



Reference: RCS/C.5

### **TREASURY CIRCULAR MUN NO. 38/2016**

THE MAYOR, CITY OF CAPE TOWN: MS P DE LILLE  
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR JH CLEOPHAS  
THE MAYOR, MATZIKAMA MUNICIPALITY: MS G STEPHAN  
THE MAYOR, CEDERBERG MUNICIPALITY: MR J BARNARD  
THE MAYOR, BERGRIVIER MUNICIPALITY: MR EB MANUEL  
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR M KOEN  
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN  
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: MS H VON SCHLICHT  
THE MAYOR, WITZENBERG MUNICIPALITY: MR BC KLAASEN  
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR CJ POOLE  
THE MAYOR, STELLENBOSCH MUNICIPALITY: MS G VAN DEVENTER  
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN  
THE MAYOR, LANGEBOEG MUNICIPALITY: MR HM JANSEN  
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR S FRANKEN  
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MS C JM VOSLOO  
THE MAYOR, OVERSTRAND MUNICIPALITY: MR RJ SMITH  
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR PJ SWART  
THE MAYOR, SWELLENBOSCH MUNICIPALITY: MR NG MYBURGH  
THE MAYOR, EDEN DISTRICT MUNICIPALITY: MR M BOOYSEN  
THE MAYOR, KANNALAND MUNICIPALITY: MS M BARRY  
THE MAYOR, HESSEQUA MUNICIPALITY: MR G RIDDELS  
THE MAYOR, MOSSEL BAY MUNICIPALITY: MR HJ LEVENDAL  
THE MAYOR, GEORGE MUNICIPALITY: MR MG NAIK  
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR CF SYLVESTER  
THE MAYOR, BITOU MUNICIPALITY: MR MP LOBESE  
THE MAYOR, KNYSNA MUNICIPALITY: MS E BOUW-SPIES  
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MR N CONSTABLE  
THE MAYOR, LAINGSBURG MUNICIPALITY: MR AA MARTHINUS  
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING  
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR K MALOOI

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR A EBRAHIM  
THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR H PRINS  
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR G PEKEUR (ACTING)  
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR G MATTHYSE (ACTING)  
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV H LINDE  
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR J MARAIS (ACTING)  
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ  
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR M MGAJO  
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON  
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: MR J CARSTENS (ACTING)  
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MR R BOSMAN (ACTING)  
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS (ACTING)  
THE MUNICIPAL MANAGER, LANGEBOEG MUNICIPALITY: MR SA MOKWENI  
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR D BERETTI  
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW (ACTING)  
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR C GROENEWALD  
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR D O'NEILL  
THE MUNICIPAL MANAGER, SWELLENBOSCH MUNICIPALITY: MR CM AFRICA  
THE MUNICIPAL MANAGER, EDEN DISTRICT MUNICIPALITY: MR GW LOUW  
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR R STEVENS (ACTING)

THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS  
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: MR H HILL (ACTING)  
THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA  
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR A PAULSE (ACTING)  
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR M STRATU (ACTING)  
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR B ELLMAN (ACTING)  
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR S JOOSTE  
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR P WILLIAMS  
THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR H METTLER  
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY  
THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: MR J KOEKEMOER  
THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR G SEAS  
THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR E ALFRED  
THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR JA VAN NIEKERK  
THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER  
THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR M BOLTON  
THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT MUNICIPALITY: MS FA DU RAAN-GROENEWALD  
THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR C KRITZINGER  
THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MS C LATEGAN (ACTING)  
THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR M WÜST  
THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR R ONTONG (ACTING)  
THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR B BROWN  
THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: MR J TESSELAAR  
THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR F VAN DER WESTHUIZEN (ACTING)  
THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MS S REYNEKE-NAUDE  
THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H VAN BILJON  
THE CHIEF FINANCIAL OFFICER, SWELLENBAM MUNICIPALITY: MR H SCHLEBUSCH  
THE CHIEF FINANCIAL OFFICER, EDEN DISTRICT MUNICIPALITY: MS L HOEK  
THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR N DELO  
THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS HJ VILJOEN  
THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR MK BOTHA  
THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR K JORDAAN  
THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR F LÖTTER  
THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR M MEMANI (ACTING)  
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR L FOURIE (ACTING)  
THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR J JONKERS (ACTING)  
THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD  
THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR J NEETHLING  
THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR F SABBAT

THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR Z HOOSAIN)  
THE DEPUTY DIRECTOR GENERAL: FISCAL AND ECONOMIC SERVICES (MR H MALILA)  
THE DEPUTY DIRECTOR GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR A HARDIEN)  
THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MS M KORSTEN)  
THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)  
THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR M SIGABI) (ACTING)  
THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR IG SMITH)  
THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR B VINK)  
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYIS)  
THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV E PRETORIUS)  
THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)  
THE DIRECTOR: FINANCIAL GOVERNANCE (MS N SIGWELA) (ACTING)  
THE DIRECTOR: FISCAL POLICY (MS M KORSTEN) (PRO TEM)  
THE DIRECTOR: INFRASTRUCTURE (MR A VISAGIE) (ACTING)  
THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR L BRINDERS)  
THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)  
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR E JOHANNES) (ACTING)  
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR Z ZONYANE) (ACTING)  
THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)  
THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)  
THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS R SLINGER)  
THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)  
THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)  
THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)  
THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MS R ESACK) (ACTING)  
  
THE PROVINCIAL AUDITOR  
MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT  
THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT  
THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS – NATIONAL TREASURY (MR J HATTINGH)  
THE CHIEF DIRECTOR: MFMA IMPLEMENTATION – NATIONAL TREASURY (MR TV PILLAY)

## **WESTERN CAPE INTERVENTION ON GOVERNMENT DEBT OWED TO MUNICIPALITIES – NOVEMBER 2016**

### **PURPOSE**

1. This circular serves as an invitation to the Western Cape intervention engagement, to be facilitated by the Department of Public Works, on government debt owed to municipalities. The aim of this meeting is to address the inconsistency of reporting in terms of section 71 of the MFMA as well as the requirements and tight timeline of the settlement process.
2. All Municipal Managers, Chief Financial Officers (CFOs) and or Senior Managers within the Revenue Management Divisions are requested to attend the session.

### **BACKGROUND**

3. The National Department of Public Works appointed a service provider namely, Regucom and Kano Joint Venture, to verify and reconcile the arrear debt for property rate taxes and municipal services pertaining to immovable assets owned, leased and used by National and Provincial government departments and to make recommendations for payment by the debtor departments.
4. This process was to ensure settlement of the government debt owed to all municipalities across the country for the period of 1 April 2008 to 31 March 2015.
5. After the verification was concluded on the 31 July 2016, the municipalities were requested to sign off the close-out reports to ensure that the information was accurate and complete and all the municipalities in the Western Cape signed the close-out reports.
6. The published debt of R118.56 million as at 31 March 2015 for the Western Cape municipalities by National Treasury was revised to R102.08 million based on the verification, resulting in a reduction of R16.48 million.
7. The National Inter-Governmental Task Team (NIGTT), which comprises of the Presidency (DPME), National Treasury (NT), Provincial Treasury (PT), Department of Cooperative Governance (DCOG), Department of Rural Development and Land Reform (DRDLR) and the Department of Public works, through its Operational Committee (OPSCOM), resolved to engage all municipalities, custodian and user departments on the outstanding government debt balances.

## LOGISTICS

8. The logistics for the Western Cape intervention engagement on government debt owed to municipalities:

**Date:** Wednesday, 30<sup>th</sup> of November 2016

**Time:** 09:00 – 12:00

**Venue:** Customs House Building, National Department of Public Works,  
11th Floor Conference Room, Lower Heerengracht Street, Foreshore,  
Cape Town

9. Confirmation of attendance or apologies should reach Provincial Treasury by no later than 10:00 on 25 November 2016.

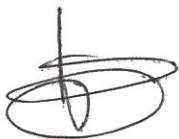
10. Please direct your communication to:

Attention: Mr S Bhaza/Mr P Petersen/Ms A October

Tel: 021 483 8829/021 483 9185/021 483 9604

Email: [Siphamandla.baza@westerncape.gov.za/](mailto:Siphamandla.baza@westerncape.gov.za)  
[Peter.Petersen3@westerncape.gov.za/](mailto:Peter.Petersen3@westerncape.gov.za)  
[Athalia.October@westerncape.gov.za](mailto:Athalia.October@westerncape.gov.za)

11. Your co-operation in this regard will be appreciated.



**MR M SIGABI**

**MFMA COORDINATOR: WESTERN CAPE**

**DATE:** 24 November 2016