

**MINISTRY FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

 **REPUBLIC OF SOUTH AFRICA**

 **NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**PUBLISHED, 15 JUNE 2018**

**DUE ODG: 22 JUNE 2018**

**DUE PARLIAMENT:  29 JUNE 2018**

**2077. Ms D van der Walt (DA) to ask the Minister of Cooperative Governance and Traditional Affairs:**

(1) Whether the Greater Tzaneen Local Municipality obtained a loan from (a) a private company and/or (b) a private individual in the (i) 2016-17 and (ii) 2017-18 financial years and (iii) since 1 April 2018; if so, (aa) for what purpose was the loan used and (bb) what are the exact details of each loan;

(2)  Whether the specified company or individual received any contracts for work from the municipality since 2014; if so, what are the relevant details of each contract? NW2231E

**REPLY**

The response was received from Greater Tzaneen Local Municipality:

 (1)No loan agreement was signed.

 (2) Not Applicable

Section 45 of the MFMA states that:

**(**1) A municipality may incur short-term debt only in accordance with and subject to the provisions of this Act and only when necessary to bridge. (a) Shortfalls within a ﬁnancial year during which the debt incurred in expectation of speciﬁc and realistic anticipated income received within that ﬁnancial year or (b) Capital needs within a ﬁnancial year, to be repaid from speciﬁc funds to be received from enforceable allocations or long-term debt commitments.

(2) A municipality may incur short-term debt only if, (a) a resolution of the municipal council, signed by the Mayor has approved the debt agreement and (b) the Accounting Officer has signed the agreement or other documents that create or acknowledges the debt.

(3) For the purpose of subsection (2) (a) a municipal council may, (a) approve a short-term debt transaction individually or (b) approve an agreement with a lender for a short-term credit facility to be accessed as and when required, including a line of credit or bank overdraft facility, provided that, (i) the credit limit must be speciﬁed in the resolution of the council, (ii) the terms of the agreement, including the credit limit may be changed only by a resolution of the council and (iii) if the council approves a credit facility that is limited to emergency use, the Accounting Ofﬁcer must notify the council in writing as soon as the amount, duration and cost of any debt incurred in terms of such a credit facility, as well as options for repaying such debt.