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GOVERNMENT NOTICE

NATIONAL TREASURY

No. 773

1 July 2004

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 DELAYS AND EXEMPTIONS

I, Trevor A Manuel, Minister of Finance, acting in terms of section 177 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), hereby –

- (a) delay the implementation of provisions of the Act as set out in the Schedule hereto; and
- (b) exempt municipalities and municipal entities from or in respect of provisions of the Act as set out in the Schedule hereto.

Signed at.....on thisday of2004



**TREVOR A MANUEL, MP
MINISTER OF FINANCE**

SCHEDULE

Definitions

1. In this Schedule –

“high capacity municipality” means a municipality classified in terms of the Annexure to this Schedule as a high capacity municipality;

“low capacity municipality” means a municipality classified in terms of the Annexure to this Schedule as a low capacity municipality;

“medium capacity municipality” means a municipality classified in terms of the Annexure to this Schedule as a medium capacity municipality;

“the Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

All municipalities

2. High, medium and low capacity municipalities are exempted from or in respect of the following provisions of the Act insofar as those provisions are applicable to their annual budgets for the 2004/05 financial year, including any revisions of those budgets:

Section 15 (b);
section 16 (2);
section 17 (1) (a), (b) and (d) (i), (2) and (3) (a) and (c) to (m);
sections 18, 21, 22 and 23;
section 24 (1), (2) (a), (b), (c) (i), (ii), (iv) and (v);
section 25 (1) and (2);
section 31;
section 37 (2) and
section 53 (1) (a), (b) and (c) (i) and (2).

All municipal entities

3. (1) The implementation of section 121 of the Act is delayed until 30 June 2005 for all municipal entities.
- (2) Municipal entities are exempted from or in respect of section 87 (1) to (10) insofar as that section is applicable to their annual budgets for the 2004/05 financial year.

High capacity municipalities

4. (1) High capacity municipalities are exempted from or in respect of the following provisions of the Act insofar as those provisions are applicable to their annual budgets for the 2004/05 financial year, including any revisions of those budgets:
- section 17 (1) (c) and (d) (ii) and 17 (3) (b); and
- section 24 (2) (c) (iii).
- (2) High capacity municipalities are exempted from or in respect of the following provisions of the Act insofar as those provisions are applicable to their service delivery and budget implementation plans for the 2004/05 financial year:
- Section 53 (1) (c) (ii) and (iii) and (3); and
- section 69 (3).

- (3) (a) The implementation of the following provisions of the Act are delayed for high capacity municipalities until 30 June 2005:
- section 54 (1) (b), (c) and (d) (i) and (3).
- section 62 (1) (c) and (f) (i) (ii) and (iii);
- section 63 (2);
- section 65 (2) (j);
- section 71 (1) (c), (d), (g) (i) (ii);
- section 72 (1) (a) (ii);
- section 75;
- section 80; and
- sections 165 and 166.

(b) The implementation of section 122 (3) of the Act is delayed for high capacity municipalities until 30 June 2006.

Medium capacity municipalities

5. (1) (a) The implementation of the following provisions of the Act are delayed for medium capacity municipalities until 30 June 2005:

Section 17 (1) (c) and (d) (ii) and (3) (b);

section 19;

section 24 (2) (c) (iii)

section 71 (1) (a), (b), (g) (iii), (2), (3) and (4);

section 72 (1) (a) (i), (iii) and (iv) and (b), (2) and (3);

section 80; and

section 122 (2).

(b) After 30 June 2005 medium capacity municipalities are exempted from or in respect of sections 17 (1) (c) and (d) (ii), 17 (3) (b), 19 and 24 (2) (c) (iii) insofar as those sections are applicable to their annual budgets for the 2005/06 budget year.

(c) Medium capacity municipalities are exempted from or in respect of the following provisions of the Act insofar as those provisions are applicable to their service delivery and budget implementation plans for the 2004/05 and 2005/06 financial years:

Section 53 (1) (c) (ii) and (iii) and (3); and

section 69 (3).

(2) The implementation of the following provisions of the Act are delayed for medium capacity municipalities until 30 June 2006:

section 54 (1) (b), (c) and (d) (i) and (3);

section 62 (1) (c) and (f);

section 63 (2);

section 65 (2) (j);
section 71 (1) (c), (d), (g) (i) (ii);
section 72 (1) (a) (ii);
sections 75, 111 and 112;
section 115 (1) (a);
section 116 (2) (c);
section 121; and
sections 165 and 166.

(3) The implementation of the section 122 (3) of the Act is delayed for medium capacity municipalities until 30 June 2007.

Low capacity municipalities

6. (1) (a) The implementation of the following provisions of the Act are delayed for low capacity municipalities until 30 June 2006:

Section 17 (1) (c) and (d) (ii), and (3) (b);
section 19;
section 24 (2) (c) (iii);
section 71 (1) (a), (b), (g) (iii), (2), (3) and (4);
section 72 (1) (a) (i), (iii) and (iv) and (b), (2) and (3);
section 80; and
section 122 (2).

(b) After 30 June 2006 low capacity municipalities are exempted from or in respect of sections 17 (1) (c) and (d) (ii), 17 (3) (b), 19 and 24 (2) (c) (iii) insofar as those sections are applicable to their annual budgets for the 2006/07 budget year.

(c) Low capacity municipalities are exempted from or in respect of the following provisions of the Act insofar as those provisions are applicable to their service delivery and budget implementation plans for the 2004/05, 2005/06 and 2006/07 financial years:

section 53 (1) (c) (ii) and (iii) and (3); and
section 69 (3).

(2) The implementation of the following provisions of the Act are delayed for low capacity municipalities until 30 June 2007:

section 54 (1) (b), (c) and (d) (i) and (3);
section 62 (1) (c) and (f);
section 63 (2);
section 65 (2) (j);
section 71 (1) (c), (d), (g) (i) (ii);
section 72 (1) (a) (ii);
sections 75, 111 and 112;
section 115 (1) (a);
section 116 (2) (c);
section 121; and
sections 165 and 166.

(3) The implementation of section 122 (3) of the Act is delayed for low capacity municipalities until 30 June 2008.

ANNEXURE

DC	Number	Municipality Name	Capacity Classification High(H) - Medium(M) - Low(L)
Western Cape			
Metro		City of Cape Town	H
DC1	WC011	Matzikama	M
DC1	WC012	Cederberg	L
DC1	WC013	Bergrivier	M
DC1	WC014	Saldanha Bay	H
DC1	WC015	Swartland	M
DC1	DC1	West Coast District Municipality	M
DC2	WC022	Witzenberg	L
DC2	WC023	Drakenstein	H
DC2	WC024	Stellenbosch	H
DC2	WC025	Breede Valley	H
DC2	WC026	Breede River Winelands	M
DC2	DC2	Boland District Municipality	M
DC3	WC031	Theewaterskloof	M
DC3	WC032	Overstrand	H
DC3	WC033	Cape Agulhas	L
DC3	WC034	Swellendam	L
DC3	DC3	Overberg District Municipality	M
DC4	WC041	Kannaland	M
DC4	WC042	Langeberg	M
DC4	WC043	Mossel Bay	H
DC4	WC044	George	H
DC4	WC045	Oudtshoorn	M
DC4	WC047	Bitou	M
DC4	WC048	Knysna	M
DC4	DC4	Eden District Municipality	M
DC5	WC051	Laingsburg	M
DC5	WC052	Prince Albert	M
DC5	WC053	Beaufort West	M
DC5	DC5	Central Karoo District Municipality	M

DC	Number	Municipality Name	Capacity Classification High(H) - Medium(M) - Low(L)
Northern Cape			
CBDC1	NC01B1	Gamagara	M
CBDC1	NW1a1	Moshaweng	L
CDDC1	CBLC1	Ga-Segonyana	M
CBDC1	CBDC1	Kgalagadi District Municipality	M
DC6	NC061	Richtersveld	M
DC6	NC062	Nama Khoi	M
DC6	NC064	Kamiesberg	L
DC6	NC065	Hantam	L
DC6	NC066	Karoo Hoogland	M
DC6	NC067	Khai-Ma	L
DC6	DC6	Namakwa District Municipality	M
DC7	NC071	Ubuntu	M
DC7	NC072	Umsombomvu	L
DC7	NC073	Emthanjeni	M
DC7	NC074	Kareeberg	M
DC7	NC075	Renosterberg	M
DC7	NC076	Thembelihle	L
DC7	NC077	Siyathemba	M
DC7	NC078	Siyancuma	M
DC7	DC7	Karoo District Municipality	M
DC8	NC081	Mier	L
DC8	NC082	Kai ! Garib	L
DC8	NC083	//Khara Hais	M
DC8	NC084	!Kheis	L
DC8	NC085	Tsantsabane	L
DC8	NC086	Kgatelopele	L
DC8	DC8	Siyanda District Municipality	M
DC9	NC091	Sol Plaatje	H
DC9	NC092	Dikgatlong	L
DC9	NC093	Magareng	L
DC9	CBLC7	Phokwane	M
DC9	DC9	Frances Baard District Municipality	M

DC	Number	Municipality Name	Capacity Classification High(H) - Medium(M) - Low(L)
Eastern Cape			
Metro		Nelson Mandela	H
DC10	EC101	Camdeboo	L
DC10	EC102	Blue Crane Route	L
DC10	EC103	Ikwezi	L
DC10	EC104	Makana	M
DC10	EC105	Ndlambe	L
DC10	EC106	Sunday's River Valley	M
DC10	EC107	Baviaans	L
DC10	EC108	Kouga	M
DC10	EC109	Koukamma	M
DC10	DC10	Cacadu District Municipality	M
DC12	EC121	Mbhashe	L
DC12	EC122	Mnquma	M
DC12	EC123	Great Kei	L
DC12	EC124	Amahlathi	L
DC12	EC125	Buffalo City	H
DC12	EC126	Ngqushwa	M
DC12	EC127	Nkonkobe	L
DC12	EC128	Nxuba	L
DC12	DC12	Amatole District Municipality	H
DC13	EC131	Inxuba Yethemba	L
DC13	EC132	Tsolwana	L
DC13	EC133	Inkwanca	L
DC13	EC134	Lukhanji	M
DC13	EC135	Intsika Yethu	L
DC13	EC136	Emalahleni	L
DC13	EC137	Engcobo	M
DC13	EC138	Sakhisizwe	L
DC13	DC13	Chris Hani District Municipality	M

DC	Number	Municipality Name	Capacity Classification High(H) - Medium(M) - Low(L)
Eastern Cape 2			
DC14	EC141	Elundini	L
DC14	EC142	Senqu	M
DC14	EC143	Maletswai	L
DC14	EC144	Gariep	L
DC14	DC14	Ukhahlamba District Municipality	H
DC15	EC151	Mbizana	M
DC15	EC152	Ntabankulu	L
DC15	EC153	Qaukeni	L
DC15	EC154	Port St Johns	M
DC15	EC155	Nyandeni	L
DC15	EC156	Mhlonglo	L
DC15	EC157	King Sabata Dalindyebo	H
DC15	DC15	O.R Tambo District Municipality	H
DC44	EC05b1	Umzimkulu	M
DC44	EC05b2	Umzimvubu	M
DC44	DC44	Alfred Nzo District Municipality	M

DC	Number	Municipality Name	Capacity Classification
			High(H) - Medium(M) - Low(L)
Free State			
DC16	FS161	Letsemeng	M
DC16	FS162	Kopanong	M
DC16	FS163	Mohokare	L
DC16	DC16	Xhariep District Municipality	L
DC17	FS171	Naledi	L
DC17	FS172	Mangaung	H
DC17	FS173	Mantsopa	M
DC17	DC17	Motheo District Municipality	L
DC18	FS181	Masilonanya	L
DC18	FS182	Tokologo	L
DC18	FS183	Tswelopele	M
DC18	FS184	Matjhabeng	H
DC18	FS185	Nala	M
DC18	DC18	Lejweleputswa District Municipality	L
DC19	FS191	Setsoto	M
DC19	FS192	Dihlabeng	M
DC19	FS193	Nketoana	M
DC19	FS194	Maluti a Phofung	H
DC19	FS195	Phumelela	L
DC19	DC19	Thabo Mofutsanyane District Municipality	L
DC20	FS201	Moqhaka	H
DC20	FS203	Ngwathe	M
DC20	FS204	Metsimaholo	H
DC20	FS205	Mafube	M
DC20	DC20	Northern Free State District Municipality	L

DC	Number	Municipality Name	Capacity Classification High(H) - Medium(M) - Low(L)
Kwazulu-Natal			
Metro		eThekwin	H
DC21	KZ211	Vulamehlo	L
DC21	KZ212	Umdoni	M
DC21	KZ213	Umzumbe	L
DC21	KZ214	uMuziwabantu	L
DC21	KZ215	Ezinqoleni	L
DC21	KZ216	Hibiscus Coast	H
DC21	DC21	Ugu District Municipality	H
DC22	KZ221	Umshwathi	L
DC22	KZ222	uMngeni	M
DC22	KZ223	Mpofana	L
DC22	KZ224	Impendle	L
DC22	KZ225	Msunduzi	H
DC22	KZ226	Mkhambathini	M
DC22	KZ227	Richmond	L
DC22	DC22	Umgungundlovu District Municipality	M
DC23	KZ232	Emnambithi/Ladysmith	H
DC23	KZ233	Indaka	L
DC23	KZ234	Umtshezi	M
DC23	KZ235	Okhahlamba	L
DC23	KZ236	Imbabazane	L
DC23	DC23	Uthukela District Municipality	M
DC24	KZ241	Endumeni	M
DC24	KZ242	Nquthu	L
DC24	KZ244	Msinga	L
DC24	KZ245	Umvoti	M
DC24	DC24	Umzinyathi District Municipality	L
DC25	KZ252	Newcastle	H
DC25	KZ253	Utrecht	L
DC25	KZ254	Dannhauser	L
DC25	DC25	Amajuba District Municipality	L

DC	Number	Municipality Name	Capacity Classification
			High(H) - Medium(M) - Low(L)
Kwazulu-Natal 2			
DC26	KZ261	eDumbe	L
DC26	KZ262	uPhongolo	L
DC26	KZ263	Abaqulusi	L
DC26	KZ265	Nongoma	L
DC26	KZ266	Ulundi	L
DC26	DC26	Zululand District Municipality	M
DC27	KZ271	Umhlabuyalingana	M
DC27	KZ272	Jozini	L
DC27	KZ273	The Big 5 False Bay	L
DC27	KZ274	Hlabisa	L
DC27	KZ275	Mtubatuba	L
DC27	DC27	Umkhanyakude District Municipality	M
DC28	KZ281	Mbonambi	M
DC28	KZ282	uMhlathuze	H
DC28	KZ283	Ntambanana	L
DC28	KZ284	Umlalazi	L
DC28	KZ285	Mthonjaneni	L
DC28	KZ286	Nkandla	M
DC28	DC28	uThungulu District Municipality	H
DC29	KZ291	eNdodakusuka	L
DC29	KZ292	Kwa Dukuza	H
DC29	KZ293	Ndwedwe	L
DC29	KZ294	Maphumulo	M
DC29	DC29	Ilembe District Municipality	L
DC43	KZ5a1	Ingwe	M
DC43	KZ5a2	Kwa Sani	L
DC43	KZ5a3	Mataatile	M
DC43	KZ5a4	Kokstad	L
DC43	KZ5a5	Ubuhlebezwe	L
DC43	DC43	Sisonke District Municipality	L

DC	Number	Municipality Name	Capacity Classification
			High(H) - Medium(M) - Low(L)
Mpumalanga			
DC30	MP301	Albert Luthuli	M
DC30	MP302	Msukaligwa	L
DC30	MP303	Mkhondo	L
DC30	MP304	Seme	M
DC30	MP305	Lekwa	L
DC30	MP306	Dipaleseng	L
DC30	MP307	Goven Mbeki	H
DC30	DC30	Gert Sibande District Municipality	M
DC31	MP311	Delmas	M
DC31	MP312	Emalahleni	H
DC31	MP313	Steve Tshwete	H
DC31	MP314	Highlands	L
DC31	MP315	Thembisile	L
DC31	MP316	Dr JS Moroka	L
DC31	DC31	Nkangala District Municipality	H
DC32	MP321	Thaba Chweu	L
DC32	MP322	Mbombela	H
DC32	MP323	Umjindi	M
DC32	MP324	Nkomazi	M
DC32	DC32	Ehlanzeni District Municipality	H

DC	Number	Municipality Name	Capacity Classification High(H) - Medium(M) - Low(L)
Limpopo Province			
CBDC3	NP03A2	Makhuduthamaga	L
CBDC3	NP03A3	Fetakgomo	L
CBDC3	CBLC3	Greater Marble Hall	L
CBDC3	CBLC4	Greater Groblersdal	M
CBDC3	CBLC5	Greater Tubatse	L
CBDC3	CBDC3	Greater Sekhukhune Cross Boundary District Municipality	H
CBDC4	NP04A1	Maruleng	L
CDBC4	CBLC6	Bushbuckridge	L
CBDC4	CBDC4	Bohlabela District Municipality	L
DC33	NP331	Greater Giyani	L
DC33	NP332	Greater Letaba	L
DC33	NP333	Greater Tzaneen	H
DC33	NP334	Ba-Phalaborwa	M
DC33	DC33	Mopani District Municipality	L
DC34	NP341	Musina	L
DC34	NP342	Mutale	L
DC34	NP343	Thulamela	M
DC34	NP344	Makhado	M
DC34	DC34	Vhembe District Municipality	L
DC35	NP351	Blouberg	L
DC35	NP352	Aganang	L
DC35	NP353	Molemole	L
DC35	NP354	Polokwane	H
DC35	NP355	Lepelle-Nkumpi	L
DC35	DC35	Capricorn District Municipality	M
DC36	NP361	Thabazimbi	L
DC36	NP362	Lephala	M
DC36	NP364	Mookgophong	M
DC36	NP365	Modimolle	L
DC36	NP366	Bela-Bela	M
DC36	NP367	Mogalakwena	L
DC36	DC36	Waterberg District Municipality	L

DC	Number	Municipality Name	Capacity Classification High(H) - Medium(M) - Low(L)
North West			
DC37	NW371	Moretele	L
DC37	NW372	Madibeng	H
DC37	NW373	Rustenburg	H
DC37	NW374	Kgettengriver	L
DC37	NW375	Moses Kotane	M
DC37	DC37	Bojanala Platinum District Municipality	H
DC38	NW381	Ratlou	L
DC38	NW382	Tswaing	L
DC38	NW383	Mafikeng	L
DC38	NW384	Ditsobotla	L
DC38	NW385	Zeerust	L
DC38	DC38	Central District Municipality	L
DC39	NW391	Kagisano	M
DC39	NW392	Naledi	L
DC39	NW393	Mamusá	M
DC39	NW394	Greater Taung	M
DC39	NW395	Molopo	L
DC39	NW396	Lekwa-Teemane	L
DC39	DC39	Bophirima District Municipality	M
DC40	NW401	Ventersdorp	M
DC40	NW402	Potchefstroom	H
DC40	NW403	Klerksdorp	H
DC40	NW404	Maquassi Hills	M
DC40	DC40	Southern District Municipalities	M

DC	Number	Municipality Name	Capacity Classification High(H) - Medium(M) - Low(L)
Gauteng			
East Rand		Ekurhuleni	H
Johannesburg		City of Johannesburg	H
Pretoria		City of Tshwane	H
CBDC2	GT02b1	Nokeng Tsa Taemane	M
CBDC2	CBLC2	Kungwini	M
CBDC2	CBDC2	Metswedding District Municipality	L
DC42	GT421	Emfuleni	H
DC42	GT422	Midvaal	M
DC42	GT423	Lesedi	M
DC42	DC42	Sedibeng District Municipality	M
CBDC8	GT411	Mogale City	H
CBDC8	GT412	Randfontein	H
CBDC8	GT414	Westonaria	M
CBDC8	CBLC8	Merafong	H
CBDC8	CBDC8	West Rand District Municipality	M