



KZN252

NEWCASTLE MUNICIPALITY



FINAL MEDIUM TERM BUDGET

2024/25 TO 2026/27

EXTRACT FROM THE MINUTES OF THE SPECIAL MEETING OF THE NEWCASTLE MUNICIPAL COUNCIL HELD IN THE COUNCIL CHAMBERS, NEWCASTLE ON WEDNESDAY, 15 MAY 2024 AT 10:00

PRESENT

Councillor	T	M	Zulu	:	Speaker
Councillor	M	E	Buthelezi		
Councillor	F		Cassim		
Councillor	E	J	Cronje		
Councillor	D	X	Dube	:	Mayor
Councillor	N	C	Dube		
Councillor	F	L	Duma		
Councillor	V	F	Hadebe	:	Left at 10:39
Councillor	P		Hariram	:	Logged in via MS Teams
Councillor	M	E	Hlatshwayo		
Councillor	M	M	E Hlatshwayo		
Councillor	L	M	Khumalo		
Councillor	C	B	Kubeka		
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	:	Logged in via MS Teams
Councillor	F	A	Malinga		
Councillor	S	B	Mashazi	:	Left at 10:39
Councillor	N	S	F Masondo		
Councillor	S	P	Masuku		
Councillor	B	D	Mathunjwa		
Councillor	L	P	Mazibuko		
Councillor	M	V	Mbatha		
Councillor	N	I	Mdluli		
Councillor	A	P	Meiring		
Councillor	P	F	Mnisi		
Councillor	S	W	Mngomezulu		
Councillor	M	V	Molefe		
Councillor	T	E	Mthembu		
Councillor	L	P	Ndebele		
Councillor	M	O	Ndlovu		
Councillor	C	S	Ngcobo		
Councillor	R	N	Ngcobo	:	Logged in via MS Teams
Councillor	N		Njoko		
Councillor	A	T	Nkosi	:	Logged in via MS Teams
Councillor	W	P	Nkosi		
Councillor	S		Ntsele		
Councillor	M	E	Radebe		
Councillor	R	B	S Russell		
Councillor	N	P	Shabalala		
Councillor	S	E	Shabangu		
Councillor	V	N	Sibeko		
Councillor	S		Singh		
Councillor	F	N	Sithole		
Councillor	B	R	Thusi		
Councillor	N	P	Thela		
Councillor	L	P	Ximba		
Councillor	V	G	Zondo		
Councillor	S	A	Yende	:	Logged in via MS Teams
Councillor	M	N	Zulu		
Councillor	N	S	Zulu		
Councillor	Z	E	Zwane		

(ii)

ABSENT WITH APOLOGY

Councillor	S	B	Buthelezi	:	Other commitments
Councillor	T	N	Dlamini	:	Other commitments
Councillor	N	P	Maseko	:	Other commitments
Councillor	A	E	Mkhwanazi	:	Other commitments
Councillor	N	P	Mthabela	:	Other commitments
Councillor	S	E	Nkosi	:	Other commitments
Councillor	M	J	Ntshangase	:	Other commitments
Councillor	M	H	Simelane	:	Other commitments
Councillor	L	C	Sithebe	:	Other commitments
Councillor Dr	J	A	Vorster	:	Other commitments

TRADITIONAL LEADERS

iNkosi	C	S	Kubheka	:	Not Present
iNkosi	B	S	Radebe	:	Not Present

ALSO PRESENT

Media Representative	:	Mr	Q	Boucher
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VACANCIES

Ex – ward Councillor	H	N	Khumalo
Ex – war Councillor	S	M	Thwala

OFFICIALS PRESENT

Municipal Manager	:	Mr	Z	W	Mcineka
Strategic Executive Director : BTO	:	Mrs	P	H	Kubheka
Strategic Executive Director : Corporate Services	:	Dr	P	D	Thabethe
Strategic Executive Director : Community Services	:	Mr	G	B	Dlamini
Strategic Executive Director : DP&HS	:	Mrs	N	P	Khathide
Strategic Executive Director : Technical Services	:	Mr	B	P	Mnguni
Director : Administration	:	Mrs	D	R	Molefe
Acting Director : Governance and Support Services	:	Mrs	K	A	Pentz-Coates
Manager : General Administration and Secretariat	:	Mrs	Z		Sibeko
Committee Clerk	:	Mr	K	S	Mbonane
Intern : Administration	:	Mr	A		Kunene

CM 21 : FINAL MEDIUM-TERM BUDGET 2024/2025 (BTO 5/1/1)

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 2024/25; and indicative allocations for the two projected outer years 2025/26 and 2026/27; 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.

(iv)

Electricity availability	: 100%
Water availability	: 100%
Sewer	: 100%
Refuse	: 100%
Property rates	: 100%
Rental on municipal property	: 75%

(m) 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%

(n) That, the Service Standards be noted and approved.

(o) That, the Retention policy be noted and approved.

(p) That, the Budget Funding Plan be noted and approved.

(q) That, the Budget policy be noted and approved.

(r) That, the Tarriff policy be noted and approved.

(s) That, the Rates policy be noted and approved.

(t) That, the Indigent policy be noted and approved.

(u) That, the Customer Care, Credit Control, and Debt Collection policy be noted and approved.

(v) That, the Provision for Doubtful Debt and Debtors Write-off policy be noted and approved.

(w) That, the Supply Chain Management policy be noted and approved.

(x) That, the Cash and Investment Management policy be noted and approved.

(y) That, the Asset Management policy be noted and approved.

(z) That, The Petty Cash policy be noted and approved.

(aa) That, the Virement Transfer policy be noted and approved.

(bb) That, the funding and Reserves policy be noted and approved.

(cc) That, the Borrowing policy be noted and approved.

(dd) That, the Loss control policy be noted and approved.

(ee) That, the Short-term insurance policy be noted and approved.

(iii)

- (c) That, the Municipality's annual allocation of R 170.1 million 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 2024 for all services, except water and electricity consumption, which will be levied on the new tariff with effect from 01 August 2024.
- (e) That, the Tariff of Charges be approved and be applicable from 01 July 2024.
- (f) That, water, refuse, sewer and sundry tariffs be increased by 6% with effect from 01 July 2024.
- (g) That, rates tariff be set for the new valuation roll which is applicable from 01 July 2024, as calculated and included in the Tarriff of Charges, and that the impermissible rate for all residential properties be capped at R 85 000 with effect from 01 July 2024.
- (h) That the tariffs of property rates categories be adjusted as follows with effect from 01 July 2024 :

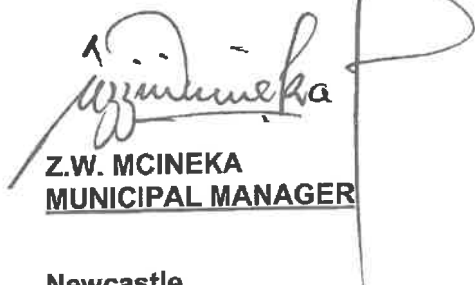
Category	2023/24	2024/25	% Change
Business and Commercial	0,03634	0,03970	9,25%
Farms - Agriculture	0,00323	0,00282	-12,69%
Industrial	0,03634	0,02990	-17,72%
Mining and Quarries	0,03634	0,03680	1,27%
Public Benefit Organisation	0,00323	0,00282	-12,69%
Residential	0,01454	0,01197	-17,68%
Public Service Purposes	0,00363	0,00385	6,06%
Vacant Land	0,04362	0,04045	-7,27%

- (i) That, the electricity tariffs be set for the new financial year be increased by 11.23% with effect from 01 July 2024 and it be noted that the municipality is still awaiting approval of the municipal electricity tariff increase from NERSA.
- (j) That, bulk electricity purchases be increased by 12.75% as per NERSA's guideline of the Eskom tariff increase.
- (k) 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 years) and R 6000.00 per month (over 60 years).
- (l) That indigent benefit packages be approved as follows :
- Electricity consumption : 50 kW/H
Water consumption : 6 KI

(v)

- (ff) That, the Cost Containment policy be noted and approved.
- (gg) That, the Protective clothing policy be noted and approved.
- (hh) That, the Property Rates by-laws be noted and approved.
- (ii) That, Tarriff by-laws be noted and approved.
- (jj) That, the Credit Control and Debt Collection by-laws be noted and approved.
- (kk) That, the Internship policy be noted and approved.
- (ll) That, the Skills programme policy be noted and approved.
- (mm) That, the Recruitment policy be noted and approved.
- (nn) That, the IT Security policy be noted and approved.
- (oo) That, the Bursary policy be noted and approved.
- (pp) That, it be noted that the ANC does not support the recommendations.
- (qq) That, Council notes that Cllr. V.F. Hadebe and Cllr. S.B. Mashazi of the TSSA walked out at 10:39.

I, the undersigned, **ZAMOKWAKHE WESLEY MCINEKA**, in my capacity as **MUNICIPAL MANAGER** to the Newcastle Municipal Council, hereby certify the above as a true extract from the minutes of the special Council meeting held on 15 May 2024.


Z.W. MCINEKA
MUNICIPAL MANAGER

15/05/2024
DATE

Newcastle

Annexure A
Budget Document

NEWCASTLE MUNICIPALITY



FINAL BUDGET DOCUMENT ANNEXURE A

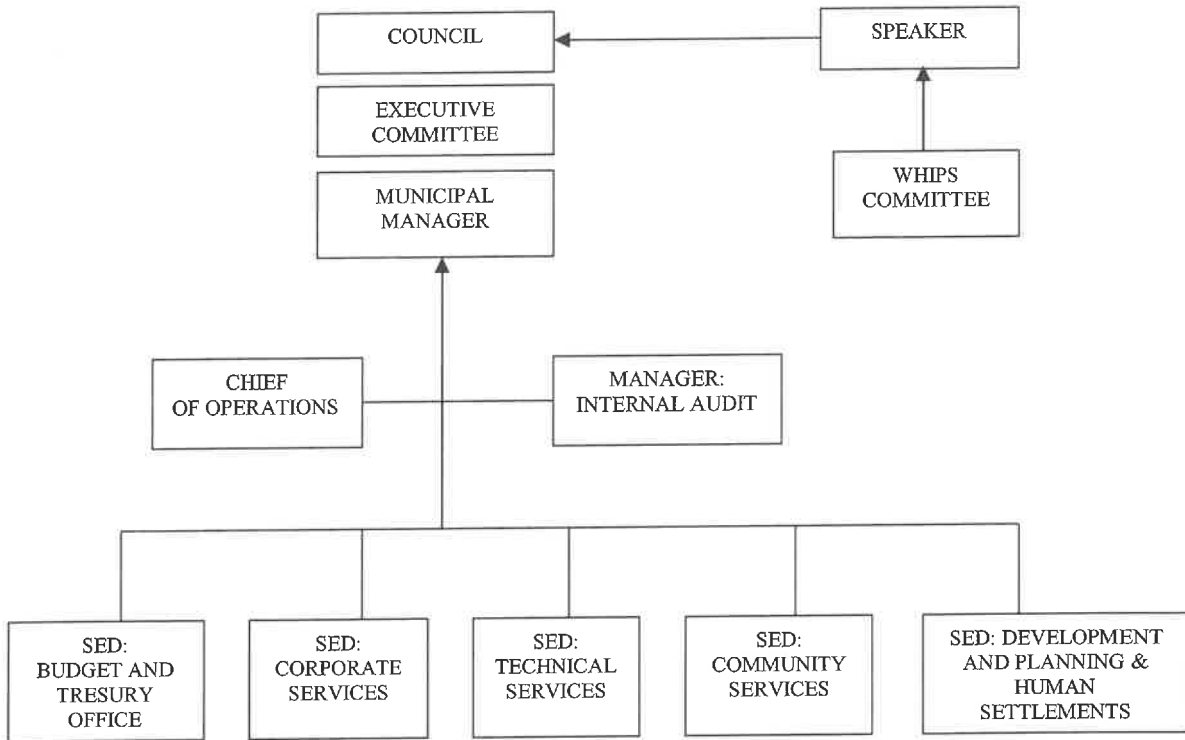
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I. ABBREVIATIONS AND ACRONYMS

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

3.2 NEWCASTLE MUNICIPALITY: ORGANOGRAM



3.4 COUNCILLORS, EXECUTIVE COMMITTEE AND OFFICIALS

EXECUTIVE COMMITTEE

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

COUNCIL

DESIGNATION	SURNAME & INITIALS	POLITICAL PARTY	WARD
Speaker	ZULU TM	IFP	PR
Mayor	DUBE DX	IFP	18
Deputy Mayor	VACANT	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	VACANT		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	VACANT		19
Councillor	LETHEA MT	ANC	10
Councillor	LUI C	IFP	PR
Councillor	MADI BG	ANC	8
Councillor	MADI ZE	IFP	PR
Councillor	MAKHOBHA 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	VACANT		23
Councillor	MNGOMEZULU SW	ANC	22
Councillor	MNISI PF	ANC	15
Councillor	VACANT	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	VORSTER	K	PR
Councillor	XIMBA LP	ANC	14
Councillor	YENDE SA	ANC	PR
Councillor	ZONDO VG	ANC	27
Councillor	ZULU NS	IFP	PR
Councillor	ZWANE ZE	ANC	30
Traditional Leader	KHUMALO DO		
Traditional Leader	RADEBE B S		

SENIOR MANAGERS

DESIGNATION	SURNAME & INITIALS
Municipal Manager	Mcineka ZW
Strategic Executive Director: Budget and Treasury Office	Kubheka PHZ
Strategic Executive Director: Corporate Services	Thabethe PD
Strategic Executive Director: Technical Services	Mnguni BP
Strategic Executive Director: Community Services	Dlamini GB
Strategic Executive Director: Development, Planning and Human Settlements	Khathide NP

PART 1 – ANNUAL BUDGET

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 fourth 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 of 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 Dannhauser Local Municipalities are located along the Eastern and Southern boundaries of Newcastle. Spatially Newcastle covers an area of approximately 1 854km² 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. ArcelorMittal produces over 105 million tons of steel products annually. Although the ArcelorMittal 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 CO2 plant at its site. Mittal Steel also completed a R400 million project to rebuild one of its coke batteries. Other large operations include a diamond cutting works, various heavy engineering companies, steel reinforcement and 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

MAYORAL FOREWARD FINAL BUDGET: 2024/25

Newcastle Municipality has been constitutionally tasked with providing sustainable and effective services, and such a realisation is not as easy as it may seem. There are many different aspects that must integrate with one another before a municipality will be able to succeed in this mammoth task. As obligated by Section 24 of the Municipal Finance Management Act, No. 56 of 2003 to table the annual budget for adoption, it is my duty to provide an accurate account of the state of this Municipality which is currently facing immense financial challenges. Having inherited an unfunded budget as the new administration, it has placed us at a very disadvantaged position in our efforts to fulfilling our service delivery objectives.

I must, however, acknowledge the setbacks that have decelerated our speed of improving our road infrastructure in terms of connectivity and accessibility mainly in our townships and rural settlements which has been accorded primarily by the poor allocation of around R8 million for resealing and re-graveling of roads. It is worthy to note though, that regardless of the inadequate resources at our disposal, we have managed to allocate just over R 21 million towards improving our road infrastructure, and a further R 127 million to upgrade our bulk sewer, water pipelines and wastewater treatment plant.

The abovementioned allocations do not even by a stretch of imagination begin to address the issue of aging infrastructure and our inability to do adequate maintenance, however we must acknowledge the improvements in the Human Settlements department having completed over 158 housing units in the Khathide Phase 2 and the handover of over 100 completed units in the Charlestown Housing Project. Nevertheless, the Provincial Department of Human Settlements unjustifiably still decided to withdraw its Housing Grant allocation for Newcastle Municipality which is unprecedented and clearly proves that our political intolerance will always take preference over service delivery.

Although our major funding sources for our capital budget, which is around R 167 million, remains National and Provincial Organs of State, it is without a doubt that the allocated financial resources are inadequate to complement the growing service delivery demands in our communities. We must however acknowledge that our failure to ameliorate spending patterns on conditional grants is an undesirable position for the Municipality to find itself in.

The current circumstances compel the municipality to develop internal funding strategies that will enhance the revenue and financial sustainability of the institution in the long-term. Hence, we have reprioritized our

financial commitments to ensure that we drastically reduce the financial burden on the municipality, therefore by August 2024 we intend to start settling the uThukela Water outstanding debt.

Although there are inaccuracies with our electricity tariffs given that we are permitted by National Treasury to only increase our electricity tariff by 11.23%, yet NERSA the National Energy Regulator has increased the electricity tariff by 18%. This directly affects our revenue because the 18% increase is imposed, however we cannot effect the same increases in-line with the National Treasury. The inability to collect R1.8 billion owed to the Municipality by households mainly in the Eastern parts of Newcastle remains a concern as it dispossesses the Municipality's ability to effectively fund its Operational budget and most importantly disperse resources for the maintenance of its infrastructure. To mitigate this, Council has developed an intensive revenue collection strategy with the anticipation that it will help us to improve revenue collection.

The increase in the employee related costs due to the returning of 223 employees who were previously dismissed does arguably have material repercussions on the budget as it places a heavy burden on the institution and its salary threshold, hence, we do not intend to further seek any loans till we have settled our current loans by 2030, which currently sits at R284 million. Regardless of the challenges we continue to face, we remain optimistic of the future ahead. We will remain focussed on maximising the limited resources to maximise our output towards service delivery. With that said I wish to thank and encourage all staff members to continue working with us to turn things around.

I hereby formally table the final budget for 2024/25 financial year for approval.

By D X Dube

Mayor: Newcastle Municipality

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 2024/25; and indicative allocations for the two projected outer years 2025/26 and 2026/27; and the multi-year and single year capital appropriations be approved;
- (b) That the funding sources to fund both the operating and capital budgets be noted and approved;
- (c) That the Municipality's annual allocation of R170.1 million 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 2024 for all services, except for water and electricity consumption, which be levied on the new tariff with effect from 01 August 2024;
- (e) That the Tariff of Charges be approved and be applicable with effect from 01 July 2024;
- (f) That water, refuse, sewer and sundry tariffs be increased by 6% with effect from 01 July 2024.
- (g) That property rates tariff be set for the new valuation roll which is applicable from 1 July 2024, as calculated and included in the Tariff of Charges, and that the impermissible rate for all residential properties be capped at R 85 000 with effect from 1 July 2024.
- (h) That the tariffs of property rates categories be adjusted as follows with effect from 01 July 2024:

CATEGORY	2023/24	2024/25	% change
Business and Commercial	0,03634	0,03970	9,25%
Farms - Agriculture	0,00323	0,00282	-12,69%
Industrial	0,03634	0,02990	-17,72%
Mining & Quarries	0,03634	0,03680	1,27%
Public Benefit Organisation	0,00323	0,00282	-12,69%
Residential	0,01454	0,01197	-17,68%
Public Service Purposes	0,00363	0,00385	6,06%
Vacant Land	0,04362	0,04045	-7,27%

- (i) That the electricity tariff be increased by 11.23% with effect from 01 July 2024 and it be noted that the municipality is still waiting for the approval of the municipal electricity tariff increase from NERSA.
- (j) That bulk electricity purchases be increased by 12.75% as per NERSA's guideline of the Eskom tariff increase.
- (k) That in terms of the Indigent Policy, the monthly household earnings of an indigent application be capped at R5000.00 per month (under 60 years) and R6000.00 per month (over 60 years)
- (l) That indigent benefit package be approved as follows:
- | | |
|------------------------------|-----------|
| Electricity consumption | : 50 kW/h |
| Water consumption | : 6 KI |
| Electricity availability | : 100% |
| Water availability | : 100% |
| Sewer | : 100% |
| Refuse | : 100% |
| Property rates | : 100% |
| Rental on municipal property | : 75% |
- (m) That the rate rebates be capped and approved as follows:
- | | |
|------------------------------------|-------|
| Pensioners | : 25% |
| Flood victims | : 50% |
| Bed 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% |
- (n) That the Service standards be noted and approved;
- (o) That the Retention Policy be noted and approved
- (p) That the Budget Funding Plan be noted and approved;
- (q) That the Budget Policy be noted and approved;
- (r) That the Tariff Policy be noted and approved;
- (s) That the Rates Policy be noted and approved;
- (t) That the Indigent Policy be noted and approved;
- (u) That the Customer Care, Credit Control and Debt Collection Policy be noted and approved;
- (v) That the Provision for Doubtful Debt and Debtors Write-Off Policy be noted and approved;
- (w) That the Supply Chain Management Policy be noted and approved;
- (x) That the Cash and Investment Management Policy be noted and approved;

- (y) That the Asset Management Policy be noted and approved;
- (z) That the Petty Cash Policy be noted and approved;
- (aa) That the Virement Policy be noted and approved;
- (bb) That the Funding and Reserves Policy be noted and approved;
- (cc) That the Borrowing Policy be noted and approved;
- (dd) That the Loss control Policy be noted and approved;
- (ee) That the Short-term Insurance Policy be noted and approved;
- (ff) That the Cost Containment Policy be noted and approved ;
- (gg) That the Personal Protective Equipment Policy be noted and approved;
- (hh) That the Property Rates By-Laws be noted and approved;
- (ii) That the Tariff By-Laws be noted and approved.
- (jj) That the Credit Control and Debt Collection By-Laws be noted and approved.
- (kk) That the Internship Policy be noted and approved.
- (ll) That the Skills Programme Policy be noted and approved.
- (mm) That the Recruitment Policy be noted and approved.
- (nn) That the IT Security Policy be noted and approved.
- (oo) That the Bursary Policy be noted and approved.

3. EXECUTIVE SUMMARY

3.1 INTRODUCTION

The 2024/2025 final budget is a consolidated operational and capital budget of R3.0 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 2024/25 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 Budget Funding Plan (BFP) strategies to enhance revenues, 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 considering 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 2024/25 budget. Furthermore, the budget format and the content incorporate the requirements of the Municipal Budget and Reporting Regulations.

The following principles were applied in formulating the final 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;
- Repayment of old debts on bulk supplies;

- 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;
- 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 the approved organogram in line with mSCOA regulations;
- Bulk electricity and water tariff increase above the increase in revenue tariff increase, which implies additional burden to the municipality to provide electricity and water function.

3.2 OVERVIEW OF THE 2024/2025 BUDGET

OPERATING BUDGET

The operating budget, which funds the continued provision of services provided by the municipality, is projected to increase from the adjusted budget of R2.8 billion in 2023/24 to R2.9 billion in 2024/25, representing an increase of R117 million. The bulk of the operational budget is consumed by the fixed costs of the municipality of which R22.7 is funded through Provincial and National grants. This includes employee cost, SALGA membership fees, bulk water and bulk electricity purchases, IT licences, Cemeteries Licences, Finance charges, Insurance, Bank Charges, Property valuations, depreciation, debt impairment to mention but few.

There has been a reduction in the provision for finance charges due to the cost containment measures being implemented by the municipality. This indicates 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.

OPERATING REVENUE

Total operating revenue is projected at R2.6 billion in the 2024/25 financial year, representing an increase of R224.5 million from the current year's adjusted budget of R2.3 billion.

The major items of the operating revenue for the 2024/25 financial year are as follows:

Details	2024/2025 R'000	% of Total Revenue
Electricity	870 386	33.2%
Water	237 039	9.0%
Sanitation / sewer	142 374	5.4%
Refuse	114 956	4.4%
Property rates	423 760	16.2%
Grants and subsidies	689 094	26.2%
Other revenue	15 521	0.6%
Interest earned from receivables	4 140	0.2%
Rental of facilities	11 643	0.4%
Interest earned from current and non current assets	5 592	0.2%

Fines	7 601	0.3%
Interest on investments	5 592	0.2%

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

- **Electricity services: R870.4 million, increase of R6.5 million (0.75%)**

Electricity tariffs will increase by 11.23%. It must be noted that this tariff increases are as per the NERSA tool, which was recommended by NERSA that all municipalities must use to come up with their tariff of charges for electricity. The tariff seems to be lesser when compared to the previous year's tariff of 16.65%, which then have the impact of R6.5 on the budget 2024/25. Cognisance should also be taken that this percentage increase of 11.23% above the inflation rate of 4.9%, however this increase is based on the cost the municipality has incurred in the 2023/24 in providing the electricity. The revenue figure of R870.4 million is net of the cost of free basic service of R7.4 million in respect of electricity as required in terms of the Budget and Reporting Regulations.

- **Water services: R237.0 million, increase of R16.9 million (7.71%)**

Water tariffs are expected to increase by 6% in the 2024/25 financial year. The increase of 6% in tariffs is expected to generate additional revenue of R16.9 million (7.71%), from R220.1 million in the current adjusted budget to R237.0 million in the 2024/25 financial year. The revenue figure of R237.0 million is net of the cost of free basic services of R11.5 million in respect of water as required in terms of the Budget and Reporting Regulations.

It must be mentioned that National Treasury has also issued the Budget Circular which requires all municipalities to use the tariff budget tool to determine their tariffs. The percentage increase of 6% in all services charges and property other than electricity have been used as per the old approach. However, we have started to complete the tariff tool which still requires National Treasury's reviews.

- **Refuse removal: R114.9 million, increase of R5.2 million (4.71%)**

Refuse removal tariffs are expected to increase by 6% in the 2024/25 financial year. The increase of 6% in tariffs is expected to result in an increase in revenue of R5.2 million (4.71%), from R109.8 million in the current

year's adjusted budget to R114.9 million in the 202/25 financial year. The revenue figure of R114.9 million is net of the cost of free basic services of R17.3 million in respect of refuse removal as required in terms of the Budget and Reporting Regulations.

- **Sanitation: R142.4 million, increase of R11.9 million (7.72%)**

Sanitation tariffs are expected to increase by 6% in the 2024/25 financial year. The increase of 6% expected to generate additional revenue of R11.9 million (7.72%), from R154.3 million in the current year's adjusted budget to R142.4 million in the 2024/25 financial year. The revenue figure of R142.4 million is net of the cost of free basic services of R19.6 million in respect of sanitation as required in terms of the Budget and Reporting Regulations.

- **Property rates: R423.8 million, increase of R27.1 million (6.84%)**

Property rates tariffs are expected to increase by 6% in the 2024/25 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 R27.1 million (6.84%), from R396.6 million in the current year's adjusted budget to R423.8 million in the 2024/25 financial year. The revenue figure of R423.8 million is net of the rates rebates and indigent benefit of R73.8 million as required in terms of the Budget and Reporting Regulations. Furthermore, it must be noted that the municipality has embarked in the general valuation of properties in line with the Local Government Property Rates Act 6 of 2000. The impact of the draft valuation roll has been taken into account in the budget for the property rates.

- **Sale of goods & rendering of Services: R7.2 million, decrease of R6.2 million (46.4%)**

Sale of goods and rendering of Services has been appropriated to comply with the mSCOA reporting requirements. This component includes revenue generated from rendering of service other than service charges. These are services that the municipality produces or partly produces. While other revenue includes all other income not elsewhere classified. This item has been projected to decrease by 46.4% from the adjusted budget of R13.6 million to R7.2 million in the 2024/25 final budget.

- **Other revenue: R8.3 million, increase of R387 thousand (4.90%)**

Sundry tariffs will be increased by 6% and are expected to generate revenue of R8.3 million in the 2024/25 financial year. This represents an increase of R387 thousand (4.9%) from the budget of R87.9 million in the current year's adjusted budget to R8.3 million in the 2024/25 financial year.

- **Operational Transfers recognised: R689.1 million, increase of R84.9 million (14%)**

Revenue from grants and subsidies is expected to generate operating revenue of R689.1 million in the 2024/25 financial year. This represents an increase of R84.9 million (14%) from the budget of R604.2 million in the current year's adjusted budget to R689.1 million in the 2024/25 financial year. These operating grants include the equitable share, the Finance Management Grant (FMG), Expanded Public Works Programme and various other provincial grants from department of Arts and Culture and the Department of Human Settlements. A portion of the Municipal Infrastructure Grant (MIG) and Water Services Infrastructure Grant (WSIG) have also been included in the operating grants in order to deal with capacity operational issues in the department of Technical Services, disaster grant is also included to deal with the maintenance of floods events within jurisdiction of Newcastle. In addition is the amount of R20 million for housing projects which was received years ago for the completion of housing projects. It must be further mentioned that in the Provincial Gazette the municipality has noted allocations from Housing for the implementation of Informal Human Settlements, that allocation is not included as part of our revenue, since it does not meet the criteria to be recorded in our books. The appropriation of grant transfers in the budget has been made in accordance with the Division of Revenue Act and the provincial gazette.

- **Fines: R7.6 million, increase of R355 thousand (4.90%)**

Revenue for fines is expected to generate revenue of R7.6 million in the 2024/25 financial year. This represents an increase of R355 thousand (4.90%) from the budget of R7.2 million in the current year's adjusted budget to R7.6 million in the 2024/25 financial year. Fines will be imposed in accordance with the traffic laws and regulations and will be influenced by law enforcement and the behaviour of road users in the jurisdiction of Newcastle.

- **Interest on investments: R5.6 million, increase of R261.2 thousands (4.90%)**

Interest on investments is expected to generate revenue of R5.6 million in the 2024/25 financial year. This represents R261.2 thousands increase of (4.90%) from the budget of R5.3 million in the current year to R5.6

million in the 2024/25 financial year. Interest will be earned based on the value of the investments that the municipality will make with various financial institutions for any additional funds during the financial year.

- **Interest on exchanged & non-exchanged outstanding receivables: R4.1 million, increase of R3.1 million (77.1%)**

Interest from receivables (debtors) has been split to cater for interest charged on outstanding debtors from exchanged revenue and non-exchange revenue, in line with the mSCOA version 6.8 chart. The interest charged on exchanged revenue is projected to be R4.1 million while non-exchanged revenue is projected at zero. Interest on exchanged revenues includes interest that is levied on overdue business accounts, this includes interest on electricity, water, refuse and sanitation; while non-exchanged receivables is interest levied on businesses for property rates, the municipality is not planning to charge interest on property rates.

- **Rental of facilities: R11.6 million, increase of R544 thousand (4.7%)**

Tariffs from rental of municipal facilities will be increased by 6% and is expected to generate revenue of R11.6 million in the 2024/25 financial year. This represents an increase of R544 thousand (4.7%) from the adjusted budget of R11.1 million in the current year to R11.6 million in the 2024/25 financial year.

- **Licences: R36 thousand, increase of R1 thousand (4.9%)**

Tariffs from licences will be increased by 6% and is expected to generate revenue of R35 thousand in the 2024/25 financial year. This represents an increase of R1 thousand (4.9%) from the budget of R34 thousand in the current year's budget to R36 thousand in the 2024/25 financial year.

- **Inflation target**

The municipality has noted MFMA, Circular 128 which came while the municipality had already resumed the process of the final budget. The municipality has used MFMA, Circular 126 in the compilation of the final budget 2024/25 financial year. In terms of the National Treasury's budget circular No.126, the projected inflation rate for 2024/25 is 4.9%. It is noted that the tariff increases of 6% for rates and services and 11.23% for the electricity are slightly above the projected CPIX projection of 4.9 but within the South African Reserve Bank inflation ceiling of 6% for rates, water, sewer, refuse and sundry services. Cognisance must be taken that these tariffs might be far lower than the cost to provide for a particular service. This is evidenced by the electricity tariff of R11.23, which was derived by the NERSA tariff tool which considered all the costs involved

in providing for electricity. With all tariffs the municipality will consider using NERSA tool and National Treasury tariff tool.

OPERATIONAL EXPENDITURE

Total operating expenditure is projected at R2.887 billion in the 2024/25 financial year, representing an increase of R116.5 million (0.4%) from the current financial year's budget of R2.771 billion to the final budget of R2.8 billion. The municipality's expenditure for the 2024/25 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,
- NERSA bulk tariff for electricity.

The major items of the operating expenditure for the 2024/25 financial year are as follows:

Details	2024/2025 R'000	% of Total Budget
Bulk purchases	725 201	25.1%
Other materials	174 154	6.0%
Employee related costs	762 698	26.4%
Depreciation	352 716	12.2%
Debt impairment	294 207	10.1%
Other operational costs	166 667	5.8%
Finance Charges	30 300	1.1%
Irrecoverable debts written off	93 659	3.2%
Remuneration of councillors.	28 443	1.0%
Contracted services	259 598	9.0%

The following are expenditure items included in the budget:

- **Employee Related Costs: R762.6 million, increase of R54.3 million (7.6%)**

Employee related costs has increased from R708.4 million of the adjusted budget to R762.6 million, representing an increase of R54.3 million (7.6%). The assumptions are based on the budget funding plan strategies to keep the existing warm bodies, this includes all positions which are on the VIP system from July 2023 to date. Another assumption is made to the municipality's affordability and reprioritization where we intend on improving service delivery and not to increase salaries by CPIX and Notch, in the current year, rather in the new MTREF where it is believed that our revenue based would have been improved by then. Furthermore, in a past 2 years the group life benefit was removed after taking into consideration the outcry of officials with the level of poor service and reduced benefits from the scheme. This employee cost is 26.4% of the total operational budget which is within the accepted benchmark of 25%-40%. In addition, it must be further mentioned that the municipality can only afford this percentage at this stage due to cash flow challenges.

- **Remuneration of Councillors: R28.4 million, an increase of R1.5 million (5.4%)**

Remuneration of Councillors is projected to be R28.4 million, representing an increase of R1.5 million (4.40%) from the current year's adjusted budget of R26.9 million. The projection is based on the 2023/24 expenditure trends and the fact the MEC has not made any increases on the Councillors' upper limited for the past 4 years.

- **Bulk Electricity Purchases: R725.2, an increase of R71.1 million (9.80%)**

Expenditure on bulk electricity purchases is projected at R725.2 million, representing an increase of R71.0 million (10.8%). The tariff used on bulk is from NERSA which is projected to be 11.75%. This tariff is slightly higher than the electricity tariff levied to consumers which demonstrate that the municipality is already budgeting for deficit on electricity charges.

- **UThukela Water Entity: R170.1 million, an increase of R14.6 million (9.39%) & other materials R4.1 million**

The municipality's contribution to uThukela Water increased from R155.5 million to R170.1 million which represents an increase of R14.6 million. This provision is in line the with MFMA, Circular 14, which requires

bulk water to be treated as inventory. On the statement of financial performance (A4) is the projection for bulk water planned to be consumed while statement of financial position (A6) reflects water purchased from uThukela which is on stock. This circular requires lot of engagement with engineers, technical officials to ensure that everything as stipulated is budgeted for. The municipality will ensure that contents of the Circular are understood by all stakeholders involved in technically, budgeting and reporting.

Furthermore, the municipality has engaged uThukela water on their final budget 2024/25 in line with Chapter 4 of the MFMA, Section 21. After careful consideration of their request the municipality concluded by budgeting the average percentage from their requests which is 9.3%, that percentage has been used to project for the 2024/25 budget bulk water. The municipality is still trying different ways to prevent water losses which adds a strain to the budget.

- **Debt impairment: R294.2 million, an increase of R9 million (3.1%) & Irrecoverable debts written off: R93.7 a decrease of R0 rands (0%)**

The municipality has projected to incur R294.2 million on debt impairment representing an increase of R9 million (3.1%) from the adjusted budget of R285.2 million. The provision is based on the collection rate versus the amount expected to be billed in the budget year and the write offs projected in line with the Debt Management Policy. This provision is also based on the bad debts written-off in the current year as accounting entry.

Irrecoverable debts written-off are receivables which cannot be traced and collected. In the current year the Council has approved write-offs amounting to R93.7 million, this has no effect on the budget and cash flow.

- **Depreciation: R352.7 million, a decrease of R26.4 million (7%)**

Provision for depreciation has been projected to be R352.7 million, representing a decrease of R26.4 million (7%) from the adjusted budget of R379.1 million. The provision is based on the municipality's asset register's expected lives of the assets. The increase is attributable to the projected capital expenditure and the infrastructure projects which were completed during the current financial year. The asset register is being monitored and the municipality is embarking on the plans to dispose old items which might change the value of municipal assets. This item will be looked at closely on the finalisation of the 2024/25 – 2026/27 MTREF.

- **Finance Charges: R30.3 million, a decrease of R2.2 million (6.90%)**

Expenditure on interest on loans is projected to be R30.3 million, representing a decrease of R2.2 million (6.90%) from the current year's adjusted budget of R32.5 million. The estimation of finance charges of R30.3 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 the next seven years. The decrease is also based on the fact that the municipality won't be taking new loans but rather the fleet will be purchase on rent to buy basis.

- **Contracted services: R259.5 million, a decrease of R7.5 million (3%)**

Expenditure on contracted services is projected to be R259.5 million, representing a decrease of R7.5 million (3%) from the current year's adjusted budget of R267.2 million. The decrease is due to the removal of the Human Settlement Grant for the implementation of informal houses. It must further be mentioned that included on the contracted services is repairs and maintenance which are outsourced, professional fees outsourced due to expertise required which the municipality do not have. Contracted Services are funded from Grants R130.7 million and internal funding R128.8 million.

- **Other operational costs: R166.7 million, an increase of R4.6 million (3%)**

Other expenditure is projected to be R166.7 million, representing an increase of R4.6 million (3%) from the current year's adjusted budget of R162 million. The increase is mainly due to the additional provision for departmental rates, purchase of new plant, vehicle tracking system and services due to revenue tariff increases. While it is noted that this final budget seems to compromise operations however, it is hoped that measured employed to increase the revenue base will work at the benefit of the municipality.

OPERATING SURPLUS/DEFICIT

The operational budget therefore yields an operating deficit of R103.7 million. It is noted that the operating deficit has decreased by R38.2 million when compared with the budgeted deficit of R141.9 million in the current year's adjusted budget. It remains the commitment of the municipality to comply with MFMA Circular No.72 and 126, 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 is not yet funded as it is unable to provide all provision as indicated in table A8. The municipality has, however, submitted a revised Budget Funding Plan, which is aimed to achieve a funded budget by 2026/27 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 R173.4 million, consisting of R162.3 million to be funded from government grants, and R11.1 million to be funded from internally generated funds. This is in line with the strategies on the BFP which encourage grant funding. The summary of the capital budget over the medium terms is depicted as follows:

Details	2024/2025 R'000	% of total expenditure
Total Capital Budget	173 486	100%
<u>Funded as follows:</u>		
Grant funding	162 376	94%
Internal funding	11 110	6%
	173 486	100%

Government grants continue to fund the bulk of capital programme over the next three financial years, covering about 97% of the capital expenditure in the 2024/25 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	2024/2025 R'000	% of total Expenditure
Electrical Infrastructure	22 344	12.88%
Water Supply Infrastructure	52 191	30.08%
Sanitation Infrastructure	12 000	6.92%
Machinery and Equipment	1 560	0.90%
Roads Infrastructure	56 051	32.31%
Furniture and Office Equipment	1 230	0.71%
Sport and Recreation Facilities	18 964	14.71%
Community Facilities	5 000	0.03%
Computer Equipment	2 050	1.18%
Intangible Assets	1 000	0.06%
Heritage Assets	296	0.17%

Transport Assets	800	0.05%
TOTAL CAPITAL BUDGET	173 486	100%

The municipality will be spending the bulk of its capital programme towards basic infrastructure, with R56.1 million towards roads and storm water, R52.2 million towards water infrastructure, R12 million towards sanitation infrastructure, R22.3 towards electricity infrastructure as well as R18.9 million towards sports infrastructure. A further R2 million will be spend on tools of trade and other community assets.

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

FINAL CAPITAL BUDGET 2024/25 -2026/27 MTREF				
Directorate Description	mSCOA Config Description	2024/25 FINAL BUDGET	2025/2026 FINAL BUDGET	2026/2027 FINAL BUDGET
CORPORATE SERVICES				
ADMINISTRATION	OVERHEAD PROJECTOR AND PROJECTION SCREEN	50 000,00		
ADMINISTRATION	PURCHASES OF VEHICLES	800 000,00		
		850 000,00	-	-
COMMUNITY SERVICES				
COMMUNITY SERVICES	CONSTRUCTION OF SPORTS FACILITY (OLD CASINO)	10 000 000,00	10 000 000,00	10 000 000,00
COMMUNITY SERVICES	GRASS CUTTER	70 000,00		
COMMUNITY SERVICES	FURNITURE FOR COMMUNITY HALLS	400 000,00		
COMMUNITY SERVICES	BULK REFUSE CONTAINERS	-	800 000,00	800 000,00
COMMUNITY SERVICES	ROAD MAKING MACHINE	90 000,00		
COMMUNITY SERVICES	AMPHITHEATRE: PHASE 3	217 000,00	320 000,00	320 000,00
COMMUNITY SERVICES	ART PURCHASES	29 000,00		
COMMUNITY SERVICES	CONSTRUCTION OF WHEELCHAIR RAMP AT ART GALLERY	50 000,00		
		10 856 000,00	11 120 000,00	11 120 000,00
DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS				
TOWN PLANNING	NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	20 000 000,00	2 000 000,00	5 000 000,00
HOUSING	FURNITURE AND EQUIPMENT	500 000,00	500 000,00	500 000,00
ECONOMIC DEVELOPMENT	CONSTRUCTION OF ATNS TOWER	4 500 000,00		
ECONOMIC DEVELOPMENT	REFURBISHMENT OF HANGER BUILDING	500 000,00		
ECONOMIC DEVELOPMENT	AIRPORT SOFTWARE	1 000 000,00		
		26 500 000,00	2 500 000,00	5 500 000,00
BUDGET AND TREASURY OFFICE				
FINANCIAL TREASURY SERVICES	FURNITURE AND EQUIPMENT	300 000,00	300 000,00	300 000,00
FINANCIAL TREASURY SERVICES	MACHINERY & EQUIPMENT	100 000,00	100 000,00	100 000,00
FINANCIAL TREASURY SERVICES	IT EQUIPMENT	2 000 000,00	2 000 000,00	2 000 000,00
		2 400 000,00	2 400 000,00	2 400 000,00
TECHNICAL SERVICES				
INFRASTRUCTURE CIVIL	BLAAUWBOSCH BULK WATER	8 703 374,76	-	-
INFRASTRUCTURE CIVIL	CONSTRUCTION & REHABILITATION OF JR2 ROAD	10 000 000,00	-	-
INFRASTRUCTURE CIVIL	VILIOENPARK BULK WATER & SANITATION	13 000 000,00	31 488 878,95	9 006 169,36
INFRASTRUCTURE CIVIL	UPGRADE OF MADADENI WASTE WATER TREATMENT	1 000 000,00		
INFRASTRUCTURE CIVIL	UPGRADE & REFURBISHMENT OF BULK SEWER PIPELINE FROM SIYAHALAL	11 000 000,00	28 837 541,22	-
INFRASTRUCTURE CIVIL	CONSTRUCTION OF SPORTS FACILITY - MIG	8 964 576,32	10 558 042,13	-
INFRASTRUCTURE CIVIL	PIPE REPLACEMENT AND UPGRADE PROJECT	30 487 876,00	-	-
INFRASTRUCTURE CIVIL	FURNITURE EQUIPMENT	30 000,00	100 000,00	150 000,00
INFRASTRUCTURE CIVIL	CONSTRUCTION OF MADADENI TARED ACCESS ROADS Ward 28 & 29	13 050 546,38	20 269 782,72	29 335 851,90
INFRASTRUCTURE CIVIL	CONSTRUCTION OF OSIZWENI TARRER ROADS ward 9, 10 & 32	13 000 000,00	20 879 209,60	34 426 939,07
INFRASTRUCTURE CIVIL	CHARLESTOWN BULK WATER SUPPLY	-	4 812 844,41	30 000 000,00
INFRASTRUCTURE CIVIL	UPGRADE OF VOORTREKKER PUMPSTATION & ASSOCIATED WORKS	-	4 000 000,00	28 799 461,60
INFRASTRUCTURE CIVIL	CONSTRUCTION OF 11kv SWITCHING STATION- CAPRICON	7 700 000,00	6 000 000,00	6 500 000,00
INFRASTRUCTURE CIVIL	CONSTRUCTION OF 132/11kv STATION- EQUARAND	14 644 000,00	12 000 000,00	12 000 000,00
INFRASTRUCTURE CIVIL	HIGH VOLTAGE TEST EQUIPMENT	1 300 000,00		
		132 880 373,46	138 946 299,02	150 218 421,93
TOTAL FINAL CAPITAL BUDGET		173 486 373,46	154 966 299,02	169 238 421,93

COST CONTAINMENT MEASURES

In line with S62(1)(a) of the Municipal Finance Management Act No.5 of 2003 which requires the accounting officer to be responsible for managing financial administration of a municipality, the Minister of Finance in his budget speech on 24 February 2016 announced cost containment measures for the entire public sector. The Minister emphasised the need to reduce excessive and wasteful expenditure, and that action be taken to manage unnecessary expenditure. The municipality is already implementing several measures in this regard. These measures have mainly been driven by the Municipal Manager's and the Budget and Treasury Offices. The municipality already adopted the Cost Containment Policy, which focuses on our high-cost drivers that must be contained and curtailed. Below are high-cost drivers for the municipality:

DRINKING WATER QUALITY

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

WASTE WATER 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 desludging system. The municipality further distributes VIP toilets in areas where water-borne sewer is not yet available. The larger part of Newcastle Municipality does have the necessary sewer system.

BUDGET FUNDING PLAN

At the beginning of the financial year, the municipality had submitted its annual budget both to National and KZN Provincial Treasury, which budget was declared as unfunded upon assessment. The assessment was such that, it will be impractical for the municipality to come up with a funded budget within one financial year. The municipality was then required to adopt the Budget Funding Plan together with the Budget, which will be implemented until such time that the budget is fully funded. The Council of Newcastle Municipality had since tabled a Budget Funding Plan (BFP) as required by Treasury, which was developed in response to the municipality's current financial situation. Detailed explanation on Annexure F.

HIGHLIGHTS ON THE NEW BUDGET REPORTING STANDARD (mSCOA)

As all municipalities were required by National Treasury to be fully mSCOA compliant as of 01 July 2017, Newcastle municipality has made stride in ensuring compliance. The implementation of mSCOA is an ongoing process and the adjustment budget has been prepared in compliance with the regulations and in schedule A; V6.8; as attached in Annexure D. However, it must be mentioned that while the final budget has been prepared on the financial system other tables are still inaccurate pending finalization of other mSCOA business processes which should integrate. Furthermore, on A6, A7 and A8 of schedule A extracted from data strings the outer years 2024/25 and 2026/27 are still not balancing to the manually captured schedule A, this is due to the current configuration of the financial system. Developments to deal with this discrepancy are underway. The progress on the finalisation of budget module is around 70%. This integration will go a long way in ensuring alignment between the approved budget and monthly and quarterly budget statements.

COMPLIANCE WITH MUNICIPAL BUDGET REPORTING REGULATIONS

The final budget 2024/25 to 2026/27 MTREF has been prepared in compliance with the Municipal Budget Reporting Regulations format and all other requirements. Schedule A consisting of all required tables is attached as Annexure D for this purpose.

4. BUDGET TABLES AND RELATED CHARTS

As attached in Annexure D - Schedule A tables

1. OVERVIEW OF BUDGET PROCESS

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 2023 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 approved 2024/25 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 2024/25 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 2023, 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 and budget steering committee was held during February and March 2024 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.

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.

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 has conducted the public consultation meetings with the local communities, in line with Section 22 of the MFMA. The consultation process included newspaper platforms with various stakeholders. Accordingly, the approved budget will follow an extensive publication of the budget documentation in the local newspapers, libraries, and all municipal public areas. Copies of the approved budget in both electronic and printed formats were be submitted to National Treasury as well as the Kwazulu-Natal Provincial Treasury and

the Provincial Department of Co-operative Governance and Traditional Affairs. The approved budget will also be published on the municipal website. The key target groups for the budget hearings will include:

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

1.4 SCHEDULE OF KEY DEADLINES RELATING TO THE BUDGET PROCESS

The budget time schedule for the compilation of the 2024/25 budget cycle was tabled in August 2024, 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.

Key Deadlines

DATE	ACTIVITY	RESPONSIBILITY
August 2023	<ul style="list-style-type: none"> • 10 months before start of the budget year: Tabling of time schedule outlining key deadlines to the municipal Council as per MFMA S21(b). • Roll over process begins 	Mayor/MM
September 2023	<ul style="list-style-type: none"> • Advertising of budget and IDP time schedule. • Conclude initial consultation and review policies, confirm priorities, identify other financial and non-financial parameters including government allocations, and the financial outlook in order to needs and to review fiscal strategies. • Preparation of Departmental financial Planner. 	MM/CFO
October 2023	<ul style="list-style-type: none"> ▪ Meeting with Mayor, Exco and Manco to discuss the strategic direction and objectives for the 2023/24 fiscal strategies and to discuss the budget preparation process of the budget framework to provide parameters and request budget inputs for 2023/2024. ▪ Departmental Cost Reflective Tariffs. 	MM/BTO BTO

DATE	ACTIVITY	RESPONSIBILITY
	<ul style="list-style-type: none"> ▪ Assess impact on tariffs and charges. • Finalize inputs from bulk resource providers (NERSA, uThukela) and agree on proposed price increase. Submit all Budget related policies for review. 	
November 2023	<ul style="list-style-type: none"> ▪ Revenue assumptions ▪ Fixed cost projections ▪ Preparation of budget guidelines. ▪ uThukela and Technical Service discussion of Bulk water and water losses. ▪ Submission of guidelines to Budget Steering Committee for comments. ▪ Invitation of Treasury for Annual Review of Budget related Policies. ▪ Invitation of Treasury to conduct training on cost reflective tariffs. 	BTO/HR
December 2023	<ul style="list-style-type: none"> • Submission of budget guidelines to Departments • Departmental visit to departments • MSCOA workshop. 	BTO
January 2024	<ul style="list-style-type: none"> • Preparation of Mid-year Review • Mid-year submitted to portfolio, EXCO & Council (before 25 January) • Review the proposed National and Provincial allocations for incorporation into the draft budget. • Report back on progress with Budget inputs. 	BTO/MANCO
February 2024	<ul style="list-style-type: none"> • Finalize operational and capital budget, finalize all budget related policies. • Adjustments budget approval • Bilateral engagement of mid-year review • Review of Budget Funding Plan. 	Extended MANCO and EXCO
March 2024	<p>Budget Workshop:</p> <ul style="list-style-type: none"> • Discussion of budget inputs, link capital and operational plans to IDP and determine proposed tariffs. 	EXCO MANCO

DATE	ACTIVITY	RESPONSIBILITY
	<ul style="list-style-type: none"> Validation of budget on the financial system 	
March 2024	<p>Draft Budget:</p> <ul style="list-style-type: none"> 90 days before the start of the budget year, Council must consider approval of the draft budget. Submit the draft multi-term operational and capital budget and all budget related policies for approval. Provincial treasury engagement on Adjustment budget. Alignment of IDP, Budget & SDBIP 	MAYOR, MM, CFO
April 2024	<p>Public Consultation Process:</p> <ul style="list-style-type: none"> Submission of approved budget both printed and electronically to COGTA, National and Provincial Treasury. Submission of the Draft Budget Data Strings Make public notice in terms of S22, 75 of the MFMA and 21A of the Municipal Systems Act. Public Consultation on draft budget throughout the municipality in terms of Chapter 4 of the Municipal Systems Act (including budget related Policies for Annual Budget & SDBIP). Bilateral engagement with Provincial Treasury on the Draft Budget 	MAYOR EXCO MM CFO
May 2024	<p>Respond to Public Comments in terms of S23 of the MFMA.</p> <ul style="list-style-type: none"> Response to public comments and sector comments. Incorporate recommendations into draft budget. Alignment of IDP, Budget & SDBIP <p>Approval of Final Budget – MFMA S24.</p> <ul style="list-style-type: none"> Approve the final multi-term operational and capital budget together with the adoption of resolutions that may be necessary. Submission of Data Strings for the Original Budget 	MAYOR BTO MM CONCIL
June 2024	<p>Publication of Annual Budget.</p> <ul style="list-style-type: none"> Submission of the approved budget printed and electronically to COGTA, National and Provincial Treasury, S22(b). 	MM BTO

DATE	ACTIVITY	RESPONSIBILITY
	<ul style="list-style-type: none"> • Make public notice in terms of S22(a), 75 of the MFMA and 21A of the Municipal Systems Act. • Bilateral engagement with Provincial Treasury on the Final Budget • Validation of budget on the financial system. 	
July 2024	<ul style="list-style-type: none"> • Budget is uploaded on the production system. • Submission of locking certificate in terms of S74(1) of the MFMA 	BTO

2. OVERVIEW ALIGNMENT 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.

2.1 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 2024)

The State of the Nation address for the 2024 confirmed the President Cyril Ramaphosa's commitment to the electricity crisis 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:

- 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 2024)

The Premier, Honourable Nomsa Dube, 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 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.

2.3 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.

2.4 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 2024/25 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.

2.5 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 final IDP marks the new 5th generation of the five years period of the new Council which occupied office in November 2021.

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 final process plan for 2024/2025 was presented to the Executive Committee and is included in the final 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.

2.7 LINK BETWEEN THE IDP, BUDGET AND PERFORMANCE MANAGEMENT SYSTEM

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 2024/25 Annual Budget has therefore been directly informed by the revised 5th 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.

3. MEASURABLE PERFORMANCE OBJECTIVES

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 2022/23 financial year:

Financial Benchmark	Basis of calculation	2024/2025
Debt to Asset Ratio	Total debt / Total Assets	0,10
Debt to Revenue	Total debt / Total Income	16.0%
Average Interest Paid on Debt	Interest Paid / Total Interest Bearing Debt	7.0%
Capital Charges to Operating Expenditure	Interest and Principal Paid / Operating Expenditure	21.0%
Interest as a % of Operating Expenditure	Interest Paid / Operating Expenditure	1.0%
Current Ratio	Current Assets / Current Liabilities	0.83
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 0.10 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 21%.

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 0.83 : 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.

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 R136.7 million for the 2024/25 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.	77.8
Water	The first 6kl of water is free to all residents qualified as indigents in terms of the policy	11.5
Electricity	The first 50kwh of electricity is free to all residents qualified as indigents in terms of the policy	8.3
Refuse	Refuse is free to all residents qualified as indigents in terms of the policy	18.3
Sewer	Sewer is free to all residents qualified as indigents in terms of the policy	20.8
Indigent Support		136.7

The cost of indigent benefit to the tune of R136.7 million is funded from the equitable share provided by the National Government, which amount is based on the estimated ±9 000 number of indigents currently in the

Indigent Register. The assistance to the qualifying households is regulated by Council budget related policies which are reviewed annually based on modelling the impacts of the tariffs on all residential properties. An additional R77.8 million in respect of rates rebates will be funded internally by the municipality and will be recognised as revenue foregone in the 2024/25 budget.

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.

4.1 FINAL POLICY AND POLICIES REVIEWED

The following policies have been amended and/or reviewed and attached with the budget for consideration. Final Budget Policies are attached as Annexure E:

- Budget Policy
- Tariff Policy
- Rates Policy
- Indigent Policy
- Credit Control & Debt Collection Policy
- Provision for doubtful debt and debtor's write-off Policy
- Supply Chain Management Policy
- Cash and Investment Management Policy
- Asset Management Policy
- Petty Cash Policy
- Virement Policy
- Funding and Reserves Policy
- Borrowing Policy
- Loss Control Policy
- Short-term Insurance Policy
- Cost Containment Policy
- Protective Clothing Policy
- Property Rates Bylaws
- Tariff Bylaws
- Retention Policy
- Protective Clothing Policy
- Credit Control & Debt Collection Bylaws
- Internship Policy

- Skills Programme Policy
- Recruitment Policy
- IT Security Policy
- Bursary Policy

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 (CPIX), being 4.9% for the 2024/25 financial year. Budget narratives has been explained in detail from page 19 to 29 of this document.

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 is projected to increase by the following percentages:

Revenue source	2024/2025	2025/2026	2026/2027
Property rates	6%	6%	6%
Electricity	11.23%	12.23%	13.23%
Water	6%	6%	6%
Sanitation	6%	6%	6%
Waste/Refuse	6%	6%	6%
General Sources of Revenue	6%	6%	6%

The projected increases in the expenditure items are as follows:

Expenditure source	2024/2025	2025/2026	2026/2027
Employee related cost	7.30%	7.30%	7.30%
Electricity budget purchases	12.75	13.75%	14.75%
Water budget purchases	9.39	4.9%	4.5%

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 4.9% estimated increase during the 2024/25 financial year. The tariff increase of 12.75% 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 R162.4 million is expected to be received from government grants and the balance of R11.1 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 are 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.

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 approve 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 R162.3 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. R11.1 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 R364.4 million from property rates, R1.139 billion from services charges, R11.6 million from rental of facilities, R5.5 million from interest income, R4.1 million from

interest on outstanding debtors, R68.0 million from operating grants, R23 million from other revenue. These receipts will assist with the payment of expenditure which is expected to be incurred during 2024/25.

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 2024/25 have been projected as follows:

Revenue Source	Average 2024/2025
Property rates	92.5%
Electricity	87.1%
Water	87.1%
Sewer	87.1%
Refuse	87.1%

The total average collection rate is projected at an average of at least 83% 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 debtor 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.

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 2024/25 Division of Revenue Act have been included in the medium-term budget.

National allocations

Grant Description	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Equitable Share	540 119	563 790	584 127
Finance Management Grant	1 800	1 900	2 100
Neighbourhood Development Partnership	20 000	2 000	2 250
Water Services Infrastructure Grant	70 000	75 000	85 000
Municipal Infrastructure Grant	131 792	138 424	150 767
Integrated National Electrification	22 344	18 000	18 500
Municipal Disaster Recovery Grant	6 891	6 891	0
Expanded Public Works Programme Incentive	1 896	1 896	1 896
Total National Allocations	794 842	807 901	844 890

Provincial allocations

Grant Description	2024/25 R'000	2025/26 R'000	2026/27 R'000
Accredited Municipalities	11 625	10 030	8 073
Museum	497	519	582
Provincialisation of libraries	7 300	7 627	7 969
Community Library Services Grant	3 230	3 108	3 274
LGSETA	1 000	1 000	1 000
Sport, Recreation Grant	10 000	10 000	10 000
Total Provincial Allocations	36 652	32 284	30 898

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 SA 21 of Schedule A (To be included in final budget).

9. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Please refer to tables SA22 and SA24 of Schedule A (To be included in the Final budget)

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

Please refer to table SA25 to SA30 of Schedule A (To be included in the final budget)

11. ANNUAL BUDGET AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN – INTERNAL DEPARTMENTS

The SDBIP will be submitted separately.

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.

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.

14. CAPITAL EXPENDITURE DETAILS

Please refer to Annexure A5 of Schedule A

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 final 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 2024/25 to 2026/27 Budget Process has been prepared to align with the Budget in accordance with the MFMA and the Municipal Systems Act requirements.

ANNUAL REPORT

The 2022/23 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 28 March 2024 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.

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 R170.1 million has however been made in the annual budget.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE



I, **Z W Mcineka**, the Municipal Manager of **Newcastle Municipality**, hereby certify that the Final budget and supporting documentation of 2024/2025 Operating and Capital Budget have been prepared in accordance with Section 24(1) of the Municipal Finance Management Act No56 of 2003;Chapter 4 .

Print Name : **ZAMOKWAKHE WESLEY MCINEKA**

Municipal Manager : **NEWCASTLE MUNICIPALITY**

Signature : 

Date : **15 May 2024**

Annexure D
A Schedule Budget Tables

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

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Revenue - Functional										
Governance and administration		535,705	484,385	521,000	565,717	574,723	574,723	720,944	724,412	769,207
Executive and council		7,149	13,647	20,452	15,251	15,251	15,251	25,293	26,598	32,360
Finance and administration		528,558	470,738	500,548	550,466	559,472	559,472	695,652	697,814	736,848
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		204,643	390,530	46,287	77,025	86,184	86,184	87,034	80,681	51,748
Community and social services		12,903	14,475	14,994	11,656	12,117	12,117	12,675	13,161	14,360
Sport and recreation		697	11,132	4,683	12,086	12,086	12,086	20,155	10,162	10,235
Public safety		9,676	3,903	6,059	4,757	7,172	7,172	7,524	7,870	11,411
Housing		181,306	361,016	20,539	48,522	54,805	54,805	46,677	49,483	15,735
Health		61	4	12	4	4	4	4	5	7
Economic and environmental services		136,126	142,356	157,172	171,944	183,955	183,955	161,897	150,589	159,662
Planning and development		100,860	134,316	28,031	28,876	29,804	29,804	23,214	5,274	8,895
Road transport		35,266	8,040	129,141	143,068	154,151	154,151	138,683	145,315	150,767
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		1,274,360	1,517,005	1,566,831	1,781,356	1,784,008	1,784,008	1,813,857	1,984,388	2,191,049
Energy sources		618,090	822,980	804,988	994,494	975,379	975,379	955,784	1,071,285	1,182,386
Water management		264,361	311,775	359,037	366,795	367,379	357,379	346,788	366,246	420,197
Waste water management		259,788	241,210	254,821	263,058	283,768	283,768	353,603	380,403	376,606
Waste management		132,122	141,040	147,985	157,009	157,483	157,483	157,702	166,454	211,861
Other	4	167	174	160	195	195	195	206	214	311
Total Revenue - Functional	2	2,151,001	2,534,450	2,291,449	2,596,238	2,629,066	2,629,066	2,783,938	2,940,285	3,171,977
Expenditure - Functional										
Governance and administration		464,026	463,170	653,078	526,515	586,660	586,660	677,629	670,825	690,582
Executive and council		80,202	95,154	122,855	87,849	90,162	90,162	100,515	103,541	107,405
Finance and administration		377,080	367,278	528,385	431,359	489,309	489,309	569,468	559,307	574,880
Internal audit		6,744	737	1,838	7,308	7,189	7,189	7,647	7,976	8,317
Community and public safety		314,285	517,110	253,589	305,267	302,024	302,024	296,902	310,079	285,285
Community and social services		33,738	42,032	42,542	46,305	44,725	44,725	48,715	48,810	50,546
Sport and recreation		75,287	71,745	74,021	81,375	80,053	80,053	82,716	86,054	89,927
Public safety		54,430	67,611	97,424	94,712	93,192	93,192	95,685	99,849	104,342
Housing		141,786	326,119	29,985	72,572	73,933	73,933	61,032	64,123	28,722
Health		8,963	9,603	9,616	10,303	10,121	10,121	10,775	11,242	11,748
Economic and environmental services		240,268	271,605	286,897	276,739	270,327	270,327	270,164	281,874	520,587
Planning and development		83,736	80,996	86,124	86,004	86,797	86,797	82,048	85,586	87,875
Road transport		156,522	190,601	200,765	190,732	183,526	183,526	188,112	196,285	432,909
Environmental protection		10	8	7	3	3	3	3	3	3
Trading services		1,157,695	1,399,012	1,452,921	1,613,058	1,609,537	1,609,537	1,640,314	1,646,276	1,590,213
Energy sources		563,970	705,018	557,690	811,506	828,031	828,031	851,124	821,627	915,731
Water management		491,897	595,992	707,439	612,122	479,671	478,671	433,091	440,731	394,881
Waste water management		45,176	55,661	104,648	62,470	154,593	154,593	224,329	238,834	192,836
Waste management		36,652	42,342	83,145	126,961	148,243	148,243	131,771	145,084	86,766
Other	4	1,026	3,356	2,955	3,010	2,501	2,501	2,634	2,755	2,879
Total Expenditure - Functional	3	2,177,220	2,654,252	2,649,439	2,724,589	2,771,049	2,771,049	2,887,644	2,911,810	3,089,547
Surplus/(Deficit) for the year		(26,219)	(119,803)	(357,990)	(128,351)	(141,982)	(141,982)	(103,706)	28,475	82,430

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue by Vote	1									
Vote 1 - CORPORATE SERVICES		145,940	85,078	110,294	124,961	125,961	125,961	144,534	150,668	156,602
Vote 2 - COMMUNITY SERVICES		155,449	170,596	173,752	185,534	187,068	187,068	231,989	233,746	247,460
Vote 3 - BUDGET AND TREASURY		388,294	399,306	410,706	440,756	444,516	444,516	576,707	574,064	612,926
Vote 4 - MUNICIPAL MANAGER		1,500	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SET		202,900	381,375	44,957	74,467	82,904	82,904	68,178	53,053	23,011
Vote 6 - TECHNICAL SERVICES		595,144	675,115	746,752	776,027	813,239	813,239	806,746	857,468	895,228
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		661,775	822,980	804,988	994,494	975,379	975,379	955,784	1,071,285	1,236,751
Vote 8 - GOVERNANCE UNIT		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,151,001	2,534,450	2,291,449	2,596,238	2,629,067	2,629,067	2,783,938	2,940,285	3,171,977
Expenditure by Vote to be appropriated	1									
Vote 1 - CORPORATE SERVICES		148,052	102,856	121,912	110,707	107,828	107,828	122,463	126,624	131,484
Vote 2 - COMMUNITY SERVICES		254,095	298,538	393,037	425,983	425,117	425,117	463,759	469,739	487,692
Vote 3 - BUDGET AND TREASURY		171,711	192,008	336,565	238,236	225,132	225,132	378,340	373,389	383,242
Vote 4 - MUNICIPAL MANAGER		90,589	88,499	97,601	100,353	98,762	98,762	112,386	116,859	121,796
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SET		172,310	357,475	57,125	98,555	103,417	103,417	83,099	87,125	52,759
Vote 6 - TECHNICAL SERVICES		802,239	894,952	1,068,373	920,360	1,008,008	1,008,008	865,177	902,441	984,555
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		538,224	719,925	574,826	830,394	802,785	802,785	862,418	835,632	928,019
Vote 8 - GOVERNANCE UNIT		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,177,220	2,654,252	2,649,439	2,724,589	2,771,049	2,771,049	2,887,644	2,911,810	3,089,547
Surplus/(Deficit) for the year	2	(26,219)	(119,803)	(357,990)	(128,351)	(141,982)	(141,982)	(103,706)	28,475	82,430

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Electricity	2	619,100	726,407	710,069	882,022	863,907	863,907	863,907	870,387	979,185	1,111,375
Service charges - Water	2	187,535	187,084	209,841	219,986	220,070	220,070	220,070	237,040	251,262	266,338
Service charges - Waste Water Management	2	115,274	120,014	127,581	133,580	154,290	154,290	154,290	142,375	150,917	159,972
Service charges - Waste Management	2	92,725	99,017	103,349	110,148	109,788	109,788	109,788	114,957	121,854	129,165
Sale of Goods and Rendering of Services						13,505	13,505	13,505	7,243	14,818	21,486
Agency services											
Interest		5,107	4,247	5,406	5,877	947	947	947	4,140	4,331	6,280
Interest earned from Receivables		2,375	2,294	6,529	5,330	5,330	5,330	5,330	6,532	5,849	8,461
Interest earned from Current and Non Current Assets											
Dividends											
Rent on Land											
Rental from Fixed Assets		7,442	8,817	7,988	8,804	11,099	11,099	11,099	11,843	12,178	17,659
Licence and permits											
Operational Revenue		19,580	18,384	20,500	8,400	1,292	1,292	1,292	8,278	1,417	2,055
Non-Exchange Revenue											
Property rates	2	348,822	362,426	375,279	395,741	386,614	386,614	386,614	423,760	412,880	437,631
Surcharges and Taxes											
Fines, penalties and forfeits		3,212	3,944	5,729	4,831	7,248	7,248	7,248	7,601	7,951	11,528
Licences or permits		19	41	62	34	34	34	34	38	38	54
Transfer and subsidies - Operational		639,932	842,932	558,095	577,623	604,152	604,152	604,152	689,094	700,823	722,921
Interest						3,000	3,000	3,000			
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets			2,838	1,101	2,000						
Other Gains						5,757	5,757	5,757	99,416	105,006	110,352
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)		2,042,097	2,378,344	2,132,538	2,355,468	2,397,032	2,397,032	2,397,032	2,621,561	2,788,519	3,005,939
Expenditure											
Employee related costs	2	546,878	572,674	677,337	724,604	708,366	708,366	708,366	782,898	780,253	815,148
Remuneration of councillors		26,812	28,882	26,983	28,443	28,987	28,987	28,987	28,443	29,751	31,680
Bulk purchases - electricity	2	436,881	557,138	527,905	560,833	654,133	654,133	654,133	725,201	716,079	823,491
Inventory consumed	8				4,313	161,759	161,759	161,759	174,154	182,126	190,318
Debt impairment	3	207,430	274,982	252,510	308,145	285,207	285,207	285,207	294,207	299,425	305,165
Depreciation and amortisation		351,084	365,084	347,534	379,139	379,139	379,139	379,139	352,716	371,011	389,732
Interest		64,980	39,754	76,057	32,205	32,545	32,545	32,545	30,300	26,545	22,467
Contracted services		264,109	564,959	260,392	207,361	267,155	267,155	267,155	259,598	246,615	250,719
Transfers and subsidies											
Irrecoverable debts written off				102,301	89,312	93,659	93,659	93,659	93,854	89,351	85,330
Operational costs		284,245	250,080	345,158	134,594	162,099	162,099	162,099	165,667	170,653	176,089
Losses on disposal of Assets											
Other Losses		1	859								
Total Expenditure		2,177,220	2,654,252	2,616,175	2,569,048	2,771,049	2,771,049	2,771,049	2,887,644	2,911,810	3,089,547
Surplus/(Deficit)		(135,124)	(275,908)	(483,637)	(213,580)	(374,017)	(374,017)	(374,017)	(266,082)	(123,291)	(83,609)
Transfers and subsidies - capital (monetary allocations)	6	108,904	156,106	158,912	240,770	232,035	232,035	232,035	182,376	151,768	166,038
Transfers and subsidies - capital (in-kind)	6										
Surplus/(Deficit) after capital transfers & contributions		(26,219)	(119,803)	(324,725)	27,190	(141,982)	(141,982)	(141,982)	(103,706)	28,475	82,430
Income Tax											
Surplus/(Deficit) after income tax		(26,219)	(119,803)	(324,725)	27,190	(141,982)	(141,982)	(141,982)	(103,706)	28,475	82,430
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Surplus/(Deficit) attributable to municipality		(26,219)	(119,803)	(324,725)	27,190	(141,982)	(141,982)	(141,982)	(103,706)	28,475	82,430
Share of Surplus/Deficit attributable to Associate	7			(33,264)							
Intercompany/Parent subsidiary transactions											
Surplus/(Deficit) for the year	1	(26,219)	(119,803)	(357,990)	27,190	(141,982)	(141,982)	(141,982)	(103,706)	28,475	82,430

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2023 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - CORPORATE SERVICES		-	-	120	-	700	700	700	850	-	-
Vote 2 - COMMUNITY SERVICES		5,870	13,812	4,448	13,326	19,311	19,311	19,311	19,821	20,878	-
Vote 3 - BUDGET AND TREASURY		2,904	2,066	2,989	3,900	4,073	4,073	4,073	2,400	2,400	2,400
Vote 4 - MUNICIPAL MANAGER		-	239	-	800	3,096	3,096	3,096	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		30,107	26,405	24,472	500	2,313	2,313	2,313	26,500	2,500	5,500
Vote 6 - TECHNICAL SERVICES		111,409	139,971	141,832	215,262	193,973	193,973	193,973	100,272	111,188	142,638
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		-	2,900	-	21,550	27,436	27,436	27,436	23,644	18,000	18,500
Vote 8 - GOVERNANCE UNIT		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		150,390	185,393	173,869	255,338	250,902	250,902	250,902	173,486	154,966	169,238
Total Capital Expenditure - Vote		150,390	185,393	173,869	255,338	250,902	250,902	250,902	173,486	154,966	169,238
Capital Expenditure - Functional											
Governance and administration		2,904	5,265	3,119	4,700	7,330	7,330	7,330	3,250	2,400	-
Executive and council		-	239	-	-	1,757	1,757	1,757	-	-	-
Finance and administration		2,904	4,966	3,119	4,700	5,573	5,573	5,573	3,250	2,400	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		7,554	13,637	5,125	37,334	41,277	41,277	41,277	20,231	22,178	11,120
Community and social services		3,927	1,490	557	858	1,308	1,308	1,308	766	1,120	1,120
Sport and recreation		186	11,098	3,881	35,977	38,169	38,169	38,169	18,955	20,558	10,000
Public safety		1,709	-	-	-	-	-	-	-	-	-
Housing		1,722	1,049	678	500	800	800	800	500	500	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		90,502	58,284	56,127	54,635	65,620	65,620	65,620	62,081	52,062	92,820
Planning and development		28,386	25,471	23,887	-	6,278	6,278	6,278	6,030	100	-
Road transport		62,116	32,913	32,240	54,635	59,342	59,342	59,342	56,051	51,962	92,820
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		49,431	108,167	109,499	158,669	136,665	136,665	136,665	87,925	78,326	65,298
Energy sources		-	-	-	21,550	27,836	27,836	27,836	23,644	18,000	6,500
Water management		21,988	64,577	83,284	108,165	100,054	100,054	100,054	62,191	31,489	30,000
Waste water management		27,305	42,366	26,214	28,484	7,941	7,941	7,941	12,000	28,838	28,798
Waste management		138	1,224	-	450	834	834	834	90	-	-
Other		-	-	-	-	10	10	10	-	-	-
Total Capital Expenditure - Functional	3	150,390	185,393	173,869	255,338	250,902	250,902	250,902	173,486	154,966	169,238
Funded by:											
National Government		105,538	132,942	149,800	228,012	213,181	213,181	213,181	151,580	140,946	155,216
Provincial Government		367	23,163	9,112	12,758	18,854	18,854	18,854	10,796	10,820	10,820
District Municipality		-	-	-	-	-	-	-	-	-	-
<small>Transfers and subsidies - capital (primary allocations) (Just / Fair) Department Agencies, Households, Non-profit institutions - Private Enterprises, Public Corporations, Higher Education Institutions)</small>		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	108,904	156,105	158,912	240,770	232,035	232,035	232,035	162,376	151,766	166,038
Borrowing	6										
Internally generated funds		41,486	29,289	14,958	14,563	18,867	18,867	18,867	11,110	3,200	3,200
Total Capital Funding	7	150,390	185,393	173,869	255,338	250,902	250,902	250,902	173,486	154,966	169,238

KZN252 Newcastle- Table A6 Budgeted Financial Position

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
ASSETS											
Current assets											
Cash and cash equivalents		5 500	76,167	12,227	19,588	6,839	6,839	6,839	61,259	330,858	647,752
Trade and other receivables from exchange transactions	1	645,126	787,448	689,996	951,855	392,917	392,917	392,917	703,567	738,042	774,206
Receivables from non-exchange transactions	1	112,860	101,920	121,850	83,155	121,850	121,850	121,850	135,961	142,623	149,612
Current portion of non-current receivables											
Inventory	2	18,606	24,543	24,698	12,995	182,455	182,455	182,455	334,854	493,021	658,649
VAT		36,095									
Other current assets											
Total current assets		822,388	990,078	848,769	1,067,493	704,060	704,060	704,060	1,235,641	1,704,544	2,230,219
Non current assets											
Investments		173,828	142,171	72,154	110,954	-	-	-			
Investment property		327,735	372,224	373,698	352,224	373,698	373,698	373,698	371,568	389,775	408,874
Property, plant and equipment	3	6,480,679	6,174,454	5,989,100	5,440,429	5,905,716	5,905,716	5,905,716	5,883,676	6,171,976	6,727,454
Biological assets											
Living and non-living resources											
Heritage assets		11,768	11,823	11,982	11,883	11,891	11,891	11,891	11,982	12,589	13,185
Intangible assets		1,258	382	254	200	254	254	254	119	125	131
Trade and other receivables from exchange transactions											
Non-current receivables from non-exchange transactions						101,793	101,793	101,793	101,739	106,724	111,954
Other non-current assets											
Total non current assets		6,995,357	6,701,054	6,457,187	5,915,689	6,393,352	6,393,352	6,393,352	6,369,083	6,681,169	7,261,597
TOTAL ASSETS		7,817,745	7,691,132	7,305,956	6,983,183	7,097,412	7,097,412	7,097,412	7,604,725	8,385,713	9,491,816
LIABILITIES											
Current liabilities											
Bank overdraft											
Financial liabilities		31,182	47,260	65,978	34,082	69,364	69,364	69,364	32,986	38,769	40,305
Consumer deposits		27,502	33,418	35,599	35,649	35,649	35,649	35,649	37,149	38,969	40,878
Trade and other payables from exchange transactions	4	821,701	778,082	857,235	571,301	522,629	522,629	522,629	795,511	834,491	875,381
Trade and other payables from non-exchange transactions	5			134,074		259,989	259,989	259,989	190,488	199,822	209,613
Provision		11,406	11,105	14,261	10,513	14,261	14,261	14,261			
VAT		-	3,038	7,052	-	-	-	-			
Other current liabilities		38,129	206,221	-	115,115	81,499	81,499	81,499	15,115	15,856	16,633
Total current liabilities		928,920	1,079,124	1,114,198	766,659	983,390	983,390	983,390	1,071,249	1,125,927	1,182,811
Non current liabilities											
Financial liabilities	6	362,080	315,529	263,234	321,905	228,363	228,363	228,363	249,099	-	-
Provision	7	214,608	228,340	257,584	228,340	257,584	257,584	257,584	260,798	273,577	286,982
Long term portion of trade payables		-	-	-	63,165	-	-	-	-	-	-
Other non-current liabilities											
Total non current liabilities		576,688	544,869	520,818	614,410	485,947	485,947	485,947	509,897	273,577	286,982
TOTAL LIABILITIES		1,506,608	1,623,992	1,635,016	1,381,069	1,469,337	1,469,337	1,469,337	1,581,146	1,399,504	1,469,793
NET ASSETS		6,311,137	6,067,139	5,670,940	5,602,113	5,628,075	5,628,075	5,628,075	6,023,579	6,986,209	8,022,023
COMMUNITY WELTHEQUITY											
Accumulated surplus/(deficit)	8	6,280,895	6,036,252	5,638,648	5,567,259	5,595,443	5,595,443	5,595,443	5,989,347	6,950,300	7,984,354
Reserves and funds	9	30,242	30,887	32,292	34,854	32,633	32,633	32,633	34,232	35,909	37,669
Other											
TOTAL COMMUNITY WELTHEQUITY	10	6,311,137	6,067,139	5,670,940	5,602,113	5,628,075	5,628,075	5,628,075	6,023,579	6,986,209	8,022,023

KZN252 Newcastle - Table A7 Budgeted Cash Flows

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 medium term revenue & expenditure framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		262,868	271,820	282,077	289,539	337,122	337,122	337,122	384,434	350,931	371,987
Service charges		842,958	955,548	1,015,802	1,144,535	1,128,137	1,128,137	1,128,137	1,139,810	1,273,133	1,426,314
Other revenue		27,611	257,705	294,327	231,189	278,927	278,927	278,927	284,491	301,240	350,965
Transfers and Subsidies - Operational	1	701,384	828,432	510,460	547,623	559,406	559,406	559,406	669,094	700,823	722,921
Transfers and Subsidies - Capital	1	108,904	152,677	185,286	240,770	232,035	232,035	232,035	162,376	151,786	166,038
Interest		2,373	2,294	5,330	5,330	5,330	5,330	5,330	5,592	6,849	8,481
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(1,779,378)	(2,225,765)	(2,050,403)	(2,175,156)	(2,248,517)	(2,248,517)	(2,248,517)	(2,344,604)	(2,324,501)	(2,507,801)
Interest		(42,882)	(39,754)	(35,846)	(32,205)	(32,545)	(32,545)	(32,545)	(30,300)	(26,545)	(22,467)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		123,839	202,958	198,033	261,626	259,595	259,595	259,595	250,892	432,696	516,438
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		18,000	11,000	14,841	20,000	20,000	20,000	20,000	10,000	20,000	10,000
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(150,390)	(185,293)	(214,299)	(255,338)	(250,902)	(250,902)	(250,902)	(173,486)	(154,966)	(169,236)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(132,390)	(174,293)	(199,459)	(235,338)	(230,902)	(230,902)	(230,902)	(163,486)	(134,966)	(159,236)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		2,000	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(28,757)	(31,884)	(47,260)	(34,082)	(34,082)	(34,082)	(34,082)	(32,986)	(36,789)	(40,305)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(26,757)	(31,884)	(47,260)	(34,082)	(34,082)	(34,082)	(34,082)	(32,986)	(36,789)	(40,305)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin	2	36,244	9,500	76,167	27,482	12,227	12,227	12,227	6,839	61,259	330,858
Cash/cash equivalents at the year end	2	936	6,181	27,482	19,688	6,839	6,839	6,839	61,259	330,858	647,752

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

R thousand	Description	Ref	2020/21					2021/22			2022/23			Current Year 2023/24				41/24/25 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	2020/21	Audited Outcome	2021/22	Audited Outcome	2022/23	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27					
	Cash and investments available																			
	Cash/cash equivalents at the year end	1	936	6,161	27,462	19,668	6,839	6,839	6,839	6,839	6,839	6,839	6,839	6,839	6,839	330,858	647,752			
	Other current investments > 90 days		8,564	68,986	(15,255)	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0	(0)	0			
	Non-current investments	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Cash and investments available:		9,500	76,167	12,227	19,668	6,839	6,839	6,839	6,839	6,839	6,839	6,839	6,839	61,259	330,858	647,752			
	Application of cash and investments																			
	Unspent conditional transfers		36,130	206,298	-	115,115	124,410	124,410	124,410	124,410	124,410	124,410	124,410	124,410	124,410	94,410	85,927			
	Unspent borrowing		15,402	26,776	143,479	113,479	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Statutory requirements	2	(3,947)	45,229	22,674	26,978	26,978	26,978	26,978	26,978	26,978	26,978	26,978	26,978	26,978	60,253	66,588			
	Other working capital requirements	3	(35,744)	41,075	16,843	(6,469)	(16,304)	(16,304)	(16,304)	(16,304)	(16,304)	(16,304)	(16,304)	(16,304)	(16,304)	100,246	223,012			
	Other provisions		8,150	9,723	22,308	11,105	14,261	14,261	14,261	14,261	14,261	14,261	14,261	14,261	14,261	14,832	15,425			
	Long term investments committed	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Reserves to be backed by cash/investments	5	29,441	25,842	39,887	39,887	32,232	32,232	32,232	32,232	32,232	32,232	32,232	32,232	32,232	34,053	35,756			
	Total Application of cash and investments:		50,432	354,944	236,192	281,105	182,637	182,637	182,637	182,637	182,637	182,637	182,637	182,637	458,818	303,793	428,608			
	Surplus/(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(40,932)	(278,777)	(223,964)	(271,416)	(175,798)	(175,798)	(175,798)	(175,798)	(175,798)	(175,798)	(175,798)	(175,798)	(397,559)	27,065	221,144			
	Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Surplus/(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(40,932)	(278,777)	(223,964)	(271,416)	(175,798)	(175,798)	(175,798)	(175,798)	(175,798)	(175,798)	(175,798)	(175,798)	(397,559)	27,065	221,144			

Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		150,389	185,393	194,463	255,338	250,902	250,902	173,486	154,966	169,238
ASSET REGISTER SUMMARY - PPE (WDV)	5	6,480,679	6,174,454	5,999,100	5,440,429	5,905,716	5,905,716	5,883,676	6,171,976	6,727,454
<i>Roads Infrastructure</i>		2,935,472	3,808,996	3,118,950	2,407,631	2,014,618	2,014,618	1,834,883	1,936,939	2,299,373
<i>Storm water Infrastructure</i>		387,781	387,781	403,283	424,667	326,352	326,352	326,352	341,364	356,725
<i>Electrical Infrastructure</i>		1,042,110	270,485	281,304	296,214	825,082	825,082	825,082	863,036	901,872
<i>Water Supply Infrastructure</i>		647,476	647,476	673,375	709,064	865,462	865,462	865,462	906,273	946,010
<i>Sanitation Infrastructure</i>		692,008	490,054	719,688	757,831	318,592	318,592	318,592	333,248	348,244
<i>Solid Waste Infrastructure</i>		-	-	-	-	46,161	46,161	46,161	48,284	50,457
<i>Rail Infrastructure</i>		109,429	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		5,814,276	5,604,783	5,196,610	4,595,407	4,396,266	4,396,266	4,216,532	4,428,143	4,902,681
Community Assets		106,853	106,853	111,127	117,017	467,393	467,393	467,393	488,893	513,338
Heritage Assets		12,177	12,177	12,664	13,335	4,313	4,313	4,313	4,511	4,737
Investment properties		319,216	169,873	386,700	407,195	1,474	1,474	1,474	1,542	1,611
Other Assets		175,212	227,823	236,936	249,494	(71,197)	(71,197)	71,197	74,472	77,823
Biological or Cultivated Assets										
Intangible Assets		1,840	1,840	1,914	2,015	2,065	2,065	2,065	2,161	2,258
Computer Equipment		-	-	-	-	23,905	23,905	23,905	25,005	26,130
Furniture and Office Equipment		-	-	-	-	(7,614)	(7,614)	7,614	7,964	8,322
Machinery and Equipment		-	-	-	-	36,968	36,968	36,968	38,668	40,408
Transport Assets		-	-	-	-	20,996	20,996	20,996	21,961	22,950
Land		51,104	51,104	53,149	55,966	1,031,184	1,031,184	1,031,184	1,078,618	1,127,156
Zoo's, Marine and Non-biological Animals		-	-	-	-	(37)	(37)	37	38	40
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	6,480,679	6,174,454	5,999,100	5,440,429	5,905,716	5,905,716	5,883,676	6,171,976	6,727,454
EXPENDITURE OTHER ITEMS		381,769	443,913	429,080	426,231	419,233	419,233	391,357	410,568	430,753
Depreciation	7	351,084	365,084	347,534	379,139	379,139	379,139	352,716	371,011	389,732
Repairs and Maintenance by Asset Class	3	30,685	78,829	81,546	47,092	40,095	40,095	38,640	39,556	41,021
<i>Roads Infrastructure</i>		946	5,042	4,399	3,500	5,520	5,520	3,084	3,173	3,324
<i>Storm water Infrastructure</i>		-	18,266	31,104	-	15,181	15,181	1,779	1,860	1,944
<i>Electrical Infrastructure</i>		5,788	7,231	8,584	8,850	8,930	8,930	9,284	9,711	10,148
<i>Water Supply Infrastructure</i>		10,877	12,022	3,399	3,200	6,349	6,349	3,357	3,511	3,669
<i>Sanitation Infrastructure</i>		2,668	19,758	6,168	9,615	(7,215)	(7,215)	1,259	1,317	1,376
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	1,811	2,600	(400)	(400)	2,727	2,853	2,981
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		20,481	62,320	55,465	27,765	28,364	28,364	21,489	22,425	23,442
Community Facilities		1,002	1,387	1,068	743	1,070	1,070	798	834	811
Sport and Recreation Facilities		298	295	85	134	354	354	141	147	154
Community Assets		1,300	1,682	1,153	877	1,424	1,424	938	981	964
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	3,286	2,659	1,515	2,093	2,093	1,608	1,698	1,768
Housing		233	806	1,030	564	564	564	582	619	647
Other Assets		233	4,072	3,689	2,079	2,657	2,657	2,199	2,317	2,415
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		3,739	3,009	4,585	2,784	2,605	2,605	-	-	-
Intangible Assets		3,739	3,009	4,585	2,784	2,605	2,605	-	-	-
Computer Equipment		-	1,639	-	22	(22)	(22)	2,733	2,858	2,730
Furniture and Office Equipment		-	37	14	93	38	38	111	102	106
Machinery and Equipment		4,931	6,070	6,147	3,671	4,843	4,843	3,874	4,052	4,235
Transport Assets		-	-	10,492	9,800	185	185	10,023	9,674	10,109

Land	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	381,769	443,913	429,080	426,231	419,233	419,233	391,357	410,568	430,753	
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	34.7%	62.2%	61.7%	36.1%	48.1%	48.1%	51.1%	52.2%	56.2%	
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	14.9%	31.6%	34.5%	24.3%	31.8%	31.8%	25.1%	21.6%	24.4%	
<i>R&M as a % of PPE & Investment Property</i>	0.4%	1.2%	1.1%	0.9%	0.6%	0.6%	-0.7%	0.5%	0.6%	
<i>Renewal and upgrading and R&M as a % of PPE and Investment</i>	1.2%	3.0%	3.3%	2.7%	2.7%	2.7%	2.2%	2.6%	2.6%	

KZN252 Newcastle - Table A10 Basic service delivery measurement

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Household service targets	1									
Water:										
Piped water inside dwelling		134,217	142,536	151,637	151,630	154,672	154,672	162,251	169,714	177,351
Piped water inside yard (but not in dwelling)		101,659	107,962	114,439	114,439	116,728	116,728	122,448	126,081	133,844
Using public tap (at least min. service level)	2	27,215	28,902	30,636	30,636	31,249	31,249	32,780	34,288	35,831
Other water supply (at least min service level)	4	1,832	1,946	2,062	2,062	2,104	2,104	2,207	2,308	2,412
<i>Minimum Service Level and Above sub-total</i>		264,922	281,347	298,775	298,777	304,753	304,753	319,685	334,391	349,438
Using public tap (< min service level)	3	281,347	296,228	298,228	298,228	304,193	304,193	319,098	333,777	348,797
Other water supply (< min service level)	4	-	-	-	-	-	-	-	-	-
No water supply		6,249	6,744	6,744	6,744	6,919	6,919	9,356	9,786	10,227
<i>Below Minimum Service Level sub-total</i>		289,597	306,972	306,972	306,972	313,112	313,112	328,454	343,563	359,023
Total number of households	5	554,519	586,320	605,747	605,749	617,864	617,864	648,140	677,954	708,462
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		170,094	180,640	217,003	217,003	225,683	225,683	236,742	247,632	258,775
Flush toilet (with septic tank)		5,428	5,786	1,300	1,300	1,352	1,352	1,418	1,483	1,550
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		39,064	41,485	49,410	49,410	51,406	51,406	53,925	56,405	58,944
Other toilet provisions (> min service level)		12,683	13,470	16,043	16,043	16,691	16,691	17,509	18,314	19,138
<i>Minimum Service Level and Above sub-total</i>		227,270	241,381	283,756	283,758	295,132	295,132	309,594	323,835	338,407
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min service level)		27,474	29,177	34,751	34,751	36,155	36,155	37,929	39,671	41,456
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		27,474	29,177	34,751	34,751	36,155	36,155	37,929	39,671	41,456
Total number of households	5	254,744	270,538	316,506	316,506	331,287	331,287	347,520	363,506	379,863
Energy:										
Electricity (at least min. service level)		39,642	47,214	56,233	56,233	57,358	60,398	63,357	66,271	69,254
Electricity - prepaid (min service level)		2,233	2,660	3,168	3,168	3,231	3,402	3,569	3,733	3,901
<i>Minimum Service Level and Above sub-total</i>		41,875	49,874	59,400	59,400	60,589	63,800	66,926	70,004	73,155
Electricity (< min. service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	41,875	49,874	59,400	59,400	60,588	63,800	66,926	70,004	73,155
Refuse:										
Removed at least once a week		59,199	70,910	59,199	59,199	60,383	63,583	66,699	69,767	72,907
<i>Minimum Service Level and Above sub-total</i>		59,199	70,910	59,199	59,199	60,383	63,583	66,699	69,767	72,907
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	59,199	70,910	59,199	59,199	60,383	63,583	66,699	69,767	72,907
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		9,139	9,139	9,139	9,139	9,139	9,139	9,139	9,139	9,139
Sanitation (free minimum level service)		9,139	9,139	9,139	9,139	9,139	9,139	9,139	9,139	9,139
Electricity/other energy (50kwh per household per month)		9,417	9,417	9,417	9,417	9,417	9,417	9,417	9,417	9,417
Refuse (removed at least once a week)		9,139	9,139	9,139	9,139	9,139	9,139	9,139	9,139	9,139
<i>Informal Settlements</i>		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		9,035	7,968	10,123	10,800	7,450	7,450	7,450	11,458	12,146
Sanitation (free sanitation service to indigent households)		13,276	15,095	10,123	19,370	290	290	290	20,839	22,089
Electricity/other energy (50kwh per indigent household per month)		8,136	8,655	9,881	10,334	7,450	7,450	7,450	8,286	9,322
Refuse (removed once a week for indigent households)		14,254	13,218	16,196	16,941	17,301	17,301	17,301	18,339	19,440
<i>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</i>		-	-	-	-	-	-	-	-	-
Total cost of FBS provided	8	44,703	45,157	46,324	57,245	32,490	32,490	32,490	58,923	62,997
Highest level of free service provided per household										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	225	225	225
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	51	51	51
Sanitation (Rand per household per month)		-	-	-	-	-	-	1,817	1,817	1,817
Electricity (kwh per household per month)		-	-	-	-	-	-	4,928	4,928	4,928
Refuse (average litres per week)		-	-	-	-	-	-	199	199	199
Revenue cost of subsidised services provided (R'000)	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		76,194	79,176	85,398	84,710	84,836	84,836	84,836	77,895	82,568
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	0	0	0
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	2	2	2
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	5	5	5
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	0	0	0
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	76,194	79,176	85,398	84,710	84,836	84,836	84,843	77,902	82,575

Annexure E

Tariff of Charges


ANNEXURE E	<p data-bbox="338 1272 363 1639" style="text-align: center;">NEWCASTLE MUNICIPALITY</p> <div data-bbox="459 1554 817 1886" style="text-align: center;">  </div> <p data-bbox="919 1464 1024 1742" style="text-align: center;">FINAL TARIFF OF CHARGES 2024/2025</p>
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	Final Tariff 2023/24	Final Tariff 2024/25
ASSESSMENT RATES		
Assessment rates be determined as follows: in terms of the Municipal Property Rates Act, No. 6 of 2004, the general rate for the financial year is levied as follows:		
(a) Residential property (impermissible - R85 000)	RO 01454 RO 03634 RO 01634 RO 00323 Exempt RO 03634 Exempt RO 00363 RO 00363 RO 04362	RO 01197 RO 00370 RO 02990 RO 00282 Exempt RO 03680 Exempt RO 00282 RO 00385 RO 04045
(b) Rates levied in terms of the Rates Policy Framework	25% 10% 30% As per policy 100%	25% 10% 30% As per policy 100%
(c) Industrial property	25% 10% 30% As per policy 100%	25% 10% 30% As per policy 100%
(d) Vacant land	60% 40%	60% 40%
(e) Public Benefit Organisation who fulfil in terms of the criteria are exempt from rates		
FEES FOR ACCESS TO INFORMATION – PUBLIC BODIES		
1. The fee for a copy of the manual as contemplated in regulation 6 (c) for every photocopy of an A4 size page or part thereof	R2	R2
2. The fees for reproduction referred to in regulation 7(1) are as follows:-	R2	R2
(a) For every photocopy of an A4 size page or part thereof	R2	R2
(b) For every printed copy of an A4 size page or part thereof held on a computer or in electronic or machine readable form	R2	R2
(c) (i) For a copy in a computer readable form on soft disc	R2	R2
(ii) For a copy in a computer readable form on compact disc	R2	R2
(d) (i) For a transcription of visual images for an A4 size page or part thereof	R2	R2
(ii) For a copy of visual images	R2	R2
(e) (i) For a transcription of an audio record for an A4 size page or part thereof	R2	R2
(ii) For a copy of an audio recording	R2	R2
3. The request fee payable by a requester other than a normal requester referred to in regulation 7(2)	R2	R2
4. The access fees payable by a requester referred to in regulation 7(3) are as follows:-	R2	R2
(a) For every photocopy of an A4 size page or part thereof	R2	R2
(b) For every printed copy of an A4 size page or part thereof held on a computer or in electronic or machine readable form	R2	R2
(c) (i) For a copy in a computer readable form on soft disc	R2	R2
(ii) For a copy in a computer readable form on compact disc	R2	R2
(d) (i) For a transcription of visual images for an A4 size page or part thereof	R2	R2
(ii) For a copy of visual images	R2	R2
(e) (i) For a transcription of an audio record for an A4 size page or part thereof	R2	R2
(ii) For a copy of an audio recording	R2	R2
(f) To search for and prepare the record for disclosure for each hour or part of an hour, excluding the first hour, reasonable required for such search and preparation	R2	R2
All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time		

	Final Tariff 2023/24	Final Tariff 2024/25
MISCELLANEOUS SERVICES		
(a) The following fees are payable for the production of documents, provision of certificates, supply of plans and extracts from records, etc. -		
(i) Search fee, per account plan, document or file produced for inspection or file produced for duplicate accounts issued	R64	R68
(ii) Certified copy of extract from Council's minutes and/or hearings (per 100 words or part thereof)	R13	R14
(iii) Extracts of by-laws (per page or part thereof)	R2	R2
(iv) Valuation certificate or an other certificate for each certificate	R68	R72
(v) Inspection of Council's minutes for each inspection	R13	R14
(vi) Sale of computerised data	Cost +6%	Cost +6%
(vii) Photostats, prints of plans and Photostat prints of building plans	Cost +6%	Cost +6%
(viii) Certificate, per application per project, in accordance with section 118(1) of the Systems Act, No. 32 of 2000	R532	R564
(ix) Electronic Certificate, per application per property, in accordance with section 118(1) of the Systems Act, No. 32 of 2001	R422	R447
(b) Debt collection services, tariffs		
(i) Final demand	R0	R0
(ii) Presentation of summonses	R130	R138
(iii) Preparation of judgments	R155	R164
(iv) Rescission/commencement of water supply	Cost +3.9%	Cost +3.9%
(v) Preparation of enforcement orders / rental	R130	R138
(vi) Preparation of Section 65 Notice (including any entrance in court when necessary)	R232	R246
(vii) Preparation of warrant of arrest	R39	R41
(viii) Administrative charges for "Refer to Drawer" debit orders	R135	R143
(c) Debt phone warning service	R0	R0
(i) For one local telephone call during office hours, once per month, payable by the consumer, who requested in writing a warning regarding non-payment of consumer accounts on the day prior to the cut-off date	R25	R25
(ii) Fees for same affairs		
(d) Issue of judicial documents	R0	R0
- The fee for a copy of a bidding document based on price	R0	R0
A4 hard copy	R257	R266.96
Computerised	R105	R111.43
- The fee for a copy of a bidding document based on price and development proposals	R0	R0.00
A4 hard copy	R374	R386.20
Computerised	R132	R137.67
(e) Where a property has to be closed, rezoned, subdivided and consolidated	Cost +6%	Cost +6%
(ii) Administrative charges where a land sale is cancelled, per cancellation		
(iii) Interest on arrears amounts owing to Council in excess of 30 days (per annum), excluding all residential accounts	6% of selling price	6% of selling price
All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time	Prime rate as notified by the Council bankers	Prime rate as notified by the Council bankers
PROPERTY RATES BYLAWS		
The tariff for each enquiry raised against a municipal valuation	R 63	R 73

	Final Tariff 2023/24	Final Tariff 2024/25
BYLAWS RELATING TO PUBLIC HEALTH		
1. Removal of dead animals The charges for the removal and disposal of dead animals within the municipality shall be as follows -		
(a)	R65	R69
(b)	R118	R125
(c)	R577	R612
(d)	Free	Free
(e)	R0	R0
(f)	R120	R127
(g)	R120	R127
(h)	R1075	R1140
(i)	R1290	R1367
(j)	R0	R0
(k)	R49	R52
(l)	R984	R1043
All the above mentioned tariffs in respect of services rendered are subject to value added tax as determined from time to time.		
BYLAWS RELATING TO THE KEEPING OF DOGS, ANIMALS, BIRDS AND BEES		
1. The following license fees are payable in respect of dogs kept within the municipal area for which rabies certificates have to be produced -		
(a)	R 42 40	R45 00
(b)	R 74 20	R79 00
2. For an additional dog and subject to submission of Council authorization for the keeping of additional dogs per dog -		
(a)	R 230 02	R244 00
(b)	Cost + 6%	Cost + 6%
(c)	Cost + 6%	Cost + 6%
3. The following fees are payable in respect of each other animal (mouflid)		
(a)	The Kilometer tariff for vehicle which is in discretion 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 Rates)	The kilometer tariff for vehicle which is in discretion 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 Rates)
(b)	All inclusive pound fees which include: (1) Pound fee (2) Treading fee (3) Drain or Spraying fees (4) Round dressings costs and fees (5) Medication costs and fees (6) Veterinary fees	R15 00 R50 00 Cost + 6% Cost + 6% Cost + 6% Cost + 6%
All the above mentioned tariffs in respect of services rendered are subject to value added tax as determined from time to time.		

		Final Tariff 2023/24	Final Tariff 2024/25
CLEANSING SERVICES BYLAWS			
1.	Special charges and charges for refuse removal services		
	(a) Builders refuse (i.e. industrial refuse bulk) refuse - per load of 5 cubic metres (5 tons) or part thereof	R865	R917
	(b) Bulk garden refuse from premises within the municipality for loads not exceeding 5 cubic metres shall be removed at per load or part thereof	R865	R917
	(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	R865	R917
	(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		
	(e) Special Industrial Refuse	Cost + 6%	Cost + 6%
	(f) 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	R171	R181
	(ii) Residential properties in Newcastle East, except where the account holder is registered as indigent - not exceeding one removal per week, per month	R171	R181
	(iii) Non-residential properties in Newcastle East - not exceeding one removal per week, per month	R171	R181
	(iv) Residential and Non-residential properties in Inisbane/Kilbarachan - not exceeding one removal per week, per month	R171	R181
	(v) Residential and Non-residential properties in Charlestown - not exceeding one removal per week, per month	R171	R181
	(vi) Registered indigent account holders		
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 0.35m ³ container per month		
	1 removal per week	R171	R181
	(b) Rental of bulk container of 1.1m ³ per month (existing service being phased out)		
	1 removal per week	R1 062	R1 126
	2 removals per week	R2 092	R2 218
	3 removals per week	R3 161	R3 351
	4 removals per week	R4 224	R4 477
	5 removals per week	R5 278	R5 595
	(c) Rental of bulk container of 1.75m ³ per month		
	1 removal per week	R1 289	R1 366
	2 removals per week	R2 577	R2 732
	3 removals per week	R3 871	R4 103
	4 removals per week	R5 190	R5 501
	5 removals per week	R6 454	R6 841
	6 removals per week	R7 741	R8 205
	7 removals per week	R9 050	R9 572
	(d) 240L wheeled bin		
	1 removal per week	R753	R798
	2 removals per week	R1 506	R1 596
	3 removals per week	R2 260	R2 396
	4 removals per week	R3 013	R3 194
	5 removals per week	R3 761	R3 987
3.	The charges for the rental of bulk refuse containers with the under mentioned sizes and removal of domestic and business refuse shall be as follows:		
	(a) Rental per container per month		
	8 m ³ Bulk Containers		
	10 m ³ Bulk Containers	R1 482	R1 571
	30 m ³ Bulk Containers	R2 465	R2 613
	6 m ³ Skip Containers	R4 875	R5 168
	10 m ³ Skip Containers	R7 69	R8 15
	15 m ³ Skip Containers	R2 389	R2 532

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10) Rental per container per week		
8 m³ Bulk Containers	R370	R392
10 m³ Bulk Containers	R617	R654
30 m³ Bulk Containers	R1220	R1253
6 m³ SK1 Containers	R189	R200
19 m³ SK1 Containers	R598	R634
e) Rental per container per day:		
8 m³ Bulk Containers	R92	R98
10 m³ Bulk Containers	R148	R157
30 m³ Bulk Containers	R260	R276
6 m³ SK1 Containers	R41	R43
19 m³ SK1 Containers	R126	R134
d) For a removal service per container:		
8 m³ Bulk Containers	R2061	R2185
10 m³ Bulk Containers	R2061	R2185
30 m³ Bulk Containers	R2061	R2185
6 m³ SK1 Containers	R1006	R1066
19 m³ SK1 Containers	R1538	R1630
e) For delivery of containers rented for a period less than one month per container:		
8 m³ Bulk Containers	R1030	R1092
10 m³ Bulk Containers	R1030	R1092
30 m³ Bulk Containers	R1030	R1092
6 m³ SK1 Containers	R819	R868
19 m³ SK1 Containers	R819	R868
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 authorized officer.		
All services used by Council may be considered an exempt charge.		
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.		
5. Charge for the disposal of refuse at the Newswaste landfill site (waste disposal):		
a) Mixed refuse (domestic, domestic trade refuse, including builders rubble), per R 250 k or part thereof	R62	R66
b) Builders rubble and excavated material, per R 250 k or part thereof	R20	R21
c) Bulk food waste and condemned food, per R 250 k or part thereof	R169	R179
d) Garden refuse, per R 250 k or part thereof	R20	R21
e) Sawdust and wood waste, per R 250 k or part thereof	R62	R66
f) This table is not applicable for private LDVs, cars and cars with trailers limited to 1 tonne per week.		
g) Tariff for the voluntary donation of vehicles (excluding Council vehicles), per vehicle	R100	R106
h) Special disposal, per R 250 k or part thereof	R168	R178
6. The tariff in (a) and (b) may be waived if material is reclaimed by the WDS:		
a) per m³ of compost	R34	R36
b) per Ton	R37	R37
7. Sale of recyclates, per kg:		
a) Plastic	R012	R0
b) Glass	R012	R0
c) Metals	R012	R0
d) Paper/Cardboard	R012	R0

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	FIRE BRIGADE BYLAWS		
1	<p>Fire and rescue services rendered within Council's area of jurisdiction.</p> <p>(a) Services rendered in respect of fire-fighters and/or rescue services to residents/tenants/users of Newcastle</p> <p>(b) Services rendered in respect of fire-fighters and/or rescue services to non-residents/tenants/users as set out of Newcastle in (2), below</p> <p>(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</p> <p>(d) Chemical additives used for fire-fighting services, payable by the owner</p>	<p>Free</p> <p>Tariff as set out in (2)</p> <p>Cost +6%</p> <p>Cost +6%</p>	<p>Free</p> <p>Tariff as set out in (2)</p> <p>Cost +6%</p> <p>Cost +6%</p>
2	<p>Fire and rescue services rendered outside Council's area of jurisdiction, per kilometre</p> <p>1 to 5 kilometres</p> <p>6 to 15 kilometres</p> <p>16 to 20 kilometres</p> <p>21 to 30 kilometres</p> <p>31 to 50 kilometres</p> <p>51 + kilometres</p> <p>(a) Call out cost, per officer</p> <p>(b) Services rendered by officers, per hour or part thereof, per officer</p> <p>(c) Call-out cost, per fire-fighter</p> <p>(d) Services rendered by fire-fighters, per hour or part thereof, per fire-fighter</p> <p>(e) Call-out cost, per fire engine</p> <p>(f) Cost for use or availability, per hour or part thereof, per km</p> <p>(g) Additional cost for distances travelled, per km</p> <p>1 to 5 kilometres</p> <p>6 to 15 kilometres</p> <p>16 to 20 kilometres</p> <p>21 to 30 kilometres</p> <p>31 to 50 kilometres</p> <p>51 + kilometres</p> <p>(h) Call-out cost for rescue vehicle</p> <p>(i) Cost for use or availability, per hour or part thereof</p> <p>(j) Additional cost for distances travelled, per km</p> <p>1 to 5 kilometres</p> <p>6 to 15 kilometres</p> <p>16 to 20 kilometres</p> <p>21 to 30 kilometres</p> <p>31 to 50 kilometres</p> <p>51 + kilometres</p> <p>(k) Call-out cost for service vehicle</p> <p>(l) Cost for use or availability, per hour or part thereof</p> <p>(m) Cost for use of combination service vehicle and fire-fighter/trailer</p> <p>(n) Cost for use or availability, per hour or part thereof</p> <p>(o) Additional cost for distances travelled, per km</p> <p>1 to 5 kilometres</p> <p>6 to 15 kilometres</p> <p>16 to 20 kilometres</p> <p>21 to 30 kilometres</p> <p>31 to 50 kilometres</p> <p>51 + kilometres</p>	<p>R55</p> <p>R28</p> <p>R42</p> <p>R34</p> <p>R28</p> <p>R27</p> <p>R361</p> <p>Cost + 6%</p> <p>R362</p> <p>Cost + 6%</p> <p>R330</p> <p>R42</p> <p>R9</p> <p>R37</p> <p>R32</p> <p>R40</p> <p>R31</p> <p>R28</p> <p>R28</p> <p>R367</p> <p>R252</p> <p>R0</p> <p>R44</p> <p>R40</p> <p>R34</p> <p>R28</p> <p>R24</p> <p>R20</p> <p>R325</p> <p>R162</p> <p>R489</p> <p>R162</p> <p>R0</p> <p>R7</p> <p>R7</p> <p>R7</p> <p>R7</p> <p>R7</p> <p>R7</p> <p>R321</p> <p>Cost +6%</p> <p>R321</p> <p>Cost +6%</p> <p>R320</p> <p>R22</p> <p>R162</p> <p>R133</p> <p>R162</p>	<p>R59</p> <p>R30</p> <p>R45</p> <p>R30</p> <p>R29</p> <p>R383</p> <p>Cost +6%</p> <p>R384</p> <p>Cost +6%</p> <p>R890</p> <p>R47</p> <p>R0</p> <p>R61</p> <p>R56</p> <p>R43</p> <p>R33</p> <p>R30</p> <p>R30</p> <p>R338</p> <p>R268</p> <p>R0</p> <p>R47</p> <p>R43</p> <p>R37</p> <p>R30</p> <p>R26</p> <p>R22</p> <p>R345</p> <p>R172</p> <p>R519</p> <p>R172</p> <p>R0</p> <p>R8</p> <p>R8</p> <p>R8</p> <p>R8</p> <p>R8</p> <p>R8</p> <p>R341</p> <p>Cost +6%</p> <p>R341</p> <p>Cost +6%</p> <p>R880</p> <p>R48</p> <p>R172</p> <p>R162</p> <p>R172</p>
3	<p>Services rendered in respect of special services to residents and/or non-residents/tenants/users of Newcastle</p> <p>(a) Call-out cost for service</p> <p>(b) Services rendered by officers, per hour or part thereof, per officer</p> <p>(c) Call-out cost for fire-fighter</p> <p>(d) Services rendered by fire-fighters, per hour or part thereof</p> <p>(e) Call-out cost for fire engine</p> <p>(f) Cost for use or availability, per hour or part thereof</p> <p>(g) Additional cost for distances travelled, per km</p> <p>1 to 5 kilometres</p> <p>6 to 15 kilometres</p> <p>16 to 20 kilometres</p> <p>21 to 30 kilometres</p> <p>31 to 50 kilometres</p> <p>51 + kilometres</p>	<p>R321</p> <p>Cost +6%</p> <p>R321</p> <p>Cost +6%</p> <p>R320</p> <p>R22</p> <p>R162</p> <p>R133</p> <p>R162</p>	<p>R341</p> <p>Cost +6%</p> <p>R341</p> <p>Cost +6%</p> <p>R880</p> <p>R48</p> <p>R172</p> <p>R162</p> <p>R172</p>
	All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time		

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TRAINING AND SPECIFIC INSPECTIONS		
a) Cost of instructor per hour or part thereof	Cost +6%	Cost +6%
b) Cost of materials/straw/mini aids	Cost +6%	Cost +6%
c) Call-out cost per fire fighter	Cost +6%	Cost +6%
d) Printing of certificates	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		
CERTIFICATE OF REGISTRATION		
Services rendered to rate-payers/residents and non residents/rate-payers		
Issuing of a certificate plus one certified copy	R251	R267
All the abovementioned tariff in respect of services rendered is subject to value-added tax as determined from time to time		
STREET TRAFFIC AND ENTERTAINMENT BYLAWS		
Application for permit to use taxi rank, per annum	R390.00 to be capped at this rate. This is consistent according to discussions throughout the Province.	R390.00 to be capped at this rate. This is consistent according to discussions throughout the Province.
Issuing of duplicate rank permit		R150.00
Application for meter taxi permit		R200.00 - no escalation
Issuing of duplicate meter taxi or scholar transport permit		R200.00 - no escalation
Application for permit to use bus rank per annum	R70	R74.20
Application for duplicate permit to use bus/taxi rank	Cost +6%	Cost +6%
Issuing of abnormal loads etc. per hour or part thereof		
Abandoned vehicles		
Charge for removal per vehicle		
Charge for storage for a period not exceeding 3 months, per day		
11 Parking Meter Tariffs for Off-Street Parking	R0.00	R0.00
11.1 Parking meter fees - Tariff for 0 - 30 minutes	R0.00	R0.00
11.2 Parking meter fees - Tariff for 31 - 60 minutes	R0.00	R0.00
11.3 Parking meter fees - Tariff for 1 - 2 hours	R0.00	R0.00
11.4 Parking meter fees - Tariff for 2 - 3 hours	R0.00	R0.00
11.5 Parking meter fees - Tariff for 3 - 4 hours	R0.00	R0.00
11.6 Parking meter fees - Tariff for > 4 hours	R0.00	R0.00
11.7 Parking meter fees - Tariff for monthly parking	R0.00	R0.00
11.8 Parking Meter Tariffs for On-Street Parking		
11.9 Parking meter fees - Tariff for 31 minutes - 1 hour	R4	R0.00
11.10 Parking meter fees - Tariff for 0 - 2 hours	R9	R0.00
11.11 Parking meter fees - Tariff for 2 - 3 hours	R15	R0.00
11.12 Parking meter fees - Tariff for 3 - 4 hours	R21	R0.00
11.13 Parking meter fees - Tariff for > 4 hours	R30	R0.00
12 Rendering of services during special occasions contemplated in section 11.3A, per hour or part thereof	R60	R0.00
(a) Superintendent, per hour or part thereof, Monday to Saturday	R471.32	R499.60
(b) Traffic Officer, per individual, per hour or part thereof, Monday to Saturday	R965.17	R1 023.06
(c) Traffic Officer, per hour or part thereof, Monday to Saturday	R412.36	R417.10
(d) Traffic Officer, per hour or part thereof, Monday to Saturday	R806.74	R855.14
(e) Traffic Officer, per hour or part thereof, Monday to Saturday	R376.40	R398.98
(f) Traffic Officer, per hour or part thereof, Monday to Saturday	R753.93	R799.17
13 Impounding of a vehicle		R2 000.00
All the abovementioned tariffs in respect of services rendered are subject to value-added tax as determined from time to time		

		Final Tariff 2023/24	Final Tariff 2024/25
BYLAWS RELATING TO THE REGISTRATION AND REGULATION OF DAIRIES, COW SHEDS, MILK SHOPS, MILK DEALERS AND PURVEYORS			
Badges in terms of Section 11 (a) and (b) of the Act			
All the abovementioned land in the list of services rendered is subject to value-added tax as determined from time to time			
CEMETERY BYLAWS			
The following fees are payable upon request to bury a deceased within the cemetery, the control of which is vested in Council			
ROY POINT CEMETERY			
(a) Residents	Burial plot - headstones only		
	1.5m x 1.2m	R1 449.44	R1 536.41
	2.2m x 0.7m x 1.8m	R1 980.91	R2 099.76
	2.2m x 0.7m x 2.4m	R2 279.80	R2 416.59
	Casket	R2 497.76	R2 647.63
	Burial plot - full-sized tombstones		
	1.5m x 1.2m	R2 402.26	R2 546.40
	2.2m x 0.7m x 1.8m	R2 465.18	R2 613.09
	2.2m x 0.7m x 2.4m	R2 589.34	R2 744.10
	Casket	R3 668.55	R3 888.66
(b) Non-residents	Burial plot - headstones		
	1.5m x 1.2m	R4 302.26	R4 560.40
	2.2m x 0.7m x 1.8m	R6 202.27	R6 574.41
	2.2m x 0.7m x 2.4m	R8 071.94	R8 556.26
	Casket	R10 655.40	R11 337.12
	Burial plot - full-sized tombstones		
	1.5m x 1.2m	7880.93	88 353.79
	2.2m x 0.7m x 1.8m	R10 695.55	R11 337.28
	2.2m x 0.7m x 2.4m	R 12 146.12	R12 874.89
	Casket	R14 434	R15 30
MADADENI/SIZWENI CEMETERIES			
(a) Residents Burial plot			
	1.5m x 0.7m x 1.2m	R393.76	R426.86
	2.2m x 0.7m x 1.8m	R534.83	R566.92
	Casket	R739.33	R783.69
(b) Non-residents Burial plot			
	1.5m x 0.7m x 1.2m	R911.24	R965.91
	2.2m x 0.7m x 1.8m	R1 382.11	R1 506.50
	Casket	R1 682.03	R1 782.95
	Clean-up of plots	Cost 46%	Cost 46%

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3.	CHARLESTOWN CEMETERIES		
	(a) Residents Burial plot	R395.51	R419.24
	1.5m x 1.2m	R534.33	R566.39
	2.2m x 0.7m x 1.8m	R724.72	R768.20
	Casket		
	(b) Non-residents Burial plot	R912.36	R768.20
	1.5m x 1.2m	R1,105.62	R1,171.96
	2.2m x 0.7m x 1.8m	R1,676.41	R1,776.99
	Casket	R1,369.67	R1,451.85
	Per ornamental grave for exhumation and fill in in thereof	R1,422.04	R1,501.56
	Per ornamental graves to an extended depth Per 100mm or part thereof		
	Per ornamental graves are included in the total price of a burial plot		
	Ash Urns system. Garden of remembrance		
	(a) Reservation space for 2 units		
	(i) Residents	R598.88	R654.81
	(ii) Non-residents	R1,703.38	R1,805.58
	(b) Funerals: Per funeral		
	(i) Residents	R201.12	R213.19
	(ii) Non-residents	R660.68	R700.32
8.	This grave number is saved on the tombstone at the family's cost. NOTE: Permanent residence in relation to any person means a ratepayer or consumer of municipal services and their immediate families where such person has been resident in the Council's area of jurisdiction for a continuous period exceeding 3 months. The submission of a current consumer account will serve as proof of permanent residence.		
	PUBLIC SWIMMING POOL BYLAWS		
1.	Entrance fee		
	(a) Scholars per day	R9.00	R9.54
	(b) Adults per day	R17.00	R18.02
2.	Season tickets		
	(a) Per child under 18 years	R265.17	R281.08
	(b) Per adult	R531.46	R563.35
	(c) Parents who cannot afford the prescribed tariffs may apply in writing to the Director: Culture and Amenities who, after due consideration, may decide to issue a free season ticket for the aforementioned school-going children		
3.	Monthly tickets		
	(a) Per child under 18 years	R77.53	R82.18
	(b) Per adult	R112.56	R119.10
4.	Patrons are exempted provided application has been made for 'patrons' entrance ticket concessions		
5.	Hire of Newcastle swimming pool costs		
	(a) 10.00 - 14.00 (per hour)	R243.82	R258.45
	(b) 14.00 - 18.00 (per hour)	R201.12	R213.19
	(c) 18.00 - 24.00 (per hour)	R304.50	R322.77
	(d) Galas, Newcastle swimming pool	R1,328.10	R1,407.79
	(e) Insurances making use of municipal swimming pools for their own account shall pay R5.00 per lane per hour and shall further be required to purchase a season or monthly ticket	R0.00	R0.00
	(f) Parents of members of swimming clubs during practice sessions, with proof of identity to the satisfaction of the Director: Culture and Amenities, excluding the personal use of the swimming pool facilities	Free	Free
	(g) The tariff of charges per floodlight standard for the use of floodlights at the Newcastle swimming pool shall be determined according to the formulae [(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		
	(a) Hire for commercial purposes, per hour		
	(i) Hall	R243.82	R258.45
	(ii) Side room	R122.47	R129.82
	(iii) Kitchen	R0.00	R0.00
	(b) Hire for meetings, weddings, anniversaries, children's parties & events functions, per hour		
	(i) Hall	R1,707.79	R1,817.04
	(ii) Side room	R86.52	R91.71
	(iii) Kitchen	R86.52	R91.71
	(c) Hire for exhibitions, per hour		
	(i) Hall	R205.62	R217.96
	(ii) Side room		
	(iii) Kitchen		
	(d) Hire for non-profit or donations, per hour		
	(i) Hall	R17.98	R125.06
	(ii) Side room	R49.44	R52.41
	(iii) Kitchen	R49.44	R51.41
	(e) Preparation for functions contained in (a) to (d) above, per hour	R66.27	R70.25
	(f) Hire for sport and recreational activities by member clubs of the Recreation Centre residing in Newcastle - Monday to Sunday		

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(6)	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-grounds in the town - Mondays to Saturdays		
7.	Hire of public-address system per day or part thereof	R226.97	R240.59
8.	Hire of tuck shop per day or part thereof	R197.75	R209.02
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(e) to (e) above + 25%	Normal tariff in 5(e) to (e) above + 25%
11.	Hire of hall and facilities by non-residents	Normal rate + 25%	Normal rate + 25%
12.	Refundable deposit per function, meeting, etc.	R3 520.24	R3 712.37
13.	School children (a municipal swimming pool during the swimming season for their parents per season	R727.31	R770.95
NEWCASTLE RECREATION CENTRE			
The tariffs of charges set out below shall be applicable to the hire of the hall or any of the facilities in connection therewith and shall be payable in advance together with a refundable deposit. The hall and all facilities and services shall, in the discretion of Council, be made available free of charge for civic mayoral receptions, functions and meetings held by Council, municipal elections, functions (social) as approved by Council.			
1.	Mondays to Thursdays		
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars, boxing and wrestling matches, beer festivals, anniversaries and children's parties per hour	R305.62	R323.96
2.	Hire for cultural per hour	R244.94	R259.64
3.	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions, where the hall is required	R252.81	R267.98
4.	Hire for non-profit organisations (including external sporting bodies) Member groups on Sundays per hour	R468.54	R500.65
5.	Registration for functions contemplated in 1 to 4 above per hour	R302.25	R314.59
6.	Hire of kitchen per hour	R468.54	R500.65
7.	Hire of side room, per hour	R151.99	R163.17
8.	Hire of public-address system, per day or part thereof	R264.05	R279.89
9.	Hire for sport and recreation activities by member group residing in Newcastle - Mondays to Saturdays	50% of group membership fees	50% of group membership fees
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 any fixed grounds in the town - Mondays to Saturdays	derived per month	fees derived per month
11.	Fridays and Saturdays The tariff to hire the Newcastle Recreation Hall	15% of group member derived per month	15% of group member derived per month
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 tariff for hire mentioned 1-4 above + 50%	Normal tariff for hire mentioned 1-4 above + 50%
14.	Refundable deposit per function, meeting, etc.	Normal rate + 25%	Normal rate + 25%
	Hire for sport by member group	R2 300.01	R2 381.07
	Membership fee per month	6% of monthly income	6% of monthly income
	Non-residential members	R6.74	R7.14
	Family membership (3 or more family members enrolled for activities at the centre)	R9.33	R9.89
	Hire for sport by member group without an instructor per month	R3.37	R3.57
	Membership fee per member annual	R24.72	R26.20
	Non-residential members monthly fee per member	R6.74	R7.14
	Hire for recreational activities by member groups to be held on ground after care group	R9.00	R9.54
	Membership fee per member monthly	R6.74	R7.14
	Non-residential per member monthly	R9.00	R9.54
	Holiday programme per member monthly	R3.37	R3.57
HIRE OF SPORTS GROUNDS			
The tariff of charges set out below shall be applicable to the hire of sports grounds and unsurfaced tennis pitches 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	R1 150.57	R1 219.60
ii.	Thereafter per day or part thereof, excluding services	R217.98	R231.06
iii.	For sports facilities per facility per day	R368.54	R390.65
(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	R217.98	R231.06

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CAMP AND CARAVAN PARK BYLAWS			
1	Fees payable in respect of permits for camp and caravan sites		
	(a) Site per day	R114.48	R121.35
	(b) Site per day for groups with more than 10 caravans	R86.00	R91.16
	(c) Per person over five years of age per day. Maximum of six persons per site	R32.00	R33.92
	(d) Per person over five years of age per day for groups with more than 10 caravans. Maximum of six persons per site	R22.26	R23.60
	(e) Use of electricity per day per site	R4.06	R5.40
	(f) Use of electricity per day per site for groups with more than 10 caravans	R32.00	R33.92
2	Fees for use of the following:		
	(a) Washing machine per load	R22.06	R23.38
	(b) Tumble drier per load	R22.06	R23.38
3	Fees for persons working in Newcastle per day per person	R131.44	R139.33
4	Fee payable by bona fide travellers for the use of ablution facilities per person	R32.00	R33.92
5	Entrance fee to the Amcor Dam Recreation Resort, including admission to the swimming pool, but excluding the use of facilities limited to bona fide visitors to the caravan park only		
	(a) Adults per day	R18.02	R19.10
	(b) Seniors per day (12 years and under)	R8.48	R8.99
	(c) Buses per bus per day	R424.00	R449.44
6	Entrance fee to the Boschhoek Dam picnic area		
	(a) Adults per day	R15.00	R15.90
	(b) Children per day	R8.48	R8.99
7	Hire of Amcor Dam for public or private use (profit motivated or amusement)		
	(a) For the first day excluding the cost of services	R26 360.08	R27 941.68
	(b) Thereafter per day excluding the cost of services	R13 180.04	R13 970.80
	(c) Refundable deposit per function	R5 274.56	R5 591.03
8	Hire of Amcor Dam by non-profit motivated or amusement		
	(a) For the first day excluding the cost of services	R2 594.88	R2 750.57
	(b) Thereafter per day excluding the cost of services	R1 323.94	R1 403.38
	(c) Refundable deposit per function	R2 637.28	R2 795.52
9	Hire of caravan site per person per month	R3 832.96	R4 062.94
10	Storage of caravan per day	R65.00	R68.00
CLEANING OF PLOTS / VACANT ERVEN			
1	Cleaning of plots / vacant erven:		
	(a) Erven not exceeding 1 000m ²	R1 857.07	R1 968.49
	(b) Erven from 1 000m ² to 2 000m ²	R3 183.29	R3 374.29
	(c) Erven from 2 000m ² to 4 000m ²	R5 835.72	R6 185.86
	(d) Erven from 4 000m ² to 10 000m ²	R11 140.60	R11 809.04
	(e) Erven in excess of 10 000m ²	R13 793.03	R14 626.61
	(f) Items to be reconditioned at least cost (item 403034)		

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HALLS			
General			
The tariffs of charges set out under the various categories below shall include all the facilities in connection therewith and shall be payable in advance. No reservation will be made or date for any hall will be reserved, unless the amount for the hired accommodation together with the refundable deposit, has been paid in full.			
The full rental amount, excluding the deposit, will be forfeited to Council when the hirer cancels or postpones a reservation, unless Council is notified in writing at least 30 days prior to the reserved date about the cancellation.			
Any hall referred to below and all facilities and services concerned shall, at the discretion of Council, be made available free of charge for civic mayoral functions, functions and meetings held by Council, municipal elections and functions specially approved by Council.			
A hirer shall re-arrange and clean the premises and extend surrounding of the under mentioned halls and/or facilities within the time permitted by the Council, failing which he/she shall forfeit the deposit said. The Director, Culture and Amusements 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 08:00 to 24:00. Penalty fees of R200,00 per hour or part thereof shall be levied in instances where the halls are not vacated by 24:00. Shows and exhibitions with a duration of more than one day, exempted.			
A. TOWN HALL			
Mondays to Thursdays			
1. Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof (including SAMRO fees)	R431,46	R557,35	
2. Hire for weddings, anniversaries, children's parties and exhibitions of arts and crafts, art exhibitions, per hour or part thereof (including SAMRO fees)	R337,08	R457,30	
3. Hire for political meetings, per hour or part thereof	R337,08	R357,30	
4. Hire for industrial and commercial exhibitions where the hall is required for one day only, or part thereof, per hour (including SAMRO fees)	R346,07	R466,83	
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, (including SAMRO fees)	R1,176,41	R1,347,00	
6. Hire for non-profit organisations, per hour or part thereof	R229,21	R242,96	
7. Hire for religious purposes, per hour or part thereof (including SAMRO fees)	R189,89	R301,28	
8. Preparation of functions contemplated in 1 to 7 above, per hour or part thereof	R103,37	R109,57	
9. Rehearsals, per day or part thereof	R206,74	R219,14	
10. Hire of Supper Room: Tariffs applicable as per 1 to 9 above.	50% of tariffs	50% of tariffs	
11. Hire of kitchen, per hour or part thereof	R189,89	R201,28	
12. Hire of upright piano, per day or part thereof	R189,89	R201,28	
13. Hire of public-address system, per day or part thereof	R320,23	R339,44	
14. Hire of hall for sport purposes, per hour or part thereof	R346,07	R366,83	
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 + 50%	Normal tariff for hire mentioned in 1-15 above	
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.	R2,886,53	R3,059,72	
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. FARMERS HALL			
Mondays to Thursdays			
1. Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof (including SAMRO fees)	R328,09	R447,78	
2. Hire for weddings, anniversaries, children's parties and exhibitions of arts and crafts, art exhibitions, per hour or part thereof (including SAMRO fees)	R276,41	R393,00	
3. Hire for political meetings, per hour or part thereof	R282,14	R309,67	
4. Hire for industrial and commercial exhibitions where the hall is required for one day only, or part thereof, per hour (including SAMRO fees)	R286,52	R403,71	
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 (including SAMRO fees)	R724,72	R868,20	
6. Hire for religious purposes, per hour or part thereof (including SAMRO fees)	R121,35	R228,63	
7. Hire for non-profit organisations, per hour or part thereof	R233,71	R247,73	
8. Preparation for functions contemplated in 1 to 7 above, per hour or part thereof	R105,62	R111,96	

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9.	Rehearsals, per day or part thereof	R206.74	R219.14
10.	Hire of kitchen facilities, per hour or part thereof	R179.14	R199.89
11.	Hire of Farmers' Hall grounds, per day or part thereof	R889.89	R943.28
12.	Hire of new stables, per stable, per day or part thereof	R68.54	R72.65
13.	Hire of old stables, per stable, per day or part thereof	R51.69	R54.79
14.	Hire of toilet facilities, per day or part thereof	R233.71	R247.73
15.	Hire of hall for sport purposes, per hour or part thereof	Normal rate + 25%	R420.66
16.	Additional charge for special preparation of the arena, per day or part thereof	Normal tariff for hire	R360.35
17.	Hire of hall and facilities by non-residents.	Normal tariff for hire	Normal rate + 25%
18.	Fridays and Saturdays: The tariff to hire the Farmers Hall	Normal tariff for hire mentioned in 1-17 above +	Normal tariff for hire mentioned in 1-17 above +

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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.	R2,471.92	R2,620.24
(b)	Refundable deposit for cleaning of tables	R1,240.45	R1,314.88
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
C. RICHVIEW CIVIC CENTRE			
	Mondays to Thursdays		
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof (including SAMRO fees)	R406.74	R531.14
2.	Hire for weddings, anniversaries, children's parties and exhibitions of arts and crafts, art exhibitions, per hour or part thereof (including SAMRO fees)	R328.09	R447.78
3.	Hire for political meetings, per hour or part thereof	R328.09	R347.78
4.	Hire for industrial and commercial exhibitions where the hall is required for one day only, or part thereof, per hour (including SAMRO fees)	R353.93	R475.17
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 (including SAMRO fees)	R924.72	R1,080.20
6.	Hire for non-profit organisations, per hour or part thereof	R249.44	R264.41
7.	Preparation for functions contemplated in 1 to 6, per hour or part thereof	R104.49	R110.76
8.	Rehearsals, per day or part thereof	R206.74	R219.14
9.	Hire for religious purposes, per hour or part thereof (including SAMRO fees)	R103.37	R209.57
10.	Hire of cooking area, per hour or part thereof (including gas)	R380.90	R403.75
11.	Hire of public-address system, per day or part thereof	R294.38	R312.04
12.	Hire of hall for sport purposes, per hour or part thereof	R346.07	R366.83
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.	R3,264.06	R3,439.90
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
D. FAIRLEIGH COMMUNITY HALL			
	Mondays to Thursdays		
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals per hour or part thereof (including SAMRO fees)	R328.09	R447.78
2.	Hire for weddings, anniversaries, children's parties and exhibitions of arts and crafts, art exhibitions, per hour or part thereof (including SAMRO fees)	R276.41	R392.99
3.	Hire for political meetings, per hour or part thereof	R276.41	R292.99
4.	Hire for industrial and commercial exhibitions where the hall is required for one day only, or part thereof, per hour (including SAMRO fees)	R294.38	R412.04
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 (including SAMRO fees)	R724.72	R868.20
6.	Hire for non-profit organisations, per hour or part thereof	R206.74	R219.14
7.	Preparation for functions contemplated in 1 - 6, per hour	R95.51	R101.24
8.	Rehearsals, per day or part thereof	R206.74	R219.14
9.	Hire for religious purposes, per hour or part thereof (including SAMRO fees)	R121.35	R228.63

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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, (including SAMRO fees)	R276.41	R392.99
11.	Hire of public-address system, per day or part thereof	R294.38	R312.04
12.	Hire of hall for sport purposes, per hour or part thereof	R346.07	R366.83
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, meetings, etc.	R2 447.20	R2 594.03
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

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E. NEWCASTLE SHOW HALL			
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof (including SAMRO fees)	R431.46	R557.35
2.	Hire for weddings, anniversaries, children's parties and exhibitions of arts and crafts, art exhibitions, per hour or part thereof (including SAMRO fees)	R337.08	R457.30
3.	Hire for political meetings, per hour or part thereof	R337.08	R357.30
4.	Hire for industrial and commercial exhibitions where the hall is required for one day only, or part thereof, per hour (including SAMRO fees)	R365.17	R487.08
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 (including SAMRO fees)	R1,150.57	R1,319.60
6.	Hire for non-profit or organization, per hour or part thereof	R233.71	R247.73
7.	Hire for religious purposes, per hour or part thereof (including SAMRO fees)	R233.71	R347.73
8.	Preparation for functions contemplated in 1 to 7 above, per hour or part thereof	R147.19	R156.02
9.	Rehearsals, per day or part thereof	R249.44	R264.41
10.	Hire of toilet facilities, per day or part thereof	R276.41	R292.99
11.	Hire of kitchen, per hour or part thereof	R233.71	R247.73
12.	Hire of public-address system, per day or part thereof	R605.62	R641.96
13.	Cost of operator for public-address system	R535.96	Costs + 10%
14.	Use of air-conditioner, per hour or part thereof	R346.07	R366.83
15.	Hire of hall for sport purposes, per hour or part thereof		
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 + 50%	Normal tariff for hire mentioned in 1-16 above + 50%
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.	R3 614.60	R3 831.48
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
F. MADADENI COMMUNITY HALL			
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof (including SAMRO fees)	R328.09	R447.78
2.	Hire for weddings, anniversaries, children's parties and exhibitions of arts and crafts, art exhibitions, per hour or part thereof (including SAMRO fees)	R276.41	R392.99
3.	Hire for political meetings, per hour or part thereof	R294.38	R312.04
4.	Hire for industrial and commercial exhibitions where the hall is required for one day only, or part thereof, per hour (including SAMRO fees)	R757.31	R902.75
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 (including SAMRO fees)	R757.31	R902.75
6.	Hire for religious purposes, per hour or part thereof (including SAMRO fees)	R121.35	R228.63
7.	Hire for non-profit organisations, per hour or part thereof	R233.71	R247.73
8.	Preparation for functions contemplated in 1 to 7 above, per hour or part thereof	R95.51	R101.24
9.	Rehearsals, per day or part thereof	R206.74	R219.14
10.	Hire of public-address system, per day or part thereof	R320.23	R339.44
11.	Hire of hall for sport purposes, per hour or part thereof	R346.07	R366.83
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%

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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	R2,653.94	R2,813.18
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
G. OSIZWENI COMMUNITY HALL			
	Mondays to Thursdays	R353.93	R475.17
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof (including SAMRO fees)	R320.23	R439.44
2.	Hire for weddings, anniversaries, children's parties and exhibitions of arts and crafts, art exhibitions, per hour or part thereof (including SAMRO fees)	R320.23	R339.44
3.	Hire for political meetings, per hour or part thereof	R320.23	R439.44
4.	Hire for industrial and commercial exhibitions where the hall is required for one day only, or part thereof, per hour (including SAMRO fees)	R1,004.50	R1,164.77
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 (including SAMRO fees)	R233.71	R247.73
6.	Hire for non-profit organisations, per hour or part thereof	R121.35	R228.63
7.	Hire for religious purposes, per hour or part thereof (including SAMRO fees)	R104.49	R110.76
8.	Preparation for functions contemplated in 1 - 7 above, per hour or part thereof	R206.74	R219.14
9.	Rehearsals, per day or part thereof	R346.07	R366.83
10.	Hire of hall for sport purposes, per hour or part thereof	50% of tariff mentioned	50% of tariff mentioned
11.	Hire of supper room per hour or part thereof	R394.38	R418.04
12.	Hire of public-address system, per day or part thereof	Normal rate + 25%	Normal rate + 25%
13.	Hire of hall and facilities by non-residents	Normal tariff for hire mentioned in 1-13 above + 50%	Normal tariff for hire mentioned in 1-13 above + 50%
14.	Fridays and Saturdays: 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%
15.	Sundays and Public Holidays: The tariff to hire the Community Hall	Free of charge	Free of charge
16.	Refundable deposit per function, meeting, etc.	R3,079.79	R3,264.58
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
H. CHARLESTOWN COMMUNITY HALL			
	Mondays to Thursdays	R328.60	R448.32
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals, per hour or part thereof (including SAMRO fees)	R276.66	R393.26
2.	Hire for weddings, anniversaries, children's parties and exhibitions of arts and crafts, art exhibitions, per hour or part thereof (including SAMRO fees)	R294.68	R312.36
3.	Hire for political meetings, per hour	R756.84	R902.25
4.	Hire for industrial and commercial exhibitions where the hall is required for one day only, or part thereof, per hour (including SAMRO fees)	R756.84	R902.25
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 (including SAMRO fees)	R233.20	R247.19
6.	Hire for non-profit organisations, per hour or part thereof	R0.00	R109.57
7.	Preparation for functions contemplated in 1 to 6 above, per hour or part thereof	R120.84	R128.09
8.	Rehearsals, per day or part thereof	R154.79	R154.79
9.	Hire for religious purposes, per hour or part thereof (including SAMRO fees)	R206.74	R219.14
10.	Hire of the kitchen, per hour or part thereof	R276.41	R292.99
11.	Hire of public address system, per day or part thereof	R346.07	R366.83
12.	Hire of hall for sport purposes, per hour or part thereof		

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13			
14	Hire of hall and facilities by non-residents Fridays and Saturdays: The tariff to hire the Community Hall	Normal rate + 25% Normal tariff for hire mentioned in 1-13 above +	Normal rate + 25% Normal tariff for hire mentioned in 1-13 above
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.	R2,654.24	R2,813.49
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

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I	JRC HALL		
	Mondays to Thursdays		
1.	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars and beer festivals per hour or part thereof (including SAMRO fees)	R328.09	R447.78
2.	Hire for weddings, anniversaries, children's parties and exhibitions of arts and crafts, art exhibitions, per hour or part thereof (including SAMRO fees)	R276.41	R392.99
3.	Hire for political meetings, per hour or part thereof	R276.41	R292.99
4.	Hire for industrial and commercial exhibitions where the hall is required for one day only, or part thereof, per hour (SAMRO fees)	R294.38	R412.04
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 (including SAMRO fees)	R725.85	R869.40
6.	Hire for non-profit organisations, per hour or part thereof	R206.74	R219.14
7.	Preparation for functions contemplated in 1 - 6, per hour	R95.51	R101.24
8.	Rehearsals, per day or part thereof	R206.74	R219.14
9.	Hire for religious purposes, per hour or part thereof (including SAMRO fees)	R121.35	R228.63
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 (including SAMRO fees)	R273.03	R389.41
11.	Hire of public-address system, per day, or part thereof	R294.38	R312.04
12.	Hire of hall for sport purposes, per hour or part thereof	R346.07	R366.83
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.	R2,335.96	R2,476.12
17.	Municipal Councillors utilizing the hall with special written consent from the Municipal Manager, for the purpose of ward meetings, information sessions to the public, e.g. crime ads 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
J	OSIZWENI ARTS CENTRE		
	General		
	The tariffs of charges shall be payable in advance. No reservation will be made or date will be reserved unless the amount for the hired accommodation together with a refundable deposit, has been paid in full.		
	The full rental amount, excluding the deposit, will be forfeited to Council when the hirer cancels or postpones a reservation, unless Council is notified in writing at least 30 days prior to the reserved date about the cancellation		
	The facility, shall, at the discretion of Council, be made available free of charge for civic mayoral functions, functions and meetings held by Council, and functions specially approved by Council.		
	A hirer shall re-arrange and clean the premises and exterior surrounding of the facility within the time permitted by the Caretaker, failing which he/she shall forfeit the deposit. The Director, Culture and Amenities may, if required, increase the minimum deposit.		
	Mondays to Thursdays		
1.	Hire for commercial purposes, performances, concerts, film shows, per hour or part thereof (including SAMRO fees)	R276.41	R392.99
2.	Hire for exhibitions of arts and crafts, where the Arts Centre is required for one day only or part thereof, per hour (including SAMRO fees)	R276.41	R392.99
3.	Hire for exhibitions of arts and crafts, where the Arts Centre is required for longer than one day, per day or part thereof (including SAMRO fees)	R924.72	R1,080.20
4.	Hire for religious purposes, per hour or part thereof (including SAMRO fees)	R95.51	R201.24
5.	Hire for non-profit organisations, per hour or part thereof	R189.89	R201.28
6.	Preparation for functions contemplated in 1 to 6 above, per hour or part thereof	R189.89	R201.28
7.	Rehearsals, per day, or part thereof	R189.89	R201.28
8.	Hire of hall and facilities by non-residents	R139.33	Normal rate + 25%
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	Final Tariff 2023/24 Normal tariff for hire mentioned in 1-8 above + 50% R2,533.72	Final Tariff 2024/25 Normal tariff for hire mentioned in 1-8 above + 50% R2,685.74				
11	Refundable deposit per function, meeting, etc						

		Final Tariff 2023/24	Final Tariff 2024/25
K	FORT AMIEL MUSEUM		
	General		
	1 Functions and programmes or organised by/for done in liaison with the Directorate Culture and Amenities		
	2 Hire of facility and/or grounds for commercial purposes: festivals, braais, picnics, children's parties, for groups below 20 people	R159.00	R168.54
	3 Hire of facility and/or grounds for commercial purposes: festivals, braais, picnics, children's parties, for groups over 20 people	R203.37	R215.57
	4 Hire for exhibitions of arts and crafts and bazaar where the facility is required for one day only, per hour or part thereof, per hour	R203.37	R215.57
	5 Hire for exhibitions of arts and craft where the facility is required for longer than one day, per day	R0.00	R0.00
	6 Hire for non-profit organisations per hour or part thereof	R0.00	R0.00
	7 Preparation for functions contemplated in 1-5 above	R0.00	R0.00
	8 Use of piano (playing of the piano per hour)	R17.39	R18.43
	9 Refundable deposit per function, meeting, etc	R300.00	R300.00
	10 Municipal Councillors and officials for private use (payment due immediately with booking of facility)	R0.00	R0.00
	BYLAWS RELATING TO PUBLIC LIBRARIES		
	1 In instances where the library material is returned after the specified return date, a borrower of such material shall be liable to pay a fine -		
(a)	In the case of audio visual material, per item per day or part thereof	R1.00 subject to maximum fine of R5.00	R2.00 subject to maximum fine of R10.00
(b)	In the case of books for which there is a waiting list, per day or part thereof	R1.00 subject to a maximum of R10.00	R2.00 subject to maximum fine of R20.00
(c)	In the case of any other library material, including books, per week or part thereof	R1.00 subject to a maximum fine of R5.00 per item	R2.00 subject to maximum fine of R10.00
(d)	In the case where a library member has been defaulted, an administrative fee per member	R29.57	R31.30
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	R347.83	R368.70
(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	R528.70	R560.43
(b)(ii)	Persons not usually resident in Newcastle (visitors) must supply a fixed residential address and are limited to borrow 3 items only per person		
3	Patron Cards		
(a)	Fee for the patron card	R15.22	R16.08
(b)	Thereafter, per lost card	R22.61	R23.91
4	Photostat copies		
(a)	Photostat copies - per A4 copy (Black and White)	R1.30	R1.30
(b)	Photostat copies - per A4 copy (Colour)	R6.96	R6.96
(c)	Photostat copies - per A3 copy (Black and White)	R2.61	R2.61
(d)	Photostat copies - per A3 copy (Colour)	R12.17	R12.17
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)	R1.74	R1.74
(c)	For printing, per A4 copy (Colour)	R6.96	R6.96
(d)	For printing, per A3 copy (Black and White)	R3.47	R3.47
(e)	For printing, per A3 copy (Colour)	R14.78	R14.78
6	Damage or loss of library material		
(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

		Final Tariff 2023/24	Final Tariff 2024/25
M	GROUP ACTIVITIES ROOMS		
	Newcastle Library		
	May not be used for religious and/or political purposes.		
	The tariff of charges shall be applicable to the hire of any group activities room or any of the facilities in connection therewith and shall be payable in advance.		
	Any group activity room and all facilities and services shall, at the discretion of the Council, be made available free of charge for civic mayoral functions, functions and meetings held by the Council and functions specially approved by the Council		
1	Cultural and/or educational purposes organised/arranged by the Directorate Culture and Amenities	Free of Charge	Free of Charge
2	Where the group activity room is required for one day only or part thereof, per hour	R167.59	R177.59
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)	R1,130.43	R1,200.00
(b)	Thereafter normal hourly tariffs apply		
4	Refundable deposit per function, meeting, etc.	R530.43	R565.22

	Municipal Councilors and Municipal Officials for private use (payment due immediately with booking of facility)	Final Tariff 2023/24 Approved tariffs as applicable to private persons apply	Final Tariff 2024/25 Approved tariffs as applicable to private persons apply
5			
I	ELECTRICITY SUPPLY BYLAWS		
	Abbreviations and Definitions		
a	Abbreviations		
<	Less than		
<	Less than or equal to		
>	Greater than		
>	Greater than or equal to		
Amperes			
Cents			
Kilovolt-ampere-hour			
Consumer price index			
Gigawatt-hour			
Kilometre			
Kilovolt-ampere			
Kilovolt-ampere-hour			
Kilovolt			
Kilowatt			
Kilowatt-hour			
Municipal Finance Management Act, No. 56 of 2003			
Megavolt-ampere			
Not applicable			
National Energy Regulator of South Africa			
Notified maximum demand			
Power factor			
Rand			
Rand per kilovolt-ampere			
Time-of-use			
Volt			
Value added tax			
Watt			
b	Definitions:		
Account:	Is a means of payment, according to the same voltage or location.		
(Active) Energy Charge:	Is a charge for each unit of energy consumed typically charged for as c/kWh, or R/MWh. For some tariffs the charge may be time and/or seasonally differentiated.		
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.			
Is the higher of the customer's NMD or maximum demand, measured in kVA, registered during a rolling twelve month period.			
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 service provider (municipality) and for the majority of customers, the consumption measured and recorded by the metering system.			
Is the period from one meter reading date (actual or estimated) to the following meter reading date (actual or estimated).			
Is the highest average demand measured in kVA in a billing month during the chargeable time periods specified for each tariff.			
Are the time periods when demand registered will be charged for. The chargeable time periods differ and are described with the respective tariff.			
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 such extent as that customer.			
Applicable to State 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.			
The total connected load on an installation reduced by the diversity. Factors according to SABS 0142:1993.			
A nominal voltage of 132,000 Volt, to 5% between any of the three phase conductors (SABS 1019).			
Is a customer identified by the municipality that receives special services or concessions more than four 500 kVA recordings on contiguous sites.			
Is an area for which the National Electricity Regulator of South Africa (NERSA) has issued a license 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.			
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.			
A nominal voltage of 400 Volt (± 10%) between any of the three phase conductors and 220 volt (± 10%) between any phase and the neutral conductor (SABS 1019).			
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).			
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 each time period in the month as may be applicable.			
A nominal voltage of 11,000 Volt, to 5% between any of the three phase conductors (SABS 1019).			
Is the higher of the customer's NMD or maximum demand, measured in kVA, registered during the billing month.			

	Final Tariff 2023/24	Final Tariff 2024/25
<p>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 replacement) 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).</p> <p>Network Demand Charge: Is a charge that recovers network costs on a fixed basis and is based on the annual utilised capacity.</p> <p>Network Access Charge: Is a charge that recovers network costs on a fixed basis and is based on the annual utilised capacity.</p> <p>Notified Maximum Demand (NMD): Is the maximum demand notified in writing by the customer and accepted by the Municipality, that the customer requires the Municipality to be in a position to supply on demand during all time periods. It is normally the capacity that the Municipality will reserve for a customer for the short term, i.e. the following year. One calendar-month's notice must be given in writing by the customer 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 set of rules within the NMD Tariff.</i></p> <p>Point of Supply: Means a physical point on the electrical network where electricity is supplied to the customer or where the customer's network connects to that of the Municipality. <i>Note: See item 6.</i></p> <p>Power Factor: 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></p> <p>Premise or Point of Delivery: Means either a single Point of Supply or a specific group of Points of Supply located within a single substation, at which electricity is supplied to the customer at the same declared voltage and tariff, and can be a metering or summation point.</p> <p>Rate Components: Are the different charges associated with a tariff that recover different costs, for example energy charge.</p> <p>Rate-rebalancing Levy: Is a separate rate component, shown on Scale 5, Time-of-Use tariff for customers' bills and indicating inter-tariff subsidies (subsidies between tariffs) in a more transparent manner. The rate-balancing levy is applied to the total active energy consumption and is not subject to the voltage and/or transmission surcharge.</p> <p>Reactive Energy Charge: Is a charge applicable if applied, to Time-of-Use tariff and is based on the reactive power used. It is levied on every 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 relative energy charge for a customer operating with a maximum power factor of 0.95 or better. The method of calculation of this excess differs and is described with the respective tariff.</p> <p>Single-phase Supply: A 230 V r.m.s. phase-to-neutral. The neutral carries the full load current.</p> <p>Three-phase Supply: A 400 V r.m.s. phase-to-phase (230 V r.m.s. phase-to-neutral). 400 V r.m.s. phase-to-phase (230 V r.m.s. phase-to-neutral).</p> <p>Time-of-Use (TOU) Tariff: Is a tariff that has different energy rates for different time periods and seasons in order to more accurately reflect the shape of the Municipality's long run marginal operating costs of supply at different times.</p> <p>Voltage Surcharges: 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.</p>		
<p>2. Conditions applicable to all tariff scales</p> <p>(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.</p> <p>(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.</p> <p>(c) Definitions not covered by the Council's Bills will be the same as those recorded in the Eskom Tariff of Charges.</p> <p>(d) All information 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.</p> <p>3. Scale 1: 20A domestic supplies</p> <p>(a) This scale shall also apply to industrial premises with a maximum estimated load of 20A single phase.</p> <p>(b) Monthly basic charge per metered connection, point of supply, whether electricity is consumed or not.</p> <p>(c) Active energy charge per kWh consumed during the month.</p> <p>(d) Pre-arranged meter tariff.</p> <p>(e) Active energy charge per kWh consumed.</p> <p>4. Scale 2: 60A domestic supplies</p> <p>(a) This scale shall also apply to domestic dwellings, churches, charitable or amusements and sports, bodies with a single phase supply.</p> <p>(b) Monthly basic charge.</p> <p>(c) Per metered connection, point of supply whether electricity is consumed or not.</p> <p>(d) Per vacant lot where electricity can be connected.</p> <p>(e) Active energy charge applicable to conventional or prepaid use.</p> <p>(f) Standard tariff per kWh consumed during the month.</p> <p>(g) In-Home Block Rate Tariff (IHRT) for residential/domestic customers as follows:</p> <p>Electrical tariffs</p> <p>Block 1: 0-50kWh</p> <p>Block 2: 51-350kWh</p> <p>Block 3: 351-600kWh</p> <p>Block 4: >600kWh</p> <p>(iii) Time-of-Use tariff per kWh consumed during the month in accordance with Eskom's specified time schedule</p> <p>TOU-Tariff Half Season</p> <p>(a) Peak</p> <p>(b) Standard</p> <p>(c) Off-peak</p> <p>National Sports Codes to be examined from 1st April 2024 onwards (from 1st April 2024 onwards)</p> <p>TOU-Tariff Low Season</p> <p>(a) Peak</p> <p>(b) Standard</p> <p>(c) Off-peak</p> <p>(iv) In-Home Block Rate Tariff (IHRT) for residential/domestic customers on prepaid electricity, as follows</p> <p>Domestic Pre-paid</p>	<p>R81.53</p> <p>R1.7402</p> <p>R2.4811</p> <p>R335.93</p> <p>R326.50</p> <p>R373.65</p> <p>R363.17</p> <p>R1.7313</p> <p>R2.2230</p> <p>R2.4910</p> <p>R2.5699</p> <p>R5.9446</p> <p>R2.2813</p> <p>R1.3501</p> <p>R3.2403</p> <p>R1.8812</p> <p>R0.9211</p>	

	Final Tariff 2023/24	Final Tariff 2024/25						
Block 1 (0-50kWh)	R1 15665	0						
Block 2 (51-350kWh)	R1 29886	0						
Block 3 (351-600kWh)	R2 2375	0						
Block 4 (>600kWh)	R2 3104	0						
(d) Low-income households will be subsidised to a maximum of 50 kWh and the basic charge per month		0						

		Final Tariff 2023/24	Final Tariff 2024/25
5	<p>Scale 3 : Large domestic supplies and small business premises</p> <p>(a) This scale shall also apply to churches, charitable or religious bodies with a load greater than 60A single phase but not exceeding 90A three phase</p> <p>(b) This scale shall apply to the small business consumer where the notified maximum demand is less than 65KVA supplied at low voltage</p> <p>(c) Monthly basic charge</p> <p>(i) Per point of supply whether electricity is consumed or not to metered connections for large domestic and small business consumers</p> <p>(ii) For a vacant business stand where electricity can be connected</p> <p>(iii) For a vacant domestic stand where electricity can be connected</p> <p>(d) Active energy charge applicable to conventional or off-peak use</p> <p>(i) Standard tariff per kWh consumed during the month</p> <p>(ii) Time-of-use tariff per kWh consumed during the month in accordance with Eskom's specific time schedule</p> <p>TOU-Tariff High Season</p> <p>(a) Peak</p> <p>(b) Standard</p> <p>(c) Off-peak</p> <p>TOU-Tariff Low Season</p> <p>(a) Peak</p> <p>(b) Standard</p> <p>(c) Off-peak</p> <p>Scale 4 : Medium business and industrial premises</p> <p>(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</p> <p>(b) Monthly basic Charge</p> <p>(i) For a vacant stand where electricity can be connected</p> <p>(ii) For a metered stand per point of supply whether electricity is consumed or not</p> <p>(c) Maximum demand Charge</p> <p>(i) Standard: Network demand charge per KVA supplied per month</p> <p>(ii) Time of Use: Network demand charge per KVA supplied per month</p> <p>(iii) Active energy charge applicable to conventional or off-peak use</p> <p>(i) Standard tariff per kWh consumed during the month</p> <p>(ii) Time of Use tariff per kWh consumed during the month in accordance with Eskom's specified time schedule</p> <p>TOU-Tariff High Season</p> <p>(a) Peak</p> <p>(b) Standard</p> <p>(c) Off-peak</p> <p>TOU-Tariff Low Season</p> <p>(a) Peak</p> <p>(b) Standard</p> <p>(c) Off-peak</p> <p>Scale 5 : Large business and industrial premises</p> <p>(a) This scale shall apply where the notified maximum demand is 500 KVA but less than 4500 KVA supplied at medium or high voltage</p> <p>(b) Monthly basic Charge</p> <p>(i) For a vacant stand where electricity can be connected</p> <p>(ii) For a metered stand per point of supply whether electricity is consumed or not</p> <p>(c) Maximum demand Charge</p> <p>(i) Standard: Network demand charge per KVA supplied per month</p> <p>(ii) Network access charge per KVA supplied per month</p> <p>(iii) No demand charge is levied on the off-peak (as per Eskom's night rate tariff)</p> <p>(iv) Off-Peak period shall be between 22:00 and 06:00 on weekdays, Saturdays, Sundays and public holidays as amended from time to time</p> <p>(v) Time-of-use tariff per KVA supplied per month applicable to peak and standard periods on weekdays and Saturdays</p> <p>(vi) Time of Use: Network demand charge per KVA supplied per month</p> <p>(vii) Network access charge per KVA supplied per month</p> <p>(viii) No demand charge is applicable during off-peak periods according to Eskom's specified time schedule</p> <p>(d) Active energy Charge</p> <p>(i) Standard tariff per kWh consumed during the month</p> <p>(ii) Time of Use tariff per kWh consumed during the month in accordance with Eskom's specified time schedule</p> <p>TOU-Tariff High Season</p> <p>(a) Peak</p> <p>(b) Standard</p> <p>(c) Off-peak</p> <p>TOU-Tariff Low Season</p> <p>(a) Peak</p> <p>(b) Standard</p> <p>(c) Off-peak</p> <p>(e) Voltage surcharge (Only applicable on the Time-of-Use tariff)</p> <p>Calculated as a percentage of the network demand, network access and active energy charges</p> <p>Supply voltage >500 V and <66 KV</p>	<p>R928.98</p> <p>R926.61</p> <p>R326.50</p> <p>R2.1723</p> <p>R4.0674</p> <p>R1.7343</p> <p>R0.8420</p> <p>R2.3558</p> <p>R1.4991</p> <p>R0.7768</p> <p>R926.61</p> <p>R1.998.19</p> <p>R208.27</p> <p>R180.64</p> <p>R65.61</p> <p>R48.92</p> <p>R1.1777</p> <p>R4.6596</p> <p>R2.4529</p> <p>R1.9271</p> <p>R3.9251</p> <p>R1.7656</p> <p>R1.0950</p> <p>R926.61</p> <p>R3.924.68</p> <p>R189.29</p> <p>R167.85</p> <p>R65.01</p> <p>R49.33</p> <p>R1.1777</p> <p>R4.0680</p> <p>R1.7340</p> <p>R0.8425</p> <p>R2.3558</p> <p>R1.4991</p> <p>R0.7778</p> <p>10.07%</p>	<p>R1.033.30</p> <p>R1.030.67</p> <p>R663.17</p> <p>R2.4162</p> <p>R4.5242</p> <p>R1.9291</p> <p>R0.9366</p> <p>R2.6204</p> <p>R1.6674</p> <p>R0.8640</p> <p>R1.030.67</p> <p>R2.232.59</p> <p>R231.66</p> <p>R200.93</p> <p>R72.76</p> <p>R54.41</p> <p>R1.3100</p> <p>R5.1605</p> <p>R2.6171</p> <p>R1.4761</p> <p>R4.3659</p> <p>R1.9639</p> <p>R1.2224</p> <p>R1.030.67</p> <p>R4.365.42</p> <p>R210.55</p> <p>R186.70</p> <p>R72.31</p> <p>R54.87</p> <p>R1.3100</p> <p>R4.5248</p> <p>R1.9287</p> <p>R0.9371</p> <p>R2.6204</p> <p>R1.6674</p> <p>R0.8651</p> <p>10.07%</p>

		Final Tariff 2023/24	Final Tariff 2024/25
	<500 V	17.30%	17.30%
	(i) Rate-rebate on levy (Only applicable on the Time-of-Use tariff) Applied to the total active energy consumption, per blowout hour		
	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.	3.10 Cents	3.10 Cents
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 Replaces the existing single-phase meter with another type of single phase meter / replacement / standard (a) Replaces the existing standard three phase meter with - (i) A three phase meter (ii) A three phase replacement meter (c) Replaces the existing billing programme in an electronic electricity meter to accommodate a change in tariff (d) Replaces the existing data software/lost keypad for prepayment meter (e) Any electrical services 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 meters required as indicated in schedule D. All costs are fixed excluding VAT	R3 669.94 R0.00 R32 778.13 R4 991.27 R1 615.36 R753.05 R0.00	R2 132.00 R34 744.82 R2 290.74 R1 712.28 R798.23 R0.00
	SCHEDULE 'A' SINGLE-PHASE DOMESTIC SCALE 1, 2 & 3 AMP/RE kVA	R0.00 R0.00 R0.00	R0.00 R0.00 R0.00
	60 13.8		
	80 18.4		
	100 23.0	R10 307.07	R10 925.49
	SCHEDULE 'B' BUSINESS INDUSTRIAL SINGLE-PHASE AMP/RE kVA	R14 008.73 R17 165.02 R0.00	R14 849.25 R18 194.93 R0.00
	60 13.8		
	80 18.4		
	100 23.0	R21 236.36 R31 386.04 R39 585.62	R22 510.55 R33 269.21 R40 900.75
	SCHEDULE 'C' THREE-PHASE SCALE 3, 4, 5 & 7 AMP/RE kVA	R0.00 R0.00 R0.00	R0.00 R0.00 R0.00
	60	R81 265.76	R86 141.70

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Consumer Indirect account with both electricity and water (These charges are included in the business rates 3)	R1 600	R1 600	R1 700.00
Large business (rate 4)	R3 150	R3 150	R3 340.00
Industrial business (rate 5)	R5 250	R5 250	R5 565.00
Business account for builders direct	R10 500	R10 500	R11 130.00
Business account for builders direct	R1 600	R1 600	R1 700.00
Business account for builders direct	R10 500	R10 500	R11 130.00
(r) 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 disconnected for non payment.			
Domestic			
Business			
(o) Disconnection fees / late payment charges			
(i) Business disconnection fee / late payment fee (electricity)	R350.65	R350.65	R371.69
(ii) Residential (non-industrial) disconnection fee / late payment fee (electricity)	R350.65	R350.65	R371.69
(iii) Residential (industrial) disconnection fee / late payment fee (electricity)	R0	R0	R0.00
(iv) Residential (if paid meter 20 AMP) blockout of meter	R202.77	R202.77	R214.94
(v) Business water restriction fee	R202.77	R202.77	R214.94
(vi) Residential (non-industrial) water restriction fee	R202.77	R202.77	R214.94
(vii) Residential (industrial) water restriction fee	R269.99	R269.99	R286.19
(viii) Business reminder fee notice (hand delivery)	R6.42	R6.42	R6.81
(ix) Business reminder fee notice sms / mms / email	R6.42	R6.42	R6.81
(x) Residential reminder fee sms / mms / email	R65.27	R65.27	R69.19
(xi) Residential (non-industrial) fee notice (hand delivery)	R226.30	R226.30	R239.80
(xii) Residential (non-industrial) fee notice (hand delivery)	R413.39	R413.39	R438.19
(p) (i) Fee payable for the reading of meters on finalising an account, supplementary meter readings requested by consumers and repeat visits due to lack of normal access for monthly meter reading, per visit.	R1,591.93	R1,591.93	R1,687.45
(ii) Fee for new service connection, notice of which was received at/after 13H00 for same day service.	R0.00	R0.00	R0.00
(iii) Fee for the reading as well as analysis of special meters which are equipped with memory-bank facilities, depending on the total data available in the memory-bank of the meter.	R267.40	R267.40	R281.44
(q) Fees for each visit of a representative of the Electricity Department to the consumer's premises:	R955.61	R955.61	R1,012.94
(i) Domestic			
(ii) Business/Industrial			
(r) Line restriction fees:			
(i) Initial inspection of any installation	Free of Charge	Free of Charge	Free of Charge
(ii) The following tariffs shall be applied for the inspection of an existing installation requested by the consumer:			
(a) Domestic			
(i) Domestic	R2,083.15	R2,083.15	R2,208.14
(ii) Business/Industrial	R3,005.63	R3,005.63	R3,185.97
(b) Fees payable for the testing of energy meters:			
(i) Testing of each single-phase meter	R1,586.52	R1,586.52	R1,681.71
(ii) Testing of each three-phase meter	R2,022.48	R2,022.48	R2,143.85
(iii) Testing of any other type of energy meter	Cost + 10%	Cost + 10%	Cost + 10%
(c) A fee of R1 073.54 is payable per 24-hour period plus a fee of R556.08 per each 24-hour period thereafter for the following:			
(i) Single-phase voltage recording	R1,451	R1,451	R1,538
(ii) Single-phase current recording	R725	R725	R768
(iii) Three-phase current recording			
(iv) Three-phase voltage recording			
(v) Power-factor recording			
(w) Quality of supply to a consumer according to the requirements of NRS 048			
(x) Temporary connections shall be restricted to unoccupied premises, gatherings and functions. Temporary connections may not exceed a period of sixty days unless written approval has been obtained from the Director, Technical Services (Electrical/Mechanical Services). After sixty days the electricity shall be turned off without further notice.			
(y) Temporary metered connections shall be charged at the same rate as a permanent connection as indicated in schedules A, B, C and D. For consumption as well as connection, the period of six days shall apply.			
(z) The following shall apply to un-metered electricity temporary connections. Should the electricity be turned off and the consumer request an extension of time, the consumer shall be charged for a new connection. Should the consumer request an extension of time prior to disconnection, then only the daily rate will apply (a minimum of 24-hours written notice shall be required for an extension of time). A call-out charge of R569.87 shall be payable for the connection and disconnection of an un-metered temporary electrical connection. The tariff shall be valid prior to connection (last centre / item 020602000092).	R770	R770	R816
(aa) Electrical consumption fees for un-metered electrical connections as indicated in schedule F shall apply per 24-hour period of use thereof.			

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SCHEDULE 'F'		
Single-Phase		
AMPERE		
20	R52	R55
40	R90	R95
60	R148	R157
80	R182	R193
100	R233	R247
Three-Phase		
AMPERE		
20	R152	R161
40	R281	R298
60	R477	R448
80	R513	R565
100	R660	R721
No refund will be allowed after disconnection of any temporary electricity connections.		
(u) Floodlights 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	R96	R01
250-watt	R193	R101
400-watt	R262	R205
		R278
(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 luminaires 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 watt, pressure sodium fitting	R7,407	R7,851
250 watt, pressure sodium fitting	R9,929	R10,525
400 watt, pressure sodium fitting	R10,553	R11,866
(vii) Amount payable for the installation of a floodlight fitting supplied by the Council. Only floodlight fittings approved by the Director, Technical Services (Electrical/Mechanical Services) shall be accepted.	R2,707	R2,869
(viii) Amount payable for the replacement of a streetlight pole for the mounting of a floodlight	R58,811	R62,340
(ix) 3 metre mounting height	R10,161	R10,770
(x) 7.5 and 10 metre mounting height	R11,873	R12,585
(xi) Temporary floodlights installed on external streetlight poles only		
Installation and removal.		
400 W	R2,443	R2,588
250 W	R2,442	R2,588
125 W	R2,442	R2,588
Hourly and electricity consumption per 24-hour period:		
400 W	R15,193	R16,105
250 W	R1,000	R1,066
125 W	R32	R33
(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.	R52	R55
(iii) Demand control relays shall be installed prior to the energizing of electrical supplies.		
(iv) 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.		
(v) Demand control relays are obtainable from the offices of the Director, Technical Services (Electrical/Mechanical Services)		
(vi) Domestic consumers on the standard tariff shall have a demand control relay installed controlling external		
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)		
(2) 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		
(a) The rental cost for a subdivision of an existing residential property will be		
(b) Where an electrical supply is found to have been tampered with or the meter bypassed, the following tampering fee shall apply:	R8,594.37	
Tampering fee - Existing Supply x Accessible Network Charge		
Meter replacement fee as per Item 10, Schedule D, which depends on the type of meter used		
Sundry charges as per 1) above		
Electricity consumption as per Chapter 10 of the Supply By-laws		
Seven (7) day notice period for a visit from date of letter delivery shall result in the electrical meter to be switched off immediately.		
Payment/Arrangements to be made at the Baller and Tree Management Department, in respect of payment/arrangements to be produced.		
Payment in respect of damage made to the electrical works will be the replacement cost at that time.		
(c) Damages to Traffic Control Equipment, in cases of an accident, inclusive of damages to any electrical equipment.		
(d) Damages to meter kiosks in cases of an accident/arrangement.		
All the above-mentioned tariffs in respect of services rendered are subject to value added tax as determined from time to time.		R13,040.00

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DRAINAGE BYLAWS			
The following fees shall be paid for blocked sewers and sewer connections:-			
Fee for cleaning private sewer blockages:-			
(a) During normal office hours: per blockage R1 227			
(b) After normal working hours: per blockage R869			
2. Fee for providing sewer connection:-			
(a) 100mm connection R9 150			
(b) Connections in excess of 100mm Cost + 6%			
All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time			
INDUSTRIAL EFFLUENT BYLAWS			
1.	The monthly charge payable by the owner or occupier of any trade premises in respect of any industrial effluent discharged into the Council's sewers, shall be assessed by uThukela Water at half yearly intervals and be notified to such owner or occupier not later than the 31st day of December and the 30th day of June in each year in accordance with the formula prescribed in paragraph (3) hereof, on the basis of the average result of not less than six analyses of the strength and quality of such effluent carried out at any time by uThukela Water during the preceding six months, which analyses may be at the discretion of uThukela Water be based on individual snap samples or on composite samples collected in a manner and under conditions approved by them from time to time, provided that each time a sample for analysis is taken one half thereof shall on his request be made available to the owner or occupier of the premises.		
2.	The charge thus assessed shall be payable in respect of the volume of industrial effluent provided 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.		
3.	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 is payable in terms of paragraph (1) and (2) hereof shall be assessed in accordance with the following formula: $30.8 + (OA - 50) \text{ cents per kilolitre}$ $OA = m \times 20 \div \text{litre KMnO}_4$ 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 emanates. 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 leakage or evaporation during the process of manufacture and water present in the final products manufactured.		
	All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time		
WATER SUPPLY BYLAWS AND SEWER BYLAWS			
A. WATER			
Charges for the supply of water to all properties within the municipal area on condition that the property can be developed and can be connected to the water supply mains			
1.	Monthly availability Levy (i) Vacant properties: payable by the owner (ii) All other properties: per metered connection of supply, payable by the occupier Industrial households will be fully subsidised	R303.55 R61.87	R321.74 R65.58
2.	Consumption Charges Charges for the supply of water to consumers for every kilolitre metered over a monthly meter reading period where a measurement device has been installed - Residential: 0 - 06 kl 07 - 20 kl 21 - 40 kl 41 - 60 kl more than 60 kl Both Corporate, Seasonal Homes & Old Aged Peoples Home Consumption: Charged at the 7rd block of the residential tariff per kl. Industrial households will receive a maximum 6 kilolitres free basic water. Business: (i) Industrial and business consumers (ii) Bulk - Kwhobek: 1/3r a metered	R13.66 R13.67 R15.35 R15.36 R17.07 R15.35 R11.66	R14.48 R14.49 R16.27 R16.28 R18.09 R16.27 R14.48 Per agreement

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3.	<p>Levy</p> <p>(i) Residential properties connected to water supply mains, per month - not metered R340.89</p> <p>(ii) Residential properties served by standpipes, per month R0.00</p> <p>(iii) Non-residential properties connected to water supply mains, per month not metered R340.89</p> <p>Drought Levy</p> <p>The drought surcharge will be charged as a percent, which will not exceed the limit of water use percentage as gazetted in terms of item 6 (1) of Schedule 3 of the National Water Act from time to time, that will apply to all customers only during a declared drought and only on the volume of water used. (FY16/17 drought surcharge maximum is 30% based on the Government Gazette No.39860)</p>	<p>R361.34</p> <p>R0.00</p> <p>R361.34</p>
4.	<p>Availability Levy</p> <p>(i) Residential unit having water borne sewer payable by owner monthly R275.50</p> <p>(ii) Vacant properties payable by owner R0.00</p> <p>(iii) Residential other than water borne sewer payable by owner monthly R114.41</p> <p>(iv) Business and Industry, per kilolitre of water consumed, payable monthly R5.11</p> <p>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</p>	<p>R292.03</p> <p>R200.00</p> <p>R121.27</p> <p>R5.42</p>
2.	<p>Individual households will be fully subsidised</p> <p>MUNICIPAL OWN USE</p> <p>GENERAL</p> <p>All water and sewerage services used by Council may be considered an exempt charge. This also applies to the availability and fixed charges</p> <p>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 reallocated to cover an estimated two and a half months supply as determined by Council from time to time</p> <p>Charges for provision services connectives are as follows:</p> <p>(i) 20mm connection - All areas except Blaauwbosch, Dicks Hall and Manzana R8.707</p> <p>(ii) 20mm connection - Blaauwbosch, R1.157</p> <p>(iii) Connections in excess of 20 mm Cost + 6%</p> <p>Charge for the testing of meters up to 50mm R7.13</p> <p>Charge for the testing of meters in excess of 50mm Cost + 6%</p> <p>Churns or removal of control valve, per visit Cost + 6%</p> <p>Disconnection or restricted flow fee and reconnection or removal of restriction fee (for default payment, per visit R8.819</p> <p>(i) During normal office hours R1.371</p> <p>(ii) After normal office hours</p> <p>All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time</p>	<p>R9.270</p> <p>R1.226</p> <p>Cost + 6%</p> <p>R7.56</p> <p>Cost + 6%</p> <p>Cost + 6%</p> <p>R8.68</p> <p>R1.455</p>
1.	<p>MISCELLANEOUS SERVICES</p> <p>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.</p> <p>(a) Hardening of footpaths, including reinstatements of existing footpaths</p> <p>(b) Special drainage. Connecting storm water drains and channels from private property to open channels adjoining kerb</p> <p>(c) Reinstatement of road surfaces</p> <p>(d) Hire of machinery (including operator during normal working hours</p> <p>(e) Altering storm water culverts, channels, sewers, kerbs or footpaths to permit the erection of veranda columns or other structures</p> <p>(f) Construction of gutter bridges or kerb entrances across street drains</p> <p>(g) When constructed simultaneously with the laying of an street drain, one vehicle entrance</p> <p>(h) Additional vehicle entrance</p> <p>(i) When constructed after the street drain has been completed</p> <p>All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time</p> <p>(c) When constructed after the street drain has been completed</p> <p>All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time</p>	<p>Cost +6 %</p> <p>Cost +6 %</p> <p>Cost +6 %</p> <p>Cost +6 %</p> <p>Cost +6 %</p> <p>Cost +6 %</p> <p>Cost +6 %</p> <p>No charge</p> <p>Cost +6 %</p> <p>Cost +6 %</p> <p>Cost +6 %</p> <p>Cost +6 %</p> <p>No charge</p> <p>Cost +6 %</p> <p>Cost +6 %</p> <p>No charge</p> <p>Cost + 10%</p> <p>Cost + 10%</p>
1.	<p>BYLAWS FOR THE REGIONAL AIRPORT AND MUNICIPAL AERODROME</p> <p>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.</p> <p>(a) 70% of the tariff applicable to State airports as published in Government Gazette No. 10931 of 25 September, 1987, under Government Notice No. R2120, as amended from time to time by the State.</p> <p>(b) Helicopters: 50% of the charge for an aircraft of equal weight in paragraph (a).</p> <p>(c) 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(c). Registration letters of aircraft to be charged under the block landing scheme shall be registered with the Director, Culture and Recreation</p>	<p>Cost + 6 %</p> <p>No charge</p> <p>Cost + 10%</p> <p>Cost + 10%</p>
2.	<p>Block landing concessions</p>	<p>No charge</p>

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(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%

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3	Special charges fee	Pupil pilots shall pay a landing fee calculated at one fifth of the normal landing fee.			
4	Flying clubs	Landing fees for flying clubs shall be 50% of the fees prescribed in 1(a)			
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. 2387, 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 or antiquarian aircraft belonging to the South African Aerobates team and aircraft used by the President or the Premier of the KwaZulu Natal Province. Rental Hangars (a) Hangars constructed by Council, per month (b) Hangars constructed by private individuals, per month	R914,52pm R457,16pm	R914,52pm R457,16pm	Above with a maximum of R280,00 per month R470,24 R0,00 R494,99 R631,11 R742,48 R866,23 R1 002,35 R1 126,09 R1 262,21 R1 385,96 R1 497,33 R1 645,83 R1 769,58 R1 905,70 R2 004,69 R2 128,44 R2 252,19 R2 400,68 R2 516,80 R2 660,55 R2 784,30 R 2 968,04 R3 044,17 R3 167,91 R3 279,28 R3 415,41 R3 509,15 R3 675,27 R3 799,02 R3 910,39 R4 046,51 R4 157,88 R4 306,38 R4 430,13 R4 553,87 R4 702,37 R4 813,74 R4 977,49 R5 073,61 R5 184,98 R5 308,73 R5 444,85 R5 580,97 R5 717,09 R5 853,21
6	Administration fee	Fee to be levied for non-aircraft at the Newcastle Airport			
BUILDING BYLAWS					
7	Administration fee	Every application for the approval of any building plan in terms of these by laws shall be accompanied by the following fees: (a) For every new building, temporary building, addition to, or alteration of existing buildings (b) For the first 20m ² of floor area or part thereof. A minimum of (c) For buildings in excess of 20m ² and up to 1500m ² :			
		20-29m ²	R443,62	R443,62	
		30-39m ²	R0,00	R0,00	
		40-49m ²	R466,97	R466,97	
		50-59m ²	R595,38	R595,38	
		60-69m ²	R700,45	R700,45	
		70-79m ²	R817,19	R817,19	
		80-89m ²	R945,61	R945,61	
		90-99m ²	R1 062,35	R1 062,35	
		100-109m ²	R1 190,77	R1 190,77	
		110-119m ²	R1 307,51	R1 307,51	
		120-129m ²	R1 412,58	R1 412,58	
		130-139m ²	R1 532,67	R1 532,67	
		140-149m ²	R1 669,41	R1 669,41	
		150-159m ²	R1 797,83	R1 797,83	
		160-169m ²	R1 891,22	R1 891,22	
		170-179m ²	R2 007,96	R2 007,96	
		180-189m ²	R2 124,71	R2 124,71	
		190-199m ²	R2 264,80	R2 264,80	
		200-209m ²	R2 393,21	R2 393,21	
		210-219m ²	R2 509,53	R2 509,53	
		220-229m ²	R2 632,70	R2 632,70	
		230-239m ²	R2 743,44	R2 743,44	
		240-249m ²	R2 871,85	R2 871,85	
		250-259m ²	R2 988,60	R2 988,60	
		260-269m ²	R3 093,66	R3 093,66	
		270-279m ²	R3 222,06	R3 222,06	
		280-289m ²	R3 338,82	R3 338,82	
		290-299m ²	R3 467,24	R3 467,24	
		300-309m ²	R3 583,98	R3 583,98	
		310-319m ²	R3 689,05	R3 689,05	
		320-329m ²	R3 817,46	R3 817,46	
		330-339m ²	R3 922,53	R3 922,53	
		340-349m ²	R4 062,62	R4 062,62	
		350-359m ²	R4 179,37	R4 179,37	
		360-369m ²	R4 296,11	R4 296,11	
		370-379m ²	R4 436,20	R4 436,20	
		380-389m ²	R4 541,27	R4 541,27	
		390-399m ²	R4 658,01	R4 658,01	
		400-409m ²	R4 786,42	R4 786,42	
		410-419m ²	R4 891,49	R4 891,49	
		420-429m ²	R5 009,23	R5 009,23	
		430-439m ²	R5 136,65	R5 136,65	
		440-449m ²	R5 265,07	R5 265,07	
		450-459m ²	R5 393,48	R5 393,48	
		460-469m ²	R5 521,90	R5 521,90	

	Final Tariff 2023/24	Final Tariff 2024/25
450-459m²	R5 615.79	R5 932.21
460-469m²	R5 732.03	R6 075.96
470-479m²	R5 848.78	R6 199.70
480-489m²	R4 000.54	R6 360.57
490-499m²	R6 093.93	R6 459.57
500-509m²	R6 210.68	R6 583.32
510-519m²	R6 339.09	R6 719.44
520-529m²	R6 455.83	R6 843.18
530-539m²	R6 584.25	R6 979.31
540-549m²	R6 700.99	R7 103.05
550-559m²	R6 817.74	R7 236.80
560-569m²	R6 932.80	R7 338.17
570-579m²	R7 052.89	R7 486.67
580-589m²	R7 179.64	R7 610.41
590-599m²	R7 296.38	R7 734.16
600-609m²	R7 413.12	R7 857.91
610-619m²	R7 506.51	R7 956.90
620-629m²	R7 658.28	R8 117.77
630-639m²	R7 833.59	R8 303.59
640-649m²	R7 903.44	R8 377.64
650-659m²	R8 081.85	R8 513.76
660-669m²	R8 148.59	R8 637.51
670-679m²	R8 265.34	R8 761.26
680-689m²	R8 382.08	R8 883.00
690-699m²	R8 533.84	R9 045.87
700-709m²	R8 627.24	R9 144.87
710-719m²	R8 732.30	R9 256.24
720-729m²	R8 860.72	R9 392.36
730-739m²	R8 977.46	R9 516.11
740-749m²	R9 082.53	R9 627.48
750-759m²	R9 222.62	R9 773.98
760-769m²	R9 327.69	R9 887.35
770-779m²	R9 456.11	R10 023.47
780-789m²	R9 572.85	R10 147.22
790-799m²	R9 701.26	R10 283.34
800-809m²	R9 829.68	R10 419.46
810-819m²	R9 934.75	R10 530.83
820-829m²	R10 051.49	R10 654.58
830-839m²	R10 191.58	R10 803.07
840-849m²	R10 296.65	R10 914.45
850-859m²	R10 425.06	R11 050.57
860-869m²	R10 530.13	R11 161.94
870-879m²	R10 646.87	R11 285.69
880-889m²	R10 786.96	R11 434.18
890-899m²	R10 892.03	R11 545.55
900-909m²	R11 028.77	R11 669.30
910-919m²	R11 137.39	R11 805.42
920-929m²	R11 253.93	R11 929.17
930-939m²	R11 370.67	R12 059.92
940-949m²	R11 487.42	R12 176.66
950-959m²	R11 615.83	R12 312.78
960-969m²	R11 744.25	R12 448.90
970-979m²	R11 860.99	R12 572.85
980-989m²	R11 985.41	R12 708.77
990-999m²	R12 094.48	R12 830.14
1000-1009m²	R12 222.89	R12 956.27
1010-1019m²	R12 339.63	R13 080.01
1020-1029m²	R12 456.38	R13 203.76
1030-1039m²	R12 573.12	R13 327.50
1040-1049m²	R12 701.53	R13 463.63
1050-1059m²	R12 816.28	R13 587.37
1060-1069m²	R12 935.02	R13 711.12
1070-1079m²	R13 051.76	R13 834.87
1080-1089m²	R13 156.83	R13 946.24
1090-1099m²	R13 308.59	R14 107.11
1100-1109m²	R13 425.33	R14 230.85
1110-1119m²	R13 542.08	R14 354.60
1120-1129m²	R13 647.14	R14 465.97
1130-1139m²	R13 775.56	R14 602.09
1140-1149m²	R13 903.98	R14 738.22
1150-1159m²	R14 020.72	R14 861.96

	Final Tariff 2023/24	Final Tariff 2024/25
1160-1169m²	R14.125.79	R14.973.33
1170-1179m²	R14.265.88	R15.121.83
1180-1189m²	R14.382.62	R15.245.58
1190-1199m²	R14.476.01	R15.344.57
1200-1209m²	R14.616.10	R15.493.07
1210-1219m²	R14.721.17	R15.604.44
1220-1229m²	R14.861.26	R15.752.94
1230-1239m²	R14.974.09	R15.876.68
1240-1249m²	R15.083.07	R15.988.06
1250-1259m²	R15.211.49	R16.124.18
1260-1269m²	R15.316.56	R16.255.35
1270-1279m²	R15.468.32	R16.396.92
1280-1289m²	R15.585.06	R16.520.17
1290-1299m²	R15.690.13	R16.631.94
1300-1309m²	R15.820.22	R16.780.03
1310-1319m²	R15.935.29	R16.891.41
1320-1329m²	R16.052.03	R17.013.15
1330-1339m²	R16.180.43	R17.151.27
1340-1349m²	R16.285.51	R17.411.14
1350-1359m²	R16.425.61	R17.262.65
1360-1369m²	R16.530.67	R17.522.51
1370-1379m²	R16.647.41	R17.646.26
1380-1389m²	R16.787.51	R17.794.76
1390-1399m²	R16.892.57	R17.906.13
1400-1409m²	R17.009.42	R18.029.87
1410-1419m²	R17.126.06	R18.153.62
1420-1429m²	R17.242.80	R18.277.37
1430-1439m²	R17.382.89	R18.425.86
1440-1449m²	R17.487.96	R18.537.24
1450-1459m²	R17.616.37	R18.673.36
1460-1469m²	R17.733.12	R18.797.10
1470-1479m²	R17.849.86	R18.920.85
1480-1489m²	R17.989.95	R19.069.35
1490-1499m²	R18.095.02	R19.180.72
1500m²	R18.211.76	R19.304.46

	Final Tariff 2023/24	Final Tariff 2024/25
(e) For areas greater than 1,500m ² .	Sliding scale - 1500m ² = R15,600 + 50% of rate R60.00 (R30.00) per 10m ² plus R380 for first 20m ²	Sliding scale - 1500m ² = R19,304 + 50% of rate R62.00 (R31.00) per 10m ² plus R470 for first 20m ²
2. Fees payable to renew plans where the application has not yet been issued - 50% of the fees prescribed in (1) above	R315.20	R334.12
3. Minor alterations/renovations approved, per certificate	R1844.32	R1935.20
4. Major alterations to industrial/commercial buildings	R820.23	
5. Applications for the relocation of building lines, side and rear fences, per applications		
6. Alterations to existing buildings, including alterations to floor layout plans, pedestrian malls, toilets, fire fighting equipment, refuse equipment, refuse areas and substations	- 50% of the fees prescribed in (1) above	
7. Swimming pools and miscellaneous fixed lifts for plans for swimming pools and other installations (Additional to other plan fees)	R396.52	R420.74
8. Fees as a result of infraction. Per neglect in accordance with section 14A(1)		
9. Sanitation in accordance with section 225		
10. Fire fighter per hour or part thereof	Cost + 10%	Cost + 10%
11. Officer per hour or part thereof	Cost + 10%	Cost + 10%
12. Hire in respect of street projections payable per annum	R0.00	
13. Veranda posts - each	R17.51	R18.56
14. Veranda and cantilever canopies per square metre or part thereof	R5.84	R6.19
15. Under each category - Minimum	R70.05	R74.25
16. Under each category - Maximum	R128.42	R136.12
17. Encroachments at building sites, payable per month	R0.00	R0.00
18. General building work including boardings for construction work, demolition, material storage on Council property or encroachment on parking areas, per square metre or part thereof	R17.51	R18.56
19. At construction sites affixed 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	R17.51	R18.56
20. Buildings plan statistics payable annually	R385.25	R408.36
21. The following fees shall be paid for the examination and approval of plans for the installation of essential services in respect of new townships development.	R0.00	R0.00
(a) Basic fee	R291.86	R309.37
(b) Water reticulation, per linear metre	R4.67	R4.95
(c) Sewerage reticulation, per linear metre	R4.67	R4.95
(d) Storm water drainage, per linear metre	R4.67	R4.95
(e) Streets, per linear metre	R4.67	R4.95
(f) Rail Stations	R4.67	R4.95
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%
22. Search and handling fee on each building plan file	R93.39	R99.00
23. Submission fee for cellular plans	R1844.52	R1955.20
24. Leasing of Fibre Optic Cables - Application Fee from 0km to 10km	R6747.69	R7152.55
25. Leasing of Fibre Optic Cables - per kilometre after 10km	R677.10	R717.73
26. Submission fee for applications for Lease of land	R618.73	R655.66
27. Buildings law offences and penalties		
28. Offence	R0.00	
29. Buildings not to Local Government Approval	R128.42	R136.12
30. Commencement and erection of structures without approved building plans having been warned by Council (first offence)	R11,236.00	R11,910.16
31. Commencement and erection of structures without approved building plans having been warned by Council (second offence)	R23,708.00	R35,730.48
32. Commencement and erection of structures without approved building plans having been warned by Council (third offence)	R67,416.00	R71,460.96
33. Occupying a building prior to issue of occupation certificate by Local Authority per complete unit occupied	R5,510.22	R5,840.84
34. Changing the use of a building without consent of Local Authority and/or not complying with notice to cease the new use	R5,510.22	R5,840.84
35. Deviation from approved plans to material degree (above 10% of the floor area)	R5,510.22	R5,840.84
36. Carrying out plumbing work by person other than trained plumber or exempted person	R5,510.22	R5,840.84
37. Putting into use a drainage system prior to an inspection and approval by Local Authority	R5,510.22	R5,840.84
38. No notice given for installation of sewer and drainage installation	R5,510.22	R5,840.84
39. Breach of drainage sewer installation prior to testing and approval	R5,510.22	R5,840.84
40. No notice given of intention to commence with construction or demolish a building	R5,510.22	R5,840.84
41. No notice given for inspection of trenches or excavation prior to placing of concrete for foundation	R5,510.22	R5,840.84
42. Construction of foundation before approval of trenches	R5,510.22	R5,840.84
43. Failure to comply with a notice to cut into or lay open work or to cut out tests	R5,510.22	R5,840.84
44. Breach of demolition of building without providing sanitary facilities for employee	R5,510.22	R5,840.84
45. Demolishing a building without permission from Local Authority	R5,510.22	R5,840.84
46. Breach of demolishing a building without erecting a hoarding	R5,510.22	R5,840.84
47. No notice given for the inspection of the roof	R5,510.22	R5,840.84

	Final Tariff 2023/24	Final Tariff 2024/25
Leaving a building in course of demolition in a state dangerous to the public or any adjoining property	R5,510.22	R5,840.84
Failing to comply with a notice to remove rubble, rubbish and/or debris from a building site	R5,510.22	R5,840.84
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	R5,510.22	R5,840.84
Permitting sewage to enter a street, stormwater drain or stormwater system or the neighbours property	R5,510.22	R5,840.84
Permitting storm water to enter any sewer system	R5,510.22	R5,840.84
Failing to control access to a swimming pool	R5,510.22	R5,840.84
When an unoccupied/vacant property is kept in a unsightly objectionable and not in the interest of good health and hygienic condition	R6,502.51	R6,892.68
Harassment or obstructing/failing to comply with the instructions of a building inspector (Authorized by the Council) in the exercise of his powers	Amount was omitted	R 20,000.00
Expropriation of land at a nominal value (not exceeding 10%) should the property be classified as unsightly and objectionable. To be determined by the Municipal valuer.		
COSTS OF INFORMATION FROM GEOGRAPHIC INFORMATION SYSTEM (GIS)		
A4 size - fully color information	R46.70	R49.50
A3 size - fully color information	R93.39	R99.00
A2 size - fully color information	R140.09	R148.50
A1 size - fully color information	R186.79	R197.99
A0 size - full color information	R233.48	R247.49

	Final Tariff 2023/24	Final Tariff 2024/25
ADVERTISING SIGN BYLAWS		
A1 OUTDOOR ADVERTISING		
All applications shall be in accordance with the Newcastle Municipality's Outdoor Advertising Policy and By-laws		
(a) Temporal Advertising Signs		
(i) In respect of general advertisements of a commercial nature, events:		
(aa) Each poster with an approval sticker	R46.70	R49.50
(ab) Removal of posters by Council for each poster logo:	R70.05	R74.25
(ii) In respect of general advertisements for awareness campaigns with commercial content:		
(aa) Each poster with an approval sticker	R35.02	R37.12
(ab) Removal of posters by Council for each poster	R70.05	R74.25
(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 approval sticker	R23.35	R24.75
(ab) Removal of posters by Council for each poster	R70.05	R74.25
(iv) In respect of election advertisements, per party/ per candidate:		
(aa) Posters unlimited number	R3,303.80	R3,502.03
(ab) Removal of posters by Council for each poster	R70.05	R74.25
(v) Banners:		
(aa) Per Banner with an approval sticker	R1,225.79	R1,299.34
(ab) Removal of banners by Council for each banner	R653.76	R692.98
(b) Aerial Advertisements		
(i) Application Fee	R2,696.74	R2,848.55
(c) Advertising Vehicles		
(i) Application Fee	R863.89	R915.72
(ii) Annual display fee, per sign	R7,354.75	R7,796.03
(d) Building Attachment Signs		
(i) Application Fee	R607.06	R643.48
(ii) Annual display fee, per sign on Private Building	R1,844.52	R1,953.20
(iii) Annual display fee, per sign on Municipal Building	R2,451.58	R2,598.68
(e) Electric and Illuminated Signs		
(i) Application Fee	R1,844.52	R1,953.20
(ii) Annual rental rate for electronic advertisement, unless rate is erected on private or Council property	R7,354.75	R7,796.03
(f) Ground Signs (excluding billboards)		
(i) Application Fee	R1,470.95	R1,559.21
(ii) Encroachment fee (Council land), per square metre for each sign type	R4,296.11	R4,535.87
(iii) Annual display fee, per sign	R2,206.42	R2,338.81
(g) Projector Signs		
(i) Application Fee	R735.47	R779.40
(ii) Annual display fee, per sign	R1,844.52	R1,953.20
(iii) Encroachment fee (Council land), for each sign type	R2,813.48	R2,982.29
(h) Estate Agents Boards		
(i) Advertising Permit (per Agent - non refundable)	R1,225.79	R1,299.34
(ii) Annual display fee	R5,510.22	R5,840.84
(i) Portable Boards		
(i) Application Fee	R735.47	R779.40
(ii) Annual display fee, per sign	R5,510.22	R5,840.84
(j) Veranda/Under-Canopy Signs		
(i) Application Fee	R735.47	R779.40
(ii) Annual display fee, per sign	R1,844.52	R1,953.20
(k) Wall Signs/Facade Signs		
(i) Application Fee	R2,451.58	R2,598.68
(ii) Annual display fee, per sign	R3,055.64	R3,242.16
(m) Billboards		
(i) Application Fee	R2,451.58	R2,598.68
(ii) Annual display fee, per sign	R6,125.96	R6,496.69
(iii) Annual display fee, per sign on Council property	R24,515.83	R25,986.78
(n) Headline Poster		
(i) Application Fee	R9,187.60	R9,738.85
(ii) Annual display fee, per sign	R3,187.06	R3,378.28
(o) Penalties		
(i) For the erection of any sign without approval, per week	R2,451.58	R2,598.68
(ii) For the erection of any billboard without approval, per week	R6,374.12	R6,736.56
(iii) For the erection of posters without approval, per week	R2,451.58	R2,598.68

	Final Tariff 2023/24	Final Tariff 2024/25
In terms of Section 1(2)(f) 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	R4 67	R4 05
Copies of documents - per F3	R5 84	R6 19
Amendment of Scheme		
- Processed in the application	R4 206,11	R4 551,87
- Translation fee	R735,47	R779,60
Plus if the property is:		
≤ 0,3 ha	R735,47	R779,60
≥ 0,3 ha but ≤ 1,0 ha	R1 090,05	R1 175,59
≥ 1,0 ha but ≤ 5,0 ha	R1 470,95	R1 559,21
≥ 5,0 ha but ≤ 10,0 ha	R2 206,42	R2 338,81
≥ 10 ha	R3 070,32	R3 254,53
Relaxation of a building line in terms of the scheme	R533,94	R589,97
Zoning Certificate (With the consent of the registered owner) - A4 Certificate	R1 866,79	R1 977,99
Consent in terms of scheme	R1 245,79	R1 297,34
- Subdivision and consolidation of land up to 5 portions of land	R3 608 + R366 per new subdivision	R3 824,50 + R387,96 per new subdivision
- Subdivision and consolidation of land over 5 portions	R3 012,38 + R426,80 per new subdivision	R3 193,12 + R452,41 per new subdivision

	Final Tariff 2023/24	Final Tariff 2024/25	1st OFFENCE	2nd OFFENCE	3rd OFFENCE	1st OFFENCE	2nd OFFENCE	3rd OFFENCE
- Cancellation of a proposed layout plan	R4,286.11							
- Alteration, suspension and deletion of condition of title relating to land	R3,070.32							
- Alteration, suspension and deletion of condition	R3,315.47							
- Development situated outside the town planning scheme - For non-residential purposes	R7,334.75							
- Development situated outside the town planning scheme - For residential purposes								
Eastern Area								
- Closure of municipal roads	R4,903.17							
- Closure of public place	R3,677.37							
-	R3,677.37							
-	R3,677.37							
Fines								
LAND USE ACTIVITY								
Entry Level of an offence (Plus the value of the offence)	R607.06							
Accommodation and Dwelling	R8,580.54							
Aerodrome	R17,830.36							
Agricultural Activity and Related	R7,334.75							
Battlement	R14,709.50							
Builder's Yard	R15,283.17							
Car Wash Eastern Region	R4,494.40							
Car Wash Western Region	R11,216.00							
Cemeterium	R22,472.00							
Chimney	R1,528.32							
Club Building	R3,070.32							
Conservational Activity and Related	R7,334.75							
Convention Centre	R3,677.37							
Conventional Facility	R4,903.17							
Crematorium	R1,032.12							
Education	R1,032.12							
Extraneous Road	R1,032.12							
Extraneous Industry	R4,903.17							
Funeral Parlour and Related	R3,677.37							
Future Road	R7,334.75							
Garden	R4,903.17							
General Industrial Building	R735.47							
Government Premises	R4,903.17							
Hall	R6,128.96							
Higher Education Institution	R2,451.58							
Home Activity	R14,709.50							
Home Business	R735.47							
Hotel	R7,334.75							
Industrial Activity and Related	R30,644.79							
Institutional	R7,334.75							
Landfill Site	R8,580.54							
Landmark Structure	R8,580.54							
Landscape	R7,334.75							
Market Stable	R3,677.37							
Medical Related	R980.63							
Mixed Use	R12,257.91							
Motor Trade Shop	R20,377.56							
Obstruction or Hindrance to an Officer Authorised by Council in the exercise of his duties	R28,019.14							
Parking Garage	R14,709.50							
Place of Worship	R7,334.75							
Place of Worship	R5,160.61							
Place of Worship	R24,515.83							
Police Station	R4,903.17							
Prison	R20,338.45							
Professional/Private/Public Office	R7,334.75							
Public Park	R1,844.52							
Railway Line	R7,334.75							
Reformatory	R4,903.17							
Restricted Building	R4,903.17							
Road Closure	R4,903.17							
Service Road Station	R7,641.58							
Service Station	R20,838.45							
Shop	R43,302.31							
Small Holding	R7,334.75							
	R8,915.18							

	Final Tariff 2023/24	Final Tariff 2024/25	Final Tariff 2024/25	Final Tariff 2024/25	Final Tariff 2024/25
Special Use	R7 354.75	R22 064.25	R7 796.03	R16 200.16	R23 388.10
Special Use as part of a School or Higher education Institution	R4 903.17	R11 032.12	R5 071.36	R8 100.08	R11 694.05
Barren	R7 354.75	R22 064.25	R7 796.03	R16 200.16	R23 388.10
Transport Depot	R6 128.96	R12 257.91	R6 496.69	R9 450.09	R12 293.39
Truck Sheds <10% of the lot area	R4 903.17	R12 257.91	R5 197.36	R8 100.08	R12 293.39
Truck Sheds >10% & above of the lot area	R4 903.17	R13 483.71	R5 197.36	R9 450.09	R14 292.73
Warehouse	R30 644.79	R85 805.40	R32 883.47	R67 500.66	R90 933.72
Waste Recycling Centre	R3 677.37	R14 709.50	R3 898.02	R9 450.09	R15 592.07
Waste Transfer	R5 521.90	R12 257.91	R5 855.21	R9 450.09	R12 993.39
Welfare Centre	R7 735.47	R2 451.58	R7 993.39	R1 684.30	R2 598.68
Wholesale	R2 257.91	R34 322.16	R17 993.39	R24 300.24	R36 381.49
Worship	R4 296.11	R11 797.80	R4 533.87	R8 100.08	R12 993.39
Removal of Container		R303 per db			R12 505.67
Storage of Container		R7 355.09			R7 796.39
Removal of Vehicle/Trailer		R303 per db			R321 Per db
Storage of Vehicle/Trailer		R7 355.09			R7 796.39
Removal of Shack		R303 per db			R321 per db
Storage of Shack		R22 064.25			R23 388.10
Cellular Mast and Base Station	R7 354.75	R14 709.50	R7 796.03	R15 592.07	R23 388.10
(No refunds on all applications)					
If the application is consolidated individual tariff will be applicable to each 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					
(All posting, display and advertisement costs shall be borne by the applicant. When the application is accepted as completed, it shall be acknowledged and the applicant will be notified in writing of the date for advertisement of the application in the relevant news paper as determined by Council.)					
All the abovementioned tariffs in respect of services rendered are subject to value added tax as determined from time to time					
Trading Violations according to Municipal By-laws:					
Administration fee for business applications					
Trading without trading license within the formal economy	1st OFFENCE 2ND OFFENCE 3RD OFFENCE	R 5 618.00 R 561.80	R 11 236.00 R 1 123.60	R 16 854.00 R 1 685.40	1st OFFENCE 2ND OFFENCE 3RD OFFENCE R 17 865.24 R 1 910.16 R 1 786.52
Trading without trading license within the informal economy					

Annexure F
Budget Funding Plan

NEWCASTLE MUNICIPALITY

REVISED BUDGET FUNDING PLAN 2024/25 – 2028/29

1. PURPOSE

This Budget Funding Plan 2024/25 (BFP) has been developed in in order to take into account the impact of the unfunded adjustments budget which was approved by the municipal council in February 2024. Since council is required to approve the annual budget for 2024/25, it is necessary that the plan be aligned to the annual budget in order to ascertain its credibility going forward. The purpose of the BFP is to ensure that the municipality implements strategies over time to move 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.

2. LEGISLATIVE FRAMEWORK

This report is prepared in line with MFMA; Section 16 which requires that the council should approve a funded budget. mSCOA regulation 1, further emphasises that all budget items should be linked to each revenue source.

3. BACKGROUND

The 2024/25 medium term budget framework indicates that the municipality will be operating with an unfunded budget for at least the next financial year. It is therefore imperative that a credible 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 through the various National Treasury circulars, however the situation in Newcastle Municipality warrants a budget funding plan to be put in place and implemented since the budget is current unfunded.

4. DISCUSSION

4.1 High level operational results

The table below reflects a high level of annual operating results of the municipality's budget over the next three years. Evidently, the municipality is projecting a deficit of R103.7 million for the year 2024/25, and surplus of R28.47 million and R82.42 million, 2025/26 and 2026/27 financial years respectively:

Table 1: Budget summary (financial and capital performance)

Description	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
	R'000	R'000	R'000
Total Revenue Budget	2 621 561	2 788 519	3 005 939
Total Expenditure Budget	2 887 644	2 911 809	3 089 547
Surplus/(Deficit)	(103 706)	28 475	82 429
Capital expenditure	173 486	154 966	169 238

From Table 1 the above, it is evident that the municipality is not financially viable and does not have sufficient revenue and service delivery will be compromised if the situation is not addressed. The municipality is currently operating with the operational deficit, and not viable to provide for all its requirements including the impairment of assets and depreciation.

A high-level assessment that 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 other revenue generation streams;
- Reserves, conditional grants and reserves not 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 tariffs compared to the revenue tariff increase;
- High water and electricity losses;
- Indigent consumers consuming more than what they can afford;
- Actions and spending that give rise to unplanned cash outflows.

4.2 Strategic objectives of the Revised Budget Funding Plan (BFP) 2024/25

The main objective of the BFP is to ensure financial viability and sustainability, achieve a funded budget and to subsequently ensure the ability of the municipality to meet its obligations in terms of the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP). In order to achieve these objectives, the municipality has developed strategies which are aimed at improving its financial status over the next 5 years. These strategies have been developed by senior management of the municipality, in consultation with all other internal and external stakeholders. The plan indicates the key focus areas, the responsible officials, the time frames for implementation of activities, the revenue and costs projected to be generated or incurred over the duration 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:

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

The Newcastle Municipality is planning to apply a steady tariff increase of at least 6% in line with the consumer price index (CPIX) target, and in line with National Treasury budget guidelines. Electricity is projected to increase by between 11.23% which was derived from using the NERSA tariff setting tool. The municipality will however introduce the National Treasury tariff setting tool, which will ensure that cost-reflective tariffs are phased-in gradually as required by National Treasury. Furthermore, through various revenue enhancement strategies the collection rate is projected to steadily improve from 82% to 87% over the next five financial years. The incentive schemes that have been approved by council and are being rolled-out to communities will ensure that the collection rate improves.

4.2.2 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 only. The departments are being encouraged to

investigate and access all grant opportunities available with other external stakeholders in order to lessen the impact of rates and service charges to deliver services. Equally, the municipality will 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 at the end of the financial year.

4.2.3 Disposal and rental of unused land and other properties.

The municipality has already identified and submitted items to council for disposal of unused land for private and commercial purposes. For some of the properties, the municipality has already received bids from the public and some have been awarded through the supply chain management processes, with the transfer processes continuously underway. Strides are being made to rent out office space and to review rental agreements in other properties so that the municipality will generate more revenue going forward. The strategies 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, renting out of the office space to KZN CoGTA and review of the golf course rental. These processes are already at advanced stages.

4.2.4 Delay recruitment of non-critical positions

The delay in the appointment of new staff has been one of the strategies to limit monthly employee-related costs. These include positions that will be exited in the past financial years and those considered as not critical. Management will also make use of reinstated employees to allocate skills where they are needed accordingly. The allocation of overtime work will also be monitored through the Interim Finance Committee to ensure that it is kept to a minimum.

4.2.5 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 long-term 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. The municipality will also consider the possibility of settling some of the loans earlier in order to reduce the impact of the finance charges in its budget.

4.2.6 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 a minimum over the next five years. In this case, focus shall be given to other expenditure and contracted services. The municipality will utilise monthly reports to this plan, as well as the monthly section 71 reporting to trace and monitor expenditure. The municipality has also established the Interim Finance Committee which deals with scrutinising of all purchase requisitions in line with the budget and the cost containment policy.

4.2.7 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 current commitments, internal funding is expected to be reduced gradually over the next five years. To supplement this, the municipality is planning to improve the submission of business plans to donor institutions to ensure that those projects that were funded internally are in future funded from grants instead. It is evident from the 2023/24 budget and beyond, that the internally funded capital budget has been reduced drastically in line with this strategy.

4.2.8 Improve payment of creditors

The municipality will make use of the Interim Finance Committee to ensure that the payment of key creditors is prioritised. These include the payment of current account and arrear debt to Eskom, uThukela Water, SARS, 3rd party payments and loans. The strategy will also be used 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 and to ensure that interest and penalties on late payment are not incurred. The municipality is planning to finalise the payment agreement with uThukela Water before the end of the financial year in order to ensure that its debt is serviced with effect from 2024/25 going forward.

4.2.9 Cash-backing of provisions and reserves

One of the key challenges to the funding position of the budget is that provisions and reserves of the municipality are cash-backed. These include unspent grants, provisions, Housing Development Fund, Insurance Reserve and outstanding creditors which need to be cash-backed in line with the Funding and Reserves Policy of Council. The municipality will use the opportunity of each budget process to ensure all excess funds are invested to ensure funding of all provisions and reserves is achieved over the period of the plan. The municipality is planning to budget for the portion of the unspent condition grants in order to ensure that the balance is reduced and eventually eliminated during the implementation of the plan. Likewise, the payment of creditors, cost containment and improvement in the collection rate will result in the more cash been available to cash-back other provisions and reserves.

4.2.10 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 configured to ensure that VAT is accounted for correctly. The municipality has already engaged the VAT speciality to recover all the PAYE and VAT penalties and interest paid by the municipality in the past 8 financial year. This is estimated at R9 million.

4.3 Status of implementation of the BFP strategies

The following table depicts that status of the implementation of the BFP strategies at mid-year. Although the plan covers a period of five years, it is however clear from the status that most of the strategies are already being implemented.

Mid-Year Budget Funding Plan Reporting Template

Municipality: Newcastle Local Municipality

DECEMBER

2023

Budget Funding Plan

STATUS Task completed:
PERCENT 100%



Completed:
%



Completed:



No.	Strategy	Key Activities	Responsible Person	Start Date	End Date	Status & percentage	Comments regarding status and progress related to activities
1	Inflation link triff increase and improved collection	Steadily increase revenue based on CPI target	MM & CFO	2018/01/07	Continuous	85%	Task almost completed
2	increase and improved collection rate	Steadily increase revenue based on CPI target	MM & CFO	2018/01/07	Continuous	85%	Task almost completed
3	Inflation link triff increase and improved collection	Steadily increase revenue based on CPI target	MM & CFO	2018/01/07	Continuous	90%	Task almost completed
4	Ensure full access to all government grants	Submit business plans and ensure conditional grants are fully spent	MM & CFO	2020/01/07	Continuous	70%	Task almost completed
5	Improve utilisation of land and other assets	Identify unused land for residential and business use	MM & CFO	2022/01/07	Continuous	70%	Task almost completed
6	Curb recruitment on new personnel	Do not fill any non-critical positions being vacated	MM & CFO	2022/01/07	Continuous	40%	Task commenced
7	No commitment on new loans - interest	No new capital expenditure will be financed through external loans	MM & CFO	2020/01/07	Continuous	70%	Task almost completed
8	No commitment on new loans - capital	No new capital expenditure will be financed through external loans	MM & CFO	2020/01/07	Continuous	70%	Task almost completed
9	Limit exhorbotant increase in non-core expenditure	Reduction and very minimal increase on contracted services	MM & CFO	2020/01/07	Continuous	70%	Task almost completed
10	Limit exhorbotant increase in non-core expenditure	Reduction and very minimal increase on other expenditure	MM & CFO	2020/01/07	Continuous	70%	Task almost completed
11	Reduce internally funded capital expenditure	Seperately invest conditional grants and fast track early appointment of service providers	MM & CFO	2018/01/07	Continuous	85%	Task almost completed
12	Reduce unspent conditional grants	Priotise payment of grant related payments and clean up the grant register	MM & CFO	2018/01/07	Continuous	45%	Task commenced
13	Improve payment of creditors	Keep up with the Eskom agreement and ensure timely payment of other creditors	MM & CFO	2020/01/07	Continuous	30%	Task almost completed
14	Ensure cash-backing of provisions	Build up reserves up ensuring increased cash and cash equivalents	MM & CFO	2020/01/07	Continuous	30%	Task commenced
15	Ensure cash-backing of reserves	Build up reserves up ensuring increased cash and cash equivalents	MM & CFO	2019/01/07	Continuous	45%	Task commenced
16	Claim all vat receivable from SARS	Ensure timely payment of invoices and submission of Vat returns	MM & CFO	2020/01/07	Continuous	85%	Task almost completed

5 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 from 2028/2029 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)	2024/25	2025/26	2026/27	2027/28	2028/29
				2023/24	2023/24	2023/24	Year 1	Year 2	Year 3	Year 4	Year 5
1	Inflation linked tariff increase and improved collection rate	Property rates	Steadily increase revenue based on CPI target	194 738 666	232 321 550	37 582 884	27 311 567	-13 503 083	21 055 846	16 739 397	17 492 670
2	Inflation linked tariff increase and improved collection rate	Service charges	Steadily increase revenue based on CPI target	855 248 528	855 248 528	0	11 673 305	133 322 863	153 180 657	85 578 837	90 713 567
3	Inflation linked tariff increase and improved collection rate	Other revenue	Steadily increase revenue based on CPI target	-181 657 978	-134 120 636	47 737 342	1 685 675	25 229 874	39 240 342	15 528 725	16 227 517
4	Ensure full access to all government grants	Transfers recognised - operational	Submit business plans and ensure conditional grants are fully spent	173 301 261	185 084 261	11 783 000	109 687 617	31 729 373	22 098 000	32 531 445	33 995 360
5	Ensure full access to all government grants	Transfers recognised - capital	Submit business plans and ensure conditional grants are fully spent	173 564 201	164 829 201	-8 735 000	-69 656 617	-10 610 074	14 272 123	7 471 729	7 807 957
6	Dispose unused land and other assets	Proceeds on disposal of PPE	Identify unused land for residential and business use	18 590 730	16 590 730	0	-10 000 000	10 000 000	-10 000 000	450 000	470 250
7	Curb recruitment of new personnel	Employee related costs	Do not fill any non-critical positions being vacated	567 228 687	550 990 359	-16 238 328	1 677	1 651	16 899	3 267	3 463
8	No commitment on new loans - interest	Finance charges	No new capital expenditure will be financed through external loans	24 005 649	24 345 649	340 000	2 245 124	3 755 385	4 078 258	6 989 007	503 513
9	No commitment on new loans - capital	Repayment of borrowing	No new capital expenditure will be financed through external loans	-31 824 258	-31 824 258	0	1 095 701	-3 803 225	-3 516 165	-1 974 960	-2 071 733
10	Limit exorbitant increase in non-core expenditure	Contracted services	Reduction and very minimal increase on contracted services	155 226 986	215 021 553	59 794 567	-7 557 745	-12 982 966	4 104 172	-17 507 835	-8 986 660
11	Limit exorbitant increase in non-core expenditure	Other expenditure	Reduction and very minimal increase on other expenditure	109 894 623	137 399 997	27 505 374	4 567 567	3 986 720	5 435 447	-6 413 305	-25 451 309
12	Reduce internally funded capital expenditure	Internally generated funds	Separately invest conditional grants and track early appointment of service providers	15 793 549	20 092 905	4 299 356	-7 757 061	-7 910 000	0	156 800	164 463
13	Reduce unspent conditional grants	Unspent conditional transfers	Prioritise payment of grant related payments and clean up the grant register	-70 842 252	-61 547 396	9 294 856	0	-30 000 000	-8 582 664	7 724 416	8 419 613
14	Improve payment of creditors	Other working capital requirement	Keep up with the Eskom agreement and ensure timely payment of other creditors	820 734 959	811 690 146	-8 844 813	240 339 930	-124 790 638	122 767 088	20 071 121	21 877 521
15	Ensure cash-backing of provisions	Other provisions	Build up reserves up ensuring increased cash and cash equivalents	-50 661 105	-47 505 105	3 156 000	467	570 459	593 277	755 835	792 871
16	Ensure cash-backing of reserves	Reserves to be cash-backed	Build up reserves up ensuring increased cash and cash equivalents	-1 408 932	-3 805	1 405 127	315	1 760 646	1 702 650	1 752 027	1 837 876
17	Claim all vat receivable from SARS	Statutory requirements	Ensure timely payment of invoices and submission of Vat returns	-22 917 908	-22 917 908	0	35 840 549	-2 585 890	6 335 031	7 058 345	7 806 629

The table above reflects the impact of the implementation of the strategies above over the next five financial years. The majority of strategies indicate that they will be a relatively improvement in revenue due to the steady increase in tariffs and grants. The strategies on expenditure indicate that they will be no significant increase in other expenditure, contracted services, finance charges and internally funded capital expenditure as required by the strategies. The payment of unspent grants, creditors will begin to improve. The impact of all these will result in the municipality being able to raise adequate cash to back-up its reserves and provisions.

6 Operating Financial Performance

The municipality will continue its strides to accelerate revenue as part of its long-term plan. Property rates, water, sewer, refuse and sundry tariffs will be increase by at least 6% while the electricity tariffs will between 12%-15% as per the recent NERSA guideline over the medium-term framework and over the next five years. This will ensure that the municipality is able to provide minimum level of basic services within the CPIX increases but also not putting pressure to consumers. The municipality is also planning to ensure that non-essential expenditure is eliminated in order to ensure the operating deficit is recued on the period of the plan. While the increase will be noted on some of expenditure items like employee costs, councillor remuneration and bulk purchases however 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 or maintenance.

The table below depicts the projected financial outcome of the plan.

Table 4: Financial Performance
Municipality

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

Description	Original Budget	Proposed Adjusted Budget	Increase / (Decrease)	Year 1	Year 2	Year 3	Year 4	Year 5
R thousand	2023/24	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Revenue By Source								
Exchange Revenue								
Service charges - Electricity	882 022 129	863 906 961	-18 115 168	870 386 686	979 185 023	1 111 375 000	1 122 488 750	1 133 713 638
Service charges - Water	219 985 933	220 069 788	83 855	237 039 675	251 262 055	266 337 779	278 322 979	290 847 513
Service charges - Waste Water Management	133 580 398	154 290 398	20 710 000	142 374 684	150 917 165	159 972 195	167 170 944	174 693 636
Service charges - Waste Management	110 148 409	109 788 409	-360 000	114 956 623	121 854 021	129 165 262	134 977 699	141 051 695
Sale of Goods and Rendering of Services	-	13 504 766	13 504 766	7 243 100	14 818 158	21 486 330	22 453 215	23 463 610
Agency services	-	-	-	-	-	-	-	-
Interest:	-	-	-	-	-	-	-	-
Interest earned from Receivables	5 877 010	947 010	-4 930 000	4 140 413	4 330 873	6 279 765	6 562 354	6 857 660
Interest earned from Current and Non Current Assets	5 330 350	5 330 350	-	5 591 537	5 848 748	8 480 684	8 862 315	9 261 119
Dividends	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-
Rental from Fixed Assets	8 804 450	11 099 450	2 295 000	11 643 320	12 178 913	17 659 423	18 454 097	19 284 531
Licence and permits	-	-	-	-	-	-	-	-
Operational Revenue	8 490 177	1 291 552	-7 198 625	8 278 238	1 417 162	2 054 884	2 147 354	2 243 985
Non-Exchange Revenue								
Property rates	396 740 939	396 614 439	-126 500	423 760 280	412 859 715	437 631 298	457 324 706	477 904 318
Surcharges and Taxes	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	4 830 888	7 245 888	2 415 000	7 600 938	7 950 581	11 528 342	12 047 117	12 589 238
Licences or permits	34 224	34 224	-	35 901	37 552	54 451	57 718	61 181
Transfer and subsidies - Operational	577 623 010	604 151 702	26 528 692	689 093 627	720 823 000	722 921 000	755 452 445	789 447 805
Interest	-	3 000 000	3 000 000	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-
Gains on disposal of Assets	2 000 000	-	-2 000 000	-	-	-	-	-
Other Gains	-	5 757 000	5 757 000	99 416 255	105 035 810	110 992 539	115 987 203	121 206 627
Discontinued Operations	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	2 355 467 917	2 387 031 937	41 564 020	2 621 561 277	2 788 518 776	3 005 938 952	3 102 308 897	3 202 626 556
Expenditure By Type								
Employee related costs	724 604 105	708 365 777	-16 238 328	762 698 000	780 252 997	815 148 066	855 090 321	896 989 746
Remuneration of councillors	28 442 547	26 986 547	-1 456 000	28 442 548	29 750 905	31 089 696	32 613 091	34 211 133
Bulk purchases - electricity	660 932 502	654 132 502	-6 800 000	725 201 396	716 079 417	823 491 329	928 486 474	1 046 868 499
Inventory consumed	4 312 664	161 758 894	157 446 230	174 154 265	182 125 850	190 317 634	161 769 989	137 504 491
Debt impairment	308 145 223	285 207 327	-22 937 896	294 207 326	299 425 387	305 164 657	259 389 959	220 481 465
Depreciation and amortisation	379 138 608	379 138 606	-2	352 716 398	371 011 352	389 731 863	428 705 049	471 575 554
Interest	32 205 273	32 545 273	340 000	30 300 149	26 544 764	22 466 506	19 096 530	16 232 051
Contracted services	207 360 872	267 155 439	59 794 567	259 597 694	246 614 728	250 718 900	233 111 065	224 144 405
Transfers and subsidies	-	-	-	-	-	-	-	-
Irrecoverable debts written off	89 312 265	93 659 255	4 346 990	93 659 255	89 350 929	85 330 137	72 530 616	61 651 024
Operational costs	134 593 594	162 098 968	27 505 374	166 666 534	170 653 254	176 088 701	169 675 396	144 224 086
Losses on disposal of Assets	-	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-
Total Expenditure	2 588 047 653	2 771 048 588	202 000 935	2 887 643 565	2 911 808 583	3 089 547 489	3 160 468 490	3 253 892 454
Surplus/(Deficit)	-213 579 736	-374 016 651	-160 436 915	-266 082 288	-123 290 807	-83 608 537	-58 159 593	-51 255 898
Transfers and subsidies - capital (monetary allocations)	240 769 990	232 034 755	-8 735 235	162 376 373	151 766 299	166 038 421	173 510 150	181 318 107
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	27 190 254	-141 981 896	-169 172 150	-103 705 915	28 475 492	82 429 884	115 350 557	130 062 209
Income Tax	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	27 190 254	-141 981 896	-169 172 150	-103 705 915	28 475 492	82 429 884	115 350 557	130 062 209
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	27 190 254	-141 981 896	-169 172 150	-103 705 915	28 475 492	82 429 884	115 350 557	130 062 209
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	27 190 254	-141 981 896	-169 172 150	-103 705 915	28 475 492	82 429 884	115 350 557	130 062 209

Table 4 above indicates that the strategies that are in place will assist to improve the deficit of the municipality of the next 5 years from the deficit of R103.7 million in 2024/25 to the surplus of R130. million in 2028/29 financial years inclusive of capital grants. It therefore becomes critical that the municipality closely monitors this plan in order to

achieve such favourable outcome. In order improve the financial viability and to achieve a positive A7/B7 positions, the following has been budgeted for in 2024/25 budget.

7 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
Municipality: Newcastle Local Municipality
Financial Impact of the Budget Funding Plan on the Capital Financial Performance (Table A5/B5)

Description	Original Budget	Proposed Adjusted Budget	Increase / (Decrease)	Year 1	Year 2	Year 3	Year 4	Year 5
R thousand	2023/24	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Capital Expenditure - Functional								
<i>Governance and administration</i>	4 700 000	7 329 583	2 629 583	3 250 000	2 400 000	-	-	-
Executive and council	-	1 756 824	1 756 824	-	-	-	-	-
Finance and administration	4 700 000	5 572 759	872 759	3 250 000	2 400 000	-	-	-
Internal audit	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	35 375 705	41 277 337	5 901 632	20 230 576	22 178 042	11 120 000	11 664 880	12 236 459
Community and social services	937 705	1 307 866	370 161	766 000	1 120 000	1 120 000	1 174 880	1 232 449
Sport and recreation	33 938 000	39 169 471	5 231 471	18 964 576	20 558 042	10 000 000	10 490 000	11 004 010
Public safety	-	-	-	-	-	-	-	-
Housing	500 000	800 000	300 000	500 000	500 000	-	-	-
Health	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	60 257 836	65 619 973	5 362 137	62 080 546	52 061 838	92 819 960	97 368 138	102 139 177
Planning and development	191 000	6 277 689	6 086 689	6 030 000	100 000	-	-	-
Road transport	60 066 836	59 342 284	-724 552	56 050 546	51 961 838	92 819 960	97 368 138	102 139 177
Environmental protection	-	-	-	-	-	-	-	-
<i>Trading services</i>	154 204 155	136 664 922	-17 539 233	87 925 250	78 326 419	65 298 462	67 140 886	69 209 310
Energy sources	21 550 000	27 836 250	6 286 250	23 644 000	18 000 000	6 500 000	6 366 100	6 270 879
Water management	116 407 368	100 054 339	-16 353 029	52 191 250	31 488 878	30 000 000	31 017 600	32 130 302
Waste water management	15 796 787	7 940 757	-7 856 030	12 000 000	28 837 541	28 798 462	29 757 186	30 808 128
Waste management	450 000	833 576	383 576	90 000	-	-	-	-
Other	800 000	10 000	-790 000	-	-	-	-	-
Total Capital Expenditure - Functional	255 337 696	250 901 815	-4 435 881	173 486 372	154 966 299	169 238 422	176 173 905	183 584 946
Funded by:								
National Government	228 011 990	213 180 999	-14 830 991	151 580 373	140 946 299	155 218 422	162 824 125	170 802 507
Provincial Government	12 758 000	18 853 756	6 095 756	10 796 000	10 820 000	10 820 000	11 350 180	11 906 339
District Municipality	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-
Transfers recognised - capital	240 769 990	232 034 755	-8 735 235	162 376 373	151 766 299	166 038 422	174 174 305	182 708 846
Borrowing	-	-	-	-	-	-	-	-
Internally generated funds	14 567 705	18 867 061	4 299 356	11 110 000	3 200 000	3 200 000	3 000 000	2 500 000
Total Capital Funding	255 337 695	250 901 816	-4 435 879	173 486 373	154 966 299	169 238 422	177 174 305	185 208 846

Capital expenditure is projected to increase from R173.5 million in 2024/25 to R185.2 million in 2028/29 financial year. It is noted from the plan that the municipality is planning to fund the bulk of the capital expenditure from government grants, with internal finding reducing from R18.5 million in the current year to only 2.5 million in 2028/29.

8 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 a 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	Proposed Adjusted Budget	Increase / (Decrease)	Year 1	Year 2	Year 3	Year 4	Year 5
R thousand	2023/24	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
ASSETS								
Current assets								
Cash and cash equivalents	19 688 377	6 838 828	-12 849 549	61 258 924	330 858 154	647 752 082	679 491 935	712 787 039
Trade and other receivables from exchange transactions	951 655 000	392 917 397	-558 737 603	703 567 031	738 041 816	774 205 864	812 141 952	851 936 907
Receivables from non-exchange transactions	83 155 000	121 849 542	38 694 542	135 961 237	142 623 338	149 611 881	156 942 863	164 633 064
Current portion of non-current receivables	-	-	-	-	-	-	-	-
Inventory	12 994 917	182 454 706	169 459 789	334 854 175	493 020 877	658 649 153	690 922 962	724 778 187
VAT	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-	-
Total current assets	1 067 493 294	704 060 473	-363 432 821	1 235 641 367	1 704 544 184	2 230 218 981	2 339 499 711	2 454 135 197
Non current assets								
Investments	110 954 000	-	-110 954 000	-	-	-	-	-
Investment property	352 224 056	373 697 782	21 473 726	371 567 782	389 774 603	408 873 559	428 908 363	449 924 873
Property, plant and equipment	5 440 428 695	5 905 716 275	465 287 581	5 883 676 182	6 171 976 315	6 727 454 183	7 057 099 438	7 402 897 311
Biological assets	-	-	-	-	-	-	-	-
Living and non-living resources	-	-	-	-	-	-	-	-
Heritage assets	11 882 732	11 890 732	8 000	11 981 732	12 568 837	13 184 710	13 830 761	14 508 468
Intangible assets	200 000	253 997	53 997	118 770	124 590	130 695	137 099	143 816
Trade and other receivables from exchange transactions	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions	-	-	-	-	-	-	-	-
Other non-current assets	-	101 793 024	101 793 024	101 739 024	106 724 236	111 953 724	116 991 641	122 256 265
Total non current assets	5 915 689 483	6 393 351 810	477 662 328	6 369 083 490	6 681 168 581	7 261 596 870	7 616 967 302	7 989 730 733
TOTAL ASSETS	6 983 182 777	7 097 412 283	114 229 507	7 604 724 857	8 385 712 765	9 491 815 852	9 956 467 013	10 443 865 930
LIABILITIES								
Current liabilities								
Bank overdraft	-	-	-	-	-	-	-	-
Financial liabilities	34 082 000	69 363 856	35 281 856	32 985 915	36 789 140	40 305 305	42 119 044	44 014 401
Consumer deposits	35 648 546	35 648 546	-	37 149 129	38 969 436	40 878 939	42 718 491	44 640 823
Trade and other payables from exchange transactions	571 301 198	522 629 057	-48 672 141	795 510 651	834 490 673	875 380 716	914 772 848	955 937 626
Trade and other payables from non-exchange transactions	-	259 988 629	259 988 629	190 488 169	199 822 089	209 613 372	93 551 260	101 970 873
Provisions	10 512 656	14 261 000	3 748 344	-	-	-	-	-
VAT	-	-	-	-	-	-	-	-
Other current liabilities	115 114 672	81 498 543	-33 616 129	15 115 169	15 855 812	16 632 747	17 381 221	18 163 376
Total current liabilities	766 659 072	983 389 631	216 730 559	1 071 249 033	1 125 927 151	1 182 811 078	1 110 542 863	1 164 727 099
Non current liabilities								
Borrowing	321 905 348	228 363 036	-93 542 312	249 099 099	-	-	-	-
Provisions	229 340 119	257 584 160	28 244 041	260 797 666	273 576 752	286 982 012	299 896 203	313 391 532
Long term portion of trade payables	63 164 802	-	-63 164 802	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-	-	-
Total non current liabilities	614 410 269	485 947 196	-128 463 073	509 896 765	273 576 752	286 982 012	299 896 203	313 391 532
TOTAL LIABILITIES	1 381 069 341	1 469 336 827	88 267 486	1 581 145 798	1 399 503 902	1 469 793 091	1 410 439 066	1 478 118 631
NET ASSETS	5 602 113 436	5 628 075 456	25 962 021	6 023 579 059	6 986 208 863	8 022 022 761	8 383 013 785	8 760 249 405
COMMUNITY WEALTH/EQUITY								
Accumulated Surplus/(Deficit)	5 567 259 146	5 595 442 502	28 183 357	5 989 347 090	6 950 299 527	7 984 353 868	8 343 649 792	8 719 114 033
Funds and Reserves	34 854 290	32 632 954	-2 221 336	34 231 969	35 909 335	37 668 893	39 363 993	41 135 372
Other	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5 602 113 436	5 628 075 456	25 962 021	6 023 579 059	6 986 208 863	8 022 022 761	8 383 013 785	8 760 249 405

The equity position of the municipality is expected to improve drastically over the next five years with the implementation of the BFP strategies. Total asset are projected to increase from R6. billion in 2024/25 to R8.7 billion in 2028/29.

Cash Flow Plan

The municipality is planning to improve its collection rate of the five financial years in order to ensure that adequate revenue is collected, while cash payments are monitored accordingly as per the strategies. The municipality has made an arrangement to pay long term debts of uThukela water and the provision has made under non current liability. The debts will be settled by February 2030. 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	Proposed Adjusted Budget	Increase / (Decrease)	Year 1	Year 2	Year 3	Year 4	Year 5
R thousand	2023/24	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	299 539 409	337 122 273	37 582 864	364 433 840	350 930 757	371 986 603	386 866 067	402 340 710
Service charges	1 144 534 896	1 128 137 107	-16 397 789	1 139 810 412	1 273 133 295	1 426 313 952	1 483 366 510	1 535 284 338
Other revenue	231 189 336	278 926 678	47 737 342	280 612 553	305 842 427	345 082 768	358 886 079	371 447 092
Transfers and Subsidies - Operational	547 623 010	559 406 010	11 783 000	669 093 627	700 823 000	722 921 000	755 452 445	789 447 805
Transfers and Subsidies - Capital	240 769 990	232 034 990	-8 735 000	162 376 373	151 766 299	166 038 422	173 510 151	181 318 108
Interest	5 330 350	5 330 350	-	5 591 537	5 848 748	8 480 684	8 735 105	9 128 185
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	-2 175 156 030	-2 248 816 954	-73 660 924	-2 340 726 377	-2 320 445 094	-2 501 919 268	-2 614 505 635	-2 771 375 973
Finance charges	-32 205 273	-32 545 273	-340 000	-30 300 149	-26 544 764	-22 466 506	-15 477 499	-14 973 986
Transfers and Subsidies	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	261 625 688	259 595 181	-2 030 507	250 891 817	441 354 668	516 437 656	536 833 223	502 616 278
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	20 000 000	20 000 000	-	10 000 000	20 000 000	10 000 000	10 450 000	10 920 250
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
Payments								
Capital assets	-255 337 695	-250 901 815	4 435 880	-173 486 373	-154 966 299	-169 238 422	-177 531 105	-186 230 129
NET CASH FROM/(USED) INVESTING ACTIVITIES	-235 337 695	-230 901 815	4 435 880	-163 486 373	-134 966 299	-159 238 422	-167 081 105	-175 309 879
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-
Payments								
Repayment of borrowing	-34 081 616	-34 081 616	-	-32 985 915	-36 789 140	-40 305 305	-42 280 265	-44 351 998
NET CASH FROM/(USED) FINANCING ACTIVITIES	-34 081 616	-34 081 616	-	-32 985 915	-36 789 140	-40 305 305	-42 280 265	-44 351 998
NET INCREASE/ (DECREASE) IN CASH HELD	-7 793 623	-5 388 250	2 405 373	54 419 528	269 599 229	316 893 929	327 471 854	282 954 401
Cash/cash equivalents at the year begin:	27 482 000	12 227 078		6 839 396	61 258 924	330 858 154	647 752 082	679 491 935
Cash/cash equivalents at the year end:	19 688 377	6 838 828	2 405 373	61 258 924	330 858 154	647 752 082	679 491 935	712 787 039

The table A7/B7 shows a positive cash surplus of R61. million in 2024/25 financial year to R712.8 million in 2028/29 financial year. This means that the municipality will be able to cover all its short-term cash requirements during the budget years.

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.

Table 8: Cash-backed Reserves

Municipality: Newcastle Local Municipality

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

Description	Original Budget	Proposed Adjusted Budget	Increase / (Decrease)	Year 1	Year 2	Year 3	Year 4	Year 5
R thousand	2023/24	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Cash and investments available								
Cash/cash equivalents at the year end	19 688 377	6 839 396	-12 848 981	61 258 924	330 858 154	647 752 082	679 491 935	712 787 039
Other current investments > 90 days	-	-	-	-	-	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-	-
Cash and investments available:	19 688 377	6 839 396	-12 848 981	61 258 924	330 858 154	647 752 082	479 491 935	212 787 039
Application of cash and investments								
Unspent conditional transfers	115 114 672	124 409 528	9 294 856	124 409 528	94 409 528	85 826 844	93 551 260	101 970 873
Unspent borrowing	113 478 932	-	-113 478 932	-	-	-	-	-
Statutory requirements	26 978 467	26 978 467	-	62 819 015	60 253 125	66 588 156	73 246 971	80 571 669
Other working capital requirements	-6 459 117	-15 303 930	-78 836 631	225 036 000	100 245 362	223 012 450	243 083 571	264 961 092
Other provisions	11 105 000	14 261 000	3 156 000	14 261 467	14 831 925	15 425 202	16 181 037	16 973 908
Long term investments committed	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	30 886 912	32 292 039	1 405 127	32 292 354	34 053 000	35 755 650	37 507 677	39 345 553
Total Application of cash and investments:	291 104 866	182 637 104	-178 459 580	458 818 364	303 792 940	426 608 302	463 570 516	503 823 094
Surplus(shortfall)	-271 416 489	-175 797 708	165 610 599	-397 559 439	27 065 213	221 143 781	225 921 419	308 963 945

Table 8 above indicates that the budget will be unfunded by R375.1 million in 2024/25. With the implementation of strategies mentioned above, as well as the monitoring of this plan, the municipality is planning to be funded by 308.9 million in 2028/29.

The municipality therefore appears to be currently unfunded until the end of 2024/25 financial year. With effect from 2028/29 the table reflects that the municipality will be fully funded and will be able to provide some provisions and reserves. A positive and improving trend is anticipated to continue as the municipality will continue to implement the strategies even beyond the period of the plan.

10 CONCLUSION

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

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

Annexure H
uThukela Water Budget
submission



uthukela
water

2024/2025 Draft Budget Report



BACKGROUND

This report presents a summary of the proposed draft budget for the 2024/25 financial year. The draft budget has been drafted considering the entity's operational and capital needs. The 2023/24 mid-year adjustment budget was also a key consideration.

An adjustment 2023/24 operational budget totalling R 216 383 791 together with a capital budget of R1 910 000 was approved by the board in terms of Section 87 (6) of the MFMA 56/2003.

The tariff charged by the entity to the WSAs is determined by the anticipated expenditure in the financial year over the estimated water consumption by each WSA.

The municipalities are billed for their purchased water at the approved bulk water tariff rate per kilolitre, with an additional R0.02 laboratory surcharge for Amajuba and Newcastle.

Budgeted water volumes for 2024/2025

WSA	Volumes budgeted
Newcastle municipality	33 215 000
Umzinyathi DM	5 500 000
Amajuba DM	5 263 200
Total Distribution	43 978 200

PROPOSED BUDGET INCREASES

The proposed increase in revenue is 15.53% due to a tariff increase of 15.69% being charged to WSAs.

The proposed increase in expenditure is 8.99%, mainly due to a proposed increase of 12.7% for electricity costs, as per MFMA budget circular 126.

THE DRAFT BUDGET

The summary of the proposed draft budget for 2024/2025 is as follows:

Operational Budget

- Revenue R 250 784 922
- Expenditure R 234 502 317
- Surplus before Capital Expenditure R 16 282 605

Operational Budget

Row Labels	2023/2024 Budget.	Proposed Budget 2024/2025.	Budget 2025/2026.	Budget 2026/2027.
1. Revenue	217 064 823	250 784 922	264 578 092	279 129 887
Interest earned from investments	125 265	131 153	138 366	145 976
Other Revenue	54 706	57 277	60 427	63 751
Service Charges - ADM	25 909 431	29 941 136	31 587 899	33 325 233
Service Charges - NLM	163 509 222	188 952 508	199 344 896	210 308 865
Service Charges - Other	501 061	524 611	553 464	583 905
Service Charges - UDM	26 965 138	31 178 237	32 893 040	34 702 157
2. Expenditure	215 154 227	234 502 317	247 399 944	261 006 941
Bulk Purchases	29 187 253	31 070 321	32 779 189	34 582 044
Contracted Services	14 740 381	15 447 920	16 297 555	17 193 921
Depreciation	2 062 748	2 161 760	2 280 657	2 406 093
Employee Related Costs	71 653 168	78 055 813	82 348 883	86 878 071
Material & Supplies	9 636 933	10 099 506	10 654 978	11 241 002
Operating Leases	1 801 773	1 888 258	1 992 112	2 101 678
Other Expenditure	16 104 916	16 897 882	17 827 266	18 807 765
Other Expenditure - Electricity	69 967 055	78 880 858	83 219 305	87 796 367
Surplus/(Deficit) before Capital	1 910 596	16 282 605	17 178 148	18 122 946

Capital Budget

Capital Budget

Item Description	2023/2024 Budget.	Proposed Budget 2024/2025.	Budget 2025/2026	Budget 2026/2027.
Vehicles	1 200 000	1 500 000		
Transformer and Electrical Motor	210 000	6 500 000		
Office furniture and equipment		300 000		
Laboratory equipment & upgrades		1 300 000		
IT Equipment	500 000	5 200 000		
	1 910 000	14 800 000		

Surplus after Capital Expenditure R 1 482 605

Operational and Capital Budget

Operational and Capital Budget				
Item Description	Adjustment 2023/2024	Proposed Budget 2024/2025.	Budget 2025/2026	Budget 2026/2027.
Revenue	217 064 823	250 784 922	264 578 092	279 129 887
Expenditure	215 154 227	234 502 317	247 399 944	261 006 941
Surplus/(Deficit) before Capital	1 910 596	16 282 605	17 178 148	18 122 946
Capital Expenditure	1 910 000	14 800 000		
Surplus/(Deficit) after Capital	596	1 482 605	17 178 148	18 122 946

TARIFF DETERMINATION

The proposed tariff is calculated based on the formula below:

The operational expenditure of R 234 502 317 and Capital Expenditure of R14 800 000 totals R 249 302317, divided by 43 978 200 kilolitres, amounts to a tariff of R5.67 per kilolitre.

CONTRIBUTION BY WSAs

All three WSAs are to contribute to the entity in line with the bulk water they consume. The total contribution expected is R 250 071 881, broken down as follows:

- Newcastle LM R 188 952 508
- uMzinyathi DM R 31 178 237
- Amajuba DM R 29 941 136

WSA	Volumes budgeted	Tariff	Lab Surcharge	Total Tariff	Bulk water	Lab surcharge	Total recovery
Newcastle municipality	33 215 000	5.67	0.02	5.69	188 288 208	664 300	188 952 508
Umzinyathi DM	5 500 000	5.67	-	5.67	31 178 237		31 178 237
Amajuba DM	5 263 200	5.67	0.02	5.69	29 835 872	105 264	29 941 136
Total Distribution	43 978 200	5.67	0.02		249 302 317	769 564	250 071 881

CONCLUSION

The proposed draft budget for the 2024/2025 financial year reflects a surplus of R1 482 605, with the capital budget having been considered. The entity previously did not have sufficient capital budget. This was due to lower tariffs being approved by the WSAs, which did not include capital budget.

The entity is also exploring options for external funding to fund its capital infrastructure programme, as some of the capital infrastructures have been used beyond their useful life.

Budget 2024/2025

4.8%

Budget % increase

Code	Description	New value for 2024/2025 budget	New value for 2024/2025 budget	New value for 2024/2025 budget	New value for 2024/2025 budget	New value for 2024/2025 budget	New value for 2024/2025 budget	Proposed Budget 2024/2025	Adjusted Current Budget 2024/2025	Budget % difference	Budget 2026/2027	Budget 2027/2028	
K2093	UTMSDBP BIC Mechanical Equipment/Maintenance of	235,825	-	-	-	-	-	155,225	245,585	4.8%	282,296	300,888	
K2093	UTMSDBP BIC Civil Structure/Maintenance of	-	-	-	-	-	-	27,425	194,635	4.8%	194,635	194,635	
K2093	UTMSDBP BIC Civil Structure/Maintenance of	-	-	-	-	-	-	27,425	209,377	4.8%	209,377	209,377	
K2093	UTMSDBP BIC Civil Structure/Maintenance of	-	-	-	-	-	-	175,168	1,383,925	4.8%	1,383,925	1,383,925	
K2093	UTMSDBP BIC Civil Structure/Maintenance of	-	-	-	-	-	-	175,168	194,997	4.8%	194,997	194,997	
K2093	UTMSDBP BIC Civil Structure/Maintenance of	-	-	-	-	-	-	3,172	205,690	4.8%	205,690	205,690	
K2093	UTMSDBP BIC Civil Structure/Maintenance of	-	-	-	-	-	-	44,470	40,433	4.8%	40,433	40,433	
K2093	UTMSDBP BIC Civil Structure/Maintenance of	-	-	-	-	-	-	802,643	802,643	4.8%	802,643	802,643	
K2093	UTMSDBP BIC Civil Structure/Maintenance of	-	-	-	-	-	-	262,722	262,722	4.8%	262,722	262,722	
K2093	UTMSDBP BIC Civil Structure/Maintenance of	-	-	-	-	-	-	144,459	144,459	4.8%	144,459	144,459	
K2093	UTMSDBP BIC Civil Structure/Maintenance of	-	-	-	-	-	-	134,536	134,536	4.8%	134,536	134,536	
K2093	UTMSDBP BIC Civil Structure/Maintenance of	-	-	-	-	-	-	282,235	282,235	4.8%	282,235	282,235	
K2093	UTMSDBP BIC Civil Structure/Maintenance of	-	-	-	-	-	-	105,101	105,101	4.8%	105,101	105,101	
K2093	UTMSDBP BIC Civil Structure/Maintenance of	-	-	-	-	-	-	18,358	18,358	4.8%	18,358	18,358	
Other Expenditure													
	Municipal Running Cost (Bank Accounts)	217,380,005	198,464	3,341,841	144,008	1,906,838	267,898	66,643,814	55,778,740	11%	106,804,132	111,467,741	
	Municipal Running Cost (Leaves Paid)	26,334	-	-	-	-	92,665	61,652	86,471	4.8%	108,139	108,139	
	Municipal Running Cost (Water Research Levy & Resources Mtn)	91,625	-	-	-	-	27,256	5,417,215	6,478,183	4.8%	6,478,183	6,478,183	
	Municipal Running Cost (Skills Development Fund Levy)	72,145	45,895	-	-	-	34,762	38,821	54,616	4.8%	64,058	64,058	
	Municipal Running Cost (Workman's Compensation/Commissioner Levy)	1,606,636	22,108	-	-	-	13,888	8,431	370,078	7.2%	367,591	367,591	
	Municipal Running Cost (Car Hire)	105,101	-	-	-	-	0	0	2,150,845	4.8%	2,150,845	2,150,845	
	Municipal Running Cost (Hire of Plant and Machinery)	20,120	-	-	-	-	0	0	0	4.8%	130,110	130,110	
	Municipal Running Cost (Advertising)	-	-	-	-	-	178,905	170,711	76,705	4.8%	86,250	86,250	
	Municipal Running Cost (Specialised Computer Service)	-	-	-	-	-	79,863	76,705	37,200	4.8%	37,200	37,200	
	Municipal Running Cost (Printing, Publications and Books)	-	-	-	-	-	34,422	31,891	35,260	4.8%	35,260	35,260	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	128,363	124,893	135,432	4.8%	135,432	135,432	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	32,918	31,610	34,728	4.8%	34,728	34,728	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	7,885	168,720	177,979	4.8%	187,768	187,768	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	1,051	59,029,628	82,213,305	4.8%	87,996,367	87,996,367	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	8,758	139,414	155,171	4.8%	155,171	155,171	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	44,721	8,758	98,249	4.8%	98,249	98,249	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	21,310	8,758	51,745	4.8%	51,745	51,745	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	15,444	83,133	379,001	4.8%	400,268	400,268	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	356,959	49,047	379,001	4.8%	379,001	379,001	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	3,642	311,988	328,484	4.8%	328,484	328,484	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	14,570	13,993	15,371	4.8%	15,371	15,371	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	37,335	347,320	408,593	4.8%	431,066	431,066	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	26,945	341,800	360,737	4.8%	360,737	360,737	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	171,995	171,995	191,435	4.8%	191,435	191,435	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	593,976	566,771	626,644	4.8%	651,110	651,110	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	52,551	50,144	55,441	4.8%	58,460	58,460	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	21,973	21,973	23,181	4.8%	24,456	24,456	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	30,043	20,987	73,896	4.8%	77,960	77,960	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	3,594	68,835	3,792	4,001	4,221	4,221	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	1,912,019	1,848,708	2,017,380	4.8%	2,128,175	2,225,172	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	43,710	41,706	45,114	4.8%	48,650	51,376	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	1,081,886	1,032,143	1,161,161	4.8%	1,233,948	1,270,161	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	2,410	18,000	18,940	21,788	4.8%	22,988	24,193
	Municipal Running Cost (RSCOM)	-	-	-	-	-	9,006	19,706	3,991	3,156	3,329	3,329	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	2,835	2,705	3,265	35,094	37,024	37,024	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	31,550	30,066	28,110	29,656	29,656	29,656	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	672,623	625,624	709,617	748,656	789,872	789,872	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	14,570	14,570	15,371	15,371	15,371	15,371	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	45,544	43,458	50,691	59,479	59,479	59,479	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	37,820	35,093	46,813	50,691	50,691	50,691	
	Municipal Running Cost (RSCOM)	-	-	-	-	-	545,273	520,259	575,243	626,963	626,963	626,963	
	Total Expenditure	49,094,501	5,270,881	6,370,563	6,666,958	6,000,833	6,908,291	216,057,380	213,154,227	9.0%	361,006,944	375,344,323	

Annexure I
Service Standards

<p>Financial Management</p> <p>Is there any change in the situation of authorised and wasteful expenditure over time? (Decrease/increase)</p> <p>Are the financial statement submissions? (Yes/No)</p> <p>Are the Council adopted business process tracking the flow and management of documentation leading to Trial Balance?</p> <p>How long does it take for an invoice to be paid from the date it has been received?</p> <p>Is there advance planning from SCM unit taking all departmental plans quarterly and annually including for the next two to three years procurement plans?</p>	<p>Increase No 30 Days Partially</p>	<p>Decrease No 30 Days Partially</p>	<p>Dominate No 30 Days Partially</p>	<p>Decrease No 30 Days Partially</p>	<p>Decrease No 30 Days Partially</p>
<p>Administration</p> <p>Reaction time on enquiries and requests?</p> <p>Time to respond to a vendor customer enquiry or request? (working days)</p> <p>Time to respond to a written customer enquiry or request? (working days)</p> <p>Time to resolve a customer enquiry or request? (working days)</p> <p>What percentage of calls are not answered? (5%, 10% or more)</p> <p>How long does it take to respond to voice mails? (hours)</p> <p>Does the municipality have control over locked enquiries? (Yes/No)</p> <p>Is there a reduction in the number of complaints or not? (Yes/No)</p> <p>How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer?)</p>	<p>Immediately Immediately 3days 48hrs >5%</p>	<p>Immediately Immediately 3days 48hrs >5%</p>	<p>Immediately Immediately 3days 48hrs >5%</p>	<p>Immediately Immediately 3days 48hrs >5%</p>	<p>Immediately Immediately 3days 48hrs >5%</p>
<p>How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?</p>	<p>Yes No</p>	<p>Yes No</p>	<p>Yes No</p>	<p>Yes No</p>	<p>Yes No</p>
<p>Community safety and licensing services</p> <p>How long does it take to register a vehicle? (minutes)</p> <p>How long does it take to renew a vehicle license? (minutes)</p> <p>How long does it take to issue a duplicate registration certificate vehicle? (minutes)</p> <p>How long does it take to re-register a vehicle? (minutes)</p> <p>How long does it take to renew a drivers license? (minutes)</p> <p>What is the average reaction time of the fire services to an incident? (minutes)</p> <p>What is the average reaction time of the ambulance services to an incident in the urban area? (minutes)</p> <p>What is the average reaction time of the ambulance services to an incident in the rural area? (minutes)</p>	<p>Immediately Immediately 3days 48hrs >5%</p>	<p>Immediately Immediately 3days 48hrs >5%</p>	<p>Immediately Immediately 3days 48hrs >5%</p>	<p>Immediately Immediately 3days 48hrs >5%</p>	<p>Immediately Immediately 3days 48hrs >5%</p>
<p>Economic development</p> <p>How many economic development projects does the municipality drive?</p> <p>How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?</p> <p>What percentage of the projects have created sustainable job security?</p> <p>Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)</p>	<p>Yes No</p>	<p>Yes No</p>	<p>Yes No</p>	<p>Yes No</p>	<p>Yes No</p>
<p>Other Service delivery and communication</p> <p>Is a information package handed to the new customer? (Yes/No)</p> <p>Does the municipality have training or information sessions to inform the community? (Yes/No)</p> <p>Are customers treated in a professional and humane manner? (Yes/No)</p>	<p>Yes No</p>	<p>Yes No</p>	<p>Yes No</p>	<p>Yes No</p>	<p>Yes No</p>

Annexure J

**Provincial Treasury's
assessment of Draft Budget**



KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA

DIRECTORATE: MUNICIPAL FINANCE MANAGEMENT

P. O. Box 3613, Pietermaritzburg, 3200
Treasury House, 145 Chief Albert Luthuli Street, Pietermaritzburg, 3201
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Website: www.kzntreasury.gov.za
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Our Ref: 11/6/13/1(KZN252)-2025
Enquiries: Mr. W.C. Donnelly
Date: 07 May 2024

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

Fax No/Email: 034 312 7089/zamani.mcineka@newcastle.gov.za

Dear Mr. Z.W. Mcineka

ASSESSMENT OF THE 2024/25 ANNUAL BUDGET TABLED IN TERMS OF SECTION 16(2) OF THE MUNICIPAL FINANCE MANAGEMENT ACT, ACT NO. 56 OF 2003 (MFMA)

1. Reference is made to your 2024/25 Tabled Budget that was submitted to Provincial Treasury in accordance with Section 22 of the MFMA which states that *immediately after an Annual Budget is tabled in a municipal council, the Accounting Officer of a municipality must submit the Annual Budget in both printed and electronic formats to the National Treasury and the relevant Provincial Treasury.*
2. Section 23(1)(b) of the MFMA states that *the municipal Council must consider any views of the National Treasury, the relevant Provincial Treasury and any provincial or national organs of state or municipalities which made submissions on the budget.* Section 24(1) of the MFMA further states that *the municipal Council must at least 30 days before the start of the financial year consider approval of the Annual Budget.*
3. An assessment was conducted on the information submitted by your municipality in the Schedule A as extracted from your financial system, the 2024/25 Tabled Budget data string (TABBB) uploaded by the municipality to the National Treasury GoMuni Upload Portal and extracted by Provincial Treasury from the portal on 11 April 2024 and other related budget documents. Please find the attached detailed findings and recommendations emanating from the assessment undertaken by Provincial Treasury in Annexure A: *Tabled Budget Feedback* for your consideration in terms of Section 23(1)(b) of the MFMA. During the engagement on 26 April 2024, the municipality noted the issues raised by Provincial Treasury and committed to attend to them prior to the 2024/25 Annual Budget being considered in Council for approval in terms of Section 24(1) of the MFMA. Furthermore, differences between the Schedule A submitted to Provincial Treasury and the data strings uploaded to the National Treasury GoMuni Upload Portal have been highlighted per line item in Annexure A.
4. It should be noted that the funding position for your 2024/25 Tabled Budget was determined based on the information reflected in the audited 2022/23 Annual Financial Statements (AFS), the 2023/24



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REPUBLIC OF SOUTH AFRICA

Adjustments Budget data string (ADJB) and the 2024/25 Tabled Budget data string (TABB) that were uploaded to the National Treasury GoMuni Upload Portal together with your 2024/25 Tabled Budget which reflect the figures that the municipality has on your financial system. The assessment of your 2024/25 Tabled Budget considered the cash flow impact of the budgeted Operating revenue and expenditure (Tables A4/B4), the budgeted Capital expenditure (Tables A5/B5) and all other relevant budget tables as reflected in the 2023/24 ADJB and 2024/25 TABB.

5. Based on a recalculation of the Cash/Cash equivalents at the year-end as per Table A7: *Budgeted cash flows* and the Surplus/(shortfall) as per Table A8: *Cash backed reserves/accumulated surplus reconciliation* of your 2024/25 Tabled Budget in line with the National Treasury Budget funding assessment framework using the audited 2022/23 AFS and data string figures from the relevant budget tables including Tables A4/B4 and A5/B5 that were uploaded to the National Treasury GoMuni Upload Portal and downloaded by Provincial Treasury from the portal on 11 April 2024, your municipality's 2024/25 Tabled Budget appears to be **unfunded** in terms of Section 18 of the MFMA read together with MFMA Circular No. 55.

The following major findings, noted in the assessment of your 2024/25 Tabled Budget that contributed to your budget being assessed as unfunded, are highlighted for your municipality to address (as indicated above, please refer to Annexure A for the detailed assessment of your 2024/25 Tabled Budget):

- The Newcastle Local Municipality has budgeted for an operating deficit of R296.2 million in the 2024/25 budget year which continues into the MTREF period. As per National Treasury's MFMA Circular No. 126, municipalities were requested to prepare a surplus budget to avoid placing the municipality's resources in financial difficulties. The adoption of a credible budget starts with the preparation of a surplus budget. With effect from 1 July 2024, all municipal Councils are advised not to approve a deficit budget, as such Mayors who table budgets to Council must be aware of the implications of a deficit budget. A budgeted operating Deficit position implies that reserves accumulated by the municipality will be depleted. It is of concern that the budgeted operating deficit exceeds some the budgeted non-cash items reflected in Table A4 amounting to R285.2 million (Debt impairment: R191.5 million and Irrecoverable debt: R93.7 million). The magnitude of the deficit of R296.2 million may be impacted by concerns raised in the discussion of the different budgeted sources of revenue and items of expenditure as included in Annexure A.

As per MFMA Circular No. 71, if the municipality's operating budget shows a deficit it is indicative that there are financial imbalances that need to be addressed. These problems may be related to a failure to collect revenues, tariffs that are too low or expenditures that are too high. Whatever the main cause of the deficit, the municipality needs to put in place appropriate strategies to address the problem. In the preparation of the 2024/25 Final budget, the municipality is required to reduce expenditures and maximise revenue streams in order to ensure that the municipality reflects a credible Operating surplus in Table A4. MFMA Circular No. 126 further states that Accounting Officers and their Chief Financial Officers are responsible for preparing budgets and accordingly are tasked with ensuring that the Mayor is guarded against submitting a deficit budget to Council for adoption. Failure to do so may result in Councils implementing Section 171 of the MFMA to both the Accounting Officer and the Chief Financial Officer.

- The resulting estimated Cash/cash equivalents at the year end amounts to approximately negative R48.1 million based on the Provincial Treasury recalculation in Table A7, thus implying that the municipality will end the 2024/25 financial year in on overdraft position at the bank.



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- In respect of Unspent conditional transfers, the Provincial Treasury after considering the 2022/23 Audited AFS, the Adjusted Budget 2023/24 allocations and grant expenditure ADJB data strings as well as the 2024/25 Tabled Budget allocations and grant expenditure TABB data strings, used approximately R124.5 million for recalculation purposes in Table A8, whereas the municipality budgeted R215.9 million.
 - In respect of Other working capital requirements, the Provincial Treasury after considering the estimated 2024/25 outstanding Debtors and outstanding Creditors based on the 2022/23 Audited AFS, the Adjusted Budget 2023/24 ADJB data strings and the Tabled Budget 2024/25 TABB data strings, used approximately R225 million for recalculation purposes in Table A8. The municipality budgeted for negative R492.3 million in TABB Table A8 which has a favourable effect on the municipality's Funding position at the end of the 2024/25 financial year.
 - In respect of Reserves to be backed by cash/investments, the Provincial Treasury using the 2022/23 Audited AFS, the Adjusted Budget 2023/24 ADJB data strings and the Tabled Budget 2024/25 TABB data strings in Table A8 used approximately R32.3 million which is the same as the municipality.
6. The municipality adopted a Budget funding plan position, as per MFMA Circular No. 89 and subsequent MFMA Municipal Budget Circulars as a funded budget was not achievable in one financial year, together with the 2023/24 Annual Budget in Council which showed that municipality's budget will be funded in the **2024/25** financial year.
 7. When assessing the 2024/25 Tabled Budget of the municipality, Provincial Treasury noted with concern that your 2024/25 Tabled Budget appears to be still **Unfunded** as indicated above. In its current form, Provincial Treasury does not support the municipality's 2024/25 Tabled Budget as it is not in line with the Budget funded plan that was approved by Council and in this regard **rejects** the updated Budget funding plan that was tabled to Council together with the 2024/25 Annual Budget. This is a serious transgression that will negatively impact the financial viability of the municipality as well as its ability to deliver services to the community. Hence, the municipality must review and revise the current Budget and ensure that a **Funded** 2024/25 Annual Budget is tabled in Council before the start of the 2024/25 budget year.
 8. **We also draw your attention to Section 38(1)(a) of the MFMA which states that *National Treasury may stop the transfer of funds due to a municipality as its share of the local government's equitable share referred to in Section 214(1)(a) of the Constitution, but only if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(1) of the Constitution* which includes reporting obligations as set out in the MFMA and National Treasury's request for information in terms of Section 74 of the MFMA.**
 9. Provincial Treasury Circular PT/MF 06 of 2023/24 dated 14 February 2024 required all municipalities to prepare their 2024/25 Medium Term Revenue and Expenditure Framework (MTREF) budgets on their financial systems as per the guidance provided in MFMA Circular No. 126 dated 07 December 2023 and extract the Schedule A directly from their financial systems to eliminate the possibility of any differences and/or misalignments. In this regard, Provincial Treasury noted with concern that your municipality's figures reflected in the 2024/25 Schedule A tabled in Council do not fully align to the figures reflected in the Tabled Budget data string (TABB). **Your municipality is therefore required to ensure that the 2024/25 Schedule A to be approved in Council and the 2024/25 Approved Budget data string (ORGB) are fully aligned by generating both documents directly from your financial system.**



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10. Section 24(3) of the MFMA, read together with Regulation 20(1) of the MBRR, requires that the approved Annual Budget be submitted to both National Treasury and the relevant Provincial Treasury within ten working days after the Council has approved the Annual Budget. However, as per MFMA Circular No. 126 given that the municipalities are generating their Annual Budgets directly from their financial systems as required by the Municipal Standard Chart of Accounts (mSCOA) Regulations and that the budgets must be verified before it is locked on the financial system, municipalities are requested to upload the Approved Budget data string (ORGB) to the National Treasury GoMuni Upload Portal and submit their 2024/25 Approved Budgets to the National and Provincial Treasuries **immediately after approval by the municipal Council**. Therefore, if the Annual Budget is tabled to Council on 31 May 2024, then the final date for submission is 03 June 2024. Municipalities must further ensure full compliance of their budget submission, data strings and supporting documentation incorporating all the components reflected in the attached Annexure B: MBRR Schedule A – Annual Budget.
11. The municipality is requested to table in Council this correspondence and the attached Annexures that provide Provincial Treasury's comments on the 2024/25 Tabled Budget. This must be tabled together with the municipality's responses to Provincial Treasury's findings on the 2024/25 Tabled Budget when tabling the Final Budget for to Council approval and a copy of the Council resolution and the minutes thereof must be included in the Approved Budget documents to be submitted to the National and Provincial Treasuries.

Yours faithfully

Mr. F. Cassimjee
Chief Director: Municipal Finance Management

- cc. Mayor
Deputy Mayor
Chief Financial Officer
Audit Committee Chairperson
Ms. C. Coetzee – KwaZulu-Natal (KZN) Provincial Treasury
Mr. J. Hattingh – National Treasury

General Compliance and Other Matters - Tabled Budget

Municipality: Newcastle Local Municipality
 Budget Year: 2024/25

Annexure A: Tabled Budget Feedback

General Compliance - Tabled Budget

No.	Key Focus Areas <small>Note: Prior years Audited AFS: 2020/21, 2021/22 and 2022/23. Current year: 2023/24. Budget year: 2024/25.</small>	Yes/No/ N/A	Comments (If required)
Compliance with MBRR			
1	Has the municipality prepared the Tabled Budget as per the prescribed format and content as stipulated in the MBRR? - Schedule A of MBRR	Yes	
Part 1 – Annual Budget			
	- Table of contents	Yes	
	- Mayors report	Yes	
	- Resolutions	Yes	
	- Executive summary	Yes	
	- Annual Budget tables	Yes	
Part 2 – Supporting Documentation			
	- Overview of Annual Budget process	Yes	
	- Overview of alignment of the Annual Budget with Integrated Development Plan (IDP)	Yes	
	- Measurable performance objectives and indicators	Yes	
	- Overview of budget related policies	Yes	
	- Overview of budget assumptions	Yes	
	- Overview of budget funding	Yes	
	- Expenditure on allocations and grant programmes	Yes	
	- Allocations and grants made by the municipality	N/A	
	- Councillor and board member allowances and employee benefits	Yes	
	- Monthly targets for revenue, expenditure and cash flow	Yes	
	- Annual Budgets and Service Delivery and Budget Implementation Plans - internal departments	Yes	
	- Annual Budgets and Service Delivery and Budget Implementation Plans - municipal entities and other external mechanisms	N/A	
	- Contracts having future budgetary implications	N/A	
	- Capital expenditure details	Yes	
	- Legislation compliance status	Yes	
	- Other supporting documents	Yes	
	- Annual Budgets of municipal entities attached to the municipality's Annual Budget	Yes	
	- Municipal Manager's quality certification	Yes	
Format, Content, mSCOA compliance and Submission			
2	Did the municipality upload the following data strings to the GoMuni Upload Portal?	Yes	
	2.1. The Tabled Budget data string (TABB)?	Yes	
	2.2. The IDP Project Detail data string (PRTA)?	Yes	
	2.3. The Non Financial Information data string (A1D)?	Yes	
3	Did the municipality submit the following additional information?		
	3.1 Signed Council resolution for the tabling of the 2024/25 Annual Budget	Yes	
	3.2 2024/25 Draft SDBIP	Yes	
	3.3 Budget related policies	Yes	
	3.4 Supporting documentation (e.g., Bank statements, Bank reconciliation, Investments register, Grants register, Signed prepayment arrangements, Calculation for rates, Calculation for service charges, etc.)	Yes	
	3.5. National Treasury tariff tool (in excel format)	Yes	
	3.6. Fixed asset register (in a PDF file)	Yes	
4	Was the Annual Budget submitted to Provincial Treasury extracted directly from the municipal Enterprise Resource Planning (ERP) system (confirmation to be obtained from the municipality)?	Yes	
5	Did the Annual Budget tabled in Council reflect the same figures as those uploaded via the data string (figures on the municipal ERP system)?	No	
6	Was the Annual Budget tabled in Council using Version 6.8 of the mSCOA Chart for the 2024/25 MTREF (MFMA Circular No. 126)?	Yes	
	6.1 Are all the tables completed?	No	
	6.2 Do the audited outcome figures in the budget tables agree to figures in the audited Annual Financial Statements (AFS)?	No	
	6.3 Do the current year's Original Budget (2023/24) figures in the budget tables agree to the Original Budget figures as per the Schedule A tabled to Council?	No	
	6.4 Do the current year's Adjusted Budget (2023/24) figures in the budget tables agree to the Adjustments Budget figures as per the Schedule B tabled to Council?	Yes	
7	If the municipality has a municipal entity, was a consolidated Council budget prepared and submitted?	No	
8	Did the municipality submit the reconciliation of the Valuation roll to the ERP system as per MFMA Circular No. 126 and 123?	No	
9	Were there any discrepancies noted between the Valuation roll to the report as per the ERP system?		The municipality did not submit the reconciliations, therefore discrepancies could not be identified.

No.	Key Focus Areas Note: Prior years Audited AFS: 2020/21, 2021/22 and 2022/23. Current year: 2023/24. Budget year: 2024/25.	Yes/No/ N/A	Comments (If required)
Cash funding position of the budget			
Tables A7 :Budget Cash Flow			
10	Is Table A7 in the Council Tabled Budget correctly and fully completed?	Yes	
11	Is the Cash/cash equivalents at the year - end as per Table A7 of the Council Tabled Budget positive for the budget year?	Yes	

No.	Key Focus Areas Note: Prior years Audited AFS: 2020/21, 2021/22 and 2022/23. Current year: 2023/24. Budget year: 2024/25.	Yes/No/ N/A	Comments (If required)
Tables A8: Cash backed reserves/accumulated surplus reconciliation			
12	Is Table A8 in the Council Tabled Budget correctly and fully completed?	Yes	
13	Does the Table A8 in the Council Tabled Budget reflect a Surplus for the budget year?	No	
Tabled Budget Funding Position			
14	Is the 2024/25 Tabled Budgeted funded according to Section 18 of the MFMA based on Provincial Treasury's assessment?	No	
15	For a municipality that has tabled an unfunded Annual Budget or an Annual Budget that has been assessed by Provincial Treasury as Unfunded for the first time , has the municipality submitted a credible Budget funding plan that was tabled to Council together with their 2024/25 Tabled Budget?	N/A	
16	For a municipality whose Annual Budget was assessed as Unfunded by Provincial Treasury in the prior budget year, has the municipality submitted an updated/amended credible Budget funding plan that was tabled to Council together with their 2024/25 Tabled Budget?	No	The municipality submitted an amended Budget Funding Plan which was assessed as not being Credible by the Provincial Treasury.
Service level standard			
17	Have the Service Level Standards been tabled together with the budget as required by MFMA Circular No. 75?	Yes	
18	Have the Service Level Standards been incorporated into the budget or submitted together with budget documents?	Yes	
Cost containment measures			
19	Has the municipality demonstrated that the Cost containment policy that was approved by Council has been considered in the Tabled Budget?	Yes	
Alignment of Council Schedule A Annual Budget to IDP strategic objectives			
20	a) Does the 'Total Revenue' budget for the IDP strategic objectives in Table SA4 reconcile to the 'Total Operating Revenue' budget in Table A4?	Yes	
	b) Does the 'Total Operating expenditure' budget for the IDP strategic objectives in Table SA5 reconcile to the 'Total operating expenditure' budget in Table A4?	Yes	
	c) Does the 'Total Capital expenditure' budget for the IDP strategic objectives in Table SA6 reconcile to the 'Total capital expenditure' budget in Table A5?	Yes	
21	Are the IDP strategic objectives of the municipality aligned to the national and provincial priorities?	Yes	
Other matters			
22	Have all allocations as per 2024 DoRB and Provincial allocations in Gazette No. 2666 been included in the 2024/25 Tabled Budget?	No	
23	Is the highest level of Free basic services provided for (Council Schedule A Table A10) in line with the Indigent policy?	No	The municipality did not populate the highest level of Free basic services in Council Schedule A in Table A10.
24	Does the Capital budget reflect consistent efforts to address the backlogs in basic services?	Yes	
25	Does the Capital budget reflect consistent efforts to address the renewal of infrastructure for the existing services?	Yes	
26	Is the Budget Steering Committee (BSC) functional ?	Yes	
27	Did the municipal departments submit budget bids and were they evaluated by the Budget and Treasury Office (BTO) ?	Yes	
28	Did the municipality plan to conduct or has already conducted meaningful public participation prior to the approval of the budget ?	Yes	

Municipality: Newcastle Local Municipality

Table A4 - Budgeted Financial Performance (Operating Revenue) - PT Assessment

R thousand	Description	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework					
			Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
			(AUDA)	(ORGB)	(ADJB)	M9 - March 2024		Council Tabled Budget	Data String (TABB) / (A1D)		
Revenue											
Exchange Revenue											
	Service charges - electricity	709 709	882 022	863 907	616 083	821 444	870 387	870 387	979 185	1 111 375	
	% Growth Rate (Nominal)		24.3%	-2.1%				0.8%	12.5%	13.5%	
	Incr./(Decr.) in households rec. Min. Service Level & Above			1 188			6 337	-	3 079	3 150	
	% Gross Margin- Electricity		25.1%	24.3%				14.4%	16.5%	15.6%	
	Surplus/(Deficit) per Table A2		205 037	147 348				84 552	107 713	133 730	

PT Comments:

The municipality has budgeted to increase Service charges - electricity revenue by 0.8 percent in 2024/25. It increases by 12.5 percent in 2025/26 and 13.5 percent in 2026/27.

The municipality budgeted to increase Electricity tariffs by 16.7 percent in terms of the schedule of tariffs as per the budget narrative. The municipality must ensure that the budgeted Electricity tariff increases for 2024/25 are in accordance with the guidance issued by NERSA in their letter dated 29 January 2024. According to Table A10, the number of households receiving Electricity services has decreased to Nil in 2024/25. This is due to the municipality not populating A1D data strings. Based on the Council Tabled Budget, the municipality has budgeted to increase the number of households receiving Electricity services by 5 149 in 2024/25. The correlation between the increase in tariffs of 16.7 percent, the increase in Electricity revenue of 0.8 percent and the increase in the number of households of 5 149 could not be established.

The municipality currently operates on a budgeted Surplus for the Trading service- electricity in 2024/25. The percentage Gross Margin - Electricity is showing 14.4 percent in 2024/25, whilst the Trading Service - electricity's budgeted revenue exceeds the related expenditure in Table A2 by R84.6 million in 2024/25, R107.7 million in 2025/26 and R133.7 million in 2026/27. The Electricity tariffs do not appear to be cost reflective as the budgeted revenue from tariffs is R870.4 million whilst the expenditure is R888.2 million.

When compared to the Full Year Projection for 2023/24 of R821.4 million, the 2024/25 Tabled Budget is a 7.9 percent increase.

	Service charges - water	209 816	219 986	220 070	165 019	220 025	237 040	237 040	251 262	266 338
	% Growth Rate (Nominal)		4.8%	0.0%				7.7%	6.0%	6.0%
	Incr./(Decr.) in households rec. Min. Service Level & Above			5 978			14 933	-	14 706	15 048
	% Gross Margin - Water		29.3%	29.3%				28.2%	29.2%	30.2%
	Surplus/(Deficit) per Table A2		(290 357)	(111 292)				(86 322)	(74 485)	(67 767)

PT Comments:

The municipality has budgeted to increase Service charges - water revenue by 7.7 percent in 2024/25. It increases by 6 percent in 2025/26 and 2026/27 respectively.

The schedule of tariff of charges have been budgeted to increase by 6 percent which is in line with the projected inflation target for the 2024/25 MTREF of between 3 percent and 6 percent as specified in MFMA Circular No.126.

According to Table A10, the number of households receiving Water services has decreased to Nil in 2024/25. This is due to the municipality not populating the A1D data strings. Based on the Council Tabled Budget, the number of households receiving Water services has increased by 8 955 in 2024/25. The correlation between the increase in tariffs of 6 percent, the increase in Water revenue of 7.7 percent and the increase in the number of households of 8 955 could not be established.

When compared to the Full Year Projection for 2023/24 of R220 million, the 2024/25 Tabled Budget is a 7.7 percent increase.

The municipality currently operates on a budgeted Deficit for the Trading service- water in 2023/24. The budgeted Trading Service - water revenue is less than the related expenditure by R86.3 million in 2024/25, R74.5 million in 2025/26 and R67.8 million in 2026/27. The noted Deficits may be an indication that the municipality's Water tariffs are not cost reflective.

	Service charges - Waste water management	127 657	133 580	154 290	100 975	134 633	142 375	142 375	150 917	159 972
	% Growth Rate (Nominal)		4.6%	15.5%				-7.7%	6.0%	6.0%
	Increase/(Decrease) in households receiving the Minimum Service Level and Above sub-total			11 376			14 461	-	-	-
	Surplus/(Deficit) per Table A2		187 695	129 175				129 274	141 569	152 603

PT Comments:

The municipality has budgeted to decrease Service charges - Waste water management revenue by 7.7 percent in 2024/25. It increases by 6 percent in 2025/26 and 2026/27 respectively.

The schedule of tariff of charges have been budgeted to increase by 6 percent in 2024/25 which is in line with the projected inflation target for the 2024/25 MTREF of between 3 percent and 6 percent as specified in MFMA Circular No.126.

According to Table A10, the number of households receiving Waste water management services has decreased to Nil in 2024/25. This is due to the municipality not populating A1D data strings. Based on the Council Tabled Budget, the number of households receiving Waster water management services increased by 3 085. The correlation between the increase in tariffs of 6 percent, the decrease in Waste water management revenue of 7.7 percent and the increase in the number of households of 3 085 could not be established.

When compared to the Full Year Projection for 2023/4 of R134.6 million, the 2024/25 Tabled Budget is a 5.8 percent increase and appears reasonable.

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Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25	Budget Year +1 2025/26
R thousand	(AUDA)	(ORGB)	(ADJB)	M9 - March 2024		Council Tabled Budget	Data String (TABB) / (A1D)	

The municipality currently operates on a budgeted Surplus for the Trading service- Waste water management in 2023/24. The Trading service - Waste water management's budgeted revenue exceeds the related expenditure in Table A2 by R129.3 million in 2024/25, R141.6 million in 2025/26 and R152.6 million in 2026/27. The Waste water management tariffs do not appear to be cost reflective as the budgeted revenue from tariffs is R142.4 million whilst the expenditure is R224.3 million.

Description R thousand	2022/23 Audited Outcome (AUDA)	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
		Original Budget (ORGB)	Adjusted Budget (ADJB)	Actual Amount (Data String) IYM as at: M9 - March 2024	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
						Council Tabled Budget	Data String (TABB) / (A1D)		
Service charges - Waste Management	103 297	110 148	109 788	81 407	108 542	114 957	114 957	121 854	129 165
% Growth Rate (Nominal)		6.6%	-0.3%				4.7%	6.0%	6.0%
Increase/(Decrease) in households receiving the Minimum Service Level and Above sub-total			-			6 316	-	-	-
Surplus/(Deficit) per Table A2		55 439	9 240				25 931	30 355	32 013

PT Comments:

The municipality has budgeted to increase Service charges - Waste Management revenue by 4.7 percent in 2024/25. It increases by 6 percent in 2025/26 and 2026/27 respectively.

According to Table A10, the number of households receiving Waste water management services has decreased to Nil in 2024/25. This is due to the municipality not populating the A1D data strings. Based on the Council Tabled Budget, the number of households receiving Waste Management services has increased by 6 316 in 2024/25. The correlation between the increase in tariffs of 6 percent, the increase in Waste management revenue of 4.7 percent and the increase in the number of households of 6 316 could not be established.

The schedule of tariff of charges have been budgeted to increase by 6 percent which is in line with the projected inflation target for the 2024/25 MTREF of between 3 percent and 6 percent as specified in MFMA Circular No. 126.

The municipality currently operates on a budgeted Surplus for the Trading service- Waste management in 2023/24. The budgeted Trading Service - waste management's revenue exceeds the related expenditure by R25.9 million in 2024/25, R30.4 million in 2025/26 and R32 million in 2026/27. The Waste management tariffs do not appear to be cost reflective as the budgeted revenue from tariffs is R115 million whilst the expenditure is R131.8 million.

When compared to the Full Year Projection for 2023/24 of R108.5 million, the 2024/25 Tabled Budget is a 5.9 percent increase and appears reasonable.

Sale of goods and rendering of services	8 981	7 199	13 505	4 991	6 654	7 243	14 166	14 818	21 486
% Growth Rate (Nominal)		-19.9%	87.6%				4.9%	4.6%	45.0%

PT Comments:

The municipality has budgeted to increase Sale of goods and rendering of services revenue by 4.9 percent in 2024/25. It increases by 4.6 percent in 2025/26 and by 45 percent in 2026/27.

When compared to the Full Year Projection for 2023/24 of R6.7 million, the 2024/25 Tabled Budget is an increase of 112.9 percent and appears excessive. On Page 21 of the 2024/25 Tabled Budget Narrative the municipality stated that this revenue item has been budgeted for in order to comply with mSCOA reporting requirements and has been projected to increase by 6 percent from the Adjusted Budget of R6.9 million to R7.2 million in the 2024/25 Draft Budget. However, the R6.9 million and R7.2 million quoted by the municipality are not as per the data strings of R13.5 million (Adjusted Budget) and R14.2 million (Tabled Budget). The municipality is advised to review this revenue item and correct it in the budget to be approved by Council where necessary.

Interest earned from Receivables	6 529	5 877	947	2 967	3 956	4 140	993	1 039	1 507
% Growth Rate (Nominal)		-10.0%	-83.9%				4.9%	4.6%	45.0%

PT Comments:

The municipality has budgeted to increase Interest earned from Receivables revenue by 4.9 percent in 2024/25. It increases by 4.6 percent in 2025/26 and by 45 percent in 2026/27.

When compared to the Full Year Projection for 2023/24 of R4 million, the 2024/25 Tabled Budget is a 74.9 percent decrease. The municipality is advised to review this revenue item and correct it in the budget to be approved by Council where necessary.

Interest earned from Current and Non-Current Assets	5 407	5 330	5 330	1 535	2 047	5 592	5 592	5 849	8 481
% Growth Rate (Nominal)		-1.4%	0.0%				4.9%	4.6%	45.0%

PT Comments:

The municipality has budgeted to increase Interest earned from Current and Non-Current Assets revenue by 4.9 percent in 2024/25. It increases by 4.6 percent in 2025/26 and by 45 percent in 2026/27.

When compared to the Full Year Projection for 2024/25 of R2 million, the 2024/25 Tabled Budget is a 173.1 percent increase and appears excessive. The municipality is advised to review this revenue item and correct it in the budget to be approved by Council where necessary.

Rental from fixed Assets	7 988	8 804	11 099	8 062	10 750	11 643	11 643	12 179	17 659
% Growth Rate (Nominal)		10.2%	26.1%				4.9%	4.6%	45.0%

PT Comments:

The municipality has budgeted to increase Rental from fixed Assets revenue by 4.9 percent in 2024/25. It increases by 4.6 percent in 2025/26 and by 45 percent in 2026/27.

When compared to the Full Year Projection for 2023/24 of R10.8 million, the 2024/25 Tabled Budget is an increase of 8.3 percent.

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Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework				
		Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
		(AUDA)	(ORGB)	(ADJB)	M9 - March 2024		Council Tabled Budget	Data String (TABB) / (A1D)		
Operational revenue	1 638	1 292	1 292	691	921	8 278	1 355	1 417	2 055	
% Growth Rate (Nominal)		-21.1%	0.0%			4.9%	4.6%	45.0%		

PT Comments:

The municipality has budgeted to increase Operational revenue by 4.9 percent in 2024/25. It increases by 4.6 percent in 2025/26 and by 45 percent in 2026/27.

When compared to the Full Year Projection for 2023/24 of R921 000, the 2024/25 Tabled Budget is a 47.1 percent increase and appears excessive. The municipality is advised to review this revenue item and correct it in the budget to be approved by Council where necessary.

Non-Exchange Revenue

Property rates	376 279	396 741	396 614	301 894	402 525	423 760	423 760	412 860	437 631
% Growth Rate (Nominal)		5.4%	0.0%			6.8%	-2.6%	6.0%	
Increase/(decrease) in the No. of properties			-						
Increase/(decrease) in the Value of properties (R'm)			-						

PT Comments:

The municipality has budgeted to increase Property rates revenue by 6.8 percent in 2024/25. It decreases by 2.6 percent in 2025/26 and increases by 6 percent in 2026/27.

The rate randage is budgeted to increase by 5.9 percent in 2024/25 which is in line with the projected inflation target for the 2024/25 MTREF of between 3 percent and 6 percent as specified in MFMA Circular No.126. According to Table A10, the number of households being charged for Property rates services is Nil in 2024/25. This is due to the municipality not populating the A1D data strings and the Council approved Schedule A.

When compared to the Full Year Projection for 2023/24 of R402.5 million, the 2024/25 Tabled Budget of R423.8 million is a 5.3 percent increase and appears reasonable.

Fines, Penalties and forfeits	5 729	4 831	7 246	5 269	7 026	7 601	7 601	7 951	11 528
% Growth Rate (Nominal)		-15.7%	50.0%			4.9%	4.6%	45.0%	

PT Comments:

The municipality has budgeted to increase Fines, penalties and forfeits revenue by 4.9 percent in 2024/25. It increases by 4.6 percent in 2025/26 and by 45 percent in 2026/27.

When compared to the Full Year Projection for 2023/24 of R7 million, the 2024/25 Tabled Budget is a 8.2 percent increase.

Licences or permits	62	34	34	33	44	36	36	38	54
% Growth Rate (Nominal)		-44.5%	0.0%			4.9%	4.6%	45.0%	

PT Comments:

The municipality has budgeted to increase Licences and permits revenue by 4.9 percent in 2024/25. It increases by 4.6 percent in 2025/26 and by 45 percent in 2026/27.

When compared to the Full Year Projection for 2023/24 of R44 000, the 2024/25 Tabled Budget is a 17.9 percent decrease.

Transfers and subsidies - Operational	539 962	577 623	604 152	561 274	748 366	696 094	696 094	733 989	721 921
% Growth Rate (Nominal)		7.0%	4.6%			15.2%	5.4%	-1.6%	

PT Comments:

The municipality budgeted for Transfers and Subsidies - Operational of R696.1 million in TABB Table A4 and Table SA18. However, the 2024/25 DoRB and Provincial Allocations budgeted to transfer R722.1 million, a difference of R26 million. The municipality is advised to correct this in the budget to be approved by Council.

Transfers and subsidies contributes 27.5 percent towards the Total operating revenue budget of R2.5 billion. This indicates that the municipality is not grant reliant.

Interest	-	-	3 000	3 340	4 453	-	3 147	3 292	4 773
% Growth Rate (Nominal)		0.0%	0.0%				4.9%	4.6%	45.0%

PT Comments:

The municipality has budgeted to increase Interest revenue by 4.9 percent in 2024/25. It increases by 4.6 percent in 2025/26 and by 45 percent in 2026/27.

When compared to the Full Year Projection for 2023/24 of R4.5 million, the 2024/25 Tabled Budget is a 29.3 percent decrease.

Gains on disposal of Assets	(7 042)	2 000	5 757	3 981	5 308	-	5 757	5 757	5 757
% Growth Rate (Nominal)		-128.4%	187.9%				0.0%	0.0%	0.0%

PT Comments:

The municipality has budgeted no to increase Gains on disposal of Assets revenue over the 2024/25 MTREF.

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26
R thousand	(AUDA)	(ORGB)	(ADJB)	M9 - March 2024		Council Tabled Budget	Data String (TABB) / (A1D)		
When compared to the Full Year Projection for 2023/24 of R5.3 million, the 2024/25 Tabled Budget is a 8.5 percent increase.									
Total Revenue (excluding capital transfers and contributions)	2 103 840	2 355 468	2 397 032	1 857 521		2 628 561	2 534 902	2 702 406	2 899 703

PT Comments:

The municipality has budgeted for Total Revenue (excluding capital transfers and contributions) of R2.5 billion, an increase of R137.9 million (5.8 percent) from the 2023/24 Adjusted Budget of R2.4 billion.



Municipality: Newcastle Local Municipality

Table A4 - Budgeted Financial Performance (Operating Expenditure) - PT Assessment

R thousand	Description	2022/23 Audited Outcome (AUDA)	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework				
			Original Budget (ORGB)	Adjusted Budget (ADJB)	Actual Amount (Data String) IYM as at: M9 - March 2024	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
							Council Tabled Budget	Data String (TABB) / (A1D)		
Expenditure By Type										
	Employee related costs	677 071	724 536	708 366	488 583	651 444	770 698	770 698	790 141	823 363
	% Growth Rate (Nominal)		7.0%	-2.2%			8.8%	2.5%	4.2%	
	Increase/(decrease) in No. of Positions		-				(90)	-		0.0%

PT Comments:

The municipality has budgeted to increase Employee related costs by 8.8 percent in 2024/25. It increases by 2.5 percent in 2025/26 and by 4.2 percent in 2026/27.

According to Table SA24, the number of Employees decreased to Nil in 2024/25. This is due to the municipality not populating the A1D data strings. The number of positions are budgeted to decrease by 90 in 2024/25 in terms of Table SA24 of the Council Approved Tabled Budget. However, on page 24 of the Tabled budget narrative, the municipality stated that the municipality is not intending to increase salaries by CPIX and a Notch in the current year. The increase will rather be increased in the new MTREF where the municipality believes that the revenue base would have improved. However, the reasons provided by the municipality in the budget narrative do not justify adequately the 8.8 percent increase.

When compared to the Full Year Projection for 2023/24 of R651.4 million, the 2024/25 Tabled Budget is a 18.3 percent increase. The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to consider their financial sustainability when considering salary increases as specified in MFMA Circular No.126.

Remuneration costs is 28.2 percent of Total operating expenditure of R2.8 billion and is within norm of between 25 percent to 40 percent as per MFMA Circular 71. It is unclear if the municipality intends to apply for exemption from the 2024/25 increases.

Remuneration of councillors	26 983	28 443	26 987	24 622	32 830	28 443	28 443	29 751	31 090
% Growth Rate (Nominal)		5.4%	-5.1%				5.4%	4.6%	4.5%
Remuneration Ratio	26.7%	27.6%	26.5%				28.2%	27.8%	25.7%

PT Comments:

The municipality has budgeted to increase Remuneration of councillors by 5.4 percent in 2024/25. It increases by 4.6 percent in 2025/26 and by 4.5 percent in 2026/27.

When compared to the Full Year Projection for 2023/24 of R32.8 million, the 2024/25 Tabled Budget is a 13.4 percent decrease.

The municipality is advised to take note of MFMA Circular No. 126 which states that "Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance".

Bulk purchases - Electricity	527 905	660 933	654 133	416 008	554 677	745 201	745 201	817 667	938 272
% Growth Rate (Nominal)		25.2%	-1.0%				13.9%	9.7%	14.8%

PT Comments:

The municipality has budgeted to increase Bulk purchases - Electricity by 13.9 percent in 2024/25. It increases by 9.7 percent in 2025/26 and by 14.8 percent in 2026/27.

On page 24 of the Tabled budget narrative, the municipality stated that, Expenditure on bulk electricity purchases is projected to increase by 11.8 percent and is informed by the NERSA guidelines and expected demand for electricity by the municipal consumers. However, MFMA Circular No. 126 states that Bulk purchases electricity are to budgeted to increase by 12.7 percent in 2024/25.

When compared to the Full Year Projection for 2023/24 of R554.7 million, the 2024/25 Tabled Budget is a 34.3 percent increase which appears excessive as it exceeds the NERSA guideline of 12.7 percent. On page 26 of the Tabled Budget narrative, the municipality stated that the increase in bulk electricity purchases is informed by NERSA guidelines and the expected demand for electricity by municipal consumers.

Inventory consumed	166 168	159 854	168 244	117 356	156 475	174 154	174 124	182 106	190 298
% Growth Rate (Nominal)		-3.8%	5.2%				3.5%	4.6%	4.5%

PT Comments:

The municipality has budgeted to increase Inventory consumed by 3.5 percent in 2024/25. It increases by 4.6 percent in 2025/26 and by 4.5 percent in 2026/27.

When compared to the Full Year Projection for 2023/24, the 2024/25 Tabled Budget is a 11.3 percent increase and therefore appears excessive.

Debt impairment	52	308 145	285 207	-	-	285 207	191 548	190 109	188 733
% Growth Rate (Nominal)		593217.2%	-7.4%				-32.8%	-0.8%	-0.7%

PT Comments:

The municipality has budgeted to decrease Debt impairment by 32.8 percent in 2024/25. It decreases by 0.8 percent in 2025/26 and by 0.7 percent in 2026/27.

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Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25	Budget Year +1 2025/26
R thousand	(AUDA)	(ORGB)	(ADJB)	M9 - March 2024		Council Tabled Budget	Data String (TABB) / (A1D)	

Based on the collection rates for Property rates (75.4 percent), Service charges - electricity (95.9 percent), Service charges - water (56 percent), Service charges - Waste water management (61 percent), Service charges - Waste management (58.3 percent) and Fines (18 percent), approximately R1.4 billion of the budget is collectable. Therefore approximately R354.4 million is doubtful and the Debt impairment budget of R191.5 million appears understated.

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework				
		Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at: M9 - March 2024	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
							Council Tabled Budget	Data String (TABB) / (A1D)		
Depreciation and amortisation	347 534	379 139	379 139	279 091	372 121	397 716	397 716	416 011	669 732	
% Growth Rate (Nominal)		9.1%	0.0%			4.9%		4.6%	61.0%	
<i>PT Comments:</i>										

The municipality has budgeted to increase Depreciation and amortisation by 4.9 percent in 2024/25. It increases by 4.6 percent in 2025/26 and by 61 percent in 2026/27. When compared to the Full Year Projection for 2023/24 of R372.1 million, the 2024/25 Tabled Budget of R397.7 million is a 6.9 percent increase. The municipality must satisfy itself as to the adequacy of the budget. The 2022/23 Audited Outcome is R347.5 million.

Interest	76 057	32 205	32 545	24 975	33 300	30 300	30 300	26 545	22 467
% Growth Rate (Nominal)		-57.7%	1.1%			-6.9%		-12.4%	-15.4%
<i>PT Comments:</i>									

The municipality has budgeted to decrease Interest by 6.9 percent in 2024/25. It decreases by 12.4 percent in 2025/26 and by 15.4 percent in 2026/27. The debt repayment schedule submitted by the municipality indicates interest payable of R31.7 million in 2024/25.

Contracted services	285 394	207 716	267 155	174 697	232 929	261 622	257 611	254 696	223 173
% Growth Rate (Nominal)		-27.2%	28.6%			-3.6%		-1.1%	-12.4%
<i>PT Comments:</i>									

The municipality has budgeted to decrease Contracted services by 3.6 percent in 2024/25. It decreases by 1.1 percent in 2025/26 and by 12.4 percent in 2026/27. When compared to the Full Year Projection for 2023/24, the 2024/25 Tabled Budget is a 10.6 percent increase. The municipality on page 27 of its budget narrative stated that the decrease in Contracted services is due to the removal of the Human Settlement Grant for the implementation of informal houses. However, the reasons provided by the municipality in the budget narrative do not speak to the increase of 10.6 percent in Contracted services from the 2023/24 Full Year Projections. The municipality is advised to ensure that Contracted services are budgeted for in line with the current signed agreements and the expected 2024/25 agreements so as to avoid any possible unauthorised expenditure at year end.

Irrecoverable debts written off	354 811	89 312	93 659	49 349	65 799	93 659	93 659	89 351	85 330
% Growth Rate (Nominal)		-74.8%	4.9%			0.0%		-4.6%	-4.5%
<i>PT Comments:</i>									

The municipality has budgeted for Irrecoverable debts written off of R93.7 million which consistent with the 2023/24 Adjusted Budget. It decreases by 4.6 percent in 2025/26 and by 4.5 percent in 2026/27. When compared to the Full Year Projection of R65.8 million for 2023/24, the 2024/25 Tabled Budget is a 42.3 percent increase. The municipality must satisfy itself as to the accuracy of the budget.

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
		(AUDA)	(ORGB)	(ADJB)	M9 - March 2024	Council Tabled Budget	Data String (TABB) / (A1D)		
Operational costs	163 184	134 307	155 614	84 630	112 839	137 750	141 792	152 036	152 439
% Growth Rate (Nominal)		-17.7%	15.9%				-8.9%	7.2%	0.3%

PT Comments:

The municipality has budgeted to decrease Operational costs by 8.9 percent in 2024/25. It increases by 7.2 percent in 2025/26 and by 0.3 percent in 2026/27 respectively.

When compared to the Full Year Projection for 2023/24, the 2024/25 Tabled Budget is a 25.7 percent increase and appears excessive. On page 27 of the Tabled Budget narrative, the municipality stated that the Other expenditure has been projected to R137.8 million, representing a decrease of R13.9 million (9.2 percent) from the current year's adjusted budget of of R151.7 million and that the increase is mainly due to the additional provision for departmental rates and services due to the increases in the revenue tariffs. It should however be noted that the figures quoted in the Tabled Budget narratives and the reasons provided are not in line with the figures as per the uploaded data strings. In addition, the municipality in the Tabled Budget narratives refers to Other expenditure instead of Operational costs. The municipality is therefore requested to rmake necessary amendments to the 2024/25 Budget to be approved by Council.

Total Expenditure	2 641 310	2 724 589	2 771 049	1 659 315		2 924 752	2 831 093	2 948 414	3 324 898
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PT Comments:

The municipality has budgeted for Total Operational Expenditure of R2.8 billion. This an increase of R60 million from the 2023/24 Adjusted Budget of R2.7 billion.

Table A4 - Budgeted Financial Performance (Surplus/Deficit) - PT Assessment

Total Operating Revenue	2 103 840	2 355 468	2 397 032	1 857 521		2 628 561	2 534 902	2 702 406	2 899 703
Total Operating Expenditure	2 641 310	2 724 589	2 771 049	1 659 315		2 924 752	2 831 093	2 948 414	3 324 898
Operating Surplus/ (Deficit)	(537 470)	(369 121)	(374 017)	198 206		(296 191)	(296 191)	(246 008)	(425 194)
% Growth Rate (Nominal)		-31.3%	1.3%				-20.8%	-16.9%	72.8%

PT Comments:

The municipality has budgeted for an Operating Deficit of R296.2 million in 2024/25, which decreases to R246 million in 2025/26 and increases to R425.2 million in 2026/27 respectively. This is in contravention of paragraph 5.1 of Circular No. 126 which states "With effect from 1 July 2024 all municipal Councils are advised not to approve a deficit budget, as such Mayors who table budgets to Council must be aware of the implications of a deficit budget".

Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework				
		Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
		(AUDA)	(ORGB)	(ADJB)	M9 - March 2024		Council Tabled Budget	Data String (TABB)		
Capital Expenditure - Functional										
Municipal governance and admin.	27 704	4 700	7 330	12 337	16 450	2 850	2 850	2 400	-	
Executive and council	-	-	1 757	10 753	14 337	-	-	-	-	
Finance and administration	27 704	4 700	5 573	1 585	2 113	2 850	2 850	2 400	-	
Internal audit	-	-	-	-	-	-	-	-	-	
Community & public safety	8 768	35 376	41 277	21 404	28 539	30 231	30 161	21 378	-	
Community and social services	1 521	938	1 308	400	533	766	696	320	-	
Sport and recreation	7 007	33 938	39 049	20 725	27 633	28 965	28 965	20 558	-	
Public safety	-	-	120	-	-	-	-	-	-	
Housing	240	500	800	280	374	500	500	500	-	
Health	-	-	-	-	-	-	-	-	-	
Eco. and environ. services	130 897	60 258	63 670	37 409	49 878	56 081	56 081	43 249	-	
Planning and development	35 262	191	6 278	207	276	30	30	100	-	
Road transport	95 635	60 067	57 392	37 201	49 602	56 051	56 051	43 149	-	
Environmental protection	-	-	-	-	-	-	-	-	-	
Trading services	222 966	154 204	138 625	71 170	94 894	87 925	87 925	78 326	6 500	
Energy sources	-	21 550	27 836	7 036	9 382	23 644	23 644	18 000	6 500	
Water management	171 176	116 407	100 054	62 399	83 199	52 191	52 191	31 489	-	
Waste water management	51 790	15 797	9 901	1 735	2 313	12 000	12 000	28 838	-	
Waste management	-	450	834	-	-	90	90	-	-	
Other	-	800	-	-	-	-	-	-	-	
Total Capital Expenditure Functional	390 335	255 338	250 902	142 321	189 761	177 086	177 016	145 353	6 500	
% Growth Rate (Nominal)		-34.6%	-1.7%			-29.4%	-17.9%	-95.5%		

PT Comments:

The municipality has budgeted to decrease the Capital budget in 2024/25 by 29.4 percent. It decreases by 17.9 percent in 2025/26 and by 95.5 percent in 2026/27.

The municipality is advised to ensure that the Capital budget in Table A5 is in line with mSCOA Circular No.13 in respect of Input VAT.

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
		(AUDA)	(ORGB)	(ADJB)	M9 - March 2024	Council Tabled Budget	Data String (TABB)		
Repairs and maintenance (Table A9)	68 977	44 492	44 681			38 640	36 711	37 590	39 017
% Growth Rate (Nominal)		-35.5%	0.4%				-17.8%	2.4%	3.8%
Repairs and maintenance as a % of PPE Values							0.6%		

PT Comments:

The municipality has budgeted to reduce Repairs and maintenance by 17.8 percent in 2024/25. It increases by 2.4 percent in 2025/26 and increases by 3.8 percent in 2026/27 respectively. No details were provided for the decrease in the budget narrative.

Repairs and maintenance equates to 0.6 percent of PPE values of R6 billion as per the 2022/23 Audited AFS. This is below the norm of 8 percent. This is a reflection that insufficient monies are being spent on Repairs and maintenance to the extent that it could increase impairment of useful assets.

As a result of being below the norm, the municipality is required to provide a detailed explanation and assurance that the budgeted amount is adequate to secure the ongoing health of the municipality's infrastructure supported by reference to their asset management plan in the Budget narrative of the budget to be approved by Council.

Renewals and Upgrading of existing assets (Table A9)	174 745	124 142	120 606			93 156	93 156	80 884	-
% Growth Rate (Nominal)		-29.0%	-2.8%				-22.8%	-13.2%	-100.0%
Renewals and Upgrades as a % of capital expenditure		48.6%	48.1%				52.6%	55.6%	0.0%

PT Comments:

The municipality has budgeted to decrease Renewals and Upgrading of existing assets by 22.8 percent in 2024/25, it decreases by 13.2 percent in 2025/26 and 100 percent in 2026/27.

The budget of R93.2 million equates to 52.6 percent of the total Capital expenditure budget of R177 million, the norm is 40 percent.

Municipality: Newcastle Local Municipality

Table A5 - Budgeted Capital Expenditure by funding

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	(AUDA)	(ORGB)	(ADJB)	M9 - March 2024		Council Tabled Budget	Data String (TABB)	

Budgeted Capital Expenditure Funded by:

National Government	329 664	228 012	212 481	121 109	161 479	151 580	151 580	132 133	6 500
% Growth Rate (Nominal)		-30.8%	-6.8%				-28.7%	-12.8%	-95.1%

PT Comments:

The municipality budgeted for National Government Grants of R151.6 million which is in line with Table SA18 and the 2024/25 DoRB.

Provincial Government	11 706	12 758	19 554	2 521	3 361	20 796	20 796	10 820	-
% Growth Rate (Nominal)		9.0%	53.3%				6.4%	-48.0%	-100.0%

PT Comments:

The municipality budgeted for Provincial Government Grants of R20.8 million which is in line with TABB Table SA18. However, the 2024/25 Provincial Allocations budgeted to transfer R44.1 million to the municipality, a difference of R23.4 million.

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Budget Year 2024/25		Budget Year +1 2025/25	Budget Year +2 2026/27
R thousand	(AUDA)	(ORGB)	(ADJB)	M9 - March 2024	Full Year Projections for current year based on Actual Perf. (100%)	Council Tabled Budget	Data String (TABB)		
Transfers recogn.- capital	341 370	240 770	232 035	123 630	164 840	172 376	172 376	142 953	6 500
Internally generated funds	48 287	14 568	18 867	16 905	22 540	4 710	4 640	2 400	-
<i>% Growth Rate (Nominal)</i>		-69.8%	29.5%			-75.4%	-48.3%	-100.0%	

PT Comments:

The municipality has budgeted to reduce Internally generated funds budget by 75.4 percent in 2024/25. It decreases by 48.3 percent in 2025/26 and by 100 percent in 2026/27.

Total Capital Funding	389 657	255 338	250 902	140 535	187 380	177 086	177 016	145 353	6 500
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Table A7 - Budgeted Cash Flows - PT Assessment

Description	Budget Year 2024/25				
	Tables A4/A5 Comparison (TABB)	Table A7 Council Tabled Budget	Table A7 Data string (TABB)	% Collection/ Payment	Treasury Calculation based on Tables A4 and A5

R thousand

It should be noted that the funding position for your 2024/25 Tabled (Draft) Budget was determined based on the information reflected in the audited 2022/23 AFS, the 2023/24 ADJB and the 2024/25 TABB data strings that were submitted to the National Treasury GoMuni Upload Portal which reflect the figures that the municipality has on the financial system. The assessment of your 2024/25 Tabled (Draft) Budget considered the cash flow impact of the budgeted Operating revenue and expenditure (Tables B4/A4) as well as the Capital expenditure (Tables B5/A5) as reflected in the 2023/24 ADJB and 2024/25 TABB data strings.

The amounts reflected in the Treasury Calculation column were based on the submitted mSCOA data strings and certain assumptions applied through the Treasury Budget Funding Assessment Tool. Should the submitted mSCOA data strings contain material errors, those would also affect the Treasury calculated figures and will need to be addressed by the municipality in the submission of the Approved (Final) Budget data string (ORGB). The assessment below contains brief explanations for significant variances between the municipality's 2024/25 Tabled (Draft) Budget tables and the Treasury calculated figures, where applicable.

Considering that the assessment of the 2024/25 Approved (Final) Budget will also be determined using the 2023/24 ADJB and the 2024/25 ORGB, the municipality is requested to ensure that the 2023/24 ADJB data string is fully aligned to the latest Council Approved Adjustments budget which includes all adjustments made for changes to grant allocations and/or Section 29 of the MFMA and that the 2024/25 ORGB data string reflects figures that are accurate and that the errors and omissions noted in the 2024/25 TABB data string are corrected.

CASH FLOW FROM OPERATING ACTIVITIES

Receipts

Property rates	423 760	356 941	319 383	75%	319 383
Collection rate- Property rates (AFS)					-

PT Comments:

The municipality budgeted to receive R319.4 million from Property rates in TABB Table A7. This equates to a 75.4 percent collection rate when compared to the R423.8 million budgeted in TABB Table A4. For recalculation purposes, the Provincial Treasury calculated receipts from Property rates of approximately R319.4 million using a collection rate of 75.4 percent as utilised by the municipality in the 2024/25 TABB.

Service charges	1 364 758	1 139 636	1 120 971	82%	1 120 971
Service charges - electricity revenue (SA30)	870 387	834 614	834 449	96%	-
Collection rate- electricity revenue (AFS)					-
Service charges - water revenue (SA30)	237 040	137 483	132 670	56%	-
Collection rate- water revenue (AFS)					-
Service charges - sanitation revenue (SA30)	142 375	93 967	86 882	61%	-
Collection rate- sanitation revenue (AFS)					-
Service charges - refuse revenue (SA30)	114 957	73 572	66 970	58%	-
Collection rate- refuse revenue (AFS)					-

PT Comments:

The municipality budgeted to receive R1.1 billion from Service charges in TABB Table A7. This equates to an 82 percent average collection rate when compared to the R1.4 billion budgeted in TABB Table A4. For recalculation purposes, the Provincial Treasury calculated receipts from Service charges of approximately R1.1 billion using the various collection rates (Electricity 95.9 percent, Water 56 percent, Sanitation 61 percent and Refuse 58.3 percent) as utilised by the municipality in the 2024/25 TABB.

Description	Budget Year 2024/25				
	R thousand	Tables A4/A5 Comparison (TABB)	Table A7 Council Tabled Budget	Table A7 Data string (TABB)	% Collection/Payment
Other revenue	34 801	13 199	34 478	99%	238 068
Rental of facilities and equipment (Table SA30)	11 643	11 643	11 643	100%	684%
Fines, penalties and forfeits (Table SA30)	7 601	1 520	1 520	20%	
Collection rate- Fines, penalties and forfeits					-
Licenses and permits (Table SA30)	36	36	36	100%	
Agency services (Table SA30)	-	-	-	-	
Other revenue (Table SA30)	15 521	-	21 278	137%	

PT Comments:

The municipality used an average collection rate of 99 percent for Other revenue in TABB Table A7, which amounts R34.5 million. Provincial Treasury used approximately R238.1 million for recalculation purposes, which includes budgeted Other revenue in TABB Table A4 using various collection rates (Rental of facilities 100 percent, Fines penalties and forfeits 18 percent and Other revenue 100 percent) plus estimated VAT collectable on Debtors payments, VAT collectable on cash sales and VAT refunds.

Transfers and Subsidies - Operational	696 094	666 094	725 223	104%	696 094
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PT Comments:

The municipality budgeted for Transfers and Subsidies - Operational of R725.2 million which is not in line with Table SA18 of R722.1 million. However, the 2024/25 DoRB and the Provincial Allocations budgeted to transfer R722.1 million to the municipality, a difference of R3.1 million. For recalculation purposes, the Provincial Treasury utilised R696.1 million as budgeted for by the municipality in TABB Table A4.

Transfers and Subsidies - Capital	172 376	172 376	172 376	100%	172 376
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PT Comments:

The municipality budgeted for Transfers and Subsidies - Capital of R172.4 million in line with Table SA18. However, the 2024/25 DoRB and the Provincial Allocations budgeted to transfer R195.7 million to the municipality, a difference of R23.4 million. For recalculation purposes, the Provincial Treasury utilised R172.4 million as budgeted for by the municipality in TABB Table A5.

Description	Budget Year 2024/25				Treasury Calculation based on Tables A4 and A5
	Tables A4/A5 Comparison (TABB)	Table A7 Council Tabled Budget	Table A7 Data string (TABB)	% Collection/Payment	
R thousand					
Interest	12 879	9 732	9 732	76%	5 592
Interest earned - external investments (SA30)	5 592	5 592	5 591	100%	
Interest earned - outstanding debtors (SA30)	4 140	4 140	4 141	100%	

PT Comments:

The municipality budgeted R9.7 million for Interest. For recalculation purposes, the Provincial Treasury utilised Interest earned - external investments of R5.6 million as per TABB Table A4.

Payments					
Suppliers and employees	2 117 869	(2 135 964)	(2 113 891)	100%	(2 335 236)
Employee related costs (SA30)	770 698	770 698	(799 141)	104%	
Remuneration of councillors (SA30)	28 443	28 443	-	-	
Bulk purchases (SA30)	745 201	745 201	(745 201)	100%	
Acquisition inventory - water and other inventory (SA30)	174 124	174 154	(170 146)	98%	
Contracted services (SA30)	257 611	261 622	(2 837)	1%	
Other expenditure (SA30)	141 792	155 845	(396 566)	280%	
Other Cash Flows/Payments (SA30)		-	-	-	

PT Comments:

The municipality budgeted R2.1 billion for Cash payments for Suppliers and employees in TABB Table A7. For recalculation purposes, the Provincial Treasury calculated Suppliers and employees of approximately R2.3 billion, being 100 percent of the Operating budget excluding non-cash items in TABB Table A4 and including estimated Input VAT payable to Suppliers for Operating and Capital expenditure based on TABB Tables A4 and A5 and the related data strings.

Finance charges	30 300	(30 300)	(30 300)	100%	(30 100)
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PT Comments:

The municipality has budgeted R30.3 million payments for Finance charges in TABB Table A7. For recalculation purposes, the Provincial Treasury calculated Finance charges of approximately R30.1 million based on TABB Table A4.

Transfers and Grants	-	-	-	-	-
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PT Comments:

NET CASH FROM/(USED) OPERATING ACTIVITIES		191 715	237 972		187 148
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Description	Budget Year 2024/25				Treasury Calculation based on Tables A4 and A5
	Tables A4/A5 Comparison (TABB)	Table A7 Council Tabled Budget	Table A7 Data string (TABB)	% Collection/ Payment	
R thousand					
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE		10 000	10 000		10 000

PT Comments:

The municipality budgeted for Proceeds on disposal of PPE of R10 million in Table A7 TABB which was also used by the Provincial Treasury for recalculation purposes.

Payments					
Capital assets	177 016	(177 486)	(177 016)	100%	(177 016)

PT Comments:

The municipality budgeted R177 million for Capital assets payments in TABB Table A7 in line with TABB Table A5. For recalculation purposes, the Provincial Treasury calculated payments of Capital assets of R177 million based on the municipality's data strings.

NET CASH FROM/(USED) INVESTING ACTIVITIES		(167 486)	(167 016)		(167 016)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Payments					
Repayment of borrowing		(32 986)	(32 986)		(32 986)

PT Comments:

The municipality has budgeted R33 million payments for Repayment of borrowing in TABB Table A7. For recalculation purposes, the Provincial Treasury calculated payments for Repayment of borrowing of approximately R33 million as per the municipality.

NET CASH FROM/(USED) FINANCING ACTIVITIES		(32 986)	(32 986)		(32 986)
NET INCREASE/ (DECREASE) IN CASH HELD		(8 758)	37 970		(12 855)
Cash/cash equivalents at the year begin:		27 482	65 648		(35 206)

PT Comments:

The municipality populated the Cash/cash equivalents at year begin of R65.6 million in TABB Table A7. For recalculation purposes negative R35.5 million was used by Provincial Treasury.

Cash/cash equivalents at the year end:		18 724	103 618		(48 061)
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PT Comments:

The resulting estimated Cash/cash equivalents at the year end amounts to approximately negative R48.1 million based on the Provincial Treasury recalculation. The municipality in Table A7 of its TABB data string reflects R103.6 million.

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Table A8 - Cash backed reserves/accumulated surplus reconciliation- PT Assessment

Description	Table A8 Council Tabled Budget	Table A8 Data string (TABB)	Treasury Calculation	PT Comments:
R thousand				
Cash and investments available				
Cash/cash equivalents at the year end	18 724	103 618	(48 061)	The resulting estimated Cash/cash equivalents at the year end amounts to approximately negative R48.1 million based on the Provincial Treasury recalculation. The municipality in Table A8 of its TABB data string reflects R103.6 million.
Other current investments > 90 days	12 957	-	(0)	
Non current assets - Investments	-	-	-	
Cash and investments available:	31 681	103 618	(48 061)	
Application of cash and investments				
Unspent conditional transfers	155 136	215 879	124 410	In respect of Unspent conditional transfers, the Provincial Treasury after considering the 2022/23 Audited AFS, the Adjusted Budget 2023/24 allocations and grant expenditure ADJB data strings as well as the 2024/25 Tabled Budget allocations and grant expenditure TABB data strings, used approximately R124.5 million for recalculation purposes in Table A8, whereas the municipality budgeted R215.9 million.
Unspent borrowing	-	-	-	
Statutory requirements	32 078	29 511	68 819	In respect of Statutory requirements, the Provincial Treasury after considering the VAT payable/receivables as per the 2022/23 Audited AFS, the 2023/24 Adjusted Budget ADJB data strings income and expenditure as well as the Tabled Budget 2024/25 TABB data strings income and expenditure, used approximately R68.8 million for recalculation purposes in Table A8, whereas the municipality budgeted R29.5 million.
Other working capital requirements	(159 678)	(492 297)	225 036	In respect of Other working capital requirements, the Provincial Treasury after considering the estimated 2024/25 outstanding Debtors and outstanding Creditors based on the 2022/23 Audited AFS, the Adjusted Budget 2023/24 ADJB data strings and the Tabled Budget 2024/25 TABB data strings, used approximately R225 million for recalculation purposes in Table A8, whereas the municipality budgeted for negative R492.3 million.

Table A8 - Cash backed reserves/accumulated surplus reconciliation- PT Assessment

Description	Table A8 Council Tabled Budget	Table A8 Data string (TABB)	Treasury Calculation	PT Comments:
R thousand				
Other provisions	11 660	(15 098)	14 261	In respect of Other provisions, the Provincial Treasury using the 2022/23 Audited AFS, the Adjusted Budget 2023/24 ADJB data strings and the Tabled Budget 2024/25 TABB strings used approximately R14.3 million in Table A8, whereas the municipality budgeted for negative R15.1 million.
Long term investments committed	-	-	-	
Reserves to be backed by cash/investments	32 431	32 292	32 292	In respect of Reserves to be backed by cash/investments, the Provincial Treasury using the 2022/23 Audited AFS, the Adjusted Budget 2023/24 ADJB data strings and the Tabled Budget 2024/25 TABB data strings in Table A8 used approximately R32.3 million which is the same as the municipality.
Total Application of cash and investments:	71 627	(229 714)	464 817	
Surplus(shortfall) - Excl Non-Current Creditors Trf to Debt Relief Benefits	(39 946)	333 331	(512 878)	
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	
Surplus(shortfall) - Incl Non-Current Creditors Trf to Debt Relief Benefits	(39 946)	333 331	(512 878)	Based on a recalculation of the Cash/Cash equivalents at the year-end as per Table A7: Budgeted cash flows and the Surplus/(shortfall) as per Table A8: Cash backed reserves/accumulated surplus reconciliation of your 2024/25 Tabled Budget in line with the National Treasury Budget funding assessment framework using the audited 2022/23 AFS and data string figures from the relevant budget tables including Tables A4/B4 and A5/B5 that were uploaded to the National Treasury GoMuni Upload Portal and downloaded by Provincial Treasury from the portal on 11/04/2024, your municipality's 2024/25 Tabled Budget appears to be unfunded in terms of Section 18 of the MFMA read together with MFMA Circular No. 55.

Annexure B

MBRR Schedule A – Annual budget and supporting documentation of a municipality

As per the Municipal Budget and Reporting Regulations, the following information should be included as part of Schedule A:

PART 1 – ANNUAL BUDGET

- Mayor's Report
- Resolutions
- Executive Summary
- Annual Budget Tables

PART 2 – SUPPORTING DOCUMENTATION

- Overview of annual budget process
- Overview of alignment of annual budget with Integrated Development Plan
- Measurable performance objectives and indicators
- Overview of budget related policies
- Overview of budget assumptions
- Overview of budget funding
- Expenditure on allocations and grants programmes
- Allocation and grants made by the municipality
- Councilor and board member allowances and employee benefits
- Monthly targets for revenue, expenditure and cash flow
- Annual budgets and service delivery and budget implementation plans internal – departments
- Annual budgets and service delivery agreements – municipal entities and other external mechanisms
- Contracts having future budgetary implications
- Capital expenditure details
- Legislation compliance status
- Other supporting documents
- Annual budgets of municipal entities attached to the municipalities annual budget
- Municipal manager's quality certification

Details on the contents of each of the above Sections are provided in the Schedules to the Municipal Budget and Reporting Regulations, as published in Part 1 and 2 of the Government Gazette No. 32141 dated 17 April 2009.