



SC02/03/2018: PROPOSED MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR 2018/19 -20/21

1. PURPOSE

The purpose of the report is to table the draft 2018/19 Medium- Term Revenue and Expenditure Framework (MTREF) before Council in terms of Section 16 (2) of the Local Government: Municipal Finance Management Act (Act 56 of 2003) for community consultation.

2. BACKGROUND

2.1. LEGISLATIVE AND REGULATORY FRAMEWORK

In terms of Municipal Finance Management Act, No. 56 of 2003, Chapter 4, Section 16, approval of annual budget states that:

- 1) The council of the municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.
- 2) In order for the a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before that start of the budget year.
- 3) Subsection (1) does not preclude not the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

Subsequent, Section 22 of the MFMA state that immediately after an annual budget is tabled in a Municipal Council the Accounting Officer must –

- a) in accordance with Chapter 4 of Municipal System Act –
 - i. make public the annual budget and the documents referred to in section 17(3); and



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- ii. invite the local community to submit representations in connection with the budget; and
- b) submit the annual budget –
 - i. in both printed and electronic formats to the National Treasury and the relevant provincial treasury; and
 - ii. in either format to any prescribed national or provincial organs of state and to other municipalities affected.

Thereafter, Section 23(2) of the MFMA stipulates further that after considering all budget submissions; the Council must give the Executive Mayor an opportunity –

- a) To respond to the submission; and
- b) If necessary, to revise the budget and table amendments for consideration by the council.

In principle, draft operating and capital budget is tabled to facilitate community participation and encourage discussion with all stakeholders, rather than approval and will be refined to take into account the outcome of the public consultation process.

3. RECOMMENDATIONS

It is recommended that council notes NMMDM the following:

- 3.1. Proposed operating revenue framework to the amount of R702,977 million
- 3.2. Proposed operating expenditure budget to the amount of R871, 868 million.
- 3.3. Proposed capital expenditure budget to the amount of R295, 614 million.
- 3.4. Propose total revenue budget of R 998,591 million.
- 3.5. Proposed new and existing capital projects on Table 16 to Table 22 of the budget document.
- 3.6. Proposed grants and subsidies capital to the amount of R287, 068 million.



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3.7. Proposed 2018/19 to 2020/21 MTREF budget and accompanying annual budget schedules tables.

3.8. The budget-related policies accompanying the MTREF budget for 2018/19 to 2020/21

3.9. Adopt the cost containment measures as suggested in the updated MFMA Circular No.82, 89 & 91.

DATE OF MEETING	RESOLUTION	RESOLUTION NUMBER
27 TH MARCH 2018	<ul style="list-style-type: none">• Council noted proposed operating revenue framework to the amount of R702,977 million• Council noted proposed operating expenditure budget to the amount of R871, 868 million.• Council noted proposed capital expenditure budget to the amount of R295, 614 million.• Council noted proposed total revenue budget of R 998,591 million.• Council noted proposed new and existing capital projects on Table 16 to Table 22 of the budget document.• Council noted proposed grants and subsidies capital to the amount of R287, 068 million.	C22/2018



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	<ul style="list-style-type: none">• Council noted proposed 2018/19 to 2020/21 MTREF budget and accompanying annual budget schedules tables.• Council noted the budget-related policies accompanying the MTREF budget for 2018/19 to 2020/21• Council adopted the cost containment measures as suggested in the updated MFMA Circular No.82, 89 & 91.	
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**CLLR Y SECHOARO
COUNCIL SPEAKER**

**MR. M.M.J MOHLAKOANA
MUNICIPAL MANAGER**