DRAFT MEDIUM TERM BUDGET 2022/23 (T 6/1/1-2022/23): BUDGET AND TREASURY OFFICE : 24 MARCH 2022

1. EXECUTIVE SUMMARY

Section 16(2) of the Municipal Finance Management Act No.56 of 2003 (MFMA) stipulates that the mayor of a municipality must table the budget to Council for approval at least 90 days before the start of the financial year. The approval of the draft budget is then followed by a wide range of public consultations and the assessment of the draft budget by National and Provincial Treasuries. 30 days before the start of the financial year, the Municipal Council is required to approve the annual budget, having considered the comments of local communities, Provincial and National Treasuries, and other relevant stakeholders. Section 25 of the MFMA requires that if the Municipal Council fails to approve an annual budget, convenes meetings within every seven days of the council meeting that failed to approve the budget until the budget is approved. Should the Municipal Council fail to approve its annual budget before the commencement of the financial year, the mayor is required in terms of section 55 of the MFMA to immediately report the matter to MEC for local government in the province and my also recommend to the MEC an appropriate provincial intervention in terms of section 139 of the Constitution of the Republic of South Africa.

RECOMMENDATIONS

(a) That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the municipality for the financial year 2022/23; and indicative allocations for the two projected outer years 2023/24 and 2024/25; and the multi-year and single year capital appropriations be approved;

(b) That the funding sources to fund both operating and capital budgets be noted and approved;

(c) That the Municipality's annual allocation of R146 736 764 to uThukela Water for the provision of bulk water be approved;

(d) That in terms of section 24(2)(c)(i) of the Municipal Finance Management Act, 56 of 2003, and sections 74 and 75A of the Local Government Municipal Systems Act, 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out Tariff of Charges that were used to prepare the estimates of revenue by source, be approved with effect from 1 July 2022 for all services, except for water and electricity consumption, which be levied on the new tariff with effect from 01 August 2022;

(e) That the Tariff of Charges be approved and be applicable with effect from 01 July 2022;

(f) That water, refuse, sewer and sundry tariffs be increased by 6% with effect from 01 July 2022.

(g) That property rates tariffs be increased by 6% and impermissible rates on the first R85 000 of the market value properties assigned in valuation roll or supplementary roll of the Newcastle Municipality to category determined for residential properties with effect from 01 July 2022;

(h) That the electricity tariff be increased by increased by 7% with effect from 01 July 2022 and it be noted that the municipality is still awaiting for the approval of the municipal electricity tariff increase from NERSA;

(i) That bulk electricity purchases be increased by 8.61% as per NERSA's guideline of the Eskom tariff increase.

(j) That in terms of the Indigent Policy, the monthly household earnings of an indigent application be capped at R5000.00 per month (under 60) and R6000.00 per month (over 60)

(k) That indigent benefit package be approved as follows:

Electricity consumption	: 50 kW/h
Water consumption	: 6 Kl
Electricity availability	: 100%
Water availability	: 100%
Sewer	: 100%
Refuse	: 100%
Property rates	: 100%

(l) That the rate rebates be capped and approved as follows:

Pensioners	: 25%
Flood victims	: 50%
Bread and breakfasts businesses	: 10%
Business development with	
Property greater than R50 million:	
from 0-4 years	: 40%
from 5-6 years	: 25%
from 7-8 years	: 10%
from 9 years onwards	: 0%

(m) That the Budget Funding Plan be approved;

(n) That the Budget Policy be approved;

(o) That the Tariff Policy be approved;

(p) That the Rates Policy be approved;

(q) That the Indigent Policy be approved;

(r) That the Customer Care, Credit Control and Debt Collection Policy be approved;

(s) That the Provision for Doubtful Debt and Debtors Write-Off Policy be approved;

(t) That the Supply Chain Management Policy be approved;

(u) That the Cash and Investment Management Policy be approved;

(v) That the Asset Management Policy be approved;

(w) That the Petty Cash Policy be approved;

(x) That the Virement Policy be approved;

(y) That the Funding and Reserves Policy be approved;

(z) That the Borrowing Policy be approved;

(aa) That the Loss control Policy be approved;

(bb) That the Short-term Insurance Policy be approved;

(cc) That the Cost Containment Policy be approved;

(dd) That the Property Rates By-Laws be approved;

(ee) That the Tariff By-Laws be approved.

2. BUDGET REPORT

The high level summary of the Draft Operating Budget is attached as Annexure B. Capital budget per project, per department, per funding source and per asset class are all attached in Annexure C hereto.

4. FINANCIAL IMPLICATIONS

4.1. OPERATIONAL BUDGET

The total estimated operational revenue for the 2022/23 financial year is R2.699 billion while total estimated operational expenditure is R2.996 billion yielding to an operating deficit of R297.3 million. A detailed narrative of the operational budget is contained in the Budget Document attached as Annexure B hereto.

4.2. CAPITAL BUDGET

The total capital expenditure for the 2022/23 is projected at R170.9 million, which will be funded as follows:

- Grants : R 158.0 million
- Internal Reserves : R 12.9 million

The list of capital projects to be implemented are contained in the draft budget document and Annexure C and Annexure D attached hereto. A detailed narrative of the capital budget in contained in the Budget Document attached as Annexure A hereto.

5. BUDGET DOCUMENTS

The budget related documents are attached as follows:

Budget Document	: Annexure A
High Level Operating Budget	: Annexure B
Capital Budget	: Annexure C
A Schedule Budget Tables	: Annexure D
Tariff of Charges	: Annexure E
Budget Funding Plan	: Annexure F
Budget Related Policies	: Annexure G
KZN Provincial Treasury Assessment	: Annexure H

Report seen by:

SM NKOSI
STRATEGIC EXECUTIVE DIRECTOR
BUDGET AND TREASURY OFFICE

DX DUBE
PORTFOLIO COUNCILLOR
BUDGET AND TREASURY OFFICE

ANNEXURE A

Budget Document

DRAFT MEDIUM TERM BUDGET 2022/23 TO 2024/25

TABLE OF CONTENTS

NO	SECTION DESCRIPTION	PAGE
I	Abbreviations and Acronyms	
II	Council Organisational Structure	
III	Newcastle Municipality Profile	
1	**PART 1 – FINAL BUDGET**	
1.1	Mayor's Report	
1.2	Final Budget Resolutions	
1.3	Executive Summary	
1.4	Final Budget Tables and Related Charts	
2	**PART 2 – SUPPORTING DOCUMENTATION**	
2.1	Overview of the Annual Budget Process	
2.2	Overview of alignment of annul budget with Integrated Development Plan	
2.3	Measurable Performance Objectives and indicators	
2.4	Overview of budget related policies	
2.5	Overview of budget assumptions	
2.6	Overview of budget funding	
2.7	Grant allocations and grant programmes	
2.8	Allocations and grants made by the municipality	
2.9	Councillor and board member allowances and employee benefits	
2.10	Monthly targets for revenue, expenditure and cash flows	
2.11	Annual budget and service delivery and budget implementation plans- internal departments	
2.12	Annual budget and service delivery and budget implementation plans- internal departments	
2.13	Contracts having future budgetary implications	
2.13	Capital expenditure details	
2.14	Legislation compliance status	
2.15	Annual budget of municipal entities attached to the municipality's annual budget	
2.16	Municipal manager's quality certification	

I. ABBREVIATIONS AND ACRONYMS

CPIX	Consumer Price Index
DoRA	Division of Revenue Act
DOHS	Department of Human Settlements
DPLG	Department of Provincial and Local Government
EXCO	Executive Committee
GDP	Gross Domestic Product
GRAP	Generally Accepted Accounting Practice
IDP	Integrated Development Plan
IT	Information Technology
Kl	Kilolitre
Km	Kilometre
Kh	Kilo watt hours
MFMA	Municipal Finance Management Act
MPRA	Municipal Property Rates Act
MSCOA	Municipal Standard Chart of Accounts
MTREF	Medium Term Revenue and Expenditure Framework
NDP	National Development Plan
NERSA	National Electrification Regulator of South Africa
NT	National Treasury
SALGA	South African Local Government Association
SDBIP	Service Deliver and Budget Implementation Plan

II. ORGANISATIONAL STRUCTURE AND COUNCIL

EXECUTIVE COMMITTEE

DESIGNATION	SURNAME & INITIALS	PORTFOLIO COUNCILLOR	POLITICAL PARTY	WARD
Mayor	DUBE D X	Budget & Treasury	IFP	18
Deputy Mayor	THWALA SM	Technical Services	TSSA	28
Exco Member	HLATSHWAYO ME	Community Services	IFP	6
Exco Member	KUBHEKA CB	Governance	IFP	PR
Exco Member	MEIRING AP	Planning, Development and Human Settlements	DA	4
Exco Member	MOLELEKOA R M	Technical Services	ANC	12
Exco Member	SITHEBE LC	Corporate Services	EFF	PR
Exco Member	YENDE SA	Budget & Treasury O	ANC	PR
Exco Member	ZONDO VG	Community Services	ANC	27
Exco Member	ZULU NS	Community Services	IFP	PR

COUNCIL

DESIGNATION	SURNAME & INITIALS	POLITICAL PARTY	WARD
Speaker	ZULU TM	IFP	PR
Councillor	DUBE DX	IFP	18
Councillor	THWALA SM	TSSA	28
Councillor	ALLY YA	PA	PR
Councillor	BAM VV	IFP	PR
Councillor	BUTHELEZI ME	IFP	33
Councillor	BUTHELEZI SB	EFF	PR
Councillor	CASSIM F	ASA	PR
Councillor	CRONJE EJC	DA	2
Councillor	DLADLA MJ	ANC	11
Councillor	DLAMINI TN	EFF	PR
Councillor	DUBE NC	DA	PR
Councillor	DUMA FL	NFP	PR
Councillor	HADEBE VF	TSSA	PR
Councillor	HARIRAM P	DA	3
Councillor	HLATSHWAYO MME	ANC	17
Councillor	HLATSHWAYO ME	IFP	6
Councillor	KHUMALO HN	ANC	5
Councillor	KHUMALO LM	IFP	PR
Councillor	KHUMALO NR	TSSA	31
Councillor	KUBHEKA CB	IFP	PR
Councillor	KUNENE NZB	ANC	19

Councillor	LETHEA MT	ANC	10
Councillor	LUI C	IFP	PR
Councillor	MADI BG	ANC	8
Councillor	MADI ZE	IFP	PR
Councillor	MAKHOBA MTD	ANC	21
Councillor	MAKHUBO XM	ANC	29
Councillor	MALINGA FA	IFP	PR
Councillor	MASEKO NP	TSSA	PR
Councillor	MASONDO NSF	TSSA	PR
Councillor	MASUKU SP	IFP	PR
Councillor	MATHE LI	EFF	PR
Councillor	MATHUNJWA BD	ANC	20
Councillor	MAZIBUKO LP	IFP	9
Councillor	MBATHA MV	ASA	PR
Councillor	MEIRING AP	DA	4
Councillor	MKHWANAZI AE	EFF	PR
Councillor	MKHWANAZI MP	ANC	23
Councillor	MNGOMEZULU SW	ANC	22
Councillor	MNISI PF	ANC	15
Councillor	MOLELEKOA RM	ANC	12
Councillor	MTHABELA NP	EFF	PR
Councillor	MTHEMBU TE	IFP	PR
Councillor	NDEBELE LP	ANC	7
Councillor	NDLOVU MO	ANC	13
Councillor	NGCOBO CS	TSSA	PR
Councillor	NGCOBO RN	DA	34
Councillor	NKOSI AT	TSSA	PR
Councillor	NKOSI SE	EFF	PR
Councillor	NKOSI WP	ANC	26
Councillor	NTSELE S	IFP	16
Councillor	NTSHANGASE MJ	EFF	PR
Councillor	RUSSEL RBS	VFP	PR
Councillor	SHABALALA NP	ANC	1
Councillor	SHABANGU	ANC	24
Councillor	SIBEKO VN	IFP	32
Councillor	SINGH S	ASA	25
Councillor	SITHEBE LC	EFF	PR
Councillor	SITHOLE	IFP	PR
Councillor	THUSI BR	ATM	PR
Councillor	XIMBA LP	ANC	14
Councillor	YENDE SA	ANC	PR
Councillor	ZONDO VG	ANC	27
Councillor	ZULU NS	IFP	PR
Councillor	ZWANE ZE	ANC	30
Traditional Leader	KHUMALO DO		
Traditional Leader	RADEBE B S		

SENIOR MANAGERS

DESIGNATION	SURNAME & INITIALS
Acting Municipal Manager	Mcineka ZW
Strategic Executive Director: Budget and Treasury Office	Nkosi SM
Acting Strategic Executive Director: Corporate Services	Thabede PD
Acting Strategic Executive Director: Technical Services	Shange S
Strategic Executive Director: Community Services	V Govender
Acting Strategic Executive Director: Development, Planning and Human Settlements	Khathide NP
Strategic Executive Director: Governance and Strategic Support Services	Vacant

PART 1 – ANNUAL BUDGET

NEWCASTLE MUNICIPALITY PROFILE

III. NEWCASTLE MUICIPALITY PROFILE

According to the recent Community Survey (2016) conducted by Statistics SA, Newcastle Local Municipality (KZN252) remains the highest contributor in terms of population growth within Amajuba District Municipality. As of 2016, the population of Newcastle is recorded at 389 117 people, thus marking a 7.1 % increase (25 881 people) over a 5-year period from the year 2011 (363 236 people). This means that on average, Newcastle has experienced a 1,42% annual growth rate, which translates to 5 176 people per year. Newcastle has also experienced a significant increase in the total youth proportion of the population. In terms of the wider KwaZulu-Natal Province, Newcastle ranks 2nd as the local municipality with the highest number of people when compared to other local municipalities, with the highest being the Msunduzi Local Municipality. The population of Newcastle is spread unevenly over 34 wards as per the outcomes of the recent delimation process by the Demarcation Board, marking a 3 wards increase.

Furthermore, there has been a 7% increase (6 075) in the number of households within Newcastle from 84 272 in 2011 to 90 347 in 2016, with the average household size remaining constant at 4.3 people per dwelling unit. In relation to other local municipalities within the KwaZulu-Natal Province, in the year 2011, Newcastle Local Municipality was ranked 3rd after the Msunduzi and uMhlathuze Local Municipalities respectively. However, recent statistical figures reveal that Newcasle Local Municipality has dropped to 4th place after the Msunduzi, uMhlathuze, and KwaDukuza Local Municipalities respectively. In terms of the 2nd and 3rd ranked local municipalities, the reason for growth in the number of households without any significant growth in the population thereof may be attributed to a general decrease in the average household size thereof, from 3,9 to 3,6 people, and 3,3 to 3,0 people per household respectively.

Traditionally, the town of Newcastle started off as Post-Halt Number 2 on the journey between Durban (then Port Natal) and the Zuid-Afrikaansche Republiek (Transvaal) and Johannesburg. It was strategically positioned in the year 1854, by the Surveyor General of the Natal Colony, Dr. P. C. Sutherland. The city was later known as the Waterfall River Township because of the Ncandu

River and, in 1864, the town of Newcastle was founded on the site becoming the forth settlement to be established in natal after Durban, Weenen and Pietermaritzburg. Newcastle was named after the British Colonial Secretary, the Duke of Newcastle and, in 1873 Newcastle became a separate electoral division. In the year 1876, the Fort Amiel was built as a barrier against the Zulus, Fort Amiel now being embraced as one of the significant national heritage sites.

In 1897, a sandstone construction of the town hall started and it was completed two years later in 1899. The town hall was constructed in commemoration of Queen Victoria's diamond, the '60th Jubilee.' The town was also used as a depot by the British during the First and Second Boer War. It also functioned as a major transport junction and a popular stopover for wagons and post chaises during the late 19th century. Newcastle also served as an arena when the British preparation work for the Pretoria Convention of 1881 was done. In 1890, the first train arrived in Newcaste and in the year 1891, Newcastle was declared a district with its own administrative unit. The discovery of coal reserves brought a new era of prosperity and the planning of several ambitious building projects.

Newcastle Local Municipality is one the three local municipalities that make up Amajuba District Municipality, with the others being Dannhauser and eMadlangeni Local Municipalities. It is located on the North-Western of the KwaZulu-Natal Province and borders onto Free State and Mpumalanga Provinces to the West and North respectively. The local municipalities of eMadlangeni and Dannahauser Local Municipalities are located along the Eastern and Southern boundaries of Newcastle. Spatially Newcastle covers an area of approximately 1 854km^2 in extent. A high majority of the people (80%) within Newcastle resides within the Newcastle East area, which is predominantly township and semi-rural areas characterised by a general lack of adequate infrastructure.

The boundaries of Newcastle Local Municipality were delineated in terms of the Municipal Dermarcation Act, 1998 (Act No. 27 of 1998), and takes in account population movement trends, regional economic patterns and the current land use pattern. Currently Newcastle has 34 wards and out of these wards, wards 1, 6, 7, and 30 fall under the custodianship of the Tribal Authorities (Inkosi u-Khathide and Inkosi u-Hadebe) held in trust on behalf of the Ingonyama Trust Board, in terms of the KwaZulu-Natal Ingonyama Trust Act, 1994 (Act No. 3KZ of 1994). As mentioned above, the population is spread unevenly amongst 34 wards with the majority of the population residing in the Newcastle-East area. The boundaries are not just administrative, but are also intended towards the promotions of social cohesion and economic development that's mindful to

environmental sustainability, whilst at the same time strengthening the existing regionally significant economic and functional linkages.

Newcastle Local Municipality is well placed to benefit from regional economic growth given its strategic location at the nexus of major tourism, logistics, farming and industrial routes, and as the seat of government in KwaZulu-Natal Province. It is located halfway between Johannesburg and the harbours of Durban and Richards Bay, hence contributing to the export of manufactured goods and supply to the large Gauteng market. Newcastle is also endowed with good access infrastructure to the areas mentioned above, and such includes quality road and railway networks. The town is situated on the national rail route between the Durban Container Terminal and City Deep in the Gauteng Province, and has within its confines, a major rail exchange terminal, supporting railway stations and extensive goods conversion/warehousing facilities.

The city's local authority has jurisdiction over the surrounding maize, livestock and dairy farms including the industrial areas such as Karbochem, Mittal Steel South Africa (previously ISPAT/ISCOR), and the textile service industry. In addition, the city is also well endowed with coal reserves hence opportunities for coal mining within the area. Arcelor Mittal produces over 105 million tons of steel products annually. Although the Arcellor Mittal steelworks and the Karcbochem synthetic rubber plant dominate the Newcastle industrial portfolio, there is a wide range of manufacturing undertakings sharing in the success of the region. Newcastle has welcomed many Chinese and Taiwanese into the region with the addition of over a hundred textile factories.

During the year 2002, the chrome chemical plant was completed in Newcastle which comes as a clear reflection of the city's industrial future. The joint venture project between Karbochem and the German specialist manufacturing giant LANXESS has made Newcastle the largest producer of chrome chemical in Africa. The company announced an investment of €40 million (almost R600 million) in 2012 towards the construction of a CO2 plant at its site. Mittal Steel also completed a R400 million project to rebuild one of its coke batteries. Other large operations include a diamond cutting works, various heavy engineering companies, steel reinforcement and slagment cement factories.

The Blackrock Casino and Entertainment Hotel provides much entertainment to Newcastle and the surrounding areas. The Newcastle Mall which was constructed by Zen Prop as a R500 million investment, is found adjacent to the Black Rockcasino and Entertainment Hotel, and it serves as a

one-stop shopping destination for the wider region of Northern KwaZulu-Natal. Current and planned urban developments within Newcastle entail the new multi-storey Civic Centre, the 80 million expansion of the Victoria Mall, the Meadowlands Estate in Madadeni (residential estate), major extensions and upgrade of the Madadeni Hospital (Northern KwaZulu-Natal Regional Hospital), a R100 million upgrade of the Madadeni Police Station, the Vulintaba Estate, more development at the corner of Allen street along the Trim Park, the new Audi dealership next to Newcastle Mall (Aquarand), Spar at corner Allen and Memel Road, planned Mercedes-Benz and dealership next to the Newcastle Mall (Aquarand), the development of the Heartlands Dry Port next to the train station, and the possible extension of the Newcastle Airport (Newcastle Airport Techno-hub). From the 1880s, Newcastle experienced rapid economic growth. Today Newcastle has the largest concentration of industry in the North-Western KwaZulu-Natal region.

There has been a 23.04% decline in the level of unemployment within Newcastle, from 87 619 (60.48%) in 2001 to 37 686 (37.44%) in 2011. In terms of unemployment by gender, the highest concentration is amongst the female population. With regards to formal employment by sector within Newcastle Municipality, trade/retail is the highest employer of the population at 8 888 as of July 2012, followed by Government services at 18 324. Government services as an employment sector is closely followed by manufacturing at 6 419, and subsequently finance at 5 375. As of 2013 the GDP of Newcastle was recorded as occupying 80.20% of the total GDP (0.7%) generated by Amajuba District within the KwaZulu-Natal Province.

In terms of the Human Development Index (HDI – the composite measure of life expectancy, education, and income used to measure human development), Newcastle is currently sitting at 0.57 which is deemed by the United Nations Development Programme as being medium human development index. The Gini Coefficient (the measure of inequalities) in Newcastle assumes a municipality working towards addressing inequalities. In the year 2002 inequality was estimated at 0.65 and in 2012 it was estimated to be 0.62 hence marking a move towards perfect equality. Regarding the levels of poverty, Newcastle has also experienced a decrease from 56.0% in 2002, 51.0% in 2006 and 44,4% in 2012. The annual income per capita of Newcastle Municipality is currently sitting at 29 264 thus meaning that the majority of individuals within Newcastle earn R2 438,66 per month hence falling above the global poverty line of $1,25 per day based on the dollar – rand exchange rate.

1.1 MAYOR'S REPORT

To be included with the final budget

1.2 BUDGET RESOLUTIONS

(a) That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the municipality for the financial year 2022/23; and indicative allocations for the two projected outer years 2023/24 and 2024/25; and the multi-year and single year capital appropriations be approved;

(b) That the funding sources to fund both operating and capital budgets be noted and approved;

(c) That the Municipality's annual allocation of R146 736 764 to uThukela Water for the provision of bulk water be approved;

(d) That in terms of section 24(2)(c)(i) of the Municipal Finance Management Act, 56 of 2003, and sections 74 and 75A of the Local Government Municipal Systems Act, 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out Tariff of Charges that were used to prepare the estimates of revenue by source, be approved with effect from 1 July 2022 for all services, except for water and electricity consumption, which be levied on the new tariff with effect from 01 August 2022;

(e) That the Tariff of Charges be approved and be applicable with effect from 01 July 2022;

(f) That water, refuse, sewer and sundry tariffs be increased by 6% with effect from 01 July 2022.

(g) That property rates tariffs be increased by 6% and impermissible for all properties be capped at 85 000 with effect from 01 July 2022;

(h) That the electricity tariff be increased by increased by 7% with effect from 01 July 2022 and it be noted that the municipality is still awaiting for the approval of the municipal electricity tariff increase from NERSA;

(i) That bulk electricity purchases be increased by 8.61% as per NERSA's guideline of the Eskom tariff increase.

(j) That in terms of the Indigent Policy, the monthly household earnings of an indigent application be capped at R5000.00 per month (under 60) and R6000.00 per month (over 60)

(k) That indigent benefit package be approved as follows:

Electricity consumption	: 50 kW/h
Water consumption	: 6 Kl
Electricity availability	: 100%
Water availability	: 100%
Sewer	: 100%
Refuse	: 100%
Property rates	: 100%

(l) That the rate rebates be capped and approved as follows:

Pensioners	: 25%
Flood victims	: 50%
Bread and breakfasts businesses	: 10%
Business development with	
Property greater than R50 million:	
from 0-4 years	: 40%
from 5-6 years	: 25%
from 7-8 years	: 10%
from 9 years onwards	: 0%

(m) That the Budget Funding Plan be approved;

(n) That the Budget Policy be approved;

(o) That the Tariff Policy be approved;

(p) That the Rates Policy be approved;

(q) That the Indigent Policy be approved;

(r) That the Customer Care, Credit Control and Debt Collection Policy be approved;

(s) That the Provision for Doubtful Debt and Debtors Write-Off Policy be approved;

(t) That the Supply Chain Management Policy be approved;

(u) That the Cash and Investment Management Policy be approved;

(v) That the Asset Management Policy be approved;

(w) That the Petty Cash Policy be approved;

(x) That the Virement Policy be approved;

(y) That the Funding and Reserves Policy be approved;

(z) That the Borrowing Policy be approved;

(aa) That the Loss control Policy be approved;

(bb) That the Short-term Insurance Policy be approved;

(cc) That the Cost Containment Policy be approved;

(dd) That the Property Rates By-Laws be approved;

(ee) That the Tariff By-Laws be approved.

1.3 EXECUTIVE SUMMARY

1.3.1 INTRODUCTION

The 2022/2023 draft budget is a consolidated budget of R2.5 billion which has been developed with an overall planning framework and includes the programmes and projects to achieve the minimum strategic objectives of Newcastle Municipality as per the IDP. This budget has been set against the back and the current slow economic growth, escalating debtors, historical commitments on loans and creditors, while at the same time take cognisance in respect of burden to consumers through rates and services. Economic challenges continue to put pressure on municipal revenue generation and its ability to collect revenue in the 2022/23 financial year, hence a very conservative approach was adopted when projecting revenue and receipts based on the current payment factors. It is however hoped that, with easing of the Covid-19 restrictions, the payment factor will start to show a positive trend during the budget year.

Despite these challenges, it remains the mandate and responsibility of the municipality to sustain service delivery through this budget by reprioritising expenditure to ensure key objectives are achieved. Provision in this budget continue to support government's commitment to broadening service delivery and expanding investment in infrastructure, especially through capital projects, while at the same time taking into account the limited fiscal environment upon which this budget was prepared. The budget has further been structured to contribute to the municipality achieving the minimum strategic objectives of the IDP, taking into account the effect of limited resources. The National Treasury's MFMA circulars were used to guide the compilation of the 2022/23 budget. Furthermore, the budget format and the content incorporates the requirements of the Municipal Budget and Reporting Regulations.

The following principles were applied in formulating the draft budget:

- The municipality's Budget Funding Plan;
- Cost containment strategies;
- National economic outlook and its impact on local government;
- Affordable, realistic budget;
- Realistic and achievable collection rates;
- Budget to contribute to achieving strategic objectives of the IDP;
- Repayment of loans to be properly provided for, with no new loans planned for;

- Capital expenditure to be mainly funded from grants;
- Indigent subsidy for water and electricity be limited to the national guidelines;
- Indigent subsidy package to include property rates;
- Revenue driven budget with a view to achieve affordability;

This budget was not crafted without challenges. The main challenges experienced can be summarised as follows:

- The on-going difficulties in the national and local economy which necessitated costs containment measures as required by Treasury circulars;
- The prevalence of COVID-19 coronavirus pandemic, which required reprioritisation of funds from other functions. The impact on the collection of revenue due to economic slowdown could also not be overlooked;
- The ongoing military conflict between Russia and Ukraine, which project a bleak economic future globally;
- National Treasury austerity measures with minimal growth on conditional grants;
- Slow economic growth and unemployment, coupled with the fact that, a number of key industries are shutting down businesses in the area of Newcastle;
- Inadequate allocation for repairs and maintenance due to funds limited;
- Limited capital infrastructure injection with limited provision for future maintenance due to limited resources
- Inability to extend capital budget projects in terms of the IDP, other than those funded by grants and already on the business plans.
- Inability to provide for adequate vacant and critical positions due to limited funding.
- Bulk electricity tariff increase above the increase in revenue tariff increase, which implies additional burden to the municipality to provide electricity function.

1.3.2 OVERVIEW OF THE 2022/2023 BUDGET

OPERATING BUDGET

The operating budget, which funds the continued provision of services provided by the municipality, is projected to increase from R2.654 billion in 2021/22 to R2.996 billion in 2022/23, representing an increase of R342.5 million (13%). The increase is mainly due to the increase in contracted services, bulk water and electricity purchases and employee cost.

There has been a reduction in the provision for finance charges due to the cost containment measures being implemented by the municipality. This is the indication that the municipality is serious about its path towards cost containment of non-core functions and reprioritisation of service delivery functions. The increase in the overall operating budget is mainly due to the provision of the following:

- Costs of bulk purchases of electricity and water due to tariff increases;
- Increased costs of employee related costs due projected annual salary increase;
- Increased contracted services due to additional grant funding for housing projects
- Increased depreciation due to due new capital projects appropriated in the budget;

OPERATING REVENUE

Total operating revenue is projected at R2.699 billion in the 2022/23 financial year, representing an increase of R321.0 million (13%) from the current year's adjusted budget of R2.278 billion.

The major items of the operating revenue for the 2021/22 financial year are as follows:

Details	2022/2023 R'000	% of Total Revenue
Electricity	742 521	27.5%
Water	191 731	7.1%
Sanitation / sewer	123 426	4.6%
Refuse	96 675	3.6%
Property rates	359 246	13.3%
Grants and subsidies	1 145 707	42.2%
Other revenue	19 487	0.7%
Interest on outstanding debtors	4 501	0.2%
Rental of facilities	9 452	0,2%
Fines	4 180	0.2%
Interest on investments	2 431	0.1%

The following is the analysis of the revenue sources which have had the main impact in the increase in revenue:

- **Electricity services: R742.5 million, increase of R16.1 million (2%)**

Electricity tariffs are expected to increase by 7%. It must be noted that this tariff increase is provisional while municipalities are awaiting for NERSA to communicate the final electricity tariff increase. With the tariff increase of 7%, electricity revenue is expected to increase by R16.1 million (2%) in the 2022/23 financial year. Cognisance should also be taken that this percentage increase of 7% slightly above the inflation rate of 4.8%, however this increase is based on the NERSAs tariff approval for municipal tariffs. The revenue figure of R742.5 million is also net of the cost of free basic service of R16.8 million in respect of electricity as required in terms of the Budget and Reporting Regulations.

- **Water services: R191.7 million, increase of R4.6 million (2%)**

Water tariffs are expected to increase by 6% in the 2022/23 financial year. The increase of 6% in tariffs is expected to generate additional revenue of R4.6 million (2%), from R187.0 million in the current year to R191.7 million in the 2022/23 financial year. The revenue figure of R191.7 million

is net of the cost of free basic services of R18.3 million in respect of water as required in terms of the Budget and Reporting Regulations.

- **Refuse removal: R96.6 million, decrease of R2.3 million (-2%)**

Refuse removal tariffs are expected to increase by 6% in the 2022/23 financial year. The increase of 6% in tariffs is expected to result in a decreased revenue of R2.3 million (-2%), from R99.0 million in the current year to R96.6 million in the 2022/23 financial year mainly due to the substantial increase in the indigent benefit. The revenue figure of R96.6 million is net of the cost of free basic services of R20.7 million in respect of refuse removal as required in terms of the Budget and Reporting Regulations.

- **Sanitation: R123.4 million, increase of R3.4 million (3%)**

Sanitation tariffs are expected to increase by 6% in the 2022/23 financial year. The increase of 6% is expected to generate additional revenue of R3.4 million (3%), from R120.0 million in the current year to R123.4 million in the 2022/23 financial year. The revenue figure of R12.4 million is net of the cost of free basic services of R18.8 million in respect of sanitation as required in terms of the Budget and Reporting Regulations.

- **Property rates: R359.2 million, decrease of R3.1 million (-1%)**

Property rates tariffs are expected to increase by 6% in the 2022/23 financial year, while the impermissible amount will be remain at R85 000. The increase in the property rates tariffs is expected to a decreased revenue of R3.1 million (-1%), from R362.4 million in the current year to R359.2 million in the 2021/22 financial year. This is mainly due to the additional indigent and rate rebates that needs to be provided for. The revenue figure of R359.2 million is net of the rates rebates and indigent benefit of R99.5 million as required in terms of the Budget and Reporting Regulations.

- **Transfers recognised: R1.145 billion, increase of R302.7 million (36%)**

Revenue from grants is expected to generate operating revenue of R1.145 billion in the 2022/23 financial year. This represents an increase of 302.7 million (36%) from the budget of R828.4 million in the current year to the budget of R1.145 billion in the 2022/23 financial year. These

operating grants include the equitable share, the Finance Management Grant (FMG), Expanded Public Works Programme and various other provincial grants from department of Arts and Culture and the Department of Human Settlements. A portion of the Municipal Infrastructure Grant (MIG) and Water Services Infrastructure Grant (WSIG) have also been included in the operating grants in order to deal with capacity operational issues in the department of Technical Services. The appropriation of grant transfers in the budget has been made in accordance with the Division of Revenue Act and the provincial gazette.

- **Fines: R4.1 million, increase of R236 thousand (6%)**

Revenue for fines is expected to generate revenue of R4.1 million in the 2022/23 financial year. This represents an increase of R236 thoudand (6%) from the budget of R3.9 million in the current year, to R4.1 million in the 2022/23 financial year. Fines will be imposed in accordance with the traffic laws and regulations and will be influenced by law enforcement and the behaviour of road users in the jurisdiction of Newcastle.

- **Interest on investments: R2.4 million, an increase of R92 thousand (6%)**

Interest on investments is expected to generate revenue of R2.4 million in the 2022/23 financial year. This represents an increase of R137 thousand (6%) from the budget of R2.3 million in the current year to R2.4 million in the 2022/23 financial year. Interest will be earned based on the value of the investments that the municipality will make with various financial institutions for any additional funds during the financial year.

- **Interest on outstanding debtors: R4.5 million, increase of R254 thousand (6%)**

Interest on outstanding debtors is expected to generate revenue of R4.5 million in the 2022/23 financial year. This represents a decrease of R254 thousand (6%) from the budget of R4.2 million in the current year to R4.2 million in the 2022/23 financial year. Interest will be earned based overdue business accounts without any arrangements in place.

- **Rental of facilities: R9.4 million, increase of R535 thousand (6%)**

Tariffs from rental of municipal facilities will be increased by 6% and is expected to generate revenue of R9.4 million in the 2022/23 financial year. This represents an increase of R535

thousand (6%) from the budget of R8.9 million in the current year to R9.4 million in the 2022/23 financial year.

- **Licences: R43.9 thousand, increase of 2 686 rands (6%)**

Tariffs from licences will be increased by 6% and is expected to generate revenue of R43.9 thousand in the 2021/22 financial year. This represents an increase of R2 686 (6%) from the budget of R41.4 thousand in the current year to R43.9 thousand in the 2022/23 financial year.

- **Other revenue: R19.4 million, increase of R1.1 million thousand (6%)**

Sundry tariffs will be increased by 6% and are expected to generate revenue of R19.4 million in the 2022/23 financial year. This represents an increase of R1.1 million (6%) from the budget of R18.3 million in the current year to the budget of R19.4 million in the 2022/23 financial year.

- **Inflation target**

In terms of the National Treasury's budget circular No.115, the projected inflation rate for 2022/23 is 4.8%. It is noted that the tariff increase of 6% for rates and services and 7% for the electricity are slightly above the projected CPI projection but within the South African Reserve Bank inflation ceiling of 6%.

OPERATIONAL EXPENDITURE

Total operating expenditure is projected at R2.996 billion in the 2022/23 financial year, representing an increase of R342.5 million (13%) from the current financial year's budget of R2.654 billion. The municipality's expenditure for the 2022/23 budget is informed by:

- National Treasury budget and cost containment measures circulars
- Relevant legislative imperatives,
- Expenditure limits set by realistic and realisable revenue levels,
- National, provincial and local economic and fiscal conditions,
- Electricity load shedding and COVID-19 challenges.

The major items of the operating expenditure for the 2022/23 financial year are as follows:

Details	2022/2023 R'000	% of Total Budget
Bulk purchases	605 107	20.2%
Other materials	153 188	5.1%
Employee related costs	601 652	20.1%
Depreciation	372 385	12.4%
Debt impairment	274 669	9.2%
Other expenditure	115 462	3.9%
Interest of loans	35 846	1.2%
Remuneration of councillors.	29 460	1,0%
Contracted services	809 029	27.0%

The following are expenditure items included in the budget:

- **Employee Related Costs: R601.6 million, increase of R28.9 million (5.1%)**

Employee related costs has increased from R572.6 million to R601.6 million, representing an increase of R28.9 million (5.1%). Included in the employee related costs is an amount of R32 million for overtime. This constitute 5% of the total employee related costs, which is also within the National Treasury norm of 5%. The bulk of this provision relates to overtime for essential services which the municipality cannot avoid. These services include waste management, electricity maintenance, water maintenance, waste management, public safety and other essential services which the municipality is required to provide to communities. It must be noted that the municipality is currently implementing a number of measures to ensure that overtime is not abused and is kept to the bear minimum.

- **Remuneration of Councillors: R29.5 million, an increase of R577 thousand (2%)**

Remuneration of councillors is projected to be R29.4 million, representing an increase of R577 thousand (2%) from the current financial year budget of R28.8 million. The projection is based on the 2021/22 expenditure trends and the fact the MEC has not made any increases on the councillors' upper limited for the past 2 years.

- **Bulk Electricity Purchases: R605.1, an increase of R47.9 million (8.61%)**

Expenditure on bulk electricity purchases is projected at R605.1 million, representing an increase of R47.9 million (8.61%) from the current financial year budget of R557.1 million. The provision of R605.1 million is informed by the NERSA guidelines and the expected demand for electricity to the municipal consumers in the 2022/23 financial year.

- **UThukela Water Entity: R146.7 million, an increase of R15.4 million (11.8%)**

The municipality's contribution to uThukela Water increased from R131.2 million to R146.7 million which represents an increase of R15.4 million (11.8%) from the current financial year. This provision is in line with the entity initial submission. It must be mentioned that the entity submitted another version of its budget of R210 million, which cannot be afforded by the municipality given the financial constraints that it currently going through.

- **Debt impairment: R274.6 million, a decrease of R313 thousand (-.01%)**

The municipal has projected to incur R274.6 million on debt impairment, representing a decrease of R9.8 million (-0.1%) from the current financial year budget of R274.9 million. The provision and the increase is based on the collection rate versus the amount expected to be billed in the budget year. It must however be mentioned that the recent campaign to collect outstanding debtors and to build the culture of payment of services in the townships has started to yield positive results.

- **Depreciation: R372.3 million, an increase of R7.3 million (2%)**

Provision for depreciation has been projected to be R372.3 million, representing an increase of R7.3 million (2%) from the current financial year's budget of R365.0 million. The provision is based on the municipality's asset register the expected lives of the assets. The increase is attributable to the projected capital expenditure and the infrastructure projects which were completed during the current financial year, the impact of the depreciation in expected fully during the budget year.

- **Finance Charges: R35.8 million, a decrease of R3.9 million (-9.8%)**

Expenditure on interest on loans is projected to be R35.8 million, representing a decrease of R3.91 million (-9.8%) from the current financial year budget of R39.7 million. The estimation of finance charges of R35.8 million is based on the amortisation schedules of the loan portfolios of the municipality and the loan agreements with the financial institutions, which is expected to last for at least next nine years. It must however be noted that no new loans will be taken by the municipality in the 2022/23 financial year.

- **Contracted services: R809.0 million, an increase of R243.9 million (43.2%)**

Expenditure on contracted services is projected to be R809.0 million, representing an increase of R243.9 million (43.2%) from the current financial year budget of R565.1 million. The increase is due to the increase in housing and other grants from national and provincial departments. It must be noted that, included under this provision is an amount of R567.8 million in respect of the housing grants for the various housing projects.

- **Other materials: R153.1 million, an increase of R13.6 million (9.8%)**

Expenditure on materials is projected at R153.1 million, representing an increase of R13.6 million (9.8%) from the current financial year budget of R139.5 million. Included under this item is the allocation for Uthukela Water for R146.7 million as well as the materials for the cleaning of municipal buildings, halls, chemicals, cleansing material, pest control.

- **Other expenditure: R115.4 million, an increase of R5.0 million (4.6%)**

Other expenditure is projected to be R115.4 million, representing an increase of R5.0 million (4.6%) from the current financial year budget of R110.3 million. The increase is mainly due to the additional provision for departmental rates and services due to revenue tariff increases.

OPERATING SURPLUS/DEFICIT

The operational budget therefore yields an operating deficit of R297.3 million. It is noted that the operating deficit has increase of R21.4 (7.8%) million when compared with the budgeted deficit of R275.9 million in the current financial year. It remains the commitment of the municipality to

comply with MFMA Circular No.72, which encourages municipalities to adopt a surplus position over the MTREF with a view to achieve and maintain financial stability of the municipality. It must also be recorded that the municipality's budget in yet funded as it unable to provide all provision as indicated in table A8. The municipality has however adopted a Budget Funding Plan, which is aimed to achieve a funded budget by 2023/24 financial year. At this stage, it is important that the municipality remains committed to the strategies and targets of the funding plan.

CAPITAL BUDGET

The municipality's capital budget is projected to be R170.9 million, consisting of R158.0 million to be funded from government grants, and R12.9 million to be funded from internally generated funds. The summary of the capital budget over the medium terms is depicted as follows:

Details	2021/2022 R'000	% of total expenditure
Total Capital Budget	170 933	100%
Funded as follows:		
Grant funding	158 032	92%
Internal funding	12 901	8.0%
	134 293	**100%**

Government grants continue to fund the bulk of capital programme over the next three financial years, covering about 92% of the capital expenditure in the 2022/23 financial year. Due to the current cash flow position, the municipality has no plans to take new loans.

The capital budget summarised by asset type can summarised as follows:

ASSET CLASS	2022/2023 R'000	% of total Expenditure
Water distribution	64 647	37.8%
Roads and storm water	56 941	33.3%
Sports % Recreation	11 000	6.4%
Furniture and Equipment	3 120	1.8%
Sanitation	30 000	17.6%
Buildings	2 224	1.3%
Airports	3 000	1.8%
TOTAL CAPITAL BUDGET	**170 933**	**100%**

The municipality will be spending the bulk of its capital programme towards basic infrastructure, with R56.9 million towards roads, R64.6 million towards water, R30.0 million towards sanitation. A further R3.1 million will be tools of trade, R3.0 million for the upgrade of the airport and R2.2 million towards the refurbishment of buildings.

The following the list of capital projects which will be implemented over the medium term:

DIRECTORATE DESCRIPTION	FINANCE SOURCE	PROJECT DESCRIPTION	DRAFT BUDGET 22/23
COMMUNITY SERVICES	MUSEUM ART GALLERY GRANT	IT EQUIPMENT	20 000
COMMUNITY SERVICES	MUSEUM ART GALLERY GRANT	ART PURCHASES	100 000
COMMUNITY SERVICES	MUSEUM ART GALLERY GRANT	CARPORTS : ART GALLERY	50 000
COMMUNITY SERVICES	FORT AMIEL MUSEUM GRANT	AMPHITHEATHRE: FORT AMIEL	150 000
COMMUNITY SERVICES	FORT AMIEL MUSEUM GRANT	CONSTRUCTION OF ADMIN BUILDING	24 500
BUDGET AND TREASURY OFFICE	INTERNALLY FUNDED	IT EQUIPMENT	2 500 000
BUDGET AND TREASURY OFFICE	INTERNALLY FUNDED	FURNITURE EQUIPMENT	300 000
BUDGET AND TREASURY OFFICE	INTERNAL RESERVES	MACHINERY AND EQUIPMENT	100 000
TECHNICAL SERVICES	MIG - CAPEX	UPGRADE & REFURBISHMENT OF BULK SEWER PIPELINE FROM SIYAHLAL	10 000 000
TECHNICAL SERVICES	MIG - CAPEX	UPGRADE OF MA23,26 & 25	7 520 000
TECHNICAL SERVICES	MIG - CAPEX	CONSTRUCTION OF ME26 & ME27 ROADS	11 700 000
TECHNICAL SERVICES	MIG - CAPEX	CONSTRUCTION OF OB 1 LINK STORMWATER	2 000 000
TECHNICAL SERVICES	MIG	CONSTRUCTION OF OSIZWENI URBAN ACCESS ROAD PHASE 4	-
TECHNICAL SERVICES	MIG	CONSTRUCTION MADADENI URBAN ACCESS ROAD PH3	-
TECHNICAL SERVICES	MIG	CONSTRUCTION OF H39 BUS ROAD & STREETLIGHTS	-
TECHNICAL SERVICES	MIG - CAPEX	UPGRADE OF OC44, OC22	5 720 000
TECHNICAL SERVICES	MIG - CAPEX	UPGRADE OF MADADENI WASTE WATER TREATMENT	20 000 000
TECHNICAL SERVICES	MIG - CAPEX	BLAAUWBOSCH BULK WATER	20 000 000
TECHNICAL SERVICES	MIG - CAPEX	PIPE REPLACEMENT AND UPGRADE PROJECT	16 647 532
TECHNICAL SERVICES	MIG - CAPEX	VILJOENPARK BULK WATER & SANITATION	13 000 000
TECHNICAL SERVICES	MIG - CAPEX	FURNITURE EQUIPMENT	100 000
TECHNICAL SERVICES	MIG:	CONSTRUCTION OF SPORT FACILITY- OLD CASINO (WARD 5)	11 000 000
TECHNICAL SERVICES	ASSET FINANCING RESERV	RESEALING OF ROADS MADADENI	2 000 000
TECHNICAL SERVICES	ASSET FINANCING RESERV	RESEALING OF ROADS OSIZWENI	2 000 000
TECHNICAL SERVICES	ASSET FINANCING RESERV	RESEALING OF ROADS NEWCASTLE	4 000 000
TECHNICAL SERVICES	ASSET FINANCING RESERV	RESEALING OF ROADS - RESIDENTIAL WEST	2 000 000
TECHNICAL SERVICES	WSOSG	NEWCASTLE EAST WATER MAINS EXTENSION	15 000 000
TOWN PLANNING	NDPG	JB ROAD 3	20 000 000
TOWN PLANNING	AIRPORT GRANT	REFURBISHMENT OF AIRPORT	3 000 000
TOWN PLANNING	HAWLKER STALLS	CONTRUCTION OF HAWLKER STALLS	2 000 000
TOWN PLANNING	INTERNALLY FUNDED	BR 10 LINK	1 000
		TOTAL DRAFT CAPITAL BUDGET	**170 933 032**

COST CONTAINMENT MEASURES

The municipality adopted the its cost containment policy in the 2019/20 financial year in line with the Circular No.82 with regards to the implementation of the cost containment measures. The policy is further reviewed as part of the budget related policies in order to align with the Cost Containment Regulations. The municipality has also put measures through the curbing of unnecessary expenditure and reduction of other expenditure from the budget. This is however done without compromising service delivery and with the available cash resources.

DRINKING WATER QUALITY

The municipality complies within the required Blue Drop status in terms of the quality of water being provided to the citizens of Newcastle. Water test samples are being provided in all water storages to ensure that necessary standards is being met before water is distributed to communities.

WASTE WATER MENEGEMENT QUALITY

The municipality complies within the required Green Drop status in terms of the quality of waste water management being provided to the citizens of Newcastle. While it is acknowledged that the is a challenge of sewer infrastructure in areas currently not zoned under Newcastle Municipality, the municipality doe reach out to such areas using the VIP dislughing system. The municipality further distributes VIP toilets in areas where water-bone sewer is not yet available. The larger part of Newcastle Municipality does have the necessary sewer system.

BUDGET FUNDING PLAN

The municipality is currently facing financial challenges and is operating with an unfunded budget. This is reflected in table A8 of the A Schedule table. While this is fact, the municipality is however confident that it will be able to generate adequate cash to deal with all its operational needs during the budget year, including the payment of the Eskom debt. This is reflected in table A7 of the A Schedule.

In order to respond to the above situation, the municipality has put together the Budget Funding Plan, which seek to acknowledge the municipality's budget is currently not funded, but also

putting measures and strategies which will ensure that the budget of the municipality is eventually funded. A detailed Budget Funding plan is which is aligned to the draft budget is attached. It is therefore critical that the draft budget is approved together with a revised funding plan as the figures have changed since the initial plan adopted has changed somewhat.

1.4 BUDGET TABLES AND RELATED CHARTS

As attached in Annexure D - Schedule A tables

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF BUDGET PROCESS

2.1.1 OVERVIEW

Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The budget process is an effective process that every local government must undertake to ensure good governance and accountability. The process outlines the current and future direction that the municipality would follow in order to meet legislative stipulations. The budget process enables the municipality to optimally involve residents and other stakeholders in the budgeting process.

The budget preparation process is guided by the following legislative requirements:

- Municipal Finance Management Act;
- Municipal Budget and Reporting Regulations;
- Municipal Systems Act; and
- Municipal Structures Act.

Section 21 of the MFMA requires that a time schedule setting out the process to draft the IDP and the budget be tabled ten months before the financial year. In compliance with this requirement the IDP and budget time schedule was tabled before council in August 2021 as per the provisions of the act. The main objective of the timetable is to ensure integration between the Integrated Development Plan, the budget and aligned process towards tabling a balanced budget. The tabling of the 2022/23 Medium Term Budget for the Newcastle Municipality laid the foundation by which strategic functions within the municipality could apply sound financial planning and management over the medium to long term. It facilitates the critical alignment of planning, budgeting and sustainable service delivery in line with Newcastle's vision as enshrined in the IDP.

The purpose of the 2022/22 budget is to comply with the Municipal Finance Management Act (No. 56 of 2003) and is a financial plan to enable the municipality to achieve its vision and mission through the IDP which is informed by our five year programme and community/stakeholder inputs. The tabled budget is a start of a journey towards the final budget for approval. It will be followed by many processes both politically and administratively, amongst others, consultations with communities in the municipal area. In December 2021, budget

instructions were issued to departments by the Budget and Treasury Office. Staff budget requirements were also reviewed for budgetary purposes with an intense scrutiny of human resource needs and assessment of the critical vacancies.

A budget workshop was held during January 2022 with extended management committee and in March 2022 with the members of the Executive Committee of Council, which focused on the state of financial affairs, limited resources and how the budget will be allocated to departments. The workshop further dealt with past performance trends of operating budget and capital budget, identified budget approach going forward and set the criteria and basis to be used in the appropriating financial resources amongst municipality's functions during budget processes. Budget meetings were also held with various departments and the Management Committees to provide detailed clarity on the budget preparation. At these meetings, budget strategy, budget policies and the alignment of the budget with the IDP were discussed. The IDP's strategic focus areas informed the development of the budget, in addition to assessing the relative capacity to implement the budget, taking affordability considerations into account.

2.1.2 POLITICAL OVERSIGHT OF THE BUDGET PROCESS

The key to strengthening the link between priorities and spending plans lies in enhancing political oversight of the budget process. Strengthening the link between Government's priorities and spending plans is not an end in itself, but the goal should be enhanced service delivery aimed at improving the quality of life for all people within the municipality. Section 53(1) (a) of the MFMA, states that, the mayor of a municipality must provide political guidance over the budget process and the priorities that must guide the preparation of the budget. The Management Committee and the Executive Committee will use the budget process to advise Council accordingly in this regard. Political oversight of the budget process allows government, and in particular, the municipality to manage the tensions between competing policy priorities and fiscal realities.

2.1.3 PROCESS FOR CONSULTATIONS WITH EACH GROUP OF STAKEHOLDERS AND OUTCOMES

Local government policy and legislation put great emphasis on municipalities developing a culture of community participation and the creation of appropriate and relevant community participation mechanisms, processes and procedures. The municipality prides itself of enjoying the reputation

of actively engaging many of its citizens as possible in its planning, budgeting, implementation and monitoring processes. In order to strengthen public participation, the municipality will be rolling out its budget programme to all wards in the municipal area, during the year.

The municipality will be conducting the public consultation meetings with the local communities, in order to engage on the draft budget. The consultation process will also include the radio, newspaper platforms with various stakeholders. Accordingly, the tabling of the draft Budget in council will be followed by the extensive publication of the budget documentation in the local newspapers, libraries, and all municipal public areas. Copies of the tabled budget in both electronic and printed formats will be submitted to National Treasury as well as the Kwazulu-Natal Provincial Treasury and the Provincial Department of Co-operative Governance and Traditional Affairs. The tabled budget will also be published on the council's website. In terms of the Municipal Systems Act and in conjunction with the Municipal Finance Management Act, hearings on the budgets are planned to take place physically prior to the final budget being adopted by council May 2021, where the Mayor will officially respond to budget submissions expected to be made by various stakeholders. The key target groups for the budget hearings will include:

- Ratepayers Association
- Newcastle Business Chambers;
- Farmers Association; and
- Political Parties

2.1.4 SCHEDULE OF KEY DEADLINES RELATING TO THE BUDGET PROCESS

The budget time schedule for the compilation of the 2022/23 budget cycle was tabled in August 2021, well before the start of the budget year and in compliance with the MFMA. The plan was accordingly implemented and reviewed where considered necessary to do so.

The following table reflect the activities and key deadlines that were included in the schedule.

DATE	ACTIVITY	RESPONSIBILITY
August 2021	• 10 months before start of the budget year: Tabling of time schedule outlining key deadlines to the municipal Council as per MFMA S21 (b). • mSCOA and Budget Steering Committee meets to discuss new mSCOA requirements • Roll over process begins	Mayor/MM
September 2021	• Advertising of budget and IDP time schedule. • Conclude initial consultation and review policies, confirm priorities, identify other financial and non-financial parameters including government allocations, and the financial outlook in order to needs and to review fiscal strategies.	MM/CFO
October 2021	▪ Meeting with Mayor, Exco and Manco to discuss the strategic direction and objectives for the 2019/20 fiscal strategies and to discuss the budget preparation process of the budget framework to provide parameters and request budget inputs for 2019/2020. ▪ Compilation of Salary Budget. ▪ Assess impact on tariffs and charges. • Finalize inputs from bulk resource providers (NERSA, uThukela) and agree on proposed price increase. Submit all Budget related policies for review.	MM/BTO BTO
November 2021	▪ **Revenue assumptions** ▪ **Fixed cost projections** ▪ Preparation of budget guidelines • Submission of guidelines to portfolio for comments Submission of budget guidelines to EXCO for approval	BTO/HR
December 2021	• Submission of budget guidelines to Departments(First week) • Departmental visit to departments (second week December) • Budget will be captured on the financial system	BTO
January 2022	• Preparation of Mid-year Review • Mid-year submitted to portfolio, EXCO & Council (before 25 January) • Review the proposed National and Provincial allocations for incorporation into the draft budget. • Report back on progress with Budget inputs.	BTO/MANCO
February 2022	• Finalize detailed operational and capital budget, finalize all budget related policies. • **Budget/IDP Strategic Workshop** to discuss budget	Extended MANCO and EXCO

DATE	ACTIVITY	RESPONSIBILITY
	inputs, link capital and operational plans to the IDP, and determine proposed tariffs. • Link all IDP projects to budget & PMS	
March 2022	**Budget Workshop:** • Discussion of budget inputs, link capital and operational plans to IDP and determine proposed tariffs. • Validation of budget on the financial system	EXCO MANCO
March 2022	**Draft Budget:** • 90 days before the start of the budget year, Council must consider approval of the draft budget. • Submit the draft multi-term operational and capital budget and all budget related policies for approval. • Submission of approved budget both printed and electronically to COGTA, National and Provincial Treasury. • Make public notice in terms of S22, 75 of the MFMA and 21A of the Municipal Systems Act.	MAYOR, MM, CFO
April 2022	**Public Consultation Process:** ▪ Public Consultation on draft budget throughout the municipality in terms of Chapter 4 of the Municipal Systems Act. ▪ Engagement with Provincial Treasury to discuss draft budget	MAYOR EXCO MM CFO
May 2022	**Respond to Public Comments in terms of S23 of the MFMA.** • Response to public comments and sector comments. Incorporate recommendations into draft budget. • Bilateral engagement with Provincial Treasury.	MAYOR BTO MM
May 2022	**Approval of Final Budget – MFMA S24.** • Approve the final multi-term operational and capital budget together with the adoption of resolutions that may be necessary.	COUNCIL
June 2022	**Publication of Annual Budget.** • Submission of the approved budget printed and electronically to COGTA, National and Provincial Treasury, S22(b). • Make public notice in terms of S22(a), 75 of the MFMA and 21A of the Municipal Systems Act. • Validation of budget on the financial system. • Submission of locking certificate in terms of S74(1) of the MFMA.	MM BTO

2.2. OVERVIEW ALIGNEMENT OFANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

The municipality's Integrated Development Plan (IDP) is its principal strategic planning instrument, which guides and informs its on-going planning, management and development actions. The IDP represents the municipality's administration's commitment to exercise its executive authority (except in cases where it is in conflict with national or provincial legislation, in which case such legislation prevails), and is effectively the local government's blueprint by which it strives to realise its vision for Newcastle in the short, medium and long term. However, while the IDP represents the strategic intent of the municipality, it is also compiled with the understanding that a number of challenges will need to be overcome in order to achieve the strategic objectives it sets out. Some of these challenges are known, while others are as yet unknown and may arise at any time due to any number of local, national and international economic, political or social events.

2.2.1 KEY NATIONAL AND PROVINCIAL GUIDING DOCUMENTS

To ensure that the municipality is a more responsive, efficient, effective and accountable local government, we will outline, precisely how we intend to translate our long term 2035 Municipality Vision into an effective plan that aligns the municipal budgets, monitoring and evaluating mechanisms as well as timeframes for delivery. The municipality has taken the strategic direction to achieve closer alignment between the Long Term Development objectives and its IDP. The development of the strategic approach for the municipality is guided by – but not limited to – the following;

National Development Plan (Vision 2030)

The intention of this plan is to improve service delivery for citizens of South Africa, whilst integrating national, provincial and local policies and programmes into a single, target orientated and long term based plan. In this plan a collective approach of improving the lives of the citizens is applied, and communities themselves have a role to play in this regard. The Spatial component of the NDP which is the Integrated Urban Development Framework provides a macro spatial context for urban development at a national level.

Delivery Agreement Outcome 9

The aim of Delivery Agreement: Outcome 9 is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society. Whilst primarily there is a reporting line to Outcome 9, the municipality also reports on Outcome 8 which concentrates on human settlements.

National Priorities: SONA (State of the Nations Address 2022)

The State of the Nation address for the 2021 confirmed the President Cyril Ramaphosa's commitment to fight the spread of Covid-19 pandemic and improve the economy of the country which has been hit by the impact of the pandemic. The President admitted that the country is facing serious challenges but said action was being taken to address them. The following are some key points from the State of Nation Address:

- Defeating Covid-19 Pandemic – economic relief packages;
- Economic reconstruction and recovery planning – Infrastructure development;
- Economic reconstruction and recovery planning – Industrialisation and local production;
- Economic reconstruction and recovery planning – Energy security;
- Economic reconstruction and recovery planning – Employment stimulus;
- Strengthening economic reforms: State –owned enterprises
- Strengthening economic reforms: Building a capable state;
- Strengthening economic reforms: State –owned enterprises
- Fighting crime and corruption by giving focus to Gender Based Violence;

Towards an Integrated Urban Development Framework

A key objective of government is to facilitate economic growth, job creation and reduce poverty and income inequality. The framework for integrated urban development is a key governmental initiative to realise this objective because it leverages the potential of our cities and towns, which are South Africa's engines of growth and job creation. Urban areas offer the advantages of economic concentration, connectivity to global markets, the availability of new technologies and the reality of knowledge economies. Given the challenges that urban areas face, there is a need to forge a sustainable growth vision for our urban and rural spaces that will guide our development priorities and choices. As such the framework begins to identify key levers.

Provincial Priorities (State of the Province Address 2022)

The Premier, Honourable Sihle Zikalala, highlighted key intervention areas for the province that would influence the IDP for municipalities. In the SOPA the alignment of the IDP, PGDS and the NDP were stressed. In the speech the KZN Premier listed the priority Interventions which remain the foundation of the Provincial Growth and Development Plan. The Interventions are:

· Building a thriving economy and job creation;
· Industrialisation through Special Economic Zones;
· Promoting clothing and textile industry
· Harnessing export capacity;
· Promoting tourism growth and development;
· Promoting regional airports;
· Digital Hubs, ICT and innovation;
· Establishment of coastal smart cities to realise Vision 2030;
· Radical Economic Transformation through Operation Vula Programme;
· Radical Agrarian Socio-economic Transformation;
· Environmental sustainability;
· Re-igniting economic growth through infrastructure development;

The Premier also stressed on the alignment of all the above interventions with a view to create a progressive and a viable province aimed at achieving national strategies. The alignment of the provincial action plan with the President's State of the Nation Address remain the priority of the provincial government of KwaZulu Natal.

Provincial Growth and Development Strategy

In line with the National vision 2030, the Provincial Growth and developmental Strategy will ensure economic growth and improved quality of life in KwaZulu-Natal. An integrated service delivery mechanism will be applied by various stakeholders in an effort to create employment opportunities, skills enhancement, effective and efficient governance, human and community development, improved infrastructure and adequate utilization of spatial form. The PGDS is currently under review to ensure that the plan meets the objectives of the National Planning Commission as well as the SDG's.

Long Term Development Framework

Many town and cities around the world are competing with one another on the local global open market to become economically competitive and in doing so, are inadvertently creating unsustainable environments. Against this background then, it is clear that the municipality has indeed a direct role to play in the facilitation and management of long-term planning and development processes that consider the issue of sustainability.

2.2.2 DEVELOPMENT CHALLENGES

Significant strides have been made to address the key development challenges in the municipality. While significant progress has been made in all areas, there is still some distance to go towards addressing the following challenges:

- High rates of unemployment and low economic growth;
- High levels of poverty;
- Low levels of skills development and literacy;
- Limited access to basic household and community services;
- Increased incidents of HIV/AIDS and communicable diseases;
- Unsustainable developmental practises;
- Ensuring adequate energy and water supply;
- Infrastructure degradation;
- Ensuring financial sustainability;
- Ineffectiveness and inefficiency of inward-looking local government still prevalent in the municipality.

The essence of the Newcastle Municipality's IDP is to achieve a balance between meeting basic needs, strengthening the economy and developing people skills and a technology base for the future.

2.2.3 MUNICIPAL STRATEGIC PRIORITY AREAS

In order to achieve our vision and to address the development challenges, there are a number of key strategic priority areas which need to be taken into consideration. These priorities lead to the creation of structures which support, house and associate other actions and activities – the building blocks around which actions and prioritisation take place. It also acts as a point of leverage for creating a sustainable municipality that is caring and liveable.

2.2.4 POLITICAL PRIORITIES AND LINKAGES TO THE IDP

The IDP is an all-encompassing plan which provides the framework for development within a municipality. It aims to co-ordinate the work of local and other spheres of government in coherent plans to improve the quality of life for all the people living in the area. All operating and capital programs in the 2022/23 medium-term budget have been assessed through a prioritisation mechanism that was developed to ensure that there is alignment to the development strategy of the municipality. The IDP formed the basis of the priorities identified in the strategic plan and all resources are focused on the achievement of the priorities. The Mayor, Ward councillors, ward committees, and the full council full an active part in the community based planning and ensuring that budget takes to the priorities of the IDP.

2.2.5 IDP OVERVIEW

The Municipal Systems Act requires that each Municipality prepare an Integrated Development Plan to serve as a tool for transforming local governments towards facilitation and management of development within their areas of jurisdiction. The IDP is a five year plan whose principal purpose is to ensure the development of the local community in an integrated manner which involves strategic business units within the municipality, relevant strategic stakeholders and the community. This draft IDP marks the new 4th generation of the five years period of the new Council which occupied office in August 2016.

2.2.6 IDP PROCESS AND STAKEHOLDER PARTICPATION

The IDP is prepared every five years and reviewed yearly to inculcate a democratic approach to local governance by ensuring all stakeholders get an opportunity to voice their opinions in influencing the shape, form, direction and pace of development in their localities. The municipality is committed to addressing the needs of the people and values the inputs from communities and stakeholders. The IDP draft process plan for 2022/2023 was presented to the Executive Committee and is included in the draft IDP for consideration. The plan specified timeframes, actions and procedures and appropriate mechanisms for public participation and alignment.

The fifth generation of Newcastle's Integrated Development Plan (IDP) was initiated in 2021 and seeks to address community needs and how the municipality will achieve same over the next five

years. As set out in the Municipal Systems Act (2000), a stakeholder consultation process is necessary. Of critical importance is for the municipality to ensure that there is thorough consultation with the community and strategic stakeholders. The review of the five year plan in 2021/22 has provided further opportunity for the citizens to actively participate in the development of the IDP.

2.2.7 LINK BETWEEN THE IDP AND THE BUDGET

In compliance with the Municipal Structures Act (1998) and Municipal Financial Management Act (2003), our municipal budget is informed and aligned to the IDP objectives. The IDP determines and prioritises the needs of the community. The budgetary allocations for both the capital and operating expenditure are undertaken in a manner that will not only ensure that our IDP outcomes are achieved but also to ensure that our municipality's 2035 vision is realised. The 2022/23 Annual Budget has therefore been directly informed by the revised 4th generation IDP process.

We have come a long way in capital budgeting – away from departmental budgeting. Based on such nationally developed models, the municipality is able to link its budget with its programmes, and is able to adequately spread its capital budget geographically as well in accordance with the IDP. In terms of the operating budget we have made excellent progress but are now more committed than ever to ensure that critical operating budget resources are prioritised in terms of stated IDP outcomes. More importantly, the Performance Management System (PMS) allows the municipality an opportunity to monitor and evaluate organisational performance in meeting our IDP outcomes and vision. As with previous year's, our IDP remains the strategic driver of both our budget and performance management system.

2.3. MEASURABLE PERFORMANCE OBJECTIVES

2.3.1 KEY FINANCIAL RATIOS / INDICATORS

The benchmarks reflected in the table below are based on the actual audited results of the municipality for the 2020/21 financial year:

Financial Benchmark	Basis of calculation	2019/2020
Debt to Asset Ratio	Total debt / Total Assets	0,050
Debt to Revenue	Total debt / Total Income	19.3%
Average Interest Paid on Debt	Interest Paid / Total Interest Bearing Debt	16.5%
Capital Charges to Operating Expenditure	Interest and Principal Paid / Operating Expenditure	21.0%
Interest as a % of Operating Expenditure	Interest Paid / Operating Expenditure	2.9%
Current Ratio	Current Assets / Current Liabilities	0.84
Creditors System Efficiency	% of Creditors paid within terms	75%
Electricity Distribution Losses	Total units purchased less units sold / Total units purchased	8%
Water Distribution Losses	Total units purchased less units sold / Total units purchased	34%

The financial benchmarks reflected in the table indicate a favourable financial state, however, one needs to indicate that the bulk of assets of the municipality include Property Plant and Equipment, as well as consumer debtors, which the municipality is struggling to convert into liquid cash.

Debt to Asset Ratio:

The ratio indicate the leverage ratio that defines the total amount of debt to assets. The ratio of 0.050 indicates the ability of council total debtors to cover for total liabilities.

Debt to Revenue:

The ratio indicate the extent of total borrowings in relation to total operating revenue. The purpose of to provide assurance that sufficient revenue will be generated to repay liabilities.

Capital charges to Operating Expenditure:

Capital charges to operating expenditure (the measure of cost of borrowing in relation to the operating expenditure) compares unfavourably to the acceptable norm of around 9%.

Current ratio:

This ratio measures the short-term liquidity, that is, the extent to which the current liabilities can be paid from the current assets. The higher the ratio, the healthier is the situation. The ratio of 0.84 : 1 is below the norm of 1.5 and indicates that the municipality's current assets are not adequate to cover for short term liabilities. This is a clear indication that the municipality facing serious cash-flow challenges.

2.3.2 FREE AND SUBSIDISED BASIC SERVICES

Municipalities play central role in supporting economic development and alleviating poverty. The provision of basic services is a critical input to social well-being and economic activity. Newcastle Municipality comprises both rural and urban areas as well as wide spread of income groups. Due to variation in living environment, the municipal area has a number of households who currently do not have access to all services.

The basic social package is an affirmation of the municipality's commitment to push back the frontiers of poverty by providing a social welfare to those residents who cannot afford to pay, because of adverse social and economic realities. The social package will also assist the municipality in meeting its constitutional obligations. The estimated cost of social package amounts to R65.6 million for the 2022/23 budget year.

Details of initiatives carried out by Newcastle Council in this regard are detailed below:

Service	Social Package	Million (R)
Assessment Rates	All residential property owners are exempt from paying rates on the first R85,000 of the property value. Indigent residents will receive 100% rebates on rates.	99.5
Water	The first 6kl of water is free to all residents qualified as indigents in terms of the policy	18.3
Electricity	The first 50kwh of electricity is free to all residents qualified as indigents in terms of the policy	16.8
Refuse	Refuse is free to all residents qualified as indigents in terms of the policy	15.5
Sewer	Sewer is free to all residents qualified as indigents in terms of the policy	20.7
Indigent Support		**95.6**

The cost of indigent benefit to the tune of R95.6 million is funded from the equitable share provided by the National Government, which amount is based on the estimated ±8 000 number of indigents currently in the Indigent Register. The assistance to the qualifying households is regulated by Council budget related policies which are reviewed annually based on modelling the impacts of the tariffs on all residential properties. An additional R78.7 in respect of rates rebates will be funded internally by the municipality and will be recognised as revenue foregone in the 2022/23 budget.

2.4 OVERVIEW OF BUDGET RELATED POLICIES

The MFMA and the Municipal Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, to be updated on an annual basis. The main purpose of budget related policies is to govern and guide the budget process and inform the projections of the medium term budget.

2.4.1 APPROVED POLICIES

The following budget-related policies have been approved by Council and no amendments have been done:

- Petty Cash Policy
- Borrowing Policy
- Supply Chain Management Policy
- Budget Policy
- Cash and Investment Management Policy
- Short-term Insurance Policy
- Cost containment Policy
- Asset Management Policy
- Funding and Reserves Polity
- Loss Control Policy
- Virement Policy
- Rates policy

2.4.2 DRAFT POLICY AND POLICIES REVIEWD

The following policies have been amended and/or reviewed and attached with the budget for consideration.

- Tariff policy
- Indigents policy
- Debt write-off policy
- Credit Control and Debt Collection policy

2.4.3 RATES POLICY

As required in terms of section 5 of the MPRA, the Rates Policy has been reviewed for the 2022/23 financial year. The policy is to be amended with the current budget prior to implementation.

2.4.4 CREDIT CONTROL AND DEBT COLLECTION POLICY

The primary objective of the policy is to ensure that all monies due and payable to the municipality in respect of services are collected efficiently and promptly. As required in terms of sections 97 of the Municipal Systems Act, the credit control and debt collection policy for the 2020/2 financial year has been reviewed and is to be adopted with the current budget.

2.4.5 TARIFF POLICY

The Municipal Systems Act requires a municipality to have a Tariff Policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery, and which complies with the provisions of that Act, the MFMA and other legislation. Accordingly, a Tariff Policy which is attached with the budget for Council adoption. No amendments have been made to the Tariff Policy.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

Budget assumptions and parameters are determined in advance of the budget process to allow budgets to be constructed to support achievement of the long-term financial and strategic targets. The assumptions and principles applied in the development of this budget are mainly based upon the guidelines from National Treasury and other external bodies such as NERSA, SALGA, Government Departments and the major service providers. A number of assumptions that guide growth parameters have been built around the projected increase in the inflation (CPI), being 3.9% for the 2022/23 financial year.

OPERATIONAL BUDGET

The municipal fiscal environment is influenced by a variety of macroeconomic control measures. National Treasury determine the ceiling of year-on-year increases in the total operating budget, whilst NERSA regulates electricity tariff increases. Various government departments also effect municipal service delivery through the level of grants and subsidies.

The following key assumptions underpinned the preparation of the medium term budget. Revenue are projected to increase by the following percentages:

Revenue source	2021/2022	2022/2023	2023/2024
Property rates	6%	4.4%	4.4%
Electricity	7%	8.0%	9.0%
Water	6%	4.4%	4.5%
Sanitation	6%	4.4%	4.5%
Waste/Refuse	6%	4.4%	4.5%
General Sources of Revenue	6%	4.4%	4.5%

Over the years, the municipality has been increase tariffs for rates, service charges and sundry services for more than 7%. Guided by the National Treasury and the current economic climate, the tariffs for 2022/23 will be 6% for rates, water, sewer, refuse and sundry services. The tariff increase of 7% for electricity is based on the NERSA's bulk tariff increase guideline.

The projected increases in the expenditure items are as follows:

Revenue source	2021/2022	2022/2023	2023/2024
Employee related cost	4.8%	4.4%	4.5%
Electricity budget purchases	8.61%	8%	8.9%

The increase in employee related costs is based on the South African Local Government Bargaining Council multi-year wage agreement. The projected increases in the upper limits of councillors is based on the upper limits for the remuneration of councillors for the current financial year, and the 2% estimated increase during the 2022/23 financial year. The tariff increase of 8.61% is based on the NERSA's guideline on municipal tariffs increase for ESKOM bulk electricity purchases.

Expenditure in respect of repairs and maintenance has been increased by 4%. While it is acknowledged that the costs of providing such goods and services may be more or less than what is projected, the municipality will however employ stringent budget monitoring and control measures to ensure that the municipality operates with the approved budget on these items. Also, the municipality has been very effective in ensuring that expenditure is prioritised and reallocated on service delivery functions, such as the repairs and maintenance.

CAPITAL EXPENDITURE

The municipality's capital expenditure has been funded from a mix of government grants and internally generated funds. About R158.0 million is expected to be received from government grants and the balance of R12.9 million from internally funds. Based on DORA and the provincial gazette, it is expected that all grants appropriated in the medium term budget will made available by the National and Provincial governments. Where grants are withheld or additional grants made available during the budget year, such will be addressed by way of an adjustment budget. Internally generated funds is expected to be realised from refunds which will be claimed from the SARS capital VAT input as well as from the disposal of the municipal land or properties.

2.6 OVERVIEW OF FUNDING THE BUDGET

FISCAL OVERVIEW

Although the financial profile of the municipality is not healthy and liquid due to commitments from the previous financial years, the municipality has ensured that realistic revenues and affordable expenditure are projected in the medium term budget. This has been achieved through the following measures:

- Adequate revenue and collection rates to ensure that normal operations are funded (Funded Table A7).
- Measures will be put in place to ensure that the municipality operates within the budget as approved by Council. There is no intention to incur unauthorised expenditure.
- The municipality will ensure that it strives to develop and maintain a positive cash and investment position (cash and cash equivalents).
- Budget Funding Plan will approved with the budget to ensure that the municipality moves towards a funded position over time.

FUNDING OF CAPITAL BUDGET

The capital budget is funded mainly from allocations to be made to the municipality by National and Provincial governments in the form of grants, as well a minor portion to be generated internally. No external loans will be taken by the municipality to fund its capital programme. Furthermore, no reserves are available or earmarked for the purpose of funding the capital budget.

The municipality has appropriated R158.0 million from grant receipts to fund the capital budget, both from National and Provincial Governments. This amount is made up of MIG, WSIG, NDPG as well as provincial allocations from the Departments of Sports and Recreation. R12.9 million worth of projects will be funded from internal funds to be generated through Vat refunded on conditional grants as per Circular 58 of the MFMA, and the sale of municipal properties.

FUNDING OF OPERATING BUDGET

Funding of operational budget is achieved through various sources of revenue, the major ones being service charges of electricity, water, sanitation, refuse, property rates as well as grants and subsidies

from National and Provincial governments. The municipality is expecting to collect R269.4 million from property rates, R974.7 million from services charges, R1.145 billion from operating grants, R2.4 million from interest income, R29.8 million from other revenue. These receipts will assist with the payment of expenditure which is expected to be incurred during 2022/23. This amount is also expected to assist with the payment of the outstanding Eskom debt and capital loan repayment of R98.6 million and R35.7 million respectively. The municipality is also planning to make provision for the unspent condition grant (R24.3 million), Housing Development Fund (R28.3 million) and Leave provision (R10.1 million).

COLLECTION RATES FOR EACH REVENUE SOURCE

In accordance with the relevant legislation and national directives, the municipality's projected revenue collection rates as based on realistic and sustainable trends. The rate of revenue collection is the cash collected from consumers expressed as the percentage of the amount billed.

The average collection rates for 2022/23 have been projected as follows:

Revenue Source	**Average 2020/2021**
Property rates	85.0%
Electricity	98.0%
Water	60.0%
Sewer	60.0%
Refuse	60.0%

The total average collection rate is projected at an average of at least 89% and is based on the combination of actual collection rates achieved to date, and is the estimated outcome for the current financial period. The intervention of council through the intensive scheme and the consumer outreach programmes which are aimed at encouraging and building the culture of payment of services is expected to improve the payment factor by even a larger margin than currently projected.

The credit control measure of service disconnection is being applied on consumers whose electricity is supplied by the municipality. A programme of water meter testing is currently underway in order to identify unmetered water supply and encourage the payment of services. By and large, these are areas from which a substantial and long overdue debtors of the municipality is being owed. The water meter testing programme is expected to improve the collection of outstanding debtors, and to

build a culture of payment. It will also assist the municipality to clean-up its indigent register by identifying those consumers who can and those who cannot afford to pay.

2.7 GRANT ALLOCATIONS AND PROGRAMMES

Municipalities play a critical role in furthering government's objective of providing services to all, while facilitating local economic development. Local government conditional grants are being reformed to provide targeted support to different types of municipalities.

The following are the projected grants allocations to the municipality in terms of the 2021 Division of Revenue Act have been included in the medium term budget.

National allocations

Grant Description	2022/23 Estimate	2023/24 Estimate	2023/24 Estimate
Equitable Share	466 902	500 292	537 7420
Finance Management Grant	1 850	1 850	1 850
Neighbourhood Development Partnership	20 000	20 000	15 000
Water Services Infrastructure Grant	48 000	50 000	50 700
Municipal Infrastructure Grant	129 141	135 086	141 410
Integrated National Electrification	0	8 000	11 494
Energy Efficiency and Demand side Management	0	0	0
Expanded Public Works Programme Incentive	3 753	0	0
Total National Allocations	**669 646**	**715 228**	**758 196**

Provincial allocations

Grant Description	2021/22 R'000	2022/23 R'000	2023/24 R'000
Housing	123 885	93 456	94 590
ISU Housing grant	478 733	172 279	172 279
Accredited Municipalities	5 439	5 439	5 439
Sports and recreation	11 000	10 097	20 000
Museum	449	476	476
Provincialisation of libraries	6 992	6 992	0
		2 595	2 595
Community Library Services Grant	2 595	0	0
Municipal Employment Initiative	2 000	0	0
Airport grant	3 000		
Total Provincial Allocations	**634 093**	**291 334**	**295 379**

2.8 ALLOCATIONS AND GRANTS MADE BY NEWCASTLE MUNICIPALITY

No grants will be paid by the municipality to other organs during the medium-term budget.

Please refer to tables A 21 of Schedule A.

2.9 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Please refer to tables SA22 and SA24 of Schedule A

2.10 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOWS (Table 15a)

Please refer to table SA25 to SA30 of Schedule A

2.11 ANNUAL BUDGET AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN – INTERNAL DEPARTMENTS

The SDBIP will be submitted separately.

.

2.12 ANNUAL BUDGET AND SERVICE DELIVERY AGREEMENTS – MUNICIPAL ENTITIES AND OTHER EXTERNAL MECHANISMS

Municipal Entities

The agreement in currently in force in the following brief details:

(a)	Name of Entity	: Uthukela Water (Pty) Ltd
(b)	Period of agreement	: 30 years
(c)	Service provided	: Water and sanitation
(d)	Expiry date	: 24 May 2034

The Entity is currently under Provincial Administration and being investigated in terms of section 78 of the Municipal Systems Management Act, 32 of 2000.

2.13 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework unless section 33 of the MFMA has been complied with.

In ensuring adherence to this time frame limitations, all reports submitted to either Bid Evaluation or Bid Adjudication Committees must obtain financial comments from the Budget and Treasury Office.

2.14 CAPITAL EXPENDITURE DETAILS

Please refer to Annexure A5 of Schedule A

2.15 LEGISLATION COMPLIANCE STATUS

DISCLOSURE ON IMPLEMENTATION OF MFMA AND OTHER LEGISLATION

Compliance with the MFMA implementation requirements has been substantially adhered to through the following activities:

BUDGET AND TREASURY OFFICE

The Budget and Treasury Office has been established in accordance with the MFMA.

BUDGET

This draft annual budget has been crafted taking into account MFMA, Municipal Budget and Reporting Regulations, and National Treasury circulars into account. Budgets are being tabled, adopted and submitted to National and Provincial Treasuries within the required legislative frameworks.

IN-YEAR MONITORING

100% compliance with regards to monthly, quarterly, mid-year and annual reports to Council, Provincial and National Treasuries.

IDP

The 2022/23 to 2024/25 Budget Process has been prepared to align with the Budget in accordance with the MFMA and the Municipal Systems Act requirements.

ANNUAL REPORT

The 2020/21 Annual Report has been developed taking into account the MFMA and National Treasury requirements. The report was be tabled to Council at the meeting held on 31 January 2022 and enter the public participation phase for comments immediately thereafter.

AUDIT COMMITTEE

The audit Committee, an independent external committee, provides an oversight function over the financial management and performance of the municipality.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The committee ensures that the administration and municipal entity are held accountable for their management of municipal funds and assets, and to ensure the efficient and effective utilisation of council resources.

MUNICIPAL STANDARD CHART OF ACCOUNTS

As all municipalities are required by National Treasury to be fully mSCOA compliant as of 01 July 2021, the municipality was 95% ready to comply with this requirement. The following is the progress on the implementation of mSCOA thus far:

- The mSCOA champion has been appointed
- Steering committee has been established
- Implementation Plan developed
- Proof of concept has been presented to NT
- Data clean-up issues has been identified and resolved
- Changes to chart are attended to on an on-going basis
- System are currently in the process of being integrated
- The municipality went live on 01 July 2017, but still cleaning up as per developments
- Projects has been identified and linked in terms of the IDP and the budget.
- The municipality is addressing issues integration of systems
- The municipality is addressing challenges on alignment between budget schedules and data strings.

2.16. ANNUAL BUDGET OF MUNICIPAL ENTITY ATTACHED TO THE MUNICIPALITY'S ANNUAL BUDGET

The budget of the Entity Uthukela Water has not yet been received for Council consideration. A provision of R146.7 million has however been made in the annual budget.

ANNEXURE B

High Level Operating Budget

OPERATIONAL DRAFT BUDGET 2022/23 -2024/25 MTREF

ANNEXURE B

ITEM LISTING	Adjusted Budget (2021/22)	YTD ACTUAL (18/03/2022)	DRAFT BUDGET 2022/23	CASHFLOW DRAFT 2022/23	BUDGET INCREASE	% Increase	% of Total Budget	DRAFT BUDGET 2023/24	DRAFT BUDGET 2024/25
REVENUE ITEMS									
0200: Property rates	- 362,426,238	- 238,288,343	- 359,245,832	- 269,434,374	3,180,406	-0.9%	13.3%	- 401,075,372	- 412,828,745
0300: Service charges - electricity revenue	- 726,407,135	- 479,722,619	- 742,521,471	- 727,671,042	- 16,114,336	2.2%	27.5%	- 839,436,085	- 923,379,694
0400: Service charges - water revenue	- 187,083,603	- 126,240,162	- 191,730,629	- 115,038,377	- 4,647,026	2.5%	7.1%	- 207,034,198	- 216,350,737
0500: Service charges - sanitation revenue	- 120,014,066	- 79,630,695	- 123,426,141	- 74,055,685	- 3,412,075	2.8%	4.6%	- 132,812,366	- 138,788,922
0600: Service charges - refuse revenue	- 99,017,292	- 65,641,320	- 96,674,924	- 58,004,955	2,342,368	-2.4%	3.6%	- 109,576,496	- 114,507,438
0800: Rental of facilities and equipment	- 8,916,743	- 5,861,294	- 9,451,748	- 9,451,748	- 535,005	6.0%	0.4%	- 9,867,624	- 10,311,668
0900: Interest earned - external investments	- 2,293,788	- 1,795,023	- 2,431,415	- 2,403,890	- 137,627	6.0%	0.1%	- 2,509,661	- 2,622,596
1000: Interest earned - outstanding debtors	- 4,246,536	- 2,801,789	- 4,501,328	-	- 254,792	6.0%	0.2%	- 4,610,719	- 4,818,201
1200: Fines, penalties and forfeits	- 3,943,758	- 3,041,677	- 4,180,383	- 836,077	- 236,625	6.0%	0.2%	- 4,364,320	- 6,328,265
1300: Licences and permits	- 41,433	- 31,926	- 43,919	- 43,919	- 2,486	6.0%	0.0%	- 45,852	- 47,915
1500: Transfers and subsidies	- 842,931,651	- 543,090,496	- 1,145,706,986	- 1,145,706,986	- 302,775,335	35.9%	42.4%	- 869,077,000	- 945,027,500
1600: Other revenue	- 18,384,423	- 8,457,839	- 19,487,488	- 19,487,488	- 1,103,065	6.0%	0.7%	- 20,344,938	- 21,260,460
1700: Revenue By Source/Gains	- 2,637,520	- 2,590,132	-	-	2,637,520	-100.0%	0.0%	-	-
TOTAL REVENUE	- 2,378,344,186	- 1,557,193,314	- 2,699,402,265	- 2,422,134,540	- 321,058,079	13.5%	100.0%	- 2,600,754,632	- 2,796,272,141
EXPENDITURE ITEMS									
2000: Employee related costs	572,674,209	379,527,001	601,652,651	601,652,651	28,978,442	5.1%	20.1%	628,125,368	669,720,235
2100: Remuneration of councillors	28,882,468	16,000,968	29,460,117	29,460,117	577,649	2.0%	1.0%	30,049,320	30,650,306
2200: Debt impairment	274,982,230	18,255,642	274,669,090	-	- 313,140	-0.1%	9.2%	286,754,530	299,658,484
2300: Depreciation and asset impairment	365,083,525	230,761,735	372,385,195	-	7,301,670	2.0%	12.4%	387,280,603	402,771,827
2400: Finance charges	39,754,198	26,158,817	35,845,953	35,845,953	- 3,908,245	-9.8%	1.2%	37,945,175	39,652,707
2500: Bulk purchases	557,137,890	309,535,584	605,107,462	605,107,462	47,969,572	8.6%	20.2%	659,567,134	725,523,847
2600: Other materials	139,578,252	80,275,177	153,188,322	153,188,322	13,610,070	9.8%	5.1%	160,716,394	169,315,161
2700: Contracted services	565,107,839	361,050,905	809,028,833	809,028,833	243,920,994	43.2%	27.0%	491,031,881	504,192,459
2900: Other expenditure	110,392,347	65,449,549	115,461,996	115,461,996	5,069,649	4.6%	3.9%	115,626,206	120,858,326
3000: Loss on disposal of PPE	659,462	658,462	-	-	- 659,462	-100.0%	0.0%	-	-
TOTAL EXPENDITURE	2,654,252,420	1,487,673,841	2,996,799,619	2,349,745,334	342,547,199	12.9%	100.0%	2,797,096,610	2,962,343,352
(SURPLUS)/DEFICIT	**275,908,234**	**- 69,519,473**	**297,397,354**	**- 72,389,206**	**21,489,120**	**7.8%**		**196,341,977**	**166,071,211**
3300: Revenue By Source / Transfers and subsidies	- 156,105,513	- 67,264,009	- 158,032,032	- 158,032,032	- 1,926,519			- 142,183,000	- 119,950,000
Grand Total	**- 156,105,513**	**- 67,264,009**	**- 158,032,032**	**- 158,032,032**	**- 1,926,519**			**- 142,183,000**	**- 119,950,000**
OPENING BALANCE				- 6,181,022	-				
PROCEEDS ON ASSETS DISPOSAL				-	-				
INCREASE/DECREASE IN CONSUMER DEPOSITS				-	-				
CAPITAL EXPENDITURE				170,933,032	-				
LOAN REDEMPTION				32,105,578	-				
VAT RECIEPTS				- 199,138,166	-				
VAT PAYMENTS				278,057,947	-				
VAT CONTROL ACCOUNT				- 124,059,211	-				
ESKOM DEBT AGREEMENT				98,600,000	-				
ADD ACCRUAL PAID CURRENT YEAR				113,893,956	-				
LESS CREDITORS TO BE PAID NEXT FY				- 139,671,289	-				
UTHUKELA WATER AGREEMENT									
A7 POSITION				**- 5,880,414**					

UNSPENT CONDITIONAL GRANTS				24,342,103	-				
STATUTORY REQUIREMENTS				43,489,149	-				
OTHER WORKING CAPITAL REQUIREMENTS				35,732,904	-				
OTHER PROVISIONS				10,112,186	-				
RESERVES TO BE CASH BACKED				28,426,289	-				
					-				
A8 FUNDING POSITION				**136,222,218**					

ANNEXURE C

Capital Budget

CAPITAL DRAFT BUDGET TEMPLATE 2022/23 TO 2024/25 MTREF

ANNEXURE C

DIRECTORATE DESCRIPTION	FINANCE SOURCE	PROJECT DESCRIPTION	WARD NUMBER	DRAFT BUDGET 22/23	DRAFT BUDGET 23/24	DRAFT BUDGET 24/25
CULTURE, RECREATION, AMENITIES	MUSEUM ART GALLERY GRANT	IT EQUIPMENT	25	20,000	-	-
CULTURE, RECREATION, AMENITIES	MUSEUM ART GALLERY GRANT	ART PURCHASES	25	100,000	-	-
CULTURE, RECREATION, AMENITIES	MUSEUM ART GALLERY GRANT	CARPORTS : ART GALLERY	25	50,000	-	-
CULTURE, RECREATION, AMENITIES	FORT AMIEL MUSEUM GRANT	AMPHITHEATHRE: FORT AMIEL	4	150,000	-	-
CULTURE, RECREATION, AMENITIES	FORT AMIEL MUSEUM GRANT	CONSTRUCTION OF ADMIN BUILDING	4	24,500	-	-
BUDGET AND TREASURY OFFICE	INTERNALLY FUNDED	IT EQUIPMENT		2,500,000	2,500,000	2,500,000
BUDGET AND TREASURY OFFICE	INTERNALLY FUNDED	FURNITURE EQUIPMENT		300,000	300,000	300,000
BUDGET AND TREASURY OFFICE	INTERNAL RESERVES	MACHINERY AND EQUIPMENT		100,000	100,000	100,000
INFRASTRUCTURE CIVIL	MIG - CAPEX	UPGRADE & REFURBISHMENT OF BULK SEWER PIPELINE FROM SIYAHLAL	25	10,000,000	24,759,650	3,700,000
INFRASTRUCTURE CIVIL	MIG - CAPEX	UPGRADE OF MA23,26 & 25	22	7,520,000	-	-
INFRASTRUCTURE CIVIL	MIG - CAPEX	CONSTRUCTION OF ME26 & ME27 ROADS	28	11,700,000	-	-
INFRASTRUCTURE CIVIL	MIG - CAPEX	CONSTRUCTION OF OB 1 LINK STORMWATER	12	2,000,000	-	-
INFRASTRUCTURE CIVIL	MIG	CONSTRUCTION OF OSIZWENI URBAN ACCESS ROAD PHASE 4	0	-	10,000,000	18,000,000
INFRASTRUCTURE CIVIL	MIG	CONSTRUCTION MADADENI URBAN ACCESS ROAD PH3	0	-	10,000,000	18,000,000
INFRASTRUCTURE CIVIL	MIG	CONSTRUCTION OF H39 BUS ROAD & STREETLIGHTS	19	-	-	-
INFRASTRUCTURE CIVIL	MIG - CAPEX	UPGRADE OF OC44, OC22	8	5,720,000	-	-
INFRASTRUCTURE CIVIL	MIG - CAPEX	UPGRADE OF MADADENI WASTE WATER TREATMENT	31	20,000,000	11,726,207	-
INFRASTRUCTURE CIVIL	MIG - CAPEX	BLAAUWBOSCH BULK WATER	6,12,15,16, 18	20,000,000	-	-
INFRASTRUCTURE CIVIL	MIG - CAPEX	PIPE REPLACEMENT AND UPGRADE PROJECT	TBA	16,647,532	26,000,000	20,000,000
INFRASTRUCTURE CIVIL	MIG - CAPEX	VILJOENPARK BULK WATER & SANITATION	34	13,000,000	29,400,144	25,000,000
INFRASTRUCTURE CIVIL	MIG - CAPEX	FURNITURE EQUIPMENT	N/A	100,000	200,000	250,000
INFRASTRUCTURE CIVIL	MIG:	CONSTRUCTION OF SPORT FACILITY- OLD CASINO (WARD 5)	5	11,000,000	10,097,000	20,000,000
INFRASTRUCTURE CIVIL	ASSET FINANCING RESERVE	RESEALING OF ROADS MADADENI	TBA	2,000,000	2,000,000	2,000,000
INFRASTRUCTURE CIVIL	ASSET FINANCING RESERVE	RESEALING OF ROADS OSIZWENI	TBA	2,000,000	2,000,000	2,000,000
INFRASTRUCTURE CIVIL	ASSET FINANCING RESERVE	RESEALING OF ROADS NEWCASTLE	TBA	4,000,000	4,000,000	4,000,000
INFRASTRUCTURE CIVIL	ASSET FINANCING RESERVE	RESEALING OF ROADS - RESIDENTIAL WEST	TBA	2,000,000	2,000,000	2,000,000
INFRASTRUCTURE CIVIL	WSOSG	NEWCASTLE EAST WATER MAINS EXTENSION	TBA	15,000,000	15,000,000	-
TOWN PLANNING	NDPG	JB ROAD 3	TBA	20,000,000	20,000,000	-
TOWN PLANNING	AIRPORT GRANT	REFURBISHMENT OF AIRPORT		3,000,000	-	-
TOWN PLANNING	HAWLKER STALLS	CONTRUCTION OF HAWLKER STALLS		2,000,000	-	-
		BR 10 LINK		1,000		
		TOTAL DRAFT CAPITAL BUDGET		**170,933,032**	**170,083,000**	**117,850,000**

ANNEXURE D

A Schedule Budget Tables

KZN252 Newcastle - Table A1 Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22				Budget Year +1 2022/23		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25
Financial Performance										
Property rates	287 110	319 656	348 822	362 426	362 426	362 426	362 426	359 246	401 075	412 829
Service charges	1 003 885	950 968	1 015 634	1 119 128	1-132 522	1 132 522	1 132 522	1 154 353	1 288 859	1 393 027
Investment revenue	4 961	2 690	2 373	2 296	2 294	2 294	2 294	2 431	2 510	2 623
Transfers recognised - operational	498 547	611 725	724 384	695 021	842 932	842 932	842 932	1 145 707	869 077	945 028
Other own revenue	48 384	53 667	40 040	35 371	38 170	38 170	38 170	37 665	39 233	42 767
Total Revenue (excluding capital transfers and contributions)	1 842 887	1 938 707	2 131 252	2 214 242	2 378 344	2 378 344	2 378 344	2 699 402	2 600 755	2 796 272
Employee costs	557 861	540 376	544 453	570 234	572 674	572 674	572 674	601 653	628 125	669 720
Remuneration of councillors	24 657	25 106	27 352	28 882	28 882	28 882	28 882	29 460	30 049	30 650
Depreciation & asset impairment	361 880	338 886	390 035	378 675	365 084	365 084	365 084	372 385	387 281	402 772
Finance charges	61 665	51 592	42 882	39 754	39 754	39 754	39 754	35 846	37 945	39 653
Materials and bulk purchases	530 186	526 370	632 410	693 252	696 716	696 716	696 716	758 296	820 284	894 839
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	469 721	567 261	758 576	778 133	951 142	951 142	951 142	1 199 160	893 413	924 709
Total Expenditure	2 005 971	2 049 591	2 395 707	2 488 931	2 654 252	2 654 252	2 654 252	2 996 800	2 797 097	2 962 343
Surplus/(Deficit)	(163 084)	(110 884)	(264 455)	(274 689)	(275 908)	(275 908)	(275 908)	(297 397)	(196 342)	(166 071)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	127 639	76 576	108 904	121 377	156 106	156 106	156 106	158 032	142 183	119 950
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(35 445)	(34 308)	(155 551)	(153 312)	(119 803)	(119 803)	(119 803)	(139 365)	(54 159)	(46 121)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(35 445)	(34 308)	(155 551)	(153 312)	(119 803)	(119 803)	(119 803)	(139 365)	(54 159)	(46 121)
Capital expenditure & funds sources										
Capital expenditure	158 893	105 605	150 390	145 393	185 393	185 393	185 393	170 933	170 083	117 850
Transfers recognised - capital	127 639	76 576	108 904	121 377	156 105	156 105	156 105	158 032	157 183	104 950
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	31 254	29 029	41 486	24 016	29 289	29 289	29 289	12 901	12 900	12 900
Total sources of capital funds	158 893	105 605	150 390	145 393	185 393	185 393	185 393	170 933	170 083	117 850
Financial position										
Total current assets	804 211	908 359	600 944	652 375	646 675	646 675	646 675	646 374	700 674	882 047
Total non current assets	7 186 662	7 175 844	7 241 364	6 982 268	6 982 268	6 982 268	6 982 268	6 982 268	7 261 558	7 552 021
Total current liabilities	858 485	978 251	515 385	735 824	741 635	741 635	741 635	872 626	861 182	945 661
Total non current liabilities	559 614	566 829	791 498	743 344	548 117	548 117	548 117	593 962	617 721	642 430
Community wealth/Equity	6 572 774	6 539 123	6 535 425	6 155 475	6 339 190	6 339 190	6 339 190	6 162 053	6 483 330	6 845 976
Cash flows										
Net cash from (used) operating	120 217	152 459	123 839	158 959	202 958	202 958	202 958	202 738	232 846	307 734
Net cash from (used) investing	(158 893)	(101 042)	(132 390)	(134 393)	(174 393)	(174 393)	(174 393)	(170 933)	(170 083)	(117 850)
Net cash from (used) financing	(9 064)	(25 871)	(26 757)	(31 884)	(31 884)	(31 884)	(31 884)	(32 106)	(34 082)	(35 156)
Cash/cash equivalents at the year end	9 724	35 546	936	8 667	6 181	6 181	6 181	5 880	34 561	189 289
Cash backing/surplus reconciliation										
Cash and investments available	9 724	35 545	936	8 667	6 181	6 181	6 181	5 880	34 561	189 289
Application of cash and investments	127 909	32 365	12 302	157 557	148 646	148 646	148 646	142 103	142 911	118 403
Balance - surplus (shortfall)	(118 185)	3 180	(11 366)	(148 890)	(142 465)	(142 465)	(142 465)	(136 223)	(108 350)	70 886
Asset management										
Asset register summary (WDV)	21 460 671	22 228 652	6 638 512	6 982 268	6 210 643	6 210 643	6 210 643	6 459 069	6 717 431	6 986 129
Depreciation	361 880	338 886	390 035	378 675	365 084	365 084	365 084	372 385	387 280	402 772
Renewal and Upgrading of Existing Assets	72 583	47 035	51 140	74 623	115 314	115 314	115 314	105 648	131 983	78 700
Repairs and Maintenance	85 873	73 296	30 685	86 495	78 829	78 829	78 829	83 007	63 658	72 491
Free services										
Cost of Free Basic Services provided	37 450	37 450	44 703	49 614	45 157	45 157	74 829	74 829	50 406	53 238
Revenue cost of free services provided	22 463	71 861	76 194	79 176	79 176	79 176	99 565	99 565	87 619	97 857
Households below minimum service level										
Water:	8	290	307	–	–	–	–	–	–	–
Sanitation/sewerage:	27	29	35	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	71	31	31	31	31	32	32	33	35

KZN252 Newcastle - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			Budget Year +1 2022/23		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25
Revenue - Functional										
Governance and administration		**409 524**	**435 104**	**535 705**	**482 062**	**484 385**	**484 385**	**510 086**	**589 155**	**578 588**
Executive and council		14 638	8 859	7 149	7 046	13 647	13 647	11 667	11 929	12 301
Finance and administration		394 886	426 246	528 556	475 016	470 738	470 738	498 419	577 226	566 287
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**56 195**	**106 328**	**204 643**	**229 414**	**390 530**	**390 530**	**640 739**	**303 801**	**317 470**
Community and social services		35 506	12 704	12 903	13 250	14 475	14 475	13 877	14 382	14 916
Sport and recreation		1 127	410	697	11 724	11 132	11 132	11 139	10 243	20 152
Public safety		8 524	10 596	9 676	3 214	3 903	3 903	4 138	4 320	6 243
Housing		11 011	82 579	181 306	201 163	361 016	361 016	611 581	274 853	276 152
Health		27	39	61	63	4	4	4	4	6
Economic and environmental services		**145 344**	**180 902**	**136 126**	**130 284**	**142 356**	**142 356**	**168 204**	**169 602**	**171 411**
Planning and development		26 161	18 647	100 860	11 102	134 316	134 316	39 063	34 516	30 001
Road transport		119 183	162 256	35 266	119 182	8 040	8 040	129 141	135 086	141 410
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**1 359 319**	**1 292 795**	**1 363 516**	**1 493 686**	**1 517 005**	**1 517 005**	**1 538 221**	**1 680 187**	**1 848 551**
Energy sources		708 486	655 124	702 391	806 767	822 980	822 980	824 964	930 604	1 078 043
Water management		328 148	309 037	269 215	318 574	311 775	311 775	330 465	346 038	356 056
Waste water management		200 996	209 851	259 788	231 907	241 210	241 210	242 897	251 074	257 045
Waste management		121 688	118 782	132 122	136 438	141 040	141 040	139 894	152 471	157 406
Other	4	**144**	**154**	**167**	**173**	**174**	**174**	**184**	**193**	**201**
Total Revenue - Functional	2	**1 970 526**	**2 015 283**	**2 240 157**	**2 335 619**	**2 534 450**	**2 534 450**	**2 857 434**	**2 742 938**	**2 916 222**
Expenditure - Functional										
Governance and administration		**430 746**	**392 249**	**464 026**	**412 892**	**463 170**	**463 170**	**467 446**	**474 477**	**497 144**
Executive and council		80 413	65 659	80 202	81 428	95 154	95 154	99 368	101 908	105 931
Finance and administration		350 334	325 857	377 080	324 629	367 278	367 278	367 328	371 790	390 395
Internal audit		–	733	6 744	6 835	737	737	750	779	818
Community and public safety		**226 089**	**266 880**	**314 205**	**363 201**	**517 110**	**517 110**	**792 231**	**499 506**	**512 766**
Community and social services		29 949	27 069	33 738	39 395	42 032	42 032	43 129	45 306	47 949
Sport and recreation		74 762	67 072	75 287	81 049	71 745	71 745	73 339	75 325	78 607
Public safety		64 540	68 334	54 430	60 864	67 611	67 611	70 215	72 867	77 148
Housing		48 638	98 365	141 786	172 577	326 119	326 119	595 591	295 679	298 127
Health		8 201	6 040	8 963	9 315	9 603	9 603	9 956	10 329	10 936
Economic and environmental services		**267 781**	**304 847**	**294 890**	**290 015**	**271 605**	**271 605**	**278 581**	**284 975**	**295 720**
Planning and development		25 563	86 389	83 736	85 704	80 996	80 996	85 041	88 191	93 565
Road transport		242 218	218 450	211 144	204 303	190 601	190 601	193 533	196 778	202 149
Environmental protection		–	8	10	8	8	8	7	6	6
Trading services		**1 079 524**	**1 083 921**	**1 321 560**	**1 419 052**	**1 399 012**	**1 399 012**	**1 455 173**	**1 534 635**	**1 653 130**
Energy sources		610 157	552 417	638 592	701 055	705 018	705 018	742 466	806 065	880 528
Water management		381 588	408 372	546 519	615 329	595 992	595 992	608 635	631 654	658 785
Waste water management		14 306	56 658	99 798	63 720	55 661	55 661	60 542	51 990	66 598
Waste management		73 473	66 474	36 652	38 948	42 342	42 342	43 530	44 925	47 220
Other	4	**1 831**	**1 694**	**1 026**	**3 771**	**3 356**	**3 356**	**3 369**	**3 503**	**3 582**
Total Expenditure - Functional	3	**2 005 971**	**2 049 591**	**2 395 707**	**2 488 931**	**2 654 252**	**2 654 252**	**2 996 800**	**2 797 097**	**2 962 343**
Surplus/(Deficit) for the year		**(35 445)**	**(34 308)**	**(155 551)**	**(153 312)**	**(119 803)**	**(119 803)**	**(139 365)**	**(54 159)**	**(46 121)**

KZN252 Newcastle - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			Budget Year +1 2022/23		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25
Revenue by Vote	1									
Vote 1 - CORPORATE SERVICES		76 913	73 749	145 940	79 492	85 078	85 078	112 747	149 822	187 022
Vote 2 - COMMUNITY SERVICES		167 803	142 531	155 449	164 689	170 596	170 596	169 097	181 465	198 772
Vote 3 - BUDGET AND TREASURY		331 560	361 355	388 294	402 570	399 306	399 306	397 589	439 333	451 567
Vote 4 - MUNICIPAL MANAGER		1 050	–	1 500	–	–	–	–	–	–
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTL		37 316	101 380	202 900	209 490	381 375	381 375	647 031	305 763	302 554
Vote 6 - TECHNICAL SERVICES		647 397	681 144	643 683	672 611	675 115	675 115	706 256	735 952	758 265
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		708 486	655 124	702 391	806 767	822 980	822 980	824 714	930 604	1 018 043
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**1 970 526**	**2 015 283**	**2 240 157**	**2 335 619**	**2 534 450**	**2 534 450**	**2 857 434**	**2 742 938**	**2 916 222**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - CORPORATE SERVICES		133 300	121 205	148 052	146 849	102 856	102 856	105 002	107 795	111 872
Vote 2 - COMMUNITY SERVICES		306 831	287 455	254 095	252 079	298 538	298 538	306 164	317 560	334 097
Vote 3 - BUDGET AND TREASURY		163 707	139 996	171 711	165 010	192 008	192 008	192 074	192 256	202 589
Vote 4 - MUNICIPAL MANAGER		77 983	78 740	90 589	75 573	88 499	88 499	89 335	89 345	93 526
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTL		76 031	125 741	172 310	203 132	357 475	357 475	627 848	328 833	332 864
Vote 6 - TECHNICAL SERVICES		637 961	744 037	911 483	938 144	894 952	894 952	918 540	938 688	989 678
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		610 157	552 417	647 467	708 144	719 925	719 925	757 837	822 618	897 718
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**2 005 971**	**2 049 591**	**2 395 707**	**2 488 931**	**2 654 252**	**2 654 252**	**2 996 800**	**2 797 097**	**2 962 343**
Surplus/(Deficit) for the year	2	**(35 445)**	**(34 308)**	**(155 551)**	**(153 312)**	**(119 803)**	**(119 803)**	**(139 365)**	**(54 159)**	**(46 121)**

KZN252 Newcastle - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				Budget Year +1 2022/23		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25
Revenue By Source											
Property rates	2	287 110	319 656	348 822	362 426	362 426	362 426	362 426	359 246	401 075	412 829
Service charges - electricity revenue	2	630 194	581 207	619 100	710 188	726 407	726 407	726 407	742 521	839 436	923 380
Service charges - water revenue	2	176 507	178 594	187 535	193 910	187 084	187 084	187 084	191 731	207 034	216 351
Service charges - sanitation revenue	2	108 894	108 915	116 274	119 429	120 014	120 014	120 014	123 426	132 812	138 789
Service charges - refuse revenue	2	88 291	82 251	92 725	95 601	99 017	99 017	99 017	96 675	109 576	114 507
Rental of facilities and equipment		8 141	7 817	7 442	7 532	8 917	8 917	8 917	9 452	9 868	10 312
Interest earned - external investments		4 961	2 690	2 373	2 296	2 294	2 294	2 294	2 431	2 510	2 623
Interest earned - outstanding debtors		8 015	5 754	5 107	4 642	4 247	4 247	4 247	4 501	4 611	4 818
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		8 589	9 054	8 614	2 105	3 944	3 944	3 944	4 180	4 364	6 328
Licences and permits		12	8	15	105	41	41	41	44	46	48
Agency services		–	–	–	–	–	–				–
Transfers and subsidies		498 547	611 725	724 384	695 021	842 932	842 932	842 932	1 145 707	869 077	945 028
Other revenue	2	23 627	31 034	18 862	20 987	18 384	18 384	18 384	19 487	20 345	21 260
Gains						2 638	2 638	2 638	–	–	–
Total Revenue (excluding capital transfers and contributions)		**1 842 887**	**1 938 707**	**2 131 252**	**2 214 242**	**2 378 344**	**2 378 344**	**2 378 344**	**2 699 402**	**2 600 755**	**2 796 272**
Expenditure By Type											
Employee related costs	2	557 861	540 376	544 453	570 234	572 674	572 674	572 674	601 653	628 125	669 720
Remuneration of councillors		24 657	25 106	27 352	28 882	28 882	28 882	28 882	29 460	30 049	30 650
Debt impairment	3	89 608	137 893	253 000	283 536	274 982	274 982	274 982	274 669	286 755	299 658
Depreciation & asset impairment	2	361 880	338 886	390 035	378 675	365 084	365 084	365 084	372 385	387 281	402 772
Finance charges		61 665	51 592	42 882	39 754	39 754	39 754	39 754	35 846	37 945	39 653
Bulk purchases	2	524 211	524 253	499 675	557 138	557 138	557 138	557 138	605 107	659 567	725 524
Other materials	8	5 975	2 117	132 735	136 114	139 578	139 578	139 578	153 188	160 716	169 315
Contracted services		74 012	215 154	385 428	388 306	564 999	564 999	564 999	809 029	491 032	504 192
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	306 101	214 115	120 147	106 290	110 501	110 501	110 501	115 462	115 626	120 858
Losses			100	1	1	659	659	659			
Total Expenditure		**2 005 971**	**2 049 591**	**2 395 707**	**2 488 931**	**2 654 252**	**2 654 252**	**2 654 252**	**2 996 800**	**2 797 097**	**2 962 343**
Surplus/(Deficit)		**(163 084)**	**(110 884)**	**(264 455)**	**(274 689)**	**(275 908)**	**(275 908)**	**(275 908)**	**(297 397)**	**(196 342)**	**(166 071)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		127 639	76 576	108 904	121 377	156 106	156 106	156 106	158 032	142 183	119 950
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–									
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		**(35 445)**	**(34 308)**	**(155 551)**	**(153 312)**	**(119 803)**	**(119 803)**	**(119 803)**	**(139 365)**	**(54 159)**	**(46 121)**
Taxation											
Surplus/(Deficit) after taxation		**(35 445)**	**(34 308)**	**(155 551)**	**(153 312)**	**(119 803)**	**(119 803)**	**(119 803)**	**(139 365)**	**(54 159)**	**(46 121)**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		**(35 445)**	**(34 308)**	**(155 551)**	**(153 312)**	**(119 803)**	**(119 803)**	**(119 803)**	**(139 365)**	**(54 159)**	**(46 121)**
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		**(35 445)**	**(34 308)**	**(155 551)**	**(153 312)**	**(119 803)**	**(119 803)**	**(119 803)**	**(139 365)**	**(54 159)**	**(46 121)**

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				Budget Year +1 2022/23		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - CORPORATE SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 2 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 3 - BUDGET AND TREASURY		–	–	–	–	–	–	–	–	–	–
Vote 4 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTL		–	–	–	–	–	–	–	–	–	–
Vote 6 - TECHNICAL SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*	2										
Vote 1 - CORPORATE SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 2 - COMMUNITY SERVICES		6 858	1 964	5 970	–	13 812	13 812	13 812	11 345	10 097	20 000
Vote 3 - BUDGET AND TREASURY		1 329	360	2 904	1 200	2 066	2 066	2 066	2 900	2 900	2 900
Vote 4 - MUNICIPAL MANAGER		–	–	–	300	239	239	239	–	–	–
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTL		19 923	19 038	30 107	10 651	26 405	26 405	26 405	25 001	20 000	–
Vote 6 - TECHNICAL SERVICES		127 158	83 819	111 409	130 342	139 971	139 971	139 971	131 688	137 086	94 950
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		3 625	424	–	2 900	2 900	2 900	2 900	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		158 893	105 605	150 390	145 393	185 393	185 393	185 393	170 933	170 083	117 850
Total Capital Expenditure - Vote		158 893	105 605	150 390	145 393	185 393	185 393	185 393	170 933	170 083	117 850
Capital Expenditure - Functional											
Governance and administration		1 329	360	2 904	4 400	5 205	5 205	5 205	2 900	2 900	2 900
Executive and council		–	–	–	300	239	239	239	–	–	–
Finance and administration		1 329	360	2 904	4 100	4 966	4 966	4 966	2 900	2 900	2 900
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		6 902	1 719	7 554	11 035	13 637	13 637	13 637	11 345	10 097	20 000
Community and social services		4 147	861	3 927	–	1 490	1 490	1 490	345	–	–
Sport and recreation		2 711	230	196	11 000	11 098	11 098	11 098	11 000	10 097	20 000
Public safety		–	448	1 709	–	–	–	–	–	–	–
Housing		44	180	1 722	35	1 049	1 049	1 049	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		113 238	97 564	90 502	47 143	58 384	58 384	58 384	62 041	50 200	46 250
Planning and development		19 879	18 858	28 386	10 731	25 471	25 471	25 471	25 101	20 200	250
Road transport		93 360	78 706	62 116	36 412	32 913	32 913	32 913	36 940	30 000	46 000
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		37 424	5 962	49 431	82 815	108 167	108 167	108 167	94 648	106 886	48 700
Energy sources		3 625	424	–	–	–	–	–	–	–	–
Water management		33 799	5 113	21 988	46 707	64 577	64 577	64 577	64 648	70 400	45 000
Waste water management		–	425	27 305	36 109	42 366	42 366	42 366	30 000	36 486	3 700
Waste management		–	–	138	–	1 224	1 224	1 224	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	158 893	105 605	150 390	145 393	185 393	185 393	185 393	170 933	170 083	117 850
Funded by:											
National Government		108 854	76 576	108 538	110 342	132 942	132 942	132 942	141 688	147 086	84 950
Provincial Government		18 785	–	367	11 035	23 163	23 163	23 163	16 345	10 097	20 000
District Municipality		–									
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)											
Transfers recognised - capital	4	127 639	76 576	108 904	121 377	156 105	156 105	156 105	158 032	157 183	104 950
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		31 254	29 029	41 486	24 016	29 289	29 289	29 289	12 901	12 900	12 900
Total Capital Funding	7	158 893	105 605	150 390	145 393	185 393	185 393	185 393	170 933	170 083	117 850

KZN252 Newcastle - Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				Budget Year +1 2022/23		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year +1 2022/23	Budget Year +2 2023/24	Budget Year +3 2024/25
ASSETS											
Current assets											
Cash		4 688	–	936	8 667	390	390	390	390	406	422
Call investment deposits	1	5 036	35 545	–		5 791	5 791	5 791	5 490	34 155	188 867
Consumer debtors	1	680 874	617 310	549 655	535 943	544 148	544 148	544 148	544 148	565 914	588 550
Other debtors		99 348	241 621	36 838	92 771	81 351	81 351	81 351	81 351	84 605	87 990
Current portion of long-term receivables		2	0	1	–	–	–	–	–		
Inventory	2	14 264	13 883	13 514	14 995	14 995	14 995	14 995	14 995	15 594	16 218
Total current assets		**804 211**	**908 359**	**600 944**	**652 375**	**646 675**	**646 675**	**646 675**	**646 374**	**700 674**	**882 047**
Non current assets											
Long-term receivables		–	–	–	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–			
Investment property		281 223	355 564	355 564	341 874	341 874	341 874	341 874	341 874	355 549	369 771
Investment in Associate		275 279	234 928	234 928	217 333	217 333	217 333	217 333	217 333	226 027	235 068
Property, plant and equipment	3	6 615 669	6 573 347	6 638 512	6 410 126	6 410 126	6 410 126	6 410 126	6 410 126	6 666 531	6 933 192
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		3 003	517	690	1 224	1 224	1 224	1 224	1 224	1 273	1 324
Other non-current assets		11 488	11 488	11 670	11 711	11 711	11 711	11 711	11 711	12 179	12 667
Total non current assets		**7 186 662**	**7 175 844**	**7 241 364**	**6 982 268**	**6 982 268**	**6 982 268**	**6 982 268**	**6 982 268**	**7 261 558**	**7 552 021**
TOTAL ASSETS		**7 990 873**	**8 084 203**	**7 842 308**	**7 634 643**	**7 628 942**	**7 628 942**	**7 628 942**	**7 628 641**	**7 962 233**	**8 434 068**
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	25 598	12 149	28 757	15 118	15 118	15 118	15 118	15 118	15 722	16 351
Consumer deposits		23 587	24 493	24 914	27 095	27 095	27 095	27 095	27 095	28 179	29 306
Trade and other payables	4	780 456	932 941	451 962	683 859	689 671	689 671	689 671	820 661	807 139	889 457
Provisions		28 844	8 668	9 752	9 752	9 752	9 752	9 752	9 752	10 142	10 548
Total current liabilities		**858 485**	**978 251**	**515 385**	**735 824**	**741 635**	**741 635**	**741 635**	**872 626**	**861 182**	**945 661**
Non current liabilities											
Borrowing		401 232	389 630	584 012	540 880	345 654	345 654	345 654	548 117	570 042	592 844
Provisions		158 382	177 199	207 485	202 464	202 464	202 464	202 464	45 845	47 679	49 586
Total non current liabilities		**559 614**	**566 829**	**791 498**	**743 344**	**548 117**	**548 117**	**548 117**	**593 962**	**617 721**	**642 430**
TOTAL LIABILITIES		**1 418 099**	**1 545 080**	**1 306 883**	**1 479 168**	**1 289 752**	**1 289 752**	**1 289 752**	**1 466 588**	**1 478 903**	**1 588 091**
NET ASSETS	5	**6 572 774**	**6 539 123**	**6 535 425**	**6 155 475**	**6 339 190**	**6 339 190**	**6 339 190**	**6 162 053**	**6 483 330**	**6 845 976**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		6 544 255	6 510 091	6 505 984	6 125 401	6 313 348	6 313 348	6 313 348	6 133 174	6 453 296	6 814 741
Reserves	4	28 519	29 032	29 441	30 074	25 842	25 842	25 842	28 879	30 034	31 235
TOTAL COMMUNITY WEALTH/EQUITY	5	**6 572 774**	**6 539 123**	**6 535 425**	**6 155 475**	**6 339 190**	**6 339 190**	**6 339 190**	**6 162 053**	**6 483 330**	**6 845 976**

KZN252 Newcastle - Table A7 Budgeted Cash Flows

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				Budget Year +1 2022/23		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		216 435	247 108	262 868	271 820	271 820	271 820	271 820	269 434	300 807	308 487
Service charges		789 214	1 096 265	842 958	942 901	955 548	955 548	955 548	974 770	1 094 362	1 402 738
Other revenue		114 557	84 390	27 611	229 053	257 709	257 709	257 709	334 409	253 555	261 958
Transfers and Subsidies - Operational	1	395 172	535 551	701 384	695 021	828 432	828 432	828 432	1 145 707	869 077	945 028
Transfers and Subsidies - Capital	1	93 964	119 740	108 904	121 377	152 677	152 677	152 677	158 032	142 183	119 950
Interest		12 938	8 444	2 373	2 296	2 294	2 294	2 294	2 404	2 510	2 623
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(1 458 480)	(1 887 448)	(1 779 378)	(2 063 754)	(2 225 766)	(2 225 766)	(2 225 766)	(2 646 173)	(2 391 702)	(2 693 396)
Finance charges		(43 582)	(51 592)	(42 882)	(39 754)	(39 754)	(39 754)	(39 754)	(35 846)	(37 945)	(39 653)
Transfers and Grants	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**120 217**	**152 459**	**123 839**	**158 959**	**202 958**	**202 958**	**202 958**	**202 738**	**232 846**	**307 734**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				18 000	11 000	11 000	11 000	11 000	–	–	–
Decrease (increase) in non-current receivables		–	4 563	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(158 893)	(105 605)	(150 390)	(145 393)	(185 393)	(185 393)	(185 393)	(170 933)	(170 083)	(117 850)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(158 893)**	**(101 042)**	**(132 390)**	**(134 393)**	**(174 393)**	**(174 393)**	**(174 393)**	**(170 933)**	**(170 083)**	**(117 850)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	2 000	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		(9 064)	(25 871)	(28 757)	(31 884)	(31 884)	(31 884)	(31 884)	(32 106)	(34 082)	(35 156)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(9 064)**	**(25 871)**	**(26 757)**	**(31 884)**	**(31 884)**	**(31 884)**	**(31 884)**	**(32 106)**	**(34 082)**	**(35 156)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(47 741)**	**25 547**	**(35 308)**	**(7 318)**	**(3 319)**	**(3 319)**	**(3 319)**	**(301)**	**28 681**	**154 728**
Cash/cash equivalents at the year begin:	2	**57 465**	**9 999**	**36 244**	**15 985**	**9 500**	**9 500**	**9 500**	**6 181**	**5 880**	**34 561**
Cash/cash equivalents at the year end:	2	**9 724**	**35 546**	**936**	**8 667**	**6 181**	**6 181**	**6 181**	**5 880**	**34 561**	**189 289**

KZN252 Newcastle - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				Budget Year +1 2022/23		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year +1 2022/23	Budget Year +2 2022/23	Forecast 2023/24
Cash and investments available											
Cash/cash equivalents at the year end	1	9 724	35 546	936	8 667	6 181	6 181	6 181	5 880	34 561	189 289
Other current investments > 90 days		0	(1)	0	–	–	–	–	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**9 724**	**35 545**	**936**	**8 667**	**6 181**	**6 181**	**6 181**	**5 880**	**34 561**	**189 289**
Application of cash and investments											
Unspent conditional transfers		–	27 155	15 402	22 249	26 776	26 776	26 776	24 342	22 129	20 117
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2			(3 947)	47 876	45 229	45 229	45 229	43 489	41 816	41 816
Other working capital requirements	3	127 909	(20 256)	(36 744)	48 338	41 075	41 075	41 075	35 733	35 733	13 032
Other provisions			9 711	8 150	9 752	9 723	9 723	9 723	10 112	10 517	10 756
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5		15 754	29 441	29 341	25 842	25 842	25 842	28 426	32 716	32 682
Total Application of cash and investments:		**127 909**	**32 365**	**12 302**	**157 557**	**148 646**	**148 646**	**148 646**	**142 103**	**142 911**	**118 403**
Surplus(shortfall)		**(118 185)**	**3 180**	**(11 366)**	**(148 890)**	**(142 465)**	**(142 465)**	**(142 465)**	**(136 223)**	**(108 350)**	**70 886**

KZN252 Newcastle - Table A9 Asset Management

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			Budget Year +1 2022/23		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25
CAPITAL EXPENDITURE										
Total New Assets	1	86 310	58 569	99 250	70 770	70 080	70 080	65 286	38 100	39 150
Roads Infrastructure		37 699	52 695	60 068	23 170	33 956	33 956	24 941	20 000	36 000
Storm water Infrastructure		–	–	–	–	–	–	2 000	–	–
Electrical Infrastructure		3 625	–	–	2 184	–	–	–	–	–
Water Supply Infrastructure		13 707	1 469	17 000	4 758	27 000	27 000	35 000	15 000	–
Sanitation Infrastructure		5 943	–	1 050	36 109	1 109	1 109	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*60 975*	*54 164*	*78 117*	*66 220*	*62 065*	*62 065*	*61 941*	*35 000*	*36 000*
Community Facilities		23 948	861	11 704	–	3 038	3 038	345	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*23 948*	*861*	*11 704*	–	*3 038*	*3 038*	*345*	–	–
Heritage Assets		–	–	–	–	50	50	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	55	–	–	–	–	–	–	–
Investment properties		–	*55*	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	994	–	–	–	–	–	–
Intangible Assets		–	–	*994*	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		1 256	471	2 682	1 350	1 460	1 460	2 900	3 000	3 050
Machinery and Equipment		132	1 716	2 263	–	2 838	2 838	100	100	100
Transport Assets		–	–	2 990	3 200	628	628	–	–	–
Land		–	1 302	500	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	46 912	14 092	10 123	9 000	10 593	10 593	10 000	10 000	10 000
Roads Infrastructure		23 015	14 023	9 871	9 000	10 593	10 593	10 000	10 000	10 000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		23 897	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*46 912*	*14 023*	*9 871*	*9 000*	*10 593*	*10 593*	*10 000*	*10 000*	*10 000*
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	69	–	–	–	–	–	–	–
Other Assets		–	*69*	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	252	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–

Total Upgrading of Existing Assets	6	**25 671**	**32 943**	**41 018**	**65 623**	**104 720**	**104 720**	**95 648**	**121 983**	**68 700**
Roads Infrastructure		15 442	26 367	3 546	8 762	2 999	2 999	20 000	20 000	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	1 348	1 348	1 348	–	–	–
Water Supply Infrastructure		6 307	6 576	9 506	29 109	36 170	36 170	29 648	55 400	45 000
Sanitation Infrastructure		–	–	22 805	15 404	41 563	41 563	30 000	36 486	3 700
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***21 748***	***32 943***	***35 857***	***54 623***	***82 081***	***82 081***	***79 648***	***111 886***	***48 700***
Community Facilities		3 335	–	–	–	6 000	6 000	5 000	–	–
Sport and Recreation Facilities		561	–	44	11 000	11 000	11 000	11 000	10 097	20 000
Community Assets		***3 896***	–	***44***	***11 000***	***17 000***	***17 000***	***16 000***	***10 097***	***20 000***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	4 979	–	5 639	5 639	–	–	–
Housing		27	–	–	–	–	–	–	–	–
Other Assets		***27***	–	***4 979***	–	***5 639***	***5 639***	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	138	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	**158 893**	**105 605**	**150 390**	**145 393**	**185 393**	**185 393**	**170 933**	**170 083**	**117 850**
Roads Infrastructure		76 155	93 085	73 485	40 932	47 549	47 549	54 941	50 000	46 000
Storm water Infrastructure		–	–	–	–	–	–	2 000	–	–
Electrical Infrastructure		3 625	–	–	3 532	1 348	1 348	–	–	–
Water Supply Infrastructure		43 910	8 045	26 506	33 867	63 170	63 170	64 648	70 400	45 000
Sanitation Infrastructure		5 943	–	23 854	51 512	42 672	42 672	30 000	36 486	3 700
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***129 635***	***101 130***	***123 845***	***129 843***	***154 740***	***154 740***	***151 589***	***158 886***	***94 700***
Community Facilities		27 283	861	11 704	–	9 038	9 038	5 345	–	–
Sport and Recreation Facilities		561	–	44	11 000	11 000	11 000	11 000	10 097	20 000
Community Assets		***27 843***	***861***	***11 749***	***11 000***	***20 038***	***20 038***	***16 345***	***10 097***	***20 000***
Heritage Assets		–	–	–	–	50	50	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	55	–	–	–	–	–	–	–
Investment properties		–	55	–	–	–	–	–	–	–
Operational Buildings		–	–	4 979	–	5 639	5 639	–	–	–
Housing		27	69	–	–	–	–	–	–	–
Other Assets		***27***	***69***	***4 979***	–	***5 639***	***5 639***	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	994	–	–	–	–	–	–
Intangible Assets		–	–	***994***	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		1 256	471	2 682	1 350	1 460	1 460	2 900	3 000	3 050
Machinery and Equipment		132	1 716	2 401	–	2 838	2 838	100	100	100
Transport Assets		–	–	3 241	3 200	628	628	–	–	–
Land		–	1 302	500	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		**158 893**	**105 605**	**150 390**	**145 393**	**185 393**	**185 393**	**170 933**	**170 083**	**117 850**

ASSET REGISTER SUMMARY - PPE (WDV)	5	21 460 671	22 228 652	6 638 512	6 982 268	6 210 643	6 210 643	6 459 069	6 717 431	6 986 129
Roads Infrastructure		4 032 099	3 444 338	2 988 083	4 212 893	4 212 893	4 212 893	4 381 409	4 556 665	4 738 932
Storm water Infrastructure		80 404	365 832	387 781	387 781	387 781	387 781	403 293	419 424	436 201
Electrical Infrastructure		307 467	983 122	1 042 110	270 485	270 485	270 485	281 304	292 557	304 259
Water Supply Infrastructure		279 939	610 826	647 476	647 476	647 476	647 476	673 375	700 310	728 322
Sanitation Infrastructure		605 978	652 837	692 008	692 008	692 008	692 008	719 688	748 475	778 414
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	103 235	109 429						
Coastal Infrastructure		–								
Information and Communication Infrastructure		–								
Infrastructure		***5 305 887***	***6 160 190***	***5 866 887***	***6 210 643***	***6 210 643***	***6 210 643***	***6 459 069***	***6 717 431***	***6 986 129***
Community Assets		165 731	100 805	106 853	106 853					
Heritage Assets			11 488	12 177	12 177					
Investment properties		1 255 048	350 780	371 827	371 827					
Other Assets			214 928	227 823	227 823					
Biological or Cultivated Assets			–	–	–					
Intangible Assets			1 736	1 840	1 840					
Computer Equipment		7 507	–	–	–					
Furniture and Office Equipment			–	–	–					
Machinery and Equipment		7 275 523	7 595 646	–	–					
Transport Assets			–	–	–					
Land			48 212	51 104	51 104					
Zoo's, Marine and Non-biological Animals		7 450 976	7 744 868							
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	21 460 671	22 228 652	6 638 512	6 982 268	6 210 643	6 210 643	6 459 069	6 717 431	6 986 129
EXPENDITURE OTHER ITEMS		447 753	412 181	420 720	465 170	443 913	443 913	455 392	450 938	475 263
Depreciation	7	361 880	338 886	390 035	378 675	365 084	365 084	372 385	387 280	402 772
Repairs and Maintenance by Asset Class	3	85 873	73 296	30 685	86 495	78 829	78 829	83 007	63 658	72 491
Roads Infrastructure		752	822	948	4 466	5 042	5 042	4 697	3 609	3 280
Storm water Infrastructure		–	–	–	18 422	18 266	18 266	–	–	–
Electrical Infrastructure		12 436	8 807	5 788	7 231	7 231	7 231	9 433	6 837	6 215
Water Supply Infrastructure		16 429	10 966	10 877	11 466	12 022	12 022	10 750	9 936	9 033
Sanitation Infrastructure		32 014	41 901	2 868	27 383	19 758	19 758	23 011	12 622	25 311
Solid Waste Infrastructure		–	–	–	2 065	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	16 786	15 104	13 731
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***61 632***	***62 496***	***20 481***	***71 033***	***62 320***	***62 320***	***64 677***	***48 107***	***57 570***
Community Facilities		2 605	830	1 002	1 767	1 387	1 387	1 465	1 427	1 298
Sport and Recreation Facilities		208	166	298	298	295	295	268	272	248
Community Assets		***2 814***	***996***	***1 300***	***2 065***	***1 682***	***1 682***	***1 733***	***1 700***	***1 545***
Heritage Assets		43	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		9 519	–	–	3 367	3 266	3 266	3 678	2 646	2 405
Housing		–	177	233	1 052	806	806	679	666	606
Other Assets		***9 519***	***177***	***233***	***4 419***	***4 072***	***4 072***	***4 357***	***3 312***	***3 011***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		3 033	3 899	3 739	3 109	3 009	3 009	3 784	3 951	4 128
Intangible Assets		***3 033***	***3 899***	***3 739***	***3 109***	***3 009***	***3 009***	***3 784***	***3 951***	***4 128***
Computer Equipment		–	–	–	–	1 639	1 639	2 300	1 815	1 897
Furniture and Office Equipment		–	–	–	38	37	37	33	30	28
Machinery and Equipment		8 832	5 728	4 931	5 830	6 070	6 070	6 122	4 743	4 312
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		447 753	412 181	420 720	465 170	443 913	443 913	455 392	450 938	475 263
Renewal and upgrading of Existing Assets as % of total capex		*45,7%*	*44,5%*	*34,0%*	*51,3%*	*62,2%*	*62,2%*	*61,8%*	*77,6%*	*66,8%*
Renewal and upgrading of Existing Assets as % of deprecn		*20,1%*	*13,9%*	*13,1%*	*19,7%*	*31,6%*	*31,6%*	*28,4%*	*34,1%*	*19,5%*
R&M as a % of PPE		*1,3%*	*1,1%*	*0,5%*	*1,3%*	*1,2%*	*1,2%*	*1,3%*	*1,0%*	*1,0%*
Renewal and upgrading and R&M as a % of PPE		*1,0%*	*1,0%*	*1,0%*	*2,0%*	*3,0%*	*3,0%*	*3,0%*	*3,0%*	*2,0%*

KZN252 Newcastle - Table A10 Basic service delivery measurement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			Budget Year +1 2022/23		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25
Household service targets	1									
Water:										
Piped water inside dwelling		134 217	142 538	151 090	151 637	151 638	151 639	157 705	164 013	170 573
Piped water inside yard (but not in dwelling)		101 659	107 962	114 439	–	–	–	–	–	–
Using public tap (at least min.service level)	2	27 215	28 902	30 636	–	–	–	–	–	–
Other water supply (at least min.service level)	4	1 832	1 946	2 062	–	–	–	–	–	–
Minimum Service Level and Above sub-total		264 922	281 347	298 228	151 637	151 638	151 639	157 705	164 013	170 573
Using public tap (< min.service level)	3	–	281 347	298 228	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		7 767	8 249	8 744	–	–	–	–	–	–
Below Minimum Service Level sub-total		7 767	289 597	306 972	–	–	–	–	–	–
Total number of households	5	**272 690**	**570 944**	**605 201**	**151 637**	**151 638**	**151 639**	**157 705**	**164 013**	**170 573**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		170 094	180 640	215 145	217 003	217 003	217 003	225 683	234 710	244 099
Flush toilet (with septic tank)		5 429	5 766	6 867	1 300	1 300	1 300	1 352	1 406	1 462
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		39 064	41 485	49 410	–	–	–	–	–	–
Other toilet provisions (> min.service level)		12 683	13 470	16 043	–	–	–	–	–	–
Minimum Service Level and Above sub-total		227 270	241 361	287 465	218 303	218 303	218 303	227 035	236 117	245 561
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		27 474	29 177	34 751	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		27 474	29 177	34 751	–	–	–	–	–	–
Total number of households	5	**254 744**	**270 538**	**322 215**	**218 303**	**218 303**	**218 303**	**227 035**	**236 117**	**245 561**
Energy:										
Electricity (at least min.service level)		39 642	39 642	47 214	56 233	56 233	56 233	58 482	60 822	63 254
Electricity - prepaid (min.service level)		2 233	2 233	2 660	3 168	3 168	3 168	3 294	3 426	3 563
Minimum Service Level and Above sub-total		41 875	41 875	49 874	59 400	59 400	59 400	61 777	64 248	66 817
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**41 875**	**41 875**	**49 874**	**59 400**	**59 400**	**59 400**	**61 777**	**64 248**	**66 817**
Refuse:										
Removed at least once a week		59 199	70 910	59 199	59 199	59 199	59 199	61 567	64 030	66 591
Minimum Service Level and Above sub-total		59 199	70 910	59 199	59 199	59 199	59 199	61 567	64 030	66 591
Removed less frequently than once a week		–	70 910	2 066	2 066	2 066	2 066	2 149	2 235	2 324
Using communal refuse dump		–	–	1 451	1 451	1 451	1 451	1 509	1 569	1 632
Using own refuse dump		–	–	23 805	23 805	23 805	23 805	24 757	25 747	26 777
Other rubbish disposal		–	–	2 334	2 334	2 334	2 334	2 427	2 524	2 625
No rubbish disposal		–	–	1 024	1 024	1 024	1 024	1 065	1 108	1 152
Below Minimum Service Level sub-total		–	70 910	30 680	30 680	30 680	30 680	31 907	33 183	34 511
Total number of households	5	**59 199**	**141 820**	**89 879**	**89 879**	**89 879**	**89 879**	**93 474**	**97 213**	**101 102**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		8 000	9 000	9 139	9 139	9 139	9 139	–	–	–
Sanitation (free minimum level service)		–	8 000	9 139	9 139	9 139	9 139	–	–	–
Electricity/other energy (50kwh per household per month)		8 000	9 000	9 417	9 417	9 417	9 417	–	–	–
Refuse (removed at least once a week)		20 500	9 000	9 139	9 139	9 139	9 139	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		7 000	7 000	9 035	10 326	7 988	7 988	18 325	8 840	9 238
Sanitation (free sanitation service to **indigent households**)		10 000	10 000	13 278	15 176	15 095	15 095	18 890	16 705	17 457
Electricity/other energy (50kwh per **indigent** household per month)		7 000	7 000	8 136	8 562	8 855	8 855	16 862	10 233	11 257
Refuse (removed once a week **for indigent households**)		13 450	13 450	14 254	15 551	13 218	13 218	20 751	14 628	15 286
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		**37 450**	**37 450**	**44 703**	**49 614**	**45 157**	**45 157**	**74 829**	**50 406**	**53 238**
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment) (impermissable values per section 17 of MPRA)**										
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		22 463	71 861	76 194	79 176	79 176	79 176	99 565	87 619	97 657
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		**22 463**	**71 861**	**76 194**	**79 176**	**79 176**	**79 176**	**99 565**	**87 619**	**97 857**

ANNEXURE E

Tariff of Charges

ANNEXURE E

NEWCASTLE MUNICIPALITY

DRAFT

TARIFF OF CHARGES

2022/2023

TABLE OF CONTENTS

DESCRIPTION	PAGE
ASSESSMENT RATES	3
ADMINISTRATION	
FEES FOR ACCESS TO INFORMATION - PUBLIC BODIES	4
MISCELLANEOUS SERVICES	4
PROPERTY RATES BYLAWS	5
COMMUNITY SERVICES	
BYLAWS RELATING TO PUBLIC HEALTH	6
BYLAWS RELATING KEEPING OF DOGS, ANIMALS, BIRDS & BEES	6
CLEANSING	6
FIRE BRIGADE BYLAWS	8
TRAINING AND SPECIFIC INVESTIGATIONS	9
STREET, TRAFFIC AND ENTERTAINMENT BYLAWS	10
BYLAWS RELATING TO THE REGISTRATION & REGULATION OF DAIRIES, COW SHEDS, MILK SHOPS & MILK DEALERS & PURVEYORS	10
CEMETERY BYLAWS	10
PUBLIC SWIMMING POOL BYLAWS	11
NEWCASTLE RECREATION CENTRE	12
HIRE OF SPORTS GROUNDS	13
CAMP AND CARAVAN PARK BYLAWS	13
CLEANING OF PLOTS / VACANT ERVEN	14
CULTURE AND AMENITIES	
HALL CHARGES	15
OSIZWENI ARTS CENTRE	20
FORT AMIEL MUSEUM	21
BYLAWS RELATING TO PUBLIC LIBRARIES	21
GROUP ACTIVITIES ROOMS	22
TECHNICAL SERVICES	
ELECTRICTTY SUPPLY BYLAWS	23
DRAINAGE BYLAWS	32
INDUSTRIAL EFFLUENT BYLAWS	33
WATER SUPPLY BYLAWS AND SEWER BYLAWS	33
MISCELLANEOUS SERVICES	35
DEVELOPMENT AND TOWN PLANNING	
BYLAWS FOR REGIONAL AIRPORT AND MUNICIPAL AERODROME	36
BUILDING BYLAWS	36
ADVERTISING SIGN BYLAWS	40
PLANNING DEVELOPMENT ACT - STATUTORY APPLICATIONS	41

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
	ASSESSMENT RATES							
	Assessment rates be determined as follows:							
1.	In terms of the Municipal Property Rates Act, No. 6 of 2004, the general rate for the financial year is levied as follows:							
(a)	(i) Residential property (Impermissible - R85 000)	1.186 Cents in	1,294 Cents in the Rand			1.2458 Cents in the Rand		
	(ii) Business and commercial	2,965 Cents in	3,234 Cents in the Rand			3.363 Cents in the Rand		
	(iii) Industrial property	2,965 Cents in	3,234 Cents in the Rand			3.363Cents in the Rand		
	(iv) Agricultural property	0.264 Cents in	0,0288 Cents in the Rand			0.0300 Cents in the Rand		
	(iv) Public service infrastructure	0.264 Cents in	0,0288 Cents in the Rand			0.0300 Cents in the Rand		
	(v) Mining property	2,965Cents in	3,234 Cents in the Rand			3.363 Cents in the Rand		
	(vi) Rural communal land	0.264Cents in	0,0288 Cents in the Rand			0.0300 Cents in the Rand		
	(viii) Places of public worship	Exempt	Exempt			Exempt		
	(ix) Public Benefit Organizations	0.264Cents in	0,0288 Cents in the Rand			0.0300 Cents in the Rand		
	(x) Public Service Purposes	0.2965Cents in	0,323 Cents in the Rand			0.3359 Cents in the Rand		
	(xii) Vacant land.	3,558Cents in	3,881 Cents in the Rand			4.0362 Cents in the Rand		
(b)	Rebates granted in terms of the Rates Policy:							
	Pensioners	25%	25%			25%		
	B&B Accomodation	10%	10%			10%		
	Properties affected by disaster	50%	50%			50%		
	Commercial Industrial Development with market value of at least R50 million	As per policy	As per policy			As per policy		
(c)	Indigent accountholders are subsidised	100%	100%			100%		
(d)	Properties Situated Outside of the Proclaimed Boundaries of the Townships							
	(i) Residential property	60%				60%		
	(ii) Vacant Land	40%				40%		
(e)	Public Benefit Organisation who qualify in terms of the policy are exempt from **rates**							

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
	FEES FOR ACCESS TO INFORMATION – PUBLIC BODIES							
1.	The fee for a copy of the manual as contemplated in regulation 6 (c) for every photocopy of an A4 size page or part thereof	R2.00	R 2			R2		
2.	The fees for reproduction referred to in regulation 7(1) are as follows:-	R2.00	R 2			R2		
(a)	For every photocopy of an A4 size page or part thereof	R2.00	R 2			R2		
(b)	For every printed copy of an A4 size page or part thereof held on a computer or in electronic or machine readable from	R2.00	R 2			R2		
(c)	(i) For a copy in a computer readable form on stiffy disc	R2.00	R 2			R2		
	(ii) For a copy in a computer readable form on compact disc	R2.00	R 2			R2		
(d)	(i) For a transcription of visual images for an A4 size page or part thereof	R2.00	R 2			R2		
	(ii) For a copy of visual images	R2.00	R 2			R2		
(e)	(i) For a transcription of an audio record for an A4 size page or part thereof	R2.00	R 2			R2		
	(ii) For a copy of an audio recording	R2.00	R 2			R2		
3.	The request fee payable by every requester, other than a personal requester, referred to in regulation 7(2)	R2.00	R 2			R2		
4.	The access fees payable by a requester referred to in regulation 7(3) are as follows:-	R2.00	R 2			R2		
(a)	For every photocopy of an A4 size page or part thereof	R2.00	R 2			R2		
(b)	For every printed copy of an A4 size page or part thereof held on a computer or in electronic or machine readable form	R2.00	R 2			R2		
(c)	(i) For a copy in a computer readable form on stiffy disc	R2.00	R 2			R2		
	(ii) For a copy in a computer readable form on compact disc	R2.00	R 2			R2		
(d)	(i) For a transcription of visual images for an A4 size page or part thereof	R2.00	R 2			R2		
	(ii) For a copy of visual images	R2.00	R 2			R2		
(e)	(i) For the transcription of an audio record for an A4 size page or part thereof	R2.00	R 2			R2		
	(ii) For a copy of an audio recording	R2.00	R 2			R2		
(f)	To search for and prepare the record for disclosure for each hour or part of an hour, excluding the first hour, reasonable required for such search and preparation	R2.00	R 2			R2		
	All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time							
	MISCELLANEOUS SERVICES							
(a)	The following fees are payable for the production of documents, provision of certificates, supply of plans and extracts from records, etc :-							
	(i) Search fee, per account, plan, document or file produced for inspection of duplicate accounts issued	R55.00	R 57			R61		
	(ii) Certified copy of extract from Council's minutes and/or bearings, per 100 words or part thereof	R11.00	R 11			R12		
	(iii) Extracts of bylaws, per page or part thereof	R2.00	R 2			R2		
	(iv) Valuation certificate or any other certificate, for each certificate	R55.00	R 60.57			R62.99		
	(v) Inspection of Council's minutes, for each inspection	R11.00	R 11			R12		
	(vi) Sale of computerised data	Cost +6%	Cost +3.9%			Cost +6%		
	(vii) Photostats, prints of plans and Photostats/prints of building plans	Cost +6%	Cost +3.9%			Cost +6%		
	(viii) Certificate, per application per property, in accordance with section 118(1) of the Systems Act, No. 32 of 2000. Phased out 2021/2022	R429.67	R 473.57			R 493.00		
	(ix) Eletronic Certificate, per application per property, in accordance with section 118(1) of the Systems Act, No. 32 of 2001	R341.17	R 375.55			R 391.00		
(b)	Debt collection sundry tariffs							
	(i) Final demand	R114.84	R 0					
	(ii) Preparation of summonses	R136.57	R 119			R124		
	(iii) Preparation of judgments	R180.96	R 142			R148		
	(v) Restriction/reconnection of water supply	Cost +6%	Cost +3.9%			Cost +6%		
	(vi) Preparation of emolument orders / rental	R114.84	R 119			R124		
	(vii) Preparation of Section 65 Notice (including appearance in court when necessary)	R204.86	R 213			R221		
	(viii) Preparation of warrant of arrest	R34.14	R 35			R37		
	(ix) Administrative charges for "Refer to Drawer" debit order	R119.50	R 124			R129		
(c)	Telephone warning service							
	For one local telephone call during office hours, once per month, payable by the consumer, who requested in writing a warning regarding non-payment of consumer accounts on the day prior to the cut-off date	R21.73	R 23			R23		
(d)	Fees for land affairs	R0.00	R 0			R 0		
	(i) Issue of bidding documents	R0.00	R 0			R 0		
	- The fee for a copy of a bidding document based on price	R0.00	R 0			R 0		
	A4 hard copy	R215.73	R 224			R 233		
	Compact disc	R90.04	R 94			R 99		
	- The fee for a copy of a bidding document based on price and development proposals	R0.00	R 0			R 0		
	A4 hard copy	R320.65	R 333			R 353		
	Compact disc	R112.87	R 117			R 124		
	(ii) Where a property has to be closed, rezoned, surveyed, subdivided and consolidated	Cost +6%	Cost +3.9%			Cost +6%		
	(iii) Administrative charge where a land sale is cancelled, per cancellation	6% of selling	3.9% of selling price			6% of selling price		
(e)	Interest on arrear amounts owing to Council in excess of 30 days (per annum), excluding all residential accounts	Prime rate as notified by the	Prime rate as notified by the Council bankers			Prime rate as notified by the Council bankers		
	All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time							
	PROPERTY RATES BYLAWS							
	The tariff for each query raised against a property valuation	R131.88	R 145			R151		

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
	BYLAWS RELATING TO PUBLIC HEALTH							
1.	Removal of dead animals							
	The charge for the removal and disposal of dead animals within the municipality shall be as follows :-							
(a)	For each carcass of a dog or cat	R55.92	R 58			R61		
(b)	For each carcass of a sheep, calf or pig	R94.66	R 105			R111		
(c)	For each carcass of a horse, beast or similar large animal	R470.71	R 514			R545		
(d)	Removal of carcasses on request of societies for the protection of animals	Free	Free			Free		
	The aforesaid charges shall be payable in advance or upon demand or otherwise as may be arranged with the Council	R0.00	R 0			R0		
2.	Vacuum tanker services to and emptying of ventilated improved pit toilets							
(a)	Per single draw	R102.43	R 106			R113		
(b)	Stafford Hill and Osizweni Section E and F	R102.43	R 106			R113		
3.	Septic tank and waste water	R0.00	R 0			R0		
(a)	Charge for the emptying of septic tanks and removal of waste water in respect of a domestic sewage gulley, industrial sewage gulley, situated within the municipal boundaries per 5000 litre load or part thereof	R876.85	R 957			R1,014		
(b)	Removal of blood from the abattoir, per load	R1,104.99	R 1,148			R1,217		
4.	Sewerage conservancy tanker services							
	The following charges are payable in the Charlestown administrative unit :-	R0.00	R 0			R0		
(a)	Residential properties, per load	R38.80	R 43			R45		
(b)	Non-residential properties, per load	R802.36	R 875			R927		
	All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time							
	BYLAWS RELATING TO THE KEEPING OF DOGS, ANIMALS, BIRDS AND BEES							
1.	The following license fees are payable annually in respect of dogs kept within the municipal area for which rabies certificates have to be produced :-							
(a)	For a first dog	R34.00	R37.50			R40		
(b)	For a second dog	R61.00	R66.50			R70		
(c)	For any additional dog and subject to submission of Council authorization for the keeping of additional dogs, per dog	R102.00						
2	The following fees are payable in respect of each domestic animal impounded:							
(a)	Pound fees per animal	188	R 205			R217		
(b)	Sterilization fee	Cost +6%	Cost + 5%			Cost + 6%		
(c)	Immunisation fee	Cost +6%	Cost + 5%			Cost + 6%		
3	The following fees are payable in respect of each other animal impounded:							
(a)	Transport fee	The Kilometre tariff for vehicle which indiscretion of the pound keeper is reasonably necessary to transport the relevant animal to the pound , as determined by the Automobile Association of South Africa (AA) from time	The Kilometer tariff for vehicle which indescretion of the pound keeper is reasonably necessary to transport the relevant animal to the pound , as dertimined by the Automobile Association of South Africa (AA) from time to time			The Kilometer tariff for vehicle which indescretion of the pound keeper is reasonably necessary to transport the relevant animal to the pound , as dertimined by the Automobile Association of South Africa (AA) from time to time		
(b)	All inclusive pound fees which include:	R15 ,00 per day or part theereof , for any pig , sheep , goat	R15 ,00 per day or part thereof , for any pig , sheep or goat			R15 ,00 per day or part thereof , for any pig , sheep or goat		
	(1) Pound fee	R50 ,00 per day or part thereof , for any other animal	R50 ,00 per day or part thereof ,of any other animal			R50 ,00 per day or part thereof ,of any other animal		
	(2) Tending fee	Cost plus 6% administration fee	Cost + 5% admistration fee			Cost + 6% administration fee		
(c)	Dipping or Spraying fees	Cost plus 6% administration fee	Cost + 5% admistration fee			Cost + 6% admistration fee		
(d)	Wound dressing costs and fees, medication costs and fees	Cost plus 6% administration fee	Cost + 5% admistration fee			Cost + 6% admistration fee		
(e)	Veterinarian fees	Cost plus 6% administration fee	Cost + 5% admistration fee			Cost + 6% admistration fee		
	All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time							
	CLEANSING SERVICES BYLAWS							
1.	Special charges and charges for refuse removal services							
(a)	Builders refuse, dry industrial refuse, bulky refuse - per load of 5 cubic metres (5 tons) or part thereof	R706.00	R 769.90			R816		
(b)	Bulky garden refuse from premises within the municipality, for loads not exceeding 5 cubic metres shall be removed at per load or part thereof	R706.00	R 769.90			R816		
(c)	Sawdust and wood waste from premises within the municipality, for loads not exceeding 5 cubic metres shall be removed at per load or part thereof	R706.00	R 769.90			R816		
(d)	Mixed refuse (garden, domestic, trade, builders rubble) from premises within the municipality, for loads not exceeding 5 cubic metres shall be removed at per load or part thereof	R706.00	R 769.90			R816		
(e)	Special Industrial Refuse	Cost + 6%	Cost + 5%			Cost + 6%		
(f)	Charges for domestic and business refuse removal services	R0.00						
	(i) Residential and non-residential properties in Newcastle West, except where the account holder is registered as Indigent - not exceeding one removal per week, per month	R139.20	R 152			R161		
	(ii) Residential properties in Newcastle East, except where the account holder is registered as indigent - not exceeding one removal per week, per month	R139.20	R 152			R161		
	(iii) Non-residential properties in Newcastle East - not exceeding one removal per week, per month	R139.20	R 152			R161		
	(iv) Residential and Non-residential properties in Ingagane/Kilbarchan -not exceeding one removal per week, per month	R139.20	R 152			R161		
	(v) Residential and Non-residential properties in Charlestown -not exceeding one removal per week, per month	R139.20	R 152			R161		
	(vi) Registered Indigent account holders	R139.20	R 152			R161		

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
2.	The charges for the removal and disposal of domestic containers only and business refuse bulk containers within the municipality shall be as follows:-							
(a)	Service fee for a 0.85m³ container per month:							
	1 removal per week	R139.20	R 152			R161		
(b)	Rental of bulk container of 1.1m³ per month: (Existing service being phased out)							
	1 removal per week	R865.85	R 945			R1,001		
	2 removals per week	R1,706.65	R 1,862			R1,974		
	3 removals per week	R2 578.05	R 2 813			R2,981		
	4 removals per week	R3,445.30	R 3,759			R3,985		
	5 removals per week	R4 305.59	R 4 697			R4,979		
(c)	Rental of bulk container of 1.75m³ per month:							
	1 removal per week	R1 050.99	R 1 147			R1,216		
	2 removals per week	R2,101.98	R 2 293			R2,431		
	3 removals per week	R3 158.54	R 3 445			R3,652		
	4 removals per week	R4 234.59	R 4 619			R4,896		
	5 removals per week	R5 264.70	R 5 744			R6,089		
	6 removals per week	R6 315.69	R 6 890			R7,303		
	7 removals per week	R7 366.68	R 8 037			R8,519		
(d)	240L wheelie bin							
	1 removal per week	R613.89	R 670			R710		
	2 removals per week	R1 229.18	R 1 341			R1,422		
	3 removals per week	R1,843.07	R 2 011			R2,131		
	4 removals per week	R2 456.95	R 2 681			R2,842		
	5 removals per week	R3,068.96	R 3,347			R3,548		
3.	The charge for the rental of bulk refuse containers with the under mentioned sizes and removal of domestic and business refuse within 4 km of the Municipal Waste Facility shall be as follows:							
(a)	Rental per container per month:							
	8 m³ Bulk Containers	R1,208.29	R 1,319			R1,398		
	10 m³ Bulk Containers	R2 010.11	R 2 193			R2,325		
	30 m³ Bulk Containers	R3,977.06	R 4,339			R4,599		
	6 m³ Skip Containers	R626.42	R 684			R725		
	19 m³ Skip Containers	R1,948.86	R 2,126			R2,253		
(b)	Rental per container per week:							
	8 m³ Bulk Containers	R302.07	R 329			R349		
	10 m³ Bulk Containers	R502.53	R 549			R582		
	30 m³ Bulk Containers	R995.30	R 1,086			R1,151		
	6 m³ Skip Containers	R154.51	R 168			R178		
	19 m³ Skip Containers	R487.22	R 532			R564		
(c)	Rental per container per day:							
	8 m³ Bulk Containers	R75.16	R 82			R87		
	10 m³ Bulk Containers	R121.11	R 132			R140		
	30 m³ Bulk Containers	R211.58	R 231			R245		
	6 m³ Skip Containers	R33.41	R 36			R39		
	19 m³ Skip Containers	R103.01	R 112			R119		
(d)	For a removal service per container:							
	8 m³ Bulk Containers	R1,682.97	R 1,834			R1,944		
	10 m³ Bulk Containers	R1,682.97	R 1,834			R1,944		
	30 m³ Bulk Containers	R1,682.97	R 1,834			R1,944		
	6 m³ Skip Containers	R819.92	R 895			R949		
	19 m³ Skip Containers	R1,255.62	R 1,369			R1,452		
(e)	For delivery of containers rented for a period less than one month per container:							
	8 m³ Bulk Containers	R840.79	R 917			R972		
	10 m³ Bulk Containers	R840.79	R 917			R972		
	30 m³ Bulk Containers	R840.79	R 917			R972		
	6 m³ Skip Containers	R668.18	R 729			R773		
	19 m³ Skip Containers	R668.18	R 729			R773		
	Changes in respect of services mentioned in (3)(a) to (e) shall be made in advance							
	unless other arrangements have been made with the Director of Community Services or a duly authorised officer							
	All services used by Council may be considered an exempt charge	Tariffs per Tariff of	Tariffs per Tariff of Charges			Tariffs per Tariff of Charges		
4.	The removal of containers in (3) will be done on the following basis:							
(a)	For a month or longer: A minimum of 1 removal per month							
(b)	For a weekend: Delivery of container on Friday and the collection thereof on Monday							
(c)	For a day: Removal of container within a period of 48 hours of delivery							
(d)	Short-term rental - other than weekend: A minimum of 2 removals within a period of five days, or less, excluding Sundays							
5.	Charges for the disposal of refuse at the Newcastle Landfill site (waste disposal):							
(a)	Mixed refuse (garden, domestic, trade refuse, including builders rubble), per R 250 kg or part there off	R50.00	R 55.00			R58		
(b)	Builders rubble and excavated material, per R 250 kg or part there off	R16.38	R 17.70			R19		
(c)	Bulk food waste and condemned food, per R 250 kg or part there off	R137.60	R 150.00			R159		
(d)	Garden refuse, per R 250 kg or part there off	R16.38	R 17.70			R19		
(e)	Sawdust and wood waste, per R 250 kg or part there off	R50.00	R 55.10			R58		
(f)	(a) to (e) above are not applicable for private LDV's, cars and cars with trailers, limited to 1 ton per week							
(g)	Tariff for the voluntary weighing of vehicles (excluding Council vehicles), per vehicle	R81.67	R 89.30			R95		
(h)	Special Disposal per R 250 kg or part there off	R137.60	R 149.60			R159		
(i)	The tariff in (b) and (d) may be waivered if material is required by the WDS							
6.	Sale of compost							
(a)	per 10kg bag	R27.50	R 30.00			R32		
(b)	per Ton	R274.99	R 300.30			R318		
7.	Sale of recyclables per kg							
(a)	Plastic	R0.05	R 0.10			R0.11		
(b)	Glass	R0.05	R 0.10			R0.11		
(c)	Metals	R0.05	R 0.10			R0.11		
(d)	Paper/Cardboard	R0.05	R 0.10			R0.11		

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
	FIRE BRIGADE BYLAWS							
1.	Fire and rescue services rendered within Council's area of jurisdiction							
(a)	Services rendered in respect of fire-fighting and / or rescue services to residents/ratepayers of Newcastle	Free	Free			Free		
(b)	Services rendered in respect of fire-fighting tariffs and/or rescue services to non- residents/ratepayers as set out of Newcastle in (2) below	Tariff as set out in (2)	Tariff as set out in (2)			Tariff as set out in (2)		
(c)	Services rendered regarding call- out cost for a grass fire on an undeveloped lot, payable by the owner. If more that one lot is involved, the actual cost to be paid pro-rata by the owners	Cost +6%	Cost + 5%			Cost +6%		
(d)	Chemical additives used for fire-fighting services, payable by the owner	Cost +6%	Cost + 5%			Cost +6%		
2.	Fire and rescue services rendered outside Council's area of jurisdiction, per kilometre							
	1 to 5 kilometres	R45.00	R 49.00			R52		
	6 to 15 kilometres	R23.00	R 25.00			R27		
	16 to 20 kilometres	R34.00	R 37.00			R39		
	21 to 30 kilometres	R28.00	R 30.00			R32		
	31 to 50 kilometres	R23.00	R 25.00			R27		
	51 + kilometres	R22.00	R 24.00			R25		
(a)	Call out cost per officer	R296.00	R 322.00			R341		
(b)	Services rendered by officers, per hour or part thereof, per officer	Cost +6%	Cost + 5%			Cost +6%		
(c)	Call-out cost per fire-fighter	R262.00	R 286.00			R341		
(d)	Services rendered by fire-fighters, per hour or part thereof, per fire-fighter	Cost +6%	Cost + 5%			Cost +6%		
(e)	Call-out cost per fire engine	R677.00	R 739.00			R783		
(f)	Cost for use or availability, per hour or part thereof	R338.00	R 367.00			R389		
(g)	Additional cost for distances travelled, per km	R 0.00				R0		
	1 to 5 kilometres	R47.00	R 51.00			R54		
	6 to 15 kilometres	R42.00	R 46.00			R49		
	16 to 20 kilometres	R34.00	R 36.00			R38		
	21 to 30 kilometres	R26.00	R 28.00			R30		
	31 to 50 kilometres	R23.00	R 25.00			R27		
	51 + kilometres	R23.00	R 25.00			R27		
(h)	Call-out cost for rescue vehicle	R413.00	R 451.00			R478		
(i)	Cost for use or availability, per hour or part thereof	R206.00	R 224.00			R237		
(j)	Additional cost for distances travelled, per km	R0.00	R 0.00			R0		
	1 to 5 kilometres	R36.00	R 39.00			R41		
	6 to 15 kilometres	R33.00	R 36.00			R38		
	16 to 20 kilometres	R28.00	R 30.00			R32		
	21 to 30 kilometres	R23.00	R 25.00			R27		
	31 to 50 kilometres	R19.00	R 21.00			R22		
	51 + kilometres	R16.00	R 18.00			R19		
(k)	Call-out cost for service vehicle	R265.00	R 289.00			R306		
(l)	Cost for use or availability, per hour or part thereof	R132.00	R 144.00			R153		
(m)	Cost for use of combination service vehicle and fire fighting trailer	R399.00	R 435.00			R461		
(n)	Cost for use or availability, per hour or part thereof	R132.00	R 144.00			R153		
(o)	Additional cost for distances travelled, per km	R0.00	R 0.00			R0		
	1 to 5 kilometres	R5.00	R 6.00			R6		
	6 to 15 kilometres	R5.00	R 6.00			R6		
	16 to 20 kilometres	R5.00	R 6.00			R6		
	21 to 30 kilometres	R5.00	R 6.00			R6		
	31 to 50 kilometres	R5.00	R 6.00			R6		
	51 + kilometres	R5.00	R 6.00			R6		
3.	Services rendered in respect of special services to residents and or non-residents ratepayers of Newcastle							
(a)	Call-out cost for per service	R262.00	R 286.00			R303		
(b)	Services rendered by officers, per hour or part thereof, per officer	Cost +6%	Cost + 5%			Cost +6%		
(c)	Call-out cost per fire fighter	R262.00	R 286.00			R303		
(d)	Service rendered by fire fighters, per hour or part thereof	Cost +6%	Cost + 5%			Cost +6%		
(e)	Call-out cost per fire engine	R677.00	R 739.00			R783		
(f)	Cost for use or availability, per hour or part thereof	R345.00	R 376.00			R399		
(g)	Call-out cost per portable pump chainsaw	R132.00	R 144.00			R153		
(h)	Cost for use or availability, per hour or part thereof	R127.00	R 138.00			R146		
(i)	Cost for use of breathing apparatus compressor, per hour or part thereof	R132.00	R 144.00			R153		
	All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time							
	TRAINING AND SPECIFIC INSPECTIONS							
(a)	Cost of instructor per hour or part thereof	Cost+6%	Cost + 5%			Cost+6%		
(b)	Cost of materials/training aids	Cost+6%	Cost + 5%			Cost+6%		
(c)	Call-out cost per fire fighter	Cost+6%	Cost + 5%			Cost+6%		
(d)	Printing of certificates	Cost+6%	Cost + 5%			Cost+6%		
	All the abovementioned tariffs in respect of services rendered are subject to value-added tax as determined from time to time							

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
	CERTIFICATE OF REGISTRATION							
	Services rendered to ratepayers, residents and non residents ratepayers							
	Issuing of a certificate plus one certified copy	R204.86	R 223.00			R236		
	All the abovementioned tariff in respect of services rendered is subject to value-added tax as determined from time to time							
	STREET, TRAFFIC AND ENTERTAINMENT BYLAWS							
1.	Application for permit to use taxi rank, per annum	R390-00 to be capped at this rate. This is consistent according to discussions throughou the Province	R 390.00			R390-00 to be capped at this rate. This is consistent according to discussions throughou the Province		
2.	Application for permit to use bus rank, per annum							
3.	Application for duplicate permit to use bus/taxi rank		R 98.09			R104		
4.	Escort of abnormal loads, etc, per hour or part thereof		Cost +5%			Cost +6%		
5.	Abandoned vehicles							
(a)	Charge for removal, per vehicle		Cost +5%			Cost +6%		
(b)	Charge for storage for a period not exceeding 3 months, per day							
6	Parking Meter Tariffs for Off-Street Parking		R 250.00			R265.00		
6.1	Parking meter fees - Tariff for 0 - 30 minutes	R3.00	R 3.00			R3.18		
6.2	Parking meter fees - Tariff for 31 minutes - 1 hour	R6.00	R 6.00			R6.36		
6.3	Parking meter fees - Tariff for 1 - 2 hours	R12.00	R 13.00			R13.78		
6.4	Parking meter fees - Tariff for 2 - 3 hours	R18.00	R 19.00			R20.14		
6.5	Parking meter fees - Tariff for 3 - 4 hours	R24.00	R 25.00			R26.50		
6.6	Parking meter fees - Tariff for > 4 hours	R48.00	R 50.00			R53.00		
6.7	Parking meter fees - Tariff for monthly parkers	R550 (10 % escalation - annually)	R550 (10 % escalation - annually)			R550 (10 % escalation - annually)		
	Parking Meter Tariffs for On-Street Parking							
6.8	*	R4.00	R 4.00			R4.24		
6.9	Parking meter fees - Tariff for 31 minutes - 1 hour	R8.00	R 8.00			R8.48		
6.11	Parking meter fees - Tariff for 0 - 2 hours	R12.00	R 13.00			R13.78		
6.12	Parking meter fees - Tariff for 2 - 3 hours	R18.00	R 19.00			R20.14		
6.13	Parking meter fees - Tariff for 3 - 4 hours	R26.00	R 27.00			R28.62		
6.14	Parking meter fees - Tariff for > 4 hours	R50.00	R 53.00			R56.18		
7	Rendering of services during special occasions contemplated in section 113A, per hour or part thereof							
(a)	Superintendent, per hour or part thereof, Monday to Saturday	R377.12	R 421.00			R446.26		
	: Sunday and Public Holidays	R769.92	R 859.00			R910.54		
(b)	Traffic Officer, per individual, per hour or part thereof : Monday to Saturday	R330.56	R 367.00			R389.02		
	: Sunday and Public Holidays	R642.51	R 718.00			R761.08		
(c)	Traffic escorts with funerals, per Traffic Officer, per hour or part thereof: Monday to Saturday	R300.46	R 335.00			R355.10		
	: Sunday and Public Holidays	R600.91	R 671.00			R711.26		
	All the abovementioned tariffs in respect of services rendered are subject to value-added tax as determined from time to time							
	BYLAWS RELATING TO THE REGISTRATION AND REGULATION OF DAIRIES, COW SHEDS, MILK SHOPS, MILK DEALERS AND PURVEYORS							
	Badges in terms of Section 11, per badge	R1.55	R 2			R2		
	All the abovementioned tariff in respect of services rendered is subject to value-added tax as determined from time to time							
	CEMETERY BYLAWS							
	The following fees are payable upon request to bury a deceased within the cemeteries, the control of which is vested in Council							
1.	ROY POINT CEMETERY							
(a)	Residents Burial plot - headstones only							
	1.5m x 1.2m	R1,182.56	R 1,290.00			R1,367.40		
	2.2m x 0.7m x 1.8m	R1,616.08	R 1,763.00			R1,868.78		
	2.2m x 0.7m x 2.4m	R1,859.77	R 2,029.00			R2,150.74		
	Casket	R2,018.05	R 2,223.00			R2,356.38		
	Burial plot - full-sized tombstones							
	1.5m x 1.2m	R1,959.81	R 2,138.00			R2,266.28		
	2.2m x 0.7m x 1.8m	R2,011.12	R 2,194.00			R2,325.64		
	2.2m x 0.7m x 2.4m	R2,179.14	R 2,304.30			R2,442.77		
	Casket	R2,993.59	R 3,265.00			R3,460.90		
(b)	Non-residents Burial plot – headstones							
	1.5m x 1.2m	R3,509.19	R 3,829.00			R4,058.74		
	2.2m x 0.7m x 1.8m	R5,059.86	R 5,520.00			R5,851.20		
	2.2m x 0.7m x 2.4m	R6,584.87	R 7,184.00			R7,615.03		
	Casket	R6,570.76	R 9,519.00			R10,090		
	Burial plot - full-sized tombstones							
	1.5m x 1.2m	R6,429.67	R 7,014.00			R7,434.84		
	2.2m x 0.7m x 1.8m	R8,725.53	R 9,519.00			R10,090.14		
	2.2m x 0.7m x 2.4m	R9,909.37	R 10,810.00			R11,458.60		
	Casket	R11,775.55	R 12,846.20			R13,617		
2.	MADADENI/OBIZWENI CEMETERIES							
(a)	Residents Burial plot							
	1.5m x 0.7m x 1.2m	R320.65	R 350.00			R371.00		
	2.2m x 0.7m x 1.8m	R436.08	R 476.00			R504.56		
	Casket	R602.82	R 658.00			R697.48		
(b)	Non-residents Burial plot							
	1.5m 0.7m x 1.2m	R743.91	R 811.00			R859.66		
	2.2m x 0.7m x 1.8m	R846.52	R 924.00			R979.44		
	Casket	R1,372.18	R 1,497.00			R1,586.82		
	Clearing of plots	Cost +6%				Cost +6%		

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
3.	CHARLESTOWN CEMETERIES							
(a)	Residents Burial plot							
	1.5m x 1.1m	R323.22	R 352.00			R373.12		
	2.2m x 0.7m x 1.8m	R436.08	R 476.00			R504.56		
	Casket	R591.28	R 645.00			R683.70		
(b)	Non-residents Burial plot							
	1.5m x 1.2m	R745.19	R 812.00			R860.72		
	2.2m x 0.7m x 1.8m	R901.67	R 984.00			R1,043.04		
	Casket	R1,367.25	R 1,492.00			R1,581.52		
4.	For opening a grave for exhumation and filling in thereof	R1,117.14	R 1,219.00			R1,292.14		
5.	Digging of graves to an extended depth Per 100mm or part thereof	R115.43	R 126.00			R134		
6.	Perpetual rights are included in the total price of a burial plot.							
7	Ash Berms system: Garden of remembrance							
(a)	Reservation (Space for 2 urns)							
	(i) Residents	R488.67	R 533.00			R564.98		
	(ii) Non-residents	R1,389.06	R 1,516.00			R1,606.96		
(b)	Funerals: Per funeral							
	(i) Residents	R164.17	R 179.00			R189.74		
	(ii) Non-residents	R538.69	R 588.00			R623.28		
8.	The grave number is engraved on the tombstone at the family's cost							
	NOTE: Permanent residence in relation to any person means a ratepayer or consumer of municipal services and their immediate families where such person has been resident in the Council's area of jurisdiction for a continuous period exceeding 3 months. The submission of a current consumer account will serve as proof of permanent residence.							
	PUBLIC SWIMMING POOL BYLAWS							
1.	Entrance fee							
(a)	Scholars, per day	R7.70	R 8.00			R8.48		
(b)	Adults, per day	R15.39	R 15.00			R15.90		
2.	Season tickets							
(a)	Per child under 18 years	R224.46	R 236.00			R250.16		
(b)	Per adult	R450.19	R 473.00			R501.38		
(c)	Parents who cannot afford the prescribed tariffs may apply in writing to the Director: Culture and Amenities who, after due consideration, may decide to issue a free season ticket for the aforementioned school-going children	R0.00						
3.	Monthly tickets							
(a)	Per child under 18 years	R65.41	R 69.00			R73.14		
(b)	Per adult	R94.91	R 100.00			R106.00		
4.	Pensioners are exempted provided application has been made for pensioners' entrance ticket concessions							
5.	Hire of Newcastle swimming pools							
(a)	10.00 - 14.00 (or part thereof)	R206.50	R 217.00			R230.02		
(b)	14.00 - 18.00 (or part thereof)	R170.59	R 179.00			R189.74		
(c)	18.00 - 24.00 (or part thereof)	R257.80	R 271.00			R287.26		
(d)	Galas - Newcastle swimming pool	R1,126.12	R 1,182.00			R1,252.92		
(e)	Instructors making use of municipal swimming pools for their own account shall pay R5.00 per lane per hour and shall further be required to purchase a season or monthly ticket	R0.00				R0.00		
(f)	Parents of members of swimming clubs during practice sessions, with proof of identity to the satisfaction of the Director: Culture and Amenities, excluding the personal use of the swimming pool facilities	Free	Free			Free		
(g)	The tariff of charges per floodlight standard for the use of floodlights at the Newcastle swimming pool shall be determined according to the formula [(T+N) x Z.T = tariff of charge, N = maintenance costs, Z = percentage increase or decrease in T and N as determined by Council from time to time]							
6.	Hire of Newcastle swimming pool hall							
	Monday to Thursday							
(a)	Hire for commercial purposes, per hour							
	(i) Hall	R206.50	R 217			R230.02		
	(ii) Side room	R103.89	R 109			R115.54		
	(iii) Kitchen	R103.89	R 109			R115.54		
(b)	Hire for meetings, weddings, anniversaries, children's parties & sports functions, per hour							
	(i) Hall	R144.93	R 152			R161.12		
	(ii) Side room	R73.11	R 77			R81.62		
	(iii) Kitchen	R73.11	R 77			R81.62		
(c)	Hire for exhibitions, per hour							
	(i) Hall	R174.43	R 183			R193.98		
	(ii) Side room	R87.22	R 92			R97.52		
	(iii) Kitchen	R87.22						
(d)	Hire for non-profit organisations, per hour							
	(i) Hall	R100.04	R 105			R111.30		
	(ii) Side room	R42.33	R 44			R46.64		
	(iii) Kitchen	R42.33	R 44			R46.64		
(e)	Preparation for functions contemplated in (a)-(d) above, per hour	R56.43	R 59			R62.54		
(f)	Hire for sport and recreational activities by member groups of the Recreation Centre residing in Newcastle – Monday to Sundays							
(g)	Hire for sport and recreational activities by member groups of which more than 50% of the group members are non-residents of Newcastle and not owning any fixed member-property in the town - Mondays to Saturdays							
7.	Hire of public-address system, per day or part thereof	R192.39	R 202.00			R214.12		
8.	Hire of tuck shop per day or part thereof	R168.02	R 176.00			R187		
9.	Fridays and Saturdays the tariff to hire the Newcastle swimming pool hall and tuck shop	Normal tariff in 5(a) to (e)	Normal tariff in 5(a) to (e) above + 25%			Normal tariff in 5(a) to (e) above + 25%		
10.	Sundays and public holidays the tariff to hire the Newcastle swimming pool hall and tuck shop	Normal tariff in 5(a) to (e)	Normal tariff in 5(a) to (e) above + 25%			Normal tariff in 5(a) to (e) above + 25%		
11.	Hire of hall and facilities by non-residents	Normal rate +	Normal rate + 25%			Normal rate + 25%		
12.	Refundable deposit per function, meeting, etc.	R2,983.97	R 3,133.00			R3,321		
13.	School utilizing a municipal swimming pool during the swimming season for physical exercise for all their pupils, per season	R779.82	R 819.00			R868.14		

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
	NEWCASTLE RECREATION CENTRE							
	The tariffs of charges set out below shall be applicable to the hire of the hall or any of the facilities in connection therewith and shall be payable in advance together with a refundable deposit. The hall and all facilities and services shall, in the discretion of Council, be made available free of charge for civic mayoral receptions, functions and meetings held by Council, municipal elections, functions specially approved by Council.							
	Mondays to Thursdays							
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars, boxing and wrestling matches, beer festivals, weddings, anniversaries and children's parties, per hour	R249.85	R 272.00			R288.32		
2.	Hire for political, per hour	R200.09	R 218.00			R231.08		
3.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions, where the hall is required							
(a)	For one day or part thereof, per hour	R206.37	R 225.00			R235.50		
(b)	For longer than one day, per day	R708.25	R 773.00			R819.38		
4.	Hire for non-profit organisations including external sporting bodies: Member groups on Sundays, per hour	R164.43	R 180.00			R190.80		
5.	Preparation for functions contemplated in 1 to 4 above, per hour	R51.79	R 61.00			R64.66		
6.	Hire of kitchen, per hour	R125.69	R 137.00			R145.2		
7.	Hire of side room, per hour	50% of tariff under 1-4 above	50% of tariff under 1-4 above			50% of tariff under 1-4 above		
8.	Hire of public-address system, per day or part thereof	R215.61	R 235.00			R249		
9.	Hire for sport and recreation activities by member group residing in Newcastle - Mondays to Saturdays	50% of group membership fees derived per	50% of group membership fees derived per month			50% of group membership fees derived per month		
10.	Hire for sport and recreation activities by member groups of which more than 50% of the group membership members are non-residents of Newcastle and not owning and fixed property in the town – Mondays to Saturdays	15% of group member derived per month	15% of group member derived per month			15% of group member derived per month		
11.	Fridays and Saturdays: The tariff to hire the Newcastle Recreation Hall	Normal tariff for hire mentioned 1-4 above + 50%	Normal tariff for hire mentioned 1-4 above + 50%			Normal tariff for hire mentioned 1-4 above + 50%		
12.	Sundays and Public Holidays: The tariff to hire the Newcastle recreation hall	Normal tariff for hire mentioned 1-4 above + 50%	Normal tariff for hire mentioned 1-4 above + 50%			Normal tariff for hire mentioned 1-4 above + 50%		
13.	Hire of hall and facilities by non-residents	Normal rate +	Normal rate + 25%			Normal rate + 25%		
14.	Refundable deposit per function, meeting, etc.	R1 870.44	R 2 047.00			R2 170		
		0						
	Hire for sport by member group	5% of monthly income	5% of monthly income			6% of monthly income		
	Membership fee per month	R5.30	R 6.00			R6		
	Non-residential members	R7.42	R 8.30			R9		
	Family membership (3 or more family members enrolled for activities at the centre)	R3.18	R 3.00			R3		
	Hire for sport by member group without an instructor per month	R21.20	R 22.00			R24		
	Membership fee per member monthly	R5.30	R 6.00			R6		
	Non-residential members monthly fee per member	R7.42	R 8.00			R8		
		0						
	Hire for recreational activities by member groups (e.g. toddler playground , after care group)	5% of monthly income	5% of monthly income			6% of monthly income		
	Membership fee per member monthly	R5.30	R 6.00			R6.36		
	Non-residential per member monthly	R7.42	R 8.00			R8.48		
	Holiday programme per member monthly	R3.18	R 3.00			R3.18		
	HIRE OF SPORTS GROUNDS							
	The tariff of charges set out below shall be applicable to the hire of sports grounds and unspecified open spaces and shall be payable in advance:-							
(a)	For public or private use by profit-making organisations							
	(i) For the first three days, per day, excluding services	R938.86	R 1 024			R1 085		
	(ii) Thereafter, per day or part thereof, excluding services	R178.41	R 194			R206		
	(iii) For sports facilities, per facility per day	R301.03	R 328			R348		
(b)	For non-profit organisations, groups or individuals other than for private gain							
	(i) For the first three days, excluding services	Free	Free			Free		
	(ii) Thereafter, per day or part thereof, excluding services	R178.41	R 194			R206		
	CAMP AND CARAVAN PARK BYLAWS							
1.	Fees payable in respect of permits for camp and caravan sites							
(a)	Site, per day	R99.32	R 104			R110		
(b)	Site, per day for groups with more than 10 caravans	R74.49	R 78			R83		
(c)	Per person over five years of age, per day: Maximum of six persons per site	R27.94	R 29			R31		
(d)	Per person over five years of age, per day for groups with more than 10 caravans: Maximum of six persons per site	R18.62	R 20			R21		
(e)	Use of electricity, per day, per site	R46.56	R 49			R52		
(f)	Use of electricity, per day, per site for groups with more than 10 caravans	R27.94	R 29			R31		
2.	Fees for use of the following:	R0.00				R0		
(a)	Washing machine, per load	R18.62	R 20			R21		
(b)	Tumble drier, per load	R18.62	R 20			R21		
3.	Fees for persons working in Newcastle per day, per person	R113.29	R 119			R126		
4.	Fee payable by bona fide travellers for the use of ablution facilities, per person	R27.94	R 29			R31		
5.	Entrance fee to the Amcor Dam Recreation Resort, including admission to the swimming pool, but excluding the use of facilities, limited to bona fide visitors to the caravan park only							
(a)	Adults, per day	R15.52	R 16			R17		
(b)	Scholars, per day (12 years and under)	R7.76	R 8			R8		
(c)	Busses, per bus, per day	R366.26	R 385			R408		
6.	Entrance fee to the Boschhoek Dam picnic area							
(a)	Adults, per day	R12.42	R 13			R14		
(b)	Children, per day	R7.76	R 8			R8		
7.	Hire of Amcor Dam for public or private use by profit motivated organisation							
(a)	For the first day, excluding the cost of services	R22 773.26	R 23 912			R25 347		
(b)	Thereafter, per day, excluding the cost of services	R11 386.63	R 11 956			R12 673		
(c)	Refundable deposit, per function	R4 557.08	R 4 785			R5 072		
8.	Hire of Amcor Dam by non profit motivated organisation							
(a)	For the first day excluding the cost of services	R2 278.26	R 2 392			R2 536		
(b)	Thereafter, per day, excluding the cost of services	R1 143.78	R 1 201			R1 273		
(c)	Refundable deposit, per function	R2 278.54	R 2 392			R2 536		
9.	Hire of caravan site, per person, per month	R3 311.85	R 3 477			R3 686		
10.	Storage of caravan, per day	R55.87	R 59			R63		

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
	CLEANING OF PLOTS / VACANT ERVEN							
1.	Cleaning of plots / vacant erven:							
(a)	Erven not exceeding 1 000m²	R1 590.74	R 1 652.78			R1 751.95		
(b)	Erven from 1 000m² to 2 000m²	R2 726.77	R 2 833.11			R3 003.10		
(c)	Erven from 2 000m² to 4 000m²	R4 998.82	R 5 193.77			R5 505.40		
(d)	Erven from 4 000m² to 10 000m²	R9 542.92	R 9 915.09			R10 510.00		
(e)	Erven in excess of 10 000m²	R11 814.96	R 12 275.75			R13 012.29		
	(Payments to be receipted against cost centre/item #03034)							

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
	HALLS							
	General							
	The tariffs of charges set out under the various categories below shall include all the facilities in connection therewith and shall be payable in advance. No reservation will be made or date for any hall will be reserved unless the amount for the hired accommodation together with the refundable deposit, has been paid in full.							
	The full rental amount, excluding the deposit, will be forfeited to Council when the hirer cancels or postpones a reservation, unless Council is notified in writing at least 30 days prior to the reserved date about the cancellation							
	Any hall referred to below and all facilities and services concerned shall, at the discretion of Council, be made available free of charge for civic mayoral functions, functions and meetings held by Council, municipal elections and functions specially approved by Council.							
	A hirer shall re-arrange and clean the premises and exterior surrounding of the under mentioned halls and/or facilities within the time permitted by the Caretaker, failing which he/she shall forfeit the deposit paid. The Director: Culture and Amenities may, if deemed fit, increase the minimum deposit							
	Should the hall or facility been booked by a hirer, and the facility is required for use by Council, the hirer will be requested to use an alternative hall or facility available from Council.							
	Halls shall not be used as overnight accommodation and will be available daily from 08h00 to 24h00. Penalty fees of R500,00 per hour or part thereof shall be levied in instances where the halls are not vacated by 24h00. (Shows and exhibitions with a duration of more than one day exempted.)							
A.	**TOWN HALL**							
	Mondays to Thursdays							
1.	Hire for commercial purposes, dances banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof	R352.13	R 384.00			R 407.04		
2.	Hire for weddings, anniversaries and children's parties, per hour or part thereof	R275.18	R 300.00			R 318.00		
3.	Hire for political meetings, per hour or part thereof	R275.18	R 300.00			R 318.00		
4.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for one day only, or part thereof, per hour	R282.17	R 308.00			R 326.48		
5.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for longer than one day, per day or part thereof	R959.62	R 1,047.00			R 1,109.82		
6.	Hire for non-profit organisations, per hour or part thereof	R190.06	R 204.00			R 216.24		
7.	Hire for religious purposes, per hour or part thereof	R155.08	R 169.00			R 179.14		
8.	Preparation of functions contemplated in 1 to 7 above, per hour or part thereof	R85.12	R 92.00			R 97.52		
9.	Rehearsals, per day or part thereof	R169.07	R 184.00			R 195		
10.	Hire of Supper Room: Tariffs applicable as per 1 to 9 above	50% of tariffs	50% of tariffs			50% of tariffs		
11.	Hire of Kitchen, per hour or part thereof	R155.08	R 169.00			R 179		
12.	Hire of upright piano, per day or part thereof	R155.08	R 169.00			R 179		
13.	Hire of public-address system, per day or part thereof	R261.18	R 285.00			R 302		
14.	Hire of hall for sport purposes, per hour or part thereof	R282.17	R 308.00			R 326		
15.	Hire of hall and facilities by non-residents	Normal rate +	Normal rate + 25%			Normal rate + 25%		
16	Fridays and Saturdays: Tariff to hire the Town Hall	Normal tariff for hire mentioned in 1-	Normal tariff for hire mentioned in 1-15 above + 25%			Normal tariff for hire mentioned in 1-15 above + 25%		
17	Sundays and Public Holidays: Tariff to hire the Town Hall	Normal tariff for hire mentioned in 1-15 above + 50%	Normal tariff for hire mentioned in 1-15 above + 50%			Normal tariff for hire mentioned in 1-15 above + 50%		
18	Refundable deposit per function, meeting, etc.	R2 355.32	R 2 569			R2 723		
19	Municipal Councillors utilizing the halls with special written consent from the Municipal Manager, for the purpose of ward meetings, information sessions to the public, e.g. crime aids etc.	Free of charge	Free of charge			Free of charge		
20	Municipal Councillors and Municipal officials for private use (payment due immediately with booking of facility)	Tariffs as applicable to private persons	Tariffs as applicable to private persons			Tariffs as applicable to private persons		
B.	**FARMERS HALL**							
	Mondays to Thursdays							
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof	R268.18	R 292.00			R309.52		
2.	Hire for weddings, anniversaries and children's parties, per hour or part thereof	R226.20	R 246.00			R260.76		
3.	Hire for political meetings, per hour or part thereof	R240.20	R 260.00			R275.60		
4.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for one day only, or part thereof, per hour	R233.20	R 255.00			R270.30		
5.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for longer than one day, per day or part thereof.	R592.33	R 645.00			R683.70		
6.	Hire for religious purposes, per hour or part thereof	R99.11	R 108.00			R114.48		
7.	Hire for non-profit organisations, per hour or part thereof	R190.06	R 208.00			R220.48		
8.	Preparation for functions contemplated in 1 to 7 above, per hour or part thereof	R85.12	R 94.00			R99.64		
9.	Rehearsals, per day or part thereof	R169.07	R 184.00			R195.04		
10.	Hire of kitchen facilities, per hour or part thereof	R148.08	R 160.00			R169.60		
11.	Hire of Farmers' Hall grounds, per day or part thereof	R726.42	R 792.00			R839.52		
12.	Hire of new stables, per stable, per day or part thereof	R55.97	R 61.00			R64.66		
13.	Hire of old stables, per stable, per day or part thereof	R41.98	R 46.00			R48.76		
14.	Hire of toilet facilities, per day or part thereof	R190.06	R 208.00			R220.48		
15	Hire of hall for sport purposes, per hour or part thereof	R282.17	R 308.00			R326.48		
16	Additional charge for special preparation of the arena, per day or part thereof	R240.20	R 264.00			R279.84		
17	Hire of hall and facilities by non-residents	Normal rate +	Normal rate + 25%			Normal rate + 25%		
18	Fridays and Saturdays: The tariff to hire the Farmers Hall	Normal tariff for hire mentioned in 1-	Normal tariff for hire mentioned in 1-17 above + 25%			Normal tariff for hire mentioned in 1-17 above + 25%		
19	Sundays and Public Holidays: The tariff to hire the Farmers Hall	Normal tariff for hire mentioned in 1-17 above + 50%	Normal tariff for hire mentioned in 1-17 above + 50%			Normal tariff for hire mentioned in 1-17 above + 50%		
20(a)	Refundable deposit per function, meeting, etc.	R2 017.18	R 2 200.00			R2 332		
(b)	Refundable deposit for cleaning of stables	R960.00	R 1 104.00			R1 170		
21	Municipal Councillors utilizing the halls with special written consent from the Municipal Manager, for the purpose of ward meetings, information sessions to the public, e.g. crime aids etc.	Free of charge	Free of charge			Free of charge		
22	Municipal Councillors and Municipal officials for private use (payment due immediately with booking of facility)	Tariffs as applicable to private persons	Tariffs as applicable to private persons			Tariffs as applicable to private persons		

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
C.	RICHVIEW CIVIC CENTRE							
	Mondays to Thursdays							
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof	R331.14	R 362.00			R383.72		
2.	Hire for weddings, anniversaries and children's parties, per hour or part thereof	R268.18	R 292.00			R309.52		
3.	Hire for political meetings, per hour or part thereof	R268.18	R 292.00			R309.52		
4.	Hire for religious purposes, exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for one day only or part thereof, per hour	R289.17	R 315.00			R333.90		
5.	Hire for religious purposes, exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for longer than one day, per day or part thereof	R754.40	R 823.00			R872.38		
6.	Hire for non-profit organisations, per hour or part thereof	R204.05	R 222.00			R235.32		
7	Preparation for functions contemplated in 1 to 6, per hour or part thereof	R85.12	R 93.00			R98.58		
8.	Rehearsals, per day or part thereof	R169.07	R 184.00			R195.04		
9.	Hire for religious purposes, per hour or part thereof	R85.12	R 92.00			R97.52		
10.	Hire of cooking area, per hour or part thereof (including gas)	R310.16	R 339.00			R359.34		
11	Hire of public-address system, per day or part thereof	R240.20	R 262.00			R277.72		
12	Hire of hall for sport purposes, per hour or part thereof	R282.17	R 308.00			R326.48		
13	Hire of hall and facilities by non-residents	Normal rate +	Normal rate + 25%			Normal rate + 25%		
14	Fridays and Saturdays: The tariff to hire the Richview Civic Centre	Normal tariff for hire mentioned in 1-13 above + 25 %	Normal tariff for hire mentioned in 1-13 above + 25 %			Normal tariff for hire mentioned in 1-13 above + 25 %		
15	Sundays and Public Holidays: - The tariff to hire the Richview Civic Centre	Normal tariff for hire mentioned in 1-13 above + 50 %	Normal tariff for hire mentioned in 1-13 above + 50 %			Normal tariff for hire mentioned in 1-13 above + 50 %		
16	Refundable deposit per function, meeting, etc	R2 511.56	R 2 905.00			R3 079		
17	Municipal Councillors utilizing the halls with special written consent from the Municipal Manager, for the purpose of ward meetings, information sessions to the public, e.g. crime aids etc.	Free of charge	Free of charge			Free of charge		
18	Municipal Councillors and Municipal officials for private use (payment due immediately with booking of facility)	Tariffs as applicable to private persons	Tariffs as applicable to private persons			Tariffs as applicable to private persons		
D.	FAIRLEIGH COMMUNITY HALL							
	Mondays to Thursdays							
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals per hour or part thereof	R268.18	R 292.00			R309.52		
2.	Hire for weddings, anniversaries and children's parties, per hour or part thereof	R226.20	R 246.00			R260.76		
3.	Hire for political meetings, per hour or part thereof	R226.20	R 246.00			R260.76		
4.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for one day only or part thereof, per hour	R240.20	R 262.00			R277.72		
5.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for longer than one day, per day or part thereof	R592.33	R 645.00			R683.70		
6.	Hire for non-profit organisations, per hour or part thereof	R169.07	R 184.00			R195.04		
7.	Preparation for functions contemplated in 1-6, per hour	R78.12	R 85.00			R90.10		
8.	Rehearsals, per day or part thereof	R169.07	R 184.00			R195.04		
9.	Hire for religious purposes, per hour or part thereof	R99.11	R 108.00			R114.48		
10.	For the purpose of conducting playgroups by any organisations referred to in 6 above, during week days: For every group of 30 children or part thereof, per month	R226.20	R 246.00			R260.76		
11.	Hire of public-address system, per day or part thereof	R240.20	R 262.00			R277.72		
12	Hire of hall for sport purposes, per hour or part thereof	R282.17	R 308.00			R326.48		
13	Hire of hall and facilities by non-residents	Normal rate +	Normal rate + 25%			Normal rate + 25%		
14	Fridays and Saturdays: - The tariff to hire the Fairleigh Community Hall	Normal tariff for hire mentioned in 1-13 above + 25%	Normal tariff for hire mentioned in 1-13 above + 25%			Normal tariff for hire mentioned in 1-13 above + 25%		
15	Sundays and Public Holidays: The tariff to hire the Fairleigh Community Hall	Normal tariff for hire mentioned in 1-13 above + 50%	Normal tariff for hire mentioned in 1-13 above + 50%			Normal tariff for hire mentioned in 1-13 above + 50%		
16	Refundable deposit per function, meeting, etc.	R1 996.19	R 2 178.00			R 2 309		
17	Municipal Councillors utilizing the halls with special written consent from the Municipal Manager, for the purpose of ward meetings, information sessions to the public, e.g. crime aids etc.	Free of charge	Free of charge			Free of charge		
18	Municipal Councillors and Municipal officials for private use (payment due immediately with booking of facility)	Tariffs as applicable to private persons	Tariffs as applicable to private persons			Tariffs as applicable to private persons		
E.	NEWCASTLE SHOW HALL							
	Monday to Thursday							
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof	R352.13	R 384.00			R407.04		
2.	Hire for weddings, anniversaries and children's parties, per hour or part thereof	R275.18	R 300.00			R318.00		
3.	Hire for political meetings, per hour or part thereof	R275.18	R 300.00			R318.00		
4.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for one day only or part thereof, per hour	R289.17	R 325.00			R344.50		
5.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for longer than one day, per day or part thereof	R938.63	R 1,024.00			R1,085.44		
6.	Hire for non-profit organization, per hour or part thereof	R226.20	R 208.00			R220.48		
7.	Hire for religious purposes, per hour or part thereof	R190.06	R 208.00			R220.48		
8.	Preparation for functions contemplated in 1 to 7 above, per hour or part thereof	R120.10	R 131.00			R138.86		
9.	Rehearsals, per day or part thereof	R204.05	R 222.00			R235.32		
10.	Hire of toilet facilities, per day or part thereof	R226.20	R 246.00			R260.76		
11.	Hire of the kitchen, per hour or part thereof	R190.06	R 208.00			R220.48		
12.	Hire of public-address system, per day or part thereof	R494.38	R 539.00			R571.34		
13.	Cost of operator for public-address system	Costs + 10%	Costs + 10%			Costs + 10%		
14.	Use of air-conditioner per hour or part thereof	R437.25	R 477.00			R506		
15	Hire of hall for sport purposes, per hour or part thereof	R282.17	R 308.00			R326		
16	Hire of hall and facilities by non- residents	Normal rate +	Normal rate + 25%			Normal rate + 25%		
17	Fridays and Saturdays: -The tariff to hire the Show Hall	Normal tariff for hire mentioned in 1-16 above + 25%	Normal tariff for hire mentioned in 1-16 above + 25%			Normal tariff for hire mentioned in 1-16 above + 25%		
18	Sundays and Public Holidays: The tariff to hire the Show Hall	Normal tariff for hire mentioned in 1-16 above + 50%	Normal tariff for hire mentioned in 1-16 above + 50%			Normal tariff for hire mentioned in 1-16 above + 50%		
19	Refundable deposit per function, meeting, etc.	R2 948.81	R 3 217.00					
20	Municipal Councillors utilizing the halls with special written consent from the Municipal Manager, for the purpose of ward meetings, information sessions to the public, e.g. crime aids etc.	Free of charge	Free of charge			Free of charge		
21	Municipal Councillors and Municipal officials for private use (payment due immediately with booking of facility)	Tariffs as applicable to private persons	Tariffs as applicable to private persons			Tariffs as applicable to private persons		

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
F.	MADADENI COMMUNITY HALL	0						
	Mondays to Thursdays	0						
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof	R268.18	R 292.00			R309.52		
2.	Hire for weddings, anniversaries and children's parties, per hour or part thereof	R226.20	R 246.00			R260.76		
3	Hire for political meetings, per hour or part thereof	R240.20	R 262.00			R277.72		
4.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for one day only or part thereof, per hour	R240.20	R 674.00			R714.44		
5.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for longer than one day, per day of part thereof	R617.98	R 674.00			R714.44		
6	Hire for religious purposes, per hour or part thereof	R99.11	R 108.00			R114.48		
7.	Hire for non-profit organisations, per hour or part thereof	R190.06	R 208.00			R220.48		
8.	Preparation for functions contemplated in 1 to 7 above, per hour or part thereof	R78.12	R 85.00			R90.10		
9.	Rehearsals, per day or part thereof	R169.07	R 184.00			R195.04		
10.	Hire of public-address system, per day or part thereof	R261.18	R 285.00			R302.10		
11	Hire of hall for sport purposes, per hour or part thereof	R282.17	R 308.00			R326.48		
12	Hire of hall and facilities by non- residents	Normal rate +	Normal rate + 25%			Normal rate + 25%		
13	Fridays and Saturdays: The tariff to hire the Community Hall	Normal tariff for hire mentioned in 1-	Normal tariff for hire mentioned in 1-12 above + 25%			Normal tariff for hire mentioned in 1-12 above + 25%		
14	Sundays and Public Holidays: The tariff to hire the Community Hall	Normal tariff for hire mentioned in 1-12 above + 50%	Normal tariff for hire mentioned in 1-12 above + 50%			Normal tariff for hire mentioned in 1-12 above + 50%		
15	Refundable deposit per function, meeting, etc	R2 165.26	R 2 362.00			R2 504		
16	Municipal Councillors utilizing the halls with special consent from the Municipal Manager, for the purpose of ward meetings, information sessions to the public, e.g. crime aids etc.	Free of charge	Free of charge			Free of charge		
17	Municipal Councillors and Municipal officials for private use (payment due immediately with booking of facility)	Tariffs as applicable to private persons	Tariffs as applicable to private persons			Tariffs as applicable to private persons		
G.	OSIZWENI COMMUNITY HALL							
	Mondays to Thursdays							
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof	R289.17	R315.00			R333.90		
2.	Hire for weddings, anniversaries and children's parties, per hour or part thereof	R261.18	R285.00			R302.10		
3	Hire for political meetings, per hour or part thereof	R261.18	R285.00			R302.10		
4.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for one day only or part thereof, per hour	R261.18	R285.00			R302.10		
5.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for longer than one day, per day or part thereof	R818.53	R894.00			R947.64		
6	Hire for non-profit organisations, per hour per hour or part thereof	R190.06	R208.00			R220.48		
7.	Hire for religious purposes, per hour or part thereof	R99.11	R108.00			R114.48		
8.	Preparation for functions contemplated in 1 - 7 above, per hour or part thereof	R85.12	R93.00			R98.58		
9.	Rehearsals, per day or part thereof	R169.07	R184.00			R195.04		
10	Hire of hall for sport purposes, per hour or part thereof	R282.17	R308.00			R326.48		
11	Hire of supper room per hour or part thereof	50% of tariff mentioned under 1-9 above	50% of tariff mentioned under 1-9 above			50% of tariff mentioned under 1-9 above		
12	Hire of public-address system, per day or part thereof	R338.14	R 351.00			R372		
13	Hire of hall and facilities by non-residents	Normal rate +	Normal rate + 25%			Normal rate + 25%		
14	Fridays and Saturdays: The tariff to hire the Community Hall	Normal tariff for hire mentioned in 1-	Normal tariff for hire mentioned in 1-13 above + 25%			Normal tariff for hire mentioned in 1-13 above + 25%		
15	Sundays and Public Holidays: The tariff to hire the Community Hall	Normal tariff for hire mentioned in 1-13 above + 50%	Normal tariff for hire mentioned in 1-13 above + 50%			Normal tariff for hire mentioned in 1-13 above + 50%		
16	Refundable deposit per function, meeting, etc.	R2 511.56	R 2.741.00			R2 905		
17	Municipal Councillors utilizing the halls with special written consent from the Municipal Manager, for the purpose of ward meetings, information sessions to the public, e.g. crime aids etc.	Free of charge	Free of charge			Free of charge		
18	Municipal Councillors and Municipal officials for private use (payment of amenity immediately with booking of facility)	Tariffs as applicable to private persons	Tariffs as applicable to private persons			Tariffs as applicable to private persons		
H.	CHARLESTOWN COMMUNITY HALL							
	Mondays to Thursdays							
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof	R99.11	R 108.00			R114.48		
2.	Hire for weddings, anniversaries and children's parties, per hour or part thereof	R78.12	R 85.00			R90.10		
3.	Hire for political meetings, per hour	R85.12	R 92.00			R97.52		
4.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for one day only or part thereof, per hour	R85.12	R 92.00			R97.52		
5.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for longer than one day, per day or part thereof	R190.06	R 208.00			R220.48		
6.	Hire for non-profit organisations, per hour or part thereof	R71.13	R 78.00			R82.68		
7.	Preparation for functions contemplated in 1 to 6 above, per hour or part thereof	R55.97	R 61.00			R64.66		
8.	Rehearsals, per day or part thereof	R78.12	R 85.00			R90.10		
9.	Hire for religious purposes, per hour or part thereof	R41.98	R 46.00			R48.76		
10	Hire of the Kitchen, per hour or part thereof	R169.07	R 184.00			R195.04		
11	Hire of public address system, per day or part thereof	R226.20	R 246.00			R260.76		
12	Hire of hall for sport purposes, per hour or part thereof	R282.17	R 308.00			R326.48		
13	Hire of hall and facilities by non-residents	Normal rate +	Normal rate + 25%			Normal rate + 25%		
14	Fridays and Saturdays: The tariff to hire the Community Hall	Normal tariff for hire mentioned in 1-	Normal tariff for hire mentioned in 1-13 above + 25%			Normal tariff for hire mentioned in 1-13 above + 25%		
15	Sundays and Public Holidays: The tariff to hire the Community Hall	Normal tariff for hire mentioned in 1-13 above + 50%	Normal tariff for hire mentioned in 1-13 above + 50%			Normal tariff for hire mentioned in 1-13 above + 50%		
16	Refundable deposit per function, meeting, etc.	R508.38	R 554.00			R587		
17	Municipal Councillors utilizing the halls with special written consent from the Municipal Manager, for the purpose of ward meetings, information sessions to the public, e.g. crime aids etc.	Free of charge	Free of charge			Free of charge		
18	Municipal Councillors and Municipal officials for private use (payment due immediately with booking of facility)	Tariffs as applicable to private persons	Tariffs as applicable to private persons			Tariffs as applicable to private persons		

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
I	JBC HALL							
	Mondays to Thursdays							
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals per hour or part thereof	R268.18	R 292.00			R 309.52		
2.	Hire for weddings, anniversaries and children's parties, per hour or part thereof	R226.20	R 246.00			R 260.76		
3.	Hire for political meetings, per hour or part thereof	R226.20	R 246.00			R 260.76		
4.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for one day only or part thereof, per hour	R240.20	R 262.00			R 277.72		
5.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for longer than one day, per day or part thereof	R592.33	R 646.00			R 684.76		
6.	Hire for non-profit organisations, per hour or part thereof	R169.07	R 184.00			R 195.04		
7.	Preparation for functions contemplated in 1 - 6, per hour	R78.12	R 85.00			R 90.10		
8	Rehearsals, per day or part thereof	R169.07	R 184.00			R 195.04		
9.	Hire for religious purposes, per hour or part thereof	R99.11	R 108.00			R 114.48		
10.	For the purpose of conducting playgroups by any organisations referred to in 6 above, during week days: For every group of 30 children or part thereof, per month	R222.71	R 243.00			R 257.58		
11.	Hire of public-address system, per day or part thereof	R240.20	R 262.00			R 277.72		
12	Hire of hall for sport purposes, per hour or part thereof	R282.17	R 308.00			R 326.48		
13	Hire of hall and facilities by non-residents	Normal rate +	Normal rate + 25%			Normal rate + 25%		
14	Fridays and Saturdays: - The tariff to hire the Fairleigh Community Hall	Normal tariff for hire mentioned in 1-13 above + 25%	Normal tariff for hire mentioned in 1-13 above + 25%			Normal tariff for hire mentioned in 1-13 above + 25%		
15	Sundays and Public Holidays: The tariff to hire the Fairleigh Community Hall	Normal tariff for hire mentioned in 1-13 above + 50%	Normal tariff for hire mentioned in 1-13 above + 50%			Normal tariff for hire mentioned in 1-13 above + 50%		
16	Refundable deposit per function, meeting, etc.	R1 905.24	R 2 070.00			R 2 204		
17	Municipal Councillors utilizing the halls with special written consent from the Municipal Manager, for the purpose of ward meetings, information sessions to the public, e.g. crime aids etc.	Free of charge	Free of charge			Free of charge		
18	Municipal Councillors and Municipal officials for private use (payment due immediately with booking of facility)	Tariffs as applicable to private persons	Tariffs as applicable to private persons			Tariffs as applicable to private persons		
J	OSIZWENI ARTS CENTRE							
	General							
	The tariffs of charges shall be payable in advance. No reservation will be made or date will be reserved unless the amount for the hired accommodation together with a refundable deposit, has been paid in full							
	The full rental amount, excluding the deposit, will be forfeited to Council when the hirer cancels or postpones a reservation, unless Council is notified in writing at least 30 days prior to the reserved date about the cancellation							
	The facility, shall, at the discretion of Council, be made available free of charge for civic mayoral functions, functions and meetings held by Council, and functions specially approved by Council.							
	A hirer shall re-arrange and clean the premises and exterior surrounding of the facility within the time permitted by the Caretaker, failing which he/she shall forfeit the deposit paid. The Director: Culture and Amenities may, if required, increase the minimum deposit							
	Mondays to Thursdays							
1	Hire for commercial purposes, performances, concerts, film shows, per hour or part thereof	R226.00	R 246.00			R261		
2	Hire for exhibitions of arts and crafts, where the Arts Centre is required for one day only or part thereof, per hour	R226.00	R 246.00			R261		
3	Hire for exhibitions of arts and crafts, where the Arts Centre is required for longer than one day, per day or part thereof	R754.00	R 823.00			R872		
4	Hire for religious purposes, per hour or part thereof	R78.00	R 85.00			R90		
5	Hire for non-profit organisations, per hour or part thereof	R155.00	R 169.00			R179		
6	Preparation for functions contemplated in 1 to 6 above, per hour or part thereof	R155.00	R 169.00			R179		
7	Rehearsals, per day or part thereof	R113.00	R 169.00			R179		
8	Hire of hall and facilities by non-residents	Normal rate +	R 124.00			R131		
9	Fridays and Saturdays: The tariff to hire the Arts Centre	Normal tariff for hire mentioned in 1-	Normal tariff for hire mentioned in 1-8 above + 25%			Normal tariff for hire mentioned in 1-8 above + 25%		
10	Sundays and Public Holidays: The tariff to hire the Arts Centre	Normal tariff for hire mentioned in 1-	Normal tariff for hire mentioned in 1-8 above + 50%			Normal tariff for hire mentioned in 1-8 above + 50%		
11	Refundable deposit per function, meeting, etc	R2 067.00	R 2 255.00			R2 390		

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
K	FORT AMIEL MUSEUM							
	General							
1	Functions and programmes organised by/or done in liaison with the Directorate Culture and Amenities	Free of charge	Free of charge			Free of charge		
2	Hire of facility and/or grounds for commercial purposes, festivals, braais, picnics, children's parties, for groups below 20 people	141.086	R 90			R95		
3	Hire of facility and/or grounds for commercial purposes, festivals, braais, picnics, children's parties, for groups over 20 people		R 181			R192		
4	Hire for exhibitions of arts and crafts and banars where the facility is required for one day only, per hour or part thereof, per hour	169.07	R 181					
5	Hire for exhibitions of arts and craft where the facility is required for longer than one day, per day	705.43				R748		
6	Hire for non-profit organisations per hour or part thereof	71.126				R75		
7	Preparation for functions contemplated in 1-5 above	41.976				R44		
8	Refundable deposit per function, meeting, etc	1128.688				R1 196		
9	Municipal Councillors and officials for private use (payment due immediately with booking of facility)	Normal tariff as contemplated in 1-5 above				Normal tariff as contemplated in 1-5 above		
	BYLAWS RELATING TO PUBLIC LIBRARIES							
1	In instances where the library material is returned after the specified return date, a borrower of such material shall be liable to pay a fine -		R 0					
(a)	In the case of audio visual material, per item per day or part thereof	R1,00 subject to maximum fine of R5.00	R1,00 subject to maximum fine of R5.00			R1,00 subject to maximum fine of R5.00		
(b)	In the case of books for which there is a waiting list of more than ten members per day or part thereof	R1,00 subject to a maximum of R10.00	R1,00 subject to a maximum of R10.00			R1,00 subject to a maximum of R10.00		
(c)	In the case of any other library material, including books, for which there is no waiting list of more than ten members per week or part thereof	R1,00 subject to a maximum fine of R5,00 per item	R1,00 subject to a maximum fine of R5,00 per item			R1,00 subject to a maximum fine of R5,00 per item		
(d)	In the case where reminders have been sent to members, an administrative fee	23	R 26.09			R28		
2	Membership fees					R0		
(a)(i)	Membership fees for borrowers living outside the municipal area of Newcastle and who do not own property within the said area, payable annually in advance	R327.00	R 309.57			R328		
(a)(ii)	Membership fees for children of school-going age or younger, living outside the municipal area of Newcastle and whose parents or legal guardian do not own property within the said area, on condition that at least one of the parents or guardian is a member of the library	Free of charge	Free of charge			Free of charge		
(b)(i)	The following refundable deposit is payable by persons not usually resident in Newcastle (visitors) and can be forfeited in total or partially if the books are not returned or returned in a damaged condition which is not due to ordinary wear and tear	R496.00	R 470.43			R498.66		
(b)(ii)	Persons not usually resident in Newcastle (visitors) must supply a fixed residential address and are limited to borrow 3 items only per person							
3	Patron Cards							
(a)	Fee for the patron card	R14.00	R 13.48			R14.29		
(b)	Thereafter, per lost card	R21.00	R 20.00			R21.22		
4	Photostat copies					R0.00		
(a)	Photostat copies - per A4 copy (Black and White)	1	R 1.00			R1.06		
(b)	Photostat copies - per A4 copy (Colour)	6	R 6.00			R6.36		
(c)	Photostat copies - per A3 copy (Black and White)	2	R 2.00			R2.12		
(d)	Photostat copies - per A3 copy (Colour)	12	R 12.00			R12.72		
5	Public access computers/internet							
(a)	For the use of the public access computers or the Internet	Free of charge	Free of charge			Free of charge		
(b)	For printing, per A4 copy (Black and White)	R2.00	R2.00			R2.12		
(c)	For printing, per A4 copy (Colour)	R8.00	R8.00			R8.48		
(d)	For printing, per A3 copy (Black and White)	R 4.00	R4.00			R4.24		
e)	For printing, per A3 copy (Black and White)	R 17.00	R17.00			R18.02		
6	Damage or loss of library material		R0.00			R0.00		
(a)	Damage to books	Estimated value of book as deter mined by the librarian at the time of damage, but not exceeding the	Estimated value of book as deter-mined by the librarian at the time of damage, but not exceeding the cost of the item			Estimated value of book as deter-mined by the librarian at the time of damage, but not exceeding the cost of the item		
(b)	Lost books	Full cost of item	Full cost of item			Full cost of item		
(c)	Damage or loss of records, videos, films or any other library material	Full cost of item	Full cost of item			Full cost of item		
M	GROUP ACTIVITIES ROOMS							
	Newcastle Library							
	May not be used for religious and/or political purposes.							
	The tariff of charges shall be applicable to the hire of any group activities room or any of the facilities in connection therewith and shall be payable in advance.							
	Any group activity room and all facilities and services shall, at the discretion of the Council, be made available free of charge for civic mayoral functions, functions and meetings held by the Council and functions specially approved by the Council.							
1	Cultural and/or educational purposes organised/arranged by the Directorate Culture and Amenities	Free of Charge	Free of Charge			Free of Charge		
2	Where the group activity room is required for one day only or part thereof, per hour	R 158.00	R 148.09			R157.61		
3 (a)	Use of group activity room where it is required for periods longer than one day, per day or part thereof (normal office hours 08h00 - 17h00 only)	R 1,061.00	R 1,006.52			R1,066.91		
(b)	Thereafter normal hourly tariffs apply							
4	Refundable deposit per function, meeting, etc.	496	R 470.87			R499.12		
5	Municipal Councillors and Municipal Officials for private use (payment due immediately with booking of facility)	Approved tariffs as applicable to private persons apply	Approved tariffs as applicable to private persons apply			Approved tariffs as applicable to private persons apply		

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
	ELECTRICITY SUPPLY BYLAWS							
1.	Abbreviations and Definitions							
(a)	Abbreviations:							
	< Less than							
	≤ Less than or equal to							
	> Greater than							
	≥ Greater than or equal to							
	A Ampere							
	c Cents							
	c/kWh Cents per kilowatt-hour							
	CPI Consumer price index							
	GWh Gigawatt-hour							
	km Kilometre							
	kVA Kilovolt-ampere							
	kvarh Reactive kilovolt-ampere-hour							
	kV Kilovolt							
	kW Kilowatt							
	kWh Kilowatt-hour							
	MFMA Municipal Finance Management Act, No. 56 of 2003							
	MVA Megavolt-ampere							
	N/A Not applicable							
	NERSA National Energy Regulator of South Africa							
	NMD Notified maximum demand							
	PF Power factor							
	R Rand							
	R/kVA Rand per kilovolt-ampere							
	TOU Time-of-use							
	V Volt							
	VAT Value added tax							
	W Watt							
(b)	Definitions:							
	Account: Is a grouping of premises/points of delivery according to the same voltage or location.							
	(Active) Energy Charge: Is a charge for each unit of energy consumed typically charged for as c/kWh or R/MWh. For some tariffs the charge may be time and/or seasonally differentiated.							
	Administration Charge / Basic Charge: It is a contribution towards fixed costs such as meter reading, billing, administration and maintenance input and is a fixed charge payable every month whether electricity is consumed or not.							
	Annual Utilised Capacity: Is the higher of the customer's NMD or maximum demand, measured in kVA, registered during a rolling twelve month period.							
	Billing: Is the process of producing and delivering a bill (an account or invoice) for payment by a customer, calculated from the tariff schedule or as per agreement between the parties (e.g. special pricing agreements), and for the majority of customers, the consumption measured and recorded by the metering system.							
	Billing Period: Is the period from one meter reading date (actual or estimated) to the following meter reading date (actual or estimated).							
	Chargeable Demand: Is the highest average demand measured in kVA in a billing month during the chargeable time periods specified for each tariff.							
	Chargeable Time Periods: Are the time periods when demand registered will be charged for. The chargeable time periods differ and are described with the respective tariff.							
	Cost-reflective Tariffs: Are tariffs that distinguish between the unique cost components (or cost drivers) for a specific customer or customer class and where the cost components recover the full economic cost to supply electricity to that customer.							
	Energy Demand Charge: Applicable to Scale 4 and 5 tariffs, is a R/kVA charge per premise which is seasonally differentiated and is based on the chargeable demand registered during the month in order to recover peak energy costs.							
	Estimated Load: The total connected load of an installation reduced by the diversity Factors according to SABS : 0142 : 1993.							
	High Voltage: A nominal voltage of 132 000 Volt (± 5%) between any of the three phase conductors (SABS 1019).							
	Key Customer: Is a customer identified by the Municipality that receives special services or consumes/records more than four 500 kVA recordings on contiguous sites.							
	Licensed Area of Supply: Is an area for which the National Electricity Regulator of South Africa (NERSA) has issued a licence to the Municipality under the provisions of the Electricity Act, No. 41 of 1987, as amended, for supply of electricity in that area. Newcastle Municipality tariffs are only applicable where the Municipality is licensed to supply.							
	Load Factor: Is a ratio between the actual energy consumed and the energy that could have been consumed had the demand remained at the maximum for a usage period.							
	Low Voltage : A nominal voltage of 400 Volt (± 10%) between any of the three phase conductors and 230 volt (± 10%) between any phase and the neutral conductor (SABS 1019).							
	Maximum Demand: Is the highest averaged demand measured in kVA or kW during any integrating period (normally 30 minutes) within a designated billing period (during all time periods).							
	Maximum Demand Charge: Payable for each kilovolt-ampère (kVA) supplied by the Council to a consumer during the demand integrating period of 30 (thirty) consecutive minutes in the month or such time periods in the month as may be applicable.							
	Medium Voltage : A nominal voltage of 11 000 Volt (± 5%) between any of the three phase conductors (SABS 1019).							
	Monthly Utilised Capacity: Is the higher of the customer's NMD or maximum demand, measured in kVA, registered during the billing month.							
	Network Charge: Is a charge payable per premise every month. The purpose of the network charge is to recover part of the fixed network costs (including capital, operations, maintenance and refurbishment) associated with the provision of network capacity required and reserved by the customer. For some tariffs the network charge is unbundled into a Network Demand Charge (NDC) and/or a Network Access Charge (NAC).							

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
	Network Demand Charge: Is a charge that recovers network costs on a variable basis and is payable for the chargeable demand registered during the month							
	Network Access Charge: Is a charge that recovers network costs on a fixed basis and is based on the annual utilised capacity							
	Notified Maximum Demand (NMD): Is the maximum demand notified in writing by the customer and accepted by the Municipality, that the customer requires the Municipality to be in a position to supply on demand during all time periods. It is normally the capacity that the Municipality will reserve for a customer for the short term, i.e. the following year. One calender-month's notice must be given in writing by the consumer to the Council of any increase or decrease in the notified maximum demand and of the date upon which the revised supply is made available, the notified maximum demand shall be increased or decreased accordingly. *Note: The notification of demand is governed by a set of rules called the NMD rules*							
	Point of Supply: Means a physical point on the electrical network where electricity is supplied to the customer or where the customer's network connects to that of the Municipality (also see premise)							
	Power Factor: Is the ratio of kW to kVA measured over the same integrating period. *Note: Contractually a customer may not have a leading power factor or a power factor below 0.85*							
	Premise or Point of Delivery: Means either a single Point of Supply or a specific group of Points of Supply located within a single substation, at which electricity is supplied to the customer at the same declared voltage and tariff, and can be a metering or summation point							
	Rate Components: Are the different charges associated with a tariff that recover different costs, for example energy charge							
	Rate-rebalancing Levy: Is a separate rate component, shown on Scale 5, Time-of-Use tariff for customers' bills and indicating inter-tariff subsidies (subsidies between tariffs) in a more transparent manner. The rate-balancing levy is applied to the total active energy consumption and is not subject to the voltage and/or transmission surcharge.							
	Reactive Energy Charge: Is a charge applicable if applied, to Time-of-Use tariff and is based on the reactive power used. It is levied on every kvar/h (reactive energy) which is registered in excess of 30% of the kWh (active energy) supplied during the specified periods of the month. There is no reactive energy charge for a customer operating with a lagging power factor of 0.96 or better. The method of calculating this excess differs and is described with the respective tariff							
	Single-phase Supply: A 50 Hz a.c. supply at 230 V r.m.s. phase-to-neutral. The neutral carries the full load current.							
	Tariff: Is a combination of monthly charges each at particular rates that are usually escalated annually and are applied to recover measured quantities such as consumption and capacity costs and unmeasured quantities such as service costs							
	Three-phase Supply: A 50 Hz a.c. supply at 230 V r.m.s. phase to neutral; 400 V r.m.s. phase-to-phase (120° vector phase displacement)							
	Time-of-Use (TOU) Tariff: Is a tariff that has different energy rates for different time periods and seasons in order to more accurately reflect the shape of the Municipality's long run marginal energy cost of supply at different times.							
	Voltage Surcharge: Is a percentage surcharge levied to customers with lower supply voltages as a contribution to the cost to transform electricity from 11 kV to lower voltages. It is calculated as a percentage of the active energy charge, the energy demand charge (where applicable) and the network charge to reflect the higher cost at lower voltage.							
2.	**Conditions applicable to all tariff scales**							
(a)	A consumer may apply to the Council to be billed on either the standard or the Time-of-Use tariff. A consumer may not apply to change over from the standard to the Time-of-Use tariff or from the Time-of-Use to the standard tariff more than once in a period of 12 months							
(b)	A consumer may apply to the Council to reduce or to increase the size of a circuit breaker (MCB) or the notified maximum demand. A consumer may not apply to reduce a circuit breaker or to reduce the notified maximum demand more than once in a period of 12 months							
(c)	Definitions not covered by the Council's Bylaws will be the same as those recorded in the Eskom Tariff of Charges.							
(d)	All infra structure up to the point of supply remains the property of the Newcastle Municipality and shall be handed over in accordance with the Electricity Department's standards. Maintenance of these assets and replacement will therefore be for the Newcastle Municipality's account							
3.	**Scale 1 : 20A domestic supplies**							
(a)	This scale shall also apply to indigents with a maximum estimated load of 20A single phase							
(b)	Monthly basic charge per metered connection point of supply whether electricity is consumed or not	R48.68	R 59.23			R63.99		
(c)	Active energy charge per kWh consumed during the month	R1.03	1.2575 cents			1.3581 Cents		
(d)	Prepayment meter tariff:-							
	(i) Active energy charge per kWh consumed	R1.48	1.8033 cents			1.95 cents		
4.	**Scale 2 : 60A domestic supplies**							
(a)	This scale shall also apply to domestic dwellings, churches, charitable organisations and sporting bodies with a single phase supply							
(b)	Monthly basic charge:-							
	(i) Per metered connection point of supply whether electricity is consumed or not	R236.88	R 271.57			R293.30		
	(ii) Per vacant lot where electricity can be connected	R216.85	R 263.95			R285.07		
(c)	Active energy charge							
	(i) Standard tariff per kWh consumed during the month							
	(ii) Inclining Block Rate Tariiff (IBT's) for residential/domestic customers as follows:							
	Domestic Conventional							
	Block 1 : (0-50kWh)	R1.05	1.2583 cents			1.36 cents		
	Block 2 : (51-350kWh)	R1.34	1.6157 cents			1.75 cents		
	Block 3 : (351-600kWh)	R1.48	1.8105 cents			1.95 cents		
	Block 4 : (>600kWh)	R1.52	1.8678 cents			2.02cents		
	(iii) Time-of-Use tariff per kWh consumed during the month in accordance with Eskom's specified time schedule							
	TOU-Tariff High Season							
	(a) Peak	R3.55	4.3206 cents			4.67 cents		
	(b) Standard	R1.36	1.6580 cents			1.79 cents		
	(c) Off-peak	R0.81	0.9813 cents			1.06 cents		
	National Sports Codes to be exempted from paying electricity consumption during off-peak (until 22H00).							
	TOU-Tariff Low Season							
	(a) Peak	R2.15	2.6195 cents			2.83 cents		
	(b) Standard	R1.12	1.3673 cents			1.48 cents		
	(c) Off-peak	R0.61	0.7446 cents			0.80 cents		
	(iv) Inclining Block Rate Tariiff (IBT's) for residential/domestic customers on prepaid electricity, as follows:							
	Domestic Pre-paid							
	Block 1 : (0-50kWh)	R1.05	1.2583 cents			1.36 cents		
	Block 2 : (51-350kWh)	R1.34	1.6157 cents			1.75 cents		
	Block 3 : (351-600kWh)	R1.48	1.8105 cents			1.95 cents		
	Block 4 : (>600kWh)	R1.52	1.8678 cents			2.02 cents		
(d)	Indigent households will be subsidised to a maximum of 50 kWh and the basic charge per month							

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
5.	**Scale 3 : Large domestic supplies and small business premises**							
(a)	This scale shall also apply to churches, charitable organisations and sporting bodies with a load greater than 60A single phase but not exceeding 90A three phase							
(b)	This scale shall apply to the small business consumer where the notified maximum demand is less than 65kVA supplied at low voltage							
(c)	Monthly basic charge							
	(i) Per point of supply whether electricity is consumed or not to metered connections for large domestic and small business consumers	R616.95	R 751.01			R811.09		
	(ii) For a vacant business stand where electricity can be connected	R615.43	R 749.09			R809.02		
	(iii) For a vacant domestic stand where electricity can be connected	R216.85	R 263.95			R285.07		
(d)	Active energy charge							
	(i) Standard tariff per kWh consumed during the month	R1.44	1.7561 cents			R1.90		
	(ii) Time-of-use tariff per kWh consumed during the month in accordance with Eskom's specific time schedule							
	TOU-Tariff High Season							
	(a) Peak	R2.70	3.2882 cents			R3.55		
	(b) Standard	R1.15	1.4021 cents			R1.51		
	(c) Off-peak	R0.56	0.6807 cents			R0.74		
	TOU-Tariff Low Season							
	(a) Peak	R1.56	1.9044 cents			R2.06		
	(b) Standard	R1.00	1.2119 cents			R1.31		
	(c) Off-peak	R0.52	0.628 cents			0.68 cents		
6.	**Scale 4 : Medium business and industrial premises**							
(a)	This scale shall apply where the notified maximum demand is 65 kVA but less than 500 kVA supplied at low voltage. Where the notified maximum demand on the premises of a consumer exceeds 100 kVA, the Council may require the consumer to be connected to the medium or high voltage system							
(b)	Monthly basic Charge:							
	(i) For a vacant stand where electricity can be connected	R615.43	R 749.16			R809.09		
	(ii) For a metered stand per point of supply whether electricity is consumed or not	R1,327.03	R 1,615.38			R1,744.61		
(c)	Maximum demand Charge:							
	(i) Standard: Network demand charge per kVA supplied, per month	R128.31	R 168.37			R181.84		
	Network access charge per kVA supplied, per month	R119.97	R 146.03			R157.71		
	(ii) Time of Use: Network demand charge per kVA supplied, per month	R43.44	R 52.88			R57.11		
	Network access charge per kVA supplied, per month	R32.49	R 39.55			R42.71		
(d)	Active energy Charge:							
	(i) Standard tariff per kWh consumed during the month	R0.78	0.9521 cents			R1.03		
	(ii) Time of Use tariff per kWh consumed during the month in accordance with Eskom's specified time schedule:							
	TOU-Tariff High Season							
	(a) Peak	R3.08	3.7506 cents			R4.1		
	(b) Standard	R1.56	1.9021 cents			R2.1		
	(c) Off-peak	R0.88	1.0729 cents			R1.2		
	TOU-Tariff Low Season							
	(a) Peak	R2.61	3.1732 cents			R3.4		
	(b) Standard	R1.17	1.4234 cents			R1.5		
	(c) Off Peak	R0.73	0.8884 cents			0.96 cents		
7.	**Scale 5 : Large business and industrial premises**							
(a)	This scale shall apply where the notified maximum demand is 500 kVA but less than 4500 kVA supplied at medium or high voltage							
(b)	Monthly basic Charge: -							
	(i) For a vacant stand where electricity can be connected	R615.43	R 749.16			R809.09		
	(ii) For a metered stand per point of supply whether electricity is consumed or not	R2 606.44	R 3.172.79			R3,426.61		
(c)	Maximum demand Charge: -							
	(i) Standard: Network demand charge per kVA supplied, per month	R125.72	R 153.03			R165.27		
	Network access charge per kVA supplied, per month	R111.47	R 135.69			R146.55		
	(ii) No demand charge is payable in the off peak periods according to Eskom's 'night save' tariff							
	(iii) Off Peak period shall be between 22:00 and 06:00 on weekdays including Saturdays, Sundays and public holidays, as amended from time to time							
	(iv) Time-of-use tariff per kVA supplied per month payable in peak and standard periods on weekdays and Saturdays							
	(v) Time of Use: Network demand charge per kVA supplied, per month	R43.17	R 52.55			R56.75		
	Network access charge per kVA supplied, per month	R32.76	R 39.88			R43.07		
	(vi) No demand charge is applicable during of peak periods according to Eskom's specified time schedule							
(d)	Active energy Charge: -							
	(i) Standard tariff per kWh consumed during the month	R0.78	0.9521 cents			R1.0283		
	(ii) Time of Use tariff per kWh consumed during the month in accordance with Eskom's specified time schedule:							
	TOU-Tariff High Season							
	(a) Peak	R2.70	3.2886 cents			R3.5517		
	(b) Standard	R1.15	1.4018 cents			R1.5139		
	(c) Off-peak	R0.56	0.6811 cents			R0.7356		
	TOU-Tariff Low Season							
	(a) Peak	R1.56	1.9044 cents			R2.0568		
	(b) Standard	R1.00	1.2119 cents			R1.3089		
	(c) Off Peak	R0.52	0.6288 cents			R0.6791		
(e)	Voltage surcharge (Only applicable on the Time-of-Use tariff)							
	Calculated as a percentage of the network demand, network access and active energy charges							
	Supply voltage: >500 V and <66 kV	10.07%	10.07%			10.07%		
	<500 V	17.30%	17.30%			17.30%		
(f)	Rate-rebalancing levy (Only applicable on the Time-of-Use tariff)							
	Applied to the total active energy consumption, per kilowatt hour	3.10 Cents	3.10 Cents			3.10 Cents		
8.	**Scale 6 : Special agreement**							
	The Council reserves the right to negotiate special agreements and the applicable tariff with consumers where the notified maximum demand is 4 500 kVA and higher supplied at medium or high voltage.							
9.	**Scale 7 : Departmental**							
	All electrical services used by Council may be considered an exempt charge. This applies to the consumption and availability charges.							
10.	**Sundry Charges**							
(a)	Replacing the existing single-phase meter with another type of single phase meter (pre-payment / standard	R2 500.00	R 3,000.00			R3,188.48		
(b)	Replacing the existing standard three phase meter with:-	R0.00						
	(i) A time of use meter	R22,329.01	R 26,866.00			R28,477.96		
	(ii) A three phase prepayment meter (not available)	R3,400.00	R 4,091.00			R4,336.46		
(c)	Replacing the existing billing programme in an electronic electricity energy meter to accommodate a change in tariff	R1,100.27	R 1,324.00			R1,403.44		
(d)	Replacing the existing damaged/burnt/lost keypad for prepayment meter							
(e)	Any electrical service connection up to 1500 amperes as described in scale 1, 2, 3, 4, 5 and 7 shall comprise of the basic charge as indicated in schedule A, B and C as well as the metering required as indicated in schedule D. All costs are fixed including VAT							
	SCHEDULE 'A'							
	SINGLE-PHASE DOMESTIC SCALE 1, 2 & 3							
	AMPERE kVA							
	60 13.8	R7,021.34	R 8,448.00			**R8,954.88**		
	80 18.4	R9,543.11	R 11,482.00			**R12,170.92**		
	100 23.0	R11,693.09	R 14,069.00			**R14,913.14**		
	SCHEDULE 'B'							
	BUSINESS, INDUSTRIAL SINGLE- PHASE							

			Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
	AMPéRE	kVA							
	60	13.8	R14 466.28	R 17 406.00			R18 450.36		
	80	18.4	R21 380.96	R 25 725.00			R27 268.50		
	100	23.0	R26 284.32	R 31 626.00			R33 523.56		
	SCHEDULE 'C'								
	THREE-PHASE: SCALE 3, 4, 5 & 7								
	AMPéRE	kVA							
	60	40	R55 358.58	R 66 608.00			R70 604.48		

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
80	55	R73 826.18	R 88 827.00			R94 156.62		
100	70	R92 269.41	R 111 018.00			R117 679.08		
125	87	R133 815.39	R 161 006.00			R170 666.36		
150	100	R164 878.12	R 198 380.00			R210 282.80		
175	120	R191 800.89	R 230 774.00			R244 620.44		
200	138	R213 268.70	R 256 604.00			R272 000.24		
225	155	R262 425.72	R 315 749.00			R334 693.94		
250	173	R341 930.65	R 411 433.00			R436 118.98		
300	207	R473 278.48	R 569 446.00			R603 612.76		
350	242	R506 879.47	R 609 874.00			R646 466.44		
450	315	R536 489.67	R 645 502.00			R684 232.12		
600	415	R648 593.17	R 780 384.00			R827 207.04		
700	485	R728 443.49	R 876 460.00			R929 047.60		
900	624	R869 456.28	R 1 046 125.00			R1 108 892.50		
1200	831	R898 933.50	R 1 081 592.00			R1 146 487.52		
1500	1040	R1 049 452.98	R 1 262 697.00			R1 338 458.82		
SCHEDULE 'D'		R0.00						
METERING AND CIRCUIT BREAKER (PER ONE SET)		R0.00						
Single-Phase kWh standard tariff/requirement/time of use tariff		R2 500.00	R 3 008			R3 188.48		
Three Phase kWh standard tariff		R4 500.00	R 5 414			R5 738.84		
Three Phase kWh time of use tariff		R15 700.00	R 18 890			R20 023.40		
Three Phase kVA/kWh standard or time of use tariff		R15 700.00	R 18 890			R20 023.40		
(f) The tariffs contained in Schedule E shall be payable for circuit breaker replacements when requested by the consumer for a reduction in supply		R0.00						
SCHEDULE 'E'		R0.00						
CIRCUIT BREAKER REPLACEMENT		R0.00						
Single-Phase to a maximum 30 ampères for scale 1 consumer		R1 269.27	R 1 527.00			R1 618.62		
Single-phase to a maximum 100 ampères		R1 609.06	R 1 937.00			R2 053.22		
Three-phase to a maximum 100 ampères		R3 320.21	R 3 995.00			R4 234.70		
(g) All service connections above 1500 ampères as described in Scale 5, 6 and 7 are based on cost plus 10% plus extra metering costs as indicated above in Schedule E as determined by the Director: Technical Services (Electrical/Mechanical Services)								
(h) Any alterations to existing service connections shall be charged at cost plus 10% which shall include the contribution to the additional transformer capacity requirements. The minimum amount payable when only a circuit breaker change is required for the upgrade, shall be the difference between the old and new scale as indicated in schedule A, B and C unless the client is within the capacity originally applied and paid for, or as determined by the Director: Technical Services (Electrical/Mechanical Services). Domestic premises requiring three phase electricity shall be charged the appropriate scale as indicated in schedule C and D.								
The existing service connection or 65 kVA, the greater of the two, shall be deducted from the transformer capacity costs where after the consumer will be liable for payment of R548.54, per kVA (VAT not applicable) for increased requirements in transformer capacity.		R548.54	R 660.00			R699.60		
Where the consumer has originally contributed in full for the total transformer capacity or a larger transformer is installed against the consumer's project, no kVA installation charge will be levied.								
Store stock material which is re-usable shall be returned to the municipal stores. The consumer will be credited 50% of the current store stock value of these materials. When a service connection is reduced the consumer shall bear the full cost of all the material, transport and labour and no refund of any monies on material will be allowed.								
More than one supply or metering point per domestic premises shall be charged for as per three phase supply, Schedule C plus metering as required.								
Upgrades from single phase to three phase supply shall be calculated by subtracting the existing kVA from the required upgrade and charged per kVA as per the Network Charge (7c).								
Individual domestic units in a group and cluster complex shall have separate metering.								
(i) The following shall apply to the upgrade of service connections and service connections above 1500 ampère.								
The consumer may supply material and labour or appoint an electrical contractor. All material supplied and work carried out shall be to the specification and satisfaction of the Director : Technical Services (Electrical/Mechanical Services) (Second-hand materials life time guarantee). A clerk of works shall be appointed by the Director: Technical Services (Electrical/Mechanical Services) to oversee the project. Tasks and materials as determined by the Director: Technical Services (Electrical/Mechanical Services) shall be carried out/supplied by the Department Electrical/Mechanical Services. The project shall be approved in writing by the Director: Technical Services (Electrical/Mechanical Services) prior to the commencement of any work. When a consumer supplies material and/or labour or appoints a contractor, all existing materials shall be returned to Council and the consumer will not be refunded for any materials.								
All material supplied by the consumer, and workmanship, shall be guaranteed for a minimum of twelve months or longer as required by the Director : Technical Services (Electrical/Mechanical Services). All maintenance costs as determined by the Director : Technical Services (Electrical/Mechanical Services) during the guarantee period, shall be for the consumer's account. All material as determined by the Director: Technical Services (Electrical/Mechanical Services) shall be ceded to Council upon completion of the project. All material, transport and labour supplied by Council shall be at cost plus 10% as determined by the Director: Technical Services (Electrical/Mechanical Services).								
(j) The cost of service connections shall be a fixed cost calculated at cost plus 10% and valid for sixty days from date of application unless the consumer requests alterations to the original design.								
(k) The point of service connections is the point at which the installation on the consumer's premises is connected to the Council's supply mains, or as determined by the Director : Technical Services (Electrical/ Mechanical Services).								
(l) The following shall be the responsibility of the electrical contractor:								
(i) The joint of the cables between the property and Council at the point of supply.								
(ii) An additional length (as determined by the Director: Technical Services (Electrical/Mechanical Services) of cable for the connection between the property and Council's equipment.								
(m) A security deposit shall be payable by all consumers as determined by Council from time to time. When the application for the provision of services is made by a corporate body/legal person, a natural person together with the corporate body/legal person, shall be accountable for the payment of all levies due to Council for services rendered. Deposits may be recalculated to cover an estimated two and a half months supply as determined by Council from time to time.								
(n) Disconnection fees / late payment charges		696	R 838.00			R888.28		
(i) Business disconnection fee / late payment fee (electricity)		260	R 313.00			R331.78		
(ii) Residential (non indigent) disconnection fee / late payment fee (electricity)		0	R 0.00					
(iii) Residential (indigent) disconnection fee / late payment fee (electricity)		75	R 91.00			R96.46		
iv) Residential (prepaid meter 20 AMP) blocking of meter		400	R 481.00			R509.86		
v) Business water restriction fee		150	R 181.00			R191.86		
vi) Residential (non indigent) water restriction fee		0	R 0.00					
vii) Residential (indigent) water restriction fee		200	R 241.00			R255.46		
viii) Business reminder fee notice (hand delivery)		5	R 6.00			R6.36		
ix) Business reminder fee notice sms / mms/ email		5	R 6.00			R6.36		
x) Residential reminder fee sms / mms/ email		50	R 61.00			R64.66		
xi) Residential (non indigent) fee notice (hand delivery)			R 0.00					
(o) (i) Fee payable for the reading of meters on finalising an account, supplementary meter readings requested by consumers and repeat visits due to lack of normal access for monthly meter reading, per visit.		R167.61	R 202.00			R214.12		
(ii) Fee for new service connection , notice of which was received at/after 13H00 for same day service.		R306.27	R 369.00			R391.14		
(iii) Fee for the reading as well as analysis of special meters which are equipped with memory-bank facilities, depending on the total data available in the memory-bank of the meter		R1,180.89	R 1,421.00			R1,506.26		
(p) Fees for each visit of a representative of the Electricity Department to the consumer's premises:			R 0.00					
(i) Domestic		R569.87	R 685.00			R726.10		
(ii) Business/Industrial		R708.54	R 853.00			R904.18		
(q) Inspection fees: -								
(i) Initial inspection of any installation		Free of Charge	Free of Charge			Free of Charge		
(ii) The following tariffs shall be applied for the inspection of an existing installation if requested by the consumer		R0.00						
(a) Domestic		R1,540.49	R 1,854.00			R1,965.24		

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
	(b) Business/Industrial	R2 223.12	R 2 675.00			R2 835.50		
(r)	Fees payable for the testing of energy meters :-							
	(i) Testing of each single-phase meter	R1 173.27	R 1 412.00			R1 496.72		
	(ii) Testing of each three-phase meter	R1 496.30	R 1 800.00			R1 908.00		
	(iii) Testing of any other type of energy meter	Cost +10%	Cost +10%			Cost +10%		
(s)	A fee of R1 073.54 is payable per 24 hour plus a fee of R536.08 per	R1 073.54	R 1 291.00			R1 368.46		
	each 24 hour period thereafter for the following	R536.07	R 645.00			R683.70		
	(i) Single-phase voltage recordings	R0.00						
	(ii) Single-phase current recordings	R0.00						
	(iii) Three-phase current recordings	R0.00						
	(iv) Three-phase voltage recordings	R0.00						
	(v) Power-factor recordings	R0.00						
	(vi) Quality of supply to a consumer according to the requirements of NRS 048	R0.00						
(t)	Temporary connections shall be restricted to unoccupied premises, gatherings and functions. Temporary connections may not exceed a period of sixty days unless written approval has been obtained from the Director : Technical Services (Electrical/Mechanical Services). After sixty days the electricity shall be turned off without further notice.	R0.00						
	Temporary metered connections shall be charged at the same rate as a permanent connection as indicated in schedules A,B C and D. For consumption as well as connection, the period of sixty days shall apply.							
	The following shall apply to unmetered electricity temporary connections: Should the electricity be turned off and the consumer requests an extension of time, the consumer shall be charged for a new connection. Should the consumer request an extension of time prior to disconnection, then only the daily rate will apply (a minimum of 24-hours written notice shall be required for an extension of time). A call-out charge of R569.87 shall be payable for the connection and disconnection of an unmetered temporary electrical connection. The tariff shall be paid prior to connection (cost centre / item 0206125000482)	R569.87	R 685.00			R726.10		
	Electricity consumption fees for unmetered electricity temporary connections as indicated in schedule F shall apply per 24-hour period of part thereof:							

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
	SCHEDULE 'F'							
	Single-Phase							
	AMPêRE							
	20	R38.10	R 46.00			R48.76		
	40	R67.03	R 80.00			R84.80		
	60	R109.71	R 132.00			R139.92		
	80	R134.09	R 162.00			R171.72		
	100	R172.18	R 207.00			R219.42		
	Three-Phase	R0.00						
	AMPêRE	R0.00						
	20	R112.75	R 135.00			R143.10		
	40	R207.23	R 250.00			R265.00		
	60	R312.37	R 376.00			R398.56		
	80	R394.65	R 474.00			R502.44		
	100	R502.83	R 605.00			R641.30		
	No refund will be allowed after disconnection of any temporary electricity connections.							
(u)	Floodlighting for security purposes shall be supplied on the following conditions :-							
	(i) A consumer requiring floodlighting for security purposes shall be responsible for the total installation costs thereof. The installation shall be performed by Council.							
	(ii) Fixed amount payable on a monthly basis for electricity consumed as indicated below :-							
	125-watt	R70.10	R 85.00			R90.10		
	250-watt	R143.23	R 172.00			R182.32		
	400-watt	R193.51	R 233.00			R246.98		
	(iii) Luminaire(s) shall be removed upon request, however, payment of rental shall terminate at the end of the month following the date of removal thereof.							
	(iv) Removal of the luminaire(s) shall be free of charge, however, all luminaires and associated equipment shall remain the property of Council.							
	(v) Repair costs shall be the responsibility of the consumer in the event of vandalism. Repairs shall be performed by the Council.							
	(vi) Amount payable for the supply and installation of floodlights, per floodlight:							
	125 mercury vapour fitting	R5,479.33	R 6,592.00			R6,987.52		
	250 high-pressure sodium fitting	R7,344.37	R 8,837.00			R9,367.22		
	400 high-pressure sodium fitting	R7,806.06	R 9,392.00			R9,955.52		
	(vii) Amount payable for the installation of a floodlight fitting supplied by the client. Only floodlight fittings approved by the Director: Technical Services (Electrical/ Mechanical Services) shall be accepted	R2,002.17	R 2,409.00			R2,553.54		
	(viii) Amount payable to plant a streetlight pole for the mounting of a floodlight	R43,502.43	R 52,342.00			R55,482.52		
(v)	Fees payable for the repositioning of streetlight poles:-							
	(i) 3 metre mounting height	R7,516.36	R 9,043.00			R9,585.58		
	(ii) 7.5 and 10 metre mounting height	R8,782.77	R 10,567.00			R11,201.02		
(w)	Temporary floodlights installed on existing streetlight poles only:							
	Installation and removal:							
	400 W	R1,805.63	R 2,173.00			R2,303.38		
	250 W	R1,805.63	R 2,173.00			R2,303.38		
	125 W	R1,805.63	R 2,173.00			R2,303.38		
	Hiring and electricity consumption per 24 hour period:							
	400 W	R112.75	R 13,522.00			R14,333.42		
	250 W	R74.67	R 89.00			R94.34		
	125 W	R38.10	R 46.00			R48.76		
(x)	The following shall apply to illuminated signs supplies with electricity from streetlights circuits:							
	(i) the installation costs shall be as per schedule B or C							
	(ii) Monthly fee payable, per 100W or portion thereof. Payment shall terminate at the end of the month following the date of removal thereof	R38.10	R 46.00			R48.76		
(y)	Demand control relays shall be installed prior to the energizing of electricity supplies.							
	The electrical contractor appointed by the property owner shall install the demand control relay at no cost to Council and according to the requirements of the Director: Technical Services (Electrical/Mechanical Services). The said relays shall remain the property of Council.							
	Demand control relays are obtainable from the offices of the Director: Technical Services (Electrical/Mechanical Services).							
	Domestic consumers on the standard tariff shall have a demand control relay installed controlling geysers.							
	Domestic consumers on the time-of-use tariff may have the demand control relay removed in which instance the relay shall be returned to the Director: Technical Services (Electrical/Mechanical Services).							
(z)	The Director: Technical Services (Electrical/Mechanical Services) will provide, free of charge, such technical assistance which may be required to comply with the regulations as set out in the Occupational Heath and Safety Act No. 85 of 1993							
(z)	~~Bid documents will be charged R250.00 per document~~	R419.03						
(aa)	The reticulation cost for a subdivision of an existing residential property will be	R5 997.41	R 7,216.00			R7,648.96		
(ab)	Where an electrical supply is found to have been tampered with or the meter bypassed, the following tampering fee shall apply:							
	Tampering fee : Existing Supply x Applicable Network Charge ~~of R585,13 (as per 7a)~~	R6 221.38						
	Meter replacement fee as per Item 10, Sundry Charges (d), Schedule D, which depends on the type of meter used							
	Sundry charges as per (l) above							
	Electricity consumption as per the ~~"Official Gazette of the Province of Natal: 11 – Estimating Consumption"~~ Chapter 10 of the Supply Bylaws.							
	Seven (7) day notice period for payment from date of letter deliver by hand, failure to comply shall result in the electrical power to be switched off immediately.							
	Payment/Arrangements to be made at the Budget and Treasury Department, proof of payment/arrangements to be produced.							
(ac)	Damages to Traffic Control Equipment, in cases of an accident, inclusive of damages to any electrical equipment :	R7,618.64						
	All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time							

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
	DRAINAGE BYLAWS							
	The following fees shall be paid for blocked sewers and sewer connections:-							
1.	Fee for clearing private sewer blockages:-							
(a)	During normal office hours, per blockage	R1 050.67	R 1 092			R1 157.14		
(b)	After normal working hours, per blockage	R727.86	R 756			R801.62		
2.	Fee for providing sewer connection:-							
(a)	100mm connection	7837.327	R 8 143			R8 631.56		
(b)	Connections in excess of 100mm	Cost + 10%	Cost + 10%			Cost + 10%		
	All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time							
	INDUSTRIAL EFFLUENT BYLAWS							
1.	The monthly charge payable by the owner or occupier of any trade premises in respect of any industrial effluent discharged into the Council's sewers, shall be assessed by uThukela Water at half yearly intervals and be notified to such owner or occupier not later than the 31st day of December and the 30th day of June in each year in accordance with the formula prescribed in paragraph (3) hereof, on the basis of the average result of not less than six analyses of the strength and quality of such effluent carried out at any time by uThukela Water during the preceding six months, which analyses may be at the discretion of uThukela Water be based on individual snap samples or on composite samples collected in a manner and under conditions approved by them from time to time, provided that each time a sample for analyses is taken one half thereof shall on his request be made available to the owner or occupier of the premises.							
	The charge thus assessed shall be payable in respect of the volume of industrial effluent recorded or determined as having been discharged each month during the preceding six months with effect from the first reading of the industrial effluent or water meter as the case may be for the month of January or July in each year.							
2.	In the case of trade premises from which industrial effluent is discharged into the Council's sewers for the first time, a charge shall be payable in respect of the interim period between the date of the first discharge and the 31st December or 30th June as the case may be. Such charge shall be assessed in accordance with the formula prescribed in paragraph (3) hereof on the basis of the average result of not less than six analyses carried out by uThukela Water from the date of first discharge and shall be paid in respect of the volume of industrial effluent discharged each month during the said interim period.							
3.	The charge payable in terms of paragraph (1) and (2) hereof shall be assessed in accordance with the following formula:							
	30.8 + (OA - 50) cents per kilolitre							
	20							
	(OA = mg/l 4hr KMnO4)							
	Where OA is the oxygen absorbed, expressed in milligrams per litre, from acidic N/8 potassium permanganate in 4 hours : and where the OA is determined by uThukela Water on the well shaken sample in accordance with the method of chemical analysis given in Schedule D of the Council's Industrial Effluent Bylaws, or as he may deem proper, having regard to the nature of the industrial effluent to be analysed, details of such methods and the results obtained to be kept available for a period of 12 months for inspection by the owner or occupier of the premises from which the effluent emanated.							
	In the absence of any direct measurements, the volume or quantity of trade effluent discharged into the sewer each month from any trade premises shall be estimated and determined by uThukela Water from the monthly quantity of water consumed on the premises concerned, whether obtained from the Council or from other sources, due allowance being made for water used for domestic purposes, water lost by reaction or evaporation during the process of manufacture and water present in the final products manufactured.							
	All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time							
	WATER SUPPLY BYLAWS AND SEWER BYLAWS							
A.	WATER							
	Charges for the supply of water to all properties within the municipal area on condition that the property can be developed and can be connected to the water supply mains.							
1.	Monthly availability levy							
	(i) Vacant properties, payable by the owner	R247.79	R270.14			R286.35		
	(ii) All other properties, per metered connection of supply, payable by the occupier	R50.12	R55.07			R58.37		
	Indigent households will be fully subsidised							
2.	Consumption Charges							
	Charges for the supply of water to consumers for every kilolitre metered over a monthly meter reading period where a measuring device has been installed:-							
	Residential:							
	0 - 06 kl	R11.14	R12.16			R12.89		
	07 - 20 kl	R11.15	R12.17			R12.90		
	21 - 40 kl	R12.52	R13.66			R14.48		
	41 - 60 kl	R12.53	R13.67			R14.49		
	more than 60 kl	R13.92	R15.19			R16.10		
	Body Corporate, Sectional Titles, Cluster Homes & Old Aged Peoples Home:							
	Consumption: Charged at the 3rd block of the residential tariff, per kl.	R12.52	R13.66			R14.48		
	Indigent households will receive a maximum 6 kilolitres free basic water.							
	Businesses:							
	(i) Industrial and business consumers	R11.14	R12.16			R12.89		
	(ii) Bulk - Karbochem (Per agreement)	R3.88	Per agreement			Per agreement		
3.	Levy							
	(i) Residential properties connected to water supply mains, per month - not metered	R278.41	R303.39			R321.59		
	(ii) Residential properties served by standpipes, per month							
	(iii) Non-residential properties connected to water supply mains, per month not metered	R278.41	R303.39			R321.59		
4.	Drought surcharge							
	The drought surcharge will be charged as a percent, which will not exceed the limit of water use percentage as gazetted in terms of item 6 (1) of Schedule 3 of the National Water Act from time to time, that will apply to all customers only during a declared drought and only on the volume of water used. (FY16'17 drought surcharge maximum is 30% based on the Government Gazette No 39860).							

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
2.	SEWER							
	Availability levy							
	(i) Residential having water borne sewer, excluding body corporate unit, payable by owner monthly	R224.57	R245.20			R259.92		
	(ii) Body corporate unit, payable by owner monthly	R169.41	R245.20			R259.92		
	(ii) Residential other than water borne sewer, payable by owner monthly	R93.24	R101.82			R107.93		
	(iii) Business and Industry, per kilolitre of water consumed, payable monthly	R4.17	R4.55			R4.82		
	The Lessee will be responsible for the availablity levy charged against any State owned improved property which is administrated by the Provincial Department of Public Works							
	Indigent households will be fully subsidised							
C.	MUNICIPAL OWN USE							
	All water and sewerage services used by Council may be considered an exempt charge. This also applies to the availability and fixed charges.							
D.	GENERAL							
1.	A security deposit shall be payable by all consumers as determined by Council from time to time. When the application for the provision of services is made by a corporate body/legal person, a natural person together with the corporate body/legal person, shall be accountable for the payment of all levies due to Council for services rendered. Deposits may be recalculated to cover an estimated two and a half months supply as determined by Council from time to time							
2.	Charges for providing service connections are as follows:-							
	(i) 20mm connection - All areas except Blaauwbosch, Dicks Halt and Manzana	R7 906.19	R 7 750			R8 214.54		
	(ii) 20mm connection - Blaauwbosch, Dicks Halt and Manzana	R1 050.43	R 1 030			R1 091.40		
	(iii) Connections in excess of 20 mm	Cost + 6%	Cost + 6%			Cost + 6%		
3.	Charge for the testing of meters up to 50mm	R647.33	R 635			R672.57		
4.	Charge for the testing of meters in excess of 50mm	Cost + 6%	Cost + 6%			Cost + 6%		
5.	Closing or opening of control valve, per visit	Cost + 6%	Cost + 6%			Cost + 6%		
6.	Disconnection or restricted flow fee and reconnection or removing of restrictor fee for default payment, per visit							
	(i) During normal office hours	R701.76	R 729			R772.88		
	(ii) After normal office hours	R1,174.01	R 1,220			R1,292.99		
	All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time							
	MISCELLANEOUS SERVICES							
1.	For executing the following services or hiring out of plant or equipment for the purpose envisaged in section 222 of the Local Authorities Ordinance, 1974, the following charges shall be levied and paid, provided that prior to these services being undertaken or the plant or equipment being hired out, arrangements to the satisfaction of the Strategic Executive Director: Budget and Treasury Office shall be made for the payment of the amount involved, except where it is specifically stated that the fees shall be paid in advance							
(a)	Hardening of footpaths, including reinstatements of existing footpaths	Cost +6 %	Cost +6 %			Cost +6 %		
(b)	Special drainage. Connecting storm water drains and channels from private property to open channels adjoining kerb	Cost +6 %	Cost +6 %			Cost +6 %		
(c)	Reinstatement of road surfaces	Cost +6 %	Cost +6 %			Cost +6 %		
(d)	Hire of machinery (including operator during normal working hours	Cost +6 %	Cost +6 %			Cost +6 %		
2.	Altering storm water culverts, channels, sewers, kerbs or footpaths to permit the erection of veranda columns or other structures	Cost +6 %	Cost +6 %			Cost +6 %		
3.	Construction of gutter bridges or kerb entrances across street drains	Cost +6 %	Cost +6 %			Cost +6 %		
(a)	When constructed simultaneously with the laying of any street drain, one vehicle entrance	No charge	No charge			No charge		
(b)	Additional vehicle entrance	Cost +6 %	Cost +6 %			Cost +6 %		
(c)	When constructed after the street drain has been completed	Cost +6 %	Cost +6 %			Cost +6 %		
	All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time		No charge			No charge		
			Cost + 10%			Cost + 10%		
(c)	When constructed after the street drain has been completed		Cost + 10%			Cost + 10%		
	All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time							
	BYLAWS FOR THE REGIONAL AIRPORT AND MUNICIPAL AERODROME							
	The following landing fees and charges are payable to the Council for the use of the Council's runways and facilities provided at the airport							
1.	Single landing							
(a)	70% of the tariff applicable to State airports as published in Government Gazette No. 10931 of 25 September 1987, under Government Notice No. R2120, as amended from time to time by the State							
(b)	Helicopters 20% of the charge for an aircraft of equal weight in paragraph (a)							
2.	Block landing concessions							
(a)	Companies, flying clubs and similar organisations operating one or more aircraft, or handling a number of aircraft in the course of their business or activities respectively may apply for block landing privileges as stipulated in terms of paragraph 2(b). Registration letters of aircraft to be charged under the block landing scheme shall be registered with the Director: Culture and Amenities							
(b)	The monthly charge raised under this scheme shall be calculated as follows: Number of landings per month calculated pro rata on the actual number of landings the previous month or part thereof, as a tariff percentage							
	1 - 25	100%	100%			100%		
	26 - 50	90%	90%			90%		
	51 - 75	80%	80%			80%		
	76 - 100	70%	70%			70%		
	In excess of 100	60%	60%			60%		

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
3.	Special charges Pupil pilots shall pay a landing fee calculated at one fifth of the normal landing fee							
4.	Flying clubs Landing fees for flying clubs shall be 50% of the fees prescribed in 1(a)	Above with a maximum of R220,00 per month	Above with a maximum of R220,00 per month			Above with a maximum of R220,00 per month		
5.	Exemptions							
(a)	No landing fees shall be payable in respect of aircraft referred to in rule 6 of the airport charges as published in Government Gazette No. 20749 of 30 December 1999, under Notice No. 2887, as amended from time to time by the State							
(b)	In addition to (a) above, the under mentioned aircraft shall be exempted from paying landing fees:- ambulance aircraft, vintage aircraft belonging to historical aircraft preservation organizations, aircraft belonging to the South African Aerobatics team and aircraft used by the President or the Premier of the KwaZulu Natal Province							
6.	Rental: Hangars							
(a)	Hangers constructed by Council, per month	R9176,20 with an annual escalation of 6% with effect from 1 July	R914,32pm			R914,32pm		
(b)	Hangers constructed by private individuals, per month	R3.30m² with an annual escalation of 6% with effect from 1 July	R457,16pm			R457,16pm		
7	Administration fee							
	Fee to be levied for non-payment for landing at the Newcastle Airport	R62.08				R65.80		
	BUILDING BYLAWS							
1.	Every application for the approval of any building plan in terms of these bylaws shall be accompanied by the following fees:							
	For every new building, temporary building, addition to, or alteration of existing buildings:							
(a)	For the first 20m² of floor area or part thereof. A minimum of	R360.00	R 394.82			R418.51		
(b)	For buildings in excess of 20m² and up to 1500m².							
	20-29m²	R380.00	R 415.60			R440.54		
	30-39m²	R487.00	R 529.89			R561.68		
	40-49m²	R574.00	R 623.40			R660.80		
	50-59m²	R662.00	R 727.30			R770.94		
	60-69m²	R770.00	R 841.59			R892.09		
	70-79m²	R867.00	R 945.49			R1,002.22		
	80-89m²	R974.00	R 1,059.78			R1,123.37		
	90-99m²	R1,062.00	R 1,163.68			R1,233.50		
	100-109m²	R1,150.00	R 1,257.19			R1,332.62		
	110-119m²	R1,267.00	R 1,381.87			R1,464.78		
	120-129m²	R1,364.00	R 1,485.77			R1,574.92		
	130-139m²	R1,463.00	R 1,600.06			R1,696.06		
	140-149m²	R1,540.00	R 1,683.18			R1,784.17		
	150-159m²	R1,636.00	R 1,787.08			R1,894.30		
	160-169m	R1,734.00	R 1,890.98			R2,004.44		
	170-179m²	R1,852.00	R 2,015.66			R2,136.60		
	180-189m²	R1,949.00	R 2,129.95			R2,257.75		
	190-199m²	R2,046.00	R 2,233.85			R2,367.88		
	200-209m²	R2,145.00	R 2,337.75			R2,478.02		
	210-219m²	R2,242.00	R 2,441.65			R2,588.15		
	220-229m²	R2,339.00	R 2,555.94			R2,709.30		
	230-239m²	R2,437.00	R 2,659.84			R2,819.43		
	240-249m²	R2,525.00	R 2,753.35			R2,918.55		
	250-259m²	R2,631.00	R 2,867.64			R3,039.70		
	260-269m²	R2,728.00	R 2,971.54			R3,149.83		
	270-279m²	R2,827.00	R 3,085.83			R3,270.98		
	280-289m²	R2,924.00	R 3,189.73			R3,381.11		
	290-299m²	R3,011.00	R 3,283.24			R3,480.23		
	300-309m²	R3,119.00	R 3,397.53			R3,601.38		
	310-319m²	R3,205.00	R 3,491.04			R3,700.50		
	320-329m²	R3,313.00	R 3,615.72			R3,832.66		
	330-339m²	R3,410.00	R 3,719.62			R3,942.80		
	340-349m²	R3,509.00	R 3,823.52			R4,052.93		
	350-359m²	R3,616.00	R 3,948.20			R4,185.09		
	360-369m²	R3,703.00	R 4,041.71			R4,284.21		
	370-379m²	R3,801.00	R 4,145.61			R4,394.35		
	380-389m²	R3,907.00	R 4,259.90			R4,515.49		
	390-399m²	R3,995.00	R 4,353.41			R4,614.61		
	400-409m²	R4,092.00	R 4,457.31			R4,724.75		
	410-419m²	R4,190.00	R 4,571.60			R4,845.90		
	420-429m²	R4,298.00	R 4,685.89			R4,967.04		
	430-439m²	R4,404.00	R 4,800.18			R5,088.19		
	440-449m²	R4,501.00	R 4,914.47			R5,209.34		
	450-459m²	R4,580.00	R 4,997.59			R5,297.45		
	460-469m²	R4,677.00	R 5,101.49			R5,407.58		
	470-479m²	R4,774.00	R 5,205.39			R5,517.71		
	480-489m²	R4,891.00	R 5,340.46			R5,660.89		
	490-499m²	R4,970.00	R 5,423.58			R5,748.99		
	500-509m²	R5,067.00	R 5,527.48			R5,859.13		
	510-519m²	R5,176.00	R 5,641.77			R5,980.28		
	520-529m²	R5,271.00	R 5,745.67			R6,090.41		
	530-539m²	R5,370.00	R 5,859.96			R6,211.56		
	540-549m²	R5,467.00	R 5,963.86			R6,321.69		
	550-559m²	R5,566.00	R 6,067.76			R6,431.83		
	560-569m²	R5,651.00	R 6,161.27			R6,530.95		
	570-579m²	R5,760.00	R 6,285.98			R6,663.11		

	Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
580-589m²	R5 856.00	R 6 389.85			R6 773.24		
590-599m²	R5 954.00	R 6 493.75			R6 883.38		
600-609m²	R6 050.00	R 6 597.65			R6 993.51		
610-619m²	R6 127.00	R 6 680.77			R7 081.62		
620-629m²	R6 246.00	R 6 815.84			R7 224.79		
630-639m²	R6 390.00	R 6 971.69			R7 389.99		
640-649m²	R6 450.00	R 7 034.03			R7 456.07		
650-659m²	R6 548.00	R 7 148.32			R7 577.22		
660-669m²	R6 644.00	R 7 252.22			R7 687.35		
670-679m²	R6 743.00	R 7 356.12			R7 797.49		
680-689m²	R6 834.00	R 7 460.02			R7 907.62		
690-699m²	R6 958.00	R 7 595.09			R8 050.80		
700-709m²	R7 035.00	R 7 678.21			R8 138.90		
710-719m²	R7 123.00	R 7 771.72			R8 238.02		
720-729m²	R7 229.00	R 7 886.01			R8 359.17		
730-739m²	R7 328.00	R 7 989.91			R8 469.30		
740-749m²	R7 405.00	R 8 083.42			R8 568.43		
750-759m²	R7 522.00	R 8 208.10			R8 700.59		
760-769m²	R7 610.00	R 8 301.61			R8 799.71		
770-779m²	R7 718.00	R 8 415.90			R8 920.85		
780-789m²	R7 814.00	R 8 519.80			R9 030.99		
790-799m²	R7 912.00	R 8 634.09			R9 152.14		
800-809m²	R8 019.00	R 8 748.38			R9 273.28		
810-819m²	R8 107.00	R 8 841.89			R9 372.40		
820-829m²	R8 204.00	R 8 945.79			R9 482.54		
830-839m²	R8 312.00	R 9 070.47			R9 614.70		
840-849m²	R8 399.00	R 9 163.98			R9 713.82		
850-859m²	R8 506.00	R 9 278.27			R9 834.97		
860-869m²	R8 593.00	R 9 371.78			R9 934.09		
870-879m²	R8 690.00	R 9 475.68			R10 044.22		
880-889m²	R8 798.00	R 9 600.36			R10 176.38		
890-899m²	R8 886.00	R 9 693.87			R10 275.50		
900-909m²	R8 983.00	R 9 797.77			R10 385.63		
910-919m²	R9 082.00	R 9 912.06			R10 506.78		
920-929m²	R9 178.00	R 10 015.96			R10 616.92		
930-939m²	R9 277.00	R 10 119.86			R10 727.05		
940-949m²	R9 372.00	R 10 223.76			R10 837.19		
950-959m²	R9 472.00	R 10 338.05			R10 958.33		
960-969m²	R9 577.00	R 10 452.34			R11 079.48		
970-979m²	R9 677.00	R 10 556.24			R11 189.61		
980-989m²	R9 781.00	R 10 670.53			R11 310.76		
990-999m²	R9 871.00	R 10 764.04			R11 409.88		
1000-1009m²	R9 968.00	R 10 878.33			R11 531.03		
1010-1019m²	R10 066.00	R 10 982.23			R11 641.16		
1020-1029m²	R10 163.00	R 11 086.13			R11 751.30		
1030-1039m²	R10 261.00	R 11 190.03			R11 861.43		
1040-1049m²	R10 358.00	R 11 304.32			R11 982.58		
1050-1059m²	R10 456.00	R 11 408.22			R12 092.71		
1060-1069m²	R10 552.00	R 11 512.12			R12 202.85		
1070-1079m²	R10 650.00	R 11 616.02			R12 312.98		
1080-1089m²	R10 737.00	R 11 709.53			R12 412.10		
1090-1099m²	R10 855.00	R 11 844.60			R12 555.28		
1100-1109m²	R10 952.00	R 11 948.50			R12 665.41		
1110-1119m²	R11 050.00	R 12 052.40			R12 775.54		
1120-1129m²	R11 136.00	R 12 145.91			R12 874.66		
1130-1139m²	R11 244.00	R 12 260.20			R12 995.81		
1140-1149m²	R11 341.00	R 12 374.49			R13 116.96		
1150-1159m²	R11 440.00	R 12 478.39			R13 227.09		
1160-1169m²	R11 527.00	R 12 571.90			R13 326.21		
1170-1179m²	R11 615.00	R 12 676.58			R13 458.37		
1180-1189m²	R11 732.00	R 12 800.48			R13 568.51		
1190-1199m²	R11 810.00	R 12 883.60			R13 656.62		
1200-1209m²	R11 926.00	R 13 008.28			R13 788.78		
1210-1219m²	R12 014.00	R 13 101.79			R13 887.90		
1220-1229m²	R12 121.00	R 13 226.47			R14 020.06		
1230-1239m²	R12 219.00	R 13 330.37			R14 130.19		
1240-1249m²	R12 306.00	R 13 423.88			R14 229.31		
1250-1259m²	R12 414.00	R 13 538.17			R14 350.46		
1260-1269m²	R12 500.00	R 13 631.68			R14 449.58		
1270-1279m²	R12 617.00	R 13 766.75			R14 592.76		
1280-1289m²	R12 715.00	R 13 870.65			R14 702.89		
1290-1299m²	R12 803.00	R 13 964.16			R14 802.01		
1300-1309m²	R12 910.00	R 14 088.84			R14 934.17		
1310-1319m²	R12 998.00	R 14 182.35			R15 033.29		
1320-1329m²	R13 094.00	R 14 286.25			R15 143.43		
1330-1339m²	R13 203.00	R 14 400.54			R15 264.57		
1340-1349m²	R13 289.00	R 14 494.05			R15 363.69		
1350-1359m²	R13 398.00	R 14 618.73			R15 495.85		
1360-1369m²	R13 484.00	R 14 712.24			R15 594.97		
1370-1379m²	R13 584.00	R 14 816.14			R15 705.11		
1380-1389m²	R13 698.00	R 14 940.82			R15 837.25		
1390-1399m²	R13 779.00	R 15 034.33			R15 936.39		
1400-1409m²	R13 875.00	R 15 138.23			R16 046.52		
1410-1419m²	R13 973.00	R 15 242.13			R16 156.66		
1420-1429m²	R14 070.00	R 15 346.03			R16 266.79		
1430-1439m²	R14 188.00	R 15 470.71			R16 398.95		
1440-1449m²	R14 265.00	R 15 564.22			R16 498.07		
1450-1459m²	R14 373.00	R 15 678.51			R16 619.22		
1460-1469m²	R14 469.00	R 15 782.41			R16 729.35		
1470-1479m²	R14 567.00	R 15 886.31			R16 839.49		
1480-1489m²	R14 674.00	R 16 010.99			R16 971.65		
1490-1499m²	R14 762.00	R 16 104.50			R17 070.77		
1500m²	R14 859.00	R 16 208.40			R17 180.90		

		Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
(c)	For areas greater than 1500m² :	Sliding scale : 1500m² = R14,859 + 50% of rate R58.00 (R29.00) per 10m² plus R380 for first 20m²	Sliding scale : 1500m² = R15,600 + 50% of rate R60.00 (R30.00) per 10m² plus R380 for first 20m²			Sliding scale : 1500m² = R15,600 + 50% of rate R60.00 (R30.00) per 10m² plus R380 for first 20m²		
2.	Fees payable to renew plans where the application has not yet lapsed - 50% of the fees prescribed in (1) above.							
3.	Minor alterations/renovations approved, per certificate	R255.00	R 780.53			R297.36		
4.	Minor alterations to industrial/commercial buildings	R1 500.00	R 1,641.62			R1,740.12		
5.	Applications for the relaxation of building lines, side and rear spaces, per applications	R730.00	R 0.00			R774		
6.	Alterations to existing buildings, including alterations to floor layout plans, pedestrian malls, toilets, fire fighting equipment, refuse equipment, refuse areas and substations	- 50% of the fees prescribed in (1) above	- 50% of the fees prescribed in (1) above			- 50% of the fees prescribed in (1) above		
7.	Swimming pools and miscellaneous fixed tariff for plans for swimming pools and other installations (Additional to other plan fees)	R305.00	R 353.26			R374		
8.	Fees as a result of inspection: Per neglect in accordance with section 14A(f)							
9.	Supervision in accordance with section 325							
(a)	Fire fighter, per hour or part thereof	Cost + 10%	Cost + 10%			Cost + 10%		
(b)	Officer, per hour or part thereof	Cost + 10%	Cost + 10%			Cost + 10%		
10.	Hire in respect of street projections, payable per annum							
(a)	Veranda posts - each	R10.00	R 15.59			R16.52		
(b)	Veranda and cantilever canopies per square metre or part thereof	R3.00	R 5.20			R5.51		
	Under each category : Minimum	R40.00	R 62.34			R66.08		
	Under each category : Maximum	R100.00	R 114.29			R121.15		
11.	Encroachments at building sites, payable per month		R 0.00					
(a)	General building work including hoardings for construction work, demolition, material storage on Council property or encroachment on parking areas, per square metre or part thereof	R10.00	R 15.59			R16.52		
(b)	At construction sites affective to metered parking bays the tariff shall be determined by the Director of Community Services with due regard to the parking tariff in that area per eight hour working day.	R10.00	R 15.59			R16.52		
12.	Building plan statistics, payable annually	R115.00	R 342.87			R363.44		
13.	The following fees shall be paid for the examination and approval of plans for the installation of essential services in respect of new township development:							
(a)	Basic fee	R235.00	R 259.75			R275.34		
(b)	Water reticulation, per linear metre	R3.00	R 4.16			R4.41		
(c)	Sewerage reticulation, per linear metre	R3.00	R 4.16			R4.41		
(d)	Storm water drainage, per linear metre	R3.00	R 4.16			R4.41		
(e)	Streets, per linear metre	R3.00	R 4.16			R4.41		
(f)	Rail Sidings	R3.00	R 4.16			R4.41		
	The Council may charge an additional fee should special circumstances arise resulting in additional inspection work not normally covered by the fees charged above		Cost plus 10%			Cost plus 10%		
14.	Search and handling fee on each building plan file	R75.00	R 83.12			R88.11		
15.	Submission fee for cellular masts	R1 500.00	R 1,641.62			R1,740.12		
16.	Laying of Fibre Optic Cables - Application Fee from 0km to 10km	R 5 500.00	R 6,005.42			R6,365.75		
17.	Laying of Fibre Optic Cables - per kilometer after 10km	R 550.00	R 602.62			R638.78		
	Submission fee for applications for Lease of land	R 500.00	R 550.67			R583.71		
	Building bylaw offences and penalties							
	Offence							
	Building prior to Local Government Approval	R 100.00	R 114.29			R121.15		
	Commencement and erection of structures without approved building plans having been warned by Council (first offence)		R 10,000.00			R10,600.00		
	Commencement and erection of structures without approved building plans having been warned by Council (second offence)		R 30,000.00			R31,800.00		
	Commencement and erection of structures without approved building plans having been warned by Council (third offence)		R 60,000.00			R63,600.00		
	Occupying a building prior to issue of occupation certificate by Local Authority	R 4,500.00	R 4,904.08			R5,198.32		
	Changing the use of a building without consent of Local Authority and not CComplying with notice to cease the new use.	R 4,500.00	R 4,904.08			R5,198.32		
	Deviation from approved plans to material degree	R 4,500.00	R 4,904.08			R5,198.32		
	Carrying out plumbing work by person other than trained plumber or exempted person	R 4,500.00	R 4,904.08			R5,198.32		
	Putting into use a drainage System prior to inspection testing and approval by Local-Authority	R 4,500.00	R 4,904.08			R5,198.32		
	No notice given for inspection And testing of sewer and Drainage installation	R 4,500.00	R 4,904.08			R5,198.32		
	Backfilling drainage (Sewer) installation prior to testing and approval	R 4,500.00	R 4,904.08			R5,198.32		
	No notice given of intention to erect or demolish a building	R 4,500.00	R 4,904.08			R5,198.32		
	No notice give for inspection of trenches or excavation prior to placing of concrete for foundation	R 4,500.00	R 4,904.08			R5,198.32		
	Constructing foundation before approval of trenches	R 4,500.00	R 4,904.08			R5,198.32		
	Failing to comply with a notice to cut into or lay open work or to carry out tests	R 4,500.00	R 4,904.08			R5,198.32		
	Erecting or demolishing a building without providing sanitary facilities for employee	R 4,500.00	R 4,904.08			R5,198.32		
	Demolishing a building without permission from Local Authority	R 4,500.00	R 4,904.08			R5,198.32		
	Erecting or demolishing a building without erecting a hording	R 4,500.00	R 4,904.08			R5,198.32		
	Leaving a building in course of demolition in a state dangerous to the public or any adjoining property	R 4,500.00	R 4,904.08			R5,198.32		
	Failing to comply with a notice to remove rubble, rubbish and/or debris from a building site	R 4,500.00	R 4,904.08			R5,198.32		
	Failing to comply with a notice to remove surplus material and matter form the site or land or Public Street or place arising from building or demolition work	R 4,500.00	R 4,904.08			R5,198.32		
	Permitting sewerage to enter a street, stormwater drain or stormwater system	R 4,500.00	R 4,904.08			R5,198.32		
	Permitting storm water to enter any sewer installation	R 4,500.00	R 4,904.08			R5,198.32		
	Failing to control access to a swimming pool	R 4,500.00	R 4,904.08			R5,198.32		
	When an unoccupied/vacant property is kept in a unsightly objectionable and not in the interest of good health and	R 0.00	R 5,787.23			R6,134.46		
	Hindering or obstructing a building inspector (Authorized by the Council) in the exercise of his powers	R 45,000.00	R 49,092.75			R52,038.32		
	COSTS OF INFORMATION FROM GEOGRAPHIC INFORMATION SYSTEM (GIS)							
	A4 size - fully color information	R 40.00	R 41.56			R44.05		
	A3 size - fully color information	R 80.00	R 83.12			R88.11		
	A2 size - fully color information	R 120.00	R 124.68			R132.16		
	A1 size - fully color information	R 160.00	R 166.24			R176.21		
	A0 size - fully color information	R 200.00	R 207.80			R220.27		

	Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
ADVERTISING SIGN BYLAWS							
A1 OUTDOOR ADVERTISING							
All applications shall be inaccordance with the Newcastle Municipality's Outdoor Advertising Policy and By-							
(a) Temporal Advertising Signs							
(i) In respect of general advertisments of a of a commercial nature (events):							
(aa) Each poster with an approved sticker	R35.00	R 41.56			R44.05		
(bb) Removal of posters by Council for each poster	R50.00	R 62.34			R66.08		
(ii) In respect of general advertisments for awareness compaigns with commercial content logo:							
(aa) Each poster with an approved sticker	R30.00	R 31.17			R33.04		
(bb) Removal of posters by Council for each poster	R50.00	R 62.34			R66.08		
(iii) In respect of general advertisment for non-profit orgarnisations (subject to submission of a NPO Certificate from the relavant authority- eg government)							
(aa) Each poster with an approval sticker	R13.00	R 20.78			R22.03		
(bb) Removal of posters by Council for each poster	R50.00	R 62.34			R66.08		
(iv) In respect of election advertisments, per party/ per candidate:							
(aa) Posters (unlimited number)	R2 700.00	R 2 940.37			R3 116.79		
(bb) Removal of posters by Council for each poster	R50.00	R 62.34			R66.08		
(v) Banners:							
(aa) Per Banner with an approval sticker	R1 000.00	R 1 090.95			R1 156.41		
(bb) Removal of banners by Council for each banner	R530.00	R 581.84			R616.75		
(b) Aerial Advertisments							
(i) Application Fee	R2 200.00	R 2 400.09			R2 544.10		
c) Advertising Vehicles							
(i) Application Fee	R700.00	R 768.86			R814.99		
(ii) Annual display fee per sign	R6,000.00	R 6,545.70			R6 938.44		
(d) Building attachement Signs							
(i) Application Fee	R500.00	R 540.28			R572.70		
(ii) Annual display fee per sign on Private Building	R1 500.00	R 1 641.62			R1 740.12		
(iii) Annual display fee per sign on Municipal Building	R2 000.00	R 2 181.90			R2 312.81		
e) Electric and Illuminated Signs							
(i) Application Fee	R1 500.00	R 1 641.62			R1 740.12		
(ii) Annual rental rate for electronic advertising signs irrespective of whether the sign is erected on private or Council property	R6 000.00	R 6 545.70			R6 938.44		
(f) Ground Signs(excluding billboards)							
(i) Application Fee	R1 200.00	R 1 309.14			R1 387.69		
(ii) Encroachment fee (Council land) per square metre for each sign type	R3 500.00	R 3 823.52			R4 052.93		
(iii) Annual display fee per sign	R1 800.00	R 1 963.71			R2 081.53		
(g) Projecting Signs							
(i) Application Fee	R600.00	R 654.57			R693.84		
(ii) Annual display fee per sign	R1 500.00	R 1 641.62			R1 740.12		
(iii) Encroachment fee (Council land) for each sign type	R2,300.00	R 2,503.99			R2 654.23		
(h) Estate Agents Boards							
(i) Advertising Deposit (per Agent)- non refundable	R1 000.00	R 1 090.95			R1 156.41		
(ii) Annual display fee	R4,500.00	R 4,904.08			R5 198.32		
(i) Portable Boards							
(i) Application Fee	R600.00	R 654.57			R693.84		
(ii) Annual display fee per sign	R4 500.00	R 4 904.08			R5 198.32		
(j) Veranda/Under Canopy Signs							
(i) Application Fee	R1 000.00	R 1 090.95			R1 156.41		
(ii) Annual display fee per sign	R600.00	R 654.57			R693.84		
(k) Wall Signs/ Fascia Signs							
(i) Application Fee	R1,500.00	R 1,641.62			R1 740.12		
(l) Street Furniture Signs							
(i) Application Fee	R2,000.00	R 2 181.90			R2 312.81		
(ii) Annual display fee per sign	R2,500.00	R 2 722.18			R2 885.51		
(m) Billboards							
(i) Application Fee	R2,000.00	R 2 181.90			R2 312.81		
(ii) Annual display fee per sign-Private property	R5,000.00	R 5,454.75			R5 782.04		
(iii) Annual display fee per sign-Council property	R20 000.00	R 21 819.00			R23 128.14		
(n) Headline Poster							
(i) Application Fee	R7,500.00	R 8 176.93			R8 667.55		
(ii) Annual display fee per sign per week	R2 600.00	R 2 836.07			R3 005.56		
(o) Penalties	Per Sign:	Per Sign:			Per Sign:		
(i) For the erection of any sign without approval, per week	R2 000.00	R 2 181.90			R2 312.81		
(ii) For the erection of any billboard without approval, per week	R5 200.00	R 5 672.94			R6 013.32		
(i) For the erection of posters without approval, per week	R2 000.00	R 2 181.90			R2 312.81		
SPATIAL PLANNING AND LAND USE MANAGEMENT ACT NO. 16 OF 2013							
In terms of Section 1(2)(f) of Schedule 1 of the Planning and Development Act, the application forms must be accompanied by the fees as determined by the Municipality.							
Copies of documents - per A4	R 3.00	R 4.16			R4.41		
Copies of documents - per A3	R 4.00	R 5.20			R5.51		
Amendment of Scheme:							
- Processing of the application	R 3,500.00	R 3,823.52			R4 052.93		
- Translation fee	R 600.00	R 654.57			R693.84		
Plus if the property is:							
≤ 0.5 ha	R 600.00	R 654.57			R693.84		
≥ 0.5 ha but ≤ 1.0 ha	R 900.00	R 987.05			R1 046.27		
≥ 1.0 ha but ≤ 5.0 ha	R 1,200.00	R 1,309.14			R1 387.69		
≥ 5.0 ha but ≤ 10.0 ha	R 1,800.00	R 1,963.71			R2 081.53		
≥ 10 ha	R 2,500.00	R 2,732.57			R2 896.52		
- Relaxation of a building line in terms of the scheme	R 730.00	R 831.20			R881.07		
- Zoning Certificate (With the consent of the registered owner) - A4 Certificate	R 150.00	R 166.24			R176.21		
- Consent in terms of scheme	R 1,000.00	R 1,090.95			R1 156.41		
- Subdivision and consolidation of land up to 5 portions of land	R3 000 + R300 per new subdivision	R3 273 + R332 per new subdivision			R3 469 + R352 per new subdivision		
- Subdivision and consolidation of land over 5 portions	R2 500 + R350 per new subdivision	R 2,732.57			R2 896.52		

	Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
- Cancellation of approved layout plan	R 3.500.00	R 3.823.52			R4 052 93		
- Alteration, suspension and deletion of condition of title relating to land	R 2.500.00	R 2.732.57			R2 896 52		
- Alteration, suspension and deletion of condition	R 2 700.00	R 2 950.76			R3 127 81		
- Development situated outside the town planning scheme - For non-residential purposes	R 6 000.00	R 6 545.70			R6 938 44		
- Development situated outside the town planning scheme - For residential purposes							
Western Area	R 4.000.00	R 4.363 80			R4 625 63		
Eastern Area	R 3 000.00	R 3 272.85			R3 469 22		
- Closure of municipal roads	R 3.000.00	R 3.272 85			R3 469 22		
- Closure of public place	R 3,000.00	R 3.272.85			R3 469 22		
- *Fines*							
LAND USE ACTIVITY	1st OFFENCE	*1st OFFENCE*	*2nd OFFENCE*	*3rd OFFENCE*	*1st OFFENCE*	*2nd OFFENCE*	*3rd OFFENCE*
Entry Level of any offence (Plus the value of the offence)	500	*R 540.28*			R572 70		
Accommodation and Dwelling	R 7 000.00	R 7 636.65	R 11 561.67	R 18 546.15	R8 094 85	R12 255.37	R19.658.92
Aerodrome	R 7.000.00	R 7 636 65	R 15 868.96	R 21 819 00	R8 094 85	R16 82 1.10	R23 128.14
Agricultural Activity and Related	R 6.000.00	R 6.545.70	R 13.601.96	R 19 637.10	R6 938 44	R14 418.08	R20 815.33
Betting Depot	R 12.000.00	R 13.091.40	R 28 337.43	R 43 638.00	R13 876 88	R30 037.67	R46 256.28
Builder's Yard	R 6.000.00	R 6.545.70	R 13.601.96	R 19.637.10	R6 938 44	R14 418 08	R20 815 33
Car Wash Eastern Region	R 600.00	R 3.000.00	R 4.000.00	R 5.000.00	R3 180 00	R4 240.00	R5 300.00
Car Wash Western Region		R 10 000	R20 000	R30 000	R10 600 00	R21 200.00	R31 800 00
Cemetery	R 600.00	R 654.57	R 1 360.20	R 1 963.71	R693 84	R1 441.81	R2 081.53
Clinic	R 2 700.00	R 2.732.57	R 5 667.49	R 2 867.64	R2 896 52	R6 007.53	R3 039.70
Club Building	R 6.000.00	R 6.545.70	R 13.601.96	R 19 637.10	R6 938 44	R14 418.08	R20 815.33
Conservational Activity and Related	R 3.000.00	R 3.272.85	R 6.239.63	R 8.727.60	R3 469 22	R6 614.01	R9 251.26
Convention Centre	R 4.000.00	R 4 363.80	R 8 506.63	R 12 000.45	R4 625 63	R9 017.02	R12 720.48
Correctional Facility	R 9 000.00	R 9.818.55	R 15 868.96	R 19 637.10	R10 407 66	R16 821.10	R20 815.33
Crematoria	R 4.000.00	R 4 363 80	R 8 506 63	R 12 000 45	R4 625 63	R9 017 02	R12 720.48
Educational	R 9.000.00	R 9.818 55	R 13.601.96	R 19.637.10	R10 407.66	R14 418.08	R20 815.33
Existing Road	R 4.000.00	R 4.363.80	R 6.239.63	R 8.727.60	R4 625 63	R6 614.01	R9 251.26
Extractive Industry	R 3.000.00	R 3.272.85	R 8.506.63	R 10.909.50	R3 469 22	R9 017.02	R11 564.07
Funeral Parlour and Related	R 6.000.00	R 6.545.70	R 13.601.96	R 19.637.10	R6 938.44	R14 418.08	R20.815.33
Future Road	R 4.000.00	R 4.363.80	R 6.239.63	R 8.727.60	R4 625.63	R6.614.01	R9.251.26
Garden	R 600.00	R 654.57	R 2.266.99	R 3.272.85	R693.84	R2.403.01	R3.469.22
General Industrial Building	R 4.000.00	R 4.363.80	R 8.506.63	R 16.364.25	R4 625.63	R9.017.02	R17.346.11
Government Purposes	R 5.000.00	R 5.454.75	R 8.506.63	R 10.909.50	R5.782.04	R9.017.02	R11.564.07
Hall	R 2.000.00	R 2.181.90	R 4.533.99	R 6.545.70	R2.312.81	R4.806.03	R6.938.44
Higher Education Institution	R 12.000.00	R 13.091.40	R 19.269.45	R 25.091.85	R13.876.88	R20.425.62	R26.597.36
House Activity	R 600.00	R 654.57	R 2.266.99	R 4.363.80	R693.84	R2.403.01	R4.625.63
Home Business	R 600.00	R 654.57	R 2.266.99	R 4.363.80	R693.84	R2.403.01	R4.625.63
Hospice	R 6.000.00	R 6.545.70	R 13.601.96	R 19.637.10	R6.938.44	R14.418.08	R20.815.33
Hospital	R 25.000.00	R 27.273.75	R 45.339.88	R 54.547.50	R28.910.18	R48.060.27	R57.820.35
Industrial Activity and Related	R 4.000.00	R 4.363.80	R 6.800.98	R 9.278.27	R4.625.63	R7.209.04	R9.834.97
Institutional	R 6.000.00	R 6.545.70	R 13.601.96	R 19.637.10	R6.938.44	R14.418.08	R20.815.33
Landfill Site	R 7.000.00	R 7.636.65	R 13.601.96	R 16.364.25	R8.094.85	R14.418.08	R17.346.11
Landing Strip	R 7.000.00	R 7.636.65	R 17.002.46	R 21.819.00	R8.094.85	R18.022.60	R23.128.14
Laundrette	R 6.000.00	R 6.545.70	R 13.601.96	R 19.637.10	R6.938.44	R14.418.08	R20.815.33
Library	R 3.000.00	R 3.272.85	R 5.667.49	R 7.636.65	R3.469.22	R6.007.53	R8.094.85
Market Stalls	R 800.00	R 872.76	R 1.360.20	R 2.181.90	R925.13	R1.441.81	R2.312.81
Medical Related	R 10.000.00	R 10.909.50	R 18.135.95	R 28.364.70	R11.564.07	R19.224.11	R30.066.58
Mixed Use	R 12.000.00	R 13.091.40	R 24.936.94	R 38.182.25	R13.876.88	R26.433.15	R40.474.25
Motor Trade Shop	R 6.000.00	R 6.545.70	R 13.601.96	R 19.637.10	R6.938.44	R14.418.08	R20.815.33
Obstructing or hindering an Officer (Authorised by Council) in the exercise of his duties	R 45.000.00	R 49.092.75	R 51.007.37	R 49.092.75	R52.038.42	R54.067.81	R52.038.32
Parking Garage	R 6.000.00	R 6.545.70	R 13.601.96	R 19.637.10	R6.938.44	R14.418.08	R20.815.33
Place of Entertainment/Casino	R 20.000.00	R 21.819.00	R 45.339.88	R 65.457.00	R23.128.14	R48.060.27	R69.384.42
Place of Worship	R 4.000.00	R 4.363.80	R 7.934.48	R 10.909.50	R4.625.63	R8.410.55	R11.564.07
Police Station	R 6.000.00	R 6.545.70	R 13.601.96	R 19.637.10	R6.938.44	R14.418.08	R20.815.33
Prison	R 17.000.00	R 18.546.15	R 24.936.94	R 30.546.60	R19.658.92	R26.433.15	R32.379.40
Professional/Private/Public Office	R 6.000.00	R 6.545.70	R 13.601.96	R 19.637.10	R6.938.44	R14.418.08	R20.815.33
Public Park	R 1.500.00	R 1.641.62	R 3.400.49	R 5.454.75	R1.740.12	R3.604.52	R5.782.04
Railway Line	R 6.000.00	R 6.545.70	R 9.067.98	R 10.909.50	R6.938.44	R9.612.05	R11.564.07
Reformatory	R 6.000.00	R 6.545.70	R 11.334.97	R 16.364.25	R6.938.44	R12.015.07	R17.346.11
Restricted Building	R 4.000.00	R 4.363.80	R 9.067.98	R 13.091.40	R4.625.63	R9.612.05	R13.876.88
Road Closure	R 4.000.00	R 4.363.80	R 6.239.63	R 8.727.60	R4.625.63	R6.614.01	R9.251.26
Service (Fuel) Station	R 4.000.00	R 4.363.80	R 6.800.98	R 8.727.60	R4.625.63	R7.209.04	R9.251.26
Service Station	R 17.000.00	R 18.546.15	R 38.538.90	R 54.547.50	R19.658.92	R40.851.23	R57.820.35
Shop	R 6.000.00	R 6.545.70	R 13.601.96	R 19.637.10	R6.938.44	R14.418.08	R20.815.33
Small Holding	R 4.000.00	R 4.363.80	R 7.934.48	R 10.909.50	R4.625.63	R8.410.55	R11.564.07
Special Use	R 6.000.00	R 6.545.70	R 13.601.96	R 19.637.10	R6.938.44	R14.418.08	R20.815.33
Special Use (as part of a School or higher education Institution	R 4.000.00	R 4.363.80	R 6.800.98	R 9.818.55	R4.625.63	R7.209.04	R10.407.66
Tavern	R 6.000.00	R 6.545.70	R 13.601.96	R 19.637.10	R6.938.44	R14.418.08	R20.815.33
Transport Depot	R 5.000.00	R 5.454.75	R 7.934.48	R 10.909.50	R5.782.04	R8.410.55	R11.564.07
Tuck Shop <10% of the property	R 4.000.00	R 4.363.80	R 6.800.98	R 10.909.50	R4.625.63	R7.209.04	R11.564.07
Tuck Shop >11% & above of the property	R 4.000.00	R 4.363.80	R 7.934.48	R 12.000.45	R4.625.63	R8.410.55	R12.720.48
Warehouse	R 25.000.00	R 27.273.75	R 56.674.85	R 76.366.50	R28.910.18	R60.075.34	R80.948.49
Waste Recycling Centre	R 3.000.00	R 3.272.85	R 7.934.48	R 13.091.40	R3.469.22	R8.410.55	R13.876.88
Waste Transfer	R 4.500.00	R 4.914.47	R 7.934.48	R 10.909.50	R5.209.34	R8.410.55	R11.564.07
Welfare Centre	R 600.00	R 654.57	R 1.414.17	R 2.181.90	R693.84	R1.499.02	R2.312.81
Wholesale	R 10.000.00	R 10.909.50	R 20.402.95	R 30.546.60	R11.564.07	R21.627.12	R32.379.40
Worship	R 3.500.00	R 3.823.52	R 6.800.98	R 10.909.50	R4.052.93	R7.209.04	R11.564.07
Removal of Container				R 10.500.00			R11.130.00
Storage of Container			R 270.14	R270 per day			R286 per day
Removal of Vehicle/Trailer			R 6.545.70	R 6.546.00			6938.76
Storage of Vehicle/Trailer				R270 per day			R286 per day
Removal of Shack				R 6.546.00			6938.76
Storage of Shack				R270 per day			R286 per day
Cellular Mast and Base Station	R 6.000.00	R 6.545.70	R 13.091.40	R 19.637.10	R6.938	R 13.877	R20.815
(No refunds on all applications)							
(If the application is consolidated, individual tariff will be applicable to each type of application reflected on the application form)							
(Tariffs shall be waived if the application is initiated by Council or if the Council is the land owner of such property)							

	Actual 2019/2020 Tariff	Final Tariff 2021/2022			Draft Tariff 2022/23		
(All posting, display and advertisement costs shall be borne by the applicant. When the application is accepted as completed, it shall be acknowledged and the applicant will be stipulated time to prepare for advertisement of the application in the relevant newspaper as determined by Council)							
All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time							
Trading violations according to Municipal By-laws:							
Administration fee for business applications		R 60.00					
		1st OFFENCE	*2ND OFFENCE*	*3RD OFFENCE*	*1st OFFENCE*	2ND OFFENCE	3RD OFFENCE
Trading without trading licence within the formal economy		R 5 000.00	R 10 000.00	R 15 000.00	R 5 300.00	R10 600	R15 900
Trading without trading licence within the informal economy		R 500.00	R 1 000.00	R 1 500.00	R 530.00	R1 060	R1 590

ANNEXURE F

Budget Funding Plan

NEWCASTLE MUNICIPALITY

DRAFT BUDGET FUNDING PLAN

2022/23 – 2025/26

BUDGET FUNDING PLAN

1. Purpose

This Draft Budget Funding Plan 2022/23 (BFP) has been developed in in order to align with the Draft Budget and in response to the municipality's current financial situation and the strategies that will be applied to ensure a funded budget of the municipality within the next five years. The plan must also assist with the long-term financial stability of the municipality beyond the duration of the plan. The plan is aligned to the 2022/23 draft budget, which is being tabled to council for adoption. The municipality does acknowledge that fact that its budget is not yet funded, hence, the need for a credible plan, which its purpose is move the municipality into a funded budget position within the next five years.

2. Introduction

The 2021/22 medium term budget framework indicates that the municipality will be operating at the deficit for at least the next two financial years. In order to continue to provide services and extend its services to the community, the budget should be funded in accordance with the legal requirements of the Municipal Finance Management Act (MFMA). It is therefore imperative that a plan that will respond to the situation be crafted and monitored by the Council. The importance of tabling funded budgets was indicated to council before and it is also highlighted in the National Treasury circulars, however there are cases that may warrant a plan since the budget could not be funded continuously over the Medium Term Revenue and Expenditure Framework (MTREF) period. This is currently the case with Newcastle Municipality. As a result, the municipality is required to table and adopt a Budget Funding Plan which aligns to the Budget for the 2022/23 financial year. The purpose of the BFP is to ensure that the municipality continuously moves from an unfunded to a funded budget position. The plan must also ensure that the funding position is maintained even beyond the period in which the budget is projected to be funded in order to maintain a financial stability as required by MFMA Circular No.93.

The table below reflects a high level operating results of the municipality's budget over the next three years. Evidently, the municipality is projecting a deficit of R274.6 million, R265.0 million and R237.5 million for the 2022/23, 2023/24 and 2024/25 financial years respectively:

Table 1: Budget summary (financial and capital performance)

Description	Budget Year 2021/22		Budget Year 2022/23	Budget Year +2 2023/24	Budget Year +2 2024/25
	Original Budget	Adjusted Budget		Budget	Budget
	R'000	R'000	R'000	R'000	R'000
Total Revenue Budget	2 214 2425	2 378 344	2 699 402	2 600 755	2 796 272
Total Expenditure Budget	2 488 931	2 654 252	2 966 800	2 797 097	2 962 343
Surplus/(Deficit)	(274 689)	(275 908)	(296 397)	(196 342)	(166 071)
Capital expenditure	145 393	185 393	170 933	170 083	117 850

From Table 1 the above, it is evident that the municipality is not financially viable and without sufficient cash flow it will not be able to continue to provide services to the community. The municipality is currently experiencing cash flow challenges resulting in insufficient cash to support its current service delivery mandate.

A high level assessment performed by the municipality and KZN Provincial Treasury has revealed the following factors as the main contributors to the financial crisis that the Newcastle Municipality is faced with:

- The municipality is operating at a deficit;
- Escalation of outstanding debtors, especially domestic consumers;
- Huge operating expenditure base from employee costs, contracted services and other expenditure;
- Over-commitment on external borrowing;
- Huge Eskom and Uthukela Water debts;
- Tariffs not cost-reflective, especially for water and sanitation;
- Limitation in revenue generation and revenue enhancement strategies;
- Reserves, conditional grants and reserves not fully cash backed;
- Reduction in the equitable share allocation due to the impact of Covid-19;
- The high increase in the electricity bulk purchases compared to the revenue tariff increase;
- Actions and spending that give rise to unplanned cash outflows.

3. Strategic objectives of the Budget Funding Plan 2022/23 (BFP)

The principle objective of the BFP is to ensure financial viability and sustainability of the municipality, a funded budget and to subsequently ensure the ability of the municipality to meet its obligations in terms of the Service Delivery and Budget Implementation Plan (SDBIP) and Integrated Development Plan (IDP). In order to achieve these objectives, the municipality has developed strategies which are aimed at improving its financial status. These strategies have been developed by senior management of the municipality, in consultation will all other staff members. The plan indicates the key focus areas, the responsible official, the time frames of implementation, as well as revenue and costs projected to be generated or incurred over the period of the plan.

The following table contain a list of the strategies that management has put together in order to ensure that the budget of the municipality will be funded within the next five years and beyond:

Table 2: Budget Funding Strategies

Budget Funding Plan

STATUS & PERCENTAGE	Task completed: 100%	Task almost completed: 51% - 99%	Task commenced: 1%-50%	Task not yet started: 0%

No	Strategy	Focus Area	Key Activities	Responsible Person	Start Date	End Date	Status & percentage	Comments regarding status and progress related to activities
1	Inflation linked tariff increase and inproved collection rate	Property rates	Steadily increase increase revenue based on CPI target	MM & CFO	01/07/2018	30/06/2024	70%	Task almost completed: 51%-99%
2	Inflation linked tariff increase and inproved collection rate	Service charges	Steadily increase increase revenue based on CPI target	MM & CFO	01/07/2018	30/06/2024	70%	Task almost completed: 51%-99%
3	Inflation linked tariff increase and inproved collection rate	Other revenue	Steadily increase increase revenue based on CPI target	MM & CFO	01/07/2018	30/06/2024	90%	Task almost completed: 51%-99%
4	Ensure full access to all government grants	Transfers recognised - capital	Submit business plans and ensure conditional grants are fully spent	MM & CFO	01/07/2015	30/06/2030	25%	Task commenced: 1%-50%
5	Dispose unused land and other assets	Proceeds on disposal of PPE	Identify unused land for residential and business use	MM & CFO	01/07/2015	30/06/2030	70%	Task almost completed: 51%-99%
6	Curb recruitment on new personnel	Employee related costs	Do not fill any non-critical positions being vacated	MM & CFO	01/07/2018	30/06/2024	40%	Task commenced: 1%-50%
7	No commitment on new loans - interest	Finance charges	No new capital expenditure will be financed through external loans	MM & CFO	01/07/2018	30/06/2024	70%	Task almost completed: 51%-99%
8	No commitment on new loans - capital	Repayment of borrowing	No new capital expenditure will be financed through external loans	MM & CFO	01/07/2020	30/06/2026	70%	Task almost completed: 51%-99%
9	Limit exhobotant increase in non-core expenditure	Contracted services	Reduction and very minimal increase on contracted services	MM & CFO	01/07/2020	Continous	45%	Task commenced: 1%-50%
10	Limit exhobotant increase in non-core expenditure	Other expenditure	Reduction and very minimal increase on other expenditure	MM & CFO	01/07/2020	Continous	45%	Task commenced: 1%-50%
11	Reduce internally funded capital exoenduture	Internally generated funds	fastrack early appointment of service providers	MM & CFO	01/07/2018	Continous	50%	Task almost completed: 51%-99%
12	Reduce unspent conditional grants	Unspent conditional transfers	Prioritise payment of grant related payments and clean up the grant register	MM & CFO	01/07/2018	Continous	15%	Task commenced: 1%-50%
13	Improve payment of creditors	Other working capital requirement	Keep up with the Eskom agreement and ensure timely payment of other creditors	MM & CFO	01/07/2020	Continous	30%	Task commenced: 1%-50%
14	Ensure cash-backing of provisions	Other provisions	Bulide up reserves up ensuring increased cash and cash equivalents	MM & CFO	01/07/2020	Continous	0%	Task not yet started: 0%
15	Ensure cash-backing of reserves	Reserves to be cash-backed	Bulide up reserves up ensuring increased cash and cash equivalents	MM & CFO	01/07/2019	Continous	20%	Task commenced: 1%-50%
16	Claim all vat receivable from SARS	Statutory requirements	Ensure timely payment of invoices and submission of Vat returns	MM & CFO	01/07/2020	Continous	75%	Task almost completed: 51%-99%

3.1 Increase on the collections rates for service charges and property rates

The Newcastle Municipality is planning to steadily increase collection rate over the next five years by 1% basis points and above the consumer price index (CPIX). This will be done in order to steadily achieve cost reflective tariffs over the same period. Furthermore, through an aggressive awareness campaign aimed at instilling a culture of payment within our communities, arresting water losses and the implementation consumer of incentive schemes, the collection rate is projected to steadily improve from 78% to 85% over the next five years.

3.2 Full access to conditional grants.

The municipality will drive an aggressive strategy to submit business plans to ensure that its capital programme is gradually and eventually fully funded from government grants. The departments are also being encouraged to investigate and access all grant opportunities available with other sectors, in order lessen the impact of rates and service charges. Equally, the municipality is be putting measures in place to ensure that all grants are fully spent. This will also assist to ensure that no funds are reverted to the National Revenue Fund.

3.3 Disposal of unused land and other properties.

The municipality has already identified and put a plan to service unused land for disposal, especially for commercial purposes. For some of the properties the Municipality has already received bids from the public and same have since been awarded thorough the supply chain management system, with the transfer processes still

underway. The developmental plans include, but not limited, the upgrading of the Human Resources Development unit's building for use by University of South Africa (Unisa), servicing and disposal of land next to the Medical Precinct Centre next to Mediclinic. This process is already at an advanced state.

3.4 Delay recruitment in new positions

The municipality is planning to delay recruitment on some of the positions, which are not considered to be critical. These include positions that will be exited during the next five years, and other new positions currently vacant. The budget for the employee related costs is however expected to increase steadily of the next four years in order to accommodate the expected annual increase on staff salaries. The municipality is also revisiting its strategies to limit the use of overtime by using EPWP and to limit the rate of those above the threshold.

3.5 No commitment to new loans

One of the challenges of the Newcastle Municipality is faced with is its over-commitment on external long-term loans. In order to deal with the funding position, the municipality is not planning to take any loans until a favourable funding position has been achieved. No loans are planned to be taken over the next five years in order to deal with the impact of finance charges in the budget.

3.6 Limit increase on non-core expenditure

The municipality will enforce its cost containment policy to ensure that non-core expenditure is reduced or eliminated over the next five years. In this case, focus shall be given to other expenditure and contracted services. The municipality will utilise reporting on this plan, as well as the quarterly reporting to trace and monitor expenditure. The municipality has also established the Finance Committee, which deals with scrutinising of all purchase requisitions in line with the budget and the cost containment policy. This budget has also been used to limit the expenditure on classes of contracted services and other services, except for those items that are grant funded.

3.7 Reduce internally funded capital expenditure

The municipality is planning to reduce the internally-funded capital expenditure over the next five years. While it is acknowledged that this cannot be done in the current year due to commitments, internal funding is expected to be fully eliminated over the next five years. To supplement this, the Municipality is planning to improve the submission business plans to donor institutions to ensure that those projects that were funded internally are in future funded from grants instead. It is evidence from the 2021/22 budget that the internally funded capital budget has been reduced drastically in line with this strategy.

3.8 Improve payment of creditors

The Municipality will use the Finance Committee to ensure that the payment of key creditors is prioritised. These include the payment of current account and arrear debt to Eskom and Uthukela Water, SARS and loan institutions. This will assist to ensure the outstanding debt does not continue to escalate. It will also help to ensure that interest and penalties on late payment are not incurred and thereby curtailing incidences of fruitless and wasteful expenditure. The municipality is currently monitoring this plan successfully since the agreement with Eskom was entered into in June 2020.

3.9 Cash-backing of provisions and reserves

One of the key challenges to the funding position of the budget is that provisions of the municipality were not fully cash-backed. These include leave provision and other provisions which are required to be cash-backed in line with the Funding and Reserves Policy of Council. The Municipality shall use the opportunity of each budget process to ensure all excess funds are invested to ensure funding of all provisions and reserves.

3.10 Claiming VAT Refunds from SARS

The municipality is already utilising the services of a specialist to ensure that VAT refunds due to the Municipality are claimed from SARS. While staff members of the municipality focus on the reconciliation and submission of VAT returns, the specialist is focusing on the VAT review covering the period of the past five years. The financial system has also been improved to ensure that VAT is configured correctly. This will assist in ensuring that accurate VAT returns are filed timeously and refunds received on time.

4. Financial Impact of the Budget Funding Plan

It is expected that the strategies and activities put in the plan will have a positive financial impact to the municipality over a long-term period, which will ensure that the municipality's budget is fully funded in the 2023/24 financial year. Although some of the strategies reflect negative impact on the plan, it is however critical to reflect how these are likely to improve over a period, and eventually yield a positive long-term impact in funding the budget. The table below depicts the impact of each identified strategy on the budget:

Table 3: Financial Impact

Financial Impact of the Budget Funding Plan

No	Strategy	Focus Area	Key Activities	Key Activities							
				Original Budget	Proposed Adjusted Budget	Increase / (Decrease)	2021/22	2022/23	2023/24	2024/25	2025/26
				2020/21	2020/21	2020/21	Year 1	Year 2	Year 3	Year 4	Year 5
1	Inflation linked tariff increase and inproved collection rate	Property rates	Steadily increase increase revenue based on CPI target	70 949 694	15 759 434	-55 190 259	45 194 592	12 938 617	14 124 040	-11 615 095	20 421 560
2	Inflation linked tariff increase and inproved collection rate	Service charges	Steadily increase increase revenue based on CPI target	-263 915 132	-253 306 360	10 608 771	99 943 197	39 601 861	43 230 146	-42 071 483	29 402 554
3	Inflation linked tariff increase and inproved collection rate	Other revenue	Steadily increase increase revenue based on CPI target	-56 769 295	-56 778 802	-9 507	1 457 251	1 220 866	1 332 720	-880 833	-772 726
4	Ensure full access to all government grants	Transfers recognised - operational	Submit business plans and ensure conditional grants are fully spent	127 281 759	165 832 723	38 550 964	-6 362 969	29 190 882	31 865 323	-76 756 027	33 966 059
5	Ensure full access to all government grants	Transfers recognised - capital	Submit business plans and ensure conditional grants are fully spent	-29 192 363	-10 835 925	18 356 438	-15 196 883	20 570 168	-12 338 147	36 387 948	6 902 626
6	Dispose unused land and other assets	Proceeds on disposal of PPE	Identify unused land for residential and business use	18 000 000	18 000 000	0	11 000 000	13 150 000	9 000 000	10 000 000	10 000 000
7	Curb recruitment of new personnel	Employee related costs	Do not fill any non-critical positions being vacated	53 935 813	4 076 402	-49 859 411	12 585 934	18 935 706	25 020 975	24 039 807	25 001 399
8	No commitment on new loans - interest	Finance charges	No new capital expenditure will be financed through external loans	8 710 012	8 710 012	0	3 127 440	3 408 245	3 640 680	3 449 603	4 079 784
9	No commitment on new loans - capital	Repayment of borrowing	No new capital expenditure will be financed through external loans	-2 886 287	-2 886 287	0	-3 127 441	-3 408 245	-3 640 680	-3 449 603	-4 079 784
10	Limit exhobotant increase in non-core expenditure	Contracted services	Reduction and very minimal increase on contracted services	122 565 339	170 274 707	47 709 367	2 877 349	-32 746 563	25 772 320	-18 158 645	-13 966 188
11	Limit exhobotant increase in non-core expenditure	Other expenditure	Reduction and very minimal increase on other expenditure	90 327 129	-93 967 665	-184 294 794	-13 857 314	4 297 980	4 844 245	-5 496 765	-4 228 281
12	Reduce internally funded capital exoenduture	Internally generated funds	Separately invest conditional grants and fastrack early appointment of service providers	-5 971 390	12 457 288	18 428 678	-17 569 898	-12 916 000	0	-6 000 000	0
13	Reduce unspent conditional grants	Unspent conditional transfers	Prioritise payment of grant related payments and clean up the grant register	-14 844 129	-11 752 527	3 091 602	1 232 181	698 647	762 656	-1 645 069	-1 495 517
14	Improve payment of creditors	Other working capital requirement	Keep up with the Eskom agreement and ensure timely payment of other creditors	-97 721 030	-69 600 000	28 121 030	-89 600 000	-99 600 000	-8 690 000	0	0
15	Ensure cash-backing of provisions	Other provisions	Builde up reserves up ensuring increased cash and cash equivalents	-10 526 112	0	10 526 112	8 639 106	362 842	395 086	563 882	597 715
16	Ensure cash-backing of reserves	Reserves to be cash-backed	Builde up reserves up ensuring increased cash and cash equivalents	980 845	0	-980 845	30 220 726	1 269 270	1 385 560	1 772 385	1 385 918
17	Claim all vat receivable from SARS	Statutory requirements	Ensure timely payment of invoices and submission of Vat returns	34 174 589	34 174 589	0	23 916 000	11 000 000	11 000 000	5 000 000	5 000 000

The following sections seek to highlight the impact of each of the strategies in achieving a budgeted budget position.

4.1 Increase on the collections rates for service charges and property rates

The impact of an increase of a 1% basis points and above the consumer price index (CPIX) on the collection rate and the increase in tariffs within the CPIX on rate and services is expected to generate a cash-inflow of at least R150 million to the budget over the next five years.

4.2 Full access to conditional grants.

Over the next five years, the Municipality will implement measures to ensure full access to conditional and unconditional grants. This is expected to generate an additional R48 million over the next five years.

4.3 Disposal of unused land and other properties.

As part of its revenue enhancement strategy, the Municipality has already started rolling our programme to service and dispose all unused land to generate more revenue. This is expected to generate about R53 million over the next five years.

4.4 Limit increase on non-core expenditure

Through the containment and curtailment of other expenditure and contracted services, the Municipality is expecting to save about R50 million over the next five years. This will be done by steadily by reducing expenditure on non-essential items by monitoring expenditure using the Finance Committee in line with the approved budget and the cost containment policy.

4.5 No commitment to new loans

The municipality will not save any costs by maintaining this position. However, through this commitment, it will ensure that additional costs on borrowing through finance charges is not incurred until the funding position has improved. The municipality will start realising saving as more loans are being paid up.

4.6 Reduce Internally Funded Capital Expenditure

The municipality is projecting to save about R120 million through the strategy of cutting its internally funded capital budget over the next five years. Current the municipality is spending in excess of R40 million on internally funded capital expenditure, and this expected to reduce to only R5 million per year over the next two years. This will be supplemented by re-aligning capital grant funding.

4.7 Improve the working capital position

The municipality has put together an aggressive strategy to improve its collection of outstanding debtors over the next four years. Equally so, the municipality will also improve payment of its bulk and other key creditors in order avoid interest and penalties and to improve the working capital position. Which the municipality is committed to pay in excess of R200 million for the Eskom and Uthukela Water debts, the long term benefits are however huge, as the municipality will be relieved of such debts, and begin to realise the cash surplus.

4.8 Claiming of Vat Refunds

The municipality is projecting to receive in excess of over R55 million over the next five years through statutory requirements. The use of a VAT specialist, internal capacity and financial system configuration will ensure this strategy is attained.

5. Operating Financial Performance

The municipality will continue to accelerate revenue as part of its long-term plan. Tariffs will be increase by at least 3.9% over the medium term framework and over the next five years. This will ensure that the Municipality is able to provide services within the CPIX increases but also not putting pressure to consumers, who are already strained due to the dire economic circumstance. The municipality is also planning to ensure that non-essential expenditure is eliminated in order to ensure tariffs and cash-backed. While the increase will be noted on some of expenditure items like employee costs, councillor remuneration and bulk purchases, these increases be maintained at a bare minimum in order to continue to provide services within the projected increases. Items like contracted services and other expenditure have however been reduced drastically over the next five years, in order to compensate for the payment of the Eskom debt and other unavoidable expenditure.
The table below depicts the projected financial outcome of the plan.

Table 4: Financial Performance

Financial Impact of the Budget Funding Plan on the Financial Performance (Table A4/B4)

Description	Original Budget	Adjusted Budget	Increase / (Decrease)	Year 1	Year 2	Year 3	Year 4	Year 5
R thousand	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Revenue By Source								
Property rates	362 426 238	362 426 238	0	359 245 832	401 075 372	412 828 745	433 470 182	455 143 691
Service charges - electricity revenue	710 188 478	726 407 135	16 218 657	742 521 472	839 436 085	923 379 694	978 782 476	1 037 509 424
Service charges - water revenue	193 909 678	187 083 603	-6 826 075	191 730 629	207 034 199	276 350 737	290 168 274	304 676 688
Service charges - sanitation revenue	119 428 804	120 014 166	585 362	123 426 141	132 812 366	138 788 923	145 728 369	153 014 788
Service charges - refuse revenue	95 600 842	99 017 292	3 416 450	96 674 924	109 576 496	114 507 438	120 232 810	126 244 450
			0					
Rental of facilities and equipment	7 532 029	8 916 743	1 384 714	9 451 748	9 867 624	10 311 668	10 827 251	11 368 614
Interest earned - external investments	2 295 509	2 293 788	-1 721	2 431 415	2 509 661	2 622 596	2 753 726	2 891 412
Interest earned - outstanding debtors	4 642 465	4 246 536	-395 929	4 501 328	4 610 719	4 818 201	5 059 111	5 312 067
Dividends received	0	0	0	0	0	0	0	0
Fines, penalties and forfeits	2 104 944	3 943 759	1 838 815	4 180 383	4 364 320	6 328 265	6 644 678	6 976 912
Licences and permits	103 620	41 433	-62 187	43 919	45 852	47 915	50 311	52 826
Agency services	0	0	0			0	0	0
Transfers and subsidies	695 021 001	842 931 651	147 910 650	1 145 706 986	869 077 000	885 027 499	938 129 149	985 035 606
Other revenue	20 986 800	18 384 423	-2 602 377	19 487 488	20 344 938	21 260 460	22 323 483	23 439 657
Gains on disposal of PPE		2 637 520		0	0	0		
Total Revenue (excluding capital transfers and contributions)	**2 214 240 408**	**2 378 344 287**	**161 466 359**	**2 699 402 265**	**2 600 754 632**	**2 796 272 141**	**2 954 169 820**	**3 111 666 136**
Expenditure By Type								
Employee related costs	570 233 898	572 674 199	2 440 301	601 652 651	628 125 368	669 720 235	703 206 247	738 366 559
Remuneration of councillors	28 882 467	28 882 467	0	29 460 117	30 049 320	30 650 306	31 876 318	33 151 371
Debt impairment	283 536 108	274 982 230	-8 553 878	274 669 090	286 754 530	299 658 484	308 648 239	317 907 686
Depreciation & asset impairment	378 675 137	365 083 525	-13 591 612	372 385 195	387 280 603	402 771 827	410 827 264	419 043 809
Finance charges	39 754 198	39 754 198	0	35 845 953	37 945 175	39 652 707	28 255 670	24 175 886
Bulk purchases	557 137 890	557 137 890	0	605 107 462	659 567 134	725 523 847	798 076 232	877 883 855
Other materials	136 114 419	139 578 253	3 463 834	153 188 322	160 716 394	169 315 161	172 701 464	176 155 494
Contracted services	387 905 778	564 998 774	177 092 996	809 028 833	491 031 880	504 192 459	504 192 459	499 200 454
Transfers and subsidies	0	0	0	0	0	0		
Other expenditure	106 689 848	110 501 418	3 811 570	115 461 996	115 626 206	120 858 326	118 488 555	116 165 250
Loss on disposal of PPE	1 000	659 462	658 462				0	0
Total Expenditure	**2 488 930 743**	**2 654 252 416**	**165 321 673**	**2 996 799 619**	**2 797 096 610**	**2 962 343 352**	**3 076 272 447**	**3 202 050 363**
Surplus/(Deficit)	**-274 690 335**	**-275 908 129**	**-3 855 314**	**-297 397 354**	**-196 341 978**	**-166 071 211**	**-122 102 627**	**-90 384 228**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	121 377 000	156 104 513	**34 727 513**	158 032 032	142 183 000	119 950 000	138 327 518	145 230 143
Surplus/(Deficit) after capital transfers and subsidies	**-153 313 335**	**-119 803 616**	**30 872 199**	**-139 365 322**	**-54 158 978**	**-46 121 211**	**16 224 890**	**54 845 916**

6. Capital Financial Performance

The municipality will continue its drive to, by and large, finance its capital programme from the government grants. The municipality is also not planning to take any new loans over the next five financial years. This is necessary in order not to exert additional financial pressure to the Municipality. The Municipality is further planning to cut on funding the capital expenditure from internal reserves gradually over the next five years. The table below depicts the projected capital performance over the next five years.

Table 5: Capital Financial Performance

Financial Impact of the Budget Funding Plan on the Capital Financial Performance (Table A5/B5)

Description	Original Budget	Adjusted Budget	Increase / (Decrease)	Year 1	Year 2	Year 3	Year 4	Year 5
R thousand	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Capital Expenditure - Functional								
Governance and administration	**4 400 000**	**5 204 075**	**804 075**	**2 900 000**	**2 900 000**	**2 900 000**	**1 000 000**	**1 000 000**
Executive and council	300 000	237 608	-62 392	0	0	0		
Finance and administration	4 100 000	4 966 467	866 467	2 900 000	2 900 000	2 900 000	1 000 000	1 000 000
Internal audit	0	0	0	0	0	0		
Community and public safety	**11 035 000**	**13 637 347**	**2 602 347**	**11 344 500**	**10 097 000**	**20 000 000**	**0**	**0**
Community and social services	0	1 490 364	1 490 364	344 500	0	0	0	0
Sport and recreation	11 000 000	11 097 809	97 809	11 000 000	10 097 000	20 000 000	0	0
Public safety	0	0	0	0	0	0	0	0
Housing	35 000	1 049 174	1 014 174	0	0	0	0	0
Health	0	0	0	0	0	0		
Economic and environmental services	**47 142 860**	**58 383 739**	**11 240 879**	**62 041 000**	**50 200 000**	**46 250 000**	**49 641 437**	**50 572 385**
Planning and development	10 731 000	25 471 149	14 740 149	25 101 000	20 200 000	250 000	255 000	262 650
Road transport	36 411 860	32 912 590	-3 499 270	36 940 000	30 000 000	46 000 000	49 386 437	50 309 735
Environmental protection	0	0	0	0	0	0		
Trading services	**82 815 140**	**108 167 018**	**25 351 878**	**94 647 532**	**106 886 000**	**48 700 000**	**45 900 000**	**47 277 000**
Energy sources	0	0	0	0	0	0	0	0
Water management	46 706 540	64 577 205	17 870 665	64 647 532	70 400 144	45 000 000	45 900 000	47 277 000
Waste water management	36 108 600	42 365 838	6 257 238	30 000 000	36 485 856	3 700 000		0
Waste management	0	1 223 975	1 223 975	0	0	0		
Other	0	0	0	0	0	0	0	0
Total Capital Expenditure - Functional	**145 393 000**	**185 392 179**	**39 999 179**	**170 933 032**	**170 083 000**	**117 850 000**	**96 541 437**	**98 849 385**
Funded by:								
National Government	110 342 000	132 942 000	22 600 000	141 687 532	147 086 000	84 950 000	91 541 437	93 849 385
Provincial Government	11 035 000	23 162 513	12 127 513	16 344 500	10 097 000	20 000 000	0	0
District Municipality	0	0	0				0	0
Other transfers and grants		0	0				0	0
Transfers recognised - capital	**121 377 000**	**156 104 513**	**34 727 513**	**158 032 032**	**157 183 000**	**104 950 000**	**91 541 437**	**93 849 385**
Borrowing	0	0		0	0	0		
Internally generated funds	24 016 000	29 287 666	5 271 666	12 901 000	12 900 000	12 900 000	5 000 000	5 000 000
Total Capital Funding	**145 393 000**	**185 392 179**	**39 999 179**	**170 933 032**	**170 083 000**	**117 850 000**	**96 541 437**	**98 849 385**

Capital expenditure is decreasing from R185 million in the current year, to R170.9 million in 2022/23 adjustments budget, however such increase is the movement of grant funded projects from operational to capital budget. The municipality still maintains its commitment to limit internal funding for capital projects. It is however noted that the internal funding will be reduced drastically, from R24.8 million in 2020/21 current year to only R5 million in 2025/26 financial year.

7. Financial Position Plan

The municipality is projecting to remain within a favourable equity position, with the total assets exceeding total liabilities by a large margin. The net current position of the municipal is also projected to improve over the next three years, which is good indicator of the ability of the municipality to meet its short-term obligations over the next three years.

The table below depicts the Financial Position Plan of the municipality for the next five years:

Table 6: Financial Position

Financial Impact of the Budget Funding Plan on the Financial Position (Table A6/B6)

Description	Original Budget	Adjusted Budget	Increase / (Decrease)	Year 1	Year 2	Year 3	Year 4	Year 5
R thousand	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
ASSETS								
Current assets								
Cash	390 207	390 207	-	390 207	405 815	422 048	170 400 408	173 685 353
Call investment deposits	8 759 545	5 790 814	-2 968 731	5 489 739	34 155 238	188 866 942		
Consumer debtors	544 147 765	544 147 765	-	544 147 765	565 913 676	588 550 223	328 488 107	335 433 162
Other debtors	81 351 346	81 351 346	-	81 351 346	84 605 400	87 989 616		
Current portion of long-term receivables	-	-	-	-				
Inventory	14 994 565	14 994 565	-	14 994 565	15 594 348	16 218 122	16 866 846	17 541 520
Total current assets	**649 643 428**	**646 674 697**	**-2 968 731**	**646 373 622**	**700 674 476**	**882 046 950**	**515 755 361**	**526 660 036**
Non current assets								
Long-term receivables	-	-	-	-	-	-		
Investments	-	-	-					
Investment property	341 873 618	341 873 618	-	341 873 618	355 548 563	369 770 505	391 956 736	415 474 140
Investment in Associate	217 333 222	217 333 222	-	217 333 222	226 026 551	235 067 613	226 026 551	217 333 222
Property, plant and equipment	6 410 126 071	6 410 126 071	-	6 410 126 071	6 666 531 114	6 933 192 358	7 002 524 282	7 072 549 525
			-					
Biological	-	-	-	-	-	-		
Intangible	1 223 846	1 223 846	-	1 223 846	1 272 800	1 323 712	1 416 372	1 515 518
Other non-current assets	11 710 932	11 710 932	-	11 710 932	12 179 369	12 666 544	13 553 202	14 501 926
Total non current assets	**6 982 267 689**	**6 982 267 689**	**-**	**6 982 267 689**	**7 261 558 397**	**7 552 020 732**	**7 635 477 142**	**7 721 374 330**
TOTAL ASSETS	**7 631 911 117**	**7 628 942 386**	**-2 968 731**	**7 628 641 311**	**7 962 232 873**	**8 434 067 683**	**8 151 232 503**	**8 248 034 366**
LIABILITIES								
Current liabilities								
Bank overdraft	-	-	-	-	-	-	-	-
Borrowing	15 117 588	15 117 588	-	15 117 588	15 722 292	16 351 183	35 156 170	38 525 548
Consumer deposits	27 094 773	27 094 773	-	27 094 773	28 178 564	29 305 706	31 305 706	33 305 706
Trade and other payables	601 094 204	689 670 593	88 576 389	820 661 218	807 138 668	889 456 787	375 004 480	392 146 971
Provisions	9 752 000	9 752 000	-	9 752 000	10 142 080	10 547 763	11 180 629	11 851 467
Total current liabilities	**653 058 565**	**741 634 954**	**88 576 389**	**872 625 579**	**861 181 604**	**945 661 440**	**452 646 986**	**475 829 692**
Non current liabilities								
Borrowing	345 653 584	345 653 584	-	548 117 403	570 042 100	592 843 784	557 687 613	519 162 065
Provisions	202 463 819	202 463 819	-	45 845 090	47 678 894	49 586 049	52 561 212	55 714 885
Total non current liabilities	**548 117 403**	**548 117 403**	**-**	**593 962 493**	**617 720 993**	**642 429 833**	**610 248 826**	**574 876 950**
TOTAL LIABILITIES	**1 201 175 968**	**1 289 752 357**	**88 576 389**	**1 466 588 072**	**1 478 902 597**	**1 588 091 273**	**1 062 895 811**	**1 050 706 642**
NET ASSETS	**6 430 735 149**	**6 339 190 029**	**-91 545 120**	**6 162 053 239**	**6 483 330 276**	**6 845 976 410**	**7 088 336 691**	**7 197 327 724**
COMMUNITY WEALTH/EQUITY								
Accumulated Surplus/(Deficit)	6 400 660 888	6 313 348 128	-87 312 762	6 133 174 300	6 453 296 179	6 814 740 949	7 055 851 812	7 163 543 449
Reserves	30 074 259	25 841 901	-4 232 358	28 878 940	30 034 097	31 235 461	32 484 880	33 784 275
TOTAL COMMUNITY WEALTH/EQUITY	**6 430 735 147**	**6 339 190 029**	**-91 545 120**	**6 162 053 239**	**6 483 330 276**	**6 845 976 410**	**7 088 336 691**	**7 197 327 724**

It is noted from table 5 above that the trade and payables is projected to remain high over the next three financial years. This due to the fact that the municipality has included the long-term portion of the Eskom debt. This is expected to improve as soon as the Eskom debt is fully paid up.

8. Cash Flow Plan

The municipality is planning to improve its collection rate of the next four years in order to ensure that adequate revenue is collected. The collection rate is projected to increase from 78% to 85% over the next five years. The municipality will also put measures in place to ensure that all grant opportunities are being accessed fully. The municipality has already identified and put plans in place to ensure that unused land and other assets are disposed-off in order to enhance revenue. The repayment of borrowing is also expected to continue to decrease over the next five years as no external borrowings will be taken. The table below depicts Cash Flow Plan over the next five years.

Table 7: Cash Flow

Financial Impact of the Budget Funding Plan on the Cash Flow (Table A7/B7)

Description	Original Budget	Adjusted Budget	Increase / (Decrease)	Year 1	Year 2	Year 3	Year 4	Year 5
R thousand	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	271 819 678	271 819 678	-	269 434 374	300 806 529	308 486 757	320 826 227	333 659 276
Service charges	942 901 455	955 547 969	12 646 514	974 770 059	1 094 361 525	1 402 738 025	1 486 902 307	1 576 116 445
Other revenue	29 044 755	257 708 832	228 664 077	334 409 117	253 554 903	261 958 096	275 056 001	286 058 241
Government - operating	695 021 000	828 431 651	133 410 651	1 145 706 986	869 077 000	945 027 500	736 194 903	736 194 903
Government - capital	121 377 000	152 677 000	31 300 000	158 032 032	142 183 000	119 950 000	138 327 518	138 327 518
Interest	2 295 509	2 293 788	-1 721	2 403 890	2 509 661	2 622 596	3 212 117	3 436 965
Dividends	-	-	-	-	-	-		
Payments			-					
Suppliers and employees	-1 863 263 092	-2 225 766 468	-362 503 376	-2 646 172 971	-2 391 701 720	-2 693 396 160	-2 801 132 006	-2 913 177 287
Finance charges	-39 754 198	-39 754 198	-	-35 845 953	-37 945 175	-39 652 707	-24 175 886	-21 350 125
Transfers and Grants	-	-	-	-	-	-		
NET CASH FROM/(USED) OPERATING ACTIVITIES	**159 442 107**	**202 958 252**	**43 516 145**	**202 737 534**	**232 845 723**	**307 734 107**	**135 211 180**	**139 265 937**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	11 000 000	11 000 000	-	-	-	-	10 000 000	10 000 000
Decrease (Increase) in non-current debtors								
Decrease (increase) other non-current receivables	-	-		-	-	-		
Decrease (increase) in non-current investments	-	-		-	-	-		
Payments								
Capital assets	-145 393 000	-185 393 178	-40 000 178	-170 933 032	-170 083 000	-117 850 000	-124 456 160	-128 159 843
NET CASH FROM/(USED) INVESTING ACTIVITIES	**-134 393 000**	**-174 393 178**	**-40 000 178**	**-170 933 032**	**-170 083 000**	**-117 850 000**	**-114 456 160**	**-118 159 843**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-		-	-	-		
Borrowing long term/refinancing	-	-		-	-	-		
Increase (decrease) in consumer deposits		-	-	-	-	-	2 000 000	2 000 000
Payments								
Repayment of borrowing	-31 884 356	-31 884 356	-	-32 105 578	-34 081 616	-35 156 170	-38 525 548	-41 253 082
NET CASH FROM/(USED) FINANCING ACTIVITIES	**-31 884 356**	**-31 884 356**	**-**	**-32 105 578**	**-34 081 616**	**-35 156 170**	**-36 525 548**	**-39 253 082**
NET INCREASE/ (DECREASE) IN CASH HELD	**-6 835 249**	**-3 319 282**	**3 515 967**	**-301 076**	**28 681 107**	**154 727 937**	**-15 770 527**	**-18 146 989**
Cash/cash equivalents at the year begin:	15 985 000	9 500 303		6 181 022	5 879 946	34 561 053	189 288 990	173 518 463
Cash/cash equivalents at the year end:	**9 149 751**	**6 181 021**	**3 515 967**	**5 879 946**	**34 561 053**	**189 288 990**	**173 518 463**	**155 371 474**

Table 7 above indicates that the municipality cash during the 2021/22 financial year will be adequate to cover all necessary payments. It is noted however that the cash position of the municipality will steadily improve from R6.1

million in the current year to R155.3 million in five years' time. It is noted that, once the municipality have fully paid its key outstanding creditors, it will then start to realise some reserves that can be utilised to provide for provision and other reserves to be cash-backed.

9. Cash Backed Reserves Plan

Through its five-year plan, the municipality aims to ensure that adequate reserves are generated to cover for any unspent conditional grants, provisions and reserves that are required to be cash backed in terms of GRAP and the municipal policies. By far possible, the municipality has ensured that all provisions and reserves have been reliably and adequately provided for. The municipality will also ensure that its working capital position improves over the planning period. This will be ensured by payment and reduction of trade creditors, especially Eskom debt.

Table 8: Cash-backed Reserves

Financial Impact of the Budget Funding Plan on the Cash backed reserves/accumulated surplus (Table A8/B8)

Description	Original Budget	Adjusted Budget	Increase / (Decrease)	Year 1	Year 2	Year 3	Year 4	Year 5
R thousand	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Cash and investments available								
Cash/cash equivalents at the year end	9 149 751	6 181 021	-2 968 730	5 879 946	34 561 053	189 288 990	183 518 463	177 371 474
Other current investments > 90 days	-	-	-	-	-	-	-	-
Non current assets - Investments	-	-	-	-	-	-		
Cash and Investments available:	**9 149 751**	**6 181 021**	**-2 968 730**	**5 879 946**	**34 561 053**	**189 288 990**	**183 518 463**	**177 371 474**
Application of cash and investments								
Unspent conditional transfers	22 279 330	26 776 314	4 496 984	24 342 103	22 129 185	20 117 441	18 288 583	16 625 984
Unspent borrowing	-	-	-	-	-	-		
Statutory requirements	47 605 000	45 228 715	-2 376 285	43 489 149	41 816 490	41 816 490	38 014 991	34 559 082
Other working capital requirements	51 074 803	41 075 012	-78 836 631	35 732 904	35 732 904	35 732 904	32 484 458	29 531 326
Other provisions	9 752 125	9 723 256	-28 869	10 112 186	10 516 673	10 755 814	10 863 372	10 972 006
Long term investments committed	-	-	-	-	-	-		
Reserves to be backed by cash/investments	30 074 259	25 841 901	-4 232 358	28 426 289	32 716 223	32 681 541	33 335 171	34 001 875
Total Application of cash and Investments:	**160 785 517**	**148 645 198**	**-80 977 159**	**142 102 631**	**142 911 474**	**141 104 189**	**132 986 575**	**125 690 273**
Surplus(shortfall)	**-151 635 766**	**-142 464 177**	**78 008 429**	**-136 222 684**	**-108 350 421**	**48 184 801**	**50 531 888**	**51 681 201**

Table 8 above indicates that the adjustments budget is currently unfunded by R142 million. With the implementation of strategies mentioned above, as well as the monitoring of this plan, the municipality is planning to have a funded budget by the year 2024/25, where is projecting to generate a cash surplus of R48 million. The municipality appears be currently unfunded until the end of 2023/24 financial year. With effect from 2024/25 and after the Eskom debt is fully paid, the table reflects that the municipality will be fully funded and will be able to provide for any provisions and reserves. It will be critical that this plan is monitors closely so that its objectives are realised.

10. Reporting timeframes

It is imperative that the progress and challenges be reported on quarterly basis to council, through the Finance Portfolio Committee. Other platforms of reporting will be the Management Committee and the Executive Committee of Council. Reporting on the implementation of the funding plan shall also take place during the tabling of each and every budget and the mid-year assessment over the MTREF period.

11. Conclusion

This plan has been crafted with a view to address specific challenges of the unfunded budget. Over-commitment to the Eskom debt, lower collection rate, loan repayments, and high operating expenditure base are but some of the causes of the situation the municipality finds itself in. The plan therefore aims at addressing most of the challenges and to change business processes and financial culture in the municipality. It is therefore critical that councillors, senior management buys into the plan and that its implementation filters through all the municipal levels. It is also recorded that the Chief Financial Officer will be responsible for driving its implementation.

Lastly, it is also important to mention that the municipality must not easily deviate from the plan. While the municipality might be challenged to amend the plan especially during the preparation of each budget, it is however very key that the strategies contained therein are not easily altered. This will ensure that the long term objectives of the plan are eventually attained. Council is also encouraged to make use of the quarterly progress reports to guide and monitor implementation of the plan.

ANNEXURE H

KZN Provincial Treasury Assessment

KWAZULU-NATAL PROVINCE
TREASURY
REPUBLIC OF SOUTH AFRICA

DIRECTORATE:

P.O. BOX 3613, PIETERMARITZBURG, 3201
Treasury House, 145 Chief Albert Luthuli Street, Pietermaritzburg, 3201
Tel: 033 897 4200 Fax: 033 342 4662

MUNICIPAL FINANCE MANAGEMENT

Our Ref: 11/6/13/1(KZN252)-2022
Enquiries: Mr. W.C. Donnelly
Date: 25 February 2022

THE ACTING MUNICIPAL MANAGER
NEWCASTLE LOCAL MUNICIPALITY
PRIVATE BAG X6621
NEWCASTLE
2940

Fax No: 034 312 7089

Dear Mr. Z.W. Mcineka

2021/22 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT AND IMPACT ON THE 2021/22 ADJUSTMENTS BUDGET

1. Reference is made to your Mid-Year Budget and Performance Assessment Report for the 2021/22 financial year that was submitted to Provincial Treasury in accordance with Section 72(1)(a) and (b) of the Municipal Finance Management Act, Act No. 56 of 2003 (MFMA) which states that *the accounting officer of a municipality must by 25 January of each year assess the performance of the municipality during the first half of the financial year and submit a report of such an assessment to the mayor of the municipality, National Treasury and the relevant Provincial Treasury*. Section 72(3)(a) and (b) of the MFMA also state that *the Accounting Officer must as part of the review make recommendations as to whether an Adjustments Budget is necessary and recommend revised projections for revenue and expenditure to the extent that this may be necessary.*

2. An assessment was conducted on the Mid-Year Budget and Performance Assessment Report that was submitted to Provincial Treasury to verify whether the Mid-Year Budget and Performance Assessment Report for 2021/22, as submitted to Council on 25 January 2022, conforms with the Municipal Budget and Reporting Regulations (MBRR) and provides the relevant information required **to inform your 2021/22 Adjustments Budget**. Refer to the attached Annexure A for the detailed assessment

3. Provincial Treasury Circular PT/MF 06 of 2021/22 requested that municipalities ensure that the 2021/22 Mid-Year Budget and Performance Assessment Report (Schedule C) submitted to Council and the monthly MFMA Section 71 data string (Month 06) are both produced directly from the financial system to eliminate the possibility of any differences and/or misalignments.

   Provincial Treasury notes with concern that your municipality's performance as reflected in the Schedule C (MFMA Section 72 report) does not fully align to the performance for the six-month period as reflected in the extracted Schedule C (MFMA Section 71 data string (Month 06)) which was downloaded from the LG Database by Provincial Treasury on 31 January 2022. The differences between the financial performance information in the Section 71 Report (data string)

GROWING KWAZULU-NATAL TOGETHER

and the Section 72 (Schedule C) have been highlighted throughout the report. Refer to Annexure A.

4. In addition, the feedback relating to the review of your In-year monitoring Section 71 data strings which includes a segment analysis review is in the process of being communicated to your municipality by the mSCOA Advisor assigned to your municipality.

   The misalignment of the MFMA Section 71 and 72 reports and the findings on the use of the mSCOA segments potentially indicate that your municipality has not achieved the required level of implementation for mSCOA as per the mSCOA Regulations, Provincial Treasury Circular PT/MF 06 of 2021/22 and MFMA Circular No. 98.

5. MFMA Circular No. 112 states that if your municipality has not yet achieved the minimum required level of mSCOA implementation, then a detailed action plan (road map) must be developed to indicate how the municipality will fast track the implementation of mSCOA. The action plan should include the following focus areas, as applicable to the municipality:

   - System landscape – whether or the municipality has access to updated ICT hardware, software and licences that is sufficient to run the chosen financial management systems solution;
   - Governance and institutional arrangements – whether the municipality has a functional mSCOA steering committee or equivalent structure consisting of representatives from all business units, that meet regularly to monitor and report on mSCOA related issues to Management Committee (MANCO), Executive Committee (EXCO) and Council. Furthermore, whether or not the municipality has appointed a suitably qualified System Administrator and if the municipality has the required IT securities in place;
   - System functionality – whether or not the functionality of the system is complying with the minimum business processes and system specifications articulated in MFMA Circular No 80; whether or not the municipality is utilising the core financial system solution and its modules optimally; and whether or not the third party sub-systems are seamlessly integrating with the mSCOA enabling financial system; and
   - Proficiency of municipal officials to use the financial system – whether or not the relevant municipal officials sufficiently capacitated on all system modules and functionalities to use the financial systems solution; whether or not the relevant officials in the organisation are familiar with the mSCOA chart, balance sheet budgeting and movement accounting; and have change management taken place to ensure that mSCOA is institutionalised as an organisational reform and not only a financial reform.

   It should be emphasised that the onus to ensure compliance with the mSCOA Regulations and minimum system specifications as per MFMA Circular No. 80 and its Annexure B rests with the municipality and not the system vendor. Municipalities should ensure that they budget sufficiently to become and remain mSCOA compliant.

   The progress against the action plan must be monitored by the municipality's mSCOA Project Steering Committee and copies of the action plan and progress reports should also be shared with the National and Provincial Treasuries.

6. National Treasury has issued correspondence to municipalities on 19 January 2022 stating that failure of municipalities **to adopt a 2021/22 funded main Adjustments Budget** will constitute a material breach of the MFMA that leaves the National Treasury with no choice but **to invoke Section 216(2) of the Constitution and additionally withhold the Equitable Share allocation tranche due to be released to the municipality in March 2022.** It should be noted that the above measures and consequences will also apply to a municipality whose 2021/22 Approved Budget was assessed as funded and however for various reasons, their 2021/22 Adjustments Budget is assessed as unfunded

GROWING KWAZULU-NATAL TOGETHER

The municipalities were reminded in the correspondence that unfunded budgets is a contravention of Section 18 of the MFMA and may trigger Section 171 of the MFMA. Municipalities were urged to make use of February Adjustments Budget to reduce their expenditure to fully align with the municipalities' realistically anticipated revenue for the remainder of the year.

For municipalities where a funded position is not achievable in one financial year as per MFMA Circular No. 93 and have previously adopted a Budget Funding plan, National Treasury has emphasised in the same correspondence that the municipal Council will then have to adopt an updated Budget funding plan and closely monitor its implementation of the Adjustments Budget in conjunction with the updated Budget funding plan. This must include the submission of monthly progress reports supported with documented evidence to the National and Provincial Treasuries parallel and as part of the monthly MFMA section 71 reports.

Failure by municipalities to adopt a 2021/22 funded main Adjustments Budget or a credible updated Budget funding plan (refer to paragraph above) will constitute a material breach of the MFMA that will leave the National Treasury with no choice but to invoke Section 216(2) of the Constitution and additionally withhold the Equitable Share allocation tranche due to be released to the municipality in March 2022.

7. During the engagement held on 18 February 2022, the municipality noted the issues raised by Provincial Treasury and committed to attend to them in preparation of the 2021/22 Adjustment Budget to be tabled in Council in terms of Section 28 of the MFMA. Furthermore, a draft copy of Provincial Treasury's detailed assessment was also shared with the municipality prior to the engagement, which was discussed at the above mentioned engagement.

   The municipality is required to table Provincial Treasury's comments on the 2021/22 Mid-Year Budget and Performance Assessment Report at the next Council meeting following the receipt of this report. The municipality must thereafter forward to Provincial Treasury a copy of the Council resolution as well as the remedial actions on how the errors and concerns raised were addressed.

8. You are also kindly reminded to ensure that the 2021/22 Adjustments Budget data string (ADJB) is uploaded to the LG Database portal within one working day following the approval of the budget in Council and that the PDF copy of the 2021/22 Adjustments Budget (PDF extracted directly from the financial system) and related documents, completed in the required format, are submitted to the National and Provincial Treasuries after they have been tabled to Council by the Mayor as required by Regulations 21 and 24 of the MBRR and approved by Council.

Yours faithfully

Mr. F. Cassimjee
Chief Director: Municipal Finance Management

cc. Mayor
Chief Financial Officer
Audit Committee Chairperson

GROWING KWAZULU-NATAL TOGETHER

General Compliance - Section 72 (Mid-Year Budget Performance Report)

Municipality: Newcastle

Annexure A: Evaluation of the Section 72 Report -

Table 1: General Compliance - Section 72 (Mid-Year Budget Performance Report)

No.	Key Focus Areas	Status (Yes/ No/N/A)	Findings/ Impact on the Adjustments Budget (if applicable)
A. High Level Checklist			
1	Was the Mid-year Budget and Performance Assessment Report submitted by 25 January 2022 and tabled in Council by 31 January 2022?	YES	
2	Has the Mid-Year Budget and Performance Assessment Report been prepared using: - Schedule C Format in the prescribed PDF format (PDF extracted directly from the financial system - Version 6.5	NO	
3	Was the Mid-year Budget and Performance Assessment Report placed on the Municipality's website within 5 working days (by 01 February) after submission (by 25 January)?	YES	
4	Has the municipality prepared the Mid-Year Budget and Performance Assessment Report in accordance with Schedule C of the MBRR ? (which incorporates the following):		
	PART 1- IN-YEAR REPORT		
	• Mayor's report (required if tabled in the municipal council)	YES	
	• Resolutions (required if tabled in the municipal council)	YES	
	• Executive summary	YES	
	• In-year budget statement tables	YES	
	PART 2 - SUPPORTING DOCUMENTATION		
	• Debtors' Analysis	YES	
	• Creditors' Analysis	YES	
	• Investment portfolio analysis	YES	
	• Allocation and grant receipts and expenditure	YES	
	• Councillor and board member allowances and employee benefits	YES	
	• Material variances to the service delivery and budget implementation plan	YES	
	• Parent municipality financial performance	N/A	
	• Municipal entity financial performance	N/A	
	• Capital programme performance	YES	
	• Other supporting documents	YES	
	• In-year reports of the municipal entities attached to the municipality's in-year report	N/A	
	• Municipal Manager's quality certification	YES	
5	Do the Original Budget/Special Adjustment Budget figures in the Schedule C reconcile with the budget figures in Schedule A/ Schedule B?	NO	
6	Does the Year to date Budget in Schedule C agrees to the Year To date (YTD) Budget in the Original Budget/Special Adjustments Budget?	NO	
7	Do the figures in Schedule C reconcile with the Section 72 and Section 71 monthly figures (Six months figures reported)?	NO	
8	Has the municipality provided explanations and remedial/corrective measures for the major variances on Table SC1?	YES	

No.	Key Focus Areas	Status (Yes/ No/N/A)	Findings/ Impact on the Adjustments Budget (if applicable)
B. 2021/22 Original Budget/Special Adjustments Budget			
9	**Errors – Sec 28(2)(f)** Based on the 2021/22 Original Budget/Special Adjustments Budget comments letter : Did the 2021/22 Original Budget/Special Adjustments Budget have material errors in respect of grant allocations? (Refer to the High level assessment of the Original Budget/Special Adjustments Budget).	NO	
	Were all the schedules completed accurately? (Refer to budget comments letter/high level assessment of the Original Budget/ high level assessment of the Special Adjustment Budget for 2021/22 and budget errors noted in the IYM feedbacks)	YES	
10	Borrowings With reference to the 2021/22 Original Budget/Special Adjustments Budget, determine if all budgeted loans have been approved or obtain progress made to date to obtain the loan.	N/A	
C. 2020/21 Audited Annual Financial Statements			
11	Unauthorised Expenditure – Sec 28(2)(c), Sec 32(2)(a) Inspect the municipality's audited AFS for 2019/20 and Audited AFS for 2020/21 for unauthorised expenditure. Enquire if the 2019/20 unauthorised expenditure has been condoned by Council (if applicable).	NO	During the engagement of 18 February 2022, the municipality stated that not all unauthorised expenditure has been condoned.
D. Virements			
12	Virements – Circular 51(4.6) and 58(4.9) and MFMA mSCOA Circular No. 8 Advise the municipality to adhere to requirements of Circular 51(4.6) when preparing their Adjustments Budget. Remind the municipality of Circular PT MF 06 of 2021/22 Section G which addresses the need to update the virements policy in line with the mSCOA framework.	YES	

No.	Key Focus Areas	Status (Yes/ No/N/A)	Findings/ Impact on the Adjustments Budget (if applicable)
E. General			
13	Additional Allocations- Section 28(2)(b) MFMA Was there any amendments to the municipality's grant allocations as per Adjusted DoRB (Gazette No. 45390 of 27 October 2021) read in conjunction with Adjusted DoRA (Gazette No. 45784 of 19 January 2022) and - Provincial Gazette No.2355)?	YES	The municipality is advised to include any adjusted allocations in the Adjustments Budget in respect of the Adjusted DoRB (Gazette No. 45390 of 27 October 2021) read in conjunction with Adjusted DoRA (Gazette No. 45784 of 19 January 2022) and the Adjusted Provincial Gazette No.2355). The Municipality is also advised to adjust their annual budget in respect of approved Rollovers for 2020/21

Table 2: Financial Performance - Operating Revenue - (Table C4)

Description R thousand	Original Budget/ Special Adjustments Budget	Section 72 Report (YTD Actual)	Section 71 Report (YTD Actual)	Section 71 YTD as a % of Budget	Comments
Revenue By Source					**The figures as per the S.71 data strings differ to the figures as per the Schedule C submitted to Council. For analysis purposes, the Provincial Treasury utilised the Section 71 data strings figures.**
Property rates	362 426	181 212	181 212	50.0	
Service charges - electricity revenue	710 188	368 259	368 259	51.9	
Service charges - water revenue	193 910	94 511	94 511	48.7	
Service charges - sanitation revenue	119 429	60 031	60 031	50.3	
Service charges - refuse revenue	95 601	49 315	49 315	51.6	
Rental of facilities and equipment	7 532	4 564	4 564	60.6	The municipality has generated Rental of facilities and equipment of R4.6 million (60.6 percent) against the 2021/22 Approved Budget of R7.5 million as at 31 December 2021. In Table SC1 and on page 4 of the Mid-Year Narrative, the municipality attributed the variance to the increase in the rental of council facilities due to the easing of lockdown restrictions and there has also been an increase in the number of staff flats being rented. The municipality has undertook to adjust the budget during the Adjustments Budget process.
Interest earned - external investments	2 296	1 226	762	33.2	The municipality has generated Interest earned - external investments of R762 000 (33.2 percent) against the 2021/22 Approved Budget of R2.3 million as at 31 December 2021. No reasons were provided by the municipality in Table SC1. In page 4 of the Mid-Year Review Narrative, the municipality stated that it has generated more interest on investments due to more investments made than expected. The municipality further stated that with the implementation of strategies in the funding plan, this item is expected to improve even more during the second half of the financial year. However the R1.1 million stated in the Mid-Year Narrative is not collating to the R1.2 million in the S72 report nor the R762 000 in the S71 report. It is therefore not clear as to which is the correct amount. Provincial Treasury recommends that the budget be adjusted during the Adjustments Budget process in line with current projections.
Interest earned - outstanding debtors	4 642	2 154	2 154	46.4	
Dividends received	–	–	–	-	
Fines, penalties and forfeits	2 105	2 328	1 957	93.0	The municipality has generated Fines, penalties and forfeits of R2 million (93 percent) against the 2021/22 Approved Budget of R2.1 million. In Table SC1 and page 4 of the Mid-Year Review Narrative, the municipality attributed the variance to Fines, penalties and forfeits being dependent on law enforcement and compliance of motorists thereto. The municipality has undertook to adjust the budget accordingly during the Adjustments Budget process.
Licences and permits	105	18	18	16.9	The municipality has generated Licences and permits of R18 000 (16.9 percent) against the 2021/22 Approved Budget of R105 000 as at 31 December 2021. In Table SC1 the municipality stated that the generation on this revenue item is dependent on the consumers reaction while the municipality did not provide any reasons in the Mid-Year Review Narrative. The municipality has undertook to monitor this item during the course of the year and adjust the budget during the Adjustments Budget process.
Agency services	–	–	–	-	
Transfers and subsidies	695 021	492 094	483 366	69.5	The municipality has recognised R483.4 million (69.5 percent) on Transfers and subsidies against the 2021/22 Approved Budget of R695 million. The 2021/22 National Treasury Payment Schedule indicates that R342 million has been transferred to the municipality, a difference of R141.4 million. No reasons were provided by the municipality in Table SC1 for the variance. On page 5 of the Mid-Year Narrative the municipality stated that the R541.4 million generated by the municipality is in line with the budget. The municipality undertook to adjust the budget during the Adjustments Budget process. However this amount does not collate to R492.1 million in the S72 report nor the R483.4 million in the S71 report. The municipality is advised to review its records for correctness and make corrections where necessary.
Other revenue	20 987	6 727	6 727	32.1	The municipality has generated Other revenue of R6.7 million (32.1 percent) against the 2021/22 Approved Budget of R21 million as at 31 December 2021. In Table SC1 the municipality attributed the variance to consumer reaction due to the increased number of deaths. On page 5 of the Mid-Year Review Narrative, the municipality attributed the variance to less revenue from sundry revenue than the year-to-date budget of R10.5 million. The municipality has undertook to adjust the budget during the Adjustments Budget process.
Gains	–	3 045	2 386	-	The municipality has generated Gains of R2.4 million against the 2021/22 Approved Budget of nil as at 31 December 2021. No reasons were provided by the municipality in Table SC1 for the variance. On page 5 of the Mid-Year Review Narrative the municipality attributed the variance to devices that were sold to councillors and employees during the last term of office of the previous council. The municipality has undertook to adjust the budget during the Adjustments Budget process.
Total Revenue (excluding capital transfers and contributions)	**2 214 242**	**1 265 483**	**1 255 262**	**56.7**	**In total, the municipality generated R1.3 billion (56.7 percent) Total Revenue (excluding capital transfers and contributions) as at 31 December 2021 against the 2021/22 Approved Budget of R2.2 billion. This is above the benchmark of 50 percent for the six months ending 31 December 2021 and is due to the comments above.**

Municipality:	Newcastle

Table 3: Financial Performance - Operating Expenditure - (Table C4)

Description R thousand	Original Budget/ Special Adjustments Budget	Section 72 Report (YTD Actual)	Section 71 Report (YTD Actual)	Section 71 YTD as a % of Budget	Comments
Expenditure By Type					**The figures as per the S.71 data strings differ to the figures as per the Schedule C submitted to Council. For analysis purposes, the Provincial Treasury utilised the Section 71 data strings figures.**
Employee related costs	570 234	282 105	282 105	49.5	
Remuneration of councillors	28 882	12 175	12 175	42.2	The municipality has incurred R12.2 million (42.2 percent) on Remuneration of councillors against the 2021/22 Approved Budget of R28.9 million. In Table SC1, the municipality has attributed the variance to the delay in the inauguration of councillors. On page 6 of the Mid-Year Review Narrative, the municipality attributed the variance to the time lapse during which positions of certain councillors were vacant and the fact that Exco councillors are currently paid as part-time councillors pending approval by the MEC for CoGTA. The municipality undertook to review the budget during the Adjustments Budget process.
Debt impairment	283 536	10 081	10 081	3.6	The municipality has incurred R10.1 million (3.6 percent) on Debt impairment against the 2021/22 Approved Budget of R283.5 million. In Table SC1, the municipality has attributed the variance to the fact that only Debt impairment for indigents is calculated monthly and that all other debtors impairment is calculated bi-annually. On page 6 of the Mid-Year Review Narrative, the municipality attributed the variance to the fact that the full impact of debt impairment will be effected at the end of the financial year end. The municipality undertook to review this expenditure item during the Adjustments Budget process. The 2020/21 Audited Actual is R217 million.
Depreciation & asset impairment	376 675	163 324	138 511	36.6	The municipality has incurred R138.5 million (36.6 percent) on Depreciation & asset impairment against the 2021/22 Approved Budget of R378.7 million. In Table SC1, the municipality has attributed the variance to low capital expenditure and projects still under work in progress (not yet capitalised). On page 6 of the Mid-Year Review Narrative, the municipality has attributed the variance to the slow capital expenditure as well as the infrastructure projects still under construction. The municipality undertook to adjust the budget downwards during the Adjustments Budget process. The 2020/21 Audited Actual is R351.1 million.
Finance charges	39 754	19 929	19 929	50.1	
Bulk purchases	557 138	274 003	237 753	42.7	The municipality has incurred R237.8 million (42.7 percent) on Bulk purchases against the 2021/22 Approved Budget of R557.1 million. No reasons were provided by the municipality in Table SC1 for the variance. However, on page 6 of the Mid-Year Review Narrative the municipality attributed the low expenditure to a lower demand for electricity as businesses in the municipal district are currently struggling economically due to Covid-19 restrictions. The municipality further stated that the effect of load shedding has also resulted in a lower demand for electricity. The municipality stated that they will assess the Bulk purchases based on expected demand during the remainder of the financial year and adjust where necessary.
Inventory consumed	136 114	68 024	68 024	50.0	
Contracted services	388 306	256 058	259 630	66.9	The municipality has incurred R259.6 million (66.9 percent) on Contracted services against the 2021/22 Approved Budget of R388.3 million. In Table SC1 the municipality attributed the variance to high expenditure on housing projects. On page 6 of the Mid-Year Review Narrative the municipality attributed the variance mainly to the acceleration in line with the current performance and additional grant funding already received. Expenditure must be closely monitored for the remainder of the financial year
Transfers and grants		-		-	
Other expenditure	106 290	55 191	51 619	48.6	
Losses	1	658	0	22.8	The municipality has incurred R228 (22.8 percent) on Losses against the 2021/22 Approved Budget of R1 000. No reasons were provided by the municipality in Table SC1 for the variance. However, on page 6 of the Mid-Year Review Narrative the municipality attributed the low expenditure to inventory losses identified during the stock count exercise. The municipality undertook to adjust the budget accordingly during the Adjustments Budget process.
Total Expenditure	**2 488 931**	**1 141 549**	**1 079 827**	**43.4**	**In total, the municipality incurred R1.1 billion (43.4 percent) Total Expenditure as at 31 December 2021. This is below the benchmark of 50 percent for the six months ending 31 December 2021. The under expenditure reported is due to the comments above.**
Total Revenue (excluding capital transfers and contributions)	2 214 242	1 265 483	1 255 262	56.7	
Total Expenditure	2 488 931	1 141 549	1 079 827	43.4	
Surplus/(Deficit)	**(274 669)**	**123 934**	**175 435**		**The municipality has reported a Surplus of R175.4 million for the six months ending 31 December 2021 against a budgeted Deficit of R274.7 million for the year. This figure may be over stated due to the comments above.**

[_____]

Municipality: Newcastle

Table 4: Capital Expenditure by vote, standard classification and funding - (Table C5) & R&M/Renewals - (Table SC13b&c)

Description R thousand	Original Budget/ Special Adjustments Budget	Section 72 Report (YTD Actual)	Section 71 Report (YTD Actual)	Section 71 YTD as a % of Budget	Comments
Capital Expenditure					**The 2021/22 Approved Budget figures as per the Data Strings differ to the approved 2020/21 Approved Budget (Schedule A) and the Schedule C as per S71 data strings differ to the Schedule C submitted to Council in some instances. For analysis purposes, the Provincial Treasury utilised the Approved Budget data strings figures and the Section 71 data strings figures.**
Governance and administration	**5 472**	**851**	**835**	**15.3**	
Executive and council	–	–	–	-	
Finance and administration	5 472	851	835	15.3	
Internal audit	–	–	–	-	
Community and public safety	**26 257**	**4 506**	**4 491**	**17.1**	
Community and social services	25 364	924	906	3.6	In total, the municipality has incurred R62 million (90 percent) Total Capital Expenditure against the 2021/22 Approved Budget of R68.8 million as at 31 December 2021. This is above the benchmark of 50 percent for the six months ending 31 December 2021.No reasons were provided by the municipality in Table SC1 for the variance. On page 8 of the Mid-Year Review Narrative, the municipality stated that the attributable factor to the poor performance of capital expenditure is delays in the implementation of some key projects, lockdown regulations as well as the cash-flow situation within the municipality against the approved budget of R145.4 million as per the 2021/22 Approved Budget. The municipality further stated that departments are encouraged to spend more on grants to avoid the reverting od conditional grants to the National Revenue Fund. The municipality is advised to correct the budget data strings during the Adjustments Budget process
Sport and recreation	–	3 116	3 116	-	
Public safety	138	–	–	-	
Housing	755	466	466	61.8	
Health	–	–	–	-	
Economic and environ. services	**34 275**	**20 141**	**20 146**	**58.8**	
Planning and development	7 178	3 322	3 322	46.3	
Road transport	27 098	16 819	16 824	62.1	
Environmental protection	–	–	–	-	
Trading services	**2 826**	**36 480**	**36 480**	**1 290.8**	
Energy sources	–	–	–	-	
Water management	2 490	26 264	26 264	1 054.8	
Waste water management	336	10 216	10 216	3 038.8	
Waste management	–	–	–	-	
Other	–	–	–	-	
Total Capital Expenditure	**68 831**	**61 978**	**61 952**	**90.0**	
Funded by:					
National Government	28 563	46 112	46 116	161.5	The municipality has recognised R46.1 million (161.5 percent) from National Government against the 2021/22 Approved Budget of R28.6 million as at 31 December 2021. In Table SC1 the municipality attributed the variance to SCM processes being at initial stages. On page 9 of the Mid-Year Review Narrative the municipality stated that the variance is due to project and procurement plans as prepared by departments, slow SCM processes as well as the cash flow challenges faced by the municipality. The municipality stated that expenditure on these projects will be fast-tracked in order to avoid funds to being reverted back to the National Revenue Fund at year end.
Provincial Government	755	3 147	3 116	412.7	The municipality has recognised R3.1 million (412.7 percent) from Provincial Government against the 2021/22 Approved Budget of R755 000 as at 31 December 2021. In Table SC1 the municipality attributed the variance to SCM processes being at initial stages. On page 9 of the Mid-Year Review Narrative the municipality stated that the variance is due to project and procurement plans as prepared by departments, slow SCM processes as well as the cash flow challenges faced by the municipality. The municipality stated that expenditure on these projects will be fast-tracked in order to avoid funds to being reverted back to the Provincial Revenue Fund at year end. However, according to the S.71 report the actual performance has exceeded budget.
District Municipality	–	–	–	-	
Other transfers and grants	–	–	–	-	
Transfers recognised - capital	**29 318**	**49 259**	**49 232**	**167.9**	
Borrowing	–	–	–	-	
Internally generated funds	39 423	12 719	12 719	32.3	The municipality has recognised R12.7 million (32.3 percent) from Internally generated funds against the 2021/22 Approved Budget of R39.4 million as at 31 December 2021. In Table SC1 the municipality attributed the variance to SCM processes being at initial stages. On page 9 of the Mid-Year Review Narrative the municipality stated that the variance is due to project and procurement plans as prepared by departments, slow SCM processes as well as the cash flow challenges faced by the municipality. The municipality stated that it is to consider stopping expenditure on projects not started until the municipality is in a better financial position.
Total Capital Funding	**68 741**	**61 978**	**61 952**	**90.1**	**The municipality has recognised Total Capital Funding of R62 million (90.1 percent) against the 2021/22 Approved Budget of R68.7 million. On page 7 of the Mid-Year Review Narrative, the municipality attributed the under expenditure to delays in the supply chain process as well as the cash-flow situation faced by the municipality. Total Capital Funding does not agree to Total Capital Expenditure.**
				-	
Repairs and maintenance (Table SC13c)	126 075	35 655	45 218	35.9	The municipality has incurred expenditure of R45.2 million (35.9 percent) against the 2021/22 Approved Budget of R126.1 million for Repairs and maintenance. On Table SC1 the municipality stated that this was due to SCM processes being at initial stages. The municipality undertook to fast track SCM processes and the management of contractors. The municipality is advised to review its records for accuracy and make the necessary adjustments.

[_____]

Description R thousand	Original Budget/ Special Adjustments Budget	Section 72 Report (YTD Actual)	Section 71 Report (YTD Actual)	Section 71 YTD as a % of Budget	Comments
Renewal of existing assets (Table SC13b)	(1 344)	7 240	7 240	(538.5)	The municipality has incurred expenditure of R7.2 million (-538.5 percent) against the 2021/22 Approved Budget of negative R1.3 million for Renewal of existing assets. No reasons were provided in Table SC1 and no remedial steps have been indicated by the municipality. The municipality is advised to review its records for accuracy and make necessary adjustments during the Adjustments Budget process.
Upgrading of existing assets (Table SC13e)	759	31 924	32 722	4 309.8	The municipality has incurred expenditure of R32.7 million (4 309.8 percent) against the 2021/22 Approved Budget of R759 000 for Upgrading of existing assets. No reasons were provided in Table SC1 and no remedial steps have been indicated by the municipality. The municipality is advised to review its records for accuracy and make necessary adjustments during the Adjustments Budget process.

[____]

Municipality:	Newcastle

Table 5: Cash Flow- (Table C7)

Description R thousand	Original Budget/ Special Adjustments Budget	Section 72 Report (YTD Actual)	Section 71 Report (YTD Actual)	Section 71 YTD as a % of Budget	Comments
CASH FLOW FROM OPERATING ACTIVITIES					**The 2021/22 Approved Budget figures as per the Data Strings differ to the approved 2020/21 Approved Budget (Schedule A) and the Schedule C as per S71 data strings differ to the Schedule C submitted to Council in some instances. For analysis purposes, the Provincial Treasury utilised the Approved Budget data strings figures and the Section 71 data strings figures.**
Receipts					
Property rates	21 110	180 920	172 225	815.9	The municipality has collected R172.2 million (815.9 percent) on Property rates against the 2021/22 Approved Budget of R21.1 million. Table C4 reported to have billed Property Rates of R181.2 million. This indicates that the municipality has collected 95 percent of billed Property rates. The municipality budgeted a collection rate of 75 percent in the 2021/22 Approved Budget.
Service charges	–	476 137	548 572	-	The municipality has collected R548.6 million on Service charges against the 2021/22 nil Approved Budget. Table C4 reported to have generated R572.1 million, therefore equating to a collection rate of 98 percent, the norm is 95 percent. The municipality budgeted an average Service charges collection rate of 70.9 percent in the 2021/22 Approved Budget. The municipality is advised to review its records for correctness and make corrections where necessary.
Other revenue	2 661 664	10 476	1 569 854	59.0	The municipality has collected R1.6 billion (59 percent) on Other revenue against the 2021/22 Approved Budget of R2.7 billion which does not appear reasonable. This abnormal figure was highlighted during the IYM process. Table C4 reflects a total of R13.3 million for Other revenue (Rental of facilities of R4.6 million, Fines, penalties and forfeits of R2 million, Licences and permits of R18 000 and Other Revenue of R6.7 million). In page 4 of the Mid-Year Review Narrative, the municipality stated that the municipality has generated more interest on investments due to more investments made than expected. The municipality further stated that with implementation of strategies in the funding plan, this item is expected to improve even more during the second half of the financial year, fines, penalties and forfeits being dependent on law enforcement and compliance of motorists thereto, licences and permits generation is dependent on the consumers reaction and other revenue being influenced by consumer reaction due to the increased number of deaths. The municipality is advised to review its records for correctness and make corrections where necessary.
Transfers and subsidies - Operational	–	522 800	309 821	-	The municipality has received R309.8 million on Government - operating against the 2021/22 Approved Budget of nil. The 2020/21 National Treasury Payment Schedule indicates that R342 million has been transferred to the municipality. At a minimum, the municipality should have reported to have received Government - operating of R342 million. No reasons were provided by the municipality in Table SC1 for the variance as at 31 December 2021 and the corrective steps it intends taking. The municipality is advised to review its records for correctness and make corrections where necessary.
Transfers and subsidies - Capital	–	99 169	103 668	-	The municipality has reported to have received R103.7 million on Government - capital against the 2021/22 Approved Budget of nil. The 2020/21 National Treasury Payment Schedule indicates that R98.2 million has been transferred to the municipality. The municipality is advised to review its records for correctness and make corrections where necessary.
Interest	376	3 379	152	40.3	The municipality has collected R152 000 (40.3 percent) revenue from Interest against the 2021/22 Approved Budget of R376 000. In Table C4 the municipality reported Interest earned - external investments of R762 000 and Interest earned - Outstanding debtors of R2.2 million, a total of R2.9 million. No reasons were provided by the municipality in Table SC1 and remedial actions to be undertaken by the municipality. On page 4 of the Mid-Year Review Narrative, the municipality stated that the municipality has generated more interest on investments due to more investments made than expected. The municipality further stated that with implementation of strategies in the funding plan, this item is expected to improve even more during the second half of the financial year and the municipality stated that the variance on Interest earned - outstanding debtors is attributable to the effective incentive scheme implemented by the municipality over the past 24 months. The municipality has undertook to adjust the budget accordingly during the Adjustments Budget process. The municipality is advised to review its records for correctness and make corrections where necessary.
Dividends	–	–	–	-	
Payments				-	
Suppliers and employees	(1 427 232)	(945 014)	(876 804)	61.4	The municipality paid R876.8 million (61.4 percent) on Suppliers and employees against the 2021/22 Approved Budget of R1.4 billion. No reasons were provided by the municipality in Table SC1 and remedial actions to be undertaken by the municipality. When comparing the Section 72 report figure of R945 million, the municipality has spent 66.2 percent of the budget. The municipality is advised to review its records for correctness and make corrections where necessary.
Finance charges	–	(19 929)	–	-	
Transfers and Grants	–	–	–	-	
NET CASH FROM/(USED) OPERATING ACTIVITIES	**1 255 918**	**327 937**	**1 827 487**	**145.5**	

[_____]

Description R thousand	Original Budget/ Special Adjustments Budget	Section 72 Report (YTD Actual)	Section 71 Report (YTD Actual)	Section 71 YTD as a % of Budget	Comments
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	–	1 596	3 062	-	The municipality has received R3.1 million on Proceeds on disposal of PPE against the 2021/22 Approved Budget of nil. No reasons were provided by the municipality in Table SC1 for the variance. The municipality is advised to review its records for correctness and make corrections where necessary.
Decrease (Increase) in non-current debtors	–	–	–	-	
Decrease (increase) other non-current rec.	–	–	–	-	
Decrease (increase) in non-current invest.	–	–	–	-	
Payments					
Capital assets	–	(62 041)	(57 922)	-	The municipality has paid R57.9 million on Capital assets against the 2021/22 Approved Budget of nil. The municipality is advised to review its records for correctness and make corrections where necessary. According to Table C5, the municipality has incurred R62 million on Capital Assets. No reasons were provided by the municipality in Table SC1 for the variance. The municipality is advised to review its records for correctness and make corrections where necessary.
NET CASH FROM/(USED) INVESTING ACTIVITIES	–	(60 445)	(54 860)	-	
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans	–	–	–	-	
Borrowing long term/refinancing	–	–	–	-	
Increase (decrease) in consumer deposits	(0)	–	70	(1 394 540)	Consumer deposits increased by R70 000 (1 394 540 percent) against the 2021/22 Approved Budget of R5. No reasons were provided by the municipality in Table SC1 and the Mid-Year Review Narrative for the variance. The municipality is advised to review its records for correctness and make corrections where necessary.
Payments					
Repayment of borrowing	–	(46 726)	–	-	The municipality has reported nil Repayment of borrowings, whilst the Section 72 report shows R46.8 million against a nil budget. The municipality is advised to review its records for correctness and make corrections where necessary.
NET CASH FROM/(USED) FINANCING ACTIVITIES	(0)	(46 726)	70	(1 394 540.0)	
NET INCREASE/ (DECREASE) IN CASH HELD	1 255 918	220 766	1 772 697	141.1	
Cash/cash equivalents at beginning:	705	9 500	–	-	The municipality has reported to have nil Cash/cash equivalents at beginning against the 2021/22 Approved Budget of R705 000 in Table C7, whereas the 2020/21 Audited Annual Financial Statements (AFS) shows R9.5 million. The municipality is advised to correct the budget during the Adjustments Budget process as well as correct their data strings accordingly.
Cash/cash equivalents at month/year end:	1 256 623	230 266	1 772 697	141.1	The municipality has reported to have R1.8 billion Cash/cash equivalents at month/year end. The bank statement as at 31 December 2021 shows that the municipality had R47.2 million in the bank and the Investments Register shows a balance of R151.6 million, a total of R198.8 million. However, based on the Grants Register submitted by the municipality, the municipality had Unspent Grants of R121.8 million. This indicates that a net available cash position of R76.9 million. The municipality is advised to review its records for correctness.

[_____]

Municipality:	Newcastle

Table 6: Cash Position as at 31 December 2021

Cashbook Balance (Reconciled)	Account Number	R'000	Comments
Nedbank	1 162 667 338	47 194	
Standard Bank	068450354/015	1 145	
Standard Bank	068450354/016	30 052	
Standard Bank	068450354/036	3 949	
Standard Bank	068450354/040	8 676	
Absa Bank :	9 956 019 602	552	
Nedbank	037648555441 46	0	
Nedbank	037648555441 47	0	
Nedbank	037648555441 48	(0)	
Nedbank	037648555441 49	(0)	
Nedbank	037648555441 52	106 813	
Nedbank	037648555441 53	(0)	
Nedbank	037648555441 56	383	
Total Cash		**198 773**	
Less Unspent Conditional Grants(*As per Reconciled Grant Register)		121 843	
Net Cash Position		**76 930**	
Less Reserves to be Cash Backed		**-**	
Capital Replacement Reserve			
Donations and Public Contributions			
Insurance Reserve			
COID			
Housing Development Fund			
Reserve for Rehabilitation of Landfill Sites and Quarries			
Final Net Cash Position		**76 930**	
Cash Coverage (Months)		**0**	
Fixed Operating Commitments			
Employee Related Costs		534 158	
Remuneration of councillors		25 612	
Bulk Purchases		559 335	
Operating lease(rent premises and machines etc.)			
Rent plant			
Contracted services		273 731	
Municipality's Electricity & Water			
Municipality's sewer charges			
Security Services			
Insurance			
Telephone costs		4 156	
Current portion of long term loan(if applicable). NB: include Finance charges			
Other Operating Commitments (specify)			
Other Operating Commitments (specify)			
Total Fixed Operating Commitments		**1 396 991**	
Monthly Fixed Operating Commitments		**232 832**	

Comments

The calculations based on the information supplied by the municipality shows that the municipality has a Cash coverage ratio of 0 months, the norm is 1 to 3 months. NB. While the calculation above provides an estimation of the municipality's cash coverage as at 31 December 2021,
the net cash position and the calculated cash coverage noted above may vary significantly and be impacted by the assumptions used, subsequent cash movements and accuracy of the municipality's reporting.

[_____]

Municipality:	Newcastle

Table 7: Debtors - (Table SC3)

Description R thousand	Section 72 Report (YTD Actual)	Section 71 Report (YTD Actual)	% of Debtors by Age / Customer Group	Comments
Debtors as at 30 June 2021	1 355 555	1 355 555		Receivables from exchange transactions is as per the 2020/21 Audited AFS.
Debtors as at 31 December 2021	1 200 269	1 075 811		The Section 71 data strings shows a decrease in Debtors as at 31 December 2021 of R280 000 whilst the Section 72 report shows a decrease in Debtors of R155 000 as at 31 December 2021. The municipality is advised to review its records for correctness and make the corrections where necessary.
By age analysis				
0-30 days	5 804	(619 653)	-57.6%	The municipality reported negative Debtors of R619.7 million (-57.6 percent) in the 0-30 days category. The municipality is requested to review the information reported going forward.
31-60 days	50 375	95 373	8.9%	
61-90 days	35 361	43 979	4.1%	
>90 days	1 108 729	1 556 112	144.6%	The bulk of the Debtors, R1.6 billion (144.6 percent) of the Total Debtors owed to the municipality of R1.1 billion are in the over 90 days category. The municipality is advised to target this category of Debtors as part of its debt collection strategy.
Total by age analysis	**1 200 269**	**1 075 811**		**The Section 71 and Section 72 reported figures do not align.**
By customer group				
Organs of state	31 739	9 167	0.9%	
Commercial	113 919	92 466	8.6%	
Households	1 190 214	1 137 564	105.7%	The bulk of the Debtors owed to the municipality is owed by the Households customer group at R1.1 billion (105.7 percent). The municipality is advised to target this category of Debtors as part of its debt collection strategy.
Other	(135 602)	(163 385)	-15.2%	The municipality reported negative Debtors of R163.4 million (-15.2 percent) in the Other category. The municipality is requested to review the information reported going forward.
Total by customer group	**1 200 269**	**1 075 811**		**The Section 71 and Section 72 reported figures do not align.**

Municipality:	Newcastle

Table 8: Creditors - (Table SC4)

Description R thousand	Section 72 Report (YTD Actual)	Section 71 Report (YTD Actual)	% of Creditors by Age / Customer Type	Comments
By age analysis				
0-30 days	86 219	16 691	5.0%	
31-60 days	16 665	16 665	5.0%	The municipality has unpaid Creditors for greater than 30 days of R318.2 million. This is in contravention of Section 65(2)(e) of the MFMA. This may lead to the municipality incurring interest on outstanding Creditors, thus incurring fruitless and wasteful expenditure.
61-90 days	25 882	25 882	7.7%	
>90 days	295 465	275 611	82.3%	
Total by age analysis	**424 230**	**335 049**		**The Section 71 and Section 72 reported figures do not align.**
By customer type				
Bulk Electricity	213 808	–	0.0%	
Bulk Water	150 973	–	0.0%	
PAYE deductions	9 794	–	0.0%	
VAT (output less input)	–	–	0.0%	
Pensions / Retirement deductions	17 790	–	0.0%	
Loan repayments	–	–	0.0%	
Trade Creditors	31 865	327 799	97.8%	The bulk of the Creditors, R327.8 million (97.8 percent) owed by the municipality is due to Trade Creditors. This indicates that the municipality did not report by customer type in their data strings. The municipality is advised to review its records for correctness and make corrections where necessary.
Auditor General	–	–	0.0%	
Other	–	7 250	2.2%	
Total by customer type	**424 230**	**335 049**		**The Section 71 and Section 72 reported figures do not align.**

[_____]

Municipality: Newcastle

Table 9: Transfers and Grants Expenditure - (Table SC7(1))

Description R thousand	Original Budget/ Special Adjustments Budget	Section 72 Report (YTD Actual)	Section 71 Report (YTD Actual)	Section 71 YTD as a % of Budget	Comments
Operating expenditure					**The 2021/22 Approved Budget figures as per the Data Strings differ to the approved 2020/21 Approved Budget (Schedule A) and the Schedule C as per S71 data strings differ to the Schedule C submitted to Council in some instances. For analysis purposes, the Provincial Treasury utilised the Approved Budget data strings figures and the Section 71 data strings figures.**
National Government	**488 728**	**313 151**	**14 484**		
Local Government Equitable Share	417 790	298 886	–	-	
Finance Management Grant (FMG)	1 650	201	1 440	87.3	The municipality has incurred expenditure of R1.4 million (87.3 percent) on the Finance Management Grant against the 2021/22 Approved Budget of R1.7 million. No reasons were provided by the municipality in Table SC1 for the variance. On page 8 of the Mid-Year Budget Narrative, the municipality attributed the under performance to slow SCM processes as well as the cash flow challenges faced by the municipality. The municipality undertook to fast track expenditure on these projects in order to avoid funds being reverted to the National Revenue Fund at the end of the year.
Water Services Infrastructure Grant (WSIG)	36 000	9 654	9 654	26.8	The municipality has incurred expenditure of R9.7 million (26.8 percent) on the Water Services Infrastructure Grant (WSIG) against the 2021/22 Approved Budget of R36 million. This may lead to unspent funds being returned to the National Revenue Fund at year end. No reasons were provided by the municipality in Table SC1 for the variance. On page 8 of the Mid-Year Budget Narrative, the municipality attributed the under performance to slow SCM processes as well as the cash flow challenges faced by the municipality. The municipality undertook to fast track expenditure on these projects in order to avoid funds being reverted to the National Revenue Fund at the end of the year.
Municipal Infrastructure Grant (MIG)	12 840	2 690	2 690	20.9	The municipality has incurred expenditure of R2.7 million (20.9 percent) on the Municipal Infrastructure Grant (MIG) against the 2021/22 Approved Budget of R12.8 million. This may lead to unspent funds being returned to the National Revenue Fund at year end. No reasons were provided by the municipality in Table SC1 for the variance. On page 8 of the Mid-Year Budget Narrative, the municipality attributed the under performance to slow SCM processes as well as the cash flow challenges faced by the municipality. The municipality undertook to fast track expenditure on these projects in order to avoid funds being reverted to the National Revenue Fund at the end of the year.
Energy Efficiency and Demand Management	4 000	–	–	-	The municipality has incurred nil expenditure on the Energy Efficiency and Demand Management against the 2021/22 Approved Budget of R4 million. This may lead to unspent funds being returned to the National Revenue Fund at year end. No reasons were provided by the municipality in Table SC1 for the variance. On page 8 of the Mid-Year Budget Narrative, the municipality attributed the under performance to slow SCM processes as well as the cash flow challenges faced by the municipality. The municipality undertook to fast track expenditure on these projects in order to avoid funds being reverted to the National Revenue Fund at the end of the year.
Integrated National Electrification Programme	13 500	–	–	-	The municipality has incurred nil expenditure on the Integrated National Electrification Programme Grant against the 2021/22 Approved Budget of R13.5 million. This may lead to unspent funds being returned to the National Revenue Fund at year end. No reasons were provided by the municipality in Table SC1 for the variance. On page 8 of the Mid-Year Budget Narrative, the municipality attributed the under performance to slow SCM processes as well as the cash flow challenges faced by the municipality. The municipality undertook to fast track expenditure on these projects in order to avoid funds being reverted to the National Revenue Fund at the end of the year.
EPWP Incentive	2 948	1 721	701	23.8	The municipality has incurred expenditure of R701 000 (23.8 percent) on the EPWP Incentive grant against the 2021/22 Approved Budget of R2.9 million. This may lead to unspent funds being returned to the National Revenue Fund at year end. No reasons were provided by the municipality in Table SC1 for the variance. On page 8 of the Mid-Year Budget Narrative, the municipality attributed the under performance to slow SCM processes as well as the cash flow challenges faced by the municipality. The municipality undertook to fast track expenditure on these projects in order to avoid funds being reverted to the National Revenue Fund at the end of the year.
Provincial Government	**206 293**	**154 170**	**154 170**		
Housing	192 793	146 770	146 770	76.1	The municipality has incurred expenditure of R146.8 million (76.1 percent) on the Housing Grant against the 2021/22 Approved Budget of R192.8 million. No reasons were provided by the municipality in Table SC1 nor the Mid-Year Review Narrative for the variance. The municipality is advised to monitor expenditure to ensure that it is maintained within budget.
Provincialisation of Libraries	6 757	2 527	2 527	37.4	The municipality has incurred expenditure of R2.5 million (37.4 percent) on the Provincialisation of Libraries Grant against the 2021/22 Approved Budget of R6.8 million. No reasons were provided by the municipality in Table SC1 nor the Mid-Year Review Narrative for the variance. The municipality is advised to fast track expenditure to avoid returning Unspent Provincial Grants to the Provincial Revenue Fund.

Description R thousand	Original Budget/ Special Adjustments Budget	Section 72 Report (YTD Actual)	Section 71 Report (YTD Actual)	Section 71 YTD as a % of Budget	Comments
Community Services	2 475	2 017	2 017	81.5	The municipality has incurred expenditure of R2 million (81.5 percent) on the Community Services Grant against the 2021/22 Approved Budget of R2.5 million. No reasons were provided by the municipality in Table SC1 nor the Mid-Year Review Narrative for the variance. The municipality is advised to monitor expenditure to ensure that it is maintained within budget.
Accredited municipalities	3 839	2 856	2 856	74.4	The municipality has incurred expenditure of R2.9 million (74.4 percent) on the Accredited municipalities Grant against the 2021/22 Approved Budget of R3.8 million. No reasons were provided by the municipality in Table SC1 nor the Mid-Year Review Narrative for the variance. The municipality is advised to monitor expenditure to ensure that it is maintained within budget.
Museums Services	429	–	–	-	The municipality has incurred nil expenditure on the Museums Services Grant against the 2021/22 Approved Budget of R429 000. No reasons were provided by the municipality in Table SC1 nor the Mid-Year Review Narrative for the variance. The municipality is advised to fast track expenditure to avoid returning Unspent Provincial Grants to the Provincial Revenue Fund.
Capital expenditure					
National Government	125 342	46 116	(7 495)		
Municipal Infrastructure Grant (MIG)	106 342	45 300	18 399	17.3	The municipality has incurred expenditure of R18.4 million (17.3 percent) on the Municipal Infrastructure Grant (MIG) against the 2021/22 Approved Budget of R106.3 million. This may lead to unspent funds being returned to the National Revenue Fund at year end. No reasons were provided by the municipality in Table SC1 for the variance. On page 8 of the Mid-Year Budget Narrative, the municipality attributed the under performance to slow SCM processes as well as the cash flow challenges faced by the municipality. The municipality undertook to fast track expenditure on these projects in order to avoid funds being reverted to the National Revenue Fund at the end of the year.
Neighbourhood Development Partnership	15 000	–	(5 940)	(39.6)	The municipality has incurred expenditure of negative R5.9 million (-39.6 percent) on the Neighbourhood Development Partnership Grant (NDPG) against the 2021/22 Approved Budget of R15 million. This may lead to unspent funds being returned to the National Revenue Fund at year end. No reasons were provided by the municipality in Table SC1 for the variance. On page 8 of the Mid-Year Budget Narrative, the municipality attributed the under performance to slow SCM processes as well as the cash flow challenges faced by the municipality. The municipality undertook to fast track expenditure on these projects in order to avoid funds being reverted to the National Revenue Fund at the end of the year.
Water Services Infrastructure Grant (WSIG)	4 000	816	(19 954)	(498.9)	The municipality has incurred expenditure of negative R20 million (-498.9 percent) on the Water Services Infrastructure Grant (WSIG) against the 2021/22 Approved Budget of R4 million. This may lead to unspent funds being returned to the National Revenue Fund at year end. No reasons were provided by the municipality in Table SC1 for the variance. On page 8 of the Mid-Year Budget Narrative, the municipality attributed the under performance to slow SCM processes as well as the cash flow challenges faced by the municipality. The municipality undertook to fast track expenditure on these projects in order to avoid funds being reverted to the National Revenue Fund at the end of the year.
Provincial Government	11 000	3 116	3 116		
Sport and Recreation	11 000	3 116	3 116	28.3	The municipality has incurred expenditure of R3.1 million (28.3 percent) on the Sport and Recreation Grant against the 2021/22 Approved Budget of R11 million. No reasons were provided by the municipality in Table SC1 for the variance. The municipality is advised to fast track expenditure to avoid returning Unspent Provincial Grants to the Provincial Revenue Fund.

Municipality: Newcastle

Table 10: Expenditure against Approved Rollover - (Table SC7(2))

Description R thousand	Approved Rollover 2020/21	Section 72 Report (YTD Actual)	Section 71 Report (YTD Actual)	Section 71 YTD as a % of Approved Rollover	Comments
Operating expenditure					
National Government	–	–	–		
Provincial Government	1 093	50	–		
Provincialisation of Libraries Grant	346	12	–	-	The municipality did not report on the Approved Rollover as approved by the Provincial Government in S71.
Carnegie Art Gallery Grant	350	–	–	-	
Fort Amiel Museum Grant	397	38	–	-	
Capital expenditure					
National Government	–	–	–		
Provincial Government	1 225	924	–		
Provincialisation of Libraries	657	540	–	-	
Community Library Service	413	347	–	-	
Museums Services	155	37	–	-	

[____]

ANNEXURE I

Draft Service Standards

Province: Municipality(KZN252) - Draft Schedule of Service Delivery Standards Table 2022/23

Description Standard	Ref	2019/20 Actual Outcome	2020/21 Actual Outcome	2021/22 Actual Outcome	Current year 2022/23 Original Budget 2022/23	Adjusted Budget 2022/23	Full Year Forecast 2022/23	Service Level
Solid Waste Removal								
Premise based removal (Residential Frequency)		Weekly	100,779,878	70,910,000	70,910,000			
Premise based removal (Business Frequency)		Daily	All inclusive in above	All inclusive in above	All inclusive in above			
Bulk Removal (Frequency)		Daily	All inclusive in above	All inclusive in above	All inclusive in above			
Removal Bags provided(Yes/No)		Yes	All inclusive in above	All inclusive in above	All inclusive in above			
Garden refuse removal Included (Yes/No)		Yes	All inclusive in above	All inclusive in above	All inclusive in above			
Street Cleaning Frequency in CBD		Daily	All inclusive in above	All inclusive in above	All inclusive in above			
Street Cleaning Frequency in areas excluding CBD		Weekly	All inclusive in above	All inclusive in above	All inclusive in above			
How soon are public areas cleaned after events (24hours/48hours/longer)		24 hours	All inclusive in above	All inclusive in above	All inclusive in above			
Clearing of illegal dumping (24hours/48hours/longer)		Longer	All inclusive in above	All inclusive in above	All inclusive in above			
Recycling or environmentally friendly practices(Yes/No)		Yes	All inclusive in above	All inclusive in above	All inclusive in above			
Licenced landfill site(Yes/No)		Yes	All inclusive in above	All inclusive in above	All inclusive in above			
Water Service								
Water Quality rating (Blue/Green/Brown/N0 drop)		Blue drop	Blue drop	Blue drop	Blue drop			
Is free water available to all? (All/only to the indigent consumers)		Only indigent	Only indigent	Only indigent	Only indigent			
Frequency of meter reading? (per month, per year)		Monthly	Monthly	Monthly	Monthly			
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)								
On average for how long does the municipality use estimates before reverting back to actual readings? (months)								
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)								
One service connection affected (number of hours)								
Up to 5 service connection affected (number of hours)								
Up to 20 service connection affected (number of hours)								
Feeder pipe larger than 800mm (number of hours)								
What is the average minimum water flow in your municipality?		29,994	31,302	31,300	31,300			
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)								
How long does it take to replace faulty water meters? (days)								
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)								
Electricity Service								
What is your electricity availability percentage on average per month?		98	99	100	100			
Do your municipality have a ripple control in place that is operational? (Yes/No)		yes	yes	yes	yes			
How much do you estimate is the cost saving in utilizing the ripple control system?								
What is the frequency of meters being read? (per month, per year)		month	month	month	month			
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)		three month	three month	three month	three month			
On average for how long does the municipality use estimates before reverting back to actual readings? (months)								
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)		immediately	immediately	immediately	immediately			
Are accounts normally calculated on actual readings? (Yes/no)		yes	yes	yes	yes			
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)		no	no	no	no			
How long does it take to replace faulty meters? (days)		1 day	2 day	3 day	3 day			
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)		no	no	no	no			
How effective is the action plan in curbing line losses? (Good/Bad)								
How soon does the municipality provide a quotation to a customer upon a written request? (days)		18 day	18 day	18 day	18 day			
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)		18 day	18 day	18 day	18 day			
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)		1 day	1 day	1 day	1 day			
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)		18 day	18 day	18 day	18 day			
Sewerage Service								
Are your purification system effective enough to put water back in to the system after purification?		No	No	No	No			
To what extend do you subsidize your indigent consumers?		100%	100%	100%	100%			
How long does it take to restore sewerage breakages on average								
Severe overflow? (hours)		6hrs	6hrs	6hrs	5hrs			
Sewer blocked pipes: Large pipes? (Hours)		>24hrs	>24hrs	>24hrs	>24hrs			
Sewer blocked pipes: Small pipes? (Hours)		>24hrs	>24hrs	>24hrs	>24hrs			
Spillage clean-up? (hours)		>24hrs	>24hrs	>24hrs	>24hrs			
Replacement of manhole covers? (Hours)		>24hrs	>24hrs	>24hrs	>24hrs			
Road Infrastructure Services								

Time taken to repair a single pothole on a major road? (Hours)		2	2	2	2		
Time taken to repair a single pothole on a minor road? (Hours)		1	1	1	1		
Time taken to repair a road following an open trench service crossing? (Hours)		4	4	4	4		
Time taken to repair walkways? (Hours)		2	2	2	2		
Property valuations							
How long does it take on average from completion to the first account being issued? (one month/three months or longer)		Three months	Three months	Three months	Three months		
Do you have any special rating properties? (Yes/No)		No	No	No	No		
Financial Management							
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)		Increase	Decrease	Decrease	Decrease		
Are the financial statement outsources? (Yes/No)		No	No	No	No		
Are there Council adopted business process teructuing the flow and managemet of documentation feeding to Trial Balaince?							
How long does it take for an Tax/invoice to be paid from the date it has been received?		30 Days	30 Days	30 Days	30 Days		
Is there advance planning from SCM unit linking all departmental plans quaterly and annualy including for the next two to three years procurement plans?		Partially	Partially	Partially	Partially		
Administration							
Reaction time on enquiries and requests?		immediately	immediately	immediately	immediately		
Time to respond to a verbal customer enquiry or request? (working days)		immediately	immediately	immediately	immediately		
Time to respond to a written customer enquiry or request? (working days)		3days	3days	3days	3days		
Time to resolve a customer enquiry or request? (working days)		48hrs	48hrs	48hrs	48hrs		
What percentage of calls are not answered? (5%,10% or more)		>5%	>5%	>5%	>5%		
How long does it take to respond to voice mails? (hours)		immediately	immediately	immediately	immediately		
Does the municipality have control over locked enquiries? (Yes/No)		Yes	Yes	Yes	Yes		
Is there a reduction in the number of complaints or not? (Yes/No)		No	No	No	No		
How long does in take to open an account to a new customer? (1 day/ 2 days/ a week or longer)							
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?							
Community safety and licensing services							
How long does it take to register a vehicle? (minutes)							
How long does it take to renew a vehicle license? (minutes)							
How long does it take to issue a duplicate registration certificate vehicle? (minutes)							
How long does it take to de-register a vehicle? (minutes)							
How long does it take to renew a drivers license? (minutes)							
What is the average reaction time of the fire service to an incident? (minutes)							
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)							
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)							
Economic development							
How many economic development projects does the municipality drive?							
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?							
What percentage of the projects have created sustainable job security?							
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)							
Other Service delivery and communication							
Is a information package handed to the new customer? (Yes/No)							
Does the municipality have training or information sessions to inform the community? (Yes/No)							
Are customers treated in a professional and humanly manner? (Yes/No)							

ANNEXURE J

uThukela Water submission

uTHUKELA WATER (PTY) Ltd

DRAFT MTREF MEDIUM TERM BUDGET

2022/2023-26

Table 1 below, depicts a summary of the 2022/23-26 MTREF Operational Budget for the relevant period as required by legislation.

	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	Budget	**Budget Year (1)**	**Budget Year +1**	**Budget Year +2**	**Budget Year +3**
OPERATING REVENUE BUDGET Shortfall not provided by WSA's	182 325 680	194 826 740	205 542 210	216 847 032	228 773 619
OPERATING EXPENDITURE BUDGET	180 923 930	193 406 715	204 044 084	215 266 509	227 106 167
SURPLUS/(DEFICIT)	1 401 750	1 420 024	1 498 126	1 580 522	1 667 451

Note

OPERATING REVENUE

Total operating revenue is projected at R 194.8 million, representing an increase of R 12.5 million (6.9%) from the current year's adjustment budget of R 182.3 million.

OPERATING EXPENDITURE

Total operating expenditure is projected at R 193 406 715 in the 2022/23 financial, an increase of R 12.4mil (6.9%) from the current year's adjustment budget of R 180 923 930.

Hereunder is a summary of the expenditure per category;

Table 2: Summary of the 2021/22 MTREF-Operating Expenditure Budget

DESCRIPTION	**CURRENT YEAR**			**MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK**		
	2021/2022	**2020/2021**		**2022/2023**	**2023/2024**	**2024/2025**
	Original Budget	**Adjustment Budget (1)**	**Budget Difference %**	**Budget Year +1**	**Budget Year +2**	**Budget Year +3**
EXPENDITURE PER CATERGORY						
Employee related costs	66 290 419	64 313 792	3.1%	69 936 392	73 782 893	77 840 953
Depreciation	1 970 151	1 885 312	4.5%	2 078 509	2 192 827	2 313 433
Operating Lease	1 640 891	1 570 230	4.5%	1 731 140	1 826 352	1 926 802

Bulk Water Purchases	28 740 807	27 503 164	4.5%	30 321 551	31 989 236	33 748 644
Materials & Supplies	7 962 782	7 619 887	4.5%	8 400 735	8 862 776	9 350 228
Contracted Services	14 252 109	13 638 382	4.5%	15 035 975	15 862 953	16 735 416
Other Expenditure	72 549 557	64 393 163	13%	76 539 783	80 749 471	85 190 692
TOTAL OPERATING EXPENDITURE	**193 406 715**	**180 923 930**	**6.9%**	**204 044 084**	**215 266 509**	**227 106 167**

All bulk water service expenditures including bulk raw water charges are included in the expenditures reflected above and this is consistent with the provisions of the Municipal Budget MTREF Circular number 89 of 2018.

Depreciation charges on capital grants transferred to the Entity are not included as these are written back against the capital grants received.

The following comments and motivations in support of each category of expenditure is provided herewith:

- **Employee Related Costs: R 66 290 419**

The salaries and allowance budget for the 2022/23 financial year reflects an increase of 3.1% over that of last year's budget. Employee costs represent 24.49% of total expenditure, including the full impact of depreciation costs, however it must be noted that due to the continual reduction in the municipalities budgets the staff cost percentage is continually escalating.

The increase in employee costs is due to annual salary adjustments (5.%), an annual performance based notch increase for all staff in terms of the staff conditions of service, the increase in Medical Aid membership and Medical aid annual consumer price adjustments, all new staff are required to contribute to the highest Pension Fund option of 18% company contribution increased from 9.75% and the budgeting for vacancies required on the fixed staff establishment.

The Salary and Wage Collective Agreement for the period has been concluded by the SALGBC and is average CPI we are estimating it to be 5%. The reason Employee related average costs are less than 5% is the reduction of overtime and stand-by costs.

- **Depreciation and Impairment: R 1 970 151**

Provision for depreciation relating to external funding has been increased by 4.5% for capital increases. The full costs of depreciation is not provided for, shareholders should look at providing for the full costs of depreciation for the replacement and upgrade of the ageing infrastructure. As the current funding is not operationally sustainable.

- **Operating Lease: R 1 640 891**

The budget for Operating Lease has been increased by 4.5% from the 2021/22 adjustment budget.

- **Bulk Purchases: R 28 740 807**

Budgeted expenditure on bulk purchases of raw water decreased on 2021/2022 budget by -6.8% due to the budget being reduced, we have increased the review budget and the increase based on the increased review budget is R1.2 mil or 4.5%.

- **Materials & Supplies: R 7 962 782**

Expenditure on contracted services is projected to increase by 4.5% from the 2021/22 adjustment budget.

- **Contracted services: R 14 252 109**

Expenditure on Repairs and Maintenance has increased by 4.5% from the 2021/22 adjustment budget.

Maintenance was under budgeted in the previous budget year due to the limits placed on the increase on the previous budgets, however, no adjustments were made except for inflationary increases.

The norm of maintenance budgets being 8% of the Fair Value of assets and not budget value, the current budget amounts to 1.8% of Fair Value. This provision is therefore well below the norm, but the entity will strive to ensure that the available infrastructure is maintained within available budget.

- **Other Expenditure: R 72 549 557**

Expenditure on General Expenses increased by 13% to 2021/22 adjustments budget. This is mainly attributable to the allowance for an increase Eskom tariffs of 15%. Eskom budget was reduced by R6.3mil due to the forced cuts by municipalities in the 2021/2022 budget, which was reinstated in the adjustments budget. This shortfall will have to be addressed in the adjustments budgets.

3. FUNDING OF OPERATIONAL BUDGET AND PROPOSED BULK WATER TARIFF MODEL

The proposed funding of the MTREF 2022/2023 Operational Budget is provided herewith in terms of the requirements of the bulk water services provider agreement.

The proposed bulk water volumes to be supplied to each WSA for the 2022/2023 financial year is estimated herewith and is based on current usage patterns and historical use.

Being a volume based water business, these volumes are utilised to calculate the unit cost of recovering the costs of providing the bulk water service to each WSA.

The Entity has no other source of revenue to fund its bulk water services and is restricted to recovering its costs from the municipalities through a bulk water tariff.

The importance of tabling funded budgets is highlighted in MFMA Circular No. 74 to ensure financial stability.

Proposed bulk water volumes

Table 3 below, depicts the proposed bulk water volumes per supply point to be supplied to each WSA during the 2022/2023 financial year.

The bulk water volumes are based on current usage data and historical volumes supplied. It must be noted that the volumes have been adjusted post the drought restrictions.
These volumes are utilised for the purposes of calculating the bulk water tariff for the year under review.

Bulk Production Water Volumes per Supply	Estimated Flows	%
Ngagane to Newcastle	33 215 000	75.53%
Biggersberg to Dundee Glencoe	5 500 000	12.51%
Biggersberg to Hattingspruit AMJ	90 000	0.20%
Ngagane to Allcockspruit/Steyldrift AMJ	3 400 000	7.73%
Ngagane to Emadlangeni	323 200	0.73%
Ngagane raw water direct to Durnacol AMD	1 450 000	3.30%
Total annual flows/production	43 978 200	100.00%

Table 4 below, depicts the bulk water volumes for the year grouped per WSA;

Bulk Production Water Volumes per WSA	Total flows	% attribute
Newcastle municipality	33 215 000	75.53%
Umzinyathi DM	5 500 000	12.51%
Amajuba DM	5 263 200	11.97%
Total Distribution	43 978 200	100.00%

Calculation of the proposed Bulk water tariff for the 2022/23 financial year.

Utilising the above proposed bulk water volumes, Table 5 below depicts the calculation of the proposed bulk water tariff for the 2022/23 financial year.

The bulk water tariff is arrived at by dividing the total bulk water supply volume divided by the total costs of providing the bulk water service. The relevant bulk water tariff is then recovered from each WSA based on their individual bulk water volumes to be supplied.

It will be noted that the costs of providing a Laboratory service to the Newcastle and Amajuba municipalities is charged for separately as a bulk unit cost and that this is also based on bulk water volumes supplied

Table 5: Proposed Bulk Tariff

WSA	Volumes supplied	Tariff	Lab Surcharge	Total Tariff	Bulk water	Lab surcharge	Total recovery
Newcastle municipality	33 215 000	4.40	0.02	4.42	146 072 464	664 300	146 736 764
Umzinyathi DM	5 500 000	4.40	-	4.40	24 187 823		24 187 823
Amajuba DM	5 263 200	4.40	0.02	4.42	23 146 428	105 264	23 251 692
Total Distribution	43 978 200	4.40	0.02		193 406 715	769 564	194 176 279

The bulk water tariff model provides for the fair and equitable sharing of bulk water costs amongst the WSA's based on their actual supply and demand.

The proposed bulk water tariff of R4.40 per kilolitre, excluding the R0.02 lab charge, measures favourably with the industry norm which is around R 7.75c per kilolitre.

The proposed bulk water tariff currently does not contain a capital element and also does not provide for the recovery of capital depreciation.

The municipalities are urged to look at the proposed capital tariff depicted in Annexure B (Capital Budget) in order to fund Capital projects identified by the municipalities in their IDP's and as proposed by the entity. This capital element of the tariff will be added to the operation bulk water tariff and a single tariff will be recovered accordingly.

It must be noted that, in terms of Municipal Budget Circular, 2019/2020 MTREF, MFMA Circular No.89, that the Entity and its municipal shareholder municipalities must ensure that their tariffs charged are able to cover for the cost of providing bulk water services, ongoing operations, as well as provision for future infrastructures.

These proposals are contained within and are included in the recommendations made herewith.

RECOMMENDATIONS

That in terms of the provisions of section 87 of the MFMA 56/2003, the Budget MTREF Circular 89, the Water Services Provider agreement and the shareholders compact agreements;

- That the Board and Shareholders herewith consider and approve the 2022/2023 MTREF multiyear operational budget and proposals submitted, and that it note that the final approved budgeted amount of R 193 406 715.

- That it be noted that the budget expenditure shows an increase of 6.9% over the previous year's amended Adjustment Budget.

- That the estimated bulk water supply volume of 43 978 200 mega litres.

- That a bulk water tariff of R 4.4 per kilolitre supplied, plus a R 0.02 laboratory surcharge where applicable, and as depicted in Table 5, be approved and charged with effect from the 1st July 2022.

- That the Board and Shareholders consider the Draft MTREF 2022/23 capital budget amounting to R 372 144 000, and align this budget with their IDP's and identify the most important projects to be approved and implemented for the 2022/2023 financial year. That the board and shareholders consider all available funding options including the proposed capital tariff element in order to finance the approved capital projects.

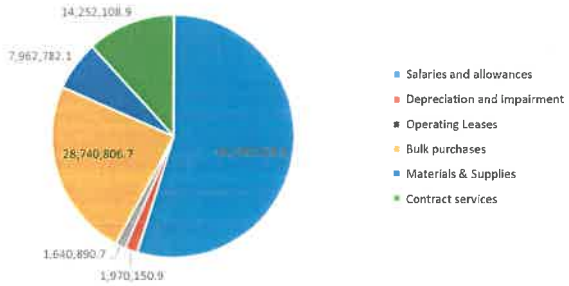
ACCOUNTING OFFICER'S QUALITY CERTIFICATION

I, Adv. N Khambule, Acting Managing Director of uThukela (Pty) Ltd, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations under the Act, and that the annual budget and documentation are consistent with the Integrated Development Plan of the parent municipalities and the business plan of the entity.

Adv. N Khambule
Acting Managing Director

F Moola
Acting Chief Financial Officer

uThukela Water Services Budget 2019	Cost driver	Budget
Salaries and allowances	66,290,418.9	66,290,419
Depreciation and impairment	1,970,150.9	1,970,151
Operating Leases	1,640,890.7	1,640,891
Bulk purchases	28,740,806.7	28,740,807
Materials & Supplies	7,962,782.1	7,962,782
Contract services	14,252,108.9	14,252,109
Other Expenditure	72,549,557.3	72,549,557
Total Budget 2019	**193,406,715.5**	**193,406,715**



Bulk Production Water Volumes per Sup	Estimated Flows	%
Ngagane to Newcastle	33,215,000	75.53%
Biggersberg to Dundee Glencoe	5,500,000	12.51%
Biggersberg to Hattingspruit AMJ	90,000	0.20%
Ngagane to Allcockspruit/Steyldrift AMJ	3,400,000	7.73%
Ngagane to Emadlangeni	323,200	0.73%
Ngagane raw water direct to Durnacol AM	1,450,000	3.30%
Total annual flows/production	**43,978,200**	**100.00%**

Bulk Production Water Volumes per WSA	Total flows	% attribute
Newcastle municipality	33,215,000	75.53%
Umzinyathi DM	5,500,000	12.51%
Amajuba DM	5,263,200	11.97%
Total Distribution	**43,978,200**	**100.00%**

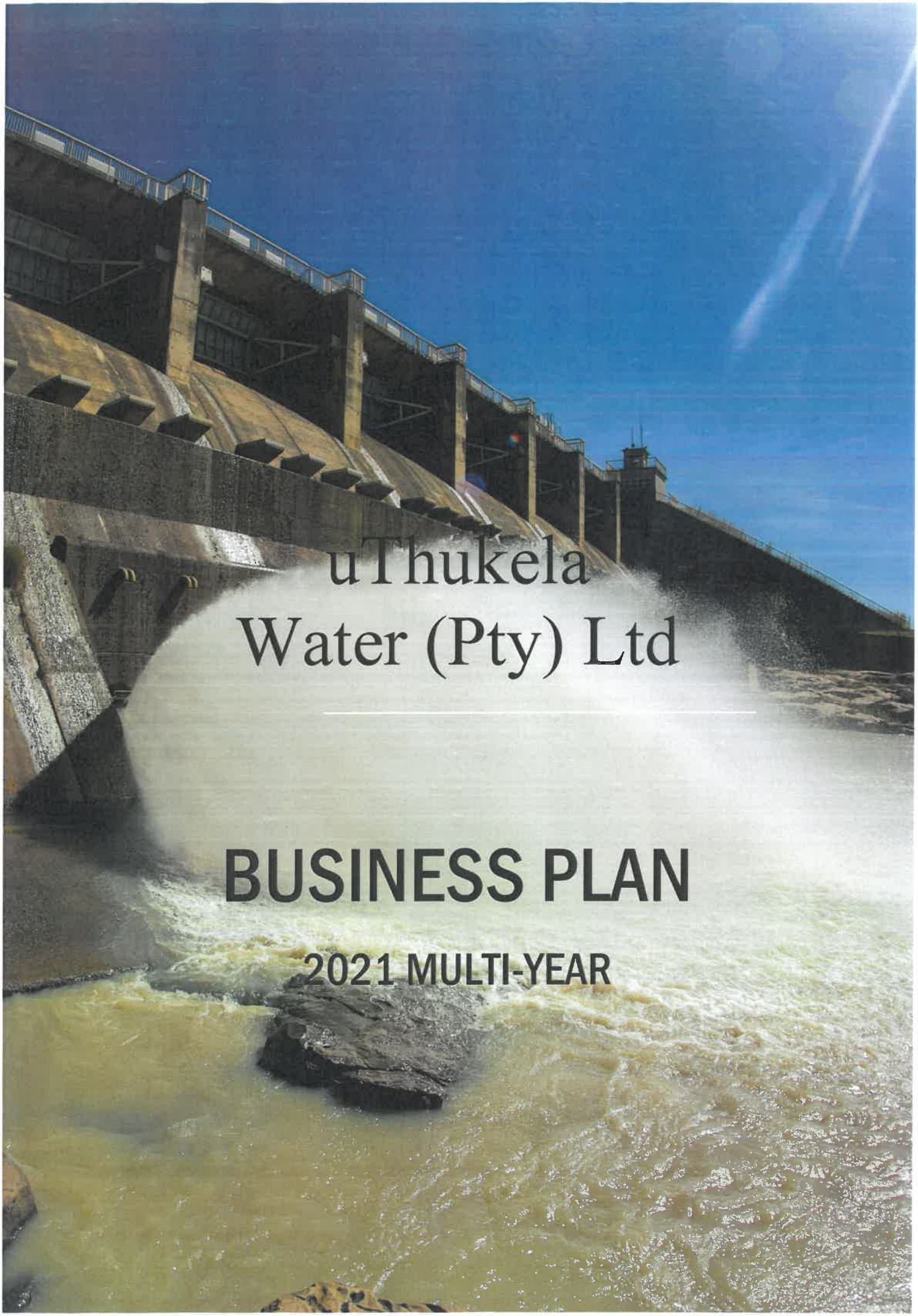
Tariff	**4.40**

WSA	Volumes supplied	Tariff	Lab Surcharge	Total Tariff	Bulk water	Lab surcharge	Total recovery
Newcastle municipality	33,215,000	4.40	0.02	4.42	146,072,464	664,300	146,736,764
Umzinyathi DM	5,500,000	4.40	-	4.40	24,187,823		24,187,823
Amajuba DM	5,263,200	4.40	0.02	4.42	23,146,428	105,264	23,251,692
Total Distribution	**43,978,200**	**4.40**	**0.02**		**193,406,715**	**769,564**	**194,176,279**

Budget % Increase 4.5%

Account	Account Name	Old Item Number	New value for 2022/2023 budget BSW	New value for 2022/2023 budget	New value for 2022/2023 budget	New value for 2022/2023 budget FIN	New value for 2022/2023 budget HRM	New value for 2022/2023 budget ICS	New value for 2022/2023 budget ICT	New value for 2022/2023 budget LAB	New value for 2022/2023 budget NGA	New value for 2022/2023 budget STE	Proposed Budget 2022/2023 Total	Adjusted Current 2021/2022 Budget	Budget % difference	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
Revenue																		
D0001/RR01137/F0932/X148/R5236/001/	Water Sales																	
	Newcastle LM												46 [ill]	[ill]509,769	8.3%	154,807,[ill]	[illegible]	1[ill]
	Umzinyathi DM												4 187 823	[ill]747	6.4%	[illegible]	[illegible]	[ill]343
	Amajuba DM												[ill]251 691	23,4[ill]714	-0.9%	[illegible]	[illegible]	27 [ill]
	Consumers												478 568	457 960	4.5%	[illegible]	532 658	561,955
D000[ill]	Interest earned external investments												119 641	114 [ill]	4.[ill]	[illegible]	133,165	[illegible]
D000[ill]/R1077 F0045 [ill]	Ncefe[ill]												-	-	0.0%		-	
[illegible]	Other Revenue												[illegible]	[ill]000	4.[ill]	[ill]124	58 156	[illegible]
	Total Revenue												194 [ill]6 240	[illegible]	8.[ill]	[illegible]	216 847 [ill]	[illegible]
														12,501,059				
	Employee related costs		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
O000[ill]/[ill]236/[ill]	Municipal Running Cost/Basic Salaries and Wages	2400 - Basic salaries	6 565 640	1 [ill]4 875	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	44 124 687	4[ill] 177 274	4.6%	46 [ill]	49 21[ill]	51,813,034
O000[ill]/E00044/[ill]/05[ill]	Municipal Running Cost/Pension	2402 - Pension fund contributions	1,453 674	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[ill] 708	6,860 [ill]	[ill]734	[illegible]	[illegible]	7 [ill]632	8,055,592
[illegible]	Municipal Running Cost/Medical	2403 - Medical aid contributions	32[ill] 732	136 [ill]1	124 [ill]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	50 232	1,994 [ill]	[ill]046	[illegible]	2,104 [ill]	2,220,182	[illegible]
[illegible]	Municipal Running Cost/Travel or Motor Vehicle	2404 - Travel or Motor vehicle	-		136,398	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12 000	1,168,5[ill]	[ill]572	25.6%	1 [ill]	[illegible]	[illegible]
O000[ill]/E01521/[ill]/05[ill]	Municipal Running Cost/Housing Benefits	[ill] - Housing allowances	11 574	11 574	11,574	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	161,861	-7.2%	158 [ill]	[illegible]	[ill]473
O000[ill]/E01[ill]/05[ill]	Municipal Running Cost/Rental Subsidy	[ill] - Rental Subsidy	6,480			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	112 320	15.4%	136,728	[illegible]	[ill]182
O000[ill]/E03971/[ill]/051[ill]	Municipal Running Cost/Structured	[ill] - Overtime & Stand by	865,026	-		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	1,710,240	-31.1%	[illegible]	2 [ill]	2,194 317
O000[ill]/E[ill]/051[ill]	Municipal Running Cost/Standby Allowance	[ill] - Standby	799,199	-	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	1,578,824	1,826,004	-1[ill]	1 [ill]660	1 757 271	1,853,921
O000[ill]	Municipal Running Cost/Bonus	2407 - Bonus	[illegible]	14[ill]44	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	73,573	4,652,830	4 [ill]	[illegible]	4 [ill]	5 178 716	5,453,545
[illegible]	Municipal Running Cost/Night Shift	2408 - Night shift allowance	[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		48 048	44 [ill]	[illegible]	[illegible]	535,418	564,866
[illegible]	Municipal Running Cost/Acting and Post related Allowances	2410 - Acting Allowance	-		11 [ill]	[illegible]		[illegible]					447 355	4[ill]	[illegible]	471 960	497 [ill]17	525,303
[illegible]	Municipal Running Cost/Non pensionable	2412 - Non Pensionable Allowance	9 505	4,753	-	[illegible]	[illegible]			[illegible]	[illegible]	33 55[ill]	142 681	[ill]64	-8.9%	150,528	[illegible]	16[ill] 542
O000[ill]/E[ill]/051[ill]	Municipal Running Cost/Long Service Award	[ill]16 - Long Service	78,554	-	[illegible]	[illegible]		[illegible]	[illegible]		[illegible]	-	[ill]376	356,029	21.2%	4[ill]	480 [ill]	[ill]540
[ill]/E0004[ill]/05[ill]	Municipal Running Cost/Unemployment Insurance	[ill]413 - UIF	44 074	12 123	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[ill]55	189 167	1[ill]161	16.7%	[illegible]	[illegible]	[ill]128
O000[ill]/E0004[ill]/5[ill]	Municipal Running Cost/Bargaining Council	[ill] - Bargaining Council	2,843	24	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11,989	9 975	20.2%	[illegible]	[illegible]	14,078
O000[ill]/0[ill]	Municipal Running Cost/Leave Pay	3202 - Leave pay 31557?	158 276	[illegible]	[ill]1[ill]6	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	4 [ill]2	1,155,891	706,002	63.7%	1 [ill]65	1,286 [ill]	1 [ill]7 295
[illegible]	Municipal Running Cost/Accommodation, Travel and Incidental	3153 - Subsistence and transport costs	4[ill]	88 6[ill]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[ill]4,902	339,030	[illegible]	4.5%	357 [ill]76	377 [ill]	[illegible]
O000[ill]	Municipal Running Cost/Group Life Insurance	2415 - Group Life	[illegible]	22 168	35,159	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11 300	[illegible]	[illegible]	1.3%	594.377	627 [ill]	[ill]556
																	-	0
	Depreciation and asset impairment		[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
O000[ill]/E[ill]046[ill]	Municipal Running Cost/Furniture and Office Equipment	2002 - Provision for asset impairment	350.128	75.484		[illegible]	[illegible]	116 6[ill]	256,395	186 787	[illegible]	[ill]8 736	1 [ill]1	1 [ill]312	4.5%	2,078,509	[illegible]	[ill]31[ill]
	Operating Leases											[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Municipal Running Cost/Other Assets	3001 - Rental of plant, machinery, equipment and vehicles	-									1[ill]40 831	[illegible]	[illegible]	4[ill]	1 73[ill] 140	[illegible]	[illegible]
	Bulk purchases		[illegible]								[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
																[ill] 744		
[illegible]	Municipal Running Cost/Water	2300 - Water bulk purchases	[ill]7			-	-				[illegible]	-	2[ill] 740 807	[ill]7,[ill]	4.[ill]	[illegible]	3[ill]236	33 748,644
	Materials & Supplies		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Municipal Running Cost/Materials and Supplies	2200 - Materials & Supplies	1 [ill]9 876			-	[illegible]	-	-	[illegible]	[illegible]	-	[illegible]	7 008 565	4.5%	7 72[ill] 768	[illegible]	[illegible]
[illegible]	Municipal Running Cost/Standard Rated	2201 - Consumables and stores	63 187	[ill]6 [ill]57	[illegible]	[illegible]		40 788	1[ill]455	[illegible]	[illegible]	[ill]7[ill]	[illegible]	611 322	4.[ill]%	6[ill]967	[illegible]	[illegible]
	Contracted services		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	KZN252 UTWSDBIP NGA Transport Assets/Maintenance of Uns	3129 - Maintenance of motor vehicles and trailers							-		[illegible]	-	248 [ill]38	237 740	4.5%	[illegible]	276,518	291 726
[illegible]	KZN293 UTWSDBIP BIG Transport Assets/Maintenance of Uns	3129 - Maintenance of motor vehicles and trailers	124 00[ill]						-			-	124,005	118 [ill]	4.5%	[illegible]	138,021	145 612
[illegible]	KZN293 UTWSDBIP LAB Drinking Water Quality/Water	3158 - Water and sanitation test analyses	-							[illegible]		-	2,290 [ill]	[illegible]	4.5%	[ill]3[ill]	[illegible]	2,689 [ill]
[illegible]	Municipal Running Cost/Maintenance of Buildings and Facilities	[ill] - Maintenance of buildings and fixtures	-	-	-				-			79.82[ill]	[ill]821	76 [ill]	4.5%	[illegible]	[illegible]	[illegible]
[illegible]	KZN252 UTWSDBIP STRAT Administrative Strategy and Planning	[ill] - Professional fees and consultant costs	-	-	-	-						[illegible]	[illegible]	320,000	4.5%	352,792	[ill]196	[illegible]
[illegible]	Municipal Running Cost/Accounting and Auditing			-		23 238						-	23,238	22,237	4.5%	[illegible]	[illegible]	27 286
[illegible]	Municipal Running Cost/Safeguard and Security	3189 - Safety and security	[illegible]			-	-		-	[illegible]	[illegible]	-	770,151	736,985	4.5%	[illegible]	[illegible]	904,343
[illegible]	Municipal Running Cost/Security Services	3144 - Safety and security						-	-	[illegible]		59,463	86 684	82,952	4.5%	[ill]452	96,482	101,788
[illegible]	Municipal Running Cost/Internal Auditors							-	-			540,309	540 309	517 04[ill]	4.[ill]%	[ill]70,[ill]	601,377	634 [ill]53
[illegible]	Municipal Running Cost/Occupational Health & Safety				117,965				-				117 965	[ill]12 885	[ill]5%	[illegible]	131,298	138,519
[illegible]	Municipal Running Cost/Maintenance of Equipment	[ill] - Maintenance of computer equipment and network			-				[ill] 15				68 [ill]	65 947	4.[ill]%	72,705	76 704	[ill]3
[illegible]	KZN252 UTWSDBIP BIG Special Events and Functions/Catering	[ill] - Board meeting and function costs	5,311		-								[illegible]	5 0[ill]	4.5%	5,604	5,912	6 [ill]7
[illegible]	Municipal Running Cost/Employee Wellness	NEW - Employee Wellness			24 [ill]								24 277	23,232	4.5%	25,612	27 021	28,507
[illegible]	KZN252 UTWSDBIP LAB Special Events and Functions/Catering	[ill] - Board meeting and function costs								7,546			7,546	7 221	4.5%	7 961	[illegible]	8,881
[illegible]	KZN252 UTWSDBIP NGA Special Events and Functions/Catering	New									13,279		13 279	12 707	4.5%	14,009	[ill]779	15,592
[illegible]	Municipal Running Cost/Catering Services	[ill] - Board meeting and function costs										49 088	49,088	46,975	4.5%	[ill]788	[illegible]	57,642
[illegible]	Municipal Running Cost/Legal Advice and Litigation	[ill] - Legal expenses	-	-			[illegible]					[ill]79,261	251,100	240 287	4.5%	264 [ill]0	279,480	294,852
[illegible]	Municipal Running Cost/Audit Committee			-			[illegible]						[ill]52	[ill]34 [ill]	4.5%	148,610	156,994	165 619
[illegible]	KZN[ill] UTWSDBIP ENG Water Treatment Works/Civil	[ill] - Planning and document costs	-		[illegible]							-	[ill]259	36,611	4.5%	60,363	4[ill]	44 [ill]
[illegible]	KZN[ill] UTWSDBIP ENG Water Treatment Works/Electrical	3135 - Planning and document costs			7 147							-	7 147	6.839	4.5%	7 540	7 [ill]	8 393
[illegible]	KZN[ill] UTWSDBIP ENG Water Treatment Works/Mechanical	3135 - Planning and document costs			7 147							-	7 147	6 839	4.5%	7 [ill]	7 [ill]	8,393
[illegible]	KZN293 UTWSDBIP BIG Furniture and Office Equipment/Maint	3117 - Maintenance of office furniture, equipment and machinery	[illegible]						-			-	104,500	100,000	4.5%	1[ill] 248	[ill]11	122,708
[illegible]	KZN293 UTWSDBIP COM Furniture and Office Equipment/Maint	3117 - Maintenance of office furniture, equipment and machinery		[illegible]					-			-	16,922	[ill]6 [ill]	4.[ill]	[ill]7 [ill]	18,835	19,871
[illegible]	KZN293 UTWSDBIP FIN Furniture and Office Equipment/Maint	3117 - Maintenance of office furniture, equipment and machinery				[illegible]						-	16,922	[ill]19[ill]	4.5%	17 853	18,835	[illegible]
[illegible]	KZN293 UTWSDBIP ICT Furniture and Office Equipment/Maint	3117 - Maintenance of office furniture, equipment and machinery							[ill] 278			-	[illegible]	90 218	4.5%	99 [ill]53	104,934	[illegible]
[illegible]	KZN293 UTWSDBIP NGA Furniture and Office Equipment/Maint	3117 - Maintenance of office furniture, equipment and machinery									41,[ill]	-	4[ill]	[illegible]	4.[ill]	44 249	46,682	49 [ill]
[illegible]	KZN252 UTWSDBIP STRAT Furniture and Office Equipment/Maint	3117 - Maintenance of office furniture, equipment and machinery										[ill]76 [ill]	[ill]16	[illegible]	4.[ill]	1[ill]330	196,578	[ill]07 [ill]
[illegible]	KZN252 UTWSDBIP NGA Pipe Work/Maintenance of Unspecified	3118 - Maintenance of pipelines and reticulation network									[illegible]		209 [ill]	[illegible]	4.5%	[illegible]	[illegible]	[illegible]
[illegible]	KZN293 UTWSDBIP BIG Pipe Work/Maintenance of Unspecified	3118 - Maintenance of pipelines and reticulation network	[illegible]										[illegible]	300 000	4.5%	330 743	[illegible]	[illegible]
[illegible]	KZN293 UTWSDBIP NGA Pipe Work/Maintenance of Unspecified	3118 - Maintenance of pipelines and reticulation network									[illegible]		522,900	500,000	8.5%	[illegible]	[illegible]	613,541
[illegible]	KZN252 UTWSDBIP NGA Mechanical Equipment/Maintenance	3118 - Maintenance of plant operations									[illegible]		1 [ill]1,682	[illegible]	4.[ill]%	[illegible]	1,827 [ill]	1,927 731
[illegible]	KZN293 UTWSDBIP BIG Civil Structure/Maintenance of Unspec	3118 - Maintenance of plant, equipment and machinery	[illegible]										[illegible]	1,517 [ill]	4.[ill]	1 673 368	[illegible]	[illegible]
[illegible]	KZN293 UTWSDBIP BIG Mechanical Equipment/Maintenance	3122 - Maintenance of water meters and connections	[illegible]										[ill]606	[ill]546	4.5%	246,454	[illegible]	[illegible]
[illegible]	KZN293 UTWSDBIP NGA Civil Structure/Maintenance of Unspec	New									[illegible]		159,369	152,506	4.5%	[illegible]	[ill]381	187 137
[illegible]	KZN252 UTWSDBIP NGA Civil Structure/Maintenance of Unspec	3124 - Maintenance storage dams									[illegible]		[illegible]	[ill]6 [ill]	4.[ill]	[illegible]	1[ill]426,449	1,504 [ill]3
[illegible]	KZN293 UTWSDBIP BIG Earthworks/Maintenance of Unspecified	3124 - Maintenance storage dams	[illegible]						-				[ill]642	[ill]68	4.[ill]%	1[ill]22	177 686	[illegible]
[illegible]	KZN293 UTWSDBIP BIG Furniture Equipment/Maintenance of	3126 - Maintenance, instruments and laboratory equipment	2,[ill]						-				[illegible]	2,[ill]	4.5%	3,050	[illegible]	[illegible]
[illegible]	KZN293 UTWSDBIP LAB Furniture and Office Equipment/Maint	3126 - Maintenance, instruments and laboratory equipment								[illegible]			[illegible]	120 123	4.5%	[ill]32 [ill]	[illegible]	147 [ill]
[illegible]	KZN252 UTWSDBIP NGA Earthworks/Maintenance of Unspecified	3127 - Maintenance electrical equipment and substations									[illegible]		[illegible]	700 [ill]	4.5%	[illegible]	[illegible]	858,958
[illegible]	KZN293 UTWSDBIP BIG Electrical Equipment/Electrical	3127 - Maintenance electrical equipment and substations	[illegible]									-	239 [ill]	229 151	4.5%	[ill]2 6[ill]	2[ill] 529	281,188
[illegible]	KZN293 UTWSDBIP NGA Electrical Equipment/Electrical	3127 - Maintenance electrical equipment and substations									[illegible]		[illegible]	673,936	[illegible]	[illegible]	783,862	826,975
[illegible]	KZN293 UTWSDBIP BIG Buildings/Building	3128 - Maintenance of buildings and fixtures	[illegible]										251,647	[illegible]	4.5%	[ill]5 [ill]	280,069	295,494
[illegible]	KZN293 UTWSDBIP LAB Buildings/Maintenance of Buildings and	3128 - Maintenance of buildings and fixtures								37,[ill]			37 [ill]12	[illegible]	4.5%	39 680	41,863	[illegible]
[illegible]	KZN293 UTWSDBIP NGA Buildings/Building	3128 - Maintenance of buildings and fixtures									[illegible]		[ill]953	[ill]758	4.5%	274,250	[ill]9 534	[illegible]
[illegible]	KZN293 UTWSDBIP NGA Road Bridges/Maintenance of Unspec	3130 - Maintenance of roads, bridges and culverts									[illegible]		[illegible]	91,661	4.5%	[illegible]	[illegible]	112,475
[illegible]	KZN293 UTWSDBIP BIG Road/Maintenance of Unspecified		[illegible]										[ill]731	16,011	4.5%	[illegible]	[illegible]	19,646
	Other Expenditure		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Municipal Running Cost/Bank Accounts	3101 - Bank charges				[illegible]						-	84 [ill]52	[illegible]	4.5%	89,097	[ill]997	[ill]167
[illegible]	Municipal Running Cost/Levies Paid - Water Resource Management	3160 - Water Research Levy & Resources Man.	[illegible]								[illegible]	-	6 [ill]	[illegible]	4.5%	6,800,462	7 [ill]4 [ill]	7[ill]084
[illegible]	Municipal Running Cost/Skills Development Fund Levy	3107 - Skills development levy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[ill]763	50[ill]	4[ill]782	10.7%	[illegible]	[illegible]	593,966
[illegible]	Municipal Running Cost/Workmen's Compensation Fund	3109 - Workmen's compensation commissioner levy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[ill]830	284 [ill]	260,389	9.2%	[illegible]	316,495	333,902
[illegible]	Municipal Running Cost/Wet Fuel	3108 - Fuel & Oil	[illegible]							[illegible]	[illegible]	[illegible]	961,521	[ill]116	4.[ill]	[illegible]	1,070,197	1,129,058
[illegible]	Municipal Running Cost/Computer Equipment	3117 - Maintenance of communications data							256,395				256,395	245,354	4.5%	[illegible]	285,374	301,070
[illegible]	Municipal Running Cost/Hire Charges	3109 - Hire of plant and machinery	95 785							[illegible]	[illegible]		172,626	165,192	4.5%	1[ill]	192,137	202,705

00001/0000[illegible]/0000/[illegible]8.H236.W1	Municipal Running Cost/Vehicle Tracking		18 874	-	-	-	-	-	-	-	49 341	4 [illegible]	72 784	[illegible]	4.5%	76 787	[illegible]	85 466
0000/[illegible]/0000/[illegible]/H236.W1	Municipal Running Cost/Auctions	100 - Advertising	-	-	-	-	-	-	-	-	-	30 460	30 160	28 148	4.5%	32 [illegible]	31 902	33 787
0000/[illegible]/0000/[illegible]/H236/[illegible]/CT	Municipal Running Cost/Specialised Computer Service	New	-	-	-	-	-	-	193 833	-	-	-	139 323	129 [illegible]	4.5%	142 [illegible]	150 615	158 902
00001/0000[illegible]/0000/[illegible]/H236.W1	Municipal Running Cost/Stationery	3105 - Conferences and seminars	23 946	27 107	26 625	54 596	67 [illegible]	32 771	6 [illegible]	17 264	13 [illegible]	46 139	305 748	280 447	4.5%	326 [illegible]	336 079	354 673
0000/[illegible]/0000/[illegible]/H236.W1	Municipal Running Cost/[illegible]	3107 - Subsidised electric motorbikes	17 130 307	-	-	-	-	-	-	-	46 [illegible] 378	-	57 [illegible]	49 [illegible] 857	4.5%	[illegible] 285	65 608 361	67 106 621
0000/[illegible]/0000/[illegible]/H236/[illegible]	Municipal Running Cost/Motor Vehicle License and Registration	3113 - Licensing of Motor Vehicles & Trailers	19 374	-	-	-	-	-	-	958	34 [illegible]	1 918	17 957	17 [illegible]	4.5%	134 045	141 438	148 [illegible]
0000/[illegible]/0000/[illegible]/H236/001	Municipal Running Cost/Professional and Regulatory Bodies	3131 - Membership fees	-	-	-	-	7 352	-	-	-	-	-	7 362	7 036	4.5%	8 [illegible]	8 844	9 [illegible]
0000/[illegible]/0000/[illegible]/H236/001	Municipal Running Cost/Professional Bodies (Membership and S	3133 - Membership fees	-	3 818	6 [illegible]	40 803	-	-	19 821	-	-	34 [illegible]	85 132	81 [illegible]	4.5%	89 [illegible]	96 754	99 965
0000/[illegible]/F053/[illegible]/H009/001	Municipal Running Cost/Electrical Infrastructure	3152 - Monitoring and maintenance assessments	44 [illegible]	-	-	-	-	-	-	-	-	-	44 700	4 [illegible]	4.5%	47 [illegible]	49 751	52 488
0000/[illegible]/F053/[illegible]/H236/001	Municipal Running Cost/Municipal Services	3152 - Municipal services water, electricity, refuse and rates	2 [illegible]	-	-	-	-	-	-	-	-	126 356	327 746	[illegible]	4.5%	345 [illegible]	364 790	384 [illegible]
00001/0000[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Uniforms and Protective Clothing	3160 - Protective clothing and uniforms	103 850	-	25 435	-	-	5 [illegible]	-	26 747	[illegible]	-	[illegible]	[illegible]	4.5%	299 [illegible]	315 843	[illegible]
00001/0000[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Licences Radio and Television	3181 - Radio licences/communications costs	-	-	-	-	-	-	-	-	13 [illegible]	-	13 [illegible]	[illegible]	4.5%	14 [illegible]	14 779	[illegible]
0000/[illegible]/F053/[illegible]/H148/W[illegible]/001	Municipal Running Cost/Telemetric Service	3145 - Scada and telemetric costs	177 920	-	-	-	-	-	-	-	175 [illegible]	-	[illegible]	337 765	4.5%	371 [illegible]	[illegible]	414 465
00001/0000[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Cellular Contract Subscription and Call	3154 - Telephone and communications	17 560	23 [illegible]	22 734	18 090	-	34 026	216 [illegible]	8 [illegible]	[illegible]	-	[illegible]	374 [illegible]	4.5%	411 [illegible]	435 686	459 [illegible]
0000/[illegible]/F053/[illegible]/H236/001	Municipal Running Cost/Telephone, Fax, Telegraph and Telex	3154 - Telephone and communications	-	-	-	-	-	-	196 750	-	-	-	196 750	[illegible]	4.5%	205 [illegible]	214 [illegible]	224 [illegible]
0000/[illegible]/F053/[illegible]/H236/001	Municipal Running Cost/Data Lines	New	-	-	-	-	-	-	585 267	-	-	-	585 267	564 [illegible]	4.5%	626 [illegible]	628 832	452 397
0000/[illegible]/F053/[illegible]/H236/001	Municipal Running Cost/Internet Charges	New	-	-	-	-	-	-	1 328	-	-	-	1 [illegible]	1 [illegible]	4.5%	1 [illegible]	1 478	1 [illegible]
0000/[illegible]/F053/[illegible]/H236/001	Municipal Running Cost/Website Development	3172 - Maintenance of website	-	-	-	-	-	-	47 [illegible]	-	-	-	47 [illegible]	45 [illegible]	4.5%	50 527	53 306	[illegible]
0000/[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Fleet and Other Credit	New	-	-	-	20 025	-	-	-	-	-	-	20 [illegible]	19 163	4.5%	21 127	[illegible]	[illegible]
0000/[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Meals	3186 - Chairman's Discretionary fund	-	-	-	-	-	-	-	-	-	[illegible]	63 835	[illegible]	4.5%	67 [illegible]	[illegible]	74 [illegible]
0000/[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Food and Beverage		-	-	-	-	-	-	-	-	-	-	3 [illegible]	[illegible]	4.5%	3 [illegible]	[illegible]	[illegible]
00001/[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/External Audit Fees	3138 - Professional fees and consultant costs	-	-	-	1 742 545	-	-	-	-	-	-	1 [illegible] 546	1 667 [illegible]	4.5%	1 [illegible]	1 [illegible]	2 046 170
0000/[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Income Payments	3111 - Insurance and access costs		-	-	39 [illegible]	-	-	-	-	-	-	39 [illegible]	[illegible]	4.5%	[illegible]	[illegible]	[illegible]
0000/[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Insurance	3111 - Insurance and access costs	-	-	-	[illegible]	-	-	-	-	-	-	[illegible]	[illegible]	4.5%	1 [illegible]	1 097 231	1 157 [illegible]
0000/[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Courier and Delivery Services	3136 - Postage and courier services	3 187	-	4 [illegible]	[illegible]	-	-	-	[illegible]	[illegible]	[illegible]	17 225	[illegible]	4.5%	[illegible]	[illegible]	20 [illegible]
0000/[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Postage	3136 - Postage and courier services	664	-	-	1 416	-	-	-	7 [illegible]	[illegible]	8 [illegible]	[illegible]	[illegible]	4.5%	18 [illegible]	20 949	22 [illegible]
0000/[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Post Private Bag and Postal Box	New	-	-	-	-	-	-	-	-	-	2 584	2 564	[illegible]	4.5%	[illegible]	2 [illegible]	[illegible]
0000/[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Corporate and Municipal Activities	3181 - Public participation and awareness campaigns	-	-	-	-	-	-	-	-	-	28 736	28 736	[illegible]	4.5%	30 [illegible]	[illegible]	33 763
0000/[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Servitude and land Surveys	3146 - Servitude costs	-	16 922	7 [illegible]	-	-	-	-	-	-	-	24 283	[illegible]	4.5%	[illegible]	[illegible]	28 514
0000/[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Software Licences	3149 - Software Licenses	-	-	-	-	-	-	418 727	-	-	-	418 727	4 [illegible]	4.5%	452 [illegible]	477 184	501 [illegible]
0000/[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Computer Software and Applications	New	-	-	-	-	-	-	13 279	-	-	-	13 279	[illegible]	4.5%	14 [illegible]	14 [illegible]	15 [illegible]
0000/[illegible]/F02/[illegible]/H148/B.H236/001	Municipal Running Cost/Staff Recruitment	3150 - Staff recruitment costs	-	-	-	-	41 [illegible]	-	-	-	-	-	41 [illegible]	[illegible]	4.5%	43 [illegible]	46 198	48 739
0000/[illegible]/F02/[illegible]/H236/001	Municipal Running Cost/Tenders	3137 - Tender and advertisement costs	11 [illegible]	-	34 [illegible]	-	29 056	-	34 [illegible]	[illegible]	[illegible]	-	144 [illegible]	137 [illegible]	4.5%	152 [illegible]	160 408	[illegible]
01232/[illegible]E019.H[illegible]/[illegible]/H236.W1	KZN219_UTWSDBIP_HR_Wards/Municipality of KwaDukuza	3117 - Training costs		-	-	-	26 610	-	-	-	-	-	26 610	[illegible]	4.5%	[illegible]	[illegible]	[illegible]
01232/[illegible]1403.F[illegible]/[illegible]/H236.W1	KZN281_UTWSDBIP_HR_Wards/Municipality of South Nti	3117 - Training costs	-	-	-	-	66 [illegible]	-	-	-	-	-	[illegible]	[illegible]	4.5%	[illegible]	[illegible]	[illegible]
01232/[illegible]E018.F[illegible]/[illegible]/H236/001	KZN235_UTWSDBIP_HR_Wards/KZN235_UTWSDBIP_HR_Umzim	3117 - Training costs	-	-	-	-	[illegible]	-	-	-	-	-	[illegible]	[illegible]	4.5%	[illegible]	[illegible]	[illegible]
	Total Expenditure		42 847 [illegible]	1 [illegible]	4 [illegible]	14 [illegible]	3 412 [illegible]	5 [illegible]	5 [illegible]	8 [illegible]	96 [illegible]	6 [illegible]	[illegible]	[illegible]	6.9%	[illegible]	[illegible]	[illegible]



uThukela Water (Pty) Ltd

BUSINESS PLAN

2021 MULTI-YEAR

1.EXECUTIVE SUMMARY – LEGAL STATUS

The entity operates as a bulk water services provider to the parent municipalities of; Newcastle, Amajuba and Umzinyathi.

In terms of the articles of association of the company it is required that board members are appointed to play an oversight role. Due to the resignation of all the board members, an interim board must be appointed immediately in order to comply with section 66 of the company Act (Read with section 67).

The Articles of association provides that Meeting agendas are circulated to all members to attend the quarterly Board meetings, any special Shareholder meetings, and an annual Shareholder and Annual General Meeting of the Board.

The Board and its governance structures are supported by LEADCO (Senior Management Committee), an Audit Committee, an internal audit function, a Risk Management plan, Performance Management system, other statutory Committees i.e. Safety Committee, Remuneration/Job evaluation Committee, Joint Regional Operations, admin and Finance Committee, Bulk Water Master Plan Committee, and the annual external statutory audit functions performed in terms of the Public Audit Act.

The Share value of the Company has been issued in 100 ordinary shares valued at R 100, and, the individual shareholding is as follows; Newcastle local Municipality 34 %, Umzinyathi District Municipality 33 % and Amajuba District Municipality 33 %.

The aims and objectives of the WSP/WSA agreement is to achieve benefits for the shareholder municipalities by the pooling and purposeful utilisation of scarce human resources, operational and capital funds, and other shared infrastructure resources. Benefits are achieved through cost savings/economies of scale, and the advantage of greater access to capital markets in order to fast track on water service delivery, municipal IDP mandates, and the eradication of bulk water service backlogs.

The Board has a Bulk Water Services Master Plan in place, which plan replaced the initial 2030 Water Services Plan with effect from the 1 July 2013. This was because of the Section 78 split and transfer of the water reticulation services back to the municipalities. The revised Bulk Water Services Master Plan has since been aligned with the National, Provincial Universal Water Axis Development Plans in order to ensure a unified approach to bulk water master planning in the region. Due to persistent delays

with the acceptance and implementation of the bulk water services master plan, the Board has taken up the initiative to go ahead despite these challenges and to drive the emphases forward and jointly with the municipalities to ensure that the strategic objectives are kicked in during this multiyear plan.

The purpose of this multiyear business plan is to set out the Boards agreed key financial and non-financial performance objectives and measurement criteria, the Boards proposed operational and Capital budget initiatives, alignment of the bulk water master plan with the municipal IDP's and development plans, to provide detailed information that sets out the key performance plans and objectives of the Board reflecting their consistency with the water service level agreements in place, and to indicate all potential liabilities and commitments including any potential borrowings that relate to the period of the business plan.

Details relating to these plans and objectives are discussed herein and attached hereto for information, planning and implementation purposes.

It is imperative that the municipalities align the entity's business plan, operational and capital budgets, tariffs and key performance management objectives in order to ensure an uninterrupted and sustainable water supply to all its customers.

SALIENT EXPECTATIONS AND BUSINESS REQUIREMENTS FOR THE SUCCESSFUL RENDERING OF A WORLD CLASS BULK WATER SERVICE TO THE SHAREHOLDER MUNICIPALITIES

This business plan, amongst other things, highlights the many successes, expectations, unrealised potential, and consequent failings which impact on an effective and efficient bulk water service delivery to the water service authorities.

It is imperative that the shareholder municipalities take note of the high risk factors that impact on the entity, and ultimately on sustainable bulk water delivery, and when considering the plans and objectives of bulk water services delivery, that they resolutely and decisively, resolve on the following high risk and critical factors impeding effective and efficient delivery;

- Ensure that the entity annual and adjustment operational bulk water service budgets are carefully considered and fully funded and are driven by a sustainable and affordable recovery bulk water tariff.
- Ensure that the municipalities honour their annual budgetary commitments to the entity timorously in order to ensure that water services are delivered in a sustainable and uninterrupted manner.
- Assist the entity to access capital revenue via its bulk water tariff mechanism, available government grant mechanisms, available internal, external, and other funding sources in order to implement the bulk water master plan and aligned annual capital budget.

- Ensure that the shareholders embrace the strategic objectives of the bulk water master plan and implement the plan as a matter of urgency.

Focus on these key areas will eliminate the high failure risks facing the entity and sustainable bulk water services in this region and secure the services well into the future as envisaged by the water services master plan.

The Company's audited financial statements for the 2021 financial year reflect its assets and liabilities as follows;

Assets

Total assets: R 984 164 522
(Comprising primarily of, PPE R 789.5 million, cash and investments of R 29 Million and Debtors of R 142.7 Million)

Liabilities

Total liabilities: R 433 999 596
(Comprising of primarily trade and other payables of R 415 Million. The creditors are mostly made up of unpaid DWA raw water charges amounting to R 405 Million because of non-payment by the WSA's).

Net Assets

Share Capital and accumulated funds of R 550 164 926

2. VISION AND MISSION

uThukela Water is faced with a huge challenge of helping ensure that all communities within its area of supply have access to a sustainable good quality safe drinking water. The Company is ready to meet this challenge, which will result in the Company playing a meaningful role in the development of the region.

The Company intends to remain proactive in its efforts to develop innovative solutions required to meet the above-mentioned challenge. It has an obligation to its current and future customers to manage its business affairs in a way that compares favourably with the best in the world.

In 2007, the Board and senior management met to review the Company's strategic plan. The Board proposed to retain the following uThukela Water Vision Statement:

"uThukela Water, Your Partner in Growth"
"Amanzi oThukela Umngani Wakho Entuthukweni"

Mission Statement

The uThukela Water Strategy is based upon the following, agreed, Mission Statement:

Our Business Focus

- The provisioning of bulk water services and related Laboratory services.
- Bulk water master planning and sustainable uninterrupted water supply and the safeguarding of water resources to maximize customer benefit.
- To support the WSAs with water services wherever required to do so.

3 Our Mandate and Customer Focus

3.0.1 As a Water Services Provider, we will provide the bulk water services on behalf of, and in agreement with, the Water Services Authorities (Municipalities) to the municipalities who in turn will reticulate the treated water to their respective community households, industries, businesses, agriculture, government institutions and other users.

3.0.2 We may also provide water and related services beyond the area of jurisdiction, on the condition that those services will create benefits for the uThukela Water stakeholders.

Our Services Provisioning and Deliverables Focus

3.0.3 Safe drinking water for all customers and compliance with all relevant legislation.

3.0.4 Implement Continuous Improvement processes in order to minimize tariff increases.

3.0.5 Important participant in the regional economy.

3.0.6 Recognised as a World Class utility.

3.0.7 A model example for capacity building and empowerment.

3.0.8 Cost-effective implementation of appropriate and focused technologies, including information technology and systems.

3.0.9 A motivated, energetic, committed, creative, innovative, professional team.

Our Resourcing (Processes, System and Standards) Focus

3.0.10 Integrated, effective information systems

3.0.11 Adherence to the concepts of total cost of ownership, value of ownership and risk of ownership (TCO, TVO, TRO).

3.0.12 Performance management to be based on self-management concepts linked to organizational performance management.

3.0.13 uThukela Water will adhere to sound business and corporate governance principles.

Our Values

3.0.14 Integrity

3.0.15 Trust

3.0.16 Transparency

3.0.17 Accountability

3.0.18 Teamwork

3.0.19 Professionalism

3.0.20 Passion

4. ORGANIZATIONAL PROFILE

uThukela Water is a multijurisdictional municipal entity established in terms of the Municipal Systems Act for the provision of bulk water services within the area of jurisdiction of its shareholder municipalities who are the Water Services Authorities, namely uMzinyathi District Municipality, Amajuba District Municipality and Newcastle Local Municipality. The Company is the first multijurisdictional municipal entity of its

kind. The Company delivers bulk water services from raw water abstraction, through treatment, distribution and quality monitoring and then finally delivers bulk water to its shareholder municipalities at bulk metered points for distribution to their customers.

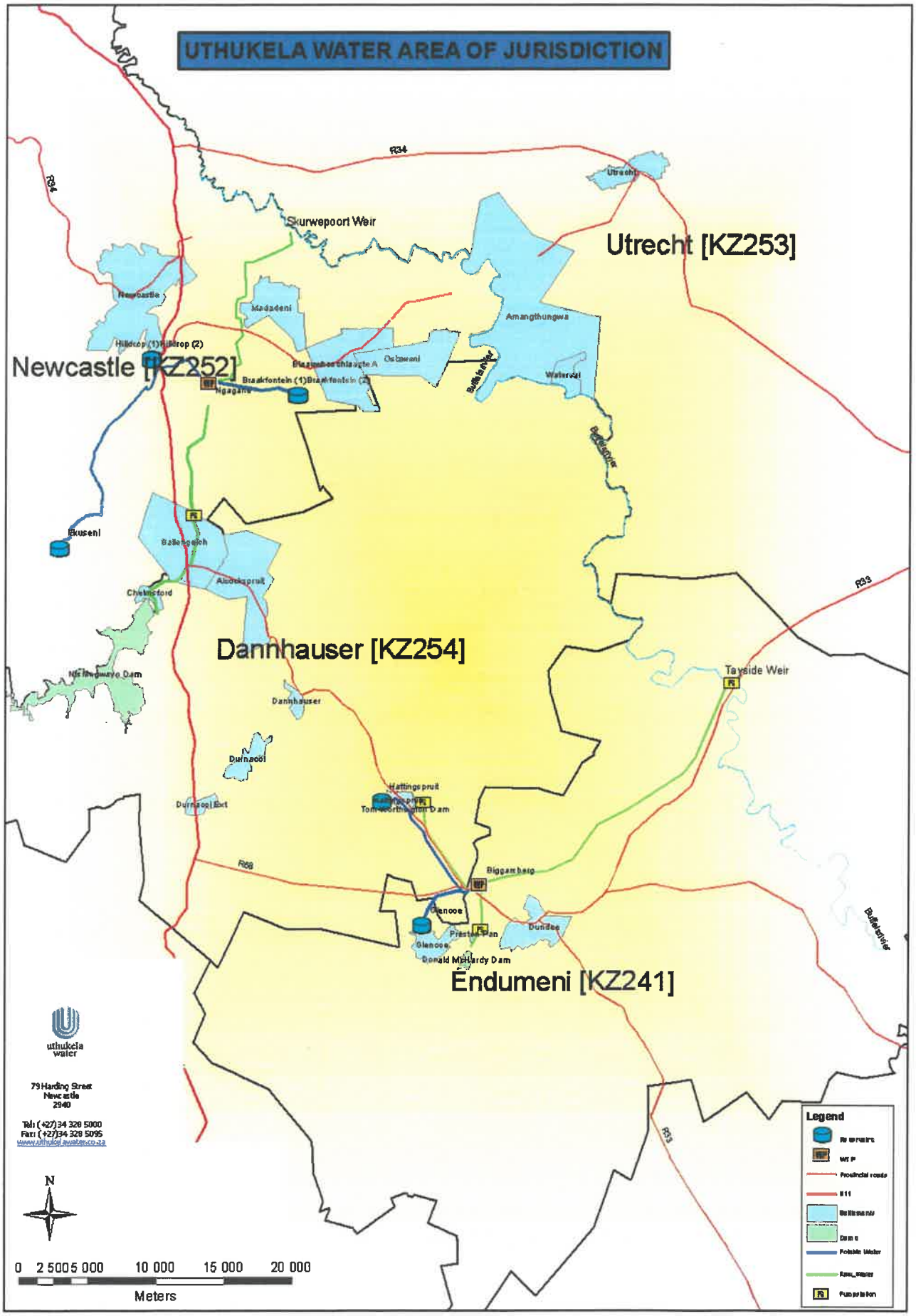
The entity has continued to provide bulk water services to the municipalities at a very high standard. Both water plants have been measured and graded by the Department of Water and Sanitation Services as "Blue Drop" water quality standard plants.

The entity has struggled since its inception to obtain fully funded operational and capital budgets, and this has been the achilles heel of the Company and its intended goals. A lack of adequate and available funding from the shareholder municipalities, exasperated by late and non-payment for water services by the municipalities, has frustrated the water development and water services delivery objectives, and will ultimately result in an escalated tariff due to the delays.

The infrastructural element of the Water Services Master Plan envisages the implementation of bulk water infrastructure projects crossing WSA boundaries using grants and loans amounting to approximately R5 - 10 billion. Such grants and loans have however not materialized, thus resulting in lost opportunities and a retarded and slower pace of implementation of regional infrastructure.

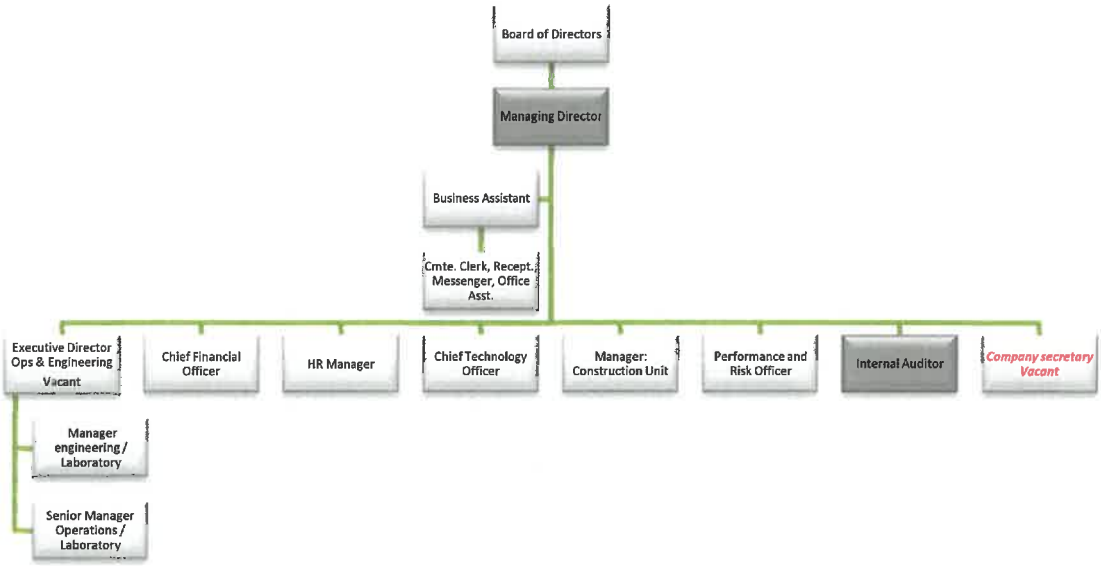
4.1 Geographic Area of Supply

The map of uThukela Water's operational area on the next page (Figure 1) illustrates the geographic area of operation of the Company, which is bounded by the municipal boundaries of the shareholder WSAs.


UTHUKELA WATER AREA OF JURISDICTION
Utrecht [KZ253]
Newcastle [KZ252]
Dannhauser [KZ254]
Endumeni [KZ241]
Skurwepoort Weir
Tayside Weir
Ekuseni
Chelmsford
Dannhauser
Durnacol
Hattingspruit
Biggarsberg
Glencoe
Dundee
Amangthungwa
Waterval
R34
R33
R69
Legend
Meters
0 2 5005 000 10 000 15 000 20 000
N
uthukela water
79 Harding Street
Newcastle
2940
Tel: (+27) 34 328 5000
Fax: (+27) 34 328 5095

4.2 Management Structure

The uThukela Water's top management structure, depicted below, shows that the Company has a functional structure, albeit a temporary workable structure under the current circumstances, with a Board made up of both Executive and Non-Executive Directors. As prescribed in the Company's Articles of Association. The Non-Executive Directors are appointed by the Councils of the shareholder municipalities and the Managing Director is appointed by the Non-Executive Directors. The rest of the Executive Directors are appointed by the MD and the Non-Executive directors.



5 AREAS OF BUSINESS

uThukela Water delivers the full cycle of bulk water services from abstraction of raw water to treatment thereof, quality control and distribution to the municipalities at bulk supply water supply points. The Company is only involved in Primary Activities as defined in Section 29 of the Water Services Act of 1997. The Company's products and services include:

- Raw and potable water supplied in bulk.
- Water treatment to potable water standards
- Wastewater and sanitation monitoring for the Newcastle municipality (through the labotary services).
- Assist the WSAs with water services wherever needed.

In addition to the above, there are several other activities which are critical support functions of the primary activities. These include:

- The development of bulk water infrastructure through planning and implementation of projects
- Scientific and technical services to ensure quality and security of supplies

6 THE PLANNING PROCESS

6.1 The Strategic Planning Cycle

The strategic planning process is designed to encourage the optimum level of participation from line management and to ensure that all objectives, strategies and action plans developed are in accordance with the overall corporate strategic direction of uThukela Water. Consultations regarding action plans involve all employees.

Although the future form and role of the Company is in the process of change, it is assumed, for planning and budgeting purposes, that no significant change in its mandate will take place during the current and ensuing financial year and the business plan therefore assumes the current institutional arrangement.

Through a cascading process, the corporate long-term plans and strategic issues were translated into divisional strategies and long-term goals and then to departmental business plans and action plans. The intention is then to use these strategies and action plans to measure the departmental and individual staff member's performance. Since even the best plans have no value unless they are implemented, on-going monitoring and reporting by LEADCO will ensure that the executive is able to determine the level of success and evaluate the implementation of strategy.

The institutionalization of the philosophy of strategic management in uThukela Water has unfortunately been impeded by poor attendances at Board and Shareholder level, the lack of adequate budgets and zero capital funding, and the failure to obtain approval for and funding to implement the bulk water master plan.

This impedes the requirement to produce effective policy statements and a business plan in terms of the Water Services Act and which is imperative in supporting long term planning that entrenches the strategic planning process.

6.2 Planning for Infrastructural Development

The bulk water master plan, in summary, envisages; a new raw water source being secured higher up in the northern catchment area, and the construction of an additional water treatment plant at the Ntshingwayo dam. This new water source, new treatment plant, together with the existing plants at Ngagane and Biggerberg, would be enough to serve the whole region including the Amajuba and Umzinyzthi areas with adequate bulk water for the next 30 to 50 years. Other augmentative schemes are also proposed in the plan where areas are either too sparse or remote to be served by the regional bulk water schemes.

Included in the revised plans is the possibility of considering, as a short to medium term interim solution while the northern upper catchment new dam study is being pursued, the construction of a new dam on the Ncandu River. It is notable that all the required feasibility, environmental and other statutory studies have been completed in respect of this dam, enabling this dam to be constructed within a very short period. This new dam will yield approximately 48 mega litres of bulk water per day to the Newcastle and Amajuba District areas.

The success and the failure of the proposed infrastructural developments was, and is still, clearly dependent on a joint unified vision and capital funding plan utilising pooled and available grant and loan funding. Since the anticipated grant funding through the Municipal Infrastructure grant (MIG) was not going to be adequate, the plan was reliant on the Shareholders and the Company being able to supplement the MIG funding by obtaining additional RBIG Grants and external loans. The Loans, although substantially and successfully secured at a stage, never materialized due to the uncertain future of the Company and the lack of determination by the relevant stakeholders to drive the initiatives to its conclusions.

6.3 Involvement of Stakeholders

Apart from the involvement of all employees in the planning process, municipal legislation requires the involvement of Water Services Authorities (WSAs) in the planning process. The WSAs are responsible for the compilation of the Water Services Development Plans (WSDPs), which form part of their Integrated Development Plans. The role of uThukela Water is to influence the WSDPs so that they are aligned to the Company's Infrastructure Master Plan. The Company will therefore be actively involved in the development of the Integrated Development plans of both the Local and District Municipalities.

The biggest challenge in this regard relates to motivating the municipal stakeholders for bulk infrastructure with higher capital costs but lower operating and maintenance costs, and in most cases lower life cycle costs. The

municipalities tend to prefer the implementation of standalone schemes with lower capital costs, which speeds up the elimination of backlogs. The main disadvantage of the small stand-alone schemes is the high operating and maintenance costs and low sustainability.

7 ANALYSIS OF THE WATER INDUSTRY

The South African water sector is facing several challenges related to institutional transformation, historical service backlogs and inadequate water resources and high demands for service provision. Key amongst these is ensuring that all South Africans have universal access to basic water services as per the Millennium Development Goals. The transformation of the sector will redefine the role of DWS, local government and water services institutions.

The sector has set some targets on service delivery and it is widely acknowledged that capacity constraints remain a challenge for local government.

Major challenges facing the water sector include:

- Lack of adequate water resources.
- Lack of secure and adequate funding sources.
- Failure to implement medium- and long-term plans
- Institutional arrangement/realignment (WSA/WSP and CMA) aimed at streamlining the service delivery effort
- Resident capacity (technical and managerial) to deliver required water services,
- Governance and regulation of water services (number of institutions and their defined roles).
- Addressing the negative impact of the historical poor asset's management practices (e.g. neglect of maintenance)
- Cost recovery in economically underdeveloped rural areas
- Water scarcity
- Climate change

- Developing sustainable financing strategies for new infrastructure especially in rural areas.

7.1 The Macro Business Environment

7.1.1 Socio-Cultural Influence

Millions of people living in rural areas throughout the country still have no access to basic water services. The elimination of the backlogs in water services delivery has proven to be more difficult to achieve than had been anticipated. The problem is further compounded by the migration and immigration patterns in some areas resulting in the creation of new backlogs which negatively impacts on planning processes.

Regular surveys by the medical industry point to a high incidence of COVID 19 which significantly reduces economic activity and sustainability of water services delivery. The high number of immuno-compromised individuals results in a need for improved access to water services in order to reduce the incidence and impact of water borne diseases.

7.1.2 Political / Legal Environment

uThukela Water is registered as a Private Company and should therefore comply with the provisions of the Companies Act. However, the Company is owned by three municipalities (Water Services Authorities) constituting its area of supply. It is therefore a municipal entity and should comply with the provisions of the relevant municipal legislation (Municipal Systems Act and Municipal Finance Management Act). If there is any conflict between the Companies Act and the said municipal legislation, the municipal legislation prevails. Since the Company is the first of its kind (a municipal entity which is a multi-jurisdictional water services provider and a private company), it must carefully tread through various interpretations of the legislation since there is no legal precedence for some of the issues.

The biggest legal / political challenge faced by the Company relates to the fact that the Company, whilst delivering a basic service, does not have enough financial resources (i.e. budget allocation approved by its parent municipalities) to deliver the services in line with expectations of the communities it serves. The delivery of water services is a basic right afforded to citizens by the constitution of the Republic of South Africa. Citizens therefore feel entitled to demand that such services be provided. A failure to do so is generally regarded as poor performance by the company. This challenge is aggravated by the fact that the previous and some of the current political representatives

of the Water Services Authorities served by the company do not seem to accept the outcome of the Section 78 Assessment carried out by their municipalities before the company was established. A comparison of operating costs as envisaged by the Section 78 reports (escalated for CPI and growth in infrastructure) indicates that the budgets required by the Company are lower than was envisaged in the assessment reports. Such budgets are however still considered "too high" by the current WSA representatives and the Company's proposed budgets are cut to suit the financial affordability of the municipalities every financial year as opposed to the actual costs of providing the services. The basis for expecting lower operating costs than required by the company has never been scientifically / professionally substantiated. Since services delivery is highly politicized, the company is therefore facing a substantial amount of political pressure which needs to be properly managed.

Several challenges facing the Company relate to its institutional model. When the Company was established, the parent municipalities formed a private company in order to reap efficiency benefits that can be achieved by a private sector organization. When the Company was being established, the Municipal Finance Management Act (MFMA) had not yet been promulgated. According to municipal legislation, uThukela Water is a municipal entity as explained above. The company should therefore operate like a municipality in several respects. Several key decisions such as those relating to its capital expenditure and operating budgets must be approved by Councils of the parent municipalities on a yearly basis. Although the Company operates in terms of a Water Services Authority / Water Services Provider agreement, the agreement is not structured in a way that allows proper long-term financial planning. The following examples illustrate this point:

- The agreement does not include a set agreed framework for budget increases, thus making it very risky for the Company to obtain loan funding, especially since the parent municipalities have approved budgets that are significantly lower than those approved by the Company's board or projected from the Section 78 estimates. The Company is thus losing opportunities to implement even those projects with a short payback period. The implementation of some of the projects in the water industry, including those aimed at efficiency improvements require long term financial planning.

- The decisions regarding the prioritization of CAPEX projects are made by Councils of shareholder municipalities and such decisions are normally made at the beginning of or during each financial year, which can negatively impact on long term planning.

- Section 87 of MFMA 56/2003 (MTREF) requires operational and capital budgets to be based on short- and medium-term planning forecasts and these requirements are not enforced in practice.

- The water business is a volume/cost and tariff driven business and these principles are overridden too easily by the controlling authority's financial positions. This should not and cannot be a factor when considering the rendering of basic services.

The Company is moving closer to a solution in this regard and has achieved a meeting of minds and understanding for the optimal water business with all the shareholders and it is expected that the water business will be fully tariff driven by 1 July 2018.

There is no other option as this will be the case when the new water institutional setup takes effect.

The adoption of the KZN Bulk Water Strategy and Universal Access Plan by the provincial government, as well as the decision by DWS to support the implementation of regional bulk infrastructure should be an opportunity. The company should therefore ensure that all bulk infrastructural needs are properly packaged in "approved business plan format".

Expenditure on current projects should also demonstrate that the Company has the capacity to effectively spend available funds since it has been made clear that future funding will favour water services institutions with capacity to utilize the available funds.

7.1.3 Economic Influence

Because of the high level of poverty and low economic activity within the company's area of supply, the cross subsidization of services delivery by those customers able to afford payment for services is minimal, especially within the Amajuba and uMzinyathi Water Services Authorities, where the billable customer base is between 6 and 8 % of the total population served. The water services delivery is therefore heavily grant dependent and the quality of service will depend on the amount of equitable share allocated to water services delivery by the Water Services Authorities.

The Company will be expected to increase productivity and efficiencies in order to decrease the cost of services delivery. It will however be difficult for the parent municipalities to determine appropriate productivity targets since they do not trust the output of the studies previously carried out (during the establishment of the Company). The company will have to develop its own

comprehensive performance criteria and recommend these to the parent municipalities for adoption.

Most of the company's area of supply has been declared a priority development corridor. The Company will be required to actively participate in the planning processes of the WSAs in order to ensure that its infrastructural planning processes do not become a limiting factor for development and that the company obtains optimum benefits from the economic developments that will contribute towards the sustainability of water services delivery.

7.1.4 Technological Influence

In order to improve levels of productivity and to be a leader in the water industry, there must be greater investment and increasing reliance on IT. This investment will be required for various business systems ranging from financial management systems, process control, monitoring and supervision, engineering design, assets management, data management, etc.

The company will need to strike a balance between technological advancement and the implementation of systems that are capable of being utilised using those skills that are available to the company.

7.1.5 Environmental Influence

There is an increasing awareness of the negative impact on the environment of various business activities. This has resulted in attempts for example to reverse some of the negative effects of the use of ozone-depleting chemicals and the use of fossil fuels in energy generation. This means that organizations involved in development must minimize the negative impacts on the environment. Since the Company is involved in the implementation of many capital projects, which has an impact on the environment, technologies and infrastructure development introduced by the Company must ideally contribute towards the enhancement of the environment.

Water conservation has been raised to new levels of awareness particularly during the current prevailing drought conditions. Water is regarded as a limited resource that must be managed in a holistic manner. Since our water resources are limited, the potential to meet the increasing demand for water may only be met through better and more responsible management of available resources. The water industry is rising to the occasion by developing and implementing water conservation strategies, using supply and demand management as components of integrated water resource management strategies. The more efficient use of water would require programmes to reduce unaccounted-for-water. This will include educational programs to encourage consumers to use

water sparingly and wisely, the involvement of agriculture and the use of devices in households and industry that reduce the use of water.

7.2 The uThukela Water Business Environment

This section summarizes the analysis of the effect of various factors and forces that have a direct influence on uThukela Water.

7.2.1 Suppliers of Goods and Services

Suppliers of goods and services include all business entities that are involved in adding value at various stages in the production of water. It includes skills, materials and plant needed to deliver the final water service.

The Board is in the process of revisiting its broad-based triple BEE policies with a view to encouraging and developing more participation from the potential and existing businesses in its previously disadvantaged communities. The municipality local economic development programmes need to be tied to these initiatives as without this support many of the potentialities will be lost.

The fact that the area of supply is made up of small towns and mostly rural areas makes it difficult to obtain adequate competition at the right level amongst local suppliers of the required goods and services, thus negatively impacting on costs. Some of the services must be sourced from outside the Company's area of operation.

7.2.2 Availability of Skills and Labour

Staff turnover at uThukela Water is low at less than 5% per annum. However, the Company might have difficulty attracting the staff with certain categories of scarce skills that are required for water services delivery. These include engineers, scientists, technicians and artisans. One of the causes is that the Company does not offer competitive remuneration packages for these categories of employees. The remuneration policy is used and benchmarking of salaries will be done regularly in order to retain scarce skills. The Company will also intensify, where possible, its training and development effort.

7.2.3 Training and Development Capacity

The Company does not have adequate technical skills referred to above as scarce, It is essential that the Company ensures that it takes full advantage of the available SETA funds

The assisted education program will also help encourage employees to further their studies in disciplines relevant to the company's business.

The Training and Development function will be strengthened by the appointment of a Training and Development Officer/Administrator (or Workplace Skills Facilitator).

7.2.4 Supply of Raw Materials

Most of the raw water is purchased from DWS mainly through abstraction from the Ntshingwayo Dam, the Ngagane River and the Buffalo River. The Company also owns and manages several small dams, weirs and boreholes. Most of the boreholes are not sustainable and the water source should be replaced by a different source through regional bulk infrastructure. Climate variability is therefore currently a very significant factor affecting water supply. The growth in water demand within existing settlements makes this situation worse. There is also a danger of over-abstraction since ground water monitoring equipment is not affordable due to financial constraints.

The recent drought has served to highlight that the current water resources are inadequate and that a new and additional water source must be located within the very near future.

The possible re-commissioning of an old power station, together with other possible industrial and agricultural developments has necessitated a need for DWS to fast track planning processes for a new dam.

7.2.5 Competitors

Although there now appears to be more acceptance amongst various representatives of parent municipalities, at a stage there were indications that they were not wholly satisfied that uThukela Water was the correct option to pursue, and doubted its service credibility, believing that the company could have done more with the funding available to it. Although this view is not based on any professional assessment, it cannot be simply ignored.

There are several water utilities (private companies) in South Africa who perform the functions performed by the Company. The Company should therefore ensure and be able to demonstrate that it delivers the services competitively. It should manage the threats and opportunities presented by the competitors in a way that benefits the customer and the regional economy.

The Board regularly monitors and measures itself against other similar water institutions, and it is aware of the fact that its bulk water tariff of around R 3, 05 is substantially less than its competitors, around R7, 75. The large disparity is

obviously due to the approval and application of a non-economic tariff and the absence of a capital element within the tariff structure.

In addition to the private sector competitors, there are neighbouring water boards delivering similar services. Although the company currently views them as partners in the KZN service delivery strategy, more needs to be done to ensure that their capacity and experience is used to assist with improving the capacity of the Company. It now is quite clear that this is the direction that the Department of Water Affairs and Sanitation is pursuing.

It is a fact that since the municipalities have taken back some of their bulk and all the reticulation services, that their costs in this regard have escalated alarmingly, some by over 800%. The advantages of the regional concept becomes lost in the individual municipality budgets amongst a vast basket of services that they are require to render

7.2.6 Customer Leverage

The end customers are represented at a political level by the Water Services Authorities. These institutional customers (the WSAs) are also the Shareholders of the Company and have legal powers over the company, including the powers to appoint and dismiss the Board. They also have powers to disestablish the company if they can demonstrate that this is in the interest of the customers (e.g. through Section 78 Assessment).

7.2.7 Financial and Business Risk

One of the most serious challenges facing most municipalities is the historical neglect of maintenance of infrastructure. In this area of supply, the high incidence and threat of failure due to the age and natural deterioration of the infrastructure is high risk. What makes this a bigger threat to the Company is the fact that most of these threats/failures occur within the developed urban areas, thus affecting mostly the paying customer base, including commerce and industry. Since the use of loan funding to address this is not a wise option under the current circumstances and current institutional arrangement, this threat must be taken into consideration when decisions are made on the institutional structure, including contractual agreements. Efforts to obtain grant funding should also be intensified.

The Company's main customers (Water Services Authorities) determine the operating and capital expenditure budgets of the Company and there is currently no proper or agreed framework for annual budget increases. This makes it difficult for the Company to carry out proper medium to long term financial planning and increases the risk of using loan funding in the absence of

predictable future revenue streams. Some of the projects identified may pay back in the medium to long term and would therefore be justifiable if future budget escalation guidelines were clear. The impact of the uncertainty of future budgets is compounded by the fact that the company implements new infrastructural projects, but the approved budget increases do not make adequate provision for the operation and maintenance cost impact of this new infrastructure.

Poor payment for metered bulk water services rendered to the municipalities is another serious threat that the Company faces on a regular basis. It is a difficult balancing act to maintain as the Company has no other source of revenue and is singularly dependant on the municipalities to pay for their water services rendered for it to sustain theses services.

The WSA's do not provide and pay for the depreciation on existing assets and this makes it very difficult for the company to systematically replace ageing, obsolete and redundant assets. The current practice of replacing assets through the limited and under-funded maintenance budget and or on an ad-hoc basis is not conducive to good financial practice.

These issues are clearly highlighted; reported and managed in terms of the Boards risk management plan, risk tolerance and appetite levels.

The Company manages its risks as best as it can under the circumstances in order to at least ensure compliance with applicable legislation.

8 CORPORATE LONG-TERM GOALS

The strategic planning processes require that each Division formulates goals, strategies and action plans that support the long-term corporate goals. This is the first step in the cascading of the corporate plans, ultimately resulting in the formulation of action plans at the individual level. The long-term goals that have been adopted by uThukela Water are as follows:

8.1 Coverage (Water)

"Access to potable water to all within the Newcastle, Umzinyathi and Amajuba District municipalities areas of supply by the year 2030"

This target must take into consideration that all projects must be sustainable; there must be adequate funding from the Water Services Authorities mainly

through the RBIG, MIG and DWS programmes. Other sources of funding must also be explored by the company.

8.2 Cost Effectiveness

In the medium term, it is uThukela Water's objective to reduce the unit cost of producing water in real terms. In the short term, however, it will not be possible to achieve this due to expenditure required to ensure legal compliance as mentioned elsewhere in this report and to ensure that proper maintenance of infrastructural assets is carried out. This includes dealing with maintenance deferred during the last Ten years. It is nevertheless necessary to set challenging targets. It is imperative to become more cost effective and to be competitive.

Various actions that are being taken to address issues of cost effectiveness include rationalization of resources, introduction of an improved financial management system, benchmarking and studies to evaluate outsourcing of certain non-core functions.

In addition, uThukela Water will adopt an approach of bringing about a change within that focuses on serving customers, both external and internal. The forging of a stronger relationship with external customer groups includes various institutions, such as the Water Services Authorities, Provincial Government, Department of Water Affairs and, Department of Agriculture, Department of Public Works, Department of Local Government and various funding agencies. Internally, the customer focus initiative aims at improving inter-divisional co-ordination and the recognition that internal service Departments have customers within the organization.

The bulk water cost drivers e.g. ESKOM and DWA, are revisited and monitored regularly in order to ensure that the best economic BENEFITS are always achieved.

8.3 Financial

The budget of uThukela Water is currently approved on a year to year basis by the parent municipalities and the gap between the budgets required by the company and the budgets approved is still substantial. A framework for future budget increases needs to be agreed before the long-term capital expenditure program can be finalized. The infrastructure master plan should be guiding the budget, grant and financial plans and a consequent commitment should accordingly be obtained from the Water Services Authorities.

The 2022/2023 multiyear budget and plans intend addressing this problem going forward and it is envisaged that a volume and tariff budget principle will finally be implemented together with a MTREF capital program.

As aforesaid, the new institutional arrangements will also assist to focus these programs into the right direction.

8.4 Area of Supply

The area of supply is currently limited to the geographic boundaries of the parent municipalities. However, there are several opportunities for selling water in bulk to neighbouring Water Services Authorities. These opportunities will be properly evaluated in the future and included in the company's long-term plans.

8.5 Human Resources

The company plans to ensure the constant supply of skilled employees to meet the organisational mandate and to ensure compliance with applicable legislations and collective agreements. To achieve this the employer will develop enabling policies and procedures. The organisation will also endeavour to comply with the Government initiatives on employment equity and if new and revised organizational structure is approved, there will be further opportunities to employ and develop staff from designated groups at appropriate levels.

uThukela Water focuses on the development and retention of its team of motivated staff to ensure the delivery of world class water services. The Boards Remuneration Policy also helps as best as possible to avoid the loss of skills, especially those skill regarded by the water industry as being scarce.

One of the most important initiatives will be to ensure that the corporate values, as defined in the company's Strategic Plan, are inculcated.

9 KEY FOCUS AREAS

9.1 Transformation

There is pressure on all enterprises, public and private, to perform at a level which is comparable with international best practice. The presence of private sector organizations in the water services industry has increased, thus increasing competition in the industry. The budget constraints that are currently

experienced by the company are also putting pressure on the Company to become more cost effective.

The company is committed to a transformation process which will ensure that it will achieve its ambition as espoused in its vision statement. This type of initiative is not taken lightly and is implemented to the full letter of the law. Leadership, management, policies, procedures and systems are reviewed and transformed where appropriate, ultimately ensuring and contributing to a change in culture of the organization.

9.2 Bulk Water Master Plan

During the establishment of the Company, and subsequent thereto, a Bulk Water Services Master Plan for water services, was updated and developed.

The master plan is also aligned to the National and Provincial Universal access plans and ensures a unified and single approach to bulk water planning and delivery in the country. This assists with planning submissions and faster access to funding.

The purpose of the Master Plan was to have a reference document for the sustainable provisioning of **safe, acceptable and affordable bulk water.** The proposed bulk water master plan is in respect of the Northern KwaZulu-Natal area of 26 000 km2 comprising the Newcastle, Amajuba and Umzinyathi District Municipalities, that aim to guide the delivery of:

- A unified National, Provincial and Regional approach to bulk water development and planning and supply.
- Cost saving and economies of scale achieved by a unified approach.
- A strategy for the eradication of cholera and other water borne diseases.
- Adequate environmental auditing and monitoring systems.
- Basic water service levels for all customers.
- Adequately controlled metered bulk water for all shareholder municipalities.
- Eradication of all drinking water backlogs within a short- and medium-term framework.
- Inwardly focused and driven capital expenditure program for water development of about R10 to R 15 Billion.

- Assurance of supply in the short, medium and long term

The uThukela District Municipality withdrew from the future of the Company in 2006 and has since not featured in any part of the company's development plans. The municipalities also took back the water reticulation and sanitation functions on the 1 July 2013. All plans are continually reviewed, and the following areas need to be considered for the master development plan to become meaningful:

- That securing of grant funding and the raising of external loans of approximately R 10 to 15 billion to implement the capital expenditure plan over a short and medium term but with longer term repayment obligations.

- That the approved (by Water Services Authorities) operating budgets would be in line with the costs as per the Section 78 Assessment (escalated for CPI and growth).

Because of inadequate funds for capital expenditure, the Water Services Authorities have opted to approve several small standalone water infrastructural schemes which are less sustainable and result in higher operating costs. It is anticipated that grant funding will be available in future to implement the required regional bulk water infrastructure.

According to the Water Services Provider / Water Services Authority agreement, the parent municipalities are responsible for the preparation of the WSDPs. These should however be influenced by the Bulk Water Master Plan.

An analysis of economic growth within the company's area of supply indicates that, except for the town of Newcastle, no significant economic growth is anticipated. The District Municipalities of uMzinyathi and Amajuba have plans for agricultural development initiatives. These however are unlikely to result in a significant increase in their paying customer base. This implies that the planned capital expenditure on new infrastructure will not in the short-term result in a significant increase in revenue, and thus place further strain on the already scarce financial resources available. This will result in more pressure on the company to become more cost effective or more innovative regarding revenue generation.

The realization of uThukela Water's vision in line with that of the National, Provincial and Regional Universal Axis Plan, requires a future orientation and a long-term planning horizon. This will require the implementation the Infrastructure Master plan which will be a living document guiding the efforts towards providing water infrastructure to serve the people in this region, both rural and urban to the year 2040 and beyond. The company's area of supply

includes areas which rate among the areas with the highest backlogs in water services.

The proposed development of infrastructure in the Infrastructure Master plan is based on an analysis of the existing population and its growth and the water demands generated by such growth up to the year 2040. The Integrated Development Plans of the parent municipalities and the Provincial Growth Strategy was used as a point of departure in determining water demand projections for each of the demand nodes. Existing infrastructure have been assessed to arrive at dates where its capacity or design life exceeds that of the projected demands. Planning was carried out in consultation with both the Local and District municipalities.

The availability of water resources is a serious constraint, especially within the uMzinyathi District Municipality. The sustainability of water services therefore hinges on the use of the existing Ntshingwayo Dam, together with an extensive network of bulk treated water pipeline infrastructure to satisfy future demand from most of our area of supply. Many the current local sources of raw water (mostly boreholes) have proven to be unsustainable as a result of seasonal drought fluctuations and inability to meet increasing demand.

The time is now to start implementing the Bulk Water Services Master Plan.

The preferred option for bulk water services delivery as detailed in the Company's Master Plan can be summarized as follows:

- Two regional water purification plants, one situated in Newcastle and a new plant at the Ntshingwayo dam with capacities of 150 Ml/day respectively.
- A new bulk water pipeline from the envisaged new water plant at the Ntshingwayo dam, to replace the Dannhauser, Durnacol water works, to serve the rural areas of Amajuba DM, and to serve the Dundee Glencoe and Nquthu areas.
- A new dam to be built higher up in the catchment area on the Slang River to augment the Ntshingwayo dam.
- The Ngagane and Ntshingwayo Purification Plants located in Newcastle to supply all local municipalities in our area of supply.
- Four local water purification plants and abstraction points sized at less than 2 Ml/day each in areas far outside the supply areas.
- 350 kilometres of regional gravity mains between 90 mm and 800 mm in diameter.

- 250 kilometres of rising mains between 125 mm and 600 mm diameter At least 10 regional pump stations with a total pumping capacity of 190 Ml / day.
- At least 20 regional storage reservoirs to receive pumped water and reduce the risk of unavailability.
- The total cost of bulk infrastructure is estimated to be about R 10 to 15 billion.

9.3 Environmental and Safety Management

Water services delivery may affect the environment through damage to habitats due to abstraction of water and construction of new infrastructure, energy consumption from pumping and leakage from pipes.

9.4 Information Technology

The promotion and development of information technology is clearly a key component in any organization's strategic objectives. The use of information technology can result in significant gains in efficiencies and effectiveness. To achieve this, it is essential that the information technology strategy is guided by corporate strategy to ensure that the expenditure on technology is aligned with corporate objectives

10 RESOURCES

The resource requirements are a key part of any plan. This section outlines these in terms of operating and capital budgets, and human resources

10.1 Financial Plan

The annual Multiyear Operational and capital Budget submissions are the Boards Financial Plans that deal with the cost of resources needed in the 2022/2023 financial year and beyond. It matches affordable expenditure with the expected income stream.

The Budgets are linked to a sustainable and affordable bulk water tariff which is measured against other similar bulk water providers.

The Board has achieved its ultimate objective of getting all the shareholders to base their bulk water budgets on the volumes they purchase at the agreed bulk water tariff determined in terms of the existing bulk water services agreement.

Operating Budget: Section 87 (5) of the Municipal Finance Management Act requires that the budget of uThukela Water as a municipal entity be balanced (income to equal expenditure) and that it be within limits determined by parent municipalities. The budgets required by the company have historically been significantly higher than those approved by the parent municipalities. There is also no agreed framework for future budget increases (including tariff increases). This has made it impossible for the company to have a proper financial plan, except for a one-year plan, which is not appropriate for the capital-intensive water industry.

The 2022/2023 multiyear financial Budget and plans makes a request for approximately R 193 Million in financing to run the bulk water operations. It is proposed to recover these costs by charging the shareholder municipalities a bulk tariff of around R 4,40 c per kilolitre, which tariff is well below the Industry norm of around R 7, 75 c per kilolitre at present.

A capital element of around R 1, 00 per kilolitre, currently not included in the budgets but strongly recommended to the Shareholders, would raise an additional R 44 Million rand per annum, that would go a long way towards financing a capital budget to attend to the most urgent capital infrastructure needs. It is better to maintain these assets with available funding than to do nothing and postpone the inevitable.

Capital Budget: The municipalities have not approved or allocated a capital budget to the entity since the 2012 financial year.

The above-mentioned issues will hopefully be resolved during the current financial year as part of the process (which has already started) aimed at reviewing the institutional setup of the company.

10.2 Human Resources Plan

The Company values the positive contribution of employees to its success. It is therefore essential to ensure that employees are motivated and supported in their service delivery effort through:

- Providing adequate training to ensure that they meet the job requirements.
- Providing opportunities for personal advancement within the Company using the assisted education programme and attendance of various courses relevant to the water industry.
- To ensure that the development initiatives are informed by the Company's succession plans, personal development plans, affirmative action and performance appraisals.
- To ensure that there is constant supply of skilled personnel both from internal and external.

In order to maximize the training and development effort, maximum use of available funds from the Sector Education and Training Authority will be made. This will require proper planning and a full-time training officer/administrator. This will also help ensure that most of the required skills, especially the scarce skills, are sourced internally.

Due to the stringent financial resource constraints, the most pressing need is to ensure optimum utilization of the human resources, doing more with less. This will ensure that, without increasing the staff establishment where possible (except for new schemes), we are able to eliminate the problem of non-compliance with legal, corporate governance and contractual (e.g. WSP Agreement) requirements such as the following:

- Inadequate reporting as required by legislation such as the MFMA.
- Failure to comply with the Basic Conditions of Employment Act by allowing extended working hours and not approving leave due to insufficient staff.
- Failure to adequately respond timorously to emergencies due to insufficient resources
- Failure to adequately monitor operations and react proactively before failures occur
- Failure to adequately conduct routine maintenance which would reduce failures and extend the life of assets
- Consequences to service standard levels and National grading of water facilities.
- Failure to provide manpower for completed new schemes due to budget constraints

Use is made of appropriate technology where cost and efficiency benefits can be demonstrated, such as the remote monitoring of key infrastructure (e.g. reservoirs and pump stations)

The training effort mentioned above will also ensure that, where required, the employees are sufficiently multi-skilled to be able to competently operate with a broader range of skills. This is essential in our environment due to the large geographic spread of our operations.

A new organizational structure aimed at ensuring optimal deployment of human resources has been held in abeyance due to the delays in the finalizing of the institutional arrangements and will have to be revisited.

11 PERFORMANCE MANAGEMENT

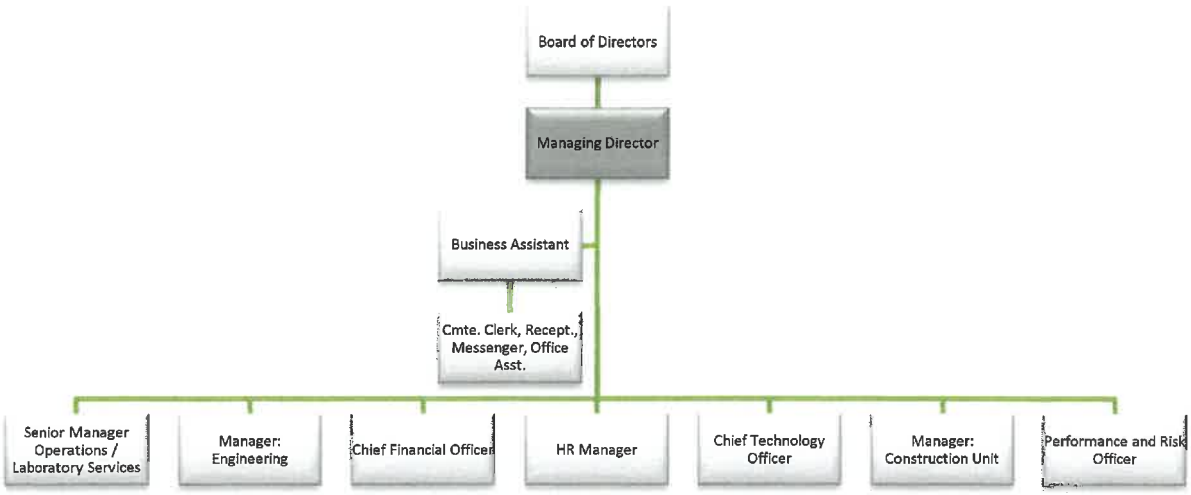
A fully fledged goal-orientated Performance Management System cascaded right down to the lowest levels of staff performance has been implemented. The system concentrates on the core issues and values of first-class water service delivery.

The Entity's most audited performance management score cards for the 2021 financial year reflect well on the high strategic, corporate, governance, financial, technical and operational targets, objectives and standards set by the Company. An excellent overall scorecard showing that the entity achieved 96.08% of its pre-determined objectives during the FY2020/2021.

Individually, on average, nearly 100% of all employees performed at acceptable levels with only a handful of employees not meeting with their targets and expectations.

The Performance targets and indicators have been re-assessed for the 2021/2022 financial year and are aimed at meeting all the Company's objectives and targets during the forthcoming year.

11.1 STRATEGY AND LEADERSHIP



The Strategy and Leadership Functional Centre comprises the top leadership of the Company, namely the Board (Executive and non-Executive Directors) and includes the administrative support (Professional Assistants).

The purpose of the Strategy and Leadership Functional Centre is to provide leadership, monitoring and controls in the following areas:

- Strategy formulation, review and implementation
- Development and review of company policies
- Corporate governance
- Key risk areas and key performance areas of the business
- Open, prompt and effective communication with shareholders and key stakeholders

The key deliverables of the Strategy and Leadership Functional Centre, especially during and following the corporate restructuring / institutional transformation of the Company will be as follows:

- Review corporate Water Services Master Plan
- Inculcate agreed corporate value systems
- Institutionalize strategic planning processes
- Draft and implement all the required policies and procedures
- Prepare and implement turnaround strategies for the organization
- Develop corporate performance management framework
- Actively influence Integrated Development Plans of municipalities within area of supply
- Ensure compliance with King Code on corporate governance
- Investigate innovative funding mechanisms for capital expenditure
- Prepare and implement a strategy for enhancing relationships with Provincial and Central Government entities and departments, particularly DWS, DPLG and water services providers

12. COMPANY SECRETARY / CORPORATE ADMINISTRATION

The purpose of this section is to:

- Provide advice and support on legal issues
- Provide advice and support to ensure good corporate governance
- Ensure that the most suitable corporate contracts are drafted and implemented
- Implement sound corporate administrative systems

The company secretary function of uThukela Water deals with the corporate management matters for the company, which includes ensuring legal compliance and legal information distribution, risk management, information workflows and archiving.

The most important aspect to be addressed within this service centre is to determine and prioritize the risk exposure of the board of the company. This is to be done through an integrated risk management policy. Presently it is known that uThukela Water is exposed to several risks. Some of these are the financial management requirements to be met as prescribed in the Municipal Finance Act, the shortages of skills in the technical areas for the water sector, the imminent ageing infrastructure failures, safety standards and many operation and maintenance exposures.

The key deliverables for this service centre are as follows:

- Confirm all legal compliance requirements and recommend action plans to ensure compliance
- Prepare and ensure implementation of risk policies and procedures
- Institutionalize effective risk management practices
- Implement new document management and archiving systems / facilities
- Test all policies and contracts for legal risk / compliance
- Ensure that all legal action against or by the company is afforded the best affordable chance of a positive outcome.

13. RISK ASSESSMENT

The Company has a fully functional Risk Management Plan, policy and guidelines in place which are regularly assessed by a qualified Risk Assessment Manager. Risks assessments are reported on a quarterly basis to the Audit Committee, LEADCO, the Board and Shareholders.

The ten highest risks of the entity are identified as follows

Identified Risk	Inherent Risk	Residual Risk	Risk Appetite	Risk Tolerance	Appetite	Tolerance
Failure of Company to operate as a going concern	100	80	41	61	Outside of Appetite	Outside of Tolerance
Bulk Water Tariff not reflective of true cost of water supply	70	63	41	61	Outside of Appetite	Outside of Tolerance
Failure of infrastructure and safeguarding of assets	100	60	21	41	Outside of Appetite	Outside of Tolerance
Inability to Respond / Recover from Disaster	10	60	41	61	Outside of Appetite	Within Tolerance
Lack of cohesive approach to bulk water service delivery	70	42	41	61	Outside of Appetite	Within Tolerance
Failure to supply agreed volumes of water	20	12	21	21	Within Appetite	Within Tolerance
Occupational health and safety non-compliance	100	35	21	41	Outside of Appetite	Within Tolerance
Non-Compliance with legislation and policies	56	20	21	41	Within Appetite	Within Tolerance
Institutional Reform and Inability to establish optimal staffing requirements	56	20	41	61	Within Appetite	Within Tolerance
Failure to supply potable water of required standards	**16**	**2**	**21**	**21**	**Within Appetite**	**Within Tolerance**

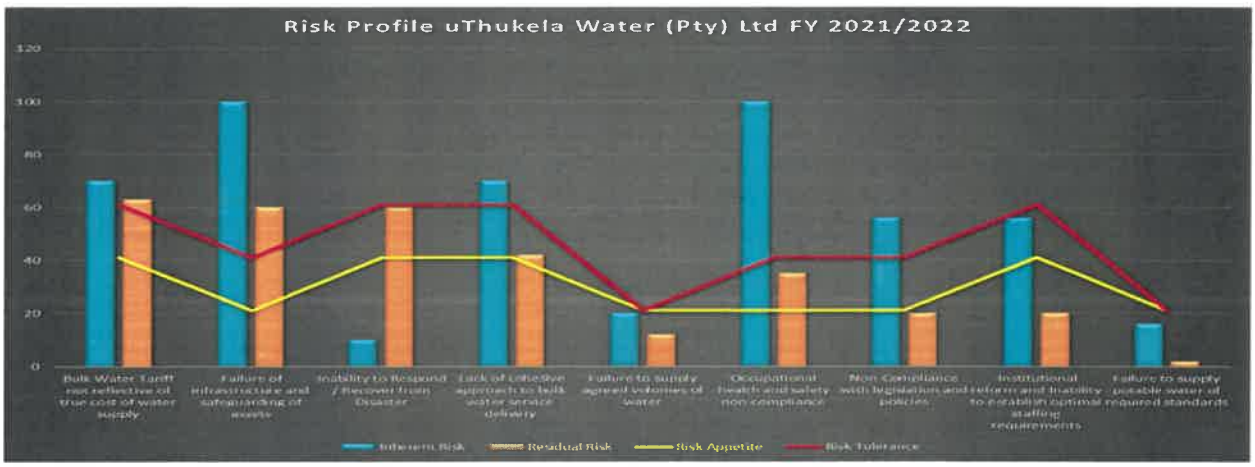
There are 4 risks that pose a serious threat to the entity currently, falling outside of the risk appetite and risk tolerance levels of the Board of the entity, thus placing extreme pressure on the entity. Failure to further mitigate these risks timeously and effectively could lead to the collapse of the entity. these risks are:

- The failure for the company to operate as a going concern- the root cause of which being the poor and inconsistent payment from shareholder municipalities.
- Bulk water tariff not reflective of true cost of water supply- the root cause of which is the failure for a Capital Budget to be included in the approved bulk water tariff of the entity. Resulting in the infrastructure of the entity not been upgraded and adequately maintained over the years which leads to the next high risk of the entity
- Failure of Infrastructure and safeguarding of assets- The root cause of which been the tariff not been sustainable as well as cashflow

constraints caused by the inconsistent payment for bulk water by shareholder municipalities.

- Inability to respond and recover from disaster- the root cause being that should the entity be struck with disaster and the infrastructure like Water Treatment Plants and pipelines be affected the entity will have no way to supply treated bulk water to the community until infrastructure is repaired or replaced. The lack of capital investment within the entity has prevented the entity from building back up water treatment plants and pipelines which could be used in case of a disaster.

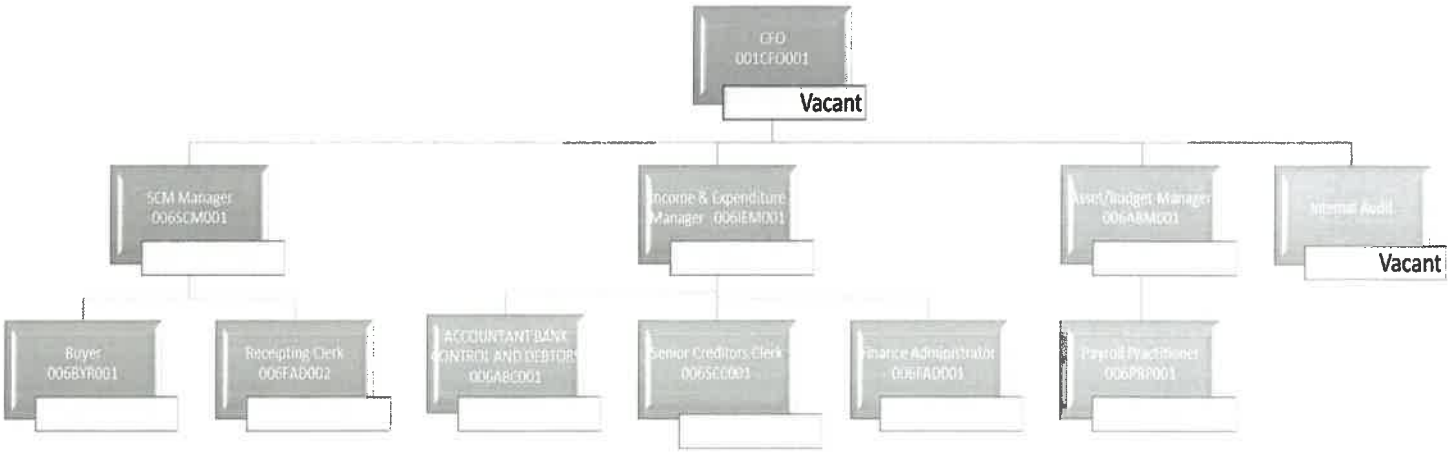
The detailed risk profile of uThukela Water (Pty) Ltd can be analysed below



Risk areas of concentration are;

1. Water resource planning management and development
2. Bulk water master plan, financial planning and implementation
3. Effective budgeting and bulk tariff application
4. Assurance of supply and minimum service interruption
5. Maintenance and safeguarding of water Infrastructure
6. Water quality standards and health issues

14. FINANCE



Executive Summary

The purpose of the finance functional centre is to provide timely, online, accurate and integrated accounting records for all financial transactions effected by the company. This is aimed at ensuring that uThukela Water meets its goals effectively and efficiently by providing liquidity, financial information, financial controls and acquisition of goods and services.

This business plan proposal is aimed at detailing the processes and activities to achieve the goals.

This document sets out: the strategy for managing financial risks, the operational plans to support this strategy and requirements for monitoring and review of the strategy.

Key expected outputs:

- Establishing sound financial systems and procedures in terms of the Municipal Financial Management Act and other relevant legislation and regulations
- Improved financial reporting, systems, controls and revenue enhancement mechanisms
- Ensure that all relevant finance and procurement policies are developed and implemented
- Ensure the availability of timeous, reliable financial information
- Management of assets and cash reserves

- Support services

In conclusion the development framework of the Finance Function is addressed.

Introduction

The purpose of this document is to present a business plan that clearly points out the mission, goals and objectives of the Finance function for uThukela Water. With effective utilization of Financial Management and Financial Accounting systems, this section will ensure that all financial resources are managed and controlled and that accurate timeous reports are produced.

The business plan will serve as guidance in achieving identified goals and a financial strategy that defines sound financial management and expenditure control, as well as ways and means of increasing revenues and external funding. The strategy will address the following:

- Revenue enhancement strategies;
- Asset management strategies;
- Financial management strategies;
- Capital financing strategies;
- Risk Management strategy;
- Operational financing strategies; and
- Cost-effectiveness enhancement strategies.

The accomplishment of this plan will require team effort. Determined and motivated personnel to translate it into actual deliverable activities and to ensure that there is sustainability in all initiatives accomplished.

The focus of this plan lies on matters relating to, or which have bearing on, the overall financial management of uThukela Water (Pty) Ltd and performance of the finance department.

This plan will provide a description of the finance functional centre, a brief history of past events, highlight the challenges and path a way forward.

Description of the Finance Function

The Finance Function is responsible for the Financial Management and Financial Administration processes of uThukela Water and will fulfil the required services in accordance with the approved financial strategy. It is proposed that the Finance Function should focus and improve on the following specific support services:

- finance processes,
- finance legal compliance,
- policies and procedures,
- budget administration,
- revenue management,
- treasury management (cash management, banking),
- expenditure and liability management (procurement, creditors, expenses, payments),
- asset management support services (insurance, depreciation),
- general ledger (reconciliation),
- payroll support services,
- Financial reporting.

Objectives

Functional Mission

Finance shall ensure the effective and efficient delivery of all finance services to the Board, the leadership, other functions (Departments), and other stakeholders by achieving an effective support service.

Functional Goals (KPAs) and Objectives (KPIs)
The strategic goal of the functional centre: Finance is the provision of **timeous, online, accurate, integrated transaction processing and financial services**.

The functional goals and objectives of the Finance function are the following:

- Accurate and timely transaction processing
- To ensure that the entity complies with all financial legislation

- Timely and meaningful management and external reporting
- Sound financial governance

Background and History of the Finance Department

In the design, the company is meant to be a cost recovery non-profit organization and any surpluses made should be invested into service delivery to the credit of the relevant shareholder.

The sources of operational income are water revenue, laboratory sampling revenue and investment interest.

On the expenditure (cost) side, the cost allocation model is used to share and allocate costs amongst the shareholders and it entails that the cost of laboratory services, and head office will be shared by the shareholders. The bulk costs are for the account of the individual shareholder.

Financial Performance Indices

The following financial ratios are utilized as a guide in financial management and the reasons for selecting these are set out below:

Return on Assets - (Earnings before interest divided by total assets)

This is an indication of the return before interest in relation to the investment that uThukela Water has made on infrastructure. This percentage can be used as a comparison to the average cost of borrowing. This is one of the primary measures of financial performance.

Debtors Collection Period - (Trade debtors x 365 divided by total sales)

This ratio equates trade debtors to turnover and shows how many days that a debtor on average owes uThukela Water before we get paid. This we aim to bring in line as far as possible with our creditor payment policy, i.e. we would like to be in the situation where we do not have to raise funds.

Equity to Total Liabilities - (Reserves and provisions divided by long-term debt)

This ratio indicates at what level we are internally funded.

Current Ratio - (Current assets divided by current liabilities)

This ratio gives an indication as to how well the organisation is matching its operating cash flows, i.e. that the monies received from consumers match that paid to our creditors.

Tariff Increases - (% increase on previous year's tariff)

This is clearly one of the most significant of all the performance indices. It is thus crucial that the annual increase is reasonable in relation to the CPI.

Other financial targets are to maintain and continually upgrade the management accounting controls and to meet the budgetary limits set for each year. Some additional ratios that will be monitored are:

- Total Expenditure divided by Budget
- Overhead cost ratios (total overhead costs divide by total costs)

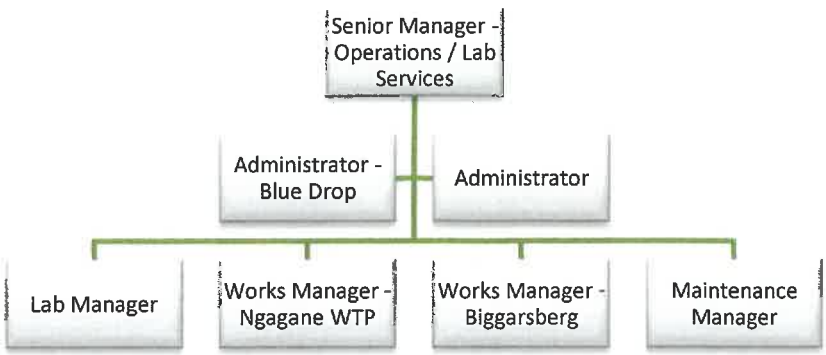
About corporate governance reporting issues, the goal is to improve our reporting to stakeholders. This takes the form of:

(a) Audited annual financial statements (sustain 100% compliance with deadlines and unqualified audits with the objective of obtaining clean audits)

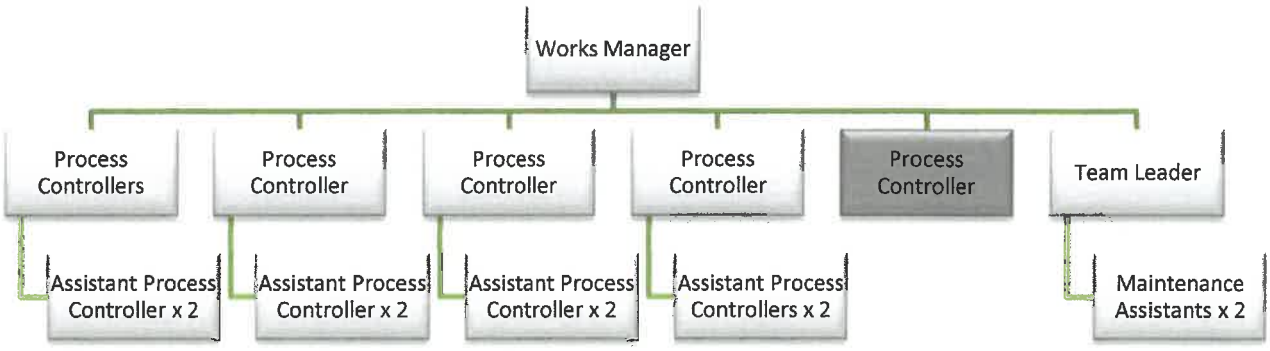
(b) Monthly Financial Statements and Variance Reports submitted to the Board and the Water Services Authorities timorously.

15. OPERATIONS/ENGINEERING AND LABORATORY SERVICES

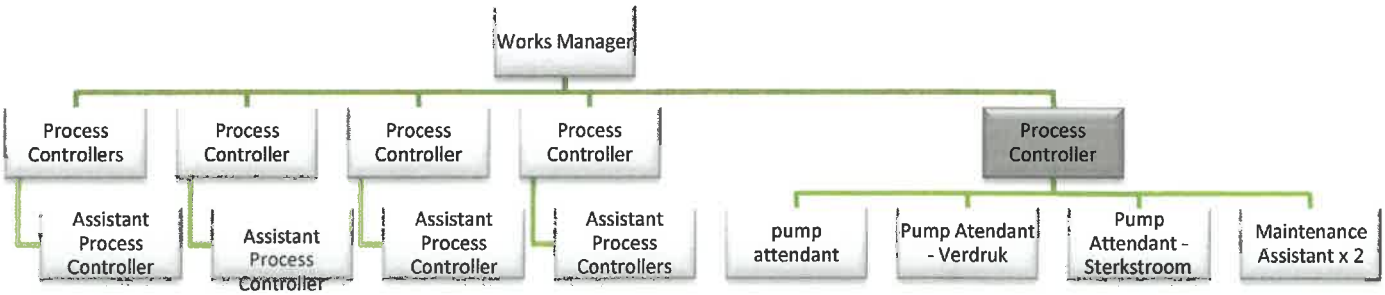
15.1 Operations and Technical Services



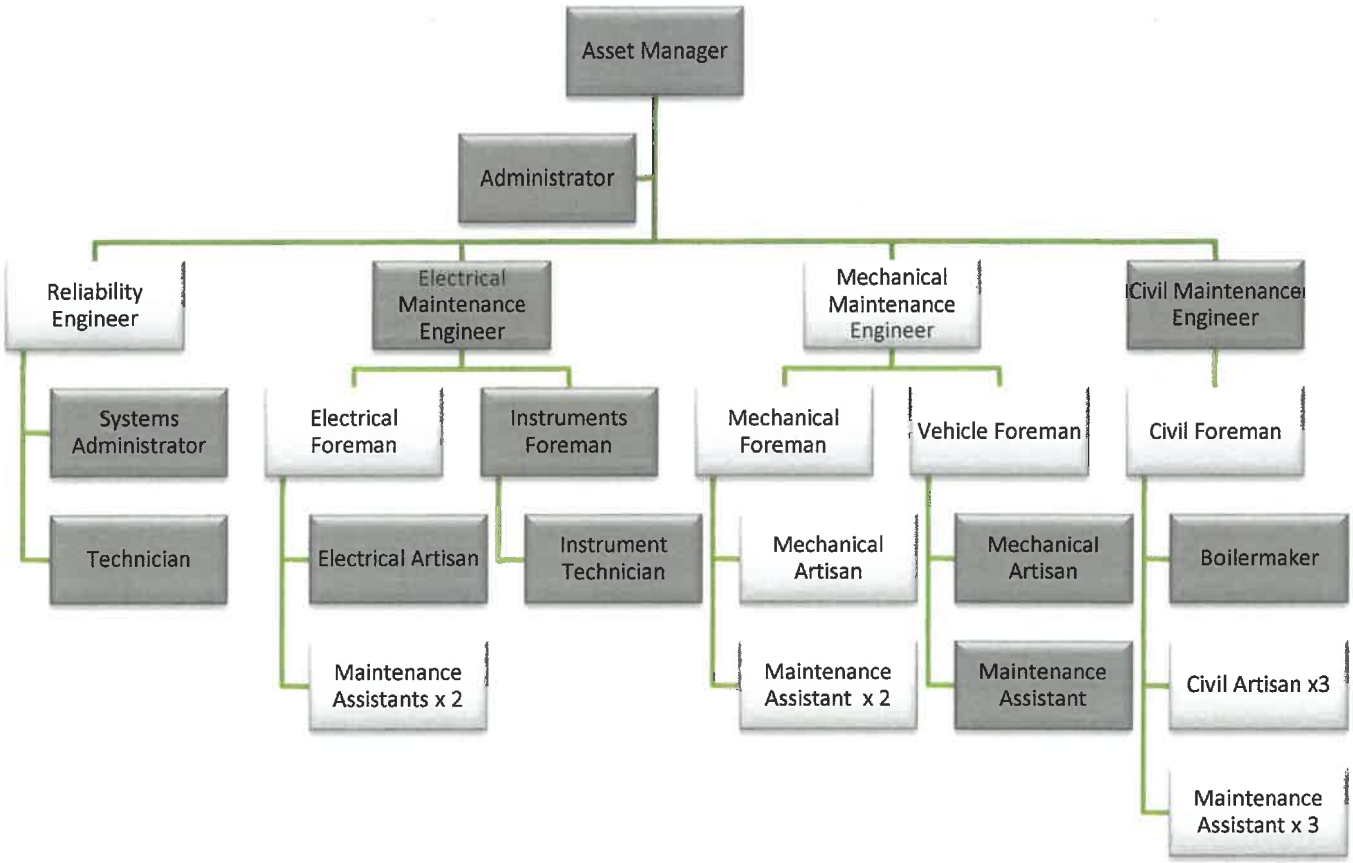
Ngagane WTP:



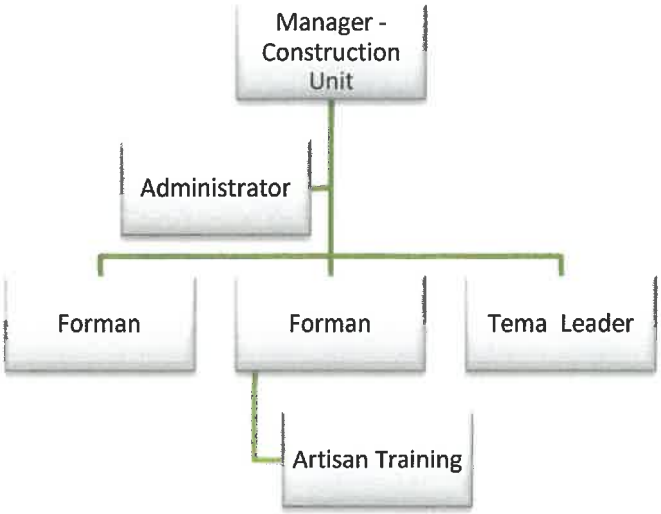
Biggarsberg WTP:



Maintenance Department:


Asset Manager
Administrator
Reliability Engineer
Electrical Maintenance Engineer
Mechanical Maintenance Engineer
Civil Maintenance Engineer
Systems Administrator
Technician
Electrical Foreman
Instruments Foreman
Electrical Artisan
Instrument Technician
Maintenance Assistants x 2
Mechanical Foreman
Vehicle Foreman
Mechanical Artisan
Mechanical Artisan
Maintenance Assistant x 2
Maintenance Assistant
Civil Foreman
Boilermaker
Civil Artisan x3
Maintenance Assistant x 3

Construction Unit:



The Operations Function of uThukela Water is to ensure the strategic objective of sustainable, affordable, but safe water services. The utilization of appropriate technology and the optimized application of a motivated and well-trained workforce is a challenge that needs to be continually monitored and addressed.

The Vision of the Department is:

To become a leader in the provision of equitable, sustainable, people-centred, affordable and credible Water Services to all within our area of supply.

To fulfil the Vision statement, we will as a Mission ensure:

Equitable

- The provision of basic Water Supply for improved quality of life and poverty alleviation.
- The provision of a higher level of service to stimulate economic growth in the region.

Sustainable

- Available and reliable water resources
- Safe drinking water

- Protected environment
- Enough capital and operational budget to sustain and maintain existing and future infrastructure.

People-Centred

- Customer satisfaction
- Skills, Competencies, Innovation of employees to meet objectives
- Meaningful stakeholder relationships

Affordable

- Fair/Affordable tariffs to our customers

Credible

- Apply international best practice management
- Aim to be the preferred water services institution/provider

The Business units and key areas are focused and driven as follows;

- The Operations business unit, main streams of, Bulk Water Services, Maintenance and Support Services, Environmental Laboratory and Scientific Services, and Dam and water Resource Management.

  Bulk Water Services, the area of supply is divided into two areas (Ngagane and Biggarsberg).

- Engineering, design, health and safety, Rudimentary, and project management.

The Department has since 2012 operated without an Executive Director and with the minimum budget and no capital budget to effectively implement the objectives of the water services agreement, master plan and municipal water IDP's.

It has consequently only implemented;

- Small and ad-hoc Infrastructure refurbishment / renewal projects.

- Basic and most urgent Infrastructure upgrade to meet growing demand or requests to increase service levels.

- No new extensions of existing infrastructure to cover un-serviced and new developmental areas.

Business Plan and funding requests are made through the budget processes and on an ad hoc request basis throughout the year.

Due to budgetary constraints, the following high-risk areas are not receiving the necessary attention;

- Adequate number of skilled Maintenance Personnel to attend to routine maintenance issues.

- Addressing the continued decline in the condition of the water assets,

- Safety and health issues at the plants and installations although huge inroads have been made into this area.

- Systematic replacement of outdated plant and equipment with modern and more effective systems.

- Total maintenance support (no extra teams and limited operational/maintenance cost) of all new infrastructure

- Operational contingencies (no operational emergency funds available)

Without proper budget planning and allocation for these unavoidable costs more pressure is brought to bear upon the Department by uncontrollable cost drivers such as ESKOM, DWA raw water charges and staff costs, which ultimately crimp the budget to accommodate these.

Raw Water

The Department of Water and sanitation annually increases its raw water tariff within the Ngagane Government Scheme. Although the current increase is inflation linked the Board has only increased this item by the National Treasury limitation of 10 %.

The municipalities have at times not been being paying their DWS raw water charges to the Company and this has resulted in a backlog of payments to the Department amounting to approximately R 410 Million inclusive of interest

This is a serious anomaly and National Treasury has instructed municipalities to make provision for these charges and any areas in their current and consolidated budgets.

Energy

The electricity costs have been budgeted for per registered point, per SC, at actual demand. NERSA, the electricity cost regulator has restricted ESKOM's increase to around 20 % and the budget has been adjusted accordingly.

Maintenance and Repairs

The maintenance of existing infrastructure has not been adequately addressed in the past. This imposes a significant risk to the assurance of a sustainable water supply to the customer.

Conditional assessments of all major mechanical, electrical, equipment / machinery, vehicles, plant and administrative assets is conducted annually and aligned to maintenance programs and budget allocations.

Several serious life-threatening events have occurred, or are posing a threat, due to the poor state of some of the electrical and mechanical equipment.

Provision and Funding is required for building and structural repairs, cleaning of sludge dams, sand filter refurbishment, pumps/motors due for critical maintenance.

Vehicle cost and service intervals are being stretched/delayed due to the age and condition of the vehicle fleet.
Provision for increased security costs is required due to theft and vandalism at the plants, particularly after hours. The poor state of some of the fencing also requires attention.

The major bulk pipelines serving to and from the water treatment plants have reached the end of their useful lives and require upgrade and or total replacement.

In the interim, all the Board can do, is ensure that the infrastructures and installations are maintained in terms of routine and planned maintenance programs with whatever funding it has available to it. This will help ensure that the assets can still operate, albeit beyond its design life.

Due to budget constraints, a minimal operational staff unit mans the water treatment plants on a 24/7 basis. This does result in excessive overtime due to

longer statutory shifts being worked, i.e. 12 hours shifts, particularly over weekends to meet the water demand

Teams are in place to carry out routine maintenance of plant, grounds and equipment, the cleaning of the plants, reservoirs, pump-stations, the cutting of grass and the handling of chemical stocks.

Electricity cost management

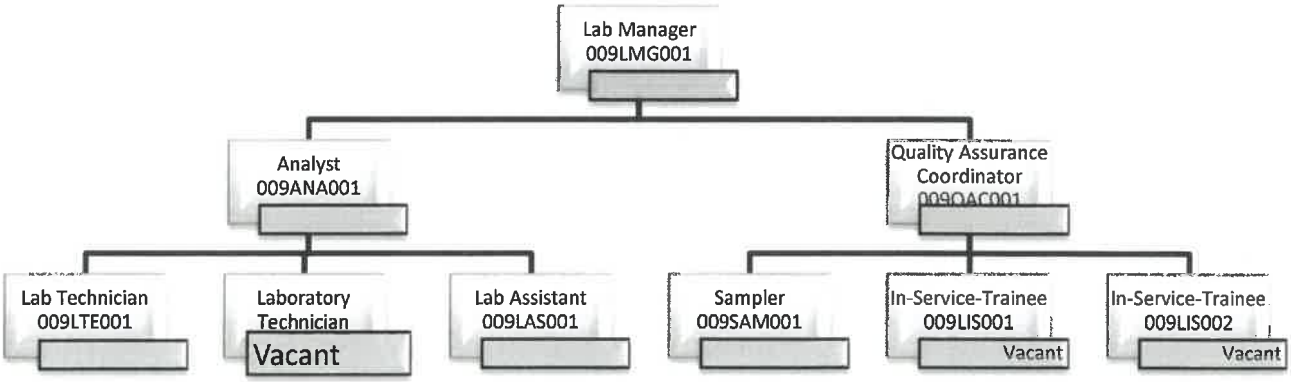
NERSA have ensured that electrical costs have been maintained at affordable levels and these increases have been catered for accordingly.

The following measures are in place to reduce electricity consumption;

- Effective utilisation of the high voltage pumps at all pump stations.
- Control supply volumes and save on additional pump utilisation.
- Effective use of ESKOM tariff tables for on and off-peak times, having regard to the continuity of supply.
- Use of the telemetry IT system to monitor and balance the supply reservoirs and to optimise the operation of the pump sets.
- Monitor all Pump sets efficiencies on an on-going basis subject to the availability of maintenance and CAPEX funds.
- The upgrading of all electrical panels on an on-going basis subject to the availability of maintenance and CAPEX funds. This will optimize and ensure the effective use of electricity and reduce losses associated with the old equipment.
- The upgrade and refurbishment of telemetry and level control systems This will ensure that pumps stop when reservoirs are full and that the reservoirs don't overflow unnecessarily This will optimize and ensure the effective use of pumping hours that will have a saving in the electricity use.
- Installation of automated timer controls to switch lights on and off at the plants and save on daylight hours.

LABORATORY AND SCIENTIFIC SERVICES

The current Laboratory staff Structure does not allow for an optimal deployment of resources and needs to be updated.



The Operations Water Services Activity

This activity manages Bulk Water service provision. This division will carry out the core business functions of water abstraction, water purification, production and water distribution.

This is a flat top structure which broadens the responsibility of each manager.

Engineering Department

The Engineering Centre is responsible and accountable for the planning and implementation and control of new water infrastructure projects. Engineering is structured into design and projects and implements new infrastructure projects, controls health and safety aspects and Rudimentary water service projects.

The **Design Team** delivers engineering planning, design services, drawing services, compilation of specifications, drawings, schedule of quantities, feasibility studies, assessments and audits, tender documents, request for

proposals, tender evaluation, loan and grant applications, NAV determinations, engineering informatics and geometrics, and other centre tasks. Some of the design work for the projects will be outsourced to external consultants.

The **Projects Team** is responsible for projects planning, project review and closure, projects management, quantity surveying, payment certificates, quality assurance, quality control, cash flow management, testing, commissioning, operating manuals, site inspections, as build drawings and asset registers. Most of the construction for new projects is outsourced.

The Operations Services Team

The Team provides all the necessary support to carry out the core business functions of water production and bulk water distribution. The functions include maintenance, safety, water demand management and metering.

Compliance with Treated Water Standards (Given as a percentage of the number of samples in compliance)

The quality of portable water that uThukela Water produces at its treatment plants generally complies with the requirements laid down in law and are in fact of "Blue Drop" standard as measured and reported by the Department of Water Affairs and Sanitation. This trend must clearly be continued.

Water Supply Interruptions (Given as the percentage of time when water is not available)

A major influence in the design of uThukela Water's infrastructure is the level of assurance of water supply to the customer. At an operational level, this is measured by the number of hours without water relative to the total operating hours.

In the event of an emergency cut-off of water supply, uThukela Water has set the target that it will restore supply within 24 hours, except in those cases where a delayed response makes business sense (infrastructure to be repaired in a future planned shutdown).

Unaccounted-for Water – Production and Distribution.

Before an accurate picture can be obtained of water that may not be readily accounted for as a result of various types of losses, it is necessary to ensure that measurement devices are installed at the various stages of water abstraction, production and bulk distribution. This entails separating the stages into the abstraction of raw water, treatment and bulk distribution establishing trends,

and then setting targets to reduce the unaccounted-for water. It is acknowledged that percentages are not the best means of measuring losses and it is the intention in future to move towards more scientific means of analysis.

Bulk water losses are currently maintained below 15% and around 8 – 9% but the ageing infrastructure is a matter of concern and could spiral the losses over time if not attended to.

i. Infrastructural Development Indices

Projects Completed on Time (Number of projects / phases of projects completed before or on time divided by total number of projects / phases of projects)

This is an indicator of good project planning. Significant cost savings are possible by ensuring projects are completed on time.

Projects Completed within Budget (Number of projects / phases of projects completed within budget divided by total number of project / phases of projects)

Project spending according to budget deviation is an important tool to determine quality of planning and implementation since funds are limited. Improvement of cash flow forecasts will ensure that no projects are put on hold or delayed due to insufficient funds and that all available grant funding is used.

Environmental Studies Completed (number of projects for which environmental studies have been carried out divided by total number of projects)

This measure is to ensure that environmental studies are carried out for all projects that may have an impact on the environment.

Productivity Indices

Production Costs (Total operational costs excluding interest and redemption and Head Office divided by total water produced)

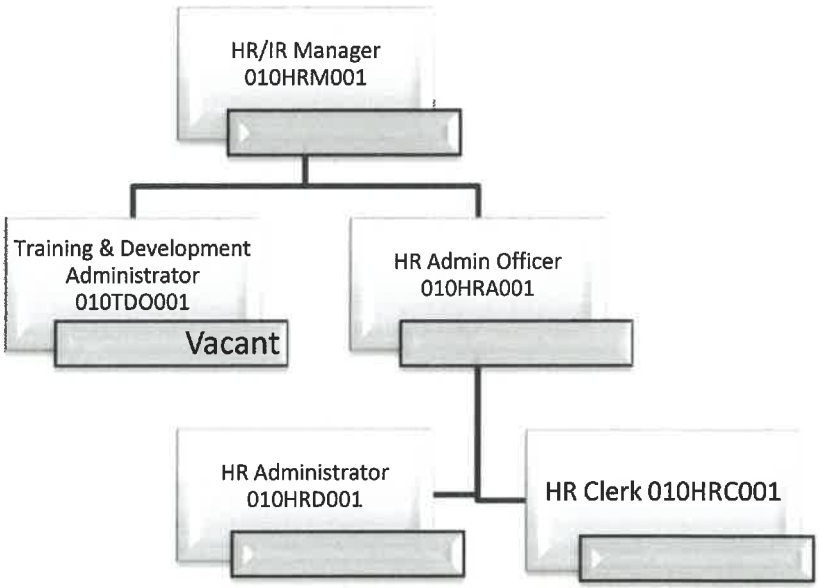
This gives a measure of our efficiency in terms of the cost of producing water by focusing on direct operational costs.

Assurance of Supply Indices

Percentage of demand supplied (Percentage of time that a certain proportion of demand is guaranteed)

This gives a measure of how often (or rarely) it is necessary to introduce curtailments as a result of drought conditions or infrastructure failures.

16. HUMAN RESOURCES



Introduction

The Human Resources Division is located at the Company's Head Office with a staff complement of 86 permanent staff and 2 contract staff members.

The Human Resources department offers human resource service to other divisions, heads of departments, line management and employees. Its broad role is the management of human capital of the organisation. The role of the HR staff is to add value to the Company through strategic input and value add through human capital provisioning, development and retention. The focus is to assist the organisation to also optimise its human potential. Huma Resources is responsible to monitor and ensure effective supporting the following initiatives:

- Sourcing and developing the human resources required by the organisation to achieve its objectives;
- Implementation of Boards Equity plans;
- Supporting the development of the organizational culture;

- Ensuring the optimal deployment of skills, competencies and capabilities of all those employed in the organisation;
- Ensure maintenance of the required culture and management style;
- Ensuring that the organisation meets its social and legal responsibilities towards its employees with reference to reward and pay, conditions of service and quality of working life provided to them.
- Development and implementation of enabling polcies.

HR is providing the following services to all departments/service centres:

- Human Resource provisioning
- Providing advise of a wide spectrum of area, including, labour relations, training initiative, compliance with various legislations,
- Skills audit, providing and organizing training interventions,
- Offers dispute resolution assistance, grievance and disciplinary hearings support,
- PMS implementation and monitoring,
- Assist with talent identification, monitoring and counselling,
- Interpretation of HR and other labour related legislation and agreements,
- Facilitate the finalization of the Workplace Skills Plan and EE Plan
- Facilitate training and development for staff,
- Facilitate and improving communication internally and externally (SALGBC, ESETA etc.)
- Developing service culture within the company,
- Aligning staff to the organization's vision, mission and goals,
- Providing all services which are labour and HR-related to the company,
- Conducting human resources audit.

Key Performance Areas of the Business Unit

As a strategic support service, the human resources department's deliverables will be grouped according to the following key performance areas:

- Labour Relations
- Training and Development
- Performance management
- Human Resource planning and employment, and succession planning
- Human Resources administration
- HR Risk Management

The structures and institutions required to deliver on the HR Department's KPIs shall be:

- Local Labour Forum
- Training and Development Committee
- Employment Equity Forum
- Health and Safety Committee
- Scarce Skills Committee
- South African Local Bargaining Council
- Performance Management Committee
- Job Evaluation Committee

Mission of the HR Department

The Human Resources department mission is to provide:

- Quality performance

- Transparency, participation and accountability
- Development and training
- Fair labour practice
- Flexibility and creativity

HR Strategy

Human Resources strategy as defined in the Board's Policy documents:

- Appropriate Human Resources systems shall be used for all administration functions.
- Outsourcing to consultants shall be used only if required, especially, on specialized expertise e.g. training, job-evaluation, restructuring, PMS Etc.
- Operations management shall be fully capacitated to exercise human resources functions at their levels with HR only supporting on a need basis.
- Obtaining, developing and monitoring the human resources required by the organisation to achieve its objectives.
- Developing an organisational structure and climate and evolving a management style which will promote co-operation and commitment through-out the organisation.
- Assist in making best-use of skills and capabilities of all those employed in the organisation.
- Ensuring that the organisation meets its social and legal responsibilities towards its employees with reference to conditions of employment and quality of working life provided to them.

Key Objectives of the HR Department

The company's human resources philosophy is "**people create the business**". This demonstrates the paramount importance attached by the Company to its human capital. Therefore, the human resources mission of the Company, emanating from its philosophy and key objectives are the following:

Quality Performance

The organisation shall pursue a SMART and high standard service delivery strategy and employee productivity improvement programmes shall be vigorously pursued to enhance efficiency and improve the unit costs; more productive employees will contribute to a lower unit cost.

Transparency, Participation and Accountability

In order to entice their maximum contribution towards organisational objectives, the staff of uThukela Water shall be fully participative. The company shall effectively communicate and involve staff in the formulation of its labour relations policies, procedures and programmes. This approach shall inform and guide the company practices adopted by the LEADCO and the Board. The ultimate focus is accountability to both the customers and water service authorities.

Development and Training

A continuous and systematic training and development programme shall be incorporated in the workplace skills plan of the Company. All these programmes shall be incorporated in the strategic objectives identified in the WSP. The future growth and prosperity of the Company is largely dependent on the knowledge, skills and expertise of its human resources.

Development and training is a single most important motivation to staff. The training and development effort will be stepped up significantly in order to deal with the challenge of lack of skills within our area of supply and the high competition for some of the key skills such as the engineering / technical skills.

Structured Recruitment

The company shall source high quality personnel capable of meeting the high-performance standards expected of them. The recruitment shall be informed, not only by competitiveness but by employment equity obligations. A comprehensive HR strategy will also support specific strategic objectives undertaken by the customer care, financial, operational and technology departments.

It will aim to capture "**the people element**" of what the company is hoping to achieve in the medium to long term ensuring that:

- It has the right people in place
- It has the right mix of skills

It will also consider issues like the following:

a) Workforce planning issues

b) Succession planning

c) Workplace skills plan

d) Employment Equity plan

e) Pay levels designed to recruit, retain and motivate people

f) Career development framework which looks at development within the Company.

g) Changes in the overall employment market, demographic and remuneration levels.

Fair Labour Practice

The labour relations and treatment of staff shall be based on fair labour practice. Labour policies and procedures shall substantially comply with all relevant labour legislations and Collective Agreements.

Flexibility and Creativity

The human resources planning shall be guided by flexibility and creativity. The ultimate objective in this regard shall be the retention of staff and improvement of their loyalty.

Industrial Relations

The following shall be part of maximizing HR functions and legal compliance:

- Compile and implement an industrial relations policy.
- Ensure that all employees understand and utilize grievance and disciplinary procedures.
- Ensure that all managers and supervisory staff are trained in IR procedures. Monitor their implementation of the relevant procedures (e.g. disciplinary enquiries and grievance hearings).
- Liaise with and negotiate/consult with organized labour.
- Dispute management including advice, briefing.

- Ensure and monitor the establishment for all structures, provision of secretariat services and advice.
- Implementing an employment equity strategy and targets.
- Identify potential conflict situation and minimize the implications.
- Conducting inductions for all staff ITO policies and procedures.

Employment Equity

The following shall be applied or effected as part of HR functions:

- Ensure that the company adheres to Employment Equity Act. 55 of 1998.
- Ensure that the company is free from any discrimination and actively seeks to support employment equity.
- Oversee and monitor the compiling and implementing Employment Equity plan.
- Monitor evaluate and report results according to legislation requirement.
- Report to Department of Labour on an annual basis as stipulated by the Act.

Employee Assistance Programme

- Compile and implement an Employee Assistance programme
- Ensure that HR staff members are trained in the principles and the requirements of the EAP.
- Ensure that all managers and supervisory staff are trained to understand the principles and requirements of the EAP referral procedures.
- Regularly assess the value and cost-effectiveness of the programme and report feedback to LEADCO.

Human Resources Data/Records

This is also one of the important functions of HR which forms part of legal compliance and cannot be performed elsewhere.

- Ensure that all HR records and data are maintained and standardized according to all relevant legislations and SALGBC agreements.
- Ensure that the data is always safely secured.
- Ensure that such data is updated, and records especially leave records are filed and kept safe.
- Ensure that record storage system is maintained and serve the needs of the organisation.
- Ensure that HR system can meet all the functional requirements of the division.

Employee Benefits and Remuneration

This is also one of the crucial functions of the division:

- Benchmark employee benefits and remuneration practices at least once after two years.
- Provide feedback to LEADCO about the outcomes of the benchmarking, salary survey, remuneration anomalies and programmes developed for this purpose.

ORGANISATIONAL STRUCTURE - HR FUNCTIONAL CENTRE

Ensure that the organisation operates with an approved organogram and update it as and where changes are required.

STAFF TRAINING AND DEVELOPMENT

Training and Development is one of the crucial requirements of the organisation and it often don't get the attention it deserves. The following activities are planned:

- After submitting the Workplace Skills Plan, monitor its implementation and encourage the culture of learning in the organisation.
- Implement the Learnerships to upskill the employees and the community subject to the availability of funding.
- Training of artisans is ongoing in the organisation.
- There are also preparations for training scheduled for the following:

- Procurement staff at Finance
- Safety Committee representatives
- First Aids representatives
- Finance staff
- HR Staff
- EE and PMS training

- The following are scarce and critical skills which were identified by ESETA and will be developed within the company as and they are needed:

EWSETA Critical Skills List			
Management Soft skills Technical Other	**Soft skills**	**Technical Skills**	**Other**
Leadership and management skills	Decision making	Health and Safety	Customer relations
Mentoring and coaching	Interpersonal skills	Arc Welding	Customer service
Planning and project management	Emotional intelligence	Scaffolding	Communication skills
Conflict management	Assertiveness	Underground setting course	Telephone etiquette
Negotiation and persuasion	Teamwork	Water Purification	ABET/numeracy and literacy
Business skills	People skills such as managing diversity	Fire fighters	Ability to apply knowledge
Analytical skills	Communication	SHE awareness training	Access to information
Scenario planning skills	Presentation skills	Safety officer course	Interpersonal relations skills
Report-writing skills	Listening skills	Forklift	Problem solving and decision-making skills
Morals/ethics skills	Life skills (personal, finance, time management,	Basic lab & Instrument Training	Conflict resolution skills

	resilience, stress management)		
Skills to address the Green Economy Agenda	Innovation and creativity	Technical Report Writing	Time management skills
Project management	Personal hygiene	Lubrication Essentials	Anger management skills
Teamwork	Food safety	Risk Management Advanced Operator Training	Listening Skills
Labour law	First aid	Basic Environmental Awareness	Business and general skills training for Shop stewards
Labour economics	Care of HIV/AIDS patients, & care of disability)	Dangerous Goods Training	
Case management	Numeracy	Hazardous Materials Transport	
		HIRA (Hazardous Identification of Risk Assessment)	
		Landfill Operations	
		Water reticulation pipe laying	
		Supply chain management	

HIGH LEVEL STRATEGIES

ESETA also tried to come up with strategies to be considered by water Utilities in order to address the retention and development of the identified scarce skills. The following were agreed to be part of strategies:

- Research and Development strategy (including curriculum development)
- Partnership strategy (including SMME strategy)
- Marketing and Communication strategy
- Delivery strategy
- Skills Retention support strategy

- Funding strategy

The company is therefore expected to embark on a strategy towards ensuring training for the identified scarce skill is taking place and Managers are now required to submit list of staff members with potential to be developed and capacitated in order to ensure that we develop scarce skills within the company on the continuous basis. It is the responsibility and duty of the company to train staff that occupy positions requiring scarce skills.

REMUNERATION STRATEGY

An effective remuneration strategy and policy is in place that ensures that the staff are remunerated in-line with the market related salaries.

Considerations are made for the following:

- Scarce skills
- Retention of skills
- Succession planning
- Mentorships
- Recruitment

The company will conduct a salary survey in order to ensure that it is remunerating its staff fairly and equitably where funds are available.

Remuneration policies and procedures have been developed and are linked to the performance appraisal system as one of the important aspects and performance motivation.

The issue of annual notch increases is linked to the above policy and performance management system.

PERFORMANCE MANAGEMENT

The company has implemented a performance management system for all levels of employees of the Company and this system seeks to ensure that the entire institutional structure is measured and monitored in order to ensure maximum efficiency of service delivery.

PMS is one of the key requirements in terms of the Municipal Systems Act and Municipal Finance Management Act and other legislations. Its purpose is to promote accountability and productivity enhancement towards service delivery.

The PMS has ensured that the Board operates at a very high level and all KPI's are measures quarterly and reported on to the Board and Shareholders.

SUCCESSION PLANNING

A policy was approved by the Board in order to effectively implement succession planning. There is a great need for these policies to be applied as there are many areas of operation where failure to plan properly for succession will negatively affect service delivery.

DISCIPLINARY MATTERS

The company conducts its disciplinary processes in line with the provisions of the Collective Agreement and Disciplinary Code.

PERMANENT STAFF MEMBERS EMPOLOYED BY THE BOARD

The company currently employs 86 permanent employees across its various sections.

The senior posts of Managing Director, Chief Financial Officer and Executive Director Operations and Engineering, Company Secretary are all currently vacant, due to a DWA and Shareholder moratorium on the filling of senior vacancies, and are performed, either on a consultancy and or fixed term contract basis, or in Acting capacities by existing staff employed on lower positions.

This matter is currently being re-considered by the Board due to length of time it is taking to finalise the new institutional arrangements.

Human Resources Indices

Staff Turnover (Given as the percentage of staff departing due to resignation, death, retirement, etc. in relation to the total number of staff)

As an organisation that is aspiring to high standards, the retention of staff to retain the intellectual capital is vital. The success of programmes and interventions to retain staff may be compared to market forces that encourage the movement of skills to the sites of greatest demand. Staff turnover is a

measure of employee satisfaction and motivation to remain in uThukela Water's service. Staff turnover is currently and 0-1 level.

Although there are statutory requirements to maintain safety standards, the nature of the water industry involves a 24-hour production. It is, therefore, important to keep injury at low levels, both from the employee health and business perspective.

Staff Development Expenditure (Given as a percentage of total manpower costs)

As an organisation that is committed to the development of its people, it is important to maintain development costs at a level that is comparable to the best in the industry, and to comply with national statutory requirements.

Employment Equity (Compliance with Employment Equity Plan)

This measure is an essential requirement for both statutory reasons as well as to monitor uThukela Water's success in achieving equity targets. Detailed demographic statistics will be maintained until the targets have been achieved.

17. INFORMATION TECHNOLOGY

Summary

- Business application development and acquisition should be subject to basic business rules, should integrate with existing systems and should be evaluated by the Technology function
- uThukela Water data should be managed as an asset and should be maintained and managed in a way that is consistent with global best practices.
- All relevant locations of uThukela Water should be interconnected with both telecommunications and data communications infrastructure
- A scalable, central processing infrastructure should be maintained for effective data management and integration and this infrastructure should be managed by the Technology function
- Users should be provided with appropriate hardware and software and fast, available, professional support

- The Technology function should enter a partnership with other Functions for procurement and development co-ordination

Description of Function

The Technology function is responsible for the management and operation of Technology Infrastructure within uThukela Water and will include the following domain responsibilities:

- The planning, design, specification, acquisition, testing, operation and maintenance, support of all Technology infrastructure in accordance with a Technology Business Plan. Technology Infrastructure includes all Information Technology and Communication Systems necessary for business process and production process functioning

- Capacitating and eradicating the "digital divide"

- The design and delivery of provider and user training in terms of Technology Infrastructure

- Ensure that all data in the organization is based on sound meta data design and ensure data quality

- Responsible for the availability, scalability, total cost of ownership, security, disaster recovery and risk management of all Technology Infrastructure

- Responsible for the setting up and support of shared technology resources centres in order to optimize the use of technology

- The design, implementation and management of Technology Infrastructure standards

- The provision of Research with regards to Technology Infrastructure focused on the uThukela Water business processes and production processes

- The design, implementation and management of policies and procedures required for the management of Technology Infrastructure

- The asset management of Technology Infrastructure

- SCADA, APC and other

- Technology TCO services

- Electricity / UPS

Functional Mission

The purpose of the function of Technology is envisioned to include the following domain responsibilities:

- Support for the planning, design, specification of business processes
- Responsible for the planning, design, specification, acquisition, testing, operation and maintenance of all Technology Infrastructure. Technology Infrastructure includes all Information Technology and Communication Systems necessary for business process and production process functioning
- Special focus will be on capacitating and eradicating the "digital divide"
- Provider and user training in terms of Technology Infrastructure
- Ensure that all data in the organization are based on sound meta data design and ensure data quality
- Responsible for availability, scalability, total cost of ownership, security, disaster recovery and risk management of all Technology Infrastructure
- Responsible for the setting up and support of shared technology resources centres in order to optimize the use of technology

Functional Objectives (KPA)

Objective 1:	Affordable and effective interactive digital access and information to all the staff, our customers and business partners
Objective 2:	Effective technology and business skills training and capacity building for all our designated staff, customers and business partners
Objective 3:	Provide in time and effective communication about our plans, projects, achievements and knowledge to our user communities

Objective 4:	The total annual operating expenditure (OPEX) be predetermined at not more than 4% of the annual OPEX of the Utility. That this objective be reviewed when updating the Technology Functional Plan
Objective 5:	All existing and future investments in Technology Infrastructure should achieve at least a value adding of 10% benefit to cost percentage.
Objective 6:	Technology Infrastructure end to end availability should be 99% during business hours and 95% after hours

Key Assumptions

The design of the Function: Technology will be based on the following key assumptions:

- Business and Information Technology will continue to change rapidly requiring short design life cycles of not more than 3 years
- Technology licensing and intellectual capital structures will remain unchanged for the planning period
- The R/$ exchange rate will weaken not more than 20% per annum
- Telecommunication cost must reduce
- That purchasing will be based on brand names and standardization

Systems

The Technology Systems design is presented according to the following functionalities:

- Software: All corporate and divisional computer software systems
- Servers & OS: All computer servers and storage devices
- Networks: All network devices, cables and linkages, wireless and telephony

- Desktop Services: All desktop equipment including desktop computers, thin clients, telephone instruments, cell phones, printers, fax machines, photocopiers and related software

Software Systems

Enterprise applications must at least comply with the following attributes:

- High availability (24h*7d*365d)
- Integrity
- Scalability
- Security
- Interoperability

Distributed transaction processing systems should comprise the following:

- Data access layer
- Business logic layer and middleware
- Client access layer
- Object transaction service
- Security service
- Management service

PLC and SCADA

- Adroit or similar
- Input from Operations Division will be solicited
- Siemens/ ABB
- Intelligent Meters

MES

Excel Spreadsheets

- Flows
- Electricity
- Input from Operations Division will be solicited

Bespoke

- Spatial Data Model (SDM)
- Environmental Management Object System (EMOS)
- Internet/Intranet
- OPSWQMS

ERP / DSS

- SAGE Evolution Mscoa compliant chart of accounts
- SAGE people
- WMIS (EMIS & PlantMAN)
- ArcGIS

Networks

- Best practices design and implementation for an area network generally calls for standardization, flexibility, convergence and scalability of network infrastructure
- Centralize and remote enterprise systems management of all network devices

- Infrastructure must be planned and allow for convergence such as VoIP (voice of IP) telephony, wireless local area networks, and broad banding to include audio/video

- Standardization on the Ethernet technology allow for Gigabit and Terabit Ethernet

- Must also accommodate thin client connectivity technology like SMS/RAS.

- Manage the corporate network in the same way as best practices utility management, focusing on cost and time of networking, redundancy and reliability. Optimize centralization-decentralization mix.

- Service level agreement and management should be well established

- Mission critical network devices to be supported by CUPS (clean uninterrupted power supplies) to ensure 24/7 availability

Network Infrastructure

- 10Mbps DSL (Unshaped & Uncapped Vodacom Managed)

- 4Mbps DSL (Unshaped & Uncapped Vodacom Managed)

- MPLS Network (Vodacom Managed) (Satellite connections to remote sites)

- Corporate APN (Mobile access for phones and laptops)

- Long-range Ceiling Mount Wireless Access Points at Head Office and Ngagane

- NetGear 24x Port POE Switches

- Mitel VOIP PABX

Servers and OS

- Standardization, right sizing and procurement of good brand names of all servers, storage and backup devices will lower TCO and reduce complexity

- Manage the corporate and business server farms in the same way as best practices utility management, focusing on cost and time of processing, storage type, space, cost, redundancy and reliability. Optimize centralization-decentralization mix

- Server & OS management deliver effectively on:
    - 24/7 operability
    - Storage area networks (SAN)
    - Clustering (redundancy optimization and fail over)
    - Storage back-up and disaster recovery
    - Physical environment of server farms, including physical and virtual security access, environmental conditions and monitoring there-of
    - Clean uninterrupted power supply (CUPS) and backup power generation
    - Stand by availability of mission critical components
    - Smart remote device management as part of enterprise management system
    - Suitably qualified staff to set-up and manage servers and OS.
    - Mail Server (Windows 2008 R2)
    - Database server (Windows 2008 R2)
    - AD Application Server (Windows 2003/2008 R2)
    - File Server (Windows 2003)
    - Antivirus (Windows 7 Pro)
    - Printer Server (Windows 2003)
    - Firewall (SonicWALL)
    - WWW Application server (Windows 2008 R2)
    - GIS Server (Windows 2008 R2)
    - VM Image Server (Windows 2008)
    - Surveillance (Windows 7 Pro)

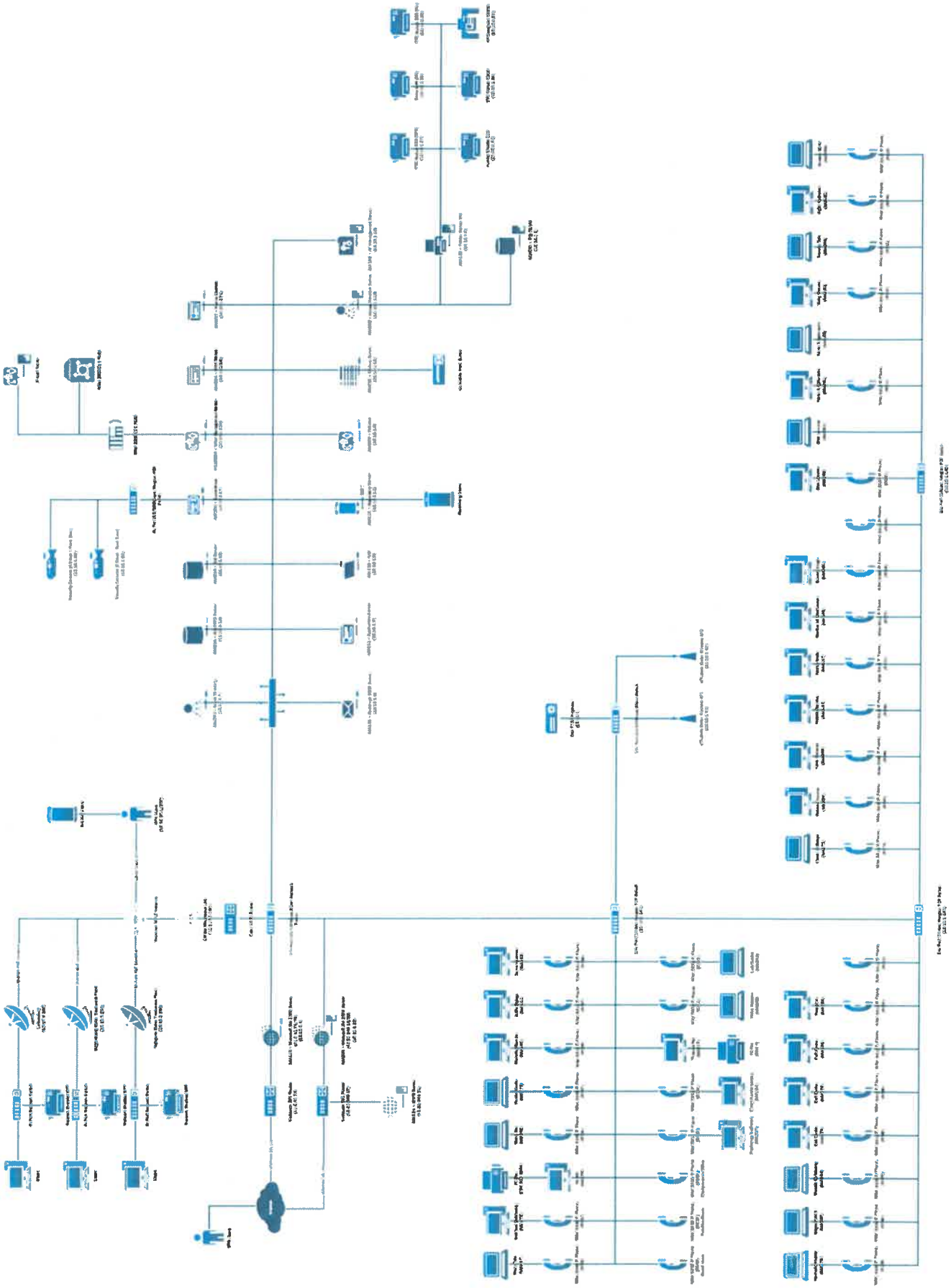
- Backup Server (Windows 2008 Storage)
- EMIS Server (Windows 2008)
- Mitel Management (Windows 2008)

Desktop Services

User support

The Technology function has a strong support function to internal computer users.

- Network monitoring
- First-line IT support (problem resolution)
- Second-line IT support
- Configuration management
- License management
- Asset management
- Infrastructure diagnostics services



Information Technology Indices

Network and Major Systems Availability (% of time of availability of main systems)

These systems are in many cases mission-critical to the organisation and thus a very high degree of uptime is required.

Glossary of Acronyms and Abbreviations Used in this Document		
No.	**Term**	**Full Form / Definition**
1.	AD	Active Directory
2.	APC[1]	Assistant Process Controller
3.	APC[2]	Company name of a manufacturer of uninterruptible power supplies, electronics peripherals and data centre products
4.	BBBEE	Broad-Based Black Economic Empowerment
5.	BCEA	Basic Conditions of Employment Act
6.	CAPEX	Capital Expenditure
7.	CFO	Chief Financial Officer
8.	CMA	
9.	DM	District Municipality
10.	DOL	Department of Labour
11.	DPLG	Department of Provincial and Local Government
12.	DSS	
13.	DWS	Department of Water and Sanitation
14.	EAP	Employee Assistance Program
15.	EEF	Employment Equity Forum
16.	ERP	Enterprise Resource Planning
17.	EWSETA	Energy and Water Services-Sector Education and Training Authority
18.	GIS	Geographic Information System
19.	GSM	Global System for Mobile Communication
20.	IDP	Institutional Development Plan
21.	ISA	Internet Security and Acceleration
22.	ITO	In Terms Of
23.	KPA	Key Performance Area
24.	KPI	Key Performance Indicator
25.	MES	Manufacturing Execution System
26.	MFMA	Municipal Finance Management Act
27.	MIG	Municipal Infrastructure Grant
28.	MTREF	Medium term revenue expenditure framework
29.	OHSA	Occupational Health and Safety Act

30.	OPEX	Operational Expenditure
31.	OS	Operating System
32.	PABX	Private Automatic Branch Exchange
33.	PLC	Programmable Logic Controller
34.	PMS	Performance Management System
35.	SAIX	South African Internet Exchange
36.	SALGA	South African Local Government Association
37.	SALGBC	South African Local Government Bargaining Council
38.	SCADA	Supervisory Control and Data Acquisitions
39.	SCM	Supply Chain Management
40.	SHEQ	Safety, Health, Environment and Quality
41.	SMME	Small, Medium and Micro Enterprises
42.	TCO	Total Cost of Ownership
43.	TRO	Total Risk of Ownership
44.	TVO	Total Value of Ownership
45.	UPS	Uninterruptable Power Supply
46.	VM	Virtual Machine
47.	WPP	Water Purification Plant
48.	WSA	Water Services Authority
49.	WSDP	Water Services Development Plan
50.	WSP	Water Services Provider
51.	WWTP	Wastewater Treatment Plant