

# Swartland Municipality

## Final 2017/2022 IDP and Final Multi Year Capital and Operating Budget 2018/2023.

### SAKE VIR BESPREKING

#### Algemene Informasie

- 7.1 Eerste Hersiening van die 2017-2022 GOP & Areaplanne.
- 7.2 Meerjarige kapitaal- en bedryfsbegroting vir 2018 tot 2022/23 & verwante beleide.



### MATTERS FOR CONSIDERATION

#### General Information

- 7.1 First Revision of the 2017-2022 IDP & area plans.
- 7.2 Multi year capital- and operating budgets for 2018 to 2022/23 & related policies.

***Tijmen van Essen # Executive Mayor***  
***30 May 2018***

**"The creation of favourable conditions necessary for greater economic growth and job creation is the primary focus of Swartland Municipality."**

**"Die skep van gunstige omstandighede wat nodig is vir 'n groter ekonomiese groei en werkskepping is die primêre fokus van Swartland Munisipaliteit"**

***"Be the change you want to see in the world"***

*Ghandi*

***"Better Together" "Beter saam"***

**30 Dae GOP & Begroting / 30 Day IDP & Budget 2018/2023**





## BAIE DANKIE

- Mnr. die Speaker, vergun my die geleentheid om eerste my Komitee en mede Raadslede te bedank vir hulle bydrae tot die totstandkoming van die meerjarige Kapitaal- en Bedryfsbegroting vir **2018/19 tot 2022/23**.
- Weereens 'n baie groot dankie aan die bestuurspan onder die bekwame leiding van Joggie Scholtz, die Munisipale Bestuurder. Baie dankie MB
- Ons is vennote wanneer dit kom by die bestuur van die munisipaliteit en munisipale fondse tot voordeel van die gemeenskap en het elkeen van u 'n baie belangrike taak en rol te vervul.

## THANK YOU

- *Mr. Speaker, allow me the opportunity to first thank my Committee and my fellow Council members for their contribution to the realization of the multi year Capital- and Operating budget for **2018/19 to 2022/23**.*
- *Again a very big thank you to the management team under the leadership of Joggie Scholtz, Municipal Manager. Thanks MM*
- *We are partners when it comes to the management of the municipality and municipal funds for the benefit of the community and each of you plays a very important task and role.*

## BAIE DANKIE

- Baie dankie aan die jaar se Finansiële direkteur en CFO, Mark Bolton, en sy span.
- Ook 'n groot dankie aan Hilmary Papier en die span van die begrotingskantoor.
- Baie dankie aan Leon Fourie, Pierre le Roux, Christo Gerber en alle personeel vir die sewende skoon oudit, dis voorwaar 'n prestasie.
- En 'n groot dankie aan ons liewe Heer waarsonder ons as nietige mens niks kan vermag nie.
- Baie dankie
- Tijmen van Essen # Uitvoerende Burgemeester

## THANKS

- *Thanks to this year's Financial directors and CFO, and his team.*
- *Also, a big thanks to Hilmary Papier and the team from the budget office.*
- *Thanks to Leon Fourie, Pierre le Roux, Christo Gerber and all personal for the seventh clean audit, it is indeed an achievement.*
- *And a big thank you to our beloved Lord without whom we as mere humans can achieve nothing.*
- *Thanks*
- *Tijmen Essen # Executive Mayor*

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***Tijmen van Essen # Executive Mayor***  
***30 May 2018***





# Swarthland Municipality receives an award for its 7th clean audit

Without any COMAFs

30/05/2018 Swarthland Munisipaliteit



# Spending of Capital and Operating budget

## Capital

2011/12: 108%  
2012/13: 99,8%  
2013/14: 98,7%  
2014/15: 84,7%  
2015/16: 94.8%  
**2016/17: 94.3%**

AVERAGE  
OF 96,7%

## Operating

2011/12: 93.6%  
2012/13: 95,7%  
2013/14: 98,8%  
2014/15: 93,8%  
2015/16: 92.5%  
**2016/17: 94.9%**

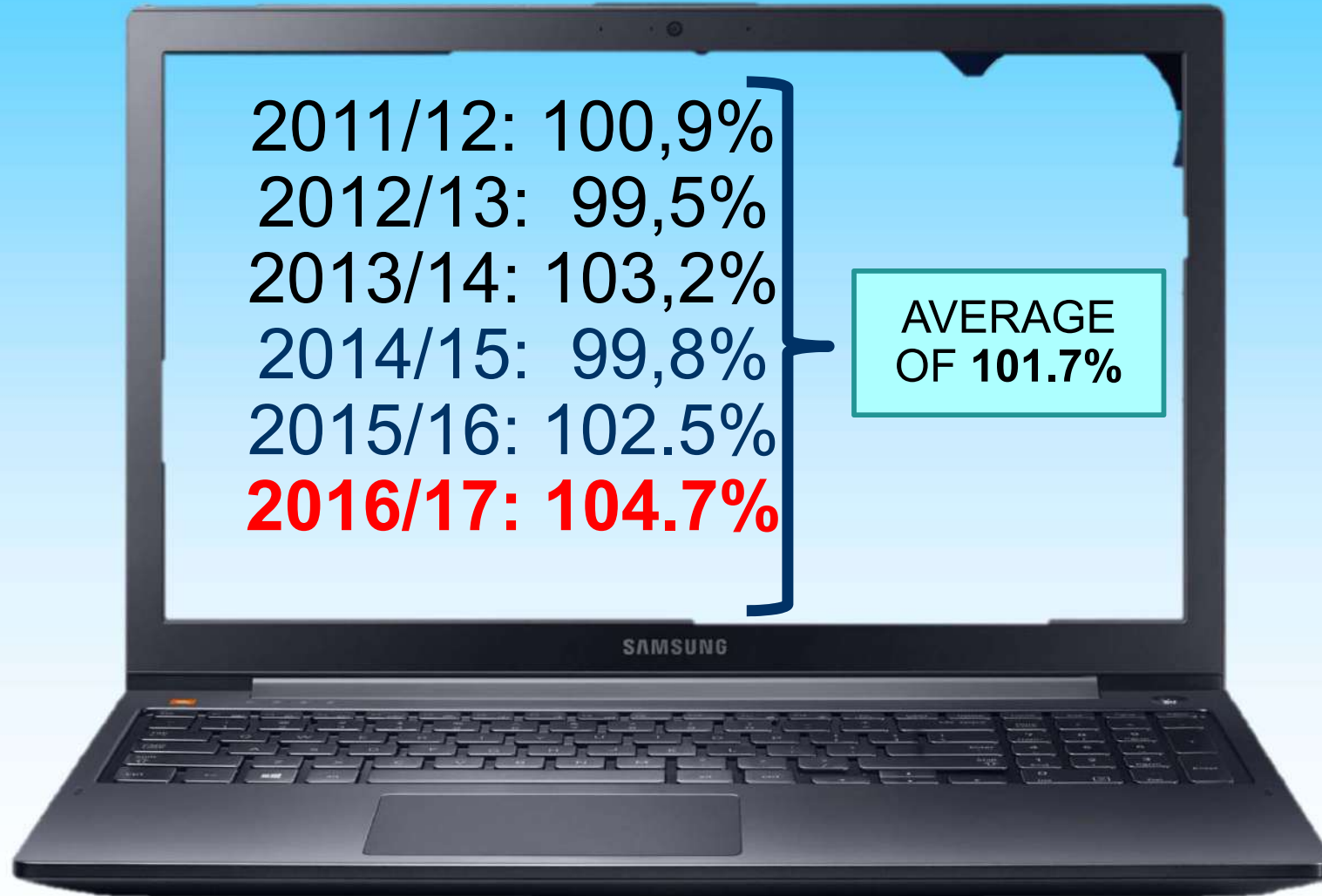
AVERAGE  
OF 94,8%

# ... and what does our income look like?

## Revenue

2011/12: 100,9%  
2012/13: 99,5%  
2013/14: 103,2%  
2014/15: 99,8%  
2015/16: 102.5%  
**2016/17: 104.7%**

AVERAGE  
OF 101.7%







# Ratings Afrika

✉ 1018 CRESTA 2118 SOUTH AFRICA ▪ Tel +27 11 478-5438

## Financial sustainability of SA municipalities:

Ratings Afrika defines financial sustainability for all municipalities as: "The financial ability to deliver services, develop and maintain the infrastructure required by its residents without unplanned increases in rates and taxes or a reduction in the level of services, and the capacity to absorb financial shocks caused by natural, economic and other adversities without external financial assistance."

Average index scores by Province					
Province	2013	2014	2015	2016	2017
Eastern Cape	41	37	42	39	36
Free State	27	26	25	23	19
Gauteng	40	36	32	33	30
KwaZulu-Natal	58	58	62	56	54
Limpopo	44	52	44	41	42
Mpumalanga	30	27	30	28	28
Northern Cape	45	47	53	47	40
North West	33	29	26	29	23
Western Cape	47	52	58	59	62
<b>National average</b>	<b>42</b>	<b>43</b>	<b>44</b>	<b>43</b>	<b>41</b>

The high-scoring municipalities have also experienced a weakening trend with only three municipalities receiving a score of 80 or more compared with 9 in 2012. Mossel Bay and Swartland (Malmesbury) are jointly the best scoring municipalities in 2017, each with a score of 84. Swartland especially has put in great effort to strengthen its sustainability and improving its score from 61 in 2013 to 84 in 2017, to become one of the leading municipalities in South Africa.



## Financial sustainability of SA municipalities:

### Swartland

Last reviewed: Feb. 2018

Province: Western Cape

1. Financial Sustainability Index	2013	2014	2015	2016	2017
Operating performance	19	27	29	40	71
Liquidity management	98	98	98	98	99
Debt governance	51	58	64	69	77
Budget position	49	52	59	70	76
<b>Financial stability</b>	<b>61</b>	<b>65</b>	<b>68</b>	<b>74</b>	<b>84</b>
Affordability	59	58	56	56	56
Infrastructure development	57	51	50	45	40
<b>Sustainability Index score</b>	<b>60</b>	<b>62</b>	<b>63</b>	<b>66</b>	<b>72</b>



# SANRAL - UPGRADING OF THE N7 THE BIGGEST GAME CHANGER IN THE EXISTANCE OF SWARTLAND



# N7 / R351: Bokomo Interchange Temporary Traffic Accommodation Proposal

30/05/2018 Swartland Munisipaliteit



The Contractor, Stefanutti Stocks Power Consortium, is currently preparing a more informative sketch that we intend circulating to the press and social media platforms once it has been approved.



# SWARTLAND DROUGHT CRISIS: MOVING FORWARD TOGETHER



# Western Cape Province State of Dams on 2018-05-28

Dam	River	FSC	This Week	Last Week	Last Year
Berg River Dam	Berg River	127	41.9	37.6	29.4
Steenbras Dam-Upper	Steenbras River	31.9	59.9	55.9	56.5
Steenbras Dam-Lower	Steenbras River	33.9	31.8	31.6	22.5
Theewaterskloof Dam	Riviersonderend River	479	14.7	11.8	13.6
Voelvlei Dam	Voelvlei River	159	16.7	14.2	15.5
Wemmershoek Dam	Wemmers River	58.8	47.8	47.8	36.5
<b>Misverstand Dam</b>	<b>Berg River</b>	<b>5.7</b>	<b>107.3</b>	<b>63.1</b>	<b>72.7</b>

**Misverstand 111.64% on 29/05/2018**





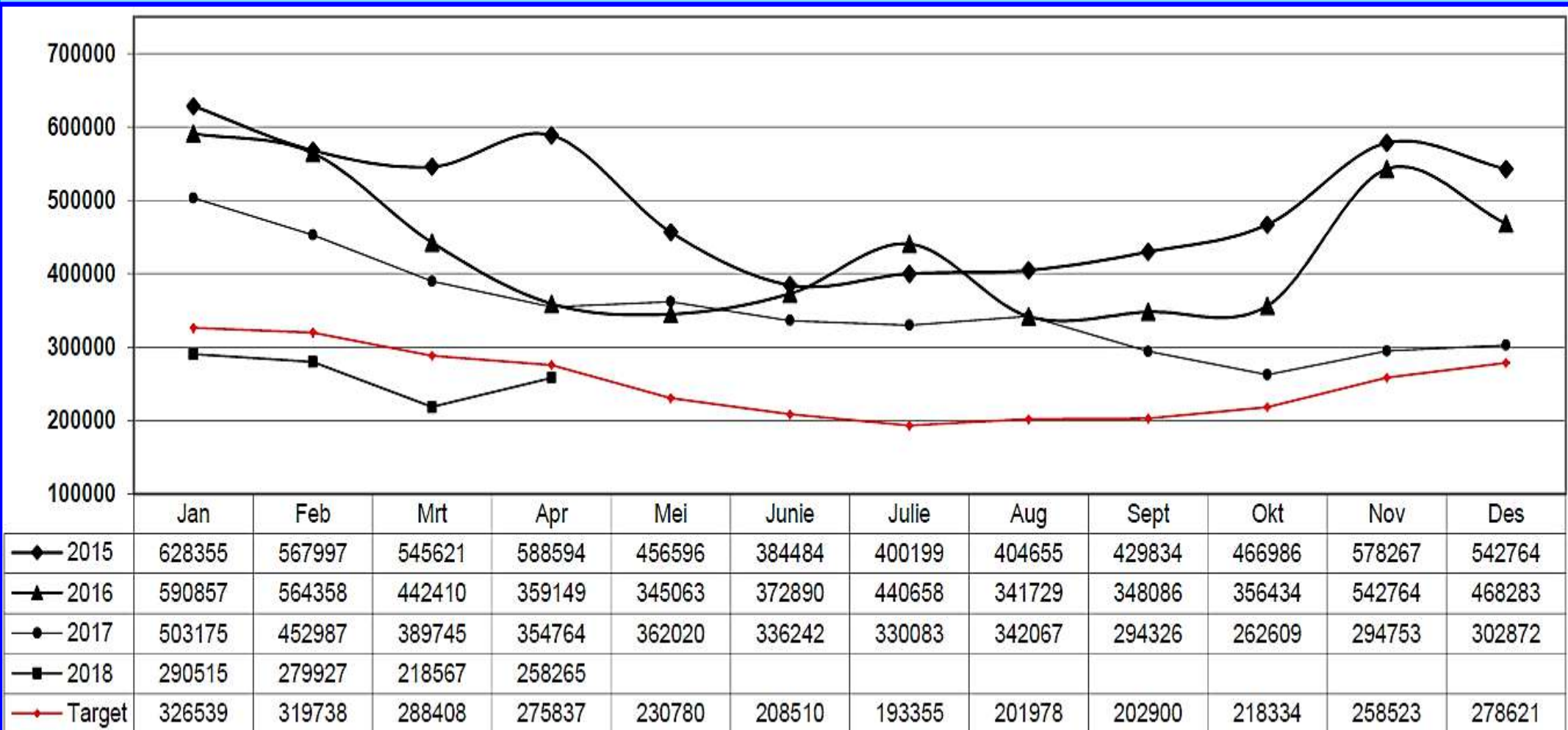


# Water Usage: Swarthland 2015 - 2018

The graph below shows how water usage came down since 2015. For the month of January the usages were as follows: and also for February, March and April

2015/01 – 628 355 M3  
 2016/01 – 590 857 M3  
 2017/01 – 503 175 M3  
 2018/01 – 290 515 M3  
 2018/02 – 279 927 M3  
 2018/03 – 218 567 M3  
 2018/04 – 258 265 M3

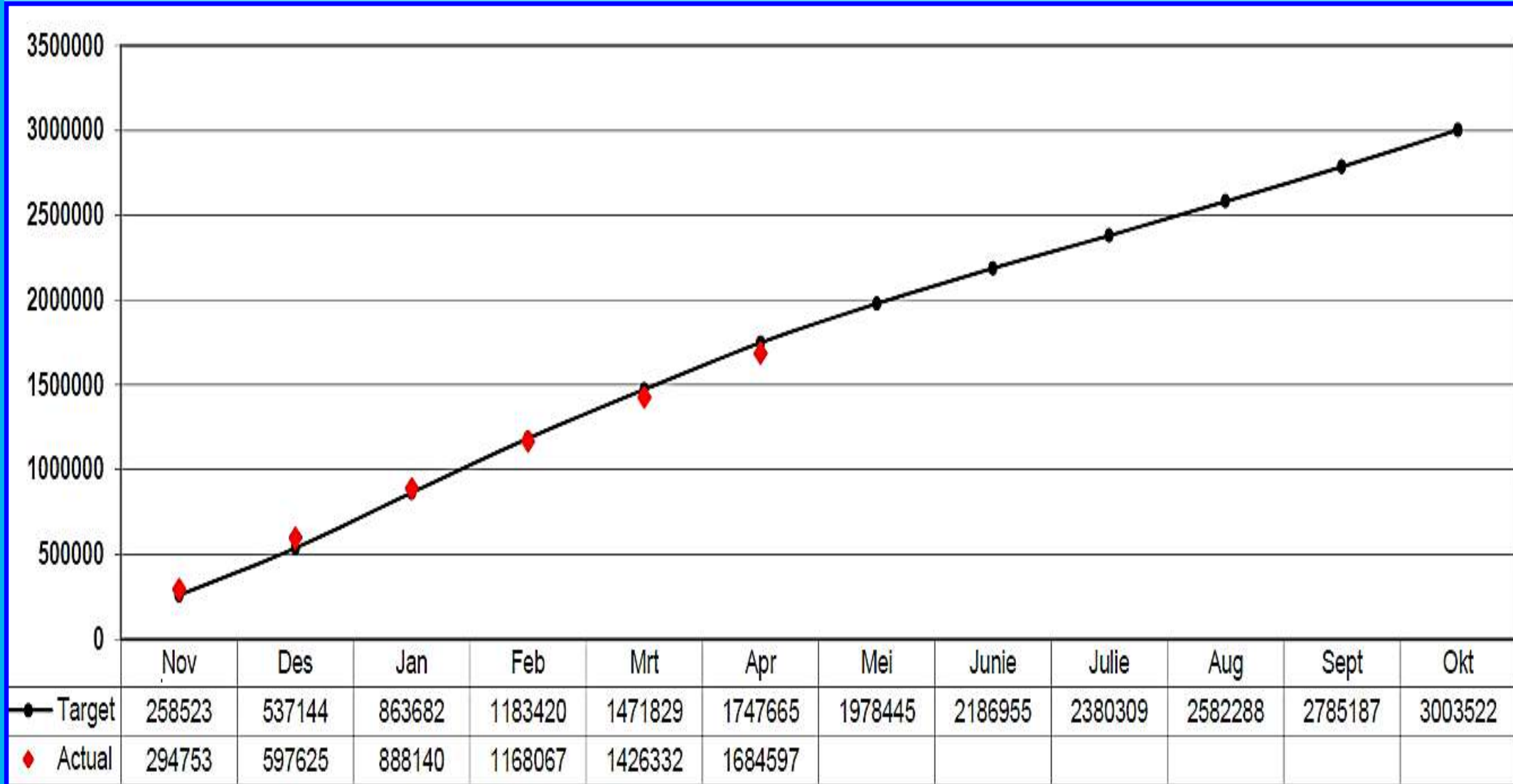
30/05/2018 Swarthland Munisipaliteit





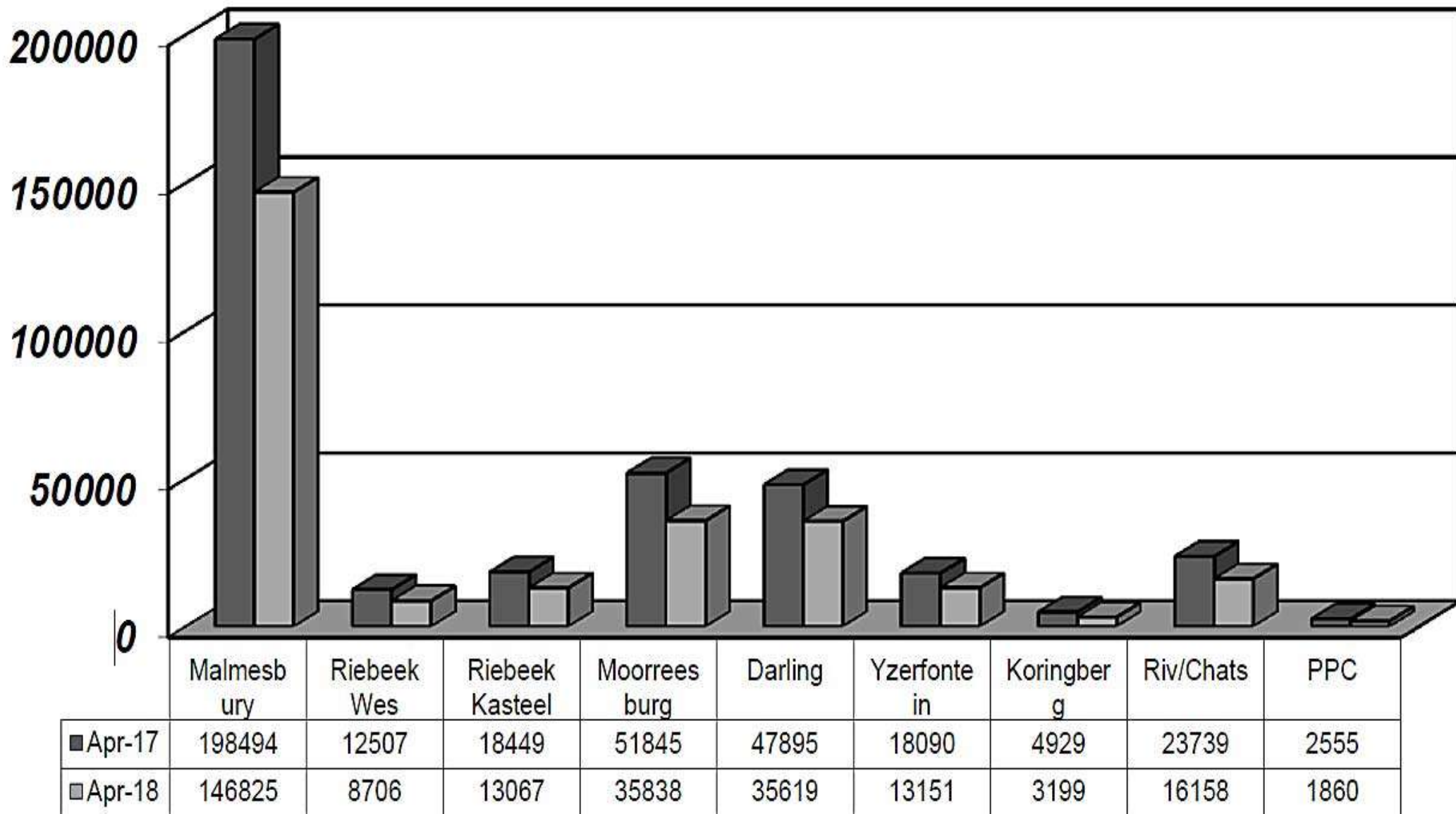
**Jan. 2015 to Jan. 2018 – Saving = 46.19%**  
**Feb. 2015 to Feb. 2018 – Saving = 49.27%**  
**Maa. 2015 to Maa. 2018 – Saving = 59.94%**  
**Apr. 2015 to Apr. 2018 – Saving = 48.74%**

30/05/2018 Swarthland Munisipaliteit



# Swartland Water Usage per Town for April 2018

30/05/2018 Swartland Munisipaliteit





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***Tijmen van Essen # Executive Mayor***  
***30 May 2018***

# Vision of SM : Integrated approach

30/05/2018 Swarthland Munisipaliteit

**2017**  
-  
**2022**  
**IDP**  
5  
**Strategic Goals**



**2017**  
-  
**2022**  
**GOP**  
5  
**Strategiese Doelwitte**

## 2017-2022 IDP 5 Strategic Goals

- 1: **PEOPLE** - *Improved quality of life for citizens*
- 2: **ECONOMY** - *Inclusive economic growth*
- 3: **ENVIRONMENT** - *Quality and sustainable living environment*
- 4: **INSTITUTIONS** - *Caring, competent and responsive institutions, organisations and business*
- 5: **SERVICES** - *Sufficient, affordable and well-run services*

## 2017-2022 GOP 5 Strategiese Doelwitte

- 1: **MENSE** - *Verbeterde kwaliteit van lewe vir burgers*
- 2: **EKONOMIE** – *Inklusiewe ekonomiese groei*
- 3: **OMGEWING** – *Kwaliteit en volhoubare lewe omgewing*
- 4: **INSTELLINGS** - *Omgee, bevoegde en vatbare instellings, organisasies en besigheid*
- 5: **DIENSTE** - *Voldoende, bekostigbaar en goed bestuur*



# Swartland Municipality - Visual Strategy



## Vision

Hope and a dignified life for all people

## Slogan

We shape a better future!

## Mission

We shape a better future by dealing accountably and sustainably with all people and the environment

## Values

Mutual respect



Positive attitude



Honesty & integrity



Self-discipline



Solidarity & commitment



Support



## Leadership Philosophy

Through participation, understanding and purposefulness we create an environment in which staff flourish and deliver outstanding and sustainable service

Work in harmony



**Environment**  
Quality and sustainable living environment

## Goals

**People**  
Improve quality of life for citizens

**Economy**  
Inclusive economic growth

**Institutions**  
Caring, competent and responsive institutions, organisations and business

**Services**  
Sufficient, affordable and well-run services

# The 2017-2022 IDP

# Die 2017-2022 GOP





# The 2017-2022 IDP

- **Chapter 1:** *Wide priorities revised and updated*
- **Chapter 2.1:** *Updated with 2017 MERO and SEP reports*
- **Chapter 3:** *Reverses annually with new figures*
- **Chapter 5:** *New SA President's SONA added*
- **Chapter 6:** *LED Strategy and Framework Management Plan amended*
- **Chapter 7:** *Modifying Objectives, CPIs and Targets*
- **Chapter 8:** *Updates (and or modified) as follows:*

# Die 2017-2022 GOP

- **Hoofstuk 1:** *Wyksprioriteite hersien en opgedateer*
- **Hoofstuk 2.1:** *Opgedateer met 2017 MERO en SEP verslae*
- **Hoofstuk 3:** *Word jaarliks hersien met nuwe syfers*
- **Hoofstuk 5:** *Nuwe SA President se SONA bygevoeg*
- **Hoofstuk 6:** *LED Strategie en Rambestuurplan gewysig*
- **Hoofstuk 7:** *Doelwitte, KPI's en teikens verander*
- **Hoofstuk 8:** *Word opgedateer (en of aangepas) soos volg:*



# The 2017-2022 IDP

- **Chapter 8 (continued):**
  - 5 year Capital budget.
  - 5 years Operating budget.
  - New DORA and Provincial awards.
  - Provincial budget information
  - Latest housing pipeline.
- **Schedule 1: Upgraded Swarthland Profile with 2017 MERO and SEP reports.**
- **Annexure 3: Upgraded sectoral plans and policies.**
- **The revised IDP is based on the 2018/19 budgets, SDBIP and performance targets.**

# Die 2017-2022 GOP

- **Hoofstuk 8 (vervolg):**
    - 5 jaar Kapitaal begroting.
    - 5 jaar Bedryfsbegroting.
    - Nuwe DORA en Provinsiale toekennings.
    - Provinsiale begrotings inligting
    - Jongste behuisings pyplyn.
  - **Bylae 1: Opgegradeerde Swarthland profiel met 2017 MERO en SEP verslae.**
  - **Bylae 3: Opgegradeerde sektorale planne en beleide.**
- Die hersiene GOP is gebaseer op basis van die 2018/19 begrotings, SDBIP en prestasie doelwitte.**

# Ward Priorities

# Wyks Prioriteite

30/05/2018 Swartland Munisipaliteit

	<i>In Total Wards</i>	<i>Priorities</i>
1)	11	<i>Economic development / Job Creation</i>
2)	9	<i>Safety and Security</i>
3)	7	<i>Refuse Removal + Education</i>
4)	5	<i>Parks and Recreational Facilities + Health Sevices + Housing + Roads + Tourism + Youth Development + Library.</i>
5)	4	<i>Storm Water + Electricity and Energy</i>

	<i>Aantal Wyke</i>	<i>Prioriteite</i>
1)	11	Ekonomiese Ontwikkeling / Werk-skepping
2)	9	Veiligheid en Sekuriteit
3)	7	Vullis Verwydering + Opleiding
4)	5	Parke en Ontspannings Fasiliteite + Gesondsheid Dienste + Behuising + Paaie + Toerisme + Jeug Ontwikkeling + Biblioteke.
5)	4	Storm Water + Elektrisiteit en Energie

# Comment/input received from the Chief Whip of the ANC (Swarthland)



# Comment/input received from the ANC Chief Whip

## Comment/input

### **Structural Principals:**

- Integration of communities to form a non-racial society.
- Creating space for economic development for disadvantaged communities.
- Be specific about structural principals how to redress this in disadvantaged communities.

## Municipality's reply

- These comments/inputs resulted in a new section being added in the IDP just after the Forewords with the heading "Principles that guide this IDP". The intent with these principles is that they should be used when considering the desirability, necessity and importance of municipal strategy, policy, programmes and projects.
- The second bullet must be addressed in the LED and Social Development Strategies.



# Comment/input received from the ANC Chief Whip

30/05/2018 Swarthland Munisipaliteit

## Comment/input

## Municipality's reply

### Opportunities:

- Need to be speaking directly on opportunities.
- Access to information: Information shared at opportunity workshops must be relayed.

- This is a communication issue that must be addressed on that level. **Goal 4** of the IDP lays down the **broader objectives** for communication.

### West Coast College:

- Better access to information for workforce who want to improve their education level.

- This is a human resources issue that must be addressed on that level. **Goal 4** of the IDP lays down the **broader objectives** for human resources development.

# Comment/input received from the ANC Chief Whip

30/05/2018 Swartland Munisipaliteit

## Comment/input

### World economy:

- Greater clarity as to where Swartland fits in prospective plans and thinking like the wine industry and Mount Royal golf course investment.

### World nature conservation initiatives:

- Greater clarity. This nature areas and its plans in totality.

## Municipality's reply

- This is a local economic development issue that must be addressed on that level. **Goal 2** of the IDP lays down the **broader objectives** for local economic development.

- This is a spatial development issue that must be addressed on that level. **Goal 3** of the IDP lays down the **broader objectives** for spatial development.



# Comment/input received from the ANC Chief Whip

## Comment/input

### Strengths:

- Clear on opportunities for disadvantaged communities and the vulnerable.

### Settlements:

- Growth arrears can't be in terms of apartheid spatial planning.
- Low cost housing is constantly and even now planned further away from the CBD. Cost towards poor is negatively affected.
- GAP housing must have a focus on all arrears.

## Municipality's reply

- This is a social development issue that must be addressed on that level. **Goal 1** of the IDP lays down the **broader objectives** for social development.
- This is a spatial development and human settlements issue that must be addressed on that level. **Goal 3** of the IDP lays down the **broader objectives** for spatial and housing development.

# Comment/input received from the ANC Chief Whip

30/05/2018 Swarthland Munisipaliteit

## Comment/input

### Water:

- Water and climate change should be handled together.
- Water should be handled very responsibly. Need to spell out water plan in IDP and plans to preserve and reserve water. Grey water plan and utility thereof.
- Clarity on plan as to address climate change in the IDP.
- District plan and local plan. The issue of desertification. Farmers, including emerging and small scale farmers, need assistance program in this regard.

## Municipality's reply

- The water issue is addressed in **Chapter 7 (Goal 5)** of the IDP but not on a detail level. That is done in the various water sector plans.
- The need for a Climate Change Strategy (which will address the issue of desertification) was already identified and the compilation of such a plan should be prioritised for budget purposes.

# Comment/input received from the ANC Chief Whip

## Comment/input

### **Economy:**

- The economy as it affects the still disadvantaged and emerging entrepreneurs program. This should be aimed at matriculates. The N7 position and plans to advance economy of towns like Malmesbury and Moorreesburg. The new Paarl road economic impact and its plans. Discussion and vision on Airport talks. Rail link its future and opportunities.

## Municipality's reply

- This is a Local Economic Development issue that must be addressed in the LED Strategy and other relevant sector plans. **Goal 2** of the IDP only lays down the **broader objectives** for local economic development.



# Comment/input received from the ANC Chief Whip

## Comment/input

### **Agriculture:**

- Emerging farmers and their position in economics discussion and vision. The assistance to these farmers.
- How is disadvantaged emerging business people assisted in the agriculture economics program?
- Corridor plan to be catchment area towards agriculture economics for West Coast greater farmer plan and to be attached to IDZ and Agri Parks. Mining state clear as social responsibility in IDP and black

## Comment/input

- empowerment. New development and how this assists disadvantaged business people. This should be in line with National Development Plan
- **Municipality's reply**
  - Any Provincial allocations or grants for this purpose, if any, will be shown in **Chapter 8** of the IDP
  - Bullet 3 is a Spatial Development Framework issue that must be addressed on that level. **Goal 3** of the IDP lays down the **broader objectives** for spatial development.

# Comment/input received from the ANC Chief Whip

## Comment/input

### *Maintenance of infrastructure:*

- Be clear on private public partnership if any (who they are and in what area work is done, its cost). State in IDP, transparency. Provide program in IDP as well as Provincial programs. Be clear in each area what would be done and where, not just the Town.

## Municipality's reply

- The IDP as the main strategic document of the Municipality does not go into detail on any issue. That is the purpose of either the Area Plans (specific ward issues) or the sector plans. If PPP's relate to specific projects on the budget, that will be reported on on a monthly basis to the Portfolio Committees or to the Mayoral Committee in months when the Portfolio Committees don't meet.

# Comment/input received from the ANC Chief Whip

30/05/2018 Swartland Munisipaliteit

## Comment/input

### Housing:

- Low cost housing to be brought near CBD.
- Clear plan as to how emerging disadvantaged entrepreneurs and local business benefit to the above.

### Procurement policy:

- This needs to speak to real benefit of local economics and disadvantage groups in Swartland. Spell out the budget as to addressing the bucket system and those without toilets and running water including the cemeteries that don't have this service.

## Municipality's reply

- This is a Spatial Development Framework and Human Settlements issue that must be addressed on that level. **Goal 3** of the IDP lays down the **broader objectives** for spatial development.
- This is a civil engineering services issue that must be addressed on that level. **Goal 5** of the IDP lays down the **broader objectives** for civil engineering services.
- The budgets for specific projects for the next 5 years are found in the detail capital budget that will be submitted to Council on 30 May 2018.



# Comment/input received from the ANC Chief Whip

30/05/2018 Swarthland Munisipaliteit

## Comment/input

### Land:

- Be clear as to land availability to redress imbalance of the past as to housing and economic opportunities. This includes industrial land.
- The IDP should be clear on space for religious practise in all areas and future plans.
- Commonage plan as to redress and address small scale farming.

## Municipality's reply

- This is a Spatial Development Framework issue that must be addressed on that level. **Goal 3** of the IDP lays down the **broader objectives** for spatial development.

# Comment/input received from the ANC Chief Whip

30/05/2018 Swarthland Munisipaliteit

## Comment/input

### **Low levels of income:**

- National and Provincial connected to local as to program for alleviating poverty. This program needs to reflect in the IDP (NDP program).

## Municipality's reply

- The National Development Plan (NDP), Integrated Urban Development Framework, Medium Term Strategic Framework and the Back to Basic Programme are summarised in **Chapter 5** of the IDP. The strategic goals in **Chapter 7** are cross-linked to the National and Provincial policies and programmes in **Chapter 5**.

# Comment/input received from the ANC Chief Whip

## Comment/input

### **Social Development:**

- Allocate money to the program.
- National, Provincial and local need to speak to dropouts and truancy plan. Plan must reflect in IDP.
- This needs to be coupled with a proactive drug plan and rehabilitation program.
- See to cooperation that schools are built in set time and to equal specification in all areas by Education Department. Supply dates in IDP.

## Municipality's reply

- This is a Social Development Strategy issue that must be addressed on that level. **Goal 1** of the IDP lays down the **broader objectives** for social development.
- The Provincial school building budget and program are provided in **Chapter 8** of the IDP.





# Comment/input received from the ANC Chief Whip

30/05/2018 Swartland Munisipaliteit

## Comment/input

### Health:

- Spell out in IDP the proposal of new hospital. Also clinics - new ones and upgrading of existing ones - as well as needs or problem areas.
- The District and its health plan. There are NGO'S doing excellent work in health sector but no information to this pioneering work is provided in the IDP.

## Municipality's reply

- Although Health is a Provincial function, **Chapter 8** of the IDP provides the Provincial budget in respect of Health Services within the Swartland municipal area. This includes the budget for the new hospital. It is not the function of the IDP to spell out the proposal of the new hospital or any details thereof.
- The coordination with the District and their health plan will be followed up.

# Comment/input received from the ANC Chief Whip

## Comment/input

### Transport Plan:

- Give program on transport plan for Swartland.
- Local transport inter-town and Cape Town, link to IDZ as well as Namibian corridor.  
Government counterpart input.  
How do we fit into greater West Coast transport plan of District Municipality?

## Municipality's reply

- This is a civil engineering services issue that must be addressed on the Integrated Transport Plan level. **Goal 5** of the IDP lays down the **broader objectives** for civil engineering services.

# **Verskille tussen die Maart en Mei 2018 GOP Hersiening Dokument**

## **Differences between the March and May 2018 IDP Revisions Document**



- Die woord "settlers" is uit die dokument gehaal.
- 'n Paragraaf is in die Voorwoord van die Munisipale Bestuurder bygevoeg oor Ratings Afrika se jongste jaarlikse Munisipale Finansiële Volhoubaarheidsindeks wat op 16 April 2018 gepubliseer is.
- Twee nuwe afdelings is bygevoeg net na die Voorwoorde:

- The word "settlers" was removed from the document.
- A paragraph was added in the Foreword of the Municipal Manager on Ratings Afrika's latest annual Municipal Financial Sustainability Index published on 16 April 2018.
- Two new sections were added just after the Forewords:

1. "Strategy overview". Swartland Munisipaliteit se Visuele Strategie is hier gebruik.
2. "Principles that guide this IDP". Hierdie is bygevoeg onder andere as gevolg van die insette wat van die Kantoor van die Hoofswep van die ANC ontvang is.
3. Die finale kapitaal- en bedryfsbegrotingsyfers is in Hoofstukke 7 en 8 van die dokument ingevoeg.

1. Strategy overview. Swartland Municipality's Visual Strategy was used here.
2. Principles that guide this IDP. This was added inter alia because of the inputs received from the Office of the Chief Whip of the ANC.
3. The final capital and operating budget figures were captured in Chapters 7 and 8 of the document.

- 'n Opgedateerde Finansiële Plan word in Mei 2018 aan die Burgemeesterskomitee en Raad vir goedkeuring voorgelê en sal daarna in die hoof GOP dokument ingevoeg word.
- Die menslike nedersettingspylyn vir die 5 jaar tydperk 2017/2018 tot 2021/2022 is bygevoeg

- An updated Financial Plan is submitted to the Mayoral Committee and Council for approval in May 2018 and will thereafter be inserted into the main IDP document.
- The human settlements pipeline for the 5 year period 2017/2018 to 2021/2022 was added.



## **7.1 AANBEVELING** **HERSIENING VAN DIE** **GOP**

➤ **EK BEVEEL AAN DAT DIE:**

**2017-2022 Geïntegreerde  
Ontwikkelingsplan (GOP)  
vir die Swarthland  
munisipale gebied, sowel  
as die vyf Areaplanne,  
goedgekeur word.**

## **7.1 RECOMMENDED** **REVISION OF THE** **IDP**

➤ **I RECOMMEND THAT THE:**

***2017-2022 Integrated  
Development Plan (IDP)  
for the Swarthland  
municipal area, as well  
as the five Area Plans,  
be approved.***

# Swartland Municipality

## Final 2017/2022 IDP and Final Multi Year Capital and Operating Budget 2018/2023.

### SAKE VIR BESPREKING

#### Algemene Informasie

- 7.1 Eerste Hersiening van die 2017-2022 GOP & Areaplanne.
- 7.2 Meerjarige kapitaal- en bedryfsbegroting vir 2018 tot 2022/23 & verwante beleide.



### MATTERS FOR CONSIDERATION

#### General Information

- 7.1 First Revision of the 2017-2022 IDP & area plans.
- 7.2 Multi year capital- and operating budgets for 2018 to 2022/23 & related policies.

***Tijmen van Essen # Executive Mayor***  
***30 May 2018***

# 1. BACKGROUND TO THE BUDGETARY PROCESS

The following principles amongst other were highlighted in the NT budget circular 91 informing the Final 2018/19 MTREF with the exception of the cost of living increases for staff:

## The Macro-economic forecasts as illustrated below:

**Table 1: Macroeconomic performance and projections, 2017 - 2020**

Fiscal year	2017/18	2018/19	2019/20	2020/21
	Estimate	Forecast		
Consumer Price Inflation (CPI)	5.3%	5.3%	5.4%	5.5%
Real GDP growth	1.0%	1.5%	1.8%	2.1%

*Attention is drawn to the fact that Swartland Municipality's Municipal Infrastructure Grant was reduced by around R 4,115 million over the MTREF more or less consistent with the reductions country wide as a direct result of the shortfall experienced in the national resource envelope.*

*This would inevitable impact infrastructure spending over the medium term.*

## 2. LEGISLATIVE RESPONSIBILITIES

### 2.1 Section 16(2) : MFMA

"... the Mayor of the municipality must table the annual budget at a **Council meeting** at least 90 days before the start of the financial year."

### 2.2 Section 24(1) : MFMA

"The municipal Council must at least **30 days** before the start of the budget year consider approval of the annual budget."

### 2.3 Section 160(2)(b) (c): Constitution

"The following functions may not be delegated by a Municipal Council:....the approval of budgets and tariffs."

### 2.4 Section 160(3)(a) Constitution

"A majority of the members of a Municipal Council must be present before a vote may be taken on any matter."



## 3. DOCUMENTATION

- 3.1 Attached Annexure A: 2018/19– 2020/21 Final Budget and Tariff File)
- 3.2 **BUDGETS AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2018/2019 REFORMS**  
Annexure B: Budget Report and A-Schedules 2018/19– 2020/21)
- 3.3 **OUTSTANDING DEBTORS**  
Annexure A as at 30 April 2018.
- 3.4 **INVESTMENTS & EXTERNAL LOAN REGISTER**  
Annexure A as at 30 April 2018.
- 3.5 **BUDGET RELATED POLICIES**  
Annexure C: Budget Related Policies 2018/19 - Next Page
- NB:**The amendments to the following policy will be dealt with elsewhere in the agenda due to the nature of the policy:
- **Supply Chain Management Policy**

# 3.5 BUDGET RELATED POLICIES

30/05/2018 Swartland Munisipaliteit

No.	Policy/Plan Name	Reviewed (Yes / No)	Amended (Yes / No)
1.	Tariff Policy	Yes	Yes
2.	Property Rates Policy	Yes	Yes
3.	Credit Control and Debt Collection Policy and By-law	Yes	No
4.	Indigent Policy	Yes	No
5.	Budget Implementation Policy	Yes	Yes
6.	Travel and Subsistence Policy	Yes	Yes
7.	Cash Management and Investment Policy	Yes	No
8.	Asset Management Policy	Yes	Yes
9.	Preferential Procurement Policy	Yes	No
10.	Fleet Management Policy	Yes	No
11.	Virement Policy	Yes	No
12.	Debt and Borrowing Policy	Yes	No
13.	Funding and Reserves Policy	Yes	No
14.	Supply Chain Management Policy	Yes	Yes

## 4. AREAS COVERED DURING THE BUDGET STEERING COMMITTEE MEETING:

- SA Economy and Inflation Targets
- Key focus areas of 2018-2019 Budget and process
- Income modelling informing Tariff increases
- Water scarcity risk and sustainability issues and increased cost of providing water
- Funding Choices and Management Issues
- Conditional Grant Transfers to SM, i.e. Housing Allocation
- Expenditure Consolidation and growth from 2017-2018 to 2018-2019
- And input received from the Yzerfontein Residence Association

# Terugvoer op die kommentaar van Yzerfontein Inwonersvereniging

## Feedback on the comments of Yzerfontein Residents Association



# Input from Yzerfontein Residence Association

30/05/2018 Swarthland Munisipaliteit

Comments	Municipality's feedback
<p><b>1. General:</b></p> <ul style="list-style-type: none"> <li>• Inclusion of draft resolution in the budget report in terms of MFMA requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Take note</li> </ul>
<p><b>2. Property Rates Residential vs Businesses</b></p> <ul style="list-style-type: none"> <li>▪ Statement: Owners of residential properties are still charged with a tariff that actually subsidizes business enterprises - I.e. the tax benefit of 28%.</li> </ul>	<ul style="list-style-type: none"> <li>• Take note</li> </ul>

# Input from Yzerfontein Residence Association

30/05/2018 Swarthland Munisipaliteit

## Comments

### 2.1 Valuation credit to senior citizens (a)

- Provisions of amended draft property policy are extremely confusing, contradictory and incorrect.
- According to the requirement that Senior Citizens apply for a discount, incorrectly refer to paragraph 7 (3) in policy.
- W.r.t Definition of "Net Income" in Policy Question: Any other income, even millions of rands, is therefore excluded.

## Municipality's feedback

- The changes made in line with changes regarding state allowances age.
- Corrected
- The definition is now adjusted to refer only to "income" derived from a pension source or similar retirement benefit.

# Input from Yzerfontein Residence Association

## Comments

## Municipality's feedback

### 2.1 Valuation credit to senior citizens (b)

- With reference to net income of up to R12 000 / month and form to be completed - question whether proof of income is required.

- The application process as established over several years remains unchanged and cannot be confusing. This process is already well known to senior citizens and no challenges are encountered.

# Input from Yzerfontein Residence Association

30/05/2018 Swarthland Munisipaliteit

## Comments

### 2.1 Valuation credit to senior citizens (c)

- Additional benefit to those who qualify for 100% rebate is R459.23 / year if Council allows a maximum rebate of R300 000.
- Statement is made that the amount of work required makes it unpaid.
- Uncertainty about application, authorization and application of discount in 2018/19 financial year

## Municipality's feedback

- In terms of the discount to senior citizens, Section 15 of the Municipal Property Rates Act, 6 of 2004 applies in terms of which the municipality may grant exemption, reduction or rebate, as well as section 8 (3) of the Act in terms of which the municipality, and in addition to the categorized properties prescribed by the Act, may, in terms of its own policy, determine categories of properties for which a discount is granted.



# Input from Yzerfontein Residence Association

30/05/2018 Swartland Munisipaliteit

## Comments

### 3.1 Water:

- *Appreciation for the water tariffs and provision surplus of 34% is encouraging.*
- YIV submits arguments regarding the approval of the level 5 water tariffs that were inconsistent with section 28 (6) and request for possible repayment and possible considerations surrounding a court case or public protector

## Municipality's feedback

- Take note
- SM is entitled to the tariffs as SM has not received any response from the NT regarding the application for exemption from MFMA section 28 (6), which notice of 10 November 2017, which includes the municipalities of Knysna, Bitou, Drakentein, Saldanha and Cape Town, wrongly excluded Swartland and Berg River Municipalities.

# Input from Yzerfontein Residence Association

30/05/2018 Swarthland Munisipaliteit

## Comments

### 3.1 Water:

- Calculation of water rate - 5% increase per level calculated on the normal level instead of 5% on the previous level considered a more logical approach.
- Proposal: if the water level at the Voëlvlei drops increase tariffs must automatically be instated.

## Municipality's feedback

- Note and it was the intention of the levels advertised adapt and is sufficient for the 2018-2019 year.
- The said proposal would be the ideal to work, but then the other 4 authorities should also be involved in using the same source. SM is therefore sufficient in the current order of water levels during constraints.

# Input from Yzerfontein Residence Association

## Comments

### 3.2 Sewerage:

- Because sewage is water-bound, suggestion is that we follow City of Cape Town's example.

## Municipality's feedback

The volume of sewage drainage is not a direct function of household water consumption. A drainage system that is linked to water consumption is detrimental to households with swimming pools and gardens. However, what should be kept in mind is that the water consumption-linked tariffs for sewage expose the municipality to budget deficits during drought conditions where consumers consume less water. This is, of course, not the case with the universes tariff system, and it is therefore more allocation to the municipality and will suffice.

# Input from Yzerfontein Residence Association

## Comments

### 3.3 Refuse removal

- Suggest that a basic rate and a consumer tax be institute.

## Municipality's feedback

- In respect of refuse removal, a basic levy is made for vacant stands and SM is not convinced that the basic levy of the service is extended to all the consumers.



# Input from Yzerfontein Residence Association

## Comments

### 4. Amended By-laws

- Numerous wording problems have been found, significant improvements can be made with the aim of more comprehensible and inconsistent content.
- Prepared to be part of a working group to review by-laws.

## Municipality's feedback

- Take note of the general statement

# Water scarcity risk and sustainability issues and increased cost of providing water

Considerable debate and consideration of different scenarios ensued in respect of the water service and the fact that the municipality had no choice but to implement a basic charge for water whilst endeavouring to keep water tariffs affordable in the 2 lower block (0kl to 10kl) tariffs at the same time revising the higher water blocks to force demand downwards in an effort to curtail consumption and more specifically to stretch the very scarce and critically low water levels in the Voëlvlei Dam.

This in a bid to endeavour to prevent that the dam runs dry before potential winter rains.

What makes it more difficult for the Swarthland Municipality is the fact that the Cape Metro also draws from the same source whilst Swarthland Municipality does not have access to the Metro's network of dams.



## (1) Capital Budget 2018/2019



## Adjustments between 90 & 30 days

Capital Budget		90 Day Budget	30 Day Budget	Difference	Reasons
		2018/2019	2018/2019	R -900 000	
2	Development of village square: Erf 12 Riebeek Kasteel	R 1 000 000	R -	R -1 000 000	Project moved to 2020/21
3	Development of village square: Erf 12 Riebeek Kasteel	R 1 500 000	R -	R -1 500 000	
4	Parks: CK43400 Trailer with Roller	R 357 000	R -	R -357 000	CK7154 under Roads is in a weaker condition than CK43400 that would have
5	Roads: CK7154 Trailer Roller	R -	R 357 000	R 357 000	
6	Water: Upgrading water reticulation network: PRV's, flow control, zone metering	R 1 000 000	R 500 000	R -500 000	Project initiates from the 2017/18 adjustment budget and will require funding in 2018/19
7	Water Network Expansion and New Boreholes	R -	R 500 000	R 500 000	
8	YZF Caravan Park: Expansion (Service of 8 plots + ablution block)	R 1 000 000	R 1 300 000	R 300 000	R300 000 will not be spent by 30 June 2018 and will be needed in 2018/19
9	Erf 3715: Services	R -	R 300 000	R 300 000	Services for Erf 3715 in Moorreesburg



**(2) Capital Budget  
2018/2019****Adjustments between  
90 & 30 days**

Capital Budget	90 Day Budget	30 Day Budget	Difference	Reasons
	2019/2020	2019/2020	R -6 300 000	
10 Multi Purpose Centre: Kalbaskraal	R 7 000 000	R 700 000	R -6 300 000	Planning will start in 2019/20 and construction in 2020/21
	2020/2021	2020/2021	R 7 200 000	
11 Development of village square: Erf 12 Riebeek Kasteel	R -	R 200 000	R 200 000	Project moved from 2018/19 due to the reason provided above
12 Multi Purpose Centre: Kalbaskraal	R -	R 7 000 000	R 7 000 000	construction moved from 2019/20 to 2020/21
TOTAL CAPITAL EXPEND. - 2018/19	R 88 145 909	R 87 245 909	R -900 000	
TOTAL CAPITAL EXPEND. - 2019/20	R 103 844 038	R 97 544 038	R -6 300 000	
TOTAL CAPITAL EXPEND. - 2020/21	R 116 774 860	R 123 974 860	R 7 200 000	





## Sources of Finance 2018/2021



## Adjustments between 90 & 30 days

SOURCES OF FINANCE		90 Day Budget 2018/2019	Final Budget 2018/2019	Final Budget 2019/2020	Amended Budget 2020/2021
External Loan	External Loans	R -	R -	R 4 303 495	R 24 932 800
CRR	Capital Replacement Reserve	R 49 670 909	R 50 270 909	R 50 979 543	R 56 157 060
MIG	Municipal Infrastructure Grant	R 20 945 000	R 20 945 000	R 21 301 000	R 22 285 000
Public Donation	Public Donation	R 1 500 000	R -	R -	R -
Dept. Human Settlements	Dept. Human Settlements	R 6 500 000	R 6 500 000	R 5 700 000	R 7 000 000
INEP	Integrated National Electrification Programme	R 4 000 000	R 4 000 000	R 5 760 000	R 6 400 000
RSEP/VPUU	RSEP / VPUU	R 2 500 000	R 2 500 000	R 4 500 000	R 2 000 000
FMG	Financial Management Grant	R 30 000	R 30 000	R -	R -
EEDSM	Energy Efficiency Demand Side Management	R 3 000 000	R 3 000 000	R 5 000 000	R 5 000 000
GRAND TOTAL		R 88 145 909	R 87 245 909	R 97 544 038	123 974 860

## 5.2 OPERATING BUDGET

The operating expenditure budget will increase from **R 668 443** million to **R 698 278** million resulting approximately in a **4.5%** (including operating grant expenditure) increase only.

The operating revenue budget will increase from **R 741 252** million to **R 746 205** million (including operating and capital grant revenue) resulting in year on year growth of only **0.7%** (**4.3%** excluding capital grants).

The ratio between generated revenue and expenditure is however still sound and in this regard every effort was made to as far as possible and within the control of the municipality to keep municipal costs affordable.

**The total salary budget will increase from R 202 638 million to R 213 544 million**





## (1) Operating Budget 2018/2019



## Adjustments between 90 & 30 days



Operating Budget - Expenditure	90 Day Budget	30 Day Budget	Difference	Reasons
EMPLOYEE RELATED COST	R 218 211 014	R 213 544 413	R -4 666 601	
Bonuses: 13th Cheque	R 9 196 305	R 9 223 561	R 27 256	
Salaries	R 115 687 613	R 116 013 529	R 325 916	
Group Insurance	R 1 907 197	R 1 912 615	R 5 418	
Insurance Unemployment	R 1 040 750	R 1 044 010	R 3 260	Salary increase changed from 6.5% to 7%
Pension Fund	R 19 055 158	R 19 101 599	R 46 440	
Provident Fund	R 2 847 960	R 2 860 170	R 12 210	
Contribution: Long Service Bonuses	R 955 050	R 955 990	R 940	
Post Employee Health Benefits	R 12 792 657	R 7 576 091	R -5 216 566	Based on average of historic actuals
Overtime Emergency Services	R 2 625 353	R 2 673 537	R 48 184	
Overtime Fixed Allowance	R 562 950	R 516 820	R -46 130	Based on current actuals
Overtime Special Projects	R 4 423 870	R 4 550 341	R 126 471	

## 5.2 OPERATING BUDGET (Salaries # a)

- In respect of all personnel, excluding the Municipal Manager and section 56-appointments, an increase of 7% for 2018/2019; 7% for the 2019/2020 and 2020/21 financial years, excluding the increase in other benefits that are applicable and the annual 2.5% notch increase.
- Increase In respect of the Municipal Manager 2.5%, the CFO 0% and the Director Civil Engineering Services limited to the Upper Limits Dispensation currently at 5.3% as per the draft Upper Limit Notice;
- Provision has been made for a 6% increase for political office bearers.
- In respect of the other four section 56-appointments, a 7% increase with effect from 1 July 2018; (Next Slide)



## 5.2 OPERATING BUDGET (Salaries # b)

- That cognisance is taken and approval is granted that
  - the service contract of the **DPS, DDS, DES** and **DCS** be amended;
- That annual salary increases be equal to the rest of the staff as determine on Bargaining Council level;
- That one of the contributing factors to the successes of Swarthland Municipality is the fact that Swarthland Municipality did not implement performance bonuses;
- That the **CFO, DCE** and the **MM**, receive the same 13th cheque dispensation (limited to 8.33%) subject to the Municipal Manager obtaining legal advice regarding the implementation thereof;
- And that the compensation of the **DCS** be adjusted equal to that of the first three directors **backdated from 1 July 2017.**



## (2) Operating Budget 2018/2019



## Adjustments between 90 & 30 days



Operating Budget - Expenditure	90 Day Budget	30 Day Budget	Difference	Reasons
OTHER MATERIALS	R 16 840 872	R 17 266 892	R 426 020	
New Connections: Water	R 1 194 887	R 1 621 007	R 426 120	For water flow restrictors
Oil: Vehicles	R 26 785	R 26 685	R -100	Final vehicle budget amendments
<b>INTEREST EXPENSE: EXTERNAL BORROWINGS</b>				
Hire Purchase Financing	R 480 896	R 444 569	R -36 327	Adjusted to tender amount
<b>CONTRACTED SERVICES</b>				
Capacity Building: Budgets	R 516 580	R 516 500	R -80	Reconciliation of the FMG grant
Tyres	R 1 407 795	R 1 153 304	R -254 491	Final vehicle budget amendments
Vehicles - Services	R 1 388 912	R 1 296 870	R -92 042	Final vehicle budget amendments
Valuations - General	R 1 500 000	R 700 000	R -800 000	Adjusted to tender amount for 2018/19 and 2019/20
<b>GRANTS AND SUBSIDIES PAID</b>				
Darling Recycling (DRESS)	R -	R 50 000	R 50 000	
ECD Centres: Jo Dolphin	R 40 000	R 50 000	R 10 000	





### (3) Operating Budget 2018/2019



### Adjustments between 90 & 30 days

Operating Budget - Expenditure	90 Day Budget	30 Day Budget	Difference	Reasons
<b>GENERAL EXPENSES</b>	R 32 382 416	R 33 430 205	R 1 047 788	
Administration Costs: Vehicles	R 124 150	R 123 312	R -838	Final vehicle budget amendments
Financial Planning, Reporting and mSCOA	R -	R 650 000	R 650 000	Caseware reporting module, LTFP and mSCOA
Skills Levy	R 1 791 919	R 1 798 895	R 6 976	Increase is linked to the changes in the Salary budget
Licenses: Vehicles	R 584 884	R 584 718	R -166	Final vehicle budget amendments
Vehicle Tracking System	R -	R 391 776	R 391 776	Vehicle Tracking System for all vehicles except Tractors
Workman Compensation	R 1 003 920	R 1 003 960	R 40	Increase is linked to the changes in the Salary budget
<b>TOTAL ADJUSTMENTS</b>	R 360 535 654	R 356 219 921	R -4 315 733	
<b>TOTAL EXPENDITURE</b>	R 702 594 158	R 698 278 426	R -4 315 733	



30/05/2018 Swartland Munisipaliteit

**Operating Budget  
2018/2019**  
**Expe. R 698 278 426**  
**Inco. R 746 205 036**

<u>Department</u>	<u>Income</u>	<u>Expenditure</u>	<u>(Surplus) Deficit</u>
Civil Services	(R 206 845 163)	R 246 664 050	R 39 818 897
Corporate Services	(R 9 657 722)	R 29 943 837	R 20 286 114
Council	(R 237 766)	R 15 750 474	R 15 476 708
Electricity Services	(R 280 512 927)	R 246 521 248	(R 33 991 679)
Financial Services	(R 166 453 252)	R 43 009 988	(R123 443 264)
Development Services	(R 48 472 160)	R 57 261 106	R 8 788 946
Municipal Manager	(R 100 000)	R 6 866 136	R 6 766 136
Protection Services	(R 33 890 045)	R 52 261 576	R 18 371 531
<b>TOTAL BUDGET</b>	<b>(R 746 205 036)</b>	<b>R 698 278 426</b>	<b>(R 47 926 610)</b>





**Note:** The 2019/20 and 2020/21 Revenue budgets include Provincial grant funding for which no expenditure projects have been finalized yet. (2019/20 includes R23 780 million Dep Human Settlement funding and 2020/21 includes R24 800 million Dep Human Settlement funding)

	Original Budget 2017/2018	Adjustment Budget 2017/2018	Original Budget 2018/2019	Original Budget 2019/2020	Original Budget 2020/2021
Capital budget	R 81 242 586	R 110 073 122	R 87 245 909	R 97 544 038	R 123 974 860
Operating Expenditure	R 664 697 875	R 668 442 676	R 698 278 426	R 711 223 093	R 730 314 794
Operating Revenue	R 695 180694	R 741 252 229	R 746 205 036	R 792 475 517	R 831 670 644
Budgeted (Surplus)/ Deficit	(R 30 482 818)	(R 72 809 553)	(R 47 926 610)	(R 81 252 425)	(R 101 355 849)
Less Capital Grants	R 35 075 916	R 61 390 842	R 36 975 000	R 42 261 000	R 42 685 000
(Surplus)/ Deficit	(R 4 593 098)	(R 11 418 711)	(R 10 951 610)	(R 38 991 425)	(R 58 670 849)

**SWARTLAND MUNICIPALITY - SUMMARY OF EQUITABLE SHARES - 2018/2019**

APPLICATIONS	AREA	PRE-PAID ELEC	REFUSE	WATER	SEWERAGE	PROPERTY RATES	TOTAL	
SWARTLAND AREA		R 0.8382	R 123.38	R 14.09	R 217.97	R 95 000		
GROWTH	ESKOM AREA	R 0.9836		6		R 0.006123		
1%		50		KILOLITER				
47	MALMESBURY	R 23 874	R 299 407	R 97 431	R 124 164	R 27 613	R 572 488	
1257	WESBANK + WOONSTELLE	R 632 397	R 2 324 752	R 2 580 891	R 3 289 037	R 731 440	R 9 558 517	
849	ILINGE LETHU	R 427 185	R 1 273 732	R 1 743 397	R 2 221 751	R 494 089	R 6 160 155	
507	CHATSWORTH	R 299 218	R 739 651	R 1 040 648	R 1 326 182	R 294 926	R 3 700 626	
312	RIEBEEK WES	R 184 180	R 909 261	R 640 558	R 816 315	R 181 538	R 2 731 852	
254	RIVERLANDS	R 149 609	R 384 181	R 520 324	R 663 091	R 147 463	R 1 864 669	
641	RIEBEEK KASTEEL	R 378 493	R 970 172	R 1 316 358	R 1 677 541	R 373 064	R 4 715 628	
698	ABBOTSDALE	R 411 872	R 1 157 891	R 1 432 446	R 1 825 481	R 405 964	R 5 233 654	
298	KALBASKRAAL	R 175 835	R 581 414	R 611 536	R 779 330	R 173 313	R 2 321 428	
185	KORINGBERG	R 109 078	R 280 679	R 379 360	R 483 449	R 107 513	R 1 360 078	
1333	DARLING	R 670 493	R 2 227 922	R 2 736 366	R 3 487 171	R 775 502	R 9 897 455	
5	YZERFONTEIN	R 2 540	R 12 203	R 10 365	R 13 209	R 2 938	R 41 255	
1587	MOORREESBURG	R 797 988	R 2 091 362	R 3 049 390	R 3 886 083	R 864 215	R 10 689 038	
731	PHOLA PARK	R 367 755	R 344 747	R 1 500 855	R 1 912 661	R 425 351	R 4 551 369	
8705		R 4 630 518	R 13 597 374	R 17 659 928	R 22 505 464	R 5 004 928	R 63 398 212	
SUBSIDY ELEC SWARTLAND AREA		R 2 871 437						
SUBSIDY ELEC ESKOM AREA		R 1 708 286						
		R 4 579 723						

SUMMARY OF EQUITABLE SHARES - 2018/2019	
TOTAL SUBSIDY FROM GOVERNMENT	R 82 048 000
FREE BASIC SERVICES (8 705 HOUSEHOLDS)	R -63 398 212
ADMINISTRATION EQ SHARE DEPARTMENT	R -18 649 788
SURPLUS / ( - DEFICIT )	R -

30/05/2018 Swartland Munisipaliteit





Koringberg Inw 2.15%  
185 of R 1 360 078.00

Moorreesburg Inw 16.79%  
1486 of R 10 638 243.00

Darling Inw 15.62%  
1333 of R 9 897 455.00

Malmesbury Inw 32.90%  
M/Bury 47 of R 572 488.00  
W/bank 1257 of R 9 558 517.00  
Ilinge Le. 849 of R 6 160 155.00  
Phola Pa . 731 of R 4 551 369.00  
**+ 450 vir 2019/20 +- R 2 801 800.00**

Riebeek Wes Inw 4.31%  
312 of R 2 731 852.00  
**+ 300 vir 2018/19 +- R 2 626 381.00**

Yzerfontein Inw 0.07%  
5 of R 41 265.00

Riverlands Inw 2.04%  
254 of R 1 864 669.00

Riebeek Kast Inw 7.44%  
641 of R 4 715 628.00

Chatsworth Inw 5.84%  
507 of R 3 700 626.00

Kalbaskraal Inw 3.66%  
298 of R 2 321 428.00

Abbotsdale Inw 8.26%  
598 of R 5 233 654.00



**% Tariff increase**

Tariffs	2017/18	2018/19	2019/20	2020/21	
Residential	0.005776	to 0.006123 ( +6.00%)	0.006490	0.006879	
Business <b>No VAT</b>	0.007356	to 0.007944 ( +8.00%)	0.008580	0.009266	
Agricultural	0.001444	to 0.001531 ( +6.00%)	0.001622	0.001720	
Geographical Areas	0.005776	to 0.006123 ( +6.00%)	0.006490	0.006879	
Electricity 1 (50)	from 0.8558	to 0.9143 ( +6.84%)	0.9769	1.0437	(Verbruikers) (5009)
Electricity 1 (350)	from 1.1003	to 1.1756 ( +6.84%)	1.2560	1.3419	Dep. R 154.7158
Electricity 5 (50)	from 0.7845	to 0.8282 ( +6.84%)	0.8955	0.9568	(425)
Electricity 5 (350)	from 1.0290	to 1.0994 ( +6.84%)	1.1746	1.2550	No Basic
Electricity 12 (350)	from 1.6351	to 1.7470 ( +6.84%)	1.8664	1.9941	(5336)
Electricity 12 (>350)	from 1.7559	to 1.8760 ( +6.84%)	2.0043	2.1414	No Basic
Water basis "New"	0.00	86.50 ( +6.00%)	91.69	97.19	
Water (0 to 4kl)	from 4.50kl	to 5.04kl (+12.00%)	5.64kl	6.32kl	<b>West Coast</b> from R 5.31 + 15.26% to R 6.12/kl
Water (5 to 10kl)	from 12.58kl	to 14.09kl (+12.00%)	15.78kl	17.67kl	
Water (11 to 15kl)	from 12.58kl	to 14.50kl (+12.00%)	16.35kl	18.32kl	
Refuse	from 113.61	to 123.38 (+8.60%)	130.78	138.36	
Sanitation	from 205.63	to 217.97 (+6.00%)	231.05	244.91	

VATnot INCL.



# Influence on Households 2017/18 to 2022/23

Stand - sq.m	1036
Buildings - sq.m	234
Elec. - Kwh/pm	1000
Electricity Levy	
Water - Kl./pm	5
Valuation	
New Valuation	R 700 000
<b>Free Water</b>	0

Monthly Account	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Property Rates	337	357	379	401	425	451
Electricity - Basic	170	181	194	207	221	236
Electricity - Units	1 489	1 517	1 700	1 817	1 941	2 074
Electricity Levy	-	-	-	-	-	-
Water - Basic	-	86	92	97	103	109
Water	23	34	38	43	48	54
Sewerage	206	218	231	245	260	275
Refuse Removal	114	123	131	139	147	156
<b>A/c Excluding VAT</b>	<b>R 2 337.83</b>	<b>R 2 517.35</b>	<b>R 2 764.37</b>	<b>R 2 948.42</b>	<b>R 3 144.92</b>	<b>R 3 354.69</b>
		7.7%	9.8%	6.7%	6.7%	6.7%
<b>A/c Including VAT</b>	<b>2 618</b>	<b>2 841</b>	<b>3 122</b>	<b>3 330</b>	<b>3 553</b>	<b>3 790</b>
<b>Tariff Increase</b>	<b>101</b>	<b>180</b>	<b>247</b>	<b>184</b>	<b>196</b>	<b>210</b>
<b>A/C Increase</b>	<b>116</b>	<b>223</b>	<b>281</b>	<b>208</b>	<b>222</b>	<b>237</b>

## Equitable Share Households are subsidised as follows:

- ✓ Rates free of charge to the value based on market value of the property to the maximum of R95 000 (R15 000 impermissible tax excluded)
- ✓ 50 kWh free Electricity per month
- ✓ 6 kiloliters of Water free per month + Water Basic R 85.50
- ✓ Free Refuse x 4 removals per month



**Cash Management  
From 30/04/2018**



Financial Institution	Interest Rate	Investment Amount	% Inve
NEDBANK	8.82%	R 100 000 000	25.64%
STANDARD	8.625%	R 100 000 000	25.64%
NEDBANK	8.15%	R 110 000 000	28.21%
NEDBANK	7.50%	R 30 000 000	7.69%
STANDARD Current Acc.	8.625%	R 50 000 000	12.82%
		<b>R 390 000 000</b>	<b>100.00%</b>

Financial Institution	(C) Interest Rate	Loan Amount	(A) Loan	WACC
Ontwikkelingsbank	10.00%	R 131249	R 1 049 980	0.07
Ontwikkelingsbank	9.67%	R 1 347 217	R 2 262 000	0.14
Ontwikkelingsbank	9.67%	R 33 519 499	R 43 113 100	2.75
Ontwikkelingsbank	10.67%	R 61 331 835	R 70 000 000	4.93
Santam	10.96%	R 30 287 184	R 35 000 000	2.53
		<b>R 126 616 984</b>	<b>R 151 425 080</b>	<b>10.43</b>

WACC =  $\frac{A}{B} \times C \times 100$

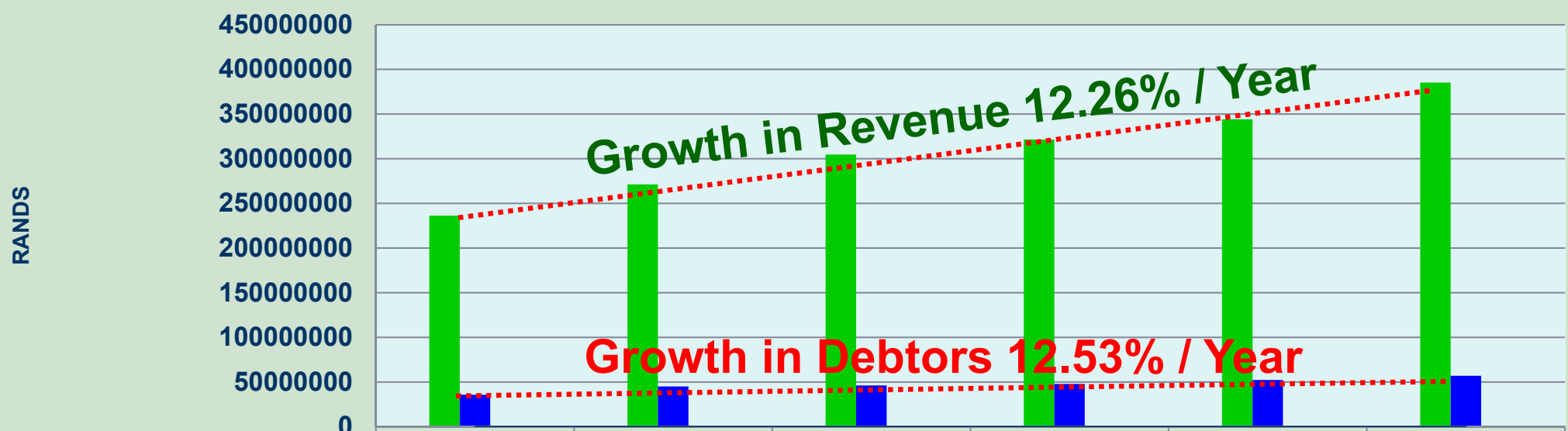
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**REVENUE V/S DEBTORS 2011/16**



**ACTUAL REVENUE FROM PROPERTY RATES & SERVICES CHARGES vs ACTUAL GROSS OUTSTANDING DEBTORS, ACTUAL FIGURES**



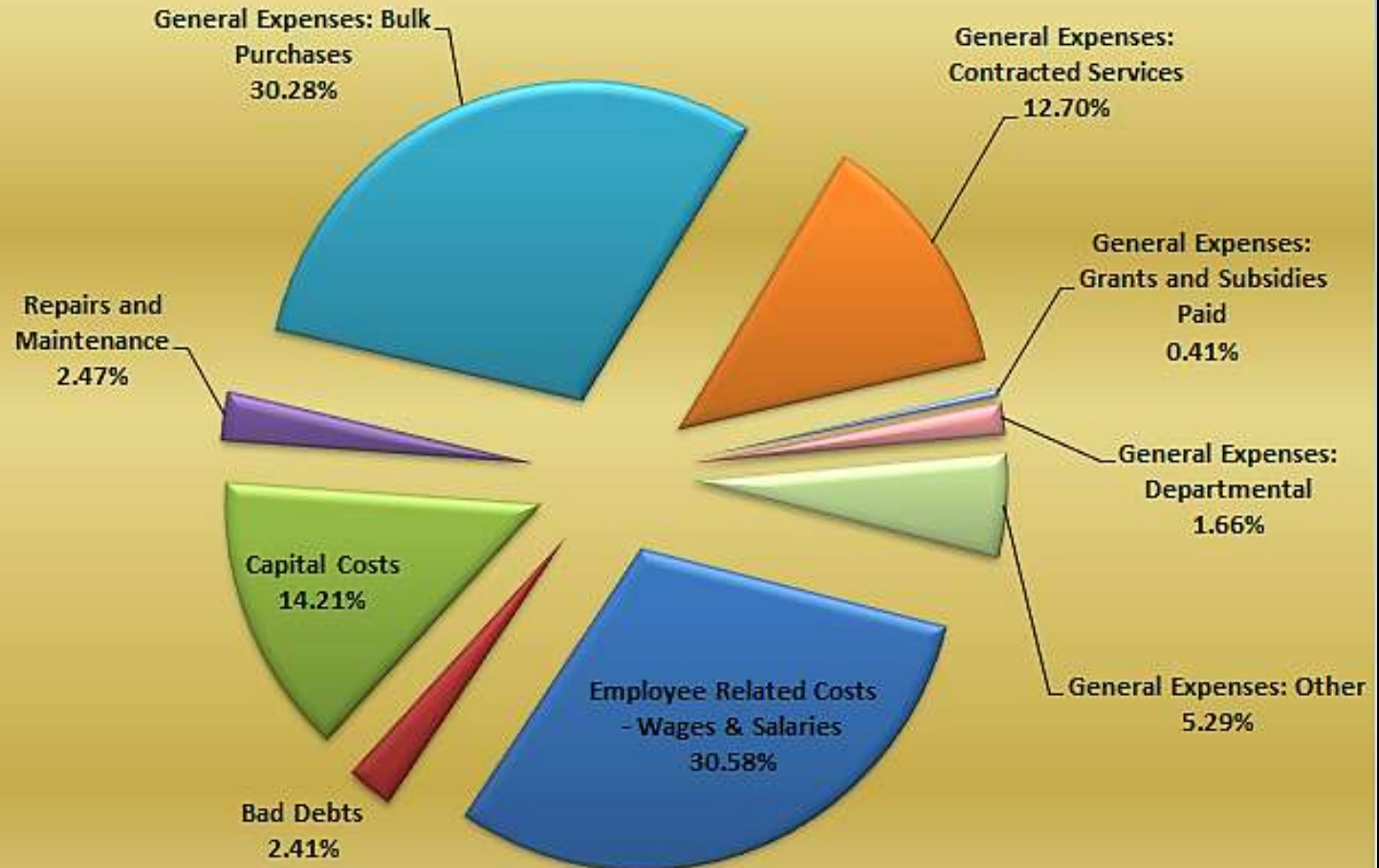
YEAR	2011	2012	2013	2014	2015	2016
REVENUE	236 170 392	271 284 315	304 703 795	321 515 173	344 220 007	385 330 973
DEBTORS	35 734 457	45 038 644	46 253 731	47 870 773	52 344 026	57 022 562
PERCENTAGE DEBTORS	15.13%	16.60%	15.18%	14.89%	15.21%	14.80%
PERCENTAGE REVENUE	16.05%	12.94%	10.97%	5.23%	6.60%	10.67%





# Expenditure With Bulk 2018/19

## Expenditure 2018/2019

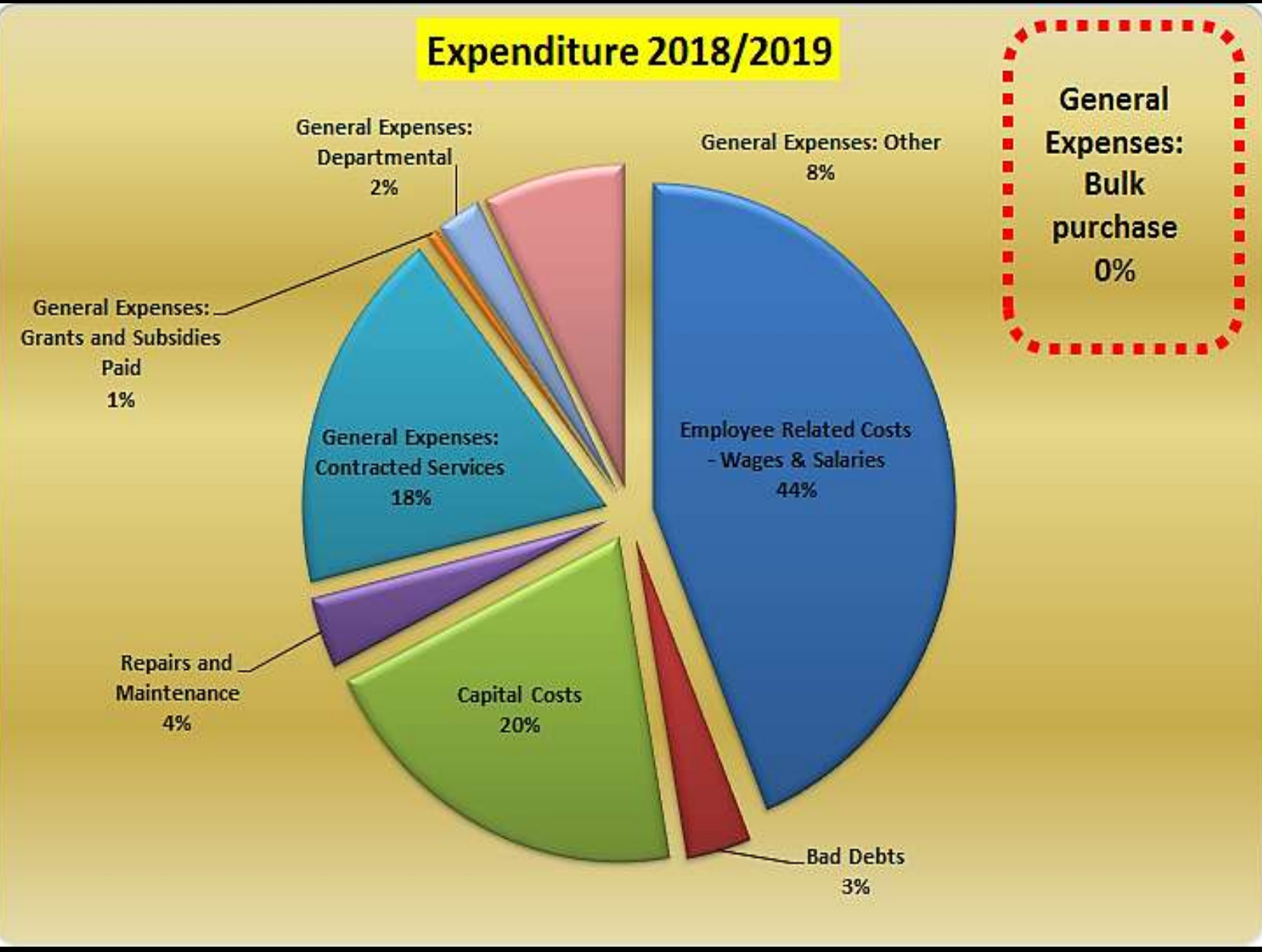






# Expenditure Without Bulk 2018/19

## Expenditure 2018/2019



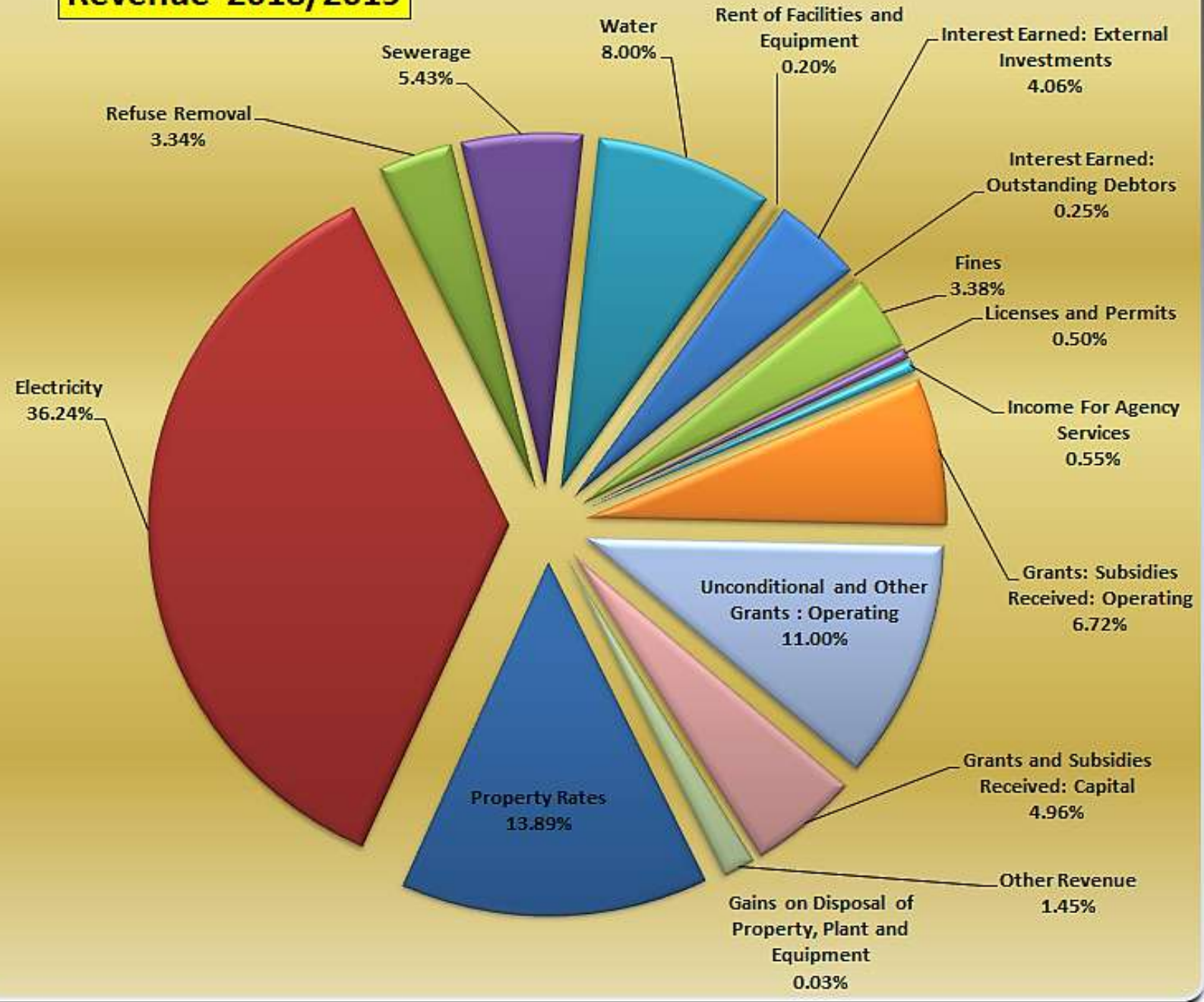
**General Expenses: Bulk purchase 0%**





# All Income and Revenue 2018/19

## Revenue 2018/2019





# SWARTLAND "PRO POOR" KAPITAAL EN BEDRYFS BEGROTING

## KAPITAAL SLUIT OOK DIE IRDP & SPORTSENTRUM IN.

KAPITAAL	TOTAAL	"PRO POOR"	% "PRO POOR"
2018/2019	R 131 965 909.00	R 108 114 824.00	81.93%
2019/2020	R 126 024 038.00	R 90 586 413.00	71.88%
2020/2021	R 137 774 860.00	R 90 922 397.00	65.99%
<b>TOTAAL</b>	<b>R 395 764 807.00</b>	<b>R 289 623 634.00</b>	<b>73.18%</b>
<b>BEDRYFKOSTES R 2 139 846 313.00 WAARVAN 34% NA BESIGHEDE EN 66% NA HUISHOUDINGS</b>	<b>TOTALE AANTAL HUISHOUDINGS</b>	<b>49.90% HUISHOUDINGS MINDER AS R38 200pj "PRO POOR"</b>	<b>% HUISHOUDINGS "PRO POOR"</b>
	<b>39 139</b>	<b>19 530</b>	<b>49.90%</b>
2018/2019	R 460 863 761.16	R 229 971 016.82	49.90%
2019/2020	R 469 407 241.38	R 234 234 213.45	49.90%
2020/2021	R 482 027 564.04	R 240 531 754.46	49.90%
<b>TOTAAL</b>	<b>R 1 412 298 566.58</b>	<b>R 704 736 984.72</b>	<b>49.90%</b>
<b>8173 EQUITABLE SHARE</b>	<b>BESIGHEDE SE 34% BEDRYFSKOSTES WEER BYGETEL</b>	<b>"PRO POOR" EQUITABLE SHARE = 8357 HUISHOUDINGS</b>	<b>% "PRO POOR"</b>
2018/2019	R 237 414 664.84	R 82 048 000.00	100.00%
2019/2020	R 241 815 851.62	R 91 534 000.00	100.00%
2020/2021	R 248 317 229.96	R 102 555 000.00	100.00%
<b>TOTAAL</b>	<b>R 727 547 746.42</b>	<b>R 276 137 000.00</b>	<b>100.00%</b>
<b>TOTAAL MIN. BESIGHEDE</b>	<b>R 1 808 063 373.58</b>	<b>R 1 270 497 618.72</b>	<b>70.27%</b>

## 7.2 BEGROTINGS AANBEVELING

- a) Dat daar kennis geneem word van die YIV se insette op die begroting en dat SM se waardering vir die insette aan die YIV oorgedrae word vir die insette ontvang vanaf die YIV
- b) Dat daar eweneens kennis geneem word van die bestuurskommentaar op die YIV se insette en dat daar volstaan word met voormelde kommentaar as die formele standpunt van die Raad, met inbegrip van die geleentheid vir verdere gesprekvoering;

## 7.2 RECOMMENDED BUDGETS

- a) That the input received from the Yzerfontein Residence Association (YRA) in respect of the Draft Budget be noted and that SM's appreciation for the input be conveyed to the YRA;
- b) That similarly management's comments to the inputs received from the YRA be noted and that Council maintain this as the formal view and response of Council insofar Section 23 of the MFMA is concerned, with the understanding that certain issues will be deliberated at a later stage;



## 7.2 BEGROTINGS AANBEVELING

- c) Dat die Raad die eiendomsbelastingstariewe, tariefstrukture en heffings vir water, elektrisiteit, vullis-verwydering, riool en ander diverse heffings soos uiteengesit in **(Annexure A: 2018/19– 2020/21 Final Budget and Tariff File)**
- d) Dat die jaarlikse begrotingstabelle soos vereis deur die Begrotings- en Rapporteringsregulasies en uiteengesit is in **(Annexure B: Budget Report and A-Schedules 2018/19– 2020/21)**, goedgekeur word as finaal;

## 7.2 RECOMMENDED BUDGETS

- c) That council approves the property rates tariffs, tariff structures and charges for water, electricity, refuse removal, sewerage and other sundry charges as set out in **(Annexure A: 2018/19 – 2020/21 Final Budget and Tariff File)** as final;
- d) That the annual budget tables as required by the Budget and Reporting Regulations and as set out in **(Annexure B: Budget Report and A-Schedules 2018/19 – 2020/21)**, be approved as final;

## 7.2 BEGROTINGS AANBEVELING

- e) Dat die Raad die elektrisiteits-tariewe vir die 2018/2019 finansiële jaar goedkeur, met inagneming daarvan dat dit onderhewig is aan finale goedkeuring deur NERSA;
- f) Dat die wysigings aan die begrotingsverwante beleide soos vervat in (**Annexure C: Budget Related Policies 2018/19**), goedgekeur word;
- g) Dat daar kennis geneem word dat die opleidingsbegroting beperk is tot 0,83% van die salarisbegroting ten bedrae van R1 731 293 vir die finansiële jaar;

## 7.2 RECOMMENDED BUDGETS

- e) That council approves the electricity tariffs for the 2018/2019 financial year, bearing in mind that it is still subject to NERSA's final approval;
- f) That the amendments to the budget related policies as set out in (**Annexure C: Budget Related Policies 2018/19**), be approved;
- g) That it be noted that the training budget has been limited to 0,83% of the salary budget in the amount of R1 731 293 for the financial year;

## 7.2 BEGROTINGS AANBEVELING

- h) Dat die Raad kennis neem en goedkeuring verleen vir die salaris verhogings soos reeds bespreek;
- Asook dat 'n mandaat aan die Munisipale Bestuurder verleen word om met die formaliteite te handel rakende die aansoek om kwytstelling na COGTA vir die Direkteur: Finansiële Dienste en die Direkteur: Siviele Ingenieursdienste.
- i) Dat die afslag aan gestremde persone en senior burgers soos omskryf word in die Eiendomsbelastingbeleid; beperk word tot 'n maksimum van R300 000 vir die 2019/20 finansiële jaar;

## 7.2 RECOMMENDED BUDGETS

- h) That cognisance is taken and approval is granted for the following increaseses as already discussed and;
- That the Municipal Manager be mandated to attend to the formalities in respect of the process of applying for a waiver for the CFO and DC to COGTA;
- i) That the discount to disabled persons and senior citizens as defined in the Property Rates Policy, be limited to a maximum of R300 000 for the 2019-2020 financial year;

## 7.2 BEGROTINGS AANBEVELING

- j) Dat die raad goedkeuring gee en kennis neem van die oornam van die waterbates vanaf die Distrik gebaseer op 'n funksionele verdeling.
- k) Dat die Raad kennis neem van die begrote bedryfsurplusse, beperk is tot slegs **4.5% en** groei in inkomste van slegs **0.7% (4.3% kapitale toekennings uitgesluit)**
- die risikofaktor vir kontantdekking vir bedryfsuitgawes is **7.4 maande** vir 2018/19; **7.8 maande** vir 2019/20 en **7.9 maande** vir 2020/21;
  - En bedryfsurplusse verwag word – 2018/2019 'n bedrag van **R 47 926 610** 2019/20 'n bedrag van **R 81 252 425** en 2020/21 'n bedrag van **R 101 355 849 ( kapitale toekennings ingesluit);**

## 7.2 RECOMMENDED BUDGETS

- j) That council grants approval and take note of the taking over of the water assets from the District based on a functional split.
- k) That Council takes note of the budgeted operating surpluses, the efforts to limit total expenditure growth to only **4.5%j)** and growth in revenue of only **0.7% (4.3% excluding capital grants):**
- the risk factor for cash coverage for operating expenses is **7.4 months** for 2018/19, **7.8 months** for 2019/20 and **7.9 months** for 2020/21;
  - And operating surpluses are envisaged, 2018/19 an amount of **R 47 926 610**, 2019/20 an amount of **R 81 252 425** and 2020/21 an amount of **R 101 355 849 (inclusive of capital grants)**



## 7.2 BEGROTINGS AANBEVELING

- l) Dat die Direkteur: Finansiële Dienste voldoen aan die vereistes van die Begrotingsomsendbriewe en –formate in die konteks van die verslagdoenings-vereistes aan Provinsiale en Nasionale Tesourie;
- m) Dat die Raad kennis neem dat die begroting ook opgestel is in die nuwe mSCOA Weergawe 6.2 soos vereis deur Nasionale Tesourie (meer besonderhede in Begrotingsverslag);

**EK STEL VOOR DAT DIE RAAD DIE MEERJARIGE KAPITAAL EN BEDRYFS-BEGROTINGS VIR 2018/2019; 2019/2020 EN 2020/2021 GOED KEUR.**

## 7.2 RECOMMENDED BUDGETS

- l) That the Director: Financial Services adhere to the requirements of the Budget Circulars and Budget Reforms in the context of the reporting requirements to Provincial and National Treasury)
- m) That Council takes note that the budget was also prepared in the new mSCOA Version 6.2 as required by National Treasury (more detail in the Budget Report).

**I RECOMMEND THAT THE COUNCIL THE MULTI YEAR CAPITAL AND OPERATING BUDGETS FOR 2017/18; 2018/19 AND 2019/20 APPROV.**



# Dankie SWARTLAND MUNICIPALITY Enkosi

Ken jou risiko's  
Know your risks...

2018 tot 2021  
2018 to 2021

**TEAMWORK**  
is the **LINK**  
to **SUCCESS**  
**Thank you**



30/05/2018 Swarthland Munisipaliteit