# SOL PLAATJE MUNICIPALITY

# DRAFT BUDGET BOOK

# 2009/10 – 2011/12

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## List of Acronyms

| | |
|---|---|
| **IDP** | Integrated Development Plan |
| **NCPGDS** | Northern Cape Provincial Growth and Development Strategies |
| **CRR** | Capital Replacement Reserve |
| **GAMAP** | Generally Accepted Municipal Accounting Practice |
| **GRAP** | Generally Recognized Accounting Practice |
| **DHLG** | Department of Housing and Local Government |
| **MFMA** | Municipal Finance Management Act |
| **SDBIP** | Service Delivery and Budget Implementation Plan |
| **CPIX** | Consumer Price Index |
| **GDP** | Gross Domestic Product |
| **MIG** | Municipal Infrastructure Grant |
| **SPM** | Sol Plaatje Municipality |
| **BEE** | Black Economic Empowerment |
| **SMME** | Small Medium and Micro Enterprises |
| **LED** | Local Economic Development |
| **NCEDA** | Northern Cape Economic and Development Agency |
| **DEAT** | Department of Education and Training |
| **NCTA** | Northern Cape Tourism Authority |
| **DPLG** | Department of Provincial and Local Government |
| **CBD** | Central Business District |
| **DORA** | Division of Revenue Act |
| **MTREF** | Medium Term Revenue and Expenditure Framework |
| **KPA** | Key Performance Area |
| **KPI** | Key Performance Indicator |
| **SFA** | Strategic Focus Area |
| **MSA** | Municipal Systems Act |
| **PMS** | Performance Management System |
| **NSDP** | National Spatial Development Programme |
| **PGDS** | Provincial Growth and Development Strategies |
| **MSP** | Municipal Support Programme |
| **PPP** | Public Private Partnership |
| **DBSA** | Development Bank of South Africa |
| **DM** | District Municipality |
| **SALGA** | South African Local Government Agency |
| **SETA** | Sectoral Education and Training Authority |
| **HDI** | Historically Disadvantaged Individuals |
| **CDW** | Community Development Worker |
| **EPWP** | Extended Public Works Programme |
| **BS** | Balance Sheet |
| **MM** | Municipal Manager |
| **CFO** | Chief Financial Officer |

# EXECUTIVE MAYOR’S BUDGET SPEECH

# BUDGET RELATED RESOLUTIONS

# ANNEXURE A

# ANNEXURE B

# ANNEXURE C

# ANNEXURE D

# ANNEXURE E

# ANNEXURE F

# ANNEXURE G

AGENDA– SPECIAL COUNCIL MEETING – 30 MARCH 2009

G. MATTERS NOT CONSIDERED BY THE COMMITTEES OF COUNCIL

DIRECTORATE FINANCIAL SERVICES

1. TABLING OF THE DRAFT BUDGET FOR 2009/2010 FINANCIAL YEAR

(Ald P Everyday)

Purpose

Tabling of the Draft Annual Budget of the Municipality for the financial year 2009/10 and indicative for the two projected outer years 2010/11 and 2011/12.

ANNEXURE
p.

Background information

In terms of the Section 16 (1) of Municipal Finance Management Act (MFMA) a Council of a Municipality must approve an annual budget before the start of the financial year. Section 16 (2) further requires that the Mayor must table the draft annual budget at least 90 days before the start of the financial year. It is in compliance to Section 16 of MFMA that a draft annual budget is being tabled before this Council today.

The annexures in respect of the budget as per the Table of Contents in the budget documentation are hereby attached.

Legal authority

Legal authority emanates from the Municipal Finance Management Act (No. 56 of 2003) Chapter 4 and all relevant Circulars in respect of the tabling of the Budget.

The Budget was discussed with the office of the Executive Mayor and various Line Managers, Financial Managers, Directors, Municipal Manager.

Contact persons

L Mahloko - Tel. (053) 830-6503
J J Wagner - Tel. (053) 830-6504
E Baise - Tel. (053) 830-6741
M Stols - Tel. (053) 830-6280
P. Pretorius - Tel. (053) 830-6202
B. Anthony - Tel (053) 830 6568

Inter-directorate consultation

The draft budget will be tabled by the Executive Mayor, Ald P Everyday.

G. MATTERS NOT CONSIDERED BY THE COMMITTEES OF COUNCIL

DIRECTORATE FINANCIAL SERVICES

RECOMMENDATION:

1. That Council resolves that the draft annual budget of the municipality for the financial year 2009/10 and indicative for the two projected outer years 2010/11 and 2011/12 be approved as set out in the budget documents:

   1.1 Operating revenue by source reflected in Section 5
   1.2 Operating expenditure by vote reflected in Section 5
   1.3 Capital expenditure by vote reflected in Section 5
   1.4 Capital expenditure by GFS classification reflected in Section 5
   1.5 Capital funding by source reflected in Section 5.

2. That Council resolves that multi-year capital appropriations by vote and associated funding reflected in Section 5 be approved.

3. That Council resolves that property rates and any other municipal taxes and tariffs reflected in Section 9 be imposed for the budget year 2009/10.

4. That Council resolves to adopt the revised Integrated Development Plan reflected in Section 7.

5. That Council takes note that the public participation in respect of draft IDP and draft Budget will commence in April to gain inputs and comments from the Community and other stakeholders and the timetable for these meetings will deliberated upon by the IDP and Budget Office through directive from the office of the Executive Mayor and the Municipal Manager's.

6. That Council resolves that adverts be published to invite bids to incur a long term loan facility (Municipal Systems Act Section 21(a) and MFMA Section 46(a) refers) to fund the capital budget over a period of 5 years. The facility will only be utilized with the submission of council approved business plans, as and when required.

7. That Council resolves to authorise the acting Chief Financial Officer to make administrative and technical errors corrections identified in the book and such corrections be in the final budget book

# THE BUDGET: EXECUTIVE SUMMARY

# BUDGET SCHEDULES AND SUPPORTING TABLES

SOL PLAATJE MUNICIPALITYSupporting Table SA14Household bills

| Description<br>Rand/cent | Ref | 2005/06<br>Audited Outcome | 2006/07<br>Audited Outcome | 2007/08<br>Audited Outcome | Current Year 2008/09<br>Original Budget | Adjusted Budget | Full Year Forecast | 2009/10 Medium Term Revenue & Expenditure Framework<br>Budget Year 2009/10 % incr. | Budget Year 2009/10 | Budget Year +1 2010/11 | Budget Year +2 2011/12 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Monthly Account for Household - 'Large' Household | 1 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 292.38 | 310.27 | 329.26 | 349.41 | 349.41 | 349.41 | 12.0% | 417.54 | 476.00 | 514.08 |
| Electricity: Basic levy | | 43.89 | 46.43 | 58.38 | 77.41 | 77.41 | 77.41 | 25.0% | 96.77 | 120.96 | 151.21 |
| Electricity: Consumption | | 267.35 | 283.75 | 300.58 | 445.96 | 445.96 | 445.96 | 25.0% | 557.46 | 696.82 | 871.03 |
| Water: Basic levy | | | | | | | | | | | |
| Water: Consumption | | 136.05 | 144.74 | 153.98 | 190.00 | 190.00 | 190.00 | 9.6% | 208.16 | 228.97 | 242.71 |
| Sanitation | | 50.36 | 53.19 | 56.17 | 61.05 | 61.05 | 61.05 | 9.5% | 66.84 | 72.19 | 75.80 |
| Refuse removal | | 36.86 | 39.00 | 41.27 | 45.35 | 45.35 | 45.35 | 9.0% | 49.43 | 56.84 | 60.14 |
| Other | | | | | | | | | | | |
| sub-total | | 826.89 | 877.38 | 939.63 | 1,169.19 | 1,169.19 | 1,169.19 | 19.4% | 1,396.20 | 1,651.79 | 1,914.97 |
| VAT on Services | | 74.83 | 79.39 | 85.45 | 114.77 | 114.77 | 114.77 | | 137.01 | 164.61 | 196.12 |
| Total large household bill: | | 901.72 | 956.77 | 1,025.09 | 1,283.96 | 1,283.96 | 1,283.96 | 19.4% | 1,533.21 | 1,816.40 | 2,111.09 |
| % increase/-decrease | | | 6.1% | 7.1% | 25.3% | – | – | | 19.4% | 18.5% | 16.2% |
| Monthly Account for Household - 'Medium' Household | 2 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 54.79 | 58.14 | 61.70 | 65.48 | 65.48 | 65.48 | 12.0% | 78.25 | 89.20 | 96.34 |
| Electricity: Basic levy | | | | | | | | | | | |
| Electricity: Consumption | | 185.99 | 197.40 | 209.11 | 310.25 | 310.25 | 310.25 | 25.0% | 387.74 | 484.68 | 605.85 |
| Water: Basic levy | | | | | | | | | | | |
| Water: Consumption | | 107.16 | 114.00 | 121.28 | 149.65 | 149.65 | 149.65 | 9.6% | 163.95 | 180.34 | 191.16 |
| Sanitation | | 50.36 | 53.19 | 56.17 | 61.05 | 61.05 | 61.05 | 9.5% | 66.84 | 72.19 | 75.80 |
| Refuse removal | | 36.86 | 39.00 | 41.27 | 45.35 | 45.35 | 45.35 | 9.0% | 49.43 | 56.84 | 60.14 |
| Other | | | | | | | | | | | |
| sub-total | | 435.16 | 461.72 | 489.52 | 631.78 | 631.78 | 631.78 | 18.1% | 746.21 | 883.26 | 1,029.29 |
| VAT on Services | | 53.25 | 56.50 | 59.89 | 79.28 | 79.28 | 79.28 | | 93.51 | 111.17 | 130.61 |
| Total small household bill: | | 488.41 | 518.23 | 549.42 | 711.06 | 711.06 | 711.06 | 18.1% | 839.72 | 994.42 | 1,159.90 |
| Description | | | 6.1% | 6.0% | 29.4% | – | – | | 18.1% | 18.4% | 16.6% |
| Monthly Account for Household - 'Small' Household receiving free basic services | 3 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 29.70 | 31.94 | 33.85 | 36.72 | 36.72 | 36.72 | 12.0% | 43.88 | 50.02 | 54.03 |
| Electricity: Basic levy | | | | | | | | | | | |
| Electricity: Consumption | | 3.73 | 3.96 | 4.20 | 6.23 | 6.23 | 6.23 | 25.0% | 7.79 | 9.73 | 12.17 |
| Water: Basic levy | | | | | | | | | | | |
| Water: Consumption | | – | – | – | – | – | – | | – | – | – |
| Sanitation | | 38.53 | 40.99 | 43.44 | 46.71 | 46.71 | 46.71 | 9.5% | 51.14 | 55.23 | 57.99 |
| Refuse removal | | 28.20 | 30.00 | 31.80 | 34.83 | 34.83 | 34.83 | 9.0% | 37.96 | 43.65 | 46.18 |
| Other | | | | | | | | | | | |
| sub-total | | 100.16 | 106.89 | 113.29 | 124.49 | 124.49 | 124.49 | 13.1% | 140.77 | 158.64 | 170.36 |
| VAT on Services | | 9.34 | 9.94 | 10.53 | 11.42 | 11.42 | 11.42 | | 12.47 | 13.84 | 14.58 |
| Total small household bill: | | 109.51 | 116.83 | 123.82 | 135.91 | 135.91 | 135.91 | 12.8% | 153.24 | 172.48 | 184.94 |
| % increase/-decrease | | | 6.7% | 6.0% | 9.8% | – | – | | 12.8% | 12.6% | 7.2% |

*References*

*1 Use as basis 1 000m² erf, 150m² improvements, 1 000 units electricity and 30kl water.*

*2 Use as basis 300m² erf, 48m² improvements, 498 units electricity and 25kl water.*

*3 Use as basis 300m² erf, 48m² improvements, 60kw electricity and 6kl water (TO BE CONFIRMED).*

# BUDGET PROCESS OVERVIEW

# SOL PLAATJE MUNICIPALITY

**VALUE STATEMENT**

Sol Plaatje Municipality strives to be a dynamic municipality that provides a comprehensive range of affordable services to all its residents.

**REPORT OF THE MUNICIPAL MANAGER**

**SOL PLAATJE MUNICIPALITY'S CORE FUNCTIONS**

In terms of Section 152 of the Constitution of the Republic of South Africa, Act 108 of 1996, the objects of Local Government are as follows;

a) To provide democratic and accountable government to local communities

b) To ensure the provision of services to communities in a sustainable manner

c) To promote social and economic development

d) To promote a healthy and safe environment and

e) To encourage the involvement of communities and community organizations in the matters of Local Government.

Therefore a municipality must;

- Structure and manage its administration and budgeting and the planning processes to give priority to basic needs of the community and to promote the social and economic development of the community and
- Participate in the national and provincial development programmes

In order to give effect to the above constitutional mandate, the Sol Plaatje Municipality's strategic objectives are summarized as follows;

**STRATEGIC OBJECTIVES**

Sol Plaatje Municipality's strategic objectives are:

- A better standard of living for all – which requires a growing economy depending on a municipal strategy driving urban efficiencies and

- A better quality of life for all – which requires a caring council concerned about providing universal access to basic municipal services at affordable levels while becoming a place where business would want to locate

**A delivery strategy is linked to five key performance areas. These are;**

1. Local Economic Development
2. Sustainable service delivery
3. Infrastructure development
4. Financial viability and management
5. Municipal institutional development and transformation
6. Good Governance and Public Participation

The multi year budget as submitted is as a result of deliberations and discussion with the office of Executive Mayor, the Executive Management of Sol Plaatje Municipality and other managers following from the strategic workshop that was coordinated by the IDP Office.

From the previous year's workshop, as was mentioned, it was clear that we need to revisit the strategic objectives of Sol Plaatje Municipality. To become a sustainable municipality, reprioritization of the key performance areas as described in the Municipal Performance Regulations for Municipal managers and Managers Directly Accountable to Municipal Managers and in our Integrated Development Plan. It became apparent that our effort should be directed to the Development Programme that will focus mainly on Local Economic Development Strategies. The 5 key performance areas were adjusted to spilt infrastructure development from sustainable service delivery. This move necessitated clear indicators for each KPA that are measurable and most importantly that are achievable.

We exist in a globally integrated world economy characterized by major changes and competition. The turnaround times have changed fundamentally. For any organization including public sector and local government to survive and stay competitive it has to be able to adapt to the phenomenon of change which at times threaten our service delivery. As we continue to provide basic services to communities we should endeavor to improve the conditions pertinent to doing business in our municipality. If the cost and speed of doing business in our municipality is hampered by our actions and inactions, then we will find it difficult to attract investment to our location.

**ORGANISATIONAL TRANSFORMATION AND CAPACITY BUILDING**

We have made some strides and successfully completed the organizational transformation. Since 1 January 2006, we had an Executive Management team that comprised of five directors including the Chief Financial Officer and later in that year, an Internal Audit Manager, IDP Manager and Project Management Unit Manager were appointed and report directly to the office of the Municipal Manager. We further capacitated the office of the municipal manager by transferring the policy unit from Corporate Services Directorate.

The performance contracts of Section 57 Managers are signed and will be evaluated for the first time during April 2009. We will ensure that this process continues in future without any delays.

**CAPITAL PROGRAMMES: PLANNING AND IMPLEMENTATION**

The municipality is facing major challenges with regards to the capital programme. Our capital programme is currently financed through grant funds from National and Provincial Departments and from Frances Baard District Municipality. We are currently only able to provide amount that is sufficient to cover the required counter funding on these projects as per the conditions of the grants. We are working hard to improve the situation and hence the Financial Services Directorate has embarked on extensive debt collection strategies to address the increasing debtors' book and having to make huge provisions at the end of the financial year.

In his 2009 Medium Term Budget Policy Statement (MTBPS), the Minister of Finance tabled a forward looking budget framework that is threatened by the current global economic crisis which in turn is expected to affect the local economy. The Minister observed that;

"The global economy is experiencing a sharp downturn, spreading from developed to developing countries. Its origins lie in macroeconomic imbalances of an unprecedented scale. The consequences are felt everywhere. If the balance sheet of a bank shrinks, its capacity to lend is eroded, if its lending is curtailed, businesses and households have to reduce their spending. This means that the collection rate on municipal accounts will be affected negatively due to the above.

The Financial Services Directorate has been capacitated. The asset management unit has at last been established and the Provincial Department of Housing and Local Government in partnership with DBSA have seconded a professional to Sol Plaatje Municipality to assist in nurturing this unit and ensure that compliance with the new regulations passed by National Treasury on asset management. These are all aimed at ensuring that there is an improvement on financial management and moreover spending on capital programmes. This support function will be provided to the IDP and PMU through the Budget Steering Committee.

Nonetheless, project Implementation cycle remains a major challenge. The Contracts and Tender Administration Unit has a daunting task of fast tracking the tender processes. The projected lead time from date of advertising of a tender to the awarding of that tender is to be shortened drastically. Directors and Managers concerns around the matter is sought to be addressed by this process. Also in the new package of financial system, a module on supply chain is included to ensure that contracts are monitored and reviewed to ensure continuous supply of goods and services.

Our capital budget is split between the following services;

- Roads
- Storm- water
- Electricity including street-lighting
- Water and Sanitation including eradication of buckets
- Local Economic Development
- Housing development

# INTEGRATED DEVELOPMENT PLAN OVERVIEW

# Sol Plaatje Municipality

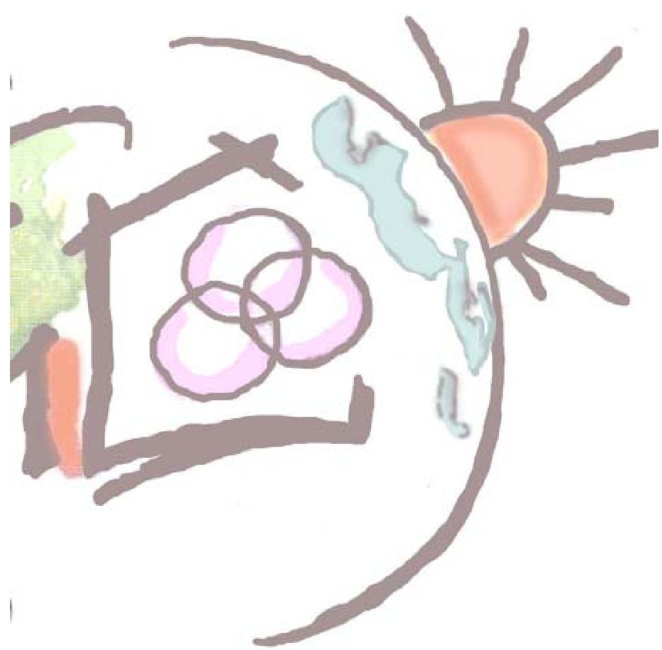
## Integrated Development Plan (IDP)

## Review 2008/09

## Planning 2009/10 to 2011/12

**EXECUTIVE SUMMARY**

***Draft***



# EXECUTIVE SUMMARY

## Background

Sol Plaatje Municipality (SPM) adopted its 5-year Integrated Development Plan – 2007/08 to 2011/12 on 31 May 2007. This rolling five-year Integrated Development Plan (IDP) contains key municipal plans and priorities for the current political term of office. Central to the execution of the IDP is the need for economic growth and job creation and the need to maintain, upgrade and extend municipal infrastructure in order to facilitate much needed economic development. These considerations impact on all choices and decisions the SPM have to make. Marketing the City and attracting international and regional investment are also key elements in financing the execution of Sol Plaatje's IDP. The plan is further refined through a prioritisation process within available budget parameters and alternative service delivery mechanisms to reflect an affordable, implementable plan. The IDP also enhances the Municipality's contribution to the work initiated through the Intergovernmental process involving Provincial and National Government.

This 2nd Review of the IDP 2007/08 – 2011/12 will reflect on the performance of the Municipality during the first half of the 2008/09 financial year in terms of the implementation of this Plan – especially in achieving its strategic objectives as defined in the six Key Performance Areas (KPA's) as captured in its Multi-year Performance Plan. The refined overall Municipal Strategy informs the KPA's and associated strategic objectives and targets, linked to National and Provincial growth and development initiatives. This review is also informed by new information that became available since the 1st Review of the IDP adopted in May 2008 as well as internal and external changes and influences that impact on these strategic issues.

The review also contributes to the adjustment of the Municipality's five-year Plan as well as informing the Budget and Annual Implementation Plan of the Municipality for 2009/2010. It is also imperative that this review should be read alongside the 5-Year IDP adopted in May 2007 and the 1st Review adopted in May 2008 as it does not constitute a new IDP.

## Analysing for Improvements to the IDP

The following major sources of information were used in reviewing the IDP and to improve on the content thereof.

- Auditor General Report 2007/08
- 2008/09 Mid-year Budget and Service Delivery Performance Assessment Report
- 2008/09 Adjustment Budget
- Existing Strategic Documents:
  - Spatial Development Framework (reviewed)
  - LED Strategy (reviewed)

- Integrated Transport Plan

During the IDP Review 2007/08 a strategic scan the status quo of the municipality's development was undertaken and it resulted in the fact that the strategy was found to be sound but that implementation was slow. The Municipality then embarked on a process to select action-oriented projects that should be able to:

- Create the right shifts in the city's development pattern;
- Be at sufficiently large scale;
- Take a long view;
- Reach beyond the municipal constraints; and
- Be bankable.

It was emphasised that implementation is also dependent on creating the correct preconditions for delivery; including institutional alignment, securing financial resources and creating optimal stakeholder configurations.

During the present review (2008/09) the Municipality began a process of refining this strategy with the view to develop its overall strategic objectives in such a way that it provides a better framework for sector-specific and joint work which is integrated and mutually supportive.

The process of refining the strategy accepts the validity and urgency of the issues set out in the past and current IDPs, but it argues that Sol Plaatje Municipality should address these issues from a strong base, or common starting point. It also addresses issues around the manner in which the Municipality's strategy is "packaged" and presented.

The overarching strategy for development of the Sol Plaatje Municipality proposes looking at the IDP through the lens of the geographical "space economy".

There are a number of reasons for selecting the space-economy as entry point.

***Firstly***, we live our lives in geographic space; how activities and infrastructure are organised in space fundamentally impacts on people's access to opportunity.

For example, locating housing for the poor far away from work opportunities, which impacts on disposable income, work productivity and transport infrastructure provision. People have to pay a disproportionately high percentage of their incomes to move to and from work, journeys take a long time, and infrastructure and vehicles have to be provided and maintained to transport them. Also, locating business opportunity far from infrastructure increases the cost of products and diminishes the chances of success for large and small businesses. An informal trader or small café owner cannot hope to succeed without basic necessities such as water or a reasonable flow of passers-by.

The Apartheid spatial legacy is the foundation for much of the inequity in society. A primary strategy of Apartheid was to manipulate the space-economy of towns, to provide good opportunities for whites and the rich and to deny opportunities for blacks and the poor. The best land and most viable locations, the best infrastructure and networks, have traditionally been offered to the minority of citizens. Only through restructuring the space-economy of our settlements can we hope to overcome our divided legacy.

***Secondly***, municipal strategy has over the last decade taken a strong “sectoral” approach. The approach looks at development in sectors such as Local Economic Development Plans, plans for ‘creative industries’, small enterprises, tourism, and so on. Unfortunately, much of this work is silent on the impact of space on specific sectors and has assisted to hide spatial inequity in our settlements. For example, very few, if any, Local Economic Development Plans will look at the relationship between transport infrastructure, economic opportunity and job creation.

***Thirdly,*** municipal government has considerable influence over the space economy of settlements. By virtue of its mandate, local government can determine the nature and location of key infrastructure and where settlement is to occur and where not. Local government cannot grow the economy, but it impacts on economic success through the provision and maintenance of infrastructure and how activities are organised in space.

Two aspects characterise the packaging of the strategy.

The first is that the refined strategy is presented as a number of key points. It is both complete and concise. For integrated service delivery over time, it is necessary for municipal leadership and officials at all levels, representing different services and interests, to understand the strategy. This cannot be achieved by presenting strategy in a number of weighty documents, each prepared by different services. The complete overall strategy needs to be presented in a manner which assists its internalisation by all. For this reason, the strategy is not only presented in words but also graphically. For different people, words carry different meanings. The use of a “graphic language” attempts to overcome this problem, clarifying the strategy in a further, common language.

The second is that the strategy is presented as a “story” where successive actions build on each other. Traditionally, achieving meaningful integration is a difficult task in IDP formulation. Work is predominantly done within different services or functional areas and then “packaged” together as “integrated”. The aim with the refined strategy is to show how different actions – of different kinds and often undertaken by different services – are interdependent and only have full meaning if implemented together.

## FOUNDATIONS OF THE REFINED STRATEGY

At the heart of the Refined Strategy is institutional building! Without a strong, well-managed municipal institution, the Sol Plaatje Municipality will not be able to meet its challenges. A separate Institutional Building Action Plan will form part and parcel of the IDP.

### *Strengthen critical connections*

The first key point is for the Municipality to strengthen critical connections to its broader jurisdictional area and Kimberley specifically. The municipality is part of a broader settlement system, and will not sustain itself without strong connections to other settlements, their needs, or activities within them.

***Maintain and enhance Kimberley and existing outlying settlements as sustainable, attractive centres of living, services and work within their existing footprints***

Related to maintaining and strengthening critical connections to the Municipality is managing Kimberley and existing suburbs and outlying settlements as sustainable, attractive centres of living, services and work. Kimberley will not prosper without critical connections in a broader settlement pattern and it cannot hope to maintain or strengthen these connections unless it is maintained as a place worth living and working in.

This aspect has a number of dimensions. The first relates to service infrastructure, the basis for activity of all kinds in the city. Bulk infrastructure refurbishment, extension and maintenance have been under severe stress in the Municipality for a number of years, limiting opportunity for new investment and the viability of existing places of living, services and work. Creative partnerships will be required to plan, fund and implement the necessary work.

The context for infrastructure management and improvement should be to make Kimberley "better, not bigger". There has been considerable pressure for further lateral expansion of Kimberley (as land prices on the edges of the city are lower than in established areas). This, however, will have significant implications for the cost of providing municipal services, will draw "energy" and activity from existing areas, will undermine existing investment in infrastructure and facilities, and will detract from convenience as a result of longer travel distances.

The second dimension is therefore to maintain the existing footprint of Kimberley and outlying settlements as far as possible. Within a contained settlement, agglomeration opportunity, service efficiency and ease of movement can be maximised.

The third dimension is to focus on quality social services and facilities. Social facilities – schools, clinics, libraries, public transport interchanges, and so on – are basic building blocks of settlements – assisting in the personal development of citizens. They are truly productive facilities.

The fourth dimension is to facilitate job creation as far as possible. Jobs come both from the public and the private sector and both will be better able to provide jobs if the municipality attends to its core business – ensuring that everyone has access to efficient, reliable and cost effective services. Where the municipality is not directly responsible for crucial services, for example in education and skills development, telecommunications and national roads, it needs to lobby and cajole other departments and agencies on behalf of the citizens.

The fifth dimension is to provide in the housing needs of residents. In this respect the municipality should make the effort to develop a properly informed and stratified human settlement plan, as "housing needs" in the Sol Plaatje context has become synonymous with the building of RDP houses. The needs may be far more differentiated and the delivery options far more varied than the “one size fits all” approach taken by the municipality to date.

The sixth dimension is to improve the quality of public space in Kimberley. Situated within a harsh, hot environment, Kimberley should be maintained as a caring “oasis”, a place of refuge. As illustrated in earlier township development programmes for Kimberley, extensive planting of trees for shade in public space can significantly assists to promote these qualities.

The seventh dimension is to manage services on a more sustainable basis. While containment in itself provides advantages for sustainability, the Municipality can also enhance energy efficiency in its own facilities and other programmes to use natural resources frugally.

In practical terms, this strategy point implies that the Municipality should:

- Plan and seek funding and implementation partners for a comprehensive infrastructure refurbishment, extension and maintenance plan for the Municipality.
- Favour infill development and use municipally owned land and service provision arrangements (for example, the tariff system) to support this strategy.
- Ensure adequate resourcing for the maintenance and expansion of key social services.
- Maintain and extend earlier work to establish a “green web” of street trees and parks throughout the Kimberley.
- Introduce a suite of “green-building” regulations, applicable to all development in the municipality and lead and show-case the “green-building” practice with immediate effect in all government sector driven development and through retrofitting of existing facilities.
- Establish and maintain excellent relationships with the other public sector departments and agencies based in Kimberley, including the State Owned Enterprises. Together, all the different parts of the the public sector are the mainstay of Sol Plaatje’s economic future.

***Strengthen the Kimberley CBD as the heart of the City and Municipality***

The Kimberley CBD remains the economic and institutional heart of the Sol Plaatje Municipality. The viability of the CBD is critical in maintaining the role of Kimberley as a service centre to surrounding settlements, a place worthy of connecting to. The viability of the CBD is also critical to the city’s ability to provide opportunities for new enterprises to emerge.

Decentralised development has harmed the viability of the Kimberley CBD, drawing from its energy and agglomeration benefits. Associated negative perceptions, investor insecurity and a dispersed municipal focus have led to gradual deterioration of the public environment and quality of services, in turn deterring public support.

***Ensure good access to the CBD and between neighbourhoods***

Critical to maintaining the CBD is ensuring convenient access to it from and between surrounding neighbourhoods. It would be true to say that access to the CBD is currently not convenient. If anything, users are actively encouraged to seek other more convenient locations for commerce and other activities. In many ways, Kimberley's neighbourhoods are trying to provide in all needs locally rather than establishing a system of interdependent, linked neighbourhoods.

***Strengthen neighbourhood centres for convenience***

Neighbourhood centres are needed to provide in the daily needs of residents in defined areas for commercial and social services. However, these centre should not individually or collectively compete with the CBD, in that way harming Sol Plaatje's overall position as a service centre or the Municipality's ability to facilitate job creation.

***Prioritise improvements to disadvantaged areas while making the benefits of Kimberley more broadly available***

The Municipality has made significant progress in improving living conditions in disadvantaged areas, ranging from the provision of housing to eradicating service backlogs and improving the quality of public space. Nevertheless, it is important to also make the benefits of Kimberley more broadly available to all residents, specifically through the provision of housing in areas well-located in relation to the CBD.

***Maximise the capacity economic potential of the river valleys***

In practical terms, this implies that the Municipality should adopt a realistic policy with regard to how the new property rating system affects the viability of rural enterprises, and allow for differentiation in rating for specified development zones with the view to stimulate appropriate development in the river valleys and surrounding agricultural areas.

It is not possible to align the work of every staff member or functional area with the strategy as outlined above overnight. Neither is it possible, or desirable, to try and prescribe in detail how every area should undertake its work in order to comply with the strategy. The strategy is rather a framework, a backdrop against which programmes should be assessed. The table below indicates an Action Programme within each of the seven key strategic points per sector. Institutional development is not included as it requires a separate overarching action plan.

| | Roads and Stormwater | Water and Sanitation | Electricity | LED and Spatial | Community Services |
|---|---|---|---|---|---|
| 1. Connectivity | o Bultfontein Rd (N12)<br>o N12<br>• Prominence<br>• Tapping energy (Through road)<br>• Link N12 Lerato Park | o Increase capacity water and waste water treatment works for new economic development | o Increase capacity for prioritised new economic development | o Facilitate formal and informal retail and related commercial development along main connectivity arteries by facilitating access to public land (Activity corridors and nodes)<br>o Locate public facilities in manner that aligns with major connectivity routes | o Introduce/extend dial a ride type services for aged, disabled, school children etc<br>o Deploy safety and security personnel in manner that aligns with key movement patterns and peak hour volumes<br>o Public Safety |
| 2. Existing Footprint (Energy efficiency) (Disaster Management) | | o Upgrade Waste Water Plants<br>o Homevale<br>o Beaconsfield<br>o Ritchie<br>o Introduce energy efficiency measures at all water and sewerage treatment facilities<br>o Introduce water demand side management | o Upgrade existing electricity network<br>o Roll out area lighting in line with desired footprint<br>o Expand CLF's programme<br>o Retrofit streetlights/traffic lights<br>o Energy efficiency in municipal owned buildings<br>o Demand side management | o Develop and implement a Stratified HUMAN SETTLEMENT PLAN in accordance with existing spatial footprint (eg Hull Str Integrated Housing Development)<br>o Actively direct spatial investment decisions of | o Cluster public facilities and amenities in and between settlements that corresponds with desired footprint as per Gal Library Service Centre.<br>o Public Safety |

| | Roads and Stormwater | Water and Sanitation | Electricity | LED and Spatial | Community Services |
|---|---|---|---|---|---|
| | | | programme<br>o Develop alternative energy sources | national and provincial government and Soe's | |
| 3. CBD | o Implement CBD traffic implementation plan (Bultfontein Rd)<br>o CBD Capacity Optimisation<br>o Pedestrianisation<br>o Tourism infrastructure | | o Upgrade electricity network<br>o Area lighting<br>o Energy saving strategy for CBD | o Stimulate informal and formal commercial development in key inner city areas, and align and organize trade, arts and crafts etc with pedestrian routes<br>o Enhance tourism mobility (formal / informal)<br>o Identify and development public land suitable for enhancement of CBD and tourism precinct (consider partnership) | o Bring public amenities (eg pay points back into CBD) and align with private facilities such as auto banks, cell phone airtime dispensers etc |
| 4. Access to CBD and Neighborhoods | o Implement CBD traffic implementation plan<br>o ITP projects<br>o Public transport interchanges<br>o Bicycle lanes | o Align water extensions to neighborhoods with NDPG roll out | o Streetlights<br>o Area lighting | o Use NDPG to not only develop neighborhoods and key facilities but also links between | |

| | Roads and Stormwater | Water and Sanitation | Electricity | LED and Spatial | Community Services |
|---|---|---|---|---|---|
| | | | | communities (eg by multiple use of sport facilities and public spaces) | |
| 5. Neighborhood Centres for convenience | o NPDG footprint to include key neighborhood centres outside GURP focus | | o Area lighting | o Start program of clustering public facilities and amenities and linking public facilities with commercial developments<br>o Review urban scaping and greening to enhance friendliness and convenience of neighbourhood centres | o Introduce public safety zones in neighborhoods corresponding to clustered public facilities (safe spaces) same for public sports facilities |
| 6. Prioritise disadvantage areas and ensure benefits of Kimberley to be more broadly available | Determine ward based priorities (new and existing) and prepare 5-year prioritised plan | o Determine ward based water connection priorities and prepare 5-year prioritised plan | Determine ward based electrification priorities and prepare 5-year prioritised plan | o Define NDPG priority precincts in line with the strategic objectives of the IDP | o Sport facilities, libraries, swimming pools, parks, Satelite firestations recreational areas, tree planting campaigns with schools |
| 7. Capacity and economic potential of River Valleys | | o Investigate EPWP type initiatives (similar to working for water) in respect of areas/pipelines/water losses | o Availability of electricity | o Undertake partial or full commercilialisation of municipal resorts | |

| | Roads and Stormwater | Water and Sanitation | Electricity | LED and Spatial | Community Services |
|---|---|---|---|---|---|
| | | | | | |
| 8.. Crisis aversion | Exiting crisis issues to be addressed | | | | |
| 9. Addressing Basic Needs | In line with existing ward priorities and uncompleted projects | | | | |

The above Action Plan informs specific prioritised projects linked to a multi-year funding plan (Annexure 5).

## Implementation through the Service Delivery and Budget Implementation Plan

The SDBIP gives effect to the IDP and Budget of the Municipality. The quantifiable strategic objectives within each Key Performance Area for the 2009/10 financial year in the Multi-year Institutional Scorecard informs the SDBIP for the 2009/10 financial year and break it up into quarterly targets.

The Budget gives effect to the strategic priorities of the Municipality through the allocation of financial resources. The Budget is not a management or implementation plan. The SDBIP therefore serves as a "contract" between the administration, council and the communities expressing the strategic objectives (within each KPA) set by Council as quantifiable outputs that can be implemented by the administration in a specific financial year – in this case 2009/10. This provides the basis for measuring performance in service delivery against end-of-year targets and implementing the budget.

The SDBIP is a layered plan with the top layer dealing with consolidated service delivery targets (refer to Institutional Scorecard – Annexure 3) and in-year deadlines and linking such targets to top management. Once the top-layer targets are set, the top management must then develop the next (lower) layer of detail of the SDBIP, by providing more detail on each output for which they are responsible for, and breaking up such outputs into smaller outputs and linking these to each middle-level and junior manager. These outputs should also include per ward information, especially key expenditure items on capital projects and service delivery.

### 9.1. The 2009/10 Implementation Plan

This process is still ongoing and is informed not only by the strategic issues discussed in sections 2 and 4 but also the Mid-year Budget and Performance Assessment Report.

At present the project schedule to address the Action Programme link to the Strategic Agenda is being populated for the MTREF period 2009/10 – 2011/12.

### 9.2. Capital Programme

The draft Schedule of Projects (not prioritised and funded yet) for the 2009/10 – 2011/12 period is attached as Annexure 1.

Serious challenges face the Municipality with regard to its infrastructure development, both in terms of replacing and refurbishing ageing infrastructure and creating new productive infrastructure. These challenges need to be overcome if the Municipality is to fulfil its function as a developmental local government to deal with the social and economic upliftment of local communities, and to ensure universal access to essential services.

Initial estimates indicate that the Municipality will require in the region of R1,4 billion rand to address its capital works in the 2009/10 to 2011/12 MTREF period. Of greater concern, however, is the fact that approximately R814 million will be needed to attend to crisis aversion capital works. This includes the following:

- **Roads and Storm Water:** Approximately R62 m
- **Water & Sanitation:** Approximately R140 m
- **Electricity:** Approximately R580 m
- **Emergency Services:** Approximately R4,7 m
- **Fleet Replacement:** Approximately R27 m

The detail work done so far is included in Annexure 5. At this stage the order of magnitude of the MTREF Capital programme is known. Work still need to be done on the quantum of the capital programme in order to determine the capital peak and cash stream requirements. This work will be completed through a process of prioritisation and linkage to the strategic agenda of the Municipality. In general the approach to prioritisation rest on the following 4 pillars:

1. **Averting Crises** ( *flooding, pipe bursts, road and storm water collapse, elect outages, etc)*
2. **Address Basic Needs** *(housing back logs, bucket eradication, high mast lights etc)*
3. **Attend to Preventative Maintenance requirements** (*planned road rehabilitation, waste water treatment works, parks etc)*
4. **Invest in new productive capital formation** (*CBD upgrade, neighborhood developments, clustering of public amenities, etc)*

With almost all of the capital expenditure for the next three years focussed on crisis aversion it is critical that the “softer grant funding” such as the NDPG and GURP funding be utilised in a manner and in space that fosters urban integration as opposed to urban sprawl and social inclusion as opposed to social exclusion – meaning that it should better address the present strategic agenda of the Municipality. According to the Directorate: Strategy, Economic Development and Planning a total of 12 projects to the amount of R712,000,000 have been identified to be funded by NDPG for the MTREF period while only R42,331,000 has been gazetted for the same period. Only the gazetted amount has been included in the Capital Programme.

Serious challenges are facing the Municipality to fund this 3-year capital programme of R1,4 billion. In total the Municipality will only receive R148 million of National and Provincial grants (MIG, NDPG, GURP, PIG etc) excluding Equitable Share and Financial Management Grant as gazetted per the Division of Revenue Act for the 2009/10 to 2011/12 MTREF See Table below for a breakdown of the grants. Annexure 2 indicates the funded Capital Programme.

*Table 4: Grants Gazetted for MTREF Period 1009/10 to 2011/12*

| FUNDING SOURCE | 2009/10 | 2010/11 | 2011/12 |
|---|---|---|---|
| Municipal Infrastructure Grant (MIG) | R30,843,000 | R36,242,000 | R31,115,000 |
| Municipal Systems Improvement Programme Grant (MSIPG) | R850,000 | R750,000 | R790,000 |
| Expanded Public Works Programme Incentive Grant (EPWPIG) | R3,013,000 | | |
| Neighbourhood Development Partnership Grant (Capital Grant) | R5,000,000 | R9,000,000 | R8,000,000 |
| Galeshewe Urban Renewal Programme (GURP) | R7,000,000 | R7,500,000 | R7,831,000 |
| TOTAL | R46,706,000 | R53,492,000 | R47,736,000 |

The Municipality's own/loan funding requirement over the next 3 years is approximately R670 million of which crisis aversion funding requirement amounts to R367 million. A long term facility and technical assistance to specifically address crisis aversion capital works will be necessary for Sol Plaatje to avert serious infrastructure failure.

Apart from the huge challenges to secure the funding for this capital programme the Municipality also faces serious challenges in capacity/skills to implement its strategies linked to this capital programme. Serious attention should be given to the following intervention strategies to be able to address the institutional capacity shortcomings, which should include the following:

- Reviewing the executive and operational management arrangements with the view to bring best available resources to the most critical areas of delivery.
- Tightly manage delivery and integration of delivery at the Executive Management and Mayoral Committee level.
- Implementing a single integrated Project Management System.
- Adhering to a single integrated monitoring, evaluation and reporting system.
- Revising the procurement system to allow for expedited procurement of critical resources via "pre–approved panel of service providers" model. (*Current process too people dependent.)*
- Ensuring that improved financial management arrangements are place.

## Operational Budget

The challenges facing SPM in this regard is mainly the dependency on grant funding and the ability to generate own funding. The following issues need to be addressed urgently to put the Municipality on a sustainable financial footing:

- It needs to find ways to focus capital on strategic needs not grant – funded priorities and bring cost of capital to manageable levels.
- Rebuilding internal reserves.
- Cut and manage staff costs and associated liabilities.
- Sort out internal recharges and implement an effective cost management system.

- o Review tariff policies.
- o Align monitoring and reporting systems.
- o Skills retention and skills recruitment strategies should be put in place
- o Effective Debt Collection Policy to be put in place
- o Current collection rate must increase to at least 90% of billing.

## Monitoring the Implementation of the IDP

In terms of the Municipal Systems Act 2000, Chapter 5:

*"A Municipality must –*

- *a) Establish a performance management system that is –*
  - *i. Commensurate with its resources*
  - *ii. Best suited to its circumstances and*
  - *iii. In line with the priorities, objectives, indicators and targets contained in its integrated plan;*
- *b) Promote a culture of performance management among its political structures, political office bearers and its administration; and*
- *c) Administer its affairs in an economical, effective, efficient and accountable manner"*

The monitoring, evaluating, measuring and reporting through the integrated Performance Management System (PMS) is to ensure that the resources available to the Municpality are directed at the delivery of prioritized projects, programmes and operations that meet the agreed to development priorities of the IDP. Monitoring, evaluating, measuring and reporting performance will also assist the Municipality:

- To make immediate and appropriate changes in the prioritized delivery process and to adjust resources accordingly;
- Identify and overcome major or systemic blockages in the delivery process and
- guide future planning on development objectives and resource use.

Council adopted a PMS Policy in 2004 and is being reviewed at present to align it with the most recent legislation. It is anticipated that the policy will be adopted by Council in May 2009 for implementation during the 2009/10 financial year.

The Municipality developed, with the assistance of service providers, an integrated electronic management system – the Blueprint IDP Management System. This System is a web based database system accessible to users through the Municipality's intranet. It monitors, tracks, measures and reports on IDP Projects up to activity level and SDBIP up to divisional level. It is also anticipated to add the individual performance measurement module by July 2010 to also monitor, track, measure and report on Section 57 Managers' performance.

# ANNEXURE 2

## SOL PLAATJE MUNICIPALITY: DRAFT CAPITAL PROJECT SCHEDULE (FUNDED PROJECTS)

2009/10 to 2011/12

| Org Resp | Projects | Linked to Strategy | Crisis | Basic Needs | State of Readiness to impl Project | Ward | Funding Source | 2009/10 Internal | 2009/10 Grant funding | 2010/11 Internal | 2010/11 Grant funding | 2011/12 Internal | 2011/12 Grant funding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Electricity | Kimberley: Streetlights & High Masts Lights (Proj 72; 55;70) | 2 | | | x | | MIG | | 901,153 | | 1,588,650 | | 1,000,000 |
| Roads and Stormwater | Galeshewe: Streets and Taxi Routes (Proj 107) | 4 | | | x | | MIG/CRR | 3,000,000 | 6,900,000 | | | | |
| Roads and Stormwater | Galeshewe : Donkerhoek Bus and Taxi Routes (Proj 73) | 4 | | | x | | MIG | | 799,824 | | | | |
| Water and Sanitation | Homevale Waste Water treatment Works extensions | | x | | x | | MIG/CRR | 2,000,000 | 21,792,797 | | | | |
| GURP | Implementation of Galeshewe Redevelopment Plan | 2 | | | | | NDPG | | 5,000,000 | | 9,000,000 | | 8,000,000 |
| GURP | GURP Projects | 2 | | | | | GURP | | 7,000,000 | | 7,500,000 | | 7831000 |
| Roads and Stormwater | Upgrading Roads and Stormwater (Various Wards) | 4 | | | | | EPWPIG | | 3013000 | | | | |
| LED | SMME Village (Galehewe) | 5 | | | | | DHLG | | 2,100,000 | | | | |
| LED | Ritchie - SMME Incubator | 5 | | | | | R/O LOAN | 1,300,000 | | | | | |
| LED | CBD Upgrade: CBD Gateways | 3 | | | | | R/O LOAN | 150,000 | | | | | |
| Water and Sanitation | Ritchie: Water and Sanitation Ikageng (200 Houses) | | | X | | | FBDM | | 2,000,000 | | | | |
| Roads and Stormwater | Bicycle Lanes Galeshewe | 4 | | | | | N/P DoT | | 4,000,000 | | | | |
| Housing | Phutanang 491 | 2 | | | | | DHLG | | 22,000,000 | | | | |
| Housing | Ubuntu/Dunston 184 | 2 | | | | | DHLG | | 6,000,000 | | | | |
| Housing | Donkerhoek 540 | 2 | | | | | DHLG | | 30,000,000 | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | **TOTAL** | **6,450,000** | **111,506,774** | **0** | **18,088,650** | **0** | **16,831,000** |
| | | | | | | | **TOTAL (All Funding)** | **117,956,774** | | **18,088,650** | | **16,831,000** | |

**NOTES:**

1. According to BTO only R5m Operating budget is available while counterfunding for MIG Projects is R8,401,996. The remainder of internal funding is roll over funding from the DBSA loan of R35m taken up in the 2007/08 financial year.

# ANNEXURE 2

## SOL PLAATJE MUNICIPALITY: DRAFT CAPITAL PROJECT SCHEDULE (FUNDED PROJECTS)

2009/10 to 2011/12

| | | | | | | | | 2009/10 | | 2010/11 | | 2011/12 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Org Resp | Projects | Linked to Strategy | Crisis | Basic Needs | State of Readiness to impl Project | Ward | Funding Source | Internal | Grant funding | Internal | Grant funding | Internal | Grant funding |
| Electricity | Kimberley: Streetlights & High Masts Lights (Proj 72; 55;70) | 2 | | | x | | MIG | | 901,153 | | 1,588,650 | | 1,000,000 |
| Roads and Stormwater | Galeshewe: Streets and Taxi Routes (Proj 107) | 4 | | | x | | MIG/CRR | 3,000,000 | 6,900,000 | | | | |
| Roads and Stormwater | Galeshewe : Donkerhoek Bus and Taxi Routes (Proj 73) | 4 | | | x | | MIG | | 799,824 | | | | |
| Water and Sanitation | Homevale Waste Water treatment Works extensions | | x | | x | | MIG/CRR | 2,000,000 | 21,792,797 | | | | |
| GURP | Implementation of Galeshewe Redevelopment Plan | 2 | | | | | NDPG | | 5,000,000 | | 9,000,000 | | 8,000,000 |
| GURP | GURP Projects | 2 | | | | | GURP | | 7,000,000 | | 7,500,000 | | 7831000 |
| Roads and Stormwater | Upgrading Roads and Stormwater (Various Wards) | 4 | | | | | EPWPIG | | 3013000 | | | | |
| LED | SMME Village (Galehewe) | 5 | | | | | DHLG | | 2,100,000 | | | | |
| LED | Ritchie - SMME Incubator | 5 | | | | | R/O LOAN | 1,300,000 | | | | | |
| LED | CBD Upgrade: CBD Gateways | 3 | | | | | R/O LOAN | 150,000 | | | | | |
| Water and Sanitation | Ritchie: Water and Sanitation Ikageng (200 Houses) | | | X | | | FBDM | | 2,000,000 | | | | |
| Roads and Stormwater | Bicycle Lanes Galeshewe | 4 | | | | | N/P DoT | | 4,000,000 | | | | |
| Housing | Phutanang 491 | 2 | | | | | DHLG | | 22,000,000 | | | | |
| Housing | Ubuntu/Dunston 184 | 2 | | | | | DHLG | | 6,000,000 | | | | |
| Housing | Donkerhoek 540 | 2 | | | | | DHLG | | 30,000,000 | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | **TOTAL** | **6,450,000** | **111,506,774** | **0** | **18,088,650** | **0** | **16,831,000** |
| | | | | | | | **TOTAL (All Funding)** | **117,956,774** | | **18,088,650** | | **16,831,000** | |

# BUDGET RELATED POLICIES OVERVIEW AND AMENDMENTS

# ANNEXURE A

# BUDGET RELATED POLICIES OVERVIEW AND AMENDMENTS:

# FINANCIAL MANAGEMENT POLICIES

# ANNEXURE B

# BUDGET RELATED POLICIES OVERVIEW AND AMENDMENTS:

# M F M A CIRCULARS

**BUDGET RELATED POLICIES OVER VIEW AND AMENDMENTS**

1. Financial Management and other policies as Annexure A

2. The following MFMA circulars are as Annexure B:

   MFMA Circular 47
   MFMA Circular 48

# MFMA - Capacity Building and Training

This circular provides updated information, further to the contents of circulars 9, 17 and 24. Municipal officials are again reminded that they have until **2013** to comply with the Municipal Minimum Competency Regulations, Gazette 29967 of June 2007. Compliance with the regulations requires proper planning and resource allocation for officials to successfully complete the programme in improving financial management skills in all municipalities. All the detailed information can be viewed on the National Treasury website, [www.treasury.gov.za/legislation/mfma](www.treasury.gov.za/legislation/mfma)

The circular addresses the following:

a) provides an update on the recently concluded process in increasing the number of training providers offering training aligned to the regulations;

b) discusses the process and procedures of facilitation, assessment and issuance of certification for training successfully completed;

c) alerts municipalities to the research into skills in municipal Budget and Treasury Office being undertaken by the National and provincial treasury at all municipalities;

d) reminds municipalities of the information required to be provided in annual reports related to the abovementioned matters;

e) discusses how municipalities may go about procuring services of a provider to deliver training on the unit standards; and

f) discusses the Municipal Finance Management Internship Programme and its expansion to all municipalities to address skills gaps and to build financial management capacity in municipalities.

## Municipal Finance Management Programme, MFMP

The requirements of the regulations have been structured as the MFMP addressing all unit standards prescribed by the regulations and aligned to the qualifications at NQF Level 5, National Diploma: Public Finance Management and Administration, SAQA ID 49554 and NQF level 6, Certificate: Municipal Financial Management, SAQA ID 48965.

Furthermore, the required unit standards have been grouped into learning programmes for ease of compliance by the learner and delivery by the Education Training and Development (ETD) provider.

After an intense process with key stakeholders, a number of training providers have received accreditation or programme approval status from the LGSETA to undertake training of municipal officials on the MFMP. A list of these ETD providers is available on the National Treasury website (see "Training and Validation").

Prior to commencement with the formal training, we strongly recommend that all officials undertake and conclude the freely available MFMA Interactive DVD Multimedia Learning programme ("MFMA Learning"). This background learning will assist officials in successfully completing their formal training. Municipal human resource practitioners should ensure that this learning is first completed before further training opportunities are availed to officials. Registration for this programme can be undertaken online on our website. For further information, please contact the MFMA learning administrator at **mfmalearning@treasury.go.za**.

## Facilitation, Assessment and Moderation

The ETD providers, will facilitate the process of learning and assessment towards the declaration of competence of learners. The declaration of competence will further be verified by the LGSETA prior to the endorsement and awarding of the certificate. The results will also be captured on the National Learner Record Database administered by the South African Qualifications Authority (SAQA). The prospective candidates will use this information as a record of achievement, and to access future opportunities through career development.

## The Skills Survey of the Budget and Treasury Office (BTO)

We have recently undertaken a survey to analyse the needs of the BTO within each municipality. The objective of this exercise is to determine the capacity and the extent of financial management skills gaps within the BTO. This skills survey will enhance the reports required in terms of regulation 14, and will be complimented by the work done by Occupationally Directed Practitioners (ODPs) and assist in further development needs of officials.

## Reporting on the Municipal Regulations on Minimum Competency levels, Gazette 29967, June 2007

We recommend that officials affected by the regulations review their existing qualifications and experience through an assessment conducted by appropriately qualified Occupationally Directed Practitioners, (ODPs) to determine the extent to which qualifications and experience meet the competency levels. ODPs are able to facilitate and perform work-based assessment.

This assessment should also be used to supply required information as per regulation 14 (2) (a) on reporting and monitoring competency levels using the MFMA

Implementation Report (Municipal Regulations on Minimum Competency Levels). This report can be found on our website under “Return Forms”. This report should not only be sent to National and relevant Provincial Treasuries, but also published in the annual report of the municipality as per regulation 14 (2) (b).

## Procurement of Services

All municipalities are required to follow their SCM policy and procedures when procuring the services of ETD providers appearing on the National Treasury website.

ETD providers engaged in line with the competency regulations should be financed through municipal funds budgeted for this purpose, which can be supplemented by the Finance Management Grant. Training providers will be urged to offer reasonable and competitive pricing. We encourage municipalities to provide appropriate numbers thereby leveraging better discounts. Municipalities may include such training programmes to be a part of their Work Skills Plans for submission to the LGSETA. For more information, in this regard please contact LGSETA on telephone 011 456 8579 / 8570.

We are also working closely with all service providers to monitor uptake of the training and to be able to report on progress in this regard. The Treasury database on officials participating in the training will be updated on a regular basis.

## Finance Management Grant and Capacity Building

The Financial Management Grant (FMG) also provides funding in support of the internship programme, among others, and if you have not already taken advantage of this, please ensure you do so as soon as possible. You are advised to advertise in your local newspapers and other mediums of communications for such candidates and offer them an opportunity to serve as interns. The minimum number of graduate interns required per municipality is two individuals, however, we encourage you to offer this facility to as many unemployed graduates as you can afford. The scope for this programme is huge, covering all aspects of the MFMA, from budgeting, reporting, accounting, revenue, expenditure, supply chain, internal audits, and related aspects.

Interns are specifically encouraged to undertake structured learning by using the Municipal Finance Management learning programmes to assist them in future career development. This should ideally be supported by their Work Rotation Plans, focusing on the Budget and Treasury Office (BTO) activities.

As part of our monitoring of the intern programme and in order to assist us in maintaining an effective help desk for interns, we need to collect and verify information contained in our database. The “intern data form” is the tool to be used to provide us with the latest information on the interns, and can be found on our website under

“Training and Validation”, by clicking on “Internship Programme” to download the guidelines on the internship programme.

It is important that the form is completed accurately and fully, hence we have also attached a form to this Circular (Annexure A) that explains the exact information to be provided. We are aware that there have been submissions in the past and we will need to verify these against details that we have on our records. The form is to be completed and forwarded on the following occasions:

- The beginning of the internship (Section A,B,C,D);
- Change in contact details of interns (Section A only);
- Extension of internship agreement (Section D only);
- At the end of the internship (Section E only).

In a case where interns have already completed the programme or have been absorbed permanently in your municipality or elsewhere and we were never informed, we would appreciate it if the HR Manager or the Chief Finance Officer could provide us with the details required on the form under Section E; Completion of Internship programme.

# Conclusion

Building the capacity of officials requires detailed planning and the allocation of resources over multiple years. The municipal competency regulations require officials responsible for financial management at all levels to be qualified for their position by 2013. Given that some officials will be required to complete higher education qualifications to secure their present positions it is imperative that planning commence urgently.

The National Treasury will continue with the practice of regularly updating the website page with training opportunities, training providers and solutions to ensure the smooth implementation of the MFMA.

# Annexure

Annexure A: Guidelines on completing the Intern data form

# Contact

Please forward any queries related to the above matters to mfma@treasury.gov.za .

Kind Regards

**T. Pillay**

**Chief Director: MFMA Implementation Unit**

13 February 2009

## ANNEXURE A

**Guidelines on completing the Intern data form**

The "intern data form" is the tool to be used to provide the latest information on the interns, and can be found on our website under "Training and Validation", by clicking on "Internship Programme" to download the guidelines on the internship programme. Following is a short explanation of the areas that need to be completed.

### Section A: Intern Particulars

This section relates to the personal details of the intern. It is important that all relevant fields be completed with the intern's latest details. This section allows us to communicate with the interns and their mentors.

### Section B: Experience prior to Internship

If the intern has any previous working experience prior to the Internship we would like to know about this. According to the guidelines on the internship programme, it is not a prerequisite that an intern has any experience.

### Section C: Intern Qualification Prior to Internship

The Internship is meant for graduates in the fields of Accounting, Economics and Finance. Please complete which qualification you have, from which institution, the duration of time you took to complete and the date (ccyymmdd) it was completed.

### Section D: Employment Particulars

This section relates to the details of the Internship, and is based on information that should be in the Internship agreement. For a guide on how the Internship agreement should be structured please refer to the internship guidelines. These details are essential in tracking the Internship and relating it to the performance and progress of the intern.

### Section E: Completion of Internship (ccyymmdd)

At the completion of the Internship, whether due to expiry of contract, resignation of the intern, intern has received employment within the municipality or externally, we would like to be updated. In this section we would like to know when the contract ended and what qualifications or work experience did the intern acquire during the Internship.

MFMA Circular No. 48

Municipal Finance Management Act No. 56 of 2003

# Municipal Budget Circular for the 2009/10 MTREF

This circular provides further guidance to municipalities and municipal entities for the preparation of their 2009/10 budgets and Medium Term Revenue and Expenditure Framework (MTREF). It is informed by the *Budget Review 2009* and the 2009 Division of Revenue Bill, as well as previous guidance issued to municipalities and other issues arising from engagements between National Treasury, provincial treasuries, sector departments, municipalities and various stakeholders.

This Circular provides instructions, guidance and information on the following issues:



**Municipalities must pay particular attention to each of these issues as many of them may have far reaching implications for municipalities' budgets, and in certain instances relate to the legality of municipalities' revenue sources.**

## 1. The local response to the global economic crisis

In his Budget Speech to Parliament on 11 February 2009, the Minister of Finance highlighted some of the ways in which the current global economic crisis will affect the local economy. The Minister observed that:

> The global economy is experiencing a sharp downturn, spreading from developed to developing countries. Its origins lie in macroeconomic imbalances of an unprecedented scale.
>
> The consequences are felt everywhere. If the balance sheet of a bank shrinks, its capacity to lend is eroded. If its lending is curtailed, businesses and households have to reduce their spending. If demand falls in Birmingham, factories close in Beijing. If production lines in China slow, demand for commodities from Africa dries up. The vegetable shop next to the mine closes, and the drivers of the delivery vehicles are asked to work short time, on half pay, and if the driver cannot pay his mortgage, the bank forecloses on his bond, and the bank writes down its balance sheet again...

> When a global motor company cuts back on making cars, it cancels its orders for catalytic converters. Madam Speaker, this firm making catalytic converters is not in Detroit or in Shanghai, it is here in the Eastern Cape. The mine producing the platinum that goes into that converter is near Rustenburg. The worker in the factory in Uitenhage and the mineworker in Rustenburg are now without work. And the woman who runs the little stall selling vegetables outside the mine is making less money each passing week. And their families, all of them, face a future made more precarious by the vagaries of global finance.

The *Budget Review 2009* provides government's perspective on the current economic crisis, and the economic outlook going forward. It notes that:

> Nearly all developed countries are now in recession. Confidence has yet to be restored in the banking sector and the balance sheets of financial institutions remain under pressure. Credit conditions are deteriorating and demand is in decline. Employment is falling as companies adjust to a period of significantly reduced demand. Last year US employers cut nearly 2.6 million jobs – the fastest payroll reduction since 1945 – bringing the unemployment rate to 7.2 per cent in December 2008. Joblessness is increasing in the UK and in most of the European Union.
>
> Growth prospects for emerging markets have deteriorated significantly. Commodity exporters are affected by a sharp decline in the prices of their key exports, weaker demand and a reversal of capital flows. Falling asset prices have led to a sharp reduction in household consumption and declining private-sector investment. In high-growth Asian export economies, sectors such as manufacturing, mining, construction and retail are contracting. China is experiencing factory closures and large-scale job losses. Growth on the African continent is set to decline as commodity prices fall, development assistance flows slow and access to capital dries up.

Further, the *Budget Review 2009* outlines how the global economic crisis is likely to impact on the South African economy:

> Domestic GDP growth is projected to slow to 1.2 per cent in 2009 from an estimated 3.1 per cent in 2008. The period of slower growth ahead is likely to be characterised by rising unemployment, declining business profitability and the closure of some companies. While policy responses to the crisis will reduce the impact on poor and marginalised communities, economic conditions will be difficult for some time.
>
> Slowing economic growth has put pressure on government revenues and reduced the fiscal space for increased expenditure. However, as a result of government's record of sound fiscal management and prudent policy choices over the past decade, the state will be able to increase spending on social services and fixed investment over the medium term.

Unlike the national fiscus, most municipalities are not favourably positioned to absorb the impact of the local fallout from the global economic crisis. Consequently, national government has sought to insulate the local government sphere from the full impact of the slow down in national revenue collections.

An additional R11.3 billion is allocated to local government over the medium term. This means national transfers to local government grow by 14.2 per cent annually between 2008/09 and 2011/12, which is significantly higher than the average annual growth in total government expenditure. Details of national transfers to local government are discussed in Chapter 8 of the *Budget Review 2009* and in Annexure W1 to the 2009 Division of Revenue Bill. These documents are also available on National Treasury's website at:

http://www.treasury.gov.za/documents/national%20budget/2009/default.aspx

**Municipalities must prepare their budgets in the context of the economic crisis**

Municipalities are advised that they need to invest time in understanding the implications of the current global economic crisis, and the slow-down in the domestic economy on their local economies.

- How is the global slowdown in the world economy going to impact on the local economy?
- How will it impact on the demand for municipal services by particularly companies and households? And how will this impact on municipal revenues and provisions for bad and doubtful debts?
- How will it impact on employment and household incomes within the municipal area? What impact will this have on rate-payers' ability to pay, and therefore on municipal revenues and provisions for bad and doubtful debts?
- Will there be an increase in the number of households that qualify to receive rates discounts and free basic services in terms of the municipality's indigents policy? How will this impact on the cost of providing these services, and what impact will this have on the sustainability of the municipality's finances?
- How will the scarcity of credit impact on the municipality's cost of borrowing? Will this increase the interest it has to pay servicing existing debt? Will it affect the financial viability of using debt to finance planned capital projects? Will this make it necessary to delay certain capital projects?

Given the current economic crisis, municipalities will need to take some very tough decisions in the course of preparing their 2009/10 budgets and MTREF. They must give priority to:

- Managing all revenue streams, especially debtors;
- Protecting the poor from the worst impacts of the economic downturn;
- Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation;
- Securing the health of their asset base (especially the municipality's revenue generating assets) by increasing spending on repairs and maintenance; and
- Expediting spending on capital projects that are funded by conditional grants.

Municipalities must pay special attention to eliminating all unnecessary spending on nice-to-have items and non-essential activities. The Minister of Finance, in his Budget Speech highlighted that there is insufficient control of foreign travel, advertising and public relations activities, as well as the use of consultancy services.

Municipalities need to ensure that their financial position remains sustainable over the medium term, even in the face of the current economic crisis.

**Government policy priorities**

The national government's 2009 Budget is framed by five objectives that guide government's policy response to the global economic crisis over the medium term:

- Protect the poor. Government will continue to expand programmes that alleviate poverty and strengthen the social safety net.
- Build capacity for long-term growth. Investment in infrastructure will be accelerated. This includes ensuring that public utilities can finance their capital investments and that the development finance institutions play a greater role in lending for infrastructure investments, sharing risk with the private sector.
- Sustain employment growth. Government will increase public investment spending, expand labour intensive employment programmes, and work with business and organised labour to protect work opportunities and accelerate skills development.
- Maintain sustainable debt level. While public debt is set to rise, this expansion must be kept in check so as to reduce the space to finance development in the longer term.
- Address sectoral barriers to growth and investment. Microeconomic and regulatory reforms are needed to ensure that a more competitive, labour absorbing economy emerges from the current global crisis.

In some instances the funding allocated to achieving these objectives has been allocated to municipalities, particularly in relation to infrastructure and the expanded public works programme. Therefore municipalities have a direct responsibility to ensure that the objectives for which this funding has been allocated are achieved. In addition, municipalities should craft their budgets to support the realization of the overall national objectives.

## 2. Headline inflation forecasts

The following headline inflation forecasts underpin the national 2009 Budget:

| Fiscal year | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 |
|---|---|---|---|---|---|
| | Actual | Estimate | | Forecast | |
| Headline CPI Inflation | 8.1 | 10.8 | 5.4 | 5.1 | 4.6 |

Municipalities must take these inflation forecasts, as well as local economic conditions, into consideration when determining their new rates, tariffs and other charges and developing their budgets for 2009/10 and MTREF.

## 3. Revising rates, tariffs and other charges

When municipalities and municipal entities revise their rates, tariffs and other charges for their 2009/10 budgets and MTREF, they need to take into account the labour and other input costs of services provided by the municipality or entity, the need to ensure financial sustainability, local economic conditions and the affordability of services, taking into consideration the municipality's indigents policy. Municipalities should also take account of relevant policy developments in the different sectors.

In considering changes in property rates, municipalities need to take cognisance of local economic conditions such as the down turn in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non-payment and increased bad debts.

Municipalities must also explore imaginative ways of structuring the tariffs for utility services to encourage more efficient use of these services and to generate the resources required to fund the maintenance, renewal and expansion of the infrastructure required to provide the services.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as practically possible. For this reason National Treasury continues to require that municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target.

**Eskom bulk tariff increases**

As last year, the indications are that NERSA is unlikely to be in a position to approve a revised electricity pricing structure before 15 March 2009 for the new tariff to be implemented as from 1 July 2009 as required in terms of section 42(5) of the MFMA.

National Treasury therefore advises municipalities to budget for a 25 per cent increase in bulk electricity tariffs when preparing their tabled and adopted budgets. This recommendation should be seen as a necessary step taken to assist municipalities in preparing their budgets for the 2009/10 financial year and is not intended to in any way pre-empt NERSA's ruling on the 2009/10 tariff increase. If NERSA tables a revised electricity pricing structure before 1 July 2009, municipalities will be required to adjust their tabled budgets accordingly.

If NERSA does not revise the electricity pricing structure before 1 July 2009, the 25 per cent increase will apply to the bulk electricity tariff for the 2009/10 municipal financial year. Any further changes in the bulk price of electricity to municipalities will have to stand-over and be accommodated in the electricity price structure that NERSA must make before 15 March 2010, and will thus only apply from 1 July 2010.

**Impact of the 2 cents per kWh Environmental Electricity Levy**

The 2 cents per kWh levy on the sale of **all non-renewable generated electricity** will be implemented from **1 July 2009**. It is one of a series of interventions aimed at changing electricity consumers' behaviour. The levy aims to internalise the negative environmental impacts of economic activities (externalities) through the price mechanism, and so contribute towards ensuring the sustainable use of environmental resources. The levy also supports efforts to manage the demand side for electricity.

This tax will be collected at source and is levied on the producers / generators of non-renewable electricity. As a national tax, it is accordingly not a municipal responsibility to charge or collect this levy. Electricity generating utilities will however be able to pass through the tax to the distributors and directly on to end-users. The municipalities, as distributors, will be billed a bulk tariff inclusive of the 2c/kWh electricity tax by Eskom (and the levy may or may not be indicated explicitly as a line item). NERSA in its determination of the bulk tariff charge to municipalities will make an announcement on the inclusion of the tax.

**Implementation of the Municipal Property Rates Act**

It should be noted that all municipalities are now compelled to implement the Municipal Property Rates Act designed to promote national rating equity and the attainment of macro-economic objectives. The phasing in period for the implementation of the Act will lapse on

30 June 2009. In other words, the transitional provision that provided municipalities with the legal basis to still use valuation rolls prepared in terms of provincial ordinances that existed prior to this Act will lapse (and may be legally challenged by ratepayers if still used after 30 June 2009). All municipalities are supposed to have their valuation rolls, based on market value, in place and should assess the impact of the new Act on household bills when charging their tariffs from 01 July 2009. The new valuation rolls should facilitate an increase in revenue, but it will also have an effect on the payment levels, bad debts, as well as credit control policies which will have to be adjusted. Particular attention also needs to be given to ensure that the property rates charged to key economic sectors, such as the agriculture, remain affordable.

**Verification of existing municipal taxes in terms of the Municipal Fiscal Powers and Functions Act**

Municipalities are reminded that section 12 of the Municipal Fiscal Powers and Functions Act sets out the legislative requirements for the verification of existing municipal taxes:

- Section 12(1) states that a municipality must, within two years of the date on which the Act commences, apply to the Minister in accordance with the Act for authorisation of a tax, imposed by the municipality prior to the commencement of the Act; and
- Section 12(2)(a) states that a municipal tax that existed prior to the introduction of the Act, lapses two years after the date on which the Act commences in cases where the municipality fails to apply for authorization of such a tax or the implied tax will according to section 12(2)(b) of the Act, also lapse six months after the Minister of Finance has notified the municipality that its application for authorisation was not approved.

The National Treasury has put in place a procedure to facilitate the process whereby municipalities must apply for the authorization of their taxes. The key dates in this process are as follows:

| **Date** | **Process** |
|---|---|
| **End April 2009** | Questionnaire and application forms for the purpose of applying for authorisation of municipal taxes that existed prior to the introduction of the MFPF Act sent to municipalities for completion by 31 July 2009 to enable the National Treasury and municipalities to verify accuracy of data provided on municipal taxes. |
| **07 September 2009** | FINAL DEADLINE for municipalities to submit applications as per section 12 of the MFPFA. |
| **07 September 2009** | All municipal taxes that existed prior to the introduction of the Act (with the exception of property tax and the former RSC/JSB levies) and in respect of which NO APPLICATION BY THE MUNICIPALITY WAS RECEIVED BY THIS DATE, MUST BE ABOLISHED WITH IMMEDIATE EFFECT. |
| **December 2009 / January 2010** | With respect to municipal taxes that existed prior to the Act and in terms of which applications were made, National Treasury will notify all municipalities to confirm which of those municipal taxes may be continued and advise on which taxes were not approved. |
| **30 June 2010** | EXISTING MUNICIPAL TAXES THAT EXISTED PRIOR TO ACT WHICH HAVE NOT BEEN APPROVED BY THE MINISTER WILL LAPSE. |
| **1 July 2010** | Municipalities may only include in their 2010/11 Budgets onwards those municipal taxes that have been approved by the Minister of Finance in terms of section 12 (in terms of taxes that existed prior to the Act) or sections 5 and 6 of the Act (in terms of any new municipal tax). |

**Municipalities are urged to timeously apply for the authorisation of all municipal taxes that existed prior to the introduction of the Municipal Fiscal Powers and Functions Act as the legal authority to collect such taxes will lapse on 7 September 2009. This could have a significant impact on a municipality's revenues.**

**Moreover, municipalities are also reminded to follow the appropriate application process prior to introducing any new municipal tax(es) as such tax(es) will only become legally enforceable after the Minister of Finance has approved such tax(es).**

## 4. The Municipal Budget and Reporting Regulations

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium term planning and policy choices on service delivery.

The regulations, formats and associated guides etc are available on National Treasury's website at: http://www.treasury.gov.za/legislation/mfma/reg_gaz/

**Finalisation of the budget and reporting formats**

To facilitate implementation of the formats, National Treasury will publish two sets of revised formats; one set will show the changes to the current set of formats that were published on National Treasury's website on 28 June 2008, the second set will be the final set of formats (not showing changes).

**Regulations apply to all municipalities, with exemptions relating to formats**

In the course of our discussions around the implementation of the regulations, it would appear that the use of the term 'phasing-in' has created the impression that the regulations will as from 1 July 2009 only apply to the 27 municipalities identified in the *Government Gazette 31804* of 23 January 2009 (see Annexure A) that are required to prepare their budgets in accordance with the prescribed formats for the 2009/10 financial year, and then be extended to the remaining municipalities as from 1 July 2010. This is not the case.

*The regulations will apply to all municipalities from 1 July 2009*

Those municipalities that are not among the 27 municipalities are exempted from preparing their 2009/10 budgets, adjustments budgets, and in-year reports in accordance with the provisions set out in regulations 8, 9, 21, 28, 31, 33, 38, 39, 48, 54 and 56 (numbering according to the draft regulations, which may change in the final regulations).

Effectively what this means is that these municipalities are only required to comply with the 'formats' aspects of the regulations from 1 July 2010, but must comply with all the other provisions as from 1 July 2009, including:

- r.4 – Budget Steering Committee
- r.12 – Funds created in terms of section 12 of the Act
- r.13 – Approval of capital projects
- r.23 – Timeframes for tabling adjustments budgets

- Ch 4 – Non-compliance with time provisions
  - Time provisions set out in the MFMA
  - Time provisions related to r.23
- Ch 5 – Framework for unforseen and unavoidable expenditure
- Ch 6 – Unauthorised, irregular or fruitless and wasteful expenditure

**Municipalities that intend implementing early must notify National Treasury**
National Treasury encourages all municipalities to begin implementing the 'formats' aspects of the Regulations in the preparation of their 2009/10 budgets, adjustments budgets and in-year reports. This will enable them to learn by doing, and will also enable them to realise the benefits of the formats sooner.

However, to facilitate the capturing of information on the LG Database, municipalities that are not on the above list, but which nevertheless intend complying with the new formats for their 2009/10 budgets, adjustments budgets and monthly reports must notify Elsabé Rossouw (email: Elsabe.Rossouw@treasury.gov.za ) before 1 June 2009.

**Application of regulations to municipal entities**
All municipal entities that provide normal municipal type services (e.g. water, electricity, refuse removal, etc.) must comply with Chapter 3 of the regulations according to the phasing-in arrangements applicable to the municipality, i.e. if the municipality must comply fully with the regulations from 1 June 2009, then so must the municipality's entities.

Municipalities that have entities that must comply with Chapter 3 of the regulations must produce the consolidated tables prescribed in Schedule A of the regulations.

Municipalities that have entities that do not provide normal municipal services may apply to National Treasury for an exemption in respect of those entities. Applications must be sent to Jan Hattingh (email: Jan.Hattingh@treasury.gov.za) by 31 March 2009, and must include the following information:

(a) the name of the entity;

(b) a description of the ownership and governance arrangements of the entity;

(c) details of the functions and services the entity delivers;

(d) a copy of the entity's 2007/08 annual financial statements; and

(e) a copy of the entity's 2008/09 annual budget.

National Treasury will inform municipalities in writing on the outcome of these applications by 30 April 2009.

**Phasing in of formats and tables**
National Treasury recognises that it will take time to achieve full compliance with both the letter and spirit of the new formats and tables for municipal budgets, adjustments budgets and in-year reports. It is acknowledged that there are practical difficulties in obtaining or aligning information with the new tables. In order to facilitate the phasing-in of the formats and tables by the 27 municipalities listed above, as well as those municipalities that have volunteered to implement early, the following guidance is given:

1. As a matter of principle, municipalities should seek to comply with the formats and tables as completely as practically possible. Where there are real technical difficulties these must be disclosed as footnotes to the relevant tables.

2. As regards the budgets that municipalities are required to table by 31 March 2009, the budget document itself must be in the format set out in Schedule A, while the budget tables may still be in the 'old format' used by the municipality, but there needs to be plan to comply with prescribed format for when the budget is re-tabled for approval. The supporting tables should be as complete as possible.
3. For the budgets that must be approved by council by 30 June 2009, the budget document itself must comply with Schedule A, the ten budget tables (A1-10) must be in the prescribed format, with footnotes noting reasons for areas of non-compliance, and the supporting tables should be as complete as possible, with footnotes noting reasons for areas of non-compliance.
4. Where tables require 'current year' and 'audit outcome' information municipalities should fill this in as far as possible for the 2009/10 budget. However, all municipalities should initiate projects to restate all historical information in line with the prescribed formats – ready for 2010/11 budget.
5. As regards completing Table A4, municipalities must place 'repairs and maintenance' under 'other expenditure' if it cannot be broken-up into component 'expenditure types' for the 2009/10 budget, but it must be broken up for the 2010/11 budget.
6. As regards completing Table A9, the 'Asset Register Summary' must be completed as far as information is available.
7. As regards Table A10, base the 2006/07 data on the Stats SA Cummunity Household Survey data and then project forward from there, based on what the municipality knows about demographic trends in its area, and on the extension of services that have taken place, or are planned.
8. Municipalities should make an honest effort to fill out all the supporting tables as the information is critical to sound planning and budgeting.

**Transition arrangements for Appendix A and Appendix B**

The municipalities that follow the formats prescribed in the regulations for the preparation of their annual budgets for 2009/10 will, instead of completing Appendix A, be required to send an electronic version of the main budget tables and supporting tables to be captured on the LG Database.

Municipalities that do not follow the formats prescribed in the regulations for the preparation of their annual budgets for 2009/10 will be required to complete the current Appendix A.

Similarly, Appendix B will be adjusted to conform to the new formats required in terms Schedule C. These changes are unlikely to be significant given the current format of Appendix B.

# 5. Transfers to municipalities

Section 216 of the Constitution provides for national government to transfer resources to municipalities in terms of the annual Division of Revenue Act (DoRA) to assist them in exercising their powers and performing their functions. These allocations are announced annually in the national budget. Transfers to municipalities from national government are supplemented with transfers from provincial government. Further, transfers are also made between district municipalities and local municipalities.

It is important that all these transfers are made transparently, and properly captured in municipalities' budgets. In this regard, Regulation 10 of the draft Municipal Budget and Reporting Regulations provides guidance on when municipalities may reflect a transfer on their budgets.

In support of this regulation, the 2009 Division of Revenue Bill provides that -

- In terms of section 24, National Treasury is required to publish in the Government Gazette the allocations or indicative allocations for all national grants to municipalities;
- In terms of section 43, each provincial treasury is required to publish in the Government Gazette the indicative allocation per municipality for every allocation to be made by the province to municipalities from the province's own funds; and
- In terms of section 42, each category C municipality must indicate in its budget all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction.

The Government Gazette reflecting the allocations and indicative allocations for all national grants to municipalities is available at:

http://www.treasury.gov.za/legislation/bills/2009/

In addition, National Treasury publishes a payment schedule that sets our exactly when equitable share and national conditional grant funds are to be transferred to municipalities:

http://www.treasury.gov.za/legislation/mfma/media_releases/Municipal%20Payment%20Schedule/

The payment schedules that provincial treasuries are required to submit to National Treasury in terms of section 43(6) of the Division of Revenue Bill 2009, will be published on National Treasury's website, along with the national payment schedule.

**Responsibilities of transferring and receiving authorities**

The legal obligations placed on transferring and receiving officers in terms of the 2009 Division of Revenue Bill are very similar to previous requirements. National Treasury intends ensuring strict compliance in order to improve spending levels, and the quality of information relating to the management of conditional grants.

Municipalities are again reminded that compliance with the annual Division of Revenue Act is the responsibility of the municipal manager as the "receiving officer". The municipal manager accounts to the Mayor, Executive Committee and Council on how the municipality is complying with the Division of Revenue Act as it applies to various conditional grants. The municipal manager is responsible for, among other things, the tabling of quarterly reports in Council on whether or not the municipality is complying with the Division of Revenue Act. He/she is also responsible for reporting on any delays in the transfer or the withholding of funds. Failure on the part of a municipal manager to comply with the Act will have financial implications for the municipality as it will lead to the municipality losing revenue when funds are stopped and reallocated. Where the municipality is unable to comply, or requires an extension, the municipal manager must apply to the National Treasury and provide comprehensive motivation for the non-compliance.

Municipal councils are requested to ensure that the 2009/10 performance contracts of their municipal managers, as well as those of senior officials, reflect, among other key performance areas, the above responsibilities and accountabilities.

**Introduction of the Municipal Infrastructure Grant (Cities)**

The service-delivery challenges facing South Africa's large urban municipalities differ considerably from those of poor rural municipalities. While the large metros are experiencing rapid population growth and strong levels of economic activity, many rural municipalities are burdened with the backlogs resulting from previous funding inequities, high poverty levels and weaker economic activity.

In recognition of these factors, government is working to ensure an appropriately structured system for funding local government.

Integrated planning and financing is required between national, provincial and local government to accelerate the eradication of informal settlements, create communities that have access to services and transport, and put in place infrastructure that will support economic growth. There is, however, a disjuncture at the planning level: various decisions on the built environment are taken by different spheres of government: For example, provinces make decisions about housing, while municipalities make choices about services that are linked to housing, such as transport, water, sanitation and electricity.

In this context, government has identified a need to reconceptualise the way in which municipalities are funded to better leverage the capacity of the state as a whole to achieve basic service delivery targets. At its meeting on 03 December 2008, Cabinet approved the introduction of the Municipal Infrastructure Grant for Cities through splitting the Municipal Infrastructure Grant (MIG) into two windows. This decision allows a differentiated funding approach to be introduced to account for significant differences in context, challenges and capabilities between larger urban municipalities and smaller, more rural municipalities.

Adopting a differentiated funding approach will allow the national regulation of funding to respond to the generic challenges of different types of municipalities, as well as the specific issues faced by individual municipalities. The MIG (cities) focuses on enabling cities to more effectively manage, support and account for built environment outcomes. Greater discretion over the selection and implementation of capital projects, as part of their own capital investment programmes, will be matched with oversight of their entire programme performance rather than solely project inputs. This means that larger urban municipalities will be required to commit to the achievement of specific, measurable developmental outcomes related to their entire capital programme. Smaller, more rural municipalities will largely continue to operate under the existing MIG framework, with innovations to improve expenditure outcomes introduced over time to address capacity and resource deficiencies.

Cabinet has approved the introduction of the new funding arrangements from 1 April 2009. This grant will be phased in starting with the metros in 2009/10 and bringing in 21 large cities over the next two years.

The 2009 Division of Revenue Bill gives effect to this decision in line with the policies that were discussed with stakeholders over the last year. Accordingly, participating municipalities are advised to take note of sections 11, 15 and 40 of this Bill. In particular, metropolitan municipalities that intend to participate in the MIG (cities) Grant need to inform National Treasury of this fact by 13 March 2009.

Furthermore, metropolitan municipalities that choose to participate in the Grant are required to prepare a draft performance framework in accordance with the format in Annexure B of the policy framework by 20 March 2009. This draft will form the basis for engagement with national government to agree on the specific performance indicators and targets against which the city will be held accountable. The date for the submission for the infrastructure performance framework is 30 May 2009 (s15 (2)). The details of critical future dates are in the sections of the 2009 Division of Revenue Bill provided in the grant framework.

To ensure streamlining on reporting on this grant, Circular 11 that outlines requirements for the SDBIP with its supporting chapter 5, provides the basis of the information required by national stakeholders on outputs and outcomes that can guide you in determining the output and outcomes and targets for the performance matrix.

Although the formula used to determine the allocations between the two groups of municipalities is the same, different conditions will be placed on these two groups of municipalities. The MIG (cities) will focus the municipalities and national stakeholders on outputs and outcomes to be achieved from the overall capital investment programme of the cities.

**Fuel levy allocation to metropolitan municipalities**
The possibility of introducing the sharing of the general fuel levy with municipalities from 2009/10 was announced in the 2008 Budget Review. The 2008 Medium-Term Budget Policy Statement (MTBPS) indicated that the sharing of the general fuel levy with metropolitan municipalities will be phased-in from the 2009 Budget. The proposed phasing-in of the sharing of the general fuel levy with metros from 1 July 2009 was then consulted in various forums, including the 2008 Budget Forum and a technical workshop with existing and new metros on 1 December 2008.

The 2009 Budget Speech announced that part of the revenues from the general fuel levy will be earmarked for metropolitan municipalities. The sharing of the general fuel levy is an appropriate primary replacement for the former RSC levies (in addition to the VAT reforms already introduced from 1 July 2006), with several advantages. The general fuel levy is of sufficient size to serve as a primary replacement as the total revenue generated from the general fuel levy was R24 billion in 2008/09, with the 2010/11 amount estimated at R32 billion. The growth in the general fuel levy is on average 6 per cent annually. Similar to the former RSC levies, the base (fuel sales) is linked to economic activity, linking the subsequent fuel levy allocation on the extent of economic growth taking place within the municipal jurisdiction. The equity and flexibility over the base is therefore maintained. Although the sharing of the general fuel levy with metros will be treated as unconditional to enhance fiscal autonomy, municipalities should attempt to direct these resources, similar to that of the former RSC levies, towards basic services and infrastructure development in under-serviced communities, specifically to roads transport infrastructure given the link between fuel sales and road usage.

The sharing of the general fuel levy will remedy several of the flaws that existed in the former RSC levy system, including correcting allocations to those municipalities that benefited unfairly from the former RSC levy due to problems associated with the location of head offices. To facilitate a smooth transition from the RSC levy replacement grant system to the sharing of the general fuel levy system and to prevent any possible shocks to municipal revenues, implementation will be phased-in over the three-year period beginning with the current MTEF, for full implementation in 2012/13.

The sharing of the general fuel levy with metropolitan municipalities will be regulated by the Taxation Laws Amendment Bill, which is expected to be passed by September 2009. The Minster of Finance will then release, by Government Notice in accordance with the Act, the specific allocations per metro for the 2009/10 financial year, provisionally projected allocations for the outer two years of the MTEF, the criteria used for determining such allocations and payment dates thereof (possibly September 2009, December 2009 and March 2010). As the Government Notice will only be released after the passing of the Bill by September 2009, letters will be sent to the respective metros in March 2009 to advise them of their provisional allocations in order to assist them in their budget formulation processes for the 2009/10 financial year. The provisional allocations provided in National Treasury's discussion document provided to metropolitan municipalities during December 2008 will be updated with latest available information on fuel sales, as obtained from the South African Petroleum Industry Association (SAPIA).

National government will continue to compensate Category C (district) municipalities through the RSC levy replacement grant. For the 2009 MTEF, R10.5 billion (R3.3 billion in 2009/10, R3.5 billion in 2010/11 and R3.7 billion in 2011/12) will remain as part of the RSC levy replacement grant for Category C municipalities. Reforms will however be made to the replacement grant in future to make it more reflective of the extent of service delivery responsibilities of the municipality rather than historical RSC levy collection rates. Further revisions to the local government fiscal framework, including determining appropriate funding for district municipalities, will be informed by the outcomes of the Department of Provincial and Local Government's White Paper policy review process.

**Accounting treatment of conditional grants**

Municipalities are reminded that in accordance with accrual accounting principles, conditional grants should only be treated as 'transfers recognized' revenue when the grant revenue has been 'earned' by spending it in accordance with the conditions of the grant.

**Interest received on conditional grant funds**

Regarding the interest earned on conditional grant funds, to date National Treasury's position has been that because the interest is earned on conditional grant funds the interest should therefore be treated in the same way as the conditional grant itself. In other words both the interest and the conditional grant must be spent in accordance with the conditions prescribed in the annual Division of Revenue Act, and if the funds remain unspent at the end of the financial year, then both the unspent portion of the grant and any interest earned thereon should revert to the National Revenue Fund.

In line with this thinking, the 2005 and 2006 Division of Revenue Acts provided that when provinces and municipalities return unspent conditional grant funds to the National Revenue Fund, they must also return 'any interest earned thereon'. However, given that it is practically speaking very difficult to separate out interest earned on all the different unspent conditional grant funds from interest earned on 'own funds' this provision was never enforced. Consequently, the phrase 'including any interest earned thereon' was dropped from the 2007 and subsequent Division of Revenue Acts.

This has resulted in there being certain challenges regarding the correct accounting treatment of the interest received on conditional grant funds –

(a) Should it be treated in the same way as conditional grant funds, which means recording the interest as a liability on the municipality's books until such time as the funds are spent in accordance with the conditions applicable to the grant funds when it is moved to income as 'transfers recognised'? And what happens when the interest remains unspent at the end of a financial year?

(b) Or should it be treated as 'own revenue' by the municipality, which means the interest is recorded as income as soon as it is earned, and the municipality spends it according to its budgeted priorities.

After reviewing the amounts that are potentially involved, and the administrative burden created by treating the interest received on conditional grant funds in the same way as the conditional grants themselves, National Treasury has decided to give the interest received on conditional grants to municipalities unconditionally. In other words, municipalities must reflect all interest received on conditional grants as 'own revenue' and its use by the municipality is not subject to any special conditions.

Take note that we are aware that certain municipalities are deliberately delaying the spending of their conditional grants so as to earn more interest. If this bad practice persists, National Treasury may reconsider its position on this matter.

**Unspent conditional grant funds**

Each annual Division of Revenue Act since 2005 has contained the following provision or something similar:

> Despite the provisions of the Public Finance Management Act or the Municipal Finance Management Act relating to roll-overs, any conditional allocation … not spent at the end of a financial year or, in the case of a municipality, at the end of a municipal financial year, reverts to the National Revenue Fund, unless the relevant receiving officer can prove to the satisfaction of the National Treasury that the unspent allocation is committed to identifiable projects.

To date these provisions have not been enforced in relation to municipal conditional grants. It has come to our attention that certain municipalities have been taking advantage of this situation, and instead of spending conditional grants funds in line with their intended purpose, have been deliberately not spending the grants and using the cash to fund other municipal expenditures. As a result such municipalities' accounts show large amounts of unspent conditional grants, but these amounts are not cash-backed.

In order to rectify this situation, and to properly incentivize municipalities to spend their conditional grant funding for the purposes and within the time-periods for which it is allocated, National Treasury has decided on the following steps –

(a) All conditional allocations (excluding any interest earned thereon) for the years 2005/06, 2006/07 and 2007/08 that were unspent as of 30 June 2008 must revert to the National Revenue Fund on 30 June 2009 unless the relevant receiving officer can prove to the satisfaction of the National Treasury that the unspent allocation is committed to identifiable projects.; and

(b) All conditional allocations (excluding any interest earned thereon) for the 2008/09 financial year that are unspent as of 30 June 2009 must revert to the National Revenue Fund on 31 August 2009 unless the relevant receiving officer can prove to the satisfaction of the National Treasury that the unspent allocation is committed to identifiable projects.

As regards the repayment of unspent conditional allocations for the years 2005/06, 2006/07 and 2007/08 the following practical arrangements will apply –

- National Treasury will determine the quantum of unspent conditional allocations each municipality owes the National Revenue Fund based on their 2007/08 audited annual financial statements, or if these are not available by 31 January 2009, the determination will be based on Conditional Grants database prepared for purposes of the 2008 Local Government Budget and Expenditure Review.
- National Treasury will inform each municipality what they owe the National Revenue Fund by 15 May 2009.
- Municipalities will have until 15 June 2009 to prove to the satisfaction of the National Treasury that the unspent allocations are committed to identifiable projects. In each instance, the National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds because they are committed to identifiable projects.

- Each municipality must repay all unspent conditional allocations, in respect of which National Treasury has not given the municipality written permission to retain, directly to the National Revenue Fund by 30 June 2009 (bank account details will be given later).

As regards the repayment of unspent conditional allocations for the 2008/09 financial year the following practical arrangements will apply –

- When preparing their annual financial statements a municipality must determine what portion of each national conditional allocation it receives remained unspent as at 30 June 2009.
- The receiving officer must report these amounts to National Treasury by 31 July 2009. If the receiving officer wants to motivate that the funds are committed to identifiable projects the required information must also be submitted to National Treasury by 31 July 2009.
- National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds because they are committed to identifiable projects by 17 August 2009.
- Each municipality must repay all unspent conditional allocations, in respect of which National Treasury has not given the municipality written permission to retain, directly to the National Revenue Fund by 31 August 2009 (bank account details will be given later).

When applying to retain unspent conditional allocations committed to identifiable projects, municipalities must supply National Treasury with the following information –

(a) details of each of the projects to which funds are committed;
(b) a progress report on the state of implementation of each of the projects;
(c) the amount of funds committed to each project, and the conditional allocation from which the funds come from; and
(d) an indication of the time-period within which the funds are to be spent.

All the calculations of the amounts to be surrendered to the National Revenue Fund (NRF) will be subject to scrutiny by the Office of the Auditor-General and therefore will be audited.

**Approval of rollovers**

Although in terms of section 30 of the MFMA the appropriation of unspent funds lapses at the end of the financial year, section 28(2)(e) provides that an adjustments budget 'may authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not have reasonably been foreseen at the time to include the projected rollovers when the annual budget for the current year was approved by council.'

This provision is particularly relevant to the proper management of unspent conditional allocations in respect of which National Treasury has given the municipality permission to retain because they are committed to identifiable projects. Strictly speaking municipalities may not spend such funds until they are 're-appropriated' in an adjustments budget. However, this would imply delaying the spending of such funds until sometime after the National Adjustments Budget sometime in November each year.

Therefore to give effect to section 28(2)(e) of the MFMA as from 1 July 2009, National Treasury has determined the following:

- once National Treasury has given written approval to a municipality to retain unspent conditional allocations committed to identifiable projects, the municipality may proceed to spend such funds;

- municipalities that are given permission to retain unspent conditional allocations must pass an adjustments budget soon after the approval of rollovers are legalised in the National Adjustments Budget and formally gazetted in the annual Adjustments Estimate Government Gazette.

This process will minimize any delay in the spending of these funds, and provide formal approval for such funding to be spent.

**VAT on conditional grants**

Municipalities are again reminded that SARS has issued a specific guide to assist municipalities meeting their VAT obligations – ***VAT 419 Guide for Municipalities***. To assist municipalities accessing this guide it has been placed on the National Treasury website at:

http://www.treasury.gov.za/legislation/mfma/guidelines/default.aspx

The document has also been published on the path www.sars.gov.za/All Publications/VAT.

**VAT on conditional grant expenditures**

When a municipality uses conditional grant funds to purchase goods and services, input VAT is included in the price of such goods and services, which municipalities are required to pay, using conditional grant funding. In the normal course of managing their VAT, municipalities are able to reclaim this input VAT from SARS. This has led to enquiries as to the correct treatment of this 'reclaimed VAT'.

National Treasury's position is that municipalities must treat this 'reclaimed VAT' as 'own revenue'. In other words, once a municipality has used conditional grant funds to pay for goods and services, including VAT, in line with the grant conditions the funds loose their 'conditional' nature. So when the municipality reclaims the VAT, the funds are no longer subject to any of the conditions applicable to the original conditional grant.

**Management and monitoring of conditional grants**

In order to further improve the management and monitoring of conditional grants National Treasury will give special attention to the following matters:

- Municipalities must reflect all grants (from national, provincial and local) on both the revenue and the expenditure sides of their 2009/10 budgets, as well as for the MTREF years;
- Municipalities must submit their Council-approved annual budgets for 2009/10 and MTREF to the National Treasury by 7 July 2009;
- Monitoring that all funds transferred from national and provincial government are deposited in municipalities' primary bank accounts;
- Monitoring that accounting officers (as receiving officers) fulfill their duties set out in sections 12 and 13 of the Division of Revenue Bill, particularly as they relate to the preparation and submission of information on conditional grants to the relevant national or provincial transferring officer, and to the relevant provincial treasury and National Treasury as part of their section 71 reporting obligations; and
- Monitoring the submission of annual financial statements for 2008/09 for audit by 30 September 2009 and submission of audited annual financial statements for 2008/09 to the relevant provincial treasuries and National Treasury by 30 November 2009.

Acting in terms of sections 71 and 74 of the MFMA, National Treasury requires that all municipalities report on all transfers received from national government as from 1 July 2009.

This input reporting process replicates the practice developed in relation to the Financial Management Grant and the Restructuring Grant, and will assist National Treasury track and verify the flow of funds to municipalities. The required input forms will be placed on National Treasury's website on 1 April 2009.

## 6. Guidance on specific issues

**Budgeting for revenue and 'revenue foregone'**
The municipal budget must reflect all revenue anticipated to be received and recognised during the 2009/10 budget year and over the MTREF. All sources of revenue such as own revenue, grants, subsidies, agency receipts, donor funds, trust monies must be included.

The revenue amounts reflected in the financial performance budgets of the municipality must be net revenue (i.e. total revenue less revenue foregone).

Those municipalities that are preparing their budgets according to the new formats are required to disclose all revenue foregone on Supporting Table SA1. Note that revenue foregone must be distinguished from grant expenditures made in relation to the provision of, for instance, free basic services. These grant expenditures must be detailed on Supporting Table SA21, and reflected as expenditure in the financial performance budget (Table A4) under transfers and grants (currently 'grants and subsidies' in the current formats).

Those municipalities that are still following MFMA Circular 28 should still disclose their revenue foregone explicitly, either by way of footnotes, or by providing an appropriate table similar to Supporting Table SA1.

*Guidance on identifying revenue foregone:*
While not entirely definitive, as each category should be assessed on a case-by case basis, it is suggested that municipalities apply the 'generally available to all' rule to determine whether an item is revenue foregone or expenditure (most often 'grant' expenditure). For example, if a rate rebate is available to all ratepayers of a particular category; e.g. residential land use, then the rebate should be treated as 'revenue foregone'. The broadly applied rebate is considered an adjustment to the tariff. However, if a rate rebate is provided to a particular ratepayer for charitable purposes this should be treated as expenditure and should be shown as a grant. Such a rebate to specific indigent households is an efficient way of collecting the property rates and then making an equivalent donation.

**Budgeting by GFS and 'internal charges'**
In all instances the definition of the GFS functions includes the costs incurred in the 'administration or support of …' the specific function. This is consistent with the advice that National Treasury has given in respect of 'internal charges', namely when compiling the budgets by standard classification and by vote:

- Reflect the total cost of delivering the primary services before recharges to support functions are taken into account; and
- This may result in certain Votes or functions having very small budgets if their budgets are 'earned' by providing 'internal services' to other functions or Votes.

Note that the direction of recharges is from the primary function to the support function. This approach will facilitate the calculation of the full cost of services provided by the municipality.

**Budgeting for Free Basic Services**

The equitable share is designed to compensate municipalities for providing free basic services to indigent households. Table A10 in the new formats requires the municipality to reflect the cost of the free basic services it is providing to households. These amounts must be consistent with those reflected on Supporting Table SA21, which reflects all the transfers and grants the municipality makes. These expenditures on free services (grants) are then reflected in the municipality's financial performance budget Table A4 under transfers and grants (currently 'grants and subsidies' in the current formats).

Even municipalities that are not preparing the budgets in accordance with the new formats are required to include the expenditure involved in providing free services (grants) in their financial performance budgets. They are also required to show in their budget documents the levels, the number of households benefitting and the projected costs of the various free basic services they will be providing during the 2009/10 budget year and outer years.

**Budgeting for Capital**

Municipalities are encouraged to produce a multi-year capital budget when tabling their budget. These multi-year capital budgets must be disaggregated by municipal ward and reflect the MIG sector priorities to enable national and provincial transfers to flow directly to municipalities. Capital budgets must also differentiate between those programmes/projects for which multi-year appropriations are approved in accordance with MFMA Section 16(3), and those for which only budget year appropriations are approved.

Municipalities are reminded that sector priorities in MIG refer to functions of water, sanitation, refuse, electricity, roads, public amenities, etc. This allows for sector departments like, DWAF, DME and others to monitor progress in addressing backlogs, as reflected in the Division of Revenue framework for MIG.

Funds received for capital projects must be included in the capital budget as "revenue" under sources of finance. External loans are loans that are to be obtained from private lenders and/or financial institutions and include loans taken up to fund capital expenditure.

**Prior Year Comparative Information**

MFMA section (1)(d)(ii) requires the presentation of the amounts of the 'preceding year' in the annual budget. The purpose is to provide historical trend information to assist the Council and the community to assess the proposed budget. These amounts should be aligned with the audited financial statements, or the latest corrected amounts if changes are made in the comparative amounts in the following year's audited financial statements.

## 7. National Treasury's special focus areas

Municipalities have made great strides with regard to meeting the timeframes for the tabling and approval of municipal budgets. The next challenge is to put in place processes that will ensure systematic improvement in the quality of municipal budgets. The implementation of the Municipal Budget and Reporting Regulations will have a significant impact in this regard. However, in addition, National Treasury will be focussing on the following three aspects of municipal budgets:

- The correct calculation of personnel budgets;
- The implementation of the funding compliance assessment; and
- Appropriate budgets for repairs and maintenance.

**Focus on personnel budgets**

Acting in terms of section 74 of the MFMA, National Treasury requests all municipalities to submit the following information along with their 2009/10 budgets:

- The headcount of councillors, board members for entities and employees of both the municipality and municipal entities (see Supporting Table SA 24 of the new regulations);
- An explanation of the methodology used by the municipality to calculate its councillor allowances and personnel budgets for 2009/10 and outer years; and
- A listing of the key assumptions that informed the calculation of councillor allowances and municipal personnel budgets.

National Treasury, working with provincial treasuries, will put place in processes to verify the accuracy of the headcount numbers, to evaluate the soundness of the methodologies and assumptions municipalities have used to calculate their councillor allowances and personnel budgets and to assess whether municipalities have indeed budgeted accurately for councillor allowances and personnel expenditures.

**2008/09 MTREF Funding Compliance Assessment**

Municipalities are expected to prepare three-year budgets that are, among other things, sustainable in terms of being funded from realistically anticipated revenues to be collected. Consequently, municipalities must seriously assess their revenue situation and financial health for purposes of determining whether or not they have sufficient revenue and adequate financial stability to fund and deliver on their proposed budgets.

In addition, municipalities are urged to objectively and seriously examine the credibility of their proposed budgets in terms of their spending and institutional capacity. For example, it makes no sense for a municipality to adopt an annual capital budget when it only has a spending and / or institutional capacity to spend half of the amount budgeted.

To enable municipalities assess whether their budgets are funded in compliance with section 18 of the MFMA, National Treasury developed the Funding Compliance Assessment Procedure, described in MFMA Circular 42 dated 30 March 2007. Further guidance is given in the *MFMA Funding Compliance Guideline*, which is available at

http://www.treasury.gov.za/legislation/mfma/guidelines/default.aspx.

All municipalities must do a funding compliance assessment of their 2009/10 budgets in accordance with the guidance given in MFMA Circular 42 and the *MFMA Funding Compliance Guideline*.

In this regard, and acting in terms of section 74 of the MFMA, National Treasury requests all municipalities to submit the following information along with their 2009/10 budgets:

- Table A10 in the 'draft funding compliance master' spreadsheet (or Supporting Table SA10 in the Municipal Budget and Reporting Regulations formats);

- A narrative assessment of each of the funding compliance variables noted in the MFMA Funding Compliance Guideline; and
- An indication of any steps the municipality took in preparing its 2009/10 budget in response to its funding compliance assessment in order to ensure better compliance with section 18 of the MFMA.

National Treasury and / or the relevant provincial treasury will independently assess the funding compliance of each municipality's budget and compare the results to the self assessments done by the municipality.

In terms of the Constitution and Section 5 of the MFMA, the National Treasury and provincial treasuries will exercise their oversight roles by referring back to municipalities those budgets that are not funded in accordance with the MFMA.

**Focus on repairs and maintenance**

The *Local Government Budgets and Expenditure Review 2003/04 – 2009/10* highlighted the serious repairs and maintenance and renewal backlogs that exist in relation to municipal infrastructure, particularly municipalities' electricity, water reticulation, sewage and storm water and roads systems. It noted that these backlogs are impacting negatively on the financial sustainability of municipalities and on the reliability and quality of municipal services, as well as municipalities' contribution to supporting economic growth.

In the light of the above, and acting in terms of section 74 of the MFMA, National Treasury requests all municipalities to submit the following information along with their 2009/10 budgets:

- Details of their planned repairs and maintenance spending, and renewal projects by GFS function;
- Details of their planned renewal spending and renewal projects by GFS function; and
- A narrative explanation that sets out what the municipality has done to assess its repairs and maintenance backlog, its estimate of its repairs and maintenance backlog and the strategy it has put in place to progressively deal with the backlog.

National Treasury, along with provincial treasuries, will assess what each municipality has budgeted for repairs and maintenance, and renewal projects in the light of its functional responsibilities, operational budgets, and other information available from sector departments.

In terms of the Constitution and Section 5 of the MFMA, the National Treasury and provincial treasuries will exercise their oversight roles by referring back to municipalities those budgets that do not fund repairs and maintenance and renewal projects adequately.

## 8. Budget process and submissions for the 2009/10 MTREF

Over the past number of years there have been significant improvements in municipal budget processes. For the 2008/09 MTREF, 243 municipalities tabled their budgets by 31 March and 281 municipalities approved their budgets by 30 June. Municipalities are encouraged to continue their efforts to improve their budget processes based on the guidance provided in MFMA Circulars 10, 19, 28 and 31 as well as the new regulations.

Once more, municipalities are reminded that the IDP review process and the budget process should be combined into a single process.

**Submission of tabled budgets**

In line with section 22 of the MFMA, the municipal manager must submit the municipality's tabled budget to the National Treasury and the relevant provincial treasury 'immediately' after the tabling – i.e. by no later than 1 April 2009.

If the municipality is preparing its tabled budget according to the new regulations, the municipal manager must submit:

- the budget documentation as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main tables (A1 - A10) and all the supporting tables (SA1 – SA37) in both printed and electronic format; and
- the draft service delivery and budget implementation plan in both printed and electronic format.

If the municipality is not preparing its tabled budget according to the new Regulations (i.e. is still following MFMA Circular 28), the municipal manager must submit:

- the budget documentation prepared in accordance with MFMA Circular 28 in both printed and electronic format;
- the municipalities, IDP, Appendix A return form and all other budget related documents in both printed and electronic format; and
- the Appendix B return form in electronic format.

**Submission of approved budgets**

The municipal manager must submit the municipality's budget approved by the municipal council in terms of section (16)(1) of the MFMA to the National Treasury and the relevant provincial treasury by no later than 7 July 2009. The information must be the approved versions of the documents noted above.

**Submission requirements**

Hard copy submission to National Treasury must be to: National Treasury, Chief Director: Local Government Budget Analysis, 40 Church Square, Pretoria, 0001. Electronic submissions must be submitted via e-mail to lgdatabase@treasury.gov.za.

**Publication of budgets on municipal websites**

In terms of section 75 of the MFMA all municipalities are required to publish their budgets, annual reports 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, www.treasury.gov.za/legislation/mfma. 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*** |
| *Email – General* | ***mfma@treasury.gov.za*** |
| *Website* | ***www.treasury.gov.za/legislation/mfma*** |

**JH Hattingh**
**Chief Director: Local Government Budget Analysis**
**2 March 2009**

# TARIFFS

1 **APPROVAL OF VARIOUS TARIFFS : 1 JULY 2009 - 30 JUNE 2010**

That, in terms of Section 24(2) of the Local Government : Municipal Finance Management Act, 2003 (Act No. 56), the following levies, fees and tariffs for Sol Plaatje Municipality be levied, and a General Rate be recovered on the values appearing in the 2007 General Valuation Roll

**TARIFFS SUBJECT TO VALUE ADDED TAX INCLUDES 14% VAT**
**ANY FUTURE CHANGES IN VAT WILL BE IMPLEMENTED ACCORDINGLY.**

1.1 **LEVY OF RATES (FINANCE/VALUATIONS)**

| | PRESENT TARIFFS | PROPOSED TARIFFS 7/1/2009 |
|---|---|---|
| | R | R |
| Agricultural Residential | 0.000972 | 0.001548 |
| Agricultural Business | 0.001295 | 0.001935 |
| Agricultural Farms | 0.000648 | 0.001161 |
| Airport | 0.019432 | 0.023994 |
| Business / Residential Business not registered | 0.019432 | 0.023994 |
| State / Public schools | 0.044047 | 0.057276 |
| Industrial | 0.029149 | 0.033282 |
| Residential / Municipal Residential | 0.006477 | 0.007740 |
| Residential Business registered | 0.011659 | 0.014319 |
| Public Services Infrastructure | 0.044047 | 0.001935 |
| Mining | 0.104287 | 0.131580 |
| Average rates tariff | 0.010505 | 0.011724 |

(a) That the general rates become due and payable on 1 July 2009.

1 Government Notices 1171 and 1172 contain draft regulations which propose to prescribe the rating ratios of categories of properties and owners and setting the upper limits with which rates may increase. Regulation Gazette No 9059 was published in the Government Gazette on the 27th of March 2009 prescribing the ratio of Agricultural and Public Service Infrastructure (PSI) rating tariffs to the Residential tariff. This has had a substantial effect on the income being generated from the PSI category of property.

2 An allowance has been made for the inclusion of discounts for Pensioners meeting certain criteria. The discount is proposed at 20 %

3 The phasing in discount on public service infrastructure decreases from 50 % to 25 % in terms of the Municipal Property Rates Act.

4 Differentiation in the tariffs for the categies "Agricultural Properties" have been included to introduce greater parity within this sector whereby recognition of agriculture, business and residential activities have been made in relation to each other.

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| 1.2 | **MUNICIPAL SWIMMING BATHS & SPORTS FIELDS (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)** | | |
| 1.2.1 | **Karen Muir Swimming Pool** | | |
| | Admission fees - Children | 5.00 | 6.00 |
| | Admission fees - Adults | 6.00 | 7.00 |
| | Hire of bath | 600.00 | 650.00 |
| | Hire of bath for functions | 700.00 | 800.00 |
| | Season tickets - Children | 55.00 | 60.00 |
| | Season tickets - Adults | 100.00 | 110.00 |
| | Loss deposit | 450.00 | 500.00 |
| 1.2.2 | **Florianville Swimming Pool** | | |
| | Admission fees - Children | 4.00 | 5.00 |
| | Admission fees - Adults | 5.00 | 6.00 |
| | Hire of bath | 550.00 | 600.00 |
| | Season tickets - Children | 50.00 | 55.00 |
| | Season tickets - Adults | 60.00 | 65.00 |
| | Loss deposit | 350.00 | 400.00 |
| 1.2.3 | **Roodepan Swimming Pool** | | |
| | Admission fees - Children | 4.00 | 5.00 |
| | Admission fees - Adults | 5.00 | 6.00 |
| | Hire of bath | 550.00 | 600.00 |
| | Season tickets - Children | 50.00 | 55.00 |
| | Season tickets - Adults | 60.00 | 65.00 |
| | Loss deposit | 350.00 | 400.00 |
| 1.2.4 | **Galeshewe Swimming Pool** | | |
| | Admission fees - Children | 3.00 | 4.00 |
| | Admission fees - Adults | 4.00 | 5.00 |
| | Hire of bath | 650.00 | 700.00 |
| | Hire of bath with lights | 700.00 | 800.00 |
| | Season tickets - Children | 50.00 | 55.00 |
| | Season tickets - Adults | 55.00 | 60.00 |
| | Loss deposit | 450.00 | 500.00 |
| 1.2.5 | **De Beers Stadium** | | |
| | HIRE OF ATHLETICS TRACK | 700.00 | 720.00 |
| | Loss deposit | 550.00 | 600.00 |
| | Apparatus per day | 380.00 | 400.00 |
| | Loss deposit | 550.00 | 600.00 |
| | Lights | Per metered use | Per metered use |
| | Training sessions (Schools/Clubs) per season | 90.00 | 100.00 |
| | HIRE OF SPORTS FIELD/PREPARATION FEE | 380.00 | 400.00 |
| | Loss deposit | 550.00 | 600.00 |
| | Lights | Per metered use | Per metered use |
| | Preparation Fee | 380.00 | 400.00 |
| | HIRE OF STADIUM | | |
| | Other than sport | 1,050.00 | 1,100.00 |
| | Loss Deposit | 550.00 | 600.00 |
| | Music festivals/commercial use | 8,000.00 | 10,000.00 |
| | Loss deposit | 17,000.00 | 17,000.00 |
| | HIRE OF HALL NO. 4 | | |
| | Indoor sport | 75.00 | 80.00 |
| | HIRE OF CAFETERIA / BAR | 160.00 | 180.00 |
| | Loss deposit | 550.00 | 600.00 |
| | PRACTICE SESSIONS FOR ATHLETICS | | |
| | Season ticket for individuals | 90.00 | 100.00 |
| | Individual per session | 18.00 | 20.00 |
| | GROUPS: | | |
| | 1 - 10 per session | 35.00 | 38.00 |
| | 11 - 20 per session | 50.00 | 55.00 |
| | 21 - 30 per session | 65.00 | 70.00 |
| | 31 - 40 per session | 85.00 | 90.00 |
| | 41 - 60 per session | 105.00 | 105.00 |

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| | 61 and more per session | 140.00 | 140.00 |
| 1.2.6 | **Eddie Williams Oval** | | |
| | Sports field per day | 300.00 | 300.00 |
| | Loss deposit | 500.00 | 500.00 |
| | Training sessions (Schools/Clubs) per season | 95.00 | 95.00 |
| | Other than sport | 2,000.00 | 2,000.00 |
| | Loss deposit | 500.00 | 500.00 |
| | Music festivals/commercial use | 8,500.00 | 8,500.00 |
| | Loss deposit | 15,000.00 | 15,000.00 |
| 1.2.7 | **Galeshewe Stadium** | | |
| | Sport per day | 450.00 | 480.00 |
| | Loss deposit | 500.00 | 550.00 |
| | Other than sport | 2,100.00 | 2,200.00 |
| | Loss deposit | 450.00 | 480.00 |
| | Lights | Per metered use | Per metered use |
| | Music festivals/commercial use | 7,500.00 | 8,500.00 |
| | Loss deposit | 17,000.00 | 17,000.00 |

It is proposed that if a request is received from a Welfare Organization to use the above facilities at a reduced tariff, authority be granted to lease the facilities at 50% of the normal tariff plus a relevant deposit which is refundable. It is further proposed that if a request is received from a School to use the above facilities at a reduced tariff, authority be granted to allow a discount of 25% on the normal tariff plus the relevant deposit which is refundable.
Furthermore, if a contract is drawn up with a specific Provincial or National body for the hire of any of the above-mentioned facilities for sport (seasonal), a fee of R25000.00 be charged for the season.

Deposit for reservation = 25% of total reservation fee to be paid within 7 days of booking.
Cancellation fee = 25% of total reservation fee.

| | | | |
|---|---|---|---|
| 1.2.8 | **West-End Indoor Facility** | | |
| | Competitive sport - | | |
| | Prior occupation per day | 370.00 | 380.00 |
| | Main Hall (per day) | 850.00 | 870.00 |
| | Key deposit | 850.00 | 870.00 |
| | Small Hall (per day) | 480.00 | 500.00 |
| | Key Deposit | 450.00 | 460.00 |
| | Training sessions - | | |
| | Main Hall (per hour) | 85.00 | 90.00 |
| | Key deposit | 110.00 | 120.00 |
| | Small Hall (per hour) | 55.00 | 60.00 |
| | Key deposit | 110.00 | 115.00 |
| | Other than sport - | | |
| | Prior occupation per day | 380.00 | 400.00 |
| | Main Hall | 850.00 | 880.00 |
| | Deposit | 850.00 | 880.00 |
| | Small Hall | 530.00 | 550.00 |
| | Deposit | 530.00 | 550.00 |
| | Commercial use - | | |
| | Prior occupation per day | 380.00 | 400.00 |
| | Main Hall (per day) | 2,100.00 | 2,200.00 |
| | Key deposit | 7,400.00 | 7,500.00 |
| | Small Hall (per day) | 840.00 | 850.00 |
| | Key deposit | 840.00 | 850.00 |
| | Kitchen (per day) | 270.00 | 280.00 |
| | Key deposit | 320.00 | 330.00 |
| | Braai (per day) | 270.00 | 290.00 |
| | Key deposit | 320.00 | 340.00 |
| | Conference room | 160.00 | 180.00 |
| | Key deposit | 160.00 | 180.00 |

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| 1.2.9 | **West-End Club** | | |
| | Commercial use - | | |
| | Prior occupation per day | 370.00 | 380.00 |
| | Main Hall (per day) | 2,000.00 | 2,100.00 |
| | Key deposit | 5,800.00 | 5,900.00 |
| | Competitive sport - | | |
| | Prior occupation per day | 370.00 | 380.00 |
| | Main Hall (per day) | 530.00 | 540.00 |
| | Key deposit | 530.00 | 540.00 |
| | Training sessions - | | |
| | Main Hall (per hour) | 85.00 | 90.00 |
| | Key deposit | 105.00 | 110.00 |
| | Main Hall (other than specified) | 950.00 | 970.00 |
| | Key deposit | 950.00 | 970.00 |
| | Kitchen | 270.00 | 280.00 |
| | Key deposit | 320.00 | 330.00 |
| | Braai area | 270.00 | 280.00 |
| | Key deposit | 210.00 | 220.00 |
| | Trog Bar | 370.00 | 380.00 |
| | Key deposit | 210.00 | 220.00 |
| | Soccer Field | 270.00 | 280.00 |
| | Key deposit | 320.00 | 330.00 |
| | Cricket field | 270.00 | 280.00 |
| | Key deposit | 320.00 | 330.00 |
| | Air Conditioner | 210.00 | 220.00 |
| | | | |
| | **MEMBERSHIP FEES (Per annum)** | | |
| | All membership fees is payable before or on 31st July of each year. | | |
| | Sol Plaatje Municipality package for employees | 130.00 | 140.00 |
| | Outside family package | 250.00 | 260.00 |
| | Members of a Sport Section: | | |
| | (40 and more members) | 230.00 | 240.00 |
| | (30-39 members) | 270.00 | 280.00 |
| | (20-29 members) | 290.00 | 300.00 |
| | (1-29 members) | 320.00 | 330.00 |
| | Students | 160.00 | 170.00 |
| | Pensioners | 160.00 | 170.00 |
| | Scholars | 130.00 | 140.00 |
| | Discount for Club Members | 20.00% | 20.00% |
| | (Hiring of Main Hall and Braai Area) | | |
| | Deposit on hiring of facilities | 50% of total | 50% of total |
| | (Within 7 days of the request for the reservation) | amount | Amount |

Cancellation

If a reservation is cancelled within 30 days of occupation the r the refund to the client will be 50% of the deposit amount paid.

If a reservation is cancelled within 10 days of occupation the c the client will forfeit the total deposit amount paid.

**Conditions**

1. Right of admission reserved.
2. Facility used at own risk.
3. Total reservation fee to be paid within 10 (ten) days of booking.
4. Payment to be made in relation to booking.
5. Facility may not be used unless payment is received in advance.
6. Use of the facility will not be allowed unless a contract has been completed and signed by the Lessee.
7. No equipment may be removed from the facility.
8. Facility to be left in same condition as it was found on occupation.
9. Lessee will be held responsible for any littering, damages or loss of any equipment of the property and strict action will be taken against such lessee.
10. Losses and breakages of any items brought onto the premises by the lessee will not be compensated by the lessor of this facility.
11. A fee of R350.00 will be paid if the lessee needs to decorate the hall one day or more before the function.
12. Canceling of bookings - see cancellations.

13. No private liquor allowed on premises. No private bar allowed on premises. Strict adherence to the aforementioned can lead to arrest, prohibition from the facility and forfeiture of total deposit.
14. A corkage fee of R10.00 must be paid for wine and champagne.
15. The playing of musical instruments, live musical performances and any other form of amplified music is prohibited outdoors. The playing of music will be allowed indoor only until 24:00.
16. Ignorance of any of the above can lead to: Arrest, prohibition from the facility and forfeiture of total deposit.
17. All reservations will be accommodated on the basis of first come first served.

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| 1.2.10 | **Open Mine Caravan Park** | | |
| | Caravans - (per Caravan) | 60.00 | 65.00 |
| | - (per person) | 27.00 | 30.00 |
| | Caravan Club | | |
| | Minimum of 20 Caravans - (per Caravan) | 45.00 | 50.00 |
| | - (per person) | 30.00 | 30.00 |
| | Pensioners - (per Caravan) | 45.00 | 50.00 |
| | - (per person) | 25.00 | 25.00 |
| | Tent (per site) | 45.00 | 50.00 |
| | (per person) | 30.00 | 30.00 |
| | Day Visitors: | | |
| | Car (per car) | 35.00 | 35.00 |
| | (per person) | 30.00 | 40.00 |
| | Bus (per bus) | 140.00 | 160.00 |
| | (per person) | 30.00 | 30.00 |
| 1.3 | **BURIAL PLOT FEES (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)** | | |
| 1.3.1 | **West-End and Kenilworth Cemeteries** | | |
| | Re-opening (casket) | 415.00 | 445.00 |
| | Re-opening (adults) | 330.00 | 360.00 |
| | Re-opening (babies) | 250.00 | 280.00 |
| | Burial of ashes | 80.00 | 90.00 |
| | Grave fees (adult) | 590.00 | 620.00 |
| | Grave fees (children under 7) | 460.00 | 490.00 |
| | Special graves (casket) | 800.00 | 900.00 |
| | Wall of Remembrance (per niche) | 420.00 | 420.00 |
| | Two burials per grave | 900.00 | 930.00 |
| | Reserved graves | 1,200.00 | 1,300.00 |
| | Monument erection fee - single graves | 150.00 | 180.00 |
| | Monument erection fee - double graves | 290.00 | 320.00 |
| | Sundry payment - Saturday funerals | 400.00 | 430.00 |
| 1.3.2 | **Roodepan and Ritchie Cemeteries** | | |
| | Re-opening (casket) | 340.00 | 370.00 |
| | Re-opening (adults) | 250.00 | 280.00 |
| | Re-opening (babies) | 200.00 | 230.00 |
| | Burial of ashes | 80.00 | 90.00 |
| | Grave fees (adult) | 480.00 | 510.00 |
| | Grave fees (children under 7) | 290.00 | 320.00 |
| | Special graves (casket) | 620.00 | 720.00 |
| | Pauper graves | 110.00 | 140.00 |
| | Two burials per grave | 840.00 | 940.00 |
| | Reserved graves | 760.00 | 860.00 |
| | Monument erection fee - single graves | 150.00 | 180.00 |
| | Monument erection fee - double graves | 290.00 | 320.00 |
| | Sundry payment - Saturday funerals | 400.00 | 430.00 |

When labour is not available (during stay-a-ways) for funerals the Undertakers be given R80.00 for re-opening and R65.00 for the closure of graves.

| | | PRESENT TARIFFS | PROPOSED TARIFFS 7/1/2009 |
|---|---|---|---|
| | | R | R |
| 1.3.3 | **Galeshewe, Greenpoint, Motswedimosa and Rietvale Cemeteries** | | |
| | Re-opening (casket) | 290.00 | 320.00 |
| | Re-opening (adults) | 270.00 | 300.00 |
| | Re-opening (babies) | 190.00 | 220.00 |
| | Burial of ashes | 780.00 | 790.00 |
| | Grave fees (adult) | 360.00 | 390.00 |
| | Grave fees (children under 7) | 260.00 | 290.00 |
| | Special graves (casket) | 410.00 | 510.00 |
| | Pauper graves | 105.00 | 135.00 |
| | Two burials per grave | 350.00 | 450.00 |
| | Reserved graves | 420.00 | 520.00 |
| | Monument erection fee - single graves | 150.00 | 180.00 |
| | Monument erection fee - double graves | 290.00 | 320.00 |
| | **New Cemetery** | | |
| | Re-opening (dome casket/casket) | | 320.00 |
| | Re-opening (adults)-normal | | 300.00 |
| | Re-opening (babies) | | 220.00 |
| | Burial of ashes | | 790.00 |
| | Grave fees (adult) | | 390.00 |
| | Grave fees (children under 7) | | 290.00 |
| | Special graves (dome casket/casket) | | 510.00 |
| | Pauper graves | | 135.00 |
| | Two burials per grave | | 450.00 |
| | Reserved graves | | 520.00 |
| | Monument erection fee - single graves | | 180.00 |
| | Monument erection fee - double graves | | 320.00 |

When labour is not available (during stay-a-ways) for funerals the Undertakers be given R80.00 for re-opening and R65.00 for the closure of graves.

1.4 **PLEASURE RESORTS AND CARAVAN PARKS (COMMUNITY & SOCIAL DEVELOPMENT SERVICES**

50% Discount on school groups with a minimum of 30 day visitors (Riverton).

That a 10% commission be paid to Travel Institutions that make bookings at the Pleasure Resorts (accommodation only).

That a 10% commission be paid to Consultants who make bookings at the Pleasure Resorts (accommodation only).

That a 10% levy be charged on the normal tariff on all one-day reservations during weekends and long weekends.

Accommodation cancellation
If a reservation is cancelled within 20 days of occupation the refund to the client will be 85% of the total amount paid.

If a reservation is cancelled within 10 days of occupation the client will forfeit the total deposit amount paid.

No refund will be made to a client who does not arrive or who departs prior to the departure date.

Accommodation deposit
A deposit must be paid within 72 hours of the date of the request for a reservation. Deposit amount is 50% of total amount.

| | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|

1.4.1 **Riverton Pleasure Resort**

Chalets/Villas

To be hired at a basic tariff of R100.00 per unit and a rate of R65.00 per bed available in the unit, with the proviso that if a five-bed unit is available and only a four-bed unit is required, the tariff for a four-bed unit is applicable (converted to the nearest multiple of 5).

Rondavels

To be hired at a basic tariff of R60.00 per unit and a rate of R60.00 per bed available in the unit. If group bookings are made where more than 50 beds are required, a 15% discount becomes applicable.

| Caravan Park | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|
| Caravan (per day) | 55.00 | 55.00 |
| Per person (per day) | 15.00 | 15.00 |
| Caravan Clubs (minimum of 15 caravans) (excluding December holidays) | 30% discount | 30% discount |
| Pensioners (excluding December holidays) | 50% discount | 50% discount |
| Super Tube per 5 rides | 5.00 | 5.00 |
| Day visitors | 15.00 | 15.00 |
| Day visitors (1 May - 31 August) | 9.00 | 9.00 |
| Cars | 5.00 | 5.00 |
| Season ticket (minimum 100 tickets) | 50% discount | 50% discount |
| Boats | 20.00 | 20.00 |
| Wood (per bundle) | N \ A | N \ A |
| Ice (per pack) | N \ A | N \ A |
| Hall (for period of 24 hours) | 300.00 | 300.00 |
| Sale of grass per m2 (only Garden Dealers) | N \ A | N \ A |
| Sale of Souvenirs | N \ A | N \ A |

| Key deposits | | |
|---|---|---|
| Chalets and Villas | 150.00 | 150.00 |
| Rondavels | 150.00 | 150.00 |
| Hall | 200.00 | 200.00 |
| Group reservations | 5,000.00 | 5,000.00 |

For calculation of tariffs, a day will be calculated from 15:00 - 11:00 the following day or part thereof. In the event of these times being exceeded a pro-rata hourly rate of 10% of the tariff will be recovered from the deposit. If the occupier should choose to occupy the living unit before the stipulated time the abovementioned payment of 10% will be payable, subject to availability.

1.4.2 **Langleg Pleasure Resort**

Chalets

To be hired at a basic tariff of R100.00 per unit and a rate of R45.00 per bed available.

Rondavels

To be hired at a basic tariff of R100.00 per unit and a rate of R35.00 per bed available in unit.

| Key deposits | | |
|---|---|---|
| Resort | 10,000.00 | 10,000.00 |
| Chalets | 150.00 | 150.00 |
| Rondavels | 150.00 | 150.00 |

Music Festivals/Rallies: R10-00 per person entering the facility plus accommodation costs. (Key deposit of R10000-00 as well as payment for 10 (ten) security guards from a recognized security company on the day of the festival is compulsory)

| Camping sites | | |
|---|---|---|
| Tent (per day) | 45.00 | 45.00 |
| Per person (per day) | 12.00 | 12.00 |

| | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|
| Caravans | | |
| Per caravan (per day) | 45.00 | 45.00 |
| Per person (per day) | 12.00 | 12.00 |
| | | |
| Hall | | |
| 24-hour period | 330.00 | 330.00 |
| Per person | 10.00 | 10.00 |
| Key deposit | 300.00 | 300.00 |
| | | |
| Day visitors | | |
| Per person | 10.00 | 10.00 |
| Cars | 5.00 | 5.00 |
| | | |
| Group accommodation | | |
| Key deposit per unit | 500.00 | 500.00 |
| Per person per night (without bedding) | 45.00 | 45.00 |
| Per person per night (with bedding) | 60.00 | 60.00 |

For calculation of tariffs, a day will be calculated from 15:00 - 11:00 the following day or a part thereof. In the event of these times being exceeded a pro-rata hourly rate of 10% of the tariff will be recovered from the deposit. If the occupier should choose to occupy the living unit before the stipulated time the abovementioned payment of 10% will be payable, subject to availability.

1.4.3 **Rekaofela and Transka Pleasure Resorts**

| | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|
| Chalets : Rekaofela | | |
| To be hired at a basic tariff of R100.00 per unit and a rate of R90.00 per bed available. (Amount converted to the nearest multiple of 5). A minimum of two beds per unit only applicable on 3-bed Chalets. | | |
| Key deposit | 150.00 | 150.00 |
| | | |
| Chalets : Transka | | |
| To be hired at a basic tariff of R100-00 per unit and a rate of R40-00 per bed available in the unit. | | |
| Key deposit | 150.00 | 150.00 |
| | | |
| Caravan Park :Transka | | |
| Caravan (per day) | 25.00 | 25.00 |
| Per person (per day) | 9.00 | 9.00 |
| | | |
| Group accommodation | | |
| Transka - per person per night (with bedding) | 60.00 | 60.00 |
| Transka - per person per night (without bedding) | 40.00 | 40.00 |
| Rekaofela - per person per night | 60.00 | 60.00 |
| Key deposit (per sleeping unit) | 500.00 | 500.00 |
| Hall - (24-hour period) Kopano | 300.00 | 300.00 |
| - (48-hour period) | 320.00 | 320.00 |
| - (72-hour period) | 360.00 | 360.00 |
| - (96-hour period) | 420.00 | 420.00 |
| (More than 96 hours) | 480.00 | 480.00 |
| Key deposit | 300.00 | 300.00 |
| | | |
| **Training Centre - Mongano Hall** | | |
| Per person per night | 60.00 | 60.00 |
| Key deposit (per unit) | 500.00 | 500.00 |
| Hall - (24-hour period) | 480.00 | 480.00 |
| - (48-hour period) | 520.00 | 520.00 |
| - (72-hour period) | 580.00 | 580.00 |
| - (96-hour period) | 660.00 | 660.00 |
| (More than 96 hours) | 700.00 | 700.00 |
| Key deposit | 500.00 | 500.00 |
| Prior occupation | 100.00 | 100.00 |

| | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|
| **Recreation Hall - Riverside Hall** | | |
| Hall - (24-hour period) | 800.00 | 800.00 |
| - (48-hour period) | 850.00 | 850.00 |
| - (72-hour period) | 900.00 | 900.00 |
| - (96-hour period) | 950.00 | 950.00 |
| (More than 96 hours) | 1,000.00 | 1,000.00 |
| Prior occupation (per day) | 150.00 | 150.00 |
| Key deposit | 500.00 | 500.00 |
| **Conference Hall** | | |
| Hall, tables and chairs - (10 persons per 24-hour period) | 100.00 | 100.00 |
| Hall, tables and chairs - (25 persons per 24-hour period) | 150.00 | 150.00 |
| Meals and refreshments | | |
| That a 10% levy be charged on all catering costs over weekends, long weekends and public holidays. | | |
| **Catering at Rekaofela Resort is compulsory** | | |
| **No outside Caterers are allowed to do catering at this facility** | | |
| Daikly conference tariff: R260,00 per person per day for a minimum of 20 delegates | | |
| Breakfast | 20.00 | 20.00 |
| | 25.00 | 25.00 |
| | 28.00 | 28.00 |
| | 30.00 | 30.00 |
| | 35.00 | 35.00 |
| | 41.00 | 41.00 |
| Lunch | 15.00 | 15.00 |
| | 18.00 | 18.00 |
| | 22.00 | 22.00 |
| | 25.00 | 25.00 |
| | 27.00 | 27.00 |
| | 30.00 | 30.00 |
| | 32.00 | 32.00 |
| | 35.00 | 35.00 |
| | 38.00 | 38.00 |
| | 40.00 | 40.00 |
| | 42.00 | 42.00 |
| | 45.00 | 45.00 |
| | 50.00 | 50.00 |
| Dinner | 20.00 | 20.00 |
| | 22.00 | 22.00 |
| | 25.00 | 25.00 |
| | 27.00 | 27.00 |
| | 28.00 | 28.00 |
| | 30.00 | 30.00 |
| | 32.00 | 32.00 |
| | 35.00 | 35.00 |
| | 38.00 | 38.00 |
| | 42.00 | 42.00 |
| | 50.00 | 50.00 |
| | 60.00 | 60.00 |
| Additional meals | | |
| Finger lunch per person | 18.00 | 18.00 |
| | 25.00 | 25.00 |
| | 35.00 | 35.00 |
| | 45.00 | 45.00 |
| | 52.00 | 52.00 |
| | 65.00 | 65.00 |

| | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|
| Spitbraai per person | 85.00 | 85.00 |
| Weddings per person | 40.00 | 40.00 |
| | 45.00 | 45.00 |
| | 50.00 | 50.00 |
| | 65.00 | 65.00 |
| | 70.00 | 70.00 |
| | 75.00 | 75.00 |
| | 80.00 | 80.00 |
| | 90.00 | 90.00 |
| | 120.00 | 120.00 |
| | 145.00 | 145.00 |
| Coffee/Tea & Refreshments | | |
| Coffee/Tea (per person) | 6.00 | 6.00 |
| Coffee/Tea & refreshments (per person) | 10.00 | 10.00 |
| Tablecloths (weddings) each | 8.00 | 8.00 |
| Crockery and cutlery (per day) | 120.00 | 120.00 |
| Overhead projector (per day) | 25.00 | 25.00 |
| Video machine (per day) | 15.00 | 15.00 |
| Television (per day) | 15.00 | 15.00 |
| Flip chart | 15.00 | 15.00 |
| Flip chart paper (per batch) | 35.00 | 35.00 |
| Cool room (24-hours) | 25.00 | 25.00 |
| Kopano Hall - Audio visual equipment | 80.00 | 80.00 |
| Tables and chairs | 100.00 | 100.00 |
| Printing charges and phone calls | | |
| Paper prints - A4 | 0.65 | 0.65 |
| Paper prints - A3 | 1.50 | 1.50 |
| Fax - A4 | 5.00 | 5.00 |
| Phone calls (normal charge) plus | 25.00% | 25.00% |
| Day Visitor Tariff | | |
| Per person (Transka) | 10.00 | 10.00 |
| School children out of season (Transka) | 5.00 | 5.00 |
| Per person (Rekaofela - organized groups of 50+) | 20.00 | 20.00 |
| Buses (15 Seater and more) / Cars | 15.00 | 15.00 |
| Putt-Putt | 7.00 | 7.00 |
| Wood (per bundle) | 9.00 | 9.00 |
| Wood (per bag) | 20.00 | 20.00 |
| Ice (per pack) | 5.00 | 5.00 |
| Sale of grass per m2 (only Garden Dealers) | 8.00 | 8.00 |
| Sale of Souvenirs | 25% mark up | 25% mark up |

For calculation of tariffs, a day will be calculated from 15:00 - 11:00 the following day or part thereof. In the event of these times being exceeded a pro-rata hourly rate of 10% of the tariff will be recovered from the deposit. If the occupier should choose to occupy the living unit before the stipulated time the abovementioned payment of 10% will be payable, subject to availability.

| Hire of Lapas | | |
|---|---|---|
| Lapa A | 200.00 | 200.00 |
| Lapa B | 200.00 | 200.00 |
| Lapa C | 150.00 | 150.00 |
| Key deposits on A, B and C | 50.00 | 50.00 |

Cancellation fee on Conferences, Seminars and Training sessions is 25% of the total reservation fee.

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| | Hire of swimming pools for special occasions (i.e. Gala's) | 200.00 | 200.00 |
| | Practice sessions for gala's (only organised groups) (Per person and between 11:00-15:00 from Monday - Friday) | 5.00 | 5.00 |
| 1.4.4 | **Adventure Centre** | | |
| | Course fees | | |
| | Instruction (per activity, per person) | 150.00 | 150.00 |
| | 1-Activity introduction (per person) - instruction, refreshments, equipment | 170.00 | 170.00 |
| | Sales | | |
| | Sale of Souvenirs | 35% mark up | 35% mark up |
| | Sale of Tuck | 25% mark up | 25% mark up |
| | Instructor's fees | | |
| | Instructor's fees per day (with OAA Level 2 training) | 200.00 | 200.00 |
| | Instructor's fees per day (with OAA Level 3 training) | 250.00 | 250.00 |
| | Instructor's transport costs (per Km) | 1.20 | 1.20 |

Cancellation fee is 25% of the total reservation fee.

CONDITIONS:

1. Right of admission reserved.
2. Entry at own risk.
3. Private parties are not allowed in any accommodation.
4. Noise or disturbing music is not allowed.
5. The refund of key deposits between 07:00 - 11:30, after the chalet has been checked by a member of the Resort Staff.
6. No refunds during weekends.
7. No parking on grass or paving areas.
8. No bedding and equipment may be removed from the chalets or may be used outside the chalet.
9. A day is calculated from 15:00 - 11:00 the next day.
10. No day visitors are allowed at the chalets without the knowledge of the Manager.
11. Day visitors must leave the premises at 18:00.
12. The amount of people will be determined by the amount of beds in the chalets.
13. No animals are allowed in the Resort.
14. Payment to be made in relation to the booking made.
15. If the chalets are evacuated later than 11:00, an additional tariff will be charged.
16. The chalets must be left in the same condition as it was found on occupation.
17. The visitors will be responsible for any damages or loss of any equipment in the chalets.
18. Strict action will be taken against any person who damages or removes any equipment or belongings of the Sol Plaatje Pleasure Resorts.
19. No visitor has the authority to choose his chalet or stand to be occupied.
20. Hotplates may only be used to cook on and not as heaters.
21. No tents may be erected next to accommodation units.
22. Ignorance or any of the above can lead to (*without refunding of any payment made in advance)* arrests, prohibitance from the Resort and no refunds on key deposits.
23. The management has the authority to determine whether any occupier's behaviour is acceptable to the Resort Manager.
24. Normal meal hours will be: 08:00 - 09:00; 13:00 - 14:00; 18:00 - 19:00. A levy of 10% will be charged on all meals taken outside the normal meal hours.
25. There will be no refund of the payment should the occupier cancel any time during their visit or should the person be prohibited from the resort.
26. All meals at weddings will be served not later than 20H00 and the kitchen will be closed at 22h30. A levy equal to the key deposit on the hall will be charged in the care of exceeding the prescribed hours.
27. The serving of meals in all cases will not exceed the 2.5 hour prescribed time frame.

1.5 **HOUSING (SERVICES & INFRASTRUCTURE)**

That the rental on all Municipal Renting Schemes be increased as per National Housing Guidelines as per the following based on market related rentals:

| | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|
| Impala Court | | |
| 1 Bedroom | 670.00 | 750.00 |
| 2 Bedroom | 840.00 | 940.00 |
| Hercules Court | | |
| 1 Bedroom | 743.00 | 832.00 |
| 2 Bedroom | 919.00 | 1,030.00 |
| Holland Court | | |
| 1 Bedroom | 996.00 | 1,115.00 |
| 2 Bedroom | 1,216.00 | 1,361.00 |
| 3 Bedroom | 1,280.00 | 1,433.00 |
| Bachelor | 860.00 | 963.00 |
| Newton Court | | |
| 1 Bedroom | 1,093.00 | 1,225.00 |
| 2 Bedroom | 1,348.00 | 1,510.00 |
| 3 Bedroom | 1,537.00 | 1,722.00 |
| Tiffany Court | | |
| 2 Bedroom | 1,349.00 | 1,511.00 |
| Eugenie Court | | |
| 1 Bedroom | 1,083.00 | 1,213.00 |
| 2 Bedroom | 1,285.00 | 1,440.00 |
| Jonker Court | | |
| 1 Bedroom | 894.00 | 1,002.00 |
| 2 Bedroom | 1,080.00 | 1,210.00 |
| Eureka Court | | |
| 1 Bedroom | 894.00 | 1,002.00 |
| 2 Bedroom | 1,080.00 | 1,210.00 |
| Krisant Court | | |
| 1 Bedroom | 857.00 | 960.00 |
| 2 Bedroom | 1,092.00 | 1,224.00 |
| Roodepan Flats | | |
| 1 Bedroom | 325.00 | 364.00 |
| 2 Bedroom | 542.00 | 607.00 |
| 3 Bedroom | 731.00 | 819.00 |
| Flamingo Court | | |
| 1 Bedroom | 560.00 | 628.00 |
| 2 Bedroom | 702.00 | 787.00 |
| Bachelor | 511.00 | 573.00 |
| Carports | | |
| Carport with locking facility (per month) | 45.00 | 51.00 |
| Carport without locking facility (per month) | 21.00 | 24.00 |
| Key deposit | 50.00 | 56.00 |
| Selling Schemes | | |
| Administration charges | 40.00 | 45.00 |
| Insurance | 20.00 | 23.00 |

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| 1.6 | **MARK (STRATEGY, ECONOMIC DEVELOPMENT & PLANNING SERVICES)** | | |
| | Huur | | |
| | Kantoor (per m2) per maand | 12.20 | 13.65 |
| | Koelkamers per maand | | |
| | Buite | 1,180.00 | 1,325.00 |
| | Binne | 2,364.00 | 2,650.00 |
| | Buite geboue (per m2) per maand | 14.80 | 16.60 |
| | Parkering per maand | 27.20 | 30.50 |
| | Transaksiefooi per transaksie | 0.20 | 0.25 |
| | Rypmaakkoste per houer | 1.55 | 1.75 |
| | Trollies per dag | | |
| | Trekwaentjies | 2.20 | 2.50 |
| | Pomptrollies | 11.00 | 12.35 |
| | Stoorruimte (per m2) per maand | 4.30 | 4.85 |
| 1.7 | **SIDEWALK AND ROAD TARIFFS (SERVICES & INFRASTRUCTURE** | | |
| | Lowered curbing per meter | 240.00 | 270.00 |
| | Per safety pole on sidewalk | 240.00 | 270.00 |
| | Tar patching work per m2 - area ÷ 30mm thickness installed | 650.00 | 728.00 |
| | Red soil and Gravel: | | |
| | Sale of red soil and gravel to institutes, e.g. Schools, Churches, District Council etc. | | |
| | - Collected at stockpile per 5 m3 (Truck) | 70.00 | 80.00 |
| | - Delivery in Kimberley per 5 m3 | 145.00 | 165.00 |
| | Lowered kerbs inspections | 115.00 | 130.00 |
| | Erf peg inspections (per inspection) | 40.00 | 45.00 |
| | Advertising | | |
| | Guest House board - single sided | 295.00 | 330.00 |
| | Guest House board - double sided | 415.00 | 465.00 |
| | Directional signage per board as per Manufacturer, plus: | | |
| | * on existing posts | 52.00 | 59.00 |
| | * planting of new posts | 630.00 | 706.00 |
| | Application to display - Advert Signs | 163.00 | 183.00 |
| | Advertising signs displayed on municipal property | 81.00 | 91.00 |
| 1.8 | **URBAN PLANNING (STRATEGY, ECONOMIC DEVELOPMENT & PLANNING SERVICES)** | | |
| 1.8.1 | **Building Control Section** | | |
| | Building Plan Inspection Fees | | |
| | The fees for the approval of building plans of all buildings (including covered stoep, veranda's, carports and outbuildings) calculated along the external walls on each floor and excluding the areas of external staircases, chimney breasts, architectural features and eaves, are as follows: | | |
| | The minimum charge for any approval | 200.00 | 300.00 |
| | Minor building work as defined in the definitions of the NBR | 200.00 | 300.00 |
| | Swimming Pool | 200.00 | 300.00 |

| | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|
| Re-inspection of defective work | | |
| (every inspection more than two) | 200.00 | 300.00 |
| Re-submission of lapsed plans | 500.00 | 600.00 |
| Alterations to drainage systems | 200.00 | 300.00 |
| For all new buildings per m2 | 6.00 | 9.00 |
| For all as-built buildings, completed or under construction | New | 25.00 |
| For new buildings over 500m2 (per m2) | 6.00 | 8.00 |
| For all new buildings per m2 exceeding 1000m2 | New | 7.00 |
| Per Government subsidized house | 100.00 | 150.00 |
| For additions to any existing building per m2 | 6.00 | 8.00 |
| For additions over 500m2 (per m2) | 6.00 | 9.00 |
| For internal alterations to existing buildings, | | |
| Between 0 & 250m2 any existing building per m2 | 500.00 | 600.00 |
| Between 250 & 500m2 any existing building per m2 | 650.00 | 700.00 |
| Between 500 & 750m2 any existing building per m2 | 1,000.00 | 1,200.00 |
| Between 750 & 1000m2 any existing building per m2 | 2,000.00 | 2,200.00 |
| Between 1000 & 5000m2 any existing building per m2 | 4,000.00 | 4,500.00 |
| Between 5000 & 10000m2 any existing building per m2 | 7,000.00 | 7,500.00 |
| Private Contractors - Council supervision per m2 | | |
| per house type (over and above inspection fees) | 10.00 | 50.00 |
| Postage of Plans | 100.00 | 150.00 |

1.8.2 **Application fees**
**Services rendered:**

| | | |
|---|---|---|
| **Application in terms of the Northern Cape Planning and Development Act, 1998 (Act 7 of 1998) : Basic fee plus** | 850.00 | 950.00 |
| Rezoning | 400.00 | 450.00 |
| Consent use / Conditional uses | 400.00 | 450.00 |
| All Departures to be approved by Council | 400.00 | 450.00 |
| (except delegated departures) | | |
| Subdivision: | | |
| Basic subdivision fee | 380.00 | 500.00 |
| Thereafter: | | |
| 3-10 erven an additional R100-00 (per erf) | 110.00 | 110.00 |
| 11-50 erven an additional R50-00 (per erf) | 55.00 | 55.00 |
| 51 and above erven an additional R10-00 (per erf) | 11.00 | 11.00 |
| Advertising deposit per application | 1,000.00 | 1,000.00 |
| (Local Newspaper) | | |
| Removal, Suspension or Amendment of Title Deed | 400.00 | 450.00 |
| Advertising: Government Gazette | 2,800.00 | 3,000.00 |
| Advertising: Local Newspaper (two placements) | 2,000.00 | 2,000.00 |
| Amendment of condition of approval/layout plan of | 450.00 | 450.00 |
| previous Council decision without the basic fee | (no basic fee) | |
| Extension of Council approval without basic fee | 200.00 | 450.00 |
| | (no basic fee) | |
| **Delegated Departures as per Zoning Scheme:** | | |
| Delegated departures (coverage: Erven less than | | |
| 500m² not exceeding 60%) | 300.00 | 300.00 |
| Delegated departures (second dwelling: max 75m²) | 300.00 | 300.00 |
| (excluding electrical contribution fees) | | |

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| | Delegated departures (garages/carports: not exceeding 6m on Street Building Lines except title conditions for garages) | 300.00 | 300.00 |
| | All departures excluding the above for Council approval | 800.00 | 950.00 |
| | **Home Businesses: Per application only (No basic fee)** | | |
| | Home business registration | 200.00 | 200.00 |
| | Home business registration (Galeshewe) | 200.00 | 200.00 |
| | **Other:** | | |
| | Information (without copy costs) | 15.00 | 15.00 |
| | Zoning Certificate | 50.00 | 50.00 |
| | CUP Reports/SDF/LUMS/IDP/GURP | 450.00 | 500.00 |
| | Building Plan research (without copy costs) | 15.00 | 15.00 |
| | Building statistics - Monthly | 60.00 | 70.00 |
| | - Annually | 650.00 | 700.00 |
| 1.8.3 | **Advertising** | | |
| | Application to display - Advertising signs | 500.00 | 750.00 |
| | Advertising signs displayed on municipal property - per sign/per annum at businesses | 100.00 | 300.00 |
| 1.8.4 | **Plan Printing Charges** | | |
| | Paper prints: | | |
| | Size A4 | 1.00 | 1.00 |
| | Size A3 | 1.00 | 1.00 |
| | Size A2 | 6.00 | 6.00 |
| | Size A1 | 25.00 | 30.00 |
| | Size A0 | 35.00 | 40.00 |
| | Opaque Film Prints & Transparent Prints | | |
| | Size A4 | 10.00 | 12.00 |
| | Size A3 | 15.00 | 20.00 |
| | Size A2 | 50.00 | 60.00 |
| | Size A1 | 70.00 | 90.00 |
| | Size A0 | 110.00 | 140.00 |
| | Plans plotted by REGIS System | | |
| | Size A4 | 20.00 | 30.00 |
| | Size A3 | 30.00 | 40.00 |
| | Size A2 | 70.00 | 80.00 |
| | Size A1 | 100.00 | 120.00 |
| | Size A0 | 120.00 | 140.00 |
| | **Other** | | |
| | Information (without copy cart) | 10.00 | 10.00 |
| | Zoning Certificate | | 50.00 |
| | CUP Reports/SDF/LUMS/IDP/GURP | 400.00 | 500.00 |
| | Building Plan search fee (without copy cart) | 10.00 | 15.00 |
| | Building Statistics - Monthly | 50.00 | 60.00 |
| | - Annually | 550.00 | 660.00 |

| | PRESENT TARIFFS R | PROPOSED TARIFFS 1/7/2009 R |
|---|---|---|
| Building Occupancy Certificate | | 30.00 |
| Compulsory (removal executed by Municipal) of Building rubble per m3 load | | 100.00 |
| Penalty on illegal building structure/s, per day and to be attached to account | | 100.00 |
| Penalty on illegal encroaching to adjacent erf/erven, per day and to be attached to account | | 100.00 |
| Penalty on Illegal usage of property other than as zoned, per day and to be attached to account | | 100.00 |
| Penalty on Illegal closing of adjacent neighbour access, per day and to be attached to account | | 100.00 |
| Penalty on Illegal closing for storm water flow allowance, per day and to be attached to account | | 100.00 |
| Penalty on deviation from approved building plan/s, per day and to be attached to account | | 100.00 |
| Penalty on illegal encroaching to municipality land or property, per day and to be attached to account | | 100.00 |

1.9 **ADMINISTRATION (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)**

1.9.1 **TARIFFS FOR RECREATION HALL**

| | PRESENT TARIFFS R | PROPOSED TARIFFS 1/7/2009 R |
|---|---|---|
| Development Sport | | |
| Training sessions (Monday - Thursday) | | |
| 07:45 - 16:30 (per hour) | 15.00 | 20.00 |
| Deposit | 40.00 | 50.00 |
| Monday - Friday | | |
| 07:00 - 12:00 (per session) | 120.00 | 150.00 |
| 12:00 - 17:00 (per session) | 120.00 | 150.00 |
| 17:00 - 07:00 (per hour) | 150.00 | 180.00 |
| Deposit | 500.00 | 500.00 |
| Saturdays | | |
| A basic fee is charged for 4 hours or part thereof | 250.00 | 280.00 |
| For every additional hour which the facility is used an additional tariff is payable | 110.00 | 140.00 |
| Sundays & Public Holidays | | |
| A basic fee is charged for 4 hours or part thereof | 300.00 | 330.00 |
| For every additional hour which the facility is used an additional tariff is payable | 130.00 | 150.00 |
| All Dances | | |
| A basic fee is charged for 4 hours or part thereof | 700.00 | 1,000.00 |
| For every additional hour which the facility is used an additional tariff is payable | 200.00 | 300.00 |
| Funerals - for 4 hours | 250.00 | 280.00 |
| For every additional hour | 110.00 | 150.00 |
| Preparation fee (per hour) | 150.00 | 180.00 |

1.9.2 **TARIFFS FOR SOCIAL CENTRE, R C ELLIOTT HALL AND RITCHIE**

| | PRESENT TARIFFS R | PROPOSED TARIFFS 1/7/2009 R |
|---|---|---|
| Development Sport | | |
| Training sessions (Monday - Thursday) | | |
| 07:45 - 16:30 (per hour) | 15.00 | 20.00 |
| Deposit | 40.00 | 50.00 |
| Monday - Friday | | |
| 07:00 - 12:00 (per session) | 120.00 | 150.00 |
| 12:00 - 17:00 (per session) | 120.00 | 150.00 |
| 17:00 - 07:00 (per hour) | 150.00 | 180.00 |
| Deposit | 500.00 | 500.00 |
| Saturdays | | |
| A basic fee charged for 4 hours or part thereof | 250.00 | 280.00 |
| For every additional hour which the facility is used an additional tariff is payable | 110.00 | 140.00 |

| | PRESENT TARIFFS R | PROPOSED TARIFFS 1/7/2009 R |
|---|---|---|
| Sundays & Public Holidays | | |
| A basic fee is charged for 4 hours or part thereof | 300.00 | 330.00 |
| For every additional hour which the facility is used an additional tariff is payable | 130.00 | 150.00 |
| All Dances | | |
| A basic fee is charged for 4 hours or part thereof | 700.00 | 1,000.00 |
| For every additional hour which the facility is used an additional tariff is payable | 200.00 | 300.00 |
| Funerals - for 4 hours | 250.00 | 280.00 |
| For every additional hour | 110.00 | 150.00 |
| Preparation fee (per hour) | 150.00 | 180.00 |

1.9.3 **TARIFFS FOR FLORIANVILLE HALL**

| | PRESENT TARIFFS R | PROPOSED TARIFFS 1/7/2009 R |
|---|---|---|
| Development Sport | | |
| Training sessions (Monday - Thursday) | | |
| 07:45 - 16:30 (per hour) | 15.00 | 20.00 |
| Deposit | 40.00 | 50.00 |
| Monday - Friday | | |
| 07:00 - 12:00 (per session) | 120.00 | 150.00 |
| 12:00 - 17:00 (per session) | 120.00 | 150.00 |
| 17:00 - 07:00 (per hour) | 150.00 | 180.00 |
| Deposit | 500.00 | 500.00 |
| Saturdays | | |
| A basic fee charged for 4 hours or part thereof | 250.00 | 280.00 |
| For every additional hour which the facility is used an additional tariff is payable | 110.00 | 140.00 |
| Sundays & Public Holidays | | |
| A basic fee is charged for 4 hours or part thereof | 300.00 | 330.00 |
| For every additional hour which the facility is used an additional tariff is payable | 130.00 | 150.00 |
| All Dances | | |
| A basic fee is charged for 4 hours or part thereof | 700.00 | 1,000.00 |
| For every additional hour which the facility is used an additional tariff is payable | 200.00 | 300.00 |
| Funerals - for 4 hours | 250.00 | 280.00 |
| For every additional hour | 110.00 | 150.00 |
| Preparation fee (per hour) | 150.00 | 180.00 |

**GARDNER WILLIAMS HALL, GREENPOINT HALL AND GALESHEWE CENTRE (ABATHO BANTU HALL**

1.9.4 Development Sport

| | PRESENT TARIFFS R | PROPOSED TARIFFS 1/7/2009 R |
|---|---|---|
| Training sessions (Monday - Thursday) | | |
| 07:45 - 16:30 (per hour) | 15.00 | 20.00 |
| Deposit | 40.00 | 50.00 |
| Monday - Friday | | |
| 07:00 - 12:00 (per session) | 85.00 | 100.00 |
| 12:00 - 17:00 (per session) | 85.00 | 100.00 |
| 17:00 - 07:00 (per hour) | 90.00 | 100.00 |
| Deposit | 500.00 | 500.00 |

| | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|
| Saturdays | | |
| A basic fee charged for 4 hours or part thereof | 250.00 | 280.00 |
| For every additional hour which the facility is used an additional tariff is payable | 110.00 | 140.00 |
| Sundays & Public Holidays | | |
| A basic fee is charged for 4 hours or part thereof | 300.00 | 350.00 |
| For every additional hour which the facility is used an additional tariff is payable | 130.00 | 150.00 |
| All Dances | | |
| A basic fee is charged for 4 hours or part thereof | 700.00 | 800.00 |
| For every additional hour which the facility is used an additional tariff is payable | 200.00 | 300.00 |
| Funerals - for 4 hours | 250.00 | 350.00 |
| For every additional hour | 110.00 | 140.00 |
| Preparation fee (per hour) | 150.00 | 180.00 |

1.9.5 **CITY HALL**

| | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|
| Monday - Friday | | |
| 07:00 - 12:00 (per session) | 440.00 | 460.00 |
| 12:00 - 17:00 (per session) | 440.00 | 460.00 |
| 17:00 - 07:00 (per hour) | 240.00 | 250.00 |
| Deposit | 700.00 | 700.00 |
| Saturdays | | |
| A basic fee charged for 4 hours or part thereof | 630.00 | 650.00 |
| For every additional hour which the facility is used an additional tariff is payable | 160.00 | 180.00 |
| Sundays & Public Holidays | | |
| A basic fee is charged for 4 hours or part thereof | 680.00 | 700.00 |
| For every additional hour which the facility is used an additional tariff is payable | 210.00 | 230.00 |
| All Dances | | |
| A basic fee is charged for 4 hours or part thereof | 800.00 | 1,000.00 |
| For every additional hour which the facility is used an additional tariff is payable | 250.00 | 280.00 |
| Supper Room | | |
| 07:00 - 12:00 (per session) | 360.00 | 380.00 |
| 12:00 - 17:00 (per session) | 360.00 | 380.00 |
| 17:00 - 07:00 (per hour) | 480.00 | 480.00 |
| Funerals - for 4 hours | 630.00 | 700.00 |
| For every additional hour | 160.00 | 180.00 |
| Aircon \ 8 hour session | 400.00 | 450.00 |
| Preparation fee (per hour) | 150.00 | 200.00 |

It is proposed that if a request is received from the following organisations/institutions, that a 50% discount be granted:

* Registered Welfare Organisations
* Registered Non-profitable Organisations
* Schools
* Churches

NB. Government Departments to pay full tariff.

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| 1.9.6 | **TARIFFS FOR LEASE OF FURNITURE AND EQUIPMENT** | | |
| | Chairs (per chair) | 3.00 | 5.00 |
| | Tables (per table) | 15.00 | 20.00 |
| | Conference tables (per table) | 15.00 | 20.00 |
| | Deposit payable | 350.00 | 400.00 |
| | Urn | 55.00 | 60.00 |
| | Flip Chart | 55.00 | 60.00 |
| | Red Carpet | 220.00 | 250.00 |
| | Cathedra | 60.00 | 65.00 |
| 1.9.7 | **REGS- EN EIENDOMSDIENSTE** | | |
| | Administrasiekoste per transaksie gehef - 15% op die koop/huurprys: | | |
| | * Minimum | 290.00 | 325.00 |
| | * Maksimum | 1,750.00 | 1,960.00 |
| 1.9.8 | **TRAFFIC** | | |
| | **FUNCTIONS, MARCHES & SPORT** | | |
| | Monday to Saturday | | |
| | One or two Officers per event | 700.00 | 800.00 |
| | Three or four Officers per event | 1,400.00 | 1,600.00 |
| | More than four Officers per event | 1,750.00 | 2,000.00 |
| | Sunday and Public Holidays | | |
| | Per Officer per hour or part thereof | 500.00 | 600.00 |
| | **ESCORT OF ABNORMAL LOADS** | | |
| | Monday to Saturday | | |
| | Per Officer per hour or part thereof | 350.00 | 400.00 |
| | Sunday and Public Holidays | | |
| | Per Officer per hour or part thereof | 500.00 | 600.00 |
| | **RENTAL OF ROAD SIGNS** | | |
| | Renting of temporary Road Signs - | 100.00 | 150.00 |
| | **SEARCH FEES** | | |
| | Service of Summonses for other Local Authorities (per Summons executed) | 50.00 | 50.00 |
| 1.9.9 | **LIBRARY** | | |
| | Videos, Fiksie en Nie-fiksie / DVD | 5.00 | 5.00 |
| | Damaged barcode | 1.00 | 2.00 |
| | Postal tariffs : reminders | 6.00 | 6.00 |
| | Fines : per week | 0.90 | 1.00 |
| | : per month | 3.60 | 4.00 |
| | Maximum fine per item | 16.00 | 16.00 |
| | Reservation fee | 4.00 | 4.00 |
| | Admin fee : Phone calls | 8.00 | 8.00 |
| | Admin fee : Cell phone calls | 13.00 | 15.00 |
| | Book record covers | 2.50 | 4.00 |
| | Duplicate computer membership card | 18.00 | 18.00 |
| | Photocopy charges - A4 | 0.50 | 0.50 |
| | - A3 | 0.90 | 0.90 |
| | Country members (per annum) | 70.00 | 75.00 |
| | Visitors - deposit | 50.00 | 55.00 |
| | - fee | 80.00 | 80.00 |

| | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|
| Laminates: | | |
| A4 | 7.00 | 7.00 |
| A3 | 9.00 | 10.00 |
| 85mm x 60 | 2.50 | 3.00 |
| Inter library loans | 50.00 | 55.00 |
| Books rebinding | 40.00 | 40.00 |
| Toilet tariff | 0.50 | 0.50 |
| CD container / DVD | 4.00 | 5.00 |
| Research fee (inter library loans) | 5.00 | 10.00 |
| Fax facility: | | |
| Local per page | 4.00 | 4.00 |
| National per page | 7.00 | 7.00 |
| International per page | 30.00 | 30.00 |
| Faxes received per page | 2.50 | 2.50 |
| **MAIN- AND GALESHEWE LIBRARIES** | | |
| Non-profitable Organisations and Cultural Activities | | |
| Per session | 80.00 | 80.00 |
| Kitchen facilities | 40.00 | 40.00 |
| Deposit | 100.00 | 150.00 |
| Commercial Institutions and Political Parties | | |
| Per session | 175.00 | 180.00 |
| Kitchen facilities | 40.00 | 40.00 |
| Deposit | 100.00 | 150.00 |
| Audio visual material (per item) | 50.00 | 50.00 |
| Data Projector (Main Library only) per session | 200.00 | 200.00 |
| **HALL RENTALS** | | |
| **SONNY LEON LIBRARY** | | |
| Non-profitable organisations and Cultural Activities | | |
| Per session | 60.00 | 60.00 |
| Kitchen facilities | 40.00 | 40.00 |
| Deposit | 100.00 | 100.00 |
| Commercial Institutions and Political Parties | | |
| Per session | 90.00 | 100.00 |
| Kitchen facilities | 40.00 | 40.00 |
| Deposit | 100.00 | 150.00 |
| Audio visual material (per item) | 50.00 | 50.00 |
| **HALL RENTALS** | | |
| **BEACONSFIELD AND JUDY SCOTT LIBRARIES** | | |
| Non-profitable organizations and Cultural Activities | | |
| Per session | 60.00 | 60.00 |
| Kitchen | 40.00 | 40.00 |
| Deposit | 100.00 | 150.00 |
| Commercial Institutions and Political Parties | | |
| Per session | 100.00 | 110.00 |
| Kitchen facilities | 40.00 | 40.00 |
| Deposit | 100.00 | 150.00 |
| Audio visual material (per item) | 50.00 | 50.00 |
| **AFRICANA LIBRARY** | | |
| Research fees | | |
| National | 600.00 | 600.00 |
| International | 750.00 | 750.00 |

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| 1.9.10 | **EMERGENCY SERVICES** | | |
| | **Km Turnout fees** | | |
| | (Calculated per vehicle per Km traveled from turnout to the incident to return to the Fire Station) | | |
| | * Fire fighting vehicle | 9.60 | 10.56 |
| | * Assistance vehicle | 3.20 | 3.52 |
| | **Turnout fees for the fire fighting vehicles, portable pumps and assistance vehicles** | | |
| | (Calculated per fire fighting vehicle, portable pump or assistance vehicle for the first two (2) hours from turnout to the incident to the time the vehicle return to the Fire Station) | | |
| | Fire fighting vehicles / Rescue pumper | 710.00 | 781.00 |
| | Portable pump | 355.00 | 390.50 |
| | Assistance vehicle | 355.00 | 390.50 |
| | **Turnout fees for the fire fighting vehicles, portable pumps and assistance vehicles** | | |
| | (Calculated per fire fighting vehicle, portable pump or assistance vehicle for every hour or part thereof after the first two (2) hours from the first minute from the first two (2) hours to the time the vehicle return to the Fire Station) | | |
| | Fire fighting vehicles / Rescue pumper | 355.00 | 390.50 |
| | Portable pump | 245.00 | 269.50 |
| | Assistance vehicle | 245.00 | 269.50 |
| | **Personnel tariffs** | | |
| | (Calculated per personnel member on duty at the incident for every hour or part thereof from the turnout to the incident to the time the vehicle return to the Fire Station) | | |
| | Chief Emergency service or any member | 200.00 | 220.00 |
| | **Specialized equipment** | | |
| | (Calculated per unit used) | | |
| | Chemical extinguisher | 155.00 | 170.50 |
| | $CO^2$ extinguisher | 155.00 | 170.50 |
| | Breathing apparatus | 85.00 | 93.50 |
| | Refill of SCBA/SCUBA cylinder | 7.00 Per wet liter capacity of cylinder | 7.70 Per wet liter capacity of cylinder |
| | Specialized equipment | 350.00 | 385.00 |
| | **Fire extinguishing material** | | |
| | (Calculated per unit state or part thereof) | | |
| | Water - municipal tariff per Kl | | |
| | $CO^2$ - purchase tariff per Kg | Tariff + 20% | Tariff + 20% |
| | Dry chemical powder - purchase tariff per Kg | Tariff + 20% | Tariff + 20% |
| | Foam - purchase tariff per liter | Tariff + 20% | Tariff + 20% |
| | **Inspection fees** | | |
| | (Calculated per inspection or plan approved) | | |
| | Fire prevention inspection, building plans and sites per project | 190.00 | 209.00 |

| | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|
| Inspection of flammable liquids, solids and gasses installations: | | |
| * 1 liter - 2000 liter | 230.00 | 253.00 |
| * 2001 liter - 5000 liter | 275.00 | 302.50 |
| * 5001 liter - 50000 liter | 335.00 | 368.50 |
| * 50001 lire and more | 425.00 | 467.50 |
| Inspection and service of fire extinguishers for Municipal Sections - per extinguisher serviced | 72.00 | 79.20 |
| Monitoring of fire alarms (per month per alarm) | 99.00 | 108.90 |
| **Refill of Swimming Pools** | | |
| Hiring of equipment | 480.00 | 528.00 |
| Water - municipal tariff per Kl | Council tariff | Council tariff |
| **Training** | | |
| As per Prospectus - calculated in terms of time and material used | | |

1.9.11 **DEVELOPMENT SERVICES**

| | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|
| **Tram** | | |
| Single trip (Adults) | 12.00 | 14.00 |
| Single trip (Children - Primary School) | 8.00 | 9.00 |
| **Regional Tourism Centre** | | |
| Kiosk: | | |
| Minimum tender price/month - 12 month period | 625.00 | 700.00 |
| Cubicles: | | |
| Minimum tender price/month - 12 month period | 420.00 | 470.00 |
| Exhibition space per m² per day | 7.00 | 8.00 |
| Hawkers shelter per day | 15.00 | 17.00 |
| **Informal Trade facilities** | | |
| Stalls with storage facilities | 145.00 | 160.00 |
| Stalls without storage facilities | 70.00 | 80.00 |

1.10 **LABORATORY TARIFFS (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)**

| | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|
| Chemical Analysis | | |
| Digester samples | 288.00 | 323.00 |
| Waste activated sludge | 78.00 | 88.00 |
| Sludge volume index | 40.00 | 45.00 |
| Nitrates | 64.00 | 72.00 |
| Potassium | 77.00 | 87.00 |
| Sulfates | 81.00 | 91.00 |
| Phosphate | 83.00 | 93.00 |
| Fluoride | 78.00 | 88.00 |
| Total solids | 78.00 | 88.00 |
| Free Residual Chlorine | 40.00 | 45.00 |
| Magnesium | 86.00 | 97.00 |
| COD | 72.00 | 81.00 |
| TKN = Total Kjeldahl Nitrogen | 87.00 | 98.00 |
| NH-3/Ammonia | 87.00 | 98.00 |
| Zinc | 87.00 | 98.00 |
| Iron | 87.00 | 98.00 |
| Manganese | 87.00 | 98.00 |

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| | Packets | | |
| | Water Chemical | 197.00 | 221.00 |
| | Water Bacteriological | 165.00 | 185.00 |
| | Milk Bacteriological | 271.00 | 304.00 |
| | Sewage Chemical | 328.00 | 368.00 |
| | Agar preparation per batch | 68.00 | 77.00 |
| 1.11 | **MISCELLANEOUS (FINANCIAL SERVICES)** | | |
| 1.11.1 | Furnishing of information | | |
| | (a) Search of any account | 27.70 | 30.00 |
| | (b) For the inspection of any Deed document or diagram or any details relating thereto | 27.70 | 30.00 |
| | (c ) For the supply of any Certificate of Valuation or of the outstanding charges against property (excluding requests by the court for estate purposes or by attorneys) | 27.70 | 30.00 |
| | (d) In respect of any search of information where a fee for such search has not been prescribed by (a), (b) or (c ) | 82.00 | 90.00 |
| | NB. ABOVE - In respect of (a)(b) and (d) for every hour or portion thereof | | |
| 1.11.2 | Water - Reconnection fees | 325.00 | 360.00 |
| | Water - Disconnection fees | 325.00 | 360.00 |
| | Water - Temporary consumption (Funerals, etc.) | 82.00 | 90.00 |
| 1.11.3 | Special meter reading | 82.00 | 90.00 |
| 1.11.4 | Meter test - Electricity | 277.00 | 305.00 |
| | Electricity - Temporary consumption (Funerals, etc.) | 127.00 | 140.00 |
| 1.11.5 | Electricity - Non-payment penalty: | | |
| | * For Conventional meters | 554.00 | 610.00 |
| | * For Prepaid meters | 277.00 | 305.00 |
| 1.11.6 | Electricity - Reconnection fees | | |
| | (Controller Wire) | 554.00 | 610.00 |
| | Tampering administration fee | 1,085.00 | 1,190.00 |
| | Tamper disconnection fee | 1,085.00 | 1,190.00 |
| | Tamper reconnection fee | 1,085.00 | 1,190.00 |
| 1.11.7 | Informal Housing - Erven with pails | | |
| | Bulk refuse | 15.00 | 16.00 |
| | Pails | See sanitation | See sanitation |
| | High Mast | 13.00 | 14.00 |
| | Gravel road | 12.00 | 13.00 |
| | Stand pipe | 15.00 | 16.00 |
| 1.11.8 | Informal Housing - Sewered Erven | | |
| | Bulk refuse | 15.00 | 16.00 |
| | Sewerage | See sanitation | See sanitation |
| | High Mast | 13.00 | 14.00 |
| | Gravel road | 13.00 | 14.00 |
| | Stand pipe | 15.00 | 16.00 |

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| 1.11.9 | Dog license fees (per year) | | |
| | Dogs (male) and sterilized bitches | | |
| | (per dog to a maximum of two dogs) | 47.00 | 52.00 |
| | Bitches (per bitch to a maximum of two dogs) | 103.00 | 113.00 |
| | Three dogs and more with written permission from | | |
| | Council | 174.00 | 190.00 |
| | Pensioners (maximum 1 dog) | 12.00 | 13.00 |
| 1.11.10 | Electricity availability | 87.00 | 95.00 |
| 1.11.11 | Water availability | 87.00 | 95.00 |
| 1.11.12 | Fixed electricity (limited supply - 2Amps) | 87.00 | 95.00 |
| 1.11.13 | Deposits - Electricity and Water Supply | | |
| | Flats: | | |
| | 1-Bedroom | 470.00 | 520.00 |
| | 2-Bedroom | 560.00 | 620.00 |
| | 3-Bedroom | 560.00 | 620.00 |
| | Townhouses: | | |
| | 2-Bedroom | 560.00 | 620.00 |
| | 3-Bedroom | 680.00 | 750.00 |
| | Domestic Houses: | | |
| | 2-Bedroom | 560.00 | 620.00 |
| | 3-Bedroom | 680.00 | 750.00 |
| | More than 3-bedrooms | 1,110.00 | 1,220.00 |
| | Builders water deposit | 1,060.00 | 1,170.00 |
| | Business/Industries: | | |
| | Small power users (to be determined) | 1,110.00 | 1,220.00 |
| | Large power users (to be determined) | 2,540.00 | 2,800.00 |
| | KVA users (individually determined) | 1,110.00 | 1,220.00 |
| | Rural consumers | | |
| | Informal housing | 35.00 | 38.00 |
| | Businesses/Industries: | | |
| | Bulk water supply | 2,540.00 | 2,800.00 |
| | Indigents - Water deposit | 32.00 | 35.00 |
| 1.11.14 | VALUATION ROLL (CD or Disk) | 1,950.00 | 2,150.00 |
| 1.11.15 | ADDRESS LIST (CD or Disk) | 1,950.00 | 2,150.00 |
| 1.11.16 | Penalty for an unmetered (official) | | |
| | Water connection | 5,375.00 | 5,900.00 |
| | Thereafter a daily penalty until meter is installed (per day) | 537.00 | 590.00 |
| | Consumption per house | 2,688.00 | 2,960.00 |
| 1.11.17 | Electricity and water availability for Business/Industries/ State to be determined. Increase to be in line with average tariff increase | | |

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|

## 1.12 WATER TARIFFS (SERVICES & INFRASTRUCTURE)

1.12.1 Water Connections

| Size of Connection (mm) | Size of Meter (mm) | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| 20 | 15 | 2,830.00 | 3,102.00 |
| 25 | 20 | 2,950.00 | 3,234.00 |
| 40 | 32 | 5,800.00 | 6,357.00 |
| 50 | 40 | 6,820.00 | 7,475.00 |
| 80 | 50 | 11,130.00 | 12,199.00 |
| | | Additional costs | Additional costs |
| 100 | 75 | 12,830.00 | 14,062.00 |
| | | Additional costs | Additional costs |
| 150 | 100 | 15,390.00 | 16,868.00 |
| | | Additional costs | Additional costs |
| 250 | 150 | 15,390.00 | 16,868.00 |
| | | Additional costs | Additional costs |
| 300 | 150 | 15,390.00 | 16,868.00 |
| | | Additional costs | Additional costs |

Builders Water

These connections are temporary connections supplied for the purpose of providing construction water during the period when building activities are taking place. The cost of this connection will be 50% of the initial cost of a similar size connection for general use but in the case of larger meters, any additional cost required to install the meter will be payable in full. A deposit of R1060 (refundable on closure of account) is payable.

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| 1.12.2 | Testing of Water Meters | | |
| | Tariff per meter tested | 430.00 | 475.00 |
| 1.12.3 | Exposure of Services (new) | | |
| | Tariff per service exposure | 200.00 | 220.00 |
| 1.12.4 | Water (Normal tariff structure) | | |
| | Schools, Sports fields and Parks | 6.40 | 7.02 |
| | Charities/Churches | 6.15 | 6.75 |
| | Business - Commercial | 10.65 | 11.68 |
| | Business - Industrial | 8.70 | 9.54 |
| | Residential (0 - 6 Kl) | - | - |
| | Residential (7 - 20 Kl) | 8.90 | 9.75 |
| | Residential (21 - 40 Kl) | 9.20 | 10.08 |
| | Residential (41 - 60 Kl) | 9.50 | 10.42 |
| | Residential (more than 60 Kl) | 10.10 | 11.07 |
| | Flats (0 - 6 Kl) | - | - |
| | Flats (7 - 20 Kl) | 8.90 | 9.75 |
| | Flats (21 - 40 Kl) | 9.20 | 10.08 |
| | Flats (more than 40 Kl) | 10.10 | 11.07 |
| | Builders Water | 12.15 | 13.35 |
| | Rural consumers: as above plus | 4.00% | 4.00% |
| | Purified effluent tariffs | | |
| | For sale to De Beers: | | |
| | From 1 July - 30 June per month | 21,586.00 | 23,660.00 |
| | Plus per Kl | 0.59 | 0.64 |
| | For sale to Municipality: | | |
| | Approved Institutional Consumers / per Kl | 0.70 | 0.77 |

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| 1.12.5 | **DEFINITIONS FOR THE PURPOSE OF WATER CONSUMPTION CATEGORIZATION** | | |

Residential
Any consumer located in a stand-alone house with associated ground surrounding the house.

Flat
Any consumer located in a dwelling grouped with other dwellings and not having grounds associated with that specific dwelling even when there is ground associated with the dwelling complex.

Charity/Church
Any consumer which carries out **bona fide** charity work and which is registered as a charitable non-profit organization will be classified as charity.

Any consumer where the property is used for the primary purpose of religious gatherings and where the property is situated on an Erf zoned as "Church".

Parks, Schools and Sports Fields
A Park is defined as a municipal park where vegetation is grown for the purpose of beautifying the City.

A School is a property where the primary activity is educational.

Sorts fields are organizations where the primary activity is the playing of sports requiring grassed surfaces and where the area of grassed surface exceeds 1000m².

Business : Industrial
Any consumer where the primary activity is manufacturing or processing and where water is either a component of the manufactured product or is used in the process for cleaning, cooling or similar purposes.

Business : Commercial
Any consumer where the primary activity is commercial or retail and the primary activity is not water-based cleaning.

Rural Consumers
Any consumer located outside the municipal boundaries.

Builders Water
Any water supplied through a builders connection.

1.13 **CLEANSING SERVICES (SERVICES & INFRASTRUCTURE)**

For the removal of refuse the tariff of charges shall be at the following rates:

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| 1.13.1 | All premises other than private dwelling houses: | | |
| | (a) Payable by the owner - One regular removal of refuse not exceeding 0,8m³ per week per month | 302.00 | 330.00 |
| | (b) Payable by the owner or occupier at the discretion of the Council for each additional removal of 0,8m³ of refuse per week per month | 302.00 | 330.00 |
| | c) where the owner or occupier provides containers for the removal of refuse by bulk which can be mechanically emptied in the Council's vehicle and of which the volume does not exceed 1,6m³ per one removal per week per month | 302.00 | 330.00 |

Where more than one removal is necessary payment must be made monthly in advance.

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| | (d) Where the owner or occupier provides containers for the removal of refuse in bulk which can be loaded by the Council's mechanical handling vehicles and of which the volume does not exceed 6m³ per one removal per week the tariff for each removal shall be | 1,140.00 | 1,245.00 |
| | Where more than one removal is necessary payment must be made monthly in advance. | | |
| | (e) Where the owner or occupier hires a 1,54m³ bulk container from the City Council - that hire shall be | 181.00 | 198.00 |
| | 6,0m³ container hire | 263.00 | 287.00 |
| | (f) Where special garden refuse is removed the tariff per m² applicable shall be | 30.00 | 33.00 |
| | (g) All premises pay the tariff of one regular refuse removal per week where the actual removal is undertaken by the business itself. The tariff shall be | 302.00 | 330.00 |
| | (h) Payable by the owner of a small business that generates one container or bag of refuse per week and that such concession only be implemented on receipt of a written application from such business | 153.50 | 167.50 |
| 1.13.2 | <u>Private dwellings</u> Payable by the owner for one regular removal of refuse per week - the tariff shall be | 51.70 | 56.35 |
| 1.13.3 | <u>Flats</u> | 26.00 | 28.35 |
| 1.13.4 | A basic monthly charge - Residential | 26.00 | 28.35 |
| | (availability charge) - Business | 152.00 | 166.00 |
| 1.14 | **<u>SANITATION TARIFFS (SERVICES & INFRASTRUCTURE</u>** | | |
| 1.14.1 | <u>Sewerage</u> Private dwelling houses and premises (excluding flats, semi-detached dwellings, hotels, boarding and lodging houses and hostels): | | |
| | Basic monthly charge (two sanitary convenience) | 69.60 | 76.20 |
| | Additional monthly charge (each additional connection, excluding private dwellings) | 41.10 | 45.00 |
| | <u>Flats and semi-detached dwellings</u>: | | |
| | Basic monthly charge (first living unit) | 69.60 | 76.20 |
| | Additional monthly charge (each additional unit) | 41.10 | 45.00 |
| | <u>Hotel, Boarding Houses, Lodging Houses and Hostels</u> | | |
| | Basic monthly charge (two sanitary conveniences) | 69.60 | 76.20 |
| | Additional monthly charge (each additional connection) | 41.10 | 45.00 |
| | A basic monthly charge (availability charge) in terms of Section 5 of the By-law to Sewerage and Sanitary charges (PN 140 dated 01/02/1974) as amended | 60.50 | 66.50 |

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| 1.14.2 | Conservancy Tank and Night-soil Removals | | |
| | Removal of slops from conservancy tanks by vacuum tanker: | | |
| | A. Within 10km of CBD | | |
| | (Monday - Friday between 08:00 and 16:00) | | |
| | Basic charge (first 5Kl) | 109.00 | 120.00 |
| | Additional charge (per 1Kl or part thereof) | 17.10 | 19.00 |
| | Vacuum tanker transport charge (per call) | 79.00 | 87.00 |
| | B. Within 10km of CBD | | |
| | (After hours, Monday - Friday & Saturdays) | | |
| | Basic charge (first 5Kl) | 172.80 | 190.00 |
| | Additional charge (per 1Kl or part thereof) | 28.50 | 32.00 |
| | Vacuum tanker transport charge (per call) | 121.00 | 133.00 |
| | C. Within 10km of CBD | | |
| | (Sundays and Public Holidays) | | |
| | Basic charge (first 5Kl) | 230.00 | 252.00 |
| | Additional charge (per 1Kl or part thereof) | 34.00 | 38.00 |
| | Vacuum tanker transport charge (per call) | 180.00 | 200.00 |
| | D. Further than 10km from CBD | | |
| | (Per km further) | | |
| | As above (A to C) plus km charge | | |
| | Any tanker/km | 17.00 | 19.00 |
| | The number of calls made by the vacuum tanker each month will be governed by the capacity of the owner's conservancy tank. | | |
| | A surcharge of 50% will be levied on the tariffs in the case of premises which can be connected to the sewerage system after the period allowed in terms of the connection notice has expired. | | |
| | Removal of night-soil: | | |
| | Basic monthly charge (two night-soil pails, five times per fortnight) | 53.40 | 58.50 |
| | Additional monthly charge (each additional pail removal, five times per fortnight) | 28.50 | 31.50 |
| | Occasional hire of bucket (per day per bucket) | 11.40 | 12.50 |
| | Removal of night-soil from building premises and contractor's sites (surcharge not applicable) | | |
| | Basic monthly charge (one pail, three times a week) | 363.10 | 400.00 |
| | Basic monthly charge (one pail, six times a week) | 547.20 | 600.00 |
| 1.14.3 | Blockages and Portable Toilets | | |
| | Internal sewer blockages: | | |
| | Basic charge (Monday - Friday between 08:00 - 16:00) | 211.00 | 240.00 |
| | Basic charge after hours (Monday - Saturdays) | 260.00 | 285.00 |
| | Basic charge (Sundays and Public holidays) | 404.00 | 443.00 |
| | Service will only be provided to clients presenting a valid municipal account. Category B clients will be entitled to the percentage discounts to which they are entitled. | | |

| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| | Portable Toilets: | | |
| | Hire rate per day on site | 96.80 | 106.00 |
| | Transport charge (per vehicle) | 180.00 | 198.00 |
| | Sewer Connections: | | |
| | Sewer connection (100mm) | 1,300.00 | 1,425.00 |
| | Sewer connection (150mm) | 1,510.00 | 1,655.00 |
| | Public convenience (Craven Street) | | |
| | Shower plus usage of towel (per person) | 5.00 | 6.00 |
| 1.15 | **ELECTRICITY (SERVICES & INFRASTRUCTURE)** | | |
| 1.15.1 | **TARIFFS FOR SERVICE CONNECTIONS** | | |
| | SCALE 4 - STREET LIGHTS | | |
| | Cost of an additional street light | As per quote | As per quote |
| | Cost to move a street light | 2,254.20 | 2,817.75 |
| | Replacement of a damaged street light pole: | | |
| | * 6m single cantilever | 6,590.22 | 8,237.77 |
| | * 9m single cantilever | 10,475.40 | 13,094.25 |
| | * 9m double cantilever | 10,608.00 | 13,260.00 |
| | * 12m single cantilever | 11,244.48 | 14,055.60 |
| | SINGLE PHASE DIS- & RECONNECTION FEE WHEREBY AN ELECTRICIAN IS INVOLVED | | |
| | Disconnection fee for an O/H supply system | 721.34 | 901.68 |
| | Disconnection fee for an U/G supply system | 1,737.06 | 2,171.33 |
| | Reconnection fee for an P/H supply system | 731.96 | 914.96 |
| | Reconnection fee for an U/G supply system | 95.47 | 119.34 |
| | 3-PHASE DIS- & RECONNECTION FEE WHEREBY AN ELECTRICIAN IS INVOLVED | | |
| | Disconnection fee for an O/H supply system | 1,027.65 | 1,284.57 |
| | Disconnection fee for an U/G supply system | 1,790.10 | 2,237.63 |
| | Reconnection fee for an O/H supply system | 1,418.82 | 1,773.53 |
| | Reconnection fee for an U/G supply system | 1,790.10 | 2,237.63 |
| | CALL OUT TO CONSUMER | | |
| | Call out to a fault on consumer's installation | 136.58 | 170.73 |
| 1.15.2 | **COSTS OF NEW SERVICE CONNECTIONS** | | |
| | 60-AMP STANDARD SINGLE PHASE | | |
| | Airdac connection from O/H supply system with prepayment meter & ready board | 5,211.18 | 6,513.98 |
| | Airdac connection from O/H supply system with prepayment meter only | 4,574.70 | 5,718.38 |
| | Cable connection from U/G supply system with prepayment meter | 7,266.48 | 9,083.10 |
| | Cable connection from U/G supply system with conventional meter | 6,444.36 | 8,055.45 |
| | 60AMP STANDARD 3-PHASE | | |
| | Airdac connection from O/H supply system with prepayment meter & ready board | 6,338.28 | 7,922.85 |
| | Airdac connection from P/H supply system with prepayment meter only | 5,701.80 | 7,127.25 |
| | Cable connection from U/G supply system with prepayment meter | 7,889.70 | 9,862.13 |

| | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|
| Cable connection from U/G supply system with conventional meter | 9,441.12 | 11,801.40 |
| ALTERATIONS TO SERVICE CONNECTIONS | | |
| Alterations on existing single phase connection | As per quote | As per quote |
| Alterations on existing 3-phase connection | As per quote | As per quote |

1.15.3 **UPGRADING OF SERVICES**

| | | |
|---|---|---|
| UPGRADING OF AN EXISTING SINGLE PHASE SERVICE CONNECTION ON CONDITION OF | | |
| A service connection with a 10 x 2mm square service cable upgraded to max. 80-amp with curve 1MCB at consumer mains and curve 2MCB at supply authority mains | As per quote and stipulated conditions | As per quote and stipulated conditions |
| A service connection with a 16 x 2mm square service cable upgraded to max. 100-amp with curve 1MCB at consumer mains and curve 2MCB at supply authority mains | As per quote and stipulated conditions | As per quote and stipulated conditions |
| UPGRADING OF AN EXISTING 3-PHASE SERVICE CONNECTION ON CONDITION OF | | |
| A service connection with a 10 x 4mm square service cable upgraded to max. 80-amp with curve 1MCB at consumer mains and curve 2MCB at supply authority mains | As per quote and stipulated conditions | As per quote and stipulated conditions |
| A service connection with a 16 x 4mm square service cable upgraded to max. 100-amp with curve 1MCB at consumer mains and curve 2MCB at supply authority mains | As per quote and stipulated conditions | As per quote and stipulated conditions |
| Supply above 100A (single & 3-phase) | As per quote | As per quote |
| Replacement of conventional meter with prepayment meter (Meter only) | Bin price + VAT | Bin price + VAT |
| Replacement of conventional meter with prepayment meter (Meter and labour) | 2,532.66 | 3,165.83 |
| **NB. MAXIMUM OF TWO PREPAYMENT METERS DOMESTIC ERF, EXCEPT WHEN 3-PHASE** | | |
| CABLES AND VARIOUS | | |
| Installation of public address system | 1,372.41 | 1,715.52 |
| Meter test | 275.81 | 344.77 |
| Special meter reading | 89.51 | 111.89 |

1.15.4 **ELECTRICITY TARIFFS (POWER USERS)**
**(Subject to the approval of the NER)**

The electricity tariffs had to be redesigned in accordance with the Interim National Distribution Tariff System as set out by the National Electricity Regulator.

The main differences are:

A. The customer groupings

Domestic: Defined as houses, churches, schools and halls.

Small Power Users: Defined as all other consumers with a maximum demand less than 100kVA.

Large Power Users: defined as all consumers with a maximum demand greater than 100kVA.

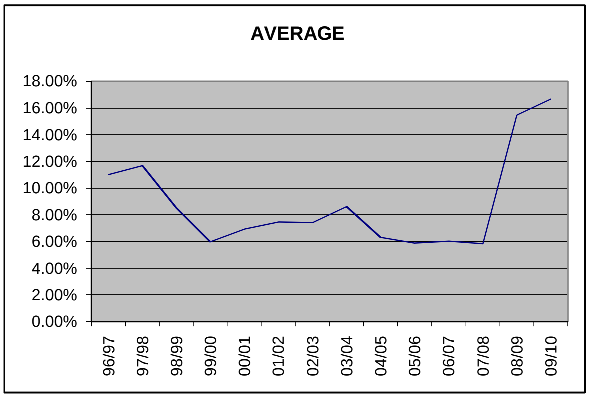
| | | PRESENT TARIFFS R | PROPOSED TARIFFS 7/1/2009 R |
|---|---|---|---|
| | B. Consumers must be able to exercise a choice in the various customer groupings. | | |
| | C. The tariffs must be cost reflective. | | |
| | D. The tariffs must be limited to 5 standard tariffs. | | |
| | These elements have to a large extent been accommodated in the present tariffs. | | |
| 1.15.4.1 | Scale 1 | | |
| | Domestic tariff (Conventual meters) | | |
| | Kimlite 1 - Energy charge per Kwhr | 0.7102 | 0.8876 |
| | Kimpower: Basic charge | 88.25 | 110.32 |
| | Energy charge per Kwhr | 0.5084 | 0.6355 |
| | Break even point is average monthly consumption of 600 units between Kimlite 1 and Kimpower | | |
| 1.15.4.2 | Scale 2 | | |
| | Small Power Users (Conventual meters) | | |
| | Basic charge | 144.72 | 180.90 |
| | Energy charge per Kwhr | 0.6119 | 0.7649 |
| 1.15.4.3 | Large Power Users | | |
| | Basic charge | 316.53 | 395.67 |
| | Demand charge per kVA - | | |
| | Measured between 08:00 and 18:00 | 94.68 | 118.35 |
| | Measured between 18:00 and 08:00 | 22.42 | 28.03 |
| | Energy charge per Kwhr | 0.3247 | 0.4059 |
| | Break even point is average monthly consumption of 100KVA between small power users and large power usage. | | |
| 1.15.4.4 | Scale 3 | | |
| | Sub-Economic Domestic Supply | | |
| | Restricted to a 1,5 amps | 32.66 | 40.83 |
| 1.15.4.5 | Scale 4 | | |
| | Street Lights | | |
| | Energy charge per Kwhr | 0.5582 | 0.6978 |
| | Prepayment Supplies | | |
| | **Kimlite 1** | | |
| | Basic charge | 0.00 | 0.00 |
| | Energy charge per Kwhr | 0.7102 | 0.8878 |
| | **Kimlite 2** | | |
| | Basic charge | 0.00 | 0.00 |
| | Energy charge per Kwhr | 0.6565 | 0.8207 |
| | **Small power** | | |
| | Basic charge | 0.00 | 0.00 |
| | Energy charge per Kwhr | 0.7558 | 0.9448 |

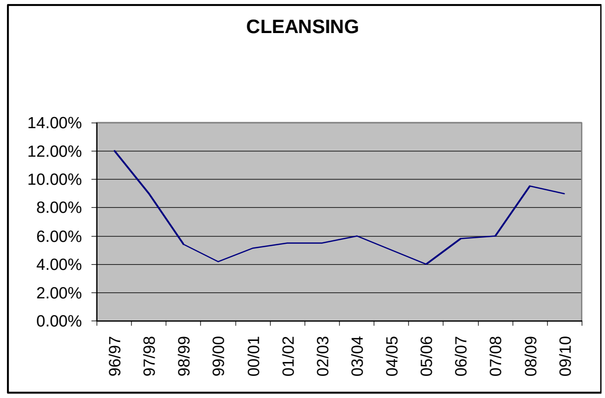
Note 1:
The monthly basic charge for small power pre-paid users cannot be levied monthly with our current financial system, therefore the basic charge will be included in the energy charge based in one thousand (1000) units.

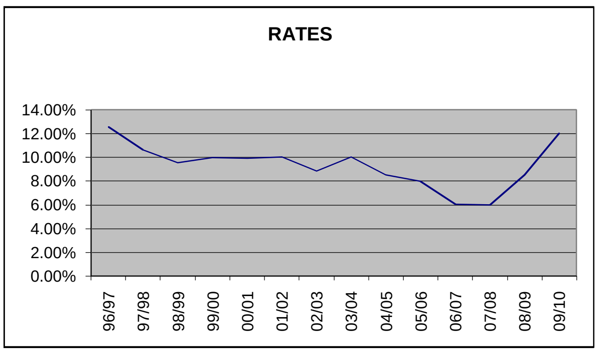
Note 2:
Kimlite 1 - Where total capital is recovered through the tariff.
Kimlite 2 - Where part of capital is recovered through tariff and service connection and pre-pay metering is paid in full

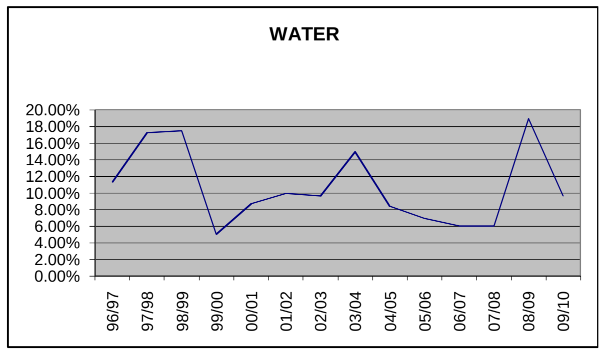
# HISTORY OF TARIFFS

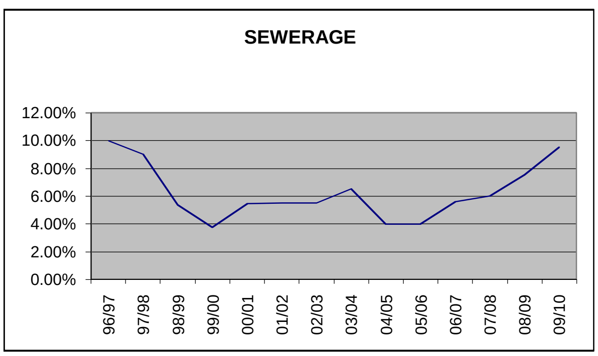
**SOL PLAATJE MUNICIPALITY**

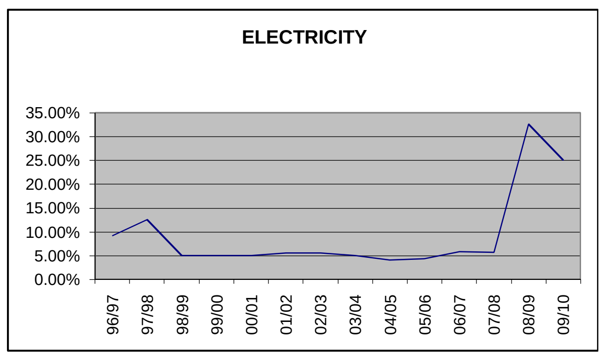


# SUMMARY OF CAPITAL PLAN

# MUNICIPAL MANAGER’S QUALITY CERTIFICATION

**QUALITY CERTIFICATE**

I, TF Mashilo, municipal manager of Sol Plaatje Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: TF Mashilo

Municipal Manager of Sol Plaatje Municipality NC091

Signature: …………………………….

Date: ………………………………….