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GOVERNMENT NOTICE

NATIONAL TREASURY

No. 702

27 June 2008

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003: EXEMPTION FROM PROVISIONS OF THE ACT TO FACILITATE ESKOM'S ELECTRICITY PRICE INCREASE

I, Trevor A Manuel, Minister of Finance, acting in terms of section 177(1)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), hereby exempt all municipalities and municipal entities from or in respect of provisions of that Act as set out in the Schedule hereto.

TREVOR A MANUEL, MP
MINISTER OF FINANCE

SCHEDULE

Exemption

1. All municipalities and municipal entities are hereby exempted from the following provisions of the Municipal Finance Management Act:
- (a) sections 28, 87 and any other provisions of the Act to the extent that those sections and any of those other provisions prevent a municipality or municipal entity from –
 - (i) revising its annual budget for the 2008/09 financial year as a consequence of ESKOM's price increase for electricity as approved by the National Electricity Regulator on 18 June 2008;
 - (ii) preparing, approving and implementing an adjustments budget to give effect to such revision; and
 - (iii) increasing its electricity tariffs during that financial year to accommodate ESKOM's price increase; and
 - (b) all provisions of the Act requiring or prescribing formal consultation processes in relation to the adjustments budget and electricity tariffs increase contemplated in paragraph (a).

Conditions

2. The exemption granted in terms of clause 1 is subject to the following conditions:
- (a) the adjustments budget contemplated in clause 1(a)(ii) as approved by the council of the municipality or board of directors of the municipal entity must be submitted to the National Treasury and the relevant provincial treasury on or before 30 September 2008; and
 - (b) the approved adjustments budget must be published on the municipality's website, or in the case of a municipal entity, on the parent municipality's website on or before 30 September 2008.