



## **NEWCASTLE MUNICIPALITY**



## **FINAL MEDIUM TERM BUDGET**

***2022/23 TO 2024/25***

***"Trust us to deliver"***

**EXTRACT FROM THE MINUTES OF THE MEETING OF THE NEWCASTLE MUNICIPAL COUNCIL, HELD IN THE COUNCIL CHAMBERS, NEWCASTLE ON MONDAY, 30 MAY 2022 AT 14:00**



**PRESENT**

Councillor	T	M	Zulu	:	Speaker
Councillor	V	V	Bam		
Councillor	M	E	Buthelezi		
Councillor	S	B	Buthelezi		
Councillor	F		Cassim		
Councillor	E	J	C	Cronje	
Councillor	M	J		Dladla	
Councillor	T	N		Dlamini	
Councillor	D	X		Dube	:
Councillor	N	C		Dube	Mayor
Councillor	F	L		Duma	
Councillor	V	F		Hadebe	
Councillor	P			Hariram	
Councillor	M	E		Hlatshwayo	
Councillor	M	M	E	Hlatshwayo	
Councillor	H	N		Khumalo	
Councillor	L	M		Khumalo	
Councillor	N	R		Khumalo	
Councillor	C	B		Kubeka	
Councillor	N	Z	B	Kunene	
Councillor	M	T		Lethea	
Councillor	C	Y		Liu	
Councillor	B	G		Madi	
Councillor	Z	E		Madi	
Councillor	M	T	D	Makhoba	
Councillor	X	S		Makhubo	
Councillor	F	A		Malinga	
Councillor	B	D		Mathunjwa	
Councillor	N	P		Maseko	
Councillor	N	S	F	Masondo	
Councillor	S	P		Masuku	
Councillor	L	P		Mazibuko	
Councillor	M	V		Mbatha	
Councillor	A	P		Meiring	
Councillor	A	E		Mkhwanazi	
Councillor	M	P		Mkhwanazi	
Councillor	P	F		Mnisi	
Councillor	S	W		Mngomezulu	
Councillor	M	V		Molefe	
Councillor	R	M		Molelekoa	
Councillor	N	P		Mthabela	
Councillor	T	E		Mthembu	
Councillor	L	P		Ndebele	
Councillor	M	O		Ndlovu	
Councillor	C	S		Ngcobo	
Councillor	R	N		Ngcobo	
Councillor	A	T		Nkosi	
Councillor	S	E		Nkosi	
Councillor	W	P		Nkosi	
Councillor	S			Ntsele	
Councillor	M	J		Ntshangase	
Councillor	R	B	S	Russell	
Councillor	N	P		Shabalala	
Councillor	S	E		Shabangu	
Councillor	V	N		Sibeko	
Councillor	S			Singh	
Councillor	L	C		Sithebe	
Councillor	F	N		Sithole	
Councillor	B	R		Thusi	
Councillor	S	M		Thwala	:
					Deputy Mayor

(ii)

Councillor Dr	J	A	Vorster
Councillor	L	P	Ximba
Councillor	S	A	Yende
Councillor	N	S	Zulu
Councillor	Z	E	Zwane

**ABSENT WITH APOLOGY**

Councillor	L	I	Mathe	:	Other commitments
Councillor	V	G	Zondo	:	Other commitments

**TRADITIONAL LEADER**

Nkosi	B	S	Radebe	:	Not present
-------	---	---	--------	---	-------------

**OFFICIALS PRESENT**

Acting Municipal Manager	:	Mr	Z	W	Mcineka
Strategic Executive Director : BTO	:	Mr	S	M	Nkosi
Strategic Executive Director : Corporate Services	:	Dr	P	D	Thabethe
Strategic Executive Director : DP&HS	:	Mrs	N	P	Khathide
Strategic Executive Director : Technical Services	:	Mr	B	P	Mnguni
Director : Administration	:	Mrs	D	R	Molefe
Director : Internal Audit	:	Mr	B	B	Nkosi
Senior Legal Officer	:	Mrs	N		Mbuli
Senior Administrative Officer	:	Mrs	Z		Sibeko
Committee Clerk	:	Mr	K	S	Mbonane
Intern : Administration	:	Ms	N	J	Zwane
Security Supervisor	:	Mr	S	R	Maseko

**CM 50 (ii) : FINAL NEWCASTLE MUNICIPALITY 2022/23 IDP, BUDGET AND PERFORMANCE MANAGEMENT SYSTEM**

**(ii) Final 2022/23 Medium Term Budget (T 6/1/1)**

**RESOLVED**

- (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, attached as Annexure "D"; 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 R 146, 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 in the Tariff of Charges that were used to prepare the estimates of revenue by source, be approved with effect from 01 July 2022 for all services, except water and electricity consumption, which be levied on the new tariff with effect from 01 August 2022.

(iii)

- (e) That, the Tariff of Charges be approved and be applicable 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 R 85 000 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 7% with effect from 01 July 2022 and it be noted that the municipality is still awaiting 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 R 5000.00 per month (under 60) and R 6000.00 per month (over 60).
- (k) That indigent benefit packages 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 R 50 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 Provincial Treasury's assessment of the 2021/22 adjustment budget be noted.
- (o) That, the Provincial Treasury's assessment of the 2022/23 draft budget be noted.
- (p) That, the Budget Policy be approved.
- (q) That, the Tariff Policy be approved.
- (r) That, the Rates Policy be approved.
- (s) That, the Indigent Policy be approved.

(iv)

- (t) That, the Customer Care, Credit Control; and Debt Collection Policy be approved.
- (u) That, the Provision for Doubtful Debt and Debtors Write - off Policy be approved.
- (v) That, the Supply Chain Management Policy be approved.
- (w) That, the Cash and Investment Management Policy be approved.
- (x) That, the Asset Management Policy be approved.
- (y) That, the Petty Cash Policy be approved.
- (z) That, the Virement Policy be approved.
- (aa) That, the Funding and Reserves Policy be approved.
- (bb) That, the Borrowing Policy be approved.
- (cc) That, the Loss Control Policy be approved.
- (dd) That, the Short – term Insurance Policy be approved.
- (ee) That, the Cost Containment Policy be approved.
- (ff) That, the Property Rates By - laws be approved.
- (gg) That, the Tariff By – laws be approved.

I, the undersigned, **ZAMOKWAKHE WESLEY MCINEKA**, in my capacity as **ACTING MUNICIPAL MANAGER** to the Newcastle Municipal Council, hereby certify the above as a true extract from the minutes of the Council meeting held on 30 May 2022.

  
**Z.W. MCINEKA**  
**ACTING MUNICIPAL MANAGER**

Newcastle

# **ANNEXURE A**

## **Budget Document**

## *TABLE OF CONTENTS*

<b>NO</b>	<b>SECTION DESCRIPTION</b>	<b>PAGE</b>
I	Abbreviations and Acronyms	
II	Council Organisational Structure	
III	Newcastle Municipality Profile	
<b>1</b>	<b>PART 1 – FINAL BUDGET</b>	
1.1	Mayor’s Report	
1.2	Final Budget Resolutions	
1.3	Executive Summary	
1.4	Final Budget Tables and Related Charts	
<b>2</b>	<b>PART 2 – SUPPORTING DOCUMENTATION</b>	
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	MAKHOB A 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	VACANT		
Traditional Leader	RADEBE B S		

**SENIOR MANAGERS**

<b>DESIGNATION</b>	<b>SURNAME &amp; INITIALS</b>
Acting Municipal Manager	Mcineka ZW
Strategic Executive Director: Budget and Treasury Office	Nkosi SM
Strategic Executive Director: Corporate Services	Thabede PD
Strategic Executive Director: Technical Services	Mnguni BP
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 MUNICIPALITY 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 delimitation 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 Newcastle 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 Newcastle 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<sup>2</sup> 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 Demarcation 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 Arcelor Mittal steelworks and the Karbochem 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 CO<sub>2</sub> 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 slag 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**

---

Speaker, it is my privilege and the obligation in terms of Section 24 of the Municipal Finance Management Act (MFMA), to table this final budget for adoption.

Speaker, one cannot lose sight of the financial plight our municipality is currently facing. We therefore use this budget as a reflecting of a true financial state but also as an opportunity to implement programs for a better future. I must state upfront Speaker that the 2022/23 budget is still unfunded, but it is accompanied by the Budget Funding Plan that demonstrates the strategies that the municipal manager and his team will be implementing to make sure that this council has a funded budget in the near future.

Speaker, it is my pleasure to report that I have achieved my responsibility of ensuring public and stakeholder engagements on the draft budget. Most of the issues raised are already covered in the budget that I table before you. We have however made sure Speaker that those issues that are not covered in the current budget have been consolidated in the IDP as part of our future planning. Speaker, the response that we received from these roadshows have given me and this council a reason enough to work harder every day. Through these roadshows, we have also extended our collaboration with other government sector departments in order to bring many services closer to our people.

Speaker, I now go to the details of the budget that I am tabling before this house, starting with the revenue budget. The operating revenue is projected at R2.6 billion, of which R1.1 billion will be from government grants. I must state Speaker that the bulk of our revenue is still generated from rates and services, which is about 58% of our total revenue. After engaging with the CFO and the assessment by the Provincial Treasury, I am also confident that the tariffs increases proposed in the budget are well within the required norm, given the current inflation rate.

Speaker I now move to the expenditure budget. Operating budget is projected at R3.0 billion, of which R601 million is for employee costs, R29 million is for councillors remuneration, R286 million is for debt impairment, R363 million is for depreciation, R35 million is for finance charges, R605 million is for electricity purchases, R153 million is for water and material purchases, R818 million is for contracted services and R118 million is for other general expenses.



On the capital budget Speaker, we have put aside a total of R209 million to acquire new infrastructure, plant and equipment. This particularly includes roads, water and sanitation infrastructure. Speaker, we have also put aside an amount of R5.1 million for the purchase of plant and equipment as the current state where this municipality hires plant to execute a number of projects is undesirable. I must also state Speaker that about 91% our capital budget will be funded from government grants, a practice which will continue until budget is funded.

In total Speaker I table before this council a total budget of R3.2 billion for approval. As mentioned above the budget of the municipality remains unfunded, however the Acting Municipal Manager and his team has assured me that, with the adoption and the implementation of the funding plan, the municipality is moving towards a funded position next year.

In closing Speaker, I will not be making justice if I do not thank the Acting MM and his entire team for the hard work that they have put in coordinating the entire budget process. I also wish to thank you Speaker, the Executive Committee and the entire council for the role each and every one of you played in this process. I am humbled beyond any words.

Speaker, in the item serving before Council, I herewith formally table final budget for 2022/23 financial year for approval.

BY: DX DUBE

**MAYOR: NEWCASTLE MUNICIPALITY**

## 1.2 BUDGET RESOLUTIONS

---

It is hereby recommended:

- (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 7.47% with effect from 01 July 2022 as per the NERSA guidelines on municipal tariff increase;
- (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 Provincial Treasury's assessment of the 2021/22 Adjustments Budget be noted;

- (o) That the Provincial Treasury's assessment of the 2022/23 Draft Budget be noted;
- (p) That the Budget Policy be approved;
- (q) That the Tariff Policy be approved;
- (r) That the Rates Policy be approved;
- (s) That the Indigent Policy be approved;
- (t) That the Customer Care, Credit Control and Debt Collection Policy be approved;
- (u) That the Provision for Doubtful Debt and Debtors Write-Off Policy be approved;
- (v) That the Supply Chain Management Policy be approved;
- (w) That the Cash and Investment Management Policy be approved;
- (x) That the Asset Management Policy be approved;
- (y) That the Petty Cash Policy be approved;
- (z) That the Virement Policy be approved;
- (aa) That the Funding and Reserves Policy be approved;
- (bb) That the Borrowing Policy be approved;
- (cc) That the Loss control Policy be approved;
- (dd) That the Short-term Insurance Policy be approved;

- (ee) That the Cost Containment Policy be approved;
- (ff) That the Property Rates By-Laws be approved;
- (gg) That the Tariff By-Laws be approved.

## **1.3 EXECUTIVE SUMMARY**

---

### **1.3.1 INTRODUCTION**

The 2022/2023 budget is a consolidated operational and capital budget of R3.2 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 R3.010 billion in 2022/23, representing an increase of R356.6 million (13.4%). 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

#### **OPERATING REVENUE**

Total operating revenue is projected at R2.693 billion in the 2022/23 financial year, representing an increase of R314.9 million (13.2%) from the current year's adjusted budget of R2.378 billion.

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



Details	2022/2023 R'000	% of Total Revenue
Electricity	751 862	27.9%
Water	199 933	7.4%
Sanitation / sewer	123 818	4.6%
Refuse	101 229	3.8%
Property rates	363 413	13.5%
Grants and subsidies	1 112 706	41.3%
Other revenue	19 487	0.7%
Interest on outstanding debtors	4 001	0.1%
Rental of facilities	9 452	0,3%
Fines	4 180	0.2%
Interest on investments	3 131	0.1%

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

- **Electricity services: R751.8 million, increase of R25.4 million (3.5%)**

Electricity tariffs are expected to increase by 7.47%. It must be noted that this tariff increase as per the NERSA guidelines on municipal tariff increase. With the tariff increase of 7.47%, electricity revenue is expected to increase by R25.4 million (3.5%) in the 2022/23 financial year. Cognisance should also be taken that this percentage increase of 7.47% slightly above the inflation rate of 5.7%, however this increase is based on the NERSAs tariff approval for municipal tariffs. The revenue figure of R751.8 million is also net of the cost of free basic service of R9.8 million in respect of electricity as required in terms of the Budget and Reporting Regulations.

- **Water services: R199.9 million, increase of R12.8 million (6.9%)**

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 R12.8 million (6.9%), from R187.0 million in the current year to R199.9 million in the 2022/23 financial year. The revenue figure of R199.9

million is net of the cost of free basic services of R10.1 million in respect of water as required in terms of the Budget and Reporting Regulations.

- **Refuse removal: R101.2 million, increase of R2.2 million (2.2%)**

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 an increase in revenue of R2.2 million (2.2%), from R99.0 million in the current year to R101.2 million in the 2022/23 financial year mainly due to the substantial increase in the indigent benefit. The revenue figure of R101.2 million is net of the cost of free basic services of R16.1 million in respect of refuse removal as required in terms of the Budget and Reporting Regulations.

- **Sanitation: R123.8 million, increase of R3.8 million (3.2%)**

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 R3.8 million (3.2%), from R120.0 million in the current year to R123.8 million in the 2022/23 financial year. The revenue figure of R123.8 million is net of the cost of free basic services of R18.4 million in respect of sanitation as required in terms of the Budget and Reporting Regulations.

- **Property rates: R363.4 million, increase of R986 thousand (0.3%)**

Property rates tariffs are expected to increase by 6% in the 2022/23 financial year, while the impermissible amount will remain at R85 000. The increase in the property rates tariffs is expected to result in an increase in revenue of R986 thousand (0.3%), from R363.4 million in the current year to R363.4 million in the 2022/23 financial year. This is mainly due to the additional indigent and rate rebates that needs to be provided for. The revenue figure of R363.4 million is net of the rates rebates and indigent benefit of R95.3 million as required in terms of the Budget and Reporting Regulations.

- **Transfers recognised – operational: R1.112 billion, increase of R269 million (32%)**

Revenue from transfers recognised – operational is expected to generate operating revenue of R1.112 billion in the 2022/23 financial year. This represents an increase of 269 million (32%) from the budget of R842.9 million in the current year to the budget of R1.112 billion in the

2022/23 financial year. A substantial increase on transfers recognised – operational when compared to the current purely based on the grants appropriated to the municipality in terms of the Division of Revenue Act as well as the Provincial Gazette. These transfers recognised – operational 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 thousand (6%) from the budget of R3.9 million in the current year, to R4.1 million in the 2022/23 financial year. The increase is based on the 2021/22 performance and the full-year projection. 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: R3.1 million, an increase of R837 thousand (36%)**

Interest on investments is expected to generate revenue of R3.1 million in the 2022/23 financial year. This represents an increase of R837 thousand (36%) from the budget of R2.3 million in the current year to R3.1 million in the 2022/23 financial year. When compared with the 2021/22 financial, the increase is based on the full-year forecast as well as the fact that the municipality is expected to receive more grants in the 2022/23 financial years which will be invested as they are received in order to earn a better return. 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: R4.0 million, decrease of R245 thousand (-5.8%)**

Interest on outstanding debtors is expected to generate revenue of R4.0 million in the 2022/23 financial year. This represents a decrease of R245 thousand (-5.8%) from the budget of R4.2

million in the current year to R4.0 million in the 2022/23 financial year. When compared with the 2021/22 financial year, a reduction is based on a performance as well as the fact that the municipality has introduced more incentives to business consumers in order to encourage the arrear debts. As consumers take advance of incentive schemes and sign up agreements, a portion of debt or interest will be written-off.

- **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. When compared with the 2021/22 performance, the increase is due to the additional facilities that the municipality is planning to rent out, particularly for the leasing of grazing and other land for agricultural purposes.

- **Licences: R47.9 thousand, increase of 6 486 rands (15.7%)**

Tariffs from licences will be increased by 6% and is expected to generate revenue of R47.9 thousand in the 2021/22 financial year. This represents an increase of R6 486 (6%) from the budget of R41.4 thousand in the current year to R47.9 thousand in the 2022/23 financial year. The increase is based on the fact that more illegal traders have been identified and the measures that have been put in place to ensure that all business are registered and do pay licences.

- **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. When compared with the 2021/22 full-year projection, the 2022/23 budget appears overstated due to the fact that the 2021/22 budget was adjusted downward during the adjustments budget due to the to a portion of the funding that was moved to fund the capital expenditure. This portion has since been brought back to the operating revenue in the 2022/23 financial year. In the main, other revenue include items like town planning fees, cemetery fees, reconnection fees, rates clearance certificates and business letters. Revenue for this items is also planned to increase 2022/23 since the Covid-19 regulations have been fully uplifted.

- **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 7.47% for the electricity are slightly above the projected CPI projection but within the South African Reserve Bank inflation ceiling of 6% for rates, water, sewer, refuse and sundry services. It further be noted that the CPI for the April 2022 was already recorded at 5.7%.

## **OPERATIONAL EXPENDITURE**

Total operating expenditure is projected at R3.010 billion in the 2022/23 financial year, representing an increase of R356.6 million (13.4%) 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:

<b>Details</b>	<b>2022/2023 R'000</b>	<b>% of Total Budget</b>
Bulk purchases	605 107	20.1%
Other materials	153 188	5.1%
Employee related costs	601 653	20.0%
Depreciation	363 160	12.1%
Debt impairment	286 041	9.5%
Other expenditure	118 192	3.9%
Finance Charges	35 846	1.2%
Remuneration of councillors.	29 060	1,0%
Contracted services	818 629	27.2%

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.

An increase of 5% on the employee cost is based on the fact that council is in the process of implementing the Budget Funding Plan (BFP). Employees will therefore not be offered notch-increases as it is normally the case annually. As per the BFP, the municipality is also planning of not filling certain positions that have become vacant in the 2021/22, which move will ensure that employee cost do not escalate in the 2022/23 financial year.

- **Remuneration of Councillors: R29.0 million, an increase of R177 thousand (0.6%)**

Remuneration of councillors is projected to be R29.0 million, representing an increase of R177 thousand (0.6%) 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. A further increase is based on the fact that the members of the Executive Committee are currently paid as part-time councillors, but have applied for a full-time status. The 2022/23 budget is therefore based on the expectation that their full-time application might be approved by the MEC, resulting in a higher remuneration budget for them.

- **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. When compared with the full-year forecast, the projection of R605.1 appears excessive, however such full-year forecast has not taken into account the winter consumption towards the end of the financial year. The increase for 2022/23 therefore has into account the projected consumption for both summer and winter months as per the previous trends.

- **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: R286.0 million, an increase of R11.0 thousand (4.0%)**

The municipal has projected to incur R286.0 million on debt impairment, representing an increase of R11.0 million (4.0%) 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. The 2022/23 provision is therefore based on the billed revenue that is planned to be not collected during the budget year as per the projected collection rates. 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: R363.1 million, a decrease of R1.9 million (-0.5%)**

Provision for depreciation has been projected to be R363.1 million, representing a decrease of R1.9 million (-0.5%) 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 current year performance as well at the 2022/23 projected additions.

- **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: R818.1 million, an increase of R253.5 million (45%)**

Expenditure on contracted services is projected to be R818.1 million, representing an increase of R253.5 million (45%) 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 and other operational projects which will be funded mainly from government grants. The provision is based on the currently signed agreements as well as the additional grant funding that is expected to be received by the municipality in the 2022/23 financial year, for new and existing projects.

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

Inventory consumed 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. When compared with the current full-year projects the increase appears excessive. This is due to the fact that the municipality's budget for Uthukela Water Entity has increased from R131.2 million to R146.7 million, representing an increase of R15.4 million (11.8%). In the past, the municipality has not been approving the total budget submitted by the entity, which resulted in serious water challenges in Madadeni and Osizweni. In order to address this challenge, the municipality has therefore taken a decision to approve the full budget submitted by Uthukela Water, resulting in the significant increase in the budget for inventory consumed.



- **Other expenditure: R117.6 million, an increase of R7.7 million (7.1%)**

Other expenditure is projected to be R118.1 million, representing an increase of R7.7 million (7.1%) from the current financial year budget of R110.3 million. It must be noted some of the grants that are planned to be received in the 2022/23 financial year are also planned to fund the other expenditure due to the nature of the expenditure, which has resulted in the increase in other expenditure.

## **OPERATING SURPLUS/DEFICIT**

The operational budget therefore yields an operating deficit of R317.6 million. It is noted that the operating deficit has increase of R41.7 (15%) million when compared with the budgeted deficit of R275.9 million in the current financial year. The municipality is however planning to reduce the deficit gradually over the medium term in line with its Budget Funding Plan. 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 R209.0 million, consisting of R191 million to be funded from government grants, and R12.9 million to be funded from internally generated funds. Capital expenditure represents an increase of R24 million (13%) when compared to the 2021/22 budget of R185 million, due to the additional grants planned to fund capital expenditure next year. The summary of the capital budget over the medium terms is depicted as follows:

Details	2022/2023 R'000	% of total expenditure
Total Capital Budget	209 032	100%
Funded as follows:		
Grant funding	191 033	91%
Internal funding	18 001	9%
	<b>209 0032</b>	<b>100%</b>

Government grants continue to fund the bulk of capital programme over the next three financial years, covering about 91% 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	97 647	47%
Roads and storm water	59 941	29%
Sports % Recreation	11 000	5%
Furniture and Equipment	3 120	1%
Sanitation	27 000	13%
Buildings	2 224	1%
Airports	3 000	1%
Plant and Equipment	5 100	2%
<b>TOTAL CAPITAL BUDGET</b>	<b>209 032</b>	<b>100%</b>

The municipality will be spending the bulk of its capital programme towards basic infrastructure, with R59.9 million towards roads and storm water, R97.6 million towards water infrastructure and R27.0 million towards sanitation infrastructure. A further R3.1 million will be pend on tools of trade, R3.0 million for the upgrade of the airport and R2.2 million towards the refurbishment of buildings and R5.1 for the purchase of new plant and equipment.

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

DIRECTORATE DESCRIPTION	PROJECT DESCRIPTION	FINAL BUDGET 2220/23
<b>COMMUNITY SERVICES</b>		
AMENITIES	IT EQUIPMENT	20 000
CULTURE, RECREATION,	ART PURCHASES	100 000
CULTURE, RECREATION,	CARPORTS : ART GALLERY	50 000
CULTURE, RECREATION,	AMPHITHEATRE: FORT AMIEL	150 000
CULTURE, RECREATION,	CONSTRUCTION OF ADMIN BUILDING	24 500
		<b>344 500</b>
<b>BUDGET AND TREASURY OFFICE</b>		
BUDGET AND TREASURY OFFICE	IT EQUIPMENT	2 500 000
BUDGET AND TREASURY OFFICE	FURNITURE EQUIPMENT	300 000
BUDGET AND TREASURY OFFICE	MACHINERY AND EQUIPMENT	100 000
		<b>2 900 000</b>
<b>TECHNICAL SERVICES</b>		
INFRASTRUCTURE CIVIL	UPGRADE & REFURBISHMENT OF BULK SEWER PIPELINE FROM SIYAHALAL	7 000 000
INFRASTRUCTURE CIVIL	UPGRADE OF MA23,26 & 25	7 520 000
INFRASTRUCTURE CIVIL	CONSTRUCTION OF ME26 & ME27 ROADS	11 700 000
INFRASTRUCTURE CIVIL	CONSTRUCTION OF OB 1 LINK STORMWATER	2 000 000
INFRASTRUCTURE CIVIL	CONSTRUCTION OF H39 BUS ROAD & STREETLIGHTS	3 000 000
INFRASTRUCTURE CIVIL	UPGRADE OF OC44, OC22	5 720 000
INFRASTRUCTURE CIVIL	UPGRADE OF MADADENI WASTE WATER TREATMENT	20 000 000
INFRASTRUCTURE CIVIL	BLAAUWBOSCH BULK WATER	20 000 000
INFRASTRUCTURE CIVIL	PIPE REPLACEMENT AND UPGRADE PROJECT	16 647 532
INFRASTRUCTURE CIVIL	VILJOENPARK BULK WATER & SANITATION	13 000 000
INFRASTRUCTURE CIVIL	FURNITURE EQUIPMENT	100 000
INFRASTRUCTURE CIVIL	CONSTRUCTION OF SPORT FACILITY- OLD CASINO (WARD 5)	11 000 000
INFRASTRUCTURE CIVIL	RESEALING OF ROADS MADADENI	2 000 000
INFRASTRUCTURE CIVIL	RESEALING OF ROADS OSIZWENI	2 000 000
INFRASTRUCTURE CIVIL	RESEALING OF ROADS NEWCASTLE	4 000 000
INFRASTRUCTURE CIVIL	RESEALING OF ROADS - RESIDENTIAL WEST	2 000 000
INFRASTRUCTURE CIVIL	NEWCASTLE EAST WATER MAINS EXTENSION	-
INFRASTRUCTURE CIVIL	PLANT AND MACHINERY	5 100 000
INFRASTRUCTURE CIVIL	NEWCASTLE EXTENSION AND UPGRADE OF WATER PIPELINES	48 000 000
		<b>180 787 532</b>
<b>DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS</b>		
TOWN PLANNING	JB ROAD 3	20 000 000
TOWN PLANNING	REFURBISHMENT OF AIRPORT	3 000 000
TOWN PLANNING	CONSTRUCTION OF HAWLKER STALLS	2 000 000
	BR 10 LINK	1 000
		<b>25 001 000</b>
	<b>TOTAL DRAFT CAPITAL BUDGET</b>	<b>209 033 032</b>
	GRANT FUNDING	191 032 032
	INTERNAL FUNDING	18 001 000
		<b>209 033 032</b>

- **Repairs and Maintenance: R76.7 million, 1.2% of PPE**

Repairs and maintenance is projected at 76.7 million, representing only 1.2% of the Property, Plant and Equipment (PPE). This provision is way below the National Treasury's norm of 8%. The municipality is putting measures in place to improve its expenditure on repairs and maintenance during the implementation of the Budget Funding Plan. In order to comply with the

norm, the municipality will need to budget at least R511 million on repairs and maintenance, which is not currently not practical due to the financial situation of the municipality.

- **Renewal and upgrading of assets: R102.6 million**

Renewal and upgrading of assets is projected at R102.6 million, representing 49% of the total capital expenditure of R209.0 million. This provision is in line with the National Treasury norm of at least 40%. This is an indication that, while the municipality will spend 51% towards the acquisition of new assets, however, adequate funds will still be spent to ensure that the existing assets do not deteriorate in order to ensure that service delivery is not compromised.

## **COST CONTAINMENT MEASURES**

The municipality adopted 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. This policy has been updated annually as the municipality seeks to find ways of containing non-core expenditure in its quest to achieve a funded budget. The municipality has also put measures through the curbing of unnecessary expenditure and reduction of other expenditure through the implementation of its Budget Funding Plan strategies. This is however done without compromising service delivery and within 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 are being met before water is distributed to communities.

## **WASTE WATER MANAGEMENT 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 there is a challenge of sewer infrastructure in areas currently not zoned under Newcastle Municipality, the municipality does reach out to such areas using the VIP discharging 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 2022/23 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 conducted the public consultation meetings with the local communities, in order to engage on the draft budget. The consultation process also included the radio, newspaper platforms and physical meetings with various stakeholders. Accordingly, the tabling of the draft Budget in council was 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 were 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 was also 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 took place physically in May prior to the final budget being adopted by council May 2022, where the Mayor will officially responded to budget submissions made made by various stakeholders. The key target groups for the budget hearings included the following:

- 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	<ul style="list-style-type: none"> <li>10 months before start of the budget year: Tabling of time schedule outlining key deadlines to the municipal Council as per MFMA S21 (b).</li> <li>mSCOA and Budget Steering Committee meets to discuss new mSCOA requirements</li> <li>Roll over process begins</li> </ul>	Mayor/MM
September 2021	<ul style="list-style-type: none"> <li>Advertising of budget and IDP time schedule.</li> <li>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.</li> </ul>	MM/CFO
October 2021	<ul style="list-style-type: none"> <li>Meeting with Mayor, Exco and Manco to discuss the strategic direction and objectives for the 2022/23 fiscal strategies and to discuss the budget preparation process of the budget framework to provide parameters and request budget inputs for 2022/2023.</li> <li>Compilation of Salary Budget.</li> <li>Assess impact on tariffs and charges.</li> <li>Finalize inputs from bulk resource providers (NERSA, uThukela) and agree on proposed price increase.</li> <li>Submit all Budget related policies for review.</li> </ul>	MM/BTO BTO
November 2021	<ul style="list-style-type: none"> <li><b>Revenue assumptions</b></li> <li><b>Fixed cost projections</b></li> <li>Preparation of budget guidelines</li> <li>Submission of guidelines to portfolio for comments</li> <li>Submission of budget guidelines to EXCO for approval</li> </ul>	BTO/HR
December 2021	<ul style="list-style-type: none"> <li>Submission of budget guidelines to Departments( First week)</li> <li>Departmental visit to departments (second week December)</li> <li>Budget will be captured on the financial system</li> </ul>	BTO
January 2022	<ul style="list-style-type: none"> <li>Preparation of Mid-year Review</li> <li>Mid-year submitted to portfolio, EXCO &amp; Council (before 25 January)</li> <li>Review the proposed National and Provincial allocations for incorporation into the draft budget.</li> <li>Report back on progress with Budget inputs.</li> </ul>	BTO/MANCO
February 2022	<ul style="list-style-type: none"> <li>Finalize detailed operational and capital budget, finalize all budget related policies.</li> <li><b>Budget/IDP Strategic Workshop</b> to discuss budget inputs, link capital and operational plans to the IDP, and determine proposed tariffs.</li> </ul>	Extended MANCO and EXCO

DATE	ACTIVITY	RESPONSIBILITY
	<ul style="list-style-type: none"> <li>Link all IDP projects to budget &amp; PMS</li> </ul>	
March 2022	<b>Budget Workshop:</b> <ul style="list-style-type: none"> <li>Discussion of budget inputs, link capital and operational plans to IDP and determine proposed tariffs.</li> <li>Validation of budget on the financial system</li> </ul>	EXCO MANCO
March 2022	<b>Draft Budget:</b> <ul style="list-style-type: none"> <li>90 days before the start of the budget year, Council must consider approval of the draft budget.</li> <li>Submit the draft multi-term operational and capital budget and all budget related policies for approval.</li> <li>Submission of approved budget both printed and electronically to COGTA, National and Provincial Treasury.</li> <li>Make public notice in terms of S22, 75 of the MFMA and 21A of the Municipal Systems Act.</li> </ul>	MAYOR, MM, CFO
April 2022	<b>Public Consultation Process:</b> <ul style="list-style-type: none"> <li>Public Consultation on draft budget throughout the municipality in terms of Chapter 4 of the Municipal Systems Act.</li> <li>Engagement with Provincial Treasury to discuss draft budget</li> </ul>	MAYOR EXCO MM CFO
May 2022	<b>Respond to Public Comments in terms of S23 of the MFMA.</b> <ul style="list-style-type: none"> <li>Response to public comments and sector comments. Incorporate recommendations into draft budget.</li> <li>Bilateral engagement with Provincial Treasury.</li> </ul>	MAYOR BTO MM
May 2022	<b>Approval of Final Budget – MFMA S24.</b> <ul style="list-style-type: none"> <li>Approve the final multi-term operational and capital budget together with the adoption of resolutions that may be necessary.</li> </ul>	COUNCIL
June 2022	<b>Publication of Annual Budget.</b> <ul style="list-style-type: none"> <li>Submission of the approved budget printed and electronically to COGTA, National and Provincial Treasury, S22(b).</li> <li>Make public notice in terms of S22(a), 75 of the MFMA and 21A of the Municipal Systems Act.</li> <li>Validation of budget on the financial system.</li> <li>Submission of locking certificate in terms of S74(1) of the MFMA.</li> </ul>	MM BTO

## **2.2. OVERVIEW ALIGNEMENT OF ANNUAL 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 5<sup>th</sup> generation of the five years period of the new Council which occupied office in August 2021.

#### **2.2.6 IDP PROCESS AND STAKEHOLDER PARTICIPATION**

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 5<sup>th</sup> 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	2020/2021
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 R71.3 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.	18.1
Water	The first 6kl of water is free to all residents qualified as indigents in terms of the policy	10.1
Electricity	The first 50kwh of electricity is free to all residents qualified as indigents in terms of the policy	9.8
Refuse	Refuse is free to all residents qualified as indigents in terms of the policy	16.1
Sewer	Sewer is free to all residents qualified as indigents in terms of the policy	18.4
<b>Indigent Support</b>		<b>71.3</b>

The cost of indigent benefit to the tune of R71.3 million is funded from the equitable share provided by the National Government, which amount is based on the estimated  $\pm 8\,900$  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 Policy
- Loss Control Policy
- Virement Policy
- Rates policy

### **2.4.2 DRAFT POLICY AND POLICIES REVIEWED**

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 2022/23 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 5.7% 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	2022/2023	2023/2024	2024/2025
Property rates	6%	4.4%	4.4%
Electricity	7.47%	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 increasing tariffs for rates, service charges and sundry services for more than 7%. Guided by the National Treasury and South African Reserve Bank inflation range, the tariffs for 2022/23 will be 6% for rates, water, sewer, refuse and sundry services. A tariff increase of 7.47% will be applied for electricity based on the NERSA's bulk tariff increase guideline.

The projected increases in the expenditure items are as follows:

Revenue source	2022/2023	2023/2024	2024/2025
Employee related cost	5%	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 R191.0 million is expected to be received from government grants and the balance of R18.0 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 R191.0 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. R18.0 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 R272.5 million from property rates, R989.0 million from services charges, R1.125 billion from operating grants, R3.1 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 (R26.7 million), Housing Development Fund (R30.2 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:

<b>Revenue Source</b>	<b>Average 2020/2021</b>
Property rates	75.0%
Electricity	96.7%
Water	60.8%
Sewer	56.4%
Refuse	69.7%

The total average collection rate is projected at an average of at least 82% 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
<b>Total National Allocations</b>	<b>669 646</b>	<b>715 228</b>	<b>758 196</b>

### Provincial allocations

Grant Description	2022/23 R'000	2023/24 R'000	2024/25 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
Community Library Services Grant	2 595	2 595	2 595
Municipal Employment Initiative	2 000	0	0
Airport grant	3 000	0	0
<b>Total Provincial Allocations</b>	<b>634 093</b>	<b>291 334</b>	<b>295 379</b>

## **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 is 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 tabled to Council at the meeting held on 31 January 2022 and entered 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.


## MUNICIPAL MANAGER'S QUALITY CERTIFICATE



I, **Z W Mcineka**, the Acting Municipal Manager of **Newcastle Municipality**, hereby certify that the Final budget and supporting documentation of 2021/2022 Operating and Capital Budget have been prepared in accordance with Section 24A of the Municipal Finance Management Act No32 of 2000; Chapter 4 of the Municipal Finance Management Act No56 of 2003.

**Print Name** : **ZAMOKWAKHE WESLEY MCINEKA**

**Acting Municipal Manager** : **NEWCASTLE MUNICIPALITY**

**Signature** : .....

**Date** : .....

**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		
	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
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	287 110	319 656	348 822	362 426	362 426	362 426	362 426	363 413	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	1 176 842	1 288 859	1 393 027
Investment revenue	4 961	2 690	2 373	2 296	2 294	2 294	2 294	3 131	2 510	2 623
Transfers recognised - operational	498 547	611 725	724 384	695 021	842 932	842 932	842 932	1 112 707	869 077	945 028
Other own revenue	48 384	53 667	40 040	35 371	38 170	38 170	38 170	37 169	39 233	42 767
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 842 887</b>	<b>1 938 707</b>	<b>2 131 252</b>	<b>2 214 242</b>	<b>2 378 344</b>	<b>2 378 344</b>	<b>2 378 344</b>	<b>2 693 263</b>	<b>2 600 755</b>	<b>2 796 272</b>
Employee costs	557 861	540 376	544 453	570 234	572 674	572 674	572 674	601 653	628 125	656 536
Remuneration of councillors	24 657	25 106	27 352	28 882	28 882	28 882	28 882	29 060	30 339	31 704
Depreciation & asset impairment	361 880	338 886	390 035	378 675	365 084	365 084	365 084	363 160	379 139	396 200
Finance charges	61 665	51 592	42 882	39 754	39 754	39 754	39 754	35 846	37 423	39 107
Materials and bulk purchases	530 186	526 370	632 410	693 252	696 716	696 716	696 716	758 296	791 618	827 239
Transfers and grants	—	—	—	—	—	—	—	—	—	—
Other expenditure	469 721	567 261	758 576	778 133	951 142	951 142	951 142	1 222 862	934 539	978 561
<b>Total Expenditure</b>	<b>2 005 971</b>	<b>2 049 591</b>	<b>2 395 707</b>	<b>2 488 931</b>	<b>2 654 252</b>	<b>2 654 252</b>	<b>2 654 252</b>	<b>3 010 876</b>	<b>2 801 183</b>	<b>2 929 347</b>
<b>Surplus/(Deficit)</b>	<b>(163 084)</b>	<b>(110 884)</b>	<b>(264 455)</b>	<b>(274 689)</b>	<b>(275 908)</b>	<b>(275 908)</b>	<b>(275 908)</b>	<b>(317 613)</b>	<b>(200 428)</b>	<b>(133 075)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	127 639	76 576	108 904	121 377	156 106	156 106	156 106	191 032	157 183	104 950
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(35 445)</b>	<b>(34 308)</b>	<b>(155 551)</b>	<b>(153 312)</b>	<b>(119 803)</b>	<b>(119 803)</b>	<b>(119 803)</b>	<b>(126 581)</b>	<b>(43 245)</b>	<b>(28 125)</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>(35 445)</b>	<b>(34 308)</b>	<b>(155 551)</b>	<b>(153 312)</b>	<b>(119 803)</b>	<b>(119 803)</b>	<b>(119 803)</b>	<b>(126 581)</b>	<b>(43 245)</b>	<b>(28 125)</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>158 893</b>	<b>105 605</b>	<b>150 390</b>	<b>145 393</b>	<b>185 393</b>	<b>185 393</b>	<b>185 393</b>	<b>209 033</b>	<b>170 083</b>	<b>117 850</b>
Transfers recognised - capital	127 639	76 576	108 904	121 377	156 105	156 105	156 105	191 032	157 183	104 950
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	31 254	29 029	41 486	24 016	29 289	29 289	29 289	18 001	12 900	12 900
<b>Total sources of capital funds</b>	<b>158 893</b>	<b>105 605</b>	<b>150 390</b>	<b>145 393</b>	<b>185 393</b>	<b>185 393</b>	<b>185 393</b>	<b>209 033</b>	<b>170 083</b>	<b>117 850</b>
<b>Financial position</b>										
Total current assets	804 211	908 359	600 944	652 375	646 675	646 675	646 675	676 443	791 517	860 931
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	7 238 673	7 394 889	7 554 687
Total current liabilities	858 485	978 251	515 385	735 824	741 635	741 635	741 635	692 762	672 731	671 323
Total non current liabilities	559 614	566 829	791 498	743 344	548 117	548 117	548 117	351 099	335 409	321 294
Community wealth/Equity	6 572 774	6 539 123	6 535 425	6 155 475	6 339 190	6 339 190	6 339 190	6 871 255	7 178 266	7 423 001
<b>Cash flows</b>										
Net cash from (used) operating	120 217	152 459	123 839	158 959	202 958	202 958	202 958	164 505	260 839	178 168
Net cash from (used) investing	(158 893)	(101 042)	(132 390)	(134 393)	(174 393)	(174 393)	(174 393)	(209 033)	(170 083)	(117 850)
Net cash from (used) financing	(9 064)	(25 671)	(26 757)	(31 884)	(31 884)	(31 884)	(31 884)	(32 106)	(34 082)	(35 156)
<b>Cash/cash equivalents at the year end</b>	<b>9 724</b>	<b>35 546</b>	<b>936</b>	<b>8 667</b>	<b>6 181</b>	<b>6 181</b>	<b>6 181</b>	<b>(14 037)</b>	<b>42 637</b>	<b>67 799</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	9 724	35 545	936	8 667	6 181	6 181	6 181	(14 037)	42 637	67 799
Application of cash and investments	127 909	32 365	12 302	157 557	148 646	148 646	148 646	71 583	24 173	(7 445)
<b>Balance - surplus (shortfall)</b>	<b>(118 185)</b>	<b>3 180</b>	<b>(11 366)</b>	<b>(148 890)</b>	<b>(142 465)</b>	<b>(142 465)</b>	<b>(142 465)</b>	<b>(85 620)</b>	<b>18 464</b>	<b>75 243</b>
<b>Asset management</b>										
Asset register summary (WDV)	21 460 671	22 228 652	6 638 512	6 982 268	6 982 268	6 982 268	6 982 268	7 261 558	7 552 021	7 854 102
Depreciation	361 880	338 886	390 035	378 675	365 084	365 084	365 084	363 160	379 139	396 200
Renewal and Upgrading of Existing Assets	72 583	47 035	51 140	74 623	115 314	115 314	115 314	102 648	131 983	78 700
Repairs and Maintenance	85 873	73 296	30 685	86 495	78 829	78 829	78 829	76 707	77 180	93 465
<b>Free services</b>										
Cost of Free Basic Services provided	37 450	37 450	44 703	49 614	45 157	45 157	54 699	54 699	50 406	53 238
Revenue cost of free services provided	22 463	71 861	76 194	79 176	79 176	79 176	95 398	95 398	87 619	97 857
<b>Households below minimum service level</b>										
Water:	8	290	307	307	307	307	313	313	319	326
Sanitation/sewerage:	27	29	35	35	35	35	35	35	36	37
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	71	31	31	31	31	31	31	32	33

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		
		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
R thousand	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		409 524	435 104	535 705	482 062	484 385	484 385	514 453	589 155	636 588
Executive and council		14 638	8 859	7 149	7 046	13 647	13 647	12 367	11 929	12 301
Finance and administration		394 886	426 246	528 556	475 016	470 738	470 738	502 086	577 226	626 287
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		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
<b>Economic and environmental services</b>		145 344	180 902	136 126	130 284	142 356	142 356	168 208	169 602	156 411
Planning and development		26 161	18 647	100 860	11 102	134 316	134 316	39 067	34 516	15 001
Road transport		119 183	162 256	35 266	119 182	8 040	8 040	129 141	135 086	141 410
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		1 359 319	1 292 795	1 363 516	1 493 886	1 517 005	1 517 005	1 560 710	1 695 187	1 788 551
Energy sources		708 486	655 124	702 391	806 767	822 980	822 980	835 626	930 566	1 018 003
Water management		328 148	309 037	269 215	318 574	311 775	311 775	337 581	361 074	356 094
Waste water management		200 996	209 851	259 788	231 907	241 210	241 210	243 101	251 074	257 046
Waste management		121 688	118 782	132 122	136 438	141 040	141 040	144 402	152 473	157 409
<b>Other</b>	4	144	154	167	173	174	174	184	193	201
<b>Total Revenue - Functional</b>	2	1 970 526	2 015 283	2 240 157	2 335 619	2 534 450	2 534 450	2 884 295	2 757 938	2 901 222
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		430 746	392 249	464 026	412 892	463 170	463 170	469 276	488 446	510 436
Executive and council		80 413	65 659	80 202	81 428	95 154	95 154	101 198	105 651	110 405
Finance and administration		350 334	325 857	377 080	324 629	367 278	367 278	367 328	382 012	399 213
Internal audit		-	733	6 744	6 835	737	737	750	783	819
<b>Community and public safety</b>		226 089	266 880	314 205	363 201	517 110	517 110	827 731	500 465	511 914
Community and social services		29 949	27 069	33 738	39 395	42 032	42 032	43 629	45 487	47 530
Sport and recreation		74 762	67 072	75 287	81 049	71 745	71 745	73 339	76 566	80 011
Public safety		64 540	68 334	54 430	60 864	67 611	67 611	70 215	73 305	76 603
Housing		48 638	98 365	141 786	172 577	326 119	326 119	630 591	294 714	296 907
Health		8 201	6 040	8 963	9 315	9 603	9 603	9 956	10 394	10 862
<b>Economic and environmental services</b>		267 781	304 847	294 890	290 015	271 605	271 605	266 056	277 727	290 383
Planning and development		25 563	86 389	83 736	85 704	80 996	80 996	85 041	88 702	92 755
Road transport		242 218	218 450	211 144	204 303	190 601	190 601	181 008	189 017	197 621
Environmental protection		-	8	10	8	8	8	7	7	8
<b>Trading services</b>		1 079 524	1 083 921	1 321 560	1 419 052	1 399 012	1 399 012	1 444 445	1 531 028	1 612 939
Energy sources		610 157	552 417	638 592	701 055	705 018	705 018	742 466	783 134	821 015
Water management		381 588	408 372	546 519	615 329	595 992	595 992	597 907	648 182	674 093
Waste water management		14 306	56 658	99 798	63 720	55 661	55 661	60 542	54 266	70 340
Waste management		73 473	66 474	36 652	38 948	42 342	42 342	43 530	45 446	47 491
<b>Other</b>	4	1 831	1 694	1 026	3 771	3 356	3 356	3 369	3 517	3 675
<b>Total Expenditure - Functional</b>	3	2 005 971	2 049 591	2 395 707	2 488 931	2 654 252	2 654 252	3 010 876	2 801 183	2 929 347
<b>Surplus/(Deficit) for the year</b>		(35 445)	(34 308)	(155 551)	(153 312)	(119 803)	(119 803)	(126 581)	(43 245)	(28 125)

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		
		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
R thousand										
Revenue by Vote	1									
Vote 1 - CORPORATE SERVICES		76 913	73 749	145 940	79 492	85 078	85 078	113 447	149 822	187 022
Vote 2 - COMMUNITY SERVICES		167 803	142 531	155 449	164 689	170 596	170 596	173 608	181 467	198 775
Vote 3 - BUDGET AND TREASURY		331 560	361 355	388 294	402 570	399 306	399 306	401 006	439 333	451 567
Vote 4 - MUNICIPAL MANAGER		1 050	—	1 500	—	—	—	—	—	—
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		37 316	101 380	202 900	209 490	381 375	381 375	647 031	305 763	287 554
Vote 6 - TECHNICAL SERVICES		647 397	681 144	643 683	672 611	675 115	675 115	713 576	750 987	758 302
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		708 486	655 124	702 391	806 767	822 980	822 980	835 626	930 566	1 018 003
Vote 8 - GOVERNANCE UNIT		—	—	—	—	—	—	—	—	—
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	2 884 295	2 757 938	2 901 222
Expenditure by Vote to be appropriated	1									
Vote 1 - CORPORATE SERVICES		133 300	121 205	148 052	146 849	102 856	102 856	106 832	111 532	116 551
Vote 2 - COMMUNITY SERVICES		306 831	287 455	254 095	252 079	298 538	298 538	306 664	320 095	334 496
Vote 3 - BUDGET AND TREASURY		163 707	139 996	171 711	165 010	192 008	192 008	192 074	199 048	208 015
Vote 4 - MUNICIPAL MANAGER		50 103	52 281	62 253	51 735	60 150	60 150	59 470	62 087	64 881
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		76 031	125 741	172 310	203 132	357 475	357 475	662 848	328 390	332 099
Vote 6 - TECHNICAL SERVICES		637 961	744 037	911 483	938 144	894 952	894 952	895 287	949 671	1 002 939
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		610 157	552 417	647 467	708 144	719 925	719 925	757 837	799 182	837 785
Vote 8 - GOVERNANCE UNIT		27 880	26 458	28 336	23 838	28 348	28 348	29 864	31 178	32 582
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	3 010 876	2 801 183	2 929 347
Surplus/(Deficit) for the year	2	(35 445)	(34 308)	(155 551)	(153 312)	(119 803)	(119 803)	(126 581)	(43 245)	(28 125)

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		
		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
R thousand	1										
Revenue By Source											
Property rates	2	287 110	319 656	348 822	362 426	362 426	362 426	362 426	363 413	401 075	412 829
Service charges - electricity revenue	2	630 194	581 207	619 100	710 188	726 407	726 407	726 407	751 862	839 436	923 380
Service charges - water revenue	2	176 507	178 594	187 535	193 910	187 084	187 084	187 084	199 933	207 034	216 351
Service charges - sanitation revenue	2	108 894	108 915	116 274	119 429	120 014	120 014	120 014	123 818	132 812	138 789
Service charges - refuse revenue	2	88 291	82 251	92 725	95 601	99 017	99 017	99 017	101 229	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	3 131	2 510	2 623
Interest earned - outstanding debtors		8 015	5 754	5 107	4 642	4 247	4 247	4 247	4 001	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	48	46	48
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		498 547	611 725	724 384	695 021	842 932	842 932	842 932	1 112 707	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	2 693 263	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	656 536
Remuneration of councillors		24 657	25 106	27 352	28 882	28 882	28 882	28 882	29 060	30 339	31 704
Debt impairment	3	89 608	137 893	253 000	283 536	274 982	274 982	274 982	286 041	298 627	312 065
Depreciation & asset impairment	2	361 880	338 886	390 035	378 675	365 084	365 084	365 084	363 160	379 139	396 200
Finance charges		61 665	51 592	42 882	39 754	39 754	39 754	39 754	35 846	37 423	39 107
Bulk purchases	2	524 211	524 253	499 675	557 138	557 138	557 138	557 138	605 107	631 732	660 160
Other materials	8	5 975	2 117	132 735	136 114	139 578	139 578	139 578	153 188	159 886	167 079
Contracted services		74 012	215 154	385 428	388 306	564 999	564 999	564 999	818 629	513 023	538 055
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	306 101	214 115	120 147	106 290	110 501	110 501	110 501	118 192	122 888	128 440
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	3 010 876	2 801 183	2 929 347
Surplus/(Deficit)		(163 084)	(110 884)	(264 455)	(274 689)	(275 908)	(275 908)	(275 908)	(317 613)	(200 428)	(133 075)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		127 639	76 576	108 904	121 377	156 106	156 106	156 106	191 032	157 183	104 950
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)	(126 581)	(43 245)	(28 125)
Taxation											
Surplus/(Deficit) after taxation		(35 445)	(34 308)	(155 551)	(153 312)	(119 803)	(119 803)	(119 803)	(126 581)	(43 245)	(28 125)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(35 445)	(34 308)	(155 551)	(153 312)	(119 803)	(119 803)	(119 803)	(126 581)	(43 245)	(28 125)
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)	(126 581)	(43 245)	(28 125)

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
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLM		-	-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 8 - GOVERNANCE UNIT		-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	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 SETTLM		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	169 788	137 086	94 950
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		3 625	424	-	2 900	2 900	2 900	2 900	-	-	-
Vote 8 - GOVERNANCE UNIT		-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		158 893	105 605	150 390	145 393	185 393	185 393	185 393	209 033	170 083	117 850
<b>Total Capital Expenditure - Vote</b>		158 893	105 605	150 390	145 393	185 393	185 393	185 393	209 033	170 083	117 850
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		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		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		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		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		113 238	97 564	90 502	47 143	58 384	58 384	58 384	118 141	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	93 040	30 000	46 000
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		37 424	5 962	49 431	82 815	108 167	108 167	108 167	76 648	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	49 648	70 400	45 000
Waste water management		-	425	27 305	36 109	42 366	42 366	42 366	27 000	36 486	3 700
Waste management		-	-	138	-	1 224	1 224	1 224	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	158 893	105 605	150 390	145 393	185 393	185 393	185 393	209 033	170 083	117 850
<b>Funded by:</b>											
National Government		108 854	76 576	108 538	110 342	132 942	132 942	132 942	174 688	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 Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	127 639	76 576	108 904	121 377	156 105	156 105	156 105	191 032	157 183	104 950
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		31 254	29 029	41 486	24 016	29 289	29 289	29 289	18 001	12 900	12 900
<b>Total Capital Funding</b>	7	158 893	105 605	150 390	145 393	185 393	185 393	185 393	209 033	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	(14 037)	42 637	67 799
Call investment deposits	1		5 036	35 545	—		5 791	5 791	5 791			
Consumer debtors	1		680 874	617 310	549 655	535 943	544 148	544 148	544 148	594 134	648 681	688 924
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	676 443	791 517	860 931
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	6 666 531	6 799 862	6 935 859
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	7 238 673	7 394 889	7 554 687
TOTAL ASSETS			7 990 873	8 084 203	7 842 308	7 634 643	7 628 942	7 628 942	7 628 942	7 915 116	8 186 406	8 415 618
LIABILITIES												
Current liabilities												
Bank overdraft	1		—	—	—	—	—	—	—	—	—	—
Borrowing	4		25 598	12 149	28 757	15 118	15 118	15 118	15 118	(32 106)	(34 082)	(35 156)
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	688 021	668 492	666 626
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	692 762	672 731	671 323
Non current liabilities												
Borrowing			401 232	389 630	584 012	540 880	345 654	345 654	345 654	260 654	241 346	223 468
Provisions			158 382	177 199	207 485	202 464	202 464	202 464	202 464	90 445	94 063	97 825
Total non current liabilities			559 614	566 829	791 498	743 344	548 117	548 117	548 117	351 099	335 409	321 294
TOTAL LIABILITIES			1 418 099	1 545 080	1 306 883	1 479 168	1 289 752	1 289 752	1 289 752	1 043 861	1 008 140	992 617
NET ASSETS			5	6 572 774	6 539 123	6 535 425	6 155 475	6 339 190	6 339 190	6 871 255	7 178 266	7 423 001
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	6 841 013	7 146 815	7 390 291
Reserves	4		28 519	29 032	29 441	30 074	25 842	25 842	25 842	30 242	31 452	32 710
TOTAL COMMUNITY WEALTH/EQUITY			5	6 572 774	6 539 123	6 535 425	6 155 475	6 339 190	6 339 190	6 871 255	7 178 266	7 423 001

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	272 560	300 807	308 487
Service charges		789 214	1 096 265	842 958	942 901	955 548	955 548	955 548	989 000	1 100 936	1 189 233
Other revenue		114 557	84 390	27 611	229 053	257 709	257 709	257 709	315 172	276 017	275 569
Transfers and Subsidies - Operational	1	395 172	535 551	701 384	695 021	828 432	828 432	828 432	1 112 707	869 077	945 028
Transfers and Subsidies - Capital	1	93 964	119 740	108 904	121 377	152 677	152 677	152 677	191 032	157 183	104 950
Interest		12 938	8 444	2 373	2 296	2 294	2 294	2 294	3 131	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)	(2 683 251)	(2 408 268)	(2 608 613)
Finance charges		(43 582)	(51 592)	(42 882)	(39 754)	(39 754)	(39 754)	(39 754)	(35 846)	(37 423)	(39 107)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		120 217	152 459	123 839	158 959	202 958	202 958	202 958	164 505	260 839	178 168
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)	(209 033)	(170 083)	(117 850)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(158 893)	(101 042)	(132 390)	(134 393)	(174 393)	(174 393)	(174 393)	(209 033)	(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)	(76 633)	56 674	25 162
Cash/cash equivalents at the year begin:	2	57 465	9 999	36 244	15 985	9 500	9 500	9 500	62 596	(14 037)	42 637
Cash/cash equivalents at the year end:	2	9 724	35 546	936	8 667	6 181	6 181	6 181	(14 037)	42 637	67 799

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		
		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
R thousand											
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	(14 037)	42 637	67 799
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	(14 037)	42 637	67 799
Application of cash and investments											
Unspent conditional transfers		-	27 155	15 402	22 249	26 776	26 776	26 776	26 776	29 454	22 093
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2			(3 947)	47 876	45 229	45 229	45 229	17 103	22 360	25 686
Other working capital requirements	3	127 909	(20 256)	(36 744)	48 338	41 075	41 075	41 075	(13 944)	(72 448)	(100 721)
Other provisions			9 711	8 150	9 752	9 723	9 723	9 723	11 406	12 090	12 816
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	30 242	32 716	32 682
Total Application of cash and investments:		127 909	32 365	12 302	157 557	148 646	148 646	148 646	71 583	24 173	(7 445)
Surplus(shortfall)		(118 185)	3 180	(11 366)	(148 890)	(142 465)	(142 465)	(142 465)	(85 620)	18 464	75 243



**KZN252 Newcastle - Table A9 Asset Management**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			Budget Year +1 2022/23		
		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
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	86 310	58 569	99 250	70 770	70 080	70 080	106 386	38 100	39 150
Roads Infrastructure		37 699	52 695	60 068	23 170	33 956	33 956	77 941	20 000	36 000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		3 625	-	-	2 184	-	-	-	-	-
Water Supply Infrastructure		13 707	1 469	17 000	4 758	27 000	27 000	20 000	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	97 941	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	5 200	100	100
Transport Assets		-	-	2 990	3 200	628	628	-	-	-
Land		-	1 302	500	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	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		-	-	-	-	-	-	-	-	-

<b>Total Upgrading of Existing Assets</b>	6	25 671	32 943	41 018	65 623	104 720	104 720	92 648	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	27 000	36 486	3 700
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>21 748</b>	<b>32 943</b>	<b>35 857</b>	<b>54 623</b>	<b>82 081</b>	<b>82 081</b>	<b>76 648</b>	<b>111 886</b>	<b>48 700</b>
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
<b>Community Assets</b>		<b>3 896</b>	<b>-</b>	<b>44</b>	<b>11 000</b>	<b>17 000</b>	<b>17 000</b>	<b>16 000</b>	<b>10 097</b>	<b>20 000</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	4 979	-	5 639	5 639	-	-	-
Housing		27	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>27</b>	<b>-</b>	<b>4 979</b>	<b>-</b>	<b>5 639</b>	<b>5 639</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	138	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	<b>158 893</b>	<b>105 605</b>	<b>150 390</b>	<b>145 393</b>	<b>185 393</b>	<b>185 393</b>	<b>209 033</b>	<b>170 083</b>	<b>117 850</b>
Roads Infrastructure		76 155	93 085	73 485	40 932	47 549	47 549	107 941	50 000	46 000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
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	49 648	70 400	45 000
Sanitation Infrastructure		5 943	-	23 854	51 512	42 672	42 672	27 000	36 486	3 700
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>129 635</b>	<b>101 130</b>	<b>123 845</b>	<b>129 843</b>	<b>154 740</b>	<b>154 740</b>	<b>184 589</b>	<b>156 886</b>	<b>94 700</b>
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
<b>Community Assets</b>		<b>27 843</b>	<b>861</b>	<b>11 749</b>	<b>11 000</b>	<b>20 038</b>	<b>20 038</b>	<b>16 345</b>	<b>10 097</b>	<b>20 000</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	55	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	4 979	-	5 639	5 639	-	-	-
Housing		27	69	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>27</b>	<b>69</b>	<b>4 979</b>	<b>-</b>	<b>5 639</b>	<b>5 639</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	994	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>994</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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	5 200	100	100
Transport Assets		-	-	3 241	3 200	628	628	-	-	-
Land		-	1 302	500	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>158 893</b>	<b>105 605</b>	<b>150 390</b>	<b>145 393</b>	<b>185 393</b>	<b>185 393</b>	<b>209 033</b>	<b>170 083</b>	<b>117 850</b>

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>21 460 671</b>	<b>22 228 652</b>	<b>6 638 512</b>	<b>6 982 268</b>	<b>6 982 268</b>	<b>6 982 268</b>	<b>7 261 558</b>	<b>7 552 021</b>	<b>7 854 102</b>
<i>Roads Infrastructure</i>		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
<i>Storm water Infrastructure</i>		80 404	365 832	387 781	387 781	387 781	387 781	403 293	419 424	436 201
<i>Electrical Infrastructure</i>		307 467	983 122	1 042 110	270 485	270 485	270 485	281 304	292 557	304 259
<i>Water Supply Infrastructure</i>		279 939	610 826	647 476	647 476	647 476	647 476	673 375	700 310	728 322
<i>Sanitation Infrastructure</i>		605 978	652 837	692 008	692 008	692 008	692 008	719 688	748 475	778 414
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	103 235	109 429	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>5 305 887</b>	<b>6 160 190</b>	<b>5 866 887</b>	<b>6 210 643</b>	<b>6 210 643</b>	<b>6 210 643</b>	<b>6 459 069</b>	<b>6 717 431</b>	<b>6 986 129</b>
<b>Community Assets</b>		165 731	100 805	106 853	106 853	106 853	106 853	111 127	115 572	120 195
<b>Heritage Assets</b>		-	11 488	12 177	12 177	12 177	12 177	12 664	13 170	13 697
<b>Investment properties</b>		<b>1 255 048</b>	<b>350 780</b>	<b>371 827</b>	<b>371 827</b>	<b>371 827</b>	<b>371 827</b>	<b>386 700</b>	<b>402 168</b>	<b>418 255</b>
<b>Other Assets</b>		-	214 928	227 823	227 823	227 823	227 823	236 936	246 414	256 270
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	1 736	1 840	1 840	1 840	1 840	1 914	1 990	2 070
<b>Computer Equipment</b>		<b>7 507</b>	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		<b>7 275 523</b>	<b>7 595 646</b>	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
<b>Land</b>		-	48 212	51 104	51 104	51 104	51 104	53 149	55 275	57 486
<b>Zoo's, Marine and Non-biological Animals</b>		<b>7 450 976</b>	<b>7 744 868</b>	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>21 460 671</b>	<b>22 228 652</b>	<b>6 638 512</b>	<b>6 982 268</b>	<b>6 982 268</b>	<b>6 982 268</b>	<b>7 261 558</b>	<b>7 552 021</b>	<b>7 854 102</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>447 753</b>	<b>412 181</b>	<b>420 720</b>	<b>465 170</b>	<b>443 913</b>	<b>443 913</b>	<b>439 866</b>	<b>456 319</b>	<b>489 665</b>
<b>Depreciation</b>	<b>7</b>	361 880	338 886	390 035	378 675	365 084	365 084	363 160	379 139	396 200
<b>Repairs and Maintenance by Asset Class</b>	<b>3</b>	<b>85 873</b>	<b>73 296</b>	<b>30 685</b>	<b>86 495</b>	<b>78 829</b>	<b>78 829</b>	<b>76 707</b>	<b>77 180</b>	<b>93 465</b>
<i>Roads Infrastructure</i>		752	822	948	4 466	5 042	5 042	4 697	4 903	5 124
<i>Storm water Infrastructure</i>		-	-	-	18 422	18 266	18 266	16 766	17 529	18 322
<i>Electrical Infrastructure</i>		12 436	8 807	5 788	7 231	7 231	7 231	9 433	9 848	10 291
<i>Water Supply Infrastructure</i>		16 429	10 966	10 877	11 466	12 022	12 022	4 750	10 997	10 671
<i>Sanitation Infrastructure</i>		32 014	41 901	2 868	27 383	19 758	19 758	23 011	15 084	29 395
<i>Solid Waste Infrastructure</i>		-	-	-	2 065	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>61 632</b>	<b>62 496</b>	<b>20 481</b>	<b>71 033</b>	<b>62 320</b>	<b>62 320</b>	<b>58 677</b>	<b>58 362</b>	<b>73 804</b>
<b>Community Facilities</b>		2 605	830	1 002	1 767	1 387	1 387	1 465	1 530	1 598
<b>Sport and Recreation Facilities</b>		208	166	298	298	295	295	268	280	292
<b>Community Assets</b>		<b>2 814</b>	<b>996</b>	<b>1 300</b>	<b>2 065</b>	<b>1 682</b>	<b>1 682</b>	<b>1 733</b>	<b>1 809</b>	<b>1 891</b>
<b>Heritage Assets</b>		<b>43</b>	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		9 519	-	-	3 367	3 266	3 266	3 378	3 527	3 686
<i>Housing</i>		-	177	233	1 052	806	806	679	709	741
<b>Other Assets</b>		<b>9 519</b>	<b>177</b>	<b>233</b>	<b>4 419</b>	<b>4 072</b>	<b>4 072</b>	<b>4 057</b>	<b>4 236</b>	<b>4 426</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		3 033	3 899	3 739	3 109	3 009	3 009	3 784	3 951	4 128
<b>Intangible Assets</b>		<b>3 033</b>	<b>3 899</b>	<b>3 739</b>	<b>3 109</b>	<b>3 009</b>	<b>3 009</b>	<b>3 784</b>	<b>3 951</b>	<b>4 128</b>
<b>Computer Equipment</b>		-	-	-	-	1 639	1 639	2 300	2 401	2 509
<b>Furniture and Office Equipment</b>		-	-	-	38	37	37	33	30	28
<b>Machinery and Equipment</b>		<b>8 832</b>	<b>5 728</b>	<b>4 931</b>	<b>5 830</b>	<b>6 070</b>	<b>6 070</b>	<b>6 122</b>	<b>6 391</b>	<b>6 679</b>
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>447 753</b>	<b>412 181</b>	<b>420 720</b>	<b>465 170</b>	<b>443 913</b>	<b>443 913</b>	<b>439 866</b>	<b>456 319</b>	<b>489 665</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		45,7%	44,5%	34,0%	51,3%	62,2%	62,2%	49,1%	77,6%	66,8%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		20,1%	13,9%	13,1%	19,7%	31,6%	31,6%	28,3%	34,8%	19,9%
<i>R&amp;M as a % of PPE</i>		1,3%	1,1%	0,5%	1,3%	1,2%	1,2%	1,2%	1,1%	1,3%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>		1,0%	1,0%	1,0%	2,0%	3,0%	3,0%	2,0%	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
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		134 217	142 538	151 090	151 637	151 638	151 639	154 672	157 765	160 921
Piped water inside yard (but not in dwelling)		101 659	107 962	114 439	114 439	114 439	114 439	116 728	119 063	121 444
Using public tap (at least min.service level)	2	27 215	28 902	30 636	30 636	30 636	30 636	31 249	31 874	32 511
Other water supply (at least min.service level)	4	1 832	1 946	2 062	2 062	2 062	2 062	2 104	2 146	2 188
<i>Minimum Service Level and Above sub-total</i>		264 922	281 347	298 228	298 775	298 776	298 777	304 753	310 848	317 055
Using public tap (< min.service level)	3	-	281 347	298 228	298 228	298 228	298 228	304 193	310 277	316 482
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		7 767	8 249	8 744	8 744	8 744	8 744	8 919	9 097	9 279
<i>Below Minimum Service Level sub-total</i>		7 767	289 597	306 972	306 972	306 972	306 972	313 112	319 374	325 761
<b>Total number of households</b>	5	272 690	570 844	605 201	605 747	605 748	605 749	617 884	630 222	642 826
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		170 094	180 640	215 145	217 003	217 003	217 003	221 343	225 770	230 285
Flush toilet (with septic tank)		5 429	5 765	6 867	1 300	1 300	1 300	1 326	1 353	1 380
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		39 064	41 485	49 410	49 410	49 410	49 410	50 398	51 405	52 434
Other toilet provisions (> min.service level)		12 683	13 470	16 043	16 043	16 043	16 043	16 354	16 691	17 025
<i>Minimum Service Level and Above sub-total</i>		227 270	241 361	287 465	283 756	283 756	283 756	289 431	295 219	301 124
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		27 474	29 177	34 751	34 751	34 751	34 751	35 446	36 155	36 878
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		27 474	29 177	34 751	34 751	34 751	34 751	35 446	36 155	36 878
<b>Total number of households</b>	5	254 744	270 538	322 215	318 506	318 506	318 506	324 876	331 374	338 001
<b>Energy:</b>										
Electricity (at least min.service level)		39 642	39 642	47 214	56 233	56 233	56 233	57 358	58 505	59 675
Electricity - prepaid (min.service level)		2 233	2 233	2 660	3 168	3 168	3 168	3 231	3 296	3 361
<i>Minimum Service Level and Above sub-total</i>		41 875	41 875	49 874	59 400	59 400	59 400	60 588	61 800	63 036
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	41 875	41 875	49 874	59 400	59 400	59 400	60 588	61 800	63 036
<b>Refuse:</b>										
Removed at least once a week		59 199	70 910	59 199	59 199	59 199	59 199	60 383	61 591	62 822
<i>Minimum Service Level and Above sub-total</i>		59 199	70 910	59 199	59 199	59 199	59 199	60 383	61 591	62 822
Removed less frequently than once a week		-	70 910	2 066	2 066	2 066	2 066	2 107	2 149	2 192
Using communal refuse dump		-	-	1 451	1 451	1 451	1 451	1 480	1 510	1 540
Using own refuse dump		-	-	23 805	23 805	23 805	23 805	24 281	24 767	25 262
Other rubbish disposal		-	-	2 334	2 334	2 334	2 334	2 381	2 428	2 477
No rubbish disposal		-	-	1 024	1 024	1 024	1 024	1 044	1 065	1 087
<i>Below Minimum Service Level sub-total</i>		-	70 910	30 680	30 680	30 680	30 680	31 294	31 919	32 558
<b>Total number of households</b>	5	59 199	141 820	89 879	89 879	89 879	89 879	91 677	93 510	95 380
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		8 000	9 000	9 139	9 139	9 139	9 139	9 322	9 508	9 698
Sanitation (free minimum level service)		-	8 000	9 139	9 139	9 139	9 139	9 322	9 508	9 698
Electricity/other energy (50kwh per household per month)		8 000	9 000	9 417	9 417	9 417	9 417	9 605	9 797	9 993
Refuse (removed at least once a week)		20 500	9 000	9 139	9 139	9 139	9 139	9 322	9 508	9 698
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		7 000	7 000	9 035	10 326	7 988	7 988	10 123	8 840	9 238
Sanitation (free sanitation service to indigent households)		10 000	10 000	13 278	15 176	15 095	15 095	18 498	16 705	17 457
Electricity/other energy (50kwh per indigent household per month)		7 000	7 000	8 136	8 562	8 555	8 555	9 881	10 233	11 257
Refuse (removed once a week for indigent households)		13 450	13 450	14 254	15 551	13 218	13 218	16 196	14 628	15 286
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>		37 450	37 450	44 703	49 614	45 157	45 157	54 699	50 406	53 238
<b>Highest level of free service provided per household</b>										
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)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and Impermissible values in excess of section 17 of MPRA)										
Water (in excess of 6 kilolitres per indigent household per month)		22 463	71 861	76 194	79 176	79 176	79 176	95 398	87 619	97 857
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										
Other										
<b>Total revenue cost of subsidised services provided</b>	6	22 463	71 861	76 194	79 176	79 176	79 176	95 398	87 619	97 857

**ANNEXURE E**  
**Tariff of Charges**

**NEWCASTLE MUNICIPALITY**



**FINAL  
TARIFF OF CHARGES  
2022/2023**

TABLE OF CONTENTS				
DESCRIPTION				
ASSESSMENT RATES				
ADMINISTRATION				
FEE FOR ACCESS TO INFORMATION - PUBLIC BODIES				
MISCELLANEOUS SERVICES				
PROPERTY RATES BYLAWS				
COMMUNITY SERVICES				
BYLAWS RELATING TO PUBLIC HEALTH				
BYLAWS RELATING KEEPING OF DOGS, ANIMALS, BIRDS & BEES				
CLEANSING				
FIRE BRIGADE BYLAWS				
TRAINING AND SPECIFIC INVESTIGATIONS				
STREET, TRAFFIC AND ENTERTAINMENT BYLAWS				
BYLAWS RELATING TO THE REGISTRATION & REGULATION OF DAIRIES, COW SHEDS, MILK SHOPS & MILK DEALERS & PURVEYORS				
CEMETERY BYLAWS				
PUBLIC SWIMMING POOL BYLAWS				
NEWCASTLE RECREATION CENTRE				
HIRE OF SPORTS GROUNDS				
CAMP AND CARAVAN PARK BYLAWS				
CLEANING OF PLOTS / VACANT ERFEN				
CULTURE AND AMENITIES				
HALL CHARGES				
OSIZWENI ARTS CENTRE				
FORT AMIEL MUSEUM				
BYLAWS RELATING TO PUBLIC LIBRARIES				
GROUP ACTIVITIES ROOMS				
TECHNICAL SERVICES				
ELECTRICITY SUPPLY BYLAWS				
DRAINAGE BYLAWS				
INDUSTRIAL EFFLUENT BYLAWS				
WATER SUPPLY BYLAWS AND SEWER BYLAWS				
MISCELLANEOUS SERVICES				
DEVELOPMENT AND TOWN PLANNING				
BYLAWS FOR REGIONAL AIRPORT AND MUNICIPAL AERODROME				
BUILDING BYLAWS				
ADVERTISING SIGN BYLAWS				
PLANNING DEVELOPMENT ACT - STATUTORY APPLICATIONS				

	Final Tariff 2021/2022	Final Tariff 2022/23
<b>ASSESSMENT RATES</b>		
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)	1,294 Cents in the Rand	1,372 Cents in the Rand
(ii) Business and commercial	3,234 Cents in the Rand	3,428 Cents in the Rand
(iii) Industrial property	3,234 Cents in the Rand	3,428 Cents in the Rand
(iv) Agricultural property	0,0288 Cents in the Rand	0,305 Cents in the Rand
(iv) Public service infrastructure	0,0288 Cents in the Rand	0,305 Cents in the Rand
(v) Mining property	3,234 Cents in the Rand	3,428 Cents in the Rand
(vi) Rural communal land	0,288 Cents in the Rand	0,305 Cents in the Rand
(viii) Places of public worship	Exempt	Exempt
(ix) Public Benefit Organizations	0,323 Cents in the Rand	0,342 Cents in the Rand
(x) Public Service Purposes	0,323 Cents in the Rand	0,342 Cents in the Rand
(xi) Vacant land	3,882 Cents in the Rand	4,115 Cents in the Rand
b) Rebates granted in terms of the Rates Policy		
Businesses	25%	25%
B&B Accommodation	10%	10%
Properties effected by disaster	50%	50%
Commercial/Industrial Development with market value of at least R50 million	As per policy	As per policy
c) Indigent accountholders are subsidised	100%	100%
d) Properties Situated Outside of the Proclaimed Boundaries of the Townships		
i) Residential property		60%
ii) Vacant Land		40%
e) Public Benefit Organisation who qualify in terms of the policy are exempt from rates		



	Final Tariff 2021/2022	Final Tariff 2022/23
<b>FEES FOR ACCESS TO INFORMATION – PUBLIC BODIES</b>		
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	R 2	R2
2. The fees for reproduction referred to in regulation 7(1) are as follows:-	R 2	R2
(a) For every photocopy of an A4 size page or part thereof	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	R 2	R2
(c) (i) For a copy in a computer readable form on still disc	R 2	R2
(ii) For a copy in a computer readable form on compact disc	R 2	R2
(d) (i) For a transcription of visual images for an A4 size page or part thereof	R 2	R2
(ii) For a copy of visual images	R 2	R2
(e) (i) For a transcription of an audio record for an A4 size page or part thereof	R 2	R2
(ii) For a copy of an audio recording	R 2	R2
3. The request fee payable by every requester other than a personal requester referred to in regulation 7.2)	R 2	R2
4. The access fees payable by a requester referred to in regulation 7(3) are as follows:-	R 2	R2
(a) For every photocopy of an A4 size page or part thereof	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	R 2	R2
(c) (i) For a copy in a computer readable form on still disc	R 2	R2
(ii) For a copy in a computer readable form on compact disc	R 2	R2
(d) (i) For a transcription of visual images for an A4 size page or part thereof	R 2	R2
(ii) For a copy of visual images	R 2	R2
(e) (i) For the transcription of an audio record for an A4 size page or part thereof	R 2	R2
(ii) For a copy of an audio recording	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	R 2	R2
All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time		
<b>MISCELLANEOUS SERVICES</b>		
(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	R 57	R61
(ii) Certified copy of extract from Council's minutes and/or hearings, per 100 words or part thereof	R 11	R12
(iii) Extracts of bylaws, per page or part thereof	R 2	R2
(iv) Valuation certificate or any other certificate, for each certificate	R 60-57	R64
(v) Inspection of Council's minutes, for each inspection	R 11	R12
(vi) Sale of computerised data	Cost + 3.9%	Cost + 6%
(vii) Photocopies, prints of plans and Photocasts/prints of building plans	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	R 475.57	R502
(ix) Electronic Certificate, per application per property, in accordance with section 118(1) of the Systems Act, No. 32 of 2000	R 375.55	R398
(b) Debt collection under tariffs		
(i) Final demand	R 0	
(ii) Preparation of summonses	R 119	R124
(iii) Preparation of judgments	R 142	R148
(iv) Restriction/reconnection of water supply	Cost + 3.9%	Cost + 3.9%
(v) Preparation of emolument orders / rental	R 119	R124
(vi) Preparation of Section 63 Notice (including appearance in court when necessary)	R 213	R241
(vii) Preparation of warrant of arrest	R 35	R37
(viii) Administrative charges for "Refer to Drawer" debit orders	R 124	R129
(c) Telephone warning service	R 0	R0
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 day	R 23	R23
(d) Fees for land affairs	R 0	R0
(i) Issue of bidding documents	R 0	R0
- The fee for a copy of a bidding document based on price	R 0	R0
A4 hard copy	R 224	R238
Compact disc	R 94	R99
- The fee for a copy of a bidding document based on price and development proposals	R 0	R0
A4 hard copy	R 333	R353
Compact disc	R 117	R124
(ii) Where a property has to be closed, rezoned, surveyed, subdivided and consolidated	Cost + 3.9%	Cost + 6%
(iii) Administrative charge where a land sale is cancelled, per cancellation	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 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		
<b>PROPERTY RATES BYLAWS</b>		
The tariff for each meter raised against a property valuation	R 145	R154

	Final Tariff 2021/2022		Final Tariff 2022/23
<b>BYLAWS RELATING TO PUBLIC HEALTH</b>			
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	R 58		R61
(b) For each carcass of a sheep, calf or pig	R 105		R111
(c) For each carcass of a horse, beast or similar large animal	R 514		R545
(d) Removal of carcasses on request of societies for the protection of animals	Free		Free
The aforesaid charges shall be payable in advance or upon demand or otherwise as may be arranged with the Council	R 0		R0
2. Vacuum tanker services to and emptying of ventilated improved pit toilets			
(a) Per sink & draw	R 106		R113
(b) Standout full and Overflow Section E and F	R 106		R113
3. Slat tank and waste water			
(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	R 957		R1,014
(b) Removal of blood from the abattoir, per load	R 1 148		R 1 217
4. Sewerage conservancy tanker services			
The following charges are payable in the Charlestown administrative unit :-			
(a) Residential properties, per load	R 43		R46
(b) Non-residential properties, per load	R 875		R 925
All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time			
<b>BYLAWS RELATING TO THE KEEPING OF DOGS, ANIMALS, BIRDS AND BEES</b>			
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	R17,50		R40
(b) For a second dog	R66,50		R70
(c) For any additional dog and subject to submission of Council authorization for the keeping of additional dogs, per dog			
2. The following fees are payable in respect of each domestic animal impounded			
(a) Pound fees per animal	R 205		R217
(b) Sterilization fee	Cost + 5%		Cost + 6%
(c) Immunisation fee	Cost + 5%		Cost + 6%
3. The following fees are payable in respect of each other animal impounded			
(a) Transport fee	The Kilometer tariff for vehicle which indorsement 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 to time		The Kilometer tariff for vehicle which indorsement 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 to time
(b) All inclusive pound fees which include:	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, for any other animal
(2) Tending fee	Cost + 5% administration fee		Cost + 6% administration fee
(c) Dressing or Scrubbing fees	Cost + 5% administration fee		Cost + 6% administration fee
(d) Wound dressing costs and fees, medication costs and fees	Cost + 5% administration fee		Cost + 6% administration fee
(e) Veterinarian fees	Cost + 5% administration fee		Cost + 6% administration fee
All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time			
<b>CLEANSING SERVICES BY LAWS</b>			
1. Special charges and charges for refuse removal services			
(a) Builders refuse, dirt, industrial refuse, bulky refuse - per load of 5 cubic metres (5 tons) or part thereof	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	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	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	R 769,90		R816
(e) Special Industrial Refuse	Cost + 5%		Cost + 6%
2. Charges for domestic and business refuse removal services			
(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	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	R 152		R161
(iii) Non-residential properties in Newcastle East - not exceeding one removal per week, per month	R 152		R161
(iv) Residential and Non-residential properties in Ingagane/Kilbarchan - not exceeding one removal per week, per month	R 152		R161
(v) Residential and Non-residential properties in Charlestown - not exceeding one removal per week, per month	R 152		R161
(vi) Registered indigent account holders	R 152		R161

		Final Tariff 2021/2022	Final 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 0.85m <sup>3</sup> container per month:		
	1 removal per week	R 152	R161
b	Rental of bulk container of 1.1m <sup>3</sup> per month (existing service being phased out):		
	1 removal per week	R 945	R1 002
	2 removals per week	R 1 862	R1 974
	3 removals per week	R 2 813	R2 967
	4 removals per week	R 3 759	R3 985
	5 removals per week	R 4 697	R4 970
c	Rental of bulk container of 1.75m <sup>3</sup> per month:		
	1 removal per week	R 1 147	R1 216
	2 removals per week	R 2 293	R2 431
	3 removals per week	R 3 445	R3 652
	4 removals per week	R 4 619	R4 870
	5 removals per week	R 5 744	R6 089
	6 removals per week	R 6 890	R7 303
	7 removals per week	R 8 037	R8 519
d	240L wheelie bin:		
	1 removal per week	R 670	R710
	2 removals per week	R 1 341	R1 421
	3 removals per week	R 2 011	R2 132
	4 removals per week	R 2 681	R2 842
	5 removals per week	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 m <sup>3</sup> Bulk Containers	R 1 319	R1 398
	10 m <sup>3</sup> Bulk Containers	R 2 193	R2 335
	30 m <sup>3</sup> Bulk Containers	R 4 339	R4 599
	6 m <sup>3</sup> Skip Containers	R 684	R721
	19 m <sup>3</sup> Skip Containers	R 2 120	R2 254
b	Rental per container per week:		
	8 m <sup>3</sup> Bulk Containers	R 229	R240
	10 m <sup>3</sup> Bulk Containers	R 349	R363
	30 m <sup>3</sup> Bulk Containers	R 1 086	R1 151
	6 m <sup>3</sup> Skip Containers	R 168	R176
	19 m <sup>3</sup> Skip Containers	R 352	R364
c	Rental per container per day:		
	8 m <sup>3</sup> Bulk Containers	R 82	R87
	10 m <sup>3</sup> Bulk Containers	R 132	R140
	30 m <sup>3</sup> Bulk Containers	R 231	R245
	6 m <sup>3</sup> Skip Containers	R 36	R37
	19 m <sup>3</sup> Skip Containers	R 112	R118
d	For a removal service per container:		
	8 m <sup>3</sup> Bulk Containers	R 1 834	R1 944
	10 m <sup>3</sup> Bulk Containers	R 1 834	R1 944
	30 m <sup>3</sup> Bulk Containers	R 1 834	R1 944
	6 m <sup>3</sup> Skip Containers	R 895	R949
	19 m <sup>3</sup> Skip Containers	R 1 369	R1 451
e	For delivery of containers rented for a period less than one month per container:		
	8 m <sup>3</sup> Bulk Containers	R 917	R972
	10 m <sup>3</sup> Bulk Containers	R 917	R972
	30 m <sup>3</sup> Bulk Containers	R 917	R972
	6 m <sup>3</sup> Skip Containers	R 729	R771
	19 m <sup>3</sup> Skip Containers	R 729	R773
	Charges 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 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		
	All services used by Council may be considered an exempt charge	Tariffs per Tariff of Charges	
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 thereof	R 55.00	R58.30
b	Builders rubble and excavated material, per R 250 kg or part thereof	R 17.70	R18.76
c	Bulk food waste and condemned food, per R 250 kg or part thereof	R 150.00	R159.00
d	Garden refuse, per R 250 kg or part thereof	R 17.70	R18.76
e	Sawdust and wood waste, per R 250 kg or part thereof	R 55.10	R58.41
f	(a) to (e) above are not applicable for private LDVs, cars and cars with trailers, limited to 1 tonne per week		
g	Tariff for the volume weighing of vehicles (excluding Council vehicles) per vehicle	R 89.30	R94.66
h	Special Disposal, per R 250 kg or part thereof	R 149.60	R158.58
i	The tariff in (b) and (d) may be waived if material is returned by the WDS		
6.	Sale of compost:		
a	per 10kg bag	R 30.00	R31.80
b	per 1ton	R 300.30	R318.32
7.	Sale of recyclates, per kg:		
a	Plastic	R 0.10	R0.11
b	Glass	R 0.10	R0.11
c	Metal	R 0.10	R0.11
d	Paper/Cardboard	R 0.10	R0.11

	Final Tariff 2021/2022	Final Tariff 2022/23
<b>FIRE BRIGADE BYLAWS</b>		
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
(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)
(c) Services rendered regarding call-out cost for a grass fire on an undeveloped lot, payable by the owner. If more than one lot is involved, the actual cost to be paid pro-rata by the owners	Cost + 5%	Cost +6%
(d) Chemical additives used for fire-fighting services, payable by the owner	Cost + 5%	Cost +6%
2. Fire and rescue services rendered outside Council's area of jurisdiction, per kilometre		
1 to 5 kilometres	R 49.00	R51.94
6 to 15 kilometres	R 25.00	R26.50
16 to 20 kilometres	R 37.00	R39.22
21 to 30 kilometres	R 30.00	R31.80
31 to 50 kilometres	R 25.00	R26.50
51 + kilometres	R 24.00	R25.44
(a) Call-out cost per officer	R 322.00	R341.32
(b) Services rendered by officers per hour or part thereof per officer	Cost + 5%	Cost +6%
(c) Call-out cost per fire-fighter	R 286.00	R341.32
(d) Services rendered by fire-fighters per hour or part thereof per fire-fighter	Cost + 5%	Cost +6%
(e) Call-out cost per fire engine	R 739.00	R783.34
(f) Cost for use or availability per hour or part thereof	R 367.00	R389.02
(g) Additional cost for distances travelled per km		
1 to 5 kilometres	R 51.00	R54.06
6 to 15 kilometres	R 46.00	R48.76
16 to 20 kilometres	R 36.00	R38.16
21 to 30 kilometres	R 28.00	R29.68
31 to 50 kilometres	R 25.00	R26.50
51 + kilometres	R 24.00	R25.44
(h) Call-out cost for rescue vehicle	R 451.00	R478.06
(i) Cost for use or availability per hour or part thereof	R 224.00	R237.44
(j) Additional cost for distances travelled per km	R 0.00	R0.00
1 to 5 kilometres	R 39.00	R41.34
6 to 15 kilometres	R 36.00	R38.16
16 to 20 kilometres	R 30.00	R31.80
21 to 30 kilometres	R 24.00	R26.50
31 to 50 kilometres	R 21.00	R22.26
51 + kilometres	R 18.00	R19.08
(k) Call-out cost for service vehicle	R 289.00	R306.34
(l) Cost for use or availability per hour or part thereof	R 144.00	R152.64
(m) Cost for use of combination service vehicle and fire fighting trailer	R 435.00	R461.10
(n) Cost for use or availability per hour or part thereof	R 144.00	R152.64
(o) Additional cost for distances travelled per km	R 0.00	R0.00
1 to 5 kilometres	R 6.00	R6.36
6 to 15 kilometres	R 6.00	R6.36
16 to 20 kilometres	R 6.00	R6.36
21 to 30 kilometres	R 6.00	R6.36
31 to 50 kilometres	R 6.00	R6.36
51 + kilometres	R 6.00	R6.36
3. Services rendered in respect of special services to residents and/or non-residents/ ratepayers of Newcastle		
(a) Call-out cost per service	R 286.00	R303.16
(b) Services rendered by officers per hour or part thereof per officer	Cost + 5%	Cost +6%
(c) Call-out cost per fire fighter	R 286.00	R303.16
(d) Services rendered by fire fighters per hour or part thereof	Cost + 5%	Cost +6%
(e) Call-out cost per fire engine	R 739.00	R783.34
(f) Cost for use or availability per hour or part thereof	R 376.00	R398.56
(g) Call-out cost per portable pump/ chainsaw	R 144.00	R152.64
(h) Cost for use or availability per hour or part thereof	R 138.00	R146.28
(i) Cost for use of breathing apparatus compressor per hour or part thereof	R 144.00	R152.64
	R 0.00	
All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time.		
<b>TRAINING AND SPECIFIC INSPECTIONS</b>		
(a) Cost of instructor per hour or part thereof	Cost + 5%	Cost +6%
(b) Cost of material/ training aids	Cost + 5%	Cost +6%
(c) Call-out cost per fire fighter	Cost + 5%	Cost +6%
(d) Printing of certificates	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.		

	Final Tariff 2021/2022	Final Tariff 2022/23
<b>CERTIFICATE OF REGISTRATION</b>		
Services rendered to ratepayers/ residents and non residents/ ratepayers		
Issuing of a certificate plus one certified copy	R 223.00	R236.38
All the abovementioned tariff in respect of services rendered is subject to value-added tax as determined from time to time		
<b>STREET TRAFFIC AND ENTERTAINMENT BYLAWS</b>		
1. Application for permit to use taxi rank, per annum	R 390.00	R390.00 to be capped at this rate. This is consistent according to discussions throughout 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	R103.98
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 On-Street Parking	R 250.00	R265.00
6.1 Parking meter fees - Tariff for 0 - 30 minutes	R 3.00	R3.18
6.2 Parking meter fees - Tariff for 31 minutes - 1 hour	R 6.00	R6.36
6.3 Parking meter fees - Tariff for 1 - 2 hours	R 13.00	R13.78
6.4 Parking meter fees - Tariff for 2 - 3 hours	R 19.00	R20.14
6.5 Parking meter fees - Tariff for 3 - 4 hours	R 25.00	R26.50
6.6 Parking meter fees - Tariff for > 4 hours	R 50.00	R53.00
6.7 Parking meter fees - Tariff for monthly parkers	R550 (10 % escalation - annually)	R550 (10 % escalation - annually)
Parking Meter Tariffs for On-Street Parking		
6.8 *	R 4.00	R4.24
6.9 Parking meter fees - Tariff for 31 minutes - 1 hour	R 8.00	R8.48
6.10 Parking meter fees - Tariff for 0 - 2 hours	R 13.00	R13.78
6.12 Parking meter fees - Tariff for 2 - 3 hours	R 19.00	R20.14
6.13 Parking meter fees - Tariff for 3 - 4 hours	R 27.00	R28.62
6.14 Parking meter fees - Tariff for > 4 hours	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	R 421.00	R446.34
: Sunday and Public Holidays	R 859.00	R910.54
(b) Traffic Officer, per individual, per hour or part thereof: Monday to Saturday	R 367.00	R389.02
: Sunday and Public Holidays	R 718.00	R761.08
(c) Traffic escorts with funerals, per Traffic Officer, per hour or part thereof: Monday to Saturday	R 335.00	R355.10
: Sunday and Public Holidays	R 671.00	R711.20
All the abovementioned tariffs in respect of services rendered are subject to value-added tax as determined from time to time		
<b>BYLAWS RELATING TO THE REGISTRATION AND REGULATION OF DAIRIES, COW SHEDS, MILK SHOPS, MILK DEALERS AND PURVEYORS</b>		
Badges in terms of Section 11, per badge	R 2	R2.20
All the abovementioned tariff in respect of services rendered is subject to value-added tax as determined from time to time		
<b>CEMETERY BYLAWS</b>		
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	R 1 290.00	R1 367.40
2.2m x 0.7m x 1.8m	R 1 763.00	R1 868.78
2.2m x 0.7m x 2.4m	R 2 029.00	R2 150.74
Casket	R 2 223.00	R2 344.38
Burial plot - full-sized tombstones		
1.5m x 1.2m	R 2 138.00	R2 266.28
2.2m x 0.7m x 1.8m	R 2 194.00	R2 325.64
2.2m x 0.7m x 2.4m	R 2 304.50	R2 442.77
Casket	R 3 265.00	R3 460.90
(b) Non-residents Burial plot - headstone		
1.5m x 1.2m	R 3 829.00	R4 058.74
2.2m x 0.7m x 1.8m	R 5 520.00	R5 851.20
2.2m x 0.7m x 2.4m	R 7 184.00	R7 615.04
Casket	R 9 519.00	R10 090
Burial plot - full-sized tombstones		
1.5m x 1.2m	R 7 014.00	R7 434.84
2.2m x 0.7m x 1.8m	R 9 519.00	R10 090.14
2.2m x 0.7m x 2.4m	R 10 810.00	R11 458.60
Casket	R 12 846.20	R13 617
2. MADADENI/OSIZWENI CEMETERIES		
(a) Residents Burial plot		
1.5m x 0.7m x 1.2m	R 350.00	R371.00
2.2m x 0.7m x 1.8m	R 476.00	R504.56
Casket	R 658.00	R697.48
(b) Non-residents Burial plot		
1.5m x 0.7m x 1.2m	R 811.00	R859.66
2.2m x 0.7m x 1.8m	R 924.00	R979.44
Casket	R 1 497.00	R1 586.82
Clearing of plots		Cost +6%

		Final Tariff 2021/2022	Final Tariff 2022/23
3.	<b>CHARLESTOWN CEMETERIES</b>		
(a)	Residents Burial plot		
	1.5m x 1.2m	R 352.00	R 373.12
	2.2m x 0.7m x 1.8m	R 476.00	R 504.50
	Casket	R 645.00	R 683.70
(b)	Non-residents Burial plot		
	1.5m x 1.2m	R 812.00	R 860.72
	2.2m x 0.7m x 1.8m	R 984.00	R 1 043.04
	Casket	R 1 492.00	R 1 581.52
4.	For opening a grave for exhumation and filling in thereof	R 1 219.00	R 1 292.14
5.	Digging of graves to an extended depth Per 100mm or part thereof	R 126.00	R 134
6.	Perpetual rights are included in the total price of a burial plot.		
7.	Ash Burial system : Garden of remembrance		
(a)	Reservation (Space for 2 urns)		
(i)	Residents	R 533.00	R 564.98
(ii)	Non-residents	R 1 516.00	R 1 606.96
(b)	Funerals: Per funeral		
(i)	Residents	R 179.00	R 189.74
(ii)	Non-residents	R 588.00	R 623.28
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.		
	<b>PUBLIC SWIMMING POOL BYLAWS</b>		
1.	Entrance fee		
(a)	Schoolers, per day	R 8.00	R 8.48
(b)	Adults, per day	R 15.00	R 15.90
2.	Season tickets		
(a)	Per child under 18 years	R 250.00	R 259.14
(b)	Per adult	R 473.00	R 501.38
	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		
3.	Monthly tickets		
(a)	Per child under 18 years	R 699.00	R 734.14
(b)	Per adult	R 1 091.00	R 1 146.00
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)	R 217.00	R 230.02
(b)	14:00 - 18:00 (or part thereof)	R 179.00	R 188.74
(c)	18:00 - 24:00 (or part thereof)	R 271.00	R 287.76
(d)	Gates Newcastle swimming pool	R 1 182.00	R 1 252.92
(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		R 0.00
(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
(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	R 217	R 230.02
(ii)	Side room	R 109	R 115.54
(iii)	Kitchen		R 0.00
(b)	Hire for meetings, weddings, anniversaries, children's parties & sports functions, per hour		
(i)	Hall	R 152	R 161.12
(ii)	Side room	R 77	R 81.62
(iii)	Kitchen	R 77	R 81.62
(c)	Hire for exhibitions, per hour		
(i)	Hall	R 183	R 193.98
(ii)	Side room	R 97	R 97.12
(iii)	Kitchen		
(d)	Hire for non-profit organisations, per hour		
(i)	Hall	R 105	R 111.30
(ii)	Side room	R 44	R 46.64
(iii)	Kitchen	R 44	R 46.64
(e)	Preparation for functions contemplated in (a)-(d) above, per hour	R 59	R 62.54
(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	R 202.00	R 214.12
8.	Hire of tuck shop, per day or part thereof	R 176.00	R 186.56
9.	Fridays and Saturdays the tariff to hire the Newcastle swimming pool hall and tuck shop	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) above + 25%	Normal tariff in 5(a) to (e) above + 25%
11.	Hire of hall and facilities by non-residents	Normal rate + 25%	Normal rate + 25%
12.	Refundable deposit for function, meeting, etc.	R 3 133.00	R 3 320.98
13.	School utilizing a municipal swimming pool during the swimming season for physical exercise for all their pupils, per season	R 819.00	R 868.14

	Final Tariff 2021/2022	Final Tariff 2022/23
<b>NEWCASTLE RECREATION CENTRE</b>		
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.		
<b>Mondays to Thursdays</b>		
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	R 272.00	R288.32
2. Hire for political, per hour	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	R 225.00	R238.50
(b) For longer than one day, per day	R 773.00	R819.38
4. Hire for non-profit organisations including external sporting bodies: Member groups on Sundays, per hour	R 180.00	R190.80
5. Preparation for functions contemplated in 1 to 4 above, per hour	R 61.00	R64.66
6. Hire of kitchen, per hour	R 137.00	R145.22
7. Hire of side room, per hour		50% of tariff under 1-4 above
8. Hire of public-address system, per day or part thereof	R 235.00	R249.10
9. Hire for sport and recreation activities by member group residing in Newcastle - Mondays to Saturdays	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 membership fees 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%
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%
13. Hire of hall and facilities by non-residents	Normal rate + 25%	Normal rate + 25%
14. Refundable deposit per function, meeting, etc.	R 2 647.00	R2 669.82
<b>Hire for sport by member group</b>		
Membership fee per month	R 6.00	R6.32
Non-residential members	R 8.00	R8.39
Family membership (3 or more family members enrolled for activities at the centre)	R 3.00	R3.18
Hire for sport by member group without an instructor per month	R 22.00	R23.32
Membership fee per member monthly	R 6.00	R6.36
Non-residential members monthly fee per member	R 8.00	R8.48
<b>Hire for recreational activities by member groups (e.g. toddler playground, after care group)</b>		
Membership fee per member monthly	5% of monthly income	6% of monthly income
Non-residential per member monthly	R 6.00	R6.32
Holiday programme per member monthly	R 8.00	R8.48
	R 3.00	R3.18
<b>HIRE OF SPORTS GROUNDS</b>		
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	R 1 024	R1 085.44
(ii) Thereafter, per day or part thereof, excluding services	R 194	R205.64
(iii) For sports facilities, per facility per day	R 328	R347.68
(b) For non-profit organisations, groups or individuals other than for private gain		
(i) For the first three days, excluding services	Free	Free
(ii) Thereafter, per day or part thereof, excluding services	R 194	R205.64
<b>CAMP AND CARAVAN PARK BYLAWS</b>		
1. Fees payable in respect of permits for camp and caravan sites		
(a) Site, per day	R 104	R110
(b) Site, per day, for groups with more than 10 caravans	R 78	R81
(c) Per person over five years of age, per day: Maximum of six persons per site	R 29	R30
(d) Per person over five years of age, per day for groups with more than 10 caravans: Maximum of six persons per site	R 20	R21
(e) Use of electricity, per day, per site	R 49	R51
(f) Use of electricity, per day, per site for groups with more than 10 caravans	R 29	R30
2. Fees for use of the following:		
(a) Washing machine, per load	R 20	R21
(b) Tumble drier, per load	R 20	R21
3. Fees for persons working in Newcastle, per day, per person	R 119	R125
4. Fee payable to bona fide travellers for the use of ablution facilities, per person	R 29	R30
5. Entrance fee to the Amoor 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	R 16	R17
(b) Scholars, per day (12 years and under)	R 8	R8
(c) Busses, per bus, per day	R 385	R400
6. Entrance fee to the Boschhoek Dam picnic area		
(a) Adults, per day	R 13	R14
(b) Children, per day	R 8	R8
7. Hire of Amoor Dam for public or private use by profit motivated organisation		
(a) For the first day, excluding the cost of services	R 23 912	R24 898
(b) Thereafter, per day, excluding the cost of services	R 11 956	R12 434
(c) Refundable deposit, per function	R 4 781	R4 976
8. Hire of Amoor Dam by non-profit motivated organisation		
(a) For the first day, excluding the cost of services	R 2 392	R2 488
(b) Thereafter, per day, excluding the cost of services	R 1 201	R1 249
(c) Refundable deposit, per function	R 2 392	R2 488
9. Hire of caravan site, per person, per month	R 3 477	R3 616
10. Storage of caravan, per day	R 50	R51

		Final Tariff 2021/2022			Final Tariff 2022/23	
	<b>CLEANING OF PLOTS / VACANT ERVEN</b>					
1.	Cleaning of plots / vacant erven:					
(a)	Erven not exceeding 1.000m <sup>2</sup>	R 1.652.78			R 1.751.95	
(b)	Erven from 1.000m <sup>2</sup> to 2.000m <sup>2</sup>	R 2.833.11			R 3.003.10	
(c)	Erven from 2.000m <sup>2</sup> to 4.000m <sup>2</sup>	R 5.193.77			R 5.405.40	
(d)	Erven from 4.000m <sup>2</sup> to 10.000m <sup>2</sup>	R 9.915.09			R 10.510.00	
(e)	Erven in excess of 10.000m <sup>2</sup>	R 12.275.75			R 13.012.25	
	(Payments to be received against cost centre/item 403034)					



	Final Tariff 2021/2022	Final Tariff 2022/23
<b>HALLS</b>		
<b>General</b>		
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 hire of the hall is 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 arranged for 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 required, increase the minimum deposit.		
Should the hall or facility be 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.)		
<b>A. TOWN HALL</b>		
<b>Mondays to Thursdays</b>		
1. Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof	R 384.00	R407.04
2. Hire for weddings, anniversaries and children's parties, per hour or part thereof	R 300.00	R318.00
3. Hire for political meetings, per hour or part thereof	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	R 308.00	R326.48
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	R 1,047.00	R1,109.82
6. Hire for non-profit organisations, per hour or part thereof	R 204.00	R216.24
7. Hire for religious purposes, per hour or part thereof	R 169.00	R179.14
8. Preparation of functions contemplated in 1 to 7 above, per hour or part thereof	R 92.00	R97.52
9. Rehearsals, per day or part thereof	R 184.00	R195.04
10. Hire of Kitchen Room. Tariffs applicable as per 1 to 9 above	50% of tariff	50% of tariff
11. Hire of kitchen, per hour or part thereof	R 169.00	R179.14
12. Hire of toilet rooms, per day or part thereof	R 169.00	R179.14
13. Hire of public address system, per day or part thereof	R 285.00	R302.10
14. Hire of hall for sport purposes, per hour or part thereof	R 308.00	R326.48
15. Hire of hall and facilities by non-residents	Normal rate + 25%	Normal rate + 25%
16. Fridays and Saturdays: Tariff to hire the Town Hall	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%
18. Refundable deposit per function, meeting, etc.	R 2,569	R2,723.14
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
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
<b>B. FARMERS HALL</b>		
<b>Mondays to Thursdays</b>		
1. Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof	R 292.00	R309.52
2. Hire for weddings, anniversaries and children's parties, per hour or part thereof	R 246.00	R260.76
3. Hire for political meetings, per hour or part thereof	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	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	R 645.00	R683.70
6. Hire for religious purposes, per hour or part thereof	R 108.00	R114.48
7. Hire for non-profit organisations, per hour or part thereof	R 208.00	R220.48
8. Preparation of functions contemplated in 1 to 7 above, per hour or part thereof	R 94.00	R99.64
9. Rehearsals, per day or part thereof	R 184.00	R195.04
10. Hire of kitchen facilities, per hour or part thereof	R 160.00	R169.60
11. Hire of Farmers' Hall grounds, per day or part thereof	R 792.00	R839.52
12. Hire of new stables, per stable, per day or part thereof	R 61.00	R64.66
13. Hire of old stables, per stable, per day or part thereof	R 46.00	R48.76
14. Hire of toilet facilities, per day or part thereof	R 208.00	R220.48
15. Hire of hall for sport purposes, per hour or part thereof	R 308.00	R326.48
16. Additional charge for special preparation of the arena, per day or part thereof	R 264.00	R279.84
17. Hire of hall and facilities by non-residents	Normal rate + 25%	Normal rate + 25%
18. Fridays and Saturdays: The tariff to hire the Farmers Hall	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%
20 a) Refundable deposit per function, meeting, etc.	R 2,200.00	R2,332.00
b) Refundable deposit for cleaning of stables	R 1,104.00	R1,170.24
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
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

	Final Tariff 2021/2022	Final Tariff 2022/23
<b>C. RICHVIEW CIVIC CENTRE</b>		
<i>Mondays to Thursdays</i>		
1. Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof	R 362.00	R383.72
2. Hire for weddings, anniversaries and children's parties, per hour or part thereof	R 292.00	R309.52
3. Hire for political meetings, per hour or part thereof	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	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	R 823.00	R872.38
6. Hire for non-profit organisations, per hour or part thereof	R 222.00	R235.32
7. Preparation for functions contemplated in 1 to 6, per hour or part thereof	R 93.00	R98.50
8. Rehearsals, per day or part thereof	R 184.00	R195.04
9. Hire for religious purposes, per hour or part thereof	R 92.00	R97.52
10. Hire of cooking area, per hour or part thereof (including staff)	R 339.00	R359.34
11. Hire of public-address system, per day or part thereof	R 262.00	R277.72
12. Hire of hall for sport purposes, per hour or part thereof	R 308.00	R326.48
13. Hire of hall and facilities by non-residents	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%
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%
16. Refundable deposit per function meeting, etc.	R 2 905.00	R3 079.30
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
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
<b>D. FAIRLEIGH COMMUNITY HALL</b>		
<i>Mondays to Thursdays</i>		
1. Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals per hour or part thereof	R 292.00	R309.52
2. Hire for weddings, anniversaries and children's parties, per hour or part thereof	R 246.00	R260.76
3. Hire for political meetings, per hour or part thereof	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	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	R 645.00	R683.70
6. Hire for non-profit organisations, per hour or part thereof	R 184.00	R195.04
7. Preparation for functions contemplated in 1 to 6, per hour	R 85.00	R90.10
8. Rehearsals, per day or part thereof	R 184.00	R195.04
9. Hire for religious purposes, per hour or part thereof	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	R 246.00	R260.76
11. Hire of public-address system, per day or part thereof	R 262.00	R277.72
12. Hire of hall for sport purposes, per hour or part thereof	R 308.00	R326.48
13. Hire of hall and facilities by non-residents	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%
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%
16. Refundable deposit per function meeting, etc.	R 2 178.00	R2 408.68
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
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
<b>E. NEWCASTLE SHOW HALL</b>		
<i>Mondays to Thursdays</i>		
1. Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof	R 384.00	R407.04
2. Hire for weddings, anniversaries and children's parties, per hour or part thereof	R 300.00	R318.00
3. Hire for political meetings, per hour or part thereof	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	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	R 1 024.00	R1 085.44
6. Hire for non-profit organization, per hour or part thereof	R 208.00	R220.48
7. Hire for religious purposes, per hour or part thereof	R 208.00	R220.48
8. Preparation for functions contemplated in 1 to 7 above, per hour or part thereof	R 131.00	R138.86
9. Rehearsals, per day or part thereof	R 222.00	R235.32
10. Hire of toilet facilities, per day or part thereof	R 246.00	R260.76
11. Hire of the kitchen, per hour or part thereof	R 208.00	R220.48
12. Hire of public-address system, per day or part thereof	R 539.00	R571.34
13. Cost of operator for public-address system	Costs + 10%	Costs + 10%
14. Use of air-conditioner per hour or part thereof	R 477.00	R505.62
15. Hire of hall for sport purposes, per hour or part thereof	R 308.00	R326.48
16. Hire of hall and facilities by non-residents	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%
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%
19. Refundable deposit per function meeting, etc.	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
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
<b>F. MADADENI COMMUNITY HALL</b>		
<i>Mondays to Thursdays</i>		
1. Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof	R 292.00	R309.52
2. Hire for weddings, anniversaries and children's parties, per hour or part thereof	R 246.00	R260.76
3. Hire for political meetings, per hour or part thereof	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	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 or part thereof	R 674.00	R714.44
6. Hire for religious purposes, per hour or part thereof	R 108.00	R114.48
7. Hire for non-profit organisations, per hour or part thereof	R 208.00	R220.48
8. Preparation for functions contemplated in 1 to 7 above, per hour or part thereof	R 85.00	R90.10

	Final Tariff 2021/2022	Final Tariff 2022/23
9. Rehearsals per day or part thereof	R 184.00	R195.04
10. Hire of public address system per day or part thereof	R 285.00	R302.10
11. Hire of hall for sport purposes, per hour or part thereof	R 308.00	R326.48
12. Hire of hall and facilities by non-residents	Normal rate + 25%	Normal rate + 25%
13. Fridays and Saturdays: The tariff to hire the Community Hall	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%
15. Refundable deposit per function, meeting, etc.	R 2 162.00	R2 403.72
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
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
<b>G. OSIZWENI COMMUNITY HALL</b>		
Mondays to Thursdays		
1. Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof	R315.00	R333.90
2. Hire for weddings, anniversaries and children's parties per hour or part thereof	R285.00	R302.10
3. Hire for political meetings per hour or part thereof	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	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	R894.00	R947.64
6. Hire for non-profit organisations per hour or part thereof	R208.00	R220.48
7. Hire for religious purposes per hour or part thereof	R108.00	R114.48
8. Preparation for functions contemplated in 1-7 above per hour or part thereof	R91.00	R98.28
9. Rehearsals, per day or part thereof	R184.00	R195.04
10. Hire of hall for sport purposes, per hour or part thereof	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
12. Hire of public address system per day or part thereof	R 351.00	R372.06
13. Hire of hall and facilities by non-residents	Normal rate + 25%	Normal rate + 25%
14. Fridays and Saturdays: The tariff to hire the Community Hall	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%
16. Refundable deposit per function, meeting, etc.	R 2 741.00	R2 905.46
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
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
<b>H. CHARLESTOWN COMMUNITY HALL</b>		
Mondays to Thursdays		
1. Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof	R 108.00	R310.00
2. Hire for weddings, anniversaries and children's parties per hour or part thereof	R 85.00	R261.00
3. Hire for political meetings per hour	R 92.00	R278.00
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	R 92.00	R714.00
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	R 208.00	R714.00
6. Hire for non-profit organisations per hour or part thereof	R 78.00	R220.00
7. Preparation for functions contemplated in 1 to 6 above per hour or part thereof	R 61.00	
8. Rehearsals per day or part thereof	R 81.00	R114.00
9. Hire for religious purposes per hour or part thereof	R 46.00	R48.76
10. Hire of the kitchen per hour or part thereof	R 184.00	R195.04
11. Hire of public address system, per day or part thereof	R 246.00	R260.76
12. Hire of hall for sport purposes per hour or part thereof	R 108.00	R326.48
13. Hire of hall and facilities by non-residents	Normal rate + 25%	Normal rate + 25%
14. Fridays and Saturdays: The tariff to hire the Community Hall	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%
16. Refundable deposit per function, meeting, etc.	R 554.00	R2 504.00
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
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

		Final Tariff 2021/2022			Final Tariff 2022/23	
<b>1 JBC HALL</b>						
<del>Mondays to Thursdays</del>						
1. Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazzars and beer festivals per hour or part thereof		R 292.00			R309.52	
2. Hire for weddings, anniversaries and children's parties per hour or part thereof		R 246.00			R260.76	
3. Hire for political meetings per hour or part thereof		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		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		R 646.00			R684.76	
6. Hire for non-profit organisations per hour or part thereof		R 184.00			R195.04	
7. Preparation for functions contemplated in 1 - 6 per hour		R 85.00			R90.10	
8. Rehearsals per day or part thereof		R 184.00			R195.04	
9. Hire for religious purposes per hour or part thereof		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		R 243.00			R257.58	
11. Hire of public-address system per day or part thereof		R 262.00			R277.72	
12. Hire of hall for sport purposes, per hour or part thereof		R 308.00			R326.48	
13. Hire of hall and facilities by non-residents		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%	
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%	
16. Refundable deposit per function, meeting, etc.	R 2 079.00				R2 203.74	
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	
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	
<b>1 OSIZWENI ARTS CENTRE</b>						
<b>General</b>						
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.						
<del>Mondays to Thursdays</del>						
1. Hire for commercial purposes, performances, concerts, film shows, per hour or part thereof		R 246.00			R260.76	
2. Hire for exhibitions of arts and crafts, where the Arts Centre is required for one day only or part thereof, per hour		R 246.00			R260.76	
3. Hire for exhibitions of arts and crafts, where the Arts Centre is required for longer than one day, per day or part thereof		R 823.00			R872.58	
4. Hire for religious purposes per hour or part thereof		R 85.00			R90.10	
5. Hire for non-profit organisations per hour or part thereof		R 169.00			R179.14	
6. Preparation for functions contemplated in 1 to 6 above, per hour or part thereof		R 169.00			R179.14	
7. Rehearsals per day or part thereof		R 169.00			R179.14	
8. Hire of hall and facilities by non-residents		R 124.00			R131.44	
9. Fridays and Saturdays: The tariff to hire the Arts Centre	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 1-8 above + 50%				Normal tariff for hire mentioned in 1-8 above + 50%	
11. Refundable deposit per function, meeting, etc.	R 2 255.00				R2 390.30	

		Final Tariff 2021/2022		Final Tariff 2022/23		
<b>K</b>	<b>FORT AMIEL MUSEUM</b>					
	<b>General</b>					
1	Functions and programmes organised by or done in liaison with the Directorate Culture and Amenities	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	R 90		R150.00		
3	Hire of facility and/or grounds for commercial purposes, festivals, braais, picnics, children's parties, for groups over 20 people	R 181		R191.86		
4	Hire for exhibitions of arts and crafts and bazaars where the facility is required for one day only, per hour or part thereof.	R 181		R191.86		
5	Hire for exhibitions of arts and crafts where the facility is required for longer than one day, per day			R0.00		
6	Hire for non-profit organisations per hour or part thereof			R0.00		
7	Preparation for functions contemplated in 1-5 above			R0.00		
8	Refundable deposit per function, meeting, etc.			R500.00		
9	Municipal Councillors and officials for private use (payment due immediately with booking of facility)					
	<b>BYLAWS RELATING TO PUBLIC LIBRARIES</b>					
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		
(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		
(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		
(d)	In the case where reminders have been sent to members, an administrative fee	R 26.09		R27.83		
2	Membership fees					
(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	R 309.57		R327.82		
(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		
(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	R 470.43		R498.70		
(b)(ii)	Persons not usually resident in Newcastle (visitors) must supply a fixed residential address and are limited to borrow 3 items only per session					
3	Patron Cards					
(a)	Fee for the patron card	R 13.48		R14.35		
(b)	Thereafter, per lost card	R 20.00		R21.30		
4	Photostat copies					
(a)	Photostat copies - per A4 copy (Black and White)	R 1.00		R0.87		
(b)	Photostat copies - per A4 copy (Colour)	R 6.00		R5.22		
(c)	Photostat copies - per A3 copy (Black and White)	R 2.00		R1.74		
(d)	Photostat copies - per A3 copy (Colour)	R 12.00		R10.43		
5	Public access computers/internet					
(a)	For the use of the public access computers or the internet	Free of charge		Free of charge		
(b)	For printing - per A4 copy (Black and White)	R 2.00		R1.74		
(c)	For printing - per A4 copy (Colour)	R 8.00		R6.97		
(d)	For printing - per A3 copy (Black and White)	R 4.00		R3.47		
(e)	For printing - per A3 copy (Black and White)	R 17.00		R14.78		
6	Damage or loss of library material	R0.00				
(a)	Damage to books	Estimated value of book as determined by the librarian at the time of damage, but not exceeding the cost of the item		Estimated value of book as determined 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		
(c)	Damage or loss of records, videos, films or any other library material	Full cost of item		Full cost of item		
<b>M</b>	<b>GROUP ACTIVITIES ROOMS</b>					
	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 functions organised/arranged by the Directorate Culture and Amenities	Free of Charge		Free of Charge		
2	Where the group activity room is required for one day only or part thereof, per hour	R 148.69		R157.83		
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 1,006.52		R1,066.59		
(b)	Thereafter normal hourly tariffs apply					
4	Refundable deposit per function, meeting, etc.	R 470.87		R499.13		
5	Municipal Councillors and Municipal Officials for private use (payment due immediately with booking of facility)	Approved tariffs as applicable to private persons and/or		Approved tariffs as applicable to private persons and/or		

		Final Tariff 2021/2022			Final Tariff 2022/23		
<b>ELECTRICITY SUPPLY BYLAWS</b>							
I	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	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 charges may be shown as 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 continuously on continuous 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-ampere (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).						

	Final Tariff 2021/2022	Final Tariff 2022/23
<b>Network Demand Charge:</b> Is a charge that recovers network costs on a variable basis and is payable for the <u>deposable demand registered during the month</u> .		
<b>Network Access Charge:</b> Is a charge that recovers network costs on a fixed basis and is based on the annual utilised capacity.		
<b>Notified Maximum Demand (NMD):</b> 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 calendar-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. <i>Note: The notification of demand is governed by a separate code of practice.</i>		
<b>Point of Supply:</b> 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).		
<b>Power Factor:</b> Is the ratio of kW to kVA measured over the same integrating period. <i>Note: Contractually a customer may not have a leading power factor or a power factor below 0.85.</i>		
<b>Premise or Point of Delivery:</b> 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.		
<b>Rate Components:</b> Are the different charges associated with a tariff that recover different costs, for example energy charge.		
<b>Rate-rebalancing Levy:</b> 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.		
<b>Reactive Energy Charge:</b> Is a charge applicable if applied, to Time-of-Use tariff and is based on the reactive power used. It is levied on every kvarh (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.		
<b>Single-phase Supply:</b> A 50 Hz a.c. supply at 230 V r.m.s. phase-to-neutral. The neutral carries the full load current.		
<b>Tariff:</b> 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.		
<b>Three-phase Supply:</b> 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).		
<b>Time-of-Use (TOU) Tariff:</b> 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.		
<b>Voltage Surcharge:</b> 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.		
<b>2. Conditions applicable to all tariff scales</b>		
(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.		
<b>3. Scale 1 : 20A domestic supplies</b>		
(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	R 59.25	R63.68
(c) Active energy charge, per kWh consumed during the month	R 1.2575	R1.3514
(d) Prepayment meter tariff:		
(i) Active energy charge, per kWh consumed	R 1.8033	R1.9380
<b>4. Scale 2 : 60A domestic supplies</b>		
(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	R 271.57	R291.86
(ii) Per vacant lot where electricity can be connected	R 263.95	R283.67
(c) Active energy charge		
(i) Standard tariff per kWh consumed during the month		
(ii) Inclining Block Rate Tariff (IBT's) for residential/domestic customers as follows:		
Domestic Conventional		
Block 1 : 0-50kWh	R 1.26	R1.3523
Block 2 : 51-350kWh	R 1.62	R1.7364
Block 3 : 351-600kWh	R 1.81	R1.9457
Block 4 : >600kWh	R 1.87	R2.0073
(iii) Time-of-Use tariff per kWh consumed during the month in accordance with Eskom's specified time schedule		
<b>TOU-Tariff High Season</b>		
(a) Peak	R 4.3206	R4.6433
(b) Standard	R 1.6580	R1.7819
(c) Off-peak	R 0.9813	R1.0546
<i>National Sports Codes to be exempted from paying electricity consumption during off-peak until 22H00.</i>		
<b>TOU-Tariff Low Season</b>		
(a) Peak	R 2.6195	R2.8112
(b) Standard	R 1.3673	R1.4694
(c) Off-peak	R 0.7446	R0.8002
(iv) Inclining Block Rate Tariff (IBT's) for residential/domestic customers on prepaid electricity, as follows:		
Domestic Pre-paid		
Block 1 : 0-50kWh	R 1.26	R1.3523
Block 2 : 51-350kWh	R 1.62	R1.7364
Block 3 : 351-600kWh	R 1.81	R1.9457
Block 4 : >600kWh	R 1.87	R2.0073
(d) Indigent households will be subsidised to a maximum of 50 kWh and the basic charge per month		

	Final Tariff 2021/2022	Final 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	R 751.01	R807.11
(ii) For a vacant business stand where electricity can be connected	R 749.09	R805.05
(iii) For a vacant domestic stand where electricity can be connected	R 263.95	R283.67
(d) Active energy charge		
(i) Standard tariff per kWh consumed during the month	R 1.7561	R1.8873
(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	R 3.2882	R3.5338
(b) Standard	R 1.4021	R1.5068
(c) Off-peak	R 0.6807	R0.7315
TOU-Tariff Low Season		
(a) Peak	R 1.9044	R2.0467
(b) Standard	R 1.2119	R1.3024
(c) Off-peak	R 0.6280	R0.6749
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	R 749.16	R805.12
(ii) For a metered stand per point of supply whether electricity is consumed or not	R 1.615.38	R1.736.03
(c) Maximum demand Charge:		
(i) Standard: Network demand charge per kVA supplied, per month	R 168.47	R180.92
Network access charge per kVA supplied, per month	R 146.03	R156.94
(ii) Time of Use: Network demand charge per kVA supplied, per month	R 57.88	R66.83
Network access charge per kVA supplied, per month	R 49.55	R54.20
(d) Active energy Charge:		
(i) Standard tariff per kWh consumed during the month	R 0.9521	R1.0232
(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	R 3.7506	R4.0308
(b) Standard	R 1.9021	R2.0442
(c) Off-peak	R 1.0729	R1.1530
TOU-Tariff Low Season		
(a) Peak	R 3.1732	R3.4102
(b) Standard	R 1.4274	R1.5340
(c) Off-peak	R 0.8884	R0.9548
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	R 749.16	R805.12
(ii) For a metered stand per point of supply whether electricity is consumed or not	R 3.172.79	R3.409.80
(c) Maximum demand Charge: -		
(i) Standard: Network demand charge per kVA supplied, per month	R 153.03	R164.46
Network access charge per kVA supplied, per month	R 135.69	R145.83
(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	R 52.55	R56.48
Network access charge per kVA supplied, per month	R 39.88	R42.86
(vi) No demand charge is applicable during off peak periods according to Eskom's specified time schedule		
(d) Active energy Charge: -		
(i) Standard tariff per kWh consumed during the month	R 0.9521	R1.0232
(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	R 3.2886	R3.5341
(b) Standard	R 1.4018	R1.5071
(c) Off-peak	R 0.6811	R0.7322
TOU-Tariff Low Season		
(a) Peak	R 1.9044	R2.0471
(b) Standard	R 1.2119	R1.3102
(c) Off-peak	R 0.6288	R0.6761
(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%
<500 V	17.30%	17.30%
(f) Rate-rebalancing levies (Only applicable on the Time-of-Use tariff)		
Applied to the total active energy consumption, per kilowatt hour	3.10 Cents	3.10 Cent
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 (replacement / standard)	R 3.008.00	R3.188.48
(b) Replacing the existing standard three phase meter with:-		
(i) A time of use meter	R 26.866.00	R28.477.00
(ii) A three phase replacement meter (not available)	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	R 1.324.00	R1.403.44
(d) Replacing the existing damaged/burnt/lost key pad for replacement 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 excluding VAT		
SCHEDULE 'A'		
SINGLE-PHASE DOMESTIC SCALE 1, 2 & 3		
AMPERE	kVA	
60	13.8	R 448.00
80	18.4	R 11.482.00



		Final Tariff 2021/2022			Final Tariff 2022/23	
100	23.0	R 14 069.00			R 14 913.14	
<b>SCHEDULE 'B'</b>						
BUSINESS, INDUSTRIAL SINGLE-PHASE						
AMPERE	KVA					
60	13.8	R 17 406.00			R 18 450.36	
80	18.4	R 25 725.00			R 27 268.51	
100	23.0	R 31 626.00			R 33 523.51	
<b>SCHEDULE 'C'</b>						
THREE-PHASE SCALE 3, 4, 5 & 7						
AMPERE	KVA					
60	30	R 66 608.00			R 70 604.48	

		Final Tariff 2021/2022	Final Tariff 2022/23
80	55	R 88 827.00	R94 156.62
100	70	R 111 018.00	R117 479.08
125	87	R 161 006.00	R170 666.36
150	100	R 198 380.00	R210 782.90
175	120	R 230 774.00	R244 620.44
200	138	R 256 604.00	R272 000.24
225	155	R 313 749.00	R334 693.94
250	173	R 411 433.00	R436 118.98
300	207	R 569 446.00	R603 612.76
350	242	R 609 874.00	R646 166.44
450	315	R 645 502.00	R684 232.12
600	415	R 780 384.00	R827 107.04
700	485	R 876 460.00	R929 047.60
900	624	R 1 046 125.00	R1 108 892.50
1200	831	R 1 081 592.00	R1 146 487.52
1500	1040	R 1 262 697.00	R1 338 458.82
<b>SCHEDULE 'D'</b>			
<b>METERING AND CIRCUIT BREAKER (PER ONE SET)</b>			
Single-Phase kWh standard tariff (per a month/time of use tariff)		R 3 008	R3 188.48
Three-Phase kWh standard tariff		R 5 414	R5 738.84
Three-Phase kWh time of use tariff		R 18 890	R21 023.40
Three-Phase kVA/Wh standard or time of use tariff		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			
<b>SCHEDULE 'E'</b>			
<b>CIRCUIT BREAKER REPLACEMENT</b>			
Single-Phase to a maximum 30 amperes for scale 1 consumer		R 1 527.00	R1 618.67
Single-phase to a maximum 100 amperes		R 1 937.00	R2 053.22
Three-phase to a maximum 100 amperes		R 3 005.00	R4 234.70
(g) All service connections above 1500 amperes 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			
(h) All 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 E and F.			
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 R648-54, per kVA (VAT not applicable) for increased requirements in transformer capacity.		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, (this metering is 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 amperes. 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 entitled to 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			
Water accounts for Residential purposes			R1 400.00
Consumer account for residential purposes (scale 2)			R2 000.00
Consumer Indigent account with water only			R500.00
Consumer Indigent account with both electricity and water			R1 400.00
Three phase residential/small business (scale 3)			R1 500.00
Large business (scale 4)			R5 000.00
Industrial business (scale 5)			R10 000.00
Consumer account for builders deposit			R1 500.00
Business account of builders deposit			R10 000.00
(n) If the Customer poses a credit risk, the value of the original deposit paid or an existing guarantee held by the Municipality, may be reviewed from time to time by the CFO. The following deposit is applicable each time the account is discontinued for non payment.			
Domestic			R100.00
Business			R300.00
(o) Disconnection fees / late payment charges		R 838.00	R896.66
(i) Business disconnection fee / late payment fee (electricity)		R 313.00	R334.91
(ii) Residential (non indigent) disconnection fee / late payment fee (electricity)		R 0.00	R0.00
(iii) Residential (indigent) disconnection fee / late payment fee (electricity)		R 91.00	R97.37
(iv) Residential (non indigent) meter 20 AMP blocking of meter		R 481.00	R514.67
(v) Business water restriction fee		R 181.00	R193.67
(vi) Residential (non indigent) water restriction fee		R 0.00	R0.00
(vii) Residential (indigent) water restriction fee		R 241.00	R257.87
(viii) Business reminder fee notice (hand delivery)		R 6.00	R6.42
(ix) Business reminder fee notice sms / mins/ email		R 6.00	R6.42
(x) Residential reminder fee sms / mins/ email		R 1.00	R1.21



	Final Tariff 2021/2022	Final Tariff 2022/23
<b>SCHEDULE 'F'</b>		
<b>Single-Phase</b>		
<b>AMPERE</b>		
20	R 46.00	R48.76
40	R 80.00	R84.80
60	R 132.00	R139.92
80	R 163.00	R171.72
100	R 207.00	R219.42
<b>Three-Phase</b>		
<b>AMPERE</b>		
20	R 135.00	R143.10
40	R 250.00	R264.00
60	R 376.00	R398.56
80	R 474.00	R502.44
100	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	R 85.00	R90.10
250-watt	R 172.00	R182.32
400-watt	R 233.00	R246.98
(iii) Luminaires 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	R 6,992.00	R6,987.52
250 high-pressure sodium fitting	R 8,817.00	R9,367.22
400 high-pressure sodium fitting	R 9,395.00	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.	R 2,409.00	R2,553.54
(viii) Amount payable to plant a streetlight pole for the mounting of a floodlight	R 52,342.00	R55,482.52
(v) Fees payable for the repositioning of streetlight poles :-		
(i) 3 metre mounting height	R 9,043.00	R9,585.58
(ii) 7.5 and 10 metre mounting height	R 10,567.00	R11,201.02
(w) Temporary floodlights installed on existing streetlight poles only:		
Installation and removal:		
400 W	R 2,173.00	R2,303.38
250 W	R 2,173.00	R2,303.38
125 W	R 2,173.00	R2,303.38
Installation and electricity consumption per 24 hour period:		
400 W	R 13,522.00	R14,333.32
250 W	R 89.00	R94.34
125 W	R 46.00	R48.76
(x) The following shall apply to illuminated signs supplied 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.	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 access.		
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 Health and Safety Act No. 85 of 1993.		
(aa) The documents will be charged R250.00 per document		
(ab) The recalculation cost for a subdivision of an existing residential property will be	R 7,216.00	R7,489.96
(ac) 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 R585.12 per day		
Meter replacement fee as per Item 10, Sundry Charges (d), Schedule D, which depends on the type of meter used		
Sundry charges as per (i) 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.		
Payment in respect of damages made to the electrical kiosks will be the replacement cost at that time.		
(ac) Damages to Traffic Control Equipment, in cases of an accident, inclusive of damages to any electrical equipment:		
All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time.		

	Final Tariff 2021/2022	Final Tariff 2022/23
<b>DRAINAGE BYLAWS</b>		
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	R 1 092	R 1 158
(b) After normal working hours, per blockage	R 756	R 801
2. Fee for providing sewer connection:-		
(a) 100mm connection	R 8 143	R 8 632
(b) Connections in excess of 100mm	Cost + 3.9%	Cost + 6%
All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time.		
<b>INDUSTRIAL EFFLUENT BYLAWS</b>		
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.		
The charge payable in terms of paragraph (1) and (2) hereof shall be assessed in accordance with the following formula:		
$30,8 + (OA - 50) \text{ cents per kilolitre}$		
$20$		
$OA = m \times 2/4 \text{ hr KMnO}_4$		
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.		
<b>WATER SUPPLY BYLAWS AND SEWER BYLAWS</b>		
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 fees:-		
(i) Vacant properties, payable by the owner	R 270.14	R 296.14
(ii) All other properties, per metered connection of supply, payable by the occupier	R 55.07	R 58.37
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	R 12.16	R 12.89
07 - 20 kl	R 12.17	R 12.90
21 - 40 kl	R 13.66	R 14.48
41 - 60 kl	R 13.67	R 14.49
more than 60 kl	R 15.19	R 16.10
Body Corporate, Sectional Titles, Cluster Homes & Old Age Pensioners Home:-		
Consumption, charged at the 3rd block of the residential tariff, per kl.	R 13.66	R 14.48
Indigent households will receive a maximum 6 kilolitres free basic water.		
Businesses:-		
(i) Industrial and business consumers	R 12.16	R 12.89
(ii) Bulk - Karbochem (per agreement)	Per agreement	Per agreement
3. Levy:-		
(i) Residential properties connected to water supply mains, per month - not metered	R 301.39	R 321.59
(ii) Residential properties served by standpipes, per month	R 0.00	R 0.00
(iii) Non-residential properties connected to water supply mains, per month not metered	R 303.39	R 321.59
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 30893).		

	Final Tariff 2021/2022	Final Tariff 2022/23
<b>2. SEWER</b>		
Availability levy		
(i) Residential having water borne sewer, excluding body corporate unit, payable by owner monthly	R245.20	R259.91
(ii) Body corporate unit, payable by owner monthly	R245.20	R259.91
(iii) Residential other than water borne sewer, payable by owner monthly	R101.17	R107.93
(iv) Business and Industry, per kilolitre of water consumed, payable monthly	R4.55	R4.82
The Lessee will be responsible for the availability levy charged against any State owned improved property which is administered by the Provincial Department of Public Works		
Indigent households will be fully subsidised		
<b>C. MUNICIPAL OWN USE</b>		
All water and sewerage services used by Council may be considered an exempt charge. This also applies to the availability and fixed charges.		
<b>D. GENERAL</b>		
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 Marzana	R 7.750	R8.214.54
(ii) 20mm connection - Blaauwbosch, Dicks Halt and Marzana	R 1.030	R1.091.40
(iii) Connections in excess of 20 mm	Cost + 6%	Cost + 6%
3. Charge for the testing of meters up to 50mm	R.635	R672.57
4. Charge for the testing of meters in excess of 50mm	Cost + 6%	Cost + 6%
5. Closing or opening of control valve, per visit	Cost + 6%	Cost + 6%
6. Disconnection or restricted flow fee and reconnection or removing of restrictor fee for default payment, per visit		
(a) During normal office hours	R 729	R772.68
(a) After normal office hours	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		
<b>MISCELLANEOUS SERVICES</b>		
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 reinstatement of existing footpaths	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%
(c) Reinstatement of road surfaces	Cost + 6%	Cost + 6%
(d) Hire of machinery including operator during normal working hours	Cost + 6%	Cost + 6%
2. Altering storm water culverts, channels, sewers, kerbs or footpaths to permit the erection of verandas columns or other structures	Cost + 6%	Cost + 6%
3. Construction of gutter bridges or kerb entrances across street drains	Cost + 6%	Cost + 6%
(a) When constructed simultaneously with the laying of any street drain, one vehicle entrance	No charge	No charge
(b) Additional vehicle entrance	Cost + 6%	Cost + 6%
(c) When constructed after the street drain has been completed	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
(a) 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		
<b>BYLAWS FOR THE REGIONAL AIRPORT AND MUNICIPAL AERODROME</b>		
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 landings		
(a) 70% of the tariff applicable to State airports as published in Government Gazette No. 10931 of 25 September 1987, under Government Notice No. R2720, as amended from time to time for 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 Executive, Culture and Amusements		
(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%
26 - 50	90%	90%
51 - 75	80%	80%
76 - 100	70%	70%
In excess of 100	60%	60%

		Final Tariff 2021/2022			Final 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	Above with a maximum of		Above with a maximum of		
	clubs shall be 50% of the fees prescribed in 1(a)						
		R220.00 per month			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: Hangers						
(a)	Hangers constructed by Council, per month	R914,32pm			R914,32pm		
(b)	Hangers constructed by private individuals, per month	R457,16pm			R457,16pm		
7.	Administration fee				R0.00		
	Fee to be levied for non-payment for landing at the Newcastle Airport						
	<b>BUILDING BYLAWS</b>						
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				R0.00		
(a)	For the first 20m² of floor area or part thereof. A minimum of	R 294.82			R418.51		
(b)	For buildings in excess of 20m² and up to 1500m²				R0.00		
	20-29m²	R 415.60			R440.34		
	30-39m²	R 529.89			R561.65		
	40-49m²	R 623.40			R660.80		
	50-59m²	R 727.30			R770.94		
	60-69m²	R 841.59			R892.02		
	70-79m²	R 945.49			R1 002.22		
	80-89m²	R 1 059.78			R1 123.37		
	90-99m²	R 1 163.68			R1 233.50		
	100-109m²	R 1 257.19			R1 332.62		
	110-119m²	R 1 381.87			R1 464.78		
	120-129m²	R 1 485.77			R1 574.92		
	130-139m²	R 1 600.06			R1 696.06		
	140-149m²	R 1 683.18			R1 784.17		
	150-159m²	R 1 787.08			R1 894.30		
	160-169m²	R 1 890.98			R2 004.44		
	170-179m²	R 2 015.66			R2 136.60		
	180-189m²	R 2 129.95			R2 257.75		
	190-199m²	R 2 233.85			R2 367.88		
	200-209m²	R 2 337.75			R2 478.02		
	210-219m²	R 2 441.65			R2 588.15		
	220-229m²	R 2 555.94			R2 709.30		
	230-239m²	R 2 659.84			R2 819.43		
	240-249m²	R 2 753.35			R2 918.55		
	250-259m²	R 2 867.64			R3 039.70		
	260-269m²	R 2 971.54			R3 149.83		
	270-279m²	R 3 085.83			R3 270.98		
	280-289m²	R 3 189.73			R3 381.11		
	290-299m²	R 3 283.24			R3 480.23		
	300-309m²	R 3 397.53			R3 601.38		
	310-319m²	R 3 491.04			R3 700.50		
	320-329m²	R 3 615.72			R3 832.66		
	330-339m²	R 3 719.62			R3 942.80		
	340-349m²	R 3 823.52			R4 052.93		
	350-359m²	R 3 948.20			R4 185.09		
	360-369m²	R 4 041.71			R4 284.21		
	370-379m²	R 4 145.61			R4 394.35		
	380-389m²	R 4 259.90			R4 515.49		
	390-399m²	R 4 353.41			R4 614.61		
	400-409m²	R 4 457.31			R4 724.75		
	410-419m²	R 4 571.60			R4 845.90		
	420-429m²	R 4 685.89			R4 967.04		
	430-439m²	R 4 800.18			R5 088.19		
	440-449m²	R 4 914.47			R5 209.34		
	450-459m²	R 4 997.59			R5 297.45		
	460-469m²	R 5 101.49			R5 407.58		
	470-479m²	R 5 205.39			R5 517.71		
	480-489m²	R 5 340.46			R5 660.89		
	490-499m²	R 5 423.58			R5 748.99		
	500-509m²	R 5 527.48			R5 859.13		
	510-519m²	R 5 641.77			R5 980.28		
	520-529m²	R 5 745.67			R6 080.41		
	530-539m²	R 5 859.96			R6 211.56		
	540-549m²	R 5 963.86			R6 321.69		
	550-559m²	R 6 067.76			R6 431.83		
	560-569m²	R 6 161.27			R6 530.95		
	570-579m²	R 6 285.95			R6 663.11		

	Final Tariff 2021/2022		Final Tariff 2022/23
580-589m²	R 6 389.85		R6 773.24
590-599m²	R 6 493.71		R6 883.38
600-609m²	R 6 597.65		R6 993.51
610-619m²	R 6 680.77		R7 081.22
620-629m²	R 6 815.84		R7 234.79
630-639m²	R 6 971.69		R7 389.99
640-649m²	R 7 034.03		R7 456.07
650-659m²	R 7 148.32		R7 577.22
660-669m²	R 7 252.22		R7 687.35
670-679m²	R 7 356.12		R7 797.49
680-689m²	R 7 460.02		R7 907.62
690-699m²	R 7 595.09		R8 050.80
700-709m²	R 7 678.21		R8 138.90
710-719m²	R 7 771.72		R8 238.02
720-729m²	R 7 886.01		R8 359.17
730-739m²	R 7 989.91		R8 469.30
740-749m²	R 8 083.42		R8 568.43
750-759m²	R 8 208.10		R8 700.59
760-769m²	R 8 301.61		R8 799.71
770-779m²	R 8 415.90		R8 920.87
780-789m²	R 8 519.80		R9 030.99
790-799m²	R 8 634.09		R9 152.14
800-809m²	R 8 748.38		R9 273.28
810-819m²	R 8 841.89		R9 372.40
820-829m²	R 8 945.79		R9 482.54
830-839m²	R 9 070.47		R9 614.70
840-849m²	R 9 163.98		R9 713.82
850-859m²	R 9 278.27		R9 834.97
860-869m²	R 9 371.78		R9 934.09
870-879m²	R 9 475.68		R10 044.22
880-889m²	R 9 600.36		R10 176.38
890-899m²	R 9 693.87		R10 275.50
900-909m²	R 9 797.77		R10 385.64
910-919m²	R 9 912.06		R10 506.78
920-929m²	R 10 015.96		R10 616.92
930-939m²	R 10 119.86		R10 727.05
940-949m²	R 10 223.76		R10 877.19
950-959m²	R 10 348.05		R10 958.31
960-969m²	R 10 452.34		R11 079.46
970-979m²	R 10 556.24		R11 189.61
980-989m²	R 10 670.53		R11 310.77
990-999m²	R 10 764.04		R11 409.84
1000-1009m²	R 10 878.33		R11 531.03
1010-1019m²	R 10 982.23		R11 641.14
1020-1029m²	R 11 086.13		R11 751.30
1030-1039m²	R 11 190.03		R11 861.43
1040-1049m²	R 11 304.32		R11 987.58
1050-1059m²	R 11 408.22		R12 092.71
1060-1069m²	R 11 512.12		R12 202.85
1070-1079m²	R 11 616.02		R12 312.99
1080-1089m²	R 11 729.53		R12 412.11
1090-1099m²	R 11 844.60		R12 555.26
1100-1109m²	R 11 948.50		R12 665.41
1110-1119m²	R 12 052.40		R12 775.54
1120-1129m²	R 12 145.91		R12 874.64
1130-1139m²	R 12 260.20		R12 995.81
1140-1149m²	R 12 374.49		R13 116.96
1150-1159m²	R 12 478.39		R13 217.09
1160-1169m²	R 12 571.90		R13 326.21
1170-1179m²	R 12 696.58		R13 438.37
1180-1189m²	R 12 800.48		R13 568.51
1190-1199m²	R 12 883.40		R13 616.67
1200-1209m²	R 13 008.28		R13 788.78
1210-1219m²	R 13 101.79		R13 887.90
1220-1229m²	R 13 226.47		R14 020.09
1230-1239m²	R 13 330.37		R14 130.19
1240-1249m²	R 13 423.88		R14 229.31
1250-1259m²	R 13 538.17		R14 350.38
1260-1269m²	R 13 631.68		R14 449.59
1270-1279m²	R 13 766.75		R14 592.74
1280-1289m²	R 13 870.65		R14 702.84
1290-1299m²	R 13 964.16		R14 802.01
1300-1309m²	R 14 088.84		R14 934.17
1310-1319m²	R 14 182.35		R15 023.27
1320-1329m²	R 14 286.25		R15 143.53
1330-1339m²	R 14 400.54		R15 264.57
1340-1349m²	R 14 494.05		R15 363.69
1350-1359m²	R 14 618.73		R15 495.85
1360-1369m²	R 14 712.24		R15 594.97
1370-1379m²	R 14 816.14		R15 705.11
1380-1389m²	R 14 940.82		R15 837.27
1390-1399m²	R 15 034.33		R15 936.39
1400-1409m²	R 15 138.23		R16 046.12
1410-1419m²	R 15 252.13		R16 156.66
1420-1429m²	R 15 366.03		R16 266.79
1430-1439m²	R 15 470.21		R16 398.95
1440-1449m²	R 15 564.22		R16 498.07
1450-1459m²	R 15 678.51		R16 619.23
1460-1469m²	R 15 782.41		R16 729.35
1470-1479m²	R 15 886.31		R16 839.49
1480-1489m²	R 16 010.99		R16 971.65
1490-1499m²	R 16 104.50		R17 070.77
1500-1509m²	R 16 208.30		R17 180.94



		Final Tariff 2021/2022		Final Tariff 2022/23	
	(c) For areas greater than 1500m <sup>2</sup> :	Sliding scale : 1500m <sup>2</sup> = R15,600 + 50% of rate R60.00 (R30.00) per 10m <sup>2</sup> (plus R380 for first 20m <sup>2</sup> )		Sliding scale : 1500m <sup>2</sup> = R15,600 + 50% of rate R60.00 (R30.00) per 10m <sup>2</sup> plus R380 for first 20m <sup>2</sup>	
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	R 280.53		R 297.36	
4.	Minor alterations to industrial/commercial buildings	R 1 641.62		R 1 740.12	
5.	Applications for the relaxation of building lines, side and rear spaces per applications	R 0.00		R 773.81	
6.	Alterations to existing buildings, including alterations to floor layout plans, pedestrian malls, toilets, fire fighting equipment, refuse containers, refuse areas and sub-stations	- 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)	R 353.26		R 374.46	
8.	Fees as a result of inattention: Per neglect in accordance with section 14A(f)				
9.	Supervision in accordance with section 325				
a.	Fire Builder per hour or part thereof	Cost + 10%		Cost + 10%	
b.	Officer per hour or part thereof	Cost + 10%		Cost + 10%	
10.	Hire in respect of street projections payable per annum				
a.	Veranda posts - each	R 15.59		R 16.52	
b.	Veranda and cantilever canopies per square metre or part thereof	R 5.20		R 5.51	
	Under each category : Minimum	R 62.34		R 66.08	
	Under each category : Maximum	R 114.29		R 121.15	
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	R 15.59		R 16.52	
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	R 15.59		R 16.52	
12.	Building plan studies payable annually	R 342.87		R 363.44	
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)	Plans fee	R 299.75		R 315.54	
(b)	Water reticulation, per linear metre	R 4.16		R 4.41	
(c)	Sewerage reticulation, per linear metre	R 4.16		R 4.41	
(d)	Storm water drainage, per linear metre	R 4.16		R 4.41	
(e)	Streets, per linear metre	R 4.16		R 4.41	
(f)	Rail Sidings	R 4.16		R 4.41	
	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	R 83.12		R 88.11	
15.	Submission fee for cellular maps	R 1 641.62		R 1 740.12	
16.	Laying of Fibre Optic Cables - Application Fee from 0km to 10km	R 6 005.42		R 6 365.75	
17.	Laying of Fibre Optic Cables - per kilometre after 10km	R 602.62		R 638.78	
	Submission fee for applications for Lease of land	R 550.67		R 583.71	
	Building bylaw offences and penalties				
	Offence			R 0.00	
	Building prior to Local Government Approval	R 114.29		R 121.15	
	Commencement and erection of structures without approved building plans having been warned by Council (first offence)	R 10,000.00		R 10,600.00	
	Commencement and erection of structures without approved building plans having been warned by Council (second offence)	R 30,000.00		R 31,800.00	
	Commencement and erection of structures without approved building plans having been warned by Council (third offence)	R 60,000.00		R 63,600.00	
	Occupying a building prior to issue of occupation certificate by Local Authority	R 4,904.08		R 5,198.32	
	Changing the use of a building without consent of Local Authority and not CCComplying with notice to cease the new use	R 4,904.08		R 5,198.32	
	Deviation from approved plans to material degree	R 4,904.08		R 5,198.32	
	Carrying out plumbing work by person other than trained plumber or exempted person	R 4,904.08		R 5,198.32	
	Putting into use a drainage system prior to inspection testing and approval by Local Authority	R 4,904.08		R 5,198.32	
	No notice given for inspection And testing of sewer and Drainage installation	R 4,904.08		R 5,198.32	
	Backfilling drainage (Sewer) installation prior to testing and approval	R 4,904.08		R 5,198.32	
	No notice given of intention to erect or demolish a building	R 4,904.08		R 5,198.32	
	No notice give for inspection of trenches or excavation prior to placing of concrete for foundation	R 4,904.08		R 5,198.32	
	Constructing foundation before approval of trenches	R 4,904.08		R 5,198.32	
	Failing to comply with a notice to cut into or lay down work or to carry out tests	R 4,904.08		R 5,198.32	
	Erecting or demolishing a building without providing sanitary facilities for employees	R 4,904.08		R 5,198.32	
	Demolishing a building without permission from Local Authority	R 4,904.08		R 5,198.32	
	Erecting or demolishing a building without erecting a hoarding	R 4,904.08		R 5,198.32	
	Leaving a building in course of demolition in a state dangerous to the public or any adjoining property	R 4,904.08		R 5,198.32	
	Failing to comply with a notice to remove rubble, rubbish and/or debris from a building site	R 4,904.08		R 5,198.32	
	Failing to comply with a notice to remove surplus material and matter from the site or land or Public Street or place arising from building or demolition work	R 4,904.08		R 5,198.32	
	Permitting sewerage to enter a street, stormwater drain or stormwater system	R 4,904.08		R 5,198.32	
	Permitting storm water to enter any sewer installation	R 4,904.08		R 5,198.32	
	Failing to control access to a swimming pool	R 4,904.08		R 5,198.32	
	When an unoccupied/vacant property is kept in a unsightly objectionable and not in the interest of good health and	R 5,787.23		R 6,134.46	
	Hampering or obstructing a building inspector (Authorized by the Council) in the exercise of his powers	R 49,092.75			
	<b>COSTS OF INFORMATION FROM GEOGRAPHIC INFORMATION SYSTEM (GIS)</b>				
				R 0.00	
	A4 size - fully color information	R 41.56		R 44.05	
	A3 size - fully color information	R 83.12		R 88.11	
	A2 size - fully color information	R 124.68		R 132.16	
	A1 size - fully color information	R 166.24		R 176.21	
	A0 size - fully color information	R 207.80		R 220.27	

	Final Tariff 2021/2022	Final Tariff 2022/23
<b>ADVERTISING SIGN BYLAWS</b>		
<b>A1 OUTDOOR ADVERTISING</b>		
All applications shall be in accordance with the Newcastle Municipality's Outdoor Advertising Policy and By-		
<b>(a) Temporal Advertising Signs</b>		
(i) In respect of general advertisements of a commercial nature (events):		R0.00
(aa) Each poster with an approved sticker	R 41.56	R44.05
(bb) Removal of posters by Council for each poster	R 62.34	R66.08
(ii) In respect of general advertisements for awareness campaigns with commercial content logo:		R0.00
(aa) Each poster with an approved sticker	R 31.17	R33.04
(bb) Removal of posters by Council for each poster	R 62.34	R66.08
(iii) In respect of general advertisement for non-profit organisations (subject to submission of a NPO Certificate from the relevant authority - e.g. government)		R0.00
(aa) Each poster with an approved sticker	R 20.78	R22.03
(bb) Removal of posters by Council for each poster	R 62.34	R66.08
(iv) In respect of election advertisements, per party/ per candidate:		R0.00
(aa) Posters (unlimited number)	R 2 940.37	R3 116.79
(bb) Removal of posters by Council for each poster	R 62.34	R66.08
(v) Banners:		R0.00
(aa) Per Banner with an approved sticker	R 1 090.95	R1 156.41
(bb) Removal of banners by Council for each banner	R 581.84	R616.75
(b) Aerial Advertisements		R0.00
(i) Application Fee	R 2 400.09	R2 544.10
(c) Advertising Vehicles		R0.00
(i) Application Fee	R 768.86	R814.99
(ii) Annual display fee per sign	R 6,545.70	R6,938.44
(d) Building attachment Signs		R0.00
(i) Application Fee	R 540.28	R572.70
(ii) Annual display fee per sign on Private Building	R 1 641.62	R1 740.12
(iii) Annual display fee per sign on Municipal Building	R 2 181.90	R2 312.81
(e) Electric and Illuminated Signs		R0.00
(i) Application Fee	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	R 6,545.70	R6,938.44
(f) Ground Signs (excluding billboards)		R0.00
(i) Application Fee	R 1 399.14	R1 187.69
(ii) Encroachment fee (Council land) per square metre for each sign type	R 3 823.52	R4 052.93
(iii) Annual display fee per sign	R 1 963.71	R2 081.53
(g) Projecting Signs		R0.00
(i) Application Fee	R 634.57	R693.84
(ii) Annual display fee per sign	R 1 641.62	R1 740.12
(iii) Encroachment fee (Council land) for each sign type	R 2,503.99	R2,654.23
(h) Estate Agents Boards		R0.00
(i) Advertising Deposit (per Agent, non refundable)	R 1 090.95	R1 156.41
(ii) Annual display fee	R 4 904.08	R5 198.32
(i) Portable Boards		R0.00
(i) Application Fee	R 634.57	R693.84
(ii) Annual display fee per sign	R 4 904.08	R5 198.32
(i) Veranda/Under Canopy Signs		R0.00
(i) Application Fee	R 1 090.95	R1 156.41
(ii) Annual display fee per sign	R 634.57	R693.84
(k) Wall Signs/ Fascia Signs		R0.00
(i) Application Fee	R 1 641.62	R1 740.12
(l) Street Furniture Signs		R0.00
(i) Application Fee	R 2 181.90	R2 312.81
(ii) Annual display fee per sign	R 2 181.90	R2 312.81
(m) Billboards		R0.00
(i) Application Fee	R 2 181.90	R2 312.81
(ii) Annual display fee per sign-Private property	R 5 454.75	R5 782.04
(iii) Annual display fee per sign-Council property	R 21 819.00	R23 128.14
(n) Headline Poster		R0.00
(i) Application Fee	R 8 176.93	R8 667.55
(iii) Annual display fee per sign per week	R 2 816.47	R3 006.66
(o) Penalties	Per Sign:	Per Sign:
(i) For the erection of any sign without approval, per week	R 2 181.90	R2 312.81
(ii) For the erection of any billboard without approval, per week	R 5 672.94	R6 013.32
(i) For the erection of posters without approval, per week	R 2 181.90	R2 312.81
<b>SPATIAL PLANNING AND LAND USE MANAGEMENT ACT NO. 16 OF 2013</b>		
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 4.16	R4.41
Copies of documents - per A3	R 5.20	R5.51
Amendment of Scheme:		
- Processing of the application	R 3 823.52	R4 052.93
- Translation fee	R 634.57	R693.84
Plus if the property is:		
≤ 0.5 ha	R 634.57	R693.84
> 0.5 ha but ≤ 1.0 ha	R 987.05	R1 046.27
> 1.0 ha but ≤ 5.0 ha	R 1 309.14	R1 387.69
> 5.0 ha but ≤ 10.0 ha	R 1 963.71	R2 081.53
> 10 ha	R 2 732.57	R2 896.52
- Relaxation of a building line in terms of the scheme	R 831.20	R881.07
- Zoning Certificate (With the consent of the registered owner) - A4 Certificate	R 166.24	R176.21
Consent in terms of scheme	R 1 090.95	R1 156.41
- Subdivision and consolidation of land up to 5 portions of land	R3 273 + R332 per new subdivision	R3 469 + R352 per new subdivision
- Subdivision and consolidation of land over 5 portions	R 2,732.57	R2,896.52

	Final Tariff 2021/2022			Final Tariff 2022/23		
Cancellation of approved layout plan	R 3,823.52			R4 052.93		
Alteration, suspension and deletion of condition of title relating to land	R 2,732.57			R2 896.52		
Alteration, suspension and deletion of condition	R 2,950.76			R3 127.81		
Development situated outside the town planning scheme - For non-residential purposes	R 6,545.70			R6 938.44		
Development situated outside the town planning scheme - For residential purposes						
Western Area	R 4,363.80			R4 625.63		
Western Area	R 3,272.85			R3 469.22		
Closure of municipal roads	R 3,272.85			R3 469.22		
Closure of public place	R 3,272.85			3469.221		
<b>- Fines</b>						
LAND USE ACTIVITY	1st OFFENCE	2nd OFFENCE	3rd OFFENCE	1st OFFENCE	2nd OFFENCE	3rd OFFENCE
Entry Level of an offence (Plus the value of the offence)	R 540.28			R572.70		
Accommodation and Dwelling	R 7,636.65	R 11,561.67	R 18,546.15	R8 094.85	R12,255.37	R19,658.92
Aerodrome	R 7,636.65	R 15,868.96	R 21,819.00	R8 094.85	R16,821.10	R23,128.14
Agricultural Activity and Related	R 6,545.70	R 13,601.96	R 19,637.10	R6 938.44	R14,418.08	R20,815.33
Betting Depot	R 13,091.40	R 28,337.43	R 43,638.00	R13 876.88	R30 057.67	R46,256.28
Builder's Yard	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 5,000.00	R 4,000.00	R 5,000.00	R3 180.00	R4 740.00	R5 900.00
Car Wash Western Region	R10 000	R20 000	R30 000	R10 600.00	R21 200.00	R31 800.00
Cemetery	R 614.77	R 1,160.20	R 1,963.71	R693.84	R1 441.81	R2 081.53
Clinic	R 2,732.57	R 5,667.49	R 2,867.44	R2 896.52	R6 007.53	R3 039.70
Club Building	R 6,545.70	R 13,601.96	R 19,637.10	R6 938.44	R14,418.08	R20,815.33
Conservation Activity and Related	R 3,272.85	R 6,234.63	R 8,727.60	R3 469.22	R6 614.01	R9 751.26
Convention Centre	R 4,363.80	R 8,506.63	R 12,000.45	R4 625.63	R9 017.02	R12,720.48
Correctional Facility	R 9,818.55	R 15,868.96	R 19,637.10	R10 407.66	R16,821.10	R20,815.33
Crematorium	R 4,363.80	R 8,506.63	R 12,000.45	R4 625.63	R9 017.02	R12,720.48
Educational	R 9,818.55	R 13,601.96	R 19,637.10	R10 407.66	R14,418.08	R20,815.33
Executive Road	R 4,363.80	R 6,239.63	R 8,727.60	R4 625.63	R6 614.01	R9 751.26
Extractive Industry	R 5,722.83	R 8,506.63	R 10,909.50	R5 469.22	R9 017.02	R11 564.07
Funeral Parlour and Related	R 6,545.70	R 13,601.96	R 19,637.10	R6 938.44	R14,418.08	R20,815.33
Future Road	R 4,363.80	R 6,239.63	R 8,727.60	R4 625.63	R6 614.01	R9 751.26
Garage	R 654.57	R 2,766.99	R 3,272.85	R693.84	R2 403.01	R3 469.22
General Industrial Building	R 4,363.80	R 8,506.63	R 16,364.25	R4 625.63	R9 017.02	R17,346.11
Governmental Purposes	R 5,454.75	R 8,506.63	R 10,909.50	R5,782.04	R9 017.02	R11 564.07
Hall	R 2,181.90	R 4,533.99	R 6,545.70	R3,312.81	R4 806.03	R6 938.44
Higher Education Institution	R 13,091.40	R 25,091.85	R 25,091.85	R13 876.88	R20 425.62	R26 597.36
Home Activity	R 654.57	R 2,766.99	R 4,363.80	R693.84	R2 403.01	R4 625.63
Home Business	R 654.57	R 2,766.99	R 4,363.80	R693.84	R2 403.01	R4 625.63
Hotel	R 6,545.70	R 13,601.96	R 19,637.10	R6 938.44	R14,418.08	R20,815.33
Hospital	R 27,773.75	R 45,339.88	R 54,547.50	R28 910.11	R48 060.27	R57 820.35
Industrial Activity and Related	R 4,363.80	R 6,800.98	R 9,278.27	R4 625.63	R7 209.04	R9 834.97
Institutional	R 6,545.70	R 13,601.96	R 19,637.10	R6 938.44	R14,418.08	R20,815.33
Landfill Site	R 7,636.65	R 13,601.96	R 16,364.25	R8 094.85	R14,418.08	R17,346.11
Landfill Site	R 7,636.65	R 17,002.46	R 21,819.00	R8 094.85	R18 022.60	R23 128.14
Laundrette	R 6,545.70	R 13,601.96	R 19,637.10	R6 938.44	R14,418.08	R20,815.33
Library	R 3,272.85	R 5,667.49	R 7,636.65	R3 469.22	R6 007.53	R8 094.85
Market Stalls	R 872.76	R 1,360.20	R 2,181.90	R925.13	R1 441.81	R2 312.81
Medical Related	R 10,909.50	R 18,135.95	R 28,364.70	R11 564.07	R19 224.11	R30 066.58
Mixed Use	R 13,091.40	R 24,936.94	R 38,183.25	R13 876.88	R26 433.15	R40 474.25
Motor Trade Shop	R 6,545.70	R 13,601.96	R 19,637.10	R6 938.44	R14,418.08	R20,815.33
Obstruction or hindrance an Officer /Authorised by Council in the exercise of his duties	R 49 092.75	R 51 007.37	R 49 092.75	R52 038.32	R54 067.81	R52 038.32
Parking Garage	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 21,819.00	R 45,339.88	R 65,457.50	R23 128.14	R48 060.27	R69 384.42
Place of Worship	R 4,363.80	R 7,934.48	R 10,909.50	R4 625.63	R8 410.55	R11 564.07
Police Station	R 6,545.70	R 13,601.96	R 19,637.10	R6 938.44	R14,418.08	R20,815.33
Prison	R 18,446.15	R 24,936.94	R 30,546.60	R19 658.92	R26 433.15	R32 379.40
Professional/Private/Public Office	R 6,545.70	R 13,601.96	R 19,637.10	R6 938.44	R14,418.08	R20,815.33
Public Park	R 1,641.62	R 3,400.49	R 5,454.75	R1 740.12	R3 604.52	R5 782.04
Railway Line	R 6,545.70	R 9,067.98	R 10,909.50	R6 938.44	R9 612.05	R11 564.07
Reformatory	R 6,545.70	R 11,334.97	R 16,364.25	R6 938.44	R12 015.07	R17 346.11
Restricted Building	R 4,363.80	R 9,067.98	R 13,091.40	R4 625.63	R9 612.05	R13 876.88
Road Closure	R 4,363.80	R 6,239.63	R 8,727.60	R4 625.63	R6 614.01	R9 751.26
Service /Fuel Station	R 4,363.80	R 6,800.98	R 8,727.60	R4 625.63	R7 209.04	R9 251.26
Service Station	R 18 546.15	R 38 538.90	R 54 547.50	R19 658.92	R40 851.23	R57 820.35
Shop	R 6,545.70	R 13,601.96	R 19,637.10	R6 938.44	R14,418.08	R20,815.33
Small Holding	R 4,363.80	R 7,934.48	R 10,909.50	R4 625.63	R8 410.55	R11 564.07
Special Use	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 4,363.80	R 6,800.98	R 9,818.55	R4 625.63	R7 209.04	R10 407.66
Tavern	R 6,545.70	R 13,601.96	R 19,637.10	R6 938.44	R14,418.08	R20,815.33
Transport Depot	R 5,454.75	R 7,934.48	R 10,909.50	R5 782.04	R8 410.55	R11 564.07
Truck Show <10% of the property	R 4,363.80	R 6,800.98	R 10,909.50	R4 625.63	R7 209.04	R11 564.07
Truck Show >10% & above of the property	R 4,363.80	R 7,934.48	R 12,000.45	R4 625.63	R8 410.55	R12 720.48
Warehouse	R 27,773.75	R 56,674.85	R 76,366.50	R28 910.11	R60 075.34	R80 948.49
Waste Recycling Centre	R 3,272.85	R 7,934.48	R 13,091.40	R3 469.22	R8 410.55	R13 876.88
Waste Transfer	R 4,914.47	R 7,934.48	R 10,909.50	R5 782.04	R8 410.55	R11 564.07
Welfare Centre	R 654.57	R 1,414.17	R 2,181.90	R693.84	R1 499.02	R2 312.81
Wholesale	R 10 909.50	R 20 403.92	R 30 546.60	R11 564.07	R21 627.12	R32 379.40
Worship	R 1,873.52	R 6,800.98	R 10,909.50	R4 019.93	R7 209.04	R11 130.00
Removal of Container		R 270.14	R270 per day			R286 per day
Storage of Container		R 6,545.70	R 6,546.00			R6 938.76
Removal of Vehicle/Trailer			R270 per day			R286 per day
Storage of Vehicle/Trailer			R 6,546.00			R6 938.76
Removal of Shack			R270 per day			R286 per day
Storage of Shack						R286 per day
Cellular Mast and Base Station	R 6,545.70	R 13,091.40	R 19,637.10	R6 938.44	R13 876.88	R20 815.33
(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)						



**ANNEXURE F**  
**Budget Funding Plan**

# **NEWCASTLE MUNICIPALITY**

## **FINAL BUDGET FUNDING PLAN 2022/23 – 2025/26**

## BUDGET FUNDING PLAN

### 1. Purpose

This Final Budget Funding Plan 2022/23 (BFP) has been developed in in order to align with the Final 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 final 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 2022/23 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 its communities, the budget should be funded in accordance with the requirements of the Municipal Finance Management Act (MFMA). It is therefore imperative that a plan that will respond to the current 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 credible 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 R317.6 million, R200.4 million and R133.0 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	2 693 263	2 600 755	2 796 272
Total Expenditure Budget	2 488 931	2 654 252	3 010 276	2 801 183	2 929 347
Surplus/(Deficit)	(274 689)	(275 908)	(317 613)	(200 428)	(133 075)
Capital expenditure	145 393	185 393	209 033	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 that is being performed by the municipality and KZN Provincial Treasury on a continuous basis has revealed that the following factors are the main contributors to the financial crisis that the Newcastle Municipality is faced with:

- The municipality is operating at an operating deficit;
- Escalation of outstanding debtors, especially the 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 unspent grants at each year-end;
- 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 (BFP) 2022/23**

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 with 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 contains 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 improved collection rate	Property rates	Steadily increase increase revenue based on CPI target	MM & CFO	01/07/2018	Continuous	85%	Task almost completed:  85%
2	Inflation linked tariff increase and improved collection rate	Service charges	Steadily increase increase revenue based on CPI target	MM & CFO	01/07/2018	Continuous	85%	Task almost completed:  85%
3	Inflation linked tariff increase and improved collection rate	Other revenue	Steadily increase increase revenue based on CPI target	MM & CFO	01/07/2018	Continuous	90%	Task almost completed:  90%
4	Ensure full access to all government grants	Transfers recognised - capital	Submit business plans and ensure conditional grants are fully spent	MM & CFO	01/07/2020	Continuous	70%	Task almost completed:  70%
5	Dispose unused land and other assets	Proceeds on disposal of PPE	Identify unused land for residential and business use	MM & CFO	01/07/2022	30/06/2024	70%	Task almost completed:  70%
6	Curb recruitment on new personnel	Employee related costs	Do not fill any non-critical positions being vacated	MM & CFO	01/07/2022	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	01/07/2020	30/06/2030	70%	Task almost completed:  70%
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	30/06/2030	70%	Task almost completed:  70%
9	Limit exorbitant increase in non-core expenditure	Contracted services	Reduction and very minimal increase on contracted services	MM & CFO	01/07/2020	Continuous	70%	Task almost completed:  70%
10	Limit exorbitant increase in non-core expenditure	Other expenditure	Reduction and very minimal increase on other expenditure	MM & CFO	01/07/2020	Continuous	70%	Task almost completed:  70%
11	Reduce internally funded capital expenditure	Internally generated funds	Separately invest conditional grants and fast-track early appointment of service providers	MM & CFO	01/07/2018	Continuous	85%	Task almost completed:  85%
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	Continuous	45%	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	Continuous	30%	Task almost completed:  30%
14	Ensure cash-backing of provisions	Other provisions	Build up reserves up ensuring increased cash and cash equivalents	MM & CFO	01/07/2020	Continuous	30%	Task commenced:  1%-50%
15	Ensure cash-backing of reserves	Reserves to be cash-backed	Build up reserves up ensuring increased cash and cash equivalents	MM & CFO	01/07/2019	Continuous	45%	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	Continuous	85%	Task almost completed:  85%

### 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 6% in line with the consumer price index (CPIX) target. 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 same through 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. These processes are already at an advanced stages.

### 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 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 to bear minimum 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 at one go due to commitments, internal funding is expected to be fully reduced gradually 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 2022/23 budget and beyond, that the internally funded capital budget has been reduced drastically in line with this strategy.

### 3.8 Improve payment of creditors

The municipality will make use of 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. A strategy will also be put in place to ensure that all invoices are paid with 30 days as required by section 65 of the MFMA. 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 also ensure that the payment agreement entered with Eskom and monitored and executed successfully until the debt if fully paid in August 2023. So far, the municipality has not defaulted on such agreement.

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 are not fully cash-backed. These include unspent grants, leave provision, Housing Development Grant and Insurance Reserve which need 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 is achieve over the period of the funding plan.

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 improved 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 improved 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 improved 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	53 936 813	4 076 402	-49 859 411	12 585 934	18 935 708	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 exorbitant 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	-13 968 188
11	Limit exorbitant 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 expenditure	Internally generated funds	Separately invest conditional grants and fast-track 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	Build up reserves up ensuring increased cash and cash equivalents	-10 526 112	0	10 526 112	8 639 106	362 842	396 086	563 882	597 715
16	Ensure cash-backing of reserves	Reserves to be cash-backed	Build 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 out programme to service and dispose all unused land to generate more revenue. This is expected to generate about R33 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 R60 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 6% 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 are gradually cost-reflective. 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. Expenditure items like contracted services and other expenditure have however been identified as those which need to be limited to bear minimum, except where the cost items are grant-funded. This will assist in our effort 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
<b>Revenue By Source</b>								
Property rates	362 426 238	362 426 238	0	363 412 847	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	751 862 363	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	199 932 763	207 034 199	216 350 737	227 168 274	238 526 688
Service charges - sanitation revenue	119 428 804	120 014 166	585 362	123 817 928	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	101 229 446	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	3 131 415	2 509 661	2 622 596	2 753 726	2 891 412
Interest earned - outstanding debtors	4 642 465	4 246 536	-395 929	4 001 328	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	47 919	45 852	47 915	50 311	52 826
Agency services	0	0	0	0	0	0	0	0
Transfers and subsidies	695 021 001	842 931 651	147 910 650	1 112 706 986	869 077 000	945 027 500	1 001 729 150	1 051 815 608
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		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 214 240 408</b>	<b>2 378 344 287</b>	<b>161 466 359</b>	<b>2 693 262 614</b>	<b>2 600 754 632</b>	<b>2 796 272 142</b>	<b>2 954 769 821</b>	<b>3 112 296 137</b>
<b>Expenditure By Type</b>								
Employee related costs	570 233 898	572 674 199	2 440 301	601 652 651	628 125 368	656 536 190	689 363 000	723 831 149
Remuneration of councillors	28 882 467	28 882 467	0	29 060 117	30 338 763	31 704 007	32 972 167	34 291 054
Debt impairment	283 536 108	274 982 230	-8 553 878	286 041 087	298 626 894	312 065 105	321 427 058	331 069 870
Depreciation & asset impairment	378 675 137	365 083 525	-13 591 612	363 159 586	379 138 608	396 199 845	404 123 842	412 206 319
Finance charges	39 754 198	39 754 198	0	35 845 953	37 423 175	39 107 217	28 255 670	24 175 886
Bulk purchases	557 137 890	557 137 890	0	605 107 462	631 732 191	660 160 139	726 176 153	798 793 768
Other materials	136 114 419	139 578 253	3 463 834	153 188 322	159 886 180	167 078 815	170 420 391	173 828 799
Contracted services	387 905 778	564 998 774	177 092 996	818 628 833	513 023 393	538 055 370	538 055 370	532 728 089
Transfers and subsidies	0	0	0	0	0	0	0	0
Other expenditure	106 689 848	110 501 418	3 811 570	118 191 994	122 888 300	128 440 465	125 922 025	123 452 965
Loss on disposal of PPE	1 000	659 462	658 462	0	0	0	0	0
<b>Total Expenditure</b>	<b>2 488 930 743</b>	<b>2 654 252 416</b>	<b>165 321 673</b>	<b>3 010 876 005</b>	<b>2 801 182 872</b>	<b>2 929 347 153</b>	<b>3 036 715 676</b>	<b>3 154 377 900</b>
<b>Surplus/(Deficit)</b>	<b>-274 690 335</b>	<b>-275 908 129</b>	<b>-3 855 314</b>	<b>-317 613 391</b>	<b>-200 428 240</b>	<b>-133 075 011</b>	<b>-81 945 855</b>	<b>-42 081 763</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	121 377 000	156 104 513	34 727 513	191 032 032	157 183 000	104 950 000	138 327 518	145 230 143
<b>Surplus/(Deficit) after capital transfers and subsidies</b>	<b>-153 313 335</b>	<b>-119 803 616</b>	<b>30 872 199</b>	<b>-126 581 359</b>	<b>-43 245 240</b>	<b>-28 125 011</b>	<b>56 381 663</b>	<b>103 148 380</b>

Table 4 above indicate that the strategies that are in place will assist to improve the deficit of the municipality of the next 5 years from the R317 million in 2022/23 to only R42 million in 2026/27 financial years. When taking into account the capital transfers, the municipality will sitting at the operating surplus of R103 million in the 2026/27 financial year. It therefore becomes critical that the municipality closely monitor this plan in order to achieve such favourable outcome.

## 6. Capital Financial Performance

The municipality will continue its drive to, by and large, the financing of its capital programme through 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
<b>Capital Expenditure - Functional</b>								
<i>Governance and administration</i>	4 400 000	5 205 075	805 075	2 900 000	2 900 000	2 900 000	1 000 000	1 000 000
Executive and council	300 000	238 608	-61 392	0	0	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	0	0
<i>Community and public safety</i>	11 035 000	13 637 347	2 602 347	11 344 500	10 097 000	20 000 000	20 000 000	20 000 000
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	20 000 000	20 000 000
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	0	0
<i>Economic and environmental services</i>	47 142 860	58 383 739	11 240 879	118 141 000	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	93 040 000	30 000 000	46 000 000	49 386 437	50 309 735
Environmental protection	0	0	0	0	0	0	0	0
<i>Trading services</i>	82 815 140	108 167 018	25 351 878	76 647 532	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	49 647 532	70 400 144	45 000 000	45 900 000	47 277 000
Waste water management	36 108 600	42 365 838	6 257 238	27 000 000	36 485 856	3 700 000	0	0
Waste management	0	1 223 975	1 223 975	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
<b>Total Capital Expenditure - Functional</b>	<b>145 393 000</b>	<b>185 393 179</b>	<b>40 000 179</b>	<b>209 033 032</b>	<b>170 083 000</b>	<b>117 850 000</b>	<b>116 541 437</b>	<b>118 849 385</b>
<b>Funded by:</b>								
National Government	110 342 000	132 942 000	22 600 000	174 687 532	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	20 000 000	20 000 000
District Municipality	0	0	0	0	0	0	0	0
Other transfers and grants	0	0	0	0	0	0	0	0
<b>Transfers recognised - capital</b>	<b>121 377 000</b>	<b>156 104 513</b>	<b>34 727 513</b>	<b>191 032 032</b>	<b>157 183 000</b>	<b>104 950 000</b>	<b>111 541 437</b>	<b>113 849 385</b>
Borrowing	0	0	0	0	0	0	0	0
Internally generated funds	24 016 000	29 288 666	5 272 666	18 001 000	12 900 000	12 900 000	5 000 000	5 000 000
<b>Total Capital Funding</b>	<b>145 393 000</b>	<b>185 393 179</b>	<b>40 000 179</b>	<b>209 033 032</b>	<b>170 083 000</b>	<b>117 850 000</b>	<b>116 541 437</b>	<b>118 849 385</b>

Capital expenditure is planned to increase from R185 million in the current year, to R209.0 million in 2022/23. It is however noted that such increase is mainly funded from grants, which is in line with the strategy and this plan. In the 2022/23 financial, only R18 million (9%) will be funded internally, while R191 million (91%) will be funded from government grants. When comparing the current year and the budget year, internal funding of the capital expenditure has decrease from R29 million to R18 million, representing a reduction of R11 million (38%), which a clear indication that the municipality is moving to the right.

## 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
<b>ASSETS</b>								
<b>Current assets</b>								
Cash	8 666 796	390 207	-8 276 589	-14 037 349	42 636 660	67 798 736	170 400 408	173 685 353
Call investment deposits		5 790 814	5 790 814					
Consumer debtors	535 942 936	544 147 765	8 204 829	594 134 391	648 681 011	688 924 185	328 488 107	335 433 162
Other debtors	92 770 927	81 351 346	-11 419 581	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
<b>Total current assets</b>	<b>652 375 224</b>	<b>646 674 697</b>	<b>-5 700 527</b>	<b>676 442 952</b>	<b>791 517 418</b>	<b>860 930 658</b>	<b>515 755 361</b>	<b>526 660 036</b>
<b>Non current assets</b>								
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	-	6 666 531 114	6 799 861 736	6 935 858 971	7 005 217 561	7 075 269 736
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
<b>Total non current assets</b>	<b>6 982 267 689</b>	<b>6 982 267 689</b>	<b>-</b>	<b>7 238 672 732</b>	<b>7 394 889 019</b>	<b>7 554 687 345</b>	<b>7 638 170 421</b>	<b>7 724 094 542</b>
<b>TOTAL ASSETS</b>	<b>7 634 642 913</b>	<b>7 628 942 386</b>	<b>-5 700 527</b>	<b>7 915 115 684</b>	<b>8 186 406 437</b>	<b>8 415 618 003</b>	<b>8 153 925 781</b>	<b>8 250 754 577</b>
<b>LIABILITIES</b>								
<b>Current liabilities</b>								
Bank overdraft			-					
Borrowing	15 117 588	15 117 588	-	-32 105 578	-34 081 616	-35 156 170	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	683 859 350	689 670 593	5 811 243	688 020 917	668 492 192	666 625 798	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
<b>Total current liabilities</b>	<b>735 823 711</b>	<b>741 634 954</b>	<b>5 811 243</b>	<b>692 762 112</b>	<b>672 731 220</b>	<b>671 323 097</b>	<b>452 646 986</b>	<b>475 829 692</b>
<b>Non current liabilities</b>								
Borrowing	540 880 413	345 653 584	-195 226 829	260 653 584	241 345 912	223 468 437	188 312 266	149 786 718
Provisions	202 463 819	202 463 819	-	90 445 062	94 062 864	97 825 379	103 694 902	109 916 596
<b>Total non current liabilities</b>	<b>743 344 232</b>	<b>548 117 403</b>	<b>-195 226 829</b>	<b>351 098 646</b>	<b>335 408 776</b>	<b>321 293 815</b>	<b>292 007 168</b>	<b>259 703 314</b>
<b>TOTAL LIABILITIES</b>	<b>1 479 167 943</b>	<b>1 289 752 357</b>	<b>-189 415 586</b>	<b>1 043 860 759</b>	<b>1 008 139 996</b>	<b>992 616 913</b>	<b>744 654 154</b>	<b>735 533 006</b>
<b>NET ASSETS</b>	<b>6 155 474 970</b>	<b>6 339 190 029</b>	<b>183 715 059</b>	<b>6 871 254 925</b>	<b>7 178 266 441</b>	<b>7 423 001 090</b>	<b>7 409 271 628</b>	<b>7 515 221 571</b>
<b>COMMUNITY WEALTH/EQUITY</b>								
Accumulated Surplus/(Deficit)	6 125 400 711	6 313 348 128	187 947 416	6 841 012 844	7 146 814 677	7 390 291 255	7 375 253 399	7 479 842 614
Reserves	30 074 259	25 841 901	-4 232 358	30 242 081	31 451 764	32 709 835	34 018 228	35 378 957
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>6 155 474 970</b>	<b>6 339 190 029</b>	<b>183 715 059</b>	<b>6 871 254 925</b>	<b>7 178 266 441</b>	<b>7 423 001 090</b>	<b>7 409 271 628</b>	<b>7 515 221 571</b>

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 five 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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates	271 819 678	271 819 678	-	272 559 636	300 806 529	308 486 757	320 826 227	333 659 276
Service charges	942 901 455	955 547 969	12 646 514	989 000 259	1 100 936 114	1 189 233 322	1 260 587 322	1 336 222 561
Other revenue	229 052 737	257 708 832	28 656 095	315 172 080	276 017 459	275 568 528	289 346 954	300 920 832
Government - operating	695 021 000	828 431 651	133 410 651	1 112 706 896	869 077 000	945 027 500	736 194 903	736 194 903
Government - capital	121 377 000	152 677 000	31 300 000	191 032 032	157 183 000	104 950 000	138 327 518	138 327 518
Interest	2 295 509	2 293 788	-1 721	3 131 415	2 509 661	2 622 596	3 212 117	3 436 965
Dividends	-	-	-	-	-	-	-	-
<b>Payments</b>								
Suppliers and employees	-2 063 754 029	-2 225 766 468	-162 012 439	-2 683 251 104	-2 408 267 963	-2 608 613 239	-2 584 957 769	-2 683 356 080
Finance charges	-39 754 198	-39 754 198	-	-35 845 953	-37 423 175	-39 107 217	-24 175 886	-21 350 125
Transfers and Grants	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>158 959 152</b>	<b>202 958 252</b>	<b>43 999 100</b>	<b>164 505 261</b>	<b>260 838 625</b>	<b>178 168 246</b>	<b>139 361 385</b>	<b>144 055 850</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
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	-	-	-	-	-	-	-	-
<b>Payments</b>								
Capital assets	-145 393 000	-185 393 178	-40 000 178	-209 033 032	-170 083 000	-117 850 000	-124 456 160	-128 159 843
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-134 393 000</b>	<b>-174 393 178</b>	<b>-40 000 178</b>	<b>-209 033 032</b>	<b>-170 083 000</b>	<b>-117 850 000</b>	<b>-114 456 160</b>	<b>-118 159 843</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	2 000 000	2 000 000
<b>Payments</b>								
Repayment of borrowing	-31 884 356	-31 884 356	-	-32 105 578	-34 081 616	-35 156 170	-38 525 548	-41 253 082
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-31 884 356</b>	<b>-31 884 356</b>	<b>-</b>	<b>-32 105 578</b>	<b>-34 081 616</b>	<b>-35 156 170</b>	<b>-36 525 548</b>	<b>-39 253 082</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>-7 318 204</b>	<b>-3 319 282</b>	<b>3 998 922</b>	<b>-76 633 349</b>	<b>56 674 009</b>	<b>25 162 076</b>	<b>-11 620 322</b>	<b>-13 357 075</b>
Cash/cash equivalents at the year begin:	15 985 000	9 500 303		62 596 000	-14 037 349	42 636 660	67 798 736	56 178 414
Cash/cash equivalents at the year end:	<b>8 666 796</b>	<b>6 181 021</b>	<b>3 998 922</b>	<b>-14 037 349</b>	<b>42 636 660</b>	<b>67 798 736</b>	<b>56 178 414</b>	<b>42 821 339</b>

Table 7 above indicates that the municipality cash during the 2022/23 financial year will be R14 short in order to cover all operating payments. The cash position of the municipality will then start to improve with a positing balance of R42 million in 2023/24 with the implementation of it's the funding plan strategies. The year 2023/24 is the year where the municipality will have finished paying the Eskom debt and the year in which is planning to achieve a funded budget position.

## 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 will ensure 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
<b>Cash and Investments available</b>								
Cash/cash equivalents at the year end	8 666 796	6 181 021	-2 485 775	-14 037 349	42 636 660	67 798 736	130 276 489	134 777 770
Other current investments > 90 days	-	-	-	-	-	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-	-
<b>Cash and Investments available:</b>	<b>8 666 796</b>	<b>6 181 021</b>	<b>-2 485 775</b>	<b>-14 037 349</b>	<b>42 636 660</b>	<b>67 798 736</b>	<b>130 276 489</b>	<b>134 777 770</b>
<b>Application of cash and investments</b>								
Unspent conditional transfers	22 249 330	26 776 314	4 526 984	26 776 304	29 453 934	22 092 562	20 084 147	18 258 316
Unspent borrowing	-	-	-	-	-	-	-	-
Statutory requirements	47 876 110	45 228 715	-2 647 395	17 103 140	22 360 028	25 686 280	23 351 164	21 228 331
Other working capital requirements	48 338 158	41 075 417	-7 836 631	-13 944 387	-72 447 742	-100 720 764	-91 564 331	-83 240 301
Other provisions	9 752 125	9 723 256	-28 869	11 406 000	12 090 360	12 815 782	12 943 939	13 073 379
Long term investments committed	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	29 341 324	25 841 901	-3 499 423	30 241 901	32 716 223	32 681 541	33 335 171	34 001 875
<b>Total Application of cash and investments:</b>	<b>157 557 047</b>	<b>148 645 603</b>	<b>-80 485 334</b>	<b>71 582 958</b>	<b>24 172 802</b>	<b>-7 444 600</b>	<b>-1 849 909</b>	<b>3 321 599</b>
<b>Surplus(shortfall):</b>	<b>-148 890 251</b>	<b>-142 464 582</b>	<b>77 999 559</b>	<b>-85 620 308</b>	<b>18 463 858</b>	<b>75 243 336</b>	<b>132 126 398</b>	<b>131 456 171</b>

Table 8 above indicates that the budget is currently unfunded by R85 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 2023/24, where it is projecting to generate a surplus of R18 million. The municipality appears be currently unfunded until the end of 2022/23 financial year. With effect from 2023/24 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. A positive trend is anticipated to continue as the municipality continue to implement the strategies even beyond the period of the plan.

## 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 and revised alignment shall also take place during the tabling of each and every budget and the adjustment budget until the objectives of the plan are achieved.

## 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.