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KWAZULU-NATAL PROVINSIE
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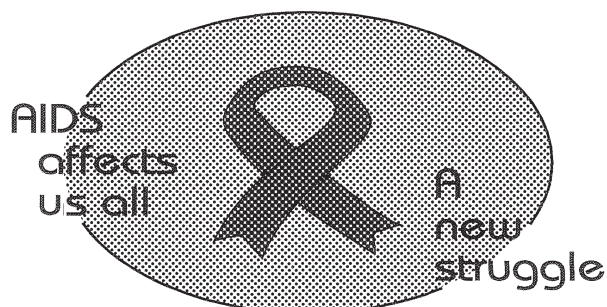
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PROVINCIAL NOTICES • PROVINSIALE KENNISGEWINGS

PROVINCIAL NOTICE 151 OF 2016**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

WITHDRAWAL AND REPLACEMENT OF NOTICE NO. 19 OF 2016, DATED 28 JANUARY 2016, PUBLISHED IN TERMS OF SECTION 14(5) OF THE LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT, 1998: TRANSITIONAL MEASURES TO FACILITATE INTEGRATED DEVELOPMENT PLANNING, APPROVAL OF BUDGETS, THE PREPARATION OF FINANCIAL STATEMENTS, THE LEVYING OF RATES AND ACTING APPOINTMENTS IN MUNICIPALITIES AFFECTED BY THE RE-DETERMINATION OF BOUNDARIES IN TERMS OF SECTION 21 OF THE LOCAL GOVERNMENT: MUNICIPAL DEMARCATION ACT, 1998 (ACT NO. 27 OF 1998)

I, Nomusa Dube-Ncube, in my capacity as the Member of the KwaZulu-Natal Executive Council responsible for local government, under powers vested in me by section 14(5) of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), and after having consulted the affected municipalities in the Province, hereby withdraw Provincial Notice No. 19 of 2016 dated 28 January 2016 and replace same with the transitional measures contained in the Schedule hereto.

Given under my Hand at Durban on this 29th day of July, Two Thousand and Sixteen

_____[Signed]_____

MRS. N DUBE-NCUBE, MPL

Member of the Executive Council of the Province of KwaZulu-Natal
responsible for local government

SCHEDULE**PREAMBLE**

1.(1) As a result of the re-determination of boundaries in terms of section 21 of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998), certain municipalities will be disestablished and their former areas of jurisdiction merged under new municipalities to be established, while certain other municipalities will be disestablished and their former areas of jurisdiction incorporated into the areas of jurisdiction of one or more existing municipalities.

(2) In order to give effect to these re-determinations, and to assist these new and existing municipalities, it is necessary to provide for transitional measures relating to—

- (a) integrated development planning;
- (b) the preparation of budgets;
- (c) the preparation of financial statements;
- (d) the continued application of valuation rolls, rates policies, rates bylaws and rates tariffs; and
- (e) the appointment of acting municipal managers and other senior managers.

(3) The new municipalities will be established, and the former municipalities will be disestablished, with effect from the date of the municipal elections on 3 August 2016.

DEFINITIONS

2. In this Schedule a word or expression to which a meaning has been assigned in the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), has the same meaning, and unless the context indicates otherwise—

“**affected municipalities**” means an incorporating municipality, a merging municipality, a splitting municipality or a new municipality when it is established, as the case may be;

“**date of municipal elections**” means 3 August 2016, being the date set by the national Minister responsible for local government in terms of section 24(2) of the Local Government: Municipal Structures Act, 1998, for the election of all municipal councils in South Africa;

“**effective date**” means the date of the declaration of results by the Electoral Commission established in terms of section 3 of the Electoral Commission Act, 1996 (Act No 51 of 1996) in respect of the local government election in 2016;

“**elections**” means the elections of all municipal councils in the Republic of South Africa, to be held on 3 August 2016;

“**incorporating municipalities**” means those municipalities which, following a re-determination of boundaries in terms of section 21 of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998), will incorporate the former areas of jurisdiction of splitting municipalities, namely:

- (a) uMfolozi Local Municipality, uMhlathuze Local Municipality and Mthonjaneni Local Municipality in respect of the split Ntambanana Local Municipality; and
- (b) eThekweni Metropolitan Municipality and the Umdoni Local Municipality in respect of the split Vulamehlo Local Municipality;

“**MEC**” means the Member of the Executive Committee responsible for local government in the Province;

“**merging municipalities**” means those municipalities which, following a re-determination of boundaries in terms of section 21 of the Local Government: Municipal Demarcation Act, 1998, will be disestablished and their former areas of jurisdiction merged under new municipalities to be established, namely:

- (a) the KwaSani and Ingwe Local Municipalities;
- (b) the Hlabisa and Big 5 False Bay Local Municipalities;
- (c) the eMnambithi / Ladysmith and Indaka Local Municipalities;
- (d) the Hibiscus Coast and Eziqoleni Local Municipalities; and
- (e) the uMtshezi and Imbabazane Local Municipalities;

“**Municipal Political Change Management Committee**” means a municipal political change management committee established in terms of either Provincial Notice No. 64 or 65 of 26 June 2014;

“**Municipal Technical Change Management Committee**” means a municipal technical change management committee established in terms of either Provincial Notices No. 64 or 65 of 26 June 2014;

“**new municipalities**” means—

- (a) those municipalities that are to be established following a re-determination of boundaries in terms of section 21 of the Local Government: Municipal Demarcation Act, 1998, comprising the former areas of jurisdiction of the merged municipalities; and
- (b) the incorporating municipalities;

“**Provincial Transformation Committee**” means the Provincial Transformation Committee established in terms of Provincial Notice 13 of 2015;

“**senior manager**” means a manager who is directly accountable to a municipal manager, as contemplated in section 56 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000); and

“**splitting municipalities**” means those municipalities which, following a re-determination of boundaries in terms of section 21 of the Local Government: Municipal Demarcation Act, 1998, will be disestablished and their former areas of jurisdiction incorporated into existing municipalities, namely:

- (a) the Ntambanana Local Municipality, whose area of jurisdiction will be split between the uMfolozi, uMhlatuze and Mthonjaneni Local Municipalities; and
- (b) the Vulamehlo Local Municipality, whose area of jurisdiction will be split between the eThekweni Metropolitan Municipality and the Umdoni Local Municipality.

INTEGRATED DEVELOPMENT PLANS

3. As the elections are scheduled to occur after 30 June 2016, the following applies—

- (a) the individual reviewed integrated development plans of the merging municipalities and the splitting municipalities for the 2016/2017 municipal financial year will apply within the former areas of jurisdiction of the merging municipalities and the splitting municipalities, notwithstanding the provisions of any other law, from 1 July 2016 until the effective date of the elections; and
- (b) the relevant reviewed consolidated integrated development plan for the 2016/2017 municipal financial year will apply to the relevant new municipality or incorporating municipality, notwithstanding the provisions of any other law, from the effective date.

BUDGETS

4.(1) The affected municipalities must—

- (a) each adopt an individual budget for the 2016/2017 municipal financial year for their existing area of jurisdiction, which budget must take due cognisance of the consolidated budget or budgets contemplated in sub-paragraph (b) below; and
- (b) together with the other relevant affected municipalities prepare and adopt a consolidated budget for the 2016/2017 municipal financial year comprising—
 - (i) a reconciliation to the individual budget for the 2016/2017 municipal year;
 - (ii) in the case of a splitting municipality, that portion of the approved budget allocated to the splitting municipality as must be prescribed in the split model provision to be set out in notices in terms of section 12 of the Local Government: Municipal Structures Act, 1998 (Act No. 27 of 1998) to be promulgated in due course establishing the incorporating municipalities with their new areas of jurisdiction; and
 - (iii) in the case of a merging municipality, the approved budgets of the merging municipalities.

(2) The individual and consolidated budgets for the 2016/2017 municipal year must be prepared for approval by the relevant Municipal Political Change Management Committees and thereafter by the relevant councils.

(3) In the event of a dispute relating to the preparation or approval of the individual and consolidated budgets for the 2016/2017 municipal year, the matter must be referred to the Provincial Transformation Committee for resolution.

(4) Due to elections occurring after 30 June 2016, the following applies—

- (a) the individual budgets of the merging municipalities and the splitting municipalities for the 2016/2017 municipal financial year will apply within the former areas of jurisdiction of the merging municipalities and the splitting municipalities, notwithstanding the provisions of any other law, from 1 July 2016 until the effective date;
- (b) the relevant consolidated budgets for the 2016/2017 municipal financial year will apply to the relevant new municipality or incorporating municipality, notwithstanding the provisions of any other law, from the date of establishment of the new municipality until June 2017; and
- (c) in the event that any changes are to be effected to the 2016/2017 budget, these changes must be considered by the new Council during the 2016/17 adjustment budget review.

FINANCIAL STATEMENTS

5. Due to elections occurring after 30 June 2016, the following applies—

- (a) separate financial statements and annual performance reports for the merging and splitting municipalities for the 2016/2017 municipal financial year must, notwithstanding the provisions of any other law, be prepared for the period commencing 01 July 2016 to the date of disestablishment;
- (b) financial statements for the new municipalities and the incorporating municipalities must, notwithstanding the provisions of any other law, be prepared for the period from the date of establishment up to 30 June 2017;
- (c) incorporating municipalities must prepare the 2016/17 annual financial statements and annual performance report commencing 1 July 2016 to 30 June 2017, integrating the financial records of the portion of the splitting municipality received;
- (d) merging and splitting municipalities preparing financial statements and annual performance reports from 1 July 2016 to the date of disestablishment must ensure that all transactions cease by the date of disestablishment;
- (e) the 2015/16 annual financial statements and annual performance reports must be submitted to the Office of the Auditor General by 31 August 2016, and the annual financial statements and annual performance report prepared from 1 July 2016 to the date of disestablishment must be submitted to the Office of the Auditor General by September 2016;
- (f) all records of the merging and splitting municipalities must be efficiently maintained and handed over to the new and incorporating municipalities for audit purposes; and
- (g) the current accounting officers, chief financial officers, municipal head of departments and employees will be responsible for the finalisation and submission of the 2015/16 annual financial statements, and the submission of the 2016/17 annual financial statements, notwithstanding the disestablishment of merging and splitting municipalities and the transfer of employees to new municipalities.

VALUATION AND SUPPLEMENTARY ROLLS, RATES POLICIES AND BYLAWS, AND TARIFFS

6.(1) Sections 89A and 90 of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) apply to incorporating municipalities with the necessary changes.

(2) In respect of merging municipalities, the new municipality must—

- (a) continue to apply the property rates policy, property rates by-laws and property rates tariffs that are in force in the former area or areas of jurisdiction of the relevant merging municipalities, which have been included in its area of jurisdiction;
- (b) continue to apply the valuation roll and supplementary valuation roll that are in force in the former area or areas of jurisdiction of the relevant merging municipalities, which have been included in its area of jurisdiction, together with any subsequent supplementary valuation rolls; and
- (c) levy rates against property values as shown on the valuation roll or supplementary valuation rolls, until it prepares and adopts a new general valuation roll in terms of section 30 of the Local Government: Municipal Property Rates Act, 2004.

(3) In applying valuation rolls and supplementary valuation rolls in terms of sub-paragraph (2), a new municipality may, notwithstanding section 19(1)(a) of the Local Government: Municipal Property Rates Act, 2004, impose different rates based on the different valuation rolls or supplementary valuation rolls, to ensure that the rates payable on similarly situated and valued property is more or less the same.

ACTING APPOINTMENTS OF MUNICIPAL MANAGERS AND SENIOR MANAGERS

7. In the event that the position of municipal manager, or one or more of the senior managers in a splitting or merging municipality becomes vacant at any time prior to the date of the elections—

- (a) the splitting or merging municipality concerned may, with the prior written authority of the MEC, subject to such terms and conditions as the MEC may deem fit, and notwithstanding the provisions of any other law, appoint an acting municipal manager or acting senior manager or managers, as the case may be, for a period terminating not later than six months after the date of municipal elections; and
- (b) the MEC must, in authorising an acting appointment, specify an acting allowance to be paid by the splitting municipality or merging municipality to the acting municipal manager or acting senior manager.

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