42 717	42 717	42 717	42 802	42 887	42 972	44 949
		Other rubbish disposal	6 682	6 682	6 682	6 682	6 682	6 695	6 708	6 721	7 030
		No rubbish disposal	15 002	15 002	15 002	15 002	15 002	15 032	15 062	15 092	15 786
		Below Minimum Service Level sub-total	86 487	86 487	86 487	86 487	86 487	86 658	86 830	87 002	91 004
		Total number of households	**262 576**	**262 576**	**262 576**	**262 576**	**262 576**	**263 099**	**263 624**	**265 149**	**277 346**

Municipal entity services	Ref.		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
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	14 842	14 842	14 842	14 842	14 842				
		Below Minimum Service Level sub-total	14 842	14 842	14 842	14 842	14 842	–	–	–	–
		Total number of households	14 842	14 842	14 842	14 842	14 842	–	–	–	–
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.		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
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			2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
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)**		1 464 112	1 550 495	1 640 423	1 640 423	1 640 423	8 042	8 395	8 773

	Number of HH receiving this type of FBS	27 759	2 875	2 875	2 875	2 875	2 875	560	566	571
	Informal settlements (Rands)	88 475 283	99 410 475	99 410 475	99 410 475	99 410 475	99 410 475	57 056 400	60 294 879	64 131 341
	Number of HH receiving this type of FBS	27 759	29 736	29 736	29 736	29 736	29 736	44 025	44 465	44 910
	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	88 475 283	99 410 475	99 410 475	99 410 475	99 410 475	99 410 475	57 056 400	60 294 879	64 131 341
Water	Ref	***Location of households for each type of FBS***								
List type of FBS service		**Formal settlements - (6 kilolitre per indigent household per month Rands)**		5 924 933	6 274 504	6 638 425	6 638 425	6 638 425	7 283 773	7 604 259	7 946 451
	Number of HH receiving this type of FBS	27 759	2 875	2 875	2 875	2 875	2 875	641	647	654
	Informal settlements (Rands)	51 305 294	61 635 591	61 635 591	61 635 591	61 635 591	61 635 591	5 546 352	6 001 945	6 466 096
	Number of HH receiving this type of FBS	27 759	29 736	29 736	29 736	29 736	29 736	66 028	66 688	67 355
	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	51 305 294	61 635 591	61 635 591	61 635 591	61 635 591	61 635 591	5 546 352	6 001 945	6 466 096
Sanitation	Ref	***Location of households for each type of FBS***								
List type of FBS service		**Formal settlements - (free sanitation service to indigent households)**			4 852 560	5 134 009	5 134 009	5 134 009	5 633 106	5 880 963	6 145 606
	Number of HH receiving this type of FBS	27 759	2 875	2 875	2 875	2 875	2 875	2 492	2 517	2 542
	Informal settlements (Rands)	36 312 103	43 626 280	43 626 280	43 626 280	43 626 280	43 626 280	47 462 256	50 567 561	53 730 226
	Number of HH receiving this type of FBS	27 759	29 736	29 736	29 736	29 736	29 736	24 117	24 358	24 602
	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	36 312 103	43 626 280	43 626 280	43 626 280	43 626 280	43 626 280	47 462 256	50 567 561	53 730 226
Refuse Removal	Ref	***Location of households for each type of FBS***								
List type of FBS service		**Formal settlements - (removed once a week to indigent households)**				3 828 122	3 828 122	3 828 122	4 195 088	4 379 672	4 576 758
	Number of HH receiving this type of FBS	27 759	2 875	2 875	2 875	2 875	2 875	738	745	753
	Informal settlements (Rands)	35 802 448	43 012 529	43 012 529	43 012 529	43 012 529	43 012 529	111 050 460	118 025 590	125 869 527
	Number of HH receiving this type of FBS	27 759	29 736	29 736	29 736	29 736	29 736	60 485	61 090	61 701
	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	35 802 448	43 012 529	43 012 529	43 012 529	43 012 529	43 012 529	111 050 460	118 025 590	125 869 527

References

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	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	230 634	601 141	486 405	1 736 203	2 198 603	2 198 603	2 198 603	1 235 624	2 229 807	3 269 727
Cash + investments at the yr end less applications - R'000	18(1)b	2	(327 713)	(1 165 524)	227 477	469 261	935 108	935 108	935 108	271 082	1 307 857	2 474 243
Cash year end/monthly employee/supplier payments	18(1)b	3	0,9	1,7	1,5	6,1	7,1	7,1	7,1	3,5	6,0	8,4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	307 033	(263 685)	717 787	1 502 090	846 447	846 447	846 447	966 488	1 115 356	1 150 289
Service charge rev % change - macro CPIX target exclusive	18(1)a(2)	5	N.A.	5,3%	5,6%	(6,0%)	(7,8%)	(6,0%)	(6,0%)	6,3%	(2,0%)	(1,2%)
Cash receipts % of Ratepayer & Other revenue	18(1)a(2)	6	100,8%	72,6%	75,0%	75,7%	76,9%	76,9%	76,9%	80,7%	80,7%	80,7%
Debt impairment expense as a % of total billable revenue	18(1)a(2)	7	18,3%	28,5%	17,0%	24,0%	24,5%	24,5%	24,5%	19,2%	19,3%	19,3%
Capital payments % of capital expenditure	18(1)c;19	8	82,9%	57,4%	100,0%	100,0%	98,7%	98,7%	98,7%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	(2,9%)	(1,4%)	0,0%	82,1%	82,2%	82,2%	82,2%	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.	(68,8%)	373,8%	(53,7%)	0,0%	0,0%	0,0%	3,9%	4,2%	4,4%
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	1,2%	1,1%	1,8%	0,9%	0,9%	0,9%	1,4%	1,4%	1,4%	1,5%
Asset renewal % of capital budget	20(1)(vi)	14	9,8%	22,3%	90,3%	70,6%	47,3%	47,3%	0,0%	24,5%	25,5%	23,1%

References

1. Positive cash balances indicative of minimum compliance - subject to 2

2. Deduct cash and investment applications (defined) from cash balances

3. Indicative of sufficient liquidity to meet average monthly operating payments

4. Indicative of funded operational requirements

5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

6. Realistic average cash collection forecasts as % of annual billed revenue

7. Realistic average increase in debt impairment (doubtful debt) provision

8. Indicative of planned capital expenditure level & cash payment timing

9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing

10. Substantiation of National/Province allocations included in budget

11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection

14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a			11,3%	11,6%	(0,0%)	(1,8%)	0,0%	0,0%	12,3%	4,0%	4,8%
% incr Property Tax	18(1)a			7,0%	2,3%	10,0%	0,0%	0,0%	0,0%	12,7%	6,6%	6,6%
% incr Service charges - electricity revenue	18(1)a			10,9%	2,9%	2,6%	(2,6%)	0,0%	0,0%	16,0%	3,4%	4,6%
% incr Service charges - water revenue	18(1)a			18,9%	15,1%	(19,4%)	0,0%	0,0%	0,0%	4,0%	4,4%	4,5%
% incr Service charges - sanitation revenue	18(1)a			13,2%	143,3%	13,0%	(1,7%)	0,0%	0,0%	4,0%	4,4%	4,5%
% incr Service charges - refuse revenue	18(1)a			1,4%	31,4%	(11,7%)	0,0%	0,0%	0,0%	4,0%	4,4%	4,5%
% incr in	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total billable revenue	18(1)a		3 009 160	3 350 357	3 740 634	3 739 153	3 672 752	3 672 752	3 672 752	4 125 504	4 290 832	4 496 188
Service charges			3 009 160	3 350 357	3 740 634	3 739 153	3 672 752	3 672 752	3 672 752	4 125 504	4 290 832	4 496 188
Property rates			330 842	353 910	362 089	398 240	398 240	398 240	398 240	448 942	478 602	510 153
Service charges - electricity revenue			1 975 688	2 190 374	2 253 258	2 312 622	2 252 622	2 252 622	2 252 622	2 613 646	2 702 546	2 826 416
Service charges - water revenue			453 323	538 949	620 181	499 602	499 602	499 602	499 602	519 713	542 580	566 996
Service charges - sanitation revenue			121 629	137 702	335 045	378 454	372 054	372 054	372 054	387 019	404 048	422 230
Service charges - refuse removal			127 678	129 422	170 061	150 234	150 234	150 234	150 234	156 184	163 056	170 393
Service charges - other			–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment			12 474	20 137	11 604	10 498	10 498	10 498	10 498	11 078	11 566	12 086
Capital expenditure excluding capital grant funding			126 136	612 859	133 009	152 319	151 985	151 985	151 985	182 945	124 605	130 725
Cash receipts from ratepayers	18(1)a		3 110 134	2 685 495	3 229 537	3 251 387	3 251 387	3 251 387	3 251 387	3 787 273	3 939 632	4 127 786
Ratepayer & Other revenue	18(1)a		3 086 194	3 698 655	4 304 989	4 296 823	4 230 423	4 230 423	4 230 423	4 691 614	4 881 852	5 113 804
Change in consumer debtors (current and non-current)			(22 427)	(293 090)	496 460	(337 967)	(337 967)	(337 967)	(337 967)	11 361	12 712	13 876
Operating and Capital Grant Revenue	18(1)a		1 133 356	1 141 105	981 775	1 311 665	1 378 933	1 378 933	1 378 933	1 388 413	1 556 431	1 603 869
Capital expenditure - total	20(1)(vi)		752 682	1 158 961	671 337	611 404	578 806	578 806	578 806	626 870	647 292	659 297
Capital expenditure - renewal	20(1)(vi)		73 898	258 875	606 148	431 662	273 531	273 531		153 756	165 120	152 326
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)			(22 427)	(293 090)	496 460	(337 967)	11 361	12 712	13 876	–	–	–
Total Operating Revenue			3 622 607	4 344 789	4 992 843	5 190 749	5 219 337	5 219 337	5 219 337	5 669 738	5 948 370	6 223 393
Total Operating Expenditure			4 097 962	5 318 677	4 930 892	4 326 090	4 978 056	4 978 056	4 978 056	5 330 189	5 548 784	5 803 255
Operating Performance Surplus/(Deficit)			(475 355)	(973 888)	61 950	864 659	241 280	241 280	241 280	339 550	399 586	420 137
Cash and Cash Equivalents (30 June 2012)										1 235 624		
Revenue												
% Increase in Total Operating Revenue				19,9%	14,9%	4,0%	0,6%	0,0%	0,0%	8,6%	4,9%	4,6%
% Increase in Property Rates Revenue				7,0%	2,3%	10,0%	0,0%	0,0%	0,0%	12,7%	6,6%	6,6%
% Increase in Electricity Revenue				10,9%	2,9%	2,6%	(2,6%)	0,0%	0,0%	16,0%	3,4%	4,6%
% Increase in Property Rates & Services Charges				11,3%	11,6%	(0,0%)	(1,8%)	0,0%	0,0%	12,3%	4,0%	4,8%
Expenditure												
% Increase in Total Operating Expenditure				29,8%	(7,3%)	(12,3%)	15,1%	0,0%	0,0%	7,1%	4,1%	4,6%
% Increase in Employee Costs				18,4%	2,0%	7,2%	0,9%	0,0%	0,0%	9,6%	3,7%	4,5%
% Increase in Electricity Bulk Purchases				40,8%	(10,5%)	(41,9%)	5,4%	0,0%	0,0%	43,5%	4,4%	4,5%
Average Cost Per Budgeted Employee Position (Remuneration)					401631,7876	452798,932				415597,4248		
Average Cost Per Councillor (Remuneration)					684186,7079	722544,6742				766619,8989		
R&M % of PPE			1,2%	1,1%	1,8%	0,9%	0,9%	0,9%		1,4%	1,4%	1,5%
Asset Renewal and R&M as a % of PPE			2,0%	3,0%	8,0%	5,0%	5,0%	5,0%		4,0%	4,0%	4,0%
Debt Impairment % of Total Billable Revenue			18,3%	28,5%	17,0%	24,0%	24,5%	24,5%	24,5%	19,2%	19,3%	19,3%
Capital Revenue												
Internally Funded & Other (R'000)			126 136	612 859	133 009	27 319	26 985	26 985	26 985	182 945	124 605	130 725
Borrowing (R'000)			–	–	–	125 000	125 000	125 000	125 000	–	–	–
Grant Funding and Other (R'000)			626 546	546 102	538 328	459 086	426 821	426 821	426 821	443 925	522 687	528 572
Internally Generated funds % of Non Grant Funding			100,0%	100,0%	100,0%	17,9%	17,8%	17,8%	17,8%	100,0%	100,0%	100,0%
Borrowing % of Non Grant Funding			0,0%	0,0%	0,0%	82,1%	82,2%	82,2%	82,2%	0,0%	0,0%	0,0%
Grant Funding % of Total Funding			83,2%	47,1%	80,2%	75,1%	73,7%	73,7%	73,7%	70,8%	80,7%	80,2%
Capital Expenditure												
Total Capital Programme (R'000)			752 682	1 158 961	671 337	611 404	578 806	578 806	578 806	626 870	647 292	659 297
Asset Renewal			73 898	258 875	606 148	431 662	413 236	413 236	413 236	245 198	284 147	306 581
Asset Renewal % of Total Capital Expenditure			9,8%	22,3%	90,3%	70,6%	71,4%	71,4%	71,4%	39,1%	43,9%	46,5%
Cash												
Cash Receipts % of Rate Payer & Other			100,8%	72,6%	75,0%	75,7%	76,9%	76,9%	76,9%	80,7%	80,7%	80,7%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			4,7%	3,6%	2,8%	3,4%	2,9%	2,9%	2,9%	3,6%	3,6%	3,6%
Borrowing Receipts % of Capital Expenditure			(2,9%)	(1,4%)	0,0%	82,1%	82,2%	82,2%	82,2%	0,0%	0,0%	0,0%
Reserves												
Surplus/(Deficit)			(327 713)	(1 165 524)	227 477	469 261	935 108	935 108	935 108	271 082	1 307 857	2 474 243
Free Services												
Free Basic Services as a % of Equitable Share			40,3%	42,2%	38,5%	35,0%	30,7%	30,7%		30,5%	29,4%	30,0%
Free Services as a % of Operating Revenue (excl operational transfers)			2,7%	2,3%	2,0%	2,1%	2,1%	2,1%		1,9%	1,9%	1,9%
High Level Outcome of Funding Compliance												
Total Operating Revenue			3 622 607	4 344 789	4 992 843	5 190 749	5 219 337	5 219 337	5 219 337	5 669 738	5 948 370	6 223 393
Total Operating Expenditure			4 097 962	5 318 677	4 930 892	4 326 090	4 978 056	4 978 056	4 978 056	5 330 189	5 548 784	5 803 255
Surplus/(Deficit) Budgeted Operating Statement			(475 355)	(973 888)	61 950	864 659	241 280	241 280	241 280	339 550	399 586	420 137
Surplus/(Deficit) Considering Reserves and Cash Backing			(327 713)	(1 165 524)	227 477	469 261	935 108	935 108	935 108	271 082	1 307 857	2 474 243
MTREF Funded (1) / Unfunded (0)		15	0	0	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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Valuation:	1									
Date of valuation:										
Financial year valuation used										
Municipal by-laws s6 in place? (Y/N)	2		Yes		Yes					
Municipal/assistant valuer appointed? (Y/N)			Yes	Yes				Yes	Yes	Yes
Municipal partnership s38 used? (Y/N)		No			1			1	1	1
No. of assistant valuers (FTE)	3	**1**			6	6	6	6	**6**	**6**
No. of data collectors (FTE)	3	1								
No. of internal valuers (FTE)	3	-			1	1	1	1	1	1
No. of external valuers (FTE)	3	3								
No. of additional valuers (FTE)	4	-			No	No	No			
Valuation appeal board established? (Y/N)								No		
Implementation time of new valuation roll (mths)					83 454					
No. of properties	5	77 577			11 499	11 499	11 499	83 454	83 454	83 454
No. of sectional title values	5	10 914						11 499	11 499	11 499
No. of unreasonably difficult properties s7(2)					1	1	1			
No. of supplementary valuations		1						1	1	1
No. of valuation roll amendments										
No. of objections by rate payers										
No. of appeals by rate payers										
No. of successful objections	8									
No. of successful objections > 10%	8									
Supplementary valuation		1								
Public service infrastructure value (Rm)	5				0	0	0			
Municipality owned property value (Rm)		205						208	208	208
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		11	11	11	11	11	11	11	11	11
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)		1 107	1 107	1 107	1 107	1 107	1 107	1 107	1 107	1 107
Valuation reductions-public worship (Rm)		152	152	152	152	152	152	152	152	152
Valuation reductions-other (Rm)		8 110	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**	**9 380**	**9 380**	**9 380**	**9 380**	**9 380**	**9 380**
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	**n/a**	**n/a**
Total value of improvements (Rm)	5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total market value (Rm)	5	32 764	34 730	34 730	40 730	40 730	40 730	40 730	40 730	40 730
Rating:										
Residential rate used to determine rate for other categories? (Y/N)			Yes	Yes	Yes					
Differential rates used? (Y/N)	5		Yes	Yes	Yes			Yes	Yes	Yes
Limit on annual rate increase (s20)? (Y/N)			Yes					Yes	Yes	Yes
Special rating area used? (Y/N)			Yes	Yes	Yes			Yes		
Phasing-in properties s21 (number)			Yes					Yes	Yes	Yes
Rates policy accompanying budget? (Y/N)			Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)			Yes						Yes	Yes
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R '000)	6	318 699	337 184	337 184	337 184	337 184	337 184	337 184	337 184	337 184
Rate revenue expected to collect (R'000)	6	253 792	275 556	275 556	275 556	275 556	275 556	275 556	275 556	275 556
Expected cash collection rate (%)		95,0%	88,0%	88,0%	88,0%	88,0%	88,0%	88,0%	88,0%	88,0%
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)		124			124			0	0	0
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)		36 707	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)		**36 831**	**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 Table A4 Budgeted Financial Performance (revenue and expenditure)

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	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2019/20																	
Valuation:																	
No. of properties		73 879	510	1 700	3 678	542	935	222	475							9	504
No. of sectional title property values		11 499															
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation **(select)**		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Frequency of valuation **(select)**		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used **(select)**		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation **(select)**		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?		Uniform	Uniform	Uniform	Uniform	Variable	Uniform	Uniform	Uniform	Uniform	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)		7 200															
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	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2020/21																	
Valuation:																	
No. of properties		73 879	510	1 700	3 678	542	935	222	475							9	504
No. of sectional title property values		11 499															
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation **(select)**		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Frequency of valuation **(select)**		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used **(select)**		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation **(select)**		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?		Uniform	Uniform	Uniform	Uniform	Variable	Uniform	Uniform	Uniform	Uniform	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)		7 200															
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	2017/18	2018/19	2019/20	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
							Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Property rates *(rate in the Rand)*	1								
Residential properties			0,0064	0,0068	0,0072	0,0072	0,0072	0,0072	0,0072
Residential properties - vacant land			0,0099	0,0106	0,0113	0,0113	0,0113	0,0113	0,0113
Formal/informal settlements									
Small holdings			0,0016	0,0017	0,0018	0,0018	0,0018	0,0018	0,0018
Farm properties - used			0,0099	0,0106	0,0113	0,0113	0,0113	0,0113	0,0113
Farm properties - not used									
Industrial properties			0,0240	0,2575	0,2740	0,2740	0,2740	0,2740	0,2740
Business and commercial properties			0,0236	0,2532	0,2694	0,2694	0,2694	0,2694	0,2694
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties			0,0226	0,0240	0,0256	0,0256	0,0256	0,0256	0,0256
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner			0,0064	0,0068	0,0072	0,0072	0,0072	0,0072	0,0072
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Exemptions, reductions and rebates *(Rands)*									
Residential properties									
R15 000 threshhold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate									
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)*			69	81	86	86	86	86	86
Service point - vacant land *(Rands/month)*			73	86	91	91	91	91	91
Water usage - flat rate tariff *(c/kl)*			69	81	86	86	86	86	86
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/kl)		(fill in thresholds)	12	13	14	14	14	14	14
Water usage - Block 2 (c/kl)		(fill in thresholds)	14	13	13	13	13	13	13
Water usage - Block 3 (c/kl)		(fill in thresholds)	16	16	16	16	16	16	16
Water usage - Block 4 (c/kl)		(fill in thresholds)	18	20	23	23	23	23	23
Other	2		20	23	27	27	27	27	27
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)	116	127	148	148	148	148	148
Volumetric charge - Block 2 (c/kl)		(fill in structure)	122	135	157	157	157	157	157
Volumetric charge - Block 3 (c/kl)		(fill in structure)	132	147	170	170	170	170	170

Volumetric charge - Block 4 (c/kl)		(fill in structure)	146	164	187	187	187	187	187
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			183	187		187	187	187	187
Service point - vacant land *(Rands/month)*									
FBE		(how is this targeted?)	50	50		50	50	50	50
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter *(c/kwh)*									
Flat rate tariff - prepaid *(c/kwh)*									
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)	84	86	90	90	90	90	90
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)	105	107	112	112	112	112	112
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)	128	147	146	146	146	146	146
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)	154	177	176	176	176	176	176
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)	84	86	90	90	90	90	90
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)	105	107	112	112	112	112	112
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)	128	130	146	146	146	146	146
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)	154	157	176	176	176	176	176
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
Other	2								
Waste management tariffs									
Domestic									
Street cleaning charge									
Basic charge/fixed fee			124	136	143	150	150	150	150
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	2017/18	2018/19	2019/20	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
							Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Exemptions, reductions and rebates *(Rands)*									
Rebate Earnings<4500		Rebate Earnings<4500		0	0	0	0	0	0
Rebate Earnings between 4500 and 5500		Rebate Earnings between 4500		0	0	0	0	0	0
Rebate Earnings between 5500 and 6500		Rebate Earnings between 5500		0	0	0	0	0	0
Government Rebates 20%		Government Rebates 20%		0	0	0	0	0	0
Residential Rebates		Residential Rebates		100 000	100 000	100 000	100 000	100 000	100 000
Water tariffs									
Domestic - Conventional		(0-12kl)		12	12	12	12	12	12
Domestic - Conventional		(13-25kl)		14	14	14	14	14	14
Domestic - Conventional		(26-40kl)		16	16	16	16	16	16
Domestic - Conventional		(41-60kl)		18	18	18	18	18	18
Domestic - Conventional		(60kl +)		20	20	20	20	20	20
Domestic - Prepaid		(0-12kl)		12	12	12	12	12	12
Domestic - Prepaid		(13-25kl)		14	14	14	14	14	14
Domestic - Prepaid		(26-40kl)		16	16	16	16	16	16
				18	18	18	18	18	
Domestic - Prepaid		(41-60kl)		20	20	20	20	20	18
Domestic - Prepaid		(60kl +)							20
				16	16	16	16	16	
Domestic Agricultural		(0-12kl)		17	17	17	17	17	16
Domestic Agricultural		(13-25kl)		19	19	19	19	19	17
Domestic Agricultural		(26-40kl)		19	19	19	19	19	19
Domestic Agricultural		(41-60kl)		21	21	21	21	21	19
Domestic Agricultural		(60kl +)							21
				17	17	17	17	17	
Industrial		(0-150kl) (0-60Kl New)		19	19	19	19	19	17
Industrial		(0 - 150) (61-100Kl New)		21	21	21	21	21	19
Industrial		(0-150kl) (101-150Kl New)		23	23	23	23	23	21
Industrial		(150kl +) (151Kl + New)							23
				18	18	18	18	18	
Bospoort		(0-150kl) (0-60Kl New)		19	19	19	19	19	18
Bospoort		(0 - 150) (61-100Kl New)		20	20	20	20	20	19
Bospoort		(0-150kl) (101-150Kl New)		21	21	21	21	21	20
Bospoort		(150kl +) (151Kl + New)							21
				17	17	17	17	17	
Commercial		(0-150kl) (0-60Kl New)		18	18	18	18	18	17
Commercial		(0 - 150) (61-100Kl New)		20	20	20	20	20	18
Commercial		(0-150kl) (101-150Kl New)		21	21	21	21	21	20
Commercial		(150kl +) (151Kl + New)							21
				16	16	16	16	16	
Institutional - Church		(0-150kl) (0-60Kl New)		17	17	17	17	17	16
Institutional - Church		(0 - 150) (61-100Kl New)		17	17	17	17	17	17
Institutional - Church		(0-150kl) (101-150Kl New)		18	18	18	18	18	17
Institutional - Church		(150kl +) (151Kl + New)							18
				16	16	16	16	16	
Institutional		(0-150kl) (0-60Kl New)		17	17	17	17	17	16
Institutional		(0 - 150) (61-100Kl New)		17	17	17	17	17	17
Institutional		(0-150kl) (101-150Kl New)		18	18	18	18	18	17

Institutional	(150kl +) (151Kl + New)							18
			16	16	16	16	16	
Institutional - Government	(0-150kl) (0-60Kl New)		16	16	16	16	16	16
Institutional - Government	(0 - 150) (61-100Kl New)		17	17	17	17	17	16
Institutional - Government	(0-150kl) (101-150Kl New)		17	17	17	17	17	17
Institutional - Government	(150kl +) (151Kl + New)							17
			17	17	17	17	17	
Institutional - Educational / Private and Public Schools	(0-150kl) (0-60Kl New)		19	19	19	19	19	17
Institutional - Educational / Private and Public Schools	(0 - 150) (61-100Kl New)		19	19	19	19	19	19
Institutional - Educational / Private and Public Schools	(0-150kl) (101-150Kl New)		20	20	20	20	20	19
Institutional - Educational / Private and Public Schools	(150kl +) (151Kl + New)							20
			18	18	18	18	18	
Special	(0-150kl) (0-60Kl New)		19	19	19	19	19	18
Special	(0 - 150) (61-100Kl New)		19	19	19	19	19	19
Special	(0-150kl) (101-150Kl New)		20	20	20	20	20	19
Special	(150kl +) (151Kl + New)							20
			17	17	17	17	17	
Institutional - Municipal	(0-150kl) (0-60Kl New)		20	20	20	20	20	17
Institutional - Municipal	(0 - 150) (61-100Kl New)		20	20	20	20	20	20
Institutional - Municipal	(0-150kl) (101-150Kl New)		21	21	21	21	21	20
Institutional - Municipal	(150kl +) (151Kl + New)							21
			17	17	17	17	17	
Agricultural Business	(0-150kl) (0-60Kl New)		19	19	19	19	19	17
Agricultural Business	(0 - 150) (61-100Kl New)		21	21	21	21	21	19
Agricultural Business	(0-150kl) (101-150Kl New)		23	23	23	23	23	21
Agricultural Business	(150kl +) (151Kl + New)		22,54	22,54	22,54	22,54	22,54	22,54
Waste water tariffs								
Residential 2-4 TOTAL	Up to and including 300m2		128	128	128	128	128	128
	From 301 m2 to 1000m2		137	137	137	137	137	137
	1001m2 to 2000m2		148	148	148	148	148	148
	Larger than 2000m2		164	164	164	164	164	164
Business/Commercial	Up to and including 300m2		140	140	140	140	140	140
	From 301 m2 to 1000m2		156	156	156	156	156	156
	1001m2 to 2000m2		177	177	177	177	177	177
	Larger than 2000m2		205	205	205	205	205	205
Industrial	Up to and including 300m2		145	145	145	145	145	145
	From 301 m2 to 1000m2		162	162	162	162	162	162
	1001m2 to 2000m2		183	183	183	183	183	183
	Larger than 2000m2		212	212	212	212	212	212
State-Owned	Up to and including 300m2		145	145	145	145	145	145
	From 301 m2 to 1000m2		162	162	162	162	162	162
	1001m2 to 2000m2		183	183	183	183	183	183
	Larger than 2000m2		212	212	212	212	212	212
Religious	Up to and including 300m2		140	140	140	140	140	140
	From 301 m2 to 1000m2		155	155	155	155	155	155
	1001m2 to 2000m2		175	175	175	175	175	175
	Larger than 2000m2		205	205	205	205	205	205

Educational	Up to and including 300m2		140	140	140	140	140	140
	From 301 m2 to 1000m2		155	155	155	155	155	155
	1001m2 to 2000m2		175	175	175	175	175	175
	Larger than 2000m2		205	205	205	205	205	205
Agricultural Resdential	Up to and including 300m2		128	128	128	128	128	128
	From 301 m2 to 1000m2		136	136	136	136	136	136
	1001m2 to 2000m2		148	148	148	148	148	148
	Larger than 2000m2		164	164	164	164	164	164
Agricultural Business	Up to and including 300m2		140	140	140	140	140	140
	From 301 m2 to 1000m2		156	156	156	156	156	156
	1001m2 to 2000m2		177	177	177	177	177	177
	Larger than 2000m2		205	205	205	205	205	205
Municipal	Up to and including 300m2		140	140	140	140	140	140
	From 301 m2 to 1000m2		156	156	156	156	156	156
	1001m2 to 2000m2		177	177	177	177	177	177
	Larger than 2000m2		205	205	205	205	205	205
Special	Up to and including 300m2		140	140	140	140	140	140
	From 301 m2 to 1000m2		157	157	157	157	157	157
	1001m2 to 2000m2		184	184	184	184	184	184
	Larger than 2000m2		210	210	210	210	210	210
Residential Vacant	Up to and including 300m2		131	131	131	131	131	131
	From 301 m2 to 1000m2		144	144	144	144	144	144
	1001m2 to 2000m2		162	162	162	162	162	162
	Larger than 2000m2		186	186	186	186	186	186
Electricity tariffs								
Residential 1(1-50 KWH)			86	86	86	86	86	86
Residential 1(51-350 KWH)			107	107	107	107	107	107
Residential 1(351-600 KWH)			130	130	130	130	130	130
Residential 1(601 + KWH)			157	157	157	157	157	157
Residential 2(1-50 KWH)Prepaid			86	86	86	86	86	86
Residential 2(51-350 KWH)Prepaid			107	107	107	107	107	107
Residential 2(351-600 KWH)Prepaid			130	130	130	130	130	130
Residential 2(601 + KWH)Prepaid			157	157	157	157	157	157
Business/Commercial	Energy Rate (c/kWh) Summer		177	177	177	177	177	177
Business/Commercial	Energy Rate (c/kWh) Winter		204	204	204	204	204	204
Industrial (Bulk Supply Town 400 V)	Energy Rate (c/kWh) Summer		135	135	135	135	135	135
Industrial (Bulk Supply Town 400 V)	Energy Rate (c/kWh) Winter		173	173	173	173	173	173
Industrial (Bulk Supply Town 400 V)	Utilised Demand Charge		168	168	168	168	168	168
Industrial (Bulk Supply Town 400 V)	Maximum Demand Charge		42	42	42	42	42	42
Agricultural (Bulk Supply Rural 400 V)	Energy Rate (c/kWh) Summer		150	150	150	150	150	150
Agricultural (Bulk Supply Rural 400 V)	Energy Rate (c/kWh) Winter		173	173	173	173	173	173
Agricultural (Bulk Supply Rural 400 V)	Utilised Demand Charge		177	177	177	177	177	177
Agricultural (Bulk Supply Rural 400 V)	Maximum Demand Charge		44	44	44	44	44	44
Industrial (11kV Bulk Supply Town and Rural)	Energy Rate (c/kWh) Summer		132	132	132	132	132	132
Industrial (11kV Bulk Supply Town and Rural)	Energy Rate (c/kWh) Winter		159	159	159	159	159	159

Industrial (11kV Bulk Supply Town and Rural)	Utilised Demand Charge		40	40	40	40	40	40
Industrial (11kV Bulk Supply Town and Rural)	Maximum Demand Charge		162	162	162	162	162	162
11 kV Bulk supply Time-of-use	SUMMER: Demand Charge		37	37	37	37	37	37
	Access Charge		28	28	28	28	28	28
	Peak Energy		121	121	121	121	121	121
	Standard Energy		82	82	82	82	82	82
	Off-peak Energy		58	58	58	58	58	58
	WINTER: Demand Charge		42	42	42	42	42	42
	Access Charge		32	32	32	32	32	32
	Peak Energy		434	434	434	434	434	434
	Standard Energy		126	126	126	126	126	126
	Off-peak Energy		74	74	74	74	74	74
	Reactive Energy		21	21	21	21	21	21
33 kV Bulk supply Time-of-use	SUMMER: Demand Charge		42	42	42	42	42	42
	Access Charge		3181	3181	3181	3181	3181	3 181
	Peak Energy		140	140	140	140	140	140
	Standard Energy		94	94	94	94	94	94
	Off-peak Energy		66	66	66	66	66	66
	WINTER: Demand Charge		42	42	42	42	42	42
	Access Charge		3181	3181	3181	3181	3181	3 181
	Peak Energy		439	439	439	439	439	439
	Standard Energy		127	127	127	127	127	127
	Off-peak Energy		74	74	74	74	74	74
	Reactive Energy		22	22	22	22	22	22
33 kV Bulk supply NMD >150MVA	SUMMER: Demand Charge		29	29	29	29	29	29
	Access Charge		16	16	16	16	16	16
	Transmission		8	8	8	8	8	8
	Peak Energy		104	104	104	104	104	104
	Standard Energy		74	74	74	74	74	74
	Off-peak Energy		50	50	50	50	50	50
	WINTER: Demand Charge		29	29	29	29	29	29
	Access Charge		16	16	16	16	16	16
	Transmission		8	8	8	8	8	8
	Reactive Energy		14	14	14	14	14	14
	Peak Energy		304	304	304	304	304	304
	Standard Energy		97	97	97	97	97	97
	Off-peak Energy		56	56	56	56	56	56
	(fill in thresholds)							

NW373 Rustenburg - Supporting Table SA14 Household bills

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22 % incr.	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		330,63	348,48	348,48	372,67	372,67	372,67	3,9%	387,13	408,04	426,81
Electricity: Basic levy		311,35	328,17	328,17	350,94	350,94	350,94	3,9%	364,56	384,25	401,93
Electricity: Consumption		1 420,29	1 496,99	1 496,99	1 600,88	1 600,88	1 600,88	3,9%	1 663,03	1 752,83	1 833,46
Water: Basic levy		81,00	85,37	85,37	91,30	91,30	91,30	3,9%	94,84	99,96	104,56
Water: Consumption		427,25	450,32	450,32	481,57	481,57	481,57	3,9%	500,27	527,28	551,54
Sanitation		169,74	178,91	178,91	191,33	191,33	191,33	3,9%	198,75	209,49	219,12
Refuse removal		135,61	142,93	142,93	152,85	152,85	152,85	3,9%	158,78	167,36	175,06
Other											
sub-total		**2 875,87**	**3 031,17**	**3 031,17**	**3 241,53**	**3 241,53**	**3 241,53**	**3,9%**	**3 367,37**	**3 549,21**	**3 712,47**
VAT on Services		402,62	424,36	424,36	453,81	453,81	453,81	0,01	471,43	496,89	519,75
Total large household bill:		**3 278,49**	**3 455,53**	**3 455,53**	**3 695,34**	**3 695,34**	**3 695,34**	**3,9%**	**3 838,80**	**4 046,10**	**4 232,22**
% increase/-decrease			**5,4%**	**–**	**6,9%**	**–**	**–**		**3,9%**	**5,4%**	**4,6%**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		220,42	232,32	232,32	248,44	248,44	248,44	3,9%	258,09	272,02	284,53
Electricity: Basic levy		311,35	328,17	328,17	350,94	350,94	350,94	3,9%	364,56	384,25	401,93
Electricity: Consumption		615,49	648,73	648,73	693,75	693,75	693,75	3,9%	720,68	759,60	794,54
Water: Basic levy		81,00	85,37	85,37	91,30	91,30	91,30	3,9%	94,84	99,96	104,56
Water: Consumption		342,07	360,54	360,54	385,57	385,57	385,57	3,9%	400,53	422,16	441,58
Sanitation		156,46	164,91	164,91	176,36	176,36	176,36	3,9%	183,20	193,10	201,98
Refuse removal		135,61	142,93	142,93	152,85	152,85	152,85	3,9%	158,78	167,36	175,06
Other											
sub-total		**1 862,40**	**1 962,97**	**1 962,97**	**2 099,20**	**2 099,20**	**2 099,20**	**3,9%**	**2 180,69**	**2 298,45**	**2 404,18**
VAT on Services		260,74	274,82	274,82	293,89	293,89	293,89	0,01	305,30	321,78	336,59
Total small household bill:		**2 123,14**	**2 237,79**	**2 237,79**	**2 393,09**	**2 393,09**	**2 393,09**	**3,9%**	**2 485,99**	**2 620,24**	**2 740,77**
% increase/-decrease			**5,4%**	**–**	**6,9%**	**–**	**–**		**3,9%**	**5,4%**	**4,6%**
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		110,21	116,17	116,17	124,23	124,23	124,23	3,9%	129,05	136,02	142,28
Electricity: Basic levy		311,35	328,17	328,17	350,94	350,94	350,94	3,9%	364,56	384,25	401,93
Electricity: Consumption		356,40	375,64	375,64	401,71	401,71	401,71	3,9%	417,31	439,84	460,08
Water: Basic levy		81,00	85,37	85,37	91,30	91,30	91,30	3,9%	94,84	99,96	104,56
Water: Consumption		193,32	203,76	203,76	217,90	217,90	217,90	3,9%	226,36	238,59	249,56
Sanitation		146,94	154,87	154,87	165,62	165,62	165,62	3,9%	172,05	181,34	189,68
Refuse removal		135,61	142,93	142,93	152,85	152,85	152,85	3,9%	158,78	167,36	175,06
Other											
sub-total		**1 334,83**	**1 406,91**	**1 406,91**	**1 504,55**	**1 504,55**	**1 504,55**	**3,9%**	**1 562,96**	**1 647,36**	**1 723,14**
VAT on Services		186,88	196,97	196,97	210,64	210,64	210,64	0,01	218,81	230,63	241,24
Total small household bill:		**1 521,71**	**1 603,88**	**1 603,88**	**1 715,19**	**1 715,19**	**1 715,19**	**3,9%**	**1 781,77**	**1 877,99**	**1 964,38**
% increase/-decrease			**5,4%**	**–**	**6,9%**	**0,0%**	**–**		**3,9%**	**5,4%**	**4,6%**

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		111 689	218 351	(205 928)	1 031 996	1 494 396	1 494 396	503 947	1 467 395	2 473 767
Deposits - Public Investment Commissioners		801	1 037	877	917	917	917	959	1 003	1 049
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	**112 490**	**219 388**	**(205 051)**	**1 032 913**	**1 495 313**	**1 495 313**	**504 906**	**1 468 398**	**2 474 816**
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:		**112 490**	**219 388**	**(205 051)**	**1 032 913**	**1 495 313**	**1 495 313**	**504 906**	**1 468 398**	**2 474 816**

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														
ABSA: Call Account		Monthly	Call Savings		Variable					13 345	470	(125 000)	112 002	**818**
ABSA: Investment Acc		Monthly	Flexible Deposit		Variable	2,9				590	1	(1)	–	**590**
ABSA: Investment Acc		Monthly	Fixed Deposit		Variable	5,3				5 237	29	(29)	–	**5 237**
ABSA: Investment Acc		Monthly	Fixed Deposit		Variable	5,2				430	2	(2)	–	**430**
ABSA: Investment Acc		Monthly	Fixed Deposit		Variable	3,75				2 320	1	–	–	**2 321**
Standard Bank		Monthly	Call Deposit		Variable	6,7				456	0	–	–	**456**
Standard Bank		Monthly	Call Deposit		Variable	6,7				124	0	–	–	**124**
Kagiso Asset Management		Monthly	Money Market Assets		Variable	N/A				6 582	14	–	–	**6 595**
Sanlam			Money Market Fund		Variable	N/A				8 740	23	–	–	**8 763**
														–
Sanlam Shares		Monthly	Ordinary - 12 948		Variable	57,66				747	40			**787**
Sanlam Shares		Monthly	Ordinary -323		Variable	57,66				19	1			**20**
Municipality sub-total										**38 589**		**(125 032)**	**112 002**	**26 141**
Entities														
														–
														–
														–
														–
														–
														–
														–
Entities sub-total										–		–	–	–
TOTAL INVESTMENTS AND INTEREST	1									**38 589**		**(125 032)**	**112 002**	**26 141**

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

NW373 Rustenburg - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)		516 642	445 404	703 000	888 000	888 000	888 000	931 000	912 000	876 910
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	**516 642**	**445 404**	**703 000**	**888 000**	**888 000**	**888 000**	**931 000**	**912 000**	**876 910**
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	**516 642**	**445 404**	**703 000**	**888 000**	**888 000**	**888 000**	**931 000**	**912 000**	**876 910**

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**532 021**	**610 251**	**843 687**	**866 960**	**966 611**	**966 611**	**945 464**	**1 032 141**	**1 073 304**
Local Government Equitable Share		526 072	605 006	675 452	756 697	861 905	861 905	808 419	889 452	924 096
Finance Management		1 700	1 700	1 700	1 700	1 300	1 300	1 650	1 700	1 700
NDPG		–	–	–	–	–	–	–	–	–
EPWP		4 249	3 545	3 786	5 422	5 422	5 422	6 388	6 669	6 969
PTIS		–	–	155 701	85 102	80 445	80 445	112 046	116 793	126 377
PMU		–	–	7 048	13 039	13 039	13 039	12 461	13 527	14 162
MIG		–	–	–	–	–	–	–	–	–
Energy Efficiency and Demand Management					5 000	4 500	4 500	4 500	4 000	–
Other transfers/grants [insert description]										
Provincial Government:		**–**	**–**	**2 943**	**1 546**	**1 727**	**1 727**	**1 311**	**1 336**	**1 398**
CATA				1 602	1 546	1 727	1 727	1 311	1 336	1 398
LG-SETA				–						
Disaster Relief Grant				1 341						
Other transfers/grants [insert description]										
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Total Operating Transfers and Grants	5	**532 021**	**610 251**	**846 631**	**868 506**	**968 338**	**968 338**	**946 775**	**1 033 477**	**1 074 702**
Capital Transfers and Grants										
National Government:		**625 980**	**543 665**	**534 079**	**459 086**	**426 206**	**426 206**	**441 318**	**522 392**	**528 339**
Municipal Infrastructure Grant (MIG)		239 841	251 570	236 559	220 409	220 409	220 409	236 768	257 004	269 083
Public Transport and Systems		314 156	213 819	161 610	145 837	113 837	113 837	101 603	121 661	121 930
Neighbourhood Development Partnership		–	–	20 000	10 000	10 000	10 000	10 000	10 000	10 000
Department of Energy		–	10 038	15 410	10 000	8 720	8 720	15 000	33 000	31 015
Water Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement		–	–		–	400	400			
WSIG		71 983	68 238	100 500	72 840	72 840	72 840	77 947	100 728	96 311
Other capital transfers/grants [insert desc]										
Provincial Government:		**566**	**2 437**	**4 249**	**–**	**315**	**315**	**320**	**295**	**233**
DPLG		**–**	**–**	**2 500**	**–**	**–**	**–**	**–**	**–**	**–**
CATA		566	2 437	1 749	–	315	315	320	295	233
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Total Capital Transfers and Grants	5	**626 546**	**546 102**	**538 328**	**459 086**	**426 521**	**426 521**	**441 638**	**522 687**	**528 572**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**1 158 567**	**1 156 353**	**1 384 959**	**1 327 592**	**1 394 860**	**1 394 860**	**1 388 413**	**1 556 164**	**1 603 274**

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**532 021**	**610 251**	**843 687**	**866 960**	**966 611**	**966 611**	**945 464**	**1 032 141**	**1 073 304**
Local Government Equitable Share		526 072	605 006	675 452	756 697	861 905	861 905	808 419	889 452	924 096
Finance Management		1 700	1 700	1 700	1 700	1 300	1 300	1 650	1 700	1 700
NDPG		–	–	–	–	–	–	–	–	–
EPWP		4 249	3 545	3 786	5 422	5 422	5 422	6 388	6 669	6 969
PTIS		–	–	155 701	85 102	80 445	80 445	112 046	116 793	126 377
PMU		–	–	7 048	13 039	13 039	13 039	12 461	13 527	14 162
MIG		–	–	–	–	–	–	–	–	–
Energy Efficiency and Demand Management					5 000	4 500	4 500	4 500	4 000	–
Other transfers/grants [insert description]										
Provincial Government:		**–**	**–**	**2 943**	**1 546**	**1 727**	**1 727**	**1 311**	**1 336**	**1 398**
CATA		–	–	1 602	1 546	1 727	1 727	1 311	1 336	1 398
LG-SETA		–	–	–						
Disaster Relief Grant		–	–	1 341						
Other transfers/grants [insert description]										
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Total operating expenditure of Transfers and Grants:		**532 021**	**610 251**	**846 631**	**868 506**	**968 338**	**968 338**	**946 775**	**1 033 477**	**1 074 702**
Capital expenditure of Transfers and Grants										
National Government:		**625 980**	**543 665**	**534 079**	**459 086**	**426 206**	**426 206**	**441 318**	**522 392**	**528 339**
Municipal Infrastructure Grant (MIG)		239 841	251 570	236 559	220 409	220 409	220 409	236 768	257 004	269 083
Public Transport and Systems		314 156	213 819	161 610	145 837	113 837	113 837	101 603	121 661	121 930
Neighbourhood Development Partnership		–	–	20 000	10 000	10 000	10 000	10 000	10 000	10 000
Department of Energy		–	10 038	15 410	10 000	8 720	8 720	15 000	33 000	31 015
Water Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement		–	–		–	400	400			
WSIG		71 983	68 238	100 500	72 840	72 840	72 840	77 947	100 728	96 311
Other capital transfers/grants [insert desc]										
Provincial Government:		**566**	**2 437**	**4 249**	**–**	**315**	**315**	**320**	**295**	**233**
DPLG		**–**	**–**	**2 500**	**–**	**–**	**–**	**–**	**–**	**–**
CATA		566	2 437	1 749	–	315	315	320	295	233
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Total capital expenditure of Transfers and Grants		**626 546**	**546 102**	**538 328**	**459 086**	**426 521**	**426 521**	**441 638**	**522 687**	**528 572**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**1 158 567**	**1 156 353**	**1 384 959**	**1 327 592**	**1 394 860**	**1 394 860**	**1 388 413**	**1 556 164**	**1 603 274**

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		532 021	610 251	843 687	866 960	966 611	966 611	945 464	1 032 141	1 073 304
Conditions met - transferred to revenue		**532 021**	**610 251**	**843 687**	**866 960**	**966 611**	**966 611**	**945 464**	**1 032 141**	**1 073 304**
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		–	–	2 943	1 546	1 727	1 727	1 311	1 336	1 398
Conditions met - transferred to revenue		**–**	**–**	**2 943**	**1 546**	**1 727**	**1 727**	**1 311**	**1 336**	**1 398**
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		**532 021**	**610 251**	**846 631**	**868 506**	**968 338**	**968 338**	**946 775**	**1 033 477**	**1 074 702**
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		625 980	543 665	534 079	459 086	426 521	426 521	441 318	522 392	528 339
Conditions met - transferred to revenue		**625 980**	**543 665**	**534 079**	**459 086**	**426 521**	**426 521**	**441 318**	**522 392**	**528 339**
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		566	2 437	4 249	–	–	–	320	295	233
Conditions met - transferred to revenue		**566**	**2 437**	**4 249**	**–**	**–**	**–**	**320**	**295**	**233**
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		**626 546**	**546 102**	**538 328**	**459 086**	**426 521**	**426 521**	**441 638**	**522 687**	**528 572**
Total capital transfers and grants - CTBM	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE		**1 158 567**	**1 156 353**	**1 384 959**	**1 327 592**	**1 394 860**	**1 394 860**	**1 388 413**	**1 556 164**	**1 603 274**
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

Check opex	25 212	15 248	350 027	15 927	16 227	16 227	0	(267)	(595)
Check capex	–	–	–	–	(300)	(300)	(2 287)	0	(0)

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash Transfers to other municipalities											
Insert description	1	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Entities/Other External Mechanisms											
Insert description	2	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Cash Transfers to other Organs of State											
Insert description	3	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Organisations											
Insert description		–	3	–	335	335	335	335	385	385	385
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations		–	3	–	335	335	335	335	385	385	385
Cash Transfers to Groups of Individuals											
Insert description		–	23 322	20 100	19 208	19 275	19 275	19 275	19 117	19 975	20 891
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:		–	23 322	20 100	19 208	19 275	19 275	19 275	19 117	19 975	20 891
TOTAL CASH TRANSFERS AND GRANTS	6	–	23 325	20 100	19 543	19 610	19 610	19 610	19 502	20 360	21 276
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	–	250	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Other Organs Of State:		–	250	–	–	–	–	–	–	–	–
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		–	250	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS	6	–	23 575	20 100	19 543	19 610	19 610	19 610	19 502	20 360	21 276

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		31 797	49 307	52 326	54 318	54 318	54 318	57 160	59 675	62 361
Pension and UIF Contributions		1 552	1 660	1 954	2 185	2 185	2 185	2 185	2 282	2 384
Medical Aid Contributions		739	790	930	980	980	980	1 040	1 086	1 135
Motor Vehicle Allowance		2 163	2 314	2 724	2 871	2 871	2 871	3 046	3 180	3 324
Cellphone Allowance		2 400	2 542	2 958	3 952	3 952	3 952	3 308	3 453	3 609
Housing Allowances						–	–			
Other benefits and allowances						–	–	1 489	1 555	1 625
Sub Total - Councillors		**38 650**	**56 614**	**60 893**	**64 306**	**64 306**	**64 306**	**68 229**	**71 231**	**74 437**
% increase	4		**46,5%**	**7,6%**	**5,6%**	**–**	**–**	**6,1%**	**4,4%**	**4,5%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		15 851	16 961	18 148	19 040	19 040	19 040	18 389	19 161	20 004
Pension and UIF Contributions		1 906	2 040	2 183	2 319	2 319	2 319	2 401	2 501	2 611
Medical Aid Contributions		549	587	628	662	662	662	678	706	737
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	1 518	1 625	1 738	1 847	1 847	1 847	1 900	1 980	2 067
Cellphone Allowance	3	4	4	4	4	4	4	4	4	5
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	170	182	194	194	194	194	202	210	220
Payments in lieu of leave		–				–	–		–	–
Long service awards						–	–		–	–
Post-retirement benefit obligations	6					–	–			
Sub Total - Senior Managers of Municipality		**19 998**	**21 398**	**22 896**	**24 066**	**24 066**	**24 066**	**23 573**	**24 564**	**25 644**
% increase	4		**7,0%**	**7,0%**	**5,1%**	**–**	**–**	**(2,0%)**	**4,2%**	**4,4%**
Other Municipal Staff										
Basic Salaries and Wages		489 023	463 049	504 760	536 308	541 730	541 730	535 524	559 508	584 725
Pension and UIF Contributions		1 671	79 002	84 370	89 873	89 873	89 873	99 995	104 438	109 143
Medical Aid Contributions		37 454	45 032	48 093	51 099	51 099	51 099	51 884	54 179	56 618
Overtime		26 354	23 515	25 936	27 557	31 682	31 682	43 158	45 057	47 085
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	17 517	18 665	20 019	21 270	21 270	21 270	18 006	18 834	19 685
Cellphone Allowance	3	93	100	107	313	313	313	229	244	255
Housing Allowances	3	3 724	3 984	4 255	4 608	4 608	4 608	4 941	5 159	5 392
Other benefits and allowances	3	25 336	34 901	35 383	37 303	34 667	34 667	98 353	96 117	100 357
Payments in lieu of leave		–				–	–			–
Long service awards						–	–			–
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		**601 172**	**668 248**	**722 924**	**768 332**	**775 242**	**775 242**	**852 090**	**883 536**	**923 259**
% increase	4		**11,2%**	**8,2%**	**6,3%**	**0,9%**	**–**	**9,9%**	**3,7%**	**4,5%**
Total Parent Municipality		**659 820**	**746 260**	**806 712**	**856 705**	**863 615**	**863 615**	**943 893**	**979 331**	**1 023 340**
			13,1%	**8,1%**	**6,2%**	**0,8%**	**–**	**9,3%**	**3,8%**	**4,5%**
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–

Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		**659 820**	**746 260**	**806 712**	**856 705**	**863 615**	**863 615**	**943 893**	**979 331**	**1 023 340**
% increase	4		**13,1%**	**8,1%**	**6,2%**	**0,8%**	**–**	**9,3%**	**3,8%**	**4,5%**
TOTAL MANAGERS AND STAFF	5,7	**621 170**	**689 646**	**745 820**	**792 398**	**799 309**	**799 309**	**875 664**	**908 100**	**948 904**

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				1 224 470			1 224 470
Chief Whip					1 174 810			1 174 810
Executive Mayor					1 505 158			1 505 158
Deputy Executive Mayor					–			–
Executive Committee					11 748 098			11 748 098
Total for all other councillors					52 576 637			52 576 637
Total Councillors	8	–	–	–	**68 229 172**			**68 229 172**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 757 182					1 757 182
Chief Finance Officer			1 674 573					1 674 573
DIRECTOR: TECHNICAL & INFR			1 762 709					1 762 709
DIRECTOR: CORPORATE SUPPORT SERVICE			1 672 603					1 672 603
DIRECTOR: COMMUNITY DEVELOPM			1 760 739					1 760 739
DIRECTOR ROADS AND TRANSPORT			1 452 263					1 452 263
List of each offical with packages >= senior manager								
DIRECTOR: LED			1 760 739					1 760 739
DIRECTOR: PUBLIC SAFETY			1 400 420					1 400 420
DIRECTOR: PLANNING			1 672 603					1 672 603
DEPUTY CHIEF FINANCIAL OFFICER			1 348 914					1 348 914
MANAGER: OFFICE OF THE EM			1 501 686					1 501 686
MANAGER: OFFICE OF THE MM			1 452 263					1 452 263
MANAGER: OFFICE OF THE SPEAKER			1 452 263					1 452 263
MANAGER: MPAC OFFICE			1 452 263					1 452 263
MANAGER: STRATEGIC PLANNING			1 452 263					1 452 263
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	**23 573 484**	–	–	–		**23 573 484**
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	–	**23 573 484**	–	**68 229 172**	–		**91 802 656**

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	2019/20			Current Year 2020/21			Budget Year 2021/22		
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	40		40	40		40	40		40
Other Managers	7									
Professionals		*1 556*	*1 334*	*222*	*1 556*	*1 330*	*284*	*1 913*	*1 682*	*253*
Finance		72	59	13	72	55	12	158	125	33
Spatial/town planning		68	66	2	68	66	–	78	75	2
Information Technology		12	11	1	12	11	1	14	8	6
Roads		109	100	9	109	93	9	124	115	9
Electricity		106	104	2	106	100	2	130	128	2
Water		223	143	80	223	160	120	242	237	85
Sanitation		34	33	1	34	30	20	49	48	1
Refuse		170	158	12	170	155	12	228	158	13
Other		762	660	102	762	660	108	890	788	102
Technicians		*45*	*36*	*9*	*45*	*36*	*9*	*45*	*36*	*9*
Finance		2	2	–	2	2	–	2	2	–
Spatial/town planning		6	5	1	6	5	1	6	5	1
Information Technology		4	4	–	4	4	–	4	4	–
Roads		4	4	–	4	4	–	4	4	–
Electricity		15	8	7	15	8	7	15	8	7
Water		4	4	–	4	4	–	4	4	–
Sanitation		3	3	–	3	3	–	3	3	–
Refuse		–			–			–		
Other		7	6	1	7	6	1	7	6	1
Clerks (Clerical and administrative)		200	25	175	109	80	26	109	84	25
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	**1 930**	**1 395**	**535**	**1 839**	**1 446**	**448**	**2 196**	**1 802**	**416**
% increase					(4,7%)	3,7%	(16,3%)	19,4%	24,6%	(7,1%)
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 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source																
Property rates		33 000	34 000	25 000	36 000	31 000	32 000	31 000	39 000	48 000	42 000	44 000	53 942	448 942	478 602	510 153
Service charges - electricity revenue		165 000	195 000	145 000	295 000	195 000	195 000	155 000	195 000	195 000	195 000	195 000	488 646	2 613 646	2 702 546	2 826 416
Service charges - water revenue		43 309	43 309	47 000	47 300	43 309	35 000	44 309	43 309	45 309	43 309	43 309	40 938	519 713	542 580	566 996
Service charges - sanitation revenue		40 000	20 000	40 000	50 000	30 000	20 000	30 000	10 000	50 000	20 000	10 000	67 019	387 019	404 048	422 230
Service charges - refuse revenue		13 055	13 055	13 055	13 055	13 055	13 055	13 055	13 055	13 055	13 055	13 055	12 575	156 184	163 056	170 393
Rental of facilities and equipment		750	650	500	750	800	1 050	900	1 100	1 000	1 300	1 200	1 078	11 078	11 566	12 086
Interest earned - external investments		2 501	2 700	2 900	2 100	1 200	1 900	2 600	2 200	2 100	1 500	1 100	2 349	25 149	26 301	27 528
Interest earned - outstanding debtors		49 000	46 000	44 000	38 000	29 000	35 000	31 000	35 000	30 000	21 000	22 000	31 621	411 621	429 732	449 070
Dividends received													–	–	–	–
Fines, penalties and forfeits		750	850	950	500	650	800	970	1 000	850	750	650	649	9 369	9 781	10 221
Licences and permits		850	1 100	1 250	900	800	750	1 000	1 150	1 150	1 000	1 600	851	12 401	12 947	13 530
Agency services		8 000	9 000	10 000	11 000	8 000	8 000	10 000	5 500	7 500	9 500	8 500	9 983	104 983	109 603	114 535
Transfers and subsidies		80 000	45 000	52 000	55 000	65 000	75 000	80 000	50 000	70 000	110 000	150 000	114 775	946 775	1 033 744	1 075 297
Other revenue		1 500	1 550	1 250	1 150	1 000	1 750	1 650	1 500	1 250	1 350	1 350	1 356	16 656	17 390	18 173
Gains		450	450	480	490	410	480	430	400	420	550	800	840	6 200	6 473	6 764
Total Revenue (excluding capital transfers and contribution		**438 165**	**412 665**	**383 385**	**551 245**	**419 225**	**419 785**	**401 915**	**398 215**	**465 635**	**460 315**	**492 565**	**826 624**	**5 669 738**	**5 948 370**	**6 223 393**
Expenditure By Type																
Employee related costs		80 000	75 000	66 000	75 000	70 000	82 000	67 000	61 000	50 000	66 000	85 000	98 664	875 664	908 100	948 904
Remuneration of councillors		6 200	4 100	4 200	4 500	7 500	5 500	5 200	7 500	6 000	6 000	6 000	5 529	68 229	71 231	74 437
Debt impairment		79 000	75 000	79 000	68 000	61 000	48 000	66 000	77 000	48 000	42 000	61 000	89 908	793 908	828 840	866 138
Depreciation & asset impairment													492 913	492 913	514 601	537 758
Finance charges		5 500	5 000	5 500	6 000	9 000	10 000	6 000	6 000	5 000	10 000	10 000	6 328	84 328	88 041	92 005
Bulk purchases - electricity		110 000	120 000	130 000	150 000	160 000	170 000	120 000	150 000	170 000	125 000	110 000	112 750	1 627 750	1 699 371	1 775 843
Inventory consumed													498 896	498 896	520 852	544 246
Contracted services		55 000	52 000	51 000	50 000	45 000	40 000	38 000	52 000	30 000	59 000	75 000	63 610	610 610	629 089	660 820
Transfers and subsidies		1 350	1 900	2 100	2 300	1 900	2 800	1 200	2 500	2 600	2 700	3 000	(4 848)	19 502	20 360	21 276
Other expenditure		25 000	25 000	23 000	20 000	23 000	27 000	22 000	20 000	18 500	12 000	18 000	24 888	258 388	268 298	281 829
Losses		700	500	550	750	750	550	560	500	600	650	330	(6 440)	–	–	–
Total Expenditure		**362 750**	**358 500**	**361 350**	**376 550**	**378 150**	**385 850**	**325 960**	**376 500**	**330 700**	**323 350**	**368 330**	**1 382 199**	**5 330 189**	**5 548 784**	**5 803 255**
Surplus/(Deficit)		**75 415**	**54 165**	**22 035**	**174 695**	**41 075**	**33 935**	**75 955**	**21 715**	**134 935**	**136 965**	**124 235**	**(555 575)**	**339 550**	**399 586**	**420 137**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			109 735			110 346			109 983				111 574	441 638	522 687	528 572
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)													–	–	–	–
Transfers and subsidies - capital (in-kind - all)													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**75 415**	**163 900**	**22 035**	**174 695**	**151 421**	**33 935**	**75 955**	**131 698**	**134 935**	**136 965**	**124 235**	**(444 001)**	**781 188**	**922 273**	**948 710**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**75 415**	**163 900**	**22 035**	**174 695**	**151 421**	**33 935**	**75 955**	**131 698**	**134 935**	**136 965**	**124 235**	**(444 001)**	**781 188**	**922 273**	**948 710**

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 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote																
Vote 1 - EXECUTIVE MAYOR		33 876	36 890	34 789	30 988	37 123	37 654	36 891	37 654	34 567	36 981	36 875	38 387	432 676	451 713	472 040
Vote 2 - MUNICIPAL MANAGER		22 266	23 123	20 876	23 000	21 012	22 765	25 123	22 099	21 654	20 000	22 091	23 157	267 167	288 817	301 905
Vote 3 - CORPORATE SUPPORT SERVICES		49	37	38	44	47	43	45	44	42	39	36	43	507	530	553
Vote 4 - BUDGET AND TREASURY		46 098	48 987	41 234	45 091	44 123	44 123	46 000	46 099	47 321	49 876	48 001	47 868	554 821	594 668	630 708
Vote 5 - PUBLIC SAFETY		10 124	10 789	10 000	10 001	10 900	10 910	10 631	10 234	10 501	10 998	10 880	10 011	125 978	131 521	137 440
Vote 6 - PLANNING AND HUMAN SETTLEMENT		1 046	1 024	1 075	1 001	1 010	1 001	1 001	1 050	1 020	999	1 048	1 633	12 908	13 476	14 082
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		300	350	316	320	311	321	318	320	319	301	350	369	3 894	4 065	4 248
Vote 8 - COMMUNITY DEVELOPMENT		23 000	24 346	22 457	23 901	25 679	20 123	23 988	24 123	24 891	23 827	26 988	26 555	289 877	309 571	322 599
Vote 9 - TECHNICAL AND INFRASTRUCTURE		310 091	307 123	317 679	316 123	305 789	319 390	300 123	340 988	361 099	370 988	390 075	356 482	3 995 950	4 214 566	4 385 983
Vote 10 - ROADS AND TRANSPORT		300	300	316	320	311	321	318	320	319	301	300	210 353	213 778	238 856	249 043
Vote 11 - MUNICIPAL ENTITY		17 818	17 000	18 654	17 876	18 301	18 123	17 890	17 123	17 988	17 765	17 988	17 293	213 820	223 273	233 364
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Total Revenue by Vote		**464 968**	**469 970**	**467 434**	**468 665**	**464 606**	**474 775**	**462 328**	**500 053**	**519 722**	**532 076**	**554 632**	**732 150**	**6 111 376**	**6 471 057**	**6 751 965**
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE MAYOR		13 234	13 890	12 551	13 678	14 300	12 456	13 789	14 321	13 999	12 235	14 331	14 046	162 830	169 973	177 600
Vote 2 - MUNICIPAL MANAGER		8 432	8 234	9 190	8 368	8 512	8 303	8 689	8 478	9 110	8 987	8 331	9 772	104 406	102 932	107 513
Vote 3 - CORPORATE SUPPORT SERVICES		6 578	7 578	6 578	8 578	6 578	6 578	7 578	6 578	5 578	5 578	6 578	8 082	82 440	86 067	89 941
Vote 4 - BUDGET AND TREASURY		24 500	20 987	21 789	20 598	21 357	20 301	21 765	20 765	21 432	20 765	26 540	21 006	261 805	272 224	283 294
Vote 5 - PUBLIC SAFETY		28 765	27 123	25 232	27 890	28 232	26 579	28 678	26 348	28 765	26 348	27 000	29 101	330 062	337 840	353 043
Vote 6 - PLANNING AND HUMAN SETTLEMENT		5 752	5 742	5 742	5 742	5 742	5 742	5 742	5 742	5 742	5 742	5 742	5 851	69 021	72 058	75 301
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		2 864	2 874	2 874	2 874	2 874	2 874	2 874	2 874	2 874	2 874	2 874	2 765	34 368	32 480	33 942
Vote 8 - COMMUNITY DEVELOPMENT		43 572	43 100	42 567	43 789	43 600	43 123	44 000	43 127	43 987	43 567	43 567	38 048	516 048	538 829	563 135
Vote 9 - TECHNICAL AND INFRASTRUCTURE		268 711	235 123	261 235	269 876	270 765	265 341	290 987	243 212	268 789	276 543	289 099	284 850	3 224 532	3 366 414	3 517 904
Vote 10 - ROADS AND TRANSPORT		29 099	29 076	30 564	30 235	29 765	30 988	29 100	31 890	30 123	31 123	30 123	28 817	360 904	376 610	397 889
Vote 11 - MUNICIPAL ENTITY		15 398	14 999	15 543	15 123	15 501	15 802	15 789	15 000	15 789	15 999	15 765	13 064	183 772	193 356	203 694
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Total Expenditure by Vote		**446 904**	**408 727**	**433 865**	**446 751**	**447 227**	**438 086**	**468 991**	**418 335**	**446 188**	**449 761**	**469 949**	**455 403**	**5 330 189**	**5 548 784**	**5 803 255**
Surplus/(Deficit) before assoc.		**18 063**	**61 243**	**33 569**	**21 914**	**17 379**	**36 688**	**(6 663)**	**81 718**	**73 533**	**82 315**	**84 682**	**276 747**	**781 188**	**922 273**	**948 710**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**18 063**	**61 243**	**33 569**	**21 914**	**17 379**	**36 688**	**(6 663)**	**81 718**	**73 533**	**82 315**	**84 682**	**276 747**	**781 188**	**922 273**	**948 710**

References

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

NW373 Rustenburg - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue - Functional																
Governance and administration		**80 059**	**84 877**	**83 271**	**76 712**	**86 258**	**78 737**	**92 196**	**78 713**	**87 376**	**82 427**	**83 858**	**84 770**	**999 254**	**1 058 216**	**1 114 665**
Executive and council		2 493	2 643	2 593	2 389	2 686	2 452	2 871	2 451	2 721	2 567	2 611	2 639	31 114	32 043	33 035
Finance and administration		77 566	82 234	80 678	74 324	83 572	76 285	89 325	76 262	84 655	79 861	81 247	82 130	968 140	1 026 173	1 081 630
Internal audit													–	–	–	–
Community and public safety		**2 389**	**2 533**	**2 485**	**2 289**	**2 574**	**2 350**	**2 752**	**2 349**	**2 608**	**2 460**	**2 503**	**2 530**	**29 822**	**31 063**	**32 387**
Community and social services		367	389	382	352	396	361	423	361	401	378	385	389	4 585	4 715	4 854
Sport and recreation		43	45	44	41	46	42	49	42	46	44	45	45	531	554	579
Public safety		1 681	1 782	1 748	1 610	1 811	1 653	1 936	1 652	1 834	1 730	1 761	1 780	20 978	21 901	22 887
Housing		299	317	311	286	322	294	344	294	326	308	313	316	3 728	3 892	4 067
Health													–	–	–	–
Economic and environmental services		**38 573**	**40 895**	**40 121**	**36 961**	**41 560**	**37 937**	**44 421**	**37 925**	**42 099**	**39 715**	**40 404**	**40 843**	**481 455**	**528 645**	**552 414**
Planning and development		21 446	22 737	22 306	20 549	23 106	21 092	24 697	21 085	23 406	22 080	22 464	22 708	267 676	289 789	303 371
Road transport		17 128	18 158	17 815	16 412	18 454	16 845	19 724	16 840	18 693	17 634	17 940	18 135	213 778	238 856	249 043
Environmental protection													–	–	–	–
Trading services		**338 168**	**358 520**	**351 737**	**324 032**	**364 353**	**332 585**	**389 436**	**332 482**	**369 077**	**348 173**	**354 216**	**633 067**	**4 495 846**	**4 743 514**	**4 937 947**
Energy sources		191 461	202 984	199 143	183 458	206 286	188 300	220 488	188 242	208 961	197 126	200 547	477 728	2 664 723	2 774 222	2 893 465
Water management		85 424	90 566	88 852	81 854	92 039	84 014	98 375	83 988	93 232	87 952	89 478	90 451	1 066 227	1 158 601	1 198 746
Waste water management		38 374	40 684	39 914	36 770	41 346	37 741	44 192	37 729	41 882	39 510	40 195	40 632	478 968	505 170	527 296
Waste management		22 908	24 287	23 827	21 951	24 682	22 530	26 381	22 523	25 002	23 586	23 995	24 256	285 929	305 521	318 440
Other		8 412	8 919	8 750	8 061	9 064	8 274	9 688	8 271	9 181	8 661	8 812	**8 907**	**105 000**	**109 620**	**114 553**
Total Revenue - Functional		**467 602**	**495 744**	**486 364**	**448 055**	**503 809**	**459 883**	**538 493**	**459 740**	**510 341**	**481 437**	**489 792**	**770 118**	**6 111 376**	**6 471 057**	**6 751 965**
Expenditure - Functional																
Governance and administration		**68 599**	**72 727**	**71 351**	**65 731**	**73 911**	**67 466**	**78 999**	**67 445**	**74 869**	**70 628**	**71 854**	**72 636**	**856 217**	**886 700**	**927 446**
Executive and council		23 770	25 200	24 724	22 776	25 610	23 377	27 374	23 370	25 942	24 473	24 898	25 169	296 684	303 649	317 160
Finance and administration		44 191	46 850	45 964	42 343	47 612	43 461	50 890	43 448	48 230	45 498	46 288	46 791	551 566	574 734	601 595
Internal audit		638	677	664	612	688	628	735	628	697	657	669	676	7 967	8 317	8 692
Community and public safety		**43 204**	**45 805**	**44 938**	**41 398**	**46 550**	**42 491**	**49 754**	**42 478**	**47 153**	**44 483**	**45 255**	**45 747**	**539 256**	**556 207**	**581 279**
Community and social services		6 087	6 453	6 331	5 832	6 558	5 986	7 009	5 984	6 643	6 267	6 375	6 445	75 970	79 281	82 788
Sport and recreation		8 247	8 743	8 578	7 902	8 886	8 111	9 497	8 108	9 001	8 491	8 638	8 732	102 936	107 465	112 301
Public safety		27 069	28 698	28 155	25 938	29 165	26 622	31 173	26 614	29 543	27 870	28 354	28 662	337 863	345 985	361 657
Housing		1 802	1 910	1 874	1 726	1 941	1 772	2 075	1 771	1 966	1 855	1 887	1 908	22 487	23 476	24 533
Health													–	–	–	–
Economic and environmental services		**18 797**	**19 928**	**19 551**	**18 011**	**20 252**	**18 487**	**21 647**	**18 481**	**20 515**	**19 353**	**19 689**	**19 903**	**234 614**	**241 363**	**254 416**
Planning and development		6 482	6 872	6 742	6 211	6 984	6 375	7 464	6 373	7 074	6 674	6 789	6 863	80 902	81 062	82 576
Road transport		11 855	12 568	12 331	11 359	12 773	11 659	13 652	11 656	12 939	12 206	12 418	12 553	147 968	154 304	165 574
Environmental protection		460	488	479	441	496	453	530	452	502	474	482	487	5 744	5 997	6 267
Trading services		**296 366**	**314 203**	**308 258**	**283 978**	**319 315**	**291 474**	**341 298**	**291 384**	**323 455**	**305 135**	**310 431**	**313 806**	**3 699 102**	**3 863 471**	**4 039 024**
Energy sources		163 276	173 102	169 827	156 450	175 918	160 580	188 029	160 530	178 199	168 106	171 024	172 884	2 037 927	2 127 598	2 223 341
Water management		87 154	92 399	90 651	83 511	93 903	85 715	100 367	85 689	95 120	89 733	91 290	92 283	1 087 816	1 137 178	1 189 983
Waste water management		22 794	24 166	23 709	21 841	24 559	22 418	26 250	22 411	24 877	23 468	23 876	24 135	284 504	297 023	310 389
Waste management		23 143	24 535	24 071	22 175	24 935	22 761	26 651	22 754	25 258	23 827	24 241	24 505	288 855	301 673	315 311
Other		80	85	83	77	86	79	92	79	87	82	84	**85**	**999**	**1 042**	**1 089**
Total Expenditure - Functional		**427 047**	**452 748**	**444 182**	**409 195**	**460 114**	**419 997**	**491 790**	**419 867**	**466 079**	**439 682**	**447 313**	**452 176**	**5 330 189**	**5 548 784**	**5 803 255**
Surplus/(Deficit) before assoc.		**40 555**	**42 996**	**42 182**	**38 860**	**43 695**	**39 886**	**46 703**	**39 873**	**44 262**	**41 755**	**42 480**	**317 941**	**781 188**	**922 273**	**948 710**
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**40 555**	**42 996**	**42 182**	**38 860**	**43 695**	**39 886**	**46 703**	**39 873**	**44 262**	**41 755**	**42 480**	**317 941**	**781 188**	**922 273**	**948 710**

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 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Multi-year expenditure *to be appropriated*	1															
Vote 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													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Capital multi-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*																
Vote 1 - EXECUTIVE MAYOR		5	6	9	2	1	7	4	10	19	12	12	13	100	105	109
Vote 2 - MUNICIPAL MANAGER		835	565	762	883	893	996	1 173	1 353	1 758	1 748	2 718	692	14 376	11 613	12 093
Vote 3 - CORPORATE SUPPORT SERVICES		439	127	576	194	272	231	291	585	242	464	231	373	4 025	4 000	4 000
Vote 4 - BUDGET AND TREASURY		14	1	23	8	2	5	23	12	26	35	22	40	212	55	57
Vote 5 - PUBLIC SAFETY		919	1 324	1 783	637	918	1 242	1 898	2 839	3 425	2 617	2 122	3 980	23 705	8 198	5 713
Vote 6 - PLANNING AND HUMAN SETTLEMENT		93	183	239	119	393	738	565	819	783	894	1 284	1 390	7 500	7 776	8 065
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		902	819	1 287	992	718	1 292	1 738	974	1 328	2 829	1 783	2 415	17 077	15 240	15 711
Vote 8 - COMMUNITY DEVELOPMENT		983	1 272	2 011	1 829	1 673	3 728	2 819	3 819	1 928	4 738	3 829	5 518	34 148	55 514	21 309
Vote 9 - TECHNICAL AND INFRASTRUCTURE		15 463	19 093	16 273	18 889	16 273	17 121	19 193	28 820	16 274	21 829	32 718	27 936	249 882	256 628	283 226
Vote 10 - ROADS AND TRANSPORT		16 173	21 516	17 827	19 992	28 918	22 182	19 183	28 394	22 114	21 718	29 192	28 636	275 845	288 164	309 013
Vote 11 - MUNICIPAL ENTITY													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Capital single-year expenditure sub-total	2	**35 827**	**44 905**	**40 790**	**43 546**	**50 061**	**47 541**	**46 887**	**67 625**	**47 897**	**56 886**	**73 912**	**70 992**	**626 870**	**647 292**	**659 297**
Total Capital Expenditure	2	**35 827**	**44 905**	**40 790**	**43 546**	**50 061**	**47 541**	**46 887**	**67 625**	**47 897**	**56 886**	**73 912**	**70 992**	**626 870**	**647 292**	**659 297**

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

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

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital Expenditure - Functional	1															
Governance and administration		**670**	**987**	**1 045**	**1 297**	**1 679**	**994**	**687**	**1 931**	**930**	**959**	**612**	**1 055**	**12 845**	**11 931**	**12 271**
Executive and council		5	6	9	2	1	7	4	10	19	12	12	13	100	105	109
Finance and administration		657	979	1 030	1 285	1 674	980	673	1 909	892	918	575	1 016	12 588	11 714	12 068
Internal audit		7	3	6	9	4	7	10	12	18	28	26	26	157	113	93
Community and public safety		**2 198**	**2 840**	**2 740**	**3 474**	**4 068**	**2 387**	**4 851**	**6 132**	**7 121**	**4 675**	**5 090**	**5 425**	**51 001**	**55 053**	**17 511**
Community and social services		746	850	322	464	919	676	1 983	2 292	1 874	911	1 894	941	13 871	25 295	233
Sport and recreation		425	624	819	938	1 029	637	894	1 193	1 938	817	1 029	1 580	11 925	20 060	10 065
Public safety		928	1 283	1 474	1 983	2 019	902	1 929	2 574	3 219	2 819	1 903	2 672	23 705	8 198	5 713
Housing		98	84	125	89	100	172	45	74	90	127	264	232	1 500	1 500	1 500
Health													–	–	–	–
Economic and environmental services		**16 181**	**21 112**	**25 410**	**31 832**	**22 647**	**12 968**	**20 495**	**18 889**	**22 011**	**33 210**	**44 893**	**43 274**	**312 922**	**321 181**	**343 289**
Planning and development		1 928	1 829	3 292	3 093	2 819	2 674	4 222	3 726	2 728	2 918	3 622	4 224	37 077	33 016	34 276
Road transport		14 253	19 283	22 118	28 738	19 827	10 294	16 273	15 163	19 283	30 292	41 272	39 050	275 845	288 164	309 013
Environmental protection													–	–	–	–
Trading services		**19 267**	**9 170**	**21 299**	**6 058**	**15 627**	**14 741**	**25 517**	**28 389**	**26 543**	**27 265**	**25 009**	**31 218**	**250 102**	**259 128**	**286 226**
Energy sources		14 153	7 183	19 103	3 716	12 019	9 918	18 928	17 283	12 726	11 728	6 728	10 639	144 125	129 900	136 915
Water management		3 425	991	1 282	817	1 574	2 910	4 829	8 696	9 707	12 837	14 252	16 126	77 447	115 228	130 811
Waste water management		1 627	918	817	1 463	2 019	1 837	1 617	2 309	3 928	2 647	3 929	4 387	27 500	11 500	15 500
Waste management		62	78	97	62	14	75	143	101	182	52	99	66	1 030	2 500	3 000
Other													–	–	–	–
Total Capital Expenditure - Functional	2	**38 316**	**34 109**	**50 494**	**42 661**	**44 020**	**31 089**	**51 550**	**55 341**	**56 605**	**66 108**	**75 604**	**80 972**	**626 870**	**647 292**	**659 297**
Funded by:																
National Government		32 019	25 648	12 829	7 181	33 029	21 918	37 282	44 217	39 102	45 363	67 174	**75 555**	**441 318**	**522 392**	**528 339**
Provincial Government				27	8		22	72	59	36	22	26	48	320	295	233
District Municipality													–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)													2 287	2 287	–	–
Transfers recognised - capital		**32 019**	**25 648**	**12 856**	**7 189**	**33 029**	**21 940**	**37 354**	**44 276**	**39 138**	**45 385**	**67 199**	**77 890**	**443 925**	**522 687**	**528 572**
Borrowing													–	–	–	–
Internally generated funds		6 297	8 461	37 638	35 471	10 991	9 149	14 196	11 065	17 467	20 723	8 405	3 082	182 945	124 605	130 725
Total Capital Funding		**38 316**	**34 109**	**50 494**	**42 661**	**44 020**	**31 089**	**51 550**	**55 341**	**56 605**	**66 108**	75 604	80 972	626 870	647 292	659 297

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

check

NW373 Rustenburg - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash Receipts By Source															
Property rates	36 848	33 989	35 477	39 875	33 949	39 874	31 348	35 690	37 891	40 937	43 984	16 083	425 942	434 602	478 153
Service charges - electricity revenue	158 375	158 458	168 375	158 375	167 974	164 874	163 874	178 638	179 847	178 365	169 839	427 392	2 274 383	2 363 536	2 464 968
Service charges - water revenue	42 783	44 858	43 848	40 123	40 597	40 986	41 928	45 679	44 986	44 547	43 486	31 435	505 256	512 103	526 498
Service charges - sanitation revenue	22 837	24 988	23 837	25 765	26 897	25 894	27 985	23 928	23 938	28 985	24 983	22 980	303 019	335 048	344 230
Service charges - refuse revenue	9 877	10 984	10 837	10 988	10 697	10 548	11 880	9 476	10 987	10 848	10 984	6 078	124 184	133 056	145 393
Rental of facilities and equipment	833	977	989	875	985	999	874	894	874	987	946	846	11 078	11 566	12 086
Interest earned - external investments	1 576	1 764	1 868	1 879	1 764	1 676	1 764	1 787	2 787	2 736	2 798	2 748	25 149	26 301	27 528
Interest earned - outstanding debtors	31 874	33 749	35 750	34 990	33 635	31 837	34 677	34 986	35 988	36 988	35 986	31 162	411 621	429 732	449 070
Dividends received												–	–	–	–
Fines, penalties and forfeits	782	799	746	757	789	809	815	747	784	858	785	698	9 369	9 781	10 221
Licences and permits	877	1 260	1 276	1 387	987	955	935	887	984	987	874	991	12 401	12 947	13 530
Agency services	8 576	8 346	8 959	9 121	8 835	8 985	8 735	8 837	8 576	8 641	8 599	8 774	104 983	109 603	114 535
Transfers and Subsidies - Operational	76 535	75 124	78 127	79 837	80 124	76 123	77 235	78 335	79 898	74 987	85 123	85 325	946 775	1 033 744	1 075 297
Other revenue			1 172	1 617	1 719	1 353	1 819	1 672	1 615	1 883	1 718	2 089	16 656	17 390	18 173
Cash Receipts by Source	**391 773**	**395 293**	**411 261**	**405 590**	**408 952**	**404 912**	**403 868**	**421 556**	**429 156**	**431 750**	**430 105**	**636 601**	**5 170 819**	**5 429 410**	**5 679 681**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		109 735			110 346			109 983				111 254	441 318	522 392	528 339
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)				106			105					109	320	295	233
Proceeds on Disposal of Fixed and Intangible Assets	1 545				1 579				1 512			1 564	6 200	6 473	6 764
Short term loans												–			
Borrowing long term/refinancing												–			
Increase (decrease) in consumer deposits	148	175	198	231	198	195	198	194	185	178	223	382	2 508	2 624	2 892
Decrease (increase) in non-current receivables												–			
Decrease (increase) in non-current investments												–			
Total Cash Receipts by Source	**393 467**	**505 204**	**411 460**	**405 927**	**521 075**	**405 108**	**404 171**	**531 733**	**430 854**	**431 929**	**430 328**	**749 911**	**5 621 165**	**5 961 193**	**6 217 910**
Cash Payments by Type															
Employee related costs	73 988	71 122	72 878	72 982	73 486	71 124	74 123	73 123	72 123	73 456	74 122	73 135	875 664	908 100	948 904
Remuneration of councillors	5 457	5 489	5 123	5 612	5 698	5 612	5 691	5 312	5 988	5 212	6 123	6 910	68 229	71 231	74 437
Finance charges	6 912	6 953	6 971	6 991	7 212	7 399	7 268	7 299	7 368	7 459	7 123	5 372	84 328	88 041	92 005
Bulk purchases - electricity			161 527	172 827	156 217	152 674	151 315	162 132	152 423	152 426	162 726	203 482	1 627 750	1 699 371	1 775 843
Acquisitions - water & other inventory	40 124	40 346	40 612	41 987	44 124	42 099	41 098	42 098	41 346	43 675	40 000	41 388	498 896	520 852	544 246
Contracted services	51 094	51 346	51 876	52 123	50 987	50 123	50 567	51 980	49 876	52 123	52 123	46 390	610 610	629 089	660 820
Transfers and grants - other municipalities												–			
Transfers and grants - other	1 512	1 546	1 599	1 612	1 669	1 690	1 723	1 689	1 650	1 736	1 673	1 402	19 502	20 360	21 276
Other expenditure			14 153	15 163	27 262	28 191	26 172	28 394	29 283	29 283	32 182	28 306	258 388	268 298	281 829
Cash Payments by Type	**179 087**	**176 802**	**354 740**	**369 299**	**366 656**	**358 912**	**357 958**	**372 027**	**360 057**	**365 371**	**376 074**	**406 384**	**4 043 368**	**4 205 343**	**4 399 359**
Other Cash Flows/Payments by Type															
Capital assets	50 123	50 987	51 236	51 568	51 987	52 100	52 235	54 987	54 235	53 765	56 124	47 522	626 870	647 292	659 297
Repayment of borrowing	27 365			27 987				26 476				27 655	109 483	114 081	119 100
Other Cash Flows/Payments												–			
Total Cash Payments by Type	**256 575**	**227 789**	**405 976**	**448 854**	**418 643**	**411 012**	**410 193**	**453 490**	**414 292**	**419 136**	**432 198**	**481 561**	**4 779 720**	**4 966 716**	**5 177 756**
NET INCREASE/(DECREASE) IN CASH HELD	**136 891**	**277 414**	**5 483**	**(42 927)**	**102 431**	**(5 904)**	**(6 022)**	**78 242**	**16 562**	**12 793**	**(1 870)**	**268 351**	**841 445**	**994 478**	**1 040 153**
Cash/cash equivalents at the month/year begin:	394 499	531 390	808 804	814 288	771 361	873 792	867 889	861 866	940 108	956 671	969 463	967 594	394 499	1 235 944	2 230 422
Cash/cash equivalents at the month/year end:	531 390	808 804	814 288	771 361	873 792	867 889	861 866	940 108	956 671	969 463	967 594	1 235 944	1 235 944	2 230 422	3 270 575

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 R million	Ref	2017/18 Audited Outcome	2018/19 Audited Outcome	2019/20 Audited Outcome	Current Year 2020/21 Original Budget	 Adjusted Budget	 Full Year Forecast	2021/22 Medium Term Revenue & Expenditure Framework Budget Year 2021/22	 Budget Year +1 2022/23	 Budget Year +2 2023/24
Financial Performance										
Property rates		55								
Service charges		128	199	211	208	208	208	209 725	218 953	228 806
Investment revenue		7	10	11	7	7	7	4 095	4 320	4 558
Transfers recognised - operational										
Other own revenue										
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)										
Total Revenue (excluding capital transfers and contributions)		**189**	**209**	**222**	**215**	**215**	**215**	**214**	**223**	**233**
Employee costs										
Remuneration of Board Members										
Depreciation & asset impairment		17	37	37	38	38	38	38 497	40 191	42 000
Finance charges		17	14	10	11	11	11	216	228	240
Inventory consumed and bulk purchases										
Transfers and grants										
Other expenditure		122	112	112	117	117	117	145 058	152 937	161 454
Total Expenditure		**156**	**162**	**159**	**165**	**165**	**165**	**184**	**193**	**204**
Surplus/(Deficit)		**34**	**47**	**63**	**50**	**50**	**50**	**30**	**30**	**30**
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - operational										
Borrowing										
Internally generated funds										
Total sources		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial position										
Total current assets										
Total non current assets										
Total current liabilities										
Total non current liabilities										
Equity										
Cash flows										
Net cash from (used) operating										
Net cash from (used) investing										
Net cash from (used) financing										
Cash/cash equivalents at the year end										

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 2020/21	2021/22 Medium Term Revenue & Expenditure Framework			Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Electricity Sales		**2 253 168**	**2 312 534**	**2 442 035**	**2 554 369**	**2 656 544**	**2 762 806**	**2 873 318**	**2 988 251**	**3 107 781**	**3 232 092**	**3 361 375**	**3 515 999**	34 060 271
Water Sales		**619 817**	**499 244**	**527 202**	**551 453**	**573 511**	**596 451**	**620 309**	**645 122**	**670 927**	**697 764**	**725 674**	**759 055**	7 486 529
Other		900	900	900	900	900	900	900	900	900	900	900	**941**	10 841
Total Operating Revenue Implication		**2 873 885**	**2 812 678**	**2 970 137**	**3 106 722**	**3 230 955**	**3 360 157**	**3 494 527**	**3 634 272**	**3 779 607**	**3 930 756**	**4 087 950**	**4 275 996**	41 557 642
Expenditure Obligation By Contract	2													
Eskom -		1 731 762	1 826 055	1 914 246	2 006 285	2 086 536	2 169 998	2 256 798	2 347 070	2 440 953	2 538 591	2 640 134	**2 761 580**	26 720 008
Magalies Water		36 124	37 750	39 826	41 977	43 656	45 402	47 219	49 107	51 072	53 114	55 239	**57 780**	558 267
Rand Water		344 411	319 910	329 708	340 212	353 821	367 974	382 693	398 000	413 920	430 477	447 696	**468 290**	
Kloof Water Works			1 234	1 302	1 372	1 427	1 484	1 543	1 605	1 669	1 736	1 806	**1 889**	17 068
Total Operating Expenditure Implication		2 112 298	2 184 949	2 285 083	2 389 847	2 485 440	2 584 858	2 688 252	2 795 783	2 907 614	3 023 918	3 144 875	3 289 539	31 892 456
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		**2 112 298**	**2 184 949**	**2 285 083**	**2 389 847**	**2 485 440**	**2 584 858**	**2 688 252**	**2 795 783**	**2 907 614**	**3 023 918**	**3 144 875**	**3 289 539**	31 892 456
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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**670 436**	**710 301**	**22 430**	**157 388**	**136 209**	**136 209**	**224 150**	**204 800**	**228 150**
Roads Infrastructure		486 699	603 956	8 010	43 953	65 109	65 109	62 000	49 500	51 000
Roads		71 020	238 230		43 953	65 109	65 109	62 000	49 500	51 000
Road Structures		415 679	365 726	8 010						
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		85 198	10 649	14 420	15 500	9 100	9 100	101 150	72 300	79 150
Power Plants		85 198	10 649	14 290	12 500	9 100	9 100	101 150	72 300	79 150
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares				130	3 000					
Water Supply Infrastructure		61 835	81 290	–	78 740	44 000	44 000	40 000	38 000	38 000
Dams and Weirs			14 889							
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution		61 835	66 400		78 740	44 000	44 000	40 000	38 000	38 000
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		36 703	14 406	–	19 195	18 000	18 000	21 000	45 000	60 000
Pump Station										
Reticulation		36 703	14 406		19 195	18 000	18 000	21 000	45 000	60 000
Waste Water Treatment Works										
Outfall Sewers										
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		**839**	**–**	**4 010**	**12 800**	**1 300**	**1 300**	**25 826**	**46 000**	**10 500**
Community Facilities		839	–	4 010	12 800	1 300	1 300	25 826	46 000	10 500
Halls				510	600					
Centres								25 826	46 000	10 500
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations				2 500						
Testing Stations					4 050	–	–			
Museums										
Galleries										
Theatres										
Libraries		566	–	500						
Cemeteries/Crematoria					400	1 000	1 000			
Police				500	6 700	–	–			
Parks					500	–	–			
Public Open Space					300	300	300			
Nature Reserves						–	–			
Public Ablution Facilities						–	–			
Markets		273			250	–	–			
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets		–	–	311	–	–	–	–	–	–
Monuments				311						
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		–	–	–	–	**4 794**	**4 794**	**13 358**	**15 354**	**16 370**
Revenue Generating		–	–	–	–	–	–	13 358	15 354	16 370
Improved Property								13 358	15 354	16 370
Unimproved Property										
Non-revenue Generating		–	–	–	–	4 794	4 794	–	–	–
Improved Property					–	4 794	4 794			
Unimproved Property										
Other assets		–	**25 055**	**17 404**	**1 676**	–	–	**45 061**	**44 493**	**43 398**
Operational Buildings		–	25 055	17 404	–	–	–	45 061	44 493	43 398
Municipal Offices			25 055	13 500				29 150	30 347	31 594
Pay/Enquiry Points										
Building Plan Offices										
Workshops				319						
Yards										
Stores										
Laboratories										
Training Centres								13 087	10 544	11 099
Manufacturing Plant										
Depots								2 824	3 602	705
Capital Spares				3 585						
Housing		–	–	–	1 676	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares					1 676	–	–			
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		–	–	–	–	3 000	3 000	10 335	10 350	10 367
Servitudes										
Licences and Rights		–	–	–	–	3 000	3 000	10 335	10 350	10 367
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications					–	3 000	3 000	10 335	10 350	10 367
Load Settlement Software Applications										
Unspecified										
Computer Equipment		–	3 884	3 150	1 075	2 399	2 399	7 089	5 642	5 153
Computer Equipment			3 884	3 150	1 075	2 399	2 399	7 089	5 642	5 153
Furniture and Office Equipment		–	724	375	5 087	7 066	7 066	13 532	7 065	8 316
Furniture and Office Equipment			724	375	5 087	7 066	7 066	13 532	7 065	8 316
Machinery and Equipment		–	–	100	1 116	8 152	8 152	24 270	22 613	21 969
Machinery and Equipment				100	1 116	8 152	8 152	24 270	22 613	21 969
Transport Assets		7 509	160 122	17 410	600	650	650	12 050	550	1 930
Transport Assets		7 509	160 122	17 410	600	650	650	12 050	550	1 930
Land		–	–	–	–	2 000	2 000	6 000	6 276	6 565
Land						2 000	2 000	6 000	6 276	6 565
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	**678 784**	**900 086**	**65 190**	**179 742**	**165 570**	**165 570**	**381 672**	**363 145**	**352 717**

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 e

check balance	-	-	-	-	-	-	-	-	-	-

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**72 182**	**243 580**	**511 828**	**416 769**	**269 281**	**269 281**	**153 256**	**164 597**	**151 779**
Roads Infrastructure		–	58 845	264 506	269 145	133 441	133 441	126 309	114 869	106 468
Roads			58 845	105 537	110 645	133 441	133 441	126 309	114 869	106 468
Road Structures				158 969	158 500	–	–			
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	5 752	17 000	–	–	–	–	–	–
Drainage Collection			5 752	17 000						
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		18 828	–	2 000	10 800	105 000	105 000	–	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares		18 828		2 000	10 800	105 000	105 000			
Water Supply Infrastructure		18 655	106 729	161 527	80 000	10 000	10 000	1 000	1 000	1 000
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution		18 655	106 729	161 527	80 000	10 000	10 000	1 000	1 000	1 000
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		31 646	71 940	61 595	40 500	20 840	20 840	25 947	48 728	44 311
Pump Station										
Reticulation		31 646	71 940	61 595	40 500	20 840	20 840	25 947	48 728	44 311
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		3 053	314	5 200	16 324	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations		3 053		5 000	10 000	–	–			
Waste Processing Facilities						–	–			
Waste Drop-off Points			314	200	6 324	–	–			
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		**1 241**	**–**	**9 202**	**8 630**	**200**	**200**	**–**	**–**	**–**
Community Facilities		1 241	–	8 606	8 400	200	200	–	–	–
Halls										
Centres		1 241		1 275						
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations					–	200	200			

Museums										
Galleries										
Theatres										
Libraries				1 249						
Cemeteries/Crematoria				1 000	400	–	–			
Police				3 740						
Parks				953						
Public Open Space				390	8 000	–	–			
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		–	–	596	230	–	–	–	–	–
Indoor Facilities				147						
Outdoor Facilities				449	230	–	–			
Capital Spares										
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		–	–	–	–	550	550	500	523	547
Revenue Generating		–	–	–	–	550	550	500	523	547
Improved Property						550	550	500	523	547
Unimproved Property										
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Other assets		–	–	39 765	3 000	3 500	3 500	–	–	–
Operational Buildings		–	–	37 265	3 000	3 500	3 500	–	–	–
Municipal Offices				34 265	3 000	3 500	3 500			
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares				3 000						
Housing		–	–	2 500	–	–	–	–	–	–
Staff Housing				2 500						
Social Housing										
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		–	–	–	264	–	–	–	–	–
Servitudes										
Licences and Rights		–	–	–	264	–	–	–	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications					264	–	–			
Load Settlement Software Applications										
Unspecified										
Computer Equipment		–	–	2 229	1 000	–	–	–	–	–
Computer Equipment				2 229	1 000	–	–			
Furniture and Office Equipment		–	314	1 069	–	–	–	–	–	–
Furniture and Office Equipment			314	1 069						
Machinery and Equipment		476	14 981	4 888	–	–	–	–	–	–
Machinery and Equipment		476	14 981	4 888						
Transport Assets		–	–	30 319	–	–	–	–	–	–
Transport Assets				30 319						
Land		–	–	6 848	2 000	–	–	–	–	–
Land				6 848	2 000					
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on renewal of existing assets	1	**73 898**	**258 875**	**606 148**	**431 662**	**273 531**	**273 531**	**153 756**	**165 120**	**152 326**
Renewal of Existing Assets as % of total capex		*0,0%*	*22,3%*	*90,3%*	*70,6%*	*47,3%*	*47,3%*	*24,5%*	*25,5%*	*23,1%*
Renewal of Existing Assets as % of deprecn"		*17,4%*	*57,0%*	*135,0%*	*85,1%*	*53,9%*	*53,9%*	*31,2%*	*32,1%*	*28,3%*

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 capita

check balance	-	-	-	-	-	-	-	-	-	

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework				
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24		
Repairs and maintenance expenditure by Asset Class/Sub-class												
Infrastructure		**84 429**	**82 835**	**184 849**	**82 275**	**84 229**	**84 229**	**105 943**	**110 608**	**115 586**		
Roads Infrastructure		5 080	17 375	25 357	3 914	3 564	3 564	8 494	8 868	9 267		
Roads		5 080	17 375	25 357	3 914	3 564	3 564	8 494	8 868	9 267	0120	RM
Road Structures											0130	RM
Road Furniture											0140	RM
Capital Spares											0150	RM
Storm water Infrastructure		–	–	–	–	–	–	–	–	–		RM
Drainage Collection											0170	RM
Storm water Conveyance											0180	RM
Attenuation											0190	RM
Electrical Infrastructure		6 626	22 837	60 400	20 200	22 825	22 825	28 751	30 018	31 369		RM
Power Plants		3 095	21 907	60 000	4 500	7 135	7 135	–	–	–	0210	RM
HV Substations		3 531	931	400	15 700	15 690	15 690	28 751	30 018	31 369	0220	RM
HV Switching Station											0230	RM
HV Transmission Conductors											0240	RM
MV Substations											0250	RM
MV Switching Stations											0260	RM
MV Networks											0270	RM
LV Networks											0280	RM
Capital Spares											0290	RM
Water Supply Infrastructure		8 189	25 339	36 090	11 654	6 654	6 654	16 612	17 342	18 123		RM
Dams and Weirs											0310	RM
Boreholes											0320	RM
Reservoirs											0330	RM
Pump Stations											0340	RM
Water Treatment Works											0350	RM
Bulk Mains											0360	RM
Distribution		8 189	25 339	36 090	11 654	6 654	6 654	16 612	17 342	18 123	0370	RM
Distribution Points											0380	RM
PRV Stations											0390	RM
Capital Spares											0400	RM
Sanitation Infrastructure		55 854	–	49 470	45 853	49 610	49 610	51 737	54 013	56 444		RM
Pump Station											0420	RM
Reticulation		55 854	–	49 470	4 211	2 204	2 204	2 388	2 493	2 605	0430	RM
Waste Water Treatment Works					41 641	47 406	47 406	49 349	51 521	53 839	0440	RM
Outfall Sewers											0450	RM
Toilet Facilities											0460	RM
Capital Spares											0470	RM
Solid Waste Infrastructure		8 679	17 284	13 533	654	1 576	1 576	350	366	383		RM
Landfill Sites		–	–	–	–	–	–	350	366	383	0490	RM
Waste Transfer Stations											0500	RM
Waste Processing Facilities		8 679	17 284	13 533	654	1 576	1 576	–	–	–	0510	RM
Waste Drop-off Points											0520	RM
Waste Separation Facilities											0530	RM
Electricity Generation Facilities											0540	RM
Capital Spares											0550	RM
Rail Infrastructure		–	–	–	–	–	–	–	–	–		RM
Rail Lines											0570	RM
Rail Structures											0580	RM
Rail Furniture											0590	RM
Drainage Collection											0600	RM
Storm water Conveyance											0610	RM
Attenuation											0620	RM
MV Substations											0630	RM
LV Networks											0640	RM
Capital Spares											0650	RM
Coastal Infrastructure		–	–	–	–	–	–	–	–	–		RM
Sand Pumps											0670	RM
Piers											0680	RM
Revetments											0690	RM
Promenades											0700	RM
Capital Spares											0710	RM
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–		RM
Data Centres											0730	RM
Core Layers											0740	RM
Distribution Layers											0750	RM
Capital Spares											0760	RM
Community Assets		**2 386**	**9 111**	**16 270**	**1 195**	**1 195**	**1 195**	**2 277**	**2 325**	**2 385**		RM
Community Facilities		2 386	8 800	15 941	1 195	1 195	1 195	1 927	1 986	2 053		RM
Halls		390	361	6 882	–	–	–	–	–	–	0790	RM
Centres		275	–	–	–	–	–	636	664	693	0800	RM
Crèches		437	–	–	–	–		–	–	–	0810	RM
Clinics/Care Centres		298	–	–		–	–	–	–	–	0820	RM
Fire/Ambulance Stations		215	264	279	–	–	–	–	–	–	0830	RM
Testing Stations		–	386	409	437	437	437	271	282	295	0840	RM
Museums											0850	RM
Galleries											0860	RM

Theatres											0870	RM
Libraries		–	227	347	288	288	288	349	339	332	0880	RM
Cemeteries/Crematoria		–	–		–	–	–	–	–	–	0890	RM
Police		–	173	176	283	283	283	196	205	214	0900	RM
Parks		–	413	437	–	–	–	476	496	519	0910	RM
Public Open Space		771	–		187	187	187	–	–	–	0920	RM
Nature Reserves			–								0930	RM
Public Ablution Facilities			–								0940	RM
Markets			–								0950	RM
Stalls			–								0960	RM
Abattoirs			–								0970	RM
Airports			–								0980	RM
Taxi Ranks/Bus Terminals			–								0990	RM
Capital Spares			6 975	7 411	–	–	–	–	–	–	1000	RM
Sport and Recreation Facilities		–	311	329	–	–	–	349	339	332		RM
Indoor Facilities		–	311	329	–	–	–	349	339	332	1020	RM
Outdoor Facilities											1030	RM
Capital Spares											1040	RM
Heritage assets		–	–	–	–	–	–	–	–	–		RM
Monuments											1060	RM
Historic Buildings											1070	RM
Works of Art											1080	RM
Conservation Areas											1090	RM
Other Heritage											1100	RM
Investment properties		–	**689**	**878**	–	–	–	–	–	–		RM
Revenue Generating		–	689	878	–	–	–	–	–	–		RM
Improved Property		–	689	878	–	–	–	–	–	–	1130	RM
Unimproved Property											1140	RM
Non-revenue Generating		–	–	–	–	–	–	–	–	–		RM
Improved Property											1160	RM
Unimproved Property											1170	RM
Other assets		**21 645**	**2 842**	**3 372**	**918**	**1 088**	**1 088**	**6 061**	**6 328**	**6 613**		RM
Operational Buildings		21 645	2 842	3 372	918	1 088	1 088	5 106	5 330	5 570		RM
Municipal Offices		170	–	3 275	918	1 088	1 088	5 106	5 330	5 570	1200	RM
Pay/Enquiry Points		297	–	–	–	–	–	–	–	–	1210	RM
Building Plan Offices		53	–	–	–	–	–	–	–	–	1220	RM
Workshops											1230	RM
Yards											1240	RM
Stores		3 416	1 000	–	–	–	–	–	–	–	1250	RM
Laboratories											1260	RM
Training Centres											1270	RM
Manufacturing Plant		3 707	–	–	–	–	–	–	–	–	1280	RM
Depots		12 081	1 015	–	–	–	–	–	–	–	1290	RM
Capital Spares		1 920	827	97	–	–	–	–	–	–	1300	RM
Housing		–	–	–	–	–	–	956	998	1 043		RM
Staff Housing		–		–	–	–	–	956	998	1 043	1320	RM
Social Housing											1330	RM
Capital Spares											1340	RM
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–		RM
Biological or Cultivated Assets											1360	RM
Intangible Assets		–	–	–	–	–	–	–	–	–		RM
Servitudes											1380	RM
Licences and Rights		–	–	–	–	–	–	–	–	–		RM
Water Rights											1400	RM
Effluent Licenses											1410	RM
Solid Waste Licenses											1420	RM
Computer Software and Applications											1430	RM
Load Settlement Software Applications											1440	RM
Unspecified											1450	RM
Computer Equipment		–	6 353	6 693	4 940	940	940	618	645	674		RM
Computer Equipment		–	6 353	6 693	4 940	940	940	618	645	674	1470	RM
Furniture and Office Equipment		–	–	–	–	4 000	4 000	6	6	7		RM
Furniture and Office Equipment		–	–	–	–	4 000	4 000	6	6	7	1490	RM
Machinery and Equipment		–	–	–	–	–	–	6 952	7 259	7 586		RM
Machinery and Equipment								6 952	7 259	7 586	1510	RM
Transport Assets		–	–	–	–	–	–	17 307	18 071	18 884		RM
Transport Assets		–	–	–	–	–	–	17 307	18 071	18 884	1530	RM
Land		–	–	–	–	–	–	–	–	–		RM
Land											1550	RM
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–		RM
Zoo's, Marine and Non-biological Animals											1570	RM
Total Repairs and Maintenance Expenditure	1	**108 460**	**101 828**	**212 063**	**89 328**	**91 452**	**91 452**	**139 164**	**145 242**	**151 735**		
R&M as a % of PPE		*1,2%*	*1,1%*	*1,8%*	*0,9%*	*0,9%*	*0,9%*	*1,4%*	*1,4%*	*1,5%*		
R&M as % Operating Expenditure		*2,6%*	*1,9%*	*4,3%*	*2,1%*	*1,8%*	*1,8%*	*2,8%*	*2,7%*	*2,7%*		
check balance		–	–	–	–	–	–	–	–	–		

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework				
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24		
Depreciation by Asset Class/Sub-class												
Infrastructure		**310 234**	**320 856**	**328 839**	**386 354**	**386 354**	**386 354**	**378 093**	**394 729**	**412 491**		
Roads Infrastructure		186 422	151 033	167 136	147 539	147 539	147 539	146 588	153 038	159 925		
Roads		186 422	151 033	167 136	147 539	147 539	147 539	146 588	153 038	159 925	0120	DP
Road Structures											0130	DP
Road Furniture											0140	DP
Capital Spares											0150	DP
Storm water Infrastructure		–	–	–	–	–	–	–	–	–		DP
Drainage Collection											0180	DP
Storm water Conveyance											0170	DP
Attenuation											0190	DP
Electrical Infrastructure		16 669	17 653	18 891	54 715	54 715	54 715	51 958	54 244	56 685		DP
Power Plants											0210	DP
HV Substations											0220	DP
HV Switching Station											0230	DP
HV Transmission Conductors		15 912	16 851	17 828	53 828	53 828	53 828	51 035	53 281	55 678	0240	DP
MV Substations											0250	DP
MV Switching Stations		757									0260	DP
MV Networks											0270	DP
LV Networks											0280	DP
Capital Spares			802	1 063	887	887	887	923	964	1 007	0290	DP
Water Supply Infrastructure		30 713	50 806	44 753	71 720	71 720	71 720	69 660	72 725	75 998		DP
Dams and Weirs											0310	DP
Boreholes											0320	DP
Reservoirs											0330	DP
Pump Stations											0340	DP
Water Treatment Works											0350	DP
Bulk Mains											0360	DP
Distribution		30 713	50 806	44 753	71 720	71 720	71 720	69 660	72 725	75 998	0370	DP
Distribution Points											0380	DP
PRV Stations											0390	DP
Capital Spares											0400	DP
Sanitation Infrastructure		48 013	70 269	62 219	74 927	74 927	74 927	73 897	77 149	80 620		DP
Pump Station											0420	DP
Reticulation		48 013	33 419	35 299	36 887	36 887	36 887	35 400	36 957	38 621	0430	DP
Waste Water Treatment Works		–	36 850	26 920	38 040	38 040	38 040	38 497	40 191	42 000	0440	DP
Outfall Sewers											0450	DP
Toilet Facilities											0460	DP
Capital Spares											0470	DP
Solid Waste Infrastructure		28 418	31 095	35 840	37 453	37 453	37 453	35 988	37 572	39 263		DP
Landfill Sites		28 418	31 095	35 840	37 453	37 453	37 453	35 988	37 572	39 263	0490	DP
Waste Transfer Stations											0500	DP
Waste Processing Facilities											0510	DP
Waste Drop-off Points											0520	DP
Waste Separation Facilities											0530	DP
Electricity Generation Facilities											0540	DP
Capital Spares											0550	DP
Rail Infrastructure		–	–	–	–	–	–	–	–	–		DP
Rail Lines											0570	DP
Rail Structures											0580	DP
Rail Furniture											0590	DP
Drainage Collection											0600	DP
Storm water Conveyance											0610	DP
Attenuation											0620	DP
MV Substations											0630	DP
LV Networks											0640	DP
Capital Spares											0650	DP
Coastal Infrastructure		–	–	–	–	–	–	–	–	–		DP
Sand Pumps											0670	DP
Piers											0680	DP
Revetments											0690	DP
Promenades											0700	DP
Capital Spares											0710	DP
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–		DP
Data Centres											0730	DP
Core Layers											0740	DP
Distribution Layers											0750	DP
Capital Spares											0760	DP
Community Assets		**55 800**	**75 927**	**72 187**	**75 375**	**75 375**	**75 375**	**68 213**	**71 214**	**74 419**		DP
Community Facilities		26 059	33 112	45 853	40 520	40 520	40 520	36 928	38 553	40 288		DP
Halls		7 189	7 613	8 054	7 985	7 985	7 985	8 313	8 679	9 069	0790	DP
Centres											0800	DP
Crèches											0810	DP
Clinics/Care Centres		1 080	1 144	1 210							0820	DP
Fire/Ambulance Stations		4 654	4 928	5 214	5 449	5 449	5 449	5 672	5 922	6 188	0830	DP
Testing Stations			819	866	859	859	859	894	934	976	0840	DP
Museums											0850	DP
Galleries											0860	DP

Theatres											0870	DP
Libraries		3 464	3 669	3 882	4 056	4 056	4 056	4 223	4 408	4 607	0880	DP
Cemeteries/Crematoria		40	42	45	47	47	47	49	51	53	0890	DP
Police		9 632	10 200	10 792	11 310	11 310	11 310	9 774	10 204	10 663	0900	DP
Parks			3 919	4 146	5 107	5 107	5 107	4 515	4 713	4 925	0910	DP
Public Open Space											0920	DP
Nature Reserves				8 965							0930	DP
Public Ablution Facilities											0940	DP
Markets			778		860	860	860				0950	DP
Stalls											0960	DP
Abattoirs											0970	DP
Airports											0980	DP
Taxi Ranks/Bus Terminals											0990	DP
Capital Spares				2 679	4 846	4 846	4 846	3 489	3 643	3 807	1000	DP
Sport and Recreation Facilities		29 742	42 816	26 333	34 856	34 856	34 856	31 285	32 661	34 131		DP
Indoor Facilities			8 474	3 010							1020	DP
Outdoor Facilities		29 742	34 342	23 323	34 856	34 856	34 856	31 285	32 661	34 131	1030	DP
Capital Spares											1040	DP
Heritage assets		–	–	–	–	–	–	–	–	–		DP
Monuments											1060	DP
Historic Buildings											1070	DP
Works of Art											1080	DP
Conservation Areas											1090	DP
Other Heritage											1100	DP
Investment properties		**9 190**	**–**	**2 393**	**6 755**	**6 755**	**6 755**	**4 077**	**4 257**	**4 448**		DP
Revenue Generating		9 190	–	2 393	6 755	6 755	6 755	4 077	4 257	4 448		DP
Improved Property		9 190		2 393	6 755	6 755	6 755	4 077	4 257	4 448	1130	DP
Unimproved Property											1140	DP
Non-revenue Generating		–	–	–	–	–	–	–	–	–		DP
Improved Property											1160	DP
Unimproved Property											1170	DP
Other assets		**20 643**	**31 593**	**35 617**	**35 089**	**35 089**	**35 089**	**32 361**	**33 785**	**35 306**		DP
Operational Buildings		20 643	21 861	25 119	24 329	24 329	24 329	23 161	24 180	25 268		DP
Municipal Offices		20 643	21 861	23 129	24 170	24 170	24 170	23 161	24 180	25 268	1200	DP
Pay/Enquiry Points				1 991	159	159	159				1210	DP
Building Plan Offices											1220	DP
Workshops											1230	DP
Yards											1240	DP
Stores											1250	DP
Laboratories											1260	DP
Training Centres											1270	DP
Manufacturing Plant											1280	DP
Depots											1290	DP
Capital Spares											1300	DP
Housing		–	9 732	10 497	10 760	10 760	10 760	9 201	9 606	10 038		DP
Staff Housing			9 732	10 497	10 760	10 760	10 760	9 201	9 606	10 038	1320	DP
Social Housing											1330	DP
Capital Spares											1340	DP
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–		DP
Biological or Cultivated Assets											1360	DP
Intangible Assets		–	–	–	–	–	–	–	–	–		DP
Servitudes											1380	DP
Licences and Rights		–	–	–	–	–	–	–	–	–		DP
Water Rights											1400	DP
Effluent Licenses											1410	DP
Solid Waste Licenses											1420	DP
Computer Software and Applications											1430	DP
Load Settlement Software Applications											1440	DP
Unspecified											1450	DP
Computer Equipment		25 199	738	781	551	551	551	609	635	664		DP
Computer Equipment		25 199	738	781	551	551	551	609	635	664	1470	DP
Furniture and Office Equipment		–	9 488	5 374	1 219	1 219	1 219	1 641	1 714	1 791		DP
Furniture and Office Equipment			9 488	5 374	1 219	1 219	1 219	1 641	1 714	1 791	1490	DP
Machinery and Equipment		–	6 686	–	–	–	–	5 967	6 229	6 461		DP
Machinery and Equipment			6 686					5 967	6 229	6 461	1510	DP
Transport Assets		2 517	8 776	3 785	1 875	1 875	1 875	1 952	2 038	2 130		DP
Transport Assets		2 517	8 776	3 785	1 875	1 875	1 875	1 952	2 038	2 130	1530	DP
Land		–	–	–	–	–	–	–	–	–		DP
Land											1550	DP
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–		DP
Zoo's, Marine and Non-biological Animals											1570	DP
Total Depreciation	1	**423 582**	**454 064**	**448 974**	**507 217**	**507 217**	**507 217**	**492 913**	**514 601**	**537 710**		

References

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

Check	0	(0)	–	0	0	0	0	(1)	(48)	

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		–	–	–	–	135 100	135 100	87 500	114 974	150 083
Roads Infrastructure		–	–	–	–	73 400	73 400	36 000	42 974	55 000
Roads					–	73 400	73 400	36 000	42 974	55 000
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	4 000	5 000	4 083
Drainage Collection								4 000	5 000	4 083
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	6 700	6 700	15 500	28 000	28 000
Power Plants										
HV Substations					–	6 700	6 700	15 500 000	28 000 000	28 000 000
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	–	38 500	38 500	12 500	27 500	47 500
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution					–	38 500	38 500	12 500	27 500	47 500
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	16 500	16 500	19 500	11 500	15 500
Pump Station										
Reticulation					–	16 500	16 500	19 500	11 500	15 500
Waste Water Treatment Works										
Outfall Sewers										
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		–	–	–	–	3 025	3 025	–	–	–
Community Facilities		–	–	–	–	3 025	3 025	–	–	–
Halls										
Centres					–	3 025	3 025			
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										

Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Other assets		-	-	-	-	**1 580**	**1 580**	**3 942**	**4 054**	**4 172**
Operational Buildings		-	-	-	-	80	80	2 442	2 554	2 672
Municipal Offices					-	80	80	2 442	2 554	2 672
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		-	-	-	-	1 500	1 500	1 500	1 500	1 500
Staff Housing					-	1 500	1 500	1 500	1 500	1 500
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										
Total Capital Expenditure on upgrading of existing assets	1	-	-	-	-	**139 705**	**139 705**	**91 442**	**119 028**	**154 255**
Upgrading of Existing Assets as % of total capex		*0,0%*	*0,0%*	*0,0%*	*0,0%*	*24,1%*	*24,1%*	*14,6%*	*18,4%*	*23,4%*
Upgrading of Existing Assets as % of deprecn"		*0,0%*	*0,0%*	*0,0%*	*0,0%*	*27,5%*	*27,5%*	*18,6%*	*23,1%*	*28,7%*

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 expen

check balance	-	-	-	-	-	-	-	-	-	

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

Vote Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Present value
Capital expenditure	1							
Vote 1 - EXECUTIVE MAYOR		100	105	109	114	120	125	
Vote 2 - MUNICIPAL MANAGER		14 376	11 613	12 093	12 649	13 231	13 840	
Vote 3 - CORPORATE SUPPORT SERVICES		4 025	4 000	4 000	4 184	4 376	4 578	
Vote 4 - BUDGET AND TREASURY		212	55	57	60	63	65	
Vote 5 - PUBLIC SAFETY		23 705	8 198	5 713	5 976	6 251	6 538	
Vote 6 - PLANNING AND HUMAN SETTLEMENT		7 500	7 776	8 065	8 436	8 824	9 230	
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		17 077	15 240	15 711	16 434	17 190	17 981	
Vote 8 - COMMUNITY DEVELOPMENT		34 148	55 514	21 309	22 290	23 315	24 388	
Vote 9 - TECHNICAL AND INFRASTRUCTURE		249 882	256 628	283 226	296 254	309 882	324 137	
Vote 10 - ROADS AND TRANSPORT		275 845	288 164	309 013	323 228	338 096	353 649	
Vote 11 - MUNICIPAL ENTITY		–	–	–	–	–	–	
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	
List entity summary if applicable								
Total Capital Expenditure		**626 870**	**647 292**	**659 297**	**689 625**	**721 348**	**754 530**	**–**
Future operational costs by vote	2							
Vote 1 - EXECUTIVE MAYOR		161 830	168 929	176 509	184 629	193 121	202 005	
Vote 2 - MUNICIPAL MANAGER		104 406	102 932	107 513	112 459	117 632	123 043	
Vote 3 - CORPORATE SUPPORT SERVICES		83 440	87 111	91 031	95 219	98 405	102 932	
Vote 4 - BUDGET AND TREASURY		261 805	272 224	283 294	296 325	309 956	324 214	
Vote 5 - PUBLIC SAFETY		330 062	337 840	353 043	369 283	386 270	404 039	
Vote 6 - PLANNING AND HUMAN SETTLEMENT		69 021	72 058	75 301	78 765	82 388	86 178	
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		34 368	32 480	33 942	35 503	37 136	38 844	
Vote 8 - COMMUNITY DEVELOPMENT		516 048	538 829	563 135	589 039	616 135	644 477	
Vote 9 - TECHNICAL AND INFRASTRUCTURE		3 224 532	3 366 414	3 517 904	3 679 728	3 848 995	4 026 049	
Vote 10 - ROADS AND TRANSPORT		360 904	376 610	397 889	416 192	435 337	455 363	
Vote 11 - MUNICIPAL ENTITY		183 772	193 356	203 694	213 064	222 865	233 117	
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
List entity summary if applicable								
Total future operational costs		5 330 189	5 548 784	5 803 255	6 070 205	6 348 241	6 640 260	–
Future revenue by source	3							
Property rates		448 942	478 602	510 153	533 620	558 166	583 842	
Service charges - electricity revenue		2 338 646	2 441 546	2 551 416	2 668 781	2 791 545	2 919 956	
Service charges - water revenue		519 713	542 580	566 996	593 078	620 360	648 896	
Service charges - sanitation revenue		387 019	404 048	422 230	441 653	461 969	483 219	
Service charges - refuse revenue		156 184	163 056	170 393	178 231	186 430	195 006	
Rental of facilities and equipment		11 078	11 566	12 086	12 642	13 224	13 832	
List other revenues sources if applicable		1 974 794	2 168 659	2 243 691	1 756 766	1 837 578	1 922 106	
List entity summary if applicable								
Total future revenue		5 836 376	6 210 057	6 476 965	6 184 772	6 469 271	6 766 858	–
Net Financial Implications		**120 682**	**(13 980)**	**(14 413)**	**575 058**	**600 317**	**627 932**	**–**

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)

NW373 Rustenburg - Supporting Table SA36 Consolidated detailed capital budget

R thousand														2020/21 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2019/20	Current Year 2020/21 Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality:																
List all capital projects grouped by Function																
Roads and Stormwater	Meriting Roads & Stormwater Ward 18 Phase 4 (Ward 4,5,6)								4,5,6					53,241	15,000	22,000
DTIS : Electrical Eng Services	Replacement of 33kV Cables (Industries and Noord Substation 4700, Park and Munic Substation 3200m, Munic and Boschdal Substation 4300m, Park and Donkerhoek Substation 4600m, Park and Boschdal Substation 3900m)													35,550	–	–
DTIS : Water Service	Capex : P.P.E > Sewer_Outfall Sewers (Water Conservation and Demand Management)													25,947	48,728	44,311
RRT : Rustenburg Rapid Transport	BUS DEPOT													21,131	32,376	33,672
RRT : Rustenburg Rapid Transport	STATIONS													19,437	22,240	29,457
Roads and Stormwater	Construction of Marikana roads and stormwater (Mfidikoe & Thubaneng)								34,29					19,000	12,000	20,000
RRT : Rustenburg Rapid Transport	NON MOTORISED WALK AWAY													18,500	26,222	16,340
DTIS : Electrical Eng Services	Refurbishment of vandilized network													18,000	18,000	18,000
Roads and Stormwater	Meriting Roads & Stormwater Ward 18 Phase 4 (Ward 3)- Seraleng								3					16,000	5,000	15,000
RRT : Rustenburg Rapid Transport	INTERIM BUS DEPO													14,560	15,142	15,746
Roads and Stormwater	Storm Water Drains - Phatsima													14,000	19,030	5,000
DCD: Cemeteries	Upgrading of Rietvlei Cemetery Phase 2								16					13,526	25,000	–
DTIS : Electrical Eng Services	Integrated National Electrification Programme (New Boitekong 88/11kv Substation)													12,500	25,000	25,000
DTIS : Electrical Eng Services	Refurbishment of Aged Rural Network													12,500	12,500	12,500
RRT : Rustenburg Rapid Transport	DESIGN, BUILDING AND OPERATIONS													12,058	12,540	13,042
DTIS : Electrical Eng Services	Electrical Tools and Equipment													11,975	7,600	8,750
DTIS : Electrical Eng Services	Refurbishment of Traffic Light Intersections													10,000	15,000	15,000
DTIS : Electrical Eng Services	Distribution - Refurbishment of 11kV Substation Equipment													10,000	12,500	15,000
DCD: Sport Facilities	Tlhabane West Sports Facility													10,000	20,000	10,000
DTIS : Electrical Eng Services	Capex : Inta > Supervisory Ctrl & Data Acquisition (S.C.A.D.A) Sys													10,000	10,000	10,000
RRT : Rustenburg Rapid Transport	TURNAROUND FACILITY													9,360	9,734	10,124
Roads and Stormwater	Construction of Boitekong Ward 19 Roads & Stormwater (Ward 40)													8,000	6,500	7,000
EMERGENCY AND DISASTER	DISASTER VEH- (SKIT UNIT, CABS, COMBI, PANEL, MINI TRUCK)													8,000	400	700
DTIS : Water Service	Augmentation of water supply to the Nkandla Area													7,000	7,000	7,000
DTIS : Water Service	Augmentation of water supply to Freedom Park (Ward 24)													7,000	7,000	7,000
ESTATES	Capex : P.P.E > Land Acquisition													6,000	6,276	6,565
DTIS : Sanitation ServiceA	Capex : P.P.E > Upgrade - Marikana Outfall Sewer													6,000	6,000	6,000
DTIS : Water Service	Rustenburg CBD AC & Aged Water Meters Replacement & Connections													5,500	5,500	5,500
DCD : CIVIL FACILITIES DEVELOPMENT	Capex : P.P.E > REVAMP of MPHENI													5,230	5,471	5,722
Roads and Stormwater	Monnakato Roads and Stormwater								25					5,000	15,000	20,000
Roads and Stormwater	Lethabong Ward 27 Roads and Stormwater								27					5,000	15,000	20,000
Roads and Stormwater	Lethabong Ward 28 Roads and Stormwater								28					5,000	15,000	20,000
Roads and Stormwater	Construction of Boitekong Ward 19 Roads & Stormwater (Ward 20)													5,000	6,500	7,000
OMM: Project Management Unit	Construction of Sidewalks from Marikana CBD to Township													5,000	5,000	5,000
OMM: Project Management Unit	Marikana Main Road Upgrade													5,000	5,000	5,000
ENTERPRISE DEVELOPMENT [LOCAL EI	PRORERTY, PLANT & EQUIPMENT : BOITEKONG TRADING HUB													5,000	5,000	5,000
DTIS : Sanitation Service	Replacement Of Tlhabane Ac Sewer Bulk Line													5,000	–	–
DTIS : Sanitation Service	REPLACEMENT OF AC SEWER PIPES - PROTEA PARK													4,500	4,500	4,500
DTIS : Electrical Eng Services	Dinne Estates Bulk Line													4,200	–	–
DTIS : Water Service	Marikana: Madilokwe Informal Settlement													4,000	4,000	4,000
DTIS : Water Service	Construction of Bulk Water Pipeline: Bospoort													4,000	25,000	45,000
Roads and Stormwater	Upgrading of Roads: Ramochana													4,000	5,000	15,000
Roads and Stormwater	Upgrading of Roads and Stormwater in Robega													4,000	14,474	13,000
Roads and Stormwater	Upgrade -Makolokwe Internal Roads													4,000	6,500	7,000
Roads and Stormwater	Construction of Boitekong Ward 19 Roads & Stormwater (Ward 21)													4,000	6,500	7,000
Roads and Stormwater	Upgrade & Construction of Roads: Kanana													4,000	12,000	5,000
DTIS : Sanitation Service	Upgrading - Western Bulk Sewer Lines													4,000	1,000	5,000
Roads and Stormwater	Storm Water Drains - Freedom Park													4,000	5,000	4,083
INFORMATION TECHNOLOGY [CORPOR	Capex : P.P.E > Computer Equip - Laptops													4,000	4,000	4,000
OMM: Project Management Unit	Furniture													4,000	1,500	2,000
Roads and Stormwater	Construction of Boitekong Ward 19 Roads & Stormwater (Paardekraal)													4,000	5,000	–
Roads and Stormwater	Marikana Roads and Stormwater Drainage (Bethanie)													4,000	3,000	–
Roads and Stormwater	Marikana Roads and Stormwater Drainage (Thekwane)													4,000	–	–
Roads and Stormwater	Marikana Roads and Stormwater Drainage (Photsaneng)													4,000	–	–
DTIS : Water Service	Tlhabane AC Water													4,000	–	–
DTIS : Water Service	The augmentation of water supply to the Boschfontein (Ward 35)													3,400	3,400	3,400
LAW ENFORCEMENT	SECURITY SYSTEMS & CCTV CAMERAS													3,400	1,500	700
RRT : Rustenburg Rapid Transport	UPGRADE OF RRT OFFICE													3,288	–	–
DTIS : Electrical Eng Services	Distribution - Refurbishment of 11KV Substation Buildings													3,000	4,000	5,000
DTIS : Electrical Eng Services	Capex : P.P.E > Upgrading - Electricity Network													3,000	3,000	3,000
DTIS : Sanitation ServiceA	Boitekong Ext 8 - Upgrading of pump station													3,000	–	–
RRT : Rustenburg Rapid Transport	FURNITURE													2,740	2,850	2,964
DTIS : Water Service	CONSTRUCTION of SYFERBULT WATER SUPPLY													2,700	2,700	2,700
DTIS : Water Service	NW373_340 - WSIG_Distrib/Acquisitions/Water Services Infrastru/Water Distribution/Ward 17/Default/DTS : Water Service													2,500	2,500	2,500
DTIS : Water Service	Upgrading of Water Supply Infrastructure in Syferbult													2,500	2,500	2,500
DTIS : Water Service	Lekgalong Water Supply													2,500	2,500	2,500
DTIS : Electrical Eng Services	Ripple Relays Streetlights and Geysers (New)													2,500	8,000	6,015
LAW ENFORCEMENT	BIOMETRICS SYSTEM													2,400	1,000	500
ENTERPRISE DEVELOPMENT [LOCAL EI	PROPERTY, PLANT AND EQUIPMENT : RUSTENBURG FLEA MARKET_SEIF													2,287	–	–

LAW ENFORCEMENT	VEHICLES (TOWING VEHICLES 4 TON, TRUCK WITH CANOPY, CANOPIES)																	2,200	100	1,200
DCD : CIVIL FACILITIES DEVELOPMENT	Capex : P.P.E > Revamp_Civic Centre																	2,092	2,188	2,289
DTIS: Street Lighting	Installation of High Mast Light in Robega																	2,000	3,500	4,000
DTIS: Street Lighting	Installation of High Mast Light in Mosenthal/ Ikagong																	2,000	3,500	4,000
DTIS: Street Lighting	Installation of High Mast Light in Kanana Phase 2																	2,000	3,500	4,000
DTIS : Electrical Eng Services	HV Test machine and Equipment (replacement)																	2,000	-	2,500
RURAL DEVELOPMENT [LOCAL ECONOI	PROPERTY, PLANT AND EQUIPMENT : RENOVATIONS FPSU (FARMER'S PRODUCTION SUPPORT UNIT)																	2,000	2,092	2,188
EMERGENCY AND DISASTER	REFURBISHMENT OF FIRE STATIONS X 3																	2,000	1,000	500
EMERGENCY AND DISASTER	WATER TOWER AT MARIKANA FIRE HOUSE																	2,000	1,000	-
DTIS : Water Service	Phatsima Extension 3 Water Supply Scheme and Yard Connection																	2,000	-	-
DTIS : Sanitation Service	Sewer Lethabong & Toilet Structures																	2,000	-	-
DTIS : Sanitation Service	Upgrading & Extension Of The Bospoort Water Treatment Plant																	2,000	-	-
DTIS : Water Service	NW373_340 - WSIG_Provisi/Acquisitions/Water Services Infrastru/Water Distribution/Ward 36/Default/DTIS : Water Service																	1,700	1,700	1,700
HOUSING PROVISION	Capex : P.P.E > Replacement_ Stoves & Gysers																	1,500	1,500	1,500
DTIS : Electrical Eng Services	Injection tester - Primary and secondary																	1,200	1,500	1,750
DCD : Parks And Open Areas	Three Z3/25 staff transporters																	1,200	-	-
DTIS : Water Service	340 -REPLACEMENT OF AC PIPES - RUSTENBURG NOORD																	1,000	1,000	1,000
DCD: Waste Management	Construction of Marikana Waste Transfer Station																	1,000	2,500	3,000
DTIS : Electrical Eng Services	Batteries and Chargers																	1,000	1,500	1,500
POLICY AND RESEARCH [LOCAL ECONI	PROPERTY, PLANT AND EQUIPMENT : OUTDOOR ADVERTISING FURNITURE																	1,000	1,046	1,094
RURAL DEVELOPMENT [LOCAL ECONOI	PROPERTY, PLANT AND EQUIPMENT : SIGNAGES (VIC AND FPSU)																	1,000	1,046	1,094
RURAL DEVELOPMENT [LOCAL ECONOI	PROPERTY, PLANT AND EQUIPMENT : UPGRADING OF ENTRANCE/EXIT GATES																	1,000	1,046	1,094
RURAL DEVELOPMENT [LOCAL ECONOI	PROPERTY, PLANT AND EQUIPMENT : INSTALLATION ALARM SYSTEM																	1,000	1,046	1,094
DTIS : Sanitation ServiceA	Savanna Falls - Sewer connection																	1,000	-	-
Roads and Stormwater	Upgrading of Roads and Stormwater in Mamerotse																	1,000	-	-
Roads and Stormwater	Upgrading of Roads and Stormwater in Lefaragailhe																	1,000	-	-
Roads and Stormwater	Upgrading of roads and stormwater in Maile																	1,000	-	-
Roads and Stormwater	Upgrading of Roads: Sondela																	1,000	-	-
DTIS : Water Service	Erection of A 3ML Steel Tank At Tierkloof																	1,000	1,000	1,000
DTIS : Water Service	Provision of Temporary Water Supply in Rietvlei																	700	700	700
DTIS : Electrical Eng Services	Distribution - Replacement of Electricians Tool Boxes																	500	600	700
LICENSE AND TESTING	STAFF & PUBLIC TOILETS (MARIKANA REGISTERING AUTHORITY & ROBEGA)																	500	-	600
ENTERPRISE DEVELOPMENT [LOCAL E	PROPERTY, PLANT AND EQUIPMENT : SHOWGROUNDS MAINTENANCE AND UPGRADE																	500	523	547
RURAL DEVELOPMENT [LOCAL ECONOI	PROPERTY, PLANT AND EQUIPMENT : COMPUTERS AND LAPTOPS																	500	523	547
RURAL DEVELOPMENT [LOCAL ECONOI	PROPERTY, PLANT AND EQUIPMENT : GENERATORS																	500	523	547
LICENSE AND TESTING	BACK-UP GENERATOR, DLTC MARIKANA AND ROBEGA																	500	-	-
LAW ENFORCEMENT	PORTABLE OFFICE																	500	-	-
RURAL DEVELOPMENT [LOCAL ECONOI	PPEQ : FURNITURE AND OFFICE EQUIPMENT																	490	513	536
RRT : Rustenburg Rapid Transport	MACHINERY AND EQUIPMENT																	404	421	437
RURAL DEVELOPMENT [LOCAL ECONOI	PROPERTY, PLANT AND EQUIPMENT : RENOVATIONS TIDC (TOURISM INFORMATION DEVELOPMENT CENTRE)																	350	366	383
Mechanical Engineering Services	Tool boxes : Mechanics X7																	350	-	-
EMERGENCY AND DISASTER	OFFICE FURNITURE & EQUIPMENT (FRIDGE, MICROWAVE, AIRCON)																	310	143	148
ENTERPRISE DEVELOPMENT [LOCAL E	PRORERTY, PLANT & EQUIPMENT : SMME TRAINING CENTRE																	300	314	328
ENTERPRISE DEVELOPMENT [LOCAL E	PRORERTY, PLANT & EQUIPMENT : REFURBISHMENT OF HAWKER STALLS																	300	314	328
RURAL DEVELOPMENT [LOCAL ECONOI	PPEQ : FIRE HYDRANTS AND HOSES																	300	314	328
TRAFFIC SERVICES	BAKKIE WITH CANOPY FOR WARRANTS																	300	-	-
LICENSE AND TESTING	FURNITURE FOR MARIKANA REGISTERING AUTHORITY																	300	-	-
LICENSE AND TESTING	SHELTER FOR CLIENT WAITING FOR SERVICE MARIKANA & ROBEGA																	300	-	-
DCD : Parks And Open Areas	Capex : P.P.E > Brushcutters - Parks																	300	-	-
DCD : LIBRARY AND INFORMATION SER	OFFICE & SPECIALIZED LIBRARY FURNITURE																	270	145	83
POLICY AND RESEARCH [LOCAL ECONI	INTANGIBLE ASSETS : DATABASE SOFTWARE																	250	262	274
DTIS : Electrical Eng Services	Distribution - Replacement of Hydraulic Hand Tools In Store Room																	200	200	200
LAW ENFORCEMENT	EQUIPMENT (PORTABLE RADIO, FIREARMS)																	180	100	70
LAW ENFORCEMENT	POUND REFURBISHMENT																	150	50	50
Mechanical Engineering Services	Furniture																	150	-	-
Mechanical Engineering Services	Tool boxes : Fitters x2 , boilermaker X 3 and Air con tech x1																	150	-	-
DCD : Parks And Open Areas	05 tractor slashers																	130	-	-
OMM: Regional Community Centres	CONCRETE PALLISADE FENCING MARIKANA RCC																	124	-	-
DCD : Parks And Open Areas	Vehicle trailers																	120	-	-
RRT : Rustenburg Rapid Transport	LAPTOPS																	110	114	119
OEM : Executive Mayor	Communications - Equipment/Tools of Trade																	100	105	109
RURAL DEVELOPMENT [LOCAL ECONOI	PPEQ : CARPORT X15																	100	105	109
RURAL DEVELOPMENT [LOCAL ECONOI	PROPERTY, PLANT AND EQUIPMENT : SOLAR PANELS																	100	105	109
TRAFFIC SERVICES	PORTABLE RADIO																	100	80	50
TRAFFIC SERVICES	BLUE LAMPS FOR MANAGERS																	100	50	30
TRAFFIC SERVICES	OFFICE FURNITURE																	100	50	20
LAW ENFORCEMENT	OFFICE FURNITURE																	100	50	20
TRAFFIC SERVICES	CARPORTS FOR COUNCIL VEHICLES																	100	-	-
Mechanical Engineering Services	Mobile welding Machine																	90	-	-
OMM: Internal Audit	Audit software: Licence fees																	85	89	93
OMM: Regional Community Centres	FURNITURE FREEDOM PARK RCC																	85	-	-
BTO : SUPPLY CHAIN MANAGEMENT	CAMERAS																	80	-	-
BTO : SUPPLY CHAIN MANAGEMENT	RECORDERS																	80	-	-
OMM: Internal Audit	Laptops																	72	24	-
DCD : Swimming Pools	Water Pumps and Motors																	65	60	65
DCD : Parks And Open Areas	Blower machines for Parks																	60	-	-
BTO : CHIEF FINANCIAL OFFICER	FURNITURE AND FITTINGS																	52	55	57
DCD : LIBRARY AND INFORMATION SER	AIR CONDITIONER																	50	150	150
RURAL DEVELOPMENT [LOCAL ECONOI	PROPERTY, PLANT AND EQUIPMENT : HIGH MAS" LIGHTS																	50	52	55

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WATER SERVICES	Rustenburg North - AC Water Pipes replacement															
WATER SERVICES	Dinie Estates - Water supply Phase 2															
WATER SERVICES	Maumong - Water supply Phase 3															
WATER SERVICES	Lekgalong - Water supply Phase 5															
WATER SERVICES	Makolokwe - Water supply Phase 2															
WATER SERVICES	Water Conservation and Water Demand Management															
WATER SERVICES	Meters - Bodorp/Zinniaville And												10,000			
WATER SERVICES	SMART CITY - PREPAID METER ROLLOUT (ALL WARDS)															
WATER SERVICES	Capex : P.P.E > Smart City - Prepaid Meters												-			
WATER SERVICES	Capex : P.P.E > Meters - Bodorp/Zinniaville And												-			
SANITATION	Capex : P.P.E > Upgrading Of The Monnakato Waste Water Treatment Works												200			
SANITATION	Capex : P.P.E > Upgrading - Western Bulk Sewer Lines												9,841			
SANITATION	Capex : P.P.E > Upgrading - Western Bulk Sewer Lines												-			
SANITATION	Capex : P.P.E > Replacement Of Tlhabane Ac Sewer Bulk Line												17,685			
SANITATION	Capex : P.P.E > Upgrading & Extension Of The Bospoort Water Treatment Plant												8,869			
SANITATION	Capex : P.P.E >Lethabong Sewer Reticulation and Toilet Structures in Ward 27 & 28 Phase 3												-			
SANITATION	Lethabong Sewer Reticulation and Toilet Structures in Ward 27 & 28 Phase 4															
SANITATION	Replacement Of Ac Sewer Pipes - Rustenburg Noord															
SANITATION	Upgrading Of Sanitation Infrastructure in various wards															
SANITATION	Upgrade - Marikana Outfall Sewer												26,250			
SANITATION	Sewer pumps - Two (replacement)												80			
SANITATION	Industrial Washing Machine - New												50			
Parent Capital expenditure													**671,337**	**578,806**	**626,870**	**647,292**	**659,297**
Entities:																	
List all capital projects grouped by Entity																	
Entity A																	
Water project A																	
Entity B																	
Electricity project B																	
Entity Capital expenditure													-	-	-	-	-
Total Capital expenditure													**671,337**	**578,806**	**626,870**	**647,292**	**659,297**

NW373 Rustenburg - Supporting Table SA37 Projects delayed from previous financial year/s

R thousand												Previous target year to complete	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude		Original Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality:																	
List all capital projects grouped by Function																	
CEMETERIES	**DEVELOPMENT OF BOITEKONG CEMETERY**											**6 654**	**7 013**	**7 013**	**7 392**	**7 791**	**8 149**
ROADS AND STORMWATER	**ASIMONE ROADS & STORMWATER DRAINAGE**												**–**	**–**	**–**	**–**	**–**
ROADS AND STORMWATER	**ERITING - ROADS AND STORMWATER- WARD 18**											**8 500**	**8 959**	**8 959**	**9 443**	**9 953**	**10 411**
ROADS AND STORMWATER	**FREEDOM PARK ROADS & STORMWATER**											**8 140**	**8 580**	**8 580**	**9 043**	**9 531**	**9 970**
RUSTENBURG RAPID TRANSPORT	**MOTORISED TRANSPORT WALK WAYS AND BUS STOPS, CONTRACT B**											**8 000**	**8 432**	**8 432**	**8 887**	**9 367**	**9 798**
RUSTENBURG RAPID TRANSPORT	**CONSTRUCTION OF THE RRT STATIONS**											**52 000**	**54 808**	**54 808**	**57 768**	**60 887**	**63 688**
WATER SERVICES	**WATER CONSERVATION DEMAND**											**26 000**	**25 000**	**25 000**	**26 350**	**27 773**	**29 050**
WATER SERVICES	**MARIKANA OUTFLOW**											**30 000**	**10 000**	**10 000**	**10 540**	**11 109**	**11 620**
WATER SERVICES	**REPLACEMENT OF AC SEWER PIPES**											**36 840**	**–**	**–**	**–**	**–**	**–**
RUSTENBURG RAPID TRANSPORT	NON-MOTORISED TRANSPORT WALK WAYS AND BUS STOPS, CONTRACT B											33 000	8 000	8 000	8 432	8 887	**9 296**
RUSTENBURG RAPID TRANSPORT	RRT Stations											43 000	18 000	18 000	18 972	19 996	**20 916**
RUSTENBURG RAPID TRANSPORT	RRT Bus Depot											11 000	18 000	18 000	18 972	19 996	**20 916**
RUSTENBURG RAPID TRANSPORT	DESIGNING, BUILDING AND OPERATION OF INTELLIGENT TRANSPORT SYSTEMS											23 000	23 000	23 000	24 242	25 551	**26 726**
																	–
Entities:																	
List all capital projects grouped by Entity																	
Entity Name																	
Project name																	

References

List all projects with planned completion dates in current year that have been re-budgeted in the MTREF

Asset class as per table A9 and asset sub-class as per table SA34

GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.

NW373 Rustenburg - Supporting Table SA38 Consolidated detailed operational projects

R thousand												Prior year outcomes		2021/22 Medium
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome 2019/20	Current Year 2020/21 Full Year Forecast	Budget Year 2021/22
Parent municipality:														
List all operational projects grouped by Function														
Employee related costs												739 404	792 398	828 848
Councillors remuneration												60 893	64 306	67 265
Debt impairment												635 638	860 087	868 769
Depreciation												448 974	507 217	530 549
Interest expense - External loans												50 877	43 444	45 443
Bulk purchase												2 274 386	1 826 419	1 910 434
Repairs and maintenance												212 063	18 070	19 041
Contracted Services												251 400	453 970	474 852
Transfers and Subsidies												17 892	18 684	19 543
Other expenditure												239 366	230 495	241 103
Parent Operational expenditure												**4 930 892**	**4 815 090**	**5 005 849**
Entities:														
List all Operational projects grouped by Entity														
Entity A														
Water project A														
Entity B														
Electricity project B														
Entity Operational expenditure												**–**	**–**	**–**
Total Operational expenditure												**4 930 892**	**4 815 090**	**5 005 849**

References

Must reconcile with Budgeted Operating Expenditure

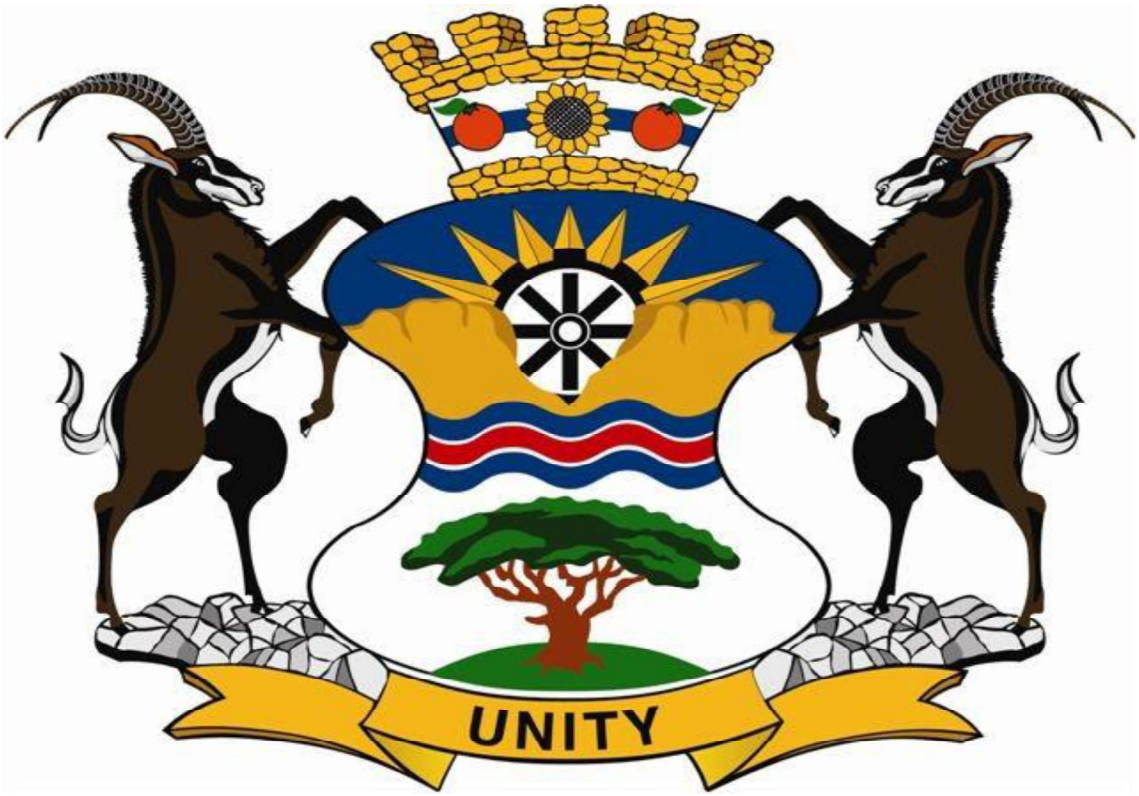
Asset class as per table A9 and asset sub-class as per table SA34

GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.

Project Number consists of MSCOA Project Longcode and seq No (sample PO001001002001002001002_00066)

check (0) 162 966 324 340

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 integrate spatially, economically and the impact or benefits to the community must be understood by all. Ideally, the economic empowerment initiatives by each organ of state must be harmonised with the initiatives of other organs of state.

1.1 Economic Empowerment

Various legislations encourages 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 2017/2018 financial year with a key focus on the following initiativel.

Development initiatives;

- Development of sectors of an industry, e.g. Small business, women owned business and local industry development.
- Development of sub-contractors to Prime Contractors.
- Development of management capacity of small businesses
- Local Economic Development
- Job Creation
- Poverty Alleviation
- Community-based developments

In these form/methods SMME's can be brought into the mainstream through Contractor participation Goals (CPG), joint venture, 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 with most youth being unemployed. 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 thrust 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

5. 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 stipulates as a condition of tender as outlined in clause 5.4 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.

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.

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.

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.

6. 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 to those operating as prime contractors or suppliers.

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.

7. 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;

(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

These programmes and initiatives include, amongst other things, the following;

- EPWP Construction Contractor Incubator/Development Program
- CPG's 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

8. 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

9. CPG's 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.

10. 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

11. 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

12. 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.

13. 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 be specify that 100% unskilled labour and 50 % skilled labour shall be sourced from the Local Community

14. 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 cutting
- Cleaning of municipal buildings
- Cleaning of streams / storm water

15. Suggested measures to support and grow SMME's 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

16. 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

17. 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 CPG's as part of their empowerment initiatives
- Analysis of their 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.

18. 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;
  - 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;

  - 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 IPP's 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**

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.

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.

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) and generally accepted municipal accounting practice (GAMAP) and any other accounting requirements which may be prescribed.

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

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 ovement 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**	**RLM 005**	**Chapter 6**

	(To be used in respect of all broken, damaged, missing as well as eventually obsolete/redundant assets,)		
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 OFASSETS

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 assets shall be recorded in the asset register in the same manner as another asset.

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 are 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) 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.

4.4 Maintenance of the Asset Register

4.4.1 Information to be Included in the Asset Register

ACQUISTION	IDENTIFICATION & LOCATION	ACCOUNTING	PERFOMANCE	DISPOSAL	ACCOUNTING
- Date	- Asset Classification	- Department	- Capacity	- Date	- Cost

- Amount - Supplier - Reference	- Asset number - Bar-code - Description - Location	- Custodian - Restrictions - Ownership	- Performance measures - Condition assessment - Useful lives - Residual values	- Amount - Capacity - Condition - Remaining useful life - Residual value - Reason	- 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	8 - 80
Emergency equipment	3 - 5
Furniture and fixtures	5 - 15
Heritage assets	Indefinite
Infrastructure Electricity	5 - 50
Infrastructure Roads and Transport	5 - 100
Infrastructure Sewerage	10 - 70
Infrastructure Water	5 - 70
Intangible assets	3
Investment Property	7 - 40
Land	Indefinite
Land Inventory	Indefinite
Motor vehicles	5 - 15
Office equipment	3 - 7
Other-Library	7
Plant and machinery	2 - 15
Specialised vehicle	7 - 10

RUSTENBURG LOCAL MUNICIPALITY

DRAFT REVISED MUNICIPAL BEREAVEMENT POLICY FOR SERVING AND FORMER COUNCILLORS

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 is a funeral in honour of the deceased Councilor or Former Councillor which is arranged by and held under the name of the Council. The family of the deceased Councilor 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 need to the bereaved family.
2.4 To provide assistance to bereaved families in the event of death of a Councillor and a Former Councillor.

2.1 DEFINTIONS

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 established 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 apply 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, language 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 Former Councillors 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 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 The Council shall bear all the costs to be incurred in the running of the civic bereavement to the maximum amount of R 50 000.00 (Fifty Thousand Rand).

6.2 The total amount as approved by Council shall be paid to the family.

6.3 Payment for the funeral claims shall be timeously made before the funeral or cremation.

7. ARRANGEMENT OF THE MEMORIAL SERVICE

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

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 municipality choice shall be arranged at no cost to the municipality.

7.5 The memorial service 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 ARRANGEMENTS CREMATION SERVICES

8.1 At the discretion of the family, the family service may take place at the home of the deceased councillor or ex-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.

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.

REVISION HISTORY

DATE OF REVISION: _____

REASON FOR CHANGE: _____

EFFECTIVE DATE: _____

DATE OF COUNCIL

APPROVAL: _____

COUNCIL RESOLUTION NO----------

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), (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)

- **Virement may not be approved within the first three months of a financial year**.

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.

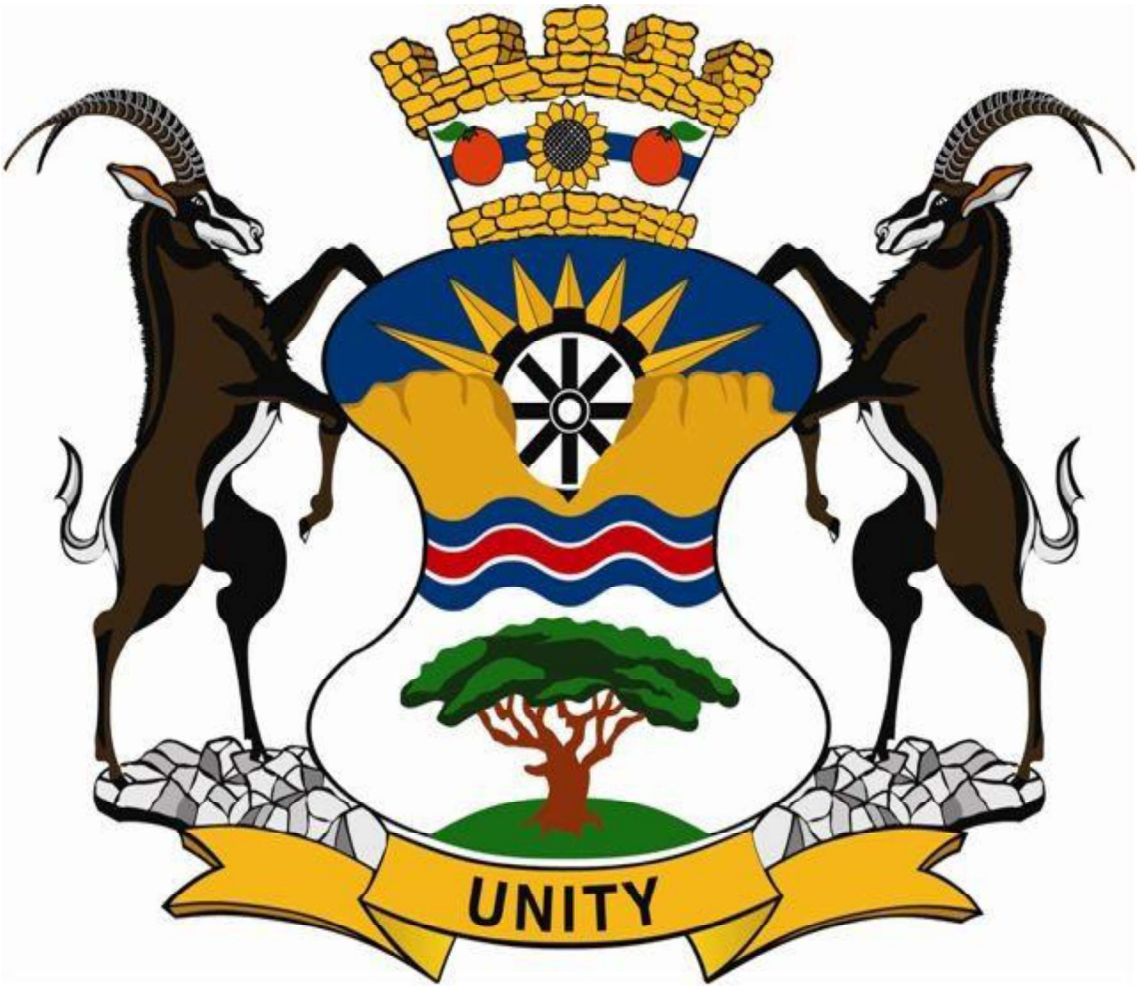
The budget for the current financial year will be reduced by the amount of the rollover required for the next financial year. Only existing projects can be rolled over and no new projects can be created.

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



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



Contract Management Policy

First Draft

March 2020

DRAFT

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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
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

DRAFT

	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)

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.

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."

2 CONTRACTS

2.1 Types of contracts

The bidding documents should clearly state the type of contract to be entered into and contain the appropriate contract provisions.

- The most common types of contracts provide for payments based on lump sum prices, unit prices, reimbursable cost plus fees, or combinations thereof.
- 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.

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 CUSTODIAN 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

6 SCOPE AND OBJECTIVES

6.1 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.

6.2 This policy/procedure applies to all contracts entered into by the Municipality as a result of its SCM Policy.

6.3 This policy/procedure should be read and used in conjunction with the Municipal's SCM Policy.

7 PROCEDURE 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 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.

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.

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9.2 In case of non-performance or underperformance by the contractor, remedies as outlined in the contract should be used by the Municipal.

10 AMENDMENT OF A CONTRACT

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.

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.

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 (VAT inclusive) and tenders from R200 0000 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)

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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.

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CONCLUSION

This policy is applicable to all Rustenburg Local Municipality officials and must be implemented from the date of approval.

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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.

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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.

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analyses
9. Packing
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11. Insurance
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16. Payment
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24. Anti-dumping and countervailing duties and rights
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28. Limitation of liability
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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

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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.

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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.

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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.

DRAFT

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.

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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

DRAFT

ANNEXURE D

REGISTER OF ALL MUNICIPAL CONTRACTS

DATE	CONTRACT NUMBER	NAME OF CONTRACTOR	DESCRIPTION OF SERVICE/GOODS	DURATION	PENALTIES	REVIEW DATE	REMARKS/ COMMENTS

DRAFT

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

DRAFT

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

DRAFT

Approved/Not Approved

RECOMMENDED BY:

_____ _____
Chief Financial Officer Date

SUPPORTED BY:

_____ _____
Municipal Manager Date

APPROVED BY:

_____ _____
Council Date

DRAFT

Policy Review

Document Control

DRAFT

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 company. 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 aforementioned employment categories.

Controls

- Directors must ensure that the employment contracts for the aforementioned categories 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.

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. 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.

iii. Hotel accommodation and related costs in respect of consultants may not exceed the amount of R1300 per night per person (including dinner, breakfast and parking). National Treasury may periodically review this amount. 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 (AA SA).

iv. All contracts of consultants must include penalty clauses for poor performance and in this regard, accounting officers must invoke such clauses where deemed necessary.

v. Accounting officers must develop consultancy reduction plans by 31 March of each year for implementation in the ensuing financial year. The first consultancy reduction plan required in terms of Treasury instruction 01 of 2013/2014 must be developed before 31 March 2014 for implementation in the 2014/2015 financial year.

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.

- ❖ Directorates who deal with Consultants must ensure compliance with the NT instruction, as it relates to disbursements for travelling and accommodation for consultants.

- ❖ 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 300 per night per person (including dinner, breakfast and parking). National Treasury may periodically review this amount.

- ❖ The amount of R1300 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

14. 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.

15. VEHICLE USED FOR POLITICAL OFFICE-BEARERS

1) The threshold limits for vehicles purchases relating to official use by political office bearers may not exceed R700 000.00 or 70% of the total annual remuneration package of different grades, whichever is greater.
2) The procurement of vehicles must be undertaken

15. IMPLEMENTATION DATE OF THE COST CONTAINMENT POLICY

The Cost Containment Policy (CCP) will be approved by Council on 2018; and is thus effective as from this date.

16. MONITORING AND EVALUATION

Directors are required to report on a quarterly basis regarding the respective status of implementation of the Cost Containment Policy (CCP) for 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.

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 Fully utilize internal security staff to secure council property and fill all vacant positions for the unit to be effective.

3.2.2 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 Deputy Municipal Managers 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

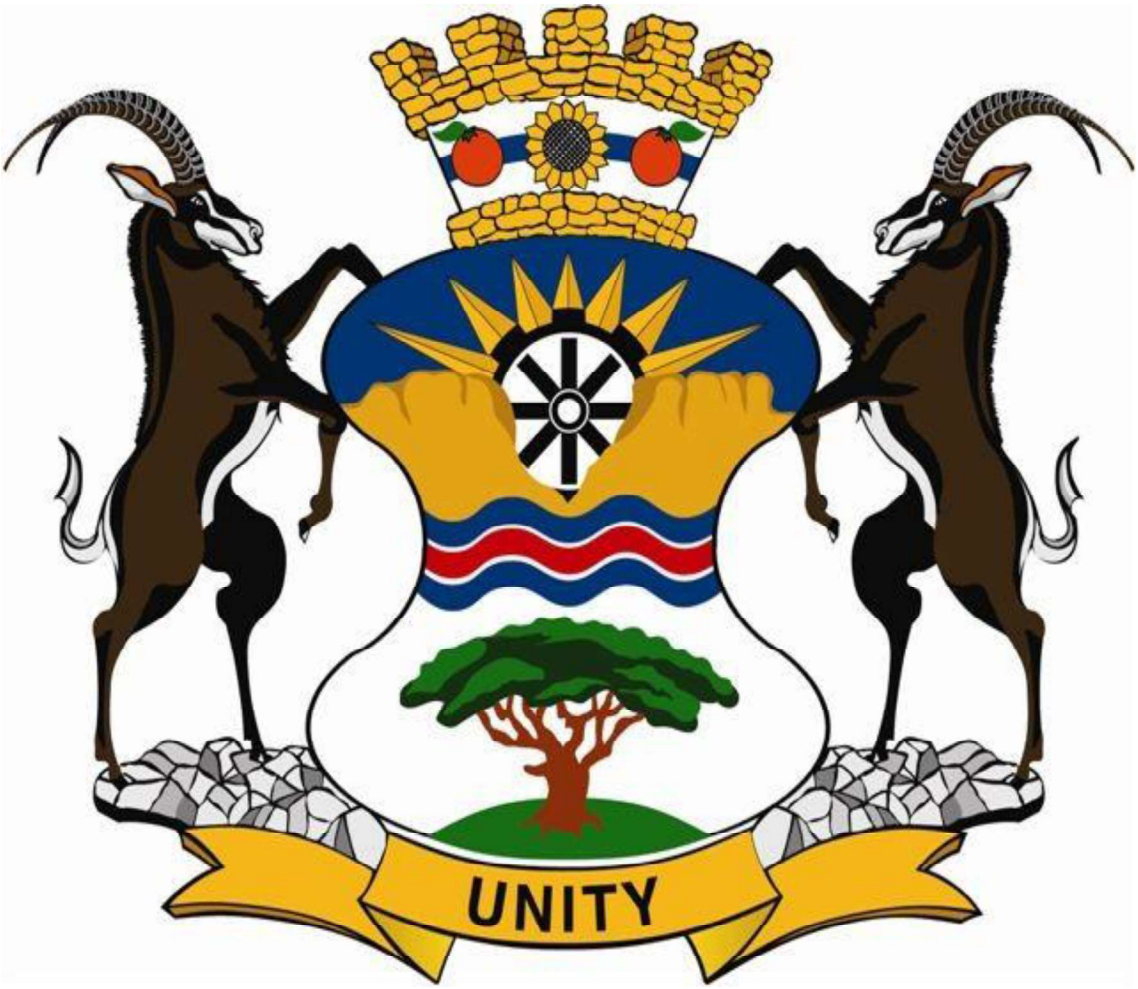
3.6.1 Install motion lights or timers in all council buildings.

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



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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SCHEDULES

SCHEDULE 1	AGREEMENT FOR MUNICIPAL SERVICES

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, respective 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 by delivering statements.

(5) To demand payments of statements 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 queries and service complaints:	Provide 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 regards 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) The Municipality is in the process of phasing out the practice of opening accounts and concluding service agreements with accounts opened and service agreements concluded in the past for persons that do not fall within the definition of "customer", as set out in this policy. Such accounts will be closed and phased out upon the termination of the service agreement to which the account relates. However, these accounts are still valid and persons with whom the Municipality concluded service agreements, and for whom the accounts were opened in the past, will have the rights extended in this policy to a customer, and such persons will for all intents and purposes be considered as "customers" in terms of this policy.

(5) 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.

(6) 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.

(7) 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.

(8) 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.

(9) 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

(10) 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.

(11) 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.

(12) 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.

(13) 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.

(14) 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.

(15) 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.

(16) 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.

(17) 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.

(18) 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.

(19) 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.

(20) 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.

(21) 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.

(22) 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. Exceptions can be made by the Chief Financial Officer only for large power users(as defined in sub-paragraph 6 below) whose deposit is R1 000 000 or more, to accept 50% bank guarantee and 50% cash.

(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 7 (seven) days, from bill date, in which to pay monthly account. A 7 (seven)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.

(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) For the purposes of the implementation of the Indigent Policy of the Municipality and the rendering of indigent support to Registered Indigents, accounts will be opened for Registered Indigents without requiring the payment of any deposit. This arrangement will immediately terminate if the status of the Registered Indigent changes.

(19) 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 ~~daily or~~ monthly consumption (depending on the requirement of the estimate) of the municipal service to the premises during any 3 (three) ~~days or~~ 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 ~~daily or~~ monthly consumption (depending on the requirement of the estimate) of the municipal service to the premises during any 3 (three) ~~days or~~ months where meter readings and/or measurements were obtained, during an 18 (eighteen) month period after the date on which the estimate is required;

(c) ~~the average daily or monthly consumption (depending on the requirement of the estimate) of municipal services to premises or several premises, which are comparable in size, nature and use to the premises for which the estimate is required, during any 3 (three) days or 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;~~

~~(d) the average daily or monthly consumption (depending on the requirement of the estimate) of the municipal service to premises or several premises, which are comparable in size, nature and use to the premises for which the estimate is required during any 3 (three) days or months where meter readings and/or measurements were obtained, during an 18 (eighteen) month period after the date on which the estimate is required;~~

~~(e) in instances where a meter was found to be defective or incorrectly measuring, or tampered with to give an inaccurate reading of the quantity of municipal services, the percentage error or inaccuracy of the meter as determined;~~

~~(f) in instances were no meter or measuring device has been installed, the estimated consumption shall be based on the~~

~~average consumption of the municipal service to the immediate area in which the premises are situated;~~

~~(g) any such consumption or other data in the possession of the Municipality which can assist the Municipality in arriving and making an estimate.~~

(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 ~~and where the measuring device or meter is:~~

~~(i) a meter to which regulations relating to water meters published under the Trade Metrology Act, Act 77 of 1973 are applicable, it will be deemed to be defective if, when tested in accordance with SABS Code 1529 Part 1, it is found to have a percentage error in over-registration or under-registration greater than that permitted for a meter in use in terms of that specification;~~

~~(ii) a meter of a size greater than 100mm diameter but not exceeding 800mm diameter to which the specification referred to sub-paragraph (12)(g)(i) is not applicable, it will be deemed to be defective, when tested in accordance with SABS Code 1529 Part 4-1998 if it is found to have a percentage error in over-registration or under-registration greater than permitted by a meter in terms of that specification;~~

~~(iii) a prepayment water measuring system, it shall be deemed to be defective if, when tested in accordance with SABS Code 1529 Part 9 – 2002, it is found to have a percentage error in over-registration or under- registration greater than that permitted in terms of that specification;~~

(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;

(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.

(17) 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.

(18) 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

(22) 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").

(23) 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.

(24) 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.

(25) 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.

(26) 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.

(27) 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.

(28) 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.

(29) Refuse removal shall form part of the property debt payable by the owner of the property

(30) 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.

(31) 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 R100.00 (hundred rand) 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 by the issue a cheque.

(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.

25. The Municipality shall be entitled to utilise any sundry refundable deposit kept by the Municipality towards the payment of any arrears.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.

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.

(5) Municipal payment facilities will be maintained subject to acceptable levels of activity and having regard to the operational costs thereof.

(6) 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.

(a) 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. The following incentive is offered when arrangement is made to settle debt outstanding.

(i) interest that remain unpaid in the outstanding balance will be granted written back when a once off payment/settlement is made within 30 days.
(j) Interest may not be levied on an account where the customer has signed an acknowledgement of debt and is honoured.should the arrangement not be honoured, the interest shall be charged.

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.

(3) 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.

(4) 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 will not be considered for a new agreement or arrangement unless exceptional circumstances exist;

(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 Municipality shall seize the further levying of interest, on the arrears in the event of an arrangement being entered into. Should the debtor fail to honour the arrangement, any interest not levied, will immediately be levied at the prescribed rate at the time and the entire amount due as interest will also become immediately due and payable together with the balance of the arrears;

(g) 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;

(h) a debtor will be required to complete a debit order for the payment of the instalments payable in terms of the arrangement;

(i) no arrangement for the payment of arrears will be longer than a period of 18 (eighteen) 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) In the event of debtor entering into an arrangement with the Municipality to pay the arrears off in a single instalment, the Municipality will write off interest on the arrears as at the date of the payment of the arrears.

(8) 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 - R5 000	**No arrangements will be made, and the accounts must be settled in full**
~~R~~5 001 - 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 ***6 (Six)*** 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 +	**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.

For all arrangements above R100 000 the Municipal Manager and/or the 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 +	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.

For all arrangements above R100 000 the Municipal Manager and/or the 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. In order 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 Councilor, 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.

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.

(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 ~~working~~ 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.

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.

(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.

(5) 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.

(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.

(6) 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 value the premises, 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

(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 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 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. 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 of the property to recover the balance owed.

(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 Infrustructure, a credit control reconnection fee of R2500.00 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.

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 liase 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 liase 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~~07:45~~ – 12:00 (Saturdays) •

ACCOUNT NO.:													
RECEIPT NO.:													

****Mark if applicable with a "X"**

Type of Application:	Residential ~~Domestic~~		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:			
~~**Type of municipal services to be provided:**~~			
~~**Water Supply Services:**~~	~~**Communal Standpipe:**~~		
	~~**Yard Connection:**~~		
	~~**In-house Connection:**~~		
	~~**Other:**~~		
~~**Sanitation Services:**~~	~~**Night Soil Removal:**~~		
	~~**Water borne sewerage:**~~		
	~~**Other:**~~		
~~**Electricity:**~~	~~**Single:**~~		
	~~**3 Phase electricity:**~~		
	~~**Pre-paid:**~~		
	~~**Other:**~~		
	~~**Temporary supply:**~~		
	~~**Permanent supply:**~~		
~~**Refuse removal Services:**~~			
~~**Date on which provision of services should commence:**~~			
~~**Payment Details:**~~	~~**Deposit Amount Payable:**~~	~~**R**~~	
~~**Method of payment:**~~	~~Cash~~		~~EFT~~ ~~Credit Card~~
~~**If applicable: Other methods of payment:**~~			

RUSTENBURG LOCAL MUNICIPALITY

SCHEDULE 1: APPLICATION FOR MUNICIPAL SERVICES

~~Discontinuation of Services~~					
~~Address at which service is to be discontinued:~~					
~~Discontinue the following:~~	~~Electricity~~	~~Water~~	~~Sewerage~~	~~Refuse~~	
~~At the above address on this date:~~					
~~And refund deposit, less any amount owing to:~~					
~~With Bank Details:~~	~~Bank:~~		~~Branch:~~		
	~~Account No.:~~				

Conditions of Agreement
~~Certified c~~**Copies of documents to be produced/submitted**
1. Identification document must be produced. 2. ~~Proof of property ownership (Deeds information)~~ ~~In case of Tenant: (i) Copy of the Lease Agreement; OR~~ ~~(ii) A letter from the owner must be submitted.~~ 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.

RUSTENBURG LOCAL MUNICIPALITY

SCHEDULE 1: APPLICATION FOR MUNICIPAL SERVICES

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 ~~(12)~~ 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

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

ELECTRICAL ENGINEERING CONTRIBUTIONS POLICY

2019

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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.

e) *Servitude of Constraint* is where the developer cannot reduce the town planning rights, and still requires a lower demand value for the purposes of calculating engineering contributions to the Professional Engineers calculation on the connection and future NMD billing, he can restrict the demand by registering a servitude of constraint in the title deed for the particular property.

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
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-industrial loads 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

Rustenburg Local Municipality
Expenditure management Policy

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1. ABBREVIATIONS

CFO	**– Chief Financial Officer**
CM	**– Council Minute/'s**
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**
MTREF	**– Medium term revenue and expenditure framework**
SDBIP	**– Service delivery and budget implementation plan**

2. DEFINITIONS

"Chief Financial Officer"

"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 MSTA;

Expenditure management means all the procedures necessary to ensure that the payments of sums owed by the department 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 the meaning assigned to it in section 1 of the MSA;

"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" has the meaning assigned to it in section 1 of the MSA;

"Municipality" means the Mossel Bay Municipality;

"Municipal service" has the meaning assigned to it in section 1 of the MSA;

"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) 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 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 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:

• Municipal Manager;

• Corporate services;
• Financial services;
• Technical services;
• Community services; and
• Planning & Integrated services;

''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 2006 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 Mossel Bay 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

The Creditors' Office has a payment run on every 10th day of each month where all submitted requests for payments are processed;

The respective Directorates shall submit all requests for payment complete, properly certified, approved in line with the delegation of authority, supply chain policy & MFMA and accompanied by the relevant invoices and supporting documentation to the Creditors' Office at least 7 days before the payment run date.

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, description of goods/services, contact details and supplier banking details;
- the suppliers' statement where there are outstanding amount due, a GRN certificate approved in line with the delegated authority, as well as the supplier tax clearance;
- confirmation that there's sufficient funds on the vote number written on the request for payment form (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.

Directors shall advise the CFO of the names of officials empowered to sign vouchers and authorise payment of accounts or refer to the Delegations of Authority document approved by Council.

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 departments 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)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

No payments shall be affected prior the approval of the payment voucher by the CFO

The municipality must ensure that all payments are made within 30 days of receiving the invoice or from the invoice date.

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.

Once payment has been made, all payment voucher must be subsequently filed and stored in a secured room and only the delegated official must be in possession of the keys to the room.

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 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.

The retention for new projects is 10% of the contract value and Upgrading or Maintenance projects attract a 5% retention of the contract value.

At the end of the projects, 50% of the retention value is released and a practical completion certificate is submitted by the contractor with the claim.

Monthly reconciliations of the retention register, and the General Ledger must be prepared and signed off by the CFO as evidence of review.

4.3 Petty Cash Payments

Petty cash vouchers or receipts must be attached on a requisition form and the form must be signed as verification.

Upon Receiving original orders from procurement section, the invoices must be matched to the orders.
When the statement comes it must be matched to the invoices and reconciled.

Only officials duly delegated to authorise quotations and certify invoices for payments may authorise the request for petty cash and authorise the expenditure incurred via a petty cash transaction.

Each Senior Manager is only allowed disbursements from the petty cash not exceeding R250.00, or any other amount that the council may determine from time to time.

No request for petty cash transactions may be lodged for items that is held as inventory in the municipal stores.

A proper register as determined by the Head: Expenditure must be maintained; and

Supplement to the petty cash advance made must be done on a regular basis;

The following documentation must be submitted with supplement to the advances:

All signed schedules and vouchers supported by the relevant invoices and vote allocations; and

A proper reconciliation to match the supplementary amount.

The register must be balanced and reconciled on a weekly basis. The reconciliation must be signed by the employee compiling it, whilst the Section Manager: Expenditure must review and sign it off as correct.

A register of numbered vouchers must be kept by the petty cash clerk;

4.4 Third Party Payments

The salaries office compiles a spreadsheet with all relevant information of each employee and submits it to the Creditors office for allocation of payments.

The spreadsheet is then edited and verified for any errors, then captured on to the system.

4.5 Grant Expenditure

All projects financed through grant should be paid from the allocation. 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 department or other institution.

The relevant directorate must obtain approval for bridging finance, as referred to in the above paragraph.

4.6 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.

4.7 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 delegated authority to sign cheques or authorise electronic payments shall be in writing and kept on record and be reviewed regularly by the Accounting Officer. Copies of such letters of authority will be kept by the expenditure department.

4.8 Subsistence & Allowance

The municipality must ensure that when the travelling forms are received the correct vote numbers must be recorded 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 AA rates and every time the fuel price goes up the template must be changed according to the fuel price from the department of energy.

The following must be attached or confirmed upon submitting a S&T 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 municipal manager
- 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 department.

4.9 RECONCILLIATIONS

Reconciliation activities should be performed for before any payment is captured to confirm that the payment is for approved purchases and is being billed correctly.

Vendor invoices should be reviewed for accuracy by comparing charges to purchase orders.

Verification of goods and services purchased should be performed before any payment is recorded to confirm that they have been received.

Monthly reconciliations of operating ledgers should be performed to assure accuracy and timeliness of expenses.

5. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFULL EXPENDITURE

I before recommendation of a supplier is made to the relevant department, the supply chain 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.

6. INTERNAL CONTROLS

This policy should apply across all expenditure related activities and other activities that affect expenditure management activities.

Authority to initiate payments or purchases is outlined in the Delegation of Authority document approved by the Municipal Manager 20th February 2019.

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 process once all related procedures are adhered to.

A proof list report run must be performed during the processing of payments to confirm information on the systems agrees to the information on the payment voucher.

A final system cash focus run is performed to verify that the proof list and payment voucher reports are done.
The cash focus reports are then printed for approval by the Expenditure Unit and Section Managers or by the Deputy CFO.
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.

An updated Specimen of signatories together with the Delegations of Authority document must be kept available to all expenditure officials.

The petty cash requisition form details must include the vote to be debited before a cheque is made out for the incurring of the expense. The requisitioned amount should not exceed a maximum amount set by the CFO:

- 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.

Segregation of duties

The Municipal Manager 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.

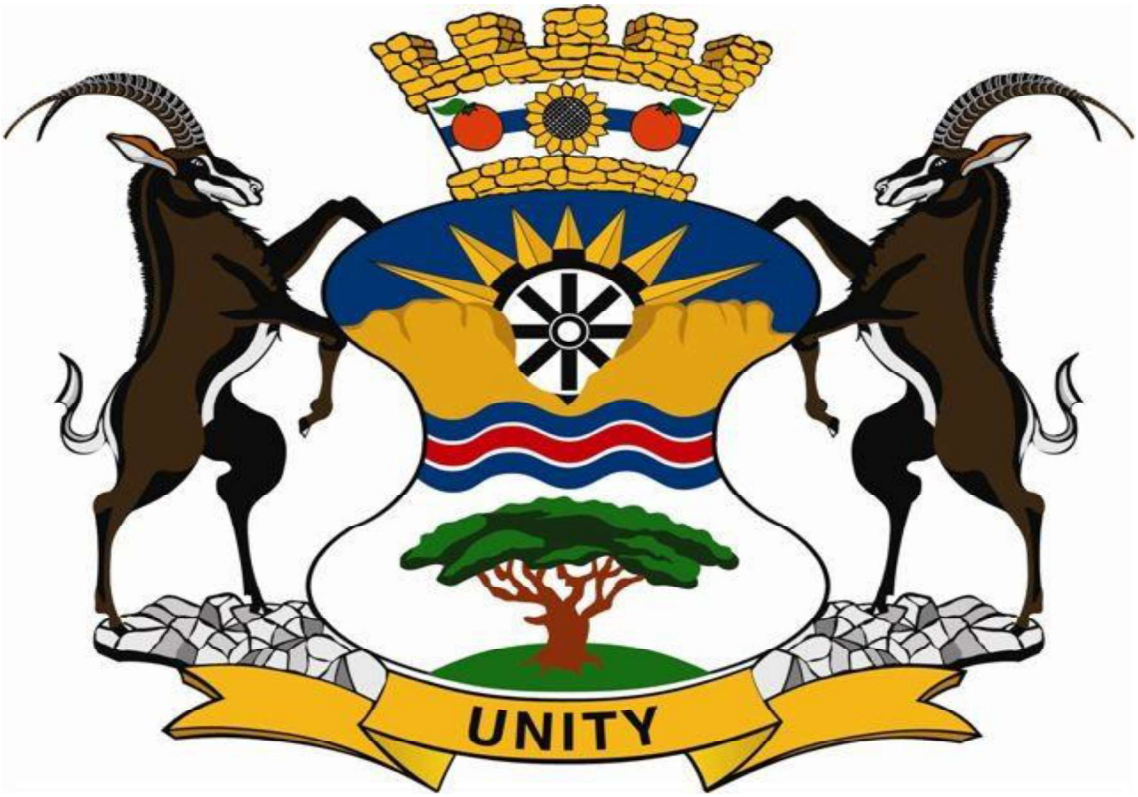
However, users with access to create accounts receivable invoices have retained access to add or change customer records on the system.
Officials who create purchase orders may approve receipt of goods for those purchase orders. However, where a variation to the original purchase order occurs, it must be approved by a person independent of the variation to the order (subject to be a material variation).

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.

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.

RUSTENBURG LOCAL MUNICIPALITY



FUNDING AND RESERVES

2018/2019

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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

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

This provision shall be cash-backed to ensure availability of cash for rehabilitation at closure.

9.1.3. Long Services Awards

5% of the long service leave provision shall be cash backed-as not all leave balances 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

INDIGENT POLICY

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 Councillor 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 R150 000.00 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	**"Programme Officer"**	Means an official duly authorised by the Municipality, or an employee of a service provider appointed by the Municipality, who is responsible to ensure that an assessment, screening and site visits are undertaken and for recommending applicants for approval to receive indigent support.
1.35	**"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"	
1.36	**"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.
1.37	**"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.
1.38	**"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"	
1.39	**"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.
1.40	**"Structures Act"**	Means the Local Government: Municipal Structures Act, Act 117 of 1998 and the regulations promulgated in terms thereof.
1.41	**"subsidised services"**	Means the municipal services, the costs of which are either subsidised in full or in part by the Municipality.
1.42	**"Systems Act"**	Means the Local Government: Municipal Systems Act, Act 32 of 2000 and the regulations promulgated in terms thereof.

	"T"	
1.43	**"Tariff Policy"**	Means the Tariff Policy of the Municipality adopted in terms of the provisions of section 74(1) of the Systems Act.
1.44	**"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.
1.45	**"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.
	"V"	
1.46	**"Verification Officer"**	Means an official duly authorised by the Municipality to assist with the management of applications for indigent support, to visit households and verify the applicant's application and to recommend that the applicant is either a suitable or not a suitable candidate for approval to receive indigent support.

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.

5. 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 Integrated 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 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 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; 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, 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 R3500, which is the amount equivalent to government pension grant of two pensioners. This amount will be aligned to the National Budget pronouncement on government grants.

(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 R150 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.

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

The Municipality shall appoint officials, or engage existing staff, or Community Development Workers (CDW's) who have been trained in terms of the Municipality's directions, to assist with the development and implementation of this policy. Furthermore, the Municipality shall establish indigent registration points, the cost of which may be funded through the equitable share allocation, in its municipal area.

16. 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, 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 (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) 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) 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.

17. ASSESSMENT AND SCREENING APPLICANTS

Upon receiving of a duly completed application form from the applicant, together with the accompanying documentation as referred to above, all information must be verified by the Programme Officer or a person approved by the Municipality as follows:

(1) Indigent Management System Check

The information on the Municipality's Indigent Management System must be checked to determine whether an applicant or the household is already registered within the system as well as to determine dates when the existing applicants should be reviewed.

(2) Date Capture

The application date must be captured in an Indigent Management System as per the application form. The record must be flagged in the system as being an "application in progress".

(3) Verification – Site Visit

The Indigent Management System must assign an application to a duly appointed Verification Officer to perform an on-site verification. The Verification Officer must verify the information on the registration application form, visit the applicant and visually confirm the details supplied by the applicant and prepare a report in writing as to his/her observations, which report must accompany the application when the Verification Officer refers same. The Verification Officer is also allowed to collect such additional information pertaining to the application as he/she deems fit. The Verification Officer must assess the application and if the Verification Officer is of the view that the application has merits he shall proceed to refer the application for an external scan as stipulated in sub-paragraph (4) below. This information shall be entered into the Indigent Management System within 72 (seventy-two) hours after receiving the information from the Verification Officer.

(4) Verification – External Scans

An external scan of applicants recommended as suitable candidates for indigent support in terms of sub-paragraph (3) above, must be conducted with UIF, SARS, Department of Welfare, Retail and credit bureau(s). The external scan must immediately follow the process after the information from the site visitation has been captured. The information of the external scan must then also be captured in the Indigent Management System within 72 (seventy two) hours after receiving the information from the Verification Officer. The external scan must be done separately from the site verification.

18. RECOMMENDATION

Once the verification has been completed, the Indigent Management System must generate a recommendation based on the information captured in the database. Those applicants that qualify for indigent support in accordance with the system are then to be referred to the Indigent Committee for final approval.

19. 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.

20. CONTINUOUS EVALUATION

The Indigent Management System must generate, on an annual basis, a list of site visits to be performed at Indigent Households of the Registered Indigents, and assign these to a Verification Officer. The Verification Officer must evaluate each Indigent Household the same as a new application and any changes in circumstances must be noted and -submitted to the Indigent Committee. This is to ensure that the system is kept current and that indigent support is in fact extended to those who require and still qualify for it.

21. RIGHT OF APPEAL

An applicant who feels aggrieved and whose rights are affected by a decision taken by the Municipality in respect of his/her application may lodge an appeal against that decision, which appeal must be dealt with as follows:

(a) an appeal must be made in writing, setting out the details of the decision which are being appealed against, as well as the full details of the application or request initially lodged by the appellant, 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 appellant lodging the appeal;

(b) an appeal must be lodged with the office of the Municipal Manager within 21 (twenty-one) days after the appellant received the decision of the Municipality against which the appeal lies;

(c) 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 Indigent Committee 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 of the 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;

(d) the Municipal Manager shall then within 14 (fourteen) days after having received the response of the office of Chief Financial Officer or the Indigent Committee and any additional information requested, consider the appeal and inform the appellant who lodged the appeal of the outcome in writing;

(e) the decision of the Municipal Manager is final;

(f) 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

22. THE EXTENT OF INDIGENT SUPPORT

The extent of the monthly indigent support granted to a Registered Indigent, will be determined 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. The extent of the indigent support provided by the Municipality is as follows:

(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 to the next month. Any meter tampering will result that the 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 (medium density): 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 strategies to 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.

(5) 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) Interest

No interest shall be levied against the arear debt of a registered indigent pending.

(7) 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

23. 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) Indigent support is granted to a Registered Indigent below the age of 65 years old for a period of 12 (twelve) months from approval of the applicant's application for indigent support. A Registered Indigent must re-apply for indigent support at the end of the 12 (twelve) month period depending on his/her circumstances.

(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.

24. 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.

(2) The Municipality may implement restrictions on the provisions of municipal services to Registered Indigents where the said municipal services are subsidised 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 utilised 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.

(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.

25. 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.

26. 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 Indigent Committee for verification at any time.

27. 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 5

MISCELLANEOUS PROVISIONS

28. DRAFTING 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.

29. 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.

30. 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 subsidised 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 subsidised 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.

31. 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.

32. 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.*

33. 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.

34. CAPACITY BUILDING

The Municipality must ensure that all officials and councillors 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.

35. 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 R150 000.00:	**YES / NO**	**Tax Rebate form:**	**YES / NO**

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 a clothing/furniture 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, 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 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, 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 applicant is 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**

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**

COMPLETED BY:	
COUNCILLOR:	

CHECKED BY:_____ **DATE:**_____

APPROVED/NOT APPROVED:

SECTION MANAGER:_____ **DATE:**_____

CAPTURED BY:_____ **DATE:**_____



VERIFICATION FORM

Name: Verification Officer	
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 back from Verification Officer:

RUSTENBURG LOCAL MUNICIPALITY

INSURANCE POLICY AND PROCEDURES

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PART 2

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PREAMBLE

This INSURANCE MANUAL 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 and 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 department'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 Councilors 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 Accounting Officer 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 for local authority insurance that takes all circumstances related to a municipality into account. There are however aspects in addition to this standard 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, Councilors 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 Municipality's assets, councilors 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 Councilors 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. Insurance brokers active in the municipal environment over years prepared a standard for local authority insurance that takes all circumstances related to a municipality into account.

3.4 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. The insurance should in addition protect the municipality, Councilors and employees against public liability claims and other losses.

4. RELATIONSHIP WITH OTHER POLICIES

4.1 This policy, once effective, needs to be read in conjunction with other relevant adopted 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 adopted by the municipality, in line with best practice
•RESPONSIBILITIES: Allocation of key responsibility areas to give effect to the adopted policy
INSURANCE MANAGEMENT POLICY
•Actions to effectively implement the key responsibility areas indicated in the policy
STANDARD OPERATING PROCEDURES

(b) SCM Policy - Regulating all processes and procedures relating to acquisitions of goods and services.

(c) Asset Management Policy.

(d) Financial Asset 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 police where an apparent conflict exists between this policy and other policies, legislation or regulations.

5. RECOVERY OF LOSS

5.1 All departments 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 fair, consistent and transparent. These findings should then be escalated to Human Resources department 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.

13. RISK & INSURANCE PHILOSOPHY

13.1 To identify and eliminate or reduce, as far as practicable, the conditions and practices which cause insurable losses.
13.2 When risk cannot be eliminated or reduced to workable levels
13.3 To purchase Insurance that will provide indemnity for catastrophic losses;
13.3.1 To retain those risks not considered to be of major importance to the operating position or financial stability of Rustenburg Local Municipality.
13.4 To retain whatever portion of the risk for Rustenburg Local Municipality's account, provided it is economically viable.
13.5 To maximize the overall Insurance purchasing power of Rustenburg Local Municipality.
13.6 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.
13.7 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.
13.8 To purchase Insurance from reputable Insurers and to avoid the use of non-registered Insurers and captive markets.

14. RISK MANAGEMENT

7.1 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.

7.2 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.

7.3 Consequently, Insurance is better bought last when all other Risk Management techniques have been adopted.

7.4 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.

15. 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, 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 Division 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 Department/Supervisor should be notified within 24 hours of the accident/incident.
1.3 Should negligence or recklessness be proved by the security and safety loss 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 Human Resource department.
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 a claims register which is to be reconciled and reported to Council on a quarterly basis.

SECTION II

PROCEDURE TO SUBMIT DEPARTMENTAL 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 department.
2) Reports from the department 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 Building Maintenance section 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 Building Maintenance Section should ensure that the building is safeguarded. If not possible, Security should be appointed to avoid further loss to Council and its Insurers.
7) Building Maintenance 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 General Insurance Fund will meet their claims.

Please ensure that the following procedures are adopted 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 department, and submit this to their Insurance Sections.

6) Where damage was caused by a municipal motor vehicle, the appropriate Motor Vehicle Accident Report, must be completed and submitted as above.

   (a) It is preferred that the driver call Rustenburg Traffic Department 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 office.
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 Planning will be based on the expressed opinion received from municipality’s legal department / 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 driver's 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 department must complete a claim form, and forward same to Insurance Section;

(2) Insurance Section (Insurance Officer) 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 Officer), 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) Manager: 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 mayor and councilors 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 councilor 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. Mayor and councilors 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 mayor and councilors' 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) Insurance Office 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 Insurance Section.
(3) It is the duty of every Unit to submit information to the 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 % rate determined by the Assets and InsuranceSection 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 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 % rate determined by the Insurance Section,

Combined and Houseowner's comprehensive schedules are sent out to departments 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.
d) Sign a certification letter to confirm that all the information contained in the schedules is correct.

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 (ie 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 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.

(d) Sign a certified letter to confirm that all the information in the Schedules is correct.

SECTION VIIII

INSURANCE CLAIMS EXPERIENCE

(1) The 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 Department Heads twice a year.

(3) Premiums charged to the departments are based on yearly claims experience. The increase in the number of claims result in the increase in the premiums charged.

(4) Department 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 department to notify the 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
- Asset Barcode number

In the instance of a vehicle:

- Copy of registration document
- Purchase value
- Purchase date
- Asset Barcode Number
- Fleet number

(b) Should the asset fall within the deductible on the insurance portfolio, the asset will not be insured and the relevant department will bear the full risk of replacement in the event of theft or damage and should budget accordingly.

DECLARATIONS

Declarations are required as follows :

POLICY INFORMATION REQUIRED FREQUENCY

ASSETS Replacement value of all assets Annual

MOTOR Schedule of vehicles owned operated leased or hired Annual

BUSINESS INTERRUPTION Actual Revenue Annual



RUSTENBURG LOCAL MUNICIPALITY

INSURANCE CLAIMS AND LOSS CONTROL 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 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;

NOW BE IT ENACTED by the Council of the Rustenburg Local Municipality, as follows:-

CHAPTER 1

COMMITTEE COMPOSITION

1.1 CUSTODIANS OF THE COMMITTEES

(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 senior official within the Budget and Treasury Office.

(c) 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.

(d) 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.

(e) Members: Complete the functions and tasks necessary to fulfil the goals and objectives of the Committee.

(f) All departments 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:	Assets & Insurance Manager, Accountant Insurance & Finance Clerk Insurance
Legal Services:	Unit Manager
Occupational Health and Safety:	Unit Manager
Internal Audit:	Unit Manager
Disaster Management:	Unit Manager
Mechanical Workshop:	Unit Manager
Law Enforcement:	Unit Manager/Security Manager
Traffic:	Unit Manager/Senior Superintendent

(b) Departmental 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 RESPONSIBILITIES RESPONSIBILITY OF LOSS CONTROL COMMITTEES

(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 department 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.

1.4 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.

1.5 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.

1.6 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 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 relevant Unit Manager 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 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 MR Number showing the incident has been reported with SAPS;

(iv) In the event of a motor vehcile 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 honour 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 Accountant Insurance and Investments 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 Accountant Insurance and Investments 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 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 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 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;

(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.

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.

(b) A claimant not satisfied by this outcome may lodge an appeal with the Municipality's Appeal Dispute Committee

MUNICIPALITY

INVENTORY MANAGEMENT POLICY

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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 note''	means a 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

"Logistics & Materials Manager" shall mean the person appointed as Logistics & Materials Manager under section 4.1 below.

"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;

"*Requisition form*" means a written request to the Inventory Supervisor to supply specified inventory;

"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;

" Store man" 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 which 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 Storeman 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 and 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 the following paragraph of GRAP 12:**

.14 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

.15 Inventories that qualify for recognition as assets shall initially be measured at cost

.16 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

.17 Inventories shall be measured at the lower of cost and net realization value, except where paragraph .18 applies

.18 Inventories shall be measures 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

.44 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.

.45 Some inventories may be allocated to other assets 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 safeguarded at all times;

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 store are secured and only used for the purpose for which they were purchased.

5.2 Appointment of Responsible Officials

5.2.1 The CFO 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 Each department must set its own Inventory reorder levels for all items in consultation with the CFO, the inventory levels must indicate the minimum and maximum inventory that can be maintained.

5.3.2 Due diligence and care shall be exercised in identifying low value and high value items of inventory

5.3.3 Minimum inventory level of high value items shall be ordered, any maximum order shall be based on specific requirement/need in order to avoid large amount of cash tied up on inventory.

5.3.4 A reorder listing should be printed by Storeman and reviewed weekly by the Logistics Manager

5.3.5 The Storeman must use the listing as a primary source of information to complete the purchasing requisition form, attached hereto as Annexure C.

5.3.6 The purchasing requisition form must be completed in duplicate, with one copy kept in the requisition book and an original copy forwarded to the procurement section.

5.3.7 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 with goods delivery note once goods are delivered.

5.3.8 Orders must thereafter be filed in date sequence.

5.3.9 This file must form the basis for follow up of orders and for matching goods that are delivered to inventory department.

5.3.10 The orders file should be reviewed weekly by the Logistics 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 supplier name and order number.

5.4.4 The Storeman must prepare the Goods Received Note to record all the inventory items ordered and in good condition

5.4.5 The Storeman must ensure that:

a) All delivery notes are signed by him/her and the driver

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 secured store by the general worker with the signed Goods Received Note,

5.4.7 The inventories must be stored in their respective sections once they have been received as detailed in 5.5

5.4.7 The inventory record/register/database or system must be updated on the day the goods are received, by the stores Clerk

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.

Details on bin cards should include the following:

a) Order number;
b) Quantity received;
c) Date of receipt;
d) Quantity issued;
e) Date of issue;
f) Maximum stock level;
g) Re-order level;
h) Re-order quantity;
i) Closing stock; and
j) Any other relevant information.

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.

5.5.7 Items with limited shelf life must be rotated on a first in first out basis, in accordance with paragraph .35 of GRAP, to reduce the occurrence of expired or obsolete stocks.

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 Whenever a change in the Storeman occurs, an inventory count must be conducted.

5.5.15 An independent official shall be nominated in writing by the delegated authority to assist the official handing and taking over with the checking of the inventory and any discrepancies.

5.5.16 Should the above not be complied with, the official taking over shall be liable for any discrepancies.

5.5.17 A handing-over certificate, attached here to as Annexure A, must be completed by the handing and taking over officials and a copy retained for record purposes.

5.5.18 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 persons 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 Storeman is authorised to issue inventory from the storeroom.

5.6.2 Inventory must only be issued in terms of the approved requisition form of the Municipality.

5.6.3 All requisition forms must be ruled off immediately below the last item to prevent items being added once the requisition is authorised by the responsibility manager.

5.6.4 The Storeman must prepare the Stock Issue Note once stock items to be issued have been picked up from the shelves

5.6.5 The official receiving the inventory must acknowledge the receipt of stock items requested, by signing the Stock Issue Note prepared by the Storeman.

5.6.6 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 Logistics Manager.

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 of 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 monthly 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 Storeman must document in *Annexure B* 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 inventories 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, either manually and / or electronically.

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.

6.3 An inventory register/database must be printed monthly and the hard copy filed in a chronological order to maintain a proper audit trail.

7. REPORTING

7.1 A report must be submitted at least quarterly to the Chief Financial Officer and/or the Responsibility 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 in accordance with paragraph .43,
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 in accordance with paragraph .43,
g) the circumstances or events that led to the reversal of a write-down of inventories in accordance with paragraph .43,and
h) the carrying amount 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 …… 2014

ANNEXURE A:

PROCEDURES FOR ORDERING, RECEIPT, MAINTENANCE, ISSUING AND DISPOSAL OF STOCK

NO.	PROCEDURE	FREQUENCY
1.	**Ordering of Stores:**	
1.1	Stores reorder levels must be set for all items by the CFO which will be as follows: • Reorder Level • Maximum Level • Minimum Level	On-going

NO.	PROCEDURE	FREQUENCY
	• Emergency Level	
1.2	A reorder listing should be printed weekly and reviewed by the Logistics & Materials Manager before the requisition is filled in.	On-going
1.3	The Storeman: • Must use the listing 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 filled in • Should also consult the Water Technical Departments about inventory required for planned maintenance.	On-going On going
1.4	The purchase requisition must be completed in duplicate, with one copy kept in the requisition book and an original copy forwarded to the buying section.	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 On going
1.8	This file must form the basis for follow up of orders and for matching goods that are delivered to stores	
1.9	The orders file should be reviewed weekly by the Logistics & Materials Manager and any orders, which have not been delivered as per the agreement with the buyer, must be followed up immediately.	
2.	**Receipt of Stock:**	
2.1	Goods will be delivered to the receiving area where the documentation will be recorded and then forwarded to the Storeman.	On going
2.2	The receiving official must match the delivery note to the	On going

NO.	PROCEDURE	FREQUENCY
	purchase order, and fill out a pre-numbered goods received slip.	
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 goods received Slip must be signed by the Stores Controller / Store-man as proof of acceptance of the goods.	On going
2.5	A computerised Goods Received Note or Stores Issue Requisition 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	On going
2.6	issued.	Periodically
2.7	Goods that are unused after the completion of the work or the fulfillment of the purpose for which they were issued, must be returned to the store and must be included in stock.	Periodically
2.8	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 Responsible Manager	Periodically
	The Storeman shall acknowledge the receipt of goods from the department by signing the Goods Returned Note	
3.	**Maintenance of Stores:**	
3.1.	Inventory and equipment belonging to the Council must be clearly marked/ bar-coded as such, to indicate ownership.	On going
3.2	Inventory belonging to the Council 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 of all stores of the Council takes place as follows:	Annually
3.4.1	The financial year-end stock take will take place on the last	

NO.	PROCEDURE	FREQUENCY
	day of the financial year or as close to that date as possible.	
3.4.2	All Heads of Sections and the Council's 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 Logistics & Materials Manager.	Annually
3.4.5	Prior to stock take, the Logistics & Materials Manager must ensure that all transactions up to the date of stock take, have been recorded. All goods received notes, 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
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 Logistics & Materials Manager.	Annually
3.4.13		

NO.	PROCEDURE	FREQUENCY
3.4.14	Physical count figures will be verified to the computerised listing. The Stock Controller should not be involved in any aspect of this verification.	Annually
3.4.15	Should any discrepancies arise, a recount of the product is done, and the requisition entries are re-checked.	Annually
3.5.16	All write-offs of obsolete or damaged stock should be authorised by the CFO.	Annually
3.5.17	The Logistics & Materials 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
3.6	The CFO shall then report such surpluses and shortfalls to the Council for further steps to be taken, if necessary. 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.	Annually
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 requisition form.	On going
4.3	Specimen signatures of all persons authorized to sign requisitions shall be supplied to the Logistics & Materials Manager.	On going
4.4	If the signature is not of an authorised official, the requisition should be sent back to the respective section.	On going
4.5	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
4.6	A Stock Issue Note must then be completed in duplicate. Control of the issue book is the responsibility of the	On going

NO.	PROCEDURE	FREQUENCY
	Storeman	
4.7	The Storeman 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 issues note/book as evidence that the goods stated on the issue note, have been received.	On going
4.9	Once the stores have been issued, the requisition is captured into the computer system and updated by the data capture clerk.	On going
4.10	The issue note and the requisition 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	Stores may be disposed of by public auction provided that the approval of Council is obtained.	Periodically

ANNEXURE B

HANDING-OVER CERTIFICATE

I certify that this is a true statement of inventory as per stock report attached hereto and that inventory has been duly accounted for.

Signature of official handing over inventory: _____
Designation : _____
Date : _____

I certify that this is a true statement of inventory as per stock report attached hereto and that l inventory has been duly accounted for

Signature of official taking over inventory: _____
Designation : _____
Date : _____

ANNEXURE C

Reference: _____

Enquiries: _____

Date: _____

FINANCIAL DEPARTMENT

Attention: Chief Financial Officer

QUARTERLY INVENTORY COUNT FOR THE PERIOD: _____

This is to certify that the quarterly inventory count has been undertaken from store number .....to.....for .....items.
(Number)

The under-mentioned discrepancies were found:

1. SURPLUS INVENTORY

	DESCRIPTION OF ITEM	**QUANTITY**	**VALUE**
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

The following factors gave rise to the surplus items:

_____

_____

_____

_____

ANNEXURE C (CONT.)

2. DEFICIT INVENTORY

	DESCRIPTION OF ITEM	QUANTITY	VALUE
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

Total value of issues for the period under review R _____

The following factors gave rise to the deficit items:

_____

_____

_____

_____

We certify that an inventory count of items was undertaken by:

1. Name: _____Rank:_____Signature: _____
2. Name: _____Rank:_____Signature: _____
3. Name: _____Rank:_____Signature: _____

_____ _____

HEAD OF DEPARTMENT **DATE**

STOCK REQUISITION FORM

VOTE NO: _____ **ANNEXURE D**

RESPONSIBLE OFFICIAL: _____ CONTACT NO: _____ DEPARTMENT: _____

STOCK ITEM NUMBER	STOCK DESCRIPTION	QUANTITY REQUESTED	PRICE PER UNIT	TOTAL
TOTAL VALUE OF STOCK REQUESTED				0.00

APPROVED BY

DEPARTMENT MANAGER: _____

DATE: _____

SIGNATURE:_____

ANNEXURE E

STOCK ISSUE FORM

VOTE NO _____

REQUESTOR _____ CONTACT NO: _____ DEPARTMENT _____

STOCK ITEM NUMBER	DESCRIPTION	QUANTITY ISSUED	PRICE PER UNIT	TOTAL COST

ISSUED BY : _____

DATE : _____

SIGNATURE : _____

RECEIVED BY : _____

DATE : _____

SIGNATURE : _____

BIN CARDS

ANNEXURE F

ANNEXURE G

RUSTENBURG LOCAL MUNICIPALITY



DRAFT: INVESTMENT INCENTIVES POLICY - 2018

Draft: Rustenburg Local Municipality Investment Incentives Policy (2018)

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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]	
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

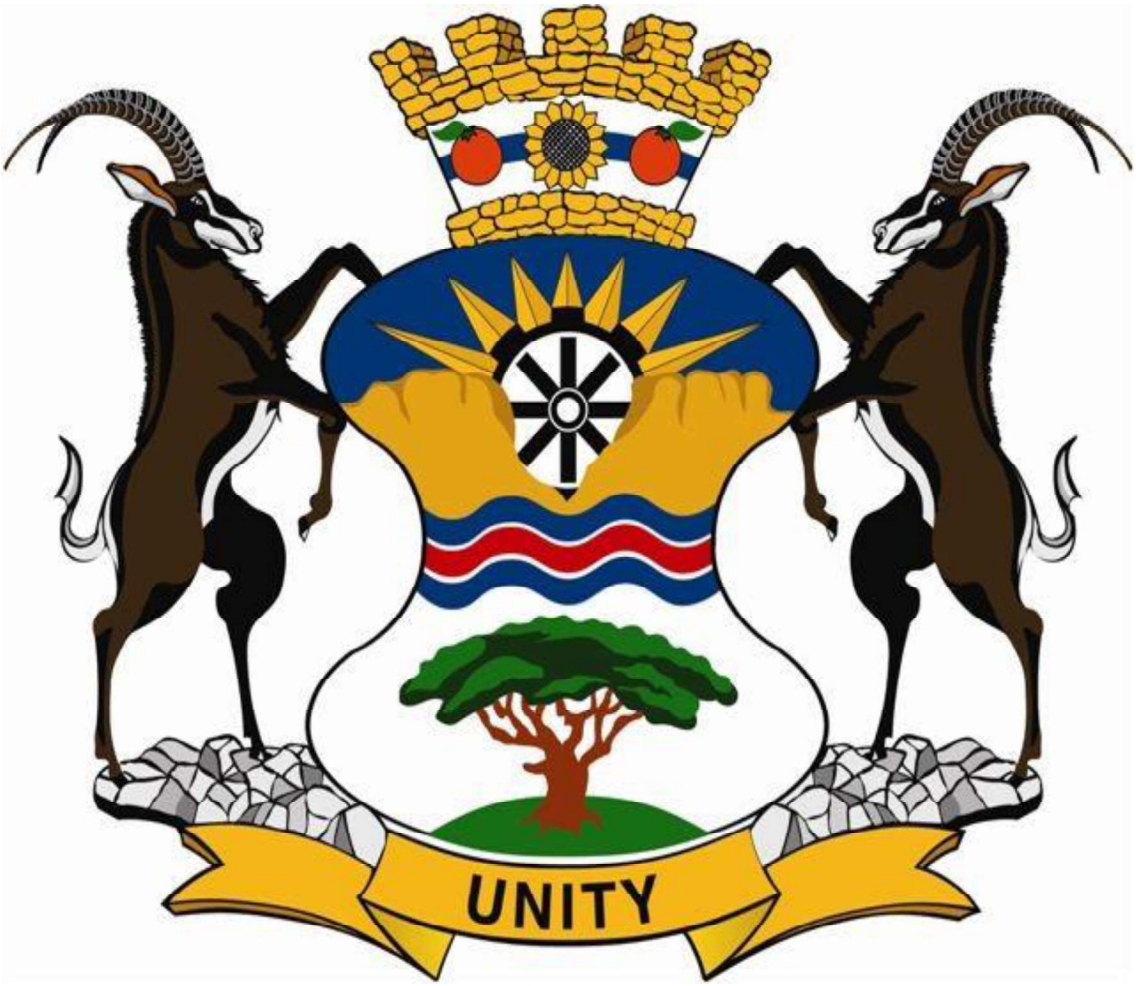
Catalytic projects fast-tracking committee has been established to fast track investment and development proposals. The fast-tracking of investments and development proposals contributes towards reducing the cost of doing business as it improves the turnaround time for decision making. The Local Economic 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.

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; and

      (ii) accounts for payments made by the municipality;

   (c) that payments by the municipality are made directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed.

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;

b) The expenditure regarding petty cash purchases shall not be deliberately split into more than one transaction to avoid the said limit;

6.2 A petty cash float is not to be used for any of the following:

a) the cashing of cheques;

b) loans to any person whatsoever;

c) 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;

d) for instalment invoices such as rental of equipment or open orders, even if the amount falls within the specified limit;

e) no approved store items may be purchased by means of a petty cash transaction;

f) no fixed assets may be purchased by means of a petty cash transaction; and

g) 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;

h) 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;

i) The Internal Audit section may conduct internal audits to evaluate compliance with this policy.

6.3 Request for reimbursement and Completing a Cash Purchase Claim Form

a) 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.

b) The recipient must sign the Petty Cash voucher as proof of receipt and to verify that the amount is correct.

c) Petty cash claim forms are available from the designated petty cash official responsible for the petty cash in a department/section;

d) 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;

e) 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;

f) A financial delegate cannot authorise a cash purchase claim where she or he is the purchaser.

g) The official signatory must ensure that funds are available on the budget, prior to submitting claims.

6.4 Documentation control

a) 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.

b) With replenishment, the above documentation together will be reconciliation sheet must be attached to the payment voucher.

c) 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;

d) Under no circumstance are keys to be left in the lock to the petty cash box, cabinet or safe;

e) 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, in order to verify that the amount in cash, correspond with the balance on the Summary Claim Cover Page; and

f) When the Petty Cash is returned to the Petty Cash official, the same processes must be followed.

6.5 Reconciliation

a) A request for replenishment must be supported by a reconciliation sheet compiled by the Petty Cash official.

b) The above sheet must be signed by the Petty Cash official and authorised by the Accountant / Manager / Section 56 Appointments or Municipal Manager

c) Such reconciliation must be done at least once a month.

d) A year-end reconciliation and replenishment must be done, at 30 June.

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 must be stated.

Recommended by:

Date:

(Municipal Manager: Mr Victor Makona)

Approved by:

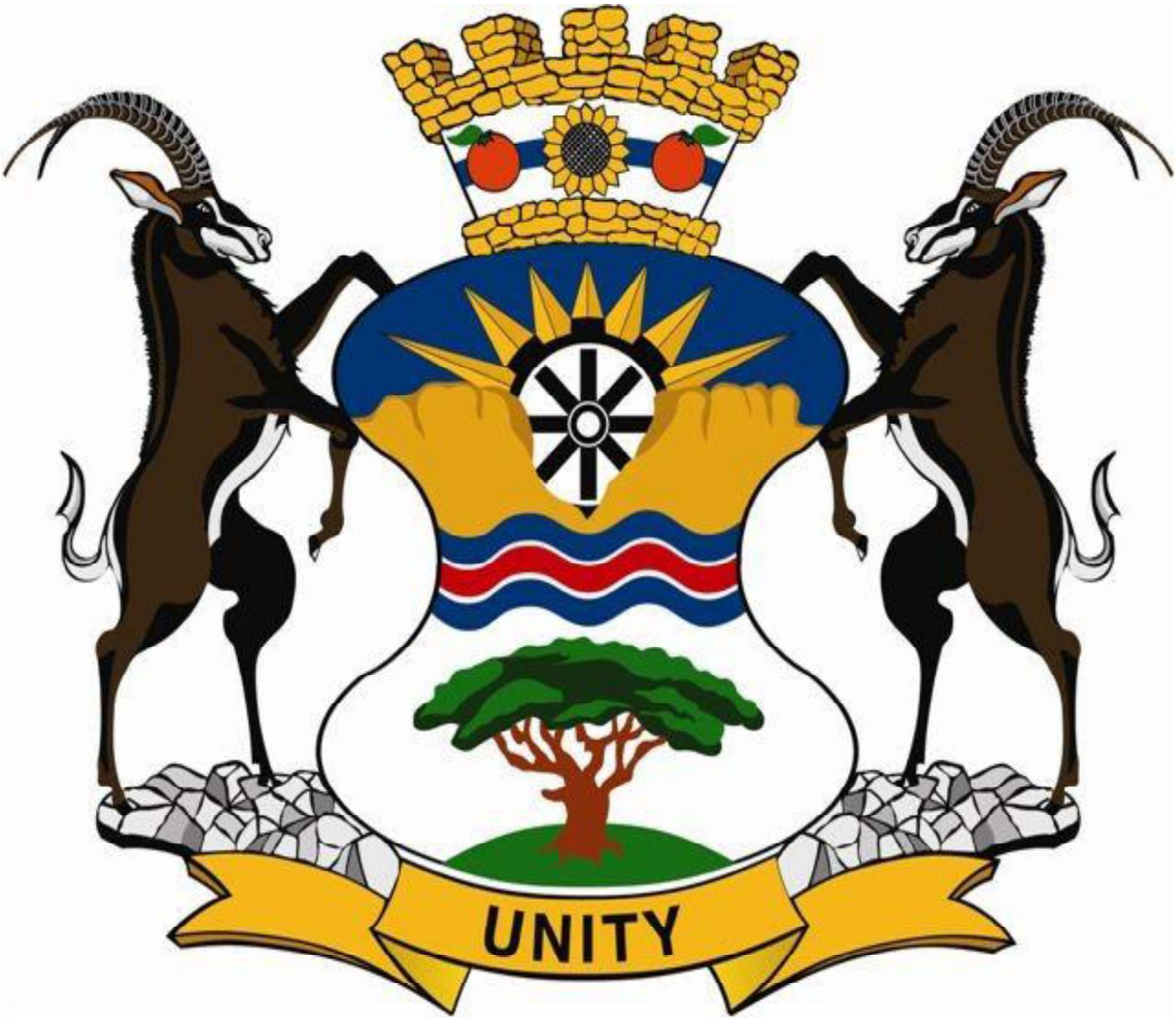
Date:

(Speaker: Mrs SK Mabale Huma)

Resolution Number Date:

RUSTENBURG

LOCAL MUNICIPALITY



RATES POLICY

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.

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.
"R"		
1.19	**"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.
1.20	**"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.
1.21	**"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.
1.22	**"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.
1.23	**"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.
1.24	**"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
1.25		
"S"		

1.26	**"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**.**
1.27	**"Sectional Titles Act"**	Means the Sectional Titles Act, Act 95 of 1986.
1.28	**"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.
1.29	**"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.
1.30	**"Structures Act"**	Means the Local Government: Municipal Structures Act, Act 117 of 1998.
1.31	**"Systems Act"**	Means the Local Government: Municipal Systems Act, Act 32 of 2000.
"T"		
1.32	**"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.

1.33	**"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.
1.34	**"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"	
1.35	**"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"	
1.36	**"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) State-owned or organ of state-owned property (also referred to as "Government Property"):

(i) property owned by the state or an organ of state is rateable and will be categorised according to the zoning or use of the property; and

(ii) if property owned by the state or an organ of state is zoned or used for residential purposes, the rates must, after presentation of a certificate of occupancy, be levied in terms of the residential tariff. The rebate afforded to state owned properties of organ of state owned properties does not apply to properties zoned or used for residential purposes as the rebate relating to residential properties already applies to such properties.

(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 benefit organisation property:

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 15000 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 withthe 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) <u>Rebates</u>:

(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 property.

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

(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.

This process will give deeds office 60 days to do transfer as required by the legislation.

24. BY-LAWS TO GIVE EFFECT TO RATES POLICY

The Municipality must adopt by-laws to give effect to the implementation of this policy.

25. 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**	**25%**
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**	**50%**
3.	**Rebates:**	
	State owned or Organ of State owned properties (excluding properties zoned or used for residential purposes)	10%
	Residential Properties	__%
	Public schools	__%

	Private schools	25%
	Public Service Infrastructure	30% (but not less than 30% in terms of the provisions of section 17(1)(a) of the MPRA)
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:**	
	Owner with a gross monthly income from R 0 – R4 500.00	40%
	Owner with a gross monthly income from R4 501.00 – R5 500.00	30%
	Owner with a gross monthly income from R5 501 – R6 000.00	20%

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**
3.1.1	Business, Commercial and Industrial property	R

3.1.2	State-owned or Organ of State-owned property (excl) residential properties)	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 **DATE**

PERSON ON BEHALF OF APPLICANT

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 R72 000.00 per annum (R6000.00 per 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.

_____ _____

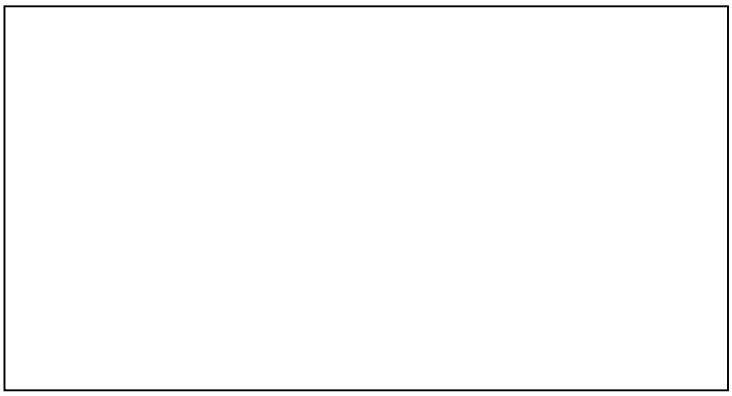
SIGNATURE OF APPLICANT OR AUTHORISED PERSON ON BEHALF OF APPLICANT **DATE**

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 <u>FULL</u> 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 <u>residential properties (as contemplated in paragraph 10(1)(a)(iii) of the Rates Policy)</u> // <u>for a Public Benefit Organization</u> (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

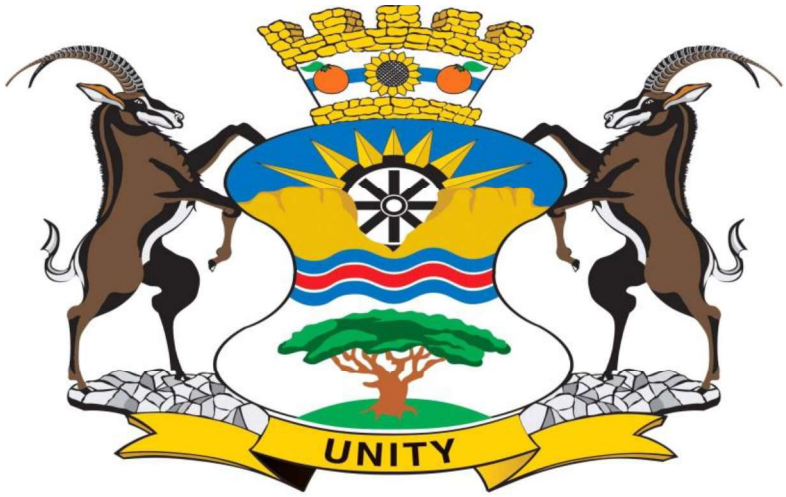
Signed and sworn before me at _____ on this the _____ day of _____ 20___, the deponent having acknowledged that he/she knows and understands the contents of this declaration and that he/she has no objection to the taking of the prescribed oath and that he/she considers it binding on his/her conscience. 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



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

SUPPLY CHAIN MANAGEMENT POLICY

The Municipal Manager 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.

THE RUSTENBURG LOCAL MUNICIPALITY:

SUPPLY CHAIN MANAGEMENT POLICY

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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 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.
1.12	**"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 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.
1.58	**"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 Municipal Manager 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 by Council of goods no longer needed;

(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 Municipal Manager 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.

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 may 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 Municipal Manager 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 Municipal Manager to enable the Municipal Manager:

(a) to discharge the supply chain management responsibilities conferred to the Municipal Manager 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 Municipal Manager in terms of sub-paragraph (1) above.

(3) Neither the Council, nor the Municipal Manager 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 Municipal Manager of the responsibility and/or accountability concerning the exercise of the delegated power or the performance of the delegated duty.

(7) The Municipal Manager 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 Municipal Manager 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 Municipal Manager 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 Municipal Manager 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 R10 million (including VAT) may not be sub-delegated by the Municipal Manager; to comply with this requirement, the Municipal Manager may either chair the bid adjudication committee or consider recommendation of the bid adjudication committee and make a final award for bids above R million (including VAT);

(b) above R2 million (including VAT), but not exceeding R10 million (including VAT), may be sub-delegated but only to:

(i) the Chief Financial Officer;

(ii) a director/senior manager, appointed in terms of the provisions of section 56 of the MSA; or

(iii) the bid adjudication committee of which the Chief Financial Officer or a director/senior manager is a member; or

(c) not exceeding R2 million (including VAT) may be sub-delegated but only to:

(i) the Chief Financial Officer;

(ii) a director/senior manager, appointed in terms of the provisions of section 56 of the MSA;

(iii) a manager directly accountable to the Chief Financial Officer or a director/senior manager; or

(iv) the bid adjudication committee.

(3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with sub-paragraph (2) above, must within 5(five) days of the end of each month submit to the official referred to in sub-paragraph (4) below, a written report containing particulars of each final award made by such official or committee during that month, 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 BBBEE status of that supplier

(4) All contract awards with a value exceeding R100 000 (VAT INCLUDED) must be captured and reported on a quarterly basis to Council.

(5) A written report referred to in sub-paragraph (3) above must be submitted:

(a) to the Municipal Manager, in the case of an award by:

(i) the Chief Financial Officer;

(ii) a director/senior manager, appointed in terms of the provisions of section 56 of the MSA; or

(iii) the bid adjudication committee of which the Chief Financial Officer or a director/senior manager is a member; or

(b) to the Chief Financial Officer or the director/senior manager responsible for the relevant bid, in the case of an award by:

(i) a director/manager referred to in sub-paragraph (2)(c)(iii) above; or

(ii) the bid adjudication committee of which the Chief Financial Officer or a director/senior manager is not a member.

(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 Municipal Manager.

(2) For the purposes of such oversight the Municipal Manager 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 Municipal Manager 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 Municipal Manager 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 Municipal Manager 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 Municipal Manager 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 Municipal Manager 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 Municipal Manager

(1) The Municipal Manager 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 Municipal Manager to implement this policy;

(f) review this policy at least annually or when the Municipal Manager 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 MSA

(1) Each director/manager of the Municipality, appointed in terms of the provisions of section 56 of the MSA, is responsible and accountable for:

(a) exercising the powers, performing the functions and discharging the duties conferred or assigned to him in terms of this policy or any delegation from the Municipal Manager;

(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 by his/her directorate of 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 2017);

(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 Municipal Manager 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 Municipal Manager;

(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;

(12) the verification of applications from prospective service providers for possible inclusion in the Register;

(13) submitting regular reports to the Municipal Manager and the relevant committee structure of the Municipality regarding progress and any matters of importance relating to this policy; and

(14) 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 Municipal Manager 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 verbal, written or formal price quotations of a transaction value of over R2 000.00 (including VAT), up to R200 000.00 (including VAT), as well as all documents for procurement by

means of a competitive bidding process of a transaction value of over R200 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 and copied to the Municipal Manager.

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, 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 Municipal Manager 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 Circular No. 62 from the MFMA, No. 56 as issued by National Treasury:

(a) **Implementation of demand management and procurement plans.** The Municipal Manager of the municipality 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 R200 000 including vat. These procurement plans must be approved by the Municipal Manager or his/her delegate.

(b) **Heads of departments and all user departments** of the municipality must submit the procurement plans to the Municipal Manager 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	April to May each financial year	Directorates
Forward Specifications to SCM	June to August 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 Municipal Manager 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 R200 000.00 (including VAT); and

(d) a competitive bidding process for:

(i) procurements above a transaction value of R200 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 Municipal Manager 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 R200 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 may 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;

(ii) proof of registration with Company Intellectual Property Commission (CIPC) in the case of private company, public company or co-operatives, and Non- Government Organisation (NGO), with company registration number, certified ID copy with ID number in case of a sole proprietor or any other registration number and

(iii) tax reference number and CSD registration number;

(iv) VAT registration number, if any; and

(v) a certificate of attendance at a compulsory site inspection or appear in the site inspection attendance register, where applicable

(b) has submitted an original and valid tax clearance certificate or PIN obtainable and CSD number from the South African Revenue Services (SARS) certifying that the provider's tax matters are in order;

(c) the municipality must verify and attach proof of verification with all relevant documentation to prove that the verification was conducted. 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 process.
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 or municipal entity, 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. The proof of tax compliance status submitted by the bidder to the municipality or municipal entity must be verified via the CSD or e-Filing.

The accounting officer should reject a bid submitted by the bidder if such a bidder fails to provide proof of tax compliance status within the time frame stated above.

It is not the responsibility of the municipality to obtain a copy of the service provider's tax clearance certificate and or a PIN form the South African Revenue Services (SARS); and

(d) 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

(iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in sub-paragraph (ii) above, is in the service of the state, or has been in the service of the state in the previous 12 (twelve) months.

(e) statement(s) proving that water, electricity, rates and business levy accounts of the owners or directors of the company, including the business are up to date or formal payment arrangement has been made;

(f) in a case of a company operating from the household under Tribal Authority, proof of address from the Chief or an affidavit from the South African Police Service (SAPS) must be provided with the quotation or bid;

(g) in case where a company leases the operating space the valid proof of lease signed by both the lessee and the lessor must be furnished with the quotation or bid; and

(h) Proof of registration on the Central Database and the registration number by the National Treasury.

(i) Declaration for procurement above R10 million (all applicable taxes included)

(j) Preference claim points or BBBEE

(k) Declaration of local production where applicable

(l) Declarations of bidders past supply chain management practices

(m) Certificate of independent bid determination

(n) Declaration of municipal fees

(2) Chapter 3 of this policy applies *mutatis mutandis* to this paragraph.

12.3 Lists of accredited prospective providers

(1) The Municipal Manager must:

(a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements of the Municipality through written or verbal quotations and formal written price quotations; The Municipality will have to advertise on the website, all the prospective bidders will have to register into the central supplier database to be able to do business with the Municipality.

(b) at least once a year through the newspapers commonly circulating locally, the website of the Municipality and any other appropriate ways, invite prospective providers of goods and/or services to apply for evaluation and listing as accredited prospective providers;

(c) specify the listing criteria for accredited prospective providers

(d) adhere to the specified listing criteria for accredited prospective providers; and

(e) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

(2) Prospective providers will be allowed to submit applications for listing once a year as prescribed in 14(1)(b). This does not preclude any potential service provider from quoting or bidding. Should service provider be successful they would be required to meet all the requirements of the listing criteria of this

policy before awarding is done in order for their quotations/bids to be responsive.

(3) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services.

(4) Prospective providers will be allowed to submit applications and amendments for listing at any time.

(5) The list must be compiled per commodity and per type of service.

(6) The listing criteria for accredited prospective providers which must be provided are among others are as follows as per the Municipal requirements

(a) name of supplier/service provider;

(b) physical address;

(c) postal address;

(d) contact person;

(e) contact person in sales department, if any;

(f) relevant telephone numbers;

(g) relevant fax numbers;

(h) relevant cellular phone numbers;

(i) relevant e-mail addresses;

(j) VAT registration number, if applicable;

(k) bank details;

(l) type of industry and specific goods or services offered;

(m) valid certification for specialised services;

(n) valid tax clearance certificate;

(o) CIDB registration if applicable; and

(p) valid certification of HDI status.

(6) For quotations up to and including R200 000.00 (including VAT), bidders are required to be registered on the Municipality's list of accredited prospective providers on or before the closing date for their quotations to be responsive.

(7) All parties to a consortium or joint venture must comply with the requirements of sub-paragraphs (6) and (7) above.

12.4 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 Municipal Manager may delegate the petty cash procurement responsibilities to a manager reporting to the Municipal Manager 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 months 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.

12.5 Written or verbal quotations

(1) When the Municipality intends to procure by way of written or verbal 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 preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Municipality, provided that if quotations are obtained from providers who are not so listed, such providers must meet the listing criteria in terms of the provisions of paragraph12.3 above.

(2) The Municipality must attempt to promote ongoing competition amongst providers of goods and/or services by inviting such providers to submit written or verbal quotations on a rotational basis.

(3) ~~To the extent feasible~~, providers must be requested to submit such quotations in writing.

(4) 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.

(5) The Municipal Manager must record the names of the potential providers requested to provide quotations, together with their quoted prices.

(6) If a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

(7) Dividing required purchases into lesser transaction values to circumvent the written price quotation process is not permissible.

(8) The Municipal Manager must take all reasonable steps to ensure that the procurement of goods and services through written or verbal 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 Municipal Manager and the Chief Financial Officer must, monthly, be notified in writing of all written or verbal 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 writing to more than 3 potential suppliers, no additional quotes need be obtained where the number of responses thereto are less than 3 (three).

(11) The Municipal Manager must take all reasonable steps to ensure that the procurement of goods and services through formal written price quotations are not abused.

(12) The Municipal Manager and the Chief Financial Officer must, monthly, be notified in writing of all quotations accepted by an official acting in terms of a sub-delegation.

12.6 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 R200 000.00 (including VAT), must be advertised for at least 7 (seven) 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 from the Municipality website.

(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, BBBEE level 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 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 Head: Supply Chain Management Unit.

(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, BBBEE level and whether the supplier is within the juristiction 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.

12.7 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 R200 000.00 (including VAT), and/or for any long-term contracts.

(a) the 80/20 preference point system for acquisition of services, works or goods up to a rand value of R50 million must be used to calculate the points for price in respect of tenders with a rand value equal to or above R200 000 up to a rand value of R50 000 000 (all inclusive).

(2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

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) minimum qualifying score for functionality.

(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 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:
- 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;
- 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;
- 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;
- 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, website of the Municipality and the notice board. The information a public advertisement must contain, which 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 from the date on which the advertisement is placed and;

(ii) bids may 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) Bids submitted to the municipality must be sealed.

12.8 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 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 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) An organ of state which has cancelled a tender invitation as contemplated in sub-regulations (1)(a) and (2)(a) must re-invite tenders and must, in the tender documents, stipulate the correct preference point system to be applied.

(f) An organ of state may, 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 in the Government Tender Bulletin or the media in which the original tender invitation was advertised.

No requirement for goods and/or services above an estimated transaction value of R200000.00 (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 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.

12.7.1 Bid documentation for competitive bids

(1) In addition to the contents of paragraph12.2 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 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 certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a Municipality or other service provider in respect of which payment is overdue for more than 30 (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) an original tax clearance certificate from SARS stating that the bidder's tax matters are in order and CSD reference numbers;

(f) proof 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, or where the bidder does not have such an account, the person(s) managing or in control of the bidder; 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.

(12) 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.

(13) Bid documentation must state that the Municipality will not be bound to consider alternative bids.

(14) 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.

(15) Unless the Municipal Manager directs otherwise, bids are invited within the Republic only.

(16) The laws of the Republic will apply and govern contracts of the Municipality arising from the acceptance of bids.

(17) 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 Municipal Manager 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, which must stipulate that:

(a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or municipal entity or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and

(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, if applicable;

(f) the place where the bid documentation is available for collection and the times between which bid documentation may be collected;

(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 Municipal Manager 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 collect bid documents, which tender fee will be determined by the Chief Financial Officer in terms of paragraph8.4 above.

(5) Bid documentation will be available for collection until the closing date and time of bids.

(6) Bids submitted to the Municipality must be sealed.

(7) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

12.7.3 Issuing of bid documents

(1) Bid documents and any subsequent notices may only be issued by officials authorised and designated by the Chief Financial Officer

(2) Details of all prospective bidders who have been issued with bid documents must be recorded by the issuing office but shall remain **confidential** for the duration of the bid period.

(3) Details of prospective bidders must, wherever possible, include the full name of the person drawing documents, a contact person, a contact telephone and fax number and a postal and email address.

12.7.4 Site inspections

(1) In general, and where applicable, site inspections will not be compulsory unless otherwise stated in the bid documents.

(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 14 (fourteen) days after the bid has been advertised, and a certificate of attendance signed by the responsible agent must be submitted with the bid.

(4) 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

If the Municipality decides to apply pre-qualifying criteria to advance certain designated groups, it must advertise the tender with a specific tendering condition that only one or more of the following tenderers may respond-

(a) a tenderer having a stipulated minimum B-BBEE status level of contributor; (b) an EME or QSE;

(c) a tenderer subcontracting a minimum of 30% to-

(i) an EME or QSE which is at least 51% owned by black people;

(ii) an EME or QSE which is at least 51% owned by black people who are youth; (iii)an EME or QSE which is at least 51% owned by black people who are women;

(iv) an EME or QSE which is at least 51% owned by black people with disabilities;

(v) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;

(vi) a cooperative which is at least 51% owned by black people;

(vii) an EME or QSE which is at least 51% owned by black people who are military veterans;

(viii) an EME or QSE.

(2) A tender that fails to meet any pre-qualifying criteria stipulated in the tender documents is an unacceptable tender.

12.7.6. 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.

12.7.7 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 quality of the methodology.

(c) The qualifications of key personnel; and

(d) 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.

12.7.8 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).

12.7.9 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 expiry of the extended validity period;

(c) all the bidders who have submitted bids have agreed in writing to the extension of the validity period of the bid and to their price and terms remaining valid for the extended period; and

(d) the validity period of a bid may 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:

(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.

12.7.10 Contract price adjustment

(1) For all contract periods equal to or exceeding 1 (one) year, an appropriate contract price adjustment formula must be specified in the bid documents.

(2) 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.

(3) 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 for that period by which the extended contract period exceeds such 1 (one) year.

12.7.11 Provisional sums and prime cost items

(1) If monetary allowances more than R200 000.00 for provisional sums or prime cost items have been included in the bid documents, and where the work or items to which the sums relate are to be executed/supplied by subcontractors/suppliers, then a competitive bidding process shall be followed in respect of these sums/items.

(2) When monetary allowances of less than R200 000.00for provisional sums or prime cost items have been included in the bid documents, and where the work or items to which the sums relate are to be executed/supplied by sub-contractors/suppliers, the contractor must be required to obtain a minimum of 3 (three) written quotations for approval by the responsible agent.

12.7.12 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 and address must be delivered separate from the bid to the addressee mentioned in the bid documents.

(2) Bids may not be included in parcels 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 inwriting, 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.

12.7.13 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) No Clause.

(5) The bid closing date may be extended prior to the original bid closing date by the manager of the SCMU, 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 Municipal Manager.

(6) The Municipal Manager may determine a closing date for the submission of bids which is less than any of the periods specified in this paragraph, 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.

12.7.14 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 by the manager of the SCMU by either e-mail, facsimile, or registered post, as may be appropriate.

(3) A copy of the notice together with a transmission verification report/proof of posting shall be kept for record purposes.

(4) Notices should be issued at least one week prior to the bid closing date, 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.

12.7.15 Submission of bids

(1) Bids must be submitted before the closing date and time, at the address and in accordance with the directives in the bid documents.

(2) Each bid must be in legible writing using non-erasable black ink and must be submitted on the official form of bid/offer issued with the bid documents.

(3) The bid must be submitted in a separate sealed envelope with the name and address of the bidder, the bid number and title, the bid box number (where applicable), and the closing date indicated on the envelope.

(4) The envelope may not contain documents relating to any bid other than that shown on the envelope.

(5) Only sealed bids will be accepted.

(6) 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.

(7) Postal bids will not be accepted for consideration.

(8) No bids forwarded by telegram, facsimile or similar apparatus may be considered.

(9) Photostat copies of bids or facsimiles which are submitted in the prescribed manner will, however, be considered, provided the original forms of bid/offer can be shown to have been posted or couriered prior to the close of bids.

(10) Electronic bids will not be accepted.

(11) The bidder shall choose a *domicilium citandi et executandi* within the Republic and unless notice of the change thereof has duly been given in writing, it shall be the address stated in the bid.

(12) No person may amend or tamper with any bids or quotations after their submission.

12.7.16 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.

12.7.17 Opening of bids

(1) At the specified closing time on the closing date, the applicable bid box must be closed in public.

(2) The bid box must be opened in public as soon as practical after the closing time.

(3) 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.

(4) The official opening the bids must in all cases read out the name of the bidder and, where practical, the amount of the bid.

(5) As soon as a bid or technical proposal has been opened the Municipal Manager must ensure that:

(a) all bids received in time must be recorded in the bid opening record;

(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 official who opened the bid shall forthwith place his/her signature on the bid opening record;

(e) the bid opening record must be made public for inspection; and

(f) the entries in the bid opening record must be published on the website of the Municipality.

(6) There shall be no obligation on the Municipality to re-direct bids found to have been inadvertently placed in the incorrect bid box. Bids shall not be re-directed unless the applicable bids either closed on the same day at the same time or are still open. The Municipality disclaims any responsibility for seeing that the bids are in fact lodged in the correct bid box.

(7) A record of all bids placed in an incorrect box must be kept and such record must contain details of the official who discovered the bid in the incorrect bid box.

(8) Bids received in sealed envelopes in the bid box without a bid number or title on the envelope will be opened at the bid opening and the bid number and title ascertained where possible. In this regard:

(a) a bid which was in the correct bid box will be read out;

(b) a bid which is found to be in the incorrect bid box, may be redirected provided that the applicable bids either closed on the same day at the same time, or are still open; and

(c) where the bid closes at a later date, the bid will be placed in a sealed envelope with the bid number and title endorsed on the outside, prior to being lodged in the applicable box.

(d) where the bid number or title cannot be ascertained from an examination of the bid documents, the bid may be declared invalid.

(9) The Municipality however disclaims any responsibility for seeing that the bid is in fact lodged in the correct box.

12.7.18 Invalid bids

(1) Bids will be invalid and be endorsed and recorded as such in the bid opening record by the responsible official appointed by the manager of the SCMU to open the bid, 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;

(c) where the bid is not completed in non-erasable 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 bid number, and these cannot be ascertained from an examination of the bid documents.

(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.

12.7.19 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. 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 Municipal Manager 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 Municipal Manager prior to publication of the invitation for bids;

(j) may stipulate that goods or services equating up to 25% of the value of the bid price/tendered amount must be subcontracted to a local business, or to a local business which is listed on the Municipality's list of approved local SMME businesses.

(3) Where specifications are based on standard documents available to bidders, a reference to those documents is sufficient and if the bid specifications also contain extracts from such standard documents, then unless the specifications expressly provide otherwise, the entire document referred to shall be incompetent and the reference to extracts therefrom in the specifications shall not exclude those terms not expressly quoted.

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 a projector procurement activity.

(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 reasonable possible, for all specifications of goods and/or services.

(5) In the development of bid specifications, innovative mechanisms should be explored to render the service or product more resource and energy efficient.

(6) The Municipal Manager, or his delegated authority, must adhere to the provisions of section 117 of the MFMA when appointing the members of the bid specification committees.

(7) 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 i.e. whether municipal rates and taxes and municipal service charges are not in arrears and tax matters in order; 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 departments 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 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 and listed on the list of accredited providers of the Municipality;

(i) who, in the case of construction works acquisitions, does not comply with the requirements of the CIDBA regarding registration of contractors;

(j) who has failed to submit an original and valid tax clearance certificate from SARS, certifying that the taxes of the bidder are in order or that suitable arrangements have been made with SARS.

(4) Bids shall be evaluated according to the following, as applicable:

(a) functionality;

(b) bid price and specific goals as per the applicable provisions of the PPPFA (corrected, if applicable and brought to a comparative level where necessary);

(c) the unit rates and prices;

(d) the bidder's ability to execute the contract;

(e) any qualifications to the bid;

(f) the bid ranking obtained in respect of preferential procurement as required by this policy;

(g) the financial standing of the bidder, including its ability to furnish the required institutional guarantee, where applicable; and

(h) any other criteria specified in the bid documents.

(5) No bidder may 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) Alternative bids may be considered, provided that a bid free of qualifications and strictly in accordance with the bid documents is also submitted and the alternate is clearly marked as such.

(8) 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.

(9) The bidder obtaining the highest number of points must be recommended for acceptance 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.

(10) 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.

(11) 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.

(12) All disclosures of a conflict of interest must be considered by the bid evaluation committee and shall be reported to the bid adjudication committee.

(13) 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.

(14) A bid evaluation committee can either be constituted on an ad hoc basis for each project or procurement activity or be appointed by the Municipal Manager for a financial year, to evaluate bids received.

(15) 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.

(16) 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.

(17) External specialists/experts may advise the bid evaluation committee, as required.

(18) The Municipal Manager, or his delegated authority, must, considering section 117 of the MFMA, appoint the members of the bid evaluation committees.

(19) 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) depending on its delegations, make a final award or make a recommendation to the Municipal Manager regarding the making of a final award; or

(ii) make another recommendation to the Municipal Manager on how to proceed with the relevant procurement.

(2) Where it holds the delegated power to do so in terms of the Municipality's system of delegations, the bid adjudication committee may make an award to a preferred bidder, subject to the Municipal Manager negotiating with the preferred bidder, provided that such negotiation is in accordance with the conditions set out in sub-paragraph (3) below, which apply *mutatis mutandis*.

(3) The Municipal Manager may negotiate 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 preferred 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.

(4) If a bid other than the one recommended in the normal course of implementing this policy is approved, then the Municipal Manager 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.

(5) The Municipal Manager 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 Municipal Manager 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 may be formally accepted until either the expiry of the 14 (fourteen)day objection or complaint period, confirmation in writing before the expiry of the 14 (fourteen)day objection or complaint period that none of the affected parties intend to object or complain or confirmation of the satisfactory resolution of any objection or complaint.

(9) If the bid adjudication committee or the Municipal Manager 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 faxed or sent via electronic mail to the address chosen by the bidder, with a copy of proof of transmission kept for record purposes, or shall be delivered by hand, in which case acknowledgement of receipt must be signed and dated on a copy of such notification which must be kept for record purposes.

(12) Where it becomes necessary to cancel or re-advertise formal bids, a report to this effect must be submitted to the bid adjudication committee for decision.

(13) Where bids have been cancelled, all bidders must be notified of such cancellation in writing.

(14) It is not necessary to notify original bidders when new bids are invited and advertised.

(15) No bid may be re-advertised before the expiry of the validity period of the original bid or any extended validity period.

(16) Notwithstanding sub-paragraph (14) above and where no valid bids are received, or all bidders have indicated in writing that they have no objection to the re-advertisement of the bid, then the bid may forthwith be re-advertised.

(17) In the case of bids for construction works, and where the bid adjudication committee resolved that there were no responsive bids received, then the bid may forthwith be re-advertised.

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, if the Municipality has such an expert.

(2) The Municipal Manager 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 a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid:

(a) ensure that the preferred bid is in all respects responsive and compliant and verify that the preferred bidder's municipal rates and taxes and municipal service charges are not in arrears;

(b) notify the Municipal Manager, 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 Municipal Manager 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 Municipal Manager 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.

12.15 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) Unless expressly stated in the bid documents, the award of the term bid shall not confer any exclusivity on the successful bidder nor prevent the Municipality from proving the same or similar services elsewhere.

(7) Material for repairs and maintenance can be purchased on a term bid where circumstances warrant it.

(8) 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.

(9) The process for considering term bids must be in terms of the evaluation and adjudication procedures for conventional competitive bids.

(10) Subsequent to an award where different selections of items are required in terms of the same term bid, and where it is not possible or practical to separate orders for different items from different suppliers, service providers or contractors, then and in that instance, a selection process must be carried out in respect of each application by the responsible agent. Individual orders must be placed based on the highest total evaluation points received, preapplication.

(11) Where the selected supplier, contractor or service provider, in terms of the selection process specified in the term bid documentation, is unable to provide the required goods, services or construction works at the required time and confirms as such in writing, the bidder with the next highest valuation points (re-calculating the bid scores excluding the successful bidder) must be selected.

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 Municipal Manager 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 Municipal Manager 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).

(4) 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.

12.18 Procurement of goods and services under contracts secured by other organs of state

(1) The Municipal Manager may procure goods and/or services for the Municipality under a contract secured by another organ of state, but only if:

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

(b) the Municipality has no reason to believe that such contract was not validly procured;

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

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

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 Municipal Manager 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 Municipal Manager 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 R200 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 R200 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 R200 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 Appointment 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 request to deviate from the instruction note maybe 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 in the City

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 consultant 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 FORM, AND RATIFICATION OF MINOR BREACHES OF PROCUREMENT PROCESS

(1) The Municipal Manager 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;

(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 Municipal Manager 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 Municipal Manager for approval. Where, however, time is of the essence, the emergency must be immediately addressed, and the process formalised in a report to the Municipal Manager as soon as possible thereafter.

(8) The Municipal Manager 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 Municipal Manager;

(b) such condonation will not preclude the taking of disciplinary steps against the responsible official; and

(c) the Municipal Manager 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.

(9) In the event where the Municipal Manager 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 Municipal Manager 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 Municipal Manager.

(3) Where the Municipal Manager 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 Municipal Manager, 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 Municipal Manager 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

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 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.

13.8 Contract management

(1) The Municipal Manager must take all reasonable steps to ensure that contracts procured through this policy are properly implemented and enforced. To this end the Municipal Manager 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 Municipal Manager 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 Municipal Manager 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) Departments 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 Municipal Manager 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 Municipal Manager 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 Municipal Manager monthly; and

(p) the Municipal Manager must establish capacity and a system to ensure effective contract management.

14 DISPOSAL MANAGEMENT

(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 City 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 Municipal Manager 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 R15000.00to 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 Municipal Manager 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 Municipal Manager 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 Municipal Manager 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 Municipal Manager in combating fraud, corruption, favouritism, unfair and irregular practices in the Supply Chain Management System; and

(i) must report to the Municipal Manager 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 Municipal Manager in a register which the Municipal Manager must keep for this purpose.

(5) All declarations by the Municipal Manager must be made to the Executive Mayor of the Municipality, who must ensure that such declarations are recorded in the register.

(6) The Municipal Manager 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 Municipal Manager.

(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 Municipal Manager 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 Municipal Manager 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 R350.00 in value.

(4) The Municipal Manager 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 Municipal Manager 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 Municipal Manager 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 Municipal Manager, or another official designated by the Municipal Manager, is responsible for assisting the appointed person to perform his or her functions effectively.

(3) The person appointed by the Municipal Manager 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 Municipal Manager 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 Municipal Manager 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 City Legal Department must get involved so as to determine the risk to the City in terminating the contract, and how the City'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 City terminates the contract, or the supplier terminates the contract. It is of utmost importance that the City 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 City and the Supplier for audit purposes and/or in the event of legal issues.

36. 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 Adjudication Committee 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.

37 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 City 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 EAC 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 City should consider alternatives or try to encourage development of competition.

(b) Installed Base [Original Equipment Manufacturer (OEM)]

A change of supplier would compel the City 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 City, 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 EAC.

(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 City, 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 EAC, as City employees (including Supply Chain Management Officials) are not permitted to engage with suppliers in negotiations without a formal mandate from an EAC.

(d) After approval of the commercial strategy, the Supply Chain Management Official together with the BEC, must complete a

Commercial Transaction Approval Form requesting a mandate to negotiate from the EAC. The approval of the commercial strategy and the request for a mandate to negotiate may be handled together by the EAC.

(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 EAC.

(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, together with BSC may present the Commercial Transaction Approval Form, together with the signed Sole Source Justification Form to the EAC 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 in consultation with the BSC, 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 EAC 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 City 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 EAC 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 /BEC may request an approval of a negotiated outcome, a revised mandate or may request cancellation of the transaction from the EAC.

(n) Where the BAC grants approval to proceed with contract finalisation, the Supply Chain Management Official in consultation with the BEC prepares the contract documents and arranges for the signing thereof.

(o) The SCM Official ensures that all relevant documents are filed for audit purposes.

38 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 City
(e) has a sound and approved business case which has been reviewed by the EAC; 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 twelve (12) months and once this life-span has come to an end.

(6) There would be no expectation that the City 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 Municipal Manager 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.

(2) The steps referred to in sub-paragraph (2) above which the Municipal Manager 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;

(vii) 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 Municipal Manager shall, subject to the procedures prescribed in this policy, been 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 offence shall automatically also be listed on the Municipality's Register of Tender Contract Defaulters by the Municipal Manager.

(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 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 Municipal Manager, 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 Municipal Manager, actively associated.

(5) A person who has been listed on the Municipality's 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 Municipal Manager 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 therefor shall be disclosed at the next opportunity to Council.

27.2 Automatic rejection of bid

The Municipal Manager 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 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 paragraph21.3 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 Municipal Manager 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 Municipal Manager 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.

27.9 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.

27.10 Right to legal representation

An affected person shall have a right to legal representation.

27.11 Right to request reasons

An affected person shall be informed of the right to request written reasons in terms of the provisions of section 5of PAIA in respect of any decision taken by the Municipality in terms of this policy.

27.12 Criminal proceedings

The Municipal Manager 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.

27.13 Informing Provincial and National Treasury

The Municipal Manager must inform the Provincial and National Treasury of any actions taken in terms of this paragraph.

CHAPTER5

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 paragraph34 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 paragraphs30 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) (a) The following formula must be utilised to calculate the points for price in respect of bids (including price quotations) with a rand value equal to, or above R30 000.00 and up to a rand value of R50 million (all applicable taxes included):

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

Where:

Ps = Points scored for comparative price of bid or offer under consideration;

Pt = Comparative price of bid or offer under consideration; and

Pmin = Comparative price of lowest acceptable bid of offer.

(b) The Municipality may apply the formula in sub-paragraph (1)(a) above for price quotations with a value less than R30 000.00, where and when appropriate.

(2) Subject to sub-paragraph (3) below, points must be awarded to a bidder for attaining the B-BBEE status level of contributor in accordance with the following table:

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

(3) A tenderer must submit proof of its B-BBEE status level of contributor.

(4) A tenderer failing to submit proof of B-BBEE status level of contributor or

is a non-compliant contributor to B-BBEE may not be disqualified, but-

(a) may only score points out of 80 for price; and

(b) scores 0 points out of 20 for B-BBEE.

(5) A tenderer may not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.

(6) The points scored by a tenderer for B-BBEE in terms of sub-regulation (2) must be added to the points scored for price under sub regulation (1).

(7) The points scored must be rounded off to the nearest two decimals places.

(8) Subject to sub regulation (9) and regulation 11, the contract must be awarded to the tenderer scoring the highest points.

(9) (a) If the price offered by a tenderer scoring the highest points is not market related, the organ of state may not award the contract to that tenderer.

(b) The organs of state may-

(i) negotiate a market-related price with the tenderer scoring the highest points or cancel the tender;

(ii) if the tenderer does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points or cancel the tender;

(iii) if the tenderer scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender.

(c) If a market-related price is not agreed as envisaged in paragraph (b)

(iii), the organ of state must cancel the tender.

31. THE 90/10 PREFERENCE POINT SYSTEM FOR THE ACQUISITION OF GOODS AND/OR SERVICES WITH A RAND VALUE ABOVE R50 MILLION

(1) The following formula must be utilised to calculate the points for price in respect of bids with a rand value above R50 million (all applicable taxes included):

$$Ps = 90\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where:

Ps = Points scored for comparative price of bid or offer under consideration;

Pt = Comparative price of bid or offer under consideration; and

Pmin = Comparative price of lowest acceptable bid of offer.

(2) Subject to sub-paragraph (3) below, points must be awarded to a bidder for attaining their B-BBEE status level of contributor in accordance with the following table:

B-BBEE Status Level of Contributor	Number of Points
1	10
2	9

3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

(3) A tenderer must submit proof of its B-BBEE status level of contributor.

(4) A tenderer failing to submit proof of B-BBEE status level of contribution or is a non-compliant contributor to B-BBEE may not be disqualified, but-

(a) may only score points out of 90 for price; and

(b) scores 0 points out of 10 for B-BBEE.

(5) A tenderer may not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.

(6) The points scored by a tenderer for B-BBEE contribution in terms of sub regulation (2) must be added to the points scored for price under sub regulation (1).

(7) The points scored must be rounded off to the nearest two decimal places.

(8) Subject to sub regulation (9) and regulation 11, the contract must be awarded to the tenderer scoring the highest points.

(9) (a) If the price offered by a tenderer scoring the highest points is not market related, the organ of state may not award the contract to that tenderer.

(b) The organs of state may-

(i) negotiate a market-related price with the tenderer scoring the highest points or cancel the tender;

(ii) if the tenderer does not agree to a market-related price,

negotiate a market-related price with the tenderer scoring the second highest points or cancel the tender;

(iii) if the tenderer scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender.

(c) If a market-related price is not agreed as envisaged in paragraph (b)(iii), the organ of state must cancel the tender.

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, 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, 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.

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 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 departments 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 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 Strategic Executive Director and relevant Cluster Deputy City 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 City are subject to annual review by contract management.

(16) The period of a framework agreement that is repetitive nature for services that the City 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 <u>two-stage binging process.</u>

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.

36. B-BBEE STATUS LEVEL CERTIFICATE

(1) Bidders with an annual total revenue of R5 million or less qualifies as exempted micro enterprises in terms of the B-BBEE and must submit a certificate issued by a registered auditor, accounting officer (as contemplated in section 60(4) of the Close Corporation Act, Act 69 of 1984) or an accredited verification agency.

(2) Bidders other than exempted micro enterprises must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating.

(3) The submission of such certificates must comply with the requirements of instructions and guidelines issued by the National Treasury and be in accordance with notices published by the Department of Trade and Industry in the Government Gazette.

(4) The B-BBEE status level attained by the bidder must be utilised to determine the number of points allocated in terms of paragraphs 24(2) and 25(2) above.

30. 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) In the event that 2 (two) or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE:

(a) When, however, functionality is part of the evaluation process and 2 (two) or more bids have scored equal points including equal preference points for B-BBEE, the successful bidder must be the one scoring the highest score for functionality.

(b) Where 2 (two) or more bids are equal in all respects, the award will be decided by the drawing of lots.

(6) A trust, consortium or joint venture will qualify for points for its B-BBEE status level as a legal entity, provided that such entity submits its B-BBEE status level certificate.

(7) A trust, consortium or joint venture will qualify for points for its B-BBEE status level as an unincorporated entity, provided such entity submit its consolidated B-BBEE scorecard as if the entity is a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

(8) Subcontracting as condition of tender

(1) If feasible to subcontract for a contract above R30 million, the Municipality must apply subcontracting to advance designated groups.

(2) If the Municipality applies subcontracting as contemplated in sub regulation (1), the organ of state must advertise the tender with a specific tendering condition that the successful tenderer must subcontract 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).

(3) 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.

(9) Subcontracting after award of tender

(1) A person awarded a contract may only enter into a subcontracting arrangement with the approval of the organ of state.

(2) A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

(4) A person awarded a contract may not subcontract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract

38. 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.

39. REMEDIES

Upon detecting that a tenderer submitted false information regarding its B-BBEE status level of contributor, local production and content, or any other matter required in terms of these Regulations which will affect or has affected the evaluation of a tender, or where a tenderer has failed to declare any subcontracting arrangements, the organ of state must-

(a) inform the tenderer accordingly;

(b) give the tenderer an opportunity to make representations within 14 days as to why-

(i) the tender submitted should not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part;

(ii) if the successful tenderer subcontracted a portion of the tender to another person without disclosing it, the tenderer should not be penalized up to 10 percent of the value of the contract; and

(iii) the tenderer should not be restricted by the National Treasury from conducting any business for a period not exceeding 10 years with any organ of state; and

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

(1) that-

(i) such false information was submitted by the tenderer-

(aa) disqualify the tenderer or terminate the contract in whole or in part; and

(bb) if applicable, claim damages from the tenderer; or

(ii) the successful tenderer subcontracted a portion of the tender to another person without disclosing, penalize the tenderer up to 10 percent of the value of the contract.

(2) (a) The Municipality must-

(i) inform the National Treasury, in writing, of any actions taken in terms of sub regulation (1);

(ii) provide written submissions as to whether the tenderer should be restricted from conducting business with any organ of state; and

(iii) submit written representations from the tenderer as to why that tenderer should not be restricted from conducting business with any organ of state.

(c) The National Treasury may request an organ of state to submit further information pertaining to sub regulation (1) within a specified period.

(3) The National Treasury must-

(a) after considering the representations of the tenderer and any other relevant information, decide whether to restrict the tenderer from doing business with any organ of state for a period not exceeding 10 years; and

(b) maintain and publish on its official website a list of restricted suppliers.

40 TREASURY INSTRUCTION NOTE ON COST CONTAINMENT

1. It is mandatory for accounting officers of departments 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

GENERAL PROVISIONS/ADDITIONAL INFORMATION

41.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

42 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

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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 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.

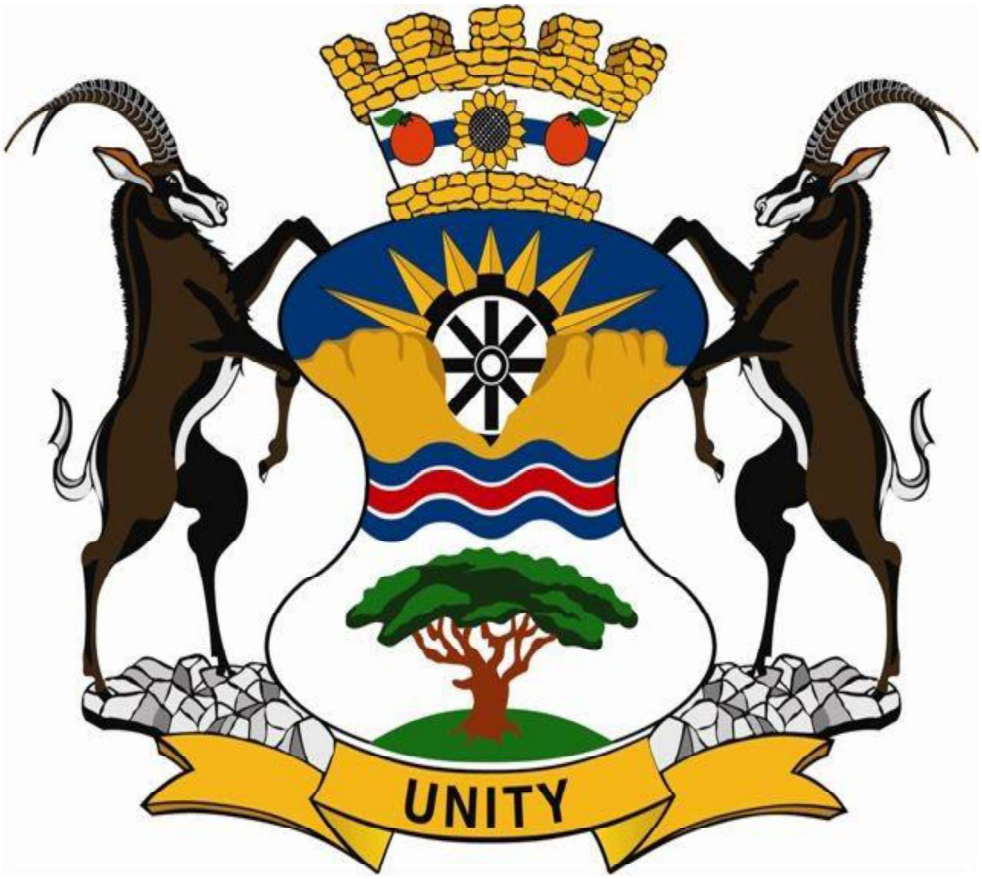
44. SHORT TITLE

This policy shall be called the Supply Chain Management Policy of the Rustenburg Local Municipality.

The 2017 PPPFA have been included verbatim thus reference to sub-regulations, readers should read the policy in juxtaposition with the PPPFA 2017 regulations for clear understanding.

The policy was reviewed and approved at a Council sitting on the _____
Item number_____

RUSTENBURG LOCAL MUNICIPALITY



STUDY AID POLICY

CONTENTS IN BRIEF

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1. DEFINITIONS

The following definitions and principles will apply to the Municipality's Study Aid Policy. In this policy, the definitions mean:

1.1 Official – is a permanently employed employee in the service of the Municipality.

1.2 Study Aid – is a financial support granted to officials for approved study Purposes.

1.3 Institution - Educational institution registered in terms of SAQA requirements.

1.4 Council - The Rustenburg Local Municipality and includes the Mayoral Committee of the Rustenburg Local Municipality and any official acting by virtue of any power vested in the Rustenburg Local Municipality in connection with these by-laws and delegated officially to him.

1.5 Examinations - A once only final testing of the proficiency or knowledge of a student for a qualification (oral or written) in a particular subject/module prescribed by the institution.

1.6 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.

1.7 Post graduate studies/qualification and Matric:

1.7.1 Degrees: Honors and higher
1.7.2 Diploma: Higher diploma, B. Tech Degrees
1.7.3 Certificate: Senior Certificate, Higher Certificate
1.7.4 Qualifications evaluated by the Human Sciences Research Council And/or SAQA as a Senior Certificate + 4 or more year.
1.7.5 Matric

1.8 SAQA Act – South African Qualification Authority Act, 1995 (No. 8 of 1995) – as amended.

1.9 LG SETA – Local Government Sector Education and Training Authority.

1.10 SDA - Skills Development Act, 1998 (N0. 97 of 1998) as amended.

1.11 SDL Act - Skills Development Levies Act, 1999 (No. 9 of 1999) as amended.

1.12 Learner – refer to a student in the form of an employee.

2. GOAL OF THE STUDY AID

To offer official's opportunities acquire qualifications to satisfy the Human Resource needs of the Council, as well as to enhance the career development needs of the officials.

3. OBJECTIVES OF THE STUDY AID

Is to encourage employees to engage in or continue their studies in order to:

3.1 To develop the skill and level of academic achievement of the Municipality;

3.2 To improve the quality of life of employees, their career prospects and

3.3 To improve productivity in the broader Country through the Municipality.

3.5 Increase the levels of investment in education and training in the Municipality and that the return of that investment be improved.

3.6 Encourage Management (Section 57 Managers):

3.6.1 To facilitate active learning in the workplace and;
3.6.2 To provide employees with opportunities to acquire new skills and knowledge;

4. CRITERIA FOR THE GRANTING OF STUDY BURSARY SCHEMES

4.1 Any course which is followed by an official should be applicable to the functions and activities of RLM authorities.

4.2 Courses may only be followed at educational institutions established, registered and approved by the South African Qualification Authority.

4.3 When an official is transferred to another directorate and or promoted within the same directorate with other functions and he/she decides to change his/her course, it would **not** be seen as the discontinuing of studies.

4.4 Before any change is effected, the qualification/course on which an official is busy with must be completed first and then she/he can be allowed to change thereafter.

4.5 Participation in the study aid will be limited to **one** recognized pre-graduate and post-graduate qualification per official.

4.6 If a learner finds it difficult to complete/continue with an approved recognized post-graduate qualification, he/she have **to pay back amount paid in full** already

for him/her in the qualification that is being discontinued before he/she can participate in another qualification.

4.7 Learner can change a post-graduate qualification registered with an educational institution if the qualification is discontinued by the institution and a **written proof must be provided** to that effect.

4.8 **Study aid may be granted to officials who –**

4.8.1 Have been appointed permanently in the service of the Council;

4.8.2 Qualify for admission to a particular course or remainder thereof at the educational institution;

4.8.3 Are identified to enroll for development programmes as part of career development and employment equity guidelines of Council .

4.8.4 Did not already make use of a study aid in completing a qualification.

4.8.5 Are suspended from the services of RLM and still waiting for the finalization of the disciplinary process

5. FUNCTIONAL POLICY

5.1 **Applying for a study aid:**

Officials shall apply in writing for a Study Aid on the prescribed application form.

5.2 **Approving of study aid:**

The allocation of Study Aid is delegated to the Director: Corporate Support Services.

The allocation of a study aid is valid for the total duration of the approved course that it has been granted for, subject to the availability of funds.

5.3 **Payment of study aid:**

No study aid shall be paid out for the first year of studies to an official unless the official's application for a Study Aid for a specific qualification has been approved.

A written agreement must be entered into between the official concerned and the Council wherein the provisions of these by-laws are reaffirmed, before any payments can be made.

No payments shall be made for the remaining years of studies before:

- previous examination results were submitted
- all the subjects/module have been passed.

5.4 **Composition of a study aid:**

5.4.1 Study expenses:

- The actual study expenses for registration, class, examination and/or course fees, as well as prescribed books, for the applicable year shall be paid to the employee/educational institution on submission of an official receipt/account or quotations to the minimum amount of R15 000.00 and maximum amount of R50 000.00, as per DCS guidance and approval and shall not include examination re-write.

- No subsistence and travelling or any other expenditure shall be paid for.

5.4.2 If the employee submits the quotation higher than the maximum amount, he/she shall be responsible for payment of the difference

5.5 **Condition/Obligations of Employee and Council:**

The Council may at any time in its sole discretion cancel the study aid if the Council is of the opinion that an official's progress is unsatisfactory or if he/she fails to comply with any other obligation in terms of this by-law or the study aid agreement.

A written agreement shall be entered into between the official and the Council in which the official commits himself/herself to serve in the Council as follows:

5.5.1 Work back for Council 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 Council.

5.5.2 An employee will be required to remain in the Municipality's service for a period of **one 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 that year was written. Where no examination was written but a master thesis was submitted, the employee will be required to remain in the Municipality's service for **one year** after his/her thesis has been finally accepted.

5.5.3 Should an employee leave the Municipality's service before the time frame mentioned in 5.5.2 for whatever reason (**resigns or voluntarily discontinues his/her service**) but excluding medical unfit, death and dismissal from service, an employee will be liable to pay the whole amount of the study aid back to council without interest for the qualification registered for.

5.5.4 When an official fails a subject(s)/module(s), such learner would be required to produce proof of payment of the failed subjects/modules before any applications for further study aid could be granted for the next semester subject(s)/module(s) or registration.

5.5.5 When an official leaves the service of RLM without completing the qualification or failed subjects that would not be considered as a work back on failed subjects or qualification.

5.5.6 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.

6. SPECIFIC REGULATIONS

6.1 Merit Study Aid:

An official receiving a merit Study Aid from an educational institution can still apply for a Study Aid.

6.2 Special Leave:

Special leave shall be granted for examinations as mentioned in the Basic Conditions of Employment.

6.3 Study leave:

6.3.1 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.

6.3.2 Where a learner is required to write examination modules on two consecutive days only one day of examination shall be granted not a study leave

6.3.3 In order to be granted such leave, the employee must:

- Submit written proof of his/her examination roster;
- Submit application for special leave at least ten (10) working days prior to the date on which the special leave will commence;
- In the case of Master/Doctorates/honors studies submit proof of his/her thesis/dissertation roster; and
- Submit written proof of examination time table organized by the institution or testing of proficiency or knowledge to qualify for an examination.

6.3.4 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.

6.4 <u>Rewriting Examinations:</u>

- Special leave of one (1) full working day for the purpose of re-writing the examination shall be granted;
- Costs will **<u>not</u>** be covered by the Municipality.

6.5 <u>Group discussions and Class Attendance:</u>

6.5.1 Group discussion/class attendance one (1) day or according to class attendance roster.

6.5.2 Submit written proof of attendance of group discussions, study schools and class attendance organized by the institution.

6.5.3 No subsistence and travelling allowance is payable when officials have to attend group discussions.

6.5.4 The cost of extra voluntary lessons, supplementary examination fees, re-registration, supplementary textbooks, stationer, travelling and accommodation will be for **<u>learner's own account</u>**

7. UPHOLDING OF POLICY

The Director: Corporate Support Services will be responsible for the upholding of this policy.

8. 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 course it has been granted for.

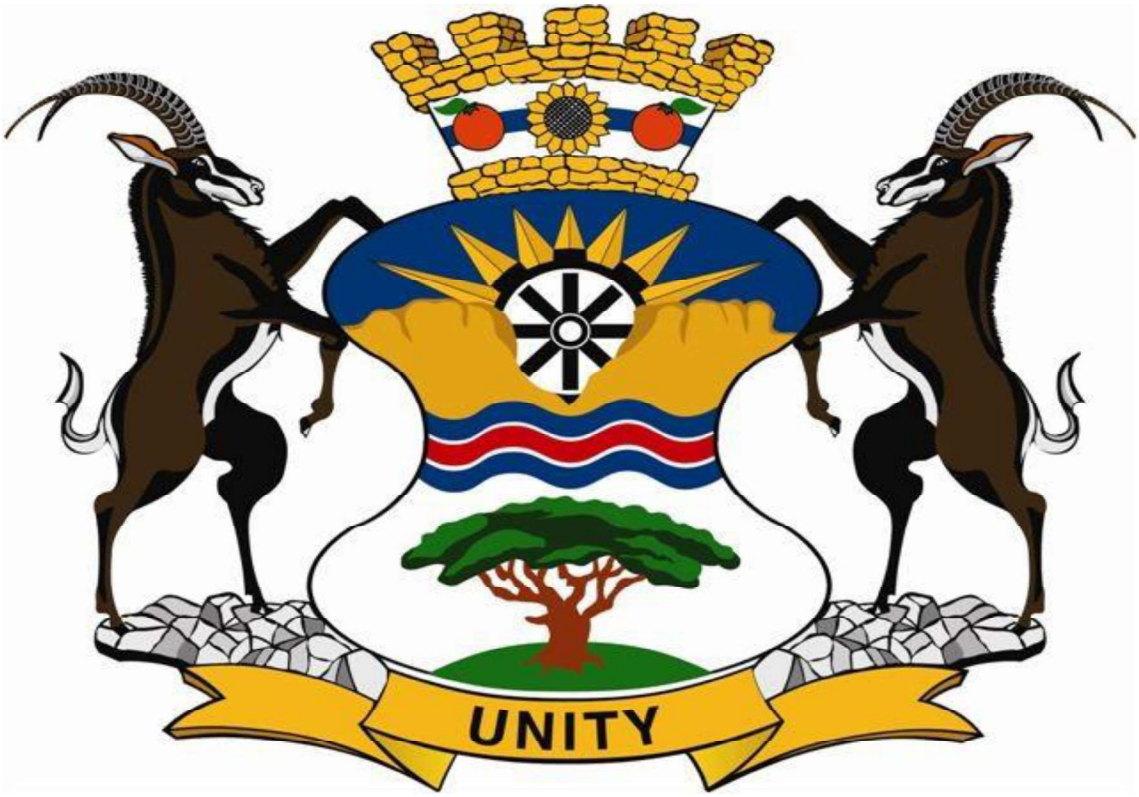
9. REVIEW OF POLICY

This policy will be reviewed annually or whenever necessary.

10. BREACH OF POLICY

Breach of this policy by an employee may lead to disciplinary action.

RUSTENBURG LOCAL MUNICIPALITY



Tariff Policy

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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 meter serves more than one unit, the tariff 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.

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 referred to as Industrial Tariffs on Nersa approval Letters)**	• **A Bulk connection larger than 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.**
1.7	**"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"		

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;
"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

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.

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:

11.2.1. Domestic refuse removal;

11.2.2. Electricity;

11.2.3. Water;

11.2.4. 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 m^3, 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

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

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.

22 Public Participation

20.1 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.

20.2 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.

23 Enforcement and Oversight

This Policy, together with all departmental Tariff policies, is enforced through the Municipality's –

23.1 Tariff By-law;

23.2 Credit Control and Debt Collection By-law and Policy;

23.3 Water Services by law

23.4 Electricity by laws

23.4 Waste Management by laws

23.3 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.

21.3 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.

24. Policy Evaluation and Review

24.1. 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.

25 Interpretation of this Policy

25.1 If there is a conflict of interpretation between the English version and a translated version, the English version prevails.

25.2 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.

25.3 This Policy must be read in conjunction with specific legislation applicable to each service and the following policies:

25.3.1 The Municipality's Credit Control and Debt Collection Policy

25.3.2 The Municipality's Rates Policy

RUSTENBURG LOCAL MUNICIPALITY

POLICY: TRAVELLING AND SUBSISTANCE ALLOWANCE AND ATTENDANCE OF CONFERENCE, WORKSHOPS AND MEETINGS FOR EMPLOYEES AND COUNCILLORS

1. INTRODUCTION

To ensure the proper administration of all regulations regarding travelling and subsistence for employees, full-time and part time Councilors as well as their attendance of conferences, workshops and meetings, the formulation and upkeeping of a comprehensive policy is essential.

2. DEFINITIONS

"delegate"	Include any Employee who is delegated by the Council to attend seminars and congress, or who is delegated by the Municipal Manager to attend meetings, workshops and work outside the municipal area. Any Councilor 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"	vehicles of the Rustenburg Local Municipality, regarded as suitable by the Municipal Manager for the circumstances and trip to be undertaken.
"per night"	when staying overnight.

3. AIM OF THE TRAVELLING AND SUBSISTANCE ALLOWANCE AND ATTENDANCE OF CONFERENCES, WORKSHOPS AND MEETINGS POLICY FOR EMPLOYEES.

The aim of the policy is to create an organized and effective framework to enable Employees and Councilors 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 Councilors, 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 Councilors

The general provision for Councilors, individual Directors must provide on their budgets for Councilors 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, Councilors 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 Councilors 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 COUNCILORS

7.1 If an Employee or Counciloris 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:

7.1.1Seminars/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. Councilors 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 Councilors 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 Councilors 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, health inspections at dairies and dairy-farms, fire- and ambulance 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.

7.1.2(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.

7.1.2(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.

7.1.2.1 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 1 300.00/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 and the cheque will be made payable to the hotel.

Council may only approve accommodation that exceed R1300

- 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 exceeds 500 kilometers to and from the destination (return journey).

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 7.1.2.1(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 7.1.2.1(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.

7.1.2.2 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 7.1.2.3 shall be applicable.

7.1.2.3 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 exceeds 500 kilometers to and from the destination (return journey).

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 over and above the incidental costs payable per day, provided that documentary proof of the actual expenditure is submitted.

7.1.2.4 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.

7.1.3 <u>Applicants invited to attend interviews</u>

7.1.3.1 Incidental costs is 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.

7.1.3.2 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 cm^3 shall be payable, for running costs.

7.1.3.3 If proof of toll paid is submitted, the amount will be refunded.

7.1.3.4 An amount of the AA – tariff of a leaded running cost for a vehicle with engine capacity of 1800cm^3 - 2000 cm^3 shall be payable to interviewees.

8. TRAVELLING ALLOWANCE PAYABLE TO EMPLOYEES/ COUNCILORS OF THE COUNCIL

8.1 If employees or councilors 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 councilor 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 (Refer to Auto Dealers Digest), to a maximum amount of 100% of the employee's annual salary, plus

(ii) Running cost per kilometer, based on the engine cubic capacity of the vehicle concerned, with a maximum of 3 000 cm^3, 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.

d. If travelling by train, the price of a first class train ticket is payable.

e. 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.

f. If travelling by luxury bus, the cost of a return-ticket is payable.

g. 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. Inspection of dairies and dairy- farms.

e. Duties of the Driver / Security Officer of the Mayor for trips outside the area of the Rustenburg Local Municipality.

f. Fire and Ambulance Services.

9. Accountability

9.1 If any employee or councilor 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 councilor concerned. If this is not done, discipline will proceed, after the matter has been assessed. This expenditure will be classified as fruitless expenditure.

9.2 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.

10. VISIT ABROAD

10.1 Applications for official trips abroad are handled in terms of the attached guidelines of the Department of Foreign Affairs for Local Government Officials, as provided by SALGA and guidelines from the Office of the MEC (circular attached).

10.2 Incidental Costs during visits abroad will be in line with the SARS determination, or as recommended by SALGA, whichever is greater.

11. 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.

11.1 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.

11.2 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).

12. 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.

13. 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.

14. 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.

15. FORMS

15.1 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.

16. CONTROL MEASURES

16.1 Approval of journeys undertaken in terms of this policy, is as follows:

16.1.1 Congress / Seminars / Meetings / Work

Municipal Manager and Officials

Delegates to be determined by means of this policy.

16.1.2 Journeys outside the municipal area:

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.

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.

The Managers in the executive offices of the Council are authorized to approve applications of Councilors 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.

16.1.2.2 Other Officials

Applications for journeys outside the municipal area for day visits only to be approved by the applicable Director or Managers in the Executive Offices subject to availability of funds.

16.2Availability 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.

17. RESPONSIBILITY FOR THE UP KEEP POLICY

The responsibility for the administrative up keep of the policy is as follows:

Adjustments to tariffs:	Director: Finance
Other adjustments:	Director: Corporate Support Services

RUSTENBUG LOCAL MUNICIPALITY
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.

Director: 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.
S.A. Road Federation.

Directorate: Infrastructure Development and Management
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 Development

Institute of Environment and Recreation Management.
South African Institute of Town and Regional Planners.

Directorate: Finance

Institute of Municipal Finance Officers.

IMFO	(Institute of Municipal Finance 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 w.r.t. Supplier of Financial system).

General

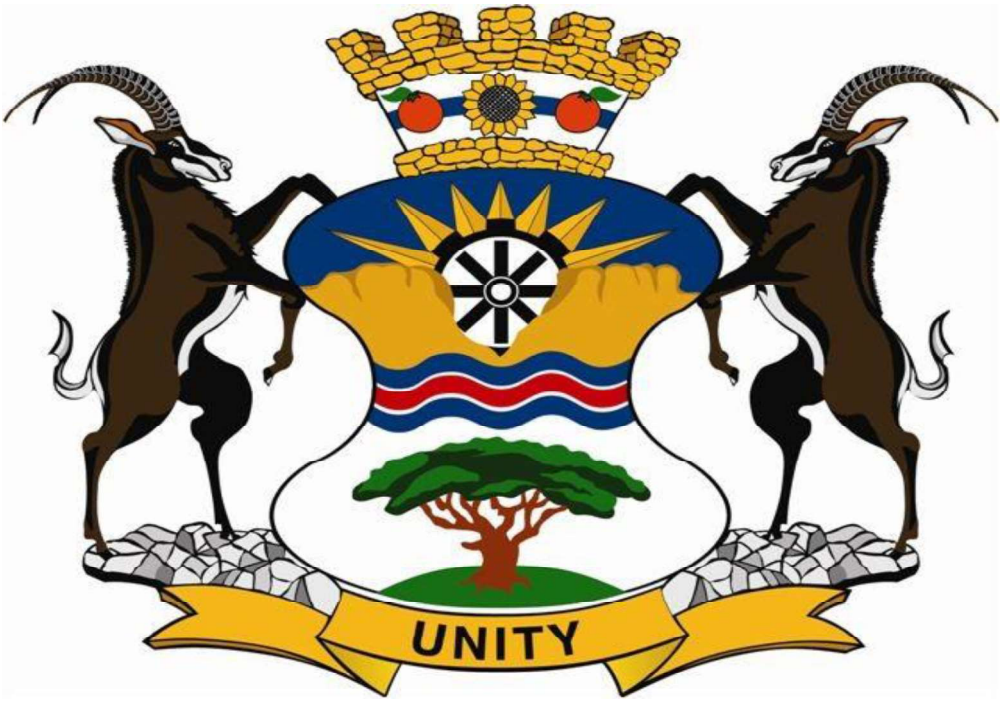
SALGA NORTH WEST
Technical Committees of SALAGA North-West.

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).

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 Account 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

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 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 when addressing 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) Breach of the Code of Conduct for Municipal Staff Members; and

e) Breach of the Code of Conduct for Councillors.

4.3. Officials and Councillors must ensure all instances of unauthorised, irregular expenditure as well as fruitless and wasteful expenditure is prevented where possible and is detected and reported in a timely manner.

5. DEFINITIONS

Except if otherwise indicated:

“Councillor” means member of municipal council 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 a RLM or to work as a member of the staff of the RLM; or
c) a person contracted by a 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" has the meaning assigned to it in section 1 of the MFMA and in relation to RLM refers to Executive Managers, CFO and COO.

"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 department or functional areas of the municipality; and

b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

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 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 departments 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 are 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 rocedural/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 or fruitless and wasteful expenditure that the municipality may incur as a result of such invalid decision.

7.8 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.

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 did not carelessly or negligently cause the expenditure to be incurred by the municipality furthermore another official or councillor under the same circumstances would not 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) executive managers or the chief financial officer, or the chief operating 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 referred to MPAC for investigation unless the allegations are frivolous, vexatious, speculative or obviously unfounded; and

e) officials below executive management level of the municipality must be reported to the CFO unless in the professional opinion of the CFO or MM the nature or the amount of the prohibited expenditure warrants the case to be referred to MPAC.

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 monthly basis;

b) Mayoral Committee on a monthly 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. MAINTAINING OF 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.

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

i). authorised in an adjustment budget; OR

ii) 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 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

Revenue:		Final Budget 2019/20 Full	Audited 2019/20 Full	Budget 2020/21 Full	Actual 6 months on 31 Dec'20	Projected 12 months to 30 June'21	1,065 Projected 12 months to 30 June'22	1,055 Adj 1 12 mont to 30 Jun	MTEF Budget 2022/23 Full	1,055 MTEF Budget 2023/24 Full
RLM - STC Income	(CPI +)	64 228 113	69 740 740	68 677 568	35 613 300	71 226 600	75 856 329		80 028 427	84 429 990
RLM Off Take	(CPI)	10 030 660	10 057 680	-	-	-	-		-	-
Boitekong - STC Income	(CPI +)	5 591 233	15 375 733	13 684 591	10 586 952	21 173 905	22 550 208		23 790 470	25 098 946
Bospoort - Potable Water Revenue	(Rnd)	37 903 367	33 304 746	36 028 637	18 294 824	36 589 649	38 967 976		41 111 214	43 372 331
Bospoort Pipeline Revenue	(Rnd)	4 360 456	3 824 851	4 140 301	2 102 424	4 204 849	4 478 164		4 724 463	4 984 309
RLM - Lethabong & Monakato	(CPI)	4 406 879	4 406 880	4 693 327	2 346 663	4 693 327	4 998 393		5 273 305	5 563 336
RLM - Kloof	(Rnd)	1 257 585	1 854 202	1 084 071	1 331 140	2 662 280	2 835 328		2 991 271	3 155 791
RLM - Effluent	(CPI)	1 133 327	879 041	1 007 248	600 315	1 200 631	1 278 672		1 348 999	1 423 194
RLM - Bokamoso		0	-	-	-	-	2 359 725		2 489 510	2 626 433
		128 911 621	139 443 872	129 315 743	70 875 620	141 751 239	153 324 795		161 757 658	170 654 330
Water Sales-Mines	(CPI)	68 260 183	63 986 680	68 063 842	30 959 792	61 919 584	65 944 357		69 571 297	73 397 718
Other - Mine Water			12 000	4 085 661			10 551 097		11 131 408	11 743 635
Total Income		197 171 805	203 442 551	201 465 247	101 835 412	203 670 824	229 820 249		242 460 363	255 795 683
Expenses:										
Contracted Services:										
- Operator cost: Rustenburg plant		-51 490 732	-52 150 745	-51 054 931	-26 130 958	-52 261 917	-55 658 941		-58 720 183	-61 949 793
- Operator cost: Boitekong plant		-6 057 013	-11 109 808	-8 593 070	-10 940 318	-21 880 636	-23 302 877		-24 584 536	-25 936 685
- Operator cost: Bospoort plant		-16 602 375	-15 163 549	-17 958 889	-8 359 717	-16 719 433	-17 806 196		-18 785 537	-19 818 742
- Operator cost: Monakato and Lethabong		-4 009 531	-3 617 687	-4 108 621	-1 832 378	-3 664 756	-3 902 965		-4 117 628	-4 344 097
- Operator cost: Kloof		-1 823 773	-1 743 441	-1 934 543	-885 654	-1 771 309	-1 886 444		-1 990 198	-2 099 659
- Operator cost: Bokamoso		0	-	-	-	-	-2 241 739		-2 365 034	-2 495 111
- Operator cost: Effluent		-904 469	-703 232	-874 291	-483 309	-966 618	-1 029 448		-1 086 068	-1 145 801
- Operator cost: Management		-5 795 025	-5 943 416	-6 417 999	-3 110 807	-6 221 615	-6 626 020		-6 990 451	-7 374 926
- Operator Plant repairs moved from overheads		-13 317 339	-11 011 341	-13 748 856	-7 155 812	-14 311 624	-15 241 880		-16 080 183	-16 964 593
		-100 000 256	-101 443 219	-104 691 199	-58 898 954	-117 797 907	-127 696 510		-134 719 818	-142 129 408
Gross Profit		97 171 548	101 999 332	96 774 047	42 936 458	85 872 917	102 123 740		107 740 545	113 666 275
		0,49	0,50	0,48	0,42	0,42	0,44		0,44	0,44
General Expenses:										
Admin, Insurance, Monitoring		-11 117 860	-7 697 139	-14 895 658	-3 558 528	-11 378 762	-17 361 910		-18 316 815	-19 324 240
Earnings before Interest & Tax		86 053 688	94 302 194	81 878 389	39 377 930	74 494 154	84 761 829		89 423 730	94 342 035
Interest Received		11 726 842	6 358 089	2 542 529	1 462 079	2 564 579	4 095 000		4 320 225	4 557 837
Interest Accrued - old		-9 949 538	-10 176 604	-5 398 566	-3 595 268	-5 499 999	-216 056		-227 939	-240 476
Interest Accrued - WCWDM		0								
Depreciation		-38 602 034	-38 135 715	-38 039 680	-16 248 697	-32 497 395	-38 497 395		-38 497 395	-38 497 395
To retained earnings		49 228 958	52 347 964	40 982 672	20 996 043	39 061 338	50 143 378		55 018 621	60 162 002
Other Income (MIG)			15 028 794							
To retained earnings										

RATIOS								
Income	208 898 647	209 800 641	204 007 775	103 297 490	206 235 402	233 915 249	246 780 588	260 353 520
Expenses	-111 118 117	-109 140 358	-119 586 858	-62 457 482	-129 176 670	-145 058 420	-153 036 633	-161 453 648
Earnings	97 780 530	100 660 283	84 420 917	40 840 008	77 058 733	88 856 829	93 743 955	98 899 873
Payments	41 146 403	41 146 403	-	-	-	-	-	-
	0							
Debt Servic	2,38	2,45	-	-	-	-	-	-
	7,70							

Rustenburg Water Services Trust

		Final Budget 2019/20	Audited 2019/20	Budget 2020/21	Actual 6 months	Projected 12 months	1,065 Projected 12 months	1,055 Adj 1 12 mon	MTEF Budget 2022/23	1,055	MTEF Budget 2023/24
Capital Budget											
	Assets										
	Nett Plant Assets	176 528 280	374 378 972	327 811 832	358 298 345	342 217 718	303 720 323		265 222 929		226 725 534
	WIP - Capital Projects										
**	MIG WIP - Bospoort pipe	71 031 640	9 463 586	26 901 237	9 463 586	26 463 586	115 736 434		224 244 852		264 725 711
	RLM WIP - Monakato Inlet	470 000	400 000	-	400 000	400 000	400 000		400 000		400 000
*	MIG WIP - Boitekong plant Ext	153 944 449	156 980 716	156 098 806	156 980 716	156 980 716	156 980 716		156 980 716		156 980 716
completed	Kloof harvest	620 000		-							
*	MIG WIP - Bospoort Plant Ext	67 769 485	58 051 615	100 067 679	56 351 613	58 351 613	122 215 668		174 673 121		174 673 121
completed	Anglo DAF	51 977 535		-							
completed	Concrete Sludge Slab	12 867 000		-							
completed	Industrial Building	3 726 000		-							
completed	Sludge equipment	4 100 000		-							
	Total Plant and Equipment	543 034 389	599 274 889	610 879 554	581 494 260	584 413 633	699 053 141		821 521 618		823 505 082
	MIG Bridge Fin Loan (debtor)										
	Debtors - RLM	44 302 962	253 919 138	238 397 266	240 569 921	222 356 421	168 356 421		114 356 421		60 356 421
	Debtors - Mines		21 339 536	17 187 962	17 187 962	11 687 962	11 687 962		14 187 962		13 937 962
	Debtors - MIG	3 500 000	7 981 544	3 066 962	3 066 962	3 066 962	3 066 962		3 066 962		3 066 962
	Bank and cash	218 931 282	70 030 714	153 206 741	101 543 125	119 454 858	221 493 333		272 515 609		385 188 994
	Accumulated Assets(additions)	809 768 633	952 545 821	1 022 738 485	943 862 230	940 979 836	1 103 657 819		1 225 648 572		1 286 055 421
			-				-0		-0		-0
		548 001									
	Equity / Liabilities										
	Statutory Funds	1 000	1 000	1 000	1 000	1 000	1 000		1 000		1 000
	Reserves - Revaluation	123 462 135	266 353 339	266 137 556	266 353 339	266 353 339	266 353 339		266 353 339		266 353 339
	Retained income - prior years	303 689 371	320 429 100	576 186 318	397 915 227	397 915 227	436 976 565		487 119 944		542 138 565
	Retained income - this year	49 228 958	77 486 127	40 982 672	20 996 043	39 061 338	50 143 378		55 018 621		60 162 002
	ABSA: Long term Liabilities	54 666 729	54 750 904	-	37 671 536	-	-				
	RLM Lease + Prepayments	0	1 844 271	1 004 855	1 724 629	1 448 476	1 163 913		868 270		562 618
		0		-							
	Creditors	24 331 539	25 201 906	14 210 496	12 612 213	12 612 213	14 158 533		15 158 533		15 709 033
	Equity:										
	Equity: MIG contribution - Monakato										
	Equity: MIG contribution - Boitekong	119 300 000	119 300 000		119 300 000	119 300 000	119 300 000		119 300 000		119 300 000
	Equity: MIG contribution - Bspoort pipe	56 825 312	9 463 586		9 463 586	26 463 586	115 736 434		182 004 208		182 004 208
	Equity: MIG contribution - Bspoort plant	54 215 588	54 215 588		54 324 657	54 324 657	76 324 657		76 324 657		76 324 657
	Equity: Anglo conditional contribution	23 500 000	23 500 000		23 500 000	23 500 000	23 500 000		23 500 000		23 500 000
		809 220 632	952 545 821	898 522 897	943 862 230	940 979 836	1 103 657 820		1 225 648 572		1 286 055 421

Notes: Budget assumptions

		26 463 586	115 736 434
			89 272 848

			224 244 852
			108 508 418
			66 267 774

Notes: Budget assumptions

Income Statement Assumptions:

Income Statement Assumptions:

1.	Started from the Audited 2019/20 Inc	1. Started from the Audited 2019/20 Income Statement numbers
2.	Listed the Trail balance year to date f	2. Listed the Trail balance year to date 6 months numbers
3.	Ensured the Audited 2019/20 numbe	3. Ensured the Audited 2019/20 numbers are aligned with most receint 6 months actuals.
4.	Allowed for a 6,5% inflation increase	4. Allowed for a 6,5% inflation increase in year 1, thereater 5,5%
5.	Allowed for the RLM off Take volume	5. Allowed for the RLM off Take volumes to be transferred to the mines. Impact:1) RLM relief 2) Trust neutral.
6.	Bokamosso STW taken on, resilting i	6. Bokamosso STW taken on, resilting in expense, but it is recouped from RLM through the WSA.
7.	Allowed for increased repairs and ma	7. Allowed for increased repairs and maintenace over the medium term
8.	Provision is made for interim structur	8. Provision is made for interim structure at R 5 mil per annum
9.	Growth in treated water volume is pic	9. Growth in treated water volume is picked up in recent 6 month actuals, only inflationary increases allowed for thereafter.

Balance Sheet Assumptions:

Balance Sheet Assumptions:

1.	RLM repays old debt at R54,6 mil per	1. RLM repays old debt at R54,6 mil per annum - over 4 years.
2.	RLM continues to pay the current inv	2. RLM continues to pay the current invoices on 30 days
3.	No provision for the R 410 mil project	3. No provision for the R 410 mil project on Rustenburg WWTW yet.
4.	R 63 mil progress on Bospoort plant i	4. R 63 mil progress on Bospoort plant in 2022, of which only R 22 mil is MIG funded. In 2023 CAPEX of R 52 mil will be spent without noth
5.	R 89 mil progress on Bospoort Reser	5. R 89 mil progress on Bospoort Reservoir and Pipe in 2022, all MIG funded
6.	R 108 mil progress on Bospoort Rese	6. R 108 mil progress on Bospoort Reservoir and Pipe in 2023, Only R 66 mil is MIG funded
7.	MIG funds shown as equity as it was	7. MIG funds shown as equity as it was externally funded. Old MIG becomes retained earnings once received.
8.	Depreciation write-off in the incomest	8. Depreciation write-off in the incomestatement increases the cash reserve.
9.	The Rustenburg Sewer plant extentio	9. The Rustenburg Sewer plant extention need attention as it is reaching maximum capacity.
	CAPEX Numbers are excl of Vat. It is	CAPEX Numbers are excl of Vat. It is estimated by the engineers (incl proffessional fees, excl Vat) 20% own contribution allowed for.

Conditions:

Conditions:

1.	Tenders will increase or decrease the	1. Tenders will increase or decrease the actual cost. This impacts the incomestatement (WSSA) as well as the Assets and WIP in the Balan
2.	O&M tender result will impact on this	2. O&M tender result will impact on this budget, as award is expected after submission of the budget
3.	Self funded portions of MIG projects	3. Self funded portions of MIG projects are contracted with COGTA to be 20% of total cost of the project.
4.	Project delays might cause the projec	4. Project delays might cause the projects to be completed later than planned.
5.	The Bospoort Plant is still an estimate	5. The Bospoort Plant is still an estimate, as well as the Pipe, as the tenders are still to be finalised. Significant delayes are encountered.

NATIONAL TREASURY

MFMA Circular No. 107

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2021/22 MTREF

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Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2021/22 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts *(m*SCOA); and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *m*SCOA is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance on budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The National Treasury projects real economic growth of 3.3 per cent in 2021, following an expected contraction of 7.8 per cent in 2020. Real GDP growth is expected to moderate to 1.7 per cent in 2022 and 1.5 per cent in 2023, averaging 2.1 per cent over the medium term.

South Africa experienced its largest recorded decline in economic output in the second quarter of 2020 due to the strict COVID-19 lockdown. Real GDP fell by 17.1 per cent relative to the previous quarter (or 51 per cent on a seasonally adjusted and annualised basis), with all major sectors except agriculture declining. The second-quarter results were weaker than expected in the June 2020 special adjustments budget, which projected a contraction of 7.2 per cent in 2020.

High-frequency data for the third quarter – such as the volume of electricity distributed, mining and manufacturing output, business confidence and the Absa Purchasing Managers' Index (PMI) – shows evidence of a limited economic rebound. Although growth rates are likely to improve quickly as restrictions are removed, based on current projections, output is only expected to return to pre-pandemic levels in 2024.

The main risks to the economic outlook are weaker-than-expected growth, continued deterioration in the public finances and a failure to implement structural reforms. A second wave of COVID-19 infections, accompanied by new restrictions on economic activity, would have significant implications for the outlook. Government's fiscal position is a risk to growth: higher long-term borrowing costs and risk premiums have started to affect the broader economy.

In addition, recovery efforts will fail unless structural constraints (including in energy, infrastructure and competitiveness) are urgently addressed. While the reforms required in these areas do not immediately affect growth, they are critical for market confidence and investment.

Electricity remains a binding constraint on economic recovery, with power interruptions expected to continue into 2021. Private generation will only be able to plug the electricity gap to a limited extent over the next year.

Job creation is a top priority of the economic recovery plan that will guide policy actions over the medium term, supported by new infrastructure investment and large-scale public

employment programmes. In addition, targeted skills development will improve productivity and employment prospects.

Headline inflation is at the lower end of the 3 to 6 per cent target range. Goods and services inflation has broadly declined due to weak demand and falling oil prices. Inflation is forecast to fluctuate around the 4.5 per cent midpoint over the medium term in line with moderating inflation expectations.

In summary, the country's tax collection targets have not been met and this means that the fiscus has less funds available to allocate across the various spheres of government. There are measures in place to reduce expenditure to narrow the deficits.

The following macro-economic forecasts must be considered when preparing the 2021/22 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2016 - 2020

Fiscal year	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Estimate		Forecast	
CPI Inflation	4.1%	3.2%	4.1%	4.4%	4.5%

Source: Medium Term Budget Policy Statement 2020.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2021/22 budget process

2.1 Local government conditional grants allocations

Transfers to local government will be reduced by R17.7 billion, including R14.5 billion from the local government equitable share, R2.7 billion from the general fuel levy and R569 million in direct conditional grants over the 2021 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the MTEF period.

Government will revisit underperforming programmes. For example, some cities receiving the Public Transport Network Grant (PTNG) have not launched their integrated public transport networks. Over the MTEF period, government will suspend at least two more poorly performing cities from this grant and the remaining cities will be required to reduce costs and demonstrate their effectiveness to remain funded.

The annual Division of Revenue Bill will be published in February 2021 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2020 Division of Revenue Act to compile their 2021/22 MTREF. In terms of the outer year allocations (2023/24 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2020 Division of Revenue Act for 2020/21. The DoRA is available at http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx

Division of Revenue Second Amendment Bill, 2020: changes to local government allocations

Roll-over of funds - R390 million is rolled over in the Urban Settlement Development Grant (USDG) to fund commitments for bulk infrastructure related projects in Nelson Mandela Bay Metropolitan Municipality. R98 million is rolled over in the PTNG to continue with the rollout of the integrated public transport network (IPTN) for public and non-motorised infrastructure in Nelson Mandela Bay Metropolitan Municipality.

R307 million is rolled over in the Regional Bulk Infrastructure Grant (RBIG) for drought and COVID-19 water and sanitation interventions nation-wide.

Water Services Infrastructure Grant (WSIG) - R12 million has been reprioritised from the Department of Water Affairs' budget into the indirect component of WSIG for the implementation of various water services interventions.

Reductions to municipal conditional grants
In the Medium-Term Policy Budget Statement, the Minister of Finance indicated that R10.5 billion is required for the rescue plan for the South African Airways. Therefore, R613 million has been proportionately reduced across municipalities in respect of conditional grants while no reductions were made to the local government equitable share for the 2020/21 financial year.

These changes are shown in Schedule 4, Part B; Schedule 5, Part B and Schedule 6, Part B of the Bill.

Additional instruments to finance infrastructure in municipalities

Municipalities can access other instruments to finance the development of infrastructure that boosts economic growth beyond infrastructure grants. Reforms over the medium term will enhance the ability of municipalities to raise revenue to invest in their own development. An update on development charges and borrowing reforms is summarised below:

- *Development charges* - Municipalities earn revenue from charging developers to connect new developments to municipal services. The draft Municipal Fiscal Powers and Functions Amendment Bill proposes new, uniform regulations in respect of these development charges, thereby strengthening the revenue-raising framework of municipalities. After processing comments, the National Treasury will submit the Bill to Cabinet and Parliament for consideration in 2021; and
- *Borrowing* - Creditworthy municipalities can also borrow in capital markets. The National Treasury has updated the original municipal borrowing policy framework, which guides this borrowing, and will shortly submit it to Cabinet for approval. The proposed changes aim to increase the term maturity of borrowing improve the secondary market for the trade of municipal debt instruments and define the role of development finance institutions to avoid crowding out the private sector.

3. 2021 Local Government Elections and the budget process

Local government elections are scheduled to take place in 2021, and the proposed date is yet to be determined. Elections are important events as we reaffirm our commitment to democratic and accountable government by choosing representatives of the people who will guide the work of local government for the next five years.

The following four risks need to be explicitly managed:

1. In terms of section 13 of the Municipal Property Rates Act, 2004 (Act No 6 of 2004)(MPRA) and sections 24 and 42 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003)(MFMA), new tariffs for property rates, electricity, water and any other taxes and similar tariffs may only be implemented from the start of the municipal financial year (1 July). This means that the municipal council must approve the relevant tariffs as part of the MTREF budget before the commencement of the financial year on 1 July. Failure to obtain council approval for the annual tariff increases would most likely cause an immediate financial crisis that may lead to the provincial executive intervening in the municipality in terms of section 139 of the Constitution. Therefore, if the elections take place after the start of the financial year, the outgoing council will be responsible for approving tariffs for the 2021/22 MTREF and the newly elected council for the implementation thereof as section 28(6) of the MFMA does not allow the increase of tariffs in-year;

2. In terms of section 16 of the MFMA, a municipal council must approve the annual budget for the municipality before the start of the financial year, and should a municipal council fail to do so, section 26 of the MFMA prescribes that the provincial executive **must** intervene. This provincial intervention may include dissolving the municipal council and appointing an administrator to run the municipality. Therefore, the outgoing council must ensure that they comply with the timeframes for approval of the budget;

3. The outgoing council may be tempted to prepare an 'election friendly budget' with unrealistically low tariff increases and an over-ambitious capital expenditure programme. The outcome of this approach will undoubtedly be an unfunded municipal budget that threatens their respective municipality's financial sustainability and service delivery; and

4. Given that the timing of election campaigning may coincide with the municipal public budget consultations, there is a risk that these consultations may be neglected or used to serve the narrow interests of political parties. It is reiterated that transparency and public participation is an integral part of our constitutional democracy, hence municipalities must ensure that public and stakeholder consultation processes are adhered to as required by the legislative framework.

In the build-up to the 2021 local government elections, the financial sustainability of the municipality should be protected. Now, more than ever before, it is paramount for sound municipal decision-making so that the long-term sustainability of municipal finances and service delivery is achieved beyond the election period.

Finances of some municipalities have been unstable for many years, and this was exacerbated by the financial impact of the COVID-19 pandemic. Therefore, there is severe pressure to maintain healthy cash flows and increase cost containment measures while sustaining efficient service delivery levels. It is therefore imperative that municipalities refrain from suspending credit control and debt collection efforts. Municipalities are also reminded of the regulatory framework set out in the Municipal Cost Containment Regulations insofar as it relates to the use of municipal funds to fund election campaigns and other non-priority issues as this might further impact the financial sustainability of municipalities.

Furthermore, as the current municipal leadership will be responsible for the compilation of the 2022/23 MTREF budgets, councils are advised to prioritise expenditure appropriations aligned to the policy intent as described in the integrated development plans (IDPs). Infrastructure provisioning for water, sanitation, roads and electricity remain key priorities.

In addition, the outgoing council is advised to critically consider the financial implications before entering into new long-term contracts that are not of priority to the municipality and avoid if possible, committing the incoming council. Municipalities should refrain from filling non-critical positions, purchasing cars, procuring new financial systems and from incurring any other expenditure at this stage that will financially burden the incoming council.

During this time of transition, all stakeholders should work together to ensure that municipalities continue to perform their functions efficiently and effectively. The Mayor and municipal manager should now be engaging in the process of the annual review of the fifth and last year of the IDP in terms of section 34 of the Municipal Systems Act (MSA) and the 2022/23 budget preparation process in terms of section 21 of the MFMA. It is particularly important to ensure that arrangements for the review of IDPs and preparation of budgets continue seamlessly as these processes cannot be delayed in anticipation of the announcement of an election date.

In deciding on the schedule for the 2022/23 budget process, the Mayor and municipal manager must also note that the MFMA, read together with the Municipal Budget and Reporting Regulations, only allows for a 'main adjustments budget' to be tabled after the mid-year budget and performance assessment has been tabled in council, i.e. after 25 January 2022. In addition, the permitted scope of an adjustments budget is quite limited in that taxes and tariffs may not be increased (refer to section 28(6) of the MFMA) and any additional revenues may only be appropriated to programmes and projects already budgeted for (refer to section 28 of the MFMA). Therefore, the idea of the current council passing a 'holding budget' which the new council will change substantially through an adjustments budget soon after the start of the municipal financial year is not legally permitted.

Though an IDP is a five-year strategic document of council, municipalities should note that when a new council takes office after a local government election, the norm has been that the new council implements the last adopted IDP during the first year of office. It is normally only in the second year of office that the newly elected council adopts a new IDP after thorough interrogation, extensive consultation and finalisation of a new five-year strategy.

In the absence of detailed information on the 2021 Local Government Elections, National Treasury will provide further guidance in the follow-up MFMA Budget Circular to be issued in March 2021.

4. Municipal Standard Chart of Accounts (*m*SCOA)

4.1 Release of Version 6.5 of the Chart

On an annual basis, the *m*SCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.5 is released with this circular.

Version 6.5 of the chart will be effective from 2021/22 and must be used to compile the 2021/22 MTREF and is available on the link below:
http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx

4.2 Budgeting and Reporting for the COVID-19 pandemic and water inventory

In terms of the Annexure to MFMA Circular No. 99, *m*SCOA Circular No. 9, and GRAP 12, municipalities were advised to:

1. Record and ringfence all funding and expenditure pertaining to the COVID-19 pandemic for the 2020/21 MTREF when budgeting and transacting; and

2. Budget and account for bulk water purchases as inventory as per GRAP 12 (paragraph 07).

It is evident from the snapshots that were drawn from the Local Government Database based on the *m*SCOA data strings that were submitted by municipalities in terms of the monthly Section 71 reporting, that most municipalities have not budgeted or reported on COVID-19 related allocations and expenditure, nor bulk water inventory as per the guidance provided.

Although the regulated A1 Schedule will only be amended from the 2021/22 MTREF to align to GRAP 12 (as per MFMA Circular No. 98), municipalities should already record water inventory in the *m*SCOA chart. ***Municipalities must budget for water as inventory in the 2021/22 MTREF***. This means that municipalities will no longer be able to budget for water bulk purchases as an expense on table A4. Municipalities must use bulk water purchases i.e. system input volume on table A6: inventory. This provides for three different water sources i.e. water treatment works, bulk purchases and natural sources. When water is issued through the billing/ distribution, the cost should be expensed through table A4: inventory consumed with the corresponding accounting transaction in the inventory account on table A6: current assets: water: authorised consumption.

Municipalities that did not adjust their 2020/21 MTREF budgets by 30 September 2020 to respond to the COVID-19 pandemic or budget for bulk water inventory are reminded to do so in the main adjustments budget process in February 2021.

It should also be noted that the National Treasury's reporting on COVID-19 will be drawn as per *m*SCOA Circular No. 9 and we will not be able to identify COVID-19 allocations and expenditure that have been ringfenced in another manner.

Municipalities must submit the adjustments budget and revised project list for 2020/21 in the format of a *m*SCOA data strings (ADJB and PRAR) uploaded to the Local Government (LG) Upload Portal within 10 working days after Council has adopted the adjustments.

4.3 Revised Municipal Property Rates Act Categories

By now all municipalities should be aware that section 8 of the Municipal Property Rates Act on the determination of categories of **rateable** properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 ("the Amendment Act"). The new rateable property categorisation framework based on use (provided these property categories exist within the municipality) and consequently, all property categories that are based on ownership, geographic location or any other basis fall away.

Municipalities must implement the new property categorisation framework by not later than 1 July 2021. The *m*SCOA chart Version 6.5 makes provision for the new and the old framework. However, the old framework will be retired in the next version of the chart and municipalities are advised to implement the new property categorisation framework as legislated. Therefore, municipalities cannot use both frameworks to avoid duplication and overstatement of revenue from property rates.

4.4 Forbidden activities

The Item Assets segment of the *m*SCOA chart currently includes items such as staff loans as non-current receivables from non-exchange transactions. This is in contravention with Section 164(1)(c) of the MFMA that stipulates that a municipality may not make loans to councillors or officials of the municipality; directors or officials of the entity; or members of the public. Therefore, municipalities are advised not to use these items when budgeting as National Treasury may retire these items in the next version of the chart.

4.5 Independent Audits on Municipal Financial Systems

All municipalities and municipal entities had to comply with the *m*SCOA Regulations by 1 July 2017. MFMA Circular No. 80 provided guidance on the minimum business processes and system specifications for all categories of municipality (A, B and C). The Request for Proposal (RFP) issued on 4 March 2016 for the appointment of service providers for an integrated financial management and internal control system for local government (RT25-2016 published in Tender Bulletin No. 2906), provided further guidance on the requirements applicable to a specific category of municipality.

The National Treasury will conduct independent audits on all municipal financial systems in 2021 to determine to what extent the financial systems that are currently being used by municipalities comply with the minimum business processes and system specifications required in terms of *m*SCOA. These audits were initially planned for 2020, but due to restrictions on procurement processes and travel in terms of the COVID-19 pandemic it was postponed to 2021. The results of the audits will also inform the new transversal tender for the procurement of municipal financial and internal control systems in 2022. **Until these audits have been concluded, and the results have been released, municipalities should exercise caution when changing their financial system to avoid purchasing a system that does not comply with the necessary *m*SCOA functionality requirements**. However, should a municipality need to procure a new financial system, they must follow the processes set out in the MFMA read together with the Municipal Supply Chain Management Regulations and MFMA Budget Circulars No. 93, 98 and *m*SCOA Circulars No 5 and 6. In addition, National Treasury has not accredited any of the municipal financial systems available in the market and this should therefore not be advertised as a requirement in municipal tender documents.

It should be emphasised that the onus to ensure compliance with the *m*SCOA Regulations and minimum system specifications as per MFMA Circular No. 80 and its Annexure B rests with the municipality and not the system vendor. Municipalities must properly manage Service level agreements (SLA) with system vendors. Penalties, including the termination of the SLA in cases of persistent non-compliance, should be imposed if the system vendor does not meet the agreed upon milestones. Likewise, if a system vendor has delivered on the services agreed upon in the SLA, then the municipality should pay all money owing to the system vendor within 30 days of receiving the relevant invoice or statement, as per the requirements of Section 65(2)(e) of the MFMA. Lastly, municipalities must agree on the services that are to be provided by the system vendors and costs thereof in the SLA that is signed by the municipality and system vendor. Municipalities should consider the financial implications thereof and negotiate more favourable terms with the system vendor if necessary before signing the SLA. Once signed, the SLA is legally binding.

4.6 Regulation of Minimum Business Processes and *m*SCOA System Specifications

National and Provincial Treasuries held extensive engagements with key system providers during which the system functionality on the following were demonstrated: IDP and budget, supply chain management (SCM), asset management, annual financial statements, revenue management, cash flow and period control. These engagements provided National and Provincial Treasuries with an understanding of what functionality is available on each system and what the key system related challenges are.

It was evident from the engagements that municipalities are not using their financial systems optimally. Some of the challenges that were identified in this regard include the following:

- Some municipalities have not purchased all the modules of the core financial system or have not upgraded to the Enterprise Resource Planning (ERP) (*m*SCOA enabling) version of their financial systems;

- A few municipalities are not paying for the required licences to use system solutions and they are not upgrading and maintaining their servers, hardware and software to become and remain *m*SCOA compliant and to protect their data;
- Several municipalities are still transacting on their legacy systems that are not *m*SCOA enabling or they are using excel spreadsheets that are not incorporated in the functionality of their financial systems, while they are paying for maintenance and support for the *m*SCOA enabling system that was procured. This constitutes fruitless and wasteful expenditure; and
- Other municipalities are not using all the modules of the core financial system (using 3rd party systems) while they have procured these modules. This is once again fruitless and wasteful expenditure.

Municipalities should include the cost of the above in their 2021/22 MTREF budgets.

One of the key objectives of the *m*SCOA reform is to ensure that municipalities are budgeting, transacting and reporting directly on and from integrated ERP systems to have one version of the truth in terms of the reported financial performance. The manual correction of data strings by municipal officials or system vendors are not allowed in terms of the *m*SCOA Regulations.

National Treasury will expand and regulate the business processes and system specifications communicated in MFMA Circular No. 80 and its Annexure B in the 2021/22 MTREF to ensure that municipalities are using the functionality available on their financial systems. MFMA Circular No. 80 was issued in 2016, and several Regulations and best practises as per the MFMA Circulars have been introduced since then. The expansion of the requirements will accommodate these new developments.

4.7 Non-compliance with *m*SCOA requirements

If your municipality has not yet achieved the required level of *m*SCOA implementation, then it must provide a detailed action plan (road map) to the National and the respective provincial treasury to indicate how the municipality will fast track the implementation of *m*SCOA. The action plan should include the following priority areas, as applicable to the municipality:

- The functionality of the financial system, including the minimum system functionality and business process as per MFMA Circular No. 80 and Annexure B and functionality required in terms of Regulations and MFMA Circulars that was issued after 08 March 2016 (the date on which MFMA Circular No. 80 was issued);
- Integration of 3rd party sub-systems with the *m*SCOA enabling financial system as required in terms of MFMA Circular No. 80 and Annexure B;
- Change management initiatives to ensure that *m*SCOA is institutionalised as an organisational reform and not only a financial reform; and
- Training initiatives to ensure that all officials in the organisation are familiar with the *m*SCOA chart, basic accounting, balance sheet budgeting and movement accounting and the use of the *m*SCOA enabling financial system.

Importantly, the action plan must be drafted by the municipality and not the system vendor and the progress against it should be carefully monitored by the municipality's *m*SCOA Project Steering Committee (chaired by the Accounting Officer). Municipalities must present progress against the action plan at the 2020/21 Mid-Year Budget and Performance visits and Budget and Benchmark engagements with the National and the respective provincial treasury.

4.8 Extension and Procuring of Service Level Agreements (SLA) for Financial Systems

At least six (6) months prior to the expiry of the SLA for the support and maintenance of the financial system, the municipality should either:

- Extend the existing SLA with the same system vendor subject to the provisions of Section 33 and 116(3) of the MFMA (read in conjunction with MFMA Circular No. 62); or
- Approach the market to procure services for the support and maintenance of the financial system consistent with the Municipal Supply Chain Management Regulations and municipality's Supply Chain Management Policy.

Importantly, once the SLA has expired, it cannot be extended, and the municipality will have to embark on a new procurement process. In addition, when the contract for the support and maintenance of the financial system comes to an end, it does not mean that the municipality must procure a new financial system. It is only support and maintenance services pertaining to the financial system that needs to be procured. Municipalities need to properly document their systems and the system language used to ensure that system support can be procured in the local market when required.

4.9 Cash flow reconciliation

The population of the cash flow reconciliation in tables A7, B7 and C7 of the MBRR formats using *m*SCOA data strings has been a challenge in previous financial years. The main contributing factors to this were that:

- Municipalities were not using the *m*SCOA segments correctly to populate their cash flow information;
- A number of municipalities did not use the movement accounts correctly in the *m*SCOA chart which distorts the figures reported in the cash flow tables;
- Some municipalities did not budget, transact or report directly in or from their financial systems; and
- There were errors in the linkages of the MBRR cash flow tables to the *m*SCOA data strings in the segment item: asset and liabilities on the Local Government Database.

It is critical that municipalities undertake balance sheet and cash flow budgeting to provide accurate cash flow information. National Treasury has provided guidance in this regard in MFMA Circular No. 98 and *m*SCOA Circular No. 10 and have also corrected the errors in the linkages of the MBRR cash flow tables to the *m*SCOA data strings. This has resulted in improvements in the section 71 cash flow data that were published at the end of quarter 1 of the 2020/21 MTREF. Further guidance on the application of the funding segment has also been issued in *m*SCOA Circular No. 11 on 4 December 2020.

4.10 *m*SCOA Calendar for 2021/22

Important dates pertaining to *m*SCOA related activities for the 2020/21 financial year is summarised below for planning purposes:

	Activity	Time Frames
1.	Independent System Audits	February to December 2021
2.	Regulation of Minimum Business Processes and System Specifications	For comments and testing: October 2021
3.	*m*SCOA Virtual Training Sessions (various topics)	Monthly
4.	Roll out of eLearning *mSCOA* course through	July 2020

	National School of Governance	
5.	Issue proposed *m*SCOA chart changes for version 6.6	October 2021
6.	Annual *m*SCOA CIGFARO Budgeting Workshop	November 2021
7.	Issuing of transversal contract for provision of financial systems	March 2022

5. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. Even as demand for services rises, weak economic growth has put stress on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, water boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide for the servicing of their debt obligations. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend on money that they do not have.

Municipalities are reminded that the local government equitable share allocation is mainly to fund the costs of free basic services and to subsidise the administrative costs of the smaller and more rural municipalities. The increasing unemployment and growth in the number of persons per household means that the revenue foregone in respect of free basic services will likely increase, and it will become even more difficult to collect revenue. Household budgets are becoming increasingly under more pressure, and trade-offs might be applied when it becomes unaffordable to pay all household expenses on a monthly basis.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required to ***justify all increases in excess of the* projected inflation target for 2021/22** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

5.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circular No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2021/22 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this has been identified as a fundamental reason for municipalities not attaining their desired collection rates.

It is therefore essential that municipalities pay attention to reconciling the valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities are encouraged to undertake this exercise as a routine practice. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this with the Deeds Office registry. In accordance with the MFMA Circular No. 93,

municipalities are once more requested to submit the reconciliation of the valuation roll to the financial system to the National Treasury by no later than **05 February 2021**.

The above information must be emailed to linda.kruger@treasury.gov.za or must be uploaded by approved registered users using the LG Upload Portal at: https://lguploadportal.treasury.gov.za/.

5.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (FFC, 2011). Credible budgets are critical for local government to fulfil its mandate and to ensure its financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- An effective budget is one that is adequate to deliver a service of the necessary quality on a sustainable basis; and
- An efficient budget is one that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable municipalities to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is also available on the link below on the National Treasury website.

http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08

5.3 Bulk Account Payments - Eskom Concessions

During 2018/19, intense work had been undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom was engaged on providing relieve in certain areas. Municipalities must be made aware that the following concessions were agreed upon:

- Reducing the interest rate charged on overdue municipal bulk accounts from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms being extended from 15 days to 30 days for municipal bulk accounts; and
- Payments received from municipalities will be allocated to capital first and then the interest.

These concessions are aligned to the MFMA and are meant to curb the growing debt levels by allowing municipalities a more conducive payment regime than what was previously employed. In addition, municipalities are encouraged to budget for bulk services and honour their current account payments religiously to avoid stringent application of the bulk suppliers' credit control policy.

5.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

5.5 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. In March NERSA approved a municipal tariff increase of 6.9 per cent effective 1 July 2020 (1.2 per cent lower than the tariff increase in Multi-Year Price Determination (MYPD) 4 period due to differences in municipal and national financial years).

Municipalities are advised to use the tariff increases previously (March 2019) approved by the Regulator of 5.2 per cent 2021/22, 8.9 per cent for 2022/23 and 8.9 per cent in 2023/24 (*for 2023/24,* an average annual tariff increase is used for the National Energy Regulator of South Africa's multi-year price determination period of 1 April 2019 to 31 March 2022). The outer year is anticipated to be the first year of the MYPD 5 period, which is yet to be published.

6. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2021/22 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

6.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 31 June 2020 has come to an end and a new agreement is under consultation, which we hope will take into account the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to take into account their financial sustainability when considering salary increases. It has been observed over the previous years that salary

increases were above inflation. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC. Given the current economic condition exacerbated by the COVID-19 pandemic, municipalities are urged to consider projecting increases to wage that would reflect their affordability as many municipalities that are already not in a position to afford the current wage cost would indeed have to apply no more than zero per cent increase in the 2021/22 MTREF and to exercise the option for exemption for any negotiated increase above the level of their affordability.

6.2 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process.

7. Conditional Grant Transfers to Municipalities

7.1 Non-compliance of in-year monitoring

In terms of Section 74(1) of the MFMA, municipalities must submit to the transferring officers, National and Provincial treasuries documents and monthly grant reports as may be prescribed or required. The *m*SCOA Regulations requires the uniform recording and classification of municipal budget and financial information at a transaction level in the form of a *m*SCOA data string that must be submitted to the LG Upload portal. Most municipalities are still not reporting on conditional grants as per the *m*SCOA requirements. As per MFMA Circular No 93, the National Treasury has only used *m*SCOA data strings as the source of data for publications on municipal financial performance from 1 July 2019. The *m*SCOA data strings will also be the main source of data that will be used to monitor the performance against grants and to inform decisions on the stopping and reallocation of conditional grants funding in the 2021/22 MTREF. The credibility of the *m*SCOA data strings reporting on grants will be closely monitored going forward.

Furthermore, section 12(2) of the Division of Revenue Act, 2020 (Act No. 4 of 2020) (DoRA) states that the municipality, as part of the report required in terms of section 71 of the MFMA, report on the matters referred to in subsection (4) and submit a copy of that report to the relevant provincial treasury, the National Treasury and the relevant Transferring Officer.

Some municipalities have not been complying with the reporting requirements as stipulated above. Municipalities are reminded that the non-submission of monthly reports translates to non-compliance with the MFMA and DoRA. The National Treasury and Transferring Officer will be implementing stringent measures to municipalities that do not comply with the prescripts. This includes, but is not limited to, the stopping and reallocation of conditional grants funding of non-compliant municipalities. Municipalities are encouraged to comply with the reporting requirements to avoid withholding or stopping of an allocation.

In terms of performance reporting on conditional grants, municipalities and Transferring Officers are urged to pay particular attention to the contents of money spent against conditional grants. Government is not realising full value for money against the substantial investments it makes through grants.

8. The Municipal Budget and Reporting Regulations

8.1 Ensuring municipal sustainability through a funded budget

A budget is funded from realistically anticipated revenues to be collected, cash backed accumulated funds from the previous year as well as borrowed funds to be utilised for capital projects. A budget is realistic if it takes into account projected revenue for the current year based on the collection levels to date and actual revenue collected in the previous financial year. Municipal budgets must be prepared on this basis. The economic climate and the impact of COVID-19 pandemic had an effect on the ability of municipalities to collect arrear debt during levels 5, 4 and 3 of the national lockdown. This inability to exercise credit control measures during this period had decreased the collection rate in many municipalities.

Municipalities need to be proactive in exercising credit control measures to ensure that arrear debt is collected. Whilst collection rates decreased during the period mentioned above, municipalities must implement efforts to collect arrear debt and return collection rates to pre-COVID-19 levels. Whilst this unprecedented COVID-19 period is the exception, collection rates need to be maintained at 95 per cent in order to ensure the financial sustainability of municipalities. If collection rates have decreased, prudent financial management requires expenditure to be adjusted downward accordingly. This is to ensure that deficits are not realised and that realistically anticipated revenue based on projected collection rates funds expenditure. This will also ensure financial sustainability and avoid situations of financial distress in municipalities.

The Municipal Systems Act states that a municipal council must adopt, maintain and implement a credit control and debt collection policy that would be utilised for the collection of money that is due and payable to it. The municipal Councillors therefore are the custodians of the policy and responsible for its implementation. As a result, Councillors are required to encourage consumers in their municipal jurisdiction to pay for municipal services and to ensure that such debt that is due and payable to the municipality is collected. This would ensure compliance with the Act and ensure that a culture of payment is implemented in the municipal area. Council needs to play an active role in implementing their adopted policies to increase collection rates and ensure that funds are received to render services to the people.

Municipalities are reminded to develop a credible funding plan where the budget is unfunded. This plan must be tabled in and adopted by Council with the 2021/22 MTREF budget and submitted to the National and provincial treasuries when they submit their tabled and adopted budget in terms of Section 22(b)(i) and 24 (3) of the MFMA. Failure to approve a credible plan will result in the invoking of Section 216(2) of the Constitution.

8.2 Budgeting for indirect grant allocations

Some municipalities continue to budget for allocations not directly allocated to them as revenue in the Statement of Financial Performance. This results in revenue being overstated. Therefore, municipalities must refrain from budgeting for indirect grant allocations. A municipality must only budget for the allocations that are directly allocated and transferred to them.

8.3 Monthly reporting of debtors

National Treasury has observed through in-year monitoring that most municipalities are overstating debtors as they report on gross debtors instead of net. The format of the monthly debtors' data strings provides for a column to disclose provision for impairment as per council policy. Therefore, municipalities are urged to always reflect the provision for impairment in the column as indicated above for National Treasury to be able to reconcile the net debtors.

8.4 Schedule A - version to be used for the 2021/22 MTREF

National Treasury has released Version 6.5 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.5 of the *m*SCOA classification framework and must be used when compiling the 2021/22 MTREF budget.

It is imperative that all municipalities prepare their 2021/22 MTREF budgets in their financial systems and that the Schedule A1 be produced directly from their financial system. Vendors have demonstrated their budget modules to the National Treasury and provincial treasuries. All financial systems have this functionality to assist and prepare budgets and to generate the prescribed Schedule A1 directly from the financial system. Therefore, there is no reason why the 2021/22 MTREF budget must be done manually. National Treasury has protected the A1 schedule version 6.5, therefore manual population will not be allowed as the schedule must be extracted from the financial system.

ALL municipalities **MUST** prepare their 2021/22 MTREF tabled and adopted budgets using the A1 schedule version 6.5.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module provided and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on A1 schedule version 6.5 is not allowed** in terms of the *m*SCOA Regulations.

The National Treasury has indicated in MFMA Circular No. 93 that municipalities must submit all A1 Schedules in PDF format only from the 2019/20 MTREF. Given the fact that the *m*SCOA classification framework makes it possible to generate the financial data required in the A1 schedule directly from the data strings and that additional data needed must be obtained from sub-systems that integrate with the financial system, the National Treasury will only accept the prescribed data string containing the supporting data, populated and uploaded by each municipality. National Treasury published the layout for the data string on the website in MFMA Budget Circular No. 98 and an amended version to be used for the 2021/22 MTREF forms part of this circular. The publication in the 2020/21 MTREF of non-financial data will be done using the supporting data uploaded from these data strings.

The National Treasury **will no longer gather supporting data from the MBRR A1 Schedules** but will expect each municipality to **submit the prescribed supporting data strings** containing the required data using the LG Upload Portal.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *m*SCOA chart version 6.5 changes. The revised MBRR Schedules for the 2021/22 MTREF and its linkages to the data string are available on the link below:

http://cenvappsp10:31200/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2020%2d21&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:

http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx

8.5 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
Johannesburg and Tshwane	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Mpati Rakgwale		Mpati.Rakgwale@treasury.gov.za
eThekwini	Una Rautenbach	012-315 5700	Una.Rautenbach@treasury.gov.za
	Abigail Maila		Abigail.Maila@treasury.gov.za
Limpopo	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Stanley Malele		Stanley.Malele@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Phumelele Gulukunqu	012 315 5539	Phumelele.Gulukunqu@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
Cape Town	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Willem Voigt and	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

National and provincial treasuries will analyse the credibility of the data string submissions.

8.6 Assessing the 2021/22 MTREF budget

National and provincial treasuries will assess the 2021/22 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **31 May to 30 June**. In this one-month period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10th working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

The previous verification process and timeframes (i.e. July to September) can no longer be applied as municipalities are already transacting against the adopted and locked budget from 01 July 2020.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution, as well as a budget locking certificate (in the case of the adopted budgets) in accordance with the format specified in Regulation 31 of Schedule A of the MBRR. The A1 schedule must be included as part of the budget documentation in pdf format.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget without a* credible funding plan*, they will be required to correct the budget and go back to the Municipal Council to ensure they adopt and implement a funded budget as required in terms of Section 18 of the MFMA***.

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

9. Budget process and submissions for the 2021/22 MTREF

9.1 Submitting budget documentation and A1 schedules for 2021/22 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2021**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Thursday, 01 April 2021**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that municipalities must submit the approved annual budget to both National Treasury and the relevant provincial treasury ***within ten working days*** after the council has approved the annual budget. E.g. if the council approves the annual budget on **31 May 2021**, given the new timeframe for the evaluation of the municipal budgets, the adopted budget data strings and documentation must be submitted by the latest **Monday, 14 June 2020**.

Municipalities are no longer expected to submit hard copies of all required documents including budget-related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Hard copies must be submitted in pdf format to the LG Upload portal.

9.2 Expected submissions for 2021/22 MTREF

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA24 and any other information not contained in the financial data string) in the A1 in the prescribed *m*SCOA data string in the format published with Version 6.5 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

Budget-related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at: https://lguploadportal.treasury.gov.za/. It should be emphasised that municipalities should submit all required documents to the LG Upload portal and not to lgdocuments@treasury.gov.za. National Treasury will retire lgdocuments@treasury.gov.za on 1 July 2021 to ensure that there is a single collection point of municipal financial data.

Also note that the LG Upload Portal does not have the same size restrictions encountered with lgdocuments@treasury.gov.za, but requires all documents to:

1. Be in PDF format only; and

2. Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Any problems experienced with the submission of documents can be addressed with Elsabe Rossouw at Elsabe.Rossouw@treasury.gov.za.

The 2020/21 MTREF and the preliminary Quarter 1 Section 71 results for the 2020/21 financial year that has recently been published, have indicated that the credibility of the *m*SCOA data strings is still a concern although we have observed a marked improvement in some areas. At the core of the problem is:

- The incorrect use of the *m*SCOA chart and segments, balance sheet budgeting, movement accounting and basic municipal accounting practices by municipalities;
- Some municipalities are not budgeting, transacting and reporting directly in/from their core financial systems; and
- Municipalities are not locking their adopted budgets and their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2020/21, the Local Government Database and Reporting System will lock all submission periods within the reporting period at the end of each quarter. The published period will NOT be opened again to ensure consistency between publications. System vendors were also requested to build this functionality into their municipal financial systems.

To improve the credibility of these data string, National and provincial treasuries are analysing the accuracy of the data strings and the use of the six regulated segments. The National Treasury has developed tools to analyse the segment/chart use and trained budget analysts from both National and provincial treasuries on the use thereof. To date, the analysis has highlighted that municipalities are not using the FUND, REGION and COSTING segments correctly. In many instances, these segments are simply defaulted which impedes the multi-dimensional reporting power of the *m*SCOA classification framework. Another common area of concern is that total capital expenditure do not balance to total funding. Currently, the expenditure is much higher than the available funding reported.

It needs to be noted that the single source for all analysis and publications will be the data strings submitted by the municipalities for the 2020/21 municipal financial year. It is therefore imperative that municipalities ensure the credibility and accuracy of the data strings before submission.

9.3 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, http://mfma.treasury.gov.za/Pages/Default.aspx. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

9.4 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact



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
04 December 2020

NATIONAL TREASURY

MFMA Circular No. 108

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2021/22 MTREF

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Introduction

This budget circular is a follow-up to the one issued in December 2020. It guides municipalities with their preparation of the 2021/22 Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars, it should be read within this context. This Circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts *(m*SCOA); and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved. The key focus of this Circular is the grant allocations per the 2021 Budget Review and the 2021 Division of Revenue Bill.

Municipalities are reminded to refer to the previous years' annual budget circulars for guidance on budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The South African economy contracted by an estimated 7.2 per cent in 2020 compared with the 7.8 per cent contraction projected in the 2020 Medium Term Budget Policy Statement (MTBPS). The revised estimate results from easing lockdown restrictions in the third quarter and a faster-than-expected resumption of global growth, especially in China. The National Treasury projects real economic growth of 3.3 per cent in 2021, following an estimated contraction of 7.2 per cent in 2020. Real GDP growth is expected to moderate to 1.9 per cent in 2022 and 2023.

The outlook remains highly uncertain, and the economic effects of the pandemic are far-reaching. There were 1.7 million fewer jobs by the third quarter of 2020 compared to the same period in 2019. Rising unemployment and income losses have entrenched existing inequalities. GDP is only expected to recover to pre-pandemic levels in late 2023. High-frequency data for the third quarter, such as the volume of electricity distributed, mining and manufacturing output, business confidence and the ABSA Purchasing Managers' Index (PMI) shows evidence of a limited economic rebound.

Although growth rates are likely to improve quickly as restrictions are removed, based on current projections, the output is only expected to return to pre-pandemic levels in 2024. Given South Africa's structural constraints, its recovery will be slower than many of its developing-country peers. Industrial sectors (which include mining, manufacturing, construction and utilities) lagged substantially, undermined by structural constraints including unreliable electricity supply and weak public investment that preceded the pandemic. Over the next several years, the country requires the implementation of long-standing structural reforms to sustainably move to a higher growth path.

These economic challenges will continue to exert pressure on municipal revenue generation and collection levels; hence a conservative approach is advised for revenue projections.

The following macro-economic forecasts must be considered when preparing the 2021/22 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2019 - 2023

Fiscal year	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Estimate	Forecast		
CPI Inflation	4.1%	3.3%	3.9%	4.2%	4.4%

Source: 2021 Budget Review.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2021/22 budget process

2.1 Changes to local government allocations

Over the next three years, municipalities will have to adjust to significant changes in expenditure plans while improving accountability. The 2021 Budget protects transfers that focus on infrastructure, service delivery and COVID-19 spending while reducing those spent less effectively. The 2021 Budget includes funding for initiatives to improve municipal revenue collection and support financially distressed municipalities.

Transfers to local government over the medium-term account for **9.4 per cent** of nationally raised funds after providing for debt-service costs, the contingency reserve and provisional allocations. Local government's share of revenue has risen in relative terms because reductions to the public-service wage bill affect only national and provincial government. Local government transfers grow by an annual average of 5.2 per cent over the MTEF; the equitable share declines by 4.4 per cent and conditional grants grow by 7.3 per cent. As part of government's fiscal consolidation policies over the medium term, transfers to local government are reduced by R19.4 billion, including R14.7 billion from the local government equitable share, R2.7 billion from the general fuel levy and R2 billion in direct conditional grants.

Conditional grants

The reduction to direct conditional grants includes R329 million from the *municipal infrastructure grant* and R21 million from the *integrated urban development grant*. These amounts have been reprioritised from underspending grants to fund a once-off councillor gratuity for non-returning councillors. The largest proportional reduction of R1.3 billion to local government grants has been made in the *public transport network grant*, because only six of the 13 cities receiving the grant have successfully launched public transport systems. Indirect conditional grants are re duced by R286 million over the period.

Government continues to reform the system of conditional grant transfers to local government based on the principles set out in the 2019 Budget Review. In 2021, government will expand the scope of the *municipal infrastructure grant* to allow municipalities to use up to 5 per cent of their allocation to develop infrastructure asset management plans. This change addresses poor asset management in municipalities.

In 2020, the *integrated city development grant* was repurposed to assist cities to build internal capacity or obtain technical support to prepare and package key infrastructure projects. This will continue in 2021 and private sector participation will be encouraged in these projects.

Two standalone *informal settlement upgrading grants* for provinces and municipalities will be introduced from 2021/22. These grants are made up of components previously within the *human settlements development grant* and the *urban settlements development grant* for provinces and municipalities respectively. In addition, the Municipal Systems Improvement Grant scope is extended to fund comprehensive institutional diagnostic assessments of the 21 district areas where the district municipality is a water service authority and the development of institutional improvement/ support plans that will inform all future capacity development programmes and municipal support initiatives to enhance the continued rollout of the rollout of the District Development Model (DDM).

Municipalities are reminded that all allocations included in their budgets must correspond to the allocations listed in the Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website by clicking on the link below:
http://www.treasury.gov.za/documents/national%20budget/2021/

3. 2021 Local Government Elections and the budget process

Municipalities are advised to refer to MFMA Circular No. 107 on risks related to the Local Government elections and issues to be considered in compiling the 2021/22 MTREF in addition to the information provided below.

3.1 Transitional processes - development and adoption of IDPs during the 2021 election year

The 2020/21 municipal financial year represents the last year of the current municipal councils' electoral term. Therefore, the next municipal election to usher in new councils is expected to take place between August and November 2021 in terms of the Section 24 (2) of the Municipal Structures Act, 2000 (Act No. 32 of 2000) (MSA).

It is acknowledged that the period within which the coming election's date is expected takes place after the start of a new financial year. This particular scenario poses a latent challenge in so far as adherence to legislated timeframes with regard to the adoption of the 5-year Integrated Development Plan (IDP) and the subsequent implementation.

Given the fact that the IDP and budget would need to be reviewed and adopted by 30 June 2021, the current council has an obligation to ensure that these stipulations are complied with. In this regard, the current council will be expected to continue reviewing the IDP and ensuring that it is adopted within the legislated timeframe.

Section 25 (3) of the MSA does allow the municipal council to adopt the IDP of the preceding council. However, should the incoming councils be unhappy with the priorities set out by the current council, in this case, municipal councils are advised to consider the existing adopted IDP and resolve to initiate or not to initiate an amendment procedure as guided by the MSA and the Municipal Performance and Planning Regulations (2001).

The Department of Cooperative Governance (DCoG), through the Chief Directorate: Development Planning, is rolling out the revised IDP guidelines to municipalities. These guidelines are aimed to, amongst others, guide municipalities with regards to the adoption of IDPs during an election year.

3.2 Hand-over reports for the newly elected councils

Each municipal manager, working together with the CFO and senior managers, is encouraged to prepare a hand-over report that can be tabled at the first meeting of the newly elected council. This hand-over report aims to provide the new councils important orientation information regarding the municipality, the state of its finances, service delivery and capital programme, as well as key issues that need to be addressed.

It is proposed that the hand-over report should include:

- An overview of the demographic and socio-economic characteristics of the municipality;
- An overview of the organisational structure of the municipality, with the names and numbers of senior managers;
- An overview of key municipal policies that councillors need to be aware of and where they can obtain the full text of such policies;
- An overview of issues that still need to be addressed in relation to the municipality's turnaround strategy;
- An overview of the municipality's financial health, with specific reference to:
    - Its cash and investments, and its funding of commitments (Table A8);
    - Cash coverage of normal operations (see Supporting Table SA10);

  - Creditors outstanding for more than 30 days, along with reasons for delayed settlement;
  - Current collection levels and debtors outstanding for more than 30 days; and
  - Extent of existing loans and associated finance and redemption payments.
- The municipality's 2019/20 audit outcome and its strategy to address audit issues;
- An overview of the provision of basic services, including plans to address backlogs;
- An overview of the state of the municipality's assets, with particular reference to the asset management plan, and repairs and maintenance requirements;
- A list of the main infrastructure projects planned for the 2021/22 budget and MTREF;
- A list of key processes requiring council input over the next six months, e.g. revision of the IDP, approval of specific policies etc. and
- Any other information deemed to be important.

In addition to the hand-over report, each new councillor should be given the municipalities' revised IDP, the adopted 2021/22 MTREF budget, the mid-year budget and performance assessment report for 2020/21, and the latest monthly financial statement, and the annual report for 2019/20.

Municipal managers should submit their municipality's hand-over report to the relevant provincial department responsible for local government, to the Department of Co-operative Governance (DCoG) and National and Provincial Treasuries.

4. Municipal Standard Chart of Accounts (*m*SCOA)

4.1 Opening balances

It was noted that some municipalities are not transferring their opening balances consistently to the current year of transacting. Opening balances for the previous year must be transferred in the first month (M01) of the current year, and all adjustments made during the preparation of the annual financial statements in period 14 and 15 must be transferred through journals to the opening balances of the current year in the month that it becomes apparent. When municipalities are not doing this correctly and consistently, it compromises the credibility of the *m*SCOA data strings submitted.

Importantly, journals may only be passed in the core financial system and not in 3rd party sub-systems.

4.2 Surplus or deficit journals

The Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and MBRR require that municipalities perform their month-end reconciliations at the end of every month before they submit their financial performance information to the National Treasury. Surplus or deficit journals must be passed monthly before a data string is generated to ensure that the financial system remains in balance. The monthly data strings reflected in the Statement of Financial position (table C6 of the regulated C Schedules) will not be in balance for those municipalities that are not doing this, and their *m*SCOA data strings will therefore not be accurate.

Municipalities must also reconcile their creditors and debtors and all month-end processes **before** they submit their monthly data strings to ensure that the data submitted to the National Treasury Local Government Database is credible.

4.3 Rollovers and repayment of unspent grants

Municipalities are required to use the correct posting levels and movement accounting when conditional grants are being receipted, recognised, rolled over, and unspent grants are repaid. The accounting for grants should be done in accordance with GRAP 23: Revenue from

exchange transactions (Taxes and Transfers). Refer to **Annexure A** of this Circular on the correct treatment of rollovers and repayment of unspent grants in *m*SCOA.

5. The revenue budget

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the municipality's financial sustainability. The Consumer Price Index (CPI) is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required ***to justify all increases in excess of the projected inflation target for 2021/22 MTREF*** in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. It is noted that the tariff increases by Eskom and Water Boards are above inflation and should be considered as such while determining cost-reflective tariffs. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving its own revenue collection, working more efficiently and implementing cost-containment measures.

5.1 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. In March, NERSA approved a municipal tariff increase of 6.9 per cent effective 1 July 2020 (1.2 per cent lower than the tariff increase in Multi-Year Price Determination (MYPD) 4 period due to differences in municipal and national financial years).

The equitable share formula uses the 9.9 per cent bulk tariff increase used when National Treasury calculated the baseline for this year in the 2020 MTEF period. Other (non-bulk) electricity costs are updated based on the National Treasury's inflation projections in the 2020 MTBPS. This is due to fiscal constraints and the fact that the court had not pronounced on the Eskom matter at the time that the budget was finalised.

The additional R10 billion that the courts have allowed Eskom to recover in the 2021/22 national financial year translates to a 15.6 per cent bulk increase over the national financial year. However, given that the increase only comes into effect in July for municipalities, NERSA typically allows a higher percentage increase so that Eskom can recover the additional allowable revenue from municipalities over 9 months before the national financial year ends. Therefore, the increase should be expected to be between 16 to 20 per cent. Municipalities can mitigate the negative impact of this increase by improving efficiencies on both the revenue collections and the spending side.

The outer two years of the 2021 MTEF use 8.9 per cent, which is an average annual tariff increase used for the NERSA's multi-year price determination period of 1 April 2019 to 31 March 2022. Moreover, the outer year is anticipated to be the first year of the MYPD 5 period, yet to be published.

6. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. Customers' ability to pay for services is declining, which means that less revenue will be collected.

In order to achieve financial sustainability, municipalities must demonstrate the political will to implement the changes required to improve their performance. Where municipalities consistently fail to deliver their mandates, the Constitution provides for provincial and/or national government to intervene.

6.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 31 June 2020 has come to an end and a new agreement is under consultation, which we hope will take into account the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to take into account their financial sustainability when considering salary increases. It has been observed over the previous years that salary increases were above inflation. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Given the current economic condition exacerbated by the COVID-19 pandemic, municipalities are urged to consider projecting increases to wage that would reflect their affordability. Some municipalities are already not able to afford the current wage cost and would indeed have to apply no more than a zero per cent increase in the 2021/22 MTREF and exercise the option for exemption for any negotiated increase above the level of their affordability.

Therefore, should accounting officers fail to consider salary increases within the ambit of the municipality's available resources and financial position, such failure will constitute an act of financial misconduct as defined in section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

6.2 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process.

6.3 Payment of danger allowance to the employees

The work undertaken by the frontline staff in rendering services to communities must be appreciated whilst understanding the country's economic situation and the world resulting from the impact of COVID-19 pandemic. The SALGBC Circular No. 5 of 2020 provides advice to municipalities about the payment of danger allowance to employees working at the frontline to fight the COVID-19 pandemic.

The Circular provides that the council of the municipality must have an approved policy that should guide how the danger allowance should be paid, based on the affordability of the municipality. During this difficult financial situation posed by the COVID-19 pandemic, municipalities must consider the following:

1. Determine whether or not the municipality will afford the percentage increase in order to accommodate the Danger Allowance;
2. Assess the current status of the Employee Related Costs that form part of the municipality's budget in order to ascertain whether or not the inclusion of such allowance will not place the municipality's financial position in jeopardy in terms of the total Employee Related Costs as a percentage of the total expenditure;
3. Determine the credible funding source for the payment of Danger Allowance;

4. In this case the municipality must subject that change to "public participation processes" when dealing with the 2021/2022 MTREF based on the funding source; and
5. The municipality must also have a policy that operationalise the implementation of this kind of an allowance, only based on the determination/ assessment as per the aforementioned points.

6.4 Mayor's discretionary funds and similar discretionary budget allocations

It has been observed that many municipal budgets contain sub-votes or allocations to "Mayoral Discretionary Funds", "Special Projects", "Special Events" or similar discretionary type funds. Municipalities must refer to section 12 of the MFMA in relation to setting up a relief, charitable, trust or other funds.

National Treasury regards these types of allocations as a bad practice because:

- It is not clear how they are aligned to the constitutional requirement that municipalities structure their budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community (see section 153(a) of the Constitution);
- They do not provide for the appropriation of funds for the purposes of a department or functional area of the municipality (see the definition of 'vote' in section 1 of the MFMA);
- They undermine the budget consultation processes since the intended use of the funds is not transparently reflected in the tabled budget; and
- There is a risk that they may be abused for personal gain or to improperly benefit another person or organisation.

Therefore, National Treasury discourages allocations of this nature. Good budget practice requires that a municipal budget should transparently indicate the purposes and areas where municipal funds (i.e. public funds) are to be allocated. These kinds of discretionary funds immediately raise public suspicions of impropriety and corruption. In terms of section 52(a) of the MFMA the Mayor "must provide general political guidance over the fiscal and financial affairs of the municipality". The Mayor, therefore, provides direct input into the budget. If this is the case, why does the Mayor require a 'discretionary / personal slush fund'?

Section 17(3)(b) of the MFMA requires that when an annual budget is tabled it must be accompanied by "measurable performance objectives ... for each vote in the budget". What measurable performance objectives can be set in relation to these funds given that their use is at the discretion of the Mayor? This means the transparent and effective use of these funds cannot be monitored and assessed by the council and the public.

National Treasury notes that section 17(3)(j) of the MFMA requires that when an annual budget is tabled it must be accompanied by "particulars of any proposed allocations or grants by the municipality to ... (iv) any organisations or bodies referred to in section 67(1)". The aim of this provision is to ensure that all proposed allocations or grants are presented transparently in the budget documentation that is tabled for public consultation and council approval, as well as for budget management and monitoring purposes. *Any allocations or grants made to organisations or bodies that are not reflected in a municipality's budget or adjustments budget must be regarded as unauthorised expenditure because they are "(f) a grant by the municipality otherwise than in accordance with this Act"* (see definition of unauthorised expenditure in section 1 of the MFMA).

National Treasury further notes that section 67 of the MFMA only allows funds to be transferred to 'an organisation or body' and not to an individual. Any allocations or grants to individuals, *other than in terms of the municipality's indigent policy or bursary scheme, must be regarded as*

irregular expenditure because they are expenditures not in accordance with a requirement of the MFMA.

National Treasury and provincial treasuries will exercise close oversight of all discretionary type allocations in municipal budgets. If there are any concerns about the use of these funds, section 74 of the MFMA will be used to request information in this regard and analyse it for consistency with the MFMA legal framework.

7. Conditional Grant Transfers to Municipalities

The annual Division of Revenue Act requires that municipalities must request for a rollover approval against any unspent conditional grants that were allocated through the Act, therefore this section provides guidance to municipalities with regard to the preparation for the 2020/21 unspent conditional grant and rollover process and should be referenced against previous annual budget circulars.

7.1 Criteria for the rollover of conditional grant funds

In terms of Section 22 of the Division of Revenue Act, 2020 (Act No.4 of 2020) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2020 (Act No. 10 of 2020) (DoRAA) and the Division of Revenue Second Amendment Act, 2020 (Act No. 20 of 2020), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2020/21 financial year reverts to the National Revenue Fund, unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of section 22(2) of the 2020 DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2020 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):

    a) Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or
    b) Proof of project tender and tender submissions published and closed before 31 March with the appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the final year of the project;
    c) Incorporation of the Appropriation Statement;
    d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2022 (attach cash flow projection for the applicable grant).

4. A progress report (also in percentages) on the status of each project's implementation that includes an attached **legible implementation plan**);
5. The value of the committed project funding and the conditional allocation from the funding source;
6. Reasons why the grants were not fully spent during the year of original allocation per the DoRA;

7. Rollover of rollovers will not be considered therefore municipalities must not include previous year's unspent conditional grants as rollover request;
8. An indication of the time period within which the funds are to be spent if the rollover is approved; and
9. Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy; this also includes acting appointments as a result of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2021, the application will be declined.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2020 DoRA, **including the municipal manager and chief financial officer signing-off on the information** sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2021;
3. Accurate disclosure of grant performance in the 2020/21 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact local government is required to comply to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relates to rollover processes and disclose conditional grant performance in the 2020/21 pre-audited Annual Financial Statements in order to verify grant expenditure; and
5. Cash available in the bank (net position including short term investments) as at 30 June 2021 is equivalent to the unspent amount at the end of the financial year. If the amount that is requested for rollover **is not entirely cash-backed**, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to rollover:

1. The entire 2020/21 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2020/21 allocation;
2. Rollover request of the same grant for the third consecutive time;
3. Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted; and
4. A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 May 2021.

7.2 Rollover request against the Covid-19 allocated through the Equitable Share

The Division of Revenue Amendment Act, 2020 (Act No 10 of 2020) made available to Local government an amount of R11 billion following the President's speech on 20 April 2020. The President pronounced that R20 billion would be made available to municipalities in order to provide emergency water supply, increase sanitation of public transport facilities, and provide

food and shelter for the homeless. The R20 billion consisted of an additional allocation of R11 billion, which was transferred through the Equitable Share, and the R9 billion was funded from the repurposed spending within conditional grants allocated to municipalities. This increased the 2020/21 municipal Equitable Share allocation from R74.7 billion to R85.7 billion.

The R11 billion added to the local government Equitable Share allowed municipalities to maintain existing services despite a temporary decline in revenue collections and also cover some additional expenses incurred in response to the pandemic, including the provision of temporary shelter for homeless people during the lockdown.

Although the R11 billion was allocated through an unconditional grant (Equitable Share), these are committed funds in response to the Covid-19 pandemic. Consequently, the municipalities are required to request a rollover from National Treasury of any unspent committed Covid-19 allocation to be rolled over into the 2021/22 financial year.

Municipalities are therefore required to provide the following information to National Treasury in order to prove that the unspent funds are committed and also provide approval to allow the unspent funds to be spent in the 2021/22 financial year.

1. Provide the contracts that are linked to the response of the Covid-19 pandemic in line with the provisions made in the 2020 DoRAA;
2. Reasons why the funds were not fully spent during the year of original allocation per the DoRAA;
3. Accurate disclosure of Covid-19 allocation expenditure in the 2020/21 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS); and
4. Any expenditure incurred against the unspent Covid-19 funds that was not approved for the rollover will be regarded as unauthorized expenditure.

7.3 Unspent conditional grant funds for 2020/21

The process to ensure the return of unspent conditional grants for the 2020/21 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

Step 1: Municipalities must submit their June 2021 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile;

Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2021. These amounts MUST exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately; and

Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2020 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2021.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 22 October 2021;

Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2021. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 19 November 2021; and

Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 19 November 2021, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 07 December 2021 equitable share allocation.

All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.

7.4 Importance of section 17 of the Division of Revenue Act

The purpose of this section is to provide further clarity on section 17 of DoRA in relation to the transfer of funds to the organ of state in order to implement projects on behalf of the municipalities.

Section 17 (3) of DoRA states that a receiving officer may not allocate any portion of a schedule 5 allocation to any other organ of state for the performance of a function, unless the receiving officer and the organ of the state agree on the obligation of both parties and a payment schedule, the receiving officer has notified the transferring officer, the relevant provincial treasury and National Treasury of the agreed payment schedule and:

a. The allocation
   - i) Is approved in the budget for the receiving provincial department or municipality; or
   - ii) If not already approved;
     - aa) the receiving officer notifies the National Treasury that the purpose of the allocation is not to artificially inflate the expenditure estimates of the relevant municipality and indicates the reasons for the allocation; and
     - bb) the National Treasury approves the allocation; or

b. The allocation is for the payment for goods or services procured in accordance with the procurement prescripts applicable to the relevant province or municipality and, if it is an advance payment, paragraph (a) (ii) applies with the necessary changes.

Further, section 17 (4) states that the receiving officer must submit a copy of the agreement envisaged in subsection (3) to the transferring officer and the National Treasury before payment is made.

This section requires municipalities to comply with section 17 (3) before any DoRA allocated funds are allocated to any organ of state, and the municipality should first seek approval from National Treasury.

Note that National Treasury considers the following when assessing the request from the municipality for approval:

1. If the municipality is benefitting and utilising from the five per cent from capital grants that may be utilised for Project Management Unit (PMU). In terms of the capital grant framework (i.e. MIG and IUDG and three per cent for the USDG), municipalities are allowed to utilise a certain per cent of the grant for PMU or capacity support in order to implement capital projects. Therefore, if municipalities are benefiting from this initiative, the PMU should be capacitated enough to implement capital project;
2. Municipalities that are benefiting from the added technical support from Municipal Infrastructure Support Agent (MISA) will not be granted approval because MISA would assist with providing support and develop technical capacity towards sustained

accelerated municipal and service delivery. This implies that the municipality would be capacitated and be in a better position to implement capital project; and

3. If the request does not comply with the grant conditions, framework and if the transfer artificially inflates the expenditure estimates.

The following information must be submitted to National Treasury before approval is granted to municipalities to transfer funds to organs of the state:

1. In consultation with the relevant transferring officer municipalities must submit their request to National Treasury for approval;
2. Provide the time frames regarding the duration of this arrangement between the municipality and the organ of the state;
3. Provide the Service Level Agreement between the municipality and the organ of the state in consultation with the relevant transferring officer;
4. Provide the agreed payment schedule reflecting the disbursement of the funds;
5. Must provide the reasons why the municipality has taken such a decision;
7. If amongst the reasons for the request is related to capacity challenges, the municipality must therefore prove beyond reasonable doubt that there are capacity challenges and the reasons thereof; and
8. Upon approval, the municipality must submit the approved budget that includes the allocation.

Note that once the allocation has been approved, the payment for goods or services must be procured in accordance with or in compliance with the procurement prescripts applicable to the relevant municipality. If there is an agreement for an advancement, subsection (a) (ii) will apply in order to determine if the payment does not artificially inflate the expenditure estimates. Further, before funds are transferred, the national transferring officer and National Treasury must agree on the payment schedule.

Therefore, if any expenditure incurred which emanates from such an arrangement while there was non-compliance with section 17, grant conditions and framework, such expenditure will not be recognised by both National Treasury and relevant transferring officer and will be classified as unauthorised expenditure.

8. The Municipal Budget and Reporting Regulations

8.1 Service Level Standards

Municipalities are reminded to update the service level standards which must form part of their 2021/22 MTREF tabled budget documentation. A broad framework on the minimum service standards was issued with MFMA Circular No. 75. Therefore, the outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances.

8.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape Buffalo City	Matjatji Mashoeshoe Mandla Gilimani	012-315 5553 012-315 5807	Matjatji.Mashoeshoe@treasury.gov.za Mandla.Gilimani@treasury.gov.za
Free State	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za

Gauteng Johannesburg and Tshwane	Kgomotso Baloyi Kevin Bell Willem Voigt	012-315 5866 012-315 5725 012-315 5830	Kgomotso.Baloyi@treasury.gov.za Kevin.Bell@treasury.gov.za WillemCordes.Voigt@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
KwaZulu-Natal eThekwini	Kgomotso Baloyi Mpati Rakgwale Una Rautenbach Abigail Maila	012-315 5866 012-315 5700	Kgomotso.Baloyi@treasury.gov.za Mpati.Rakgwale@treasury.gov.za Una.Rautenbach@treasury.gov.za Abigail.Maila@treasury.gov.za
Limpopo	Willem Voigt Sifiso Mabaso	012-315 5830 012-315 5952	WillemCordes.Voigt@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Northern Cape	Mandla Gilimani Phumelele Gulukunqu	012-315 5807 012 315 5539	Mandla.Gilimani@treasury.gov.za Phumelele.Gulukunqu@treasury.gov.za
North West	Willem Voigt Makgabo Mabotja	012-315 5830 012-315 5156	WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za
Cape Town George	Kgomotso Baloyi Willem Voigt and Mandla Gilimani	012-315 5866 012-315 5830 012-315 5807	Kgomotso.Baloyi@treasury.gov.za WillemCordes.Voigt@treasury.gov.za Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Kgomotoso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za

9. Budget process and submissions for the 2021/22 MTREF

9.1 Submitting budget documentation and A1 schedules for 2021/22 MTREF

To facilitate oversight of compliance with the MBRR, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2021**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Thursday, 01 April 2021**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that municipalities must submit the approved annual budget to both National Treasury and the relevant provincial treasury ***within ten working days*** after the council has approved the annual budget. E.g. if the council approves the annual budget on **31 May 2021**, given the new timeframe for the evaluation of the municipal budgets, the adopted budget data strings and documentation must be submitted by the latest **Monday, 14 June 2020**.

Municipalities are no longer expected to submit hard copies of all required documents including budget-related, Integrated Development Plan, Service Delivery Budget and Implementation Plan, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the LG Upload portal or lgdocuments@treasury.gov.za.

9.2 Consolidated budgets and reports

Municipalities with entities are reminded that they must prepare and submit MTREF budgets, section 71 reports, annual financial statements and annual reports for both the parent municipalities and consolidated documents that incorporates the entity information in terms of the MBRR.

9.3 Submission using LG Upload Portal

In MFMA Budget Circular No 107, it was indicated that budget-related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at: https://lguploadportal.treasury.gov.za/ and that National Treasury was planning to retire lgdocuments@treasury.gov.za from 01 July 2021 to ensure that there is a single collection point of municipal financial data. However, based on workflow licensing challenges on the LG Upload Portal, data string submissions will shortly be shifted to the Open Portal GoMuni while documents must still be submitted using lgdocuments@treasury.gov.za. The document submissions will also be shifted to GoMuni as soon as possible.

All municipalities and their entities had to prepare their MTREF budget directly on the *m*SCOA financial systems from 01 July 2017. Therefore, all MBRR schedule submissions must be submitted in ***PDF format only***.

9.4 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, http://mfma.treasury.gov.za/Pages/Default.aspx. Municipalities are encouraged to visit it regularly as documents are regularly added/ updated on the website.

Contact

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post	Private Bag X115, Pretoria 0001
Phone	012 315 5009
Fax	012 395 6553
Website	http://www.treasury.gov.za/default.aspx

JH Hattingh
Chief Director: Local Government Budget Analysis
08 March 2021

Annexure A: Treatment of Rollovers and repayment of unspent grants in *m*SCOA

Cash receipting of a conditional grant
The receiving of grants must be accounted for against (Dt) Bank and (Cr) Item Liabilities: Unspent grants: Capital: Monetary: Municipal Infrastructure Grant: Receipts as shown below:

- Municipal Infrastructure Grant(IL-001-007-002-001-002-005-002)
  - Opening Balance(IL-001-007-002-001-002-005-002-001)
  - **Receipts(IL-001-007-002-001-002-005-002-002)**

Recognising the revenue when the grant is spent

When the grant is spent in accordance with the conditions of the grant, a transaction must be passed against the (Dt) Item Liabilities: Transferred to Revenue/ Capital Expenditure and (Cr) Item Revenue: Non-Exchange Transactions: Transfers and subsidies: Capital: Monetary allocations: National Government: Municipal Infrastructure Grant as shown below:

Debit Item Liability: posting level

- Municipal Infrastructure Grant(IL-001-007-002-001-002-005-002)
  - Opening Balance(IL-001-007-002-001-002-005-002-001)
  - Receipts(IL-001-007-002-001-002-005-002-002)
  - **Transferred to Revenue/Capital Expenditure(IL-001-007-002-001-002-005-002-003)**

Credit revenue recognised: posting level

- Transfers and Subsidies(IR-003-005)
  - Capital(IR-003-005-001)
    - Allocations In-kind(IR-003-005-001-001)
    - Monetary Allocations(IR-003-005-001-002)
      - Departmental Agencies and Accounts(IR-003-005-001-002-001)
      - District Municipalities(IR-003-005-001-002-002)
      - Foreign Government and International Organisations(IR-003-005-001-002-003)
      - Households(IR-003-005-001-002-004)
      - National Government(IR-003-005-001-002-005)
        - Integrated National Electrification Programme Grant(IR-003-005-001-002-005-001)
        - **Municipal Infrastructure Grant(IR-003-005-001-002-005-002)**

Rollovers

In the event that the full grant was not spent at the end of the financial year, the municipality must apply for a rollover as per the process stipulated in the Division of Revenue Act (DoRA). Until such approval has been granted by the National Treasury, a municipality may not continue to incur expenditure against the unspent conditional grant allocation. This does not mean that the municipality should stop or cancel ongoing projects, but Council approval must be obtained to fund the spending from own funding sources until rollover approval is granted by the National Treasury. Once the rollover has been approved by the National Treasury, the amount of the rollover must be ratified through an adjustments budget. The *m*SCOA chart makes provision for all the required transactions in this regard.

Roll over not approved/ Offset against Equitable share

In the event that the rollover is not approved by the National Treasury, the unspent grant funding must be paid back to the National Revenue Fund or alternatively be offset against the Equitable Share and the Liability must be reduced by:

1) Debiting Unspent Grant (Repayment) to reduce the liability that was still outstanding; and
2) Crediting Item Revenue Equitable Share to adjust the revenue in line with DoRA.

This is further illustrated below:

1) Debit Liability: posting level



2) Credit Revenue: posting level



Unauthorised, Irregular, Fruitless and Wasteful (UIFW) expenditure

If the municipality continues to spend against the conditional grant allocation, but rollover approval has not been granted by the National Treasury, this expenditure will be viewed as unauthorised expenditure.

Implementation of the new valuation roll:

Background

The municipality received a new valuation roll that will be implemented 01st July 2021. Based on the analysis performed, the values on the current valuation roll significantly differ from those in the previous valuation roll. This then required the municipality to look into how these significant increases are managed such that they do not negatively affect the amount charges for property rates.

The municipality therefore explored two scenarios in terms of determining the property rates, which is the phase in approach as well as tariff reduction, which are explained in detail below. When doing the phase in, the municipality used 2020/21 tariffs for the next four years. If this method is adopted, the tariffs will therefore not be adjusted for the next four years

Phase in approach

Phase in approach – This approach involves implementing the increases in a phased in approach over a period four years. 25% will be implemented in the first year, up until 100% is implemented in the fourth year. The calculations from this approach are as per below:

Catergory	Tota1 2021/22 - values	Increase split of the amount into 4 years	Total 2020/21 - values	Rebates	2021/22 projected revenue	2022/223 projected revenue	2022/223 projected revenue	2022/223 projected revenue	Tariff used - 2020/21 no increase
RESIDENTIAL	46,451,391,947.00	4721719669.25	27,564,513,270	7,259,800,000	190,200,890	226,085,960	261,971,029	297,856,099	0.0076
RES- MULTI PURPOSE		0.00			-	-	-	-	0.0076
BUS &COM	13,333,614,000.00	2126933400.00	4,825,880,400		197,459,912	257,864,820	318,269,729	378,674,638	0.0284
INDUSTRIAL	2,669,883,000.00	351045250.00	1,265,702,000		46,723,996	56,869,203	67,014,411	77,159,619	0.0289
PUBLIC WORSHIP	469,165,000.00	105758750.00	46,130,000		-	-	-	-	
MUNICIPAL PROP	1,182,356,000.00	247435700.00	192,613,200		-	-	-	-	
PUBLIC OPEN SPACE	13,910,000.00	-22916200.00	105,574,800		-	-	-	-	0.002
PSI	35,792,000.00	7413450.00	6,138,200		27,103	41,930	56,757	71,584	0.002
GOVN PROP	5,634,511,000.00	1213212475.00	781,661,100		53,861,587	86,618,323	119,375,060	152,131,797	0.027
EDUCATIONAL	2,006,613,000.00	495428250.00	24,900,000		13,528,535	26,409,669	39,290,804	52,171,938	0.026
AGRICULTURE	10,437,192,000.00	1557915562.50	4,205,529,750		11,526,891	14,642,722	17,758,553	20,874,384	0.002
PBO	71,663,000.00	17665750.00	1,000,000		503,975	980,951	1,457,926	1,934,901	0.027

Catergory	Tota1 2021/22 - values	Increase split of the amount into 4 years	Total 2020/21 - values	Rebates	2021/22 projected revenue	2022/223 projected revenue	2022/223 projected revenue	2022/223 projected revenue	Tariff used - 2020/21 no increase
PRIVATE OWNED TOWN	645,172,000.00	160148000.00	4,580,000	46,700,000	897,013	2,114,138	3,331,262	4,548,387	0.0076
MINING PROPERTIES	349,290,000.00	76064200.00	45,033,200		3,693,471	6,013,429	8,333,387	10,653,345	0.0305
PRIVATE OPEN SPACE	15,576,000.00	3368350.00	2,102,600		45,956	74,250	102,544	130,838	0.0084
PRIVATE ROAD	4,414,000.00	1007500.00	384,000		11,132	19,192	27,252	35,312	0.008
VACANT LAND	3,452,093,000.00	807844750.00	220,714,000		12,239,849	21,853,202	31,466,554	41,079,907	0.0119
TOTAL			**39,292,456,520**		**530,720,309**	**699,587,789**	**868,455,268**	**1,037,322,748**	

Based on the above calculations, it is clear that the property rates will not be affordable in the next four years as this approach only delays the implementation of these huge increases as the impact in the 4th year is almost double that of first year. Property rates revenue for 2020/21 is R398 240 000, showing increase of R132 480 000 in the first year.

Tariff reduction approach

The second approach was to reduce the current tariffs and set up a base for the new property values, wherein tariffs will be adjusted in with inflation in the next coming financial years. The calculations are attached below.

Catergory	property values	Rebate	2021/22	2022/23	2023/24	2024/25
RESIDENTIAL	46,451,391,946.62	7,842,000,000.00	193,046,959.73	205,401,965.16	218,547,690.93	232,534,743.15
RES- MULTI PURPOSE			-	-	-	-
BUS &COM	13,333,614,000.00		200,004,210.00	212,804,479.44	226,423,966.12	240,915,099.96
INDUSTRIAL	2,669,883,000.00		40,048,245.00	42,611,332.68	45,338,457.97	48,240,119.28
PUBLIC WORSHIP	469,165,000.00		-	-	-	-
MUNICIPAL PROP	1,182,356,000.00		-	-	-	-
PUBLIC OPEN SPACE	13,910,000.00		-	-	-	-
PSI	35,792,000.00		46,529.60	49,507.49	52,675.97	56,047.24
GOVN PROP	5,634,511,000.00		7,324,864.30	7,793,655.62	8,292,449.57	8,823,166.35
EDUCATIONAL	2,006,613,000.00		2,608,596.90	2,775,547.10	2,953,182.12	3,142,185.77
AGRICULTURE	10,437,192,000.00		13,568,349.60	14,436,723.97	15,360,674.31	16,343,757.46
PBO	71,663,000.00		93,161.90	99,124.26	105,468.21	112,218.18
PRIVATE OWNED TOWN	645,172,000.00	46,700,000.00	2,992,360.00	3,183,871.04	3,387,638.79	3,604,447.67
MINING PROPERTIES	349,290,000.00		5,239,350.00	5,574,668.40	5,931,447.18	6,311,059.80
PRIVATE OPEN SPACE	15,576,000.00		20,248.80	21,544.72	22,923.59	24,390.69
PRIVATE ROAD	4,414,000.00		5,738.20	6,105.44	6,496.19	6,911.95
VACANT LAND	3,452,093,000.00		31,068,837.00	33,057,242.57	35,172,906.09	37,423,972.08
TOTAL	**86,772,635,947**		**496,067,451.0331**	**527,815,767.8992**	**561,595,977.0448**	**597,538,119.5756**

Property rates revenue for 2020/21 is R398 240 000, showing increase of R97 827 000 in the first year. 25% increase

After the above calculations were done, they were then compared to each other and the following was noted:

Catergory	2021/22			2022/23			2023/24			2024/25	
	PHASE IN	REDUCTION IN TARIFF		PHASE IN	REDUCTION IN TARIFF		PHASE IN	REDUCTION IN TARIFF		PHASE IN	REDUCTION IN TARIFF
RESIDENTIAL	190,200,890.34	193,046,959.73		226,085,959.82	205,401,965.16		261,971,029.31	218,547,690.93		297,856,098.80	232,534,743.15
BUS &COM	197,459,911.92	200,004,210.00		257,864,820.48	212,804,479.44		318,269,729.04	226,423,966.12		378,674,637.60	240,915,099.96
INDUSTRIAL	46,723,995.53	40,048,245.00		56,869,203.25	42,611,332.68		67,014,410.98	45,338,457.97		77,159,618.70	48,240,119.28
PUBLIC WORSHIP	-	-									
MUNICIPAL PROP	-	-									
PUBLIC OPEN SPACE	-	-									
PSI	27,103.30	46,529.60		41,930.20	49,507.49		56,757.10	52,675.97		71,584.00	56,047.24
GOVN PROP	53,861,586.53	7,324,864.30		86,618,323.35	7,793,655.62		119,375,060.18	8,292,449.57		152,131,797.00	8,823,166.35
EDUCATIONAL	13,528,534.50	2,608,596.90		26,409,669.00	2,775,547.10		39,290,803.50	2,953,182.12		52,171,938.00	3,142,185.77
AGRICULTURE	11,526,890.63	13,568,349.60		14,642,721.75	14,436,723.97		17,758,552.88	15,360,674.31		20,874,384.00	16,343,757.46
PBO	503,975.25	93,161.90		980,950.50	99,124.26		1,457,925.75	105,468.21		1,934,901.00	112,218.18
PRIVATE OWNED TOWN	897,012.80	2,992,360.00		2,114,137.60	3,183,871.04		3,331,262.40	3,387,638.79		4,548,387.20	3,604,447.67
MINING PROPERTIES	3,693,470.70	5,239,350.00		6,013,428.80	5,574,668.40		8,333,386.90	5,931,447.18		10,653,345.00	6,311,059.80
PRIVATE OPEN SPACE	45,955.98	20,248.80		74,250.12	21,544.72		102,544.26	22,923.59		130,838.40	24,390.69
PRIVATE ROAD	11,132.00	5,738.20		19,192.00	6,105.44		27,252.00	6,496.19		35,312.00	6,911.95
VACANT LAND	12,239,849.13	31,068,837.00		21,853,201.65	33,057,242.57		31,466,554.18	35,172,906.09		41,079,906.70	37,423,972.08
TOTAL	**530,720,308.59**	**496,067,451.03**		**699,587,788.52**	**527,815,767.90**		**868,455,268.46**	**561,595,977.04**		**1,037,322,748.40**	**597,538,119.58**

Based on the above comparisons, it is clear that the option of reducing the tariffs is the best one as it reduces the burden from the property owner while at the same time the municipal revenue is not affected. The municipality went further and compared the reduced tariffs with one municipality which is in the same size as Rustenburg that is Polokwane Local Municipality. Their tariffs are in the same range as the reduced tariffs. The explanation to this could be that their market values have been correct from long time.

If the municipality approve the reduction of tariffs, the following tariffs will then be implemented for the 2021/22 financial year. The municipality further used this opportunity to align the tariffs to the Government Gazette number 30584 published on the 19th December 2017 which guides municipalities on how to charge different categories of properties.

TARIFF DESCRIPTION	Approved Tariff 2019/2020	Approved Tariff 2020/2021	2021/2022 Proposed Increase/Decrease	Proposed Tariff 2021/2022	Explanations
		R / C		R / C	
REBATE EARNINGS< 4500		-0.4000		-0.4000	Property rates rebates for pensioners, remined unchanged
REBATE EARNINGS BETWEEN 4500 AND 5500		-0.3000		-0.3000	Property rates rebates for pensioners, remined unchanged
REBATE EARNINGS BETWEEN 5500 AND 6500		-0.2000		-0.2000	Property rates rebates for pensioners, remined unchanged
GOVERNMENT REBATE 10%	-0.1000	-0.1000		-	This rebate has been phased out as the municipality is aligning tariffs for state owned entities in line with Government Gazette number 30584 published on the 19th December 2017 which requires municipalities to charge a ratio of 1:0.25 of the residential property.

TARIFF DESCRIPTION	Approved Tariff 2019/2020	Approved Tariff 2020/2021	2021/2022 Proposed Increase/Decrease	Proposed Tariff 2021/2022	Explanations
PUBLIC WORSHIP REBATE 100%	-	-		100%	The municipality has been missing this line in the past, this is to make sure that the 100% rebate given to churches can be supported by a tariff.
PUBLIC OPEN SPACE				100%	The municipality has been missing this line in the past, this is to make sure that the 100% rebate given to Public Open Spaces can be supported by a tariff.
PUBLIC SERVICE INFRASTRUCTURE - REBATE	-0.3000	-0.3000		-	This rebate has been phased out as the municipality is aligning tariffs for PSI in line with Government Gazette number 30584 published on the 19th December 2017 which requires municipalities to charge a ratio of 1:0.25 of the residential property tariff.
PRIVATE OWNED TOWN REBATE	-0.2500	-0.0250		-0.0250	The rebate has been kept for privately owned town.
PRIVATE SCHOOLS/ CRECHES REBATE	-0.2500	-0.0250		-	This rebate has been phased out as the municipality is treating private schools like government owned properties and charge them a rate which is a ration of 1:0.25 of the residential tariff as these institutions are for the benefit of communities
RESIDENTIAL REBATE	-100 000	-100 000		-100 000	This rebate has been kept by the municipality
RESIDENTIAL	0.0072	0.0076	-34%	0.0050	In order to make sure that residential property owners can still afford the property rates after an increase in market values, the municipality has decided to reduce property rates tariff by 34%.
BUSINESS/COMMERCIAL	0.0269	0.0284	-47%	0.0150	In order to make sure that business owners can still afford the property rates and stimulate economic growth in the municipality after an increase in market prices, the municipality has decided to reduce property rates tariff by 47%.
INDUSTRIAL	0.0274	0.0289	-48%	0.0150	In order to make sure that industrial property owners can still afford the property rates and stimulate economic growth in the municipality after an increase in market prices, the municipality has decided to reduce property rates tariff by 48%.
GOVERNMENT	0.0256	0.0270	-95%	0.0013	This tariff has been aligned to government gazette number 30584 published on the 27th December 2007 which requires the municipality to charge 25% of the residential

TARIFF DESCRIPTION	Approved Tariff 2019/2020	Approved Tariff 2020/2021	2021/2022 Proposed Increase/Decrease	Proposed Tariff 2021/2022	Explanations
					tariff for state owned properties. This has led to a 95% drop from the previous tariff
EDUCATIONAL	0.0246	0.0260	-95%	0.0013	This tariff has been aligned to the state-owned tariff as educational institutions offer similar services to those offered by the state as they are not profit making but to render services to the communities.
MINING	0.0289	0.0305	-51%	0.0150	In order to make sure that mining property owners can still afford the property rates and stimulate economic growth in the municipality after an increase in market prices, the municipality has decided to reduce property rates tariff by 51%.
AGRICULTURAL	0.0019	0.0020	-38%	0.0013	This tariff has been aligned to government gazette number 30584 published on the 27th December 2007 which requires the municipality to charge 25% of the residential tariff to agricultural properties. This has led to a 38% drop from the previous tariff
PRIVATE ROAD	0.0076	0.0080	-84%	0.0013	This tariff has been aligned to the PSI tariff as public benefit organizations mostly the benefit of communities and are not for profit making.
GUEST HOUSES	0.0269	0.0284	-47%	0.0150	In order to make sure that Guest House owners can still afford the property rates and stimulate economic growth in the municipality after an increase in market prices, the municipality has decided to reduce property rates tariff by 47%.
PRIVATE OWED TOWN	0.0072	0.0076	-34%	0.0050	In order to make sure that residential property owners can still afford the property rates after an increase in market values, the municipality has decided to reduce property rates tariff by 34%.
VACANT LAND	0.0113	0.0119	-24%	0.0090	Due to increase in market values, this tariff has been reduced by 24%, however, it is still kept above normal residential tariffs as owners are discouraged to keep these vacant pieces of land as they sometimes become hiding spots for criminals and pose a danger to the society.
PRIVATE OPEN SPACE	0.0080	0.0084	-85%	0.0013	This tariff has been aligned to the PSI tariff as private open spaces are mostly used for the benefit of communities staying in those areas e.g., a private park.
PUBLIC SERVICE INFRASTRUCTURE	0.0019	0.0020	-38%	0.0013	This tariff has been aligned to government gazette number 30584 published on the 27th December 2007 which requires the

TARIFF DESCRIPTION	Approved Tariff 2019/2020	Approved Tariff 2020/2021	2021/2022 Proposed Increase/Decrease	Proposed Tariff 2021/2022	Explanations
					municipality to charge 25% of the residential tariff to agricultural properties. This has led to a 38% drop from the previous tariff
EXCLUSIVE USE AREAS	0.0072	0.0076	-34%	0.0050	Exclusive use areas have been aligned to the residential tariff, which led to a 34% decrease in the tariff.
SECTIONAL TITLE GARAGES	0.0072	0.0076	-34%	0.0050	In order to make sure that residential property owners can still afford the property rates after an increase in market values, the municipality has decided to reduce property rates tariff by 34%.
PUBLIC OPEN SPACE	-	-	100%	0.0013	These spaces belong to the municipality and are therefore exempted from property rates.
PUBLIC WORSHIP/ RELIGIOUS	-	-	100%	0.0013	The municipality grants 100% rebate to all churches.
MUNICIPAL PROPERTY	-	-	100%	0.0013	Municipal properties are exempted from paying property rates
PUBLIC BENEFIT ORGANISATION	-	-	100%	0.0013	This tariff has been aligned to the PSI tariff as public benefit organizations mostly the benefit of communities and are not for profit making.

Conclusion