



Notice is hereby given in terms of Section 29 of the Local Government: Municipal Structures Act, Act 117 of 1998, that a **COUNCIL MEETING** of the 2021/2026 term of the Garden Route District Municipality will be held at the CA Robertson Council Chambers, on **MONDAY, 21 FEBRUARY 2022** at **11:00** to consider the items as set out in the agenda.

*Kennis geskied hiermee ingevolge Artikel 29 van die Wet op Plaaslike Regering: Munisipale Strukture, 1998, Wet 117 van 1998, dat 'n **RAADSVERGADERING** van die 2021/2026 termyn van die Garden Route Distriksmunisipaliteit gehou sal word in die CA Robertson Raadsaal op **MAANDAG, 21 FEBRUARIE 2022** om **11:00** ten einde oorweging aan die items soos in die agenda uiteengesit, te skenk.*

Kukhutshwe isaziso ngokwemiqathango yoMhlathi 29 woRhulumente Basekhaya: Umthetho Wezolawulo loMasipala, 1998, uMthetho 117 wango 1998, sokuba **INTLANGANISO** yexesha lika 2021/2026 loMasipala Wesithili se Garden Route izakubanjelwa kwiGumbi leBhunga CA Robertson, **NGOMVULO, 21 KWEYOMDUMBA 2022** ngentsimbi ye **11:00** ukuqwalasela imiba ebekwe kwi agenda.

ALD GR WOLMARANS
SPEAKER
SPEAKER
SOMLOMO

MG STRATU
Municipal Manager
Munisipale Bestuurder
Mphathi Masipala

Date: 14 FEBRUARY 2022

AGENDA

1. OPENING AND WELCOMING / OPENING EN VERWELKOMING / UVULO NOLWAMKELO
2. SILENT PRAYER / STILLE GEBED / UMTHANDAZO OTHULEYO
3. ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO
 - 3.1 COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG / OCEBA ABAKHOYO
 - 3.2 COUNCILLORS WITH LEAVE / RAADSLEDE MET VERLOF / OCEBA ABAKWIKHEFU
 - 3.3 COUNCILLORS WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OCEBA ABANGEKHO KWIKHEFU
4. NOTING OF THE PROVISIONS OF SCHEDULE 7 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES AMENDMENT ACT, 2021 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING MUNISIPALE AANGEPASTE STRUKTURE WET, 2021 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) LOMTHETHO WORHULUMENTE BASEKHAYA WESIMO SOMASIPALA OLUNGISIWEYO WANGO 2021
5. DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KOMDLA NGOCEBA KUNYE NAMAGOSA

6	COMMUNICATIONS BY THE EXECUTIVE MAYOR / MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER / UNXIBELELWANO LUKA SODOLOPHU	
7	COMMUNICATIONS BY THE SPEAKER / MEDEDELINGS DEUR DIE SPEAKER / UNXIBELELWANO LUKASOMLOMO	
8	COMMUNICATIONS BY THE MUNICIPAL MANAGER / MEDEDELINGS DEUR DIE MUNISIPALE BESTUURDER / UNXIBELELWANO LOMPHATHI MASIPALA	
9	APPROVAL OF MINUTES OF COUNCIL MEETING / GOEDKEURING VAN NOTULES VAN RAADSVERGADERING / UKUPHUNYEZWA KWEMIZUZU YENTLANGANISO YEBHUNGA	
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11	STANDING ITEMS / STAANDE ITEMS / IMIBA EMISIWEYO	

11.1	APPOINTMENTS, SERVICE EXITS AND LABOUR RELATIONS INFORMATION FOR JANUARY 2022 / AANSTELLINGS, UITDIENSTREDINGS EN ARBEIDSVERHOUDINGE INLIGTING VIR JANUARY 2022 / ABAQASHIWEYO, ABASHIYE UMSEBENZI KUNYE NEMICIMBI YEZABASEBENZI KWINYANGA YOMQUNGU 2022 <i>Refer: Report dated 08 February 2022 from the Executive Manager: Corporate Services (B Holtzhausen)</i>	32 - 38
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H.1	REPORT ON THE GARDEN ROUTE FILM COMMISSION BOARD OF DIRECTORS / VERSLAG TEN OPSIGTE VAN DIE GARDEN ROUTE FILMKOMMISSIE SE RAAD VAN DIREKTEURE / INGXELO NGABALAWULI BEBHODI YEKOMISHONI YEZOSHICILELO YE GARDEN ROUTE <i>Refer: Report dated 27 January 2022 from the Executive Manager: Planning and Economic development (L Menze)</i>	374 - 377
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I.1	None / Geen / Asikho	
SECTION J		
NOTICES OF MOTIONS / KENNISGEWING VAN MOSIES / ISAZISO SEZIPHAKAMISO		
J.1	None / Geen / Asikho	
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IN CLOSED SESSION / IN GESLOTE SESSIE / KWI-SASHONI YASEKHUSINI		
K.1	None / Geen / Asikho	
	CLOSURE / SLUITING / UQUKUNJELO	

Ald M Booysen
 Ald GR Wolmarans
 Ald G van Niekerk
 Ald P Terblanche
 Ald S De Vries
 Cllr / Rdl / Ceba CN Lichaba
 Cllr / Rdl / Ceba NV Gungubele
 Cllr / Rdl / Ceba J Hoogbaard
 Cllr / Rdl / Ceba JG Meiring
 Cllr / Rdl / Ceba CA Swart
 Cllr / Rdl / Ceba K Malooi
 Cllr / Rdl / Ceba C Scheepers
 Cllr / Rdl / Ceba B van Noordwyk
 Cllr / Rdl / Ceba CP Taute
 Cllr / Rdl / Ceba M Draghoender
 Cllr / Rdl / Ceba D Acker
 Cllr / Rdl / Ceba JC Lambaatjeen
 Cllr / Rdl / Ceba LSS van Rooyen
 Cllr / Rdl / Ceba JR Canary
 Cllr / Rdl / Ceba RJ Hector
 Cllr / Rdl / Ceba SM Toto
 Ald V Gericke
 Ald IC Kritzingen
 Cllr / Rdl / Ceba DL Cronje
 Cllr / Rdl / Ceba HRT Stroebel
 Cllr / Rdl / Ceba TC Matika
 Cllr / Rdl / Ceba NT Seti
 Cllr / Rdl / Ceba N Ndayi
 Cllr / Rdl / NA Tswenga
 Ald RH Ruiters
 Cllr / Rdl / Ceba M Kannemeyer
 Cllr / Rdl / Ceba A Barker
 Cllr / Rdl / Ceba MA Mkonto
 Cllr / Rdl / Ceba HD Ruiters
 Cllr / Rdl / Ceba JJ Cornelius



Minutes of a **Council meeting of**

the 2021/2026 term of

Garden Route District Council held at the **CA Robertson Council Chambers** and via **Zoom**, on
Tuesday, 25 January 2022 at 11:00

Notule van 'n **Raadsvergadering** van

die 2021/2026 termyn

van Garden Route Distriksraad gehou in die **CA Robertson Raadsaal** en via **Zoom**
op **Dinsdag, 25 Januarie 2022 om 11:00**

Imizuzu **Yentlanganiso yeBhunga**

yexesha 2021/2026 yoMasipala Wesithili se Garden Route

nebibanjwe kwiGumbi **leBhunga CA Robertson**, kunye **nango Zoom**, ngo **NgoLwesibini, 25**
KweyoMqungu 2022 ngo 11:00

1. OPENING AND WELCOMING / OPENING EN VERWELKOMING / UVULO NOLWAMKELO

The Speaker, Ald GR Wolmarans welcomed everybody present and thanked them for their attendance.

2. SILENT PRAYER / STILLE GEBED / UMTHANDAZO OTHULEYO

A moment of silence was observed.

3. ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO

3.1 COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG / OOCCEBA ABAKHOYO

Ald M Booysen	DA
Ald GR Wolmarans	DA
Cllr / Rdl / Ceba J Hoogbaard	DA
Cllr / Rdl / Ceba K Malooi	DA
Cllr / Rdl / Ceba P Terblanche	DA
Cllr / Rdl / Ceba CA Swart	DA
Cllr / Rdl / Ceba JG Meiring	DA
Cllr / Rdl / Ceba CN Lichaba	ANC
Ald S De Vries	ANC
Cllr / Rdl / Ceba NV Gungubele	ANC
Cllr / Rdl / Ceba C Scheepers	GOOD
Cllr / Rdl / Ceba M Draghoender	PBI
Cllr / Rdl / Ceba D Acker	VFP
Ald IC Krtizinger	George Municipality
Ald V Gericke	George Municipality
Cllr / Rdl / Ceba D L Cronje	George Municipality
Cllr / Rdl / Ceba GJ van Niekerk	George Municipality
Cllr / Rdl / Ceba RJ Hector	George Municipality
Cllr / Rdl / Ceba SM Toto	George Municipality
Cllr / Rdl / Ceba B van Noordwyk	Hessequa Municipality
Cllr / Rdl / Ceba CP Taute	Hessequa Municipality
Cllr / Rdl / Ceba HRT Stroebe	Knysna Municipality
Cllr / Rdl / Ceba NA Tswengwa	Knysna Municipality
Cllr / Rdl / Ceba TC Matika	Knysna Municipality
Cllr / Rdl / Ceba NT Seti	Bitou Municipality
Cllr / Rdl / Ceba N Ndayi	Bitou Municipality

Ald RH Ruiters	Mossel Bay Municipality
Cllr / Rdl / Ceba A Barker	Mossel Bay Municipality
Cllr / Rdl/ Ceba M Kannemeyer	Mossel Bay Municipality
Cllr / Rdl / Ceba MA Mkonto	Mossel Bay Municipality
Cllr / Rdl / Ceba JC Lambaatjeen	Oudtshoorn Municipality
Cllr / Rdl / Ceba S van Rooyen	Oudtshoorn Municipality
Cllr / Rdl / Ceba J Canary	Oudtshoorn Municipality

OFFICIALS / AMPTENARE / AMAGOSA

Mr / Mnr / Mnu MG Stratu	Municipal Manager
Ms / Me / Nkzn B Holtzhausen	Executive Manager Corporate Services
Mr / Mnr / Mnu J-W de Jager	Executive Manager Financial Services
Mr / Mnr / Mnu L Menze	Executive Manager Economic Development and Planning
Mr / Mnr / Mnu C Africa	Executive Manager: Community Services
Mr JG Daniels	Executive Manager Roads and Transport Services
Mr / Mnr / Mnu S Magekeni	Manager: Integrated Support Services & Legal Compliance
Mr / Mnr / Mnu T Loliwe	Strategic Manager in the Office of the Municipal Manager
Ms / Me / Nkzn N Davids	Manager: Legal Service
Mr / Mnr / Mnu G Otto	Manager Disaster Management
Ms / Me / Nksnz L Hoek	Manager BTO
Mr / Mnr / Mnu T Mpuru	Manager SCM, Stores & Data
Ms / Me / Nksnz N Klaas	Manager Human Resources
Ms / Me / Nkzn IG Saaiman	Manager Performance Management
Ms / Me / Nkzn M James	District IDP Manager
Ms / Me / Nksnz L Hoek	Manager BTO, AFS & Assets

Mr / Mnr / Mnu P Dongi	Manager Project Management
Mr / Mnr / Mnu D Stoffels	Acting Fire Chief
Mr / Mnr / Mnu H Pieters	Snr Communications Officer
Mr / Mnr / Mnu S Dladla	Chief of Staff: Office of the Executive Mayor
Mr / Mnr / Mnu B Desha	Snr Committee Officer / Translator / Interpreter
Ms / Me / Nksnz T Gauzela	Committee Officer
Ms / Me / Nksnz A Hogana	Intern Committee Services

3.2 **COUNCILLORS WITH LEAVE / RAADSLEDE MET VERLOF / OOCEBA**

ABAKWIKHEFU

None / Geen / Asikho

3.3 **COUNCILLORS WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OCEBA**

ABANGEKHO

Cllr / Rdl / Ceba JJ Cornelius	ICOSA
Cllr / Rdl / Ceba HD Ruiters	Kannaland Municipality

4. **NOTING OF THE PROVISIONS OF SCHEDULE 7(CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES AMENDMENT ACT, 2000 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING MUNISIPALE STRUKTUREWET, 2000 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) UMTHETHO WEZOLAWULO LOMASIPALA WORHULUMENTE WASEKHAYA, 2000**

The Code of conduct was noted.

5. **DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KOMDLA NGOOCEBA KUNYE NAMAGOSA**

None / Geen / Asikho

**6. COMMUNICATIONS BY THE EXECUTIVE MAYOR / MEDEDELINGS DEUR DIE
UITVOERENDE BURGEMEESTER / UNXIBELELWANO LUKA SODOLOPHU**

The Executive Mayor reported that he saw a disturbing video clip on social media regarding a Councillor that was dragged out of her office by a security guard and from the sound clip, the security guard said that he was sent by the Municipal Manager of Amathole District Municipality. The Executive Mayor, condemned this incident in the strongest term and advised that he will raise it at other platforms as well.

The Executive Mayor reported that during the course of last week, the Garden Route District Municipality (GRDM) hosted the Honourable Deputy Minister of International Relations and Cooperation, Minister Alvin Botes. The Executive Mayor also reported that after the meeting with the Minister, informal engagements took place and at the said engagement, Minister Alvin Botes had invited the Ambassadors of South Korea and Vietnam. The Executive Mayor reported that he marketed the Garden Route area and that the Ambassadors were very impressed with the investment prospectus and that they are going to report back to their Governments and indicate what would be their interest in our area.

The Executive Mayor reported that the GRDM is negotiating a Memorandum of Understanding with Wesgro and that the investment prospectus will be marketed by them nationally and internationally. The Executive Mayor reported that the Knysna Municipality was ranked no 19 out of a 100 tourism destinations and extended his congratulations.

The Executive Mayor reported that the campaign between the GRDM, Vodacom, Eden FM and George Museum and the members of the public called "Walk a Child to School" is still ongoing and that the roll out of the campaign will commence the first week in February 2022.

The Executive Mayor reported that there is a chlorine gas shortage from suppliers being experienced in the Western Cape which can lead to municipalities not being able to purify drinking water. He advised that all Executive Mayors in the different areas have been alerted and JOC centres have been activated.

The Executive Mayor reported that the LED section has started with compilation of information from SMME's in terms of who needs assistance and also to distinguish which SMME's need assistance the most and will announce the information shortly.

The Executive Mayor reported that all the resorts in our area had a bumper season and this is good news for the district. The only issue according to the Executive Mayor is that the maintenance of the resorts, but the Municipal Manager will give more details at the Institutional Strategic Sessions which is going to take place before the end of this quarter.

The Executive Mayor reported that the Garden Route region had visits by the National Minister of Human Settlements, M Kubayi, the Deputy Minister P Tshwete and Minister T Simmers. The Ministers will assist the GRDM to speed up the process of accreditation in order for the GRDM to become a Water Service Authority and to also receive a level 1 human settlements accreditation.

The Executive Mayor reported that he is aware of the challenges with IT equipment and advised that Councillors cannot have 3 devices, that is if a Councillor wants a tablet, laptop or desktop, a choice has to be made, but Councillors cannot keep them all

Under the Communications of the Executive Mayor, Cllr CN Lichaba communicated the following:

Cllr Lichaba communicated that the opposition fully supports the initiative of marketing of our area. She also advised that the GRDM should start planning in terms of migration of people moving from different parts of our country into our area. Cllr Lichaba expressed concern regarding the water issues and that the public needs to be informed as soon as possible of any issues relating to water.

Cllr Lichaba mentioned that she is happy that the resorts had a successful season and agrees that the resorts must be maintained in order to attract more people to visit the resorts.

Under the Communications of the Executive Mayor, Ald V Gericke communicated the following:

Ald Gericke congratulated the Knysna Municipality for becoming named as one of the top tourist destinations. Ald Gericke mentioned that during the previous term a resolution was taken to upgrade the resorts and he looks forward to the feedback that is going to be given at the strategic session. Ald Gericke advised that the "walk a child to school" initiative will be supported again. He also mentioned that the PBI condemns any type of violence against any person. Ald Gericke reported that a great deal of violence was suffered by the residents of Pacaltsdorp during the festive season at the Gwaiing Beach. He also reminded Council that during 2004 & 2005 the then Eden District Municipality was cited as a party to a court interdict against the Gwaiing River Action in Pacaltsdorp and this municipality did not oppose the court action at the time. Ald Gericke requested, on behalf of PBI, that the GRDM should investigate what the role of the GRDM is as a party that was cited in the court documents and also the PBI wants this municipality to become an active participant in following up because papers will be served to the George Municipality in this coming week for contempt of court. Ald Gericke advised that his interest is for the GRDM not to get caught unprepared.

7. **COMMUNICATIONS BY THE SPEAKER / MEDEDELINGS DEUR DIE SPEAKER**
/ UNXIBELELWANO LUKASOMLOMO

The Speaker thanked all the Councillors who attended the Council Policy Workshop that took place on 20 January 2022. She reminded Council that at the said Workshop, it was decided that the Rules of Order will remain a Policy in order to easily make changes when the need arises. The Speaker requested all Chief Whips, to please compile a list of reports that they would want discussed at the next Governance Committee meeting.

The Speaker congratulated the following Councillors for their birthdays during the month of February: Cllr CA Swart, HD Ruiters, M Kannemeyer, JC Lambaatjeen and Ald M Draghoender.v

8. COMMUNICATIONS BY THE MUNICIPAL MANAGER / MEDEDELINGS DEUR DIE MUNISIPALE BESTUURDER / UNXIBELELWANO LOMPHATHI MASIPALA

The Municipal Manager mentioned that today is his daughter's birthday, and requested indulgence from the Speaker to wish her a happy birthday.

The Municipal Manager also congratulated SALGA on a successful Western Cape Provincial Conference that was held in our district. He also congratulated the Executive Mayor on being elected the Deputy Chairperson and the Speaker for being elected as an additional member.

The Municipal Manager reported that he was briefed by Mr Menze regarding the visit by the Deputy Minister, Botes as the Garden Route District Municipality DDM Champipon. The Municipal Manager reported that the One Plan process for the District is almost completed. The Municipal Manager encouraged all the Councillors to familiarize themselves with the content of the One Plan and that it will also be discussed at the institutional strategic session scheduled to take place on 22 – 23 February 2022.

The Municipal Manager reported that yesterday was the launch of the District Health Council and Minister N Mbombo was in our region for that purpose. The Municipal Manager explained that the Council is a very important forum to discuss health matters.

The Municipal Manager reported that on 27 January 2022 the Growth and Development Strategy Implementation meeting will take place. The Growth and Development Plan has been shared with councillors and after the engagement, plans to implement the plan will commence.

The Municipal Manager reported that the GRDM has become aware of the complaints received from a farmer regarding the pomegranate project and reported that he is of the opinion that it is only because this farmer feels excluded or is not going to benefit from the water infrastructure that has been implemented for this project. The Municipal Manager reported that the matter is being dealt with.

The Municipal Manager reported that there is an issue in Mossel Bay regarding the plastic recycling project. The matter has been referred to the Public Protector by the complainant. The Municipal Manager advised that all the relevant queries will be handled by the Department of Environmental Affairs, the GRDM's role in the matter at this stage is to provide the necessary information as and when requested.

The Municipal Manager reported that Wesgro has scheduled an event taking place on 03 February 2022 (where is the event taking place....remember this question around Wesgro was raised in the portfolio meeting, therefore the minutes must cover the details of the event as communicated by the MM). On the issue of the resorts, the Municipal Manager reported that a decision was taken by the erstwhile Council to sell the resorts and as administration we encourage the new councillors to please apply their minds when deciding on the resorts and the future thereof.

The Municipal Manager apologized for the challenges experienced with the IT infrastructure during meetings. He advised that the sound system in the Council Chambers will be upgraded and that the service provider has been appointed. The Municipal Manager informed Council that the GRDM has appointed experts to look run with the project of digital transformation in the district. These are measures employed to deal with ICT challenges. On the question of tools of trade for Councillors, he reported that laptops are being procured as requested by Councillors.

The Municipal Manager reported that there were some fires in our region, particularly in the Plettenberg Bay area. He reported that the fire has been contained and the acting Fire Chief will give further feedback.

The Municipal Manager reported that Councillors will receive update regarding the latest Covid 19 figures and reported that with regards to staff, no staff member has tested positive.

9. **APPROVAL OF MINUTES OF COUNCIL MEETING / GOEDKEURING VAN NOTULES**
VAN RAADSVERGADERING / UKWAMKELWA KWEMIZUZU YENTLANGANISO
ZEBHUNGA

9.1 **SPECIAL COUNCIL MEETING DATED 10 DECEMBER 2021 / SPESIALE RAADSVERGADERING
GEDATEER 10 DESEMBER 2021 / INTLANGANISO YEBHUNGA NGOMHLA 10 KWEYEMNGA
2021 (PG 8-37)**

RESOLVED

That the minutes of the Special Council meeting dated 10 December 2021, be approved.

BESLUIT

Dat die notule van die Spesiale Raadsvergadering gedateer 10 Desember 2021, goedgekeur word

ISIGQIBO

Sesokuba imizuzu yentlanganiso eKhethekileyo yeBhunga yangomhla 10 kweyoMnga 2021, iphunyezwe.

9.2 **SPECIAL COUNCIL MEETING DATED 12 JANAUARY 2022 / SPESIALE RAADSVERGADERING
GEDATEER 12 JANUARIE 2021 / IMIZUZU YENTLANGANISO EKHETHEKILEYO YEBHUNGA
YANGOMHLA 12 KWEYOMQUNGU 2022 (PG 38-58)**

RESOLVED

That the minutes of the Special Council meeting dated 12 January 2022, be approved with the following correction:

That the composition of the Governance Committee on pg 45 be as follows:

Governance Committee

Chairperson: Ald G Wolmarans

Cllr CN Lichaba

Ald V Gericke

Cllr RJ Hector

Cllr D Acker

Cllr D Cronje

Cllr D Swart

That the composition of the MPAC Committee on pg 46 be as follow:

MPAC

Chairperson: Cllr CN Lichaba

Cllr CP Taute

Cllr R Hector

Ald M Draghoender

Cllr D Acker

Cllr D Cronje

Cllr JG Meiring

Cllr K Malooi

Cllr M Kannemeyer

BESLUIT

Dat die notule van die Spesiale Raadsvergadering gedateer 12 Januarie 2022, goedgekeur word, met die volgende korreksie:

Dat die komposisie van die Huiskomitee op bl 45 as volg wees:

Huiskomitee

Voorsitter: Ald G Wolmarans

Rdl CN Lichaba

Ald V Gericke

Rdl RJ Hector

Rdl D Acker

Rdl D Cronje

Rdl C Swart

Dat die komposisie van die MPRK op bl 46 as volg wees:

MPRK

Voorsitter: Cllr CN Lichaba

Rdl CP Taute

Rdl R Hector

Ald M Draghoender

Rdl D Acker

Rdl D Cronje

Rdl JG Meiring

Rdl K Malooi

Rdl M Kannemeyer

ISIGQIBO

Sesokuba imizuzu yentlanganiso eKhethekileyo yeBhunga yangomhla 12 kweyoMqungu 2022, iphunyezqwe nezi zilungiso zilandelayo:

Okokuba ukusekwa kweKomiti Yezolawulo kwiphepha 45 ilungiswe ngokulandelayo:

IKomiti Yezolawulo

USihlalo: Ald G Wolmarans

Ceba CN Lichaba

Ald V Gericke

Ceba RJ Hector

Ceba D Acker

Ceba D Cronje

Ceba D Swart

Okokuba ukusekwa kweKomiti ye MPAC kwiphepha 46 ngokulandelayo:

MPAC

USihlalo: Cllr CN Lichaba

Ceba CP Taute

Ceba R Hector

Ald M Draghoender

Ceba D Acker

Ceba D Cronje

Ceba JG Meiring

Ceba K Malooi

Ceba M Kannemeyer

10. STANDING ITEMS / STAANDE ITEMS / IMIBA EMISIWEYO

10.1 **APPOINTMENTS, SERVICE EXITS AND LABOUR RELATIONS INFORMATION FOR DECEMBER 2021 / 2021 AANSTELLINGS, UITDIENSTREDINGS EN ARBEIDSVERHOUDINGE INLIGTING VIR DESEMBER / ABAQASHIWEYO, ABASHIYE UMSEBENZI KUNYE NEMICIMBI YEZABASEBENZI KWINYANGA YOMNGA 2021 (pg 59 – 69)**

RESOLVED

That the information on the appointments, service exits and labour relations matters for December 2021, be noted.

BESLUIT

Dat kennis geneem word van die aanstellings, uitdienstredings, gelyke indiensenemingspraktyke en arbeidsverhoudinge inligting vir Desember 2021.

ISIGQIBO

Sesokuba ulwazi ngokuqashwa, ukuphuma kwinkonzo kunye nemicimbi yezabasebenzi kwinyanga yoMnga 2021 kuthathelwe ingqalelo.

A. REPORTS FROM THE SPEAKER / VERSLAE VANAF DIE SPEAKER / IMIBA EVELA KU SOMLOMO

A.1 **REPORT ON THE COUNCIL RESOLUTION REGISTER FOR THE MONTHS OF SEPTEMBER 2021 UNTIL DECEMBER 2021 / VERSLAG RAKENDE DIE RAADSRESOLUSIE REGISTER VIR DIE MAANDE SEPTEMBER 2021 TOT DESEMBER 2021 / INGXELO NGOLUHLU LWEZIGQIBO ZEBHUNGA KWIXESHA LWENYANGA KWEYOMSINTSI 2021 UKUYA KWEYOMNGA 2021**

Refer: Report dated 17 January 2021 from the Speaker (Ald GR Wolmarans)(pg 70-91)

RESOLVED

That Council takes note of the report on the execution of Council resolutions for the period of September until December 2021.

BESLUIT

Dat die Raad kennis neem van die Raads Resolusie Register vir die periode van September 2021 tot Desember 2021.

ISIGQIBO

Sesokuba iBhunga lithathele ingqalelo isimo sezigqibo zeBhunga kwixesha lenyanga KweyeMsintsi 2021 ukuya KweyeMnga 2021.

A.2 **REPORT ON THE ATTENDANCE OF COUNCIL, COMMITTEE MEETINGS AND WORKSHOPS FOR THE PERIOD SEPTEMBER 2021 UNTIL DECEMBER 2021 BY COUNCILLORS / VERSLAG RAKENDE DIE BYWONING VAN RAAD, KOMITEEVERGADERINGS EN WERKSWINKELS VIR DIE PERIODE SEPTEMBER 2021 TOT DESEMBER 2021 / INGXELO NGOKUZINYASWA KWENTALANGANISO ZEBHUNGA, EZEKOMITI NAKUNYE NEWORKSHOP KWIXESHA LANGOMHLA KWEYOMSINTSI 2021 UKUYA KUMHLA KWEYOMNGA 2021 NGOOCEBA**

Refer: Report dated 17 January 2021 from the Speaker (Ald GR Wolmarans)(pg 92- 97)

RESOLVED

That Council takes note of the report.

BESLUIT

Dat die Raad kennis neem van die verslag.

ISIGQIBO

Sesokuba umongo wengxelo uthathelwe ingqalelo.

B. REPORTS FROM THE EXECUTIVE MAYOR / VERSLAE VANAF DIE UITVOERENDE

BURGEMEESTER / IMIBA EVELA KUSODOLOPHU

B.1. **SECTION 52 REPORT – RESPONSIBILITIES OF MAYOR / VERSLAG: ARTIKEL 52 VERANTWOORDELIKHEDE VAN DIE BURGEMEESTER / INGXELO: U MHLATHI 52 - UXANDUVA LUKA SODOLOPHU**

Refer: Report dated 12 January 2022 from the Executive Mayor (ALD M Booysen)(pg 98-160)

RESOLVED

That Council notes the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 31 December 2021.

BESLUIT

Dat die Raad kennis neem van die kwartaalverslag rakende die implementering van die begroting en die finansiële posisie van die munisipaliteit vir die jaar tot datum en die kwartaal geëindig 31 Desember 2021.

ISIGQIBO

Sesokuba iBhunga lithathele ingqalelo ingxelo yekota ngokumiselwa kolwabiwo-mali kunye nemicimbi yezemali zomasipala kunyaka uzakuthi ga ngoku kunye Nekota ephela ngomhla 31 kweyoMnga 2021.

B.2. **SECTION 72 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT - 31 DECEMBER 2021 /**
VERSLAG: ARTIKEL 72 HALFJAARLIKSE BEGROTING EN PRESTASIE ASSESSERING- 31
DESEMBER 2021 / INGXELO: UMHLATHI 72 ULWABIWOMALI-LOMBINDI NYANKA KUNYE
NOQWALASELO LOMSEBENZI -31 KWEYOMNGA 2021

Refer:

Report dated 12 January 2022 from the Executive Mayor (ALD M Booysen)(pg 161- 213)

RESOLVED

1. That Council takes note of the mid-year budget and performance report in terms of Section 72 of the Municipal Finance Management Act;
2. That Council takes note of the SDBIP performance report for the six months ending 31 December 2021.
3. That Council takes note that an adjustment budget will be tabled in February 2022 for consideration.

BESLUIT

1. *Dat die Raad kennis neem van die halfjaarlikse Prestasieverslag voorgelê in terme van Artikel 72 van die Munisipale Finansiële Bestuurswet, en;*
2. *Dat die Raad kennis neem van die SDBIP Prestasieverslag vir die eerste ses maande van die jaar geëindig 31 Desember 2021.*
3. *Dat die Raad kennis neem dat 'n aangepaste begroting voorgelê gaan word vir oorweging in Februarie 2022.*

ISIGQIBO

1. iBhunga lithathele ingalelo ulwabiwo-mali lombindi nyaka kunye noqwalaselo lomsebenzi ngokwemithetho yoMhlathi 72 woMthetho woLawulo Lwemali zoMasipala;
2. iBhunga lithathele ingqalelo ingxelo yomsebenzi we SDBIP kwinyanga ezintandathu eziphela ngomhla 31 kweyoMnga 2021.
3. Sesokuba iBhunga lithathele ingqalelo okokuba ulungelelwaniso lolwabiwo-mali luzakuthiwa thaca ngenyanga yoMdumba 2022 ukuze lunikwe ingqealasela.

B.3. REVISED 2022- 2023 IDP BUDGET & PMS TIME SCHEDULE/ HERSIENE 2022-2023 GOP BEGROTING & PBS TYDSKEDULE / ULWABIWO-MALI IDP KUNYE NOLUHLU LWEXESHA LE PMS KU 2022-2023

Refer: Report dated 12 January 2022 from the Executive Mayor (ALD M Booysen) (pg 214-242)

RESOLVED

That Council adopts the 2022/2023 IDP Budget & PMS Time Schedule.

BESLUIT

Dat die Raad die 2022/2023 GOP Begroting en PBS Tydskedule goedkeur.

ISIGQIBO

Sesokuba iBhunga lamkele uLwabiwo-Mali IDP kunye Oluhlu lwe PMS luka 2022/2023.

C. REPORTS FROM THE OFFICE OF THE MUNICIPAL MANAGER / ITEMS VANAF DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER / IMIBA EVELA KWI OFISI YOMPHATHI MASIPALA

C.1 REQUESTED/SUGGESTED ADJUSTMENTS ON THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN OF 2021/2022 /AANGEVOERDE AANPASSINGS AAN DIE DIENSLEWERING EN BEGROTINGPLAN VIR 2021/2022 / ISICELO/IMBONO YOLUNGELELWANISO KUNIKEZELO LWENKONZO KUNYE NESICWANGCISO SOKUMISELWA KOLWABIWO-MALI LUKA 2021/2022

Refer: Report dated 17 January 2022 from the Municipal Manager (MG Stratu)(pg 235- 242)

RESOLVED

That Council approves the requested/suggested adjustments for the 2021/2022 financial year.

BESLUIT

Dat die Raad die aangepaste veranderings vir die 2021/2022 finansiële jaar goedkeur.

ISIGQIBO

Sesokuba iBhunga liphumeze isicelo/umbono wolungelewaniso lonyakamali ka 2021/2022.

C.2. REPORT ON ORGANISATIONAL STRUCTURE AMENDMENTS IN THE MUNICIPAL MANAGER DEPARTMENT / VERSLAG RAKENDE ORGANISASIE STRUKTUUR AANPASSINGS IN DIE MUNISIPALE BESTUURDER DEPARTEMENT / INGXELO NGESIMO SEZOLAWULO ULUNGISO KWISEBE LOMPHATHI MASIPALA

Refer: Report dated 17 January 2022 from the Municipal Manager (MG Stratu)(pg 243 - 249)

RESOLVED

That the report be withdrawn.

BESLUIT

Dat die verslag onttrek word.

ISIGQIBO

Sesokuba lengxelo irhoxiswe

D. REPORTS FROM THE FINANCIAL SERVICES DEPARTMENT / ITEMS VANAF DIE FINANSIËLE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZEMALI

D.1 DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 OCTOBER 2021 TO 31 OCTOBER 2021 / AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 OKTOBER 2021 TOT 31 OKTOBER 2021 / INGXELO YOTYESHELO: UKUMISELWA KOMGAQO WOLAWULO LWENKCITHO KWIXESHA LOMHLA 1 KWEYEDWARHA 2021 UKUYA 31 KWEYEDWARHA 2021

Refer: Report dated 08 November 2021 from the Executive Manager: Financial Services (J-W de Jager)(pg 250-257)

RESOLVED

1. That the implementation of Section 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 October 2021 up to 31 October 2021, be noted.
2. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.

BESLUIT

1. *Dat die kennis geneem word van die implementering van Artikel 36 van die Voorsieningskanaal beleid in terme van die afwykings vir die periode van 1 Oktober 2021 tot 31 Oktober 2021.*

2. *Dat kennis geneem word dat in terme van Artikel 114 van die Munisipale Finansiële Bestuurswet, Wet 56 van 2003, dat daar geen goedkeuring was van tenders wat toegeken is in die normale implementering van die Voorsieningskanaalbeleid van die munisipaliteit nie.*

ISIGQIBO

1. Sesokuba ukumiselwa komhlathi 36 woMgaqo Wolawulo Lwencitho yoMasiapala ngokwemimiselo yezotyeshelo kwixesha lomhla 01 ngeyeDwarha 2021 ukuya 31 ngeyeDwarha 2021, kuthathelwe ingqalelo.
2. Sesokuba kuthathelwe ingqalelo ngokwemimiselo yoMhlathi 114 woMthetho Wolawulo Lwemali zoMasipala, uMthetho 56 wango 2003, akukhange kubekho ziniki maxabiso ezingandululwanga kwinkqubo eqhelekileyo yokumiselwa uMgawo Wolawulo Lwezencitho zomasipala.

D.2 DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 NOVEMBER 2021 TO 30 NOVEMBER 2021 / AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 NOVEMBER 2021 TOT 30 NOVEMBER 2021 / INGXELO YOTYESHELO: UKUMISELWA KOMGAQO WOLAWULO LWENKCITHO KWIXESHA LOMHLA 1 KWEYENKANGA 2021 UKUYA 30 KWEYENKANGA 2021

Refer: Report dated 08 December 2021 from the Executive Manager: Financial Services (J-W de Jager)(pg 258 – 263)

RESOLVED

1. That the implementation of Section 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 November 2021 up to 30 November 2021, be noted.
2. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.

BESLUITE

1. *Dat die kennis geneem word van die implementering van Artikel 36 van die Voorsieningskanaal beleid in terme van die afwykings vir die periode van 1 November 2021 tot 30 November 2021.*

2. *Dat kennis geneem word dat in terme van Artikel 114 van die Munisipale Finansiële Bestuurswet, Wet 56 van 2003, daar geen goedkeuring was van tenders wat toegeken is in die normale implementering van die Voorsieningskanaalbeleid van die munisipaliteit nie.*

ISIGQIBO

1. Sesokuba ukumiselwa komhlathi 36 woMgaqo Wolawulo Lwencitho yoMasiapala ngokwemimiselo yezotyeshelo kwixesha lomhla 01 ngeyeNkanga 2021 ukuya 30 ngeyeNkanga 2021, kuthathelwe ingqalelo.
2. Sesokuba kuthathelwe ingqalelo ngokwemimiselo yoMhlathi 114 woMthetho Wolawulo Lwemali zoMasipala, uMthetho 56 wango 2003, akukhange kubekho ziniki maxabiso ezingandululwanga kwinkqubo eqhelekileyo yokumiselwa uMgawo Wolawulo Lwezencitho zomasipala.

D.3

DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 DECEMBER 2021 TO 15 DECEMBER 2021 / AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 DESEMBER 2021 TOT 15 DESEMBER 2021 / INGXELO YOTYESHELO: UKUMISELWA KOMGAQO WOLAWULO LWENKCITHO KWIXESHA LOMHLA 1 KWEYOMNGA 2021 UKUYA 15 KWEYOMNGA 2021

Refer: Report dated 08 January 2022 from the Executive Manager: Financial Services (J-W de Jager)(pg 264-269)

RESOLVED

1. That the implementation of Section 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 December 2021 to 15 December 2021, be noted.
2. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.

BESLUIT

1. *Dat die kennis geneem word van die implementering van Artikel 36 van die Voorsieningskanaal beleid in terme van die afwykings vir die periode van Desember 2021 tot 15 Desember 2021.*

2. *Dat kennis geneem word dat in terme van Artikel 114 van die Munisipale Finansiële Bestuurswet, Wet 56 van 2003, daar geen goedkeuring was van tenders wat toegeken is in die normale implementering van die Voorsieningskanaalbeleid van die munisipaliteit nie.*

ISIGQIBO

1. Sesokuba ukumiselwa komhlathi 36 woMgaqo Wolawulo Lwencitho yoMasiapala ngokwemimiselo yezotyeshelo kwixesha lomhla 01 ngeyeMnga 2021 ukuya 15 ngeyeMnga 2021, kuthathelwe ingqalelo.
2. Sesokuba kuthathelwe ingqalelo ngokwemimiselo yoMhlathi 114 woMthetho Wolawulo Lwemali zoMasipala, uMthetho 56 wango 2003, akukhange kubekho ziniki maxabiso ezingandululwanga kwinkqubo eqhelekileyo yokumiselwa uMgawo Wolawulo Lwezencitho zomasipala.

E. REPORTS FROM THE CORPORATE SERVICES DEPARTMENT / ITEMS VANAF DIE KORPORATIEWE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLAWULO

E.1 REPORT ON THE PROPOSED SCHEDULE OF COUNCIL AND COMMITTEE MEETINGS FOR THE PERIOD JANUARY UNTIL JUNE 2022 / VERSLAG RAKENDE DIE KONSEP VOORGESTELDE SKEDULE VAN VERGADERINGS VIR 2021 VIR DIE TYDPERK JANUARIE TOT JUNIE 2022 TEN OPSIGTE VAN RAAD EN KOMITEES / INGXELO NGESIPHAKAMISO SOLUHLU LWENTLANGANISO ZEBHUNGA KUNYE NEEKOMTI KWIXESHA LENYANGA YOMQUNGU UKUYA KWEYESILIMELA 2022

Refer: Report dated 14 January 2022 from the Executive Manager: Corporate Services (B Holtzhausen)(pg 270-279)

RESOLVED

1. That the proposed schedule of dates for Council and Committee meetings for the period January until June 2022, be approved.
2. That the closing dates for submission of reports be strictly adhered to.
3. That it be noted that the schedule is subject to changes due to the awaiting of dates from SALGA.
4. That it be noted that the Speaker may call Special meetings from time to time which are not included in this calendar.

BESLUIE

1. *Dat die konsep voorgestelde skedule van vergaderingdatums vir Raad en komiteevergaderings vir 2022, goedgekeur word.*
2. *Dat die sluitingsdatums vir die indiening van verslae streng nagekom word.*
3. *Dat kennis geneem word dat die skedule onderhewig is aan veranderinge weens die afwagtende datums vir SALGA se vergaderings.*
4. *Dat kennis geneem word dat die speaker van tyd tot tyd Spesiale vergaderings kan belê wat nie in hierdie jaarboek ingesluit is nie.*

ISIGQIBO

1. Sesokuba isiphakanyisweyo seentlanganiso zeBhunga kunye neKomiti kwixesha elisusela kwinyanga yoMqungu ukuya kweyeSilimela 2022, siphunyezwe.
2. Sesokuba intsuku zokuvalwa kokungeniswa kwengxelo ukuthoyelwa kwawo ubengqongqo.
3. Sesokuba kuthathelwe ingqalelo ukuba uluhlu luxhomekeke kwinguqu nokuxhomekele kwimihla esalindiweyo ka SALGA.
4. Sesokuba kuthathelwe ingqalelo ukuba uSomlomo angabiza intlanganiso Ekhethekileyo yeBhunga ngamaxesha athile, nengabandakanywanga koluluhlu.

E.2 **REPORT ON PROGRESS ON HUMAN RESOURCE POLICIES / VORDERINGSERSLAG RAKENDE MENS LIKE HULPBRON BELEIDE / INGXELO NGOMSEBENZI OSELE WENZIWE NGEMIGAQO YECANDELO LEMICIMBI YEZABASEBENZI**

Refer: Report dated 14 January 2022 from the Executive Manager: Corporate Services (B Holtzhausen)(pg 280-283)

RESOLVED

That Council takes note of the report.

BESLUIT

Dat die Raad kennis neem van die verslag.

ISIGQIBO

Sesokuba iBhunga lithathele ingqalleo lengxelo.

F. REPORTS FROM THE COMMUNITY SERVICES DEPARTMENT / ITEMS VANAF DIE**GEMEENSKAPSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLUNTU****F.1 UPDATE REPORT ON THE ACTIONS TAKEN BY THE DISTRICT COVID-19 COMMAND CENTRE TO ADDRESS THE COVID-19 PANDEMIC / OPDATERINGS VERSLAG RAKENDE DIE AKSIE STAPPE WAT REEDS DEUR DIE COVID-19 DISTRIK BEHEERSENTRUM IN PLEK GESTEL IS OM DIE COVID-19 PANDEMIE AAN TE SPREEK / INGXELO ENTHA NGAMANYATHELO ATHATYATHWE LIBHUNGA LEZIKO LEZOLAWULO LWESITHILI SE COVID-19 UKUJONGANA NOBHUBHANE WE COVID-19**

Refer:(18/3/2/2/6)Report from Executive Manager Community Services (C Africa) / Manager: Disaster Management (G Otto) (pg 284-295)

RESOLVED

That Council takes note of the report.

BESLUIT

Dat die Raad kennis neem van die verslag.

ISIGQIBO

Sesokuba iBhunga lithathele ingqalelo ingxelo.

G. REPORTS FROM THE ROADS AND TRANSPORT PLANNING SERVICES DEPARTMENT /**ITEMS VANAF DIE PAAIE EN VERVOER BEPLANNINGSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZENDLELA KUNYE NEZICWANGCISO KWEZOTHUTHO****G.1 QUARTERLY REPORT REGARDING THE PROGRESS OF THE ROADS DEPARTMENT AND THE FINANCIAL PROJECTIONS / KWAARTAAIERSLAG RAKENDE DIE VORDERING VAN DIE PAAIE DEPARTEMENT EN DIE FINANSIËLE VOORUITSKATTINGS / INGXELO YEKOTA YOKWAZISA IBHUNGA MALUNGA NOMSEBENZI OSELE WENZIWE LISEBE LEZENDLELA KUNYE NENGQIKELELO ZEZEMALI**

Refer: Report dated 17 January 2022 from the Executive Manager: Roads and Transport Services (JG Daniels)(pg 296-298)

RESOLVED

That Council takes note of the report.

BESLUIT

Dat die Raad kennis neem van die verslag.

ISIGQIBO

Sesokuba iBhunga lithathele ingqalelo ingxelo.

G.2 **REPORT ON THE FLOOD DAMAGES THAT OCCURRED IN NOVEMBER 2021 /VERSLAG RAKENDE DIE VLOEDSKADES WAT TYDENS NOVEMBER 2021 PLAASGEVIND HET / INGXELO NGOMONAKALO WEZIKHUKHULA EZIQHUBEKE NGENYANGA YENKANGA 2021**

Refer: Report dated 17 January 2022 from the Executive Manager: Roads and Transport Services (JG Daniels) (pg 299-324)

RESOLVED

That Council takes note of the report.

BESLUIT

Dat die Raad kennis neem van die verslag.

ISIGQIBO

Sesokuba iBhunga lithathele ingqalelo ingxelo.

H. **REPORTS FROM THE PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT / ITEMS VANAF DIE BEPLANNING EN EKONOMIESE DIENSTE DEPARTEMENT / IMIBA YESEBE LEZOCWANGCISO KUNYE NOPHUHLISO LOQOQOSHO**

H.1 **2021 GARDEN ROUTE DISTRICT MUNICIPAL ECONOMIC REVIEW OUTLOOK REPORT (MERO) /2021 GARDEN ROUTE DISTRIKSMUNISIPALITEIT MUNISIPALE EKONOMIESE OORSIGVERSLAG /INGXELO YOQWALASELO BANZI LOBUME BEZOQOQOSHO KUMASIPALA WESITHILI SE GARDEN ROUTE 2021**

Refer: Report dated 17 January 2022 from the Executive Manager: Economic Development and Planning (L Menze) (pg 325-562)

RESOLVED

1. That Council notes the 2021 Garden Route Municipal Economic Review and Outlook (MERO) from Provincial Treasury.
2. That the Municipal Economic Review and Outlook (MERO) be workshopped with all the Councillors.

BESLUIITE

1. *Dat die Raad kennis neem van die verslag van die Garden Route Distriksmunisipaliteit se 2021 Munisipale Ekonomiese Oorsig Verslag van Provinsiale Tesourie.*
2. *Dat die Munisipale Ekonomiese Oorsig Verslag (MEOV) gewerkswinkel word met al die Raadslede.*

ISIGQIBO

1. Sesokuba iBhunga liyithathele ingqalelo ingxelo Yoqwalaselo Banzi Lwendlela Yezoqoqosho yoMasipala Wesithili se Garden Route nesuka kuNondyabo Wephondo.
2. Sesokuba ingxelo Yoqwalaselo Banzi Lwendlela Yezoqoqosho yoMasipala kubanjwe I workshop yayo nabo bone OoCeba.

I. **NOTICE OF URGENT MOTIONS / KENNISGEWING VAN DRIGENDE MOSIES / ISAZISO SEZIPHAKAMISO**

I.1 None / Geen / Azikho

J. **NOTICES OF MOTIONS / KENNISGEWING VAN MOSIES / ISAZISO SEZIPHAKAMISO**

J.1 None / Geen / Azikho

K. **IN CLOSED SESSION / IN GESLOTE SESSIE / KWI-SASHONI YASEKHUSINI**

K.1 None / Geen / Azikho

CLOSURE / SLUITING / UQUKUNJELO

The meeting closed at 15:17 with 32 Councillors present / *Die vergadering sluit om 15:17 met 32 Raadslede teenwoordig* / Intlanganiso ivalwe ngo 15:17 iNooceba abayi 32.

.....

SPEAKER: ALD GR WOLMARANS

.....

DATE / DATUM / UMHLA

BACK TO AGENDA

1. APPOINTMENTS, SERVICE EXITS AND LABOUR RELATIONS INFORMATION FOR JANUARY 2022 / AANSTELLINGS, UITDIENSTREDINGS EN ARBEIDSVERHOUDINGE INLIGTING VIR JANUARY 2022 / ABAQASHIWEYO, ABASHIYE UMSEBENZI KUNYE NEMICIMBI YEZABASEBENZI KWINYANGA YOMQUNGU 2022

(9/3/1)

**REPORT FROM THE EXECUTIVE MANAGER: CORPORATE SERVICES (B HOLTZHAUSEN)
MANAGER: HUMAN RESOURCES (N KLAAS)**

2 PURPOSE

To report on the appointments, service exits and labour relations matters for January 2022.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The purpose of the report is to provide a summary of permanent and contract appointments, how the appointments promote employment equity objectives, number of terminations and an overview of related labor matters for the period January 2022.

5. RECOMMENDATION

That the information on the appointments, service exits and labour relations matters for January 2022, be noted.

AANBEVELING

Dat kennis geneem word van die aanstellings, uitdienstredings, gelyke indiensnemingspraktyke en arbeidsverhoudinge inligting vir Januarie 2022.

ISINDULULO

Sesokuba ulwazi ngokuqashwa, ukuphuma kwinkonzo kunye nemicimbi yezabasebenzi kwinyanga yoMqungu 2022 kuthathelwe inqgalelo.

6.1 Background

The Human Resource Department is responsible for the management of discipline and other labour related issues in the organization. One of the responsibilities of the department includes the appointment of employees and service exits in the organization. This report will therefore, focus on the following:

APPOINTMENTS & EMPLOYMENT EQUITY: JANUARY 2022

NR	DEPARTMENT	DESIGNATION	STATION	PERSAL NUMBER	RACE & GENDER	EMPLOYMENT CATEGORY
1	CORPORATE SERVICES	ASSISTANT OHS PRACTITIONER	GEORGE	1521	A/M	Professionals
2	ROADS SERVICES	GENERAL ATTENDANT	KNYSNA	1523	A/M	Elementary
3	ROADS SERVICES	GENERAL ATTENDANT	CALITZDORP	1524	C/M	Elementary
4	ROADS SERVICES	SUPERINTENDENT	GEORGE	1526	A/F	Tech & Associates
5	ROADS SERVICES	OPERATOR: GRADER	OUDTSHOORN	1322 (INTERNAL)	C/M	Plant & Machine
6	ROADS SERVICES	SNR SUPERVISOR: MAINTENANCE	GEORGE EAST	1142 (INTERNAL)	C/F	Tech & Associates
7	ROADS SERVICES	SNR SUPERVISOR: MAINTENANCE	GEORGE WEST	0928 (INTERNAL)	A/M	Tech & Associates
8	FINANCIAL SERVICES	CONTROLLER: EXPENDITURE	GEORGE	1528	A/M	Professionals

SERVICE EXITS & EMPLOYMENT EQUITY: JANUARY 2022

NR	DEPARTMENT	DESIGNATION	STATION	PERSAL NUMBER	RACE & GENDER	REASON	EMPLOYMENT CATEGORY
1	FINANCIAL SERVICES	STORE ASSISTANT	OUDTSHOORN	0767	C/M	DECEASED	Service & Sales
2	FINANCIAL SERVICES	ACCOUNTANT: REMUNERATION	GEORGE	1358	C/M	RESIGNED	Professionals
3	ROADS SERVICES	OPERATOR: GRADER	RIVERSDALE	0405	C/M	RETIRED	Plant & Machine
4	ROADS SERVICES	OPERATOR: REGRAVEL	GEORGE	1462	A/M	RESIGNED	Plant & Machine
5	ROADS SERVICES	OPERATOR: REGRAVEL	GEORGE	0872	A/M	MEDICALLY BOARDED	Plant & Machine

LABOUR RELATIONS: JANUARY 2022

		DISCIPLINARY HEARINGS				
NO	DEPART	DATE	PERSAL NUMBER	NATURE OF DISCIPLINARY HEARING	PROGRESS MADE	OUTCOMES
1	Corporate Services	09 June 2021	0956	Contravention of Disciplinary Code and Code of Conduct for staff members	In Process	The Disciplinary hearing was respectively held on 02 and 04 February 2022. Parties are currently negotiating a possible settlement agreement
2	Corporate Services Dept	05 Nov 2021	1184	Contravention of Disciplinary Procedure and Code of Collective Agreement	In process	Disciplinary hearing held on 03 February 2022. Parties are currently negotiating a possible settlement agreement
2	Corporate Services	09 June 2021	1371	Contravention of Disciplinary Code and Code of Conduct for staff members	In process	The Disciplinary Hearing will take place on 15, 16, 17, and 18 March 2022.
3	Planning and Economic Develop	20 Sept 2021	1444	Fruitless and wasteful expenditure	In process	Disciplinary hearing scheduled for 24/25 February 2022.
4	Roads Depart	20 Sept 2021	1421	Fruitless and wasteful expenditure	In process	Disciplinary hearing took place on 07 and 08 February 2022. Parties to submit closing arguments to chairperson before 01 March 2022.
5	Roads Depart	29 Sept 2021	1245	Contravention of the Code of Conduct for Municipal Staff members; Contravention of Disciplinary Procedure and Code of Collective Agreement	In process	Disciplinary hearing took place on 07 and 08 February 2022. Parties to submit closing arguments before 14 February 2022.
6	Roads Depart	29 Sept 2021	1367	Contravention of the Code of Conduct for Municipal Staff	In process	Disciplinary hearing took place on 07 and 08 February 2022. Parties to

				members; Contravention of Disciplinary Procedure and Code of Collective Agreement		submit closing arguments before 14 February 2022.
7	Roads Depart	29 Sept 2021	1080	Contravention of the Code of Conduct for Municipal Staff members; Contravention of Disciplinary Procedure and Code of Collective Agreement	In process	Disciplinary hearing took place on 07 and 08 February 2022. Parties to submit closing arguments before 14 February 2022.
8	Roads Depart	09 Dec 2021	(928) (1000) (1343) (384) (1090) (1354) (1435) (1497) (1092) (1375) (0530) (398) (1141) (1344) (1345) (1353) (1437) (1438) (1169) (1268) (1362) (1243) (0584A) (1093) (0517) (886) (54494) (54496) (54660) (54495) (1515) (1513) (54493)	Contravention of the Code of Conduct for Municipal Staff members; Contravention of Disciplinary Procedure and Code of Collective Agreement	In process	Disciplinary hearing took place on or before 28 February 2022.
		INFORMAL DISCIPLINARY HEARING				

NO	NAME	DEPART MENT	DATE	NATURE OF DISCIPLINARY HEARING	PROGRESS MADE	OUTCOMES
				None to report		

GRIEVANCES						
NO	DEPART	DATE	PERSAL NUMBER	NATURE OF GRIEVANCE	PROGRESS MADE	OUTCOMES
1.	Community Services (Group grievance)	15 October 2021	0912 1131 1384 1411	Unfair division and allocation of regions and areas	In process	Parties are currently in discussions to resolve the matter amongst them.
2.	Community Services (Group grievance)	05 Novemb er 2021	1259 1206 1155	Unfair labour practice	In process	Parties are currently in discussions to resolve the matter amongst them.
3.	Financial Services	17 Novemb er 2021	1159	Would like to be moved out of the department	In process	Grievance hearing scheduled for 18 February 2022.

INCAPACITY INVESTIGATIONS						
NO	DEPART	DATE	PERSAL NUMBER	NATURE OF INCAPACITY	PROGRESS MADE	OUTCOMES
1.	Roads Department	01 April 2021	1407	Medical incapacity	In process	Presiding Officer in process to finalize the matter before 28 February 2022.
2.	Financial Services	17 Novemb er 2021	0983	Medical incapacity	In process	Hearing date scheduled for 15 February 2022.

DISPUTES						
N O	DEPART	DATE	PERSAL NUMBER	NATURE OF DISPUTES	PROGRESS MADE	OUTCOMES
1.	Corporate Services	04 May 2021	1371	Unfair labour practice	In process	Arbitration date scheduled for 09 March 2022.

2.	Community Services	12 July 2021	1270	Unfair labour practice	In process	Arbitration date scheduled for 22 March 2022.
3.	External	04 August 2021	N/A	Unfair Labour Practice	In process	Arbitration date scheduled for 23 March 2022.

COUNSELLING						
N O	DEPART	DATE	PERSAL NUMBER	NATURE OF COUNSELLING SESSION	PROGRESS MADE	OUTCOMES
					None reported	

CONTRACT APPOINTMENTS: JANUARY 2022 (7)

NR	EMP NR	POSITION	DEPARTMENT	STATION	RACE & GENDER	PERIOD
1	54902	LEARNER	CORP - HR	GEORGE	C/F	10/01/22–28/02/22
2	54882	TOWN PLANNER	PLANNING	GEORGE	A/F	10/01/22 - 09/01/24
3	54903	SUPERINTENDENT	ROADS	GEORGE	C/M	11/01/22 – 31/03/22
4	54869	SNR SUPERVISOR	ROADS	OUDTSH	A/M	11/01/22 – 31/03/22
5	54905	PERSONAL ASST: DEP MAYOR	OFFICE OF MM	GEORGE	W/F	03/01/22 – 31/03/22
6	54906	HEAD:EXECUTIVE SUPPORT	OFFICE OF MM	GEORGE	A/M	03/01/22 – 31/03/22
7	54907	MAYOR DRIVER	OFFICE OF MM	GEORGE	A/M	26/11/21 – 30/04/22

6.2 Discussion

As stipulated in the report.

6.3 Financial Implications

As per budget for each position

6.4 Legal Implications

RELEVANT LEGISLATION

CONSTITUTION OF REPUBLIC OF SOUTH AFRICA, 1996

BASIC CONDITIONS OF EMPLOYMENT ACT, ACT 56 OF 2003

LABOUR RELATIONS ACT, ACT 66 OF 1995

6.5 Staff Implications

As indicated in attached report.

6.6 Previous / Relevant Council Resolutions:

Monthly reports are submitted to Council for noting.

6.7 Risk Implications

There can be unforeseen financial implications based on outcomes of labour matters.

BACK TO AGENDA

1. REPORT ON THE APPOINTMENT OF AN ACTING MUNICIPAL MANAGER / VERSLAG RAKENDE DIE AANSTELLING VAN 'N WAARNEMENDE MUNISIPALE BESTUURDER / UKUCHONGWA KWEBAMBELA MPHATHI MASIPALA

REPORT FROM THE EXECUTIVE MAYOR (ALD M BOOYSEN)

2. PURPOSE

For Council to approve the appointment of an acting Municipal Manager for a period not exceeding three (3) months.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The contract of the current Municipal Manager will come to an end on 28 February 2022.

In terms of Section 54A (1)(b) of the Local Government: Municipal Systems Act, Council must appoint an Acting Municipal Manager under such circumstances for a period as prescribed.

Council has granted approval for the commencement of the recruitment and selection process for the appointment of a municipal manager. The process of filling of the vacancy is currently underway in line with the process plan that Council approved for the filling of the vacancy.

5. RECOMMENDATION

That Council takes note of the report and approves the appointment of Mr Lusanda Menze to act as a Municipal Manager for a period not exceeding three (3) months while the process of appointing a Municipal Manager is being finalised

AANBEVELING

Dat die Raad kennis neem van die verslag en die aanstelling van Mnr Lusanda Menze om waar te neem as Munisipale Bestuurder, vir 'n periode nie langer as drie (3) maande, goed te keur.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo ingxelo kwaye liphumeze ukuchongw akuka Mnu Lusanda Menze njengebambela Mphathi Masipala isithuba esingadluliyo kwiinyanga ezinathu(3).

6 DISCUSSION / CONTENTS**6.1 BACKGROUND**

At a Council meeting held on 10 December 2021 Council approved the commencement of the recruitment process for filling of the Municipal Manager's position as well as the advert and the process plan.

The position was advertised in accordance with the Regulations on appointment and conditions of service of Senior Managers and the selection process is underway.

6.2 DISCUSSION

The contract of the current Municipal Manager will come to an end on 28 February 2022.

In terms of Section 54A (1)(b) of the Local Government: Municipal Systems Act, Council must appoint an Acting Municipal Manager under such circumstances for a period as prescribed.

In order for Council to fulfil its mandate effectively an acting municipal manager needs to be appointed for managing of the day to day operations of the municipality as well as fulfilling any other roles as prescribed by the relevant legislations for the duration of the filling of the vacancy.

6.3 Financial Implications

Acting allowance as budgeted for on the 2021/2022 financial year;

6.4 Legal Implications

Section 54A (1)(b) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

Local Government: Municipal Financial Management Act, Act 56 of 2003

6.5 Staff Implications

None

6.6 Linkage to Strategic Objective(s)

Good Governance.

6.7 Previous / Relevant Council Resolutions

There are no previous or relevant Council resolutions related to this matter.

6.8 Risk Implications

The municipality not appointing an acting Municipal Manager for the duration of the filling of the vacancy.

BACK TO AGENDA

1. **2ND ADJUSTMENT BUDGET 2021/2022 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) / TWEDE AANSUIWERINGSBEGROTING 2021/2022 MEDIUM TERMYN EN INKOMSTE EN UITGAWE RAAMWERK (MTIUR) / ULUNGELELWANISO LWESIBINI LOLWABIWO-MALI LUKA 2021/2022 INGENISO YEXESHA ELIFUTSHANE KUNYE NENDLELA YOMISELO LWENCITHO**

(6/18/7)

09 February 2022

REPORT FROM THE EXECUTIVE MAYOR (ALD M BOOYSEN)

PURPOSE OF THE REPORT

The report is tabled to council in terms of section 28(2) (Municipal Adjustments Budgets) as required in terms of the Municipal Finance Management Act 56 of 2003.

DELEGATED AUTHORITY

Council

EXECUTIVE SUMMARY

Sub regulation (1) of Regulation 23 (3) of the Budget and Reporting Regulations, states –

An adjustment budget referred to in section 28(2)(b),(d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

The Executive Mayor must table an adjustment budget to Council for consideration and approval. Additional revenues/allocations received from the Provincial Government to the amount of R4.3m (Gazette 8531, dated 15 December 2021) has been included in this adjustment budget.

RECOMMENDATIONS

That Council take the following resolutions:

(1) That the 2nd adjustments budget of Garden Route District Municipality for the financial year 2021/2022 as set out in the schedules contained in Section 4 be **approved**:

- i. Table B1 Adjustments Budget Summary;
- ii. Table B2 Adjustments Budget Financial Performance (by standard classification);
- iii. Table B3 Adjustments Budget Financial Performance (by municipal vote);
- iv. Table B4 Adjustment Budget Financial Performance (revenue by source); and
- v. Table B5 Adjustment Budget Capital Expenditure (by municipal vote and funding source)

(2) Council approves the Adjustment Operating Expenditure Budget of R453,742,320

(3) Council approves the Adjustment Operating Revenue Budget of R442,803,535

(4) Council approves the Adjustment Capital Budget of R19,616,540

(5) That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the 2021/22 financial year be compiled and tabled to the Executive Mayor for approval.

(6) That Council take note of the Medium Term Budget Policy Statement 2021 (MTBPS).

AANBEVELINGS

Dat die Raad die volgende resolusies aanvaar:

(1) *Dat die tweede Aangepaste Begroting van Garden Route Distriksmunisipaliteit vir die finansiële jaar 2021/2022 soos vervat in die skedules van Seksie 4 **goedgekeur** word:*

- i. *Tabel B1 Aangepaste Begrotings Opsomming;*
- ii. *Tabel B2 Aangepaste Begroting Finansiële Prestasie (volgens standaard klassifikasie);*
- iii. *Tabel B3 Aangepaste Begroting Finansiële Prestasie (volgens pos);*
- iv. *Tabel B4 Aangepaste Begroting Finansiële Prestasie (volgens finansieringsbron); en*
- v. *Tabel B5 Aangepaste Kapitale Begroting (volgens pos en finansieringsbron)*

(2) *Die Raad die Aangepaste Uitgawe Begroting van R453,742,320 goedkeur.*

- (3) Die Raad die Aangepaste Inkomste Begroting van R442,803,535 goedkeur.
- (4) Die Raad die Aangepaste Kapitaal Begroting van R19,616,540 goedkeur.
- (5) Dat die hersiende Dienslewering- en Begrotings Implementerings Plan vir 2021/2022 opgestel en aan die Uitvoerende Burgermeester voorgelê word vir goedkeuring.
- (6) Dat die Raad neem kennis van die Medium Termyn Begroting Beleid Verklaring 2021 (MTBPS).

IZINDULULO

Sesokuba iBhunga lithathe ezi zigqibo zilandelayo:

- (1) Sesokuba ulwabiwo-mali olulungisiweyo(izibonelelo ezingasetyenziswanga) loMasipala Wesithili se Garden Route kunyakamali ka 2021/2022 njengoko kuchaziwe kuluhlu oluqulwathwe kuMhlathi 4 luphunyezwe:
 - i. Table B1 Ushwankathelo loLwabiwo-Mali Olu-Lungisiweyo
 - ii. Table B2 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ngokwendlela ezifanelekileyo);
 - iii. Table B3 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ngokwevoti yomasipala);
 - iv. Table B4 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ingeniso ngokovimba); kunye
 - v. Table B5 Ulwabiwo-Mali Olulungisiweyo Incitho Yenkunzi (ngokwevoti yomasipala kunye nenxaso yovimba)
- (2) IBhunga liphumeze Ulwabiwo-Mali Olu-Lungisiweyo Lencitho Eqhubayo ye R453,742,320
- (3) IBhunga liphumeze uLwabiwo-Mali Oluqhubayo Lwengeniso noluyi R442,803,535
- (4) IBhunga liphumeze Ulwabiwo-Mali Oluyinkunzi Olu-Lungisiweyo lwe R19,616, 540
- (5) Sesokuba ulungisowe Lonikezelo Nkonzo kunye Nesicwangciso Sokumiselwa koLwabiwo-Mali(SDBIP) kunyakamali ka 2021/2022 luqulunqwe kwaye luthiwe theca kuSodolophu obekekileyo ukuze luphunyezwe.
- (6) Sesokuba iBhunga lithathele ingqalelo Ingxelo Yomgaqo Wolwabiwo-Mali Lwexesha Elifutshane 2021 (MTBPS).

6. DISCUSSION / BACKGROUND

6.1 DISCUSSION

Section 28 of the Municipal Finance Management Act 2003 (No.56) (MFMA) determines that a Municipality may revise an approved annual budget through an adjustment budget.

Subsection (2) also determines that an adjustment budget:

- a) Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- b) May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- c) May, within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor;
- d) May authorize the utilization of projected savings in one vote towards spending under another vote;
- e) May authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the Council;
- f) May correct any errors in the annual budget; and
- g) May provide for any other expenditure within a prescribed framework.

Subsection (4) determines that only the mayor may table an adjustment budget in the municipal Council, but an adjustment budget in terms of subsection (2) (b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.

Subsection (5) states that when an adjustment budget is tabled, it must be accompanied by an explanation of how the adjustment budget affects the annual budget and a motivation of any material changes to the annual budget.

Subsection (6) states very clearly that property rates and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.

Cognizance must also be taken of **Section 15** of the MFMA which refers to the appropriation of funds for expenditure.

Subsection **(a)** determines very clearly that expenditure may only be incurred in terms of an approved budget; and

(b) Within the limits of the amounts appropriated for the different votes in an approved budget.

6.2 BACKGROUND

Also take note of **Section 23 (3)** of the Budget and Reporting Regulations which refers to the Timeframes for tabling of adjustment budgets.

Subsection (1) states –

An adjustments budget referred to in section 28(2)(b),(d) and (f) of the Act may only be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

6.3 FINANCIAL IMPLICATIONS

Financial implications as per the Report attached

6.4 _RELEVANT LEGISLATION

Municipal Finance Management Act, No 56 of 2003

Municipal Budget and Reporting Regulations, 17 April 2009

ANNEXURES

- 2ND Adjustment Budget Report 2021/2022 MTREF
- Medium Term Budget Policy Statement 2021 (MTBPS)



GARDEN ROUTE DISTRICT MUNICIPALITY

FINANCIAL YEAR 2021 - 2022

2ND ADJUSTMENT BUDGET REPORT

2021/2022 MTREF

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Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

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

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital expenditure – Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

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

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations April 2009

MFMA – The Municipal Finance Management Act – No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

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

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

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

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. In Garden Route District this means the different GFS classification the budget is divided.

Legislative Framework

This report has been prepared in terms of the following enabling legislation.

The Municipal Finance Management Act – No. 56 of 2003

Section 28 Municipal Adjustment Budgets

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

Schedule B format of adjustment budgets

PART 1 – IN-YEAR REPORT

SECTION 1 – MAYORAL SPEECH

Honourable Speaker, leaders of the Opposition, honourable members of the Garden Route District Council on both sides of the house, The Municipal Manager and his Executive Management Team, the Members of the Media, interest groups and the citizens of the Garden Route District Municipality.

I would like to express a hearty warm welcome to you all. We are here today to approve the adjustment budget after the mid-year assessment was tabled at council on 25 January 2022.

Section 23 (3) of the Budget and Reporting Regulations which refers to the timeframes of tabling of adjustment budgets.

Sub regulation (1) states –

“An adjustment budget referred to in section 28(2)(b),(d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.”

Provincial Government allocated an additional R4,300,000 to the municipality and this additional allocation has been included in this adjustment budget

The details of the above inclusions are as follows:

Additional Provincial Conditional Grants

Provincial Government Additional Adjustment Funds		
Section	Project Description	Additional Funds
Exec & Council	Provincial Government Additional Grants	4 300 000,00
	Breakdown is as follows:	
Risk Management Unit	Risk Management and Internal Audit system	750 000,00
IT Section	Spatial Data/Reporting Support for Munis in GRDM	350 000,00
EPWP Prjoects	Local Government Public Employment Support Grant	200 000,00
LED	Joint District and Metro Approach Grant	2 000 000,00
Disaster Management	Municipal Drought Grant	100 000,00
Human Settlement	PT Contribution Acceleration of Housing Delivery	900 000,00

In the Provincial Gazette Extraordinary 8531 dated 15 December 2021 as issued by Western Cape Government, the above additional grant allocations were made to the Garden Route

District Municipality. This is therefore added to operating revenue and operating expenditure in the 2021/2022 budget.

The details of the above amendments to the budget are as follows:

Summary

OPERATIONAL BUDGET - 2nd Adjustment Budget (21 February 2022)					
Summary of high-level proposed Second Adjustment Budget: 2021/2022	Approved Budget 2021/2022	Roll - Over Budget Amounts	Roll - Over Budget 2021/2022	2nd Adjustment Budget 2021/2022 Amounts	2nd Adjustment Budget 2021/2022
Revised Operational Income	420 694 075,00	5 565 238,00	426 259 313,00	16 544 222,00	442 803 534,00
Revised Operational Expenditure	428 166 027,00	5 165 238,00	433 331 265,00	20 411 055,00	453 742 320,00
Surplus / (Deficit)	- 7 471 952,00	400 000,00	- 7 071 952,00	- 3 866 833,00	- 10 938 786,00
Revised Capital Budget	76 172 524,00	400 000,00	76 572 524,00	- 56 955 984,00	19 616 540,00
Less funded from NT Grants	4 500 000,00	400 000,00	4 900 000,00		4 500 000,00
Less funded from Borrowings	11 672 524,00		11 672 524,00		3 905 382,00
Less funded from CRR	60 000 000,00		60 000 000,00		5 213 217,00
Less funded from Transfer and subsidies - capital allocation					5 997 941,00
Surplus / (Deficit) after Capital	- 7 471 952,00	400 000,00	- 7 071 952,00	- 3 866 833,00	- 10 938 786,00

Note that the 2021/22 adjustments budget totals to a net deficit, but it is not an unfunded budget. GRDM has accumulated surpluses which will fund the shortfall in the short term, with numerous projects in various stages of implementation to ensure GRDM can maintain its healthy financial position in the current extremely challenging economic conditions, as well as over the long term.

Operational Budget:

Income: The operational revenue budget has increased by approximately R16.5 million, the largest items contributing to the increase is as follows:

- Conditional grants R4.3 million additional allocation from Provincial Government as per Gazette 8531 dated 15 December 2021.
- The Roads budget increased with a total of R10.2 million on reassessment of expenditure up to 30 June 2022. This is offset by an increase in Roads expenditure by the same amount.
- The budgeted revenue from Resorts increased with an amount of R1.9 million and this is due to the lifting of the lockdown level restrictions from previous years where the Resorts were closed during the December/January holidays and other key times in the financial year because of the COVID 19 pandemic. This increase is offset by a reduction in projected revenue of R1.5 million from rental/lease income based on updated assessments of revenue from this source for the remainder of the financial year.

- Income from rendering the fire services increased with R1million due to the number of fires that has occurred the past 8 months (the latest fire being at Gansmanshoek in Hessequa).

Expenditure: The operational expenditure budget has increased by approximately R20.5 million, the largest items contributing to the increase is as follows:

- R4.2 million for the various additional provincial conditional grants allocation received as per PT Gazette 8531 of 15 December 2021. (Note than R100,000 of the allocation is allocated to Capital expenditure).
- R10.2 million for the Roads Budget, this is fully funded and total to the increased total income of the Roads budget – zero net effect.
- Increase in employee related cost of R2 million due to the once-off pensionable allowance as per the newly approved collective agreement of R3 000/R4 000 per employee that was not known/expected at the time of the approval of the 2021/22 budget in May 2021).
- R400,000 increase to the exit gratuity provision as per the new policy approved in June 2021 for employees appointed linked to the political term of office.
- Updated assessments re spending of conditional grants resulted in R2 million expenditure to be moved from the capital expenditure budget to the operational expenditure. Mainly on the Municipal Systems Improvement Grant in order to fund operational expenditure with funds previously included in the capital budget.
- Increase of R1million in contracted services for aerial support for firefighting due to number of fires that have occurred this financial year.

Capital Budget:

The main reason for the decrease in the capital budget of almost R56m is as follows:

- R55.9 million decrease in landfill site capital budget, due to shifting of capital expenditure from the 2021/22 to the 2022/23 financial year. The delayed expenditure does not cause any loss of funding to Council as this is a loan funded project.

A regional landfill site project steering committee is established represented by the different sections in GRDM consisting of different expertise where pertinent issues are discussed and cleared, timelines and progress is discussed.

The participation of the 4 participating municipalities are imperative and updated council resolutions are needed confirming the participation in the regional landfill site and acknowledgement that provision is made in the budget, as this is one of the documents that GRDM need urgently before embarking on the loan funding process as this will be one of the document requested by interested parties when evaluating GRDM's credit risk, ability to repay obligation, financial sustainability, etc.

I would therefore like to recommend that council approve the following resolutions:

- (1) That the adjustment budget of Garden Route District Municipality for the financial year **2021/2022** as set out in the schedules contained in Section 4 be approved:
 - (i) Table B1 Adjustments Budget Summary;
 - (ii) Table B2 Adjustments Budget Financial Performance (by standard classification);
 - (iii) Table B3 Adjustments Budget Financial Performance (by municipal vote);
 - (iv) Table B4 Adjustments Budget Financial Performance (revenue by source); and
 - (v) Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)
- (2) That the adjusted operating expenditure budget of Garden Route District Municipality for the financial year **2021/2022 of R453,742,320** be approved.
- (3) That the adjusted operating revenue budget of Garden Route District Municipality for the financial year **2021/2022 of R442,803,535** be approved.
- (4) That the adjusted capital of Garden Route District Municipality for the financial year **2021/2022 of R19,616,540**
- (5) That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the **2021/2022** financial year be compiled and tabled to the Executive Mayor for approval.
- (6) That Council take note of the Medium Term Budget Policy Statement 2021 (MTBPS).

SECTION 2 – RESOLUTIONS

Municipal Financial Management Act, 56 of 2003 – SECTION 28 Municipal Adjustment Budgets.

These are the resolutions being presented to Council in terms of the Municipal Finance Management Act, 56 of 2003 on the adjustment budget and related information.

RECOMMENDATIONS:

- (1) That the adjustment budget of Garden Route District Municipality for the financial year **2021/2022** as set out in the schedules contained in Section 4 be approved:
 - (i) Table B1 Adjustments Budget Summary;
 - (ii) Table B2 Adjustments Budget Financial Performance (by standard classification);
 - (iii) Table B3 Adjustments Budget Financial Performance (by municipal vote);
 - (iv) Table B4 Adjustments Budget Financial Performance (revenue by source); and
 - (v) Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)
- (2) That the adjusted operating expenditure budget of Garden Route District Municipality for the financial year **2021/2022 of R453,742,320** be approved.
- (3) That the adjusted operating revenue budget of Garden Route District Municipality for the financial year **2021/2022 of R442,803,535** be approved.
- (4) That the adjusted capital budget of Garden Route District Municipality for the financial year **2021/2022 of R19,616,540** be approved.
- (5) That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the **2021/2022** financial year be compiled and tabled to the Executive Mayor for approval.
- (6) That Council take note of the Medium Term Budget Policy Statement 2021 (MTBPS).

SECTION 3 - EXECUTIVE SUMMARY

3.1 Introduction

This budget report is tabled in terms of the Municipal Finance Management Act, 56 of 2003 and the Municipal Budget and Reporting regulations, dated 17 April 2009.

Municipal Finance Management Act, 56 of 2003

Section 28(1) *A municipality may revise an approved annual budget through an adjustment budget.*

Section 28(2)(b) *may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;*

Section 28(2)(d) *may authorise the utilisation of projected savings in one vote towards spending under another vote;*

Section 28(2)(f) *may correct any errors in the annual budget*

Section 28(3) *An adjustment budget must be in a prescribed format.*

Municipal Budget and Reporting Regulations, 17 April 2009, Regulation 23 Timeframes for tabling of adjustments budgets:

Sub regulation (1) states –

An adjustment budget referred to in section 28(2)(b),(d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

Schedule B Adjustment budget and supporting documentation of municipalities

(1) *An adjustment budget and support documentation of a municipality that is –*

- a.** *Contemplated in sub regulation 23(1) must have all the headings in the sequence shown in the table of contents below, contain the information described in this Schedules and be appropriately page numbered, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.*

3.2 Adjustment Budget

Operational Budget

Comparison between the **Original, Rollover and Second Adjustment Budget** for the 2021/22 financial year:

OPERATIONAL BUDGET - 2nd Adjustment Budget (21 February 2022)					
Summary of high-level proposed Second Adjustment Budget: 2021/2022	Approved Budget 2021/2022	Roll - Over Budget Amounts	Roll - Over Budget 2021/2022	2nd Adjustment Budget 2021/2022 Amounts	2nd Adjustment Budget 2021/2022
Revised Operational Income	420 694 075,00	5 565 238,00	426 259 313,00	16 544 222,00	442 803 535,00
Revised Operational Expenditure	428 166 027,00	5 165 238,00	433 331 265,00	20 411 055,00	453 742 320,00
Surplus / (Deficit)	- 7 471 952,00	400 000,00	- 7 071 952,00	- 3 866 833,00	- 10 938 785,00
Revised Capital Budget	76 172 524,00	400 000,00	76 572 524,00	- 56 955 984,00	19 616 540,00
Less funded from NT Grants	4 500 000,00	400 000,00	4 900 000,00		4 500 000,00
Less funded from Borrowings	11 672 524,00		11 672 524,00		3 905 382,00
Less funded from CRR	60 000 000,00		60 000 000,00		5 213 217,00
Less funded from Transfer and subsidies - capital allocation					5 997 941,00
Surplus / (Deficit) after Capital	- 7 471 952,00	400 000,00	- 7 071 952,00	- 3 866 833,00	- 10 938 785,00

OPERATING (SURPLUS)/DEFICIT

A deficit of R10 938 785 is proposed for the Second Adjustments Budget. Note that the 2021/22 adjustments budget totals to a net deficit, but it is not an unfunded budget. GRDM has accumulated surpluses which will fund the shortfall in the short term, with numerous projects in various stages of implementation to ensure GRDM can maintain a sustainable financial position in the current extremely challenging economic conditions, as well as over the long term.

Capital Budget

The main reason for the decrease in the capital budget of almost R56m is as follows:

- R55.9 million decrease in landfill site capital budget, due to shifting of capital expenditure from the 2021/22 to the 2022/23 financial year. The delayed expenditure does not cause any loss of funding to Council as this is a loan funded project.

A regional landfill site project steering committee is established represented by the different sections in GRDM consisting of different expertise where pertinent issues are discussed and cleared, timelines and progress is discussed.

The participation of the 4 participating municipalities are imperative and updated council resolutions are needed confirming the participation in the regional landfill site and acknowledgement that provision is made in the budget, as this is one of the documents that GRDM need urgently before embarking on the loan funding process as this will be one of the document requested by interested parties when evaluating GRDM's credit risk, ability to repay obligation, financial sustainability, etc.

3.3 Provision of basic services

The municipality as a category C municipality do not deliver basic services in respect of the following:

- Provision of Water services
- Provision of sanitation services
- Provision of refuse
- Provision of housing

Service that is delivered by the municipality that is essential to the communities of the Garden Route region includes the following:

- a. Garden Route DM plays a critical role in the delivery of Fire services in the area. This is supported by the fact that a number of service delivery agreements is in place with different local municipalities to ensure delivery of fire services within their areas.
- b. Garden Route DM also has an Air Quality service level agreement with the municipality of Hessequa Municipality.
- c. Disaster Management and ensuring that a collective effort is implemented is also a key function performed by the municipality.
- d. The provision of Environmental Health practitioners is another key function performed by the district. With the food scarcity crisis and the impact that drought has on the provision of food security the impact this function is performing is of critical importance.
- e. Garden Route DM maintains and constructs roads on behalf of the Provincial Department of Transport and Public Works.
- f. Garden Route DM is in the process to establish and operate a regional landfill site where participating local municipalities will be utilizing GRDM's services and a tariff will be payable to GRDM.

The municipal budget is drafted to ensure the provision of these services can continue on an uninterrupted basis within these municipal jurisdiction areas.

3.4 SDBIP and MTREF financial sustainability

The municipality tabled a balanced/funded budget during the May council approval budget process. The SDBIP was compiled on the basis of this approved budget.

The adjustment will have no negative effect on the sustainability of the original budget as approved by council.

The municipality is currently in a healthy financial position. GRDM is in the process of addressing the long term sustainability issues of Council as a district on various platforms. Council approved the Long Term Financial plan as guiding document to ensure sustainability.

The Integrated Development Planning unit implement an approved and improved IDP project plan and approach. This should ensure optimisation of the use of resources and enhance planning and monitoring of implementation in terms of the service delivery and budget implementation plan (SDBIP). The municipal SDBIP and KPI adhere to the SMART principles that are being advocated as best municipal practices.

Amendments to the SDBIP are also regularly completed and performed to ensure that administration stays on track towards the achievements of the targets and objectives of the IDP.

3.5 High level summary of adjustments

The following table illustrates the Original Budget approved by council for the **2021/2022** MTREF period during the May council budget approval process and the subsequent movement of the adjustment budgets.

Operating Revenue

	Roll - Over Budget 2021/2022	2nd Adjustment Budget 2021/2022	Variance (Aug'21 - Feb'22)	% percentage	Note
Summary: Total Income					
Rental of facilities and equipment	3 829 005,00	2 329 005,00	- 1 500 000,00	-64%	1
Interest earned - external investments	8 500 000,00	8 500 000,00	-	0%	2
Interest earned - outstanding debtors	2 970 460,00	2 970 460,00	-	0%	3
Licences and permits	117 978,00	117 978,00	-	0%	4
Agency services	195 834 223,00	207 175 865,00	11 341 642,00	5%	5
Transfers and subsidies	192 940 237,00	201 583 306,00	8 643 069,00	4%	6
Other revenue	22 067 409,00	19 710 229,00	- 2 357 180,00	-12%	7
Transfers and subsidies - capital	-	416 691,00	416 691,00	100%	8
Revised Operational Income	426 259 312,00	442 803 534,00	16 544 222,00		

Notes:

1. Rental of facilities and equipment – Decrease with R1.5 million due to the current actual projection indicating lower expected income.
2. Interest earned: external investments – remain unchanged.
- 3.- 4 Interest earned: outstanding debtors and Licences and permits – remain unchanged.
5. Agency Services increase with R11m as the Roads total operating budget increased.
6. Transfers and Subsidies increased with R8.6 million because of the additional Provincial Conditional Grant Allocation received (R4.3 million). Unspent grants of R1.2 million of Rural Roads Assets Management Grant (RRAMS) were paid back to the National Revenue Fund due to non-approval of roll-over application. Increase of R5.5 million from donation of two erven from George LM for purposes of construction of the new district fire station.
7. Other revenue – Total decrease with R3.3 million consisting of decrease in budget for income from land to the amount of R5.5 million (reallocated to number 6. above.) and the resort income increased with R2.2 million which resulted in nett effect of –R3.3 million. Income from rendering the fire services increased with R1million due to the number of fires that has occurred the past 8 months (the latest fire being at Gansmanshoek in Hessequa).
8. Transfers and subsidies - capital (in-kind - all). Immaterial movement.

Operating Expenditure

	Roll - Over Budget 2021/2022	2nd Adjustment Budget 2021/2022	Variance (Aug'21 - Feb'22)	% percentage	Note
Summary: Total Expenditure					
Employee related costs	261 554 175,00	274 800 260,00	13 246 085,00	5%	1
Remuneration of councillors	13 360 009,00	11 942 751,00	- 1 417 258,00	-12%	2
Debt impairment	1 500 000,00	1 500 000,00	-	0%	3
Depreciation & asset impairment	4 851 946,00	4 851 946,00	-	0%	4
Finance charges	70 000,00	70 000,00	-	0%	5
Other materials	57 893 925,00	49 640 840,00	- 8 253 085,00	-17%	6
Contracted services	33 923 658,00	34 421 068,00	497 410,00	1%	7
Transfers and subsidies	2 375 000,00	7 497 710,00	5 122 710,00	68%	8
Other expenditure	57 802 351,00	68 948 337,00	11 145 986,00	16%	9
Losses		69 408,00	69 408,00	100%	10
Revised Operational Income	433 331 064,00	453 742 320,00	20 411 256,00		

Notes:

1. Employee related costs – increase mainly due to once-off pensionable allowances payable to all employees as per the collective agreement and which were not known at the time of

the original budget in May 2021 (R2m), the increase in exit gratuity provision as new policy were approved in June 2021 and as explained above (R400k), re-allocating funding to EPWP (R2.6m) and increase in provision for overtime and standby costs relating to COVID 19 activates that GRDM is obliged to perform in the Community Services department (e.g. Municipal Health, Disaster Management and Fire Fighting Services). The remainder relates to increased expenditure on the Roads budget that is off-set in the increase in revenue from this service.

2. Remuneration of councillors – decreased with R1.4m due to fact that an increase from 2020/21 to 2021/22 was budgeted for in expectation of the gazette. However, the gazette determined that there will be no increase in Councillor Remuneration.

3 – 5. Debt Impairment, Depreciation and asset impairment and Finance charges remain unchanged, this is year-end transactions that is processed.

6. Other materials – decreased with R8.2m and are mainly due to savings identified for other expenditure projects, this relates mainly to the roads department.

7. Contracted Services – decrease by R502,590 due to savings identified and moved across the rest of the vote structure to other expenditure. Aerial firefighting support expenditure increased with R1million due to the number of fires that has occurred the past 8 months (the latest fire being at Gansmanshoek in Hessequa).

8. Transfers and subsidies – Increase with R5.1m and is mainly due to the additional Provincial Treasury conditional grant allocations received.

9. Other expenditure – Increase with R11.1m and are due to savings identified in other vote structures and moved to other expenditure (e.g. refer number 6 above).

Capital budget

The following capital were added and removed on the 2nd Adjustment Budget:

DESCRIPTION	ADJUSTED ROLL-OVER 2021/22 Budget	ADJUSTMENT TO BUDGET	Total Budget 2021/22	COST CENTRE DESCRIPTION	Notes
New Office Furniture: Speaker	-	50 000,00	50 000,00	Office : of the speaker	1
2-seater couch	-	15 000,00	15 000,00	Office : of the speaker	
Bar Fridge	-	2 500,00	2 500,00	Office : of the speaker	
TV	-	5 000,00	5 000,00	Office : of the speaker	
A printer/scanner/copier in the PAs office	-	10 000,00	10 000,00	Office : of the speaker	
Office furniture: Office MM	30 000,00	-	30 000,00	Municipal Manager	
Office Furniture , Equipment: Man PlanningDev	30 000,00	-	30 000,00	Executive Manager: Planning and Development	
Office equipment: CFO	30 000,00	- 3 000,00	27 000,00	BTO , AFS	
Replacing ICT Capital Equipment beyond economical repairs	295 000,00	- 245 000,00	50 000,00	Information technology	
ICT Infrastructure	2 756 980,00	- 2 756 980,00	-	Information technology	
ICT Infrastructure: Servers	884 459,00	-	884 459,00	Information technology	
ICT Infrastructure: Security	67 624,00	-	67 624,00	Information technology	
ICT Infrastructure: Upgrade MS SQL	51 740,00	-	51 740,00	Information technology	
ICT Infrastructure: 48 Port Switches	191 595,00	-	191 595,00	Information technology	
ICT Infrastructure: 24 Port Switches	70 859,00	-	70 859,00	Information technology	
ICT Infrastructure: 8 Port Switches	76 544,00	-	76 544,00	Information technology	
ICT Infrastructure: Access Points (AP-AC-LR)	33 852,00	-	33 852,00	Information technology	
ICT Infrastructure: Access Points (UAP-XG-US)	147 305,00	-	147 305,00	Information technology	
ICT Infrastructure: 6 U Rack Units	54 261,00	-	54 261,00	Information technology	
ICT Infrastructure: 9 U Rack Units	5 392,00	-	5 392,00	Information technology	
ICT Infrastructure: 1 U Brush Panels	2 348,00	-	2 348,00	Information technology	
ICT Infrastructure: 48 Port Patch Panels	2 323,00	-	2 323,00	Information technology	
ICT Infrastructure: 24 Port Patch Panels	11 948,00	-	11 948,00	Information technology	
ICT Infrastructure: Blanking Plates	3 920,00	-	3 920,00	Information technology	
ICT Infrastructure: QNAP Storage	143 080,00	-	143 080,00	Information technology	
TDR Meter	15 969,00	-	15 969,00	Information technology	
UPS	10 335,00	-	10 335,00	Information technology	
Multimedia Group Conferencing Devices	31 131,00	-	31 131,00	Information technology	
Webcams	5 870,00	-	5 870,00	Information technology	
Council Chambers - Multimedia	255 629,00	-	255 629,00	Information technology	
Tablets	50 000,00	-	50 000,00	Information technology	
2 X High back office chairs	-	6 000,00	6 000,00	Internal audit	
Chair	-	3 000,00	3 000,00	Income	
2 x aircons - Debtors	-	25 000,00	25 000,00	Income	
Office Furniture: Exec Manager Corporate Services	30 000,00	-	30 000,00	Executive Manager: Corporate Services	
Insurance / Uneconomical to repair	30 000,00	-	30 000,00	It section	
Monitors	54 750,00	-	54 750,00	It section	
Laptops (Standard)	476 656,00	-	476 656,00	It section	
Laptops (Small)	22 020,00	-	22 020,00	It section	
Personal Computers (PCs)	145 810,00	-	145 810,00	It section	
Printers (3-in-1)	21 000,00	-	21 000,00	It section	
A3 Printer (GIS)	22 400,00	-	22 400,00	It section	
Tripod System	12 000,00	-	12 000,00	It section	
USB HDD / SSD Clone Dock	1 700,00	-	1 700,00	It section	
4-in-1 Printers	13 000,00	-	13 000,00	It section	
Colour Printer	6 500,00	-	6 500,00	It section	
Finger Scanner	26 000,00	-	26 000,00	It section	
ICT Infrastructure: Upgrade Network	-	500 000,00	500 000,00	It section	2
Infrastructure: Wi-Fi Resorts	-	90 000,00	90 000,00	It section	
Infrastructure: Backup Tape drive	-	400 000,00	400 000,00	It section	
New cellphone contracts	-	60 000,00	60 000,00	It section	
Pool Vehicle	-	-	-	Support services: registry	
Office Extension / Office Container - RRAMS	300 000,00	- 300 000,00	-	Public transport	3
Hygiene Equipment	600 000,00	-	600 000,00	Support services: registry	
1 x New Laptop: Task	-	15 000,00	15 000,00	Task unit	
Sound Equipment: Shotgun microphone, Blimp, headphones	-	14 000,00	14 000,00	Marketing publicity, media cor	
Chair	-	3 000,00	3 000,00	Marketing publicity, media cor	
4 X Desks	-	-	-	Marketing publicity, media cor	
Folding Table (Branding office stock)	-	1 000,00	1 000,00	Marketing publicity, media cor	
Installation of Fire/Smoke Detector - Head office	-	464 873,00	464 873,00	OHS	
Air Conditioner	20 000,00	-	20 000,00	Led	
Erf 22494 - Fire Station	-	3 098 900,00	3 098 900,00	Regional planning	4
Erf 22495 - Fire Station	-	2 482 350,00	2 482 350,00	Regional planning	
Erf 325-Beach Road/N2 Intersection	-	360 000,00	360 000,00	Regional planning	
Office Furniture: Human Settlements	40 000,00	-	40 000,00	Human Settlement	
7 X Office Chairs	-	21 000,00	21 000,00	EPWP Manager	
1 X Bar Fridge	-	-	-	EPWP Manager	
Drought Grant	100 000,00	-	100 000,00	Disaster Management	
Office of the executive manager Community: office equipment	30 000,00	-	30 000,00	Executive Manager: Community Services	
Firestation: Mosselbay	6 819 700,00	- 5 679 700,00	1 140 000,00	Executive Manager: Community Services	5
ODN EHP shadenet insurance	6 164,00	-	6 164,00	Municipal Health Services: Klein Karoo	
Laminator - Insurance claim	5 000,00	-	5 000,00	Municipal Health Services: Langeberg	
Blinds - Insurance claim	5 500,00	-	5 500,00	Municipal Health Services: Langeberg	
IT Equipment - Insurance claim	12 060,00	-	12 060,00	Municipal Health Services: Langeberg	
Knysna EHP insurance claims	3 800,00	-	3 800,00	Municipal Health Services: Lakes Areas	
Electrical Equipment and tools	-	20 000,00	20 000,00	Resorts: Victoriabaai	
Electrical Equipment and tools	-	-	-	Resorts: Calitzdorp Spa Resort	
Electrical Equipment and tools	-	200 000,00	200 000,00	Resorts: Calitzdorp Spa Resort	
Donated TVs	-	56 691,00	56 691,00	Resorts: Calitzdorp Spa Resort	
Calitzdorp Spa Roofs	2 000 000,00	-	2 000 000,00	Resorts: Calitzdorp Spa Resort	
Power Tools	80 000,00	-	80 000,00	Resorts: Calitzdorp Spa Resort	
Wet Fuel Generator	50 000,00	-	50 000,00	Resorts: Calitzdorp Spa Resort	
Electrical Equipment and tools	-	100 000,00	100 000,00	Resorts: De Hoek Mountain Resort	
Hazmat Rescue , Fire Equipment	380 300,00	-	380 300,00	Fire Fighting	
Mosselbay EHP	-	-	-	Municipal Health Services: Administration	
Office Furniture: RRAMS	100 000,00	-	100 000,00	Public transport	
RH Sensor	20 000,00	-	20 000,00	Air quality control	
Landfill Site: PPE	59 880 000,00	- 55 974 618,00	3 905 382,00	Waste Management Landfill Sites	6
	76 572 524,00	- 56 955 984,00	19 616 540,00		

Notes

1. New office furniture, carpets, etc for the Speaker and PA of the speaker.
2. ICT upgrades to the network.
3. Re-assessment of RRAMS expenditure resulted in decrease in capital expenditure – transferred to operating expenditure.
4. Donated land for the building of a fire station by George Municipality.
5. R5.6m decrease in original fire station capital budget because of the donated land.
6. R55.9m decrease in landfill site capital budget, there was some delays on the project and this large portion of the capital budget is expected to be spend in the next financial year. Refer to above section for more detail regarding this project.

NET (SURPLUS)/DEFICIT

OPERATIONAL BUDGET - 2nd Adjustment Budget (21 February 2022)					
Summary of high-level proposed Second Adjustment Budget: 2021/2022	Approved Budget 2021/2022	Roll - Over Budget Amounts	Roll - Over Budget 2021/2022	2nd Adjustment Budget 2021/2022 Amounts	2nd Adjustment Budget 2021/2022
Revised Operational Income	420 694 075,00	5 565 238,00	426 259 313,00	16 544 222,00	442 803 535,00
Revised Operational Expenditure	428 166 027,00	5 165 238,00	433 331 265,00	20 411 055,00	453 742 320,00
Surplus / (Deficit)	- 7 471 952,00	400 000,00	- 7 071 952,00	- 3 866 833,00	- 10 938 785,00
Revised Capital Budget	76 172 524,00	400 000,00	76 572 524,00	- 56 955 984,00	19 616 540,00
Less funded from NT Grants	4 500 000,00	400 000,00	4 900 000,00		4 500 000,00
Less funded from Borrowings	11 672 524,00		11 672 524,00		3 905 382,00
Less funded from CRR	60 000 000,00		60 000 000,00		5 213 217,00
Less funded from Transfer and subsidies - capital allocation					5 997 941,00
Surplus / (Deficit) after Capital	- 7 471 952,00	400 000,00	- 7 071 952,00	- 3 866 833,00	- 10 938 785,00

A deficit MTREF budget is being tabled for 2021/2022. Note that it is not an unfunded budget. GRDM has accumulated surpluses which will fund the shortfall in the short term, with numerous projects in various stages of implementation to ensure GRDM can maintain a sustainable financial position in the current extremely challenging economic conditions, as well as over the long term.

More details regarding these changes are explained in Part 2 of the budget document as required in terms of the budget regulation.

OPERATIONAL BUDGET - 2nd Adjustment Budget (21 February 2022)					
Summary of high-level proposed Second Adjustment Budget: 2021/2022	Approved Budget 2021/2022	Roll - Over Budget Amounts	Roll - Over Budget 2021/2022	2nd Adjustment Budget 2021/2022 Amounts	2nd Adjustment Budget 2021/2022
Operational Income	420 694 075,00		420 694 075,00		420 694 075,00
Unspent Grants		5 565 237,00	5 565 237,00		5 565 237,00
Unspent Grants not Approved:					
NT: Rural Roads Asset Management Grant				- 1 237 931,00	- 1 237 931,00
Additional PT Grants				4 300 000,00	4 300 000,00
Donated TV's Contribution				56 691,00	56 691,00
Donated PPE				360 000,00	360 000,00
Increase Resorts income from 2020/21				1 900 000,00	1 900 000,00
Reduction in Rental of facilities and equipment				- 1 500 000,00	- 1 500 000,00
Food Pantry / Foodbank Contributions				323 820,00	323 820,00
Increase in Roads Budget				10 244 064,00	10 244 064,00
Increase in Fire Services income				1 000 000,00	1 000 000,00
Increase in Agency Fees				1 097 578,00	1 097 578,00
Revised Operational Income	420 694 075,00	5 565 238,00	426 259 313,00	16 544 222,00	442 803 535,00
Operational Expenditure	428 166 027,00		428 166 027,00		428 166 027,00
National Grants			837 931,00		837 931,00
NT: Rural Roads Asset Management Grant		837 931,00		- 837 931,00	- 837 931,00
Provincial Grants			4 327 307,00		4 327 307,00
PT: WCFMSG		42 710,00			-
PT: Intergrated Transport Planning Grant		878 309,00			-
PT: Safety Implementation -(WOSA)		2 750 000,00			
PT: Human Settlements		629 088,00			
PT: Local Government Internship Grant (Disaster Management)		27 200,00			
PT:Risk Management and Internal Audit system				750 000,00	750 000,00
PT:Spatial Data/Reporting Support for Munis in GRDM				350 000,00	350 000,00
PT:Local Government Public Employment Support Grant				200 000,00	200 000,00
PT:Joint District and Metro Approach Grant				2 000 000,00	2 000 000,00
PT:Municipal Drought Grant				100 000,00	100 000,00
PT Contribution Acceleration of Housing Delivery				900 000,00	900 000,00
Increase in Employee Related Costs				2 400 000,00	2 400 000,00
Increase in Roads Budget				10 214 524,00	10 214 524,00
Increase in EPWP Projects funding				1 677 536,00	1 677 536,00
Inputs from departments				2 656 926,00	2 656 926,00
Revised Operational Expenditure	428 166 027,00	5 165 238,00	433 331 265,00	20 411 055,00	453 742 320,00
Surplus / (Deficit)	- 7 471 952,00	400 000,00	- 7 071 952,00	- 3 866 833,00	- 10 938 785,00
Capital Budget	76 172 524,00	-	76 172 524,00	-	76 172 524,00
National Grants		400 000,00	400 000,00	- 400 000,00	
Landfill Site:PPE				- 55 974 618,00	- 55 974 618,00
Fire Station: Mosselbay				- 5 679 700,00	- 5 679 700,00
Donated Land: George LM				5 581 250,00	5 581 250,00
Capital budget moved to OPEX (IT / RRAMS)				- 2 251 980,00	- 2 251 980,00
Donated TV's Contribution				56 691,00	56 691,00
Donated PPE				360 000,00	360 000,00
Input from departemants				1 352 373,00	1 352 373,00
Revised Capital Budget	76 172 524,00	400 000,00	76 572 524,00	- 56 955 984,00	19 616 540,00
Less funded from NT Grants	4 500 000,00	400 000,00	4 900 000,00		4 500 000,00
Less funded from Borrowings	11 672 524,00		11 672 524,00		3 905 382,00
Less funded from CRR	60 000 000,00		60 000 000,00		5 213 217,00
Less funded from Transfer and subsidies - capital allocation					5 997 941,00
Surplus / (Deficit) after Capital	- 7 471 952,00	400 000,00	- 7 071 952,00	- 3 866 833,00	- 10 938 785,00

Section 4 – Annual Budget Tables

DC4 Garden Route - Table B1 Adjustments Budget Summary - 21 February 2022

Description	Budget Year 2021/22									Budget Year	Budget Year
										+1 2022/23	+2 2023/24
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
Financial Performance											
Property rates	–	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	33 000	90 750
Investment revenue	8 500	8 500	–	–	–	–	–	–	8 500	8 500	8 500
Transfers recognised - operational	187 375	192 940	–	–	–	3 062	5 581	8 643	201 583	184 341	188 711
Other own revenue	224 819	224 819	–	–	–	–	7 484	7 484	232 304	232 276	237 042
Total Revenue (excluding capital transfers and contributions)	420 694	426 259	–	–	–	3 062	13 066	16 128	442 387	458 117	525 003
Employee costs	260 917	261 554	–	–	–	–	13 246	13 246	274 800	262 206	266 780
Remuneration of councillors	13 360	13 360	–	–	–	–	(1 417)	(1 417)	11 943	13 360	13 360
Depreciation & asset impairment	4 852	4 852	–	–	–	–	–	–	4 852	6 288	15 788
Finance charges	70	70	–	–	–	–	–	–	70	3 070	18 070
Materials and bulk purchases	57 894	57 894	–	–	–	–	(8 253)	(8 253)	49 641	60 123	62 390
Transfers and grants	2 375	2 375	–	–	–	–	5 123	5 123	7 498	2 125	2 125
Other expenditure	88 698	93 226	–	–	–	–	11 713	11 713	104 939	113 663	144 089
Total Expenditure	428 166	433 331	–	–	–	–	20 411	20 411	453 742	460 835	522 601
Surplus/(Deficit)	(7 472)	(7 072)	–	–	–	3 062	(7 346)	(4 284)	(11 355)	(2 718)	2 402
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Education Institutions)	–	–	–	–	–	–	417	417	417	–	–
Surplus/(Deficit) after capital transfers & contributions	(7 472)	(7 072)	–	–	–	3 062	(6 929)	(3 867)	(10 939)	(2 718)	2 402
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(7 472)	(7 072)	–	–	–	3 062	(6 929)	(3 867)	(10 939)	(2 718)	2 402
Capital expenditure & funds sources											
Capital expenditure	76 173	76 573	–	–	–	–	(56 956)	(56 956)	19 617	182 600	2 850
Transfers recognised - capital	–	400	–	–	–	–	10 098	10 098	10 498	–	–
Borrowing	60 000	60 000	–	–	–	–	(56 095)	(56 095)	3 905	180 000	–
Internally generated funds	16 173	16 173	–	–	–	–	(10 959)	(10 959)	5 213	2 600	2 850
Total sources of capital funds	76 173	76 573	–	–	–	–	(56 956)	(56 956)	19 617	182 600	2 850
Financial position											
Total current assets	195 152	195 152	–	–	–	–	13 205	13 205	208 357	170 883	173 206
Total non current assets	334 418	334 818	–	–	–	–	(45 334)	(45 334)	289 485	522 554	519 254
Total current liabilities	65 748	65 748	–	–	–	–	8 168	8 168	73 916	60 343	59 348
Total non current liabilities	195 506	195 506	–	–	–	–	(53 504)	(53 504)	142 002	370 096	346 596
Community wealth/Equity	268 316	268 716	–	–	–	3 062	10 145	13 207	281 923	262 998	286 516
Cash flows											
Net cash from (used) operating	(7 472)	(7 072)	–	–	–	3 062	(7 345)	(4 283)	(11 355)	(2 718)	2 402
Net cash from (used) investing	(76 173)	(76 573)	–	–	–	–	56 956	56 956	(19 617)	(182 600)	(2 850)
Net cash from (used) financing	60 000	60 000	–	–	–	–	(56 095)	(56 095)	3 905	160 000	–
Cash/cash equivalents at the year end	164 643	164 643	–	–	–	3 062	(6 484)	(3 422)	161 221	135 903	135 455
Cash backing/surplus reconciliation											
Cash and investments available	164 670	164 670	–	–	–	–	(3 422)	(3 422)	161 248	139 353	138 905
Application of cash and investments	56 995	56 995	–	–	–	–	(29 997)	(29 997)	26 999	56 922	61 700
Balance - surplus (shortfall)	107 675	107 675	–	–	–	–	26 575	26 575	134 250	82 431	77 205
Asset Management											
Asset register summary (WDV)	228 070	282 246	–	–	–	–	–	–	282 246	468 332	465 782
Depreciation & asset impairment	4 852	4 852	–	–	–	–	–	–	4 852	6 288	15 788
Renewal and Upgrading of Existing Assets	8 010	8 010	–	–	–	–	–	–	8 010	1 750	2 000
Repairs and Maintenance	2 573	2 573	–	–	–	–	–	–	2 573	2 573	2 573
Free services											
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–	–
Households below minimum service level											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sew erage:	–	–	–	–	–	–	–	–	–	–	–

DC4 Garden Route - Table B2 Adjustments Budget Financial Performance (functional classification) - 21 February 2022

Standard Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
Governance and administration		236 045	241 611	-	-	-	3 062	1 338	4 400	246 011	233 035	234 000
Executive and council		234 304	239 869	-	-	-	3 062	1 338	4 400	244 269	232 479	233 800
Finance and administration		1 741	1 741	-	-	-	-	-	-	1 741	556	500
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		5 812	5 812	-	-	-	-	1 900	1 900	7 712	6 064	6 300
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		5 422	5 422	-	-	-	-	1 900	1 900	7 322	5 671	5 800
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		390	390	-	-	-	-	-	-	390	393	400
Economic and environmental services		178 836	178 836	-	-	-	-	10 244	10 244	189 080	186 019	193 000
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Road transport		178 718	178 718	-	-	-	-	10 244	10 244	188 962	185 894	193 300
Environmental protection		118	118	-	-	-	-	-	-	118	125	100
Trading services		-	-	-	-	-	-	-	-	-	33 000	90 000
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	33 000	90 000
Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	420 694	426 259	-	-	-	3 062	13 482	16 544	442 804	458 117	525 000
Expenditure - Functional												
Governance and administration		138 000	140 792	-	-	-	-	6 433	6 433	147 225	136 137	136 000
Executive and council		50 582	53 332	-	-	-	-	(1 618)	(1 618)	51 714	51 105	51 000
Finance and administration		84 933	84 976	-	-	-	-	7 798	7 798	92 774	82 532	82 000
Internal audit		2 485	2 485	-	-	-	-	252	252	2 737	2 500	2 500
Community and public safety		80 872	80 899	-	-	-	-	3 957	3 957	84 855	80 172	81 000
Community and social services		7 804	7 831	-	-	-	-	1 415	1 415	9 246	7 676	7 700
Sport and recreation		12 512	12 512	-	-	-	-	(462)	(462)	12 049	12 057	12 000
Public safety		25 100	25 100	-	-	-	-	1 731	1 731	26 832	25 199	26 000
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		35 456	35 456	-	-	-	-	1 272	1 272	36 728	35 240	35 000
Economic and environmental services		203 424	205 770	-	-	-	-	10 025	10 025	215 795	208 635	216 000
Planning and development		19 390	20 019	-	-	-	-	(249)	(249)	19 770	17 369	17 300
Road transport		180 758	182 474	-	-	-	-	9 868	9 868	192 343	187 976	195 000
Environmental protection		3 277	3 277	-	-	-	-	406	406	3 683	3 290	3 300
Trading services		3 209	3 209	-	-	-	-	(298)	(298)	2 911	33 225	85 000
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		3 209	3 209	-	-	-	-	(298)	(298)	2 911	33 225	85 000
Other		2 661	2 661	-	-	-	-	295	295	2 956	2 666	2 600
Total Expenditure - Functional	3	428 166	433 331	-	-	-	-	20 411	20 411	453 742	460 835	522 000
Surplus/ (Deficit) for the year		(7 472)	(7 072)	-	-	-	3 062	(6 929)	(3 867)	(10 939)	(2 718)	2 000

Standard Classification Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
											+1 2022/23	+2 2023/24
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousand	1	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
Municipal governance and administration		236 045	241 611	-	-	-	3 062	1 338	4 400	246 011	233 035	234 000
Executive and council		234 304	239 869	-	-	-	3 062	1 338	4 400	244 269	232 479	233 000
Mayor and Council		234 304	239 869				3 062	1 338	4 400	244 269	232 479	233 000
Municipal Manager, Town Secretary and Chief		-							-	-		
Finance and administration		1 741	1 741	-	-	-	-	-	-	1 741	556	
Administrative and Corporate Support		300	300						-	300	300	
Asset Management		-							-	-	-	
Finance		-							-	-	-	
Fleet Management		-							-	-	-	
Human Resources		1 441	1 441						-	1 441	256	
Information Technology		-							-	-		
Legal Services		-							-	-		
Marketing, Customer Relations, Publicity and Media		-							-	-		
Property Services		-							-	-		
Risk Management		-							-	-		
Security Services		-							-	-		
Supply Chain Management		-							-	-		
Valuation Service		-							-	-		
Internal audit		-	-	-	-	-	-	-	-	-	-	
Governance Function									-	-		
Community and public safety		5 812	5 812	-	-	-	-	1 900	1 900	7 712	6 064	6 000
Community and social services		-	-	-	-	-	-	-	-	-	-	
Aged Care									-	-		
Agricultural									-	-		
Animal Care and Diseases									-	-		
Cemeteries, Funeral Parlours and Crematoriums									-	-		
Child Care Facilities									-	-		
Community Halls and Facilities									-	-		
Consumer Protection									-	-		
Cultural Matters									-	-		
Disaster Management									-	-		
Education									-	-		
Indigenous and Customary Law									-	-		
Industrial Promotion									-	-		
Language Policy									-	-		
Libraries and Archives									-	-		
Literacy Programmes									-	-		
Media Services									-	-		
Museums and Art Galleries									-	-		
Population Development									-	-		
Provincial Cultural Matters									-	-		
Theatres									-	-		
Zoo's									-	-		
Sport and recreation		5 422	5 422	-	-	-	-	1 900	1 900	7 322	5 671	5 000
Beaches and Jetties									-	-		
Casinos, Racing, Gambling, Wagering									-	-		
Community Parks (including Nurseries)									-	-		
Recreational Facilities		5 422	5 422					1 900	1 900	7 322	5 671	5 000
Sports Grounds and Stadiums									-	-		
Public safety		-	-	-	-	-	-	-	-	-	-	
Civil Defence									-	-		
Cleansing									-	-		
Control of Public Nuisances									-	-		
Fencing and Fences									-	-		
Fire Fighting and Protection									-	-		
Licensing and Control of Animals									-	-		
Police Forces, Traffic and Street Parking Control									-	-		
Pounds									-	-		
Housing		-	-	-	-	-	-	-	-	-	-	
Housing									-	-		
Informal Settlements									-	-		
Health		390	390	-	-	-	-	-	-	390	393	
Ambulance									-	-		
Health Services		390	390						-	393	393	
Laboratory Services									-	-		
Food Control									-	-		
Health Surveillance and Prevention of									-	-		
Vector Control									-	-		
Chemical Safety									-	-		

Economic and environmental services		178 836	178 836	-	-	-	-	10 244	10 244	189 080	186 019	193
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Billboards								-	-	-	-	-
Corporate Wide Strategic Planning (IDPs, LEDs)								-	-	-	-	-
Central City Improvement District								-	-	-	-	-
Development Facilitation								-	-	-	-	-
Economic Development/Planning								-	-	-	-	-
Regional Planning and Development								-	-	-	-	-
Town Planning, Building Regulations and								-	-	-	-	-
Project Management Unit								-	-	-	-	-
Provincial Planning								-	-	-	-	-
Support to Local Municipalities								-	-	-	-	-
Road transport		178 718	178 718	-	-	-	-	10 244	10 244	188 962	185 894	193
Public Transport								-	-	-	-	-
Road and Traffic Regulation								-	-	-	-	-
Roads		178 718	178 718					10 244	10 244	188 962	185 894	193
Taxi Ranks								-	-	-	-	-
Environmental protection		118	118	-	-	-	-	-	-	118	125	
Biodiversity and Landscape								-	-	-	-	-
Coastal Protection								-	-	-	-	-
Indigenous Forests								-	-	-	-	-
Nature Conservation								-	-	-	-	-
Pollution Control		118	118					-	-	118	125	
Soil Conservation								-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	33 000	90
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Electricity								-	-	-	-	-
Street Lighting and Signal Systems								-	-	-	-	-
Nonelectric Energy								-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Water Treatment								-	-	-	-	-
Water Distribution								-	-	-	-	-
Water Storage								-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Public Toilets								-	-	-	-	-
Sewerage								-	-	-	-	-
Storm Water Management								-	-	-	-	-
Waste Water Treatment								-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	33 000	90
Recycling								-	-	-	-	-
Solid Waste Disposal (Landfill Sites)		-						-	-	-	33 000	90
Solid Waste Removal								-	-	-	-	-
Street Cleaning								-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Abattoirs								-	-	-	-	-
Air Transport								-	-	-	-	-
Forestry								-	-	-	-	-
Licensing and Regulation								-	-	-	-	-
Markets								-	-	-	-	-
Tourism								-	-	-	-	-
Total Revenue - Functional	2	420 694	426 259	-	-	-	3 062	13 482	16 544	442 804	458 117	525
Expenditure - Functional												
Municipal governance and administration		138 000	140 792	-	-	-	-	6 433	6 433	147 225	136 137	136
Executive and council		50 582	53 332	-	-	-	-	(1 618)	(1 618)	51 714	51 105	51
Mayor and Council		46 581	49 331					(4 082)	(4 082)	45 249	47 091	47
Municipal Manager, Town Secretary and Chief		4 001	4 001					2 464	2 464	6 465	4 014	4
Finance and administration		84 933	84 976	-	-	-	-	7 798	7 798	92 774	82 532	82
Administrative and Corporate Support		24 415	24 415					(928)	(928)	23 486	23 399	23
Asset Management		-	-					-	-	-	-	-
Finance		19 156	19 156					293	293	19 449	19 119	19
Fleet Management		-	-					-	-	-	-	-
Human Resources		12 568	12 610					856	856	13 466	11 156	11
Information Technology		12 767	12 767					3 499	3 499	16 266	12 800	12
Legal Services		2 715	2 715					1 834	1 834	4 549	2 720	2
Marketing, Customer Relations, Publicity and Media		1 974	1 974					197	197	2 170	1 979	1
Property Services		4 773	4 773					1 367	1 367	6 140	4 791	4
Risk Management		1 714	1 714					66	66	1 780	1 717	1
Security Services		-	-					-	-	-	-	-
Supply Chain Management		4 852	4 852					615	615	5 466	4 852	4
Valuation Service		-	-					-	-	-	-	-
Internal audit		2 485	2 485	-	-	-	-	252	252	2 737	2 500	2
Governance Function		2 485	2 485					252	252	2 737	2 500	2

Community and public safety	80 872	80 899	-	-	-	-	3 957	3 957	84 855	80 172	81
Community and social services	7 804	7 831	-	-	-	-	1 415	1 415	9 246	7 676	7
Aged Care								-	-		
Agricultural								-	-		
Animal Care and Diseases								-	-		
Cemeteries, Funeral Parlours and Crematoriums								-	-		
Child Care Facilities								-	-		
Community Halls and Facilities								-	-		
Consumer Protection								-	-		
Cultural Matters								-	-		
Disaster Management	7 804	7 831					20	20	7 851	7 676	7
Education								-	-		
Indigenous and Customary Law								-	-		
Industrial Promotion								-	-		
Language Policy								-	-		
Libraries and Archives								-	-		
Literacy Programmes								-	-		
Media Services								-	-		
Museums and Art Galleries								-	-		
Population Development							1 395	1 395	1 395		
Provincial Cultural Matters								-	-		
Theatres								-	-		
Zoo's								-	-		
Sport and recreation	12 512	12 512	-	-	-	-	(462)	(462)	12 049	12 057	12
Beaches and Jetties								-	-		
Casinos, Racing, Gambling, Wagering								-	-		
Community Parks (including Nurseries)								-	-		
Recreational Facilities	12 512	12 512					(462)	(462)	12 049	12 057	12
Sports Grounds and Stadiums								-	-		
Public safety	25 100	25 100	-	-	-	-	1 731	1 731	26 832	25 199	26
Civil Defence								-	-		
Cleansing								-	-		
Control of Public Nuisances								-	-		
Fencing and Fences								-	-		
Fire Fighting and Protection	25 100	25 100					1 731	1 731	26 832	25 199	26
Licensing and Control of Animals								-	-		
Police Forces, Traffic and Street Parking Control								-	-		
Pounds								-	-		
Housing	-	-	-	-	-	-	-	-	-	-	-
Housing								-	-		
Informal Settlements								-	-		
Health	35 456	35 456	-	-	-	-	1 272	1 272	36 728	35 240	35
Ambulance								-	-		
Health Services	35 456	35 456					1 272	1 272	36 728	35 240	35
Laboratory Services								-	-		
Food Control								-	-		
Health Surveillance and Prevention of								-	-		
Vector Control								-	-		
Chemical Safety								-	-		
Economic and environmental services	203 424	205 770	-	-	-	-	10 025	10 025	215 795	208 635	216
Planning and development	19 390	20 019	-	-	-	-	(249)	(249)	19 770	17 369	17
Billboards		-						-	-		
Corporate Wide Strategic Planning (IDPs, LEDs)	6 677	6 677					1 844	1 844	8 521	6 687	6
Central City Improvement District	-	-						-	-		
Development Facilitation	4 960	4 960					(1 684)	(1 684)	3 276	5 000	5
Economic Development/Planning	7 616	8 245					(308)	(308)	7 937	5 546	5
Regional Planning and Development	-	-						-	-		
Town Planning, Building Regulations and								-	-		
Enforcement, and City Engineer	-	-						-	-		
Project Management Unit	136	136					(100)	(100)	36	136	
Provincial Planning		-						-	-		
Support to Local Municipalities		-						-	-		
Road transport	180 758	182 474	-	-	-	-	9 868	9 868	192 343	187 976	195
Public Transport	3 378	5 094					(346)	(346)	4 748	3 501	3
Road and Traffic Regulation	-	-						-	-		
Roads	177 380	177 380					10 215	10 215	187 595	184 475	191
Taxi Ranks	-	-	-					-	-		

Environmental protection	3 277	3 277	-	-	-	-	406	406	3 683	3 290	3	
Biodiversity and Landscape								-	-			
Coastal Protection								-	-			
Indigenous Forests								-	-			
Nature Conservation								-	-			
Pollution Control	3 277	3 277					406	406	3 683	3 290	3	
Soil Conservation								-	-			
Trading services	3 209	3 209	-	-	-	-	(298)	(298)	2 911	33 225	85	
Energy sources	-	-	-	-	-	-	-	-	-	-		
Electricity								-	-			
Street Lighting and Signal Systems								-	-			
Nonelectric Energy								-	-			
Water management	-	-	-	-	-	-	-	-	-	-		
Water Treatment								-	-			
Water Distribution								-	-			
Water Storage								-	-			
Waste water management	-	-	-	-	-	-	-	-	-	-		
Public Toilets								-	-			
Sewerage								-	-			
Storm Water Management								-	-			
Waste Water Treatment								-	-			
Waste management	3 209	3 209	-	-	-	-	(298)	(298)	2 911	33 225	85	
Recycling		-						-	-			
Solid Waste Disposal (Landfill Sites)	4	4						-	4	30 004	82	
Solid Waste Removal	3 205	3 205					(298)	(298)	2 907	3 221	3	
Street Cleaning		-						-	-			
Other	2 661	2 661	-	-	-	-	295	295	2 956	2 666	2	
Abattoirs								-	-			
Air Transport								-	-			
Forestry								-	-			
Licensing and Regulation								-	-			
Markets								-	-			
Tourism	2 661	2 661					295	295	2 956	2 666	2	
Total Expenditure - Functional	3	428 166	433 331	-	-	-	-	20 411	20 411	453 742	460 835	522
Surplus/ (Deficit) for the year		(7 472)	(7 072)	-	-	-	3 062	(6 929)	(3 867)	(10 939)	(2 718)	2

DC4 Garden Route - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 21 February 2022

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - Executive and Council		234 304	239 869	-	-	-	3 062	1 338	4 400	244 269	232 479	233 869
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		1 741	1 741	-	-	-	-	-	-	1 741	556	556
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Health		390	390	-	-	-	-	-	-	390	393	400
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		5 422	5 422	-	-	-	-	1 900	1 900	7 322	5 671	5 671
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-	33 000	90 718
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		118	118	-	-	-	-	-	-	118	125	125
Vote 14 - Roads Agency Function		178 718	178 718	-	-	-	-	10 244	10 244	188 962	185 894	193 300
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	420 694	426 259	-	-	-	3 062	13 482	16 544	442 804	458 117	525 671
Expenditure by Vote	1											
Vote 1 - Executive and Council		54 394	57 144	-	-	-	-	1 344	1 344	58 488	54 921	55 315
Vote 2 - Budget and Treasury Office		24 007	24 007	-	-	-	-	908	908	24 915	23 970	24 007
Vote 3 - Corporate Services		49 126	49 168	-	-	-	-	3 326	3 326	52 494	47 202	47 168
Vote 4 - Planning and Development		30 006	30 635	-	-	-	-	1 893	1 893	32 528	28 011	28 006
Vote 5 - Public Safety		32 904	32 931	-	-	-	-	1 752	1 752	34 683	32 875	33 000
Vote 6 - Health		37 973	37 973	-	-	-	-	1 675	1 675	39 648	37 307	37 973
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		12 512	12 512	-	-	-	-	(462)	(462)	12 049	12 057	12 512
Vote 9 - Waste Management		3 209	3 209	-	-	-	-	(298)	(298)	2 911	33 225	85 718
Vote 10 - Roads Transport		3 378	5 094	-	-	-	-	(346)	(346)	4 748	3 501	3 378
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		3 277	3 277	-	-	-	-	406	406	3 683	3 290	3 277
Vote 14 - Roads Agency Function		177 380	177 380	-	-	-	-	10 215	10 215	187 595	184 475	191 595
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	428 166	433 331	-	-	-	-	20 411	20 411	453 742	460 835	522 671
Surplus/ (Deficit) for the year	2	(7 472)	(7 072)	-	-	-	3 062	(6 929)	(3 867)	(10 939)	(2 718)	2 671

DC4 Garden Route - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - B - 21 February 2022

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - Executive and Council		234 304	239 869	-	-	-	3 062	1 338	4 400	244 269	232 479	233 000
1,1 - Municipal Manager									-	-		
1,2 - Strategic Manager									-	-		
1,3 - Internal Audit									-	-		
1,4 - Risk Management									-	-		
1,5 - Performance Management Unit									-	-		
1,6 - Marketing Publicity and Media Co-ordination									-	-		
1,7 - Council General		234 304	239 869				3 062	1 338	4 400	244 269	232 479	233 000
1,8 - Legal Services									-	-		
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	-
2,1 - Executive Manager: Financial Services									-	-		
2,2 - Finances: Creditors									-	-		
2,3 - Finances: Budgets and Financial Statements									-	-		
2,4 - Finances: Income and Bank Reconciliations									-	-		
2,5 - Finances: Remuneration and Administration									-	-		
2,6 - Finances: Supply Chain Management									-	-		
2,7 - Finances: Procurement and Stores									-	-		
2,8 - Finances: Data Management									-	-		
2,9 - Finances: Asset Management									-	-		
2,10 - Finances: Finance Interns									-	-		
Vote 3 - Corporate Services		1 741	1 741	-	-	-	-	-	-	1 741	556	556
3,1 - Executive Manager: Corporate Services									-	-		
3,2 - Executive Mayor									-	-		
3,3 - Deputy Mayor									-	-		
3,4 - Speaker									-	-		
3,5 - Section 79/80 Committees									-	-		
3,6 - Task Unit		300	300						-	300	300	300
3,7 - Human Resources		1 441	1 441						-	1 441	256	256
3,8 - Support Services: Records, Archives and Auxiliary									-	-		
3,9 - Support Services: Committee									-	-		
3,10 - ICT Services									-	-		
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
4,1 - Executive Manager: Planning and Economic Development									-	-		
4,2 - IDP Unit									-	-		
4,3 - Tourism and District Economic Development									-	-		
4,4 - EPWP Manager									-	-		
4,5 - Community Project: EPWP Project									-	-		
4,6 - Regional Planning									-	-		
4,7 - Project Management Unit									-	-		
4,8 - Human Settlement									-	-		
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
5,1 - Fire Fighting									-	-		
5,2 - Disaster Management									-	-		
5,3 - Fire Services: Riversdale									-	-		
5,4 - Fire Services: Uniondale									-	-		
5,5 - Fire Services: Kannaland									-	-		
Vote 6 - Health		390	390	-	-	-	-	-	-	390	393	393
6,1 - Executive Manager: Community Services									-	-		
6,2 - MHS Admin		390	390						-	390	393	393
6,3 - MHS George									-	-		
6,4 - MHS Klein Karoo									-	-		
6,5 - MHS Langeberg									-	-		
6,6 - MHS Lakes Area									-	-		

Vote 7 - Community and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7,1 - Social Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7,2 - Community Skills Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation	5 422	5 422	-	-	-	-	-	1 900	1 900	7 322	5 671	5 671	5 671	5 671
8,1 - Sports, Arts and Culture	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8,2 - Swartvlei Camping Area	1 569	1 569	-	-	-	-	750	750	750	2 319	1 642	1 642	1 642	1 642
8,3 - Victoria Bay Camping Area	1 458	1 458	-	-	-	-	700	700	700	2 158	1 526	1 526	1 526	1 526
8,4 - Calitzdorp Spa Kiosk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8,5 - Calitzdorp Spa Resort	1 238	1 238	-	-	-	-	200	200	200	1 438	1 295	1 295	1 295	1 295
8,6 - De Hoek Mountain Resort	1 156	1 156	-	-	-	-	250	250	250	1 406	1 209	1 209	1 209	1 209
8,7 - De Hoek Resort Shop	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8,8 - Kleinkrantz	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Waste Management	-	-	-	-	-	-	-	-	-	-	33 000	33 000	33 000	33 000
9,1 - Bulk Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9,2 - Regional Landfill Site	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10,1 - Public Transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11,1 - Sewerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11,2 - Bulk Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12,1 - Bulk Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection	118	118	-	-	-	-	-	-	-	118	125	125	125	125
13,1 - Environment Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13,2 - Air Quality Control	118	118	-	-	-	-	-	-	-	118	125	125	125	125

[illegible]

Vote 5 - Public Safety	32 904	32 931	-	-	-	-	1 752	1 752	34 683	32 875	33 000
5,1 - Fire Fighting	21 048	21 048					788	788	21 836	21 141	22 000
5,2 - Disaster Management	7 804	7 831					20	20	7 851	7 676	7 800
5,3 - Fire Services: Riversdale	1 511	1 511					501	501	2 012	1 511	1 500
5,4 - Fire Services: Uniondale	-	-					-	-	-	-	-
5,5 - Fire Services: Kannaland	2 541	2 541					442	442	2 983	2 546	2 500
							-	-	-	-	-
							-	-	-	-	-
							-	-	-	-	-
							-	-	-	-	-
Vote 6 - Health	37 973	37 973	-	-	-	-	1 675	1 675	39 648	37 307	37 500
6,1 - Executive Manager: Community Services	2 517	2 517					403	403	2 920	2 067	2 000
6,2 - MHS Admin	3 695	3 695					154	154	3 849	3 347	3 300
6,3 - MHS George	2 947	2 947					5 743	5 743	8 690	2 957	2 900
6,4 - MHS Klein Karoo	19 361	19 361					(11 465)	(11 465)	7 896	19 373	19 300
6,5 - MHS Langeberg	3 140	3 140					5 812	5 812	8 952	3 150	3 100
6,6 - MHS Lakes Area	6 314	6 314					1 027	1 027	7 341	6 413	6 300
							-	-	-	-	-
							-	-	-	-	-
							-	-	-	-	-
							-	-	-	-	-
Vote 7 - Community and Social Services	-	-	-	-	-	-	-	-	-	-	-
7,1 - Social Development								-	-		
7,2 - Community Skills Development								-	-		
								-	-		
								-	-		
								-	-		
								-	-		
								-	-		
								-	-		
Vote 8 - Sport and Recreation	12 512	12 512	-	-	-	-	(462)	(462)	12 049	12 057	12 000
8,1 - Sports, Arts and Culture	-	-						-	-	-	-
8,2 - Swartvlei Camping Area	912	912					1 695	1 695	2 608	917	900
8,3 - Victoria Bay Camping Area	6 359	6 359					(5 644)	(5 644)	715	6 390	6 300
8,4 - Calitzdorp Spa Kiosk	7	7						-	7	7	700
8,5 - Calitzdorp Spa Resort	2 608	2 608					2 065	2 065	4 674	2 363	2 300
8,6 - De Hoek Mountain Resort	2 625	2 625					1 421	1 421	4 046	2 380	2 300
8,7 - De Hoek Resort Shop	-	-						-	-	-	-
8,8 - Kleinkrantz	-	-						-	-	-	-
							-	-	-	-	-
Vote 9 - Waste Management	3 209	3 209	-	-	-	-	(298)	(298)	2 911	33 225	85 000
9,1 - Bulk Infrastructure	3 205	3 205					(298)	(298)	2 907	3 221	3 200
9,2 - Regional Landfill Site	4	4						-	4	30 004	82 000

[illegible]

DC4 Garden Route - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 21 February 2022

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	33 000	90 700
Rental of facilities and equipment		3 829	3 829					(1 500)	(1 500)	2 329	4 056	4 056
Interest earned - external investments		8 500	8 500							8 500	8 500	8 500
Interest earned - outstanding debtors		2 970	2 970							2 970	3 149	3 149
Dividends received		-	-							-	-	-
Fines, penalties and forfeits		-	-							-	-	-
Licences and permits		118	118							118	125	125
Agency services		195 834	195 834					11 342	11 342	207 176	203 668	211 800
Transfers and subsidies		187 375	192 940				3 062	5 581	8 643	201 583	184 341	188 700
Other revenue	2	22 067	22 067	-	-	-	-	(2 357)	(2 357)	19 710	21 279	17 400
Gains												
Total Revenue (excluding capital transfers and contributions)		420 694	426 259	-	-	-	3 062	13 066	16 128	442 387	458 117	525 000
Expenditure By Type												
Employee related costs		260 917	261 554	-	-	-	-	13 246	13 246	274 800	262 206	266 700
Remuneration of councillors		13 360	13 360					(1 417)	(1 417)	11 943	13 360	13 360
Debt impairment		1 500	1 500							1 500	1 500	1 500
Depreciation & asset impairment		4 852	4 852	-	-	-	-	-	-	4 852	6 288	15 700
Finance charges		70	70							70	3 070	18 000
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-
Other materials		57 894	57 894					(8 253)	(8 253)	49 641	60 123	62 300
Contracted services		29 457	33 924	-	-	-	-	497	497	34 421	53 785	82 800
Transfers and subsidies		2 375	2 375					5 123	5 123	7 498	2 125	2 125
Other expenditure		57 740	57 802	-	-	-	-	11 146	11 146	68 948	58 378	59 700
Losses								69	69	69		
Total Expenditure		428 166	433 331	-	-	-	-	20 411	20 411	453 742	460 835	522 000
Surplus/(Deficit)		(7 472)	(7 072)	-	-	-	3 062	(7 346)	(4 284)	(11 355)	(2 718)	2 400
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									-	-		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education and Training)									-	-		
Transfers and subsidies - capital (in-kind - all)								417	417	417		
Surplus/(Deficit) before taxation		(7 472)	(7 072)	-	-	-	3 062	(6 929)	(3 867)	(10 939)	(2 718)	2 400
Taxation									-	-		
Surplus/(Deficit) after taxation		(7 472)	(7 072)	-	-	-	3 062	(6 929)	(3 867)	(10 939)	(2 718)	2 400
Attributable to minorities									-	-		
Surplus/(Deficit) attributable to municipality		(7 472)	(7 072)	-	-	-	3 062	(6 929)	(3 867)	(10 939)	(2 718)	2 400
Share of surplus/ (deficit) of associate									-	-		
Surplus/ (Deficit) for the year		(7 472)	(7 072)	-	-	-	3 062	(6 929)	(3 867)	(10 939)	(2 718)	2 400

DC4 Garden Route - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 21 February 2022

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
											+1 2022/23	+2 2023/24
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		1 500	1 500	-	-	-	-	(1 450)	(1 450)	50	2 100	2 350
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		200	200	-	-	-	-	180	180	380	350	350
Vote 6 - Health		7 000	7 000	-	-	-	-	(5 860)	(5 860)	1 140	-	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Waste Management		60 000	60 000	-	-	-	-	(56 095)	(56 095)	3 905	180 000	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	68 700	68 700	-	-	-	-	(63 224)	(63 224)	5 476	182 450	2 700
Single-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		30	30	-	-	-	-	24	24	54	30	30
Vote 2 - Budget and Treasury Office		30	30	-	-	-	-	25	25	55	30	30
Vote 3 - Corporate Services		5 130	5 130	-	-	-	-	60	60	5 190	30	30
Vote 4 - Planning and Development		90	90	-	-	-	-	5 962	5 962	6 052	30	30
Vote 5 - Public Safety		-	-	-	-	-	-	100	100	100	-	-
Vote 6 - Health		63	63	-	-	-	-	-	-	63	30	30
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		2 130	2 130	-	-	-	-	377	377	2 507	-	-
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	400	-	-	-	-	(300)	(300)	100	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		-	-	-	-	-	-	20	20	20	-	-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		7 473	7 873	-	-	-	-	6 268	6 268	14 141	150	150
Total Capital Expenditure - Vote		76 173	76 573	-	-	-	-	(56 956)	(56 956)	19 617	182 600	2 850
Capital Expenditure - Functional												
Governance and administration		13 750	13 750	-	-	-	-	(8 191)	(8 191)	5 560	2 250	2 500
Executive and council		30	30					83	83	113	30	30
Finance and administration		13 720	13 720					(8 273)	(8 273)	5 447	2 220	2 470
Internal audit												
Community and public safety		2 363	2 363	-	-	-	-	1 707	1 707	4 070	350	350
Community and social services												
Sport and recreation		2 130	2 130					257	257	2 387		
Public safety		200	200					280	280	480	350	350
Housing												
Health		33	33					1 170	1 170	1 203		
Economic and environmental services		60	460	-	-	-	-	5 622	5 622	6 082	-	-
Planning and development		60	60					5 902	5 902	5 962		
Road transport			400					(300)	(300)	100		
Environmental protection								20	20	20		
Trading services		60 000	60 000	-	-	-	-	(56 095)	(56 095)	3 905	180 000	-
Energy sources												
Water management												
Waste water management												
Waste management		60 000	60 000					(56 095)	(56 095)	3 905	180 000	-
Other												
Total Capital Expenditure - Functional	3	76 173	76 573	-	-	-	-	(56 956)	(56 956)	19 617	182 600	2 850
Funded by:												
National Government			400					4 100	4 100	4 500		
Provincial Government												
District Municipality												
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private								5 998	5 998	5 998		
Transfers recognised - capital	4	-	400	-	-	-	-	10 098	10 098	10 498	-	-
Borrowing		60 000	60 000					(56 095)	(56 095)	3 905	180 000	
Internally generated funds		16 173	16 173					(10 959)	(10 959)	5 213	2 600	2 850
Total Capital Funding		76 173	76 573	-	-	-	-	(56 956)	(56 956)	19 617	182 600	2 850

Vote Description [Insert departmental structure etc] R thousands	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other Adjus.	Total Adjus.	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt			Budget	Budget	Budget
		3	4	5	6	7	8	9	10			
		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Municipal Vote	2											
Multi-year expenditure appropriation												
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-
1,1 - Municipal Manager									-	-	-	
1,2 - Strategic Manager									-	-	-	
1,3 - Internal Audit									-	-	-	
1,4 - Risk Management									-	-	-	
1,5 - Performance Management Unit									-	-	-	
1,6 - Marketing Publicity and Media Co-ordination									-	-	-	
1,7 - Council General									-	-	-	
1,8 - Legal Services									-	-	-	
									-	-	-	
									-	-	-	
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	-
2,1 - Executive e Manager: Financial Services									-	-	-	
2,2 - Finances: Creditors									-	-	-	
2,3 - Finances: Budgets and Financial Statements									-	-	-	
2,4 - Finances: Income and Bank Reconciliations									-	-	-	
2,5 - Finances: Remuneration and Administration									-	-	-	
2,6 - Finances: Supply Chain Management									-	-	-	
2,7 - Finances: Procurement and Stores									-	-	-	
2,8 - Finances: Data Management									-	-	-	
2,9 - Finances: Asset Management									-	-	-	
2,10 - Finances: Finance Interns									-	-	-	
Vote 3 - Corporate Services		1 500	1 500	-	-	-	-	(1 450)	(1 450)	50	2 100	
3,1 - Executiv e Manager: Corporate Services									-	-	-	
3,2 - Executiv e Mayor									-	-	-	
3,3 - Deputy Mayor									-	-	-	
3,4 - Speaker									-	-	-	
3,5 - Section 79/80 Committees									-	-	-	
3,6 - Task Unit									-	-	-	
3,7 - Human Resources									-	-	-	
3,8 - Support Services: Records, Archives and Auxiliary									-	-	350	
3,9 - Support Services: Committee									-	-	-	
3,10 - ICT Services		1 500	1 500					(1 450)	(1 450)	50	1 750	
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
4,1 - Executive Manager: Planning and Economic Development									-	-	-	
4,2 - IDP Unit									-	-	-	
4,3 - Tourism and District Economic Development									-	-	-	
4,4 - EPWP Manager									-	-	-	
4,5 - Community Project: EPWP Project									-	-	-	
4,6 - Regional Planning									-	-	-	
4,7 - Project Management Unit									-	-	-	
4,8 - Human Settlement									-	-	-	
									-	-	-	
									-	-	-	
Vote 5 - Public Safety		200	200	-	-	-	-	180	180	380	350	
5,1 - Fire Fighting		200	200					180	180	380	350	
5,2 - Disaster Management									-	-	-	
5,3 - Fire Services: Riversdale								-	-	-		
5,4 - Fire Services: Uniondale								-	-	-		
5,5 - Fire Services: Kannaland								-	-	-		
								-	-	-		
								-	-	-		
								-	-	-		
								-	-	-		
								-	-	-		
Vote 6 - Health	7 000	7 000	-	-	-	-	(5 860)	(5 860)	1 140	8	-	
6,1 - Executive Manager: Community Services	7 000	7 000					(5 860)	(5 860)	1 140			
6,2 - MHS Admin								-	-	-		
6,3 - MHS George								-	-	-		
6,4 - MHS Klein Karoo								-	-	-		
6,5 - MHS Langeberg								-	-	-		
6,6 - MHS Lakes Area								-	-	-		

Vote 7 - Community and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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[illegible]

Vote 5 - Public Safety	-	-	-	-	-	-	100		100	100	-	
5,1 - Fire Fighting									-	-		
5,2 - Disaster Management							100		100	100		
5,3 - Fire Services: Riversdale									-	-		
5,4 - Fire Services: Uniondale									-	-		
5,5 - Fire Services: Kannaland									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
Vote 6 - Health	63	63	-	-	-	-	-		-	63	30	
6,1 - Executive Manager: Community Services	30	30							-	30	30	
6,2 - MHS Admin	23	23					(23)		(23)	-		
6,3 - MHS George	-	-							-	-		
6,4 - MHS Klein Karoo	6	6							-	6		
6,5 - MHS Langeberg	-	-					23		23	23		
6,6 - MHS Lakes Area	4	4							-	4		
									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
Vote 7 - Community and Social Services	-	-	-	-	-	-	-		-	-	-	
7,1 - Social Development									-	-		
7,2 - Community Skills Development									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
Vote 8 - Sport and Recreation	2 130	2 130	-	-	-	-	377		377	2 507	-	
8,1 - Sports, Arts and Culture									-	-		
8,2 - Swartvlei Camping Area									-	-		
8,3 - Victoria Bay Camping Area							20		20	20		
8,4 - Calitzdorp Spa Kiosk									-	-		
8,5 - Calitzdorp Spa Resort	2 130	2 130					257		257	2 387		
8,6 - De Hoek Mountain Resort							100		100	100		
8,7 - De Hoek Resort Shop									-	-		
8,8 - Kleinkrantz									-	-		
									-	-		
									-	-		
Vote 9 - Waste Management	-	-	-	-	-	-	-		-	-	-	
9,1 - Bulk Infrastructure									-	-		
9,2 - Regional Landfill Site									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
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									-	-		
Vote 10 - Roads Transport	-	400	-	-	-	-	(300)		(300)	100	-	
10,1 - Public Transport		400					(300)		(300)	100		
									-	-		
									-	-		
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Vote 11 - Waste Water Management	-	-	-	-	-	-	-		-	86	-	
11,1 - Sewerage									-	-		
11,2 - Bulk Infrastructure									-	-		

[illegible]

DC4 Garden Route - Table B6 Adjustments Budget Financial Position - 21 February 2022

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash		164 643	164 643					(3 422)	(3 422)	161 221	139 325	138 800
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	-	-	-	-	-	-	-	-	-	-	-
Other debtors		24 106	24 106					15 523	15 523	39 629	24 693	26 100
Current portion of long-term receivables		3 733	3 733					513	513	4 246	4 192	4 400
Inventory		2 669	2 669					591	591	3 260	2 673	3 700
Total current assets		195 152	195 152	-	-	-	-	13 205	13 205	208 357	170 883	173 000
Non current assets												
Long-term receivables		52 945	52 945					8 443	8 443	61 388	54 195	53 400
Investments		27	27					-	-	27	-	-
Investment property		51 682	51 682					2 318	2 318	54 000	51 182	50 000
Investment in Associate		-	-					-	-	-	-	-
Property, plant and equipment	1	227 652	228 052	-	-	-	-	(56 095)	(56 095)	171 957	415 402	413 400
Biological								-	-	-	-	-
Intangible		2 113	2 113					-	-	2 113	1 749	1 600
Other non-current assets								-	-	-	-	-
Total non current assets		334 418	334 818	-	-	-	-	(45 334)	(45 334)	289 485	522 554	519 000
TOTAL ASSETS		529 570	529 970	-	-	-	-	(32 129)	(32 129)	497 841	693 437	692 000
LIABILITIES												
Current liabilities												
Bank overdraft									-	-		
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Consumer deposits									-	-		
Trade and other payables		31 478	31 478	-	-	-	-	-	-	31 478	24 828	21 200
Provisions		34 270	34 270					8 168	8 168	42 438	35 515	38 000
Total current liabilities		65 748	65 748	-	-	-	-	8 168	8 168	73 916	60 343	59 200
Non current liabilities												
Borrowing	1	60 000	60 000	-	-	-	-	(56 095)	(56 095)	3 905	240 000	220 000
Provisions	1	135 506	135 506	-	-	-	-	2 591	2 591	138 097	130 096	126 000
Total non current liabilities		195 506	195 506	-	-	-	-	(53 504)	(53 504)	142 002	370 096	346 000
TOTAL LIABILITIES		261 254	261 254	-	-	-	-	(45 336)	(45 336)	215 918	430 439	405 200
NET ASSETS	2	268 316	268 716	-	-	-	-	13 207	13 207	281 923	262 998	286 800
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		201 063	201 463	-	-	-	3 062	16 884	19 946	221 409	188 496	205 000
Reserves		67 253	67 253	-	-	-	-	(6 739)	(6 739)	60 514	74 503	81 000
TOTAL COMMUNITY WEALTH/EQUITY		268 316	268 716	-	-	-	3 062	10 145	13 207	281 923	262 998	286 000

DC4 Garden Route - Table B7 Adjustments Budget Cash Flows - 21 February 2022

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		–							–	–	–	
Service charges		–							–	–	33 000	90 700
Other revenue		221 849	221 849					7 485	7 485	229 333	229 128	233 700
Transfers and Subsidies - Operational	1	187 375	192 940				3 062	5 581	8 643	201 583	184 341	188 700
Transfers and Subsidies - Capital	1	–	–						–	–	–	
Interest		11 470	11 470						–	11 470	11 649	11 800
Dividends		–	–						–	–	–	
Payments												
Suppliers and employees		(428 096)	(433 261)					(20 411)	(20 411)	(453 672)	(457 765)	(504 700)
Finance charges		(70)	(70)						–	(70)	(3 070)	(18 000)
Transfers and Grants	1	–	–						–	–	–	
NET CASH FROM/(USED) OPERATING ACTIVITIES		(7 472)	(7 072)	–	–	–	3 062	(7 345)	(4 283)	(11 355)	(2 718)	2 000
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE									–	–		
Decrease (increase) in non-current receivables									–	–		
Decrease (increase) in non-current investments									–	–		
Payments												
Capital assets		(76 173)	(76 573)					56 956	56 956	(19 617)	(182 600)	(2 000)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(76 173)	(76 573)	–	–	–	–	56 956	56 956	(19 617)	(182 600)	(2 000)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									–	–		
Borrowing long term/refinancing		60 000	60 000					(56 095)	(56 095)	3 905	180 000	
Increase (decrease) in consumer deposits									–	–		
Payments												
Repayment of borrowing									–	–	(20 000)	
NET CASH FROM/(USED) FINANCING ACTIVITIES		60 000	60 000	–	–	–	–	(56 095)	(56 095)	3 905	160 000	
NET INCREASE/ (DECREASE) IN CASH HELD		(23 644)	(23 644)	–	–	–	3 062	(6 484)	(3 422)	(27 067)	(25 318)	(4 000)
Cash/cash equivalents at the year begin:	2	188 287	188 287						–	188 287	161 221	135 000
Cash/cash equivalents at the year end:	2	164 643	164 643						(3 422)	161 221	135 903	135 000

DC4 Garden Route - Table B8 Cash backed reserves/accumulated surplus reconciliation - 21 February 2022

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	164 643	164 643	–	–	–	3 062	(6 484)	(3 422)	161 221	135 903	135 400
Other current investments > 90 days		–	–	–	–	–	(3 062)	3 062	–	–	3 422	3 422
Non current assets - Investments	1	27	27	–	–	–	–	–	–	27	27	27
Cash and investments available:		164 670	164 670	–	–	–	–	(3 422)	(3 422)	161 248	139 353	138 827
Applications of cash and investments												
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–	–
Unspent borrowing												
Statutory requirements												
Other working capital requirements	2	(44 555)	(44 555)					(23 692)	(23 692)	(68 247)	(53 123)	(57 500)
Other provisions		34 270	34 270						–	34 270	35 515	38 000
Long term investments committed		27	27					(0)	(0)	27	27	27
Reserves to be backed by cash/investments		67 253	67 253					(6 739)	(6 739)	60 514	74 503	81 000
Total Application of cash and investments:		56 995	56 995	–	–	–	–	(30 432)	(30 432)	26 564	56 922	61 527
Surplus(shortfall)		107 675	107 675	–	–	–	–	27 010	27 010	134 684	82 431	77 299

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Total Upgrading of Existing Assets to be adjusted	2a	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	76 173	76 573	-	-	-	-	(62 255)	(62 255)	14 318	182 600
Roads Infrastructure		-	400	-	-	-	-	(300)	(300)	100	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		60 000	60 000	-	-	-	-	(56 095)	(56 095)	3 905	180 000
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-
Infrastructure		60 000	60 400	-	-	-	-	(56 395)	(56 395)	4 005	180 000
Community Facilities		7 000	7 000	-	-	-	-	(5 860)	(5 860)	1 140	-
Sport and Recreation Facilities		2 000	2 000	-	-	-	-	-	-	2 000	-
Community Assets		9 000	9 000	-	-	-	-	(5 860)	(5 860)	3 140	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-
Operational Buildings		6	6	-	-	-	-	-	-	6	-
Housing		-	-	-	-	-	-	-	-	-	-
Other Assets		6	6	-	-	-	-	-	-	6	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-
Computer Equipment		6 023	6 023	-	-	-	-	-	-	6 023	1 750
Furniture and Office Equipment		214	214	-	-	-	-	-	-	214	150
Machinery and Equipment		930	930	-	-	-	-	-	-	930	350
Transport Assets		-	-	-	-	-	-	-	-	-	350
Land		-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	76 173	76 573	-	-	-	-	(62 255)	(62 255)	14 318	182 600

ASSET REGISTER SUMMARY - PPE (WDV)			5	228 070	282 246	-	-	-	-	-	282 246	468 332
Roads Infrastructure											-	
Storm water Infrastructure											-	
Electrical Infrastructure											-	
Water Supply Infrastructure											-	
Sanitation Infrastructure											-	
Solid Waste Infrastructure											-	
Rail Infrastructure											-	
Coastal Infrastructure											-	
Information and Communication Infrastructure											-	
Infrastructure				-	-	-	-	-	-	-	-	-
Community Assets											-	
Heritage Assets											-	
Investment properties				54 000	51 682						51 682	51 182
Other Assets				171 957	228 452						228 452	415 402
Biological or Cultivated Assets					-						-	
Intangible Assets				2 113	2 113						2 113	1 749
Computer Equipment					-						-	
Furniture and Office Equipment					-						-	
Machinery and Equipment					-						-	
Transport Assets					-						-	
Land											-	
Zoo's, Marine and Non-biological Animals											-	
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)			5	228 070	282 246	-	-	-	-	-	282 246	468 332
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment				4 852	4 852	-	-	-	-	-	4 852	6 288
Repairs and Maintenance by asset class			3	2 573	2 573	-	-	-	-	-	2 573	2 573
Roads Infrastructure				-	-	-	-	-	-	-	-	-
Storm water Infrastructure				-	-	-	-	-	-	-	-	-
Electrical Infrastructure				-	-	-	-	-	-	-	-	-
Water Supply Infrastructure				308	308	-	-	-	-	-	308	308
Sanitation Infrastructure				161	161	-	-	-	-	-	161	161
Solid Waste Infrastructure				-	-	-	-	-	-	-	-	-
Rail Infrastructure				-	-	-	-	-	-	-	-	-
Coastal Infrastructure				-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure				-	-	-	-	-	-	-	-	-
Infrastructure				469	469	-	-	-	-	-	469	469
Community Facilities				75	75	-	-	-	-	-	75	75
Sport and Recreation Facilities				366	366	-	-	-	-	-	366	366
Community Assets				441	441	-	-	-	-	-	441	441
Heritage Assets				-	-	-	-	-	-	-	-	-
Revenue Generating				-	-	-	-	-	-	-	-	-
Non-revenue Generating				-	-	-	-	-	-	-	-	-
Investment properties				-	-	-	-	-	-	-	-	-
Operational Buildings				930	930	-	-	-	-	-	930	930
Housing				-	-	-	-	-	-	-	-	-
Other Assets				930	930	-	-	-	-	-	930	930
Biological or Cultivated Assets				-	-	-	-	-	-	-	-	-
Servitudes				-	-	-	-	-	-	-	-	-
Licences and Rights				-	-	-	-	-	-	-	-	-
Intangible Assets				-	-	-	-	-	-	-	-	-
Computer Equipment				25	25	-	-	-	-	-	25	25
Furniture and Office Equipment				-	-	-	-	-	-	-	-	-
Machinery and Equipment				250	250	-	-	-	-	-	250	250
Transport Assets				459	459	-	-	-	-	-	459	459
Land				-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			6	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted				7 425	7 425	-	-	-	-	-	7 425	8 861
Renewal and upgrading of Existing Assets as % of total PPE				10,5%	10,5%						55,9%	1,0%
Renewal and upgrading of Existing Assets as % of depreciation				165,1%	165,1%						165,1%	27,8%
R&M as a % of PPE				1,1%	0,9%						0,9%	0,5%
Renewal and upgrading and R&M as a % of PPE				4,6%	3,7%						3,7%	0,9%

DC4 Garden Route - Table B10 Basic service delivery measurement - 21 February 2022

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
Household service targets	1											
Water:												
Piped water inside dwelling									-	-		
Piped water inside yard (but not in dwelling)									-	-		
Using public tap (at least min.service level)	2								-	-		
Other water supply (at least min.service level)									-	-		
Minimum Service Level and Above sub-total									-	-		
Using public tap (< min.service level)	3								-	-		
Other water supply (< min.service level)	3,4								-	-		
No water supply									-	-		
Below Minimum Service Level sub-total									-	-		
Total number of households	5								-	-		
Sanitation/sewerage:												
Flush toilet (connected to sewerage)									-	-		
Flush toilet (with septic tank)									-	-		
Chemical toilet									-	-		
Pit toilet (ventilated)									-	-		
Other toilet provisions (> min.service level)									-	-		
Minimum Service Level and Above sub-total									-	-		
Bucket toilet									-	-		
Other toilet provisions (< min.service level)									-	-		
No toilet provisions									-	-		
Below Minimum Service Level sub-total									-	-		
Total number of households	5								-	-		
Energy:												
Electricity (at least min. service level)									-	-		
Electricity - prepaid (> min.service level)									-	-		
Minimum Service Level and Above sub-total									-	-		
Electricity (< min.service level)									-	-		
Electricity - prepaid (< min. service level)									-	-		
Other energy sources									-	-		
Below Minimum Service Level sub-total									-	-		
Total number of households	5								-	-		
Refuse:												
Removed at least once a week (min.service)									-	-		
Minimum Service Level and Above sub-total									-	-		
Removed less frequently than once a week									-	-		
Using communal refuse dump									-	-		
Using own refuse dump									-	-		
Other rubbish disposal									-	-		
No rubbish disposal									-	-		
Below Minimum Service Level sub-total									-	-		
Total number of households	5								-	-		
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)									-	-		
Sanitation (free minimum level service)									-	-		
Electricity/other energy (50kwh per household per month)									-	-		
Refuse (removed at least once a week)									-	-		
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per indigent household per month)									-	-		
Sanitation (free sanitation service to indigent households)									-	-		
Electricity/other energy (50kwh per indigent household)									-	-		
Refuse (removed once a week for indigent households)									-	-		
Cost of Free Basic Services provided - Informal												
Formal Settlements (R'000)									-	-		
Total cost of FBS provided									-	-		
Highest level of free service provided												
Property rates (R'000 value threshold)									-	-		
Water (kilolitres per household per month)									-	-		
Sanitation (kilolitres per household per month)									-	-		
Sanitation (Rand per household per month)									-	-		
Electricity (kw per household per month)									-	-		
Refuse (average litres per week)									-	-		
Revenue cost of free services provided (R'000)	17											
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)									-	-		
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)									-	-		
Water (in excess of 6 kilolitres per indigent household per month)									-	-		
Sanitation (in excess of free sanitation service to indigent households)									-	-		
Electricity/other energy (in excess of 50 kw h per indigent household per month)									-	-		
households)									-	-		
Municipal Housing - rental rebates									-	-		
Housing - top structure subsidies	6								-	-		
Other									-	-		
Total revenue cost of subsidised services provided									-	-		

DC4 Garden Route - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 21 February 2022

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget A	Prior Adjusted 6 A1	Accum. Funds 7 B	Multi-year capital 8 C	Unfore. Unavoid. 9 D	Nat. or Prov. Govt 10 E	Other Adjusts. 11 F	Total Adjusts. 12 G	Adjusted Budget 13 H	Adjusted Budget	Adjusted Budget
R thousands												
REVENUE ITEMS												
Property rates												
Total Property Rates									-	-		
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)									-	-		
Net Property Rates		-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue												
Total Service charges - electricity revenue									-	-		
less Revenue Foregone (in excess of 50 kwh per indigent household per month)									-	-		
less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue												
Total Service charges - water revenue									-	-		
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)									-	-		
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue												
Total Service charges - sanitation revenue									-	-		
less Revenue Foregone (in excess of free sanitation service to indigent households)									-	-		
less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue												
Total refuse removal revenue									-	-		
Total landfill revenue									-	-	33 000	90 700
less Revenue Foregone (in excess of one removal a week to indigent households)									-	-		
less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	33 000	90 700
Other Revenue By Source												
Fuel Levy									-	-		
Other Revenue		22067409	22067409					-2357180	(2 357)	19 710	21278772	17460600
Total 'Other' Revenue	1	22 067	22 067	-	-	-	-	(2 357)	(2 357)	19 710	21 279	17 460
EXPENDITURE ITEMS												
Employee related costs												
Basic Salaries and Wages		165 197	165 785					4 830	4 830	170 615	164 322	166 000
Pension and UIF Contributions		26 425	26 425					1 496	1 496	27 921	26 826	27 200
Medical Aid Contributions		21 932	21 956					2 254	2 254	24 210	23 321	24 000
Overtime		5 011	5 011					606	606	5 617	5 034	5 000
Performance Bonus		-	-					-	-	-	-	-
Motor Vehicle Allowance		10 749	10 774					(300)	(300)	10 474	10 825	10 900
Cellphone Allowance		286	286					(45)	(45)	240	288	200
Housing Allowances		2 531	2 531					343	343	2 874	2 569	2 600
Other benefits and allowances		15 387	15 387					3 293	3 293	18 680	15 430	15 400
Payments in lieu of leave		4 724	4 724					2 216	2 216	6 941	4 911	5 000
Long service awards		90	90					(90)	(90)	-	94	0
Post-retirement benefit obligations		8 586	8 586					(1 358)	(1 358)	7 228	8 586	8 500
sub-total	4	260 917	261 554	-	-	-	-	13 246	13 246	274 800	262 206	266 700
Less: Employees costs capitalised to PPE									-	-		
Total Employee related costs	1	260 917	261 554	-	-	-	-	13 246	13 246	274 800	262 206	266 700
Depreciation & asset impairment												
Depreciation of Property, Plant & Equipment		4 852	4 852						-	4 852	6 288	15 700
Lease amortisation									-	-		
Capital asset impairment									-	-		
Total Depreciation & asset impairment	1	4 852	4 852	-	-	-	-	-	-	4 852	6 288	15 700
Bulk purchases												
Electricity Bulk Purchases									-	-		
Water Bulk Purchases									-	9		
Total bulk purchases	1	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants												
Cash transfers and grants		1 230	1 230						-	1 230	1 085	900
Non-cash transfers and grants									-	-		
Total transfers and grants		1 230	1 230	-	-	-	-	-	-	1 230	1 085	900

Contracted services											
Outsourced Services											
Consultants and Professional Services		29 457	33 924					497	497	34 421	53 785
Contractors											82 0
Total contracted services		29 457	33 924	-	-	-	-	497	497	34 421	53 785
Other Expenditure By Type											
Collection costs											
Contributions to 'other' provisions											
Audit fees											
Other Expenditure		57 740	57 802					11 146	11 146	68 948	58 378
Total Other Expenditure	1	57 740	57 802	-	-	-	-	11 146	11 146	68 948	58 378
Repairs and Maintenance											
Employee related costs	14										
Other materials											
Contracted Services		4 059	4 059							4 059	4 276
Other Expenditure											
Total Repairs and Maintenance Expenditure	15	4 059	4 059	-	-	-	-	-	-	4 059	4 276

DC4 Garden Route - Supporting Table SB2 Supporting detail to 'Financial Position Budget' - 21 February 2022

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget A	Prior Adjusted 4 A1	Accum. Funds 5 B	Multi-year capital 6 C	Unfore. Unavoid. 7 D	Nat. or Prov. Govt 8 E	Other Adjusts. 9 F	Total Adjusts. 10 G	Adjusted Budget 11 H	Adjusted Budget	Adjusted Budget
R thousands												
ASSETS												
Consumer debtors												
Consumer debtors									-	-		
Less: provision for debt impairment		-	-	-	-	-	-	-	-	-	-	
Total Consumer debtors	1	-	-	-	-	-	-	-	-	-	-	
Debt impairment provision												
Balance at the beginning of the year									-	-	-	
Contributions to the provision									-	-		
Bad debts written off									-	-		
Balance at end of year		-	-	-	-	-	-	-	-	-	-	
Property, plant & equipment												
PPE at cost/valuation (excl. finance leases)	2	429 413	429 813					(56 095)	(56 095)	373 718	622 013	624 013
Leases recognised as PPE			-						-	-		
Less: Accumulated depreciation		201 761	201 761						-	201 761	206 611	211 611
Total Property, plant & equipment	1	227 652	228 052	-	-	-	-	(56 095)	(56 095)	171 957	415 402	412 402
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)									-	-		
Current portion of long-term liabilities									-	-		
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-	
Trade and other payables												
Trade Payables		31 478	31 478						-	31 478	24 828	21 828
Other creditors			-						-	-		
Unspent conditional transfers			-				-		-	-		
VAT			-						-	-		
Total Trade and other payables	1	31 478	31 478	-	-	-	-	-	-	31 478	24 828	21 828
Non current liabilities - Borrowing												
Borrowing	3	60 000	60 000					(56 095)	(56 095)	3 905	240 000	220 000
Finance leases (including PPP asset element)									-	-		
Total Non current liabilities - Borrowing		60 000	60 000	-	-	-	-	(56 095)	(56 095)	3 905	240 000	220 000
Provisions - non current												
Retirement benefits		135 506	135 506					2 591	2 591	138 097	130 096	126 096
Refuse landfill site rehabilitation									-	-		
Other									-	-		
Total Provisions - non current		135 506	135 506	-	-	-	-	2 591	2 591	138 097	130 096	126 096
CHANGES IN NET ASSETS												
Accumulated surplus/(Deficit)												
Accumulated surplus/(Deficit) - opening balance		221 474	221 474						-	221 474	201 063	201 063
GRAP adjustments									-	-		
Restated balance		221 474	221 474		-	-	-	-	-	221 474	201 063	201 063
Surplus/(Deficit)		(7 472)	(7 072)		-	-	3 062	(6 929)	(3 867)	(10 939)	(2 718)	2 718
Transfers to/from Reserves		(9 850)	(9 850)						-	(9 850)	(9 850)	(7 850)
Depreciation offsets			-						-	-		
Other adjustments		(3 089)	(3 089)					23 813	23 813	20 724		9 724
Accumulated Surplus/(Deficit)	1	201 063	201 463	-	-	-	3 062	16 884	19 946	221 409	188 496	205 496
Reserves												
Housing Development Fund			-						-	-		
Capital replacement		28 824	28 824					(2 435)	(2 435)	26 389	31 074	32 074
Self-insurance			-						-	-		
Other reserves		38 429	38 429					(4 304)	(4 304)	34 125	43 429	48 429
Revaluation			-						-	-		
Total Reserves	2	67 253	67 253	-	-	-	-	(6 739)	(6 739)	60 514	74 503	81 503
TOTAL COMMUNITY WEALTH/EQUITY	2	268 316	268 716	-	-	-	3 062	10 145	13 207	281 923	262 998	286 998

DC4 Garden Route - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 21 February 2022

Description	Ref	Budget Year 2021/22							Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F		
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		177 702	178 540	-	-	(838)	(838)	177 702	176 006	177 702
Local Government Equitable Share		167 653	167 653				-	167 653	172 405	177 702
Finance Management	3	1 000	1 000				-	1 000	1 000	1 000
Municipal Systems Improvement		4 500	4 500				-	4 500		
EPWP Incentive		2 071	2 071				-	2 071		
NT - Rural Roads Asset Management System		2 478	3 316			(838)	(838)	2 478	2 601	
Other transfers and grants [insert description]							-	-		
Provincial Government:		8 473	12 800	-	-	4 300	4 300	17 100	8 335	
PT - Integrated Transport Plan		900	1 778				-	1 778	900	
PT - Municipal Accreditation & Capacity Building Grant		5 000	5 629				-	5 629	5 000	
PT - Fire Service Capacity Building Grant	4	-	-				-	-		
PT - Disaster Management Grant		-	27				-	27		
PT - Financial Management Capacity Building Grant		250	293				-	293		
PT - Western Cape Financial Management Support Grant						750	750	750		
PT - Municipal Service Delivery and Capacity Building Grant						350	350	350		
PT - Local Government Public Employment Support Grant						200	200	200		
PT - Joint District and Metro Approach Grant						2 000	2 000	2 000		
PT - Municipal Drought Relief Grant						100	100	100		
PT - Contribution Towards Acceleration of Housing Delivery						900	900	900		
PT - Safety Implementation Plan (WOSA)	5	2 323	5 073			-	-	5 073	2 435	
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]							-	-		
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]							-	-		
Total Operating Transfers and Grants	6	186 175	191 340	-	-	3 462	3 462	194 802	184 341	186 175
Capital Transfers and Grants										
National Government:		-	400	-	-	(400)	(400)	-	-	-
NT - Rural Roads Asset Management System			400		-	(400)	(400)	-		
Other capital transfers [insert description]							-	-		
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]							-	-		
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]							-	-		
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]							-	-		
Total Capital Transfers and Grants	6	-	400	-	-	(400)	(400)	-	-	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS		186 175	191 740	-	-	3 062	3 062	194 802	184 341	186 175

DC4 Garden Route - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 21 February 2022

Description	Ref	Budget Year 2021/22							Budget Year	Bud
		Original Budget	Prior Adjusted 2	Multi-year capital 3	Nat. or Prov. Govt 4	Other Adjusts. 5	Total Adjusts. 6	Adjusted Budget 7	+1 2022/23 Adjusted Budget	+2 2022/23 Adjusted Budget
R thousands		A	A1	B	C	D	E	F		B
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
Operating expenditure of Transfers and Grants										
National Government:		177 702	178 540	-	-	(838)	(838)	177 702	176 006	
Local Government Equitable Share		167 653	167 653				-	167 653	172 405	
Finance Management		1 000	1 000				-	1 000	1 000	
Municipal Systems Improvement		4 500	4 500				-	4 500		
EPWP Incentive		2 071	2 071				-	2 071		
NT - Rural Roads Asset Management System		2 478	3 316			(838)	(838)	2 478	2 601	
Other transfers and grants [insert description]			-				-	-		
Provincial Government:		8 473	12 800	-	-	4 300	4 300	17 100	8 335	
PT - Integrated Transport Plan		900	1 778				-	1 778	900	
PT - Municipal Accreditation & Capacity Building Grant		5 000	5 629				-	5 629	5 000	
PT - Fire Service Capacity Building Grant		-	-				-	-	-	
PT - Disaster Management Grant		-	27				-	27	-	
PT - Financial Management Capacity Building Grant		250	293				-	293		
PT - Western Cape Financial Management Support Grant						750	750	750		
PT - Municipal Service Delivery and Capacity Building Grant						350	350	350		
PT - Local Government Public Employment Support Grant						200	200	200		
PT - Joint District and Metro Approach Grant						2 000	2 000	2 000		
PT - Municipal Drought Relief Grant						100	100	100		
PT - Contribution Towards Acceleration of Housing Delivery						900	900	900		
PT - Safety Implementation Plan (WOSA)		2 323	5 073				-	5 073	2 435	
District Municipality:		-	-	-	-	-	-	-	-	
[insert description]							-	-		
Other grant providers:		-	-	-	-	-	-	-	-	
[insert description]							-	-		
Total operating expenditure of Transfers and Grants:		186 175	191 340	-	-	3 462	3 462	194 802	184 341	
Capital expenditure of Transfers and Grants										
National Government:		-	400	-	-	(400)	(400)	-	-	
NT - Rural Roads Asset Management System			400			(400)	(400)	-		
Other capital transfers [insert description]							-	-		
Provincial Government:		-	-	-	-	-	-	-	-	
Other capital transfers/grants [insert description]							-	-		
District Municipality:		-	-	-	-	-	-	-	-	
[insert description]							-	-		
Other grant providers:		-	-	-	-	-	-	-	-	
[insert description]							-	-		
Total capital expenditure of Transfers and Grants		-	400	-	-	(400)	(400)	-	-	
Total capital expenditure of Transfers and Grants		186 175	191 740	-	-	3 062	3 062	194 802	184 341	

DC4 Garden Route - Supporting Table SB9 Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds - 21 February 2022

Description	Ref	Budget Year 2021/22							Budget Year	Budget
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23 Adjusted Budget	+2 2022/23 Adjusted Budget
R thousands		A	A1	B	C	D	E	F		
Operating transfers and grants:										
National Government:										
Balance unspent at beginning of the year			838		(838)		(838)	(0)		
Current year receipts		177 702	177 702				-	177 702	176 006	
Conditions met - transferred to revenue		177 702	178 540	-	(838)	-	(838)	177 702	176 006	
Conditions still to be met - transferred to liabilities							-	-		
Provincial Government:										
Balance unspent at beginning of the year			4 327				-	4 327		
Current year receipts		8 473	8 473		4 300		4 300	12 773	8 335	
Conditions met - transferred to revenue		8 473	12 800	-	4 300	-	4 300	17 100	8 335	
Conditions still to be met - transferred to liabilities							-	-		
District Municipality:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	
Conditions still to be met - transferred to liabilities							-	-		
Other grant providers:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	
Conditions still to be met - transferred to liabilities							-	-		
Total operating transfers and grants revenue		186 175	191 340	-	3 462	-	3 462	194 802	184 341	
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	
Capital transfers and grants:										
National Government:										
Balance unspent at beginning of the year			400		(400)		(400)	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	400	-	(400)	-	(400)	-	-	
Conditions still to be met - transferred to liabilities							-	-		
Provincial Government:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	
Conditions still to be met - transferred to liabilities							-	-		
District Municipality:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	
Conditions still to be met - transferred to liabilities							-	-		
Other grant providers:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	
Conditions still to be met - transferred to liabilities							-	-		
Total capital transfers and grants revenue		-	400	-	(400)	-	(400)	-	-	
Total capital transfers and grants - CTBM		-	-	-	-	-	-	-	-	
TOTAL TRANSFERS AND GRANTS REVENUE		186 175	191 740	-	3 062	-	3 062	194 802	184 341	
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	

DC4 Garden Route - Supporting Table SB10 Adjustments Budget - transfers and grants made by the municipality - 21 February 2022

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
R thousands		A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H		
Cash transfers to other municipalities												
[insert description]	1								-	-		
[insert description]									-	-		
[insert description]									-	-		
TOTAL ALLOCATIONS TO MUNICIPALITIES:		-	-	-	-	-	-	-	-	-	-	-
Cash transfers to Entities/Other External Mechanisms												
[insert description]	2								-	-		
[insert description]									-	-		
[insert description]									-	-		
TOTAL ALLOCATIONS TO ENTITIES/EMs'		-	-	-	-	-	-	-	-	-	-	-
Cash transfers to other Organs of State												
[insert description]	3								-	-		
Private Enterprises									-	-		
Public enterprises									-	-		
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE:		-	-	-	-	-	-	-	-	-	-	-
Cash transfers to other Organisations												
[insert description]	4								-	-		
Households									-	-		
[insert description]		2 375	2 375					2 283	2 283	4 658	2 125	
TOTAL CASH TRANSFERS TO OTHER ORGANISATIONS:		2 375	2 375	-	-	-	-	2 283	2 283	4 658	2 125	
TOTAL CASH TRANSFERS	5	2 375	2 375	-	-	-	-	2 283	2 283	4 658	2 125	
Non-cash transfers to other municipalities												
[insert description]	1								-	-		
[insert description]									-	-		
[insert description]									-	-		
TOTAL ALLOCATIONS TO MUNICIPALITIES:		-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers to Entities/Other External Mechanisms												
[insert description]	2								-	-		
[insert description]									-	-		
[insert description]									-	-		
TOTAL ALLOCATIONS TO ENTITIES/EMs'		-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers to other Organs of State												
[insert description]	3								-	-		
[insert description]									-	-		
[insert description]									-	-		
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE:		-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers to other Organisations												
[insert description]	4								-	-		
[insert description]									-	-		
[insert description]									-	-		
TOTAL NON-CASH TRANSFERS TO OTHER ORGANISATIONS:		-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS	5	-	-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS		2 375	2 375	-	-	-	-	2 283	2 283	4 658	2 125	

DC4 Garden Route - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 21 February 2022

Summary of remuneration	Ref	Budget Year 2021/22								
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		11 298	11 298					568	568	11 866
Pension and UIF Contributions		242	242					(232)	(232)	
Medical Aid Contributions		78	78					(29)	(29)	
Motor Vehicle Allowance		776	776					(776)	(776)	
Cellphone Allowance		515	515					(497)	(497)	
Housing Allowances		451	451					(451)	(451)	
Other benefits and allowances		-	-					-	-	
Sub Total - Councillors		13 360	13 360			-		(1 417)	(1 417)	11 943
% increase			-							
Senior Managers of the Municipality										
Basic Salaries and Wages		4 587	4 587					1 191	1 191	5 778
Pension and UIF Contributions		1 484	1 484					(1 482)	(1 482)	
Medical Aid Contributions		113	113					(56)	(56)	
Overtime		-	-					-	-	
Performance Bonus		-	-					-	-	
Motor Vehicle Allowance		840	840					(342)	(342)	
Cellphone Allowance		148	148					(40)	(40)	
Housing Allowances		-	-					-	-	
Other benefits and allowances		804	804					(194)	(194)	
Payments in lieu of leave		-	-					-	-	
Long service awards		-	-					-	-	
Post-retirement benefit obligations		-	-					-	-	
Sub Total - Senior Managers of Municipality	5	7 977	7 977	-		-		(923)	(923)	7 054
% increase			-							
Other Municipal Staff										
Basic Salaries and Wages		160 610	161 159					3 678	3 678	164 837
Pension and UIF Contributions		24 941	24 941					2 978	2 978	27 919
Medical Aid Contributions		21 819	21 842					2 310	2 310	24 159
Overtime		5 011	5 001					617	617	5 618
Performance Bonus		-	-					-	-	
Motor Vehicle Allowance		9 909	9 862					114	114	9 976
Cellphone Allowance		137	137					(5)	(5)	
Housing Allowances		2 531	2 531					343	343	2 874
Other benefits and allowances		14 583	14 097					3 973	3 973	18 070
Payments in lieu of leave		4 724	4 724					2 216	2 216	6 940
Long service awards		-	-					-	-	
Post-retirement benefit obligations		8 586	6 896					332	332	7 222
Sub Total - Other Municipal Staff	5	252 851	251 190	-	-	-	-	16 557	16 557	267 747
% increase										
Total Parent Municipality		274 187	272 527	-	-	-	-	14 216	14 216	286 743

DC4 Garden Route - Supporting Table SB12 Adjustments Budget - monthly revenue and expenditure (municipal vote) - 21 February 2022

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Revenue by Vote																
Vote 1 - Executive and Council		24 466	15 707	14 519	14 519	21 164	18 305	14 519	17 821	20 460	14 519	14 519	53 749	244 269	232 479	233
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		19	19	19	19	19	19	19	19	19	19	19	1 533	1 741	556	-
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Health		56	56	56	56	56	56	56	56	56	56	56	(227)	390	393	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		721	721	721	721	721	721	721	721	721	721	721	(613)	7 322	5 671	5
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	33 000	90
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		9	9	9	9	9	9	9	9	9	9	9	16	118	125	-
Vote 14 - Roads Agency Function		13 789	13 789	13 789	13 789	13 789	13 789	13 789	13 789	13 789	13 789	13 789	37 279	188 962	185 894	193
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		39 061	30 303	29 115	29 115	35 760	32 900	29 115	32 416	35 055	29 115	29 115	91 736	442 804	458 117	525
Expenditure by Vote																
Vote 1 - Executive and Council		4 528	4 528	4 528	4 528	6 628	4 528	4 528	4 528	4 528	4 528	4 528	6 581	58 488	54 921	55
Vote 2 - Budget and Treasury Office		1 869	1 869	1 869	1 869	3 326	1 869	1 869	1 869	1 869	1 869	1 869	2 902	24 915	23 970	24
Vote 3 - Corporate Services		2 696	2 696	2 696	2 696	4 642	2 696	2 696	2 696	2 696	2 696	2 696	20 897	52 494	47 202	47
Vote 4 - Planning and Development		1 780	1 780	1 780	1 780	3 170	1 780	1 780	1 780	1 780	1 780	1 780	11 554	32 528	28 011	28
Vote 5 - Public Safety		2 490	2 490	2 490	2 490	4 408	2 490	2 490	2 490	2 490	2 490	2 490	5 372	34 683	32 875	33
Vote 6 - Health		2 646	2 646	2 646	2 646	5 104	2 646	2 646	2 646	2 646	2 646	2 646	8 087	39 648	37 307	37
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		1 037	1 037	1 037	1 037	1 725	1 037	1 037	1 037	1 037	1 037	1 037	(41)	12 049	12 057	12
Vote 9 - Waste Management		368	368	368	368	540	368	368	368	368	368	368	(1 305)	2 911	33 225	85
Vote 10 - Roads Transport		279	279	279	279	279	279	279	279	279	279	279	1 682	4 748	3 501	3
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		256	256	256	256	466	256	256	256	256	256	256	660	3 683	3 290	3
Vote 14 - Roads Agency Function		13 282	13 282	13 282	13 282	19 366	13 282	13 282	13 282	13 282	13 282	13 282	35 404	187 595	184 475	191
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		31 230	31 230	31 230	31 230	49 653	31 230	31 230	31 230	31 230	31 230	31 230	91 794	453 742	460 835	522
Surplus/ (Deficit)		7 832	(927)	(2 115)	(2 115)	(13 894)	1 670	(2 115)	1 187	3 825	(2 115)	(2 115)	(57)	(10 939)	(2 718)	2

DC4 Garden Route - Supporting Table SB13 Adjustments Budget - monthly revenue and expenditure (functional classification) - 21 February 2022

Description - Standard classification	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Revenue - Functional																
<i>Governance and administration</i>		24 485	15 726	14 538	14 538	21 183	18 324	14 538	17 840	20 479	14 538	14 538	55 282	246 011	233 035	234
Executive and council		24 466	15 707	14 519	14 519	21 164	18 305	14 519	17 821	20 460	14 519	14 519	53 749	244 269	232 479	233
Finance and administration		19	19	19	19	19	19	19	19	19	19	19	1 533	1 741	556	
Internal audit													-	-	-	
<i>Community and public safety</i>		764	764	764	764	764	764	764	764	764	764	764	(688)	7 712	6 064	6
Community and social services													-	-	-	
Sport and recreation		708	708	708	708	708	708	708	708	708	708	708	(461)	7 322	5 671	5
Public safety													-	-	-	
Housing													-	-	-	
Health		56	56	56	56	56	56	56	56	56	56	56	(227)	390	393	
<i>Economic and environmental services</i>		9	9	9	9	9	9	9	9	9	9	9	188 978	189 080	186 019	193
Planning and development													-	-	-	
Road transport													188 962	188 962	185 894	193
Environmental protection		9	9	9	9	9	9	9	9	9	9	9	16	118	125	
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	33 000	90
Energy sources													-	-	-	
Water management													-	-	-	
Waste water management													-	-	-	
Waste management													-	-	33 000	90
<i>Other</i>													-	-	-	
Total Revenue - Functional		25 258	16 499	15 311	15 311	21 956	19 097	15 311	18 613	21 252	15 311	15 311	243 571	442 804	458 117	525
Expenditure - Functional																
<i>Governance and administration</i>		9 866	9 866	9 866	9 866	16 004	9 866	9 866	9 866	9 866	9 866	9 866	32 563	147 225	136 137	136
Executive and council		3 846	3 846	3 846	3 846	5 403	3 846	3 846	3 846	3 846	3 846	3 846	7 847	51 714	51 105	51
Finance and administration		5 813	5 813	5 813	5 813	10 206	5 813	5 813	5 813	5 813	5 813	5 813	24 437	92 774	82 532	82
Internal audit		206	206	206	206	396	206	206	206	206	206	206	278	2 737	2 500	2
<i>Community and public safety</i>		6 272	6 272	6 272	6 272	11 487	6 272	6 272	6 272	6 272	6 272	6 272	10 647	84 855	80 172	81
Community and social services		980	980	980	980	1 883	980	980	980	980	980	980	(2 439)	9 246	7 676	7
Sport and recreation		857	857	857	857	1 432	857	857	857	857	857	857	2 047	12 049	12 057	12
Public safety		1 955	1 955	1 955	1 955	3 379	1 955	1 955	1 955	1 955	1 955	1 955	3 900	26 832	25 199	26
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		2 480	2 480	2 480	2 480	4 793	2 480	2 480	2 480	2 480	2 480	2 480	7 139	36 728	35 240	35
<i>Economic and environmental services</i>		1 086	1 086	1 086	1 086	1 680	1 086	1 086	1 086	1 086	1 086	1 086	203 257	215 795	208 635	216
Planning and development		551	551	551	551	935	551	551	551	551	551	551	13 321	19 770	17 369	17
Road transport		279	279	279	279	279	279	279	279	279	279	279	189 276	192 343	187 976	195
Environmental protection		256	256	256	256	466	256	256	256	256	256	256	660	3 683	3 290	3
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	2 911	2 911	33 225	85
Energy sources													-	-	-	
Water management													-	-	-	
Waste water management													-	-	-	
Waste management													2 911	2 911	33 225	85
<i>Other</i>		176	176	176	176	283	176	176	176	176	176	176	910	2 956	2 666	2
Total Expenditure - Functional		17 400	17 400	17 400	17 400	29 453	17 400	17 400	17 400	17 400	17 400	17 400	250 288	453 742	460 835	522
Surplus/ (Deficit) 1.		7 858	(901)	(2 089)	(2 089)	(7 497)	1 697	(2 089)	1 213	3 852	(2 089)	(2 089)	(6 717)	(10 939)	(2 718)	2

DC4 Garden Route - Supporting Table SB14 Adjustments Budget - monthly revenue and expenditure - 21 February 2022

Description		Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
			Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																	
Revenue By Source																	
Property rates													-	-	-		
Service charges - electricity revenue													-	-	-		
Service charges - water revenue													-	-	-		
Service charges - sanitation revenue													-	-	-		
Service charges - refuse revenue													-	-	-	33 000	
Rental of facilities and equipment			135	135	135	135	135	135	135	135	135	135	849	2 329	4 056	4 056	
Interest earned - external investments			2 818	-	-	-	705	1 409	-	2 114	-	-	1 454	8 500	8 500	8 500	
Interest earned - outstanding debtors			309	309	309	309	309	309	309	309	309	309	(430)	2 970	3 149	3 149	
Dividends received													-	-	-	-	
Fines, penalties and forfeits													-	-	-	-	
Licences and permits			9	9	9	9	9	9	9	9	9	9	16	118	125	125	
Agency services			15 389	15 389	15 389	15 389	15 389	15 389	15 389	15 389	15 389	15 389	37 893	207 176	203 668	211 668	
Transfers and subsidies			52 281	8 713	-	-	43 567	17 427	-	8 713	43 567	-	-	27 314	201 583	184 341	
Other revenue			1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	7 148	19 710	21 279	17 279	
Gains													-	-	-	-	
Total Revenue			72 083	25 698	16 984	16 984	61 256	35 820	16 984	27 811	60 552	16 984	16 984	74 244	442 387	458 117	525 117
Expenditure By Type																	
Employee related costs			18 424	18 424	18 424	18 424	36 847	18 424	18 424	18 424	18 424	18 424	53 716	274 800	262 206	266 206	266 206
Remuneration of councillors			1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	(304)	11 943	13 360	13 360	
Debt impairment			153	153	153	153	153	153	153	153	153	153	(188)	1 500	1 500	1 500	
Depreciation & asset impairment			328	328	328	328	328	328	328	328	328	328	1 249	4 852	6 288	15 288	
Finance charges			-	-	-	-	-	-	-	-	-	-	70	70	3 070	18 070	
Bulk purchases			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other materials			4 266	4 266	4 266	4 266	4 266	4 266	4 266	4 266	4 266	4 266	2 710	49 641	60 123	62 123	
Contracted services			2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	4 838	34 421	53 785	82 785	
Transfers and subsidies			103	103	103	103	103	103	103	103	103	103	6 370	7 498	2 125	2 125	
Other expenditure			4 824	4 824	4 824	4 824	4 824	4 824	4 824	4 824	4 824	4 824	15 879	68 948	58 378	59 378	
Losses			-	-	-	-	-	-	-	-	-	-	69	69	-	-	
Total Expenditure			31 901	31 901	31 901	31 901	50 324	31 901	31 901	31 901	31 901	31 901	84 411	453 742	460 835	522 835	
Surplus/(Deficit)			40 183	(6 203)	(14 916)	(14 916)	10 932	3 920	(14 916)	(4 089)	28 651	(14 916)	(14 916)	(10 166)	(11 355)	(2 718)	2 282
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)													-	-	-	-	-
allocations) (National / Provincial Departmental													-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private													-	-	-	-	-
Enterprises, Public Corporations, Higher Educational													417	417	-	-	-
Transfers and subsidies - capital (in-kind - all)																	
Surplus/(Deficit) after capital transfers & contributions			40 183	(6 203)	(14 916)	(14 916)	10 932	3 920	(14 916)	(4 089)	28 651	(14 916)	(14 916)	(9 750)	(10 939)	(2 718)	2 282

DC4 Garden Route - Supporting Table SB15 Adjustments Budget - monthly cash flow - 21 February 2022

Monthly cash flows	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Cash Receipts By Source	1															
Property rates													-			
Service charges - electricity revenue																
Service charges - water revenue					5								(5)			
Service charges - sanitation revenue																
Service charges - refuse															33 000	90 000
Rental of facilities and equipment		119	76	(34)	128	82	(24)						3 482	3 829	4 056	4 000
Interest earned - external investments		708	708	708	708	708	708	708				708	708	8 500	8 500	8 500
Interest earned - outstanding debtors		248	248	248	248	248	248	248	248	248	248	248	248	2 970	3 149	3 149
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		10	10	10	10	10	10	10	10	10	10	10	10	118	125	125
Agency services		16 320	16 320	16 320	16 320	16 320	16 320	16 320	16 320	16 320	16 320	16 320	16 320	195 834	203 668	211 000
Transfers and Subsidies - Operational		15 615	15 615	15 615	15 615	15 615	15 615	15 615	15 615	15 615	15 615	15 615	20 780	192 540	184 341	188 000
Other revenue		1 839	1 839	1 839	1 839	1 839	1 839	1 839	1 839	1 839	1 839	1 839	1 839	22 067	21 279	17 000
Cash Receipts by Source		34 858	34 815	34 704	34 872	34 820	34 715	34 739	34 739	34 739	34 739	34 739	43 381	425 859	458 117	525 000
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)													400	400		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)																
Proceeds on Disposal of Fixed and Intangible Assets																
Short term loans																
Borrowing long term/refinancing												60 000		60 000	180 000	
Increase (decrease) in consumer deposits																
Decrease (increase) in non-current receivables																
Decrease (increase) in non-current investments																
Total Cash Receipts by Source		34 858	34 815	34 704	34 872	34 820	34 715	34 739	34 739	34 739	34 739	94 739	43 781	486 259	638 117	525 000
Cash Payments by Type																
Employee related costs		18 424	18 424	18 424	18 424	36 847	18 424	18 424	18 424	18 424	18 424	18 424	39 833	260 917	262 206	266 000
Remuneration of councillors		1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	13 360	13 360	13 360
Finance charges		-	-	-	-	-	-	-	-	-	-	-	70	70	3 070	18 000
Bulk purchases - Electricity																
Bulk purchases - Water & Sewer																
Other materials		4 266	4 266	4 266	4 266	4 266	4 266	4 266	4 266	4 266	4 266	4 266	4 266	51 197	51 421	52 000
Contracted services		2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	5 040	34 623	53 785	82 000
Transfers and grants - other municipalities																
Transfers and grants - other		103	103	103	103	103	103	103	103	103	103	103	(1 128)			
Other expenditure		4 824	4 824	4 824	4 824	4 824	4 824	4 824	4 824	4 824	4 824	4 824	20 495	73 564	76 993	89 000
Cash Payments by Type		31 420	31 420	31 420	31 420	49 843	31 420	31 420	31 420	31 420	31 420	31 420	69 690	433 731	460 835	522 000
Other Cash Flows/Payments by Type																
Capital assets		50	50	130	30	255	200	100	540	280	750	400	73 388	76 173	182 600	2 000
Repayment of borrowing																
Other Cash Flows/Payments																
Total Cash Payments by Type		31 470	31 470	31 550	31 450	50 098	31 620	31 520	31 960	31 700	32 170	31 820	143 078	509 904	643 435	525 000
NET INCREASE/(DECREASE) IN CASH HELD		3 388	3 345	3 155	3 422	(15 278)	3 095	3 219	2 779	3 039	2 569	62 919	(99 297)	(23 644)	(5 318)	
Cash/cash equivalents at the month/year beginning:		154 555	157 943	161 288	164 443	167 865	152 587	155 682	158 901	161 680	164 719	167 288	230 207	188 287	164 643	159 325
Cash/cash equivalents at the month/year end:		157 943	161 288	164 443	167 865	152 587	155 682	158 901	161 680	164 719	167 288	230 207	130 910	164 643	159 325	158 000

DC4 Garden Route - Supporting Table SB16 Adjustments Budget - monthly capital expenditure (municipal vote) - 21 February 2022

Description - Municipal Vote	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework	
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands															
Multi-year expenditure appropriation	1														
Vote 1 - Executive and Council													-	-	-
Vote 2 - Budget and Treasury Office													-	-	-
Vote 3 - Corporate Services													50	50	2 100
Vote 4 - Planning and Development													-	-	-
Vote 5 - Public Safety													380	380	350
Vote 6 - Health													1 140	1 140	-
Vote 7 - Community and Social Services													-	-	-
Vote 8 - Sport and Recreation											750		(750)	-	-
Vote 9 - Waste Management													3 905	3 905	180 000
Vote 10 - Roads Transport													-	-	-
Vote 11 - Waste Water Management													-	-	-
Vote 12 - Water													-	-	-
Vote 13 - Environment Protection													-	-	-
Vote 14 - Roads Agency Function													-	-	-
Vote 15 - Electricity													-	-	-
Capital Multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	750	-	4 726	5 476	182 450
Single-year expenditure appropriation															
Vote 1 - Executive and Council								30					24	54	30
Vote 2 - Budget and Treasury Office													55	55	30
Vote 3 - Corporate Services		50	50	100	30	255	200	70	540	280	-	-	3 615	5 190	30
Vote 4 - Planning and Development													6 022	6 052	30
Vote 5 - Public Safety													100	100	-
Vote 6 - Health													63	63	30
Vote 7 - Community and Social Services													-	-	-
Vote 8 - Sport and Recreation													2 507	2 507	-
Vote 9 - Waste Management													-	-	-
Vote 10 - Roads Transport													100	100	-
Vote 11 - Waste Water Management													-	-	-
Vote 12 - Water													-	-	-
Vote 13 - Environment Protection													20	20	-
Vote 14 - Roads Agency Function													-	-	-
Vote 15 - Electricity													-	-	-
Capital single-year expenditure sub-total	3	50	50	130	30	255	200	100	540	280	-	-	12 506	14 141	150
Total Capital Expenditure	2	50	50	130	30	255	200	100	540	280	750	-	17 232	19 617	182 600

DC4 Garden Route - Supporting Table SB17 Adjustments Budget - monthly capital expenditure (functional classification) - 21 February 2022

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Capital Expenditure - Functional																
Governance and administration		50	50	100	30	255	200	100	540	280	-	-	3 955	5 560	2 250	2 500
Executive and council								30					83	113	30	
Finance and administration		50	50	100	30	255	200	70	540	280			3 872	5 447	2 220	2 400
Internal audit													-	-	-	
Community and public safety		-	-	-	-	-	-	-	-	-	750	-	3 320	4 070	350	3 000
Community and social services													-	-	-	
Sport and recreation											750		1 637	2 387	-	
Public safety													480	480	350	3 000
Housing													-	-	-	
Health													1 203	1 203	-	
Economic and environmental services		-	-	30	-	-	-	-	-	-	-	-	6 052	6 082	-	
Planning and development				30									5 932	5 962	-	
Road transport													100	100	-	
Environmental protection													20	20	-	
Trading services		-	-	-	-	-	-	-	-	-	-	-	3 905	3 905	180 000	
Energy sources													-	-	-	
Water management													-	-	-	
Waste water management													-	-	-	
Waste management													3 905	3 905	180 000	
Other													-	-	-	
Total Capital Expenditure - Functional		50	50	130	30	255	200	100	540	280	750	-	17 232	19 617	182 600	2 800

Budget Year 2021/22													Budget Year +1 2022/23	Budget Year +2 2023/24
Description	Ref	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget		
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H				
R thousands														
Capital expenditure on new assets by Asset Class/Sub-class														
Infrastructure		60 000	60 400	-	-	-	-	(56 395)	(56 395)	4 005	180 000			
Roads Infrastructure		-	400	-	-	-	-	(300)	(300)	100	-			
Roads														
Road Structures														
Road Furniture			400					(300)	(300)	100				
Capital Spares														
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-			
Drainage Collection														
Storm water Conveyance														
Attenuation														
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-			
Power Plants														
HV Substations														
HV Switching Station														
HV Transmission Conductors														
MV Substations														
MV Switching Stations														
MV Networks														
LV Networks														
Capital Spares														
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-			
Dams and Weirs														
Boreholes														
Reservoirs														
Pump Stations														
Water Treatment Works														
Bulk Mains														
Distribution														
Distribution Points														
PRV Stations														
Capital Spares														
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-			
Pump Station														
Reticulation														
Waste Water Treatment Works														
Outfall Sewers														
Toilet Facilities														
Capital Spares														
Solid Waste Infrastructure		60 000	60 000	-	-	-	-	(56 095)	(56 095)	3 905	180 000			
Landfill Sites		60 000	60 000					(56 095)	(56 095)	3 905	180 000			
Waste Transfer Stations														
Waste Processing Facilities														
Waste Drop-off Points														
Waste Separation Facilities														
Electricity Generation Facilities														
Capital Spares														
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-			
Rail Lines														
Rail Structures														
Rail Furniture														
Drainage Collection														
Storm water Conveyance														
Attenuation														
MV Substations														
LV Networks														
Capital Spares														
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-			
Sand Pumps														
Piers														
Revetments														
Promenades														
Capital Spares														
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	113	-			
Data Centres														
Core Layers														
Distribution Layers														
Capital Spares														

Community Assets	7 000	7 000	-	-	-	-	(5 860)	(5 860)	1 140	-
Community Facilities	7 000	7 000	-	-	-	-	(5 860)	(5 860)	1 140	-
Halls								-	-	
Centres								-	-	
Crèches								-	-	
Clinics/Care Centres								-	-	
Fire/Ambulance Stations	7 000	7 000					(5 860)	(5 860)	1 140	
Testing Stations								-	-	
Museums								-	-	
Galleries								-	-	
Theatres								-	-	
Libraries								-	-	
Cemeteries/Crematoria								-	-	
Police								-	-	
Purfs								-	-	
Public Open Space								-	-	
Nature Reserves								-	-	
Public Ablution Facilities								-	-	
Markets								-	-	
Stalls								-	-	
Abattoirs								-	-	
Airports								-	-	
Taxi Ranks/Bus Terminals								-	-	
Capital Spares								-	-	
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
Indoor Facilities								-	-	
Outdoor Facilities								-	-	
Capital Spares								-	-	
Heritage assets	-	-	-	-	-	-	-	-	-	-
Monuments								-	-	
Historic Buildings								-	-	
Works of Art								-	-	
Conservation Areas								-	-	
Other Heritage								-	-	
Investment properties	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property								-	-	
Unimproved Property								-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property								-	-	
Unimproved Property								-	-	
Other assets	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-	-
Municipal Offices								-	-	
Pay/Enquiry Points								-	-	
Building Plan Offices								-	-	
Workshops								-	-	
Yards								-	-	
Stores								-	-	
Laboratories								-	-	
Training Centres								-	-	
Manufacturing Plant								-	-	
Depots								-	-	
Capital Spares								-	-	
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing								-	-	
Social Housing								-	-	
Capital Spares								-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets								-	-	

Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes									-	-		
Licences and Rights		-	-	-	-	-	-	-	-	-	-	
<i>Water Rights</i>									-	-		
<i>Effluent Licenses</i>									-	-		
<i>Solid Waste Licenses</i>									-	-		
<i>Computer Software and Applications</i>									-	-		
<i>Load Settlement Software Applications</i>									-	-		
<i>Unspecified</i>									-	-		
Computer Equipment		23	23	-	-	-	-	-	-	23	-	
Computer Equipment		23	23						-	23		
Furniture and Office Equipment		210	210	-	-	-	-	-	-	210	150	
Furniture and Office Equipment		210	210						-	210	150	
Machinery and Equipment		930	930	-	-	-	-	-	-	930	350	
Machinery and Equipment		930	930						-	930	350	
Transport Assets		-	-	-	-	-	-	-	-	-	350	
Transport Assets									-	-	350	
Land		-	-	-	-	-	-	-	-	-	-	
Land									-	-		
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals									-	-		
Total Capital Expenditure on new assets to be adjus	1	68 163	68 563	-	-	-	-	(62 255)	(62 255)	6 308	180 850	

DC4 Garden Route - Supporting Table SB18b Adjustments Budget - capital expenditure on renewal of existing assets by asset class - 21 February 2022

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure on renewal of existing assets by Asset Class/Sub-class												
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Roads									-	-		
Road Structures									-	-		
Road Furniture									-	-		
Capital Spares									-	-		
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Drainage Collection									-	-		
Storm water Conveyance									-	-		
Attenuation									-	-		
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Power Plants									-	-		
HV Substations									-	-		
HV Switching Station									-	-		
HV Transmission Conductors									-	-		
MV Substations									-	-		
MV Switching Stations									-	-		
MV Networks									-	-		
LV Networks									-	-		
Capital Spares									-	-		
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Dams and Weirs									-	-		
Boreholes									-	-		
Reservoirs									-	-		
Pump Stations									-	-		
Water Treatment Works									-	-		
Bulk Mains									-	-		
Distribution									-	-		
Distribution Points									-	-		
PRV Stations									-	-		
Capital Spares									-	-		
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Pump Station									-	-		
Reticulation									-	-		
Waste Water Treatment Works									-	-		
Outfall Sewers									-	-		
Toilet Facilities									-	-		
Capital Spares									-	-		
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Landfill Sites									-	-		
Waste Transfer Stations									-	-		
Waste Processing Facilities									-	-		
Waste Drop-off Points									-	-		
Waste Separation Facilities									-	-		
Electricity Generation Facilities									-	-		
Capital Spares									-	-		
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Lines									-	-		
Rail Structures									-	-		
Rail Furniture									-	-		
Drainage Collection									-	-		
Storm water Conveyance									-	-		
Attenuation									-	-		
MV Substations									-	-		
LV Networks									-	-		
Capital Spares									-	-		
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sand Pumps									-	-		
Piers									-	-		
Revetments									-	-		
Promenades									-	-		
Capital Spares									-	-		
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Data Centres									-	-		
Core Layers									-	-		
Distribution Layers									-	-		
Capital Spares									-	-		

Community Assets	2 000	2 000	-	-	-	-	-	-	2 000	-
Community Facilities	-	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-
Purfs	-	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	2 000	2 000	-	-	-	-	-	-	2 000	-
Indoor Facilities	-	-	-	-	-	-	-	-	-	-
Outdoor Facilities	2 000	2 000	-	-	-	-	-	-	2 000	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Other assets	6	6	-	-	-	-	-	-	6	-
Operational Buildings	6	6	-	-	-	-	-	-	6	-
Municipal Offices	6	6	-	-	-	-	-	-	6	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-	-
Computer Equipment	6 000	6 000	-	-	-	-	-	-	6 000	1 750
Computer Equipment	6 000	6 000	-	-	-	-	-	-	6 000	1 750
Furniture and Office Equipment	4	4	-	-	-	-	-	-	4	-
Furniture and Office Equipment	4	4	-	-	-	-	-	-	4	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	117	-
Land	-	-	-	-	-	-	-	-	117	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets to be	1	8 010	8 010	-	-	-	-	-	8 010	1 750

[illegible]

Community Assets	441	441	-	-	-	-	-	-	441	441
Community Facilities	75	75	-	-	-	-	-	-	75	75
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares	75	75							75	75
Sport and Recreation Facilities	366	366	-	-	-	-	-	-	366	366
Indoor Facilities										
Outdoor Facilities										
Capital Spares	366	366							366	366
Heritage assets	-	-	-	-	-	-	-	-	-	-
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Other assets	930	930	-	-	-	-	-	-	930	930
Operational Buildings	930	930	-	-	-	-	-	-	930	930
Municipal Offices	930	930							930	930
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment	25	25	-	-	-	-	-	-	25	25
Computer Equipment	25	25							25	25
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
Machinery and Equipment	250	250	-	-	-	-	-	-	250	250
Machinery and Equipment	250	250							250	250
Transport Assets	459	459	-	-	-	-	-	-	459	459
Transport Assets	459	459							459	459
Land	-	-	-	-	-	-	-	-	-	-
Land										
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure to be	1	2 573	2 573	-	-	-	-	-	2 573	2 573

[illegible]

Community Assets	74	74	-	-	-	-	-	-	74	74
Community Facilities	74	74	-	-	-	-	-	-	74	74
Halls	74	74							74	74
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets	-	-	-	-	-	-	-	-	-	-
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Other assets	3 892	3 892	-	-	-	-	-	-	3 892	3 892
Operational Buildings	3 892	3 892	-	-	-	-	-	-	3 892	3 892
Municipal Offices	3 892	3 892							3 892	3 892
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets	881	881	-	-	-	-	-	-	881	317
Servitudes										
Licences and Rights	881	881	-	-	-	-	-	-	881	317
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications	881	881							881	317
Load Settlement Software Applications										
Unspecified										
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment										
Transport Assets	4	4	-	-	-	-	-	-	4	4
Transport Assets	4	4							4	4
Land	-	-	-	-	-	-	-	-	-	-
Land									124	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Depreciation to be adjusted	1	4 852	4 852	-	-	-	-	-	4 852	6 288

DC4 Garden Route - Adjustments Budget - capital expenditure on upgrading of existing assets by asset class - 21 February 2022

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class												
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Roads												
Road Structures												
Road Furniture												
Capital Spares												
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Drainage Collection												
Storm water Conveyance												
Attenuation												
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Power Plants												
HV Substations												
HV Switching Station												
HV Transmission Conductors												
MV Substations												
MV Switching Stations												
MV Networks												
LV Networks												
Capital Spares												
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Dams and Weirs												
Boreholes												
Reservoirs												
Pump Stations												
Water Treatment Works												
Bulk Mains												
Distribution												
Distribution Points												
PRV Stations												
Capital Spares												
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Pump Station												
Reticulation												
Waste Water Treatment Works												
Outfall Sewers												
Toilet Facilities												
Capital Spares												
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Landfill Sites												
Waste Transfer Stations												
Waste Processing Facilities												
Waste Drop-off Points												
Waste Separation Facilities												
Electricity Generation Facilities												
Capital Spares												
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Lines												
Rail Structures												
Rail Furniture												
Drainage Collection												
Storm water Conveyance												
Attenuation												
MV Substations												
LV Networks												
Capital Spares												
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sand Pumps												
Piers												
Revetments												
Promenades												
Capital Spares												
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Data Centres												
Core Layers												
Distribution Layers												
Capital Spares												

PART 2 SUPPORTING DOCUMENTATION

Section 5 - Adjustments to budget assumptions

The municipality implemented the following assumptions in the compilation of the adjustment budget:

- Refer to section 3.5 where the adjustments are explained.

Section 6 – Adjustments to budget funding

Refer to section 3.5 and the budget schedules for the funding of the budget.

Section 7 – Adjustments to expenditure on allocations and grant programmes

Refer to section 3.5 of the report and supporting tables for the proposed adjustments.

Section 8 – Adjustments to Grants made by the Municipality

Not applicable

Section 9 – Adjustments to Councillor and Allowances and Employee Benefits

No adjustments to councillor allowance and employee benefits are permissible during this budget process. All adjustments required will be done during the January mid-year budget process.

Section 10 – Adjustments to Service Delivery and Budget Implementation Plan

As part of council's resolution Service Delivery and Budget Implementation Plan will be revised and presented to the Mayor to incorporate these projects.

This will be concluded as per the legislative requirements.

Section 11 – Adjustment to Capital expenditure

Refer to section 3.5 and the budget schedules for adjustments to capital expenditure.

Section 12 – Municipal Manager's quality certificate



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OFFICE OF THE MUNICIPAL MANAGER

Enquiries:	L. Hoek
Reference:	6/18/7/2021-2022
Date:	08 February 2022

QUALITY CERTIFICATE

I **Monde Stratu**, municipal manager of **Garden Route District Municipality**, hereby certify that the **February Adjustment Budget 2021/2022 MTREF** and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name MONDE STRATU

Accounting Officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**.

Signature [Signature]

Date 09/02/2022

ANNEXURE: Medium Term Budget Policy Statement 2021 (MTBPS)



MTBPS

MEDIUM TERM BUDGET
POLICY STATEMENT

Medium Term Budget Policy Statement 2021

**National Treasury
Republic of South Africa**

11 November 2021



ISBN: 978-0-621-49622-2
RP: 223/2021

The *Medium Term Budget Policy Statement* is compiled using the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

To obtain additional copies of this document, please contact:

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The document is also available on the internet at: www.treasury.gov.za.

Foreword

The COVID-19 pandemic has magnified South Africa's crises of poverty and unemployment. Building a prosperous society requires much higher levels of economic growth, supported by structural reforms, improved state capacity and sustainable public finances.

Government has long directed the majority of public spending to address deeply entrenched poverty and unemployment. The social wage – combined public spending on health, education, housing, social protection, employment programmes and local amenities – remains high by global standards, averaging 59.5 per cent of consolidated non-interest spending over the next three years. But the decade-long decline in South Africa's GDP growth, combined with a large increase in public debt, has led to an unsustainable position.

Over the next three years, government will pay more for interest on its debt – an average of 21 cents of every rand collected in revenue per year – than it will spend on health, social development, or peace and security. Stabilising the debt burden is therefore essential for fiscal sustainability and freeing up the resources needed to support economic and social priorities.

Since the 2021 Budget, South Africa has benefited from a surge in global demand for our commodities. Higher commodity prices have temporarily increased economic growth and tax revenue. This windfall is a welcome once-off boost, but revenue remains well below pre-pandemic projections.

Meanwhile, greater economic output has failed to lift investment and employment, due to the structural nature of our economic underperformance. Businesses remain constrained by longstanding obstacles like electricity shortages, inefficient and high-cost rail freight, inadequate broadband spectrum and red tape. Progress in implementing reforms, apart from some important steps to bolster competition in electricity supply and ports, remains slow. And global borrowing conditions are becoming less favourable, indicating that issuing debt is likely to become more expensive.

Over the period ahead, government will accelerate structural reforms to promote growth, while keeping fiscal consolidation on course to narrow the budget deficit and stabilise debt. The temporary tax revenue windfall will be used to reduce the borrowing requirement. It will also be targeted at short-term support for people and businesses affected by COVID-19 and the outbreak of public violence in July of this year. A disciplined approach will enable government to achieve a primary budget surplus – meaning that revenue will exceed non-interest spending – from 2024/25, bringing the period of fiscal consolidation to a close. At the same time, government will be assessing the effectiveness of large spending programmes to ensure that South Africa can achieve greater value for public money.

We all want a vibrant, growing economy that enables people to earn an income and businesses to innovate, hire new workers and invest in the country. Over the medium term, government intends to shift expenditure away from consumption and crisis response towards growth-enhancing investment. Public spending can build the foundation, but cannot substitute for private-sector investment and job creation. In this regard, structural reforms will help boost confidence and investment in the economy.

I would like to thank the President, my colleagues in Cabinet and the Ministers' Committee on the Budget, and my predecessor, former Minister Mboweni, for their support during my first MTBPS. I am particularly grateful to Deputy Minister Masondo, and the Director-General and staff at the National Treasury, for their determined and continued commitment to their constitutional duties.



Enoch Godongwana
Minister of Finance

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1

Recovery, stability, reform and growth

In brief

- The COVID-19 pandemic has magnified South Africa's social and economic crises, further straining the public finances.
- Over the next three years, government will balance support for economic recovery and reconstruction – through both short-term spending measures and structural reforms – with rebuilding the public finances.
- The economy has recovered more quickly than anticipated. Nevertheless, the recent spike in commodity prices, which has supported GDP growth and tax revenues, is considered temporary. Long-term structural constraints and scarring from the effects of the pandemic weigh on the outlook. Fiscal risks have increased.
- Fiscal consolidation is critical to reduce the public debt burden, restore investor confidence and avoid overexposure to global and domestic risks.
- The *Medium Term Budget Policy Statement (MTBPS)* proposes to maintain restraint in public expenditure. Government will not commit to new long-term spending in response to temporary revenue windfalls. No additional funding is provided to state-owned companies over the medium term.

Introduction

As South Africa begins to emerge from the shadow of COVID-19, it confronts deep-rooted social and economic problems. Foremost among these are the crises of poverty and unemployment.

To address these realities, the national budget is highly redistributive. Personal income tax, which accounts for an average of 38.4 per cent of revenue over the next three years, is structured in a progressive manner. And the social wage – combined public expenditure on health, education, housing, social protection, transport, employment programmes and local amenities – averages R1.06 trillion or 59.5 per cent of consolidated non-interest spending per year over the next three years.

Government responded to the pandemic with emergency fiscal support to households and businesses. This included the *special COVID-19 social relief of distress grant*, whose 9.5 million beneficiaries bring the number of social





grant recipients to 27.8 million. Yet after a decade of declining economic growth, the public finances are in a weakened state, limiting government's ability to provide additional targeted social and economic support.

The unemployment crisis has escalated, especially among young people. Over the last two years, government has augmented existing fiscal measures to mitigate joblessness with additional funding for the presidential employment initiative in the 2021 Budget and an expanded employment tax incentive. While government will continue to consider measures to support employment growth, joblessness cannot be solved by fiscal resources: it requires strong and sustained economic growth.

GDP growth is expected to recover to 5.1 per cent in 2021 before declining to average 1.7 per cent over the next two years, a rate that is too low to meet the country's development needs. Gross debt is forecast to grow from 69.9 per cent of GDP in 2021/22 to 77.8 per cent of GDP in 2024/25 – the outer year of the medium-term expenditure framework (MTEF) period. Rising debt-service costs consume an increasing share of national income, crowding out spending on critical programmes necessary to alleviate poverty and create a foundation for faster economic growth.

The long-term decline in South Africa's GDP growth rate (Figure 1.1) is the result of structural weaknesses in the economy – including poor education outcomes – and external shocks. Weak growth is compounded by the rapid increase in public debt (Figure 1.2), which has raised borrowing costs across the economy. Faster economic growth requires determined implementation of policy reforms to promote confidence, investment, competitiveness, entrepreneurship and job creation.



During 2021, the economy has recovered more quickly than expected. Tax revenue is higher than projected in the 2021 Budget on the strength of the global commodity price surge, but these gains are temporary. The revenue outlook remains well below pre-pandemic estimates. There is profound uncertainty about the durability of the economic recovery, mainly due to renewed volatility in global conditions and the risk of renewed Eskom power cuts. In addition, certain domestic risks identified in the 2021 Budget have begun to materialise. These include the recent public-service wage agreement, which breached the budget ceiling for compensation of employees by R20.5 billion, and continued deterioration in the financial position of several major state-owned companies.

Accordingly, the 2021 MTBPS charts a course to ensure sound public finances and long-term economic growth by narrowing the budget deficit and stabilising debt. Gross tax revenues are expected to exceed the estimates presented at the time of the 2021 Budget by R120.3 billion in 2021/22. Government will use the higher-than-expected tax revenue to reduce the deficit and provide additional short-term support for health, social protection, job creation, and peace and security. This fiscal course will be maintained over the MTEF period, resulting in a primary budget surplus – where revenue is higher than non-interest spending – by 2024/25, bringing the period of fiscal consolidation to an end (Figure 1.3). Gross debt is expected to peak at 78.1 per cent of GDP in 2025/26 and decline thereafter. Debt-service costs will fall below 22 per cent of main budget revenue by 2026/27. This consolidation will be supported by structural reforms that unlock private-sector investment and job creation.

Sustainable public finances support growth

Macroeconomic stability – including low and stable inflation, a flexible exchange rate and sustainable fiscal balances – protects the economy from external shocks and promotes investment. It is a precondition – but not a substitute – for faster growth. Countries with unsustainable public finances are at greater risk of economic crises and loss of fiscal sovereignty.

The fiscal framework supports macroeconomic stability by providing planning certainty and a buffer to the unexpected costs that may arise from global or domestic shocks. In recent years, South Africa has experienced several such shocks, including the near-collapse of Eskom and continued electricity supply constraints, the COVID-19 pandemic, and the outbreak of public violence in Gauteng and KwaZulu-Natal in July of this year. These events, combined with existing weakness in the public finances, have virtually eliminated the fiscal space government requires to respond effectively to future crises.



Figure 1.1 Real GDP growth and projections*

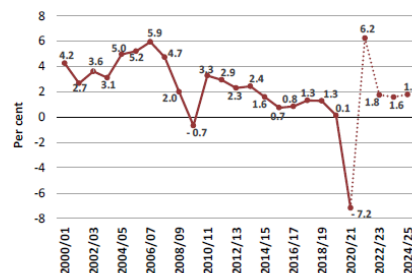


Figure 1.2 Projected three-year change in debt-to-GDP ratio, selected developing countries

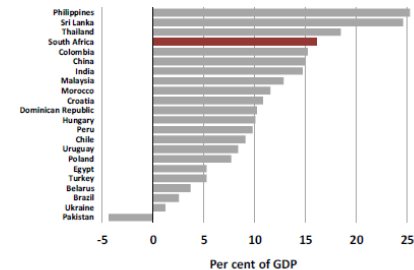


Figure 1.3 Main budget revenue and expenditure**

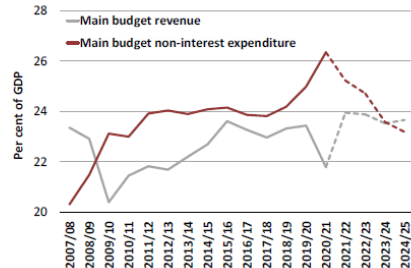
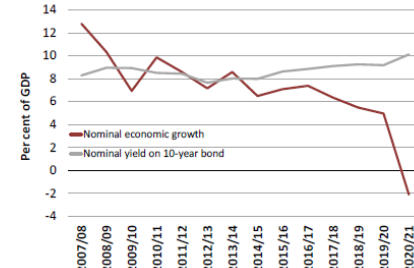


Figure 1.4 Interest-growth differential



*All GDP data in this MTBPS is recalculated in line with Statistics South Africa's 2021 rebasing and benchmarking exercise. It is therefore not directly comparable with GDP data from earlier budget documentation. For more information, see Annexure C

**Excludes Eskom financial support and transactions in financial assets and liabilities

Source: Statistics South Africa, National Treasury forecast

Government expenditure has exceeded revenue in every year since 2008/09. In that time, the consolidated budget has grown from R712.8 billion in 2008/09 to R2.13 trillion in 2021/22 – an average increase of 8.8 per cent per year. Higher expenditure has not always been efficient or effective. Much of the increase was absorbed by a rising public-service



wage bill, averaging about 35 per cent of expenditure. The effectiveness of several large spending programmes is questionable, and state procurement systems often fail to deliver value for money.

At the same time, debt-service costs will on average consume 21 cents of every rand collected in main budget revenue over the MTEF period. This crowds out spending on essential public services such as health, social development, and peace and security. Elevated debt redemptions will further reduce fiscal space over the medium term as R423.4 billion of debt borrowed in previous years matures. In addition, the interest rate that government pays on its debt is higher than the GDP growth rate (Figure 1.4). In these circumstances, it is not possible to reduce the ratio of debt to GDP without running a primary budget surplus, as the stock of debt is increasing more quickly than the economy is growing.

In summary, the position of the public finances is a brake on growth. Committing to higher levels of spending in the absence of faster economic growth will further undermine macroeconomic credibility, with increasingly detrimental effects on the economy.

Light at the end of the fiscal consolidation tunnel



The 2021 MTBPS reaffirms the fiscal strategy set out in the 2021 Budget. Barring major new shocks or unbudgeted spending commitments, staying the course will lead to a primary fiscal surplus in 2024/25, bringing an end to fiscal consolidation at the end of the MTEF period.

Over the next three years, spending will remain restrained. Government will avoid permanent increases in departmental or programme baselines, or further bailouts of state-owned companies, which would compromise fiscal sustainability. Instead, short-term tax windfalls will be targeted to reduce the budget deficit and fund temporary priorities, such as extended support for poor households and public employment. In line with government's commitment to support vulnerable households, particularly given the impact of COVID-19, additional resources for social relief will be considered if the fiscal situation improves by February 2022.



As noted earlier, rising government expenditure has not been matched by higher economic growth, increased productivity, or greater efficiency. Over the medium term, government will use the results of recent spending reviews to implement zero-based budgeting. This will shift the budget process from an incremental approach to baseline funding towards a more stringent approach that assesses programme effectiveness and realises greater value for public money.

Structural reforms to be accelerated



Government remains committed to structural reforms designed to lower the cost of doing business and create a more competitive economy. Over the medium term, the following reforms will be accelerated:

- Diversifying energy generation to alleviate electricity supply shortages, and taking additional steps towards a competitive energy market.
- Releasing broadband spectrum, with the auction process starting on 1 March 2022.

- Opening third-party access to the freight rail network by the end of 2022 to increase capacity.
- Starting the eVisa system rollout by March 2022 to promote tourism.
- Reviewing the legal regime governing skilled migration.
- Accelerating infrastructure investment.

Capital investment has been adversely affected by the national lockdowns, contributing to underspending. Joint initiatives by the National Treasury, the Infrastructure Fund and Infrastructure South Africa aim to improve the scale, speed, quality and efficiency of infrastructure spending. This mainly involves creating a credible pipeline of projects, conducting project appraisal and technical analysis, and attracting private-sector participation and financing.



Over the next three years, general government infrastructure investment is estimated at R500 billion. Government has also committed R100 billion over a decade from 2019/20 to the Infrastructure Fund to leverage private-sector and development finance, with R24 billion allocated over the 2022 MTEF period.

Operation Vulindlela, a joint initiative of the Presidency and the National Treasury, oversees the implementation of critical reforms.

Protecting the integrity of South Africa's financial system

During 2021, the Financial Action Task Force (FATF) concluded a mutual evaluation (peer review) of South Africa. The FATF is the global standards-setting body for combating money laundering and terrorism financing, and South Africa is its only African member state.

The FATF report, released last month, identified significant weaknesses in the country's anti-money laundering and counter-financing of terrorism systems. Many of these weaknesses developed between 2009 and 2018, coinciding with the period of state capture. The National Treasury will work with the Reserve Bank, the Financial Intelligence Centre and other departments to address the deficiencies identified within the 18-month timeframe established by the FATF. As acknowledged in the report, South Africa is rebuilding the institutional integrity and capacity of key agencies weakened by state capture. Government remains committed to strengthening the country's well-regarded and resilient financial system, which is central to preventing finance-related abuse and sustaining capital flows for investment.

Risks and spending pressures

Significant risks to the economic and fiscal outlook include the following:

- Uncertainty in the global outlook, particularly the risk of higher inflation and tighter monetary policy. South Africa's cost of borrowing remains elevated. Debt-service costs will consume an average of 20.9 per cent of main budget revenue per year over the medium term and market conditions for issuing further debt are unfavourable. Slower global growth, or a reversal of the commodity cycle, would negatively affect revenue collection.
- The evolution of the COVID-19 pandemic and slow progress in the rollout of vaccines, which poses risks to economic recovery.
- Delayed implementation of structural reforms. The slow pace of reform continues to sap business confidence, private investment, productivity and competitiveness. Electricity supply constraints, which could worsen over the short term, are a drag on growth. In contrast, progress on energy reforms poses upside risks to fixed investment and the overall economic outlook.

- Sharp declines in revenue alongside high demand for support over the past year from provinces and municipalities, many of which were experiencing governance, financial and operational problems before COVID-19. Many require greater capacity to deliver services.
- The poor financial condition and operational performance of several large state-owned companies. The fiscal framework provides no support to state-owned companies over the medium term, but these entities remain a large contingent liability risk.

Government's strict enforcement of minimum criteria before guaranteeing state-owned company debt, as outlined in the 2021 Budget, has led to a decline in bailout requests. Yet the broader context of financial distress, poor governance and unsustainable operations in many entities remains unaddressed.

Chapter 3 outlines the fiscal policy stance and the medium-term strategy, taking into account short-term risks. The fiscal risk statement (Annexure A) focuses on medium- and longer-term risks that could affect baseline projections for economic growth and the public finances.



Assessing proposals for new spending commitments

The COVID-19 pandemic increased national debate on the possibility of a universal basic income grant. Social protection programmes should ideally complement a vibrant, job-creating economy, and policy options need to consider the implications for overall economic activity. South Africa spends a higher percentage of GDP on cash grants than the vast majority of developing countries, and the social protection system accounts for 13.9 per cent of consolidated non-interest spending in 2021/22. Excluding beneficiaries of the *special COVID-19 social relief of distress grant*, 18.3 million people receive some form of grant. In the absence of faster, job-creating growth, it is essential to maintain social protection in a sustainable way. Any proposals to expand this system should meet the test of sustainability and effectiveness by being:

- Fully and appropriately financed to ensure that the fiscal balance does not deteriorate.
- Evaluated against pre-existing priorities of government that remain unfunded, including in basic services, education and healthcare.

These principles have not been applied consistently to new spending programmes in recent years, contributing to fiscal deterioration without increasing economic growth or reducing poverty. Given the weakened public finances, new spending commitments can only be funded by closing existing programmes to free up revenue, or through permanent increases in revenue collection. New tax proposals must also be assessed against their revenue-raising potential, and wider effects on economic activity and growth.

Fiscal response to COVID-19 and social needs

The COVID-19 pandemic and restrictions to slow the spread of infections caused widespread social and economic distress. Government's policy stance has been to ensure stability while saving lives and jobs. Spending to

support public services was maintained, even as tax revenues plummeted. Substantial fiscal relief measures were introduced in 2020/21.

In the current year, higher-than-expected revenue collection enabled government to respond with a fiscal relief package amounting to R37.9 billion (Table 1.1). This included extending the *special COVID-19 social relief of distress grant* to end-March 2022. The employment tax incentive has been expanded from 1 August to 30 November at a cost of R5 billion in lost tax revenue. Decisions on the presidential employment initiative and additional funding for social grants beyond the current year are dependent on revenue outcomes, and will be announced in the 2022 Budget.



Table 1.1 Fiscal relief package, 2021/22

R million	2021/22
Fiscal response measures	32 850
Social grants additions ¹	26 700
SASRIA	3 900
Business support ²	2 300
Reprioritisation from DTIC and DSBD	-1 000
South African National Defence Force	700
South African Police Service	250
Increase in spending ceiling	32 850
Revenue measures	5 000
Employment tax incentive	5 000
Total, financed through higher-than-expected revenue collection	37 850

1. Of which R500 million is for grants administration

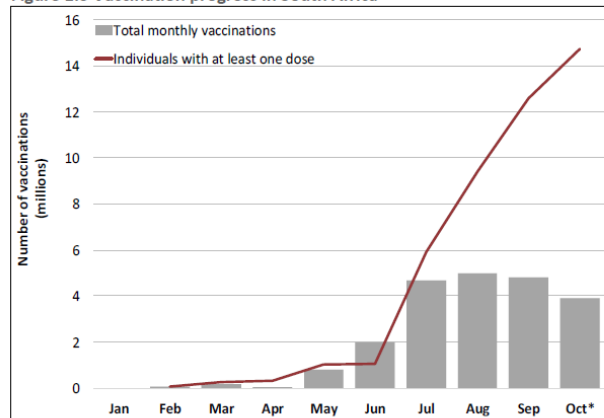
2. Department of Trade, Industry and Competition (DTIC),
Department of Small Business Development (DSBD)

Source: National Treasury

The public vaccination programme is facilitating a reopening of the economy. The 2021 Budget made provisions on the basis of an estimated R19.3 billion in costs for vaccines. Since then, 73 million vaccine doses have been ordered, and a further 5 million doses have been donated. As at 23 October 2021, 14.7 million individuals had received at least one dose.



Figure 1.5 Vaccination progress in South Africa



*The number of vaccinated people as at 23 October 2021

Source: Department of Health and Our World in Data

Overview of the 2021 MTBPS

Economic outlook

Chapter 2 reviews economic performance and the medium-term outlook. Following the sharp economic contraction in 2020, real GDP is forecast to grow by 5.1 per cent in 2021, revised up by 1.8 percentage points since the 2021 *Budget Review*. However, the growth rate is expected to decline to an average of 1.7 per cent over the next two years.

Table 1.2 Macroeconomic projections

Calendar year	2020 Actual	2021 Estimate	2022	2023 Forecast	2024
<i>Percentage change unless otherwise indicated</i>					
Household consumption	-6.5	5.7	2.0	1.9	1.9
Gross fixed-capital formation	-14.9	1.2	3.1	3.4	3.5
Real GDP growth	-6.4	5.1	1.8	1.6	1.7
GDP at current prices (R billion)	5 521	6 112	6 304	6 607	7 018
CPI inflation	3.3	4.5	4.2	4.3	4.5
Current account balance (% of GDP)	2.0	3.8	0.4	-1.5	-1.7

Source: Reserve Bank and National Treasury

Fiscal policy

Chapter 3 outlines the fiscal policy stance over the medium term. The fiscal strategy remains broadly unchanged, with a focus on achieving a primary budget surplus from 2024/25. The consolidated budget deficit narrows to 4.9 per cent in the outer year. Gross loan debt is forecast to stabilise at 78.1 per cent of GDP in 2025/26.

Table 1.3 Consolidated government fiscal framework

R billion/percentage of GDP	2020/21 Outcome	2021/22 Revised	2022/23	2023/24 Medium-term estimates	2024/25
Revenue	1 414.1 25.4%	1 648.8 26.7%	1 695.7 26.7%	1 772.7 26.5%	1 890.9 26.6%
Expenditure	1 971.8 35.4%	2 128.5 34.5%	2 075.0 32.7%	2 126.3 31.7%	2 239.8 31.5%
Budget balance	-557.7 -10.0%	-479.7 -7.8%	-379.3 -6.0%	-353.6 -5.3%	-348.9 -4.9%
Total gross loan debt	3 935.7 70.7%	4 313.9 69.9%	4 744.7 74.7%	5 144.4 76.8%	5 537.6 77.8%

Source: National Treasury

Spending priorities

Chapter 4 outlines spending priorities by function group. It includes the in-year adjustments to spending in 2021/22, and more information on spending in subnational government. Total expenditure by function declines by an annual average of 0.4 per cent, while debt-service costs increase by an average of 10.8 per cent over the MTEF period.

Table 1.4 Consolidated government expenditure

R billion	2021/22 Revised	2022/23	2023/24 Medium-term estimates	2024/25	Average annual growth 2021/22 – 2024/25
Learning and culture	417.8	414.3	415.6	434.8	1.3%
Health	259.0	247.8	243.6	254.7	-0.6%
Social development	399.6	321.5	320.4	333.2	-5.9%
Community development	218.0	235.9	243.5	256.2	5.5%
Economic development	206.3	217.8	227.6	241.8	5.4%
Peace and security	219.3	218.2	213.3	222.8	0.5%
General public services	70.8	68.9	68.8	71.0	0.1%
Payments for financial assets	68.4	27.5	25.1	25.2	–
Total expenditure by function	1 859.3	1 751.8	1 758.0	1 839.7	-0.4%
Debt-service costs	269.2	303.1	334.6	365.8	10.8%
Unallocated reserve	–	15.1	28.8	29.3	–
Contingency reserve	–	5.0	5.0	5.0	–
Total expenditure	2 128.5	2 075.0	2 126.3	2 239.8	1.7%

Source: National Treasury

Additional information

The 2021 MTBPS includes the following annexures:

- Annexure A contains the fiscal risk statement.
- Annexure B discusses public-service compensation trends.
- Annexure C provides technical information and data.
- Annexure D is the glossary.

Conclusion

The MTBPS proposes to keep fiscal consolidation on course, reducing the budget deficit and stabilising debt, while allocating additional resources to support low-income households. This will release additional resources into the framework and enable government to end the consolidation of the public finances by 2024/25.

2

Economic outlook

In brief

- The South African economy grew faster than expected in the first half of 2021, but this momentum is expected to wane following public violence in July, port and rail disruptions, and the third wave of COVID-19 infections.
- Real GDP is forecast to grow by 5.1 per cent in 2021. Output is expected to return to pre-pandemic levels in 2022, a year earlier than estimated in February. This is largely the result of global demand, higher commodity prices and the easing of COVID-19 lockdown restrictions.
- Household consumption has improved, but has not fully recovered from the pandemic. Inflation is contained within the target band, despite upward pressure from food and energy prices. Gross fixed-capital investment remains well below pre-pandemic levels. The labour market is weak, with unemployment at 34.4 per cent.
- Government has made progress on a few key reforms. In the energy sector, private-sector power producers will be able to sell electricity directly to consumers and municipalities can generate their own power or procure electricity from independent producers. The Transnet National Ports Authority has been corporatised, which will improve incentives for efficiency and competitiveness. The eVisa system will be rolled out to 15 countries by March 2022. Operation Vulindlela continues to monitor and support the implementation of priority reforms.

Introduction

South Africa's economy is expected to grow by 5.1 per cent in 2021, following a 6.4 per cent contraction in 2020. Domestic economic activity recovered more rapidly than anticipated in the 2021 Budget, supported by international demand and higher commodity prices.



Structural constraints in the domestic economy are expected to slow the recovery. Inadequate electricity supply, combined with pandemic-induced job losses, will continue to limit the speed and durability of the recovery and long-term growth. Global factors, including higher and more persistent inflation and associated changes in monetary policy, along with changes in commodity prices, add to uncertainty about the medium-term outlook.

The rollout of vaccines continues to support improved global and domestic activity. However, access to vaccinations remains skewed between and within countries, inhibiting broader vaccine coverage and raising concerns about the emergence of more aggressive variants of COVID-19. Although South Africa has opened up free vaccinations to a large portion of its

population, the take-up of vaccinations has been slow. As a result, future waves of the pandemic pose risks to communities and economic activity.

Over the medium term, economic and fiscal policy balance the need to restore jobs and support businesses, protect vulnerable groups, and implement a series of reforms needed to promote faster GDP growth. Debt stabilisation will also support recovery by reducing the cost of capital. Collectively, these interventions will support confidence, investment and job creation – and a more resilient, equitable and competitive economy.



Progress on reforms critical to economic recovery

Government, through Operation Vulindlela, has made progress on several key reforms outlined in its October 2020 economic recovery plan. The amendment of Schedule 2 of the Electricity Regulation Act (2006), raising the licensing threshold from 1 to 100 megawatts (MW), has made it possible for private power generators to sell directly to customers. This will reduce pressure on the national grid and alleviate the risk of power cuts. The pace and scale of private generation will largely depend on the ease of the National Energy Regulator of South Africa registration process, which needs to be streamlined. Amended regulations also enable municipalities to self-generate or procure power directly from independent power producers. Over the longer term, creating a competitive energy market will help contain the costs of generating electricity and support GDP growth.

Government has announced the corporatisation of the Transnet National Ports Authority as an independent subsidiary of Transnet and appointed an interim board. The separation of port infrastructure and operations will create incentives for efficiency and competitiveness between port service providers – reducing delays, improving services and introducing cost discipline.

Reforms in progress

Electricity: Government initiated the procurement of additional electricity generation capacity through the fifth bid window of the Renewable Energy Independent Power Producer Procurement Programme in April 2021. This and the next two bid windows are expected to add 6 800 MW of renewable energy to the grid over the medium term – enough to power over 4 million homes.

Transport: Transnet Freight Rail will allow third-party access to the freight rail network by end-2022. Allowing private rail operators to use the freight rail network will bolster system volume and capacity.

Tourism: The now completed eVisa system will be rolled out to 15 countries by March 2022, providing much-needed support for the tourism sector.

Water: Legislative drafting and financial modelling have been done to establish a National Water Resources Infrastructure Agency responsible for improving the management of bulk water resources. The Department of Water and Sanitation is fast-tracking its application process to ensure that the 90-day target for issuing single-use water licences will be implemented by March 2022 to improve the ease of doing business.

Telecommunications: Work is under way to standardise and improve processes for applications to use property in rolling out towers and fibre to expand digital communications infrastructure. This work will be finalised by October 2022.

Infrastructure: A review of the public-private partnership regulations was completed in May 2021. Its recommendations include simplifying the regulations, eliminating delays in approval and implementation, and standardising project preparation; and building capacity at all levels of government. These will be implemented from early 2022.

However, critical reforms in the telecommunications space have been delayed, constraining innovation and access to better-priced data. These reforms include the release of spectrum through an auction and digital

migration, delayed due to recent legal challenges launched by mobile operators. In addition, the Independent Communications Authority of South Africa's possible recall of temporary spectrum at the end of November will affect the quality of digital services for those working from home and leave millions of households without free access to educational and health websites. Government assigned this spectrum in April 2020 to alleviate pressure on digital services in light of the COVID-19 lockdowns.

The durability of the recovery will depend on the implementation of a broad range of structural reforms that inspire confidence and create an enabling environment for accelerating and sustaining economic activity. In the context of limited fiscal space, reforms that require little budgetary support – including regulatory reforms that enhance competition – are being prioritised.



Global outlook

The International Monetary Fund (IMF) expects global GDP to increase by 5.9 per cent in 2021, moderating to 4.9 per cent in 2022. The outlook remains highly uncertain.

Table 2.1 Economic growth in selected countries

Region/country	2019	2020	2021	2022	2023
Percentage	Actual		Forecast		
World	2.8	-3.1	5.9	4.9	3.6
Advanced economies	1.7	-4.5	5.2	4.5	2.2
United States	2.3	-3.4	6.0	5.2	2.2
Euro area	1.5	-6.3	5.0	4.3	2.0
United Kingdom	1.4	-9.8	6.8	5.0	1.9
Japan	0.0	-4.6	2.4	3.2	1.4
Emerging and developing countries	3.7	-2.1	6.4	5.1	4.6
China	6.0	2.3	8.0	5.6	5.3
India	4.0	-7.3	9.5	8.5	6.6
Brazil	1.4	-4.1	5.2	1.5	2.0
Russia	2.0	-3.0	4.7	2.9	2.0
Sub-Saharan Africa	3.1	-1.7	3.7	3.8	4.1
Nigeria	2.2	-1.8	2.6	2.7	2.7
South Africa ¹	0.1	-6.4	5.1	1.8	1.6
World trade volumes	0.9	-8.2	9.7	6.7	4.5

1. National Treasury forecasts

Source: IMF World Economic Outlook, October 2021

The COVID-19 pandemic continues to take a toll on global growth. The stronger-than-anticipated recovery in developed economies in the first half of 2021 reflects the impact of additional fiscal support and better control of the pandemic through large-scale vaccination programmes. Outside the most developed economies, however, scarring – defined as medium-term economic performance below pre-pandemic projections – is expected to be pervasive. Although major commodity exporters have benefited from higher global demand and an improving outlook, low-income countries face worsening pandemic dynamics.

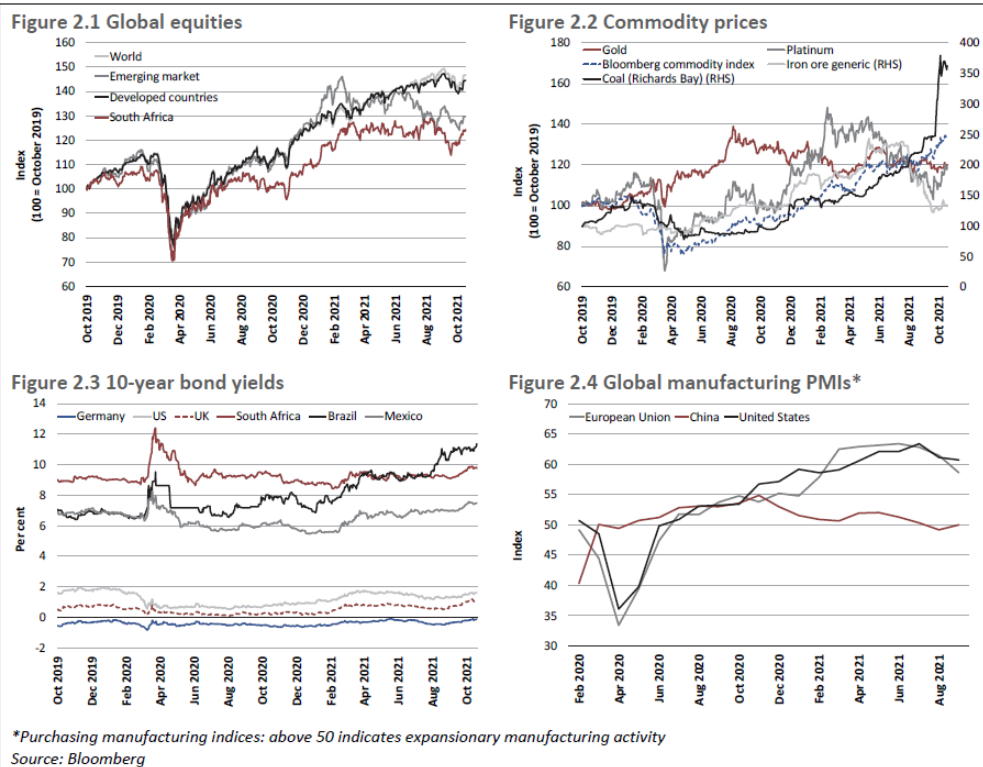


The IMF's positive growth outlook is predicated on several factors, including global vaccine access, sustained monetary and fiscal policy support, and stabilising inflation. However, there are significant downside

risks to the outlook, particularly if inflation rises more than expected, monetary policy becomes less supportive, fiscal support is reduced or new coronavirus variants emerge before significant portions of the population are vaccinated.



Global equity markets have recorded a strong performance in the year to date as a result of higher risk appetite, excess liquidity and the easing of COVID-19 restrictions. Yet rising inflation and speculation around tightening monetary policy (central bank asset purchase tapering followed by rising interest rates), alongside concerns about a possible global spillover from recent market developments in China, are weighing on global equities. Bond yields in both developed and developing economies have already started to rise in response, placing upward pressure on domestic borrowing costs.



Capital flows to developing economies have been declining since November 2020, though elevated commodity prices have provided some support for commodity exporters. Slowing manufacturing activity in some major economies could reduce the prices of industrial-related commodities. Oil, natural gas and coal prices are expected to remain elevated in response to global energy shortages, and to normalise in 2022. Over the longer term, as global supply-chain bottlenecks abate and manufacturing production increases, platinum group metals prices are expected to rise, while coal and oil prices are expected to decline in line with the global transition to renewable energy.

A broad index of developing country currencies strengthened by about 2 per cent against the US dollar by mid-2021, but these gains have since been eroded. The rand continued to recover to pre-pandemic levels during 2021, supported by higher commodity prices.

Conducting a macroeconomic policy review

In line with its mandate, the National Treasury is reviewing government's macroeconomic policy from the global financial crisis to the present.

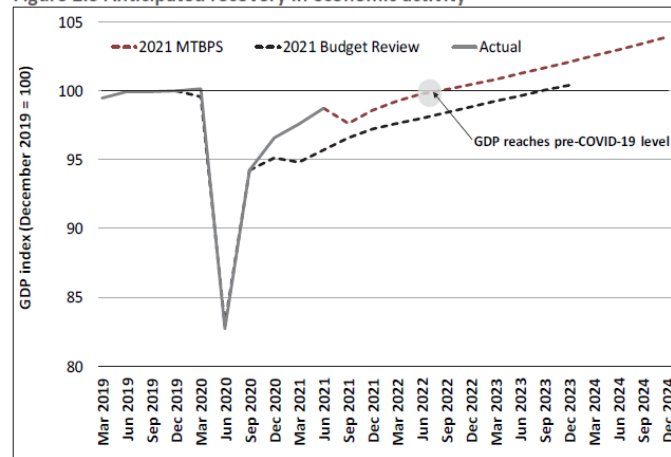
The policy review will examine how key indicators, such as economic growth and employment, have evolved since 2008; assess government's fiscal, monetary and macroprudential policy choices; and propose appropriate reforms to policy targets and institutional frameworks. A draft review document, due at the end of March 2022, will form the basis for workshops, public discussions and additional research. A final review is expected to be published in 2023.

Domestic outlook

The National Treasury projects real economic growth of 5.1 per cent in 2021 and 1.8 per cent in 2022, compared with 2021 Budget estimates of 3.3 per cent and 2.2 per cent respectively. Real GDP growth is expected to moderate to 1.6 per cent in 2023 and 1.7 per cent in 2024. The 2021 projection reflects supportive global growth and export commodity prices, and the easing of COVID-19 lockdown restrictions.



Figure 2.5 Anticipated recovery in economic activity



Source: National Treasury calculations and Statistics South Africa

The recovery in economic activity from 2020 continued in the first half of 2021, when South Africa's GDP rose by 7.5 per cent compared with the first half of 2020. From June 2021, certain sectors – manufacturing, wholesale and retail, restaurants, hospitality, and recreation – were particularly hard hit by the combination of the third wave of COVID-19 infections, public violence and disruptions to Transnet as a result of fire and cyber-attacks. These factors suggest that GDP is likely to contract in the third quarter. Despite this, GDP is now expected to return to pre-pandemic levels late in 2022, earlier than projected in the 2021 Budget, because of stronger-than-expected GDP outcomes in the first half of 2021.



Table 2.2 outlines macroeconomic performance over the past three years and sets out medium-term projections.

Table 2.2 Macroeconomic performance and projections

Calendar year	2018	2019	2020	2021	2022	2023	2024
Percentage change		Actual		Estimate	Forecast		
Final household consumption	2.4	1.1	-6.5	5.7	2.0	1.9	1.9
Final government consumption	1.0	2.7	1.3	0.1	-1.4	-2.9	-0.1
Gross fixed-capital formation	-1.8	-2.4	-14.9	1.2	3.1	3.4	3.5
Gross domestic expenditure	1.6	1.2	-8.0	4.9	2.4	1.9	1.7
Exports	2.8	-3.4	-12.0	10.3	2.9	2.6	2.7
Imports	3.2	0.5	-17.4	9.5	5.3	4.0	2.6
Real GDP growth	1.5	0.1	-6.4	5.1	1.8	1.6	1.7
GDP inflation	4.0	4.5	5.3	5.4	1.3	3.2	4.4
GDP at current prices (R billion)	5 358	5 605	5 521	6 112	6 304	6 607	7 018
CPI inflation	4.6	4.1	3.3	4.5	4.2	4.3	4.5
Current account balance (% of GDP)	-3.0	-2.6	2.0	3.8	0.4	-1.5	-1.7

Source: National Treasury, Reserve Bank and Statistics South Africa

Household consumption



Following a coronavirus-induced decline in 2020, household consumption is expected to grow by 5.7 per cent in 2021. It is supported by improved earnings and growing credit extension, which is linked to low interest rates. Nonetheless, the value of household consumption remains 1.4 per cent below pre-pandemic levels, weighed down by lower spending on semi-durable goods such as clothing. The COVID-19 lockdowns disproportionately affected lower-income households. While 94 per cent of workers with graduate qualifications reported receiving their full salaries in the second quarter of 2021, only 86 per cent of workers with matric or less reported receiving the same. More than three-quarters of post-pandemic job losses have been in lower-earning positions. Furthermore, fewer than 8 per cent of employees in these positions were able to work from home during lockdown periods.

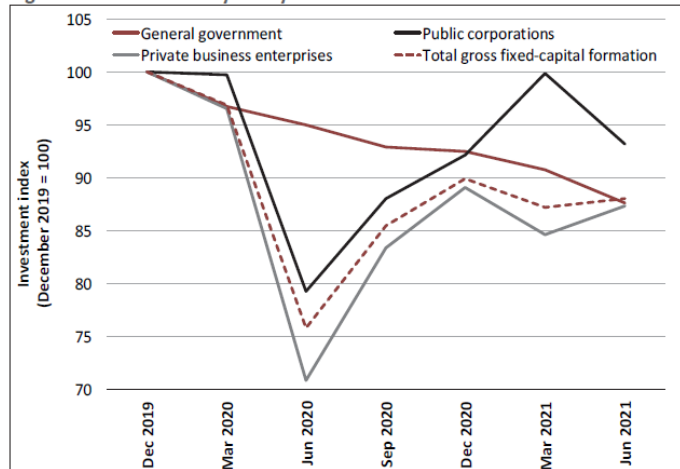
The easing of lockdown restrictions and the reinstatement of the *special COVID-19 social relief of distress grant* until March 2022 will support spending for lower-income households in particular through the rest of 2021. Over the medium term, persistently high unemployment will continue to weigh on the recovery. Renewed restrictions in response to additional waves of COVID-19 infections would pose a significant downside risk to household incomes and spending.

Investment



Gross fixed-capital formation has improved marginally in the current year, but remains well below pre-pandemic levels. In the second quarter of 2021, investment amounted to about 14 per cent of GDP (compared with the National Development Plan target of 30 per cent), following a 13-year decline since 2008. Private investment, the largest component of fixed-capital formation, has been slow to recover from the lows of 2020. This is a result of weak confidence and demand, and persistent structural constraints such as inadequate electricity supply. Government investment has continued to decline.

Figure 2.6 Investment by entity



Source: Statistics South Africa and National Treasury

Government's recently announced 100 MW embedded electricity generation reform is expected to bolster confidence and private investment over the medium term (reflected in Scenario A). However, a clear and simple registration process is required to support investment.

Inflation

Inflation is projected to reach 4.5 per cent in 2021, reflecting upward pressure from non-core inflation – specifically food and energy prices – while core inflation remains subdued. Beyond 2021, inflation is expected to remain well contained within the target range, approaching 4.5 per cent in the outer years. Risks to the inflation outlook are primarily in the near term and assessed to the upside, mainly stemming from non-core inflation.



Employment

Although post-pandemic economic activity is showing signs of recovery, the formal labour market is not. Resurgent COVID-19 infections and resulting lockdown restrictions during the first half of 2021 disrupted the recovery in labour demand. The total number of employed people decreased for two consecutive quarters over the period. By June 2021, the total number of jobs – 14.9 million – remained 1.5 million below pre-pandemic levels. The official unemployment rate rose to 34.4 per cent, the highest recorded since publication of the Quarterly Labour Force Survey began in 2008.

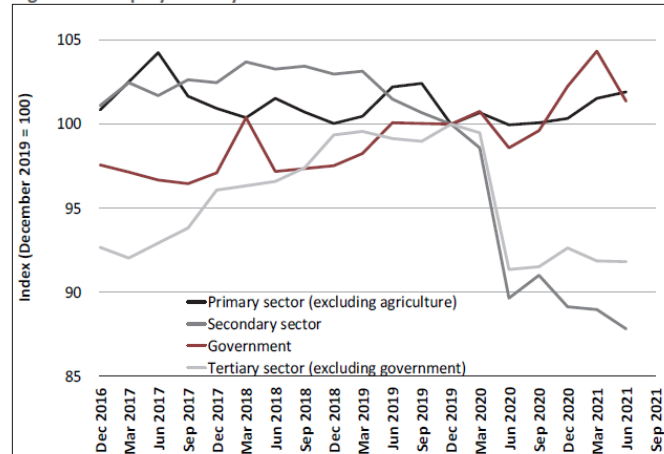
During the second quarter of 2021, the number of private-sector jobs reached a post-2005 low. Public-sector employment gains appear to be driving a partial recovery in jobs, consisting largely of temporary work and training opportunities created through public employment programmes.

Official data and the National Income Dynamics Study – Coronavirus Rapid Mobile Survey show divergences in the employment recovery by age, education, gender and race – with black women in particular bearing the brunt of job losses. The fiscal relief package announced in response to COVID-19 and the presidential employment initiative have helped to offset



job losses. Sustainable reductions in unemployment will require the effective implementation of the economic recovery plan to crowd in investment and support job creation by the private sector.

Figure 2.7 Employment by sector



Source: Statistics South Africa and Reserve Bank

Balance of payments

South Africa's financial account deficit widened from 4.4 to 7.2 per cent of GDP between the first and second quarters of 2021 as portfolio and other investments registered net outflows. The financial account has been in deficit since the first quarter of 2020, offset by a strong surplus on the current account. In the first half of 2021, higher global commodity prices bolstered South Africa's terms of trade as the value of exports grew faster than that of imports. This led to the trade surplus reaching 10 per cent of GDP in the second quarter, pushing the current account surplus to 5.6 per cent of GDP. As commodity prices and global demand stabilise over the medium term, the terms of trade gains are expected to dissipate and import demand is expected to return. The current account is projected to return to a deficit in 2023, in line with a moderate recovery in domestic demand.

Macroeconomic assumptions

The forecast incorporates assumptions outlined in Table 2.3. Compared with the 2021 Budget forecast, the major changes are a higher export commodity price index for 2021 (although lower over the forecast period) and a lower sovereign risk premium. The latter is supported by favourable global conditions, and improved economic and revenue performance in the near term.

Table 2.3 Assumptions informing the macroeconomic forecast

Percentage change	2019 Actual	2020	2021 Estimate	2022	2023 Forecast	2024
Global demand ¹	2.1	-3.6	5.5	4.8	4.0	4.0
International commodity prices ²						
Brent crude oil (US\$ per barrel)	64.3	41.8	70.6	76.8	70.9	66.7
Gold (US\$ per ounce)	1 392.2	1 769.5	1 791.5	1 767.8	1 781.0	1 811.0
Platinum (US\$ per ounce)	863.6	883.3	1 091.1	995.3	1 003.8	1 012.5
Coal (US\$ per ton)	71.3	65.2	133.6	144.5	111.9	105.0
Iron ore (US\$ per ton)	93.6	108.1	160.6	107.8	101.2	97.5
Palladium (US\$ per ounce)	1 539.0	2 192.7	2 417.7	2 022.3	2 031.3	2 040.1
Food inflation	3.4	4.5	6.1	4.7	4.7	4.6
Sovereign risk premium	3.2	4.9	3.5	3.3	3.1	3.1
Public corporation investment	-19.5	-11.9	11.4	6.3	6.4	7.5

1. Combined growth index of South Africa's top 15 trading partners (IMF World Economic Outlook, October 2021)

2. Source: Bloomberg futures prices as at 15 October 2021

Source: National Treasury

Maintaining the National Treasury's macroeconomic models

The National Treasury uses a suite of globally recognised economic models to assess the state of the economy, evaluate the impact of policy choices, quantify potential economic risks and formulate macroeconomic projections. The models' results are used to inform policy development and produce the macroeconomic forecast, which underpins the fiscal framework published in the *Medium Term Budget Policy Statement* and the *Budget Review*.

In line with standard practice, the National Treasury recently updated its quarterly model. The September 2021 update incorporated the effects of Statistics South Africa's recent GDP rebasing and benchmarking exercise, which resulted in an upward revision in the size of the economy and changes to the weights of different components of GDP. National statistical agencies periodically conduct GDP rebasing and benchmarking to account for changes in the economy. South Africa's last such update was in 2014.

Risks to the domestic growth outlook

Risks to the outlook remain elevated, reflecting continued uncertainty in both the global and domestic economy.



Although sizeable fiscal support continues in developed economies, many developing economies have begun to reduce support as fiscal space narrows, which may slow their recovery.

Global inflation is elevated and its trajectory is highly uncertain. The IMF expects inflation to subside to pre-pandemic levels in 2022 as supply-demand mismatches ease and labour markets normalise. However, persistent inflation in the United States and other developed economies – stemming from a combination of pandemic-induced supply constraints and high energy prices – is likely to result in a hike in interest rates.

Mass vaccination against COVID-19 is hindered by supply constraints, lack of access and hesitancy. Although just over half of the population in developed countries is now fully vaccinated, progress in developing countries is significantly lower. This means that much of the world remains susceptible to continued health and economic shocks from the pandemic.



In South Africa, policy uncertainty and the slow implementation of structural reforms continue to weigh on business confidence and investment. Electricity supply constraints, in particular, could worsen in the short term and constrain the recovery.

A further deterioration in the public finances due to additional spending pressures and the materialisation of contingent liabilities could trigger further credit rating downgrades. These in turn would increase borrowing costs and crowd out public spending on service delivery and infrastructure.

Possible future waves of COVID-19 infections may result in further disruptions to economic activity.

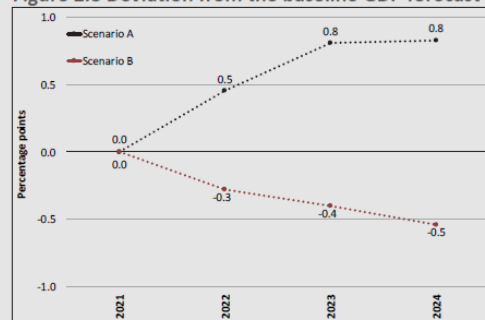
Alternative scenarios

The National Treasury has generated two scenarios that provide insight into possible deviations from the growth forecast.

In **Scenario A**, a strong uptake of additional electricity-generating capacity from the higher licensing threshold is assumed during the forecast period. As projects come online, the energy constraint eases considerably, improving business sentiment, lowering the sovereign risk premium and reducing the overall cost of borrowing. This supports private-sector investment and consumption expenditure.

In **Scenario B**, supply-demand mismatches and persistent inflation prompt a more aggressive tightening of monetary policy by major economies in the near term. This leads to weaker global growth and commodity prices, with negative consequences for the domestic economy.

Figure 2.8 Deviation from the baseline GDP forecast



Source: National Treasury calculations

Sector performance and outlook

Agriculture



Agriculture expanded by 8.3 per cent in the first half of 2021 compared with the same period in 2020 and is set to grow for a second consecutive year. Grain production estimates suggest strong performance for summer field crops; winter field crop output is expected to be marginally lower than 2020. Livestock farmers have rebuilt herds as veld recovered in parts of the country affected by drought. Agricultural exports have continued to perform well, with citrus exports showing record gains for the third year. Higher global prices for agricultural commodities are likely to moderate over the medium term.

Mining



Mining production increased by 25.2 per cent in the first half of 2021 compared with the same period in 2020. This recovery to pre-pandemic levels was supported by higher global prices and strong demand. Regulatory uncertainty, transport and logistical shortcomings, and power disruptions continue to affect the sector, while performance remains heavily dependent on the global environment and the commodity

cycle. Production growth is expected to moderate around current levels over the medium term.

Manufacturing

Manufacturing production grew by 17 per cent in the first six months of 2021 compared with the same period in 2020. Production has not recovered to pre-pandemic levels, although the Absa Purchasing Managers' Index remains above the neutral 50-point mark. Electricity disruptions, raw material shortages and rising input costs will continue to limit output in the short to medium term.



Electricity

The electricity, gas and water sector grew by 5.8 per cent in the first six months of the year compared with the same period in 2020. Generation capacity, however, remains constrained. A large number of unplanned outages, and explosions at the Medupi and Kendal power stations, reflect the deterioration in Eskom's plant performance. The risk of power cuts remains high. This is also evident in the downward trend of the energy availability factor (which measured 63 in 2021, compared with 65 in 2020). Raising the licensing threshold for embedded generation will support higher investment, reduce pressure on the grid and lower the risk of load-shedding from late 2022. However, inadequate electricity supply will remain a binding constraint on economic recovery in the near term.

Construction

Real gross value added in the construction sector fell 2.9 per cent in the first half of 2021 relative to the corresponding period in 2020, reaching levels last observed in September 2007. While investment has improved marginally, the change is insufficient for recovery in the sector. Construction has been severely affected by lockdown restrictions and confidence remains low. Employment in the first half of the year fell by 4.5 per cent compared with the same period in 2020.



Transport and communications

The transport, storage and communication sector grew by 4.2 per cent in the first half of the year relative to the first half of 2020. This recovery was supported by increased freight transportation, higher passenger traffic and, in communications, increased demand for digital services. Risks to growth include the return of protracted load-shedding and further lockdowns. In addition, the possible recall of temporary spectrum at the end of November will affect the communications sector.



Finance

The finance sector grew by 4.7 per cent in the first six months of 2021 relative to the first half of 2020. Strong monetary, fiscal and regulatory policy responses supported bank customers as well as the integrity of institutions. Despite the significant increase in claims paid as a result of the COVID-19 pandemic, the life and non-life insurance industries remain well capitalised and are able to support their policyholders and beneficiaries. Low interest rates have supported mortgage markets, benefiting first-time home owners. Because domestic banks increased their share of

government debt in 2020, further downgrades remain a systemic risk for the sector.

Green recovery and a just transition

South Africa – the largest greenhouse gas (GHG) emitter in Africa and the 12th largest globally – has committed to ambitious climate change targets. These include having GHG emissions peak in 2025 at 510 million tonnes and decline thereafter to a maximum of 420 million tonnes by 2030. These targets are in line with the National Development Plan and net zero emissions commitments by 2050. Reducing GHG emissions and adapting to climate change will involve a concerted national effort. Achieving a just transition, and promoting resilience to droughts, floods and extreme temperature change, requires the participation of all economic sectors.

Extensive work is under way within government to prepare the climate transition. In November 2021, government announced that developed countries will mobilise R131 billion in concessional and grant funding over the next three to five years to support South Africa's transition away from coal and develop new sectors such as electric vehicles and green hydrogen.

The National Treasury supports a green transition that can unlock economic growth, create jobs, and build a more resilient and inclusive economy. This requires managing the potential trade-offs associated with major economic restructuring, particularly for workers and vulnerable communities. The transition must be financed in a sustainable manner that does not unduly burden the fiscus. Eskom's Just Energy Transition plan is a first step in efforts to decarbonise the energy sector and is being reviewed. A well-designed transition will enable South Africa to access additional international climate finance for adaptation, and build on mitigation efforts through the Green Climate Fund, Climate Investment Funds and other sources.

To help meet its climate goals, government introduced a carbon tax in 2019. Announcements concerning the second phase of this tax, which begins in 2023, will be made in the 2022 Budget.

Conclusion

The medium-term economic outlook has improved somewhat since the February 2021 forecast, largely driven by supportive global conditions. However, momentum is slowing as a result of domestic and global factors – including continued structural constraints and the scarring impact of the pandemic on jobs and investment – that will adversely affect GDP growth. A durable recovery and growth in jobs require urgent implementation of reforms to improve competitiveness, and the ease and cost of doing business.

3

Fiscal policy

In brief

- Government remains committed to reducing the budget deficit and stabilising the debt-to-GDP ratio.
- Fiscal consolidation will reduce debt-service costs to below 22 per cent of main budget revenue by 2026/27.
- Revenue collections remain well below pre-pandemic expectations. Revenue from 2020/21 through 2022/23 is forecast to be R284.7 billion below the 2020 Budget projections. However, owing to faster economic growth, revenue collection has improved in the current year compared with the 2021 Budget forecast.
- The revenue windfall will partially support increased allocations for urgent social and economic priorities, increasing non-interest expenditure. Government will maintain such allocations should revenue performance improve over the medium term.
- The consolidated budget deficit will measure 7.8 per cent of GDP in 2021/22 and narrow to 4.9 per cent in 2024/25 – the first year since 2008/09 in which government expects revenue to exceed non-interest spending. Gross debt is expected to stabilise in 2025/26 at 78.1 per cent of GDP.
- The fiscal outlook is highly uncertain. Major risks include the durability of the economic recovery, the legal process associated with public-service compensation, and future wage negotiations. In the broader public sector, several state-owned companies and municipalities have insufficient funds to cover operational expenses.

Introduction

Over the medium-term expenditure framework (MTEF) period, debt-service payments are expected to average R334.5 billion a year – higher than projected spending on health, social development and peace and security. On average, 21 cents of every rand collected in revenue per year will pay for interest on public debt. Mounting debt-service costs are a clear signal that South Africa must stabilise its public finances to redirect spending in favour of social and economic development.

Medium-term fiscal policy is focused on consolidation: reducing the budget deficit and stabilising the debt-to-GDP ratio. Government will use part of the higher tax revenues associated with the recent commodity price surge to narrow the deficit, while increasing non-interest expenditure to support



economic growth, job creation and social protection, and cover the higher costs of the public-service wage agreement.

Government remains committed to supporting low-income households, particularly given the severe impact of the COVID-19 pandemic. The budget will set aside additional resources for social relief if the fiscal situation improves by February 2022. To avoid a widening of the budget deficit, changes to spending will be funded through improved revenue performance or through reprioritisation and reviewing existing programmes.

This stance is in line with the approach adopted in the 2020 special adjustments budget and the 2021 Budget, which remains broadly on track. Staying the course will enable government to bring fiscal consolidation to a close at the end of the forthcoming MTEF period, in 2024/25. The consolidated deficit will narrow from 7.8 per cent of GDP in 2021/22 to 4.9 per cent of GDP in 2024/25. Debt is expected to stabilise at 78.1 per cent of GDP by 2025/26. Over time, this consolidation will enable government to allocate revenue it currently pays to bondholders to areas such as health, education and economic development.



Over the past decade, a combination of declining economic growth and rapid debt accumulation has increased South Africa's sovereign risk premium. In effect, this means that buyers of government bonds are charging higher rates to compensate for the additional risk associated with investing in South Africa. This pushes up the cost of borrowing throughout the economy, making it difficult for businesses to invest in new projects and hire new workers. Given the failure of fiscal expansion to raise GDP growth between 2008/09 and 2018/19, and the increasing crowding-out effect of interest payments, government must contain expenditure growth to restore the health of public finances and reduce overall indebtedness. By improving South Africa's creditworthiness, fiscal consolidation will bolster investor confidence, lower the cost of doing business, and provide support to households and job-seekers.

■ Medium-term fiscal strategy

Evolution of the public finances

Government spends far more than it receives in revenue. This unsustainable fiscal position, which began to develop in the wake of the 2008 financial crisis, is illustrated in the four charts on the facing page.

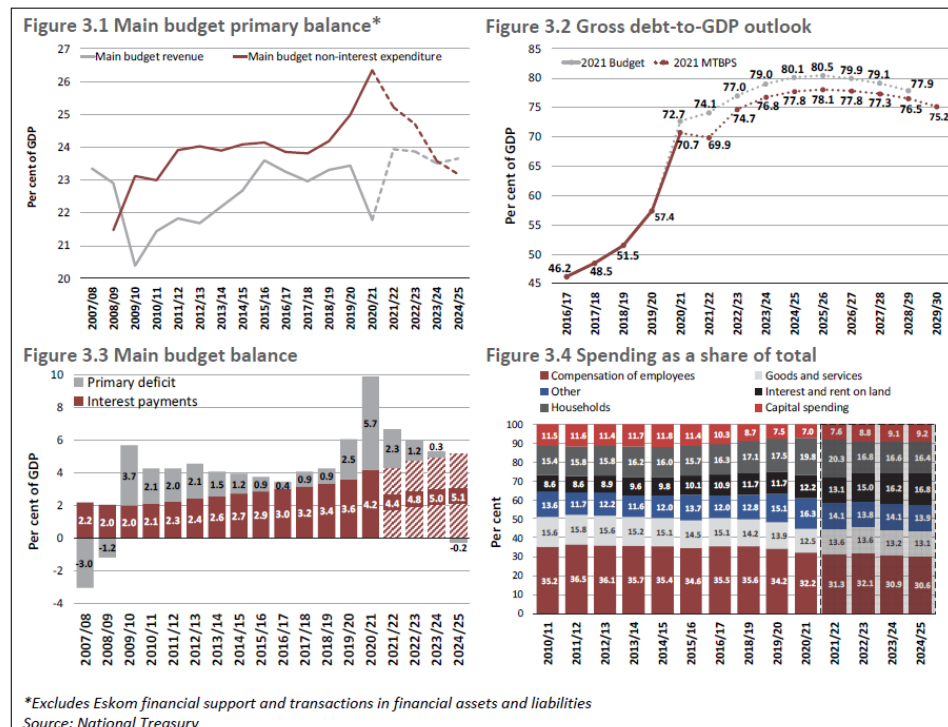


GDP growth did not recover to pre-2008 levels following the crisis and South Africa fell behind other emerging market economies. Therefore, beginning with the 2013 Budget, government moved to contain unsustainable expenditure growth. Although fiscal policy succeeded in narrowing the gap between revenue and non-interest expenditure for several years (Figure 3.1), various shocks hampered the pace of fiscal consolidation. Meanwhile, lack of progress in the implementation of reforms outlined in the National Development Plan allowed structural drags on the economy, such as inadequate electricity supply, to persist. In addition, several policy decisions resulted in increased spending, among

them fee-free higher education, above-inflation public-service wage increases, and bailouts of state-owned companies.

The COVID-19 pandemic led to a historic economic contraction, an unprecedented widening of the budget deficit and a spike in debt stock. Overall, public debt has increased seven-fold, from R577 billion in 2007/08 to over R4 trillion in 2021/22. A larger debt stock means that interest payments absorb a growing share of national resources, averaging nearly 5 per cent of GDP over the next two years (Figure 3.3). Although public spending has risen, spending that supports long-term growth – such as capital investment in infrastructure – has shrunk as a proportion of the total (Figure 3.4).

Meanwhile, the baseline fiscal position has improved marginally since the 2021 *Budget Review*. Despite difficult reductions in government spending, a stronger-than-expected recovery in GDP has increased tax revenue. However, the factors driving these changes are largely temporary. There is significant uncertainty about the durability of the economic recovery, and certain domestic risks identified in the 2021 Budget have begun to materialise. These include the recent public-service wage agreement, which breached the budget ceiling for compensation of employees, and the continued financial deterioration of state-owned companies.



Stabilising debt and supporting capital investment

Over the period ahead, government will continue to narrow the budget deficit, which is key to stabilising the debt-to-GDP ratio (Figure 3.2). This will be achieved mainly by controlling non-interest expenditure growth.

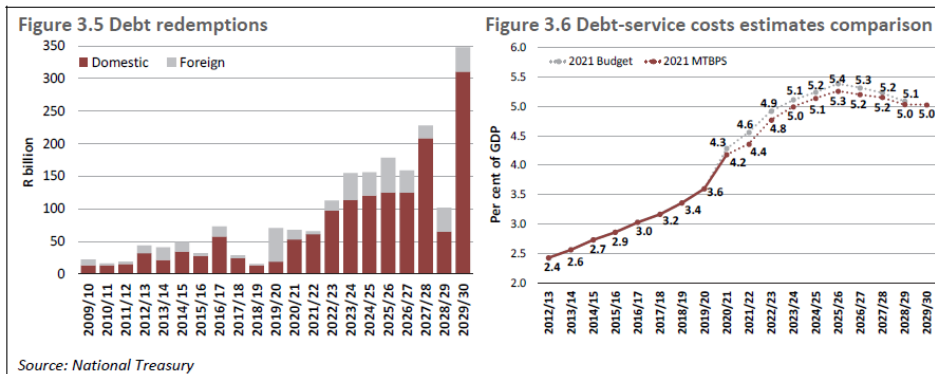


The fiscal framework contains growth in compensation spending while increasing capital expenditure. Infrastructure projects will be financed through the Infrastructure Fund, using public-private partnerships and other funding arrangements to improve planning and speed up delivery. The National Treasury completed its review of the public-private partnerships framework in May 2021, and policy changes based on the recommendations will be announced in the 2022 Budget. New spending pressures will be accommodated within existing baselines.

In 2021/22, gross tax revenue is expected to be R120.3 billion higher than projected in the 2021 Budget, with corresponding improvements of R69.8 billion and R59.5 billion expected in 2022/23 and 2023/24 respectively. This is still well below pre-pandemic revenue estimates (as shown in Figure 3.7), but it provides space for government to deal with immediate fiscal pressures while continuing to stabilise the public finances.



Medium-term loan redemptions amount to R423.4 billion, compared with R153.9 billion over the previous three years (Figure 3.5). These redemptions – paying back borrowed money – are the consequence of previous spending decisions. To support the borrowing programme, a portion of the higher revenue outcome will be used to narrow the budget deficit, with the balance used to support the fiscal framework. Compared with 2021 Budget projections, debt-service costs are expected to decline from 23.1 per cent to 22 per cent as a share of main budget revenue in 2025/26.



Update on the public-service wage bill

The 2021 wage agreement provides for a pensionable increase of 1.5 per cent, as provided for in the 2021 Budget. It includes a once-off non-pensionable cash gratuity of R1 000 after tax per person per month, which was not budgeted for. This gratuity is expected to cost government R20.5 billion in the current year, with a preliminary carry through of R20.5 billion in 2022/23 if no new agreement is reached. In 2021/22, the gratuity will be largely funded by additional revenue, and will require shifting funds from the Infrastructure Fund, with a provisional allocation of R20.5 billion for 2022/23 included in the fiscal framework.

Fiscal consolidation has halted the trend of above-inflation growth in the wage bill, with budgeted increases of 1.5 per cent growth in the baseline for 2021/22 and 2022/23. Should it be necessary to implement the final leg of the 2018 wage agreement retroactively, however, additional measures would be required. These could include revenue measures, increased borrowing and active steps to reduce the size of the public service.

In addition, government is developing a comprehensive public-sector remuneration strategy for the medium to long term. This will include public office bearers, state-owned companies, public entities and local government. The strategy will seek to better balance competing interests on the basis of fairness, equity and affordability. Additional details on compensation trends are provided in Annexure B.

Expenditure performance and outlook

In-year spending adjustments

Government's efforts to manage the COVID-19 pandemic and support vulnerable households and firms require increased spending in the current year. A net addition of R59.4 billion to main budget non-interest spending is proposed, consisting of R77.3 billion in spending increases, partially offset by projected underspending, drawdowns on the contingency reserve and provisional allocations announced in the 2021 Budget.



The 2021/22 fiscal framework includes R3 billion in the contingency reserve for additional vaccine purchases and R11 billion as a provisional allocation to SASRIA for risk coverage in the wake of the outbreak of public violence in July. Details of allocations are provided in the 2021 *Adjusted Estimates of National Expenditure*.

Table 3.1 Revisions to non-interest expenditure for 2021/22

	R million
Non-interest expenditure (2021 Budget Review)	1 564 511
Public violence and COVID-19 fiscal relief package allocations	32 850
Increases in other allocations since 2021 Budget	41 048
National and provincial departments allocations for wage bill adjustments	20 512
Denel	2 923
Further purchase of vaccines funded from contingency reserve	2 342
Presidential employment initiative phase 2 allocation	10 954
Other allocations in AENE ¹	4 317
Resources used to fund adjustments since 2021 Budget	-17 942
Drawdowns, suspensions and projected underspending ²	-17 942
Other adjustments³	3 402
Revised non-interest expenditure (2021 MTBPS)	1 623 869
Change in non-interest expenditure from 2021 Budget	59 358

1. 2021 *Adjusted Estimates of National Expenditure*

2. Including suspensions, projected underspending and drawdown on the contingency reserve and of provisional allocations announced in 2021 Budget

3. Including increases of R2.3 billion in NRF payments and R1.1 billion for skills development levy

Source: National Treasury



In the Second Special Appropriation Bill of 2021, government announced a fiscal relief package, including R5 billion in tax relief and R32.9 billion in once-off spending measures (Table 3.2). Further adjustments to in-year spending include R20.5 billion for the 2021 wage agreement, R2.3 billion for COVID-19 vaccines and an equity injection of R2.9 billion in Denel. This is offset by a portion of the R120.3 billion revenue windfall.

The fiscal relief package includes:

- A reintroduction of the temporary R350 *special COVID-19 social relief of distress grant* until the end of 2021/22, with broadened eligibility to include caregivers who receive the *child support grant*.
- A provision of R3.9 billion for SASRIA – the state-owned insurer covering risks such as public disorder and riots – for balance sheet support to ensure that claims following the July public violence are settled.
- Support for small businesses affected by COVID-19 restrictions and the July public violence, amounting to R1.3 billion.
- Additional funding totalling R950 million allocated to the South African Police Service and the South African National Defence Force.
- An amount of R5 billion of estimated revenue foregone from expanding the employment tax incentive for four months from 1 August 2021.

In addition, an amount of R5.3 billion has been set aside by the Unemployment Insurance Fund to extend coverage of the temporary employer/employee relief scheme.

Table 3.2 Fiscal relief package, 2021/22

R million	2021/22
Fiscal response measures	32 850
Social grants additions ¹	26 700
SASRIA	3 900
Business support ²	2 300
Reprioritisation from DTIC and DSBD	-1 000
South African National Defence Force	700
South African Police Service	250
Increase in spending ceiling	32 850
Revenue measures	5 000
Employment tax incentive	5 000
Total, financed through higher-than-expected revenue collection	37 850

1. Of which R500 million is for grants administration

2. Department of Trade, Industry and Competition (DTIC),
Department of Small Business Development (DSBD)

Source: National Treasury

Medium-term expenditure outlook

Considering the improved tax revenue estimates, government proposes to maintain some support to the economy over the MTEF period, including through a small increase in non-interest spending compared with the 2021 Budget projections. Total main budget non-interest expenditure is projected to increase by R31.9 billion in 2022/23 and by R29.6 billion in 2023/24. Details of the spending allocations will be provided in the



2022 Budget. In the meantime, the following upward adjustments are included in the fiscal framework:

- An additional provisional allocation of R20.5 billion in 2022/23 for wage bill adjustments.
- Higher estimated spending by the National Skills Fund and sector education and training authorities of R1.4 billion in 2022/23 and R1.6 billion in 2023/24, reflecting the projected rise in skills development levy collections.

As a share of GDP, non-interest expenditure will moderate from 26.3 per cent in 2021/22 to 23.5 per cent by 2024/25. This includes a contingency reserve of R5 billion per year over the MTEF period. Debt-service costs will continue rising over the medium term given the persistent main budget deficit, weaker currency and higher interest rates. In line with government's consolidation stance, main budget non-interest expenditure is projected to grow in line with consumer price index inflation in 2024/25.

Expenditure ceiling

The main budget expenditure ceiling provides an upper limit within which departments prepare their budgets. It has anchored fiscal policy since the 2012 Budget. The *Budget Review* includes the baseline ceiling and the *Medium Term Budget Policy Statement* includes adjustments to the ceiling if necessary. Table 3.3 shows the ceiling and actual spending over recent years. Government aims to maintain spending levels within the ceiling. In the current year, expenditure is expected to breach the 2021 *Budget Review* ceiling of R1.51 trillion by R56 billion owing to the COVID-19 lockdowns and public violence, as well as wage bill adjustments.

Revenue improvements since the 2021 Budget allow for an increase in the spending ceiling over the MTEF period. The ceiling is raised by R30.5 billion in 2022/23 and R28.1 billion in 2023/24, compared with the 2021 Budget.

Table 3.3 Main budget expenditure ceiling¹

R million	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
2019 MTBPS	1 307 235	1 404 675	1 493 029	1 591 287	1 673 601		
2020 Budget Review	1 307 119	1 409 244	1 457 703	1 538 590	1 605 098		
2020 MTBPS	1 307 112	1 418 408	1 502 867	1 479 709	1 516 052	1 529 585	
2021 Budget Review		1 418 399	1 504 656	1 514 934	1 521 721	1 530 664	
2021 MTBPS		1 418 456	1 487 388	1 570 890	1 552 268	1 558 725	1 627 154

1. The expenditure ceiling differs from main budget non-interest expenditure

The precise definition and calculation of the expenditure ceiling is contained in Annexure C

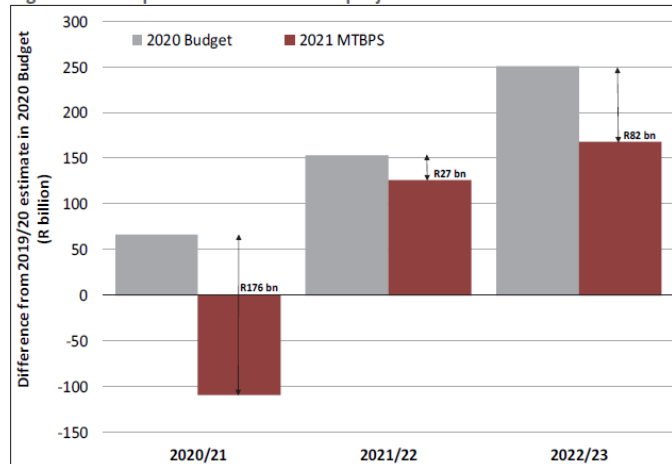
Source: National Treasury

Revenue performance and outlook

A surge in commodity prices has significantly improved the in-year revenue outlook, although its effect is likely to be temporary. Revenue collections remain well below pre-pandemic expectations, and in this sense the updated numbers flatter to deceive. Compared with the 2020 Budget projections, revenue is expected to be R284.7 billion lower than forecast until 2022/23.



Figure 3.7 Comparison of tax revenue projections



Source: National Treasury and South African Revenue Service



The gross tax revenue estimate for 2021/22 has been revised up by R120.3 billion compared with the projection in the 2021 Budget. This improved outlook is due to better-than-expected collections in the final quarter of 2020/21, upward revisions to near-term economic growth projections and strong income tax collections, especially from corporates. After falling to 22.5 per cent last year, the tax-to-GDP ratio is expected to increase to 24.1 per cent in the current year. Strong and sustained economic growth, coupled with greater efficiency in revenue collection, is needed to raise the tax-to-GDP ratio over the medium term.

Table 3.4 Gross tax revenue

R billion	2020/21			2021/22		
	Budget ¹	Outcome	Deviation	Budget ¹	Revised	Deviation
Persons and individuals	482.1	487.0	4.9	516.0	542.1	26.1
Companies	188.8	202.1	13.3	213.1	288.6	75.5
Value-added tax	324.6	331.2	6.6	370.2	373.6	3.5
Dividends tax	23.0	24.8	1.9	26.2	29.9	3.8
Specific excise duties	24.7	32.3	7.6	43.7	42.3	-1.4
Fuel levy	75.2	75.5	0.3	83.1	89.2	6.1
Customs duties	45.2	47.3	2.1	53.1	54.7	1.6
Ad valorem excise duties	3.3	3.4	0.1	3.5	4.4	0.9
Other	45.3	46.1	0.8	56.1	60.4	4.3
Gross tax revenue	1 212.2	1 249.7	37.5	1 365.1	1 485.4	120.3

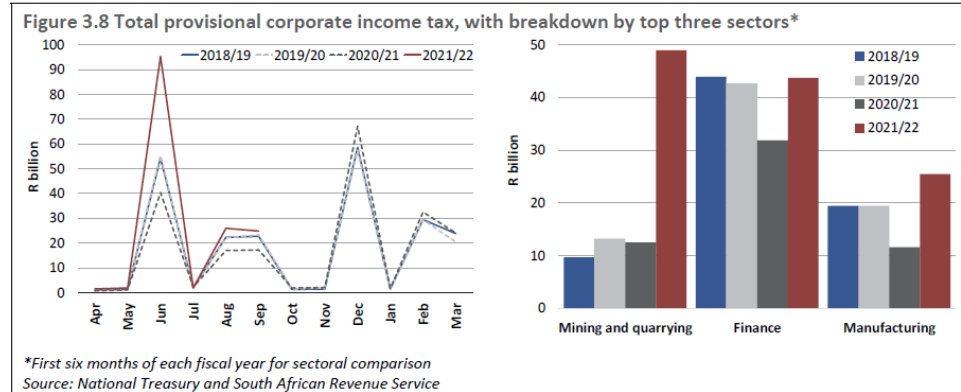
1. 2021 Budget figures

Source: National Treasury

Revenue performance in 2021/22

After falling by 7.8 per cent last year, tax revenues rose appreciably in the first six months of 2021/22. Corporate income taxes in particular have increased due to high commodity prices and a favourable ratio of export to import prices. Provisional corporate income tax collected in the first six months of 2021/22 was 44.1 per cent higher than the equivalent period in 2019/20, primarily driven by the mining and quarrying sector (Figure 3.8).

Other major tax categories have also grown above 2019/20 levels, except for specific excise and customs duties.



Key factors affecting in-year revenue collection include:

- A strong recovery in earnings, with both nominal and real average wages close to 2019 levels by the first quarter of 2021, supporting personal income tax collection.
- Higher export prices boosting profitability in the mining sector, and improved collections from manufacturing and finance.
- Resilient household consumption amid the economic recovery, buoyed by strong earnings, low borrowing costs and larger social transfers, which strengthened domestic value-added tax (VAT) collections.
- Improved import volumes in the first half of 2021, offset by trade disruptions, leading to lower import VAT and customs collections.

Estimated tax revenue for 2021/22 has been revised higher by R120.3 billion, of which corporate income tax accounts for R75.5 billion. Stronger personal income tax receipts are expected to bring in an additional R26.1 billion relative to the 2021 Budget projections.

Table 3.5 Revised revenue projections

R billion	2021/22	2022/23	2023/24	2024/25
2021 Budget	1 365.1	1 457.7	1 548.5	
<i>Buoyancy</i>	<i>1.44</i>	<i>1.15</i>	<i>1.07</i>	
Revised estimates	1 485.4	1 527.4	1 608.0	1 715.3
<i>Buoyancy</i>	<i>1.73</i>	<i>0.99</i>	<i>0.97</i>	<i>1.05</i>
Change since 2021 Budget	120.3	69.8	59.5	

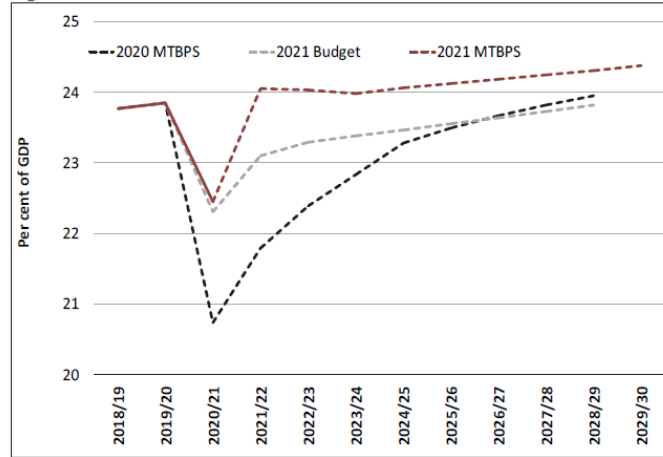
Source: National Treasury

Medium-term revenue outlook

Tax revenues are expected to increase to R1.72 trillion, or 24.1 per cent of GDP, by 2024/25. The commodity price rally and resulting terms of trade benefits are expected to remain supportive for the rest of 2021/22, but export commodity prices are expected to decline, with an associated deterioration in the terms of trade in the outer years of the forecast.



Figure 3.9 Tax-to-GDP ratio



Source: National Treasury and South African Revenue Service

Windfall commodity revenues are unlikely to provide significant additional revenues beyond 2021/22. Similarly, slow employment growth and lower employment levels limit personal income tax projections. Although revenue collection has been revised higher, the difference between 2021 Budget and current estimates declines over the MTEF forecast period. The outlook for several major tax bases has been revised lower relative to the 2021 Budget.

Further improvement in the gross tax-to-GDP ratio depends on a durable economic recovery that addresses structural imbalances in the economy. Additional information, including changes in tax buoyancies, appears in Table C.6 of Annexure C.

Table 3.6 Medium-term revenue framework

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
R billion	Outcome			Revised	Medium-term estimates		
Gross tax revenue	1 287.7	1 355.8	1 249.7	1 485.4	1 527.4	1 608.0	1 715.3
Gross tax revenue growth	5.9%	5.3%	-7.8%	18.9%	2.8%	5.3%	6.7%
Nominal GDP growth	5.5%	5.0%	-2.1%	10.9%	2.9%	5.5%	6.3%
Buoyancy	1.07	1.07	3.69	1.73	0.99	0.97	1.05
Non-tax revenue	23.9	27.6	26.3	39.1	32.2	31.5	33.0
Southern African	-48.3	-50.3	-63.4	-46.0	-43.7	-64.6	-63.4
Customs Union ¹							
National Revenue Fund	12.0	12.8	25.8	4.6	1.6	6.4	4.5
receipts ²							
Main budget revenue	1 275.3	1 345.9	1 238.4	1 483.2	1 517.5	1 581.3	1 689.4

1. Amount made up of payments and other adjustments

2. Mainly revaluation profits on foreign-currency transactions and premiums on loan transactions

Source: National Treasury

The Southern African Customs Union (SACU) common revenue pool forms part of the National Revenue Fund and main budget calculations. Payments to SACU partners have been revised up sharply over the next two years compared with 2021 Budget estimates. Details appear in Annexure C.

Non-tax revenue estimates for the next two years are higher than the 2021 Budget estimates by an average of R2.4 billion.

Main budget framework

The main budget framework summarises spending financed from the National Revenue Fund. Main budget revenue is expected to increase in the current year to 24 per cent of GDP due to a slightly stronger economic outlook and better-than expected revenue collection.



Table 3.7 Main budget framework

R billion/percentage of GDP	2018/19	2019/20 Outcome	2020/21	2021/22 Revised	2022/23	2023/24	2024/25
					Medium-term estimates		
Main budget revenue	1 275.3 23.5%	1 345.9 23.7%	1 238.4 22.2%	1 483.2 24.0%	1 517.5 23.9%	1 581.3 23.6%	1 689.4 23.7%
Main budget expenditure	1 506.6 27.8%	1 691.0 29.7%	1 789.0 32.1%	1 893.1 30.7%	1 897.9 29.9%	1 936.7 28.9%	2 039.1 28.6%
Non-interest expenditure	1 324.8 24.4%	1 486.2 26.1%	1 556.4 28.0%	1 623.9 26.3%	1 594.8 25.1%	1 602.1 23.9%	1 673.3 23.5%
Debt-service costs	181.8 3.4%	204.8 3.6%	232.6 4.2%	269.2 4.4%	303.1 4.8%	334.6 5.0%	365.8 5.1%
Main budget balance	-231.3 -4.3%	-345.1 -6.1%	-550.6 -9.9%	-409.9 -6.6%	-380.4 -6.0%	-355.4 -5.3%	-349.7 -4.9%
Primary balance	-49.5 -0.9%	-140.3 -2.5%	-318.0 -5.7%	-140.7 -2.3%	-77.2 -1.2%	-20.8 -0.3%	16.1 0.2%

Source: National Treasury

Revenue is projected to average 23.7 per cent of GDP over the medium term. Main budget expenditure reaches 30.7 per cent of GDP in 2021/22, moderating to 28.6 per cent of GDP by 2024/25. This largely reflects fiscal consolidation measures, although debt-service costs will continue to rise over the MTEF period. The main budget deficit is expected to moderate from 6.6 per cent of GDP in the current year to 4.9 per cent of GDP by 2024/25.

A primary budget surplus is projected from 2024/25, and debt is expected to stabilise in the following year. Compared with the 2021 *Budget Review* estimates, both metrics have improved. Changes to the main budget framework since February 2021 are presented in Annexure C.

Consolidated budget framework

The consolidated budget includes the main budget and spending financed from revenues raised by provinces, social security funds and public entities. The consolidated budget deficit is projected to narrow from 7.8 per cent of GDP in 2021/22 to 4.9 per cent of GDP in 2024/25. Public entities, social security funds and provinces are projected to have a combined cash surplus over the medium term, partially offsetting the main budget deficit.



Table 3.8 Consolidated budget balance

R billion	2018/19	2019/20 Outcome	2020/21	2021/22 Revised	2022/23	2023/24	2024/25
					Medium-term estimates		
Main budget	-231.3	-345.1	-550.6	-409.9	-380.4	-355.4	-349.7
Social security funds	8.8	5.3	-49.2	-73.2	-8.9	-0.2	1.8
Public entities	26.2	44.1	39.9	2.8	3.6	3.5	0.6
Provinces	1.0	5.1	2.8	1.2	6.4	-1.4	-1.5
RDP Fund	-0.2	-0.6	-0.5	-0.6	-0.2	-0.1	-0.0
Consolidated budget balance	-195.6	-291.2	-557.7	-479.7	-379.3	-353.6	-348.9
<i>Percentage of GDP</i>	<i>-3.6%</i>	<i>-5.1%</i>	<i>-10.0%</i>	<i>-7.8%</i>	<i>-6.0%</i>	<i>-5.3%</i>	<i>-4.9%</i>

Source: National Treasury



Financing and debt management strategy

Over the past 18 months, global borrowing conditions have become less favourable, even as South Africa's borrowing requirement has grown. Government continues to manage public debt prudently to meet the borrowing requirement in a sustainable and efficient manner. Over the next several years, large debt redemptions associated with previous spending decisions will need to be repaid or rolled over. Government will continue to exchange shorter-dated for longer-dated bonds as conditions permit. Setting aside a portion of unanticipated revenue improvements will mitigate these pressures by reducing the gross borrowing requirement, and ultimately, the stock of debt and debt-service costs.

The impact of the global pandemic in 2020 resulted in a sharp increase in government's gross borrowing requirement. To reduce the impact on the stock of debt and debt-service costs, government used a portion of its sterilisation deposits with the Reserve Bank. The current fiscal framework allows government to revert to using these deposits as a bridging finance tool. Given high levels of uncertainty in the global outlook and volatility in capital flows, sterilisation deposits provide an important buffer against abrupt market changes that could put debt funding under severe pressure.



Government's gross borrowing requirement – the sum of the budget deficit and maturing loans – has been revised lower for 2021/22, from R547.9 billion at the time of the 2021 Budget to R475.1 billion. Over the medium term, the gross borrowing requirement will average R503 billion, compared with R550.5 billion at the time of the 2021 Budget.

Relative to the 2021 Budget, which projected a net increase of R9 billion, no new short-term borrowing is now expected for 2021/22. Short-term borrowing will average R53 billion over the next three years. Long-term borrowing in the domestic bond market will decline from R380 billion to R285.3 billion in 2021/22, averaging R374.7 billion over the medium term.

Table 3.9 National government gross borrowing requirement and financing

R billion	2020/21 Outcome	2021/22 Revised	2022/23 Medium-term estimates	2023/24 Medium-term estimates	2024/25 Medium-term estimates
Gross borrowing					
Main budget balance	-550.6	-409.9	-380.4	-355.4	-349.7
Redemptions	-67.6	-65.2	-113.0	-154.7	-155.8
Domestic long-term loans	-53.2	-61.3	-97.3	-113.1	-120.4
Foreign loans	-14.4	-3.9	-15.7	-41.6	-35.5
Total	-618.3	-475.1	-493.3	-510.0	-505.5
Financing					
Domestic short-term loans (net)	95.3	–	54.0	53.0	52.0
Domestic long-term loans	523.4	285.3	381.8	373.0	369.4
Foreign loans	91.9	77.6	47.0	64.7	66.2
Change in cash and other balances	-92.4	112.2	10.5	19.3	17.9
Total	618.3	475.1	493.3	510.0	505.5

Source: National Treasury

Borrowing costs remain higher than pre-pandemic levels. To limit the additional cost of borrowing, 77 per cent of the total long-term fixed-rate bond issuance is concentrated in the three- to 16-year maturity area.

Table 3.10 Total national government debt

End of period R billion	2020/21 Outcome	2021/22 Revised	2022/23 Medium-term estimates	2023/24 Medium-term estimates	2024/25 Medium-term estimates
Domestic loans¹	3 543.3	3 843.9	4 220.5	4 580.2	4 929.3
Short-term	456.0	456.0	510.0	563.0	615.0
Long-term	3 087.3	3 387.8	3 710.5	4 017.1	4 314.2
Fixed-rate	2 300.0	2 553.1	2 765.8	3 065.7	3 363.3
Inflation-linked	787.3	834.7	944.6	951.4	951.0
Foreign loans¹	392.4	470.1	524.1	564.3	608.4
Gross loan debt	3 935.7	4 313.9	4 744.7	5 144.4	5 537.6
Less: National Revenue Fund bank balances	-333.9	-224.9	-225.0	-209.2	-194.9
Net loan debt²	3 601.8	4 089.0	4 519.6	4 935.2	5 342.7
As percentage of GDP:					
Gross loan debt	70.7%	69.9%	74.7%	76.8%	77.8%
Net loan debt	64.7%	66.2%	71.2%	73.7%	75.0%

1. Estimates include revaluations based on National Treasury's projections of inflation and exchange rates

2. Net loan debt is gross loan debt minus the bank balances of the National Revenue Fund

Source: National Treasury

In 2021/22, government will raise US\$5.3 billion to meet its foreign currency commitments by raising funds in global capital markets and sourcing lower-cost funding from international financing institutions. To date, government has raised an additional US\$1 billion economic recovery loan from the New Development Bank. In addition, South Africa received about US\$4.2 billion in August 2021 from the International Monetary Fund in terms of the general Special Drawing Rights allocation to member countries. These funds are deposited in the Special Drawing Rights holdings account with the Reserve Bank and can be used to meet government's foreign currency commitments in line with liquidity requirements.



Gross loan debt is expected to increase from R4.31 trillion, or 69.9 per cent of GDP, in 2021/22 to R5.54 trillion, or 77.8 per cent of GDP, in 2024/25. The key drivers of this increase remain the budget balance and fluctuations in the interest, inflation and exchange rates.

Compared with the 2021 Budget estimate, debt-service costs will decrease by R0.5 billion to R269.2 billion in 2021/22. These costs will reach R365.8 billion, or 5.1 per cent of GDP, by 2024/25. As a share of main budget expenditure, debt-service costs will increase from 14.2 per cent in 2021/22 to 17.9 per cent in 2024/25.



Risks to the fiscal outlook

Government remains committed to a measured fiscal consolidation that supports economic recovery. However, there are significant risks to the medium-term fiscal framework:

- A slowdown in economic growth, a reversal of the commodity cycle or tightening of global financial conditions would negatively affect government revenues.
- The evolution of COVID-19 and slow progress in vaccine rollout reinforces uncertainty and poses risks to economic recovery.
- Slow implementation of structural reforms continues to weigh on business confidence and private investment. Electricity supply constraints, which could worsen over the short term, are a drag on economic growth. In contrast, progress on energy reforms poses upside risks to fixed investment and the overall economic outlook.
- A further deterioration in the public finances due to various spending pressures and the materialisation of contingent liabilities could trigger further credit rating downgrades.
- Pressures on the government wage bill ceiling could undermine fiscal consolidation measures.

The fiscal framework does not include any additional support to state-owned companies, but the poor financial condition and operational performance of several of these companies remains a large contingent risk. A number of entities may request further bailouts.

Government is strictly enforcing minimum criteria before guaranteeing the debt of state-owned companies, as outlined in the 2021 Budget, which has led to a decline in guarantee requests. Nonetheless, the broader context of financial distress, weak governance and unsustainable operations in many of these companies remains unaddressed.

Annexure A contains the fiscal risk statement, which examines medium- to longer-term risks to government's forecasts and the public finances.



Conclusion

Government's proposed fiscal stance is in line with the approach adopted in the 2020 special adjustments budget and the 2021 Budget. Efforts to narrow the budget deficit and stabilise debt remain broadly on track. Staying the course will enable government to bring fiscal consolidation to a close more quickly than anticipated, in 2024/25.

4

Expenditure priorities

In brief

- Consolidated government spending is expected to increase from R2.13 trillion in 2021/22 to R2.24 trillion in 2024/25, at an average annual growth rate of 1.7 per cent.
- Main budget non-interest spending is increased by a net R59.4 billion in 2021/22. Total in-year upward adjustments to spending amount to R77.3 billion, mainly to reinstate the *special COVID-19 social relief of distress grant* until March 2022, and for costs associated with the implementation of the 2021 public-service wage agreement and the outbreak of public violence in July 2021.
- These additions are partially offset by projected underspending, drawdowns on the contingency reserve and provisional allocations announced in the 2021 Budget.
- A total of R11 billion provisionally set aside in the 2021 Budget is allocated for phase 2 of the presidential employment initiative until the end of March 2022.
- No spending reductions are proposed in the 2021 *Medium Term Budget Policy Statement* (MTBPS). This is largely due to improved revenue, which will help lower the fiscal pressure posed by increasing debt levels over the medium term.
- Over the medium-term expenditure framework (MTEF) period, allocations to provinces increase by R15.7 billion and allocations to local government increase by R1 billion relative to the indicative allocations in the 2021 Budget.

Introduction

Government continues to devote considerable resources to core functions and social priorities, despite slower spending growth in recent years in line with fiscal consolidation. The social wage accounts for nearly 60 per cent of consolidated non-interest spending over the MTEF period (Table 4.1). Healthcare, education and social protection make up the bulk of this amount. Debt-service costs, estimated at R1 trillion over the same period, exceed all individual consolidated spending items by function (except for learning and culture), indicating the effect of South Africa's rising debt stock on basic services.

To maximise the value of spending, government needs to contain costs, exercise prudent and compliant financial management, and eradicate wasteful treatment of public funds and resources.





Over the medium term, the National Treasury will continue working with departments to assess the efficiency, effectiveness and performance of selected programmes. General findings from spending reviews conducted in 2020/21 suggest the need to:

- Improve design to ensure the development of policies that are affordable in the current context, and avoid overlapping mandates.
- Review procurement processes to eradicate corruption and ensure delivery of cost-effective solutions.
- Contain compensation spending through a combination of headcount and remuneration measures.

Compensation of employees remains a major cost pressure. Although additional funding has been allocated to departments to meet the cost implications of the 2021 public-service wage agreement, it remains critical for departments to adhere to compensation ceilings and manage headcounts proactively if government is to improve its fiscal position.

Table 4.1 Social wage

R billion	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		Outcome		Revised	Medium-term estimates		
Community development	148.8	152.9	161.3	171.0	186.8	193.7	203.9
Housing development	29.0	28.8	23.7	27.3	28.2	29.5	30.8
Transport	25.3	26.3	25.9	34.4	37.9	40.7	44.1
Water services	5.5	4.4	4.0	4.5	5.7	7.0	7.2
Local government ¹	88.9	93.4	107.8	104.8	115.0	116.6	121.8
Employment programmes	19.6	21.6	19.4	23.3	24.2	24.3	25.4
Health	190.3	205.8	222.7	228.2	224.1	221.9	231.8
Basic education	223.9	239.3	247.6	257.6	254.2	253.9	265.3
Fee-free higher education and training	35.7	44.4	44.7	56.8	52.0	52.1	54.6
Social protection	187.0	217.0	247.1	252.7	234.0	236.5	247.1
of which: Social grants	162.7	190.3	218.9	221.7	204.3	206.1	215.3
Social security funds	55.0	60.1	107.1	130.0	68.2	67.3	68.8
Social wage	860.3	941.1	1 049.9	1 119.6	1 043.5	1 049.7	1 096.9
Percentage of non-interest spending	58.9%	58.3%	60.4%	60.2%	59.4%	59.5%	59.5%

1. Includes local equitable share

Source: National Treasury

Revisions to medium-term expenditure priorities

Departments have reprioritised funds within their available budgets to address spending priorities. These include funds to enhance the governance of state-owned companies; implement the first pilot phase of the Integrated Financial Management System; and strengthen the capacity of the Investigative Directorate to pursue cases of serious and complex corruption flowing from the Commission of Inquiry into State Capture.



The framework for the implementation of zero-based budgeting was completed in May 2021, and the Department of Public Enterprises and the National Treasury will pilot this approach, which is informed by the ongoing process of spending reviews. The Department of Public Enterprises review focuses on spending efficiency in regard to consultants, travel and

subsistence, and operating leases. The National Treasury review focuses on spending efficiency on consultants, the cost of monitoring and reporting in its support functions through the administration programme, and the funding of multilateral banks and the common monetary area. Key findings from both reviews will be included in the 2022 *Budget Review*.

In-year spending adjustments

Total upward adjustments to spending in 2021/22 amount to R77.3 billion. These adjustments include:

- R32.9 billion through the Second Special Appropriation Bill.
- R20.5 billion for implementation of the 2021 public-service wage agreement in national and provincial departments.
- R2.8 billion for rollovers.
- R1.1 billion for self-financing from the revenue-generating activities of departments to be retained by them to continue these activities.

Total declared unspent funds amount to R2 billion, mainly from the *public transport network grant* due to delays in implementing the MyCiTi Phase 2A extension project in the City of Cape Town. In addition, total adjustments include the allocation of R11 billion that was provisionally set aside in the 2021 Budget for phase 2 of the presidential employment initiative. This will support the creation of more than 440 000 short-term jobs until March 2022, as shown in Table 4.2, and other interventions expected to catalyse growth and job creation. The allocation for livelihood support covers income support for self-employed people in areas such as subsistence farming and micro-enterprises.



Spending additions were partially offset by projected underspending, drawdowns on the contingency reserve and provisional allocations from the 2021 Budget totalling R17.9 billion. As a result of the in-year adjustments, total non-interest spending will increase by R59.4 billion, from R1.56 trillion projected in the 2021 Budget to R1.62 trillion in 2021/22.

Details on in-year spending adjustments for national departments are set out in the 2021 *Adjusted Estimates of National Expenditure* published alongside this MTBPS. Changes to conditional grants are included in the 2021 Division of Revenue Amendment Bill and revised provincial appropriations will be tabled in provincial legislatures by December 2021.

Table 4.2 Employment programmes

Department	Programme description	Budget (R thousand)	Short-term jobs
Basic Education	Basic education employment initiatives	6 000 000	287 000
National Treasury	Innovation in post-exposure prophylaxis for metros	841 000	35 000
Trade, Industry and Competition	Social employment fund	800 000	50 000
Women, Youth and Persons with Disabilities	Presidential youth employment intervention/National youth service	400 000	35 000
Cooperative Governance	Municipal Infrastructure Support Agent: Waste separation and treatment solutions	284 000	11 818
Forestry, Fisheries and the Environment	Environmental programmes	318 000	8 150
Higher Education and Training	Presidential youth employment intervention/National skills fund pay for performance model for digital skills	100 000	4 500
	University graduate assistance	90 000	3 000
Social Development	Social workers and National Development Agency programme	150 000	3 880
Health	Staff and assistant nurses, port health screening	365 000	2 568
Tourism	Support to 40 provincial tourism attractions and tourism monitors	108 000	1 064
Science and Innovation	Enviro-champs, water graduates and other	67 000	1 650
Sport, Arts and Culture	District Six, Hip Hop and Phanzi museums	15 000	914
Employment and Labour	Employment counselling at labour centres	20 000	250
Total		9 558 000	444 794

Source: National Treasury and The Presidency

Table 4.3 Livelihood support programmes

Department	Programme description	Budget (R thousand)	Livelihoods
Agriculture, Land Reform and Rural Development	Support to subsistence farmers	750 000	67 378
Social Development	Early childhood development employment initiative	178 000	42 718
Women, Youth and Persons with Disabilities	Presidential youth employment intervention/Youth enterprise support fund	30 000	2 000
Total		958 000	112 096

Source: National Treasury and The Presidency

■ Spending priorities by function group

Spending in the community development function, which mainly provides basic services to households, grows at the fastest rate over the 2022 MTEF period, averaging 5.5 per cent per year. Over the same period, social development spending will contract by an average of 5.9 per cent given that the *special COVID-19 social relief of distress grant* is due to conclude on 31 March 2022. Debt-service costs grow by 10.8 per cent over the medium term.

Table 4.4 Consolidated expenditure by function¹

	2020/21 Outcome	2021/22 Revised	2022/23 Medium-term estimates	2023/24 Medium-term estimates	2024/25 Medium-term estimates	Average annual growth 2021/22 – 2024/25
R billion						
Learning and culture	384.4	417.8	414.3	415.6	434.8	1.3%
Basic education	268.8	281.8	279.6	279.0	291.7	1.2%
Post-school education and training	106.6	124.7	123.4	125.3	131.5	1.8%
Arts, culture, sport and recreation	9.0	11.2	11.3	11.3	11.7	1.2%
Health	248.2	259.0	247.8	243.6	254.7	-0.6%
Peace and security	212.4	219.3	218.2	213.3	222.8	0.5%
Defence and state security	54.0	49.4	48.9	48.1	50.3	0.6%
Police services	103.4	109.4	109.2	106.2	111.0	0.5%
Law courts and prisons	46.9	49.2	50.4	49.6	51.9	1.8%
Home affairs	8.1	11.3	9.6	9.4	9.7	-5.1%
Community development	203.3	218.0	235.9	243.5	256.2	5.5%
Economic development	170.2	206.3	217.8	227.6	241.8	5.4%
Industrialisation and exports	31.9	39.5	37.6	37.9	39.7	0.2%
Agriculture and rural development	24.4	28.5	28.3	28.2	29.4	1.1%
Job creation and labour affairs	19.4	23.3	24.2	24.3	25.4	3.0%
Economic regulation and infrastructure	79.6	97.7	110.1	119.5	129.0	9.7%
Innovation, science and technology	15.0	17.4	17.7	17.7	18.2	1.6%
General public services	64.1	70.8	68.9	68.8	71.0	0.1%
Executive and legislative organs	15.2	15.3	15.3	15.4	16.1	1.7%
Public administration and fiscal affairs	41.6	46.8	45.3	45.1	46.0	-0.5%
External affairs	7.2	8.7	8.3	8.3	8.9	0.8%
Social development	365.7	399.6	321.5	320.4	333.2	-5.9%
Social protection	251.0	256.8	238.1	240.5	251.3	-0.7%
Social security funds	114.7	142.8	83.3	79.9	81.9	-16.9%
Payments for financial assets	90.9	68.4	27.5	25.1	25.2	–
Allocated by function	1 739.2	1 859.3	1 751.8	1 758.0	1 839.7	-0.4%
Debt-service costs	232.6	269.2	303.1	334.6	365.8	10.8%
Unallocated reserve	–	–	15.1	28.8	29.3	–
Contingency reserve ²	–	–	5.0	5.0	5.0	–
Consolidated expenditure	1 971.8	2 128.5	2 075.0	2 126.3	2 239.8	1.7%

1. Consisting of national and provincial departments, social security funds and public entities

2. Allocated to 2021/22 spending

Source: National Treasury

Without further reductions to spending, departments will aim to reprioritise their budgets to provide for longstanding policy priorities. Details of key reprioritisation are outlined in the function sections below.

The 2021 Budget proposed large reductions in employee compensation to ensure fiscal sustainability. Over the medium term, government institutions will continue to manage headcounts and compensation to remain within available budgets, taking into account the cost implications noted in Chapter 3. As discussed in Annexure B, public-service compensation has risen faster than GDP growth between 2007/08 and 2020/21, with the exception of 2013/14. This means that the scope to hire more workers is reduced as higher salaries consume more of the budget. In this regard, government needs to do more to address the trade-off between average remuneration and increased staffing to deliver services. This is particularly important in functions where compensation accounts



for large proportions of total budgets, such as learning and culture, health, and peace and security.

Table 4.5 Consolidated expenditure by economic classification¹

	2020/21 Outcome	2021/22 Revised	2022/23 Medium-term estimates	2023/24 Medium-term estimates	2024/25 Medium-term estimates	Average annual growth 2021/22 – 2024/25
R billion						
Current payments	1 121.5	1 234.1	1 258.5	1 281.2	1 354.6	3.2%
Compensation of employees	635.4	665.7	665.2	656.0	685.1	1.0%
Goods and services	246.0	290.3	281.4	281.6	294.2	0.4%
Interest and rent on land	240.1	278.1	311.9	343.6	375.3	10.5%
of which: debt-service costs	232.6	269.2	303.1	334.6	365.8	10.8%
Transfers and subsidies	694.3	736.4	669.5	681.1	712.9	-1.1%
Provinces and municipalities	149.1	147.6	159.5	161.5	167.8	4.4%
Departmental agencies and accounts	29.8	25.0	24.0	24.8	24.5	-0.6%
Higher education institutions	46.9	47.2	51.1	51.4	53.5	4.3%
Foreign governments and international organisations	2.4	3.5	3.0	3.0	3.4	-1.4%
Public corporations and private enterprises	30.1	38.7	41.2	45.4	51.8	10.3%
Non-profit institutions	45.4	41.3	42.1	42.7	45.2	3.1%
Households	390.7	433.1	348.7	352.3	366.6	-5.4%
Payments for capital assets	65.0	89.7	99.4	105.1	112.9	8.0%
Buildings and other capital assets	47.2	65.3	75.9	80.0	84.9	9.1%
Machinery and equipment	17.9	24.3	23.5	25.1	28.0	4.8%
Payments for financial assets	90.9	68.4	27.5	25.1	25.2	–
Total	1 971.8	2 128.5	2 055.0	2 092.5	2 205.6	1.2%
Unallocated reserve	–	–	15.1	28.8	29.3	
Contingency reserve ²	–	–	5.0	5.0	5.0	–
Consolidated expenditure	1 971.8	2 128.5	2 075.0	2 126.3	2 239.8	1.7%

1. Consisting of national and provincial departments, social security funds and public entities

2. Allocated to 2021/22 spending

Source: National Treasury

Learning and culture



In the basic education sector, compensation absorbs an average of 80 per cent of provincial education budgets. Provinces have reduced compensation budgets and chosen not to fill all vacant posts, resulting in an increase in class sizes. More policy decisions are needed to bring compensation spending in line with available resources. Nonetheless, the lower number of teachers combined with lost learning days due to the COVID-19 pandemic will have negative effects on educational outcomes.

The pandemic and associated restrictions in economic activity interrupted school construction, rehabilitation and maintenance, which delayed the achievement of all schools meeting basic school infrastructure norms and standards. Schools also undertook rotational schedules to adhere to COVID-19 protocols, which hampered the daily rollout of meals to learners through the *national school nutrition programme grant*.

In the post-school education and training sector, growth in subsidies and grants has slowed for universities, technical and vocational education and training colleges, and the National Student Financial Aid Scheme. A

ministerial task team is conceptualising a new student financial funding model for the higher education and training system. The team will table a report in Cabinet in November 2021.

The operating model for the rollout of community libraries will be reviewed over the medium term to ensure that construction of new libraries is matched with their full operating and maintenance costs, and with a greater focus on providing information and communications technology.

Health

The health function remains severely affected by the pandemic. There have been three large waves of COVID-19 infection to date. As of 21 October 2021, there had been 2.9 million confirmed cases of COVID-19, 88 835 confirmed deaths and 433 606 admissions to hospitals. This has put considerable pressure on provincial health departments. Although the volume of other services such as primary healthcare visits and overall hospital admissions has declined during the pandemic, service backlogs may have accumulated as a result. After several delays, the vaccination rollout started accelerating in June 2021. As at 23 October 2021, 21 million doses had been administered to 14.7 million individuals and 37 per cent of adults had received at least one dose.



Absorbing the budget reductions implemented in the 2021 Budget remains a challenge in the health sector. Nonetheless, discussions are under way on how to respond to future waves of infection and continue the vaccination programme in 2022/23, including for younger groups and with booster doses if necessary. The sector needs to continue to improve efficiency to sustain service delivery and alleviate backlogs in a constrained budgetary environment. Spending pressures associated with absorbing the large cohorts of medical graduates needing internships and community service posts are being considered. Infrastructure allocations will be delayed and allocated in future in line with revised cash flow projections.

Social development

This function includes programmes aimed at income protection and social welfare, and for women, youth and persons with disabilities. Three main priorities are being considered for the 2022 MTEF period: addressing shortfalls in social grants, introducing the *extended child support grant* for children who have lost both parents (double orphans), and researching possible new social support options once the *special COVID-19 social relief of distress grant* ends in March 2022. However, given that all three have significant financial implications, a final decision must still be made on what is affordable given the current fiscal context.



To continue mitigating food insecurity and poverty in 2021/22, an additional R26.7 billion is allocated to the Department of Social Development to reinstate and administer the *special COVID-19 social relief of distress grant* for eight months from August 2021 to March 2022, and enable coverage of eligible *child support grant* caregivers. In total, social grant-based relief of distress will amount to R28.3 billion in 2021/22. During the year, more than 9.5 million recipients will receive this short-term income protection. Excluding the *special COVID-19 social relief of distress grant*, 18.3 million South Africans receive one or another form of social grant.



The early childhood development programme will be transferred from the Department of Social Development to the education sector from April 2022, and plans for implementation are largely in place.

Community development

Providing basic services to poor households is the main priority in the community development function. As a result, the local government equitable share accounts for the largest portion of expenditure and grows faster than other items in the function over the MTEF period.

A range of conditional grants is allocated to local government to help fulfil its mandate. In some cases, these direct transfers are converted to indirect allocations that national departments spend on behalf of municipalities. Government proposes to apply transparent and consistent criteria to create a more systematic approach to these conversions. This will give national departments more flexibility in using funds where they are most needed, while strengthening governance.

To provide for a more systematic response to improve water and wastewater management in municipalities, from 2022/23 conditional grants will include conditions that are aimed at incentivising improved asset management and performance. National departments are expected to improve monitoring and regulatory compliance through periodic reporting and building capacity.

Economic development

Over the medium term, about 80 per cent of this function group's allocation will provide transfers and subsidies to departmental agencies, public corporations and private enterprises. The baseline is expected to grow by 5.4 per cent over the next three years. Medium-term priorities include reindustrialising through implementation of the master plans; growing exports through the African Continental Free Trade Area; implementing the Tourism Sector Recovery Plan; supporting township and rural economies; and promoting localisation, inclusive economic growth and job creation.

In response to the third wave of the COVID-19 pandemic and the destruction of infrastructure in Gauteng and KwaZulu-Natal, R2.3 billion is allocated in 2021/22 to help businesses rebuild. Of this amount, R1 billion is reprioritised from the departments of Trade, Industry and Competition (R700 million) and Small Business Development (R300 million).

The Department of Science and Innovation will implement its recently approved decadal plan on science, technology and innovation for 2021–2031. The plan aims to rejuvenate sectors such as mining, agriculture and manufacturing, while improving research and innovation across government. In addition, the department has reprioritised funds over the MTEF period to support technology localisation, beneficiation, advanced manufacturing and research by the National Research Foundation. The Department of Tourism has also reprioritised funds to support short-term public jobs in the tourism sector and transform the sector through the rollout of the Tourism Equity Fund.



To support critical climate forecasting and improve infrastructure capacity, the Department of Forestry, Fisheries and the Environment has reprioritised funds for the South African Weather Service. The department has also reprioritised funds to support operations and address the budget shortfall of South African National Parks.

Peace and security

This function expects to spend an average of R218.1 billion per year over the 2022 MTEF period, of which more than 60 per cent will go to compensation of employees. Over the medium term, the function will reprioritise funds to enhance capacity in institutions combating crime and corruption, and upgrade information and communications technology infrastructure for greater efficiency.



Earlier this year, public violence in KwaZulu-Natal and Gauteng illustrated the need for improved capacity in this function. Both the South African Police Service and South African National Defence Force received additional funding through the Second Special Appropriation Bill to provide for unforeseen costs resulting from the unrest. Over the next few years, the Department of Defence will reprioritise funds to set up a rapid response unit. It will also implement reforms to manage longstanding pressure on compensation that is resulting in irregular spending.

General public services

This function focuses on building a state that can play a developmental and transformative role. It has reprioritised R2.4 billion over the medium term from goods and services to cover key policy initiatives, as well as information and communications technology upgrades in departments.

Savings from closure of foreign missions

In June 2020, Cabinet approved the closure of 10 diplomatic missions in the following cities: Bucharest (Romania), Chicago (United States of America), Helsinki (Finland), Holy See (the Vatican), Lima (Peru), Milan (Italy), Minsk (Belarus), Muscat (Oman), Port of Spain (Trinidad and Tobago) and Suva (Fiji). Six of these have been closed, at a cost of R16.5 million and resulting in savings of R51 million, mainly from compensation of employees. Some officials have been moved to other missions. The remaining four missions will be closed by the end of 2021. These savings helped the Department of International Relations and Cooperation to reduce its shortfall on compensation, with savings on goods and services reallocated to fund other missions.

Over the medium term, the function will reprioritise funds to enhance the governance of state-owned companies, facilitate the population census in February 2022, implement the Integrated Financial Management System and support recapitalisation of the World Bank and the African Development Bank in line with South Africa's shareholding duties in these institutions. The Department of Public Service and Administration will continue reviewing personnel spending to reduce unsustainable growth in the public-service wage bill.

Division of revenue

Provinces are responsible for basic education and health services, roads, housing, social development, and agriculture. Municipalities provide basic services such as water, sanitation, electricity reticulation, roads and



community services. Provincial and municipal governments face multiple pressures over the medium term as government reduces spending growth, and poor economic performance affects other revenue and funding sources. Over the 2022 MTEF period, transfers to provinces and municipalities will grow below inflation.

Over the next three years, government proposes to allocate 48.4 per cent of available non-interest expenditure to national departments, 42 per cent to provinces and 9.6 per cent to local government. National resources contract by an annual average of 1.8 per cent, provincial resources increase by 0.7 per cent and local government resources increase by 4.1 per cent.

Table 4.6 Division of revenue framework

R billion	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Outcome			Revised	Medium-term estimates		
Division of available funds							
National departments	634.3	749.8	790.5	817.4	764.7	743.0	774.4
<i>of which:</i>							
Provincial indirect grants	3.9	2.9	3.1	4.0	4.6	4.5	4.0
Local indirect grants	6.3	5.6	4.1	4.9	8.4	9.0	9.4
Provinces	572.0	613.4	628.8	661.2	658.4	647.2	676.1
Equitable share	470.3	505.6	520.7	544.8	538.8	525.3	548.9
Conditional grants	101.7	107.9	108.1	116.4	119.6	121.9	127.2
Local government	118.5	123.0	137.1	137.6	146.3	148.9	155.4
Equitable share	60.8	65.6	83.1	78.0	83.1	83.6	87.3
General fuel levy sharing with metropolitan municipalities	12.5	13.2	14.0	14.6	15.3	15.4	16.1
Conditional grants	45.3	44.2	40.0	45.0	47.9	49.9	51.9
Provisional allocations not assigned to votes ¹	–	–	–	11.0	5.3	29.3	33.1
Unallocated reserve	–	–	–	–	15.1	28.8	29.3
Projected underspending	–	–	–	-6.3	–	–	–
Non-interest allocations	1 324.8	1 486.2	1 556.4	1 620.9	1 589.8	1 597.1	1 668.3
Debt-service costs	181.8	204.8	232.6	269.2	303.1	334.6	365.8
Contingency reserve	–	–	–	3.0	5.0	5.0	5.0
Main budget expenditure	1 506.6	1 691.0	1 789.0	1 893.1	1 897.9	1 936.7	2 039.1
Percentage shares							
National departments	47.9%	50.4%	50.8%	50.6%	48.7%	48.3%	48.2%
Provinces	43.2%	41.3%	40.4%	40.9%	42.0%	42.0%	42.1%
Local government	8.9%	8.3%	8.8%	8.5%	9.3%	9.7%	9.7%

1. Includes support to Eskom, amounts for projects approved through Budget Facility for Infrastructure and other provisional allocations

Source: National Treasury

The provincial equitable share



The provincial equitable share – the main revenue source for provinces – is made up of six components: education, health, basic, institutional, poverty and economic activity. To ensure fair funding allocations to each province, the provincial equitable share formula is updated annually to reflect demographic changes and demand for services based on need. Between 2022/23 and 2024/25, changes will be phased into the health component – which accounts for 27 per cent of the formula.

Update to health component

Changes in the health component of the provincial equitable share follow a recent review that updated the risk-adjusted capitation index – a guide to healthcare costs per person that accounts for 75 per cent of the component – by assessing the factors and weights used to compose the index. The last review was done in 2010. In the updated component, the standalone HIV variable will be integrated into other variables. Three variables will be added: premature mortality, which uses deaths below the age of 65 as a proxy for the burden of disease; a multiple deprivation index, which adjusts for differences in the social determinants of health (such as education and sanitation); and sparsity, which accounts for the higher cost of delivering healthcare in remote and low-density areas. The next review will cover the education component.

Table 4.7 Provincial equitable share

R million	2021/22	2022/23	2023/24	2024/25
Eastern Cape	70 950	69 197	67 310	70 166
Free State	30 342	29 836	29 085	30 383
Gauteng	115 621	115 641	112 804	117 936
KwaZulu-Natal	111 592	109 809	106 982	111 701
Limpopo	62 556	61 375	59 891	62 631
Mpumalanga	44 543	44 110	43 105	45 141
Northern Cape	14 469	14 338	13 953	14 548
North West	38 294	38 017	37 089	38 775
Western Cape	56 467	56 444	55 085	57 613
Total	544 835	538 767	525 304	548 895

Source: National Treasury

Changes to the structure of provincial allocations

Several changes are proposed to the structure of provincial conditional grants over the medium term.

Over the years, a number of components have been introduced into the *HIV, TB, malaria and community outreach grant*. From 2022/23, the grant will consist of only a comprehensive HIV/AIDS component, funding HIV/AIDS- and tuberculosis-related services; and a district health component, funding community outreach services and services related to COVID-19, human papillomavirus and malaria. The grant will be renamed the *district health programme grant*. The mental health and oncology components introduced in this grant in the 2021 MTEF will be shifted to the direct *national health insurance grant*.

The colleges of agriculture have been shifted to the national government, as will the funding provided through the *comprehensive agricultural support programme grant*.

Alongside responsibility for early childhood development, the *early childhood development grant* will be moved from the Department of Social Development to the Department of Basic Education from 2022/23.

The *provincial roads maintenance grant* includes an incentive component allocated based on provincial performance. In the 2021 Budget, this component was allocated using the main formula of the conditional grant. Due to delays in developing objective allocation criteria, the incentive component will be removed from the grant baseline for 2022/23. The National Treasury will continue to work with the Department of Transport to develop objective criteria for the incentive component.



Changes to the structure of local government allocations

The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the MTEF period. The 2021 Budget stated that the scope of the *municipal infrastructure grant* would be expanded to help municipalities improve their asset management practices. This change has been delayed, so funds will not be allocated to a new indirect component of the grant at the beginning of 2022/23. Funds may be transferred during the year if the Department of Cooperative Governance and Traditional Affairs does the work required to identify municipalities that need this intervention.

Reviewing the structure of the local government fiscal framework

Between August 2020 and July 2021, the special lekgotla of the Budget Forum – the intergovernmental structure established to facilitate consultation on local government finances – met three times to discuss municipal sustainability, the local government fiscal and functional framework, and asset management and infrastructure funding. Flowing from these deliberations, the National Treasury, Department of Cooperative Governance, South African Local Government Association, Financial and Fiscal Commission and provinces are implementing and monitoring joint working plans for a five-year local government reform.

Towards building capable local government



Many municipalities have insufficient capacity to fulfil their financial responsibilities. This is evident in overreliance on external financial consultants: municipalities spent over R1 billion on financial reporting consultants in 2019/20, even though financial reporting is a core responsibility of their internal finance units.

National government provides a range of support and resources to help municipalities to build capacity. In 2021, the National Treasury reviewed the system of capacity-building for local government. It found that the focus needs to shift from building capacity to a broader measure of developing capability. While capacity is closely linked to individual improvements – for example, developing skills – measures of capability consider a larger context and range of factors, including the environment in which the individual works, and the systems and processes they use. This has implications for the way the state designs support and the type of resources it provides to local government. Capacity-building programmes often fail because the problem is inadequately diagnosed, and there is a fragmented approach to building capacity. These programmes cannot create an internal culture of accountability and commitment: that is the responsibility of political and administrative leaders in local government.

Substantive changes are required to improve municipal capabilities. The review proposed a new framework to build a capable local government by improving the current system incrementally and identifying pilot sites for innovation and experimentation. The 2022 Budget will detail the next steps in this project.

■ Conclusion

Over the MTEF period ahead, consolidated government spending is expected to increase from R2.13 trillion in 2021/22 to R2.24 trillion in 2024/25, at an average annual growth rate of 1.7 per cent. To maximise the value of this spending, government needs to contain costs, exercise prudent and compliant financial management, and eradicate wasteful treatment of public funds and resources.

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ANNEXURES

A

Fiscal risk statement

Introduction

This statement focuses on medium- and long-term risks to the public finances. Short-term risks are outlined in Chapter 3 of the *Medium Term Budget Policy Statement*. The fiscal risk statement also provides an update on the fiscal sustainability of government's social policy commitments, based on updated demographic and pricing estimates. The main risk categories are outlined in Figure A.1.

Figure A.1 Fiscal risk framework

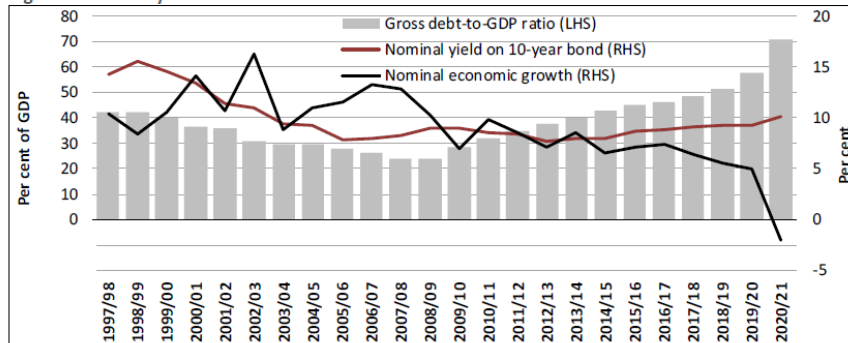
Risk category	Major issues considered under each sub-topic
Macroeconomic risks	<ul style="list-style-type: none"> ▪ Declining economic growth ▪ Interest and exchange rates ▪ Debt trajectory
Expenditure risks	<ul style="list-style-type: none"> ▪ Compensation costs ▪ National health insurance ▪ Subnational government
Contingent and accrued liabilities	<ul style="list-style-type: none"> ▪ Government guarantees ▪ Financial position of state-owned companies
Sustainability of social expenditure	<ul style="list-style-type: none"> ▪ Effects of pricing and demographic changes ▪ Effects of lower long-run growth

Macroeconomic risks

Since the 2008 global financial crisis, economic growth has trended downwards, resulting in persistent shortfalls in tax revenue that have not been matched by adjustments to spending growth. This in turn has led to wider budget deficits, higher borrowing and a rapid increase in the ratio of debt to GDP.

Because the interest rate government pays on its borrowing exceeds the rate of GDP growth, this ratio will continue to increase until government runs a sufficiently large primary budget surplus. The size of the surplus needed to stabilise the debt-to-GDP ratio depends on the gap between the interest rate and the rate of growth, as well as the existing level of indebtedness.

Figure A.2 Debt dynamics



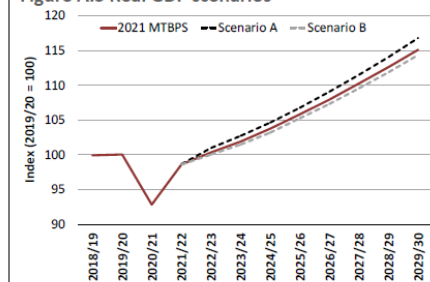
Source: National Treasury

Scenarios around the baseline economic forecast

The baseline economic forecast (presented in Chapter 2) underpins the fiscal framework. Small changes to assumptions in the baseline can have significant effects on variables such as GDP growth, inflation, interest and exchange rates. To illustrate this, two alternative scenarios have been modelled.

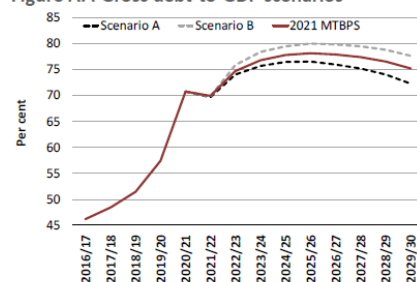
Scenario A shows the effect of lifting the licensing threshold for embedded electricity generation, which causes more rapid investment in generation capacity and lifts overall investment, alleviating the electricity constraint and improving business confidence. The primary budget surplus reaches 0.3 per cent of GDP in 2024/25 due to stronger economic growth, and the debt-to-GDP ratio stabilises at 76.5 per cent in 2025/26. Conversely, Scenario B shows global financial conditions tightening more rapidly than expected, leading to slower global GDP growth, higher interest rates and currency depreciation. This in turn will result in higher inflation and slower growth in South Africa. Tightening financial conditions lead to higher debt-service costs, and the debt-to-GDP ratio stabilises at 79.9 per cent in 2025/26.

Figure A.3 Real GDP scenarios



Source: National Treasury

Figure A.4 Gross debt-to-GDP scenarios

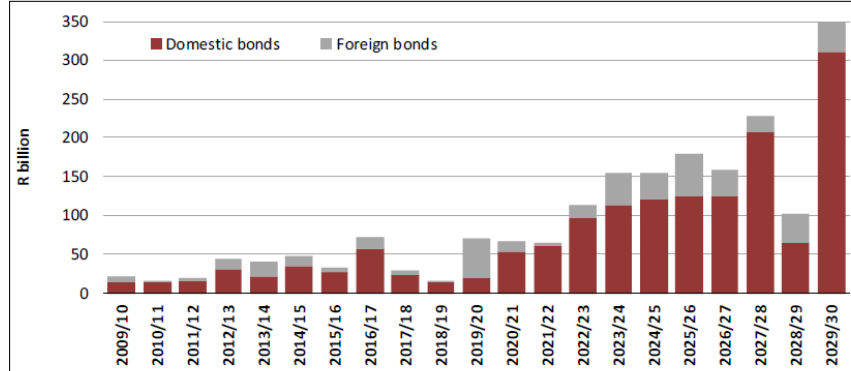


Debt trajectory

Since 2009/10 government has been running large budget deficits, resulting in an increase in debt stock from R805 billion in 2009/10 to about R5.5 trillion in 2024/25. Over the same period, debt-service costs

increased from about R57 billion to R365.8 billion, crowding out expenditure on essential services such as health, social development, and peace and security. To put public debt on a sustainable trajectory, government's fiscal consolidation allocates a portion of unanticipated current and future revenue towards reducing government's gross borrowing requirement. Over time, this will reduce debt levels and debt-service costs.

Figure A.5 Long-term government debt redemptions



Source: National Treasury

Expenditure risks

Compensation spending

Employee compensation absorbs a high level of public expenditure. Government is working with public-service trade unions to find a fair and sustainable approach to remuneration. Apart from the matters described in Chapter 3 and Annexure B, a specific risk to the fiscal framework now lies with the judiciary. If the Constitutional Court overturns the Labour Appeal Court's decision that the 2018 wage agreement was unlawful and that government could not be compelled to honour it, the state may be required to implement the agreement retroactively. Such a decision would have significant effects on the fiscal framework. Should this occur, government would have to consider a reduction in the size of the public service and other fiscal adjustments.

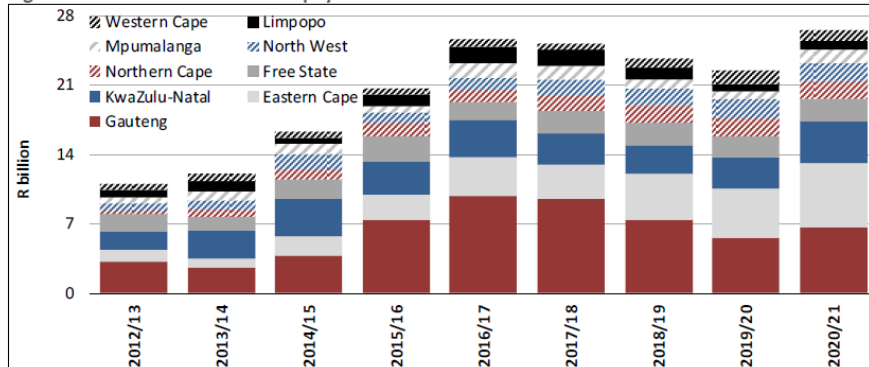
National health insurance

A limited costing of the national health insurance policy proposal has previously shown that it would require about R40 billion per year in additional funding in the first five years, and perhaps considerably more over time. At present, however, there is insufficient capacity in the health sector to work substantively on national health insurance. The *national health insurance indirect grant* has been underspent, the National Health Insurance Fund has not yet been established and the National Health Insurance Bill still needs to be passed by Parliament. It is therefore unlikely that national health insurance will be a significant cost pressure in the medium term.

Subnational government risks

Unpaid provincial invoices increased from R22.4 billion in 2019/20 to R26.6 billion in 2020/21, with R14.2 billion due within 30 days. The accumulation of these short-term liabilities affects procurement budgets for subsequent years, as provinces will need to pay down accruals before purchasing goods and services.

Figure A.6 Provincial accruals and payables



Source: National Treasury

Although the payment of medico-legal claims remained stable at R1.7 billion in 2020/21, estimates of potential liability show that these remain a risk to the fiscus. Government is seeking statutory reform that would reduce state liability for medical claims through the State Liability Amendment Bill, which is being revised. The bill proposes making provision for in-kind services and periodic payments instead of the payment of private-sector rates and large lump sum amounts. Total claims increased from R111.2 billion in 2019/20 to R120.3 billion in 2020/21, with the Eastern Cape accounting for 32 per cent of claims.

The financial position of South Africa's 257 municipalities deteriorated significantly as COVID-19 exacerbated existing managerial weaknesses. In June 2019, 163 municipalities met at least one of the financial distress metrics. That number has increased during the pandemic, and an update on municipal finances is being prepared. Overdue payments owed by local government increased from R60 billion in 2019/20 to R73.7 billion in 2020/21. Over the same period, uncollected revenues increased from R191.4 billion to R232.8 billion.

The National Treasury, working with provincial governments, has begun a series of interventions to stabilise the finances of the 112 municipalities that adopted budgets in 2021/22 that are not fully funded, which will result in an inability to meet all their obligations. Where possible, expenditure will be limited to available funds or revenue collection will be improved. A separate process is under way for the minority of municipalities in deepest financial distress.

Contingent liabilities

Contingent liabilities represent financial commitments that government may have to fulfil in the future if particular events materialise. Most contingent liability risk originates in the poor financial performance of major state-owned companies; some of these risks have already begun to materialise.

By 2023/24, contingent liabilities are expected to exceed R1 trillion. They consist of government guarantees to state-owned companies, the Renewable Energy Independent Power Producer Programme, public-private partnerships, and obligations to the Road Accident Fund and other social security funds.

The guarantee portfolio increased from R693.7 billion in March 2020 to R789.8 billion in March 2021, of which R567.6 billion has been taken up. The increase is driven largely by the issuance of a R100 billion guarantee to the Reserve Bank as part of government's COVID-19 loan guarantee scheme, although actual exposure is only about R18.4 billion due to low demand for these loans. Exposure to Eskom debt declined as it repaid some maturing guaranteed debt. Over the next three years, redemptions of

guaranteed debt will average R19.3 billion, down from R35.6 billion in 2020/21 and R27.5 billion in 2019/20.

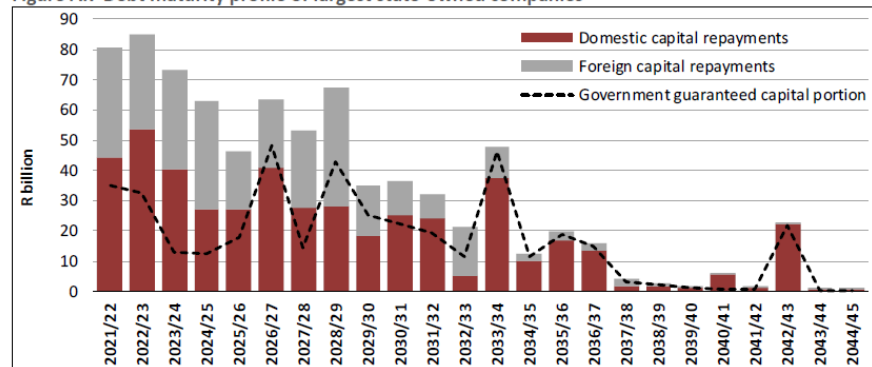
The volume of government's guarantee exposure from state-owned companies declined between 2019/20 and 2020/21. The risks associated with existing guarantees remain elevated because of the companies' poor financial performance and limited access to capital markets. Requests for new guarantees have declined since government published minimum criteria for guarantee applications from public entities and their shareholder departments. These criteria require state-owned companies to demonstrate their ability to service their debt before any guarantee is issued. Enforcing the criteria will help ensure that guarantees are issued only in cases where the risk to the fiscus is minimal.

State-owned companies

Access to capital markets has become more restricted for state-owned companies as a result of weak revenue growth, poor operating performance and mounting debt-service costs. Rising interest rates and increasingly unfavourable loan terms also raise the risks associated with borrowing. The COVID-19 pandemic and associated restrictions on economic activity have delayed the execution of capital investment projects, muted tariff adjustments and slowed the collection of payment from users.

Total debt redemptions for state-owned companies will average R73.4 billion a year over the medium term, with foreign debt making up 45 per cent of the total.

Figure A.7 Debt maturity profile of largest state-owned companies*



*Airports Company South Africa, Denel, Development Bank of Southern Africa, Eskom, Industrial Development Corporation, Land Bank, South African Airways, South African National Roads Agency Limited, Trans-Caledon Tunnel Authority and Transnet
Source: National Treasury as at 31 March 2021

Denel

Denel is experiencing difficulties in meeting its obligations and is negotiating with stakeholders on a way forward. Government provided recapitalisations of R1.8 billion in 2019/20 and R576 million in 2020/21, and extended a R5.9 billion guaranteed debt facility to Denel. Several repayment obligations have fallen due this year. Government has allocated R2.9 billion in 2021/22 to settle these repayments.

Eskom

Eskom continues to pose a significant risk to the public finances, as it relies on government guarantees to finance its operations. Eskom had used R281.6 billion of its R350 billion government guarantee facility by 31 March 2021, with another R7 billion committed. Equity support of R31.7 billion was provided to Eskom in 2021/22, with the last tranche of R11.7 billion disbursed on 1 July. To enable Eskom to execute its borrowing plan, the Minister of Finance approved a special dispensation to allow Eskom to access

additional guaranteed debt of R42 billion in 2021/22 and R25 billion in 2022/23, which falls within its existing guarantee facility. The utility has made progress in its unbundling plan by establishing a transmission company that is now registered with the Companies and Intellectual Property Commission. Eskom has developed a new corporate structure and allocated debt between its proposed electricity generation, transmission and distribution entities. This proposed restructuring needs to be approved by lenders. The utility has a deadline of 31 December 2021 to complete legal separation of the transmission unit, with the other two units following in the next 12 months.

Road Accident Fund

The Road Accident Fund receives about R42 billion in fuel levies each year and pays out R40 billion in claims, but has a growing backlog of unpaid claims that reached R14.8 billion in 2020/21. Government developed the Road Accident Benefit Scheme to reform and stabilise the Road Accident Fund's funding model. The proposed scheme would set predetermined social benefits through a no-fault system that facilitates more equitable and quicker claims payments, unencumbered by significant legal fees. Parliament rejected the bill in September 2020 and Cabinet is considering how to accommodate the objections raised at that time. The Fund's accumulated liabilities were last estimated at over R450 billion.

South African Airways

South African Airways (SAA) received R21 billion in support from government in 2020/21. This included R10.3 billion for the settlement of government guaranteed debt, R7.8 billion for the implementation of the business rescue, R2.7 billion for SAA's subsidiaries, and R267 million for calls on guarantee obligations on which the airline had defaulted. The Department of Public Enterprises has identified a strategic equity partner to buy part of SAA and aims to finalise the transaction in early 2022.

South African National Roads Agency Limited

The South African National Roads Agency Limited (SANRAL) has incurred annual average losses of R2.5 billion since 2014/15 and has been unable to successfully issue a bond since 2017, largely due to uncertainty about government's position on the user-pays principle. Government has extended a total guarantee facility of R37.9 billion to the agency, of which R28.4 billion had been used by 31 March 2021. While policy uncertainty remains, SANRAL is still responsible for maintaining its toll portfolio and continues to service the debt used to fund construction. To date, R5.5 billion has been collected in toll revenue against an initial projection of R20.2 billion. Without a policy decision that reinstates government support for the user-pays principle, SANRAL will remain a significant burden on the public finances.



Long-term fiscal sustainability of social spending

The National Treasury models long-term costs to determine the sustainability of major social spending commitments. Sustainability generally depends on the nature and pace of demographic change and the rate of GDP growth, as well as sector-specific cost pressures and trends in the use of public services. For example, healthcare prices tend to increase faster than consumer price index (CPI) inflation, partly because of the significance of imported equipment and medicine, and long-term demographic trends affect the burden of disease.

There are three major changes to the assumptions underpinning this update: lower long-run economic growth, lower inflation and a decline in the population growth rate. Annual GDP growth in the baseline scenario ranges between 1.6 and 2.3 per cent a year over the forecast horizon, after reaching a low of -7.2 per cent in 2020/21. Population growth will continue to decelerate from 1.4 per cent in 2018 to 0.6 per cent in 2040 under the Statistics South Africa baseline scenario, which results in the population increasing from 60 million in 2021 to 71 million by 2040. Real output per capita declines by 8.4 per cent

in 2020/21. It is forecast to grow by an average of 1 per cent between 2022/23 and 2030/31, and by an annual average of 1.5 per cent between 2030/31 and 2040/41.

Social assistance

Assuming that the uptake rate of social grants stabilises at current levels, and excluding beneficiaries of the temporary *special COVID-19 social relief of distress grant*, beneficiary numbers will grow from 18.3 million in 2020/21 to 22.6 million in 2040/41. Although spending on social assistance is currently expected to remain relatively stable as a percentage of GDP, any unfunded expansion of social protection represents a significant risk to the fiscus.

Basic education

Basic education inflation averaged 8.5 per cent in the past decade, while CPI inflation averaged 4.8 per cent. This is indicative of mounting price pressures, largely driven by rising remuneration of teachers. Education spending has remained stable as a proportion of GDP, however, because the number of teachers has not increased. If current trends in wages and employment continue, spending on basic education is projected to increase from 4.8 per cent of GDP in 2020/21 to 6 per cent of GDP in 2040/41, even as class sizes increase.

Health

An ageing population is associated with increased health expenditure. The elderly proportion of the population is projected to grow by 2.5 per cent per year over the next two decades, reaching 6 million by 2040. Healthcare inflation has also tended to exceed CPI inflation over the past decade. The long-run cost of healthcare is driven by the extent of private-sector contracting, the cost of goods and services, and demand. These factors are likely to dominate under current or national health insurance policies. If current policies and trends persist, healthcare spending is projected to increase from 4.5 per cent of GDP in 2020/21 to 6 per cent of GDP in 2040/41.

Higher education

Price pressures in the higher education sector have exceeded CPI inflation over the last decade, partly due to real wage increases. Assuming this trend continues, expenditure on university education will grow from 1.3 per cent of GDP in 2019/20 to 1.5 per cent of GDP in 2040/41, placing pressure on the fiscus. Within technical and vocational education and training (TVET) colleges, price pressures have increased at a faster pace than inflation partly due to enrolment rates. Assuming enrolments remain stable at about 670 000 students per year, spending in the TVET sector will remain stable over the same period, at 0.2 per cent of GDP.



Conclusion

Government faces a range of fiscal risks over the medium to longer term. Significant efforts will be required across the entire public sector to prevent these risks from materialising – and to mitigate those that do.

B

Compensation data

Introduction

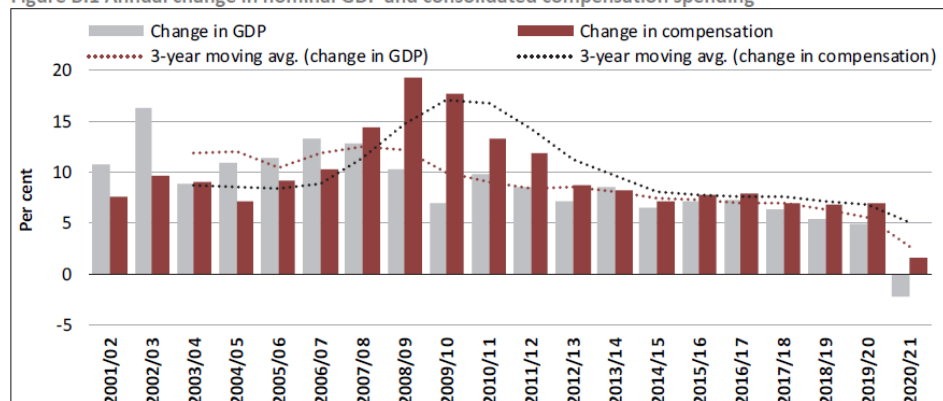
Public-service provision is inherently labour-intensive, with the remuneration of public servants accounting for about 37 per cent of non-interest spending over the medium-term expenditure framework period. This annexure analyses trends in compensation spending in government.

The 2020/21 financial year marked a significant departure from past trends. Nominal wage growth was exceptionally restrained and the COVID-19 pandemic affected the workforce in various ways. Between 2006/07 and 2020/21, compensation spending on the consolidated budget rose by an annual average of 9.9 per cent, from R170 billion to R635.4 billion, while compensation spending by national and provincial departments rose by 9.8 per cent a year, from R153 billion to R570.3 billion. Inflation accounts for 46 per cent of the increase. Of the rest, 75 per cent was used to raise salaries in the public sector and 25 per cent was used to increase employment.

Slowing the rate of increase in remuneration

In the long run, compensation spending growth cannot exceed GDP growth. Since 2007/08, however, consolidated compensation spending (excluding public entities) has grown more quickly than nominal GDP in every year except 2013/14. As a result, public-service compensation absorbs an increasing share of GDP.

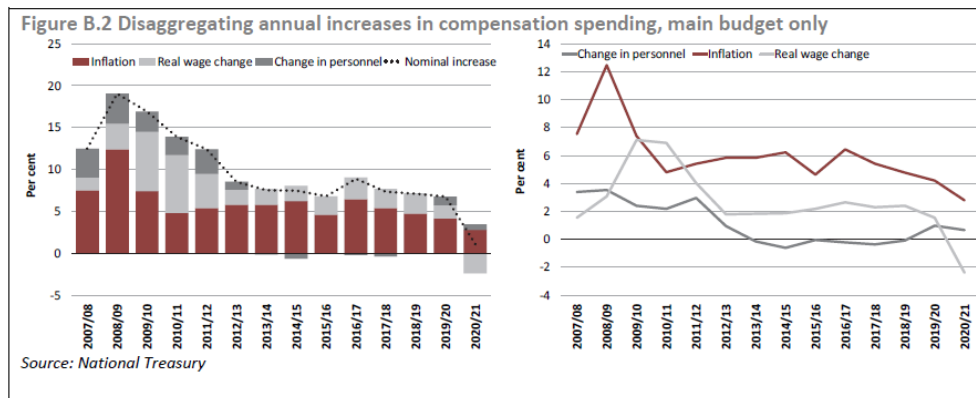
Figure B.1 Annual change in nominal GDP and consolidated compensation spending



Source: National Treasury

Changes in compensation are driven by changes in the number of employees and their remuneration. Average remuneration rose in nominal terms by just over 8 per cent a year between 2009/10 and 2019/20 across all categories of public servants. In 2020/21, average remuneration rose by 0.4 per cent. The decline in real (inflation-adjusted) wages in 2020/21 was the first such occurrence since at least 2000/01. Nonetheless, the economic impact of COVID-19 and expanded public-health employment meant that compensation spending growth continued to outpace GDP growth.

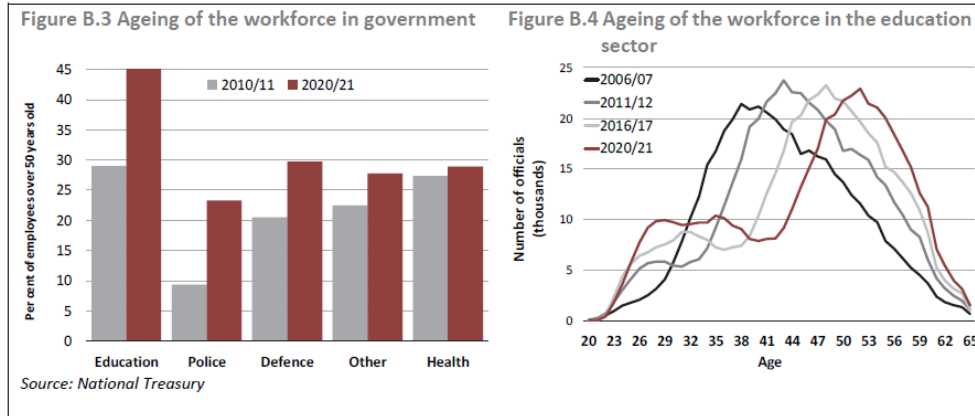
As reflected in Figure B.2, the drivers of rising compensation spending have changed significantly. Between 2007/08 and 2011/12, compensation spending grew particularly rapidly because of the combination of a high rate of inflation, strong growth in personnel numbers and rapid increases in real average remuneration. Between 2011/12 and 2019/20, by contrast, the growth in personnel numbers fell to nearly zero and inflation moderated, while real average remuneration continued to increase by about 2 per cent a year. The most significant break in these trends is evident in 2020/21, when real average remuneration fell by about 2.4 per cent as a result of the decision not to implement a cost-of-living adjustment for the third year of the 2018 wage agreement.



Government is committed to fair and sustainable compensation of employees. As discussed in previous years, however, compensation growth has been on an unsustainable trajectory. Although the wage growth moderation in 2020/21 has helped to make compensation spending growth more sustainable, the extent to which this will continue depends on the outcome of ongoing wage negotiations. It will also depend on whether the Constitutional Court upholds the decision of the Labour Appeal Court, which held that government was within its rights not to implement the cost-of-living adjustment as stipulated in the 2018 wage agreement, because the National Treasury had not affirmed its affordability.

The trend of agreements requiring the payment of unbudgeted increases that exceed economic growth suggests that there are serious shortcomings in the system. This approach to wage setting does not adequately take overall economic and fiscal conditions into account. It also forecloses on government's ability to hire new employees and maintain service levels for public goods. Significant reforms will be needed in due course.

One consequence of the stagnation in public-sector employment during the 2010s is that the workforce has aged. In 2010/11, about one official in four was over the age of 50; by 2020/21, the figure was one in three, with the ageing of the workforce being particularly pronounced in the education sector (Figures B.3 and B.4).



This trend has contributed to higher average remuneration, because long-serving officials accumulate annual increases and promotions. Conversely, as the rate of retirement increases in the near future, the replacement of departing officials with younger ones will tend to moderate the rate of growth of average remuneration: in 2006/07, about 31 000 officials were aged between 60 and 65, with the corresponding figure for 2020/21 being 63 000. South Africa's tertiary institutions will need to ensure an adequate flow of newly qualified graduates to replace public servants as they retire.

Changes in the composition of the workforce as a result of COVID-19

The COVID-19 pandemic has affected the size and composition of the public service, partly through deliberate choices to increase capacity in the health function. Two other factors have also affected workforce dynamics: an increase in mortality and a decline in the number of resignations.

The health sector expanded by nearly 18 500 employees in 2020/21, even as employment in the rest of government shrank by nearly 10 000 (Table B.1).

Table B.1 Employment in major government functions (full-time equivalents)

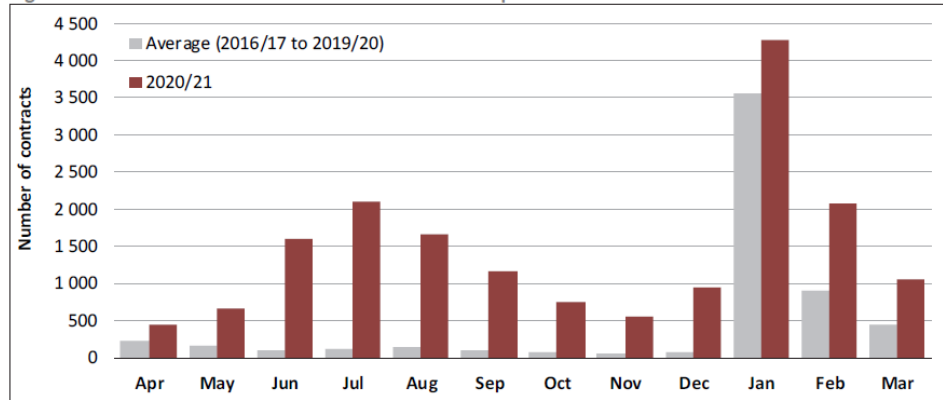
	2006/07	2010/11	2015/16	2019/20	2020/21	Change in 2020/21
Education	446 215	494 244	495 104	500 406	499 440	-966 (-0.2%)
Health	245 584	289 583	312 471	319 213	337 671	18 458 (5.8%)
Police	155 823	186 810	189 466	190 004	184 162	-5 842 (-3.1%)
Defence	79 925	79 040	77 832	74 212	73 713	-500 (-0.7%)
Other	219 538	235 550	250 645	246 287	243 966	-2 321 (-0.9%)
Total	1 147 084	1 285 228	1 325 516	1 330 122	1 338 951	8 830 (0.7%)

Source: National Treasury

The increase in health sector employment in 2020/21 included the addition of over 10 000 nurses, doctors and other professional healthcare workers.

The extent of the health sector response to COVID-19 can be seen in Figure B.5. In 2021, about 17 300 health professionals were recruited on time-bound contracts relative to an average of just under 6 000 for the previous four financial years. Unlike in previous years, appointments were made throughout the year, rather than just in January, February and March, when new graduates are recruited.

Figure B.5 Month in which contracts were extended to professional healthcare workers



Source: National Treasury

Two other factors associated with the COVID-19 pandemic influenced the size and composition of the public service. First, the number of resignations was 32 per cent lower than the average for the previous five years, likely due to very weak conditions in the labour market (Table B.2). Second, nearly 11 000 government officials died in 2020/21 – nearly double the average for the previous five years.

Table B.2 Manner of exiting employment in the public service, 2015/16 to 2020/21

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2020/21 as a % of the average for previous 5 years
Expiry of contract	44 182	47 033	45 793	44 994	49 967	53 018	114%
Expiry of contract (min wage workers on short-term contracts)	9 172	8 125	7 003	5 439	13 534	16 097	186%
Retirement	17 922	17 884	18 434	19 432	20 538	24 069	128%
Resignation	36 662	27 319	25 822	24 135	23 539	18 587	68%
Death	6 175	5 685	5 755	5 684	5 261	10 974	192%
Other	6 852	3 570	4 023	3 992	3 183	2 730	63%
Total	120 965	109 616	106 830	103 676	116 022	125 475	113%

Source: National Treasury

Conclusion

Although wage growth moderation in recent years has narrowed the gap between GDP and compensation growth, much more work is needed to ensure a sustainable, long-term approach to public-service compensation. As reflected elsewhere in the *Medium Term Budget Policy Statement*, compensation spending growth remains a significant risk to the fiscal framework.

C

Technical annexure

■ In-year adjustments to main budget non-interest expenditure

Table C.1 shows in-year adjustments to main budget non-interest expenditure since the 2021 *Budget Review*. These include the special appropriation for the fiscal response to the public violence and COVID-19 pandemic lockdown in June and July 2021.

Table C.1 In-year adjustments to the main budget non-interest expenditure

R million	Appropriation (ENE)	Second special appropriation	AENE allocations	Source of funding (AENE)	Other AENE adjustments	Revised non- interest expenditure
Allocated non-interest expenditure (2021 Budget Review)	1 540 866					1 540 866
Provisional reduction to fund Land Bank allocation	-5 000			5 000		
Provisional allocations not assigned to votes	12 645			-1 645		11 000
Infrastructure Fund not assigned to votes	4 000			-4 000		
Contingency reserve	12 000			-9 039		2 961
Main budget non-interest expenditure (2021 Budget Review)	1 564 511			-9 684		1 554 827
Allocation for fiscal response to public violence and COVID-19 lockdown		32 850				32 850
<i>Social grants additions¹</i>		26 700				26 700
<i>SASRIA</i>		3 900				3 900
<i>Business support²</i>		2 300				2 300
<i>Reprioritisation from DTIC and DSBD</i>		-1 000				-1 000
<i>Defence</i>		700				700
<i>Police</i>		250				250

Table C.1 In-year adjustments to the main budget non-interest expenditure (continued)

R million	Appropriation (ENE)	Second special appropriation	AENE allocations	Source of funding (AENE)	Other AENE adjustments	Revised non-interest expenditure
Allocations since 2021 Budget Review			41 048			41 048
Presidential employment initiative phase 2			10 954			10 954
Further purchase of COVID-19 vaccines			2 342			2 342
General fund small business			96			96
Water and sanitation infrastructure projects			193			193
Roll-overs			2 847			2 847
Unforeseeable and unavoidable expenditure			103			103
Compensation adjustments:			5 833			5 833
National government						
Compensation adjustments:			14 679			14 679
Provincial equitable share						
Denel			2 923			2 923
Self-financing			1 078			1 078
Declared unspent funds				-1 953		-1 953
National government projected underspending				-3 775		-3 775
Local government projected underspending				-2 500		-2 500
Magistrates' salaries				-30		-30
Skills development levy adjustments					1 120	1 120
National Revenue Fund payments adjustments					2 282	2 282
Revised non-interest expenditure	1 564 511	32 850	41 048	-17 942	3 402	1 623 869
Change in non-interest expenditure from 2021 Budget						59 358

1. Of which R500 million is for grants administration

2. Department of Trade, Industry and Competition (DTIC), Department of Small Business Development (DSBD)

Source: National Treasury

■ Main budget expenditure ceiling

Table C.2 Expenditure ceiling calculations

R million	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Non-interest expenditure	1 324 756	1 486 211	1 556 400	1 623 869	1 594 757	1 602 082	1 673 266
Technical adjustments							
Skills development levy	-17 480	-18 284	-12 413	-18 933	-20 619	-22 329	-24 099
Eskom funding provisions	—	-49 000	-56 000	-31 693	-21 857	-21 015	-22 000
NRF payments	-162	-468	-588	-2 342	—	—	—
International Oil	-3	-3	-11	-12	-12	-13	-13
Pollution Compensation Fund							
Expenditure ceiling	1 307 112	1 418 456	1 487 388	1 570 890	1 552 268	1 558 725	1 627 154

Source: National Treasury

Table C.2 shows technical adjustments made to main budget non-interest expenditure to calculate the expenditure ceiling. The ceiling excludes payments directly financed by dedicated revenue sources and others not subject to policy oversight. These include:

- **Payments for financial assets financed by asset sales in the same financial year:** Revenue from the sale of assets, particularly for equity investments, generally offsets the increases in associated spending levels, so these increases do not require adjustments to departmental allocations. Financial support for Eskom is not included in the expenditure ceiling. This support is viewed as a balance sheet transaction, which could take the form of a loan agreement or large equity investment.
- **Payment transactions linked to the management of debt:** This includes premiums paid on new loan issues, bond switches and buy-back transactions, revaluation profits or losses on government's foreign-exchange deposits at the Reserve Bank when used to meet government's foreign-currency position commitments, and realised profits and losses on the Gold and Foreign Exchange Contingency Reserve Account. These items relate to debt and currency transactions that are not financed through main budget appropriations.
- **Direct charges related to specific payments made in terms of legislation that provides for the collection and transfer of such receipts outside of the main budget:** These include skills development levy contributions and the International Oil Pollution Compensation Fund. Skills development levy contributions are paid to the National Skills Fund and the sector education and training authorities. The payment schedule to the National Skills Fund is generally revised to align it directly with anticipated receipts from the levy.

■ Effect of GDP rebasing on fiscal and debt ratios

To ensure the accuracy, reliability and relevance of GDP estimates, Statistics South Africa periodically updates the base year and reconsiders the benchmarks and methodology used for the national accounts. Data from the second quarter of 2021 reflects the newly benchmarked real GDP at constant 2015 prices, replacing the previous GDP measured at constant 2010 prices. This technical exercise raised nominal GDP in level terms, which mechanically improved deficit and debt ratios to GDP even though actual revenue, expenditure and debt stock have not changed. On average, nominal GDP increased by R489.8 billion between 2016/17 and 2020/21. As a share of GDP, both revenue and expenditure fell because they stayed unchanged while nominal GDP increased, resulting in improved fiscal balances, as reflected in Table C.3.

This superficial improvement leads to a mechanical decline in the debt-to-GDP ratio, from 78.8 per cent to 70.7 per cent in 2020/21. The rebasing of GDP improves the debt-to-GDP ratio by an average of 5.6 per cent of GDP per year over the past five years. The main budget deficit also narrowed by an average of 0.6 per cent of GDP per year over the same period, with an improvement from 11 per cent of GDP to 9.9 per cent of GDP in 2020/21.

Table C.3 Difference in fiscal metrics

Percentage of GDP		2016/17	2017/18	2018/19	2019/20	2020/21 ¹	5-year average change
Gross tax revenue	Before rebasing	25.9	25.9	26.2	26.3	25.0	
	After rebasing	23.7	23.7	23.8	23.8	22.5	
	Difference	-2.2	-2.2	-2.4	-2.5	-2.6	-2.4
Main budget revenue	Before rebasing	25.7	25.5	25.9	26.1	24.8	
	After rebasing	23.6	23.3	23.5	23.7	22.2	
	Difference	-2.2	-2.2	-2.4	-2.5	-2.5	-2.3
Main budget expenditure	Before rebasing	29.5	29.9	30.6	32.8	35.8	
	After rebasing	27.0	27.4	27.8	29.7	32.1	
	Difference	-2.5	-2.6	-2.8	-3.1	-3.7	-2.9
Budget balance	Before rebasing	-3.8	-4.4	-4.7	-6.7	-11.0	
	After rebasing	-3.5	-4.1	-4.3	-6.1	-9.9	
	Difference	0.3	0.4	0.4	0.6	1.1	0.6
Primary balance	Before rebasing	-0.5	-1.0	-1.0	-2.7	-6.4	
	After rebasing	-0.4	-0.9	-0.9	-2.5	-5.7	
	Difference	0.0	0.1	0.1	0.3	0.7	0.2
Gross loan debt	Before rebasing	50.5	53.0	56.7	63.3	78.8	
	After rebasing	46.2	48.5	51.5	57.4	70.7	
	Difference	-4.3	-4.5	-5.2	-5.9	-8.1	-5.6
Nominal GDP (R billion)	Before rebasing	4 419.4	4 698.7	4 924.0	5 152.3	4 995.7	
	After rebasing	4 831.2	5 136.8	5 418.3	5 686.7	5 566.2	
	Difference	411.8	438.1	494.3	534.3	570.5	489.8

1. Outcomes applied to GDP before and after rebasing

Source: National Treasury

■ Changes to main budget framework since the 2021 Budget

Table C.4 summarises the changes to the main budget fiscal framework compared with the 2021 Budget estimates. The fiscal balances for 2021/22 to 2023/24 have improved, mainly due to higher-than-expected revenue projections. The increases in non-interest expenditure partially offset the lower interest payments and higher revenue projections.

Table C.4 Revisions to main budget framework since 2021 Budget

R million	2021/22	2022/23	2023/24
Main budget revenue			
Revised	1 483 201	1 517 542	1 581 290
2021 Budget estimates	1 351 672	1 453 669	1 522 035
Difference	131 529	63 873	59 255
Main budget non-interest expenditure			
Revised	1 623 869	1 594 757	1 602 082
2021 Budget estimates	1 564 511	1 562 821	1 572 455
Difference	59 358	31 937	29 628
Debt-service costs			
Revised	269 234	303 141	334 575
2021 Budget estimates	269 741	308 013	338 591
Difference	-507	-4 872	-4 016
Main budget primary balance			
Revised	-140 667	-77 215	-20 792
2021 Budget estimates	-212 839	-109 151	-50 420
Difference	72 171	31 937	29 628
Main budget balance			
Revised	-409 901	-380 356	-355 367
2021 Budget estimates	-482 580	-417 164	-389 011
Difference	72 679	36 808	33 644

Source: National Treasury

Main budget framework and financing requirements

Table C.5 Main budget framework and financing requirements

MACROECONOMIC PROJECTIONS							
R billion/percentage change	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Real GDP growth	1.3%	0.1%	-7.2%	6.2%	1.8%	1.6%	1.8%
Nominal GDP growth	5.5%	5.0%	-2.1%	10.9%	2.9%	5.5%	6.3%
CPI inflation	4.6%	4.2%	2.9%	4.9%	4.0%	4.4%	4.5%
GDP at current prices (R billion)	5 418.3	5 686.7	5 566.2	6 173.8	6 350.6	6 697.7	7 121.5
MAIN BUDGET FRAMEWORK							
R billion/percentage of GDP	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Revenue							
Personal income tax	492.1	527.6	487.0	542.1	578.7	617.8	665.7
Corporate income tax	212.0	211.5	202.1	288.6	228.4	220.4	230.7
Value-added tax	324.8	346.8	331.2	373.6	427.6	460.7	491.0
Other tax revenue	158.8	163.5	146.4	179.6	183.1	192.6	204.1
Customs and excise duties	100.0	106.4	82.9	101.4	109.6	116.5	123.7
SACU transfers	-48.3	-50.3	-63.4	-46.0	-43.7	-64.6	-63.4
Non-tax revenue	23.9	27.6	26.3	39.1	32.2	31.5	33.0
National Revenue Fund receipts ¹	12.0	12.8	25.8	4.6	1.6	6.4	4.5
Main budget revenue	1 275.3	1 345.9	1 238.4	1 483.2	1 517.5	1 581.3	1 689.4
	23.5%	23.7%	22.2%	24.0%	23.9%	23.6%	23.7%
Expenditure							
Expenditure ceiling	1 307.1	1 418.5	1 487.4	1 570.9	1 552.3	1 558.7	1 627.2
Baseline and provisional allocations	1 307.1	1 418.5	1 487.4	1 567.9	1 547.3	1 553.7	1 622.2
Contingency reserve	—	—	—	3.0	5.0	5.0	5.0
Other non-interest expenditure ²	17.6	67.8	69.0	53.0	42.5	43.4	46.1
Non-interest expenditure	1 324.8	1 486.2	1 556.4	1 623.9	1 594.8	1 602.1	1 673.3
Debt-service costs	181.8	204.8	232.6	269.2	303.1	334.6	365.8
Main budget expenditure	1 506.6	1 691.0	1 789.0	1 893.1	1 897.9	1 936.7	2 039.1
	27.8%	29.7%	32.1%	30.7%	29.9%	28.9%	28.6%
Main budget balance	-231.3	-345.1	-550.6	-409.9	-380.4	-355.4	-349.7
	-4.3%	-6.1%	-9.9%	-6.6%	-6.0%	-5.3%	-4.9%
Primary balance	-49.5	-140.3	-318.0	-140.7	-77.2	-20.8	16.1
	-0.9%	-2.5%	-5.7%	-2.3%	-1.2%	-0.3%	0.2%
BORROWING REQUIREMENT							
Main budget balance	-231.3	-345.1	-550.6	-409.9	-380.4	-355.4	-349.7
Redemptions	-15.6	-70.7	-67.6	-65.2	-113.0	-154.7	-155.8
Gross borrowing requirement	-246.9	-415.8	-618.3	-475.1	-493.3	-510.0	-505.5
	-4.6%	-7.3%	-11.1%	-7.7%	-7.8%	-7.6%	-7.1%
GOVERNMENT DEBT							
Gross loan debt	2 788.3	3 261.3	3 935.7	4 313.9	4 744.7	5 144.4	5 537.6
	51.5%	57.4%	70.7%	69.9%	74.7%	76.8%	77.8%
Net loan debt	2 545.2	2 997.8	3 601.8	4 089.0	4 519.6	4 935.2	5 342.7
	47.0%	52.7%	64.7%	66.2%	71.2%	73.7%	75.0%

1. Mainly revaluation profits on foreign-currency transactions and premiums on loan transactions

2. Technical adjustments explained in Table C.2

Source: National Treasury

Tax revenue outlook

Table C.6 Tax revenue and tax bases

R million/percentage change	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		Outcome		Estimate		Projections	
Personal income tax	492 083	527 633	487 011	542 100	578 677	617 808	665 728
Wage bill ¹	4.9%	3.9%	-3.6%	8.8%	6.7%	6.1%	7.1%
Buoyancy	1.39	1.84	2.13	1.29	1.01	1.10	1.10
Corporate income tax	212 046	211 522	202 123	288 631	228 382	220 399	230 691
Net operating surplus	3.7%	7.0%	0.5%	14.1%	-6.3%	3.3%	4.7%
Buoyancy	-0.66	-0.04	-8.84	3.04	3.34	-1.06	1.00
Net value-added tax	324 766	346 761	331 197	373 630	427 608	460 675	491 024
Household consumption	5.7%	5.3%	-5.4%	10.1%	6.3%	6.4%	6.6%
Buoyancy	1.57	1.29	0.83	1.27	2.31	1.20	1.00
Domestic VAT	378 733	399 288	392 936	439 970	467 471	497 570	530 402
Household consumption	5.7%	5.3%	-5.4%	10.1%	6.3%	6.4%	6.6%
Buoyancy	2.20	1.03	0.30	1.19	1.00	1.00	1.00
Import VAT	175 185	179 987	166 454	193 274	212 370	225 621	238 926
Nominal imports	9.0%	1.8%	-13.0%	20.3%	9.9%	6.2%	5.9%
Buoyancy	1.64	1.55	0.58	0.80	1.00	1.00	1.00
VAT refunds	-229 151	-232 515	-228 193	-259 613	-252 233	-262 517	-278 303
Nominal exports	7.0%	4.8%	1.1%	21.5%	-2.8%	4.1%	6.0%
Buoyancy	2.84	0.31	-1.70	0.64	1.00	1.00	1.00
Customs duties	54 968	55 428	47 290	54 715	60 121	63 873	67 639
Nominal imports	9.0%	1.8%	-13.0%	20.3%	9.9%	6.2%	5.9%
Buoyancy	1.32	0.47	1.13	0.78	1.00	1.00	1.00
Specific excise duties	40 830	46 827	32 273	42 295	44 939	47 832	50 988
Household consumption	5.7%	5.3%	-5.4%	10.1%	6.3%	6.4%	6.6%
Buoyancy	1.62	2.79	5.78	3.08	1.00	1.00	1.00
Skills development levy	17 439	18 486	12 250	18 933	20 619	22 329	24 099
Private-sector wage bill	4.1%	3.7%	-6.3%	10.6%	8.9%	8.3%	7.9%
Buoyancy	2.17	1.64	5.37	5.14	1.00	1.00	1.00
Fuel levy	75 372	80 175	75 503	89 243	91 799	96 817	102 942
Nominal GDP	5.5%	5.0%	-2.1%	10.9%	2.9%	5.5%	6.3%
Buoyancy	1.14	1.29	2.75	1.67	1.00	1.00	1.00
Ad valorem excise duties	4 192	4 124	3 386	4 415	4 541	4 789	5 092
Nominal GDP	5.5%	5.0%	-2.1%	10.9%	2.9%	5.5%	6.3%
Buoyancy	1.98	-0.33	8.45	2.78	1.00	1.00	1.00
Other²	65 994	64 810	58 678	71 453	70 726	73 484	77 054
Nominal GDP	5.5%	5.0%	-2.1%	10.9%	2.9%	5.5%	6.3%
Buoyancy	0.91	-0.36	4.47	1.99	-0.36	0.71	0.77
Gross tax	1 287 690	1 355 766	1 249 711	1 485 415	1 527 412	1 608 006	1 715 258
Nominal GDP	5.5%	5.0%	-2.1%	10.9%	2.9%	5.5%	6.3%
Buoyancy	1.07	1.07	3.69	1.73	0.99	0.97	1.05

1. Total remuneration in the formal non-agriculture sector

2. Other includes dividends tax, interest on overdue income tax, taxes on property, stamp duties and fees, air departure tax, electricity levy, plastic bag levy and all other minor taxes

Source: National Treasury

Southern African Customs Union revenue pool

Payments to the Southern African Customs Union (SACU) have been revised upwards by R10.3 billion in 2022/23 and R6.6 billion in 2023/24 compared with the 2021 Budget estimates. The revisions reflect higher customs and excise duties projections and changes to forecast error adjustments. Member states' estimates of GDP, population and intra-SACU trade have also been updated. The SACU revenue-sharing

formula adjusts for forecast errors with a two-year lag. As a result, the projected 2022/23 SACU payments include the forecast error adjustment for 2020/21. SACU payments projections for 2023/24 include the adjustment for forecast errors for 2021/22.

Fiscal framework assumptions for long-term main budget baseline

The long-term main budget fiscal framework assumptions that underpin the long-term debt outlook include the following:

- No revenue measures are assumed from 2022/23 onwards.
- The gap between gross tax and main budget revenue is assumed at a long-run average of 0.25 per cent of GDP per year from 2025/26 onwards.
- Non-interest expenditure (excluding Eskom financial support and the Infrastructure Fund) grows in line with CPI inflation in 2025/26.
- In real terms, non-interest expenditure (excluding the Infrastructure Fund) grows by 1.5 per cent per year from 2026/27 onwards.
- The Infrastructure Fund amounts are assumed at R10 billion in 2024/25, R12 billion in 2025/26, R15 billion in 2026/27, R21.8 billion in 2027/28 and R26 billion in 2028/29. Over a decade from 2019/20, the Infrastructure Fund remains at R100 billion, as announced in the 2019 *Medium Term Budget Policy Statement*. Underspending on the Infrastructure Fund allocations in the current fiscal year is added back in 2027/28 and 2028/29.
- No further recapitalisation of state-owned companies is assumed over the medium term apart from the 2021 Budget estimates.
- Financial support for Eskom is assumed to amount to R224.6 billion from 2019/20 until 2025/26.
- Beyond the medium term, average real GDP growth is assumed to be 2.1 per cent.

2020/21 outcomes and 2021/22 mid-year estimates

Table C.7 summarises national and provincial appropriated expenditure outcomes for 2020/21 and estimates for the first half of 2021/22. Tables C.8 and C.9 present additional details.

In 2020/21, national expenditure amounted to R1.79 trillion, which was R16.8 billion lower than the adjusted budget estimate. The underspending was mainly driven by goods and services – all items except for operating leases, medicine, food and other inventory supplies, rental and hiring, science and technological services, and administrative fees. The lower-than-estimated expenditure was partly offset by higher spending on payments for financial assets. Provincial expenditure was R645.9 billion in 2020/21, R16.1 billion below adjusted estimates. This provincial underspending is largely driven by goods and services, compensation of employees and payments for capital assets. All major categories of goods and services – except for administrative fees, medicine and medical supplies, property payments and legal services – recorded spending below adjusted estimates.

For the first six months of 2021/22, national departments spent R922.7 billion or 48.7 per cent of their adjusted budgets, while provinces spent R324.1 billion or 49.3 per cent of their original budgets for the year. Provinces are primarily responsible for delivering social services, including basic education and health. Compensation of employees is the largest spending item in provincial budgets, accounting for 63.3 per cent of spending in the first six months of 2021/22.

Table C.7 National and provincial expenditure outcomes and mid-year estimates

	2020/21			2021/22				
	Adjusted appropriation	Audited outcome	Over(-)/Under(+)	Main budget	Special appropriation ¹	Adjustments appropriation ²	Adjusted appropriation ³	Actual spending April to September
R billion								
National appropriation	1 025.3	1 004.4	20.9	980.6	32.9	15.0	1 028.5	503.3
Direct charges	782.5	784.6	-2.1	830.0	–	26.9	857.0	419.4
Debt-service costs	233.0	232.6	0.4	269.7	–	-0.5	269.2	130.2
Provincial equitable share	520.7	520.7	–	523.7	–	21.1	544.8	269.2
Other direct charges	28.8	31.3	-2.5	36.6	–	6.3	42.9	19.9
National votes	1 807.9	1 789.0	18.9	1 810.6	32.9	42.0	1 885.4	922.7
<i>of which:</i>								
Compensation of employees	177.3	176.3	1.0	175.0	0.6	6.0	181.6	88.0
Goods and services	80.8	65.2	15.6	84.6	0.3	3.9	88.7	33.1
Transfers and subsidies	1 213.6	1 213.0	0.6	1 219.3	28.0	26.6	1 273.9	627.1
Payments for capital assets	14.8	12.0	2.9	15.0	–	0.8	15.8	3.8
Payments for financial assets	88.0	89.6	-1.6	46.8	3.9	5.2	55.9	40.4
Provisional allocation for contingencies not assigned to votes	–	–	–	11.6	–	-0.6	11.0	–
Contingency reserve	–	–	–	12.0	–	-9.0	3.0	–
National government projected underspending	-2.1	–	-2.1	–	–	-3.8	-3.8	–
Local government repayment to the National Revenue Fund	–	–	–	–	–	-2.5	-2.5	–
Main budget expenditure	1 805.8	1 789.0	16.8	1 834.3	32.9	26.0	1 893.1	922.7
Provincial expenditure	661.9	645.9	16.1	657.4	n/a	n/a	n/a	324.1
<i>of which:</i>								
Compensation of employees	398.3	393.9	4.4	398.9	n/a	n/a	n/a	205.0
Goods and services	142.3	134.9	7.4	139.9	n/a	n/a	n/a	65.6
Transfers and subsidies	84.9	84.2	0.7	82.1	n/a	n/a	n/a	40.3
Payments for capital assets	36.4	32.4	4.0	36.5	n/a	n/a	n/a	13.1

1. Second Special Appropriation Bill (2021)

2. Adjustments Appropriation Bill (2021)

3. Provinces will table an adjusted budget during November 2021

Source: National Treasury

2021 MEDIUM TERM BUDGET POLICY STATEMENT

Table C.8 Expenditure by vote

	2020/21			2021/22				
	Adjusted appropriation	Audited outcome	Over(-)/ Under(+)	Main budget	Special appropriation ¹	Adjustments appropriation	Adjusted appropriation	Actual spending April to September
R million								
1 The Presidency	573	518	55	592	–	12	605	224
2 Parliament ¹	2 016	2 016	–	2 144	–	–	2 144	–
3 Cooperative Governance	106 943	103 306	3 637	100 876	–	384	101 260	40 930
4 Government Communication and Information System	725	712	13	750	–	8	757	371
5 Home Affairs	8 787	8 470	317	8 690	–	741	9 431	4 798
6 International Relations and Cooperation	6 315	6 246	69	6 452	–	66	6 518	2 915
7 National School of Government	227	222	6	210	–	4	214	99
8 National Treasury	34 526	34 082	444	41 056	3 900	591	45 547	14 465
9 Planning, Monitoring and Evaluation	400	387	13	454	–	5	459	174
10 Public Enterprises	77 607	77 503	104	36 292	–	-17	36 275	35 871
11 Public Service and Administration	469	431	38	526	–	5	532	218
12 Public Service Commission	274	261	13	282	–	4	286	123
13 Public Works and Infrastructure	7 724	7 531	193	8 343	–	11	8 354	3 751
14 Statistics South Africa	3 132	2 691	440	4 475	–	457	4 932	1 571
15 Traditional Affairs	162	138	24	171	–	1	173	68
16 Basic Education	23 395	22 901	494	27 018	–	221	27 239	15 140
17 Higher Education and Training	94 095	93 697	397	97 784	–	105	97 889	70 252
18 Health	58 053	58 117	-64	62 543	–	2 228	64 771	34 021
19 Social Development	230 807	228 923	1 885	205 227	26 700	219	232 146	107 263
20 Women, Youth and Persons with Disabilities	621	602	19	764	–	432	1 196	470
21 Civilian Secretariat for the Police Service	137	132	6	149	–	2	151	63
22 Correctional Services	25 597	25 027	570	25 218	–	725	25 943	12 122
23 Defence	54 201	54 086	115	46 269	700	1 828	48 796	22 600
24 Independent Police Investigative Directorate	341	341	0	348	–	5	354	152
25 Justice and Constitutional Development	18 666	17 885	781	19 120	–	389	19 509	8 239
26 Military Veterans	480	429	51	654	–	-47	607	168
27 Office of the Chief Justice	1 188	1 072	116	1 212	–	30	1 242	561
28 Police	99 561	95 483	4 078	96 356	250	3 868	100 474	46 694
29 Agriculture, Land Reform and Rural Development	15 248	14 093	1 155	16 920	–	1 103	18 023	6 314
30 Communications and Digital Technologies	3 281	3 165	116	3 693	–	192	3 884	1 445
31 Employment and Labour	3 299	3 103	196	3 506	–	311	3 816	1 543
32 Forestry, Fisheries and the Environment	9 938	8 300	1 638	8 717	–	383	9 100	3 080
33 Human Settlements	29 079	28 776	303	31 658	–	22	31 680	12 859
34 Mineral Resources and Energy	7 567	7 185	382	9 181	–	61	9 241	4 090
35 Science and Innovation	7 278	7 165	113	8 933	–	72	9 006	4 606
36 Small Business Development	2 278	2 249	29	2 538	–	99	2 637	1 515
37 Sport, Arts and Culture	5 311	5 176	135	5 694	–	53	5 747	2 579
38 Tourism	1 427	1 392	35	2 430	–	116	2 545	865
39 Trade, Industry and Competition	9 273	9 040	234	9 737	1 300	775	11 812	6 322
40 Transport	57 355	57 074	281	66 692	–	-1 266	65 426	29 047
41 Water and Sanitation	16 994	14 503	2 492	16 910	–	825	17 735	5 710
Total appropriation by vote	1 025 350	1 004 428	20 922	980 584	32 850	15 024	1 028 457	503 297

Table C.8 Expenditure by vote (continued)

	2020/21			2021/22				
	Adjusted appropriation	Audited outcome	Over(-)/Under(+)	Main budget	Special appropriation ¹	Adjustments appropriation	Adjusted appropriation	Actual spending April to September
R million								
Total appropriation by vote	1 025 350	1 004 428	20 922	980 584	32 850	15 024	1 028 457	503 297
Plus:								
Direct charges against the National Revenue Fund								
President and deputy president salaries (The Presidency)	8	6	2	8	—	—	8	3
Members' remuneration (Parliament)	476	476	—	472	—	—	472	—
Debt-service costs (National Treasury)	233 028	232 596	432	269 741	—	-507	269 234	130 223
Provincial equitable share (National Treasury)	520 717	520 717	—	523 686	—	21 149	544 835	269 196
General fuel levy sharing with metropolitan municipalities (National Treasury)	14 027	14 027	—	14 617	—	—	14 617	4 872
National Revenue Fund payments (National Treasury)	178	588	-411	60	—	2 282	2 342	1 451
Auditor-General of South Africa (National Treasury)	120	70	50	70	—	—	70	70
Section 70 of the PFMA payment: Land and Agricultural Development Bank of South Africa (National Treasury)	74	74	—	—	—	—	—	—
Section 70 of the PFMA payment: South African Express Airways SOC Ltd (Public Enterprises)	143	143	—	—	—	—	—	—
Section 70 of the Public Finance Management Act (1999) payment: South African Airways (Public Enterprises)	—	267	-267	—	—	—	—	—
Section 70 of the Public Finance Management Act (1999) payment: Denel (Public Enterprises)	—	—	—	—	—	2 923	2 923	2 726
Skills levy and sector education and training authorities (Higher Education and Training)	10 175	12 413	-2 238	17 813	—	1 120	18 933	9 233
Magistrates' salaries (Justice and Constitutional Development)	2 442	2 147	296	2 426	—	-30	2 396	1 077
Judges' salaries (Office of the Chief Justice)	1 118	1 044	74	1 118	—	—	1 118	515
International Oil Pollution Compensation Fund (Transport)	11	—	11	12	—	—	12	—
Total direct charges against the National Revenue Fund	782 517	784 568	-2 051	830 023	—	26 936	856 959	419 365
Provisional allocation not assigned to votes	—	—	—	12 645	—	-1 645	11 000	—
Contingency reserve	—	—	—	12 000	—	-9 039	2 961	—
National government projected underspending	-2 109	—	-2 109	—	—	-3 775	-3 775	—
Provisional reduction to fund	—	—	—	-5 000	—	5 000	—	—
Land Bank allocation	—	—	—	4 000	—	-4 000	—	—
Infrastructure Fund not assigned to votes	—	—	—	—	—	-2 500	-2 500	—
Local government repayment to the National Revenue Fund	—	—	—	—	—	—	—	—
Total	1 805 758	1 788 996	16 762	1 834 252	32 850	26 001	1 893 103	922 662

1. Amendments to Parliament's budget are determined independently of the national government's budget processes in accordance with the Financial Management of Parliament and Provincial Legislatures Act (2009), as amended

2. Second Special Appropriation Bill (2021)

Source: National Treasury

Table C.9 Expenditure by province

	2020/21					2021/22	
	Main budget	Adjusted budget	Pre-audited outcome	Over(-)/ Under(+)	Deviation from adjusted budget	Main budget	Actual spending April to September
R million							
Eastern Cape	85 908	83 792	83 546	246	0.3%	82 608	44 369
Education	37 769	36 218	36 594	-376	-1.0%	35 077	18 404
Health	26 391	27 628	28 057	-429	-1.6%	26 431	15 726
Social development	3 228	3 229	2 966	263	8.1%	3 055	1 635
Other functions	18 521	16 717	15 929	788	4.7%	18 046	8 603
Free State	39 055	38 036	37 698	338	0.9%	38 625	19 059
Education	15 620	15 484	15 319	164	1.1%	15 475	8 097
Health	12 477	11 822	11 950	-128	-1.1%	12 135	6 047
Social development	1 492	1 520	1 469	51	3.3%	1 442	730
Other functions	9 466	9 211	8 959	251	2.7%	9 573	4 186
Gauteng	142 367	143 749	137 897	5 852	4.1%	142 553	68 564
Education	53 593	52 877	51 134	1 743	3.3%	53 458	26 265
Health	55 728	58 836	57 712	1 123	1.9%	56 505	28 862
Social development	5 776	5 887	5 449	438	7.4%	5 883	2 872
Other functions	27 270	26 150	23 602	2 547	9.7%	26 707	10 566
KwaZulu-Natal	138 182	136 403	133 984	2 420	1.8%	133 670	66 357
Education	57 247	57 012	56 858	154	0.3%	53 184	27 585
Health	48 058	51 308	49 370	1 938	3.8%	48 412	24 669
Social development	3 836	3 732	3 674	58	1.6%	3 699	1 893
Other functions	29 041	24 351	24 081	270	1.1%	28 375	12 210
Limpopo	72 796	72 796	68 906	3 891	5.3%	68 770	33 906
Education	33 894	33 894	32 939	954	2.8%	32 586	16 469
Health	22 143	22 143	22 030	113	0.5%	21 973	10 683
Social development	2 360	2 360	2 200	160	6.8%	2 016	1 035
Other functions	14 400	14 400	11 736	2 664	18.5%	12 195	5 718
Mpumalanga	54 019	51 783	51 247	536	1.0%	53 576	25 855
Education	23 498	22 203	22 081	122	0.5%	22 336	11 362
Health	15 568	16 005	15 795	210	1.3%	16 204	7 635
Social development	1 838	1 757	1 713	45	2.5%	1 841	815
Other functions	13 115	11 817	11 658	159	1.3%	13 195	6 043
Northern Cape	19 147	18 798	18 296	502	2.7%	18 995	9 435
Education	7 222	7 195	7 180	14	0.2%	7 137	3 517
Health	5 593	5 616	5 538	78	1.4%	5 716	3 000
Social development	1 012	1 035	982	53	5.1%	969	445
Other functions	5 320	4 953	4 596	356	7.2%	5 173	2 473
North West	46 513	45 118	43 951	1 166	2.6%	46 240	22 278
Education	18 380	17 689	17 481	207	1.2%	18 011	8 699
Health	13 197	14 196	14 052	144	1.0%	14 119	7 765
Social development	1 878	1 761	1 617	144	8.2%	1 772	740
Other functions	13 058	11 472	10 801	671	5.8%	12 338	5 074
Western Cape	71 664	71 449	70 342	1 107	1.5%	72 397	34 251
Education	25 050	24 565	24 009	556	2.3%	24 460	11 638
Health	26 252	27 214	26 964	250	0.9%	27 392	13 519
Social development	2 673	2 692	2 679	13	0.5%	2 663	1 345
Other functions	17 690	16 978	16 691	287	1.7%	17 882	7 750
Total	669 652	661 924	645 867	16 057	2.4%	657 436	324 074
Education	272 271	267 135	263 596	3 540	1.3%	261 724	132 036
Health	225 406	234 767	231 468	3 298	1.4%	228 888	117 907
Social development	24 094	23 974	22 749	1 225	5.1%	23 341	11 510
Other functions	147 881	136 048	128 054	7 995	5.9%	143 483	62 621

Source: National Treasury

Glossary

Accrued liability	A liability that is not paid in the fiscal year in which it is incurred, and so continues to be owed in the next fiscal year.
Adjustment estimates	Presentation to Parliament of the amendments to be made to the appropriations voted on in the main budget for the year.
Administered prices	Prices set outside ordinary market processes through administrative decisions by government, a public entity or a regulator.
Appropriation	The approval by Parliament of spending from the National Revenue Fund, or by a provincial legislature from the Provincial Revenue Fund.
Asset price inflation	An increase in the overall price of assets over a specific period of time.
Balance of payments	A summary statement of all the transactions of the residents of a country with the rest of the world over a particular time period.
Basel III	Reforms developed by the Basel Committee on Banking Supervision to strengthen the regulation, supervision and risk management of the banking sector.
Baseline	The initial allocations used during the budget process, derived from the previous year's forward estimates.
Blended finance	The combination of public, private, development and multilateral sources of financing to leverage funding for infrastructure projects.
Bond-switch programme	An auction that aims to ease pressure on targeted areas of the redemption profile by exchanging shorter-dated debt for longer-term debt.
Budget balance	The difference between expenditure and revenue. If expenditure exceeds revenue, the budget is in deficit. If the reverse is true, the budget is in surplus.
Budget Facility for Infrastructure	A reform to the budget process that establishes specialised structures, procedures and criteria for committing fiscal resources to public infrastructure spending.
Buy-back transaction	A transaction where government buys debt instruments from investors before their redemption date.
Capital erosion	The deterioration of capital due to a lack of investment in the economy.
Capital flight	A large outflow of investments from a country in response to heightened economic, political or policy risk.
Capital flow	A flow of investments in or out of a country.
Concessionary financing	Financing or loans that are extended on terms that are more generous than market loans – for example, lower interest rates or grace periods where there is no repayment.

Conditional grants	Allocations of money from one sphere of government to another, conditional on certain services being delivered or on compliance with specified requirements.
Consolidated government expenditure	Total expenditure by national and provincial government, social security funds and selected public entities, including transfers to municipalities or other entities. See also <i>main budget expenditure</i> .
Consumer price index (CPI)	The main measure of inflation, charting changes in the price movements of a basket of consumer goods and services.
Consumption expenditure	Expenditure on goods and services, including salaries, that are consumed within a short period of time – usually a year.
Contingency reserve	An amount set aside, but not allocated in advance, to accommodate changes in the economic environment and to meet unforeseen spending pressures.
Contingent liability	A government obligation, such as a guarantee, that will only result in expenditure if a specific event occurs. See also <i>government guarantee</i> .
Core inflation	A measure of the change in consumer price levels that excludes temporary shocks and represents the long-run trend of changes in the price level. See also <i>headline inflation</i> .
Countercyclical fiscal policy	Policy that has the opposite effect on economic activity to that caused by the business cycle, such as slowing spending growth in a boom period and accelerating spending in a recession.
Credit rating	An indicator of the risk of default by a borrower or the riskiness of a financial instrument. Rating agencies assign grades signifying the borrower's capacity to meet its financial obligations or the probability that the value of the financial instrument will be realised. See also <i>rating agency</i> .
Crowding in	An increase in private investment or consumption as a result of government spending.
Crowding out	A fall in private investment or consumption as a result of increased government spending.
Current account (of the balance of payments)	The difference between total exports and imports, including service payments and receipts, interest, dividends and transfers. This account can be in deficit or surplus. See also <i>trade balance</i> .
Current balance	The difference between revenue and current expenditure, which consists of compensation of employees, goods and services, and interest and rent on land.
Debt redemption	Repayment of the principal and any outstanding interest on a bond.
Debt-service cost	The cost of interest on government debt.
Depreciation (capital)	A reduction in the value of fixed capital as a result of wear and tear or redundancy.

Depreciation (exchange rate)	A reduction in the external value of a currency.
Disposable income	Total income less all taxes and employee contributions.
Division of revenue	The allocation of funds between national, provincial and local government as required by the Constitution.
Economic growth	An increase in the total amount of output, income and spending in the economy.
Effective cost of debt	A measure of the cost of debt that includes non-interest costs, such as penalties and upfront payments, which are often applied to distressed borrowers.
Emerging economies	A name given by international investors to middle-income economies.
Employment tax incentive	An incentive to encourage the creation of jobs for youth by allowing employers to claim a reduction in employees' tax.
Equitable share	The allocation of revenue to national, provincial and local government as required by the Constitution.
Expenditure ceiling	An overall limit on expenditure that enables government to manage departmental spending levels.
External imbalance	An excessively positive or negative current account balance, reflecting an excess or deficit of domestic investment over domestic savings.
Financial account (of the balance of payments)	A statement of all financial transactions between a country and the rest of the world, including portfolio and fixed investment flows, and movements in foreign reserves.
Financial and Fiscal Commission	An independent body established in terms of the Constitution to make recommendations to Parliament and provincial legislatures about financial issues affecting the three spheres of government.
Financial year	The 12 months according to which companies and organisations budget and account. Government's financial year runs from 1 April to 31 March.
Fiscal consolidation	Measures to narrow a government's budget deficit and stabilise its debt-to-GDP ratio.
Fiscal multiplier	A ratio measuring the extent to which national income changes in response to changes in government spending. For example, a fiscal multiplier of 0.5 implies that national income increases by 50 cents for every R1 of additional government spending.
Fiscal policy	Policy on taxation, spending and borrowing by government.
Fiscal space	Government's ability to provide additional resources in the budget without jeopardising fiscal sustainability.
Flexible exchange rate	Determination of currency exchange rates by market forces.

Floating exchange rate	An exchange rate regime in which the exchange rate of a country can fluctuate in response to movements in the foreign exchange market.
Foreign direct investment	The acquisition of long-term business interests in another country, usually involving management, technology and financial participation.
Full-time equivalent	An indicator measuring the proportion of time for which an employee receives a salary. It enables government to estimate annual personnel costs by aggregating the amount of part-time work to calculate the full-time equivalents. For example, two people working full-time for six months of the year would count as one full-time equivalent.
GDP inflation	A measure of the total increase in prices in the entire economy. Unlike CPI inflation, GDP inflation includes price increases in goods that are exported and intermediate goods such as machines, but excludes imported goods.
GDP rebasing	The process of replacing a previous base year used to compile GDP estimates in constant prices (or real/volume terms) with a more recent base year. It is usually done alongside periodic benchmarking and methodological changes that account for changes in the economy, inflation and technological progress. These changes incorporate updated data for more accurate analysis and estimates.
Gini coefficient	A measure that illustrates inequality in the distribution of income. It is expressed as a number between 0 and 1, with 0 representing perfect equality in income and 1 representing perfect inequality.
Gold and foreign exchange account	A Reserve Bank account that reflects its losses and profits on holdings of foreign currency and gold reserves, driven by changes in the exchange rate of the rand to the US dollar and the gold price.
Government guarantee	An assurance made by government to a lender that a financial obligation will be honoured, even if the borrowing government institution is unable to repay the debt. See also <i>contingent liability</i> .
Gross domestic product (GDP)	A measure of total national output, income and expenditure in the economy.
Gross fixed-capital formation	The addition to a country's fixed-capital stock over a specific period, before providing for depreciation.
Headline inflation	A measure of the change in the CPI level that includes temporary price shocks to the economy, such as once-off price changes. See also <i>core inflation</i> .
Independent power producer	A private-sector business that generates energy for the national grid.

Indirect grant	A grant allowing a national department to perform a function on behalf of a province or municipality. No funds are transferred, but the end product of the grant, such as infrastructure, is generally transferred to the province or municipality.
Inflation	An increase in the general level of prices.
Inflation targeting	A monetary policy framework intended to achieve price stability over a certain period of time. The Reserve Bank and government agree on a target rate or range of inflation to be maintained.
Integrated financial management system (IFMS) project	A project to review, upgrade and integrate government's financial management information technology systems.
Intergenerational equity	A value based on ensuring that future generations do not have to repay debts taken on today unless they also share in the benefits of assets.
Investment grade	A credit rating which is regarded as carrying minimal risk to the investors.
Labour force participation	The ratio of employed and unemployed workers (the labour force) relative to the working-age population.
Liquidity	The ease with which assets can be bought and sold.
Main budget expenditure	National government expenditure and transfers to provincial and local government financed from the National Revenue Fund, excluding revenues and spending related to social security funds, extra-budgetary institutions and provincial own-source revenue. See also <i>consolidated government expenditure</i> .
Medico-legal claims	A civil claim of alleged wrongful medical treatment against a health provider.
Medium Term Expenditure Committee (MTEC)	The technical committee responsible for evaluating the medium-term expenditure framework budget submissions of national departments and making recommendations to the Minister of Finance regarding allocations to national departments.
Medium-term expenditure framework (MTEF)	The three-year spending plans of national and provincial governments published at the time of the Budget.
Medium-term strategic framework	The five-year strategy of government coinciding with the electoral term.
Monetary policy	The actions taken by a country's monetary authority (for example, the Reserve Bank), usually focused on money supply and interest rates.
Money supply	The total stock of money in an economy.
National budget	The projected revenue and expenditure flowing through the National Revenue Fund. It does not include spending by provinces or local government from their own revenues.

National Development Plan (NDP)	A national strategy to eliminate poverty and reduce inequality.
National health insurance (NHI)	A healthcare policy that aims to provide access to quality, affordable health services to all South Africans.
National Revenue Fund	The consolidated account of national government into which departmental revenue and all taxes, fees and charges collected by the South African Revenue Service must be paid.
Net asset position	The total value of a company's assets minus its liabilities.
Nominal exchange rate	The current rate of exchange between the rand and foreign currencies.
Nominal wage	The return, or wage, to employees at the current price level.
Non-interest expenditure	Total expenditure by government less debt-service costs.
Occupation-specific dispensation (OSD)	A public-sector initiative aimed at improving government's ability to attract and retain skilled employees in targeted occupations through increased remuneration.
Opportunity cost	The cost of an alternative forgone to pursue a certain action.
Payroll tax	Tax that an employer withholds and/or pays on behalf of employees based on their wages or salaries.
Potential growth	The fastest growth that an economy can sustain without increasing inflation.
Primary deficit/surplus	The difference between total revenue and non-interest expenditure. When revenue exceeds non-interest expenditure, there is a surplus.
Primary expenditure	Non-interest expenditure by government.
Primary sector	The agricultural and mining sectors of the economy.
Private-sector credit extension	Credit provided to the private sector by banks. This includes all loans, credit card balances and leases.
Productivity	A measure of the amount of output generated from every unit of input over a period of time. Typically used to measure changes in labour efficiency.
Protectionism	When a country restricts international trade to protect domestic industries.
Public entities	Companies, agencies, funds and accounts that are fully or partly owned by government or public authorities and regulated by law.
Public-private partnerships	A contractual arrangement in which a private party performs a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria.
Public-sector borrowing requirement	The consolidated cash borrowing requirement of general government and non-financial public enterprises.
Purchasing managers' index (PMI)	A composite index measuring the change in manufacturing activity compared with the previous month.

Rating agency	A company that evaluates the ability of countries or other borrowers to honour their debt obligations. Credit ratings are used by international investors as indications of risk. See also <i>credit rating</i> .
Real effective exchange rate	A measure of the rate of exchange of the rand relative to a trade-weighted average of South Africa's trading partners' currencies, adjusted for inflation.
Real expenditure	Expenditure measured in constant prices – in other words, adjusted to remove the effects of inflation.
Real interest rate	The level of interest after removing the effects of inflation.
Recapitalisation	Injection of funds into a company or entity to aid liquidity, either as a loan or in return for equity.
Redemption	The return of an investor's principal in a fixed-income security, such as a preferred stock or bond.
Refinancing	The repayment of debt at a scheduled time using the proceeds of new loans.
Repurchase (repo) rate	The interest rate at which the Reserve Bank lends to commercial banks.
Reserves (foreign exchange)	Holdings of foreign exchange, either by the Reserve Bank only, or by the Reserve Bank and domestic banking institutions.
Revaluation gain/loss	The difference in value of an asset, liability or transaction between its original (historical) rate and its current rate.
Risk premium	A return that compensates for uncertainty.
Rollover	Funds not spent during a given financial year that flow into the following year's budget.
Seasonally adjusted and annualised	The process of removing the seasonal volatility (monthly or quarterly) from a time series. This provides a measure of the underlying trend in the data. Once the rate is annualised, it is expressed as if it were applied over one year.
Social grants	Social benefits available to qualifying individuals, funded wholly or partly by the state.
Southern African Customs Union (SACU) agreement	An agreement that allows for the unrestricted flow of goods and services, and the sharing of customs and excise revenue, between South Africa, Botswana, eSwatini, Lesotho and Namibia.
Southern African Development Community (SADC)	A regional intergovernmental organisation that promotes collaboration, economic integration and technical cooperation throughout Southern Africa.
Sovereign debt	Debt issued by a government.
Special economic zone	A designated area where infrastructure and incentives are provided to clusters of businesses to encourage private investment and employment growth.

Structural reforms	Measures that are put in place with the aim of substantially changing the economy, or the institutional and regulatory framework in which people and businesses operate.
Supply-side constraints	When a country's productive capacity cannot keep up with rising demand.
Switch (auction)	Auctions to exchange bonds to manage refinancing risk or improve tradability.
Tax avoidance	When individuals or businesses legitimately use provisions in the tax law to reduce their tax liability.
Tax buoyancy	The relationship between total tax revenue collections and economic growth. This measure includes the effects of policy changes on revenue. A value above 1 means that revenues are growing faster than the economy; a value below 1 means they are growing below the rate of GDP growth.
Tax evasion	When individuals or businesses illegally reduce their tax liability.
Tax-to-GDP ratio	For public finance comparison purposes, a country's tax burden, or tax-to-GDP ratio, is calculated by taking the total tax payments for a particular fiscal year as a fraction or percentage of the GDP for that year.
Terms of trade	An index measuring the ratio of export prices to import prices.
Trade balance	The monetary record of a country's net imports and exports of physical merchandise. See also <i>current account</i> .
Transversal term contract	A fixed-term contract to procure goods or services needed by more than one government department.
Treasury bills	Short-term government debt instruments that yield no interest but are issued at a discount. Maturities vary from one day to 12 months.
Twin deficit	The combination of deficits on the budget and the current account.
Twin peaks	An approach to organising financial sector regulation and supervision involving two regulators. One is responsible for ensuring financial services firms sell their products in an appropriate way. The other is responsible for ensuring financial firms remain financially sound and are generally prudent.
Undercapitalisation	Lack of sufficient funds (capital) to conduct day-to-day operations.
Unit labour costs	The cost of labour per unit of output, calculated by dividing average wages by productivity (output per worker per hour).
Unsecured lending	A loan that is not backed or secured by any type of collateral to reduce the lender's risk.
Yield	A financial return or interest paid to buyers of government bonds. The yield/rate of return on bonds includes the total annual interest payments, the purchase price, the redemption value and the time remaining until maturity.

1. APPOINTMENT OF APAC MEMBERS / AANSTELLING VAN OPOK-LEDE / UKUQESHA KWAMALUNGU E-APAC

(4/1/2/4/1)

08 February 2022

REPORT FROM THE MUNICIPAL MANAGER (M STRATU) / CHIEF AUDIT EXECUTIVEE (P LUFELE)

2 PURPOSE

To obtain Council approval for the appointment of the newly recruited persons as members of Garden Route District Municipality's Audit and Performance Audit Committee ("APAC") and to request extension of the APAC Chairperson's contract.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

4.1 After Council approved the recruitment process to fill the vacancy of the APAC member whose contract expired on 31 October 2021, two attempts at recruiting a suitable candidate were attempted without success and we resorted to a headhunting process that led to the recommendation of the person we are tabling for your approval.

4.2 On Monday, 24 January 2022, we also received a resignation Mr Geoff Stenekamp as a member of APAC due to health issues, effective 28 February 2022. We went through the CVs of the applicants that applied in the previous two recruits and identified a suitable candidate to replace Mr Stenekamp with skill sets that will be beneficial to the APAC.

4.3 The contract of the APAC Chairperson is coming to an end on 31 March 2022, this is a great concern for GRDM. Our Committee has new members, Mr S Marahaj (1 year) and two new recruits who are still to resume their duties – Adv

L Mtunzi and Mr ABJ Dipennaar. We would propose the extension of her contract.

5. RECOMMENDATIONS

- That Council approves the appointment of Adv L Mtunzi and Mr ABJ Dipennaar as members of APAC, effective 1 March 2022 to 28 February 2025.
- That Council approves the extension of Dr A Potgieter as a member of the APAC for a period of 2 years (1 April 2022 – 31 March 2024).

6. DISCUSSION / CONTENTS

6.1. Background

The approved APAC Charter states the following regarding the "Skills and Experience" required from GRDM's APAC members:

Members should be selected from different areas of expertise to enhance the APAC's overall knowledge of GRDM and the ability to discharge its obligations and provide appropriate recommendations to GRDM's council. The appointed members should collectively possess the following skills and experience:

- *Private and public sector experience;*
- *An understanding of service delivery priorities;*
- **Good governance and/or financial management experience;*
- *An understanding of the role of GRDM's council and councilors;*
- *Familiarity with risk management practices;*
- *An understanding of internal controls;*
- *An understanding of major accounting practices and frameworks (ISO 9001) and public sector reporting requirements;*
- *Familiarity with legislation applicable to municipalities;*
- *And understanding of the roles and responsibilities of internal and external auditors;*
- *An understanding of the treatment of allegations and investigations;*
- *An understanding of the performance management system; and*
- *At least one member must have expertise in performance management.*

Section 166(4)(a) of the Municipal Finance Management Act states "An audit committee must consist of at least three persons with appropriate experience, of whom the majority may not be in the employ of the municipality or municipal entity, as the case may be"

6.2 Discussion

Currently, GRDM's APAC has skills relating to Performance Management, Risk Management and Finance. There is a need for a member that possesses Legal and Internal Audit skills set amongst others. Considering that some of the main responsibilities of APAC is to interpret legislation applicable to municipalities and the treatment of allegations and investigations, it is integral that such skills be sourced for the committee.

Council also resolved that the appointment should be in line with the Employment Equity Policy, which in this case gives preference to a Black Female. On 02 September 2021, we advertised the vacancy on our Municipal Website and other social media platforms and four (4) applications were received. From these applicants, we (Mr T Loliwe, Ms P Lufele and Adv N Davids) interviewed one candidate who had an LLB Degree and an Audit Committee experience. However, she did not prove to be competent for the position.

On 07 October 2021, we re-advertised the position on the Regional Newspapers in order to reach a bigger audience and eight (8) applications were received. From the above list of applicants, there were two (2) candidates with the relevant skills and experience; however, they are not within the employment equity target group. Due to these failed attempts at recruiting the member of the APAC, we followed the headhunting process and we are submitting the name of Adv Lindiwe Mtunzi for consideration as APAC Member as she possesses the required skills and expertise and falls within the targeted employment equity group.

(Her Curriculum Vitae is attached)

Since the resignation of Mr Geoff Stenekamp, we went through the CVs of the applicants that applied in the previous two recruits and identified a suitable candidate to replace Mr Stenekamp with skill sets that will be beneficial to the APAC. Therefore, we would like to recommend Mr ABJ Dipennaar for consideration as a member of APAC.

(His Curriculum Vitae is attached)

The contract of the APAC Chairperson is coming to an end on 31 March 2022, this is a great concern for GRDM. Our Committee has a group of new members, Mr S Marahaj (1 year) and the other two news recruits who are still to resume their duties – Adv L Mtunzi and Mr ABJ Dipennaar. We would propose the extension of her contract.

The Chairperson (Dr A Potgieter) has been with GRDM and she holds a sterling record in the work she performs. She understands the business of local government and that of GRDM. It is important for the purposes of sustainability to retain her skills and experience; she has proven to be of great value in leading the members and providing them with the needed assurance in GRDM's processes.

6.3 Financial Implications

R3 928,50 per member / per meeting
R6 475,50 per Chairperson / per meeting

6.4 Legal Implications

None

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

None

6.7 Risk Implications

Non-compliance with the MFMA

A.B.J.DIPPENAAR
P.O.BOX 1344 GEORGE 6530
CELL 082 457 5675 FAX 0866791603 EMAIL DYNDDEV@MWEB.CO.ZA

13 OCTOBER 2021

**CHIEF AUDIT EXECUTIVE
GARDEN ROUTE DISTRICT MUNICIPALITY
P.O.Box 12
GEORGE
6530**

NOTICE 95/2021 APPLICATION AUDIT COMMITTEE MEMBER

Below you will find details regarding my CV for above mentioned position.

I have more than 15 years experience serving on a number of Audit and Performance Audit Committees as well as experience in serving on financial misconduct committees (Disciplinary Board) for municipalities.

Over the past twenty plus years I involve myself with the field of government with special interest in auditing, performance management, relevant fields of legislation and training. I served as a Audit Committee member for 10 years with the Swartland Municipality. As Chairperson, I served 6 years on the audit committee of Mossel Bay Municipality, and a number of years on the audit committees of Garden Route District Municipality, George and Kannaland Municipalities. Currently I serve as the Chairperson of Oudtshoorn and Prins Albert Municipality audit committees.

For the past 4 years I serve as the Chairperson of Mossel Bay Municipality Financial Tribunal Disciplinary Committee (Disciplinary Board).

Since 2011 the Nelson Mandela University, Faculty of Law in Action use my services for training in various aspects of Local Government Functioning and laws that Councillors must know and understand. I have done training for large number of municipalities and councillors over the years including but not limited to: MFMA (Municipal Finance Management Act), Constitutional Mandate of Local Government, Decision Making, Rules of Conduct, Participation and Communication, Delegations Oversight, Supply Chain Management, and many more.

As Chairperson for the past two years of the Facility Management Board in the Western Cape I fully understand legislation related to children such as Child Justice Act & Regulations and the Children's Act & Regulations.

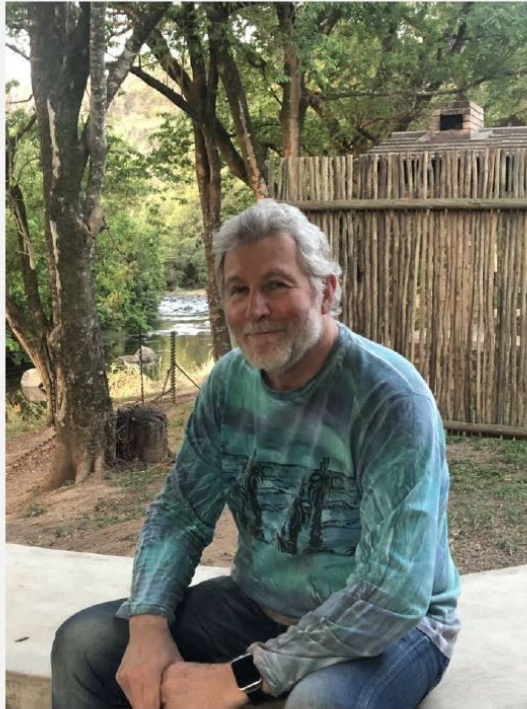
As an experienced investigator, I have done work for a number of municipalities related to Councillors who contravene the Municipal Code of Conduct.

Based on above I can state that I am well experienced and competent in investigations, report writing, compliance monitoring and relevant legislation.

REFERENCES:

- | | | | |
|----|--------------------|--|--------------|
| 1. | Mr. Joggie Scholtz | JoggieScholtz@swartland.org.za | 082 823 7542 |
| 2. | Dr Rajesh Maharaj | rajesh.maharaj@sccollege.co.za | 044 884 0359 |
| 3. | Dr Florus Prinsloo | doc@synapticmentor.co.za | 082 603 8417 |
| 4. | D-Mayor Dirk Kotze | dkotze@mosselbay.gov.za | 083 275 0033 |
| 5. | Dr.M.Gratz | mgratz@george.gov.za | 044 801 9069 |

A Diffenaa



CV

Alewyn B J Dippenaar
P.O.Box 1344
George, South Africa
6530
Cell : 082-457-5675
E-Mail : dyndev@mweb.co.za

CURRICULUM VITAE

ALEWYN BERNARDUS JACOBUS DIPPENAAR

FORMAL QUALIFICATIONS

ACADEMIC

- * 1983 : Hons.B.Diac Social Work Unisa
- * 1988 : Human Resource Management (MBL1-Unisa)
Legal Environment (MBL1-Unisa)
Organisational Behaviour (MBL1-Unisa)
- * 1989 : Business Economics 1 Unisa
Labour Law 1 Unisa
- * 1990 : Business Economics 2 Unisa
Industrial Psychology 2 Unisa
- * 1991 : Business Economics 3 Unisa
Marketing Management
- * 1992 : Industrial Psychology 3 Unisa
Personnel Psychology
Economics
- * 1993 : Consumer Behaviour

SHORT COURSES

- * 1985 : Interpersonal Efficiency (3 Days) : De Bod, Gardner and Associates
- * 1986 : Interactive Management (5 Day) FSA
- * 1988 : Training Techniques for semi and illiterate people (2 Days) Rural Foundation
- * 1992 : Appropriate Management of Self - help Organisations in Southern Africa : Marburg Consult fur Selbsthilfeforderung eG : **Harare Zimbabwe (4 Weeks)**
- * 1993 : Facilitation Skills (3 Days) : Gouws Woods and Partners
- * 1994 : Techniques of Project Planning : **Deutsche Stiftung fur Internationale Entwicklung (2 Weeks)**
- * 1995 : Techniques of Regional Rural Development Planning (2 Weeks) **DSE Berlin**
- * 1999 : Project Management and project administration for senior officials on non-governmental overseas organizations - **Akademie Klausenhof in Rhede Germany (3 May - 12 June 1999)**
- * 2003: Performance Management Systems in local government: DPLG
- * 2010: Export Development Programme (SEDA/WESGRO/DTI)
- * 2011 Advanced Export Development Programme (SEDA)
- * 2016 Legislation relevant to Councillors in Local Government
- * 2020 Level 1 – 3 First Aid

KEY FOCUS AREAS

I would like to make mention of the following activities relevant to the advertised position:

- Since April 2019 I serve as the **Chairperson** of the Management Board for state owned and managed child and youth care centers in the Western Cape. Appointment by the MEC for Social Development in the Western Cape for 5 years
- Since April 2019 I serve as the **Chairperson** of the South Cape TVET College, appointed by the National Minister of Education.
- I also serve as the **Chairperson** of the SCTVET College Finance Committee and Member of the Audit & Risk Committee.
- Currently I serve as **Chairperson** on the **Audit Committees** of Prins Albert Municipality and Oudtshoorn Municipality. For 6 years I served as the Chairperson of Mosselbay Municipality Audit Committee until May 2021. (Focus on Performance Management, IDP, SDBIP, MFMA and other relevant legislation).
- Currently I serve for the past 3 years as the **Chairperson** of the Financial Misconduct Disciplinary Tribunal of the Mossel Bay Municipality. My appointment was extended in 2021 until 2023.
- I have also served on the **Audit Committees** of the Swartland Municipality for 10 years, the George Municipality (2012 – 2014) and the Eden District Municipality for 3 years.
- Currently I am actively involved in the **training field** and have provided training to Municipal Councillors of 16 municipalities in the field of the Municipal Finance Management Act under the umbrella of NMU Centre for Law in Action and the WC Provincial Government. I was selected to be part of the training team to train the new councillors after the August 2016 elections regarding MFMA, Public Participation and Communication, Oversight, Role of Councillors in SCM and Decisions / Decision Making.
- **Investigator** / initiator duties performed for the following municipalities: Swellendam, Hessequa and Knysna.




ABJ Dippenaar

PROJECT EXPERIENCE OVER LAST 30 YEARS IN GOVERNMENT AND RELATED

- **IDP's** : Compile Integrated Development Plans for 14 municipalities in the Western Cape including research and public participations processes. For some of these municipalities IDP were done over number of years e.g. George(8 years), Swartland (6 Years), Hessequa (3 years), Mosselbay (3 years), Bergrivier (3 Years), Saldanha (2 years), Eden DM (4 years) and Swellendam (2 years)
- **Evaluation of IDP's**: Evaluated 12 IDP's for the Department of Local Government Western Cape to determine if they are on the required standard.
- **Development planning and project management** : Responsible for the management of George and Stellenbosch Spatial Development Planning Process;
- **Performance Management**: involved in developing of performance management systems including performance contracts for senior management of municipalities and municipal managers. Performance appraisals done for Art 57 staff of three municipalities.
- **Strategic Planning**: Local, provincial and national level. Strategic planning done for 5 Western Cape Provincial Departments including Social Welfare, Housing, Local Government, Environmental Affairs and Development Planning. Strategic planning done for various municipalities. Strategic planning done for Deaf Federations of South Africa on national and provincial level, Deafblind South Africa on national and provincial level.
- **Ward Committees**: Establish ward committee system for George municipality including training of 200 ward committee members. Training of ward committee members for various other municipalities.
- **Policy formulation**: Formulate policy on housing, sport development, disaster management, poverty and economic development for different municipalities. Public participation and communication policy formulated for use in municipalities. Sustainable human settlement strategy and plan for Hessequa Municipality.
- **Training**: training of number of people in project management, research techniques, facilitation, HIV and Aids and different other topics. Training of 15 Municipalities Councillors in Municipal Finance Management Act
- **Public Participation**: Facilitate more than 350 public participation meetings and open days over the last 15 years regarding development planning subject matter. Special projects include involvement with public participation meetings of the Western Cape Provincial Growth and Development Strategy, Cape Winelands growth and development strategy and Eden District municipality growth and development strategy and Eden DM Climate Change Summit.
- **Feasibility studies**: Studies done regarding future of holiday resorts and caravan parks, economic projects and development planning. Feasibility study done in Hermanus on pre-paid water and electricity interface unit with combined debit card facilities on behalf of Department of Forestry, Water Research Council, Eskom and Hermanus Municipality.

- Further research projects include tourism development in Swartland and Swellendam municipalities.
- **Research** : Different research project executed including socio-economic impact of reduction in child maintenance grants on beneficiaries and economies of towns; research on housing needs for different towns, economic and social profiles of around 60 towns in the Western Cape as part of integrated development planning, economic strategies or other developmental projects. Further research done on perception analysis on service delivery within municipalities. Research done on social and economic potential of route between Oudtshoorn and the Cango Caves. Current public transport record surveys in 5 municipalities in Overberg DM as well as in George Municipality. Communication Methods towards a revised communication strategy for George Municipality completed in 2019. Research on current and future programme of the South Cape TVET College completed in 2018.
- **Water:** involvement with formulation of water services development plans, water catchments agencies and water users associations.
- **Customer Satisfaction Surveys** done for Swartland, Mossel Bay and Baviaans Municipalities.
- **Socio economic profiles** prepared for Swellendam, Barrydale, Suurbraak, and all the towns on the West Coast over the last 3 years. Development and socio – economic profiles compiled for rural farming areas of all towns in the Klein Karoo.
- **Public transport:** Management and facilitation of mobility strategy for George on behalf of Department of Transport and Public Works including public participation and communications.
- **Economic Development:** Compile economic development plans for the following municipalities: Magareng, Hessequa, Swellendam, Mossel Bay, Swartland and Cape Winelands District Municipality and Francis Baard District Municipality. Economic development implementations plans formulated for Hessequa, Francis Baard DM and George Municipality. Tourism development plan and strategy for Mossel Bay Municipality
- **Socio –economic impact assessments** done regarding housing developments for Cape Winelands District Municipality, housing development for private developers for Jacobsbay and Romansbaai . Impact assessment for golf estate in Franschhoek area for private developers. Impact assessment for Wine Estate regarding hotel, restaurant and accommodation facilities.
- **Socio – economic impact** of proposed pebble bed nuclear reactor and social impact assessment for Nuclear-1, three sites for proposed conventional nuclear power stations.
- **Viability studies** done for Eden Country Inn, Kaapsche Hoop Guesthouse.
- **Audit Committee** serving Chairperson of Mossel Bay, Oudtshoorn and Prins Albert Municipality audit committees with key focus on performance management, IDP's, and SDBIP.
- **Perception Analysis** Specialised studies done for Pinnacle Point Beach and Golf Resort, Nuclear Power Plant proposed sites in Jeffrey's Bay, Koeberg and Pearly Beach, as well as Thembaletu (George) Small Business Development. Over the last 2 years a perception study was done regarding craft beer drinkers and festivals.

- **Skills Development Research:** Done research for the Garden Route South Cape College regarding current demands for vocational and technical training programmes and demand for future programmes.
- **Festivals and Events:** Owner and organiser of the Thousand Sensations Craft Liquor, Food and Music Festival. The 5th largest festival of its kind in South Africa running for 5 years. Wine & Whatever Wine Experience in 2019. As founder of Adventures Garden Route DMC I have organised two Adventure Indaba's & Expo's in 2018 and 2019 in Wilderness. Each attended by more than 100 product holders in the Adventure Tourism Industry. Active involvement with the Soul Festival in Mossel Bay in 2019 and the George Kite Festival in 2018 and 2019.
- **NPO Projects:** Currently a Board Member (Board of Directors) and Events Director for the Outeniqua Wheelchair Challenges hosted by die Disabled Road Race Foundation. The only project of its kind with more than 1 000 participants in wheelchairs for a 5, 10, 21.1 and 42.2 km race.
- For 4 years I had the responsibility to manage the **public participation office** of the Go George Bus System until it became operational. The task included workshops, research, etc. Currently I am responsible for all engagements with the business sector – formal and informal as well as property owners.
- Section 76 – 78 Reports done on Tourism for the Swellendam and Knysna Municipalities to determine internal or external performance of function and best models to deliver tourism services.
- **Board Experience:** I have served on the Board of Directors of the Huguenote College for more than 6 years. Currently I serve on the Board of Directors for Ithemba Lebomi and also the Chairperson of the Advisory Board of Africa Skills EFT College. I am also a member of the Management Board of SKAL International Garden Route and **Vice-President** of SKAL South Africa. I serve currently as Chairperson of Council of the South Cape TVET College in George appointed by the National Minister of Education and Chairperson of the Management Board of Youth Facilities in the Western Cape appointed by the Western Cape Provincial Minister for Social Development.



**SOUTH AFRICAN
COUNCIL FOR SOCIAL SERVICE PROFESSIONS**

Registration Certificate

It is hereby certified that the name of


ALEWYN BERNARDUS JACOBUS DIPPENAAR


Registration number: **1006717**

In terms of section 19(1) of the Social Service Professions Act, 1978, has been entered in the Register and that the said person has thus been registered in terms of section 17(1), as a


SOCIAL WORKER

with the Council.




President



28 June 2018
Registration date


Registrar

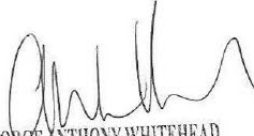
The validity of this certificate is subject to the submission of the receipt proving that the annual fee for the current financial year, which ends on 31 March, has been paid.

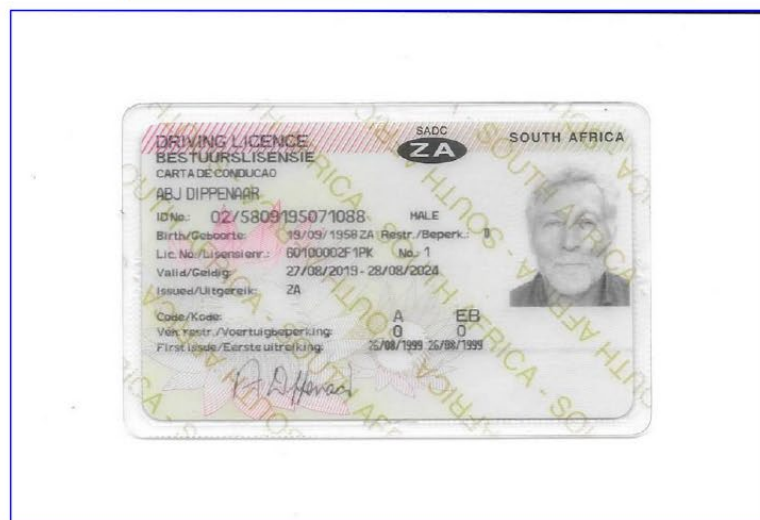
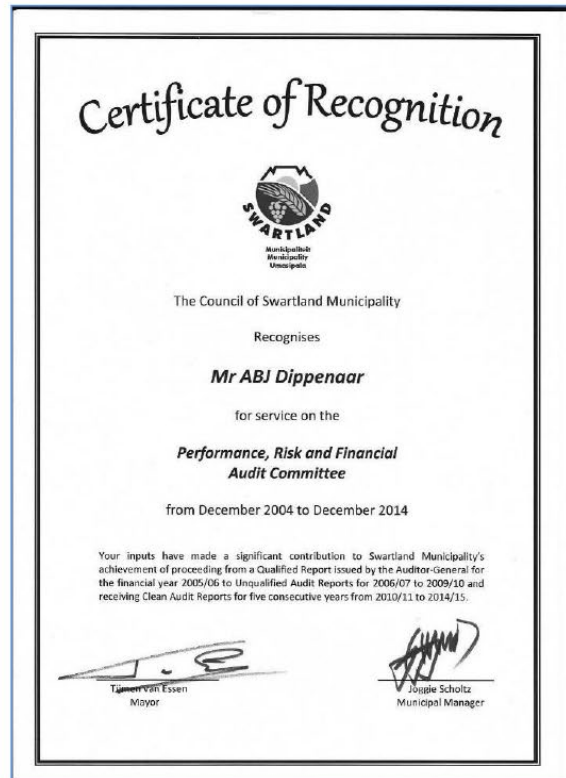
If the name of the holder of this certificate is removed from the Register, this certificate will in terms of regulation 4(2) be deemed to be cancelled as from the date of deletion.

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<p>GEREGISTREERDE WOON- EN POSADRES</p> <p>1. Bewaar die bewys van u GEREGISTREERDE WOON- EN POSADRES in hierdie sakke.</p> <p>2. Indien u van adres verander het, of indien besonderhede van u huidige adres, bv. straatnaam en/of -nommer, ens. verander het, moet die vorm KENNISGEWINS VAN ADRESVERANDERING, wat in die sakke agter in die identiteitsdokument is, gebruik word om die verandering aan te meld en moet dit ingedien word by of gepos word aan die regsaak-streek- of streekkantoor van die DEPARTEMENT VAN BINNELANDSE SAKE.</p> <p>REGISTERED RESIDENTIAL AND POSTAL ADDRESS</p> <p>1. Keep the proof of your REGISTERED RESIDENTIAL AND POSTAL ADDRESS in this pocket.</p> <p>2. If you have changed your address, or, if particulars of your present address, e.g. name of street and/or street number, etc. have been changed, the NOTICE OF CHANGE OF ADDRESS form in the pocket at the back of the identity document must be used to report the change and it must be handed in at or posted to the nearest regional district office of the DEPARTMENT OF HOME AFFAIRS.</p>	<p style="text-align: center;">1</p> <p>I.D.No. 580919 5071 08 8</p>  <p>S. A. BURGER/S. A. CITIZEN</p> <p>VAN/SURNAME DIPPENAAR</p> <p>VOORNAME/FORENAMES ALEWYN BERNARDUS JACOBUS</p> <p>GEDOORTEDISTRIK OF -LAND/ DISTRICT OR COUNTRY OF BIRTH SUID-AFRIKA</p> <p>GEDOORTEDATUM/ DATE OF BIRTH 1958-09-19</p>  <p>DATUM UITGEREIK DATE ISSUED 1999-02-04</p> <p>UITGEREIK OP BESAG VAN DIE DIREKTEUR-GENERAAL BINNELANDSE SAKE</p> <p>ISSUED BY AUTHORITY OF THE DIRECTOR-GENERAL HOME AFFAIRS</p>
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TRUE COPY
OF THE ORIGINAL**


GEORGE ANTHONY WHITEHEAD
 Kommissaris van Lede • Commissioner of Oaths
 Praktiserende Prokureur • Practising Attorney
 Cathedral Street 62 Cathedral Street
 George, 6530, R. S. A.



Universiteit van Suid-Afrika



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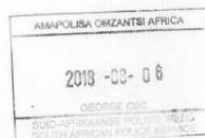
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 Certify that this document is a true reproduction copy of the original
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 the law which was enacted by me and that, from my observation the
 information, the reproduction of the original was correctly made
 and that it has not been altered in any manner.

ALEWYN BERNARDUS JACOBUS DIPPENAAR

HANOTEX™

op 2 Mei 1983

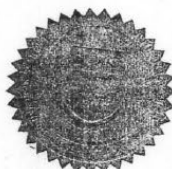
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Honneurs-Baccalaureus Diaconologiae

aangesien aan die vereistes van die Wet en die Statuut voldoen is en nadat die opleiding in samewerking met die Hugonote-Kollege van die Nederduitse Gereformeerde Kerk geskied het

Franklyn
—
Vize-Konsoller



[Signature]
Dekan

MH10ckhoff
Registrator

PRETORIA

***** END OF REPORT *****

CURRICULUM VITAE:

LINDIWE MTUNZI

PERSONAL INFORMATION

Nationality: South African

Address: 12 Southdown Second Avenue Harfield Village

Contact Numbers: 082 976 4400

Email Address: lmtunzi@gmail.com

SUMMARY OF EXPERIENCE

I am a motivated, personable business professional with a B Juris from the University of KwaZulu Natal and an LLB from Wits University. I have a successful professional career boasting over 16 years of working in various industries and sectors of the economy. I work with authenticity and tact with executives and all other levels within an organisation.

I am flexible and versatile – poised and competent with demonstrated ability to easily transcend cultural differences. I thrive in deadline-driven environment. I am an independent worker. I also possess great interpersonal skills, making it easy for me to work in a team and for me to relate to people from different walks of life. I am flexible, sensitive and intuitive to other peoples' ideas and suggestions. My personal and professional values are integrity, hard work and excellence. I want to always enjoy what I do thereby ensuring that I give my best.

I would bring to any organisation positive energy and demonstrated expertise in corporate services, negotiations, communication and leadership skills.

EMPLOYMENT HISTORY

Compliance Consultant	Independent contractor, 2015 to date
South African Board of Sheriffs	Legal Compliance Manager, June 2012 to May 2015
Advocate of the High Court	Practising Counsel, June 2010 to May 2012
Petroleum Agency	Licensing Legal Compliance Manager, May 2005 to Nov 2009
Gauteng Provincial Legislature	Secretariat Officer, February 2002 to April 2005
Nokusa Consulting	Consultant, February 2000 to November 2002
Bureau of Justice Assistance	Assistant to the Director, January 1997 to January 2000

EDUCATIONAL QUALIFICATION

University of KwaZulu Natal	B Iuris (1989-1992)
University of the Witwatersrand	LLB (1993-1995)
Wits Graduate School of Public and Development Management Programme in Petroleum Economics and Policy (2000)	

PROFESSIONAL QUALIFICATIONS

Advocate of the High Court of South Africa (1996)
 Member of the Cape Bar (2011-2012)
 Member of the Johannesburg Bar (1997)
 Johannesburg Bar Pupillage (1996)
 Admitted as an advocate of the High Court (1996)

SKILLS SUMMARY

- Analytical and problem solving
- Negotiation
- Communication
- Legal Analysis
- Integrity and professional ethics

PROFESSIONAL EXPERIENCE

DECEMBER 2015 TO DECEMBER 2018	<p>Served as Non-Executive of the Central Energy Fund.</p> <p>Served as Chairperson of the Human Resources Committee.</p> <p>Served as a member of the Board Audit and Risk Committee.</p> <p>Served as Interm Chairperson.</p> <p>Served as member of Socila and Ethics Committee at Petroleum Oil and Gas Company.</p>
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COMPLIANCE CONSULTANT

Independent consultant where I work on a number of assignments. These vary from the following:

- Developing and reviewing legislative universe applicable.
- Contribute to the implementation of new legislation and developments in the regulatory environment and business implications thereof.
- Conduct compliance audits.
- Develop and execute monitoring plan to ensure implementation of internal control and processes.
- Provide advice and guidance regarding compliance matters.
- Prepare and submit regulatory compliance reports.
- Conduct training on compliance related matters.
- Supporting the Head of Human Resources in ensuring reviewing human capital strategy and implementation plan.
- Assisted in the implementation of an Operating Model project for a Commercial Business unit. This included assisting the design of the Operating Model and the staffing analysis. In addition, supported the other teams on the project who focused on process reengineering, human resources, training analysis, communication and other related logistics to ensure a successful implementation of the new Operating Model.
- Provided direction and support to the Organisation Development department in the implementation of organisational values through large scale workshop facilitation and drafting of an organisation behavioural competency dictionary.

SOUTH AFRICAN BOARD OF SHERIFFS : LEGAL AND COMPLIANCE MANAGER SOUTH AFRICAN BOARD OF SHERIFFS

- Chaired disciplinary hearings in matters involving disputes between sheriffs and attorneys.
- Ensured compliance by the Board of its statutory mandate in terms of the Sheriffs Act, compliance with related legislation, regulations and relevant codes.
- Managed human resources for the Legal and Compliance Division and its budget.
- Ensured effective and efficient management of Legal and Complaints Division.
- Prepared business plan and budget for the Legal and Complaints Division.
- Ensured compliance of legal obligations by Sheriffs.
- Provided administrative assistance and support to the Compliance Committee, Legal and Liaison Committee, Standing Disciplinary Committee and Consultative Forum Committee.
- Liaised and work with Inspectorate Division and Internal Audit Division.
- Oversaw, processed and evaluated complaints received.
- Managed the process for legislative review and amendment.
- Drafted and review contracts and other legal documents.
- Provided legal advice to the Board.
- Managed litigation for and against the Board.
- Ensured improvement of administrative systems.

PRACTISING ADVOCATE OF THE HIGH COURT OF SOUTH AFRICA

- Offered compliance advisory services.
- Carried out implementation of a compliance function.
- Compiled policies and procedures.
- Conducted compliance audits.
- Conducted compliance training of employees in respect of compliance requirements.
- Rendered regulatory assistance.
- Drafted pleadings and motion court applications.
- Presided as an assessor in criminal proceedings.

PETROLEUM AGENCY SA (PTY): LICENSING AND LEGAL COMPLIANCE MANAGER

- Established and implemented a Licensing and Legal Compliance Function.

- Represented Licensing and Legal Compliance Functionary Unit at EXCO.
- Arranged and facilitated legal compliance risk assessment workshops.
- Ensured the legislative landscape for the area of responsibility is updated regularly.
- Provided input on the compilation, updating and improvement of legal compliance risk register, compliance framework and Divisional policies.
- Created awareness of legislative requirements and legal risks.
- Managed the process of screening and evaluating applications for exploration and production of oil and gas.
- Drafted exploration right, production right and technical co-operation contracts.
- Participated in extensive negotiations leading to signing of contracts with operators.
- Monitored compliance with contract conditions and advised on appropriate actions where there were potential problems.
- Prepared a strategy and business plan for the functionary unit.
- Prepared monthly and quarterly reports of the functionary unit.

GAUTENG PROVINCIAL LEGISLATURE : SECRETARIAT OFFICER

- Implementation and management of reporting systems in compliance with the Treasury guidelines
- Ensured delivery of monthly, quarterly and annual reports by the different functionary units.
- Coordinated and provided administrative and logistical support for the strategic planning process.
- Oversaw the issuing of notices for meetings of the Board and its sub-committees, attendance registers and prepared agendas in consultation with the Chairman of the Board.
- Prepared Board packs.
- Attended Board meetings and produced minutes of meetings.
- Drafted action lists and resolutions of the board and its subcommittees.
- Produced evaluation questionnaire for the board and its committees.
- Drafted and reviewed existing charter of the Board and its sub-committees.
- Liaised with stakeholders.

NOKUSA CONSULTING : CONSULTANT ENERGY WORSTREAM

- Assisted the Department of Minerals and Energy in the development of legislation to establish regulatory arrangements for the petroleum liquids pipeline industry.
- Assisted the Department of Minerals and Energy in the development of a strategy for the advancement of interests of historically disadvantaged South Africans in the liquid fuels sector.
- Assisted in the development of a strategy for the Central Energy Fund.
- Assisted in the due diligence leading into the merger of Soeker and Mossogass to form PetroSA.
- Assisted client in the preparation of shareholder compacts.
- Reviewed and formulated the corporate strategy including financial analysis of the operations; building a business case for the strategic options and initiatives; and reviewing and mapping of the business processes.
- Conducted Postal market study within SA to inform liberalisation of the monopoly that the SA Post Office enjoyed. This included benchmarking postal regulators in the world and the regulations that governed the postal sector; developed scenarios under the liberalisation of the postal market; and formulated a number of strategies for the Postal Regulator in terms of the postal market liberalization.

BUREAU OF JUSTICE ASSISTANCE : SPECIAL ASSISTANT TO THE DIRECTOR

- Provided overall assistance to the Country Director.
- Developed funding strategy for the Bureau and sourced potential funders for the Bureau.
- Prepared quarterly reports for funders for tabling at quarterly funders meetings.
- Monitored the performance of projects and consolidated reports received from project leaders into a single for presentation to Vera Institute of Justice the mother body.
- Prepared monthly and quarterly reports on performance of projects
- Liaised with stakeholders (funders, potential funders, relevant government department and interested parties).

REFERENCES

Ms Mapula Modipa
C: 083 577 3047
Email: mapulam@cef.co.za

- Ms Mabothogong Mathole
C: 083 419 0100
Email: mabomathole@gmail.com

- Mrs. Lindiwe Mekwe
W: 021 938 3569
C:082 885 9903
Email: mekwel@petroleumagency.co.za

BACK TO AGENDA

1. **EXTENSION OF TUNIMART CONTRACT FOR THE PROVISION OF TRAVELLING AND ACCOMODATIONS SERVICES / VERLENGING VAN TUNIMART KONTRAK VIR DIE LEWERING VAN REIS EN VERBLYFDIENSTE / UKWANDISWA KWESIVUMELWANO SABAKWA TUNIMART NGOBONELELO LWENKONZO YEZOHAMBO KUNYE NOKUHLALISWA**

09 FEBRUARY 2022

REFER REPORT FROM THE MUNICIPAL MANAGER (M. STRATU) / STRATEGIC MANAGER (T. LOLIWE)

2. **PURPOSE**

To request approval from Council to extend the Travel Agency contract with Tunimart (PTY) LTD (here in after referred to as Tunimart) with one year from 01 March 2022 to 28 February 2023 for the provision of Travel Agency services for council.

3. **DELEGATED AUTHORITY**

Council

4. **EXECUTIVE SUMMARY**

The Contract for Travel agency services entered into by and between the Garden Route District Municipality (GRDM) and Tunimart will come to an end in 28 February 2022. Council approval is sought to extend the contract to allow time for investigating the possibility of going out on a tender for Travel Agency service for the whole district (including the local municipalities).

5. **RECOMMENDATIONS**

1. That Council takes note of the contents of the report.

2. That Council approves the extension of the current Travel Agency contract between the Garden Route District Municipality and Tanimart for a period 1 March 2022 until 28 February 2023.
3. That the local community is given notice of the intention to extend the Travel Agency contract as determined by Section 116 of the Municipal Finance Management Act 56 of 2003.
4. That the local community is invited to submit representations to the municipality on matter.

AANBEVELINGS

1. *Dat die Raad kennis neem van die inhoud van die verslag.*
2. *Dat die Raad die verlenging van die huidige reisagent se kontrak verleng vanaf 1 Maart 2022 tot 28 Februarie 2023.*
3. *Dat die plaaslike gemeenskap in kennis gestel word rakende die voorneme om die Reisagentskapkontrak te verleng soos bepaal deur Artikel 116 van die Wet op Munisipale Finansiële Bestuur 56 van 2003.*
4. *Dat die plaaslike gemeenskap genooi word om verhoë rakende aangeleentheid by die munisipaliteit in te dien.*

IZINDULULO

1. Sesokuba iBhunga lithathele ingqalelo umongo wengxelo.
2. Sesokuba iBhunga liphumeze ukwandiswa kwesivumelano esikhoyo se Arhente Yezohambo ukususela ngomhla 1 kweyoKwindla 2022 ukuya 28 kweyoMdumba 2023.

3. Sesokuba uluntu lwasekuhlaleni lunikwe isaziso ngenjongo zokwandiswa kwesivumelwano se Arhente Yezohambo njengoko kuchaziwe kuMhlathi 116 woMthetho Wezolawulo LeMali zoMasiapal 56 wango 2003.
4. Sesokuba uluntu lasekuhlaleni lumenywe ukuba lunikezele ngenxgelo zalo kumasipala ngalomba.

6 DISCUSSION / CONTENTS

6.1 Background

The Garden Route District Municipality entered into a contract with Tanimart for provision of Travel Agency services. The need to go out on a tender for provision of Travel Agency services was necessitated by numerous findings by the Office of the Auditor General, who were querying the lack of coordination in the municipality where it comes to arranging travelling, conferences and accommodation by the different departments in the municipality. Prior to the appointment of the services provider, these services were either done via the deviation process or the use of credit card. The Municipality were subsequently prohibited from using credit card facilities and that made it very difficult to co-ordinate accommodation books.

To deal with the Auditor General's findings and to address the regulation challenges, the GRDM went out on a tender for provision of Travel Agency services, a contract which was awarded to Tanimart Travel Agency.

6.2 Discussion

With the introduction of the District Development Model (DDM), it became necessary for the GRDM to consider arranging a Travel Agency tender for the whole district. This was also necessitated by numerous request from the local municipalities in the District, who requested the GRDM to coordinate a Travel Agency tender on a district level. The

argument by the Municipalities was that it was not always economically sound for each municipality to have their own tenders, considering that some of them do not have officials who travel frequently. The local municipalities also argue that if they go out as a group, with the District leading, they will be able to save cost and get benefits of economies of scale.

Due to challenges caused by instability in the local municipalities, e.g most municipalities in the District do not have Municipal Managers and some have Executive Mayors changes regularly, it was not possible for the GRDM to coordinate the tender until the end of the Council term. With the beginning of the new term of Council, it is anticipated that the coordination process by the GRDM can be done without any major challenges.

Another challenge was the Covid -19 that made it difficult for municipalities to plan and to also have a sense of what it would cost to travel. It ought to be remembered that the Covid – 19 pandemic made it impossible for people to travel and therefore difficult to budget. This has also affected the current service provider, that was appointed for a three year period and two of those years were during the Covid 19 period.

In terms of the Local Government: Municipal Finance Management Act 56 of 2003, section 116, (3) provides the following:

Contracts and contract management

“MFMA s116. (3)

A contract or agreement procured through the supply chain management policy of the municipality or municipal entity may be amended by the parties, but only after:

(a) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent municipality; and

(b) the local community:

(i) has been given reasonable notice of the intention to amend the contract or agreement; and

(ii) has been invited to submit representations to the municipality or municipal entity."

Based on the above it is expected that all requirement under Section 116(3) of the Municipal Finance Act will be adhered to in realizing the extension to the Travel Agency contract.

6.3 Financial Implications

All the departments have made provision for Travelling and Accommodation in their budgets.

6.4 Legal Implications

Constitution of the Republic of South Africa, 1996 Section 217

Municipal Finance Management Act 56 of 2003 Section 116 (3)

6.5 Staff Implications

None

6.6 Linkage to Strategic Objective(s)

Good Governance

6.7 Previous / Relevant Council Resolutions

There are no previous or relevant Council resolutions related to this matter.

6.8 Risk Implications

If this request is not approved, Council will not have a Travel Agency and any travelling and accommodation procurement made thereafter may be irregular expenditure and will go back to Deviations.

SCANNED



SERVICE LEVEL AGREEMENT

Made and entered into by and between

Garden Route District Municipality

A municipality duly established in terms of Local Government Municipal Structures Act
117 of 1998


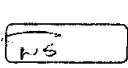

herein represented by **MONDE GIVEN STRATU** in his capacity as **Municipal
Manager** duly authorised thereto
(hereinafter referred to as "**the District Municipality**")

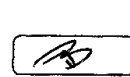
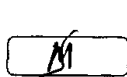
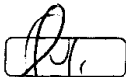
and

TUNIMART PTY (LTD) T/A TUNIMART TRAVEL

a company duly registered in terms of the Companies Act, 2008 (as amended)

Registration number **2017/017001/07** and herein represented by
SINOVUYO LINDWA NONXUBA, ID NUMBER: 850221 0692 080. in her capacity as
Director
duly authorised thereto
(hereinafter referred to as "**the Service Provider**")




 for the service provider




 for the district municipality

-2-

WHEREAS the District Municipality requires the services of a Travel Agency for all international and Domestic travel as well as accommodation of the District Municipality employees and Councillors, as set out in Tender No. E/18/18-19;

AND WHEREAS the Service Provider submitted a tender in response thereto;

AND WHEREAS FURTHER the District Municipality appoints the Service Provider as a Travel Agency for all international and Domestic travel as well as accommodation of the District Municipality employees and Councillors, as set out in Tender No. E/18/18-19.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 The headings to the clauses of this Agreement are for reference purposes only and shall in no way govern or affect the interpretation of, nor modify nor amplify the terms of this agreement nor any clause hereof, and unless the context dictates otherwise, the words and expressions set forth below shall bear the following meanings and cognate expressions shall bear corresponding meanings:

1.1.1 **"Agreement"** shall mean this Service Level Agreement, and all annexures attached hereto and "this agreement" or "the agreement" shall bear the same meaning.

1.1.2 **"Schedule A"** - Fees & Payment


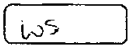
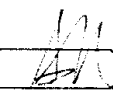
1.1.3 **"Commencement Date"** means the date when the service will officially commence, i.e. 1 March 2019, notwithstanding date of signature of the Agreement.


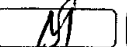

1.1.4 **"Parties"** mean the Service Provider and Garden Route District Municipality.

1.1.5 **"Signature Date"** shall mean the date of signature of this Agreement by the last party signing.

1.1.6 **"Tender"** shall mean the tender by the Service Provider for the provision of the services to the District Municipality.

1.1.7 **"Unremedied material breach"** means a breach of an obligation of the agreement which has not been remedied within the time period given and which is not the subject of a corrective action plan agreed to by the District Municipality.




 for the service provider




 for the district municipality

-3-

1.1.8 **"VAT"** shall mean value added tax payable in terms of the Value Added Tax Act 1991, as amended.

1.1.9 **"Day"** when any number of days is prescribed in this agreement, they shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday.

1.1.10 **"Month"** means a calendar month and more specifically:

1.1.10.1 in reference to a number of months from a specific date, a calendar month commencing on that date or the same date of any subsequent month; and

1.1.10.2 in any other context, a calendar month, that is, one of the 12 (twelve) months of the calendar, and "monthly" has the corresponding meaning.

1.1.11 "Group of people" means a group of more than 5 people.

1.1.12 "Long stay" means a booking for a period longer than 5 days.

1.2 Expressions defined in this agreement shall bear the same meanings in schedules and Annexures to this agreement, which do not themselves contain their own definitions.

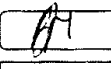
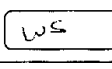
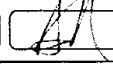
1.3 In the event of any inconsistency between the provisions of this Service Level Agreement and the terms and conditions contained in Schedule "A" the provisions of this Service Level Agreement shall prevail over the terms and conditions contained in the said Schedule "A".

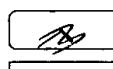

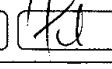
2. APPOINTMENT

2.1 The Service Provider, in accepting this appointment, expressly warrants that it possesses or has ready access to the infrastructure and or appropriate skills to execute all its obligations in terms of this agreement.

2.2 The Service Provider shall perform the obligations or rendering services to the District Municipality to the satisfaction of the District Municipality and shall carry out such services with due care and diligence and apply generally accepted practices, and must endeavor to act at all times in the best interests of the District Municipality.

2.3 The Service Provider represents and warrants to and acknowledges that, except to the extent otherwise expressly provided in this agreement, the sole




 for the service provider




 for the district municipality

-4-

relationship between the District Municipality and the Service Provider is that of an Independent Contractor.




- 2.4 Nothing in this agreement shall constitute an employer/employee relationship or an agency or a partnership between the Parties, nor shall it authorise the Service Provider to incur liability on behalf of the District Municipality, save to the extent expressly provided herein.




3. COMMENCEMENT AND DURATION

Notwithstanding the date of signature of this agreement, the agreement shall commence on **1 March 2019** and shall terminate on or before **28 February 2022**, unless the provisions of clause 5 (Responsibilities of the Service Provider) are timeously invoked, save for the provisions of clauses 10 and 11.

4. RIGHTS AND RESPONSIBILITIES OF THE MUNICIPALITY

- 4.1 The District Municipality undertakes to compensate the Service Provider for services rendered, subject to the provisions of this agreement and the satisfactory completion of the services rendered and compliance of the prescriptions, thereof.
- 4.2 The District Municipality undertakes to render all reasonable assistance to the Service Provider to enable it to supply the services and shall ensure that all matters referred to it for consideration or approval are handled in an expeditious manner.
- 4.2.1 The District Municipality shall be entitled to withhold disbursements of funding to the Service Provider in the event that the District Municipality is not satisfied with the outcome of the Service Providers performance and / or execution of its obligations in compliance with this agreement.
- 4.2.2 Additional to or in conjunction with the provisions of clause 10, the District Municipality must give the Service Provider notice of the intention to withhold or stop the disbursement of funding stating the reasons and give the Service Provider an opportunity to submit written representations, within 7 (seven) days, as to why the allocation should not be withheld or stopped.
- 4.3 The District Municipality shall be responsible for all travel costs and charges, including, without limitation, prepaid ticket charges, rush ticket deliveries, invoice/ticket reprints, penalties, waivers, cancellation charges, airline service fees, void processing fees, traffic fines; repairs of dents and scratches on hired vehicles and penalty fares incurred by it, as well as the cost of lost ticket applications, ticket copies and ticket usage verifications, unless same is incurred as a result of the negligence or misconduct of Service Provider;




 for the service provider




 for the district municipality

-5-

- 4.4 The District Municipality undertakes to ensure that a payment in respect of the invoice(s) received from the Service Provider, shall be effected within 30 (Thirty) days of the submission of the invoice(s) or statements to the District Municipality, provided that should the signature date differ from the commencement date of this agreement, invoices shall only be submitted after the signature date.
- 4.5 This agreement requires that all airline, hotel and car rental reservations be processed by the Service Provider and are paid using an approved credit card.
- 4.6 For group booking (more than 5 people), the percentage service fee will be utilised.
- 4.7 This agreement is based on the Service Provider being the Client's exclusive service provider for all travel and accommodation requirements.
- 4.8 The program requires that for conferences, group meetings and long stay bookings which exceed R100 000, the client will be required to pay a minimum of 50% deposit before confirmation of the booking.

5. RESPONSIBILITIES OF THE SERVICE PROVIDER

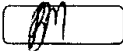
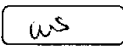
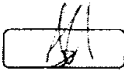
- 5.1 If, at any time during the currency of this agreement, the Service Provider should encounter any conditions impeding timely completion of the services, the Service Provider shall promptly notify the District Municipality, in writing, of the delay, its cause(s) and the proposed action plan to accelerate the progress, and if necessary, revise and re-submit the relevant project schedule. The District Municipality shall evaluate the situation and may, at its sole and absolute discretion, extend the Service Provider's time for performance, with or without the imposition of penalties, in which case the extension shall constitute an amendment to this agreement and will be contained in a duly signed addendum.
- 5.2 The service provider shall ensure that it has sufficient insurance cover as may be required.

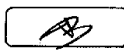
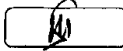
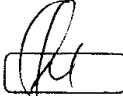
6. SCOPE OF SERVICE

The Service Provider will be responsible for the services as required according to Tender No. E/18/18-19.

6.1 FLIGHTS (DOMESTIC AND INTERNATIONAL)

- 6.1.1 The travel agency must be able to obtain at least three comparable quotations from different airlines for domestic and international flights.

  
for the service provider

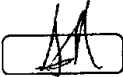
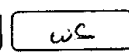
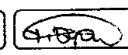
  
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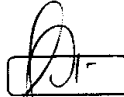
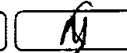
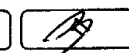
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- 6.1.1 The travel agency must be able to obtain at **least three comparable quotations from different airlines** for domestic and international flights.
- 6.1.2 Service/ booking fees will be in accordance with schedule A.
- 6.1.3 The municipality will indicate the preferred travelling times.
- 6.1.4 The travel agency will source the most cost efficient and convenient form of transport and accommodation in line with the district municipality's policy.
- 6.1.5 After receiving authorisation from the municipality, the travel agency will make the necessary flight arrangements with the preferred airline.
- 6.1.6 The travel agency is required to confirm flight bookings in writing (fax or email) to the municipality's representative and will communicate any post booking changes to flights, telephonically (including sms) and in writing (fax or email) to the municipality's representative.
- 6.1.7 The travel agency must provide a tax invoice and monthly statements upon which payment will be processed by the municipality.
- 6.1.8 The travel agency is required to be available for all bookings and cancellations of airline tickets. An emergency telephone number must be provided for in cases of emergency.
- 6.1.9 The travel agency must always endeavour to make the most cost effective arrangements and reservations on behalf of the municipality in line with the District municipality's policy.
- 6.1.10 The travel agency is required to investigate any complaints from travellers and do follow-ups on the recovery of lost baggage as well as facilitating any insurance claims that might arise.
- 6.1.11 The travel agency must provide regular updates of special offers and other travel related matters which will be of interest to the municipality.

6.2 CAR RENTAL RESERVATIONS

- 6.2.1 The travel agency must be able to obtain at least three comparable quotations within a reasonable time, from different car rental companies. The type of vehicle requested will depend on the municipality's requirements.




 for the service provider




 for the district municipality

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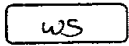
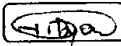
- 6.2.2 Service/ booking fees will be in accordance with schedule A.
- 6.2.3 The travel agency will confirm the car rental booking in writing (email) to the municipality's representative and will communicate any post booking changes to car rental, telephonically (including sms) and in writing (email) to the municipality's representative.
- 6.2.4 The travel agency is required to be available for all bookings and cancellation of car rentals. An emergency telephone number must be provided for in cases of emergency.
- 6.2.5 The travel agency must provide a tax invoice and monthly statements upon which payment will be processed by the municipality.
- 6.2.6 The municipality must be registered as a preferred client of the car rental company in order for the officials to travel efficient and effectively.
- 6.2.7 Should it not be possible to hire a car, shuttle services should be made available.




6.3 ACCOMMODATION BOOKINGS

- 6.3.1 Accommodation bookings must be made at hotels and guest houses in terms of the Council policy. Safety must be taken into consideration.
- 6.3.2 The accommodation must be arranged nearest to the venue at which the event takes place.
- 6.3.3 The municipality may also require the travel agent to make bookings at hotels specifically chosen by the municipality in instances where travel time and cost is to be minimized.
- 6.3.4 Service/ booking fees will be in accordance with schedule A.
- 6.3.5 Parking must be included in bookings, when required.

7. CHANGE OF SCOPE OF SERVICE

- 7.1 The District Municipality shall, during the period of this agreement, be entitled to propose, and subsequently request the Service Provider to make changes to, or deviate from the scope of service, provided that such changes fall within the general scope and principles of the agreement, and is reasonable and technically possible.




 for the service provider




 for the district municipality

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7.2 If the District Municipality proposes a change, it shall send to the Service Provider a request which will explain the proposed change and shall include the following:

- 7.2.1 a brief description of the change;
- 7.2.2 the impact of the change on the timeframes;
- 7.2.3 an estimated cost of change
- 7.2.4 the effect on warranties and guarantees if any, and
- 7.2.5 the effect on any other provision of the agreement.

7.3 The Service Provider may, during the period of this agreement, propose to the District Municipality any change to the scope of work that the Service Provider considers necessary or desirable to improve the quality of service. The Service Provider shall provide a proposal as envisaged in sub clauses 7.2.1 – 7.2.5 above, to document such proposal. The District Municipality may, at its discretion, approve or reject such change. The District Municipality may elect to request the Service Provider to make a presentation to its representatives in terms of the proposal.

7.4 The pricing of any change shall, as far as is practical, be calculated in accordance with rates and process as included in the agreement. The pricing schedule for any change shall be agreed upon in writing and signed by both Parties prior to any change being undertaken.

7.5 Neither the District Municipality, nor the Service Provider, shall accept rights and responsibilities for any performance relating to a deviation from the scope of work provided for in this agreement without a duly signed addendum hereto, which addendum shall reflect fully the approved changes.

8. REVIEW OF AGREEMENT

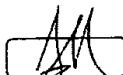
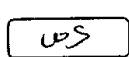
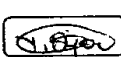
8.1 The agreement will be reviewed annually by the parties, who may agree in writing to amend the agreement to address the conclusions of a review, changes in budget allocations, under or over performance in relation to the requirements, performance targets and other provisions.

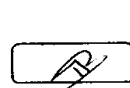

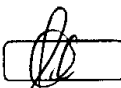
8.2 Performance of the service provider will be reviewed at least thirty (30) days.

8.3 The Service Provider and the District Municipality may each appoint an authorised representative who shall –

8.3.1 meet when necessary at the District Municipality's offices;

8.3.2 not be entitled to take decisions that will bind the parties unless, as far as the District Municipality is concerned, such decisions are approved in writing by the Municipal Manager;




 for the service provider




 for the district municipality

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- 8.3.3 not be entitled to take decisions that would have the effect of amending this agreement unless such decisions are reduced to writing and signed on behalf of the parties by their duly authorised representatives.

9. FEES AND DISBURSEMENTS

- 9.1 The fees and payment for the Service Provider's Services shall be as specified in Schedule A, attached hereto;
- 9.2 The District Municipality will pay interest linked to prime rate, on any overdue account calculated monthly from the due date to the date of payment.
- 9.3 The Service Provider will only, after delivering of the services according to Tender document No.E/18/18-19, submit written invoices on a letterhead of the Service Provider, and where no letterhead exists, provide certified statements for the services rendered in order to process the payment timeously. The Service Provider must ensure that all invoices include the full name and address of the District Municipality, as well as VAT and Order number. No payments will be made should the invoice not reflect all relevant information. The payments will be inclusive of VAT and in compliance with the deliverables or Scope of Service and budget and where applicable, include a report highlighting any risks and mitigating strategies affecting performance.
- 9.4 The District Municipality undertakes to ensure that a payment in respect of the invoice(s) received from the Service Provider, shall be effected within 30 (thirty) days of the submission of the statement to the District Municipality, provided that, should the signature date differ from the commencement date of this agreement, invoices shall only be submitted after the signature date.


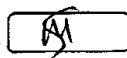
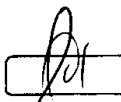
10. BREACH AND CANCELLATION OF CONTRACT

- 10.1 Apart from the provisions of clause 11 below, the District Municipality shall be entitled to cancel (at no cost to the District Municipality) this agreement in writing with immediate effect in the event the Service Provider breach any other provision of this agreement and fails to remedy such breach within 7 (seven) business days of receipt of a written notice from the District Municipality, calling upon it to do so. In this instance, the District Municipality may elect to exercise its rights under clause 10.2, provided that in the event the default is a material breach of a nature that is impossible to cure the termination shall be immediate and shall become effective after the District Municipality gave a written notice of cancellation to the Service Provider.
- 10.2 In the event that the District Municipality cancels this agreement for breach of any of its provisions by the Service Provider the District Municipality shall be entitled to claim damages and / or specific performance from the Service Provider.





for the service provider

for the district municipality

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Alternatively, the District Municipality may appoint a third party for the performance of services not completed by the Service Provider at the time of cancellation, in which case the District Municipality shall first pay the remuneration due to such third party from the amount owed to the Service Provider, and thereafter remunerate the Service Provider from the balance of such amount, only after damages have been subtracted, should any damages for breach be due to the District Municipality.

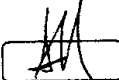
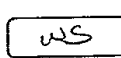
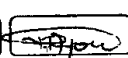
11. TERMINATION OF AGREEMENT

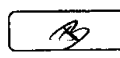
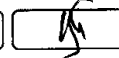
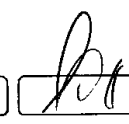
11.1 The District Municipality shall be entitled to terminate this agreement forthwith by means of a written notice of cancellation to the Service Provider, if the Service Provider:

- 11.1.1 is placed under provisional or final sequestration or liquidation or commits an act of insolvency in terms of Section 8 of the Insolvency Act 24 of 1936, as amended; or take any steps whatsoever for its voluntary winding up or generally do or commit to do anything to be done which may materially prejudice the District Municipality's rights under this agreement.
- 11.1.2 provided incorrect information, commits a fraudulent or dishonest act during the bid process;
- 11.1.3 commits a fraudulent or dishonest act, including the fabrication of material relating to any part of this agreement;
- 11.1.4 is guilty of any conduct, which is prejudicial to the District Municipality's interests;
- 11.1.5 if civil judgment is entered against the Service Provider, which may materially prejudice the District Municipality rights under this agreement.
- 11.1.6 by reason of an un-remedied material breach of the agreement, the fact of which is not in dispute;
- 11.1.7 if the parties agree thereto in writing.

11.2 In the event of a termination of this agreement for any reason, such termination shall be without prejudice to any claims that may have accrued to the District Municipality as at the date of termination.

11.3 Upon termination of this agreement for any reason the Service Provider shall immediately return to the District Municipality, if any, all books, documents, records and other information obtained from the District Municipality in terms of this agreement;

  
for the service provider

  
for the district municipality

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- 11.4 The District Municipality shall not be liable for compensating the Service Provider for any uncompleted work.

12. COPYRIGHT / INTELLECTUAL PROPERTY RIGHTS


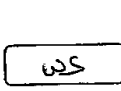
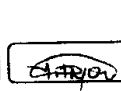
- 12.1 Copyright pertaining to any material, completed papers, assignments, investigations, plans, memoranda or and any other information in printed or electronic format generated through the activities of this agreement, will become the property of the District Municipality.
- 12.2 Should the Service Provider wish to reproduce any reports it produced in the execution of this agreement, it will obtain prior written approval from the District Municipality.
- 12.3 The Service Provider will not assert any copyright or establish any claim with regard to this information.

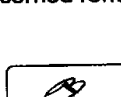
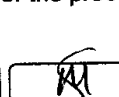
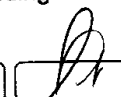
13. CONFLICTS OF INTEREST

The Service Provider shall not engage in any activity which may conflict with the interests of the District Municipality under this agreement.

14. LEGAL COMPLIANCE AND LEGISLATIVE/REGULATORY CHANGES

- 14.1 The Service Provider shall, at all times during the duration of this agreement, comply with all relevant laws, by-laws and policies and requirements of applicable authorities in the execution of its duties as determined in this agreement.
- 14.2 The Service Provider shall obtain all approvals, licenses and permits required from municipal, governmental and other authorities having competent jurisdiction, to perform their duties in terms of this agreement.
- 14.3 Should –
- 14.3.1 any of the terms or conditions of this agreement be inconsistent with any statutory or regulatory provisions which the District Municipality has to comply with; or
- 14.3.2 compliance by the District Municipality with the terms and conditions of this agreement constitute a failure by the District Municipality to comply with any statutory or regulatory provisions applicable to the District Municipality, the provisions of this agreement shall be deemed, insofar as possible, to be amended accordingly. Provided that the remainder of the provisions of this agreement shall remain valid and effective, to the extent that the statutory or regulatory provisions concerned render the preceding

  
for the service provider

  
for the district municipality

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provisions of this clause 14.3 ineffective, the parties shall in good faith renegotiate the relevant provisions of this agreement, having due regard to such provisions and to the principles contained herein.

- 14.4 Should any statutory or regulatory changes render anything contained in this agreement inconsistent with such regulatory or statutory provisions, the provisions of clause 14.3.2 shall apply *mutatis mutandis*.

15. SEVERABILITY AND VARIATION

- 15.1 This agreement, together with its Annexures, constitutes the entire agreement between the Parties and no amendment, alternation, addition or variation of any right, term or condition of this agreement, including of this clause, will be of any force or effect unless reduced to writing and signed by the Parties to this agreement.

- 15.2 The Parties agree that no other terms or conditions, variations or representations, whether oral or written, and whether express or implied, or otherwise shall be of force, other than those contained in this agreement.

- 15.3 This agreement replaces any other previous verbal or written agreement entered into between parties.

- 15.4 In the event of any clause in this agreement or part of any clause being found to be invalid for any reason whatsoever, such clause or part thereof shall be severable from the remainder of this agreement and shall not affect the validity of such remainder

16. CESSION



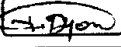
The Service Provider shall not be entitled to cede or assign any of its rights or delegate any of its obligations or duties, nor any part thereof acquired in terms of this agreement, without the prior written consent of the District Municipality.



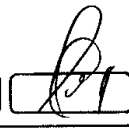
17. DISPUTE RESOLUTION

- 17.1 Without detracting from any party's right to institute action or motion proceedings in the High Court or other Court of competent jurisdiction in respect of any dispute that may arise out of this agreement, the parties may, by mutual consent, follow the mediation and/or arbitration procedure as set out in clauses 17.2 and 17.3.

17.2 Mediation

- 17.2.1 Subject to the provisions of clause 17.1 any dispute arising out of this agreement may be referred by the parties without legal representation to a Mediator.

  
for the service provider

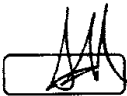
  
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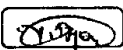
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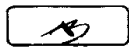
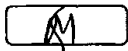
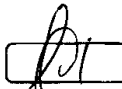
- 17.2.2 The dispute shall be heard by the Mediator at a place and time to be determined by him or her in consultation with the parties.
- 17.2.3 The Mediator shall be selected by agreement between the parties.
- 17.2.4 If an agreement cannot be reached upon a particular Mediator within 3 (three) business days after the parties have agreed to refer the matter to mediation, then the President for the time being of the Law Society of the Cape of Good Hope shall nominate the Mediator within 7 (seven) business days after the parties have failed to agree.
- 17.2.5 The Mediator shall at his or her sole discretion determine, whether the reference to him or her shall be made in the form of written or verbal representations, provided that in making this determination he or she shall consult with the parties and may be guided by their common reasonable desire of the form in which the said representations are to be made.
- 17.2.6 The parties shall have 7 (seven) business days within which to finalise their representations. The Mediator shall within 7 (seven) business days of receipt of the representations express in writing an opinion on the matter and furnish the parties each with a copy thereof by hand or by registered post.
- 17.2.7 The opinion so expressed by the Mediator shall be final and binding upon the parties unless a party is unwilling to accept the opinion expressed by the Mediator. In such event, the aggrieved party must deal with the dispute in terms of clause 17.3. The expressed opinion of the Mediator shall not prejudice the rights of a party in any manner whatsoever in the event of it proceeding to arbitration.
- 17.2.8 The costs of mediation shall be determined by the Mediator.
- 17.2.9 Liability for such costs shall be apportioned by the Mediator and shall be due and payable to the Mediator on presentation of his or her written account.

17.3 Arbitration

- 17.3.1 Subject to the provisions of clause 17.1, the parties may agree to refer any dispute arising out of this agreement to Arbitration.
- 17.3.2 Arbitration shall be held in George and otherwise in accordance with the provisions of the Arbitration Act, No. 42 of 1965, as amended from time to time, it being intended that if possible it shall be held and concluded within 10 (ten) business days after it has been demanded.




 for the service provider




 for the district municipality

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17.3.3 Save as otherwise specifically provided herein, the Arbitrator shall be if the matter in dispute is:

- (a) primarily a legal matter, a practising Advocate of the Cape Bar; and
- (b) any other matter, an independent and suitably qualified person as may be agreed upon between the parties to the dispute.

17.3.4 If agreement cannot be reached on whether the question in dispute falls under 17.3.3(a) or 17.3.3(b) and/or upon a particular Arbitrator within 3 (three) business days after arbitration has been demanded, then the Chairperson for the time being of the Cape Bar Council shall:

- (a) determine whether the question in dispute falls under 17.3.3(a) or 17.3.3(b); and/or
- (b) nominate the Arbitrator within 7 (seven) business days after the parties have failed to agree.

17.3.5 The Arbitrator shall give his or her decision within 5 (five) business days after the completion of the arbitration. The Arbitrator may determine that the costs of the arbitration are to be paid by either or all of the parties, as the case may be.

17.3.6 The decision of the Arbitrator shall be final and binding and may be made an order of the High Court upon the application by any party to the arbitration.

18. DAMAGES AND LIABILITY

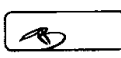


18.1 The District Municipality will not be held accountable for any loss, damage or injury incurred by the Service Provider and/or any of its agents, employees or any other person affiliated thereto in respect of this agreement, throughout the duration of this agreement.

18.2 Any damage caused by the Service Provider and/or its agents, employees or any other person affiliated thereto in respect of this agreement, to the property of The District Municipality, will be recouped from the Service Provider by way of an invoice.

19. INDEMNITY

19.1 The Service Provider hereby indemnifies the District Municipality and holds it harmless against any cost, expense (including legal costs and expenses on an attorney and own -client basis), fine, penalty, loss or other liability resulting directly or indirectly from:

  
for the service provider

  
for the district municipality

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19.1.1 any loss or damage to property; or

19.1.2 the death of or injury to any person; or

19.1.3 any other event resulting in loss to the District Municipality to the extent caused or contributed to by any act or omission of the Service Provider, its employees, subcontractors, agents or invitees, irrespective of where it occurs.

19.2 The District Municipality will also indemnify, defend and hold harmless Service Provider and its affiliates, and their employees, directors, officers, agents and contractors, against and from any losses, claims, proceedings or investigations arising out of or in connection with a breach of this Agreement by the District Municipality, including, without limitation, attorney fees, amounts paid in settlement of claims, proceedings or investigations, except to the extent that such claim is due to the negligence or willful misconduct of Service Provider.

19.3 The person or persons who sign this agreement on behalf of the Service Provider, by their signature to this agreement, warrants that the Service Provider shall comply with its obligations in terms of this agreement.

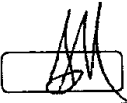
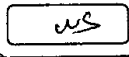
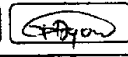
19.4 The Service Provider hereby indemnifies the District Municipality against any loss or damage of any nature that may arise for the District Municipality out of the Service Provider's failure to comply with any law or regulation or out of the breach of the provisions of this agreement.

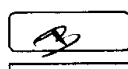

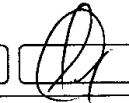
19.5 The Service Provider will be responsible for taking out any appropriate insurance coverage for the purpose of this agreement.

20. FORCE MAJEURE

20.1 The parties shall not be liable to one another for a failure to perform any of their obligations in terms of this agreement if such failure is a result of:

- war, whether declared or not, civil war, civil violence or disobedience, riots any revolutions, acts of piracy, acts of sabotage;
- natural disasters such as violent storms, cyclones, earthquakes, floods and destruction by lightning;
- explosions, fires and destruction of plant, equipment, machinery
- a statutory enactment rendering this agreement or any part thereof inoperable, and
- strikes by employees of any party




 for the service provider




 for the district municipality

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20.1.1 Relief from liability for non-performance by reason of the provisions of this clause shall commence on the date upon which the party seeking relief gives notice of the impediment relied upon and shall terminate upon the date upon which such impediment ceases to exist.

20.2 If the performance of a material part of this agreement is suspended due to force majeure that Party shall give the other Party written notice of the condition of force majeure.

20.3 Such notice shall be given by fax or email within one 1 (one) day and confirmed by formal letter within 3 (three) working days of the date on which the condition of force majeure takes effect.

20.4 The party affected by force majeure event-

20.4.1 shall take all reasonable steps to mitigate the consequences of such an event upon the performance of its obligations under this agreement, resume performance of its obligations affected by the event of force majeure as soon as practicable and use all reasonable endeavours to remedy its failure to perform: and

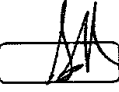
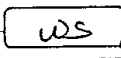
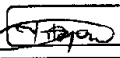
20.4.2 dates or times allowed for performance shall be adjusted by mutual agreement between the Parties, to allow for the effects of such force majeure, provided such notice is given. If such notice is not given by the Party affected by such force majeure, the other Party may, in its sole discretion, refuse to allow such adjustment of the relevant dates or time allowed for performance, with regard to performance due in terms of this agreement, of the Party affected by force majeure and to exercise all relevant remedies available to it in terms of this agreement or otherwise.

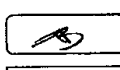
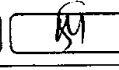
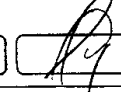
20.5 Performance of other material parts of this agreement still due and possible of performance by the Party affected by force majeure shall be rendered whilst the condition of force majeure persists, unless the other party agrees in writing to the non-rendering of such performance.

20.6 If a period of 90 (ninety) days has elapsed, and the condition of force majeure persists, rendering performance impossible, either Party shall be entitled to cancel this agreement by written notice on conditions as agreed upon.

21. CONFIDENTIALITY

The Parties undertake for the duration of this agreement and thereafter to hold all confidential information received from the disclosing party in trust and confidence and agree that it shall not be disclosed to any third party or misused in any manner.

  
for the service provider

  
for the district municipality

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22. SURVIVAL OF TERMS

The provisions of clauses 10, 13, 18, 19 & 22 of this agreement, shall survive the expiration or termination of this agreement.

23. NOTICES AND DOMICILIUM

23.1 The Parties hereto select as their respective *domicilia citandi et executandi* ("domicilium") the following physical addresses, and for the purpose of giving or sending any notice, the payment of invoices the serving of any process and for any other purpose provided for or required hereunder:

THE DISTRICT MUNICIPALITY:**Physical Address:**

Garden Route District Municipality
54 York Street
GEORGE
6529

Tel No: (044) 803-1300
Fax No: (044) 874-1013

Postal Address:

Garden Route District
Municipality
P O Box 12
GEORGE
6530

E- mail: records@gardenroute.gov.za for the attention of the Municipal Manager

SERVICE PROVIDER**Physical Address:**


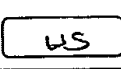
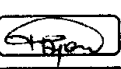
11 Cavendish Road
Suite 3
Vincent
East London

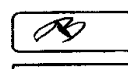
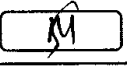
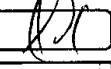
Tel No: (043) 050-4096
Fax No: 086 224 9807
Cell No. 083 366 3635

Postal Address:

11 Cavendish Road
Suite 3
Vincent
East London

E- mail: sino@tunimart.co.za

  
for the service provider

  
for the district municipality

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23.2 Each party shall be entitled to nominate a physical address, not being a post box or poste restante, in substitution for the address set out above in respect of it at any time by giving the other party hereto 21 (twenty-one) day's written notice of such change of address;

23.3 Any notice to be given in terms hereof shall be given by hand delivery thereof to the hand delivery address of the addressee set out above, or by posting by registered post to the postal address of the addressee set out above;

23.4 Any notice given and any payment made by a party to the other ("the addressee") which:

23.4.1 Is delivered by hand during the normal business hours of the addressee at the addressee's domicile for the time being shall be presumed, until the contrary is proved by the addressee, to have been received by the addressee at the time of delivery;

23.4.2 Is posted by prepaid registered post to the addressee at the addressee's domicile for the time being shall be presumed, until the contrary is proved by the addressee on the fourteenth day after the date of posting.

23.5 Where, in terms of this agreement, any communication is required to be in writing, the term "writing" shall include communications by facsimile and email. Communications by facsimile and email shall, unless the contrary is proved by the addressee, be deemed to have been received by the addressee 48 hours after the time of transmission. Communications by e-mail shall be deemed to have been received by the addressee upon receipt of an e-mail acknowledging such receipt.

24. GENERAL

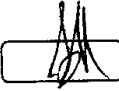
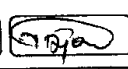
24.1 No alteration, cancellation, variation of or addition hereto shall be of any force or effect unless reduced to writing and signed by both parties to this agreement or their duly authorised representatives.

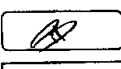
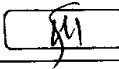
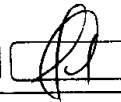
24.2 This agreement and Schedules attached hereto constitutes the entire agreement between the parties.

24.3 No indulgence, lenience or extension of time which any party may grant or show to any other party, shall in any way prejudice the Grantor or preclude the Grantor from exercising of its rights in the future.

24.4 In the event that any part of this agreement is void in terms of any applicable legislation, the validity of the remainder of this agreement will not be affected.

25 CANCELLATION OF BOOKINGS

 
WS
for the service provider

  
for the district municipality

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25.1 Should the district municipality cancel a booking after confirmation of the booking, a cancellation fee equal to R339.25 per booking, shall be payable to the service provider.


25.2 If the service provider has to make an amendment of booking as a result of cancellation, a service fee will be payable for the second booking.

25.3 Any cancellation fee from an accommodation provider shall be transferred to the district municipality.

The Municipality

SIGNED AT George ON THIS 1 DAY OF MARCH 2019.

Signature:


MUNICIPAL MANAGER
MONDE GIVEN STRATU

AS WITNESSES:

1. 

2. _____

The Service Provider

SIGNED AT EAST LONDON ON THIS 1 DAY OF March 2019



Signature:





SINOXYO LINDWA NONXUBA
Capacity: DIRECTOR

AS WITNESSES:

1. 

2. 

 
for the service provider

  
for the district municipality


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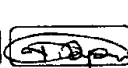
SCHEDULE A
FEES & PAYMENT


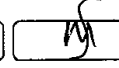
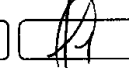
The Service Provider will provide the following fee-based services:

a)

Domestic Flights	10%
International Flights (one way)	10%
Car rental Reservations	10%
Accommodation Bookings	10%
GROUPS	
Meals	10%
Conferences	10%
Long Stay Bookings	10%
Domestic Flights (return)	10%
International Flights (one way)	10%
Car rental / shuttle services	10%
Accommodation	10%
Cancellation Fees	R339.25
After Hour	R224.25
Shuttle Services	




 for the service provider




 for the district municipality

Previous Collab "Copy 21409, ..."

Op 21/08/2019 weer gescan
en het die blad 21 bygevoegd
soos deur Simikaya op
20/08/2019.



BACK TO AGENDA

1. **DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 JANUARY 2022 TO 31 JANUARY 2022 / AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 JANUARIE 2022 TO 31 JANUARIE 2022 / INGXELO YOTYESHELO: UKUMISELWA KOMGAQO WOLAWULO LWENKCITHO KWIXESHA LOMHLA 1 KWEYOMQUNGU 2022 UKUYA 31 KWEYOMQUNGU 2022**

EXECUTIVE MANAGER FINANCIAL SERVICES: J-W DE JAGER (1874346)

2 PURPOSE

To inform the Council of the deviations approved for the period 1 January 2022 to 31 January 2022.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) & (b) and report them to the next meeting of council. The report is for the month of January 2022.

5. RECOMMENDATIONS

1. That the implementation of Section 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 January 2022 To 31 January 2022, be noted.
2. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.

AANBEVELINGS

1. *Dat die kennis geneem word van die implementering van Artikel 36 van die Voorsieningskanaal beleid in terme van die afwykings vir die periode van 1 Januarie 2022 To 31 Januarie 2022.*

2. *Dat kennis geneem word dat in terme van Artikel 114 van die Munisipale Finansiële Bestuurswet, Wet 56 van 2003, daar geen goedkeuring was van tenders wat toegeken is in die normale implementering van die Voorsieningskanaalbeleid van die munisipaliteit nie.*

IZINDULULO

1. Sesokuba ukumiselwa komhlathi 36 woMgaqo Wolawulo Lwencitho yoMasiapala ngokwemimiselo yezotyeshelo kwixesha lomhla 01 ngeyoMqungu 2022 ukuya 31 ngeyoMqungu 2022, kuthathelwe ingqalelo.
2. Sesokuba kuthathelwe ingqalelo ngokwemimiselo yoMhlathi 114 woMthetho Wolawulo Lwemali zoMasipala, uMthetho 56 wango 2003, akukhange kubekho ziniki maxabiso ezingandululwanga kwinkqubo eqhelekileyo yokumiselwa uMgawo Wolawulo Lwezencitho zomasipala.

6. DISCUSSION / CONTENTS

6.1 Background

Section 36 of the Municipal Supply Chain Regulation states:

- 1) *A supply chain management policy may allow the accounting officer –*
 - a) *To dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
 - i) *In an emergency*
 - ii) *If such goods or services are produced or available from a single provider only;*
 - iii) *For the acquisition of special of special works of art or historical objects where specifications are difficult to compile;*
 - iv) *Acquisition of animals for zoos; or*
 - v) *In any other exceptional case where it is impractical or impossible to follow the official procurement processes;*
 - b) *To ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.*
- 2) *The accounting officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and report them to the next meeting of the council, or*

board of directors in the case of a municipal entity, and include as a note to the annual financial statements."

6.2 Discussion

Section 114 of the Municipal Finance Management Act, Act 56 of 2003 states:

- (1) If a tender other than the one recommended in the normal course of implementing the supply chain management policy of a municipality or municipal entity is approved, the accounting officer of the municipality or municipal entity must, in writing, notify the Auditor General, the relevant provincial treasury and the National Treasury and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.
- (2) Subsection (1) does not apply if a different tender was approved in order to rectify an irregularity.

6.3 Financial Implications

The total deviations for the period 1 January 2022 to 31 January 2022 amounts to **R 338,975.93** Refer to **Annexure A**

6.4 Legal Implications

None

Main Expenditure for Deviation in January 2022

Supplier on Steel contract cannot honour prices anymore due to the impact of Covid on the price of steel. Procurement in process to replace current contract.

Trend Analysis Based on Successive Month to Month Comparison

APPROVED DEVIATIONS			
DEVIATIONS AS PER SECTION 36 OF THE SCM REGULATIONS			
Dec-21		Jan-22	
Department	Amount	Department	Amount
Community Services	7,214.90	Community Services	75,294.02
Corporate Services	15,874.38	Corporate Services	19,194.00
Financial Services	0.00	Financial Services	272 ^{0.00}

Office of the MM	0.00	Office of the MM	0.00
Planning and Economic Development	0.00	Planning and Economic Development	0.00
Roads and Transport Planning Services	42,740.82	Roads and Transport Planning Services	230 737.47
Total Deviations	65,830.10	Total Deviations	325,225.49

6.5 Staff Implications

None, failure to report to council will result in non compliance.

6.6 Previous / Relevant Council Resolutions:

None

6.7 Risk Implications

None

Jan-22								
APPROVED DEVIATIONS								
ANNEXURE: A DEVIATIONS AS PER SECTION 36 OF THE SCM REGULATIONS								
COMMUNITY SERVICES								
Community Services								
ITEM NO.	Ref Nr	Name	Req Date	Deviation Category	Deviation Motivation	Deviation Approval Date	Payment Amt	Order Number
1.	1791945	Working On Fire	2021-12-07	Emergency	Payment of R59 912.42 for the September aerial fire fighting standby fees. Approval was granted to deviate from standard procurement process which ensured GRDM Fire Services secured the aerial firefighting resources availability for the District for any fire emergency.	2022-01-06	59 912.42	E0002402
2.	1828401	Ramcom	2022-01-11	Emergency	Vehicle CAW 63478 (B8) Nissan Patrol for the repair of the chassis, it was cracked on both sides, Urgent worked required to continue with fire fighting	2022-01-28	2 660.81	E0002670
3.	1828421	J&B Auto Spares	2022-01-11	Emergency	Payment for the Tow In of Vehicle Caw 77080 (B6) vehicle broke down at Kleinkrantz N2 while responding to Langvlei Dunes to assist George Fire with a bush fire.	2022-01-14	900.00	E0002435
4.	1843425	Fuel gauge and fuel tank B6 CAW 77080	2022-01-19	Impractical Procurement Process	TOYOTA was the cheapest with strip & quote per hour as per order E0002369. Additional work was required when the vehicle was opened. Impractical to do quotation for additional work that is identified whilst in repairs.	2022-01-21	11 820.79	E0002584

Corporate								
	Ref Nr	Name	Req Date	Deviation Category	Deviation Motivation	Deviation Approval Date	Payment Amt	Order Number
5.	1849545	Payday	2022-01-24	Single Supplier	Training on PayDay can only be provided by PayDay.	2022-01-27	12 796.00	Direct payment
6.	1863097	PAYDAY	2022-01-25	Single Supplier	Training on PayDay can only be provided by PayDay.	2022-01-31	6 398.00	Direct payment
Roads Services								
	Ref Nr	Name	Req Date	Deviation Category	Deviation Motivation	Deviation Approval Date	Payment Amt	Order Number
7.	1782100	MOBICAST	2021-11-29	Impractical Procurement Process	Supplier on Steel contract cannot honour prices anymore due to the impact of Covid on the price of steel. Procurement in process to replace current contract.	2022-01-11	217 538.03	E0002487
8.	1794587	MONDE RADIJEJE	2021-12-09	Impractical Procurement Process	Urgent arrangements needed to be made for Hebertsdale & Mossel Bay Roads Officials to be transported to the Strategic Engagement for the Introduction of the 2021/22 - 2026/27 Council.	2022-01-11	3 375.00	E0002385
9.	1816546	CYLINDER RENTAL AIR LIQUID	2022-01-10	Impractical Procurement Process	Previous attempts to procure gas cylinders for use at the mechanical department have failed as no market-related bids were received. Another attempt to secure a contract for this service is currently in process.	2022-01-14	2 957.70	E0002428
10.	1867969	Bidvest Steiner	2022-01-27	Single Supplier	Process to seek approval for expansion of the current Bidvest Steiner tender that we have in place is in progress. The 15% expansion that the MM can approve has been exhausted - approval from Council required for further variation.	2022-01-27	6 866.74	E0002654

325,225.49

BACK TO AGENDA

1. ELECTION OF THE WHIP OF THE COUNCIL / VERKIESING VAN SWEEP VIR DIE RAAD/ULONYULO LOMBHEXESHI WEBHUNGA

07 FEBRUARY 2022

REFER REPORT FROM THE EXECUTIVE MANAGER: CORPORATE SERVICES (B HOLTZHAUSEN)

2. PURPOSE

For Council to elect the Whip of Council as provided for in section 41A of the Local Government : Municipal Structures Amendment Act 2021.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

In terms of section 41A of the Local Government: Municipal Structures Amendment Act, 2021, Council may elect a Whip for the Council who is also a municipal office bearer. Council at its inaugural Council meeting in November 2021 elected a whip of the Council who has since resigned. Council must now elect another Councillor to assume the position of whip of Council.

5. RECOMMENDATION

That a Whip of Council be elected for the Garden Route District Municipality as provided in section 41A of the Local Government: Municipal Structures Amendment Act, 2021 in accordance with the procedures as stipulated in Schedule 3 of the principal Act.

AANBEVELING

Dat 'n Sweep verkies word vir die Garden Route Distriksmunisipaliteit in terme van die bepaling van Artikel 41A van die Wysigingswet op Plaaslike Regering Munisipale Strukture, 202, soos ooreenkomstig die prosedures soos uiteengesit in Bylae 3 van die Hoofwet.

ISINDULULO

Sesokuba uMbhhexeshi onyulelwe uMasipala Wesithili se Garden Route ngokwemimisela yezibonelelo zomhlathi 41A zoMthetho Worhulumente Basekhaya woLawulo looMasipala wango,2021 ngokuthobela inkqubo eziphawulwe kumhlathi 3 yomthetho siseko.

6 DISCUSSION / CONTENTS**6.1 Background**

One of the amendments brought by the Local Government: Municipal Structures Amendment Act, 2021 was the establishment of the Whip of Council office. The Garden Route District Municipality (GRDM) elected a whip of Council at the inaugural Council meeting of January 2021. The Councillor who was elected as Whip of Council has since resigned, creating a vacancy in the office.

6.2 Discussion

The whip of the Council is an office that has been established by the amended structures Act (Act). According to the Act, Council may elect a whip for the council who is also a municipal office bearer. The process of electing a whip of Council is set out in Schedule 3 of the Local Government: Municipal Structures Act.

6.3 Financial Implications

The municipality has budgeted for Councillors related costs.

6.4 Legal Implications

Local Government: Municipal Structures Amendment Act, 2021

Local Government: Municipal Systems Act, 117 of 1998

Local Government: Municipal Finance Management Act, 56 of 2003

6.5 Staff Implications

None

6.6 Linkage to Strategic Objective(s)

Good Governance.

6.7 Previous / Relevant Council Resolutions

There are no previous or relevant Council resolutions related to this matter.

6.8 Risk Implications

A decision not to implement the recommendation may negatively affect the efficient functioning of Council.



**GARDEN ROUTE DISTRICT MUNICIPALITY
GARDEN ROUTE DISTRIKSMUNISIPALITEIT
UMASIPALA WESITHILI GARDEN ROUTE**

DISTRICT COUNCIL

2022

YORKSTRAAT 54 YORK STREET, POSBUS / P.O. BOX 12 GEORGE 6530
E-POS/E-MAIL: admin@grdm.gov.za, TEL (044) 803 1300 FAKS / FAX (044) 874 4670

**NOMINATION FORM: WHIP
NOMINASIEVORM: VERKIESING VAN SWEEP**

We, the undersigned, hereby nominate the following person:
Ons, die ondergetekendes, nomineer hiermee die volgende persoon:

We, the undersigned, hereby nominate the following person:
Ons, die ondergetekendes, nomineer hiermee die volgende persoon:

FULL NAME AND SURNAME OF NOMINEE
VOLLE NAAM EN VAN VAN GENOMINEERDE

NAMES OF NOMINATORS:
NAME VAN NOMINEERDERS:

Nominator: Name and surname: Signature
Nomineerder: Naam en van: Handtekening

Seconder: Name and surname: Signature:
Sekondant: Naam en van Handtekening:

I, the undersigned, hereby accept the nomination.
Ek, die ondergetekende, aanvaar hiermee die nominasie.

Signed at GEORGE on thisday of20.....

Geteken te GEORGE op hierdie dag van20.....

.....
**SIGNATURE OF NOMINEE
HANDTEKENING VAN GENOMINEERDE**

From: [G Wolmarans](#)
To: [Rehana Matthews](#)
Subject: FW: Bedanking as Whip
Date: Thursday, 10 February 2022 08:10:01

From: Petru <rdlwyk10@gmail.com>
Sent: Tuesday, 07 December 2021 12:15
To: G Wolmarans <GWolmarans@gardenroute.gov.za>
Subject: Bedanking as Whip

Geagte Speaker
 Hiermee my bedanking as die sweep van die Gardenroute Distrik Munisipaliteit.
 Na oorweging het ek tot die besluit gekom en vra asseblief vir begrip vir my bedanking

Baie Dankie,

Raadsheer
 Petru Terblanche
 0824906564



G Wolmarans

Councillor
 GWolmarans@gardenroute.gov.za
 Tel: +27 (0)44 8031300 |

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BACK TO AGENDA

DISTRICT COUNCIL

21 FEBRUARY 2022

1. RULES OF ORDER FOR THE PROCEDURES AND MAINTENANCE OF ORDER AT MEETINGS OF GARDEN ROUTE DISTRICT COUNCIL 2020 / STANDAARDVERORDENINGE INSAKE DIE PROSEDURES EN HANDHAWING VAN ORDE OP VERGADERINGS VAN DIE GARDEN ROUTE DISTRIKSMUNISIPALITEIT 2020 / IMITHETHO NEZOCWANGCO NGENKQUBO NOKUGCINA UCWANGCO KWINTLANGANISO ZEBHUNGA 2020

13 January 2022

REPORT FROM THE EXECUTIVE MANAGER: CORPORATE SERVICES (B HOLTZHAUSEN)

2. PURPOSE OF THE REPORT

The purpose of the report is for Council to discuss the proposed amendments in the Rules of order that were necessitated by among others the promulgation of the Local Government: Municipal Structures Amendment Act, 2021 as well as the new term of Council.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

As a result of the promulgation of the Local Government: Municipal Structures Amendment Act, Council must update its rules of order to be in line with the Act and also to take into account inputs of the new Councillors.

5. RECOMMENDATIONS

- 1 That Council discusses the proposed amendments on the Rules of Order for the procedures and maintenance of order at meetings of the Garden Route District Municipality policy(2020).
- 2 That Council adopts the Rules of Order for Procedure and Maintenance of Order at meetings.

AANBEVELINGS

1. *Dat die Raad die aanwysings op die Standaardverordeninge insake die prosedures en handhawing van orde op vergaderings van die Garden Route Distriksmunisipaliteit (2020), bespreek.*

2. *Dat die Raad die Prosedures en Handhawing van Orde by vergaderings goedkeur.*

IZINDULULO

- 1 Sesokuba iBhunga lixoxe isiphakamiso solungiso Lwemithetho Yezocwangco yenkqubo kunye nogcino cwangco kwintlanganiso zeBhunga loMasipala Wesithili se Garden Route umgaqo wango (2020).
- 2 Sesokuba iBhunga lamkele Inkqubo Yemithetho yoCwangco noGcinio Cwangco kwiintlanganiso.

6. BACKGROUND / DISCUSSION

6.1 BACKGROUND

In August 2020, Council adopted the Rules of Order for Procedures and maintenance of order at meetings as a policy to enable the Council to easily make any amendments should the need arise in the future. With the promulgation of the Municipal Structures Amendment Act and beginning of the new term of Council, it became necessary to review the rules and make amendments.

6.2 DISCUSSION

Council had a Policy Workshop on 20 January 2022 and at the Workshop some amendments were proposed on the Rules of order for Council's adoption.

The amendments are contained in the attached Annexure highlighted in yellow.

6.3 FINANCIAL IMPLICATIONS

None

6.4 LEGAL IMPLICATIONS

The Constitution of the Republic of South Africa, 1996

Local Government: Municipal Structures Amendment Act, 2021

Local Government: Municipal Structures Act 117 of 1998

Local Government Municipal Systems Act, 2000 (Act 32 of 2000)

6.5 STAFF IMPLICATIONS

None

6.6 Linkage to Strategic Objective(s)

Good Governance.

6.7 Previous / Relevant Council Resolutions

E.1 – Council meeting that took place on 25 August 2020.

6.8 Risk Implications

A decision not to implement the recommendation will result in Council using outdated Rules which may open Council to litigation.



Date Approved: **25 08 2020**

Council Resolution (No): **E:1**

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CHAPTER 1

INTRODUCTION

DEFINITIONS

1. In these rules, unless the context indicates otherwise—

“**Code**” means the Code of Conduct for Councillors set out in Schedule 1 to the Systems Act;

“**committee**” means a committee established by the Council in terms of section 79 of the Structures Act, and includes a committee appointed in terms of section 80 of the Structures Act;

“**Constitution**” means the Constitution of the Republic of South Africa, 1996;

“**Council**” means the municipal council of the municipality;

“**councillor**” means a member of the Council, and includes a political office bearer as defined in section 1 of the Systems Act;

“**meeting**” means any meeting of the Council or a committee, including, but not limited to Council workshops and any meeting that may be called by the Speaker;

“**member of the public**” means a person who is not a councillor or a municipal employee and who attends a meeting of the Council or a committee, and includes—

(a) the media;

- (b) a dignitary; and
- (c) a representative of a sphere of government;

“motion without notice” means a motion in respect of which the required notice is dispensed with, but which must still be submitted to the Speaker at least one (1) hour before the sitting of Council. Such motions are traditionally condolence motions,

congratulatory motions or motions that are congenial and not of a party political nature.

“municipal employee” means an employee of the municipality;

“Municipal Manager” means the municipal manager as defined in the Systems Act; **“municipality”** means the Garden Route District Municipality;

“ordinary Council meeting” means an ordinary meeting of the Council convened in accordance with rule 6;

“Point of clarification” means a point raised by a Councillor during a Council meeting for the purpose of clearing up something that was communicated.

“Point of Order” shall mean a point raised by a Councillor during the Council meeting and shall only relate to a matter of procedure as provided for in the rules and orders;

“Provincial Minister” means the member of the Provincial Cabinet responsible for local government matters in the Province;

“Province” means the Province of the Western Cape;

“quorum” means—

a majority (**50% + 1%**) of all Councillors as determined by Section 20 of the Structures Act or Councillors who are members of that Committee, as the case may be.

“rules” means these rules;

“SODA” means the State of the District Address

“Speaker” means the Speaker of the Council elected in terms of section 36 of the Structures Act or the Acting Speaker elected in terms of section 41 of the Structures Act;

“special Council meeting” means a special meeting of the Council convened in accordance with rule 7;

“Structures Act” means the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);

“Systems Act” means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);

“Traditional Leader” shall mean a Traditional Leader identified to participate in the business activities of the Municipal Council in terms of section 64 of the Traditional and Khoi-San Leadership, 2019 (Act No. 3 of 2019); **“Virtual meetings or sittings”** shall for purposes of the rules mean any meeting or sitting conducted on any form of online technology or virtual platform;

“whip” means a councillor appointed by his or her party to perform the duties attached to the position of a whip as contemplated in these rules; and

“Whip of the Council” shall mean the person elected in terms of Section 41A of the Municipal Structures Act as the Whip of the Council;

“**working day**” means any day of the week except—

a Saturday, Sunday, and public holiday;

APPLICATION AND INTERPRETATION

2. (1) (a) Subject to paragraph (b), these rules apply to all meetings of the Council and its committees including but not limited to virtual meetings.

(a) These rules do not apply to the following committees:

- (i) A committee established in terms of item 14(1)(b) of the Code;
- (ii) a committee contemplated in section 62(4)(c)(ii) of the Systems Act;
- (iii) a mayoral committee contemplated in section 60 of the Structures Act;
- (iv) a planning committee;
- (v) a municipal public accounts committee; and
- (vi) a committee contemplated in section 32(2) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

(2) Unless it is inconsistent with the context or clearly inappropriate, a reference in these rules to—

- (a) the Council must be construed as a reference to a committee;
- (b) the Speaker must be construed as a reference to the chairperson of a committee; and
- (c) a councillor must be construed as a member of a committee.

(3) Except where it is clearly inappropriate, a rule applying to a Councillor in any proceedings also applies to a municipal employee, a member of the public who takes part in those proceedings, Any representative from national or provincial government or Chapter 9 Institutions participating in Council or its Committees, the Media; and Traditional leaders.

(4) If, in terms of these rules, a notice, motion, question, or request is required or permitted to be given in writing to any councillor or person, it is sufficient if it is transmitted electronically directly to that councillor or person in such a manner and form that it can conveniently be printed by the recipient within a reasonable time.

(5) If, in terms of these rules, a document is required to be published, provided or delivered, it is sufficient if an electronic original or reproduction thereof is published, provided or delivered by electronic communication in such a manner and form that it can conveniently be printed by the recipient within a reasonable time: Provided that this sub- rule does not apply to any publication to inform the public.

(6) If, in terms of these rules, a document is required to be signed by—

(a) a single Councillor or person, signing may be effected in any manner provided for in the Electronic Communications and Transactions Act, 2002 (Act 25 of

2002); or

(b) two or more councillors or persons, it is sufficient if—

(i) all of those councillors or persons sign a single original of the document, in person or as contemplated in paragraph (a); or

(ii) each of those councillors or persons signs a separate duplicate original of the document, in person or as contemplated in paragraph (a), and in such a case, the signed duplicate originals, when combined, constitute the entire document.

(7)(a) In instances of urgency, during an emergency or where the Council considers that adherence to a rule would be unreasonable and would prejudice the operation of a meeting of the Council, the Council may, with the approval of the majority of the Councillors as per the section 20 of the Structures Act who are in attendance when the item is dealt with and for the duration of that meeting, temporarily suspend or relax the provisions of a rule: Provided that the suspension or relaxation of a rule—

(i) may not be in contravention of any national or provincial legislation or any by-law of the municipality; and

(ii) must relate to an item on the agenda for the meeting of the council.

(b) The reasons for the suspension of the rule must be recorded in the minutes.

(c) This sub-rule does not apply to a motion of no confidence contemplated in rule 55.

DUTY OF SPEAKER, COUNCILLORS, MUNICIPAL EMPLOYEES AND MEMBERS OF PUBLIC

3. The Speaker, councillors, municipal employees and members of the public must familiarise themselves with these rules.

CHAPTER 2

MEETINGS

TRANSACTION AND ORDER OF BUSINESS

- 4.(1) The Council transacts its business at ordinary Council meetings and special Council meetings, convened for that purpose in terms of these rules.

- (2) The order of business in ordinary Council meetings is as follows, unless the order has been changed in terms of sub-rule (4):

- (a) Opening and welcome
- (b) Silent prayer/ prayer/meditation
- (c) Attendance of members
- (d) Noting the provisions of schedule 7 of the Local Government: Municipal Structures Amendment Act, 2021
- (e) Disclosure of interests by Councillors and Officials
- (f) Approval of minutes
- (g) Communications by Speaker;
- (h) Communications by Executive Mayor;
- (i) Communications by Municipal Manager;
- (j) Standing items;

- (k) Reports from the Speaker
- (l) Reports from the Executive Mayor
- (m) Reports from the office of the Municipal Manager
- (n) Reports from the financial services department
- (o) Reports from Corporate services department
- (p) Reports from Community services department
- (q) Items from the roads and transport planning department
- (r) Reports from the planning and economic development department
- (s) Motions of exigency
- (t) Notices of motion / Motion without notice
- (u) In-closed session
- (v) Closure

(3) The order of business of a special Council meeting is as follows, unless the order has been changed in terms of sub-rule (4):

- (a) Opening and welcome
- (b) Silent prayer/prayer/ meditation
- (c) Attendance of members
- (d) Noting the provisions of schedule 7 of the Local Government: Municipal Structures Amendment Act, 2021
- (e) Disclosure of interests by Councillors and Officials
- (f) Communications by Speaker;
- (g) Communications by Executive Mayor;
- (h) Communications by Municipal Manager;
- (i) Approvals of minutes;
- (j) Standing items
- (k) Reports from the Speaker
- (l) Reports from the Executive Mayor
- (m) Reports from the office of the Municipal Manager

- (n) Reports from the financial services department
- (o) Reports from Corporate services department
- (p) Reports from Community services department
- (q) Reports from the roads and transport planning department
- (r) Reports from the planning and economic development department
- (s) Motions of exigency
- (t) Notices of motion
- (u) In-closed session
- (v) Closure

(4) The Speaker may change the order of business appearing on the agenda or the Council may resolve accordingly.

(5) A councillor who wishes to have the order of business on the agenda changed, must approach the Speaker in this regard prior to the meeting.

AGENDA

5.(1)(a) The Speaker or a person designated by the Speaker must prepare the agenda for a meeting in liaison with the Municipal Manager.

(b) The Municipal Manager must assist the Speaker in preparing the agenda.

(2) The Speaker may at any time during a meeting introduce an urgent matter which does not appear on the agenda, unless—

- (a) a councillor indicates his or her opposition to the introduction of the matter;
- (b) the procedure contemplated in rule 18 is followed; and
- (c) the Council resolves otherwise with a supporting vote of a majority of the votes cast.

(3) Except as otherwise provided in these rules or in terms of sub-rule (2), a matter

not appearing on the agenda may not be transacted at a meeting.

(4) The Speaker may refuse an item, motion or question to the agenda if such item, motion or question—

- (a) falls outside the jurisdiction of the municipality;
- (b) is racist in nature or advocates hate speech;
- (c) is *sub judice*;
- (d) does not comply with procedural requirements for submission of agenda items as provided for in these rules;
- (e) lacks sufficient information;
- (f) violates legislation or is contrary to the law; or
- (g) is of defamatory nature,

in which event the procedure in rule 36(2) and (3) must be followed.

MEETINGS

6.(1) The Speaker must—

- (a) at least quarterly convene ordinary Council meetings; and
- (b) ensure that the Council meets at least quarterly in accordance with section 18(2) of the Structures Act.

(2) (a) All meetings must be open to members of the public, unless members of the public are excluded as contemplated in rule 23.

(3) Subject to sub-rule (1) and rule 7(3), the Speaker must decide when and where the Council must meet, which may include convening meetings virtually.

(4)(a) At least three working days before an ordinary Council meeting, the Speaker must give written notice to each councillor of that meeting.

(b) If the Speaker accidentally omits to give a notice contemplated in paragraph

(a) to any councillor, such omission does not invalidate a meeting.

(5)(a) At least three working days before an ordinary Council meeting, the Speaker must give written notice to the public of every Council meeting in accordance with section 19 of the Systems Act.

(b) The notice contemplated in paragraph (a)—

(i) must be posted on a notice board at the municipality's head office as well as the website; and

(ii) may be published in a local newspaper determined by the Municipal Manager.

(6)(a) The Speaker may at any time change the date, time, platform or venue of an ordinary Council meeting which has been convened.

(b) The Municipal Manager must give reasonable notice in line with this rule of any change to the date, time or venue of a meeting.

SPECIAL COUNCIL MEETINGS

7.(1)(a) The Speaker may call a special Council meeting on a date, time, platform and venue determined by him or her.

(b) When the Speaker has determined the date, time, platform and venue of a special

Council meeting, he or she must inform the Municipal Manager thereof.

(2) If the position of Speaker is vacant or the Speaker is absent, unavailable, unwilling or unable to perform his or her functions—

(a) the Municipal Manager; or

(b) a person designated by the Provincial Minister if the Municipal Manager is absent, unavailable, unwilling or unable,

must convene a special Council meeting to elect a Speaker or an Acting Speaker, as the case may be, and preside over such election.

(3) The Speaker must, if a majority of the councillors requests him or her in writing to convene a special Council meeting for the consideration of a specified matter or matters and if the request complies with the requirements set out in this rule and the Structures Act—

- (a) convene a special Council meeting on the date and at the time set out in the request and at a venue or platform determined by him or her; and
- (b) inform the Municipal Manager of the date, time and venue or platform and supply him or her with a copy of the request.

(4) A request to call a special Council meeting must indicate the matter or matters, as the case may be, to be dealt with at that special Council meeting, and indicate the date and the time of the special Council meeting, which date may not be less than—

- (a) Five working days from the date the request is submitted to the Speaker; or
- (b) Three working days from the date the request is submitted to the Speaker if the matter is regarded as an urgent matter, in which event the reasons for urgency must be stated in the request.

(5) For the purposes of sub-rule (3), a majority of councillors must be construed as reflected in the municipality's section 20 of the Structures Act, notwithstanding any declared vacancies.

(6)(a) If the Speaker, for whatever reason, fails to convene a special Council meeting in terms of sub-rule (3) within one working day of receipt of a compliant request, the Municipal Manager must convene the special Council meeting on the date and at the time set out in the request and at a venue or platform determined by him or her.

(b) If the Municipal Manager, for whatever reason, fails to convene a special Council meeting in terms of paragraph (a) within one working day of the failure by the Speaker, a person designated by the Provincial Minister must convene the special Council meeting on the date and at the time set out in the request and at a venue or platform determined by him or her.

(7)(a) If the Speaker is absent, unavailable, unwilling or unable to chair the special Council meeting, the Municipal Manager or a person designated by the Provincial Minister if the Municipal Manager is absent, unavailable, unwilling or unable, must preside at the election of an Acting Speaker in accordance with section 36(3) of the Structures Act.

(b) The Acting Speaker may only preside over the special Council meeting concerned.

(8) Only the matter or matters specified in the notice convening a special Council meeting or set out in the request contemplated to in sub-rule (3), may be dealt with at that meeting.

(9) Rule 55 applies to a special Council meeting to vote on a motion of no confidence.

(10)(a) The Speaker must give notice of a special Council meeting at least five working days prior to the meeting, in the manner contemplated in rule 7(4).

(b) If the Speaker determines that the special Council meeting is an urgent meeting, the Speaker must, at least three working days before the meeting, give written notice as contemplated in rule 7(4).

(c) If the Speaker accidentally omits to give notice to any councillor, such omission does not invalidate a meeting.

(11)(a) The Speaker may, on reasonable grounds, determine that a special Council meeting is an emergency meeting, in which event the time periods specified in this³⁰⁰ rule do not need to be complied with.

(b) The Speaker must take all reasonable steps to notify each councillor and the public of a special Council meeting that is an emergency meeting.

FUNCTIONS OF SPEAKER REGARDING MEETINGS

8.(1) Subject to rule 14(2), the Speaker must take the chair at the time the meeting has been scheduled for.

(2) In addition to the functions contemplated in section 37 of the Structures Act and any other law, the Speaker—

- a. must give a ruling in respect of—
 - (i) a point of order raised by a councillor; and
 - (ii) a question in relation to the priority of business; and
- b. may give a ruling in respect of any procedural eventuality for which these rules do not provide.

(3) The rulings contemplated in sub-rule (2) must be recorded in the minutes and may not be debated.

ATTENDANCE BY COUNCILLOR

9.(1) Subject to item 4 of the Code and rule 11, a councillor must—

- a. attend each meeting;
- b. record his or her attendance ; and
- c. remain in attendance, unless given permission by the Speaker.

(2) A councillor must disclose an interest in any matter before Council as contemplated in item 6 of the Code and withdraw from proceedings when that matter is considered, unless the Council decides that the councillor's interest is trivial or irrelevant.

Order for councillor to withdraw from meeting 10.(1) If the Speaker is of the opinion that a—

- (a) councillor is deliberately contravening a provision of these rules or the Code;
- (b) councillor is in contempt of or is disregarding the authority of the Speaker;
or
- (c) councillor's conduct is grossly disorderly,

he or she may order the councillor to withdraw immediately from the chamber or committee room for the remainder of the day's meeting.

- (2) The Speaker may order that any councillor who refuses to leave a meeting of the Council when directed to do so by him or her in terms of these rules, be removed by a person designated by him or her.

PROCEDURE FOR LEAVE OF ABSENCE

11.(1) A councillor must, before absenting him or herself from the whole or part of a meeting—

- (a) apply for permission from the Speaker; and
- (b) provide the Speaker with reasonable and *bona fide* reasons and show good cause for granting the application,

at least one working day before the meeting except in exceptional circumstances.

(2) Upon receipt of the application contemplated in sub-rule (1), the Speaker must—

- (a) consider the application, taking into account the impact it may have on the meeting;
- (b) approve or reject the application; and
- (c) notify the councillor of his or her decision as soon as possible before the meeting.

- (3) If the Speaker rejects the application contemplated in sub-rule (1), he or she must provide a reason therefor.

- (4) The Speaker, on good cause shown, may grant leave of absence to a councillor who has been prevented by special circumstances from applying for leave of

absence in accordance with sub-rule (1), which may include, amongst others, illness of the councillor, or illness or death of a member of the councillor's family.

- (5) The names of all councillors—
 - (a) present at a meeting;
 - (b) absent from a meeting or a part of a meeting; and
 - (c) to whom leave of absence from the meeting has been granted, must be recorded in the minutes.
- (6) Leave is deemed to have been granted if a councillor—
 - (a) has been delegated to attend a meeting or engagement on behalf of the Council; or
 - (b) withdraws from proceedings as contemplated in rule 9(2).
- (7) Sub-rules (1) to (6) also apply with the necessary changes to leave of absence of the Speaker: Provided that a reference in this rule to the Speaker is regarded to be a reference to the Council.

SANCTIONS FOR NON-ATTENDANCE

12.(1) Except for the instances contemplated in rules 11(4) and 11(6), a councillor may not without leave—

- (a) absent him or herself from a meeting;
 - (b) fail to be in attendance at the commencement of a meeting; or
 - (c) fail to remain in attendance until the end of a meeting.
- (2) An investigation into an alleged contravention of sub-rule (1) must be conducted in accordance with the provisions of the **Code of conduct for Councillors**.
- (3) If the Council finds that a councillor has breached these rules or the Code as contemplated in sub-rule (1), the Council may fine the councillor a maximum of—
 - (a) 10 per cent of his or her gross monthly salary for the first breach; and
 - (b) 25 per cent of his or her gross monthly salary for every subsequent breach.

- (c) The fine referred to in (a) and (b) will go to a fund that will be used for Council matters.

- (4) If a councillor absents him or herself from three or more meetings without permission, the Council must request the Provincial Minister to remove the councillor from office.

MINUTES

13.(1) The Municipal Manager must—

- (a) compile the minutes of the proceedings of a meeting in writing within two weeks of the meeting; and
 - (b) provide each councillor with a copy of the minutes within a reasonable period.
- (2) The minutes of a meeting must be considered by the Council at its next meeting and, if confirmed, must be signed by the Speaker.
- (3) The minutes are taken as read, for the purpose of sub-rule (2), if they were provided to each councillor within a reasonable period before the meeting considering them.
- (4) No motion or discussion is allowed on the confirmation of the minutes, except in connection with the correctness thereof.
- (5) If a councillor is dissatisfied with the correctness of the minutes, he or she must—
 - (a) state the item with which he or she is dissatisfied; and
 - (b) propose a motion clearly outlining the alternative wording to amend the minutes.
- (6) The minutes of a meeting must set out the date, time and place of the meeting and the decisions or other action taken at the meeting.

(7) The Municipal Manager must keep a record of the signed minutes.

QUORUM

14.(1) A meeting may not commence until a quorum is present.

(2) If there is no quorum at the time for which the meeting is scheduled, the Speaker must take the chair as soon as a quorum is present.

(3) If there is no quorum, the start of the meeting must be delayed for not longer than 30 minutes and if at the end of that period, there is still no quorum, the Speaker must—

(a) adjourn the meeting to another time, date and venue or platform at his or her discretion; and

(b) record the time of such adjournment and the names of those councillors present.

(4) If the Speaker is not present and there is no quorum, the start of the meeting must be delayed for not more than 30 minutes and if there is still no quorum at the end of that period, the meeting may not take place and the Municipal Manager must record the time of such adjournment and the names of the councillors present.

(5) If during a meeting there is no quorum, the Speaker must suspend the proceedings until a quorum is again present: Provided that if after 10 minutes or such longer time as the Speaker may allow, there is still no quorum, the Speaker must—

(a) adjourn the meeting to another time, date and venue or platform at his or her discretion; and

(b) record the time of such adjournment and the names of those councillors present.

ADJOURNMENT OF PROCEEDINGS

15. The Speaker may only adjourn a meeting—

- (a) after the Council has transacted all of its business on the agenda;
- (b) in the absence of a quorum as contemplated in rule 14;
- (c) upon a successful motion to adjourn as contemplated in rule 43 or 44;
- (d) when a meeting has fallen into disarray and has become unruly;
- (e) in the event of a resignation as contemplated in rule 55(11); or
- (f) in the event of *vis major*.

CONTINUATION OF MEETING IF SPEAKER UNLAWFULLY ADJOURNS MEETING

16.(1) If the Speaker has adjourned a meeting in circumstances other than those contemplated in rule 15, such adjournment is improper and the remaining councillors may proceed with the remainder of the agenda: Provided that a quorum is still present.

- (2) The remaining councillors must elect an Acting Speaker to preside over the proceedings to conclude the agenda.
- (3) The Municipal Manager or, if the Municipal Manager is absent, unavailable, unwilling or unable, a person designated by the Provincial Minister, presides at the election of an Acting Speaker in accordance with section 36(3) of the Structures Act.
- (4) The Acting Speaker may only preside over the remainder of the meeting that was improperly adjourned by the Speaker.

CHAPTER 3

DECISIONS

UNOPPOSED MATTERS

- 17.** If the Council is called upon to consider a matter before it, the Speaker must ask the Council if there is any opposition to the matter from any councillor, and if there is none, a unanimous vote must be recorded in the minutes of the meeting.

OPPOSED MATTERS

- 18.** If the Council is called upon to consider a matter before it, the Speaker must open the matter for debate and only at the end of the debate the matter must be put to the vote. Upon the announcement of the result of the vote, a councillor may demand that his or her dissenting vote, abstention or supporting vote be recorded in the minutes of the meeting.

DECISIONS BY VOTING

- 19.(1)** As contemplated in section 160(3)(a) of the Constitution and section 30(1) of the Structures Act, a quorum must be present before a vote may be taken on any matter.

- (2) A supporting vote of a majority of councillors as per the section 20 of the Structures Act who are in attendance is necessary to decide on any matter prescribed by

legislation, or, in accordance with section 160(3)(b) of the Constitution and section 30(2) of the Structures Act, including but not limited—

- (a) passing of a by-law;
- (b) approval of the budget;
- (c) imposition of rates and other taxes, levies and duties; and
- (d) raising of loans.

(3) A supporting vote of at least two-thirds of councillors as per the section 20 of the Structures Act who are present is necessary to adopt a decision to dissolve the Council, in accordance with section 34 of the Structures Act.

(4) All other questions before the Council are decided by a majority of the votes cast, as contemplated in section 160(3)(c) of the Constitution.

(5) If on any question other than a matter contemplated in section 160(2) of the Constitution, there is an equality of votes, the Speaker must exercise a casting vote in addition to his or her vote as a councillor as contemplated in section 30(4) of the Structures Act.

(6) The Executive Mayor, if applicable, must submit a report and recommendations before the Council takes a decision on the following matters:

- (a) Any matter contemplated in sub-rule (2)(c);
- (b) the approval of an integrated development plan or any amendment thereof; and
- (c) the appointment and conditions of service of a Municipal Manager and a Senior Manager directly reporting to a Municipal Manager.

(7) As contemplated in item 2A of the Code, a councillor may not vote in favour of, or agree to, a resolution which is before the Council and conflicts with any legislation applicable to local government.

METHOD OF VOTING

20.(1) Voting must take place in the manner contemplated in rule 21(2) or (3), unless the—

(a) law prescribes otherwise; or

(b) Speaker determines that voting must take place by a secret ballot,

in which case voting must take place in the manner contemplated in rule 21(4).

(2) When the Speaker exercises the power to determine the appropriate voting procedure or method, the following factors must be taken into account:

(a) The subject and content of the matter to be voted on;

(b) the prevailing circumstances relating to the matter to be voted on;

(c) the weight to be afforded to the advancement of the principles of transparency, accountability, and good governance, and enabling councillors to vote according to their conscience and in the furtherance of the best interest of the people;

(d) which voting procedure or method would ensure that councillors exercise their powers, perform their functions, and carry out their duties most effectively;

(e) the imperative of the Speaker's impartiality;

(f) the possible consequences of the resolution on the municipality, members of the public, and councillors;

(g) the possibility of corruption if voting takes place by way of a secret ballot; and

(h) any other relevant factors.

(3) A councillor may not leave the Council chamber or committee room during the taking of a vote.

CASTING OF VOTES

21.(1) Unless any law provides otherwise and subject to sub-rule (4), voting takes place in accordance with a manual voting system.

(2) Where no electronic voting system is in operation, a manual voting system must be used in accordance with a procedure predetermined by the Speaker and - the Municipal Manager or his or her nominee must count the votes cast in the presence of a representative of each party represented on the Council or the committee, as the case may be, and present at such meeting and must record the result of voting;

- (a) after councillors' votes have been counted, the Speaker must immediately announce the result of the division; and
- (b) the names and votes of the councillors must be recorded in the minutes of the meeting.

(3) Where a secret ballot is held—

- (a) the Municipal Manager must hand to each councillor a ballot paper or device having the alternates to be voted for clearly depicted thereon;
- (b) the Municipal Manager must collect all the ballot papers or display the results and count them in the presence of a representative of each party represented on the Council, or the committee, as the case may be, and present at such meeting; and
- (c) the Speaker must immediately announce the result of the division.

(4) (a) Should voting be required during virtual meetings, councillors will also be entitled to cast their votes either electronically, by voice or by show of hands. The procedure will be in accordance with the decision of the Speaker after consulting with the Municipal Manager.

- (b) When voting takes place during virtual meetings, videos must be on
- (c) Councillors must ensure that their votes are correctly recorded and Political parties must also provide a signed copy of votes cast by their members within an agreed time-frame to ensure verification of results. This record may be submitted electronically.

CHAPTER 4 ATTENDANCE OF MEMBERS OF PUBLIC

Attendance of and address by municipal employee or member of public

22.(1) The Speaker must—

- (a) take reasonable steps to regulate public access to, and public conduct at, meetings as contemplated in section 20(4)(b) of the Systems Act; and
 - (b) ensure that meetings are accessible to all persons including ensuring that virtual meetings are live-streamed, wherever possible.
- (2) The Council must conduct its business in an open manner and may close its meetings as contemplated in rule 23 only when it is reasonable to do so, having regard to the nature of the business being transacted as contemplated in section 160(7) of the Constitution.
- (3) A municipal employee or member of the public who was not invited by the Speaker to address the Council, but wishes to do so, must apply in writing to the Speaker at least one working day before the meeting, stating the matter on which he or she wishes to speak.
- (4) The Speaker may allocate reasonable time to any municipal employee or member of the public to address the Council upon granting an application contemplated in sub-rule (3).

EXCLUSION OF MEMBERS OF PUBLIC FROM MEETING

23.(1) Subject to section 20(1) of the Systems Act and sub-rules (2) and (3), members of the public may be excluded from a meeting—

- (a) if so directed by the Speaker;
- (b) if so decided by Council upon a motion from any councillor to that effect;
or
- (c) where matters are marked confidential.

(2) Members of the public may not be excluded when considering or voting on a matter contemplated in section 20(2) of the Systems Act.

(3) Members of the public may be excluded when the Council, due to the nature of the business being transacted or when the disclosure of any matter may be prejudicial to the interests of the municipality, deems it reasonable and justifiable to do so, having regard to the principles of an open and democratic society.

(4) If a motion to exclude members of the public from the meeting as contemplated in sub-rule (1)(b) is seconded, the motion must be put to the vote, after a discussion of the reasons, but without discussion of the matter.

(5) If members of the public are excluded from the meeting, the venue or platform must be cleared of all members of the public.

(6) The motivation for the exclusion of members of the public must be recorded in the minutes of the meeting.

RE-ADMISSION OF MEMBERS OF PUBLIC

24.(1) A councillor may during the course of a meeting from which members of the public were excluded, move a motion “that the meeting again be opened” and state the reasons for the motion.

(2) The motion must be debated before it is put to the vote.

(3) If the motion is carried, the Speaker must ensure that members of the public are allowed access to the meeting again.

CHAPTER 5

CONDUCT IN MEETINGS

CONDUCT OF COUNCILLORS, MUNICIPAL EMPLOYEES AND MEMBERS OF PUBLIC

25.(1) Councillors, municipal employees and members of the public must preserve order at meetings, and may not—

- (a) behave in an unseemly manner;
- (b) obstruct the business of a meeting;
- (c) commit any breach of the rules;
- (d) indulge in an irrelevant argument or the tedious repetition of arguments; or
- (e) use offensive or unbecoming language or remarks which are of a defamatory nature.

(2) Councillors may not challenge a ruling of the Speaker as contemplated in rule 8(2)(b).

(3) If a councillor, municipal employee or member of the public breaches sub-rule (1), the Speaker must direct him or her to refrain from the breach.

(4) If a councillor, municipal employee or member of the public disregards the

direction of the Speaker contemplated in sub-rule (3), the Speaker may direct the councillor, municipal employee or member of the public—

- (a) if speaking, to discontinue his or her speech; or
- (b) to withdraw from the chamber or committee room for the remainder of the meeting or, if necessary, to be removed by a person designated by the Speaker.

(5) If the Speaker fails to act under sub-rule (3) or (4), any councillor may move a motion to require the Speaker to do so.

(6) The motion contemplated in sub-rule (5) must be moved without notice, and it must be debated before it is put to the vote.

CHAPTER 6

DEBATE AND MOTIONS

ADDRESS TO SPEAKER

26.(1) A councillor, or a municipal employee or member of the public contemplated in rule 22(4) who is recognised to speak at a meeting, must address the Speaker.

(2) A member of the public who is recognised by the Speaker must state his or her name, and if he or she is representing an organisation or group, identify such organisation or group.

RIGHT TO SPEAK AND LIMITATION

27.(1) As contemplated in section 160(8)(a) and (b) of the Constitution, a councillor is entitled to participate in Council proceedings in a manner that—

- (a) allows the parties and interests reflected within the Council to be fairly represented; and
- (b) is consistent with democracy.

(2) A councillor has freedom of speech in any meeting of the Council and in any committee of which he or she is a member in accordance with section 28 of the Structures Act and section 2 of the Western Cape Privileges and Immunities of Councillors Act, 2011 (Act 7 of 2011): Provided that he or she must—

- (a) confine his or her speech to municipal matters;
- (b) avoid personal attacks on other councillors; and
- (c) refrain from defaming another councillor, a person or an institution.

(3) The right to freedom of speech of a councillor contemplated in sub-rule (2)—

- (a) includes participation in the deliberations and voting on any resolution, decision, report, paper or minutes adopted or approved by the Council or any of its committees; and
- (b) is subject to these rules.

(4) A councillor who is not a member of a committee has the right to speak at a meeting of that committee: Provided that such councillor has been permitted by the chairperson to speak to a specific item on the agenda.

(5) A councillor may speak or proceed to speak at a meeting after being recognised by the Speaker.

(6) A councillor may speak only once to—

- (a) a matter before the Council;
- (b) any motion before the Council;
- (c) any amendments to a motion before the Council; or
- (d) a point of order or a question,

unless authorised by the Speaker or as provided for in these rules.

(7) A councillor may not be interrupted while speaking, unless called to order by the Speaker or a point of order or **point of clarification** is raised by any other councillor.

(8) The Speaker may not recognise a councillor to speak on a matter once that matter has been voted on **or dealt with**.

(9) The Speaker may not allow a debate on a matter—

(a) which may anticipate any matter on the agenda; or

(b) in respect of which a decision by a judicial or administrative body or a commission of inquiry is pending.

PARTICIPATION BY SPEAKER IN DEBATE

28.(1) If the Speaker wishes to take part in a debate, he or she may do so from the floor and must—

(a) request the meeting to elect an Acting Speaker in the manner contemplated in rule 16(3) for the duration of the debate in which he or she wishes to take part; and

(b) vacate the chair and take up his or her seat amongst the other councillors.

(2) The Speaker does not have to vacate the chair if he or she is reporting on matters relating to the Council and its administration.

TABLING OF DOCUMENTS

29.(1) Where any law requires any document or report to be tabled in the Council by a councillor or municipal employee, tabling is deemed to be effected by presenting it to the Speaker at a Council meeting.

(2) All documents and reports tabled in the Council must be recorded in the minutes.

QUESTIONS

30.(1) A councillor may submit a question on any matter relevant to a political office bearer or municipal employee concerning any matter related to the effective performance of the functions of the municipality and the exercise of its powers and carrying out of its duties, by giving 10 working days' notice in writing to the Speaker.

(2) A question must be in writing, dated and signed by the councillor and the date of receipt must be endorsed on it.

(3) The Speaker may—

(a) refer the question back to the councillor with a reason why it cannot appear on the agenda, which reason may include, amongst others, that he or she is of the opinion that the question is out of order, not clearly put, irrelevant or not submitted in accordance with these rules; or

(b) accept the question and refer it to the appropriate political office bearer or municipal employee to answer.

(4) The Municipal Manager must ensure that a response is given at the next Council meeting: Provided that if an answer cannot be put before the meeting, it must be considered at the subsequent Council meeting.

5 If a question served before the Council, a similar question may not be put before the Council until a period of three months has lapsed, unless the Council directs otherwise.

(6) A debate will not be allowed on a question, except a question of clarity from the councillor who posed the question.

- (7) A question may be published for public notification.

DEBATE MANAGEMENT

31.(1) The Speaker may allow a five-minute period to the mover of a motion to respond and to conclude the debate on an item.

(2) Notwithstanding the provisions of sub-rules (1), the Speaker may not, when exercising any discretion in terms of these rules, prejudice any party in respect of the time allocated to a party.

32. A councillor who speaks, must direct his or her speech to the matter before the Council.

POINT OF ORDER

33.(1) A councillor may interject during a Council meeting to raise a point of order to call the attention of the Speaker to a breach of the rules, the Code or a statutory provision.

(2) A point of order may be raised in relation to—

- (a) a procedural matter; or
- (b) the conduct of a councillor, municipal employee, or member of the public.

(3) A councillor raising a point of order must immediately be heard, and he or she must state the—

- (a) point of order; and
- (b) rule, item in the Code or statutory provision that is being breached.

(4)(a) A councillor who is speaking when a point of order is raised must immediately stop speaking until the point of order is ruled on by the Speaker.

(b) All other matters before the Council must be suspended until the point of order is ruled on.

(5) If ruled to be—

(a) in order, the councillor must be allowed to proceed with his or her speech;
or

(b) out of order, the councillor must remain silent or must retract or change any remarks so as to comply with the ruling.

(6) The Speaker's ruling on a point of order—

(a) is final and not open to debate; and

(b) must be recorded in the minutes.

(7)(a) If a councillor persists in irrelevant, frivolous or unsubstantiated points of order, the Speaker may—

(i) rule that the councillor must withdraw immediately from the chamber or committee room for the remainder of the day's meeting; and

(ii) refer the councillor for discipline in terms of the uniform standing proceedings relating to councillor discipline adopted by the Council.

(b) If the Speaker fails to act under paragraph (a), any councillor may move a motion to require the Speaker to do so.

EXPLANATION

34.(1) The Speaker may allow a councillor to explain a previous speech, but only when and to the extent that a material part of the speech may have been misunderstood.

(2) The councillor giving the explanation may not introduce any new matter, and no debate on the explanation may be allowed.

MOTION

- 35.** A councillor may move a motion only when it is put by the Speaker and if seconded by another councillor, unless provided otherwise in these rules.

NOTICE OF MOTION

- 36.**(1) Unless provided otherwise in these rules, a notice of motion must be—
- (a) in writing, dated, motivated and signed by the relevant councillor; and
 - (b) delivered to the Speaker at least six working days before the date of the meeting at which it is to be moved.
- (2) Subject to rule 5(4), the Speaker may refuse an item, motion or question, in which event he or she must refer the item, motion or question—
- (a) back to the councillor concerned, with the reason why it cannot be placed on the agenda;
 - (b) to the committee that is mandated by the Council to deal with the matter; or
 - (c) to the Executive Mayor, if applicable, if by law such motion or question must first be considered by the Executive Mayor.
- (3) If an item, motion or question was put before, and refused by the Council, a similar item, motion or question may not be put before the Council until a period of three months has lapsed, unless the Council directs otherwise.
- (4) Sub-rule (1) does not apply to the following motions:
- (a) A motion of exigency; and
 - (b) a motion of course.

QUESTION FOR DEBATE

37.(1) During a debate and—

(a) after a motion has been moved and seconded; or

(b) at the conclusion of any speech on a motion,

any councillor may ask any question relevant to the motion to another councillor.

(2) Only the councillor who asked the question may ask a supplementary question, and then only in respect of matters arising out of the reply to that question.

(3) The councillor to whom the question is directed may—

(a) reply thereto forthwith; or

(b) require that notice be given of the question, in which event the Speaker must ensure that the reply is placed on the agenda of the next meeting.

MOTION OF EXIGENCY

38.(1) Subject to sub-rule (2), a councillor may direct the attention of the Council to any matter which does not appear on the agenda and of which no notice has been given, by stating briefly the subject of the matter and, without comment thereon, moving a motion “that the motion to which attention has been directed be considered forthwith as a matter of exigency”.

(2) A motion of exigency must be submitted to the Speaker at least one (1) hour before the start of the meeting **if circumstances allow**.

(3) If the motion in sub-rule (1) is seconded and carried, the councillor who moved the motion may be permitted without notice to have the matter considered.

- (4) This rule does not apply to a motion of no confidence as contemplated in rule 55.

MOTION OF COURSE

39.(1) The following are regarded as motions of course:

- (a) That precedence be given to the consideration of any particular matter appearing on the agenda;
- (b) that any report referred to in the agenda be noted, adopted, acted upon or referred back;
- (c) that any document before the Council be acted upon in the manner specified in the motion;
- (d) that action be taken with regard to any matter submitted for consideration in the manner specified in the motion;
- (e) that the Speaker must direct that a councillor, municipal employee or a member of the public withdraw from the meeting; and
- (f) any motion contemplated in rule 40.

- (2) A motion of course must be debated before it is put to the vote.

PRECEDENCE OF DEBATE

40. When a motion is under debate, no further motion may be received, except that—

- (a) the motion be amended;
- (b) the consideration of the matter be postponed to a fixed or undetermined date;
- (c) members of the public be excluded as contemplated in rule 23;
- (d) members of the public be re-admitted as contemplated in rule 24;
- (e) the meeting be adjourned to another date;
- (f) the meeting be adjourned for a specified time;
- (g) the debate on the matter be adjourned for a specified time;
- (h) the motion be put to the vote;
- (i) the motion be removed from the agenda; or
- (j) the motion be referred to a committee; or

(k) the motion be withdrawn.

AMENDMENT MOTION

41.(1) A councillor may move an amendment motion by stating—

- (a) “that the motion be amended”; and
- (b) how the original motion should be amended.

(2) Subject to sub-rule (6), the motion contemplated in sub-rule (1)—

- (a) need not be in writing; and
- (b) must be seconded.

(3) The amendment must be relevant to the original motion on which it is moved, and must be moved while the original motion is under consideration.

(4)(a) The amendment may not amend, in a material way, the principle embodied in the original motion, but may vary its terms in one or more particulars.

(b) The Speaker must decide whether or not the amendment complies with paragraph

(a) , and must rule accordingly.

3. The amendment must be considered before considering the original motion.

4. If the Speaker so requires, a proposed amendment must be in writing, signed by the councillor who moved it, and handed to the Speaker.

(7)(a) If there is more than one amendment to the original motion, the last proposed amendment must be debated before it is put to the vote, and if carried, the matter must be resolved accordingly.

(b) If the last proposed amendment is rejected, the amendment proposed immediately before the last amendment must be debated before it is put to the vote.

(c) When all amendments have been disposed of, the original motion must be debated before it is put to the vote.

(8) No further amendment to the original motion may be moved after the Speaker has commenced to take the vote on the original motion.

MOTION FOR POSTPONEMENT OF MATTER

42.(1) A councillor may at the conclusion of a speech move “that the consideration of the matter be postponed to a fixed or undetermined date”.

5. The motion—

- a. need not be in writing; and
- b. must be seconded.

6. The councillor who moved the motion may speak to the motion.

7. The councillor who moved the original motion in respect of the matter under debate may reply, after which the motion contemplated in sub-rule (1) must be put to the vote without further debate.

8. If the motion contemplated in sub-rule (1) is carried, the matter must be placed first on the agenda of matters to be considered at the meeting to which it has been postponed.

9. If the motion contemplated in sub-rule (1) is not carried, the meeting must proceed as though no interruption occurred.

MOTION FOR ADJOURNMENT OF MEETING TO ANOTHER DATE

43.(1) A councillor may, at any time during the meeting, except during the course of a speech by another councillor or when a vote is being taken, move “that the meeting adjourn to another date”.

3. The motion—

- a. need not be in writing; and
- b. must be seconded.

4. The councillor who moved the motion may speak to the motion.

5. A debate on the motion may not be permitted: Provided that the first councillor to indicate his or her opposition to the motion, may speak in opposition thereof.

6. An amendment to the motion may not be moved, except in relation to the period of adjournment.

7. If the motion is carried, the meeting must forthwith adjourn and be reconvened on the date specified in the motion or amended motion, unless the Speaker directs that the meeting proceed first to dispose of business other than the opposed business.

8. If the motion is not carried, the meeting must proceed as if no interruption occurred, and the Speaker may not accept a similar motion until 30 minutes has lapsed.

9. Before the conclusion of a motion that is carried during a debate, the councillor who moved the adjournment is entitled to speak first when the matter is reopened for discussion at the adjourned meeting.

10. No business may be transacted at an adjourned meeting other than the business that was on the agenda for the meeting of which it is an adjournment.

MOTION FOR ADJOURNMENT OF MEETING FOR SPECIFIED TIME

44.(1) A councillor may at any time, except during the course of a speech by another councillor or when a vote is being taken, move “that the meeting adjourn for a specified time”, which may not exceed 60 minutes.

11. The motion—

- a. need not be in writing; and
- b. must be seconded.

12. If the motion is carried, the meeting must forthwith adjourn for the specified time and reconvene on the time specified in the motion.

13. If the motion is not carried, the meeting proceeds as though no interruption occurred, and the Speaker may not accept a similar motion until 30 minutes has lapsed.

14. The Speaker may at any time adjourn a meeting for a specified time, on good cause shown.

MOTION FOR ADJOURNMENT OF DEBATE ON MATTER FOR SPECIFIED TIME

45.(1) A councillor may, at the conclusion of any speech on a matter, move “that the debate on the matter be adjourned for a specified time”.

15. The motion—

- a. need not be in writing; and
- b. must be seconded.

16. The councillor who moved the motion may speak to the motion.

17. The motion must be debated before it is put to the vote.

18. No amendment to the motion may be moved, except in relation to the period of adjournment.

(6)(a) If the motion is carried, the meeting proceeds to the next item on the agenda, and the adjourned debate is resumed at the time specified in the motion.

(b) On the resumption of the adjourned debate, the councillor who moved the adjournment is entitled to speak first.

19. If the motion is not carried, the debate on the matter proceeds as though no interruption occurred, and the Speaker may not accept a similar motion until 30 minutes has lapsed.

20. A councillor may not move or second more than one motion for the adjournment of the debate on the matter during the course of that debate.

21. The Speaker may at any time adjourn a debate for a specified time, on good cause shown.

MOTION THAT MATTER BE PUT TO VOTE

46.(1) A councillor may, at the conclusion of any speech on a matter, move “that the matter be put to the vote”.

- a. The motion—
 - i. need not be in writing; and
 - ii. must be seconded.
- b. The motion must be debated before it is put to the vote.
- c. The councillor who moved the original motion under debate may, when a motion contemplated in sub-rule (1) has been moved, speak on that original motion, whereupon the motion contemplated in sub-rule (1) must be put to the vote without any further debate.
- d. If the motion contemplated in sub-rule (1) is not carried, the meeting proceeds as though no interruption occurred, and the Speaker may not accept a similar motion on that item.

MOTION TO REMOVE MATTER FROM AGENDA

47.(1) A councillor may move “that the matter be removed from the agenda”.

(2) The motion—

- (a) need not be in writing; and
- (b) must be seconded.

(3) The motion must be debated before it is put to the vote.

(4) If the motion contemplated in sub-rule (1) is carried, the matter must be removed from the agenda of the meeting, and may not be further pursued at that meeting.

(6) If the motion contemplated in sub-rule (1) is not carried, the meeting proceeds as though no interruption occurred, and the Speaker may not accept a similar motion on that item.

MOTION TO REFER MATTER TO COMMITTEE

48.(1) A councillor may, at the conclusion of any speech on a matter, move “that the matter be referred to a committee”.

(2) The motion—

- (a) need not be in writing; and
- (b) must be seconded.

(3) The motion must be debated before it is put to the vote.

(4) If the motion contemplated in sub-rule (1) is carried, the matter under debate may not be further pursued at the meeting.

(5) If the motion contemplated in sub-rule (1) is not carried, the meeting proceeds as though no interruption occurred, and the Speaker may not accept a similar motion on that item.

WITHDRAWAL OF MOTION OR QUESTION

49.(1)(a) A councillor who has moved a motion may at any time withdraw it.

(b) A councillor may not speak on a motion after the Council has permitted the withdrawal of the motion.

(c) If a motion is withdrawn, a similar motion may not be put before the Council until a period of three months has lapsed, unless the Council directs otherwise.

(2)(a) A councillor who has asked a question may withdraw it at any time before the question is answered.

(b) If a question is withdrawn, a similar question may not be put before the Council until a period of three months has lapsed, unless the Council directs otherwise.

ABSENCE OF COUNCILLOR WHO GAVE NOTICE OF MOTION OR QUESTION

50.(1) If the councillor who gave notice of a motion or a question is not present when called upon by the Speaker, the motion will not be moved and the meeting proceeds as though no interruption occurred, and the Speaker may not accept a similar motion on that item.

RE-INTRODUCTION OF MOTION OR QUESTION

51. A motion which has been rejected by the Council or a question which has been answered, may not again be moved or asked within a period of three months of the meeting at which it was rejected or answered, unless the Council directs otherwise.

MOTION OR QUESTION ON MATTER REFERRED TO COMMITTEE

52.(1) A councillor may not give notice of a motion or question with regard to any matter that is before a committee for consideration, unless notice thereof has also been—

(a) submitted to that committee; or

(b) referred to that committee for consideration and report.

(2) A member of a committee may, if he or she is of the opinion that the matter is one of urgency, give notice of a motion or question on a matter referred to the committee, despite the fact that the motion or question has not been submitted to or considered by that committee.

RECOMMENDATION BY EXECUTIVE MAYOR OR COMMITTEE

53.(1) A recommendation contained in a report submitted by the Executive Mayor or a Chairperson of a committee to the Council is considered to have been moved by the Executive Mayor or the committee, as the case may be.

(2) The motion does not need to be seconded.

(3) The Executive Mayor or any member of the Mayoral Committee or chairperson of a committee, as the case may be, may speak on the matter and reply, but the reply must be confined to the matter and may not introduce any new matter into the debate.

REPORT ON DELEGATED POWERS

54. An Executive Mayor, Speaker, Chairperson of a committee or Municipal Manager must report to the Council on decisions taken with respect to a delegated or sub-delegated power or duty at such intervals as the Council may require.

CHAPTER 7 REMOVAL OF OFFICE-BEARER

FROM OFFICE

Removal of Speaker, Executive Mayor or Deputy Executive Mayor from

office 55.(1)(a) A councillor may, by written motion addressed to the Speaker, move that the Speaker, Executive Mayor or Deputy Executive Mayor be removed from office.

(b) A motion of no confidence contemplated in paragraph *(a)* must be seconded by at least three other councillors.

(2) A motion of no confidence must contain a brief summary of the reasons for the removal, and indicate the date and the time of the special Council meeting, which date may not be less than—

(a) six working days from the date that the motion is submitted to the Speaker; or

(b) four working days from the date the request is submitted to the Speaker if the matter is regarded as an urgent matter, in which event the reasons for urgency must be stated in the request.

(3) The Speaker must, upon receipt of a motion of no confidence—

(a) forthwith send a copy to the Municipal Manager and the Executive Mayor, if applicable; and

(b) if the motion complies with the requirements set out in this rule and the Structures Act—

(i) convene a special Council meeting on the date and at the time set out in the motion and at a venue or platform determined by him or her; and

- (ii) inform the Municipal Manager of the date, time and venue or platform.

(4)(a) If the Speaker, for whatever reason, fails to convene the special Council meeting in terms of sub-rule (3) within one working day from receipt of the motion, the Municipal Manager must convene the special Council meeting on the date and at the time set out in the motion and at a venue or platform determined by him or her.

(b) If the Municipal Manager, for whatever reason, fails to convene a special Council meeting in terms of paragraph (a) within one working day of the failure by the Speaker, a person designated by the Provincial Minister must convene the special Council meeting on the date and at the time set out in the motion and at a venue or platform determined by him or her.

(5)(a) If the Speaker is absent, unavailable, unwilling or unable to chair the special Council meeting, the Municipal Manager or a person designated by the Provincial Minister if the Municipal Manager is absent, unavailable, unwilling or unable, must preside at the election of an Acting Speaker in accordance with section 36(3) of the Structures Act.

(b) The Acting Speaker may only preside over the special Council meeting concerned.

(6) Only the motion of no confidence contemplated in sub-rule (1) may be dealt with at the special Council meeting.

(7)(a) The Municipal Manager must give notice of the special Council meeting at least six working days prior to the meeting, in the manner contemplated in rule 7(4).

(b) If the Speaker determines that the special Council meeting is an urgent meeting, the Municipal Manager must, at least four working days before the meeting, give written notice as contemplated in rule 7(4).

- (c) If the Municipal Manager accidentally omits to give notice to any councillor, such omission does not invalidate a meeting.
- (8) If the Speaker, Executive Mayor or Deputy Executive Mayor to whom the motion relates, resigns from office at any time before the special Council meeting takes place, the motion of no confidence lapses and the meeting does not go ahead.
- (9) The Speaker, Executive Mayor or Deputy Executive Mayor to whom the motion relates, has the right and must be allowed the opportunity during the special Council meeting to respond to every allegation made—
- (a) in the motion of no confidence; and
 - (b) during the meeting.
- (10) If the Speaker, Executive Mayor or Deputy Executive Mayor to whom the motion relates, is not present during the special Council meeting, the Council may continue with the proceedings in his or her absence.
- (11) If the Speaker, Executive Mayor or Deputy Executive Mayor to whom the motion relates, at any time during the special Council meeting, but before the motion of no confidence is put to the vote, resigns from office, the—
- (a) special Council meeting is adjourned immediately; and
 - (b) motion lapses;
- despite any provisions to the contrary in these rules: Provided that if the motion of no confidence concerns the Speaker, the Council must proceed to elect a new Speaker.
- (12) If the motion of no confidence is carried, the Speaker, Executive Mayor or Deputy Executive Mayor to whom the motion relates, is removed

from office with immediate effect and the Council proceeds to elect a new Speaker, Deputy Executive Mayor or Deputy Executive Mayor, as the case may be, despite any provisions to the contrary in these rules.

(13)A councillor elected as Speaker, Executive Mayor or Deputy Executive Mayor in terms of sub-rule (11) or (12), as the case may be, serves for the unexpired term of his or her predecessor.

(14)If the motion of no confidence is not carried, no motion forwarding the same allegations may be put before the Council until a period of three months has lapsed, unless the Council directs otherwise.

CHAPTER 8

LEGISLATIVE PROCESS

INTRODUCTION OF DRAFT BY-LAW

56. A draft by-law may be introduced only by a councillor or a committee, as contemplated in section 12 of the Systems Act.

INTRODUCTION OF DRAFT BY-LAW BY COUNCILLOR

57.(1) A councillor may introduce a draft by-law by submitting it, together with a memorandum on its objects, to the Municipal Manager.

(2) If one or more committees deal with the subject of the draft by-law, the Municipal Manager must submit a report with his or her comments on the draft by-law to such committee or committees, as the case may be, for comment.

(3)(a) The Municipal Manager must submit a report on the draft by-law, together with any comments received from the committee or committees, as

the case may be, as contemplated in sub-rule (2), if applicable, to the Executive Mayor for a report and recommendation to the Council as contemplated in section 30(5) of the Structures Act.

(b) The Executive Mayor must within three months of receipt of a draft by-law from the

Municipal Manager, consider the draft by-law and decide to either support it with or without amendments, or not support it.

(4) After the Executive Mayor has made a decision as contemplated in sub-rule (3)(b), he or she must submit a report to the Council which sets out the following:

- (a) An executive summary of the draft by-law;
- (b) a memorandum on the objects of the draft by-law;
- (c) the contents of the draft by-law;
- (d) other by-laws that will have to be repealed or amended if the draft by-law is adopted;
- (e) the reasons why the draft by-law is supported with or without amendments or not supported, as the case may be;
- (f) any relevant comments or proposals, which may include proposals for amendments; and
- (g) a recommendation or recommendations.

(5)(a) After considering the report contemplated in sub-rule (4), the Council must decide to either reject the draft by-law or to approve it with or without amendments.

(b) If the Council rejects the draft by-law, a by-law of the same substance may not be introduced until a period of six months from the date of rejection has lapsed, unless the Council directs otherwise.

(c) If the Council approves the draft by-law, the draft by-law must be

published for public comment in accordance with rule 59.

INTRODUCTION OF DRAFT BY-LAW BY COMMITTEE

58.(1) A committee may introduce a draft by-law by submitting it, together with a memorandum on its objects, to the Municipal Manager for comment.

(2) The committee must consider the comments received from the Municipal Manager as contemplated in sub-rule (1), and submit it again to the Municipal Manager.

(3)(a) If any other committee deals with the subject of the draft by-law, the Municipal Manager must submit a report on the need for the by-law for consideration to such committee.

(b) If the committee contemplated in paragraph (a) agrees that the by-law is necessary, the Municipal Manager must submit the draft by-law to that committee for comment.

(4) The Municipal Manager must submit the draft by-law with the comments contemplated in sub-rule (3)(b), if applicable, to the Executive Mayor.

(5) The process contemplated in rule 57(3)(b) to 57(5) applies to the introduction of a draft by-law by a committee.

PUBLICATION OF DRAFT BY-LAW

59.(1)(a) The Municipal Manager must, as soon as possible after the Council has granted approval for a by-law contemplated in rule 57 or 58, in terms of rule 57(5)(c) publish the draft by-law for public comment.

(b) The comment period must be at least 30 working days from the date of publication,

unless the Council has approved a shorter period.

- (2) Publication for public comment must be in a manner that allows the public the opportunity to make representations with regard to the proposed by-law as contemplated in section 12(3)(b) of the Systems Act.

CONSIDERATION OF DRAFT BY-LAW

60.(1) The Municipal Manager must as soon as possible after the closing date for public comment contemplated in rule 59, submit a report to the Executive Mayor together with—

- (a) a copy of the draft by-law;
- (b) a copy of the publication contemplated in rule 59;
- (c) comments received from the public; and
- (d) comments or recommendations from the Municipal Manager.

- (2) The Executive Mayor must consider the report by the Municipal Manager and must—

- (a) submit a report to the Council which sets out the following:

- (i) An executive summary of the draft by-law; and
- (ii) any relevant comments or proposals; and

- (b) recommend to the Council to pass the by-law with or without amendments, to postpone the passing of the by-law, or to reject the by-law.

- (3) If the Council rejects the draft by-law, a by-law of the same substance may not be introduced until a period of six months from the date of rejection has lapsed, unless the Council directs otherwise.

- (4) As contemplated in rule 19(2)(a), a supporting vote of a majority of councillors as per section 20 of the Structures Act is necessary to decide on the passing of a by-law.

- (5) The Council may not pass a by-law unless all the councillors were given reasonable notice as contemplated in section 160(4)(c) of the Constitution and section 12(3)(a) of the Systems Act.
- (6) When a by-law has been passed, it must be published in accordance with section 13 of the Systems Act.
- (7) These rules also apply to the adoption of standard draft by-laws as contemplated in section 14(4) of the Systems Act.

CHAPTER 9

MISCELLANEOUS MATTERS

OFFICIAL LANGUAGES

- 61.** Any person who speaks at a meeting may use any of the three official languages recognised by the Constitution of the Western Cape, 1997 (Act 1 of 1998), namely English, Afrikaans and isiXhosa.

MUNICIPAL EMPLOYEES

- 62.** A municipal employee must attend a meeting if requested to do so by the Municipal Manager or the Speaker.

DRESS CODE

- 63.** (1) All attendees to Council and committee meetings are to dress in a manner befitting the dignity and decorum of the Council and Committees, as may further be provided for in guidelines approved by delegated Committee; provided that no party symbols may be displayed.

(2) The allowed dress code for meetings should be smart, smart casual, formal or traditional.

WHATSAPP

64. (1) A Councillor whatsapp group shall be created whose members shall be Councillors and officials only, for the purposes of communicating with Councillors.

(2) Councillors will be bound by the Code of Conduct for Councillors when participating in the whatsapp group.

BREACHES AND OFFENCES

65. (1) A councillor, municipal employee or member of the public who—

- (a) refuses to withdraw from the chamber or committee room when directed to do so by the Speaker in terms of these rules; or
- (b) returns to a meeting from which he or she has withdrawn or was removed for the duration of the meeting in terms of these rules,

may be removed by a person designated by the Speaker, may be guilty of an offence in terms of the Code of conduct for Councillors.

(2) A councillor, municipal employee or member of the public may not—

- (a) interfere or impede the Council when such Council is exercising its powers, performing its functions, or carrying out its duties;
- (b) interfere with or impede the exercise, performance or carrying out by a councillor of his or her powers, functions and duties as a councillor;
- (c) threaten or obstruct a councillor proceeding to or going from a meeting of the Council or committee;
- (d) assault or threaten a councillor;
- (e) fail or refuse to comply with an instruction by the Speaker; or
- (f) fail or refuse to comply with an instruction by a duly authorised municipal employee regarding—
 - (i) the presence of persons at a particular meeting of the Council or a committee; or
 - (ii) the possession of any article, including a firearm, on the

premises where a meeting takes place or on municipal land.

- (3) A person, including a councillor, who contravenes sub-rule (2) is guilty of an offence and is liable on conviction in terms of the Code of conduct for Councillors.
- (4) Sub-rules (2) and (3) do not derogate from any other criminal or civil sanctions, or, in the case of councillors, sanctions regarding a transgression of the Code.
- (5) A councillor who contravenes any of these rules during a meeting compromises the integrity of the municipality must be dealt with in accordance with the uniform standing proceedings relating to councillor discipline adopted by the Council and may be charged in terms of the Code in addition to criminal charges that may be instituted against him or her.
- (6) Every councillor, municipal employee and member of the public must act in accordance with the provisions of the Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004).

BACK TO AGENDA

1. **NOTICE RECEIVED FROM SALGA REGARDING THE NATIONAL CONFERENCE THAT IS GOING TO TAKE PLACE ON 22 – 24 FEBRUARY 2022 / KENNISGEWING ONTVANG VANAF SALGA RAKENDE DIE NASIONALE KONFERENSIE WAT GAAN PLAASVIND VANAF 22 – 24 FEBRUARIE 2022 / ISAZISO ESIVELA KU SALGA MALUNGA NENKOMFA KAZWELONKE NEZAKUBANJWA NGOMHLA 22 – 24 KWEYOMBUMBA 2022**

REPORT FROM THE EXECUTIVE MANAGER: CORPORATE SERVICES (B HOLTZHAUSEN)

2. **PURPOSE**

To request Council to nominate representatives to attend the SALGA National Conference to be held in Cape town on 02 – 04 March 2022.

3. **DELEGATED AUTHORITY**

Council

4. **EXECUTIVE SUMMARY**

The SALGA Constitution provides that each municipality to provide a Council resolution as written confirmation of its up to three (3) persons delegated to attend the Conference including identifying the voting member of the delegation who shall exercise the right to vote;

The SALGA National Executive Committee has resolved that the National Conference be held on a Hybrid Model, with only three (3) delegates per municipality attending physically at the venue and all other councillors and municipal officials would be able to attend on the virtual meetings platform. Municipalities are also reminded that each municipality shall be entitled to up to three (3) delegates but will only have one (1) vote at the Conference.

5. RECOMMENDATIONS

1. That cognizance be taken of the Circular 03/2022 from SALGA regarding the National Conference that is going to take place on 02 – 04 March 2022.
2. That Council nominates Ald M Booysen, Ald GR Wolmarans and the Municipal Manager to attend the SALGA National Conference as delegates.
3. That Council authorizes Ald M Booysen to be the voting delegate at the SALGA National Conference.

AANBEVELINGS

1. *Dat kennis geneem word van Omsendskrywe 03/2022 vanaf SALGA rakende die Nasionale Konferensie wat gaan plaasvind op 02 – 04 Maart 2022 Februarie 2022.*
2. *Dat die Raad Ald M Booysen, Ald GR Wolmarans en die Munisipale Bestuurder nomineer as afgevaardigdes om die SALGA Nasionale Konferensie by te woon.*
3. *Dat die Raad magtiging verleen om Ald M Booysen om die stemgeregtigde afgevaardigede by die SALGA Nasionale Konferensie te wees.*

IZINDULULO

1. Sesokuba kuthathelwe ingqalelo iSazinge 03/2022 esiveka ku SALGA malunga Nenkamfa kaZwelonke nezakubanjwa ukususela 02 – 04 kweyoKwindla 2022.
2. Sesokuba iBhunga lichonge u Ald M Booysen, Ald GR Wolmarans kunye noMphathi Masipala ukuba bazeimase iNkamfa kaZwelonke ka SALGA njengabagqatswa.
3. Sesokuba iBhunga livumele u Ald M Booysen ukuba abenegunya nokuvota kwiNkamfa kaZwelonke ka SALGA.

6 DISCUSSION / CONTENTS

6.1 BACKGROUND

This report serves to inform Council of the upcoming SALGA National conference that will take place on 02 – 04 MARCH 2022 in Cape Town.

6.2 DISCUSSION

The objectives of the conference is amongst others to–

- Review SALGA's Organisational performance since the 2016 National Conference;
- Approve the programme of action and Strategy for the term 2022 - 2027;
- Approve amendments to the SALGA Constitution (attached hereto for ease of reference); and
- Elect the members of the National Executive Committee (NEC).

6.3 Financial Implications

A registration fee of R8000 for each municipal delegate that will physically attend as well as travelling and accommodation costs to be incurred.

6.4 Legal Implications

Local Government: Municipal Financial Management Act, Act 56 of 2003

Local Government: Municipal Structures Act 117 of 1998

Rules of Order for Procedure and maintenance of order at meetings.

6.5 Staff Implications

None

6.6 Linkage to Strategic Objective(s)

Good Governance.

6.7 Previous / Relevant Council Resolutions

There are no previous or relevant Council resolutions related to this matter.

6.8 Risk Implications

The municipality not being represented at the SALGA National Conference.

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CIRCULAR 03 /2022

FROM : CLLR DEON DE VOS
SALGA ACTING PRESIDENT

TO : MAYORS/EXECUTIVE MAYORS
SPEAKERS
MUNICIPAL MANAGERS

DATE : 14 FEBRUARY 2022

CHANGE OF DATES: AMENDED NOTIFICATION OF THE NEXT SITTING OF THE SALGA NATIONAL CONFERENCE

We refer to the SALGA Circular dated 26 January and confirm that due to unforeseen circumstances impacting on a successful convening of the Conference, notice is hereby given that the SALGA National Conference, will now held as follows:

Date : 2 – 4 March 2022

Venue : Cape Town International Convention Centre, Cape Town

Kindly further note that, as previously communicated, in complying with SALGA's Constitutional Provisions, the National Conference will, *inter alia*, accord consideration to the following matters:

1. Review SALGA's Organisational performance since the 2016 National Conference;
2. Approve the programme of action and Strategy for the term 2022 - 2027;
3. Approve amendments to the SALGA Constitution; and
4. Elect the members of the National Executive Committee (NEC).

Due to COVID-19 regulations and to minimize the risk of infection, the NEC has resolved that the National Conference be held on a **Hybrid Model**, with only **three (3) delegates per municipality** attending physically at the venue and all other councillors and municipal officials would be able to attend on the virtual meetings platform. In this regard, municipalities are reminded of the following requirements:-

- i. Each municipality shall be entitled to up to **three (3) delegates** but will only have **one (1)** vote at the Conference;

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- ii. Each municipality should by 25 February 2022, provide a **Council resolution or decision** as written confirmation of its up to three (3) person delegation including identifying the **voting member** of the delegation who shall exercise the right to vote at the Conference;
- iii. The delegation from each municipality should **register on the ONLINE REGISTRATION system by 25 February 2022**. Access to the **ONLINE REGISTRATION** portal is from the SALGA website on www.salga.org.za. **NO MANUAL REGISTRATION FORMS WILL BE ACCEPTED**;
- iv. Prior to the commencement of the Conference at **12h00 on Wednesday, 2 March 2022**, the delegation from each municipality shall present themselves for accreditation at the **Registration Desk** at the Conference venue from **14h00 on Tuesday 1 March 2022 until 11h00 on Wednesday 2 March 2022**. Kindly note that no access will be allowed to the Conference Venue without accreditation;
- v. A registration fee of **R8000 for each the municipal delegates attending physically** is payable towards the costs of the conference. Banking details shall be received automatically from the **ONLINE REGISTRATION** system upon ONLINE registration of delegates;
- vi. Municipal councillors and officials who wish to attend and participate in the Conference via the **virtual platform**, can access the virtual platform from the SALGA website on www.salga.org.za;
- vii. A municipality who fails to pay levies shall remain a member **not in good standing with lesser rights, surrender voting rights and the right to have any of its councillors in executive positions of SALGA**, until all due membership levies have been paid. Members who failed to pay their membership levies or have not entered into payment agreements and duly adhered thereto will have limited rights and/or limited participation. All disputes related to members in good standing should be resolved prior to convening the Conference; and
- viii. The **Rules and Procedures** that will regulate all proceedings at the Conference are attached hereto for ease of reference.

On behalf of the National Executive Committee and the collective leadership of SALGA, we apologize for any inconvenience caused by the postponement and we look forward to welcoming delegates to the 2022 SALGA National Conference.

Yours faithfully

CLLR D DE VOS
ACTING SALGA PRESIDENT

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NATIONAL CONFERENCE RULES AND PROCEDURES

1. *National Conference Notice and Timeframes*

The SALGA Constitution stipulates that “every National Conference shall be called by 21 (twenty one) days’ notice in writing”. The Notice for the National Conference was issued on 26 January 2022, followed by the Notice of postponement on 14 February 2022, to all member municipalities.

The SALGA constitution further makes provision in **Article 10.2** that “SALGA shall within a period of 120 (hundred and twenty) days after every general local government election hold a meeting of members to be known and described in the notice calling such meeting as the National Conference”. The 120 (hundred and twenty) day period ends on 1 March 2022.

The postponed Conference dates fall outside the constitutionally prescribed 120 (hundred and twenty) days and the Conference would be required to condone the late convening.

2. *Record of the 2016 National Conference*

Following the last National Conference held after the local government elections in November 2016, this National Conference is required to approve the records of the 2016 Conference. The approval of record of previous SALGA Conferences by delegates has been questioned in the past. A legal opinion on the regularity or otherwise of delegates to the National Conference approving the record of a previous National Conference confirms that a delegate attending a Conference represents a municipality and not him or herself. As such for purposes of the record and consideration thereof, if a municipality was represented in the previous Conference, irrespective of the nature and form of its delegation, the municipality is competent (as represented by its current delegates) to move for the adoption or consideration of those records to the extent that the record so reflects.

3. *Attendance, Participation, Quorum and Voting*

3.1 Attendance

In terms of **Annexure “A”** to the SALGA Constitution, “Each member shall be entitled to so many delegates at the National Conference as determined by the National Executive Committee”. The National Executive Committee (NEC) at its meeting held on 11 January 2022 resolved that three (3) delegates per municipality may physically attend the Conference. Other

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municipal councillors and officials could attend and participate in the Conference via the virtual platform.

3.2 Participation

The participation of municipal delegates in the Conference is regulated by the SALGA Constitution, which stipulates in **Article 8.1** that “Each member shall be represented in the National Conference by a number of delegates and who shall present their credentials as such to the Secretariat at the commencement of the session, including identifying the voting member(s) of the delegation who shall exercise the right to vote”.

The Constitution further provides in **Article 8.5** that “Each member shall be entitled, through its representatives, to participate in sessions of the National Conference by speaking, expressing its opinions and submitting proposals”.

The SALGA Constitution also provides for instances where the participation of members may be limited in certain circumstance. Article 7.1 places an obligation that “Each member shall be liable to pay an annual membership fee and/or levies and shall be due and payable by members on 1 April but before 31 July of that calendar year”. “A member who fails to pay levies shall remain a member with lesser rights, surrender voting rights and the right to have any of its councillors in executive positions of SALGA, until all due membership levies have been paid”.

Members who failed to pay their membership levies or alternative have not entered into settlement arrangement agreements and duly adhered thereto will have limited rights and/or limited participation in line with Article 8.7 of the SALGA Constitution.

3.3 Voting delegates and Quorum

Article 8.3 of the SALGA Constitution provides that “Each member shall be entitled to at least one vote in the National Conference”. Members are defined as municipalities, provincial associations and associate members who do not exercise a vote. The SALGA Constitution further provides that “the quorum at the Conference shall be a majority of members entitled to attend and vote at the meeting”. A quorum at the National Conference would therefore be **134 voting delegates**, which is a simple majority of the 257 municipalities and the 9 provincial associations jointly. The Credentials will be tabled for adoption during the members only Closed Session scheduled for **4 March 2022**.

In preparation for any voting that may take place at the National Conference; municipalities were duly informed of the “one vote per municipality” constitutional imperative and requested to indicate the delegate mandated to vote on behalf of that municipality. A registration list is available at the registration desks specifically for those councillors so mandated, to duly complete, which would assist in ascertaining attendance and quorum for any elections.

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4. VOTING AT THE CONFERENCE

4.1 Ordinary Voting

In terms of the SALGA Constitution “a resolution put to the vote of the meeting shall be decided on a show of hands”.

4.2 Requirements for a secret ballot

In the unlikely event that a motion is moved for a secret ballot, duly seconded and passed by a majority vote, the following procedure would be followed:-

- The NEC to appoint 2 scrutineers to supervise any ballot;
- Ballot papers to be developed, indicating topic and voting;
- Ballot boxes to be prepared and available;
- One ballot paper should be issued to each delegate entitled to vote;
- Upon issuance of ballot paper; the delegate should complete, fold and deposit in ballot box; and
- The results of the ballot to be ascertained by scrutineers in the presence of the CEO and made known to the Conference.

4.3 Constitutional Amendments

In order to effect any amendment to the SALGA Constitution, such an amendment must follow the following process:

- a National Conference would have to be convened giving **21 days notice** of the proposed amendment/s; and
- such proposed amendment/s must be approved by **two thirds of the delegates** entitled to be present and vote at the National Conference.

Whereas the National Conference is the only authority to amend the SALGA Constitution, the proposed amendments, as approved by the SALGA National Executive Committee, were tabled at the respective Provincial Conference for consultation and processing leading up to this National Conference.

4.4 Procedure for Elections of the new National Executive Committee

The National Conference will be electing, from amongst the 18 (eighteen) provincial nominees, the President and 3 (three) Deputy Presidents (who shall be representatives of metropolitan, district and local municipalities in the province) and confirm the 14 (fourteen) additional members of the National Executive Committee.

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The following election procedure shall apply:-

1. The Chief Executive Officer (CEO), or his nominee, will preside during the Elections but shall have no vote.
2. The CEO must duly inform the Conference of all positions open for elections and conduct the elections.
3. The CEO must call for the nomination of candidates at the meeting, starting with candidates for President.
4. If so desired, a block nomination for all positions could be moved.
5. A nomination must be supported by two members at the meeting.
6. A person who is nominated must indicate acceptance of the nomination.
7. If only one candidate is nominated the CEO must declare that candidate duly elected.
8. If more than one candidate is nominated a vote must be conducted by a simple show of hands. A candidate who receives the majority of the votes must be declared elected by the CEO.
9. If no candidate received a majority of the votes, the candidate who receives the lowest number of votes (if there are more than two candidates) must be eliminated and a further vote taken on the remaining candidates in accordance with item 7 above.
10. Where only two candidates remain after the process outlined in item 8 above and receives the same number of votes the meeting should be adjourned for 30 minutes.
11. A re-vote must be conducted in terms of item 7 above. If no candidate receives a majority vote; the CEO must flip a coin to determine the winner.
12. The same process will apply for the other vacant positions.

The CEO may elect to use the services of an independent and credible election organisation such as the Independent Electoral Commission (IEC). In such instances the same elections procedure as outlined above will apply.

5. LANGUAGE

Recognising that South Africa has 11 (eleven) official languages, with the use of more than one language as the language of choice in every province, together with the constitutional provision in the Bill of Rights that everyone has the right to use a language of their choice, SALGA is progressively taking practical steps and positive measures to elevate the status and advance the use of all the 11 official languages.

Weighing up the constitutional right against the related practicalities to give full effect thereto, across all provinces and SALGA platforms, it has been resolved that all SALGA proceedings will be conducted in English. Attendees or participants will, however, not be precluded from making contributions, proposals and submissions in their language of choice. Where practical, efforts will be made to make translation services available.

6. ADMINISTERING THE OATH OR SOLEMN AFFIRMATION OF NEW NEC MEMBERS

During a process to be presided over by a Commissioner of Oath, each of the newly elected NEC members will be required to swear or affirm as follows:-

Enquiries: M A Manamela
E-mail: mmanamela@salga.org.za



"In the presence of everyone assembled here, I (mention full name/s and surname), swear / solemnly affirm that I will be faithful to SALGA and will obey, respect, uphold, and maintain the Constitution of the Republic of South Africa, the constitution of SALGA and all other laws of the Republic, and I undertake to hold my office as (NEC position) with honour and dignity; to be true and faithful; not to divulge directly or indirectly any confidential information entrusted to me by virtue of my position at SALGA; and to perform the duties and functions of my office to the best of my ability"

"So Help Me God"

The oath is to be formally signed by every NEC member.

End

1. APPOINTMENT OF A MEMBER TO SERVE ON THE GARDEN ROUTE DISTRICT HEALTH COUNCIL / AANSTELLING VAN 'N LID OM OP DIE GARDEN ROUTE DISTRIK GESONDHEIDSRAAD TE DIEN / UKUCHONGWA KWAMALUNGU NAZAKUHLALA KWIBHUNGA LEZEMPILO LESITHILI SE GARDEN ROUTE

REPORT FROM EXECUTIVE MANAGER: CORPORATE SERVICES (B. HOLTZHAUSEN)

2. PURPOSE OF THE REPORT

The purpose of the report is to request Council to appoint a representative to the Garden Route District Health Council.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Council has previously appointed Alderlady Ruiters to be a Council representative to the Garden Route District Health Council. The term of the Health Council members came to an end and new representatives must be appointed.

5. RECOMMENDATION

That Council approve the appointment of Alderlady Rosina Ruiters as Council representative to the Garden Route District Health Council in terms of section (1)(a) of the Western Cape District Health Councils Act, 2010,

AANBEVELING

Dat die Raad Ald Rosina Ruiters se lidmaatskap by die Garden Route Distriksgesondheidsraad ingevolge artikel (1)(a) van die Wes-Kaapse Wet op Distriksgesondheidsrade, 2010, goedkeur.

ISINDULULO

Sesokuba iBhunga liphumeze ukuba ubulungu buka Ald Rosina Ruiters kwiBhunga Lezempilo Lesithili se Garden Route ngokwemithetho yomhlathi (1) (a) Womthetho Webhunga Lentshona Koloni Wesithili Lezempilo, wango 2010.

6. BACKGROUND / DISCUSSION

6.1 BACKGROUND

In terms of section 2(1)(a) and section 2(1)(c) of the Western Cape District Health Councils Act, 2001, the Minister of Health must appoint to the council:

- i. a member of the metropolitan or district municipal council situated in the health district in question, nominated by the relevant council; and
- ii. a member of the council of each local municipality within the health district, nominated by the members of the relevant council.

6.2 DISCUSSION

The Garden Route District Municipality must send a representative to the Garden Route District Health Council to represent the Municipality.

This platform is critical because it gives the district mayors and councillors representing local municipalities an opportunity to interrogate the Annual District Health Plan and to also check whether respective local health priorities are considered.

6.3 FINANCIAL IMPLICATIONS

Payment of subsistence and travelling claims will be made and has been budgeted.

6.4 RELEVANT LEGISLATION

The Municipal Financial Management Act, 56 of 2003

Sections 2(1)(a) and (b) of the Western Cape District Health Council Act, 2001

Section 6 of the Remuneration of Public Office Bearers Act, 1998 Act 20 of 1998

6.5 Staff Implications

None.

6.7 Previous / Relevant Council Resolutions

There are no previous or relevant Council resolutions related to this matter.

6.8 Risk Implications

None.

BACK TO AGENDA

1. **UPDATE REPORT ON THE ACTIONS TAKEN BY THE DISTRICT COMMAND CENTRE TO ADDRESS THE COVID-19 PANDEMIC / OPDATERINGS VERSLAG RAKENDE DIE AKSIE STAPPE WAT REEDS DEUR DIE DISTRIK BEHEERSENTRUM IN PLEK GESTEL IS OM DIE COVID-19 PANDEMIE AAN TE SPREEK / INGXELO ENTSHA NGAMANYATHELO AYE ATHATYATHWA LIBHUNGA LOLAWULO LESITHILI SE COVID-19 OKUJONGANA NOBHUBHANE COVID-19**

REPORT FROM EXECTIVE MANAGER COMMUNITY SERVICES / C AFRICA

MANAGER: DISASTER MANAGEMENT / G OTTO

2. **PURPOSE**

To inform Council about the actions taken by The Garden Route District Command Centre to address the COVID-19 Pandemic, as well as the amended regulations promulgated in terms of the Disaster Management Act, 2002 (Act no 57 of 2002, as amended).

3. **DELEGATED AUTHORITY**

Council

4. **EXECUTIVE SUMMARY**

Dr Mmpahaka Tau, the Head of the National Disaster Management Centre (NDMC), classified the COVID-19 pandemic as a national disaster on 15 March 2020.

The Minister of Cooperative Governance and Traditional Affairs declared a national state of disaster recognizing the need to augment the existing legislation and contingency arrangements to deal with the pandemic on 15 March 2020. After the initial three months period this declaration has been extended on monthly intervals.

Table 1: COVID-19 figures on 03/02/2022

	International	South Africa	Western Cape Province
Total Cases	385 416 663	3 612 809	647 114
Recovered	305 514 949	3 461 490	617 446
Deaths	5 719 261	95 463	21 527

5. RECOMMENDATION

That Council takes note of the report.

AANBEVELING

Dat die Raad kennis neem van die verslag.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo lengxelo.

6. DISCUSSION / CONTENTS

6.1 DISCUSSION

On the 31st January 2022 the Department of Health reported that the total number of positive patients for the district according to the latest data is 79 808, this is 308 more than the previous week.

There is a 33% district decrease in total number of new cases over the last 7 days compared to 7-14 days ago. All the local municipalities had a decrease in numbers except Bitou local Municipality.

The district had a 33% decrease compared the Provincial decrease of 23% and currently there is 141 active cases per 100 000 of population compared to the 239 of one week ago. The Western Cape Provincial figure is currently on 127 per 100 000 of population.

The total fatalities are currently on 2 638, this is 5 more than the 2 633 a week ago.

With regards to hospital services the number of confirmed COVID positive patients in the general ward in George Regional Hospital is currently on 11 these 5 patients less than a week ago. There is only 1 patient in the High Care Unit, none is on a ventilator. Oxygen supply to all hospitals is sufficient and poses no challenges. The current position with regards to COVID-19 hospital admissions is as follows:

- Harry Comay: 2
- Riversdale: 1
- Mossel Bay: 1
- Knysna: 2
- Ladismith: 1
- Oudtshoorn: 3

Table 2: Position in terms of COVID-19 positive cases within the GRDM as on 03/02/2022

Date	Description	Oudtshoorn	Bitou	Knysna	George	Mossel Bay	Hessequa	Kannalan	GRDM
Thursday 03/02/2022	Positive Cases	9502	5590	9645	28831	18246	6065	2057	79936
	Deaths	526	143	285	888	492	231	79	2644
	Active Cases	82	69	77	307	187	79	10	783
	Recoveries	8894	5378	9283	27636	17567	5783	1968	76509

Table 3: Vaccinations administered in the GRDM until the 2nd of February 2022

J&J Program	71 597
Pfizer first dose	170 437
Total people with at least one dose	242 034
Total people with second dose Pfizer	139 389
Total people received J&J Booster	2 302
Total people received Pfizer Booster	4 612
Immune-compromised vaccines administered for over 18 years	393

Even though there are sufficient vaccinations available there is slowdown in the number of vaccinations. 56.6% of Garden Route population over 18 years have received at least a one dose vaccine, and 38.9% of the total Garden Route Population have received at least a one dose vaccine.

Table 4: Weekly municipal public health activities report (15 Jan – 28 Jan 2022)

FOOD PREMISES						
Type of Premises	Number of premises inspected	Number of premises compliant	Number of premises non-compliant	Number of legal actions taken	Number of premises closed/ Issued a closure notice	Comply to COVI-19 regulations (sanitizing, social distancing and wearing of masks)
Food manufacturing facilities (dairy, biltong, juice & cool drink production)	9	8	1	-	-	8
Supermarkets/ Superettes	63	60	3	-	-	60
Restaurants	74	65	9	-	-	66

Spaza shops	161	119	42	12	-	119
Take Away	42	40	2	-	-	41
Informal Food traders	19	18	1	-	-	19
Butcheries	10	10	-	-	-	10
Soup kitchens	1	1	-	-	-	1
School feeding schemes	5	5	-	-	-	5
Tshisanyamas	2	2	-	-	-	2
Food premises - Other	29	29	-	-	-	29
Totals	415	357	58	12	-	360
Compliance rate	87%					88.5%

HEALTH SURVEILLANCE OF PREMISES						
Name Premises	Number of premises inspected	Number of premises compliant	Number of premises non-compliant	Number of legal actions taken	Number of premises closed/ Issued a closure notice	Comply to COVID-19 regulations (sanitizing, social distancing and wearing of masks)
Shopping centres/ Malls	11	11	-	-	-	11
Funeral undertakers	11	11	-	-	-	11
Taverns/Pubs /Bottle stores	-	-	-	-	-	-
Crèches	33	31	2	-	-	31
Guest houses /Accommodation establishment (B&B, Hotels & Self-catering)	10	11	1	-	-	11
Schools	10	10	-	-	-	9
School Hostels	4	4	-	-	-	4
Churches	-	-	-	-	-	-
Hair salons/Barbershop	6	5	1	-	-	5
Informal settlements	44	28	16	2	-	13
Public toilets	65	55	9	-	-	66
Garages/ Petrol Stations	11	11	-	-	-	11
Retail shops	-	-	-	-	-	-
Taxi ranks	5	4	1	-	-	4
Prisons	-	-	-	-	-	-
SAPS Holding cells	1	1	-	-	-	1

Health Care Risk Waste facilities & Generator	11	10	1	-	-	10
Keeping of animals (excluding small holding farmers & on residential premises)	2	-	2	-	-	1
Illegal Dumping	93	6	87	2	-	2
Health Establishments						
Clinics	17	16	-	-	-	16
Hospitals	-	-	-	-	-	-
Old Age homes	11	11	-	-	-	5
Nursing homes	2	2	-	-	-	2
Funeral Gatherings	5	5	-	-	-	5
Recreational Facilities (Waterslides, caravan parks, Gymnasiums, Play parks, Swimming pools)	38	30	8	-	-	25
Other	5	4	1	-	-	4
TOTAL	395	266	47	4	-	195
Compliance rate	67.5%					49.5%

HEALTH AND HYGIENE EDUCATION/AWARENESS	
Type of community	Number of awareness sessions conducted
Formal Food Premises	235
Spaza Shops	161
Informal Food traders	19
Health Hygiene education (Funeral undertakers, Crèches, Churches, Hair salons/Barbershop, Clinics, Old Age homes, Taverns/Pubs/Bottle stores)	395
Surveillance and prevention of Communicable diseases	14
Total number of awareness sessions	824

SAMPLING (DRINKING WATER/ FINAL EFFLUENT/FOOD)				
Sample type	Number of samples	Compliance		Outstanding results
		Compliant	Non-compliant	
Drinking water (WSA)	98	65	8	25
Drinking water (NWSA)	13	7	4	2
Final effluent (WSA)	14	8	5	1

Final effluent (Private)	1	1	-	-
Recreational water	28	27	-	1
Food	36	22	7	7
Surface swabs	-	-	-	-
River	-	-	-	-
TOTALS	190	130	24	36

DISINFECTION ACTIVITIES – GOVERNMENT AND PRIVATE OWNED BUILDINGS AND PUBLIC SPACES

Type of premises	Number of Deep cleansing activities	
	Conducted by GRDM	Conducted by private entities and/or B-municipality
Business premises (Food premises, Old Age Homes, Clinics, Spaza shops, Police stations, Retails stores, etc.)	1	2
Government premises (Police station, Prisons, Municipality buildings etc.)	-	4
Taxi ranks	-	-
Sidewalks	-	-

COVID-19 - CASE INFORMATION

Number of home visit to COVID-19 positive cases	5
Number of COVID-19 cases contacted per telephone	9
Number of contacts traced: via phone	-
Number of contacts traced: via physical visits	-
Number of untraceable cases/contacts	-

DECEDENT INFORMATION

Number of deaths (all deaths) (information to be obtained from funeral undertakers)	256
Number of COVID-19 deaths (information to be obtained from funeral undertakers)	23
Number COVID-19 funerals attended	5
Number of COVID-19 cremations	-

FUNERAL UNDERTAKER INFORMATION

Funeral Undertaker Information		
Number of registered Funeral Undertakers		47
Total number of shelves at all Funeral undertakers		502
Weekly statistics (26 Jan – 1 Feb 2022)		
Take note: Information used is only from undertakers that submitted reports		
	Total	%
Number of Funeral undertakers that submitted reports during reporting period	46	98%
Number of shelves/spaces of those that submitted reports	493	98%
Available shelves/ space	325	66%

6.2 BACKGROUND

COVID-19 Legislation and Regulations

Since the 25th of March 2020, Dr Mmaphaka Tau, in his capacity as the Head of the National Disaster Management Centre, after assessing the potential magnitude and severity of the COVID- 19 pandemic in the country, in terms of section 23(1) (b) of the Disaster Management Act, 2002 (Act No. 57 of 2002, as amended), classified the COVID-19 pandemic as a national disaster.

Emanating from the classification of this occurrence as a national disaster, in terms of section 26, read with section 23(8) of the above-mentioned Act, the primary responsibility to co-ordinate and manage the disaster, in terms of existing legislation and contingency arrangements, is designated to the national executive.

In terms of Section 15(2) (aA) of the Act, read with sections 23(8), Dr Tau called upon all organs of state to further strengthen and support the existing structures to implement contingency arrangements and to ensure that measures are put in place to enable the national executive to effectively deal with the effects of this disaster.

On the 15th of March 2020, Dr Nkosazana Dlamini Zuma, the Minister of Cooperative Governance and Traditional Affairs as designated under section 3 of the Disaster Management Act, 2002 (Act no 57 of 2002, as amended) in terms of section 27 (1) of the Act declared a national state of disaster. In terms of section 27(2) of the act the minister may, when required, make regulations or issue directions, since the onset of the COVID-19 pandemic the regulations as well as disaster management guidelines and notices have been published.

The Declaration of a National state of Disaster has again been extended till the 15th of February 2022 by the Minister of Cooperative Governance and Traditional Affairs, Dr Nkosazana Dlamini Zuma.

Amendment of the Classification of the Regulations as published in Regulation Gazette No 11389 on the 1st of February 2022 by Dr Nkosazana Dlamini Zuma, MP Minister of Cooperative Governance and Traditional Affairs.

2. The Classification of the Regulations is hereby amended by –
 - (a) the substitution of item 6 for the following item:
“6. Refusal of treatment and isolation”; and
 - (b) the substitution of item 7 for the following item:
“7. Isolation of persons”.

Amendment of regulation 1 of the regulations

3. Regulation 1 of the regulations is hereby amended by the deletion of the definition “quarantine”.

Substitution of regulation 6 of the Regulations

4. Regulation 6 of the Regulations is hereby substituted of the following regulation:

“Refusal of treatment and isolation

6. (1) No person who is a confirmed laboratory positive COVID-19 case and is symptomatic, may refuse to be treated or to be admitted to a health establishment for treatment or isolation in order to prevent transmission: Provided that if a person does not comply with the instruction or order of the enforcement officer that person must be placed in isolation at a competent Court, on application by an enforcement officer for the purpose of isolation or treatment.

(2) A Warrant contemplated in sub regulation (1) may be issued by a magistrate, if it appears from information on oath or affirmation by an enforcement officer that a person is a confirmed laboratory positive COVID-19 case and is symptomatic.

(3) The warrant may impose restrictions on the powers of the enforcement officer as the magistrate may deem fit.

(4) A warrant issued in terms of this regulation remains in force until –
 (a) it is executed
 (b) it is rescinded by a competent court: or
 (c) the purpose for the issuing of the warrant has lapsed, whichever occurs first”.

Substitution of regulation 7 of the Regulations

5. Regulation 7 of the Regulations is hereby substituted by the following regulation:

“Isolation of persons

7. (1) Any person who is a confirmed laboratory positive COVID-19 case and is asymptomatic is not required to isolate.

(2) Any person who is a confirmed laboratory positive COVID-19 case and is symptomatic must isolate him/herself for a period of 7 days, unless a longer period is recommended by a medical practitioner.

(3) Any person who is a confirmed laboratory positive COVID-19 case and is symptomatic must comply with –

(a) an oral instruction of, or a written direction, issued by a medical practitioner, a person authorised by the medical practitioner, a nurse or an enforcement officer to

subject himself or herself to isolation at a health facility in order to contain the transmission of COVID-19; or

(b) the requirements of self-isolation in order to contain the transmission of COVID-19

(4) If a person refuses to isolate himself or herself as instructed or directed, a magistrate in whose jurisdiction such a person is, must make an order as contemplated in Form 1 of Annexure A, to compel such a person to isolate himself or herself. “.

Substitution of regulation 10 of the Regulations

6. Regulation 10 of the Regulations is hereby substitution of the following regulations:

“Shelters and sites identified by the State during national state of disaster

10. (1) The State shall identify temporary shelters for homeless people that comply with the necessary health protocols and adequate spacing standards as provided for in guidelines published by the Director General of Health.

(2) The provision of the State's resources contemplated in sub-regulation (1) shall be for the duration of the national state of disaster and the use thereof will be subject to conditions determined by the Cabinet member responsible for such resources.”.

Amendment of regulation 66A of the Regulations

7. Regulation 66A of the Regulations is hereby amended by the substitution of paragraph (a) of sub-regulation (4) for the following paragraph

“(a) No social distancing measures will apply in the basic education sector”

Commencement

10. The amendment to Regulations will come into operation on publication in the Gazette except regulation 66A which will come into operation on 7 February 2022

6.3 Financial Implications

Thus far, all the COVID-19 related expenses have been funded from:
Council's cash reserves.

6.4 Legal Implications

Disaster Management Act, 2002 (Act No. 57 of 2002, as amended), sections as outlined in the above-mentioned discussion.

6.5 Staff Implications

No direct staff implications

6.6 Previous / Relevant Council Resolutions:

Monthly COVID-19 update reports have been submitted to Council since April 2020.

6.7 Risk Implications

There are no foreseen risks associated with the proposed decision for Council to not implement the directive.

BACK TO AGENDA

1. PROGRESS REPORT ON MADIBA ROAD (MR0355) / VORDERINGSVERSLAG RAKENDE MADIBA PAD (MR 0355 / UMSEBENZI OSELE WENZIWE KUMGAQO WE MADIBA(MR0335)

REFER REPORT FROM THE EXECUTIVE MANAGER: ROADS AND TRANSPORT SERVICES (JG DANIELS)

2 PURPOSE

The purpose of the report is to inform Council about the progress on Madiba Road/ Saasveld (MR0355).

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The Provincial Western Cape Government District Roads Engineer in Oudtshoorn and GRDM Roads Department have prioritised this road including all the flood damaged roads by putting on hold the remaining Regravelling program for the 2021/2022 financial year. A 200mm diameter pipe has been laid as a bypass while the team is excavating to replace the armco that washed away with a 1.8m diameter spigot and socket 100D pipe.

5. RECOMMENDATION

That Council takes note of the progress report.

AANBEVELING

Dat die Raad kennis neem van die vorderingsverslag.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo ingxelo yomsebenzi.

6. DISCUSSION / CONTENTS

6.1. Background

The Garden Route District area had severe flash floods that occurred on the 22nd of November 2021. These floods constituted severe damages on an armco failure in Madiba Road that collapsed the whole road 8 metres deep.

6.2 Financial Implications

A budget of R3 000 000 has been made available.

6.3 Legal Implications

None

6.5 Staff Implications

In-house maintenance and regravelling teams are currently on site repairing the road. 10 EPWP contract workers have been appointed until completion.

Document attached

Annexure A – Site Images.

6.6 Previous / Relevant Council Resolutions

There are no previous or relevant Council resolutions related to this matter.

6.7 Risk Implications

None

Annexure A: Site Images

Figure 1: Slip failure, Armco washed away



Figure 2: Slope in George direction for access



Figure 3: 200mm By-pass pass

BACK TO AGENDA

1. **FLOOD DAMAGE ASSESSMENT REPORT AND SOLUTIONS BY PROVINCIAL WESTERN CAPE GOVERNMENT FOR THE GARDEN ROUTE DISTRICT AREA / VERSLAG RAKENDE DIE VLOEDSKADE EN OPLOSSINGS DEUR PROVINSIALE WES-KAAPSE REGERING VIR DIE GARDEN ROUTE DISTRIK AREA / UQWALASELO LOMONAKALO KUNYE NESISOMBULULO SOTHULUMENTE WENTSHONA KOLONI KWINGINGQI YESITHILI SE GARDEN ROUTE**

REFER REPORT FROM THE EXECUTIVE MANAGER ROADS AND TRANSPORT SERVICES (JG DANIELS)

2 PURPOSE

The purpose of the report is to inform Council about the Flood Damage Assessment Report by Provincial Western Cape Government that occurred around the Garden Route District and who will be responsible for repairs.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The National Government have declared the Garden Route District a Disaster area after severe floods that included a flash flood on the 22nd of November 2021. These floods constitute severe damages on our structures and roads that includes a sinkhole on the Airport Road and an arm core failure in Madiba Road that collapsed the whole road 8 metres deep. This has put a lot of strain on our infrastructure and staff as the capacity of staff had to be reprioritised. We are currently busy with flood damages repair to make roads safe for the public and prevent possible claims.

5. RECOMMENDATION

That Council takes note of the content of the report.

AANBEVELING

Dat die Raad kennis neem van die inhoud van die verslag.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo umongo wengxelo.

6. DISCUSSION / CONTENTS

6.1. Background

The Garden Route District area had severe flash floods that occurred on the 22nd of November 2021. These floods constitute severe damages on our structures and roads that includes a sinkhole on the Airport Road and an arm core failure in Madiba Road that collapsed the whole road 8 metres deep. The Roads Department compiled a repair strategy and approved by Provincial Western Cape Government with Total cost estimation of R63 900 00.00. It has been earmarked and foreseen that Garden Route District Municipality will repair the following Roads:

- MR355: Saasveld (Madiba Road) – George
- DR1639: Geelhoutboomberg – George
- DR1524: Oude Muragie – Riversdale
- DR1640: Montagu Pass – George
- DR1845: Nietgenaamd - Uniondale
- DR1704: Vlakteplaas – Oudtshoorn

6.2 DISCUSSION

The remaining Roads listed will be outsourced by Provincial Western Cape Government.

6.3 Financial Implications

As per the attached available budget
(Total cost estimation of R64 million)

6.4 Legal Implications

None

6.5 Staff Implications

None






6.6 Previous / Relevant Council Resolutions






There are no previous or relevant Council resolutions related to this matter.






6.7 Risk Implications






None

Annexure A - Disaster damage Assessment in Garden Route District.

DAMAGE ASSESSMENT BY: WCO - DEPARTMENT OF TRANSPORT AND PUBLIC WORKS - ROAD BRANCH - REGION 2											
PROVINCIAL/MUNICIPAL AREA AFFECTED	INFRASTRUCTURE AFFECTED	DESCRIPTION OF PHYSICAL DAMAGE	LOSSES			OWN CONTRIBUTION (R1000000)	FUNDING (R1000000)	DATE OF INCIDENT		GPS coordinates and photographs	REMARKS/RECOMMENDATION
			INITIAL LOSS (R1000000)	EST. LOSS (R1000000)	TOTAL LOSS (R1000000)						
Western Cape Government / Garden Route District Municipality	Contractor	Flood damage on M1056 at Km 3,7. Structure washed away, 2 meter diameter storm drain washed away	Not applicable	R4 500 000,00	R 4 500 000,00	R 0	R 4 500 000,00	20-Nov-21			Not re-prioritized yet, as detailed assessments, approval of environmental and regulatory is still being investigated.
Western Cape Government / Garden Route District Municipality	Contractor	Flood damage on M1056 at Km 7,66. Cracks on the road indicating a possible slip failure	Not applicable	R5 000 000,00	R5 000 000,00	R 0	R5 000 000,00	20-Nov-21			Not re-prioritized yet, as detailed assessments, approval of environmental and regulatory is still being investigated.
Western Cape Government / Garden Route District Municipality	Contractor	Flood damage on DR1618 from Km 6,8 to Km 6,8. Low water DTS washed away	Not applicable	R4 000 000,00	R4 000 000,00	R 0	R4 000 000,00	20-Nov-21			Not re-prioritized yet, as detailed assessments, approval of environmental and regulatory is still being investigated.
Western Cape Government / Garden Route District Municipality	In-house (Garden Route District Municipality)	Flood damage on DR1639 at Km 0,7. Pipe structure damaged.	Not applicable	R150 000,00	R150 000,00	R 0	R150 000,00	20-Nov-21			Not re-prioritized yet, as detailed assessments, approval of environmental and regulatory is still being investigated.
Western Cape Government / Garden Route District Municipality	Contractor	Flood damage on DR1639 at Km 1,62. Low water DTS damaged. Approach also collapsed.	Not applicable	R2 500 000,00	R2 500 000,00	R 0	R2 500 000,00	20-Nov-21			Not re-prioritized yet, as detailed assessments, approval of environmental and regulatory is still being investigated.

DAMAGE ASSESSMENT BY: WCO - DEPARTMENT OF TRANSPORT AND PUBLIC WORKS - ROAD BRANCH - REGION 2											
PROVINCIAL/MUNICIPAL AREA AFFECTED	INFRASTRUCTURE AFFECTED	DESCRIPTION OF PHYSICAL DAMAGE	LOSSES			OWN CONTRIBUTION (R1000000)	FUNDING (R1000000)	DATE OF INCIDENT		GPS coordinates and photographs	REMARKS/RECOMMENDATION
			INITIAL LOSS (R1000000)	EST. LOSS (R1000000)	TOTAL LOSS (R1000000)						
Western Cape Government / Garden Route District Municipality	Contractor	Flood damage on DR1659 at Km 14,0 and Km 15,8. Low water bridge damaged. Bridge with fallen branches and gullies and bridge railings damaged.	Not applicable	R1 800 000,00	R1 800 000,00	R 0	R1 800 000,00	20-Nov-21			Not re-prioritized yet, as detailed assessments, approval of environmental and regulatory is still being investigated.
Western Cape Government / Garden Route District Municipality	In-house (Garden Route District Municipality)	Flood damage on DR1624 at Km 3,24. 800mm pipe crossing broken at 2 spots.	Not applicable	R450 000,00	R450 000,00	R 0	R450 000,00	20-Nov-21			Not re-prioritized yet, as detailed assessments, approval of environmental and regulatory is still being investigated.
Western Cape Government / Garden Route District Municipality	Contractor	Flood damage on DR1653 at Km 3,3. Gravel washed away against the structure, and the structure tilted.	Not applicable	R4 000 000,00	R4 000 000,00	R 0	R4 000 000,00	20-Nov-21			Not re-prioritized yet, as detailed assessments, approval of environmental and regulatory is still being investigated.
Western Cape Government / Garden Route District Municipality	Contractor	Flood damage on DR1602 at Km 6,3 and Km 6,5. Slip failure and structure foundation failure.	Not applicable	R4 000 000,00	R4 000 000,00	R 0	R4 000 000,00	20-Nov-21			Not re-prioritized yet, as detailed assessments, approval of environmental and regulatory is still being investigated.
Western Cape Government / Garden Route District Municipality	In-house (Garden Route District Municipality)	Flood damage on DR1640 from Km 0 to Km 15,7. Gravel loss and wheelways across road.	Not applicable	R12 500 000,00	R12 500 000,00	R 0	R12 500 000,00	20-Nov-21			Not re-prioritized yet, as detailed assessments, approval of environmental and regulatory is still being investigated.

DAMAGE ASSESSMENT BY: WRC - DEPARTMENT OF TRANSPORT AND PUBLIC WORKS - ROAD BRANCH - REGION 2												
FURNISHMENTAL ASSET AFFECTED	RESPONSIBLE PARTY	DESCRIPTION OF PHYSICAL DAMAGE	DAMAGE			WRC COMMENTS FOR ROAD	FURNISHMENT SHORTFALL (Rands)	STATUS OF WORKING		GPS coordinates and photographs	REPRESENTATION	
			WATER LOSS (Rands)	TOP (Rands)	TOTAL LOSS (Rands)							
Western Cape Government / Garden Route District Municipality	Contractor	Flood damage on DH1586 at Km 14.0 and Km 15,8. Low water bridge damaged. Bridge with fallen branches and gables and bridge railings damaged.	Not applicable.	R4 800 000,00	R4 800 000,00	R-0	R4 800 000,00	20-Nov-21		 33° 56' 30.07N 122° 13.45E N 6	Not re-prioritized yet, no detailed assessments, approval of environmental and regulatory is still being investigated.	
Western Cape Government / Garden Route District Municipality	In-house (Garden Route District Municipality)	Flood damage on DH1524 at Km 3,34. 800mm pipe crossing broken at 2 joints.	Not applicable.	R460 000,00	R460 000,00	R-0	R460 000,00	20-Nov-21		 33° 56' 30.07N 122° 13.68E N 6	Not re-prioritized yet, no detailed assessments, approval of environmental and regulatory is still being investigated.	
Western Cape Government / Garden Route District Municipality	Contractor	Flood damage on DH1533 at Km 3,3. Gully washed away against the structure, and the structure tilted.	Not applicable.	R4 000 000,00	R4 000 000,00	R-0	R4 000 000,00	20-Nov-21		 33° 57' 36.47N 122° 13.48E N 6	Not re-prioritized yet, no detailed assessments, approval of environmental and regulatory is still being investigated.	
Western Cape Government / Garden Route District Municipality	Contractor	Flood damage on DH1523 at Km 0,2 and Km 0,5. Slip failure and structure foundation failure.	Not applicable.	R4 000 000,00	R4 000 000,00	R-0	R4 000 000,00	20-Nov-21		 33° 56' 30.07N 122° 13.56E N 6	Not re-prioritized yet, no detailed assessments, approval of environmental and regulatory is still being investigated.	
Western Cape Government / Garden Route District Municipality	In-house (Garden Route District Municipality)	Flood damage on DH1640 from Km 0 to Km 15,7. Gravel loss and roadways across road.	Not applicable.	R12 000 000,00	R12 000 000,00	R-0	R12 000 000,00	20-Nov-21			Not re-prioritized yet, no detailed assessments, approval of environmental and regulatory is still being investigated.	

DAMAGE ASSESSMENT BY: WGD - DEPARTMENT OF TRANSPORT AND PUBLIC WORKS - ROAD BRANCH - REGION 2																													
PROVINCE/MUNICIPAL AREA INVOLVED	IMPLEMENTING AGENCY	DESCRIPTION OF PHYSICAL DAMAGE	LOSSES			DAM CONTROL/ TOW ROAD	FINANCIAL/ BUDGETARY (Rand)	DATES OF INCIDENTS		GPS coordinates on photograph	RISK/POTENTIAL																		
			INITIAL LOSSES (Rand)	NOT REPAIRED LOSSES (Rand)	TOTAL LOSSES (Rand)																								
Western Cape Government / Garden Route District Municipality	Contractor	Flood damage on M947 from Km 8,7. Arco's Failure at George Airport	Not applicable	R4 000 000,00	R4 000 000,00	R 0	R4 000 000,00	20-Nov-21			Not prioritised yet, as detailed assessments, approval of environmental and regulatory is still being investigated																		
Western Cape Government / Garden Route District Municipality	In-house (Garden Route District Municipality)	Flood damage on DR1645 from Km1 to Km 7,5. Damaged structures.	Not applicable	R1 500 000,00	R1 500 000,00	R 0	R1 500 000,00	20-Nov-21	05-Dec-21		Not re-prioritised yet, as detailed assessments, approval of environmental and regulatory is still being investigated																		
Western Cape Government / Garden Route District Municipality	In-house (Garden Route District Municipality)	Flood damage on DR1704 from Km 1,8 to Km 14,0. Damaged structures.	Not applicable	R3 000 000,00	R3 000 000,00	R 0	R3 000 000,00	20-Nov-21	05-Dec-21		Not re-prioritised yet, as detailed assessments, approval of environmental and regulatory is still being investigated																		
Western Cape Government / Garden Route District Municipality	Contractor	Flood damage on DR1433 from Km 41,8. Structure and gullions damaged.	Not applicable	R3 200 000,00	R3 200 000,00	R 0	R3 200 000,00	20-Nov-21	05-Dec-21		Not re-prioritised yet, as detailed assessments, approval of environmental and regulatory is still being investigated																		
						R 0	R 83 900 000																						
						Total	R 83 900 000																						
<div><div><div>Signature: _____</div><div> District Road Engineer: _____ Programme Manager: _____ DDM: _____ CPD: _____ WGD: _____</div></div><div><div>Threshold percentages for provincial and local government budgets</div><table><thead><tr><th>Origin of state</th><th>Basic for calculating provision</th><th>Threshold percentage</th></tr></thead><tbody><tr><td>Provincial departments</td><td>Budget expenditure</td><td>1.2</td></tr><tr><td>Metropolitan municipalities</td><td>Own revenue</td><td>0.5</td></tr><tr><td>Municipality with own revenue of over R130 million (excluding farming)</td><td>Own revenue</td><td>0.8</td></tr><tr><td>Municipality with own revenue of R50 million – R130 million</td><td>Own revenue</td><td>0.8</td></tr><tr><td>Municipality with own revenue of R1 million – R50 million</td><td>Own revenue</td><td>1.0</td></tr></tbody></table></div></div>												Origin of state	Basic for calculating provision	Threshold percentage	Provincial departments	Budget expenditure	1.2	Metropolitan municipalities	Own revenue	0.5	Municipality with own revenue of over R130 million (excluding farming)	Own revenue	0.8	Municipality with own revenue of R50 million – R130 million	Own revenue	0.8	Municipality with own revenue of R1 million – R50 million	Own revenue	1.0
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BACK TO AGENDA

1. **REPORT ON THE GARDEN ROUTE FILM COMMISSION BOARD OF DIRECTORS /
VERSLAG TEN OPSIGTE VAN DIE GARDEN ROUTE FILMKOMMISSIE SE RAAD VAN
DIREKTEURE / INGXELO MALUNGA NABALAWULO BEBHODI YEKOMISHONI
YEZOSHICILELO YE GARDEN ROUTE**

**REPORT FROM THE EXECUTIVE MANAGER: PLANNING AND ECONOMIC
DEVELOPMENT (L. MENZE) / MANAGER: DED & TOURISM (M. WILSON)**

2 **PURPOSE**

To inform Council of the composition and operations of the Garden Route Film Commission (GRFC) Board of Directors and to request that two District Economic Development and Tourism Portfolio Councilors be nominated to represent Council on the Garden Route Film Commission Board.

3. **DELEGATED AUTHORITY**

Council

4. **EXECUTIVE SUMMARY**

The Garden Route Film Commission (previously Film Office) concept and strategy was approved by Garden Route District Council in 2017 to support the formation of the regional Film Commission.

The Film Commission has been established and registered as a Non-profit company and the official Board of Directors were elected and re-elected on an annual basis. The Board has been doing intense work for the promotion of the Garden Route film industry.

In the 2018/19 and 2019/20 financial years Council contributed R190 000 and R200 000 respectively towards the establishment and again R150 000 and R200 000 in the 2020/21 and 2021/22 financial years towards the operations of the Garden Route Film Commission. The purpose of this support intervention is for the promotion of the Garden Route District as a preferred international film destination. With these funds the GRFC have already implemented various initiatives.

The Mossel Bay Municipality also contributed towards this initiative and has made office space and an intern available for this purpose.

Two Councillors from the Garden Route District Council must be nominated to serve on the Garden Route Film Commission Board.

5. RECOMMENDATION

That Council nominates two (2) councillors from the District Economic Development and Tourism Portfolio Committee to serve on the Garden Route Film Commission Board.

AANBEVELING

Dat die Raad twee (2) raadslede van Plaaslike Ekonomiese Ontwikkeling en Toerisme Portefeulje nomineer om die Raad op die Garden Route Film Kommissie Raad te verteenwoordig.

ISINDULULO

Sesokuba iBhunga likhethe ooceba ababini(2) kwiKomiti Yesithili Yezophuhliso loQoqosho kunye Nezokhenketho ukuba bahlali kwiBhodi Yekomishoni Yezoshicielo ye Garden Route.

6. DISCUSSION / CONTENTS

6.1 Background

The role of the Film Commission is to:

- Regulate standards in the local industry
- Create a comprehensive database
- Create a professional administrative and regulatory support structure, i.e. permits, by-laws & auxiliary services
- Uplift and develop skills to underpin a sustainable industry

Strategic Interventions:

- Formation of a GR&KK Film Office
- Locations catalogue
- Location support and permitting
- Skills database
- Training, skills development and talent management
- Enterprise development and support

- Coordinated marketing efforts

Benefits of co-funding the Garden Route Film Commission

- Exposure to a new, untapped audience
- Placing the Garden Route and Klein Karoo on the map as a pristine tourist and film destination
- Film credit/endorsement
- Past film successes and growth in the region
- Skills and youth development and community upliftment.

6.2. Discussion

GARDEN ROUTE FILM OFFICE BOARD

Criteria for Board members:

Every group establishes criteria needed for giving direction and guidance and the GRFC Board is no exception to these acceptable practices. The eligibility criteria are as follow:

1. Any person submitted for the Board of Directors has not only an interest, but also abilities to understand the film industry.
2. Each proposed Board member of necessity MUST take responsibility for and initiative in a film industry portfolio.
3. If a Board member is not prepared to give a percentage of time and effort to this development, they must not submit their proposal to be part of the Board.
4. All Board members must be prepared to also accept extra responsibilities during their term of office at the request of the Office Manager and CEO/Head of the Board.

The Garden Route Film Commission Board currently consists of the following newly elected members:

- | | |
|-----------------------|--------------------------------------|
| 1. Patrick Walton | - Chairperson and overall portfolios |
| 2. Letitia Cunningham | - Training and Marketing |
| 3. Liza Stroebe | - Marketing, funding, lobbying and |
| 4. Luc Prinsloo | -Permits and database |
| 5. Petrus van Niekerk | -Marketing, funding, lobbying and |
| membership | |
| 6. Eric Nobbs | -Marketing and social media |
| 7. Lika Berning | -Training and marketing |

6.3 Financial Implications

The amount of R200 000 was contributed in the 2021/22 financial year towards the operations of the Garden Route Film Commission.

6.4 Legal Implications

None

6.5 Staff Implications

None.

6.6 Previous / Relevant Council Resolutions:

None.

6.7 Risk Implications

None.

6.8 Comments from Executive Management:**6.8.1 Executive Manager: Roads and Transport Planning Services**

Note the contents of the report

6.8.2 Executive Manager: Corporate Services

Noted recommendations made in report

6.8.3 Executive Manager: Financial Services

The item is not clear on whether the appointments themselves will have a financial implication to Council

6.8.4 Manager: Legal Services

Noted

BACK TO AGENDA