



## **BUDGET FOR**

**2024/2025 – 2026/2027**

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## 1 Glossary

**Adjustments Budgets** – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

**Allocations** – Money received from Provincial or National Government or other municipalities.

**AFS** – Annual Financial Statements

**Budget** – The financial plan of a municipality.

**Budget related policy** – Policy of a municipality affecting or affected by the budget.

**Capital Expenditure** – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

**Cash Flow Statement** – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short-term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

**CFO** – Chief Financial Officer / Director: Finance

**DORA** – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

**Fruitless and wasteful expenditure** – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

**GDFI** - Gross Domestic Fixed Investment

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

**GRAP** – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

**IDP** – Integrated Development Plan. The main strategic planning document of a municipality.

**KPI's** – Key Performance Indicators. Measures of service output and/or outcome.

**MFMA** – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

**MIG** – Municipal Infrastructure Grant

**MPRA** – Municipal Property Rates Act (No 6 of 2004) as amended.

**MTREF** – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

**NT** – National Treasury

**Net Assets** – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

**Operating Expenditure** – Spending on the day-to-day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

**Rates** – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

**RBIG** – Regional Bulk Infrastructure Grant

**R&M** – Repairs and maintenance on property, plant and equipment.

**SCM** – Supply Chain Management.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic Objectives** – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

**TMA** – Total Municipal Account

**Unauthorised expenditure** – Generally, spending without, or in excess of, an approved budget.

**Virement** – A transfer of budget.

**Virement Policy** - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

**Vote** – One of the main segments into which a budget is divided, usually at department level.

**WM** – Witzenberg Municipality

## 2 Mayors Report

Speaker  
Aldermen  
Deputy Executive Mayor  
Members of the Mayoral Committee  
Councillors  
Representatives of Provincial Government  
Municipal Manager  
Directors and officials

It is my privilege to present to you the budget for the 2024/2025 financial year as well as the 2025/2026 to 2026/2027 medium term revenue and expenditure framework.

It remains a challenge to collect sufficient funds for improved service delivery while tariffs must still be affordable to the community. Debt collection will have to improve to make more funds available for capital expenditure for much needed maintenance and replacement of aging municipal infrastructure. The level of outstanding debt was also highlighted in the Audit Report. Strict credit control and stewardship from council will have to improve to enhance our ability to collect what is due to the municipality.

The collection rate of the municipality has increased from 88% to 90%. This is still below the norm of 94%. We believe that the collection rate will rise again as we have started to implement credit control measures and have thus estimated that the budgeted collection rate for the new financial year will reach 92%. The collection rate is under pressure as no new business or expansions of current businesses can be allowed due to the inability of Eskom to increase the electricity supply to the municipal area. The ongoing load shedding have a negative effect on the financial sustainability of businesses, which are the main sources of job creation in the municipal area. We experience an alarming decrease in electricity sales that can only be attributed to load shedding.

The inability to implement credit control measures in the Eskom supply areas of Op-Die-Berg & Prince Alfred's Hamlet is of great concern. Strategic engagements with Eskom will be required to unlock the potential revenue collection. National revenue sources such as the Equitable Share is decreasing, and this will urge the municipality to explore other potential sources of income.

It is estimated that 19 656 households receive basic services from the municipality. Of these households 7 480 lives in informal areas where services need to be delivered, these households are not billed for services. The current indigent register has 2 983 households listed. The remainder of 9 193 households are billed for services. Only 4 595 of these households have a payment percentage of more than 80%.

It will be of utmost importance that we collectively strive to always ensure that we receive value for money on every rand spent from the municipal coffers. We must ensure radical constitutional economic growth to expand billable services. It must also be noted that Capital expenditure funded from our own resources and expenditure on repairs and maintenance is very limited due to a limited to zero increase in cash and cash equivalents over the past 3 year.

The municipality's cash and cash equivalents are only sufficient to cover expenditure for 3 months. A balance must be found between improving the available cash and cash equivalents and spending money on service delivery.

### Community Relief Initiatives

The following financial relief to the community was introduced in previous budgets. These reliefs have contributed tremendously to the economic upliftment of the citizens of our valley. We continuously strive to increase these packages of financial relief but are constraint by the limited financial resources to implement the necessary relief to all citizens. We have so far implemented the below:

- The Indigent policy's qualifying criteria has been amended to only include the income off the property owner or account holder and his or her spouse.
- Households earning less than R5 000 and rand qualify for the indigent subsidy.
- Households earning between R5 000 and R6 000 rand may qualify for a rebate equalto 50% of the normal indigent subsidy.
- A pensioner's rebate in terms of Property Rates.
- A general exemption of on the first R150 000 of residential property as previous.

### **The capital budget.**

The capital budget for the next financial year amounts to R 85 million of which R 20 million is from own revenue. The rest of the capital budget is financed from Grants to the value of R 40 million and a proposed external loan of R 25 million.

As can be seen from the aforementioned, the municipality is too reliant on Grants to fund its capital expenditure. That said we are thankful for the Grants allocated to Witzenberg Municipality.

The bulk of the proposed capital expenditure is in respect of service delivery and infrastructure.

### **The operating budget**

The operating revenue budget for next year amounts to R 1 000 million of which R 768 million is from own revenue. The rest of the operating budget is financed from Grants.

### **Electricity Tariffs**

The electricity tariffs as per the cost of supply study will not be implement for the 2024/2025 financial year as the electricity bylaw must first be amended to provide mandatory installation of the required electricity meters, for the implementation of the new tariffs.



**COUNCILLOR T ABRAHAMS**

**EXECUTIVE MAYOR**

### 3 Draft Resolutions

- (a) *That the annual budget of Witzenberg Municipality for the financial year 2024/2025;and indicative for the two projected years 2025/2026 and 2026/2027, as set out in the schedules contained in Section 4, be approved:*
  - (i) *Table A2: Budgeted Financial Performance (expenditure by standard classification).*
  - (ii) *Table A3: Budgeted Financial Performance (expenditure by municipal vote).*
  - (iii) *Table A4: Budgeted Financial Performance (revenue by source).*
  - (iv) *Table A5: Budgeted Capital Expenditure for both multi-year and single yearby vote, standard classification, and funding.*
- (b) *Property rates reflected in Annexure 8.1.8(c) and any other municipal tax reflected in Annexure 8.1.8(c) are imposed for the budget year 2024/2025.*
- (c) *Tariffs and charges reflected in Annexure 8.1.8(c) are approved for the budget year 2024/2025.*
- (d) *The measurable performance objectives for revenue from each source reflected in Table A4 - Budgeted Financial Performance (revenue and expenditure) are approved for the budget year 2024/2025.*
- (e) *The measurable performance objectives for each vote reflected in SA8 are approved for the budget year 2024/2025.*
- (f) *That the new amended budget related policies be approved with implementation from 1 July 2024:*
  - (i) *Tariff Policy*
  - (ii) *Property Rates Policy*
  - (iii) *Credit Control and Debt Collection Policy.*
  - (iv) *Cash Management and Investment Policy*
  - (v) *Consumer Payment Incentive Policy.*
  - (vi) *Municipal Supply Chain Management Policy.*
  - (vii) *SCM Policy for infrastructure Procurement.*
  - (viii) *Preferential Procurement Policy.*
  - (ix) *Petty Cash Policy*
  - (x) *Indigent Policy*
  - (xi) *Budget Policy*
  - (xii) *Budget Virement Policy*
  - (xiii) *Asset Management Policy*
  - (xiv) *Funding and Reserves Policy*
  - (xv) *Cellular telephone and data card policy*
  - (xvi) *Borrowing Policy*
  - (xvii) *Long Term Financial Plan Policy*
  - (xviii) *Transport, Travel and Subsistence Allowance*



- (xix) *Post-Employment Medical Aid Contributions*
- (xx) *Infrastructure Investment Policy*
- (xxi) *Cost Containment Policy*

- (g) *That the reviewed Integrated Development Plan be approved*
- (h) *That Council takes cognisance of the budget circulars issued by National Treasury and Provincial Treasury.*

## **4 Executive Summary**

### **Economic outlook**

The National Treasury estimates real economic growth of 0.6 per cent in 2023. This is a decrease from growth of 0.8 per cent projected in the 2023 MTBPS due to weaker than expected outcomes in the third quarter of 2023, resulting in downward revisions to household spending growth and spending on gross fixed investment. GDP growth is projected to average 1.6 per cent from 2024 to 2026 as the frequency of power cuts declines, lower inflation supports household consumption, and employment and credit extensions recover gradually.

Headline inflation is projected to moderate from 6 per cent in 2023 to 4.9 per cent in 2024 and 4.6 per cent in 2025 and 2026 as food and fuel inflation continue to decline. In 2023 food inflation slowed less than expected due to power cuts and rand depreciation, keeping imported food costs high.

The current economic challenges in the country place pressure on the ability of consumers to settle municipal accounts, therefore municipal own revenue generation gets affected.

The municipality's notional maximum demand (NMD) ceiling has also been reached and this is hampering its ability to attract investments to the municipal area. Continued talks are underway with Eskom to increase Witzenberg Municipality's NMD.

Population statistics suggest that the municipality has experienced a steep increase in population during the past 10 years. The expansion of Informal settlements within the municipal area supports this argument and this places pressure on the municipality to provide basic services within these areas. The municipality is in the process of lodging a dispute to Statistics South Africa as it is of the opinion that the population figure is higher than the numbers published by Statistics South Africa.

As a result of the above-mentioned challenges, the municipality followed a conservative approach for projecting revenue and expenditure.

### **Past performance**

Witzenberg Municipality has now attained eleven consecutive clean audit reports. Whilst the reports are very positive achievements one must be honest and say that it tells the reader little about whether we have improved service delivery or even delivered on our constitutional mandate. What they do say is that the Council is reasonably honest in its operations to tax and spending on behalf of the local population.

### **Budget Summary**

The Municipality's 2024/2025 budget amounts to R 1 081 million, represented by a Capital Budget of R 85 million and an Operating Budget of R 996 million.

The total 2024/2025 budget (operating and capital) will be financed from own revenue R 821 million, Government Grants R 235 million and loans R 25 million.

Debt Impairment is estimated at R62 million.

### **Tariff implications of the annual budget**

**Electricity:**

The increase in electricity tariffs will be 10.8% for all customers. NERSA approved an 12.7% tariff increase for Eskom, the increase for municipalities is expected to be 10.8%.

The electricity tariffs have been submitted to NERSA and we hope to receive their approval before 30 June 2024.

**Water:**

The water consumption tariff increase will be 5% for all consumers, the basic charge for residential and small businesses has not been increased.

**Property Rates:**

The increase of Property Rates tariffs will be 8% for all categories.

**Sanitation:**

The increase of Sanitation Tariffs will be 5%.

**Refuse removal:**

The average tariff increase for Refuse Removal Tariffs will be 5%.

***Expenditure category increases***

The budgeted increase in expenditure categories are as follows:

<b>Expenditure by Type</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>Increase</b>
	<b>R'000</b>	<b>R'000</b>	
Employee related costs	233 565	252,344	8%
Job Creation	10 284	8,024	-22%
Post Employment Provisions	21 221	19,919	-6%
Remuneration of councilors	11 988	12,313	3%
Depreciation & asset impairment	54 369	54,219	0%
Bulk purchases	360 544	374,841	4%
Debt Impairment	64 475	62,758	-3%
Repairs & Maintenance	31 756	34,076	7%
Operational Projects	8 058	9,924	23%
General Expenses	62 297	66,973	8%
Vehicle Expenditure	17 013	18,659	10%
Housing Top Structures	30 000	34,320	14%
Other Contracted Services	43 271	48,343	12%
<b>TOTAL</b>	<b>948 840</b>	<b>996,713</b>	<b>5%</b>

The increase in salary expenditure is based on an expected increase of 4.9% CPI as well as the notch increase of 2.5% for qualifying employees. The municipality is awaiting the new wage agreement, and this may have a material impact on the budget. The municipality has also limited the budget for Overtime & Standby expenditure and expenditure on these items will be closely monitored.

It is estimated that the increase in bulk purchases will be 12.7%.

The financing of capital expenditure from own funds (CRR) totals R 20 million. This amount is earmarked to address specific infrastructural capital investment aligned to IDP focus areas. This level is affordable over the MTREF 3-year period.

Capital investment funding from Capital Grants represents a significant portion (52%) of the Municipality's Capital Budget in 2024/2025 and consists mainly of the Provincial Housing Grant, Public Transport Infrastructure Grant, and the Municipal Infrastructure Grant (MIG).

The 2024/2025 Budget was compiled in terms of the Municipal Budget and Reporting Regulations and a phased-in process will be followed to include all information regarding the tables and supporting documentation.

### **Financial position and MTREF strategy**

The financial position of Witzenberg Municipality is set out in Table A6: Budgeted Financial Position.

### **Integrated Development Plan & Priorities**

The Strategic priorities as per the IDP are available in Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue), Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure) and Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure).

### **Effect of the annual budget**

The annual budget for 2023/2024 to 2025/2026 is disclosed in detail in 'Section 4: Annual budget tables' and in 'Annexure 2: Supporting budget tables'. Each of the summarised sections below is discussed in more detail later in this document.

### **Financial performance**

The revenue by source for medium term revenue and expenditure framework can be summarized as follows:

<b>Revenue by source</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>Increase</b>
	<b>R'000</b>	<b>R'000</b>	
Property Rates	107,061	122,510	14%
Service Charges: Electricity	403,554	437,072	8%
Service Charges: Water	56,887	54,240	-5%
Service Charges: Wastewater	38,703	40,626	5%
Service Charges: Waste Management	61,173	66,206	8%
Indigent Rebate	-29,746	-38,705	30%

Other Revenue	85,059	86,724	2%
Transfers and Subsidies	233,922	231,769	-1%
<b>TOTAL</b>	<b>956,614</b>	<b>1,000,443</b>	<b>5%</b>

### The National, Provincial and District Context

The Municipality's budget must be seen within the context of the policies and financial priorities of National and Provincial Government as well as the district municipality. In essence, the spheres of Government are partners in meeting the service delivery challenges faced in Witzenberg Municipality. The Municipality alone cannot meet these challenges and we require support from the other spheres of Government through the direct and indirect allocation of resources as well as the achievement of their own policies.

The following table shows the allocations to Witzenberg Municipality as set out in the National Division of Revenue Bill.

<b>NATIONAL ALLOCATIONS</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>UNCONDITIONAL GRANTS</b>			
EQUITABLE SHARE	145 706	157 204	169 783
<b>CONDITIONAL GRANTS INFRASTRUCTURE</b>			
MIG	25 630	26 709	28 718
INEP		660	596
ENERGY EFFICIENT GRANT	3 500	4 000	
WSIG	15 000		
<b>CONDITIONAL GRANTS SPECIFIC PURPOSE ALLOCATIONS</b>			
LG FMG	1 600	1 700	1 800
EPWP	1 559		
<b>NATIONAL GRANTS TOTAL</b>	<b>192 995</b>	<b>190 273</b>	<b>200 897</b>

The following table shows the allocations to Witzenberg Municipality from the Provincial Government of the Western Cape:

<b>PROVINCIAL ALLOCATIONS</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>DEPARTMENT OF HUMAN SETTLEMENTS</b>			
IHHSDG	25 000	25 400	21 000
Municipal Accreditation and Capacity Building Grant	249	249	260
Contribution towards Acceleration of Housing Delivery	7 788		

Informal Settlement Upgrading Partnership Grant	1 532	8 187	1 413
<b>DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING</b>			
Regional socio-economic project/violence prevention through urban upgrading			
<b>DEPARTMENT OF TRANSPORT AND PUBLIC WORKS</b>			
Maintenance of proclaimed roads	1 375	1 400	1 463
<b>DEPARTMENT OF CULTURAL AFFAIRS AND SPORT</b>			
Library Services	4 271	4 281	4 473
Library services: Municipal Replacement Funding	6 412	6 626	6 804
Development of Sport & Recreation Facilities			
<b>DEPARTMENT OF LOCAL GOVERNMENT</b>			
Thusong Centre	150		
Community Development Worker Operational Support Grant	132	132	132
Fire Service Capacity Building Grant			
Municipal Energy Resilience Grant	700		
<b>PROVINCIAL TREASURY</b>			
Financial Management Capability Building	150		
<b>PROVINCIAL GRAND TOTAL</b>	<b>47 759</b>	<b>46 275</b>	<b>35 545</b>

### Budget-related policies

Please refer to paragraph 9 for details of proposed amendments to the budget related policies.

### Annual budget Tables

- A1 Budget Summary
- A2 Budgeted Financial Performance – by standard classification.
- A3 Budgeted Financial Performance – by municipal vote
- A4 Budgeted Financial Performance
- A5 Budgeted capital Expenditure by vote and Funding
- A6 Budgeted Financial Position
- A7 Budgeted Cash Flows
- A8 Cash backed reserves/accumulated surplus reconciliation
- A9 Asset Management
- A10 Basic service delivery measurement

## **Annual budget Supporting Tables**

- SA1: Supporting Detail to Budgeted Financial Performance
- SA2: Matrix Financial Performance Budget (revenue source/expenditure type and dept.)
- SA3: Supporting detail to Budgeted Financial Position
- SA4: Reconciliation of IDP, Strategic Objectives and Budget (Revenue)
- SA5: Reconciliation of IDP, Strategic Objectives and Budget (Operating Expenditure)
- SA6: Reconciliation of IDP, Strategic Objectives and Budget (Capital Expenditure)
- SA7: Measurable Performance Objectives
- SA8: Performance Indicators and Benchmarks
- SA9: Social, Economic and Demographic Statistics and Assumptions
- SA10: Funding Measurement
- SA11: Property Rates Summary
- SA12a: Property rates by category (current year)
- SA12b: Property rates by category (budget year)
- SA13: Service Tariffs by category
- SA 14: Household Bills
- SA15: Investment Particulars by Type
- SA16: Investment Particulars by Type
- SA17: Borrowing
- SA18: Transfers and Grant Receipts
- SA19: Expenditure on Transfers and Grant Programme
- SA20: Reconciliation of Transfers, Grant Receipts and Unspent Funds
- SA21: Transfers and Grants made by the Municipality.
- SA22: Summary Councillor and Staff Benefits
- SA23: Salaries, Allowances and Benefits (political office bearers/councillors/seniormanagers)
- SA24: Summary of Personnel Numbers
- SA25: Budgeted Monthly Revenue and Expenditure
- SA26: Budgeted Monthly Revenue and Expenditure (Municipal Vote)
- SA27: Budgeted Monthly Revenue and Expenditure (Standard Classification)
- SA28: Budgeted Monthly Capital Expenditure (Municipal Vote)
- SA29: Budgeted Monthly Capital Expenditure (Standard Classification)
- SA30: Budgeted Monthly Cash Flow

SA31: Entities not required

SA32: List of External Mechanisms

SA33: Contracts having Future Budgetary Implications

SA34a: Capital Expenditure on New Assets by Asset Class

SA34b: Capital Expenditure on the Renewal of Existing Assets by Asset Class

SA34c: Repairs and Maintenance Expenditure by Asset Class

SA34d: Depreciation by Assets Class

SA35: Future Financial Implications of the Capital Budget

SA36: Detail Capital Budget

SA37: Projects Delayed from Previous Financial Years

Budget Circulars – only attached for information.



## **6 Overview of the Budget Process**

### **6.1 Political oversight of the budget process**

Section 53 (1) of the MFMA stipulates that the mayor of a municipality must provide general political guidance over the budget process and the priorities that guide the preparation of the budget.

Section 21(1) of the MFMA states that the mayor of a municipality must coordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

Furthermore, this section also states that the mayor must at least 10 months before the start of the budget year, table in municipal council, a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget.

This time schedule provides for political input from formal organizations such as portfolio Committees.

### **6.2. Schedule of Key Deadlines relating to budget and IDP process [MFMA 21(1) (b)]**

The IDP and Budget time schedule of the 2024/2025 budget cycle was adopted by Council during August 2023, 10 months before the start of the budget year in compliance with legislative directives.

The IDP and Budget Process Plan ensure that the role-players within the process are well prepared. All activities outlined within this document have been prepared in close inter- relation with the Framework that governs both the District and all local municipalities.

Public budget and IDP meetings will be held throughout Witzenberg, and all members of the public are urged to attend.

### **6.3. Process used to integrate the review of the IDP and preparation of the Budget.**

Updating the IDP and Budget is an evolving and re-iterative process over a 10-month period. The initial parallel process commenced with the consultative process of the IDP in 2023 and the update of the MTREF to determine the affordability and sustainability framework at the same time.

### **6.4. Process for consultation with each group of stakeholders and outcomes.**

Following tabling of the draft budget in March 2024, local input has been solicited via notices published in the media and budget meetings held in the different towns. The budget documentation was also made available on the municipal website: [witzenberg.gov.za](http://witzenberg.gov.za).

Most of the comments from the community relates to service delivery issues which has already been included in the budget, subject to financial affordability. The rest of the inputs is already part of the IDP process and will, subject to financial affordability, be included in future budgets.

### **6.5. Stakeholders involved in consultations.**

The tabled budget was provided to National Treasury and Provincial Treasury in March/April 2023 for their consideration in line with S23 of the MFMA. Comments on the budget were received via Provincial treasury's SIME engagement and its overall assessment concluded that the budget is funded.

### **6.6. Process and media used to provide information on the Budget to the community.**

The Municipality's consultation process on its draft IDP and budget was published in the relevant media during April/May 2024, where input from various stakeholders were requested.

## **6.7. Methods employed to make the Budget document available (including websites)**

In compliance with the Municipal Finance Management Act and the Municipal Systems Act with regards to the advertising of Budget Documents (including the Tariffs, Fees and Charges for 2024/2025), advertisements were placed in the media. The information relating to budget documentation was displayed at the notice boards in the municipal offices as well as libraries.

In compliance with S22 of the MFMA, the Budget documentation was published on the municipality's website.

## **7 IDP Overview and Amendments**

### **• VISION**

A Municipality that cares for its community, creating growth and opportunities

### **• MISSION**

The Witzenberg Municipality is committed to improve the quality of life of its community by:

- Providing and maintaining affordable services.
- Promoting Social and Economic Development
- The effective and efficient use of available resources
- Effective Stakeholder and Community participation

### **• VALUE SYSTEM**

- Driven by the aspirations of our community, we will respect and uphold the Constitution of the Republic of South Africa.
- We commit ourselves to the Code of Conduct for Councillors and officials in the Municipal Systems Act.
- We commit ourselves to the principles of sound financial management.

### **• Alignment with Provincial and National Government**

Witzenberg Municipality's development plan needs to align with National and Provincial initiatives to ensure optimal impact from the combined efforts of government. In this regard there are six critical elements: Accelerated and Shared Growth-South Africa (ASGI-SA), National Spatial Development Perspective (NSDP), National Strategy for Sustainable Development (NSSD), Provincial Growth and Development Strategy (PGDS) and Provincial Spatial Development Framework (PSDF).

All these feed into and influence the Integrated Development Plan.

### **• Witzenberg Municipality Budget Priorities (Key Performance areas)**

The Municipality's 2023/2024 to 2025/2026 integrated development plan focuses on four strategic focus areas. The concrete objectives for each strategic focus area have been outlined and elaborated on. These objectives will be used to further develop key performance indicators against which performance implementation monitoring and reporting will be done. The corporate scorecard outlines these indicators and targets.

The four focus areas are:

- Essential Services
- Governance
- Communal Services
- Socio-Economic Support Services

## **8 Measurable performance objectives and indicators**

**(a) KEY FINANCIAL INDICATORS AND RATIOS**

Information regarding key financial indicators and ratios are provided on Supporting TableSA8.

**(b) MEASURABLE PERFORMANCE OBJECTIVES**

*Information regarding revenue is provided as follows:*

Revenue for each vote - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Revenue for each source - Table A4 Budgeted Financial Performance (revenue and expenditure)

*Provision of free basic services:*

- (i) Cost to the Witzenberg Municipality in rand value for each of the free basic services provided to indigent households:

	2024-2025	2025-2026	2026-2027
DESCRIPTION	R'000	R'000	R'000
Property rates	1 113	1 180	1 251
Water	3 939	3 993	4 051
Sanitation	11 297	11 975	12 693
Electricity	4 793	5 402	6 088
Refuse	9 661	10 241	10 855
<b>Total</b>	<b>30 803</b>	<b>32 790</b>	<b>34 938</b>

More detail is provided in Table A10 Basic service delivery measurement,

- (ii) Level of service to be provided.

The first R 150 000 of the municipal valuation of property in Town areas are exempt from property rates.

Indigent households will receive 50 kWh of electricity and 6 kilolitre of water per month while their basic charges for water refuse and sewerage will be subsidized.

- (iii) Number of households to receive free basic services.

There is budgeted for 3 500 households that will receive 50 kWh electricity per month as well as 6 kilolitre water per month. Provision has also been made for households earning between R5000 and R6000 which may qualify for 50% of the indigent subsidy.

A further 7 480 households in informal areas receive all services excluding electricity free of charge.

**9 Overview of Budget Related Policies and Amendments**

The following budget related policies are tabled with the budget documentation for comments and inputs:

Budget PolicyTariff

Policy

Property Rates Policy

Credit Control and Debt Collection Policy Cash

Management and Investment PolicyConsumer

Payment Incentive Policy  
 Petty Cash Policy  
 Indigent Policy  
 Budget Virement Policy  
 Asset Management Policy  
 Funding and Reserves Policy  
 Borrowing Policy  
 Cellular the phone and data card policy  
 Municipal Supply Chain Management Policy  
 Preferential Procurement Policy  
 Long Term Financial Plan Policy  
 Transport- travel- and subsistence allowance Policy  
 Post-Employment Medical Aid Contribution Policy  
 Infrastructure Investment Policy

The budget related policies were reviewed by management. The amendments recommended are explained below:

## BUDGET POLICY

The aim of the policy is to set out the principles which the municipality will follow in preparing each medium-term revenue and expenditure framework (budget) and the responsibilities of the mayor and officials.

It is recommended that the accounting officer can approve adjustment to projects linked to the SDBIP to enhance service delivery and other operational requirements.

## TARIFF POLICY

The Municipal Systems Act requires Council to adopt a Tariff Policy. The general financial management functions covered in section 62 of the MFMA includes the implementation of a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy.

It is recommended that a paragraph be added to provide that new rates and tariffs approved during the budget cycle is applicable to all debits raised after 1 July of the relevant year, regardless of the time of consumption.

## PROPERTY RATES POLICY

The policy guides the annual setting of property rates.

No amendments are recommended.

## CREDIT CONTROL AND DEBT COLLECTION POLICY

This Policy has been formulated in terms of section 96 (b) and 98 of the Local Government: Municipal Systems Act, 2000 and the Credit Control and Debt Collection By-Law.

No amendments are recommended.

## CASH MANAGEMENT AND INVESTMENT POLICY

The underlying cash is managed and invested in accordance with the Municipality's approved Cash Management and Investment Policy, which is aligned with National Treasury's municipal investment regulations dated 01 April 2005.

No amendments are recommended.

## CONSUMER PAYMENT INCENTIVE POLICY

The purpose of the policy is to encourage residents of Witzenberg to pay for services and to promote the culture of payment amongst its citizens.

Amendments recommended:

Verified debt as at 30 June 2022 to be “parked” and written-off in instalments as the conditions are met. Verified debt accrued after 1st July 2022 to be dealt with via an acknowledgement of debt and arrangement for payment by the participant.

#### PETTY CASH POLICY

The policy provides for the cash purchases up to a transaction value of R 2 000.00

It is recommended to amend the policy to include additional expenditure items such as fruit baskets, Data, Airtime, Batteries, Official photos, parking fees and cost involved with the registration of vehicles.

#### INDIGENT POLICY

The aim of the policy is to ensure a sound and sustainable manner to provide affordable basic services to the poor by means of assisting them financially within the legal framework of the powers and functions of the municipality to improve the livelihood, in an effort to create a prosperous municipality free of poverty.

It is recommended that the policy be amended as follows:

Section 7.1 which relates to the 100% Indigent benefit criteria, and which currently reads as:  
Households with a joint monthly gross income less bond cost, not exceeding R 3,000

be amended to read as:

Households with a joint monthly gross income less bond cost, not exceeding R 5,000

Section 7.2. which relates to the 50% Indigent benefit criteria, and which currently read as:

Households with a joint monthly gross income less bond cost, between R 3,000 and R 5,000

be amended to read as:

Households with a joint monthly gross income less bond cost, between R 5,000 and R 6,000

Old age homes where more than 50% of the residence within the old age home receive less than R 5,000 per month qualify for assistance (previously R 3,000)

#### BUDGET VIREMENT POLICY

National Treasury has advised municipalities to implement a Virement policy to ensure that funds can be shifted for of operational requirements to ensure that service delivery is not hampered.

No amendments are recommended.

#### ASSET MANAGEMENT POLICY

The aim of the policy is to ensure that the assets of the municipality are properly managed and accounted for.

#### FUNDING AND RESERVE POLICY

In terms of section 8 of the Municipal Budget and Reporting Regulations each municipality must have a funding and reserves policy.

The policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

No amendments are recommended.

#### BORROWING POLICY

The policy aims to set out the objectives, statutory requirements as well as guidelines for the borrowing of funds.

No amendments are recommended.

#### CELLULAR TELEPHONE AND DATA CARD POLICY

The policy aims to curb the expenditure on cellular telephones by setting maximum expenditure levels and providing processes to approve and/or recover expenditure above the levels.

It is recommended that the benefits in terms of the policy be updated to be market related.

#### MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. The Municipality's Supply Chain Management Policy was approved by Council.

No amendments are recommended.

#### PREFERENTIAL PROCUREMENT POLICY

The purpose of this policy is to provide for categories of preference in awarding of bids and to provide for the advancement of persons or categories of persons disadvantaged by unfair discrimination.

No amendments are recommended.

#### LONG TERM FINANCIAL PLAN POLICY

The long-term financial plan policy integrates the financial relationships of various revenue and expenditure streams to give effect to the Integrated Development Plan.

No amendments are recommended.

#### TRAVEL MANAGEMENT POLICY

This policy applies to all Councillors and employees of Witzenberg Municipality who are travelling on official business.

#### POST-EMPLOYMENT MEDICAL AID CONTRIBUTION POLICY

The purpose of this policy is to determine guidelines for the management of contributions to medical aids, post-employment and to determine whether an employee is entitled to the post-employment medical aid benefit.

No amendments recommended.

#### INFRASTRUCTURE INVESTMENT POLICY

This policy sets out the process and methodology for capital investment of any nature, regardless of the funding source.

No amendments are recommended.

## **10 Overview of Budget Related By-Laws and Amendments**

No amendments to any By-Laws are recommended.

## **11 Overview of Budget Assumptions**

### **Expenditure**

#### **Salaries and Allowances**

Provision has been made for a 4.9 % increase in salaries plus an additional notch increase (2.5%) for qualifying employees.

Provision has been made for a 4.5% increase in councillor allowances, the councillor allowances is subject to approval by the National Minister.

#### **General expenditure**

It is assumed that costs for services will increase in line with the CPIX. The current oil price is a concern, and it is expected that the fuel price hikes will have a substantial effect on expenditure. It is also assumed that the capital projects for 2023/2024 will be completed during the financial year as there were budgeted for the depreciation of such projects as per general recognized accounting practice (GRAP). Depreciation on new capital expenditure is calculated at a varying rate ranging between 3 and 100 years depending on the nature of the asset.

#### **Repairs and Maintenance**

It is assumed that municipal infrastructure and assets will be maintained as per previous years and that no major breakages will take place during the financial year.

#### **Capital costs.**

It is assumed that interest rates will be stable during the financial year, but the provision for capital has not been decreased.

#### **Bulk Purchases**

It is assumed that electricity tariffs of Eskom will increase by 12.7% as from 1 July 2024, as approved by NERSA. The NERSA Tariff Guidelines for municipalities has not been received but it is envisaged that the bulk cost increase will be adjusted to 10.8% for the final budget for consideration.

### **Income**

#### **Households**

It is assumed that the total households in the municipal area (the tax base) will stay stable during the financial year. The construction of Top Structures in the Vredebes Housing Development is currently underway, and it is expected that the estimated completion of some of these top structures will be reached during the new budget year.

#### **Collection rate for municipal services**

It is assumed that the collection rate (percentage of service charges recovered) for the financial year will be the same as the current payment rate.

In accordance with relevant legislation and national directives, the estimated revenue recovery rates are based on realistic and sustainable trends. The Municipality's collection rate is set at an average of 92%. Adequate provision is

made for non-recovery.

The collection rate of 92% is attributable to:

- Inability to apply credit control measures in Eskom areas such as Prince Alfred Hamlet and Op-Die-Berg.
- Inability to implement Smart Water Meters to prevent excessive usage of water and enabling consumers to manage their water consumption effectively.
- General socio-economic conditions such as unemployment, low economic growth, inflation, etc.

### Grants

It is assumed that the National and Provincial grants as per Division of Revenue Act (DORA) which has been included in the budget will be received during the 2024/2025 financial year.

### Indigents

It is assumed that the total number of indigents will remain stable during the budget year, ranging within the bandwidth of 3 000-3 500 indigent households. The municipality urges the communities of Prince Alfred Hamlet & Op-Die-Berg to apply for Indigency to enable the municipality to plan more effectively.

### Efficiencies and cost containment measures

The municipality is committed through its applications and strengthening of its existing internal controls, policies and using technology to ensure that the resources at its disposal will be used to the best of its ability. Cost containment measures have been implemented and operational expenses such as travelling cost, catering services and consultant services are managed within the parameters of the Cost containment measures.

## **12 Overview of Budget Funding**

### Summary

*The operating budget for 2024/2025 will be financed as follows:*

	2023/2024	2024/2025	Increase
	R'000	R'000	
Charged for electricity, water, refuse and sewerage	530,572	559,439	5%
Property Rates	107,061	122,510	14%
Provincial and National Operating Grants	185,336	195,169	5%
Sundry charges / Other	85,059	86,724	2%
<b>Total Operating Revenue excl. Capital Transfers</b>	<b>908,029</b>	<b>963,842</b>	<b>6%</b>

*The capital budget for 2024/2025 to 2026/2027 will be financed as follows:*

	2024/2025	2025/2026	2026/2027
	R'000	R'000	R'000
Own Funds (Capital Replacement Reserves)	20 485	21 720	18 685
Grants	39 880	34 177	22 850
Borrowing	25 000	-	-
<b>Total Capital Budget</b>	<b>85 365</b>	<b>55 897</b>	<b>41 535</b>

### Reserves

All the reserves of the municipality are not cash funded. The process to accumulate sufficient funds is a long-term process as tariff increases must be kept to a minimum, and service delivery must be continued.



### *Sustainability of municipality*

The way that the budget is funded will ensure that the municipality will be sustainable on the short term. The full effect of huge increases in electricity tariffs may on the long run impact negatively on the sustainability of the municipality. This is a huge concern for the municipality and the municipality has no control over the increases approved by NERSA. In addition, one of the greatest risks facing the municipality is the inability to promote local economic development due to Eskom's inability to increase the Notional Maximum Demand.

### *Impact on rates and tariffs*

The way that the budget is funded will ensure that, except for electricity, refuse removal and water tariffs, service tariff increases will be  $\pm 5\%$ . Property rates revenue will increase with  $\pm 8\%$ . The municipality has no control over the increases of electricity tariffs and the proposed municipal tariff of 10.8% increase in electricity tariffs is subjected to NERSA approval.

### Property valuations, rates, tariffs and other charges

The rates tariff as well as tariffs for electricity, water, refuse, sewage together with the sundry tariffs are listed in Section B – Tariffs. The tariff increases are also indicated.

### Collection Rate

Income levels for service charges and rates for the budget year were based on the following revised collection rates:

Rates	91.0%
Electricity	98.0%
Water	65.0%
Sanitation	80.0%
Refuse	65.0%

### Planned savings and efficiencies.

The following areas were identified for possible savings after the efficiency of the usage of the assets/services has been evaluated:

- Overtime
- Standby
- Operational Cost
- Contracted Services
- Materials & Supplies

### Contributions and donations received.

There was not budgeted for any contributions and donations to be received.

### Planned proceeds of sale of assets

The municipality envisage no sale of fixed property during the 2024/2025 financial year.

### Planned use of previous year's cash backed accumulated surplus.

Where cash backed accumulated surplus is available, the municipality will utilize it to fund the budget.

### Particulars of existing and any new borrowing proposed to be raised.

Borrowing of R25 million is proposed for funding of capital expenditure relating to electricity infrastructure.

### **13 Expenditure on allocations and grant programs**

#### Particulars of budgeted allocations and grants

Please refer to Supporting Table SA19: Expenditure on transfers and grant programs.

### **14 Allocations or grants made by the Municipality.**

Please refer to Supporting Table SA21 Transfers and grants made by the municipality.

### **15 Councillor allowances and employee benefits**

#### Costs to Municipality:

*Councillors' allowances including cell phone and data allowances – Budgeted amounts.*

<b>Position</b>	<b>2024/2025 R</b>
Speaker (1)	856,485
Executive Mayor (1)	1,058,207
Deputy Executive Mayor (1)	856,485
Executive Committee (4)	3,224,230
Chairperson MPAC (1)	783,866
Other councillors (15)	5,531,886
<b>TOTAL</b>	<b>12,311,159</b>

Number of Councillors: 23

*Senior Managers (Including performance bonus provision) (budgeted amount)*

<b>Position</b>	<b>2024/2025 R</b>
Municipal Manager	2 028 276
Director: Corporate Services	1 801 743
Director: Community Services	1 704 747
Director: Technical Services	1 712 744
Chief Financial Officer	1 704 747
<b>TOTAL Senior Management</b>	<b>8 952 258</b>
<b>All other staff</b>	<b>268 605 877</b>

Number of Senior Managers budgeted for: 5

Details of employee numbers can be obtained on Supporting Table SA24: Summary of personnel numbers.

### **16 Monthly targets for revenue, expenditure and cash flow**

The monthly targets for revenue and expenditure are provided in Supporting Table SA25 Budgeted monthly revenue and expenditure.

The monthly targets for cash flows are provided in Supporting Table SA30 Budgeted monthly cash flow.

**17 Capital spending detail**

Information/detail regarding capital projects by vote is provided in Supporting Table SA36: Detailed capital budget.

**18 List of significant amendments from Tabled to Final Budget**

The provision for the Upgrade Power Stations and the loan to finance the project has been adjusted from R 16.5 million to R 25 million.

The cost of supply study for electricity tariffs will not be implemented from 1 July 2024 but the tariffs will be increased by 10.8%.

**19 Legislation compliance status**

Witzenberg Municipality complies in general with legislation applicable with municipalities.

## 20 Municipal Manager's quality certification

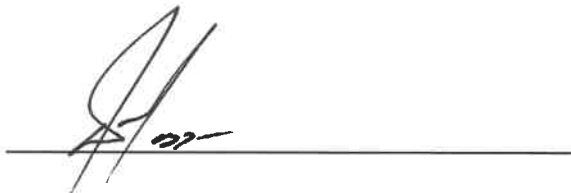
### Quality Certificate

I, Mr D Nasson, Municipal Manager of Witzenberg 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 budget and supporting documentations are consistent with the Integrated Development Plan of the municipality.

Print name Mr D NASSON

Municipal Manager of WITZENBERG MUNICIPALITY.

Signature:

A handwritten signature in black ink, appearing to be 'D NASSON', written over a horizontal line.

Date:

A handwritten date '07/05/2024' in black ink, written over a horizontal line.

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
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### 1. Property rates and other municipal taxes

R 0.00600	R 0.00600	1.1.1.	Property rates		R 0.00648	8.00%	R 0.00700	8.00%	R 0.00756	8.00%	R 0.00648
R 0.00600	R 0.00600	1.1.1.1.	Residential Property	0.0%	R 0.00648	8.00%	R 0.00700	8.00%	R 0.00756	8.00%	R 0.00648
R 0.01650	R 0.01650	1.1.1.2.	Informal Settlements	0.0%	R 0.01782	8.00%	R 0.01925	8.00%	R 0.02079	8.00%	R 0.01782
R 0.01650	R 0.01650	1.1.1.3.	Business/Commercial Property	0.0%	R 0.01782	8.00%	R 0.01925	8.00%	R 0.02079	8.00%	R 0.01782
R 0.01650	R 0.01650	1.1.1.4.	Industrial Property	0.0%	R 0.01782	8.00%	R 0.01925	8.00%	R 0.02079	8.00%	R 0.01782
		1.1.1.5.	Agricultural Properties:								
R 0.00150	R 0.00150	1.1.1.5.1	Bona fida Agricultural	0.0%	R 0.00150	0.00%	R 0.00162	8.00%	R 0.00175	8.00%	R 0.00150
R 0.01650	R 0.01650	1.1.1.5.2	Agricultural/Business	0.0%	R 0.01782	8.00%	R 0.01925	8.00%	R 0.02079	8.00%	R 0.01782
R 0.01650	R 0.01650	1.1.1.5.3	Agricultural/Industrial	0.0%	R 0.01782	8.00%	R 0.01925	8.00%	R 0.02079	8.00%	R 0.01782
R 0.01650	R 0.01650	1.1.1.6.	Public service purposes	0.0%	R 0.01782	8.00%	R 0.01925	8.00%	R 0.02079	8.00%	R 0.01782
R 0.01650	R 0.01650	1.1.1.7.	Vacant Land - Urban	0.0%	R 0.01782	8.00%	R 0.01925	8.00%	R 0.02079	8.00%	R 0.01782
R 0.01650	R 0.01650	1.1.1.8.	Public Service Infrastructure	0.0%	R 0.01782	8.00%	R 0.01925	8.00%	R 0.02079	8.00%	R 0.01782
R 0.00150	R 0.00150	1.1.1.9.	Public Benefit Organisations	0.0%	R 0.00162	8.00%	R 0.00175	8.00%	R 0.00189	8.00%	R 0.00162
R 0.00150	R 0.00150	1.1.1.10.	Building clauses	0.0%	R 0.00162	8.00%	R 0.00175	8.00%	R 0.00189	8.00%	R 0.00162

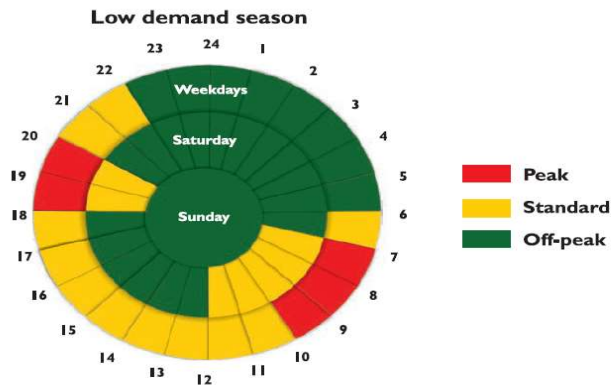
**Pensioners may qualify for a rebate of 50% on residential property in terms of councils policy.**

#### Exemption

The first R 150 000.00 of property values are exempt from rates for tariffs 1.1.1 & 1.1.2

### 2. Electricity Service Tariffs

High-demand (June – August) and low-demand (September – May) seasons  
High-demand tariffs applicable to July - September accounts



R 339.19	R 294.95	2.1	<b>Service Availability:</b> Unimproved sites charge per month or part of it	15.0%	R 375.82	10.80%	R 416.413	10.80%	R 461.386	10.80%	R 326.80
		2.2	<b>Residential customers</b>								
		2.2.1	<b>Single part tariff</b>								
		2.2.1.1	<b>Prepaid</b>								
R 2.329	R 2.025		0-50 kWh	15.0%	R 2.5805	10.80%	R 2.859	10.80%	R 3.168	10.80%	R 2.2439
R 2.329	R 2.025		51-350 kWh	15.0%	R 2.5805	10.80%	R 2.859	10.80%	R 3.168	10.80%	R 2.2439
R 2.329	R 2.025		351-600 kWh	15.0%	R 2.5805	10.80%	R 2.859	10.80%	R 3.168	10.80%	R 2.2439
R 4.010	R 3.487		601-800 kWh	15.0%	R 4.4431	10.80%	R 4.923	10.80%	R 5.455	10.80%	R 3.8636
R 4.010	R 3.487		Above 800 kWh	15.0%	R 4.4431	10.80%	R 4.923	10.80%	R 5.455	10.80%	R 3.8636
		2.2.1.3	<b>Single phase</b>								
R 2.645	R 2.300		0-50 kWh	15.0%	R 2.9309	10.80%	R 3.247	10.80%	R 3.598	10.80%	R 2.5486
R 2.645	R 2.300		51-350 kWh	15.0%	R 2.9309	10.80%	R 3.247	10.80%	R 3.598	10.80%	R 2.5486
R 2.645	R 2.300		351-600 kWh	15.0%	R 2.9309	10.80%	R 3.247	10.80%	R 3.598	10.80%	R 2.5486
R 4.252	R 3.697		601-800 kWh	15.0%	R 4.7097	10.78%	R 5.218	10.80%	R 5.782	10.80%	R 4.0954
R 4.252	R 3.697		Above 800 kWh	15.0%	R 4.7097	10.78%	R 5.218	10.80%	R 5.782	10.80%	R 4.0954
		2.2.2	<b>Two part tariff</b>								
		2.2.2.2	<b>Three phase (Limited to 60 Amps per phase)</b>								
R 1,073.49	R 933.47		Basic charge per month or part of it:	15.0%	R 1,189.43	10.80%	R 1,317.89	10.80%	R 1,460.22	10.80%	R 1,034.28
			Energy in c/kWh								
R 1.538	R 1.338		0-50 kWh	15.0%	R 1.7044	10.80%	R 1.89	10.80%	R 2.09	10.80%	R 1.4821
R 1.538	R 1.338		51-350 kWh	15.0%	R 1.7044	10.80%	R 1.89	10.80%	R 2.09	10.80%	R 1.4821
R 1.538	R 1.338		351-600 kWh	15.0%	R 1.7044	10.80%	R 1.89	10.80%	R 2.09	10.80%	R 1.4821
R 2.213	R 1.925		Above 600 kWh	15.0%	R 2.4523	10.80%	R 2.72	10.80%	R 3.01	10.80%	R 2.1325
		2.3	<b>Commercial customers</b>								
		2.3.1	<b>Prepaid customers</b>								
R 0.00	R 0.00	2.3.1.1	Basic charge per month or part of it:	15.0%	R 0.00		R 0.000		R 0.000		R 0.00
		2.3.1.2	Energy in c/kWh								
R 3.723	R 3.238		0-600 kWh	15.0%	R 4.1256	10.80%	R 4.5712	10.80%	R 5.065	10.80%	R 3.5875
R 4.040	R 3.513		Above 600 kWh	15.0%	R 4.4759	10.80%	R 4.959	10.80%	R 5.495	10.80%	R 3.8921

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
		<b>2.3.2</b>	<b>Single phase</b> <b>No new connections allowed larger than 80 AMPS on Single phase on this tariff</b>								
		<b>2.3.2.1</b>	<b>Basic charge per month or part of it:</b>								
R 670.91	R 583.40		20A - Connection	15.0%	<b>R 743.37</b>	10.80%	R 823.65	10.80%	R 912.60	10.80%	R 646.41
R 3.044	R 2.647		Energy in c/kWh	15.0%	<b>R 3.3731</b>	10.80%	R 3.37				R 2.9331
R 1,264.09	R 1,099.21		40A - Connection	15.0%	<b>R 1,400.61</b>	10.80%	R 1,551.88	10.80%	R 1,719.48	10.80%	R 1,217.9247
R 3.044	R 2.647		Energy in c/kWh	15.0%	<b>R 3.3731</b>	10.80%					R 2.9331
R 1,262.18	R 1,097.55		60A - Connection	15.0%	<b>R 1,398.50</b>	10.80%	R 1,549.54	10.80%	R 1,716.89	10.80%	R 1,216.0854
R 3.044	R 2.647		Energy in c/kWh	15.0%	<b>R 3.3731</b>	10.80%					R 2.9331
R 1,264.09	R 1,099.21		80A - Connection	15.0%	<b>R 1,400.61</b>	10.80%	R 1,551.88	10.80%	R 1,719.48	10.80%	R 1,217.9247
R 3.044	R 2.647		Energy in c/kWh	15.0%	<b>R 3.3731</b>	10.80%					R 2.9331
R 1,620.80	R 1,409.39		100A - Connection	15.0%	<b>R 1,795.84</b>	10.80%	R 1,989.80	10.80%	R 2,204.70	10.80%	R 1,561.6041
R 3.044	R 2.647		Energy in c/kWh	15.0%	<b>R 3.3731</b>	10.80%					R 2.9331
R 1,547.98	R 1,346.07		150A - Connection	15.0%	<b>R 1,715.16</b>	10.80%	R 1,900.40	10.80%	R 2,105.64	10.80%	R 1,491.4456
R 3.044	R 2.647		Energy in c/kWh	15.0%	<b>R 3.3731</b>	10.80%					R 2.9331
R 1,714.26	R 1,490.66		200A - Connection	15.0%	<b>R 1,899.40</b>	10.80%	R 2,104.53	10.80%	R 2,331.82	10.80%	R 1,651.6513
R 3.044	R 2.647		Energy in c/kWh	15.0%	<b>R 3.3731</b>	10.80%					R 2.9331
R 2,095.22	R 1,821.93		250A - Connection	15.0%	<b>R 2,321.50</b>	10.80%	R 2,572.23	10.80%	R 2,850.03	10.80%	R 2,018.6984
R 3.044	R 2.647		Energy in c/kWh	15.0%	<b>R 3.3731</b>	10.80%	R 3.737	10.80%	R 4.1410	10.80%	R 2.9331
			All users with greater than 80Amp Connections must be converted to 3 phase connections								
		<b>2.3.3</b>	<b>Three phase</b> <b>No new connections allowed larger than 150 AMPS on Three phase on this tariff</b>								
		<b>2.3.3.1</b>	<b>Basic charge per month or part of it:</b>								
R 2,092.95	R 1,819.96		20A - Connection	15.0%	<b>R 2,318.99</b>	10.80%	R 2,569.444	10.80%	R 2,846.94	10.80%	R 2,016.52
R 2.703	R 2.350		Energy in c/kWh	15.0%	<b>R 2.9946</b>	10.80%	R 3.318	10.80%	R 3.6764	10.80%	R 2.6040
R 2,240.53	R 1,948.29		40A - Connection	15.0%	<b>R 2,482.51</b>	10.80%	R 2,750.622	10.80%	R 3,047.69	10.80%	R 2,158.71
R 2.703	R 2.350		Energy in c/kWh	15.0%	<b>R 2.9946</b>	10.80%	R 3.318	10.80%	R 3.6764	10.80%	R 2.6040
R 2,186.40	R 1,901.22		60A - Connection	15.0%	<b>R 2,422.53</b>	10.80%	R 2,684.168	10.80%	R 2,974.06	10.80%	R 2,106.55
R 2.703	R 2.350		Energy in c/kWh	15.0%	<b>R 2.9946</b>	10.80%	R 3.318	10.80%	R 3.6764	10.80%	R 2.6040
R 2,356.61	R 2,049.23		80A - Connection	15.0%	<b>R 2,611.13</b>	10.80%	R 2,893.131	10.80%	R 3,205.59	10.80%	R 2,270.55
R 2.703	R 2.350		Energy in c/kWh	15.0%	<b>R 2.9946</b>	10.80%	R 3.318	10.80%	R 3.6764	10.80%	R 2.6040
R 3,159.29	R 2,747.21		100A - Connection	15.0%	<b>R 3,500.49</b>	10.80%	R 3,878.548	10.80%	R 4,297.43	10.80%	R 3,043.91
R 2.703	R 2.350		Energy in c/kWh	15.0%	<b>R 2.9946</b>	10.80%	R 3.318	10.80%	R 3.6764	10.80%	R 2.6040
R 3,984.69	R 3,464.95		150A - Connection	15.0%	<b>R 4,415.04</b>	10.80%	R 4,891.864	10.80%	R 5,420.18	10.80%	R 3,839.16
R 2.703	R 2.350		Energy in c/kWh	15.0%	<b>R 2.9946</b>	10.80%	R 3.318	10.80%	R 3.6764	10.80%	R 2.6040
R 4,248.73	R 3,694.55		200A - Connection	15.0%	<b>R 4,707.60</b>	10.80%	R 5,216.016	10.80%	R 5,779.35	10.80%	R 4,093.56
R 2.703	R 2.350		Energy in c/kWh	15.0%	<b>R 2.9946</b>	10.80%	R 3.318	10.80%	R 3.6764	10.80%	R 2.6040
R 4,350.23	R 3,782.81		250A - Connection	15.0%	<b>R 4,820.06</b>	10.80%	R 5,340.623	10.80%	R 5,917.41	10.80%	R 4,191.35
R 2.703	R 2.350		Energy in c/kWh	15.0%	<b>R 2.9946</b>	10.80%	R 3.318	10.80%	R 3.6764	10.80%	R 2.6040
		<b>2.4</b>	<b>Agricultural customers</b>								
		<b>2.4.1</b>	<b>&lt; 25 KVA</b>								
R 1,255.33	R 1,091.59		Basic charge per month or part of it:	15.0%	<b>R 1,390.90</b>	10.80%	R 1,541.119	10.80%	R 1,707.56	10.80%	R 1,209.48
R 3.230	R 2.808		Energy in c/kWh	15.0%	<b>R 3.5765</b>	10.74%	R 3.963	10.80%	R 4.391	10.80%	R 3.1100
		<b>2.4.2</b>	<b>25 KVA &lt;= 50 KVA</b>								
R 1,834.88	R 1,595.55		Basic charge per month or part of it:	15.0%	<b>R 2,033.05</b>	10.80%	R 2,252.620	10.80%	R 2,495.90	10.80%	R 1,767.87
R 3.230	R 2.808		Energy in c/kWh	15.0%	<b>R 3.5788</b>	10.81%	R 3.965	10.80%	R 4.394	10.80%	R 3.1120
		<b>2.4.3</b>	<b>50 KVA &lt;= 100 KVA</b>								
R 2,414.69	R 2,099.73		Basic charge per month or part of it:	15.0%	<b>R 2,675.48</b>	10.80%	R 2,964.426	10.80%	R 3,284.58	10.80%	R 2,326.50
R 3.230	R 2.808		Energy in c/kWh	15.0%	<b>R 3.5788</b>	10.81%	R 3.965	10.80%	R 4.394	10.80%	R 3.1120
		<b>2.5</b>	<b>BULK CONSUMERS (LARGE POWER USERS)</b>								
			<b>All Large Power Users (LPU) must maintain a power factor of 0.85 lagging or better</b>								
			<b>The following public holidays will always be treated as a Sunday for Large Power Users. New Year's Day, Good Friday, Family Day, Christmas Day and Day of Goodwill. All other public holidays will be treated as the day of the week on which it falls.</b>								
		<b>2.5.1</b>	<b>Agricultural customers</b>								
		<b>2.5.1.1</b>	<b>Time of use customers</b>								
		<b>2.5.1.1.1</b>	<b>&lt; 1 MVA High tension (Rural)</b>								
R 14,327.03	R 12,458.29		Basic charge per month or part of it	15.0%	<b>R 15,874.36</b>	10.80%	R 17,588.789	10.80%	R 19,488.378	10.80%	R 13,803.79
R 246.813	R 214.620		Demand charge R/KVA	15.0%	<b>R 273.47</b>	10.80%	R 303.005	10.80%	R 335.729	10.80%	R 237.80
			<b>Energy charge c/kWh</b>								
			High season								
R 6.645	R 5.778		Peak time	15.0%	<b>R 7.3600</b>	10.76%	R 8.155	10.80%	R 9.036	10.80%	R 6.4000
R 2.144	R 1.865		Standard	15.0%	<b>R 2.3805</b>	11.02%	R 2.638	10.80%	R 2.922	10.80%	R 2.0700
R 1.271	R 1.105		Off- peak time	15.0%	<b>R 1.4030</b>	10.41%	R 1.555	10.80%	R 1.722	10.80%	R 1.2200
			Low season								
R 2.316	R 2.014		Peak time	15.0%	<b>R 2.5645</b>	10.71%	R 2.841	10.80%	R 3.148	10.80%	R 2.2300
R 1.668	R 1.450		Standard	15.0%	<b>R 1.8515</b>	11.01%	R 2.051	10.80%	R 2.273	10.80%	R 1.6100
R 1.125	R 0.978		Off- peak time	15.0%	<b>R 1.2466</b>	10.79%	R 1.381	10.80%	R 1.530	10.80%	R 1.0840
		<b>2.5.1.1.2</b>	<b>Low tension</b>								
R 9,453.67	R 8,220.58		Basic charge per month or part of it	15.0%	<b>R 10,474.66</b>	10.80%	R 11,605.923	10.80%	R 12,859.363	10.80%	R 9,108.40
R 236.03	R 205.24		Demand charge R/KVA	15.0%	<b>R 261.52</b>	10.80%	R 289.766	10.80%	R 321.061	10.80%	R 227.41
			<b>Energy charge c/kWh</b>								
			High season								
R 7.542	R 6.558		Peak time	15.0%	<b>R 8.3564</b>	10.80%	R 9.259	10.80%	R 10.259	10.80%	R 7.2665
R 2.432	R 2.115		Standard	15.0%	<b>R 2.6944</b>	10.80%	R 2.985	10.80%	R 3.308	10.80%	R 2.3430
R 1.441	R 1.253		Off- peak time	15.0%	<b>R 1.5970</b>	10.80%	R 1.770	10.80%	R 1.961	10.80%	R 1.3887
			Low season								
R 2.634	R 2.291		Peak time	15.0%	<b>R 2.9186</b>	10.80%	R 3.234	10.80%	R 3.583	10.80%	R 2.5379
R 1.869	R 1.625		Standard	15.0%	<b>R 2.0710</b>	10.80%	R 2.295	10.80%	R 2.543	10.80%	R 1.8009
R 1.260	R 1.096		Off- peak time	15.0%	<b>R 1.3962</b>	10.80%	R 1.547	10.80%	R 1.714	10.80%	R 1.2141
		<b>2.5.1.2</b>	<b>Normal</b>								
		<b>2.5.1.2.1</b>	<b>&lt; 1 MVA High tension</b>								
R 13,712.43	R 11,923.85		Basic charge per month or part of it	15.0%	<b>R 15,193.37</b>	10.80%	R 16,834.259	10.80%	R 18,652.359	10.80%	R 13,211.63
R 313.33	R 272.46		Demand charge R/KVA	15.0%	<b>R 347.17</b>	10.80%	R 384.668	10.80%	R 426.212	10.80%	R 301.89
R 1.768	R 1.538		Energy charge c/kWh	15.0%	<b>R 1.9592</b>	10.80%	R 2.171	10.80%	R 2.405	10.80%	R 1.7037

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
R 7,858.01 R 402.90 R 1.581	R 6,833.05 R 350.35 R 1.375	2.5.1.2.2	<b>&lt; 1 MVA Low tension</b> Basic charge per month or part of it <i>Demand charge R/KVA</i> Energy charge c/kWh	15.0% 15.0% 15.0%	<b>R 8,706.67</b> <b>R 446.42</b> <b>R 1.7523</b>	10.80% 10.80% 10.80%	R 9,646.994 R 494.632 R 1.942	10.80% 10.80% 10.80%	R 10,688.869 R 548.052 R 2.151	10.80% 10.80% 10.80%	R 7,571.02 R 388.19 R 1.5237
		<b>2.5.2</b>	<b>Urban customers</b>								
		<b>2.5.2.1</b>	<b>Time of use customers</b>								
R 29,992.41 R 173.31	R 26,080.36 R 150.70	2.5.2.1.1	<b>&gt; 1 MVA High tension (Urban)</b> Basic charge per month or part of it <i>Demand charge R/KVA</i> <b>Energy charge c/kWh</b> High season Peak time Standard Off- peak time Low season Peak time Standard Off- peak time	15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0%	<b>R 33,231.60</b> <b>R 192.03</b> <b>R 8.5905</b> <b>R 2.7830</b> <b>R 1.6330</b> <b>R 2.9670</b> <b>R 2.1413</b> <b>R 1.4076</b>	10.80% 10.80% 10.75% 10.66% 11.15% 10.97% 10.80% 10.77%	R 36,820.608 R 212.766 R 9.518 R 3.084 R 1.809 R 3.287 R 2.373 R 1.560	10.80% 10.80% 10.80% 10.80% 10.80% 10.80% 10.80% 10.80%	R 40,797.234 R 235.745 R 10.546 R 3.417 R 2.005 R 3.642 R 2.629 R 1.728	10.80% 10.80% 10.80% 10.80% 10.80% 10.80% 10.80% 10.80%	R 28,897.04 R 166.98 R 7.4700 R 2.4200 R 1.4200 R 2.5800 R 1.8620 R 1.2240
R 17,955.03 R 192.83	R 15,613.07 R 167.68	2.5.2.1.2	<b>&lt; 1 MVA High tension (Urban)</b> Basic charge per month or part of it <i>Demand charge R/KVA</i> <b>Energy charge c/kWh</b> High season Peak time Standard Off- peak time Low season Peak time Standard Off- peak time	15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0%	<b>R 19,894.17</b> <b>R 213.66</b> <b>R 9.1667</b> <b>R 2.9624</b> <b>R 1.7158</b> <b>R 3.1683</b> <b>R 2.2586</b> <b>R 1.5399</b>	10.80% 10.80% 10.80% 10.80% 10.78% 10.81% 10.80% 10.79%	R 22,042.743 R 236.734 R 10.157 R 3.282 R 1.901 R 3.510 R 2.503 R 1.706	10.80% 10.80% 10.80% 10.80% 10.80% 10.80% 10.80% 10.80%	R 24,423.359 R 262.301 R 11.254 R 3.637 R 2.106 R 3.890 R 2.773 R 1.890	10.80% 10.80% 10.80% 10.80% 10.80% 10.80% 10.80% 10.80%	R 17,299.28 R 185.79 R 7.9710 R 2.5760 R 1.4920 R 2.7550 R 1.9640 R 1.3390
R 16,138.36 R 213.42	R 14,033.36 R 185.58	2.5.2.1.3	<b>&lt; 1 MVA Low tension</b> Basic charge per month or part of it <i>Demand charge R/KVA</i> <b>Energy charge c/kWh</b> High season Peak time Standard Off- peak time Low season Peak time Standard Off- peak time	15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0%	<b>R 17,881.30</b> <b>R 236.46</b> <b>R 8.8780</b> <b>R 2.7899</b> <b>R 1.7342</b> <b>R 3.1361</b> <b>R 2.2069</b> <b>R 1.4180</b>	10.80% 10.80% 10.76% 10.81% 10.83% 10.78% 10.81% 10.77%	R 19,812.485 R 262.001 R 9.8368 R 3.0912 R 1.921 R 3.4747 R 2.445 R 1.571	10.80% 10.80% 10.80% 10.80% 10.80% 10.80% 10.80% 10.80%	R 21,952.233 R 290.297 R 10.899 R 3.425 R 2.129 R 3.850 R 2.709 R 1.741	10.80% 10.80% 10.80% 10.80% 10.80% 10.80% 10.80% 10.80%	R 15,548.96 R 205.6200 R 7.72 R 2.43 R 1.51 R 2.73 R 1.92 R 1.23
		<b>2.5.2.2</b>	<b>Normal</b>								
R 22,855.23 R 215.65 R 2.158	R 19,874.11 R 187.52 R 1.876	2.5.2.2.1	<b>&gt; 1 MVA High tension</b> Basic charge per month or part of it <i>Demand charge R/KVA</i> Energy charge c/kWh	15.0% 15.0% 15.0%	<b>R 25,323.59</b> <b>R 238.94</b> <b>R 2.3909</b>	10.80% 10.80% 10.81%	R 28,058.534 R 264.7405 R 2.6491	10.80% 10.80% 10.80%	R 31,088.855 R 293.333 R 2.935	10.80% 10.80% 10.80%	R 22,020.51 R 207.77 R 2.0790
R 20,167.58 R 235.73 R 2.105	R 17,537.03 R 204.98 R 1.831	2.5.2.2.2	<b>&lt; 1 MVA High tension</b> Basic charge per month or part of it <i>Demand charge R/KVA</i> Energy charge c/kWh	15.0% 15.0% 15.0%	<b>R 22,345.68</b> <b>R 261.19</b> <b>R 2.3345</b>	10.80% 10.80% 10.88%	R 24,759.018 R 289.396 R 2.587	10.80% 10.80% 10.80%	R 27,432.992 R 320.651 R 2.866	10.80% 10.80% 10.80%	R 19,431.03 R 227.12 R 2.03
R 16,128.47 R 235.73 R 2.105	R 14,024.76 R 204.98 R 1.831	2.5.2.2.3	<b>&lt; 1 MVA Low tension</b> Basic charge per month or part of it <i>Demand charge R/KVA</i> Energy charge c/kWh	15.0% 15.0% 15.0%	<b>R 17,870.34</b> <b>R 261.19</b> <b>R 2.3345</b>	10.80% 10.80% 10.88%	R 19,800.342 R 289.396 R 2.587	10.80% 10.80% 10.80%	R 21,938.779 R 320.651 R 2.8660	10.80% 10.80% 10.80%	R 15,539.43 R 227.12 R 2.0300
R 3.640	R 3.165	<b>2.6</b>	<b>Sport customers</b> Energy charge c/kWh	15.0%	<b>R 4.0365</b>	10.89%	R 4.472	10.80%	R 4.955	10.80%	R 3.5100
R 3.494	R 3.039	<b>2.7</b>	<b>Streetlights</b> Energy charge c/kWh	0.0%	<b>R 3.3700</b>	-3.56%	R 3.734	10.80%	R 4.137	10.80%	R 3.3700
R 643.46	R 559.53	<b>2.8</b>	Unnecessary call outs for work on customer side	15.0%	<b>R 712.95</b>	10.80%	R 789.953	10.80%	R 875.268	10.80%	R 619.960
		<b>2.9</b>	<b>SSEG - Small Urban TOU &lt; 80 kVA LV</b> Basic charge 1 phase Basic charge 3 phase Capacity charge (R/Amp) High season Peak time Standard time Off- peak time Low season Peak time Standard time Off- peak time	15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0%	R 79.89 R 116.96 R 13.74 R 6.26 R 2.40 R 1.64 R 2.53 R 1.97 R 1.51	New New New New New New New New New	R 88.515 R 129.596 R 15.226 R 6.940 R 2.663 R 1.814 R 2.806 R 2.182 R 1.678	10.80% 10.80% 10.80% 10.80% 10.80% 10.80% 10.80% 10.80% 10.80%	R 98.074 R 143.592 R 16.871 R 7.689 R 2.951 R 2.010 R 3.109 R 2.418 R 1.860	0.108 0.108 0.108 0.108 0.108 0.108 0.108 0.108 0.108	R 69.47 R 101.71 R 11.95 R 5.45 R 2.09 R 1.42 R 2.20 R 1.71 R 1.32
		2.10	<b>Small Scale Embedded Generation Tariff</b> <i>Small-scale embedded generation (SSEG) refers to power generation under 1MVA, such as PV systems or small wind turbines which are located on residential, commercial or industrial sites where electricity is also consumed</i>  <i>VERY IMPORTANT. No 'SSEG' consumers are allowed to have a Pre-Paid meter. They must at their cost, pay for Council to install an appropriately programmed 4 quadrant meter, as per Council requirements</i>								
		2.10.1	<b>Feed In Tariff (REFIT) per kWh</b>								
		2.10.1.1	Residential	15.0%	<b>R 0.66</b>	New	R 0.73	10.80%	R 0.81	10.80%	R0.57
		2.10.1.2	Commercial	15.0%	<b>R 0.66</b>	New	R 0.73	10.80%	R 0.81	10.80%	R0.57
		2.10.1.3	Agri	15.0%	<b>R 0.66</b>	New	R 0.73	10.80%	R 0.81	10.80%	R0.57
		2.10.1.4	Bulk Time of Use	15.0%	<b>R 0.66</b>	New	R 0.73	10.80%	R 0.81	10.80%	R0.57
		2.10.1.5	Bulk Normal	15.0%	<b>R 0.66</b>	New	R 0.73	10.80%	R 0.81	10.80%	R0.57

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
<b>3. Refuse Service Tariffs</b>											
<b>(All Areas in respect of residential sites)</b>											
R 103.26	R 89.79	3.1.	<b>Service Availability charge per month or part of it: Unimproved sites</b>	15.0%	<b>R 108.42</b>	5.00%	R 114.90	5.98%	R 121.79	6.00%	R 94.28
<b>Residential Properties: (2 refuse bags or less)</b>											
R 231.73	R 201.51		Valuation ≤ 100 000	15.0%	<b>R 243.32</b>	5.00%	R 257.92	6.00%	R 273.39	6.00%	R 211.58
R 249.56	R 217.01		Valuation > 100 000 ≤ 150 000	15.0%	<b>R 262.04</b>	5.00%	R 277.76	6.00%	R 294.43	6.00%	R 227.86
R 267.39	R 232.51		Valuation > 150 000 ≤ 200 000	15.0%	<b>R 280.76</b>	5.00%	R 297.61	6.00%	R 315.46	6.00%	R 244.14
R 285.21	R 248.01		Valuation > 200 000 ≤ 500 000	15.0%	<b>R 299.47</b>	5.00%	R 317.44	6.00%	R 336.48	6.00%	R 260.41
R 310.17	R 269.71		Valuation > 500 000 ≤ 800 000	15.0%	<b>R 325.68</b>	5.00%	R 345.22	6.00%	R 365.93	6.00%	R 283.20
R 320.86	R 279.01		Valuation > 800 000 ≤ 1 000 000	15.0%	<b>R 336.91</b>	5.00%	R 357.12	6.00%	R 378.55	6.00%	R 292.96
R 356.52	R 310.01		Valuation > 1 000 000	15.0%	<b>R 374.34</b>	5.00%	R 396.80	6.00%	R 420.61	6.00%	R 325.51
R 231.73	R 201.51		All other residential consumers	15.0%	<b>R 243.32</b>	5.00%	R 257.92	6.00%	R 273.39	6.00%	R 211.58
R 231.73	R 201.51		Additional units per collection	15.0%	<b>R 243.32</b>	5.00%	R 257.92	6.00%	R 273.39	6.00%	R 211.58
<b>Residential Properties : (240L Wheelie Bin)</b>											
R 261.4755	R 227.3700		1 Collection per week per 240 Wheelie Bin per household	15.0%	<b>R 274.55</b>	5.00%	R 291.02	6.00%	R 308.48	6.00%	R 238.74
<b>All other properties Monthly Tariff</b>											
<b>770L Wheelie Bin</b>											
R 1,069.55	R 930.04		1 Collection per week per	15.0%	<b>R 1,123.02</b>	5.00%	R 1,190.40	6.00%	R 1,261.83	6.00%	R 976.54
R 2,139.09	R 1,860.08		2 Collections per week per 700L Wheelie Bin	15.0%	<b>R 2,246.05</b>	5.00%	R 2,380.81	6.00%	R 2,523.66	6.00%	R 1,953.08
R 3,208.64	R 2,790.12		3 Collections per week per 700L Wheelie Bin	15.0%	<b>R 3,369.07</b>	5.00%	R 3,571.21	6.00%	R 3,785.49	6.00%	R 2,929.63
R 1,069.55	R 930.04		1 Collection per week per additional Wheelie Bin	15.0%	<b>R 1,123.02</b>	5.00%	R 1,190.40	6.00%	R 1,261.83	6.00%	R 976.54
R 2,139.09	R 1,860.08		2 Collections per week per additional Wheelie Bin	15.0%	<b>R 2,246.05</b>	5.00%	R 2,380.81	6.00%	R 2,523.66	6.00%	R 1,953.08
R 3,208.64	R 2,790.12		3 Collections per week per additional Wheelie Bin	15.0%	<b>R 3,369.07</b>	5.00%	R 3,571.21	6.00%	R 3,785.49	6.00%	R 2,929.63
<b>If a counter system is available, the above tariffs will be implemented as follows:</b>											
R 1,069.55	R 930.04		Service availability - per month. Include 4 removals/month.	15.0%	<b>R 1,123.02</b>	5.00%	R 1,190.40	6.00%	R 1,261.83	6.00%	R 976.54
R 265.82	R 231.15		Additional removals per removal.	15.0%	<b>R 279.11</b>	5.00%	R 295.86	6.00%	R 313.61	6.00%	R 242.71
<b>240L Wheelie Bin</b>											
R 445.64	R 387.52		1 Collection per week per 240L Wheelie Bin	15.0%	<b>R 467.93</b>	5.00%	R 496.01	6.00%	R 525.77	6.00%	R 406.89
R 891.29	R 775.03		2 Collections per week per 240L Wheelie Bin	15.0%	<b>R 935.85</b>	5.00%	R 992.00	6.00%	R 1,051.52	6.00%	R 813.79
R 1,336.93	R 1,162.55		3 Collections per week per 240L Wheelie Bin	15.0%	<b>R 1,403.78</b>	5.00%	R 1,488.01	6.00%	R 1,577.29	6.00%	R 1,220.68
R 445.64	R 387.52		1 Collection per week per additional Wheelie Bin	15.0%	<b>R 467.93</b>	5.00%	R 496.01	6.00%	R 525.77	6.00%	R 406.89
R 891.29	R 775.03		2 Collections per week per additional Wheelie Bin	15.0%	<b>R 935.85</b>	5.00%	R 992.00	6.00%	R 1,051.52	6.00%	R 813.79
R 1,336.93	R 1,162.55		3 Collections per week per additional Wheelie Bin	15.0%	<b>R 1,403.78</b>	5.00%	R 1,488.01	6.00%	R 1,577.29	6.00%	R 1,220.68
<b>If a counter system is available, the above tariffs will be implemented as follows:</b>											
R 445.64	R 387.52		Service availability - per month. Include 4 removals/month.	15.0%	<b>R 467.93</b>	5.00%	R 496.01	6.00%	R 525.77	6.00%	R 406.89
R 112.58	R 97.90		Additional removals per removal.	15.0%	<b>R 118.21</b>	5.00%	R 125.30	6.00%	R 132.82	6.00%	R 102.79
<b>Cost of Wheelie Bins</b>											
R 6,726.70	R 5,849.31		<b>700L Wheelie Bin</b>	15.0%	<b>R 7,063.04</b>	5.00%	R 7,486.82	6.00%	R 7,936.03	6.00%	R 6,141.77
R 756.75	R 658.05		<b>240L Wheelie Bin</b>	15.0%	<b>R 794.59</b>	5.00%	R 842.27	6.00%	R 892.80	6.00%	R 690.95
-R 3.0000	-R 2.6087	3.3	Recyclable material per filled 15l recyclable bag/ 15l of recvclable material	15.0%	<b>-R 3.00</b>	0.00%	-R 3.18	6.00%	-R 3.37	6.00%	-R 2.61



## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
<b>4. Sewerage Service Tariffs</b>											
		<b>4.1.</b>	<b>Septic Tank systems</b>								
			<b>(All Areas, excluding rural area in respect of availability charge)</b>								
			<b>Service Availability charge per month or part of it:</b>								
R 48.81	R 42.44	4.1.1.1	Per site with improvements	15.0%	<b>R 51.25</b>	5.00%	R 54.32	6.00%	R 57.58	6.00%	R 44.56
		<b>4.1.2.</b>	<b>Suction charge:</b>								
R 291.81	R 253.75	4.1.2.1	Urban areas charge per occasion	15.0%	<b>R 306.41</b>	5.00%	R 324.79	6.00%	R 344.28	6.00%	R 266.44
		<b>4.1.2.2.</b>	<b>Rural areas:</b>								
R 1,176.85	R 1,023.35	4.1.2.2.1	Charge per occasion	15.0%	<b>R 1,235.70</b>	5.00%	R 1,309.84	6.00%	R 1,388.43	6.00%	R 1,074.52
R 54.93	R 47.76	4.1.2.2.2	Charge per kilometre	15.0%	<b>R 57.67</b>	5.00%	R 57.67	0.00%	R 57.67	0.00%	R 50.15
		<b>4.2.</b>	<b>Waterborne Sewerage systems</b>								
			<b>(All Areas connected to the main sewerage system)</b>								
			(Where more than one service point exist on the same site and more than one or one water connection exists the tariff equal to the largest water connection will be applicable on every point of service)								
		<b>4.2.1.</b>	<b>Service Availability charge per month or part of it:</b>								
R 103.24	R 89.77	4.2.1.1	Unimproved sites	15.0%	<b>R 108.40</b>	5.00%	R 114.90	6.00%	R 121.80	6.00%	R 94.26
R 291.81	R 253.75	4.2.1.2	Water connection size: 0 - 25 mm	15.0%	<b>R 306.41</b>	5.00%	R 324.79	6.00%	R 344.28	6.00%	R 266.44
R 1,135.58	R 987.46	4.2.1.3	Water connection size: 26 - 50 mm	15.0%	<b>R 1,192.36</b>	5.00%	R 1,263.90	6.00%	R 1,339.74	6.00%	R 1,036.84
R 2,907.68	R 2,528.42	4.2.1.4	Water connection size: 51 - 80 mm	15.0%	<b>R 3,053.06</b>	5.00%	R 3,236.25	6.00%	R 3,430.42	6.00%	R 2,654.84
R 4,542.80	R 3,950.26	4.2.1.5	Water connection size: 81 - 100 mm	15.0%	<b>R 4,769.94</b>	5.00%	R 5,056.13	6.00%	R 5,359.50	6.00%	R 4,147.77
R 10,218.18	R 8,885.37	4.2.1.6	Water connection size: 101 - 150 mm	15.0%	<b>R 10,729.08</b>	5.00%	R 11,372.83	6.00%	R 12,055.20	6.00%	R 9,329.64
		<b>4.2.2.</b>	<b>Exceptions: Charge per month or part of it</b>								
R 48,346.97	R 42,040.84	4.2.2.1	Obiqua Prison - Tulbagh	15.0%	<b>R 50,764.32</b>	5.00%	R 53,810.18	6.00%	R 57,038.79	6.00%	R 44,142.89
R 291.81	R 253.75	4.2.2.2	Schools - Op-die-Berg	15.0%	<b>R 306.41</b>	5.00%	R 324.79	6.00%	R 344.28	6.00%	R 266.44
R 291.81	R 253.75	4.2.2.3	Other sites - Op-die-Berg	15.0%	<b>R 306.41</b>	5.00%	R 324.79	6.00%	R 344.28	6.00%	R 266.44
R 104.23	R 104.23	4.2.2.4	Departmental tariff	0.0%	<b>R 109.44</b>	5.00%	R 116.01	6.00%	R 122.97	6.00%	R 109.44
		4.2.2.5	<b>Special Contracts, for example Del monte as per each agreement. Rand per Kg COD</b>								
R 8.07	R 7.01	4.2.2.5.1	Ceres Group Companies	15.0%	<b>R 8.47</b>	5.00%	R 8.98	6.00%	R 9.52	6.00%	R 7.36
R 12.96	R 11.27	4.2.2.5.2	Du Toit Vrugte	15.0%	<b>R 13.61</b>	5.00%	R 14.43	6.00%	R 15.30	6.00%	R 11.84
R 12.96	R 11.27	4.2.2.5.3	L O Rall	15.0%	<b>R 13.61</b>	5.00%	R 14.43	6.00%	R 15.30	6.00%	R 11.84
R 12.96	R 11.27	4.2.2.5.4	Bokkeveld Korrektiewe Dienste	15.0%	<b>R 13.61</b>	5.00%	R 14.43	6.00%	R 15.30	6.00%	R 11.84
R 12.96	R 11.27	4.2.2.5.5	Snocoled Marketing (Edms). Bpk.	15.0%	<b>R 13.61</b>	5.00%	R 14.43	6.00%	R 15.30	6.00%	R 11.84
R 12.96	R 11.27	4.2.2.5.6	Ceres Fruit Growers	15.0%	<b>R 13.61</b>	5.00%	R 14.43	6.00%	R 15.30	6.00%	R 11.84
R 191.52	R 191.52	4.2.2.6	Informal settlements without an account (Flat rate)	0.0%	<b>R 201.09</b>	5.00%	R 213.16	6.00%	R 225.95	6.00%	R 201.09
R 602.53	R 523.94	4.3	Unnecessary call outs for work on customer side	15.0%	<b>R 632.66</b>	5.00%	R 670.62	6.00%	R 710.85	6.00%	R 550.14

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
<b>5. Water service Tariffs</b>											
<b>5.1. Conventional Meters (All Areas)</b>											
<b>5.1.1. Service Availability charge per month or part of it:</b>											
R 173.72	R 151.06	5.1.1.1	Unimproved sites	15.0%	R 182.41	5.00%	R 193.35	6.00%	R 204.95	6.00%	R 158.62
R 83.00	R 72.17	5.1.1.2	Water connection size: 0 - 25 mm	15.0%	R 83.00	0.00%	R 83.00	0.00%	R 83.00	0.00%	R 72.17
R 1,310.57	R 1,139.63	5.1.1.3	Water connection size: 26 - 50 mm	15.0%	R 1,376.10	5.00%	R 1,458.67	6.00%	R 1,546.19	6.00%	R 1,196.61
R 3,310.93	R 2,879.07	5.1.1.4	Water connection size: 51 - 80 mm	15.0%	R 3,476.47	5.00%	R 3,685.06	6.00%	R 3,906.17	6.00%	R 3,023.02
R 5,242.30	R 4,558.52	5.1.1.5	Water connection size: 81 - 100 mm	15.0%	R 5,504.41	5.00%	R 5,834.68	6.00%	R 6,184.76	6.00%	R 4,786.45
R 11,726.21	R 10,196.70	5.1.1.6	Water connection size: 101 - 150 mm	15.0%	R 12,312.52	5.00%	R 13,051.27	6.00%	R 13,834.35	6.00%	R 10,706.54
R 255,217.46	R 221,928.23	5.1.1.7	Consumption of more than 20,000 kl per month	15.0%	R 267,978.33	5.00%	R 284,057.03	6.00%	R 301,100.45	6.00%	R 233,024.64
R 386.28	R 335.89	5.1.1.8	Un-metered connections	15.0%	R 405.59	5.00%	R 429.93	6.00%	R 455.72	6.00%	R 352.69
<b>5.1.2. Consumption per kiloliter</b>											
<b>5.1.2.1. Block A (Aimed at residential and smaller commercial clients)</b>											
R 3.91	R 3.40		0-6 kl	15.0%	R 4.10	5.00%	R 4.35	6.00%	R 4.61	6.00%	R 3.57
R 11.30	R 9.83		7-30 kl	15.0%	R 11.86	5.00%	R 12.58	6.00%	R 13.33	6.00%	R 10.32
R 11.30	R 9.83		31-60 kl	15.0%	R 11.86	5.00%	R 12.58	6.00%	R 13.33	6.00%	R 10.32
R 11.30	R 9.83		61-300 kl	15.0%	R 11.86	5.00%	R 12.58	6.00%	R 13.33	6.00%	R 10.32
R 39.39	R 34.25		Above 300 kl	15.0%	R 41.36	5.00%	R 43.84	6.00%	R 46.47	6.00%	R 35.97
<b>5.1.2.2. Block B (Aimed at larger commercial and smaller industrial clients)</b>											
R 13.07	R 11.37		0-300 kl	15.0%	R 13.73	5.00%	R 14.55	6.00%	R 15.42	6.00%	R 11.94
R 13.07	R 11.37		301-1000 kl	15.0%	R 13.73	5.00%	R 14.55	6.00%	R 15.42	6.00%	R 11.94
R 13.07	R 11.37		1001-8000 kl	15.0%	R 13.73	5.00%	R 14.55	6.00%	R 15.42	6.00%	R 11.94
R 14.38	R 12.50		Above 8000 kl	15.0%	R 15.10	5.00%	R 16.00	6.00%	R 16.97	6.00%	R 13.13
<b>5.1.2.3. Block C (Aimed at larger industrial clients)</b>											
R 5.30	R 4.61		Consumption above 20,000 kl per month	15.0%	R 5.57	5.00%	R 5.90	6.00%	R 6.25	6.00%	R 4.84
<b>5.1.2.4. Block D (Internal)</b>											
R 4.77	R 4.15		Departmental consumption	15.0%	R 5.01	5.00%	R 5.31	6.00%	R 5.63	6.00%	R 4.36
<b>5.1.2. Consumption per kiloliter: Restrictions Level 1</b>											
<b>5.1.2.1. Block A (Aimed at residential and smaller commercial clients)</b>											
R 3.91	R 3.40		0-6 kl	15.0%	R 4.10	5.00%	R 4.35	6.00%	R 4.61	6.0%	R 3.57
R 12.56	R 10.92		7-30 kl	15.0%	R 13.18	5.00%	R 13.98	6.00%	R 14.81	6.0%	R 11.46
R 12.56	R 10.92		31-60 kl	15.0%	R 13.18	5.00%	R 13.98	6.00%	R 14.81	6.0%	R 11.46
R 12.56	R 10.92		61-300 kl	15.0%	R 13.18	5.00%	R 13.98	6.00%	R 14.81	6.0%	R 11.46
R 45.47	R 39.54		Above 300 kl	15.0%	R 47.75	5.00%	R 50.61	6.00%	R 53.65	6.0%	R 41.52
<b>5.1.2.2. Block B (Aimed at larger commercial and smaller industrial clients)</b>											
R 15.69	R 13.65		0-300 kl	15.0%	R 16.48	5.00%	R 17.47	6.00%	R 18.51	6.0%	R 14.33
R 15.69	R 13.65		301-1000 kl	15.0%	R 16.48	5.00%	R 17.47	6.00%	R 18.51	6.0%	R 14.33
R 15.69	R 13.65		1001-8000 kl	15.0%	R 16.48	5.00%	R 17.47	6.00%	R 18.51	6.0%	R 14.33
R 15.69	R 13.65		Above 8000 kl	15.0%	R 16.48	5.00%	R 17.47	6.00%	R 18.51	6.0%	R 14.33
<b>5.1.2.3. Block C (Aimed at larger industrial clients)</b>											
R 6.36	R 5.53		Consumption above 20,000 kl per month	15.0%	R 6.68	5.00%	R 7.08	6.00%	R 7.50	6.0%	R 5.81
<b>5.1.2. Consumption per kiloliter: Restrictions Level 2</b>											
<b>5.1.2.1. Block A (Aimed at residential and smaller commercial clients)</b>											
R 3.91	R 3.40		0-6 kl	15.0%	R 4.10	5.00%	R 4.35	6.00%	R 4.61	6.0%	R 3.57
R 15.83	R 13.77		7-30 kl	15.0%	R 16.62	5.00%	R 17.62	6.00%	R 18.68	6.0%	R 14.45
R 15.83	R 13.77		31-60 kl	15.0%	R 16.62	5.00%	R 17.62	6.00%	R 18.68	6.0%	R 14.45
R 15.83	R 13.77		61-300 kl	15.0%	R 16.62	5.00%	R 17.62	6.00%	R 18.68	6.0%	R 14.45
R 51.16	R 44.49		Above 300 kl	15.0%	R 53.72	5.00%	R 56.94	6.00%	R 60.36	6.0%	R 46.71
<b>5.1.2.2. Block B (Aimed at larger commercial and smaller industrial clients)</b>											
R 18.31	R 15.93		0-300 kl	15.0%	R 19.23	5.00%	R 20.38	6.00%	R 21.61	6.0%	R 16.72
R 18.31	R 15.93		301-1000 kl	15.0%	R 19.23	5.00%	R 20.38	6.00%	R 21.61	6.0%	R 16.72
R 18.31	R 15.93		1001-8000 kl	15.0%	R 19.23	5.00%	R 20.38	6.00%	R 21.61	6.0%	R 16.72
R 18.31	R 15.93		Above 8000 kl	15.0%	R 19.23	5.00%	R 20.38	6.00%	R 21.61	6.0%	R 16.72
<b>5.1.2.3. Block C (Aimed at larger industrial clients)</b>											
R 7.42	R 6.46		Consumption above 20,000 kl per month	15.0%	R 7.80	5.00%	R 8.26	6.00%	R 8.76	6.0%	R 6.78
<b>5.1.2. Consumption per kiloliter: Restrictions Level 3</b>											
<b>5.1.2.1. Block A (Aimed at residential and smaller commercial clients)</b>											
R 3.91	R 3.40		0-6 kl	15.0%	R 4.10	5.00%	R 4.35	6.00%	R 4.61	6.0%	R 3.57
R 18.10	R 15.74		7-30 kl	15.0%	R 19.00	5.00%	R 20.14	6.00%	R 21.35	6.0%	R 16.52
R 18.10	R 15.74		31-60 kl	15.0%	R 19.00	5.00%	R 20.14	6.00%	R 21.35	6.0%	R 16.52
R 18.10	R 15.74		61-300 kl	15.0%	R 19.00	5.00%	R 20.14	6.00%	R 21.35	6.0%	R 16.52
R 56.84	R 49.43		Above 300 kl	15.0%	R 59.68	5.00%	R 63.27	6.00%	R 67.06	6.0%	R 51.90
<b>5.1.2.2. Block B (Aimed at larger commercial and smaller industrial clients)</b>											
R 20.93	R 18.20		0-300 kl	15.0%	R 21.98	5.00%	R 23.30	6.00%	R 24.70	6.0%	R 19.11
R 20.93	R 18.20		301-1000 kl	15.0%	R 21.98	5.00%	R 23.30	6.00%	R 24.70	6.0%	R 19.11
R 20.93	R 18.20		1001-8000 kl	15.0%	R 21.98	5.00%	R 23.30	6.00%	R 24.70	6.0%	R 19.11
R 20.93	R 18.20		Above 8000 kl	15.0%	R 21.98	5.00%	R 23.30	6.00%	R 24.70	6.0%	R 19.11
<b>5.1.2.3. Block C (Aimed at larger industrial clients)</b>											
R 8.91	R 7.75		Consumption above 20,000 kl per month	15.0%	R 9.36	5.00%	R 9.92	6.00%	R 10.51	6.0%	R 8.14

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
		<b>5.1.2</b>	<b>Consumption per kiloliter: Restrictions Level 4</b>								
		<b>5.1.2.1</b>	<b>Block A (Aimed at residential and smaller commercial clients)</b>								
R 3.91	R 3.40		0-6 kl	15.0%	<b>R 4.10</b>	5.00%	R 4.35	6.00%	R 4.61	6.0%	R 3.57
R 20.36	R 17.71		7-30 kl	15.0%	<b>R 21.38</b>	5.00%	R 22.66	6.00%	R 24.02	6.0%	R 18.59
R 20.36	R 17.71		31-60 kl	15.0%	<b>R 21.38</b>	5.00%	R 22.66	6.00%	R 24.02	6.0%	R 18.59
R 20.36	R 17.71		61-300 kl	15.0%	<b>R 21.38</b>	5.00%	R 22.66	6.00%	R 24.02	6.0%	R 18.59
R 62.53	R 54.37		Above 300 kl	15.0%	<b>R 65.65</b>	5.00%	R 69.59	6.00%	R 73.77	6.0%	R 57.09
		<b>5.1.2.2</b>	<b>Block B (Aimed at larger commercial and smaller industrial clients)</b>								
R 23.55	R 20.48		0-300 kl	15.0%	<b>R 24.73</b>	5.00%	R 26.22	6.00%	R 27.79	6.0%	R 21.51
R 23.55	R 20.48		301-1000 kl	15.0%	<b>R 24.73</b>	5.00%	R 26.22	6.00%	R 27.79	6.0%	R 21.51
R 23.55	R 20.48		1001-8000 kl	15.0%	<b>R 24.73</b>	5.00%	R 26.22	6.00%	R 27.79	6.0%	R 21.51
R 23.55	R 20.48		Above 8000 kl	15.0%	<b>R 24.73</b>	5.00%	R 26.22	6.00%	R 27.79	6.0%	R 21.51
		<b>5.1.2.3</b>	<b>Block C (Aimed at larger industrial clients)</b>								
R 10.69	R 9.30		Consumption above 20,000 kl per month	15.0%	<b>R 11.23</b>	5.00%	<b>R 11.90</b>	6.00%	<b>R 12.61</b>	6.0%	R 9.76
		<b>5.1.2</b>	<b>Consumption per kiloliter: Restrictions Level 5</b>								
		<b>5.1.2.1</b>	<b>Block A (Aimed at residential and smaller commercial clients)</b>								
R 3.91	R 3.40		0-6 kl	15.0%	<b>R 4.10</b>	5.00%	R 4.35	6.00%	R 4.61	6.0%	R 3.57
R 22.61	R 19.66		7-30 kl	15.0%	<b>R 23.74</b>	5.00%	R 25.17	6.00%	R 26.68	6.0%	R 20.65
R 22.61	R 19.66		31-60 kl	15.0%	<b>R 23.74</b>	5.00%	R 25.17	6.00%	R 26.68	6.0%	R 20.65
R 22.61	R 19.66		61-300 kl	15.0%	<b>R 23.74</b>	5.00%	R 25.17	6.00%	R 26.68	6.0%	R 20.65
R 68.21	R 59.31		Above 300 kl	15.0%	<b>R 71.62</b>	5.00%	R 75.92	6.00%	R 80.47	6.0%	R 62.28
		<b>5.1.2.2</b>	<b>Block B (Aimed at larger commercial and smaller industrial clients)</b>								
R 26.16	R 22.75		0-300 kl	15.0%	<b>R 27.47</b>	5.00%	R 29.12	6.00%	R 30.86	6.0%	R 23.89
R 26.16	R 22.75		301-1000 kl	15.0%	<b>R 27.47</b>	5.00%	R 29.12	6.00%	R 30.86	6.0%	R 23.89
R 26.16	R 22.75		1001-8000 kl	15.0%	<b>R 27.47</b>	5.00%	R 29.12	6.00%	R 30.86	6.0%	R 23.89
R 26.16	R 22.75		Above 8000 kl	15.0%	<b>R 27.47</b>	5.00%	R 29.12	6.00%	R 30.86	6.0%	R 23.89
		<b>5.1.2.3</b>	<b>Block C (Aimed at larger industrial clients)</b>								
R 12.83	R 11.16		Consumption above 20,000 kl per month	15.0%	<b>R 13.47</b>	5.00%	<b>R 14.28</b>	6.00%	<b>R 15.14</b>	6.0%	R 11.71
		<b>5.2.</b>	<b>Water Management Device</b>								
		<b>5.2.1.</b>	<b>Water connection on site (Consumption per kiloliter)</b>								
R 6.99	R 6.08		0-6 kl	15.0%	<b>R 7.34</b>	5.00%	R 7.78	6.00%	R 8.24	6.00%	R 6.38
R 13.42	R 11.67		Bo 6 kl	15.0%	<b>R 14.10</b>	5.00%	R 14.94	6.00%	R 15.84	6.00%	R 12.26
			<b>Consumption per kiloliter: Restrictions Level 1</b>								
R 8.20	R 7.13		0-6 kl	15.0%	<b>R 8.61</b>	5.00%	R 9.13	6.00%	R 9.68	6.00%	R 7.49
R 15.77	R 13.71		Bo 6 kl	15.0%	<b>R 16.55</b>	5.00%	R 17.55	6.00%	R 18.60	6.00%	R 14.40
			<b>Consumption per kiloliter: Restrictions Level 2</b>								
R 9.42	R 8.19		0-6 kl	15.0%	<b>R 9.89</b>	5.00%	R 10.48	6.00%	R 11.11	6.00%	R 8.60
R 18.11	R 15.75		Bo 6 kl	15.0%	<b>R 19.01</b>	5.00%	R 20.15	6.00%	R 21.36	6.00%	R 16.53
			<b>Consumption per kiloliter: Restrictions Level 3</b>								
R 10.64	R 9.25		0-6 kl	15.0%	<b>R 11.17</b>	5.00%	R 11.84	6.00%	R 12.55	6.00%	R 9.71
R 20.45	R 17.78		Bo 6 kl	15.0%	<b>R 21.47</b>	5.00%	R 22.76	6.00%	R 24.13	6.00%	R 18.67
			<b>Consumption per kiloliter: Restrictions Level 4</b>								
R 11.85	R 10.31		0-6 kl	15.0%	<b>R 12.45</b>	5.00%	R 13.19	6.00%	R 13.98	6.00%	R 10.82
R 22.79	R 19.82		Bo 6 kl	15.0%	<b>R 23.93</b>	5.00%	R 25.37	6.00%	R 26.89	6.00%	R 20.81
			<b>Consumption per kiloliter: Restrictions Level 5</b>								
R 13.97	R 12.15		0-6 kl	15.0%	<b>R 14.67</b>	5.00%	R 15.55	6.00%	R 16.49	6.00%	R 12.76
R 26.85	R 23.35		Bo 6 kl	15.0%	<b>R 28.19</b>	5.00%	R 29.88	6.00%	R 31.68	6.00%	R 24.51
			<b>Pensioners may qualify for 6 Kl of water free of charge per month in terms of councils policy.</b>								
R 1,201.12	R 1,044.45	<b>5.3.</b>	<b>"Leiwater beurte" (In Urban areas per month)</b>	15.0%	<b>R 1,261.18</b>	5.00%	R 1,336.85	6.00%	R 1,417.06	6.00%	R 1,096.68
R 124.33	R 108.11	<b>5.4.</b>	<b>Informal settlements without an account (Flat rate)</b>	15.0%	<b>R 130.54</b>	5.00%	R 138.37	6.00%	R 146.68	6.00%	R 113.51
		<b>5.5.</b>	<b>Mobile Water provision</b>								
Free		<b>5.5.1</b>	Humanitarian purposes		<b>Free</b>		<b>Free</b>		<b>Free</b>		
R 347.09	R 301.82	<b>5.5.2</b>	All non Residential per trip	15.0%	<b>R 364.44</b>	5.00%	R 386.31	6.00%	R 409.49	6.00%	R 316.91
R 694.18	R 603.63	<b>5.6</b>	Unnecessary call outs for work on customer side	15.0%	<b>R 728.89</b>	5.00%	R 772.62	6.00%	R 818.98	6.00%	R 633.81
		<b>5.7</b>	<b>Greywater</b>								
R 0.3520	R 0.3061	<b>5.7.1</b>	Per Cubic Meter (m3)	15.0%	<b>R 0.37</b>	5.00%	R 0.39	6.00%	R 0.42	6.00%	R 0.32
		<b>5.8</b>	<b>Raw Water for Agricultural use</b>								
R 0.8045	R 0.6996	<b>5.81</b>	Per kiloliter water	15.0%	<b>R 0.84</b>	5.00%	R 0.90	6.00%	R 0.95	6.00%	R 0.73

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
<b>6. Other tariffs and charges</b>											
<b>6.1. CORPORATE SERVICES</b>											
R 779.00	R 677.39	6.1.1	Erection of banners ( per application)	15.0%	<b>R 817.00</b>	4.88%	R 866.00	6.00%	R 917.00	5.89%	R 710.43
R 598.00	R 520.00	6.1.2	Erection of placards (deposit)	15.0%	<b>R 627.00</b>	4.85%	R 664.00	5.90%	R 703.00	5.87%	R 545.22
R 1,217.00	R 1,058.26	6.1.3	Cancellation of purchase agreement (Admin fee)	15.0%	<b>R 1,277.00</b>	4.93%	R 1,353.00	5.95%	R 1,434.00	5.99%	R 1,110.43
		6.1.4	Agenda and minutes of Council meetings								
R 199.00	R 173.04		001-400 q	15.0%	<b>R 208.00</b>	4.52%	R 220.00	5.77%	R 233.00	5.91%	R 180.87
R 221.00	R 192.17		401-500 q	15.0%	<b>R 232.00</b>	4.98%	R 245.00	5.60%	R 259.00	5.71%	R 201.74
R 260.00	R 226.09		501-600 q	15.0%	<b>R 273.00</b>	5.00%	R 289.00	5.86%	R 306.00	5.88%	R 237.39
R 281.00	R 244.35		601-700 q	15.0%	<b>R 295.00</b>	4.98%	R 312.00	5.76%	R 330.00	5.77%	R 256.52
R 347.00	R 301.74		701+ q	15.0%	<b>R 364.00</b>	4.90%	R 385.00	5.77%	R 408.00	5.97%	R 316.52
R 541.00	R 470.43	6.1.6	Translation service (Per hour or part of it)	15.0%	<b>R 568.00</b>	4.99%	R 602.00	5.99%	R 638.00	5.98%	R 493.91
		6.1.7	Access to information								
R 143.00	R 124.35	6.1.7.1	Fee payable when information is requested	15.0%	<b>R 150.00</b>	4.90%	R 159.00	6.00%	R 168.00	5.66%	R 130.43
		6.1.7.2	<b>Reproduction fees:</b>								
R 1.50	R 1.30		Photocopies (A4 or part of it) per page	15.0%	<b>R 1.50</b>	0.00%	R 1.60	6.67%	R 1.70	6.25%	R 1.30
R 1.00	R 0.87		Print outs per copy	15.0%	<b>R 1.00</b>	0.00%	R 1.10	10.00%	R 1.20	9.09%	R 0.87
R 28.00	R 24.35		Information on a memory stick	15.0%	<b>R 29.00</b>	3.57%	R 30.00	3.45%	R 31.00	3.33%	R 25.22
R 161.00	R 140.00		Information on a CD	15.0%	<b>R 169.00</b>	4.97%	R 179.00	5.92%	R 189.00	5.59%	R 146.96
R 89.00	R 77.39		Transcription of visual image (A4 page) per page	15.0%	<b>R 93.00</b>	4.49%	R 98.00	5.38%	R 103.00	5.10%	R 80.87
R 238.00	R 206.96		Copy of a visual image (A4 page) per page	15.0%	<b>R 249.00</b>	4.62%	R 263.00	5.62%	R 278.00	5.70%	R 216.52
			Transcription of an audio record (A4 page) per page	15.0%	<b>R 50.00</b>	4.17%	R 53.00	6.00%	R 56.00	5.66%	R 43.48
R 48.00	R 41.74		Copy of audio record	15.0%	<b>R 67.00</b>	4.69%	R 71.00	5.97%	R 75.00	5.63%	R 58.26
R 64.00	R 55.65	6.1.7.3	Investigation fee	15.0%							
			To search for record and to prepare it for release --	15.0%	<b>R 61.00</b>	3.39%	R 64.00	4.92%	R 67.00	4.69%	R 53.04
R 59.00	R 51.30		per hour. first hour excluded								
		6.1.7.4	Postage								
Actual cost plus 20% plus VAT			If record should be posted to applicant	15.0%	<b>Actual cost plus 20% plus VAT</b>						
R 5,098.00	R 4,433.04	6.1.8	Application for extention of trading hours to sell	15.0%	<b>R 5,352.00</b>	4.98%	R 5,673.00	6.00%	R 6,013.00	5.99%	R 4,653.91
			Liquor								
<b>6.2. COMMUNITY SERVICES</b>											
<b>6.2.1 Libraries</b>											
		6.2.1.1	Hall rental (per session or part thereof)								
			<b>NOTE:</b> a session is from								
R 181.00	R 157.39		08:00 - 13:00	15.0%	<b>R 190.00</b>	4.97%	R 201.00	5.79%	R 213.00	5.97%	R 165.22
R 199.00	R 173.04		13:00 - 18:00	15.0%	<b>R 208.00</b>	4.52%	R 220.00	5.77%	R 233.00	5.91%	R 180.87
R 221.00	R 192.17		18:00 - 00:00	15.0%	<b>R 232.00</b>	4.98%	R 245.00	5.60%	R 259.00	5.71%	R 201.74
			<b>NB:</b> The amenities are available without charge to youth-, service-, charity-community-,sport-, educational-, and governmental institutions,								
			as well as for meetings of local political parties								
R 490.00	R 426.09	6.2.1.2	Kitchen rental (per session or part thereof)	15.0%	<b>R 514.00</b>	4.90%	R 544.00	5.84%	R 576.00	5.88%	R 446.96
R 214.00			Deposit for kitchen rental	Exempt	<b>R 224.00</b>	4.67%	R 237.00	5.80%	R 251.00	5.91%	

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
		<b>6.2.2</b>	<b>Traffic Services</b>								
		<b>6.2.2.1</b>	<b>Assistance: Escorting and Traffic assistance or Any Other Special Event</b> (Section 111 (3) (C) of the Road Traffic Act 1989, Act 29 of 1989, in conjunction with Section 22 of the Standard Regulation Re: Roads, Provincial Notice 562 of October 1987.								
		6.2.2.1.1	Profit Organisations: (per gathering/march)								
R 786.00	R 683.48		(a) First hour per officer (normal working hours)	15.0%	<b>R 825.00</b>	4.96%	R 874.00	5.94%	R 926.00	5.95%	R 717.39
R 281.00	R 244.35		(b) Subsequent hourly tariff within normal working hours	15.0%	<b>R 295.00</b>	4.98%	R 312.00	5.76%	R 330.00	5.77%	R 256.52
R 991.00	R 861.74		(c) First hour per officer ( after hours & weekends)	15.0%	<b>R 1,040.00</b>	4.94%	R 1,102.00	5.96%	R 1,168.00	5.99%	R 904.35
R 389.00	R 338.26		(d) Subsequent hourly tariff after hours & weekends	15.0%	<b>R 408.00</b>	4.88%	R 432.00	5.88%	R 457.00	5.79%	R 354.78
R 2,037.00	R 1,771.30		(e) Per officer ( Sundays per 4 hour bracket)	15.0%	<b>R 2,138.00</b>	4.96%	R 2,266.00	5.99%	R 2,401.00	5.96%	R 1,859.13
R 238.00	R 206.96		(f) Per vehicle (less than 15 km)	15.0%	<b>R 249.00</b>	4.62%	R 263.00	5.62%	R 278.00	5.70%	R 216.52
R 12.10	R 10.52		(g) Per kilometre tariff thereafter	15.0%	<b>R 13.10</b>	8.26%	R 14.00	6.87%	R 14.50	3.57%	R 11.39
R 238.00	R 206.96		(h) Hiring of road signs and equipment	15.0%	<b>R 249.00</b>	4.62%	R 263.00	5.62%	R 278.00	5.70%	R 216.52
R 1,007.00	R 875.65		(i) Mega phone per day	15.0%	<b>R 1,057.00</b>	4.97%	R 1,120.00	5.96%	R 1,187.00	5.98%	R 919.13
		6.2.2.1.2	Non-Profit Organisations: (per gathering/march)								
R 281.00	R 244.35		(a) First hour per officer (normal working hours)	15.0%	<b>R 295.00</b>	4.98%	R 312.00	5.76%	R 330.00	5.77%	R 256.52
R 143.00	R 124.35		(b) Subsequent hourly tariff within normal working hours	15.0%	<b>R 150.00</b>	4.90%	R 159.00	6.00%	R 168.00	5.66%	R 130.43
R 369.00	R 320.87		(c) First hour per officer ( after hours & weekends)	15.0%	<b>R 387.00</b>	4.88%	R 410.00	5.94%	R 434.00	5.85%	R 336.52
R 221.00	R 192.17		(d) Subsequent hourly tariff after hours & weekends	15.0%	<b>R 232.00</b>	4.98%	R 245.00	5.60%	R 259.00	5.71%	R 201.74
R 1,016.00	R 883.48		(e) Per officer ( Sundays per 4 hour bracket)	15.0%	<b>R 1,066.00</b>	4.92%	R 1,129.00	5.91%	R 1,196.00	5.93%	R 926.96
R 143.00	R 124.35		(f) Per vehicle (less than 15 km)	15.0%	<b>R 150.00</b>	4.90%	R 159.00	6.00%	R 168.00	5.66%	R 130.43
R 12.10	R 10.52		(g) Per kilometre tariff thereafter	15.0%	<b>R 13.10</b>	8.26%	R 14.00	6.87%	R 14.50	3.57%	R 11.39
R 107.00	R 93.04		(h) Hiring of road signs and equipment	15.0%	<b>R 112.00</b>	4.67%	R 118.00	5.36%	R 125.00	5.93%	R 97.39
R 498.00	R 433.04		(i) Mega phone per day	15.0%	<b>R 522.00</b>	4.82%	R 553.00	5.94%	R 586.00	5.97%	R 453.91
		<b>6.2.2.2</b>	<b>Dog Tax Tariffs</b>								
R 298.00	R 259.13	6.2.2.2.1	Male dog: per year or part thereof	15.0%	<b>R 312.00</b>	4.70%	R 330.00	5.77%	R 349.00	5.76%	R 271.30
R 602.00	R 523.48	6.2.2.2.2	Bitch: per year or part thereof	15.0%	<b>R 632.00</b>	4.98%	R 669.00	5.85%	R 709.00	5.98%	R 549.57
R 147.00	R 127.83	6.2.2.2.3	Sterilised/castrated ( proof)	15.0%	<b>R 154.00</b>	4.76%	R 163.00	5.84%	R 172.00	5.52%	R 133.91
R 237.00	R 206.09	<b>6.2.2.3</b>	<b>Executing of warrants of arrest</b>	15.0%	<b>R 248.00</b>	4.64%	R 262.00	5.65%	R 277.00	5.73%	R 215.65
		<b>6.2.3</b>	<b>Fire Brigade Service</b> (In terms of Provincial Notice 396 of 11 June 1982) No accounts will be render to informal areas								
R 3,567.00	R 3,101.74	6.2.3.1	Call-outs (per call) (excluding residential) This includes all fire fighting vehicles, all manpower water supply and (Per hour or part thereof)	15.0%	<b>R 3,745.00</b>	4.99%	R 3,969.00	5.98%	R 4,207.00	6.00%	R 3,256.52
		6.2.3.2	Additional services (such as pumping, cleaning roads, decontamination) and consumables								
R 594.00	R 516.52		a) Call-out per hour or part thereof	15.0%	<b>R 623.00</b>	4.88%	R 660.00	5.94%	R 699.00	5.91%	R 541.74
R 51.00	R 44.35		b) Absorbent per kilogram	15.0%	<b>R 53.00</b>	3.92%	R 56.00	5.66%	R 59.00	5.36%	R 46.09
R 55.00	R 47.83		c) Foam per litre	15.0%	<b>R 57.00</b>	3.64%	R 60.00	5.26%	R 63.00	5.00%	R 49.57
R 523.00	R 454.78		d) Handheld extinguisher	15.0%	<b>R 549.00</b>	4.97%	R 581.00	5.83%	R 615.00	5.85%	R 477.39
R 120.00	R 104.35		e) Decontamination concentrate	15.0%	<b>R 126.00</b>	5.00%	R 133.00	5.56%	R 140.00	5.26%	R 109.57
		6.2.3.3	Special Standby Services at Events								
R 2,378.00	R 2,067.83		a) First hour	15.0%	<b>R 2,496.00</b>	4.96%	R 2,645.00	5.97%	R 2,803.00	5.97%	R 2,170.43
R 597.00	R 519.13		b) Per hour or part thereof, thereafter	15.0%	<b>R 626.00</b>	4.86%	R 663.00	5.91%	R 702.00	5.88%	R 544.35
R 2,916.00	R 2,535.65	6.2.3.4	Controlled Burns	15.0%	<b>R 3,061.00</b>	4.97%	R 3,244.00	5.98%	R 3,438.00	5.98%	R 2,661.74
R 757.00	R 658.26	6.2.3.5	Clearing of overgrown properties (residential areas) and c	15.0%	<b>R 794.00</b>	4.89%	R 841.00	5.92%	R 891.00	5.95%	R 690.43
		6.2.3.6	Flammable Liquid Certificates:								
R 139.00	R 120.87		(a) Domestic installations	15.0%	<b>R 145.00</b>	4.32%	R 153.00	5.52%	R 162.00	5.88%	R 126.09
R 536.00	R 466.09		(b) Commercial installations	15.0%	<b>R 562.00</b>	4.85%	R 595.00	5.87%	R 630.00	5.88%	R 488.70
R 605.00	R 526.09		(c) Industrial Installations	15.0%	<b>R 635.00</b>	4.96%	R 673.00	5.98%	R 713.00	5.94%	R 552.17
R 536.00	R 466.09		(d) LPG Suppliers	15.0%	<b>R 562.00</b>	4.85%	R 595.00	5.87%	R 630.00	5.88%	R 488.70
R 536.00	R 466.09		(e) Spray paint rooms	15.0%	<b>R 562.00</b>	4.85%	R 595.00	5.87%	R 630.00	5.88%	R 488.70
		6.2.3.7	Fire Safety Certification								
R 413.00	R 359.13		a) New Building plan or alterations	15.0%	<b>R 433.00</b>	4.84%	R 458.00	5.77%	R 485.00	5.90%	R 376.52
R 139.00	R 120.87		b) Educational and old age facilities	15.0%	<b>R 145.00</b>	4.32%	R 153.00	5.52%	R 162.00	5.88%	R 126.09
R 413.00	R 359.13		c) New business licence application	15.0%	<b>R 433.00</b>	4.84%	R 458.00	5.77%	R 485.00	5.90%	R 376.52
R 536.00	R 466.09		d) Commercial/Industrial Facility	15.0%	<b>R 562.00</b>	4.85%	R 595.00	5.87%	R 630.00	5.88%	R 488.70
		6.2.3.8	Dangerous Goods Transport Permit (Annual)								
R 355.00	R 308.70		a) Light Delivery vehicle up to 3500 kg	15.0%	<b>R 372.00</b>	4.79%	R 394.00	5.91%	R 417.00	5.84%	R 323.48
R 448.00	R 389.57		b) Light Delivery vehicle above 3500 kg	15.0%	<b>R 470.00</b>	4.91%	R 498.00	5.96%	R 527.00	5.82%	R 408.70
R 879.00	R 764.35		c) Rigid tankers and flat beds up to 20 000	15.0%	<b>R 922.00</b>	4.89%	R 977.00	5.97%	R 1,035.00	5.94%	R 801.74
R 1,317.00	R 1,145.22		d) Rigid tankers and flat beds above 20 000	15.0%	<b>R 1,382.00</b>	4.94%	R 1,464.00	5.93%	R 1,551.00	5.94%	R 1,201.74
			e) Articulated vehicles up to 20 000 litres								
R 355.00	R 308.70		1) Horse	15.0%	<b>R 372.00</b>	4.79%	R 394.00	5.91%	R 417.00	5.84%	R 323.48
R 879.00	R 764.35		2) Per unit or tanker thereafter	15.0%	<b>R 922.00</b>	4.89%	R 977.00	5.97%	R 1,035.00	5.94%	R 801.74
			f) Articulated vehicles above 20 000 litres								
R 355.00	R 308.70		1) Horse	15.0%	<b>R 372.00</b>	4.79%	R 394.00	5.91%	R 417.00	5.84%	R 323.48
R 1,317.00	R 1,145.22		2) Per unit or tanker thereafter	15.0%	<b>R 1,382.00</b>	4.94%	R 1,464.00	5.93%	R 1,551.00	5.94%	R 1,201.74
R 198.00	R 172.17		g) Transfer of certificate	15.0%	<b>R 207.00</b>	4.55%	R 219.00	5.80%	R 232.00	5.94%	R 180.00
		6.2.3.9	Event application								
R 198.00	R 172.17		a) Below 500 attendees	15.0%	<b>R 207.00</b>	4.55%	R 219.00	5.80%	R 232.00	5.94%	R 180.00
R 395.00	R 343.48		b) Between 500 and 1000 attendees	15.0%	<b>R 414.00</b>	4.81%	R 438.00	5.80%	R 464.00	5.94%	R 360.00
R 798.00	R 693.91		c) More than 1000 attendees	15.0%	<b>R 837.00</b>	4.89%	R 887.00	5.97%	R 940.00	5.98%	R 727.83
		6.2.3.10	Training per person								
R 418.00	R 363.48		Industrial and Commercial Basic Firefighting – 3 days	15.0%	<b>R 438.00</b>	4.78%	R 464.00	5.94%	R 491.00	5.82%	R 380.87
R 699.00	R 607.83		Industrial and Commercial Advanced– 5 days	15.0%	<b>R 733.00</b>	4.86%	R 776.00	5.87%	R 822.00	5.93%	R 637.39
R 139.00	R 120.87		Portable Fire Extinguisher course – 4 hours (excluding cor	15.0%	<b>R 145.00</b>	4.32%	R 153.00	5.52%	R 162.00	5.88%	R 126.09

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
R 1,008.00 R 1,632.00	R 876.52 R 1,419.13	6.2.7	<b>Licensing and Regulating: Hiring and Sundry</b>								
		6.2.7.1	Vendor stalls (uncovered)	15.0%	R 1,058.00	4.96%	R 1,121.00	5.95%	R 1,188.00	5.98%	R 920.00
		6.2.7.2	Vendor stalls – under cover (per annum)	15.0%	R 1,713.00	4.96%	R 1,815.00	5.95%	R 1,923.00	5.95%	R 1,489.57
		6.2.7.3	Clean-up of premises (cost recoverable from owner)								
		6.2.8	<b>Holiday Resorts</b>								
R 763.00 R 592.00			Deposit for hiring C & D types Chalets at Pine Forest ( <i>Dennebos</i> )	Exempt	R 801.00	4.98%	R 849.00	5.99%	R 899.00	5.89%	
			Deposit for hiring of other	Exempt	R 621.00	4.90%	R 658.00	5.96%	R 697.00	5.93%	
		6.2.8.1	<b>Pine Forest (<i>Dennebos</i>)</b>								
25.00%	21.74%	6.2.8.1.1	Administrative levy for cancellation of booking (% of rental amount, no maximum)	15.0%	25.00%	0.00%	25.00%	0.00%	25.00%	0.00%	R 0.22
		6.2.8.1.2	<b>Camping ( per stand per night )</b>								
R 468.00 R 304.00 R 184.00 R 577.00	R 406.96 R 264.35 R 160.00		High season	15.0%	R 491.00	4.91%	R 520.00	5.91%	R 551.00	5.96%	R 426.96
			High season	15.0%	R 319.00	4.93%	R 338.00	5.96%	R 358.00	5.92%	R 277.39
			Out of season	15.0%	R 193.00	4.89%	R 204.00	5.70%	R 216.00	5.88%	R 167.83
			Deposit	Exempt	R 605.00	4.85%	R 641.00	5.95%	R 679.00	5.93%	
		6.2.8.1.3	<b>Annual Booking Fee</b>								
R 24,244.00 R 19,060.00 R 17,734.00 R 24,244.00 R 18,615.00 R 15,612.00	R 21,081.74 R 16,573.91 R 15,420.87 R 21,081.74 R 16,186.96 R 13,575.65		A-type - caravan premises cabin	15.0%	R 25,456.00	5.00%	R 26,983.00	6.00%	R 28,601.00	6.00%	R 22,135.65
			A & B-type - caravan premises Non cabin	15.0%	R 20,013.00	5.00%	R 21,213.00	6.00%	R 22,485.00	6.00%	R 17,402.61
			C-type - caravan premises Non cabin	15.0%	R 20,394.00	15.00%	R 21,213.00	4.02%	R 22,485.00	6.00%	R 17,733.91
			Loq Cabins	15.0%	R 25,456.00	5.00%	R 26,983.00	6.00%	R 28,601.00	6.00%	R 22,135.65
			A-type - Lost City Cabin	15.0%	R 21,407.00	15.00%	R 24,618.00	15.00%	R 28,601.00	16.18%	R 18,614.78
			B-type - Lost City Cabin	15.0%	R 17,953.00	14.99%	R 20,645.00	14.99%	R 23,741.00	15.00%	R 15,611.30
			Deposit	Exempt							
		6.2.8.1.4	<b>Chalets (per unit per night)</b>								
		6.2.8.1.4.1	<b>A - Type</b>								
R 571.00 R 508.00 R 414.00	R 496.52 R 441.74 R 360.00		High season (24 December to 9 January & Easter weekend)	15.0%	R 599.00	4.90%	R 634.00	5.84%	R 672.00	5.99%	R 520.87
			High season	15.0%	R 533.00	4.92%	R 564.00	5.82%	R 597.00	5.85%	R 463.48
			Out of season	15.0%	R 434.00	4.83%	R 460.00	5.99%	R 487.00	5.87%	R 377.39
		6.2.8.1.4.2	<b>B - Type</b>								
R 930.00 R 756.00 R 585.00	R 808.70 R 657.39 R 508.70		High season (24 December to 9 January & Easter weekend)	15.0%	R 976.00	4.95%	R 1,034.00	5.94%	R 1,096.00	6.00%	R 848.70
			High season	15.0%	R 793.00	4.89%	R 840.00	5.93%	R 890.00	5.95%	R 689.57
			Out of season	15.0%	R 614.00	4.96%	R 650.00	5.86%	R 689.00	6.00%	R 533.91
		6.2.8.1.4.3	<b>C - Type</b>								
R 1,334.00 R 1,274.00 R 701.00	R 1,160.00 R 1,107.83 R 609.57		High season (24 December to 9 January & Easter weekend)	15.0%	R 1,400.00	4.95%	R 1,484.00	6.00%	R 1,573.00	6.00%	R 1,217.39
			High season	15.0%	R 1,337.00	4.95%	R 1,417.00	5.98%	R 1,502.00	6.00%	R 1,162.61
			Out of season	15.0%	R 736.00	4.99%	R 780.00	5.98%	R 826.00	5.90%	R 640.00
		6.2.8.1.4.4	<b>D - Type</b>								
R 1,207.00 R 1,012.00 R 639.00	R 1,049.57 R 880.00 R 555.65		High season (24 December to 9 January & Easter weekend)	15.0%	R 1,267.00	4.97%	R 1,343.00	6.00%	R 1,423.00	5.96%	R 1,101.74
			High season	15.0%	R 1,062.00	4.94%	R 1,125.00	5.93%	R 1,192.00	5.96%	R 923.48
			Out of season	15.0%	R 670.00	4.85%	R 710.00	5.97%	R 752.00	5.92%	R 582.61
		6.2.8.1.4.5	<b>E - Type</b>								
R 876.00 R 811.00 R 520.00	R 761.74 R 705.22 R 452.17		High season (24 December to 9 January & Easter weekend)	15.0%	R 919.00	4.91%	R 974.00	5.98%	R 1,032.00	5.95%	R 799.13
			High season	15.0%	R 851.00	4.93%	R 902.00	5.99%	R 956.00	5.99%	R 740.00
			Out of season	15.0%	R 546.00	5.00%	R 578.00	5.86%	R 612.00	5.88%	R 474.78
		6.2.8.1.4.6	<b>F - Type</b>								
R 571.00 R 508.00 R 414.00	R 496.52 R 441.74 R 360.00		High season (24 December to 9 January & Easter weekend)	15.0%	R 599.00	4.90%	R 634.00	5.84%	R 672.00	5.99%	R 520.87
			High season	15.0%	R 533.00	4.92%	R 564.00	5.82%	R 597.00	5.85%	R 463.48
			Out of season	15.0%	R 434.00	4.83%	R 460.00	5.99%	R 487.00	5.87%	R 377.39
		6.2.8.1.4.7	<b>G - Type</b>								
R 1,340.00 R 1,067.00 R 661.00	R 1,165.22 R 927.83 R 574.78		High season (24 December to 9 January & Easter weekend)	15.0%	R 1,407.00	5.00%	R 1,491.00	5.97%	R 1,580.00	5.97%	R 1,223.48
			High season	15.0%	R 1,120.00	4.97%	R 1,187.00	5.98%	R 1,258.00	5.98%	R 973.91
			Out of season	15.0%	R 694.00	4.99%	R 735.00	5.91%	R 779.00	5.99%	R 603.48
		6.2.8.1.4.8	Long-term monthly rentals are based on the weekend tariff multiplied by four (4) plus 20 percent.								
		6.2.8.1.5	<b>Day Visitors - Entrance</b>								
R 91.00 R 85.00	R 79.13 R 73.91		Per person per day	15.0%	R 95.00	4.40%	R 100.00	5.26%	R 106.00	6.00%	R 82.61
			Per vehicle per day	15.0%	R 89.00	4.71%	R 94.00	5.62%	R 99.00	5.32%	R 77.39
		6.2.8.1.6	<b>Sundry Tariffs</b>								
R 800.00			Conference Hall (deposit)	Exempt	R 800.00	0.00%	R 848.00	6.00%	R 898.00	5.90%	
			Conference Hall hire: per session								
R 673.00 R 673.00 R 899.00 R 1,724.00	R 585.22 R 585.22 R 781.74 R 1,499.13		08:00 – 13:00	15.0%	R 706.00	4.90%	R 748.00	5.95%	R 792.00	5.88%	R 613.91
			13:00 – 18:00	15.0%	R 706.00	4.90%	R 748.00	5.95%	R 792.00	5.88%	R 613.91
			18:00 – 24:00	15.0%	R 943.00	4.89%	R 999.00	5.94%	R 1,058.00	5.91%	R 820.00
			Conference Hall hire: per day	15.0%	R 1,810.00	4.99%	R 1,918.00	5.97%	R 2,033.00	6.00%	R 1,573.91
			<i>Renting of Recreational Halls to sports clubs (local):</i>								
R 350.00 R 2,724.48 R 99.00	R 2,369.11 R 86.09		Deposit	Exempt	R 350.00	0.00%	R 371.00	6.00%	R 393.00	5.93%	
			Annual tariff	15.0%	R 3,269.38	20.00%	R 3,465.00	5.98%	R 3,672.00	5.97%	R 2,842.94
			Bedding hiring: per set per week (chalets)	15.0%	R 103.00	4.04%	R 109.00	5.83%	R 115.00	5.50%	R 89.57
			Entrance (Local Residents)								
R 219.00	R 190.43		Clip cards - Local residence in Witzenberg area entrance (5 Visits)	15.0%	R 229.00	4.57%	R 242.00	5.68%	R 256.00	5.79%	R 199.13
			Local residence in Witzenberg annual tickets (per ticket)								
R 508.00 R 373.00 R 348.00 R 77.00	R 441.74 R 324.35 R 302.61 R 66.96		Adults	15.0%	R 533.00	4.92%	R 564.00	5.82%	R 597.00	5.85%	R 463.48
			Children	15.0%	R 391.00	4.83%	R 414.00	5.88%	R 438.00	5.80%	R 340.00
			Vehicles	15.0%	R 365.00	4.89%	R 386.00	5.75%	R 409.00	5.96%	R 317.39
			Clip cards - Recreational facilities 5 clips per ticket	15.0%	R 80.00	3.90%	R 84.00	5.00%	R 89.00	5.95%	R 69.57
			Laundromat facilities								
R 61.00	R 53.04		Per 8kg, excluding washing powder	15.0%	R 64.00	4.92%	R 67.00	4.69%	R 71.00	5.97%	R 55.65
		6.2.8.2	<b>Klipriver Park (Closed)</b>								



## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
		6.2.8.3	<b>Discounts - Both Resorts</b> The following discounts will be allowed on booking by: Pensioners - less 50% during off-season and midweek periods out of peak season Registered Caravan Clubs and Club members - less 10% in periods out of peak season Midweek in- and off season - less 25% Students accompanied by parents - less 12% on day visitor fee								
		6.2.9	<b>Swimming Pools</b> All swimming pools in Witzenberg Entrance: Adults Children (school-going) Season tickets Annual fee per School (Only for School activities) Annual fee per Service providers for Swimming training/lessons (Allow all trainees entry free)	15.0% 15.0% 15.0% 15.0%	<b>R 11.00</b> <b>R 1.00</b> <b>R 150.00</b> <b>R 600.00</b>	0.00% -60.0% 0.00% 0.0%	R 11.00 R 1.00 R 150.00 R 600.00	0.00% 0.00% 0.00% 0.00%	R 11.00 R 1.00 R 150.00 R 600.00	0.00% 0.00% 0.00% 0.00%	R 9.57 R 0.87 R 130.43 R 521.74
R 11.00 R 2.50 R 150.00 R 600.00	R 9.57 R 2.17 R 130.43 R 521.74			15.0%	<b>R 1,100.00</b>	0.00%	R 1,100.00	0.00%	R 1,100.00	0.00%	R 956.52
		6.2.10	<b>Sports grounds</b>								
		6.2.10.1	<b>All sports grounds in Witzenberg</b> School practices (per practice) max 2/week @3hours / occasion School matches (per match) Sports clubs (per practice) max 2/week @3hours / occasion Sports clubs (per match) with no entrance fees Sports clubs (per match) with entrance/ gate fees Other events Tournaments / day Festivals and Carnivals (per day)	15.0% 15.0% 15.0% 15.0% 15.0% 15.0% 15.0%	<b>R 98.00</b> <b>R 212.00</b> <b>R 212.00</b> <b>R 612.00</b> <b>R 1,224.00</b> <b>R 1,836.00</b> <b>R 1,836.00</b> <b>R 1,836.00</b>	4.26% 4.95% 4.95% 4.97% 4.97% 4.97% 4.97%	R 103.00 R 224.00 R 224.00 R 648.00 R 1,297.00 R 1,946.00 R 1,946.00 R 1,946.00	5.10% 5.66% 5.66% 5.88% 5.96% 5.99% 5.99% 5.99%	R 109.00 R 237.00 R 237.00 R 686.00 R 1,374.00 R 2,062.00 R 2,062.00 R 2,062.00	5.83% 5.80% 5.80% 5.86% 5.94% 5.96% 5.96% 5.96%	R 85.22 R 184.35 R 184.35 R 434.78 R 869.57 R 1,304.35 R 1,304.35 R 1,304.35
R 94.00 R 202.00	R 81.74 R 175.65			15.0%	<b>R 98.00</b>	4.26%	R 103.00	5.10%	R 109.00	5.83%	R 85.22
				15.0%	<b>R 212.00</b>	4.95%	R 224.00	5.66%	R 237.00	5.80%	R 184.35
				15.0%	<b>R 212.00</b>	4.95%	R 224.00	5.66%	R 237.00	5.80%	R 184.35
R 202.00 R 583.00 R 1,166.00	R 175.65 R 434.78 R 869.57			15.0%	<b>R 612.00</b>	4.97%	R 648.00	5.88%	R 686.00	5.86%	R 434.78
R 1,749.00 R 1,749.00 R 1,749.00 R 2,915.00	R 1,304.35 R 1,304.35 R 1,304.35 R 2,915.00			15.0%	<b>R 1,224.00</b>	4.97%	R 1,297.00	5.96%	R 1,374.00	5.94%	R 869.57
				15.0%	<b>R 1,836.00</b>	4.97%	R 1,946.00	5.99%	R 2,062.00	5.96%	R 1,304.35
				15.0%	<b>R 1,836.00</b>	4.97%	R 1,946.00	5.99%	R 2,062.00	5.96%	R 1,304.35
		6.2.10.2	<b>Deposit per event</b> No standing deposits will be accepted. Each booking stand alone	Exempt	<b>R 3,060.00</b>	4.97%	R 3,243.00	5.98%	R 3,437.00	5.98%	R 3,060.00
		6.2.11	<b>Community Halls and Town Halls</b> No discos or dances in any facility ALL community Halls: Sessions: morning: 8h00-13h00 afternoon: 13h00-18h00 evening: 18h00-12h00 PENALTY : LATE OUT : 50% of deposit								
		6.2.11.1.3	<b>Town Hall - Ceres Hall, stage and main toilets</b> Morning Afternoon Evening <b>Kitchen</b> Morning Afternoon Evening <b>Banqueting Hall: (only when not used in</b> Morning Afternoon Evening <b>Tariff 3: Guarantee deposit</b> Per function <b>Tariff 4: equipment per occasion</b> Hiring of table cloths (each, per day) Hiring of tables (each, per day) Hiring of cutlery (per dozen, per day) <b>Tariff 5: reduced rates</b> 50% discount to organisations that qualify <b>Tariff 6: Levy in respect of exceeding the</b> In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated <b>Tariff 7: Pianos per function ( currently not available)</b> Piano organ Grand piano <b>Tariff 8: Rehearsals (per rehearsal)</b> In respect of hall and stage only Morning: 10:00 - 12:00 (per rehearsal) Evening: 18:00 - 20:00 (per rehearsal) <b>Tariff 9: Chances to Bookings -- per booking</b> If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged Levy <b>Sound system for Town Hall (per occasion)</b>	15.0% 							

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
<b>6.2.11.1.4 Bella Vista Community Hall</b>											
			All traditional church services ( through the night) X2 the 24hour tariff								
R 2,782.00	R 2,782.00		Deposit for above	Exempt	R 2,921.00	5.00%	R 3,096.00	5.99%	R 3,281.00	5.98%	R 2,921.00
			<b>Tariff 1: Basic charges per session</b>								
			<b>Hall, stage and main toilets</b>								
R 319.00	R 277.39		Morning	15.0%	R 334.00	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
R 319.00	R 277.39		Afternoon	15.0%	R 334.00	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
R 480.00	R 417.39		Evening	15.0%	R 504.00	5.00%	R 534.00	5.95%	R 566.00	5.99%	R 438.26
			<b>Kitchen</b>								
R 289.00	R 251.30		Morning	15.0%	R 303.00	4.84%	R 321.00	5.94%	R 340.00	5.92%	R 263.48
R 289.00	R 251.30		Afternoon	15.0%	R 303.00	4.84%	R 321.00	5.94%	R 340.00	5.92%	R 263.48
R 319.00	R 277.39		Evening	15.0%	R 334.00	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
			<b>Change rooms (excluding main toilets)</b>								
R 81.00	R 70.43		Morning	15.0%	R 85.00	4.94%	R 90.00	5.88%	R 95.00	5.56%	R 73.91
R 81.00	R 70.43		Afternoon	15.0%	R 85.00	4.94%	R 90.00	5.88%	R 95.00	5.56%	R 73.91
R 166.00	R 144.35		Evening	15.0%	R 174.00	4.82%	R 184.00	5.75%	R 195.00	5.98%	R 151.30
			<b>Tariff 2: Public dances per session</b>								
R 1,103.00	R 959.13		Hall, stage and toilets	15.0%	R 1,158.00	4.99%	R 1,227.00	5.96%	R 1,300.00	5.95%	R 1,006.96
			<b>Tariff 3: Guarantee deposit</b>								
R 556.00	R 483.48		Per function --- excluding kitchen	15.0%	R 583.00	4.86%	R 617.00	5.83%	R 654.00	6.00%	R 506.96
R 2,224.00	R 1,933.91		Per function --- including kitchen	15.0%	R 2,335.00	4.99%	R 2,475.00	6.00%	R 2,623.00	5.98%	R 2,030.43
			<b>Tariff 4: equipment per occasion</b>								
R 38.00	R 33.04		Hiring of table cloths (each, per day)	15.0%	R 39.00	2.63%	R 41.00	5.13%	R 43.00	4.88%	R 33.91
R 26.00	R 20.87		Hiring of tables (each, per day)	15.0%	R 27.00	3.85%	R 28.60	5.93%	R 30.30	5.94%	R 20.87
R 19.40	R 16.87		Hiring of cutlery (per dozen, per day)	15.0%	R 20.40	5.15%	R 21.60	5.88%	R 22.90	6.02%	R 17.74
			<b>Tariff 5: Reduced rates</b>								
			50% discount to organisations that qualify								
			<b>Tariff 6: Levy in respect of exceeding the vacating time</b>								
			In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
			<b>Tariff 8: Rehearsals (per rehearsal)</b>								
			In respect of hall and stage only								
R 116.00	R 100.87		Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 121.00	4.31%	R 128.00	5.79%	R 135.00	5.47%	R 105.22
R 166.00	R 144.35		Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 174.00	4.82%	R 184.00	5.75%	R 195.00	5.98%	R 151.30
			<b>Tariff 9: Changes to Bookings -- per booking</b>								
			If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 131.00	R 113.91		Levy	15.0%	R 137.00	4.58%	R 145.00	5.84%	R 153.00	5.52%	R 119.13
<b>6.2.11.1.6 Bella Vista Youth Centre and Polo cross Hall N'duli</b>											
			<b>Tariff 1: Basic charges per session</b>								
			<b>Hall, stage and main toilets</b>								
R 289.00	R 251.30		Morning	15.0%	R 303.00	4.84%	R 321.00	5.94%	R 340.00	5.92%	R 263.48
R 289.00	R 251.30		Afternoon	15.0%	R 303.00	4.84%	R 321.00	5.94%	R 340.00	5.92%	R 263.48
R 396.00	R 344.35		Evening	15.0%	R 415.00	4.80%	R 439.00	5.78%	R 465.00	5.92%	R 360.87
			<b>Tariff 2: Public dances per session</b>								
R 1,103.00	R 959.13		Hall, stage and toilets	15.0%	R 1,158.00	4.99%	R 1,227.00	5.96%	R 1,300.00	5.95%	R 1,006.96
R 419.00	R 419.00			Exempt	R 439.00	4.77%	R 465.00	5.92%	R 492.00	5.81%	R 439.00
			<b>Tariff 3: Guarantee deposit per function</b>								
			<b>Tariff 4: Reduced rates</b>								
			50% discount to organisations that qualify								
			<b>Tariff 5: Levy in respect of exceeding the vacating time</b>								
			In the event of the lessee failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R10 per hour will be levied until such time that the premises have been fully vacated								
			<b>Tariff 6: Rehearsals (per rehearsal)</b>								
			In respect of hall and stage only								
R 81.00	R 70.43		Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 85.00	4.94%	R 90.00	5.88%	R 95.00	5.56%	R 73.91
R 131.00	R 113.91		Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 137.00	4.58%	R 145.00	5.84%	R 153.00	5.52%	R 119.13
			<b>Tariff 7: Changes to bookings --- per booking</b>								
			If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 148.00	R 128.70		Levy	15.0%	R 155.00	4.73%	R 164.00	5.81%	R 173.00	5.49%	R 134.78



## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
		<b>6.2.11.1.7</b>	<b>N'duli New Hall</b> All traditional church services ( through the night) X2 the 24 hour tariff Deposit for above	Exempt	<b>R 2,921.00</b>	5.00%	R 3,096.00	5.99%	R 3,281.00	5.98%	R 2,921.00
R 2,782.00	R 2,782.00		<b>Tariff 1: Basic charges per session</b> <b>Hall, stage and main toilets</b>								
R 319.00	R 277.39		Morning	15.0%	<b>R 334.00</b>	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
R 319.00	R 277.39		Afternoon	15.0%	<b>R 334.00</b>	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
R 480.00	R 417.39		Evening	15.0%	<b>R 504.00</b>	5.00%	R 534.00	5.95%	R 566.00	5.99%	R 438.26
			<b>Kitchen</b>								
R 148.00	R 128.70		Morning	15.0%	<b>R 155.00</b>	4.73%	R 164.00	5.81%	R 173.00	5.49%	R 134.78
R 148.00	R 128.70		Afternoon	15.0%	<b>R 155.00</b>	4.73%	R 164.00	5.81%	R 173.00	5.49%	R 134.78
R 219.00	R 190.43		Evening	15.0%	<b>R 229.00</b>	4.57%	R 242.00	5.68%	R 256.00	5.79%	R 199.13
			<b>Change rooms (excluding main toilets)</b>								
R 61.00	R 53.04		Morning	15.0%	<b>R 64.00</b>	4.92%	R 67.00	4.69%	R 71.00	5.97%	R 55.65
R 61.00	R 53.04		Afternoon	15.0%	<b>R 64.00</b>	4.92%	R 67.00	4.69%	R 71.00	5.97%	R 55.65
R 97.00	R 84.35		Evening	15.0%	<b>R 101.00</b>	4.12%	R 107.00	5.94%	R 113.00	5.61%	R 87.83
			<b>Tariff 3: Guarantee deposit per function</b>	Exempt							
R 556.00	R 556.00		Deposit per function- excluding kitchen	Exempt	<b>R 583.00</b>	4.86%	R 617.00	5.83%	R 654.00	6.00%	R 583.00
R 2,226.00	R 2,226.00		Deposit per function- including kitchen	Exempt	<b>R 2,337.00</b>	4.99%	R 2,477.00	5.99%	R 2,625.00	5.97%	R 2,337.00
			<b>Tariff 4: Equipment</b>								
R 26.00	R 20.87		Hiring of tables (each, per day)	15.0%	<b>R 27.00</b>	3.85%	R 28.00	3.70%	R 29.00	3.57%	R 20.87
			<b>Tariff 5: Reduced rates</b> 50% discount to organisations that qualify								
			<b>Tariff 6: Levy in respect of exceeding the vacating time</b>  In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
			<b>Tariff 7: Rehearsals (per rehearsal)</b> In respect of hall and stage only								
R 131.00	R 113.91		Morning: 10:00 - 12:00 (per rehearsal)	15.0%	<b>R 137.00</b>	4.58%	R 145.00	5.84%	R 153.00	5.52%	R 119.13
R 166.00	R 144.35		Evening: 18:00 - 20:00 (per rehearsal)	15.0%	<b>R 174.00</b>	4.82%	R 184.00	5.75%	R 195.00	5.98%	R 151.30
			<b>Tariff 8: Changes to bookings --- per booking</b> If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 131.00	R 113.91		Levy	15.0%	<b>R 137.00</b>	4.58%	R 145.00	5.84%	R 153.00	5.52%	R 119.13
		<b>6.2.11.1.8</b>	<b>Prince Alfred's Hamlet Town Hall</b> All traditional church services ( through the night) X2 the 24 hour tariff Deposit for above	Exempt	<b>R 2,921.00</b>	5.00%	R 3,096.00	5.99%	R 3,281.00	5.98%	R 2,921.00
			<b>Tariff 1: Basic charges per session</b> <b>Hall, stage and main toilets</b>								
R 319.00	R 277.39		Morning	15.0%	<b>R 334.00</b>	4.70%	R 354.00	5.99%	R 375.00	5.93%	<b>R 290.43</b>
R 319.00	R 277.39		Afternoon	15.0%	<b>R 334.00</b>	4.70%	R 354.00	5.99%	R 375.00	5.93%	<b>R 290.43</b>
R 480.00	R 417.39		Evening	15.0%	<b>R 504.00</b>	5.00%	R 534.00	5.95%	R 566.00	5.99%	<b>R 438.26</b>
			<b>Kitchen</b>								
R 148.00	R 128.70		Morning	15.0%	<b>R 155.00</b>	4.73%	R 164.00	5.81%	R 173.00	5.49%	<b>R 134.78</b>
R 148.00	R 128.70		Afternoon	15.0%	<b>R 155.00</b>	4.73%	R 164.00	5.81%	R 173.00	5.49%	<b>R 134.78</b>
R 219.00	R 190.43		Evening	15.0%	<b>R 229.00</b>	4.57%	R 242.00	5.68%	R 256.00	5.79%	<b>R 199.13</b>
			<b>Tariff 3: Guarantee deposit</b>								
R 556.00	R 483.48		Per function --- excluding kitchen	15.0%	<b>R 583.00</b>	4.86%	R 617.00	5.83%	R 654.00	6.00%	<b>R 506.96</b>
R 2,226.00	R 1,935.65		Per function --- including kitchen	15.0%	<b>R 2,337.00</b>	4.99%	R 2,477.00	5.99%	R 2,625.00	5.97%	<b>R 2,032.17</b>
			<b>Tariff 4: equipment per occasion</b>								
R 26.00	R 22.61		Hiring of tables (each, per day)	15.0%	<b>R 27.00</b>	3.85%	R 28.00	3.70%	R 29.00	3.57%	<b>R 23.48</b>
			<b>Tariff 5: Reduced rates</b> 50% discount to organisations that qualify								
			<b>Tariff 6: Levy in respect of exceeding the vacating time</b>  In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
			<b>Tariff 8: Rehearsals (per rehearsal)</b> Morning: 10:00 - 12:00 (per rehearsal)	15.0%	<b>R 121.00</b>	4.31%	R 128.00	5.79%	R 135.00	5.47%	<b>R 105.22</b>
R 116.00	R 100.87		Evening: 18:00 - 20:00 (per rehearsal)	15.0%	<b>R 174.00</b>	4.82%	R 184.00	5.75%	R 195.00	5.98%	<b>R 151.30</b>
R 166.00	R 144.35		<b>Tariff 9: Changes to Bookings -- per booking</b> If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 131.00	R 113.91		Levy	15.0%	<b>R 137.00</b>	4.58%	R 145.00	5.84%	R 153.00	5.52%	<b>R 119.13</b>

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat	Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
<b>6.2.11.1.9 Prince Alfred's Hamlet Community Hall</b>										
		All traditional church services ( through the night) X2								
R 2,782.00	R 2,782.00	the 24 hour tariff								
		Deposit for above	Exempt	R 2,921.00	5.00%	R 3,096.00	5.99%	R 3,281.00	5.98%	R 2,921.00
<b>Tariff 1: Basic charges per session</b>										
		<b>Hall, stage and main toilets</b>								
R 319.00	R 277.39	Morning	15.0%	R 334.00	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
R 319.00	R 277.39	Afternoon	15.0%	R 334.00	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
R 480.00	R 417.39	Evening	15.0%	R 504.00	5.00%	R 534.00	5.95%	R 566.00	5.99%	R 438.26
		<b>Kitchen</b>								
R 148.00	R 128.70	Morning	15.0%	R 155.00	4.73%	R 164.00	5.81%	R 173.00	5.49%	R 134.78
R 148.00	R 128.70	Afternoon	15.0%	R 155.00	4.73%	R 164.00	5.81%	R 173.00	5.49%	R 134.78
R 219.00	R 190.43	Evening	15.0%	R 229.00	4.57%	R 242.00	5.68%	R 256.00	5.79%	R 199.13
		<b>Tariff 3: Guarantee deposit</b>								
R 556.00	R 483.48	Per function --- excluding kitchen	15.0%	R 583.00	4.86%	R 617.00	5.83%	R 654.00	6.00%	R 506.96
R 2,226.00	R 1,935.65	Per function --- including kitchen	15.0%	R 2,337.00	4.99%	R 2,477.00	5.99%	R 2,625.00	5.97%	R 2,032.17
		<b>Tariff 4: equipment per occasion</b>								
R 26.00	R 22.61	Hiring of tables (each, per day)	15.0%	R 27.00	3.85%	R 28.00	3.70%	R 29.00	3.57%	R 23.48
		<b>Tariff 5: Reduced rates</b>								
		50% discount to organisations that qualify								
		<b>Tariff 6: Levy in respect of exceeding the vacating time</b>								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
		<b>Tariff 8: Rehearsals (per rehearsal)</b>								
R 116.00	R 100.87	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 121.00	4.31%	R 128.00	5.79%	R 135.00	5.47%	R 105.22
R 166.00	R 144.35	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 174.00	4.82%	R 184.00	5.75%	R 195.00	5.98%	R 151.30
		<b>Tariff 9: Changes to Bookings -- per booking</b>								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 131.00	R 113.91	Levy	15.0%	R 137.00	4.58%	R 145.00	5.84%	R 153.00	5.52%	R 119.13
<b>6.2.11.1.10 Tulbagh Community Hall</b>										
		All traditional church services ( through the night) X2								
R 2,782.00	R 2,782.00	the 24 hour tariff	Exempt	R 2,921.00	5.00%	R 3,096.00	5.99%	R 3,281.00	5.98%	R 2,921.00
		Deposit for above								
R 131.00	R 113.91	<b>Preparation of hall per hour</b>	15.0%	R 137.00	4.58%	R 145.00	5.84%	R 153.00	5.52%	R 119.13
		<b>Tariff 1: Basic charges per session</b>								
		<b>Hall, stage and main toilets</b>								
R 319.00	R 277.39	Morning	15.0%	R 334.00	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
R 319.00	R 277.39	Afternoon	15.0%	R 334.00	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
R 480.00	R 417.39	Evening	15.0%	R 504.00	5.00%	R 534.00	5.95%	R 566.00	5.99%	R 438.26
		<b>Kitchen</b>								
R 148.00	R 128.70	Morning	15.0%	R 155.00	4.73%	R 164.00	5.81%	R 173.00	5.49%	R 134.78
R 148.00	R 128.70	Afternoon	15.0%	R 155.00	4.73%	R 164.00	5.81%	R 173.00	5.49%	R 134.78
R 219.00	R 190.43	Evening	15.0%	R 229.00	4.57%	R 242.00	5.68%	R 256.00	5.79%	R 199.13
		<b>Tariff 3: Guarantee deposit</b>								
R 556.00	R 483.48	Per function --- excluding kitchen	15.0%	R 583.00	4.86%	R 617.00	5.83%	R 654.00	6.00%	R 506.96
R 2,226.00	R 1,935.65	Per function --- including kitchen	15.0%	R 2,337.00	4.99%	R 2,477.00	5.99%	R 2,625.00	5.97%	R 2,032.17
		<b>Tariff 4: equipment per occasion</b>								
R 26.00	R 22.61	Hiring of tables (each, per day)	15.0%	R 27.00	3.85%	R 28.00	3.70%	R 29.00	3.57%	R 23.48
		<b>Tariff 5: Reduced rates</b>								
		50% discount to organisations that qualify								
		<b>Tariff 6: Levy in respect of exceeding the vacating time</b>								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
		<b>Tariff 8: Rehearsals (per rehearsal)</b>								
R 116.00	R 100.87	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 121.00	4.31%	R 128.00	5.79%	R 135.00	5.47%	R 105.22
R 166.00	R 144.35	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 174.00	4.82%	R 184.00	5.75%	R 195.00	5.98%	R 151.30
		<b>Tariff 9: Changes to Bookings -- per booking</b>								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 131.00	R 113.91	Levy	15.0%	R 137.00	4.58%	R 145.00	5.84%	R 153.00	5.52%	R 119.13
<b>6.2.11.2 Local Organisations</b>										
<b>6.2.11.2.1 Tulbagh Town Hall</b>										
		All traditional church services ( through the night) X2 the 24 hour tariff	Exempt	R 2,921.00	5.00%	R 3,096.00	5.99%	R 3,281.00	5.98%	R 2,921.00
R 2,782.00	R 2,782.00	Deposit for above								
		<b>Tariff 1: Basic charges per session</b>								
		<b>Hall, stage and main toilets</b>								
R 445.00	R 386.96	Morning	15.0%	R 467.00	4.94%	R 495.00	6.00%	R 524.00	5.86%	R 406.09
R 445.00	R 386.96	Afternoon	15.0%	R 467.00	4.94%	R 495.00	6.00%	R 524.00	5.86%	R 406.09
R 549.00	R 477.39	Evening	15.0%	R 576.00	4.92%	R 610.00	5.90%	R 646.00	5.90%	R 500.87
		<b>Kitchen</b>								
R 289.00	R 251.30	Morning	15.0%	R 303.00	4.84%	R 321.00	5.94%	R 340.00	5.92%	R 263.48
R 289.00	R 251.30	Afternoon	15.0%	R 303.00	4.84%	R 321.00	5.94%	R 340.00	5.92%	R 263.48
R 319.00	R 277.39	Evening	15.0%	R 334.00	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
		<b>Banqueting Hall: (only when not used in conjunction with kitchen) per session</b>								
R 272.00	R 236.52	Morning	15.0%	R 285.00	4.78%	R 302.00	5.96%	R 320.00	5.96%	R 247.83
R 272.00	R 236.52	Afternoon	15.0%	R 285.00	4.78%	R 302.00	5.96%	R 320.00	5.96%	R 247.83
R 309.00	R 268.70	Evening	15.0%	R 324.00	4.85%	R 343.00	5.86%	R 363.00	5.83%	R 281.74

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
R 2,226.00	R 1,935.65		<b>Tariff 3: Guarantee deposit</b> Per function	15.0%	<b>R 2,337.00</b>	4.99%	R 2,477.00	5.99%	R 2,625.00	5.97%	<b>R 2,032.17</b>
R 26.00	R 22.61		<b>Tariff 4: equipment per occasion</b> Hiring of tables (each, per day)	15.0%	<b>R 27.00</b>	3.85%	R 28.00	3.70%	R 29.00	3.57%	<b>R 23.48</b>
			<b>Tariff 5: Reduced rates</b> 50% discount to organisations that qualify								
			<b>Tariff 6: Levy in respect of exceeding the vacating time</b> In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
R 181.00	R 157.39		<b>Tariff 8: Rehearsals (per rehearsal)</b> In respect of hall and stage only Morning: 10:00 - 12:00 (per rehearsal)	15.0%	<b>R 190.00</b>	4.97%	R 201.00	5.79%	R 213.00	5.97%	<b>R 165.22</b>
R 202.00	R 175.65		Evening: 18:00 - 20:00 (per rehearsal)	15.0%	<b>R 212.00</b>	4.95%	R 224.00	5.66%	R 237.00	5.80%	<b>R 184.35</b>
			<b>Tariff 9: Changes to Bookings -- per booking</b> If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 148.00	R 128.70		Levy	15.0%	<b>R 155.00</b>	4.73%	R 164.00	5.81%	R 173.00	5.49%	<b>R 134.78</b>
R 166.00	R 144.35		<b>Preparation of hall per hour</b>	15.0%	<b>R 174.00</b>	4.82%	R 184.00	5.75%	R 195.00	5.98%	<b>R 151.30</b>
		<b>6.2.11.2.3</b>	<b>Montana Community Hall</b> All traditional church services ( through the night) X2 the 24 hour tariff	Exempt	<b>R 2,921.00</b>	5.00%	R 3,096.00	5.99%	R 3,281.00	5.98%	R 2,921.00
			<b>Tariff 1: Basic charges per session</b> <b>Hall, stage and main toilets</b>								
R 319.00	R 277.39		Morning	15.0%	<b>R 334.00</b>	4.70%	R 354.00	5.99%	R 375.00	5.93%	<b>R 290.43</b>
R 319.00	R 277.39		Afternoon	15.0%	<b>R 334.00</b>	4.70%	R 354.00	5.99%	R 375.00	5.93%	<b>R 290.43</b>
R 480.00	R 417.39		Evening	15.0%	<b>R 504.00</b>	5.00%	R 534.00	5.95%	R 566.00	5.99%	<b>R 438.26</b>
			<b>Kitchen</b>								
R 289.00	R 251.30		Morning	15.0%	<b>R 303.00</b>	4.84%	R 321.00	5.94%	R 340.00	5.92%	<b>R 263.48</b>
R 289.00	R 251.30		Afternoon	15.0%	<b>R 303.00</b>	4.84%	R 321.00	5.94%	R 340.00	5.92%	<b>R 263.48</b>
R 319.00	R 277.39		Evening	15.0%	<b>R 334.00</b>	4.70%	R 354.00	5.99%	R 375.00	5.93%	<b>R 290.43</b>
			<b>Change rooms (excluding main toilets)</b>								
R 81.00	R 70.43		Morning	15.0%	<b>R 85.00</b>	4.94%	R 90.00	5.88%	R 95.00	5.56%	<b>R 73.91</b>
R 81.00	R 70.43		Afternoon	15.0%	<b>R 85.00</b>	4.94%	R 90.00	5.88%	R 95.00	5.56%	<b>R 73.91</b>
R 166.00	R 144.35		Evening	15.0%	<b>R 174.00</b>	4.82%	R 184.00	5.75%	R 195.00	5.98%	<b>R 151.30</b>
			<b>Tariff 3: Guarantee deposit</b> Per function --- excluding kitchen	15.0%	<b>R 583.00</b>	4.86%	R 617.00	5.83%	R 654.00	6.00%	<b>R 506.96</b>
R 2,226.00	R 1,935.65		Per function --- including kitchen	15.0%	<b>R 2,337.00</b>	4.99%	R 2,477.00	5.99%	R 2,625.00	5.97%	<b>R 2,032.17</b>
			<b>Tariff 4: equipment per occasion</b> Hiring of tables (each, per day)	15.0%	<b>R 27.00</b>	3.85%	R 28.00	3.70%	R 29.00	3.57%	<b>R 23.48</b>
			<b>Tariff 5: Reduced rates</b> 50% discount to organisations that qualify								
			<b>Tariff 6: Levy in respect of exceeding the vacating time</b> In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
R 116.00	R 100.87		<b>Tariff 8: Rehearsals (per rehearsal)</b> Morning: 10:00 - 12:00 (per rehearsal)	15.0%	<b>R 121.00</b>	4.31%	R 128.00	5.79%	R 135.00	5.47%	<b>R 105.22</b>
R 166.00	R 144.35		Evening: 18:00 - 20:00 (per rehearsal)	15.0%	<b>R 174.00</b>	4.82%	R 184.00	5.75%	R 195.00	5.98%	<b>R 151.30</b>
			<b>Tariff 9: Changes to Bookings -- per booking</b> If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 131.00	R 113.91		Levy	15.0%	<b>R 137.00</b>	4.58%	R 145.00	5.84%	R 153.00	5.52%	<b>R 119.13</b>
			<b>Montana Library Hall : Per occasion ( No Church Services)</b>	15.0%	<b>R 155.00</b>	4.73%	R 164.00	5.81%	R 173.00	5.49%	<b>R 134.78</b>
R 148.00	R 128.70		<b>Stamper Street Hall : (per occasion)</b>	15.0%	<b>R 190.00</b>	4.97%	R 201.00	5.79%	R 213.00	5.97%	<b>R 165.22</b>
R 181.00	R 157.39										

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat	Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
<b>6.2.11.2.4 Pine Valley Community Hall</b>										
R 2,782.00	R 2,782.00	All traditional church services ( through the night) X2 the 24 hour tariff Deposit for above	Exempt	R 2,921.00	5.00%	R 3,096.00	5.99%	R 3,281.00	5.98%	R 2,921.00
<b>Tariff 1: Basic charges per session</b>										
<b>Hall, stage and main toilets</b>										
R 319.00	R 277.39	Morning	15.0%	R 334.00	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
R 319.00	R 277.39	Afternoon	15.0%	R 334.00	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
R 480.00	R 417.39	Evening	15.0%	R 504.00	5.00%	R 534.00	5.95%	R 566.00	5.99%	R 438.26
<b>Kitchen</b>										
R 289.00	R 251.30	Morning	15.0%	R 303.00	4.84%	R 321.00	5.94%	R 340.00	5.92%	R 263.48
R 289.00	R 251.30	Afternoon	15.0%	R 303.00	4.84%	R 321.00	5.94%	R 340.00	5.92%	R 263.48
R 319.00	R 277.39	Evening	15.0%	R 334.00	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
<b>Change rooms (excluding main toilets)</b>										
R 81.00	R 70.43	Morning	15.0%	R 85.00	4.94%	R 90.00	5.88%	R 95.00	5.56%	R 73.91
R 81.00	R 70.43	Afternoon	15.0%	R 85.00	4.94%	R 90.00	5.88%	R 95.00	5.56%	R 73.91
R 166.00	R 144.35	Evening	15.0%	R 174.00	4.82%	R 184.00	5.75%	R 195.00	5.98%	R 151.30
<b>Tariff 3: Guarantee deposit</b>										
R 556.00	R 483.48	Per function --- excluding kitchen	15.0%	R 583.00	4.86%	R 617.00	5.83%	R 654.00	6.00%	R 506.96
R 2,226.00	R 1,935.65	Per function --- including kitchen	15.0%	R 2,337.00	4.99%	R 2,477.00	5.99%	R 2,625.00	5.97%	R 2,032.17
<b>Tariff 4: equipment per occasion</b>										
R 26.00	R 22.61	Hiring of tables (each, per day)	15.0%	R 27.00	3.85%	R 28.00	3.70%	R 29.00	3.57%	R 23.48
<b>Tariff 5: Reduced rates</b>										
50% discount to organisations that qualify										
<b>Tariff 6: Levy in respect of exceeding the vacating time</b>										
In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated										
<b>Tariff 8: Rehearsals (per rehearsal)</b>										
R 116.00	R 100.87	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 121.00	4.31%	R 128.00	5.79%	R 135.00	5.47%	R 105.22
R 166.00	R 144.35	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 174.00	4.82%	R 184.00	5.75%	R 195.00	5.98%	R 151.30
<b>Tariff 9: Changes to Bookings -- per booking</b>										
If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged										
R 131.00	R 113.91	Levy	15.0%	R 137.00	4.58%	R 145.00	5.84%	R 153.00	5.52%	R 119.13
<b>NB: Once in a quarter the hall may be utilised, without charge, by political parties that are represented in Council, for their political meetings with the community. The political party concerned must however present its intent to the Municipal Manager, and consent is subject to the availability of the facility. Priority will be given to the order in which applications are received.</b>										
<b>NB: The Municipal Manager may use his discretion to offer a hall free of any charge to Youth-, Service-, Charity-, Community-, Sport-, Educational- and State Institutions, and Senior Citizens.</b>										
<b>6.2.11.2.5 Op-Die-Berg Community Hall</b>										
R 2,782.00	R 2,782.00	All traditional church services ( through the night) X2 the 24 hour tariff Deposit for above	Exempt	R 2,921.00	5.00%	R 3,096.00	5.99%	R 3,281.00	5.98%	R 2,921.00
<b>Tariff 1: Basic charges per session</b>										
<b>Hall, stage and main toilets</b>										
R 319.00	R 277.39	Morning	15.0%	R 334.00	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
R 319.00	R 277.39	Afternoon	15.0%	R 334.00	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
R 480.00	R 417.39	Evening	15.0%	R 504.00	5.00%	R 534.00	5.95%	R 566.00	5.99%	R 438.26
<b>Kitchen</b>										
R 289.00	R 251.30	Morning	15.0%	R 303.00	4.84%	R 321.00	5.94%	R 340.00	5.92%	R 263.48
R 289.00	R 251.30	Afternoon	15.0%	R 303.00	4.84%	R 321.00	5.94%	R 340.00	5.92%	R 263.48
R 319.00	R 277.39	Evening	15.0%	R 334.00	4.70%	R 354.00	5.99%	R 375.00	5.93%	R 290.43
<b>Change rooms (excluding main toilets)</b>										
R 81.00	R 70.43	Morning	15.0%	R 85.00	4.94%	R 90.00	5.88%	R 95.00	5.56%	R 73.91
R 81.00	R 70.43	Afternoon	15.0%	R 85.00	4.94%	R 90.00	5.88%	R 95.00	5.56%	R 73.91
R 166.00	R 144.35	Evening	15.0%	R 174.00	4.82%	R 184.00	5.75%	R 195.00	5.98%	R 151.30
<b>Tariff 3: Guarantee deposit</b>										
R 556.00	R 483.48	Per function --- excluding kitchen	15.0%	R 583.00	4.86%	R 617.00	5.83%	R 654.00	6.00%	R 506.96
R 2,226.00	R 1,935.65	Per function --- including kitchen	15.0%	R 2,337.00	4.99%	R 2,477.00	5.99%	R 2,625.00	5.97%	R 2,032.17
<b>Tariff 4: equipment per occasion</b>										
R 26.00	R 22.61	Hiring of tables (each, per day)	15.0%	R 27.00	3.85%	R 28.00	3.70%	R 29.00	3.57%	R 23.48
<b>Tariff 5: Reduced rates</b>										
50% discount to organisations that qualify										
<b>Tariff 6: Levy in respect of exceeding the vacating time</b>										
In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated										
<b>Tariff 8: Rehearsals (per rehearsal)</b>										
R 116.00	R 100.87	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 121.00	4.31%	R 128.00	5.79%	R 135.00	5.47%	R 105.22
R 166.00	R 144.35	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 174.00	4.82%	R 184.00	5.75%	R 195.00	5.98%	R 151.30
<b>Tariff 9: Changes to Bookings -- per booking</b>										
If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged										
R 131.00	R 113.91	Levy	15.0%	R 137.00	4.58%	R 145.00	5.84%	R 153.00	5.52%	R 119.13
<b>NB: Once in a quarter the hall may be utilised, without charge, by political parties that are represented in Council, for their political meetings with the community. The political party concerned must however present its intent to the Municipal Manager, and consent is subject to the availability of the facility. Priority will be given to the order in which applications are received.</b>										
<b>NB: The Municipal Manager may use his discretion to offer a hall free of any charge to Youth-, Service-, Charity-, Community-, Sport-, Educational- and State Institutions, and Senior Citizens.</b>										

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
		<b>6.2.12</b>	<b>Cemeteries</b>								
			<b>Tariffs</b>								
		<b>6.2.12.1</b>	<b>Non-local residents</b>								
			All persons that were resident outside the Witzenberg Municipal jurisdiction.								
R 5,002.00	R 4,349.57		6 ft excavation: plot included	15.0%	<b>R 5,252.00</b>	5.00%	R 5,567.00	6.00%	R 5,901.00	6.00%	R 4,566.96
R 5,940.00	R 5,165.22		8 ft excavation: plot included	15.0%	<b>R 6,237.00</b>	5.00%	R 6,611.00	6.00%	R 7,007.00	5.99%	R 5,423.48
R 1,495.00	R 1,300.00		Re-burials: opening and closing of graves	15.0%	<b>R 1,569.00</b>	4.95%	R 1,663.00	5.99%	R 1,762.00	5.95%	R 1,364.35
R 502.00	R 436.52		Memorial plaque	15.0%	<b>R 527.00</b>	4.98%	R 558.00	5.88%	R 591.00	5.91%	R 458.26
		<b>6.2.12.2</b>	<b>Local residents</b>								
			All persons that were resident inside the Witzenberg Municipal jurisdiction.								
		<b>6.2.12.2.1</b>	<b>Indigent cases</b>								
			<b>Town residents</b>								
			<b>Definition:</b>								
			At the time of death the deceased had to be part of a household that was approved as an indigent case, also noted as such in the Financial system.								
			<b>Rural residents</b>								
			<b>Definition:</b>								
			At the time of death the deceased had to be part of a household of which the combined income did not exceed twice the State's Old-age Pension allowance, and that the deceased had resided in the house at that time.								
			<b>Plots for indigent cases are free of charge, being funded from the Indigent Allocation at non-local tariffs.</b>								
		<b>6.2.12.2.2</b>	<b>Local Residents and all other cases</b>								
R 555.00	R 482.61		Plot	15.0%	<b>R 582.00</b>	4.86%	R 616.00	5.84%	R 652.00	5.84%	R 506.09
R 1,783.00	R 1,550.43		6 ft excavation	15.0%	<b>R 1,872.00</b>	4.99%	R 1,984.00	5.98%	R 2,103.00	6.00%	R 1,627.83
R 1,913.00	R 1,663.48		8 ft excavation	15.0%	<b>R 2,008.00</b>	4.97%	R 2,128.00	5.98%	R 2,255.00	5.97%	R 1,746.09
R 857.00	R 745.22		Re-burials: opening and closing of graves	15.0%	<b>R 899.00</b>	4.90%	R 952.00	5.90%	R 1,009.00	5.99%	R 781.74
R 481.00	R 418.26		Memorial plaque	15.0%	<b>R 505.00</b>	4.99%	R 535.00	5.94%	R 567.00	5.98%	R 439.13

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
		<b>6.3.</b>	<b>FINANCIAL SERVICES</b>								
		<b>6.3.1</b>	<b>Administrative fees</b>								
R 181.00	R 157.39	6.3.1.1	Furnishing of evaluation- and / or clearance certificates in accordance with Section 96 of Ordinance 20 of 1974: per certificate:	15.0%	<b>R 190.00</b>	4.97%	R 201.00	5.79%	R 213.00	5.97%	R 165.22
		6.3.1.2	Valuations & deed search								
		6.3.1.2.1	Re-evaluation of properties (per application)								
R 326.00	R 283.48		- Residential properties	15.0%	<b>R 342.00</b>	4.91%	R 362.00	5.85%	R 383.00	5.80%	R 297.39
R 1,595.00	R 1,386.96		- Business properties	15.0%	<b>R 1,674.00</b>	4.95%	R 1,774.00	5.97%	R 1,880.00	5.98%	R 1,455.65
R 1,984.00	R 1,725.22		- Agricultural properties	15.0%	<b>R 2,083.00</b>	4.99%	R 2,207.00	5.95%	R 2,339.00	5.98%	R 1,811.30
R 1,783.00	R 1,550.43		- State owned properties	15.0%	<b>R 1,872.00</b>	4.99%	R 1,984.00	5.98%	R 2,103.00	6.00%	R 1,627.83
R 160.00	R 139.13		- Urban vacant land	15.0%	<b>R 168.00</b>	5.00%	R 178.00	5.95%	R 188.00	5.62%	R 146.09
R 326.00	R 283.48		- Other not specified above	15.0%	<b>R 342.00</b>	4.91%	R 362.00	5.85%	R 383.00	5.80%	R 297.39
R 69.00	R 60.00	6.3.1.2.2	Deeds office search per erf	15.0%	<b>R 72.00</b>	4.35%	R 76.00	5.56%	R 80.00	5.26%	R 62.61
R 1,279.00	R 1,112.17	6.3.1.2.3	Request for valuation detail per erf	15.0%	<b>R 1,342.00</b>	4.93%	R 1,422.00	5.96%	R 1,507.00	5.98%	R 1,166.96
R 67.00	R 58.26	6.3.1.3	Tracing of any information older than six months. (per hour or part thereof)	15.0%	<b>R 70.00</b>	4.48%	R 74.00	5.71%	R 78.00	5.41%	R 60.87
R 67.00	R 58.26	6.3.1.4	Issuing of accounts' duplicates (per account)	15.0%	<b>R 70.00</b>	4.48%	R 74.00	5.71%	R 78.00	5.41%	R 60.87
R 712.00	R 619.13	6.3.1.5	Furnishing of name- and address list (per list) (per town)	15.0%	<b>R 747.00</b>	4.92%	R 791.00	5.89%	R 838.00	5.94%	R 649.57
R 143.00	R 124.35	6.3.1.6	Surcharge on <i>Refer to Drawer</i> cheques (per cheque)	15.0%	<b>R 150.00</b>	4.90%	R 159.00	6.00%	R 168.00	5.66%	R 130.43
R 46.00	R 40.00	6.3.1.7	Excess	15.0%	<b>R 48.00</b>	4.35%	R 50.00	4.17%	R 53.00	6.00%	R 41.74
		6.3.1.8	Recovery costs								
		6.3.1.8.1	Tariffs for processes and the serving of documentation by the Municipality								
R 51.00	R 44.35	6.3.1.8.1.1	Serving of a registered reminder (per reminder)	15.0%	<b>R 53.00</b>	3.92%	R 56.00	5.66%	R 59.00	5.36%	R 46.09
R 77.00	R 66.96	6.3.1.8.1.2	Stamp costs (per summons)	15.0%	<b>R 80.00</b>	3.90%	R 84.00	5.00%	R 89.00	5.95%	R 69.57
		6.3.1.8.1.3	Serving of summonses and/or writs (per serving)								
R 221.00	R 192.17		Inside the Witzenberg jurisdiction	15.0%	<b>R 232.00</b>	4.98%	R 245.00	5.60%	R 259.00	5.71%	R 201.74
R 541.00	R 470.43		Outside the Witzenberg jurisdiction	15.0%	<b>R 568.00</b>	4.99%	R 602.00	5.99%	R 638.00	5.98%	R 493.91
		6.3.1.8.2	Levying of any legal costs								
		<b>6.3.2</b>	<b>Water</b>								
			Re-connection of suspended supply on request by consumer								
R 161.00	R 140.00	6.3.2.1	per connection	15.0%	<b>R 169.00</b>	4.97%	R 179.00	5.92%	R 189.00	5.59%	R 146.96
R 199.00	R 173.04		(a) Urban areas	15.0%	<b>R 208.00</b>	4.52%	R 220.00	5.77%	R 233.00	5.91%	R 180.87
		6.3.2.2	Re-connection after non-payment per suspension								
			list - per connection								
R 62.00	R 53.91		(a) Urban areas	15.0%	<b>R 65.00</b>	4.84%	R 68.00	4.62%	R 72.00	5.88%	R 56.52
R 93.00	R 80.87		(b) Rural areas	15.0%	<b>R 97.00</b>	4.30%	R 102.00	5.15%	R 108.00	5.88%	R 84.35
		6.3.2.3	Special meter reading per reading per meter								
R 238.00	R 206.96		(a) Urban areas	15.0%	<b>R 249.00</b>	4.62%	R 263.00	5.62%	R 278.00	5.70%	R 216.52
R 369.00	R 320.87		(b) Rural areas	15.0%	<b>R 387.00</b>	4.88%	R 410.00	5.94%	R 434.00	5.85%	R 336.52
		6.3.2.5	<b>Tampering with meter connection</b>								
			(a) In the event where a consumer's water supply has been cut and sealed with a cap and key, and such seal had been removed without the consent of the Municipality, the following charges for tampering will be levied against the consumer, no re-connection will be made unless the prescribed payment plus the cost of a Water demand device (if not yet installed) has been received								
R 1,595.00	R 1,386.96		(b) Where a consumer had made an illegal water connection in front of the meter, the supply will be disconnected immediately, and one of the following options will be exercised, depending on the consumer's choice:	15.0%	<b>R 1,674.00</b>	4.95%	R 1,774.00	5.97%	R 1,880.00	5.98%	R 1,455.65
			(i) A criminal charge to be laid by the SAPS, or								
R 3,195.00	R 2,778.26		(ii) An admission of guilt (see tariff attached) plus the cost of the damage and possible consumption be paid.	15.0%	<b>R 3,354.00</b>	4.98%	R 3,555.00	5.99%	R 3,768.00	5.99%	R 2,916.52
			(c) Where a consumer is guilty of a second offence in terms of an illegal water connection, the connection will be summarily removed and the matter will be handed to the SAPS.								
R 1,166.00	R 1,013.91		Gaining Access to water services without approval from the municipality	15.0%	<b>R 1,224.00</b>	4.97%	R 1,297.00	5.96%	R 1,374.00	5.94%	R 1,064.35
R 1,166.00	R 1,013.91		Gain Acces to water services without agreement with the Municipality	15.0%	<b>R 1,224.00</b>	4.97%	R 1,297.00	5.96%	R 1,374.00	5.94%	R 1,064.35
R 1,166.00	R 1,013.91		Refuse to give access required by the municipality in terms of section 19	15.0%	<b>R 1,224.00</b>	4.97%	R 1,297.00	5.96%	R 1,374.00	5.94%	R 1,064.35
R 583.00	R 506.96		Fail to comply with a notice served upon him/her in terms of bylaws relating to water, sanitation services and industrial effluent	15.0%	<b>R 612.00</b>	4.97%	R 648.00	5.88%	R 686.00	5.86%	R 532.17
R 1,166.00	R 1,013.91		Disconnect a measuring device and its associated apparatus from the pipe in which they are installed	15.0%	<b>R 1,224.00</b>	4.97%	R 1,297.00	5.96%	R 1,374.00	5.94%	R 1,064.35
R 583.00	R 506.96		Break a seal which the municipality has placed on a water meter	15.0%	<b>R 612.00</b>	4.97%	R 648.00	5.88%	R 686.00	5.86%	R 532.17
R 583.00	R 506.96		Interfere with a measuring device and its associated apparatus	15.0%	<b>R 612.00</b>	4.97%	R 648.00	5.88%	R 686.00	5.86%	R 532.17
R 2,332.00	R 2,027.83		Owner fail to provide and maintain approved measures to prevent the entry of substance which may be a danger to health or adversely affect water potability	15.0%	<b>R 2,448.00</b>	4.97%	R 2,594.00	5.96%	R 2,749.00	5.98%	R 2,128.70
R 583.00	R 506.96		Disregard any water restrictions imposed by the municipality	15.0%	<b>R 612.00</b>	4.97%	R 648.00	5.88%	R 686.00	5.86%	R 532.17
R 583.00	R 506.96		Permit wasteful discharge of water from the terminal fittings	15.0%	<b>R 612.00</b>	4.97%	R 648.00	5.88%	R 686.00	5.86%	R 532.17
R 583.00	R 506.96		Permit an overflow of water to persist	15.0%	<b>R 612.00</b>	4.97%	R 648.00	5.88%	R 686.00	5.86%	R 532.17

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
		<b>6.3.3</b>	<b>Electricity</b>								
		6.3.3.1	Re-connections of cut supplies of Pre-Paid, per re-								
R 59.00	R 51.30		(a) Urban areas	15.0%	<b>R 61.00</b>	3.39%	R 64.00	4.92%	R 67.00	4.69%	R 53.04
R 59.00	R 51.30		(b) Rural areas	15.0%	<b>R 61.00</b>	3.39%	R 64.00	4.92%	R 67.00	4.69%	R 53.04
		6.3.3.2	Re-connections of cut supplies on request of consumers of Conventional Meters, per re-connection:								
R 157.00	R 136.52		(a) Urban areas	15.0%	<b>R 164.00</b>	4.46%	R 173.00	5.49%	R 183.00	5.78%	R 142.61
R 199.00	R 173.04		(b) Rural areas	15.0%	<b>R 208.00</b>	4.52%	R 220.00	5.77%	R 233.00	5.91%	R 180.87
R 283.00	R 246.09		(c) All areas after hours	15.0%	<b>R 297.00</b>	4.95%	R 314.00	5.72%	R 332.00	5.73%	R 258.26
		6.3.3.3	Special meter reading as per Article 52(3) per								
R 238.00	R 206.96		(a) Urban areas	15.0%	<b>R 249.00</b>	4.62%	R 263.00	5.62%	R 278.00	5.70%	R 216.52
R 369.00	R 320.87		(b) Rural areas	15.0%	<b>R 387.00</b>	4.88%	R 410.00	5.94%	R 434.00	5.85%	R 336.52
R 22.00	R 19.13	6.3.3.4	Duplicate Identification Card: Pre-Paid electricity, per card.	15.0%	<b>R 24.00</b>	9.09%	R 15.00	-37.50%	R 15.00	0.00%	R 20.87
R 349.00	R 303.48	6.3.3.5	Switching Fee (Any call out for private purposes)	15.0%	<b>R 366.00</b>	4.87%	R 387.00	5.74%	R 410.00	5.94%	R 318.26
		<b>6.3.4</b>	<b>Deposits - new buildings</b>								
R 2,799.00	R 2,799.00		Businesses	Exempt	<b>R 2,938.00</b>	4.97%	R 3,114.00	5.99%	R 3,300.00	5.97%	R 2,938.00
			Industries (Estimated on consumption)	Exempt							
			<b>Residential clients</b>								
R 405.00	R 405.00		With pre-paid electricity and water meter	Exempt	<b>R 425.00</b>	4.94%	R 450.00	5.88%	R 477.00	6.00%	R 425.00
R 657.00	R 657.00		With only a pre-paid electricity meter	Exempt	<b>R 689.00</b>	4.87%	R 730.00	5.95%	R 773.00	5.89%	R 689.00
R 1,563.00	R 1,563.00		All other residential clients	Exempt	<b>R 1,641.00</b>	4.99%	R 1,739.00	5.97%	R 1,843.00	5.98%	R 1,641.00
			<i>Deposit can be adjusted to align it to the Credit Control Policy</i>								



## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
		<b>6.4.</b>	<b>TECHNICAL SERVICES</b>								
		<b>6.4.1.</b>	<b>CIVIL SERVICES</b>								
		<b>6.4.1.1</b>	<b>Building Plan</b>								
R 30.00	R 26.09	<b>6.4.1.1.1</b>	Calculate on the gross covered area, to the nearest square meter - tariff per building plan per m² (Subject to the stipulation at 4.1.1.2 hereunder) Industrial/commercial tariff per building plan per m² (Subject to the stipulation at 4.1.1.2 hereunder)	15.0%	<b>R 32.00</b>	6.67%	R 34.00	6.25%	R 37.00	8.82%	R 27.83
R 336.00 R 2,320.00	R 292.17 R 2,320.00		With a minimum building plan tariff Building deposit In the event of illegal building operations without an approved plan, a charge of <u>three</u> times the above building plan fees plus the following tariff per day that the plan is outstanding will apply:	15.0% Exempt	<b>R 352.00</b> <b>R 2,436.00</b>	4.76% 5.00%	R 373.00 R 2,582.00	5.97% 5.99%	R 395.00 R 2,736.00	5.90% 5.96%	R 306.09 R 2,436.00
R 182.00	R 158.26		Swimming pools - per application, irrespective of the size of the pool. Fixed tariff per swimming pool.	15.0%	<b>R 191.00</b>	4.95%	R 202.00	5.76%	R 214.00	5.94%	R 166.09
R 564.00	R 490.43	<b>6.4.1.1.2</b>	Advertising signs application	15.0%	<b>R 592.00</b>	4.96%	R 627.00	5.91%	R 664.00	5.90%	R 514.78
R 2,717.00 R 4,530.00	R 2,362.61 R 3,939.13	<b>6.4.1.1.3</b>	Permitted third party advertising sign (<2.0m²) per Permitted third party advertising sign (>2.0m²) per	15.0% 15.0%	<b>R 2,852.00</b> <b>R 4,756.00</b>	4.97% 4.99%	R 3,023.00 R 5,041.00	6.00% 5.99%	R 3,204.00 R 5,343.00	5.99% 5.99%	R 2,480.00 R 4,135.65
R 357.00	R 310.43		Advertising sign, direction indicator or name sign on building (<1.0m²) per sign	15.0%	<b>R 374.00</b>	4.76%	R 396.00	5.88%	R 419.00	5.81%	R 325.22
R 1,262.00	R 1,097.39		Advertising sign, direction indicator or name sign on building (<5.0m²) per sign	15.0%	<b>R 1,325.00</b>	4.99%	R 1,404.00	5.96%	R 1,488.00	5.98%	R 1,152.17
R 2,717.00	R 2,362.61		Advertising sign, direction indicator or name sign on building (>5.0m²) per sign	15.0%	<b>R 2,852.00</b>	4.97%	R 3,023.00	6.00%	R 3,204.00	5.99%	R 2,480.00
R 535.00	R 465.22		Advertising sign, direction indicator or name sign, Free-standing or on Refuse bin (<1.0m²) per board	15.0%	<b>R 561.00</b>	4.86%	R 594.00	5.88%	R 629.00	5.89%	R 487.83
R 1,898.00	R 1,650.43		Advertising sign, direction indicator or name sign, Free-standing or on Refuse bin (<5.0m²) per board	15.0%	<b>R 1,992.00</b>	4.95%	R 2,111.00	5.97%	R 2,237.00	5.97%	R 1,732.17
R 3,622.00 R 1,000.00 R 823.00	R 3,149.57 R 869.57 R 715.65		Advertising sign, direction indicator or name sign, Free-standing or on Refuse bin (>5.0m²) per board	15.0%	<b>R 3,803.00</b>	5.00%	R 4,031.00	6.00%	R 4,272.00	5.98%	R 3,306.96
R 2,330.00	R 2,026.09	<b>6.4.1.1.4</b>	Removal of illegal signs or advertisements	15.0%	<b>R 1,000.00</b>	new	R 1,060.00	6.00%	R 1,123.00	5.94%	R 869.57
R 1,873.00	R 1,628.70	<b>6.4.1.1.5</b>	Internal Changes (All Buildings)	15.0%	<b>R 864.00</b>	4.98%	R 915.00	5.90%	R 969.00	5.90%	R 751.30
R 3,233.00	R 2,811.30	<b>6.4.1.1.6</b>	Major Hazard Installations	15.0%	<b>R 2,446.00</b>	4.98%	R 2,592.00	5.97%	R 2,747.00	5.98%	R 2,126.96
		<b>6.4.1.1.7</b>	LPG Installations	15.0%	<b>R 1,966.00</b>	4.97%	R 2,083.00	5.95%	R 2,207.00	5.95%	R 1,709.57
		<b>6.4.1.1.8</b>	Cellphone Mast	15.0%	<b>R 3,394.00</b>	4.98%	R 3,597.00	5.98%	R 3,812.00	5.98%	R 2,951.30
R 1,100.00 R 1,375.00	R 956.52 R 1,195.65	<b>6.4.1.1.9</b>	Extension of approved building plan (for consideration of extending plan validity. Extension must be applied to prior to lapse date of plan)	15.0%	<b>R 1,155.00</b>	5.00%	R 1,224.00	5.97%	R 1,297.00	5.96%	R 1,004.35
R 2,757.00 R 530.00	R 2,397.39 R 460.87	<b>6.4.1.1.10</b>	Demolition certificate	15.0%	<b>R 1,443.00</b>	4.95%	R 1,529.00	5.96%	R 1,620.00	5.95%	R 1,254.78
		<b>6.4.1.1.11</b>	Temporary commencement of building work in terms of Article 7(6) NBR (Not refundable)	15.0%	<b>R 2,894.00</b>	4.97%	R 3,067.00	5.98%	R 3,251.00	6.00%	R 2,516.52
R 11,128.00	R 8,695.65	<b>6.4.1.1.12</b>	Minimum building fee	15.0%	<b>R 556.00</b>	4.91%	R 589.00	5.94%	R 624.00	5.94%	R 483.48
		<b>6.4.1.1.12</b>	Penalty Fee for moving into house without occupation certificate	15.0%	<b>R 11,684.00</b>	5.00%	R 12,385.00	6.00%	R 13,128.00	6.00%	R 8,695.65
		<b>6.4.1.2</b>	<b>Sewerage</b>								
R 7,830.00	R 6,808.70		Sewerage connection, per connection	15.0%	<b>R 8,221.00</b>	4.99%	R 8,714.00	6.00%	R 9,236.00	5.99%	R 7,148.70
R 7,847.00 R 403.00	R 6,823.48 R 350.43		150 mm - connection to the maximum of 10 m in length	15.0%	<b>R 8,239.00</b>	5.00%	R 8,733.00	6.00%	R 9,256.00	5.99%	R 7,164.35
			> 10 m lengths (per meter)	15.0%	<b>R 423.00</b>	4.96%	R 448.00	5.91%	R 474.00	5.80%	R 367.83
R 736.00	R 640.00		Sewerage blockages: per blockage	15.0%	<b>R 772.00</b>	4.89%	R 818.00	5.96%	R 867.00	5.99%	R 671.30
R 1,300.00	R 1,130.43		Week days	15.0%	<b>R 1,365.00</b>	5.00%	R 1,446.00	5.93%	R 1,532.00	5.95%	R 1,186.96
			Weekends and Public Holidays - per call-out	15.0%							
			Sewerage Connection (Per Connections) > 10 m lengths (per meter) - <b>Actual Cost</b>								
R 2,781.00	R 2,173.91		Illegally installing a connecting sewer without the necessary authority or approval	15.0%	<b>R 2,920.00</b>	5.00%	R 3,095.00	5.99%	R 3,280.00	5.98%	R 2,173.91
			Failure to provide for a grease trap of an approved type, size and capacity on a premises that discharge sewage to on-site sanitation systems and that contain oil, fat or inorganic solid matter	15.0%	<b>R 1,752.00</b>	4.97%	R 1,857.00	5.99%	R 1,968.00	5.98%	R 1,304.35
R 1,669.00	R 1,304.35		Causing or permitting an accumulation of oil, fat, inorganic solid matter, or any other substance in any trap, tank or chamber that may cause the blockage or ineffective operation of a grease trap	15.0%	<b>R 1,166.00</b>	4.95%	R 1,235.00	5.92%	R 1,309.00	5.99%	R 869.57
R 1,111.00	R 869.57		Discharging or causing the discharge of or permit industrial effluent to be discharged into the municipal sanitation system, without the approval of the Municipality . Charged per incident or calendar day	15.0%	<b>R 5,841.00</b>	5.00%	R 6,191.00	5.99%	R 6,562.00	5.99%	R 4,347.83
R 5,563.00	R 4,347.83		Delivering sewage by road haulage to sewage treatment plant and discharging the sewage concerned into a municipal sewage treatment plant, without the approval of the Municipality. Charged per incident	15.0%	<b>R 1,752.00</b>	4.97%	R 1,857.00	5.99%	R 1,968.00	5.98%	R 1,304.35
R 1,669.00	R 1,304.35		Discharging or causing the discharge of sewage or industrial effluent transported by road haulage at an unauthorised discharge point other than the point authorised for discharge by the Municipality. Charged per incident	15.0%	<b>R 2,920.00</b>	5.00%	R 3,095.00	5.99%	R 3,280.00	5.98%	R 2,173.91
R 2,781.00	R 2,173.91		Unlawfully and unauthorized discharging or causing or permitting sewage or industrial effluent directly or indirectly into a storm water drain, a river or a natural watercourse or artificial watercourse or any open field. Charged per incident or calendar day	15.0%	<b>R 2,920.00</b>	5.00%	R 3,095.00	5.99%	R 3,280.00	5.98%	R 2,173.91
R 2,781.00	R 2,173.91										



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Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
		<b>6.4.1.3</b>	<b>Water</b>								
		6.4.1.3.1	Water connection (per connection)								
R 3,859.00	R 3,355.65		Size: To 25 mm	15.0%	<b>R 4,051.00</b>	4.98%	R 4,294.00	6.00%	R 4,551.00	5.99%	R 3,522.61
R 4,927.00	R 4,284.35		32 mm	15.0%	<b>R 5,173.00</b>	4.99%	R 5,483.00	5.99%	R 5,811.00	5.98%	R 4,498.26
R 5,619.00	R 4,886.09		40 mm	15.0%	<b>R 5,899.00</b>	4.98%	R 6,252.00	5.98%	R 6,627.00	6.00%	R 5,129.57
R 11,510.00	R 10,008.70		50 mm	15.0%	<b>R 12,085.00</b>	5.00%	R 12,810.00	6.00%	R 13,578.00	6.00%	R 10,508.70
R 12,908.00	R 11,224.35		80 mm	15.0%	<b>R 13,553.00</b>	5.00%	R 14,366.00	6.00%	R 15,227.00	5.99%	R 11,785.22
R 14,867.00	R 12,927.83		100 mm	15.0%	<b>R 15,610.00</b>	5.00%	R 16,546.00	6.00%	R 17,538.00	6.00%	R 13,573.91
R 28,659.00	R 24,920.87		150 mm	15.0%	<b>R 30,091.00</b>	5.00%	R 31,896.00	6.00%	R 33,809.00	6.00%	R 26,166.09
		6.4.1.3.2	Smart Meter Connection (per connection)								
R 6,595.00	R 5,734.78		15 mm	15.0%	<b>R 6,924.00</b>	4.99%	R 7,339.00	5.99%	R 7,779.00	6.00%	R 6,020.87
R 7,717.00	R 5,840.87		20 mm	15.0%	<b>R 7,052.00</b>	4.99%	R 7,475.00	6.00%	R 7,923.00	5.99%	R 6,132.17
R 32,249.00	R 28,042.61		50 mm	15.0%	<b>R 33,861.00</b>	5.00%	R 35,892.00	6.00%	R 38,045.00	6.00%	R 29,444.35
		<b>6.4.1.4</b>	<b>Civil</b>								
			Motor driveways								
R 2,604.00	R 2,264.35		Single driveways (3,5m max) each	15.0%	<b>R 2,734.00</b>	4.99%	R 2,898.00	6.00%	R 3,071.00	5.97%	R 2,377.39
R 4,708.00	R 4,093.91		Double driveways (7,0m max) each	15.0%	<b>R 4,943.00</b>	4.99%	R 5,239.00	5.99%	R 5,553.00	5.99%	R 4,298.26
R 864.00	R 751.30		Placement of bridging/kerbing (each)	15.0%	<b>R 907.00</b>	4.98%	R 961.00	5.95%	R 1,018.00	5.93%	R 788.70
			Any other private work (per quotation): Actual cost + 20 %	15.0%							
			<b>Private work forms to be completed in all cases</b>								
		<b>6.4.1.5</b>	<b>Plans: copies</b>								
R 121.00	R 105.22		Copies of plans per square meter size of plan	15.0%	<b>R 127.00</b>	4.96%	R 134.00	5.51%	R 142.00	5.97%	R 110.43
R 303.00	R 263.48		Copies: Sepia, per copy	15.0%	<b>R 318.00</b>	4.95%	R 337.00	5.97%	R 357.00	5.93%	R 276.52
R 357.00	R 310.43		Copies: Durester, per copy	15.0%	<b>R 374.00</b>	4.76%	R 396.00	5.88%	R 419.00	5.81%	R 325.22
R 15.00	R 13.04		A3 or A4, per copy	15.0%	<b>R 16.00</b>	6.67%	R 17.00	6.25%	R 19.00	11.76%	R 13.91
		<b>6.4.1.6</b>	<b>Town Planning costs</b>								
			(In terms of Ordinance on Land Use Planning)								
R 1,954.00	R 1,699.13	6.4.1.6.1	Concessionary use, per application	15.0%	<b>R 2,051.00</b>	4.96%	R 2,174.00	6.00%	R 2,304.00	5.98%	R 1,783.48
R 1,954.00	R 1,699.13	6.4.1.6.2	Re-zoning, per property	15.0%	<b>R 2,051.00</b>	4.96%	R 2,174.00	6.00%	R 2,304.00	5.98%	R 1,783.48
		6.4.1.6.3	Departure Art 15(1)(a)(i)								
R 403.00	R 350.43		Erven <500m² per application	15.0%	<b>R 423.00</b>	4.96%	R 448.00	5.91%	R 474.00	5.80%	R 367.83
R 811.00	R 705.22		Erven 500m² - 750m² per application	15.0%	<b>R 851.00</b>	4.93%	R 902.00	5.99%	R 956.00	5.99%	R 740.00
R 1,954.00	R 1,699.13		Erven > 750m² per application	15.0%	<b>R 2,051.00</b>	4.96%	R 2,174.00	6.00%	R 2,304.00	5.98%	R 1,783.48
R 1,954.00	R 1,699.13		Section 15(1)(a)(ii)(temporary) per application	15.0%	<b>R 2,051.00</b>	4.96%	R 2,174.00	6.00%	R 2,304.00	5.98%	R 1,783.48
		6.4.1.6.4	Sub-divisions: per application								
R 1,954.00	R 1,699.13		Up to 20 erven	15.0%	<b>R 2,051.00</b>	4.96%	R 2,174.00	6.00%	R 2,304.00	5.98%	R 1,783.48
R 84.00	R 73.04		More than 20 erven (Tariff 4.6.4.1 plus tariff per erven)	15.0%	<b>R 88.00</b>	4.76%	R 93.00	5.68%	R 98.00	5.38%	R 76.52
R 7,500.00	R 6,521.74	6.4.1.6.4	Buyout of parking	15.0%	<b>R 7,500.00</b>		R 7,950.00	6.00%	R 8,427.00	6.00%	R 6,521.74
		6.4.1.6.7	Town Planning costs: (In terms of the Land Use Planning By-law)								
R 1,954.00	R 1,699.13	6.4.1.6.7.1	Public place closure	15.0%	<b>R 2,051.00</b>	4.96%	R 2,174.00	6.00%	R 2,304.00	5.98%	R 1,783.48
R 1,954.00	R 1,699.13	6.4.1.6.7.2	Restrictive condition	15.0%	<b>R 2,051.00</b>	4.96%	R 2,174.00	6.00%	R 2,304.00	5.98%	R 1,783.48
R 1,954.00	R 1,699.13	6.4.1.6.7.3	Deemed zoning	15.0%	<b>R 2,051.00</b>	4.96%	R 2,174.00	6.00%	R 2,304.00	5.98%	R 1,783.48
R 1,954.00	R 1,699.13	6.4.1.6.7.4	Amendment/cancellation of subdivision	15.0%	<b>R 2,051.00</b>	4.96%	R 2,174.00	6.00%	R 2,304.00	5.98%	R 1,783.48
R 1,954.00	R 1,699.13	6.4.1.6.7.5	Consolidation	15.0%	<b>R 2,051.00</b>	4.96%	R 2,174.00	6.00%	R 2,304.00	5.98%	R 1,783.48
R 1,954.00	R 1,699.13	6.4.1.6.7.6	Amendment of Condition	15.0%	<b>R 2,051.00</b>	4.96%	R 2,174.00	6.00%	R 2,304.00	5.98%	R 1,783.48
R 1,954.00	R 1,699.13	6.4.1.6.7.7	Extension of validity period	15.0%	<b>R 2,051.00</b>	4.96%	R 2,174.00	6.00%	R 2,304.00	5.98%	R 1,783.48
R 1,954.00	R 1,699.13	6.4.1.6.7.8	Lease area	15.0%	<b>R 2,051.00</b>	4.96%	R 2,174.00	6.00%	R 2,304.00	5.98%	R 1,783.48
R 1,954.00	R 1,699.13	6.4.1.6.7.9	Transfer certificate	15.0%	<b>R 2,051.00</b>	4.96%	R 2,174.00	6.00%	R 2,304.00	5.98%	R 1,783.48
R 7,726.00	R 6,718.26		Strategic/High impact developments (incl. renewable energy & rezonings exceeding 10ha)	15.0%	<b>R 8,112.00</b>	5.00%	R 8,598.00	5.99%	R 9,113.00	5.99%	R 7,053.91
		<b>6.4.1.7</b>	<b>Industrial effluent</b>								
			<b>Industries that dispose via the normal network</b>								
			Industries that dispose directly into the sewage treatment works	15.0%	As per contractual agreements						
			Industries that exceed with disposal	15.0%	Penalty rate calculated as per contractual agreement						
		<b>6.4.1.8</b>	<b>Refuse removal</b>								
R 183.00	R 159.13		Receipt and processing of private dumping at dumping site, per cubic meter	15.0%	<b>R 192.00</b>	4.92%	R 203.00	5.73%	R 215.00	5.91%	R 166.96
			Receipt and processing of household refuse from Farms at :								
NEW	NEW		PA Hamlet Landfill, per cubic meter	15.0%	<b>R 183.00</b>	NEW	R 193.00	5.46%	R 204.00	5.70%	R 159.13
NEW	NEW		Wolseley Drop Off, per cubic meter	15.0%	<b>R 1,856.84</b>	NEW	R 1,968.00	5.99%	R 2,086.00	6.00%	R 1,614.64
NEW	NEW		Tulbagh Drop Off / Drop off at Landfill, per cubic meter	15.0%	<b>R 1,856.84</b>	NEW	R 1,968.00	5.99%	R 2,086.00	6.00%	R 1,614.64
R 373.00	R 324.35		Abattoir waste at dumping site, per cubic meter	15.0%	<b>R 391.00</b>	4.83%	R 414.00	5.88%	R 438.00	5.80%	R 340.00
R 26.00	R 22.61		Refuse bags (Black), per package of 25 bags	15.0%	<b>R 27.00</b>	3.85%	R 28.00	3.70%	R 29.00	3.57%	R 23.48
R 33.00	R 28.70		Refuse bags (Green), per package of 25 bags	15.0%	<b>R 34.00</b>	3.03%	R 36.00	5.88%	R 38.00	5.56%	R 29.57
R 11.10	R 9.65		Provision of refuse bins for special events - per bin per occasion	15.0%	<b>R 11.70</b>	5.41%	R 12.30	5.13%	R 12.90	4.88%	R 10.17
			Advertisements on street refuse bins. Per advertisement per bin p/a	15.0%	<b>R 863.00</b>	4.99%	R 914.00	5.91%	R 968.00	5.91%	R 750.43
R 598.00	R 520.00		Refuse removal: special events (Festivals & Carnivals)	15.0%	<b>R 627.00</b>	4.85%	R 664.00	5.90%	R 703.00	5.87%	R 545.22
R 1,140.00	R 991.30		Hire of 6m skip for Garden refuse per day	15.0%	<b>R 1,197.00</b>	5.00%	R 1,268.00	5.93%	R 1,344.00	5.99%	R 1,040.87
R 90.00	R 78.26		Additional day (Skip)	15.0%	<b>R 94.00</b>	4.44%	R 99.00	5.32%	R 104.00	5.05%	R 81.74
			Special Garden Refuse removal per load. Approved manageable garden Refuse will be removed if it can be loaded onto truck after payment of an account is issued by Cleansing Department (Quotation)	15.0%	<b>R 1,498.00</b>	4.98%	R 1,587.00	5.94%	R 1,682.00	5.99%	R 1,302.61

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
		<b>6.4.1.9</b>	<b>Development Charges</b>								
		<b>6.4.1.9.1</b>	<b>Witzenberg</b>								
R 6,127.00	R 5,327.83	6.4.1.9.1.1	Water: Unit of measurement R/kl/day	15.0%	<b>R 6,433.00</b>	4.99%	R 6,818.00	5.98%	R 7,227.00	6.00%	R 5,593.91
R 4,089.00	R 3,555.65	6.4.1.9.1.2	Sewer: Unit of measurement R/kl/day	15.0%	<b>R 4,293.00</b>	4.99%	R 4,550.00	5.99%	R 4,823.00	6.00%	R 3,733.04
R 856.00	R 744.35	6.4.1.9.1.3	Roads: Unit of measurement R/trips/day	15.0%	<b>R 898.00</b>	4.91%	R 951.00	5.90%	R 1,008.00	5.99%	R 780.87
R 118,991.00	R 103,470.43	6.4.1.9.1.4	Storm water: Unit of measurement R/trips/day	15.0%	<b>R 124,940.00</b>	5.00%	R 132,436.00	6.00%	R 140,382.00	6.00%	R 108,643.48
R 1,710.00	R 1,486.96	6.4.1.9.1.5	Solid Waste: Unit of measurement R/kg/day	15.0%	<b>R 1,795.00</b>	4.97%	R 1,902.00	5.96%	R 2,016.00	5.99%	R 1,560.87
R 1,743.00	R 1,515.65	6.4.1.9.1.6	Electricity: Unit of measurement R/kVA	15.0%	<b>R 1,830.00</b>	4.99%	R 1,939.00	5.96%	R 2,055.00	5.98%	R 1,591.30
		<b>6.4.1.10</b>	<b>Wayleaves for the installation of services in the road reserve</b>								
		<b>6.4.1.10.1</b>	<b>Administration and Supervision (Per Application)</b>								
R 629.00	R 546.96	6.4.1.10.1.1	Administration fee for a miscellaneous wayleave to use the road reserve for a period of one month or less other than to install an underground service (per application)	15.0%	<b>R 660.00</b>	4.93%	R 699.00	5.91%	R 740.00	5.87%	R 573.91
R 2,140.00	R 1,860.87	6.4.1.10.1.2	Administration fee for a wayleave or permit to use the road reserve to install an underground service (per application)	15.0%	<b>R 2,247.00</b>	5.00%	R 2,381.00	5.96%	R 2,523.00	5.96%	R 1,953.91
R 5,666.00	R 4,926.96	6.4.1.10.1.3	Supervision fee for a wayleave to install an underground service (per application)	15.0%	<b>R 5,949.00</b>	4.99%	R 6,305.00	5.98%	R 6,683.00	6.00%	R 5,173.04
200% of above admin fee		6.4.1.10.1.4	Unauthorised commencement of use of the road reserve (per incident)	15.0%	<b>200% of above admin &amp; supervision fees</b>						
		<b>6.4.1.10.2</b>	<b>Refundable deposit</b>								
R 2,145.00	R 1,865.22	6.4.1.10.2.1	Trenches in roadways measured per m²	15.0%	<b>R 2,252.00</b>	4.99%	R 2,387.00	5.99%	R 2,530.00	5.99%	R 1,958.26
R 957.00	R 832.17	6.4.1.10.2.2	Trenches in surfaced sidewalks measured m²	15.0%	<b>R 1,004.00</b>	4.91%	R 1,064.00	5.98%	R 1,127.00	5.92%	R 873.04
R 188.00	R 163.48	6.4.1.10.2.3	Trenches in natural or grass sidewalks measured per m²	15.0%	<b>R 197.00</b>	4.79%	R 208.00	5.58%	R 220.00	5.77%	R 171.30
R 8,814.00	R 7,664.35	6.4.1.10.2.4	Use of the road reserve for storage or in conjunction with construction or maintenance per application	15.0%	<b>R 9,254.00</b>	4.99%	R 9,809.00	6.00%	R 10,397.00	5.99%	R 8,046.96
		<b>6.4.1.10.3</b>	<b>Roadway Open Trench Fee</b>								
R 7,051.00	R 6,131.30	6.4.1.10.3.1	Tariff for authorised trenching across a municipal roadway (per m measured from 0.5m behind the kerb or road edge)	15.0%	<b>R 7,403.00</b>	4.99%	R 7,847.00	6.00%	R 8,317.00	5.99%	R 6,437.39
R 1,510.00	R 1,313.04	6.4.1.10.3.2	Micro trenching (per m measured from 0.5m behind the kerb or road edge)	15.0%	<b>R 1,585.00</b>	4.97%	R 1,680.00	5.99%	R 1,780.00	5.95%	R 1,378.26
% of the above 3%	% of the above 3%	6.4.1.10.3.3	Tariff for unauthorised trenching across a municipal roadway (per m measured from 0.5m behind the kerb or road edge)	15.0%	<b>200% of the above</b>	New	<b>200% of the above</b>		<b>200% of the above</b>		<b>200% of the above</b>
R 255.00	R 191.30	6.4.1.10.3.4	Fee for Deployment of Electronic Communication network in the public road reserve or on, over or under Municipal Land . Charged per kilometer per annum	15.0%	<b>R 267.00</b>	4.71%	R 283.00	5.99%	R 299.00	5.65%	R 191.30
<b>General Notes:</b> Unless the context indicates otherwise, 'road reserve' includes a roadway, sidewalk, footway and verge.If Witzenberg Municipality incurs any costs resulting from work in or use of the road reserve, including remedying substandard or non-compliant reinstatement, repairing damage, 3rd party claims, or cleaning the site, the Guarantee is offset against such actual costs plus 20% administration, including VAT thereon. The Municipality will refund the balance, if any.The roadway open trench fee is for the increased maintenance and reconstruction costs and inherent degradation of the roadway caused by roadway trenching and applies even if the trench is reinstated in compliance with the Municipality's requirements and standards.All internal Departments or State Funded Projects (National or Provincial), where the infrastructure will be taken over by Witzenberg Municipality, will be exempted from paying the Administrative & Supervision Fee, Refundable Deposits, Non-refundable Payments and/or Penalties											
		<b>6.4.2.</b>	<b>ELECTRICAL SERVICES</b>								
		<b>6.4.2.1</b>	<b>Re-connection after tampering with meters</b>								
			In terms of Section 14 of the Supply Regulations,								
			Per re-connection								
R 2,160.00	R 1,878.26		First offence	15.0%	<b>R 2,268.00</b>	5.00%	R 2,404.00	6.00%	R 2,548.00	5.99%	R 1,972.17
R 4,325.00	R 3,760.87		Second offence	15.0%	<b>R 4,541.00</b>	4.99%	R 4,813.00	5.99%	R 5,101.00	5.98%	R 3,948.70
		<b>6.4.2.2</b>	<b>Repair to supply</b>								
			In terms of Section 22 of the Supply Regulations								
			Per repair to supply								
R 444.00	R 386.09		Urban areas	15.0%	<b>R 466.00</b>	4.95%	R 493.00	5.79%	R 522.00	5.88%	R 405.22
R 502.00	R 436.52		Rural areas	15.0%	<b>R 527.00</b>	4.98%	R 558.00	5.88%	R 591.00	5.91%	R 458.26
			In terms of Section 28 of the Supply Regulations								
			Per re-connection (Section 28(1))								
R 210.00	R 182.61		Urban areas	15.0%	<b>R 220.00</b>	4.76%	R 233.00	5.91%	R 246.00	5.58%	R 191.30
R 265.00	R 230.43		Rural areas	15.0%	<b>R 278.00</b>	4.91%	R 294.00	5.76%	R 311.00	5.78%	R 241.74
		<b>6.4.2.3</b>	<b>Verification and Testing of electricity meter</b>								
			In terms of Section 51 (3)								
			Per testing of meter								
			Urban areas								
			(i) Test Single Phase electro-mechanical, per meter	15.0%	<b>R 826.00</b>	4.96%	R 875.00	5.93%	R 927.00	5.94%	R 718.26
R 787.00	R 684.35		(ii) Test Three Phase electro-mechanical, per meter	15.0%	<b>R 1,082.00</b>	4.95%	R 1,146.00	5.91%	R 1,214.00	5.93%	R 940.87
R 1,031.00	R 896.52		(iii) Test Single phase pre-paid meter, per meter	15.0%	<b>R 802.00</b>	4.97%	R 850.00	5.99%	R 901.00	6.00%	R 697.39
R 764.00	R 664.35		(iv) Test Three phase pre-paid meter, per meter	15.0%	<b>R 1,058.00</b>	4.96%	R 1,121.00	5.95%	R 1,188.00	5.98%	R 920.00
R 1,008.00	R 876.52		(v) Test KVA / kWh meter, per meter	15.0%	<b>R 1,236.00</b>	4.92%	R 1,310.00	5.99%	R 1,388.00	5.95%	R 1,074.78
R 1,178.00	R 1,024.35		(vi) Meter verifying	15.0%	<b>R 400.00</b>	0.00%	R 423.00	5.75%	R 448.00	5.91%	R 347.83
R 400.00	R 347.83		Rural areas								
			(i) Test Single phase electro-mechanical, per meter	15.0%	<b>R 899.00</b>	4.90%	R 952.00	5.90%	R 1,009.00	5.99%	R 781.74
R 857.00	R 745.22		(ii) Test Three phase electro-mechanical, per meter	15.0%	<b>R 1,157.00</b>	4.99%	R 1,226.00	5.96%	R 1,299.00	5.95%	R 1,006.09
R 1,102.00	R 958.26		(iii) Test Single Phase pre-paid meter, per meter	15.0%	<b>R 883.00</b>	4.99%	R 935.00	5.89%	R 991.00	5.99%	R 767.83
R 841.00	R 731.30		(iv) Test Three phase pre-paid meter per meter	15.0%	<b>R 1,139.00</b>	4.98%	R 1,207.00	5.97%	R 1,279.00	5.97%	R 990.43
R 1,085.00	R 943.48		(v) Test KVA / kWh meter per meter	15.0%	<b>R 1,314.00</b>	4.95%	R 1,392.00	5.94%	R 1,475.00	5.96%	R 1,142.61
R 1,252.00	R 1,088.70		(vi) Meter verifying	15.0%	<b>R 672.00</b>	5.00%	R 712.00	5.95%	R 754.00	5.90%	R 478.26
R 640.00	R 478.26										

## RATES AND TARIFFS 2024/2025 - 2026/2027

Tariffs 2023/2024 Including Vat	Tariffs 2023/2024 Excluding Vat		Description	VAT Status	Tariffs 2024/2025 Including Vat	Variance	Indicative Tariffs 2025/2026 Including Vat	Variance	Indicative Tariffs 2026/2027 Including Vat	Variance	Tariffs 2024/2025 Excluding Vat
		<b>6.4.2.4</b>	<b>Single phase connection</b>								
R 17,574.00	R 15,281.74		Single phase connection with underground cable and electro-mechanical meter, per connection	15.0%	<b>R 18,452.00</b>	5.00%	R 19,559.00	6.00%	R 20,732.00	6.00%	R 16,045.22
R 17,574.00	R 15,281.74		Single phase connection with underground cable and pre-paid meter, per connection	15.0%	<b>R 18,452.00</b>	5.00%	R 19,559.00	6.00%	R 20,732.00	6.00%	R 16,045.22
R 12,224.00	R 10,629.57		Single phase connection with overhead cable and electro-mechanical meter, per connection	15.0%	<b>R 12,835.00</b>	5.00%	R 13,605.00	6.00%	R 14,421.00	6.00%	R 11,160.87
R 12,224.00	R 10,629.57		Single phase connection with overhead cable and pre-paid meter, per connection	15.0%	<b>R 12,835.00</b>	5.00%	R 13,605.00	6.00%	R 14,421.00	6.00%	R 11,160.87
R 13,751.00	R 11,957.39		Informal Single phase overhead connection with pre-paid meter and ready board	15.0%	<b>R 14,438.00</b>	5.00%	R 15,304.00	6.00%	R 16,222.00	6.00%	R 12,554.78
R 1,161.00	R 1,009.57		Change from electro-mechanical meter to automat meter, per change	15.0%	<b>R 1,219.00</b>	5.00%	R 1,292.00	5.99%	R 1,369.00	5.96%	R 1,060.00
		<b>6.4.2.5</b>	<b>Temporary connection</b>								
			Temporary connections are supplied at the tariffs mentioned in 4.2.4 for a single phase connection, and at actual cost for a three phase connection. The cost or tariff payment is deemed as a deposit. On termination of the account, the deposit is refunded after the cost of consumption, any damage to the equipment, and a 20 % administrative charge have been recovered. The connection is supplied in accordance with the Municipality's Electricity by-laws, as amended.								
R 11,010.00	R 9,573.91	<b>6.4.2.6</b>	Government-subsidised housing - (20 % admin. Charges not included)	15.0%	<b>R 11,560.00</b>	5.00%	R 12,253.00	5.99%	R 12,988.00	6.00%	R 10,052.17

Province: (WC022) - Schedule of Service Delivery Standards				
Description	2023/2024			2024/2025
	Standard	Original Budget	Adjusted Budget	Full Year Forecast
Service Level Standards				
Solid Waste Removal				
Premise based removal (Residential Frequency)	Weekly	Weekly	Weekly	Weekly
Premise based removal (Business Frequency)	Weekly/ Twice per week/Thrice per week (depending the need)	Weekly/ Twice per week/Thrice per week (depending the need)	Weekly/ Twice per week/Thrice per week (depending the need)	Weekly/ Twice per week/Thrice per week (depending the need)
Bulk Removal (Frequency)	Per request	Per request	Per request	Per request
Removal Bags provided(Yes/No)	Yes	Yes	Yes	Yes
Garden refuse removal Included (Yes/No)	Yes	Yes	Yes	Yes
Street Cleaning Frequency in CBD	Daily	Daily	Daily	Daily
Street Cleaning Frequency in areas excluding CBD	Monthly	Monthly	Monthly	Monthly
How soon are public areas cleaned after events (24hours/48hours/longer)	24 hours	24 hours	24 hours	24 hours
Clearing of illegal dumping (24hours/48hours/longer)	48 hours (once reported)	48 hours (once reported)	48 hours (once reported)	48 hours (once reported)
Recycling or environmentally friendly practices(Yes/No)	Yes	Yes	Yes	Yes
Licenced landfill site(Yes/No)	Yes	Yes	Yes	Yes
Water Service				
Water Quality rating (Blue/Green/Brown/N0 drop)	Blue & Green Drop	Blue & Green Drop	Blue & Green Drop	Blue & Green Drop
Is free water available to all? (All/only to the indigent consumers)	Indigent customers	Indigent customers	Indigent customers	Indigent customers
Frequency of meter reading? (per month, per year)	Monthly	Monthly	Monthly	Monthly
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	3 months	3 months	3 months	3 months
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	6 months	6 months	6 months	6 months
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)				
One service connection affected (number of hours)	24 hours	24 hours	24 hours	24 hours
Up to 5 service connection affected (number of hours)	24 hours	24 hours	24 hours	24 hours
Up to 20 service connection affected (number of hours)	24 hours	24 hours	24 hours	24 hours
Feeder pipe larger than 800mm (number of hours)	24 hours	24 hours	24 hours	24 hours
What is the average minimum water flow in your municipality?	2 bar	2 bar	2 bar	2 bar
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No	No	No	No
How long does it take to replace faulty water meters? (days)	20 days	20 days	20 days	20 days
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No	No	No	No

Standard	Description	2023/2024			2024/2025
		Original Budget	Adjusted Budget	Full Year Forecast	Service Level Standards
	<b>Electricity Service</b>				
	What is your electricity availability percentage on average per month?	100	100	100	100
	Do your municipality have a ripple control in place that is operational? (Yes/No)	No	No	No	No
	How much do you estimate is the cost saving in utilizing the ripple control system?	N/A	N/A	N/A	N/A
	What is the frequency of meters being read? (per month, per year)	Monthly	Monthly	Monthly	Monthly
	Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	3 months	3 months	3 months	3 months
	On average for how long does the municipality use estimates before reverting back to actual readings? (months)	6 months	6 months	6 months	6 months
	Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	24 hours	24 hours	24 hours	24 hours
	Are accounts normally calculated on actual readings? (Yes/no)	Yes	Yes	Yes	Yes
	Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No	No	No	No
	How long does it take to replace faulty meters? (days)	20 days	20 days	20 days	20 days
	Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	Yes	Yes	Yes	Yes
	How effective is the action plan in curbing line losses? (Good/Bad)	Bad	Bad	Bad	Bad
	How soon does the municipality provide a quotation to a customer upon a written request? (days)	24 hours	24 hours	24 hours	24 hours
	How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	7 days	7 days	7 days	7 days
	How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	7 days	7 days	7 days	7 days
	How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	7 days	7 days	7 days	7 days
	<b>Sewerage Service</b>				
	Are your purification system effective enough to put water back in to the system after purification?	Yes into river only	Yes into river only	Yes into river only	Yes into river only
	To what extend do you subsidize your indigent consumers?	Full monthly charge	Full monthly charge	Full monthly charge	Full monthly charge
	<b>How long does it take to restore sewerage breakages on average</b>				
	Severe overflow? (hours)	24 hours	24 hours	24 hours	24 hours
	Sewer blocked pipes: Large pipes? (Hours)	24 hours	24 hours	24 hours	24 hours
	Sewer blocked pipes: Small pipes? (Hours)	24 hours	24 hours	24 hours	24 hours
	Spillage clean-up? (hours)	24 hours	24 hours	24 hours	24 hours
	Replacement of manhole covers? (Hours)	24 hours	24 hours	24 hours	24 hours

Standard	Description	2023/2024			2024/2025
		Original Budget	Adjusted Budget	Full Year Forecast	Service Level Standards
<b>Road Infrastructure Services</b>					
	Time taken to repair a single pothole on a major road? (Hours)	24 hours	24 hours	24 hours	24 hours
	Time taken to repair a single pothole on a minor road? (Hours)	5 days	5 days	5 days	5 days
	Time taken to repair a road following an open trench service crossing? (Hours)	14 days	14 days	14 days	14 days
	Time taken to repair walkways? (Hours)	14 days	14 days	14 days	14 days
<b>Property valuations</b>					
	How long does it take on average from completion to the first account being issued? (one month/three months or longer)	3 months	3 months	3 months	3 months
	Do you have any special rating properties? (Yes/No)	No	No	No	No
<b>Financial Management</b>					
	Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease	Decrease	Decrease	Decrease
	Are the financial statement outsources? (Yes/No)	No	No	No	No
	Are there Council adopted business processes structuring the flow and managemet of documentation feeding to Trial Balance?	No	No	No	No
	How long does it take for an Tax/Invoice to be paid from the date it has been received?	30 days	30 days	30 days	30 days
	Is there advance planning from SCM unit linking all departmental plans quaterly and annually including for the next two to three years procurement plans?	Yes, but for one year only.	Yes, but for one year only.	Yes, but for one year only.	Yes, but for one year only.
<b>Administration</b>					
	Reaction time on enquiries and requests?	2 days maximum	2 days maximum	2 days maximum	2 days maximum
	Time to respond to a verbal customer enquiry or request? (working days)	2 days maximum	2 days maximum	2 days maximum	2 days maximum
	Time to respond to a written customer enquiry or request? (working days)	3 days	3 days	3 days	3 days
	Time to resolve a customer enquiry or request? (working days)	2 days	2 days	2 days	2 days
	What percentage of calls are not answered? (5%,10% or more)	0.0%	0.0%	0.0%	0.0%
	How long does it take to respond to voice mails? (hours)	Immediately	Immediately	Immediately	Immediately
	Does the municipality have control over locked enquiries? (Yes/No)	Yes	Yes	Yes	Yes
	Is there a reduction in the number of complaints or not? (Yes/No)	Yes	Yes	Yes	Yes
	How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	5 Days	6 Days	7 Days	7 Days
	How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	When required	When required	When required	When required

Standard	Description	2023/2024			2024/2025 Service Level Standards
		Original Budget	Adjusted Budget	Full Year Forecast	
	<b>Community safety and licensing services</b>				
	How long does it take to register a vehicle? (minutes)	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes
	How long does it take to renew a vehicle license? (minutes)	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes
	How long does it take to issue a duplicate registration certificate vehicle? (minutes)	Transaction 15 minutes	Transaction 15 minutes	Transaction 15 minutes	Transaction 15 minutes
	How long does it take to de-register a vehicle? (minutes)	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes
	How long does it take to renew a drivers license? (minutes)	Transaction 20 minutes	Transaction 20 minutes	Transaction 20 minutes	Transaction 20 minutes
	What is the average reaction time of the fire service to an incident? (minutes)	10 - 30 minutes	10 - 30 minutes	10 - 30 minutes	10 - 30 minutes
	What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	Department of Health	Department of Health	Department of Health	Department of Health
	What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	Department of Health	Department of Health	Department of Health	Department of Health
	<b>Economic development</b>				
	How many economic development projects does the municipality drive?	36	36	36	36
	How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	4	4	4	4
	What percentage of the projects have created sustainable job security?	0	0	0	0
	Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	Yes	Yes	Yes	Yes
	<b>Other Service delivery and communication</b>				
	Is a information package handed to the new customer? (Yes/No)	N/A	N/A	N/A	N/A
	Does the municipality have training or information sessions to inform the community? (Yes/No)	IDP & Budget meetings	IDP & Budget meetings	IDP & Budget meetings	IDP & Budget meetings
	Are customers treated in a professional and humanly manner? (Yes/No)	Yes	Yes	Yes	Yes



## Municipal Budget Circular for the 2024/25 MTREF

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## Introduction

This budget circular provides guidance to municipalities with their compilation of the 2024/25 Medium Term Revenue and Expenditure Framework (MTREF). It is linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (mSCOA) and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial management reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, mSCOA is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

## 1. The South African economy and inflation targets

The National Treasury forecasts real GDP growth of 0.8 per cent in 2023, compared with 0.9 per cent projected in the 2023 Budget Review. Growth is projected to average 1.4 per cent from 2024 to 2026. Relative to the 2023 Budget, the weaker projection for 2023 mainly reflects lower household consumption expenditure due to higher inflation and interest rates, and lower net exports. Power cuts are expected to continue for the remainder of this year and to gradually ease in 2024. Faster, determined implementation of energy and logistics reforms remains critical to boosting economic growth.

In the context of weaker global growth and risks to the domestic outlook, government is working to position the economy for sustained growth and resilience to shocks. A combination of a stable macroeconomic framework, the rapid implementation of economic and structural reforms, and improvements in state capability remains central to achieving higher growth, employment, and competitiveness.

Employment growth continues to lag South Africa's post-COVID-19 economic recovery, with 74 000 fewer people in employment in the second quarter of 2023 than in the fourth quarter of 2019. Improving employment growth sustainably over the long term requires faster GDP growth and improved education and skills development.

Headline inflation is expected to decelerate as the energy and food price shocks associated with global supply chain disruptions and the war in Ukraine dissipate. Headline consumer prices are expected to fall from an expected 6 per cent in 2023 to 4.9 per cent in 2024. Fuel prices have fallen since June 2023, largely reflecting base effects. Food price inflation, which peaked at 14.4 per cent in March 2023, slowed to 8.2 per cent by August 2023. However, the pace of deceleration has been slow relative to global food prices. This can be attributed to a weaker rand exchange rate and elevated production costs. Core inflation has remained near 5 per cent for most of 2023 due mainly to higher insurance and vehicle price inflation. Headline inflation is projected to return towards the mid-point of the 3 to 6 per cent target range in 2025.

Household consumption expenditure is expected to slow from 2.5 per cent in 2022 to 0.8 per cent in 2023 due to the cumulative effect of interest rate increases, elevated inflation and falling real disposable income, and generally weak consumer confidence. Growth in credit

extended to households continues to decelerate for both secured and unsecured credit. National Credit Regulator data shows that in the first quarter of 2023, banks rejected 70 per cent of credit applications – the highest rate on record – reflecting concerns over households' ability to repay loans. Household consumption expenditure is expected to average 1.6 per cent from 2024 to 2026.

The following macro-economic forecasts must be considered when preparing the 2024/25 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2022 - 2027**

Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Forecast		
CPI Inflation	6.9%	6.0%	4.9%	4.6%	4.5%

Source: Medium Term Budget Policy Statement 2023.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

The above economic challenges will place pressure on households' ability to pay municipal accounts and Eskom power cuts affect sustainability of small and large businesses. Both these factors have placed pressure on municipal own revenues.

It is therefore noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections.

## 2. Key focus areas for the 2024/25 budget process

### 2.1 Local government conditional grants allocations

Over the 2024 MTEF, the local government equitable share and conditional grants will be reduced by a total of R12.8 billion, made up of R9.6 billion in the local government equitable share and R3.2 billion in direct conditional grants. The general fuel levy sharing with municipalities will be reduced by R5.1 billion. These reductions form part of the government's efforts to drive fiscal consolidation. The implication of these changes will be outlined in more detail in the 2024 Budget Review.

#### Notable changes to the conditional grants system

While the review of the conditional grants system is on-going and reforms envisaged to be implemented from 2025/26, changes will be considered for the *urban settlements development grant*, *integrated urban development grant*, and *the municipal infrastructure grant* to make better use of regulatory frameworks and improve the water business of urban municipalities from 2024/25.

We kindly advise municipalities to utilise the indicative numbers that were presented in the 2023 Division of Revenue Act when developing their 2024/25 MTREF calculations. It is crucial to also make considerations to the proposed reductions to baselines that were presented in the 2023 MTBPS, as they may have a significant impact. We recommend this be prioritised in all budgetary planning for the upcoming fiscal year. In terms of the outer year allocations (2026/27 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2023 Division of Revenue Act for 2024/25. The Division of Revenue Bill, 2023, which includes the annexures outlining allocations to each municipality is available at:

<http://www.treasury.gov.za/documents/national%20budget/2023/default.aspx>

## **Division Of Revenue Amendment Bill, 2023 (DoRAB)**

**Declared underspending in the local government equitable share** – In January 2023, the National Energy Regulator of South Africa (NERSA) approved a bulk electricity tariff increase of 18.7 per cent for the 2023/24 financial year. The subsidy for free basic electricity in 2023/24 was calculated to include an additional 2 per cent in anticipation of higher municipal tariff increases than that published in January, due to the difference in the financial years of Eskom customers and municipalities. A further R1.4 billion was left unallocated in the local government equitable share to enable additional funding for municipalities should the final municipal tariff increase that was expected to be published between March and June 2023, exceed the 20.7 per cent increase provided for. In June 2023, NERSA approved a municipal tariff increase of 15.1 per cent. The unallocated amount of R1.4 billion in the local government equitable share is therefore surrendered as declared under-expenditure.

**Fiscal consolidation reductions** – There is a total downward adjustment of R3.4 billion to direct municipal conditional grants. This is made up of reductions of R9 million from the *infrastructure skills development grant*; R58 million from the *programme and project preparation support grant*; R32 million from the *expanded public works programme integrated grant for municipalities*; R1.2 billion from the *municipal infrastructure grant*; R306 million from the informal settlements upgrading partnership grant for municipalities; R553 million from the *urban settlements development grant*; R180 million from the *integrated national electrification programme grant for municipalities*; R40 million from the *neighbourhood development partnership grant*; R600 million from the *public transport network grant*; R237 million from the *regional bulk infrastructure grant*; and R244 million from the *water services infrastructure grant*.

**Funds for post disaster repair and recovery** – An amount of R1.2 billion is added to the *municipal disaster recovery grant* to fund the reconstruction and rehabilitation of municipal infrastructure damaged by the floods that occurred between February and March 2023.

**Top-up of the municipal disaster response grant** – Due to the floods that occurred between February and March 2023, the *municipal disaster response grant* was depleted by June 2023. R372 million is added to this grant to enable immediate response by municipalities in the event that a disaster occurs in the remaining months of the 2023/24 financial year.

**Conversion of municipal infrastructure grant allocations** – R10 million from uThukela Local Municipality's allocation is converted to an indirect allocation for implementation of the Ekuvukeni Water Supply Project by the Department of Cooperative Governance on the municipality's behalf. The project entails the replacement of an asbestos rising main from the Oliphanskop water treatment works. Similarly, R20 million from Emfuleni Local Municipality's allocation is converted to an indirect allocation to address the outfall of sewer in Evaton and Sebokeng.

**Conversion of neighbourhood development partnership grant allocations** – R88 million in the neighbourhood development partnership grant is converted from the direct to the indirect component of the grant. This is to expedite project implementation in municipalities that are experiencing administrative and financial challenges.

**Reduction in the integrated national electrification programme (Eskom) grant** – As part of the fiscal consolidation reductions, the integrated national electrification programme (Eskom) grant is reduced by R250 million.

**Reprioritisation from the integrated national electrification (Eskom) grant** – An amount of R53 million is reprioritised from the integrated national electrification (Eskom) grant to the vote

of the national Department of Mineral Resources and Energy to fund the rehabilitation of derelict and ownerless mines.

**Shift of funds from the regional bulk infrastructure grant to the water services infrastructure grant** – R309 million has been shifted from the indirect component of the regional bulk infrastructure grant to the indirect component of the water services infrastructure grant. This is to enable the Department of Water and Sanitation to manage contractual obligations, budget pressures, accruals and payables for projects in several municipalities.

**Changes to the municipal disaster recovery grant framework** – The framework of the municipal disaster recovery grant is amended to ring-fence the additional funds for the repair and reconstruction of municipal infrastructure damaged by the floods that occurred between February and March 2023.

**Correction of an error in the indirect allocations of the regional bulk infrastructure grant** – An amount of R20 million for the Kirkwood Water project that was erroneously allocated to Dr Beyers Naude Local Municipality is corrected to an allocation to Sundays River Valley Local Municipality.

**Amendment to the framework of the *municipal disaster recover grant*** – Parliament has approved that the National Treasury amend the framework of the *municipal disaster recover grant* to ring-fence and conditionalize the fund added for the repair and recovery of infrastructure damaged by the floods that occurred in February and March 2023.

**Correction of an error in the indirect allocations of the regional bulk infrastructure grant** – Parliament has approved that the National Treasury correct an oversight in the indirect allocations of the *regional bulk infrastructure grant*. An amount of R20 million for the Kirkwood Water project that was erroneously allocated to Dr Beyers Naude Local Municipality is corrected to an allocation to Sundays River Valley Local Municipality.

## **2.2 Publication of allocations from the municipal disaster response grant and changes from the stopping and reallocation process**

National Treasury has through Government Gazette No. 49584 dated 30 October 2023 published in terms of the Division of Revenue Act, 2023, (Act No. 5 of 2023) (DoRA), and provided information regarding the disaster allocations and the conversion of disaster grants to municipalities in the 2023/24 financial year. The Gazette further provided for the stopping and reallocation of funds to municipalities and reallocated to their districts.

### **Allocation of disaster response funding**

#### ***Transfers in terms of section 27 of the 2022 DoRA***

Section 27 of the 2022 DoRA provides:

*“(1) Despite the Division of Revenue Act for the 2023/24 financial year not having commenced on 1 April 2023, the National Treasury may determine that an amount, not exceeding 45 per cent of the total amount of each —*

- (a) equitable share in terms of section 4(1), be transferred to the relevant province;*
- (b) equitable share in terms of section 5(1), be transferred to the relevant municipality;*
- (c) allocation made in terms of section 7(1) or 8(1), as the case may be, be transferred to the relevant province or municipality.*

*(2) An amount transferred in terms of subsection (1)(c) is, with the necessary changes, subject to the applicable framework for the 2022/23 financial year and the other requirements of this Act, as if it is an amount of an allocation for the 2022/23 financial year.”*

Using this section of the DoRA, immediate relief funds were transferred to municipalities from the 2023/24 Municipal Disaster Response Grant (MDRG) baseline in June 2023 (before the start of the 2023/24 municipal financial year). Section 27(2) requires that these funds be subject to the 2022/23 MDRG framework and the DoRA as if these were allocations for the 2022/23 financial year. The implications of this:

**MDRG condition 1: Funds from this grant must be utilised within six calendar months following the date of the transfer of the funds to the municipality**

By approving the release of these funds in June 2023, National Treasury implicitly approved the roll-over of these funds to the 2023/24 financial year. Therefore, the immediate relief funds transferred to municipalities on 15 June 2023 must be spent by 15 December 2023.

In terms of section 25(3)(d) of the Division of Revenue Act, 2023 (Act No. 5 of 2023 – herein referred to as “2023 DoRA”), which is now applicable to the immediate relief funds, the National Treasury may approve that, funds allocated in Schedule 7 be used at any time. In terms of section 25(3)(e) of the 2023 DoRA, funds approved in terms of paragraph (d) must be included in either the provincial adjustments appropriation legislation, municipal adjustments budgets or other appropriate legislation.

Expenditure need not wait for the passing of such adjustments budget as this is emergency spending or unforeseen and unavoidable expenditure, which is provided for in section 29 of the Municipal Finance Management Act, 2003 (“MFMA”).

Municipalities must ensure that the disaster funding and expenditure are ring fenced (isolated) and classified correctly in terms of the *mSCOA* when budgeting and transacting, as per the guidance provided in *mSCOA* Circular No. 14 dated 16 May 2022.

### 3. Revenue Management

The weak economic growth continues to impact municipal finances and as communicated in MFMA Circular No. 89 this has strained consumers’ ability to pay for services. Coupled with this conundrum is the marginal growth in national transfers as compared to the past. These two critical factors necessitate municipalities to function optimally suggesting that municipal operations, processes and procedures must be efficient. Inefficiencies in this space are guaranteed to manifest on municipal finances. Although some municipalities have managed these challenges well, others have fallen into financial distress and face liquidity challenges. Subsequently, municipalities are unable to meet their payment obligations to Eskom, water boards and other creditors. Therefore, municipalities must maximise their revenue generating potential and collect what is due to them and concurrently, eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide for their core mandate and to service their debt obligations. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend on money that they do not have.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the 4 to 6 per cent target band; therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2024/25 in



their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include details of their revenue growth assumptions for the different service charges in the budget narrative.

### **3.1 Maximizing the revenue generation of the municipal revenue base**

#### ***Property Rates***

Reference is made to MFMA Circulars No. 93, paragraph 3, 98 paragraph 4.1 and 123 paragraph 5.1. The emphasis in the above mentioned MFMA Circulars is to ensure that municipalities are using their entire revenue base as the basis for the revenue budget projections. The status quo remains. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

#### ***Requirements of a billing report***

The Billing report must at a minimum provide the following per each property:

- Market value;
- Property category;
- Amount billed;
- Unique property identifier (linked to the Valuation Roll);
- Property owner;
- Rebate value;
- Exemption value; and
- Reduction value.

Although the format of the billing reports will vary across municipalities, the billing report will always have the above-mentioned specifics for any municipality regardless of the financial system used as they all use the valuation roll as the basis to update the municipal financial system. Municipalities are advised to engage their service providers in ensuring that there is a standardized billing report that considers the minimum billing report requirements.

#### ***Part A and Part B Register***

Reference is made to the Municipal Property Rates Act – section 23 of the MPRA reads as follows:

1. A municipality must draw up and maintain a register in respect of properties situated within that municipality, consisting of a Part A and a Part B;
2. Part A of the register consists of the current valuation roll of the municipality, including any supplementary valuation rolls of the municipality prepared in terms of section 78;
3. Part B of the register must specify which properties on the valuation roll or any supplementary valuation rolls are subject to – (a) an exemption from the rate in terms of section 15; (b) a rebate on or a reduction in the rate in terms of section 15; (c) a phasing-in of the rate in terms of section 21; or (d) an exclusion referred to in section 17 (1) (a), (e), (g), (h) and (i); and
4. The register must be open for inspection by the public during office hours. If the municipality has an official website or another website available to it, the register must be displayed on that website. (5) A municipality must at regular intervals, but at least annually, update Part B of the register. Part A of the register must be updated in accordance with the provisions of this Act relating to the updating and supplementing of valuation rolls.

Based on the cited section, municipalities are expected to comply with the provisions of section 23 of the MPRA to ensure that the latest information is used in the reconciliation process. All revenue foregone as supported by municipal policies due to municipal reductions rebates and exemptions must be accounted for in the Part B register and all subsequent supplementary rolls performed are accounted for using a Part A register.

Furthermore, municipalities are also advised and expected to comply with section 8(1) of the MPRA in terms of the billing methodology that should be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation process. A further test would be to reconcile this information with the Deeds Office registry.

In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the Valuation roll/ Part A register to the billing system to the National Treasury on a quarterly basis by no later than the 10<sup>th</sup> working day after the end of the quarter. A detailed action plan must accompany the reconciliation where variances are noted.

The information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: [https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin).

### **3.2 Setting the Cost reflective tariffs**

Municipalities must ensure that the capital repayment of loans are included in the cost when determining the tariff. In addition, they must ensure that the consumption charges for services are only based on consumption and all other variable costs. Therefore, fixed costs such as salary and wages, etc. should be covered by a fixed charge.

During the budgeting process, provision must be made for revenue to be generated by the tariffs levied for services to address the maintenance of infrastructure. New infrastructure developments in a municipal area of jurisdiction should be obliged to consider and incorporate energy efficiency sources of energy available such as solar or wind to respond to the ongoing global energy crisis.

### **3.3 Consumer Deposits and securities**

Credit control policies should be reviewed and amended to include the raising of consumer deposits, the authority to raise deposits should be deleted where it is still in the Electricity and Water by-laws, this should be included in the credit control and debt collection by-laws. Deposits should be equal or more than two months bulk accounts from water services authorities and Eskom.

### **3.4 Contracts with customers**

All municipalities should ensure that their service agreements with customers address the following matters:

- Requirements of POPIA;
- Digital and Physical Domicilium for the delivery of notices;
- Acceptance of liability in the case of proven tampering of services;
- Acceptance of Magistrates Court Jurisdiction if in arrears and legal action has been taken;
- Acceptance to adhere to Municipal policies and by-laws;



- Acceptance and approval to be handed over to third party if in arrears inclusive of credit bureau;
- Acceptance to give access to meter readers to read meters;
- Municipality accept to render promptly bills; and
- Municipality accept to limit the estimation of consumption on meters.

### 3.5 Indigent Management

It is critical to progressively manage the restriction of free basic services to national policy limits. Therefore, free basic services to indigent households must be restricted. Where any unlimited supply or supply above national policy limits is provided, the budget narrative must explicitly articulate how this is funded also in a context of facilitating adequate asset management and adequate provision for related debt impairment and ability to maintain payment of Eskom, bulk water and other creditors.

**Establishing and maintaining credible indigent register** – It is important that the municipalities undertake the following actions to conduct quality control and monitor the indigents:

- Check accuracy and identify any overstatement of the indigent debtor which will enable municipalities to confirm the accuracy of the reported number of indigent debtors;
- Proactively identify indigent citizens and accelerate the registration process through data-driven indigency status verification, as a precursor to tabling applications to Council for approval;
- Verify the status of indigents on the current indigent register thereby reducing the risk of citizens benefiting from the indigent subsidy when they do not qualify for it anymore;
- Create a verifiable indigent register which reduces performance audit risk through the provision of monthly controls and credible, third party, data-driven evidence to support the validity of households registered as indigent;
- Utilise the insight provided regarding indigents to possibly make any necessary amendments to current Indigent Policy; and
- Municipalities are advised to work closely with their respective DCoG (also provincially) to simplify its indigent management registration processes – even considering qualifying criteria that can be independently checked without requiring a hefty administration burden on indigent households that are already financially constrained, including facilitating such on-site close to where indigents may reside. It is noted that the municipality needs to report on all indigent households for water and energy within its demarcation also in the Eskom supplied areas since the LGES: Free basis services (FBS) allocation is targeted at the demarcation as a whole. The municipality must therefore focus in its 2024/25 MTREF Schedule A submission to report on ALL indigent households (also in Eskom supplied areas).

### 3.6 Voluntary restriction of notified maximum demand (NMD)

Municipalities are advised that Eskom agreed with NT that once a municipality in principle agreed to a Notified Maximum Demand (NMD) restriction with NT, Eskom will within 30 days of NT request advise on its ability to restrict the NMD at bulk supply points in that municipality. Eskom will restrict the NMD or not charge any NMD exceedance charges and penalties to the municipality until 30 June 2027 or earlier as may be agreed between NT and the municipality. Should any municipality with the electricity function not be able to maintain its Eskom bulk account, it is strongly urged to make an application to the National Treasury for such a

voluntary restriction of its NMD by Eskom. The application must include a council resolution to the effect that council approves and agrees to such a voluntary restriction and the effective date thereof. National Treasury will then make an application to Eskom for this purpose.

### **3.7 Pro-actively managing collection of municipal revenue in Eskom supplied areas**

NT notes that in the context of the Electricity Regulation Act, 2006 (ERA) existing section 21(5) prohibiting Eskom to cut supply in their areas to assist municipalities to collect on rates, water, wastewater and refuse removal – municipalities have no other tool but the restriction of water to collect in Eskom supply areas. Until ERA is amended it is critical that municipalities update their By-laws and policies to facilitate and legally allow the restriction of water as part of proper credit control for municipal revenue collection in Eskom supplied areas. The process before the supply of water is restricted/ limited, must honour the water supply rights of the indigent as well as the administrative processes and procedures, as contained in the municipal by-laws and policies read with section 4(3)(a) of the Water Services Act.

### **3.8 Maximising the revenue generation of the municipal revenue base Revenue on Property rates**

*(This section should be read in addition to the information provided on MFMA Circular No. 123 and previous circulars pertaining to this matter).*

It is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2024. Furthermore, it must as a best practice compare the current consolidated roll to the new valuation roll. This can identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.

Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with section 23(1) and section 23(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

### **3.9 Setting the Cost reflective tariffs**

Municipalities must ensure that when tariffs are designed, the capital repayment of loans are also included in the cost to determine the tariff.

Municipalities must ensure that when tariffs are designed that consumption charges for services are only based on consumption and all other variable costs. Fixed costs e.g. salary and wages, etc. should be covered by a fixed charge. The municipality must ensure its budgeting process address the requirement to maintain its infrastructure. New developments in/ a municipality should mandatorily make provision for alternative energy such as solar or wind or any other energy option available.

### **3.10 Critical Notice Affecting STS Meters and the RT29 Transversal Tender for Smart Meters**

As highlighted in MFMA Circulars No. 115 and 123 (dated 04 March 2022 and 03 March 2023 respectively) municipalities are once again alerted that there is still a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens. The remedy is to enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that

the National Treasury, through the Office of the Chief Procurement Officer (OCPO), have issued a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government. In this respect the development of the transversal contract for smart prepaid meters as per NRS 049 (per latest approved version) is at an advanced stage.

Municipalities are cautioned against issuing their own tender to address the STS TID rollover and a smart solution for electricity and water meters as the RT29 tender should be available for municipalities to participate as early as January 2024 for participation.

### **3.11 Eskom Bulk Tariff increases**

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In the municipal financial year 2023/24, bulk electricity costs increased significantly at 15.1 per cent, compared to 8.61 per cent in the 2022/23 municipal financial year. There has been no change to the second year of the Multi-Year Price Determination (MYPD 5), as such bulk electricity costs are to be calculated using an increase of 12.7 per cent as per MYPD-5 in the 2024/25 financial year.

Given the absence of an approved tariff increase for the outer year of the MTEF, the increase is projected to be 15.7 per cent in 2025/26. This is the average of the approved increases for the two years of the MYPD-5 period. Municipalities in arrears with Eskom should ensure that their payment arrangements are included in the 2024/25 MTREF budget.

### **3.12 Consumer Deposits and securities**

Credit control policies should be reviewed and amended to include the raising of consumer deposits, the authority to raise deposits should be deleted where it is still in the Electricity and Water by-laws, this should be included in the credit control and debt collection by-laws. Deposits should be equal or more than two months bulk accounts from water services authorities and Eskom.

## **4. Funding choices and management issues**

Given the current economic crisis the country faces, Municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected. Municipalities are advised to consider all the advice provided in MFMA Circular No 123 and other previous circulars under this topic to ensure the adoption of surplus and funded budgets.

### **4.1 Employee related costs**

The *Salary and Wage Collective Agreement* for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to consider their financial sustainability when considering salary increases. It has been observed over the previous years that salary increases were above inflation and has posed challenges to most municipalities' sustainability. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Therefore, municipalities are urged to consider projecting salary and wage increases that would reflect their affordability given the current economic challenges. Municipalities that are

already not in a position to afford the current wage cost, would have to limit the increase in the 2024/25 MTREF and to exercise the option for exemption for any negotiated increase above the level of their affordability.

## **4.2 Remuneration of Councillors**

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councillor(s) concerned.

# **5. FUNDING MUNICIPAL BUDGETS**

## **5.1 Approval of deficit budgets**

National/ Provincial Treasuries encourage municipalities to prepare a surplus budget to avoid placing the municipality's resources in financial difficulties. The adoption of a credible budget starts with the preparation of a surplus budget. With effect from 1 July 2024 all municipal Councils are advised not to approve a deficit budget, as such Mayors who table budgets to Council must be aware of the implications of a deficit budget.

Accounting Officers and their Chief Financial Officers are responsible for preparing budgets and accordingly are tasked with ensuring that the Mayor is guarded against submitting a deficit budget to Council for adoption. Failure thereof may result in Councils implementing section 171 of the MFMA to both the Accounting Officer and Chief Financial Officer.

## **5.2 Funded Budget**

Subsequently, the National Treasury would like to re-emphasise that municipalities must not adopt an unfunded budget. The emphasis is on municipalities to comply with section 18 of the MFMA and ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates. Municipalities are encouraged to limit expenditure according to the anticipated revenue projections. Should their collection rate improve during the financial year, municipalities may bring back initial expenditure items omitted. Municipalities should note that the Office of the Auditor General will soon start auditing those municipalities that have tabled and adopted unfunded budgets over an extended period given that this practice is not only illegal but also compromise their financial sustainability.

## **5.3 Credible Funding Plans**

Municipalities must adopt a credible funding plan in cases where the budget is unfunded (an unfunded budget is not encouraged). Where a funding plan lacks credibility, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be immediately adopted by the Municipal Council and the changes to budget must be effected in the mid-year adjustments budget to ensure compliance with section 18 of the MFMA. The funding plan must show progressive improvement in the funding of the budget.

#### 5.4 Budgeting for Debt Impairment Loss, Write Off of irrecoverable debt and Reversal of Impairment Loss

Assessment of the funding position of 2023/24 tabled and adopted municipal budgets revealed that a large number of municipalities incorrectly accounted for debt impairment and the write off of irrecoverable debt with the result that their budgets were assessed as unfunded. The two common mistakes made by most municipalities were:

- Provision for impairment losses was budgeted as Irrecoverable Debt Written Off on Table A4; and
- Provision to write off irrecoverable debt was budgeted for on Table A4 without any adjustment to the Accumulated Provision for Debt Impairment by way of a concomitant reversal of the impairment loss.

Any write off of irrecoverable debt previously impaired and accounted for as an impairment loss should be adjusted as a reversal of impairment loss when the write-off takes place. Failure to adjust the previous impairment loss by the reversal will impact negatively on the net receivables and therefore the funding of the budget. The receivables will be reduced by the amount of the debt written off whilst still providing for the impairment of the receivables already written off.

Municipalities should consider the following when budgeting for the annual Debt Impairment Loss, Write Off of Irrecoverable Debt and Reversal of Impairment Loss. The *mSCOA* chart includes data strings for:

- **Impairment loss** – contribution to the provision for annual non-payment based on the realistic collection rate for the municipality. Any increase in impairment is accounted for per debt type. This is treated as a loss in the Statement of Financial Performance;
- **Reversal of Impairment loss** – used to facilitate the reversal of overstated impairment losses. Any decrease in impairment is accounted for per debt type. This is treated as a gain in the Statement of Financial Performance. The reversal of impairment loss enables the reduction of debt impairment provision. Therefore, the data strings for impairment loss and reversal of impairment loss are aggregated to populate debt impairment on table A4; and
- **Irrecoverable Debts Written Off** – this is no longer written off against the Accumulated Provision for Debt Impairment but is expensed in the Statement of Financial Performance. Therefore, municipalities must record the reversal of impairment loss to reduce the Accumulated Provision for Debt Impairment with the irrecoverable Debts Written Off. The previous versions of the *mSCOA* chart provided for a single expenditure account for the recognition of any bad/ irrecoverable debt written off. However, in version 6.8 the *mSCOA* chart was expanded to include the write off of irrecoverable debt by debt type.

#### 5.5 Burial of councillors using public funds

In terms of National Treasury's Budget Circulars No. 122 and 123 municipalities were urged to ensure that public funds are not used for burial of councillors. The issuance of this requirement in both circulars would have required in certain cases amendment of Council approved policies dealing with these matters.

Therefore, municipalities are reminded to ensure that any policies to this effect are rescinded as this matter will be referred to the Auditor General South Africa (AGSA) to verify during the 2023/24 audit if there have been no instances where public funds are utilised for burial of councillors. If such activities occurred in the municipality w.e.f. the 2023/24 financial year,



each Accounting Officer and Chief Financial Officer will be held responsible, and each Council can deal with such instances in terms of section 171 of the MFMA.

## **5.6 The use of mayoral discretionary accounts and any other council discretionary accounts**

In the previous Budget Circulars municipalities were cautioned against the tendency of utilising Mayoral Discretionary accounts. The risk or danger herein is that public funds are availed/ allocated or given out to other bodies or institutions or individuals by the Mayors of a municipality outside the budget process.

These allocations are at times not known by the Council as they were not disclosed in the budget approved by Council, meaning that there was a lack of transparency during the budgeting processes. Municipalities are reminded that this practice of utilising “Mayoral Discretionary Accounts is not supported by the National Treasury. Therefore, if there are policies developed by municipalities allowing or promoting such activities, those policies must be rescinded when the Council approves the 2024/25 MTREF budget.

Any further use of public funds in that manner will be audited by the AGSA with effect from 1 July 2024 with an intention of ensuring that Accounting Officers/ Executive Mayors and Chief Financial Officers, that allow such practices to continue in their municipalities will be held personally responsible.

## **5.7 Development charges**

Development charges are important components of a sustainable municipal infrastructure financing system, especially for cities and large urban municipalities, as they are used to finance land intensification. Despite their potential as an alternative option for financing infrastructure, municipalities have not fully used development charges due to uncertainty surrounding the regulatory frameworks. To address this uncertainty, amendments to the Municipal Fiscal Powers and Functions Act (2007) are proposed. The Municipal Fiscal Powers and Functions Amendment Bill proposes new, uniform regulations for levying development charges, so strengthening municipalities’ revenue-raising framework. This will allow municipalities to mobilise own revenue resources to fund their infrastructure needs and support economic growth.

Once enacted, these amendments will create legal certainty for municipalities to levy development charges, regulate their applicability and create a more standardised, equitable, and sustainable framework for development charges. The Bill was approved by Cabinet for tabling in Parliament on 17 August 2022 and subsequently introduced in Parliament on 08 September 2022. The Bill is currently being processed in line with the Parliamentary processes. Once the Bill has been enacted, the amendments will take effect from the next municipal financial year (commencing 1 July) or on a date prescribed by the President.

The National Treasury will clearly articulate the budgeting and accounting requirements upon the completion of the Parliamentary processes.

# **6. Municipal Standard Chart of Accounts (*mSCOA*)**

## **6.1 Release of Version 6.8 of the Chart**

On an annual basis, the *mSCOA* chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.8 is released with this circular. Version 6.8 of the chart will be effective from 2024/25 and must be used to compile the 2024/25 MTREF. The linkages to chart version 6.8 can be downloaded from GoMuni on the following link under the *mSCOA*/ List *mSCOA* WIP account linkages menu option:

[https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin)

The reports on the Local Government and Reporting System (LGDRS) are populated from financial and non-financial data strings. Municipalities must use of the linkages on GoMuni referred to above and not the formulas in the regulated Municipal Budget and Reporting (MBRR) Schedules when generating their data strings.

The Municipal Budget and Reporting Regulations (MBRR) Schedules (A to F) and non-financial data string (A1S) was also aligned to chart version 6.8. A protected version of the MBRR Schedules for version 6.8 of the chart and A1S is available on the MFMA Webpage on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

Municipalities must verify that the A1S data string does not contain spaces and special characters prior to submission to the GoMuni Upload portal as this will result in the data not pulling through on table A10 of the A1 system generated schedule.

All municipalities must prepare their 2024/25 MTREF budgets using the budget modules of their ERP systems, generate their financial and non-financial data string and produce the Schedule A1 directly from the ERP system. The manual preparation of these documents outside the ERP system is not allowed in terms of the *mSCOA* Regulations.

For the National Treasury to consider a new chart change in version 6.9 of the chart, the issue must be logged with all relevant detail, supporting documents and screenshots (where applicable) on the *mSCOA* Frequently Asked Question (FAQ) portal by 31 August 2024. The *mSCOA* FAQ portal can be accessed by all registered GoMuni users on the following link:

[https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin)

Importantly, when a FAQ is logged, it is considered by the FAQ committee after it has been investigated. If the FAQ members do not find grounds for a chart change, the FAQ will be closed with an explanation. If there is merit for a chart change in the next version of the chart, the matter is referred to the *mSCOA* Technical and Steering Committees for recommendation and approval. This process only concludes by the end of October annually. The FAQ process will therefore not provide quick responses to queries.

If a query pertains to GoMuni related issues (such as the **A**, **B** and **C** Schedules) and not a chart change, then an email with all relevant detail, supporting documents and screenshots must be send to [lgdataqueries@treasury.gov.za](mailto:lgdataqueries@treasury.gov.za).

Please note the following errata in MFMA Circular No.123 on page 5 in relation to property categories that were approved by the Minister of Cooperative Governance for Bitou and Drakenstein municipalities. It was **incorrectly** indicated that the approval was in accordance with section 8(2)(j) of the Municipal Property Rates Act (MPRA) as amended in 2014, and that municipalities may apply for categories other than the categories in 8(2)(a) to (i).

**The paragraph is corrected as follows:**

Kindly note that, in accordance with section **8(4)** of the Municipal Property Rates Act (MPRA) as amended in 2014, municipalities may apply to the Minister for the authorisation to sub-categorise the property categories in subsection (2). Towards this end the Minister of Cooperative Governance and Traditional Affairs approved the following categories:

- Sports Clubs and Fields for Bitou Municipality and

- Residential sectional title garages for Drakenstein Municipality.

## 6.2 Improving *m*SCOA data strings credibility

The credibility of the *m*SCOA data strings that have been submitted by municipalities to the GoMuni Upload portal has improved over the last financial year. However, the following areas of concern remain:

- Municipalities continue to **transact against line items without budgets** and as a result exceed the annual budget already in month 1 to 3 (quarter 1) of the new financial year;
- **Opening balances** for the previous year are **not transferred** in the first month (M01) of the current year, and all adjustments made during the preparation of the annual financial statements in periods 14 and 15 are not transferred through journals to the opening balances of the current year in the month of the current year that the adjustments are done;
- **Cash flow tables** (Tables A7, B7 and C7) are still **not populating correctly** and fully. This can be attributed to the fact that several municipalities still do not use balance sheet budgeting and movement accounting. Guidance on the use of balance sheet budgeting and movement accounting to populate tables A7, B7, and C7 correctly was provided in MFMA Budget Circular No. 107 (dated 04 December 2020) and *m*SCOA Circular No. 11 (dated 04 December 2020);
- Budget and transacting for **water inventory** is **not done correctly** in terms of the guidance given in MFMA Budget Circular No.115 (dated 04 March 2022) and MFMA Budget Circular No. 122 (dated 12 December 2022); and
- Some municipalities **do not budget and transact correctly** or completely **for irrecoverable debt written off and impairment loss** as well as the reversal of impairment loss of consumer debtors that have a significant impact on the funding of budgets.

National and provincial treasuries analyse the data strings of municipalities monthly to identify errors and communicate these findings to municipalities. Municipalities must use the feedback received to correct recurring errors in subsequent periods. Going forward, the National Treasury will not allow data string errors made in a previous month to be corrected in the next open period as this skew the monthly figures on the National Treasury Local Government Database and Reporting System (LGDRS). Municipalities must therefore **verify** the credibility and accuracy of the information in their financial system **prior** to submitting the *m*SCOA data strings to the LGDRS. The data on the LGDRS is used by various stakeholders such as the South African Reserve Bank (SARB), STATSSA, SARS, Department of Water Affairs (DWA), NERSA, DCoG, SALGA, AGSA, World Bank universities and the public.

## 6.3 *m*SCOA reporting on Value Added Tax (VAT)

In terms of the VAT Act, 1991 (Act No. 89 of 1991) and its amendments, municipalities must be VAT registered and must declare Output tax on the taxable supply of goods and services and claim Input tax credits on expenses incurred in the course or furtherance of the enterprise (the taxable supplies). The output tax is declared, and the input tax claimed by completing a VAT 201 return.

The guidance provided in *m*SCOA Circular No. 12 must be followed when reporting on VAT. It should be noted that the South African Revenue Services (SARS) will be using the data on the LGDRS submitted by municipalities to verify the VAT 201 return in 2024/25. It is therefore



crucial that municipalities report their VAT transaction correctly on their ERP systems and in their *mSCOA* data strings.

#### **6.4 Use of function segment to achieve GRAP 18 segmental reporting**

GRAP 18 is applicable to all entities on the accrual basis of accounting. The standard applies to separate (or individual) financial statements of an entity, as well as to consolidated financial statements of an economic entity. Municipalities control significant public resources and provide a wide variety of goods or services in different geographic areas with different socio-economic conditions. Consolidated financial statements provide an overview of assets, liabilities, revenues and costs etc. of an entity, but a greater level of aggregation is necessary to provide information which is relevant for accountability and decision-making purposes.

The objective of the disclosures is to enable users of the financial statements to evaluate the nature and financial effects of the activities in which it engages and the economic environment in which it operates. To achieve the objective, disclosures are required on two levels, namely:

- Specific segment disclosures
- Geographic disclosures

Detailed guidance on GRAP 18 reporting was provided by the National Treasury in the Accounting Guideline on GRAP 18 Segment Reporting (February 2020) which is available on the following link:

<https://ag.treasury.gov.za/>

The *mSCOA* function and region segments must be used to comply with the GRAP 18 reporting requirements.

The function segment records the major activities that generate the most economic benefits or service potential of the municipality. The implication will be that all income and expenditure transactions related to a specific trading service (function) must be budgeted for and transacted within that function. Therefore, where grants are allocated to trading services, the grant must be budgeted for and transacted in the Trading Services function. Municipalities must review their classification of the function segment as to whether the function is correctly identified as a core or non-core function.

The region segment identifies the lowest relevant geographical regional indicator of the intended contributor or beneficiaries that will contribute/ benefit directly from the given service or capital investment. Municipalities must ensure that they identify the lowest geographical regional indicator in the region segment when they budget, transact and report to provide data on the geographic disclosures required in GRAP 18.

Municipalities are also reminded to include the GPS Longitude for capital projects on supporting table SA36 on the A Schedule.

#### **6.5 Period closure and reconciliation of General Ledger**

Section 65 (2)(j) of the MFMA states that the accounting officer must take all reasonable steps to ensure that all financial accounts of the municipality are closed at the end of each month and reconciled with its records.

Annexure B of MFMA Circular No. 80 (08 March 2016) provides guidance on the minimum system requirements in this regard, namely that the ERP system must contain the functionality for:

- Period closures (i.e. budget process, month-end and year-end) and certification within the statutory reporting dates;
- Reconciliations and balancing of the sub-system and the General Ledger of the core ERP System with control accounts as a condition of all period closures;
- System generated transfer of opening balance to month 1 in the following year subsequent to the year-end closures period 12 as at 30 June (of the current year);
- Automated roll-over of the closing balance from month 12 into period 13 of the current financial year and month 01 of the new financial year; and
- Automated roll-over of the closing balance from period 13 to 14 and 15 of the current financial year and the corresponding month in the new financial year.

Guidance on the required period closures will be provided in *mSCOA* Circular No. 15 that will be issued in 2024.

## 6.6 *mSCOA* governance and implementation

Municipalities that have not yet achieved the required level of *mSCOA* implementation, must develop and implement a road map (action plan) to fast track the implementation of *mSCOA*. The focus areas that should be considered (at a minimum) when developing the road map are articulated in **Annexure A** attached to this circular.

## 6.7 Regulating the minimum business processes and system specifications for *mSCOA*

The National Treasury will regulate the minimum business processes and system specifications for *mSCOA* towards the end of 2025/26. This project will also include the following outputs:

- Review and update the set of minimum business processes and system specifications for *mSCOA* (currently articulated in MFMA Circular No. 80) to incorporate new legislative requirements that have been issued since the circular was published;
- Update and develop the standard operating procedures (SOPs) for *mSCOA*;
- Align the current ICT due diligence assessment for *mSCOA* to the new Regulations;
- Consultation with key stakeholders on draft regulations; and
- Training on the new Regulations to ensure that there is a fair understanding of the new regulation by stakeholders.

Further communication will be issued on the consultation processes and training in due course.

## 6.8 Training Initiatives

The National Treasury has introduced several training initiatives to capacitate municipalities, government departments, system vendors and other stakeholders on *mSCOA*. In 2024, these training initiatives will include:

- **Virtual Master classes:** This training is hosted by CIGFARO at no cost via zoom on a monthly basis and deals with technical and accounting aspects of the use of *mSCOA* chart;

- **Provincial training on mSCOA:** This is a new training initiative and will be hosted at a physical venue by CIGFARO at a cost (to cover expenses) and will include the fundamentals (part 1) and technical and accounting aspects (part 2) of mSCOA. Delegates will be required to pass a test on each part of the training to receive a certificate of completion;
- **mSCOA eLearning:** This self-paced web-based course hosted by the National School of Government (NSG) at no cost (until further notice) aims to equip learners with the fundamental of mSCOA. Municipal and government officials can register for the course at on the following link:

<https://www.thensg.gov.za/elearning>

- **Annual CIGFARO/mSCOA workshop:** This annual workshop provides a platform to share lessons learnt, best practices, technical aspects of mSCOA implementation and planned new developments by the National Treasury.

The full training program for 2024 is available on the GoMuni/ Go Training portal) on the following link:

[https://lg.treasury.gov.za/ibi\\_apps/portal](https://lg.treasury.gov.za/ibi_apps/portal)

## 7. The Municipal Budget and Reporting Regulations

### 7.1 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matlatji Mashoeshoe	012-315 5553	<a href="mailto:Matlatji.Mashoeshoe@treasury.gov.za">Matlatji.Mashoeshoe@treasury.gov.za</a>
Buffalo City	Pitso Zwane	012-315 5171	<a href="mailto:Pitso.Zwane@Treasury.gov.za">Pitso.Zwane@Treasury.gov.za</a>
	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Free State	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a>
	Cethekile Moshane	012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
Gauteng	Matlatji Mashoeshoe	012-315 5553	<a href="mailto:Matlatji.Mashoeshoe@treasury.gov.za">Matlatji.Mashoeshoe@treasury.gov.za</a>
	Pitso Zwane	012-315 5171	<a href="mailto:Pitso.Zwane@Treasury.gov.za">Pitso.Zwane@Treasury.gov.za</a>
	Oreal Tshidino		<a href="mailto:Oreal.Tshidino@Treasury.gov.za">Oreal.Tshidino@Treasury.gov.za</a>
City of Tshwane and City of Johannesburg	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Makgabo Mabotja	012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
	Enock Ndlovu	012-315 5866	<a href="mailto:Enock.Ndlovu@treasury.gov.za">Enock.Ndlovu@treasury.gov.za</a>
City of Ekurhuleni	Kgomotso Baloyi		<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
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Technical issues on GoMuni Website	Data management		<a href="mailto:lqdataqueries@treasury.gov.za">lqdataqueries@treasury.gov.za</a>

## 8. Submitting budget documentation and A schedules for the 2024/25 MTREF

### 8.1 Time frames for submission

The LGDRS will be locked at 00:00 on the 10th working day of every month for the submission of data strings due, as required in terms of section 71 of the MFMA. Closed periods will not be opened to correct errors or to accommodate non-submission of data strings, regardless of whether a Schedule G application was done or not.

Municipalities must therefore verify the credibility and accuracy of the information in their financial system prior to closing the month on the ERP system and submitting the *mSCOA* data strings to the LGDRS.

Annexure A (attached) provides a list of the deadline dates for the submission of *mSCOA* data strings and documents to the GoMuni Upload portal in the 2024/25 MTREF. The GoMuni Upload portal can be accessed by registered users on the following link:

[https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin)

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. PDF versions of documents must be submitted to the GoMuni Upload portal.

## 8.2 Updating of contact details on GoMuni

Municipalities must ensure that their contact details on GoMuni are updated as soon as changes occur. Often emails containing important information and deadlines do not reach the intended GoMuni users due to outdated users contact information.

To update the contact details, municipalities (registered users) must download the excel report from GoMuni under Database/Contacts/Reporting/Contact information on the following link:

[https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin)

Changes/ additions made must be forwarded to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za).

## 8.3 Submission of monthly sign-off

From 2024/25, municipalities will be required to sign off on the mSCOA data strings submitted for section 71 and grant reporting monthly. Currently this is being done manually on a quarterly basis. These monthly sign-off certificates will be system generated from the LGDRS and must be uploaded monthly with the data string submission to the GoMuni Upload portal.

## 8.4 Training on GoMuni

The training schedule and GoMuni links for 2024 to assist those users that require new or refresher training on how to draw reports on the LGDRS, is available on the GoMuni/ Go Training portal on the following link:

[https://lg.treasury.gov.za/ibi\\_apps/portal](https://lg.treasury.gov.za/ibi_apps/portal)

## Contact



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**JH Hattingh**

**Chief Director: Local Government Budget Analysis**

**07 December 2023**

## Annexure A

The following focus areas should be considered (at a minimum) when developing the road map and the road map should detail action steps, assign responsibilities, and specify time frames to address the implementation gap:

- a. **ICT Architecture**, which includes the hardware, servers, software, licences required to run the ERP management systems.
- b. **Governance and Institutional Requirements** - which includes:
  - A functioning *mSCOA* steering committee or equivalent structure to monitor and report on progress against the road map. This committee consist of the heads of all business units and meet regularly (at least quarterly).
  - Regular reporting on *mSCOA* implementation to Management and Executive Committees and Council.
  - Appointment of a *mSCOA* champion to drive the *mSCOA* implementation at the municipality.
  - Appointment of a suitably qualified System Administrator.
  - The development and adoption of the required IT policies and securities.
  - Establishment of data back-up and disaster recovery procedures.
- c. **System Functionality** - which includes:
  - The ERP modules and 3rd party systems used. These must give effect to the minimum business processes and system requirements specified in MFMA Circular No. 80. Municipalities must budget adequately to procure the required functionality and upgrade to the *mSCOA* enabling version of the ERP.
  - Seamless and full integration of data in the ERP system, including 3rd party systems used by the municipality and its entities. The ERP system vendor sets the requirements for the integration.

An ICT due diligence assessment must be conducted 6 months before the Service Level Agreements (SLA) with an existing system vendor comes to an end to determine if an ERP system changes or extension of the existing SLA is required. Municipalities must follow the due diligence processes set out in MFMA Budget Circulars No. 93, 98, 123 and *mSCOA* Circulars No. 5 and 6 prior to procuring a new ERP system. Guidance on procurement processes were also provided in MFMA Circular No. 107 (4 December 2020).

*The ERP system represents the General Ledger. Any 3<sup>rd</sup>-party system with a direct impact on the General Ledger must integrate fully and seamlessly with the ERP system in terms of the mSCOA Regulations. This means that data contained in the 3<sup>rd</sup> party system must synchronise without any human or manual intervention integrate to the ERP system without human or manual intervention in real time or at least daily and drill down from the ERP system to the General Ledger of the 3<sup>rd</sup> party system must be possible.*

d. **User Proficiency and Training**

- The relevant municipal officials and interns must be sufficiently capacitated on the

mSCOA chart, basic accounting, balance sheet budgeting and movement accounting and all system modules and functionalities to use the ERP systems solution. Consideration should be given to training, the establishment of User Support Groups and the availability of user manuals on the system.

- Change management initiatives to ensure that mSCOA is institutionalised as an organisational reform and not only a financial reform.



## Annexure B

## SUBMISSION CHECKLIST 2024/25 MTREF BUDGET DOCUMENTS:

Category	Documents Required	mSCOA Data Strings Required	Due Date	Date for Closing LGDRS Submission
<b>BUDGET DOCUMENTS</b>				
<b>Tabled Budget</b>	<ol style="list-style-type: none"> <li>1. A1 Schedule Draft</li> <li>2. Budget Document Draft</li> <li>3. Council Resolution Draft</li> <li>4. Quality Certificate Draft</li> <li>5. IDP Draft</li> <li>6. SDBIP Draft</li> <li>7. Spatial Development Framework Draft</li> <li>8. Long Term Financial Strategies Draft</li> <li>9. Service Standards Draft</li> <li>10. Rates Billing Draft</li> <li>11. Tariff List Draft</li> <li>12. Property Rates and Tariffs List Draft</li> <li>13. Draft Tariff Policies on: <ol style="list-style-type: none"> <li>a. Property Rates and Service charges</li> <li>b. Borrowing</li> <li>c. Budget Implementation and Management</li> <li>d. Cash Management and Investment</li> <li>e. Credit Control and Debt Collection</li> <li>f. Funding and Reserves</li> <li>g. Indigents</li> <li>h. Long-term Financial Planning</li> <li>i. Management and Disposal of Assets Draft</li> <li>j. Infrastructure Investment &amp; Capital Projects</li> <li>k. Supply Chain Management</li> </ol> </li> <li>14. mSCOA Road Map Draft</li> <li>15. Fixed Asset Register Draft</li> </ol>	<ol style="list-style-type: none"> <li>1. TABB – Tabled Budget</li> <li>2. PRTA – Tabled Project Details</li> <li>3. A1D – Tabled non-financial data</li> </ol>	Immediately (within 24 hours) after tabling by council	15 April 2024

Category	Documents Required	mSCOA Data Strings Required	Due Date	Date for Closing LGDRS Submission
	16. Funding Plan Draft 17. Indigent Register Draft 18. General Valuation Roll (GVR) Draft			
<b>Adopted Budget</b>	1. A1 Schedule Final 2. Budget Document Final 3. Council Resolution Final 4. Quality Certificate Final 5. Budget locking certificate Final 6. IDP Final 7. SDBIP Final 8. Spatial Development Framework Final 9. Long Term Financial Strategies Final 10. Service standards Final 11. Rates Billing Final 12. Tariff List Final 13. Property Rates and Tariffs List Final 14. Final Tariff Policies on: <ul style="list-style-type: none"> <li>a. Property Rates and Service charges</li> <li>b. Borrowing</li> <li>c. Budget Implementation and Management</li> <li>d. Cash Management and Investment</li> <li>e. Credit Control and Debt Collection</li> <li>f. Funding and Reserves</li> <li>g. Indigents</li> <li>h. Long-term Financial Planning</li> <li>i. Management and Disposal of Assets</li> <li>j. Infrastructure Investment &amp; Capital Projects</li> <li>k. Supply Chain Management</li> </ul> 15. mSCOA Road Map Final 16. Fixed Asset Register Final	1. ORGB – Original (adopted) Budget 2. PROR – Project Details Original Budget 3. A1F – Final non-financial data	10 working days after approval by council	12 July 2024

Category	Documents Required	mSCOA Data Strings Required	Due Date	Date for Closing LGDRS Submission
	17. Funding Plan Final 18. Indigent Register Final 19. General Valuation Roll (GVR) Final 20. D Schedule (entities) 21. MTREF Budget Schedule Time Table			
<b>Adjustment Budget</b>	1. Mid-Year Budget Perform Assessment S72 2. Resolution Mid-Year Budget Perf Assess S72 3. Adjusted Budget 4. B Schedule 5. Council Resolution 6. Quality Certificate 7. Budget locking certificate Revised 8. E schedule (entities)	1. ADJB - Adjusted Budget 2. PRAD - Project details Adjusted Budget	10 working days after approval by council	14 March 2024
<b>In-year Reporting</b>	1. S71 monthly report 2. Monthly C Schedule 3. Monthly Quality Certificate 4. Monthly Primary Bank Statements 5. Monthly Primary Bank Recon 6. Monthly Trial Balance 7. Signed S71 Monthly Report to Council 8. Signed Conditional Grant Monthly Report to Council 9. Monthly F Schedule (entities) 10. Quarterly mSCOA Implementation Progress Reports 11. Quarterly S52d Performance Reports	1. M01 – M12 - Monthly Actuals 2. CR01 – CR12 - Monthly Creditors 3. DB01 – DB12 - Monthly Debtors 4. BMQ1 – BMQ4 – Quarterly Borrowing Monitoring 5. IMQ1 – IMQ4 - Quarterly Investment Monitoring	10 working days after the end of month/quarter	15 August 2024 13 September 2024 14 October 2024 14 November 2024 13 December 2024 15 January 2025 14 February 2025 14 March 2025 14 April 2025 15 May 2025 13 June 2025 14 July 2025
<b>YEAR-END DOCUMENTS</b>				
<b>Pre-audit</b>	1. Pre-audited AFS	PAUD - Pre-audited AFS CRPA – Creditors DBPA - Debtors	Immediately (within 24 hours) after submission to AGSA	13 September 2024
<b>Audit</b>	2. Audited AFS	1. AUDA - Audited AFS 2. CRAU – Creditors	Immediately (within 24 hours) after conclusion of audit	14 March 2025

Category	Documents Required	mSCOA Data Strings Required	Due Date	Date for Closing LGDRS Submission
		3.DBAU - Debtors		
<b>Restated</b>	4. Restated AFS	RAUD - Restated AFS	Immediately (within 24 hours) after approved by Council	2022/23: 15 August 2024
<b>Annual Report</b>	5. Annual Report 6. Council Oversight Report	Not applicable	Within nine months after the end of a financial year deal	15 May 2025
<b>REVENUE MANAGEMENT DOCUMENTS</b>				
<b>Revenue</b>	1. Tariff Tool Draft and Final 2. Tariff Tool Final 3. Bulk Suppliers (water and electricity) proof of payment-M01 to M12 4. Proof of payment 3rd party (Staff benefits, SARS)-M01 to M12 5. Bulk Suppliers - repayment plans 6. Repayment plan (with any of its creditors excluding bulk suppliers) 7. Municipality Valuation Roll Reconciliation-Q1 to Q4 8. Revenue Enhancement Strategy 9. Municipality Revenue Assessment Tool 10. Schedule for the new general valuation roll 11. Supplementary Valuation Roll 12. Municipal Debt relief Application	Not applicable	1. Annually 2. Monthly 3. Monthly 4. As applicable* 5. As applicable* 6. As applicable 7. Quarterly 8. Every 3 years* 9. Every 3 years* 10. Annually 11. Annually	
<b>MFRS DOCUMENTS</b>				
<b>MFRS</b>	1. Mandatory FRP Progress Report-M01 to M12	Not applicable	Monthly*	Not applicable



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## Introduction

This budget circular is a follow-up to MFMA Circular No. 126 that was issued on 07 December 2023. It aims to provide further guidance to municipalities with the preparation of their 2024/25 Medium Term Revenue and Expenditure Framework (MTREF) budgets and should be read together with the budget circulars that have been issued previously.

The grant allocations as per the 2024 Budget Review and the 2024 Division of Revenue Bill are also key focus areas in this circular. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that are not covered in this circular.

## 1. The South African economy and inflation targets

Over the next three years, South Africa's economy is forecast to grow at an average of 1.6 per cent, a moderate improvement on the 1.4 per cent average expected at the time of the 2023 MTBPS. The outlook is supported by an expected recovery in household spending as inflation declines, and an increase in energy-related fixed investments.

Power cuts and operational problems in freight rail and ports continue to disrupt economic activity and limit the country's export potential. Comprehensive reforms are underway in these sectors, although it will take time to see recovery in growth. Household consumption is under pressure from high living costs, and investment remains low due to weak confidence and challenging business conditions linked to structural constraints.

South Africa has experienced over a decade of weak economic growth, GDP has averaged only 0.8 per cent annually since 2012, entrenching high levels of unemployment and poverty. To turn the tide and raise economic growth sustainably, government is prioritising energy and logistics reforms, along with measures to arrest the decline in state capacity. Successful efforts to improve the fiscal position, complete structural reforms and bolster the capacity of the state will, in combination, reduce borrowing costs, raise confidence, increase investment and employment, and accelerate economic growth.

The National Treasury estimates real economic growth of 0.6 per cent in 2023. This is a decrease from growth of 0.8 per cent projected in the 2023 MTBPS due to weaker than expected outcomes in the third quarter of 2023, resulting in downward revisions to household spending growth and spending on gross fixed investment. GDP growth is projected to average 1.6 per cent from 2024 to 2026 as the frequency of power cuts declines, lower inflation supports household consumption, and employment and credit extensions recover gradually. New energy projects will improve fixed investments and business sentiment.

To accelerate GDP growth after an extended period of weak economic performance, South Africa needs large-scale private investment. Government is working to improve the fiscal position, complete structural reforms and bolster the capacity of the state to reduce borrowing costs, raise confidence, increase investment, and put the economy on a higher job creating growth path.

The following macro-economic forecasts must be considered when preparing the 2024/25 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2022 – 2027**

Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Forecast		
CPI Inflation	6.9%	6.0%	4.9%	4.6%	4.6%

Source: 2024 budget review.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

Headline inflation is projected to moderate from 6 per cent in 2023 to 4.9 per cent in 2024 and 4.6 per cent in 2025 and 2026 as food and fuel inflation continue to decline. In 2023 food inflation slowed less than expected due to power cuts and rand depreciation, keeping imported food costs high. An avian influenza outbreak also increased the costs for poultry and eggs. These factors are expected to dissipate over the medium term.

The current economic challenges in the country place pressure on households' ability to pay municipal accounts, therefore municipal own revenue generation gets affected.

It is noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections.

### ***Fiscal strategy to contain debt (fiscal consolidation) through reduction of budgets and reprioritisation***

The 2024 budget balances development and sustainable public finances. In the context of persistent low economic growth, government will protect critical services, support economic growth through reforms and public investment and stabilise public debt. Although South Africa continues to confront difficult economic conditions, a moderate recovery is forecast in the economic outlook. Broad reforms are underway in energy, freight, water and telecommunications. Yet it will take time to reverse the consequences of operational, maintenance and government failures at state owned companies responsible for electricity, rail and ports. Rapid growth in debt- service costs choke the economy and the public finances. Government is staying the course to narrow the budget deficit and stabilise debt. This year, for the first time since 2008/09, government will achieve a primary budget surplus. Debt will stabilise in 2025/26.

The balances approach to fiscal consolidation includes expenditure restraint and moderate revenue increases, while continuing to support the social wage and ensuring additional funding for critical services. Government will after extensive consultation propose a binding fiscal anchor for future sustainability. In the interim, the debt stabilisation primary surplus will anchor fiscal policy.

The consolidate budget includes the main budget framework and spending by provinces, social security funds, public entities including municipalities finances from their own revenue sources. Government remains committed to fiscal consolidation that balances the needs of the most vulnerable in society and protects the public finances for future generations.

## **2. Key focus areas for the 2024/25 budget process**

### **2.1. Local government conditional grants and unconditional grants allocations**

Net reductions of R80.6 billion to main budget non-interest expenditure are identified across the three spheres of government over the MTEF in comparison to the 2023 budget estimates. Among these 2024 MTEF fiscal consolidation reductions, local government has the smallest contribution. Over the 2024 MTEF, the local government equitable share and direct conditional grants will be reduced by a total of R15.5 billion, made up of R9.6 billion in the local government equitable share and R5.9 billion in direct conditional grants. Despite reduction, local government equitable share growth remains high with transfers to local government significantly increasing by 5.2 per cent annually, driven mainly by the strong growth of local government equitable share by 6.1 per cent. National revenue share increases by 2.6 per cent annually, while transfers to provinces grow by 3.8 per cent annually, with the equitable share growing faster than conditional grants. There were no proposed reductions on the sharing of the general fuel levy to the metropolitan municipalities.

### ***Notable changes to the conditional grants system***

Given the ongoing review of the conditional grants system, very minimal changes were proposed to local government conditional grants. The proposed changes indicate a continued focus on enabling municipalities to improve service delivery to communities.

### ***New conditional grant for smart prepaid meters***

A new indirect grant, which will be managed by the National Treasury will be introduced in 2024/25. This grant will present an important opportunity for municipalities in the debt relief programme. While debt relief is a critical component of supporting struggling municipalities, it is important to also provide the municipalities with the tools and the necessary funding to improve their operations and long-term sustainability.

This new indirect conditional grant for smart prepaid meters is a meaningful step towards providing municipalities with the financial support they need to better manage their utilities, by ensuring timely and accurate billing; reducing losses; and enhancing operational sustainability. Municipalities will be able to manage their utility services and provide to water and electricity services effectively and efficiently. The grant will initially focus on providing debt relief for Eskom and will be implemented targeting specific municipalities in its initial years.

### ***Improving regulatory levers and reforms***

By enhancing the usage of regulatory frameworks in the conditional grants system, the government is taking steps to ensure that municipalities prioritise critical projects and utilise resources effectively. The use of results from the Department of Water and Sanitation's Watch Reports in the prioritisation of water and sanitation projects funded from general-purpose grants such as the integrated urban development grant (IUDG), and municipal infrastructure grant (MIG), will improve the quality and impact of these projects. Further, requiring municipalities to use the results of green drop, blue drop and no drop assessments in planning and prioritising projects will drive greater accountability and transparency in the use of grant funds, promoting sustainable and effective service delivery.

## **2.2. Post 2023 MTBPS changes**

A number of reductions that were proposed in the 2023 MTBPS have been reversed but revised downwards, and several further cuts and other reprioritisations effected to make funds available for other government priorities. These include:



**Reductions reversed:** Previous reductions proposed on the sharing of the general fuel levy to the metropolitan municipalities, the rural roads asset management systems and the water services infrastructure grants have been reversed.

**Reductions revised downwards:** The previous reduction of R218 million to the integrated national electrification programme municipal grant is revised to R204 million; the previous reduction of R49 million to the municipal disaster response grant is revised to R35 million; and the previous reduction of R48 million to the municipal systems improvement grant is revised to R27 million.

**Further reductions:** To make funds available for other government priorities, reductions have been made to some municipal conditional grants over the 2024 MTEF period. These include an additional reduction of R3.5 billion to the integrated national electrification programme Eskom grant; an additional reduction of R73 million to the integrated urban development grant; an additional reduction of R14 million to the energy efficiency and demand-side management grant; an additional reduction of R4 million to the public transport network grant; an additional reduction of R127 million to the direct component of the regional bulk infrastructure grant; and an additional reduction of R852 million to the indirect component of the regional bulk infrastructure grant.

**Reprioritisations:** Reprioritisations over the MTEF period include the following: R58.3 million from the direct component of the municipal infrastructure grant is converted to the indirect component of the grant; R587 million from the direct component of the regional bulk infrastructure grant is converted to the indirect component; R91 million from the integrated urban development grant and R1.4 billion from the municipal infrastructure grant are shifted to the municipal disaster recovery grant to fund the repair and reconstruction of municipal infrastructure damaged by the floods that occurred between February and March 2023; R400 million from the first two years of the MTEF period are shifted to the outer year in the public transport network grant; R2 billion is reprioritised from the integrated national electrification programme municipal grant to fund the baseline for the new smart meters grant; and R432 million is reprioritised from the integrated national electrification programme Eskom grant to fund other priorities in the energy sector.

### 2.3. Review of the local government fiscal framework

Government's five-year programme of action to improve local governance, as endorsed by the Budget Forum, includes efforts to improve the funding model for local government. The National Treasury is reviewing a draft report for regulating municipal surcharges on electricity and identifying alternative sources of revenue to replace these. The next step will be consultation with external stakeholders.

The local government equitable share formula is being updated in various ways, including improving its responsiveness to the different functions assigned to district and local municipalities. In addition, the formula will be refined with reforms such as exploring the feasibility of introducing a cost differential model, community services components for health services and firefighting functions, objective criteria for benchmarking municipalities in relation to their administrative functions. The Department of Cooperative Governance, the National Treasury, the South African Local Government Association, the Financial and Fiscal Commission and statistics South Africa are identifying areas for refinement over the 2024 MTEF period.

### 2.4. Update on the review of the conditional grants

The South African government initiated a review of the existing grant system amid concerns of its effectiveness, including underspending on infrastructure grants and fragmentation in

the provincial and municipal grant systems. The review involved stakeholder consultations and literature reviews of conditional grant programmes to gain insights and make evidence-based recommendations for reform.

In April and May 2024, multiple consultation platforms will be set up to share the preliminary findings with the multi-stakeholder team. While some changes resulting from the review were reflected in the 2024 Budget, further proposed reforms are likely to be considered in the 2025 budget process and implemented gradually in a phased manner.

## **2.5. Funding for Local Economic Development (LED) Programmes**

National Treasury is mindful of the essential role played by municipalities in driving economic development and job creation to mitigate inequality and attract private investment. In addition to the infrastructure grants, municipalities also receive about 66 per cent of their allocations in unconditional grants, which can be utilised to fund operational parts of the LED initiatives. However, it is important to note that economic development does not rely solely on a single funding pot, but on various forms of government programmes and grants. This includes support and initiatives from the Department of Trade, Industry and competition funded by provinces through their equitable share.

Whilst there is a call for creation of conditional grant, it is worth noting that the creation of a dedicated grant for LED initiatives comes with its challenges. In the past, when such grants were introduced, government institutions reprioritised funds that were initially funding the LED programmes, leading to over-reliance on conditional grants. This dependence undermines the purpose and sustainability of these programmes, as their funding is primarily dependent on the availability of funds from the fiscus and the performance of the economy. Therefore, there is a need to align conditional grants with economic development areas while also ensuring their integration with other government spheres to support the developmental mandate effectively.

In addition, it is also crucial for municipalities to provide essential services such as electricity, water, and sanitation efficiently. The efficient provision of these services is crucial for attracting private investment, fostering economic growth, and promoting a conducive environment for businesses to thrive. Therefore, National Treasury urges municipalities to prioritise the provision of these services to enhance economic development and improve the quality of life for their residents.

## **2.6. Reforms to improve the efficiency and financial sustainability of metro's trading services**

Due to years of neglect and inadequate infrastructure maintenance, South Africa's municipalities face severe utility services issues, including in water, wastewater, and electricity. A loss of essential management and technical skills has also contributed to the decline in service quality and reliability. Metro water services alone suffer from an investment gap of R9 billion per year. These inefficiencies threaten economic growth and job creation and increases poverty. Government transferred substantial monetary allocations to local government in the successive Budgets to support water services, but the outcome and value for money of these transfers is low. To address this, an incentive grant system is being explored for 2025/26 to increase investments, change management and governance structures, promote professional management, and ensure transparency, starting with metros.

These reforms are commencing in the 2024/25 municipal financial year with the conditions being introduced in the Urban Settlement Development Grant (USDG). Thereafter, the reform will be extended to other revenue-generating trading services.

### **2024/25 USDG Financing Component for Trading Services**

Municipalities must submit the following to the transferring officer and the National Treasury to qualify for making an application for the financing component:

- A council approved turnaround strategy to the Department of Human Settlement (DHS) and the National Treasury by 31 July 2024;
- A roadmap on the institutional reforms for improved management and governance to be submitted to DHS and National Treasury by 30 September 2024; and
- A business and investment plan that is consistent with the services development plan by 30 September 2024.

In support of these conditions, National Treasury will issue a guidance note by 1 April 2024, on requirements for turnaround strategies, institutional reforms and business plans for the financing component on trading services.

### **2025/26 onwards Improving the efficiency of urban utility services**

Beyond 2024/25, the intention is to extend the reform agenda beyond water services to other revenue-generating trading services, including electricity and solid waste management. The Explanatory Memorandum, **Annexure W1**, to the 2024 Division of Revenue Bill provides the following direction on future work on municipal fiscal frameworks linked to trading/ utility services.

The grant reforms will aim to:

- Increase the level of investments in utility services (water, wastewater, electricity and solid waste) by leveraging grant finance with loan finance, linked to improved operational and financial performance of services providers;
- Catalyse changes in the structure, management, and governance of utility services businesses to support improvements in operational, technical and financial performance;
- Promote professional management with a single point of management accountability for utility services in cities, suitable managerial autonomy and the technical skills necessary to manage an effective service; and
- Promote and ensure full financial transparency, including by making the financial relationship between municipalities and the utility services explicit.

#### **2.7. Criteria for the release of the Equitable Share:**

- The criteria for the release of the equitable share were covered in Circulars No. 122 remains relevant and are still applicable for the release of equitable share instalments in the 2024/25 financial year.
- Failure to comply with the criteria will result in National Treasury invoking Section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

## **3. Revenue Management**

### 3.1. Update on Municipal Debt Relief (MFMA Circular No. 124)

#### **Accounting Guidance**

Municipalities whose Municipal Debt Relief applications were approved must fully account for and correctly report on the write-off of their Eskom arrear debt and related benefits. Municipalities should note the guidance in this regard provided in *MFMA Circular No. 124: Supplementary Guide on the accounting- and mSCOA reporting requirements* that can be accessed on the MFMA website at the following link: <http://mfma.treasury.gov.za/Circulars/Pages/default.aspx>.

It is recommended that all municipalities familiarise themselves with the guidance as far as it relates to correctly budgeting- and accounting for free basic services as well as raising and paying their bulk accounts.

#### **Debt relief reporting requirements**

Municipalities approved for debt Relief (in terms of their National Treasury approvals), must ensure that their MFMA s.71 statements, over-and-above the normal MFMA s.71 requirements, include the following as a minimum:

- The municipality's self-assessment in the format of the compliance certificate issued in MFMA Circular No. 124: Annexure A2 (signed by the Municipal Manager) – municipalities should use the latest format of the compliance certificate issued during February 2024 available under MFMA Circular No. 124 and included as **Annexure B** to this circular;
- The municipality's progress towards restricting free basic services to the national policy limits (condition 6.6) and in the format included as **Annexure C** to this circular;
- The municipality's progress towards achieving a minimum average quarterly collection of 80 per cent (condition 6.7) and in the format included as **Annexure D** to this circular;
- If the municipality's 2023/24 and/ or 2024/25 MTREF is not funded, the MFMA Section 71 statement must monthly include the municipality's progress against its approved Budget Funding Plan – if the municipality has an approved the Financial Recovery Plan (FRP), the monthly FRP progress report must include the municipality's progress against the components of the FRP aimed to achieve a funded budget and revenue enhancement initiatives;
- The high-level summary of its monthly property rates reconciliation (in the National Treasury template format already shared with the municipality during the application process); and
- The municipality's progress in addressing any variances evident from its monthly property rates reconciliation; etc.

### 3.2. Smart Meter Grant

With regard to the smart meter grant referred under 2.1 above, the National Treasury has targeted MFMA Circular No. 124 debt relief applicants for the initial implementation of this grant.

The potential beneficiaries of the smart meter grant will be invited by National Treasury and a compulsory template will be circulated for completion by municipalities. This invitation will be sent out before 15 March 2024. Furthermore, the grant conditions require a council resolution endorsing the application.

A completed template with supporting documentation and council resolution must be submitted to [revenuemanagement@treasury.gov.za](mailto:revenuemanagement@treasury.gov.za) and [sadesh.ramjathan@treasury.gov.za](mailto:sadesh.ramjathan@treasury.gov.za) before 30 April 2024.

The applications will be evaluated before 31 May 2024 and allocations will be completed determined the commencement of the municipal budget year.

### 3.3. Transversal tender RT-29

The National Treasury is finalising the RT-29 transversal tender for a smart metering solution, and the appointed panel is available to all municipalities from March 2024. The transversal tender is targeting smart meter solutions for the water and electricity functions, STS meters compliance and load reduction systems. It will also enable municipalities to implement bi-directional smart metering systems. Municipalities are once again cautioned not to contract any smart metering systems or solutions without considering the RT-29 transversal tender which provides a competitive pricing comparison and cost saving on procurement. Municipalities wishing to participate in the RT-29 transversal must make their interest known to the Office of the Chief Procurement Officer (OCPO) on the email [TCcontract1@treasury.gov.za](mailto:TCcontract1@treasury.gov.za). These municipalities must show evidence of a budget allocation in the current budget as well as future budgets for participation.

## 4. Conditional Grant Transfers to Municipalities

### 4.1. Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2023 (Act No.5 of 2023) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2023 (Act No. 24 of 2023), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2023/24 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of Section 21(2) of the 2023 DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of Section 21(2) of the 2023 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated, spent and the balance per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
  - a) Proof that the service provider was appointed for delivery of the project before 29 March 2024; or
  - b) Proof of project tender and tender submissions published and closed before 31 March 2024 or with the appointment of contractor or service provider for delivery of service before 30 June 2024 in cases where additional funding was allocated during the course of the financial year of the project;
  - c) Incorporation of the Appropriation Statement; and
  - d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2024 (attach cash flow projection for the applicable grant).



4. A progress report (also reflecting percentages) on the status of each project's implementation that includes an attached legible implementation plan);
5. The value of the committed project funding and the conditional allocation from the funding source;
6. Reasons why the grants were not fully spent during the year on the original allocation per the DoRA;
7. Rollover of rollovers will not be considered. Municipalities must therefore not include previous year's unspent conditional grants as rollover request;
8. An indication of the time period within which the funds are to be spent if the rollover is approved; and
9. Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy; this also includes acting appointments because of suspensions of either MM or CFO that are more than 12 months.

**If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2024, the application will be declined.**

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of Sections 71 and 72 of the MFMA and Section 12 of the 2023 DoRA, **including the Municipal Manager and Chief Financial Officer signing-off on the information** sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2024;
3. Accurate disclosure of grant performance in the 2023/24 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact that local government is required to comply with different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relate to rollover processes and disclose conditional grant performance in the 2023/24 pre-audited Annual Financial Statements (i.e. Cash coverage and unspent conditional grants in the Statement of Financial Position) in order to verify grant expenditure; and
5. Cash available reflected in the Statement of Financial Position and Cash Flow Statements and the bank (net position including short term investments) as at 30 June 2024 is equivalent to the unspent amount at the end of the financial year. If the amount that is requested for rollover is not entirely cash-backed, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to rollover:

1. The entire 2023/24 allocation to the municipality. In cases where the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2023/24 allocation;

2. Rollover request of the same grant for the third consecutive time. In a case where a municipality is applying for rollover as a result of additional funding, the application will be carefully considered;
3. Funding for projects procured through Regulation 32 and 37 of the Municipal Supply Chain Management Regulations (Gazette No.27636) – Projects linked to additional funding and disasters are exempted; and
4. A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 March 2024. All invoices issued to the municipality before 31 March 2024 should be paid within the same year against the allocated conditional grants. i.e invoices must be paid within 30 days.

#### **4.2. Unspent conditional grant funds for 2023/24**

The process to ensure the return of unspent conditional grants for the 2023/24 financial year will be managed in accordance with Section 21 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their June 2024 conditional grant expenditure reports according to Section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconciles;
- Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2024. The unspent grant values must be determined based on the guidance that was provided in mSCOA Circular No. 13 in as far as VAT, retention and interest is concerned; and
- Step 3: If the receiving officer wants to motivate in terms of Section 21(2) of the 2023 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2024.

***National Treasury will not consider any rollover requests that are incomplete or received after this deadline.***

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 22 October 2024;
- Step 5: National Treasury will communicate the unspent conditional grants amount by 12 November 2024. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 18 November 2024; and
- Step 6: Any unspent conditional grant funds that should have but has not been repaid to the National Revenue Fund by 18 November 2024, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 04 December 2024 equitable share allocation.

*All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.*

## **5. Funding choices and management issues**

Given the current economic crisis the country faces, Municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected. Municipalities are advised to consider all the advice

provided in MFMA Circular No 126, 123 and other previous circulars under this topic to ensure the adoption of surplus and funded budgets.

### **5.1. Employee related costs**

The *Salary and Wage Collective Agreement* for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to consider their financial sustainability when considering salary increases. It has been observed over the previous years that salary increases were above inflation and this has posed challenges to most municipalities' sustainability. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Therefore, municipalities are urged to consider projecting salary and wage increases that would reflect their affordability given the current economic challenges. The 2022 State of Local Government Finance Report revealed that 157 municipalities are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

### **5.2. Remuneration of Councillors**

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also consider the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councilor(s) concerned.

### **5.3 Governance, performance, and investment matters**

South Africa has reached a stage where all of government including municipalities need to play a pivotal role in igniting the economy of the country. There is a need for a concerted effort to put initiatives that will attract the investments which will stimulate the economy. The investments take place in the local government and municipalities in particular as the custodian of the spatial planning and enabling infrastructure.

Critical infrastructure such as water, sanitation and electricity to stimulate the economy is owned, maintained and developed by the municipalities. In the last 30 years, there has been investment in ensuring that access to basic services – water, electricity and refuse - is improved markedly.

However, there has been little to no investment on bulk infrastructure such as water treatment works, wastewater treatment works and electrical substations which are the backdrop for enabling investment in municipalities.

Of concern is that budget for operation and maintenance have been negligible. If the trends continue without arresting the decline, the municipalities will in all likelihood not experience



growth. This will reduce the prospect for economic growth leading to high unemployment and less economic activities in general.

As such, the municipalities need to take the responsibility to create initiatives which will attract more investment. Key initiatives to improve this are investing in bulk and connector infrastructure as well as strengthening good governance.

The budget allocation to address infrastructure requirements are not sufficient. As such, the municipalities should improve governance and the overall financial health which will allow for the financier to be attracted to borrow municipalities to finance enabling infrastructure.

Urban management and in particular cleaning of the environment is critical for ensuring that municipal area is attractive. Thus, ability to attract investment should also include clearly defined initiatives that ensure the city is continuously clean. This will retain existing investors and also enable the municipalities to attract new investors who wishes to locate in the municipal area.

*A firm's decision to invest is influenced by factors such as infrastructure and land availability, the institutional and regulatory environment, skills availability and innovation levels and the availability of enterprise support and finance. Municipalities have key roles that influence a decision to invest and expand in a particular space. Poorly performing spaces – such as industrial parks, CBDs, logistics hubs, townships – discourage investment and encourage disinvestment. Poorly performing economic assets, such as roads, ports, rail, communications, do the same. Many of the reasons for poor performing spaces and assets lie within the ambit of the public sector, but not all within the local sphere. In some instances, municipalities are directly responsible for what needs to be done, in other areas the municipality needs to mediate inter-governmental solutions.*

To turnaround these spaces and unlock their economic potential the immediate focus must be on getting the basics right first –

- Ensure reliable and sustainable service delivery – water, sanitation, stormwater, roads, lighting and waste management;
- Ensure effective land governance – urgently resolve inter-governmental issues that inhibit performance;
- Undertake bulk infrastructure repair and maintenance;
- Address business and community safety issues;
- Operationalise and manage public open spaces and assets; and
- Manage the spaces – at minimum put in place municipal transversal teams responsible for ensuring the basics are in place.

The quality and transparency of municipal governance has a direct impact on economic performance. Dysfunctional municipalities discourage new investment and result in job loss. Ensuring the effective management of municipal businesses through evidenced-based decision making and sound financial management is essential to attract and retain firms. Improving the efficiency and transparency of municipal business processes that impact on the private sector – such as registering property, getting electricity connections, construction permits, obtaining wayleaves, getting a water connection, and issuing an informal trader permit – goes a long way to building business confidence and municipal credibility.

## **5.4 Environmental Pollution**

The deteriorating quality of water resources in urban and rural areas due to pollution, failing infrastructure such as wastewater treatment and the lack of enforcement of by-laws, legislation and urban management, exacerbates water scarcity, and increases costs of providing potable water.

Municipalities are urged to anticipate the imminent approval of the water pricing strategy, which introduces a waste discharge charge. This penalty underscores the need for municipalities to ensure that they comply with and enforce all legislation and by-laws governing urban and environmental management. This requires municipalities to prioritise effective and efficient service delivery, including sufficient investment in asset maintenance, expansion and renewal for solid waste management, wastewater treatment, as well as by-law enforcement to mitigate the continuous pollution of streams and rivers.

Collaboration among municipalities, sector departments, NGOs, citizens, and the private sector are essential for mobilising resources to prevent further deterioration and restoration of water resources. Such efforts need to only prevent pollution at source but also safeguard water quality for future generations, making the strategic investment in water resources a cornerstone of sustainability, economic growth and healthy environments.

## 6. Municipal Standard Chart of Accounts (*mSCOA*)

### 6.1. Go Live on Version 6.8 of the Chart

*mSCOA* version 6.8 will go live on 20 March 2024, whereafter municipalities will be able to upload their tabled budget (TABB) and tabled project files (PRTA) data strings for the 2024/25 MTREF on the GoMuni portal.

After going live on version 6.8 of the chart, all the reports available on the LGDRS will be aligned to *mSCOA* chart version 6.8. This includes the format of the Section 71 report for Q3 and Q4 of 2023/24.

The Municipal Budget and Reporting Regulations (MBRR) Schedules (A to F) and non-financial data string (A1S) was also aligned to version 6.8 of the chart. A **protected** version of the MBRR Schedules for version 6.8 of the chart and A1S is available on the on the MFMA Webpage on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

The reports on the Local Government and Reporting System (LGDRS) are populated from financial and non-financial data strings. Municipalities must use the linkages on GoMuni referred to above and not the formulas in the regulated Municipal Budget and Reporting (MBRR) Schedules when generating their A schedule from the financial system.

In terms of the *mSCOA* Regulations, municipalities must generate the regulated MBRR schedules that is tabled and adopted by Council directly from their financial ERP systems and not import or captured it on the system at a later stage. This is necessary to ensure that there is 'one version of the truth', namely the data in the financial ERP system is the same as the report tabled and adopted by Council and the information submitted to the National Treasury and other stakeholders.

### 6.2. *mSCOA* data strings credibility

Municipalities must verify the credibility and accuracy of the tabled budget (TABB) and project file (PRTA) data strings **prior and post** to uploading it to the National Treasury Local Government Database and Reporting System (LGDRS). These data strings will be the sole source used by National and Provincial Treasuries to analyse and determine if the municipality's budget is funded and the credibility is therefore of utmost importance.

Registered users from municipalities, provincial treasuries and National Treasury have full access to their data on the LGDRS and can draw the information to verify the accuracy of the figures for their respective municipalities or province (in the case of provincial treasuries). The LGDRS reports can be accessed by registered users on the following link:

[https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin)

From 2025/26, the National Treasury will open the access to all reports available on the LGDRS to the public. Municipalities should make a concerted effort to resolve their *mSCOA* data strings credibility issues as soon as possible to avoid facing the consequences of financial misconduct in terms of Section 171(1)(d) of the MFMA.

The LGDRS also provides information on municipal budgets and performance to the public through the Municipal Money portal. The information on the Municipal Money portal is sourced from the Consolidated Section 71 Reports published quarterly by the National Treasury. The Municipal Money portal is part of South Africa's Open Government Partnership (OGP) 5<sup>th</sup> National Action Plan to improve transparency and public participation in government processes and a link to the Municipal Money portal is available on the OGP website (76 countries and 104 municipalities are members).

### 6.3. Regulating the minimum business processes and system specifications for *mSCOA*

The National Treasury commenced with the work to regulate the minimum business processes and system specifications for *mSCOA* towards the end of 2025/26. The following working groups will be established to ensure that relevant stakeholders are consulted during the review processes:

- a. **Corporate governance** including internal and external audit, oversight committees, performance management, IT system requirements and management, municipal websites, document management, reporting mechanisms;
- b. **Municipal budgeting, planning and financial modelling** including IDP, Budgets Management, Revenue, Human Resources (HR) /Payroll, Assets;
- c. **Financial accounting** including general ledger, accounts receivables and payables, financial reporting, AFS reporting, insurance management, consolidation reporting;
- d. **Costing and reporting** including cost planning and cost management and reporting;
- e. **Project accounting** including project creation and planning, project management and reporting, contract management;
- f. **Treasury and cash management** including cash management and reporting, grant management and reporting, investment management and reserves, borrowings management, provisions and contingent liabilities;
- g. **Supply chain management** including supply chain management and inventory;
- h. **Full asset life cycle management** including maintenance management and asset management;
- i. **Real estate management** including property register and rental management and general processes;
- j. **Human resource and payroll management** including human resources, time management, payroll management and reporting;
- k. **Revenue management**, customer care, credit control and debt collection including revenue management and billing, credit control, customer management, debt collection, indigent management;
- l. **Valuation roll management**; and
- m. **Land use building control** including land use and building control.

Municipalities are urged to ensure that the officials that participate in the working groups have the technical knowledge and experience to participate meaningfully in these forums. Integrated Consultative Forums will also be held quarterly to keep **all** stakeholders informed and provide them with an opportunity to provide inputs on the business processes and system specification that will be regulated. A dedicated email address will be created for comment and inputs relating to the review processes underpinning these Regulations.

## 7. Submitting documents to the GoMuni Upload Portal

### 7.1. Submissions to the National Treasury

Municipalities are reminded to submit documents and queries to the correct portals/ mailboxes. These portals/ mailboxes are:

- [https://lg.treasury.gov.za/ibi\\_apps/welcome](https://lg.treasury.gov.za/ibi_apps/welcome) (GoMuni Upload Portal) – All documents required in terms of legislation by approved registered users, including: • mSCOA Data Strings; • Budget-related, in-year and year-end documents and schedules (A, B and C); and • Revenue and MFRS Documents (as per MFMA Circular No. 126);
- [lgdataqueries@treasury.gov.za](mailto:lgdataqueries@treasury.gov.za) – Database related and submission queries; and
- [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) – Only Provincial Treasuries may send contact details to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za).

Any document/ queries that are submitted to the incorrect portal/ mailbox will not be processed and the submission status report will continue to reflect the documents as outstanding.

### 7.2. Updating of contact details on GoMuni

From 1 April 2024, municipalities (registered users) will be able to make changes/ additions to their own contact details directly on the LGDRS. To municipalities and their respective provincial treasury must select and update the relevant details on GoMuni under Database/Contacts/Reporting/Contact information on the following link:

[https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin)

Municipalities must ensure that their contact details on GoMuni are updated as soon as changes occur.

### 7.3. Submission of additional reports

From 14 March 2024, municipalities whose debt relief applications were approved will be required to submit reports to the GoMuni Upload portal as indicated in MFMA Circular No 124 dated 31 March 2024. The list of the required debt relief reports is attached as **Annexure A**.

### 7.4. Procurement spend reporting

In order for government to fulfil its social responsibility to channel procurement spending towards certain designated groups and to unlock economies of scale in government procurement expenditure, a single standardised view needs to be created into the

procurement spend information across all spheres of government on a transactional level for spend and trend analysis purposes.

The OCPO designed and built a Data Warehouse that serves as common repository for procurement related data with the necessary capabilities to produce standardised information in a dashboard format via various Business Intelligence tools. Currently procurement spend data of all National and Provincial departments from 2017 to date is hosted and analysed in the Data Warehouse.

From 1 March 2024, municipalities must on monthly basis report all goods and services related payments at a transactional level monthly. Towards this end, municipalities must complete and submit the template attached as **Annexure E** and submit it to the GoMuni Upload portal under the folder Documents/ Other. These reports are due by the 15<sup>th</sup> of the month that follows the reporting month. The first report is therefore due on 15 April 2024. This information is only required for municipalities and not for municipal entities.

A Data Upload Tool is also available that allows municipalities to capture their spending data manually or extract the relevant information from the municipality's payment system automatically. Information captured on the Data Upload Tool will be submitted directly into the OCPOs Data Warehouse once the various online input validations to ensure the accuracy and completeness of the data has been passed. To access the tool, an email request must be sent to [ocpodatarequest@treasury.gov.za](mailto:ocpodatarequest@treasury.gov.za) to obtain a User ID and Password that is institution specific. Training on the use of the OCPO Data Upload Tool as well as technical integration information will be provided after the institution has received a User ID and Password.

The submission status of the OCPO Spend Report will be included on the status report of document submissions available on the LGDRS. Municipalities that opt to use the Data Upload Tool instead of submitting the excel template to GoMuni must submit a 'not applicable form' to the GoMuni Upload portal for their non-submission is not classified as outstanding.

## 8. The Municipal Budget and Reporting Regulations

### 8.1 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or **Schedule A**, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape Buffalo City	Matjatji Mashoeshoe Pitso Zwane Mandla Gilimani	012-315 5553 012-315 5171 012-315 5807	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a> <a href="mailto:Pitso.Zwane@Treasury.gov.za">Pitso.Zwane@Treasury.gov.za</a> <a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Free State	Sifiso Mabaso Cethekile Moshane	012-315 5952 012-315 5079	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a> <a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
Gauteng  City of Tshwane and City of Johannesburg  City of Ekurhuleni	Matjatji Mashoeshoe Pitso Zwane Oreal Tshidino Willem Voigt Makgabo Mabotja Enock Ndlovu Kgomotso Baloyi Lunathi Dumani	012-315 5553 012-315 5171  012-315 5830 012-315 5156 012-315 5385 012-315 5866	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a> <a href="mailto:Pitso.Zwane@Treasury.gov.za">Pitso.Zwane@Treasury.gov.za</a> <a href="mailto:Oreal.Tshidino@Treasury.gov.za">Oreal.Tshidino@Treasury.gov.za</a> <a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a> <a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a> <a href="mailto:Enock.Ndlovu@treasury.gov.za">Enock.Ndlovu@treasury.gov.za</a> <a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a> <a href="mailto:Lunathi.dumani@treasury.gov.za">Lunathi.dumani@treasury.gov.za</a>
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**JH Hattingh**

**Chief Director: Local Government Budget Analysis**

**08 March 2024**

**ANNEXURE A – LIST OF REQUIRED REPORTS TO BE SUBMITTED TO NATIONAL TREASURY FOR DEBT RELIEF PROGRAMME (TEMPLATE)**

**ANNEXURE B – MUNICIPAL CERTIFICATE OF COMPLIANCE FOR DEBT RELIEF PROGRAMME (TEMPLATE)**

**ANNEXURE C – MUNICIPAL DEBT RELIEF – MONTHLY REPORTING – INDIGENT HOUSEHOLDS INFORMATION (TEMPLATE)**

**ANNEXURE D – MUNICIPAL DEBT RELIEF – MONTHLY REVENUE COLLECTION REPORTING (TEMPLATE)**

**ANNEXURE D – PROCUREMENT SPENT REPORTING (TEMPLATE)**



Western Cape  
Government  
**FOR YOU**



Strategic Integrated Municipal Engagement 2024

Cape Winelands District

**Witzenberg Municipality**



# Revenue and Expenditure

- **Enhance Efficiency:** Implement technological solutions and robust asset management to reduce operational costs.
- **Optimize Revenue Streams:** Review and adjust tariffs to cover service costs effectively and explore new revenue sources like development charges.
- **Improve Financial Management:** Strengthen debt collection and credit control systems to enhance revenue accuracy and recovery.
- **Plan for Sustainability:** Regularly update budget forecasts and risk assessments to prepare for economic fluctuations and ensure financial stability.
- **Regular Financial Reviews:** Conduct periodic financial assessments to identify potential savings, ensure compliance with budget forecasts, and adjust strategies proactively.
- **Manage Employee Costs:** Monitor and control wage increases and overtime costs to keep employee-related expenditures within acceptable limits and ensure fiscal sustainability.

## Economic Sustainability

- Alternative energy sources/partnerships should be explored to support development and long-term planning taking into account the demand and supply challenges of loadshedding.
- Maintenance and upgrading of ageing infrastructure are key to unlock the development potential.

## mSCOA Compliance

- **Reconcile Financial Discrepancies:** Address and correct inconsistencies in borrowing and repayment documentation to maintain transparency and trust in financial management.
- The Municipality must address budgeting and **accounting discrepancies** in Water Inventory, and VAT to comply with GRAP standards.

## Integrated Development & Spatial Planning

- Consider the guidance provided in the Revised IDP Guidelines.
- Adhering to the requirements of Section 34(a)(1) and 41(1)(c) of the MSA in relation to an annual performance review of the MSDF.
- It is recommended that the Municipality considers the comments made by the Directorate: Spatial Planning on its first draft CEF.

## Capital Budget & Infrastructure

- **Enhance Self-Generated Revenue:** Improve debt collection to increase internally generated funds, reducing dependency on grant capital and enhancing financial sustainability.
- **Boost Asset Management:** Allocate resources to meet or exceed the recommended norms for asset renewal and maintenance to ensure sustainable infrastructure management.
- **Reconcile Financial Discrepancies:** Address and correct inconsistencies in borrowing and repayment documentation to maintain transparency and trust in financial management.

## Strategic Procurement

- Insufficient information provided for meaningful assessment.
- No procurement plan provided.
- Asset register omits key technical information.

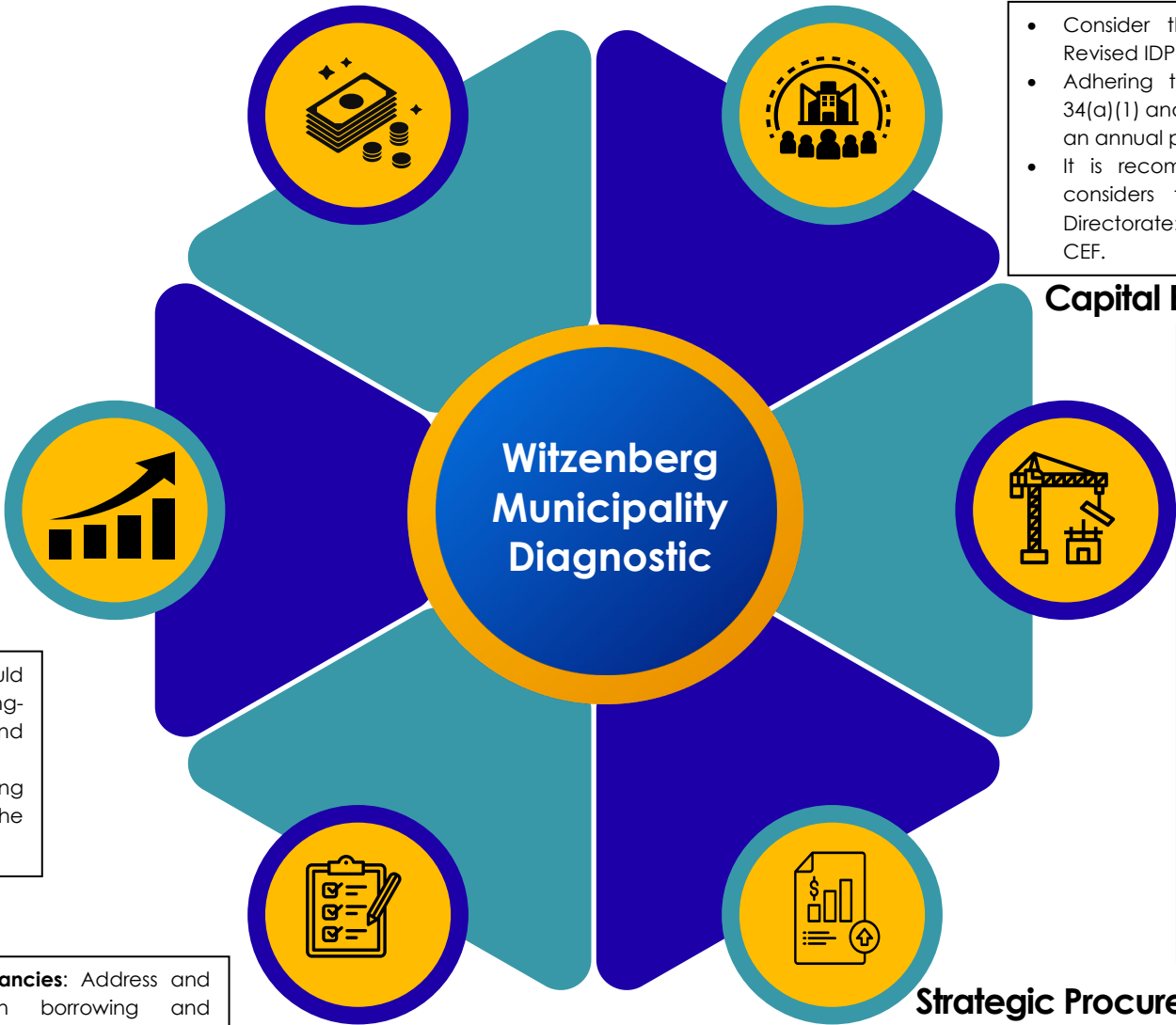


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## LIST OF ACRONYMS

AQMP	Air Quality Management Plan
BESP	Built Environment Support Programme
CAPEX	Capital Expenditure
CBD	Central Business District
CBA	Critical Biodiversity Areas
CMP	Coastal Management Programme
CPI	Consumer Price Index
CRR	Capital Replacement Reserve
CSIR	Council for Scientific and Industrial Research
DCAS	Department of Cultural Affairs and Sport
DEA&DP	Department of Environmental Affairs and Development Planning
DHS/DOHS	Department of Infrastructure
DM	District Municipality
DLG	Department of Local Government
DWA	Department of Water Affairs
EPWP	Expanded Public Works Programme
FBE	Free Basic Electricity
HSP	Human Settlements Plan
IDP	Integrated Development Plan
IGP	Infrastructure Growth Plan
IIAMP	Integrated Infrastructure Asset Management Plan
IIF	Infrastructure Investment Framework
ITP	Integrated Transport Plan
ISDF	Integrated Strategic Development Framework
IYM	In-year Monitoring
IWMP	Integrated Waste Management Plan
JOC	Joint Operations Centre
kl	Kilolitre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt hour (1000 watt hours)
LED	Local Economic Development
LTFP	Long-Term Financial Plan
LUPA	Land Use Planning Act

MBRR	Municipal Budget and Reporting Regulations
MDG	Millennium Development Goal
MFMA	Municipal Finance Management Act
MER	Municipal Energy Resilience
MI	Municipal Infrastructure
MIG	Municipal Infrastructure Grant
MIP	Municipal Infrastructure Plan
MISA	Municipal Infrastructure Support Agent
MMP	Maintenance Management Plan
MTREF	Medium Term Revenue and Expenditure Framework
MVA	Megavolt Amperes (1 Million volt amperes)
MWh	Megawatt hour (1 Million watt hours)
NRW	Non-revenue Water
NDHS	National Department of Human Settlements
NT	National Treasury
O&M	Operations and Maintenance
OPEX	Operating Expenditure
PMS	Performance Management Systems
RMP	Road Management Plan
SCM	Supply Chain Management
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SOP	Standard Operating Procedure
SWMP	Stormwater Management Plan
WDM	Water Demand Management
WSDP	Water Service Development Plan
WTW	Water Treatment Works
WWTW	Wastewater Treatment Works

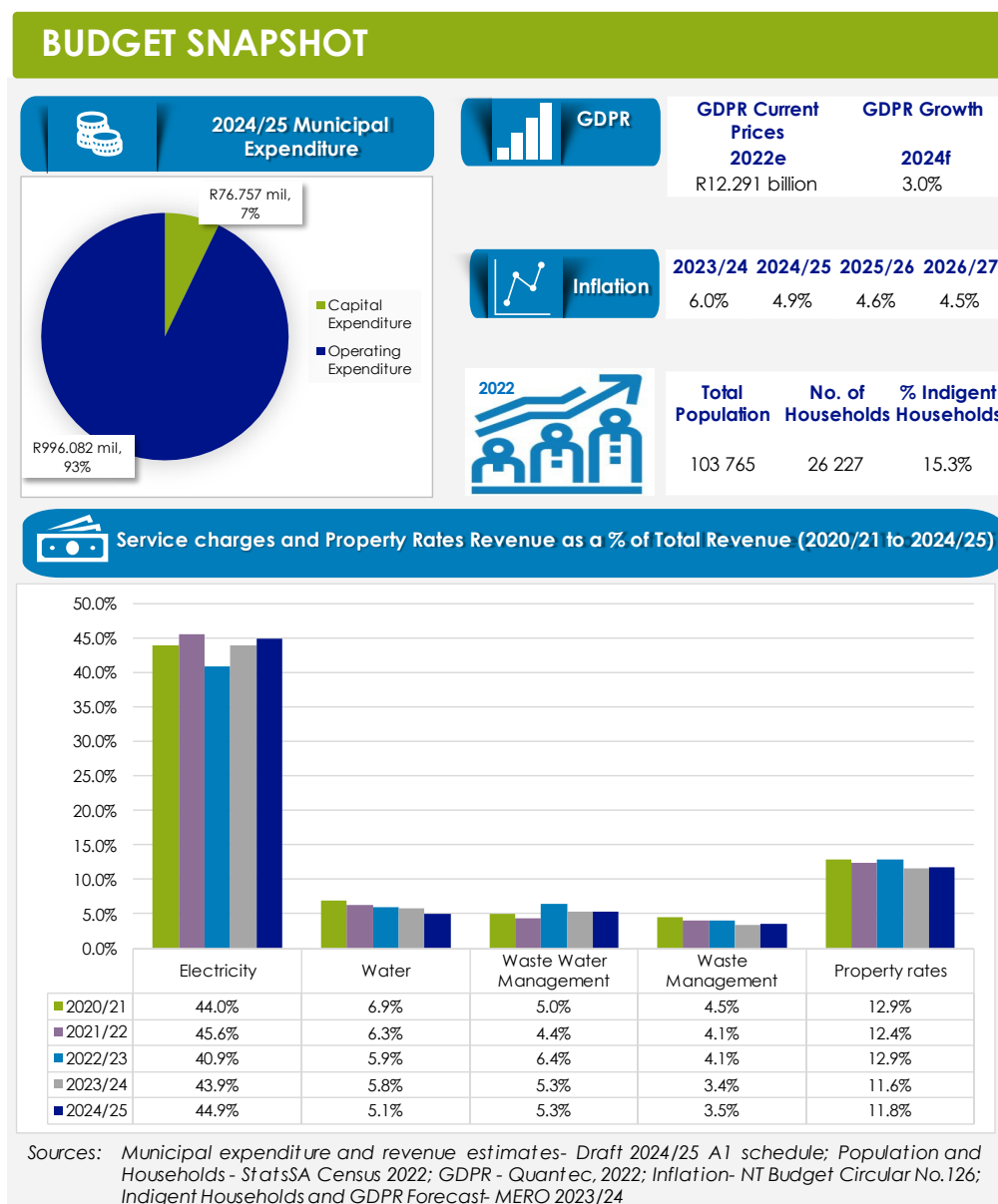
## SECTION 1: INTRODUCTION

The 2024 SIME assessment summarises comments by the Western Cape Government (WCG) on the draft 2024/25 MTREF Budget, 2024/25 Integrated Development Plan (IDP), Spatial Development Framework (SDF) and other relevant policies and documents.

The assessment covers the following key areas; conformance with the MFMA, MSA & Municipal Budget and Reporting Regulations (MBRR); an integrated, spatial and environmental planning analysis of the IDP and SDF and the responsiveness, credibility and sustainability of the tabled budget.

The WCG intends meeting the executives of your Municipality in May 2024, where the key findings and recommendations of this report will be presented and deliberated upon. The planned engagement will contextualise the Municipality's challenges and responses as presented in the draft budget, IDP, LED, SDF and as well as other strategic matters for discussion between the two spheres of government. All the information related to the assessment and analysis of the draft annual budget, IDP and SDF are found in the report below.

The budget snapshot below provides a high-level overview of key socio-economic and financial indicators of the Witzenberg Municipality in relation to the regional economy.



## **SECTION 2: INTEGRATED PLANNING**

### **2.1 INTEGRATED DEVELOPMENT PLANNING**

#### **2.1.1 Introduction**

An Integrated Development Plan (IDP) is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in a municipality. An IDP provides the strategic direction for all the activities of a municipality over five years linked to the council term of office.

Each municipal council must annually review and may amend the IDP of the Municipality. Should the review process determine that an amendment is required, a municipality should follow the process as stipulated in Regulation 3 of the Local Government: Municipal Planning and Performance Management Regulations of 2001.

The Witzenberg Municipality (the Municipality) adopted its 2022 - 2027 IDP on 30 May 2022, following the prescribed process outlined in its Process Plan. The Municipality adhered to the prescribed process outlined in section 29 of the Local Government: Municipal Systems Act 32 of 2000 (MSA) in the planning, drafting, and adoption of the IDP.

For the 2024/25 IDP cycle, the Municipality intends to adopt a Reviewed IDP in May 2024. Whilst the current planning legislation does not prescribe the tabling and adoption of a "reviewed IDP", the Revised IDP Guidelines on the development of IDPs issued by the Department of Cooperative Governance (DCoG) in 2020, recommend that a report should be provided each year to the municipal council on the outcomes of the review undertaken.

### **2.2 INTEGRATED PLANNING ANALYSIS**

#### **2.2.1 IDP Overview**

A comparative analysis of the tabled IDP to the amended 2022 - 2027 IDP as adopted in May 2023, indicates that the vision "A municipality that cares for its community, creating growth and opportunities" together with the mission statement, four Key Performance Areas (KPA), Strategic Objectives (SO), and values system, remain unchanged.

The Municipality conducted a situational analysis based on recent data sources, including the 2023 Socio-Economic Profile for Local Government which provides statistics and information into aspects such as the economy, basic service delivery, safety and security, education and health.

The tabled IDP outlines a matrix reflecting the linkages between the Municipality's KPAs to the strategic policy imperatives of national and provincial government, further demonstrating how each KPA is linked to SOs intended to address the development priorities identified by the Municipality. An appraisal of the Municipality's development priorities, together with the updated targets contained in the 5-year Scorecard, denotes a sound intention to respond to the challenges and opportunities emanating from the situational analysis.

The tabled IDP under the Disaster Management section identifies the various risks confronting the Municipality and captured according to the level of priority. The section indicates that droughts, earthquakes, fires, floods and severe storms are some of the risks informing the Municipality's risk reduction and preparation planning processes.

In addition, the tabled IDP reflects on pertinent risks emanating from load shedding and outlines potential consequences. The Municipality's departmental Response Teams are tasked to determine the impact of incidents on service delivery areas, identify energy priorities, implement business continuity plans and escalate issues where necessary to the Municipal Joint Operation Centre.

### **2.2.2 IDP Process Including Community Consultation**

In terms of Sections 28 and 29 of the (MSA), a municipality must follow a prescribed process when reviewing and/or amending an IDP. The process to be followed must allow for the local community to be consulted on its development needs and priorities, for the community to participate in the drafting of the IDP and for organs of state and other role players to be identified and consulted on the drafting of the IDP.

Furthermore, key activities and deadlines for the process must be set out in a Time Schedule tabled in terms of Section 21 of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA).

The Process Plan and the Time Schedule reflects a public participation process between September-October 2023 comprising community imbizos, jamborees, sector engagements, and Ward Committee engagements, to inform the tabled IDP. A second round of public participation is scheduled to take place between March - April 2024. In addition, the tabled IDP reflects that the Municipality intends to consider the inputs emanating from the public participation process to inform the refinement and adoption the tabled IDP by the end of May 2024 and to publish a summary of the adopted IDP and Budget in the local newspaper by June 2024.

### **2.2.3 IDP Notable Changes**

In light of the Municipality tabling a "reviewed IDP", the Department has noted the following changes in the IDP:

- The tabled IDP has been revised slightly in comparison to the amended IDP adopted in 2023. Notably the tabled IDP reflects an increase of R10 000 (per site) in the costs for servicing sites, incurred by the national Department of Human Settlement to R70 000 per site. The approximate backlog of the housing waiting list has been increased by 150 to 8450, while the financial figures contained in the Capital Investment Framework and the targets in the 5-Year Scorecard have been updated with outer year projections.

### **2.2.4 Outstanding Areas for Improvement**

The Municipality adequately responded to the identified areas for further improvement outlined in the 2023/24 SIME Assessment Report.

## **2.3 KEY FINDINGS AND RECOMMENDATIONS**

### **2.3.1 Key Findings**

Based on the above assessment, below is a summary of key findings:

- The Municipality tabled a "reviewed IDP" which is not prescribed in terms of section 25 of the MSA and its Regulations.

### **2.3.2 Recommendations**

- The Municipality is encouraged to consider the guidance provided in the Revised IDP Guidelines issued by the DCoG in 2020 and in future, table a report on the outcomes of the IDP review to Council rather than a "reviewed IDP".

## **2.4 ENVIRONMENTAL AND PLANNING ANALYSIS**

### **2.4.1 Strategic Spatial Planning Pressures and Risks**

In the 2022 SIME Report for Witzenberg Municipality, various spatial planning risks and opportunities were identified for the Municipality, many of which are still relevant today. Top spatial risks were flagged included Eskom electricity supply constraints, the inability to generate revenue through electricity sales, shortage of suitable serviced land for development, in-migration and land invasions and climate change risks. It is expected that the Municipality, through its IDP and budget, should be systematically responding to these (and other) spatial risks.

Working within the Municipality's budget limitations, the draft 2024/25 budget shows some alignment, illustrating the investment in major engineering infrastructure necessary to realise some of the MSDF proposals, for example, the upgrade of the WWTW in Wolseley (over R13 million), the construction of an additional reservoir in Tulbagh (Appr. R7 million), the upgrade of bulk water supply line to Wolseley (over R10.5 million) and the major upgrade of the Ceres electrical substation.

#### **Annual review of performance in relation to SDF Implementation**

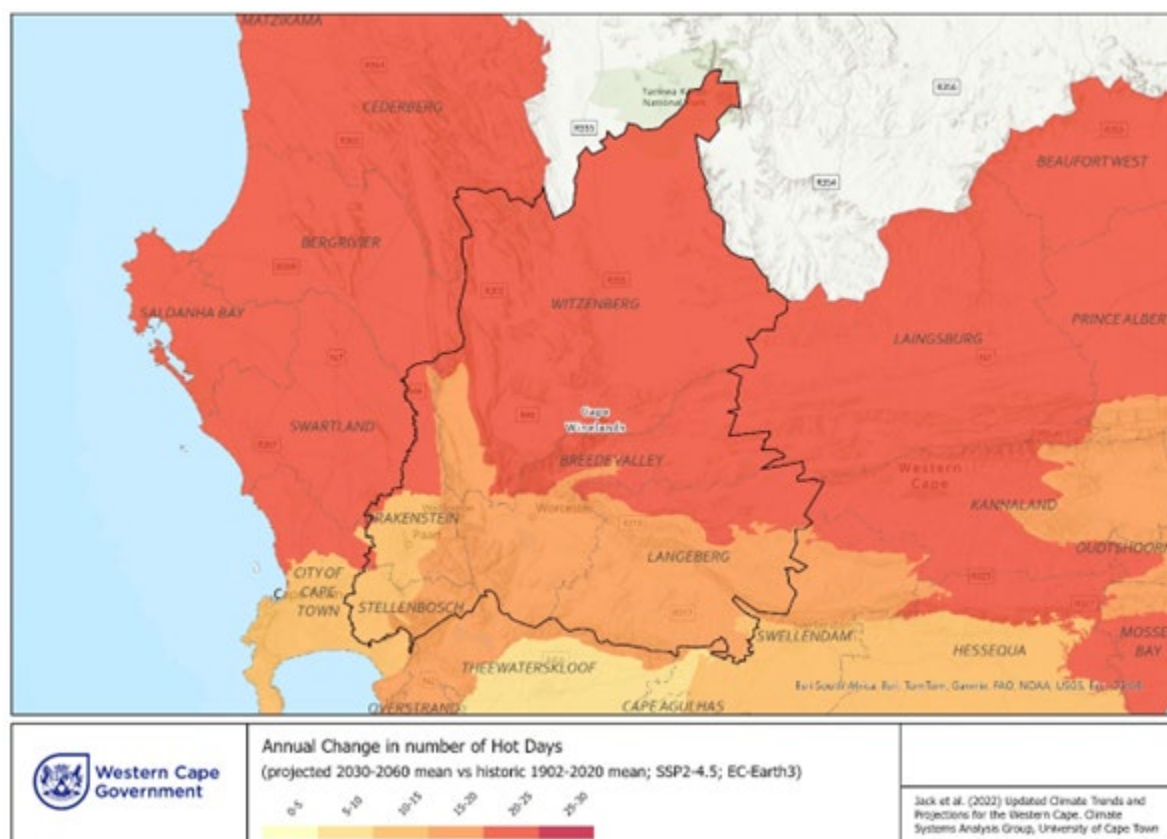
The Municipality is reminded that in terms of section 34(a)(1) and 41(1)(c) of the MSA, a performance review of the IDP and MSDF must be undertaken at least annually and entails a review of how well the Municipality is performing in terms of the implementation of its MSDF and IDP. No such performance review was included in the documentation received. A performance review is a vital mechanism for monitoring the implementation progress of the MSDF, assessing alignment with spatial vision and objectives, and identifying emerging trends, challenges, or opportunities requiring adjustments or amendments. More information on Annual Performance Reviews of the Implementation of SDF's, can be found in the Practice Note which accompanied Provincial Circular 0005/ 2023).

#### **Climate Change**

Projections indicate that by 2050, drought risk in the Cape Winelands District will more than double (from just over 2 possible drought years per decade to 5 years per decade). Temperatures will also continue to rise, resulting in 21 more hot days (temperatures above 30 degrees Celsius) per year by 2050 in the Witzenberg municipal area. Overall, climate related risks will increase, thereby exacerbating the Municipality's exposure to extreme weather events leading to drought, fires, flooding and impacts on human health.



**Figure 1 Increase in number of hot days (>30° C) per year by mid-century**



Source: (<https://www.elsenburg.com/wp-content/uploads/2022/08/SmartAgri-Climate-Change.pdf>)

## 2.4.2 The Municipality's Response to Strategic Pressures and Risks

### The MSDF and CEF as a guide to capital investment decision making

In the context of the IDP Review and Annual Budget process, it is imperative that the prioritized portfolio of capital investments set out in CEF is given expression to in the annual budget. Therefore, the IDP Review should reflect on how well the identified infrastructure needs and investment priorities contained in the CEF are being implemented i.e., *is the prioritized portfolio of capital investments being used as a basis for allocating budgetary resources in the annual budget process?*

The CEF prioritized portfolio of capital investments, should serve as a valuable roadmap for guiding the allocation of resources and implementation of development projects. Incorporating these elements into the IDP and annual budget process ensures alignment between strategic objectives, spatial planning priorities, and financial resources.

It is noted that the Priority Investment Projects identified in the draft CEF were not entirely informed by the MSDF and in the CEF it is stated that "This is the desired 10-year pipeline of land parcels and excludes a number of developments included in the MSDF which is not expected to be implemented within the 10-year period". This is not ideal as the CEF should inform the capital budget of the Municipality and should illustrate the Municipality's commitment to realizing its spatial development aspirations. By anchoring the IDP Review and Annual Budget process on the principles and priorities outlined in the MSDF and CEF, municipalities can ensure strategic resource allocation, promote transparent decision-making, and advance a plan-led budget.

We acknowledge that the CEF methodology does take time to mature, and it is suggested that the comments made by DEA&DP: Spatial Planning in June 2023 on its first draft CEF be considered, and the 10-year portfolio of capital projects revisited. It is also suggested that a capital planning forum is established. This forum ideally needs to be led from the IDP office, the budget office or project

management unit. The revisited CEF can also be used to form the basis of a robust and credible monitoring and evaluation framework for the MSDF and the role of the manager responsible for planning on the Budget Steering Committee (in terms of Local Govt MFMA Municipal budget and reporting regulations Part1 General Notice no 393 (Gazette No 32141): Section 4 (2) is important in this regard.

### **Climate Change Response Strategy**

Witzenberg should put effort into improving the understanding of what climate change means for the people and economy of the municipal area - both risks and opportunities. Some adaptation responses will be required in specific sectors and these should be identified early on, so that the long-term outcome improves. The updating of the District climate change plan should be used as an incentive for the updating of the local plan.

#### **2.4.3 Key Findings & Recommendations**

- It is recommended that the Municipality adheres to the requirements of Section 34(a)(1) and 41(1)(c) of the MSA, which states that a performance review of the IDP and MSDF must be undertaken at least annually and entails a review of how well the Municipality is performing in terms of the implementation of its MSDF and IDP.
- It is recommended that the Municipality considers the comments made by the Directorate: Spatial Planning on its first draft CEF.

## SECTION 3: ECONOMIC AND FINANCIAL SUSTAINABILITY

### 3.1 INTRODUCTION

This section provides an assessment of key indicators related to the responsiveness, credibility and sustainability of the tabled budget.

Key to assessing the above criteria is the alignment of the Municipality's budget to its strategic objectives, where if there are gaps identified, recommendations will be provided considering the municipal areas current socio-economic challenges.

The revenue and expenditure analysis and risks section provide a gap analysis with regards to trading services, analysing the credibility, tariff structure and responsiveness of the Municipality's budget.

As capital infrastructure development is a key catalyst for economic growth and sustainability, the Municipality's capital funding mix, capital budget implementation and procurement planning assessment are critical to understand the municipal area's growth trajectory.

### 3.2 SUSTAINABLE ECONOMIC DEVELOPMENT

**Table 1 Strategic Objectives for the 2024/25 Medium Term Revenue & Expenditure Framework**

Strategic Objective	2024/25 Medium Term Revenue & Expenditure Framework OPEX				2024/25 Medium Term Revenue & Expenditure Framework CAPEX			
	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27	Average Annual Growth	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27	Average Annual Growth
<b>R thousand</b>								
Sustainable provision & maintenance of basic infrastructure	639 331	679 224	747 941	8.2%	71 726	26 884	34 573	-30.6%
Support Institutional Transformation & Development	107 506	111 514	117 821	4.7%	880	1 080	735	-8.6%
Ensure financial stability	59 103	63 974	59 735	0.5%				
To maintain and strengthen relations with international- & inter-governmental partners as well as the local community through the creation of participative structures	5 078	5 427	5 795	6.8%				
Provide & maintain facilities that make citizens feel at home	141 259	146 025	155 047	4.8%	4 051	24 933	3 227	-10.7%
Support the poor & vulnerable through programmes & policy	40 899	40 603	29 891	-14.5%				
Create an enabling environment to attract investment & support local economy	2 906	3 127	3 366	7.6%				
<b>Total Expenditure</b>	<b>996 082</b>	<b>1 049 894</b>	<b>1 119 596</b>	<b>6.0%</b>	<b>76 657</b>	<b>52 897</b>	<b>38 535</b>	<b>-29.1%</b>

Source: Witzenberg Municipality, A-Schedules

- Alignment of the Municipal priorities to the national & provincial priorities is dealt with in pages 19 - 22 of the Integrated Development Plan review for 2024/25 financial year, alignment with National Development Plan (NDP 2030 vision), National priorities (2019 - 2024), Provincial Strategic Plan (2019 - 2024) and alignment to Cape Winelands Strategic Objectives is included in the budget. However, SA6 is not aligned to the total Capital budget for 2025/26 and 2026/27. Correcting the discrepancies in SA6 is crucial for ensuring accurate reporting and analysis of budget allocations.

- The bulk of the 2024/25 MTREF operating expenditure relates to strategic objective: Sustainable provision & maintenance of basic infrastructure with R639.331 million allocated for 2024/25 (64.2 per cent) increasing at an 8.2 per cent on average annually to R747.941 million in 2026/27.
- The Capital expenditure budget also allocates the bulk of the budget at R71.726 million (93.6 per cent) towards this strategic objective. However, the allocation towards this strategic objective fluctuates to R26.884 million in 2025/26 before increasing to R34.573 million in 2026/27. This results in a decline of 30.6 per cent on average annually over the MTREF period.
- Strategic objective: Provide and maintain facilities that make citizens feel at home, receives the second highest allocation at R141.259 million (14.2 per cent) in 2024/25, this allocation increases by 4.8 per cent on average annually over the MTREF Period. The Capital expenditure budget also allocates R 4.051 million (5.3 per cent) towards this strategic objective, however, the allocation fluctuates over the MTREF period to R3.227 million in 2026/27. This results in a decline of 10.7 per cent on average annually over the MTREF period .
- Strategic Objective: Support Institutional Transformation and Development receives the third priority with R107.506 million (10.8 per cent) allocated for 2024/25 increasing to R117.821 million in the outer year of the MTREF. This shows an annual average increase of 4.7 per cent over the MTREF period.
- From the OPEX budget it is noted that Strategic Objective: Support the poor through projects and policy declines by 14.5 over the MTREF period from R 40.899 million in 2024/25 to R29.981 million in 2026/27. The decrease in the OPEX budget for this strategic objective indicates a shift in priorities or resource allocation within the Municipality.
- Overall, the decline in OPEX budget for supporting the poor underscores the importance of balancing fiscal constraints with the Municipality's commitment to promoting social equity and inclusive development. It highlights the need for careful budgetary planning, stakeholder engagement, and proactive measures to mitigate the adverse effects of funding reductions on vulnerable populations.

### 3.3 REVENUE AND EXPENDITURE ANALYSIS AND RISKS

#### 3.3.1 Budget Overview

**Table 2 Budget overview for the 2024/25 MTREF Budget:**

Witzenberg		MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK				
Description	2024/25	2024/25	2025/26	2025/26	2026/27	2026/27
R thousand	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation
Total Operating Revenue (excluding capital transfers and contributions)	963 464	963 464	1 025 541	1 025 541	1 096 110	1 096 110
Total Operating Expenditure	996 082	1 022 115	1 049 894	1 082 446	1 119 595	1 163 279
Surplus/(Deficit)	(32 618)	(58 651)	(24 353)	(56 905)	(23 485)	(67 169)
<b>Non Cash Items</b>						
Depreciation & asset impairment	54 219	54 219	40 273	40 273	40 323	40 323
<b>A4: Total Operating Budget Restated Result</b>	<b>21 600</b>	<b>(4 433)</b>	<b>15 920</b>	<b>(16 632)</b>	<b>16 838</b>	<b>(26 846)</b>
<b>A5: Total Capital Expenditure</b>	<b>76 757</b>	<b>72 433</b>	<b>55 897</b>	<b>45 867</b>	<b>41 535</b>	<b>41 535</b>
<b>Funded by:</b>						
Transfers recognised - capital	39 880	35 557	34 177	24 147	22 850	22 850
Borrowing	16 518	16 518	–	–	–	–
Internally generated funds	20 359	20 359	21 720	21 720	18 685	18 685
<b>A7 - Cash/cash equivalents at the year end:</b>	<b>192 304</b>	<b>202 810</b>	<b>175 583</b>	<b>185 903</b>	<b>167 995</b>	<b>166 023</b>
<b>A8 - Surplus / (shortfall) after application of cash and investments</b>	<b>164 004</b>	<b>140 310</b>	<b>167 744</b>	<b>121 768</b>	<b>189 311</b>	<b>99 843</b>
<b>BUDGET FUNDING POSITION</b>	<b>FUNDED</b>	<b>FUNDED</b>	<b>FUNDED</b>	<b>FUNDED</b>	<b>FUNDED</b>	<b>FUNDED</b>

Source: A1 schedules, NT funding tool, TABB data strings.

- The 2024/25 MTREF projections reveal a concerning trend of operating deficits, with operating expenditures growing at a rate that exceeds the projections for operating revenues. This trend is concerning as it suggests a pattern of spending beyond the Municipality's financial capacity, signalling an onset of financial challenges. The 2024/25 MTREF highlights that the Municipality is anticipating an operating deficit of R32.62 million, indicating a situation where operating expenditures are expected to exceed operating revenue by a significant margin. This trend is growing, as evidenced by the audited 2022/23 Annual Financial Statements (AFS), which reported an operating deficit of R17.58 million. It should be noted that reserves or accumulated funds contribute to financial stability by reducing dependency on government grants and debt to finance capital projects and acquisitions. Ideally, operating surpluses would contribute to these reserve funds. Therefore, budgeting for operating deficits poses risks to the stability and sustainability of future operations.
- To safeguard the Municipality from the financial impacts of price hikes, wage increases, and rising interest rates, it's advisable for the Municipality to adopt cost-reduction strategies while also enhancing the yield of its existing revenue streams and investigating new ones. While property rates and service charges remain the primary sources of income, it's essential that the surpluses on these services are kept modest to maintain affordability. The Municipality should aim for its services to be self-sustaining, avoiding excessive tariff increases that may not be viable given the unique economic composition and tax base of the area. With Witzenburg's economy invested in agriculture and limited in diversity, benchmarking against dissimilar economies could present significant risks. Therefore, a tailored approach, mindful of the local economic context and its reliance on agriculture, is crucial for fiscal strategies.

- Depreciation expense should be factored into the Municipality's tariff structure to enable the funding of asset replacements when they reach the end of their useful life. According to MFMA Circular No. 115, municipalities are directed to fund depreciation from operational funds, such as service charges for electricity if the assets are utilized for electricity purposes, or from service charges for water for water management purposes, and similarly for other services. This approach assists municipalities in accumulating sufficient surpluses that must be transferred to cash-backed reserves, ensuring financial stability and the capacity to fund future infrastructure assets without relying excessively on external grants. However, currently, a portion of depreciation has been funded by the Equitable Share, and much of it has been classified as non-funding transactions which was an incorrect classification of the funding source.
- The Municipality projected a decreasing year-on-year positive cash and cash equivalents balance throughout the MTREF period of R192.30 million in 2024/25, R175.58 million in 2025/26, and R167.99 million in 2026/27, respectively. The Municipality is demonstrating that it has adequate cash resources to meet its monthly fixed operating commitments from available cash. The closing cash and cash equivalents on table A7 reconcile with table A8.
- The analysis of table A6 (Budgeted Financial Position) projects that the Municipality will realize a positive working capital over the MTREF period, indicating that the Municipality will have sufficient funds to meet its short-term liabilities. However, it should be noted that the cash and cash equivalents reported on table A6 and A7 does not reconcile. The inconsistencies in the reporting may distort the true reflection of the working capital on the A6. The Municipality shows that it would be able to sustain its financial health position.
- The Municipality has considered the required applications to the reported cash and investments reflected in table A8. The Municipality is cautioned that any omission or non-commitments would provide a distorted view of the net surplus cash position achieved. The positive/surplus outcome on table A8 indicate that the Municipality's budget is funded.
- The Municipality projected its liquidity ratio to marginally increase from 1.04:1 reported in both 2024/25 and 2025/26, to 1.08:1 in 2026/27. The ratio result implies that the Municipality anticipates having adequate financial resources to settle its short-term debt when it is due for payment. Although, the Municipality shows no sign of liquidity risk based on the favourable liquidity ratios reported throughout the MTREF period which is above the NT acceptable norm of 1:1, the Municipality must convert its outstanding debtors to cash to have adequate financial resources to strengthen its liquidity position.
- The Municipality projects a cost coverage ratio of 2.72 months in 2024/25, 2.24 months in 2025/26, and 1.98 months in 2026/27, demonstrating that the Municipality has adequate cash resources to meet its monthly fixed operating commitments from available cash without collecting any additional revenue. The anticipated cash coverage ratio is above the NT acceptable norm of between 1 - 3 months.

### **3.4 TRADING SERVICES**

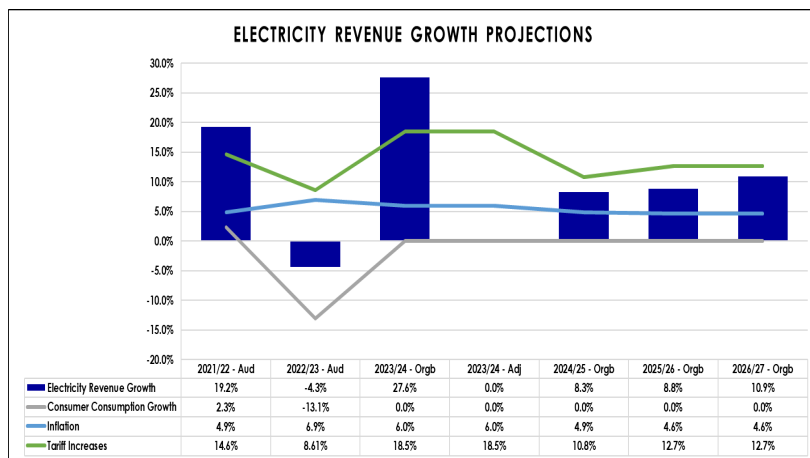
- Municipalities are encouraged to utilise the National Treasury tariff model to ensure tariff increases are cost reflective and are also reasonably affordable considering the current economic conditions and consumer's disposable income depleting considerably from consistent increase in prices of essential household goods and services.
- The economic outlook continues to be under pressure, with the cost of living climbing sharply and unemployment high, affordability becomes key for all these trading services.



### 3.4.1 Energy Services

#### 3.4.1.1 Energy Services Credibility and Sustainability

**Diagram 1** Energy trading service trends



Source: NT GoMun 2024/25 Draft Budget

Cost Recovery	Direct and Indirect	2024/25 R'000	Surplus/ Deficit		
	Revenue	R436,992,731	R8,595,030		
	Expenditure	R428,397,701			
Source: NT tariff setting tool					
5 Tariffs	Cost of Supply Study		Tariff Increase (Mun)		
Cost of Supply study (completed in the last 3 years)	Yes		10.8%		
Source: Municipal Tariff list					
Basic Service Delivery	Number of Households	Operational Cost of Electricity Services (R'000)			
		2024/25	2025/26	2026/27	
A10.SA1)	3,500	R 4,793	R 5,402	R 6,088	
LGES)	21,410	R 34,950	R 37,708	R 40,725	

- The budget document did not provide details regarding the expected percentage changes in consumer consumption. The actual revenue growth for 2024/25 is 8.3 per cent which is less than the tariff increases of 10.8 per cent. Moreover, the bulk electricity costs are projected to rise by 12.7 per cent as determined by NERSA for the 2024/25 fiscal year, which can further strain the Municipality's financial position given the higher cost pressures. This indicates that while tariffs are increasing, they may not be fully compensating for the declining electricity usage among consumers.
- Given the zero per cent growth in consumer electricity consumption projected for the 2024/25 period, this could reflect an over-reliance on tariff hikes to meet revenue needs rather than addressing the underlying challenges of reduced demand due to load shedding and a move towards alternative energy sources. It is crucial for the Municipality to develop strategies to stimulate consumption or diversify revenue streams, as reliance on increasing tariffs is not sustainable in the long term.
- The Municipality also indicated that the ceiling for notified maximum demand has been reached and Eskom is unwilling to increase the NMD. This limitation poses significant challenges for the Municipality's energy supply and planning, emphasizing the need for alternative solutions to meet local demand. The Western Cape Government continues to provide support to municipalities exploring the procurement of renewable energy. However, it is crucial to clarify that while the province supports these initiatives, the financial responsibility and project execution lie with the local Municipality, ensuring that there is no misunderstanding about the source of funding for these projects.
- The Municipality budgeted for a surplus on electricity, which is commendable. However, the report does not detail specific efficiency measures or strategies to maintain or improve this surplus. It is crucial to outline concrete steps such as adopting new technologies for loss reduction, implementing a robust asset management system to prolong the lifespan of infrastructure, and pursuing alternative energy sources to reduce reliance on Eskom.
- The operational costs for electricity services presented in the referenced table indicate that the Municipality can deliver services by balancing the costs of providing free basic electricity to indigent households with the equitable share allocated for electricity, while the cost is lower than that provided in the LGES, mainly due to fewer households being registered as indigent. The Municipality also restricts consumers who qualify for free basic service to a 20 amp circuit breaker and 50 kWh units per household, in line with the national minimum norms and standards. However, there is a notable issue: the number of indigent households listed in table A10 matches exactly with the costs allocated for

providing these services, a situation that raises concerns due to the absence of corresponding indigent household numbers in supporting table SA9. It is essential for the Municipality to address and rectify these discrepancies before the final budget is presented to the council.

- The Municipality's electricity distribution losses have shown a slight reduction from 10.7 per cent in 2022 to 10.3 per cent in 2023. This improvement makes progress towards aligning with the guidelines set by the National Energy Regulator of South Africa (NERSA), which stipulate a loss threshold of 10 per cent. Despite this progress, the value of units lost during distribution still represents a significant cost R28.90 million in 2023, down from R30.69 million in 2022. This reduction in losses, both in percentage and in rand value, is a positive step; however, continued efforts are necessary to minimize losses further. The Municipality should maintain and potentially enhance its strategies for loss reduction, such as improving infrastructure efficiency, regular maintenance to minimize technical losses, and stringent measures to curb non-technical losses like electricity theft.
- The Municipality indicated in the budget document that a cost of supply study has been approved by council. Considering the change in NERSA methodology, it is essential for the Municipality to integrate the study's findings comprehensively into their tariff strategy. This integration will not only aid in justifying the proposed tariff increases but also ensure that they are in full compliance with NERSA's revised standards. Given the critical nature of this compliance for revenue projections, it would be prudent for the Municipality to detail how the cost of supply study's outcomes has influenced the tariff setting and to anticipate any potential adjustments required by NERSA.
- The Municipality indicated in the budget document an average collection rate of 92 per cent was used in their budget projections. This collection rate is not consistent with the collection rate for services as per the 30 June 2023 audited financial statements which was 88 per cent. The recalculated calculation rate as per the A schedule tables is 103 per cent for the outer years; respectively, the collection rates which are above the 100 per cent may therefore not accurately represent collectible revenues.
- Provincial Treasury is cognizant that these rates could potentially include arrears being collected from previous periods or accounting adjustments, which inflate the anticipated revenue figures. The Municipality is encouraged to review the collection rates used in the budget for accuracy and ensuring they reflect realistic and achievable targets, especially considering the current economic climate and consumer payment behaviour patterns. A conservative and more realistic approach may better prepare the Municipality for unforeseen fluctuations in revenue collection.
- Given the significant threat posed by the STS TID reset process to municipal financial sustainability, the Municipality is advised to include this issue in its risk register forming part of the final IDP and to clearly outline in the final budget what resource (both financial and non-financial) will be committed towards this cause in 2024/25. The Municipality is reminded of the imminent risk posed by the STS TID prepaid meter reset process. All conventional prepaid meters (non-smart meters) are programmed with a unique code that needs to be reset before 24 November 2024. After this date, all meters that have not been reset will stop accepting new tokens leaving residents unable to recharge with prepaid electricity. Meters will function as normal once a reset code has been entered, but until such time, residential and commercial prepaid meters users will be completely cut-off. Municipalities will subsequently not be able to generate revenue from the sale of prepaid electricity to these customers. The Municipality is reminded that the reset process cannot be done remotely and that each meter must be reset individually.



- The latest data at PT's disposal indicates that as at the end of March 2024, the Witzenberg Municipality has reset 34.9 per cent of an approximate 12 338 meters within its jurisdiction. The Municipality is advised to take urgent steps to ensure that the process is completed before the deadline. Options available include assisting customers to do the reset processes themselves; undertaking door-to-door visits by municipal staff; or by making use of dedicated service providers. The Municipality can also make use of NT's transversal smart meter tender (RT 29) to facilitate the reset process.
- The Municipality is further reminded that there are prepaid meters within the municipal boundary that fall within Eskom's responsibility. While Eskom is confident that all these meters will timeously be reset, the Municipality should plan for an eventuality where residents will be left without electricity.
- Given the significant threat posed by the STS TID reset process to municipal financial sustainability, the Municipality is advised to include this issue in its risk register forming part of the final IDP and to clearly outline in the final budget what resource (both financial and non-financial) will be committed towards this cause in 2024/25.

#### **3.4.1.2 Energy Tariff Analysis**

- The guidelines and benchmark previously provided by the National Energy Regulator of South Africa (NERSA), will no longer be published for annual electricity distributor's tariff increases, NERSA stating that electricity tariff increases will be based on municipal costs.
- Even though NERSA has not provided guidelines and benchmark, the revenue requirement template provided serves as a useful tool.
- In that regard, Provincial Treasury supports the use of the revenue requirement template by municipalities in their electricity tariff setting, completing their 2023/24 projections and revenue requirements for the 2024/25 financial year.
- The Municipality has proposed a 10.80 per cent increase in its electricity tariff for the 2024/25 financial year, this increase is slightly above the recommended 9.89 per cent from the revenue requirement template and on par with the average for the Cape Winelands District which is at 10.82 per cent and below 11.95 per cent, which is the average for the province.
- The Municipality envisages that the full effect of this continuous huge increases in electricity tariffs may on the long run impact negatively on the sustainability of the Municipality.
- The Municipality mentioned in their tabled budget that this tariff increase has been calculated based on the cost of supply study approved by council.
- The WCPT welcomes the installation of prepaid meter to indigent households and paying consumers as it could enhance allocative efficiency and possibly provide some relief to the Municipality.
- Without a sufficient and sustainable electricity supply, Witzenberg Municipality economy finds itself in a very difficult position. PT notes that the Witzenberg Municipality is running on a NMD (Notified Maximum Demand). The Municipality noted that its greatest risks facing the Municipality is the inability to promote local economic development due to Eskom's inability to increase the Notified Maximum Demand, currently there is still uncertainty when will this upgrade will be undertaken.
- The WCPT notes the continuous effort by the Municipality to explore alternative energy sources to ensure continuity of electricity supply, with the Municipality developing and approving the Small-Scale Embedded Generation (SSEG) policy and with regards to wheeling the Municipality conducted a Cost of Supply Study to allow for cost reflective and encourage export tariff and the Municipality is investigating the possibility to appoint a service provider for green energy for a minimum of 20 MVA with batteries.

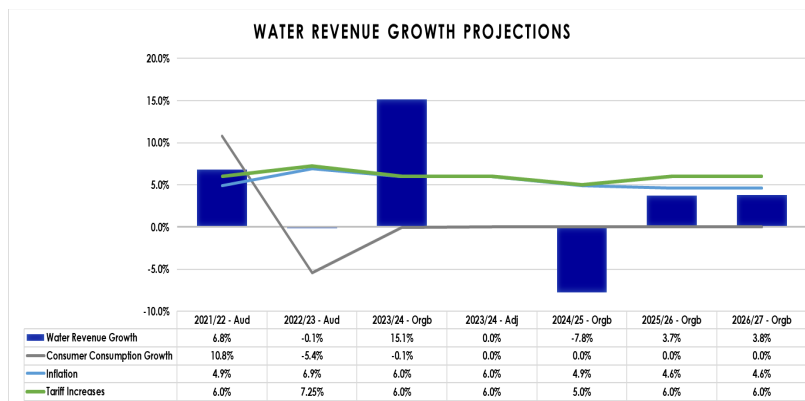
### 3.4.1.3 Responsiveness to Energy Demand and Provision

<b>Municipal challenges</b>	<ul style="list-style-type: none"> <li>Electricity supply challenges due to ESKOM loadshedding</li> <li>The ongoing load shedding has a negative effect on the financial sustainability of businesses, which are the main sources of job creation in the municipal area.</li> </ul>
<b>Electricity Expenditure Analysis</b>	<ul style="list-style-type: none"> <li>The National Development Plan recognises that public infrastructure, particularly that relating to energy, water, and transport, facilitates faster economic growth and productivity by contributing to increased competitiveness and exports and lessening the cost of doing business.</li> <li>The IDP indicates that no new business or expansions of current businesses can occur, due to the inability of Eskom to increase the electricity supply to the municipal area.</li> <li>This inability of Eskom to increase electricity supply to a municipal area can have far-reaching consequences, ranging from economic stagnation and unemployment to reduced investment and diminished quality of life for residents. Addressing these challenges requires a concerted effort from both public and private stakeholders to invest in infrastructure improvements and explore alternative energy solutions.</li> <li>In addition, consideration of long-term sustainability and impact should be integral to budget decisions, hence the importance of long-term financial plan to drive development and projects in municipal area. This includes reviewing the long-term plan annually to keep up with the changing environment or assumptions.</li> <li>The Municipality has allocated R22.870 million towards energy projects in 2024/25; this expenditure fluctuates to R10.142 million and R6.018 million in 2025/26 and 2026/27 respectively. Overall, this shows a 48.7% annual average decrease over the 2024/25 MTREF period.</li> <li>It is essential for the Municipality to effectively manage these allocations to ensure the successful implementation of energy projects and infrastructure improvements while meeting the community's needs and adhering to financial constraints.</li> <li>The detailed Capital Expenditure breakdown for 2024/25 in SA36 indicates that the bulk of the energy budget to the amount of R16.518 million is allocated for the Upgrading of power station in Ceres, R3.093 million for upgrade of streetlights and an additional amount of R3.259 million is budgeted for other electricity projects in 2024/25.</li> <li>The OPEX allocations for energy on the other hand shows an upward trend from R428.398 million (43.0 per cent of the OPEX) in 2024/25 to R535.848 million in 2026/27, reflecting an annual average increase of 11.8 per cent over the MTREF period. However, a detailed breakdown of the operational projects has not been completed in Table SA38.</li> <li>In terms of service delivery targets, the draft budget indicates that 21 056 households have access to minimum and above service levels of electricity. The draft SDBIP indicates that 4 500 account holders will be subsidized through the Municipality indigent policy.</li> <li>However, discrepancies exist between household numbers in planning documents and the 2022 Census population numbers and household numbers provided by STATSSA.</li> <li>In terms of energy resilience, the IDP indicates that the Municipality forms part of the Komsberg REDZ. Any projects or renewable energy developments in the municipal area should preferably be located inside of this boundary, however, proposals for renewable energy developments outside of this boundary will be considered on a case by case based on its own merits. It is of paramount importance that the Municipality prioritises and leverages the REIPPPP as a critical local economic development driver in the Municipality taking into account electricity challenges due to loadshedding.</li> </ul>

### 3.4.2 Water Services

#### 3.4.2.1 Water Services Credibility and Sustainability

**Diagram 2 Water trading service trends**



Source: NT GoMun 2024/25 Draft Budget

Cost Recovery	Direct and Indirect	2024/25	Surplus/ Deficit		
	Revenue	R52,816,815	-R2,594,299		
	Expenditure	R55,411,114			
Source: NT Tariff Tool/ AI schedules					
2024/25 Tariffs	Basic Charge	Tariff Increase (Mun)	Tariff Increase (WC Avg)		
Business	Yes	5.0%	6.9%		
Households	Yes	5.0%	7.5%		
Source: Municipal Tariff list					
Basic Service Delivery	Number of Households (LGES)	Operational Cost of Water Services (R'000)			
		2024/25	2025/26	2026/27	
Indigent (A10.SA1)	3,500	R 4,793	R 5,402	R 6,088	
Indigent (LGES)	21,410	R 50,418	R 54,397	R 58,750	

- The water revenue growth for 2024/25 is projected at a negative 7.8 per cent, which is significantly less than the tariff increase of 5 per cent. The budget document did not provide details regarding the expected percentage changes in consumer consumption. The Municipality is requested to review the budgeted revenue for accuracy and/or provide more details regarding the factors that will lead to a decrease in consumption by consumers.
- For the 2024/25 financial year, the Municipality faces a challenging fiscal situation in water services, projecting a deficit of R2.59 million with expenditures anticipated at R55.41 million outpacing the revenue of R52.82 million. This shortfall suggests that the implemented tariff increases of 5.0 per cent for businesses and households may not sufficiently cover the costs of service provision. These increases fall short of the Western Cape average increases of 6.9 per cent and 7.5 per cent, for businesses and households respectively, potentially limiting the Municipality's ability to achieve full cost recovery. Considering this, the Municipality is advised to revise their current water tariffs to achieve cost recovery by aligning more closely to the Provincial averages. Additionally, the monitoring of free basic water service should be enhanced to ensure that only eligible beneficiaries receive it. Furthermore, with the budget deficit having been passed and municipal reserves being strained, it is advisable for the Municipality to enforce their policies more strictly.
- The operational costs for delivering water services to indigent households are expected to rise steadily, which necessitates an urgent examination of the efficiency of these services. The use of a basic charge for water services is a positive step towards securing consistent revenue, yet the financial projections indicate that further measures may be required to bridge the deficit. It is imperative that the Municipality considers revising its tariff structure consistent with regional averages or introducing more robust cost-saving initiatives to ensure the financial sustainability of its water services and the continuity of support to its indigent residents.
- The Municipality's strategy to provide basic services, such as water, to informal settlements without billing indicates a commitment to supporting all residents, regardless of their formal housing status. However, this approach leads to financial challenges, as it requires funding these services without corresponding revenue from billing. The discrepancy in population figures, as noted in the Municipality's dispute with Statistics South Africa, adds another layer of complexity. It implies that service provision demands may be even greater than currently accounted for, which could further strain the Municipality's financial resources. To reconcile this, the Municipality could explore more robust data collection methods to accurately assess service needs and implement innovative billing systems that can accommodate the unique circumstances of informal settlements.

- As per the data strings the debt impairment for water was R17.11 million or 27.5 per cent of the total debt impairment of R62.26 million. The nature of the water function does unfortunately lead to higher impairments than other functions due to for example, excessive water usage due and leaks that cannot be recovered from all consumers. To enhance revenue assurance and reduce such losses, the Municipality should consider implementing smart or prepaid meters. These measures could help to limit excessive water usage and provide a more accurate billing system, potentially decreasing the debt impairment related to water. Furthermore, the inability to implement credit control measures in the Eskom supply areas Op-Die-Berg & Prince Alfred's Hamlet exacerbates the challenge of managing water revenues.

#### 3.4.2.2 Water Tariff Analysis

- A 5.0 per cent increase for the water tariff has been proposed by Witzenberg Municipality for the 2024 MTREF, this increase is in line with the recommended range as per the National Treasury MFMA Circular No. 126. The Municipality proposed water tariff is below the average for the Cape Winelands District and below the province which is at 6 per cent and 7.16 per cent respectively.
- Based on the Municipality's tabled budget, the revenue for this service is expected to drop by 7 per cent for the financial year 2024/25. Seeing that the tariff is below their peers in the district and below the range recommended by the Treasury MFMA Circular No. 126, the Municipality could have some room to increase the tariff slightly to meet the costs or increase revenue for this service.
- The introduction or installation of prepaid meters to Indigent households and paying consumers to avoid over consumption and to reduce outstanding debt in respect of water, could bolster the collection rate for this service, currently sitting at 65 per cent and possibly enhance allocative efficiency.

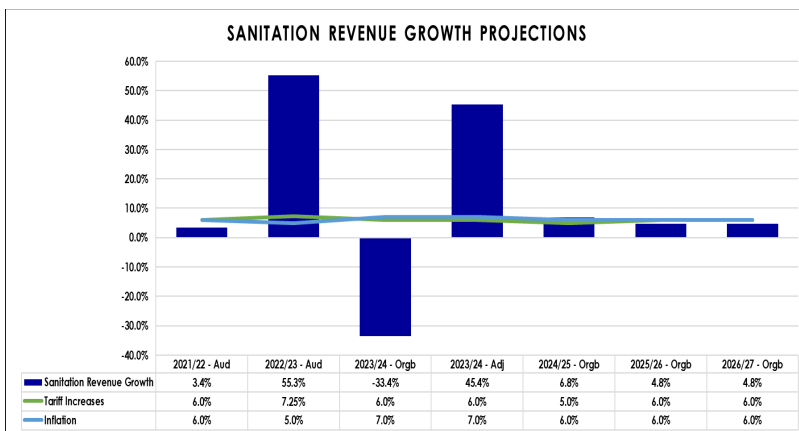
#### 3.4.2.3 Responsiveness to Water Services Demand and Provision

<b>Municipal challenges</b>	<ul style="list-style-type: none"> <li>Ageing infrastructure</li> <li>Increasing number of pipe breakages.</li> </ul>
<b>Water Expenditure Analysis</b>	<ul style="list-style-type: none"> <li>R23.995 million (31.3%) of the CAPEX budget is earmarked for water infrastructure in 2024/25 financial year, however, this allocation decreases gradually to R1.507 million in 2026/27 reflecting an annual average decrease of 74.9% over the 2024/25 MTREF period. This allocation does not bode well with the challenge of ageing infrastructure and the growing population which will result in higher demand for water infrastructure in the Municipal area.</li> <li>Table SA36 detailed capital projects indicates that the budget is mainly for the bulk main pipeline for Wolseley at R10.069 million, followed by Tulbagh reservoir at R6.936 million, R2.661 million for Nduli upgrade and replace of water pipeline and R2.577 million is budgeted for bulk water mains in Wolseley.</li> <li>The OPEX allocation for water on the other hand increases from R55.41 million in 2024/25 to R57.577 million in 2026/27. This indicates an annual average increase of 1.9% over the MTREF period. Of this amount R50.380 million is allocated for water distribution and R4.155 million is for water storage.</li> <li>In terms of service delivery levels, the Municipality's A10 indicates that 19 294 households have access to minimum and above service levels for water, however, these numbers are lower than those indicated by the 2022 Census information.</li> <li>With the challenges of ageing infrastructure and diminishing capital expenditures the Municipality should continue implementing effective water meter management systems to monitor water consumption accurately. This can help identify abnormal usage patterns indicative of leaks or unauthorised water usage. In addition, proactive maintenance and rehabilitation of ageing infrastructure can prevent leaks and reduce water losses in the long run.</li> </ul>

### 3.4.3 Wastewater Services

#### 3.4.3.1 Wastewater Services Credibility and Sustainability

**Diagram 3 Wastewater trading service trends**



Source: NT GoMun 2024/25 Draft Budget

Cost Recovery	Direct and Indirect	2024/25	Surplus/ Deficit		
	Revenue	R62,611,630	R17,565,468		
	Expenditure	R45,046,162			
Source: NT tariff setting tool					
'25 Tariffs	Basic Charge	Tariff Increase (Mun)	Tariff Increase (WC Avg)		
	Yes	5.0%	6.7%		
Is	Yes	5.0%	6.7%		
cipal Tariff list					
Basic Service Delivery	Number of Households	Operational Cost of Waste Water Services (R'000)			
		2024/25	2025/26	2026/27	
(A10.SA1)	3,500	R 11,297	R 11,975	R	12,693
(LGES)	21,410	R 32,823	R 35,413	R	38,247

- The Sanitation revenue growth for 2024/25 is projected at 6.8 per cent which is more than the tariff increase of 5 per cent. The budget document did not provide details regarding the expected percentage changes in consumer consumption. This indicates a trend where revenue from sanitation services is growing at a rate that surpasses the inflation of service costs, suggesting an effective demand management or enhanced service uptake by the community. Provincial Treasury notes that this growth in sanitation revenue is tempered by the budgeted deficit in water services, which may indirectly affect the sanitation revenue due to their interconnected nature. The Municipality is requested to review the budgeted revenue for accuracy and/or provide more details regarding the factors that will lead to a change in consumption by consumers.
- The expenditure growth for 2024/25 shows a modest increase at 1.7 per cent, it is important to note that the projected expenditure growth for subsequent years is expected to rise to 11.6 per cent in 2025/26, before decreasing to 2.2 per cent in 2026/27. This fluctuation in expenditure growth warrants a close examination to ensure that it aligns with the anticipated revenue growth and does not wear down the positive revenue margins established in the near term. The notable shift from 11.6 per cent to 2.2 per cent in expenditure growth raises questions, particularly given the expected decline in transfers and subsidies to municipalities in the 2026/27 financial year. This discrepancy highlights the need for further information from the Municipality to clarify what factors contribute to this significant change.

#### 3.4.3.2 Wastewater Services Tariff Analysis

- The Municipality tabled a 5.0 per cent increase in their wastewater tariff for the 2024/25 financial year, is below the 6.3 and 6.48 per cent from their peers in the Cape Winelands District and the Western Cape municipalities respectively.
- The tariff increase is in line with the National Treasury MFMA Circular No. 126 range of 4-6 per cent.
- Wastewater treatment works and pump stations. in the Witzenberg Municipality are optimally operational, however the rise in the population could pose a risk for the Municipality for this service.

#### 3.4.3.3 Responsiveness to Wastewater Services Demand and Provision

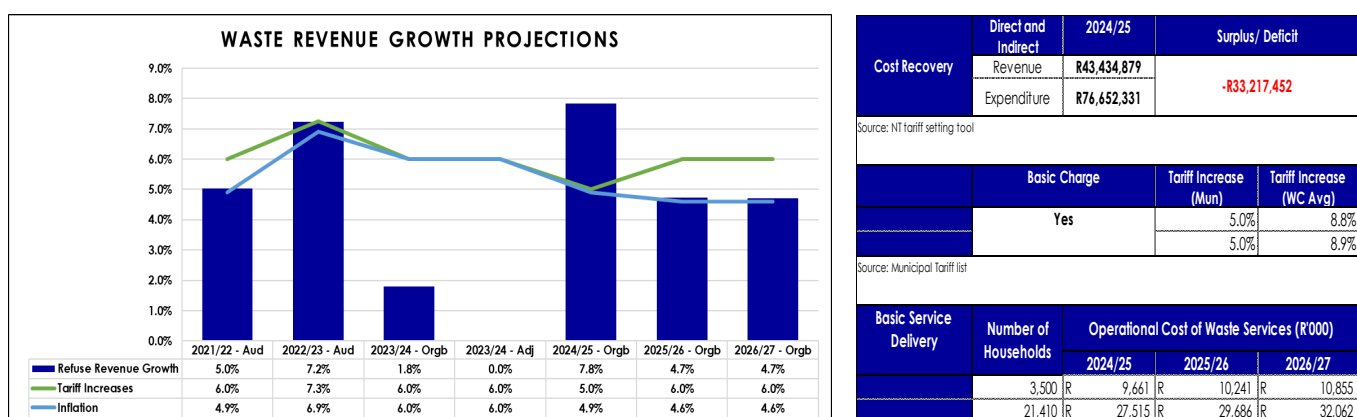
<b>Municipal challenges</b>	<ul style="list-style-type: none"> <li>● Normal maintenance and repair has increased drastically over the past couple of years due to the ageing of networks.</li> <li>● Ageing infrastructure</li> </ul>
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<b>Wastewater Expenditure Analysis</b>	<ul style="list-style-type: none"> <li>The Capital expenditure budget allocates R16.343 million in 2024/25 for wastewater infrastructure, this allocation fluctuates to R4.932 million in 2025/26, an upward trend is observed in 2026/27 with R19.590 million allocation. This indicates an annual average increase of 9.5% over the MTREF period.</li> <li>Table SA36 indicates an intention to spend R13.043 million for the upgrade of wastewater treatment in Wolsely as the main project. Additional small amounts are allocated for the wastewater treatment works for the whole Municipality.</li> <li>The OPEX allocates R45.046 million in 2024/25 for wastewater infrastructure, this allocation increases to R51.356 million in 2026/27, indicating an annual average increase of 6.8% over the MTREF period.</li> <li>In terms of service delivery levels Table A10 indicates that 13 017 households have flush toilet connected to sewage and 6 632 have access to a chemical toilet.</li> </ul>
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### 3.4.4 Waste Removal Services

#### 3.4.4.1 Waste Removal Services Credibility and Sustainability

**Diagram 4 Waste removal service trends**



Source: NT GoMun 2024/25 Draft Budget

- The revenue growth for waste management services in Witzenberg shows an anticipated increase of 7.8 per cent in 2024/25, recovering from a period of stagnation. This growth, however, must be interpreted cautiously against the backdrop of varying expenditure trends, particularly the projected spike in 2023/24 and the subsequent significant reduction in 2025/26. The tariff increases remain consistently above the inflation rate, indicating an effort to enhance financial sustainability through cost recovery.
- The Municipality's budget for waste services in the 2024/25 period reflects a significant deficit, with the projected revenue of R43.43 million being outpaced by expenditure estimates of R76.65 million, resulting in a deficit of R33.22 million. The Municipality is encouraged to approach cost recovery more closely, aiming to ensure that in future years, it can recover the costs incurred on the service with the objective of realizing a surplus. This financial gap underscores the challenges in cost recovery within this service area. The planned tariff increases for both business and households are projected at 5.0 per cent, which is below the Western Cape average of approximately 8.8 per cent and 8.9 per cent respectively. This discrepancy may necessitate further evaluation to ensure tariffs are appropriately aligned with the cost of the service and affordability for local consumers.
- The projected operational costs for waste services are on a rising trajectory, anticipated to increase from R9.61 million in 2024/25 to R10.86 million in 2026/27 for identified indigent households. This trend signals mounting service costs, placing an augmented financial strain on the Municipality to maintain the refuse revenue. Moreover, these costs are compounded by the presence of informal settlements. The Municipality is therefore urged to engage with ward committees in thoroughly evaluating the indigent register. Such measures would ensure assistance reaches those in genuine need. This strategic



approach is vital for bolstering the Municipality's fiscal resilience while upholding its commitment to service equity.

- According to the National Treasury tariff tool, the revenue needed for the refuse function is R102.98 million to cover both direct and indirect costs. However, the Municipality has budgeted for a revenue of only R43.43 million. Increasing the revenue to align with the tariff tool's requirement would lead to affordability issues, but the Municipality should consider incorporating a phased approach to higher tariffs in its long-term financial plan.

#### 3.4.4.2 Waste Removal Services Tariff Analysis

- The Municipality decided to table a 5.0 per cent increase in their waste removal services tariff for the 2024/25 financial year, which is below the 6.48 and below the 8.89 per cent from their peers in the Cape Winelands District and the Western Cape municipalities respectively.
- This increase on waste removal services tariff is in line with the guidelines stipulated in the National Treasury MFMA Circular No. 126.
- Like the water tariff, when comparing Witzenberg Municipality's waste removal tariff with peers in the district and the range recommended by the Treasury MFMA Circular No. 126 it is below both, the Municipality could have some room to increase the tariff slightly to meet the costs or increase revenue for this service, given that the landfill sites in the Witzenberg Municipality have reached critical proportions due to drastically increased operating costs as highlighted in the municipal IDP.

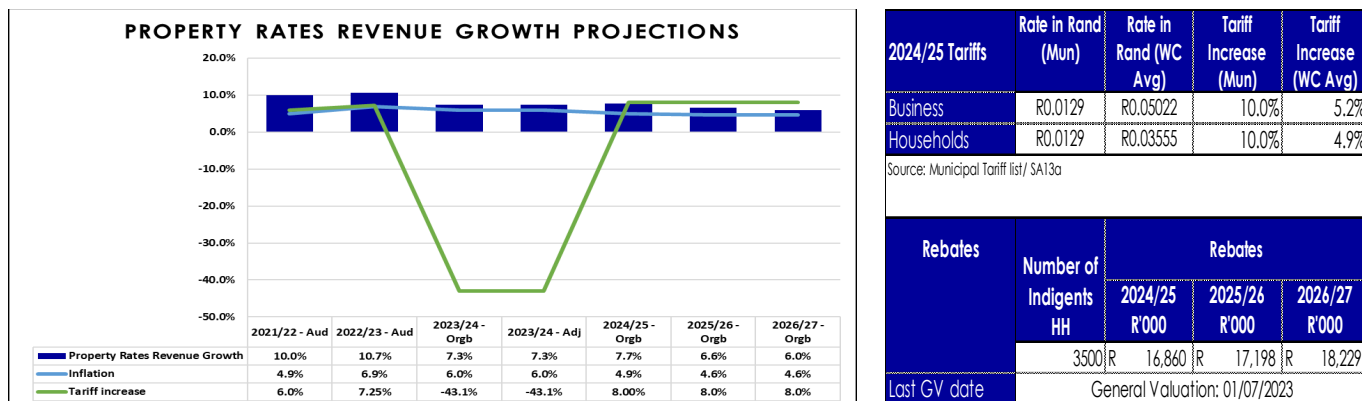
#### 3.4.4.3 Responsiveness to Waste Removal Demand and Provision

<b>Municipal challenges</b>	<ul style="list-style-type: none"> <li>● Drastically increased operating costs and permit conditions of existing sites.</li> <li>● Lack of available landfill space and increasingly strict legislation to adhere to.</li> <li>● The Ceres landfill site has been closed since 1999 as a permit was not issued due to the nature of soil conditions that could lead to underground water pollution</li> </ul>
<b>Waste Expenditure Analysis</b>	<ul style="list-style-type: none"> <li>● Only R100 000 is allocated for CAPEX waste projects in 2024/25 and this amount remains unchanged for both 2025/26 and 2026/27 indicating no allocations for large infrastructure projects for waste management.</li> <li>● The OPEX allocations for waste management on the other hand fluctuates from R76.652 million in 2024/25 to R65.819 million in 2026/27 indicating an annual average decline of 7.8% over the MTREF period. Of the allocated amount R44.521 million is allocated for solid waste removal and R31.00 million for solid waste disposal in 2024/25.</li> <li>● Table A10 indicates that 13 492 households have refuse removed once a week and an additional 6 632 households is using a communal refuse dump.</li> <li>● The declining allocations do not bode well with the service delivery needs as the municipal area has a backlog in households using communal dumps.</li> <li>● The IDP indicates that vandalism and theft play a major role in the operation of the site as fences are stolen and infrastructure vandalised in the Prince Alfred's Hamlet site. In order to deal with vandalism of municipal infrastructure it is imperative to implement robust security measures and community engagement initiatives aimed at fostering a sense of ownership and responsibility towards these vital assets. Additionally, proactive upgrading of security measures and monitoring protocols can help mitigate the risks associated with vandalism. In addition, partnering with South African Police to guard municipal assets could assist with the vandalism problem.</li> </ul>

## 3.5 REVENUE

### 3.5.1 Property Rates

Diagram 5 Property rates



Source: A1 Schedules

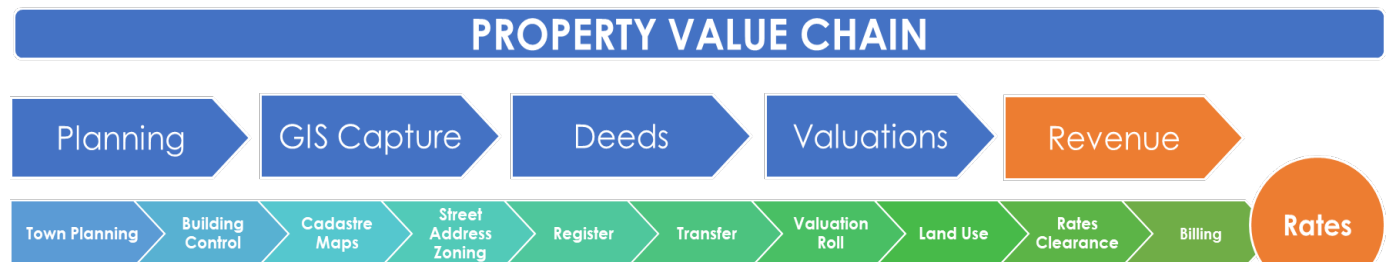
- The provided data indicates an upward trend in the tariff increases set by the Municipality for the 2024/25 period, with a significant gap between the municipal and Western Cape average rates. It's noticeable that business rates in the Municipality are set to increase by 8.0 per cent, which is substantially higher than the Western Cape average increase of 5.2 per cent. Similarly, household tariffs are increasing by 8.0 per cent, outpacing the Western Cape average of 4.9 per cent. This suggests that the Municipality is pushing for a revenue boost through tariff adjustments, which exceed the regional average growth rates.
- Moreover, the Municipality has earmarked substantial rebates for indigent households, with allocations growing incrementally each year from R16.86 million in 2024/25 to R18.23 million in 2026/27. This commitment to social support indicates an awareness of the need to cushion vulnerable groups against the impact of tariff hikes.
- For the 2024/25 budgeted year property rates revenue is projected to increase by 7.7 per cent, which is above the expected inflation rate of 4.9 per cent, but lower than the tariff increase. The supporting tables SA12a and SA12b reveal a consistent market value of R22.35 million, indicating no growth in property market. This stagnation requires a comprehensive review of property valuations to ensure that revenue from property rates accurately represents the current value of the municipal tax base. Preventive actions, including precise and current property assessments, are necessary for the sustained delivery of municipal services and the maintenance of infrastructure.
- In compliance with the Municipal Property Rates Act, the Witzenberg Municipality is mandated to carry out a general valuation every four to five years. The most recent valuation was successfully completed on 1 July 2023. This recent update helps accurately assess property values reflecting alterations, subdivisions, and new constructions. Annual supplementary valuations are also conducted to incorporate changes in property characteristics that occur between general valuations. These supplementary assessments are vital for adjusting property rates to mirror current market conditions, thereby ensuring a robust financial base for the Municipality. It is crucial that the Municipality continues to adhere strictly to these valuation practices. Regularly updating general valuations and including new developments through annual supplementary valuations in the budget will secure a reliable and equitable revenue stream from property rates. These practices enhance the integrity of the tax base, promoting a fair and transparent approach to municipal revenue collection.



### 3.5.2 The Property Value Chain

Witzenberg Municipality's main asset is its property. Its main source of income is derived from charging for property rates. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. Municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing. Diagram 6 below highlights the key inputs into the Property Value Chain to realise maximum revenue from property rates.

**Diagram 6 Property Value Chain**



Source: City of Cape Town Municipality

### 3.5.3 Land Value Capture and Alternative Financing

Land Value Capture is an important and innovative alternative for generating local revenue to finance urban infrastructure, where cities or even municipalities can capture value which are generated by public policies and interventions through mechanisms such as land value taxation, betterment levies, land pooling and re-adjustment, tax increment financing, revenue sharing, profit sharing, refinancing gain share, user fees, and impact fees (another phrase for Development Charges).

According to the United Nations Human Settlements Programme, research report titled "Unlocking the Potential of Cities" Land value capture is widely used to finance urban infrastructure and services in developed countries and middle and upper middle income developing countries such as USA, UK, China, Brazil, and Malaysia.

#### 3.5.3.1 Development Charges

- Development charges (DCs) are levied against the developers as a condition for approving a land development application, these charges are imposed to cover the costs incurred by the Municipality when installing new bulk infrastructure or upgrading an existing bulk infrastructure network or facility, could assist in easing some fiscal pressures on municipalities.
- Inconsistencies in the implementation of DCs in municipalities has prompted the introduction of a new chapter 3A in the Municipal Fiscal Powers and Functions Amendment (MFPPA) Bill that regulates the power of the municipalities to levy/apply DCs in a uniform manner. Once the Bill is enacted as law, National Treasury will clearly articulate the budgeting and accounting requirements upon the completion of the Parliamentary processes.
- It would be advisable for municipalities to familiarise themselves with the proposed Municipal Fiscal Powers and Functions Amendment Bill and the updated 2018 Guidelines for the implementation of development charges.
- Fiscal Policy Local Government (FPLG) within PT conducted a survey during December 2023 to gauge the capacity of Western Cape Municipalities to levy DCs. The questionnaire was sent to all 30 Western Cape municipalities, and PT would like to thank the Witzenberg Municipality for participating.

### Survey Insights for Witzenberg Municipality

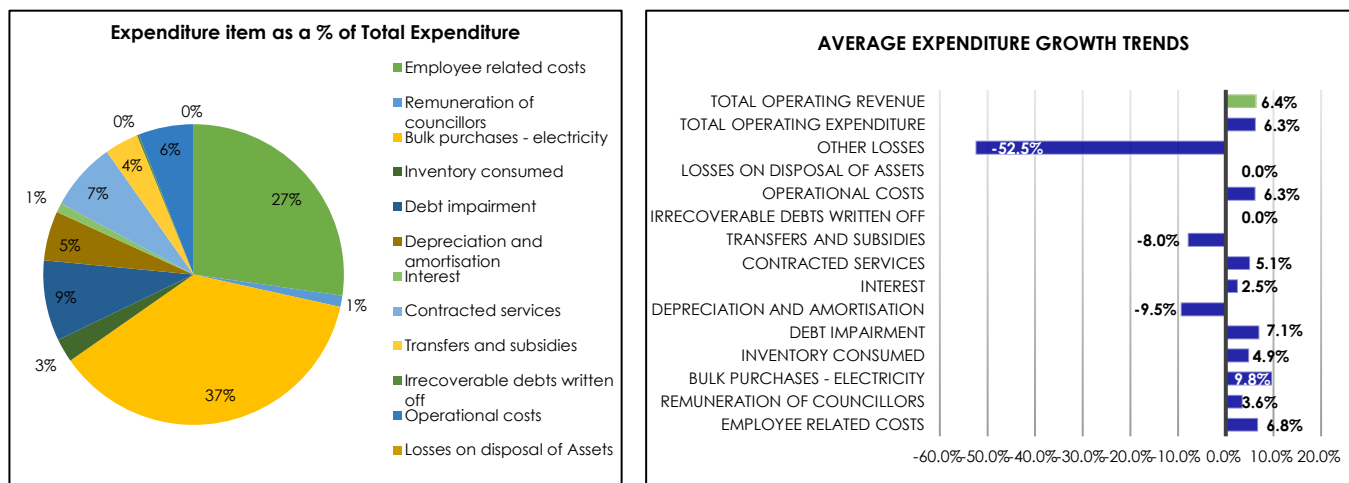
- Witzenberg Municipality rated their capacity or knowledge on DCs overall as good. The Municipality considers DCs as an important source of municipal infrastructure finance and considers DCs as a revenue stream.
- Official/s responsible for DCs is/are aware of the guidelines for the implementation of DCs, they also highlighted that they are familiar with the new MFPFA bill. Official/s have attended training/workshop on DCs. The Municipality stated that they do not require any support with the implementation of DCs.
- On principles underlying the DCs, they responded "Agree" when asked, are the DCs levied by the Municipality equitable, fair, reasonable, predictable, certainty and administrative efficiency.
- The Municipality responded they have good capacity/ability in calculating DCs. Only 5 municipalities out of 24 that responded to the survey find calculating DCs easy, which is 20 per cent of the Western Cape municipalities. The Municipality prefer the growth costing model when calculating the unit costs.
- The Municipality responded that they have DCs bylaws, DCs policy and monitoring framework for municipal DCs in place. Just 4 municipalities out of 24 responded that they have all 3 documents in place. It is important to note that, once the MFPFA bill is enacted as law municipalities would be required to comply and have all necessary bylaws, policy, and monitoring framework in place, in this case only 16.7 per cent of the municipalities in the Western Cape would be compliant.
- Despite Witzenberg Municipality's response with regards to not requiring support, it would be worthwhile for Provincial and National government to assist municipalities with the latest information available. Knowledge sharing must be invested in by all spheres of government.
- According to the Municipality's response to the survey, Witzenberg Municipality capacity is good and would be able to implement DCs as per the new MFPFA bill. Seemingly, continuous capacitating the officials involved in the implementation of DCs is highly encouraged.

#### 3.5.4 Other Revenue Risks

- The Municipality's debtors as of March 31, 2024, exhibit a concerning level of outstanding debt, with over 90 days' arrears amounting to R391.81 million, constituting 84 per cent of the total outstanding debtors' figure of R464.82 million. In response to this, the Municipality has initiated the implementation of a Credit Control & Debt Management Module, supported by a R300 000 grant from the Western Cape Government and additional co-funding of up to R150 000 from the Municipality itself.
- This strategic move towards a web-based credit control and debt management system is expected to streamline processes, enhance audit trails, and facilitate more efficient and effective recovery of outstanding debts. It is designed to integrate seamlessly with existing financial systems, improving communication with consumers through various channels and enabling the credit control department to apply measures more effectively. This initiative not only demonstrates the Municipality's commitment to addressing its credit control challenges but also aligns with its goals to enhance consumer confidence, promote a culture of payment, and ultimately, strengthen its financial sustainability.

### 3.6 OPERATING EXPENDITURE

**Diagram 7 Operating expenditure trends**



Source: NT GoMun 2024/25 Draft Budget

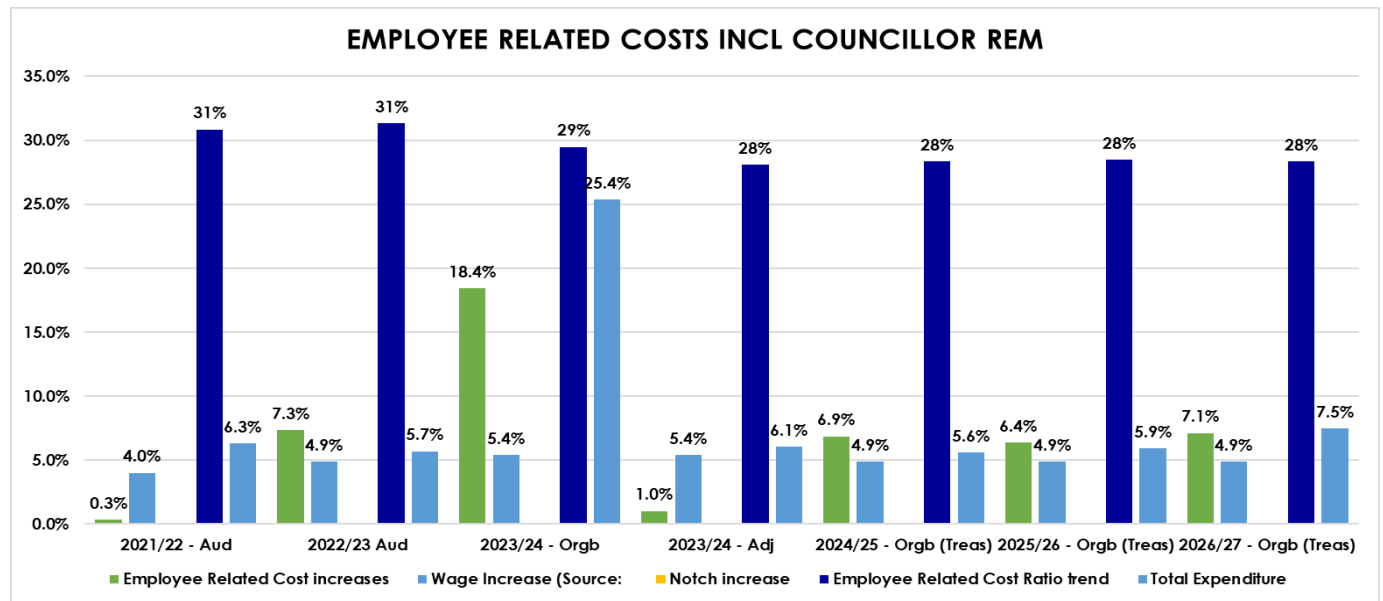
- The Municipality's operating expenditure for the 2024/25 fiscal year is primarily driven by bulk purchases of electricity and increases in employee-related costs, both accounting for a significant uptick beyond the inflation rate. This trend extends throughout the MTREF period, underscoring a crucial challenge for fiscal management. Specifically, the draft budget earmarks a notable average increase over the MTREF period of 9.8 per cent for bulk electricity purchases, underscoring the impact of external utility cost pressures on municipal finances. To address this, the Municipality has identified areas such as overtime, standby charges, operational costs, contracted services, and materials & supplies as potential opportunities for cost savings. Additionally, considering the reality of climate change and its associated risks, one significant step towards safeguarding the Municipality's financial stability could be insuring key strategic assets. This action would protect these assets from future disasters, thereby mitigating potential financial disruptions and contributing to long-term sustainability. Implementing planned savings and efficiencies in these areas could help mitigate the impacts of expenditure growth exceeding revenue projections and contribute to the long-term financial sustainability of the Municipality.
- The Municipality is commended for the accurate accounting of bulk electricity purchases, as evidenced by the reconciliation of bulk electricity deposits with the movements in the income statement, plus the corresponding VAT receivable input. However, the opening balance of R39.16 million for bulk purchases is a cause for concern. The bank account withdrawals are equal to the deposits under the contra account, suggesting that the budget does not account for settling this outstanding balance. While the Municipality is not currently in arrears as per section 41 of the MFMA, there appears to be an issue with how transactions are classified and segmented in the mSCOA. It is imperative for the Municipality to review and refine its transaction classifications and segment use, referencing GRAP 18 to ensure accuracy and compliance. Establishing clear guidelines based on these standards could prevent similar concerns in the future.
- The budget for debt impairment increased by 7.1 per cent while revenue only increased by 6.4 per cent suggesting that the debt impairment remains a significant concern and the budget for irrecoverable debt written off only increases by 0.2 per cent suggesting a need for the Municipality to review the irrecoverable debt written off versus the debt impairments. The Municipality's collection rate has seen a modest improvement from 88 per cent to a projected 92 per cent for the 2024/25 financial year. Although the billing amounts are increasing, the proportion of debt not collected also remains substantial, indicating persistent challenges in revenue collection. This pattern is concerning because, despite the Municipality's efforts to improve the collection rate, factors like ongoing load shedding and

the inability to expand business operations due to Eskom's supply limitations are negatively impacting the financial viability of local businesses, which are critical for job creation and economic stability in the area.

- Considering this context, it is crucial for the Municipality to continue and intensify its credit control measures. This should be complemented by strategies to mitigate the impact of load shedding on businesses, possibly by exploring alternative energy solutions or advocating for improved service delivery from Eskom. The Municipality's proactive approach in addressing these issues will be key to improving their financial health and ensuring sustainable service delivery to the community.
- The Municipality's AFS reports an irregular expenditure of R5.44 million, currently under dispute, stemming from procurement activities that did not meet regulatory standards for transactions under R30 000. Resolution efforts are ongoing, with active discussions between the Municipality, AGSA, and National Treasury to align with the 2022/23 Preferential Procurement Regulations. Furthermore, an opening balance of unauthorized expenditure amounting to R8 93 million has also been reported, linked to the depreciation of landfill site assets, where increased costs have arisen from rehabilitation efforts and escalated interest rates. In accordance with Section 32 of the MFMA, the Council is obligated to take appropriate measures to manage and rectify these issues. The report should outline the steps taken by the Council to address and prevent such occurrences, demonstrating compliance with the MFMA and commitment to prudent financial management.
- In the 2024/25 budget, there is a notable realignment of operational cost growth, which contrasts sharply with the previous year's adjusted budget that recorded a significant 28.6 per cent increase. The projected operational cost growth for 2024/25 demonstrates a decrease to levels that align with the inflation rate, suggesting a conscientious effort by the Municipality to stabilize expenditures in line with inflationary expectations. This trend indicates a strategic pivot towards cost containment and efficiency, reflecting a potential move towards more sustainable fiscal management. It will be crucial to monitor whether this realignment results in continued adherence to budgetary constraints and whether the quality-of-service delivery is maintained under these adjusted operational expenditures.
- Contracted services as a percentage of total expenditure for Witzenberg indicates a fluctuating yet controlled pattern, consistently remaining above the 5 per cent threshold. Notably, there was a substantial increase in contract service growth by 50 per cent in 2022/23, followed by a significant drop the following year, and then a stabilization in the years projected in the MTREF period. This demonstrates an initial surge in contracted services, possibly reflecting a response to specific operational demands or infrastructural projects. Subsequent stabilization suggests a reversion to planned spending and could reflect the implementation of cost-saving measures.

### 3.6.1 Employee Related Cost

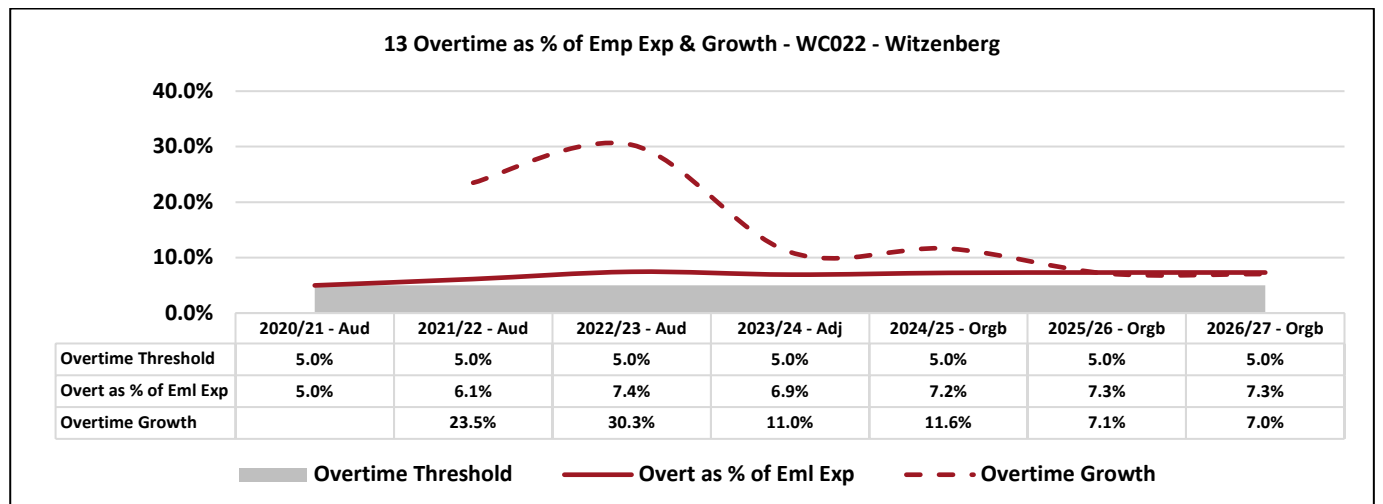
**Diagram 8 Employee related cost including councillor remuneration**



Source: NT GoMun 2024/25 Draft Budget

- Employee-related expenses account for a consistent ratio of 28 per cent observed in the MTREF period. This percentage is commendably below 30 per cent, showing a slight drop from a high of 31 per cent in the 2021/22 audited outcome. This points to escalating personnel costs, which include a notable wage increase that surpasses the increase in total expenditure for the 2024/25 fiscal year. While these costs remain within the recommended threshold, their growth rate, especially the 18.4 per cent spike in 2023/24, warrants careful monitoring to ensure fiscal sustainability. It is also not clear why the Municipality appears not to have budgeted for notch increases.
- It is essential for the Municipality to implement strategies to optimize workforce efficiency and to explore innovative cost-saving measures. Vigilance in maintaining employee costs within manageable proportions is crucial to avoid budgetary constraints that could impede the provision of essential services or the execution of developmental projects.

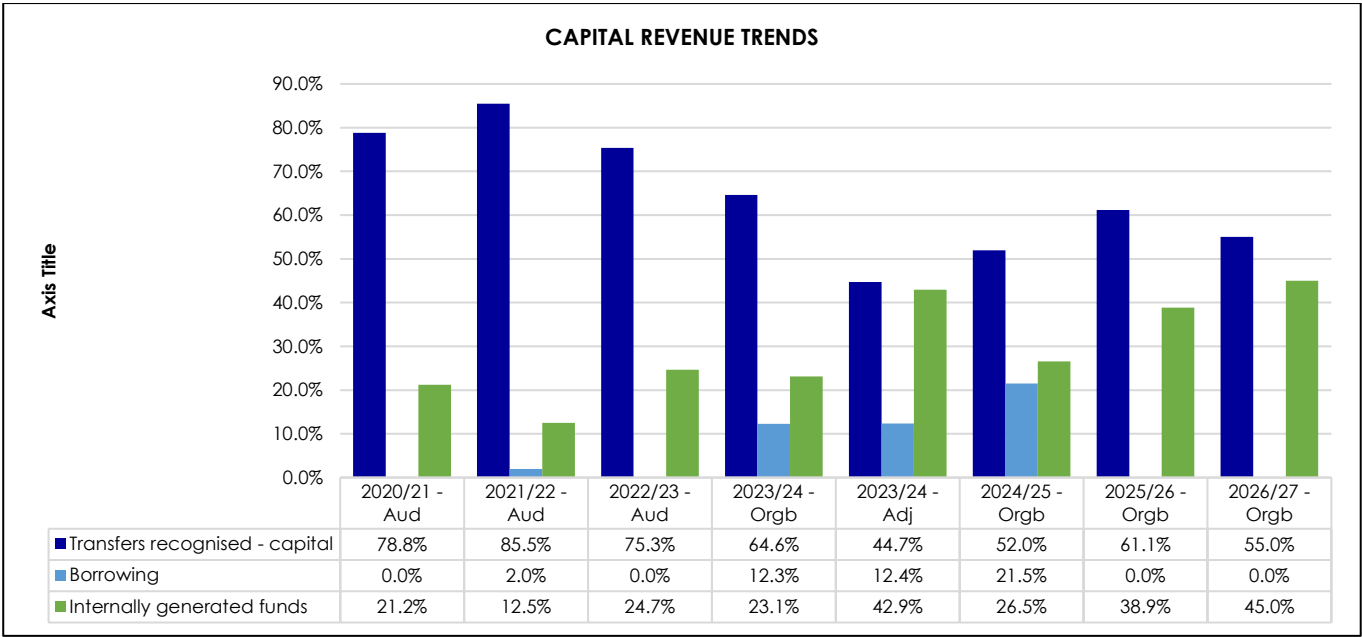
### Overtime analysis



- The Witzenberg Municipality's efforts to manage employee-related expenditures demonstrate a proactive approach to financial stewardship. Despite a consistent trend of overtime expenses exceeding the 5.0 per cent threshold, a drop in the pace of growth in 2024/25 to 11.6 per cent to a projected 7.0 per cent by the 2026/27 indicates measures are being taken to address this issue. This is aligned with the Municipality's comments in the budget document of evaluating and improving the efficiency of asset and service usage. The focused limitation of budgets for overtime and standby costs, coupled with close monitoring, is a strategic response that underlines the commitment to fiscal sustainability. These actions, however, must be matched with a thorough analysis of staffing patterns, service demands, and operational efficiencies to ensure that overtime reliance does not become a habitual expenditure but remains an exceptional recourse to maintain service standards.
- Furthermore, the Municipality's identification of key areas for potential savings, such as operational costs and contracted services, showcases an intent to optimize expenditure across various domains. As salary increases are projected based on an expected 4.9 per cent, it becomes important to align these increases with actual service delivery enhancements. The upcoming wage agreement may significantly impact the budget; therefore, meticulous planning and judicious management of wage increments will be essential. The Municipality's vigilance in pre-emptively identifying areas for efficiency gains, especially in overtime and standby expenditure, should be maintained and integrated into a comprehensive strategy for long-term financial health and enhanced service delivery.

### 3.7 CAPITAL FUNDING MIX

Diagram 9 Capital funding mix



Source: NT GoMun 2024/25 Draft Budget

- The graph illustrates that the Municipality is significantly reliant on grant capital transfers which have contributed 52.0 per cent to the capital budget funding mix. However, a significant increase has been noted for the internally generated funds, which showed a significant increase from the historical average of 19.5 per cent to a projected 36.8 per cent over the last three years. To further enhance this positive shift toward self-generated revenue, an improvement in debt collection is essential. Effective debt collection will make more funds available for capital expenditures, crucial for the much-needed maintenance and replacement of aging municipal infrastructure. This strategic approach not only supports the sustainability of municipal finances but also reduces dependency on unpredictable grant funding.

- Table A7 and Table A5, reveal a significant discrepancy regarding the Municipality's borrowing intentions. These tables suggest a planned long-term loan of R16.52 million for capital funding. However, this contradicts the budget narrative, which clearly states "No new loans proposed". Additionally, the cash flow statement displays a consistent annual repayment amount of R2.74 million starting from the fiscal year 2023/2024 and extending into 2024/2025 MTREF period. This repayment schedule does not reflect adjustments for the borrowings, which further complicates the financial clarity. This inconsistency may cause confusion and could potentially mislead stakeholders about the Municipality's financial strategy and commitments. The lack of alignment between documented loan intentions and repayment schedules undermines the credibility of the budget and financial planning processes.
- It is imperative that the Municipality reconciles these differences to ensure the financial documents accurately reflect all planned fiscal activities. The financial team should verify and correct the reported figures in Tables A7 and A5, align them with the budget narrative, and adjust the cash flow projections to accurately portray the repayment obligations. This correction will help maintain transparency and trust in the Municipality's financial management practices before the final budget approval.

### 3.7.1 Grants

- The Municipality is dependent on grant funding and intends to fund large portion of its total capital expenditure with transfers to the amount of R39.88 million (2024/25), R34.18 million (2025/26) and R22.85 million (2025/26), respectively, as indicated on Table A5 Budgeted Capital Expenditure. Grant funding contributes more than 50 per cent of the total capital budget expenditure throughout the MTREF period.

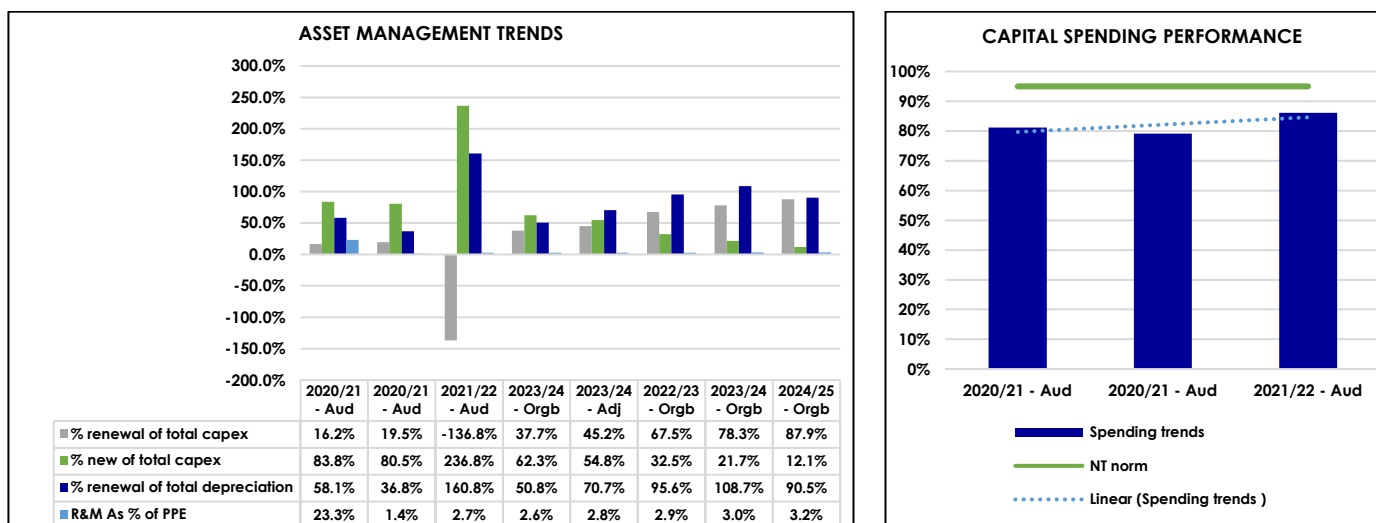
### 3.7.2 Borrowing

- The Municipality plans to fund capital expenditure from borrowings to the amount of R16.52 million in 2024/25, as indicated on table A5. The Municipality projected a revenue-to-debt ratio (Gearing) of 0.01 per cent in the current year (2023/24) which is favourably within the NT recommended norm of 45 per cent, indicating that the Municipality has capacity to increase funding from borrowings.
- Over the MTREF period, the Municipality projected a revenue-to-debt ratio (Gearing) of 1.3 per cent in 2024/25, 1.4 per cent in 2025/26, and 1.5 per cent in 2026/27, respectively as a result of the additional borrowings planned in 2024/25. The ratio result remains within the National Treasury recommended norm of 45 per cent, indicating that the Municipality has capacity to increase funding through borrowing. However, this should be considered within the cash flow requirements of the Municipality.
- The Municipality projected a positive cash and cash equivalents which includes repayment obligations, as indicated on table A7. The Municipality reported repayment on borrowings to the amount of R2.74 million in each of the three financial years throughout the MTREF period.
- Although, the Municipality projects to generate revenue and cash from its operations to service the projected additional debt, it should be noted that the Municipality must have considered all the concerning factors that will have an impact on its cash flow.



### 3.8 CAPITAL EXPENDITURE TRENDS

**Diagram 10 Asset Management**



Source: NT GoMun 2024/25 Draft Budget

- In the 2024/25 fiscal year, Witzenberg's allocation for the renewal of assets as a percentage of total capital expenditure is projected to be 67.5 per cent, a significant progression towards the recommended norm. By 2026/27, this figure is expected to rise to an impressive 87.9 per cent, reflecting a robust emphasis on asset renewal, which is commendably above the norm. Despite these positive projections, the Municipality's budget for repairs and maintenance stands at 2.9 per cent to 3.2 per cent of PPE value, still far below the 8 per cent norm. It is vital that ongoing efforts to increase this allocation continue to ensure adherence to MFMA Circular No. 55's guidelines for optimal asset management.
- Asset renewal to depreciation ratio is projected to reach 95.6 per cent, indicating a strong alignment with the depreciation norm of 100 per cent. This near-equivalent reinvestment in assets underscores a concerted effort to keep infrastructure well-maintained and functional. Although there is a slight reduction to 90.5 per cent projected for 2026/27, the Municipality's investment in asset renewal consistently approaches or exceeds the depreciation rates in the intervening years. This trend reflects a positive asset management strategy, adhering closely to best practices for sustainable infrastructure outlined in MFMA Circular No. 55.
- It is proposed that the Municipality should seek to allocate 5 per cent of MIG funding to create an infrastructure asset management plan. This will enhance the strategic oversight of infrastructure spending and ensure alignment with asset management best practices as per the Asset Management Plan guidelines.
- Analysis of the Municipality's spending trends reveals a concerning divergence from the National Treasury's norm of 95 per cent. The 2020/21 fiscal periods showed spending rates of 81 per cent and 79 per cent, with a subsequent improvement to 86 per cent in 2021/22. However, the sharp decline to 40 per cent spending in 'February IYM' significantly undershoots the normative target, highlighting a critical area of underperformance in budget execution. While acknowledging that capital expenditure is sometimes influenced by matters beyond the control of the Municipality, the Municipality should fully spend the capital budget. This low expenditure rate raises questions about the efficacy of financial planning and control measures within the Municipality. It underscores the need for enhanced oversight to ensure adherence to budgetary norms, thus facilitating effective service delivery and project completion.



### 3.9 OTHER CAPITAL INFRASTRUCTURE RESPONSIVENESS

<b>Municipal challenges</b>	<ul style="list-style-type: none"> <li>■ Inadequate storm water systems in some areas</li> <li>■ Resealing and maintenance of roads is a challenge</li> </ul>
<b>Capital Expenditure Analysis</b>	<p><b>Roads Infrastructure</b></p> <ul style="list-style-type: none"> <li>■ Road and transport infrastructure provides ease and convenience of access to tourism attractions thereby intensifying business activities in the region that have the potential to contribute immensely to the improvement of livelihoods and the local community's standard of living.</li> <li>■ In addition, road infrastructure creates jobs for low-skilled individuals and promotes spatial inclusivity.</li> <li>■ Roads play a vital role in shaping the tourism experience and influencing traveller's decisions on where to visit and how to explore a destination. The Municipal website indicates that Witzenberg has positioned itself as an affordable family travel destination that focuses upon adventure tourism, wedding tourism and sports tourism. Areas of expansion in Witzenberg Tourism includes informal trade, lifestyle tourism, township tourism and niche tourism for persons of limited mobility and special needs. By showcasing the areas unique attractions, heritage sites, and recreational offerings, tourism initiatives contribute to job creation, revenue generation, and community empowerment.</li> <li>■ Investing in quality road infrastructure and maintenance is therefore crucial for maximising the potential of tourism as an economic driver and fostering sustainable development in the area.</li> <li>■ R8.918 million is allocated for road transport in the current 2024/25 capital expenditure budget, this allocation increases to R22.254 million in 2025/26 before fluctuating to R11.334 million in 2026/27. Despite the fluctuations the roads allocations increases by 12.7% on annual average over the MTREF period.</li> <li>■ The draft IDP indicates the intention to spend R 5.00 million budget for roads in the whole Municipality, R1.751 million rehabilitation of streets in Wolseley and an additional R1.332 million is budgeted for Nduli housing roads.</li> <li>■ The OPEX budget on the other hand reflects an allocation of R29.657 million towards road transport increasing to R32.592 million in 2026/27, this indicates a 4.8% annual average increase over the 2024/25 MTREF period.</li> </ul>

### 3.10 SUPPLY CHAIN MANAGEMENT AND ASSET MANAGEMENT

Public sector organisations which involve their supply chain unit in planning and budgeting processes are more effective at meeting their objectives, as well as remaining compliant to their internally &/or externally imposed policy obligations.<sup>1, 2</sup>

Municipalities in the Western Cape have been involving Supply Chain Management (SCM) as described above to varying levels, with either districts leading by example to facilitate the improvement or individual municipalities embracing the concept in their individual capacity.

This section of the SIME assessment provides individualized feedback on the extent to which:

- Requested inputs from the PT Mun Circulars 5 & 6 of 2024 and checklist were provided;
- SCM's involvement in the planning & budgeting cycle is evident, either overtly or implicitly;
- SCM policies are sufficient & compliant to minimum requirements;
- The municipal procurement plan aligns to the tabled budget &/or IDP;

<sup>1</sup> Mazibuko, G.; Fourie, D.J. Manifestation of unethical procurement practices in the South African public sector. Afr. J. Public Aff. 2017, 9.

<sup>2</sup> Fourie, D. Centralized, Decentralized and Collaborative Participatory Public Procurement: Quo Vadis. In Proceedings of the 9<sup>th</sup> Global Conference Forum for Economists International, Amsterdam, The Netherlands, 19 - 22 May 2017

- e) The municipal asset register contains the minimum information with which to manage municipal assets and provide inputs to the planning & budgeting cycle.

### Witzenberg Municipality assessment

**Table 3 Summary of inputs received from Witzenberg Municipality**

Item	Provided (Y/N)	Council Adopted? (Y/N)	Last Review Date	Comments
<b>Policies</b> (PT Mun Circular 5/2024, 13/03/2024)				
SCM Policy	Y	Y	24/01/2024	The PT as part of its annual assessment will be assessing the Municipality's policy
SCM Delegations	N	N/A	Unknown	Delegations were not provided per PT Mun Circular 5/2024. To be submitted to PT for annual review.
SCM policy SOPs	N	N/A	Unknown	SOPs were not provided per PT Mun Circular No. 5/2024. To be submitted to PT for annual review.
Preferential Procurement Policy*	Y	Y	24/01/2024	PT annual review underway
SCM Policy Framework for Infrastructure Delivery and Procurement Management (FIDPM)*	N	Unknown	Unknown	FIDPM policy not provided per PT Mun Circular 5/2024 to allow for assessment against MFMA Circular No. 106.
<b>SIME Checklist</b>				
Procurement Plan for 2024/25	N	Unknown	Unknown	No Procurement plan submitted
Asset Register	Y	N/A		The financial asset register was submitted but not the comprehensive Asset Register that includes information on the condition of the assets.

PT cannot provide comprehensive feedback on the SCM and Asset Management policy or best practise compliance of the Municipality due to the incomplete submission of information requested. Witzenberg Municipality is urged to provide the documents requested to avoid inadvertent non-compliance during the audit process.

**Table 4 Extent of SCM involvement in planning & budgeting cycle**

Rating	Measure
1	No evidence of SCM involvement
2	No explicit evidence of SCM involvement, but implied in documents provided
3	Some evidence of SCM involvement, with gaps to be addressed
4	Evidence of SCM involvement, but gaps identified
5	Clear evidence of SCM involvement
	<b>Municipal assessment &amp; comments</b>
3	The <b>SCM Policy</b> provides for demand management to be linked to the budget cycle and IDP, Budget and SDBIP
	The <b>IDP</b> clearly articulates the strategic linkages with SCM, e.g. the advancement of local SMMEs and local businesses being adequately empowered for procurement opportunities
	<b>No procurement plan</b> submitted to determine the extent to which SCM is involved in the planning processes

Rating	Measure
	The <b>Budget</b> and <b>IDP</b> identify similar commodities to be procured. In the absence of the Procurement Plan, PT could not assess whether the plan is utilised to identify economies of scale & obtain value for money
	Several projects in the <b>SDBIP</b> are linked to the procurement needs and appear on the IDP, e.g. water & electricity supply, refuse and sanitation removal, provision of ERP System, Upgrade Robertson WWTW - CRR, Upgrading of existing tar roads

**Table 5 Scale of SCM policy sufficiency & compliance**

Rating	Measure
1	No policies provided
2	Some policies provided, but not compliant or sufficient
3	Some policies provided, with omissions &/or areas of improvement identified
4	All policies provided, with areas of improvement identified
5	All policies provided, and are compliant & sufficient
	<b>Municipal assessment &amp; comments</b>
3	All required policies are aligned to the amended SCM prescripts. PT will continue to assess the provided policies and address any technical areas for possible further improvement.
	No FIDPM policy, SCM SOPs or delegations provided; to be submitted for annual review
	The PPR policy to be reviewed to ensure the AGSA recommendations from the last audit have been incorporated in the policy

#### a) Alignment of Procurement Plan to Budget & IDP

No procurement plan was submitted; therefore, the PT could not assess the extent to which the procurement plan's identified projects &/or total estimated expenditure aligns to the scope of 'influenceable spend' in the budget. As this influenceable spend was calculated to be approximately R238 257 000.

**Table 6 Scale of completeness of Asset Register**

Rating	Measure
1	No asset register provided
2	Much information omitted from asset register
3	Some information necessary is included in asset register
4	Minimal omissions in asset register
5	All information necessary included in asset register
	<b>Municipal assessment &amp; comments</b>
3	Although some of the important information has been omitted from asset register, the Municipality is commended for adhering to the minimum, ISO 55001 Asset Register standard.
	The Municipality should revise the Asset Management Policy to address infrastructure asset management processes and align with ISO standards.

The preparatory phase of the Dark Data project was concluded in March 2024. Readiness for the digitization of asset registers, maintenance schedules, condition assessments, etc. was assessed and the PT is developing a business case for the digitisation of municipal asset information, based on the available data at local level.

As no asset register was provided for analysis, PT will engage with Witzenberg directly to update its records regarding the availability, accuracy and reliability of its asset register and maintenance plans since these

were assessed in 2022/23. It is therefore also not possible to determine the extent to which the asset maintenance plan feeds into procurement planning.

## **Conclusion**

The SIME 2023 processes assessed the extent to which procurement planning and strategic procurement were effective in municipalities. Due to the inability to assess Witzenberg's procurement plan and technical asset register, the PT is unable to determine whether the recommendations in 2023 were implemented or any improvement has been achieved.

The PT is providing support to municipalities in accessing transversal contracts concluded by the National Treasury and SITA and will continue to engage with Witzenberg in this regard.

There is clear evidence that focused strategic procurement and asset management interventions can benefit municipalities in the Western Cape in achieving administrative efficiency, value for money and achieving service delivery objectives timeously. The PT will engage with Witzenberg and Cape Winelands District Municipality on specific initiatives.

## SECTION 4: REVIEW OF THE HISTORICAL FINANCIAL INFORMATION

### 4.1 THE FINANCIAL PERFORMANCE AS PER THE AUDITED ANNUAL FINANCIAL STATEMENTS

The assessment of the financial health and performance is an integrated process involving a review of a municipality's audited annual financial statements, audit report and ratio analysis. The results of the ratio analysis are used to support financial decisions and to identify factors which may influence the financial stability of the Municipality.

Adverse ratio outcomes show potential areas requiring action to ensure sustainability. The assessment trend analysis is based on the audited financial statements for 2021, 2022, and 2023; however, the table provides a five-year time frame (2019 to 2023) to provide a more comprehensive perspective for evaluating the 2024/25 budget.



The analysis is conducted as per National Treasury MFMA Circular No. 71. Provincial Treasury has analysed these ratios, and the following items are highlighted.

### 4.2 SUMMARY AND FINDINGS FROM HISTORICAL TRENDS

#### NT WEB-BASED PORTAL STATUS

The Municipality has submitted both the 2021/22(restated) and 2022/23 (audited) ratio on the NT Portal and PT is in the process of validating the ratios with the Municipality. This report is based on the PT calculations.

#### 4.2.1 Asset Management

No.	Financial ratios & norms	2019 Audited	2020 Audited	2021 Audited	2022 Audited	2023 Audited	*CAGR	Projection	Overall Rating
1	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value): <b>0%</b>	0.09%	0.00%	0.06%	0.23%	0.11%	5%	0.11%	
2	Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value): <b>8%</b>	1.92%	1.54%	2.82%	2.27%	2.62%	6.37%	2.78%	

#### ● Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value):

The repairs and maintenance ratio results for the period under review indicate that insufficient expenditure is incurred on repairs and maintenance to the extent that it could impact the use of the assets and increase the impairment of valuable assets.



#### ● Impairment of Property, Plant and Equipment, Investment Property, and Intangible Assets (Carrying Value):

The Impairment of Property, Plant and Equipment, Investment Property, and Intangible Assets (Carrying Value) ratio outcome of 0 per cent indicates that the Municipality manages and maintains its assets well. The outcome further highlights that repairs and maintenance are low compared to the

benchmark (NT norm). It depicts that cost gets aligned to the Municipality's asset management and maintenance plan for repairing and maintaining capital assets at their disposal. Being mindful of the potential impact of climate change and unstable energy supply on infrastructure, PPE, intangible assets, and inventory. These areas could be materially affected by impairments arising from these matters.

- Therefore, conditional assessments must continually inform asset maintenance programs that critical infrastructure should be more closely monitored and secured. In addition, maintenance programs note items subject to high levels of wear and tear, which could signal more frequent maintenance of assets as they age. These measures will ensure reduced risks of loss and damage and limit downtime in service delivery. Finally, these measures ensure that IDP objectives are achieved, thus ensuring that the SDBIP is successfully implemented.

#### 4.2.2 Working Capital

No.	Financial ratios & norms	2019 Audited	2020 Audited	2021 Audited	2022 Audited	2023 Audited	*CAGR	Projection	Overall Rating
3	Net debtors' days: <b>≤30 days</b>	57 Days	58 Days	58 Days	58 Days	53 Days	-1.29%	53 Days	
4	Creditors Payment Period (Trade Creditors): <b>30 days</b>	40 Days	41 Days	42 Days	38 Days	60 Days	8.75%	65 Days	

##### Net Debtor's Days




The net debtor days ratio indicates that though the Municipality outcomes improved in the latter periods under review, the Municipality could still be exposed to a cash flow risk due by experiencing challenges in collecting outstanding monies from debtors. The ratio outcome will be further supported in the 2023 financial year. The Municipality has R339.55 million (consumer debtors + property rates), or 79.1 per cent of debtors outstanding for over 90 days. Amounts that have been impaired should be considered for write-off if legal action proves ineffective or too costly. In addition, the Municipality should review credit control measures to prevent debt from going beyond 30 days, as failure to collect what is due to the Municipality may erode the working capital position.

##### Creditors Payment Period (Trade Creditors)

The ratio results of the creditor payment period have worsened over the period under review, remaining above the NT norm. This outcome indicates that the Municipality needs to take immediate action to manage its working capital more effectively. Adequate controls are essential to ensure prompt payment, as non-compliance with MFMA requirements guiding creditors payment could result in fruitless and wasteful expenditure implications for the Municipality.

- In conclusion, the Working Capital Management components indicate areas of improvement concerning the strategies used in collecting monies and paying amounts due timeously. The Municipality is thus encouraged to revise their approach and address gaps; matters not attended to could result in future shortcomings concerning cash availability and the Municipality's day-to-day operations.

### 4.2.3 Going Concern

No.	Financial ratios & norms	2019 Audited	2020 Audited	2021 Audited	2022 Audited	2023 Audited	*CAGR	Projection	Overall Rating
5	Total Liabilities to Total Assets: <b>&lt;50%</b>	21.92%	22.01%	24.24%	21.87%	19.42%	-2.39%	18.96%	
6	Total Debt to Total Assets	0.55%	0.39%	0.22%	0.18%	0.04%	-41.74%	0.02%	
7	Current Ratio: <b>1.5-2:1</b>	2.0	1.8	1.7	2.3	2.2	2.27%	2.3	

#### ● Total liabilities to Total assets

The ratio continuously improved over the period under review. As a result, the ratio results are within the NT norm of <50 per cent. This outcome can be interpreted as 19.4 per cent of the Municipality's assets getting funded by external sources. These results further indicate that the entity has adequate resources to continue operations in the future.




#### ● Total Debt to Total Assets

Another indicator of the Municipality's financial prudence is the debt-to-total-assets ratio. The consistent ratio results, averaging 0.2 per cent over the review period, suggest a cautious approach to risk. This outcome also implies that the Municipality is still in an excellent financial position, as the debt financing of the Municipality's assets is at an acceptable level. The Municipality is encouraged to ensure it continues managing its debt financing efficiently.

#### ● Current Ratio

The current ratio assesses the Municipality's ability to repay its Short-term liabilities with its Short-term assets. The ratio fluctuated over the five years under review, from 1.8:1 in 2020 to a deterioration in 2021 and then improving in 2022 and the last financial year, 2023. However, the ratio remains within the acceptable NT norm. Moreover, projections indicate that this will likely continue based on the trend of the reviewed period. These outcomes further suggest that the Municipality is in a stable position to pay its current obligations.

\* CAGR = Compound annual growth rate is a business and investing specific term for the geometric progression ratio that provides a constant rate of return over the time period.  $CAGR = [(End\ Value/Beginning\ Value)^{1/number\ of\ years\ of\ growth}] - 1$

	Favourable
	Unfavourable
	Needs Improvement

## 4.3 mSCOA IMPLEMENTATION

### 4.3.1 mSCOA Priorities

- The Municipality does not have a mSCOA steering committee or road map in place. The Municipality is dependent on the vendor for mSCOA implementation.
- mSCOA is not limited to the financial system but is also a business process reform. This requires input from all the departments in the Municipality and not just the finance department.
- Provincial Treasury, the system vendor and the Municipality have had session to discuss detail problems with mSCOA and the system. Unfortunately, the Municipality's attendance is limited to the finance department and therefore it is highly recommended that an mSCOA steering committee be implemented.

### 4.3.2 Credibility of mSCOA Data Strings

MFMA Circular No. 128 states that the credibility and accuracy of the data strings must be verified by municipalities before submission as the data strings submitted are used as the single source for all analysis and publications in a municipal financial year. Municipalities have been given access to the GoMuni portal and should use the reports on GoMuni to verify the credibility of their submissions. It should be emphasized that errors in the data can only be corrected in the next open period. e.g., errors in the tabled budget (TABB) data string can only be corrected in the adopted budget data string (ORGB). Municipalities are not allowed to open closed periods to make corrections. From 2025/26, the National Treasury will open the access to all reports available on the LGDRS to the public. Municipalities should make a concerted effort to resolve their mSCOA data strings credibility issues as soon as possible to avoid facing the consequences of financial misconduct in terms of Section 171(1)(d) of the MFMA.

**Table 7 mSCOA Segments Use Analysis**

<b>Witzenberg Municipality TABB 2024/25 mSCOA Segment Analysis</b>		
<b>No</b>	<b>Segment</b>	<b>TABB 2024/25 Budget Year Findings</b>
<b>1</b>	<b>Project Segment</b>	
<b>1.1</b>	<b>Use of the Project Segment</b>	Sufficient use of the available options
<b>2</b>	<b>Fund Segment</b>	
<b>2.1</b>	<b>Use of Fund Segment</b>	Used non-funding for some non-cash transactions which should be linked to funding source
<b>3</b>	<b>Function Segment</b>	
<b>3.1</b>	<b>Use of Function Segment</b>	Sufficient use of the available options
<b>4</b>	<b>Costing Segment</b>	
<b>4.1</b>	<b>Use of Costing Segment</b>	Only used default costing segment
<b>5</b>	<b>Region Segment</b>	
<b>5.1</b>	<b>Use of Region Segment</b>	Limited use of segment
<b>6</b>	<b>Item Segment :</b>	
The Municipality is not budgeting for any movements on water inventory. The Municipality budgeted for VAT on some services, but improvement is required with the movements in VAT		

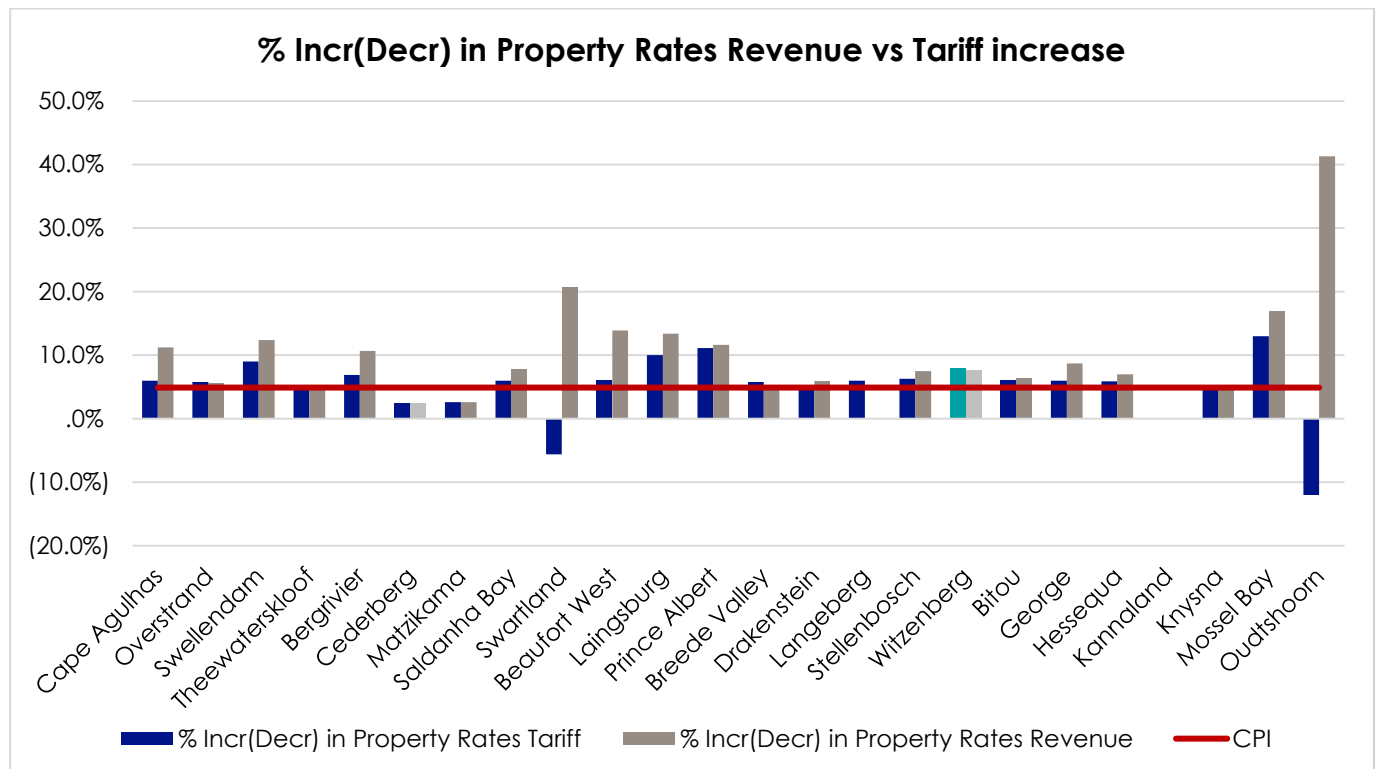
Provincial Treasury has provided the TABB segment tools analysis with the Municipality, with the goal of assisting municipalities in examining their data and determining if the information is appropriately retrieved across all segments before finalising the ORGB data strings. TABB shall be rectified in the ORGB before the adopted budget is locked on the financial system and the ORGB data string is created. Furthermore, it is recommended that the Municipality make themselves available for a session (through MS Teams) on the TABB segment analysis to provide further clarification on the segment analysis tools.

The National Treasury commenced with the work to regulate the minimum business processes and system specifications for mSCOA towards the end of 2025/26. Working groups will be established to ensure that relevant stakeholders are consulted during the review processes. Municipalities are urged to ensure that the officials that participate in the working groups have the technical knowledge and experience to participate meaningfully in these forums. Integrated Consultative Forums will also be held quarterly to keep all stakeholders informed and provide them with an opportunity to provide inputs on the business processes and system specification that will be regulated. A dedicated email address will be created for comment and inputs relating to the review processes underpinning these Regulations.

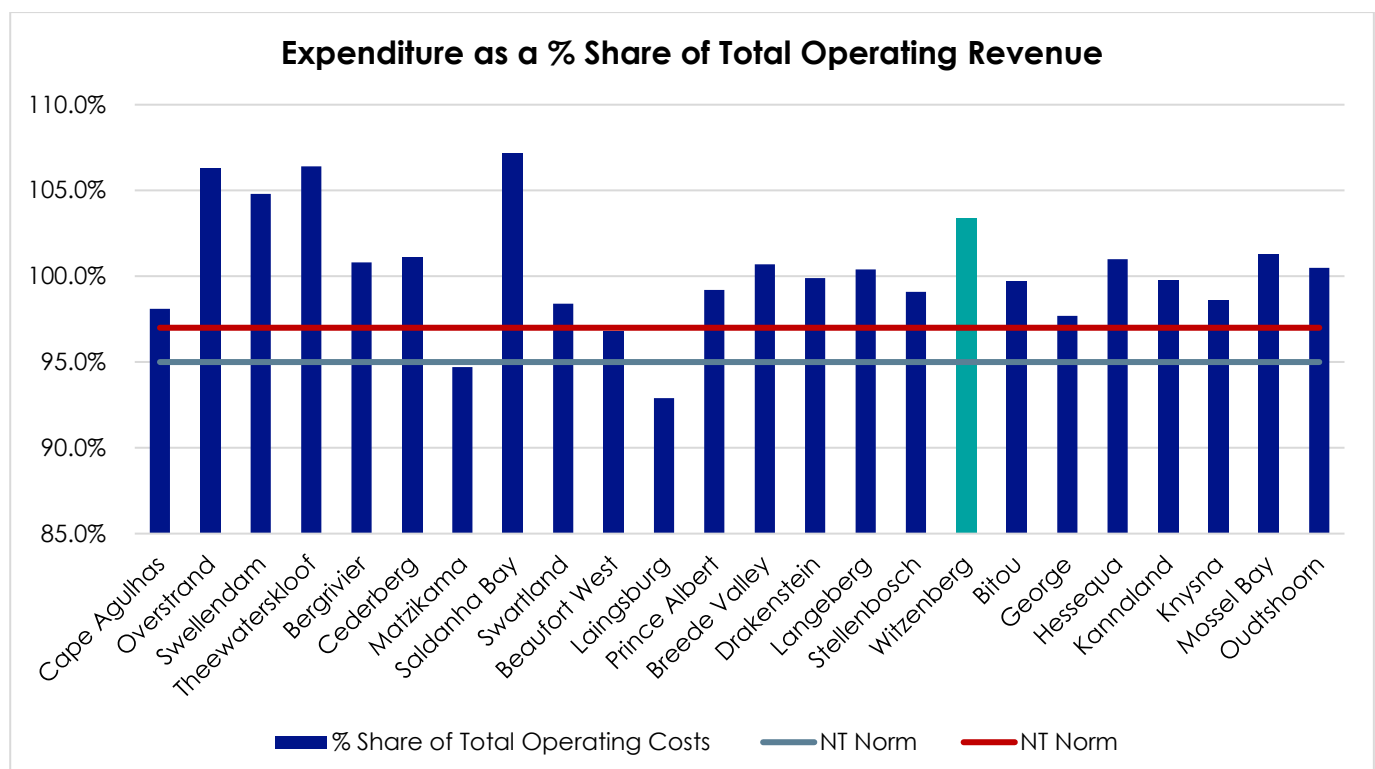


## MUNICIPAL BENCHMARKING GRAPHS

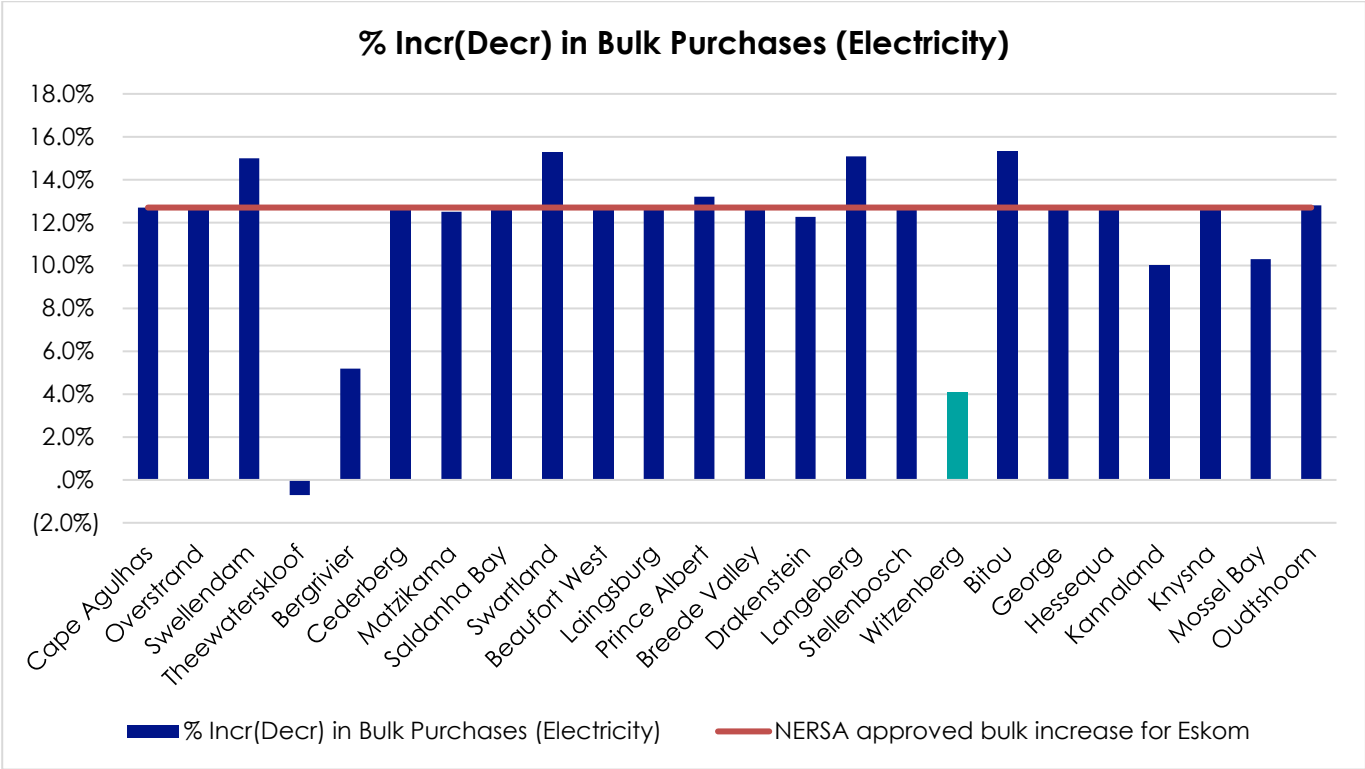
Graph 1 % Incr (Decr) in Property Rates Revenue vs Tariff Increase



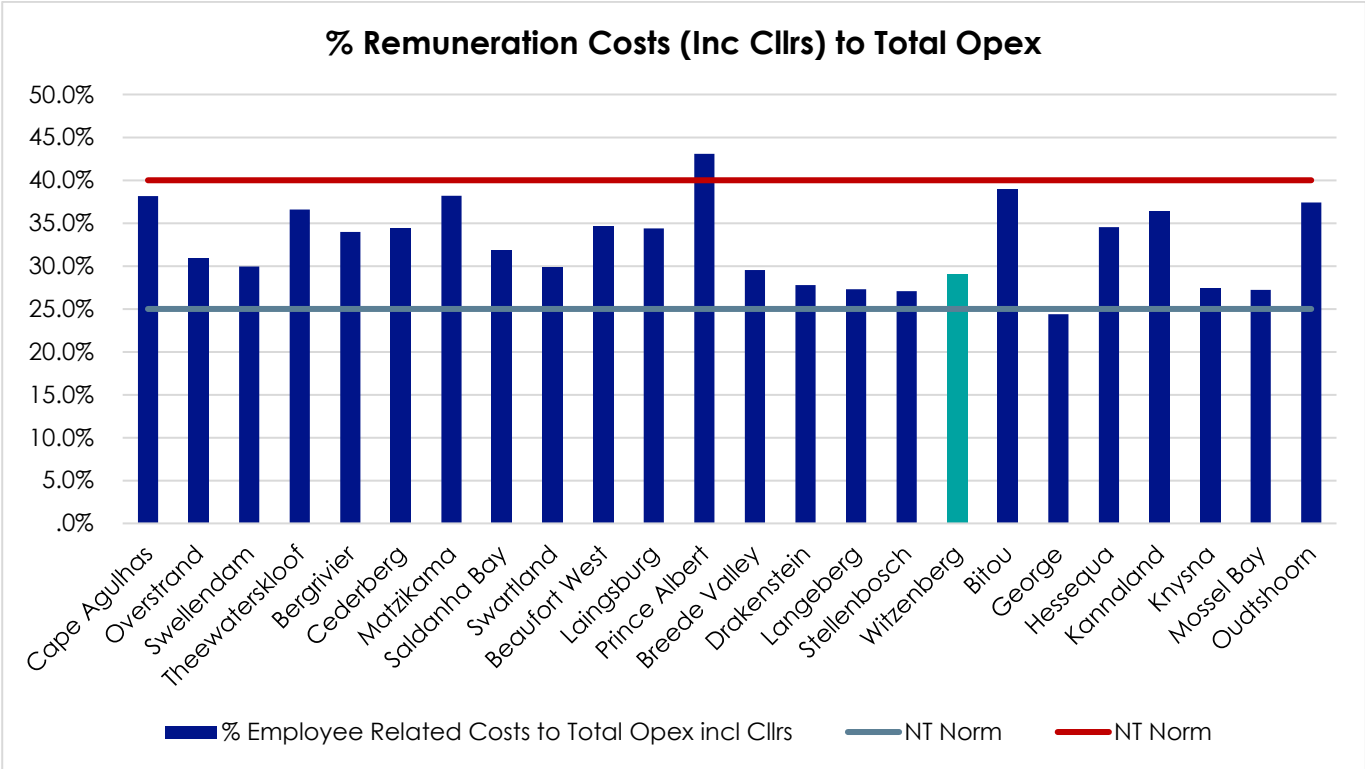
Graph 2 Percentage share of Total Operating Costs against Total Revenue



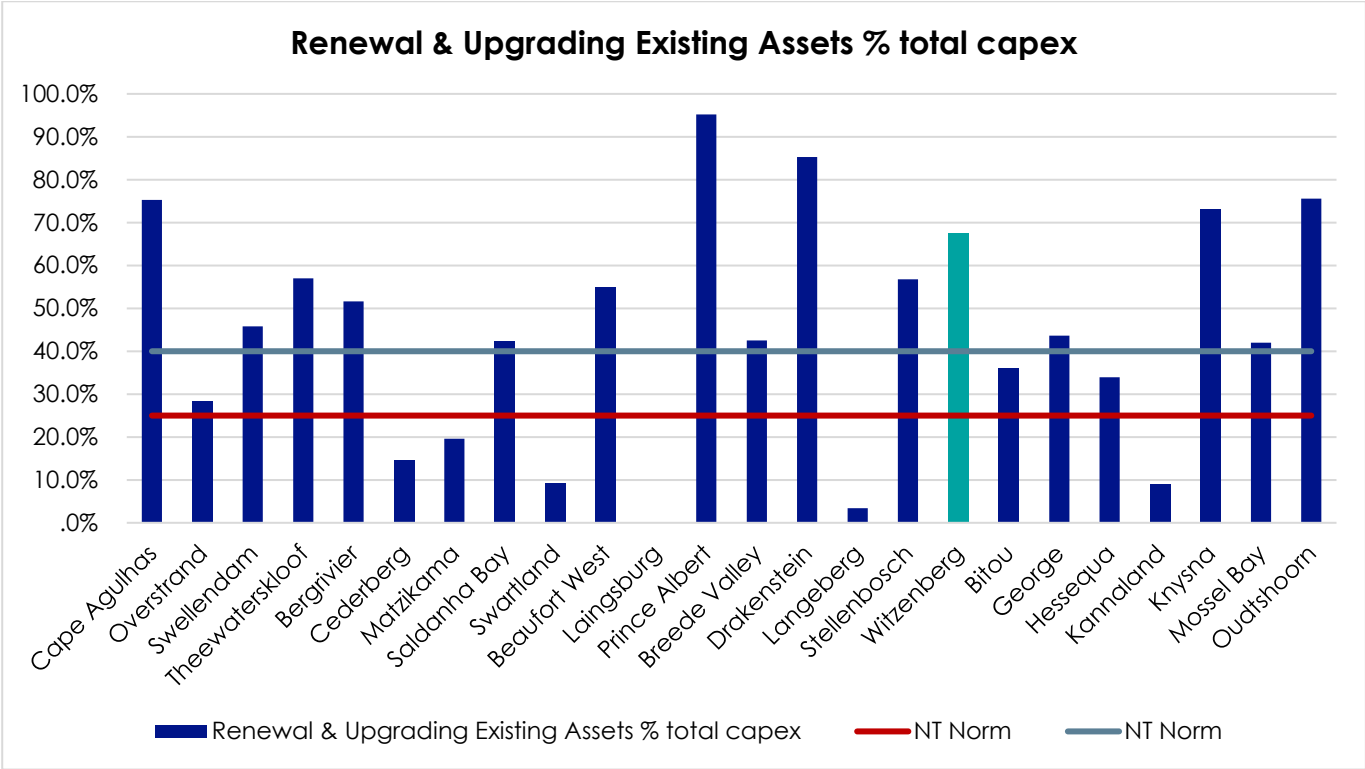
Graph 3 % Incr(Decr) in Bulk Purchases (Electricity)



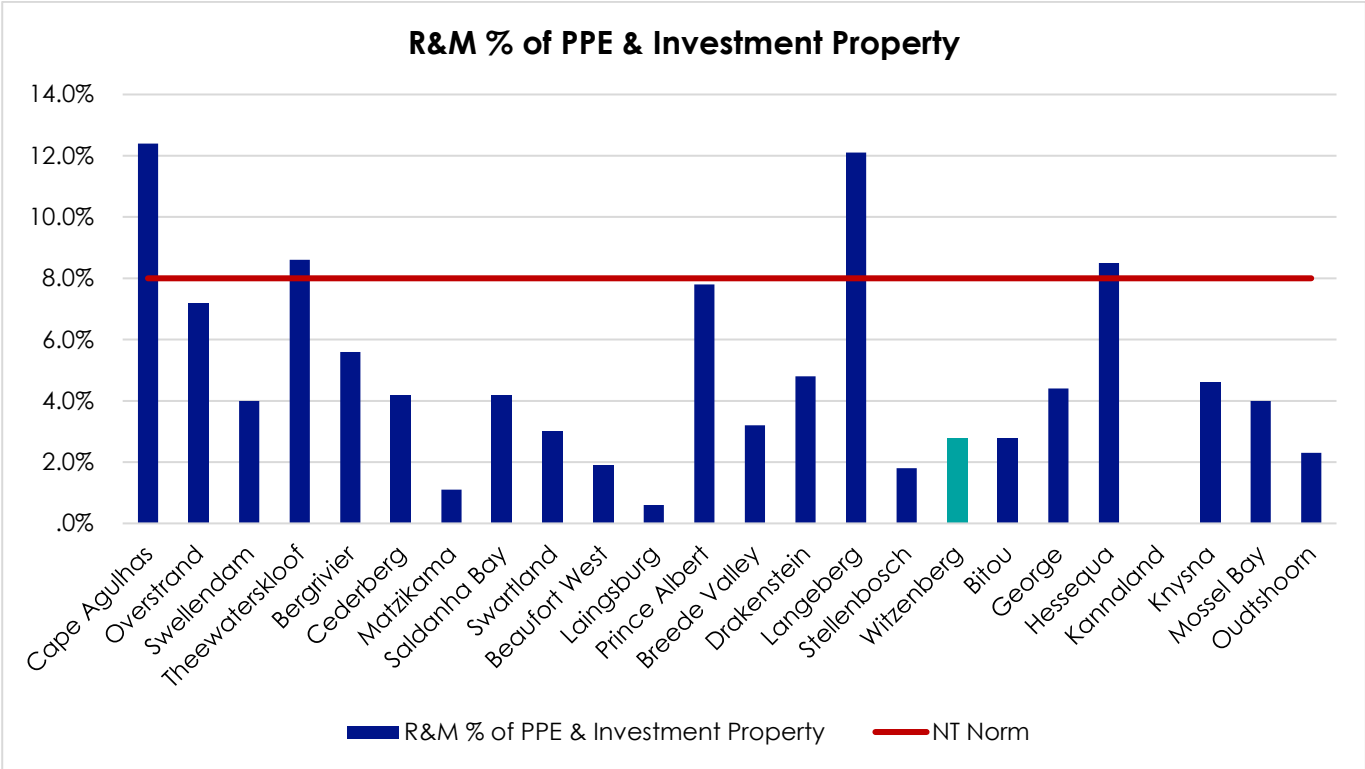
Graph 4 Percentage Employee Related Costs to Total Opex (Inc Cllrs)



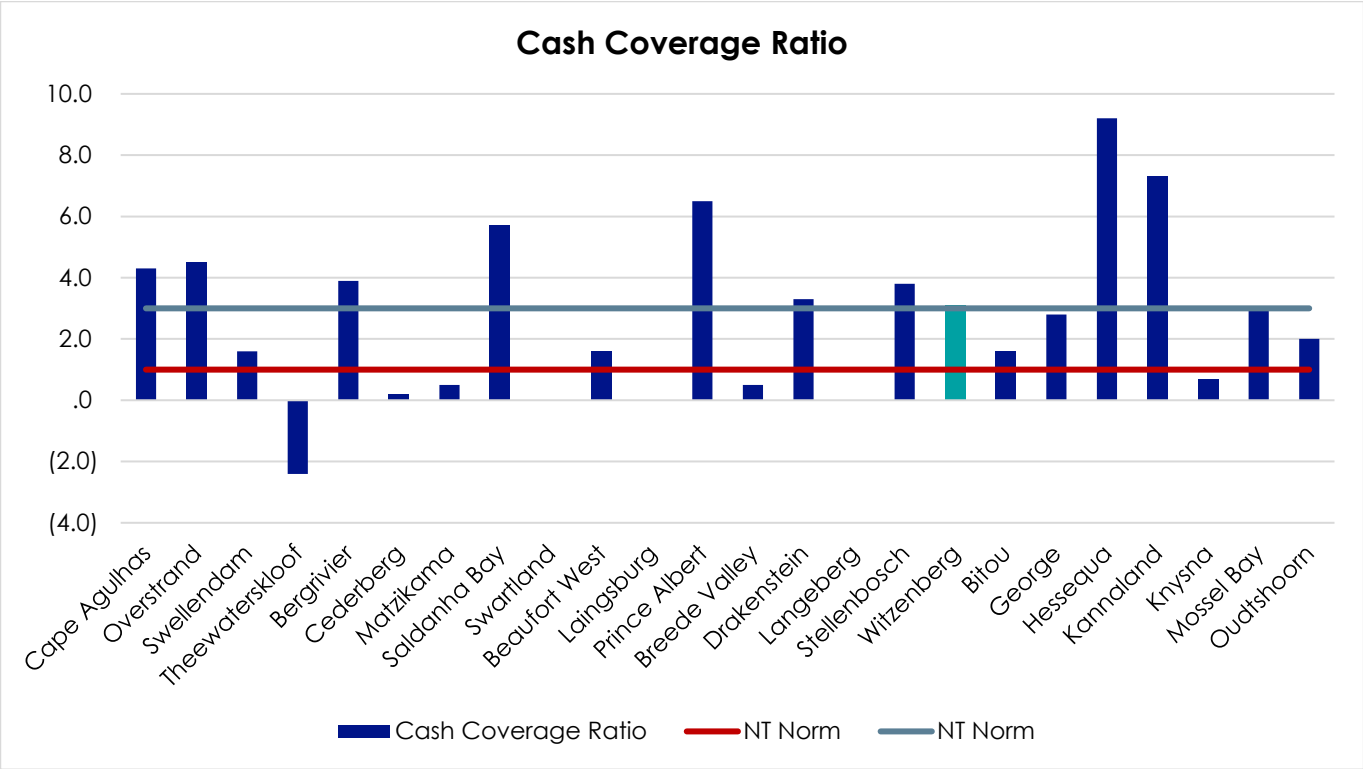
Graph 5 Renewal & Upgrading Existing Assets as a percentage of Total Capex



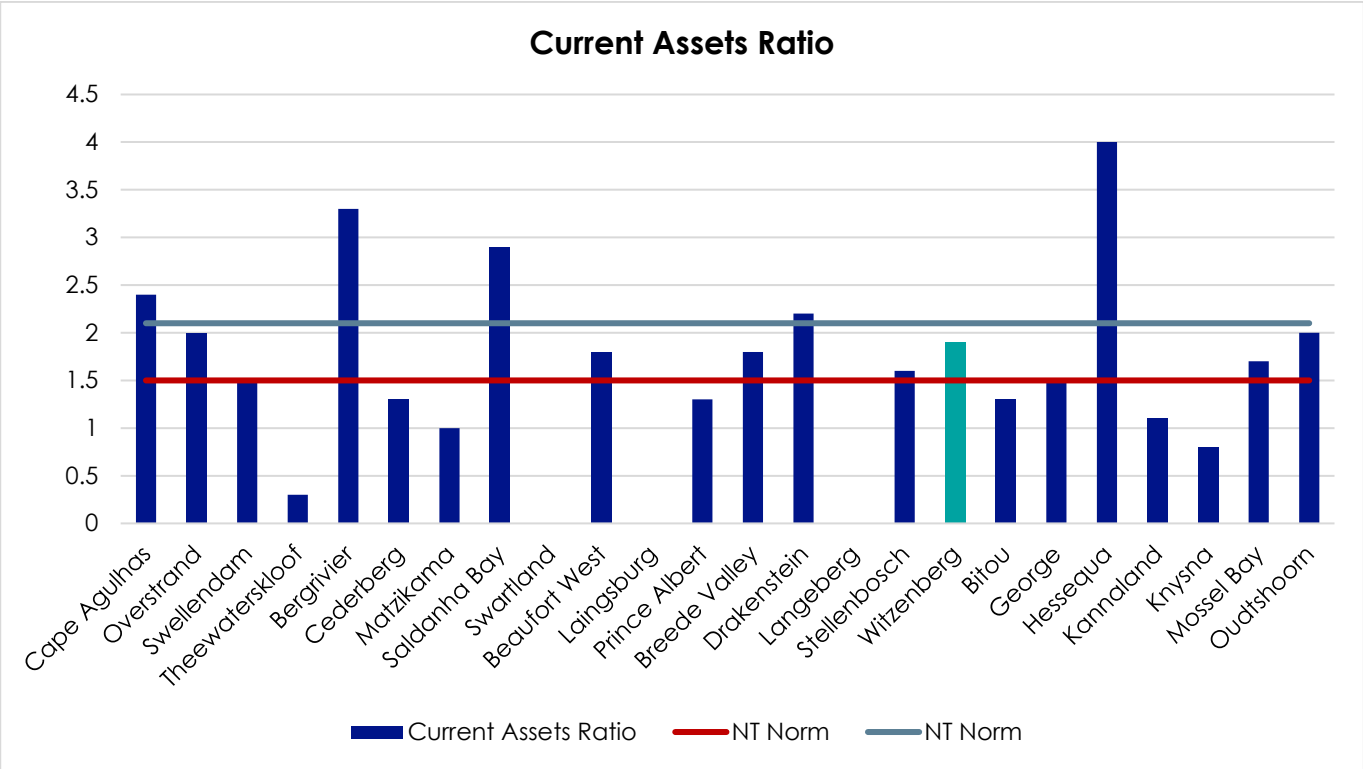
Graph 6 R&M as a percentage of PPE & Investment Property



Graph 7 Cash Coverage Ratio



Graph 8 Current Assets Ratio





## 2024 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENT

Date 10 May 2024

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## Contents

### SIME 2024/25 – Witzenberg Municipality

- 2024/25 MTREF Assessment Response (Summary 1- 2 slides)
- Key Areas for Discussion
- STS TID Prepayment Meter Reset Initiative
- Top Municipal Priority areas for discussion (max 5 slides)
- Capital Budget Discussion (max 5 Slides)
  - Service delivery objectives & challenges
  - Funding mix & external borrowing strategy
  - Infrastructure pipeline
  - Long-term financial planning
- Key service delivery & fiscal risks (1 slide)
- Conclusion (1 slide)

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## 2024/25 MTREF Assessment Response

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### MTREF Assessment Response (1)

- The Capital expenditure budget also allocates the bulk of the budget at R71.726 million (93.6 per cent) towards this strategic objective. However, the allocation towards this strategic objective fluctuates to R26.884 million in 2025/26 before increasing to R34.573 million in 2026/27. This results in a decline of 30.6 per cent on average annually over the MTREF period.
- Funding from own funds remains relatively consistent over the MTREF. The fluctuations is mainly caused due to a loan funded capital project for the upgrade of the substation and grant funding capital projects which is dependent on allocations from the relevant treasuries.

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## MTREF Assessment Response (2)

- From the OPEX budget it is noted that Strategic Objective: Support the poor through projects and policy declines by 14.5 over the MTREF period from R 40.899 million in 2024/25 to R29.981 million in 2026/27. The decrease in the OPEX budget for this strategic objective indicates a shift in priorities or resource allocation within the Municipality.
- The decline of R10,7 is because of a decline in the Provincial Informal Settlement Upgrading Partnership Grant from R8,1m to R1,4m and the Provincial Human Settlement Grant from R 25,4 m to R21 m.

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## MTREF Assessment Response (3)

Witzenberg	MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
Description	2024/25	2024/25  Treasury Calculation	2025/26	2025/26	2026/27	2026/27
	Budget Year +0		Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation
R thousand						
Total Operating Revenue (excluding capital transfers and contributions)	963 464	963 464	1 025 541	1 025 541	1 096 110	1 096 110
Total Operating Expenditure	996 082	1 022 115	1 049 894	1 082 446	1 119 595	1 163 279
Surplus/(Deficit)	(32 618)	(58 651)	(24 353)	(56 905)	(23 485)	(67 169)
Non Cash Items						
Depreciation & asset impairment	54 219	54 219	40 273	40 273	40 323	40 323
A4: Total Operating Budget Restated Result	21 600	(4 433)	15 920	(16 632)	16 838	(26 846)
A5: Total Capital Expenditure	76 757	72 433	55 897	45 867	41 535	41 535
Funded by:						
Transfers recognised - capital	39 880	35 557	34 177	24 147	22 850	22 850
Borrowing	16 518	16 518	–	–	–	–
Internally generated funds	20 359	20 359	21 720	21 720	18 685	18 685
A7 - Cash/cash equivalents at the year end:	192 304	202 810	175 583	185 903	167 995	166 023
A8 - Surplus / (shortfall) after application of cash and investments	164 004	140 310	167 744	121 768	189 311	99 843
BUDGET FUNDING POSITION	FUNDED	FUNDED	FUNDED	FUNDED	FUNDED	FUNDED

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### STS TID Prepayment Meter Reset Initiative

STATUS UPDATE	
Reset Method	Via the customer and via service provider?
Start Date	
Anticipated Completion Date	31 July 2024
Total Number of Meters	10 483
Number of Meters Reset	6 045
Total Outstanding	4 438
% Completed	
2024/25 Budget Allocation	
Has STS TID been added to the Municipal Risk Register?	Yes/No

- What challenges has the Municipality been experiencing with the reset process?
- What actions has the Municipality taken to inform and guide residents through the reset process? Details on public education & outreach efforts, communication strategies etc.
- Has the Municipality been engaging Eskom on their ability to timeously reset all meters within their jurisdiction by the deadline? If so, provide details. There is a major concern regarding the slow pace of Eskom to reset meters for which they are responsible within municipal areas. Has Eskom reached out to municipalities, has Eskom been active in the municipal area etc.
- Does the Municipality require any support from WCG? If so, provide details.

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## Key Areas for Discussion

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## Priority 1: CENSUS

	TOTAL	Ceres	Bella Vista	Nduli	Wolseley	Tulbagh	Hamlet	ODB
Formal Households	12,176	2,560	2,296	1,292	2,364	1,788	1,329	547
Informal Households	7,480			1,147	2,851	2,634	848	
Total Households	19,656	2,560	2,296	2,439	5,215	4,422	2,177	547
Number of Indigents	2,983	278	1,076	167	763	568	55	76
"Billed" Households	9,193	2,282	1,220	1,125	1,601	1,220	1,274	471
Paying Households	4,595	1,858	759	54	765	766	340	53

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## Priority 2: Lack of Eskom to supply electricity

- Without a sufficient and sustainable electricity supply, the Witzenberg economy finds itself in dire straits.

*The hard-hitting facts are that Witzenberg Municipality is for all intents and purposes running at its NMD (Notified Maximum Demand) of 41,5 MVA.*

*The current Eskom backbone network does not permit an increase of this NMD until such time that their backbone network has been upgraded. The implications of this is 7 years and R360 million, meaning that 2030 is the earliest our NMD can be upgraded.*

*It is therefore an urgent need that Witzenberg be assisted with the alternative energy project, funded by Provincial government to overcome this problem.*

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Priority 2: Lack of Eskom to supply electricity

Below is a table depicting the current and immediate future growth, its load forecast.

	Ceres	Tulbagh	Wolseley
NMD	36.5 MVA NMD (41.5) Highest Registered 38.89 MVA ( Feb 22)	4.5 MVA NMD Highest Registered 4.18MVA ( Feb 22)	5.2 MVA NMD Highest Registered 5.1 MVA ( Feb 22)
Developments proceeding	<ul style="list-style-type: none"><li>Vredebes development (2850 RDP housing units) <b>5.2 MVA</b></li><li>Bella Frutta <b>1 MVA</b></li><li>Golfing estate dev (slow growth) <b>0.5MVA</b></li><li>Erf 9602 Ceres Mall <b>1MVA</b></li></ul> <b>[6.7 MVA]</b>	<ul style="list-style-type: none"><li>Informal settlement growth <b>1 MVA</b></li></ul> <b>[1 MVA]</b>	<ul style="list-style-type: none"><li>Pine Valley 2H (120 Houses) <b>0.5 MVA</b></li><li>Lotus Flower 3 <b>1.5MVA</b> (Construction phase)</li></ul> <b>[2 MVA]</b>
Developments on "hold"	<ul style="list-style-type: none"><li>Belmont Development <b>0.5MVA</b></li><li>Kleinbegin (220 RDP housing units) <b>0.5 MVA</b></li><li>Mazoe (270 RDP housing units) <b>0.8 MVA</b></li></ul> <b>[1.8 MVA]</b>	<ul style="list-style-type: none"><li>Natural growth short term <b>0.5MVA</b></li><li>Digby (315 housing units) <b>1MVA</b></li><li>Waverenskroon (1350 housing units / Commercial 16 970m² / Institutional 20 775 m² / Recreation 24 400m² <b>1.5 MVA</b></li></ul> <b>[3 MVA]</b>	<ul style="list-style-type: none"><li>Natural growth short term <b>0.5MVA</b></li><li>VV4 <b>1MVA</b> (phased)</li><li>Goedgevonden (269 units security/trail care) <b>1 MVA</b></li></ul> <b>[2.5 MVA]</b>
	<b>TOTAL 8.5 MVA</b>	<b>Total 4 MVA</b>	<b>Total 4.5 MVA</b>

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Capital Budget Discussion

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**CAPITAL BUDGET 2024/25 R'000**

<b>MIG FUNDING</b>	
<b>Nduli Water pipeline</b>	<b>2 588</b>
<b>Tierhokskloof – Wolseley - Bulk Pipeline</b>	<b>18 763</b>

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**CAPITAL BUDGET 2024/25 R'000**

<b>WSIG FUNDING</b>	
<b>Wolseley Wastewater Treatment</b>	<b>13 044</b>

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**CAPITAL BUDGET 2024/25 R'000**

<b>PROPOSED LOAN</b>	
<b>Electricity Substation</b>	<b>25 000</b>

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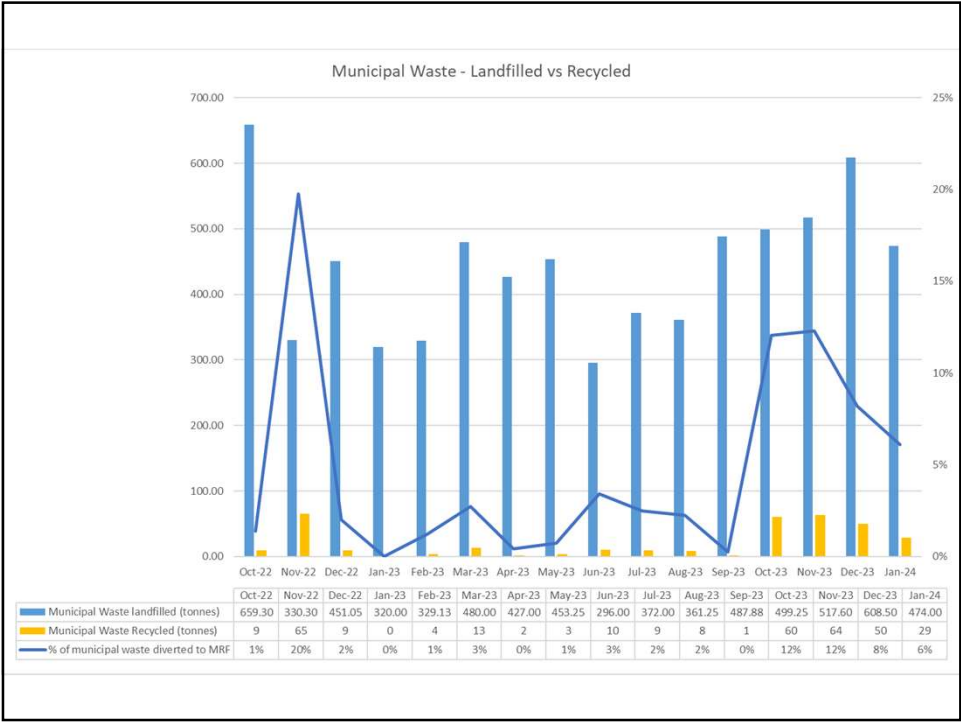
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**CAPITAL BUDGET 2024/25 R'000**

<b>OWN FUNDING</b>	
<b>Own contributions to projects</b>	<b>2 829</b>
<b>Electricity upgrades &amp; equipment</b>	<b>2 700</b>
<b>Streets</b>	<b>5 850</b>
<b>Vehicles</b>	<b>1 350</b>
<b>Water</b>	<b>1 500</b>
<b>Sewerage</b>	<b>2 850</b>
<b>Community Services</b>	<b>2 200</b>
<b>Other</b>	<b>1 080</b>

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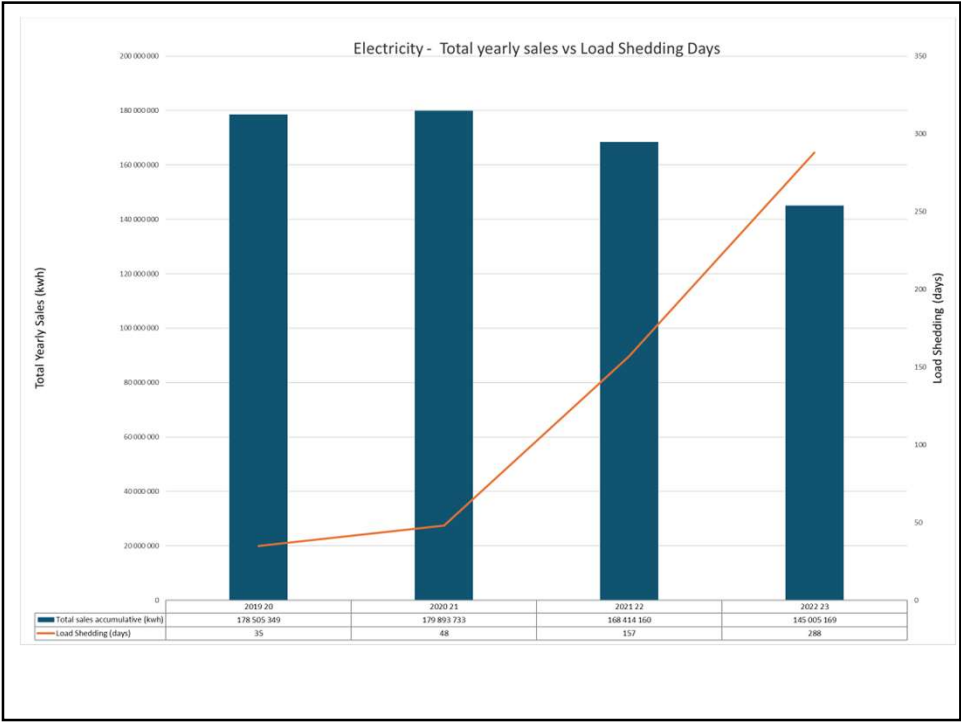


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## Key service delivery & fiscal risks

- Electrotechnical
  - Eskom's inability to provide increased electricity supply to the municipal area
  - (Notified Maximum Demand) of 46.2MVA.(All Towns) The current Eskom backbone network does not permit an increase of this NMD
    - The implications of this is 8 years and R360 million, meaning that 2030 is the earliest our NMD can be upgraded by Eskom.
  - Deteriorating electrical infrastructure
  - Decline in electricity sales vs loadshedding days.

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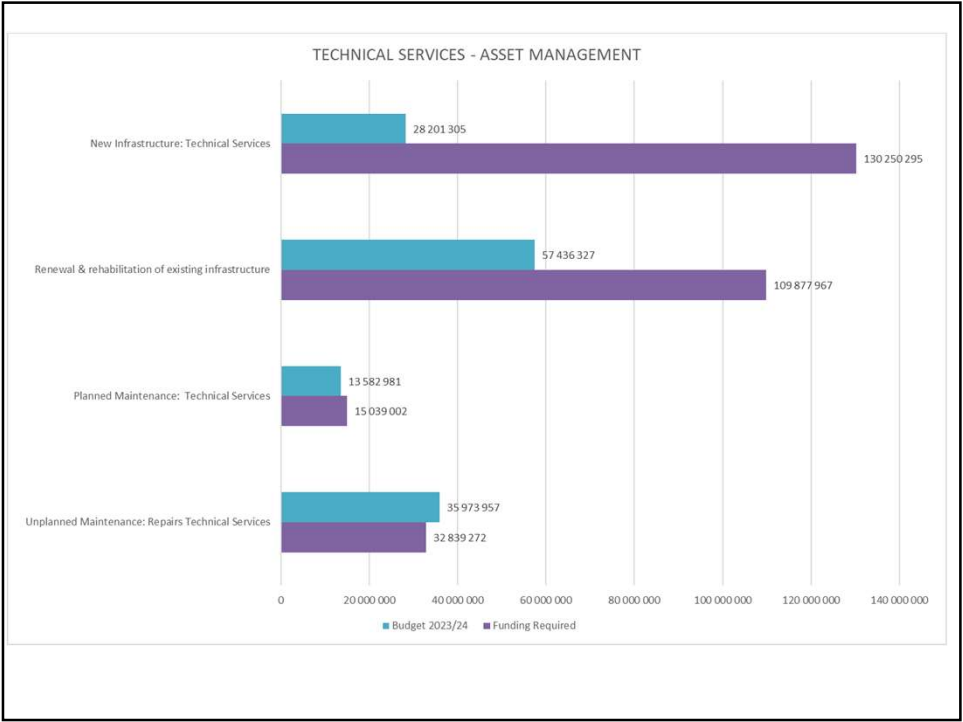


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## Key service delivery & fiscal risks

- Streets & Storm water
  - Deteriorating road infrastructure
  - Deterioration and rehabilitation needs of Tulbagh streets.
    - No proper engineered layer works used with the construction of these roads.
    - Funding to the tune of R169 545 887.70 needed to address this risk.
- Water & Sanitation
  - Deteriorating water and sanitation infrastructure

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# Conclusion

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