# NEWCASTLE LOCAL MUNICIPALITY

## 4TH GENERATION INTEGRATED DEVELOPMENT PLAN (2017/18 – 2021/22)



## FINAL IDP REVIEW (2021/22)

## DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS

## MAY 2021

**BY 2035, NEWCASTLE WILL BE A RESILIENT AND ECONOMICALLY VIBRANT CITY, PROMOTING SERVICE EXCELLENCE TO ITS CITIZENS**

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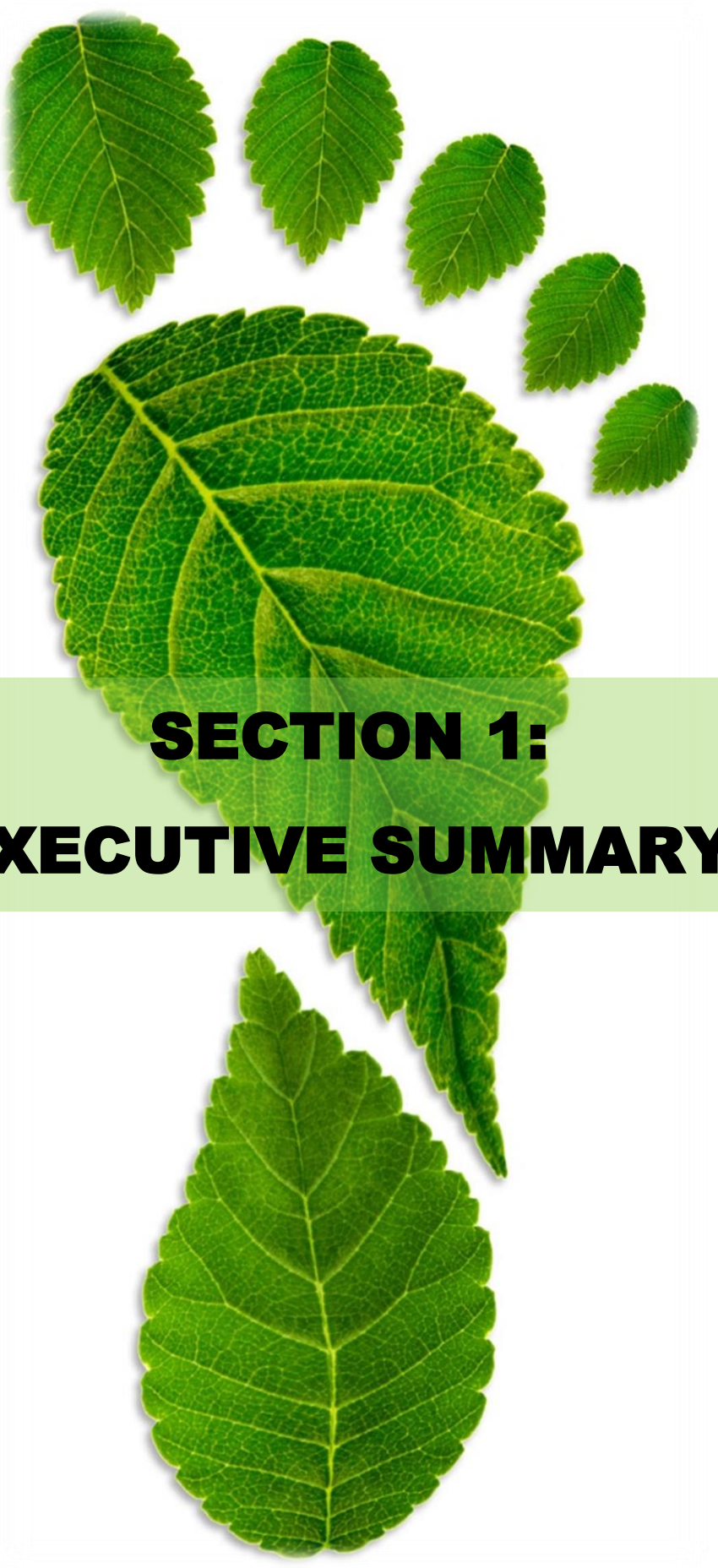
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# SECTION 1:
# EXECUTIVE SUMMARY.

# 1. INTRODUCTION.

## 1.1. Purpose of the IDP.

The Integrated Development Plan is assembled in an integrated approach that involves a variety of stakeholders in order to ensure the implementation of proposals and strategies. It is meant to be a tool towards the attainment of the municipality's vision 2035, and also a foundation for incremental development of the city and all areas falling within the municipality's jurisdiction. During the past few decades, the planning community realised that in order to control the destiny of the built environment, given the dynamics of a changing political, economic and technological environment, more structured and formalised planning is required. Due to this, municipalities within South Africa adopted **Integrated Development Planning** as a tool essential for effective planning and development.

The Forum for Effective Planning and Development (1998) defined Integrated Development Planning as follows:-

"A **participatory approach** to integrate economic, sectoral, spatial, social, institutional, environmental and fiscal strategies in order to support the optimal allocation of scarce resources between sectors and geographical areas and across the population in a manner that provides sutainable growth, equity and the empowerment of the poor and the marginalised."

The value of integrated development planning for municipalities is embedded in the formulation of focused plans that are based on community development needs. This approach is meant to assist in curbing wasteful expenditure and perpertual spending patterns. The adoption of a business orientated approach is not intended at running the municipality like a profit-bound organisation, but rather to ensure that scarce resources are allocated and spent effectively.

According to Chapter 5, Section 25 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), "municipal council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plan for the development of the municipality." Newcastle Municipality's 4$^{th}$ Generation IDP seeks to outline a development agenda for the municipality for the period 2017 to 2022 (5 years). It informs the budget and also tries by all means to respond to the aspirations and needs of the community of Newcastle. It is a document that sets the level of economic growth for the city through the identification of economic opportunities and areas of potential investment.

## 1.2. Background to the Newcastle Local Municipality.




*Figure 1: The location of Newcastle within South Africa.*

According to the most 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, which translates to 25 881. 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 ward delimation process by the Dermarcation 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 with regards to the highest number of households. However, recent statistical figures reveal that Newcasle Local Municipality has dropped to 4th place after the Msunduzi, uMhlathuze, and KwaDukuza Local Municipalities respectively. In terms of the 2nd and 3rd ranked local municipalities, the reason for growth in the number of households without any significant growth in the population thereof may be atttributed 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 repspectively.

- **Newcastle in History.**

Traditionally, the town of Newcastle started off as Post-Halt Number 2 on the journey between Durban (then Port Natal) and the Zuid-Afrikaansche Republiek (Transvaal) and Johannesburg. It was strategically positioned in the year 1854, by the Surveyor General of the Natal Colony, Dr. P. C. Sutherland. The city was later known as the Waterfall River Township because of the Ncandu River and, in 1864, the town of Newcastle was founded on the site becoming the forth settlement to be established in natal after Durban, Weenen and Pietermaritzburg. Newcastle was named after the British Colonial Secretary, the Duke of Newcastle and, in 1873

Newcastle became a separate electoral division. In the year 1876, Fort Amiel was built as a barrier against the Zulus.

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

Newcastle Local Municipality is one 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 part of the KwaZulu-Natal Province and borders onto Free State and Mpumalanga Provinces to the West and North respectively. The local municipalities of eMadlangeni and Dannahauser 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 reside within the Newcastle East area, which is predominantly township and semi-rural areas characterised by a general lack of adequate infrastructure.

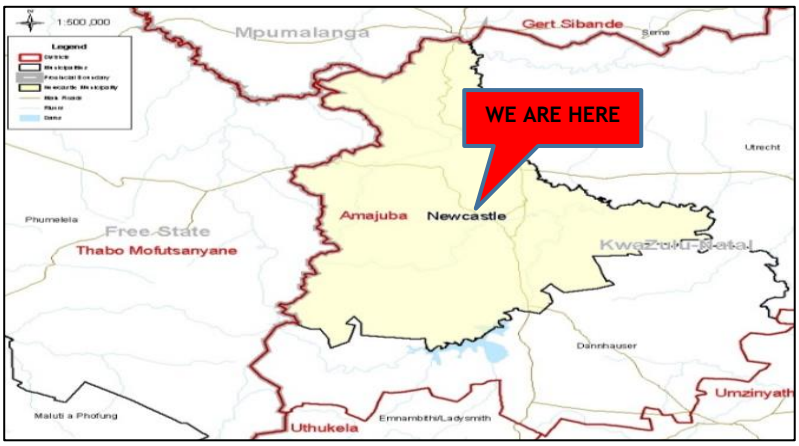


*Figure 2: The location of Newcastle within the Amajuba District.*

- **Municipal Boundaries.**

The boundaries of Newcastle Local Municipality were delineated in terms of the Municipal Dermarcation Act, 1998 (Act No. 27 of 1998), and takes in account population movement trends, regional economic patterns and the current land use pattern. Currently Newcastle has 34 wards and out of these wards, wards 1, 6, 7, and 30 fall under the custodianship of the Local 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 promotion 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. 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 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 break-bulk and/or warehousing facilities.

- **Peformance of the Economy.**

The town'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. 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 Rock Casino and Entertainment Hotel, and it serves as a one-stop shopping destination for the wider region of Northern KwaZulu-Natal.

During the period 2001 to 2011 there was a decline in the level of unemployment within Newcastle by 23%, from 60% (87 619 people) in the year 2001 to 37 686 (37%) in 2011. In terms of unemployment by gender, the highest concentration was recorded as being amongst the female population. With regards to formal employment by sector within Newcastle, the following entails a brief overview of the sectors employing the majority of the population in Newcastlne as of the year 2012:-

- Trade/retail – 8 888 people;
- Government services – 18 324 people;
- Manufacturing – 6 419 people; and
- Finance – 5 375 people.

- **Socio-economic Profile.**

As of 2013 the GDP of Newcastle was recorded as occupying 80% of the total GDP (0.7%) generated by Amajuba District as a contribution to the overall KwaZulu-Natal Province's GDP. In terms of the Human Development Index, Newcastle is recorded as sitting at 0.57 which is deemed by the United Nations Development Programme as being medium human development index. The Gini Coefficient on the other hand 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% in 2002, 51% in 2006, and subsequently 44% in 2012. In terms of the most recent stats from Global Insight (2018), a very high majority of the households in Newcastle (70%) earn a combined income of less than R40,000 per annum, which translates to an avergae of R3 300 per month. This is significantly below the national average of household income, which is R103 204 per year,

or R8,600 per month. This has implications on the Indigent Support provided by the municipality to the community of Newcastle. In 2011 the total number of households earning less that R40,000 was 68%, which is 58 427 households out of 86 024 houesholds, and it has since increased in 2018 to 70%, which is 61 436 households out of a total number of 90 347 households.

## 1.3. Objectives of the Integrated Development Plan.

The Newcastle Municipality's Integrated Development Plan adopts a long term planning horizon, but also presents a short-to-medium term strategic agenda, and a detailed five year programme commencing in the 2016/2017 financial year and ending in 2021/2022 financial year. This period coincides with the term of office of the incumbent Council and aligns with the budget cycle. The IDP is prepared in accordance with the requirements of the Municipal Systems Act, 2000 (Act No. 32 of 2000) and the associated regulations. Below is an abstract of the aforementioned act.

> **Section 25 (1) of the Municipal Systems Act, 2000 (Act No. 32 of 2000)**:-
> *Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plan for the development of the municipality which-*
> *a) Links integrates and coordinates plans and takes into account proposals for the development of the municipality;*
> *b) Aligns the resources and capacity of the municipality with the implementation of the plan;*
> *c) Complies with the provisions of this Chapter; and*
> *d) Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.*

The IDP is intended to serve as a strategic guide for public sector investment and development. It is based on the issues articulated by all stakeholders and is informed by the national and provincial development imperatives. The objectives of Newcastle Municipality's IDP are as follows:-

- To guide decision making in respect of service delivery and public sector investment;
- To inform budgets and service delivery programs of various government departments and service agencies;
- To coordinate the activities of various service delivery agencies within Newcastle Municipality's area of jurisdiction;
- To engage communities and other key interested and affected parties in municipal affairs, particularly the continuous integrated development planning process; and
- To position the municipality to make a meaningful contribution towards meeting the district and provincial development targets and priorities.

## 1.4. Framework of the Integrated Development Plan.

Newcastle Local Municipality's IDP is presented in four main sections which is in line with Section 26 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) which prescribes the key components of an IDP, and an emphasis on development outcomes. The objectives of the IDP are as follows:-

- To give an outline of the key development needs and trends based on an analysis of the current level of development (**Situational Analysis**).
- A strategic framework which outlines Council's long term vision with specific emphasis on the municipality's most critical strategic objectives, strategies and actions plans (**Development Strategies**).
- A capital program which entails a one year program, a three year program aligned to the Medium-Term Expenditure Framework and the Five Year Plan (**Capital Investment Projects**).
- An implementation framework which includes sector plans, more specifically the financial plan, the spatial development framework, the organizational performance management system, and an organizational transformation and institutional development plan (**Integration**).

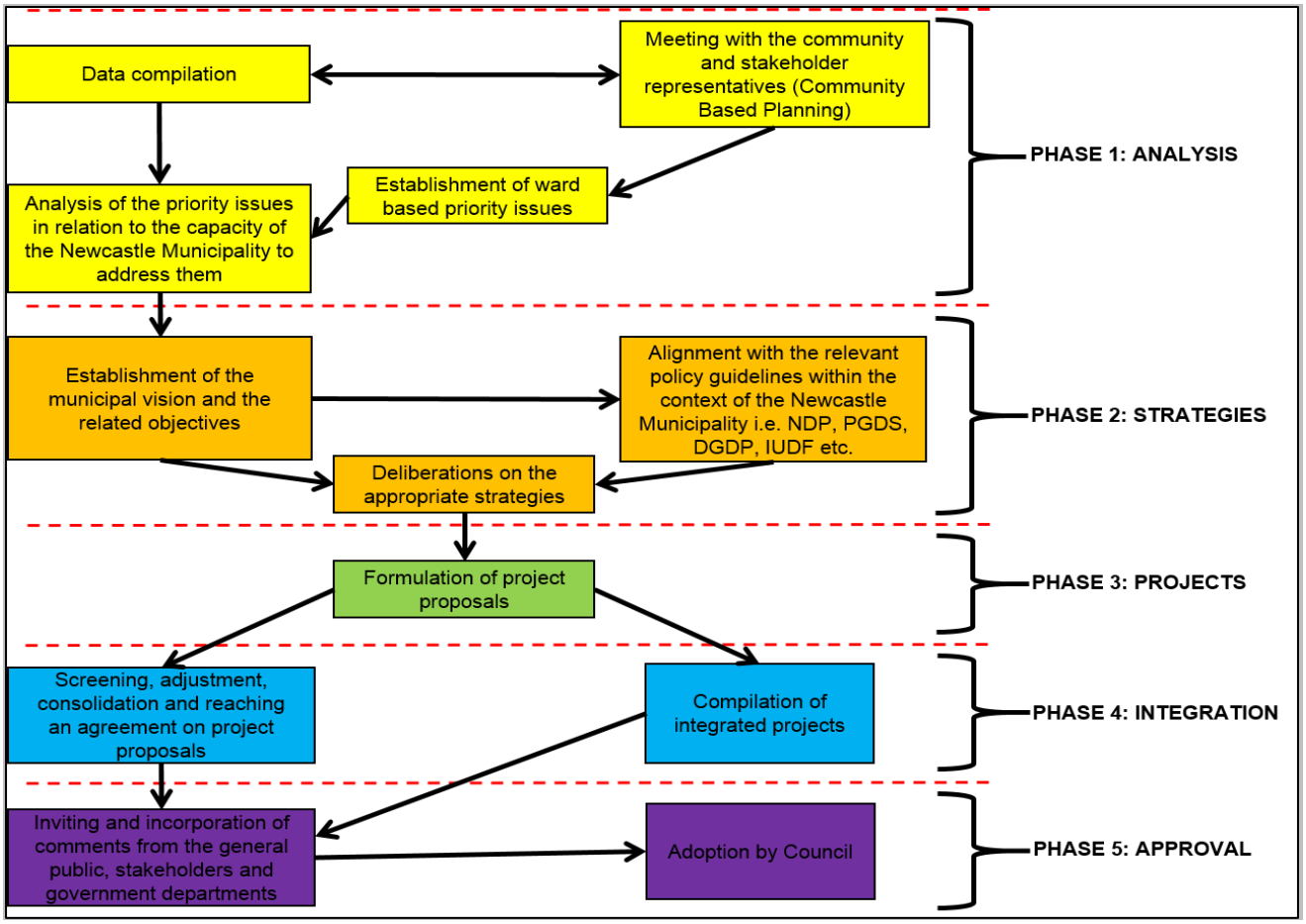



*Figure 3: Diagrammatic overview of the NLM IDP Process.*

The IDP informs the Medium-Term Expenditure Framework (MTEF), and guides the annual budget process. Furthermore, Chapter 4, Section 21(1) of the Municipal Finance Management Act, 2003 (MFMA No. 56 of 2003) requires a municipality to align and sustain a close functional link between its IDP and the budget.

## 1.5. Approach to the IDP.

The approach adopted in developing and/or review of the IDP for the 2020/21 financial year strongly conforms to the guidelines prepared by the Department of Co-Operative Governance and Traditional Affairs (COGTA) as set out in the Revised KZN IDP Framework Guide dated 2020. The guidelines advocate for a process that is integrated, sustainable, issue-driven, people-centred, practical and action oriented. Furthermore, the IDP is also guided by the comments received as per the assessment of the document by KZN-COGTA. The comments are closely linked to the detailed assessment criteria on the assessment of municipal Integrated Development Plans.

### 1.5.1.Public Participation.

The IDP preparation process involved extensive stakeholder engagements as required in terms of the Municipal Sytems Act, 2000 (Act No. 32 of 2000). An IDP Steering Committee structure was developed and various meetings were convened with the participation of strategic personnel who are municipal technocrats in order to discuss pertinent issues particularly related to the strategic direction to be taken for the 4th Generation IDP. Furthermore, an IDP Representative Forum was established with the intension being to have continuous participation from interest groups who represent the views of the public in relation to municipal planning. Most importantly, the IDP preparation process was initiated through a series of Community Based Planning (CBP) meetings which were held at ward level as a means to ensure grassroot level planning. The main purpose of the CBP execrise was to direct municipal planning efforts and resources thereof towards the achievement of sustainable livelihoods at ward level, in line with the 17 Sustainable Development Goals. The participants to the CBP activity were as follows:-

- Councillor;
- Ward Committees;
- NGOs;
- NPOs;
- Organized youth;
- Religious groups;
- Arts and cultural groups;
- Sport and recreation groups;
- Crime prevention groups;
- Traditional healers;
- Traditional authorities;
- Municipal officials; and
- Government sector departments.

Through the CBP, we were able to establish the community priority needs which then set the foundation for municipal resource allocation. The comments raised by the members of the public during the various constituency meetings also provided valuable input that also fed into the process. Moving forward, the review of the IDP will also follow somewhat of a similar

procedure inclsuive of the annual review of the CBPs. The following entails a schedule of the key activities that will be undertaken towards reviewing the IDP:-

- Strategic review of the NLM IDP (2021/22) in line with the comments from the MEC: COGTA;
- Strategic review of outdated sector plans;
- Improved alignment between the IDP/Budget and PMS;
- Strategic review of the NLM SDF (2021/22) in line with the comments from the MEC: COGTA; and
- Review of the Financial Plan.

## 1.5.2.Integrated Development Planning Activities and Timeframes (2021/22).

| MONTH | ACTIVITIES | | | | | |
|---|---|---|---|---|---|---|
| | IDP | SDF | PMS | BUDGET | | |
| | | | | Mayor and Council / Entity Board | Administration - Municipality and Entity | Budget Review Activities |
| JULY. 2020 | ▪ Preparation of the Draft IDP/Budget and PMS Process Plan (2021/22).<br>▪ Engagement with the Budget Office, PMS and the Town Planning Directorate (SDF) for alignment purpose-s.<br>▪ Tabling of the Draft IDP Process Plan (2021/22) to MANCO for comments.<br>▪ EXCO approval of Draft IDP Process Plan (2021/22).<br>▪ Submission of Draft Process Plan (2021/22) to COGTA by the 31st of July 2020. | • Compilation of the process plan in line with the approved SDBIP for 2020/21 financial year.<br>• Desktop Analysis. | • Submission of performance reports for previous quarter/month by the 1st working day of every month by Departments.<br>• Review of Performance report by the PMS unit from the 2nd working day.<br>• Compilation of the Draft Annual Performance Report<br>• PMS Support meeting with departments from the 15th to the 25th of every month<br>• Scheduling of meeting with SED's and PMS on the 25th working day of every month.<br>• Signing of new performance contracts for HSection 54 and 56/57 Managers | ▪ Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process **MFMA s 53**. | ▪ Accounting officers and senior officials of municipality and entities begin planning for next three-year budget **MFMA s 68, 77**<br>▪ Accounting officers and senior officials of municipality and entities review options and contracts for service delivery **MSA s 76-81** | ▪ Approve and announce new budget schedule and set up committees and forums.<br>▪ Consultation on performance and changing needs. |

| MONTH | ACTIVITIES | | | | | |
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| | IDP | SDF | PMS | BUDGET | | |
| | | | (Section 69 of the MFMA and Section 57 of the MSA).<br>• Roll out of the approved Top Layer SDBIP.<br>• Submission of the Draft Annual performance report for 2019/20 to Internal Audit<br>• Presentation of the Draft Annual Performance Report to the Municipal Manager (Manco). | | | |
| **AUGUST. 2020** | ▪ Posting of the Draft Process Plan (2021/22) on the municipal website in line with the relevant legislative requirements.<br>▪ Advertising of the Draft Process Plan (2021/22) for public comments in line with the legislative requirements (MSA No. 32 of 2000).<br>▪ Initiation of the Draft IDP | ▪ Desktop analysis in view of 5 year plan of the SDF as per the requirements of SPLUMA.<br>▪ Updating Environmental Information. | ▪ PMS Circulation of reporting templates to departments on the 1st working day of the month<br>▪ Submission of performance reports for previous month by the last working day of the month by departments.<br>▪ Audit Committee meeting MFMA Sect 166 & MPPR Reg. | ▪ Mayor tables in Council a time schedule outlining key deadlines for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year. **MFMA s 21,22, 23;** | ▪ Accounting Officer to submit AFS to Auditor-General [Due by 31 August, **MFMA Sec 126(1)(a)**]<br>▪ IDP Review Process. | ▪ Consultation on performance and changing needs.<br>▪ Review performance and financial position.<br>▪ Review external mechanisms.<br>▪ Start Planning for next three years. |

| MONTH | ACTIVITIES | | | | | |
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| | IDP | SDF | PMS | BUDGET | | |
| | (2021/22) preparation process.<br>▪ Tabling of comments to relevant line department for feedback and provision of information.<br>▪ Internal assessment to identify gaps in the IDP.<br>▪ IDP Steering Committee meeting to discuss the requirements of COGTA's Final IDP assessment letter (2020/21) and to provide further inputs to the Final IDP Process Plan (2021/22).<br>▪ Final IDP Process Plan (2021/22) tabled at EXCO and Council for approval.<br>▪ Continuous: Obtaining of statistical information from the relevant | | 14(3)(a) (Annual Performance Report and Draft Annual Report 2018/19)<br>▪ Address all concerns/findings/ gaps on the Draft Annual Performance Report as raised by Internal Audit and Audit Committee<br>▪ Review of all additional performance information that is submitted by departments to address the Internal Audit findings and Gaps identified by PM.<br>▪ Submission of Annual Performance Report to Auditor-General by the 31st of August 2020.<br>▪ Submission of Monthly progress report on performance to EXCO (Capital). | **MSA s 34, Ch. 4 as amended**<br>▪ Mayor establishes committees and consultation forums for the budget process | | |

| MONTH | ACTIVITIES | | | | | |
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| | IDP | SDF | PMS | BUDGET | | |
| | statistics institutions. | | ▪ PMS Support meeting with departments from the 15th to the 25th of every month<br>▪ Scheduling of meeting with SED's and PMS on the 25th working day of every month<br>▪ Integration of roll-over projects on the Top-Layer SDBIP aligned to cash-flows and PIP's | | | |
| **SEPT. 2020** | ▪ Posting of the Final Process Plan (2021/22) onto the municipal website in line with the relevant legislative requirements.<br>▪ Advertisement of the Final IDP Process Plan (2021/22) in order to meet AG audit requirements.<br>▪ Submission of Final Process Plan (2021/22) to COGTA.<br>▪ Continuous: Integration of | ▪ Respond to MEC Letter on SDF comments.<br>▪ Alignment of all Local Area Development Planning (LADP) to the IDP Process Plan.<br>▪ Finalise sector plan alignment.<br>▪ Finalise desktop analysis. | ▪ Submission of performance reports for previous month by 1st working day of the month<br>▪ PMS Support meeting with departments from the 15th to the 25th of every month<br>▪ Scheduling of meeting with SED's and PMS on the 25th working day of every month | ▪ Council through the IDP review process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national government sector and strategic plans | ▪ Budget offices of municipality and entities determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives | ▪ Update policies, priorities and objectives.<br>▪ Determine revenue projections and policies. |

| MONTH | ACTIVITIES | | | | | |
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| | IDP | SDF | PMS | BUDGET | | |
| | inputs from line departments into the Draft IDP (2021/22) in line with the tabled comments from COGTA.<br>▪ Continuous: Obtaining of statistical information from the relevant statistics institutions. | | ▪ Monthly progress report on performance to EXCO (Capital).<br>▪ Circulate Quarter 1 reporting templates to departments on the 1st working day of the new month. | | ▪ Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc.) | |
| **OCT. 2020** | ▪ Convening of the IDP Strategic Planning Workshop.<br>▪ Continuous: Integration of inputs from line departments into the Draft IDP (2021/22) in line with the tabled comments from COGTA.<br>▪ Continuous: Obtaining of statistical information from the relevant statistics institutions. | ▪ Review of Boundaries of nodes, activity streets and corridors.<br>▪ Presentation to the District Planning Forum.<br>▪ District and cross-border alignment on – on-going till December 2020. | ▪ Submission of performance reports for previous quarter/month by 1st working day of the month<br>▪ PMS review of Quarter 1 Performance Reports from the 2nd working day till the 13th working day of the month.<br>▪ Sect 57 Managers' quarterly assessments (for first quarter of 20/21).<br>▪ Quarterly progress report | ▪ Meeting with Mayor, EXCO and MANCO to discuss the strategic direction and objectives for the 2019/20 fiscal strategies and to discuss the budget preparation process of the budget framework to provide parameters and request budget inputs for 2019/2020. | ▪ Accounting officer does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials **MFMA s 35, 36, 42; MTBPS** | ▪ Determine revenue projections and policies.<br>▪ Engagement with sector departments, share and evaluate plans, national policies, MTBPS.<br>▪ Draft initial allocations to functions.<br>▪ Draft initial changes to IDP. |

| MONTH | ACTIVITIES | | | | | |
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| | IDP | SDF | PMS | BUDGET | | |
| | | | on performance to EXCO.<br>▪ Submission of the Quarter 1 PMS to Internal Audit by the 15th Working day of the month. | | | |
| **NOV. 2020** | ▪ First IDP RF Meeting to present the Final Process Plan (2021/22), the comments received from COGTA on the Final IDP (2020/21).<br>▪ Continuous: Integration of inputs from line departments into the Draft IDP (2021/22) in line with the tabled comments from COGTA.<br>▪ Continuous: Obtaining of statistical information from the relevant statistics institutions.<br>▪ Obtaining of budget inputs from government sector departments and incorporation | ▪ First IDP RF Presentation<br>▪ Incorporation of the Scheme, capturing of Scheme information as required by SPLUMA. | ▪ Submission of performance reports for previous quarter/month by 1st working day of the month.<br>▪ PMS review of the performance reports from the 2nd working day to the 13th working day of every month.<br>▪ PMS Support meeting with departments from the 15th to the 25th of every month<br>▪ Scheduling of meeting with SED's and PMS on the 25th working day of every month<br>▪ Develop PMS Templates for 2021/22 based on | | ▪ Accounting officer reviews and drafts initial changes to IDP **MSA s 34**<br>▪ Auditor-General to return audit report [Due by 30 November, **MFMA 126(4)**] | ▪ Draft initial changes to IDP.<br>▪ Consolidation of budgets and plans.<br>▪ Executive determines strategic choices for next three years. |

| MONTH | ACTIVITIES | | | | | |
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| | IDP | SDF | PMS | BUDGET | | |
| | thereof into the Draft IDP (2021/22). | | review of IDP Strategies.<br>▪ Audit Committee Meeting to consider Q1 Performance Report.<br>▪ Evaluation Panel Meeting (for evaluation of Section 57 Managers final assessments MPPR Reg. | | | |
| **DEC. 2020** | ▪ Continuous: Integration of inputs from line departments into the Draft IDP (2021/22) in line with the tabled comments from COGTA.<br>▪ Continuous: Obtaining of statistical information from the relevant statistics institutions.<br>▪ Continuous: Incorporation of budget inputs from government departments into the Draft IDP (2021/22). | ▪ Finalization of the district and cross border alignment process. | ▪ Circulation of PMS templates to departments on the 1st working day of the month.<br>▪ Submission of performance reports for previous quarter/month by the 1st working day of the month.<br>▪ PMS Review of PMS reports from the 2nd working day of the month to the 13th working day of the month. PMS Support meeting with departments from the 15th to the | ▪ Submission of budget guidelines to Departments( First week)<br>▪ Departmental visit to departments (second week December) | ▪ Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements | ▪ Executive determines strategic choices for next three years.<br>▪ Finalise tariff policies. |

| MONTH | ACTIVITIES | | | | | |
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| | IDP | SDF | PMS | BUDGET | | |
| | | | 25th of every month<br>▪ Scheduling of meeting with SED's and PMS on the 25th working day of every month<br>▪ Compile annual report for 18/19 (MFMA Sect 121) for tabling Council in January.<br>▪ Circulate Q2/Mid-Year Performance Assessment 2020/21 reporting templates to departments. | | | |
| **JAN. 2021** | ▪ Continuous: Integration of inputs from line departments into the Draft IDP (2021/22) in line with the tabled comments from COGTA.<br>▪ Continuous: Obtaining of statistical information from the relevant statistics institutions.<br>▪ Continuous Incorporation of | ▪ Commence with the sector department alignment process – on-going till March 2021. | ▪ Circulation of PMS templates to departments on the 1st working day of the month.<br>▪ Submission of performance reports for previous quarter/month by the 5th working day of the month.<br>▪ PMS Review of PMS reports from the 2nd working day of the month to the 13th | ▪ Entity board of directors must approve and submit proposed budget and plans for next three-year budgets to parent municipality at least 150 days before the start of the budget year.<br>▪ **MFMA s 87(1)** Review the proposed National and Provincial allocations for | ▪ Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be | ▪ Prepare detailed budgets and plans for the next three years. |

| MONTH | ACTIVITIES | | | | | |
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| | IDP | SDF | PMS | BUDGET | | |
| | budget inputs from government departments into the Draft IDP (2021/22). | | working day of the month.<br>▪ PMS Support meeting with departments from the 15th to the 25th of every month<br>▪ Scheduling of meeting with SED's and PMS on the 25th working day of every month<br>▪ Submission of the Mid-year assessment report to Internal Audit by the 15th of January 2021.<br>▪ Submit Mid-year performance assessment to Mayor/EXCO by no later than 25th January 2021.<br>▪ Mayor tables annual report for 18/19 MFMA Sect 127(2) to full Council by 31 Jan 2021. | incorporation into the draft budget. | available by 20 January)<br>**MFMA s 36** | |
| **FEB. 2021** | ▪ Continuous: Integration of inputs from line departments into the Draft IDP | ▪ Alignment of the Draft Budget and Capital Investment | ▪ Circulate PMS Monthly templates, Revision motivation | ▪ Council considers municipal entity proposed budget and service delivery plan and | ▪ Accounting officer finalises and submits to Mayor proposed budgets and | ▪ Prepare detailed budgets and plans for the next three years. |

| MONTH | ACTIVITIES | | | | | |
|---|---|---|---|---|---|---|
| | IDP | SDF | PMS | BUDGET | | |
| | (2021/22) in line with the tabled comments from COGTA.<br>▪ Continuous: Obtaining of statistical information from the relevant statistics institutions.<br>▪ Continuous: Incorporation of budget inputs from government departments into the Draft IDP (2021/22).<br>▪ Conducting of the Budget planning workshop. | Framework with the SDF.<br>▪ Review of the Capital Investment Framework and Implementation Plan. | templates, Top-Layer SDBIP and capital templates to departments on the 1st working day of the month.<br>▪ Circulation of PMS templates to departments on the 1st working day of the month.<br>▪ Submission of performance reports for previous quarter/month by 1st working day of the month.<br>▪ PMS Review of PMS reports from the 2nd working day of the month to the 13th working day of the month.<br>▪ PMS Support meeting with departments from the 15th to the 25th of every month<br>▪ Scheduling of meeting with SED's and PMS on the 25th working day of every month | accepts or makes recommendations to the entity **MFMA s 87(2).**<br>▪ Budget Strategic Planning Workshop. | plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report<br>▪ Accounting officer to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year **MFMA s 37(2)** | ▪ Executive adopts budget and plans and changes to IDP. |

| MONTH | ACTIVITIES | | | | | |
|---|---|---|---|---|---|---|
| | IDP | SDF | PMS | BUDGET | | |
| | | | ▪ Make public annual report and invite community inputs into report (MFMA Sect 127 & MSA Sect 21a).<br>▪ Submit annual report to AG, Provincial & CoGTA (MFMA Sect 127).<br>▪ Draft PMS 2021/22 for internal consultation and budget input from IDP and budget.<br>▪ Submission of the Revised PMS 2019/20 to EXCO and Council for approval before the 28th of February 2021 | | | |
| **MARCH. 2021** | ▪ Second IDP RF Meeting to present on the outcomes of the strategic planning workshop, and to give directive to the Draft IDP (2021/22).<br>▪ EXCO/Council approval of the Draft IDP (2021/22). | ▪ Finalization of Local Area Development Planning.<br>▪ 2nd IDP RF Presentation<br>▪ Submission of Draft SDF Review 2021/2022. | ▪ Circulation of PMS templates to departments on the last working day of the month.<br>▪ Submission of performance reports for previous quarter/month by 1st working day of the month. | ▪ Entity board of directors considers recommendations of parent municipality and submit revised budget by 22nd of month **MFMA s 87(2)**<br>▪ Mayor tables municipality budget, budgets of | ▪ Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others as prescribed | ▪ Mayor tables budget, resolutions, plans and changes to IDP at least 90 days before the start of the financial year. |

| MONTH | ACTIVITIES | | | | | |
|---|---|---|---|---|---|---|
| | IDP | SDF | PMS | BUDGET | | |
| | | | ▪ PMS Review of PMS reports from the 2nd working day of the month to the 13th working day of the month.<br>▪ PMS Support meeting with departments from the 15th to the 25th of every month<br>▪ Scheduling of meeting with SED's and PMS on the 25th working day of every month<br>▪ Council to consider and adopt an oversight report [Due by 31 March 2020 **MFMA Sec 129(1)**].<br>▪ Set performance objectives for revenue for each budget vote (MFMA Sect 17).<br>▪ Quarterly progress report on performance to EXCO.<br>▪ Finalise Draft Top-Layer SDBIP | entities, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year **MFMA s 16, 22, 23, 87; MSA s 34** | **MFMA s 22 & 37; MSA Ch 4 as amended**<br>▪ Accounting officer reviews any changes in prices for bulk resources as communicated by 15 March **MFMA s 42** | |

| MONTH | ACTIVITIES | | | | | |
|---|---|---|---|---|---|---|
| | IDP | SDF | PMS | BUDGET | | |
| | | | 2021/22 to be included in IDP and Budget | | | |
| **APRIL. 2021** | ▪ Submission of Draft IDP (2021/22) to COGTA.<br>▪ Posting of the Draft IDP (2021/22) on the municipal website in line with the legislative requirements.<br>▪ Advertising of the Draft IDP (2021/22) for public comments (21 days).<br>▪ Integration of additional inputs into the Final IDP (2021/22) including information on the Spatial Development Framework, Budget, PMS, and the comments received from COGTA on the assessment of the Draft IDP (2021/22). | ▪ Finalization of the sector department alignment process.<br>▪ Finalize Capital Investment Framework. | ▪ Circulate Q3 performance reporting template to departments.<br>▪ Submission of performance reports for previous quarter/month by the 1st working day of the month.<br>▪ PMS Review of PMS reports from the 2nd working day of the month to the 13th working day of the month.<br>▪ PMS Support meeting with departments from the 15th to the 25th of every month<br>▪ Scheduling of meeting with SED's and PMS on the 25th working day of every month<br>▪ Submission of the Quarter 3 Performance | ▪ Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc.<br>▪ **MFMA s 21**<br>▪ Public hearings on the budget, and council debate.<br>▪ **MFMA s 23, 24; MSA Ch. 4 as amended.**<br>▪ Entity board of directors to approve the budget of the entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendation of the council of the parent municipality.<br>▪ **MFMA s 87.** | ▪ Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year<br>▪ Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new | ▪ Consultation with National and Provincial Treasuries and finalise sector plans, water and sanitation, electricity, etc.<br>▪ Public hearings on the Budget, Council Debate on Budget and Plans.<br>▪ Public hearings on the Budget, Council Debate on Budget and Plans.<br>▪ Council adopts budget, resolutions, capital implementation plans, objectives and changes in IDP. |

| MONTH | ACTIVITIES | | | | | |
|---|---|---|---|---|---|---|
| | IDP | SDF | PMS | BUDGET | | |
| | ▪ Public participation process launched through a series of IDP/Budget Roadshows.<br>▪ Incorporation of comments received from interested and affected stakeholders (inclusive of the members of the public) into the Final IDP (2021/22). | | assessment report to Internal Audit by the 15th of April 2021.<br>▪ Submit the Quarter 3 performance assessment to Mayor/EXCO by<br>▪ Public Consultation on Draft PMS as part of IDP/Budget 2021/22 roadshows.<br>▪ Publicise Oversight Report **MFMA Sec 129(3)**].<br>▪ Submit Annual Report to Provincial Legislature/MEC Local Government **MFMA Sec 132(2)**].<br>▪ Public Consultation process on Draft PMS together with IDP and Budget. | | information of a material nature. | |
| **MAY. 2021** | ▪ Third IDP RF meeting to consider the amendments to | ▪ IDP RF meeting to deliberate on changes to the SDF. | ▪ Circulate performance reporting template to departments by | ▪ Council consider views of the local community, NT, PT, other | ▪ Accounting officer submits to the mayor no later than 14 | ▪ Publish budget and plans. |

| MONTH | ACTIVITIES | | | | | |
|---|---|---|---|---|---|---|
| | IDP | SDF | PMS | BUDGET | | |
| | the Final IDP document.<br>▪ Public Hearing on the Draft budget (2021/22).<br>▪ Finalization of the IDP (2021/22).<br>▪ EXCO/Council adoption/approval of the Final IDP (2021/22). | ▪ EXCO recommends adoption of the SDF with IDP to Council.<br>▪ Adoption of the SDF by Council. | the 1st of the month.<br>▪ Submission of performance reports for previous quarter/month by the 1st working day of the month.<br>▪ PMS Review of PMS reports from the 2nd working day of the month to the 13th working day of the month.<br>▪ PMS Support meeting with departments from the 15th to the 25th of every month<br>▪ Scheduling of meeting with SED's and PMS on the 25th working day of every month<br>▪ Community input into the Top-Layer SDBIP<br>▪ Departments to revise PMS based on community.<br>▪ Approval of the Top-Layer SDBIP and PMS | provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration.<br>▪ Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote 30 days before start of budget year **MFMA s 16, 24, 26, 53** the Mayor must approve SDBIP within 28 days after approval of the | days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA. **MFMA s 69; MSA s 57**<br>▪ Accounting officers of municipality and entities publishes adopted budget and plans **MFMA s 75, 87** | ▪ Finalise performance contracts and delegation. |

| MONTH | ACTIVITIES | | | | | |
|---|---|---|---|---|---|---|
| | IDP | SDF | PMS | BUDGET | | |
| | | | Framework 2021/22 with IDP and Budget.<br>▪ Approval of SDBIP within 28 days of approval of budget.<br>▪ Approval of PMS 2021/22 with IDP and Budget. | budget and ensure that annual performance contracts are concluded in accordance with sect 57(2) of the MSA. Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval.<br>▪ **MFMA s 53; MSA s 38-45, 57(2)**<br>▪ Council must finalise a system of delegations.<br>▪ **MFMA s 59, 79, 82; MSA s 59-65** | | |
| **JUNE. 2021** | ▪ Posting of the Final IDP | | ▪ Circulate templates for | ▪ Approved budget is uploaded on the | | |

| MONTH | ACTIVITIES | | | | | |
|---|---|---|---|---|---|---|
| | IDP | SDF | PMS | BUDGET | | |
| | (2021/22) on the municipal website in line with the relevant legislative requirements<br>▪ Public notice on the Final IDP (2021/22).<br>▪ Submission of Final IDP (2021/22) to COGTA in line with relevant legislative requirements. | | Q4/Annual Performance Report and Draft Annual Report 2020/21.<br>▪ Submission of performance reports for previous quarter/month by 1st working day of the month.<br>▪ PMS Review of PMS reports from the 2nd working day of the month to the 13th working day of the month.<br>▪ PMS Support meeting with departments from the 15th to the 25th of every month<br>▪ Scheduling of meeting with SED's and PMS on the 25th working day of every month<br>▪ Publish Approved PMS 2021/22 to website and local paper. | test system for review, then after satisfaction that is per council approval, will then uploaded on production system for 1 July 2019. | | |

| MONTH | ACTIVITIES | | | | | |
|---|---|---|---|---|---|---|
| | IDP | SDF | PMS | BUDGET | | |
| | | | ▪ Submit Approved PMS 2021/22 to NT and PT. | | | |

## 1.5.3.Process Plan for the Community Consultation on the IDP/Budget (Roadshows 2021).

The tabling of the budget for the 2021/22 financial was done during the month of May 2021 by the Honourable Mayor of Newcastle Local Municipality Cllr. Dr. N. N. G. Mahlaba. The session was broadcasted in line with the requirements of the Covid-19 Regulations aimed at circumventing the spread of the disease. In addition to the platforms listed below, the tabling of the budget was also posted on media platforms such as Facebook and YouTube in order to ensure that more people get to view and comment. Below is a table depicting the approach employed with respect to matter referred to above.

| DATE | RADIO/TV STATION | TIME |
|---|---|---|
| 02 May 2021<br>(Sunday) | 1KZN TV (DStv Channel 261/) | 18:00PM |
| 02 May 2021<br>(Sunday)<br>18:00PM | Abusekho Ubunzima FM (100.3FM) | 18:00PM |
| 02 May 2021<br>(Sunday)<br>18:00pm | Newcastle Community Radio | 18:00PM |

## 1.6. IDP/Budget/PMS Process Plan for the 2021/22 MTREF.

### 1.6.1. Process for the development of the Integrated Development Plan (2021/22).

| EVENTS | DATES | RESPONSIBILITY |
|---|---|---|
| **FIRST QUARTER (2020/21)** | | |
| EXCO/Council to approve Draft Process Plan (2021/22). | 29 July 2020 | Municipal Manager/Director IDP |
| Joint meeting for IDP, Budget and PMS for process alignment purposes. | July 2020 | Manager IDP |
| Submission of the Draft Process Plan (2021/22) to COGTA | 31 July 2020 | Manager IDP |
| Posting of Draft Process Plan on the Official Municipal Website | 03 August 2020 | Manager IDP |
| 21 Days advertising period for public consultation on the Draft Process Plan (2021/22). | 06 August 2020 | Manager IDP |
| IDP-SC to deliberate on Final IDP Process Plan. | 10/22 August 2020 | Manager IDP |
| Final Process Plan to EXCO/Council for approval. | 26 August 2020 | Manager IDP |
| Posting of Final IDP Process Plan on the Municipal website. | 31 August 2020 | Manager IDP |
| Public notice on the Final IDP Process Plan (2021/22). | 03 September 2020 | Manager IDP |
| Submission of Final IDP Process Plan to COGTA. | 04 September 2020 | Manager IDP |
| **SECOND QUARTER (2020/21)** | | |
| Strategic Planning Workshop on the IDP/Budget (2020/21). | October 2020 | Manager IDP |
| COGTA Cross-border Alignment Meeting | November 2020 | COGTA/Director IDP |
| ADM First IDP Representative Forum | 13 November 2020 | ADM Manager IDP/Director IDP |
| NLM First IDP Representative Forum:-<br>▪ Presentation of the Final IDP/Budget Process Plan (2021/22).<br>▪ The provision of feedback on the *status quo* and strategic framework components of the IDP.<br>▪ Deliberation on the comments received on the Final IDP Review (2020/21).<br>▪ Outcomes of the Constituency Meetings/Community Based Planning sessions. | 16 November 2020 | Municipal Manager/Director IDP |
| **THIRD QUARTER (2020/21)** | | |
| ADM Second IDP Representative Forum | 09 February 2021 | ADM Manger IDP/Director IDP |
| IDP Progress Report to IDP-SC. | 12 February 2021 | Director IDP |
| Budget Strategic Planning Workshop on the IDP/Budget (2021/22). | February 2021 | Director IDP |
| Second IDP Representative Forum<br>▪ Presentation on the Draft IDP Review (2021/22) outlining the improvements made in response to the MEC: COGTA comments on the Final IDP Review (2020/21).<br>▪ Presentation on the Draft Budget (2021/22). | 05 March 2021 | Director IDP |
| EXCO approval of Draft IDP Review (2021/22). | 19 March 2021 | Director IDP |
| Council approval of Draft IDP Review (2021/22) | 22 March 2021 | Director IDP |
| ADM Draft IDP/Budget (2021/22) Consultative Process. | March 2021 | ADM Manager IDP |
| **FOURTH QUARTER (2020/21)** | | |

| | | |
|---|---|---|
| ADM Draft IDP/Budget (2020/21) Consultative Process continued. | April 2021 | ADM Manager IDP |
| Posting of Draft IDP document on Official Municipal Website | 27 March 2021 | Director IDP |
| Submission of Draft IDP to COGTA. | 31 March 2021 | Director IDP |
| 21 Days Advertising period for public comments. | 25 March - 14 April 2021 | Director IDP |
| IDP/ Budget Roadshows. | April / May 2021 | Director IDP |
| IDP-SC to deliberate on the Final IDP document. | 04 May 2021 | Director IDP |
| Final IDP Representative Forum for adoption.<br>▪ Feedback on comments received during the 21 day advertising period for public comments on the Draft IDP/Budget.<br>▪ Recommendations by the IDP RF for adoption of the IDP by Council. | 11 May 2021 | Director IDP |
| EXCO to recommend Final IDP Review (2021/22) approval by Council. | 17 May 2021 | Director IDP |
| ADM Third IDP Representative Forum. | 14 May 2021 | ADM Manager IDP/Director IDP |
| Public Hearing on the IDP and Budget Roadshows. | May 2021 | Mayor/Director IDP/SED: BTO |
| Council meeting to adopt the Final IDP document for the 2021/21 financial year. | 24 May 2021 | Director IDP |
| Public notice on the approval/adoption of the Final IDP Review (2021/22). | 27 May 2021 | Director IDP |
| Posting of Final IDP Review (2021/22) document on Official Municipal Website | 29 May 2021 | Director IDP |
| Submission of Final IDP Document to COGTA. | 03 June 2021 | Director IDP |

### 1.6.2.Participation of Government Sector Departments.

In general, sector integrated planning is very weak within the South African Local Government sphere as municipalities are not getting recognition as development overseers within their respective areas of jurisdiction. Currently there is no effective legislation that makes it compulsory for all sector departments to align their budgets with municipal budgets and allocate resources using the prioritization list available from municipalities through consultations with communities.

However, Newcastle Local Municipality has investigated an alternative mechanism which has brought sector departments to be fully involved in the IDP process. The mechanism adopted was to establish a Decentralised Intergovernmental Relations Forum which will create a platform that improves coordination within the different spheres of government, specifically with respect to the development of Newcastle. This platform will entail, among other things, dialogue on proposed and ongoing projects, challenges relating to planning, establishment of common priorities based on the needs of the community, redefining of roles and responsibilities etc. The reference point on the establishment of the abovementioned platform is based on the identified silo mentality within different sectors of government, hence leading to non-performance. Sector departments have also fully participated on the IDP Representative Forums held by the municipality. As a result, the municipality has enjoyed working with the following departments and their participation has made significant improvements towards service delivery:-

- Department of Transport;
- Department of Co-Operative Governance and Traditional Affairs (COGTA);
- Department of Social Development;
- ESKOM;
- Department of Public Works;
- Department of Health;
- Department of Economic Development and Tourism and Environmenal Affairs;
- Department of Arts and Culture (Library and Museum sections); and
- Department of Human Settlements.

### 1.6.3.Alignment with the District Family of Municipalities.

Various meetings were also held with the district family of municipalities to align the IDPs and these include the District Area Planning and Development Forum, the District IDP Representative Forum, and meetings on the development of the ADM District Development Model in naming just a few. The following is an indication of some of the key alignment issues addressed to date:-

- The IDPs of the Amajuba family are focusing on the outcome based IDP approach thereby aligning with the Key Performance Areas developed by national government.
- Both the SONA and SOPA have been incorporated into the IDPs.
- Outcome 9 has been incorporated into the IDPs thereby giving emphasis to Good Governance and Sustainable Human Settlements (Outcome 8).
- The KZN-PGDP has been incorporated as part of improving the alignment between the province and local government.
- The ADM-DGDP has been incorporated as a means to improve alignment between the district and local government.
- The ADM-DDM has been incorporated as a means to improve alignment between the district and local government.
- The NEVE-SCDP has also been incorporated as a means to improve cross-border alignment between the district, the local municipalities in ADM, and also the loca municipalities in the Mpumalanga Province.
- The IDPs have given emphasis to the Sukuma Sakhe Program and its associated impact on communities – the fight against poverty through job creation.
- The IDP has also taken cognisance of the 17 Sustainable Development Goals as signed in the Millennium Declaration by 189 World Leaders.
- Furthermore, the issues raised at COP 17 on climate change have also been incorporated. These include the implementation of solar energies and smart and conventional meters on new housing developments.
- The new settlement patterns will consider floodlines and the introduction of disaster management centres.

## 1.7. Key Development Challenges.

Although NLM has made significant progress in addressing service backlogs and promoting development within its area of jurisdiction, there are still a number of key development challenges that face the municipal area and its people. These are discussed briefly and categorised according to the national key performance areas below.

### 1.7.2.Service Delivery and Infrastructure.

| DEVELOPMENT CHALLENGES | RECOMMENDATION |
|---|---|
| There are huge backlogs in the delivery of basic services (electricity, water, sanitation) within the Newcastle-East area (Johnstown, Blauuwbosch and Cavan), Madadeni and Osizweni townships as well as the surrounding rural settlements located within the *vicinity of the Ubuhlebomzinyathi area. | - Improved roll-out of projects towards basic service delivery particularly within the Madadeni, Osizweni and the JBC area including the surrounding rural settlements.<br>- To develop a Comprehensive Infrastructure Master Plan.<br>- Construction of a new raw water source in order to improve access to potable water.<br>- Upgrade Wastewater Collection and Treatment Facilities. |
| Challenges with the maintenance and development of basic road and storm-water infrastructure particularly within the Newcastle-East area. | - Roads and Stormwater Master Plan.<br>- Improved roll-out of capital program towards basic road infrastructure particular within the Newcastle-East area. |
| Poor condition of public facilities and a general lack of the required tools and equipment for effective delivery of the related services. i.e. schools, clinics, community halls, early childhood education centres, the library etc. | - Improve access to public facilities through refurbishment of the related infrastructure.<br>- Introduction of new technology in order to improve access .i.e. outdoor gym equipment, ICT systems within libraries etc. |
| A huge housing backlog due to a large number of people in Newcastle residing in informal settlements, backyard shacks and poorly developed traditional housing structures. | - Improved roll-out of the housing program in order to meet the housing demand.<br>- Introduction of Community Residential Units (CRUs).<br>- Provision of affordable housing opportunities for middle income to address the gap in the market.<br>- Servicing of sites for people to build their own homes. |

### 1.7.3.Municipal Transformation and Organisational Development.

Over the last few years, Newcastle Municipality has gone through a process of fundamental transformation as an organisation with the intention of developing sufficient organisational capacity for an effective performance with respect to municipal functions. As such, a new organogram was developed and is currently being implemented. The majority of critical positions, particularly those of Strategic Executive Directors (SEDs) and Directors directly accountable to SEDs is in the process of being filled. Management committees have been restructured and new systems and procedures introduced in order to provide oversight. The new challenges facing the organisation are none other than those of a learning and growing organisation and include issues such as gender equity, cascading the organisational culture down the hierarchy, horizontal integration of development programmes, etc.

## 1.7.4.Local Economic Development.

| DEVELOPMENT CHALLENGES | RECOMMENDATION |
|---|---|
| Over the last few decades, the economy of Newcastle Municipality experienced variable trends marked, in all, by shifts from one sector to the other and a general decline in both output and performance thereof. | - Implementation of the Business Retention and Expansion Strategy in order to improve performance and output thereof.<br>- Review of the NLM LED Strategy.<br>- Development of bulk services and economic zones. |
| There has been a general decline in coal mining activity with Newcastle and the same applies for agricultural activity. This has led to the shedding of jobs hence increasing the levels of unemployment within Newcastle. | - Promotion of coal mining activity through the NLMs Revenue Enhancement Strategy.<br>- Conservation of agriculturally valuable land.<br>- Provision of support to SMME development particularly towards agrarian reform. |
| General decline in the manufacturing sector due to structural changes coupled with the poor performance of global financial markets. | - Implementation of the Business Retention and Expansion Strategy in order to improve performance and output thereof.<br>- Strategic support and assistance to industry. |
| Unemployment, poverty and inequality fuelled by the concentration of employment opportunities in and around the Newcastle CBD. | - Improved roll-out of the LED program.<br>- Promotion of urban agriculture in the denser urban settlements.<br>- Assistance and support to SMMEs particularly within the MBO area. |
| Vacancy of the Madadeni Industrial Centre due to its inability to attract investments. | - Implementation of the Business Retention and Expansion Strategy in order to improve performance and output thereof.<br>- Strategic support and assistance to industry.<br>- Skills training and development.<br>- Development of relationships between industry and SETAs and other tertiary training institutions. |
| Concentration of private investments within the nodes of Newcastle-West (primary CBD node) and Newcastle-South (regional node), with minor investments to the nodes within the Newcastle-East area (Madadeni, Blaauwbosch, Osizweni). This has implications on the community's transportation economics through increased costs in order to access the related services within these few nodes. | - Fast-track JBC Urban Hub Precinct Plan to attract public investment, funding and private, community investment to unlock social and economic potential of the area<br>- Revitalization of township economy<br>- Continued rejuvenation and/or transformation of the Madadeni and Osizweni CBDs through urban renewal programs. |

## 1.7.5.Financial Viability and Management.

| DEVELOPMENT CHALLENGES | RECOMMENDATION |
|---|---|
| Inadequate revenue collection systems within the municipality. | - Introduction of new technology towards improving revenue collection .i.e. water smart meters, prepaid electricity.<br>- Strategic support and assistance to industry. |
| Low recovery of amounts owed for rendering of municipal services from consumer debtors. | - Outstanding accounts with no queries to be forwarded to the respective consumers for making the necessary payment arrangements.<br>- Indigent verification.<br>- Capacitation of staff and field workers. |
| Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts. | - Appointment of field workers.<br>- Investigate the possible use of a service provider for meter reading as compared to performing the function in-house. |
| Lack of advice to Council on revenue enhancement mechanisms. | - Updated financial plan.<br>- Capacity building towards revenue enhancement and the related mechanisms. |

## 1.7.6.Good Governance and Public Participation.

The Newcastle Municipality is a developmental local government structure that is committed to working with its citizens and organised interest groups to find sustainable ways to meet their social, economic and material needs in order to improve the quality of their lives. This assertion complements the right of communities to participate in the decisions that affect development in their respective areas, and a corresponding duty on the municipality to encourage community participation in matters of local governance. The Municipality achieves this goal mainly through Ward Committee structures and a variety of other measures designed to foster open, transparent and consultative municipal governance.

To a certain degree, the functionality and effectiveness of the ward committees remains a challenge. Some of these are not unique to Newcastle Municipality as they relate to the design of the ward committee system as well as the procedures for their operation, report back mechanism from the municipality, including the payment of out-of-pocket expenses. As such, they are systemic in nature and should be addressed as part of government programmes to deepen democracy. Synergistic relations should also be strengthened with the business community, farmers associations, organised labour and other stakeholders.

## 1.7.7.Cross-cutting issues.

| DEVELOPMENT CHALLENGES | RECOMMENDATION |
|---|---|
| The town serves as an administrative and economic hub for the North-Western part of KwaZulu-Natal, including the whole of Amajuba District and some of the surrounding areas in the Ubuhlebomzinyathi District and the Mpumalanga Province. However the key question raised relates to whether or not NLM is developed with sufficient infrastructure including adequate capacity to play its role as a sub-regional economic hub. | - Infrastructure Master Plan.<br>- Absorption and retaining of highly skilled personnel within NLM. |
| There's been a rapid increase in the rate of urbanization in Newcastle resulting in the development of settlements along P483, in particular, linear settlements such as KwaMathukuza and JBC towards the Khathide area. Rapid urbanization brings with it many problems and places huge demands on the need for land, municipal services, housing, transportation and employment. | - Spatial integration through densification, gentrification and compaction.<br>- Establishment of service delivery centres.<br>- Development of sustainable human settlements. |
| NLM can broadly be defined as a region exhibiting a legacy of poor apartheid planning through an inefficient spatial pattern. This includes the low-density urban sprawl which is fuelled in the Newcastle-West area by anti-city values of suburbia that promotes large plots as an image of good urban living, a cellular development pattern that occurs in relatively discrete pockets based on the introverted concept of neighbourhood unit or super block, and the separation of land uses, urban elements, races and income groups. The dominant land use pattern resembles a series of relatively homogenous blobs of | - Spatial integration through densification, gentrification and compaction.<br>- Development of community residential units (CRUs) in order to achieve higher densities within the urban areas. |

| DEVELOPMENT CHALLENGES | RECOMMENDATION |
|---|---|
| different uses tied together by high speed transport routes. | |
| Poor quality of the environment manifested in the form of deteriorating water quality, poor air quality, poor waste disposal and collection thereof, and a general lack of open spaces within NLM. | - Development of a climate change strategy.<br>- Environmental awareness campaigns.<br>- Development of positively performing open spaces.<br>- Air quality management.<br>- Water conservation awareness campaigns.<br>- Planting of trees. |
| High levels of poverty attributed to general low levels of income and skilled labour. | - Improved roll-out of the LED program.<br>- Promotion of urban agriculture in the denser urban settlements.<br>- Assistance and support to SMMEs particularly within the MBO area.<br>- Skills training and development. |
| Disparities regarding residential densities within the municipality. Higher densities are found closer to established nodes as well as informal settlements. Subsequently the lower densities are found on the peri-urban areas located within the urban edge and other rural nodes beyond the urban edge. This has resulted in a disintegrated spatial pattern characterized by uniform, irregular, random and concentrated residential densities at specific areas. | - Spatial integration through densification, gentrification and compaction. |
| Lack of sufficient GIS data pertaining to the environment. | - Improved alignment with environmental management custodians such as KZN Wildlife as well as the World Wildlife Fund in order to align and streamline priorities towards improved environmental management and also data sharing.<br>- Implementation of the environmental management framework. |
| The NLM waste disposal site is nearing the end its carrying capacity hence its lifespan. | - Establishment of a new landfill site. |

## 1.8. Community Based Planning.

As a grass root approach advocating for sustainable livelihoods, the Community Based Planning sessions were conducted across all 34 wards within Newcastle Municipality's jurisdiction. The process was focused on robust group engagements amongst the Ward Committees, NPO's, NGO's, Government Departments and other sector representatives from the wards in order to establish a status quo that indicates the strengths and weaknesses, and the identification of development priorities of their wards. The CBP process was meant to enhance consultative public participation in the IDP process thus ensuring the credibility and relevance of the municipality's IDP. To undertake development at grass-root level, community submissions from the CBP were prioritized and informed the consolidated Newcastle Local Municipality's fourth generation Integrated Development Plan. Subsequently the municipal budget will be directly linked to the ward priorities as identified during the CBP process in terms of allocation of the capital investment programme.

Following a lengthy process and concentrated deliberations in group effort between the Newcastle Local Municipality, Ward Committee Members, and Community Based

Organisations, the following outcomes emanated as Ward Priorities within all 34 wards of the Newcastle Local Municipality:-

## 1.8.1.Ward Based Priorities.

| ZONE 1: TOWN ZONE PRIORITY NEEDS | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **WARD 1** | **WARD 2** | **WARD 3** | **WARD 4** | **WARD 5** | **WARD 21** | **WARD 25** | **WARD 34** |
| **1.** | Poor access to electricity for lighting and cooking (including solar energy and the changing from meter to prepaid electricity) | Provision and improvement of Sport facilities | Poor access to housing and land (i.e. Provision of sustainable Human settlements) | Access to Traffic control measures (i.e. Taxi stop on Allen Street- corner of Newcastle Inn) | Access to traffic control measures (i.e. Robots at Drakensburg Road and Umfolozi Road) | Poor access to electricity for cooking and lighting | Provision of lighting conductors | Poor access to housing and land |
| **2.** | Poor access to water and sanitation (i.e. Waterborne sewerage system and portable water) | Poor maintenance of the Community hall | Ageing infrastructure ( i.e. Water pipes and Roads) | Pedestrian safety (i.e. Pedestrian walkways along the Volkrust road)) | Pedestrian safety (i.e. Construction of speed humps) | Poor access to adequate water and sanitation (Haig VD;Ncandu VD) | Poor access to housing | Poor access to basic services (i.e. water, sanitation) |
| **3.** | Poor access to land for grazing, farming and human settlement | Poor maintenance of the dongas | Unemployment and poverty alleviation | High mast lights at Trim Park | Poor access to social facilities (library) | Poor maintenance of roads ( Vezubuhle; Ingwe; Ingagane resealing) | Poor environmental management services (i.e. regular cutting of grass and trees, and illegal dumping) | Poor access to electricity |
| **4.** | Poor quality of roads (i.e. Improvement/ maintenance of the roads) | Poor grass cutting on open spaces | Poor maintenance of stormwater drains | Poor environmental management services (i.e. cleaning of Ncandu river and the Newcastle Trimpark) | Poor access to health facilities (i.e. clinic) | Poor access to housing and land | Food security (i.e. communal gardens projects) | Unemployment (i.e. Job creation) |
| **5.** | Poor access to housing infrastructure ( i.e.RDP) | Poor Infrastructure maintenance | Poor access to adequate sanitation (i.e. Bulk Infrastructure) | Fencing of stormwater pipe near Taxi City | Provision of student accommodation | Land Reform | High prevalence of crime and safety (i.e. criminal hiding behind Link Road) | Poor access to health facilities |
| **6.** | Poor access to sports facilities (i.e. Multipurpose sports ground) | Poor maintenance of storm water drains | Poor access to sports facilities (i.e. indoor cricket facility) | Pedestrian safety (i.e. pedestrian walkways near D96 and Rooibok Street) | Poor access to economic facilities (i.e. Mini complex) | Unemployment (job creation) | Community safety and security (i.e. Satellite police station) | Poor implementation of municipal bylaws |

| ZONE 1: TOWN ZONE PRIORITY NEEDS | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **WARD 1** | **WARD 2** | **WARD 3** | **WARD 4** | **WARD 5** | **WARD 21** | **WARD 25** | **WARD 34** |
| **7.** | Poor access to social facilities (i.e. hall and library) | Poor environmental management services and community safety (i.e. illegal dumping and crime in vacant sites | High mast lights and the replacement of streetlights | Poor access to quality sporting facilities (i.e. Develop sports fields in Ameil Park) | Pedestrian safety (i.e. Provision of a pedestrian bridge) | Poor access to health facilities (i.e. clinic) | Poor access to social facilities (i.e.Multipurpos skills centre) | Poor access to sports facilities |
| **8.** | Construction of a taxi rank | | Poor environmental management services and community safety (i.e. illegal dumping and crime in vacant sites) | Access to traffic control measures (i.e. 3 phase robots at Victoria Road by Amajuba Mall) | Poor access to social facilities (i.e. pension pay point) | Poor access to educational facilities (i.e. High School, creche) | Access to adequate/safe housing (i.e. Asbestos removal in Smarties Ville) | Crime Prevention |
| **9.** | Poor environmental management services (i.e. Provision of waste removal services) | | Fencing of municipal facilities | Poor maintenance of stormwater drains (i.e. More flood fights) | Poor access to sports facilities | Poor access to community safety facilities (i.e. police station) | Electrification in Siyahlala la | Intervention of governmental institutions |
| **10.** | Fencing of the N11 from Charlestown to Wykom | | | Financing for War Room | Revamping of Amcor Dam Bridge | Poor access to social facilities (i.e. hall) | Poor access to economic facilities (i.e. shopping cemtre) | NGO's |
| **11.** | Job creation (i.e. revival of the firms and the introduction of a shopping centre) | | | | Provision of ATM | Poor access to sports and recreational facilities | | |
| **12.** | | | | | | | | |

| ZONE 2: MADADENI ZONE PRIORITY NEEDS | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **WARD 14** | **WARD 19** | **WARD 20** | **WARD 22** | **WARD 23** | **WARD 24** | **WARD 26** | **WARD 27** | **WARD 28** | **WARD 29** | **WARD 31** |
| **1.** | Poor access to public facilities (i.e. community hall and library) | Poor access to educational facilities (i.e. high school) | Poor access to housing (i.e.Roofing of houses) | Pedestrian safety (i.e. speed humps) | Poor road infrastructure (i.e. upgrading of gravel roads) | Pedestrian safety (i.e. speed humps) | Poor road infrastructure (i.e. upgrading of gravel roads MK 21 and 23, MD69 and MD40, and resealing of MD2) | Poor access to housing (i.e. RDP Houses) | Poor road infrastructure(i.e. Maintenance of roads next to the hospital) | Poor access to health facilities (i.e. Construction of a clinic) | Poor access to electricity |
| **2.** | Poor access to educational facilities (i.e. high school) | Poor access to health facilities (i.e. clinic) | Poor access to adequate sanitation (i.e. Toilets) | Poor access to adequate sanitation (i.e. upgrading of current system) | Poor access to adequate sanitation services (i.e. toilets and bulk sewer) | Poor access to adequate sanitation services (i.e. toilets and bulk sewer) | Community safety (i.e. High Mast Lights at K-Section and Section 4) | Poor road infrastructure (i.e. upgrading of gravel roads to tar roads) | Poor maintenance of existing roads and stormwater drainage | Poor access to commercial facilities (i.e. Construction of a shopping complex) | Poor access to social facilities (i.e. community hall) |
| **3.** | Poor access to public facilities (i.e. multipurpose sports ground). | Poor access to recreational facilities (i.e. children's play park) | Community safety (i.e. streetlights and high mast lights and police visibility) | Access to adequate housing (i.e. removal of asbestos) | Poor access to recreational facilities (i.e. fenced children's play parks) | Poor access to recreational facilities (i.e. children's play parks, multipurpose centre) | Access to environmental services (I.e. Grass cutting around schools) | Poor stormwater management (i.e. stormwater drains) | Poor access to sports and recreational facilities (i.e. sports centre and youth centre) | Poor access to community safety and security facilities (i.e. mobile police station) | Poor access to health facilities (i.e. clinic) |
| **4.** | Pedestrian safety (i.e. speed humps) | High cost of electricity | Poor management stormwater (drainage system) | Community safety and security (i.e. street lights) | Poor access to housing with structurally sound roofing | Pedestrian safety (i.e. speed humps: FET Section 2,Mahon church Section 5,Sniks to Syamkela) | Poor access to community safety and security services (i.e. satellite police station) | | Poor access to Public facilities (i.e. library) | Poor access to social facilities (i.e. community hall and library) | Poor access to community safety and security facilities (i.e. police station) |
| **5.** | Poor access to community safety and security services (i.e. police station) | Poor access to housing (i.e. housing at H39) | Poor road infrastructure | Pedestrian safety (i.e. sidewalks) | Pedestrian safety (i.e. speed humps on Zuza L.P, Hlabana L.P, Mashobane | Poor access to health facilities (i.e. build a 24 hour clinic) | Poor access to adequate housing (i.e. ratification of K-Section housing and | | Community safety (i.e. Maintenance street lights) | Poor road infrastructure (i.e. construction of tar roads in Section R, | Poor road infrastructure |

| ZONE 2: MADADENI ZONE PRIORITY NEEDS | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **WARD 14** | **WARD 19** | **WARD 20** | **WARD 22** | **WARD 23** | **WARD 24** | **WARD 26** | **WARD 27** | **WARD 28** | **WARD 29** | **WARD 31** |
| | | | | | Rd, Clifford Manana Bridge) | | Section 3 Roof Top project) | | | Section M and Section L and Section 6) | |
| **6.** | Poor access to adequate sanitation services (i.e. bulk sewer) | High mast lights and street lights | Pedestrian safety (i.e. speed humps) | Poor access to adequate water services (i.e. upgrading of pipes) | Pedestrian safety (i.e. Sidewalks) | Poor access social facilities (i.e. arts centre and pension pay point) | Pedestrian safety (i.e. speed humps and sidewalks at Mzamo Shopping Complex) | | Poor environmental management services (i.e. grass cutting) | Pedestrian safety (i.e. speed humps and sidewalks) | Poor access to adequate housing (i.e. Provision of low-cost housing and provision to land) |
| **7.** | Poor access to commercial facilities (i.e. Shopping complex) | Security of tenure (i.e. Title Deeds) | Poor access to social facilities (i.e. community hall) | Stormwater management | | Poor access to housing | Environmental sustainability (i.e. soil stabilizers to reduce soil erosion of river banks) | | Poor access to community safety and security facilities (i.e. satellite police station) | Community safety (i.e. Apollo lights in L Section and M32)) | Poor access to educational facilities (i.e. High schools) |
| **8.** | Poor access to skill development programmes for the youth (i.e. Youth centre) | Pedestrian safety (i.e. speed humps) | Job creation (unemployment) | Environmental management (i.e. cutting of trees) | | Poor access to community safety and security facilities (i.e. CBD Mobile Police station centre) | Poor access to sports facilities (i.e. netball and basketball court in Section 4 and K-Section) | | Access to CWP workers in the ward | Stormwater Management | Basic access to sanitation (waterborne toilet system) |
| **9.** | Poor pedestrian safety mechanisms (i.e. Sidewalks) | Robots (i.e. intersection at brewery) | Poor access to educational facilities (i.e. public crèche) | Poor road infrastructure (i.e. upgrading of gravel roads) | | Poor access to telecommunication facilities (i.e. Wifi Technology hub) | Maintenance of Stormwater drains | | Poor access to housing (i.e. removal of asbestos) | Poor access to educational facilities (i.e. Extension of Mcebowolwazi S.P) | Security of tenure (i.e. Tittle Deeds) |
| **10.** | Poor access to adequate sanitation (i.e. | Poor road infrastructure | Poor telecommunications | Traffic Wardens next to Khwezi | | Poor road infrastructure (i.e. upgrading | Access to waste removal services (i.e. | | Food security (i.e. community gardens) | | |

| ZONE 2: MADADENI ZONE PRIORITY NEEDS | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **WARD 14** | **WARD 19** | **WARD 20** | **WARD 22** | **WARD 23** | **WARD 24** | **WARD 26** | **WARD 27** | **WARD 28** | **WARD 29** | **WARD 31** |
| | Sewer pump station for main hall) | (i.e. resealing of main road) | infrastructure (i.e. Wifi) | Municipal offices, Vumelani area and Madadeni BP Garage) | | of gravel roads from Roman Catholic to 1372-1503) | collection of skip bins per weekly schedule) | | | | |
| **11.** | | | | Poor access to recreational facilities (i.e. Children's Play park) | | Maintenance of roads from Siyamukela to Sipheni S.P) | EPWP (i.e. 20 cleaners per ward) | | Pedestrian safety (i.e. Speed humps by Zenzele, Mlamleni,Thokoza) | | |
| **12.** | | | | | | Pedestrian safety (i.e.Traffic Wardens at Sipheni and Khaselihle, Sniks and T-Junction) | | | | | |
| **13** | | | | | | Food security (i.e. communal gardens) | | | | | |

| ZONE 3: OSIZWENI ZONE PRIORITY NEEDS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **WARD 7** | **WARD 8** | **WARD 9** | **WARD 10** | **WARD 11** | **WARD 13** | **WARD 17** | **WARD 30** | **WARD 32** |
| **1.** | Poor access to adequate water and sanitation services | Poor access to health services (i.e. Clinic) | Job creation | No access to a war room | Poor road infrastructure (i.e. Tarred roads: Section F, VD Community Hall and VD Thembemaletsha) | Poor access to housing and land (i.e. RDP) | Pedestrian safety (i.e. Maintenance of sidewalks) | Poor access to adequate sanitation (i.e. waterborne sewerage system in Hloniphweni, Manzana and mlazi) | Poor access to adequate sanitation (i.e. Improving sewer bond at Section F) |

| ZONE 3: OSIZWENI ZONE PRIORITY NEEDS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **WARD 7** | **WARD 8** | **WARD 9** | **WARD 10** | **WARD 11** | **WARD 13** | **WARD 17** | **WARD 30** | **WARD 32** |
| **2.** | Poor access electricity services | Poor access to adequate water and sanitation services | Poor access to adequate sanitation | Pedestrian walkways | Poor stormwater management (V-drain: Thembalistha High; Khushu Church; Section F and Clinic No.2) | Poor access to adequate sanitation services (i.e. toilets and Jakkalspan) | Pedestrian Safety mechanisms (i.e. Speed humps between Sesiyabonga and Gumbi Stand) | Poor access to adequate electricity services | Poor stormwater management (V-drain) |
| **3.** | Poor road infrastructure (i.e. provision of Tarred roads within the ward) | Poor access to adequate housing | Poor access to housing and land | High mast lights | Poor public health and safety (i.e. asbestos) | Poor quality of roads | Poor environmental management services (i.e. Cutting of trees at 4206) | Poor access to housing and land (i.e. RDP renovation Emlazi Community, Ema4 and Manzana) | Poor access to adequate housing (i.e. Asbestos removal) |
| **4.** | Access to electricity in the ward. | High rate of unemployment | Poor management of roads and stormwater | Poor environmental management services | Poor access to housing and land (i.e. RDP) | Youth unemployment | Access to adequate road infrastructure (i.e. Gravelling of Msomi Road) | Poor quality of roads ( Emanzana Farm, Next to Ekwethu L.P School, and Jakalaas) | Pedestrian safety (i.e. Speed humps) |
| **5.** | Pedestrian safety (i.e pedestrian bridge Emadanyeni and Mndozo) | Poor access to social facilities (i.e. library and community hall) | Pedestrian safety (i.e. pedestrian bridge) | Speed humps | Pedestrian safety (i.e. speed humps: Osizweni Clinic; Thela crèche and Dumakude Street) | Crime and safety (i.e. substance abuse) | Pedestrian safety mechanisms (i.e. Maintenance of bridge at Maduna Shop) | Poor access to adequate water services | Poor maintenance of roads (i.e. regravelling of roads in the ward) |
| **6.** | Poor access to housing (i.e. Request for low-cost housing) | Provision of Street lights specific to main roads. | Poor access to electricity for cooking and lighting | Poor access to quality infrastructure that is also aging | Job creation and poverty alleviation(i.e. One home one; SEDA garden programmes; Skills programmes; COPTs) | Social problems (i.e. unregulated taverns) | Poor environmental management services (i.e. cleaning of dongas at Sesyabonga HS) | Pedestrian safety (i.e. speed humps) | Provision of security for projects undertaken by the municipality |

| ZONE 3: OSIZWENI ZONE PRIORITY NEEDS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **WARD 7** | **WARD 8** | **WARD 9** | **WARD 10** | **WARD 11** | **WARD 13** | **WARD 17** | **WARD 30** | **WARD 32** |
| **7.** | Pedestrian safety (i.e. Provision of stop signs) | Poor maintenance of roads (i.e. upgrading of roads) | Crime and safety (i.e. street lights and high mast light) | No street lights | Poor access to sports facilities (i.e.sporting gym) | Poverty | Maintenance of community safety facilities (i.e. Replacement of Apollo's: estolo Esbomvu, Presbyterian Church, Shabalala Stand and Mahoni Church) | Involvement in municipal programme and projects (i.e. EPWP) | Pedestrian safety (i.e. Provision of bridges in all VD's) |
| **8.** | Pedestrian safety mechanisms (i.e. Traffic Wardens at Esgodphola) | Poor access to sports facilities (i.e. multi-purpose sports complex) | Poor access to community facilities (i.e. clinic, halls, educational facilities) | Provision of socio-economic facilities (i.e. shopping centre) | Poor pedestrian safety (i.e. Scholar patrollers needed) | Poor maintenance of roads (i.e. upgrading of roads) | | Poor access to crime and safety facilities (i.e. Street lights) | Poor environmental management services (i.e. cleaning of dongas and grass cutting in all VD's ) |
| **9.** | | | Skills and training (i.e. bursaries) | Poor access to health facilities (i.e. upgrading of the existing clinic) | | Pedestrian safety (i.e. scholar patrol for school children) | | Poor access to community facilities (i.e. Hall ) | Community Safety mechanisms (i.e. Maintenance/renewal of street lights and Apollo's at Section A;E and F) |
| **10.** | | | Poverty and unemployment (i.e. indigent support) | Poor access to recreational facilities (i.e. children's play park) | | Poor access to health facilities (i.e. increased consultation hours at the clinic) | | Poor acess to sports facilities (i.e. Sports ground) | Poor access to land (i.e. Vacant site eradication) |
| **11.** | | | Poor access to land (i.e. land tenure upgrading and the use of vacant sites) | | ) | Poor access to social facilities (i.e. public gym) | | Poor access to health facilities (i.e. medipost and clinic in Manzana) | Renewal/Maintenance of ageing infrastructure at Section A |

| ZONE 3: OSIZWENI ZONE PRIORITY NEEDS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **WARD 7** | **WARD 8** | **WARD 9** | **WARD 10** | **WARD 11** | **WARD 13** | **WARD 17** | **WARD 30** | **WARD 32** |
| **12.** | | | Environmental management services (i.e. grass cutting, skip bins, and the cleaning od streams) | | | Poor access to social facilities (i.e. swimming pool) | | | Poor access to sporting facilities (i.e. Sports fields and Parks in all VD's) |
| **14.** | | | Poor access to infrastructure for the disabled | | | Poor quality of roads (i.e. maintenance of roads) | | | Fixing of trench between Section F and A. |
| **15.** | | | | | | Street lights and sidewalks | | | |

| ZONE 4: BLAAUWBOSCH ZONE PRIORITY NEEDS | | | | | | |
|---|---|---|---|---|---|---|
| | **WARD 6** | **WARD 12** | **WARD 15** | **WARD 16** | **WARD 18** | **WARD 33** |
| **1.** | Poor road infrastructure (D1333, Leister Rd, Tsotetsi Rd, JV flood rd, Siyathuthuka Rd, Simelani Rd, e.t.c) | Poor access to adequate water and sanitation (Toilets for every household) | Poor access to housing (i.e. introduction of a Housing project) | Pedestrian safety mechanisms (i.e. Sidewalks to the road leading to Youth Centre) | Job creation (poverty and unemployment) | Poor road infrastructure(i.e. Upgrading of gravel roads to tarred roads) |
| **2.** | Improve security of tenure | Poor access to housing (i.e. RDP houses: Johnstone and Jakkalas) | Poor access to adequate water and sanitation (i.e. Increase Number of VIP toilets) | Poor access to Environmental management services (i.e. Air pollution purifier at industrial area) | Poor access to Community Safety and Security Services (i.e. mobile police station) | Poor access to energy for cooking and lighting |
| **3.** | Poor access to adequate water and sanitation | Poor access community safety (i.e. Mobile Police station) | Infrastructure Backlog (stormwater management: Steildrift, CR1, Drycut, Cavan Cemetery Road) | Poor access to adequate water and sanitation (i.e. VIP Toilets at Mzamo Sport ground on pension day) | Poor access to housing | Community safety machanisms (i.e.High mast light |
| **4.** | Poor access to energy for cooking and lighting (i.e. electrification: Madadeni reformed church VD, | Community safety and security(i.e. High mast lights: Lister, Jakkalas and Johnstone) | Poor access to health facilities (i.e. clinic, HIV Counselling facility) | Poor access to community safety and security services (i.e. sub- police station) | Poor access to adequate water and sanitation (i.e. Bulk sewerage infrastructure) | Poor access to Environmental management services (i.e. refuse removal services) |

| ZONE 4: BLAAUWBOSCH ZONE PRIORITY NEEDS | | | | | | |
|---|---|---|---|---|---|---|
| | **WARD 6** | **WARD 12** | **WARD 15** | **WARD 16** | **WARD 18** | **WARD 33** |
| | Masondal area and Leister area) | | | | | |
| **5.** | Poor access to environmental management services (i.e. Waste Removal) | Poor access to refuse removal services (i.e. skip bins: Lister, Johnstone and Jakkalas) | Poor access to community safety and security services (i.e. mobile police station) | Pedestrian safety mechanisms (i.e. Speed Humps next to Mzamo Sport Ground) | Poor access to public facilities (i.e. library) | Poor access to housing (i.e. RDP) |
| **6.** | Poor access to health facilities (i.e. clinic) | Poor access to water and sanitation (i.e. Stand pipes, Jojo Tanks and leaking pipes) | Poor access to public facilities (i.e. library) | Access to Traffic control measures (i.e. Robot close to Theku Plaza Intersection) | Fencing of municipal facilities | Poor access to adequate water and sanitation (i.e. legally connected water and VIP toilets) |
| **7.** | Poor access to educational facilities (i.e. Improve quality of ECD centersl) | Provision of electricity (phase 2 and 3) | Poor access to educational facilities (i.e. school) | Poor access to housing (i.e. Provision of low-cost housing) | Improve quality of ageing infrastructure (i.e. roads infrastructure) | Poor access to community safety and security services (i.e. mobile police station) |
| **8.** | Improve community safety and security (i.e. High mast: Siyathuthuka, Masondeza, Leister, sizanana and Jobstown) | Poor access to sports and recreational facilities (i.e. Childrens play park and multipurpose centre at Jakkalas) | Poor access to sports and recreational facilities (i.e. Sports fields) | Poor access to sanitation (i.e. Honey Suckers) | Removal of private sewer (i.e. St. Anthonys) | Poor access to health care facilities (i.e. mobile clinic) |
| **9.** | Poor access to social facilities (i.e. library, Hall and one-stop- delivery centre) | Poor access to educational facilities (i.eECD Centres and disability care centre) | Job creation (i.e. provision of job creation mechanisms) | Poor road infrastructure(i.e. regravelling of roads) | Permanent School patrols | Poor access to educational facilities (i.e. school) |
| **10.** | Poor access to Traffic control mechanisms (i.e. Robot at JV and Theku Plaza) | Poor road infrastructure (i.e. Quarry on access roads) | Poor access to social facilities (i.e. pensioners pay-point) | Provision of electricity Phase 1 | Poor environmental management (i.e. access to refuse removal services) | Community safety (i.e. closure of farm ponds behind Buzamadoda' St. john Church, Nhlosokuhle,Thokozani store and Dicks) |
| **11.** | Poor access to sports and recreational facilities (Youth development programmes) | | Poor access to community safety and security facilities (i.e. Street lights) | | Community safety mechanisms (i.e. High Mast Lights) | Poor access to public facilities (i.e. children's paly park: next to Dicksgrave yard; Manzana PO and Cluster) |

| ZONE 4: BLAAUWBOSCH ZONE PRIORITY NEEDS | | | | | | |
|---|---|---|---|---|---|---|
| | **WARD 6** | **WARD 12** | **WARD 15** | **WARD 16** | **WARD 18** | **WARD 33** |
| **12.** | Improve water reticulation system (Masondale, Leister and Jobstown) | | Poor access to water and sanitation (i.e. Shortage of water) | | Improved stormwater drainage. | Maintenance of roads (i.e. Hlalulwazi, estolo esimnyama, Madlokovu, Emathangini, iriel) |
| **13.** | Food security (i.e. Agricultural revival: communal gardens) | | Poor access to adequate road infrastructure (i.e. regravelling of roads) | | | Provision of lightning conductors within the whole ward. |
| **14.** | Poor access to pedestrian safety mechanisms (i.e. Bridge: Section P1) | | | | | |
| **15.** | Poor access to sports and recreational facilities (i.e. Parks) | | | | | |
| **16.** | Job creation (i.e. provision of job creation mechanisms) | | | | | |

In order to improve the participation of the general public, a detailed process plan for the annual review of the Community Based Plans for all the 34 wards is in place. This is meant towards ensuring the alignment of the CBP with the IDP hence the budget prioritisation of the development of projects that are reflective of the needs and aspirations of the communities. Through the process plan, the CBP's will be presented to the general public through constituency consultation meetings to allow communities at large to provide inputs, voice their opinions, and endorse the plans.

## 1.9. Strategy Towards Organisational Development.

### 1.9.1.Long Term Vision and Mission.

Newcastle Municipality's long-term development vision was formulated within the context of the national and provincial vision statements as outlined in the National Development Plan (NDP) and the Provincial Growth and Development Strategy (PGDS). It reflects a joint commitment by the local leadership, municipal administration and the local communities to make Newcastle a better place and improve the quality of life for those who work and/or live in NLM.

The vision is based on the following overarching principles:-

- Sustainability.
- Integrated development.
- Equitable access to basic services and public facilities.
- Efficient and effective delivery of services.

### 1.9.2.Vision 2035.

**BY 2035, NEWCASTLE WILL BE A RESILIENT AND ECONOMICALLY VIBRANT CITY, PROMOTING SERVICE EXCELLENCE TO ITS CITIZENS.**

### 1.9.3.Mission Statements.

**NEWCASTLE LOCAL MUNICIPALITY TOGETHER WITH ITS CITIZENRY, COMMITS TO REALIZE ITS VISION THROUGH INNOVATIVE SERVICE EXCELLENCE, ACCELERETATED SERVICE DELIVERY, SUSTAINABLE INFRASTRUCTURE DEVELOPMENT, PROMOTING SOCIO-ECONOMIC DEVELOPMENT AND SPATIAL INTEGRATION.**

### 1.9.4.Priority Development Issues.

- Sound Financial Management/Viability (incl. Debt collection and management);
- Improved access to basic service delivery (i.e. water, sanitation, electricity, housing, waste removal);

- Local Economic Development (eradication of poverty and unemployment);
- Improved quality of roads and storm-water infrastructure (including sidewalks);
- Environmental sustainability (environmental conservation/management);
- Accelerated Municipal Transformation and Corporate Development;
- Improved access to public facilities (including educational facilities – provincial mandate);
- Improved community safety;
- Improved access to basic health services (NB: provincial mandate); and
- Improved access to land (including Land Reform).

## 1.9.5.Development Strategy.

The development strategy is based on a long-term vision, but acknowledges the significance of issues that need to be addressed in the short-to-medium term. As such, the municipality has formulated development goals that seek to address the challenges facing the institution currently and reposition the area in a developmental path as follows:-

- To develop Newcastle as a service and industrial hub.
- To eradicate all forms of poverty and destitution/indigence.
- To be an example of service and governance excellence.
- To improve the quality of life.
- To achieve environmental sustainability.
- To promote gender equality and empowerment.

In the short-to-medium term, the municipality will initiate projects with clear targets and outputs towards the attainment of these goals. It will accelerate delivery of services and gradually consolidate outcomes so as to attain the desired future situation.

Particular focus will be paid to the following key areas of strategic intervention:-

- ***Spatial integration and environmental sustainability: Particular focus will be paid on the development and implemtation of systems and procedures for effective land use and environmental management.***
- ***Local economic development: The municipality has a responsibility to create a climate conducive for the flourishment of both public and private sector investments. As such, the municipality is committed to working with other government agencies and departments to deliver state of the art economic infrastructure that will facilitate development of effective services to the business sector.***
- **Service delivery and infrastructure development:** NLM is the sphere of government that is closest to the communities. This bestows a huge responsibility to deliver services where the municipality is directly responsible and coordinate the delivery of services that fall outside the constitutional obligations of the municipality.

- **Municipal transformation and organisational development:** The attainment of development goals as outlined above requires the municipality to establish effective systems and procedures for both municipal administration and local governance. This includes attracting and retaining well trained, experienced and committed employees, and having the required systems in place that enables world class administrative capabilities.
- **Financial viability and management:** Funds will be a critical input in the process towards the attainment of the abovemenioned goals. Due to such, it is critically important to ensure that the municipality is able to generate sufficient funds to be able to deliver services and facilitate development. Also important is the ability to account for the use and disbursements of public funds.
- **Good governance and public participation:** The municipality is committed to putting in place systems and procedures for accountable local governance. This includes oversight responsibilities, auditing function, risk management, etc. Members of the public will be kept informed and engaged in all municipal affairs.

## 1.10. Performance Measures.

### 1.10.1. Intended Impact.

Everything that NLM does should be done to impact as much as possible on the social and economic development of the area. In particular, the municipality will strive to provide services that meet the basic needs of the poor in their communities in a cost-effective manner. This can be achieved in two ways:-

- NLM will provide some relief for the poor. Through Government policy, NLM is to provide a free basic amount of services for water and electricity to households that do not have access to these services. NLM will also promote social development through arts and culture, the provision of recreational and community facilities, and the delivery of social welfare services.
- NLM will work in partnership with local businesses to improve job creation and investment. It is not the role of NLM to create jobs but it will take active steps to improve the conditions for the creation of employment opportunities in the area. This includes preferential procurement of services.
- As a developmental local government, NLM will provide leadership to all those who have a role to play in achieving local prosperity, and the IDP is a critical tool in this regard.
- Municipal Councils such as the NLM play a central role in promoting local democracy. In addition to representing community interests within Council, Councillors will ensure that citizens and community groups are involved in the design and delivery of municipal programmes (Community Based Planning). Ward Committees and community consultations are important ways of achieving greater involvement.
- The municipality will also provide support to individual and community initiatives, and direct them to benefit the area as a whole. The involvement of youth organisations in this regard is of particular importance.

## 1.10.2. Performance Management System.

The performance management system is a tool to monitor progress regarding municipal service delivery. It enables the municipality to focus on priorities within an increasingly complex and diverse set of demands, and to direct resource allocations and institutional systems to a new set of development objectives. Newcastle Municipality's performance management system was developed in line with Chapter 6 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) which requires local government to:-

- Develop a performance management system (PMS).
- Set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (IDP).
- Publish an annual report on performance management for the Councillors, staff, the public and other spheres of government.
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government.
- Conduct an internal audit on performance reports audited by the Auditor-General.
- Involve the community in setting indicators and targets and reviewing municipal performance.

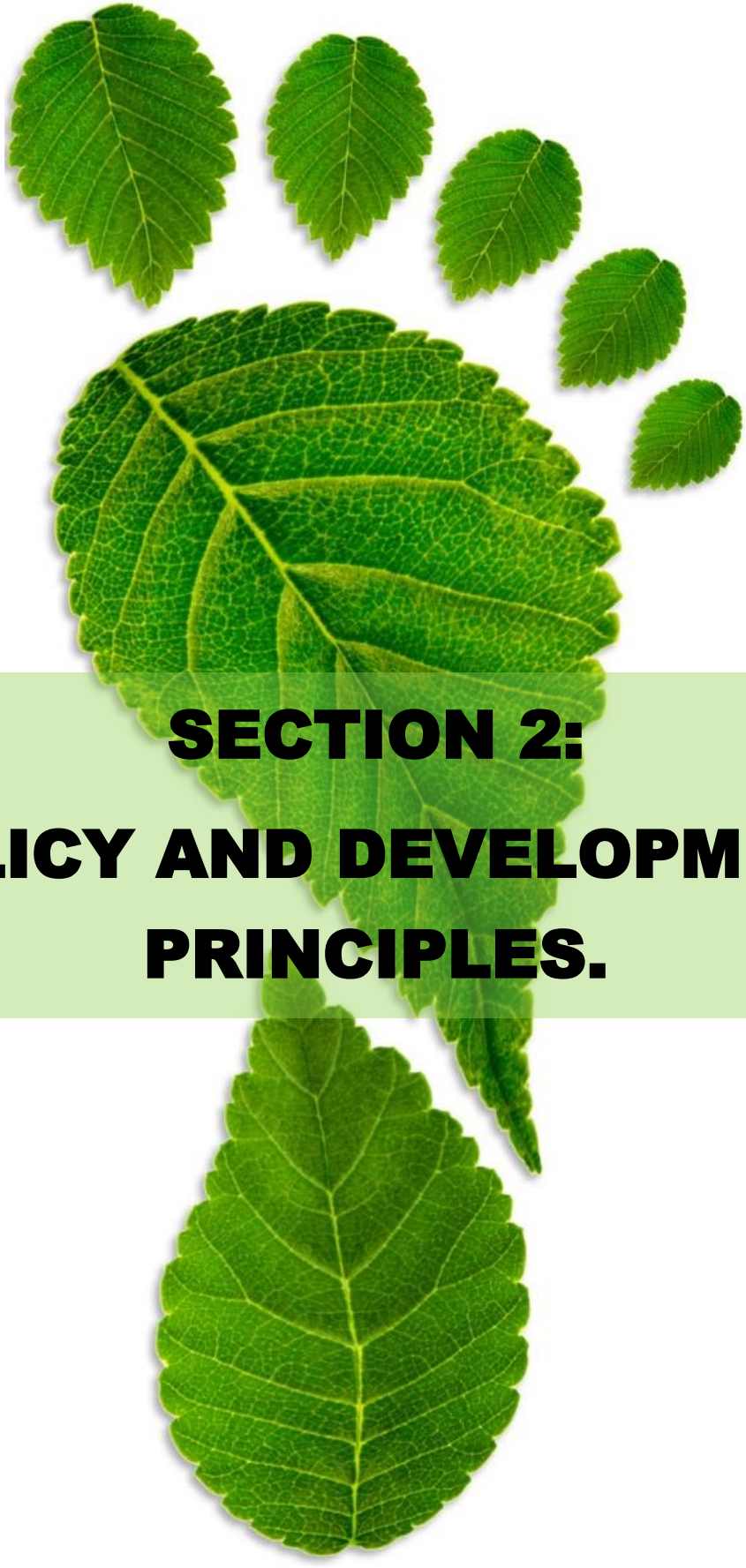
Newcastle Municipality's Organisational Performance Management System monitors the implementation of the IDP, and provides for corrective measures where there is insufficient progress. The PMS is based on a policy framework and covers the whole organisation. The framework caters for the development, implementation and roll-out of performance management within the Newcastle Municipality. This includes the alignment of the PMS process to that of the IDP and budget as is required in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). The following are some of the key aspects of this system:-

- Performance contracts which include performance plans for all section 57 employees.
- Service Delivery and Budget Implementation Plan.
- Organizational Scorecard.
- Annual report.
- Quarterly performance reviews.

The objectives of Newcastle Municipality's Organizational Performance Management System are as follows:-

- Facilitate increased accountability;
- Facilitate learning and improvement;
- Provide early warning signals; and
- Facilitate decision-making.

Performance management may be defined as a strategic process to management (or system of management) which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continually monitor, periodically measure and review the performance of the organization in terms of indicators and targets for efficiency, effectiveness and impact. Regulations 7 of the Performance Management Regulations (2001) requires every municipality to develop a performance management system (PMS). In addition, Regulation 13 of the Performance Management Regulations requires that the municipality must, after consultation with the community, develop and implement mechanisms, systems and processes for the monitoring, measurement and review of performance with respect to the key performance indicators and targets set by it.



# SECTION 2:
# POLICY AND DEVELOPMENT PRINCIPLES.

# 2. POLICY AND DEVELOPMENT PRINCIPLES.

Planning and development in NLM occurs within the national, provincial, and district policy framework, and provides for the implementation of the priorities as outlined in these documents.

## 2.1. National Policy Framework.

### 2.1.1.National Development Plan.

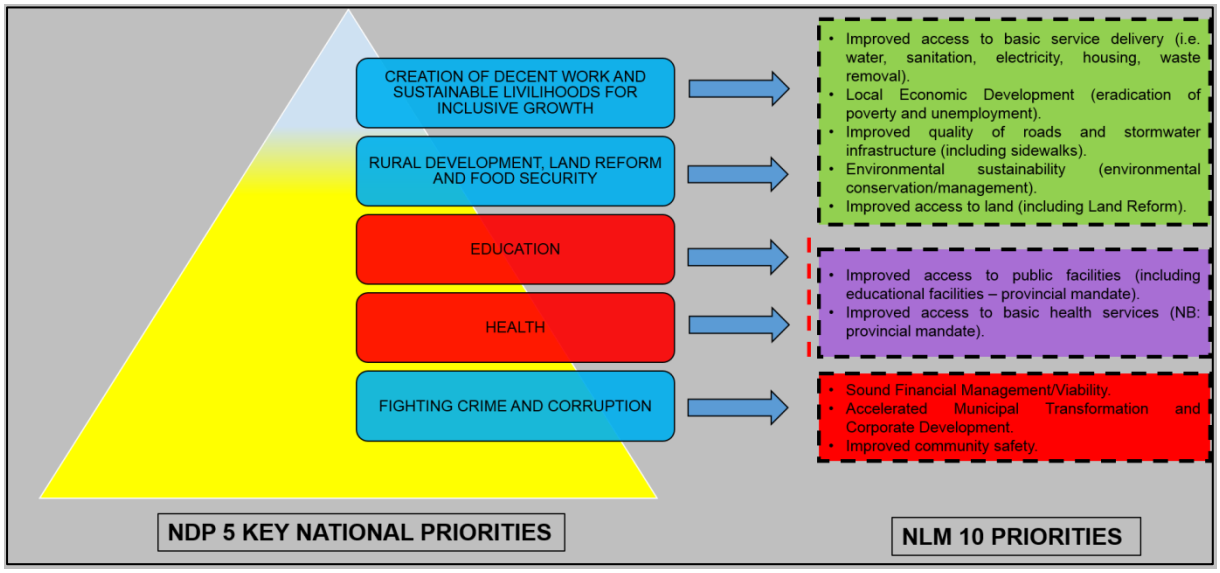



*Figure 4: Newcastle Local Municipality IDP Priority Issues aligned to the National Priorities.*

The National Development's vision is outlined in various national policy documents, and consolidated in the National Development Plan (NDP). The National Development Plan addresses the major thematic areas facing the country in detail, and outlines a National Development Strategy. It focuses on the critical capabilities needed to transform the economy and society. Achieving these capabilities is not automatic, nor will they emerge if the country continues on its present trajectory. Rising levels of frustration and impatience suggest that time is of the essence, and failure to act will threaten democratic gains. In particular, South Africa must find ways to urgently reduce alarming levels of youth unemployment and to provide young people with broader opportunities. As such, the NDP sets out clear objectives and targets as follows:-

The unemployment rate should fall from 24.9% in June 2012 to 14% by 2020 and to 6% by 2030. This requires an additional 11 million jobs. Total employment should rise from 13 million to 24 million.

- The public works programme should be broadened to cover 2 million fulltime jobs by 2020.

- The labour force participation rate should rise from 54% to 65%.
- The cost of living for poor households should be reduced together with the cost of doing business through microeconomic reforms.
- The proportion of people with access to the electricity grid should rise to at least 90% by 2030, with non-grid options available for the rest.
- A comprehensive management strategy to be developed including an investment programme for water resource development, bulk water supply and wastewater management for major centres by 2012, with reviews every five years.
- To create regional water and wastewater utilities, and expand mandates of the existing water boards (between 2012 and 2017).
- An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related sectors by 2030.
- Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture.

The National Development Plan requires local government to play a meaningful and active role in ensuring the implementation of Vision 2030. The plan compels local government to be service delivery oriented in ensuring that the following is achieved:-

- A comprehensive management strategy including an investment programme for water resource development, bulk water supply and wastewater management for major centres by 2012, with reviews every five years.
- Create regional water and wastewater utilities, and expand mandates of the existing water boards (between 2012 and 2017).
- An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related sectors by 2030.
- Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture.
- Rural economies will be activated through improved infrastructure and service delivery, a review of land tenure, support to small and micro farmers, a review of mining industry commitments to social investment, and tourism investments.
- A strong and efficient spatial planning system, well integrated across the spheres of government.
- Upgrading of all informal settlements on suitable, well located land by 2030.
- More people living closer to their places of work and better quality public transportation.
- More jobs in or closer to dense, urban townships.
- Develop a strategy for densification of cities and resource allocation to promote better located human settlements.
- By 2030, people living in South Africa should feel safe and have no fear of crime. They should feel safe at home, at school and at work, and they are to enjoy an

active community life free of fear. Women are to walk freely in the street and the children play safely outside.

The aim of the Plan is to respond quickly to South African's aspirations and ensure that inclusive economic growth was the main agenda for development.

### 2.1.2.MTSF 14 National Outcomes.

The IDP adopts an Outcomes Based Approach in line with the national government priorities and the associated 14 National Outcomes. Early in the National Cabinet, adopted were twelve outcome areas that collectively address the main strategic priorities of government. Subsequently, two new outcomes were introduced making it 14 national outcome areas aimed at addressing government priorities. The objectives of the Outcome Based Approach are aimed towards improving service delivery across all spheres of government, and to introduce a systematic planning, monitoring and evaluation process.

**Box 2: 14 National Outcomes:-**

1. An improved quality of basic education.
2. A long and healthy life for all South Africans.
3. All South Africans should be safe and feel safe.
4. Decent employment through inclusive growth.
5. A skilled and capable workforce to support an inclusive growth path.
6. An efficient, competitive and responsive economic infrastructure network.
7. Vibrant, equitable, sustainable rural communities with food security for all.
8. Sustainable human settlements and an improved quality of household life.
9. **A responsive, accountable, effective and efficient local government system.**
10. Environmental assets and natural resources that are well protected and enhanced.
11. A better Africa and a better world as a result of South Africa's contributions to global relations.
12. An efficient and development-oriented public service and an empowered, fair and inclusive citizenship.
13. An inclusive and responsive social protection system.
14. Transforming society and uniting the country.

High-level Negotiated Service Delivery Agreements (NSDA) based on these outcomes have been concluded between the President and national ministers. National Outcome Nine (9) commits the Minister of Cooperative Governance and Traditional Affairs to develop a local government system which is responsive, accountable, effective, and efficient. In line with Outcome 9, Newcastle Municipality's IDP responds directly to issues facing the area and its communities with the aim of rendering local government services efficiently and effectively.

However, the municipality will also contribute directly and indirectly to the attainment of other outcomes, particularly those dealing with economic development, infrastructure development, rural development and environmental management. Therefore, alignment with the relevant sector frameworks and programmes across the spheres of government is critical.

## 2.1.3.Local Government Outcome 9.

As an effort to focus government initiatives and manage public expectations, the national government has adopted an Outcomes Based Approach. Based on the Medium Term Strategic Framework (MTSF), 14 outcomes have been identified. Outcome 9 deals with local government and affects Newcastle Municipality directly. It moves from a premise that local government is a key part of the reconstruction and development effort in South Africa, and that aims of democratizing society and growing the economy inclusively can only be realized through a responsive, accountable, effective, and efficient local government system that is part of a developmental state.

The government has identified the following Outputs for Outcome 9:-

- Output 1: Implement a differentiated approach to municipal financing, planning and support.
- Output 2: Improving access to basic services.
- Output 3: Implementation of the Community Work Programme.
- Output 4: Actions supportive of the human settlement outcome.
- Output 5: Deepen democracy through a refined Ward Committee Model.
- Output 6: Administrative and financial capability.
- Output 7: Single window of coordination.

## 2.1.4.State of the Nation Address (SONA) 2021.

The State of the Nation Address (SONA) is called by the President in terms of Section 42(5) of the Constitution. President Cyril Ramaphosa delivered his fourth state of the nation address (SONA) on the 11th of February 2021, looking to inspire the country with words of hope and deliver promises of progress after a year in which it was ravaged by the Covid-19 pandemic and a nationwide lockdown. The address, which took place on the anniversary of former president Nelson Mandela's release from prison, laid out the government's main objectives for 2021 in his State of the Nation Address. These include dealing with the Covid-19 pandemic, accelerating economic recovery, creating jobs, inclusive economic growth, fighting corruption and strengthening the state. His speech focused on rebirth, narrated through the image of the "hardy" fynbos, an indigenous plant that needs fire every two decades to be born again, to "herald a new dawn and a new day."

After the devastation of the Coronavirus pandemic, President Cyril Ramaphosa mentioned that the year ahead must be a time for change, for progress and for rebirth, and must be a year in which we rise. He mentioned that the Economic Recovery Plan has 4 focus areas which are as follows:-

- Substantial infrastructure rollout;
- Enhanced volumes with repsect to local production;
- An employment stimulus towards job creartion; and
- The rapid expansion of energy generation capacity.

President Cyril Ramaphosa indicated that the implementation of public-private partnerships needs to be accelerated for business confidence to be revived, and the economic recovery to gather sustainable traction.

The following is a summary of the country's focus areas and action plan for the coming financial year: -

| Key Announcements | Action Plan/Commitments |
|---|---|
| **Coronavirus Disease (COVID-19)** | • Nearly 1.5 million of the population are known to have been infected by the virus.<br>• 45 000 of the population are known to have died of Covid-19.<br>• Government has secured 9 million doses of the Johnson & Johnson vaccine.<br>• 80 000 doses of the Johnson & Johnson vaccine is expected to arrive in the country to curb the spread of covid-19.<br>• A further 500 000 consignments of the Johnson & Johnson vaccine has been secured.<br>• 12 million doses of the vaccine was secured from the global COVAX facility.<br>• Pfizer committed 20 million doses of vaccine; commencing with deliveries at the end of the first quarter. |
| **Economy and employment** | • In the third quarter of 2020, the economy was 6% percent smaller than it was in the last quarter of 2019.<br>• Nearly 1.7 million of the population were employed in the third quarter of 2020 than in the first quarter, before the Covid-19 pandemic. |
| | • The unemployment rate stands at 30.8% by 11th of February 2021.<br>• R500 billion value of the social and economic relief package was provided to poorest households, to provide wage support to workers and to provide various forms of relief to struggling businesses.<br>• 18 million or close to one-third of the population received additional grant payments through the government's relief measures.<br>• More than 5 million of the population benefitted from the social and economic relief package.<br>• R57 billion of the wage support was paid to over 4.5 million workers through the Special UIF TERS scheme. |
| **Business support** | • More than R1.3 billion was provided to support small and medium-sized businesses.<br>• Over R70 billion of the tax relief fund was extended to businesses in distress.<br>• About R18.9 billion was approved for 13 000 businesses through the Loan Guarantee Scheme. |
| **Infrastructure** | • R340 billion will support network industries such as energy, water, transport and telecommunications.<br>• Around 68 000 households in Gauteng will benefit from homes provided through two major human settlements projects of the Economic Reconstruction and Recovery Plan.<br>• About 350 000 to 500 000 of the population is expected to benefit from homes built within the next decade, as part of the Lanseria Smart City project.<br>• R19 billion will support the roads projects covering the spine of the South African road network.<br>• R100 billion will support the Infrastructure Investment Plan.<br>• 300 000 student will receive beds through the Student Housing Infrastructure Programme funded by the Infrastructure Investment Plan. |
| **Investment** | • R16 billion will support the Ford Motor Company to expand their manufacturing facility in Tshwane for the next generation.<br>• 12 small and medium enterprises in automotive component manufacturing to be supported to grow through the R16-billion investment by Ford Motor Company.<br>• R1.7 billion will be allocated to small, medium and micro enterprises for procurement opportunities.<br>• R108 billion of the additional investment commitments was raised by the third Investment Conference in November 2020.<br>• R773 billion was received towards the government's five-year target of R1.2 trillion.<br>• R183 billion flowed into projects that will benefit the South African economy.<br>• More than 125 000 new companies registered through the BizPortal platform in 2020. |

| Key Announcements | Action Plan/Commitments |
|---|---|
| **Job creation** | • Over 430 000 job opportunities were supported through the Presidential Employment Stimulus by the end of January 2021.<br>• 180 000 job opportunities were supported through the Presidential Employment Stimulus and still in the recruitment process by 11th of February 2021.<br>• Through environmental programmes about 1.5 million of the population received an income, in developing new skills Contributing to community's and the country's economy. |
| **Youth economic empowerment** | • The National Youth Development Agency and the Department of Small Business Development, provided business support to 1 000 young entrepreneurs from the grant funding on the 12th of August 2020.<br>• The National Youth Development Agency together with the Department of Small Business Development to support 15 000 start-ups by 2024.<br>• The National Pathway Management Network, will provide support and opportunities to 1.2 million young people across the country. |
| **Energy** | • Department of Mineral Resources and Energy will announce the successful bids to provide 2 000 megawatts to support the emergency power.<br>• Government will procure 11 800 additional megawatts of power from renewable energy, natural gas, battery storage and coal in line with the Integrated Resource Plan 2019.<br>• Electricity supply shortfall of between 4 000 and 6 000 megawatts over the next five years.<br>• 2 600 megawatts from wind and solar energy supplied as part of Bid Window 5 to address the estimated electricity supply shortfall over the next five years.<br>• 5 000 megawatts of additional capacity to be unlocked to help ease the impact of load shedding. |
| **Land restitution** | • Over 5 million hectares of land was redistributed by government to more than 300 000 beneficiaries.<br>• Around 2.7 million hectares of land was transferred to over two million land claimants through the land restitution process. |
| **Women-owned businesses** | • Women-owned businesses will receive 40% of the public procurement. |
| **Gender-based Violence** | • R128 million was made by several South African companies and global philanthropies to the GBV Response Fund. |

## 2.1.5.Budget Speech 2021.

The current Finance Minister, Mr. Tito Mboweni, delivered his 2021/22 National Budget Speech on the 24th of February 2021. He announced the government's planned expenditure for 2021. In his introduction he stated the critical components of the budget, namely:-

- Appropriation Bill 2021;
- Special Appropriation Bill 2021;
- Division of Revenue Bill 2021;
- The Budget Review; and
- The Estimates of National Expenditure (ENE).

The underlying theme of the budget speech was about "hope" which has been described as the ability to see that there is light despite all the darkness, a quotation from Nobel Laureate, Archbishop Emeritus Desmond Tutu. He stated that last year Treasury had outlined a strategy to become a winning country, however this was prior to the widespread Covid-19 pandemic that has destroyed lives, jobs and damaged the economy. The budget emphasised the need to address the economic damage caused by the global pandemic, which included both a dramatic shortfall in government revenue and unprecedented damage to South African businesses.

The speech highlighted the efforts by the country towards the vaccination campaign. As the country moves forward with its vaccination campaign, the government has allocated more than R10 billion in the national budget to purchase and deliver vaccines over the next two years. The contingency reserve is also expected to increase from R5 billion to R12 billion to make provision for the further purchase of vaccines and to cater for other emergencies. Most importantly, government will stabilise debt at 88.9 per cent of GDP in 2025/26, and the ratio will decline thereafter. The total consolidated spending amounts to R2 trillion each year over the medium term, the majority of which will go towards social services.

The Global economic growth is also expected to rebound to 5.5% in 2021 before moderating slightly to 4.2% in 2022, and this is largely supported by the expected rollout of Covid-19 vaccines and other additional policy initiatives. The economy of Sub-Saharan Africa is forecasted to grow by 3.2%. In this context, the South African economy is expected to rebound by 3.3% this year, following a 7.2% contraction in 2020, and average 1.9% in the outer two years. Government has committed to a R791.2 billion infrastructure investment drive to this end. Partnering with the private sector and other players to rollout infrastructure through initiatives such as the blended finance infrastructure fund.

Regarding the Presidential Youth Employment Initiative, R11 billion was made available, taking the total funding for employment creation to nearly R100 billion. This is in response to the job creation targets for young people as outlined by the President. Government plans to finalise 1409 restitution claims at a cost of R9.3 billion over the next three years to achieve redress and equitable access to land. The Department of Agriculture, Land Reform and Rural Development has also set aside R896.7 million for post-settlement support. This will include the recruitment of approximately 10 000 experienced extension officers. A total MTEF allocation of R7 billion is made to the Land Bank. This allocation will help to resolve the bank's current default and re-establish the development and transformation mandate.

The Department of Small Business Development has allocated R4 billion over the medium term for township and rural enterprises, including blended finance initiatives. The Department of Tourism has reprioritised R540 million over the medium term to establish the Tourism Equity Fund (TEF) as one of the measures to support the tourism sector's recovery. The fund will acquire equity stakes in existing tourism enterprises, support expansion of operations, and also the development of new operations. Consequently, the gross loan debt will increase from R3.95 trillion in the current fiscal year to R5.2 trillion in 2023/24. In 2021/22 government expects to collect R1.37 trillion, provided underlying assumptions on the performance of the economy and tax base hold.

The 2021/22 Division of Revenue stands as follows:-

- 48.7% of nationally raised funds are allocated to national government.

- 41.9% to provinces.
- 9.4% to local government.

This is after providing for debt-service costs, the contingency reserve and provisional allocations. The local government equitable share is set to increase to 9.7 per cent of the Division of Revenue in 2023/24. Government is aware that financial governance remains a challenge for many municipalities. Therefore, the Municipal Systems Improvement Grant is extended for the rollout of the District Development Model. In closure he emphasized that this budget takes seriously the commitment of the continent. Payments to the Southern African Customs Union (SACU) have been revised upwards by R1.9 billion in 2022/23 and R15.5 billion in 2023/24 to R137.3 billion over the medium term.

### 2.1.6.Integrated Urban Development Framework (2016).

The Integrated Urban Development Framework is designed to unlock the development synergy that comes from coordinated investments in people and places, and aims to guide the development of inclusive, resilient and liveable urban settlements, while directly addressing conditions and challenges facing South Africa's cities and towns. This it does through a new approach to urban investment by the developmental state, which in turn guides the private sector and households in line with its vision which is as follows:-

**"Liveable, safe, resource-efficient cities and towns that are socially integrated, economically inclusive and globally competitive, where residents actively participate in urban life."**

Due to a variety of cities and towns in South Africa with different attributes that influence the respective roles they play and the requirements thereof, the vision has to be interpreted and pursued in differentiated and locally relevant ways and this may be done through the introduction of the following 4 strategic goals:-

- **Access:** to ensure people have access to social and economic services, opportunities and choices.
- **Growth:** to harness urban dynamism for inclusive, sustainable economic growth and development.
- **Governance:** to enhance the capacity of the state and its citizens to work together to achieve social integration.
- **Spatial Transformation:** to forge new special forms in settlement, transport, social and economic areas.

The 4 strategic goals mentioned above inform the priority objectives of the eight levers and these eight levers are premised on an understanding that:-

- Spatial Planning forms the basis for achieving integrated urban development, which follows a specific sequence of urban policy actions;
- Integrated transport that informs;
- Targeted investments into integrated human settlements, underpinned by;
- Integrated infrastructure network systems and;
- Efficient land governance, which all together can trigger;
- Economic diversification and inclusion;
- Empowered communities, which in turn will create demand; and
- Deepen governance reform to enable and sustain all of the above.

| POLICY LEVERS | LONG-TERM STRATEGIC PRIORITIES | SHORT-TERM STRATEGIC PRIORITIES |
|---|---|---|
| **Policy Lever 1:** Integrated Spatial Planning. | • Support and strengthen capacity to implement SPLUMA.<br>• Improve integrated planning and management.<br>• Maximise existing IGR structures as a mechanism for planning coordination.<br>• Ensure greater involvement by Premiers and MECs.<br>• Strengthen intergovernmental and long-term planning. | Expand the instruments for spatial intervention. |
| **Policy Lever 2:** Integrated Transport and Mobility. | • Clarify roles and responsibilities (institutional arrangements).<br>• Strengthen and integrate public transport modes.<br>• Identify core public transport nodes and corridors.<br>• Develop and operational subsidisation policy. | Monitoring and review of policies as required. |
| **Policy Lever 3:** Integrated and Sustainable Human Settlements:- | • Finalise the Human Settlements White Paper.<br>• Accelerate the upgrading of informal settlements.<br>• Priorities the regeneration of the inner cities.<br>• Provide more housing options.<br>• Finalise the devolution of the housing function.<br>• Promote densification, including supporting backyarding in townships and low-cost housing neighbourhoods.<br>• Redevelop townships.<br>• Develop a national policy on inclusionary housing. | Monitoring and review of policies as required. |
| **Policy Lever 4:** Integrated Urban Infrastructure. | • Institutionalise municipal long-term infrastructure planning.<br>• Consolidate and coordinate infrastructure funding.<br>• Strengthen partnerships and intergovernmental planning.<br>• Develop infrastructure as a bridge between rural and urban areas. | Initiation of plans for the second phase of long-term social and economic infrastructure development and the diversification of South Africa's economic base. |
| **Policy Lever 5:** Efficient land governance and management. | • Simplify land-use planning and management.<br>• Rethink the role of the Housing Development Agency (HAD).<br>• Speed up land tenure.<br>• Promote land value capture.<br>• Consolidate and simplify the legislation governing the disposal of state land.<br>• Ensure legislative concepts are applied consistently.<br>• Address impacts of Traditional Authority areas within predominantly urban municipalities.<br>• Improve municipal access to land owned by the state and SOEs.<br>• Improve intergovernmental relations for the acquisition and transfer of state land. | Address the fragmentation in public land information. |
| **Policy Lever 6:** Inclusive Economic Development. | • Strengthen the economic role of municipalities.<br>• Strengthen municipal institutional capacity in economic development.<br>• Strengthen support for small and medium sized towns. | Build distinctive strengths and extend/link regional economic value chains. |

| POLICY LEVERS | LONG-TERM STRATEGIC PRIORITIES | SHORT-TERM STRATEGIC PRIORITIES |
|---|---|---|
| | • Support municipalities in building and using economic intelligence.<br>• Initiate shared economic development strategies for cities and towns.<br>• Strengthen roles and leverage partnerships with other economic stakeholders.<br>• Improve relations between municipal councils and traditional authorities.<br>• Create the local conditions for supporting enterprise development and growth.<br>• Progressively improve inclusive economic infrastructure and services.<br>• Support community-based enterprises and work.<br>• Support livelihoods as a core principle of inclusive urban management. | |
| **Policy Lever 7:** Empowered Active Communities. | • Complete the National Framework on Participatory Governance.<br>• Develop models for civic education.<br>• Establish and maintain public participation forums at various levels.<br>• Build institutional capacity to engage.<br>• Explore co-production mechanisms for finding solutions to local government services.<br>• Develop a social media strategy.<br>• Explore service delivery mechanisms for other social services. | Innovative Neighbourhood Empowerment. |
| **Policy Lever 8:** Effective Urban Governance | • Promote a stronger positioning of metro government.<br>• Strengthen intergovernmental and long-term planning and budgeting.<br>• Improve fiscal management to meet the demands of urban growth.<br>• Streamlining of national monitoring of municipal performance. | Establishment of a National Statutory Council |

As a means to uphold the policy levers of the Integrated Urban Development Framework, Newcastle Municipality is committed to achieving IUDF's long and short-term strategic priorities at a local level through various measures such as the following:-

- Integrated Spatial Planning through the introduction of effective land use management systems and the development of the wall-to-wall scheme;
- The development of the Integrated Traffic and Transportation Plan;
- Improved planning for the provision of Sustainable Human Settlements;
- Development of a capital programme towards bulk infrastructure development;
- NLM's priorities and strategies are aimed at developing sustainable human settlements, improving spatial integration, generating wealth and creating sustainable jobs;
- NLM promotes good governance by promoting a culture of public representation through its effective Ward Committee system;
- Newcastle's urban centres are multi-functional nodes, with strong transportation hubs that incorporate a variety of land use activities such as commercial, retail, cultural and residential;

- The CBD provides employment for a large percentage of the population, and links suburban and township populations through an effective transportation network;
- The CBD is also an important source of regional economic growth, and makes significant contributions to the GDP of the Amajuba District family of municipalities.

## 2.2. Provincial Policy Framework.

### 2.2.1. KwaZulu-Natal Provincial Growth and Development Strategy/Plan (2016).

KwaZulu-Natal Province's development vision is outlined in the latest version of the Provincial Growth and Development Strategy (KZN-PGDS) which reads as follows:-

**"By 2035 KwaZulu-Natal will be a prosperous Province with a healthy, secure and skilled population, living in dignity and harmony, acting as a gateway to Africa and the World."**

The KZN-PGDS is a primary strategy for KwaZulu-Natal that drives growth and development in the Province. It provides the province with a rational strategic framework for accelerated and shared economic growth through catalytic and development orientated interventions, with comprehensive and equitable spatial development initiatives aimed at putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments. The KZN-PGDS asserts the beautiful Province of KwaZulu-Natal as the gateway to Africa and the world, and thus aims to build this gateway by growing the economy for the continued development and improvement of the quality of life of all the people living in the Province, whilst ensuring that those currently marginalised have broader socio-economic opportunities.

In the first generation of the KZN-PGDS (2011), particular focus was given to the provision of sustainable infrastructure and services, restoring natural resources, improving public sector leadership, delivery and accountability, resilience, innovation and adaptability. The new KZN-PGDS (2016) has identified, as the biggest challenge, the continued socio-economic exclusion of millions of South Africans, reflected in high levels of poverty and inequality. Therefore the focus for the KZN-PGDS (2016) will be on unlocking an expanded, sustainable and spatially balanced economic base. This will entail job creation that is labour intensive thus accommodating the marginalised sector of the population. Furthermore, the approach will also entail a prioritisation towards improved education outcomes and skills development that is responsive to workplace demands.

The KZN-PGDS (2016) has identified structural constraints to growth within KZN and these are as follows:-

- Increasing unemployment, inequality and poverty;

- Weak demand due to intense international competition;
- Insufficient skills development and training;
- Weak partnerships between economic actors and stakeholders;
- A decrease in output within the agriculture and the manufacturing sector;
- Youth, women, and rural inhabitants' inability to fully participate in the economy; and
- Adaptation to climate change.

Significant milestones need to be achieved in order to address inherited social and spatial inequities that continue to inhibit the creation of safe, healthy and sustainable living environments. Municipalities need to be institutionally empowered with the required organisational capabilities and human resource competencies to bring life to Vision 2035.

The KZN-PGDP identifies 7 strategic goals and 30 strategic objectives designed to move the KwaZulu-Natal Province progressively towards the attainment of the 2035 development vision. These goals and objectives are as relevant to the Newcastle Municipality as they are for the KwaZulu-Natal Province, despite some not being direct functions of local government. In order to realise Vision 2035, the following long-term goals have been identified to guide policy-making, programme prioritisation and resource allocation:-

| NO. | STRATEGIC GOAL | NO. | STRATEGIC OBJECTIVE |
|---|---|---|---|
| 1. | INCLUSIVE ECONOMIC GROWTH | 1.1. | Develop and promote the agricultural potential of KZN. |
| | | 1.2. | Enhance sectoral development through trade investment and business retention. |
| | | 1.3. | Enhance spatial economic development. |
| | | 1.4. | Improve the efficiency, innovation and variety of government-led job creation programmes. |
| | | 1.5. | Promote SMME and entrepreneurial development. |
| | | 1.6. | Enhance the knowledge economy. |
| 2. | HUMAN RESOURCE DEVELOPMENT | 2.1. | Improve early childhood development, primary and secondary education. |
| | | 2.2. | Support skills development to economic growth. |
| | | 2.3. | Enhance youth and adult skills development and life-long learning. |
| 3. | HUMAN AND COMMUNITY DEVELOPMENT | 3.1. | Eradicate poverty and improve social welfare services. |
| | | 3.2. | Enhance the health of communities and citizens. |
| | | 3.3. | Safeguard and enhance sustainable livelihoods and food security. |
| | | 3.4. | Promote sustainable human settlements. |
| | | 3.5. | Enhance safety and security. |
| | | 3.6. | Advance social cohesion and social capital. |
| | | 3.7. | Promote youth, gender and disability advocacy and the advancement of women. |
| 4. | INFRASTRUCTURE DEVELOPMENT | 4.1. | Development of seaports and airports. |
| | | 4.2. | Develop road and rail networks. |
| | | 4.3. | Develop ICT infrastructure. |
| | | 4.4. | Ensure availability and sustainable management of water and sanitation for all. |
| | | 4.5. | Ensure access to affordable, reliable, sustainable and modern energy for all. |
| | | 4.6. | Enhance KZN waste management capacity. |

| NO. | STRATEGIC GOAL | NO. | STRATEGIC OBJECTIVE |
|---|---|---|---|
| 5. | ENVIRONMENTAL SUSTAINABILITY | 5.1. | Enhance the resilience of ecosystem services. |
| | | 5.2. | Expand the application of green technologies. |
| | | 5.3. | Adapt and respond to climate change. |
| 6. | GOVERNANCE AND POLICY | 6.1. | Strenghten policy, strategy coordination and IGR. |
| | | 6.2. | Build government capacity. |
| | | 6.3. | Eradicate fraud and corruption. |
| | | 6.4. | Promote participative, facilitative and accountable governance. |
| 7. | SPATIAL EQUITY | 7.1. | Enhance the resilience if new and existing cities, towns and rural nodes, ensuring equitable. access to resources, social and economic opportunities. |
| | | 7.2. | Ensure integrated land management across the Province, ensuring equitable access to goods and services, attracting social and financial investment. |

For the 2016 KZN-PGDS to deliver on shared growth and integrated, sustainable development through its interventions, all spheres of government must commit to the following:-

a) The incorporation of the strategic goals and objectives in their priorities and programmes;
b) Effective participation in the institutional implementation framework;
c) The implementation of catalytic projects and interventions;
d) The provision and allocation of the required support and resources; and
e) The reporting of progress.

The KZN-PGDS (2016) is implemented through the KZN-PGDP (2016) which provides a platform for departmental, sectoral and stakeholder annual performance planning, thus guiding the allocation of resources. The main focus of the KZN-PGDP is to drive the implementation of the KZN-PGDS in a coordinated and integrated manner, where progress can be measured against predetermined targets and where roles and responsibilities have been confirmed within established lines of accountability. The immediate focus of the KZN-PGDS (2016), in terms of the timeframes, is target 2020.

Spatial representation and/or implementation of the KZN-PGDP is made possible through the KwaZulu-Natal Provincial Spatial Development Framework (KZN-PGDS 2016) which aims to stregnthen linkages between the three spheres of government for optimising the returns on public investment to the benefit of affected communities and industries. The envisaged spatial vision for KwaZulu-Natal may be summarised as follows:-

“Optimal and responsible utilisation of human and environmental resources, building on addressing needs and maximising opportunities towards greater spatial equity and sustainability in development.”

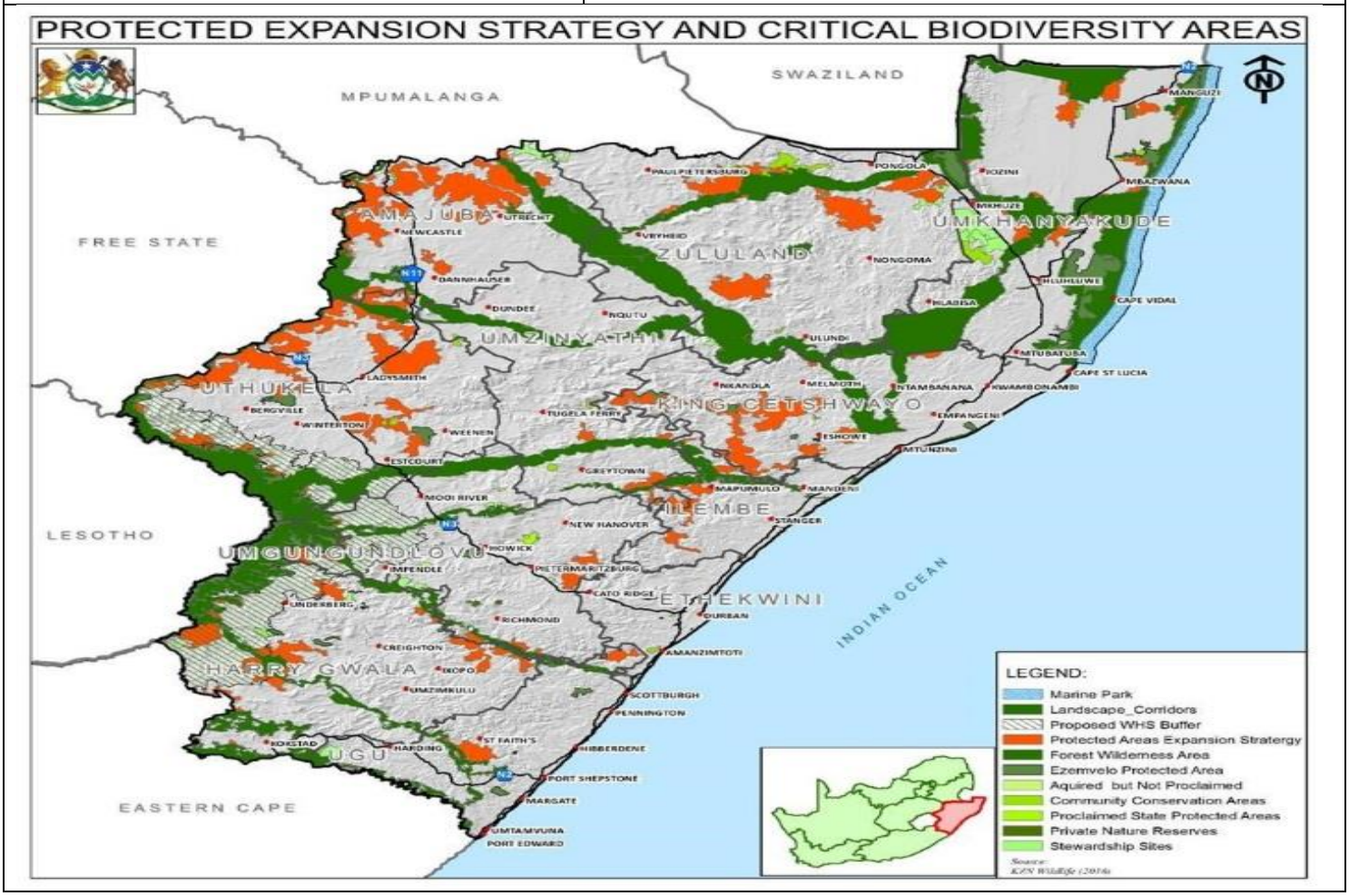
In order to achive the spatial vision, as a starting point, the KZN-PGDS (2016) has employed the concept of spatial sustainability which includes Environmental Integrity, Social Equity, and Economic Efficiency, and the following principles are applicable:-

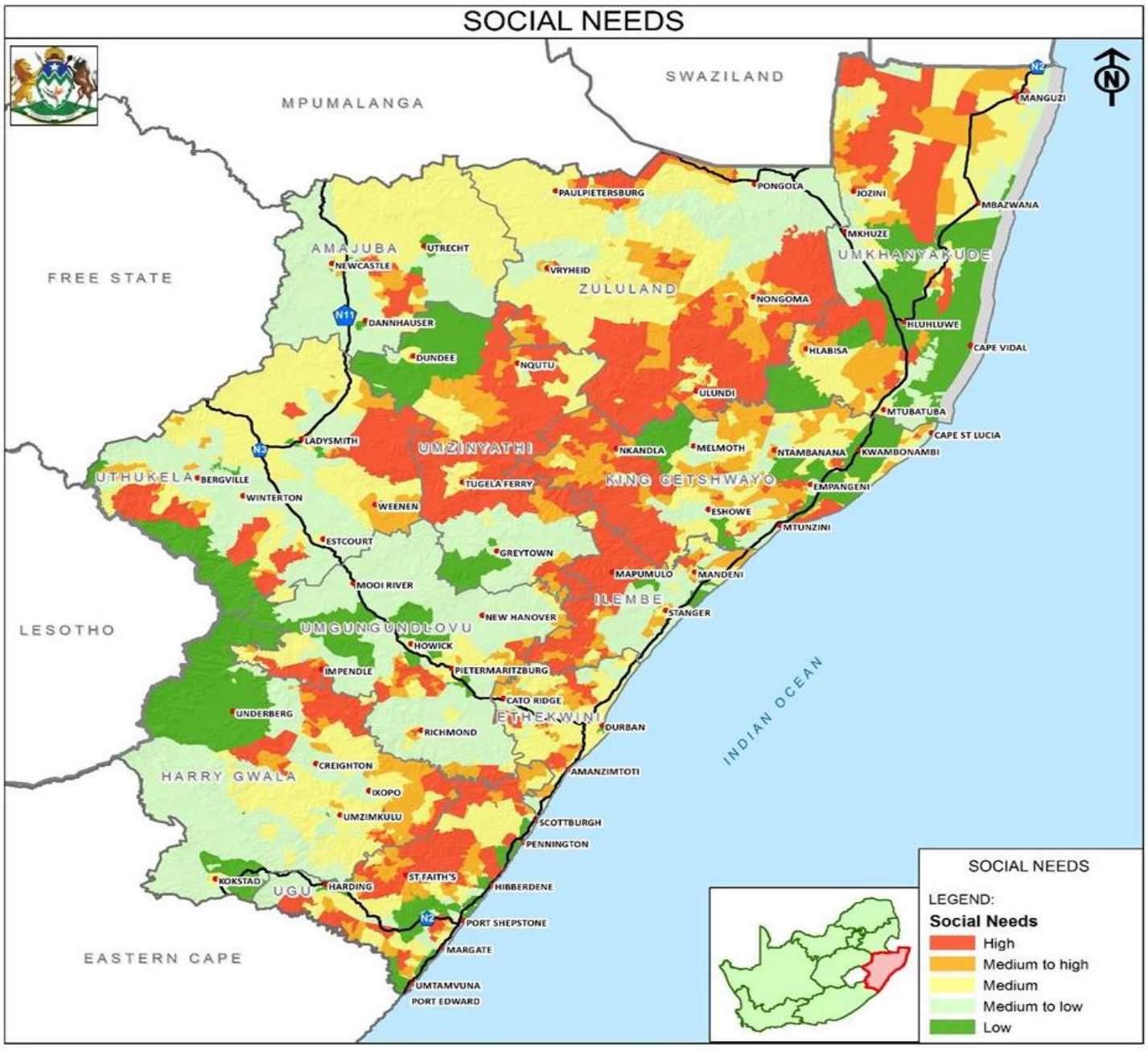
- Sustainable communities;

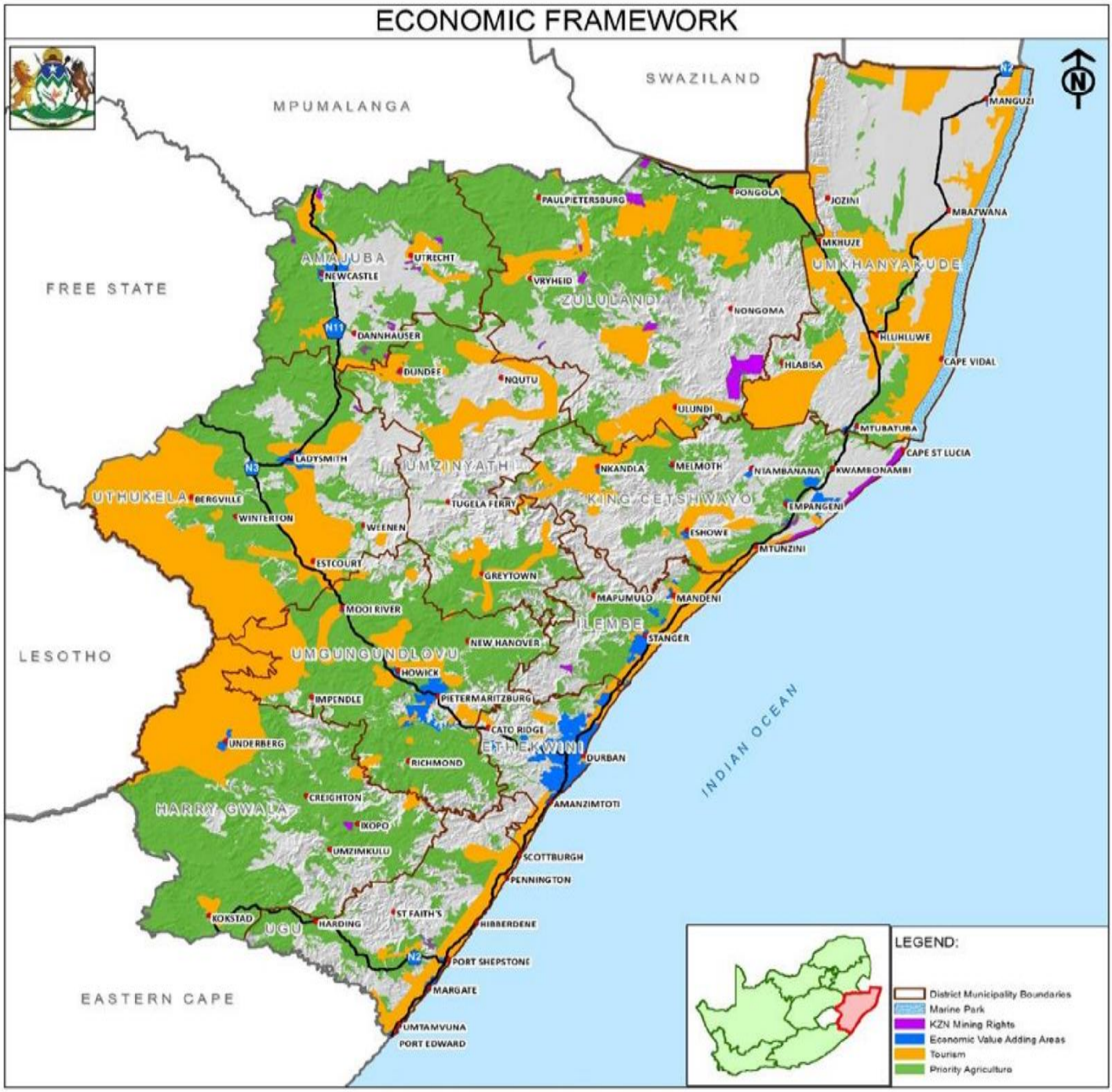
- Economic potential;
- Environmental Planning;
- Sustainable rural livelihoods;
- Spatial concentration and urban development;
- Local self-sufficiency;
- Coordinated implementation;
- Accessibility; and
- Balanced development.

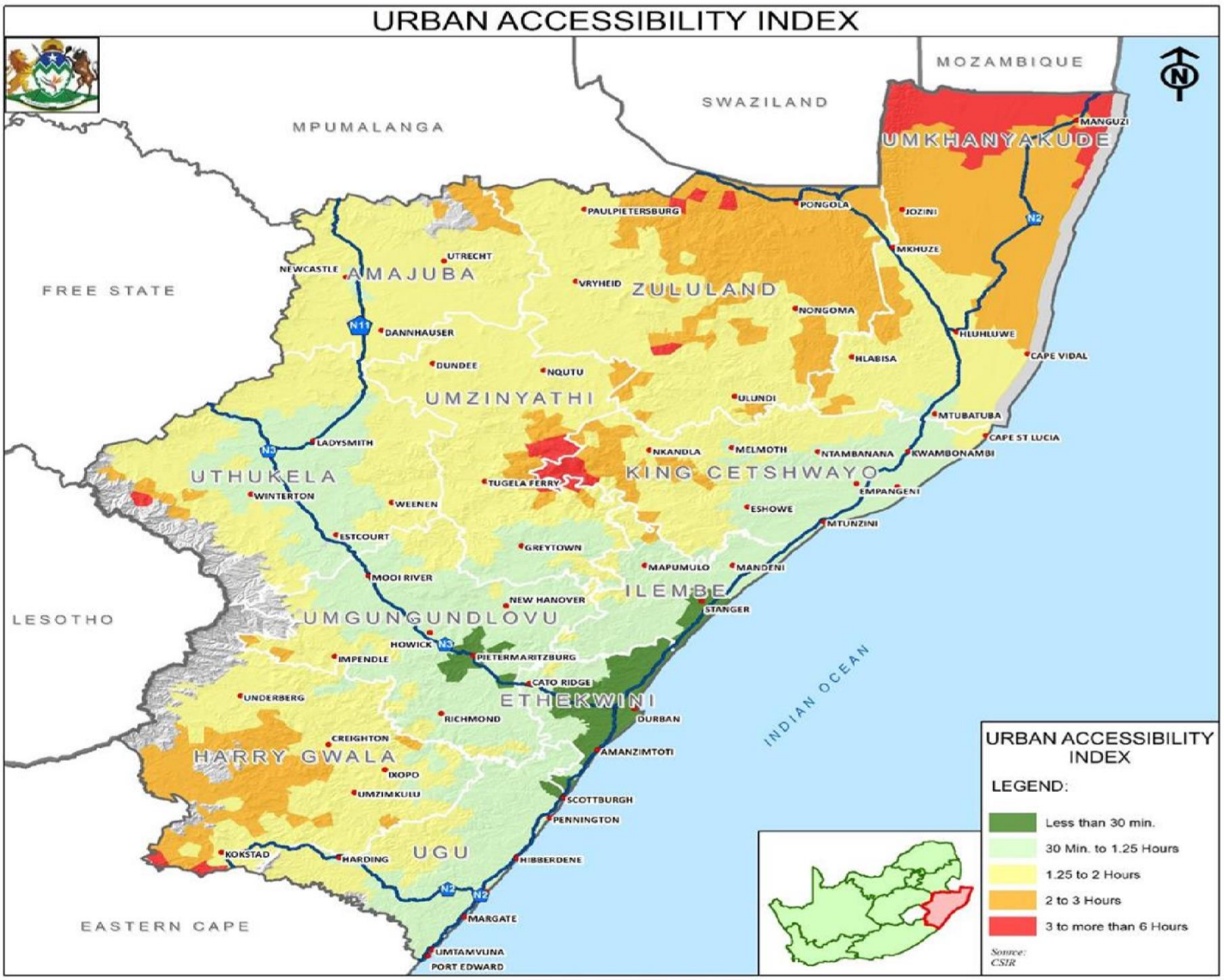
The following entails the KZN-PESDF's general spatial intentions of the KZN-PGDS, and the guiding principles which should, ideally, be pursued within all levels of spatial planning, at district and local level, in order to ensure alignment with the provincial development strategy:-

| KWAZULU-NATAL PROVINCIAL SPATIAL DEVELOPMENT FRAMEWORK | NEWCASTLE LOCAL MUNICIPALITY |
|---|---|
| **Environmental Sensitivity and Resilience:** These are identified conservation corridors which are also areas of environmental significance to the sustainable development of the entire province. | The area west of the Newcastle CBD, up along the municipal boundary towards the north, has been identified as being part of the Protected Areas Expansion Strategy, with small pockets of either Landscape Corridors/Forest Wilderness Area/Ezemvelo Protected Areas/Private Nature Reserves. |

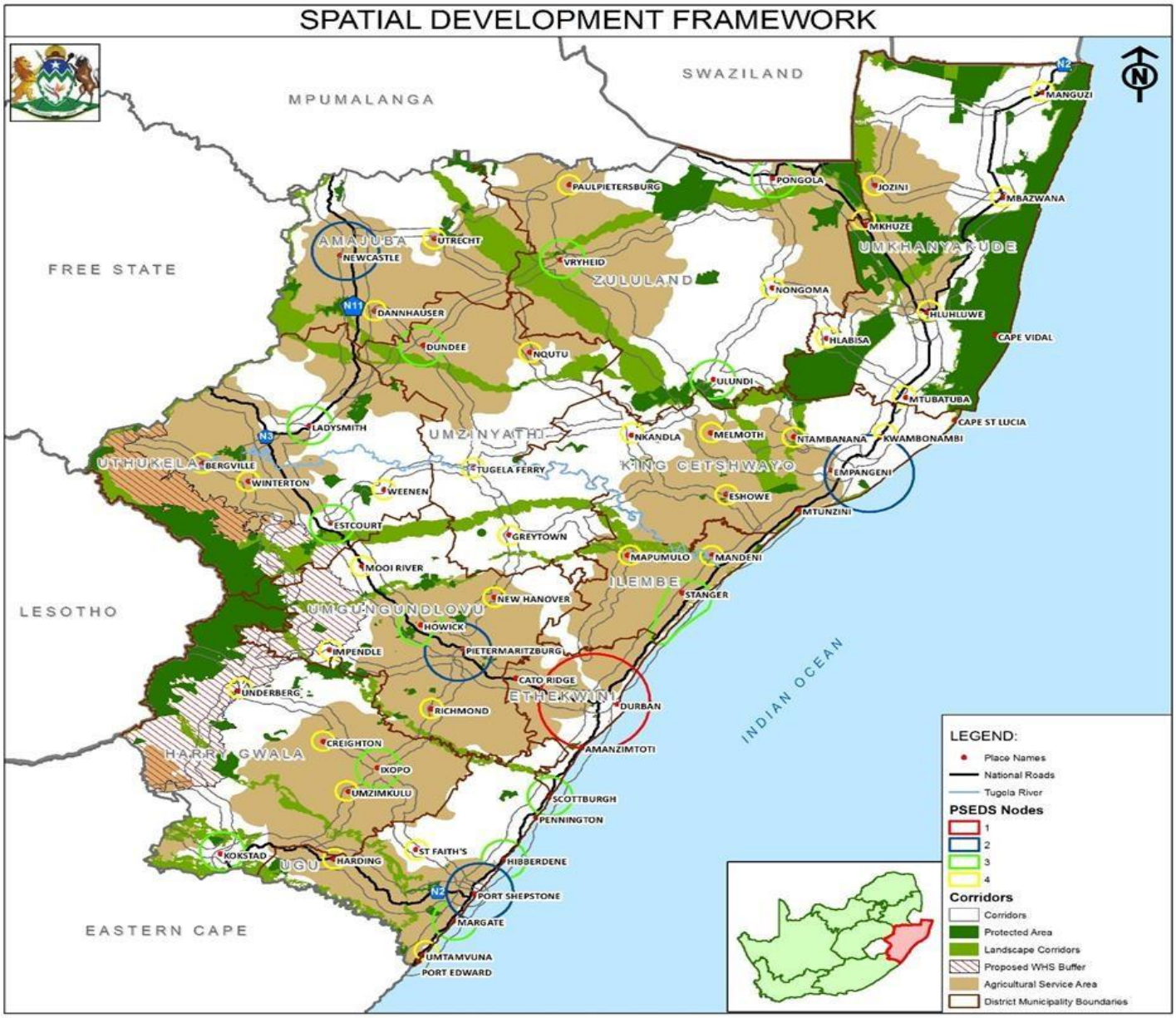


| KWAZULU-NATAL PROVINCIAL SPATIAL DEVELOPMENT FRAMEWORK | NEWCASTLE LOCAL MUNICIPALITY |
|---|---|
| **Priority Social Intervention Areas:** These are areas identified as being in need of some form of social intervention based on an analysis of the applicable social dimensions. | The majority of the area west of the Newcastle CBD has been identified as having a Medium-to-Low Need for social intervention, with just a small pocket being identified as having a Medium-to-High Need for social intervention. Furthermore, up north towards the municipal boundary, there are areas which have been identified as having a Medium Need for social intervention. Pockets of High, Medium-to-High, and Medium Need for social intervention have been identified in the area that is east of Newcastle CBD (i.e. black township area which is previously disadvantaged and predominantly dominated by black inhabitants). An example of such a development initiative entails the JBC Precinct Plan. |
| |   |
| **Priority Areas of Economic Activity and Potential:** Based on the current economic activities in the KZN Province, these are areas derived from the performance of the lead sectors of the KZN | The majority of the area west of the Newcastle CBD has been identified as Priority Agriculture, with small pockets being identified as Tourism. The area that is immediately within the vicinity of the Newcastle CBD has been identified as Economic Value Adding |

| KWAZULU-NATAL PROVINCIAL SPATIAL DEVELOPMENT FRAMEWORK | NEWCASTLE LOCAL MUNICIPALITY |
|---|---|
| economy, augmented by areas with further development potential as identified in competitive assessments of the Metro and districts in the KZN Province. | Areas, whereas the majority of the Newcastle east area is identified as having very small pockets of Potential Agriculture. Up north, along the N11 route, the area has been identified for Tourism, and small pockets with Mining Rights. |
|  | |
| **Levels of accessibility to public and private sector services:** These are areas where accessibility to public and private sector services are proving to be a restriction to the development of a particular area. These are used as a reference point to determine priority of government intervention. | In terms of the urban accessibility index, the majority of Newcastle is regarded as 1.25 to 2 hours regarding the efficiency in accessing both the public and private sector services. |

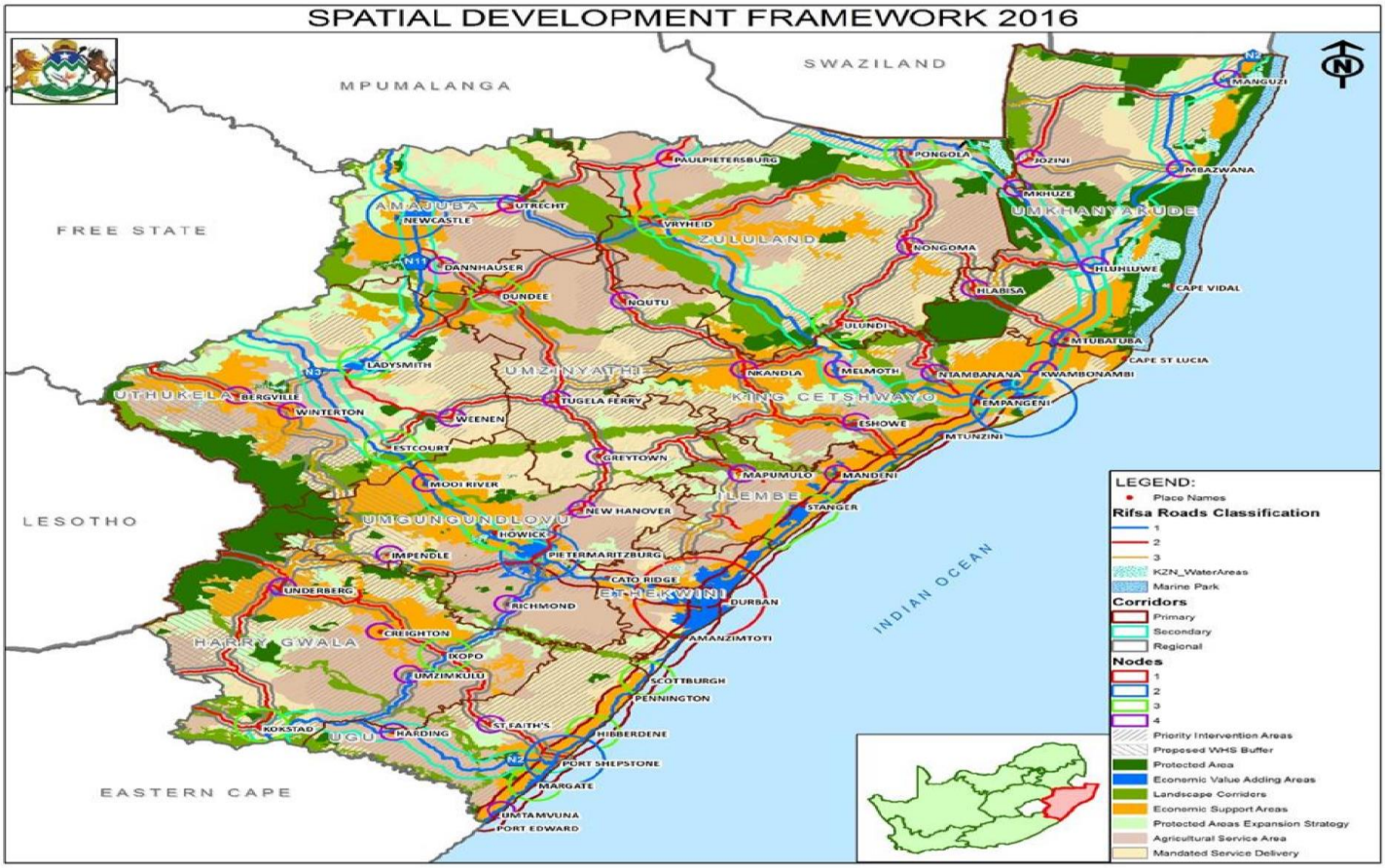
| KWAZULU-NATAL PROVINCIAL SPATIAL DEVELOPMENT FRAMEWORK | NEWCASTLE LOCAL MUNICIPALITY |
|---|---|
|  | |
| **Provincial Nodes in relation to Priority Interventions:** This entails the nodes as identified within the KZN-PSEDS (KwaZulu-Natal Provincial Spatial Economic Development Strategy). | Newcastle has been identified as KZN-PSEDS Node No. 2, with the majority of the area being identified as having potential to be an Agricultural Service Area. There are also areas within Newcastle which were identified as Protected Areas and also Landscape Corridors mainly significant for tourism development. |

| KWAZULU-NATAL PROVINCIAL SPATIAL DEVELOPMENT FRAMEWORK | NEWCASTLE LOCAL MUNICIPALITY |
|---|---|




| | |
|---|---|
| **Composite Provincial Spatial Development Framework:** This entails a combined spatial representation of certain components that are of economic significance to the KZN Province. | Newcastle municipality has been identified as being along a Secondary Corridor, the N11 National Route. As mentioned within the section that covers Priority Areas of Economic Activity and Potential, the area within the vicinity of the Newcastle CBD has been identified as an Economic Value Adding Area. We have also been identified as KwaZulu-Natal's Secondary Node, which is basically an urban centre with good existing economic development and the potential for growth and services to the regional economy. Furthermore, there are pockets of areas which have been identified as being part of either a Protected Area/Landscape Corridors/Protected Areas Expansion Strategy. The majority of the area east of the Newcastle CBD has been identified as an Agricultural Service Area. |

| KWAZULU-NATAL PROVINCIAL SPATIAL DEVELOPMENT FRAMEWORK | NEWCASTLE LOCAL MUNICIPALITY |
|---|---|




In light of the above, it is worth stating that the agricultural sector is key in order to address poverty within the province of KwaZulu-Natal since most of the areas are currently experiencing high levels of poverty, more specifically within rural areas. The agricultural sector's contribution towards the provincial economy is minimal, but has the potential to increae if its full potential is realised. The commercial agricultural sector is the major employer within major municipalities and forms the economic anchor of some municipalities. Subsistance agriculture is regarded as the most important source of sustanance for a majority of rural households. The challenge towards reducing unemployment and poverty may be addressed through a transformation of commercial agriculture and an improvement to the linkages between the first economy commercial agriculture and the second economy subsistance agriculture in order to develop subsistance agriculture into small-scale commercial agriculture.

Agrarian Reform, coupled with effective Land Reform, are both identified as key instruments towards achieving agricultural development. The first round of the KZN-PGDP identified Newcastle as having high agricultural potential. The implications thereof to local government is the need to develop strategies towards developing agricultural potential within Newcastle, with emphasis being placed on the need to

release concealed potential which mostly exists in the Ingonyama Trust Lands. Furthermore, there is a need to provide support through expediting land reform initiatives in the KZN Province. The agricultural potential may further be boosted through unleashing the potential of the Ingonyama Trust Land through improved communication and alignment of local government initiatives with those of the Tribal Authority.

The potential for industrial development in KwaZulu-Natal is anchored by the nodes of eThekwini and Umhlathuze. The corridors between these two nodes extending up to Howick from the primary zone of industrial development in the province are also realised as areas with potential for industrial development. The town's of Newcastle, Ladysmith and Port Shepstone serve as imprtant secondary nodes of industrial development potential to support economic growth and job creation. In terms of tourism, the areas of national tourism potential within KZN are the Southern Zululand and Dolphin Coast, the Elephant Coast and surrounds, the greater Pietermaritzburg and Durban region, and the Drakensbeurg region. The following entails a list of the tourism products that are of provincial significance:-

- Arts and crafts routes in Midlands Meander and Albert Falls Amble;
- Durban, South-coast and North-coast Beach Tourism linked to cultural tourism in the interior Drakenberg region;
- Greater St. Lucia and surrounding big five reserves;
- Zulu Heriateg and Cultural Trail; and
- Battlefields Route.

An analysis of the economic contribution within the various sectors in the districts of the KZN province inidcate that, with the exception of two districts, the service sector (i.e. government services) is the largest contributor to district economies. The service sector is in fact the largest sector in the provincial economy, contributing 52,8% to the GDP. The sector comprises of the following:-

- Wholesale/trade;
- Transport/storage;
- Communication;
- Real estate;
- Business services;
- Community/social/personal services; and
- Government services.

The strategy of the PGDS builds on the concept of developing a comprehensive network of centres throughout the province which will support the delivery of services. Services delivered will be determined by various nodes according to the hierarchy of places. In identifying the hierarchy of places, existing service centres are strengthened, and new or emerging service centres are developed. Also supported is the principle of shared service centres in the smaller rural centres across the KZN

province. It is envisaged that in time growth and development in these rural service centres may lead to the realisation of further economic development and activity, justifying additional government investment in the three sectors already discussed. Newcastle is identified as having High Economic Potential, and has the ability to perform as a shared service centre for the surrounding more rural settlements within the region. Newcastle has well-developed retail and trade sector, well-developed transportation and the related infrastructure, access to community services and social services, and well-developed business and government services. Newcastle is also regarded as a place where the development of all the four major sectors of the economy have been identified i.e. Agriculture, Tourism, Industry and Services sector. In simple terms, Newcastle has multi-sectoral economic potential.

### 2.2.2.State of the Province the Address (SOPA) 2021.

The State of the Province Address is a localized version of the State of the Nation Address where Premiers echo on their achievements and communicate their programmes of action in respect of government's priority areas for the year ahead. This year's KZN State of the Province Address was delivered by the Premier, Honourable Mr S. Zikalala on the 26th of February 2021 in Pietermaritzburg. The theme for the SOPA was *"Quickening the Tempo to Economic Recovery and Job Creation"* which centred on governments' commitment made by the president during the SONA 2021.

In his deliverance, challenges facing the country and subsequently the province were noted by the Premier. He also made mention of how the decisions we take to tackle these challenges will set the trajectory of the province and its people. The notion of quickening the tempo to lift our physical recovery, our emotional recovery, and very importantly, our economic recovery, reduce inequality and create jobs was also highlighted. The Premier also further urged government as well as the people of KwaZulu-Natal to continue to pray for His Majesty's health and well-being as he goes through these trying times. Moreover, during his articulation of the SOPA 2021, the Premier Mr Zikalala provided an overview on the following:-

❖ **The Five Provincial Priorities:**

- Intensifying the fight against the Coronavirus;
- Re-igniting economic recovery and job creation;
- Building Social Cohesion, fighting crime and corruption;
- Delivering basic services in particular water;
- Building a capable and ethical development state.

❖ **Re-igniting economic recovery and job creation:**

- The focus will be on restructuring the economy to ensure growth and address the imbalances in ownership patterns and ensure the creation of jobs.
- In the south of Durban, the Dube Trade Port has been working hard on unlocking an Automotive Supplier Park to support the localization of automotive supplies to

create 3 000 direct jobs. Recently, an initiative was undertaken with Transnet to fast-track the first phase of the project in order to meet the requirements of Toyota within their planned production program.

- To avoid one district benefitting from the SEZ, we came up with the Clothing and Textile Corridor Approach ("The Textile Belt"). The corridor approach will leverage comparative advantages of various regions in Clothing and Textile value chain. This belt will start from Newcastle and link Ladysmith, Mooi River, Pietermaritzburg, Hammarsdale, Durban, Isithebe, Dube Trade Port to Richards Bay Industrial Development Zone (RBIDZ).

Through the two SEZs and an investment drive led by EDTEA, the province has secured the following projects:-

- Coconathi a R50 million agro-processing factory specializing in health care products, which is in Dube Trade Port, has created 108 jobs.
- Ubuhle towels is a 75% Black woman-owned company located in Richards Bay worth R130 million which has created 200 permanent jobs.
- Ndumo Retail Development is a R100 million investment project which will see the establishment of a shopping center, taxi rank and petrol service station. The project is expected to create 400 construction jobs.
- Vodacom South Africa has begun the roll-out of the 5G network in Durban. The R1 billion project is expected to create 500 new jobs.
- Unitrade, which is located in KwaDukuza, is a R105 million investment that specialises in production of components for the Ford Ranger and the VW Amarok. The project has managed to create 250 jobs.
- The Frimax Potato Chips Company located in Verulam, is a R380 million that has created 600 jobs.
- Goodlife foods, a R70 million investment that has created 100 jobs.
- Hesto, a R900m investment that has created 3300 jobs.

In the upcoming financial period, KwaZulu-Natal will be aggressively implementing broadband connection and digital transformation to enable effective deployment of 4IR solutions. Targeted areas like Public hotspot, Taxi ranks, Schools and Health facilities will be the cornerstone for the rollout. A total of 20 500 hotspots will be implemented in phases and to be completed by 2024, resulting in an estimate of 191 000 jobs to be created, with the majority being youth and women in ICT. To date, no less than 142 sites have been connected in uMzinyati and Pietermaritzburg districts through the SA Connect program, broken into 110 schools connected, 13 healthcare centres and 74 other government sites.

❖ **Building Social Cohesion, Fighting Crime and Corruption:**

In this sixth administration the fight against corruption remains a key priority of government:-

- The Province has commenced with the Premier's Siyahlola Monitoring Programme.
- The Premier's office also visited farming-communities to respond to the plight of farm workers.
- To monitor the provision of frontline services, the Office of the Premier conducted unannounced visits to 22 sites during the last three quarters of 2020/21financial year. These involved visits to schools, clinics and hospitals, social development offices and projects in various districts of the province.
- As part of the provincial turnaround strategy, an Audit Improvement Plan was implemented under the supervision of the Provincial Treasury. Constraints that lead to poor audit performance were identified. The 2020/2021 audit process has shown improvement, but we have not yet reached our target and we will continue to ensure accountability and full implementation of audit outcomes.

❖ **Delivering Basic Services in particular Water:**

To establish the state of water provision in all municipal wards in KZN, and to outline future interventions as well as immediate ones, we have developed a KZN comprehensive Provincial Water Master Plan. Its implementation has already commenced with water. To this end, we have stepped up emergency water provision by way of boreholes and static tanks in targeted municipalities as a short-term intervention. At the same time, COGTA is working with District Councils towards ensuring that bulk water schemes are prioritised.

❖ **Building a Capable and Ethical Development State:**

- A capable and ethical state remains a strategic and key agent for transforming the lives of our people. For this to materialize, good governance must constitute part of the DNA of each and every public service official. Good governance is the key to quality and sustainable service delivery. It is against this background that in the period under review, we have adopted the "KwaZulu-Natal Framework for Consequence Management." For the first time we have developed a practical instrument that serves as a remedy to curb fraud, corruption and mismanagement of public resources. Under this framework we will:-
- Expedite and finalize cases of corruption and fraud within the set time frames.
- Ensure the protection of investigating and presiding officers against undue influence or threats, victimization and other acts of intimidation.
- The framework also prescribes that recommendations and findings by investigating units are implemented within 30 days of their release by the relevant departments.

Long pending cases of fraud and corruption will be finalised within 90 days. The framework will be linked to Performance Agreements, Assessment and rewards in respect of all public servants in the province.

### 2.2.3.Amajuba District Growth and Development Plan.

The development vision of the Amajuba District is further detailed within the recently developed Amajuba District Growth and Development Plan which is essentially an attempt to cascade the development vision of the KZN PGDP into implementable actions. The main objectives of the plan are as follows:-

- To establish and outline a long term vision and direction for the development in the district (vision 2030);
- To provide an overaching and coordinated framework for planning and development initiatives within each of the local municipalities and across municipal boundaries;
- To provide a spatial context and justification for priority interventions;
- To guide resource allocations of various spheres of government, service delivery agencies and private sector working within the district;
- To develop the institutional arrangement for an effective implementation of the Amajuba DGDP and the KZN PGDS;
- To align and integrate departmental strategic plans at a district level;
- To facilitate commitment of resources (human, financial, etc.) towards the implementation of strategic objectives, catalytic initiatives and other district priorities.

The Amajuba DGDP will achieve its objectives through 7 Strategic Goals directly aligned to the KZN PGDP. The ADM 7 Strategic Goals are as follows:-

| | GOALS | INTERVENTION |
|---|---|---|
| 1. | Job Creation | Expanded provincial economic output and employment. |
| 2. | Human Resource Development | The human resource capacity of the province is adequate, relevant and responsive to growth and development needs. |
| 3. | Human and Community Development | Poverty and inequality in Amajuba is reduced. |
| 4. | Strategic Infrastructure | Strategic infrastructure provides for the social and economic growth and development needs in Amajuba District. |
| 5. | Environmental Sustainability | Reduced global greenhouse gas emissions and create social ecological capacity to climate change. |
| 6. | Governance and Policy | The population of Amajuba is satisfied with the levels of government service delivery. |
| 7. | Spatial Equity | Increased spatial access to goods and services in Amajuba |

As per the KZN PDGP, the Amajuba DGDP's Strategic Goals and the 24 Strategic Objectives are aimed towards the attainment of the 2030 development vision. The goals and objectives of the Amajuba DGDP are relevant and applicable to the Newcastle Local Municipality. However, some do not fall within the ambit and functions of NLM. Nonetheless NLM fully commits itself to the execution and coordination of the Amajuba DGDP Strategic Goals and Objectives thereof, particularly those falling within its functions.

## 2.2.4.ADM District Development Model.

The District Development Model is a practical Intergovernmental Relations (IGR) mechanism for all three (3) spheres of government, including State Owned Entities, in order to work jointly and to plan and act in unison. The model consists if a pricess by which joint collaborative planning and implementation is undertaken at district and metropolitan level together by all three spehres of government resulting in a single strategially focused Districti Development Model. The model is very firmly based on analysis of previous and current initiative to improve developmental Local Government and IGR wherein developmental change is shaped and ownerd at district level in partnership with communitites, citizens and social partners.

The objective is to achieve one district that has one plan aimed towards development, driven through one effectively coordinated budget. The model will strive to improve coordination within sectoral planning. The objectives can be effectively planned, implemented, monitored and accounted through the IDP process at local government sphere. The participation of sector departments and Traditional Leadership in DIP Forums is of paramount importance for the realisation of the DDM objectives. Spatial referecing of project and the implementation of the Capital Infrastrucutre Framework (CIF) has to be prioritised in the planning and adoption of municipal budgets.

### ❖ Components of the District Development Model.

The end-product will be a plan that serves as a strategic document with the following key components:-

- Status Quo Analysis and a Short-Term Action Plan.
- Brief overview of the district demographics, and development profile.
- High level assessment of the key strategies and priorities for improvement and transformation.
- An identification and collection of all current sector and sphere commitments (projects and investments).
- An identification of catalytic projects.
- The identification of key gaps and areas of misalignment between the SDF, IDP, DGDP, and This will entail an analysis if such between the different spheres of government, and also between sector departments.

### ❖ Identified Common Development issues within ADM.

The following entails the identified issues that hinder spatial development throughout the Amajuba District:-

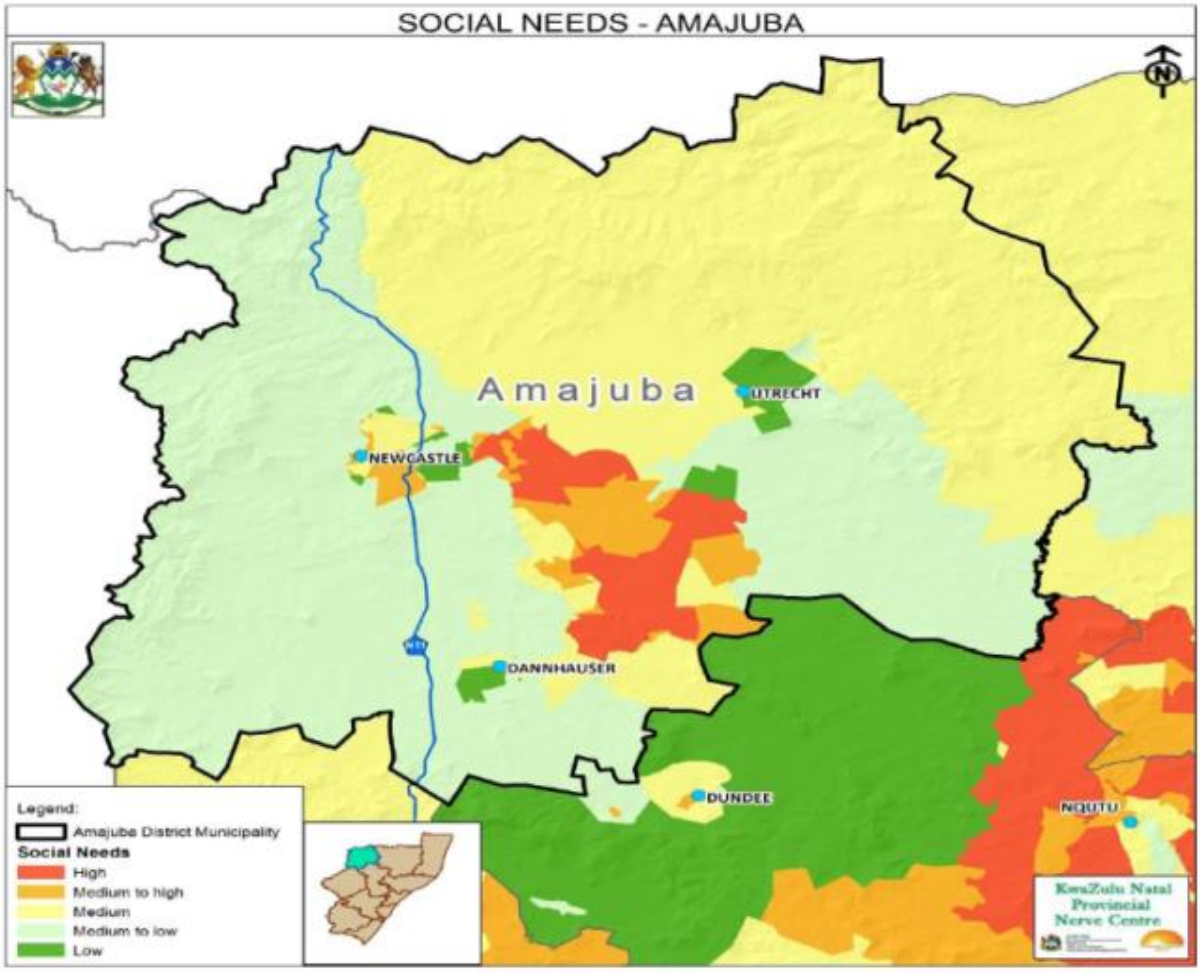
- There is a poor settlement pattern, which manifests in the form of a dominance of small towns as regional service centres and/or economic hubs. There is also expansive farming areas and a general rural character of the area which further contributes to the poor settlement pattern. The net effect of this is an inability to decentralize and co-ordinate service delivery at a localized level.

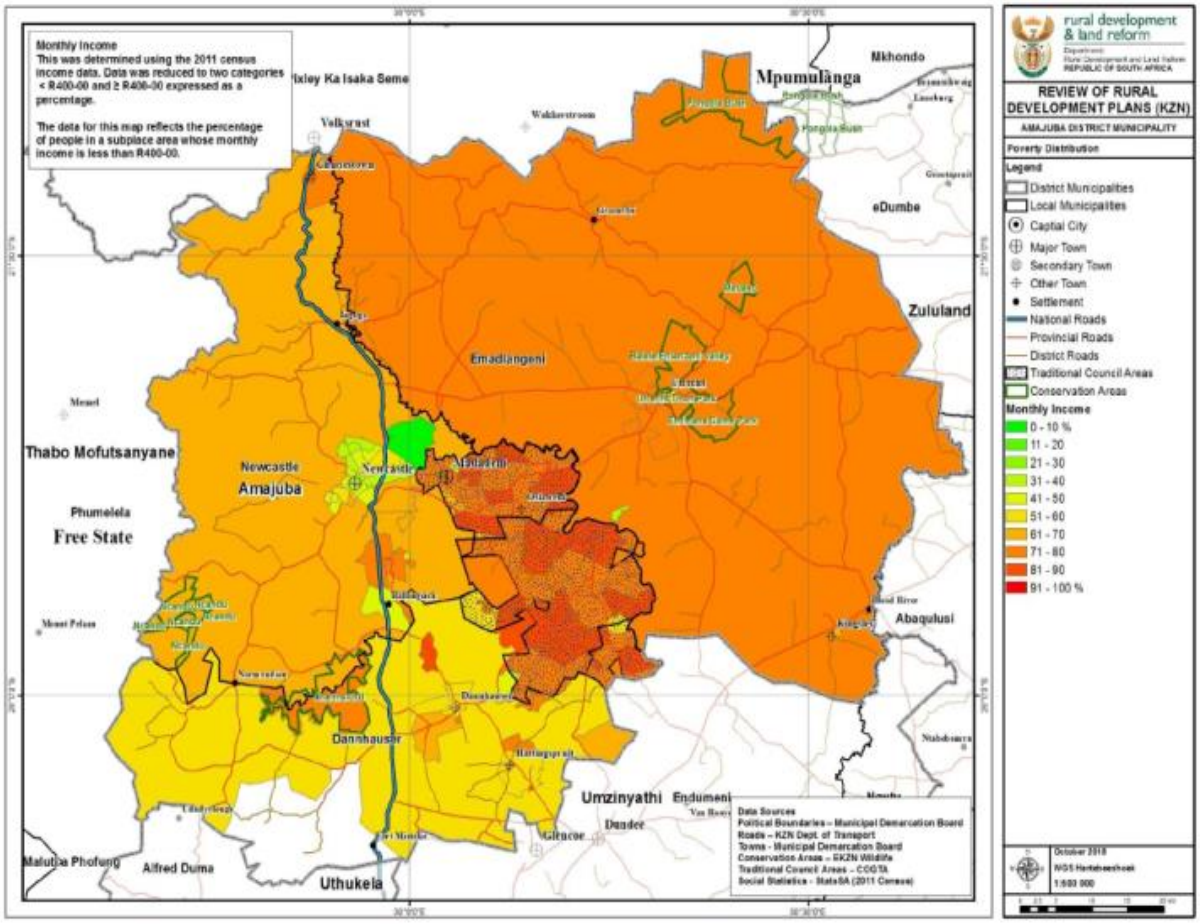
- There is a slow release of land for housing for both public and private use, thus resulting in the development of settlements on land that is far from employment opportunities or servicing options.
- Land tenure reform planning is not integrated into planning tools and frameworks due to a lack of high level integration between the Department of Rural Development and Land Reform, the Department of Agriculture and Rural Development, the Commission of Restitution of Land Rights and the District and Local Municipalities. As a result the settlement of communities in deep rural areas further entrenches marginalisation.
- Post settlement support has not been forthcoming, and this further hinders the development of the communities' quality of life.
- The purchase of commercial farms for communities who in turn do not commercially farm these areas, together with the closing of many coal mines within the District, has placed further strain on rural towns such as Utrecht. And due to the decline of spend in these towns, many of the higher order shops have closed, resulting in spend leakage, as well as diminishing rates for the municipality.
- Enhanced digital accessibility and internet coverage is needed for the District so as to allow greater access to information for schools, training facilities and communities at large.
- There is limited tracking in the Municipal IDPs and SDFs of informal settlements and settlements on commercial farmlands. The net result is a poor integration of these settlements in the municipal servicing plans or priorities.
- There are a number of communities on the periphery of the District that are reliant on cross-border services, both within KZN, and across provincial borders, and these include Charlestown, Inkosi Nzima area, Blue Mountain and Groenvlei, Fort mistake area and the newly incorporated farming areas to the south-west of Dannhauser, and the areas of Kingsley and Blood River.

### ❖ Identified issues that hinder Social Development throughout ADM.

- Amajuba District experienced an increase in its total population figures by a growth rate of 1.2% between the period 2011 to 2016 (StatssA).
- Dannhauser experienced a decline in its population figures between 2001 and 2011 (-0.1 growth rate), and an increase of only 0.6% in 2016, which could be attributed to a mixture of socio-economic factors such as an improvement in health care services, reduction in mortality rates, improvement in economic conditions, and an availability of employment opportunities amongst others (Amajuba District Municipality Growth and Development Plan, 2019: 18).
- Population projections from 2020 to 2035, which are based on an average population growth rate of 1% per annum (rounded off to the nearest hundred), indicate that the population will increase to 634 663 by 2035.
- In terms of age strucutre, the majority of the population of the District is a youthful population that's below 30 years of age.

- The District has seen an increase of 2.1% in the dependency rate from 62.2% in 2011 to 64.3% in 2016. However, when interpreted in conjunction with the low-income levels of households per number of people employed, the figures reflect that a high proportion of the population place an additional burden on the economically active population within the District.
- It is noted that the proportion of the population with no schooling has increased significantly between 2011 and 2016, from 25 352 to 77 923. In spite of this, the number of scholars in Pre-school and ordinary schooling has increased significantly.
- According to the Amajuba SDF (2019), 52% of the population are estimated to be living under poverty. The major factors that contribute to the high levels of poverty entail the high unemployment rate, and a general lack of availability of meaningul job opportunities. The plan notes that the majority of residents earn less than R800 per month, which indicates that individuals cannot afford basic services such as housing and health services.
- The majority of the citizens in the District are solely reliant on the public sector services, mainly delivered through the Primary Healthcare (PHC) services. Of the total population, 90.6% of the citizens are not medically insured leaving only 9.4% with medical or health insurance.






## ❖ Identified issues impeding upon Economic Development in ADM.

- Statistical information indicates that the Amajuba District made a limited contribution to the economy of KwaZulu- Natal in 2017, ans this entailed a contributing of about 2.7% to the total provincial GVA.
- Mining is growing within the District contributing 12.1% to the total district GVA, which is largely attributed to the coal deposits.
- 18% of the province's GVA stems from the manufacturing sector, and the figure is 17.6% for the Amajuba District. This indicates the importance of manufacturing in the region, and further highlights the importance of ensuring sustainable growth in the manufacturing sector in the Amajuba District. It is also worht noting that the Amajuba District experienced a negative growth of -1.6%, compared to an average annual growth in the province of 0.4%.
- The wholesale and retail trade sector contributes significantly to the district economy. The sector accounts for 17.6% to the district GVA.
- The Finance sector accounts for almost 16% of total GVA in Amajuba, in comparison with 20% in the province. Average annual growth was about 6.6% for the district, compared to 2.7% for KZN.
- There is, however, a need to diversify the district economy in order to create a wider economic base in support of long-term sustainable job creation.

- The greatest contributor to the GDP of the district is the Newcastle Local Municipality wherein its greatest contributions to the GDP are the manufacturing, trade, finance and community services sectors.
- The informal sector provides 20% of the total employment within the District. There is potential for this to grow in line with global trends in developing economies.
- In terms of the Multiple Deprivation Index (MDI), the analysis shows that within the District, Dannhauser has the highest level of deprivation, ranked number 11 out of 54 municipalities in the province, while Newcastle has the lowest deprivation and is ranked number 49 within the province.

### ❖ Identified issues that hinder the enhancement of Basic Service Delivery throughout ADM.

- Investments and/or projects identified in existing plans are not always in areas where it will have the most impact.
- State investments are not unlocking private sector investment on the 30:70 principle. Most plans are being implemented without the required support from private sector.
- Fragmented settlement structures are resulting in high costs of providing services. Under the current funding models, municipalities cannot afford to supply services to the outer-lying areas.
- Maintenance of existing infrastructure is not adequately planned or budgeted for.
- Communal taps are not metered, and a lot of water is wasted due to poor leak reporting by the community.
- Municipal technical service departments are poorly resourced and capacited with ther regquired skills and capabilities.
- Long term planning and infrastructure projects are poorly linked, as a result, long-term projected demands are not sufficiently addressed in designs. The implementation of bulk services does not factor the reuired capacity to cater for future demands.
- Water storage planning requires attention and new storage dams need to be planned for, funded and developed.

### ❖ Identification of Amajuba District Municipality's Catalytic Projects.

According to the Amajuba District Growth and Development Plan, a catalytic project may be defined as "an intervention that has a strong leverage an/or multiplier effects by addressing three (3) or more strategic goals, or by creating a strong leverage towards the achievement of the overall objectives of the Amajuba District Growth and Developmetn Plan." In simple terms, from a government perspective, a catalytic project entails any development activity that has the ability to achieve the "triple bottom line" at the benefit of the community at large. Such developments have the ability to catalyse economic development, social development, and environmental sustainability.

The information below are abstract from Amajuba District Development Model which relate to the catalytic projects. The information entails spatila representation of the identified catalytic projects, and a detailed list of that's linked to cost implications. Newcastle Local Municipality serves as the regional service centre for the Northern KwaZulu-Natal region, and the local municipality that accomodates a higher majority of the total district population when compared to the other locals. Due to such, it is only befiting that the majority of the catalytic projects are concentracted within the jurisdictional area of the Newcastle Municipality. Some of the project are meant to promote economic development and lead to meaningful job creation. Some have to do with agrarian reform and the enhancement of food security. Some are aimed at enviornmental sustainability and the conservation of both the natural resources and species bio-diversity.

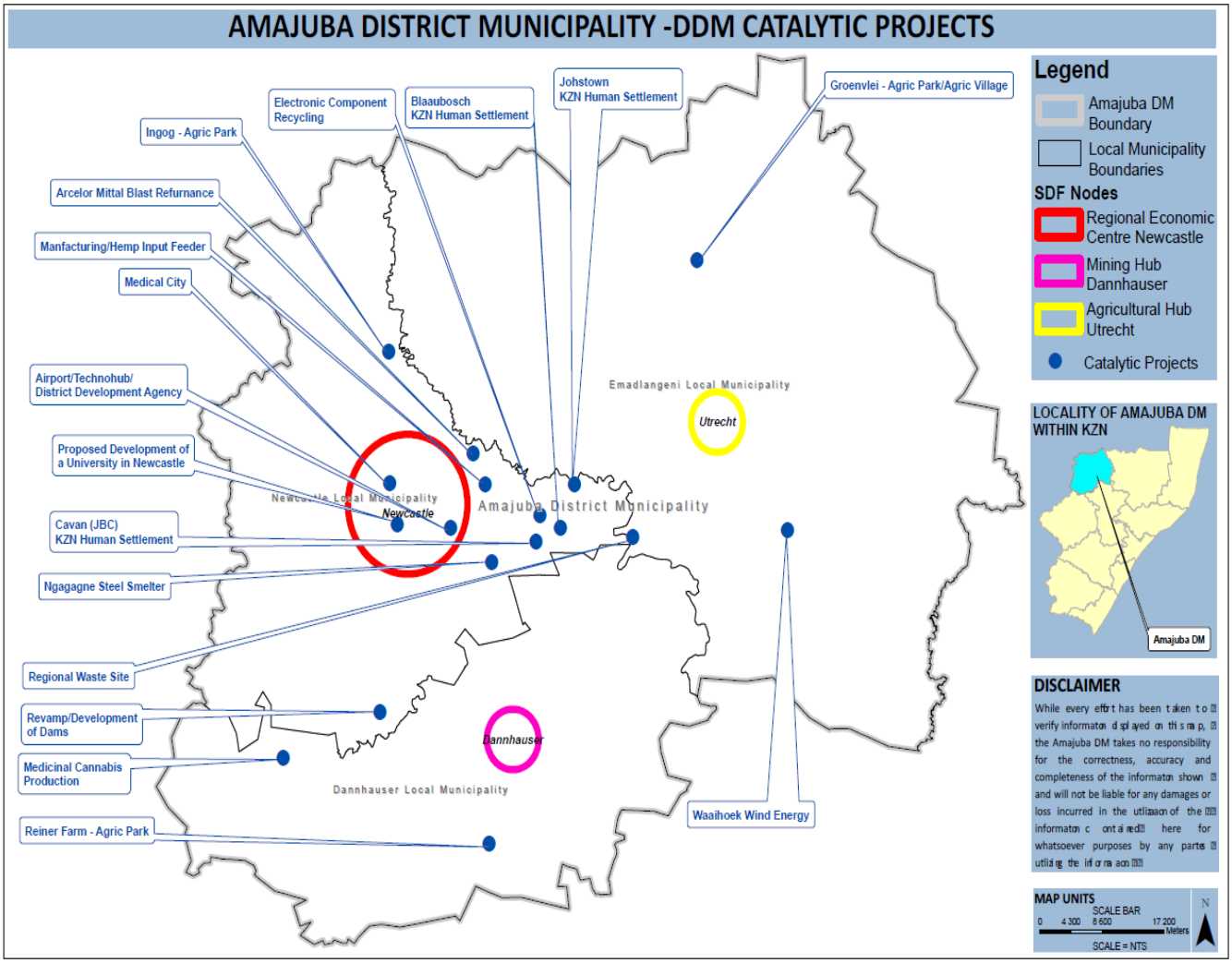



*Figure 5: ADM DDM Spatial representation of the identified Catalytic Projects.*

| Name of Project | Sector | Location | Value |
|---|---|---|---|
| **Establishment of Special Economic Zone – Manufacturing (Textile)** | Economic, Manufacturing, Human Capital | District Wide, Newcastle | R45 million |
| **Upgrade of Newcastle Airport** | Economic, Infrastructure, Human Capital | Newcastle | TBD |
| **Ngagane Steel Smelter** | Economic, Manufacturing, Infrastructure, Human Capital | Newcastle | R 10 Billion |
| **KZN Technology /Science Park project** | Economic, IT, Human Capital | Newcastle | R 1,5 Billion |
| **Groenvlie Agri- Village and Agri-Park** | Agricultural, Human Settlement | Emadlangeni | TBD |
| **Ingogo Agri-Park** | Agricultural, Human Settlement | Newcastle | TBD |
| **Reiner Farm Agri-Park** | Agricultural, Human Settlement | Dannhauser | TBD |
| **Cannabis Produce (Medicinal Plants)** | Agricultural Sector, Health Sector | TBD | TBD |
| **District Development Agency** | Economic Sector | Newcastle | TBD |
| **Hemp input feeder** | Textile and Clothing | Newcastle | TBD |
| **Wyhoek – Wind Energy** | Energy (Green Technology) | Utrecht | TBD |
| **Medical City** | Health Sector | Newcastle | TBD |
| **Revamp and development of Dams** | Integrated Infrastructure | District Wide | TBD |
| **Widening of N11** | Integrated Infrastructure | Newcastle, Dannhauser | TBD |
| **Regional Waste Site** | Environmental Management | District wide | TBD |
| **Electronic Component Recycling** | Manufacturing | Newcastle | TBD |
| **Districtwide ICT Broadband** | Integrated Infrastructure | District wide | TBD |
| **Coal Mining** | Mining | District wide excl enviro sensitive areas | |
| **Gas pipeline** | Integrated Infrastructure | District wide | TBD |

*Figure 6: ADM DDM identified Catalytic Projects.*

| PROJECT NAME | SHORT DESCRIPTION OF PROJECT | PROJECT OWNER / DEPARTMENT / SOC / COMPANY NAME: | DISTRICT MUNICIPALITY | LOCAL MUNICIPALITY |
|---|---|---|---|---|
| PROPOSED DEVELOPMENT OF A UNIVERSITY IN NEWCASTLE | The proposed project entails the development of a university in Newcastle either through government initiative such as Sol Plaatjie university and university of Mpumalanga or through the initiative of an existing university as a satellite campus. The municipality has identified three alternative sites for the establishment of the university. However, the magnitude of the educational institution does not only require that a feasibility study be undertaken but also that the blessing of the relevant authorities be sought. This is a catalytic project which would directly stimulate and leverage for further investment is associated projects. It has would address wide-scale regional needs in that apart from servicing the northern parts of the province, the university would resolve spatial inequity in accessing university education in the southern parts of Mpumalanga province and eastern parts of the free state province. | NEWCASTLE LOCAL MUNICIPALITY KZN 252- DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS/TECHNICAL SERVICES | AMAJUBA | NEWCASTLE |
| ARCELOR MITTAL BLAST REFURNANCE | Relining of blast furnace Number 5, providing the steel plant extended lease of life medium and long term. Provides Newcastle with competitive edge regarding heavy manufacturing sector. 4 month project | ARCELOR MITTAL | AMAJUBA | NEWCASTLE |
| JOHSTON BLAAUBOSCH CAVAN(JBC) | KZN Human Settlement | NEWCASTLE | AMAJUBA | NEWCASTLE |

*Figure 7: Additional Catalytic Projects from the ADM DDM.*

## ❖ Key Budget Allocations.

The budget information provided below entails budget allocations with respect to the 2019/20 financial year. Updated information is still to be obtained from government sector departments upon the approval of their capital budget for the 2021/22 financial year. With respect to the budget allocation depicted below, the highest allocation is from the Department of Human Settlements which is R1,461,730,523.00. The municipality with the biggest capital expenditure is the Newcastle Local Municipality which is R125, 547,995.00.

| Government Department (2019/20) | Allocated Budget |
|---|---|
| Department of Agriculture, Land Reform and Rural Development | R105,457,326.00 |
| Department of Cooperative Governance and Traditional Affairs | R2,350,000.00 |
| Department of Human Settlement | R1,461,730,523.00 |
| Department of Transport | R1,231,597,453.00 |
| Department of Sports and Recreation | R980,000.00 |
| Department of Health | R380,000.00 |
| Department of Economic Development, Transport and Env Affairs | R951,515.00 |
| SUB TOTAL | R2,803,446,817.00 |
| Municipalities (2020/21) | |
| Amajuba District Municipality | R99,109,800.00 |
| Newcastle Municipality | R125,547,995.00 |
| Dannhauser Municipality | R50,445,000.00 |
| eMadlangeni Municipality | R12,998,000.00 |
| SUB TOTAL | R288,100,795.00 |
| TOTAL | R3,091,547,612.00 |

*Table 1: Key budget allocations from government sector departments.*

### 2.2.5. Vryheid, Emedlangeni, Newcastle, Ermelo Strategic Corridor Development Plan.

The Vryheid-Emadlangeni-Newcastle-Ermelo (VENE) Strategic Corridor Development Plan (SCDP) is currently being prepared by SMEC South Africa on behalf of the KwaZulu-Natal Department of Cooperative Governance and Traditional Affairs (KZN-CoGTA). The main purpose of the VENE-SCDP is that it seeks to consolidate the various strategic plans that have been developed by relevant provincial departments, municipalities and sector departments in the abovementioned areas. Among other goals, the aim is to coordinate public sector resources, so as to support the vision and to create a framework for private investment that promotes economic growth and social well-being in an environmentally sustainable manner within the corridor area. The SCDP is based on the principle of developing regional economies that have diverse offerings to local communities and in alignment with the goals and objectives contained in the KZN Provincial Growth and Development Plan (PGDP).

The outcome will be a credible and aligned final product that ensures focused and structured development whilst incorporating electricity transmission, bulk infrastructure provision, rural development, and integrated human settlements, spatial equity and skills development into the project. Further, the SCDP will establish a 25 year strategic framework that identifies the development, land use and transport mobility of the affected area, opportunities, as well as a vision for the Corridor. The preparation of the NEVE-SCDP has been guided by the Spatial Planning and Land Use Management Act of 2013 (Act No. 16 of 2013), which is widely referred to as 'SPLUMA.' The SCDP was also developed in line with the SDF guidelines of the Department of Rural Development and Land Reform.

### ❖ Identified Common Development issues within ADM.

The followig entails some of the common development issues identified within the jurisdictional areas of the applicable local municipalities. The table below is a depiction of the issues identified per category:-

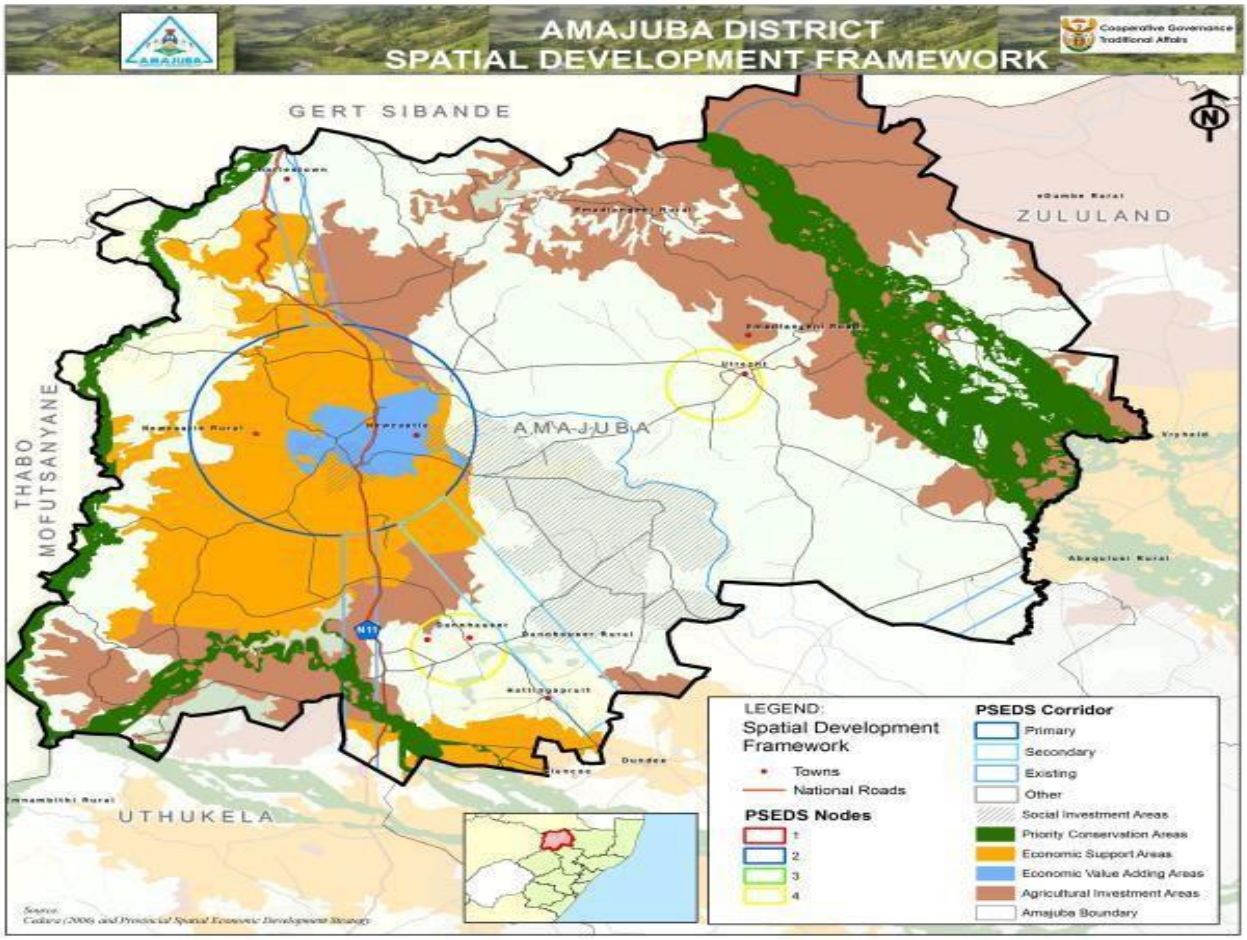
| FOCUS AREA | IDENTIFIED ISSUES |
|---|---|
| **Road Infrastructure** | • There are five classes of roads in Amajuba, namely national, provincial, district and local. P483 is class 2 road and connects Utrecht and the R34 to Osizweni, Madadeni, Newcastle and key public transport corridor, the N11 to the west.<br>• It has been identified as a secondary corridor and mixed activity corridor in the district SDF and a secondary corridor and activity corridor in the local SDF.<br>• The route provides an important mobility route and emerging activity corridor with significant existing settlement expansion and future growth and development potential.<br>• It is generally single lane each direction with road junctions (but not generally direct property access).<br>• Capacity challenges are experienced within the N11 between the P204 (turn-off to Dannhauser) and Newcastle carries in excess of 10 000 vehicles per day while the P483 carries between 5 000 and 10 000 vehicles per day.<br>• This section of the road network also carries a significant amount of local traffic. KZN DoT have undertaken some studies to upgrade and widen the roadway. |
| **Transportation** | • No commuter rail service currently exists within the Amajuba area and is mainly the result of the location of the Newcastle station in relation to the actual residential areas and the employments centres.<br>• Although the alignment of the railway line lends itself to the provision of a rail commuter service several factors hamper the actual provision of such a service. These include:-<br>- High capital investment for the provision of rolling stock.<br>- Increase in the annual maintenance of the rail line because of the inclusion of passenger transport service and not only freight service.<br>- High capital investment for the provision of suitable stations along the rail line in the areas of Madadeni and Osizweni.<br>- Remote location of the current station in terms of residential areas and employment opportunities. |

| FOCUS AREA | IDENTIFIED ISSUES |
|---|---|
| | • It is however important to further investigate the possibility of establishing a rail commuter service that will complement the existing public transport service, and become significant in terms of settlement expansion.<br>• A minor airfield is located to the east of the industrial area within the Newcastle Local Municipality and serves the local area and some parts of South Africa as a charter services by private individuals. Classified as a Category II airport, the Amajuba IDP Review (2013/14) highlights the need to upgrade the existing landing strip into an Airport, given the role of Newcastle as a manufacturing and a notable business centre within Amajuba and beyond.<br>• Having the airport can help in retaining existing companies in the area, as well as promote the export success of companies located in the area by the provision of passenger and freight links to key markets. |
| **Water and Sanitation** | • Water supply infrastructure in Newcastle Local Municipality (NLM) varies between areas reflecting the impact of fragmented spatial development and urban bias of the past planning and development practices.<br>• Newcastle town is generally well provided with water while a few households in Madadeni and Osizweni Townships are experiencing shortages in this regard.<br>• Severe backlogs have been reported in rural settlements where the level of backlog is high.<br>• The infrastructure in Newcastle East is in a fairly good condition which is more than what can be said about the condition of water infrastructure in the Newcastle West area which is mainly the CBD and surrounding suburbs.<br>• The area has aging asbestos networks which are resulting in high maintenance costs.<br>• The supply of Bulk Water to the Newcastle Local Municipality is obtained by the Buffalo River Abstraction, Ngagane River Abstraction and Ntshingwayo Dam.<br>• The yield of Ntshingwayo Dam has probably declined to the point where all allocated water rights cannot be exercised. This is due to silting-up of the dam, which thus continue to reduce the yield of the dam.<br>• Furthermore, the sluices of the dam are also reducing the dam's ability to reach maximum fill capacity of 90% hence further reducing the yield of the dam.<br>• In short, Ntshingwayo Dam has been operating in a stressed state for some time, despite average rainfalls within the catchment. Both the Ngagane and Buffalo rivers have run dry on a regular basis in the past decade.<br>• This has hampered upon NLM's ability to abstract its full allocation of water from these sources, which has exacerbated the existing water supply shortages. This bulk supply needs to be augmented in order to sustain the forecasted peak demand in the next 25years.<br>• A preliminary assessment of the level of water use efficiency and the level of Non-Revenue Water (NRW) in the Newcastle Water Supply Scheme area indicated that the total system losses are high. It was estimated that the total Non-Revenue Water (NRW) in the supply area is a staggering 65%.<br>• The main areas of concern are Madadeni and Osizweni where water losses mainly from onsite leaks are resulting in losses of at least 26Ml/day.<br>• Peri-urban and rural areas such as the JBC and rural settlements in the Khathide and AmaHlubi communities are characterised by high sanitation backlogs. The JBC node has no sewerage reticulation in place. The residents rely on over 15 000 ventilated improved pit (VIP) latrines. Most of the VIPs are full and the Municipality spends about R1.0 million every month in de-sludging the VIPs.<br>• One of the main problems is the need for a sewer master plan, which will enable the municipality to plan for future developments including addressing the backlogs in basic sanitation services. Other areas of concern are the |

| FOCUS AREA | IDENTIFIED ISSUES |
|---|---|
| | lack of adequate sewer systems for households that do not have waterborne sanitation.<br>• Sanitation master plan is required for the District to ensure formal planning of sanitation infrastructure. A water and sanitation operational maintenance plan is currently being drafted which will assist with maintenance of aging infrastructure. A more current WSDP is also required to assist in planning. |
| **Electricity** | • The provision of electricity in Newcastle is demand driven. The demand triggers the need to plan for additional capacity of the electricity network distribution.<br>• The electricity networks for the Newcastle West area being the CBD and surrounding suburbs are managed by the municipality whereas the outlying townships and rural areas are supplied by Eskom. The Newcastle Municipality further gives support to Eskom for the surrounding townships and rural areas by implementing capital projects funded by the Department of Energy which upon completion is handed over to Eskom.<br>• The current and proposed reticulation network in Amajuba District Municipality shows that the bulk electricity infrastructure is concentrated in areas that have the highest population densities in areas such as Newcastle, Dannhauser, Utrecht, Emadadeni, etc.<br>• Newcastle Municipality has a superior population size and economy in the Amajuba district and as such has more areas that would require bulk electricity infrastructure. There are 8 sub-stations in the Newcastle Municipality that supply electricity to the areas of Newcastle, Madadeni and Osizweni. The spatial distribution of most sub-stations within Newcastle Municipality is predominantly situated along the N11 primary corridor.<br>• Newcastle is a growing economy within the district and it will be essential to demonstrate that the current supply is sufficient to meet current and future demands.<br>• The current and proposed reticulation network in Amajuba District Municipality shows that the bulk electricity infrastructure is concentrated in areas that have the highest population densities in areas such as Newcastle, Dannhauser, Utrecht, Emadadeni, etc. Newcastle Municipality has a superior population size and economy in the Amajuba district and as such has more areas that would require bulk electricity infrastructure. There are 8 sub-stations in the Newcastle Municipality that supply electricity to the areas of Newcastle, Madadeni and Osizweni. The spatial distribution of most sub-stations within Newcastle Municipality is predominantly situated along the N11 primary corridor.<br>• Newcastle is a growing economy within the district and it will be essential to demonstrate that the current supply is sufficient to meet current and future demands. The construction and maintenance of electrical infrastructure - there are Eskom projects on the pipeline for new 132kV lines, Substation to be built - the Matsheketsheni 132kV Tee Line and the 132/11kV Substation to be commissioned in 2022 per plan will bring some relief on the grid, specifically for Newcastle where majority of population and economic activity is.<br>• The Eskom Network Strengthening projects in the Amajuba District will also contribute positively to reducing the constraints on the network. |
| **Human Settlements** | • In 2011, the majority of urban settlements were located in the Newcastle Municipality (70.8%).<br>• Most of the district populations, who live in urban areas, are located in Newcastle, Utrecht and Dannhauser.<br>• The settlement pattern in Newcastle has largely followed access routes thus forming an economic system with definite interdependencies between and among various elements. However, it has also been highly influenced by the past apartheid planning and segregationist policies.<br>• The current settlement pattern reflects a continuum of settlements from a highly urban Newcastle town through peri-urban settlements in the JBC to |

| FOCUS AREA | IDENTIFIED ISSUES |
|---|---|
| | extensive commercial farmlands with small isolated farm-dweller settlements.<br>• The main issues facing Amajuba Municipality is a poor settlement pattern, which manifests in the form of the dominance of small towns as a regional service centres and economic hubs, as well as the expansive farming areas and a general rural character of the area.<br>• The net effect of this is the inability to decentralise and coordinate service delivery at a localised level.<br>• All the Local Municipalities have completed their Housing Sector Plans. However, some of these plans are outdated and need to be reviewed and updated.<br>• It is therefore important for the District to adopt a coordinated and sustainable approach to human settlements, with appropriate service levels and strategies for addressing the needs of scattered settlements and the more densely populated rural nodes and corridors, in order to ensure sustainable infrastructure planning and alignment. |
| **Economic Sector Analysis** | • The Amajuba District Municipality is one of the most fertile regions within KwaZulu-Natal, and therefore has a comparative advantage in terms of agriculture.<br>• The agricultural sector accounts for approximately 2.2% of total GVA in the Amajuba District, while the contribution of this sector to total formal employment is 2%.<br>• Newcastle and Emadlangeni contribute 33% and 28% respectively to total agricultural output in the district, and have both experienced a decline in growth of -6% from 2005 – 2009.<br>• Mining and quarrying only contributes a small amount to total GVA in the district (3.4% in 2010).<br>• An alarming issue is the large number of coal mines that have been abandoned within the Newcastle and Emadlangeni municipalities, with only 1 significant commercial coal mine remaining in Newcastle.<br>• The mining industry has however experienced positive growth off a small base within the district due to an increase in small-scale coal operations.<br>• Manufacturing contributes 25.2% to the total district GVA, making it the largest contributor to the district economy.<br>• A large number of the manufacturing companies in the greater Newcastle area produce for national and international markets (mainly Gauteng at national level).<br>• Most large industry is located within Newcastle, which accounts for over 83% of total GVA in the Amajuba<br>• Manufacturing industry, followed by Dannhauser with 12.7% and Emadlangeni with 3.8% of GVA Newcastle has a strong base of existing infrastructure geared towards manufacturing, and is considered an important node within the wider provincial manufacturing sector.<br>• The Amajuba District is not considered to be a major tourism destination within KZN due to its historical association with industrial and mining activities. However, it is a key sector that presents opportunities for economic development within the region.<br>• The district has a large number of accommodation facilities, which range from lodges, to B&B's, to self-catering facilities and hotels. However, most of these facilities are located within Newcastle, with only a limited number of facilities within the Emadlangeni and Dannhauser Municipalities.<br>• Within the Amajuba District Municipality, informal trade accounts for over 20% of total employment within the region.<br>• Over 74% of informal trade in the district occurs within the Newcastle Local Municipality, with only 7.5% in Emadlangeni, and 17.6% in Dannhauser. |
| **Spatial Analysis** | • The Spatial Development Framework (SDF) of the Amajuba District Municipality. The SDF clearly identifies:<br>- Primary, secondary and agricultural corridors; |

| FOCUS AREA | IDENTIFIED ISSUES |
|---|---|
| | - Primary, secondary and tertiary nodes; and<br>- Agricultural land categories.<br>• According to the PSEDS District Profile (2012), Newcastle is the key economic node of the district, with Utrecht and Dannhauser being the smaller urban centres in the district.<br>• Owing to the racial segregation and industrial decentralisation policies during the apartheid era, there are major population concentrations located to the north east of the town of Newcastle including residential and commercial, Newcastle industrial, Newcastle airport and rail yard, Madadeni residential and limited commercial, Osisweni residential, Dicks Halt residential, Jobstown and Mndoza residential. The majority of industrial, commercial and services activities are located in Newcastle along the N11 and follow the road linking Newcastle to Madadeni - Osisweni.<br>• The N11 is the main transport route through the area linking Ladysmith with Newcastle and Gauteng via Volksrust and Standerton. The main rail link between Gauteng and Ethekwini passes through Ladysmith, Newcastle, Charlestown and Volksrust.<br>• Large scale commercial agriculture is extensive throughout the district with intensive irrigated production taking place west of the town of Newcastle around the Chelmsford dam below the escarpment. This is a fertile area used for high value crop production.<br>• The areas north of Newcastle are characterised by dryland and limited areas of irrigated agriculture around Groenvlei. Commercial timber has been established along the escarpment to the west and north of Newcastle.<br>• The high lying areas of the municipality in the north east are mainly used for extensive livestock production and limited commercial timber. The remaining lower lying areas of the municipality are generally drier and hence used for extensive livestock production.<br>• The R34 route bisects the Amajuba District in an east-west direction and forms the primary linkage between Richards Bay and Newcastle, and Gauteng and the Free State. This route plays a role in exporting outputs from mines as it links Amajuba District to exporting destinations. However, the heavy volumes of traffic and coal trucks have resulted in bad rutting, potholes and poor driving conditions. The upgrading of this route should be prioritized in order to encourage investment, improve accessibility and enhance mobility.<br>• The R621 main road links the town of Dannhauser to the N11 (and onto Newcastle) to the north, and to Dundee and Glencoe (and on to the R33 main road) to the south.<br>• R34 is a direct link between Newcastle town and Memel.<br>• The railway line runs parallel to the N11 until the R621, and is the main rail link between Gauteng and Ethekwini passing through Ladysmith, Newcastle, Charlestown and Volksrust.<br>• Newcastle is the key economic node of the district, with Utrecht and Dannhauser being the smaller urban centres in the district.<br>• The town of Newcastle (incorporating the CBD, associated surrounding suburbs, JBC and MBO) has developed, positioned and proven itself as an important regional economic hub for the Amajuba District and surrounding areas, including small towns and townships in the Free State and Mpumalanga. Newcastle has a diversified economy that is mainly driven by the manufacturing sector which is value adding and provides numerous employment opportunities. It forms part of the provincial spatial systems and is identified in the PSEDS as one of the economic hubs within the province.<br>• The category of land use covering the greatest area of the Amajuba District Municipality is “primary grassland” (60.2%), which is aligned with the high incidence of stock farming in the District. Primary and secondary grassland account for a total of 69% of the land use of the Amajuba District. |




The map above shows the areas identified as social investment areas, priority conservation areas, economic support areas, economic value-adding areas, biodiversity priority areas and agricultural investment areas. Primary and secondary, nodes are also shown. These provide broad guidelines for spatial planning within and across districts.

## ❖ Key Projects Proposed

| Project Name | Type of Project | Project Report | Location |
|---|---|---|---|
| **P483 TOD Corridor** | Socio-Economic / Transport / Planning | Newcastle SDF, Emadlangeni SDF | P483 Utrecht – Newcastle |
| **Johnston-Blaaubosch-Cavan (JBC) TOD Hub** | Socio-Economic | KZN PGDP, IMP, Newcastle SDF | JBC hub along P483 (between Madadeni and Osizweni) |
| **Utrecht Sustainable Urban Expansion** | Socio-Economic / Planning | VENE SCDP | Utrecht, along R34 and P483 |
| **Vaalbank / Berouw Mixed Use TOD Node** | Socio-Economic / Planning | Emadlangeni SDF | Vaalbank, along P483 |
| **Dicks Halt / Mndozo Mixed Use TOD Node** | Socio-Economic / Planning | Newcastle SDF | Dicks Halt / Mndozo, along P483 |

| | | | |
|---|---|---|---|
| **Amajuba Techno Park** | Socio-Economic | KZN PGDP, PSEDS, IMP | Next to Newcastle Airport |
| **CS Smelter Park** | Socio-Economic | KZN PGDP, IMP | North of Newcastle (east of N11) |
| **Ngagane / Colenso Steel Smelter** | Socio-Economic | KZN PGDP, IMP | Ngagane (east of N11) |
| **Hydroponic Techno Park** | Socio-Economic | KZN PSEDS | Close proximity to Newcastle Airport |
| **New University in Newcastle** | Socio-Economic | KZN PGDP, PSEDS | Newcastle / Madadeni |

| Project Name | Type of Project | Project Report | Location |
|---|---|---|---|
| **Newcastle Regional Airport Upgrade (Newcastle Airport Techno Hub)** | Transport | KZN PGDP, PSEDS, IMP | Newcastle Airport |
| **N11 Project: Uthukela (SIP 2)** | Transport | KZN PGDP, IMP | Newcastle / N11 |
| **Upgrade of D98 to a Principal Arterial / Regional Linkage and Potential Transport Node** | Transport / Socio-Economic / Planning | KZN DoT, VENE SCDP | D98 (N11 / R34 junction) |
| **Revive Old Coal Power Station** | Infrastructure | KZN PSEDS | Newcastle |
| **Kilbarchan SS 88/22kV TRF Est** | Infrastructure | KZN PGDP | Kilbarchan (south of Newcastle) |
| **Upgrade Ngagane WTW** | Infrastructure | | Ngagane (south of Newcastle) |
| **Expansion of Utrecht Protected Areas** | Biophysical | VENE SCDP | Utrecht |

The Newcastle node is the heart of the VENE corridor, and includes various elements as described in the table below:-

| Strategic Elements | Description |
|---|---|
| **Airport** | The Newcastle Airport City will be located to the southeast of the Newcastle urban core. It will provide significant airport logistics related opportunities for local producers (in particular produce that needs to move quickly). |
| **Agripark** | The Agripark is located on the N11 to the north of Newcastle. It will provide for the following:<br>- Fostering commercial agriculture through the exploitation of the Rural/Urban Market Centre Units (RUMC).<br>- The Department of Rural Development and Land Reform defined an Agri-park as 'a networked innovation system of agro-production, processing, logistics, marketing, training and extension services, located in a District Municipality. As a network, it enables a market-driven combination and integration of various agricultural activities and rural transformation services. Agri-parks are there to also support growing towns and to promote rural urban linkages. |
| **Heavy Industry** | This includes large manufacturing developments, mostly linked to mining related activities. |
| **Intermodal Facility** | This will include various forms of transport ranging from taxi ranks, rail terminals, and distribution centres. |
| **Coal Hub** | The coal hub is in place to promote all coal mining related activity so as to ensure economic growth and job creation in the area. All coal mining related activities are envisaged within this hub. |

## 2.2.6.State of the Town Address (SOTA) 2021.

On his third concept budget as the Mayor of Newcastle Local Municipality, His Worship, the Mayor Cllr Dr N.N.G Mahlaba reiterated the Presidents call for accountable governance by citing that the Newcastle Local Municipality must account to its citizens through stating current and future plans of the municipality. In that, he mentioned the various steps the municipality has taken towards reprimanding municipal officials caught acting unethically. He further mentioned the 27th year anniversary of the country's political breakthrough, were he highlighted that the pioneers for the fight for freedom in South Africa adamantly stood against corruption by those who are meant to have the community's best interests at heart.

His Worship, the Mayor went on to touch on the 1 year anniversary since the initial countrywide lockdown due to the Covid-19 outbreak, as well as what has come to be known as the "new normal." He then went on to touch on the great inequalities in society as a whole which have been exposed by the global pandemic. His Worship further went on to highlight the negative implications Covid-19 has had on the economy, but however maintained that the Newcastle Local Municipality continues with its efforts to rebuild the local economy through the attraction of potential investors.

His Worship, the Mayor of Newcastle Municipality elaborated on the implementation of a master plan to turn around the fortunes of the municipality. Firstly, a situational analysis was undertaken where the municipality assessed its finances, infrastructure, human resources and capital program. The Mayor named one of the municipality's main priorities which is to service its debt with Eskom which was sitting at over R200 million.

The Mayor further made commitment to ensure good governance in the municipality and urged the community to take the municipality to task and hold it accountable whenever and wherever errors have risen. In this regard the Mayor further urged the community to never use acts of violence, vandalism or damage to municipal property as a means to hold the municipality accountable. His Worship, the Mayor stated the uttermost goal and mantra this year is to bolster and fast track incomplete projects, in particular our bulk water project and the provision of houses. He then guaranteed that plans are afoot to aggressively provide housing, electricity and sanitation to first time homeowners.

The Mayor then touched on the issues facing housing in the municipality, he went on to boast the municipality has been given the go ahead and approved to construct 560 community residential units valued at R4 billion. That project alone will lead to the creation of over 1000 jobs. Secondly, the municipality has been approved to construct 1 256 Social Housing Units valued at R6 billion, which will also create over 100 jobs. The municipality also tackles all aspects of basic service delivery, for instance the Mayor made mention of the fact that the municipality has approved the construction of

six new roads in Madadeni, Osizweni and Blaauwbosch. Again, the municipality has obtained approval from the Department of Mineral Resources and Energy to speedily electrify 5 areas which never had electricity before, namely Siyahlala-la, Charlestown, Ingogo, Normandien and some areas in Blaauwbosch. The Mayor made notice that most of these projects would have been completed by the end of March 2021, but Covid-19 has caused insurmountable delays. The Mayor also made notice that the municipality has obtained approval from the Department of Mineral Resources and Energy to provide 285 solar power geysers in ward 1. The project is expected to be completed before the end of this month. Newcastle Municipality has, through audacious efforts, positioned itself as one of the most improved municipalities. This year we revitalized our "One Ward, One Project" program. Service delivery must be felt and seen from ward 1 to ward 34.

The Mayor went on to provide an outline of the budget for the 2021/22 financial year, inclusive of the projected income and expenditure of the municipality on both capital and operational budgets. The municipality's consolidated budget for 2021/22 stands at R2.6 billion, which has been developed with an overall planning framework and includes the programs and projects to achieve the maximum 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 taking into cognisance the burden to consumers through rates and services. Economic challenges will continue to put pressure on municipal revenue generation and its ability to collect revenue in the 2021/22 financial year, hence a very conservative approach was adopted when projecting revenue and receipts based on the current payment factors. The mayor lamented the provision in this budget and stated that it is in line with government's steadfast commitment to support efforts which will broaden service delivery and expand investment in infrastructure. The budget has further been structured to contribute to the municipality achieving the maximum strategic objectives of the IDP, considering the effect of limited resources.

His Worship, the Mayor went on to highlight that the operating budget, which funds the continued provision of services provided by the municipality, is projected to increase from R2.395 billion in 2020/21 to R2.510 billion in 2021/22, representing an increase of R114.9 million (5%). The increase is mainly due to the increase in bulk water and electricity purchases, employee cost, depreciation of assets and materials. A reduction in the repairs and maintenance has been noted due to some of the grants for funding maintenance of some projects no longer expected to be received in the next financial year. The total operating revenue is projected at R2.219 billion in the 2021/22 financial year, representing an increase of R88.3 million (4%) from the current year's adjusted budget of R2.131 billion

On basic service delivery and infrastructure, the Mayor stated the municipality's changes include, electricity tariffs increasing by 14.59%. It must be noted that this tariff increase is as per the NERSA's guidelines of municipal tariff increase as well as the application that will be submitted by the municipality to NERSA. With the tariff increase of 14.59%, electricity revenue is expected to increase by R90.0 million (15%) in the 2021/22 financial year. Secondly, Water tariffs are expected to increase by 3.9% in the 2021/22 financial year. The increase of 3.9% in tariffs is expected to generate additional revenue of R6.3 million (3%). The revenue figure of R193.9 million is net of the cost of free basic services of R10.3 million in respect of water as required in terms of the Budget and Reporting Regulations. Refuse removal tariffs are expected to increase by 3.9% in the 2021/22 financial year. The increase of 3.9% in tariffs is expected to generate additional revenue of R2.8 million (3%). And lastly, sanitation tariffs are expected to increase by 3.9% in the 2021/22 financial year. The increase of 3.9% is expected to generate additional revenue of R3.1 million (3%)

The Mayor also made mention that the municipality's total operating expenditure is projected at R2.510 billion in the 2021/22 financial year, representing an increase of R114.9 million from the current financial year's budget of R2.395 billion. Expenditure on bulk electricity purchases is projected at R588.6 million, representing an increase of R88.9 million (17.8%) from the current financial year budget of R499.6 million. The provision of R588.6 million is informed by the NERSA guidelines and the expected demand for electricity to the municipal consumers in the 2021/22 financial year.

In relation to water provision, the Mayor highlighted that the municipality's contribution to uThukela Water increased from R126.2 million to R131.2 million which represents an increase of R5.0 million (4%) from the current financial year. While the entity has submitted a budget of R134.8 million, the current financial state of the municipality makes in impractical to afford the full budget requested by the entity. Hence, the municipality has only afforded the increase in line with the inflation rate and the expected tariff increase of the municipality on water.

### 2.2.7.17 Sustainable Development Goals.

During the year 2000, 189 leaders of different nations committed themselves to rid the world from famine, drought, wars, plagues, poverty and many forms of deprivations that have been haunting the global society for years. The United Nations Development Programme (UNDP) has been one of the leaders working towards achieving the 8 MDGs through the funding of projects within more than 170 countries and territories. Tremendous progress has been made since the offsetting of the goals in the year 2000, hunger has been cut in half, extreme poverty went down almost by half, more children are going to school, and there are less child fatalities, in just naming a few. South Africa, on the other hand, has been a willing signatory of the 8 Millennium Development Goals even before they were introduced globally, and this has been through the alignment of a vision that was expressed and supported by millions of

South Africans in the form of the 1955 Freedom Charter. Though not articulated in the same manner, the achievement of the 8 Millenium Development Goals has always been an integral part of the Freedom Charter, and a building block towards addressing the challenges that are mainly due to the poor planning mechanisms of the Apartheid government. 15 years later the signatory countries want to improve on the successes, hence going further in addressing perennial issues.

The new set of goals, the Sustainable Development Gaols (SDGs), aims to end poverty and hunger by 2030. World leaders, taking into cognisance the relationship between people and the planet, have set goals for the land, the oceans and the waterways. The 17 SDGs are based on common consensus, and an aspiration towards a future where everybody has enough food, and can work, and can sustain their livelihoods living at more than $1.25 (R18.81cents) a day. The new 17 Sustainable Development Goals are as follows:-

| | SDG | OBJECTIVE |
|---|---|---|
| 1. | No poverty | To end poverty in all its forms everywhere |
| 2. | Zero hunger | To end hunger, achieve food security and improve nutrition and promote sustainable agriculture |
| 3. | Good health and well-being | Ensure healthy lives and promote well-being for all at all ages |
| 4. | Quality education | Ensure inclusive and equitable quality education and promote life-long learning opportunities for all |
| 5. | Gender equality | Achieve gender equality and empower all women and girls |
| 6. | Clean water and sanitation | Ensure availability and sustainable management if water and sanitation for all |
| 7. | Affordable and clean energy | Ensure access to affordable, reliable sustainable and modern energy for all |
| 8. | Decent work and economic growth | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all |
| 9. | Industry, innovation and infrastructure | Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation |
| 10. | Reduced inequalities | Reduce inequality within and among countries |
| 11. | Sustainable cities and communities | Make cities and human settlements inclusive, safe, resilient and sustainable |
| 12. | Responsible consumption and production | Ensure sustainable consumption and production patterns |
| 13. | Climate action | Take urgent action to combat climate change and its impacts |
| 14. | Life below water | Conserve and sustainably use the oceans, seas, and marine resources for sustainable development. |
| 15. | Life on land | Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degredation and halt biodiversity loss |
| 16. | Peace, justice and strong institutions | Promote peaceful and incusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels |
| 17. | Partnerships for the goals | Strenghthening the means of implementation and revitalise the global partnership for sustainable development |

In South Africa there still exists enormous pressures for the achievement of the 17SDGs. Though efforts have been made towards halving extreme poverty, there persists high inequalities. Efforts have also been made towards improving the levels of education within the country through the provision of access to an efficient and high quality education system that is results-driven. And thus South Africa managed to achieve the goal of universal primary education before the targeted date of 2015.

Since 1994, South Africa has been recognised internationally for its relatively good performance in terms of common measures on gender equality. However, gender based violence still remains of particular concern which means decisively dealing with this issues is of particular importance in order to achieve the goal pertaining to equality and the empowerment of women. According to the Millennium Development Goals Country Report 2013, the target regarding the ratio of literate females to literate males was achieved at 1:1. Therefore the processes that are already in motion should be maintained as there is still a long way to go in order to achieve gender equality. Significant efforts have also been made to improve the health system in order to reduce child mortality and improve maternal health including the fight against HIV/AIDS. The level of childhood mortality is reflective of a country's health status in general and the health status of the children in the country. There has been improved immunisation for children under the age of 1 hence contributing to the decrease in the child mortality rate.

The creation of awareness campaigns towards the fight against the HIV/AIDS pandemic has also given some positive results. In 2012 South Africa had the largest population of people living with HIV/AIDS which was estimated at 5.6 million. However, the percentage of HIV prevalences among the population aged between 15 – 24 years has declining significantly over the years, from 10.3% in 2005 to 7.3% in 2012. This is a positive sign towards reaching the goal of combating HIV/AIDS despite the prevalence of some challenges. Fundamental to the nature of NLM is the development of sustainable human settlements and the conservation of the environment thereof. Through strict land use measures and the mainstreaming of development, the significance natural habitats are realised. The sustainability of the natural forests is of concern, and, like most other countries, South Africa is also vulnerable and exposed to the impacts of climate change and variability due to the socio-economic and environmental context. Therefore, key mitigation programmes have been identified including the promotion of the use of clean energy resources. Such measures will also aid thus to decrease the rate of Ozone depletion. Within NLM there has been improvement regarding the provision of access to water and also the provision of improved access to sanitation.

### 2.2.8.Operation Sukuma Sakhe.

Operation Sukuma Sakhe aims to redress previous imbalances through the creation of equal opportunities, and the promotion of accessibility, transparency and

accountability towards target groups. Newcastle Municipality has launched the Provincial Sukuma Sakhe program at ward 9 as an attempt to declare war against poverty and social challenges facing the community of Newcastle. Operation Sukuma Sakhe Programme (formerly known as the Flagship Programme) seeks to institute food security, fight disease, in particular HIV, AIDS and TB, and poverty, to empower women and youth, and to instil behavioural change amongst the citizens of the province. The formulation of the 4th Generation IDP has adopted the principles of Operation Sukuma Sakhe thereby establishing partnerships with the local community and getting involved into War Rooms.

Operation Sukuma Sakhe links initiatives that are being implemented by the different sector departments, including other spheres of government. The delivery of services is required through partnerships with thecommunity, stakeholders and government. Newcastle Municipality has ensured that all 340 Ward Committees together with their Ward Councillors do participate in this program through formation of war rooms at ward level.

Operation Sukuma Sakhe is a continuous interaction between Government and the community to come together to achieve the 14 National Outcomes. The program encourages the social mobilization where communities have a role, as well as delivery of government services in a more integrated way. The Government has structured programs which need to get as deep as to the level of the people they are serving. This is at ward level, translating to all 31 wards and all households within the Newcastle area of jurisdiction. The KwaZulu Natal provincial government humbly accepts that it cannot achieve this alone, but needs community's hands in building this nation together.

The following provincial departments have been prominent in spearheading the Operation Sukuma Sakhe program in Newcastle Municipality. These include:-

- Department of Health;
- Department of Education;
- Department of Sports and Recreation;
- Department of Social Development;
- Office of Premier; and
- Co-Operative Governance and Traditional Affairs through Community Development Workers (CDWs).

| FORUM | PROGRAMME | HIGHLIGHT |
|---|---|---|
| **Disability Forum** | Education and Skills Development | • **Training and handover of reading aides for visually impaired people.**<br>• Computer and Administration Skills programme for disabled people.<br>• The placement of disabled people in various institutions for experiential learning. |
| | Sports and Recreation | • **Disability Sports Day.** |

| FORUM | PROGRAMME | HIGHLIGHT |
|---|---|---|
| | | • The high participation of disabled people in sports**.**<br>• The inclusion on mental health in disability programmes. |
| | Health and Social Wellbeing | • **Door to Door Campaign at KwaMathukuza.**<br>• Assistance rendered to the community in educating about rights of disabled people. |
| | Economic Participation | • The construction and handover of a Centre for disabled people in Osizweni. |
| **PLWHIV Forum** | Health and Social Wellbeing | • Participation on Newcastle Forum at the Provincial Candle light Ceremony.<br>• High turnout of people during HCT campaigns, especially amongst populations at risk. |
| | Education and Skills Development | • **Ward Aid Committee and PLWHIV training programme.**<br>• The workshop attempted to up skill community agents in attending to community issues and escalating them to relevant sector departments.<br>• The workshop also played an important role helping the different community stakeholders to consolidate their efforts in terms of sharing programmes and information. |
| **Children's Forum** | Safety and Security | • School violence became a huge area on concern last year.<br>• This violence resulted in not only deaths but, the displacement of perpetrators and psychological scarring of fellow learners and the community at large.<br>• The cause can be attributed to various factors such as bullying, substance abuse, negligence and lack of parental control.<br>• Community Awareness Programmes in War-rooms, community meetings, schools, churches and the media helped in shifting the focus back to the psychosocial needs of children. |
| **OSS** | | • The top war room at KZN, ward 24, came from Amajuba District in our Local Municipality. |
| | | • Amajuba District is one of the leaders in the monthly submissions to the Office of the Premier. |
| | | • Amajuba District is also leading in the launching of the Fora. |
| | | • Mpumalanga benchmarked in our District in seeing how the War room works by visiting ward 1 at Charlestown. |
| **Gender: Men** | | • Men's month celebration at Madadeni Community Hall where the hall was full to its capacity and also attended by the District Mayor. |
| | | • EPWP Programme that is employing the widows. |
| | | • Gender Based Violence march at Newcastle CBD that took the attention of many people. |
| | | • Poverty alleviation Programmes for the Fora members organized by Special Programmes together with LED. |
| **Gender: Women** | | • Women's Day Celebration that is including women from other departments.<br>• Poverty alleviation Programmes for the Fora members organized by Special Programmes together with LED.<br>• Honouring of women working in Dangerous zones. |
| **SENIOR CITIZENS** | Golden games. | • Promotion of healthy living.<br>• Commemorating heritage day as senior citizens.<br>• Tackling issues that senior citizens are faced with and also the promotion of healthy living.<br>• Showing appreciating of working well together throughout the year and promoting healthy living. |
| | Senior citizens heritage day. | |
| | Meeting with the senior living in Madadeni hosted by Asisinde isizwe. | |
| | Year-end function | |

## 2.2.9.Youth Development Strategy.

Since the advent of democracy in 1994, many efforts have been steered towards the promotion of sustainable youth development over the years. However, inspite of all that has been done to counteract and redress the wrongs of the past and current trials confronting the youth, it is evident that youth development is still not a priority in the South African development endeavors. A review on youth development particularly from Stats SA indicates that a vast majority of unemployment in Newcastle is amongst young people between the ages of 18 and 35 years. There are many frustrations confronting young people today besides adequate access to quality employment, and these range from for free tertiary education, successful entrepreneurial growth and development and the scourge of HIV/AIDS, alcohol and drug abuse. These issues spiral down further execerbating social ills such as violence, abuse, prostitution and crime, all of which are escalating at an alarming rate.

Through engagements with citizens and stakeholders, the Newcastle Local Municipality was able to determine such challenges during the Community Based Planning activity. Such were also raised during the Mayoral Budget Roadshows for 2017/18. The issues raised have implications on the importance of investing in young people in terms of equipping them with the necessary skills to increase their creative and productive capacity, and also to assist them to lead a meaningful life. The battle towards sustainable youth development necessitates the development of strategies and operations with the following policy framework:-

### a) National Youth Policy 2020.

The policy outlines interventions to enable optimal development of young p/eople, both as individuals and as members of South African society towards the enhancment of their capabilities hence a transformation of the economy and the country. The objectives of the aforementioned policy towards 2020 are as follows:-

1. Consolidate and integrate youth development into the mainstream of government policies, programmes and the national budget.
2. Strengthen the capacity of key youth development institutions and ensure integration and coordination in the delivery of youth services.
3. Build the capacity of young people to enable them to take charge of their own well-being by building their assets and realizing their potential.
4. Strengthen a culture of patriotic citizenship among young people and to help them become responsible adults who care for their families and communities.
5. Foster a sense of national cohesion, while acknowledging the country's diversity, and teach a spirit of patriotism by encouraging visible and active participation in different youth initiatives, projects and nation-building activities.

Furthermore the National Youth Policy outlines the following proposals towards youth development and empowerment:-

1. Economic participation and transformation.

2. Education, Skills and Second Chances.
3. Healthcare and combating substance abuse.
4. Nation-Building and Social Cohesion.
5. Effective and responsive youth development institutions.

### b) Youth Enterprise development strategy 2013- 2023.

The YEDS intends to provide support for young entrepreneurs with an objective of creating and managing sustainable and efficient businesses capable of providing decent permanent jobs and employment growth. These interventions include mentorship and coaching, youth business incubation, business infrastructure support, linkages to procurement opportunities, youth entrepreneurship awards, youth entrepreneurship promotion and awareness, youth special projects and sector-specific enterprise creation, national youth service programme, and the youth entrepreneurship collateral fund. In pursuit for sustainable youth enterprise development, the YEDS is underpinned by these principles:-

- **Principle 1:** Youth Enterprise Development and Entrepreneurship is a Shared Responsibility.
- **Principle 2:** Participatory and Collaborative Approach.
- **Principle 3:** Human Rights and Diversity.
- **Principle 4:** Responsiveness and Relevance.
- **Principle 5:** Accountability.
- **Principle 6:** Youth as a Target Group.
- **Principle 7:** Transparency.

### c) Integrated Youth Development Strategy.

The IYDS was developed to be a holistic and integrated strategy which should respond to all socio-economic needs of young people in South Africa. The strategy seeks to facilitate and coordinate the implementation of youth development programmes and policy comprising the National Youth Policy, National Youth Development Agency Act (No. 54 of 2008), as well as the National Youth Development Policy Framework amongst others. The IYDS pursues the following objectives:-

- To promote a uniform approach by all organs of state, the private sector and civil society organizations;
- To facilitate endeavors aimed at job creation and economic freedom for the youth;
- To outline parameters within which youth development programmes can be implemented;
- To initiate strategic anchor projects to benefit youth from disadvantaged backgrounds (rural, disabled, and young women) and guide programming for other stakeholders including private and civic society sectors;
- To provide a monitoring and evaluation framework and system which will enable coordinated nationwide reporting of youth development programmes implementation in all sectors.

## 2.2.10. Batho Pele Principles.

The White Paper on Local Government advocates for a developmental Local Government, which is Local Government that is committed to working together with its citizens and groups within its communities to find sustainable solutions to meet their social, economic and material needs with the purpose of improving their general welfare as well as their standard of living. The constitution sets out the objectives of local government which are as follows:-

- Provision of a democratic and accountable government;
- Provision of services to communities in a sustainable manner;
- Promote social and economic development;
- Promote a safe and a healthy environment; and
- Encourage the involvement of communities and community organisation in the matters of the municipality.

The Newcastle Local Municipality is not exempted from the common challenges of local government and is characterized, in some areas, by services backlogs, high unemployment, and poverty stricken households. Sincere commitment towards radical transformation and unbiased delivery of services is required in order to counteract the anomalies inherited from apartheid planning, and also to bridge the existing gap between the rich and the poor which is represented through inefficient spatial integration in Newcastle. NLM is devoted to working together with its citizens and to be customer-oriented which is an endeavor to fast track development taking into cognisance the need for social cohesion, economic development, environmental sustainability and institutional development. The municipality's commitment to raising the standard of service delivery and transformation into an organisation that is development orientated, efficient, effective and professionally ethical emerges from Batho Pele. The municipality aspires to always uphold and implement the principles of Batho Pele and ensure the following:-

a) Service Standards: To inform the communities within Newcastle about the level and quality of service they will receive hence creating awareness of what to except.
b) Access: to ensure all Newcastle citizens have equal access to services which they are entitled to.
c) Courtesy: To treat residents as customers.
d) Information: To always publicise relevant information about our programmes and services.
e) Openness: To inform the people of Newcastle about the operations of the municipality.
f) Transparency: To be transparent and honest about what we will be able to deliver.
g) Redress: To offer our people an apology and give them a sympathetic and positive response if they are unhappy with the manner in which services are being rendered.
h) Value for money: To always provide services in an economical and efficient manner.

## 2.2.11. Back to Basics.

Local government is the sphere of government which is closest to the people. It is also the gateway to service delivery and the platform where most citizens get to interface and interact with government. The vision of a developmental local government system was that it would be the building block on which the reconstruction and development of the country and society was to be built. It was also a place in which the citizens of South Africa could engage in a meaningful and direct way with the institutions of the state. A number of issues related to governance within the local sphere have emanated over the years hence necessitating efforts that support, educate and where needed, enforce implementation. In light of the issues related to the local sphere of government, the transformation of the government sectors thereof remains a priority.

According to the National Development Plan, achieving South Africa's transformation agenda requires functional municipalities and a capable machinery at a local level that can create safe and healthy economically-sustainable areas where citizens and people can work, live and socialize. Therefore, it is vital to understand where South Africa is, where the country could be and what needs to be done in order to achieve the developmental vision of the country. The goal of Government is to improve the functioning of municipalities in order to effectively render meaningful basic services to communities by getting the basics right. Since the decentralized system of local government was put in place in 1995, as enshrined in the country's Constitution (i.e. as a 'distinctive, interdependent and interrelated' sphere of government), much has been achieved towards building local government.National Government has provided support to the system of local government through the development of world-class local government legislation and policy, supported by a transparent system of intergovernmental grants that enable municipalities to perform their roles. Furthermore, a wall to wall system of municipalities has been developed for the sole purpose of integrating communities that were previously divided by the apartheid regime. The Local Government White Paper put forward a vision of local government as a key component of the developmental state, and in pursuit of that vision, services have been progressively extended to more citizens than ever before.

His Excellency, President Jacob Zuma, in his State of the Nation Address delivered on the 17th of June 2014, articulated Government's concerns regarding improvements needed at local government level. As part of Government's plan of action to revitalize local government, President Jacob Zuma stated that "South African municipalities are built on a firm foundation, built over the last 20 years of democracy. We have evaluated all our municipalities. We have inspected their financial management, how they work within legislative processes as well as their ability to roll out projects and to address capacity constraints. We have also looked at how they respond to service

delivery protests. There have been many successes in many municipalities. However, we face a number of challenges."

Therefore, against the backdrop of the statement by His Excellency - President Jacob Zuma, the Ministry of Cooperative Governance and Traditional Affairs is pursuing the Back to Basics Approach in order to address the challenges that are faced by local government, and also to strengthen municipalities and instill a sense of urgency towards improving the lives of citizens. The Back to Basics Approach is premised on the recent review of all the 278 municipalities within South Africa, which established three groups of municipalities namely the Top Group, the Middle Group, and the Lower Group. In terms of the Back to Basics Approach, clear benchmarks are set and these are directed towards increasing performance in Government's efforts to ensure that all municipalities perform these basic functions without compromise.

Furthermore, the Back to Basics Approach is of significance because it also supports a transformation agenda which is premised on the need to ensure functional municipalities as outlined by the Minister of Cooperative Governance and Traditional Affairs in his 2014 Budget Vote. The approach is informed by the Constitution, legislation and programmes that are intended at streamlining a new agenda aimed at changing Government's approach and strategic orientation especially at a local level towards serving the people whilst ensuring service delivery.

As part of Government's efforts to recognize and adequately reward good performance and ensure sufficient consequences for under-performance, the Department of Cooperative Governance (DCoG) has developed a set of indicators to be reported on a monthly basis as per the pillars of the Back to Basics Approach. These indicators will functions thus to measure whether Newcastle Municipality is performing in terms of the basics and these are as follows:-

- Putting people first;
- Delivering basic services;
- Good governance;
- Sound financial management; and
- Building capable local government institutions.

According to circular No. 47 of 2014 from the Department of Cooperative Givernance and Traditional Affairs (COGTA), Newcastle Municipality is obliged to furnish the Minister of COGTA with information on a monthly basis in order to assist in the analysis of the state of local governance within South Africa, and also to afford COGTA the opportunity to make an informed assessment in order to be able to support and intervene where needed.

*Table 2: Newcastle Local Municipality's Strategic Alignment with the Back to Basics Key Focus Areas.*

| Back to Basics Focus Area | NLM Strategic Objective | NLM Strategy | NLM Key Performance Indicator | Responsibility |
|---|---|---|---|---|
| Service Delivery and Infrastructure | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality's Jurisdictional Area. | To ensure that the water and sanitation service is rendered in an efficient and affordable manner. | Number of households with access to drinkable water. | SED: Technical Services |
| | | | Number of households with access to sanitation. | |
| | | To promote water conversation and environmental awareness. | Annual review of the WSDP. | |
| | | | Number of awareness campaigns to promote water conversation and environmental awareness. | |
| | | | Reduction of losses by 2% per annum for NRW. | |
| | | | Approved business plans for rural and urban areas. | |
| | To ensure provision and maintenance of safe roads and effective storm-water infrastructure. | To develop and implement the Roads and Storm-Water Infrastructure Plan | Square meters of sidewalks paved. | |
| | | | Kilometres of roads released. | |
| | To ensure access to electricity and other forms of energy where applicable. | To provide electricity within the Newcastle Municipality Licensed Areas. | Number of solar geysers installed. | |
| | | | Number of households with access to electricity. | |
| | | To improve the electricity network in the Newcastle Licensed Areas. | Implementation of Maintenance Plan. | |
| | To provide and ensure a safe and healthy environment. | To keep Newcastle Municipality Area clean. | Implementation of Communication Plan. | |
| | | Implementation of the Waste Management Strategy in line with relevant legislation. | % of backlogs addressed. | |
| | | | Number of registered landfill/ waste disposal sites. | |
| | | | % of complains addressed within 24 hours. | |
| Good Governance and Public Participation. | To ensure good governance through openness and, transparency and accountability in the organisation. | To strengthen executive support services. | Reviewed and adopted IDP | Office of the MM |
| | | | Compliance with record keeping checklist. | |
| | | | Number of MANCO meetings convened. | |
| | | To develop and implement an effective Performance Management System. | Annual review of PMS Policy. | |
| | | | Annual Performance Report submitted to the Auditor General. | |
| | | | Quarterly performance reports submitted to Internal Audit within 25 days of end of quarter. | |
| | | To maintain and implement an effective Risk Management System. | Quarterly reports on implementation of management action plan. | |
| | | | Number of anti-fraud and corruption facilitated. | |
| | | | Quarterly reports on implementation of AG Action Plan to Audit Committee. | |
| | | To provide an effective legal support system. | Develop and maintain applicable legislation database. | |
| | To keep communities and stakeholders informed and involved in the affairs of the Municipality. | To improve both internal and external communication. | Annual review of Public Participation Policy. | |
| | | | Number of training interventions of Ward Committees. | |
| | | | Annual Mayoral IDP/Budget/PMS Roadshows. | |
| Financial Viability and Management. | To ensure sound financial and fiscal management and good governance. | To ensure compliance with financial reporting in terms of relevant legislation. | Compliance with MFMA reporting obligations as per MFMA calendar. | SED: Budget and Treasury Office |

| Back to Basics Focus Area | NLM Strategic Objective | NLM Strategy | NLM Key Performance Indicator | Responsibility |
|---|---|---|---|---|
| | | To ensure compliance with budget planning and implementation | Approved adjustment budget and approved final budget. | |
| Institutional Development/ Capacity. | To ensure the optimal institutional structure to render effective and efficient services aligned to the IDP. | To provide efficient and effective general administrative support services. | Average turnaround time for filling of vacancies. | SED: Cooperate Services |
| | | Implementation and review of the organogram with adequate capacity. | % of critical posts filled as identified and approved by Municipal Manager (as budgeted). | |
| | | | Compliance with submission of employment equity Report. | |
| | | | Number of people from employment equity target groups. | |
| | To ensure productive and competent human capital. | To facilitate human resource development. | Successful submission of the WSP to LGSETA. | |
| | | | Number of policies developed and reviewed. | |

## 2.2.12. Newcastle Local Municipality Vision 2035.

Vision 2035 is based on a Growth and Development Strategy that seeks to advance the development of the space economy towards an inclusive city. The strategy places particular focus on the opportunities available in Newcastle for fostering public private partnerships, hence ensuring socio-economic development, and environmental sustainability. The strategy also seeks to improve development coordination internally amongst the different directorates of the municipality, and externally with various government sector department and/or entities.

Vision 2035 is an expression of the municipal growth path from the spatial planning perspective, with the objective being to stimulate partnerships with various government sector departments, private business, including interested and affected stakeholders for the development of infrastructure and improving service delivery. The Growth and Development Strategy is premised on the municipal vision which reads as follows:-

**"By 2035, Newcastle will be a resilient and economically vibrant city, promoting service excellence to its citizens."**

The Growth and Development Strategy will thus help to guide municipal departments in the prioritisation of both the capital and operational expenditure, in order to realise vision 2035.

❖ **Objectives of the Growth Path.**

- Identify and persuade new strategic partnerships to better control the apparent weakness in the municipality;

- Institutionalise the approved vision of the municipality with the intention being to mobilise all stakeholders involved around a common purpose;
- Keep focus of strategic game changers/catalytic projects whilst enhancing the internally developed systems to work optimally;
- Reduce distraction and hindrances on catalytic projects to realise growth and expansion of the town;
- Reduce wastage of municipal resources through a system of openness and flow of communication between municipal departments and other key stakeholders;
- Enhance the budgeting model driven by the vision of the municipality and prioritization of funding for specific projects;
- Alignment of future plans to maximise positive impact intended towards improvement of the common goal and alienate the element of surprise;
- Be consistent on operational and maintenance of municipal services to boost confidence of local and prospective investors;
- Continuous reflection on the growth path on Vision 2035; and
- Coordinate and integrate efforts towards addressing the internal challenges in order to enhance productivity.

### ❖ Turning Strengths to forms of Beneficiation.

The Growth and Development Strategy is aimed at moving the Newcastle Local Municipality Spatial Development Framework (NLM SDF) from being an academic exercise to a bankable plan with decisive actions, and this is to be achieved through the exploitation of the strengths Newcastle has over the surrounding towns. The following entails the strengths which can be exploited, thus turning into opportunities that will fuel the town towards becoming a metropolis/city:-

- The town is strategically located half-way between Johannesburg, and the harbours of Durban and Richards Bay, which thus gives an opportunity to become an inland logistics hub;
- There is a high agglomeration of economic activities relative to the surrounding towns located in the Northern KwaZulu-Natal region. This gives an opportunity to maximise the region's net gain in wealth through local economies of agglomeration and comparative efficiency linked to an integrated and coordinated business logistics systems;
- There is an excellent multi-modal transportation system (road, rail, and air) to all major cities within South Africa, and this can be enhanced to improve transportation efficiency to propel a growing economy;
- The town is in close proximity to the N11 National Road which thus gives further opportunity for logistics efficiency;
- The recently constructed Techno-hub is a catalytic project that will assist in the promotion of science and technology within the region, hence making Newcastle a centre for research, innovation and development;
- The economy has close relations with international partners, which thus gives opportunities for increasing exportation of locally manufactured content, hence the

town's GDP, and also expansion into new global territories through the formulation of new partnerships that can also draw foreign investments;

- There is a well-advanced manufacturing sector that's making significant contributions towards the GDP, which thus gives opportunities to increase output through enhanced marketing; and
- The town is well-endowed with coal reserves, which thus gives increased opportunities for exploration hence meaningful job creation that's coupled with skills development and training, of course within the framework of the MPRDA and the Mining Charter. The coal reserves also present opportunities for Independent Power Production. The following entails the Operating Mining Activities within the Newcastle Local Municipality's jurisdictional area:-

| OPERATING MINES IN NEWCASTLE LOCAL MUNICIPALITY | | | |
|---|---|---|---|
| **1. AFRISAM – NEWCASTLE – ALPHA** | | | |
| **Mine Code:**<br>**Commodity:**<br>**Owner:**<br>**District:**<br>**Farm:** | 14426<br>Aggregate, Sand Natural<br>Afrisam (SA) (Pty) Ltd<br>Amajuba<br>Alpha 17367 ID 7 50 57 | **Mine Name :**<br>**Type :**<br>**Tel :**<br>**Province :**<br>**Postal :** | Afrisam – Newcastle – Alpha<br>Surface<br>(034) 310 8100<br>KwaZulu-Natal<br>P. O. Box 634<br>Newcastle<br>2940 |
| **2. CHELMSFORD COLLIERY** | | | |
| **Mine Code:**<br>**Commodity:**<br>**Owner:**<br>**District:**<br>**Farm:** | 11359<br>Coal Bituminous<br>Future Coal (Pty) Ltd<br>Amajuba<br>Chelmsford 8642, Herons Court 8521 | **Mine Name :**<br>**Type :**<br>**Tel :**<br>**Province :**<br>**Postal :** | Chelmsford Colliery<br>Opencast<br>(034) 325 0335<br>KwaZulu-Natal<br>P. O. Box 9056<br>Newcastle<br>2940 |
| **3. NATAL CAMBRIAN COLLIERY** | | | |
| **Mine Code:**<br>**Commodity:**<br>**Owner:**<br>**District:**<br>**Farm:** | 10433<br>Coal Bituminous<br>Shanduka Coal (Pty) Ltd<br>Amajuba<br>Ballengeich 3299, Kilbarchan 2969, Mooikrantz 9562 | **Mine Name :**<br>**Type :**<br>**Tel :**<br>**Province :**<br>**Postal :** | Natal Cambrian Colliery<br>Opencast, Underground<br>(034) 621 6000<br>KwaZulu-Natal<br>P. O. Box 43<br>Dundee<br>3000 |
| **4. NATAL CAMBRIAN COLLIERY** | | | |
| **Mine Code:**<br>**Commodity:**<br>**Owner:**<br>**District:**<br>**Farm:** | 12927<br>Silicon Alloys<br>Globe Speciality Metals<br>Amajuba<br>Ballengeich 3299, Kilbarchan 2969, Mooikrantz 9562 | **Mine Name :**<br>**Type :**<br>**Tel :**<br>**Province :**<br>**Postal :** | Silicon Technology (Pty) Ltd<br>Surface<br>(034) 377 7210<br>KwaZulu-Natal<br>P. O. Box 1<br>Ballengeich<br>2942 |
| **5. STEELSERV (PTY) LTD** | | | |
| **Mine Code:**<br>**Commodity:**<br>**Owner:**<br>**District:**<br>**Farm:** | 12003<br>Aggregate, Sand Natural<br>Steelserv SA (Pty) Ltd<br>Amajuba<br>Plant 105 | **Mine Name :**<br>**Type :**<br>**Tel :**<br>**Province :**<br>**Postal :** | Steelserv (Pty) Ltd<br>Surface<br>(034) 314 8572<br>KwaZulu-Natal<br>P. O. Box 5393<br>Newcastle<br>2940 |

- There are other mining prospects in the pipeline such as the Kedoron Colliery that has a 20 year life expectancy. This will increase aggregate coal production within the Amajuba District hence contributing positively towards the GDP;
- There is also a proposed Wind Energy Plant in Emadlangeni Local Municipality, and this will increase opportunities for the diversification of energy sources, hence environmental sustainability;
- There are opportunities for the use of the existing energy grid by ESKOM through integration with that of the decommissioned Ngagane Power Station in order to give additional electricity capacity, either through Independent Power Production, and/or investment by government;
- Newcastle Local Municipality is in abundance of vacant land that is owned by the Municipal Council, and that which is under the custodianship of the Ingonyama Trust Board. This gives an opportunity to investors and private developers with respect to property development, either for residential, commercial, and/or recreational purposes; and
- According to the KZN PGDS, KZN is branded as the gateway to investments into Africa, with commitments to fiscal support to secondary cities, in order spread economic growth and development throughout the entire province. According to the KZN PGDP, Newcastle Local Municipality is identified as a Secondary City which is earmarked to benefit from such provincial fiscal commitments;

### ❖ City Growth Modelling.

The following entails certain attributes of a city:-

- The minimum population is atleast 500 000 people;
- There is well-advanced infrastructure in terms of Information and Communication Technology (ICT);
- There is economic diversity which enables economic resilience from external shocks;
- Caters for a wide variety of educational requirements with well-advanced facilities for primary, secondary and tertiary education;
- Well-advanced economic infrastructure to support a growing economy;
- Well-advanced logistics system to support the transportation requirements of the community and the commercial sector; and
- Sufficient infrastructure to support growth.

### ❖ Statistical Modelling.

Making reference to a comparison between the 2011 Census Data and the more recent 2016 Community Survey, both by Stats SA, Newcastle still needs a further 101 883 people in order to realise its vision of becoming a city by 2035. Based on the detailed analysis of the statistical information, Newcastle has experienced a population increase of 34 881 people over a period of 5 years (2011 Census to 2016 Community Survey). This marks a 1.75% increase per year, which is estimated to be 6 976 people

per annum. The growth experienced during this period is much higher than the growth rate which was experienced between the period 2001 to 2011, and detailed information in this regard may be obtained from the demographic profile under the section that covers the Situational Analysis. The projections have implications on the future infrastructural requirements, which in turn has implications on the funding requirements, both operational and capital. The projections show that Newcastle is on par with reaching its target of becoming a city by 2035. In fact the projections show that by 2031 the population would have reached 502 757 people thus giving a city status.

### ❖ Redetermination of Town Boundaries towards a Metropolitan Status.

The redetermination of the town boundaries is among the approaches towards ensuring the achievement of Vision 2035, and for ensuring the growth of the Newcastle population towards becoming a city. This would entail the expansion of the Newcastle Municipal boundaries to incorporate Dannhauser Local Municipality which currently has a population of 34 442 according to the Stats SA Community Survey of 2016. This approach will require extensive political and community engagements, as well as support from both the KZN Government, and the Demarcation Board.

### ❖ Improved Access to Land.

Population growth has implications on the need for access to well-located land, and, usually, this leads to urbanisation. The basic principle of urbanisation is that people will continue moving towards areas where there is availability of municipal services, and where there is ease of access to social amenities, and economic opportunities. Due to such, the municipality has to make land available for different classes within the community. This includes giving access to land for the low-income, middle-income and high-income earners of the Newcastle community. By making provision for access to land catered for the different levels of income, issues around land invasion can be addressed. The municipality will have to source funding for servicing vacant sites in order to create a conducive environment for the development of sustainable human settlements.

### ❖ Modelling the desirable spatial pattern.

Just like all the other cities and towns within South Africa, the spatial character of Newcastle Local Municipality is a product of poor apartheid planning. The areas of Osizweni and Madadeni are located 25km and 15km away from the main urban centre, respectively, hence lacking access to areas of maximum economic opportunity. From a planning perspective, there is a need for addressing such a weakness through the implementation of the following development principles:-

- Promote the integration of urban land use with transportation;
- Provide for the development of bulk infrastructure and economic infrastructure;
- Promote economic growth and employment opportunities;

- Provide equal access to social services and other transformation requirements such as access to land; and
- Emphasise the preservation of agriculturally significant land, and the conservation of ecologically significant land, and the open space system.

### a) Promotion of the integration of urban land use and transportation.

Spatial inclusion is key to economic growth and development as it ensures that all who reside within the city enjoy the benefits, opportunities, and amenities that are provided by the urban core. The Siyahlala La low income housing development is a symbol of an approach towards compact planning as it was designed with the primary objective of promoting and maximising the integration of future development with existing land uses and infrastructure. The settlement is located approximately 4km from the Newcastle CBD, and 7km from the Riverside Industrial Area, and bordered by an existing settlement with quality infrastructure known as Lennoxton (a former Indian area).

The Siyahlala La settlement has been completed, however efforts towards improved integration with existing land use within the vicinity thereof still continue. The municipality is working towards improving access into the area hence improved connectivity to other areas within Newcastle. This entails the extension of the Albert Wessels Drive in order to create a link between Siyahlala La and the Riverside Industrial Area. Apparently this will reduce the travelling time to approximately 15 minutes, and also result in the reduction of the travelling expenses through an introduction of a public transportation system. The development of the proposed link road will also open up opportunities for developing the Equarand Area which is found North of Siyahlala La.

### b) Provision of bulk infrastructure and the development of economic infrastructure.

Bulk infrastructure is very important in order to support successful implementation of turn-key projects, and thus major upgrades to infrastructure critical for successful implementation of the development initiatives is necessary in order to grow the town. Such upgrades entail, yet are not limited to, sewer upgrades, electricity upgrades, upgrades to the bulk-water infrastructure, upgrades to roads and stormwater management etc.

Development of economic infrastructure is essential towards ensuring local economic development, and a general increase in the GDP of Newcastle. By taking actions towards enhancing economic infrastructure, we enable the creation of favourable conditions towards the creation of a favourable environment for private businesses and entrepreneurship to thrive. This in turn leads to the creation of meaningful job opportunity thus the alleviation of poverty. Due to such, the Newcastle Local Municipality seeks to reposition the Equarand/Newcastle Mall area as a commercial

and recreational node specifically serving the needs of the Newcastle West area, whilst the JBC Node is earmarked to serve a similar purpose for the Newcastle East area.

### c) Equal access to social services and other transformation prospects.

The agenda of equal access to resources has been echoed since the dawn of democracy in 1994. The basic principle is that the citizens of South Africa should have equal access to social facilities, contrary to the principles of poor apartheid planning which were characterised with segregation, and limited access to social amenities. Due to such, future developments of human settlements in Newcastle should capitalise on the existing social facilities thereby decreasing the need for the development of more social facilities, whereas the current ones are being under-utilised. In cases where there is lack of capacity, the municipality will explore the possibility of upgrades, of course based on a comprehensive analysis of the need thereof.

### d) Attract investment towards the creation of meaningful employment opportunities.

The emphasis on the Equarand area as the core commercial area will greatly enhance the growth of the town by creating a focal point for commercial and recreational land use activities. This will further enhance tourism in Newcastle given the fact that Newcastle is already a service centre for the surrounding municipalities within the Northern KZN region. Furthermore, the Equarand/Newcastle mall area is somewhat of a corridor that functions as a gateway into Newcastle. Therefore the development of the corridor for commercial and recreational purposes will have maximum exposure to potential markets of passers-by.

### e) Emphasize the importance of preserving land with agricultural potential, ecologically significant land, and the open space system.

The conservation and maintenance of the municipal open space system is of vital importance in order to achieve environmental sustainability. Currently the majority of the open spaces are characterised with heaps of illegal dumping, and a safe haven for vagabonds with their criminal activities such as drug and alcohol abuse, in naming a few. Added to the same problem are developable open spaces under private ownership which are currently lying vacant and thus subject to land invasions. Also of particular importance is the conservation of land with agricultural potential in order to advance the interest of the poverty eradication Masterplan through agrarian reform that fosters food security. Therefore, a smart green approach towards environmental sustainability will be sought, in line with the Newcastle Municipality's Environmental Management Framework. In as much as a commitment is required from the municipality towards remedying the issues mentioned above, it is also equally important for organised community to play an active role in ensuring the conservation

of the open spaces within their vicinity. This can be achieved through establishing clear roles and responsibilities, and also through capacity building in respect of environment sustainability.

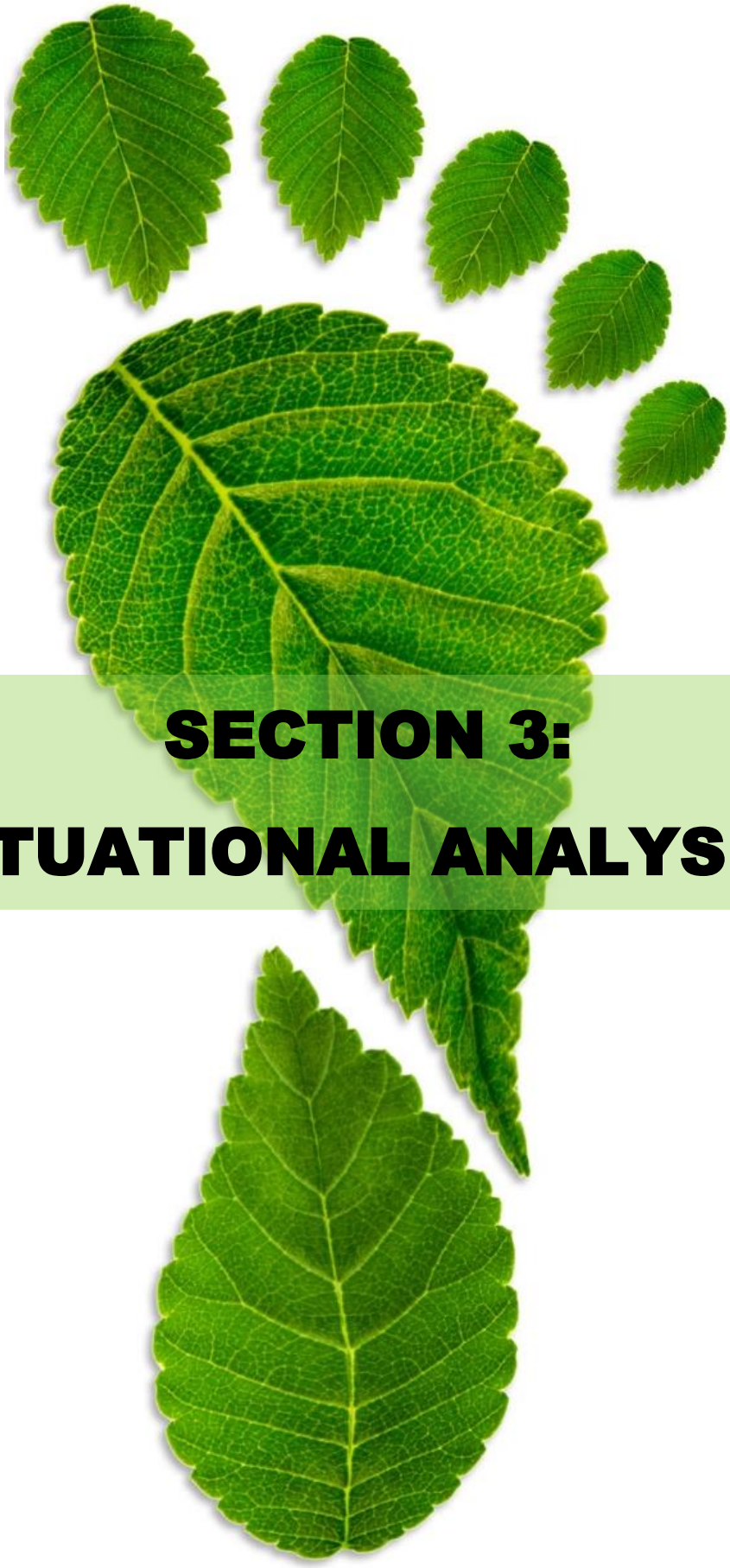
## 2.3. Hierarchy of Plans.

*Table 3: Newcastle Local Municipality's IDP and the alignment with the hierarchy of plans.*

| 5 KEY NATIONAL PRIORITIES | NATIONAL OUTCOME 9 & OUTPUTS | KZN PGDP 7 STRATEGIC GOALS | ADM DGDP 7 STRATEGIC GOALS | NLM IDP STRATEGIC OBJECTIVES |
|---|---|---|---|---|
| Creation of decent work and sustainable livelihoods for inclusive growth | **Output 3:** Implementation of the Community Work Programme | **Goal 1:** Inclusive Economic Growth | **Goal 1:** Expanded Provincial economic output | To facilitate economic development that will result in sustainable job creation. |
| | | **Goal 2:** Human Resource Development | **Goal 2:** The human resource capacity of the province is adequate, relevant | To ensure the optimal institutional structure to render effective and efficient services aligned to the IDP. |
| | | | | To ensure productive and competent human capital. |
| | | | | To ensure efficient administrative support services. |
| | **Output 4:** Actions supportive of the human settlement outcome | **Goal 4:** Strategic Infrastructure | **Goal 4:** Strategic infrastructure that provides for the social and economic growth and development needs of Amajuba District. | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle. |
| | | | | To ensure the provision and maintenance of safe roads and effective storm-water infrastructure. |
| | | | | To ensure access to electricity and other forms of energy where possible. |
| | | | | To provide and ensure a healthy and safe environment. |
| Rural development, land reform and food security for inclusive growth | **Output 2:** Improving access to basic services | **Goal 3:** Human and Community Development | **Goal 3:** Poverty and inequality in Amajuba is reduced | To respond to the needs of vulnerable groups. |
| | | | | Youth Development and Women Empowerment. |
| | | | | To facilitate the provision of houses in line with the national and provincial norms and standards. |
| | | | | To improve access to basic services. |
| | | | | to create Human Settlements that are economically viable, aesthetically pleasant, habitable and vibrant. |
| | | | | To ensure efficient management of community facilities. |
| | | **Goal 5:** Environmental Sustainability | **Goal 5:** Reduced global greenhouse gas emissions and create social-ecological capacity to adapt to climate change | To promote sustainable development and environmental awareness. |
| Education | | **Goal 2:** Human Resource Development | | To ensure productive and competent human capital. |

| 5 KEY NATIONAL PRIORITIES | NATIONAL OUTCOME 9 & OUTPUTS | KZN PGDP 7 STRATEGIC GOALS | ADM DGDP 7 STRATEGIC GOALS | NLM IDP STRATEGIC OBJECTIVES |
|---|---|---|---|---|
| | **Output 5:** Deepen democracy through a refined Ward Committee model | | **Goal 2:** The human resource capacity of the province is adequate, relevant | To ensure efficient administrative support services. |
| Health | **Outcome 4:** Actions supportive of the human settlement outcome | **Goal 3:** Human and Community Development | **Goal 3:** Poverty and inequality in Amajuba is reduced | To respond to the needs of vulnerable groups. |
| | | | | To manage the effect of HIV/AIDS within the jurisdiction of Newcastle Municipality. |
| Fighting crime and corruption | **Output 1:** Implement a differentiated approach to municipal financing, planning and support | **Goal 6:** Governance and Policy | **Goal 6:** The population of Amajuba is satisfied with the level of government service delivery | To ensure good governance through openness, transparency and accountability in the organization. |
| | **Output 6:** Administrative and financial capability | **Goal 6:** Governance and Policy | **Goal 6:** The population of Amajuba is satisfied with the level of government service delivery | To ensure good governance through openness, transparency and accountability in the organization. |
| | | | | To keep the communities and stakeholders informed and involved in all municipal affairs. |
| | **Output 7:** Single window of coordination | **Goal 6:** Governance and Policy | **Goal 6:** The population of Amajuba is satisfied with the level of government service delivery | To ensure an effect internal audit function. |
| | | **Goal 7:** Spatial Equity | **Goal 7:** Increased spatial access to goods and services in Amajuba | To promote spatial restructuring and integration. |





# SECTION 3:
# SITUATIONAL ANALYSIS.

# 3. STATUS QUO ANALYSIS.

Future development within Newcastle Local Municipality should respond directly to the development trends, patterns, needs and aspirations of those who live and/or work within the area. It must be relevant to the local context while also contributing to the attainment of the provincial and national development imperatives. This section of the IDP provides a detailed analysis of the current development situation within NLM. It is structured substantially in accordance with the Key Performance Areas (KPA), and also takes into consideration issues that are pertinent to Newcastle Local Municipality. The national KPA's are as follows:-

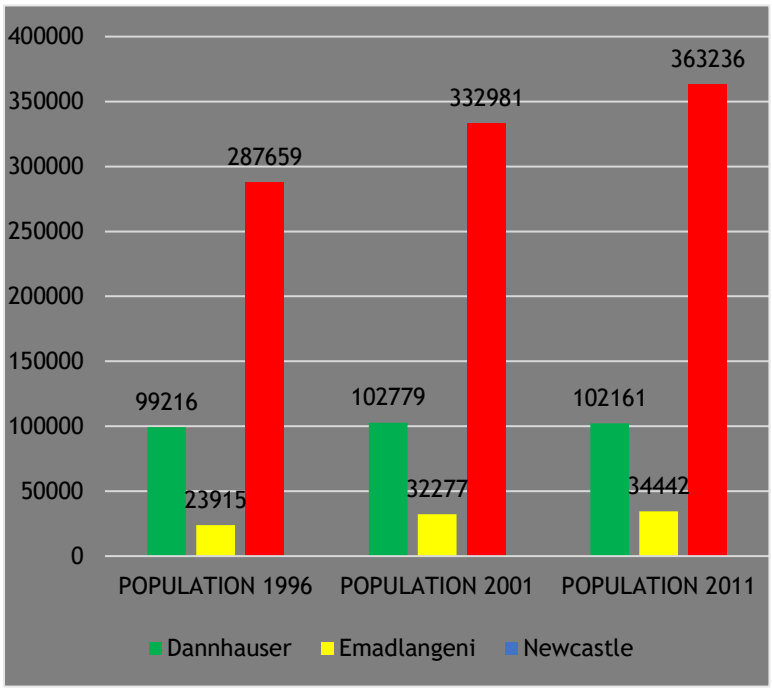
- Municipal Transformation and Institutional Development;
- Good Governance and Public Participation;
- Financial Viability and Management;
- Basic Service Delivery;
- Local Economic Development and Social Development; and
- Cross Cutting Issues.

## 3.1. Demographic Profile.

### 3.1.1.Population Size and Growth Patterns (Stats SA: 2011 Census).

The statistical data reflected on the IDP mainly focuses on a comparison of data released in 2011 as the Census Data, and data released in 2016 as the Community Survey, both by Statistics SA. The 2011 Census Data has since been overlaid onto the 2016 boundaries in order to ensure alignment with the recent ward delimitation by the Municipal Demarcation Board which saw the Newcastle Local Municipality growing from having 31 wards to 34 wards. However, kindly note that the growth is merely due to a reconfiguration of the ward boundaries, and not due to an increase in the overall geographical area under the jurisdiction of the Newcastle Local Municipality. This simply means that the total geographical area of some wards has been reduced for administrative purpose, thus resulting in additional wards. Furthermore, there are some areas which previously fell under a certain ward, and they got incorporated into other wards as a result of the reconfiguration.

The official government figures reflected in the 2011 census data estimated the total population of Newcastle Local Municipality to be 363 236 people. This marked a population increase of 0.83% per annum between 2001 and 2011, which is about 3 025 people a year over a period of 10 years. A further look into historical data shows that the growth rate has decreased slightly when compared to that of the period 1996 to 2001 whereby the population increased by 2.72% per annum, which is an average of 9 064 people a year over a period of 5 years. The decrease is highly attributed to the global recession experienced in the year 2008 which resulted in a decrease in direct foreign investments which in turn affected job security, thus greatly impacting on the migration patterns.




*Source: Stats SA 2011 Census Data.*

*Table 4: Population Growth and Density in ADM in 2011.*

| | 2011 | | | | |
|---|---|---|---|---|---|
| **District** | **Population Size** | **% Share of KZN Population** | **% Share of Amajuba Population** | **Area in Square km** | **Population Density (ppl/km2)** |
| KwaZulu-Natal | 10 267 299 | | | 93 378 | 109.9 |
| Amajuba | 499 839 | 4.9 | | 6 921 | 72.2 |
| **Newcastle** | **363 236** | **3.5** | **72.7** | **1 689** | **215** |
| Emadlangeni | 34 440 | 0.3 | 6.9 | 3 714 | 9.27 |
| Dannhauser | 102 162 | 1.0 | 20.4 | 1 518 | 67.3 |

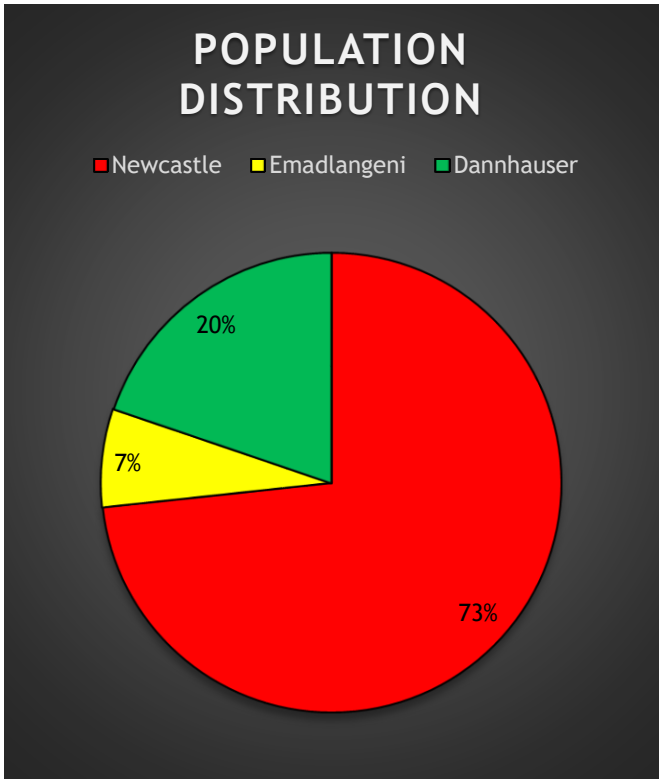
*Source: Stats SA 2011 Census Data.*

This trend is a characteristic of the whole district with municipalities such as Dannhauser recording a negative growth rate between 2001 and 2011. However, even though there was a decrease in the growth rate within the period 2001 to 2011, the population growth rate in Newcastle still remains higher than that of the district average which is 0.63% per annum over a period of 10 years, hence making Newcastle Local Municipality the fastest growing municipality in the district in terms of population size. According to the 2011 Census Data, Newcastle accounted for 73% of the total district population in 2011, 20% and 7% for Dannhauser and Emadlangeni Municipalities respectively.

### 3.1.2.Population Size and Growth Patterns (Stats SA: 2016 Community Survey).

Table 5: Population Growth and Density.

| 2016 | | | | | |
|---|---|---|---|---|---|
| District | Population Size | % Share of KZN Population | % Share of Amajuba Population | Area in Square km | Population Density (ppl/km2) |
| KwaZulu-Natal | 11 065 240 | | | 93 378 | 118.5 |
| Amajuba | 531 327 | 4.8 | | 6 921 | 76.8 |
| **Newcastle** | **389 117** | **3.6** | **73.3** | **1 689** | **235.7** |
| Emadlangeni | 36 869 | 0.3 | 6.9 | 3 714 | 9.9 |
| Dannhauser | 105 341 | 0.9 | 19.8 | 1 518 | 69.4 |




*Source: Stats SA 2011 Census Data.*

An analysis of the population figures released under the 2016 Community Survey reveals that Newcastle has further experienced population growth, with the total population being 389 117 people. This marks a population increase of 25 881 people over a period of 5 years, which is 1.34% per annum (5 176 people). This is still higher than the growth rate which was experienced during the period 2001 to 2011 even though it's much lower than that of the period 1996 to 2001. This also shows that there has been a general increase in the population within the Amajuba District, with Newcastle Local Municipality still accomodating a much higher percentage of the population relative to Dannhauser and Emadlangeni. An increasse in the population without a significant increase in the geographical area results in an increase in the population density per square kilometre. One of the challenges that ensues due to such entails increased pressures on infrastructure as it operates beyond carrying capacity.

Newcastle Local Municipality has a vision of becoming a city by the year 2035, and one of the prerequisites to becoming a city is premised on the number of people residing within Newcastle. In light of the above, the projected population in Newcastle for the year 2038 will be 502 988 people, of course that's based on an assumption that everything remains constant (ceteris paribus). Some of the factors to be considered which affect population growth within Newcastle are as follows:-

- Availability of job opportunities;
- Availability of quality education facilities;
- Access to quality infrastructure;
- Access to quality healthcare facilities;
- Improved safety and security;
- Accessibility to places of leisure and tourism;
- Agglomeration of economies; and
- Accessibility to intermodal options of transportation that promote efficiency in logistics.

| POPULATION PROJECTIONS | | |
|---|---|---|
| YEAR | NO. OF PEOPLE | % GROWTH |
| 1996 | 287 659 | 2.72 |
| 1997 | 296 723 | 2.72 |
| 1998 | 305 787 | 2.72 |
| 1999 | 314 851 | 2.72 |
| 2000 | 323 915 | 2.72 |
| 2001 | 332 981 | 2.72 |
| 2002 | 336 006 | 0.83 |
| 2003 | 339 031 | 0.83 |
| 2004 | 342 056 | 0.83 |
| 2005 | 345 081 | 0.83 |
| 2006 | 348 106 | 0.83 |
| 2007 | 351 131 | 0.83 |
| 2008 | 354 156 | 0.83 |
| 2009 | 357 181 | 0.83 |
| 2010 | 360 206 | 0.83 |
| 2011 | 363 236 | 0.83 |
| 2012 | 368 412 | 1.34 |
| 2013 | 373 588 | 1.34 |
| 2014 | 378 764 | 1.34 |
| 2015 | 383 940 | 1.34 |
| 2016 | 389 117 | 1.34 |
| 2017 | 394 292 | 1.34 |
| 2018 | 399 468 | 1.34 |
| 2019 | 404 644 | 1.34 |
| 2020 | 409 820 | 1.34 |
| 2021 | 414 996 | 1.34 |
| 2022 | 420 172 | 1.34 |
| 2023 | 425 348 | 1.34 |
| 2024 | 430 524 | 1.34 |
| 2025 | 435 700 | 1.34 |
| 2026 | 440 876 | 1.34 |
| 2027 | 446 052 | 1.34 |
| 2028 | 451 228 | 1.34 |
| 2029 | 456 404 | 1.34 |
| 2030 | 461 580 | 1.34 |
| 2031 | 466 756 | 1.34 |
| 2032 | 471 932 | 1.34 |
| 2033 | 477 108 | 1.34 |
| 2034 | 482 284 | 1.34 |
| 2035 | 487 460 | 1.34 |
| 2036 | 492 636 | 1.34 |
| 2037 | 497 812 | 1.34 |
| **2038** | **502 988** | 1.34 |

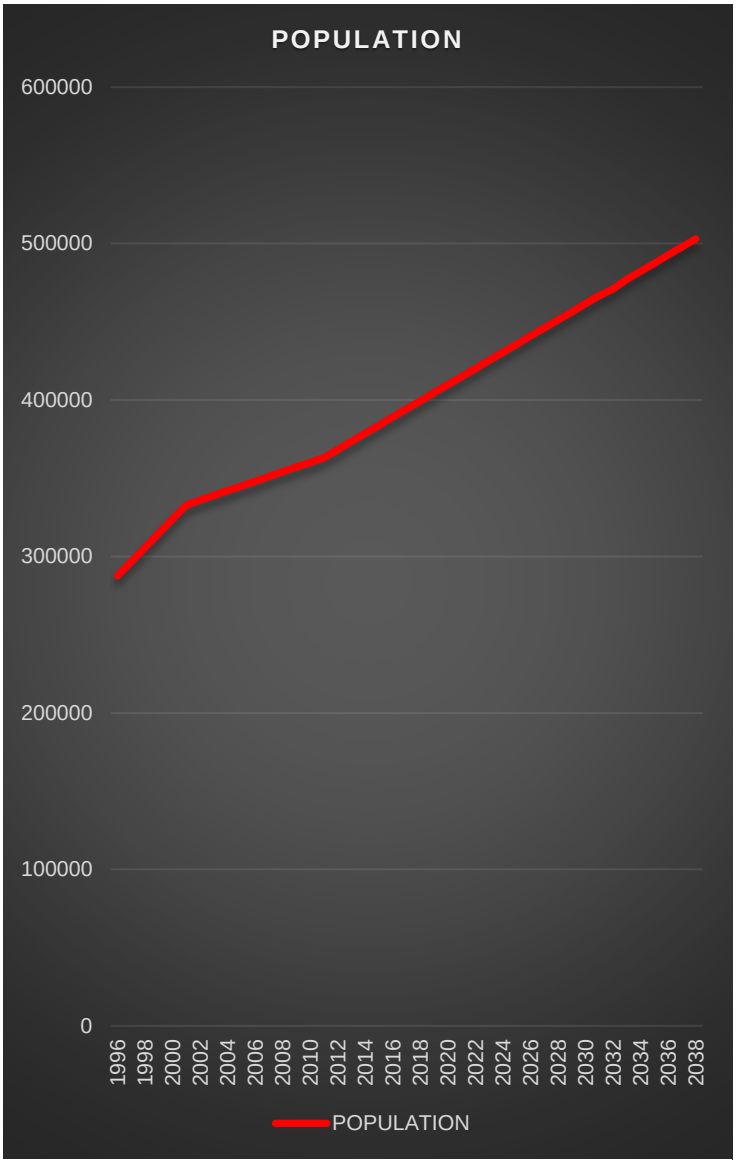



*Figure 8: Projected population growth in Newcastle.*

Therefore, in order to ensure that Newcastle becomes a city by 2035, the creation of favourable conditions for the attraction of more people into Newcastle, at a rate higher than the projections above, is very essential.

### 3.1.3. Household Size (2011 Census Data and 2016 Community Survey).

A household is either a group of people living together and provide themselves jointly with food and/or other essentials for living, or it is a single person on his/her own. An individual is considered part of a household if he/she spends at least four nights a week within the household. The 2011 Census Data from Stats SA shows that, during the release of the figures, Newcastle was found to account for the majority of the households found within Amajuba District. This is consistent with the population distribution during the same period which suggests that the majority of the population within the district resides in the Newcastle Local Municipal area. The recorded average household size was 4.3 people which suggest a slight decline in average household size from the one which was recorded in the year 2001 which is 4.6.

*Figure 9: Number of Households within ADM during comparing 2001 and 2011.*

| LOCAL MUNICIPALITIES | NUMBER OF HOUSEHOLDS | | AVERAGE HOUSEHOLD SIZE | | FEMALE HEADED HOUSEHOLDS % | |
|---|---|---|---|---|---|---|
| | 2001 | 2011 | 2001 | 2011 | 2001 | 2011 |
| **Newcastle** | **71 164** | **86 024** | **4.6** | **4.3** | **45.1** | **47.5** |
| Emadlangeni | 6 187 | 6 252 | 4.8 | 5.5 | 32.2 | 38.8 |
| Dannhauser | 19 320 | 20 439 | 5.3 | 5.0 | 48.6 | 50.7 |
| **Amajuba** | 96 670 | 110 963 | 4.8 | 4.5 | 44.9 | 47.6 |

*Source: Stats SA 2011 Census Data.*

The statistical figures released under the community survey reveal a further increase to the households within the Amajuba District, with Newcastle Local Municipality still taking the lead in terms of occupying a higher percentage of the households as compared to Emadlangeni and Dannhauser. As of 2016, Newcastle accommodates 77% (90 347 households) of the total number of households within the Amajuba District, which thus has implications on spatial growth and urbanisation. A comparison of the number of households between the figures released in 2011 and those released in 2016 shows that the growth rate thereof is 0.96% which is about 846 household per year over a period of 5 years.

*Table 6: Number of households in ADM in 2016.*

| 2016 | | | | | | |
|---|---|---|---|---|---|---|
| | Male | % | Female | % | Grand Total | % share of households in ADM |
| Amajuba | 60 547 | 51.6 | 56 709 | 48.4 | 117 256 | |
| **Newcastle** | **46 824** | **51.8** | **43 523** | **48.2** | **90 347** | **77.0** |
| Emadlangeni | 3 648 | 54.7 | 3 019 | 45.3 | 6 667 | 5.5 |
| Dannhauser | 10 075 | 49.8 | 10 167 | 50.2 | 20 242 | 17.5 |

*Source: 2016 Stats SA Community Survey.*

A look at the figures for 2001 and those for 2011 shows that there has been an increase in the number of households headed by women from 45.1% in 2001 to 47.5% in 2011, and this is in line with the district average of 47.6%. A further look at the 2016

figures shows that the number of female-headed households has grown higher to 48.2%. This read together with the relative decline in the population growth rate suggests an increasing level of circular migration due to the emigration of males in search of better job opportunities elsewhere, and an increasing breakdown in extended and compounded households. Furthermore, the growth in the number of female headed households has implication on the mortality rate of the females when compared with the males, and this is consistent with the population distribution when comparing males to females. Female headed households are largely associated with deprivation and poverty, and there is a general consensus that such households face limits in accessing productive assets, credit, health care and agricultural services.

According to the 2011 Census Data, the average number of households within all the wards in Newcastle was estimated at 2 503 households per ward, and about 47% of the wards had a concentration of households that is above the average, while the rest of the 57% below the average. The majority of such wards with the highest concentration of the households are found within the Newcastle East area, which has implications thereof on the density and the growth trajectory of Newcastle, including the development pattern in spatial terms. Furthermore, it was noticed that such growth is taking place within the urban realm which thus has implications on urbanisation characterised by the development of settlements (formal and informal) closer to places of economic opportunity.

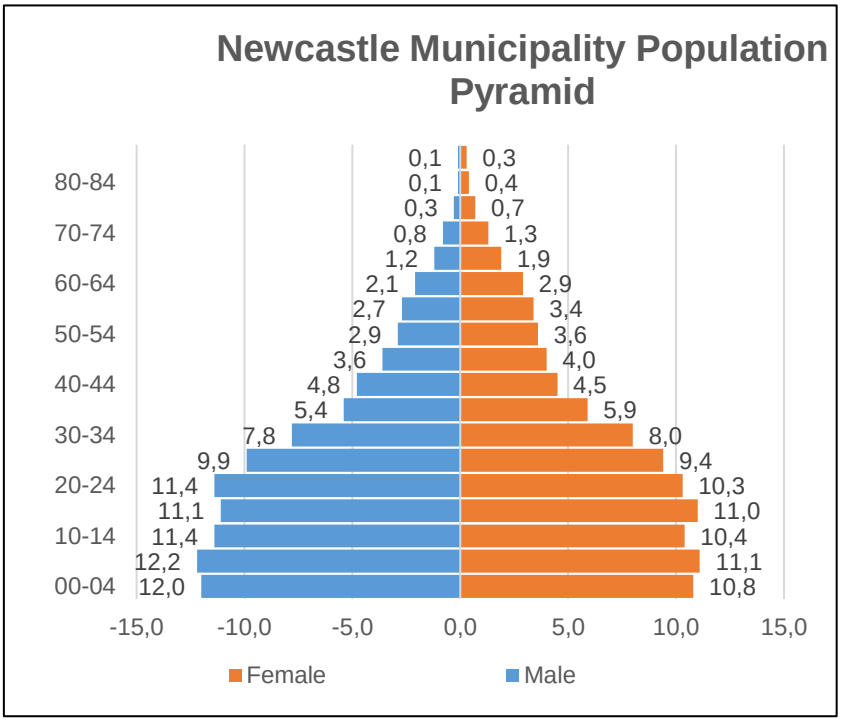
### 3.1.4.Age Structure (2016 Community Survey).

Newcastle's population is relatively young with 44.9% of the total population being younger than 19 years of age, and the age group between 20 and 34 years accounting for 28% of the of the total population. Collectively the youth in Newcastle (0 – 34 years) makes up 72.9% of the total population, and this places immense pressure on the provision of educational facilities, social welfare, health services and the stimulation of the economy to provide job opportunities and economic development. Also implied by the young population is that there is still a relatively high dependency ratio due to a very high majority being below the working age. The high rate of youth population is also an indication that there is a high fertility rate within Newcastle, thus a need for birth control measures.

It has been observed that there is a high rate of emigration of youth from Newcastle to cities like Johannesburg and Durban, and it has been deduced that the main contributing factor relates to the unavailability of institutes of higher learning in Newcastle. The emigration of the youth and economically active population implies an increasing need for both recreational and educational facilities (i.e. shopping malls and institutes of higher learning) locally, and places more pressure on the need for employment opportunities.

| | Male | Female | Grand Total |
|---|---|---|---|
| 00-04 | 22386 | 21889 | 44275 |
| 05-09 | 22776 | 22613 | 45389 |
| 10-14 | 21144 | 21056 | 42200 |
| 15-19 | 20748 | 22319 | 43067 |
| 20-24 | 21193 | 20818 | 42011 |
| 25-29 | 18498 | 19013 | 37511 |
| 30-34 | 14607 | 16298 | 30905 |
| 35-39 | 10130 | 12038 | 22168 |
| 40-44 | 8882 | 9205 | 18087 |
| 45-49 | 6795 | 8150 | 14944 |
| 50-54 | 5379 | 7384 | 12763 |
| 55-59 | 4945 | 6879 | 11824 |
| 60-64 | 3981 | 5796 | 9777 |
| 65-69 | 2277 | 3889 | 6166 |
| 70-74 | 1490 | 2720 | 4210 |
| 75-79 | 619 | 1519 | 2138 |
| 80-84 | 212 | 747 | 959 |
| 85+ | 184 | 538 | 722 |
| Grand Total | 186246 | 202871 | 389117 |

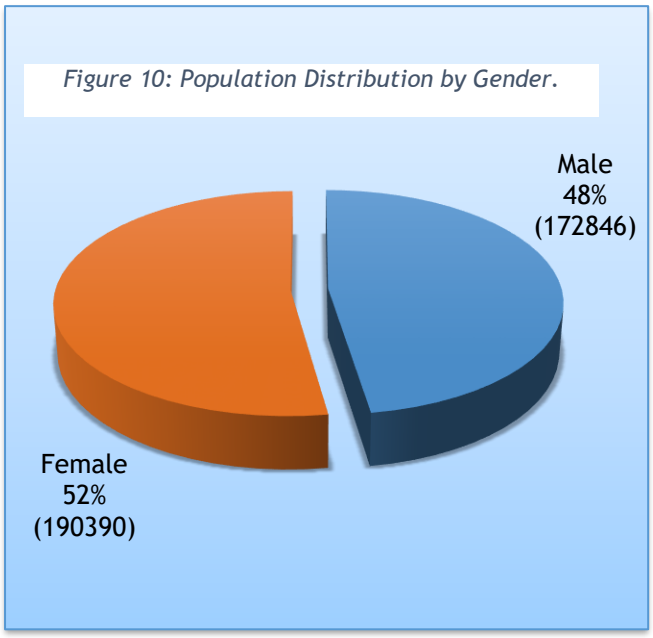
*Source: 2016 Stats SA Community Survey.*




*Source: 2016 Stats SA Community Survey.*

### 3.1.5.Gender Distribution (2016 Community Survey).

Regarding gender distribution within the Newcastle municipal area, 52% of the total population is female while males account for the remaining 48%. This observed trend in gender distribution conforms to the National norm. Due to such, there is a need for programmes specifically targeted towards gender equality. In response to this, Newcastle Municipality has prioritized gender issues as part of its Special Programmes under Operation Sukuma Sakhe. It is imperative that specific projects and programmes aligned to the National Program should be developed and rolled out in line with the municipal program of action.

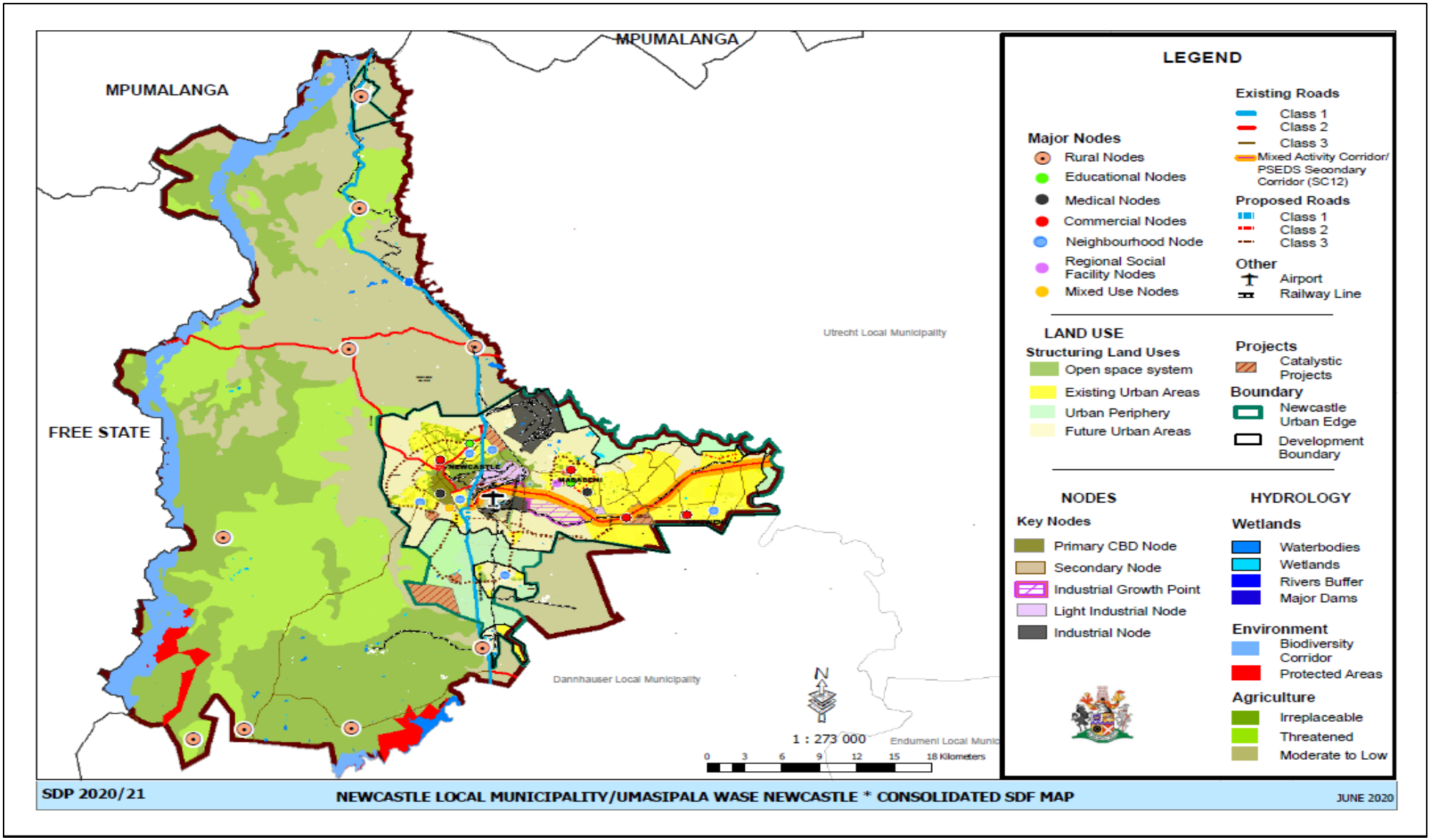



*Source: Stats SA, 2011 Census Data.*

### 3.1.6.HIV/Aids.

The HIV and AIDS pandemic has had a profound impact on both the quality of life of communities and families and on the economy. A number of initiatives have been implemented through the National Department of Health to combat the current

epidemic, however major challenges still remain. Within Newcastle, the number of HIV positive persons has increased at an average annual growth rate of 2.9% during the period 2000 - 2010, bringing the percentage of the population with HIV to almost 17% of the total population. The number of AIDS related deaths has increased at an average annual growth rate of 8.7% during the period 2000 – 2010, with AIDS deaths accounting for about 62% of total deaths in the municipality. This highlights the severity of the current situation and the need for interventions that target and attempt to address these HIV/AIDS challenges.




*Map 1: NLM Consolidated SDF Map.*

The Consolidated SDF Map above depicts the concentration of the population within Newcastle. The current settlements pattern is a spatial response to urbanization which has seen the population movement from the Newcastle East Area to the Newcastle West Areas tha are locarted closer to CBD. This is based on the proximity of this area to economic opportunities in the form of the surrounding Industrial Area and the Newcastle CBD. This places pressure on Council to provide a variety of housing typologies such as Social Housing Units, Community Residential Unis, and Rental Housing Stock around the Newcastle CBD. With the general population close to places of employment opportunity, it will decrease reliance on public transportation hence introducing new modes of mobility such as walking and cycling that will ultimately lead to a decrease in the levels of greenhouse gas emissions hence environmental sustainability.

## 3.2. Education Profile.

### 3.2.1.2001 and 2011 Census Data.

Since from the year 2001, significant progress has been made with regards to the improvement of the levels of literacy in Newcastle. In terms of the total number of people who did not have any formal education, there has been a significant decline from 11.33% (37 738) in 2001 to 4.75% (17 270) in 2011. In terms of gender, the situation remains unchanged. In 2001 the highest concentration of illiteracy within Newcastle was amongst the female population at 54.58% (20 598) as compared to the male population at 45.42% (17 140). In the year 2011 the highest concentration of illiteracy was amongst the female population at 59.21% (10 149) as compared to the male population at 40.49% (7 121). This implies that illiteracy levels are increasing amongst the female population whilst they decrease amongst the male population. The illiteracy gap in terms of gender remains at 3 028 females more than the males. This might also be attributed to teenage pregancy hence resulting in high levels of drop outs among the female population.

In terms of the number of people with access to primary education as the highest level of education (Grade 0 – Grade 9), there has been a decreased since 2001. In 2001 the number of people who had access to primary education as the highest level of education constituted 52.08% (173 404) of the total population. This decreased in the year 2011 to 40.11% (145 730). In terms of the people with secondary education (Grade 10 – Grade 12) as the highest level of education, Newcastle has shown some progress. In the year 2001 the number of people with secondary education as the highest level of education constituted 27.99% (93 229) of the total population. This increased in the year 2011 to 35.66% (129 522). The assumption made regarding the observed decrease in primary education and the increase in secondary education is that the majority of the population that was surveyed as having access to primary education in 2001 have progressed and went on to secondary school in 2011.

There has been a drastic increase in the number of people with access to tertiary education as the highest level of education from the period 2001 to 2011. In 2001 the

number of people who had access to tertiary education as the highest level of education constituted 1.81% (6 040) of the total population whereas in 2011 they constitute 3.35% (12 177) of the total population. In basic terms, the amount has double from what it was in the year 2001. In terms of the number of people with access to higher post graduate education as the highest level of education, we have also seen an increase. In 2001 the number of people with access to higher post graduate education as the highest level of education constituted 3.15% (10 497) of the total population whereas in 2011 this increased to 4.05% thus marking a 0.9% increase at a growth rate of 0.09% increase annually. However, it is envisaged that the figure pertaining to the number of people with access to higher education as the highest level of education could rise drastically if some tertiary institutions were to be introduced within the confines of the Newcastle Local Municipality. This would also aid in the provision of employment opportunities and help in retaining highly qualified labour within Newcastle.

*Table 7: The rate of literacy within Newcastle.*

| | 2001 | | | 2011 | | |
|---|---|---|---|---|---|---|
| | **Male** | **Female** | **Grand Total** | **Male** | **Female** | **Grand Total** |
| Grade 0 | - | - | - | 6 736 | 6 418 | **13 154** |
| Grade 1 / Sub A | 7 664 | 7 192 | **14 856** | 5 942 | 5 937 | **11 878** |
| Grade 2 / Sub B | 5 424 | 5 419 | **10 843** | 5 715 | 6 284 | **11 999** |
| Grade 3 / Std 1/ABET 1Kha Ri Gude;SANLI | 6 939 | 7 300 | **14 239** | 5 553 | 6 121 | **11 674** |
| Grade 4 / Std 2 | 7 683 | 8 262 | **15 945** | 6 486 | 6 912 | **13 397** |
| Grade 5 / Std 3/ABET 2 | 7 355 | 7 865 | **15 221** | 6 061 | 6 679 | **12 740** |
| Grade 6 / Std 4 | 7 307 | 8 424 | **15 731** | 6 279 | 6 708 | **12 987** |
| Grade 7 / Std 5/ ABET 3 | 9 387 | 11 009 | **20 396** | 7 606 | 8 577 | **16 183** |
| Grade 8 / Std 6 / Form 1 | 10 829 | 12 345 | **23 174** | 10 597 | 11 851 | **22 448** |
| Grade 9 / Std 7 / Form 2/ ABET 4 | 9 003 | 10 603 | **19 603** | 9 117 | 10 153 | **19 270** |
| Grade 10 / Std 8 / Form 3 | 12 247 | 14 761 | **27 009** | 13 355 | 15 138 | **28 493** |
| Grade 11 / Std 9 / Form 4 | 9 001 | 10 819 | **19 820** | 12 996 | 15 241 | **28 237** |
| Grade 12 / Std 10 / Form 5 | 21 924 | 24 476 | **46 400** | 34 279 | 38 513 | **72 792** |
| NTC I / N1/ NIC/ V Level 2 | - | - | - | 515 | 495 | **1 011** |
| NTC II / N2/ NIC/ V Level 3 | - | - | - | 575 | 390 | **965** |
| NTC III /N3/ NIC/ V Level 4 | - | - | - | 709 | 417 | **1 126** |
| N4 / NTC 4 | - | - | - | 732 | 491 | **1 223** |
| N5 /NTC 5 | - | - | - | 469 | 337 | **806** |
| N6 / NTC 6 | - | - | - | 576 | 360 | **936** |
| Certificate with less than Grade 12 / Std 10 | 500 | 482 | **981** | 237 | 262 | **499** |
| Diploma with less than Grade 12 / Std 10 | 242 | 328 | **570** | 185 | 288 | **473** |
| Certificate with Grade 12 / Std 10 | 2 298 | 2 191 | **4 489** | 2 312 | 2 826 | **5 138** |
| Diploma with Grade 12 / Std 10 | 2 753 | 4 472 | **7 225** | 2 158 | 2 966 | **5 124** |
| Higher Diploma | - | - | - | 1 515 | 2 192 | **3 707** |
| Post Higher Diploma Masters; Doctoral Diploma | - | - | - | 301 | 329 | **630** |
| Bachelors Degree | 862 | 917 | **1 779** | 1 041 | 1 349 | **2 390** |
| Bachelors Degree and Post graduate Diploma | 398 | 408 | **806** | 397 | 424 | **822** |
| Honours degree | 204 | 200 | **404** | 421 | 601 | **1 022** |
| Higher Degree Masters / PhD | 187 | 96 | **283** | 298 | 209 | **508** |
| Other | - | - | - | 267 | 256 | **523** |
| No schooling | 17 140 | 20 598 | **37 738** | 7 121 | 10 149 | **17 270** |
| Unspecified | - | - | - | - | - | **-** |
| Not applicable | 17 786 | 17 681 | **35 467** | 22 298 | 21 514 | **43 812** |
| **Grand Total:** | **157 134** | **175 847** | **332 982** | **172 846** | **190 390** | **363 236** |

*Source: Stats SA, 2001 and 2011 Census Data*

The highest concentration of people who have never been to school what-so-ever is mostly within the Newcastle East Area. This has implications thereof on the level of employability of such individuals, hence a need for the establishment of a wide range of educational facilities to the benefit of both the young and old, males and females, and such includes, amongst other things, Early ChildHood Development Centres (ECDs),

education centre, libraries etc. The intended purposes for such interventions is to improve the levels of literacy through capacity building, skills and training that will improve employability towards poverty alleviation.

### 3.2.2.2016 Community Survey.

According to the 2016 Community Survey the number of people who have never been to school has increased. With reference to the total population recorded in the 2016 Community Survey, the number of people who have no school what-so-ever has increased to 14% (55 737 people) of the total population, whereas in 2011 the figures of the Census Data were recorded as 4.75% (17 270 people) of the total population. In terms of gender, there has been some improvements in terms of bridging the gap of illiteracy levels. Out of the total number of people who were recorded as not having any form of schooling what-so-ever, 50.8% (28 319 people) makes up the female illiterates, and 49.2% (27 418 people) makes up the male illiterates. In 2011 the illiteracy gap between males and females was 3 028 females more than the males, and as of 2016 it has been recorded as 901 females more than males.

*Table 8: Literacy levels within Newcastle.*

| | Male | Female | Grand Total |
|---|---|---|---|
| No schooling | 27418 | 28319 | **55737** |
| Grade 0 | 8226 | 8147 | **16372** |
| Grade 1/Sub A/Class 1 | 5958 | 5895 | **11853** |
| Grade 2/Sub B/Class 2 | 5059 | 5246 | **10304** |
| Grade 3/Standard 1/ABET 1 | 7200 | 7228 | **14428** |
| Grade 4/Standard 2 | 6525 | 7285 | **13810** |
| Grade 5/Standard 3/ABET 2 | 6231 | 6728 | **12960** |
| Grade 6/Standard 4 | 7248 | 7701 | **14949** |
| Grade 7/Standard 5/ABET 3 | 7452 | 7896 | **15347** |
| Grade 8/Standard 6/Form 1 | 8095 | 9521 | **17616** |
| Grade 9/Standard 7/Form 2/ABET 4/Occupational certificate NQF Level 1 | 9330 | 10578 | **19909** |
| Grade 10/Standard 8/Form 3/Occupational certificate NQF Level 2 | 14712 | 16514 | **31226** |
| Grade 11/Standard 9/Form 4/NCV Level 3/ Occupational certificate NQF Level 3 | 16883 | 20736 | **37618** |
| Grade 12/Standard 10/Form 5/Matric/NCV Level 4/ Occupational certificate NQF Level 3 | 41635 | 45638 | **87273** |
| NTC I/N1 | 227 | 186 | **412** |
| NTCII/N2 | 450 | 157 | **607** |
| NTCIII/N3 | 1186 | 399 | **1585** |
| N4/NTC 4/Occupational certificate NQF Level 5 | 968 | 435 | **1403** |
| N5/NTC 5/Occupational certificate NQF Level 5 | 437 | 589 | **1026** |
| N6/NTC 6/Occupational certificate NQF Level 5 | 1126 | 829 | **1955** |
| Certificate with less than Grade 12/Std 10 | 51 | 173 | **224** |
| Diploma with less than Grade 12/Std 10 | 111 | 202 | **312** |
| Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF | 780 | 1451 | **2230** |
| Diploma with Grade 12/Std 10/Occupational certificate NQF Level 6 | 1915 | 3063 | **4978** |
| Higher Diploma/Occupational certificate NQF Level 7 | 1192 | 1565 | **2757** |
| Post-Higher Diploma (Masterâ€™s | 384 | 576 | **960** |
| Bachelorâ€™s degree/Occupational certificate NQF Level 7 | 1952 | 2524 | **4476** |
| Honours degree/Post-graduate diploma/Occupational certificate NQF Level 8 | 667 | 944 | **1611** |
| Masterâ€™s/Professional Masterâ€™s at NQF Level 9 degree | 202 | 185 | **387** |
| PHD (Doctoral degree/Professional doctoral degree at NQF Level 10) | 138 | 131 | **269** |
| Other | 350 | 252 | **602** |
| Do not know | 1993 | 1731 | **3724** |

| | Male | Female | Grand Total |
|---|---|---|---|
| Unspecified | 148 | 46 | **194** |

There has been a notable decrease in the number of people with primary education (Grade 0 – Grade 9) as the highest level of education. A closer look into the figures from the 2001, 2011 Census Data, and the 2016 Community Survey shows that there's been a decrease since 2001. In 2001 the total population recorded as having primary education constituted 52% of the total population, in 2011 they constituted 21% of the total population, and in 2016 they were recorded as constituting 38% of the total population.

## 3.3. Population by ward (2011 Census).

The population growth rate in Newcastle is in an upward trajectory with the majority of the growth occurring mainly in the Eastern areas – around the Madadeni and Osizweni Townships. These are largely underdeveloped areas relative to the Western areas, and they are occupied mainly by a majority low income communities. The current population movement patterns in the region suggest that the urbanization phenomenon continues, characterised by the natural growth rate, breakdown in extended families and immigration being the main drivers of growth. Immigration arises mainly from perceived urban opportunities and prospects for a better life, poor access to services and a general lack of employment opportunities in the rural hinterland, and a general decline in employment opportunities in the agricultural sector. The growth rate is further fuelled by the educational institute that is geographically located in the Newcastle East Area, hence attracting students from all over the Northern KwaZulu-Natal region.

Over the last ten years, Newcastle's agricultural region has registered a net decline in both production and employment opportunities, hence the migration of people from Newcastle to areas that offer employment opportunities. A closer look into the population figures down at ward level shows that the average population size per ward is 10 683 people. Also deduced from the figures is that about 50% of the wards are below the average population size of Newcastle, whilst the other 50% is above.

*Table 9: Population Distribution by Wards (Source: Stats SA 2011 - Census Data).*

| TOP 10 WARDS WITH THE HIGHEST (RED) AND LOWEST (YELLOW) NUMBER OF PEOPLE | | | | |
|---|---|---|---|---|
| **Ward No.** | **Male** | **Female** | **Grand Total** | % |
| Ward 1 | 5281 | 5488 | 10769 | 3% |
| Ward 2 | 4443 | 4990 | 9432 | 3% |
| Ward 3 | 4134 | 4047 | 8182 | 2% |
| Ward 4 | 3250 | 3384 | 6634 | 2% |
| Ward 5 | 4789 | 5169 | 9958 | 3% |
| Ward 6 | 5504 | 6312 | 11816 | 3% |
| Ward 7 | 5449 | 6188 | 11636 | 3% |
| Ward 8 | 4378 | 4746 | 9124 | 3% |
| Ward 9 | 5479 | 6348 | 11827 | 3% |
| Ward 10 | 4094 | 4847 | 8942 | 2% |

| TOP 10 WARDS WITH THE HIGHEST (RED) AND LOWEST (YELLOW) NUMBER OF PEOPLE | | | | |
|---|---|---|---|---|
| **Ward No.** | **Male** | **Female** | **Grand Total** | % |
| Ward 11 | 4211 | 4910 | 9121 | 3% |
| Ward 12 | 4355 | 5065 | 9420 | 3% |
| Ward 13 | 4099 | 4442 | 8542 | 2% |
| Ward 14 | 7685 | 9121 | 16805 | 5% |
| Ward 15 | 5464 | 6111 | 11575 | 3% |
| Ward 16 | 6831 | 7625 | 14456 | 4% |
| Ward 17 | 6136 | 6698 | 12834 | 4% |
| Ward 18 | 4154 | 4603 | 8756 | 2% |
| Ward 19 | 4544 | 5474 | 10018 | 3% |
| Ward 20 | 4667 | 5028 | 9696 | 3% |
| Ward 21 | 5957 | 5334 | 11291 | 3% |
| Ward 22 | 4110 | 4666 | 8777 | 2% |
| Ward 23 | 5057 | 5559 | 10616 | 3% |
| Ward 24 | 5552 | 6265 | 11817 | 3% |
| Ward 25 | 4375 | 4226 | 8601 | 2% |
| Ward 26 | 6555 | 6822 | 13378 | 4% |
| Ward 27 | 5246 | 5785 | 11031 | 3% |
| Ward 28 | 4199 | 4729 | 8928 | 2% |
| Ward 29 | 5173 | 5891 | 11065 | 3% |
| Ward 30 | 4330 | 4855 | 9185 | 3% |
| Ward 31 | 5504 | 5875 | 11379 | 3% |
| Ward 32 | 5651 | 6268 | 11920 | 3% |
| Ward 33 | 5665 | 6704 | 12369 | 3% |
| Ward 34 | 6522 | 6814 | 13336 | 4% |
| **Grand Total** | **172846** | **190390** | **363236** | 100% |

There is a higher population density within the Newcastle East Area relative to the Newcastle West Area, and there is a high growth rate within this area thus necessitating the improvement of service delivery to cater for a growing population. The wards with the lowest concentration of the population are within both the Newcastle East and the Newcastle West Areas. However they manifest differently in the sense that within the Newcastle West Area they are the fabric of poor apartheid planning that was characterised with an unequal distribution of land parcels based on race, and in the Newcastle East Area they are prevalent due to the low density uncontrolled urban sprawl that places jeopardy on valuable agricultural land towards the periphery.

The recent ward delimitation process which was conducted by the Municipal Demarcation Board, in line with the requirements of the Local Government: Municipal Demarcation Act of 1998 and Regulations (Act No. 27 of 1998), saw an increase in the number of wards within Newcastle with an additional 3 wards, namely ward 32, ward 33, and ward 34. The location of the new wards is within the following areas, however not covering the whole, rather only parts thereof, in spatial terms:-

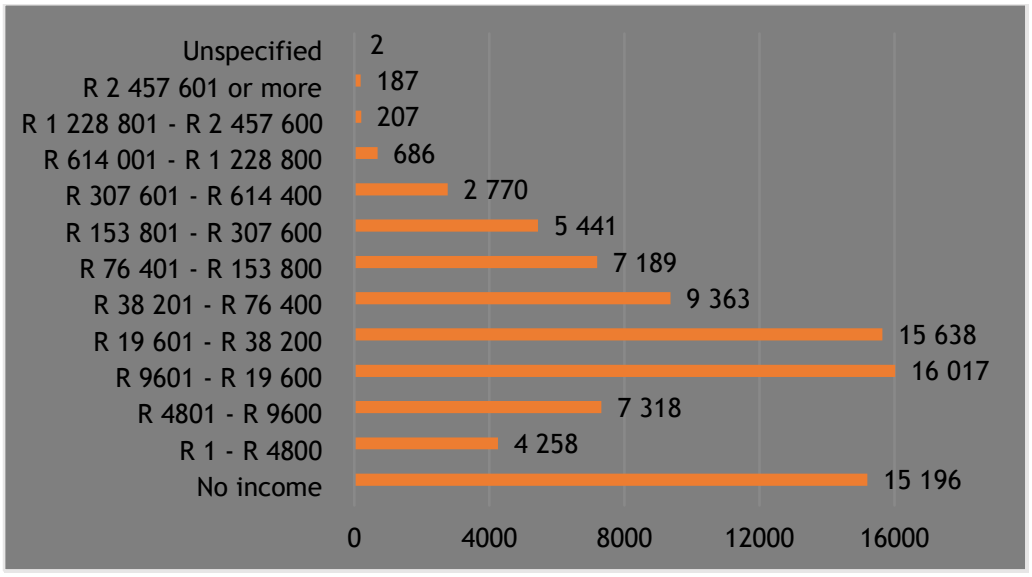
- Ward 32: Osizweni A, Osizweni E, Osizweni F;
- Ward 33: Manzana.
- Ward 34: Newcastle Central, Newcastle CBD, Riverside Industrial, Newcastle Indsustrial, KwaMathukuza and Arbor Park.

The increase in the number of wards necessitates an increase in the number of Councillors to a number which is determined by the MEC. The increase also necessitated an increase in the number of Ward Committees from 310 to 340. An increase in the number of Councillors and Ward Committees necessitates an increase in the allocation of funds towards remuneration. The ward delimitation process did not affect the population of Newcastle, however it affected the population within the affected wards in that it has either increased or decreased head counts within certain wards. Furthermore, the ward delimitation process has also affected the size of the wards in spatial terms, either expanding or contracting certain wards.

The increase in the number of wards within Newcastle Municipality is a sign of positive growth towards a city status. The challenges encountered during the process are merely issues around the prjoected power struggles for political administration from a public perspective. From a municipal perspective, the ward delimitation process will not affect the delivery of municipal services within the different wards (business as usual). However, the process played a significant role in terms of deepening local democracy and also improving local governance.

## 3.4. Income Profile.

*Figure 11: Annual Household Income.*




*Source: Stats SA, 2011 Census Data.*

According to the 2011 Census Data, Newcastle Municipality has a generally low income population with a large number of people living in abject income poverty as they do not have a reliable source of income. In 2011 the majority of the households income was between R9 601 – R19 600 per annum (16 017 households) closely followed by households who earn between R19 601 – 38 200 per annum (15 638 households). The majority of the households are headed by men as opposed to women (52% and 42% respectively).

In terms of the most recent stats from Global Insight (2018), a very high majority of the households in Newcastle (70%) earn a combined income of less than R40,000 per annum, which translates to an avergae of R3 300 per month. This is significantly below the national average of household income, which is R103 204 per year, or R8,600 per month. This has implications on the Indigent Support provided by the municipality to the community of Newcastle as there is a growing number of households that earn a combined annial income of a maximum of R40,000. In 2011 the total number of households earning less that R40,000 was 68%, which is 58 427 households out of 86 024 houesholds, and it has since increased in 2018 to 70%, which is 61 436 households out of a total number of 90 347 households.

The following is a method use by Standard Bank to rate households in terms of their income:-

| Annual income | Monthly income | Classification |
|---|---|---|
| R0 – R19,000 | R0 – R1,583 | Lowest |
| R19,001 – R86,000 | R1,584 – R7,167 | Second lowest |
| R86,001 – R197,000 | R7,168 – R16,417 | Low emerging middle |
| R197,001 – R400,000 | R16,418 – R33,333 | Emerging middle |
| R400,001 – R688,000 | R33,334 – R57,333 | Lower middle |
| R688,001 – R1,481,000 | R57,334 – R123,417 | Upper middle |
| R1,481,001 -R2,360,000 | R123,418 – R196,667 | Upper income/Emerging affluent |
| R2,360,001+ | R196,668+ | Affluent |

With respect to the above classification, half of the households in Newcastle fall under the lowest income classification, while three quarters of households fall within or below the second lowest threshold. A negligible percentage of households fall under the low emerging middle or the emerging middle category.

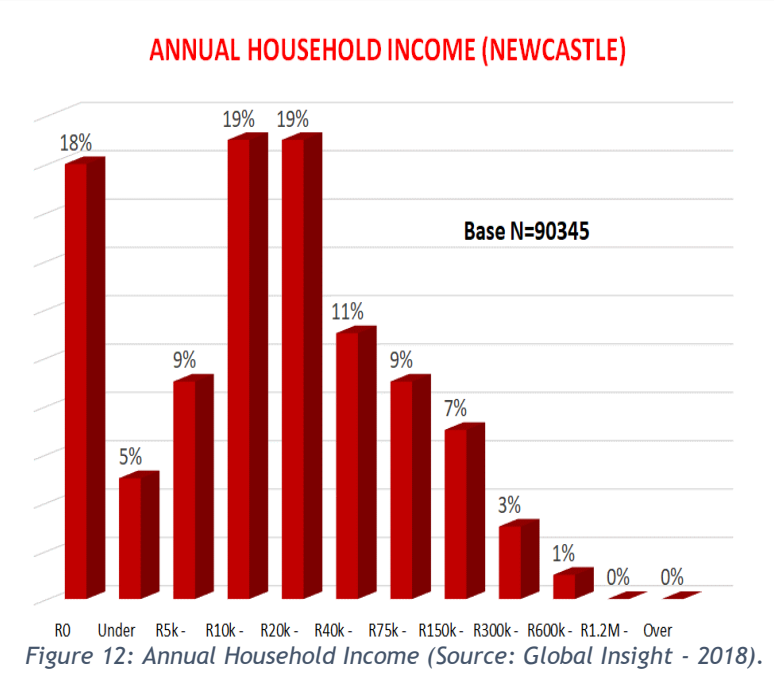


*Figure 12: Annual Household Income (Source: Global Insight - 2018).*

In terms of Annual Income individually, close to three quarters (72%) of the population earns less than R150 000 per annum, which is equivalent to R12 500 a month. This is roughly the same salary earned by mine workers.

### 3.4.1.Household Expenditure.

The total household income in 2010 was approximately R7.8 billion in Newcastle, of which 69.2% is remuneration (R5.4 billion) and 30.8% is unearned income (R2.4 billion). Of the total household income, 93.7% is household expenditure (7.3 billion), which consists of the purchase of goods and services. Savings were negative in 2010 suggesting that an additional R250 million worth of credit is being utilised in addition to total expenditure. The graph below displays the breakdown of expenditure into the major purchase categories.

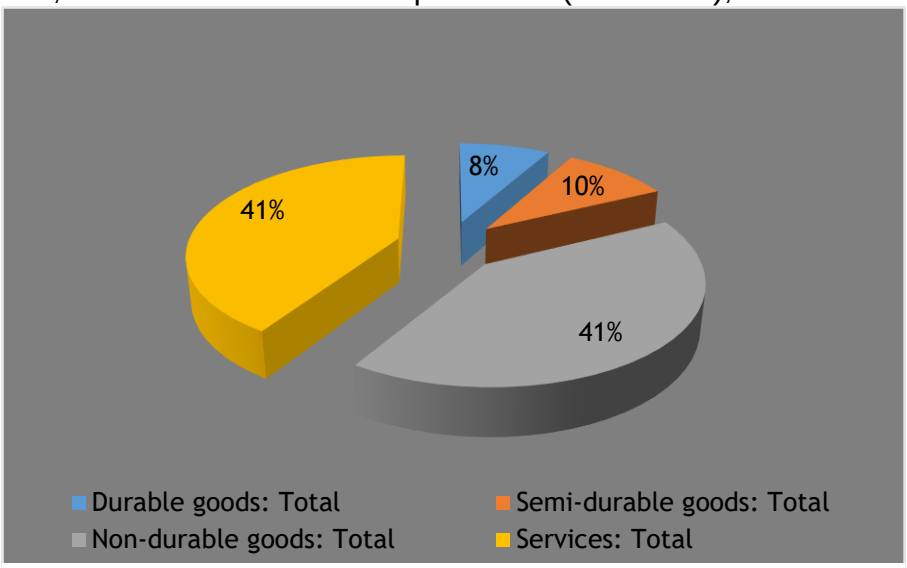
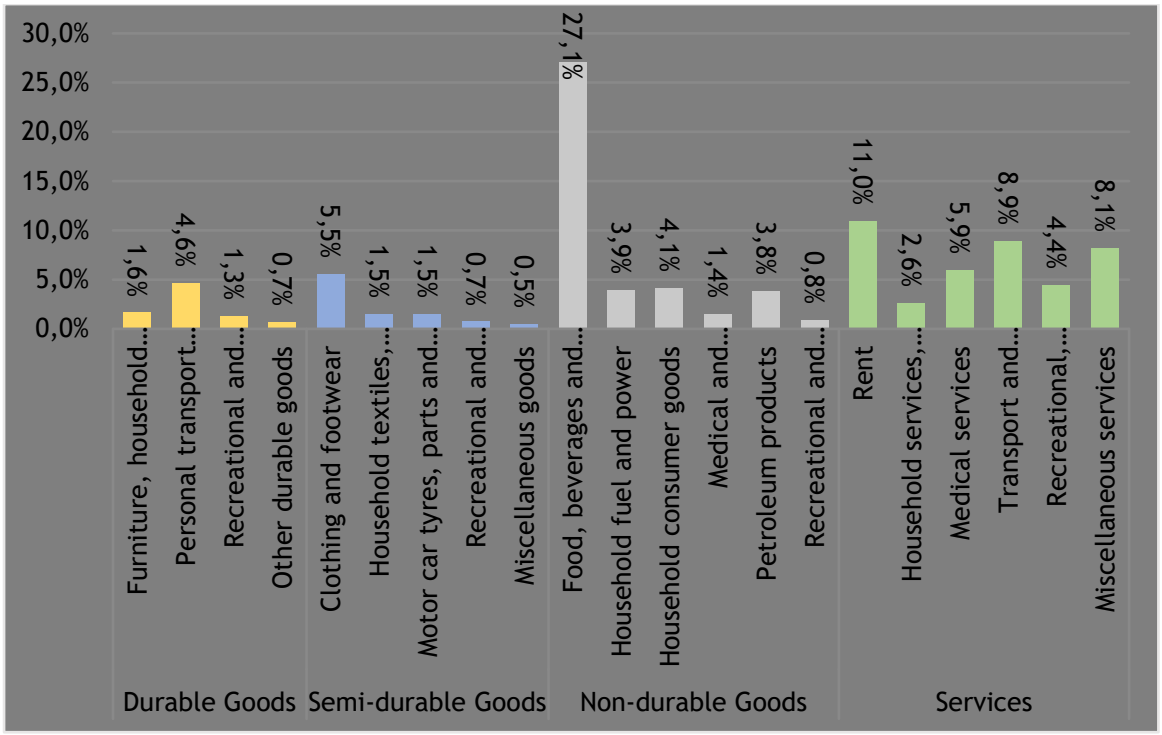



*Figure 13: Household Expenditure (Urban-Econ calculation on Quantec Data 2012).*

The largest sub-category of expenditure is food, beverages and tobacco which collectively contributes just over 27% to the total expenditure within Newcastle. This is followed by rental (11%), transport and communication (8.9%), miscellaneous goods (8.1%), medical services (5.9%), and clothing and footwear (5.5%). This indicates that a large portion of expenditure is being used for basic necessity items such a food and clothing, as well as rent, transport and communication, with little left over for items such as household furnishing, transport equipment, recreation and entertainment, as well as luxury items.

*Figure 14: Sub-category Contribution to Total Expenditure (2010).*




***Source: Urban-Econ calculations based on Quantec Data (2012).***

## 3.5. Employment and Unemployment.

In terms of the unemployment rate within Newcastle, based on the figures presented on the table below (Stats SA 2001 Census Data), in the year 2001 the economically active population (a section of the population which is either employed or actively seeking employment) constituted 43.51% (144 885) of the total population. From the total economically active population, only a mere 39.52% (57 266) were employed and the rest of the 60.48% (87 619) were unemployed. The unemployed people within Newcastle were ranging from the seasonal workers who were presently unemployed, and individuals who could not find work. Regarding the unemployment rate within Newcastle for the year 2011, the economically active population constituted 27.71% (100 654) of the total population. From the total number of economically active people, only 62.56% (62 968) were employed and the rest of the 37.44% (37 686) were unemployed. In terms of gender, in 2001 the highest concentration of the unemployed was amongst the female population (42 750) as compared to the male population (36 985), and in 2011 it still remains highest amongst the female population (20 129) as compared to the male population (17 557). In general, the decrease in the unemployment rate means progress has been made within Newcastle from 60.48% in 2001 to 37.44% in 2011.

Table 10: Employment status by Gender in Newcastle.

| | 2001 | | | 2011 | | |
|---|---|---|---|---|---|---|
| | Male | Female | Grand Total | Male | Female | Grand Total |
| Employed | 28 384 | 28 882 | **57 266** | 32 504 | 30 464 | **62 968** |
| Unemployed | 31 340 | 36 168 | **67 508** | 17 557 | 20 129 | **37 686** |
| Scholar or student | 22 455 | 20 622 | **43 077** | - | - | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| Discouraged work-seeker | - | - | - | 7 617 | 9 405 | **17 021** |
| Home-maker or housewife | 276 | 7 884 | **8 160** | - | - | - |
| Pensioner or retired person/too old to work | 3 845 | 6 155 | **9 639** | - | - | - |
| Unable to work due to illness or disability | 3 025 | 2 801 | **5 826** | - | - | - |
| Seasonal worker not working presently | 586 | 523 | **1 109** | - | - | - |
| Does not choose to work | 1 922 | 2 756 | **4 678** | - | - | - |
| Could not find work | 5 059 | 6 059 | **11 118** | - | - | - |
| Other not economically active | - | - | - | 50 405 | 61 820 | **112 225** |
| Age less than 15 years | - | - | - | - | - | - |
| Not applicable | - | - | - | 64 763 | 68 573 | **133 335** |
| **Grand Total** | **96 533** | **111 850** | **208 383** | **172 846** | **190 390** | **363 236** |

Source: Stats SA, 2001 – 2011 Census Data.

However, an analysis of the unemployment rate using the official expanded defition of unemployment reveals a slightly different picture. The average rate of unemployment in Newcastle Municipality is low compared to the Amajuba District, but higher than the provincial average of 21.7% and 22.4% among the females and males respectively. Zooming in at ward level, a much clearer picture is painted on the geographical concentration of the unemployed, which is mostly within the Newcastle Ease Area. There's also a direct correlation between unemployment and the levels of literacy within this area.

| | Employed | Unemployed | Discouraged work-seeker | Other not economically active | Not applicable | Grand Total |
|---|---|---|---|---|---|---|
| Ward 1 | 1724 | 938 | 900 | 2920 | 4287 | 10769 |
| Ward 2 | 4173 | 281 | 68 | 1967 | 2943 | 9432 |
| Ward 3 | 2925 | 359 | 149 | 2547 | 2201 | 8182 |
| Ward 4 | 2979 | 145 | 26 | 1523 | 1962 | 6634 |
| Ward 5 | 3085 | 539 | 131 | 3371 | 2832 | 9958 |
| Ward 6 | 1177 | 901 | 746 | 3923 | 5069 | 11816 |
| Ward 7 | 1264 | 1353 | 869 | 3256 | 4894 | 11636 |
| Ward 8 | 1054 | 1876 | 518 | 2172 | 3505 | 9124 |
| Ward 9 | 1956 | 1525 | 494 | 3297 | 4554 | 11827 |
| Ward 10 | 1170 | 867 | 509 | 3023 | 3371 | 8942 |
| Ward 11 | 1425 | 699 | 438 | 3150 | 3410 | 9121 |
| Ward 12 | 808 | 1581 | 397 | 2787 | 3846 | 9420 |
| Ward 13 | 997 | 1340 | 430 | 2448 | 3327 | 8542 |
| Ward 14 | 2773 | 2244 | 548 | 5039 | 6201 | 16805 |
| Ward 15 | 1074 | 1080 | 1725 | 2798 | 4898 | 11575 |
| Ward 16 | 1728 | 1773 | 979 | 3935 | 6041 | 14456 |
| Ward 17 | 1452 | 1948 | 785 | 3816 | 4833 | 12834 |
| Ward 18 | 889 | 1140 | 659 | 2532 | 3536 | 8756 |
| Ward 19 | 1742 | 1098 | 268 | 3403 | 3507 | 10018 |
| Ward 20 | 1392 | 915 | 189 | 3652 | 3548 | 9696 |
| Ward 21 | 2879 | 750 | 375 | 3584 | 3702 | 11291 |
| Ward 22 | 1435 | 702 | 289 | 3410 | 2940 | 8777 |
| Ward 23 | 1549 | 837 | 270 | 4006 | 3954 | 10616 |
| Ward 24 | 2110 | 1077 | 380 | 4444 | 3806 | 11817 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Ward 25 | 2649 | 852 | 133 | 2482 | 2485 | 8601 |
| Ward 26 | 2495 | 1544 | 675 | 3956 | 4708 | 13378 |
| Ward 27 | 2067 | 1122 | 270 | 3708 | 3863 | 11031 |
| Ward 28 | 1108 | 945 | 570 | 3244 | 3061 | 8928 |
| Ward 29 | 2094 | 979 | 309 | 3876 | 3806 | 11065 |
| Ward 30 | 937 | 710 | 752 | 3144 | 3643 | 9185 |
| Ward 31 | 1481 | 1564 | 300 | 3522 | 4511 | 11379 |
| Ward 32 | 1640 | 1269 | 571 | 3803 | 4636 | 11920 |
| Ward 33 | 1008 | 1537 | 753 | 3683 | 5388 | 12369 |
| Ward 34 | 3726 | 1194 | 546 | 3803 | 4067 | 13336 |
| **Grand Total** | **62968** | **37686** | **17021** | **112225** | **133335** | **363236** |

All the wards with the highest concentration of the unemployed are found within the Newcastle East Area in the townships of Madadeni, Osizweni, Blaauwbosch and Cavan. This has implications on the need for coordinated efforts between government and the private sector towards the creation of meaningful job opportunities. Furthermore, it is of crucial importance that the Newcastle Local Municipality creates favourable conditions that will attract potential business into these previously disadvantaged areas, and also assist in the development of youth entrepreneurs though SMME development.

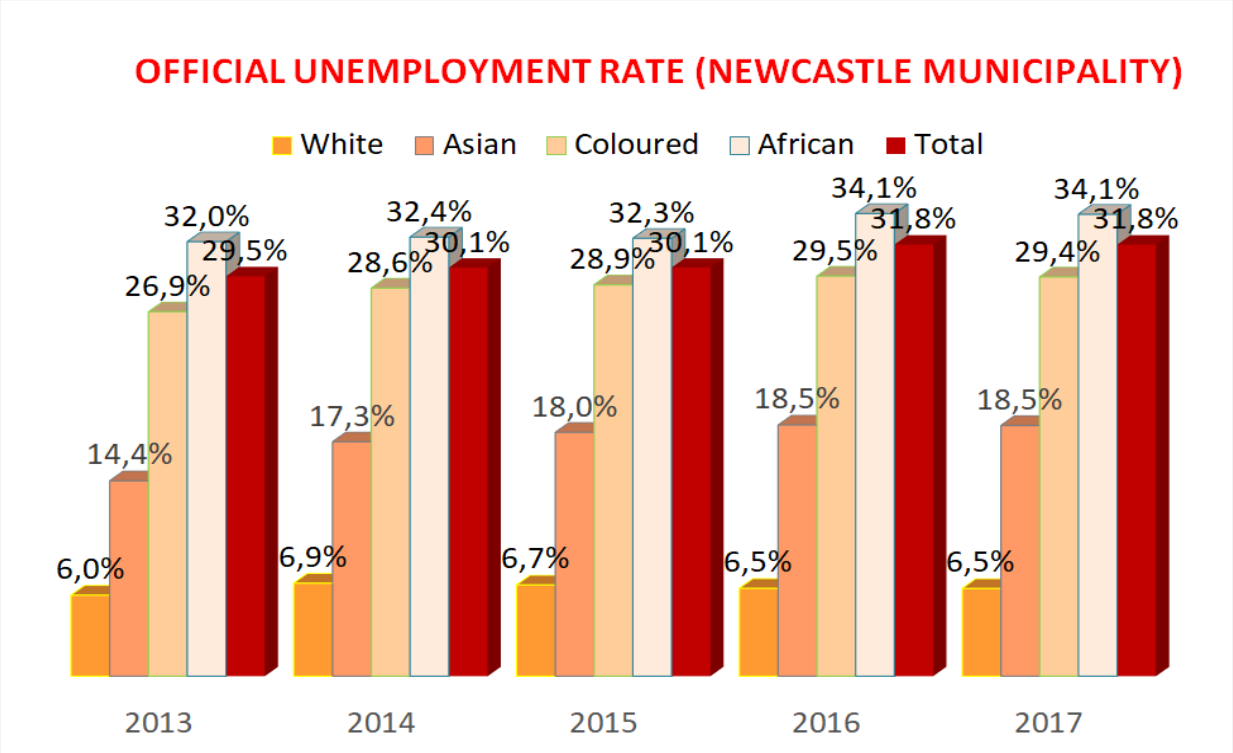
In 2014 Newcastle Municipality accounted for 71.7% of both formal and informal employment within the Amajuba District Municipality. Since 2004 Newcastle's average contribution towards formal and informal employment within ADM has been 71,2%. The percentage for total employment within Newcastle has remained higher than that of ADM's contribution within KZN which is characterized by a contracting trend. An analysis of the information below reveals that Newcastle is the main economic hub within the district that provides a variety of employment opportunities, both formal and informal.

| TOTAL FORMAL AND INFORMAL EMPLOYMENT | | | | | |
|---|---|---|---|---|---|
| | KwaZulu-Natal | Amajuba DM | Newcastle | Emadlangeni | Dannhauser |
| Total Employment (Formal & Informal) | | | | | |
| 2004 | 2 157 565 | 94 757 | 67 396 | 15 826 | 11 534 |
| 2005 | 2 230 816 | 96 464 | 68 472 | 16 184 | 11 808 |
| 2006 | 2 330 572 | 99 311 | 70 367 | 16 675 | 12 269 |
| 2007 | 2 413 021 | 100 993 | 71 536 | 16 819 | 12 639 |
| 2008 | 2 442 434 | 99 842 | 70 881 | 16 324 | 12 637 |
| 2009 | 2 416 239 | 96 017 | 68 317 | 15 431 | 12 269 |
| 2010 | 2 378 090 | 91 871 | 65 514 | 14 556 | 11 801 |
| 2011 | 2 358 272 | 88 884 | 63 518 | 13 913 | 11 452 |
| 2012 | 2 378 376 | 91 331 | 65 427 | 14 173 | 11 731 |
| 2013 | 2 416 117 | 93 950 | 67 340 | 14 524 | 12 086 |
| 2014 | 2 441 360 | 95 902 | 68 835 | 14 751 | 12 315 |

In terms of the employment and unemployment rate, this is analysed based on a definition of the economically active population. The economically active population

refers to the section of the population which is either employed or are actively seeking employment. This specifically refers to the category of the population which is between the ages of 15 to 64 years. The size of the economically active population in Newcastle has increased proportionally from 27,8% in 2013 to 30,1% in 2017.

In terms of stats from the Global Insight (2018) the official unemployment rate in 2017, was sitting at 31.8%, thus an increase from 29.5% in 2013. Africans consist of the highest number of the unemployed, followed closely by coloureds, Indians and then whites. The unemployment rate among all other population groups has held steady since 2013, except for 1% decline among Indians between 2016 and 2017. An increase in the number of economically active people has lead to an increase in the number of job seekers, hence and increase in the level of unemployment. Among the key factors contributing to an increase in unemployment within Newcastle is the decline experienced within the manufacturing and textile sector.




### 3.5.1.Formal Employment by Industry.

There is a higher percentage of semi-skilled labourers as compared to skilled labourers within Newcastle. This is based on observations made on the literacy levels within Newcastle. A combined 7,4%% of the population within Newcastle may be deemed as skilled based on the percentage of people with tertiary and higher post graduate education as the highest level of education. 35,6% of the population may be regarded as semi-skilled based on the percentage of secondary education as the highest level of education. The graph below depicts the distribution of those employed in the formal economy based on analysis made on broad economic sectors within Newcastle.

*Table 11: Employment in Newcastle by Broad Economic Sectors (9 sectors).*

| | KwaZulu-Natal | Amajuba DM | Newcastle | Emadlangeni | Dannhauser |
|---|---|---|---|---|---|
| **Formal Sector Employment** | | | | | |
| **Number of formally employed people in Broad Economic Sectors (9 sectors)** | | | | | |
| 1 Agriculture | 91 759 | 3 016 | 1 542 | 839 | 635 |
| 2 Miningi | 10 394 | 751 | 512 | 136 | 102 |
| 3 Manufacturing | 289 046 | 8 787 | 6 617 | 1 293 | 877 |
| 4 Electricity | 10 411 | 611 | 439 | 66 | 106 |
| 5 Construction | 132 778 | 4 141 | 2 814 | 551 | 776 |
| 6 Trade | 329 222 | 13 292 | 10 215 | 1 748 | 1 329 |
| 7 Transport | 118 180 | 3 004 | 2 048 | 350 | 606 |
| 8 Finance | 299 270 | 7 665 | 5 631 | 1 064 | 970 |
| 9 Community services | 492 107 | 26 858 | 20 424 | 3 648 | 2 786 |
| Households | 216 148 | 6 418 | 3 785 | 1 503 | 1 131 |
| **Total** | **1 989 315** | **74 543** | **54 028** | **11 199** | **9 317** |

*Source: KZN Treasury (Global Insight).*

Collectively the primary sectors of Newcastle's economy (agriculture and mining) both contribute 3.8% to total formal employment within Newcastle. Of concern is the diminishing growth of formal employment within the agriculture sector due to a decrease in the levels of precipitation (climate change). The manufacturing sector, the sector that once made a significant contribution towards formal employment within Newcastle, contributes 12.2% to total formal employment (6 617 people). The manufacturing sector has also experienced negative growth trends largely attributed to the current global financial outlook. These trends are alarming as they highlight the decline in employment within the primary and secondary sectors, two of the sectors that form the foundation of the economy. Innovative measures by government are required in order to ensure that the agricultural and manufacturing sectors are rejuvenated to absorb more labour and stimulate economic activity.

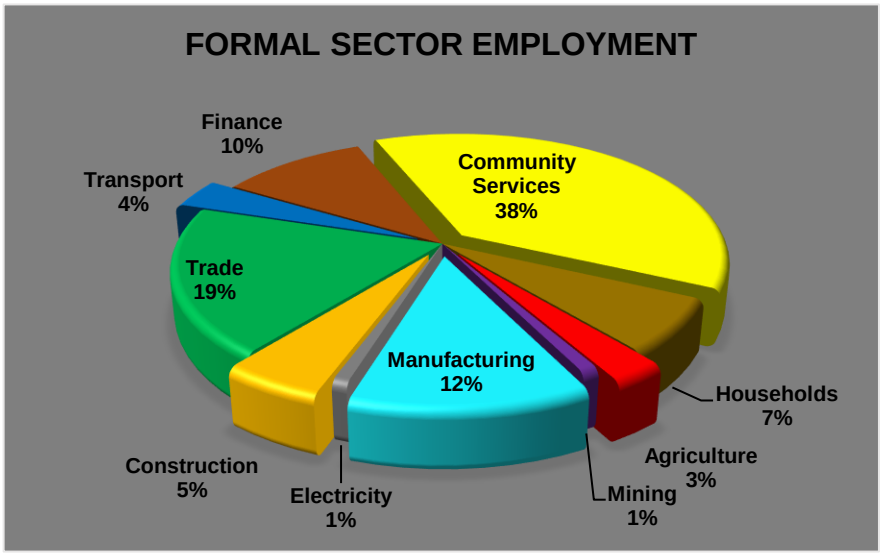



*Figure 15: Formal sector employment within Newcastle.*

The trading sector, including wholesale & retail trade, catering & accommodation, is amongst the largest formal employment sector with 18.9% of formal employment. The only other economic sector which is higher than the trading sector is the community services sector and it contributes 37.8% towards total employment within Newcastle. The finance sector contributes 10.4%,

whereas the construction and the transport sector collectively contribute 8.9% towards formal employment.

## 3.6. Human Development Index.

The Human Development Index (HDI) is a statistic composite index of life expectancy, education, and per capita income indicators, which are used to rank human development into 3tiers, namely:-

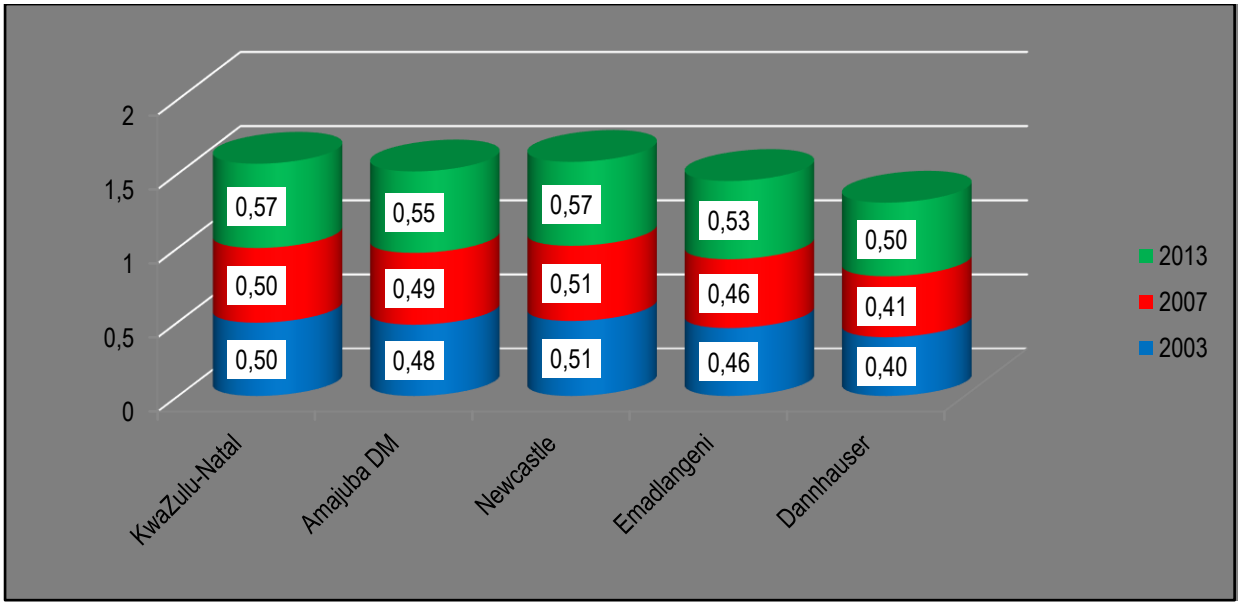
- Life Expectancy Index;
- Education Index; and
- The Gross National Income Index.

A country will score a higher HDI when the lifespan is higher, the education level is higher, and the Gross National Income (GNI) per capita is higher. According to a Human Development Report (2020) by the United Nations Development Programme, the following is applicable:-

| | |
|---|---|
| Human Development Index | 0.705 |
| Rank | 113 |
| Life Expectancy at Birth | 63.9 years |
| Education Index | 0.721 |
| Gross National Income per capita | 11,756 |
| Inequality Adjusted Human Development Index (IHDI) | 0.463 |
| Gender Development Index | 0.984 |

The Human Development Index (HDI) for Newcastle has improved significantly since 1996. This is symbolised by the net decrease in representation of people living in poverty from 45% in 1996 and 2001 down to 39% in 2007. This is, however, below the provincial average of 33% in urban areas. Most of the poverty-stricken households of Newcastle are located in the East as well as within the areas that fall under the Traditional Authority. The urbanized population is generally better off than the rural communities with regards to the affordability levels. The rural communities' level of access to basic services is significantly low hence resulting in major challenges. The provision of sustainable basic and essential services to these communities has proven to be one of the greatest challenges faced by the Newcastle Municipality, and innovative service delivery options are encouraged. Even though the HDI for Newcastle has shown some improvements, it is still lower than the countries HDI provided above from the United Nations Report on Human Development which records the HDI of South Africa as 0.705.

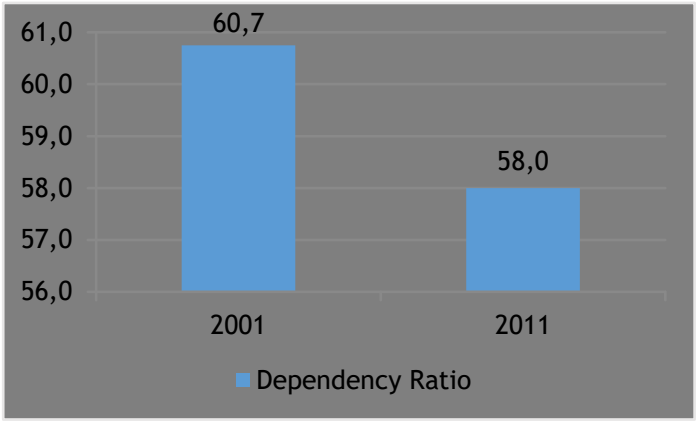
*Figure 16: Human Development Index.*




## 3.7. Dependency Ratio.

The dependency ratio indicates the number of young people (under 16years) and older people (above 64years) who depend on people of working age (16 – 64 years) for the livelihoods. It also entails people with special needs such as the disabled. As indicated on the figure, the dependency ratio in Newcastle has declined from 60.7% in 2001 down to 58% in 2011.

*Figure 17: Dependency Ratio [Per 100 {15 - 64)].*




## 3.8. Poverty Levels.

The table below compares the number of people living in abject poverty within Newcastle Municipality with that of KwaZulu-Natal, Amajuba District and other local municipalities within the district. Newcastle Municipality has the least (44.4%) number of people living in poverty within Amajuba District, which has an average of 50.9%. The provincial average is 45.7%. 72.1% of the population in Dannhauser Municipality are living under poverty.

*Table 12: People Living in Poverty.*

| | 2002 | | 2006 | | 2012 | |
|---|---|---|---|---|---|---|
| Districts | People living in poverty | Percentage of people living in poverty | People living in poverty | Percentage of people living in poverty | People living in poverty | Percentage of people living in poverty |
| KwaZulu-Natal | 5 586 644 | 58.1% | 5 224 176 | 52.8% | 4 729 241 | 45.7% |
| Amajuba | 301 878 | 64.4% | 287 427 | 59.4% | 256 987 | 50.9% |

| | 2002 | | 2006 | | 2012 | |
|---|---|---|---|---|---|---|
| Districts | People living in poverty | Percentage of people living in poverty | People living in poverty | Percentage of people living in poverty | People living in poverty | Percentage of people living in poverty |
| **Newcastle** | **170 620** | **56.0%** | **162 113** | **51.0%** | **148 150** | **44.4%** |
| Emadlangeni | 43 787 | 69.1% | 43 273 | 64.6% | 34 941 | 51.3% |
| Dannhauser | 87 471 | 86.8% | 82 041 | 82.6% | 73 896 | 72.1% |

*Source: Global Insight.*

## 3.9. Cross-Cutting Issues.

Newcastle Municipality, an aspirant 'Inclusive City' is a town established as KZN 252 in terms of the Municipal Demarcation Act (Act No. 87 of 1998) and is the main economic hub amongst the family of four municipalities known as Amajuba District Municipality. Newcastle Municipality is located on the north western border of the KZN, 36 km away from Memel in Free State Province and 100 km away from Ermelo in Mpumalanga Province.

Newcastle's space economy is dominated by wholesale, retail and trade at 14% of the local GDP, whilst the least economic contributor is the mining sector at 1%. It's 1854 km² geography begins at Bosworth rural area, south of N11 and spreads to the eastern and western region merely to conclude with Charlestown on the North of National Road N11. The economy of this 'aspirant city' is simply a reflection of the state of affairs prevailing in the country, where the economy is not performing, businesses are closing down, even the steel markets are on the downward spiral.

### 3.9.1.Land-use and Ownership.

One of the core principles of the SDF is to achieve spatial equity either by way of distribution of land in a fair manner and redress approach, or in the formation of sustainable human settlements. It therefore becomes judicious to look at the land split in the municipal region from the perspective of ownership.

The topic of 'land' is quite a sensitive and delicate one in this developmental Country and at the centre of it, is the historical baggage of how it was acquired from the time of the 'Koi Sans' to land dispositions during the formation of 'Bantu' homelands. Newcastle appears to be mirroring the same agenda that's prevailing national wide. The vast expanse of land is owned by commercial farmers and located west of the municipal area, with small pockets of land located on the immediate vicinity of the built-up area.

Spaces such as the CBD and the industrial area are generally productive and able to endure all kinds of storms. The current industrial area is 95% developed and plans for the expansion are underway. These plans have been boosted by the recent funding received abroad for development of the airport and the techno hub.

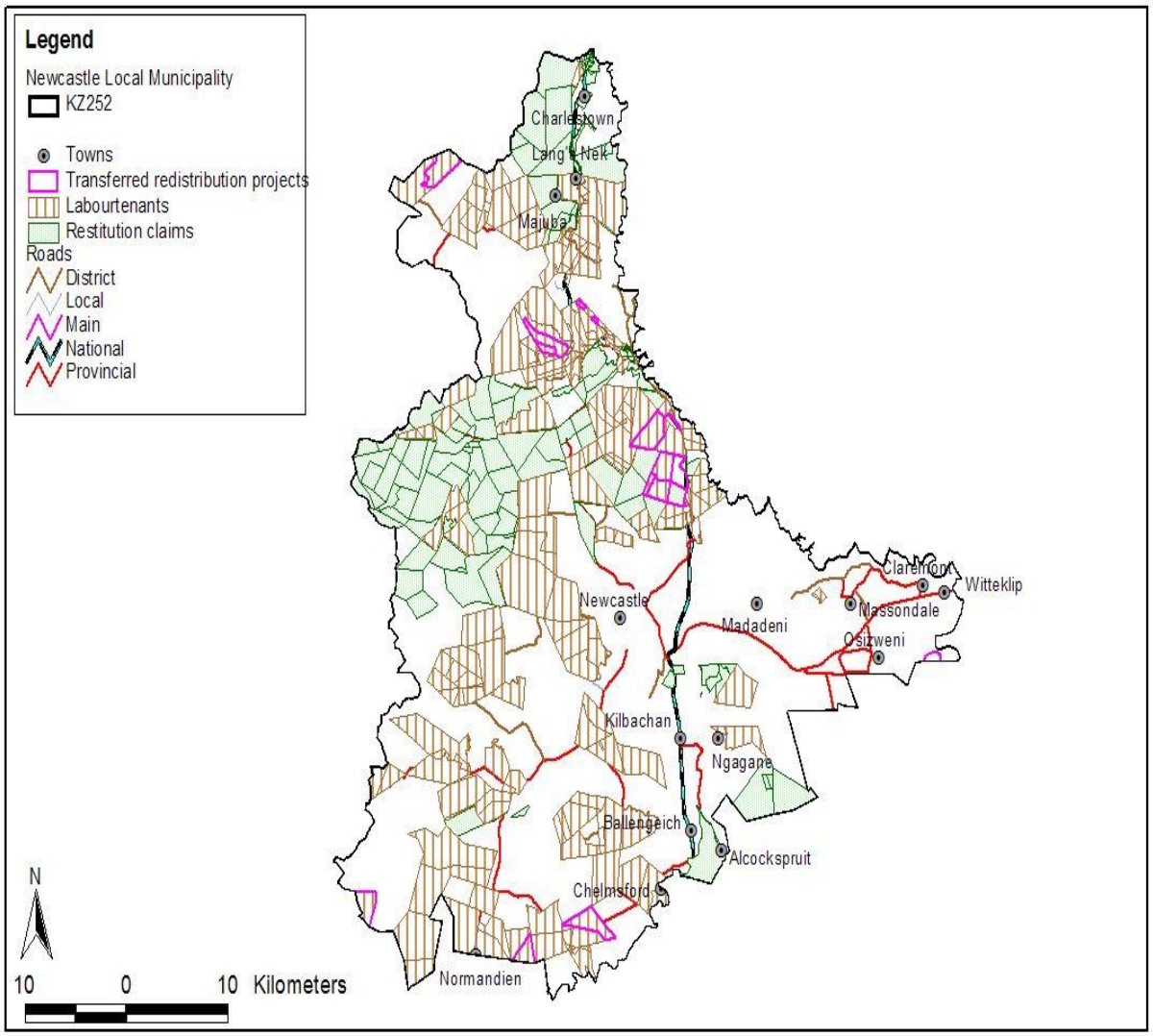
In the quest of reversing the gains of apartheid planning, the municipality commissioned the research with primary intent to establish who therefore owns the vacant pieces of land. Below are diagrams showing who the owners of the vacant pockets of land. It further breaks the distribution down by race and essentially it is this research that the municipality will utilize in its endeavour to achieve spatial equity. The interesting fact about this statistics is that majority of the privately owned vacant land (at 36%) is in the hands of the adult black males who have not reached retirement, between the ages of 39& 79 years to be precise. The inference of this research is that, the middle aged group is the one that must be pumping investment into the area to bridge the gap of spatial equity. And therefore, their socioeconomic status in this context becomes key. It begs the question of whether they are fiscally liquid to take this municipality to new heights and rewrite hostilities of history associated with the black life.

It is without a doubts that matters such location of these land parcels may be subjective from the people expected to invest and that the municipality is selling prime land to the lucrative investors. It is important to strive for a balance when land distribution or redistributions thereof is assumed. Growth and expansion of the town yield rapidly when land ownership is intertwined with economical ability to invest on available markets. It reduces the risk of stagnation of land ownership and prospecting for too long. In other words the intention is not to own land as a valuable asset and reduce productivity thereof, as is the case in most of the land reform projects.

### 3.9.2.Status of the Land Reform Programme.

According to the Amajuba District Municipality Area Based Plan, the Department of Rural Development and Land Reform is implementing the following projects within Newcastle Municipality:-

- Land Redistribution (LRAD): There are 15 completed land restitution projects where 5,097ha of land has been transferred to 283 households (1456 individuals).
- Land Restitution: There are 130 claims on farms in the Newcastle area, totalling 53,000ha. Of this, 34 claims have been settled, making up 12,700ha.
- Tenure Security (Labour Tenants): There are tenure security claims on 99 farms, making up a total area of 973ha.




*Map 2: NLM Land Reform Map.*

The Amajuba District Municipality Area Based Plan further notes that 73,212ha of land has been transferred under the land reform programme. An application of the 30% target suggests that 109,447ha is required in order to bring the programme in Newcastle in line with the national targets.

As indicated on the Map above, the programme will have significant economic and spatial impact in the area. Strategies should be devised to integrate the programme into the service delivery and economic development programme of the municipality. Careful management and support to beneficiaries is necessary to sustain the production potential of land in the area.

### 3.9.3.Land Tenure Upgrading.

The need for land tenure upgrading in the NLM affects four types of communities, namely:-

- People who hold Deeds of Grant to land;
- People who require their title deeds to be adjusted;

- Tenants in the JBC area; and
- Farm dwellers.

### 3.9.4.Ubuhlebomzinyathi.

There is a small amount of pockets of land being traditionally held within the jurisdiction of Ubuhlebomzinyathi Community Authority should also be considered for land tenure upgrading. These include Khathide, Dicks, Mndozo, etc. At present, these communities enjoy beneficial occupation rights protected in terms of the Interim Protection of Informal Land Rights (IPILRA). These areas require careful management as they are fast deteriorating into urban slums.

### 3.9.5.AmaHlubi Settlement.

The land occupied by AmaHlubi Community in the vicinity of Drycut Cemetery should be investigated as it may fall outside the proclaimed area of Ubuhlebomzinyathi Community Authority. The land has been subject of a court case between Ingonyama Trust and AmaHlubi Traditional Council. Other areas that require attention in terms of tenure security are the settlements located to the north of the Osizweni Township and the JBC area.

### 3.9.6.Labour Tenant Claims.

As indicated on the Map above, a number of labour tenant claims were registered against various farms within the Newcastle Municipality Area. The process towards the resolution of these claims has been sluggish. It is critically important for the municipality to follow this process closely as it may result in the establishment of small isolated settlements. Through the rural development strategy is required to guide this process and ensure that settlements do not encroach onto agricultural land in an uncontrolled manner.

### 3.9.7.Land Restitution.

A number of land restitution claims were lodged against various properties in the Newcastle Area. The majority of these are large in size and ranges with complexities. Charlestown, which involves dairy farming, timber plantations, crop production and livestock farming, has been resolved successfully with the community obtaining access to more than 10 000ha of good agricultural land. The challenge is now to develop the farms, sustain productivity and create employment opportunities. The process towards the resolution of the other land claims such as Ingogo is progressing slowly. In view of the size of these claims and potential for agricultural development, it is critically important for Newcastle Municipality to ensure that they are integrated into the economic and service delivery programmes of the municipality.

### 3.9.8.Impact of the Land Reform Programme.

As indicated on the map above, the land reform programme has a significant spatial impact in the area such as the following:

- The loss of productive agricultural land to residential development, resulting in reduced contributions by agriculture to the local economy and loss of job creation opportunities.
- Land reform resulting on the loss of productive agricultural land. If operations on productive land are unsustainable, this will "virtually destroy the agricultural sector, result in massive unemployment and poverty and a loss of food security."
- Provision of adequate water supplies. An adequate and sustainable supply of water is critical to the long term development of agriculture. Threats includes climate change, invasive alien plants and pollution.

### 3.9.9.Restructuring frontiers of the Spatial Inequity.

The spatial character of South African cities and towns was shaped by apartheid planning based on segregation along race and class lines. Newcastle is no exception to this national phenomenon, where Madadeni, JBC area, Osizweni, etc. were developed 15 km away from affluent urban residential neighbourhoods. In this fractured and inefficient spatial structure, poor communities are situated away from job and economic opportunities, and excluded from the social fabric of the town. Therefore, as the epicentre of our desirable spatial pattern is a concept of smart planning driven by the trends of modern urbanism and cultural diversity.

From a planning point of view, we desire the city harnessed by the following principles which serve as the bedrock of this aspired model and inclusive city. These tools at the centre of restructuring this undesirable built form left and a constant reminder of how fragile the democracy really is:-

- Spatial Equity;
- Spatial Efficiency;
- And sustainability and resilience.

### a) Spatial Equity.

The primary intent for spatial equity is to reverse the systematic approach to access and land distribution based on racial and class lines. The main responsibility of spatial equity is to ensure that all land users have the opportunity to utilise well suited and available land to address their basic needs and requirements for sustaining livelihoods and pursue prosperity. Equity in relation to spatial planning is achieved through the following elements:-

- Provision, upgrading and maintenance of key distribution routes.
- Promotion of economic activities in closer proximity to the unemployed;
- Clustering of social and community facilities at more accessible points.
- Promotion of private sector investment in disadvantaged areas.
- Spatial focus of resources to redress inequalities in services standards and quality of life.

The municipality has crystallised the above mentioned factors through its programme of revitalising the so called 'black townships' such as the Madadeni and Osizweni. Its programme of action is regarded as (Madadeni, Blaauwbosch and Osizweni) commonly known as MBO development, which is a blue print for investment in these areas. This is where at least 80% of the population resides, yet embroiled with unacceptable levels of inequality.

The following are some of the key structural elements of the MBO complex:-

- Explosive low density sprawls in the form of informal and traditional settlements that have developed within the MBO area. Some of this occurs on privately owned land in the JBC complex. The direction of this development is not controlled, but accommodates people who either cannot afford formal housing in legally designated areas or who seek location closer to the urban opportunities while wanting to maintain a rural lifestyle.
- Loose character of the urban fabric epitomized by the single storey house on a plot type of development. Nearby housing projects have reproduced the same type of settlements albeit with lower level of services. High space standards applied in the provision of public facilities also contribute to the loose character of the urban fabric.
- Urban-rural interface as the outer boundaries of the area adjoins onto agricultural land and rural settlements located on Ingonyama Trust land.
- Inwardly oriented discreet pockets of mono-functional developments operating in isolation. Creating separation of different land uses, particularly between residential, commercial and industrial areas;
- The net effect of this situation is an inefficient disintegrated spatial system, characterized by an enormous amount of movement between the Node and surrounding areas and especially between the Newcastle CBD and the JBC complex on a daily basis.

There are multiple projects being undertaken by different funders in MBO area, from the municipality's own revenue, to private sector investment and all driven by the notion of spatial equity. The Blaauwbosch area alone has a range of projects transcending to the neighbouring vicinity, the Johnstown and Cavan areas, otherwise referred to as JBC, a median of Madadeni and Osizweni townships located in the Newcastle Eastern area. People in this area are settled on unstructured farm land which has gradually urbanized over time. Due to its organic spatial pattern, the settlement is deprived of municipal basic services such as piped water on each property and a sanitation network. It is defined by unstructured and malfunctioning movement patterns.

The JBC area by all accounts, seems to be what planning principles purport namely with regards to the following:-

- Its central location unveils advancement of the so desired integration of fragmented settlement patterns. At the peak of the JBC area, the geographical boarders evident today, will be no more in future. Madadeni and Osizweni will be integrated through the JBC node;

- The population densities are very low in this area, and this presents an opportunity to enhance this even further and achieve the desirable thresholds;
- Social facilities will be clustered in identified and suitable localities to allow their optimization, both from the maintenance and usability perspective;
- It is conveniently traversed by the provincial road, P483, to the west. It is noted with fascination that P483 Road has transcended from being the mobility corridor to a development corridor over the recent years. This road had been previously used to serve for mobility of goods and services between the Newcastle area and the broader northern region, including Vryheid and the likes;
- Bulk infrastructure is currently located in the close proximity and currently servicing the likes of Madadeni and Osizweni townships; and
- As such the JBC area through various innovations to enhance the area, has been approved for a mega housing projects in the country, with an estimated 14 000 households and 70 000 people in the near future. This population accounts for Madadeni and Osizweni combined.

## b) Spatial Efficiency.

Spatial efficiency is achieved through the use of limited resources to maximize the development potential. Efficient and strategic spatial planning should ensure the co-ordination and the resolution of conflicts between competing activities, while strengthening market access and unlocking development opportunities crucial for economic growth. The following entails some of the efforts to be implemented by the municipality towards achieving spatial efficiency:-

1. Provision, upgrading and maintenance of **key distribution routes**.
2. **Infill planning** is required to make the delivery of services more cost effective.
3. **Stimulation of economic districts and nodes** to promote sufficient market thresholds.
4. **Planning around bulk capacities** to ensure more cost effective developments.
5. Promotion of **economic opportunities in close proximity to residential functions** (where sustainable).
6. Integration of diverse and complementary land uses to allow ease of movement of goods, services and people.

Smart cities require that serviced areas should seek to maximize development where all vacant tracks of land have not been developed adequately, otherwise referred to as infill development. The Siyahlala-La Low Income housing development is symbolic of the genius approach towards smart planning the Municipality bolsters about. This settlement was designed with primary objective to promote and maximize use of urban land. It is located approximately 4 km from the Central Business District and 7 km from the Riverside industrial area, and bordered by well-developed infrastructure in the Lennoxton residential area (former Indian area). Generally the Lennoxton area was built closer to the mine which closed down decades ago. Therefore, the prominence of undevelopable land classified as ‘undermined areas’ are found on this part of the town

and nowhere else within the municipal area. Although green spaces are encouraged on these undermined areas.

The construction of Siyahlala-La Township has commenced and, for the first time since invading the land, the residents are now enjoying benefits of living in a formalised urban area. The community will receive title deeds and gain the dignity of owning property in South Africa. They will also be able to advance their livelihoods and potentially pursue start-up businesses wherein their houses are used as collateral for loans.

It does not end there for these residents, but planning, human settlements, urban renewal and technical services departments are working towards improving connectivity and integration between areas. The extension of the Albert Wessels Drive is key to successfully creating a link and integration between Siyahlala-La and the industrial area. It will minimize the travelling time to the industrial area by approximately 10 minutes and the associated costs of public transport. Development of this road will further open up the opportunities of developing the Equarand area, North of Siyahlala-La.

Movement and transport feature as an enabling element to foster linkages within the region. Hard infrastructure such as roads and the means of movement be it road, rail or foot movement are centre to the extent of mobility of the municipal inhabitants. Efficiency becomes a relevant aspect of movement which needs to be considered in the spatial framework for Newcastle in an attempt to integrate the municipal and regional space.

### c) Spatial Sustainability.

On the other hand, the spatial sustainability relates to achieving a sense of balance, between the key activities found on land. A continued balance between economic development, social development and environmental development should be sought in all development actions. The following becomes critical to the sustainable agenda:-

1. Plan service standards in line with **economic and environmental affordability**.
2. **Conservation and maintenance** of infrastructure and resources as opposed to replacement.
3. **Fragmented spatial structure causes sprawl** and should be countered.
4. Planning should promote the **sustainable use of resources**, rather than exclusion of use.
5. Improved **land management measures** to control potential conflicts are required.

One of the weaknesses the municipality is currently battling with, is the establishment of the environmental departments to supervise and pursue the environmental ‘Agenda 21.’

## 3.9.10. Transportation and Movements in and around Newcastle.

**a) Local Access and Movement.**

With regards to internal movement, a number of prominent routes can be identified. Firstly, there is a strong movement of people between Madadeni and Osizweni. Secondly, a strong movement exists between the western and the eastern region along the MR483. Thirdly, a movement pattern exists between the Newcastle CBD on to other smaller settlements, such as Memel to the West and Ingogo, Charlestown and Volksrust to the North. These movements are strengthened by the roads the municipality and department of transport has invested in.

**b) Regional Access and Movement.**

Newcastle Municipality enjoys relatively good access at a national and regional scale. North-South linkages are facilitated by the N11 and East-West linkages by the P483 and R34. The N11 is a primary movement and mobility corridor. It runs in a North-South direction from the N2 in Ermelo to the N3 in Ladysmith through Newcastle Town thus making the area highly accessible and well connected to the national, provincial and regional road network.

Although the SDF identifies this route as a primary corridor, access to it is governed in terms of the South African National Roads Agency Limited (SANRAL) regulations. This includes limitations imposed on the number and location of direct access points and location of uses, which may be viewed as having potential to interrupt traffic flows.

Secondary corridors include the R34 which runs East from Newcastle to Utrecht and beyond to Vryheid and Richards Bay, and West to Memel and Vrede as well as the R621 linking to Dannhauser. These routes all originate from the CBD. The Madadeni-Osizweni section of the road to Utrecht (MR483) has been identified as a mixed-use corridor and is to be developed with nodes of services and economic opportunities. Regional access routes are subject to the rules and regulations of the Department of Transport.

## 3.9.11. Public Infrastructure Investment.

This is one area which the municipality is still battling to advance at an accelerated pace. The problem is not only unique to the Newcastle Municipality, but the whole of government in general. However, funding such as the Municipal Infrastructure Grant (MIG) and the Neighbourhood Development Programme Grant (NDPG) have brought the much needed relief to municipalities. The capital infrastructure programme appended to this IDP sheds more detail in this regard.

The greastest consentration of the infrastructure expenditure has been in the eastern region, where basic services have been an aspiration, and private investment remained a pipe dream. However, the investment being pumped in the JBC block will make the area more function, especially if complemented with its economic hubs that integrate both commercialization and industrialization. This area has an added advantage in that

the Theku Plaza is in existence and will likely attract other types of commercial activities within the node in a phenomenon resembling that of the 'Growth Pole Theory.' Its location is prime and enjoys better linkages with its surroundings. Intertwined with this concept is the necessity to bring industries closer to territories of labour force to avert high proportions of expenditure on transportation.

### 3.9.12. Impact of Urbanization.

The paradigm of planning is quite interesting that where formal townships have been established efforts to intensify and density development becomes an essential agenda. The organic rural areas which seemed to symbolize cultural identity and ethnicity, are now under natural transformation. There is a new proliferation of estate like mansions emerging, and these are supported by traditional infrastructure such as boreholes, slugging sewer systems, and solar panels. In brief, areas such as Disks, Manzana, etc located on the periphery of the peri-urban areas are gradually becoming urbanized. This requires the municipality to formalise and upgrade the services around this area. The only municipal service the area is not accustomed to entails tarred roads and collection of refuse. Due to such, the inhabitants of such area feel they are not liable for municipal rates and other related taxes. This has a negative effect on the municipal system of rates collection which translates into a potential loss of revenue.

### 3.9.13. Rural Region.

Newcastle's Rural Region mostly covers areas that fall outside the urban edge, such as Normandien, Botha's Pass, Ingogo, Bosworth, etc. There are settlements on the periphery of the urban edge which are considered to be rural, these include the areas of Dicks, Mndozo, Drycut and Soul City. The level of service in these areas are minimal compared to most of the areas within the urban edge. The current urban form within the municipal area comprises of a range of settlements from highly urbanised, organic, to rural settlements in the JBC that have extensive commercial farmlands with small isolated farm-dweller settlements. The JBC block is currently a transitional area from being organically rural to peri-urban.

Here it should be emphasised that past-apartheid policies had a profound impact on the structure and functionality of Newcastle Municipality. Its fragmented communities, marginalised their economic activities and undermined their participation in the economy. It located people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development.

The remainder of Rural Newcastle is largely dominated by expansive commercial farmland, which is used mainly for livestock farming and crop production. Some of the farms are affected by land reform, particularly land restitution and labour tenant programs that may lead to the creation of new settlements hence the negative exploitation of agriculturally valuable land. However, there are a few established settlements on commercial farmlands already such as the smaller rural settlement known as Ingogo. Other rural settlements are located within the Ubuhlebomzinyathi

Traditional Authority, and include settlements that generally fall within the traditional leadership of AmaHlubi in the Drycut area and Khathide along the northern boundary of Osizweni.

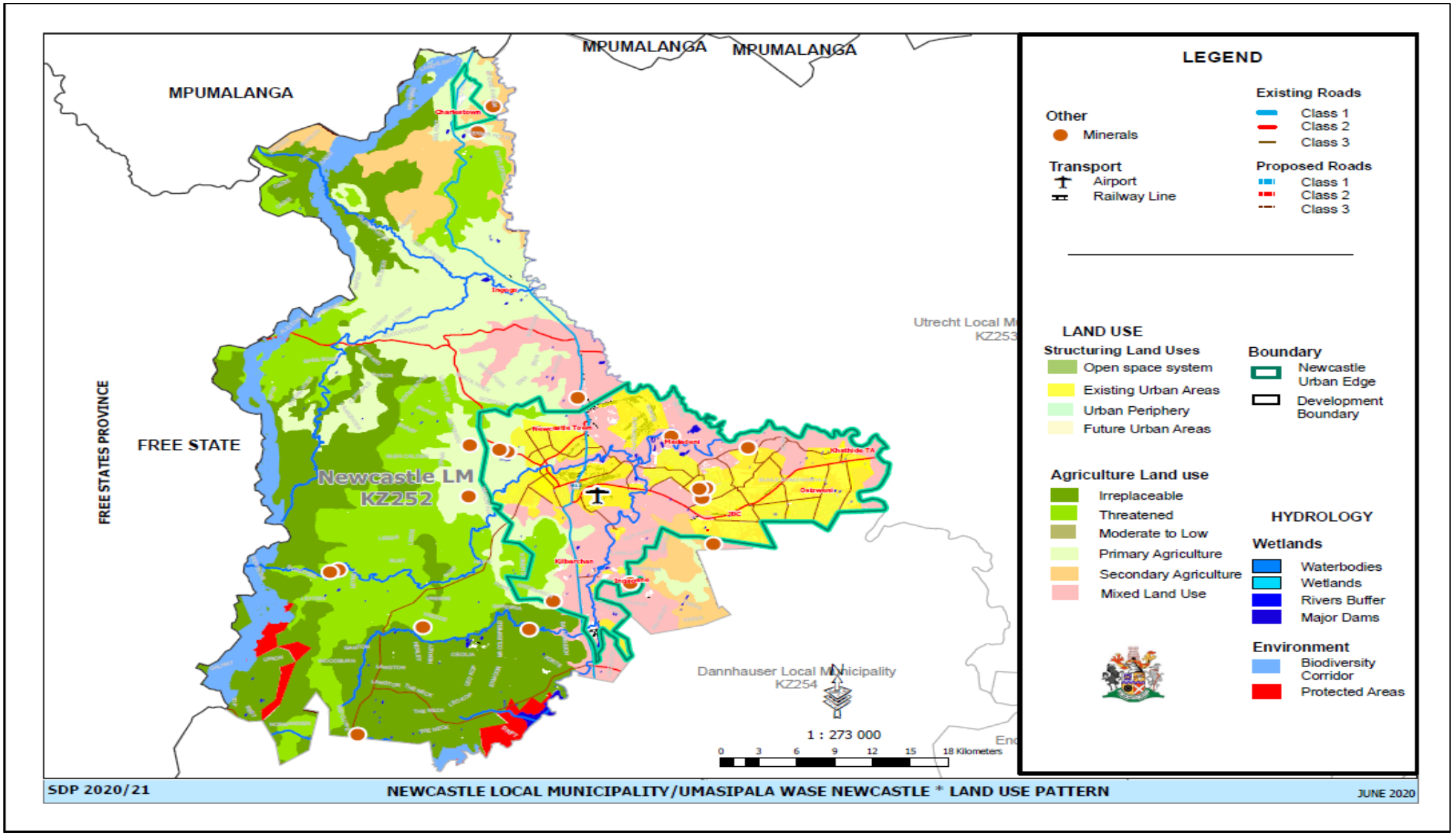
The Rural Development Strategy seeks to achieve an equitable socio-economic enabling environment for sustainable development of rural communities. This vision shall be achieved by increasing access to services through the provision of physical infrastructure and social services. The Rural Spatial Development Region has a diverse land ownership composition with the majority of land being privately owned. The rural region is also receiving great attention from the municipality although not at the same scale as with the rest of the urban and peri-urban areas. The municipality is rolling out projects such as pit-latrine toilets and has identified others such as solar gysers as part of the green energy drive.

### 3.9.14. Land-use Management Objectives.

At this juncture we have constructed spatial analysis of the municipality which then stimulates the discussion about how concritisation and translation of the objectives illistrated at the beginning of this chapter to actvities implementable on a day-to-day basis. Such can only be achieved through Land Use Management which deals with fine granes of implementating Council's vision. Therefore, Land Use Management through the existing Planning Scheme developed during the phase of PDA and completed in terms of Spluma ought to purpote the following:-

| NORMATIVE PRINCIPLES | PROCEDURAL PRINCIPLES |
|---|---|
| • Environmental and economic sustainability<br>• Equality and equity<br>• Efficiency<br>• Integrated development<br>• Harmony in terms of land use relationships<br>• Quality environments<br>• Certainty | • Fair and good governance<br>• Cooperative governance<br>• Participation<br>• Strategic links<br>• Capacity building<br>• Use of local and indigenous knowledge<br>• Access to information |

It is expected that the SDF will be rationalised through the implementation of these guidelines.




*Map 3: NLM Land Use Pattern.*

## 3.9.15. Newcastle Integrated Traffic and Transportation. Planning.

The development of Newcastle has necessitated the evaluation of the road and transportation network in terms of its ability to cater for the demand (present and future). The NLM ITTP entails a 10 year evaluation (2015 – 2025) of the impact of future developments on the existing road network with the aim being to have a better understanding of the road network and the identification of gaps that may occur.

The NLM ITTP was developed over a period of 3 years in collaboration with a engeneering consultation company. The Plan was offcially adopted by the NLM Council in 2016 and is yet to undergo a review process. The NLM ITTP was borne out of an extensive study that took into consideration the functionality of Newcastle within the Amajuba District. The following section looks into the findings and recommendations of the NLM integrated transport plan.

### a) Analysis of the existing road network.

Upon a detailed analysis of the existing road network throught the use of secondary data obtained from the KZN DOT – Provincial Road Network, it was deduced that the existing road network can be broken down into the following categories:-

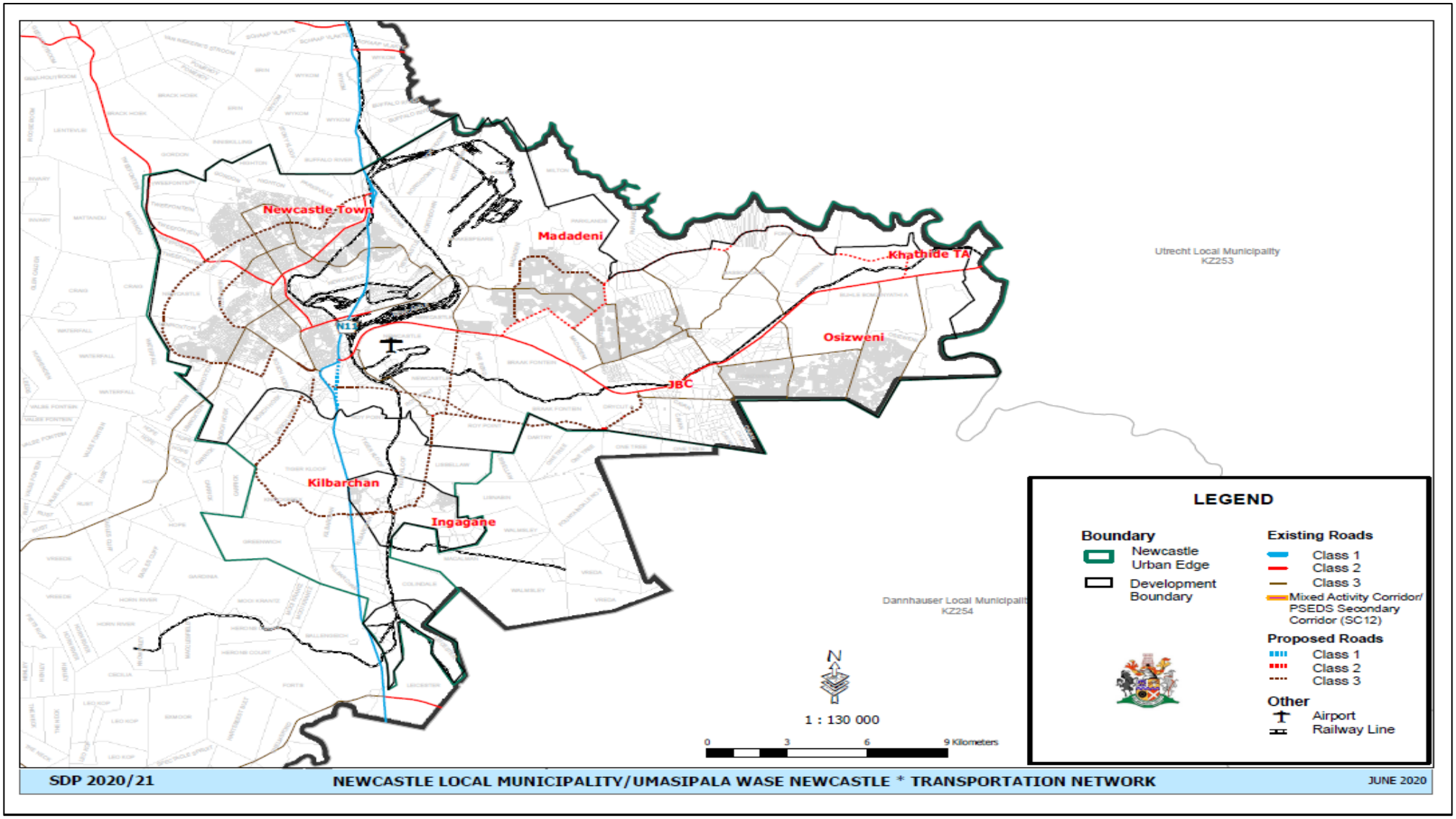
- **CLASS 1: N11 –** The main trunk road that passes through the Newcastle study area and provides linkages between major city centres including Durban and Johannesburg. The exisitng road is characterised with high traffic volumes which is made up of a high percentage of heavy vehicles.
- **CLASS 2: P483 –** The main road is currently predominantly used as a public transport route from the MBO complex to the Newcastle CBD. The existing road is under immense pressure and it is envisaged that, if development in Newcastle continues at the current rate, it will not be able to accommodate any addition of vehicles in the future.
- **CLASS 3: R34, Steildrif 21, Scott Street/Boundary Street –** R34 is an existing road that provides linkages to areas such as Memel and Standerton. Access to this route is gained via the Necastle CBD, which usually results in traffic congestions during the peak season hence delayed travel times. Scott Street/Boundary Street is an existing road that partially runs through a residential area south of the Newcastle CBD. The road provides linkages to areas such as Cecelia and Normandien.

From the evaluation it surfaced that the existing road classification of Newcastle does not provide sufficient hihg class roads necessary for accomodating high volumes of public transportation and privately onwed vehicles. This hinders future growth of the area as it impacts negatively regarding the ability to unlock land for future development. There is a need for a new road classification that takes into cognisance the hinderance of urban sprawl. Furthermore, from the evaluation it also surfaced that there are planned development initiatives in Newcastle, particularly around the MBO complex. Therefore these developments form the baseline for forecasting the

transportation demand within Newcastle. The challenges related to the development of an integrated land and transportation network may be attributed to poor apartheid planning. The following table entails the road network proposals and ammendments:-

| EXISTING ROAD NETWORK | NETWORK PROPOSALS AND AMMENDMENTS | PROPOSED ROAD CLASSIFICATION |
|---|---|---|
| – | N11 Realignment | CLASS 1 |
| – | Ladysmith Drive | – |
| – | Main Road (P483) | CLASS 2 |
| – | Proposed Secondary Activity Spine | CLASS 2 |
| – | Proposed Road East of Airport Industrial | CLASS 3 |
| – | Link Road | – |
| Link Road East | – | CLASS 2 |
| Link Road West | – | CLASS 3 |
| Steildrief 21 | – | CLASS 3 |
| – | Proposed Road 3 | CLASS 3 |
| – | Proposed Road Development in Fairleigh, Fernwood and Paradise | – |
| – | Madadeni CBD | – |
| – | Northern Activity Spine | CLASS 2 |
| – | Jobstown Road Development | CLASS 3 |
| – | Madadeni Ring Road | CLASS 3 |
| – | Northern, JBC and Osizweni Proposed Roads | CLASS 3 |

The ammendment and proposed introduction of new routes works hand in hand with the upgrading of the aforementioned intersection points. Therefore it is recemmonded that all ammendments and proposals be implemented within the 10 year time line as failure to do so may hinder growth of the municipality. It should also be noted that the implementation through construction of the Proposed Secondary Activity Spine and Northern Activity Spine is of vital importance to the proposed road network and it it thus recommended that these be prioritised as they have the potential to be alternative routes for public transportation hence unlocking land for development and easing traffic congestion between the two commercial hubs, MBO complex and Newcastle CBD




*Map 4: NLM Transportation Network.*

Low and high density residential development, urban sprawl, commercial ribbon developments and some major developments in the form of shopping centres have taken place within NLM. However, this growth comes with a number of developmental challenges such as capacity problems at intersections, capacity problems on major roads, and public transport challenges. It is also worth noting that there are plans to introduce a fast train service between Johannesburg and Durban. The route is to pass through Newcastle and will thus have implications on transportation facilities requirements and/or infrastructure. Furthermore, according to the New Growth Path, NLM is earmarked for an inland dry port which is identified as a Strategic Infrastructure Project (SIP2). Therefore, there is a need to ensure that NLM's movement network enhances the spatial configuration for the present and future development areas. The transportation systems must function efficiently for the envisaged development of Newcastle to be achieved.

*Table 13: Vision, Strategy and Objective of the NLM ITTP.*

| | OBJECTIVE | KEY STRATEGY |
|---|---|---|
| **Planning** | To develop and implement roads infrastructure plan | Plan, develop and manage a sustainable and cost effective road infrastructure plan |
| | | Development of financial plan for expenditures and funding |
| | Development of a Road asset management plan | Development and managing of a sustainable road asset management plan |
| | | Development of a financial budget for cost effective implementation |
| | | Data collection surveys to assist implementation of plan |
| | | Development of accurate service standards |
| **Operation and maintenance** | To ensure the provision and maintenance of safe roads | Maintain existing road surfaces Maintain street pavements |
| | | Repair dangerous potholes |
| | | Repaint road signs |
| | | Development of financial budget |
| **Service and infrastructure** | Development of roads with in the MBO complex | Surface gravel roads and develop sidewalks within the MBO complex |
| | Development of PT facilities and PT stops and shelters | Development of new facilities as well as existing informal facilities |
| | | Refurbishment of existing facilities |
| | | Development of PT laybys within the MBO complex, this includes shelter and seating |
| | Ensure pedestrian safety | Development of safe sidewalks, pedestrian crossings, street lights and signage |
| | | Develop and implement surveys for October road safety month |

The following entails network proposals and amendments that have been reviewed:-

- N11 Re-alignment;
- Ladysmith Drive;
- Proposed intersection of Main Road P483 and Secondary Activity Spine;
- Karbochem Road and Proposed Secondary Activity Spine;
- Karbochem South Access;
- Proposed Road East of Airport Industrial;
- Link Road;
- Proposed Road Development in Fairleigh, Fernwood and Paradise;
- Madadeni CBD;
- Northern Activity Spine;
- Jobstown Road Development;
- Hans Coetzee Road;
- Madadeni Ring Road; and
- Madadeni, JBC and Osizweni Proposed Roads.

The proposed road classification will need to provide optimal functionality for a long period of time. The proposed road classification has been analysed for implementation within a 10 year period. However it should be noted that the propsed road classification will have positive long term effects on the Newcastle Municipality. An exact timeline will be largely dependent on developments that have taken place within the study area. The implementation and construction of the Proposed Secondary Activity Spine and Northern Activity Spine are the most vital parts of the proposed network hierarchy as they provide alternative transport routes, unlocking land and calming traffic between the two major hubs namely the MBO complex and Newcastle CBD.

The existing road network does not allow for future growth of the Newcastle Municipality. This is due to the lack of transportation routes that are available hindering travel to areas which can be unlocked for future economic growth. Newcastle Municipality is earmarked for an inland dry port, this will bring about a change within the municipality catapulting it is as a leading industrial area within South Africa. However the viability of this is widely dependant on transportation as it will be one of the major driving forces in achieving this status. A lack of implementation and construction will limit and hinder the growth of the municipality until such time that the viability of the entire proposed road network hierarchy is compromised.

It should be noted that before proposed plans are considered, all parties involved will need to be consulted. These include the national bodies i.e. SANRAL, provincial and local bodies, the transportation authority, town planning and finance.

### 3.9.16. Settlement Pattern.

The settlement pattern in NLM has largely followed access routes thus forming an economic system with definite interdependencies between and among various elements. However, it has also been highly influenced by the past apartheid planning and segregationist policies. The current settlement pattern reflects a continuum of settlements from a highly urban Newcastle town through to peri-urban settlements in the JBC and extensive commercial farmlands with small isolated farm-dweller settlements.

The urban component of the NLM comprises of three distinct sections, namely:-

- Newcastle West;
- A central Industrial Area; and
- Madadeni and Osizweni to the East.

An urban edge has been determined around this entire complex and it is proposed that all future urban development takes place within these confines thus to integrate, density and diversify it as well as to limit the loss of high yield agricultural land.

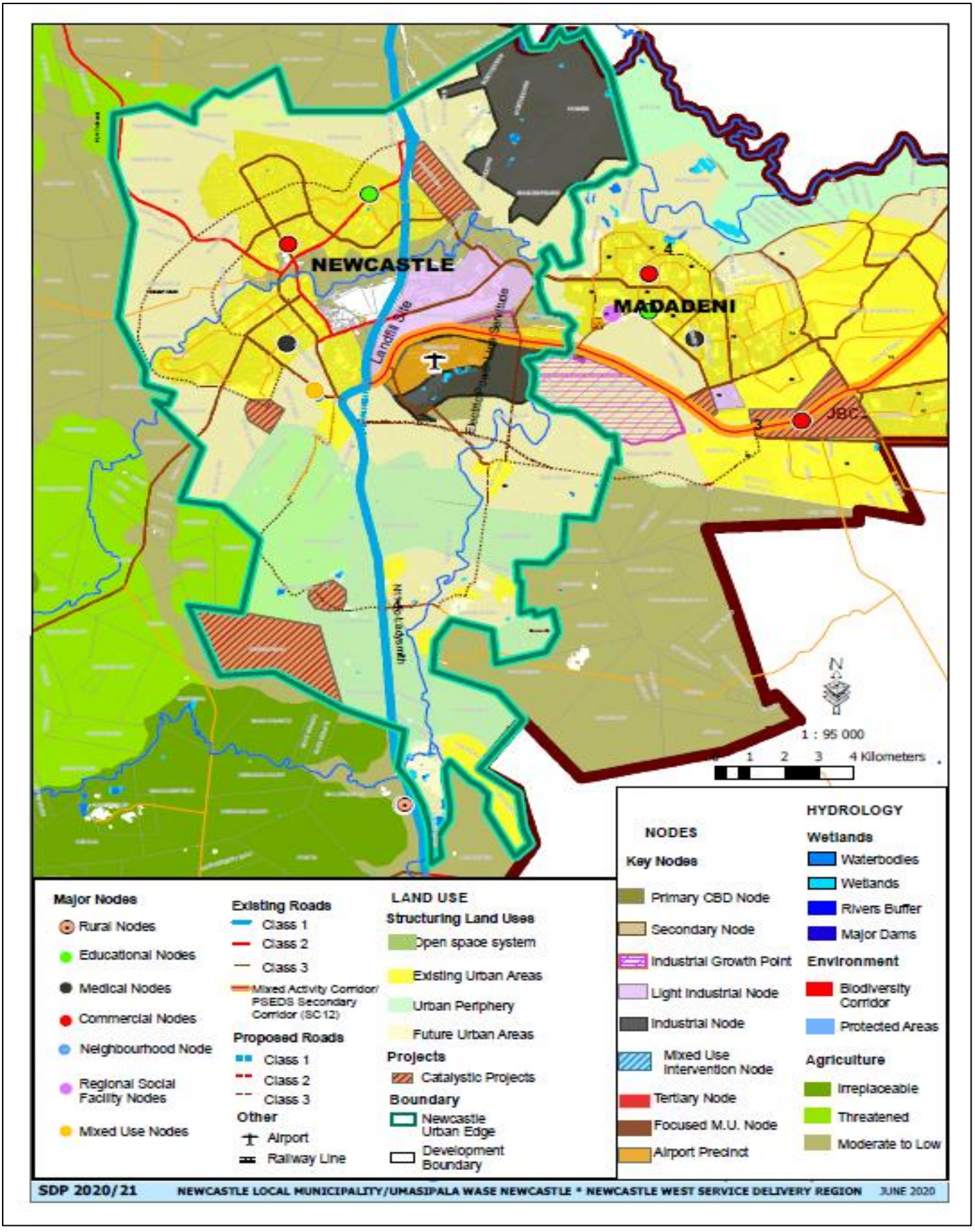
### 3.9.17. Newcastle West.

The CBD is located in Newcastle West on the Southern side of the confluence of the Ncandu and Jordan Rivers. Newcastle West is predominantly residential with the Northern section being the most affluent. Ribbon development runs South-Eastwards from the CBD along the R34 and includes a new shopping centre, restaurants, garage and car showroom, hotels and lodges, amongst other things. The Northern portion of Newcastle West also accommodates the show-grounds, Monte Vista Casino and Conference Centre, a golf course and a technical college.

Immediately South of the CBD are the original residential areas of the town also laid out in the same gridiron-street pattern and home to the Newcastle Private Hospital and Newcastle Provincial Hospital. The police station and a number of home offices which have spread outwards from the CBD are also found South of the CBD. South-West of the CBD are further residential suburbs.
Newcastle CBD is currently going through a process of spatial transformation. This involves three main processes, namely:-

- Decentralisation of commercial and office space;
- Redevelopment; and
- Expansion of the town area.

Decentralisation of commercial and office space occurs in the form of nodular development at both Eastern and Western entrances/gateways into Newcastle CBD.




*Map 5: Newcastle West Service Delivery Region Map.*

Newcastle West development includes a number of service industries, a community commercial centre, hotels and a number of associated developments. The area is earmarked for further commercial development.

Rights were granted for the development of a regional shopping centre next to the new Casino and the Newcastle Mall has since taken root and is in operation. A new office complex has also been developed in the area while infrastructure has been laid for mixed land use development. Other developments expected in this node in the near future include motor-showrooms, restaurants, etc. Redevelopment on the other hand, involves the refurbishment of buildings vacant or under-utilised, because of economic downturn and relocation of offices to the new office node. This process also includes the transformation of office use, particularly professional offices, into residential areas that are adjacent to the CBD. A number of dwelling units have been granted office use rights or are being used as offices.

Newcastle Municipality has accordingly developed strategic responses to these trends. These include the Newcastle West Precinct Plan, the CBD Development Plan and the Newcastle South Spatial Development Plan (SDP). The latter provides for a range of residential land uses, including mixed land use and commercial nodes. The net effect of these plans is the extension of the town's built-up area, shifting of the urban edge and opening of new interface zones. In view of its strategic location in Northern KwaZulu-Natal, Newcastle is likely to remain a regional service centre unchallenged by other nearby towns in the foreseeable future. Its market threshold is relatively secure, but its economic and social vitality remains dependent on the state of its regional hinterland. The CBD itself has remained relatively stable.

### 3.9.18. Central Industrial Area.

East of the CBD lies large industrial areas, the N11 and Iscor facility, as well as an airfield and landfill site. It is also the location of Amcor Dam and Recreational facility. The area occupies approximately 516ha of land zoned for industrial use, of which only a small portion is developed. While the area accounts for a significant amount of employment opportunities in the NLM, it historically developed as a buffer strip between the former white only areas in the Newcastle West and the former black only townships of Madadeni and Osizweni.

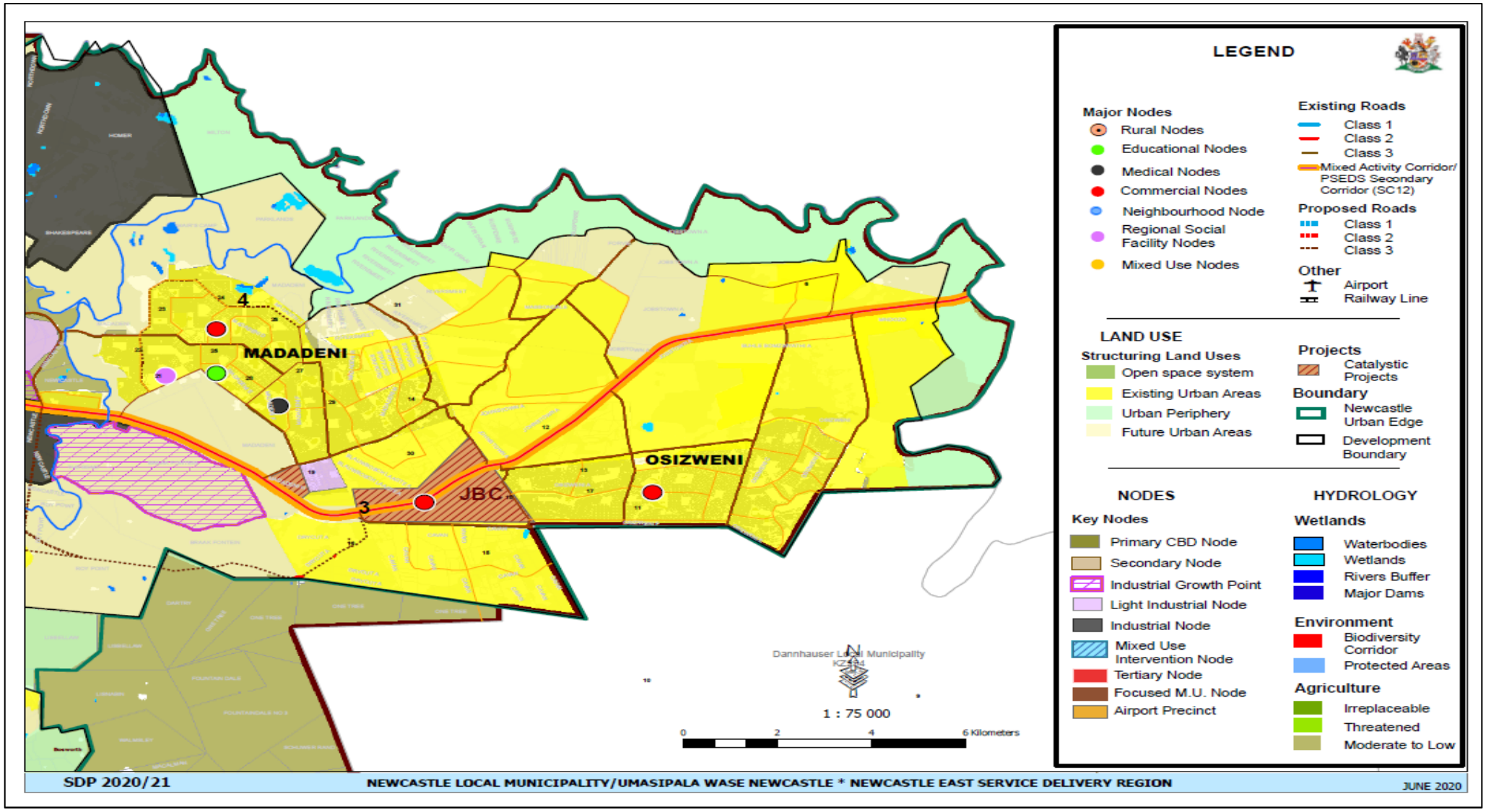
The Western Service Delivery Region (WSDR) covers the areas of Newcastle West within the Urban Edge, these would be the Newcastle Central Business District (CBD), the Newcastle West suburbs and the airport industrial area. These areas are covered under the Newcastle scheme. The zooming into the WSDR will give more detailed land use guidelines and highlight priority investment and development areas and will also act as a guide to decision-makers and investors. A number of intervention areas for the WSDR have been identified where the intention is that the entire Service Delivery Region be covered in the long term by the municipal hierarchy of plans. Intervention areas for the WSDR include:-

- Newcastle West Intervention Area;
- Newcastle South Intervention Area;
- Newcastle Industrial Intervention Area; and
- KIB Intervention Area.

### 3.9.19. MBO Complex.

MBO is located along P483 and comprises of the townships of Madadeni and Osizweni, and the JBC area. Madadeni and Osizweni were laid out in the 1970s on the basis of a Master Plan developed in 1975, and reviewed in June 1985. The plan was based on the dominant planning doctrine and highly influenced by the political regime. It gave rise to a compact linear urban form with a rectilinear road network based on 3 to 4 km grid spacing of major arterials. The JBC area, which joins the Madadeni and Osizweni areas, has a more peri-urban character, consisting mainly of informal settlements. This area developed as a result of “shack farming” thus transforming the area from agriculture into an urban slum, with no formal planning. This has given rise to a complex set of land legal issues including title adjustment, beneficial occupation rights, tenancy and freehold ownership rights.

The MBO complex is characterised by a poor condition of services and a general lack of amenity and pleasant appearance. This robs the area of private sector investment and perpetuates dependency on the Newcastle city centre. Urban renewal programmes being initiated in the MBO complex will result in the upgrade of the public realm and improve the quality of life of the previously disadvantaged. It will also promote both public and private sector investment in the area. Access to public facilities and a safe environment are the other important aspects of quality of life that should be addressed in these areas.




*Map 6: Newcastle East Service Delivery Region Map.*

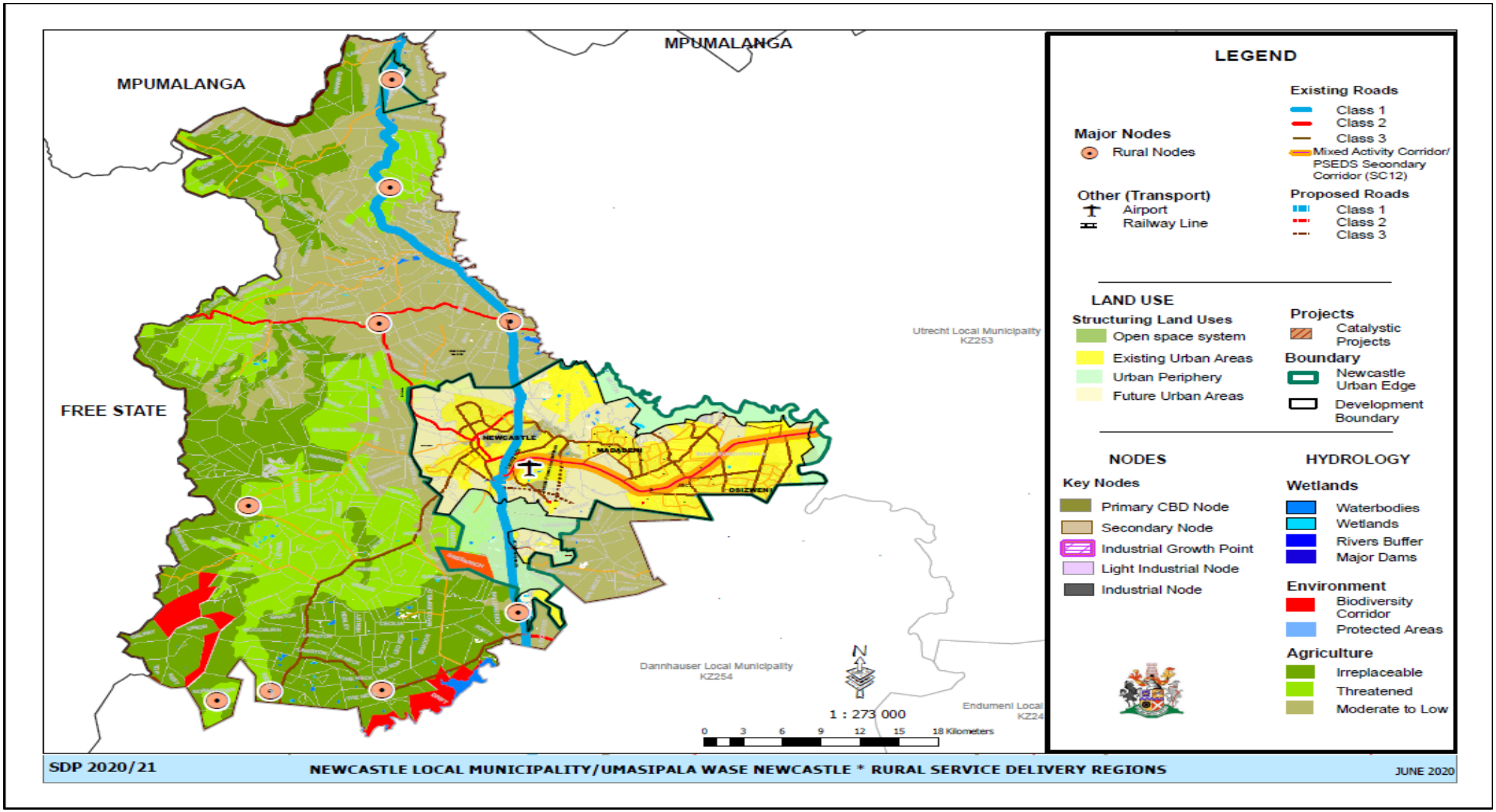
## 3.9.20. Rural Settlements.

The rural component of the municipality is dominated by expansive commercial farmland, which is used mainly for livestock farming and crop production. Some of the farms are affected by the land reform program, particularly the land restitution and labour tenancy program that may lead to the creation of new settlements and erosion of agricultural land.

However, there are few established settlements on commercial farmlands. These settlements include smaller rural settlements such as Charlestown and Ingogo. Charlestown provides basic services and functions to the surrounding agricultural areas and is identified as a tertiary node in the SDF, together with Lennoxton. Ingogo, on the other hand, is a purely rural settlement based on its low population numbers, and is classified as a rural node, as is Leokop.

Other rural settlements are located within the Ubuhlebonzinyathi Community Authority area and include the settlements that generally fall within the traditional leadership of AmaHlubi in the Drycut area and Khathide along the northern boundary of the NLM.

| WARD 1 | WARD 6 | WARD 7 |
|---|---|---|
| Botha's Pass.<br>Brinkshoop.<br>Charlestown.<br>Ngogo.<br>Majuba Forest.<br>Normandien.<br>Wykom. | Claremont.<br>Jakkalspan.<br>Jobstown.<br>Masondale. | Manzana.<br>Mndozo. |
| **WARD 12** | **WARD 15** | **WARD 16** |
| Jonhstown, divided into various sections:-<br>Johnstown-Bhareni.<br>Johnstown-Dindela.<br>Johnstown-Leslie.<br>Johnstwon-Phesheya kodonga. | Blaauwboschelaagte.<br>Cavan.<br>Mahalbhomi. | Blaauwboschlaagte.<br>Dry Cut. |
| **WARD 18** | **WARD 31** | |
| Blaauwboschlaagte. | Riversmeet.<br>Suspense.<br>Soul City. | |




*Map 7: Rural Service Delievry Region Map.*

### 3.9.21. Former Mining Areas.

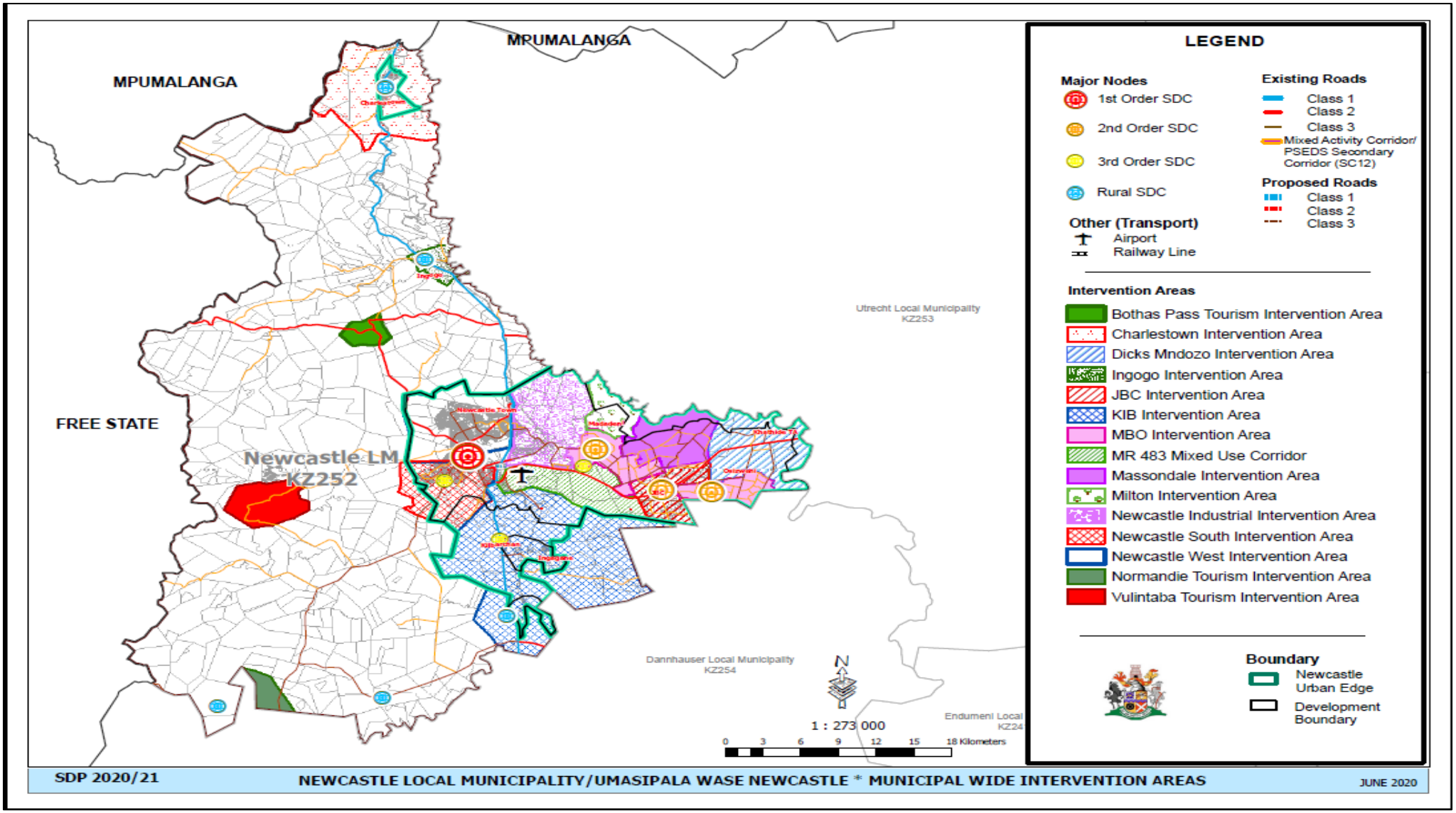
A number of settlements are also located in the south-eastern portion of NLM. These settlements are scattered throughout the area and are mainly as a result of mining activity, which is concentrated along a mining belt that runs from the centre of the municipal area towards the south east. The mines have stimulated the development of numerous smaller settlements, such as Kilbarchan, Ingagane and Ballengeich. It has however impacted negatively on the spatial structure of the Municipal area by preventing development of an integrated urban structure. Higher standards of housing and access to infrastructure are found in these formal settlements. The settlement pattern can mainly be ascribed to the mining activities and the Ingagane power station in the area, which caused discrete pockets of settlements. These are mostly around or close to mining activities. Some of the mining activities have however been downscaled or closed down.

### 3.9.22. Impact of Post-Apartheid Spatial Planning.

Past apartheid policies had a profound impact on the structure and functionality of the Newcastle Municipality. The policies fragmented communities, marginalised their economic activities and undermined their participation in the economy. They located people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development. Spatial fragmentation was implemented to effectively separate the urban complex of Newcastle-West and the former dormitory suburbs of Madadeni and Osizweni. These two areas are situated at least between 15km and 35km from Newcastle central business district (CBD) in line with apartheid spatial engineering. Spatial fragmentation, referring to separate blobs of development with no linkages, has the potential to undermine the role of Newcastle in its regional context and impact negatively on its ability to perform its functions effectively and efficiently.

### 3.9.23. Land Use Management.

In terms of the Municipal Systems Act (Act No. 32 of 2000), a Land Use Management System is a legal requirement that Newcastle Municipality is obliged to meet. In response, Newcastle municipality has developed a wall-to-wall scheme as part of a comprehensive review of the existing Newcastle Town Planning Scheme, and a process towards the introduction of land use controls in areas hitherto not covered by the scheme. However, this document has not been implemented as due process is being followed to amend the Newcastle Town Planning Scheme as provided for in the KwaZulu-Natal Planning and Development Act, 2008 (Act No. 6 of 2008). The Newcastle municipality has taken an incremental approach toward the implementation of the town-planning scheme in all areas, except the agricultural land. At present, Newcastle town is the only area that is covered by a Town Planning Scheme within the municipality.




*Map 8: NLM Municipal Wide Intervention Areas Map.*

## 3.9.24. Spatial Trends and patterns.

The urban part of Newcastle Local Municipality is characterized by a highly inefficient and fractured spatial pattern inherited from the apartheid past. Historically, the town of Newcastle was divided along racial (now class lines), with the poorer communities situated away from job and economic opportunities, and excluded from the social fabric of the town. The main residential areas for the poor – Madadeni, Osizweni and JBC area located approximately 20 to 35km from the CBD.

The following are some of the key structural elements of the MBO complex:-

- Explosive low density sprawls in the form of informal and traditional settlements that have developed within the MBO area. Some of this occurs on privately owned land in the JBC complex. The direction of this development is not controlled, but accommodates people who either cannot afford formal housing in legally designated areas or who seek location closer to the urban opportunities while wanting to maintain a rural lifestyle.1975.
- Loose character of the urban fabric epitomised by the single storey house on a plot type of development. Nearby housing projects have reproduced the same type of settlements albeit with lower level of services. High space standards applied in the provision of public facilities also contribute to the loose character of the urban fabric.
- Urban rural interface as the outer boundaries of the area adjoins onto agricultural land and rural settlements located on Ingonyama Trust land.
- Inwardly oriented discreet pockets of mono-functional developments operating in isolation. Creating separation of different land uses, particularly between residential, commercial and industrial areas.

The net effect of this situation is an inefficient disintegrated spatial system, characterised by an enormous amount of movement between the Node and surrounding areas and especially between the Newcastle CBD and the JBC complex on a daily basis.

## 3.9.25. Land Reform Programme and Rural Development.

The Newcastle Area has long been grappling with the land issues and has been involved in the implementation of the land reform since its inception. Land issues in the area cover both urban and rural areas, and cuts across the various elements of the land reform programme. Despite this, the area still lacks a common and coordinated vision for land and agrarian reform. Attempts by the Department of Rural Development and Land Reform, in association with Amajuba District to develop an Area Based Plan dealing comprehensively with the land issues in the area has not made any significant impact in this regard.

### a) Status of Land Reform Programme.

According to the Amajuba District Municipality Area Based Plan, the Department of Rural Development and Land Reform is implementing the following projects within Newcastle Municipality:-

- ***Land Redistribution (LRAD)***: There are 15 completed land restitution projects where 5,097ha of land has been transferred to 283 households (1456 individuals).
- ***Land Restitution***: There are 130 claims on farms in the Newcastle area, totalling 53,000ha. Of this, 34 claims have been settled, making up 12,700ha.
- ***Tenure Security (Labour Tenants)***: There are tenure security claims on 99 farms, making up a total area of 973ha.

The Amajuba District Municipality Area Based Plan further notes that 73,212ha of land has been transferred under the land reform programme. An application of the 30% target suggests that 109,447ha is required in order to bring the programme in Newcastle in line with the national targets.

As indicated on the Map (figure 5) above, the programme will have significant economic and spatial impact in the area. Strategies should be devised to integrate the programme into the service delivery and economic development programme of the municipality. Careful management and support to beneficiaries is necessary to sustain the production potential of land in the area.

### b) Land Tenure Upgrading.

The need for land tenure upgrading in the NLM affects four types of communities, namely:-

- People who hold Deeds of Grant to land;
- People who require their title deeds to be adjusted;
- Tenants in the JBC area; and
- Farm dwellers.

### a) Madadeni and Osizweni Townships.

The title upgrading process undertaken as part of the Extended Discount Benefit Scheme involving areas where people held their properties through Deeds of Grant (e.g. Madadeni and Osizweni Townships) has virtually been completed.

### b) JBC and Charlestown.

Similarly, substantial progress has been made with the title adjustment process involving land owners in the JBC and Charlestown areas. The completion of this exercise is critical to unlocking privately owned land in these areas for the development of sustainable human settlements. In fact, a comprehensive scheme which involved the provincial Department of Human Settlements and the national Department of Rural Development and Land Reform should be initiated as part of the Urban Renewal Programme to deal with the land issues in the JBC and Charlestown

areas. This includes people who occupy the area as tenants whose land tenure remains insecure.

### c) Ubuhlebomzinyathi.

Communities occupying the area that falls under the jurisdiction of Ubuhlebomzinyathi Community Authority should also be considered for land tenure upgrading. These include Khathide, Dicks, Mndozo, etc. At present, these communities enjoy beneficial occupation rights protected in terms of the Interim Protection of Informal Land Rights (IPILRA). These areas require careful management as they are fast deteriorating into urban slums. Densities are increasing and accounts for some of the huge urban service backlogs in the NLM.

### d) AmaHlubi Settlement.

The land occupied by AmaHlubi Community in the vicinity of Drycut Cemetery should be investigated as it may fall outside the proclaimed area of Ubuhlebomzinyathi Community Authority. The land has been subject of a court case between Ingonyama Trust and AmaHlubi Traditional Council. Other areas that require attention in terms of tenure security are the settlements located to the north of the Osizweni Township and the JBC area.

### e) Labour Tenant Claims.

As indicated on the Map above, a number of labour tenant claims were registered against various farms within the Newcastle Municipality Area. The process towards the resolution of these claims has been frustratingly slow. It is critically important for the municipality to follow this process closely as it may result in the establishment of small isolated settlements. A rural development strategy is required to guide this process and ensure that settlements do not encroach onto agricultural land in an uncontrolled manner.

### f) Land Restitution.

A number of land restitution claims were lodged against various properties in the Newcastle Area. The majority of these are large in size and ranges with complexities. Charlestown, which involves dairy farming, timber plantations, crop production and livestock farming, has been resolved successfully with the community obtaining access to more than 10 000ha of good agricultural land. The challenge is now to develop the farms, sustain productivity and create employment opportunities. The process towards the resolution of the other land claims such as Ingogo is progressing slowly. In view of the size of these claims and potential for agricultural development, it is critically important for Newcastle Municipality to ensure that they are integrated into the economic and service delivery programmes of the municipality.

### g) Impact of the land Reform programme.

As indicated on figure 5 above, the land reform programme has a significant spatial impact in the area. Other impacts are as follows:-

- **The loss of productive agricultural land to residential development**, resulting in reduced contributions by agriculture to the local economy and loss of job creation opportunities.
- **Land reform resulting on the loss of productive agricultural land**. If operations on productive land are unsustainable, this will "virtually destroy the agricultural sector, result in massive unemployment and poverty and a loss of food security."
- **Provision of adequate water supplies**. An adequate and sustainable supply of water is critical to the long term development of agriculture. Threats includes climate change, invasive alien plants and pollution.

## 3.9.26. SWOT Analysis (Spatial Analysis).

| STRENGHTS | WEAKNESSES |
|---|---|
| ▪ Newcastle is a city that is resilient and adaptive.<br>▪ It is organized around mobility and development corridors with a complete transportation network (road, rail, and air).<br>▪ It is anchored by its natural resources which make it unique and desirable with good potential agricultural land.<br>▪ The N11 route bisects the Eastern and Western halves of the municipal urban area. The road is also used as an alternative route from Durban to Gauteng.<br>▪ It is the anchor city within the Northern Natal region and 2nd order node in KZN.<br>▪ It is located on the boundaries of Free State and Mpumalanga provinces which allow for capital to be spent in Newcastle Municipal area. | ▪ Higher densities are found close to established nodes.<br>▪ Urban sprawl leads to Infrastructure backlogs and new informal settlements mushrooming.<br>▪ A fragmented spatial structure with limited future spatial growth options which lead to shortage of residential land.<br>▪ Industrial sector stagnated with very few new industrial developments.<br>▪ Poor management of open spaces and large tracks of undermined areas that cannot be utilized within the built-up areas.<br>▪ Poor accessibility due to mobility function of corridors being compromised and undefined, road network towards MBO areas as well, while the railway lines and airport has been underutilized. |
| **OPPORTUNITIES** | **THREATS** |
| ▪ Clustering of social and community facilities around development nodes and corridors including Service Delivery Centres which in turn contribute to land use and transportation integration.<br>▪ Tourism is growing and drawing tourist investment to the town.<br>▪ Mining, a growing demand on resources such as coal.<br>▪ The road infrastructure, railway lines and airport which provide connectivity.<br>▪ Informal sector can become a long term economic reality while private investment is also on the increase.<br>▪ Open spaces with densification potential | ▪ Private investment patterns remain in nodes of Newcastle west and a general decline in investment.<br>▪ Natural Environment is experiencing a lack of environmental assessment.<br>▪ Urbanisation made it difficult to formalize settlements which are time consuming.<br>▪ Lack of personnel and resources, issue of unregistered planners.<br>▪ Unplanned Informal Settlements and developments creeping onto natural resources and neighbouring municipalities.<br>▪ Urban decay in major nodes. |

## 3.9.27. Natural Environment.

### a) Terrain.

The terrain of NLM is relatively flat even though the area is characterised by some mountainous terrain running from the North along the Western boundary. Elevation is the lowest in the Eastern portion of the municipality, with scattered small hills and rolling landscapes in the centre. Elevations above sea level range from 1160.04m above sea level in the flat terrain in the east to 2228.53m above sea level in the mountainous terrain.

The most concentrated urban development and industry are located on relatively flat terrain. This generally refers to the urban complex of Newcastle town and MBO complex and the industrial area located in between. The elevated relief towards the West refers to the Drakensburg range and the Amajuba Mountain to the North.

## b) Geology.

The subsurface geology has a great influence on the terrain of Newcastle including the soil and vegetation cover which are essential to the conditions of development. It is also the source of minerals that form the characteristics of the area. The geological structure if NLM features four kinds of rock formations which include the following:-

- **Carboniferous age sandstone of the Vryheid Formation –** This is basically the oldest geological formation present in NLM and is mostly prevalent in the Newcastle East Area.
- **Jurrasic Age Dolerite –** The youngest geological formation present in the area and mostly prevalent in the Newcastle West Area.
- Permian age mudstone and sandstone of the Emakwezini Formation – Which occurs more towards the Newcastle West Boundary.
- **Permian/carboniferous age shale of the Volkrust Formation –** Pockets of this formation occurs within the Newcastle West Area and most of the surrounding areas of Charlestown.

Furthermore, the mineral potential of NLM is also closely related to the geological systems of the area. The minerals within the area contribute to the economic value of Newcastle. The Klip River coal field, the most economically important of the KwaZulu-Natal coal fields occurs North-South along the N11 and more towards the Newcastle East Area. In simple terms, Newcastle lies North of the coal fields and there is potential for the exploitation of such coal resources. The following entails the minerals resources that occur in the area:-

- **Torbonite –** Prevalence of this form of coal is found immediately West of Newcastle.
- **Iron Oxide (FeO) –** This is the mostly illegally exploited form of coal and it is concentrated within the MBO area. Due to such, there remains limited potential for attracting investments as there are minimal reserves left.
- **Bauxite (Al) –** Four bauxite deposits occur to the West of N11 and South of the Newcastle CBD. A South African Geological Survey concluded that exploitation was unlikely due to the sites being too widely located hence too expensive to process efficiently.

- **Aggregate –** There is abundance of dolerite and sandstone deposits in the area which thus provides ideal sources of aggregate for construction and other purposes.
- **Sand –** Sand is mostly found along river courses due to the disintegration of the parent rock. Newcastle is endowed with adequate quaternary deposits along streams and river courses (i.e. the Buffalo River and the Ngagane River) and these can be mined to use for building purposes.
- **Brick Clay –** The shales of the Vryheid Formation provide excellent raw material for high quality clay bricks. Such soft rock deposits occur at or near the surface thus making them much easier to mine through open cast methods.

## c) Catchments.

Newcastle is located in the catchment of the Ngagane River with Ncandu River being one of the major tributaries. The Ngagane River flows into the Buffalo River which is one of the major rivers in the Thukela Water Management Area (TWMA). The Thukela basin has strategic water importance which thus makes it a significant in terms of water supply.

Five main catchments areas form part of NLM. This includes the larger Buffalo River catchment, which ultimately forms part of the Tugela River system. These include:-

- The Ngagane River where it meets the Ncandu River (Ngagane Catchment);
- The Ncandu River where it meets the Ngagane River (Ncandu Catchment);
- The Ngagane River where it meets the Buffalo River (Additional Ngagane Catchment, which includes the upstream Ncandu and Ngagane River Catchments);
- The Buffalo River at its confluence with the Ngagane River (Buffalo Catchment); and
- The Buffalo River to where it intersects with the Newcastle LM boundary (Additional Buffalo Catchment, which includes the upstream Ngagane and Ncandu River Catchments).

Two significant dams were identified within the study area, namely that of the Chelmsford Dam, also known as the Ntshingwayo Dam, located to the South of Newcastle within the Ngagane River catchment, and the Zaaihoek Dam located to the North-East of Newcastle within the Buffalo River catchment. In addition to this, two significant wetland systems were identified, namely the Wakkerstroom Wetland located just outside Wakkerstroom and the Boshoffsvlei Wetland located to the North-East of Newcastle Town. It should be noted that legislation dictates (as per the National Water Act No. 36 of 1998) that wetland areas are protected and therefore development within 30 metres of the wetland is prohibited.

The total flow and Mean Annual Runoff (MAR) per quaternary catchment located within the study area and above-mentioned catchments is expected to exit the Buffalo River at the South-Eastern boundary of the NLM boundary. The majority of water abstracted (85%) is used for irrigation. The total area registered for irrigation is equal to 55 124ha within the NLM. The total water abstracted compared to that which is available (as per the MAR) is equal to 10.5%.

### 3.9.28. Water Quality.

#### a) Sources of Water Contamination.

The land cover indicates that a large expanse of the municipality is natural grassland with isolated thickets, natural forest, agriculture and forestry. Urban settlement is centred around the town of Newcastle, which is sited across the boundaries of the Buffalo-Ngagane, Buffalo Local Municipality and the Ngagane catchments. The residential land use comprises informal land use as well as well-established medium to low cost housing.

Noxious industry is primarily situated within the Ngagane Catchment and the Additional Buffalo River Catchment where it intersects with the NLM. The industry comprises of ore beneficiation, power stations, steel manufacturing and chemical manufacturing. Mining is largely inactive in the area and isolated in the Ngagane and Buffalo Local Municipality catchments.

The potential contaminants associated with the non-point source land-use in NLM are limited given the extensive natural grassland. The isolated nature of agriculture practises, which could have impacts such as excessive nutrient loading and suspended particles, is not considered to be significant other than in the Buffalo River. Industrial land use is likely to be the significant impact on water quality in the region. The potential contaminants include:-

- Heavy metals;
- Particulate matter;
- Organic contaminants;
- Soluble salts which translates into low oxygen levels;
- High turbidity;
- Increased levels of tropic sensitivity; and
- Elevated toxicity of water.

Furthermore, the issue of Acid Mine Drainage in the Ballengeigh area deserves the urgent intervention of authorities and a concerted effort involving relevant parties. This is noted as a possible source of both surface and ground water pollution both now and in years to come. The resultant impact is the applicability of water for agricultural,

domestic and ecological use. Increased water treatment costs would also be realised to facilitate potable water.

### b) Quality of Water.

The DWA results within NLM indicate good water quality; however the quality of the river water is impacted upon by poorly performing WWTW or urban run-off with total coliforms and faecal coliforms. The industrial impact is not evident and seems to manifest through fluctuating levels of chemicals such as Fe, Mn, TDS and sulphate. This assessment of water quality is based on the current water quality data. However, following discussions with DWA and based on the potential contaminant sources, it is suspected that the impact may be more pronounced should additional variables be analysed especially along reaches of the Ngagane River.

The Ngagane River experiences the majority of the industrial impact with several noxious industries located within this catchment. Monitoring data from DWA suggests that an impact is occurring at sampling site 188866 (immediately downstream of Siltech operations). This is evident from TDS values deviating from upstream results and is likely associated with increased sulphate (494mg/l) content of the river from the ash dump or colliery yard in that area. These levels decrease downstream to an average of 235mg/l downstream of Arcelor Mittal Steel. The sulphate and TDS levels increase again following the confluence with the Ncandu River suggesting an impact, from either the Ncandu River, or a point source on the Ngagane River in this area.

### c) Groundwater.

Groundwater quality is generally moderate to poor and often exceeding Class 1 of the Kempster Classification and this renders this resource mostly suitable for short-term use without sophisticated and costly treatment. There are a number of contributing factors to poor water quality, and based on the determinants exceeding Class1, the more probable sources are:-

- Poor or low rates of recharge;
- Mining activities, particularly coal mining;
- Local industry; and
- Farming activities.

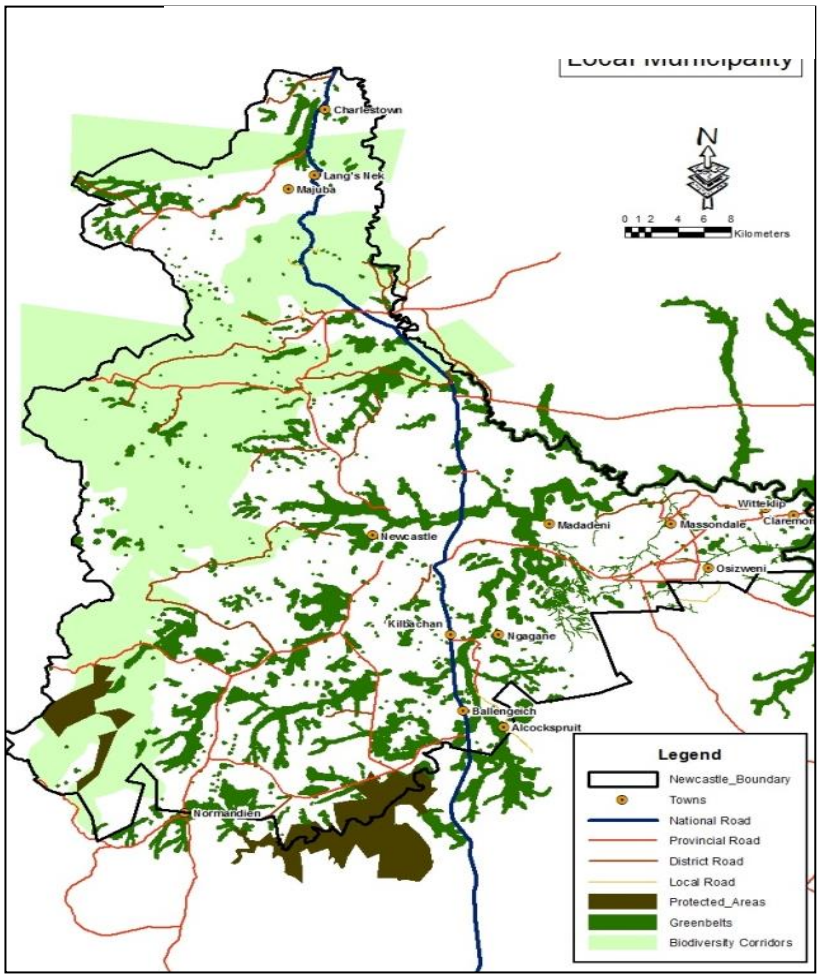
Based on first order harvest potential calculations, groundwater has the potential to service the whole of the NLM basic water needs, and thus should be considered a valuable resource. Areas of particular sensitivity entail all the existing groundwater resources in relation to the potential yield they may deliver. Geological structures (faults, dykes and lineaments) that may act as preferential groundwater flow paths, and areas of high potential production and zones of potential recharge are also amongst area of particular sensitivity. Groundwater quality is typically moderate to

poor, however, treatment may be required and costs to purify determinants (calcium, iron, and manganese) requiring treatment are typically manageable.

Sources of increased quantities of particular determinants have not been established with any conviction. However, major sources of concern are mining activities, heavy industry, and urban areas which have a high probability of altering pristine groundwater conditions in a significant manner. It is evident that there are instances of very significant groundwater supply potential when located in geo-hydrological favourable locations, and this figure is potentially inflated. Data deficiencies are a concern and meaningful statistical analysis is restricted. A full and comprehensive hydro-census study should be implemented for the whole of the Local Municipality.

## 3.9.29. Biodiversity Assessment.

### a) Status of vegetation.




Transformed land is mostly associated with cultivation, mining, urban and dense rural development, and the spread of alien trees. Although many of the 'natural' areas have been degraded to some extent, these could be classified as untransformed, i.e. the loss of biodiversity was likely to be minimal. In all, approximately 50% of the area could be classified as transformed.

Land that has been transformed is likely to have lost a large number of plant species, as well as most of the larger mammals that previously occurred in the area. Conversely the man-made irrigation dams and the wetlands that feed them might still contain a significant number of species, including some of high conservation significance. The wetlands are also likely to be important corridors for dispersal of many water-dependent species. With regards to the terrestrial component, it is highly likely that the transformed land is no longer functional as a corridor.

The most apparent typologies of land cover within Newcastle are as follows:-

- **Grassland** – Most of the Western area in Newcastle is covered by grassland thus representing a larger percentage of the area's natural open space.
- **Commercial Agricultures** – Agricultures is the second largest land cover, dominated by dry-land cropping. The concentration of agricultural use patterns is mostly in the South of Newcastle.
- **Settlements** – The third largest land cover in Newcastle is that of the settlements, both urban and rural, and they occur mostly in the West, Central and Eastern parts of Newcastle. These patterns are mostly associated with high levels of landscape fragmentation and degradation thereof.
- **Plantations** – Commercial timber plantations have changed the landscape in the Western parts of the area and in the area around Hilda in the North of Newcastle.
- **Dense Bush** – This is mostly land cover that includes natural bush and invasive plant species.
- **Mining and Quarries** – Such land cover is arranged in a scattered pattern of mining and quarrying activities.

### b) Biodiversity Corridors.

Aerial images were examined for assessing important ecological corridors, which are required for facilitating migration of fauna and flora in the long term. Emphasis was placed on untransformed land that spanned three or more of the Mucina & Rutherford (2006) vegetation types (The assumption in this exercise was that vegetation in good condition would have high floral diversity, thus having the potential to function as corridors and to support high faunal diversity.

While it was evident from the study that a number of areas with high levels of transformation were compromised as functional corridors, there were some contiguous stretches of vegetation that appeared to be viable. These spanned three or more vegetation types and were considered a priority for further investigation.

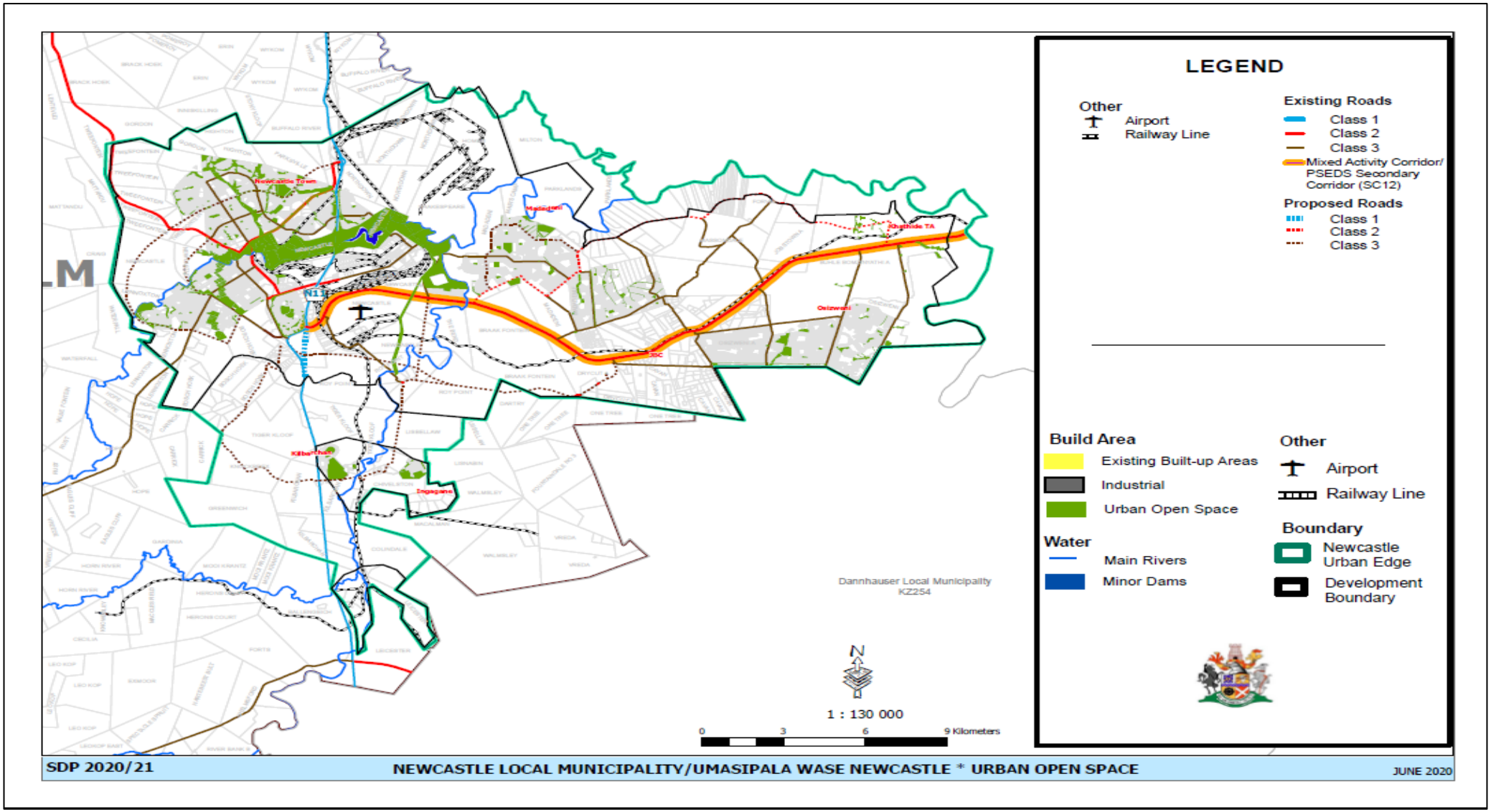
The only North-South axis that represented a viable corridor was along the Western boundary, but was confined to one vegetation type, namely the Low Escarpment Moist. This area has maintained a relatively untransformed vegetation condition due to the high elevations of between 200 m and 1800 m above sea level, and relatively inaccessible terrain.

The assumption was that East-West orientation of corridors was likely to be more effective, as this would encompass a significant portion of the topographic diversity and resultantly, water catchments and habitat diversity. In the case of both the recommended corridors, altitude ranged from about 2100 metres above sea level in the West to 1500 metres in the East, over a distance of under 15 km.

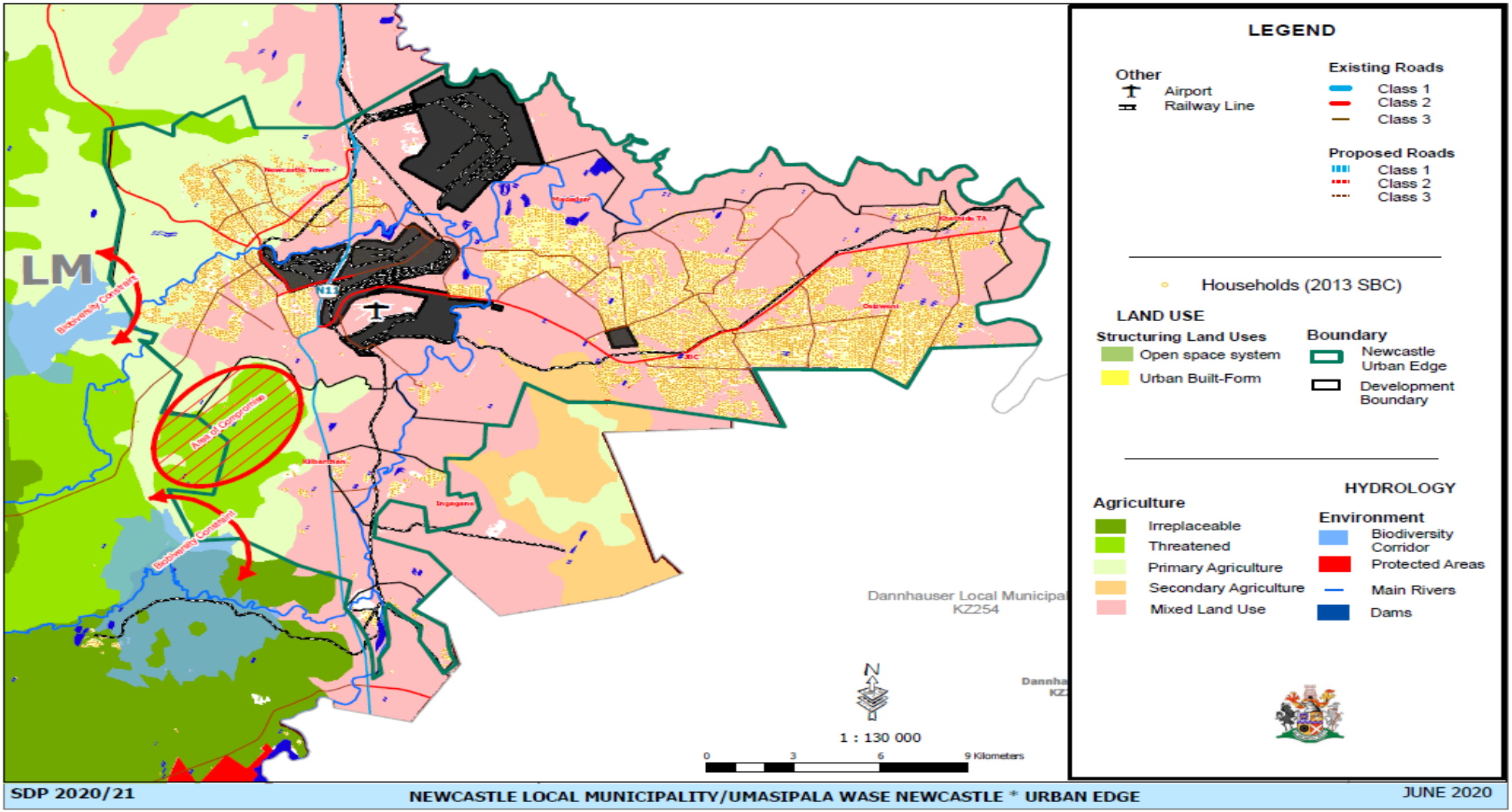
### c) Suitable Land for Agriculture.

The agricultural categories listed below entail the distribution of agricultural land within NLM. Such categories are also a representation of the ability of an area to produce food under the application of recommended practices on a sustainable basis:-

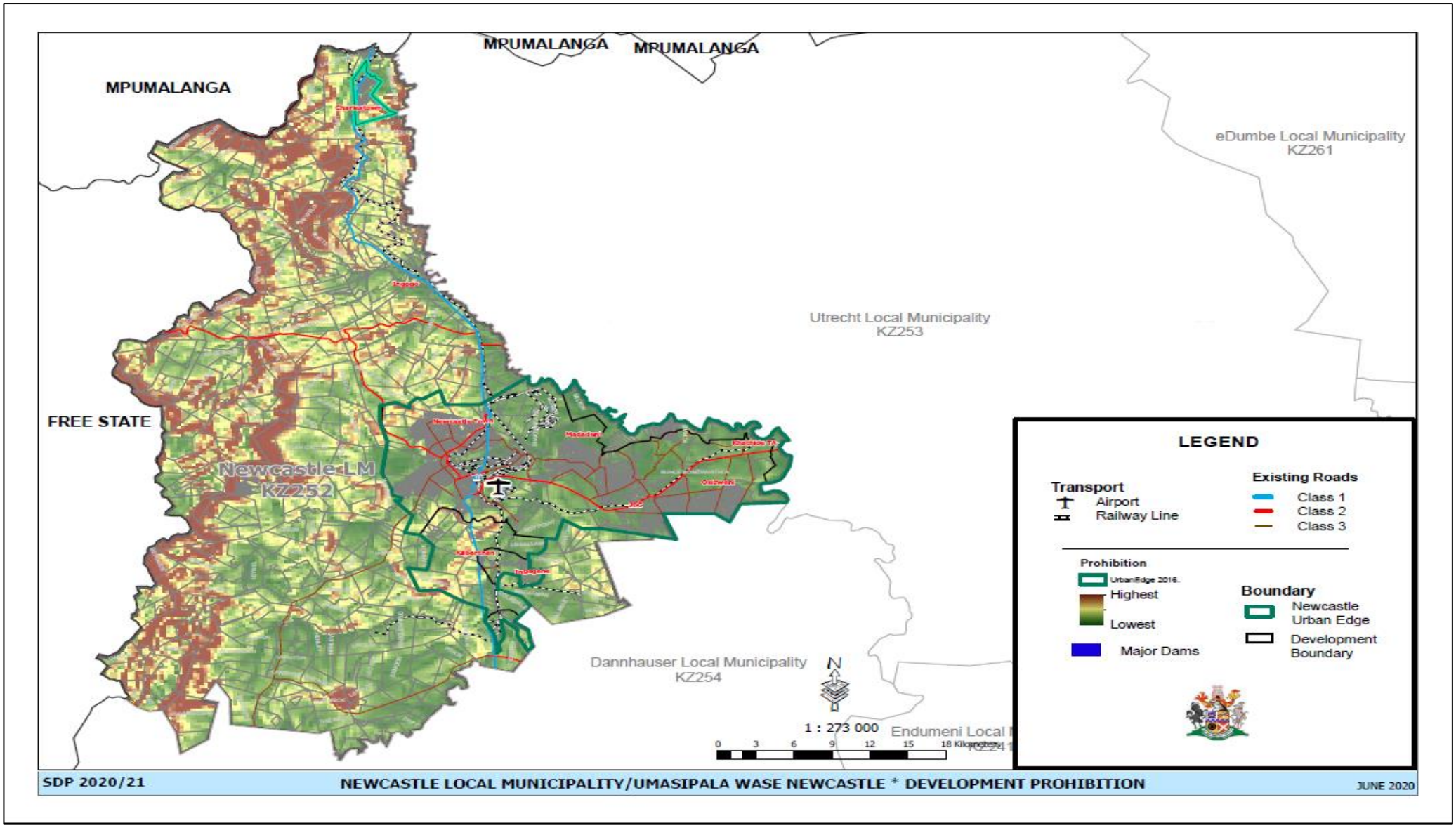
- Category A – Irreplaceable Land: This category of land is regarded as **high to very high potential agricultural land** hence necessitating its conservation strictly for agricultural use in order to ensure national food security. Within KZN in general, this category of land cover is limited which thus means there is a need for the introduction of efforts directly focused on retaining such land for food production. Land in Category A has no or very few limitations to agricultural production and can support intensive arable cropping systems. Such land also contains "unique agricultural land" which is essentially land that may be used for producing specific high-value crops. This type of land is important for agriculture due to a specific combination of factors such as location, climate and/or soil properties that make it highly suited for a specific crop when managed with specific farming or conservation methods. Most of the area West of Newcastle, specifically along the boundary, is endowed with Category A agricultural land.
- Category B – Threatened Land: Category B is regarded as **moderate to high potential agricultural land**. It is also of a scarce nature within the wider KZN hence necessitating its conservation. Land within this category has produce sustainably in the long term with few limitations to agricultural production. Concentration of Category B agricultural land is also mostly West of Newcastle.
- Category C – Primary agricultural land: Such land is regarded as land with **moderate to low agricultural potential**, on which significant interventions will be required to achieve viable and sustainable food production even though agriculture is still the majority land use in the rural landscape. Such land is limited in terms of annual arable land and thus may be used for purposes to support livestock production i.e. grazing land. The conservation of Category C land is of crucial importance in order to ensure the conservation of higher potential agricultural land categories through acting as a buffer. The concentration of Category C land in NLM is found immediately West of Newcastle's urban edge with grazing being the predominant land use.
- Category D – Secondary agricultural land use: This form of land is regarded as land with **low agricultural potential** and it requires severe interventions in order to enable sustainable agricultural production such as terracing, contours, high levels of fertility correction etc. There is minimal amounts of such land within Newcastle and it can be found further South of the Madadeni residential township, and upper North towards Amajuba forest.
- Category E – Mixed land use: Such land is regarded as land with **limited to no potential for agricultural production**. However, such land may be applicable to conservation due to its tourism status depending on its location. Such land in Newcastle is largely concentrated around and/or within the urban edge.



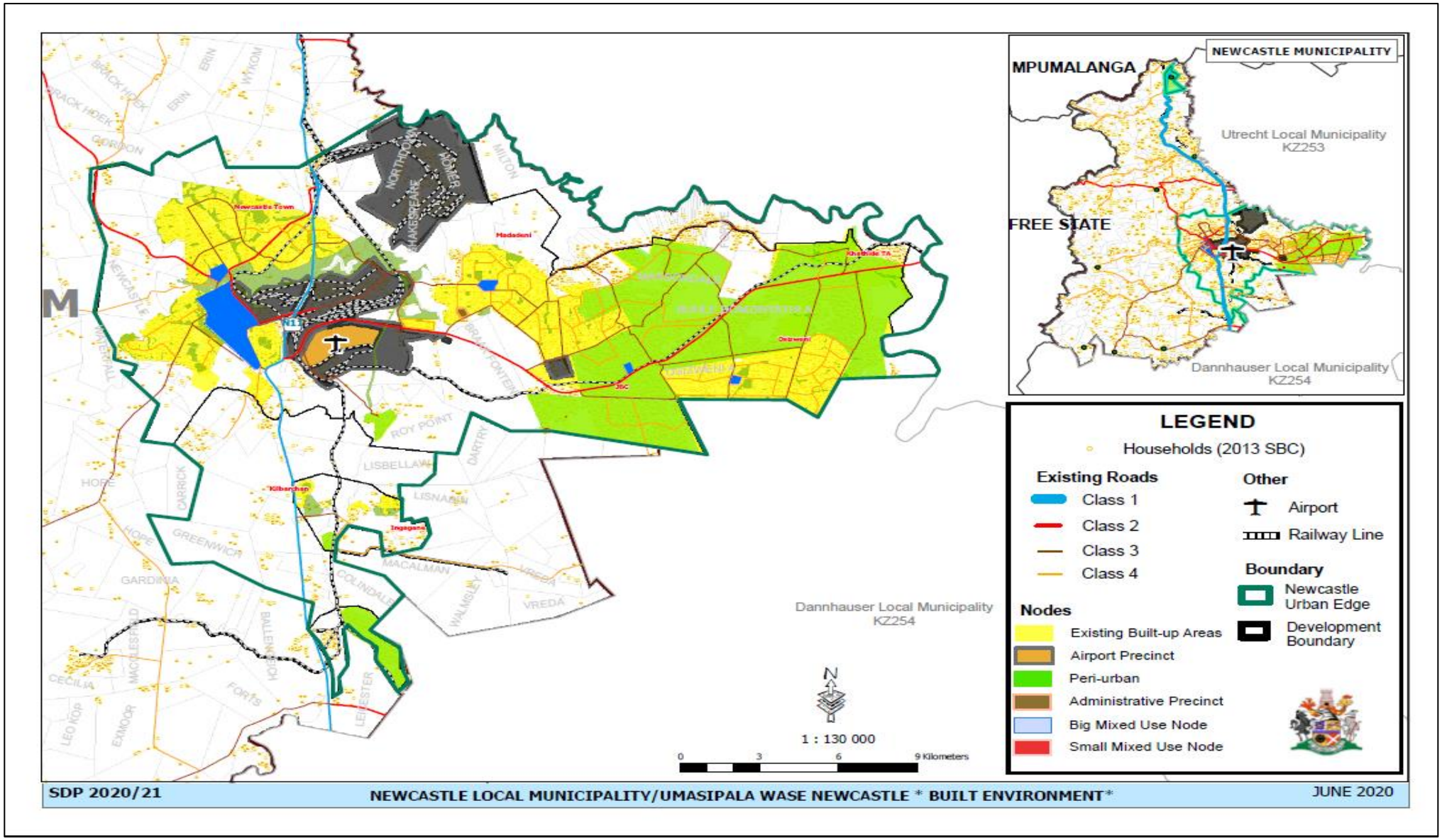

*Map 9: NLM Urban Open Space Map.*




*Map 10: NLM Urban Edge.*




*Map 11: NLM Development Prohibition.*




*Map 12: NLM Built Environment.*

### 3.9.30. Air Quality.

A study has been conducted with purpose of assessing the air quality in order to determine the sensitivity of the airshed, the pollution sources of the area and the sensitive receptors. The 'airshed' is the geographic area or a region within which an air pollution problem is largely contained due to the combined effect of the topography and local atmospheric conditions. According to the Environmental Management Framework for NLM (2015), the following is noted:-

- Newcastle's central business district is situated in the valley and suffers from poor dispersion conditions during the winter months. As a result, the city suffers short-term pollution episodes. Lower lying areas that are affected include commercial, residential and industrial land uses.
- Current air pollution sources of concern:
  - Industrial activities (criteria pollutants and others);
  - Waste facilities (dust);
  - Off-site agriculture (dust, herbicides and pesticides); and
  - Transport routes (criteria pollutants).

The ambient air quality of Newcastle is slowly deteriorating to insignificance and interventions are drastically needed in order to improve the quality of the air. This may also be largely due to the current landfill site which has reached the saturation level. The poor planning measures that accrue to the apartheid government were characterised by the prioritisation of land for industrial development in close proximity to where air quality impacts are likely to be greatest. In simple terms, the proximity of industrial areas to the settlements is alarming. According to the National Framework for Air Quality (2012), in 2007, the air quality rating of Newcastle was classified as potentially poor. This rating basically meant that air quality may be poor at varying instances and therefore rendering the area a priority for support in terms of air quality management.

Based on the Environmental Management Framework for NLM (2015), Newcastle may either be Class 3 Air Quality Area (Alert Area) or a Class 4 Air Quality Area (Transitional Compliant Area). The following is applicable to Class 3 and Class 4 areas respectively:-

- Class 3 Air Quality Area (Alert Area): Newcastle is an area that is Section 24 compliant whereby there's no harm to health or well-being of the citizens due to the air quality. It is also an area where ambient air quality remains within the standards, but sustained air quality management interventions is required in order to, at least, maintain or improve this situation.
- Class 4 Air Quality (Transitional Compliant Area): Air Quality is not Section 24 compliant meaning there's possible harm to health and well-being of the citizens of Newcastle. This type of air quality is applicable in areas whereby ambient air quality represents a possible threat to health and well-being and requires immediate and sustained air quality management interventions to, at least, bring there are into compliance with the standards within agreed time frames.

However, improved monitoring measures have been implemented within Newcastle in order to specifically determine the classification of Air Quality within Newcastle and these entail a broad and coordinated framework that uses modern monitoring instruments including a monitoring station in Newcastle. The Amajuba District Municipality is currently in the process of preparing and Air Quality Management Plan for the District. This initiative will include a comprehensive source inventory of emission data, meteorological data and supplementary data to inform constraints and opportunities of air quality in Newcastle.

### 3.9.31. Climate Change.

The following entails different climate change definitions with the common factor between the various definitions relating to 'changes in the temperature of the earth's surface':-

- **National Climate Change Response White Paper:** "Ongoing trends of changes in the earth's general weather conditions as a result of an average rise in temperature of the earth's surface often referred to as global warming."
- **IPCC Working Group II Assessment Report V:** "A change in the state of the climate that can be identified by changes in the mean and/or the variability of its properties, and that persists for an extended period, typically decades or longer."
- **United Nations Framework Convention on Climate Change (UNFCCC):** "A change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods."

Climate change is caused by both natural and human activities even though human activities are regarded as the biggest perpetrators of the phenomenon. Climate change variability due to natural causes entails changes in solar radiation, earth's orbit around the sun, changes in volcanic activity, regional patterns of climate variability, cyclical changes in the solar radiation, natural carbon cycle processes, greenhouse effect, and volcanic eruptions (short-term effect on climate change). Climate change variability due to human activities entails burning of fossil fuels (domestic and commercial) which results in increases in the amount of greenhouse gases within the atmosphere i.e. water vapour, carbon dioxide ($CO_2$ – 50%), Methane ($CH_4$ – 18%), Nitrous Oxide ($N_20$ – 6%), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur Hexafluoride ($SF_6$). Furthermore, aerosols, land use changes and development thereof (deforestation), and agricultural activity (overgrazing) also contribute to climate change.

The increased concentration of greenhouse gases within the atmosphere enhances the greenhouse gas effect and the process of climate change is described below:-

- Step 1: Sunlight passes through the atmosphere and warms the earth's surface.
- Step 2: Infrared radiation (IR) is given off by the earth.
- Step 3: Most of the infrared radiation (IR) escapes to outer space allowing the earth to cool.

- Step 4: Some of the infrared radiation (IR) is trapped by gases in the air (including $CO_2$) thus keeping earth warm enough to sustain life.
- Step 5: An increased concentration of infrared radiation (IR) trapped by the gases offsets the 'enhanced greenhouse effect' causing the surface to heat up even more.

### a) Impacts of Climate Change.

Climate change impacts entail the negative marked effects of climate change to the overall environment and these are as follows:-

- Higher maximum temperatures (more hot days and heat waves);
- Lower minimum temperatures (fewer cold days and cold waves);
- Higher intensity percipitation seperated by longer intervals (hurricanes and floods);
- Increased summer drying resulting in droughts;
- Higher wind speeds;
- Increased flooding due to the El Nini effect;
- Sea level rise;
- Loss of ecosystems and species biodiversity;
- Decreasing agricultural activity hence threatning food security;
- Damage to infrastructure (i.e. Roads); and
- Increased rate of extinction for many habitats and species.

### b) Mitigating Climate Change.

Climate change mitigation entails efforts towards reducing or preventing human emission of greenhouse gases (GHGs) and these are as follows:-

- Introduction of new technologies;
- Changing consumer behaviour through climate change awareness initiatives;
- Integrated trasnportation systems (i.e. Bus Rapid Transit system (BRT), revival of the rail system for the movement of both passenger and goods);
- Introduction of pedestrian walkways and/or bicycle lanes;
- Conservation of natural carbon sinks i.e. forests;
- Introduction of new carbon sinks through green agricultural initiatives and the planting of trees;
- Introduction of mitigation policies from a municipal perspective i.e. air quality bylaws;
- Use of low-carbon energy sources i.e. renewable energy, nuclear energy;
- Improved insulation of buildings; and
- Climate change infrastructural engineering.

### c) Climate Change Adaptation.

Climate change adaptation refers to the anticipation of adverse effects of climate change and taking the appropriate action to prevent or minimise the damage they can cause, or taking advantage of any opportunities that may arise, if any, and the following entails some of the adaptation measures:-

- Use of scarce water resources more efficiently at household level through innovative water storage and conservation techniques;
- Adapting building architecture to future climate conditions including extreme weather conditions;
- Building flood defences and raising the levels of watercources;
- Development of crops that are drought-resilient through advanced agricultural techniques;
- Conservation and protection of ecologically significant corridors in order to promote species migration;
- Providing communities with information that will inform profound decision-making at household level;
- Planting of forestry that is more resilient to storms and veld fires;
- Development of waste ercycling centres and the creation of value from waste;
- Expanded rain-water harvesting; and
- Soil-erosion control including soil protection through the planting of trees and shrubs.

The above-mentioned measures are currently the focus of numerous units within the Community Services Department in their collaborative efforts to develop a Council adopted Climate Change Adaptation Strategy that will inevitably be informed by and aligned to the District Air Quality Management Plan, Environmental Management Framework and Climate Change Response Plan.

### d) Vulnerability to Climate Change.

Climate change vulnerability is basically a function of the character, magnitude and rate of climate variation to which an area is exposed, including its sensitivity, and adaptive capacity and below is a list of some vulnerabilities to climate change:-

- Insufficient coping strategies with regards to disaster management;
- Poor quality of the health facilities;
- Lack of information within the communities;
- Poor communication mechanisms;
- Informal settlements built on flood planes;
- Poor stormwater management system; and
- Low productivity of agricultural land coupled with poor knowledge of agricultural systems, particularly within indigenous people.

### e) Vulnerability to Climate Change.

The majority of rainfall within Newcastle falls during summer within the October and March period. Peak rainfall falls within the November and January period. The winters are very cold and dry and they fall within the April and September period. The Mean Annul Evaporation within the area is approximately 1 452mm with the periods October to April having an Average Evaporation of 140mm. The Mean Monthly Precipitation is approximately 874mm with the periods November to March having an Average Monthly

Precipitation of 128mm. In general, the distribution of rain and temperature is highly influenced by the height above sea level. Within Newcastle, the highest rainfall occurs within the Newcastle-West area where altitudes are high and this area is also characteris/ed by cold temperatures. We experience a decrease in the amount of rainfall received as we move towards the Newcastle-East area where there's also higher temperatures.

Based on the 2007 SAWS data, the maximum hourly average temperature recorded was 34.9 ˚C (February and March 2007) and the minimum temperature recorded was -4.1 ˚C (May 2007) with the average temperature for the area being 17.6 ˚C. Due to global warming and the changes in the climate thereof, resulting in changes in the local patterns of climate variability. The Environmental Management Framework Report (2015) states that climate change projections for this region indicated wetter than average conditions with higher average conditions with higher average annual and summer rainfall and fewer days with low flow and an increased occurrence of extremes of dry and wet spells.

With regards to flooding, historical records have shown that extreme flood events have occurred in Newcastle at regular intervals throughout the last century. Such floods have had an impact on the land uses, the communities and the environment. The Ncandu and the Ngagane Rivers have regularly burst their banks due to the high levels of precipitation. It is thus safe to say that the occurrence of such events shall persist within the future with the severity of such extreme events likely becoming more noticeable in the future primarily based on an increase in population growth and spatial development.

Another issue of great concern which might also result in the possible exacerbation of the effects of climate change is the degradation of the natural habitat. The natural systems such as floodplains and wetlands are in continuous threat from the illegal settlements that develop in such features. This is not only an issue to the natural environment but it is also a hazard to the well-being of the communities that reside in such areas as some illegally settle on floodplains.

### f) Newcastle Climate Change Strategic Interventions.

- Implementation of the Environmental Management Framework.
- Implementation of the Air Quality Study findings and recommendations.
- Implementation of the Integrated Waste Management Plan.
- Water Conservation and Demand Management (including awareness campaigns).
- Development of a recycling centre (garden refuse drop-off centre).
- Effective Land Use Management System for conservation and protection of areas of ecological significance.
- Introduction of outdoor gym equipment within active public open spaces (children play parks).
- Electrification of rural settlements in order to reduce reliance on the burning of fossil fuel (i.e. coal).

- Introduction of water and electricity smart meters in order to reduce the rate of water and energy consumption within households.
- Development of an Alien Plant Eradication Plan via climate change adaptation strategy.

### g) Priority Management Areas.

The condition of biodiversity in the Newcastle Municipality relative to the provincial ecological statistics suggests that almost 50% (approximately 42%) of the provincial vegetation type referred to as Low Escarpment Moist Grassland is located within the Newcastle Municipality. Although this vegetation type is relatively untransformed (20% transformation) in the municipality and is therefore least threatened, the fact that it houses a large percentage of the provincial vegetation type confers high management significance for this area of biodiversity. The analysis also indicates that the endemic Northern KwaZulu-Natal Moist Grassland, the near endemic Income Sandy Grassland, and the Northern Zululand Sourveld are significantly transformed in the municipality and thus all three vegetation types are recommended as critically endangered in the municipality. The biodiversity analysis results need to be translated into management areas on the ground and management actions. The key vegetation areas that are threatened are the Northern KwaZulu-Natal Moist Grassland, KwaZulu-Natal Highland Thornveld, and the Income Sandy Grassland.

## 3.9.32. SWOT Analysis: Natural Environment.

| STRENGTHS | WEAKNESSES |
|---|---|
| • Clusters of forests along Western cliff of plateau region.<br>• Agriculture contributes significantly to the LED, household income and food security.<br>• Mining is a major contributor to GDP, LED income.<br>• Large wetland areas with tourism potential.<br>• Baseline Water Quality is relatively good.<br>• Beautiful landscapes of scenic significance.<br>• Climate conditions favourable for agric-hub.<br>• Large water catchment area.<br>• Direct involvement of KZN Dept. of Agricultural and Environmental affairs in the agricultural sector.<br>• Good system of open spaces. | • Large Scale of alien infestation.<br>• Most abandoned coal mines are high risk areas.<br>• Waste treatment infrastructure is under pressure and needs upgrading.<br>• Landfill facility needs better management and rehabilitation.<br>• Some residential zones have developed in close proximity where air quality impacts are likely to be greatest.<br>• Lack of environmental education.<br>• Lack of qualified environmental planners dealing with environmental issues.<br>• Lack of air quality study |
| **OPPORTUNITIES** | **THREATS** |
| • Eradicating alien plants and creating job opportunities at the same time.<br>• Rehabilitation of degraded land in MBO area.<br>• Investigate, rehabilitate and revert mining areas to alternative land uses.<br>• Establishing biodiversity conservation corridors along Western highland plateau region.<br>• Improve infrastructure to address infrastructure backlogs which might impact negatively on the environment. | • Large scale loss of biodiversity.<br>• Settlement, industrialization & mining threaten biodiversity.<br>• Loss of good agricultural land to settlement, mining & industry.<br>• Mining impacts on water quality.<br>• Need for new landfill site.<br>• Illegal mines pose a health and safety risk.<br>• Informal and illegal dumping sites.<br>• Poor agricultural practises in some instances. |

| STRENGTHS | WEAKNESSES |
|---|---|
| • Formalization and upgrading informal settlements.<br>• Relocation of settlements located in high risk areas such as floodplains.<br>• Opportunities for small and emerging farmers. | |

### 3.9.33. Animal Pound.

Section 3 of the KZN Pound Act. No. 3 of 2006, stipulates that *"each municipality without a pound must…establish and operate a pound to service its area of jurisdiction".* The NLM pound was constructed in 2013/14 and operations commenced in November 2014. The KZN department of Co-operative Governance & Traditional Affairs (COGTA) provided a R1.5 million grant to assist the municipality with the construction, establishing and ultimate operation of the animal pound as per the provisions of the KZN Pounds Act No .3 of 2006. A study commissioned by ??? to look into the causes of fatal road accidents in the province of KZN indicated that roaming stray animals was one of the main causes of road accidents in our provincial and municipal roads hence the recommendation that all Category B municipalities should establish pounds. Furthermore, the report informed COGTA that Newcastle was a high priority municipality with regards to the establishment of a pound as our location renders us a cross boarder municipality thus leading to a high traffic flow.

Functionally, the operational upkeep of the pound is currently outsourced as per the provisions of Section 76 (b) of the Local Government Municipal Systems Act. No 32 of 2000 as amended.

The only significant challenge is the very low tariffs that are provide for within the Act, otherwise, the NLM has made sufficient budget provisions in the draft 2020/21 budget as well as the two outer years.

### 3.9.34. Disaster Management.

Like most other areas within the lovely KwaZulu-Natal Province, Newcastle is also prone to a wide range of natural and man-made risks and hazards that, in some instances, may result in disasters. These mainly include floods and fires which occur during any part of the year usually resulting in serious damages, costs, loss of life and/or property, infrastructure and economic livelihoods. The NLM's Disaster Management Plan has been developed through close engagements with the established stakeholders in the form of the Disaster Management Advisory Forum. The Plan is a living document that is updated anually and reviewed within a five (5) year period in line with the requirements of the Disaster Management Act (Act No. 57 of 2002) which seeks to provide a uniform and multi-disciplinary approach in the management of disaster incidents in the province with specific emphasis on prevention, mitigation, preparedness and rapid response.

Intrinsic to the development of an efficient and effective disaster management plan are programmes and strategies towards disaster risk reduction which entail awareness

campaigns, risk assessments, improving institutional reduction arrangements and poverty reduction plans, training programmes and research. The recommended response systems include early warning signals, regional response units and food security monitoring. The Disaster Management Advisory Forum is of critical importance for the development and implementation of an efficient Disaster Management Plan which plays a big role thus to ensure inclusivity and collective ownership of responsibility in line with the spirit of cooperative governance. The plan shall be used as a tool by departments, institutions and/or organizations through the alignment of their development plans with the Disaster Management Plan. This will be done by the plan through the following objectives:-

- Prevention and reduction of disaster risks;
- Mitigation of impacts; preparedness for effective response to disasters;
- Minimize loss and property damage; and quick recovery from the impacts

The Honourable Mayor of Newcastle is the custodian of the Disaster Management Plan and is responsible, through supporting departments, especially **Community Services: Fire and Disaster Management**, to regularly review and update the plan. The overall vision of the plan is "Towards cutting-edge disaster risk management for safer and resilient Newcastle communities." The plan will also contain a disaster risk profile of the Newcastle Local Municipality thus to identify potential areas.

The NLM Disaster Management Plan, also refered to as "the Plan" was developed in line with the requirements from the Disaster Risk Management legislation. As mentioned, the development thereof was guided and drafted by the NLM Disaster Management Advisory Forum which was established by the Newcastle Municipality Disaster management Advisory Forum in February 2014 and adopted by full Council in August 2017. The plan is now due for review as per the recommendations of the same forum, in which issues such as disaster risk profiling, the objectives towards the KPAs, the related budget requirements, an analysis on climate change, mitigation and adaptation initiatives etc. form items for discussions. Additionally, to further adhere to the National Disaster Management Framework (Notice 57 of 2005), the NLM has made recommendations to its Council to adopt the Amajuba District Disaster Management Policy Framework.

### ❖ Institutional Arrangements.

Newcastle Municipality's Disaster Management Advisory Forum was established in 2014 to satisfy the recommendations as stated in the Disaster Management Act (Act No. 57 of 2002); National Disaster Management Framework of 2005 as well as the Policy Framework for Disaster Risk Management. Moreover, in order to ensure integrated planning within the Newcastle jurisdictional area, the Office of the Strategic Executive Director under the Integrated Development Planning (IDP) has committed to establishing the Inter-Governmental Relations Committee (IGRC) on behalf of the Office of the Mayor. However, there is still non-existence of the Disaster Management Inter-Departmental Committee and this is attributed to a general lack of understanding and application of the relevant legislation. Attending to the non-existence of the Disaster Management Inter-

Departmental Committee and the IGRC, the Management Committee (MANCO) and the Community Services Portfolio Standing Committee, in the interim, currently serve as the IGRC between departments and Council.

Below is the composition of the Newcastle Fire and Rescue Services Stations and personnel:-

| NEWCASTLE FIRE STATION | MADADENI FIRE SUB-STATION | OSIZWENI FIRE SUB-STATION | EMERGENCY CONTROL CENTRE |
|---|---|---|---|
| 1 x Divisional Commander: Fire Safety & Disaster and 1 x Senior Station Officer: Fire Safety & Disaster | N/A | N/A | N/A |
| 1 x Divisional Commander: Fire Operations<br>1 x Station Officer: Fire Operations<br>4 x Leading Fire-fighters<br>18 x Fire fighters (2 dropped from last financial year) | 8 x Fire fighters ( 2 per shift) | 1 x Station Officer: Fire Operations<br>12 x Fire fighters | 1 x Communications Officer<br>4 x Control-room Operators |
| **ADDITIONAL STAFF REQUIRED TO MEET THE SANS 10090:2003 REQUIREMENTS** | | | |
| **FIRE OPERATIONS**<br>1 x Chief Fire Officer<br>20 x Fire-fighters<br>**DISASTER MANAGEMENT**<br>1 x Head: Disaster Management<br>2 x Disaster Management Practitioners | 1 x Station Officer<br>2 x Leading Fire-fighters<br>16 x Fire-fighters | 2 x Leading Fire-fighters<br>4 x Fire-fighters | 4 x Senior Control-room Operators |

Below is the status of machinery of the Newcastle Fire and Rescue Services Stations:

| NEWCASTLE FIRE STATION | MADADENI FIRE SUB-STATION | OSIZWENI FIRE SUB-STATION | EMERGENCY COMMUNICATION CENTRE |
|---|---|---|---|
| 2 x Major Fire Pumps<br>1 x 13 000l Water Tanker<br>1 x Aircraft Crash Vehicle<br>1 x Bush Tender<br>2 x Skid Units<br>1 x Light Delivery Vehicles | 1 x Medium Fire Pump | 1 x Medium Fire Pump<br>1 x Rescue Vehicle<br>1 x Disaster Management Utility | Out-dated communication system |
| **ADDITIONAL STAFF REQUIRED TO MEET THE SANS 10090:2003 REQUIREMENTS** | | | |
| 1 x Aerial Appliance<br>1 x BA Unit<br>1 x Hazmat Unit | 1 x Rescue Unit | 1 x Medium Fire Pump | Upgrading of entire system |

NLM is part of the Amajuba District Fire Technical Task Team which normally holds meetings for strategic planning twice a year. NLM has also established formidable relations with NGO's, CBO's, Government and Private Sector stakeholders comprising Farmers Associations, Arcelor Mittal, Karbo-Chem, etc.

In terms of the employment of dedicated and skilled personnel for the disaster management function, the Fire Services Department of the Newcastle Local Municipality currently has one dedicated member for Disaster Management. This is largely due to budget constraints, which thus requires the allocation of an additional budget for the appointment of additional staff. Additionally, other challenges the Disaster management and Fire Services are currently faced with pertain to, amongst other issues:

- Insufficient fire personnel and equipment;
- insufficient budget to deal with fire and rescue issues;
- lack of qualified and designated personnel for Disaster Risk Management; and
- lack of adequate budget allocation for disaster related activities.

The table below displays the Disaster Management and Fire Services SWOT Analysis:-

| **Strengths** | **Weaknesses** |
|---|---|
| • Fully fledged Emergency Communication Centre;<br>• Three (3) functional fire stations;<br>• Functionality of Newcastle Disaster Management Advisory Forum;<br>• Availability of Fire Prevention Officer appointed by the Department of Forestry and Fisheries;<br>• Recently updated risk Ward Risk Profiles;<br>• Functional Fire Safety unit to conduct awareness's campaign in Hospitals, Schools, Public meetings and Non-Governmental Organisations;<br>• Availability of minimum fire fighting vehicles and equipment;<br>• Availability of skilled fire and disaster management personnel;<br>• Availability of Local Disaster Management Centre. | • Failure to appoint designated and qualified disaster management practitioners;<br>• Failure to split Disaster Management and Fire Operations functions;<br>• Failure to provide separate budget for the procurement of disaster management Wendy-houses, storage containers;<br>• Failure to upgrade the existing Emergency Communication Centre's equipment;<br>• Insufficient capacity to deal with disaster management and fire;<br>• Unavailability of risk reduction personnel;<br>• Insufficient budget to deal with pressing disaster management issues;<br>• Review and establishment of mutual assistance/memorandum of understanding with the neighbouring local municipalities that are not fully functional;<br>• Climate change versus the budget allocation to implement climate change adaptation mandate |
| **Opportunities** | **Threats** |
| • Implementation of Climate Change Strategy projects<br>• Installation of lightning conductor<br>• Training of Ward Committees and Councillors in augmenting Disaster management capacity<br>Establishment of Disaster Management Inter-Department Co-ordinating Committee. | • Water pollution of the Ncandu River and Amcor Dam;<br>• Non-maintenance of Storm Water Drains<br>• Non-maintenance of Sewerage Plants especially in Blaauwbosch;<br>• Frequent breakdown of old fire engines due to age;<br>• Non-availability of Aerial Fire Appliance to deal with incidents in high-rise buildings;<br>• Increasing traditional and informal dwellings in Newcastle<br>• Unoccupied land that cause land invaders<br>• Research system to come up with strategies to minimize district risks. |

## ❖ Disaster Risk Assessment.

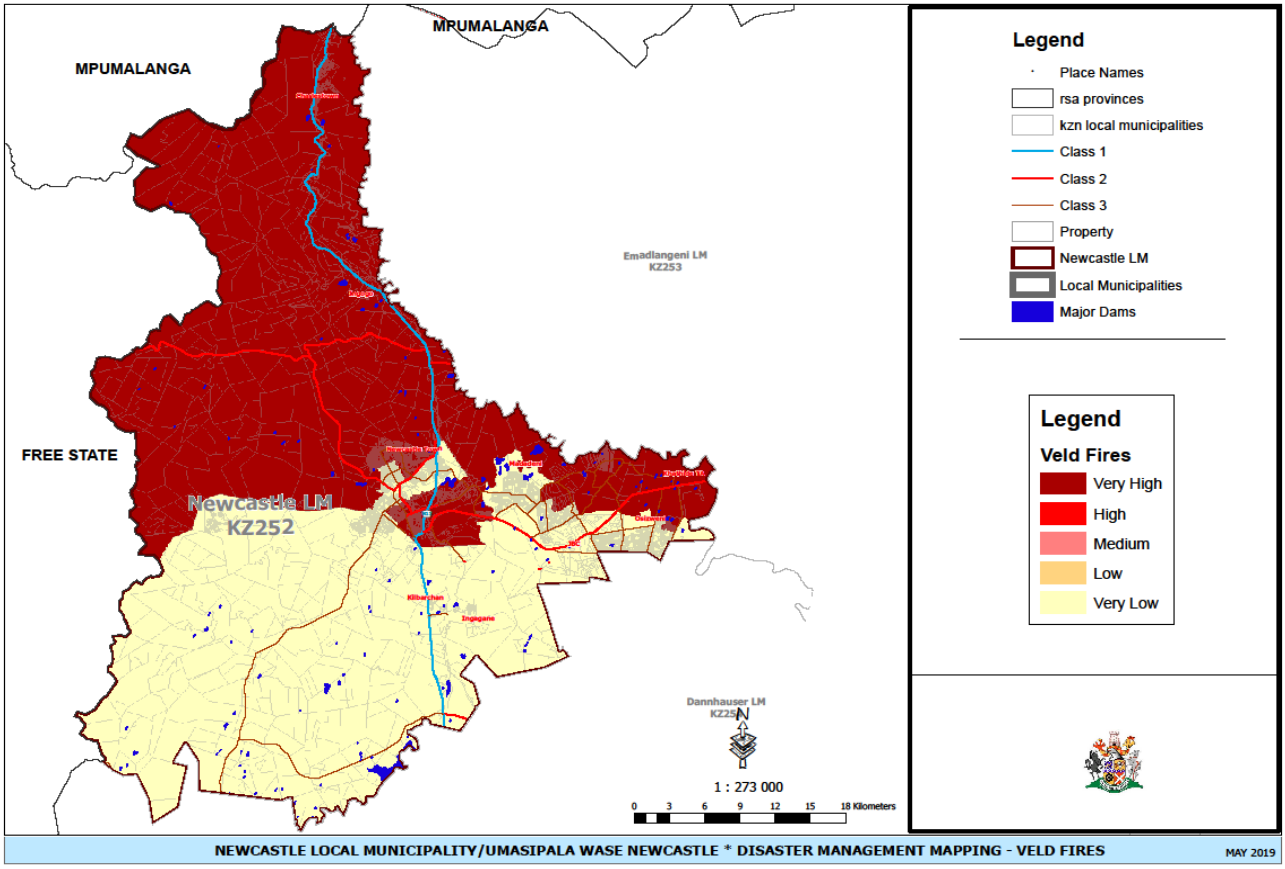
### (a) List of Priority Risks (Hazards).

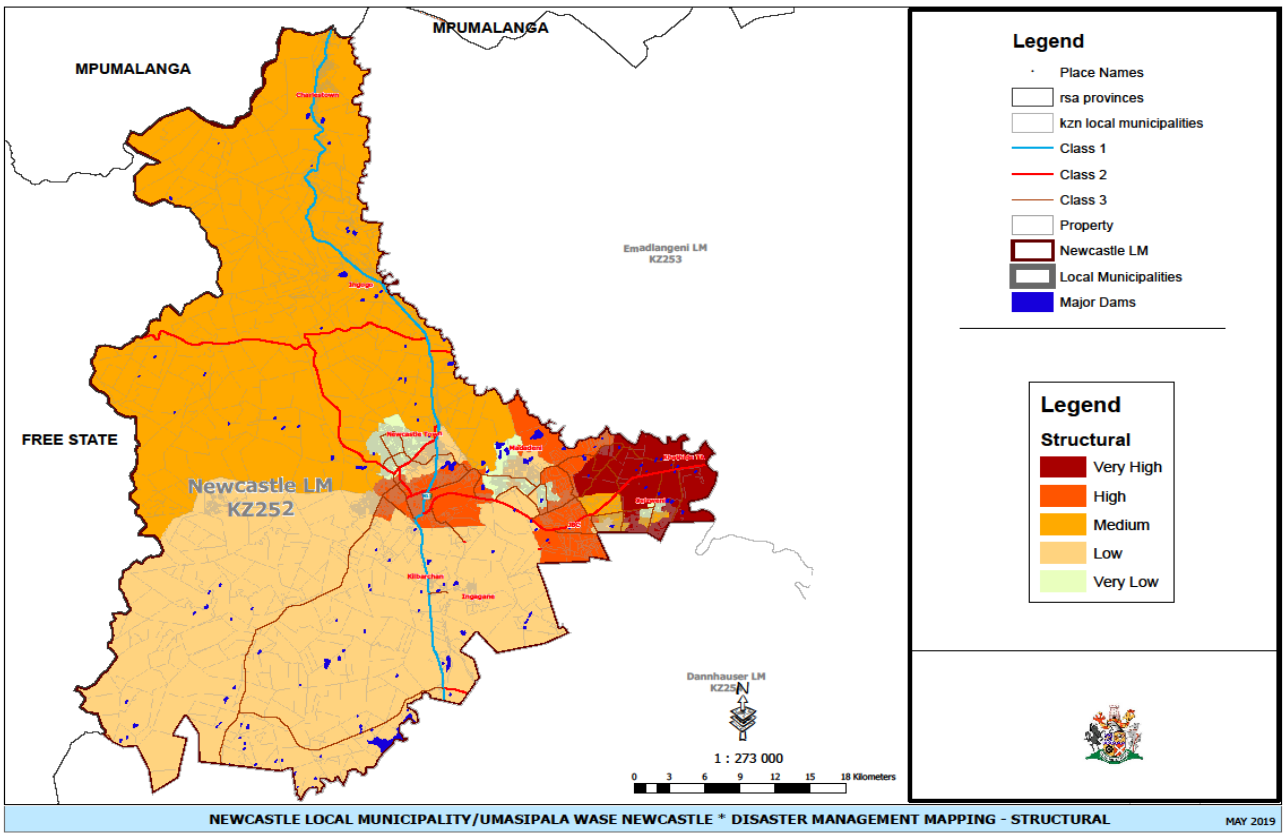
A table or list of priority disaster risks/hazards must be provided. Newcastle Municipality is mostly threatened by the following hazards:-

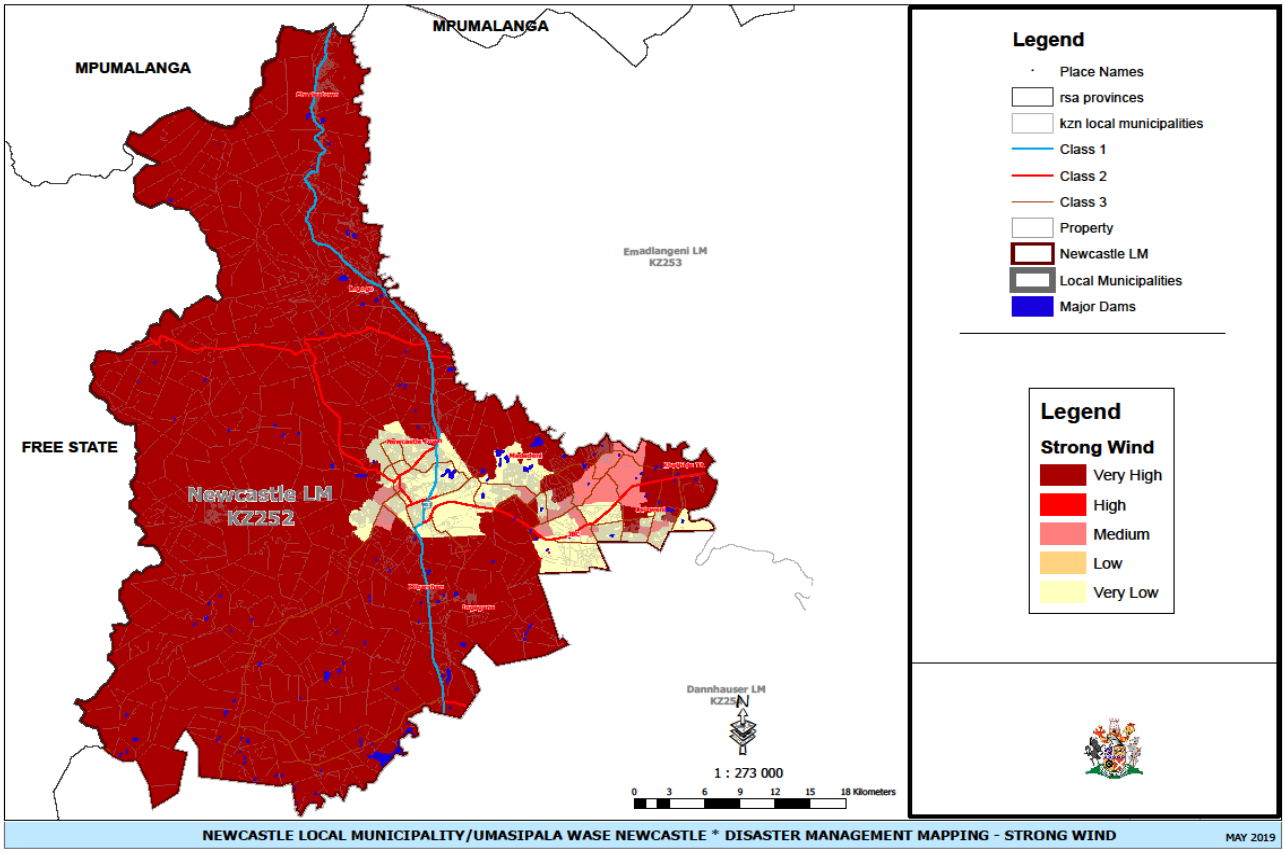
- Veldfires;
- Dwelling/Structural fires;
- Drought;
- Lightning;
- Strong winds;
- Heavy rains;
- Floods;
- Hail Storm;
- Hazmat;
- Water Borne Disease; and
- Animal Borne Disease.

| Legend: | |
|---|---|
| Red | Extreme high / Likely to happen |
| Orange | High / Chances of it happening are good |
| Yellow | Medium / May or may not happen |
| Green | Low / Rare possibility of it happening |
| W | Ward |

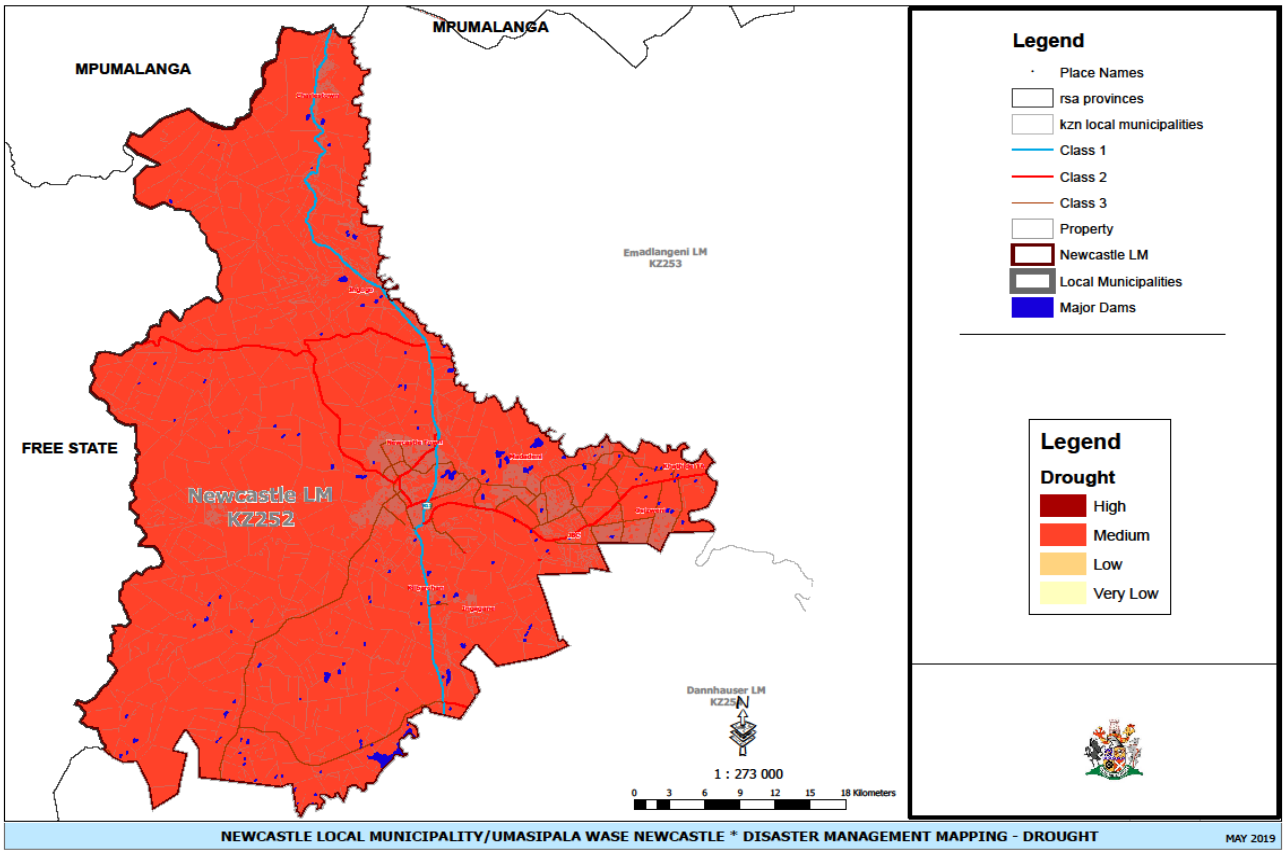
| Hazard | W 1 | W 2 | W 3 | W 4 | W 5 | W 6 | W 7 | W 8 | W 9 | W 10 | W 11 | W 12 | W 13 | W 14 | W 15 | W 16 | W 17 | W 18 | W 19 | W 20 | W 21 | W 22 | W 23 | W 24 | W 25 | W 26 | W 27 | W 28 | W 29 | W 30 | W 31 | W 32 | W 33 | W 34 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Structural fires | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Veld fires | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strong winds | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lightning | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hailstorm | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Heavy-rain | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Floods | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Drought | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hazardous Material incidents | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |


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NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * DISASTER MANAGEMENT MAPPING - VELD FIRES
MAY 2019

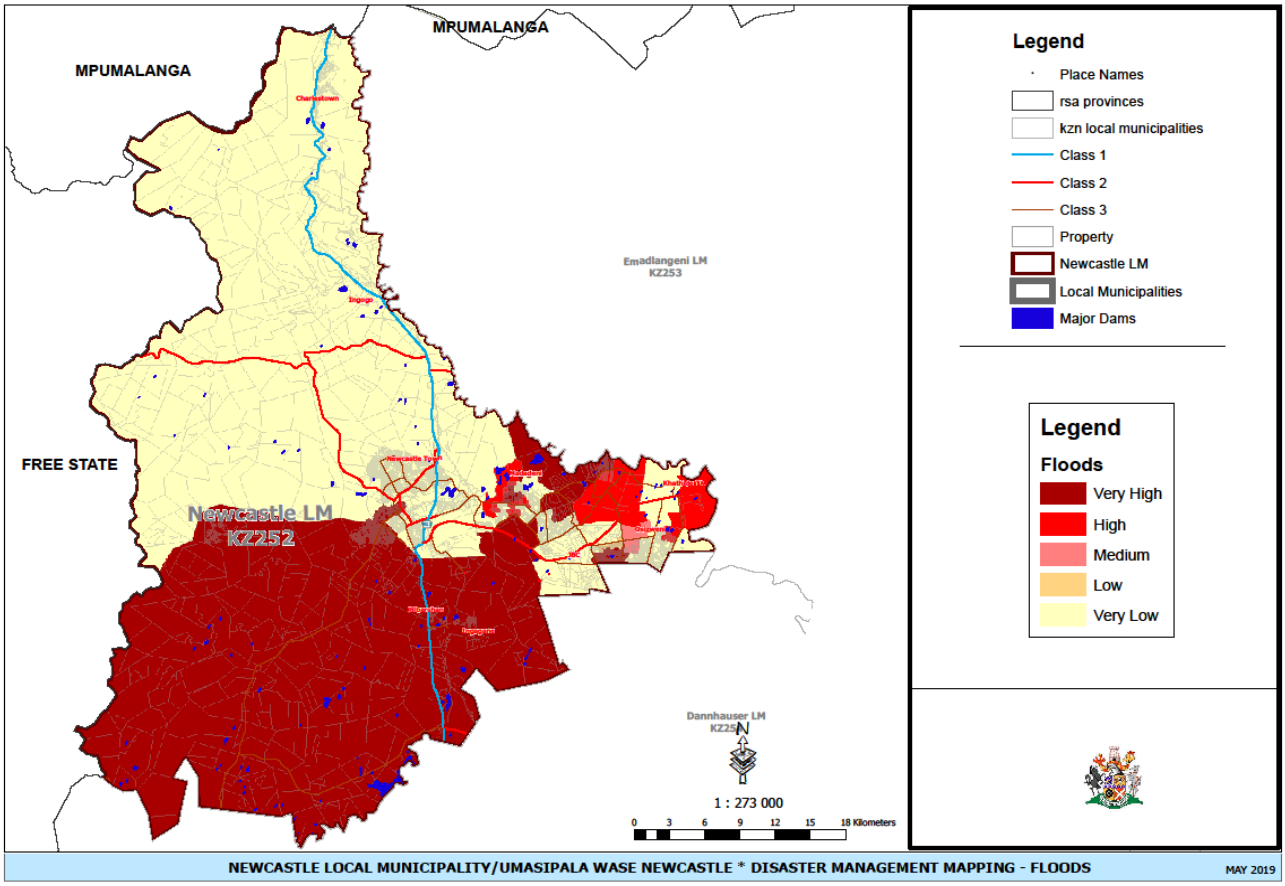

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NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * DISASTER MANAGEMENT MAPPING - STRUCTURAL
MAY 2019



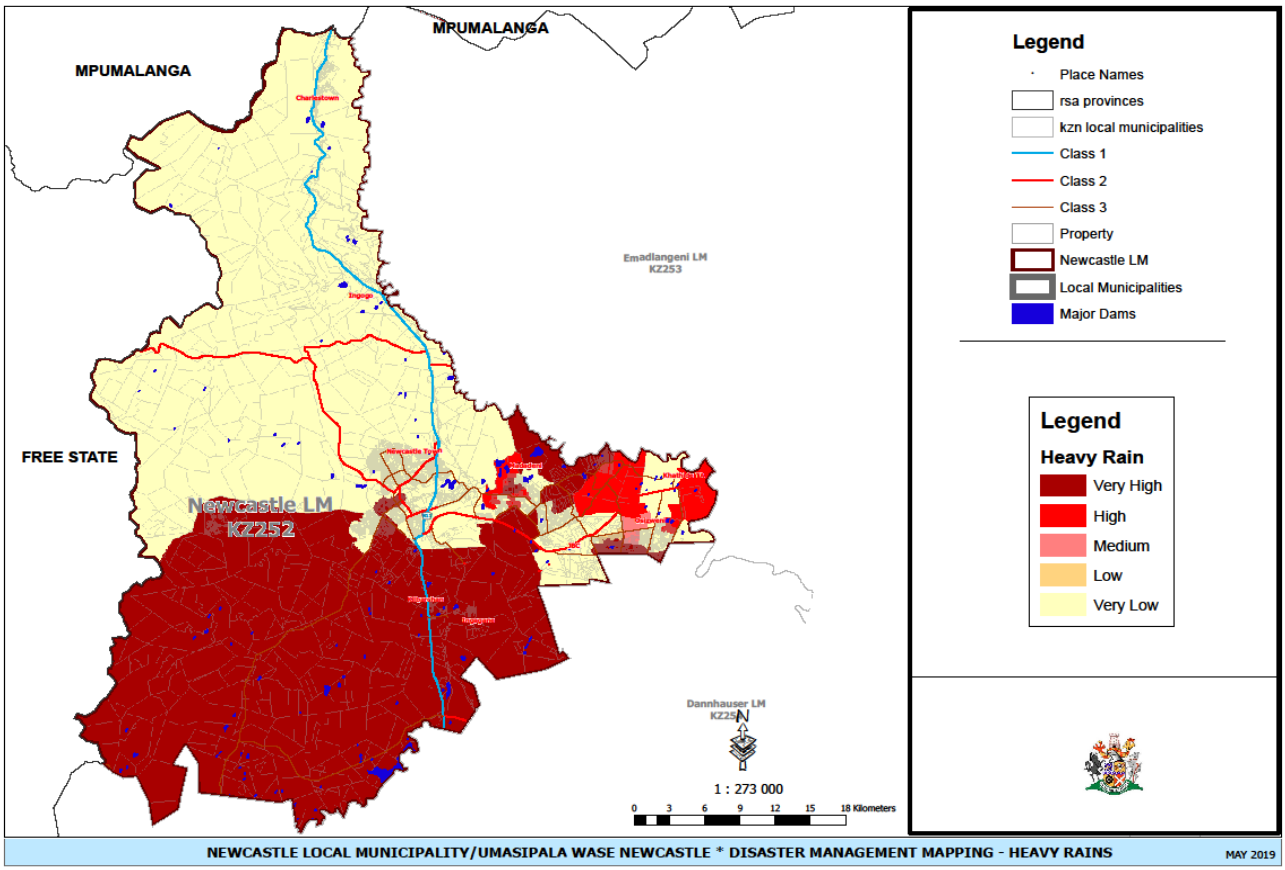

NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * DISASTER MANAGEMENT MAPPING - STRONG WIND MAY 2019



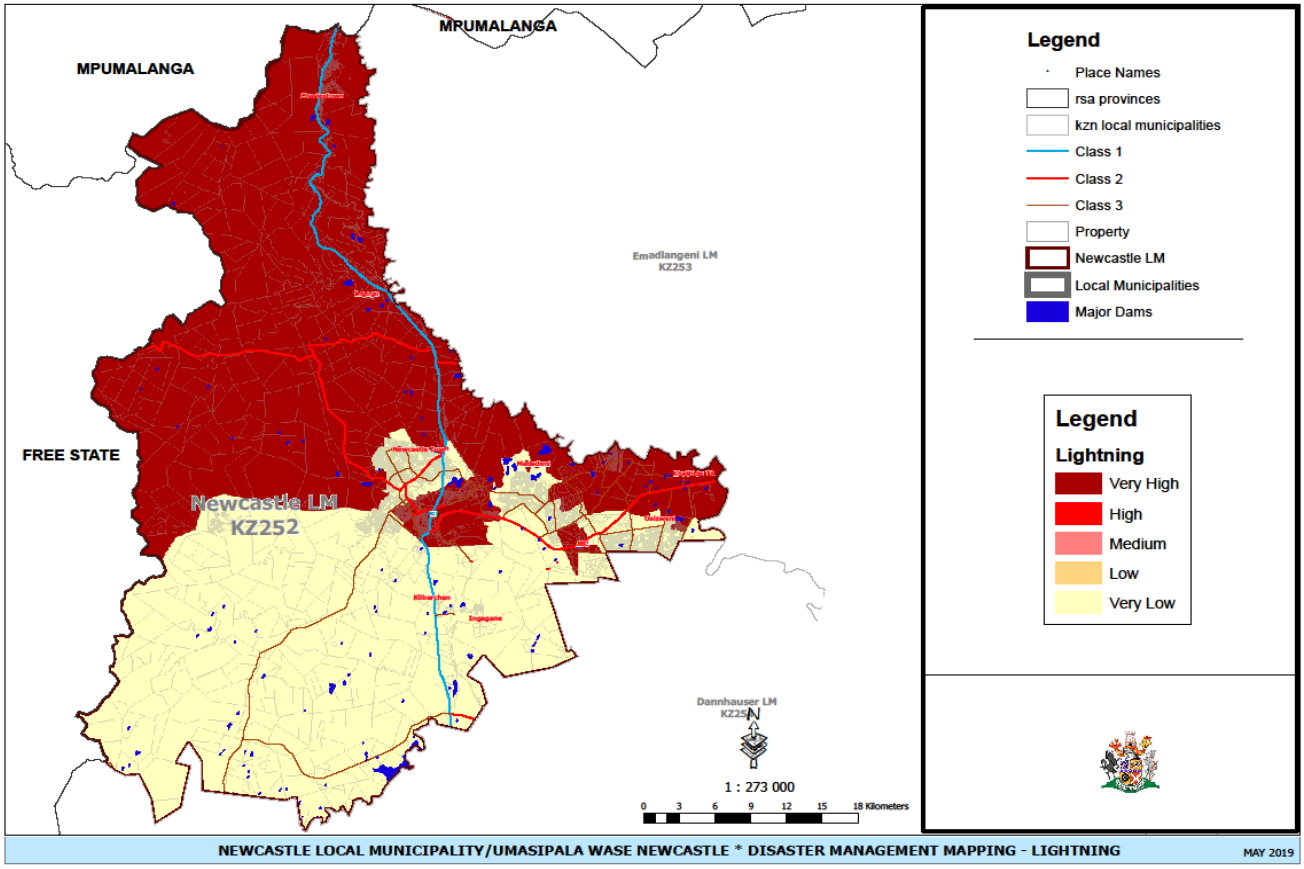

NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * DISASTER MANAGEMENT MAPPING - DROUGHT MAY 2019

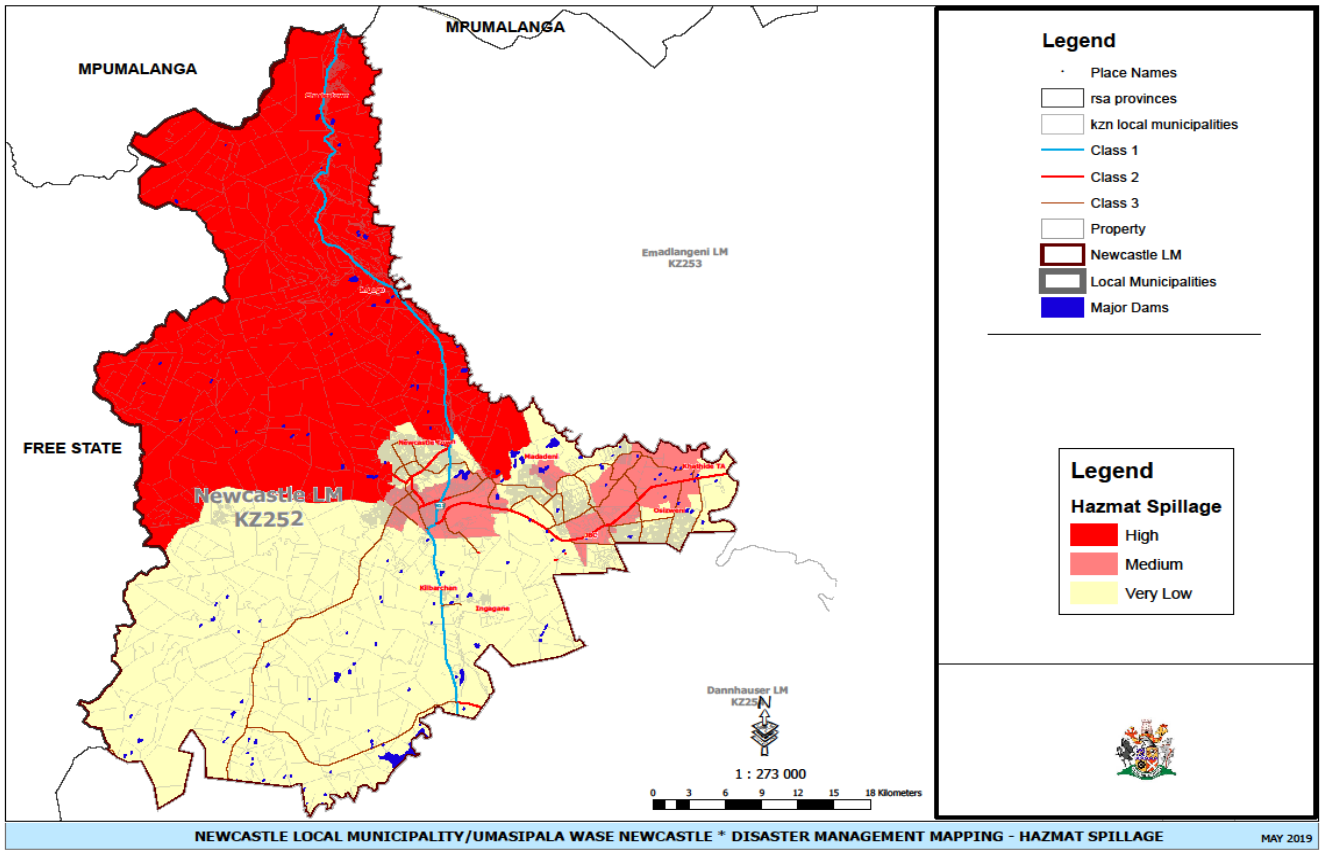


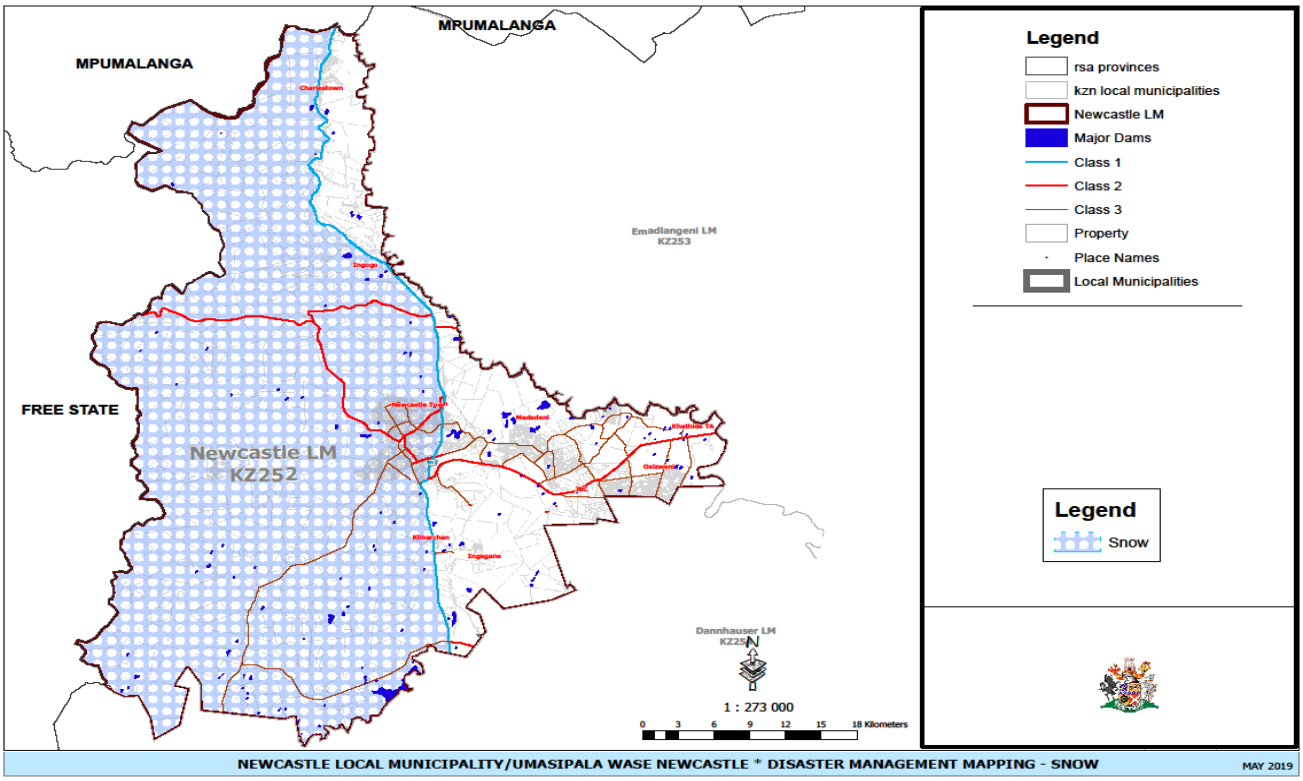

NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * DISASTER MANAGEMENT MAPPING - FLOODS MAY 2019

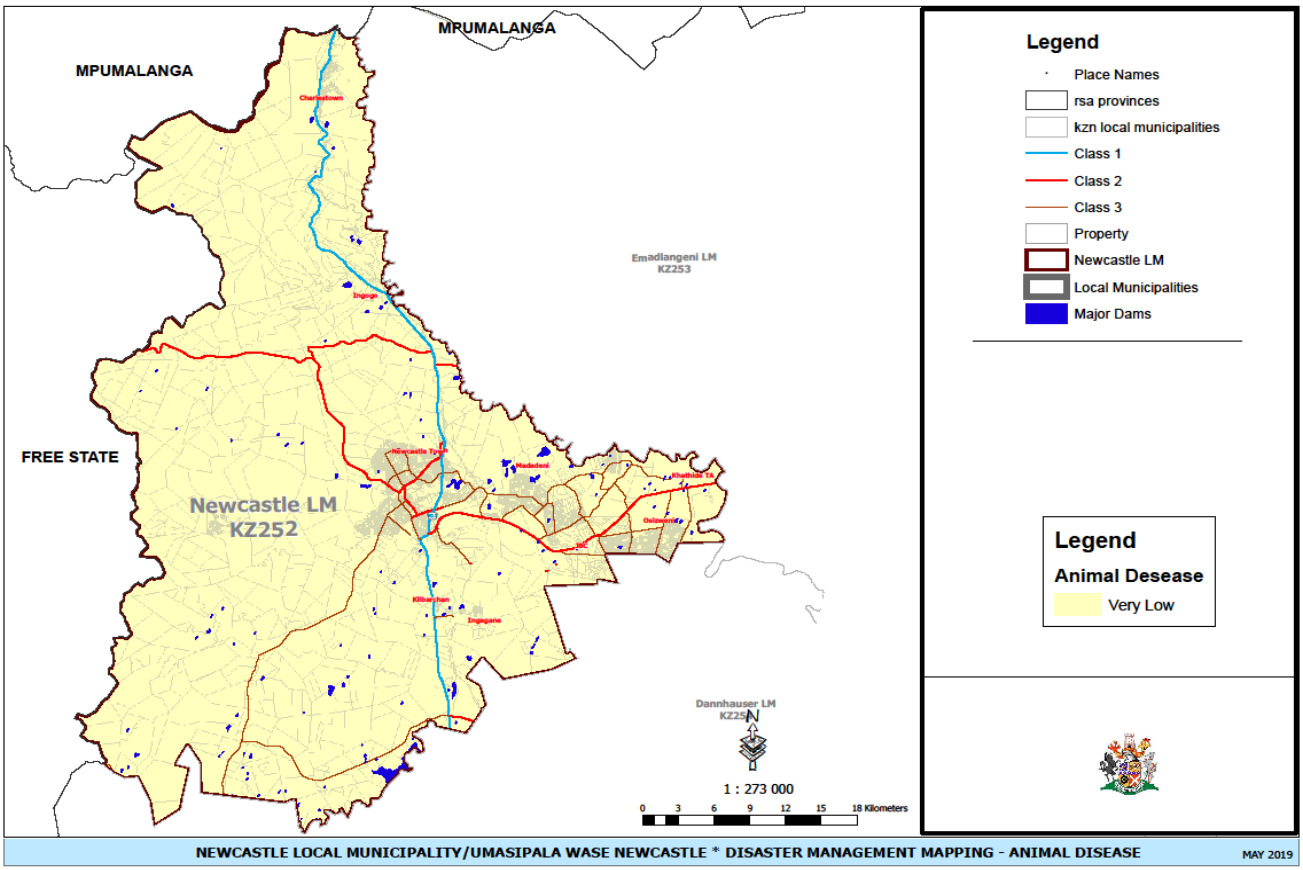



NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * DISASTER MANAGEMENT MAPPING - HEAVY RAINS MAY 2019


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Newcastle LM
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Dannhauser LM
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Place Names
rsa provinces
kzn local municipalities
Class 1
Class 2
Class 3
Property
Newcastle LM
Local Municipalities
Major Dams
Legend
Lightning
Very High
High
Medium
Low
Very Low
NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * DISASTER MANAGEMENT MAPPING - LIGHTNING
MAY 2019


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Emadlangeni LM
KZ253
Dannhauser LM
KZ254
1 : 273 000
0 3 6 9 12 15 18 Kilometers
Legend
Place Names
rsa provinces
kzn local municipalities
Class 1
Class 2
Class 3
Property
Newcastle LM
Local Municipalities
Major Dams
Legend
Hazmat Spillage
High
Medium
Very Low
NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * DISASTER MANAGEMENT MAPPING - HAZMAT SPILLAGE
MAY 2019




With regards to mapping that reflects strategic interventions for Disaster risk reduction, due to extremely low resources, the Newcastle Fire and Rescue Services is still trying to assess as to how best they can fulfil this function. The GIS within the Development

Planning will compose maps showing areas where strategic interventions are going to be implemented as soon as Fire and Disaster brings relevant information to them.

### (b) Analysis of Climate Change Risks.

Climate change impacts affect disaster management, infrastructure and human settlements in several ways in Newcastle Municipality. The increase in the severity of storm events and increase in flooding damage infrastructure which may result in service delivery disruptions. The impacts of storm events particularly affect communities located in informal settlements, on flood plains and where there is poor drainage infrastructure. In addition, communities in rural areas that depend on subsistence farming may be unable to grow crops that they have grown in the past due to the changing climate. It is predicted that there will therefore be an increase in rates of rural-urban migration. Rural communities may also become more physically isolated due to extreme events impacting on key infrastructure (*Amajuba district climate change vulnerability assessment and response plan*, *March 2018, version 2).*

As climatic changes increase average temperatures and rainfall variability (such as extended periods of drought), human settlements may express a higher demand for cooling appliances and access to water *(Department of Environmental Affairs* 2015). Additionally, contrasting extreme weather (such as severe storms and flash floods) may induce the displacement of people and settlements, increase public health risks, and escalate pressures on rural and urban infrastructure and transport systems *(Department of Environmental Affairs 2015).* Major climatic risks in the municipal area include: drought, floods, severe storms (wind, hail, and lightning) and veld fire hazards. Regarding veld fires specifically, the entire municipal area has an extreme veld fire risk *(Department of Agriculture, Forestry and Fisheries 2010).*

Below is a list of programmes and projects towards disaster risk reduction.

| NAME OF THE PROJECT | ESTIMATED BUDGET | TARGETED AREAS | YEAR |
|---|---|---|---|
| Creation of Firebreaks | Portfolio Committee to discuss & recommend further. | Vulnerable Wards | On-going each Winter Season |
| Installation of lightning Conductors | R100 000.00 | Vulnerable Wards | 2019/2020 |
| Awareness Campaigns/Pamphlet | R50 000,00 | Vulnerable Wards | On-going each Winter Season |
| Capacity Building | R50 000.00 | Vulnerable Wards | On-going and Seasonal |
| Disaster Relief (mattress, blankets, plastic sheeting, tarpaulins and Wendy-houses | R1 100 000.00 | Vulnerable Wards | Annual budget allocation |
| Purchase of storage containers | R60 000,00 | Newcastle | 2019/2020 |

The following table entails NLM Disaster Management Funding Mobilization Strategy:-

| ITEM | VOTE NUMBER | BUDGET ALLOCATION |
|---|---|---|
| Emergency Services (Disaster Management) | 020260020242 | 2015/2016 = R 1 033 815.00 |
| | | 2016/2017 = R 1 094 842.00 |
| | | 2017/2018 = R 1 098 342.00 |

The following table includes Disaster Management Programmes/Projects by Stakeholders:-

| NAME OF THE PROJECT | BUDGET | TARGET AREAS | YEAR |
|---|---|---|---|
| Workshop of Wards on Newcastle Disaster Management Policy | No budget | All Wards | 2019/2020 |

### (c) Contingency Plan: Fires.

The contingency plan for fires entails contingency arrangements in relation to the aforementioned risk. It also entials a collection of information and inputs received from different stakeholders. The potential and histrorically proven causes and consequences of the identified risk are as follows:-

**Causes:-**

- Human error/negligence;
- Lack of capacity and wareness regarding fire risk;
- Misuse of flammable liquids such as paraffin;
- Conflict and/or alcohol;
- Illegal connection of electricity;
- High density of residential dwellings, formal and informal strucutres;
- Challenges with response due to ineffective communication (such as the fact that no toll-free number exists for the fire department) and blocking of roads by residents placing furniture on the streets when a fire occurs;
- Highly flammable building materials and households content (wood, cardbord and plastic);
- Lack of water reticulation for fire-fighting purposes (fire hydrants);
- Lack of insufficient fire breaks;
- Lightning;
- Lack of maintenance of equipment; and
- Unskilled personnel operating specialised equipment.

**Consequences:-**

- Loss of life and property;
- Impact on the economy;
- Loss of jobs.

*Table 14: Stakeholders including responsibilities for the fire risk.*

| STAKEHOLDER | PRIMARY ROLES AND RESPONSIBILITIES |
|---|---|
| Executive Committee | Executive Committee declares a state of disaster and receives and considers reports with regard to disaster risk management. |
| Municipal Manager | Municipal Manager is overall responsible for governance in the Municipality, including effective disaster risk management. |

| | |
|---|---|
| Head : Disaster Management Function through Director : Community Safety | The Disaster Management Functions are overall disaster risk management and coordination, as per Section 44 of the Disaster Management Act. Each Municipal Department will complete its own disaster management plans, to be incorporated into the Municipality's Municipal Disaster Management Plan. |
| Fire and Emergency Services | Assist with disaster risk reduction, implementation and co-operation. |
| Disaster Management Volunteers | The formal, trained volunteer unit assist Disaster Management in their functions. |
| The residents and communities affected | Assist with disaster risk reduction and cooperation. |
| Ward Councillors | The Ward Councillors assist with community liaison within their Wards. |
| Community Leaders | Community Leaders assist with community liaison. |
| Non-Governmental Organisations (NGOs) and Community Based Organisations (CBOs) | The NGOs and CBOs assists with disaster risk reduction and co-operation. |
| Private Sector and Industry | Assist with disaster risk reduction and cooperation. |
| Department of Health Care | Assisting with prevention/mitigation, response and recovery actions. Treating and transporting of patients. |
| Corporate Services | Assisting with administration and legal advice. |
| Financial Services | Funding |

The following table entails mitigation/prevention activities relevant to the reduction of the identified disaster risk and are to be co-ordinated, monitored and evaluated by the Newcastle Municipality.

*Table 15: Mitigation and Prevention actions.*

| ACTION | LEAD/ RESPONSIBLE AGENT/STAKEHOLDER |
|---|---|
| Residential related fires. Awareness Programmes | Disaster Management Centre & Fire Services |
| Veld fires. Awareness programme in and around open spaces, fire breaks administered | Disaster Management Centre & Fire Services |
| Early fire risk predictions. Early warning of high fire risk places & times, based on weather and vegetation/field condition | Disaster Management Centre & Fire Services |
| Survey of industries (for fire and hazardous materials risks); associated updating of hazard severity map; compilation of hazardous materials register/database, indicating the location and contents of facilities spatially and in database format; Stakeholder meetings to confirm and refine the findings. Integrated register/database | Disaster Management Centre & Fire Services |
| All industries ensuring that their staff is well trained, motivated and equipped. | Industries |
| All industries ensure that all equipment, especially equipment that could cause an Industrial fire, is well maintained. | Industries |
| Constant review and monitoring of industries safety procedures and plans. | Disaster Management Centre & Fire Services |

## (d)Municipal Capacity in terms of Disaster Response and Recovery.

Newcastle Municipality has the primary function of responding to any disaster and/or disaster related incidents within its area of jurisdiction. Responsibilities are same for Fire and Rescue as well. Response to neighbouring local municipalities should be done within the context of established and signed Mutual Assistance Agreements (MAA) or Memorandum of Understanding (MOU).

### (e) Grant funding allocated for post-disaster recovery (where applicable).

Nothing has been requested. Council is still relying on its internal funding for Emergency Services (Disaster Risk Management).

### (f) Information Management and Communication.

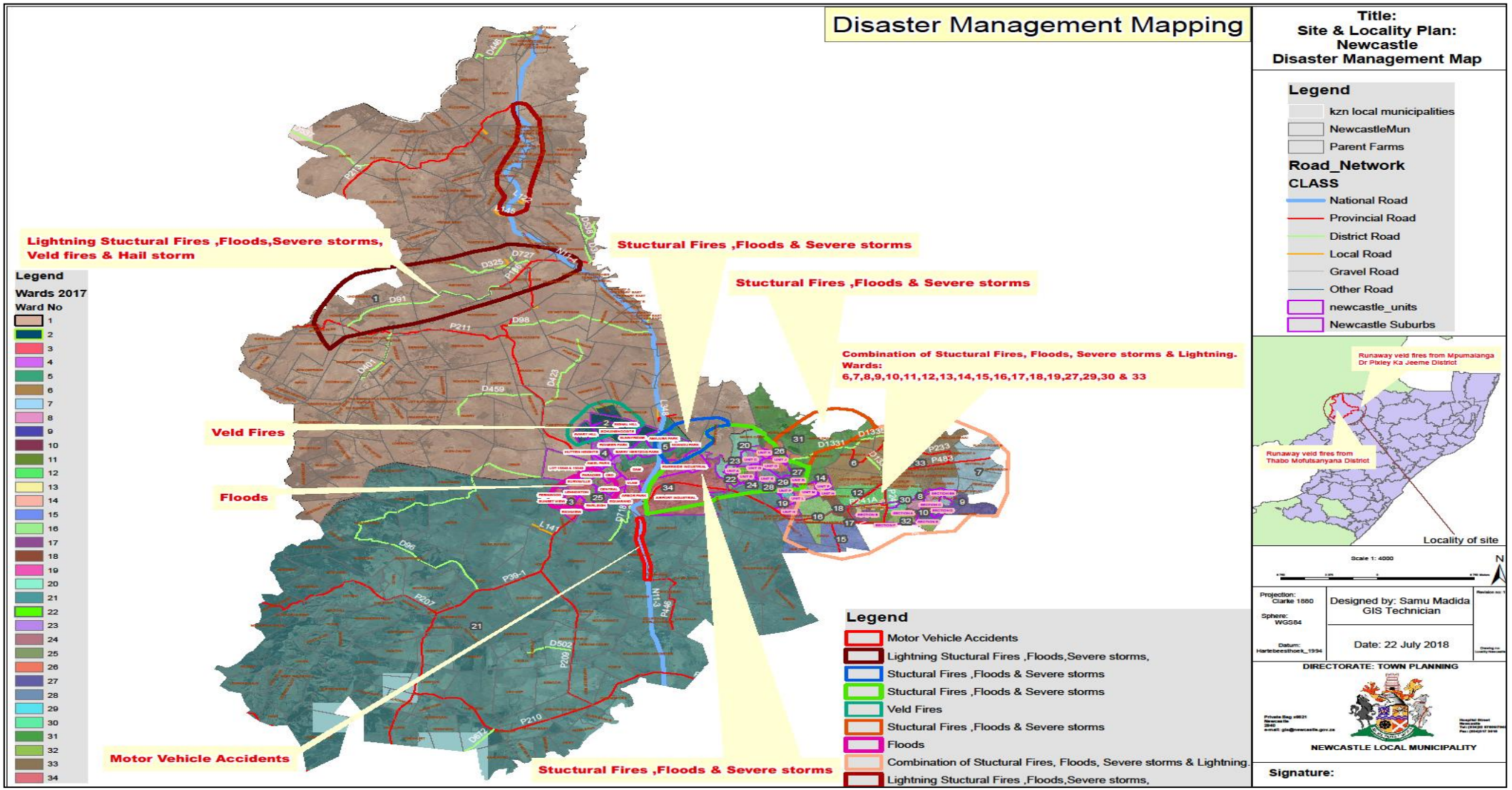
The afore-mentioned Emergency Communication Centre receives emergency calls and despatches required resources. Disaster related information is also cascaded to relevant stakeholders via Head of Communication within the Newcastle Municipality

### (g)Early Warning Strategy.

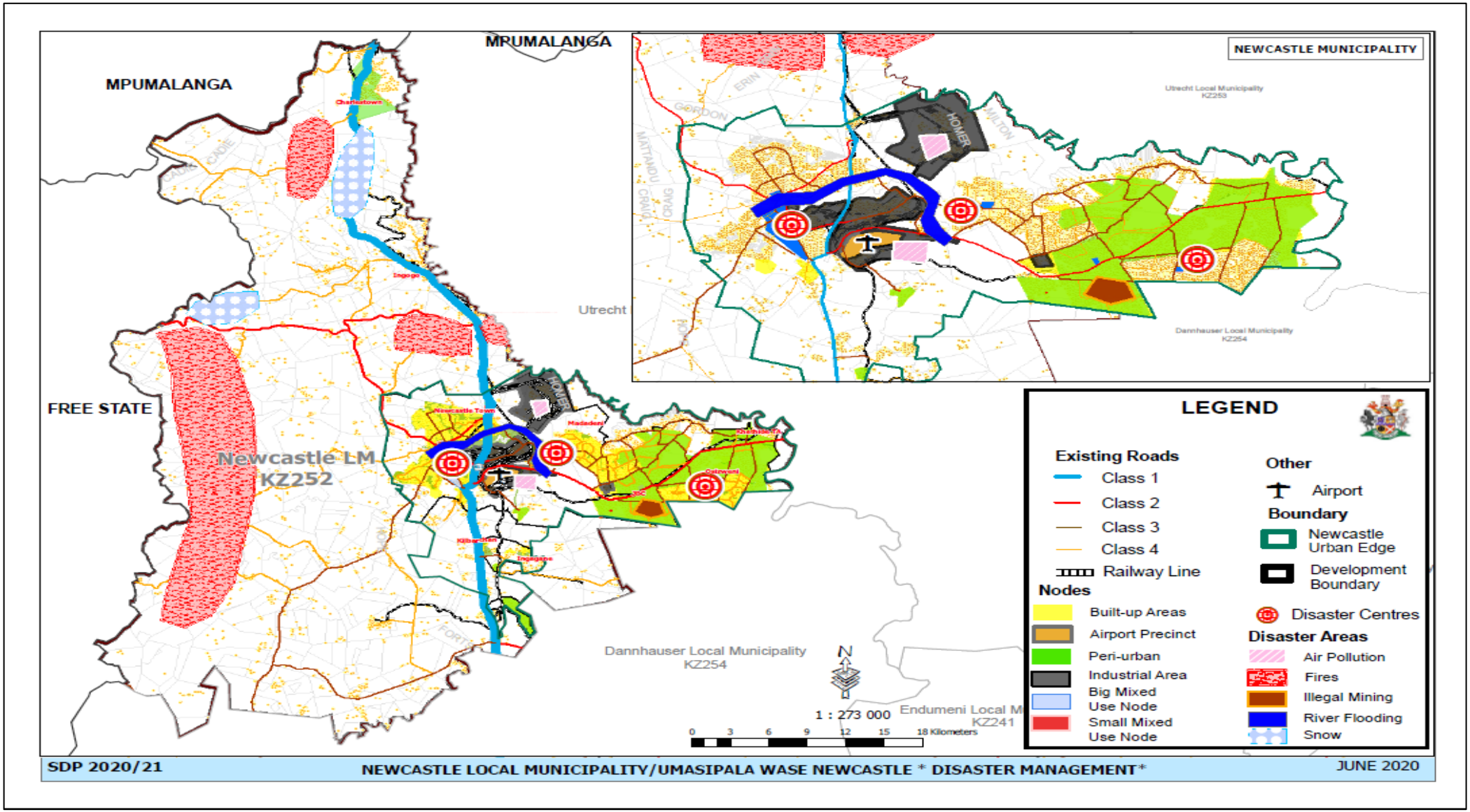
Newcastle Municipality has installed flood-warning sirens at strategic places to warn communities-at-risk of impending floods. Local radio is also used for early warnings.

### (h)Private Partnerships.

Currently there are no private partnerships. The municipality needs to establish partnerships with all relevant stakeholders for funding disaster risk reduction, public awareness programmes and projects




*Map 13: Disaster Management Map 1.*




*Map 14: NLM Disaster Management Map 2.*

### 3.9.35. Consolidated Newcastle Spatial Development Framework.

The SDF is based on four interrelated, spatial starting points, which together give overall direction to the future spatial form and development of the city of Newcastle.

#### (a)Newcastle a city that is resilient and adaptive.

Newcastle's prosperity will be determined by how well it adapts to change within and without. It will constantly have to balance the provision of basic needs, social services and utilities; the stimulation of economic development and employment creation; and the management of city growth and protection of environmental resources, energy and water supply constraints, and climate change.

In addition, the City will need to compete nationally and globally for investment in order to increase growth, and turn around local poverty. It will constantly have to balance the provision of basic needs, social services and utilities; the stimulation of economic development and employment creation; and the management of city growth and protection of environmental resources (including the built and infrastructural environments).

Spatially, Newcastle must be flexible and able to adapt rapidly to changes in the pace of development, and to shifts in the demand for industrial, commercial and residential property. It will need to be both proactive and precautionary in the way it prepares for the impacts of climate change, depleting oil reserves and natural water resources, and the widening gap between rich and poor.

#### (b)Newcastle a city within a region.

Newcastle should not become a regional city, which absorbs all the surrounding towns in its growth path. The diverse identities, functions and growth opportunities of the towns and rural settlements surrounding Newcastle, such as Utrecht, Memel, Normandien, Dannhauser and Charlestown, need to be preserved, and their functional interrelationships recognized, respected and enhanced.

It is important to understand that the future of Newcastle and its neighbours are interdependent. Coordinated planning, budgeting and management of the region's infrastructural development and water, energy and biodiversity resources are critical. In addition, greater coordination is required to enhance the region's tourism assets, and for the economic positioning of the cities and towns in relation to each other, as well as collectively within a national and global context.

#### (c)Newcastle a city anchored by its natural assets.

Newcastle's natural resources are what make Newcastle a unique and desirable place in which to live, work and invest. Because people derive benefits from the natural environment in a number of direct and indirect ways, it follows that these natural anchors should play an important role in shaping where and how the city develops. Therefor systematic conservation planning should aim to efficiently identify an effective network of

persistent and sustainable high priority biodiversity areas, whilst simultaneously, supporting local ecosystems and ecological infrastructure which in turn will have spin-offs for the entire Newcastle. This development must respect the presence, role and function of these natural anchors, and should make the most of the possible benefits residents and visitors could derive from them.

### (d)Newcastle a city organized around development corridors.

Successful modern cities are those that:-

- Offer an adequate and exciting range of opportunities, facilities, services and amenities that are as far as possible accessible by foot, bicycle, bus and car (in that order of priority); and
- Provide the businesses and industries that drive the city's economy with a different kind of accessibility, namely easy access to goods and services, facilities that enable economic activity and the easy movement of goods.

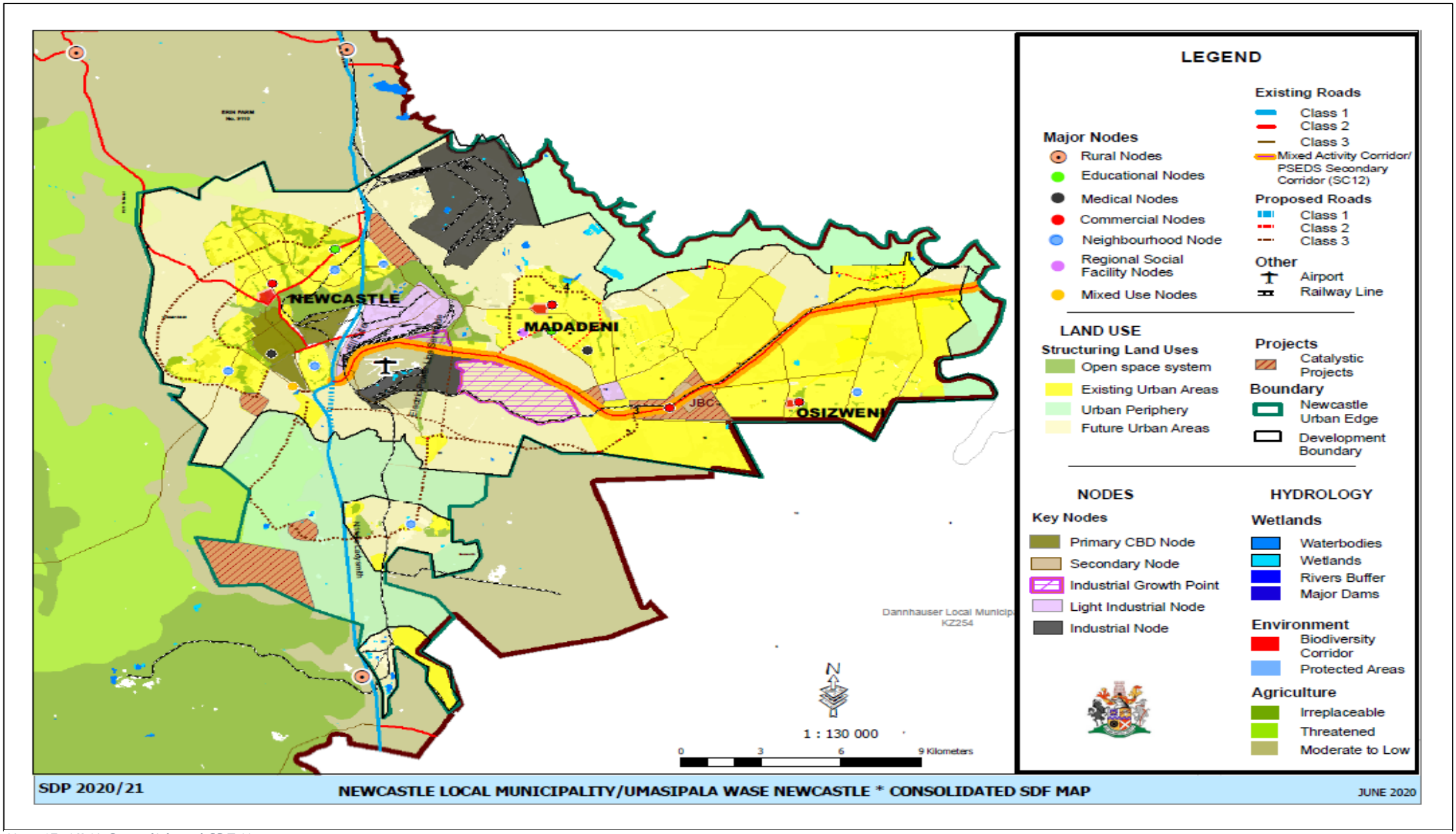
With our ever-increasing resource constraints and insecurities, it follows that the public and private sector should collectively focus and coordinate their efforts to build a city that has these vital attributes.

For this reason, the SDF proposes that development in Newcastle is focused on a series of activity development corridors. These corridors are systems of mutually reinforcing elements, supported by coordinated infrastructure investments. The SDF also strive to be aligned with national corridors such as identified in the National Growth and Development Plan (SP2).

Activity development corridors:

- offer easy access to goods, services and people;
- are well served by facilities for pedestrians, cyclists, road-based and rail-based public transport facilities;
- offer a vibrant mix of land uses (residential, commercial, industrial and/or recreational);
- are reinforced by a road network that ranges from national to local roads, to facilitate ease of movement; and
- are 5-10 minutes from most people's homes.

These development corridors already exist in Newcastle, although some are more prominent than others. Logical extensions to these corridors are proposed as the focus for the managed growth of the city. The SDF also strive to be aligned with national corridors such as identified in the National Development Plan.




*Map 15: NLM Consolidated SDF Map.*

## 3.10. Municipal Transformation and Institutional Development.

According to the business dictionary, transformation is a process of profound and radical change that orients an organization in a new direction and takes it in an entirely different level of effectiveness. Transformation implies a basic change of character and little or no resemblance with the past structure. It is from this premise that Newcastle Municipality plans to accelerate municipal transformation and organizational development.

### 3.10.1. Institutional Arrangement.

Following the 2016 Local Government Elections, the Newcastle Municipality is composed of 34 wards and 67 councillors. Council, EXCO and Portfolio Committees meet on a monthly basis to set policies, approve a budget and monitor performance to ensure that operations are in place for efficient service delivery. With that being said, the NLM Municipal Portfolio Committees are structured as per the national guidelines. Their core function is to look at specific issues that relate to each portfolio committee, research those issues, deliberate on them and then make recommendations to EXCO and the full Council, for the latter to take decisions.

| | |
|---|---|
| African National Congress | 40 |
| Inkatha Freedom Party | 11 |
| Democratic Alliance | 6 |
| Economic Freedom Fighters | 5 |
| Azanian People's Organization | 1 |
| Royal Loyal Progress | 1 |
| People's Revolution Movement | 1 |
| Vryheids Front | 1 |
| Independent | 1 |

### 3.10.2. Municipal Public Accounts Committee (MPAC).

Following the guidelines from the Department of Co-operative Governance and Traditional Affairs, the Council has established a Municipal Public Accounts Committee. The Committee consists of 5 Councillors of the Municipality, who are not members of the Executive Committee. The Committee examines the following:-

a) The financial statements of all executive organs of Council;
b) Any audit reports issued by the Auditor General on the affairs of the Municipality and its Municipal Entity;
c) Any other financial statements or reports referred to the Committee by the Council; and
d) The annual report on behalf of the Council.

It also reports to the Council, through the Speaker, on any of the financial statements and reports referred to above, and develops the annual oversight report based on the annual report, initiates any investigation in its area of competence, and performs any other function assigned to it by resolution of the Council. Below is the distribution list for the MPAC of the NLM:-

| Municipal Public Accounts Committee | |
|---|---|
| 1. | Cllr B.S. Dlamini (Chairperson). |
| 2. | Cllr T.N. Dlamini. |
| 3. | Cllr F.A. Malinga. |
| 4. | Cllr A.P. Meiring |
| 5. | Cllr S.G. Miya. |
| 6. | Cllr M.S. Mlangeni. |
| 7. | Cllr B.C. Ngema |
| 8. | Cllr D. Ngwenya. |
| 9. | Cllr D.M. Sibilwane. |
| 10 | Cllr L.T. Sikhosane. |
| 11. | Cllr L.G. Thwala. |
| 12. | Cllr V.G. Zondo. |

### 3.10.3. Powers and Functions.

The following Local Government Powers and Functions, as bestowed upon Newcastle Municipality, were separated into core and non-core functions. Further allocation of powers and functions is elaborated on under the institutional arrangements section.

Table 16: Core/Primary Functions.

| Core/Primary | | Capacity to implement (MDB) | Proposed intervention |
|---|---|---|---|
| **Schedule 4 Part B** | Building Regulations | Yes | None |
| | Electricity and Gas Reticulation | Yes | None |
| | Fire Fighting Services | Yes | None |
| | Municipal Planning | Yes | None |
| | Storm water Management systems in Built up areas | Yes | None |
| | Water and Sanitation Services | Yes | Await recommendations from MEC on intervention |
| **Schedule 5 Part B** | Cemeteries | Yes | None |
| | Cleansing | Yes | None |
| | Municipal Roads | Yes | None |
| | Refuse Removal, refuse dumps and solid waste disposal | Yes | None |
| | Street lighting | Yes | None |
| | Traffic and parking | Yes | None |

Table 17: Non-core Powers and Functions.

| | Non-core /Secondary Functions | | |
|---|---|---|---|
| **Schedule 4 Part B** | **COMMENT FROM MDB(District Wide)** | **Schedule 5 Part B** | **COMMENT FROM MDB(District Wide)** |
| **Air Pollution** | None | Beaches and Amusement Facilities | Not or being poorly performed |
| **Child Care facilities** | Not or being poorly performed | Billboards and the display of | None |

| | Non-core /Secondary Functions | | |
|---|---|---|---|
| **Schedule 4 Part B** | **COMMENT FROM MDB(District Wide)** | **Schedule 5 Part B** | **COMMENT FROM MDB(District Wide)** |
| | | advertisements in public places | |
| **Municipal Airports** | Not or being poorly performed | Control of undertakings that sell liquor to the public | Not or being poorly performed |
| **Municipal Health Services** | None | Facilities for the accommodation, care and burial of animals | Not or being poorly performed |
| **Municipal Public Transport** | Not or being poorly performed None | Fencing and fences | None |
| **Municipal Public Works** | None | Licensing of dogs | Not or being poorly performed |
| **Pontoons, ferries, jetties etc** | Not or being poorly performed | Licensing and control of undertakings that sell food to the public | Not or being poorly performed |
| **Trading Regulations** | Not or being poorly performed | Markets | Not or being poorly performed |
| **Local Tourism** | Being poorly performed | Municipal Abattoirs | Not or being poorly performed |
| | | Noise Pollution | Not or being poorly performed |
| | | Pounds | Not or being poorly performed |
| | | Public Places | None |
| | | Street Trading | None |
| | | Control of public nuisances | None |
| | | Local Sports facilities | None |
| | | Municipal parks and recreation | None |
| | | Funeral parlours and crematoria | None |

Newcastle Municipality has developed sufficient in-house capacity to perform all the core functions. None core functions are performed with the assistance of various government departments and other service delivery agencies e.g. Eskom. There is a need to initiate the process of clarifying roles and responsibilities of all internal and external stakeholders in respect of Powers and Functions at all levels. This has accordingly been prioritised in the NNTAS.

In order to maximise administrative and operational efficiency, all powers subject to section 32 of the Local Government: Municipal Structures Act 1998, not otherwise delegated, have been delegated to the Executive Committee excluding the following:-

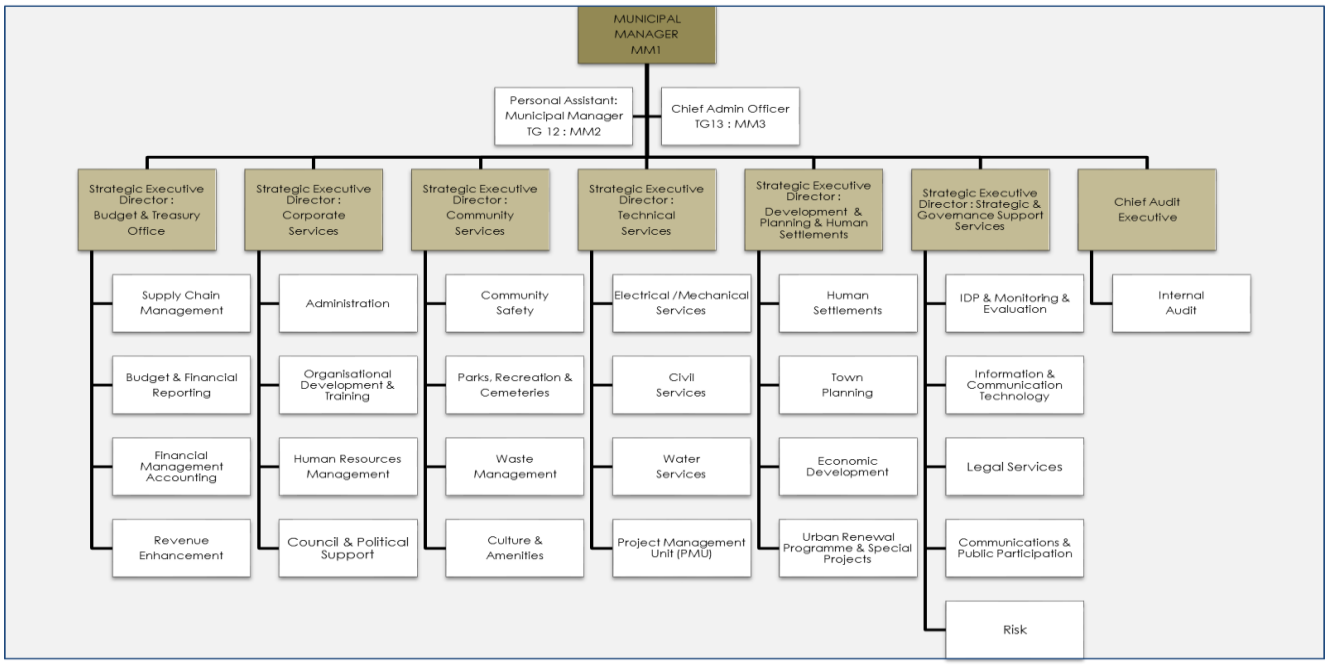
- Approval of an Integrated Development Plan;
- Passing of by-laws;
- Approval of budgets;
- Imposition of rates and other taxes, levies and duties; and
- Raising of loans.

In respect of the water and sanitation service – this service is rendered through a Water services provider (uThukela Water Pty Ltd) with the Municipality serving as the Water Services Authority. The Amajuba District function being performed by the municipality is the Environmental Health Function and arrangements regarding the transfer of the function to the District are in progress.

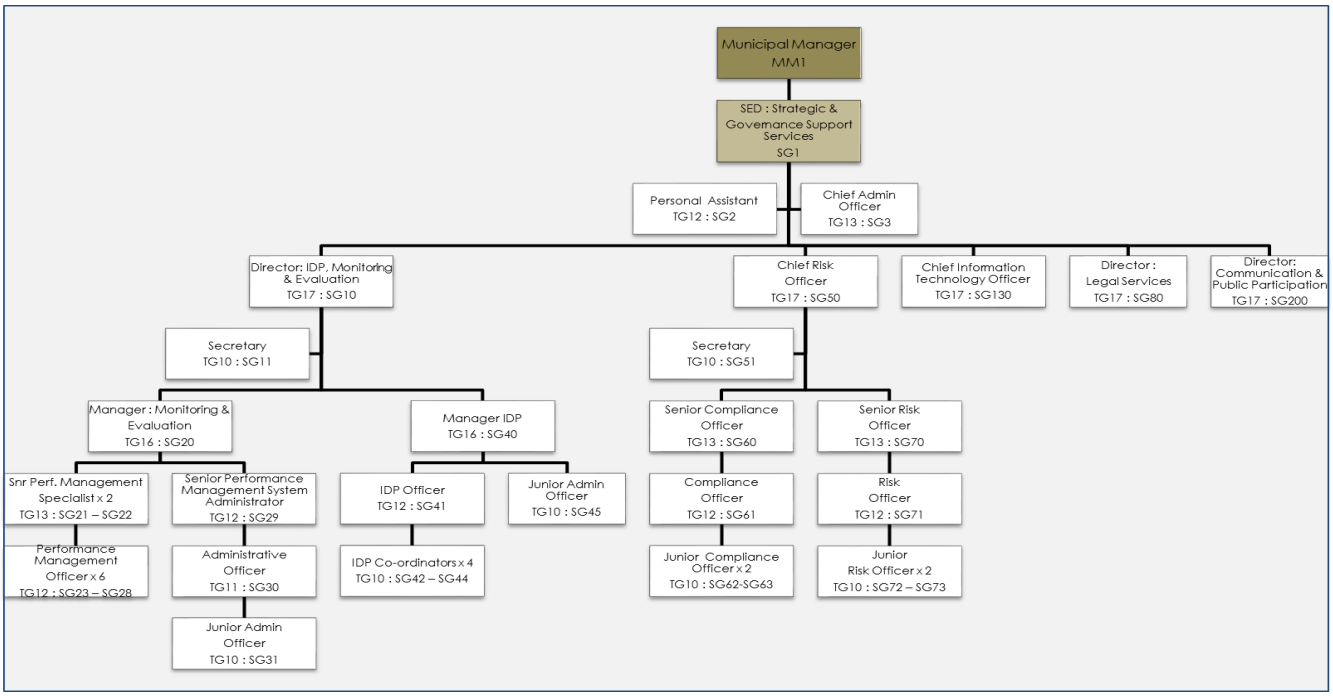
## 3.10.4. Organogram.

Newcastle Local Municipality adopted the below structure on the Council meeting that was held on 12 August 2015, it aligns to a large degree to National Key Performance Areas as well as the municipal IDP priorities. The Municipal Manager heads the administrative structure of Newcastle Municipality and is assisted by six Heads of Departments (Strategic Executive Directors/ SED's) and the Chief Audit Executive. Each department is further divided into a particular number of business units headed by Directors.

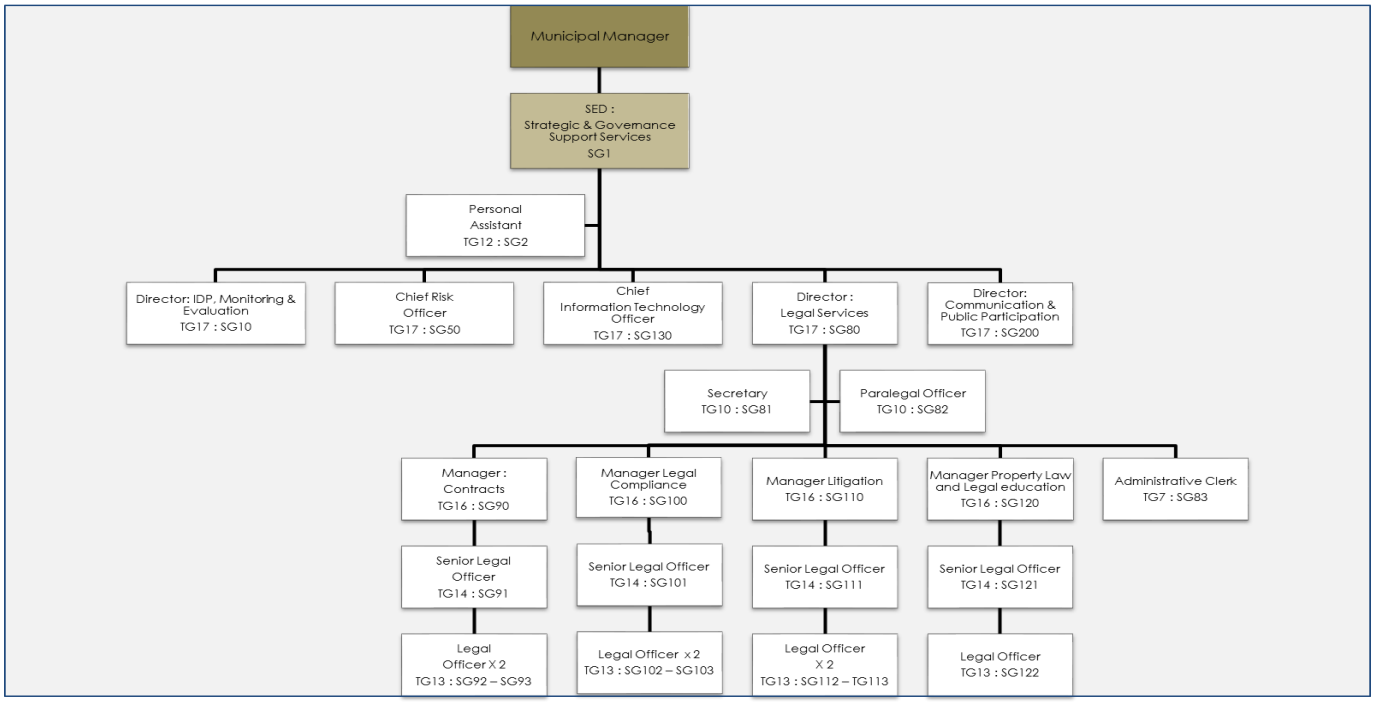
**Office of the Municipal Manager: Executive Structure**



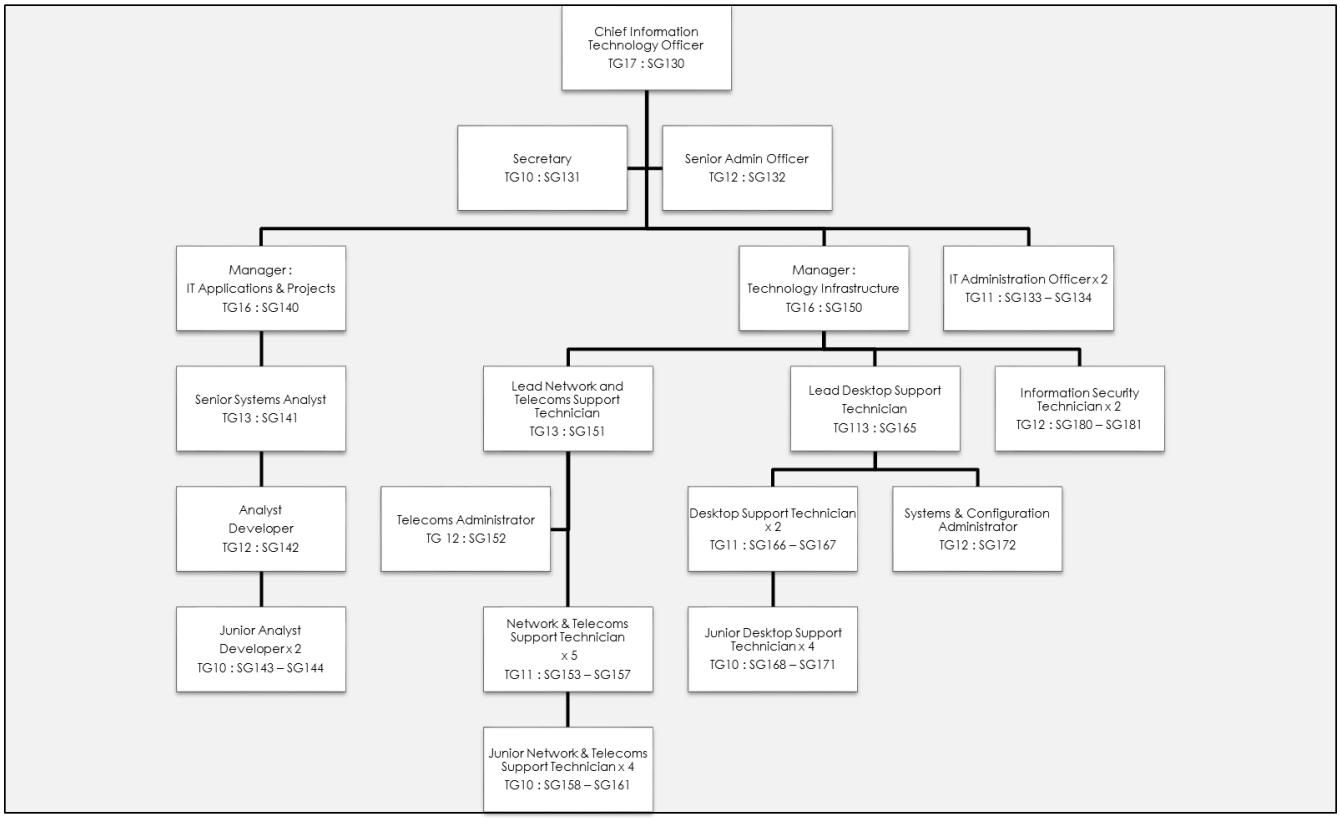
## Strategic & Governance Support Services: IDP, Monitoring & Evaluation & Risk



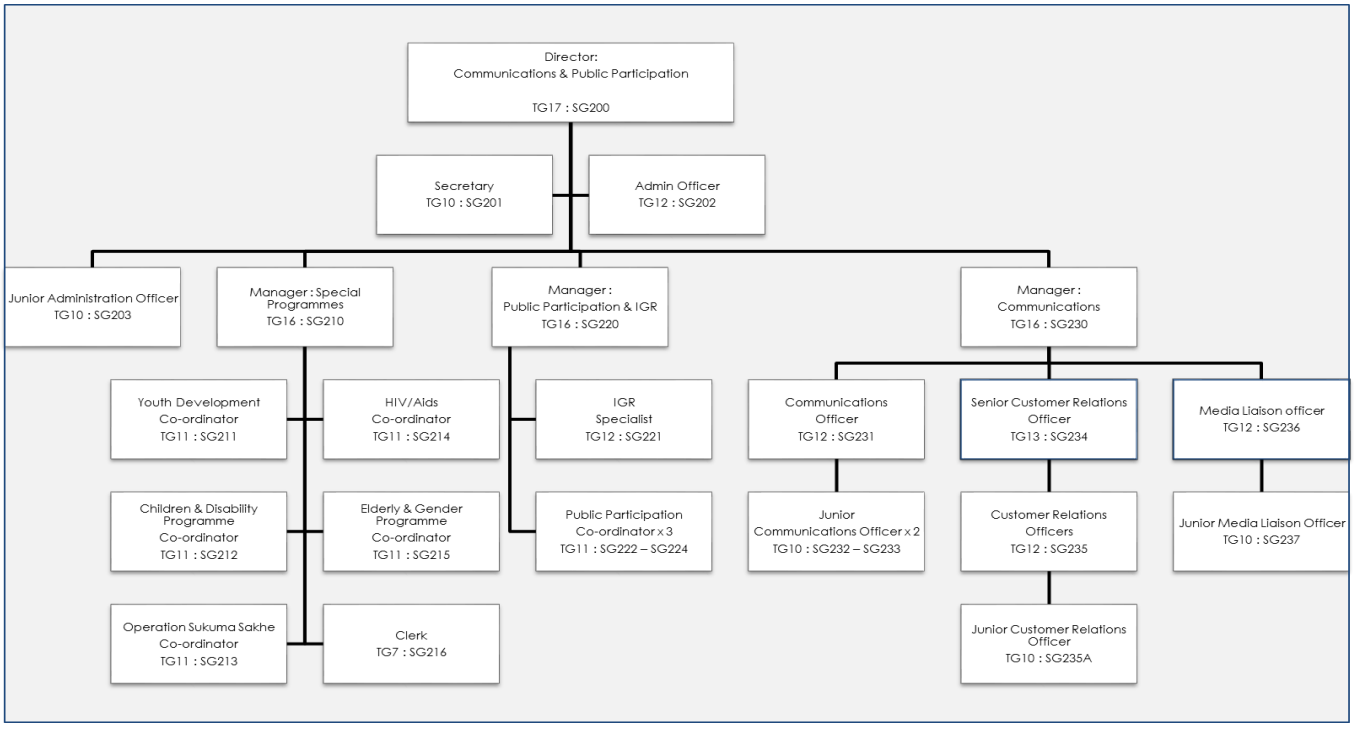

## Strategic & Governance Support Services: Legal Services



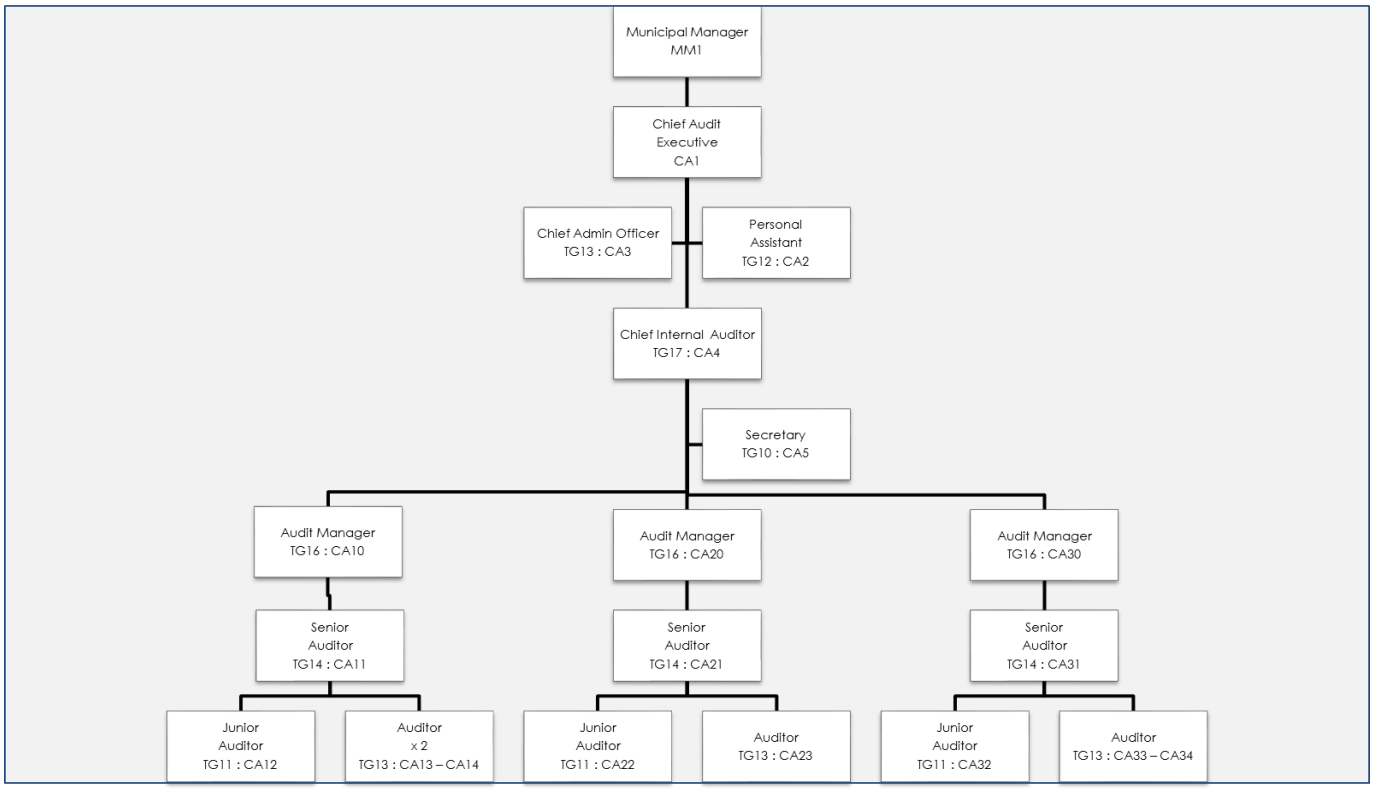
## Strategic & Governance Support Services: Information Technology



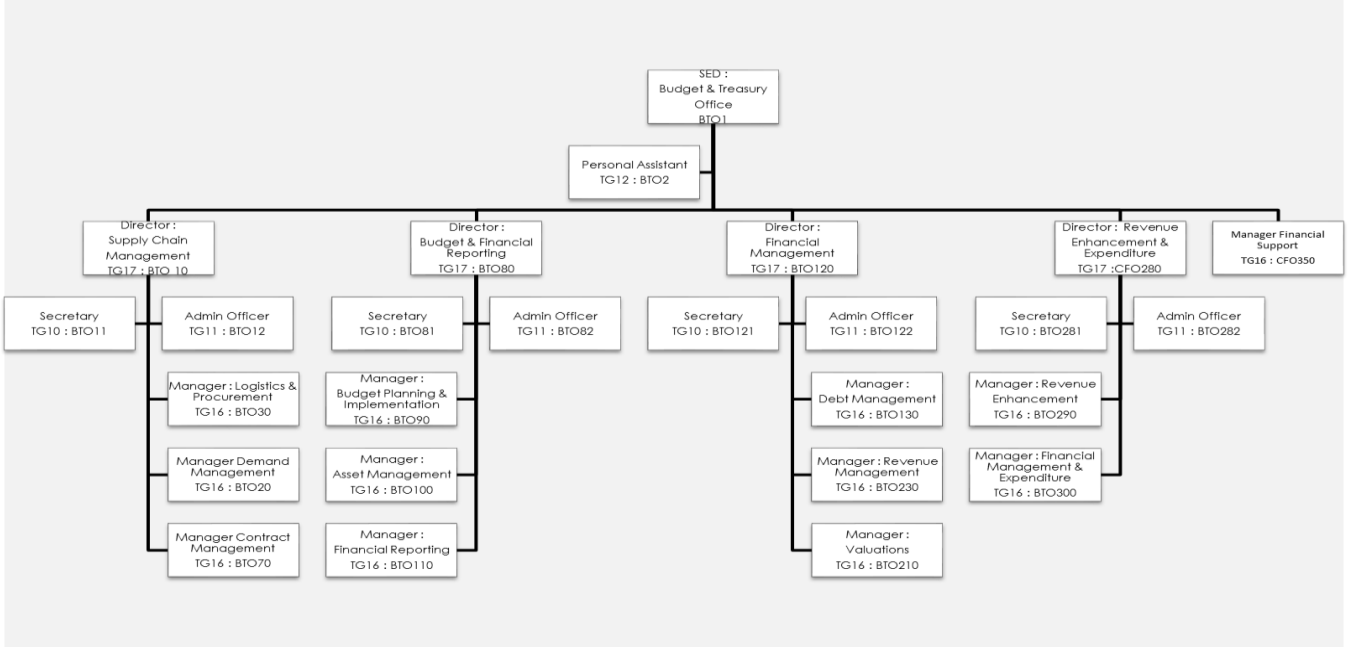

## Strategic & Governance Support Services: Communication & Public Participation



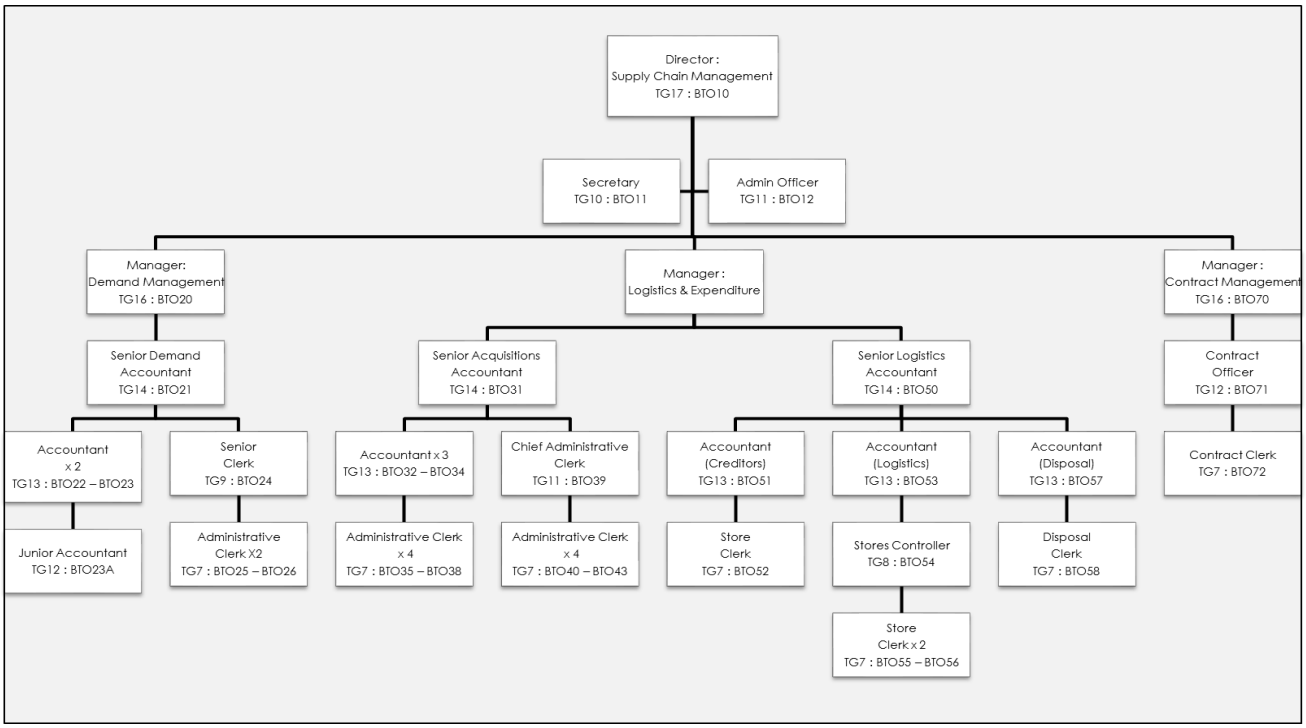
## Executive Audit



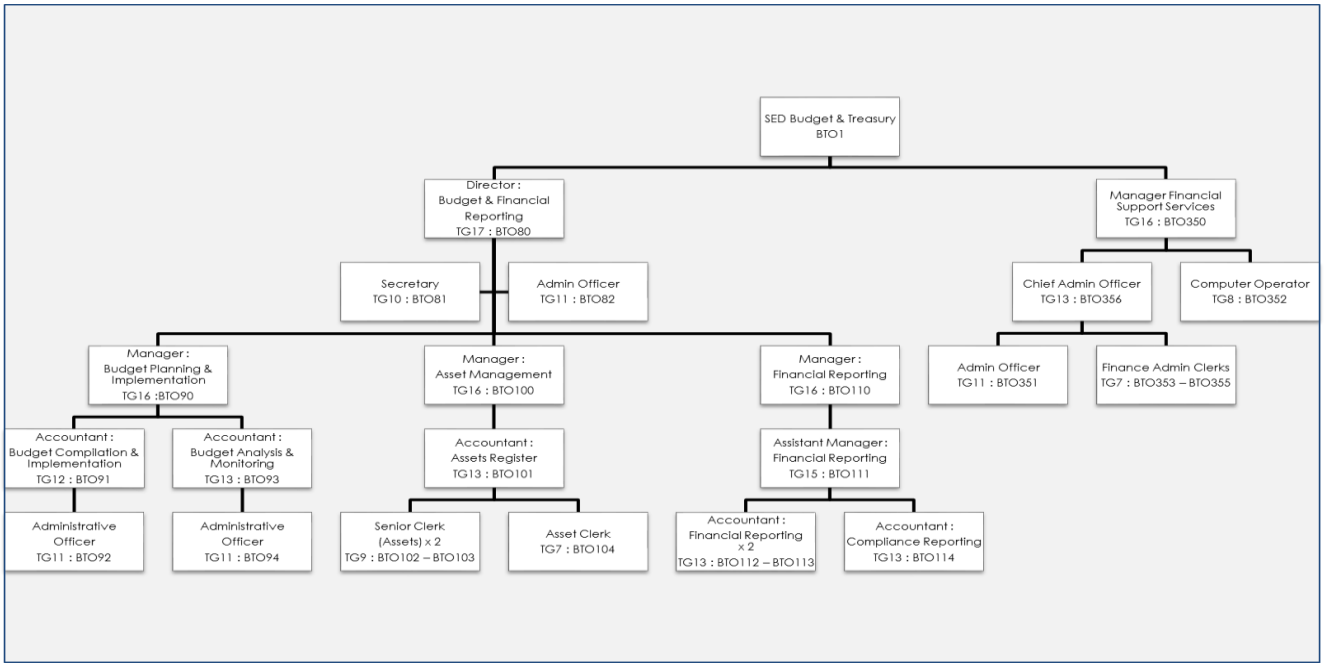

## Budget & Treasury Office



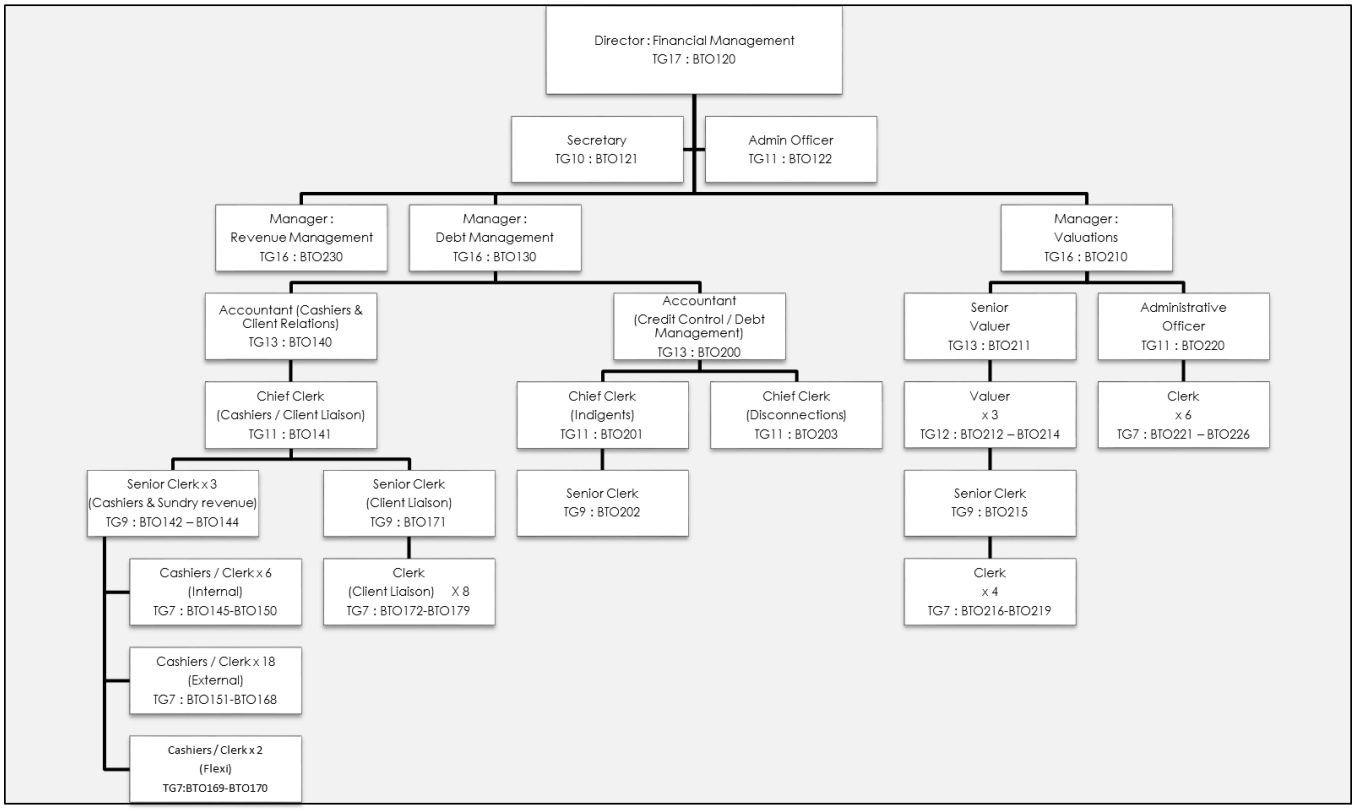
## Budget & Treasury Office: Supply Chain Management



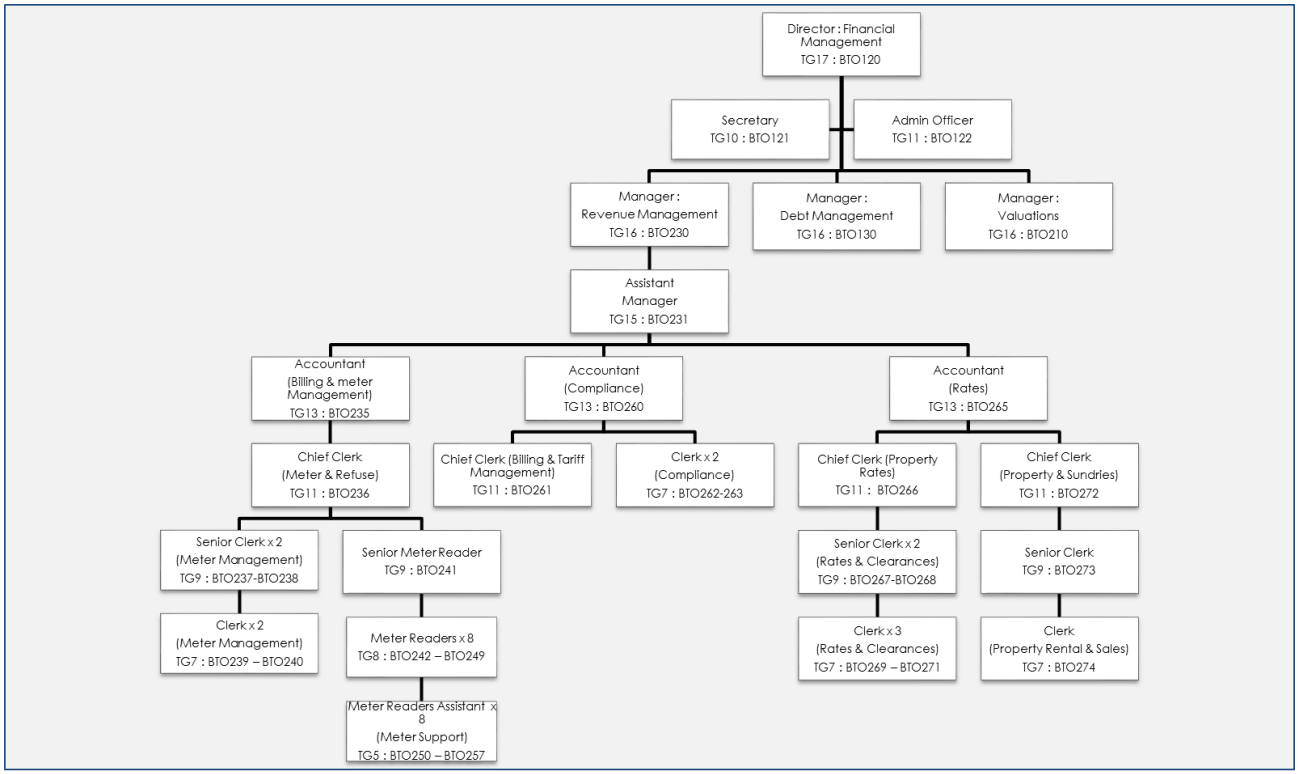

## Budget & Treasury Office: Budget & Financial Reporting / Financial Support Services



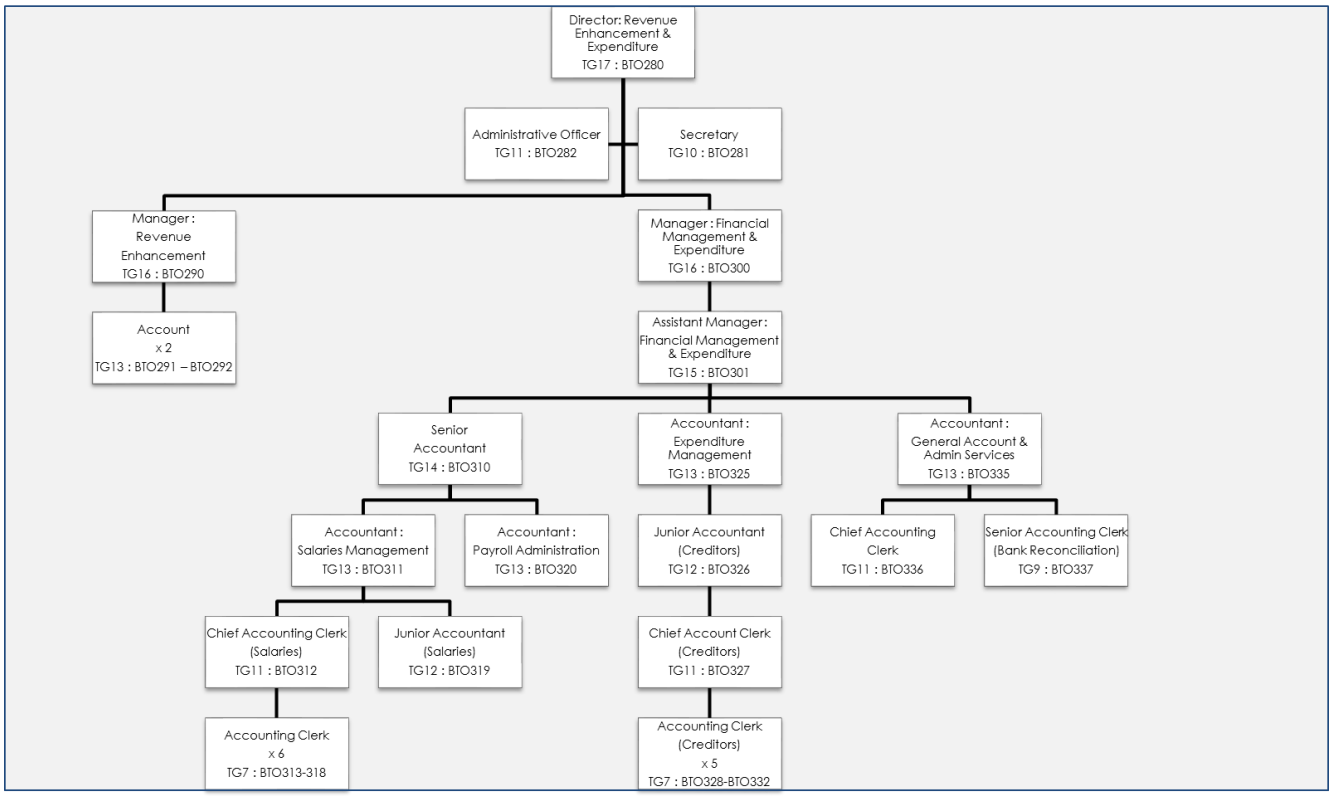
## Budget & Treasury Office: Financial Management Accounting



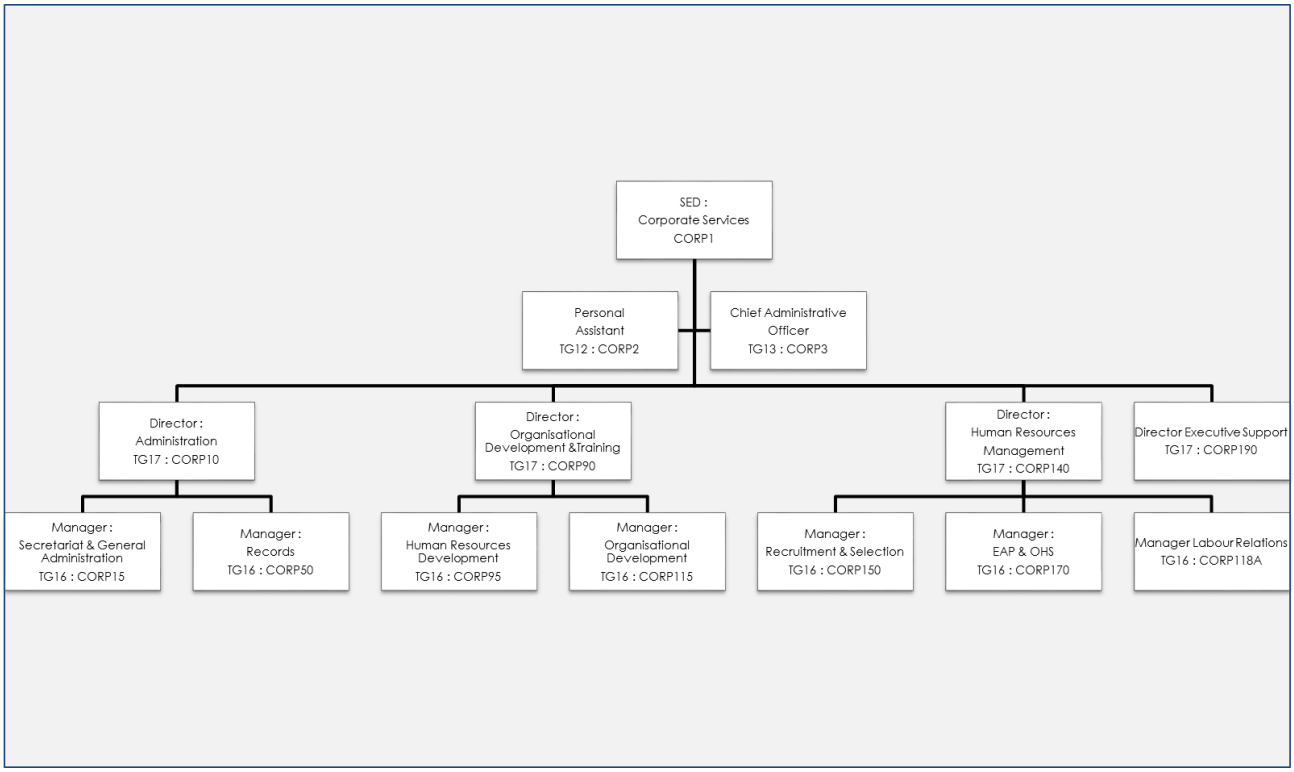

## Budget & Treasury Office: Revenue, Valuation & Debt Management



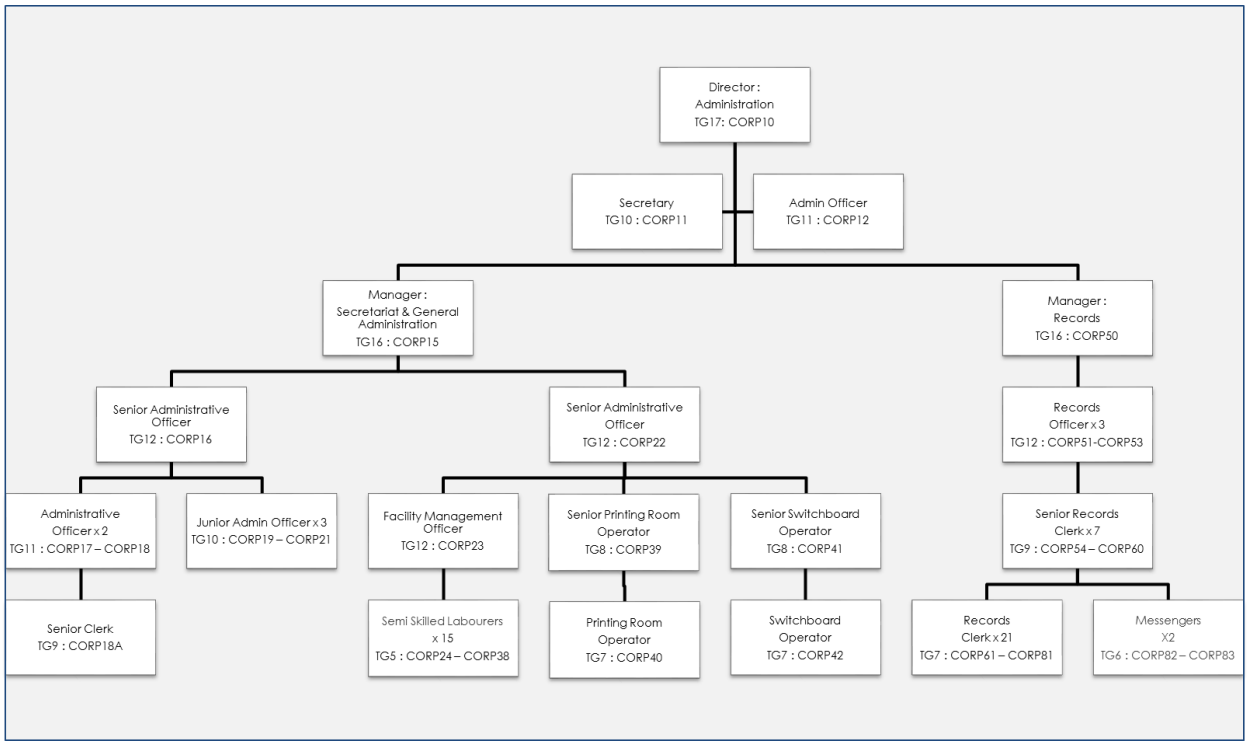
## Budget & Treasury Office: Revenue Enhancement &Expenditure



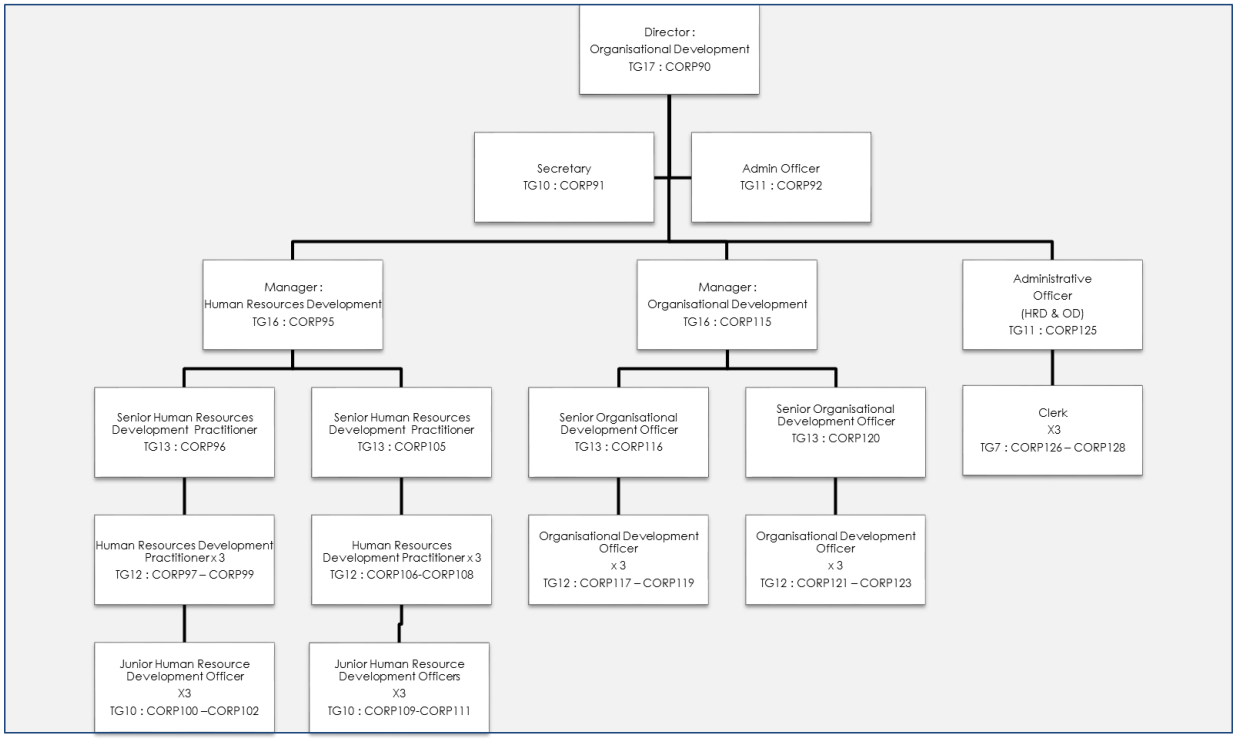

## Corporate Services: Executive Structure



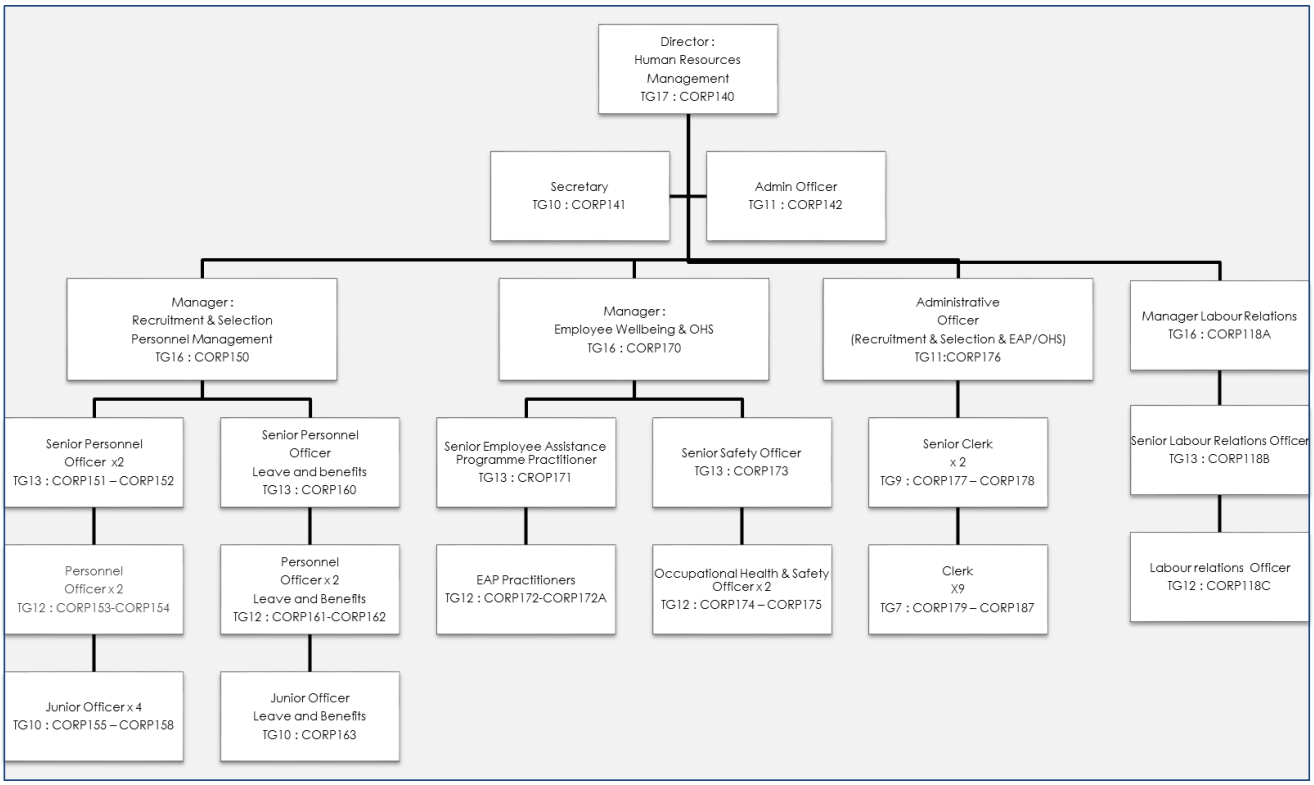
## Corporate Services: Administration



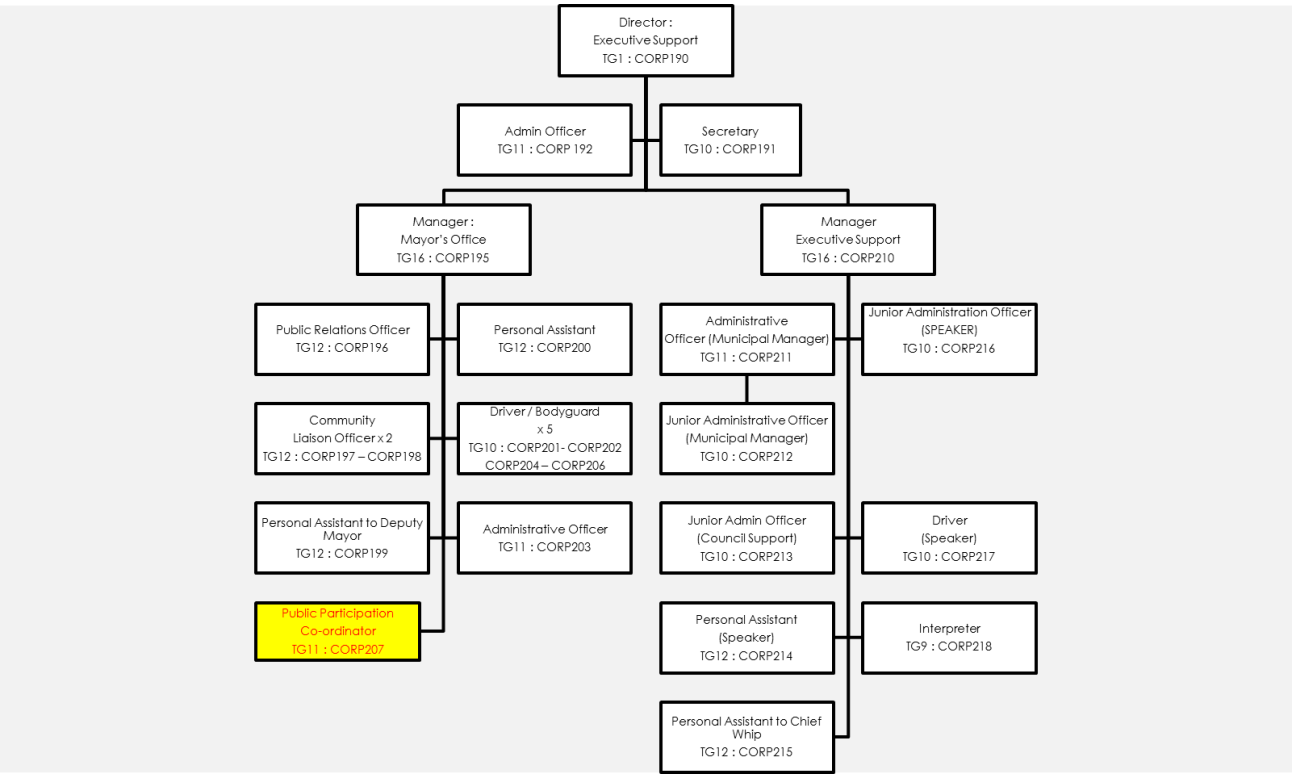

## Corporate Services: Human Resources Development & Work-study



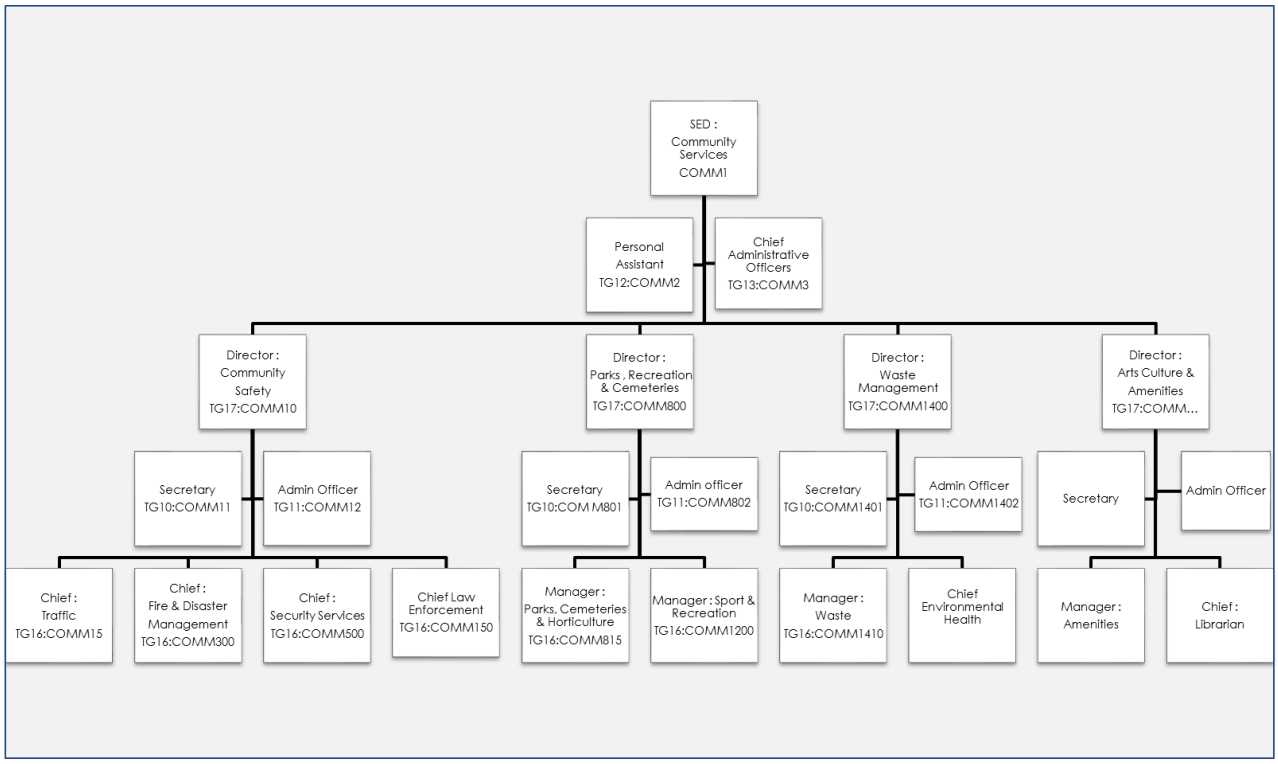
## Corporate Services: Human Resources



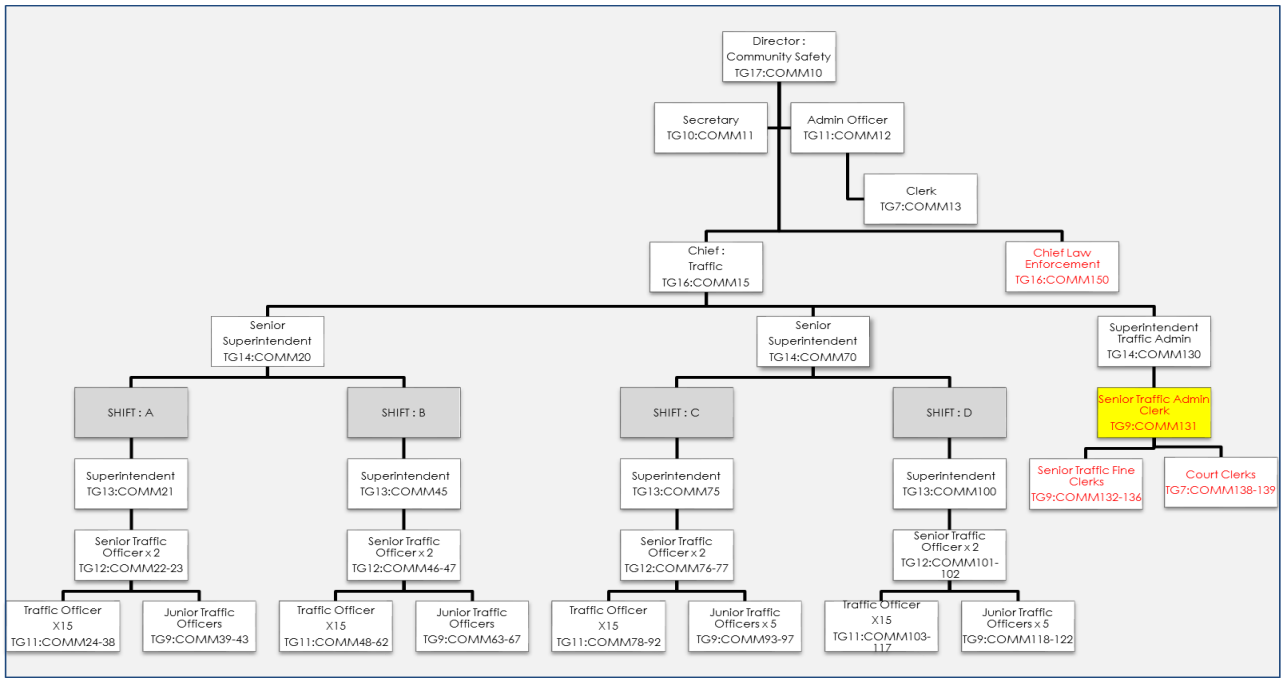

## CORPORATE SERVICES: Executive Support



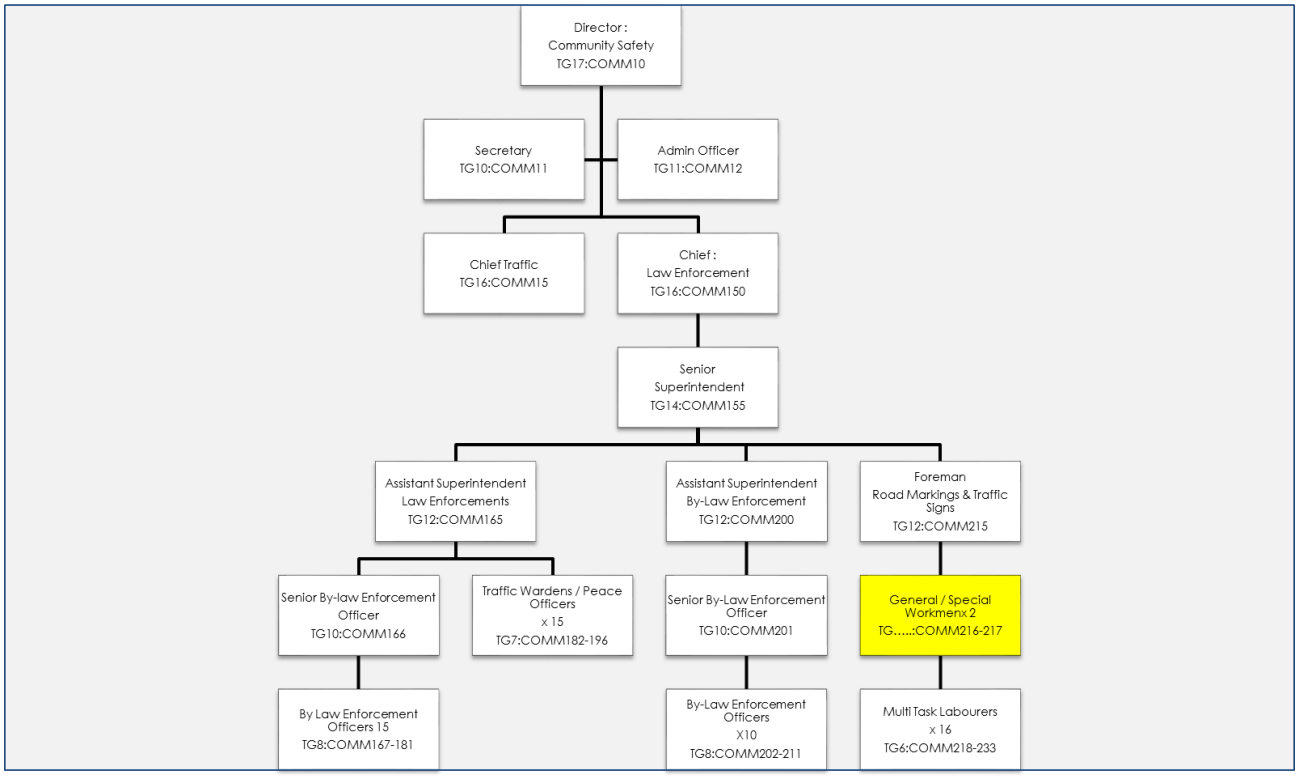
## Community Services: Executive Structure



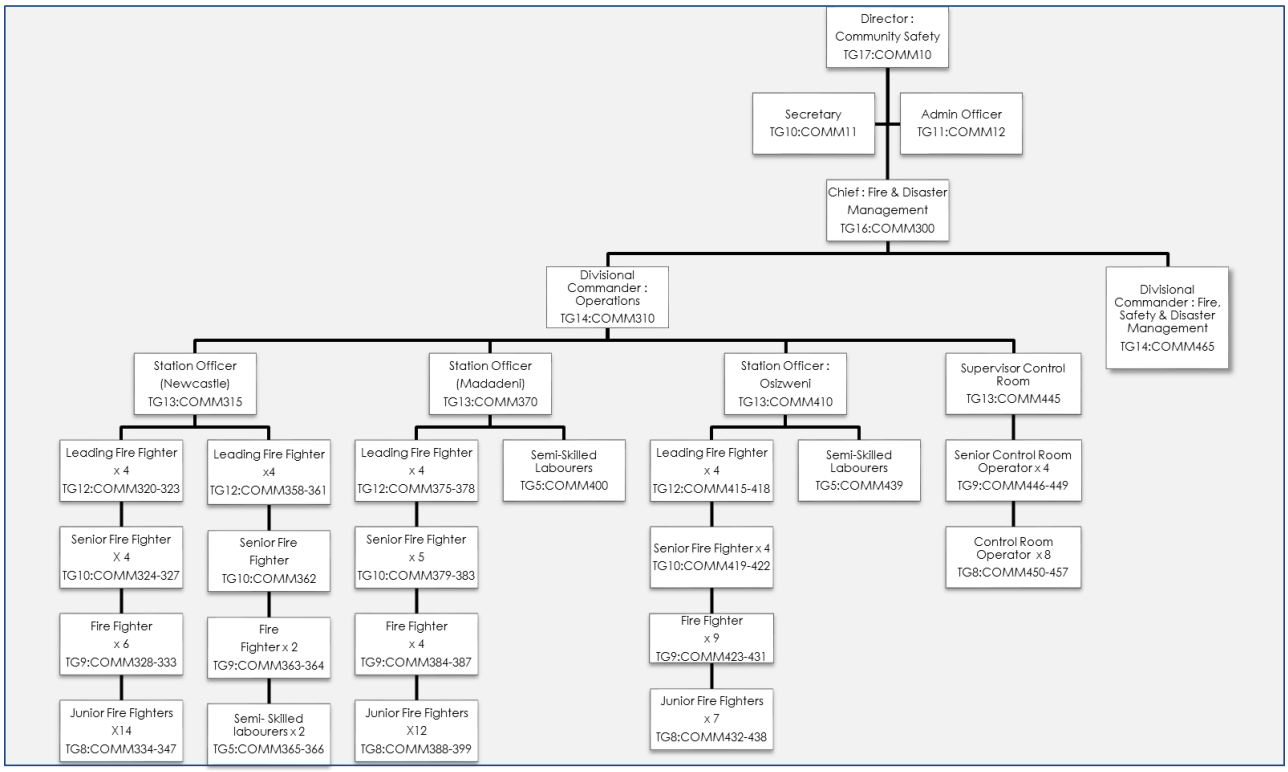

## Community Services: Traffic Section



## Community Services: Law Enforcement



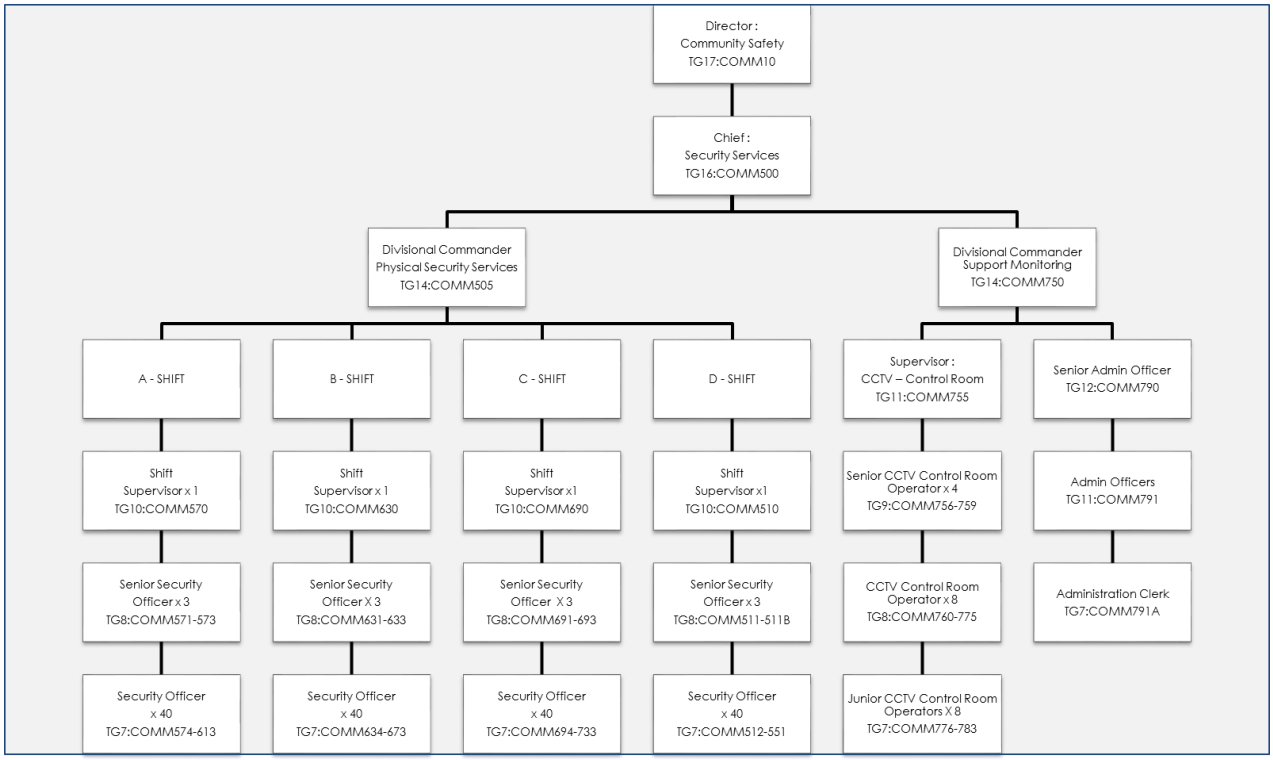

## Community Services: Fire & Disaster Management Section



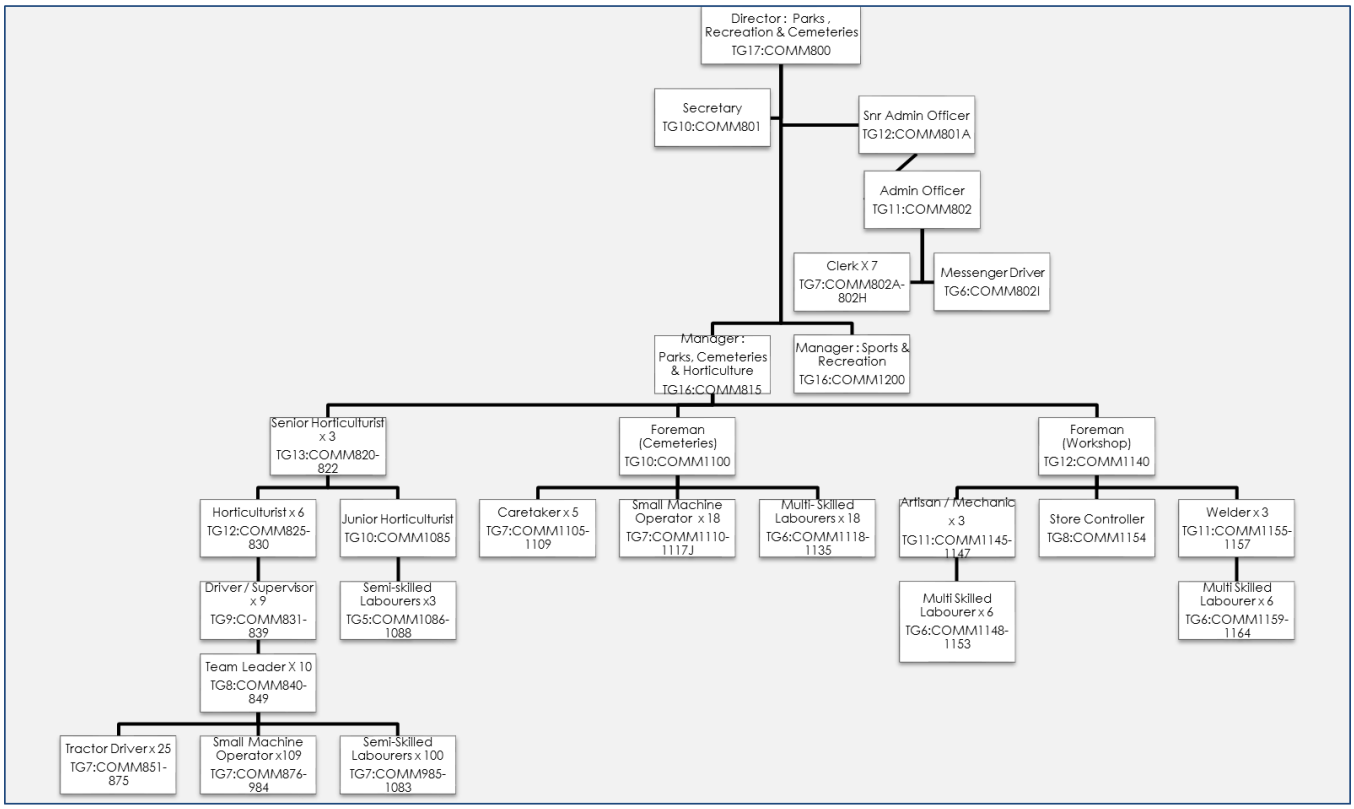
## Community Services: Fire & Disaster Management Section



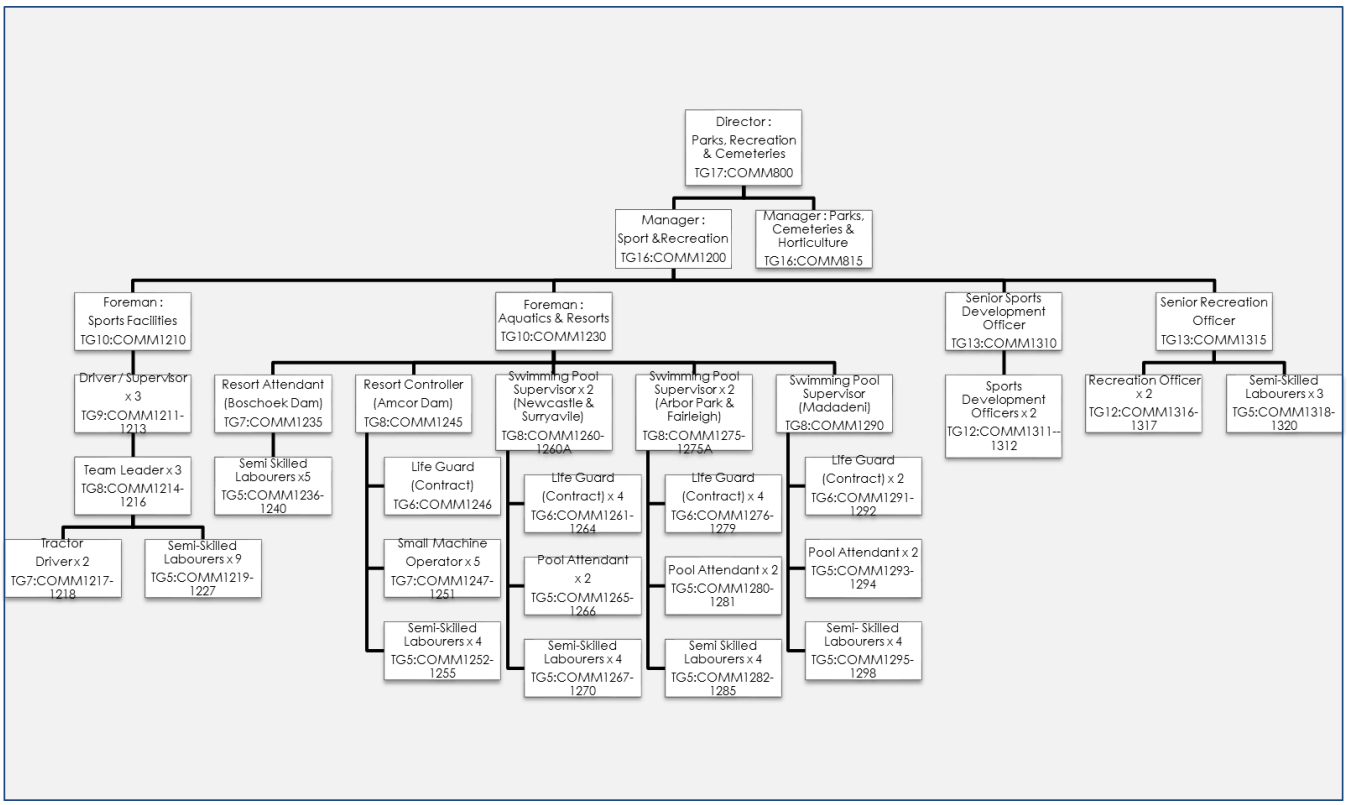

## Community Services: Security Section



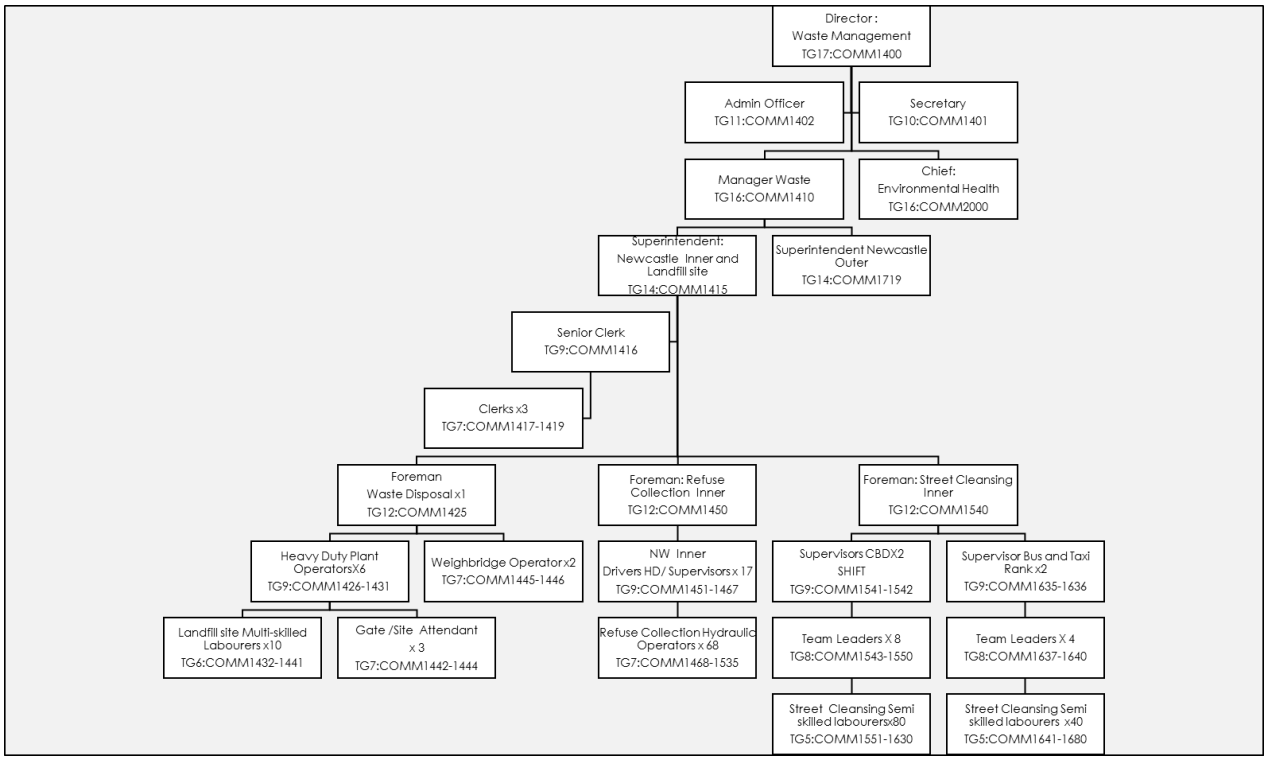
## Community Services: Parks, Recreation & Cemeteries Section



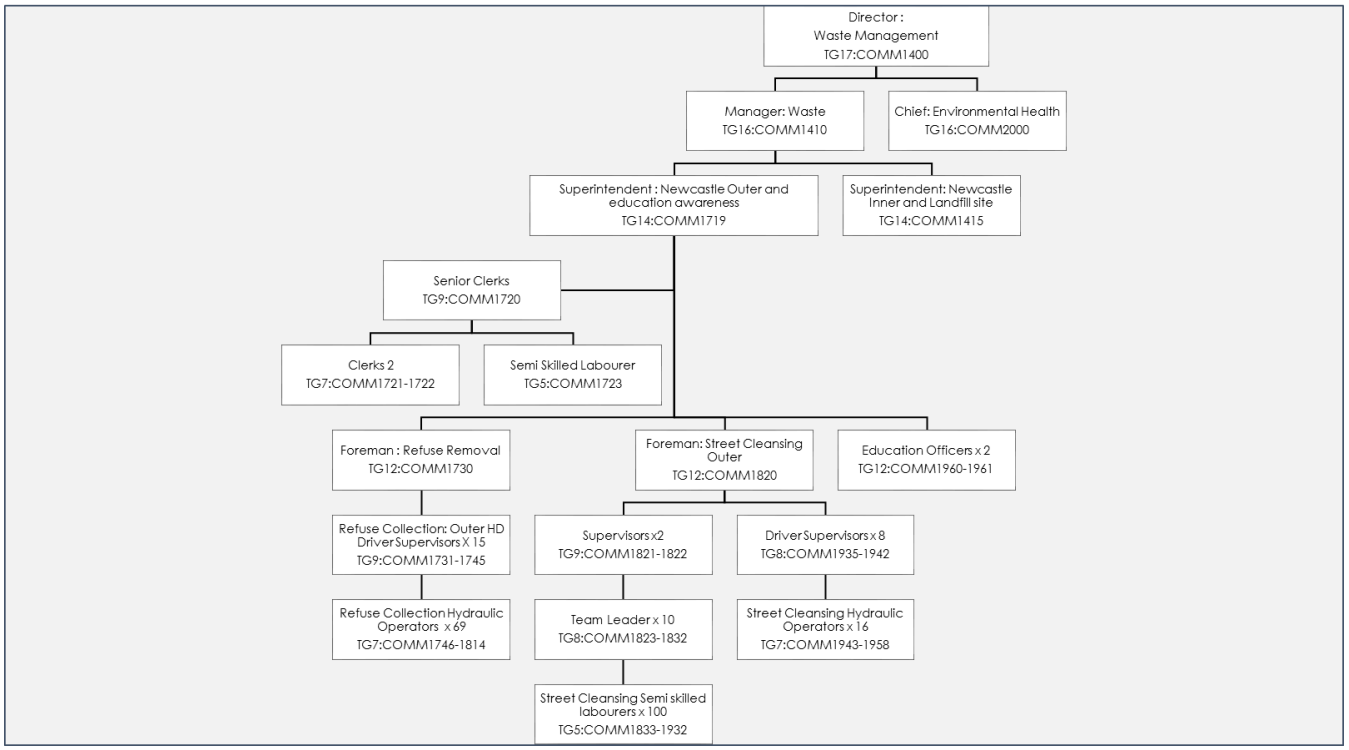

## Community Services: Sports & Recreation



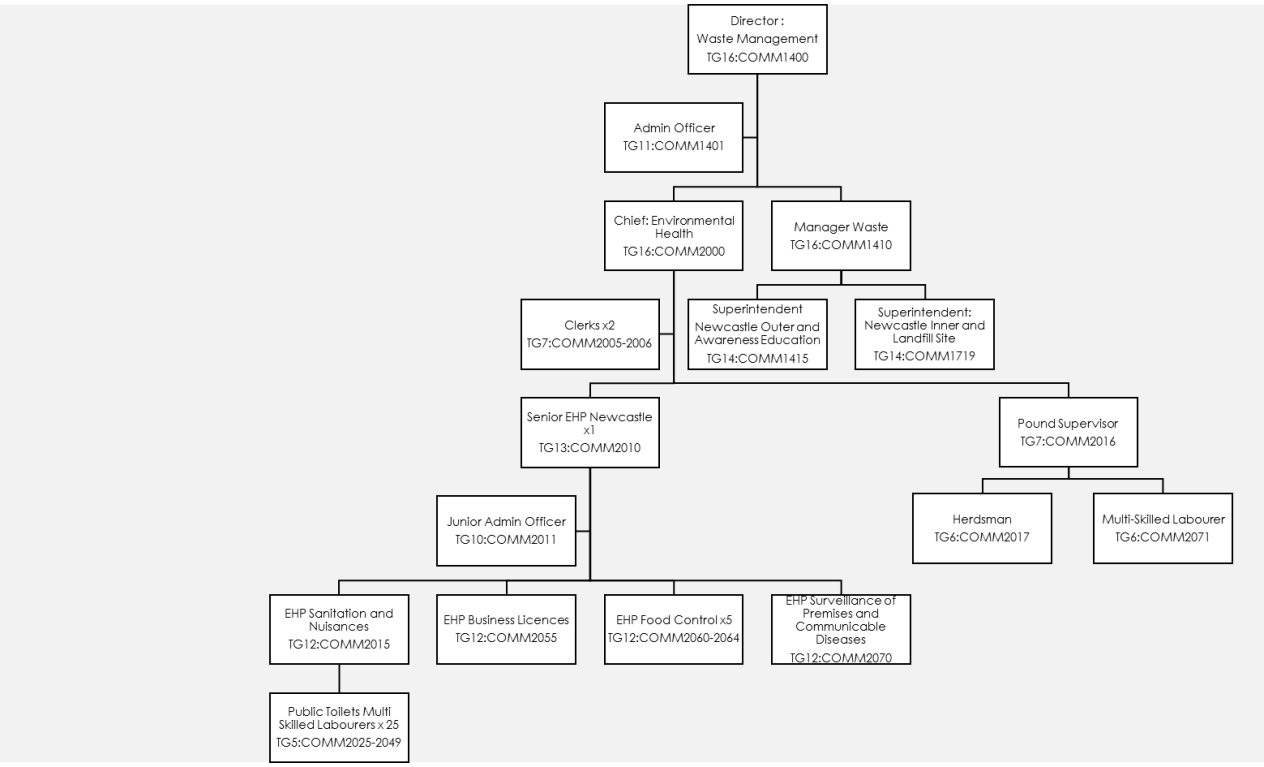
## Community Services: Service Area: Newcastle Inner and Landfill site



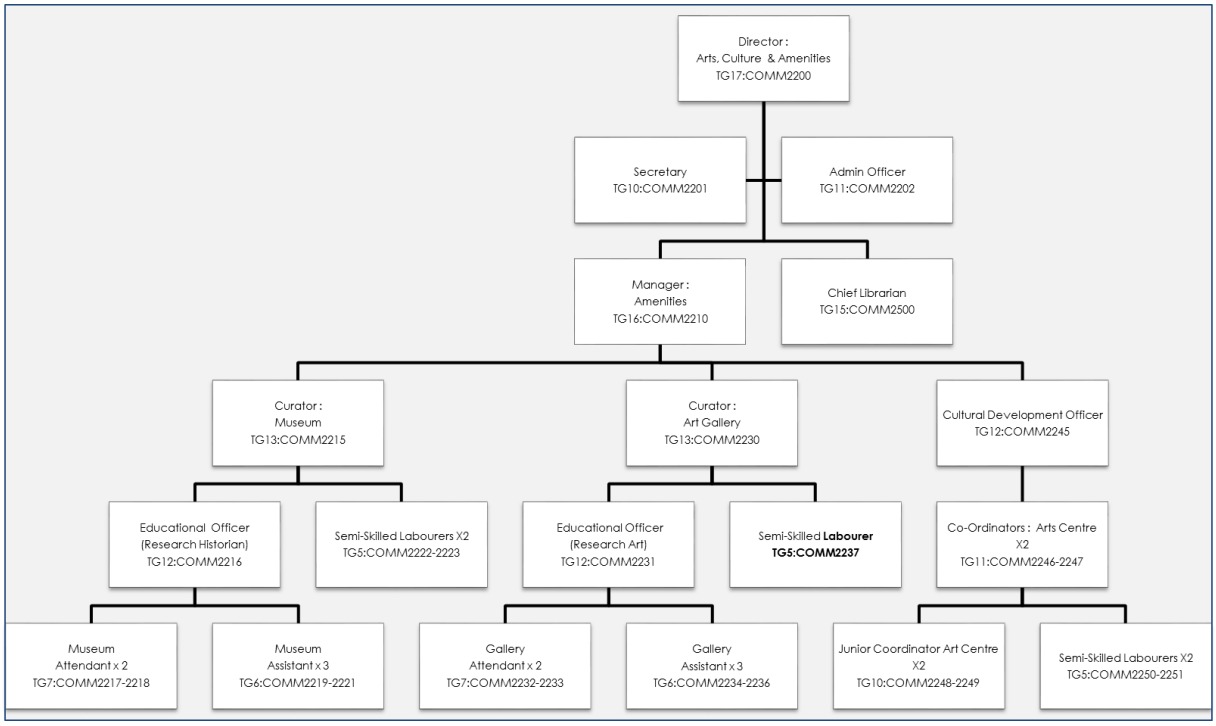

## Community Services: Service Area: Newcastle Outer and Education Awareness



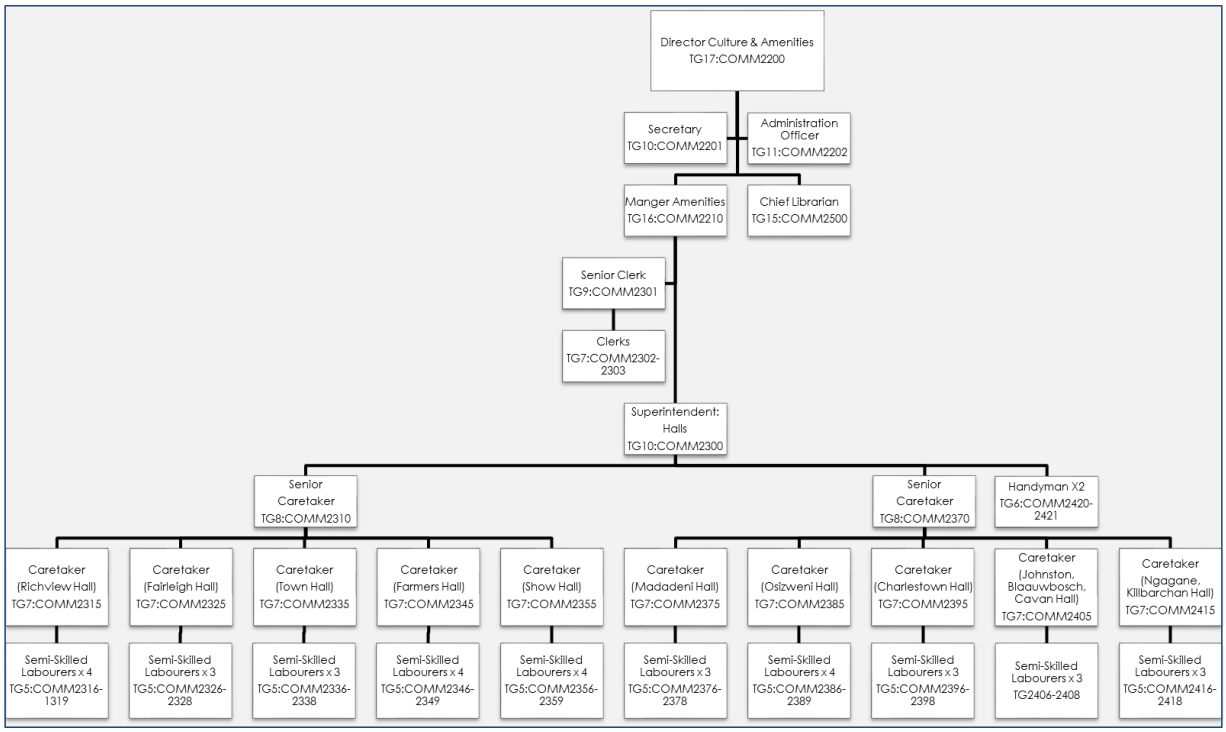
## Community Services: Environmental Health



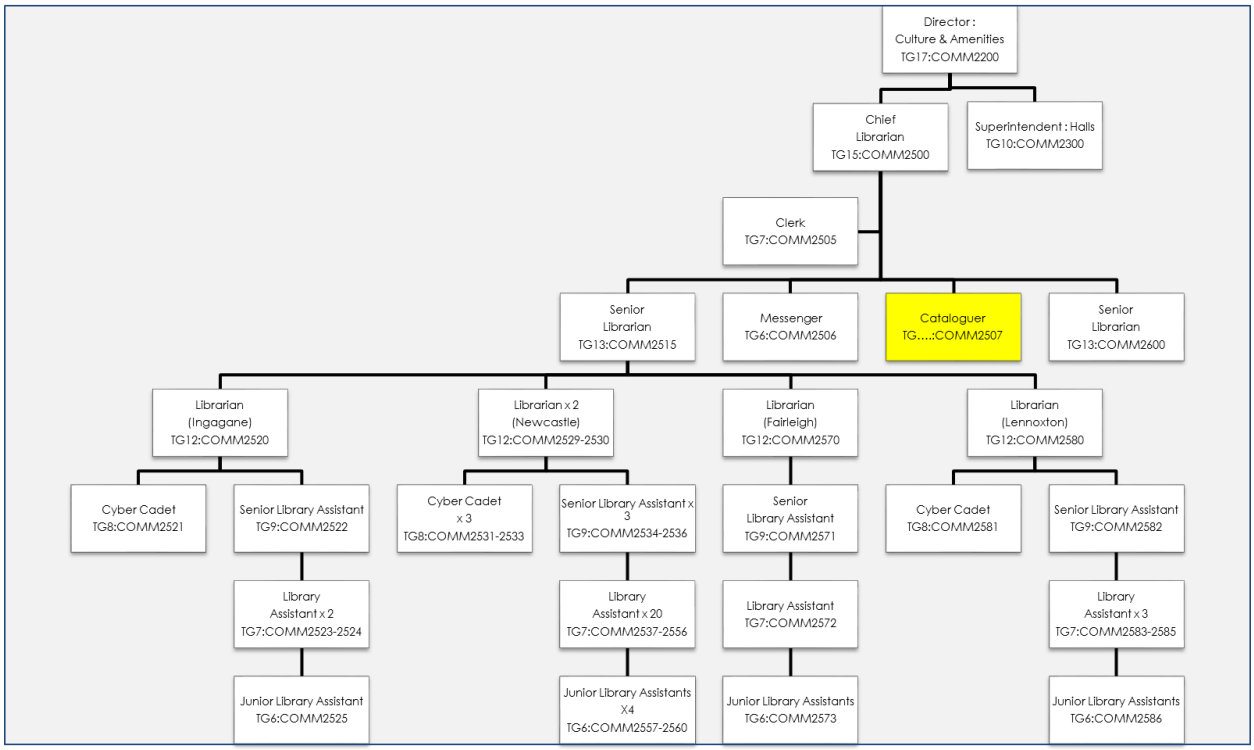

## Community Services: Arts; Culture & Amenities



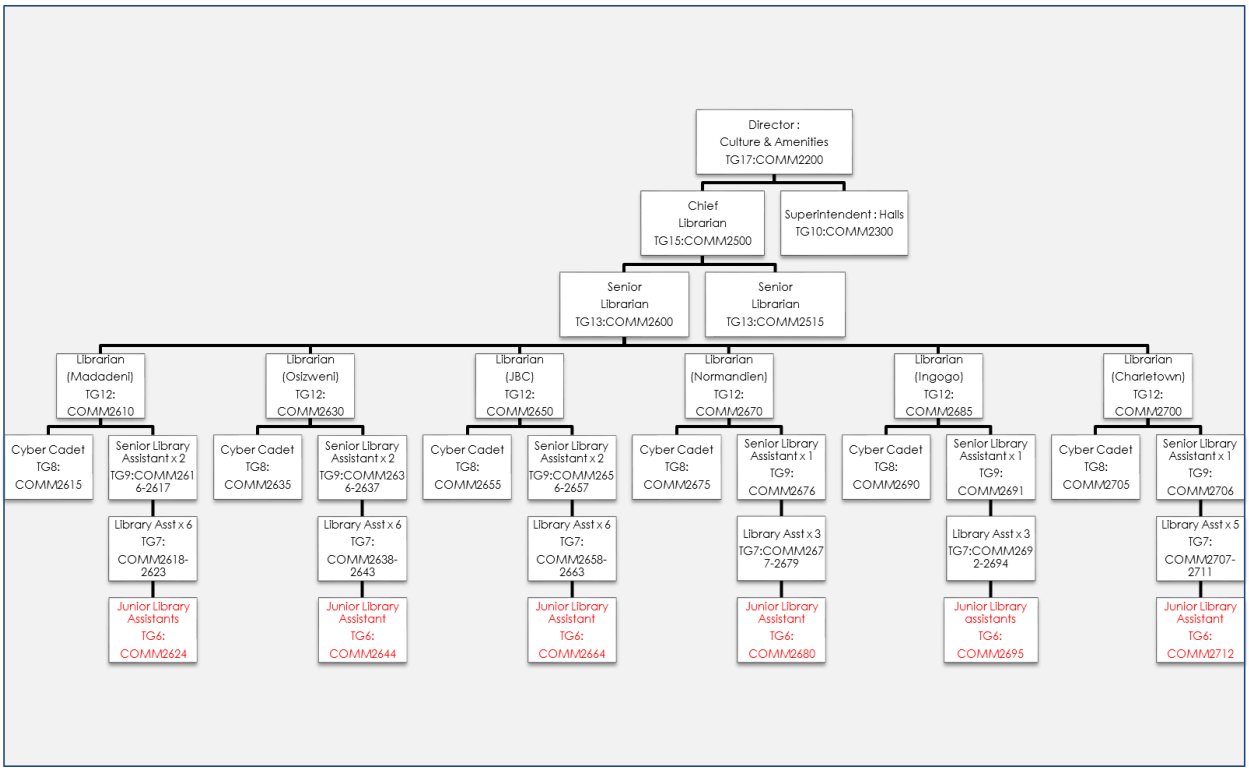
## Community Services: Halls



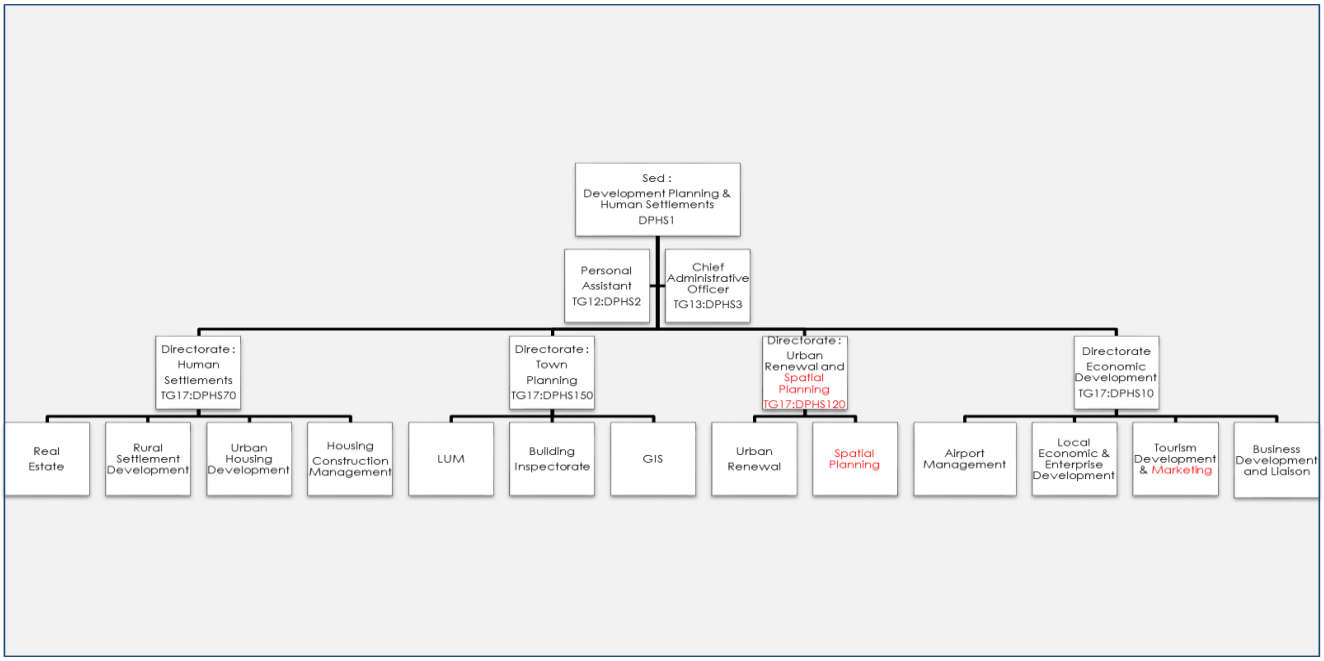

## Community Services: Libraries



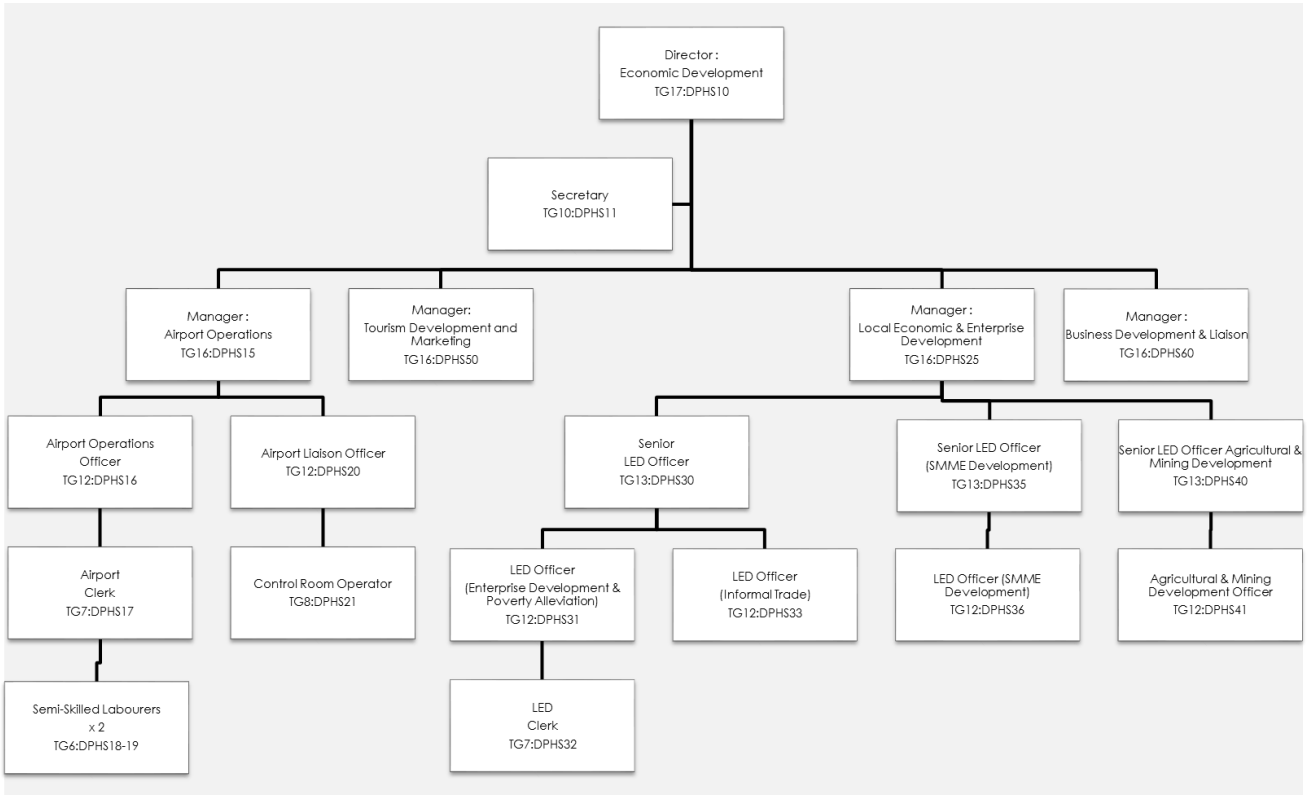
## Community Services: Libraries



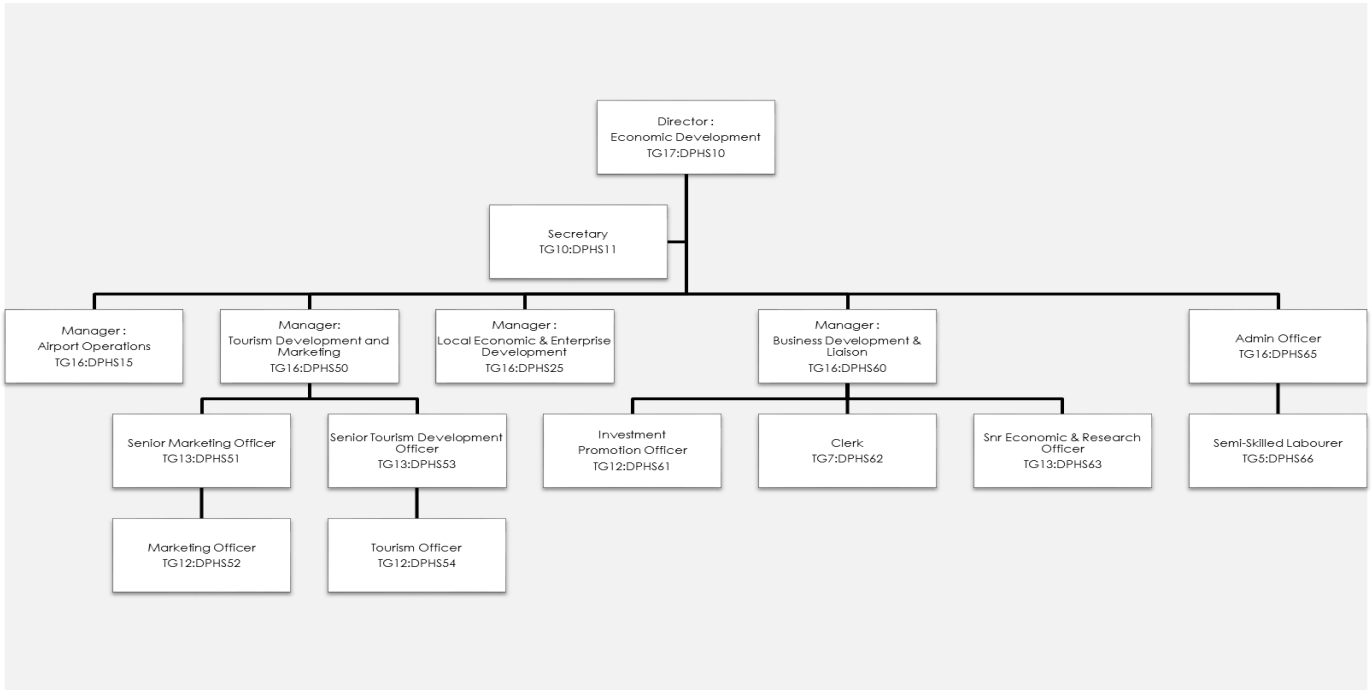

## Development Planning & Human Settlements



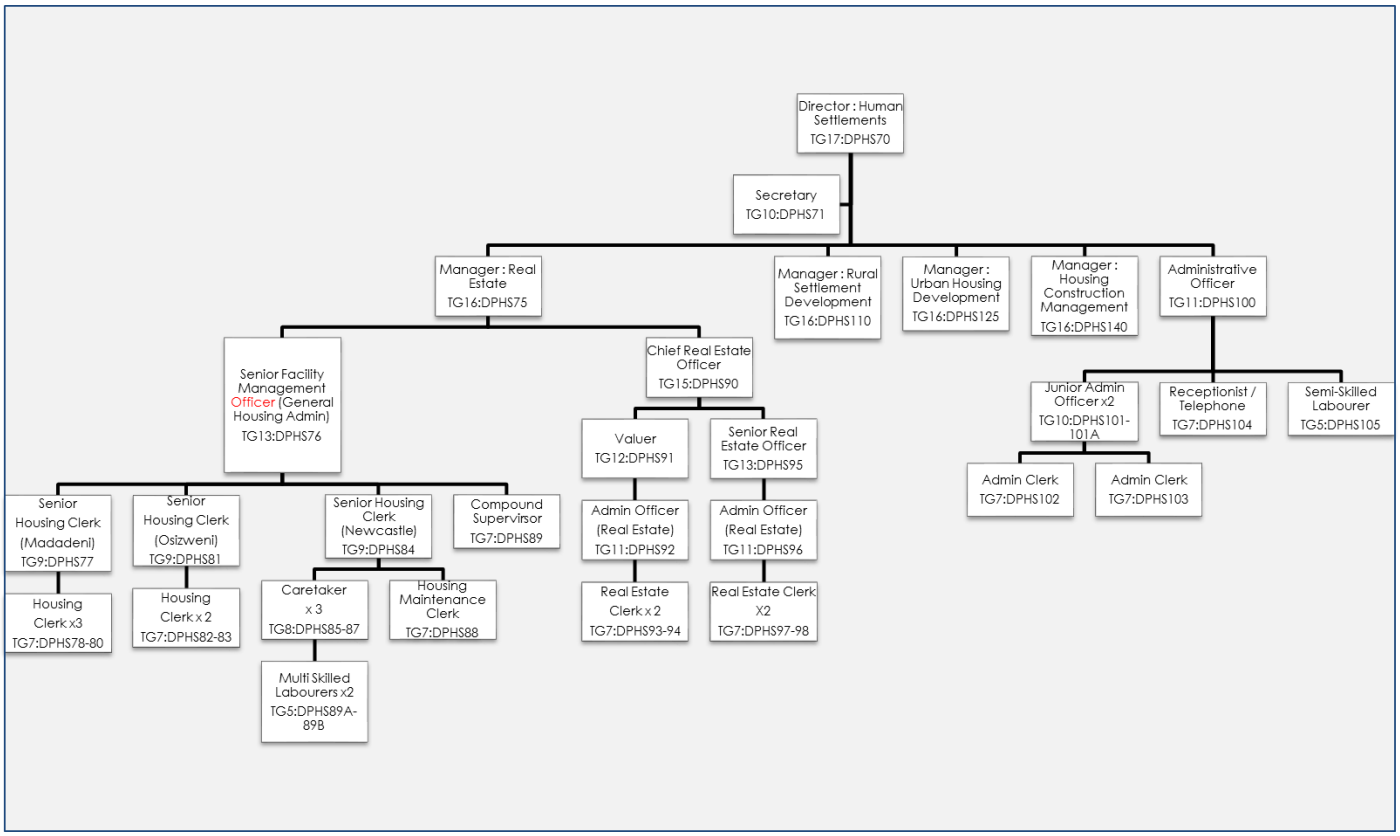
## Development Planning & Human Settlements: Economic Development



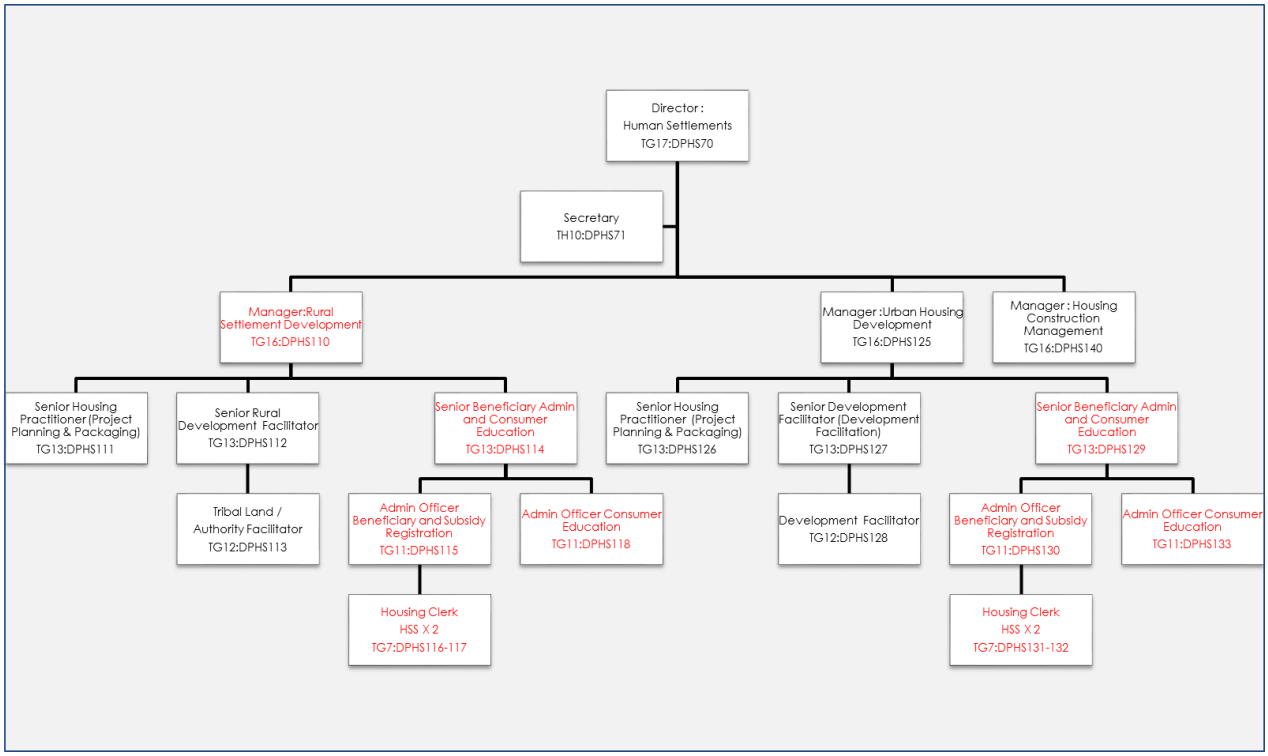

## Development Planning & Human Settlements: Economic Development



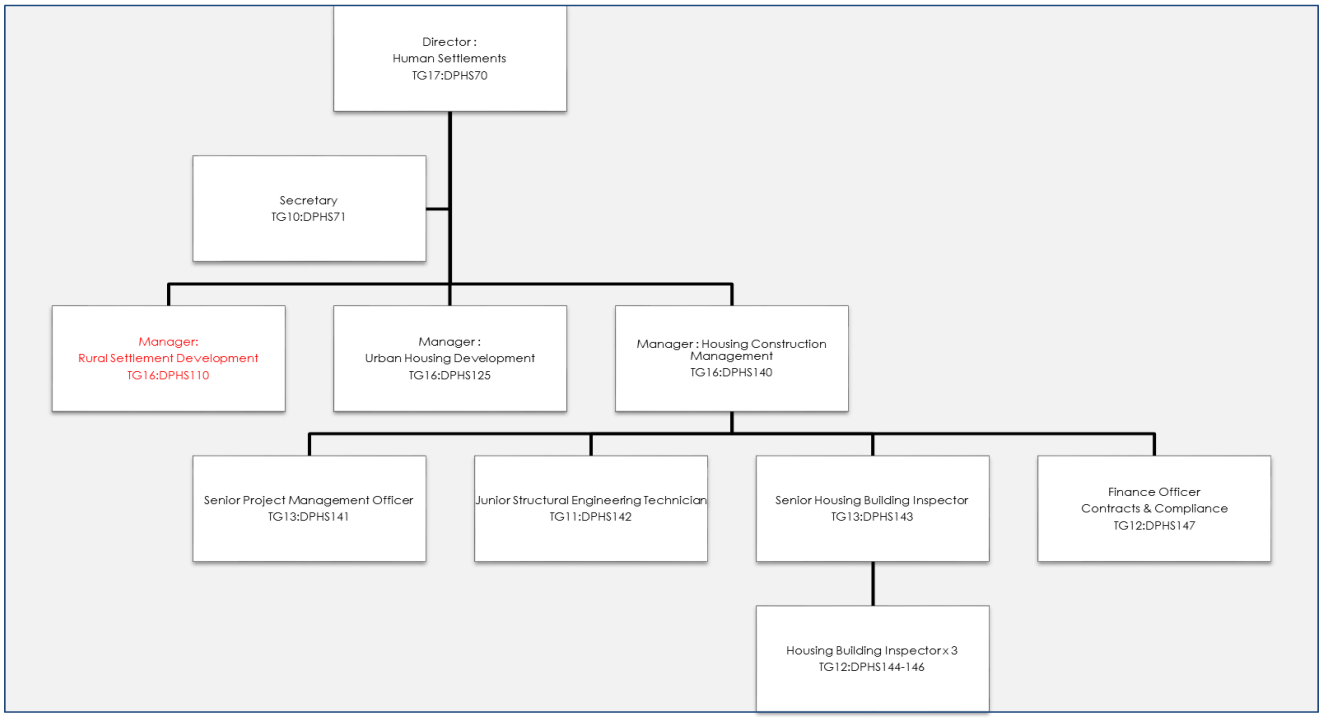
## Development Planning & Human Settlements: Human Settlements



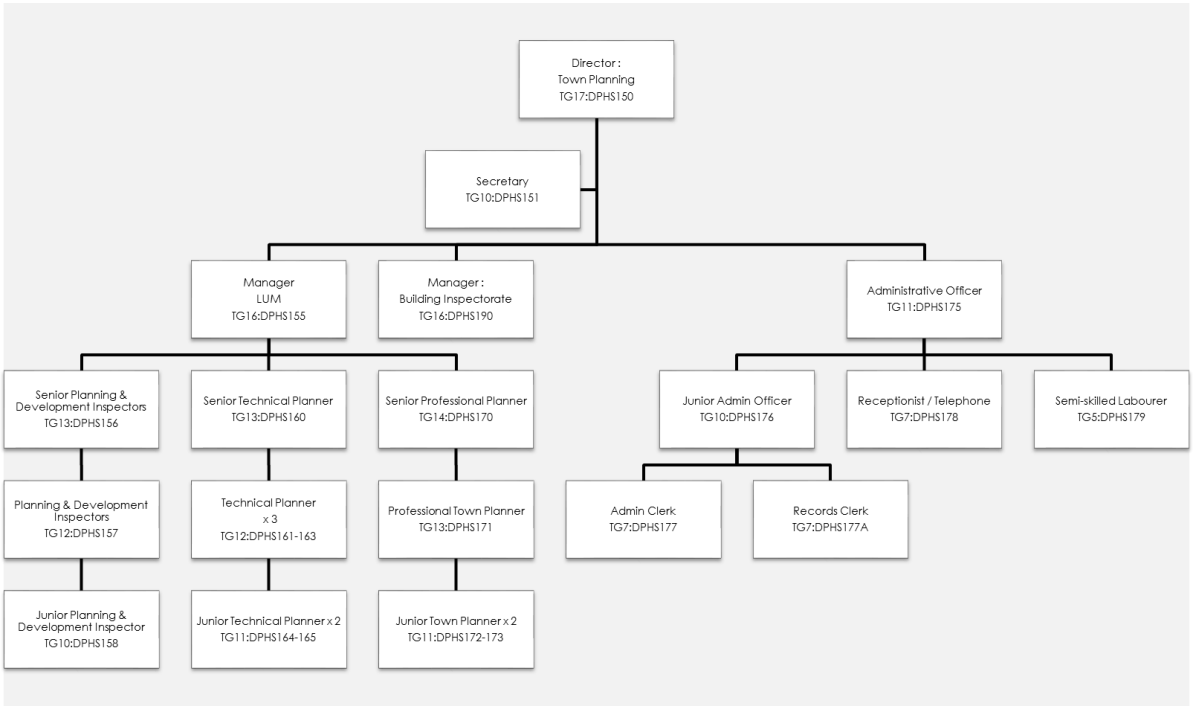

## Development Planning & Human Settlements: Human Settlements



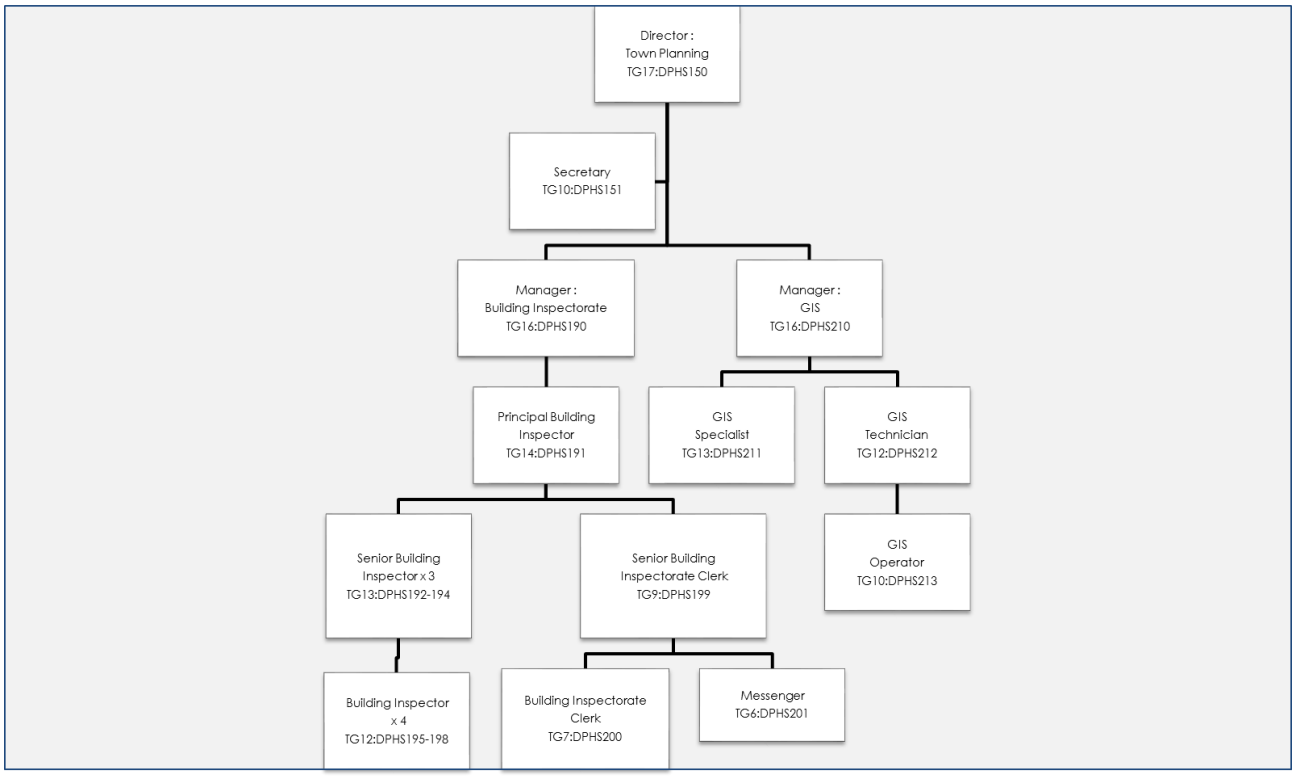

## Development Planning & Human Settlements: Human Settlements



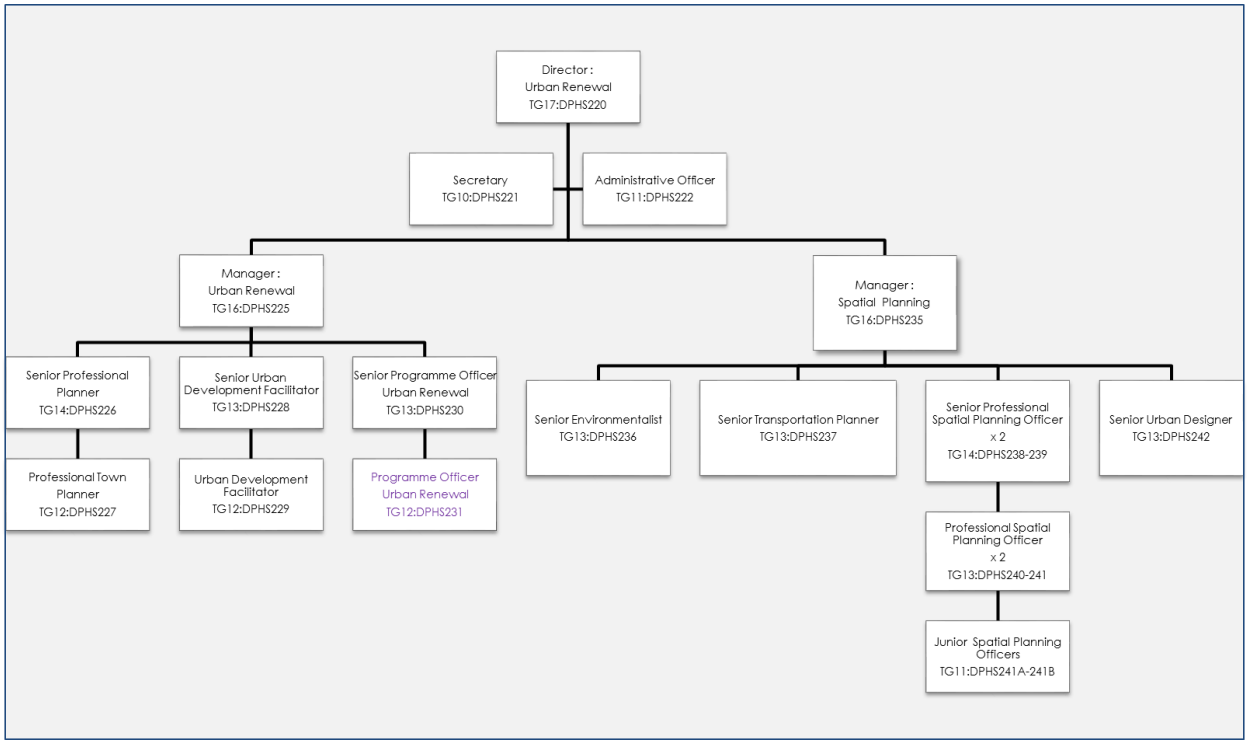

## Development Planning & Human Settlements: Town Planning



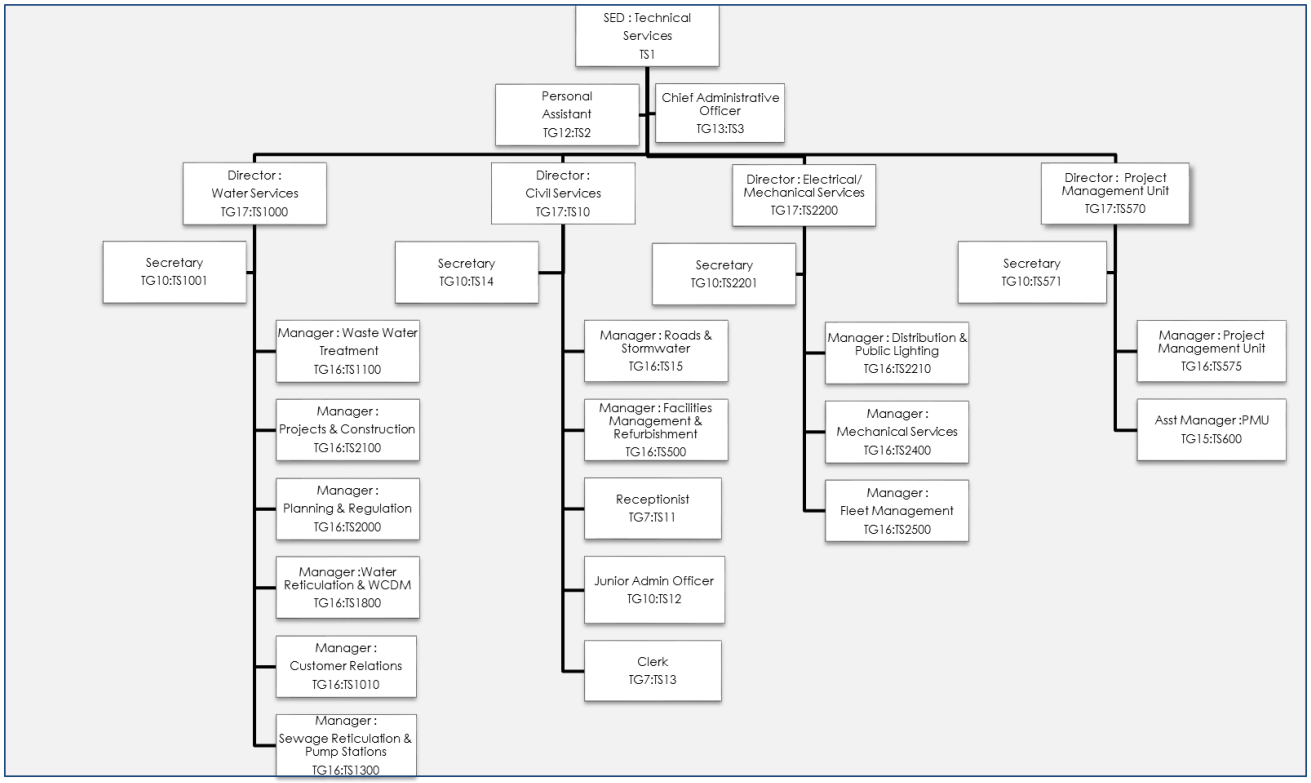

## Development Planning & Human Settlements: Town Planning



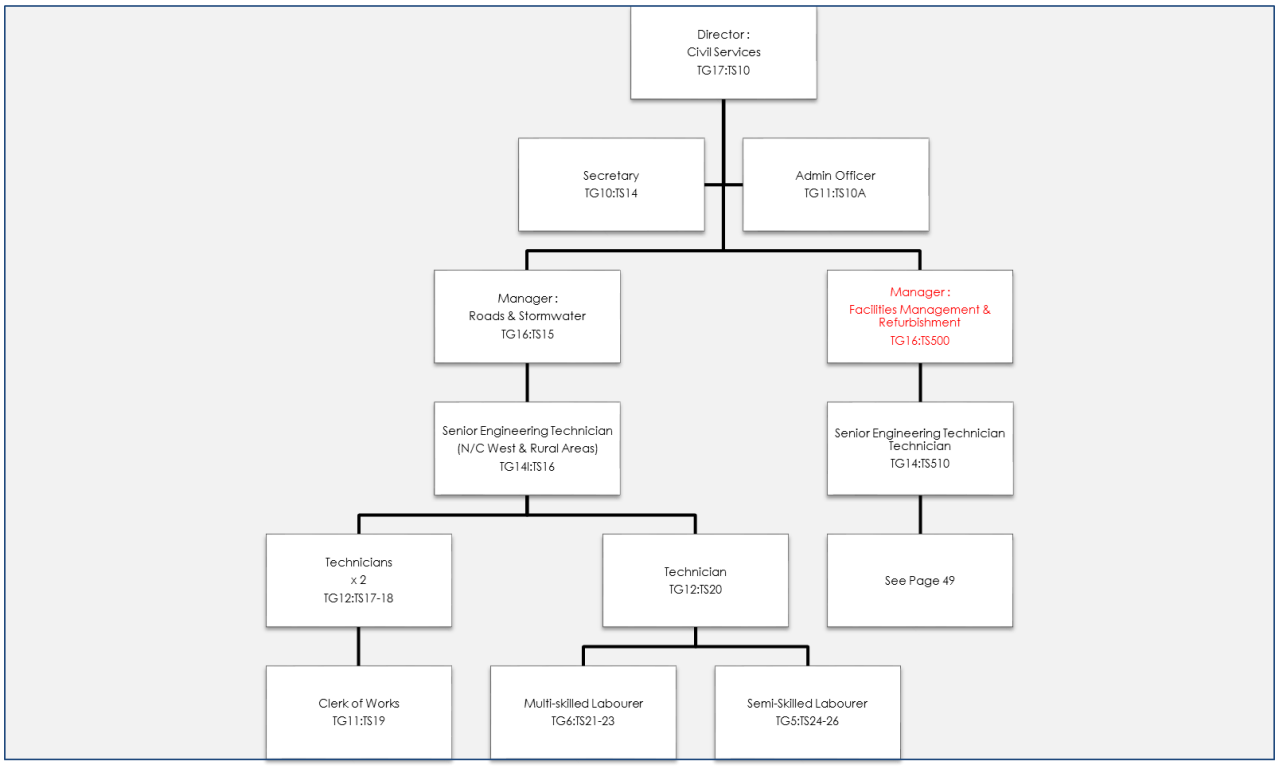
## Development Planning & Human Settlements: Urban Renewal and Special Projects



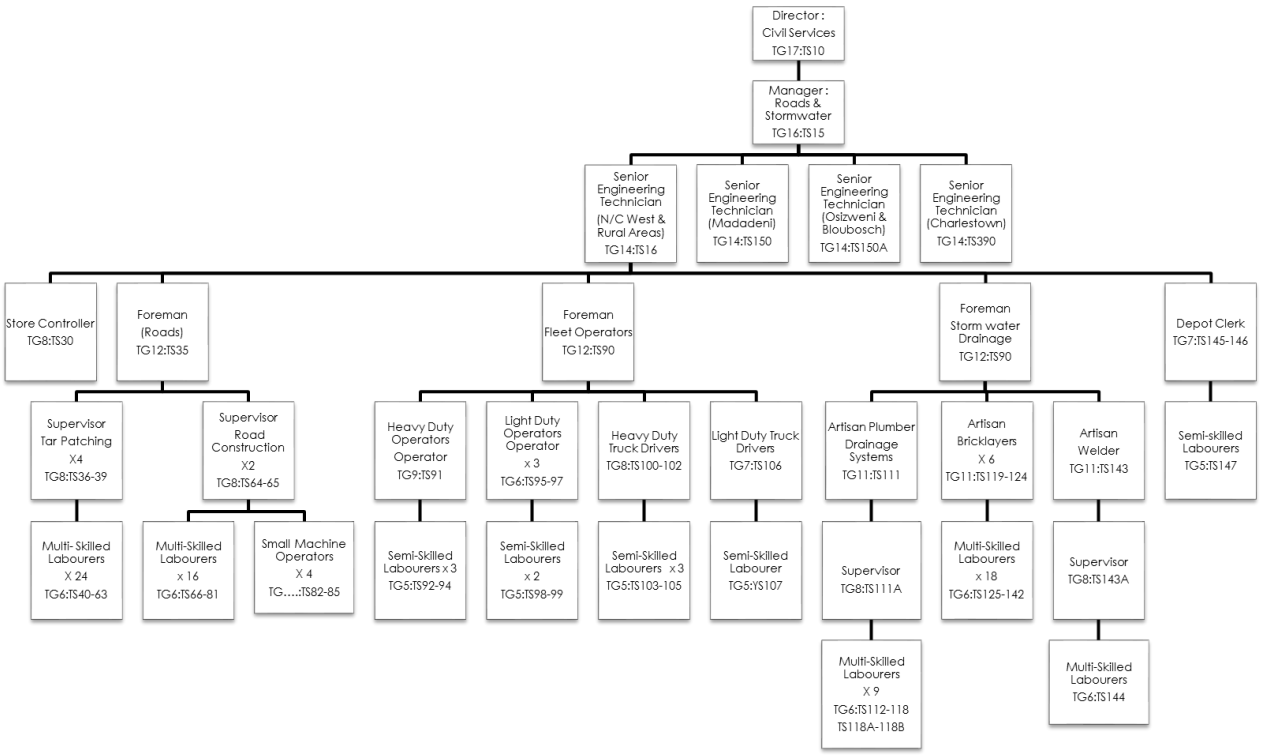

## Technical Services: Civil Services



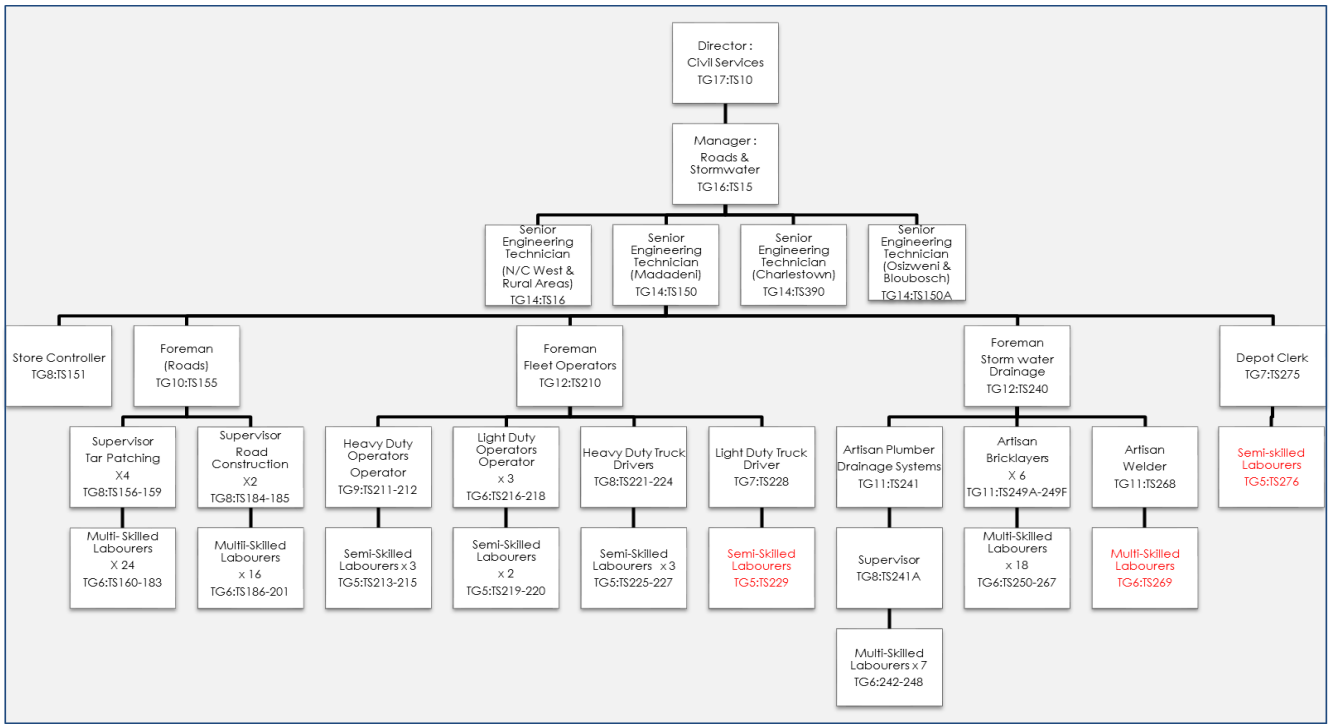
## Technical Services: Roads & Stormwater (Planning & Designing)



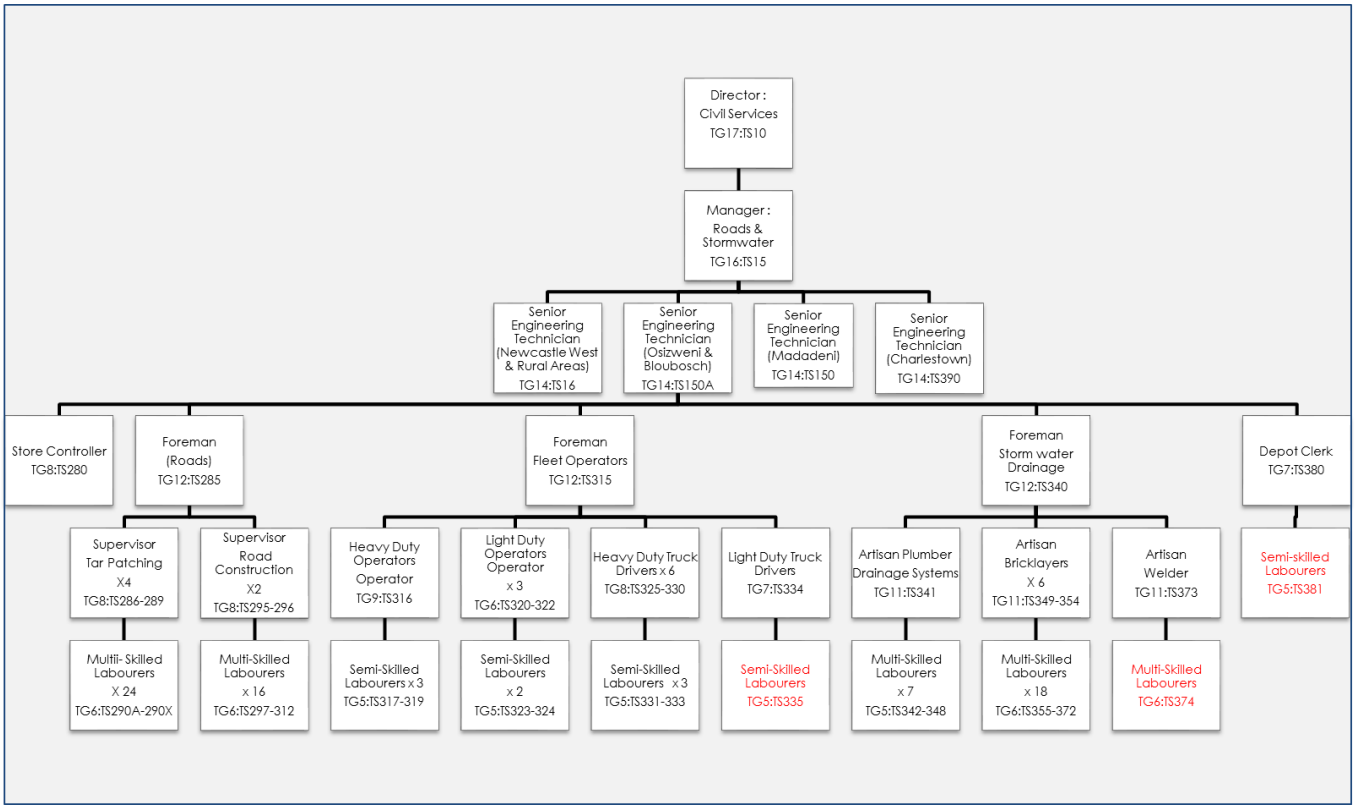

## Technical Services: Roads & Stormwater (n/c West and Rural Areas)



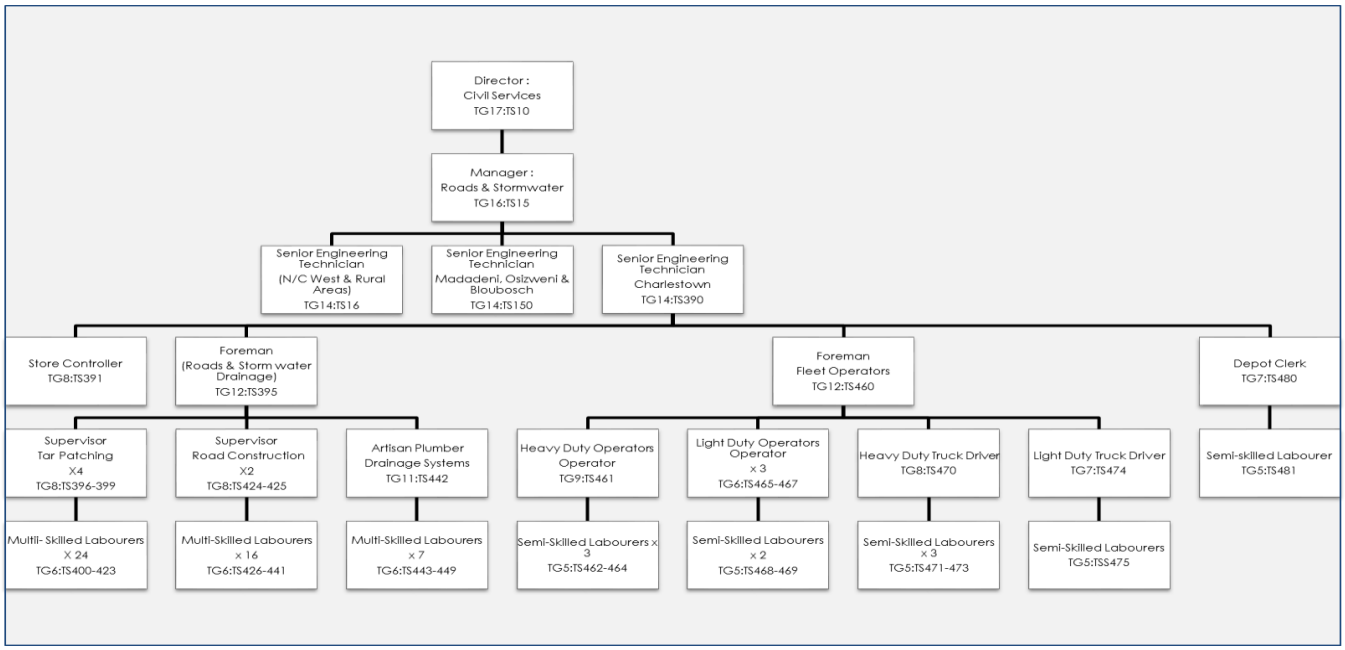

## Technical Services: Roads & Stormwater (Madadeni)



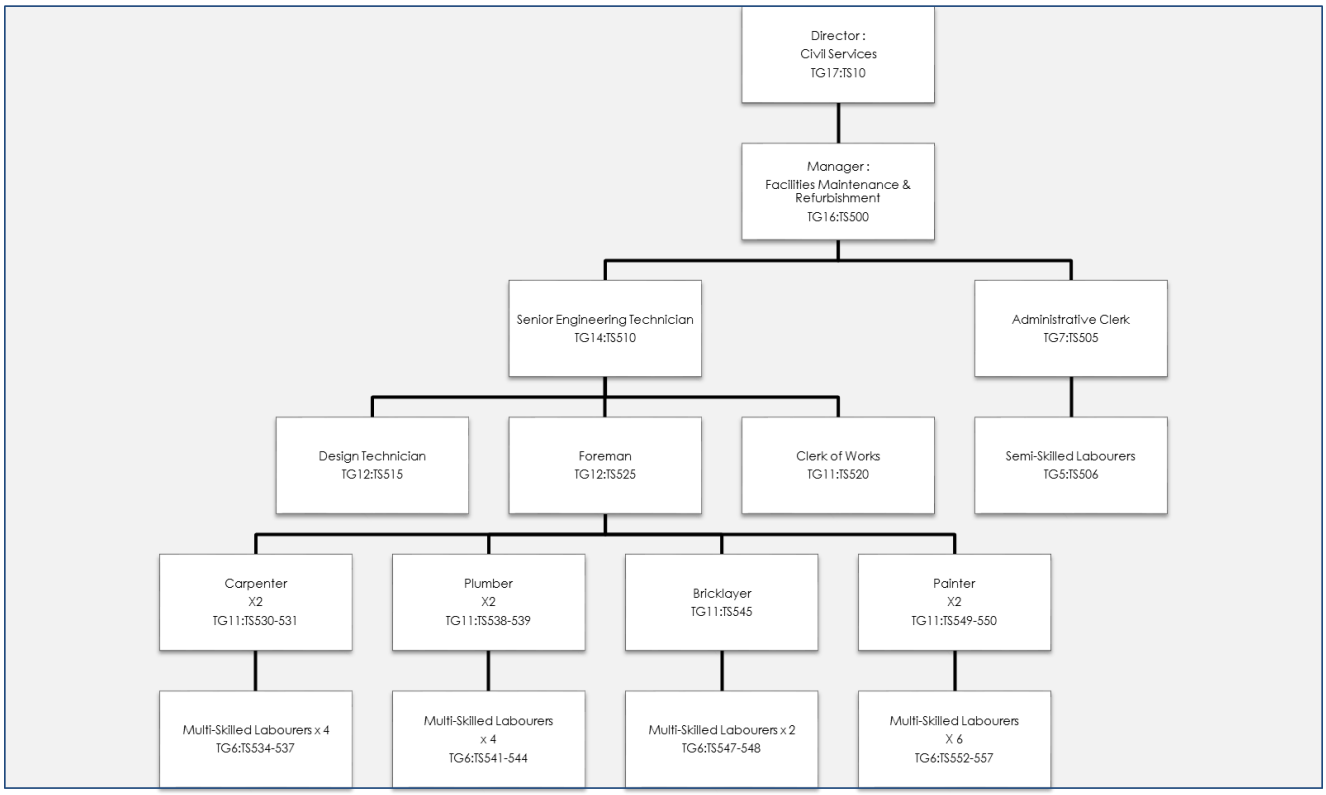

**Technical Services: Roads & Stormwater (Osizweni & Blaauwbosch)**



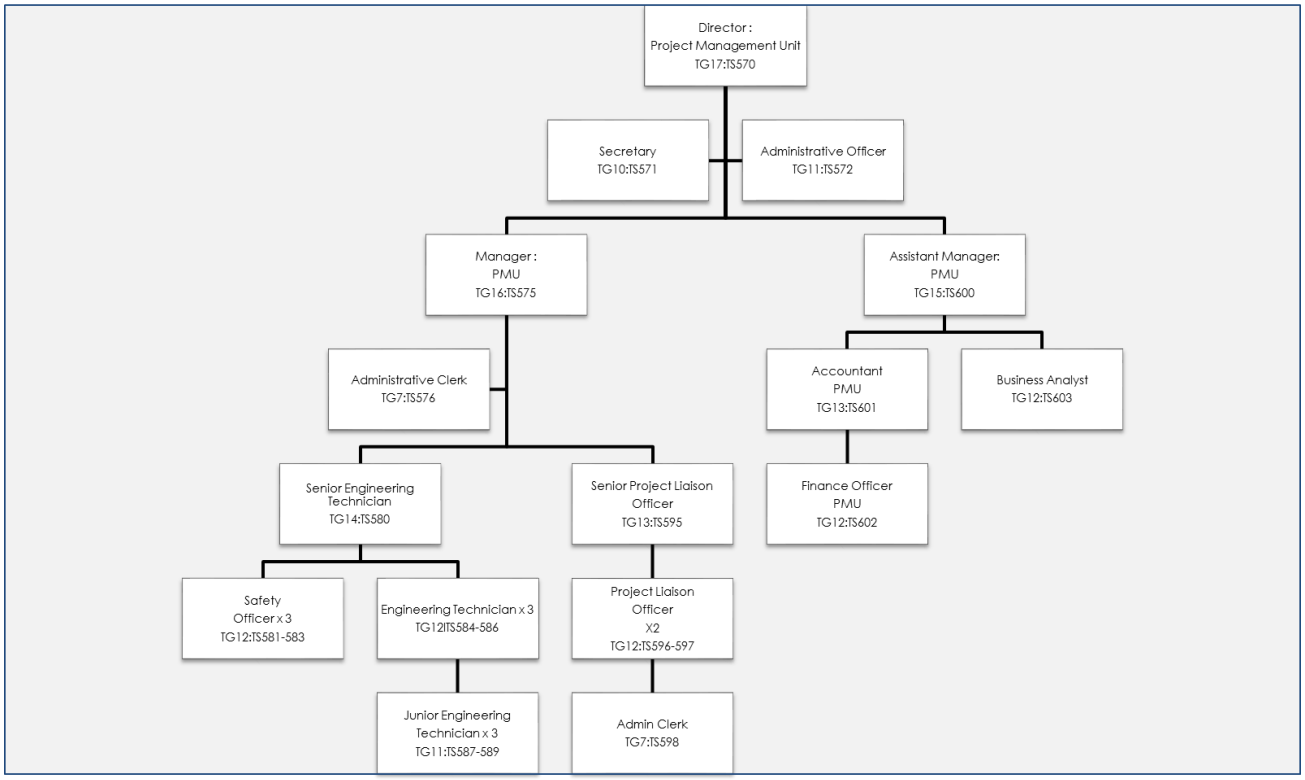

## Technical Services: Roads & Stormwater (Charlestown)



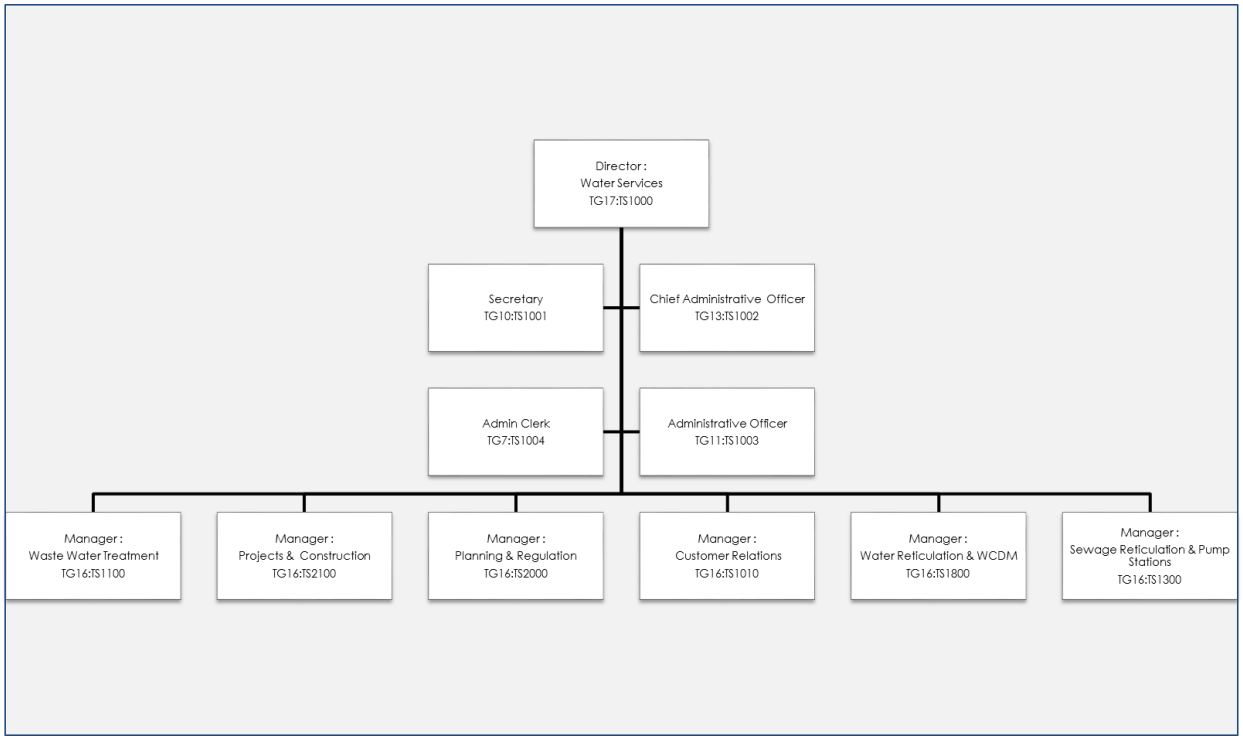

## Technical Services: Buildings



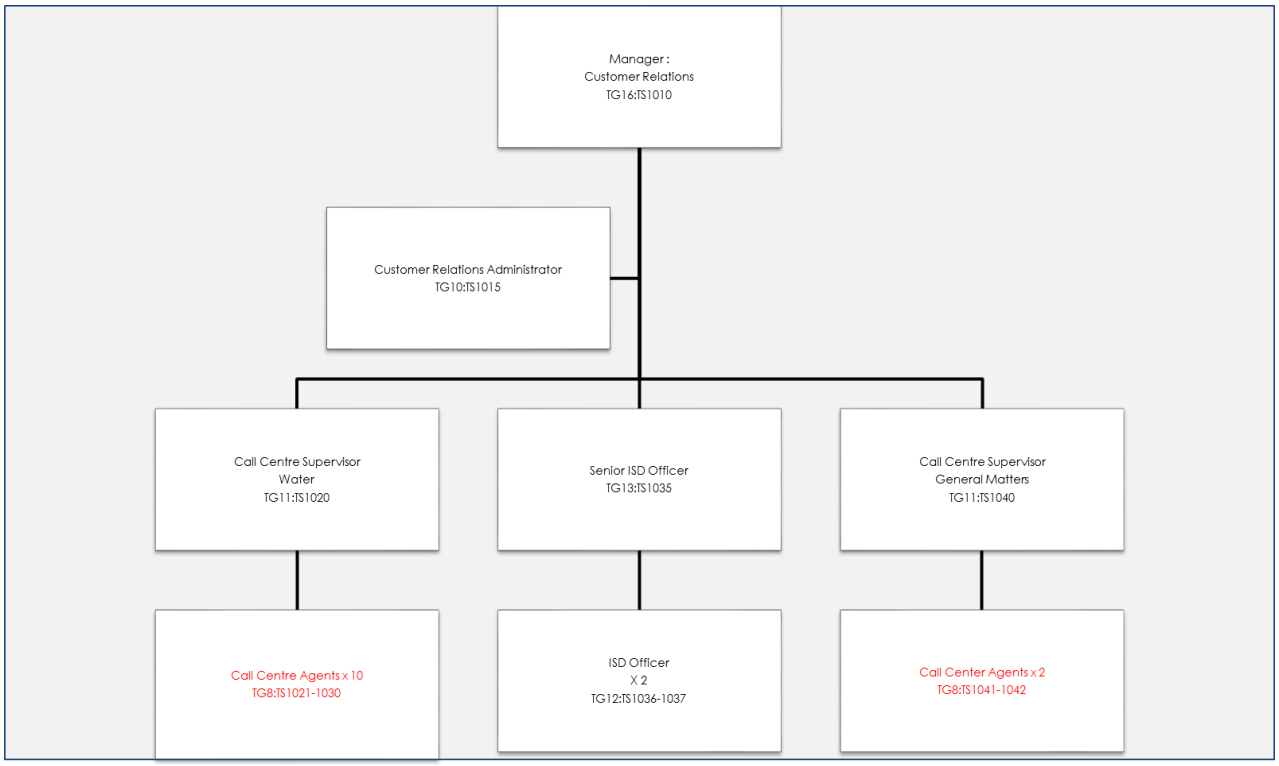

## Technical Services: Project Management Unit



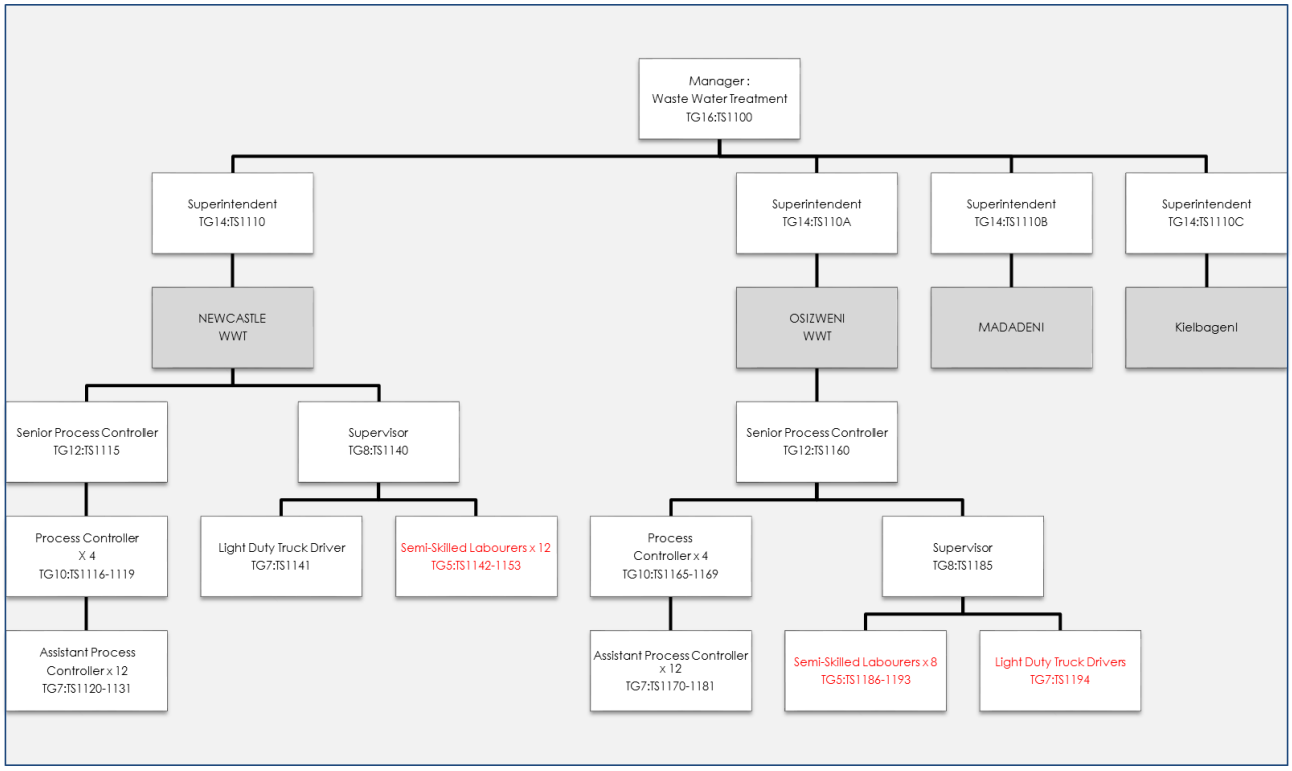

## Technical Services: Water Services



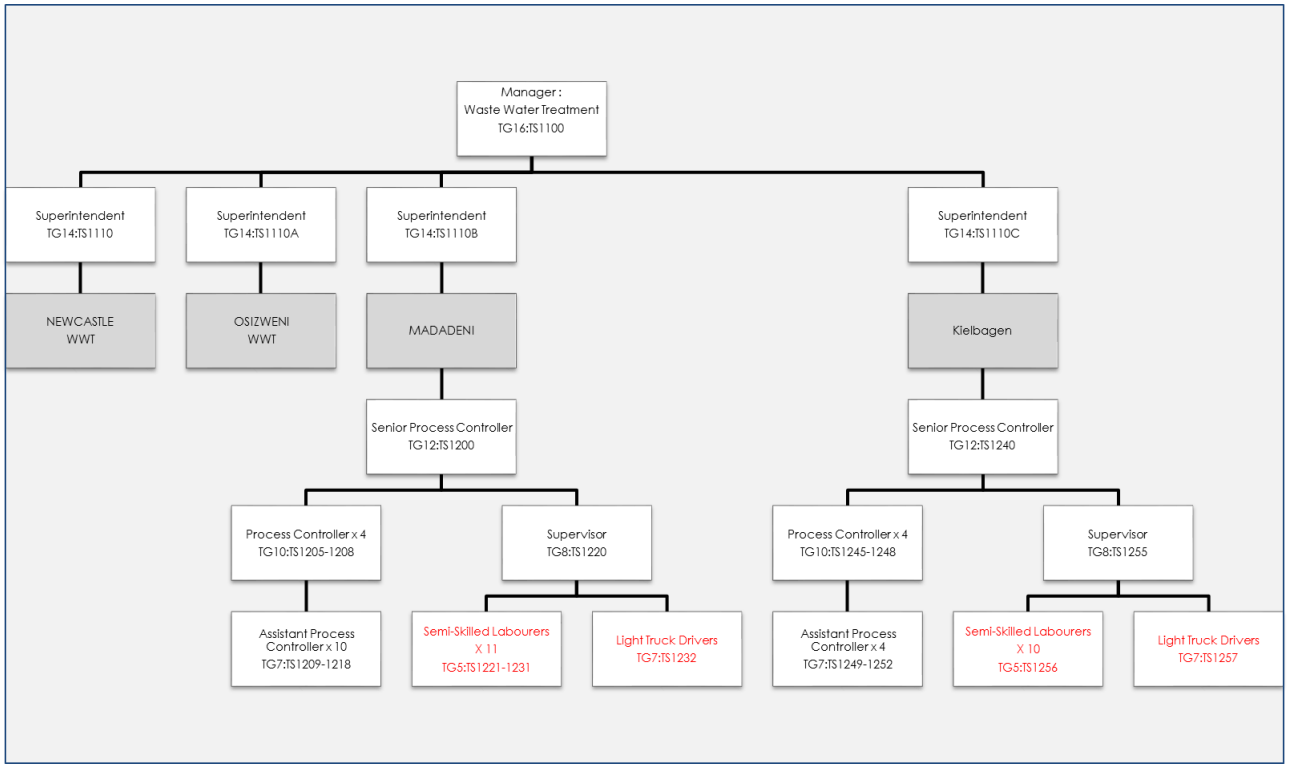

## Technical Services: Water Services (Customer Relations)



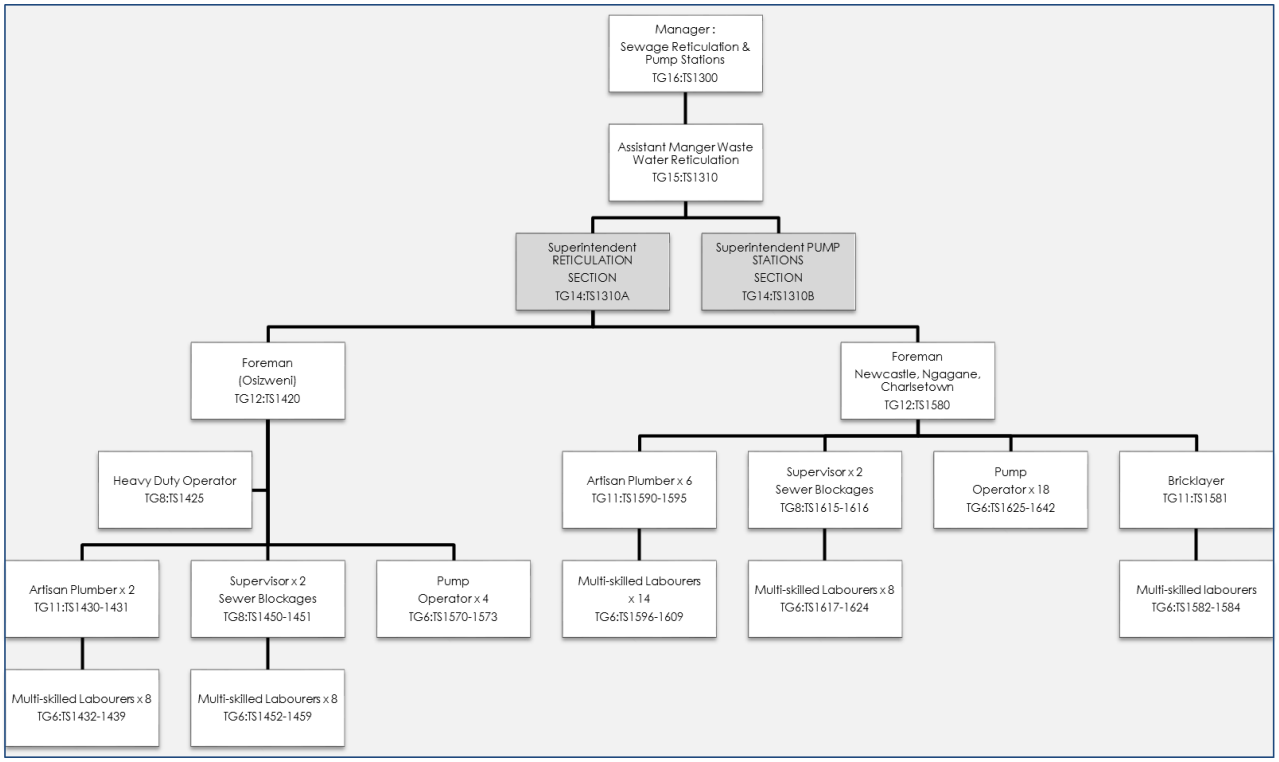

## Technical Services: Water Services: Abstraction & Waste Water Treatment



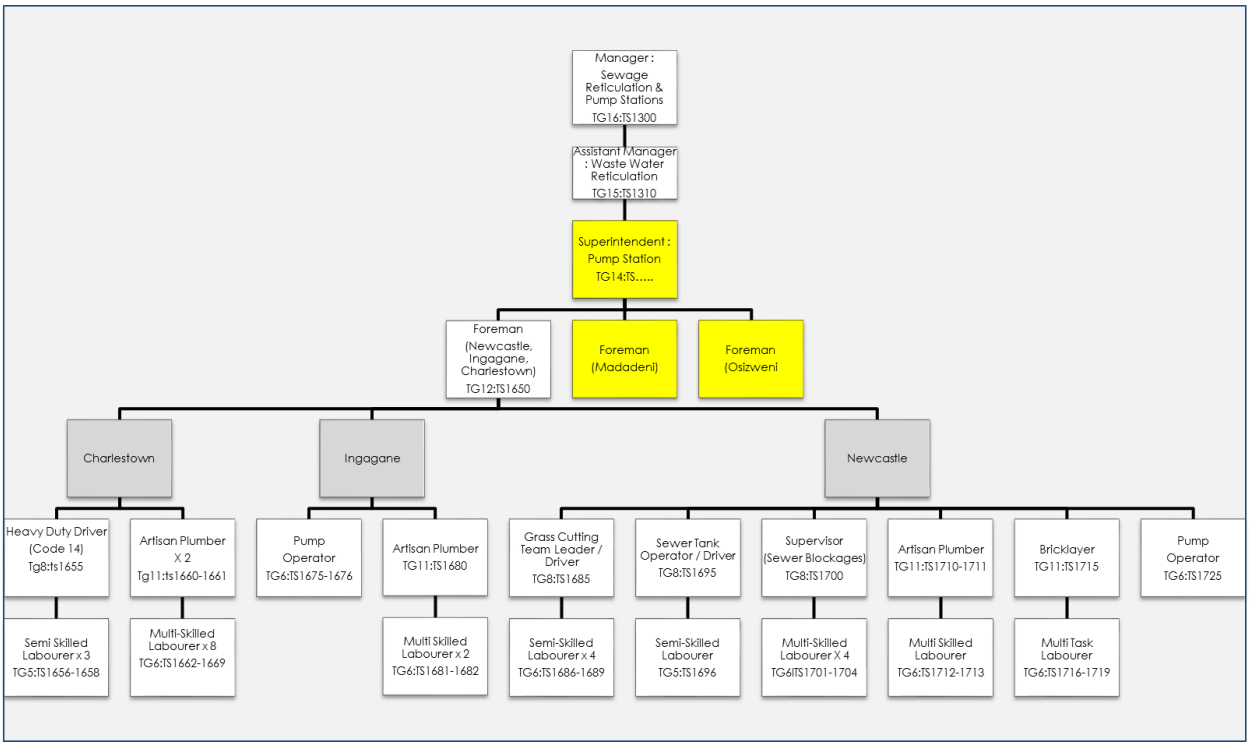

## Technical Services: Water Services: Abstraction & Waste Water Treatment



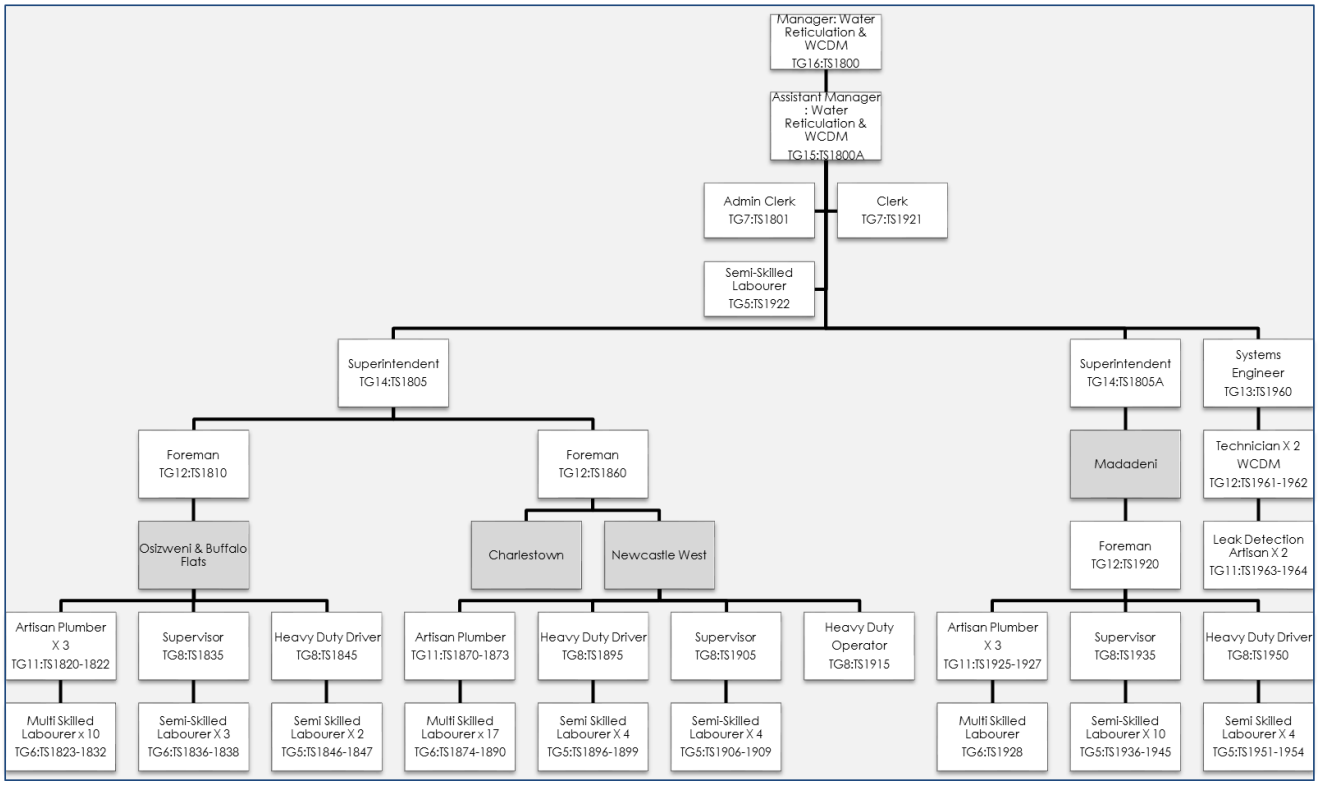

## Technical Services: Water Services: Sewage Reticulation & Pump stations



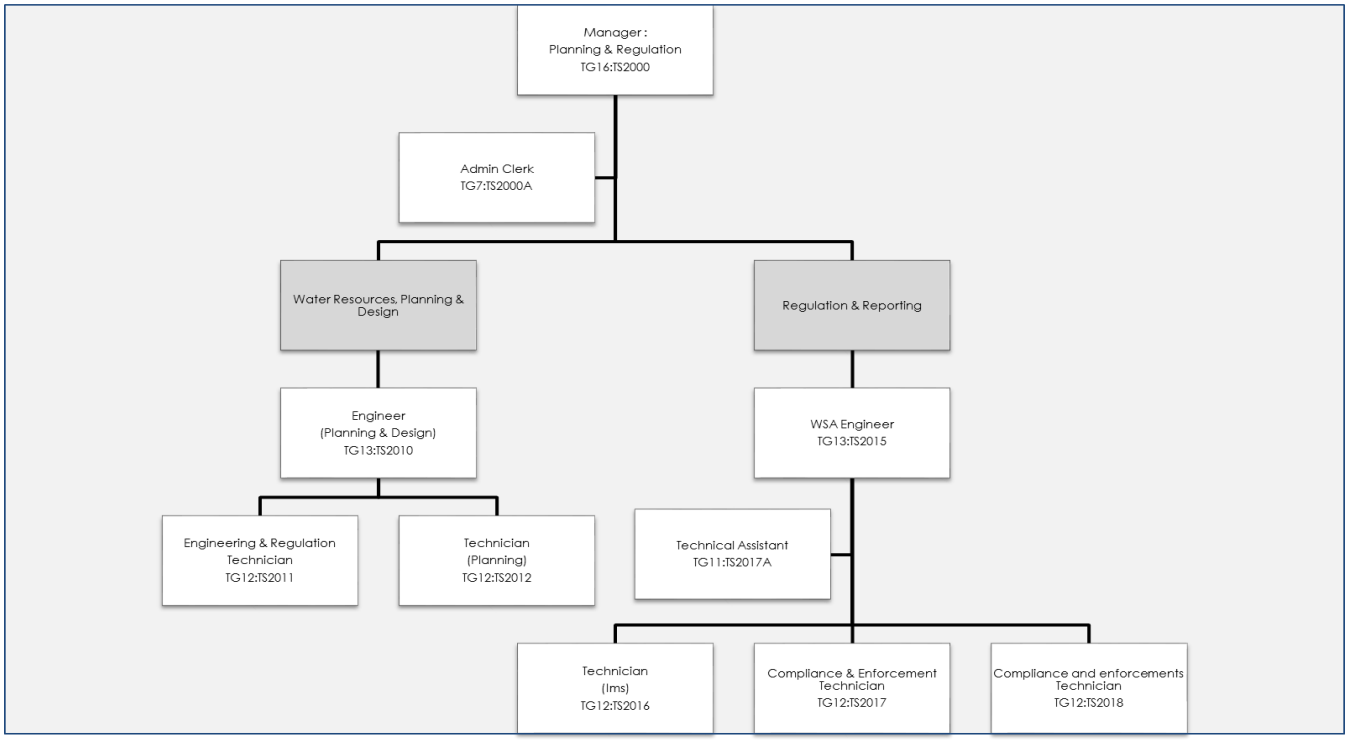

## Water Services: Sewerage Reticulation & Pump stations



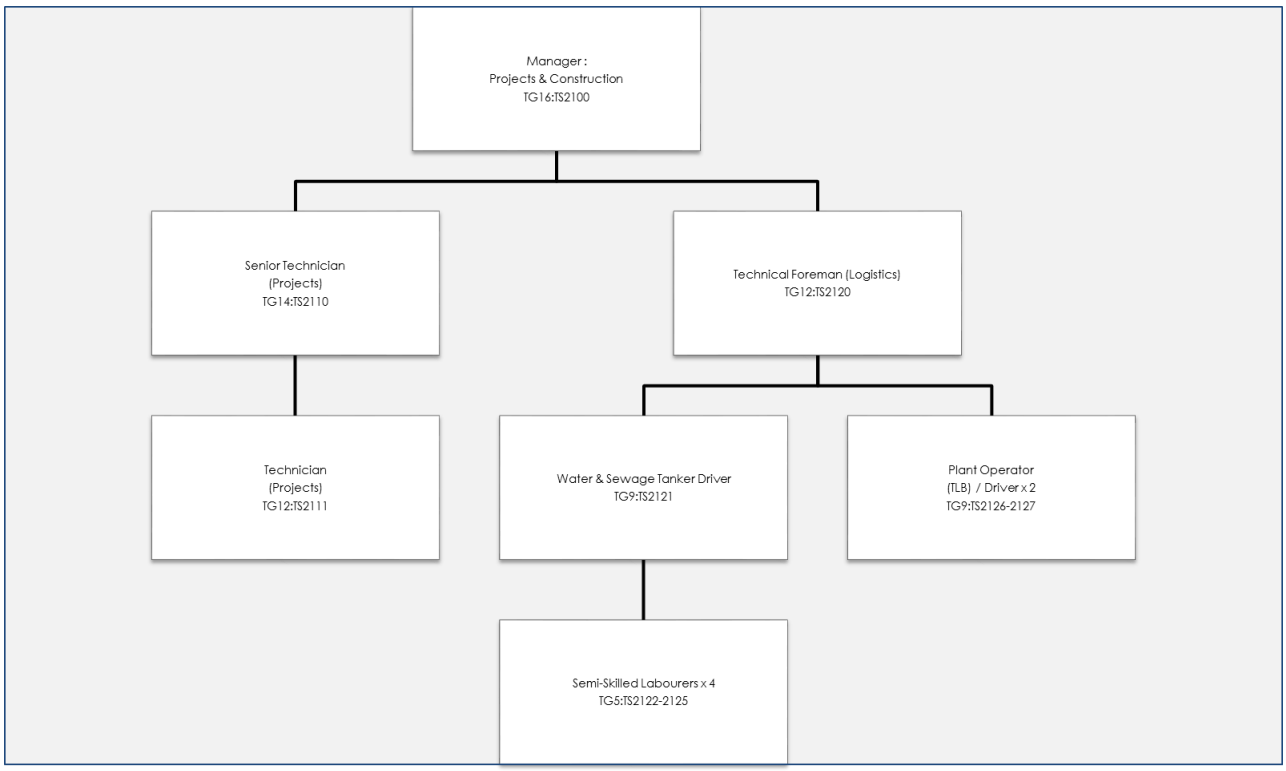

## Water Services: Water Reticulation & WCDM



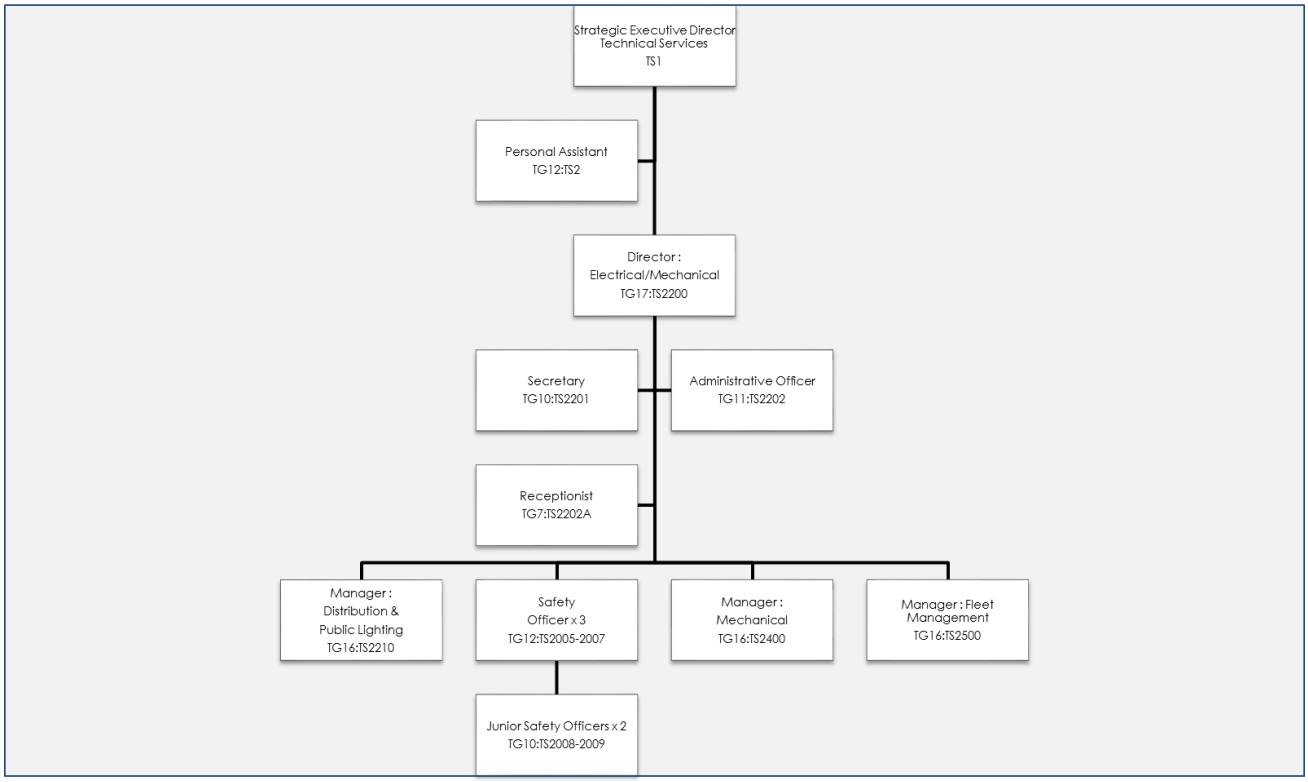

## Water Services: Planning & Regulation



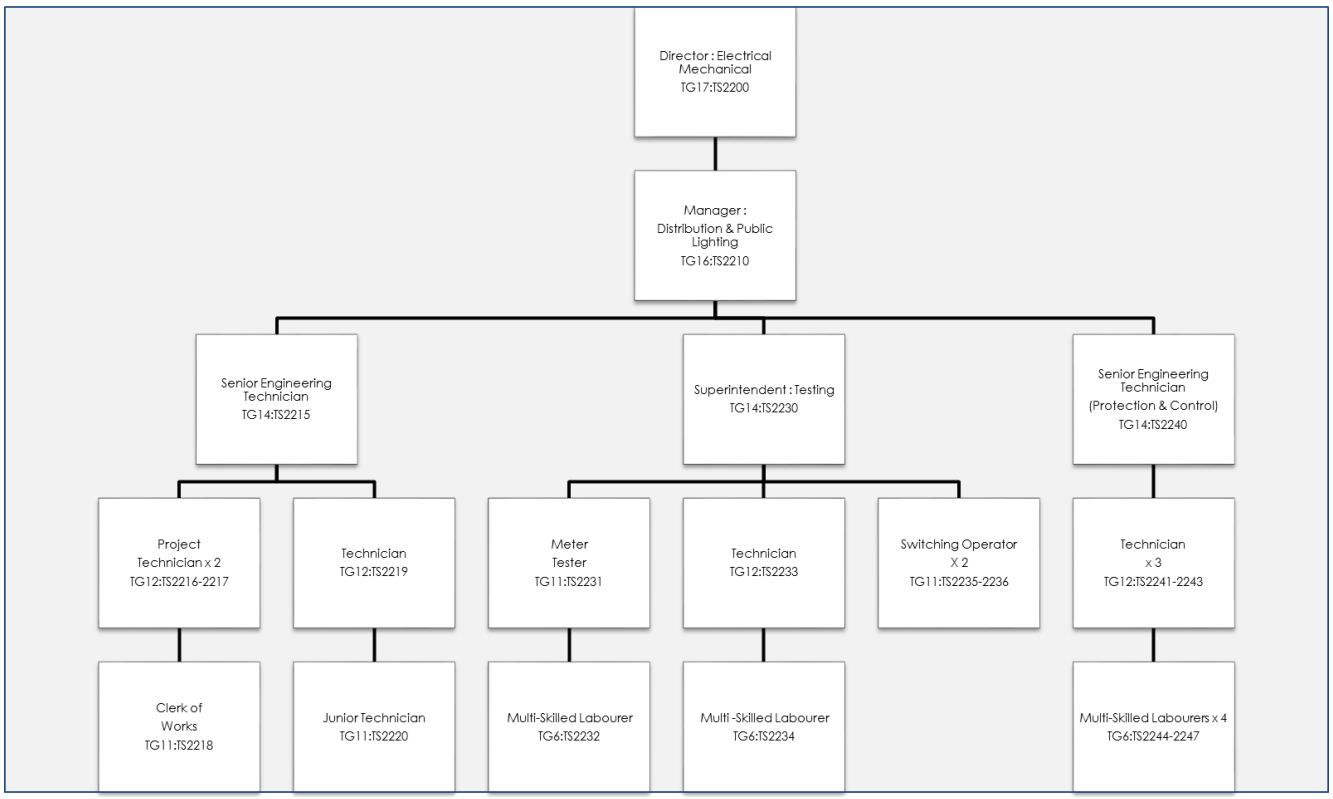

## Water Services: Projects & Construction



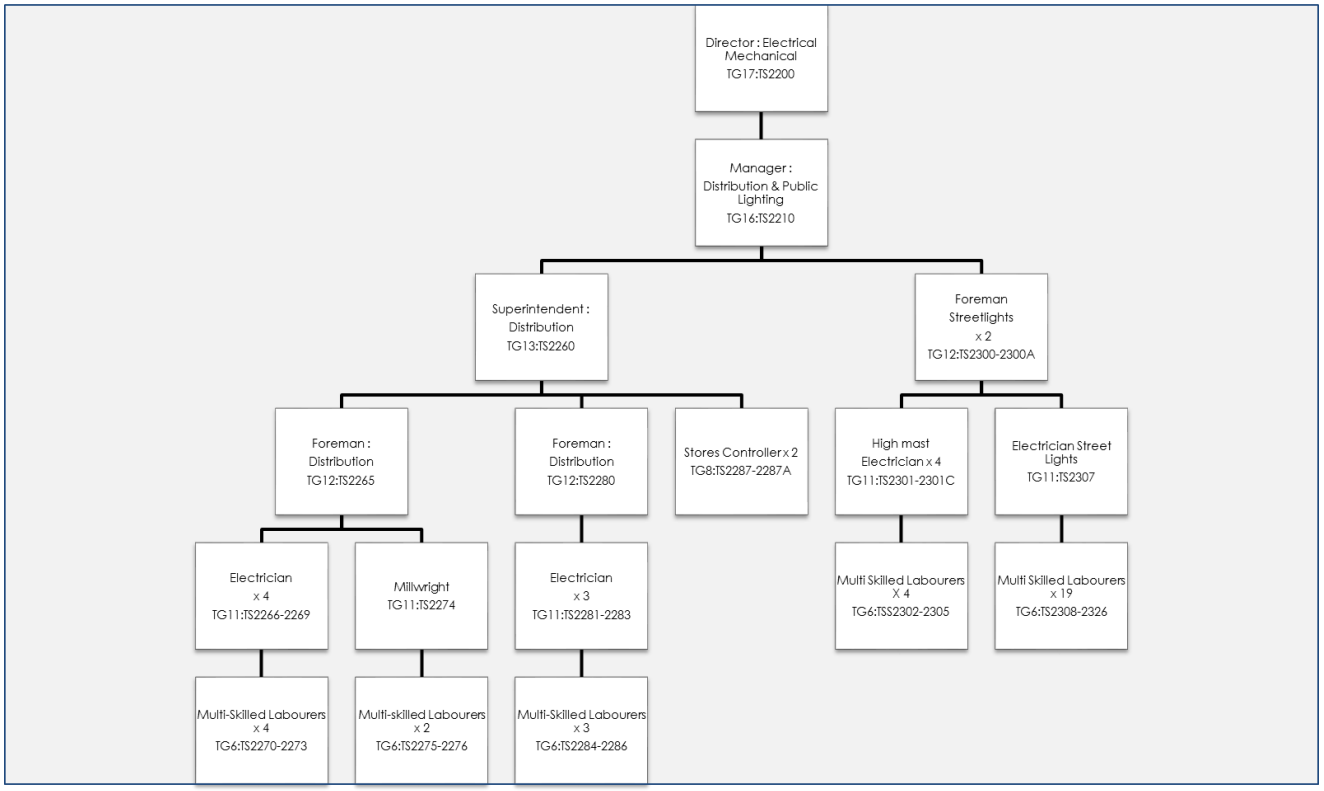

## Electrical / Mechanical Services



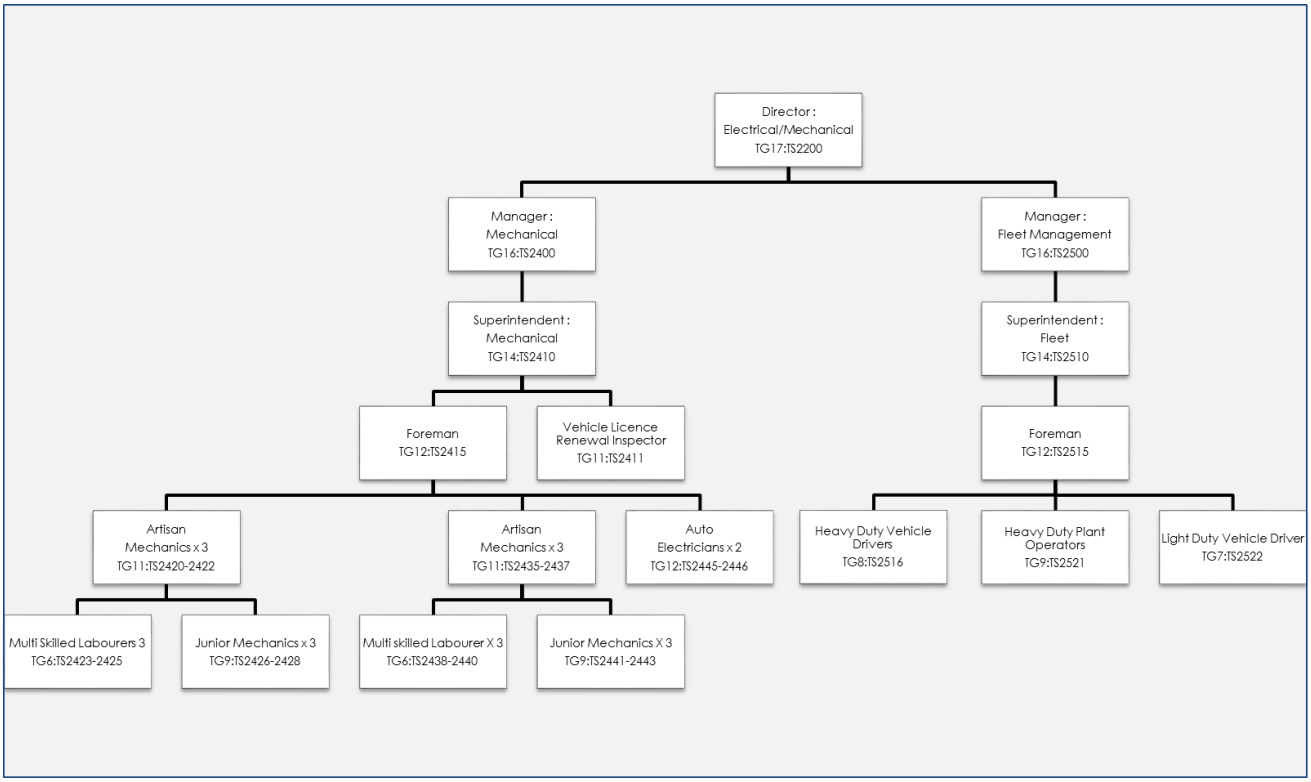

## Electrical / Mechanical Services: Electrical




## Electrical / Mechanical Services: Electrical




## Electrical / Mechanical Services: Mechanical


Director :
Electrical/Mechanical
TG17:TS2200
Manager :
Mechanical
TG16:TS2400
Manager :
Fleet Management
TG16:TS2500
Superintendent :
Mechanical
TG14:TS2410
Superintendent :
Fleet
TG14:TS2510
Foreman
TG12:TS2415
Vehicle Licence
Renewal Inspector
TG11:TS2411
Foreman
TG12:TS2515
Artisan
Mechanics x 3
TG11:TS2420-2422
Artisan
Mechanics x 3
TG11:TS2435-2437
Auto
Electricians x 2
TG12:TS2445-2446
Heavy Duty Vehicle
Drivers
TG8:TS2516
Heavy Duty Plant
Operators
TG9:TS2521
Light Duty Vehicle Driver
TG7:TS2522
Multi Skilled Labourers 3
TG6:TS2423-2425
Junior Mechanics x 3
TG9:TS2426-2428
Multi skilled Labourer X 3
TG6:TS2438-2440
Junior Mechanics X 3
TG9:TS2441-2443

### 3.10.5. Recruitment and Selection Policy.

Newcastle Municipality recently adopted the Recruitment and Selection Policy. The policy is an overarching policy whose main objective is to ensure that recruitment and selection processes undertaken by the municipality are in accordance with fair labour practices. The policy seeks to ensure fair hiring processes that will secure the appointment of persons who will be able to contribute towards the long-term success of the municipality. The policy addresses all appointments of permanent employees within the Newcastle Local Municipality, excluding Section 54(a) and 56 employees. The NLM Recruitment and Selection Policy also does not apply to appointments arising out of the SCM Procurement Process, acting appointments or rotating portfolios to which staff is elected by popular voting. With the Recruitment and Selection Policy, the Newcastle Municipality strives to ensure that the Employment Equity Plan and targets are achieved. The formulation and implementation of the NLM Recruitment and Selection Policy has been guided by important legislative prescripts (i.e. The Constitution of the Republic of South Africa, Labour Relations Act, Basic Conditions of Employment Act, Employment Equity Act, and the Municipal Systems Act).

### 3.10.6. Vacancy Rate.

For 2020/2021 financial year the vacancy rate for senior management is currently at 25% with only six (6) posts out of the eight (8) being filled. The position of the Municipal Manager has been filled as at the 27th of January 2021, and is awaiting approval from the MEC.

In the 2019/2020 financial year, the vacancy rate for positions below senior managers was at 46%. This situation has not improved for the 2020/2021 financial year as the vacancy rate is still sitting at 46 %. The situation will only be improved following the implementation of the municipality's strategy on Municipal Transformation and Organisational Development which will include an analysis of the organogram with an intention to ensure that Council uses the limited resources at its disposal. This will be done in conjunction with the Budget and Treasury Office to ensure that the vacant positions on the organogram are budgeted for on an annual basis, and that departments have annual Human Resource Plans that are in line with the priorities of the Integrated Development Plan. Below is a process plan to review the organizational structure and reduce the high vacancy rate for the 2020/2021 financial year.

| STAGE | ACTIVITY | PERSON/ DEPARTMENT RESPONSIBLE | DURATION | STATUS |
|---|---|---|---|---|
| 1 | Engage all department for inputs on the review of the structure | All department and Organisational Development unit | October- December 2020 | Executed, SED signed reviewed structures. |
| 2 | Submission of a draft amended structure to SED: Corporate Services | Organisational Development unit | 4 January 2021 | Executed. |
| 3 | Submission of a draft amended structure to Municipal Manager | SED: Corporate Services | 8 January 2021 | Executed. |

| STAGE | ACTIVITY | PERSON/ DEPARTMENT RESPONSIBLE | DURATION | STATUS |
|---|---|---|---|---|
| **4** | Submission of a draft amended structure Corporate Services: Standing Portfolio Committee | SED: Corporate Services | Be submitted before the end of quarter 4 of2020/2021 financial year. | In progress draft structure will be submitted in the next Portfolio Committee. |
| **5** | Submission of a draft amended structure to LLF | Municipal Manager | Be submitted before the end of quarter 4 of 2020/2021 financial year. | In progress |
| **6** | Submission of a draft amended structure to EXCO | Municipal Manager | Be submitted before the end of quarter 4 of 2020/2021 financial year. | In progress |
| **7** | Submission of a draft amended structure to Council for approval | Municipal Manager | Be submitted before the end of quarter 4 of 2020/2021 financial year. | In progress |

## 3.10.7. Employment Equity.

Newcastle Municipality, as a designated employer, is obligated as per Employment Equity Act 55 of 1998, to develop and implement affirmative action measures and report to the Director General of Labour on annual basis. The imbalances of the past can never be eradicated overnight. It is an ongoing effort by Council to that ensure equity is realized, and to provide an environment that will accommodate the disabled and the aged through proper infrastructure development. To achieve this, Council has adopted a five year Employment Equity Plan (2016-2021), which recognizes the barriers in place including strategies to respond to those barriers. The barriers were identified by complying with section 19.1 of the Employment Equity Act. The objectives of the Employment Equity Plan are specified in the table below:-

Table 18: Newcastle Municipality EE Plan yearly objectives

| YEAR | TIMEFRAMES | OBJECTIVES |
|---|---|---|
| **1** | September 2016 – 31 August 2017 | • To develop an organizational culture geared towards attainment of Employment Equity targets.<br>• To review Human Resource Management policies.<br>• Formulate Individual Performance policy to enhance employee performance |
| **2** | 1 September 2017 – 31 August 2018 | • To ensure compliance with Employment Equity targets during recruitment and selection processes<br>• To source adequate funding to support the Employment Equity Plan and attainment of Employment Equity targets<br>• To ensure that training plan is aligned with Employment Equity plan<br>• To create a conducive environment for EE forum to monitor the implementation of the EE plan<br>• To ensure that attainment of Employment Equity targets are built on performance contracts of senior managers. |
| **3** | 1 September 2018 – 31 August 2019 | • To ensure that all employment practices are informed by Employment Equity plan and targets<br>• To develop retention policy that is favourable to designated groups. |
| **4** | 1 September 2019 – 31 August 2020 | • To develop a succession plan that encompasses Employment Equity targets set out on the Employment Equity plan. |
| **5** | 1 September 2020 – 31 August 2021 | • To ensure that all municipality buildings and facilities are suitable for the physically challenged and the aged. |

### ❖ Objectives of the planned analysis.

An employer must implement affirmative action measures in response to barriers identified in the analysis report (EEA12) in order to ensure that suitably qualified people from the

designated groups have equal employment opportunities, and are equitably represented in all occupational levels in the workforce, including:-

(a) Measures to identify and eliminate employment barriers that adversely affect people from designated groups, directly or indirectly.
(b) Measures to further diversity and the management of diversity in the workplace.
(c) Reasonable accommodation for suitably qualified people from designated groups, including for persons with disabilities.
(d) Measures to recruit, promote, retain and develop people from designated groups, including skills development and skills transfer.
(e) Measures that include preferential treatment, numerical goals and measures other than numerical goals.

The analysis is from the inception of the Employment Equity Plan up until to date that is year four (4) even though we have not completed it and is as follows-

| Year | Objectives of the planned analysis |
|---|---|
| **Year one: 1 September 2016 – 31 August 2017** | Bullet (a) and (b) are still a work in progress, whilst bullet number three was achieved through putting a policy. The policy is currently under review and will be submitted to executive Committee and Council for approval. |
| **Year two: 1 September 2017 – 31 August 2018** | Bullet (a), (b), (c), (d), and (e) are in progress and ongoing process. |
| **Year three: 1 September 2018 – 31 August 2019** | Bullet (a) is executed and an ongoing process of appointments is made in line with the Employment Equity Targets. Bullet number two, policy is still in a draft stage yet to be consulted to all the relevant stakeholders |
| **Year four; 1 September 2019 – 31 August 2020** | We are in a process of developing a Succession and Retention Policy, and the policy is in a draft stage. We are yet to consult the relevant stakeholders with respect to the aforementioned policy. |

### 3.10.8. Workforce Profile.

The table below indicates the distribution of staff according to gender and occupational level. The workforce profile snapshot reflects the profile as at the end of February 2020.

Table 19: Snapshot of workforce profile for all employees, including people with disabilities.

| Occupational Levels | Male | | | | Female | | | | Foreign Nationals | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top management (SECT.57) | 3 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 6 |
| Senior management (TG.17-15) | 26 | 0 | 4 | 4 | 14 | 0 | 3 | 4 | 0 | 0 | 55 |
| Professionally qualified and experienced specialists and mid-management (TG.14-12) | 83 | 4 | 6 | 5 | 71 | 1 | 7 | 12 | 4 | 4 | 197 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (TG.11-9) | 82 | 3 | 17 | 10 | 50 | 5 | 10 | 14 | 0 | 0 | 191 |

| Occupational Levels | Male | | | | Female | | | | Foreign Nationals | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Semi-skilled and discretionary decision making (TG.8-7) | 284 | 5 | 18 | 0 | 139 | 0 | 14 | 9 | 0 | 0 | 469 |
| Unskilled and defined decision making (TG.6-5) | 222 | 1 | 1 | 0 | 115 | 0 | 0 | 0 | 0 | 0 | 339 |
| **TOTAL PERMANENT** | **700** | **13** | **47** | **19** | **390** | **6** | **35** | **39** | **4** | **4** | **1257** |
| Temporary employees | **29** | **0** | **3** | **1** | **45** | **0** | **2** | **6** | **0** | **0** | **86** |
| **GRAND TOTAL** | **729** | **13** | **50** | **20** | **435** | **6** | **37** | **45** | **4** | **4** | **1343** |

Table 20: Snapshot for workforce profile for people with disabilities ONLY.

| Occupational Levels | Male | | | | Female | | | | Foreign Nationals | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top management (SECT.57) | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Senior management (TG.17-15) | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Professionally qualified and experienced specialists and mid-management (TG.14-12) | 2 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 4 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (TG.11-9) | 2 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 3 |
| Semi-skilled and discretionary decision making (TG.8-7) | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Unskilled and defined decision making (TG.6-5) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL PERMANENT | 7 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 11 |
| Temporary employees | 5 | 0 | 1 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 11 |
| GRAND TOTAL | 12 | 0 | 1 | 0 | 9 | 0 | 0 | 0 | 0 | 0 | 22 |

### 3.10.9. Numerical Goals.

The numerical goals and targets for the Employment Equity Plan (2016 – 2021) in the tables below reflects on the targets for the entire workforce, including people with disabilities, and the latter only covers people with disabilities.

Table 21 Numerical goals for all employees, including people with disabilities

| Occupational Levels | Male | | | | Female | | | | Foreign Nationals | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top management | 3 | 0 | 1 | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 8 |
| Senior management | 43 | 1 | 4 | 2 | 50 | 1 | 4 | 2 | 0 | 0 | 107 |

| Occupational Levels | Male | | | | Female | | | | Foreign Nationals | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Professionally qualified and experienced specialists and mid-management | 161 | 2 | 14 | 6 | 184 | 2 | 16 | 6 | 0 | 0 | 390 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents | 203 | 2 | 18 | 8 | 231 | 2 | 18 | 7 | 0 | 0 | 489 |
| Semi-skilled and discretionary decision making | 391 | 5 | 35 | 15 | 446 | 5 | 35 | 14 | 0 | 0 | 946 |
| Unskilled and defined decision making | 373 | 5 | 33 | 14 | 426 | 5 | 33 | 14 | 0 | 0 | 903 |
| **TOTAL PERMANENT** | 1174 | 15 | 105 | 45 | 1341 | 15 | 105 | 43 | 0 | 0 | 2843 |
| Temporary employees | 22 | 0 | 2 | 1 | 25 | 0 | 2 | 1 | 0 | 0 | 53 |
| EPWP | 10 | 20 | 30 | 40 | 10 | 20 | 30 | 40 | 0 | 0 | 200 |
| **GRAND TOTAL** | 1206 | 35 | 137 | 86 | 1376 | 35 | 137 | 84 | 0 | 0 | 3096 |

Table 22 Numerical goals for people with disabilities ONLY

| Occupational Levels | Male | | | | Female | | | | Foreign Nationals | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Professionally qualified and experienced specialists and mid-management | 2 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 4 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents | 2 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 3 |
| Semi-skilled and discretionary decision making | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL PERMANENT** | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 |
| Temporary employees | 5 | 0 | 1 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 11 |
| **GRAND TOTAL** | 12 | 0 | 1 | 0 | 8 | 0 | 0 | 0 | 0 | 0 | 21 |

## 3.10.10. Policies and Bylaws.

Council has undertaken a process of promulgating and gazetting the new Municipal Bylaws. The Bylaws have been approved by Council on the 6th of December 2017 and

have been to the public for comments. The following entails a list of the Bylaws which have been approved by Council of the Newcastle Local Municipality:-

| DEPARTMENT | POLICIES AND BYLAWS | DATE OF APPROVAL/ADOPTION |
|---|---|---|
| **Community Services.** | Cemetery Crematorium By-law | 7 June 2018 (Gazetted) |
| | Caravan Parks By-law | 7 June 2018 (Gazetted) |
| | Fire Brigade By-law | 7 June 2018 (Gazetted) |
| | Museum By-law | 5 April 2018 (CS20) |
| | Library By-law | 5 April 2018 (CS19) |
| | Disaster Management Plan | 2 August 2017 |
| | Prevention and Suppression of Health Nuisance | 7 June 2018 |
| | Metered Parking By-law | 31 May 2018 Gazetted |
| | Refuse By-law | Promulgated and published in the Provincial Gazette 3 May 2018 |
| | Pound By-law | 21 May 2018 |
| | Noise Control By-law | 7 June 2018 |
| | Fare-bearing Passenger, Motor Vehicle By-law | 31 May 2018 Gazetted |
| | Security Policy | 6 December 2017 |
| **Development Planning and Human Settlements.** | SPLUMA Bylaws | 02 Sept 2015/09 October 2015 Gazetted |
| | Building Bylaws and Promotion of Green Buildings | |
| | Newcastle Home Based Business Policy and By-Laws | August 2014 A50 |
| | Newcastle Outdoor Advertising Policy and By-law | January 2015 |
| | Placement of Shipping containers on areas under the jurisdiction of Newcastle Municipality | August 2014 A49 |
| | Newcastle Place Naming Policy | May 2015 |
| | Review of the Urban Open Space Policy | March 2016 |
| | Policy on Establishment of Communal Housing (Residential Communes) | March 2016 |
| | Informal Trading Policy and Bylaw | 2014 |
| | Municipal Land Disposal Policy | |
| **Technical Services.** | Draft Water By-law | November 2020 |
| **Office of the Municipal Manager.** | Rules of Order | |
| | Delegation of Powers | |
| | Anti-Fraud and Corruption (Version 3) | January 2021 |
| | Anti-Corruption Strategy and Fraud Prevention | January 2021 |
| | Risk Management | January 2021 |
| | Business Continuity Management. | |
| **Corporate Services.** | **Organisational Development** | |
| | Critical Vacancy | Council : 2017-12-06 |
| | Placement Policy | Council : 2018-05-30 |
| | Job Evaluation Policy | Council : 2015-10-08 |
| | Transport Allowance Policy | CSM : 2017-11-28 |
| | **Human Resource Management** | |
| | Employment Practice: Temporary | Council : 2017-12-06 |
| | Employment Practice: Permanent | Council : 2017-12-06 |
| | Overtime Policy | Council : 2017-12-06 |
| | Acting Policy | Council : 2017-12-06 |
| | Leave Policy | Council : 2017-12-06 |
| | Individual Performance Management Policy (IPMS) | Council : 2017-09-06 |
| | Home Owners Allowance Guidelines | 2016 |
| | **EAP** | |
| | Occupational Health and Safety | Council : 2017-12-06 |
| | EAP Policy | Council : 2006 |

| DEPARTMENT | POLICIES AND BYLAWS | DATE OF APPROVAL/ADOPTION |
|---|---|---|
| | HIV/ AIDS Workplace Policy | Council : 2007 |
| | Protection of employees during pregnancy & after birth of child | Council : 2009 |
| | Sexual Harassment Policy | Council : 2005 |
| | Smoking Policy | Council : 2005 |
| | **Exits** | |
| | Group Life Assurance Policy | Council : 2007 |
| | **Labour Relations** | |
| | Strike Management Policy | Council : 2007 |
| | **Human Resource Development** | |
| | Skills Programme Policy | Council : 2012-03-26 |
| | Practical Experiential Training System Policy | Council : 2004-08-25 |
| | Bursary and Study Assistance Policy | Council : 2011-01-27 |
| | Education Policy | Council : 2014-11-26 |
| | Induction Policy | Council : 2011-11-02 |
| | Internship Policy | Council : 2012-03-26 |
| | Learnership Policy | Council : 2012-03-26 |
| | **Administration** | |
| | Standing rules and orders for the Council meetings and its committees | |
| | Records Management policy | |

## 3.10.11. Workplace Skills Plan.

The Newcastle Local Municipality seeks to empower its staff by enhancing their skills so that the services they render may be effective, efficient and sustainable. To achieve this, the Municipality's annual Workplace Skills Plan (WSP) is developed as per the LGSETA guidelines wherein the Human Resources Development unit (HRD) has been successful in the rolling out of Education, Training and Development programmes. The NLM Workplace Skills Plan for the 2021/2022 financial year has thus been submitted to LGSETA on the 30th of April 2021. It aims to ensure that employees from all departments within the municipality have been sent to different capacity development interventions which are geared at addressing the skills gaps identified by their respective departments, and to capacitate employees to perform their functions effectively, efficiently and economically.

The following represents some of the education, training and development programmes that have been rolled out by the Human Resources Development Unit in an effort to support capacity building initiatives, and in its execution of the Workplace Skills Plan (WSP):-

| EDUCATION, TRAINING AND DEVELOPMENT PROGRAMMES | |
|---|---|
| 1. | Bachelor of Business Administration |
| 2. | Honours Bachelor of Business Administration |
| 3. | Bachelor of Town & Regional Planning |
| 4. | Bachelor of Public Administration |
| 5. | Master of Public Administration |
| 6. | Master of Business Administration |
| 7. | Master of Commerce : Leadership Studies |
| 8. | DPhil – Public Management |
| 9. | BA : Law |
| 10. | B. Information Science |
| 11. | BA : Community Development |

| EDUCATION, TRAINING AND DEVELOPMENT PROGRAMMES | |
|---|---|
| 12. | BA : Environmental Management |
| 13. | B Tech – HRM |
| 14. | Postgraduate Diploma : Management Sciences |
| 15. | Postgraduate Diploma : Business Administration |
| 16. | Postgraduate Diploma : Taxation |
| 17. | Postgraduate Diploma ; Disaster Management |
| 18. | Postgraduate Diploma : Public Management |
| 19. | Postgraduate Diploma : Internal Auditing |
| 20. | Postgraduate Diploma : Occupational Health |
| 21. | Bachelor of Business Administration |
| 22. | Honours Bachelor of Business Administration |
| 23 | Bachelor of Town & Regional Planning |
| 24. | B.Com : Law |
| 25. | B.Com : Management Accounting |
| 26. | Advanced Certificate : Operations Management |
| 27. | Business Studies : Public Management N4-N6; Management Assistant N6 |
| 28. | Traffic Diploma |
| 29. | Risk Management |
| 30. | Artisan Development Programme |
| 31. | Financial Auditing for Internal Auditors – Public Sector |
| 32. | Ethics at work and in the auditing profession |
| 33. | Customer care |
| 34. | Induction |
| 35. | Health & Safety Representative training and other statutory training |

These capacity building programmes were aimed at skilling and multi-skilling municipal employees to enable them to be competent and efficient in executing their duties in relation to service delivery.

The Education, Training and Development programmes are executed through the following mechanisms:-

- Determination of Training Needs;
- Study Assistance;
- Bursary/Study Assistance Scheme for Municipal Employees; and
- Mayoral Bursary Scheme and learnerships for the unemployed youth.

Education, Training and Development Initiatives are funded through internal funding and external funding which includes grants from different SETAS, but in particular LGSETA. This training forms the bulk of all the training that gets arranged. The Education, training and development programmes are not limited to employees, but is also open to Councillors, Ward Committee members, including the community at large. Through our in-house Internship and In-Service Training Programmes, HRD assists the youth of Newcastle to acquire experiential learning relevant to acquire their qualifications as graduates.

HRD has applied, through LGSETA, for a discretionary grant, to offer the unemployed youth learnership opportunities in the form of Landscaping Learnership.

The following table entails a summary of the training conducted during the financial year 2020/2021:-

| Occupation Category | Training intervention | Number of people trained |
|---|---|---|
| **Legislator (Councillors)** | • 3rd Annual Labour Law | 43 |

| Occupation Category | Training intervention | Number of people trained |
|---|---|---|
| | • Conditions of Service<br>• IPMS<br>• ICIP Phase 2 Online Training | |
| **Managers** | • 3rd Annual Labour Law<br>• Conditions of Service<br>• IPMS<br>• Reviewing Financial Statements for Public Sector<br>• Combined Assurance<br>• Ethics at work and in the Internal Audit Profession<br>• Fraud Investigations<br>• Internal Audits guide to strategic thinking<br>• King IV on Ethics<br>• Evaluating your ethical environment Part 3<br>• Risk Management<br>• PhD in Public Management & Governance<br>• Postgraduate Diploma in Business Administration<br>• Certified Fraud Examiner<br>• Postgraduate Diploma in Business Administration | 23 |
| **Professional** | • Masters Public Administration<br>• 3rd Annual Labour Law<br>• Conditions of Services<br>• IPMS<br>• Business Studies : Public Management N6<br>• Bachelor of Business Administration<br>• Bachelor of Law<br>• Bachelor of Information Science<br>• Master of Business Administration<br>• Postgraduate Diploma in Tax<br>• B.Compt : Management Accounting<br>• B.Tech : Town & Regional Planning<br>• B.Compt : Financial Accounting<br>• Postgraduate Diploma in Management Programme<br>• Postgraduate Diploma in Internal Auditing<br>• Postgraduate Diploma in Occupational Health | 20 |
| **Technicians** | • Peer Learning & Knowledge<br>• Trade Test : Electrician<br>• Masters of Business Administration<br>• Public Procurement Management<br>• Bachelor of Commerce in Public Procurement Management<br>• Higher Certificate in Operations Management<br>• Postgraduate Diploma in Public Management<br>• BA : Environmental Management | 8 |
| **Clerical** | • IPMS<br>• Peer Learning & Knowledge<br>• Business Studies : Public Management N6<br>• Management Assistant N4-N6<br>• Bachelor of Public Administration<br>• B-Tech Human Resource Management<br>• Postgraduate Diploma in Management<br>• B.Com Law<br>• BA Honours in Public Administration<br>• Bachelor of Administration<br>• Masters in Commerce in Leadership Studies<br>• Masters in Commerce in Leadership Studies | 13 |
| **Services / sales** | • Basic Traffic Officer Course<br>• Bachelor of Arts (Community Development)<br>• LLB Degree<br>• Diploma in Management (Disaster Risk Management) | 10 |
| **General Workers and Plant machines** | Induction | 11 |
| **Interns** | | 61 |
| **Students** | | 37 |

The Workplace Skills Plan is implemented annually, of course based on the availability of funds, and thus the inclusion of more beneficiaries necessitates more funding allocation. For the 2021/22 financial year, below is the planned training budget:-

| PLANNED TRAINING BUDGET FOR 1 MAY 2020-30 APRIL 2021 | | | | |
|---|---|---|---|---|
| **Funding Source** | **Planned Budget-Employed** | **Planned Budget-Unemployed** | **Committed Budget-Employed** | **Committed Budget-Unemployed** |
| Mandatory Grant Funds | **500 000** | | 500 000 | |
| Outstanding Mandatory Grant Funds from previous year | | | | |
| Discretionary Grants Funds | | | | |
| Additional funding (Municipality, donor funds, other government funds etc.) | **1 372 218** | **3 100 000** | **1 372 218** | **3 100 000** |
| **Totals** | **1 872 218** | **3 100 000** | **1 372 218** | **3 100 000** |

The following table entails the Total Planned Training Beneficiaries for the period 1 May 2021 – 30 April 2022:-

| TOTAL PLANNED TRAINING BENEFICIARIES | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **LGSETA strategic Focus Area** | **Municipal Key Performance Area** | **Main IDP Priority Linked to Key Performance Area** | **Female-Employed** | **Male-Employed** | **Total** | **Female-Unemployed** | **Male-Unemployed** | **Total** |
| Enhancing Good Governance, Leadership and management Capabilities | Good Governance and the linking of democracy | To ensure good governance through openness, transparency and accountability in the organisation | 94 | 115 | 209 | 2 | 2 | 4 |
| Note Traditional Leadership and Development falls under Enhancing Good Governance, Leadership and management Capabilities | | To ensure good governance through openness, transparency and accountability in the organisation | 0 | 0 | 0 | 0 | 0 | 0 |
| Promoting Sound Financial management & Financial Viability | Municipal Financial Viability and Management | To ensure sound financial and fiscal management and good governance | 33 | 18 | 51 | 10 | 3 | 13 |
| Enhancing Infrastructure and Service delivery | Basic Service Delivery and Infrastructure Development | Improve access to basic services | 65 | 197 | 262 | 50 | 44 | 94 |
| Enhancing Municipal Planning | Municipal Transformation and Institutional Development | To ensure institutional structure to render effective and efficient services aligned with the IDP | 39 | 28 | 67 | 15 | 6 | 21 |
| Promoting Spatial Transformation and Inclusion | Sustainable Local Economic Development | To facilitate economic development that will result in sustainable job creation | 3 | 5 | 8 | 8 | 6 | 14 |
| **Totals** | | | **234** | **363** | **597** | **85** | **61** | **146** |

## 3.10.12. Human Resources Strategy.

The Human Resources Strategy acts as an instrument which provides the foundation for the achievement of organizational goals through comprehensive planning of human resources. The Human Resource Strategy was formulated and approved in the 2018 together with a Human Resource Plan. This strategy is applicable for five years from 2018 to 2022. The action plans that were set were for short-term and long-term goals. The aim of the strategy was to highlight the current strategies the municipality has in place in as far

as the Human Resource Management policies and practises, and what needs to be done by the department to achieve the overall organisational goals. Taking into cognisance the municipality's Vision 2035 and the Mission, the Corporate Services Department was able to develop action plans in order to ensure that the department is able to position the municipal human capital towards the attainment and realisation of vision 2035.

Below is table that is drawn from the Human Resource Strategy, and this highlights the milestones that were put in place at the inception of the strategy. The table also provides the progress made and action plans for targets that are still not met or finalised in order to be able to transition Newcastle municipality towards Vision 2035.

| ACTIVITIES | TIME FRAME | RESPONSIBLE UNIT | PROGRESS | ACTION PLAN IF TARGET NOT ACHIEVED |
|---|---|---|---|---|
| **Develop Policies** | | | | |
| Updating of HIV/AIDS policy | December 2018 | EAP | Policy in a review stage | Policy to be submitted for approval before the end of the 2020/2021 financial year. |
| Updating of Sexual Harassment Policy | December 2018 | EAP | In a review stage, was work-shopped to Council on the 18 of December 2020, what is outstanding is to submit for approval | Policy to be submitted for approval before the end of the 2020/2021 financial year. |
| Updating of Individual Performance Policy | June 2018 | Personnel | Done policy has been reviewed | Policy to be submitted for approval before the end of the 2020/2021 financial year. |
| EAP Policy | December 2018 | EAP | Policy was reviewed and approved on the 28th of October 2020 | Policy to be work shopped and be made available to all employees before the end of the 2020/2021 financial year. |
| HIV/AIDS Policy | December 2018 | EAP | Policy in a review stage | Policy to be submitted for approval before the end of the 2020/2021 financial year. |
| Protection of Employee during pregnancy and after birth of a child policy | December 2018 | EAP | Policy in a review stage | Policy to be submitted for consultation before the end of the 2020/2021 financial year. |
| Strike Management policy | December 2018 | Labour Relations | Policy in a draft stage | Policy to be submitted for consultation before the end of the 2020/2021 financial year. |
| S & T Policy | December 2018 | Personnel | Policy was developed and work-shopped to Council on the 18th of December | Policy to be submitted for approval before the end of the 2020/2021 financial year. |
| Bursary and Study Assistance Policy | December 2018 | HRD | Policy Amendment approved at Council meeting held on 26/06/2019 | Policy to be work shopped and be made available to all employees before the end of the 2020/2021 financial year. |
| Pets Policy | June 2018 | HRD | PETS Policy amended and submitted for consultation but not yet approved | Policy to be submitted for approval before the end of the 2020/2021 financial year. |
| Dress Code Policy | June 2018 | Personnel | Policy in existence | Still to be reviewed to suit current environment. It will be finalised before 2021/2022 financial year. |
| Change Management Policy | June 2018 | OD | Source information to Draft Change Management Policy | Research to be finalized before the end of 2020/2021 financial year |
| **Service Charter** | | | | |
| Development of the Service Charter | May 2018 | Director: HR | Function of Customer Relations. | Corporate Service (HR) to take full responsibility of Service Charters by end of 2020/2021 financial year. |
| **Development of HRM** | | | | |
| Monthly departmental meetings | March 2018 | Director: HR | Done monthly at MANCO level | Weekly meetings at directorate level be implemented. |
| Compilation of a training plan for HR employees | April 2018 | HRD | Comprehensive training plan with various in-house training programmes compiled, distributed and implemented where needs were identified in 2018/2019. Training provided included inter alia<br>• Development of Policies<br>• Report Writing<br>• OHS<br>• HRD Policy Presentations | Continuous training plans be compiled and implemented for HR employees |

| ACTIVITIES | TIME FRAME | RESPONSIBLE UNIT | PROGRESS | ACTION PLAN IF TARGET NOT ACHIEVED |
|---|---|---|---|---|
| | | | • Induction<br>• WSP Info Sessions.<br>Annually, the following takes place ito policies and procedures.<br>• Induction<br>• WSP Information Session<br>• Overtime Presentations (2020).<br>• Training Programmes identified and included in WSP, but never executed due to financial constraints:<br>○ HRD Governance Training 2019.<br>○ Business Process Manager 2018.<br>• VIP Training for HR staff took place in 2019 | |
| Team Building | November 2018 | OD | On hold due to Covid-19 regulations | To be confirmed when lockdown level returns to zero |
| **Light Duty** | | | | |
| Light Duty Guide-lines | May 2018 | OD in conjunction with EAP | Light Duty Guidelines were developed in a draft stage awaiting consultation with all departments | To be submitted for consultation before the end of the 2020/2021 financial year. |
| **IPMS** | | | | |
| Review IPMS Policy | 30 June 2018 | Personnel | Review done. Comments have been sourced from all departments. Next phase consolidation of comments from all departments into a final document Draft IPMS Policy. | A reviewed policy with comments will be presented to Local Labour Forum as from 18 February 2021 as part of formal consultation. In future personnel work together with Organisational Development and Human Resource Development. |
| Consultation on IPM policy | 31 May 2018 | Personnel | Done on regular basis | Continuation of consultations with all relevant stakeholders |
| Training on IPM policy | 31 May 2018 | Personnel | Not yet done | To be done before the end of quarter 3 of 2020/2021 financial year. Personnel to work together with Human Resource Development |
| Cascade Phase 1:<br>Task Grade 17 – 15 | 1 July 2018 | Personnel | Not done, still busy with the establishment of the IPM committee | To review date to be 1 July 2021. |
| **SOP's** | | | | |
| Standard Operating Procedures | 30 June 2018 | All Section Heads | Done all sections have SOP's | To be presented to MANCO |
| **Workshopping** | | | | |
| Development of training plan for departments regarding policies and procedures | December 2018 | HRD | The Workplace Skills Plan is submitted annually which constitutes a detailed training plan for the Newcastle Municipality. Comprehensive training plan with various in-house training programmes compiled, distributed and implemented where needs were identified in 2018/2019. Training provided included inter alia<br>• Development of Policies<br>• Report Writing<br>• OHS<br>• HRD Policy Presentations<br>• Induction<br>• WSP Info Sessions.<br>Annually, the following takes place ito policies and procedures.<br>• Induction<br>• WSP Information Session<br>• Overtime Presentations (2020) | Department to continue implementing and monitoring training plan on policies and procedures. |
| **Corporate Services Work Study** | | | | |

| ACTIVITIES | TIME FRAME | RESPONSIBLE UNIT | PROGRESS | ACTION PLAN IF TARGET NOT ACHIEVED |
|---|---|---|---|---|
| Conduct Corporate Services Work Study investigation | 31 May 2018 | OD | Done in 2018 | To another work study to manage change given the COVID 19 regulations to determine how best the department can manage change within and outside Corporate services. |
| Appointment of Work Study Interns | 30 March 2018 | HRD | Appointment of Work study Interns *wef* 1 May 2018 and in 2020 | To continue assisting with interns for OD to be functional up until such time vacant positions in OD are filled. |
| **Employee Absenteeism** | | | | |
| Draw sample of sick leave consisting of 10% of sick leave taken | Monthly | Leave Section | Done, on monthly basis leave reports are produced for Portfolio Committee | To continue with the reports to ensure relevance. |
| Contact Doctors of samples sick leave confirming of authenticity of Doctor' note | Monthly | Leave Section | Done, as per need identification by Labour Relations. | To appoint a panel of Doctors for referral and confirmation of before the end of 2021/22 financial year. |
| Counselling session with all employees as per sampled sick leave | Monthly | Leave Section | Done by the EAP section as per departmental submission an requests | To continue in consultation with the panel of Doctors. |
| Consolidation of attendance register with leave records | Monthly | Leave Section | Done, on monthly basis leave reports are produced for Portfolio Committee | To continue with the consolidation to identify gaps and for best practices alignment. |
| Generating ESS reports for departments to monitor sick leave | Monthly | Leave Section | Done, on monthly basis leave reports are produced for Portfolio Committee | To continue with the function and system training on annual basis to ensure that all employees working with leave are able to generate reports and advise departments accordingly. |
| Conduct investigations of irregularities where patterns of abuse of leave have been identified | Monthly | Leave Section | Done, on monthly basis leave reports are produced for Portfolio Committee, Audit Committee and MANCO | Department to scrutinise such reports for gaps identification. |
| Determine average staff turnover in SA companies | Annually wef 1 July 2018 | Exits | Not done | To review SOP's before the end of 2020/2021 financial year |
| Determine the reasons for staff turnover | Monthly | Exits | Not done | To review SOP's to ensure that exit interviews and reports are done and reported, this be done before the end of 2020/2021 financial year |
| Develop a plan in terms of those 2 investigations | December 2018 | Exits | Not done | To review action plan before the end of 2020/2021 financial year |
| Work-shopping departments on policies and procedures | With effect from January 2019 | HRD | Policies and procedures developed, reviewed through consultation and trainings done.<br>Comprehensive training plan with various in-house training programmes compiled, distributed and implemented where needs were identified in 2018/2019. Training provided included inter alia<br>• Development of Policies<br>• Report Writing<br>• OHS<br>• HRD Policy Presentations<br>Annually, the following takes place ito policies and procedures.<br>• Induction<br>• WSP Information Session<br>• Overtime Presentations (2020) | Continue work shopping as per schedule on policies and procedures for relevance. |
| Consultation with LG Seta to determine process for the establishment of a training academy | 30 June 2018 | HRD | LG Seta programmes are implemented and supported by the municipality on annual basis. | Continue consulting and supporting LG Seta programmes on annual basis. |
| Conduct Work study investigation on business processes | 1 July 2019 | OD | Done | Annual work study investigations be conducted for relevance. |
| Re-engineer business processes for Technical Services | 2020 | OD | Done | |

| ACTIVITIES | TIME FRAME | RESPONSIBLE UNIT | PROGRESS | ACTION PLAN IF TARGET NOT ACHIEVED |
|---|---|---|---|---|
| Re-engineer business processes for Community Services | 2021 | OD | Done | To continue providing support to all departments given the COVID 19 regulations, to ensure service delivery is not affected. Ensure that findings are attended too. |
| Re-engineer business processes for Water Services and Electrical Services | 2022 | OD | The study will commence in June 2021 | Be done as soon as possible to ensure that operations are not affected given the lockdown regulations, before June 2021 |
| Investigate best practice in terms of payroll management by HR | 2020 | OD | The study will commence in June 2021 | Research be done on how best the two functions can be done given the COVID 19 regulations. Process to be kick started before June 2021 |

## 3.10.13. Integrated Human Resource Management.

To meet the organizational strategic goals for Municipal Transformation and Organizational Development, the municipality has developed a vision and mission for an Integrated Human Resource Management (IHRM).

The vision for IHRM that will be used to align the HR Strategy with the organizational strategy is as follows:-

**"Positioning Newcastle Local Municipality for the attainment of Vision 2035 by attracting, developing, retaining and motivating the best talent."**

The mission that has been set out for IHRM is as follows:-

**"We commit to provide high quality Human Resource services that attract, develop and retain a diverse workforce driven to a high level of commitment and discipline as well as encouraging an Organizational culture that stimulates professional excellence and personal leadership."**

## 3.10.14. Administration.

The Administration Directorate is one of the most important components of the municipality located under the Department of Corporate Services, and it works as a business partner to enable all departments within the municipality to render services to the community. The directorate has two sections, Records Management and Registry, as well as General Administration and Secretariat. It develops, manages and maintains sound governance systems, processes and procedures, provides it to the following departments:-

- Council and its committees;
- the Mayor;
- the Executive Committee;
- the Speaker;
- MPAC (Municipal Public Account Committee); and
- The organisation as a whole.

The legislation guiding the department are the following:-

| No. | Pieces of legislation guiding the department |
|---|---|

| | |
|---|---|
| 1. | Municipal Finance management Act |
| 2. | Municipal System Act |
| 3. | Municipal Structures Act |
| 4. | The Constitution of RSA |
| 5. | National Archives Act and Records Service of South Africa Act No. 43 of 1996 as amended |
| 6. | KZN Provincial Archives Act |
| 7. | The Promotion of Access to Information Act |
| 8. | The Promotion of Administrative Justice Act |
| 9. | Electronic Communications & Transactions Act |

## (a)General Administration and Secretariat.

The above legal prescripts that guide administration, are the same that ensure that the Standing Rules and Orders for the Newcastle Municipal Council meetings, including its committees as well as Records Management Policy and Systems are also in place. The directorate guides the Councillors as to their duties and responsibilities, and makes them aware of the relevant legislation and regulations in order to ensure proper orientation and induction of Councillors. The directorate ensures that Councillors have access to information and statutory and regulatory compliance in that it provides the following professional and effective administrative support to all Newcastle Municipality Council structures in order to enhance optimal functioning:-

| | **Support offered to NLM Council structures** |
|---|---|
| 1. | The formulation and adoption of essential outstanding policies related to the directorate and by-laws |
| 2. | Ensuring the provision of a sustainable administrative services to Council, its committees and staff complement in order to maximise performance output within the means of the municipality and in support of the IDP |
| 3. | To oversee logistical arrangements for all Council meetings and manage travel logistics for Councillors |
| 4. | Provides the secretariat support to council and its committees thereby implementing its activities in line with meeting schedule |
| 5. | To manage procurement of tools of trade in line with the provisions of Supply Chain Management |
| 6. | Provide Council support functions and meetings management (minutes taking, timely agenda distribution, implementation of council resolutions) |
| 7. | Responsible for auxiliary services (office cleaning and provision of hygienic services in all municipal buildings) |
| 8. | Overseeing the delivery of administration functions to the various components of the municipality |
| 9. | Ensuring that the values and principles set out in Section 195 of the Constitution of the Republic of South Africa are promoted throughout the Municipal Administration |
| 10. | Provision of printing, switchboard, Records Management and Registry service support to the entire municipality |

## (b)Records Management.

Records Management is a competency of the Provincial Archives Services within the department of Arts and Culture as per Section 13 of the Archives Act. KZN Archives is responsible for giving guidance and support to all municipalities and governmental institution by conducting records management trainings, inspections for compliance and appraisals. Their responsibility is to ensure sound records management in the entire province by enforcing all pieces of legislation regarding records management issues. The following are the functions of Records Management Unit:-

| | **Functions** |
|---|---|
| 1. | To link records management to Council's strategy and strategic plans |
| 2. | To ensure that relevant information is available regarding the record keeping and records management practices of the Council |
| 3. | To ensure that information contained in records is managed effectively throughout the Council |
| 4. | To ensure that the records management staff understand their responsibilities and acquire the necessary skills to manage records effectively through trainings |

| | Functions |
|---|---|
| 5. | To ensure that information can be identified and retrieved when required |
| 6. | To ensure that all records are kept in safe custody |
| 7. | To ensure that there is a systematic disposal programme in place to create space |
| 8. | To ensure that all electronic records are managed according to the requirements of the Provincial Archives and Records Service and Good Governance |

In ensuring the above records management functions, the municipality has recently embarked on the implementation of the Electronic Document Records Management System project to ensure that the objectives of the unit are attained. It has been realized that proper management of documents and records of the entire municipality remains a challenge, hence the procurement of the system. This system is called D2 and has vast benefits which addresses improved service delivery, accountability as well as good governance of all activities within the institution. These benefits are listed below:-

- The system will track the performance of every business process and monitor users who participate in the approval process;
- D2 reduces the human factor related mistakes to a minimum;
- It helps to avoid the risks of delaying and slowing down of any business process by enabling approvals from anywhere provided the required digital signatures are implemented;
- The system improves governance within the institution;
- It provides documents to validate and support performance management; and
- D2 will provide supporting documents for all projects at a click of the button.

### 3.10.15. ICT

To ensure effective and efficient management of ICT resources and processes, NLM has recently developed a Municipal Corporate Governance of Information and Communication Technology Policy. This will aid the municipality in achieving the municipal goals and objectives. The main purpose of the policy is to align ICT functions to the organizational goals, minimise the risk ICT introduces, and ensure that there is value in the investments made in ICT.

The view of the Newcastle Municipality is that ICT should be governed and managed at all levels within an organizational structure and this is also supported by internationally accepted good practices and standards. With regards to municipal operations, the policy places a very specific responsibility on the Council and Management within NLM in order to ensure that the decision making process for ICT remains transparent. Such measures enable the municipality to align the delivery of ICT services in line with the municipality's strategic goals as contained within the Integrated Development Plan.

ICT Governance is implemented in two different layers namely:-

- **Corporate Governance of ICT** – The governance of ICT through structures, policies and processes. In terms of Corporate Governance of ICT, the current and future use of ICT is directed and controlled.

- **Governance of ICT** –are the individual processes and procedures which are meant to ensure the compliance of the ICT environment based on a pre-agreed set of principles. The main purpose of the Municipal Corporate Governance ICT Policy is to institutionalize the Corporate Governance of ICT as an integral part of corporate governance within the Newcastle Municipality. This Municipal Corporate Governance ICT Policy provides the Municipal Council and Management with a set of principles and practices that must be complied with, together with an implementation approach to be utilized for implementation of ICT Governance.

| Objectives of the Corporate Governance of ICT Policy for Newcastle Municipality |
|---|
| • Institutionalize a Corporate Governance of ICT Policy that is consistent with the Corporate Governance Frameworks of the Municipality |
| • Aligning the ICT strategic goals and objectives with the municipality's strategic goals and objectives |
| • Ensuring that optimum municipal value is realized from ICT related investments, services and assets |
| • Ensuring that municipal and ICT related risks do not exceed the municipality's risk appetite and risk tolerance |
| • Ensuring that ICT related resource needs are met in an optimal manner by proving the organizational structure, capacity and capability |
| • Ensuring that the communication with stakeholders is transparent, relevant and timely |
| • Ensuring transparency of performance and conformance and driving the achievement of strategic goals through monitoring and evaluation |

The following practices outlined in the table below have been assigned to specific designated municipal structures and officials in order to achieve the objectives and principles contained in this Municipal Corporate Governance of ICT Policy:-

| Practices Description |
|---|
| The Municipal Council must:<br>• Provide political leadership and strategic direction through:<br>• Determining policy and providing oversight;<br>• Take an interest in the Corporate Governance of ICT to the extent necessary to ensure that a properly established and functioning Corporate Governance of ICT system is in place in the municipality to leverage ICT as an enabler the municipal IDP;<br>• Assist the Municipal Manager to deal with intergovernmental, political and other ICT-related Municipal issues beyond their direct control and influence; and<br>• Ensure that the municipality's organizational structure makes provision for the Corporate Governance of ICT. |
| The Municipal Manager must:<br>• Provide strategic leadership and management of ICT;<br>• Ensure alignment of the ICT strategic plan with the municipal IDP;<br>• Ensure that the Corporate Governance of ICT is placed on the municipality's strategic agenda;<br>• Ensure that the Corporate Governance of ICT Policy, charter and related policies for the institutionalization of the Corporate Governance of ICT are developed and implemented by management;<br>• Determine the delegation of authority, personal responsibilities and accountability to the Management with regards to the Corporate Governance of ICT;<br>• Ensure the realization of municipality-wide value through ICT service delivery and management of Municipal and ICT-related risks;<br>• Ensure that appropriate ICT capability and capacity are provided and a suitably qualified and experienced Governance Champion is designated;<br>• Ensure that appropriate ICT capacity and capability are provided and that a designated official at a Management level takes accountability for the Management of ICT in the municipality; and<br>• Ensure the monitoring and evaluation of the effectiveness of the Corporate Governance of ICT system e.g. ICT steering committee. |
| • The Municipal ICT Steering Committee, Risk and Audit Committee must assist the Municipal Manager in carrying out his/her Corporate Governance of ICT accountabilities and responsibilities. |
| Management must ensure:<br>• ICT strategic goals are aligned with the municipality's Municipal strategic goals and support the municipal processes; and<br>• Municipal-related ICT strategic goals are cascaded throughout the municipality for implementation and are reported on. |

## (a)ICT Vision, Mission and Guiding Principles.

Newcastle Municipality's ICT vision is as follows:-

**"To be a catalyst for change and a world class leader in delivering technology solutions and services that directly contribute to mission accomplishment; and an essential partner in business**

**transformation, resulting in excellent customer service, strong partnerships, secure and reliable infrastructures, and cost efficient performance."**

The municipality's ICT mission is as follows:-

**"Provide the information and communication technology leadership and governance that enables the programs and operations of the Newcastle Municipality to deliver their respective missions in an efficient, effective, and secure manner through the use of ICT solutions and services."**

This means that it is ICT's duty to foster an environment in which information and technology is used to support and enhance business decisions and operations.

## (b)ICT Services Structure.

In order to support the 800+ municipal systems users and 67 Councillors, the ICT unit is structured to support the functions below. The ICT unit is headed by the Chief Information Officer (CIO). The CIO is responsible for the development of the municipality's ICT policies, procedures, standards, guidelines and frameworks that will ensure that all ICT functions are structured and conform to international standards. The CIO is also responsible for all ICT administration, liaising with the all internal and external stakeholders, and the provision of support services to the ICT Steering Committee.

There are 2 sections within ICT namely, the Technology Infrastructure Section and the ICT Applications and Projects Section. The Technology Infrastructure Section is basically responsible for all infrastructure related services and ensures the servicing of all 25 municipal sites (including libraries, water services sites, fire stations, electrical services, roads and storm-water services etc.). Moreover below are the responsibilities for the two sections within ICT of the NLM:-

| Functions of ICT Sections | |
|---|---|
| **Technology Infrastructure Section** | **ICT Applications and Projects section** |
| The management and monitoring of all municipal servers | Analysis, design, procurement or development, and implementation of all municipal systems |
| Management and controlling of municipal system changes | Municipal data warehouse design and administration |
| Management and tracking of all incidents logged by municipal users | Municipal website and intranet development, management and hosting |
| E-mail management and Internet connectivity | Business process analysis and re-engineering |
| Ensuring that all IT services are recovered in record times in the case of a disaster | Documentation of all automated business processes in compliance with international standards |
| Ensuring that all municipal data is backed-up and stored in a secure environment off-site | ICT project management and project management methodology establishment |
| Ensuring that that the network infrastructure is stable and reliable for transferring of data and information | Development a municipal Enterprise Architecture and Master Systems Plan |
| Ensuring the integrity, confidentiality and accessibility of municipal data and information through the implementation of various ICT security controls | |
| Supply and maintenance of the municipality's telecommunications systems | |
| Procurement and support of all municipal ICT assets (hardware and software) | |

## (c)Bridging the Divide.

To bridge the digital divide in Newcastle, NLM will be introducing participation mechanisms to enhance communication, accountability, responsiveness, transparency and provide for active citizenship. This will be done through the following:-

- Provision of basic ICT Maturity e-governance services such as SMS alerts of Council meetings and standing committees;
- ICT enabled customer satisfaction surveys;
- Provision of online payment of rates, utilities, and traffic fines;
- SMS alerts for accounts due;
- Service disruption warnings; and
- The dissemination of the electronic newsletter for the community.

Successful implementation of this phase will see more of such e-governance services being offered to the community. In the future, the municipality plans to take advantage of the National Broadband Policy of South Africa which will guide NLM to ensure that all places in and around Newcastle have internet connectivity. Broadband infrastructure is central in achieving the goal of digital inclusion, enabling universal, sustainable, ubiquitous and affordable access to ICTs by all, and providing sustainable connectivity and access to remote and marginalized areas within the NLM. This is paving a way for Newcastle as the City ushers its way into the 4th Industrial Revolution.

### 3.10.16. Integrated Support Services.

The Council Support, general administration and ancillary services component of Municipal Transformation has developed a vision which is as follows:-

**"Establish Newcastle Local Municipality as a centre of excellence by 2035, through first class support services, innovative quality service, and an environmentally friendly workplace."**

The mission that has been set out to realize the vision is as follows:-

**"We commit to provide the municipality with quality services through innovative strategies for meetings management, dissemination of quality information, and provision of a clean and environmentally friendly workplace."**

### 3.10.17. Municipal Transformation and Organisational Development SWOT Analysis.

| STRENGTHS | WEAKNESSES |
|---|---|
| • Committed and youthful staff.<br>• Innovative.<br>• Good team spirit.<br>• Commitment to research and development.<br>• Shared departmental objectives. | • Shortage of permanent staff.<br>• Reliance on acting and/or seconded individuals.<br>• Limited tools of trade.<br>• Reactive approach to delivery of services.<br>• Archaic work processes. |
| **OPPORTUNITIES** | **THREATS** |
| • Introduction and/or enhancement of systems, processes and programs.<br>• Introduction of Individual Performance.<br>• Management System to encourage and reward good performance.<br>• Review of organisational structure and job evaluation.<br>• Reduction of Employee-related costs.<br>• Develop abilities and increase job satisfaction. | • Negative attitude towards.<br>• Organisational Development and Human Resource Development.<br>• Lack of cooperation from user departments.<br>• Lack of cooperation by organized labour.<br>• Misinformation about departmental functions and intentions. |

| STRENGTHS | WEAKNESSES |
| --- | --- |
| • Enhanced governance support services. | • Political instability leading to governance structures not sitting. |

## 3.11. Basic Service Delivery.

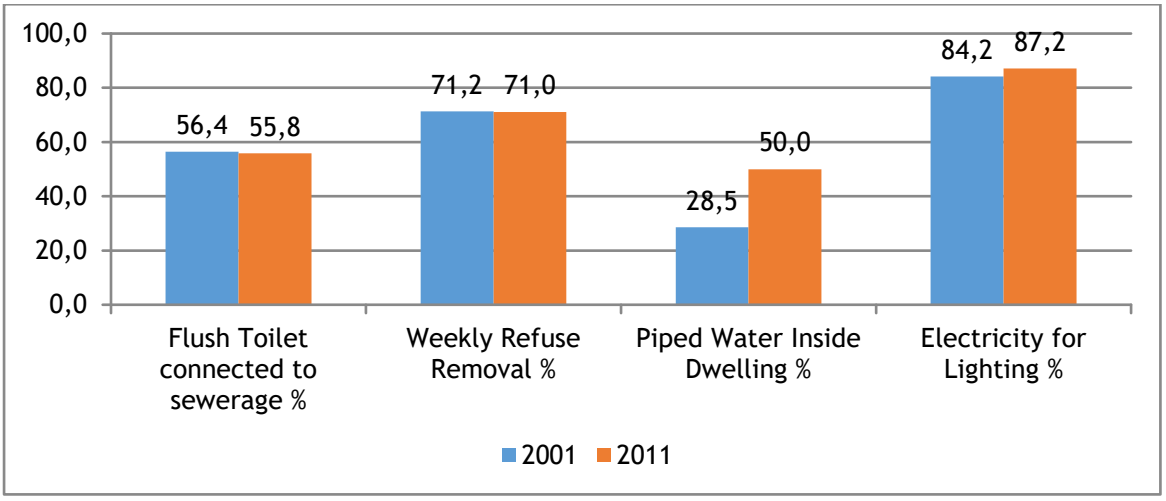
NLM is one of the few local municipalities that have the responsibility to plan, provide and regulate infrastructure development throughout its area of jurisdiction. This includes both bulk infrastructure development and reticulation. As indicated under section 3.1 Demographics and Socioeconomic Profile and now to be shown underneath, access to basic household services in Newcastle Municipality has improved substantially since 2001 with more people (50% as opposed to 28.5% in 2001) having piped water inside their dwellings, and 87.2% having electricity for lighting marking an increase from 84.2% in 2001. The situation with regards to sewer connection and refuse removal remains largely unchanged reflecting the impact of population growth. However, the standard and level of service differs significantly among areas reflecting the impact of the past apartheid policies. The JBC area and the surrounding settlements are characterised by severe service backlogs and underdevelopment.

We also note that NLM area was affected by storms in the 17/18 financial year. The early estimates of flood damages on the roads due to storms in and around the Newcastle Township areas stands at approximately R 53 million. Attempts are being made by the municipality to source funding for the repairs of roads and stormwater.

### 3.11.1. General Access to basic Services.

As indicated on Figure 12 below, access to basic household services in Newcastle Municipality has improved substantially since 2001 with more people (50% as opposed to 28.5% in 2001) having piped water inside their dwellings, and 87.2% having electricity for lighting marking an increase from 84.2% in 2001. The situation with regards to sewer connection and refuse removal remains largely unchanged reflecting the impact of population growth.

*Figure 18: Household Services.*

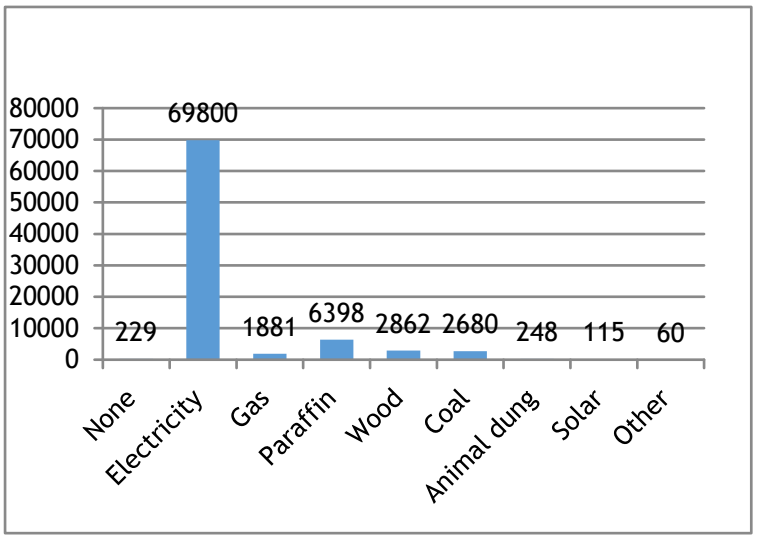



*Source: Stats SA, 2011*

However, the standard and level of service differs significantly among areas reflecting the impact of the past apartheid policies. The JBC area and the surrounding settlements are characterised by severe service backlogs and underdevelopment.

### 3.11.2. Sources of Energy.

*Figure 19: Sources of Energy for Cooking.*




The municipality, with the assistance of ESKOM, has made substantial progress with the provision of electricity throughout its area of jurisdiction. 69 800 and 73 449 households are using electricity for cooking and lighting respectively. The number of people using sources of energy such as paraffin, wood, gas, coal, etc. has declined substantially. However, there are few areas where lack of services have been reported. These include informal settlements and areas that were settled after the electrification of the settlement.

### 3.11.3. Access to Water.

Water supply infrastructure in Newcastle Municipality varies between areas reflecting the impact of fragmented spatial development and urban bias of the past planning and development practices. Newcastle town is generally well provided with water while a few households in Madadeni and Osizweni Townships are experiencing shortages in this regard. According to the Newcastle Municipality Water Services Develop Plan (2013/14), there are four categories of settlements serviced with water within the municipal jurisdictional area and these are as follows:-

- Urban – Formal towns within the vicinity of urban cores;
- Urban – Former residential township areas;
- Urban – Informal settlements (squatter camps); and
- Rural – Small villages with a population less than 5000.

Severe backlogs have been reported in rural settlements where the level of backlog is high. The high backlogs are mostly concentrated in Ward 1 where there is a moderate percentage of households with inadequate water services. A review of the 2011 Stats SA Census Data reveals that 50% of the population has water inside their dwelling units. However, a significant number of people (more than 35%) still obtain water beyond a 200m radius in the form of communal stand pipes. People who do not have access to piped water account for only 4% of the total population.

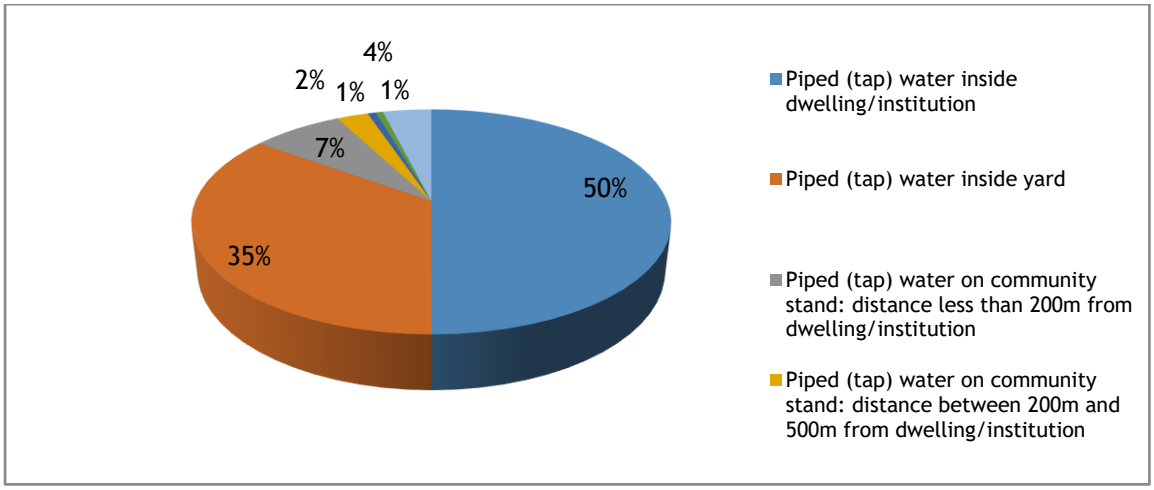
*Table 23: Level of Access to Piped Water.*

| ACCESS TO PIPED WATER | NO. OF HH |
|---|---|
| Piped (tap) water inside dwelling/institution | 42 126 |
| Piped (tap) water inside yard | 29 508 |

| | |
|---|---|
| Piped (tap) water on community stand: distance less than 200m from dwelling/institution | 6 159 |
| Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution | 2 142 |
| Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution | 562 |
| Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution | 485 |
| No access to piped (tap) water | 3 290 |
| Unspecified | - |
| Not applicable | - |
| **GRAND TOTAL:** | **84 272** |

*Source: Stats SA, 2011*

*Figure 20: Level of Access to Water (Stats SA Census Data 2011).*




The Newcastle Municipality, in line with National policy on FBW, makes budgetary provision of 12kl per household for indigent families, funded through the Equitable Share. The recently updated Water Services Development Plan (2013/14) indicates that there has been a reduction of 18% in water backlogs between the year 2002 and 2010 with an existing water service backlog of 24%. Breakdown of the level of access to water by municipal wards is indicated on the table below.

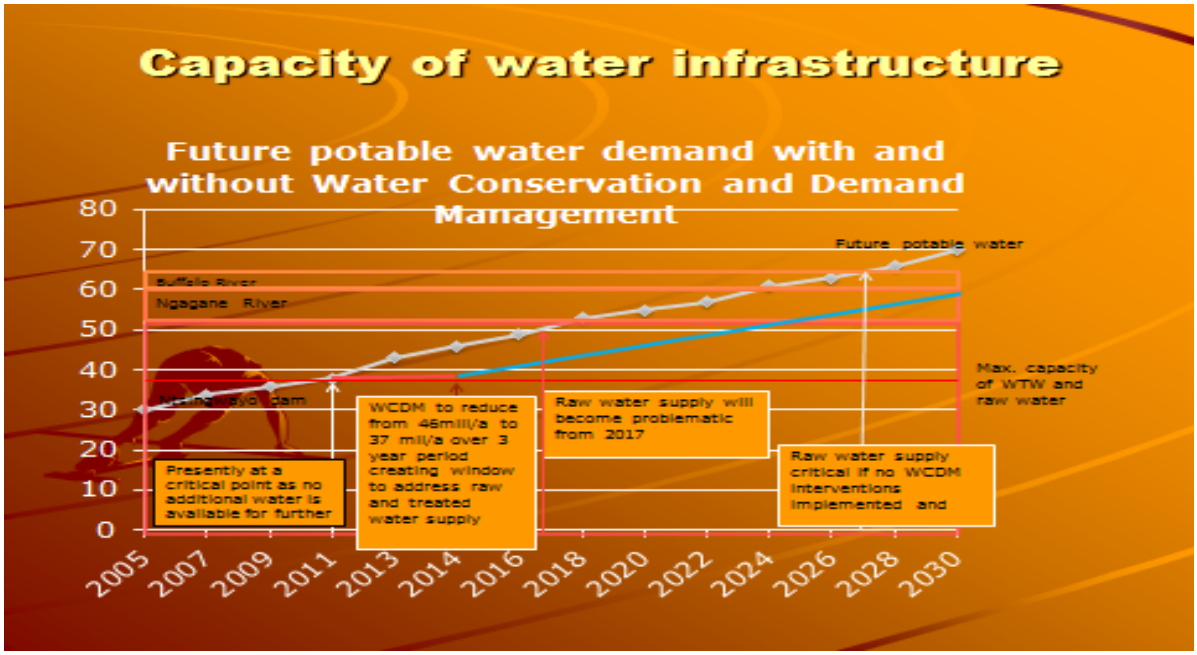
*Table 24: Access to Water by Electoral Wards.*

| Source of water | Regional/local water scheme (operated by municipality or other water services provider) | Borehole | Spring | Rain water tank | Dam/pool/ stagnant water | River/ stream | Water vendor | Water tanker | Other |
|---|---|---|---|---|---|---|---|---|---|
| **Municipal Wards** | 851 | 933 | 452 | 93 | 94 | 258 | 20 | 341 | 87 |
| Ward 1 | 3 242 | 6 | 1 | 2 | 1 | 1 | 5 | 5 | 20 |
| Ward 2 | 2 294 | 16 | 1 | 3 | 9 | 12 | 8 | 7 | 34 |
| Ward 3 | 2 789 | 6 | - | 7 | 3 | 1 | 8 | 13 | 9 |
| Ward 4 | 2 873 | 7 | 1 | 1 | 3 | 1 | 6 | 4 | 8 |
| Ward 5 | 3 821 | 82 | 11 | 29 | 5 | 7 | 55 | 552 | 249 |
| Ward 6 | 3 216 | 32 | 2 | 15 | 6 | 5 | 20 | 93 | 239 |
| Ward 7 | 1 765 | 17 | - | 1 | 2 | - | 5 | 49 | 22 |
| Ward 8 | 3 632 | 11 | - | 3 | - | - | 4 | 5 | 70 |
| Ward 9 | 2 108 | 2 | - | 1 | 1 | - | 5 | 7 | 38 |
| Ward 10 | 2 436 | 8 | 4 | 1 | 4 | - | 12 | 4 | 32 |
| Ward 11 | 1 701 | 31 | 7 | 2 | 1 | - | 7 | 14 | 68 |
| Ward 12 | 1 667 | 3 | 3 | 1 | - | - | 2 | 7 | 6 |
| Ward 13 | 3 287 | 13 | 5 | 2 | 2 | - | - | 89 | 214 |
| Ward 14 | 1 444 | 216 | 27 | 5 | 12 | 4 | 13 | 280 | 212 |
| Ward 15 | 2 613 | 117 | 2 | 7 | 2 | - | 5 | 17 | 345 |
| Ward 16 | 2 368 | 8 | - | - | - | - | 25 | 1 | 7 |
| Ward 17 | 2 148 | 99 | - | 1 | - | - | 20 | 29 | 277 |
| Ward 18 | 2 215 | 21 | 7 | 1 | 6 | 1 | 2 | 230 | 22 |
| Ward 19 | 3 705 | 41 | 1 | 4 | - | - | 12 | 11 | 17 |
| Ward 20 | 2 583 | 118 | 5 | 76 | 2 | 12 | 17 | 149 | 136 |
| Ward 21 | 1 949 | 1 | - | 2 | - | - | 5 | 4 | 1 |
| Ward 22 | 1 800 | 7 | - | 2 | - | - | 11 | 112 | 9 |
| Ward 23 | 2 906 | 25 | 2 | 1 | 2 | - | 3 | 4 | 17 |
| Ward 24 | 3 382 | 301 | 1 | 2 | - | 5 | 6 | - | 13 |
| Ward 25 | 1 601 | 4 | - | 1 | 1 | - | 2 | 1 | 8 |
| Ward 26 | 2 453 | 6 | - | - | 2 | - | 5 | 1 | 14 |
| Ward 27 | 1 633 | 2 | 5 | 1 | 4 | 1 | 1 | 7 | 8 |
| Ward 28 | 2 497 | 2 | - | 2 | 1 | - | 8 | 17 | 8 |
| Ward 29 | 2 576 | 13 | 2 | 7 | 5 | 1 | 5 | 87 | 24 |
| Ward 30 | 2 171 | 87 | 4 | 1 | 1 | 2 | 9 | 270 | 81 |
| Ward 31 | 75 725 | 2 235 | 545 | 278 | 169 | 312 | 305 | 2 411 | 2 292 |
| **Grand Total** | **75 725** | **2 235** | **545** | **278** | **169** | **312** | **305** | **2 411** | **2 292** |

*Source: Stats SA, 2011*

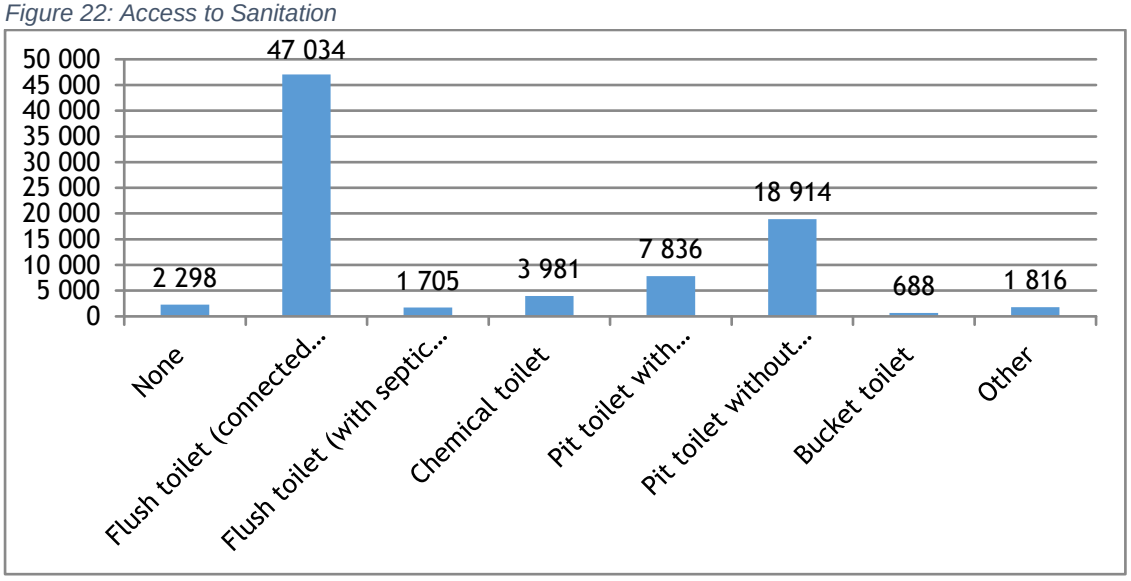
The graph below illustrates the demand for water and indicates the crisis that might face Newcastle Local Municipality if water issues are not given priority.

*Figure 21: Capacity of Water Infrastructure*




## 3.11.4. Access to Sanitation.

*Figure 22: Access to Sanitation*




*Source: Stats SA, 2011*

Similarly, the peri-urban and rural areas such as the JBC and rural settlements in the Khathide and AmaHlubi communities are characterised by high sanitation backlogs. The JBC node has no sewerage reticulation in place. The residents rely on over 15 000 ventilated improved pit (VIP) latrines. Most of the VIPs are full and the Municipality spends about R1.0 million every month in de-sludging the VIPs. Plans are underway to formalize Blaauwbosch and considerable sewage flows are expected once the waterborne sewerage system is connected. A breakdown of the level of access to sanitation by municipal wards is indicated in the table below. 688 people said to be on the bucket system is a cause for concern and will be attendant to with immediate effect.

*Table 25: Access to Sanitation by Electoral Wards*

| MUNICIPAL WARDS | NONE | FLUSH TOILET (CONNECTED TO SEWERAGE SYSTEM) | FLUSH TOILET (WITH SEPTIC TANK) | CHEMICAL TOILET | PIT TOILET WITH VENTILATION (VIP) | PIT TOILET WITHOUT VENTILATION | BUCKET TOILET | OTHER |
|---|---|---|---|---|---|---|---|---|
| Ward 1 | 168 | 456 | 343 | 87 | 136 | 1777 | 36 | 124 |
| Ward 2 | 2 | 3259 | 14 | - | 2 | - | 2 | 2 |
| Ward 3 | 19 | 2339 | 2 | - | 10 | 6 | 1 | 6 |
| Ward 4 | - | 2802 | 9 | - | 15 | 4 | - | 5 |
| Ward 5 | 2 | 2888 | 3 | - | 3 | 2 | - | 7 |
| Ward 6 | 440 | 28 | 23 | 583 | 1577 | 1993 | 22 | 145 |
| Ward 7 | 329 | 804 | 38 | 170 | 1151 | 891 | 241 | 4 |
| Ward 8 | 21 | 1673 | 99 | 4 | 53 | 2 | 4 | 7 |
| Ward 9 | 337 | 1917 | 52 | 128 | 702 | 546 | 10 | 32 |
| Ward 10 | 62 | 2075 | 19 | - | 2 | 1 | 1 | 2 |
| Ward 11 | 18 | 1649 | 42 | 283 | 9 | 122 | 7 | 372 |
| Ward 12 | 42 | 17 | 12 | 21 | 21 | 1580 | 2 | 137 |
| Ward 13 | 7 | 1505 | 1 | 6 | 5 | 148 | 10 | 7 |
| Ward 14 | 14 | 75 | 13 | 422 | 1180 | 1851 | 42 | 15 |
| Ward 15 | 85 | 7 | 5 | 35 | 44 | 1868 | 7 | 163 |
| Ward 16 | 156 | 18 | 12 | 28 | 91 | 2659 | 19 | 127 |
| Ward 17 | 17 | 2169 | 17 | 1 | 3 | 138 | 28 | 37 |
| Ward 18 | 65 | 333 | 49 | 160 | 143 | 1691 | 18 | 117 |
| Ward 19 | 31 | 1006 | 20 | 559 | 253 | 617 | 3 | 17 |
| Ward 20 | 68 | 3253 | 201 | 17 | 9 | 17 | 168 | 58 |
| Ward 21 | 24 | 1970 | 240 | 127 | 88 | 620 | 4 | 25 |
| Ward 22 | 2 | 1878 | 53 | 2 | - | - | 22 | 3 |
| Ward 23 | 1 | 1608 | 270 | 2 | 1 | 12 | 6 | 39 |
| Ward 24 | 17 | 2864 | 19 | 1 | 21 | 2 | 3 | 34 |
| Ward 25 | 120 | 2444 | 10 | 4 | 14 | 1040 | 5 | 73 |
| Ward 26 | 11 | 1600 | 2 | - | - | 1 | - | 3 |
| Ward 27 | 6 | 1651 | 19 | 139 | 481 | 6 | 6 | 173 |
| Ward 28 | 5 | 1643 | 10 | 1 | 2 | - | - | - |
| Ward 29 | 36 | 1325 | 71 | 186 | 675 | 230 | 3 | 8 |
| Ward 30 | 78 | 1724 | 18 | 118 | 328 | 383 | 13 | 57 |
| Ward 31 | 115 | 54 | 18 | 897 | 817 | 707 | 3 | 16 |
| **Grand Total** | **2298** | **47034** | **1705** | **3981** | **7836** | **18914** | **688** | **1816** |

*Source: Stats SA, 2011*

## 3.11.5. Water Services Delivery Plan.

The NLM developed and adopted a Water Services Development Plan in 2009 and the last review was done in (2018/19). This review has seen NLM produce a module 1 web-Based WSDP which has been finalised and is awaiting EXCO/Council approval & adoption. The main challenge leading to a delay in this process at NLM was a failure to develop a Water and Sanitation Master Plan which has resulted in ad-hoc planning for water infrastructure development in the WSDP. The WSDP and various other strategic documents identify a number of critical issues. These range from issues of service backlogs through the capacity of the existing infrastructure to the sustainability of the infrastructure into the future. Critical issues that require attention in this regard include the following:-

- Developing a Water and Sanitation Master Plan
- Annual review of the Web based WSDP for long term plan to guide investment in water infrastructure in the short to long term.

- Maintenance of the existing infrastructure.
- Funding for maintenance and new water infrastructure projects.

### 3.11.6. Raw Water Sources.

The supply of raw water within the NLM is as follows:-

- The Buffalo River Abstraction Works through a 32km long 800mm diameter steel pipe to the Ngagane Water Purification Works. The average supply is 10 Ml/day;
- The Ngagane River Abstraction Works through a 1.5km long 600mm concrete lined steel pipe, which supplies an average of 20 Ml/day; and
- The Ntshi8ngwayo Dam through two pipes, an 800 mm concrete pipe which is 18km long and a 700mm diameter steel pipe which is 13km long. Both of these supply a combined total of 92 Ml/day.

Ntshingwayo Dam, situated on the Ngagane River, has a storage capacity of 194 million $m^3$. The dam was raised during 1982 and cannot be augmented further to increase the system yield. An excess firm yield of 21 million $m^3$/a (57Ml/d) is available at Ntshingwayo Dam for further allocation to Newcastle which should be sufficient until 2017 at the present demand without any water conservation and water demand management initiatives being implemented. If these initiatives are implemented, this horizon could extend to 2023.

However, the current available yield from the Ntshingwayo Dam is not sufficient to support a major irrigation-based agricultural development. As such, water augmentation in the upper Buffalo system would be required in the time horizon 2015 – 2025 without any agricultural development because of the growth in the domestic and industrial demand within Newcastle. Therefore, the proposed Ncandu River Dam is not just the only viable option for increasing the system yield in order to support agricultural development, but it is also the only viable option to ensure continued economic growth for the Newcastle industrial and commercial sector beyond 2015 – 2030.

Table 10 below indicates the expected peak demand for the next 25 years with the expected shortfalls.

*Table 26: Demand Forecast*

| Year | Peak demand (Ml/day) | Supply | | | Total | Surplus (shortage) (Ml/day) |
|---|---|---|---|---|---|---|
| | | Ntshingwayo Dam | Ngagane river | Buffalo river | | |
| 2011 | 104 | 70 | 18 | 15 | 103 | (1Ml/day) |
| 2014 | 128 | 70 | 18 | 15 | 103 | (25Ml/day) |
| 2020 | 153 | 70 | 18 | 15 | 103 | (50Ml/day) |
| 2025 | 167 | 70 | 18 | 15 | 103 | (64Ml/day) |
| 2030 | 190 | 70 | 18 | 15 | 103 | (87Ml/day) |
| 2035 | 213 | 70 | 18 | 15 | 103 | (110Ml/day) |

From the table above it is evident that the bulk raw water supply is creating a bottleneck resulting in the plant not being able to meet the demand. Noting that, the installation of a new supply line will take at least 3 years at which time the expected shortfall will be in the order of 25Ml/day. Therefore it is evident that the situation is in dire need of an intervention. This could be a conservative figure as the supply line to Utrecht is completed. New bulk infrastructure is being provided to supply water to a planned development called Viljoen Park. The Stafford Hill area, comprising of 8000 households, is also to be provided with water borne sanitation and plans are being finalised to commence a 3 phased high density development for JBC.

### 3.11.7. Potable Water Treatment Facilities.

During February 2013, Newcastle was awarded with a **BLUE DROP** water status (quality) accolade. The town of Newcastle has three WTWs with two plants having recently been decommissioned. The Ngagane WTW is the only plant that is currently operational, and which is supplying treated water to the area. The Ngagane Water Treatment Works is located next to the Ngagane River on the south-eastern side of Newcastle and is operated by uThukela Water (Pty) Ltd on behalf of Newcastle Municipality. The total peak hydraulic design capacity of the Ngagane WTW is 105 Ml/d. The average annual flow rate of the WTW is estimated to be 103.3 Ml/d.

The average annual capacity of the water treatment works is not sufficient to meet the future water requirements (from 2012). An overall score of 95% is required to achieve a blue drop status. During 2010, UThukela Water achieved a score of 97%.

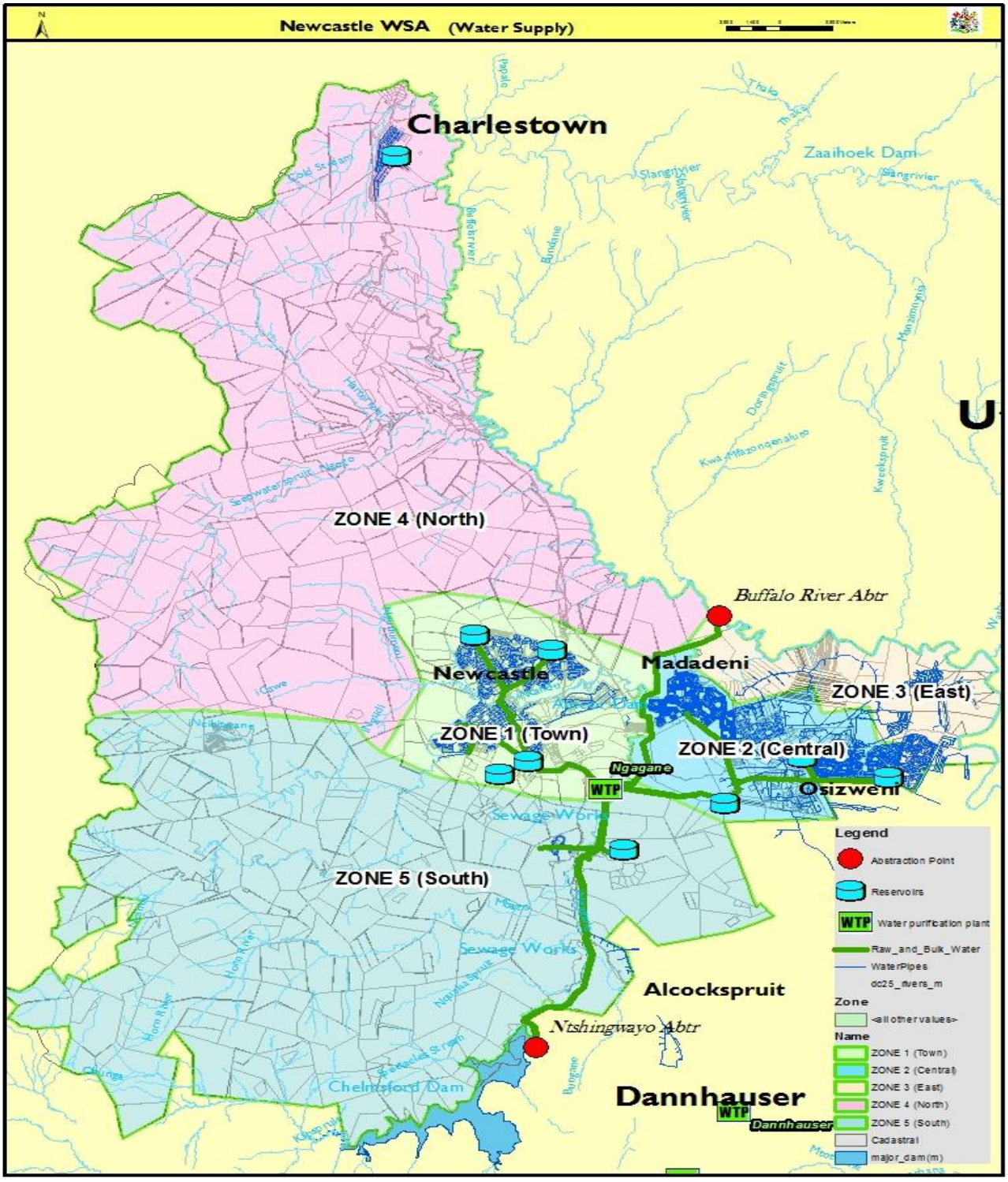
### 3.11.8. Water Supply and Reticulation.

Six pumping mains supply purified water to two bulk storage reservoirs, the Braakfontein and Hilldrop reservoirs. A combination of a 600mm diameter steel pipe, 375mm diameter asbestos cement pipe and 600 mm diameter GRP pipe supply the 78Ml Braakfontein reservoirs. The 29Ml Hilldrop Reservoirs are supplied through a 700mm steel pipe and 375mm asbestos cement pipe. Water from the Braakfontein reservoirs then feeds the following:-

- Stafford Hill and Madadeni through a combination of various pipe sizes ranging from 800mm diameter to 200mm diameter;
- 6Ml Blaauwbosch reservoir that in turn feeds Blaauwbosch;
- The Waterval Reservoir and Ngagane; and
- Osizweni Township through a 3.85km long 450mm diameter AC pipe. The pipeline splits into two lines, one serves the 6Ml reservoir at Blaauwbosch and the other serves the 2Ml tower at Osizweni.

The Hilldrop reservoirs feed the Newcastle CBD, the suburbs and industrial areas. The JBO Node is fed from the Braakfontein reservoirs. The average consumption for the whole of Newcastle is estimated at 75Ml/day. The consumption figures from the Braakfontein reservoirs are about 46Ml/day. The Braakfontein reservoirs therefore have adequate capacity for future expansion. The total unaccounted for water is very high and averages about 36%. Once this is addressed, additional capacity can be realized.

The increase in demand for the townships of Madadeni, Osizweni, Stafford Hill and Blaauwbosch including the Newcastle West area is necessitating the need for an additional 20Ml reservoir at the Hill drop reservoir site including an additional 45Ml reservoir for the Braakfontein reservoir site.




### 3.11.9. The Condition of Water Infrastructure.

The infrastructure in Newcastle East is in a fairly good condition which is more than what can be said about the condition of water infrastructure in the Newcastle West area which is mainly the CBD and surrounding suburbs. The area has aging asbestos networks which are resulting in high maintenance costs. The estimated capital investment required for this is in the order of R500 million rand. Investigations also need to be carried out in how to

improve the pressure management in the Arbour Park, Lennoxton areas where low pressures are being experienced.

A new pumping main from Ngagane Plant to Braakfontein Reservoirs is needed. The existing two lines do have sufficient capacity for the medium term but require maintenance and to decommission one line to carryout repairs will result in inadequate supply owing to the insufficient storage capacity at Braakfontein reservoirs.

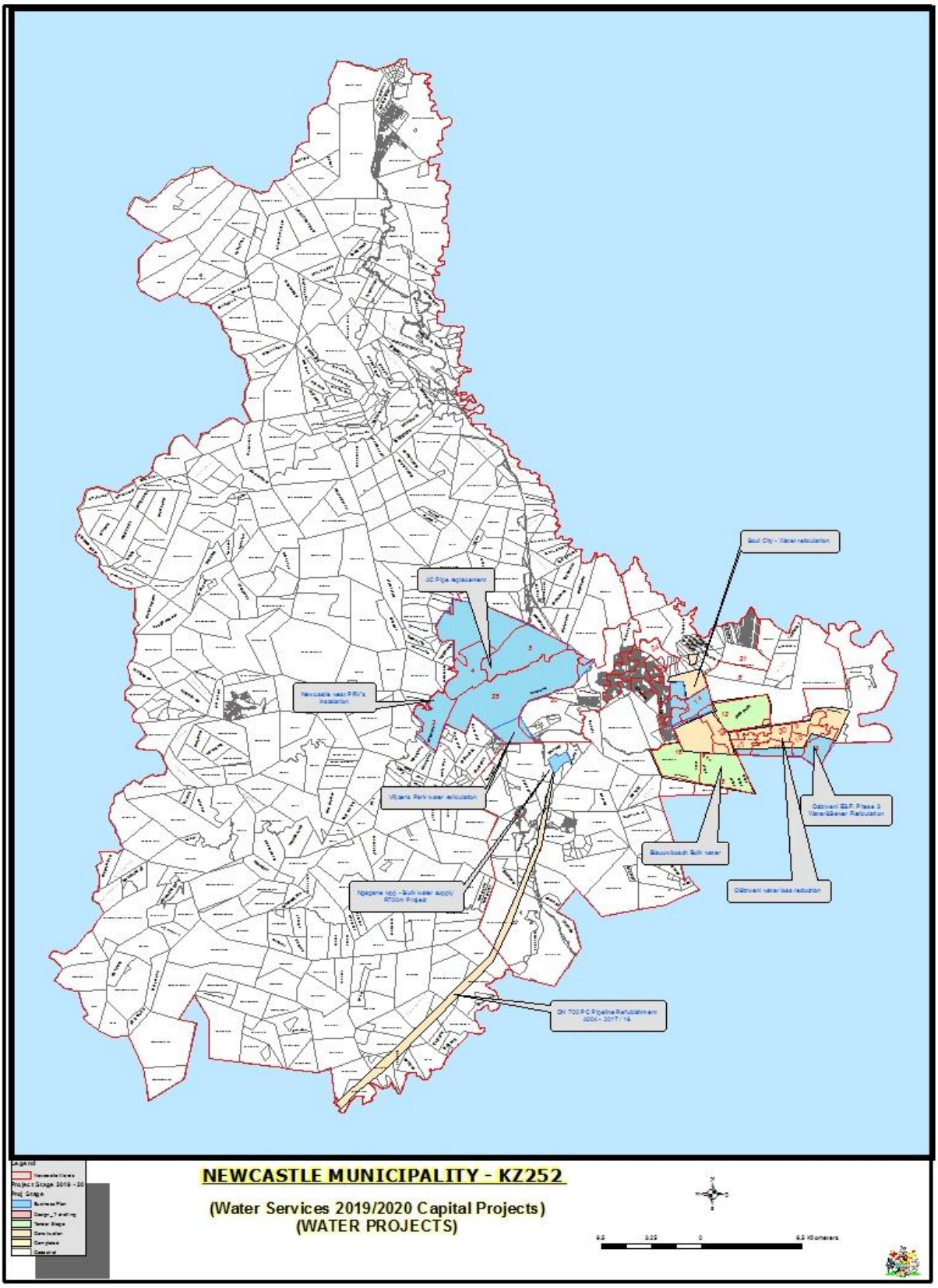
### 3.11.10. Water Losses.

A preliminary assessment of the level of water use efficiency and the level of Non-Revenue Water (NRW) in the Newcastle Water Supply Scheme area indicated that the total system losses are high. It was estimated that the total Non-Revenue Water (NRW) in the supply area is a staggering 65%. The main areas of concern are Madadeni and Osizweni where water losses mainly from onsite leaks are resulting in losses of at least 26Ml/day. The average consumption per household in Madadeni is 44.6kl per month with almost zero payment and no credit control interventions. The situation is not any different in Osizweni where the total number of households is in the order of 27,200. An amount of R24 million has been approved by MIG to reduce the non-revenue water in Madadeni although a R150 million will be required to complete the programme. The programme will include the repair of private leaks and install flow regulators to each household in Madadeni and Osizweni thereby creating an additional 26Ml per day allowing a window period for the construction of the raw water supply line from Ntshingwayo dam to the Ngagane WTW and simultaneously increasing the capacity of the Ngagane WTW's. Without these interventions there will be insufficient water to supply for any new developments.

### 3.11.11. The need for a new water source.

UThukela water developed a raw water bulk Master plan that has several options for water supply from 2019 and beyond 2030. Private enterprises are proposing Ncandu dam which also is ok. The current spatial development of NLM will determine its current demand for water supply. Growth and development will increase the demand for water supply in the future. Amongst other things the factors that will contribute to the growth in demand are as follows:-

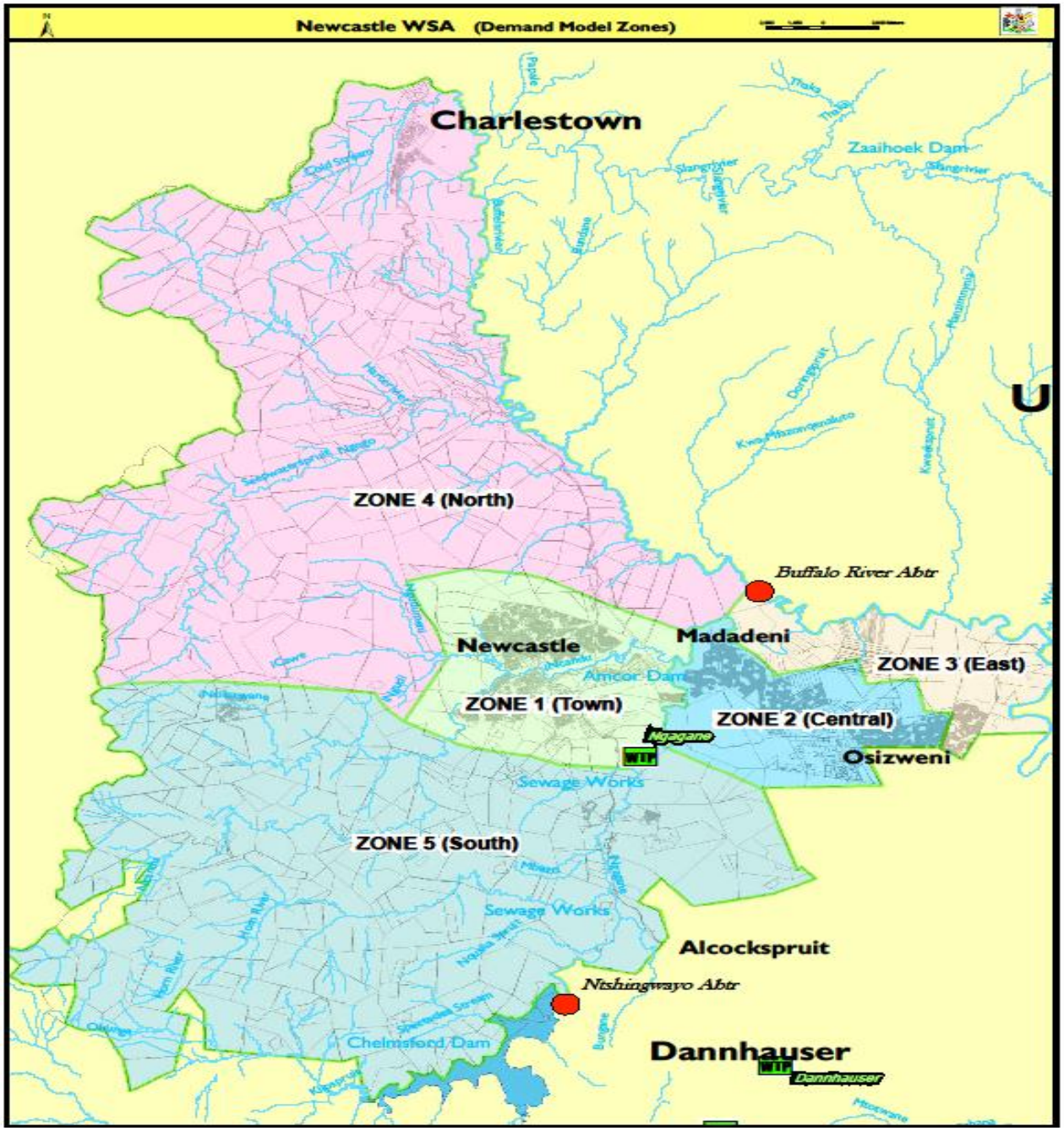
- Population growth;
- Economic Growth;
- Spatial development;
- Increased level of service; and
- Development of new wet industries.


Soul City - Vaner reticulation
AC Pipe replacement
Newcastle east PRV's installation
Vijfjane Park water reticulation
Ngagane spp - Bulk water supply R700m Project
Dlr 700 PC Pipeline Refurbishment 2004 - 2017 / 18
Blaauwbosch Bulk vaner
Ostrivani water loss reduction
Ostrivani BIP Phase 3 Vaner&Sewer Reticulation
NEWCASTLE MUNICIPALITY - KZ252
(Water Services 2019/2020 Capital Projects)
(WATER PROJECTS)

### 3.11.12. Water demand zones.

According to the table below, Newcastle is divided into 5 demand zones and these are essential for greater clarity and insight as well as modelling accuracy. The demand zones are specifically identified through a combination of parameters such as:-

- Topography;
- Sewage and storm water drainage areas;
- Existing water and sewer infrastructure;
- Current spatial development profile; and
- Development potential.



Based on the table below, Newcastle Central has the highest residential demand for water at 64 489 (57.88%), followed by Newcastle East at 23 951 (21.49%) and Town at 18 948 (17.00%). In terms of the non-residential buildings, Town has the highest concentration of water demand at 1 272 (74.03%).

*Table 27: NLM Water Demand Zones.*

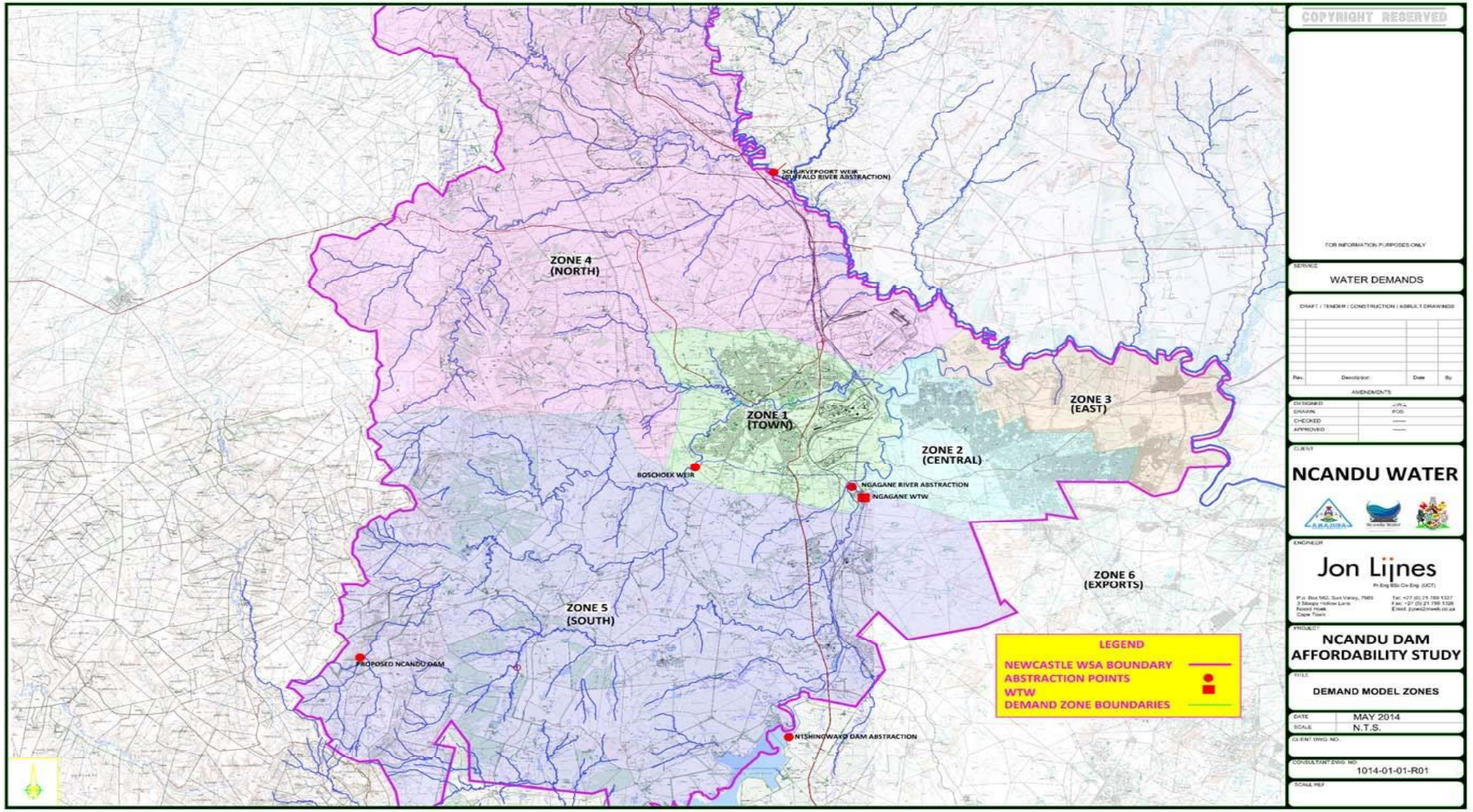
| ZONE NUMBER | DEMAND ZONE NAME | RESIDENTIAL DWELLING | NON-RESIDENTIAL BUILDINGS |
|---|---|---|---|
| 1. | TOWN | 18 948 | 1 272 |
| 2. | CENTRAL | 64 489 | 291 |
| 3. | EAST | 23 951 | 17 |
| 4. | NORTH | 1 747 | 113 |
| 5. | SOUTH | 2 269 | 25 |
| TOTAL: | | 111 402 | 1 718 |

*Source: Ncandu Dam Affordability Study (2014).*

### 3.11.13. Reliability of existing raw water sources.

In terms of the existing water sources, it is important to note the following:-

- The yield of Ntshingwayo Dam has probably declined to the point where all allocated water rights cannot be exercised. This is due to silting-up of the dam, which thus continue to reduce the yield of the dam. Furthermore, the sluices of the dam are also reducing the dam's ability to reach maximum fill capacity of 90% hence further reducing the yield of the dam. In short, Ntshingwayo Dam has been operating in a stressed state for some time, despite average rainfalls within the catchment.
- Both the Ngagane and Buffalo rivers have run dry on a regular basis in the past decade. This has hampered upon NLM's ability to abstract its full allocation of water from these sources, which has exacerbated the existing water supply shortages.




*Map 16: Demand Zones of NLM (Ncandu Study - 2014).*

### (a)Ncandu Dam.

It is assumed that the raw water and WTW losses should fall between 7.5% and 12.5% of the treated water supplied. This implies that the raw water supply required should be 10% or more on average than the demand to be supplied from the WTW. This loss is to allow for losses on the raw water supply system (scouring of pipelines, leaks, pipe breaks etc.) and the operational losses experienced at the WTW (backwashing of filters, de-sludging, cleaning of reservoirs etc.) The proposed Ncandu Dam, in conjunction with the current water sources, would ensure sufficient water for Newcastle for the foreseeable future, even if no water loss reduction program is implemented. The implementation of the water loss reduction program would achieve the reduction of recoverable losses by 70%, however, in a period of 10 years.

*Table 28: Water Loss Reduction Program.*

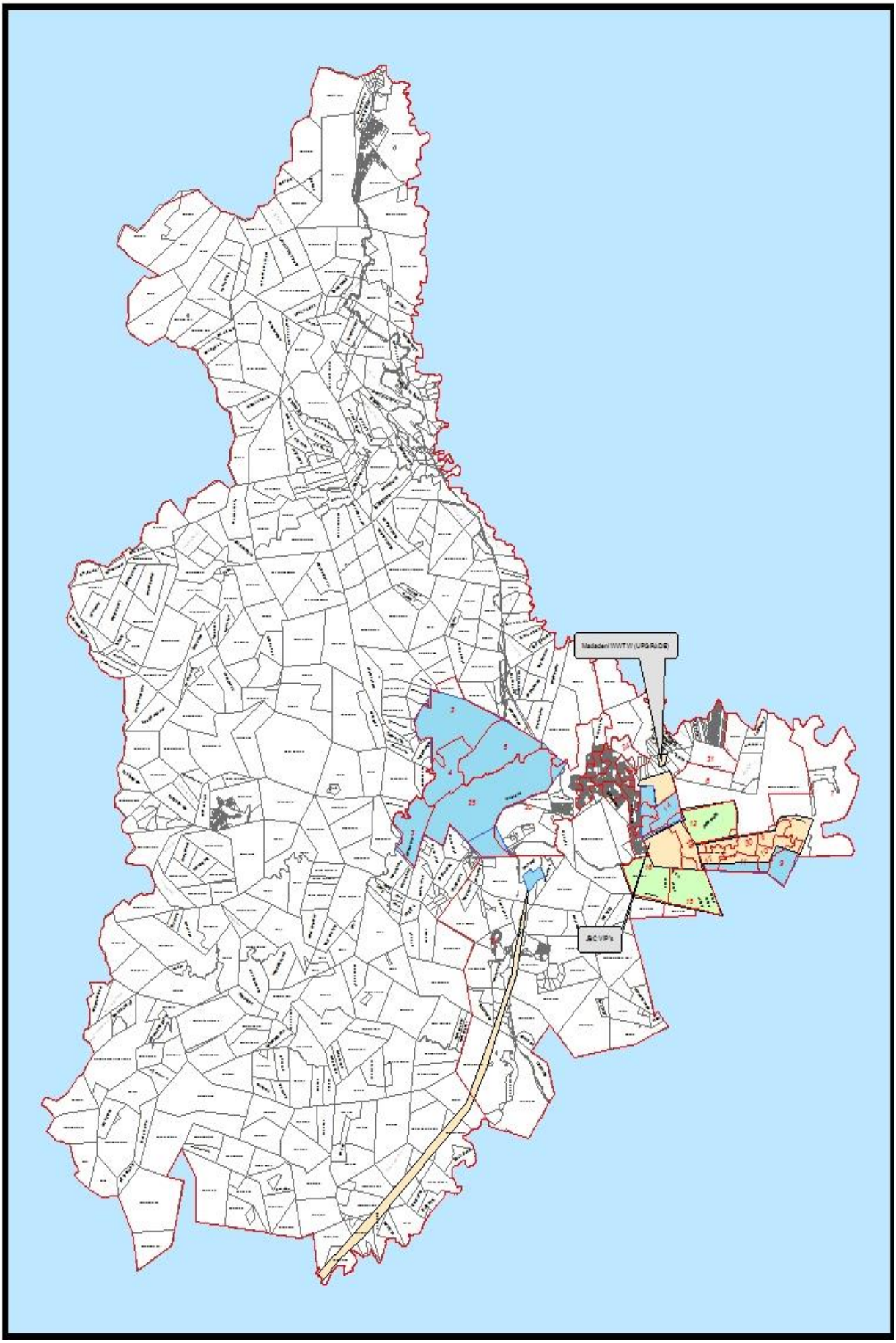
| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Period Reduction | - | 5% | 5% | 10% | 15% | 15% | 15% | 10% | 10% | 10% | 5% |
| Cum Reduction | - | 5% | 10% | 20% | 35% | 50% | 65% | 75% | 85% | 95% | 100 % |

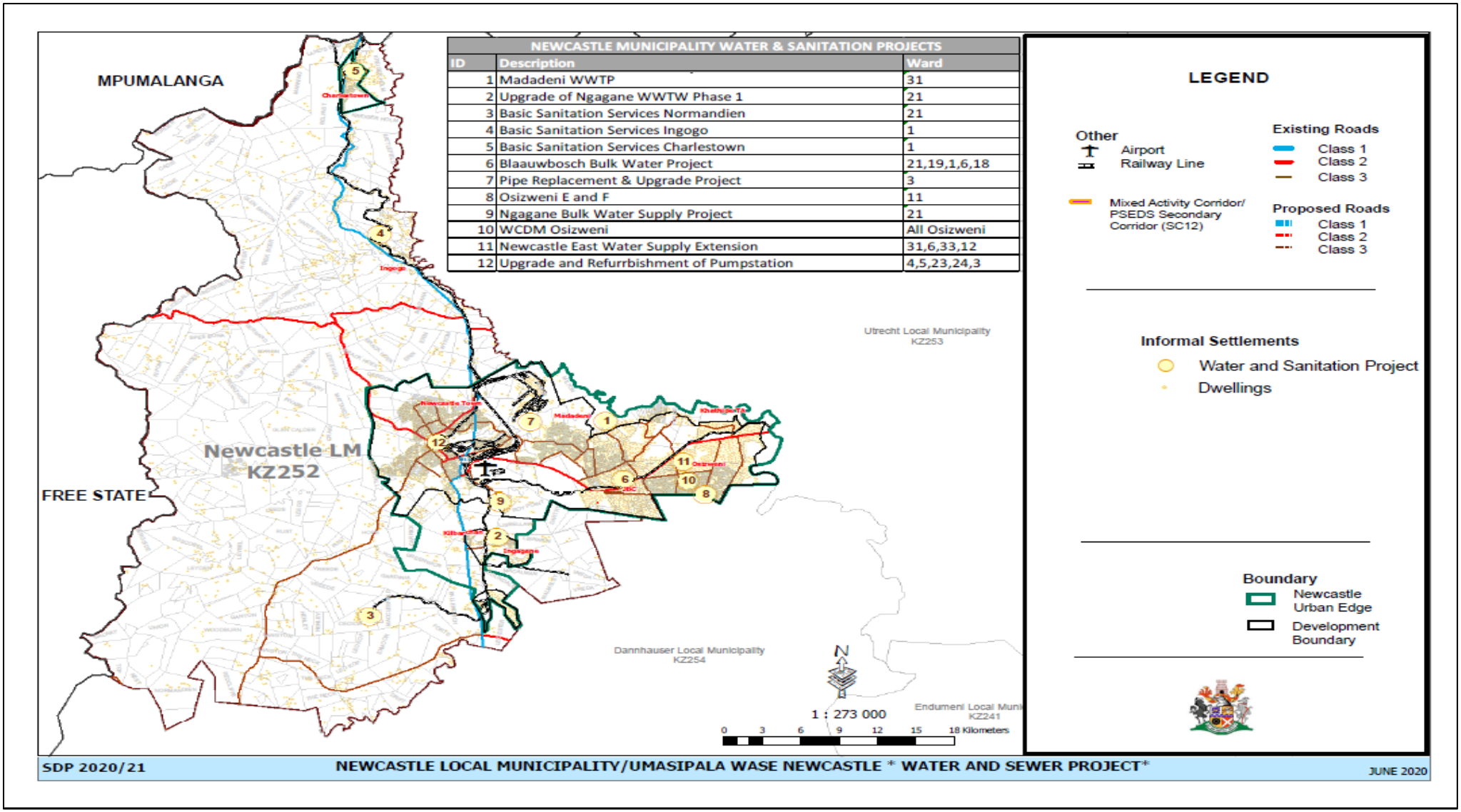
*Source: Ncandu Dam Affordability Study (2014).*

The table above depicts the average daily water demands that will be the resultant of successfully implementing the Water Loss Reduction Program. With the implementation of a loss reduction program, the existing sources would begin to become sufficient by 2018 and would then require supplementing by 2028. However, this is based on the expected scenario which is totally different from the High Demand Scenario whereby the existing resources are insufficient even with the implementation of a water loss reduction program. In light of the above it is therefore vividly clear that there is an urgent need for obtaining an additional water source in order to supplement the current sources of water. The provision of Ncandu Dam would ensure sufficient water for Newcastle well beyond 2034 with the implementation of the water loss program.

## 3.11.14. Sanitation.

NLM face a number of challenges with regard to sanitation. One of the main problems is the need for a sewer master plan, which will enable the municipality to plan for future developments including addressing the backlogs in basic sanitation services. Other areas of concern are the lack of adequate sewer systems for 13 481 households that do not have waterborne sanitation. This need is especially evident in the MBO area.


Madadeni WWTW (UPGRADE)
ADVIPs




*Map 17: NLM Water and Sewer Projects.*

### 3.11.15. Condition of existing infrastructure.

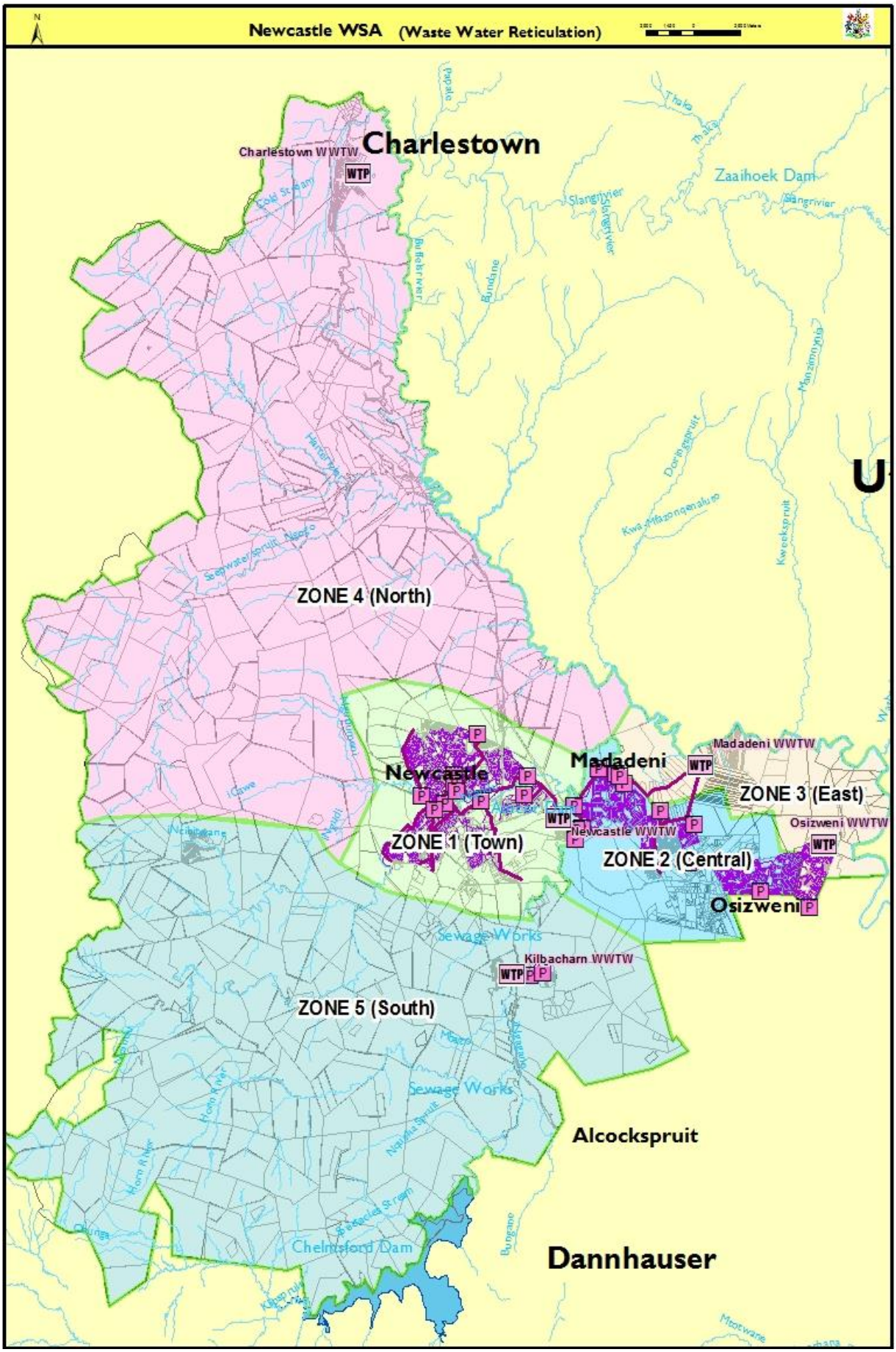
The absence of a Sewer Master plan does not allow for effective forward planning with regards to the impact of new developments and future areas to be provided with water borne sanitation. The new areas to be developed include Blaauwbosch and Viljoen Park. Stafford Hill has been provided with sewer reticulation where 8,000 existing VIP toilets are to be converted to flush toilets. Madadeni has water borne sanitation for all 15,000 households although the structures of 5,000 households are dilapidated and flush into the old conservancy tank system with the overflow of the tank connected to the sewer connection.

In many cases the contents of the tank is exposed and a health hazard. The existing networks are in a fairly good condition with infiltration into the groundwater not seen as a problem. The reticulation in the higher income areas such as Aviary Hill is operating at full capacity as the density of the area increases, exceeding the maximum design flows of the networks. Investigations revealed that there were two properties in Lennoxton being serviced by the old bucket system. Septic tanks have since been provided for these properties.

### 3.11.16. Waste Water Treatment Works.

The waste water and sewage from the Newcastle Municipality is currently treated at three major plants:-

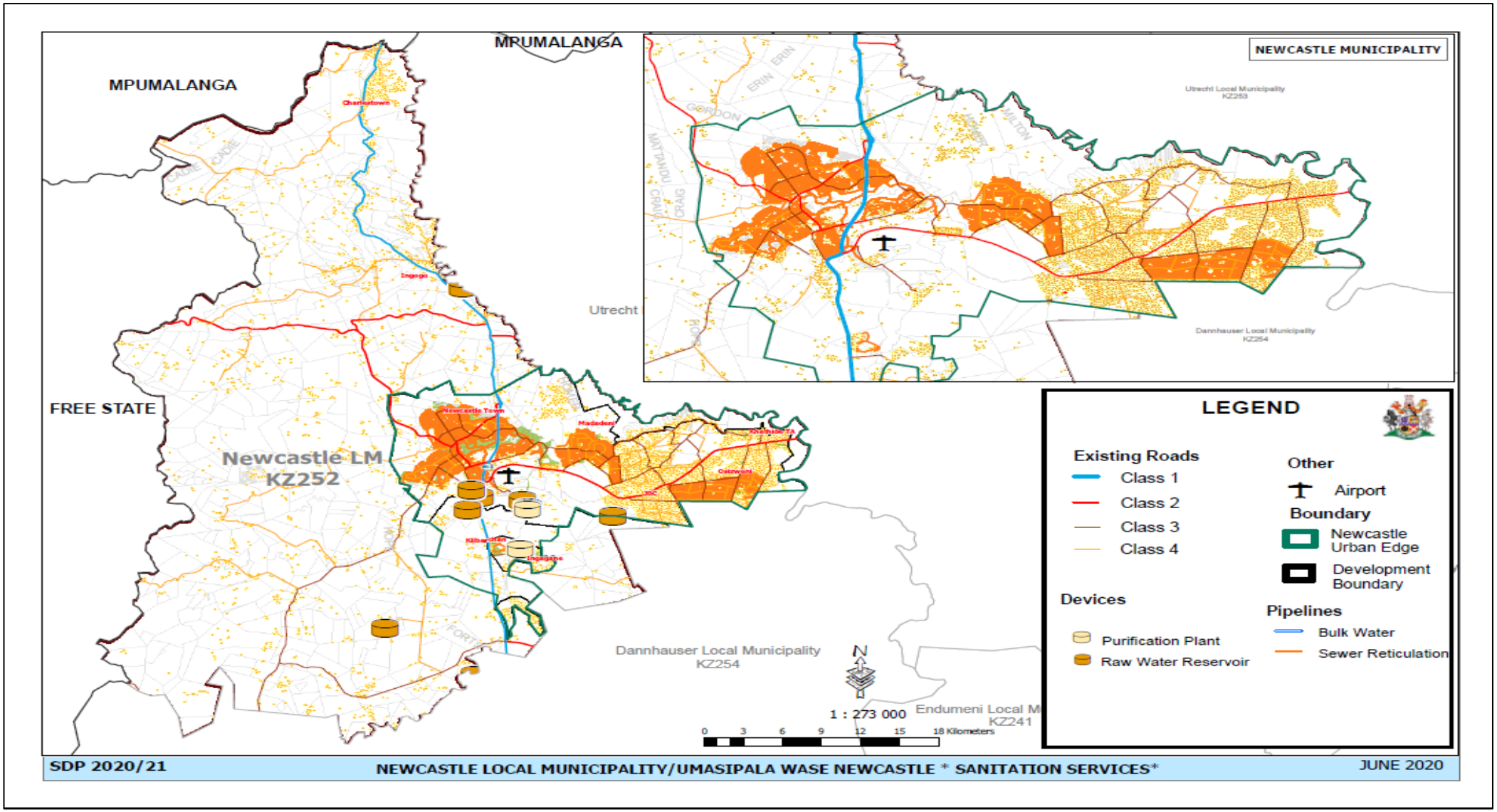
- **Newcastle (KwaMathukuza) Waste Water Treatment Plant:** The works currently serves the Newcastle Central Business District, the industrial and surrounding areas. The works has a design capacity of 25 Ml/day and is currently running at 20 Ml/day Average Dry Weather Flow. The Works have a spare capacity of 5 Ml/day and will serve future housing developments at Viljoen Park and Tuam Farm.
- **Osizweni Waste Water Treatment Plant:** The Works' catchment is the greater Osizweni Township and the surroundings. The current capacity of the Works is 14 Ml/day and the current hydraulic loading is 15 Ml/day. The Works is currently running at capacity in terms of hydraulic loading, but the biological loading is below design capacity.
- **Madadeni Waste Water Treatment Works:** The catchment area for Madadeni WWTW is the Madadeni Township, Ithala Industrial area, and the surrounding areas.


Newcastle WSA (Waste Water Reticulation)
Charlestown
Charlestown WWTW
WTP
Zaaihoek Dam
ZONE 4 (North)
Madadeni
Madadeni WWTW
Newcastle
ZONE 3 (East)
Newcastle WWTW
Osizweni WWTW
ZONE 1 (Town)
ZONE 2 (Central)
Osizweni
Sewage Works
Kilbacharn WWTW
ZONE 5 (South)
Alcockspruit
Chelmsford Dam
Dannhauser

The design hydraulic loading is 12 Ml/day. The Works are currently operating at 15Ml/day. However, during the wet season, the flows peak at between 25Ml/day to 30Ml/day due to high infiltration. Plans are underway to increase the hydraulic capacity to 35Ml/day. The project is scheduled for 2010. It is envisaged that future flows from Blaauwbosch, Johnstown and Cavan will be directed to Madadeni WWTW.

### 3.11.17. Operation and Maintenance Plan for Water and Sanitation.

Currently the municipality does not have the approved O&M Plan for water and sanitation, this will be developed once the municipality has completed its Water and Sanitation Master Plan. In the absence of the master plan the maintenance plan is developed in an ad-hoc manner, based on the historic data of the infrastructure targeting critical components based on failures to formulate the plan for the financial year in line with the available budget. Furthermore, the Municipality makes use of a “False Reports” system which functions in conjunction with the legislated structure that is the Ward Committee and Councilors. Ward Committee members submit monthly reports to the Public Participation Unit which then cascades these reports, usually full of water and electricity complaints, to the relevant departments within the Municipality. However, some of the components that form the routine maintenance aspect can be scheduled and assigned a time line for action. Operations scheduling on the other hand, is rather difficult due to the reactive approach utilized in the Municipality as a result of continuous failures and spillages.




*Map 18: NLM Sanitation Services Map.*

### 3.11.18. Electricity - Sources of energy.

Eskom supplies in the order of 125,000 KVA per month. An alternative energy source is provided by International Power South Africa (IPSA) from gas turbines. IPSA has resumed operations at its cogeneration plant at Newcastle. The 18MW combined heat and power plant is now supplying electricity to the national grid under a medium-term power purchase agreement with Eskom dated 26 August 2010.IPSA has successfully restarted operations at its cogeneration plant at Newcastle, following a final agreement on a gas supply contract with Spring Lights Gas. According to ESKOM, there is limited capacity in the Newcastle East to accommodate the planned housing and commercial development.

### 3.11.19. Reticulation.

The municipality manages the electricity networks for the Newcastle West area (the CBD and surrounding suburbs). The outlaying townships and rural areas are supplied by Eskom. The electricity backlog in NLM is estimated at 11.3%. In terms of electricity issues, the need to investigate pre-paid electricity in Newcastle license area is highlighted. Electricity metering and billing also needs to be addressed and is a priority for the municipality, as this will ensure the accuracy of consumer accounts. There is no electricity master plan and therefore long term planning is not in place from a capacity point of view. Electricity losses are currently estimated at 9%. Currently, Eskom is undertaking a study which will indicate the energy capacity required for NLM if we are to pursue with future developments. In addition, the Newcastle Municipality is investigating the viability of installing solar system in Normandien and some parts of Ingogo (portions where MV lines are far from houses). These areas were identified for non-grid electricity due to their locations and extreme high cost of building electrical infrastructure. The Department of Energy is keen to fund these projects.

The municipality sells about 93.5% of the bulk electricity that is purchased from Eskom while 6.5% run at a lost. In order to remedy the situation the municipality has begun with the auditing of electricity meters and the process is estimated to be completed by end of June 2012. Hence, the issue of smart-meters is envisaged as a catalytic solution into this electricity loss challenges. However, it must be noted that the installation of smart-meters will cost the NLM an estimated amount of 80 million. In an attempt to address electricity backlogs, there are a number of ongoing electrification projects in the municipality. There are also a number of housing development projects where the project is implemented by the local municipality but are situated in the ESKOM area of supply. As such, close coordination and cooperation between these two entities are required. There are plans underway to take over the Eskom licensed areas in the East such as Madadeni and Osizweni in order to increase the revenue for the municipality. Provisions for capacity challenges are being addressed through the revised organogram in order to establish a new electricity department separated from Technical Services.

## 3.11.20. Free Basic Electricity.

Another challenge is the roll out of Free Basic Electricity within the ESKOM license area, which is problematic due to systems compatibility with both electricity providers. Further to this, maintenance, upgrade and rehabilitation of electricity infrastructure through the ring-fencing of the function for the transfer to RED's, is identified as an important issue. In terms of national government mandate, NLM is meant to provide 50Kw of free basic electricity to indigent households including areas licensed under Eskom. Currently, there are people registered as indigents who qualify for free basic electricity. This cost the municipality the estimated amount of over R5 million per annum. There is a number of on-going electrification projects in the municipality especially in rural areas. These include Bosworth at about 379 households, Drycut which is about 573 households, Roypoint at about 100 households and Charlestown at about 115 households.

*Table 29: Access to energy for Cooking.*

| | No. of Households |
|---|---|
| Electricity | 69800 |
| Gas | 1881 |
| Paraffin | 6398 |
| Wood | 2862 |
| Coal | 2680 |
| Animal dung | 248 |
| Solar | 115 |
| Other | 60 |
| None | 229 |
| Unspecified | - |
| Not applicable | - |

*Source: Stats SA, 2011*

| | |
|---|---|
| Grand Total | 84272 |

*Table 30: Access to energy for Heating.*

| | No. of Households |
|---|---|
| Electricity | 57864 |
| Gas | 1624 |
| Paraffin | 2663 |
| Wood | 4463 |
| Coal | 7392 |
| Animal dung | 420 |
| Solar | 131 |
| Other | 13 |
| None | 9701 |
| Unspecified | - |
| Not applicable | - |

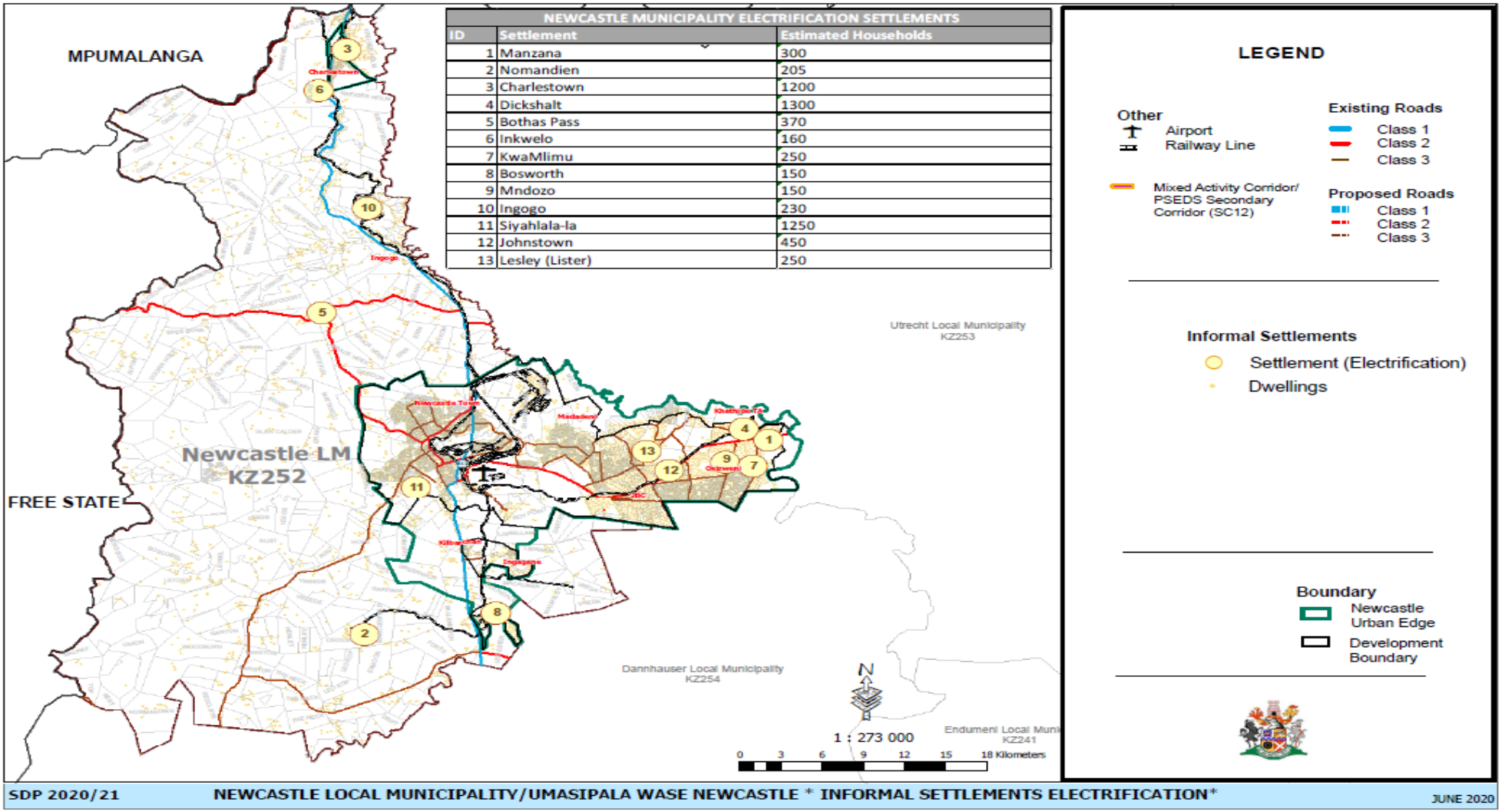
*Source: Stats SA, 2*

| | |
|---|---|
| Grand Total | 84272 |

*Table 31: Access to energy for Lighting.*

| | **No. of Households** |
|---|---|
| Electricity | 73449 |
| Gas | 402 |
| Paraffin | 629 |
| Candles (not a valid option) | 9343 |
| Solar | 147 |
| None | 302 |
| Unspecified | - |
| Not applicable | - |
| Grand Total | 84272 |

*Source: Stats SA, 2011*




*Map 19: NLM Informal Settlement Electrification.*

The map above is depicting the capital projects that were initiated by the Department: Electrical Services in the 2014/15 financial year. The projects include, amongst other things, projects towards rural electrification, upgrading of the current level of electricity provision in some settlements such as Siyahlala La, the provision of street lighting, and also service connections. In terms the rural electrification projects, the beneficiaries are the Roypoint Settlement, and the Amajuba Forest in naming just a few. A number of wards are to receive street lighting LED retrofits and these include wards in both Madadeni and Osizweni such as ward 9 and ward 28.

### 3.11.21. Energy Service Delivery Plan.

The Constitution sets out the powers and functions of municipalities (Section 56 (1) and Schedules 4B and 5B) with regards to electricity and gas reticulation amongst other areas. Therefore, they are empowered to legislate on energy efficiency and renewable energy matters relating to these powers and functions within their jurisdiction. Furthermore, the Municipal Systems Act empowers municipalities to pass by-laws for energy efficiency and renewable energy, however, the preferred approach by municipalities has been to develop policies, plans and strategies. The Newcastle Local Municipality is no exception to this trend and is currently out on tender for a service provider to collaborate with in developing the ESDP. The lack of this vital plan has ramifications for an Operations and Maintenance plan which is also currently in the development phase. Thus to date, the responsible department relies on a routine maintenance schedule dependant on break-down demand.

### 3.11.22. Roads, Stormwater and Public Transport.

#### (a)Roads.

The total road network in the Newcastle east and west is 1119 KM of which 570 are tarred and 549 are unpaved. The internal streets network in the rural areas are predominantly dirt ridden and are therefore generally in a bad state, particularly during the rainy season. Most of these roads are poorly maintained and thus limiting transport due to deteriorating roads. In an attempt to address this, the municipality has intensified their roads programs over the past 5 years, which addresses primary and secondary roads. In order to ensure that the various classes are maintained at the required standard it is necessary for the network to be inspected at regular intervals.

The desirable re-gravelling frequency is every 5 years. One of the aims of this management plan is to ensure that the surface of all unpaved roads as per the road classification and the levels of service are maintained in a condition that provides all weather access. The re-gravelling programme has a substantial funding gap with a frequency of 1 years and only the most needed road will be included in the gravel re-gravelling programme.

The IDP also indicates that the operational budget has not significantly increased during this time to ensure minor maintenance through grading and storm-water clearance. The MBO is a priority area for road upgrading as the illustrations below

show, progress has been made in terms of providing the community with tarred roads is concerned however, a great deal more still needs to be done.

### (b)Stormwater.

There is no storm water master plan resulting in *adhoc* projects being identified where complaints are received. The maintenance of the road drainage system includes such work as cleaning out and repairing culverts, excavating inlet and outlet drains, table drains, mitre drains, batter drains and flushing subsoil drains. With the recent floods in the Newcastle area, problems have been experienced in the CBD area where concrete pipes are collapsing owing to fatigue from aging and heavy traffic loads. Victoria Mall area has been identified as a problem area as flooding of private property is occurring at various low points. Storm water damage to the environment is receiving little attention with soil erosion progressing unabated in certain area. Similarly, MBO has been identified as a priority for storm water development and upgrading given the lack of service in this area.

### (c)Public Transport.

The majority of public transport facilities in the Newcastle Municipality area is informal and requires serious upgrading. Table 12 below provides a summary of the state of the existing public transport facilities audited in Newcastle.

*Table 32: Taxi Ranks*

| FACILITY NAME – TAXI RANKS. | STATUS | OWNERSHIP | LOCATION |
|---|---|---|---|
| Osizweni Formal Taxi Rank | Formal | Municipal | Off Street |
| Makhanya Informal Taxi Rank | Informal | Municipal | On street |
| Top Rank Informal Taxi Rank | Informal | Municipal | On street |
| 9 Mile Informal Taxi Rank | Informal | Municipal | Off Street |
| Moyomuhle Informal Taxi Rank | Informal | Municipal | Off Street |
| Madadeni Sec 4&5 Informal Taxi Rank | Informal | Municipal | Off Street |
| Madadeni Shoprite Checkers Informal Taxi Rank | Formal | Municipal | Off Street |
| Madadeni Court Informal Taxi Rank | Informal | Municipal | Off Street |
| Newcastle Formal Taxi Rank | Formal | Municipal | Off Street |
| Charlestown Informal Minibus-Taxi Rank | Informal | Municipal | Off Street |
| Ingogo Informal Minibus-Taxi Rank | Informal | Municipal | Off Street |
| Macadam Informal Bus Rank | Informal | Municipal | Off Street |
| Newcastle Formal Bus Rank | Formal | Municipal | Off Street |

57% (203,9km) of roads in Newcastle being utilised by the public transport industry is unsurfaced. The highest number of vehicles in Amajuba is on the N11 south of Newcastle with high traffic volumes on the main provincial road P483 between Newcastle, Madadeni and Osizweni. TheN11 between the P204 (turn-off to Dannhauser) and Newcastle carries in excess of 10 000 vehicles per day while the P483 carries between 5 000 and 10 000 vehicles per day. Specific recommendations regarding upgrading of facilities, development of transport corridors etc. to meet the demand of public transport is highlighted in the PTP.

The Newcastle municipality also owns a 6 km railway line which is currently being leased to NPC cement and Karbochem.

## 3.11.23. Solid Waste Management.

### (a)Current Waste Generation.

The Integrated Waste Management Plan (IWMP) of the Newcastle Municipality has been recently developed and is essential for the management of municipal solid waste (MSW). During the year 2004, a survey of landfill sites which was conducted by SiVEST from the Amajuba District Municipality, on behalf of the Provincial Planning and Development Commission, estimated that approximately 4 460 tons of waste was being disposed-off to the landfill every month making it approximately 53 520 tons/year based on estimates provided by NLM.

The IWMP from the Amajuba District Municipality (2003) estimates that approximately 103.3 tons and 79.6 tons of waste were generated from the Newcastle West and Newcastle East areas respectively per day for the year 2005. This implies a total of 182.9 tons per day for the combined area which is approximately 66 785.5 tons for the whole of 2005. Capita Waste Projections are used in order to quantify the amount of waste generated within Newcastle Municipality.

In terms of the KZN Department of Agriculture and Environmental Affairs, the following rates regarding the amount of waste generated within the Newcastle Municipality have been assumed:-

- Very poor areas (farm lands) – 0.03kg/person/day;
- Middle income – 0.35kg/person/day; and
- Middle to high income – 0.61kg/person/day.

With regards to the segments of the population that are designated as institutions, an average waste generation rate of 0.35kg/person/day is assumed.

### (b)Current Waste Collection.

Based on the figures presented on *Table 20* below, it is notable that a high majority of households within the Newcastle's jurisdictional area (71.04%) have their refuse being removed by the local authority/private company at least once a week. This is followed by households who are in possession of their own refuse dump and they constitute 23.21% of the total number of households. A very low percentage (3.91%) of the total number of households within Newcastle does not have access to rubbish disposal.

*Table 33: Refuse disposal for households in Newcastle.*

| Type of service | No. of Households | % |
|---|---|---|
| Removed by local authority/private company at least once a week | 59 868 | 71.04% |
| Removed by local authority/private company less often | 321 | 0.38% |
| Communal refuse dump | 775 | 0.92% |

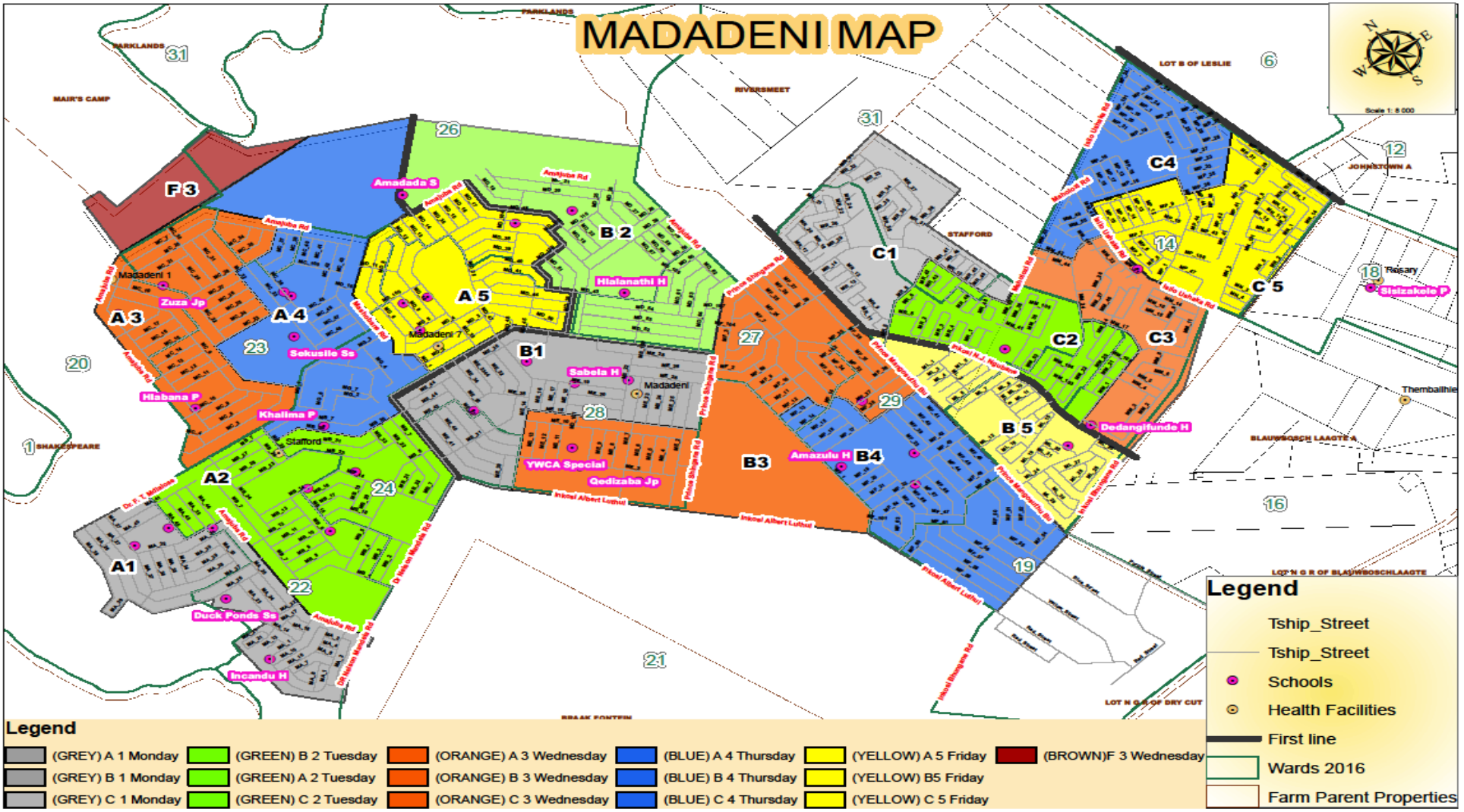
| Type of service | No. of Households | % |
|---|---|---|
| Own refuse dump | 19 564 | 23.21% |
| No rubbish disposal | 3 300 | 3.91% |
| Other | 444 | 0.54% |
| Unspecified | - | - |
| Not applicable | - | - |
| **Grand Total:** | **84 272** | **100%** |

*Source: Stats SA, 2011*

All formal areas in Newcastle are receiving a weekly curb side collection as per National Domestic Waste Collection Standards (NDWCS). The areas include Newcastle, Madadeni, Osizweni, Kwamathukuza, Killbarchan, Ingagane and Charlestown. In H39 we are rendering a skip service where all residents are provided refuse bags and then waste is transferred to a central point, skip, as per NDWCS.

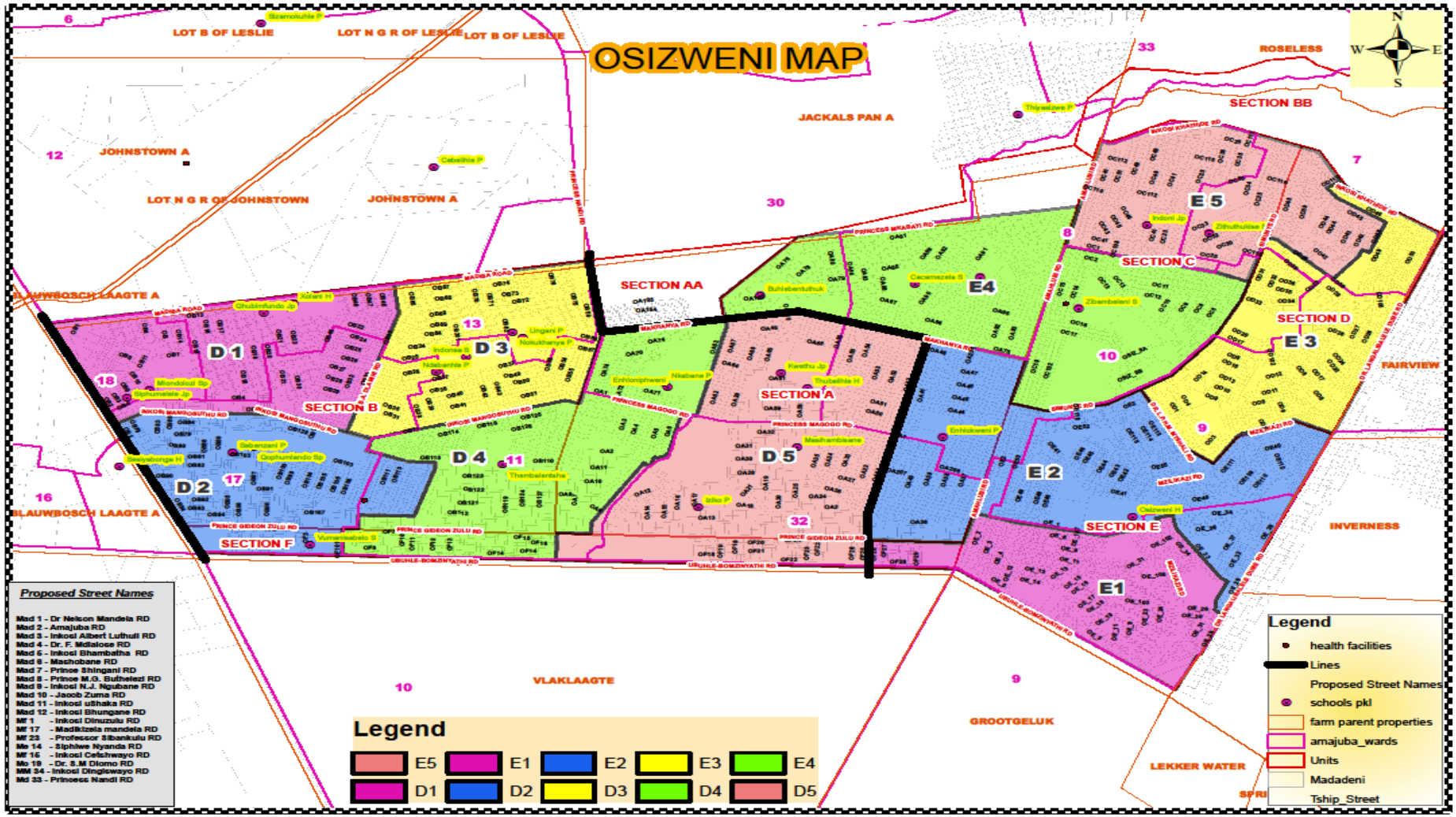
It should be noted that approximately 27 000 households particularly in the informal areas do not have access to regular refuse removal. A plan exists in the IWMP to service these informal households using community based contractors but is lacking funding to implement. MIG Funding is now available to purchase specialized vehicles for addressing previously un-serviced areas, but not for the operational cost involved in the provision of service. As with all MIG funding strict provisions apply.

The maps below indicate the serviced areas in Madadeni, Osizweni and Newcastle




Map 20: Madadeni Waste Management Service Areas.

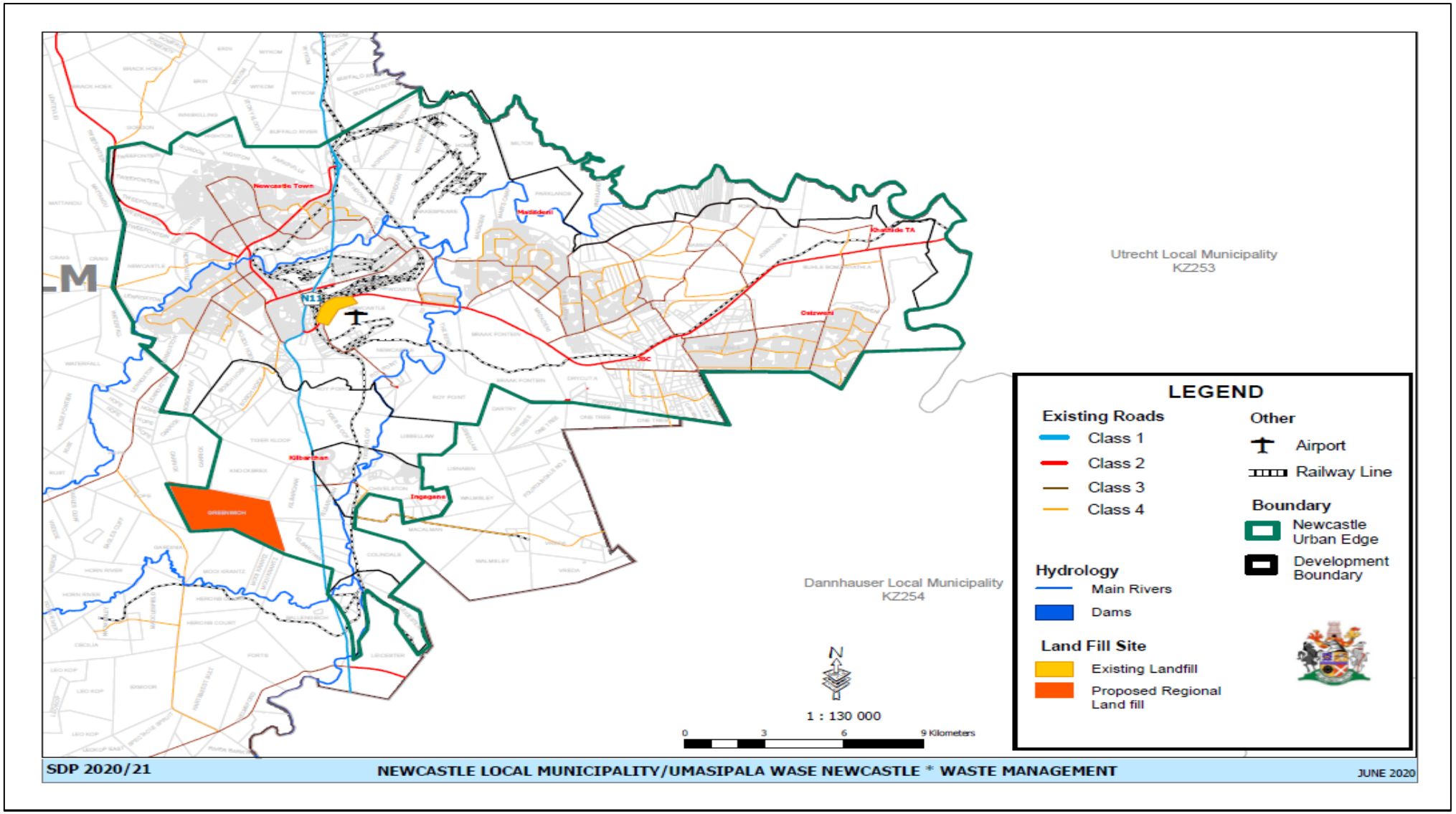
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*Map 21: Osizweni Waste Management Service Areas.*




*Map 22: Newcastle West Waste Management Service Areas.*




*Map 23: NLM Waste Management Bulk Infrastructure.*

## (c)Landfill Site.

The Waste Disposal Site (WDS) caters from the entire Newcastle Area known as KZN252. This site is nearing the end of its lifespan. Development Planning and Human Settlements (DP&HS) are in the process of identifying a suitable site thereafter they will initiate the process of obtaining environmental authorization. Once environmental authorization has been obtained Technical Services will be tasked with the construction of the new site. The current waste disposal site has been in operation since the year 1971 even though the operating permit was obtained in 1994. According to the permit, the site is a Class 2 disposal site.

The current waste disposal site accepts the following waste streams:-

- Domestic waste;
- Garden waste;
- Construction waste; and
- Commercial waste.

In terms of the operation of the WDS, the trench method is used whereby waste is deposited in large excavations. Daily cover material of 150mm is spread over the waste and compacted according to minimum requirements for waste to landfill. Each completed cell is covered with a 1 meter depth of soil after it is filled with waste.

Ideally the steel wheel compactor (SWC) and hydraulic excavator (HE) must be replaced as the existing plant is aging and often on breakdown. The consequences of not having a fully functional SWC is that we are losing valuable air space as we are not achieving optimum compaction as per minimum requirements for disposal by landfill and. At present we are using a front end loader (FEL) for this purpose. It should be noted that the better the compaction that we achieve, the less air space we use, the more we extend the lifespan of the existing site. The HE is used for profiling and constructing the new cells.

MIG funding is now available for replacement of plant at the waste disposal site but with strict conditions.

The Table below shows the quantities of waste entering the Waste disposal site as recorded by the weight bridge:-

| Incoming Waste in Tons | | Recyclable Waste in Tons | | | | | | Used as Cover Material | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Month | General Mixed Waste | Garden Refuse | Plastic | Metal | Paper | Tyres | Totals | Builders Rubble | Sand | Totals |
| Oct-19 | 2315 | 211 | 65 | 3 | 1 | 3 | 283 | 5 | 22 | 27 |
| Nov-19 | 5323 | 206 | 29 | 334 | 1 | 7 | 577 | 146 | 184 | 330 |
| Dec-19 | 5940 | 123 | 7 | 3 | 1 | 2 | 136 | 161 | 93 | 254 |
| Jan-20 | 7950 | 227 | 57 | 22 | 2 | 9 | 317 | 100 | 153 | 253 |
| Feb-20 | 5455 | 223 | 42 | 15 | 0 | 15 | 295 | 164 | 53 | 217 |
| Mar-20 | 5098 | 273 | 19 | 11 | 0 | 3 | 306 | 154 | 81 | 235 |
| Average | 5347 | 211 | 37 | 65 | 1 | 7 | | 122 | 98 | |
| PA | 64162 | 2526 | 438 | 776 | 10 | 78 | 1914 | 1460 | 1172 | 1316 |
| Percentage | | 4% | 1% | 1% | 0% | 0% | 3% | 2% | 2% | 2% |

Please note that these figures only represent waste that enter the Newcastle Waste Disposal Site

## (d)Waste Stream Analysis.

A High level waste analysis and characterization study (WACS) was undertaken in January 2018 for the Department of Environmental Affairs (DEA) and GIZ flagship program. This study characterised and measured the waste entering the landfill site. It is acknowledged and accepted that some variability or inconsistency in the results is expected due to the duration of sampling, number of samples and seasonal variation, given the limited time and resources available.

According to the study 49% of all wastes entering the landfill site is organic of nature which makes this an ideal site for a composting plant. Approximately 18% of the waste is packaging waste which ideally should be recycled. Construction waste make up another 17% of the waste and residuals waste such as textiles make up 6% with commercial and industrial waste adding a further 10%

Table 2 Waste Analysis & Characterization Study

| Newcastle | | Mixed HH Disposed (MSW) | | General Non-MSW Captures | | General Waste Disposed at Municipal Owned LFS | | AWT Non-Municipal (Pre-disposed) | | Total Diverted AWT | | Total Assessed Waste in System | | Diversion from LFS | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Organics | Food waste | 3263 | 17% | 16198 | 50.1% | 19461 | 37.9% | | | | | 19 461 | 37% | | |
| | Garden waste | 3320 | 18% | 2613 | 8% | 5933 | 11.6% | | | | | 5 933 | 11% | | |
| | Organic waste | 6583 | 39% | 18811 | 58% | 25394 | 49.5% | | | | | 25 394 | 49% | | |
| Packaging | plastic | 2922 | 15% | 93 | 0% | 3015 | 5.9% | 520 | 52% | 802 | 52% | 3 534 | 7% | 282 | 52% |
| | Paper & Paperboard | 3282 | 17% | 253 | 1% | 3535 | 6.9% | 362 | 36% | 558 | 38% | 3 897 | 7% | 196 | 36% |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Metal | 531 | 3% | 389 | 1% | 920 | 1.8% | 12 | 1% | 18 | 1% | 932 | 2% | 6 | 1% |
| | Glass | 1575 | 8% | 11 | 0% | 1 585 | 3.1% | 110 | 11% | 170 | 11% | 1 695 | 3% | 60 | 11% |
| | Packaging waste | 8309 | 44% | 74 | 2% | 9 055 | 17.7% | 1 008 | 100% | 1 548 | 100% | 10 058 | 19% | 545 | 100% |
| C&D | | 1175 | 6% | 7525 | 23% | 8 701 | 17.0% | | | | | 8 701 | 17% | | |
| Residual | Textiles | 797 | 4% | | | 797 | 1.0% | | | | | 797 | 2% | | |
| | Special Care Wastes | 1005 | 5% | | | 1 005 | 2.0% | | | | | 1 005 | 2% | | |
| | Other Waste | 1100 | 6% | | | 1 147 | 2.2% | | | | | 1 147 | 2% | | |
| | Residual Waste | 2903 | 19% | | | 2 950 | 5.8% | | | | | 2 950 | 6% | | |
| Commercial & Industrial | | | | 5187 | 16% | 5 187 | 10.1% | | | | | 5 187 | 10% | | |
| Cover | | | | | | | | | | | | | | | |
| Total | | 18 971 | 100% | 32316 | 100% | 51 287 | 100% | 1 003 | 100% | 1 548 | 100% | 52 290 | 100% | 545 | 100% |

## (e)Illegal Dumping.

Illegal dumping is the plight of Newcastle, it not only creates unsightly and unsanitary conditions, it also blocks storm water drains and causes low level flooding. Our by-laws have been promulgated, and admission of guilt fines have been set via the court. A law enforcement section has been established to deal with all municipal by-laws.

To combat the illegal dumping we are doing regular education and awareness campaigns. No dumping signs are also installed at hotspots. The tipper with grab is also very effective in clearing up illegal dumping however the section only has two of these vehicles to cover the entire Newcastle area Ideally at least one more vehicle should be acquired.

## (f) Future Waste Projects & Green Economy

Waste minimization is important for several reasons, not only will it increase the lifespan of the existing landfill site which is critical at this stage, it also creates employment and therefore poverty relief in these difficult economic times. In Newcastle we have the following initiatives running:-

- A buy back center was constructed by the Department of Environmental Affairs (DEA) through the Environmental Protection Infrastructure Program of which Mpilenhle is the beneficiary.
- At the landfill site we have approximately 90 informal recyclers who collect recyclable materials on a daily basis. These recyclables are then sold to a buy back center, Mpilenhle.
- A pyrolysis plant with a capacity of 30 tons of tires and or plastic per day is in the construction phase at the waste disposal site.
- An expression of interest (EOI) has been issued to acquire a Materials Recovery Facility which will increase the volumes of material that are being recycled, create jobs and expand the life span of the existing site.
- The department is also busy with a process to source funding for a separation at source program.

## (g) Education And Awareness

Newcastle Municipality has one education and awareness officer but with the Thuma Mina -Green Deeds program five more education and awareness ambassadors joined us for a two year period. Their main objectives are to keep the community informed about environmental issues, as well as recycling initiatives and arranging cleaning campaigns. They work closely with schools and ward committees.

## (h) Fleet

The waste management section has a large fleet of vehicles however the fleet is aging and most vehicles are older than 5 years. We are also experiencing long turnaround times when vehicles are sent to the workshop for repairs. A 5 year vehicle replacement plan exists but due to the poor economic climate we are unable to implement the plan. A summary of this plan is reflected in table.

**Table 3 Summary of Vehicle Replacement Plan**

| REPLACEMENT PLAN SUMMARY | | | | | |
|---|---|---|---|---|---|
| **VEHICLES** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **YEAR 5** |
| **3 Tonn Truck** | 0 | 0 | 1 | 1 | 1 |
| **Compactor** | 2 | 4 | 3 | 3 | 5 |
| **FEL** | 1 | 0 | 1 | 0 | 1 |
| **HE** | 0 | 0 | 1 | 0 | 0 |
| **LDV** | 3 | 1 | 2 | 0 | 5 |
| **Roll On** | 0 | 1 | 0 | 0 | 1 |
| **Shredder** | 0 | 0 | 1 | 0 | 0 |
| **Skip** | 1 | 1 | 1 | 2 | 2 |
| **Steel Wheel Compactor** | 0 | 0 | 1 | 0 | 0 |
| **Tipper & Grab** | 0 | 0 | 1 | 1 | 0 |
| **Tractor** | 0 | 1 | 0 | 0 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| **Tractor Trailer** | 2 | 0 | 0 | 0 | 0 |
| **Tipper** | 0 | 0 | 0 | 0 | 1 |
| **Total** | **R 16 900 000** | **R 19 950 000** | **R 24 100 000** | **R 10 150 000** | **R 26 350 000** |

### (i) New Projects requiring service

All new projects that may require waste management services are listed in the table below and are used for future planning of resources.

New Housing Projects

| Project Name | Type of Service | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Siyahlala-al | Bag Collection | | | | | | 90 | | | | | | 90 | | | | | | 90 | | | | | | |
| Charlestown | Bag Collection | | | | | | 75 | | | | | | 75 | | | | | | 75 | | | | | | 75 |
| H39 | Bag Collection | | | | | | 65 | | | | | | 65 | | | | | | 65 | | | | | | 65 |
| N11 CRU (540 units) | Containers | | | | | | | | | | | | | | | | | | | 60 | 60 | 60 | 60 | 60 | 60 |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| Totals | | 0 | 0 | 0 | 0 | 0 | 230 | 0 | 0 | 0 | 0 | 0 | 230 | 0 | 0 | 0 | 0 | 0 | 230 | 60 | 60 | 60 | 60 | 60 | 200 |

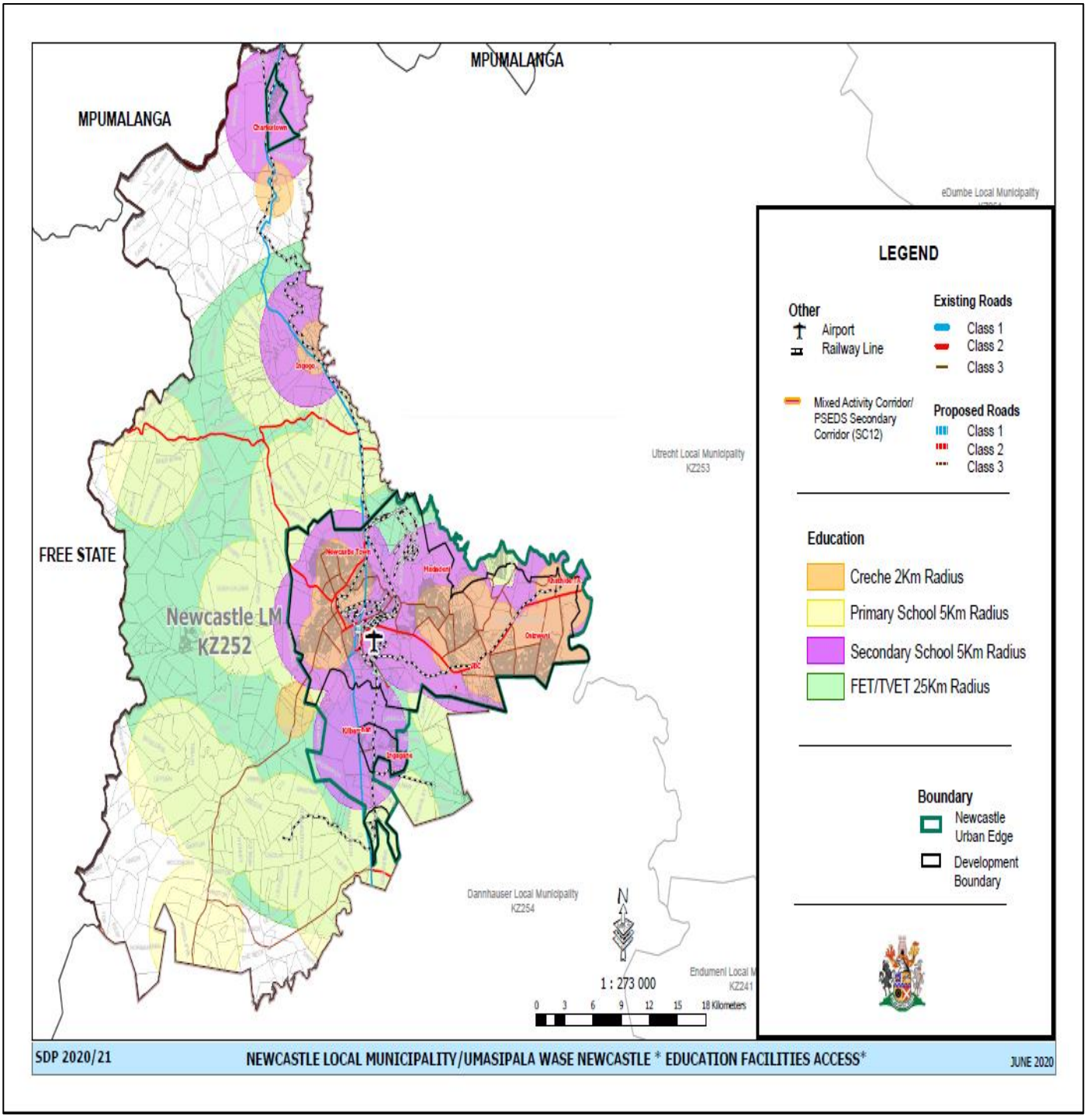
| Proposed Projects with expected completion beyond 2022, which are at various stages of Planning | |
|---|---|
| Equirand Medical City | Bulk Refuse Containers |
| | Bag Collection |
| | Street Sweeping |
| Government Precinct | Bulk Refuse Containers |
| Medical Precinct adjacent to Training school | Bulk Refuse Containers |
| Convention Centre at Farmers hall | Bulk Refuse Containers |
| Mixed Used Development Viljoen Park | Bulk Refuse Containers |
| JBC Housing Project Phase 1 | 2011 units Bag Collection |
| JBC Housing Project Phase 2 & 3 | 7500 units Bag Collection |
| Soul City | 3500 Units Bag Collection |
| Roypoint / Vezokhule | 900 units BagCollection |
| Drycut | 1000 units bag Collection |
| Hospital Street Social Housing | |
| Boxer Expansion Osizweni | Bulk Refuse Containers |
| | |

## 3.11.24. Education Facilities.

Access to education facilities seems to be generally good. The municipality is developed with about 118 schools including both primary and secondary schools. This can be broken down further as follows:

- 10 combined schools;
- 12 junior primary schools;
- 7 senior primary schools;
- 55 primary schools;
- 34 secondary schools.

The average size of schools, taking into consideration the amount of the population of a school going age, is 995. Planning standards for education facilities reveal that in terms of threshold, NLM should have between 90 and 120 primary schools to accommodate the population size. There is thus a need for additional primary schools.




*Map 24: NLM Education Facilities.*

*Table 34: Planning Standards for Educational Facilities*

| Facility | Catchment population | Distance & Walking time | Location factors | Teacher/children ratio |
|---|---|---|---|---|
| Primary schools | 3 000-4000 | 1.5km of 30min | Walking distance-1.5km | 1:40 |
| Secondary schools | 6 000-10 000 | 5km | Located on public transport route | 1:40 |

*Source: Provincial Planning & Development Commission*

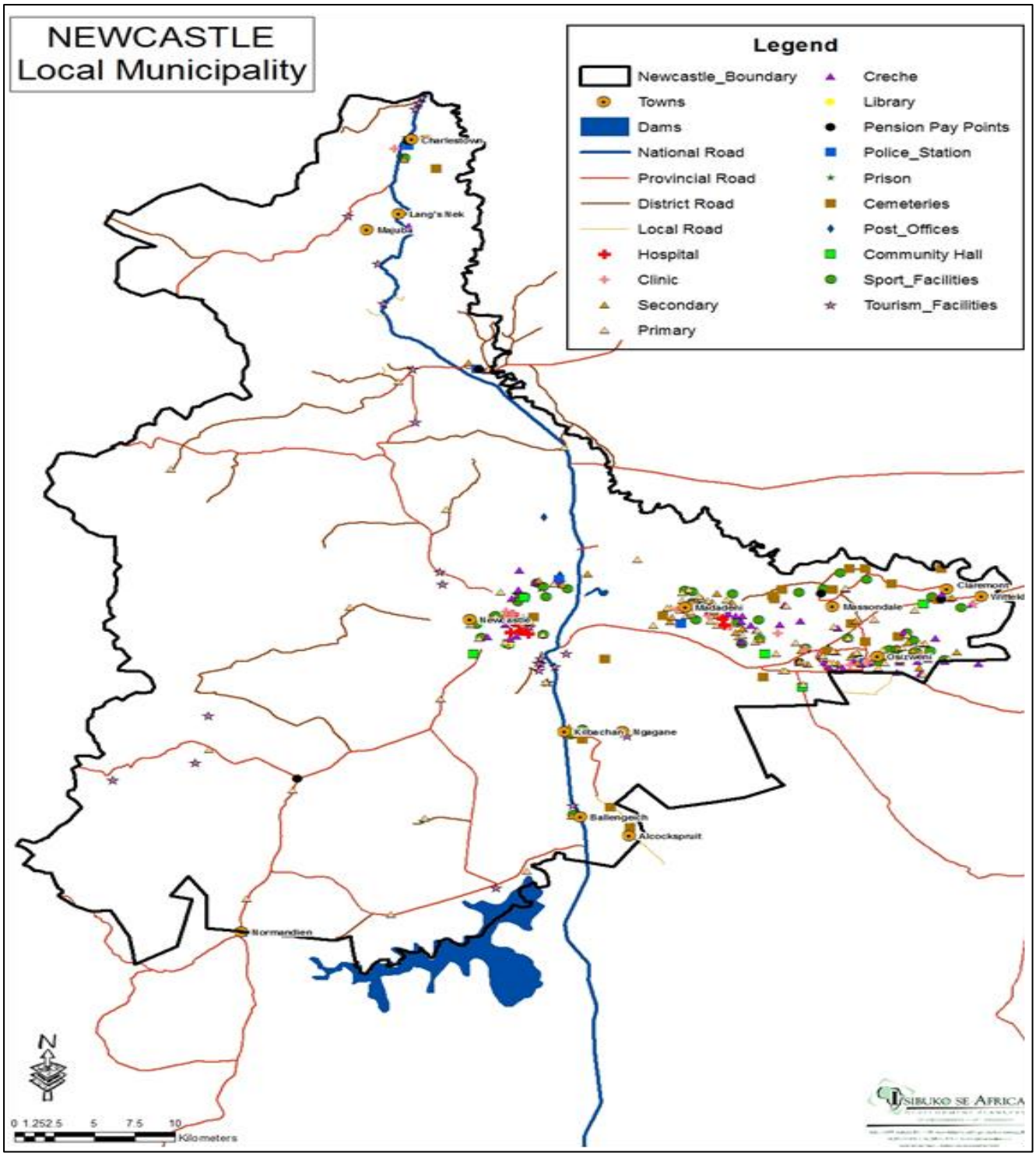
The application of planning standards in respect of secondary schools indicates that between 36 and 60 secondary schools are needed. The number of schools in the area seems to be adequate, but the quality of each facility and the teacher pupil ratios are important aspects which must be borne in mind for future planning and development in the area.

Tertiary education facilities include the old Madadeni College of Education (which is now used as a College for Further Education and Training), the Majuba FET (Newtech Campus), Majuba College FET, and Majuba FETC (MTC Campus).

There are approximately 48 early childhood educational facilities within NLM, which is spread throughout the municipal area. The crèches in the area operate from either a dedicated facility, community facility or a home.

### 3.11.25. Health Institutions.

There are approximately twelve mobile clinics that serve the municipality and 10 permanent clinics. The backlog is mainly in the Newcastle East where the majority of the population lives. At least two hospitals are found within Newcastle Municipality. One if located in town while the other is in Madadeni Township. While Madadeni Hospital serves the district function, Newcastle Hospital is classified as a Provincial Hospital and provides service to the whole of Amajuba District and the surrounding areas.




*Map 25: NLM Public Facilities.*

Emergency Rescue Services (EMRS) is located in Madadeni. The Newcastle Private Hospital is the only private hospital within the municipal area.

*Table 35: Planning Standards for Health Facilities.*

| Facility | Catchment population | Distance & Walking time | Location factors |
|---|---|---|---|
| Mobile clinic | <5 000 | 1km / 20min | Located on public transport routes and |
| Clinic | Small:5 000-10 000<br>Large: 30 000-50 000 | 1km / 20min | |

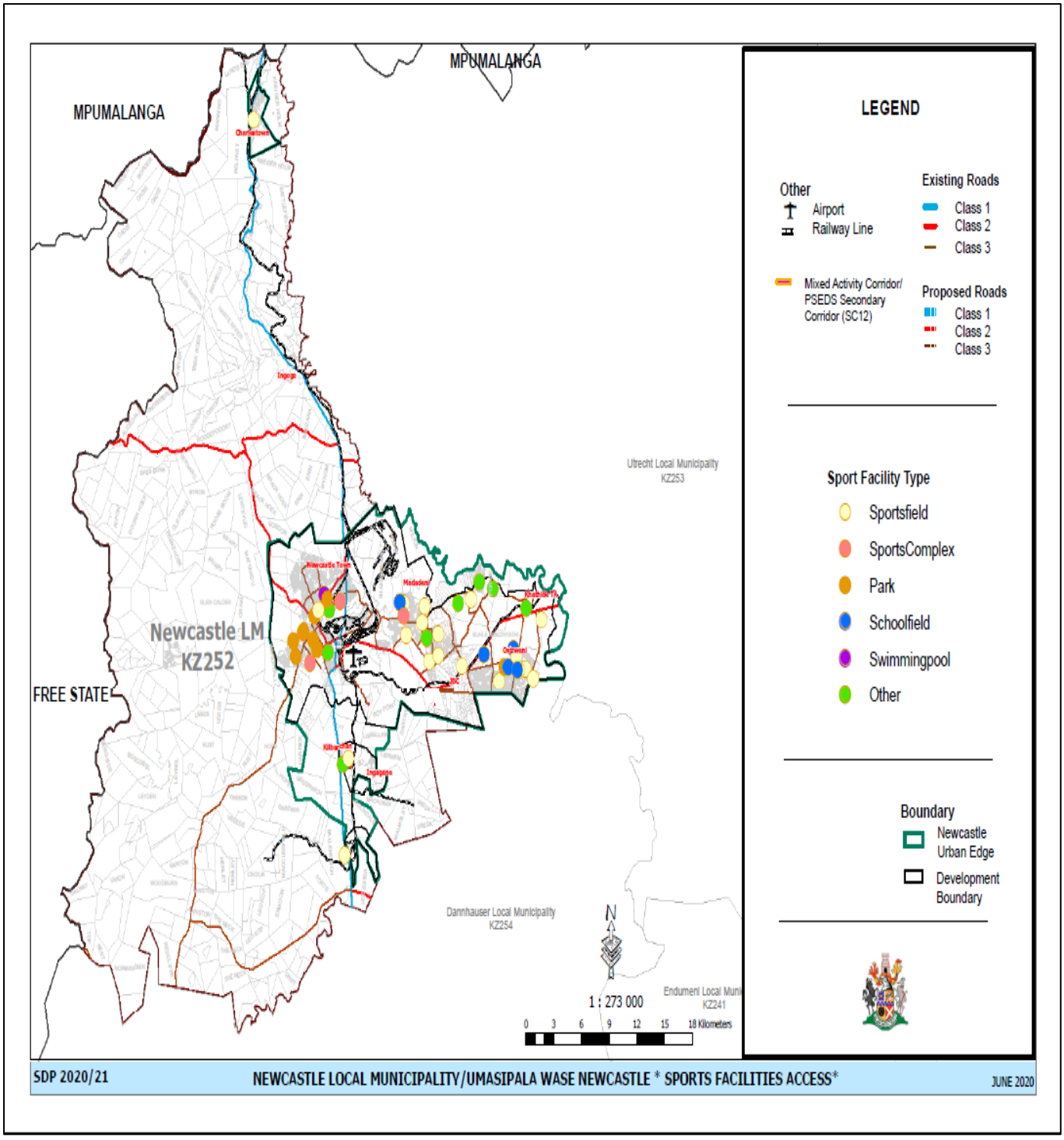
| | | | |
|---|---|---|---|
| Community health centre | 70 000-100 000 | | near taxi and bus ranks and shops. |
| Hospital | 10 000-80 000 | 2km(40min) / 5km | |

*Source: Provincial Planning & Development Commission.*

## 3.11.26. Sports Facilities.

Newcastle municipality has a total of 4 sports complexes, namely Paradise Playgrounds, Phelandaba Playgrounds, Fairleigh and Amajuba Sports Complex. In addition, there is the K.R. Rumelin Stadium, 18 sports fields and the Newcastle Swimming Pool. Newcastle East, particularly JBC and the surrounding settlements are poorly provided with sports facilities. Urban renewal programme in the JBC, and infrastructure upgrading in the MBO areas should prioritise the provision of adequate sports facilities. Parks and play lots should also be prioritised in these areas. The age structure of the population and the dominance of the youth support this assertion.

The municipality is in the process to revamp the Phelandaba sport field thereby providing a range of sporting codes including the soccer field, race track for athletics, volley ball and netball. This project has begun with the development of a swimming pool which will cater for the residents of Madadeni and surrounding areas. The same project will be done in Osizweni in the future years. It is anticipated that these kinds of projects will assist in attracting the youth into the sport while building the healthy communities.




*Map 26: NLM Sports Facilities Map.*

## 3.11.27. Police Stations.

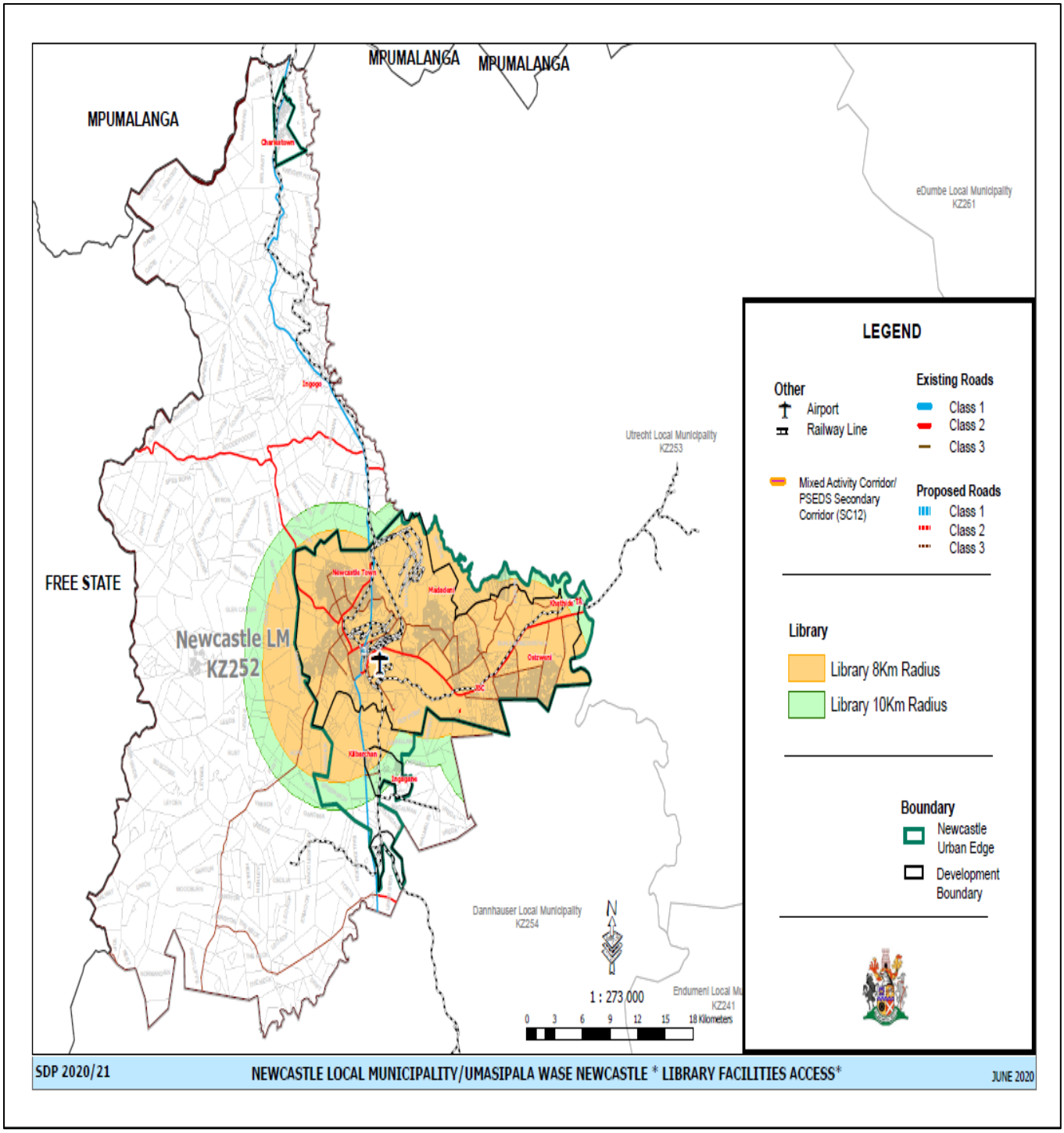
There are seven permanent police stations in NLM and one satellite station. Services offered range from child protection, serving the community and domestic violence. Newcastle has four libraries, located in its area of jurisdiction, namely the Newcastle Public library, Osizweni, Madadeni and Fairleigh. Newcastle Municipality participates in crime policing forums through the Office of the Speaker. The NLM is in the process of installing the CCV cameras to the CBD, industrial areas, and suburbs and in the townships of Madadeni and Osizweni in order to fight against crime. Special attention

is given to hot spot crime zones identified by the SAPS through the installation of high mast lights. These include Eskom licensed areas in the townships and rural areas. The objective is to have a free crime municipality whereby all residents enjoy their lives without fear or intimidation.

### 3.11.28. Libraries.

A main library is located in town while satellite libraries are found in outlying areas such as Madadeni and Osizweni. Provision of libraries in the Newcastle East should be prioritised given the structure of the population and lack of such facilities in the area. Newcastle Municipality has a challenge of maintaining the CBD as a main administrative centre thereby catering sufficient facilities. A need has been identified to expand the main library or developed a cultural precinct which includes a theatre, museum and library next to the civic centre. Satellite libraries are also considered as a priority for the municipality especially in the rural areas like Charlestown and JBC area. The plans and consultation with the Department of Arts and Culture are underway in order to secure funding for these projects.

Amajuba FET is currently exhibiting positive signs of growth hence posing a challenge to the municipality in terms of the provision of a fully established library centre around the Madadeni area and a satellite library in the Newcastle West area which will specifically cater for engineering and science needs. The proposed 2 libraries will assist thus to decrease the transportation costs for the students of the Amajuba FET.




*Map 27: NLM Library Facilities.*

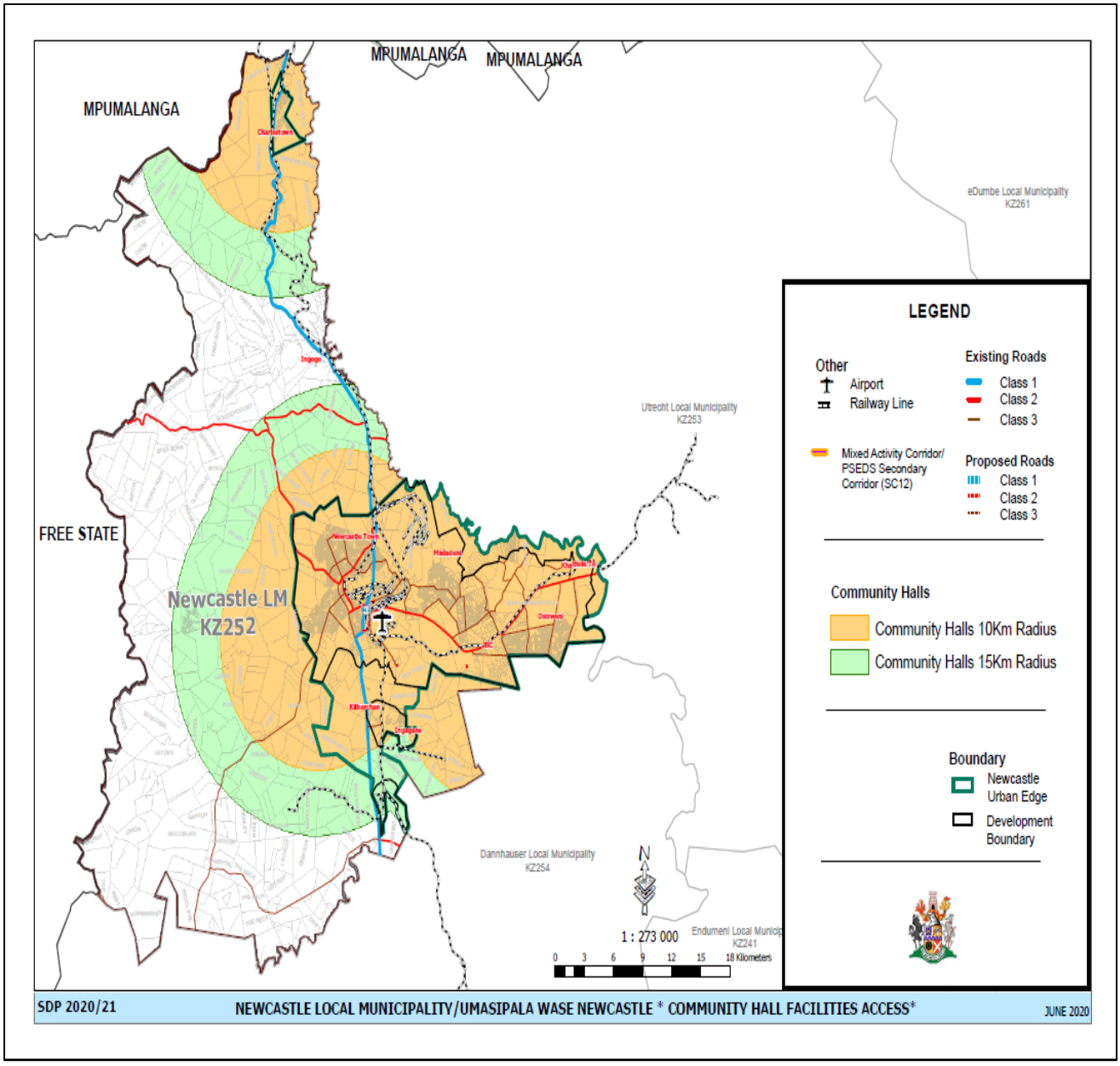
## 3.11.29. Community Halls.

The municipal area has a total number of nine community halls. Two of these are administered by the district municipality, while the other seven are administered by NLM, namely;

- Madadeni Community Hall;
- Osizweni Community Hall;
- Charlestown Community Hall;
- Richview Community Hall;

- Fairleigh Community Hall;
- Newcastle Farmers Hall; and
- Newcastle Town Hall.

There is a need for additional about 16 halls based on the size and geographic spread of the population. At the moment the majority of the ward Councillors are using the tents to convene their public meetings. This is not financially viable as the price for the hiring of tents is becoming exorbitant. Development of multi-use community facilities which may serve as pension-pay-points, indoor sports facility and place of assembly should be investigated. In view of the above, Newcastle Municipality is investing R14 million towards the construction of Blaauwbosch Multi-purpose Centre/Service Delivery Centre (SDC).




*Map 28: NLM Community Facilities.*

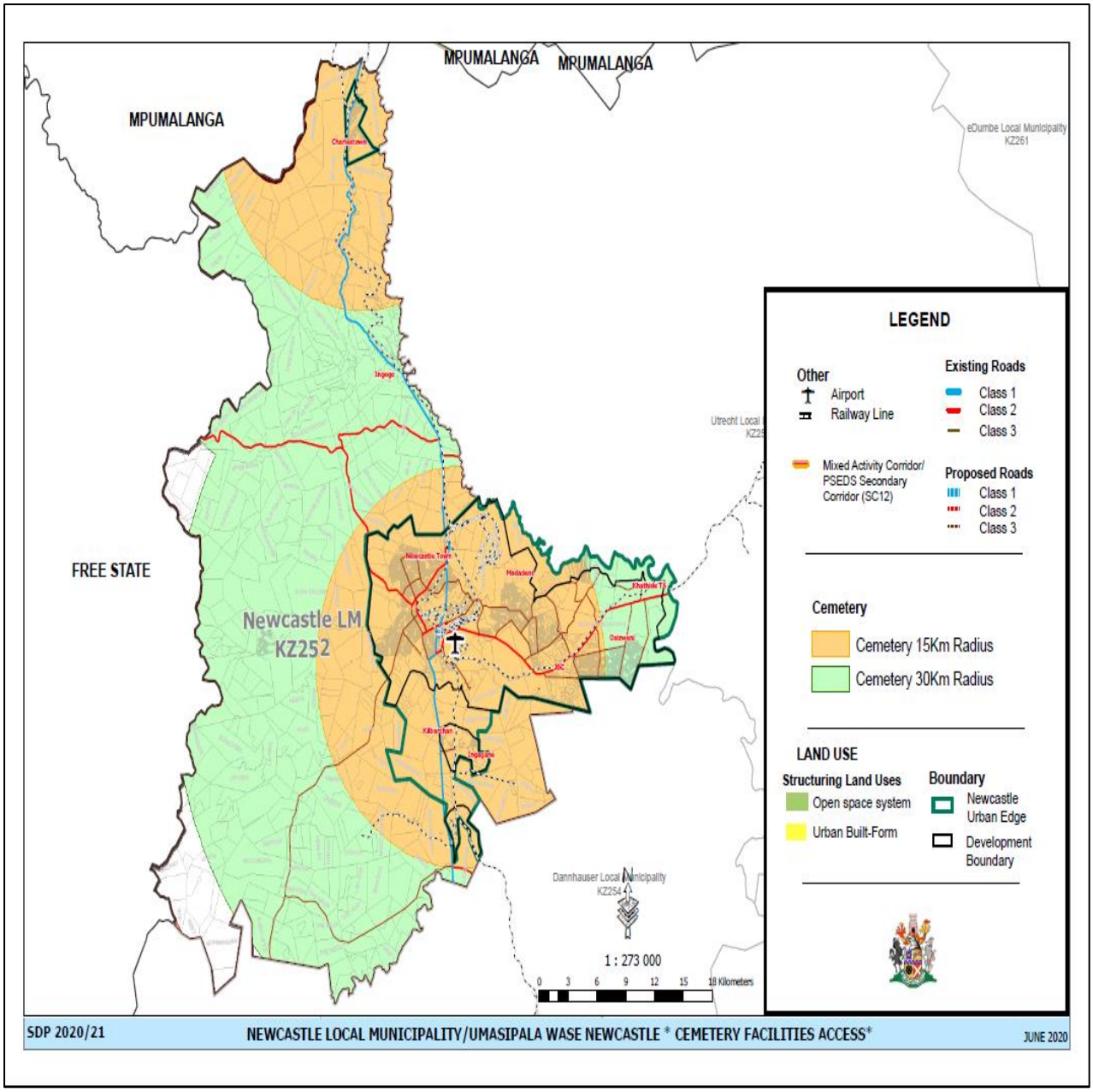
## 3.11.30. Cemeteries.

Access to burial facilities is one of the key challenges facing the Newcastle Municipality. There are 27 cemeteries (8 formal or registered and 19 informal burial sites). Registered cemeteries include 3 cemeteries in Charlestown, Roy Point cemetery, Cavan, (Drycut), Newcastle cemetery, Osizweni and Madadeni cemeteries. One of the unregistered cemeteries is Ngagane cemetery to the south of the Newcastle town. However, only two formal cemeteries are in operation, namely RoyPoint and Drycut cemeteries.

Although Drycut Cemetery was properly planned and laid out, it appears that the plan has not been followed. As a result, some graves are located in environmentally sensitive areas, and the facility remains poorly developed. This facility is currently the main cemetery that services the eastern parts of the NLM.

Similarly, the Roy Point Cemetery which serves as a regional facility for the whole of Newcastle and beyond is also fast approaching capacity clearly indicating a need for the identification and development of anew cemetery for the area. Cemeteries in Madadeni and Osizweni have been closed due to unfavourable geological conditions (high water table), as a result the municipality has undertaken the extension of the Roy Point cemetery through the relevant processes.

In response to the above cemetery challenges, the Newcastle Municipality commissioned an investigation of identifying new suitable sites for cemeteries. The project was initially set to be completed by September 2012 and the planning exercise was to begin with the implementation of the Environmental Impact Assessment (EIA), and other processes.




*Map 29: NLM Cemeteries.*

## 3.12. Human Settlements Development.

Newcastle is regarded as one of the growing towns within the KwaZulu Natal Province in terms of economic growth indicating the annual growth rate of between 2.8 to 5.5 % from 2011- 2014. This is supported by the current development trends that are taking place within the Newcastle Municipality and coupled with this is the opportunity of being regarded as the regional centre of the Northern KZN. This is also advocated in the current municipal vision in terms of the IDP, which states that *"By 2035, Newcastle will be a Resilient and Economically Vibrant City, Promoting Service Excellence to its Citizens".* In this regard, it is important to start planning for the envisaged city which will attract significant urbanisation and economic growth. Thus, require us to keep abreast with the development trends which will take place once the economy of Newcastle continues to boom.

To implement the housing function, it is important that the municipality has both human capacity to do so. In this regard, Newcastle Municipality has got a fully fletched housing Unit with 28 full time employees and 4 internship and its located within the Department of Development Planning and Human Settlements. The directorate's (unit) work has been divided between a number of different business units to optimise the efficiency and delivery of human settlements within the municipality. The Housing Unit performs all the Human Settlements functions including project Identification, Project/Programme Management, Beneficiary Administration, Quality Assurance, Enhanced Extended Discount Benefit Scheme, Housing Subsidy Systems, and National Housing Needs Register as well as all the other Human Settlements related projects. The housing unit is also a home to the Governments Rental Housing Tribunal and it also ensures that all the complaints by tenants is brought to the attention of the KZN Housing Tribunal as requested by the rental Housing Act (Act 50 of 1999).
In September 2012, Newcastle Municipality was awarded a Level 2 housing accreditation status. This meant that Newcastle Municipality received a delegation of housing authority by province. As a Level 2 accredited Municipality Newcastle is now responsible for the full Programme Management and Administration of the Human Settlement function within its area of jurisdiction.

The municipality also has the approved Human Settlements Plan (i.e. Housing Sector Plan) which is currently under review to be aligned with the 4th Generation IDP (see attachment as part of Sector Plans of the IDP).

### 3.12.1. Housing Need and Demand.

The Human Settlements Plan estimates the currently demand for low cost housing at 74 991 units. The income bracket in the municipality is shown in figure 21. Effectively, 57% of households are indigent, with 29% earning less that R800 per month, and 28% of households earning no income. The income profile has significant implications for housing eligibility, with the number of households in each income bracket.

**Figure 21 Housing Market Segmentation (Source: adapted from HSP, 2015)**

| INCOME BRACKET | 2001 | 2011 |
|---|---|---|
| No income | 19987 | 15196 |
| R 1 - R 4800 | 6949 | 4258 |
| R 4801 - R 9600 | 13910 | 7318 |
| R 9601 - R 19 600 | 9880 | 16017 |
| R 19 601 - R 38 200 | 8398 | 15638 |
| R 38 201 - R 76 400 | 6278 | 9363 |
| R 76 401 - R 153 800 | 4196 | 7189 |
| R 153 801 - R 307 600 | 1728 | 5441 |
| R 307 601 - R 614 400 | 379 | 2770 |
| R 614 001 - R 1 228 800 | 83 | 686 |
| R 1 228 801 - R 2 457 600 | 90 | 207 |

MARKET SEGMENTS

Market (potential need) for low cost housing subsidy amounts to 58 515 people.

Market for FLISP and/or Social Housing.

Open market addressed mainly through self-help and private sector developments.

| INCOME BRACKET | 2001 | 2011 |
|---|---|---|
| R 2 457 601 or more | 49 | 187 |
| Unspecified | 0 | 2 |
| Total | 71926 | 84272 |

A more informative and complete picture of housing need emerges from the income profile of the population. This provides a perspective into the extent of housing demand and need in the municipality within each of the programmes available for housing delivery. The following tables indicate the income bands for individual and households that can qualify for housing subsidies. The income bands do not correspond exactly with those stipulated in the official policies, but provides a good indication of the number of households that qualify for housing subsidies.

Table 36: Housing Eligibility

| INCOME BRACKET | NUMBER OF HOUSEHOLDS |
|---|---|
| Households with no access to disposable income | 15 196 |
| Households with who earn less than R3500/month | 43 231 |
| Households with total income between R4 800 and R9 600 | 16552 |
| Income unspecified | 2 |
| TOTAL | 74 981 |

Furthermore, 95% of the total population resides in the urban part of the municipality. Nearly, 60% (195 216) of Newcastle Municipality's population resides within the eastern settlements along P483. These include the townships of Madadeni and Osizweni, the peri-urban settlements of Johnston, Blaauwbosch and Cavan, and the rural settlements of Khathide and AmaHlubi. Rural areas, dominated mainly by the extensive agricultural farms, account for only 5% of the population. It, therefore, follows that the housing need in the Newcastle Municipal area is concentrated in the urban areas, and occurs as follows:-

- Informal settlements located in close proximity to Newcastle Town: This entails settlements such as Siyahlalala which indicate a need to create housing opportunities close to areas with higher concentration of employment opportunities.
- Peri-urban settlements located in the JBC area: The area is poorly provided with basic services and public facilities, yet is one of the areas that have experienced high levels of population growth over the last few years.
- Settlements located within the Ubuhlebomzinyathi area: this area is rapidly degenerating into urban slums. The majority of these are located to the north of the Osizweni Township and the JBC area.
- Organized land invasion in areas such as Tuam Farm: Again this serves to highlight a need to create settlement opportunities closer to employment opportunities.
- Other areas that require attention in terms of the development of sustainable human settlements include the following:-

- Charlestown area which includes both tenants and informal areas.
- Small mining towns, the majority of which are located along the southern boundary of the municipality.
- Isolated settlements located on agricultural land such as Ingogo.
- Settlements being established in terms of various elements of the land reform programme.

According to the Housing Sector Plan the estimated housing backlog, based on the income profile of the population residing within the NLM jurisdictional area, is sitting at approximately 74 981 households (88.97%). These are basically the households that are eligible for a housing subsidy based on the 2011 Census Data. The housing sector plan further estimates housing backlog at between 19 000 and 30 000 units and a Housing Waiting list of 35 000 people. However, the waiting list has not been updated thus to cater for the changing circumstances of those who are in the waiting list. There's also a large number of forms which have not yet been captured into the database.

The current projects indicated in the HSP, suggests that the majority of housing need is in the Madadeni/Osizweni (MBO) and JBC complex, which is currently expanding outwards. The housing need is evident in the quality of the existing structure, poor access to basic services and unsecured land tenure. It also relates to the consequences and impact of urbanization and the inflow of people into the urban areas of Newcastle. In order to address the housing need the MBO complex and Newcastle town need to be integrated and the quadrant between P483 and the N11 must be unlocked for housing development.

In conclusion, the housing backlog for Newcastle Municipality is estimated at 74981 and households who constitute the housing demand qualify for housing subsidies based on their income profile. However, a more detailed understanding of these household units will be required in order to determine with certainty whether all these households qualify for housing subsidies, and if so, which subsidies can be appropriated. It is important to note that income is not the only determining factor when assessing the qualification for housing-related subsidies. Other typical factors include the citizenship of the household members; their relation to the housing waiting list; and whether or not the household has benefited from government assistance previously. The qualification criteria will vary across subsidy programmes, and it is essential to take this into account in human settlement projects. Housing delivery mechanisms will be discussed in the following section, whereby the possible subsidies which can be utilised in the provision of housing or incremental upgrading interventions will be explored.

Moving forward, it is of utmost importance that further studies are undertaken in order to gain statistically accurate information relating to the current housing need as determined by existing households/units as well as the projected housing need and

future development potential in informal settlements/areas based on the current development trends and pressures as well as the capacity of the land.

### 3.12.2. Human Settlements Priorities.

The following were highlighted as key human settlements priorities in the human settlement development for the municipality:-

- **National and Catalytic and Spatial Transformative Projects** – In July 2014: Minister Sisulu announces a national shift from small-scale, infill to **mega housing projects.** The aim of this shift is to fast track delivery in human settlements and to accelerate spatial transformation. Implementing of large scale human settlements development programme that ensures access to housing and related household level infrastructure, services and socio-economic opportunities within projects that achieve spatial and economic transformation and developmental objectives. A total of 101 catalytic projects have been identified throughout the country, of which 8 are in KZN and Newcastle JBC Mega Housing project is one of them.
- **Release and Development of State and Publicly-Owned Land for Human Settlements Development and Spatial Transformation**. The implementation of a once-off priority land release programme to be prioritised. The priority land must be identified for release through HDA.
- **Improving Access to Affordable Housing Finance through establishment of Human Settlements Development Bank.** To mobilise private sector financial institution and employers. Aimed at increasing access to gap housing at large scale and defeat asset poverty among low income workers.
- **Upgrading of Informal Settlements:** As part of South Africa's contribution to New Urban Agenda, eradication of slum clearance remains a key priority in government. Informal settlement upgrading is the incremental, in-situ and community led process of securing basic services and improving settlement layouts. It creates an alternative to evictions, contributes to securing tenure and prepares a community for housing development. In Newcastle Municipality, slum clearance programme is also a priority and most of our housing projects under construction stage are part of Informal Settlement Upgrading (ISU) programme.
- **Targeted Applications of the Housing Subsidies:** Aimed at meeting the needs of the most vulnerable households (orphans, the aged and disabled); To enable self-reliance through incremental self-build housing initiatives; and To increase the supply of affordable urban rental accommodation and support low income earners to access housing finance.
- **Employer Assisted Housing Schemes:** Implementation of measures to unleash the large scale impact, relevance and sustainability of employer-assisted housing schemes – including the government employees housing scheme.
- **Military Veterans Housing:** It aims to assist all the Military Veterans with the provision of adequate houses. All applicants need to be approved by the National Department of Military Veterans before they are considered to be beneficiaries.

The Newcastle Municipality has identified approximately 25 Military Veterans to National Department of Military Veterans for verification.

- **Title Deed Restoration Programme**: The title deed restoration programme is national programe aimed at promoting land and building tenure. The programe focus at the pre-1994 in the main and partly post-1994. Pre-1994 are houses that were built during apartheid period and current government seek to redress the past by providing beneficiaries with title deeds. The national human settlements has set the deadline for the post-1994 title deed programe which end of April 2019. The Provincial Department of Human Settlement and Municipality has embarked on robust programme of Title Restoration Programme to assist residents with secure tenure. The municipality has also strengthened its efforts towards fast tracking this programme and to-date we have 279 Title Deeds are with the municipality and ready for hand-over for areas of Madadeni and Osizweni.
- **Affordable rental housing opportunities:** This is one of the housing instruments that the current government is providing to its citizens. This housing typology seek to assist to fill the gap between beneficiaries who earns above R3 501 but not above R7 500. Banking institutions are also part of the programme where qualifying beneficiaries are being assisted with the part of funding.
- **Social Housing and Community Residential Units (CRUs):** are also part of affordable rental housing opportunities. Provincial Human Settlements has approved and gazetted three erven (restructuring zones), namely Arbor Park N11; Newcastle Central (Hospital Street) and Erf 14144 Fernwood.

### 3.12.3. Housing Delivery.

Over the past 10 years Newcastle Municipality and the Department of Human Settlements have actively delivered a total of 10633 units. Future housing projects should go beyond the delivery of housing units and focus on the creation of sustainable communities and settlements. This includes improving access to basic services, social/public facilities and creating opportunities for economic development. Housing projects in the Newcastle Municipality are at different stages of development with the majority being at the planning stage. In total, the projects will deliver approximately 11 341 housing units in the next coming 5 years.

The following table provides a breakdown of housing projects to be implemented by the municipality in the next 5 years. The projects are at various stages in terms of, construction and planning.

***Table 36: Housing projects under Construction Phase***

| NO. | PROJECT NAME | TYPE OF PROJECT | WARD | NUMBER OF UNITS | IMPLEMENTING AGENT | AMOUNT COMMITTED |
|---|---|---|---|---|---|---|
| 1. | Osizweni Section E Phase 3 Housing Project | ISU | Ward 9/ 32 | 507 | Mpheme Developments | R 52 145 088 |

| NO. | PROJECT NAME | TYPE OF PROJECT | WARD | NUMBER OF UNITS | IMPLEMENTING AGENT | AMOUNT COMMITTED |
|---|---|---|---|---|---|---|
| 2. | Kathide Housing Project | Rural | Ward 6 and Ward 12 | 2000 | Siyamthanda Consultants | R 157 092 300.00 |
| 3. | Siyahlala-la Housing Project | ISU | Ward 25 | 1205 | Umpheme Development | R 138 075 310 |
| 4. | Madadeni H 39 Housing Project | ISU | Ward 19 | 923 | Mageba Projects | R56 600 575 |
| 5. | Charlestown Housing Project | IRDP | Ward 1 | 1200 | Dovecall Properties | R 56 600 575 |
| 6. | Emawozeni Housing Project (Greenfieid) | IRDP | Ward 30 | 100 | Moteko Construction Cost Consultants and Project Management | R 11 476 638 |
| 7. | Madadeni Storm Damage Houses (Repair of RoofS0 | Rectification Project (RP) | Ward 23 | 500 | Umpheme Developments | |
| 8. | Madadeni Sinking Houses | Rectification Project (RP) | Ward 20 | 33 | Procument Stage | |
| 9. | Osizweni Replacement of Asbestos Roofs | Rectification Project (RP) | Ward 13, | | Procument Stage | |
| **TOTAL UNITS** | | | | **5935** | | |

Future housing projects should go beyond the delivery of housing units and focus on the creation of sustainable communities and settlements. This includes improving access to basic services, social/public facilities and creating opportunities for economic development. The municipality has submitted an application to the Social Housing Regulatory Agency for construction of 555 Social Housing Units, Central along N11. It is hoped that these housing developments will play a significant role in assisting the municipality to alleviate housing shortages.

***Table 35: Projects under Planning Phase***

| NO. | PROJECT NAME | TYPE OF PROJECT | WARD | NUMBER OF UNITS | IMPLEMENTING AGENT | AMOUNT COMMITTED |
|---|---|---|---|---|---|---|
| 1 | JBC Phase 1 Housing Project | ISU | 15/16/18 | 2011 | Moteko Construction Cost Consultants and Project Management | R 156 592 548.00 |
| 2 | JBC Phase 2 and 3 Housing Project | ISU | 15/16/18/ 12 | 7500 | Moteko Construction Cost Consultants and Project Management | Not committed yet |

| NO. | PROJECT NAME | TYPE OF PROJECT | WARD | NUMBER OF UNITS | IMPLEMENTING AGENT | AMOUNT COMMITTED |
|---|---|---|---|---|---|---|
| 3 | Soul City / Stafford Hill Housing Project | ISU | 31 | 3500 | Phumafu Consulting Engineer | Not committed yet |
| 4 | Vezokuhle / Roypoint Housing Project | IRDP | 21 | 900 | Phumafu Consulting Engineer | Not committed yet |
| 5 | Drycut Housing Project | ISU | 16 | 1000 | MasekoHlongwa and Assocites | Not committed yet |
| 6 | Kwamathukuza Phase 2 | IRDP | 20 | 200 | Phumafu Consulting Engineer | Not committed yet |
| 7. | Khathide Phase Externtion (220) | Rural | 6/12 | 220 | Siyamthanda Projects | Not Committed yet |
| **TOTAL** | | | | **15 331** | | |

*Table 36: Proposed Pipeline Projects*

| NO. | PROJECT NAME | WARD | TYPE OF PROJECT | NUMBER OF UNITS |
|---|---|---|---|---|
| 1 | Ingogo Housing Project | 1 | IRDP | 1000 |
| 2. | Normandien | 25 | Agri-village | 300 |
| 3. | Bosworth Farm | 21 | IRDP | 1500 |
| 4. | Wykom | 1 | IUP | 100 |
| 5. | Amajuba Forest | 1 | IUP | 800 |
| 6. | Kilbachan Settlement | 21 | IRDP | 200 |
| 7. | Soulcity Madadeni Section 3 | 20 | Slum Clearance | 100 |
| 8. | Khathide Rural Housing Project Phase 3 (Sigodiphola Settlements) | 7 | Rural | 1000 |
| 9. | Umshenguville | 9 /7 | IUP | 500 |
| 10. | Bosch Hoek GAP/ FLIPS, Service Sites, GNB & Military Veterans | 21 | FLIPS & Military Veterans | 2400 |
| 11. | Sunnyridge (Erf No. 9449) FLIPS | 2 | FLIPS | To be confermed |
| 12. | Pioneer Park (Erf No. 12155) FLIPS | 4 | FLIPS | To be confermed |
| 13. | Fernwood (Erf No. 14144) FLIPS | 3 | FLIPS | To be confermed |
| | **Total Units** | | | **6900** |

*Table 37: Proposed Rectification Housing projects.*

| NO. | PROJECT NAME | WARD | TYPE OF PROJECT | NUMBER OF UNITS | PROJECT STAGE |
|---|---|---|---|---|---|
| 1. | Surryaville and Fairleigh Municipal Flats Refurbishment | 3 / 25 | Rectification | 120 | Application for funding submitted to KZN Human Settlements |
| 2. | Madadeni Storm Damage Houses – Repair of Roofs | 20/ 22 / 23 / 24 /26/ 28 | Rectification | 1350 | Application for funding submitted to KZN Human Settlements, and the first 500 has been approved (1850-500=1350). |
| 3. | Madadeni Sinking Houses | 20 | Pre 1994 Housing Stock | 327 | Application for funding submitted to KZN Human Settlements, 33 housing unit is alloceted for the next financial year(350-33=327). |

| NO. | PROJECT NAME | WARD | TYPE OF PROJECT | NUMBER OF UNITS | PROJECT STAGE |
|---|---|---|---|---|---|
| 4. | Osizweni Replacement of Asbestos Houses | 11/ 13 / 17 / 30 | Pre 1994 Housing Stock | 1600 | Application for funding submitted to KZN Human Settlements |
| 5. | Madadeni and Osizweni Intercon Houses | Various Wards in Madadeni and Osizweni | Post 1994 Housing Stock | 4000 | Still under subjudicare |
| 6. | Madadeni Section K Rectification Project | 20 /26 | Post 1994 Housing Stock | 1141 | Application for funding has been submitted to KZN Human Settlements |
| 7. | Khathide Phase 1 | 9/7/33/30 | Post 1994 Housing Stock | 2000 | Application for funding has been submitted to KZN Human Settlements |
| | **Total Units** | | | **11061** | |

### 3.12.4. Rental Housing Stock.

The KZN Department of Human Settlements through the Social Housing Regulatory Authority has called in all municipalities in the province to submit proposals for the identification and delineation of Social Housing Restructuring Zones to facilitate the development of Social Housing units. Newcastle municipality has been identified as one of the municipalities to submit proposals for the identification of Social Housing Restructuring Zones for consideration for funding the development of Social Housing units in the Municipality's area of jurisdiction.

The Department of Human Settlements is at the same time embarking on the establishment of Community Residential Units which cater for families earning an income of R3500 and less. This leaves a gap in housing provision for income groups earning between R3501 and R7500. The Social Housing project seeks to close this gap and at the same time achieving the objectives mentioned in this report. The project seeks to achieve the following objectives:

- Spatial restructuring by bringing lower income people into areas of economic opportunity;
- Social restructuring by promoting mixing of races and class; and
- Economic restructuring by promoting spatial access to economic opportunities and job creation through the building of medium density housing.

***Table 38: Proposed Social and Rental Projects***

| NO. | PROJECT NAME | WARD | TYPE OF PROJECT | NUMBER OF UNITS | PROJECT STAGE | IMPLEMENTING AGENT | AMOUNT COMMITTED |
|---|---|---|---|---|---|---|---|
| 1 | Newcastle-Hospital Street | Ward 25 | Social Housing / CRU | 1056 | Planning Stage | Project Manager - Moteko<br><br>Contractor to be appointed | Still to be confirmed |
| 2. | Newcastle-Arbor Park | Ward 34 | Social housing | 555 | Planning Stage | Project Manager - Moteko<br><br>Contractor to be appointed | Still to be confirmed |
| | **Total Units** | | | **1611** | | | |

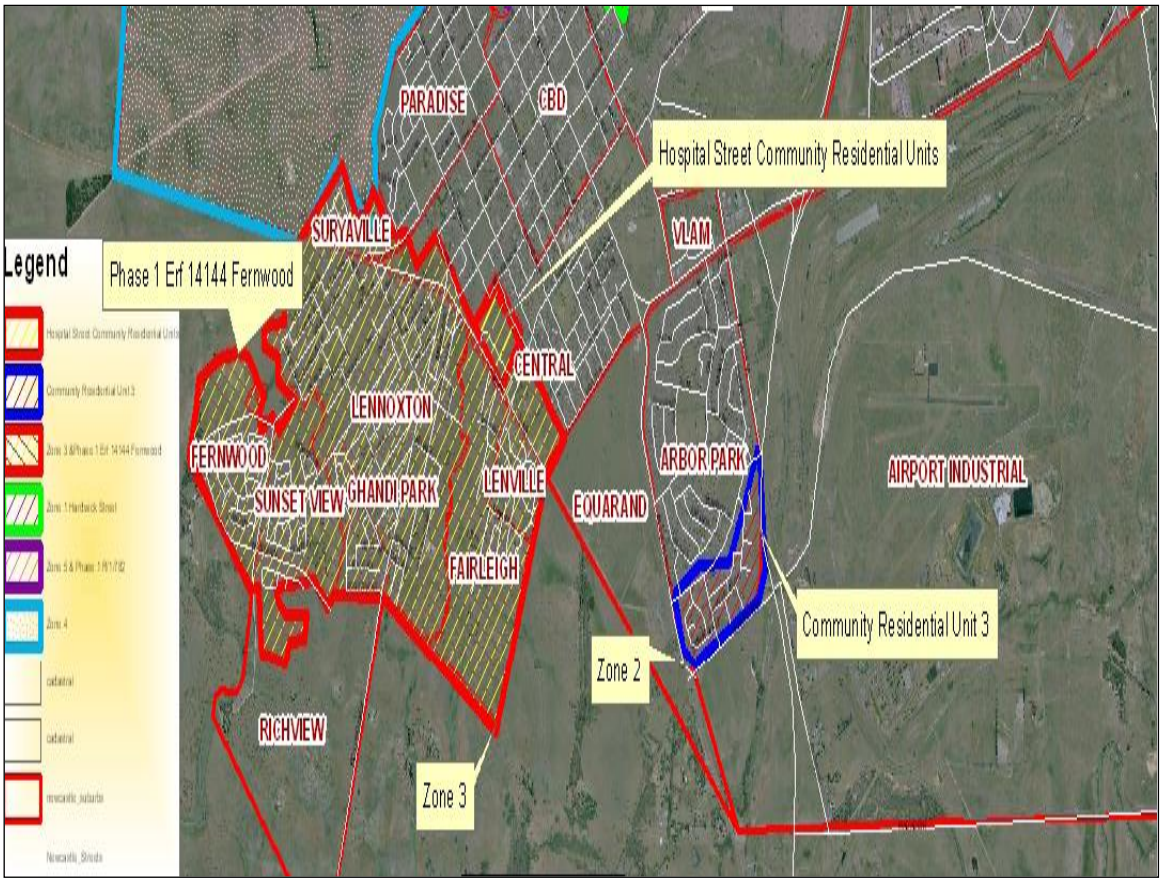
According to the Guidelines provided by the Department of Human settlements, for areas to be identified as Social Housing Restructuring Zones they should satisfy the following criteria:

- Social Housing Restructuring Zones should often coincide with development nodes (inner-city and decentralized) and corridors;
- They should not be about regeneration or renewal in townships but could be adjacent to nodes or within corridors linking townships to the city;
- Ideally restructuring should satisfy all 3 objectives above, but either economic access or mixing of race and class each, on its own can be sufficient motivation;
- A Restructuring Zone cannot however, be motivated solely on the grounds of creating change in spatial morphology of the city e.g. just for the sake of densification/compaction.

A total of six (6) Social Housing Restructuring Zones have been identified by the Department of Development Planning and Human Settlements of which two have been prioritised. The identification of the restructuring zones is in line with the set guidelines. The six zones are as follows:

- **Zone 1 –** Hardwick Street Social Housing Restructuring Zone.
- **Zone 2 –** Arbor Park Housing Restructuring Zone **(Prioritized) Approved.**
- **Zone 3 –** Fairleigh, Lennoxton, Lenville, Fernwood, Restructuring Zone **(Prioritized) Approved.**
- **Zone 4 –** Amiel Park, Hutten Heights, Pioneer Park, Aviary Hill, Schuinshoogte, Signal Hill, Sunny Ridge, Barry Hertzog Park, Amajuba Park and Ncandu Park.
- **Zone 5 -** P483 Corridor Mobility Spine, Activity Spines and Activity Nodes.
- **Zone 6 –** Future Development Zones (Erven 15048 and 15049, Newcastle).

*Map 30: Prioritized Restructuring Zones 2 and 3*




## 3.12.5. Informal Settlements.

The eradication of informal settlements is a priority for the national and provincial government. A strategy has been devised at a national level and is implemented with the support of the provincial Department of Human Settlement. Newcastle Municipality has been included among the 17 prioritised municipalities for the implementation of an Upgrading of Informal Settlements Progrmme (UISP).

The Newcastle Informal Settlement Strategy and Programme has been finalised and its intension is to give effect to the National Upgrading Support Programme which acts as a support vehicle to the National Department of Human Settlements in its implementation of the Upgrading of Informal Settlements Programme (UISP). The overall strategy and programme is informed by the Assessment and Categorisation of each of the informal settlements, which is the specific purpose of this report. An assessment and categorisation is conducted in order to determine the current status of the informal settlements with the aim of establishing whether or not an informal settlement is suitable for in situ upgrading, or whether a settlement will require a different type of intervention such as relocation. These different outcomes were categorised into four classes namely: Category A (full upgrade); Category B1 (Interim Basic services); Category B2 (Emergency Basic services) and Category C (Relocation).

The following areas have been classified as informal settlements within the municipality:-

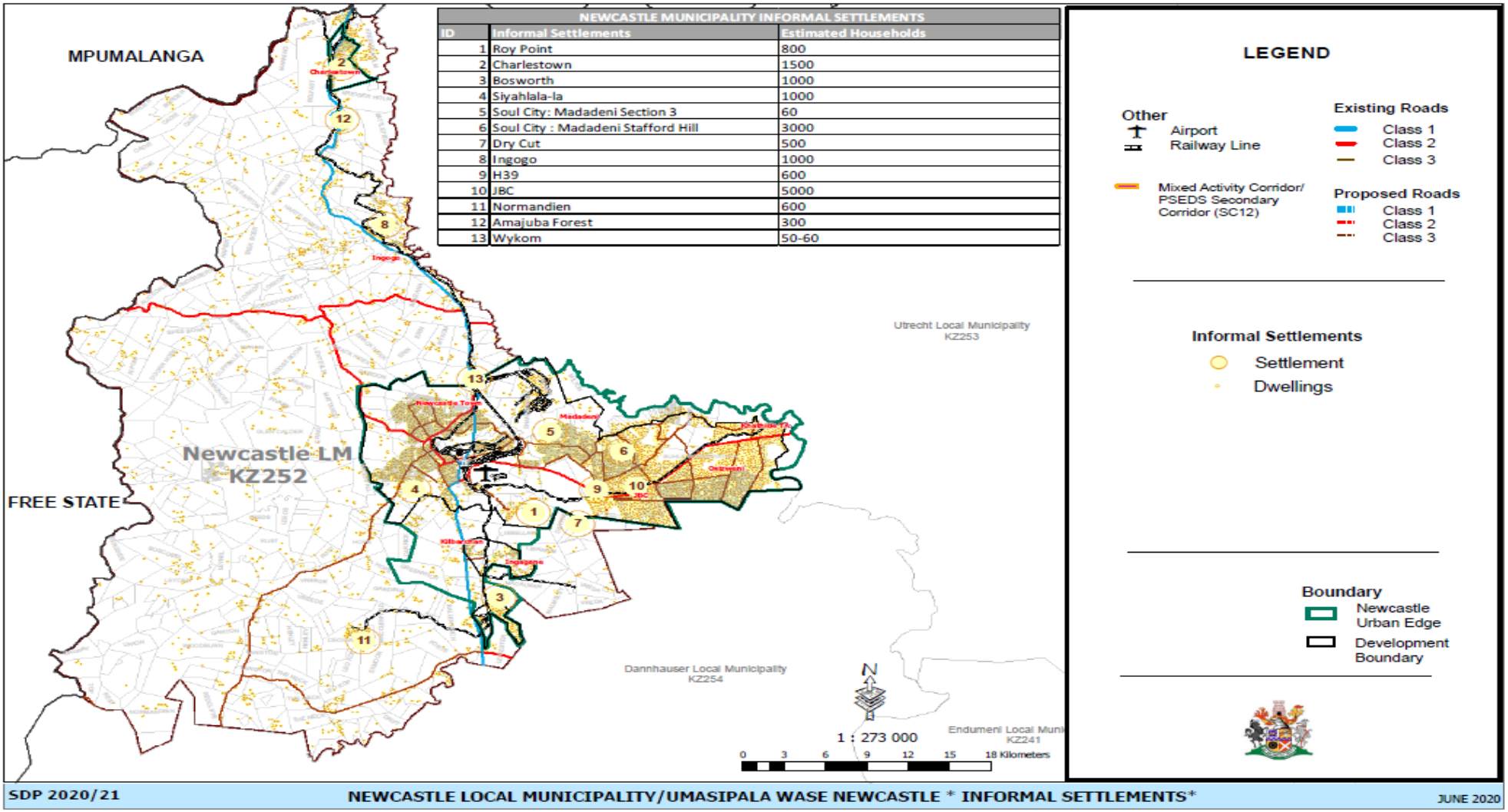
| | INFORMAL SETTLEMENT | WARDS | HOUSEHOLD NO | CATEGORY |
|---|---|---|---|---|
| 1 | Amajuba Forest | 1 | 83 | C |
| 2 | Wykom | 1 | 35 | C |
| 3 | Soul City | 31 | 1 080 | A |
| 4 | JBC | 16 | 6 360 | A |
| 5 | Ingogo | 1 | 85 | A |
| 6 | Drycut | 15 | 450 | A |
| 7 | Bosworth | 21 | 350 | B2 |
| 8 | Roy Point / Vezukuhle | 21 | 270 | B2 |
| 9 | Normandien (Agrivillage programme) | 21 and 1 | 30 | B2 |
| **TOTAL** | | | **8743** | |

The eradication of informal settlements is a priority for the national and provincial government. A strategy has been devised at a national level and is implemented with the support of the provincial Department of Human Settlement. Newcastle Municipality has been included among the 17 prioritised municipalities for the implementation of an Upgrading of Informal Settlements Programme (UISP). An informal settlement upgrading strategy for the Newcastle Municipality is being developed. It will be incorporated into the Housing Sector Plan upon its completion.

### 3.12.6. Affordable Housing.

Gap Housing is the affordable housing sector comprises of those households that earn between R3 500 and R15 000, which is too little to enable them to participate in the private property market, yet too much to qualify for state assistance. The term “Gap Housing” describes the shortfall, or ‘gap’ in the market between residential units supplied by the state and houses delivered by the private sector.

Newcastle Municipality has approved and allocated vacant pieces of land for the purpose of developing financial linked individual Subsidy Programme (Flisp) namely erf 14144; erf 9449 and 12155. This programme will also assist in accommodating residents in our current housing projects whose status has changed; and who no longer qualify for BNG Housing Scheme anymore. Once the terms of reference is finalized the two sites will be advertised for tender so that a private developer is awarded inorder to enter into an agreement with the Newcastle Municipality and start with the delivery of houses for the GAP Market for FLISP Scheme. The FLISP Programme is also expected to address the GAP Housing as well as middle income earners.




*Map 31: NLM Informal Settlements.*

### 3.12.7. Urban Renewal.

Madadeni and Osizweni are the two main townships located within Newcastle Municipality area of jurisdiction. The area, generally referred to as the MBO (Madadeni, Blaauwbosch and Osizweni areas) is the main focus of urban renewal initiatives by the municipality. To this extent, a regeneration framework has been developed as a means to provide guidance, coordination and alignment of sectoral activities to facilitate development of MBO complex. Key performance areas with their identified strategies identified for the MBO complex include:

- Quality Living Environment: this key performance area deals with strategies to improve the quality of the environment. It includes, amongst others, strategies for conservation, environmental health, rehabilitation and reclaim of degraded areas, air quality, water resource management, waste management.
- Access to Public Services and Amenities includes strategies for road maintenance, ensuring adequate and reliable bulk resources for all services over next 20 year period site and service strategies, etc.
- Functional Local Economy: this KPA identifies strategies for recycling programmes, encouragement of home enterprises, mixed activity Economic Opportunity Zones, multi modal transport interchanges at major nodes, secondary residential property market, land tenure upgrading as part of all housing projects, etc.
- Linkages and Integration: Strategies of importance are inter-neighbourhood linkages, extension of new road linkages towards improved integration, Investment Promotion Office dealing with specifically the former township areas (now economic opportunity zones).

### 3.12.8. Upgrading and formalisation of the JBC Area.

The JBC Framework identifies six development units or precincts, and recommends that these form the basis of a housing development program in the area. Layout plans and development applications have already been packaged for some of these precincts. It further suggests the following initiatives for the area:

- Effective environmental management.
- Provision of bulk engineering services, particularly waterborne sewerage.
- Upgrading of main transport networks and the associated public transport networks. This includes walkways and pavements.
- Promoting local economic development through the development of a new town centre in the area.
- Introducing an effective land use management system.

It further acknowledges the importance of P483 as the primary development corridor running through the area, and a number of mixed use strips (activity streets). It also suggests at least three development nodes with the major node being the proposed JBC Town Centre.

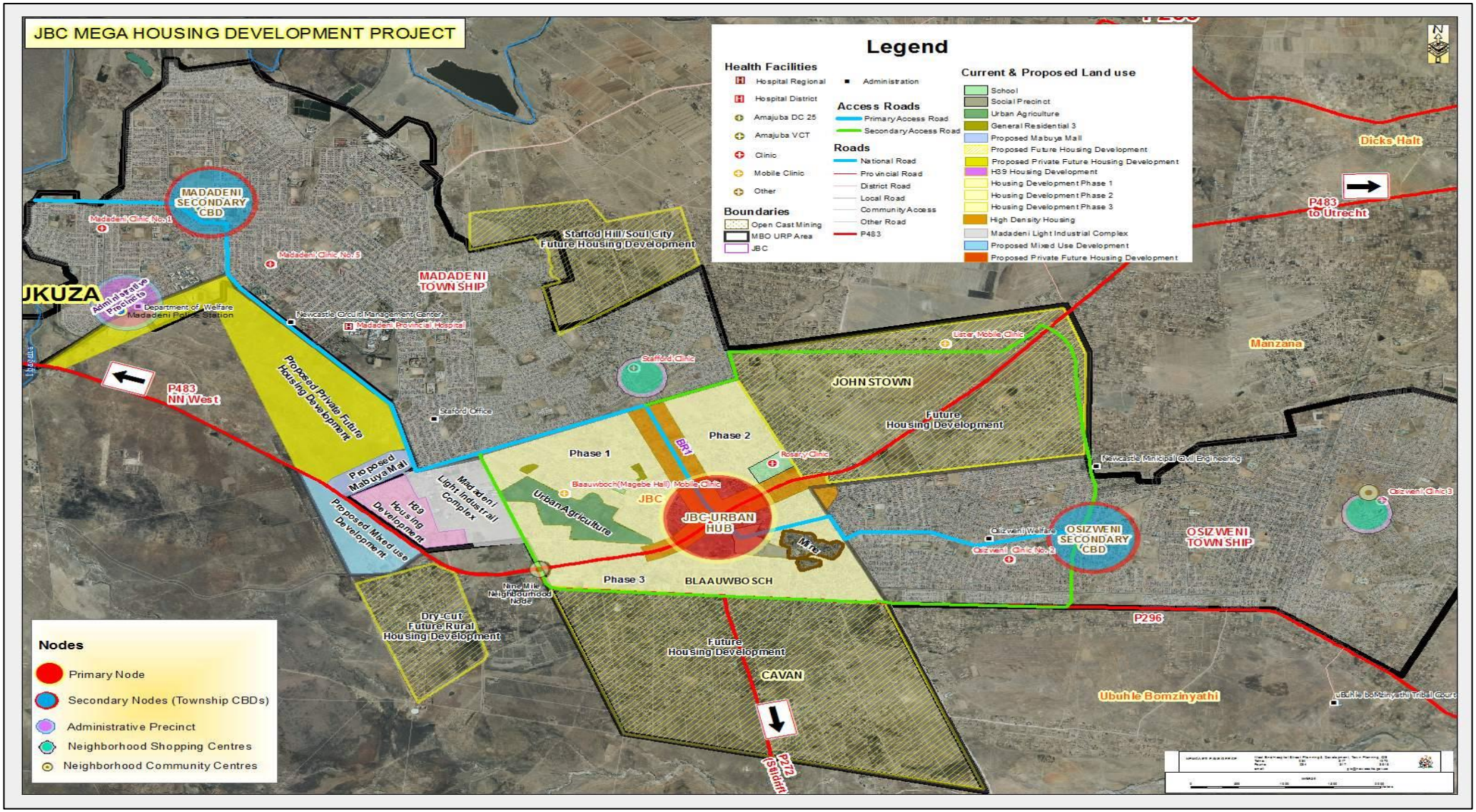
## 3.12.9. JBC Mega Catalytic Housing Project.

***JBC (Johnstown, Blaauwboch and Cavan)*** area is situated within the eastern part of Newcastle. The area is interposed by two formal Townships of Madadeni and Osizweni. It has a semi-rural /urban character and is largely informally settled with no proper infrastructure in place, unlike other parts of Newcastle. It has a very limited economic and social infrastructure. As part of ensuring livelihood and sustainability the Newcastle Municipality through the Municipal IDP and SDF has identified JBC as a key intervention area for investment and is regarded as a potential Primary CBD Node.

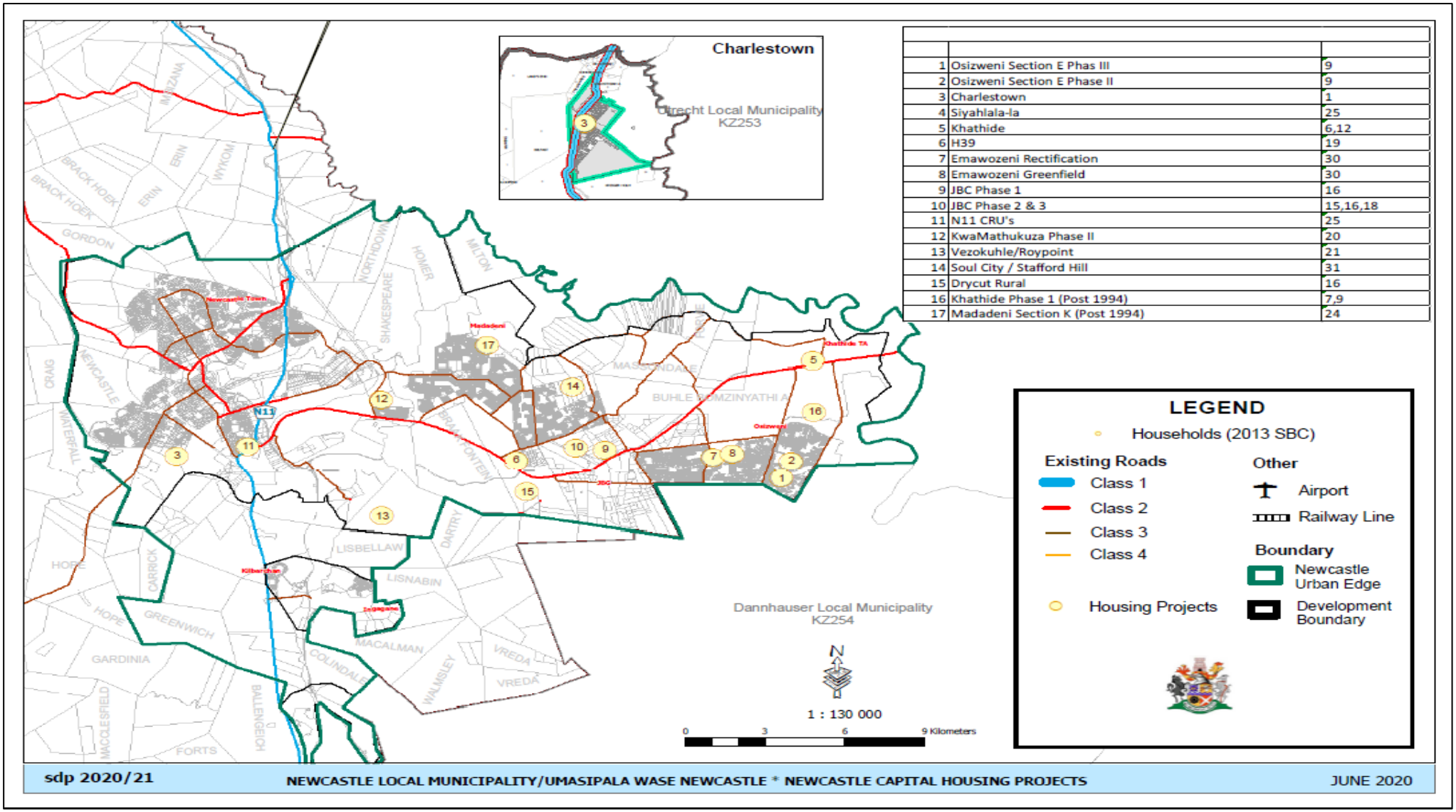
The vision for the future development of this area entails the establishment of a new CBD, with a range of housing typologies and eradication of informal settlements. Two major housing projects (JBC Phase 1 and JBC Phase 2&3) with a total yield of about 9511 mixed housing opportunities have been initiated by the municipality and province. Phase 1 consisting of 2011 units has been approved by KZNDHS and is currently at planning stage. Phase 2 and 3 is currently at prefeasibility stage.

Newcastle Municipality has received a major boost in terms of Housing/ Human Settlement delivery. Our municipality's Johnstone Blaaubosch and Cavan housing project commonly known as JBC has received a National approval as one of the 8 Catalytic/ Mega project in KwaZulu-Natal. The JBC with a total 14 011 housing opportunities was approved together with 5 projects from Ethekwini Municipality; one from Kwadukuza in Hyde Park (4600) Units and one from Umhlathuze Empangeni( Waterstone) for 10 000 Units.

Human settlement Catalytic projects can be range from mega scale inclusionary neighbourhoods to seemingly small but high impact interventions. The underlying principle of all of these is that they are all spatially targeted interventions whose main objective is to intervene to deliberately restructure settlement patterns and impact on the environment. The intention of Government with the concept of Mega projects is to unlock the investment opportunities for big projects that will yield between 10 000 and 20 000 different typologies of housing units.




*Map 32: JBC Mega Housing Development Project.*




| | | |
|---|---|---|
| 1 | Osizweni Section E Phas III | 9 |
| 2 | Osizweni Section E Phase II | 9 |
| 3 | Charlestown | 1 |
| 4 | Siyahlala-la | 25 |
| 5 | Khathide | 6,12 |
| 6 | H39 | 19 |
| 7 | Emawozeni Rectification | 30 |
| 8 | Emawozeni Greenfield | 30 |
| 9 | JBC Phase 1 | 16 |
| 10 | JBC Phase 2 & 3 | 15,16,18 |
| 11 | N11 CRU's | 25 |
| 12 | KwaMathukuza Phase II | 20 |
| 13 | Vezokuhle/Roypoint | 21 |
| 14 | Soul City / Stafford Hill | 31 |
| 15 | Drycut Rural | 16 |
| 16 | Khathide Phase 1 (Post 1994) | 7,9 |
| 17 | Madadeni Section K (Post 1994) | 24 |

*Map 33: NLM Capital Housing Projects.*

### 3.12.10. SWOT Analysis: Service Delivery and Infrastructure Assessment.

| STRENGHTS | WEAKNESSES |
|---|---|
| ▪ Well-developed infrastructure network.<br>▪ Availability of bulk infrastructure and services to support the economy and meet basic needs.<br>▪ Relatively well-resourced Technical Services Department.<br>▪ Aerodrome with potential to develop as a regional airport.<br>▪ Relatively good road network.<br>▪ Good access to social facilities and infrastructure (schools and health facilities).<br>▪ Level 2 Accreditation for the delivery of housing projects.<br>▪ Blue Drop water status (quality)<br>▪ Spare capacity for electricity | ▪ Lack of sector plans particularly Water Services Development Plan.<br>▪ Ageing infrastructure particularly in the CBD and Newcastle West generally.<br>▪ Bulk infrastructure working at capacity (water treatment works).<br>▪ Water loses due to old infrastructure.<br>▪ Limited capacity for future development.<br>▪ Huge housing backlog particularly in the JBC area and informal settlements.<br>▪ Gravel roads in Newcastle East.<br>▪ Slow pace of housing projects.<br>▪ Lack of bulk services in the JBC area.<br>▪ Poor storm water management, particularly in the vicinity of Victoria Mall.<br>▪ Poorly located landfill site. .<br>▪ Illegal dumping. |
| **OPPORTUNITIES** | **THREATS** |
| • Urban renewal programme.<br>• Municipal Infrastructure Grant and other conditional grants.<br>• Informal Settlement Upgrading Programme.<br>• Public private partnerships.<br>• Development of the New dam (Ncandu) | • Increasing rate of urbanisation in areas where there is inadequate bulk infrastructure.<br>• Reduction in infrastructure grants from national and provincial government.<br>• Old infrastructure in the Newcastle west |

## 3.13. Social Development.

### 3.13.1. Races existing within Newcastle.

In terms of race, the Black African group makes up the majority of the population in Newcastle at an astounding 91.86% of the total population. The White group makes up the second largest population followed by the Indian or Asian population at 3.93% and 3.22% respectively. The other 0.99% is comprised of either the coloureds and/or other racial groups.

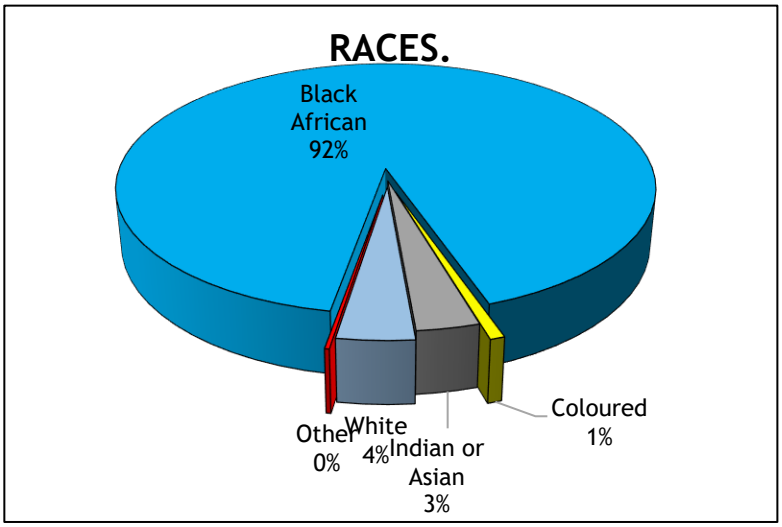



*Table 7: Races existing within Newcastle.*

| | 2001 | | 2011 | |
|---|---|---|---|---|
| | Number of people | % | Number of people | % |
| Black African | 302 609 | 90,88% | 333 657 | 91,86% |
| Coloured | 2 195 | 0,66% | 2 733 | 0,75% |
| Indian or Asian | 10 128 | 3,04% | 11 686 | 3,22% |
| White | 18 045 | 5,42% | 14 275 | 3,93% |
| Other | - | - | 886 | 0,24% |

| | 2001 | | 2011 | |
|---|---|---|---|---|
| | Number of people | % | Number of people | % |
| **Grand Total** | **332 977** | **100%** | **363 236** | **100%** |

*Source: Stats SA –2001 & 2011 Census Data.*

### 3.13.2. Spoken languages.

The highest concentration of people (84.87%) have IsiZulu as their spoken language followed by English and Afrikaans at 6.33% and 3.46% respectively. 0.63% of the total population uses sign language to communicate whereas the other 4.71% is evenly distributed amongst people who either have Isindebele, IsiXhosa, Sepedi, Setswana, SiSwati, Tshivenda and Xitsonga as their spoken language. Based on the information presented below, it is clear that Newcastle is a multilingual town well-endowed with a wide variety of cultures.

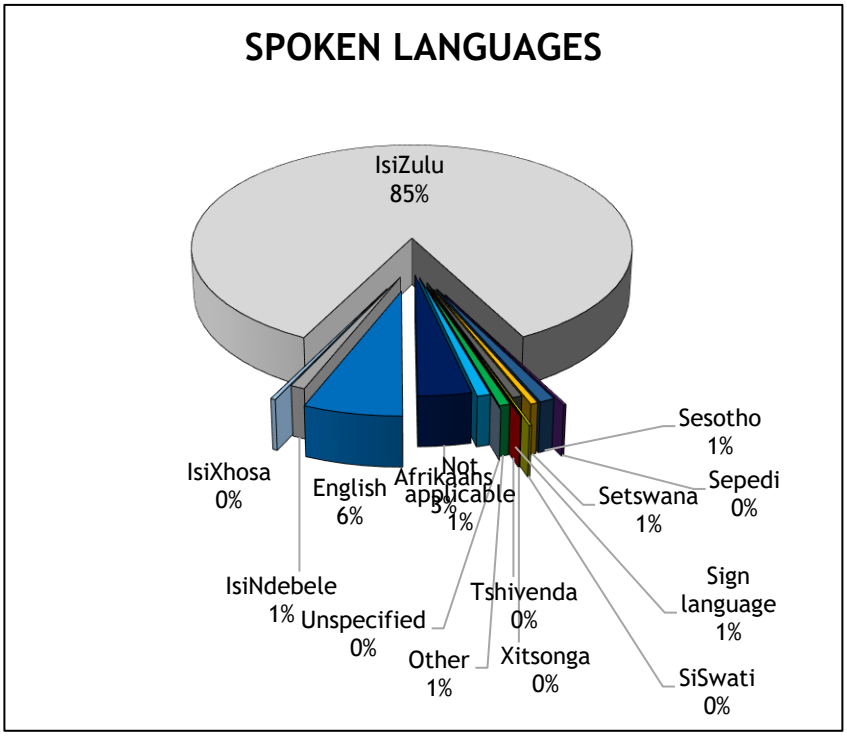



*Table 37: Spoken languages within Newcastle.*

| | Total Number of People | % |
|---|---|---|
| Afrikaans | 12 574 | 3,46% |
| English | 22 979 | 6,33% |
| IsiNdebele | 3 397 | 0,93% |
| IsiXhosa | 1 154 | 0,32% |
| IsiZulu | 308 297 | 84,87% |
| Sepedi | 607 | 0,17% |
| Sesotho | 3 539 | 0,97% |
| Setswana | 1 762 | 0,48% |
| Sign language | 2 309 | 0,63% |
| SiSwati | 554 | 0,15% |
| Tshivenda | 129 | 0,03% |
| Xitsonga | 264 | 0,07% |
| Other | 2 524 | 0,69% |
| Unspecified | - | 0,00% |
| Not applicable | 3 148 | 0,87% |
| **Grand Total** | **363 236** | **100%** |

*Source: Stats SA – 2011 Census Data.*

### 3.13.3. Blindness as a disability.

According to *Table 2* below, there is a small number of individuals with blindness as a disability within Newcastle's jurisdictional area. The majority of the people (80.93%) have no difficulties with seeing. Individuals who experience difficulties in this regard collectively constitute 11.27% of the total population, with a higher majority being attributed to the female population. The other 7.80% or so either doesn't know, cannot yet determine whether or not they have difficulties with seeing, are unspecified and/or are not applicable.

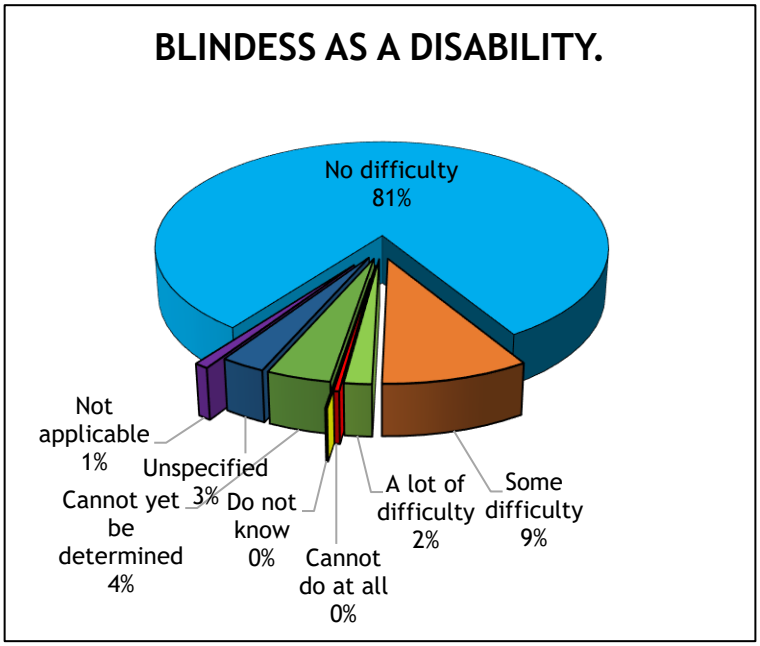



*Table 38: Blindness as a disability within Newcastle.*

| | Male | % | Female | % | Grand Total | % |
|---|---|---|---|---|---|---|
| No difficulty | 142 919 | 82,69% | 151 059 | 79,34% | **293 979** | **80,93%** |
| Some difficulty | 12 737 | 7,37% | 20 701 | 10,88% | **33 438** | **9,20%** |
| A lot of difficulty | 2 295 | 1,33% | 3 993 | 2,09% | **6 288** | **1,73%** |
| Cannot do at all | 587 | 0,33% | 651 | 0,35% | **1 239** | **0,34%** |
| Do not know | 209 | 0,13% | 186 | 0,09% | **395** | **0,11%** |
| Cannot yet be determined | 7 239 | 4,19% | 7 414 | 3,89% | **14 654** | **4,04%** |
| Unspecified | 4 805 | 2,78% | 5 280 | 2,77% | **10 085** | **2,78%** |
| Not applicable | 2 045 | 1,18% | 1 103 | 0,59% | **3 148** | **0,87%** |
| **Grand Total** | **172 837** | **100%** | **190 389** | **100%** | **363 225** | **100%** |

***Source: Stats SA – 2011 Census Data.***

### 3.13.4. Communication impairedness as a disability.

Regarding Table 9 below, a higher majority (89.21%) of the population within Newcastle has got no difficulties in communicating through speech. About 2.24% of the total population experiences difficulties in this regard with a higher majority being concentrated amongst the male population. The other 8.55% either doesn't know, cannot yet determine whether or not they have difficulties with communicating, are unspecified and/or are not applicable.

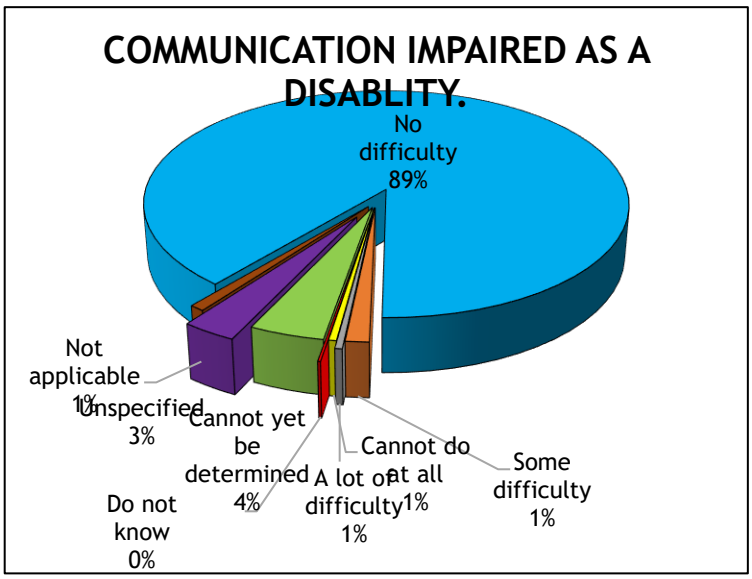



*Table 39: Communication impaired as a disability within Newcastle.*

| | Male | % | Female | % | Grand Total | % |
|---|---|---|---|---|---|---|
| No difficulty | 153 216 | 88,64% | 170 827 | 89,72% | **324 043** | **89,21%** |
| Some difficulty | 2 374 | 1,38% | 2 594 | 1,36% | **4 967** | **1,37%** |
| A lot of difficulty | 802 | 0,47% | 745 | 0,39% | **1 547** | **0,42%** |
| Cannot do at all | 857 | 0,49% | 763 | 0,41% | **1 620** | **0,45%** |
| Do not know | 319 | 0,19% | 262 | 0,13% | **582** | **0,16%** |
| Cannot yet be determined | 7 776 | 4,49% | 8 050 | 4,23% | **15 826** | **4,36%** |
| Unspecified | 5 448 | 3,16% | 6 044 | 3,18% | **11 492** | **3,16%** |
| Not applicable | 2 045 | 1,18% | 1 103 | 0,58% | **3 148** | **0,87%** |
| **Grand Total** | **172 837** | **100%** | **190 389** | **100%** | **363 225** | **100%** |

*Source: Stats SA – 2011 Census Data.*

### 3.13.5. Deafness as a disability.

Table 10 below depicts a situation which conforms to the norm regarding deafness as a disability within Newcastle. A high majority of the population within Newcastle (88.50%) have no difficulties in terms of hearing problems. 3.58% of the total population has experienced a variety of difficulties in this regard with the majority concentrated amongst the female population. The rest of the other 7.92% either doesn't know, cannot yet determine whether or not they have difficulties with hearing, are unspecified and/or are not applicable.

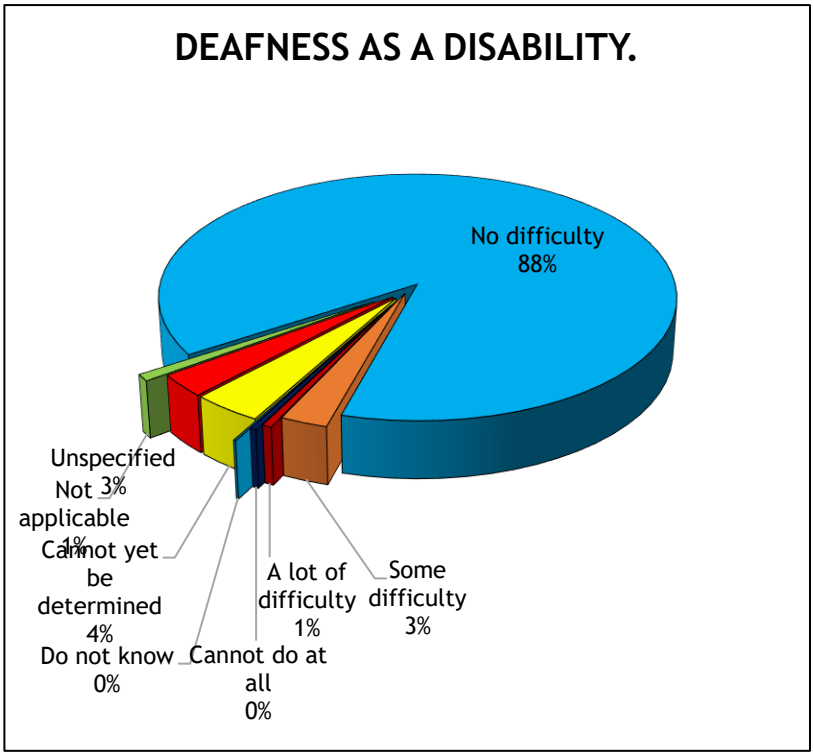



*Table 40: Deafness as a disability.*

| | Male | % | Female | % | Grand Total | % |
|---|---|---|---|---|---|---|
| No difficulty | 152 776 | 88,39% | 168 695 | 88,60% | **321 471** | **88,50%** |
| Some difficulty | 4 039 | 2,34% | 5 702 | 2,99% | **9 741** | **2,68%** |
| A lot of difficulty | 849 | 0,49% | 1 104 | 0,58% | **1 953** | **0,54%** |
| Cannot do at all | 674 | 0,39% | 655 | 0,34% | **1 329** | **0,36%** |
| Do not know | 241 | 0,14% | 229 | 0,12% | **470** | **0,13%** |
| Cannot yet be determined | 7 141 | 4,13% | 7 346 | 3,86% | **14 487** | **3,99%** |
| Unspecified | 5 071 | 2,93% | 5 555 | 2,93% | **10 626** | **2,92%** |
| Not applicable | 2 045 | 1,19% | 1 103 | 0,58% | **3 148** | **0,87%** |
| **Grand Total** | **172 837** | **100%** | **190 389** | **100%** | **363 225** | **100%** |

*Source: Stats SA – 2011 Census Data.*

### 3.13.6. Walking and/or climbing stairs as a disability.

The majority of the population within Newcastle (88.81%) does not have any difficulties with regards to walking and/or climbing stairs. 3.07% of the total population may be deemed as having difficulties with walking and/or climbing stairs with the highest concentration being amongst the female population. The other 8.12% either doesn't know, cannot yet determine whether or not they have difficulties with hearing, are unspecified and/or are not applicable.

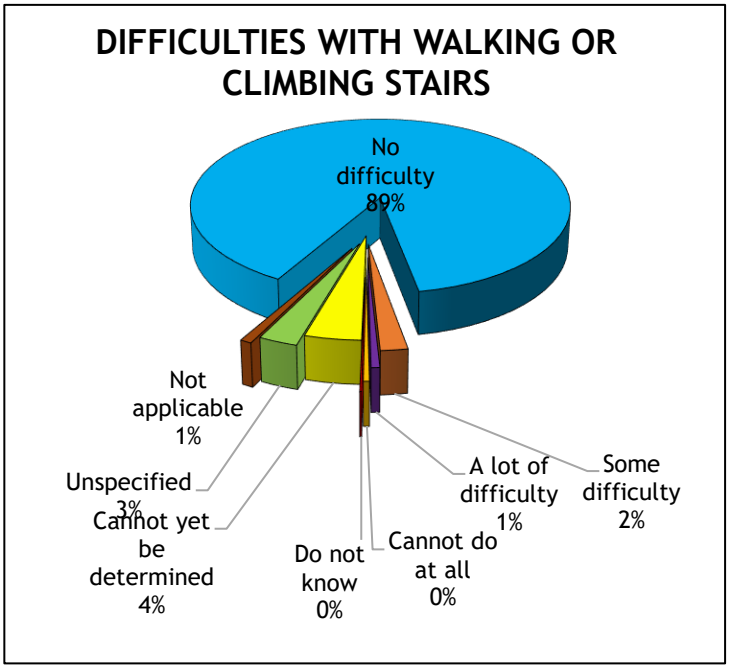



*Table 41: Walking and/or climbing stairs as a disability.*

| | Male | % | Female | % | Grand Total | % |
|---|---|---|---|---|---|---|
| No difficulty | 153 639 | 88,89% | 168 962 | 88,74% | **322 601** | **88,81%** |
| Some difficulty | 2 806 | 1,63% | 4 517 | 2,37% | **7 324** | **2,02%** |
| A lot of difficulty | 855 | 0,49% | 1 385 | 0,74% | **2 239** | **0,62%** |
| Cannot do at all | 749 | 0,43% | 805 | 0,42% | **1 553** | **0,43%** |
| Do not know | 247 | 0,15% | 221 | 0,12% | **468** | **0,13%** |
| Cannot yet be determined | 7 505 | 4,34% | 7 821 | 4,12% | **15 326** | **4,22%** |
| Unspecified | 4 991 | 2,88% | 5 575 | 2,93% | **10 566** | **2,91%** |
| Not applicable | 2 045 | 1,19% | 1 103 | 0,56% | **3 148** | **0,87%** |
| **Grand Total** | **172 837** | **100%** | **190 389** | **100%** | **363 225** | **100%** |

***Source: Stats SA – 2011 Census Data.***

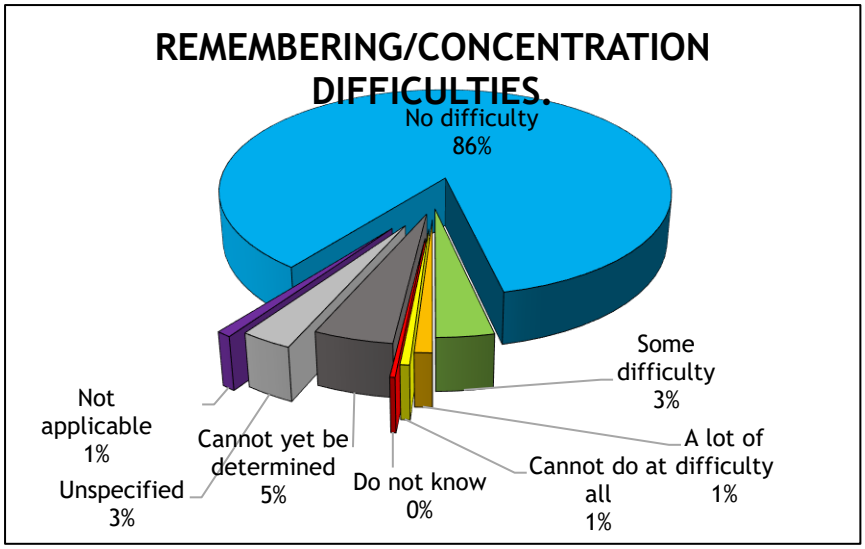
### 3.13.7. Remembering/concentrating as a disability.

Most of the people within Newcastle (85.96%) do not have any problems related to remembering/concentrating as a disability. Approximately 5.06% of the total population experiences difficulties in this regard whereas the rest of the 8.98% either doesn't know, cannot yet determine whether or not they have difficulties with remembering/concentrating, are unspecified and/or are not applicable. In terms of gender, the male population experiences a higher degree of difficulty with remembering/concentrating as a disability when compared to the females.

*Table 42: Remembering/concentrating as a disability.*

| | Male | % | Female | % | Grand Total | % |
|---|---|---|---|---|---|---|
| No difficulty | 148 613 | 85,98% | 163 634 | 85,95% | **312 247** | **85,96%** |
| Some difficulty | 5 216 | 3,02% | 7 339 | 3,85% | **12 555** | **3,46%** |
| A lot of difficulty | 1 595 | 0,93% | 2 234 | 1,17% | **3 829** | **1,05%** |
| Cannot do at all | 1 057 | 0,61% | 955 | 0,50% | **2 012** | **0,55%** |
| Do not know | 574 | 0,33% | 531 | 0,28% | **1 106** | **0,30%** |
| Cannot yet be determined | 8 487 | 4,91% | 8 752 | 4,59% | **17 239** | **4,75%** |
| Unspecified | 5 248 | 3,04% | 5 841 | 3,08% | **11 090** | **3,06%** |
| Not applicable | 2 045 | 1,18% | 1 103 | 0,58% | **3 148** | **0,87%** |
| **Grand Total** | **172 837** | **100%** | **190 389** | **100%** | **363 225** | **100%** |

*Source: Stats SA – 2011 Census Data.*

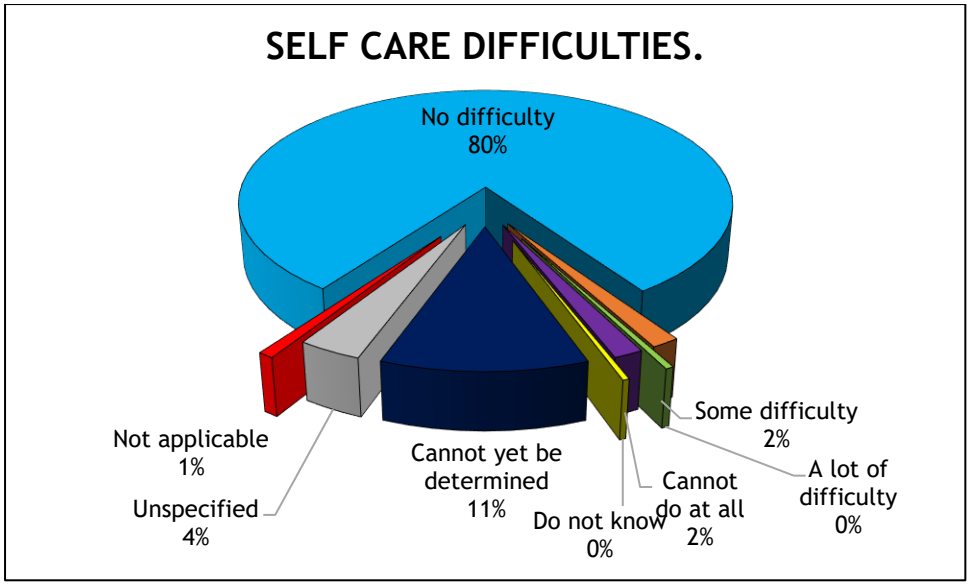



### 3.13.8. Self-care difficulties as a disability.

The majority of the population within Newcastle (80.44%) is not experiencing any difficulties regarding self-care. 3.61% of the total population experiences difficulties in this regard with the majority concentrated amongst the female population. The rest of the 15.95% either doesn't know, cannot yet determine whether or not they have difficulties with regards to self-care, are unspecified and/or are not applicable.

*Table 43: Self-care as a disability.*

| | Male | % | Female | % | Grand Total | % |
|---|---|---|---|---|---|---|
| No difficulty | 137 383 | 79,49% | 154 759 | 81,28% | **292 141** | **80,44%** |
| Some difficulty | 2 642 | 1,54% | 2 979 | 1,56% | **5 621** | **1,55%** |
| A lot of difficulty | 817 | 0,48% | 826 | 0,43% | **1 644** | **0,45%** |
| Cannot do at all | 2 977 | 1,72% | 2 846 | 1,49% | **5 823** | **1,61%** |
| Do not know | 664 | 0,37% | 662 | 0,36% | **1 325** | **0,36%** |
| Cannot yet be determined | 20 353 | 11,78% | 20 513 | 10,77% | **40 866** | **11,25%** |
| Unspecified | 5 956 | 3,44% | 6 702 | 3,53% | **12 657** | **3,48%** |
| Not applicable | 2 045 | 1,18% | 1 103 | 0,58% | **3 148** | **0,86%** |
| **Grand Total** | **172 837** | **100%** | **190 389** | **100%** | **363 225** | **100%** |




Newcastle is home to the only disability centre (Nil Desperandum) currently funded by provincial government, with however, numerous organizations within Amajuba attempting to formalize their functions and status while assisting the disabled in varying degrees. Osizweni Handicraft Centre is another state-owned centre that provides services to people living with disabilities.

### 3.13.9. Migration patterns.

The majority of the individuals residing in Newcastle are originally from the KwaZulu-Natal Province. Based on the figures presented in Table 15 and 16 below the majority of immigrants into Newcastle emanate from the Gauteng Province with the second largest group coming from the Mpumalanga Province and subsequently Free State. In terms of race, the majority of the immigrants are Black Africans which are followed by the Whites. The cause for immigration into Newcastle may largely be attributed to the rapid development of the town as a regional services center within the Northern KwaZulu-Natal region hence employment opportunities. In terms of gender, the majority of the individuals who immigrate into Newcastle entails the female population. Since the year 2001, there has been an increase in the number of immigrants to Newcastle from Gauteng, Mpumalanga and the Free State Province at an average annual immigration growth rate of 2.76%, 0.07%, and 1.08% respectively over 10 years since 2001 to 2011.

*Table 44: Immigration to Newcastle from different provinces.*

| | Western cape | Eastern cape | Northern cape | Free state | Kwazulu-Natal | North west | Gauteng | Mpumalanga | Limpopo | Grand Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Black African | 103 | 380 | 46 | 670 | 297 493 | 126 | 1 712 | 1 287 | 169 | 302 531 |
| Coloured | 57 | 26 | 24 | 3 | 2 054 | - | 40 | 24 | - | 2 264 |
| Indian or Asian | 44 | 18 | - | 12 | 9 969 | 9 | 36 | 30 | 12 | 10 154 |
| White | 78 | 112 | 48 | 168 | 16 515 | 85 | 515 | 312 | 54 | 18 037 |
| Other | - | - | - | - | - | - | - | - | - | - |
| Grand Total | 282 | 536 | 119 | 852 | 326 031 | 220 | 2 302 | 1 653 | 235 | 332 985 |

***Source: Stats SA – 2001 Census Data.***

*Table 45: Migration to Newcastle from different provinces.*

| | Western cape | Eastern cape | Northern cape | Free state | Kwazulu-Natal | North west | Gauteng | Mpumalanga | Limpopo | Outside South Africa | Do not know | Unspecified | Grand Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Black African | 97 | 478 | 160 | 714 | 322 283 | 67 | 2 452 | 1 444 | 115 | 1 475 | 12 | 4 359 | **333 657** |
| Coloured | 31 | 21 | 26 | 6 | 2 474 | - | 34 | 14 | - | 16 | - | 110 | **2 733** |
| Indian or Asian | 33 | 18 | 3 | 24 | 10 933 | 5 | 140 | 44 | 5 | 372 | 3 | 105 | **11 686** |
| White | 93 | 108 | 63 | 210 | 12 551 | 46 | 520 | 270 | 59 | 79 | 5 | 272 | **14 275** |
| Other | 3 | 9 | 1 | 1 | 448 | 3 | 33 | - | 2 | 349 | 5 | 29 | **886** |
| **Grand Total** | **258** | **634** | **253** | **955** | **348 689** | **122** | **3 179** | **1 771** | **181** | **2 292** | **25** | **4 875** | **363 236** |

***Source: Stats SA – 2011 Census Data.***

### 3.13.10. Child-headed households.

According to *Table 34* below, out of the total number of households within Newcastle (84 272 households), 1.3% (1 128) of the total number of households is headed by a child who is either 18 years old or younger. In terms of gender, the majority of the child-headed households are headed by males (61.52% of the total 1 128 child headed households) as compared to the females. Out of the total number of child-headed households, 5.23% is employed, 4.25% is unemployed, 1.59% entails discouraged work seekers, whereas a high majority (58.59%) is not economically active meaning they may still be attending school. The other 30.34% is composed of child-headed households with children that are younger than 15 years of age.

*Table 46: Child-headed households.*

| | Employed | Unemployed | Discouraged work-seeker | Other not economically active | Age less than 15 years | Grand Total |
|---|---|---|---|---|---|---|
| Male | 48 | 27 | 9 | 409 | 201 | **694** |
| Female | 11 | 21 | 9 | 252 | 141 | **434** |
| Unspecified | - | - | - | - | - | - |
| **Grand Total** | **59** | **48** | **18** | **661** | **342** | **1 128** |

***Source: Stats SA – 2011 Census Data.***

In terms of the table below, the annual household income of the child-headed households within Newcastle, the majority is living below the lower bound poverty line of 1.25$ (PPP$) per day, which is currently R14,67 in terms of the Dollar to Rand exchange rate. The majority of the households living below the lower bound poverty line have no income what-so-ever and they constitute 48.9% (552) of the total number of child-headed households. The implications behind this alarming figure is that such households are leaving in abject poverty hence necessitating some form of intervention.

*Table 35: Annual income of child-headed households.*

| | No income | R 1 - R 4800 | R 4801 - R 9600 | R 9601 - R 19 600 | R 19 601 - R 38 200 | R 38 201 - R 76 400 | R 76 401 - R 153 800 |
|---|---|---|---|---|---|---|---|
| Male | 367 | 119 | 89 | 60 | 30 | 13 | 2 |
| Female | 185 | 64 | 72 | 48 | 37 | 15 | 6 |
| Unspecified | - | - | - | - | - | - | - |
| **Grand Total** | **552** | **183** | **161** | **108** | **67** | **28** | **8** |
| | **R 153 801 - R 307 600** | **R 307 601 - R 614 400** | **R 614 001 - R 1 228 800** | **R 1 228 801 - R 2 457 600** | **R 2 457 601 or more** | **Unspecified** | **Grand Total** |
| Male | 7 | 4 | - | 1 | - | - | **694** |
| Female | 4 | 2 | - | 1 | - | - | **433** |
| Unspecified | - | - | - | - | - | - | **-** |
| **Grand Total** | **12** | **7** | **-** | **2** | **-** | **-** | **1 128** |

***Source: Stats SA – 2011 Census Data.***

## 3.13.11. Special Programmes.

The Special Programmes Unit is a one-stop coordination point for all national, provincial, local and other special programmes. The benefits of this approach is that it generates efficiency and effectiveness that wouldn't have been available had these programmes been driven individually. However, it is critical to note that it is mainly about psychological empowerment of the so called target groups (men and women, children, people with disabilities and senior citizens) through Operation Sukuma Sakhe.

### ❖ Senior Citizens Programme.

There are five senior citizens structures in each zone and each structure entails seven members namely: Chairperson, Deputy Chairperson, Secretary, deputy secretary and three additional members. The involvement of government department is good and the forum is able to attend war room meetings and raise their concerns. The following departments are perceived as most critical to their needs: SASSA, DSD, DOH and SAPS.

According to the older persons Act no.13 of 2006, senior citizens commences at the age of sixty. The objectives of the Act are aligned to special programmes:-

(i) to maintain and promote the status, wellbeing, safety and security of older persons;
(ii) to maintain and protect the rights of older persons;
(iii) to help older persons to stay in their homes in the community for as long as possible;
(iv) to regulate services and residential facilities for older persons; and
(v) to combat abuse of older persons.

The following entails some of the activities under the Senior Citizens Programme:-

| PROGRAMMES | DATE | CONTENT | STAKEHOLDERS |
|---|---|---|---|
| Forum launch | 15 February 2017 | Election of new structures | IEC |
| Engagement with Senior Citizens | 14 March 2017 | Engagement with senior citizens. (Dialogues were conducted) | DOH<br>DSR<br>ESST<br>AGE IN ACTION |
| Alzheimer Awareness | 23 March 2017 | Alzheimer Awareness (Dialogues were conducted) | ESST<br>DOH |
| Senior Citizens Event | 14 December 2017 | Senior Citizens Rights (Dialogues were conducted) | DOH<br>SAPS<br>SASSA<br>ESST<br>BLACK CHILD<br>SAOPF<br>LUNCHEON CLUBS |

Involvement of senior citizens during the dialogue sessions was positive as older citizens actively engage and got clarifications on issues such as green cards processes. The psychological empowerment has happened in different levels

including the forum acting support groups, participation in war room meetings, and the KZN senior citizens parliament.

### ❖ People Living with HIV/AIDS Programme.

There are five HIV/AIDS Structures in each zone and each structure consist of seven members namely: the chairperson, deputy chairperson, secretary, deputy secretary and three additional members. The departments that are active in the forum are Red Cross and the Department of Health. Notably is that most of the Red Cross staff forms part of the forum. The forum submits their monthly minutes. The predominant items are social ills, unemployment due to stigmatization, requests to start agricultural programs, malnutrition and food parcel vouchers.

The following entails some of the activities under the People Living with HIV/AIDS Programme:-

| PROGRAMMES | DATE | CONTENT | STAKEHOLDERS |
|---|---|---|---|
| Door to door | 31 March 2017 | Health education<br>Testing services | DOH<br>Red cross<br>Cogta |
| Chronic illness defaulters awareness campaign | 01 June 2017 | Engaging with people about defaulting and taking of chronic medication (dialogue) | DOE<br>Liquor Authority<br>ESST<br>DSD<br>Red cross<br>DOH<br>Sanca |
| Door to door campaign | 29 June 2017 | Health education<br>Testing services | DOH |
| Local Aids Council Meeting | 27 October 2017 | Reporting back on the issues raised and solved | HIV/AIDS |
| World Aids Day | 05 December 2017 | Raising awareness about HIV/AIDS risks and management | DOH |

Dialogues plays a critical role in the accumulation of knowledge. The target group gets the opportunity to engage with departments such as DOH and acquire information about pick up points (MediPost), the services rendered by Philamntwana and other related services etc. Hundreds of people have been reached for HIV/AIDS screening, TB & Diabetes testing, condom distribution and health education. People have also been empowered through focus groups. This has made them to rise above the discrimination they receive within the society. One may argue that discrimination is for the past, however, it is still a burden to most of the people living with HIV/Aids.

In terms of further government assistance, Newcastle is currently home to 7 Home Community Based Care (HCBC) organisations within Amajuba. These organisations assist members of the community struggling with HIV/AIDS issues in various ways, including but not limited to the following measures:

- 96 Community Care Givers render services and refer cases to Social Workers.

- 01 Community Care Centre (Charlestown CCC) provides integrated and comprehensive services.
- Psychosocial Support services.
- Implement Social and Behaviour Change Programmes.

In pursuit of this service, provincial government allocates a budget of R 5 734 000 to the Amajuba District.

### ❖ People living with Disabilities Programme.

There are five People living with Disability Forum structure in each zone and each structure consist of seven members namely: the chairperson, deputy chairperson, secretary, deputy secretary and three additional members. The disability fora members have the following disabilities: mobility, blindness, albinism and deafness.

Involvement of stakeholders in this structure is poor in monthly meetings held. However the Disability Rehabilitation structure provides a platform for the target group to engage and raise their concerns and needs. This structure is championed by DOH and is specifically targeting issues relating to disability. It is critical to note that the municipality plays a fundamental role in this structure.

The following entails some of the activities under the People Living with Disabilities Programme:-

| ITEM | IMPACT | TARGET |
|---|---|---|
| 1. Creative arts | People living with disabilities have started a project where they create hand-crafts. Items range from pillows, duvets, fur hats, matts, bracelets etc. The municipality encourages and promotes this project by inviting them to programmes with high profile personnel where they can showcase their skills and products to the public. | Handicraft Centre |
| 2. Disability Summit | To address issues concerning people living with disabilities by airing them to relevant stakeholders. These issues include the public transport which is not user friendly to PLWD, unemployment issues, health and education. | Relevant stakeholders and Government departments |
| 3. BusinessAble | To develop the skills of PLWD in the business sector and to encourage entrepreneurship for PLWD. The aim is to educate and inspire PLWD to start businesses to decrease the unemployment issue they face. | Disability Forum Members |
| 4. Agriculture | To encourage agricultural entrepreneurship, equip them with necessary skills to start farming or herding livestock to have a sustainable life. | People Living With Disabilities |
| 5. Embroidery | A business where they print t-shirt, kitchenware (mugs, plates, etc.), hats etc.<br>To promote business skills and to encourage PLWD to have a sustainable life. | Disability Forum Members |
| 6. Manufacturing (Sewing) | To equip and to encourage PLWD to the manufacturing sector and tackle the issue of unemployment disabled people face. | ➢ YWCA Special School<br>➢ Vumani Sabelo Special School |

Twenty-five people with disabilities have studied Computer and have be awarded learnerships by the ETDP SETA. The Department of Health have provided placement for them to strengthen computer skills. The fact that the beneficiaries are placed in the community facilities; hope and social cohesion are restored to a certain extent. More importantly, it is for the benefit of the government to have a society which is able to differentiate between entitlement and accountability. Thus, the project is of psychological empowerment in nature in order to ensure that there is no member of the community who is made to feel less of himself.

The following entails beneficiaries to the People Living with Disabilities Programme:-

| NO | NAME | SURNAME | ID NUMBER | PLACEMENT | DISABILITY |
|---|---|---|---|---|---|
| 1. | Lindiwe | Maduna | 8709060869086 | Osizweni Clinic 1 | Clubbed feet |
| 2. | Nhlanhla | Sibisi | 8305685475089 | Osizweni Clinic1 | Paraplegic |
| 3. | Gugu | Langa | 9207160863082 | Osizweni Clinic 2 | Cerebral palsy |
| 4. | Simphiwe | Mofokeng | 9003121129089 | Osizweni Clinic 2 | Albinism |
| 5. | Samkelisiwe | Shoba | 9204060873089 | Osizweni Clinic 3 | Albinism |
| 6. | Valerah | Dlomo | 9001200435088 | Osizweni3 | Spina bifida |
| 7. | Mbali | Sangweni | 9207170965083 | Rosary Clinic | Albinism |
| 8. | Zamimpilo | Mbatha | 9207285520088 | Rosary Clinic | Cerbral palsy |
| 9. | Cebisile | Zwane | 8203150234088 | Mndozo Clinic | R.Hemiplegic |
| 10. | Jane | Nxumalo | 8603150616087 | Mndozo Clinic | Cerebral palsy |
| 11. | Simanga | Kunene | 8402096167085 | District office | Albinism |
| 12. | Makabongwe | Thango | 8908305526085 | District office | Epileptic |
| 13. | Nonhlanhla | Maseko | 8110240292085 | Newcastle PHC | Cancer of right eye |
| 14. | Zinhle | Mwelase | 860601170087 | Newcastle PHC | Cancer right eye |
| 15. | Zanele | Simelane | 8501230895087 | Madadeni Clinic1 | Paraplegic |
| 16. | Samkelisiwe | Langa | 8002040352088 | Madadeni PHC Newcastle sub-district | Left arm amputee |
| 17. | Zanele | Madide | 9406210598082 | Madadeni-Clinic 1 | Dwarfism |
| 18. | Thembinkosi | Xaba | 8604046695087 | Madadeni Clinic 5 | Left lower limb amputation |
| 19. | Zamani | Mbatha | 8802085521087 | Madadeni Clinic 7 | Hemiplegia |
| 20. | Simphiwe | Miya | 8806205942081 | Madadeni Gate clinic | Albinism |
| 21. | Nanile | Msibi | 8712140702087 | Madadeni Occupational therapy Department | Cerebral palsy Athetoid |
| 22. | Xolani | Buthelezi | 8011185365086 | Stafford Clinic | Cerebral palsy |
| 23. | Mfundo | Notununu | 8504245745081 | Stafford Clinic | amputee |
| 24. | Nurse | Madida | 8105080914087 | Naasfarm Clinic | Amputee |
| 25. | Doctor | Kubheka | 7503145431082 | Naasfarm Clinic | Cerebral palsy |

### ❖ Women Empowerment Programme.

Since 1994 a number of important policies and legislative framework have been put into effect to promote gender equality. The National Policy Framework for Women's Empowerment and Gender Equality as approved by the Cabinet in 2002, defines roles and responsibilities related to government representation by females at all levels of government (i.e. national, provincial and local). There are five Women Forum structure in each zone and each structure consist of seven members namely: the chairperson, deputy chairperson, secretary, deputy secretary and three additional members. There is poor attendance of stakeholders in meetings held, however, stakeholders attend whenever they are invited to events/programmes. Meetings are

held monthly and minutes are submitted in time. Predominant issues include unemployment for women from the age of 35 and above, gender inequality, farming projects etc.

The following entails some of the activities under the Women Empowerment Program:-

| PROGRAMMES | DATE | CONTENT | STAKEHOLDERS |
|---|---|---|---|
| Forums revival | 03 January 2017 | Reviving and reconnecting the Forums.<br>Call women and find members willing to be active. | |
| Crimes against women and children campaign | 14 June 2017 | Crimes against women and children campaign. | SAPS<br>RED CROSS |
| Women's dialogue | 15 June 2017 | Women abuse and killing should come to an end. | DOH<br>RED CROSS<br>ESST<br>DSD |
| Women's day celebration "Be bold for change" | 04 August 2017 | Women's day<br>(Dialogues were conducted) | DOH<br>DAC<br>DSD<br>SANCA<br>SAPS<br>CRISIS CENTRE<br>GCIS<br>BLACK CHILD FOUNDATION<br>SASSA |

## ❖ Men's Programme.

There are five Men Forum structure in each zone and each structure consist of seven members namely: the chairperson, deputy chairperson, secretary, deputy secretary and three additional members. Involvement of stakeholder's poor involvement of stakeholders in monthly meetings, however, they do attend events/programmes.

The following entails some of the activities under the Men's Programme:-

| PROGRAMMES | DATE | CONTENT | TARGET | STAKEHOLDERS |
|---|---|---|---|---|
| Grooming young minds | 25 August 2017 | Addressing social ills on men and young men | Men and young men | DOH<br>TRADITIONAL HEALERS |
| Men's Dialogue | 21 June 2017 | Addressing issues faced by men | Men | - ESST<br>- DSD<br>- DOH |

Dialogues have been held where issues such as social ills, health issues, violence against women and children, culture, moral regeneration etc. have been raised.

## ❖ Substance Abuse.

The Local Drug Action Committee was established on the 14th of September 2017. The portfolio is as follows: Chairperson, Deputy Chairperson, secretary, deputy secretary. Stakeholders do not attend meetings that makes the structure not

functional. Stakeholders like DSD, are of high importance in this committee but very little participation is received from them.

The following entails some of the activities under the Substance Abuse Programme:-

| PROGRAMMES | DATE | CONTENT | TARGET | STAKEHOLDERS |
|---|---|---|---|---|
| March against substance abuse. | 30 October 2017 | The march was to create awareness of drug abuse in areas with a high level of substance abuse. | Primary School (Mtimande Primary School) | -DSD<br>-DOH<br>-SAPS<br>-Red Cross<br>-SANCA<br>-Correctional Services<br>-Crisis Centre<br>-City of Refuge<br>-Madadeni Rehab |
| Sports Day Awareness Campaign | 14 December 2017 | Create drug abuse awareness through fun activities and engaging people in sports | Youth | -DSR<br>-DSD<br>-DOH<br>-SANCA |

People in the townships are now aware of rehabilitation centres, and youth engage in sports as a way of refraining from drugs.

### ❖ Children's Programme.

The structure was established on the 11th December 2017 and consists of four members which are – Chairperson (Crisis Centre), deputy chairperson (Child Welfare), secretary (DSD), deputy secretary (Correctional Services) as well as all structures dealing with children related issues. Kindly note that the presence of Correctional Services is highly critical in addressing the issue of juveniles and diversities. The departments and stakeholders are highly energetic and looking forward to more programmes for children.

The following entails some of the activities under the Children's Programme:-

| PROGRAMMES | DATE | CONTENT | STAKEHOLDERS |
|---|---|---|---|
| Stationary hand over | 16 October 2018 | Handing over of the stationary to leaners | ESST |
| Hiking for charity | 04 November 2018 | There was hike for charity done in partnership with social market in which the profits was given to the charity. | Social market |
| 16 Days of Activism event | 22 November 2018 | Addressing child abuse at St' Antony's | Social market<br>Black child<br>SAPS<br>DCS<br>Another chance<br>I matter foundation |

| | | | |
|---|---|---|---|
| | | | Thuthuzela care centre |

Early Childhood Development (ECD) organisations have played an increasingly important role in the in the fight against any detrimental obstacles in the way of the development of any child in South Africa. Again, a majority of this work is undertaken within Newcastle in the Amajuba District as depicted below.

| LOCAL MUNICIPALITY | NUMBER OF WARDS | TOTAL NO. OF ECD CENTRES | NUMBER OF FUNDED CHILDREN |
|---|---|---|---|
| Newcastle | 34 | 124 | 4970 |
| Dannhauser | 13 | 50 | 1665 |
| Emadlangeni | 06 | 07 | 167 |
| **TOTAL** | **53** | **181** | **6802** |

The functions fulfilled by these ECDs include but are not limited to the following:

- Intervention is at the Prevention level, Early Intervention, Statutory and Reunification.
- Service to child abuse and eradicate the neglection of cases.
- Placement of Children in Alternative Care, Temporary Safe Care, Foster care, Child and Youth Care Facilities.
- Social Workers implement school holiday programmes.

A budget of R25 709 000 is dedicated to these organisations within the Amajuba District.

### ❖ Education institutions.

Impacting educational institutions has been made easier through the Operation Sukuma Sakhe programme. The table below gives an illustration.

*Table 10: Invading Education institutions*

| NUMBER | SCHOOL | WARD | PROGRAMME |
|---|---|---|---|
| 1. | Khwezi high<br>Duckpoint<br>Sekusile high<br>Dedangifunde High | 22<br>22<br>23<br>14 | Grooming Young Minds-Focus On Young Men |
| 2. | YWCA | 28 | Special Olympics |
| 3. | Mtimande Primary | 16 | March Against Substance Abuse |
| 4. | Zazi High | 7 | March Against Crime Towards Women And Children |
| 5. | Phendukani High | 27 | Disability awareness campaign |
| 6. | Vumani Sabelo<br>YWCA | 10<br>28 | Workshop: employment life skills Programmes |
| 7. | Bethamoya High | 24 | Stationery for needy pupils |
| 8. | Amajuba TVET<br>Newtech Campus<br>MTC Campus | 5 | Health testing and screening |
| 9. | Thembalentsha High | 11 | Readiness and motivation for the year ahead. |

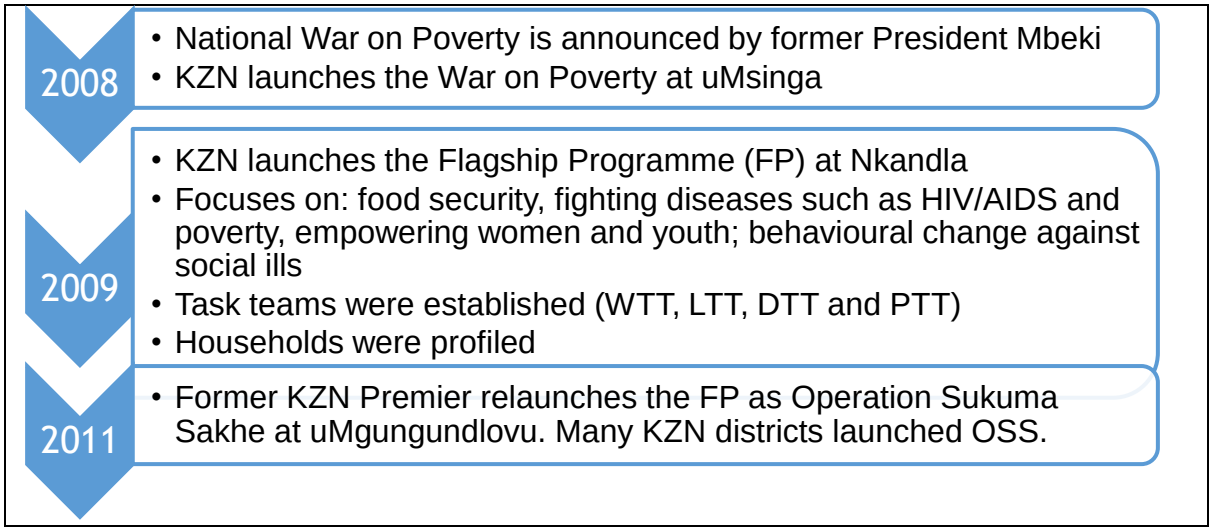
| NUMBER | SCHOOL | WARD | PROGRAMME |
|---|---|---|---|
| | | | Addressing social ills |
| 10. | St Lewis High | 18 | Champaign against : teenage pregnancy, substance abuse and crime |
| 11. | Mdumiseni High | 26 | Champaign against : teenage pregnancy, substance abuse and crime |
| 12. | Masihambisane High | 34 | Champaign against : teenage pregnancy, substance abuse and crime |
| 13. | Thembinkosi primary | 9 | Champaign against : teenage pregnancy, substance abuse and crime |

## 3.13.12. Operation Sukuma Sakhe.

### (a) Background and Purpose.

According to the *OSS Five-Year Review* (2015:7), as from 1994, a pro-poor policy-making agenda has been the priority of government. The campaign demands government departments, non-government organisations, participation of communities, traditional structures, and other stakeholders. The first programme to institutionalise such an approach was the national 'War on Poverty' campaign, launched in 2008. Hence, the OSS programme can be traced from when former President Thabo Mbeki declared the national War on Poverty programme. This was therefore a clear mandate that all nine provinces had to align their visions with the main national Presidency War on Poverty programme. Primarily, the War on Poverty campaign is aimed at enhancing service delivery through stakeholder-collaboration. In response, the KwaZulu-Natal Cabinet resolved in July 2009 the establishment of the Flagship Programme to ensure active citizenry effective and efficient government. The Office of the Premier (Dr Zweli Mkhize during that time) was responsible for the oversight of the programme. Figure 1.2 gives an illustration of the War on Poverty timeline. The timeline is from the national level down to the districts. The adoption of the programme was cascaded out to the districts in Kwazulu-Natal. The NLM forms part of the local municipalities under the Amajuba District Municipality (ADM). The NLM launched OSS in ward nine. Koma (2010:112) argues that the local government should be in line with the national government to ensure on more pragmatic interventions to address poverty and inequality.

**Figure 1: War on Poverty Timeline**



Source: KwaZulu-Natal Office of the Premier. 2015. *OSS Operations Handbook.*

Understanding the war on poverty is critical for the mechanisms used to reduce poverty. According to King and Palmer (2007:7), poverty reduction mechanisms are divided into three, namely: poverty alleviation, lifting people out of poverty and poverty prevention. The poverty alleviation is aimed at lessening the symptoms of poverty. This implies that the poverty server is reduced. However, people are not transformed from poor to non-poor. Unlike poverty alleviation, lifting people out of poverty ensures that poor people are transformed to the non-poor level. This therefore implies that there is a lot of mind renewal that has to take place. People are to be holistically transformed from what they were used to being to what is not common to them. Thirdly, poverty prevention is aimed at empowering people not to be victims of poverty. This is done by ensuring that their vulnerability status is dealt with. Based on the above categorization, the OSS programme is a poverty alleviation mechanism.

### (b)The Operation Sukuma Sakhe Programme in KwaZulu-Natal.

As illustrated above, in 2008 the 'war on poverty' programme was launched in Kwazulu-Natal. In the following year the programme's name was changed to the 'flagship programme'. Two years later in 2011 the programme was given a new name, 'OSS', in Kwazulu-Natal. The OSS Programme which is the central focus of this study has its origin from the national government.

KwaZulu-Natal's Citizens' Charter (2015:3) spells out what services will be delivered and how they will be rendered, with emphasis on service delivery efficiency and effectiveness. Furthermore, in order for the community to be self-reliant it is vital that they are not passive recipients of services. The best strategy is to participate actively in local interventions which will have an impact on their lives. The OSS programme as an integrated service delivery model, encourages the co-ordination of comprehensive services among government departments, traditional leadership, private sector and civil society. The strategy is to integrate services so that they collectively enable the communities to deal effectively with eradicating poverty.

According to the OSS Implementation Model: Guidelines for Coordination (2012:2), services are divided into three priority levels, immediate, medium and long-term, and are defined as follows:-

- Immediate: Non-negotiable services which must be resolved within 90 days;
- Medium-term: Which must be resolved within 91 to 180 days; and
- Long-term: Longer than 180 days.

As illustrated in figure above, the emblem of the OSS highlights the focus on HIV/AIDS as indicated in red. The emblem also symbolises working together in the form of different hands coming together. There are five critical areas on which OSS focuses, namely environmental care, community partnership, integration of government services, economic activities, and behaviour changes. The primary beneficiaries of the OSS are the most vulnerable groups. These groups include women, children, youth, unemployed adults who are either unemployed or earn below minimum wage, illiterate or unskilled adults, the chronically sick, people with disabilities, and senior citizens. It is notable that these groups are diverse.

## (c)Strategic goals and objectives of Operation Sukuma Sakhe.

The relevance of the OSS programme is engulfed by the OSS vision. As alluded to earlier, the vision focuses on committed leadership and sustainable livelihoods, through integrated service delivery to promote a better life for all. The vision is impact-orientated. The better life is expected to be the impact of the OSS programmer. According to the *OSS Operations Handbook* (2015:8); there are five OSS strategic goals and ten time-framed objectives. By 2020, the goals and objectives should be reviewed. The goals and objectives are listed below.

❖ **Goal 1: The OSS model of service delivery becoming fully coordinated and integrated.**

*Objectives:-*

- **To strengthen the institutionalization of OSS:**

According to the OSS Operations Handbook (2010:7), institutionalizing OSS refers to the manner in which OSS is structured and formalized to ensure maximum impact in reaching its objectives. This should be evident through the establishment of the WR with all stakeholders who should sit in the WR. Figure 1.5 illustrates the institutionalization of OSS structures at the ward level.

- **To phase-in community leaders to the role of War Room Chairperson:**

The participation of community leaders is important; these may include ward committees, spiritual leaders, traditional leaders and others. The convener or the chairperson of the war room must be someone who is a community member.

- **To integrate OSS Task Teams and AIDS Council structures at all levels:**

The integration of OSS and the AIDS Council structures must be evident. This integration should be through the WTT and the Ward Aids Committee (WAC), which is the AIDS Council structure at the ward level. This should be done firstly, through the discussions on HIV/AIDS issues at the war room. Secondly, the Local Aids Council

should feature OSS issues in the agenda. As much as the Ward Aids Committee's report is a standing item in the war room, there should be evidence that the issue has been reported on. Mchunu (2016:2) mentioned the importance of strengthening the campaign on treatment adherence towards an AIDS-free society.

❖ **Goal 2: A single integrated M&E System to track OSS Service Delivery.**

A single integrated monitoring and evaluation system is aimed at tracking OSS service delivery. In order to achieve this goal, there are three objectives. This goal is fundamental to the extent that it depends on it whether there is impact or not. This is in accordance with the primary research question regarding to what extent OSS is addressing the needs of the community. The findings on this goal will lead to ascertaining whether there is impact or just a compliance exercise.

*Objectives:-*

- To institutionalise integrated planning and budgeting for OSS through the Provincial Growth and Development Strategy: According to Mouton (2010:117) all provinces in South Africa formed the M&E forum to execute the Provincial Growth and Development Strategy. In this way, the link between the Provincial Growth and Development Strategy (PGDS) was established. This objective focuses on integrated planning and budgeting between the provincial, local and ward levels. Consequently, the IDP should indicate the WR planning for each WR. The same applies to the municipal budget in relation to WR budgeting.
- To strengthen the OSS referral system to ensure referrals are closed: The OSS referral system should be strengthened to ensure that needs are identified, opened and referred, service is delivered and referrals are closed. It is no use to report, refer and never know what happened to the case. This is explained in detail in chapter two, as the four phases of the OSS process. According to the OSS Implementation Model: Guidelines for Coordination (2012:35); the National Integrated Social Information System (NISIS) assists with processing the information. Thought NISIS, the four phases of OSS process are facilitated. Thus making it easier to monitor and evaluate the WR operations. This System is based in the Office of the Premier within the Nerve Centre.
- To develop one overarching monitoring and evaluation (M&E) system to track service delivery to strengthen the accountability of M&E for OSS: Accountability of monitoring and evaluation for OSS can be achieved through one main M&E system. This is because, OSS includes the integration of different stakeholders and each of them has a unique expertise and role to play. OSS as a programme should have elements of M&E. The motive behind M&E in OSS symbolizes accountability. The presence of M&E makes it easier to evaluate impact.

❖ **Goal 3: To have fully functional War Rooms as service delivery engines engaging with communities, departments and service providers to provide essential transversal services.**

It is critical to note that stakeholders are prerequisite for the existence and the functionality of the WR. All five categories of fieldworkers, as illustrated in chapter two,

have specific duties as they visit households. All these field workers are linked to specific government departments. The collected data is the fulfilment of phase one n the OSS process. However, the collection of data does not imply that services are provided. Hence, fieldworkers must be integrated collecting data. The collected information should be submitted to the War Rooms.

*Objectives:-*

- To strengthen the integration of Fieldworkers for effective service provision at the War Room level: In chapter two, the roles and five categories of fieldworkers were illustrated. These fieldworkers should form part of the WR and they should be in a position to work with each other without competing. Rather, on the basis that they serve the same community.
- To strengthen all War Rooms so they become fully functional: The functionality of WR divided into four levels namely; not functional, poorly functional, functional and fully functional.

❖ **Goal 4: To have skilled human resources for OSS at all levels.**

In order to perform the roles, as illustrated in chapter two; all WTT members must be equipped with skilled and knowledge. Being a member of the WR and knowing the role does not necessary means that one is competent. Hence the skilled human resource is fundamental.

*Objective:-*

- To develop knowledge and skills for OSS stakeholders at all levels.

❖ **Goal 5: To position OSS as a model for integrated service delivery.**

*Objective:-*

- To promote OSS as a model for integrated service delivery.

The objectives will be evaluated in chapter three. Bear in mind that the OSS vision is impact-orientated. The integral part of the impact is a better life for all. Through different stakeholders with different skills, integrated service delivery aimed at one goal of poverty alleviation is expected to be achieved.

The *OSS Operations Handbook* (2015:4) defines the War Room (WR) as the “physical space where the coordinating task team at ward level provides a direct link to the community, coordinates profiling and integrates service delivery”. The OSS methodology is to gather information, develop a database of the identified needs, and take the information in a stepped approach to the ward, local, district and provincial task teams. This methodology is the integrated service delivery model because different stakeholders come together for one aim of a better life.

The OSS task teams are illustrated in Figure 1.4. Fraser-Molokai (2007:3) asserts that as much as there are multiple initiatives by the municipalities in improving service delivery, many challenges still remain. One may argue that an integrated service delivery model may uproot such challenges. The focus of the study is the War Room

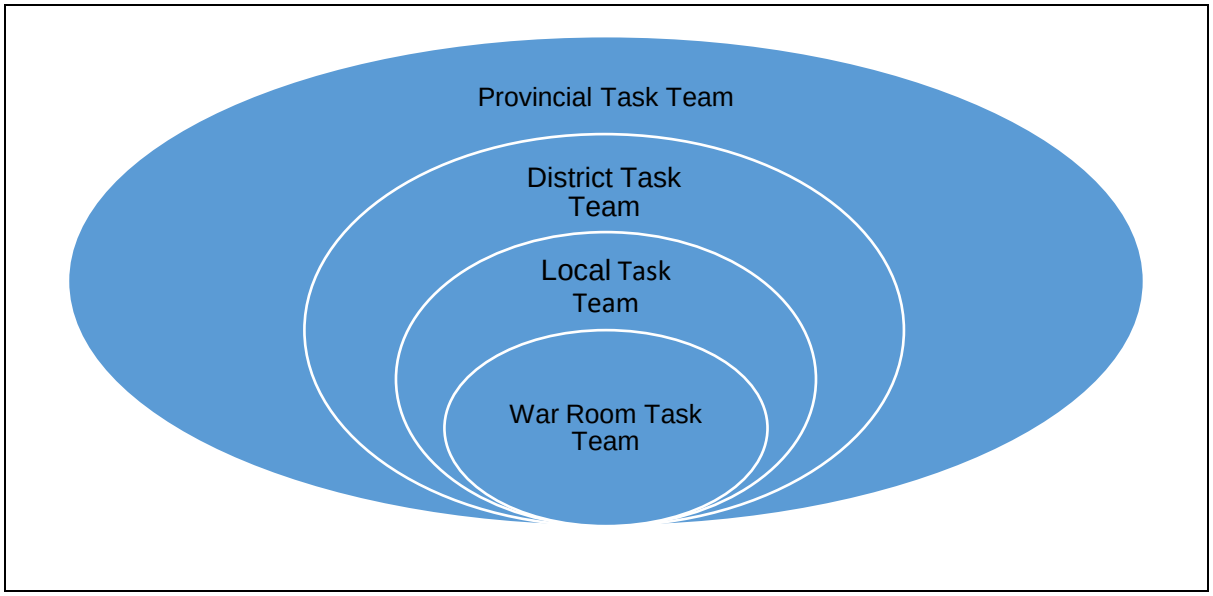
level. The same integrated service delivery model is implemented at the ward, in the WR, and is referred to as the War Room Model (WRM). It is used to identify, assess and prioritise needs. Once that has been done, the needs are then forwarded to the designated focal referral persons at the different departments for action. The structure is called the War Room, and if the issue is not addressed at the war room which is at the ward level, it is escalated to a higher level. It is important to monitor the progress of the prioritised needs taken forward, to ascertain the progress made with the cases and to provide feedback to the communities at ward level.

### (d)The OSS Task Teams.

Macwel (2014:41) argues that OSS is a "multidimensional vehicle for integrated service delivery", with structures and a methodology. The first one is the structural existence for the functionality of OSS. These structures are the vehicles towards the OSS critical success factors. As illustrated in Figure 2.2, these structures are the Ward Task Team (WTT), at the ward level; Local Task Team (LTT), at the local level, District Task Teams (DTT), at the district level and the Provincial Task Team (PTT). This therefore implies that the absence of these structures implies OSS dysfunctionality.

All the structures from the ward level to the provincial level are championed by the politicians. However, the chairpersons are from the government departments. This is critical for the integration motive. For these structures to be operational, effective communication of the members in each structure is important. This also calls for each member to know and understand his or her role in OSS. A failure in this regard may lead to issues such as duplication. Duplication is a sign of dysfunctionality in OSS; the sharing of resources to achieve a similar goal is encouraged.

**Figure 5: OSS Task Teams**




Source: KwaZulu-Natal Office of the Premier. 2015. *OSS Operations Handbook*

For the purposes of the research, the focus is on the WTT, as illustrated in Figure 5 These task teams are expected to work hand in hand. In some instances where the issue cannot be handled by the WTT, it should be referred to the LTT. However,

Nzimakwe and Mpehle (2012:285) warn that key elements of bureaucracy are not helping in the delivery of better services to the citizens. The argument is that the responsibility is normally left with the leaders. Some of the needs which should be addressed by the OSS programme, may demand quicker interventions. Table 1 illustrates the legislative framework for OSS.

**Table 1: Legislative framework.**

| LEGISLATIVE FRAMEWORK | OSS ALIGNMENT |
|---|---|
| Constitution of the Republic of South Africa 1996 | It is the supreme law and it plays a crucial role in setting rights and duties of citizens. In addition, it gives direction regarding government structures. This will also influence the programmes which are adopted but the structures. |
| White Paper on Transforming Public Service Delivery (1997) | The *Batho Pele* principles give direction as to the manner in which the community should be treated. |
| KZN Citizens' Charter (2015) | It serves as a social contract to promote efficient and prompt service to the people of KwaZulu-Natal. OSS is one of the programmes to respond to the needs of the community. |
| Sustain*able Development Goals (SDGs) (2015) | The SDGs are the commitments by United Nations Member States to transform the world for the 2030 Agenda for Sustainable Development. |
| Five Priorities of Government (2014) | In the 2014 State of the Nation's Address, the President announced the following five priorities.<br>a) Improving education.<br>b) Improving healthcare.<br>c) Creating decent work.<br>d) Fighting crime and corruption.<br>e) Rural development and land reform. |
| National outcomes (2009) | An efficient effective and development-orientated public service and an empowered, fair and inclusive citizenship. |
| The National Development Plan (NDP) | The NDP aims to eliminate poverty and reduce inequality 2030. |

- **Structures.**

| STRUCTURE | CHAMPION | MEMBERS |
|---|---|---|
| 1. War room | Ward Councillor | Ward councillor, government departments, civil society |
| 2. Local Task Team | Local Mayor | Government departments, civil society |
| 3. OSS Steering Committee | Special Programmes | Municipal departments, LTT, EXCO |
| 4. District Task Team | District Mayor | Government departments, civil society |

**Table 3.4: Evaluation criteria: War Room functionality**

| 1. NOT FUNCTIONAL | |
|---|---|
| **ITEM** | **INDICATORS** |
| (a) Venue | Venue identified but not operational at times, no permanent venue available |
| (b) WR structure | The coordination structure in place but not operational and integrated |
| | Field workers available but not integrated and coordinated |

| | |
|---|---|
| (c) Meetings and Reporting | Never held meetings |
| (d)OSS activities/ initiatives/ programmes/ campaigns | No OSS activities coordinated |
| **2. POORLY FUNCTIONAL** | |
| **ITEM** | **INDICATORS** |
| (a) Venue | Venue identified and permanent |
| (b) War room structure | War room structure is in place but partial operational |
| | Some integrated activities/ programmes are coordinated at times |
| | Database of Field workers not in place |
| | Community Leadership is not fully represented, if represented at all |
| | Civil Societies are not fully represented, if represented at all |
| | Fewer than three government departments participate in the war room |
| (c) Meetings and Reporting | No schedule of meetings in place; war room meet as and when they want to meet |
| | No minutes of the meeting available; if available, it is irregular |
| | No attendance register |
| | No monthly reports |
| | No interventions reports |
| | No evidence of interventions by government department if there are any |
| (d) OSS activities/ initiatives/ programmes/ campaigns | Unstructured household profiling is done, if done at all |
| | Few interventions rendered, if rendered at all |
| | Few economic Development Programmes |
| **3. FUNCTIONAL** | |
| **ITEM** | **INDICATORS** |
| (a) Venue | Venue is identified and known |
| | Accessible to the community at all provided times |
| | War room does have minimum office requirements |
| (b) WR structure | War room coordinator structure is in place and functional (Champion / Chairperson /Convener /Secretary and Field workers) |
| | Civil Society is fairly represented, eg: CBOs, NGOs, SGBs, CPSs |
| | Government Departments do participate but not fully; more than three government departments participate in the war room |
| | Some fieldworkers report at the war room |
| (c) Meetings and Reporting | Schedule of meetings is available |
| | Minutes of the meeting are available |
| | Attendance register in place |
| | Interventions reports available, though they are not consistent |
| | Monthly reports are in place, though they may be irregular |
| (d) OSS activities/ initiatives/ programmes/ campaigns | Household profiling is done and there is reporting on it |
| | Walk-ins Service Request Register is in place |
| | Economic Development Programmes are in place |
| | Youth Ambassador's Youth Clubs |
| | One Home One Garden |
| | Government Departments provide interventions on regular basis |
| | Economic Development Programmes are in place |
| **4. FULLY FUNCTIONAL** | |
| **ITEM** | **INDICATORS** |
| (a) Venue | Venue is identified and war room operates at the identified place |
| | The venue is well known by community members. |
| | The venue has minimal resources, furniture, OSS Implementation Model & Stationery etc., relevant posters displayed and pasted on the walls of the war room |
| | Coordinating war room organogram displayed on the wall |

| | |
|---|---|
| (b) WR structure | WTT structure in place fully operational (Champion, Chairperson, Deputy Chairperson, Secretariat and LTT Representative) |
| | Government Departments are represented, at least more than five are accounted for, in the war room |
| | Community Leadership is fully represented |
| | All fieldworkers are coordinated and report at the war room |
| (c) Meetings and Reporting | War room holds formal meetings at least twice a month |
| | Schedule of meetings is well structured |
| | Minutes of the meeting are up to date and in place |
| | Attendance registers are up to date and in place |
| | Interventions reports are up to date and in place |
| | Walk-in service request register is in place |
| | Data base of OSS Stakeholders in place |
| | Monthly reports are submitted timeously and in accordance war room reporting tools |
| d) OSS activities/ initiatives/ programmes/ campaigns | Household profiling is well done, material/resources are readily available |
| | Ward profiling used accordingly to the profile in the place |
| | Community Profiling is done and in place |
| | Youth Ambassador's Youth Clubs |
| | One Home One Garden |
| | Ward Aids Council |
| | Operation MBO ( Integrated Interventions) |
| | Siyadlala programmes |
| | Dialogues (Community Intergenerational Youth Dialogues) |
| | Awareness campaigns |
| | Change agent tracking and support |
| | Empowerment and employment opportunities |
| | Government Departments provide interventions on regular basis |
| | Economic Development Programmes are in place |

- **Challenges:**

- Poor attendance from government departments.
- Special Programs Unit is having a challenge of getting students and interns that are temporary, and when they leave there is no continuity.
- There's a general delay of feedback on the reported issues.
- Shortage of resources in the war rooms (such as laptops).
- Some war rooms do not have secretaries who are CDW.
- Shortage of CCGs in war rooms.
- War rooms venues that cannot be branded such as schools and churches.
- No stipend for war room secretaries.

- **Solutions:**

- War room secretaries should be offered a stipend.
- All war rooms should have Community Development Workers (CDW).
- Local Municipality should assist in providing war room venues for war room meeting to be held at. This can be done by providing park homes at each ward.
- The DTT Chairperson can assist by communicating with department heads and ask them to release at least one official who will be attending war rooms.
- Permanent staff should be placed in Special Programmed Unit.
- Departments should have a 7-day turn around period and should stick to it.
- CCGs must be evenly distributed to all the war rooms.

- All war room secretaries should be provided with all the necessary resources such stationery and laptops.

## (e) The status and progress with the roll out of Operation Sukuma Sakhe in the Newcastle Local Municipality.

The KwaZulu-Natal Department of Cooperative Governance and Traditional Affairs (Cogta) has been helpful in the assessment of the service delivery structures such as the war rooms. The war room verification assist in ensuring that the Operation Sukuma Sakhe (OSS) programme achieve its goal as an integrated service delivery model; thus, avoiding community unrests.

Section 16(1) of the Municipal Systems Act of 2000 stipulates that "a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance". In addition to the conducive climate, the municipality should be in a position to monitor. Hence, section 40 of the Municipal Systems Act of 2000 stipulates that "a municipality must establish mechanisms to monitor and review its performance management system". The war room champions (Councilors) have been responsible to ensuring that war room reports are submitted and cases reported are addressed accordingly.

- **Newcastle Local Municipality's OSS Strategic Plan (2020/21).**

During the Municipal 2020 strategic plan, community unrest was identified as high risk and the customer dissatisfaction as the core. This therefore, propelled the municipality to come with the following recommendations:

- To approach COGTA to provide the Municipality with park homes as war rooms. The war rooms will ensure that people access services at the ward level. Thus, improving community involvement and participation.
- To establish the Municipal OSS steering committee. This will assist the municipality to work as a team in addressing community issues.
- To approach Cogta for an automated overarching referral system. In the interim a manual system to be used. The automated system will help to track the issue and ensure that there is no duplication. Thus, establishing trust on the impact of the integrated service delivery model.
- To develop a pragmatic OSS framework to be implemented in 2020-2023. The framework will be reviewed in 2023. Through the framework, all stakeholder will play the role adequately without overlap. It will also ensure that the war based needs become the daily business.

- **War Rooms as Service Delivery Engines.**

Goal three of OSS stipulates as follows "To have fully functional War Rooms as service delivery engines engaging with communities, departments and service providers to provide essential transversal services". Consequently, this calls for permanent war room structures. Annexure A constitute the issues from the war room, while annexure

B highlights the war room submissions. Table 1 gives an illustration on the status of war room structures.

- **War room venues:**

| WAR ROOM VENUES | NUMBER | WAR ROOMS |
|---|---|---|
| Own structure | 4 | 3, 4, 11 and 24 |
| Churches | 6 | 8,9,12,13,15 and 16 |
| Schools | 15 | 5, 6,7,10,14,17,19,20,22,26,27,28,29,31 and 32 |
| Early Childhood Development Center | 1 | 30 |
| Government building | 2 | 1 (Charlestown and Ingogo) |
| Civil society building | 1 | 18 |
| Shopping building | 1 | 21 |
| Nonfunctional taxi rank | 1 | 33 |
| Municipal building | 3 | 25(Fairleigh hall) and 34 (transit camp and the recreation center) |
| None existence | 2 | 2 and 23 |

## 3.14. Local Economic Development.

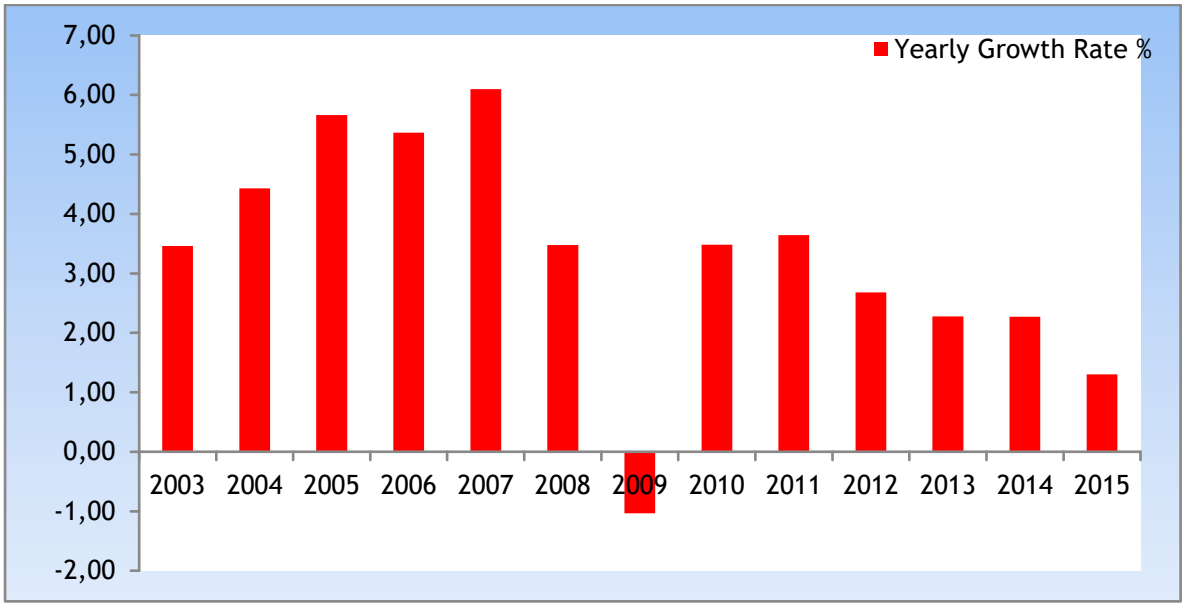
### 3.14.1. Local Economic Analysis.

### (a)Local Economic Analysis.

The 2011 national census estimated the population of the Newcastle Local Municipality at 363 236 people, with over 80% living in Madadeni and Osizweni townships (Statistics South Africa). The Newcastle Local Municipality is the main economic hub in northern KwaZulu-Natal, and it forms part of the Johannesburg-Richards Bay-Durban corridor. This location provides an advantage to Newcastle, in terms of attracting businesses especially from Johannesburg. The local economy of Newcastle has experienced relatively better growth when compared to other towns within the Province.

The diagram below provides a snapshot of the performance of the local economy over a period of ten years. The local economy peaked at 6% in 2007 and has since declined. The decline was not represented in all the sectors in the local economy as some sectors did in fact experience growth whilst others were negatively affected in terms of the global economy.

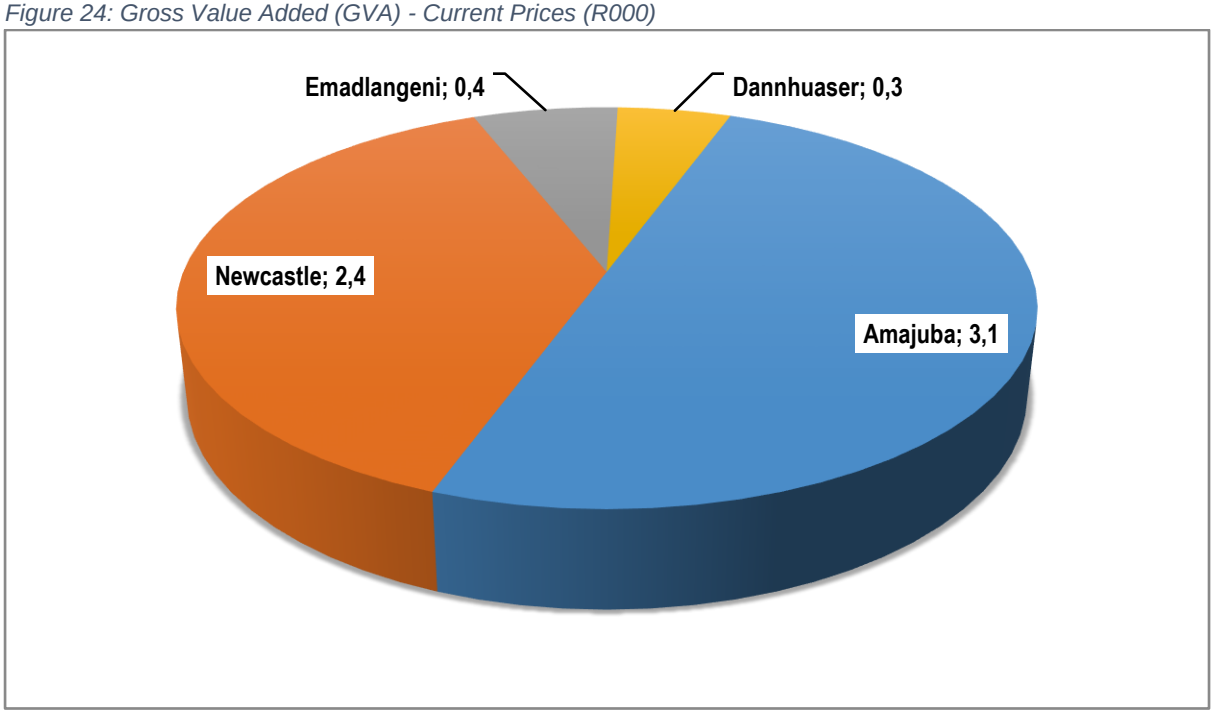
*Figure 23 GVA for Newcastle over a Ten Year Period*




## (b)Gross Value Added.

The figure below indicates that Newcastle Municipality accounts for the majority share of the Gross Value Added for Amajuba District. This confirms the dominance of Newcastle in the region and its role as the main economic hub.

*Figure 24: Gross Value Added (GVA) - Current Prices (R000)*

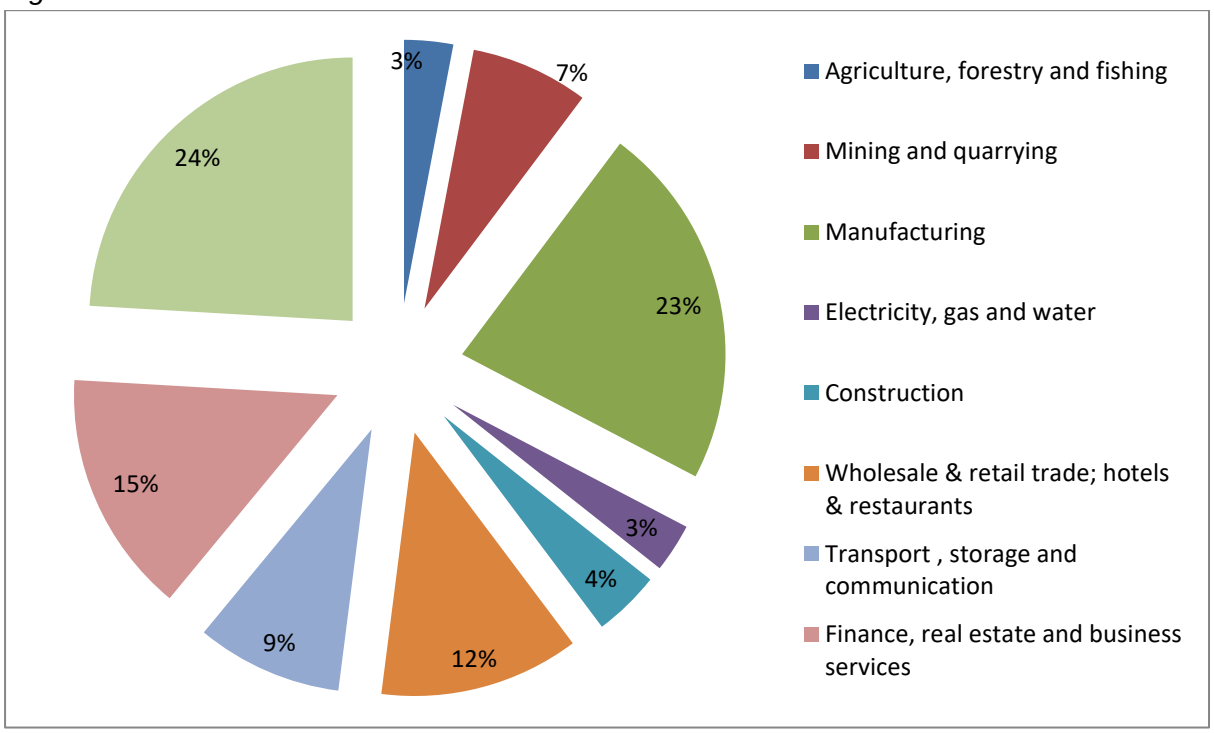



Source: Global Insight 2012

The economy of Newcastle is largely driven by the manufacturing sector, which contributes approximately 27% to total GVA. This equates to almost R2,9 billion of the total R10,5 billion GVA generated within the district. This is higher than both the district GVA in relation to its contributions within KZN, and the provincial GVA contribution within the country which is approximately 25% and 22% of total GVA

respectively. The manufacturing sector has only experienced modest growth in the past decade (2000 – 2010), with an average real annual GVA growth rate of 0.6%, in comparison with the provincial average growth of 2.2%.

*Figure 25 Economic Sector Contribution to Gross Value Added*




Other key sectors in terms of GVA contribution are the general government sector; wholesale and retail; and finance and business services sector. GVA generated through general government services is approximately R1,8 billion, which contributes 17.6% to total GVA. This sector has experienced average annual real growth of 2.6% per annum. Just over 17% of GVA can be attributed to finance (6.9%) and business services (10.2%), which collectively generate R1.8 billion worth of GVA to the Newcastle economy.

These have also been the fastest growing subsectors, with finance and insurance services growing at an average rate of almost 9% per annum since 2000, and business services growing at 6.2% over the same period. Wholesale and retail trade contributes R1.4 billion to the local economy, which accounts for almost 14% of total GVA. Wholesale and retail trade have been growing at a modest rate of 2.63% per annum from 2010-2015.

### 3.14.2. Key Economic Drivers.

#### (a)Agriculture.

The recently adopted Provincial Growth and Development Strategy (PGDS) for KwaZulu-Natal identified the Agricultural sector as a key driving sector for the creation of employment and economic growth and development within the province. The sector also plays a major role in ensuring growth within rural communities, and is crucial for the safeguarding of food security within South Africa as a whole. Essentially, the

agricultural sector within KZN, if appropriately harnessed, has the potential to create a substantially higher number of jobs in a shorter time frame. Over the short to medium term the agricultural value chain can support labour-intensive activities generating large-scale employment.

The sector however currently faces severe constraints which have resulted in a significant decline in production and has experienced increased job losses within the Province. Major constraints within the sector provincially include:-

- Inadequate access to funding for infrastructure;
- A lack of agri-industries;
- Ineffective linking of graduates to commercial farms;
- Increased competition due to subsidisation of international farming;
- Slow finalisation of land reform processes; and
- Access to Ingonyama Trust Land for agricultural production.

In addition, a dramatic decline in the scientific base within the agricultural sector has led to a position where the province is under-capacitated to undertake scientific research and identification of agricultural potential. At a district level, Amajuba has experienced a decline within agricultural production which can be attributed to a number of factors including:-

- Uncertainty about the large number of pending land claims (70% of agricultural land is under claim in the Emadlangeni Municipality);
- Lack of support for small-scale and informal farming operations;
- Lack of relevant skills and training programmes;
- Access to markets;
- Access to funding for investment into new machinery and equipment;
- Increasing input costs and competition;
- Poor institutional support and assistance in the region.

With regards to potential, the Amajuba District Agricultural Development Plan notes that the main agricultural potential in order of priority in terms of optimum land use, revolves around intensive farming, irrigation, dry land farming and stock farming. Potential intensive farming and irrigation projects therefore need to receive first priority when allocating land for agricultural use. In addition, irrigation has been identified as a major constraint to agricultural development within both the province and the district, while the provision of fencing, dip-tanks, and access to the road network are major constraints to the development of emerging farmers.

The agricultural sector accounts for approximately 2.2% of total GVA in the Amajuba District, while the contribution of this sector to total formal employment is 2%. The Dannhauser Local Municipality contributes almost 40% to total agricultural production in the district, and has experienced the smallest decline of -2%. Newcastle and Emadlangeni contribute 36% and 25% respectively to total agricultural output in the district, and have both experienced a decline in growth of -6% from 2005 – 2009. The table below provides an indication of the quantity and average annual growth rate of

employment and GVA in agriculture for the Province, District and Newcastle Local Municipality.

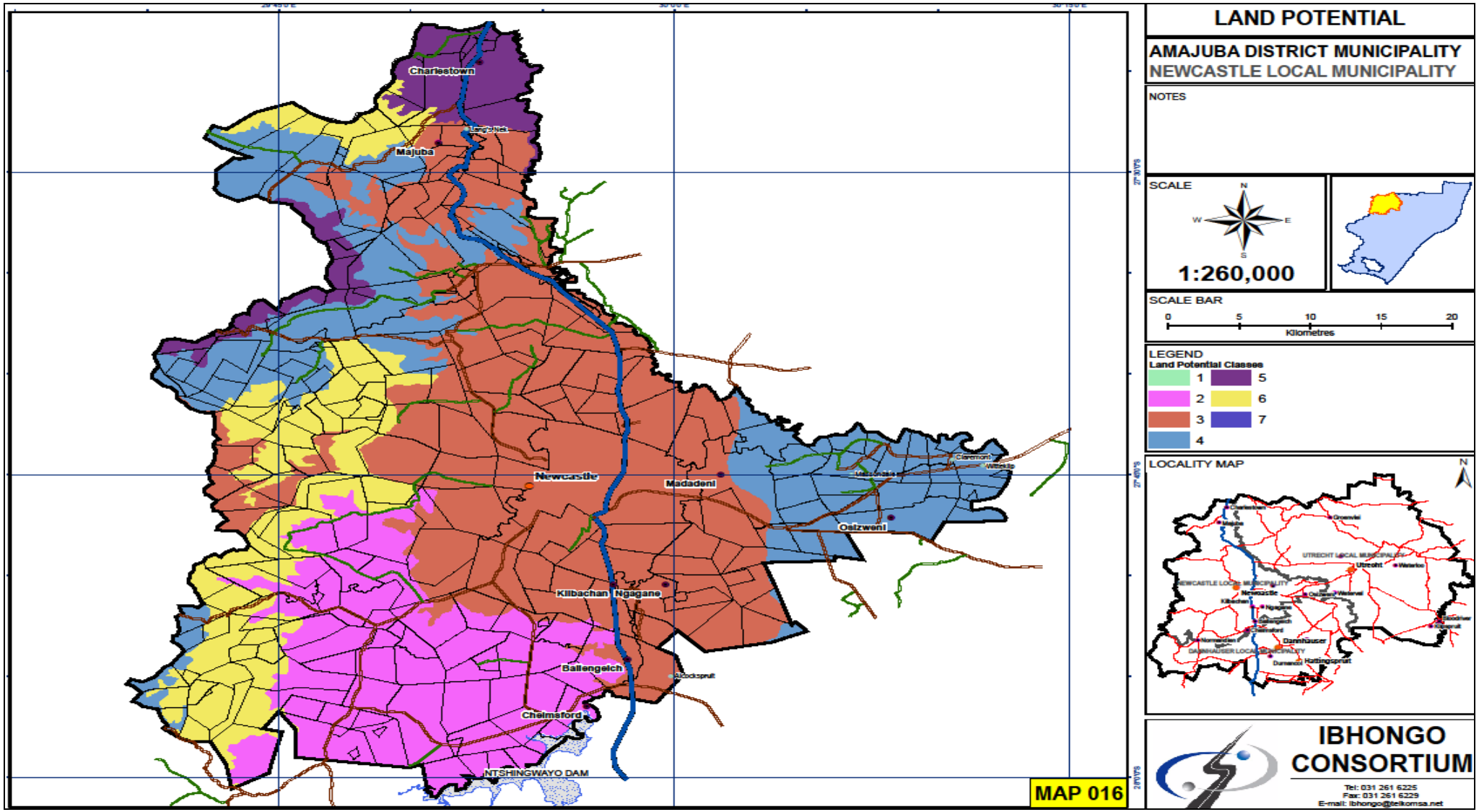
**Table 47: Annual growth rate of unemployment and GVA in the agricultural sector**

| | Employment in 2010[1] | Average Annual Growth (2000 - 2010) | GVA (Current Prices) in 2010 | Average Annual Growth (2000 - 2010) |
|---|---|---|---|---|
| **KwaZulu-Natal** | 108838 | -9.7% | R 16 943 958 727 | 1.93% |
| **Amajuba** | 2182 | -15.3% | R 315 735 912 | -5.11% |
| **Newcastle** | 800 | -16.0% | R 107 044 841 | -6.07% |

Source: Quantec Data (2012)

The provincial agricultural sector employed close to 109,000 people, and generated a GVA of close to R17 billion in 2010. The sector experienced almost a 2% average annual GVA growth since 2000, while employment within the sector declined at almost 10% per annum. Within both the district and Newcastle, both the number of people employed in the sector and the GVA output declined since 2000. Newcastle contributes 36% to total employment within the district agricultural sector, with employment declining at a high rate of 16% per annum since 2000. Additionally, GVA growth has declined at over 6% per annum since 2000. This indicates that there is a dire need to regenerate the agricultural sector within the District, and especially within Newcastle, in order to boost economic growth and employment.

With regards to agricultural potential, the map below displays the potential of agricultural land within the Newcastle Local Municipality.




*Map 34: NLM Agricultural Land Potential.*

It is clear that the south western portion of Newcastle, west of Chelmsford, has the highest agricultural potential. Most of the central portions of land have good agricultural potential. In terms of distribution of land-uses, the table below displays the breakdown of agricultural activity within the Amajuba District, as extracted from the Amajuba Area Based Plan (2007).

Table 48: Land-use of Agricultural Land (2007)

| Category | Area (ha) | % | Category | Area (ha) | % |
|---|---|---|---|---|---|
| Bushland and Bushland Thicket | 88,626 | 12.8% | Plantation | 17,590 | 2.5% |
| Cultivated, Commercial, Dryland | 42,127 | 6.1% | Primary Grassland | 417,792 | 60.2% |
| Cultivated, Commercial, Irrigated | 6,014 | 0.9% | Residential | 12,709 | 1.8% |
| Cultivated, Subsistence | 23,404 | 3.4% | Secondary Grassland | 58,791 | 8.5% |
| Eroded/Degraded Areas | 3,218 | 0.5% | Water bodies | 5,825 | 0.8% |
| Indigenous Forest | 6,777 | 1.0% | Wetlands | 7,683 | 1.1% |
| Industrial/Mines/Quarries | 3,213 | 0.5% | **Total** | **693,769** | **100%** |

*Source: Amajuba Area Based Plan (2007)*

Of the 693,769 hectares, 552,977 ha can be estimated as agricultural (after deducting, education, state land, conservation areas, traditional authority areas, water bodies etc.). Of the 552,977 ha, just over 6,000 ha (0.9% of total area and 1.1% of agricultural area) is irrigated and 42,127 ha cultivated under dry land (6.1% of total area and 7.6% of agricultural area). Plantations make up some 17, 590 ha (2.5% of total area and 3.2% of agricultural area).

These figures clearly show the limited potential of the area for dry land field cropping. In addition, irrigated agriculture at 1.1% of the total agricultural area is also small. Development of irrigation schemes to increase the irrigable potential will contribute significantly to the intensification of agricultural production.

❖ **Agriculture within the context of the Newcastle LED.**

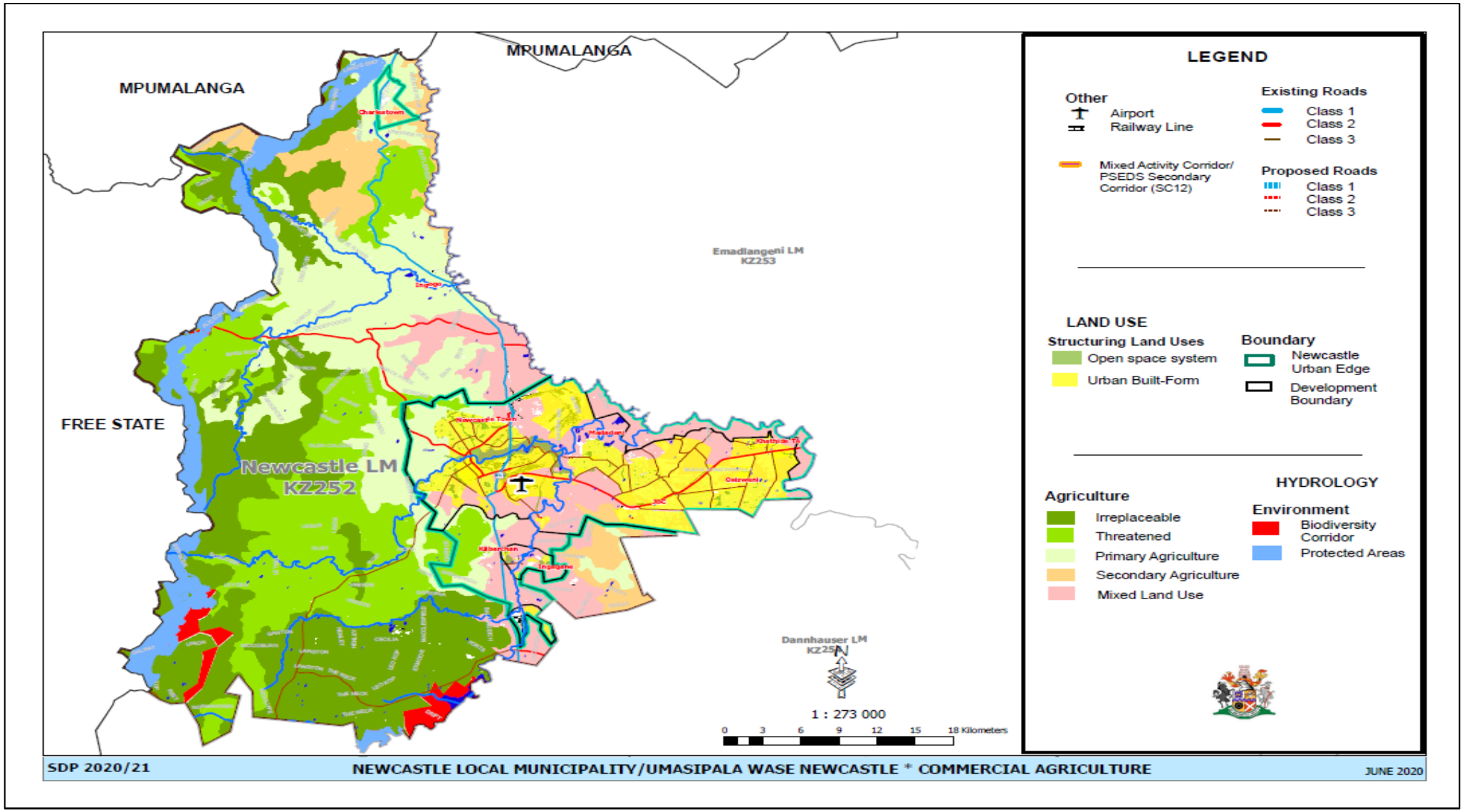
There is great potential for the creation of sustainable employment within Newcastle through implementation of identified agricultural projects. Although the contribution of the sector to total output is likely to remain relatively small in comparison with manufacturing and tertiary sectors, there is potential to create community farming units that are sustainable and enhance the livelihood of these communities. Creation of value-chains within Newcastle through the agricultural sector is also crucial.

A number of challenges have however been identified during consultation with agricultural stakeholders, which pose a threat to LED. Of critical importance is the lack of water for irrigation. There is very little excess water available for agricultural development and this needs to be addressed as a matter of priority with the relevant stakeholders to ensure that sufficient infrastructure capacity is developed to support further expansion of the sector. Creating strong relationships with both the national and provincial agricultural departments, as well as stakeholders such as Water Affairs and Land Reform will be essential for the success of the sector. Private sector should be encouraged to drive investment into sustainable agricultural interventions with

strong support from the local municipality. There are a number of concerns from the private sector with regards to implementation of agricultural LED projects, and these are as follows:-

- A perceived misunderstanding towards farmers from the public sector;
- A lack of clear and defined land ownership;
- The proposers of projects (predominately farmers) are often omitted from motivating the proposals and funding processes;
- Junior officials are often allocated to drive projects without the relevant experience;
- Corruption and a lack of accountability (financial and management);
- FET institutions within Newcastle are not currently producing the relevant skills;
- A lack of reasonable prices fencing and support for emerging farmers; and
- Land reform process which does not integrate skills transfer.

The Newcastle Local Municipality is currently busy with the review of the Newcastle Municipality Agricultural Development Plan and the compilation of a database for agricultural activity specifically within the jurisdictional area of Newcastle. The biggest challenge identified with regards to Agrarian Reform is the issue pertaining to the lack of funding.




*Map 35: NLM Commercial Agriculture.*

The strategy will draw on these LED related challenges to ensure that interventions are developed to combat these challenges. In conclusion, a SWOT analysis is presented for the agricultural sector:-

| STRENGHTS | WEAKNESSES |
|---|---|
| • Good existing agricultural base (especially dairy farming).<br>• Good basic infrastructure in place.<br>• High and good potential agricultural land throughout Newcastle (variety of soil types).<br>• Abundance of underutilised land suitable for cultivation and grazing.<br>• Large domestic market.<br>• Location between the Gauteng, KwaZulu-Natal and Free-State markets.<br>• Strong support for agriculture from the Provincial Growth and Development Strategy. | • Lack of agri-industries.<br>• Ineffective linking of graduates to commercial farms.<br>• Decline in the scientific base within the agricultural sector.<br>• Uncoordinated and badly managed agricultural LED initiatives.<br>• Lack of support for small-scale and informal farming operations (fencing, dip-tanks, and access to the road network).<br>• Reduction in protection from government and financial assistance to farmers.<br>• Lack of access to markets.<br>• Land reform and related challenges.<br>• Poor institutional support and assistance in the region (relationships with national government such as agriculture, land reform, environmental affairs and water).<br>• The proposers of projects (predominately farmers) are often omitted from motivating the proposals and funding processes.<br>• Junior officials are often allocated to drive projects without the relevant experience.<br>• Township farming seems to be on an increasing trend.<br>• Delayed response to positive community economic initiative (Theku Mall –surrounding informal activities). |
| **OPPORTUNITIES** | **THREATS** |
| • Community farming and growth of rural communities.<br>• Ensuring food security.<br>• Development of agricultural value-chains through agri-processing.<br>• Intensive farming.<br>• Tunnel farming.<br>• Irrigation.<br>• Dry land farming.<br>• Livestock farming.<br>• Regeneration of vacant farms.<br>• Commercial Land Ownership by local black Africans.<br>• Strategic use of municipal land and effective land disposal to PDIs. | • Access to funding for infrastructure.<br>• Supply of water.<br>• Increased competition due to subsidisation of international farming.<br>• Increased reliance on mechanisation at a high cost.<br>• Slow finalisation of land reform processes and pending land claims.<br>• Access to Ingonyama Trust Land for agricultural production.<br>• Increasing input costs and competition (electricity, transport, capital and equipment).<br>• Corruption and a lack of accountability (financial and management).<br>• FET institutions within Newcastle are not currently producing the relevant skills (low skills base).<br>• A lack of reasonability prices fencing and support for emerging farmers.<br>• Price-setting by large-scale food producers.<br>• Land degradation through uncontrolled gracing and poor management.<br>• Appointment of less qualified and less capable individuals to drive economic agenda of the town. |

## (b)Manufacturing.

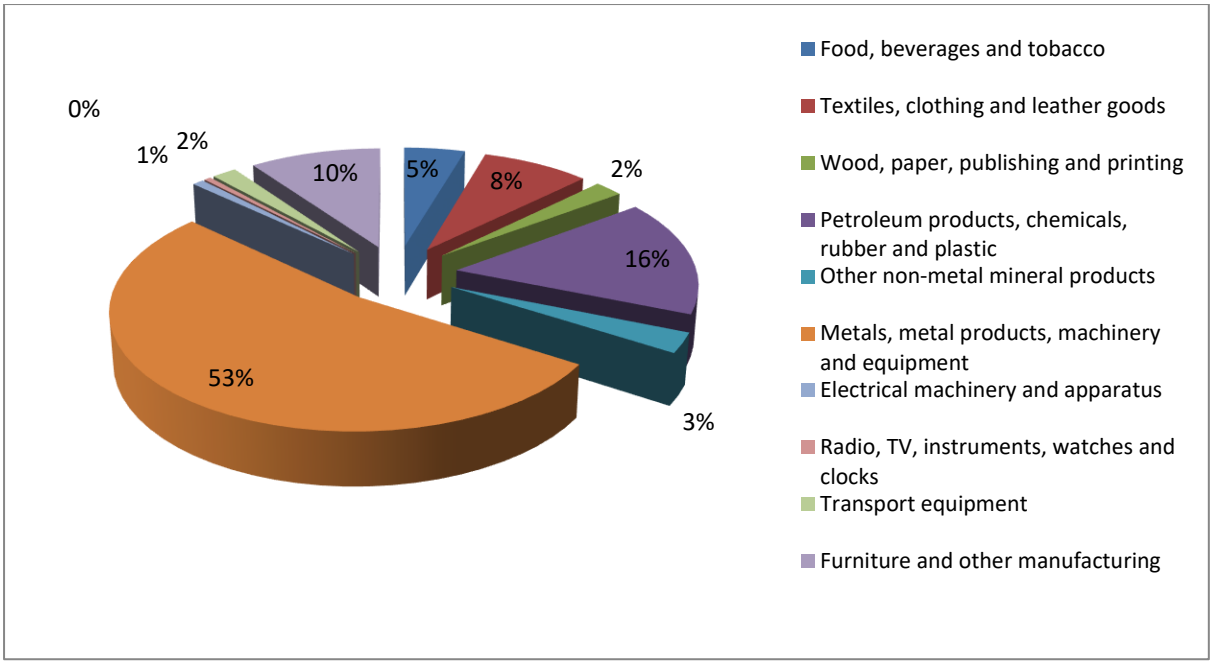
Manufacturing is the largest contributing sector within the district economy, contributing approximately 25.2% to total GVA. Manufacturing activities in Amajuba include metal production, chemicals and plastics, pharmaceuticals, clothing and textiles, food and beverages, leather and footwear. Most large industry is located within Newcastle, which accounts for over 83% of total GVA in the Amajuba manufacturing industry, followed by Dannhauser with 12.7% and Emadlangeni with 3.8% of GVA.

Newcastle has a strong base of existing infrastructure geared towards manufacturing, and is considered an important node within the wider provincial manufacturing sector. Although the Arcellor Mittal steelworks and the Karbochem synthetic rubber plant (which covers an impressive 500 000 m² of manufacturing space), dominate the Newcastle industrial portfolio, there is a wide range of manufacturing undertakings sharing in the economic growth of the region as well as new challenges being faced. There has been significant change in the manufacturing space within Newcastle Jurisdictional area, the major industries whom previously dominated the Manufacturing Sector, such as Arcelor Mittal and Karbochem has since endured severe financial constraint due to the Global Market shift in terms of the exchange rate and competitiveness of pricing. The result of these factors has since severely impacted Karbochem which has resulted in the closure of one of the dominating manufacturing industries. Additionally, Arcelor Mittal has undergone a *Section 189 Retrenchment* process which resulted in the closure of the Saldana Bay facility and the capacity reduction which directly impacts job loss in the Newcastle Operation.

The manufacturing sector consists of strong clusters of manufacturing industries, and has historically attracted a large number of foreign (mainly Chinese and Taiwanese) manufactures due to incentives offered. The sector is however dominated by a few large firms, which presents the opportunity to diversify the manufacturing base to promote the growth of SMME's within the sector.

The graph below displays the breakdown of the manufacturing sector in terms of contribution to total manufacturing GVA within Newcastle. Overall, the manufacturing sector has only experienced modest growth since 2000, with the average annual growth floating around 0.6%.

Figure 26: Distribution of Manufacturing GVA in Newcastle (2010)




Source: Quantec Data (2012)

The 'metals, metal products, machinery and equipment' industry contributes 53% to total manufacturing output within Newcastle, followed by 'petroleum products, chemicals, rubber and plastics' with 16%. This is largely due to the contribution of major manufacturers such as Arcellor Mittal, Siltech, and Karbochem. The metals industry has also experienced the greatest average annual growth since 2000 of 2.5%. 'Transport equipment', although only contributing around 2% to GVA experienced an average annual growth rate of 1.5% since 2000. Furniture and other manufacturing contributes 10%, while the 'textiles, clothing and leather goods' industry contributes 8% to total GVA within Newcastle. Both these sectors have experienced negative growth, with average annual growth at -0.57% and -1.5% respectively. Other less significant contributors are 'food, beverages and tobacco (5%)' and 'other non-metal mineral products (3%)', with 'transport equipment' and 'wood, paper, publishing and printing' both contributing 2%. The 'non-metal mineral product' and 'wood and paper industries' experienced the most negative growth rates with -3.3% and -3.1% per annum on average since 2000 respectively.

The textile industry is the largest contributing employment sector, with over 42% of total employment in manufacturing. This is despite the industry only contributing around 10% to total GVA, which indicates that textiles has the potential to create large amounts of employment. This industry has however experienced one of the highest negative average annual growth rates since 2000, of -6.7% per annum.

Newcastle accounts for approximately 86% of all textile and footwear manufactures in the district. The industry is however under threat, with a large number of textile manufacturers recently being closed down due to non-compliance with labour regulations. This has significantly reduced the size of the textile industry, over and above the decline already experienced over the past few years due to the dominance of Chinese textiles, with thousands of jobs being shed in the past few months already.

Many textile manufacturers who cannot afford to comply with labour regulations have reverted to using their factory space as storage for imported textiles from China, while others are relocating to Lesotho and Mozambique. These countries present low labour costs as their competitive advantage. A major concern on the side of textile manufactures is that there has been little to no support for them during these bargaining council discussions. This issue is a complex one, especially because it results from National labour regulation, and therefore cannot be resolved through local initiatives. The worrying factor is that this industry accounts for over 40% of employment in the municipality, which is estimated to have declined by at least half since the end of 2010.

The metals industry, despite contributing the greatest to total GVA, only contributes 27.7% to total employment. This indicates that the industry is less labour-intensive than industries such as textiles. Other significant contributing industries are 'furniture and other manufacturing' with 8.7% of total formal employment, and 'petroleum products, chemicals, runner and plastic' with 7.3% of formal employment. Of concern is the decline in employment within all industries of the manufacturing sector since 2000. The sector has declined at an average annual rate of -5.1%, which represents a loss of over 8000 jobs within this sector between 2000 – 2010. The strategy must ensure that job losses are addressed as a priority while taking steps to reverse the recent situation through the creation of new manufacturing jobs within key industries.

Due to the Global Pandemic, COVID-19 it has since severely impacted the Clothing and Textile industry which has resulted in a further loss of 8000 jobs which have been shed within the sector.

❖ **Manufacturing within the context of the Newcastle LED.**

Some of the key constraints highlighted by manufactures in the context of LED, which have had an impact on employment and output of the sector are:-

- Increasing input costs (electricity, water, labour and capital goods);
- Collapse of the rail network and unreliability of the current rail service;
- Underinvestment into electricity and water supply infrastructure;
- Lack of available, zoned industrial land (Special Industrial Zones);
- Red-tape barriers creating an administrative burden for industry;
- Lack of maintenance and provision of roads and other bulk services;
- Restrictive labour legislation;
- Declining competitiveness due to a lack of new investment (and technology);
- Vulnerability to international market prices (particularly within the steel industry);
- Lack of coordination between public and the private sector;
- Lack of support for industry by local government (in terms of lobbying with provincial and national government and SOEs);
- Impact of HIV/AIDs on the working age population.

Manufacturing is key to ensuring local economic development within Newcastle. Given that close to 30% of GVA is generated from the manufacturing sector, and given the potential of labour-intensive industries such as textiles and clothing, there is a need to ensure support and promotion of the manufacturing sector within Newcastle. The decline in both employment and GVA in the past decade is a cause for concern as the manufacturing sector plays a critical role in creating a strong economic base of which economic growth and development can be stimulated. Ensuring the prevention of further job losses must become a priority focus for local government, with supporting business expansion programmes to ensure that barriers to entry and existing constraints are addressed to stimulate further growth.

In conclusion, a SWOT analysis is presented for the manufacturing sector:

| STRENGHTS | WEAKNESSES |
|---|---|
| • Strong existing manufacturing base (largely metals and metal products, textiles and clothing, and chemicals, plastics and rubber).<br>• Good basic infrastructure in place.<br>• Central location to major markets by road (N11 and N3 network).<br>• Organised agricultural sector linking into agro-processing manufacturing expansion.<br>• Some examples of good working relationships between local government and industry. | • Large decline in employment within the sector since 2000 (over 8000 jobs).<br>• Lack of available, zoned industrial land.<br>• Too much red-tape creating an administrative burden for industry.<br>• Lack of maintenance and provision of roads and other bulk services.<br>• No local government support for the textile industry.<br>• Declining competitiveness due to a lack of new investment (and technology).<br>• Lack of coordination between public and private sector.<br>• Lack of support for industry by local government (in terms of lobbying with provincial and national government and SOEs).<br>• Lack of promotion for industrial development.<br>• Length of environmental regulation processes.<br>• Distance from markets limits export potential.<br>• Lack of knowledge from officials to access national incentive schemes. |
| **OPPORTUNITIES** | **THREATS** |
| • Diversification of the manufacturing sector and value-adding.<br>• Development of a clear vision with regards to manufacturing.<br>• Promotion of SMME development within the manufacturing sector.<br>• Business retention and expansion programme.<br>• Strengthened investment promotion through development of a strategy providing incentives.<br>• Development of inland logistics hub with supporting industrial development for export-orientated manufacturing (use of existing under-utilized infrastructure).<br>• Manufacturing of renewable energy products (solar panels, geysers, etc).<br>• Support for industry to provide internships, apprenticeships and skills training and development. | • Bargaining council threat of more textile factory closures.<br>• Increasing input costs (rates, electricity, water, labour and capital goods).<br>• Threat of mechanisation due to labour regulation.<br>• Electricity surplus charge is disproportionate.<br>• Collapse of the rail network and unreliability of the current rail service.<br>• Underinvestment into electricity and water supply infrastructure.<br>• Vulnerability to international market prices (particularly within the steel industry).<br>• Impact of HIV/AIDs on the working age population.<br>• Lack of relevant and suitable skills being produced by FET and tertiary institutions (engineering).<br>• Out-migration of skilled persons. |

## (c)Tourism.

Although Newcastle is not perceived to be a major tourism destination within KZN due to its historical association with industrial activities, the tourism sector presents opportunities for local economic development. Tourism within the municipality has grown over the past years, which is justified by the growing number of accommodation facilities and activities offered within the region. These facilities include eco-tourism (hiking, birding, etc.), natural, cultural and historical attractions (battlefields, nature reserves, etc.), arts and crafts, events and festivals, adventure sports, as well as hunting and fishing. Newcastle has a large number of accommodation facilities, which range from lodges, to B&B's, to self-catering facilities and hotels.

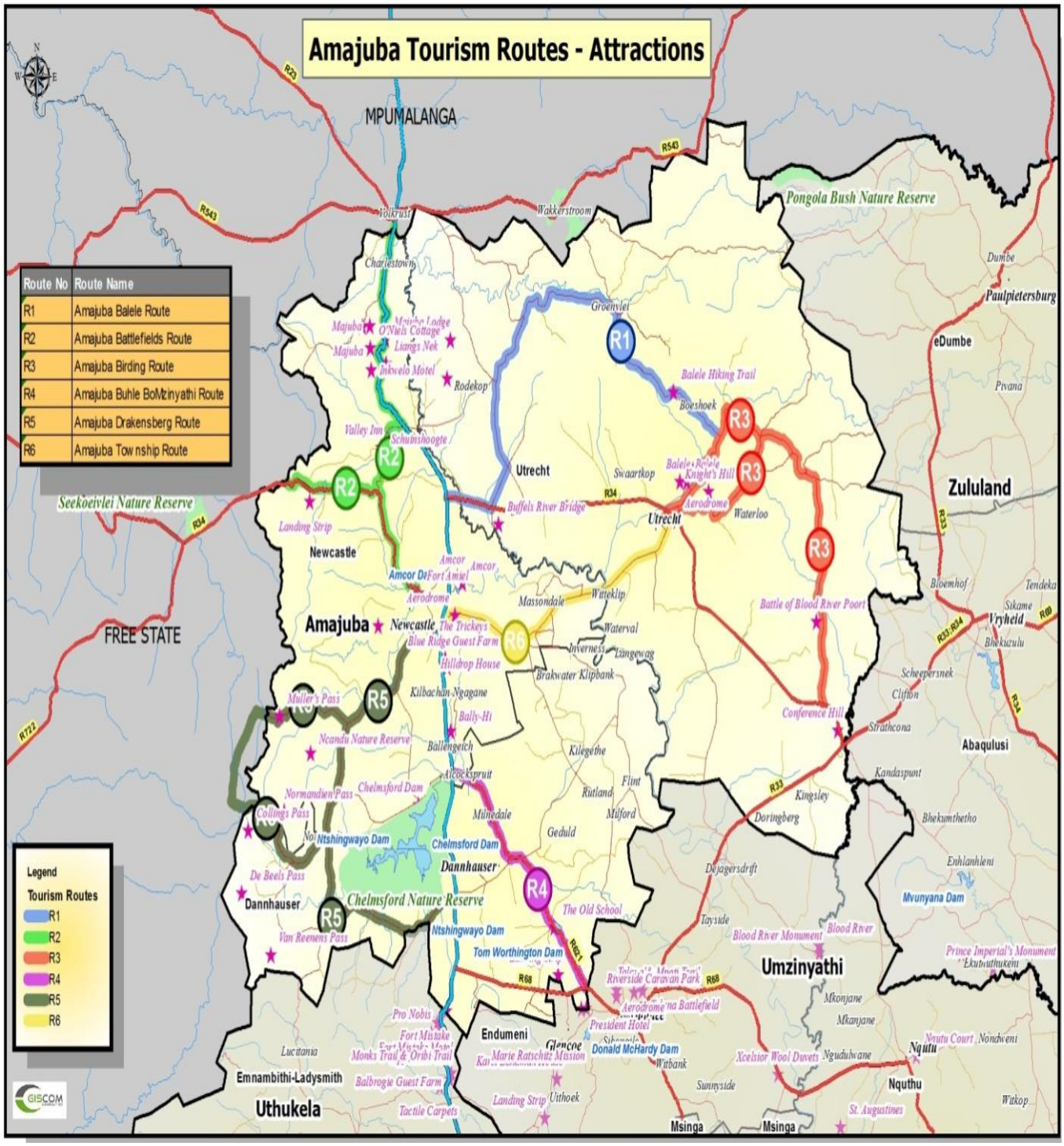
It is however difficult to measure the contribution of tourism to local economy as GVA from the tourism industry is spread across a number of other sectors. However, catering and accommodation within Newcastle contributed 0.7% to total GVA in 2010, which is almost 80% of total catering and accommodation output within the District. This indicates the significance of Newcastle as a tourism location within the wider Amajuba District. Although this contribution is small, it is expected that this is only a small portion of the total GVA generated from the industry, with spin-offs of tourism largely cutting across the wholesale and retail sector.

The contribution of this sector to total employment is 1.56%, which equates to approximately 1002 employed persons, and accounts for almost 82% of total employment within the District catering and accommodation sector. The extent of this sector on the economy of Newcastle can be noted by the Vodacom Newcastle Winter Festival, which attracts over 35,000 people, and has a significant impact on the local economy. Other events held annually within Newcastle include:-

- Chelmsford Challenge;
- Battlefields 5-in-1;
- Newcastle Air Show;
- SANBS & Round Table Blood Buddies Walk;
- Chinese New Year Celebration;
- Vulintaba Cycle Challenge;
- SPUR school sports week; and
- Regular flea markets.

Given that the Amajuba Tourism Strategy has recently been completed, the key findings and strategies will be assessed to ensure that the NLM LED Strategy is aligned to the wider view of the tourism sector. The following map depict a spatial representation of the attractions in the Amajuba District.

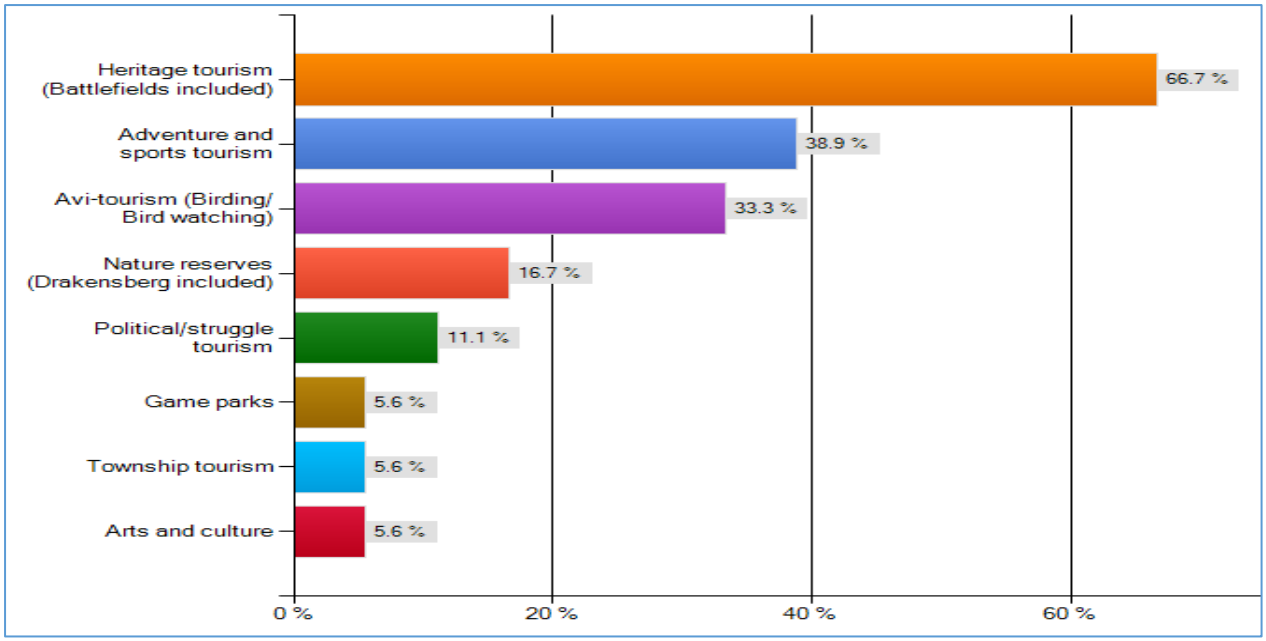
Figure 27: Amajuba Tourism Routes and Attractions


Amajuba Tourism Routes - Attractions
MPUMALANGA
FREE STATE
Route No | Route Name
R1 | Amajuba Balele Route
R2 | Amajuba Battlefields Route
R3 | Amajuba Birding Route
R4 | Amajuba Buhle BoMzinyathi Route
R5 | Amajuba Drakensberg Route
R6 | Amajuba Township Route
Legend
Tourism Routes
R1
R2
R3
R4
R5
R6
Pongola Bush Nature Reserve
Seekoevlei Nature Reserve
Chelmsford Nature Reserve
Newcastle
Amajuba
Dannhauser
Emnambithi-Ladysmith
Uthukela
Umzinyathi
Endumeni
Msinga
Nquthu
Zululand
eDumbe
Paulpietersburg
Abaqulusi
Utrecht
Volkrust
Wakkerstroom
Charlestown
Groenvlei
Rodekop
Balele Hiking Trail
Boeshoek
Swaartkop
Buffels River Bridge
Waterloo
Landing Strip
Amcor
Massondale
Witteklip
Waterval
Inverness
Langewag
Brakwater Klipbank
Hilldrop House
Kilbachan Ngagane
Bally-Hi
Ncandu Nature Reserve
Ballengeich
Kilegethe
Alcockspruit
Rutland
Flint
Milford
Muhedale
Geduld
Chelmsford Dam
Ntshingwayo Dam
Tom Worthington Dam
The Old School
Dejagersdrift
Tayside
Blood River Monument
Blood River
Riverside Caravan Park
Aerodrome
President Hotel
Donald McHardy Dam
Witbank
Sunnyside
Landing Strip Uthoek
Tactile Carpets
Balbrogie Guest Farm
Monks Trail & Oribi Trail
Marie Ratschitz Mission
Fort Mistake
Pro Nobis
Lucitania
Van Reenens Pass
De Beels Pass
Collings Pass
Normandien Pass
Miller's Pass
Battle of Blood River Poort
Conference Hill
Scheepersnek
Clifton
Strathcona
Kandaspunt
Kingsley
Doringberg
Bekumthetho
Enhlanhlent
Mvunyana Dam
Prince Imperial's Monument
Ekubuthukeni
Mkonjane
Mkanjane
Xcelsior Wool Duvets
Nguduluvane
Nautu Court
Nondweni
Witkop
St. Augustines
Bloemhof
Tendeka
Sikame
Vryheid
Bhekuzulu
Pivana
Dumbe
Aerodrome
Knight's Hill
Balele
Ntshingwayo Dam
Fort Amiel
The Trickeys
Blue Ridge Guest Farm
Aerodrome
Amcor
Amcor Dr
Majuba
Majuba
Inkwelo Motel
Liangs Nek
O'Niels Cottage
Valley Inn
Schutshoogte
Landing Strip
Newcastle
Aerodrome
Utrecht
Swaartkop
Balele
Knight's Hill
Aerodrome
Waterloo
Battle of Blood River Poort
Conference Hill
Bloemhof
Vryheid
Bhekuzulu
Scheepersnek
Clifton
Strathcona
Kandaspunt
Kingsley
Doringberg
Bekumthetho
Enhlanhlent
Mvunyana Dam
Prince Imperial's Monument
Ekubuthukeni
Mkonjane
Mkanjane
Xcelsior Wool Duvets
Nguduluvane
Nautu Court
Nondweni
Witkop
St. Augustines
Dejagersdrift
Tayside
Blood River Monument
Blood River
Riverside Caravan Park
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President Hotel
Donald McHardy Dam
Witbank
Sunnyside
Landing Strip Uthoek
Tactile Carpets
Balbrogie Guest Farm
Monks Trail & Oribi Trail
Marie Ratschitz Mission
Fort Mistake
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Van Reenens Pass
De Beels Pass
Collings Pass
Normandien Pass
Miller's Pass
Ncandu Nature Reserve
Ballengeich
Kilegethe
Alcockspruit
Rutland
Flint
Milford
Muhedale
Geduld
Chelmsford Dam
Ntshingwayo Dam
Tom Worthington Dam
The Old School
Hilldrop House
Kilbachan Ngagane
Bally-Hi
Brakwater Klipbank
Inverness
Langewag
Massondale
Witteklip
Waterval
Landing Strip
Buffels River Bridge
Waterloo
Utrecht
Swaartkop
Balele
Knight's Hill
Aerodrome
Boeshoek
Balele Hiking Trail
Rodekop
Inkwelo Motel
Liangs Nek
O'Niels Cottage
Majuba
Majuba
Valley Inn
Schutshoogte
Landing Strip
Newcastle
Amcor
Amcor Dr
Fort Amiel
Aerodrome
The Trickeys
Blue Ridge Guest Farm
Amajuba
Newcastle
Seekoevlei Nature Reserve
Chelmsford Nature Reserve
Dannhauser
Emnambithi-Ladysmith
Uthukela
Umzinyathi
Endumeni
Msinga
Nquthu
Zululand
eDumbe
Paulpietersburg
Abaqulusi
Utrecht
Volkrust
Wakkerstroom
Charlestown
Groenvlei
Rodekop
Balele Hiking Trail
Boeshoek
Swaartkop
Buffels River Bridge
Waterloo
Landing Strip
Amcor
Massondale
Witteklip
Waterval
Inverness
Langewag
Brakwater Klipbank
Hilldrop House
Kilbachan Ngagane
Bally-Hi
Ncandu Nature Reserve
Ballengeich
Kilegethe
Alcockspruit
Rutland
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Mvunyana Dam
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Ekubuthukeni
Mkonjane
Mkanjane
Xcelsior Wool Duvets
Nguduluvane
Nautu Court
Nondweni
Witkop
St. Augustines
Bloemhof
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Vryheid
Bhekuzulu
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Ntshingwayo Dam
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Aerodrome
Amcor
Amcor Dr
Majuba
Majuba
Inkwelo Motel
Liangs Nek
O'Niels Cottage
Valley Inn
Schutshoogte
Landing Strip
Newcastle
Aerodrome

- **Amajuba Battlefields Route:** The Battlefields Route stretches from 1877 - 1902, which includes the First Anglo-Boer War (1877-1881), the Zulu War (1879) and the second Anglo Boer War (1899-1902). The majority of the sites in Amajuba relate to the first Anglo-Boer War but the route connects up with others in the battlefields region. The one guide for the route sees under 50 tourists a month, and sites require maintenance. The route serves to attract sports clubs and enthusiasts into the area and adds to the cultural significance of Newcastle.
- **Amajuba Drakensberg Route:** This route takes visitors along the western border of Amajuba through the foothills of the Drakensberg and includes Chelmsford Dam. The foothills require further development and will be benefitted by the completed development of Vulintaba.
- **Amajuba Township Route:** This route takes people through Madadeni to Osizweni and through to Utrecht. This route doesn't attract many tourists, there is not always a guide available, and crafters are not always present along the route due to lack of business.
- **Amajuba Balele Route:** The Balele route winds along the escarpment on the eastern side of Amajuba, and borders with Mpumalanga at times. It has beautiful scenery and abundant bird life. Unfortunately, it is quite difficult to contact attractions along the route. The must-do attraction called 'Balele Adventures' had not had more than a handful of enquiries in years which is indicative of the success of the route and brochure.
- **Amajuba Bivane Route:** This route runs south of the Balele route and game reserve through the Blood River Poort. It lies in the Bivane wetland reserve and therefore is very scenic (including waterfalls) and offers many fishing opportunities.
- **Amajuba Buhle-Bomzinyathi Route:** This route cuts across from the Drakensberg eastwards along the southern side of the Chelmsford Game Reserve to cross the N11 and pass through the town of Dannhauser and the village of Hattingspruit.

Interestingly, 39% and 33% of service providers respectively felt that sports/adventure tourism and avi-tourism (bird watching) best promotes Amajuba as a tourist destination. Notably, these are all niche markets. The graph below displays these results:-

Figure 28: Top Tourism Products as per Service Providers




Regardless of the above mentioned results, the majority of tourists that visit the Amajuba region are business tourists, therefore the primary focus of the tourism strategy for Amajuba is business tourism. The secondary focus is events which attract large numbers of tourists from within Amajuba, the surrounding districts and also the surrounding provinces. As a tertiary focus, Amajuba's tourism strategy focuses on heritage, arts and culture, and nature based tourism.

Due to the COVID-19 Pandemic, there has been severe pressure placed on the Tourism Sector within the Newcastle area. This has since severely impacted the Industry which was already in distress. Due to the Lockdown Regulations which were instated Nationwide which entailed travel and leisure restrictions, the Tourism products and services offered were restricted to trade which resulted in temporary and permanent business closure due to financial stress.

The Tourism Sector within Newcastle is currently operating at a 36% occupancy level since the Lockdown Regulations have been eased compared to the previous occupancy of 78%. The major decline has impacted the locals within Newcastle whom have since been retrenched, placed on short-time, household income reduction and overall job loss.

The LED Unit has offered support and guidance to the affected business owners in the form of source funding through grants made available and special loans. Additionally, there were special payment plans which were offered by the Newcastle Municipality to locals to offer business relief.

With the aim of recovering from the major impact suffered by the Pandemic, the LED Unit is currently in the process of developing marketing material in the form of a promotional video and an investment brochure to attract new investment, development and business retention and expansion to the Newcastle area.

In conclusion, a SWOT analysis is presented for the tourism sector:

| STRENGHTS | WEAKNESSES |
|---|---|
| • Network of roads and location that is very central to Durban, Gauteng and Bloemfontein.<br>• Drakensberg Foothills on the south western border are very scenic.<br>• Several active sports clubs, and sportsmen as well as high quality sporting infrastructure.<br>• Fort Ameil museum and an art gallery (third largest in KZN) with dedicated curators.<br>• Several large events attract thousands of people to Newcastle yearly.<br>• Twin cities program.<br>• Many B&BS and lodges providing accommodation options. Also several conference and function venues with more popping up all the time.<br>• Thousands of business visitors a year.<br>• Majuba Mountain. | • Historical association of Newcastle as a mining and industrial centre.<br>• Run-down of tourism attractions and assets – including Battlefields sites and sports infrastructure.<br>• Art gallery does not have enough space to operate properly and is hidden in the centre of town.<br>• Accommodation places do not cater adequately for business visitors.<br>• Lack of recreational areas and activities in Newcastle.<br>• Low standard tourism information centre hidden in the centre of town.<br>• Failure to market the Black Rock Hotel and casino effectively.<br>• Accommodation facilities in township areas such as Madedeni and Osizweni do not experience the same demand as places in Newcastle.<br>• Lack of CTO. |
| **OPPORTUNITIES** | **THREATS** |
| • Expansion of Vulintaba Resort.<br>• Upgrading and increased capacity of the N11.<br>• Targeting and attracting, national, provincial and regional sporting events.<br>• Arts and culture – unique crafting and art work being produced and collected, Lucky Dube's grave and daughter – multi million rand arts and culture centre in Osizweni.<br>• A host of famous people who come from Newcastle.<br>• Functions and conferences.<br>• DEDT project that plans to upgrade municipal airports across KZN.<br>• Links to Memel and Vrede.<br>• Targeted marketing of Majuba Mountain. | • Continued run-down of sporting facilities such as the swimming pool.<br>• A lack of communication with the Freestate leads to continued degradation of the R34.<br>• Possibility of mining in the D96 valley.<br>• Decreasing visitor numbers to Battlefields across the province.<br>• The art gallery does not get a new space and lack of promotion leads to continued drop in production of local crafters and artists.<br>• Lack of resources for marketing leads to insufficient demand for attractions, and the image of Newcastle as a mining town remains unchanged.<br>• Airport upgrade leads to business men spending shorter time in Newcastle.<br>• Continued inequality in demand between Newcastle town, and Madedeni and Osizweni leads to the closure of many SMMEs and lack of transformation in tourism. |

## (d)Gap/needs analysis.

The research has identified a number of key constraints that act as a threat to LED within Newcastle, as well as opportunities that can be leveraged off these constraints. The SWOT analysis undertaken above highlights that various weakness and threats are currently tainting the municipality. However, there are various strengths possessed by Newcastle and opportunities available to ensure that LED can become successful. In order to translate the key findings of the situational analysis into meaningful strategies that can be implemented and monitored & evaluated, the report presents a GAP or Needs analysis which will draw out the key areas that require intervention. This will assist by providing a base off which strategies can be developed.

In order to identify the key gaps or areas of need, the various strengths, weaknesses, opportunities and threats were sorted according to their overarching theme, and thereafter organised into the categories. These categories represent the major focus areas of the municipality, and specifically, the areas that most require intervention to ensure that LED is stimulated within Newcastle.

❖ **Agriculture.**

- Development of dams and supporting water infrastructure.
- Redevelopment/regeneration of under-utilised farms.
- Encouraging the growth of agri-processing industries.
- Need for better relationships and improved understanding of farming.
- Improvement of coordination between all parties critical to agricultural development.
- Support for small-scale and emerging farmers.
- Need for greater support mechanisms for farmers.
- Intensive and tunnel farming, dry land farming and livestock farming.
- Fast-track land reform processes.

❖ **Manufacturing.**

- Provision of zoned industrial space.
- Assistance and support to the textile industry to reduce and reverse job losses.
- Leveraging of national incentives and funds to encourage industrial development.
- Development of a clear vision for the manufacturing sector.
- Promotion of investment into new technology.
- Diversification of the sector.
- Manufacturing of renewable energy products.
- Regeneration of vacant or under-utilized industrial space.
- Skills development and training for the increase in local skilled labourers
- The development of a training facility with equipment for up-skilling Cut, Make and Trim (CMT) workers.
- Department of trade industry and competitions (DTIC) has committed 50 million rand to revamp and revitalize the Ithala Industrial Estate which will assist in the development of a mini Special Economic Zone (SEZ) as a part of the Industrial Parks Revitalization Programme.

❖ **Tourism.**

- Need for a one-stop information centre.
- Need for more funding for tourism (maintenance, infrastructure upgrades, and new facilities).
- Encouraging development of tourism activities within Madadeni and Osizweni.
- Need for comprehensive tourism research.
- Expansion of business and event tourism.
- Marketing of the region.
- Source funding of available Tourism grants and funding

- The Municipal subsidy grant to be reinstated
- The development of frequent marketing and promotional tourism material
- Nationwide advertising campaigns
- Exposure to Global markets
- Increased participation with the Battlefields Route Drives

❖ **Cross-cutting gaps or needs.**

- Access to funding for implementation of LED interventions.
- Improvement of intergovernmental relations and coordination (between national, provincial and local government, SOEs and traditional authorities).
- Strengthening of public-private partnerships.
- Effective investment promotion and facilitation (including incentives).
- Business retention and expansion programme.
- Efficient project and financial management for LED initiatives (project management unit to run LED projects).
- Reduction of red-tape and the collective administrative burden.
- Reduction of corruption and ensuring accountability.
- Ensuring tertiary institutions are producing skills aligned to industry demand (especially manufacturing and agriculture).
- Need for private and public sector apprenticeships and internships (including support for companies currently undertaking skills development and training).
- Retention of skilled residents in Newcastle.
- Upgrade and increase the capacity of the N11 and R34.
- Encourage regeneration of the rail network for both passenger and cargo transport.
- Development of bulk services (including dams and water capacity).
- Inland logistics hub with supporting industrial development for export-orientated manufacturing.
- Improve access to land for development (public land, private land and Ingonyama Trust Board land).
- Upgrading of the Newcastle Airport.
- Continued maintenance and development of recreational facilities.
- Assistance in the provision of infrastructure for small-scale farming such as fencing and dip-tanks.
- Growth of sustainable SMMEs in areas such as Osizweni and Madadeni.
- Enhancing local procurement (including proper management thereof).
- Business support and financial assistance to SMMEs.
- SMME development through linking to value chain of manufacturing, tourism and agriculture.
- SMME training and development.

## (e)Skills Development and Early Childhood Development.

❖ **Current programs on ECD:-**

There are 139 schools in the Amajuba that offer Grade R in all our eight circuits. We have 9337 Grade R learners that have been registered. There are 261 Grade R

teachers, and 62 state paid Grade R teachers. Current programmes towards enhancing early childhood development include the following:-

❖ **Current challenges with respect to ECD:-**

- We have child-headed households due to the social ills, and due to such learners don't attend school properly.
- There is a shortage of water and proper ablution facilities that are age appropriate.
- There is a general lack of proper classes for learner accommodation for effective teaching and learning.
- There is a shortage of resources like carpets and educational charts for aiding in learning.
- There is also a shortage of outdoor resources e.g. jungle, gyms, balancing beams, sand trays and slip and slides for physical growth.

❖ **Private Sector CSI:-**

- AfriSam is currently completing an ECD Centre in Ngagane.
- NPC is currently revamping the block yard in Madadeni which will be used for training and skills development for the provision of start-up materials to block makers.
- Future Coal have already established Tunnel Farming for food production, and they've also established a sewing project for the manufacture of overalls and other PPE items.

## (f) Newcastle Agricultural Food Initiatives.

The Newcastle Municipality has been involved in various food initiatives which are driven by the Agricultural Sector. The following table stipulates food production initiatives noted from the Amajuba District such as the following:-

| Food production | No. of beneficiaries |
|---|---|
| Livestock production | 12 292 |
| Poultry Production | 17 042 |
| Grain and food crops | 7326 |
| Industrial Crops | 61 |
| Fruit Production | 7013 |
| Vegetable Production | 19 201 |

| 2020/21 APP REPORTING TEMPLATE | | | | | | |
|---|---|---|---|---|---|---|
| FARMER SUPPORT AND DEVELOPMENT | | | | | | |
| Performance Measures | District Annual Target 2020/21 | Newcastle Targets | Newcastle Quarter 1 Output | | | |
| | | | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
| Number of households supported with food security interventions | | 200 | 145 | 130 | 120 | 174 |
| Number of smallholder producers supported | | 43 | 14 | 52 | 72 | 4 |

| 2020/21 APP REPORTING TEMPLATE | | | | | | |
|---|---|---|---|---|---|---|
| FARMER SUPPORT AND DEVELOPMENT | | | | | | |
| with agricultural production inputs | | | | | | |
| Number of black commercial farmers supported with agricultural inputs | | 1 | 1 | 0 | 0 | 0 |
| Number of hectares planted for food production | | 467 | 0,34 | 0,35 | 459,78 | 170,08 |
| Number of youth projects supported by the Department | | 2 | 1 | 0 | 0 | 0 |
| Number of projects for people with disability supported by the Department | | 1 | 1 | 0 | 0 | 0 |
| SUSTAINABLE RESOURCE MANAGEMENT | | | | | | |
| Performance Measures | Newcastle Annual Target 2020/21 | Newcastle Targets | Newcastle Quarter 1 Output | | | |
| | | | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
| Number of agricultural infrastructure established | | 3 | 0 | 0 | 0 | 0 |
| Number of agricultural infrastructure rehabilitated | | 1 | 1 | 0 | 0 | 0 |
| Number of kilometre fenced for agricultural use | | 1 | 1 | 0 | 0 | 0 |

## (g)National Framework.

The latest populous which has been incorporated into the National Framework has been noted in the LED strategy for Local Economic Development in the next review. The framework is anchored on six Core Policy Pillars that will influence the design, development and implementation of LED, and these are follows:-

- Building diverse & innovation-driven local economies;
- Developing inclusive economies;
- Developing learning and skilful economies;
- Enterprise development and support;
- Economic governance and infrastructure;
- Strengthening local systems of innovation.

## 3.14.3. Tourism Development Strategy and Implementation Plan (2013).

The Newcastle Local Municipality developed a comprehensive Tourism Development Strategy and an Implementation Plan in 2013. The NLM Tourism Strategic Objectives, Targets and Vision are aligned with the District's targets. The tourism sector is currently a small contributor to the region's economy, but holds a number of

opportunities that can be explored. It is estimated that NLM generates approximately R116m in tourism related business per annum, with tourism related establishments generating R165m and creating 1 066 jobs in the municipality (Tourism Sector Report: 2015).

The main emphasis with regards to the development of the tourism sector within Newcastle relates to business, sports and events related tourism. This shall be done through deliberate efforts towards the development of higher order sports facilities and also the attraction of high impact events as calendar events. Newcastle will strive to make itself known for periodic gatherings attracting people locally and outside in order to exploit the economic spin-offs for the benefit of the town. Upon analysis of the proposed direction towards the development of the tourism sector within Newcastle, it was decided that there is feasibility solely based on the ideal spatial positioning of the town relative to the wider region which makes such events sustainable.

*Table 49: Summary of the district's strategic clusters.*

| Strategic Cluster | Strategic Thrust |
|---|---|
| Marketing – tourism growth & development (demand) | • Market Amajuba's strength: Meetings, Incentives, Conferences and Events.<br>• Expand and improve tourism information outlets and tools.<br>• Branding and route development**.** |
| Product Development and Planning | • Meetings, conferences and events product development.<br>• Heritage, avi-tourism and nature based tourism product development.<br>• Other niche markets, accommodation and recreational product development Infrastructure and support services development. |
| People in tourism | • Ensure quality experiences through service excellence.<br>• Ensure transformation in the tourism industry Increase tourism awareness |
| Policy, strategy, governance, research & knowledge management monitoring & evaluation | • Improve tourism management through institutional and policy arrangement.<br>• Improve tourism management through improved research and knowledge management.<br>• Entrench responsible tourism principles |

The vision for tourism in Newcastle was developed based on inputs from key stakeholders, as well as considering alignment issues with the vision for tourism in KZN. The vision for the Newcastle tourism destination takes the following elements into consideration:-

- **Nature and outdoor** – there are a variety of protected areas, conservancies and nature reserves in the area, which is important for the type of tourism to be developed in the area;
- **Adventure –** the abundance of outdoor and rural experiences lend the area towards adventure tourism;
- **Heritage** – there are a number of important heritage assets, experiences and historical events associated with the Newcastle area;
- **Friendly, welcoming people** – the warmth and friendliness of the local people is a major component of the destination's attractiveness based on feedback from visitors to Newcastle;

- **Prosperity** – to emphasise the fact that a properly developed tourism industry can result in prosperity for the stakeholders in the Municipality; and
- **More than just a place to do business** – to indicate that the study area is a destination that is also attractive for leisure and other purposes of visit.

| | | |
|---|---|---|
| STRATEGIC GOAL 3: DEVELOPMENT AND SUPPORT FOR THE TOURISM SECTOR | | |
| Diversification of Tourism Attractions and Activities | Although there are a fairly wide range, the tourism activities within Newcastle, potential exists to enhance the sector through development of new activities and attractions. Sports tourism, in particular, has the potential to attract a wide range of visitors to the area throughout the year, and it is suggested that the municipality continue to work closely with tourism operators to identify new sporting events that could be established within Newcastle. Various tourism opportunities have also been indentified during the Amajuba Tourism Strategy (2012) of which those key to the Newcastle area have been pulled through into the strategy. | Development of the Battlefileds as part of the Amajuba Tourism Route (including cultural tourism). |
| | | Action plan and funding to support establishment of business tourism and event tourism (particularly Sport Tourism). |
| | | Development of opportunities along the MR483 Corridor linking the Newcastle CBD to Madadeni and Osizweni. |
| | | Promote the development of Avi-Tourim (birding). |
| | | Development of Ncandu River Dam Tourism. |
| STRATEGIC GOAL 4: IMPROVING THE INSTITUTIONAL AND POLICY ENVIRONMENT TOWARDS EFFECTIVE LED | | |
| SMME Participation within the Tourism sector | The tourism sector comprises mainly of small business, from single-owned accomodation facilities to one-man tour guide services. The inclusion of small business is therefore critical to the success of tourism and, in particular, the development of informal and micro-tourism operators. This programme deals with the development of small busienss within the sector, focussing on the Tourism Ambassador programme, developpment of tour guide and site management training and capacity, identification of potential funding sources for tourism start-ups. | Continue support for the Tourims Ambassador Programme and create linkages with established operators. |
| | | Provide Tour Guide and Site Management Training. |
| | | Identification of potential funding for Tourism start-ups. |

## 3.14.4. SMME Development.

The necessity for radical economic transformation is becoming more and more urgent and the Municipality must play its part in ensuring that its supports and promotes economic transformation. The following interventions are being implemented to ensure increased participation of the Previously Disadvantaged Individuals in the mainstream economy:-

- **Preferential Procurement Policy for SMMEs:**

A policy has been developed where specific percentages of capital and operational budgets have been set aside for SMME's, and this has been approved by Council.

SMME's are not clearly identified by SCM Policies, however a database should be supplied to the SCM directorate by LED. SMME's should be encouraged to register on the CSD Database from where SCM will ring fence a certain amount of funds to encourage procurement from that particular sector.

- **Development of the contractor programme:**

Previously the municipality initiated a programme for developing local contractors called Sebenzel' Ekhaya which has since been revived and is now called Sukuma Sakhe which is being officiated by EPWP, CWP and technical services.

- **Establishment of the construction incubator:**

The Municipality has taken a resolution to partner with SEDA Incubator for the establishment of the construction incubator which will assist small businesses with technical and business skills to manage their businesses effectively and deliver on their projects. This initiative will be implemented once the budget becomes available.

- **Targeted Expression of Interest to cater for local contractors and service providers:**

CIDB has indicated that it is possible to earmark certain projects to be done by local contractors without any breach of law. This mechanism will support both the contractor development programme and the incubator programme.

- **Skills development and training:**

Training workshops are being held periodically in response to training needs of SMMEs. However the Municipality needs to establish a strategic partnership with the FET College and other accredited training institutions to uplift and formally develop the skills of all contractors and service provider doing business with the municipality. Every competitive bid must budget for the training and development element. The LED Unit of Newcastle Municipality currently conducts regular SMME training of which 45 beneficiaries have been trained to ensure business continuity and economic recovery.

- **Coca-Cola Project:**

The project started in 2018, where the youth of Amajuba District was invited to pitch their businesses. Applications received totalled +350 applicants. Eliminations were conducted in the form of pitching your business, interviews and boot camps. The process continued in different levels until the final selection of 50 beneficiaries. Among the things that Coca-cola is assisting our SMME's with is the following:

- Coca-Cola container;
- Equipment;
- Furniture;
- Grocery supplies/Stock; and
- Funding.

Regarding the Coca Cola Project, where 50 beneficiaries benefited, currently there are 30 containers which have been installed. As part of the initiatives, beneficiaries also received start-up capital and equipment to start and grow their businesses. 39 full time jobs have been created to date.

- **Informal Trade sector:**

This sector deserves more focus and it is for that reason that an Informal Trade Policy and ByLaws have been developed for the sector. The LED unit has established a business licensing unit which aims to regulate, permit and enforce the Bylaws of operating as a legal business.

- **Data Base of SMME's and Co-operatives:**

One of the critical aspects of SMME development is to have a data base of all SMME"S and Co-operatives and it is for this reason why the Municipality has started with a dual process to extract local SMME service providers and contractors from the National Treasury Data base (CSD). An advertisement has also been placed to request all SMME's and Co-ops to register with the Municipality. The implementation of the above mentioned is ongoing.

- **Red tape reduction:**

One of the critical aspects leading to the failure of SMME's is the number of laws and requirements that they must comply with. Depending on the type of business there can be up to 48 pieces of legislation that businesses and SMME's must comply with. Unfortunately most of these legislative requirements are the prerogative of the National and Provincial Government, and, although we serve on various Provincial Committees that address Red Tape Reduction, we cannot always influence National and Provincial legislation. As a Municipality we have however simplified our Business Licence requirements and we only expect 4 categories of businesses to apply for licences. The LED Unit attends regular Provincial and District Red-Tape Reduction Workshops and Forums to be well informed on the latest developments surrounding the ease of doing business which will inform the agenda of the LED Forum which takes place on a by monthly basis.

- **Incentive Scheme and Rates Rebate:**

| **Commercial/Industrial Development** | |
|---|---|
| **Criteria** | This benefit is meant for new businesses/commercial developments who will be investing in the Newcastle area and where the property has/will have a market value of at least R 50 million at the start of business, in the establishment of newly improved sites.<br>• From years 0 – 4 = 40% rebate<br>• From years 5 – 6 = 25% rebate<br>• From years 7 – 8 = 10% rebate<br>• From year 9 onwards = 0% rebate |

| | | | |
|---|---|---|---|
| | (a) | Application must be submitted to the Chief Financial Officer before or within the first three months of the new financial year (July to September) in the first year of application. | |
| | (b) | An annual application must thereafter be made by 30 May preceding the start of each new financial year for which relief is sought. | |
| | (c) | The applicant must attach to their annual application, a copy of their current Business Licence as well as a set of the company's audited financial statements. | |
| **Rebate Granted** | Percentage Rebate | | The above rebate may be applied at the Council's discretion, dependent on budgetary affordability factors. |

The following strategies and policies have been completed and/or approved by Council, and these will help thus to enhance Red Tape Reduction:-

- **The Investment Promotion Policy:** The Investment Promotion Policy developed by the Newcastle Municipality aims to provide policy advice through a flexible and non-prescriptive approach aimed at creating a conducive environment that is attractive to local and foreign investors. This will enhance the benefits of investment to the Newcastle Municipality. Investment by both foreign and local entities is recognised as one of the key components of economic growth and sustainable development. The policy aims to stimulate overall investment which will have a positive effect on local job creation and GDP growth of the town.
- **The Business Retention and Expansion Strategy:** Is developed to proactively connect with existing businesses in order to understand and respond to local business needs. Special attention is given to small businesses who aim to expand, develop and gain access to global markets.

## 3.14.5. Informal Trading.

- **Informal Trade ByLaws:**

The main objective of the Informal Trade ByLaws is to regulate informal trading activities in all areas within Newcastle municipal boundaries, for the purposes of:-

- Ensuring that informal trading in Newcastle Municipality is conducted within the context of environmental conservation;
  Guiding safe and responsible use of public land;
- Safeguarding the safety and health of the public;
- Alleviating poverty and creating employment through supporting responsible informal trading; and
- Coordinating healthy relationships between the informal trade, the formal economy and Newcastle Municipal Council.

- **Progress on the Implementation of the Informal Trade Policy:**

As part of the municipality's commitment in addressing poverty and unemployment, a need to regulate informal trade arose, hence an informal trade policy was developed

and approved by Council. Since the development of the policy, there has been progress on the following areas:-

- Occupation of market stalls, shelters and containers provided by the municipality by permit holders.
- Informal traders have permits which regulate the trading activities undertaken at informal trade sites.
- A new system initiated by EDTEA for license and permit applications and renewals called “e-BUSINESS Licencing” has been embraced and rolled-out by the municipality since 2019.
- The system allows for informal trade permits to be renewable annually on the e-licensing portal.
- Each permit and license has a unique barcode that can be verified using a Lightening QR Scanner.
- All traders occupying stalls, shelters and containers owned by the municipality in the CBD have been issued with lease agreements for a period of a year, in line with the duration of permits.
- As part of revenue enhancement, all permits have a once-off initial fee and an annual renewal fee payable to the municipality.
- In consultation with the Department of Home Affairs, all applications for permits from foreign nationals are verified by the department prior to being issued, and conditions in line with validity of the passport or asylum seeker permit be stipulated on the permit.

- **Municipal Owned Informal Trade Facilities:**

| No | Locality | Consist of | Capacity |
|---|---|---|---|
| 1. | Cnr Allen & Scott Sts | Concrete tables under roof built of corrugated iron sheets | 30 |
| 2. | Alllen Street extension ( adj Abdul’s Butchery) | Concrete tables under roof built of corrugated iron sheets | 24 |
| 3. | Cnr Allen Street extension and Terminus Sts (SBDC shelter) | Concrete tables under roof built of corrugated iron sheets | 34 |
| 4. | Terminus Street-Newcastle Taxi Rank | Individuals stalls built of brick and mortar and iron roof sheets | 23 |
| 5. | Terminus Street- Newcastle Taxi Rank | 6m long shipping containers | 7 |
| 6 | Jordan Carpark off Voortrekker Street | Concrete tables under one roof | 32 |
| 7. | Jordan Carpark off Voortrekker Street | Free standing stalls built of bricks , mortar and iron roof sheets | 2 |
| 8. | Kirkland Street at Suryaville | Built of iron sheets & roll-up door | 10 |
| 9. | Erven 5380 & 5381 Osizweni A (Empompini / eBhareni) | Built of iron sheets & roll-up door | 10 |
| 10. | Erven 9325 Madadeni G, Madadeni CBD | Built of iron sheets & roll-up door | 24 |
| 11. | Erf 8129 Osizweni A, Osizweni CBD | Concrete tables under roof built of corrugated iron sheets | 29 |
| 12 | Theku Mall | Stalls built of bricks, mortar and iron roll-up door<br><br>Open plan –concrete tables | 18<br><br>14 |

- **Challenges and Solutions to Informal Trade Issues:**

| CHALLENGES | POSSIBLE SOLUTIONS | STAKEHOLDERS |
|---|---|---|
| Overcrowding of the CBD by informal traders | Identification of suitable site for informal trade market within the CBD | Town Planning<br>Housing and Land |
| Wrongful allocation of sites for informal trade | Formalisation of steering committees for the allocation of trading sites | LED<br>Informal Trade Associations |
| Illegal traders- those who trade without permits | Institution of fines- the Act and By-laws for informal trade does not allow anyone to trade without a permit | Law enforcement unit |
| Dilapidated state of hawker shelters in the CBD | Maintenance of hawker shelters to encourage traders to pay rental fees | Local Economic Development |
| Illegal erection of shacks in the CBD and adjacent to hawker shelters as well as on pavements | Prohibition for erecting shacks and removal of all illegal shelters<br>Issuing of fines for non-compliance | Law enforcement unit<br>Informal trade association |
| Untidiness of informal trade sites resulting to the bad state of the town | Constant engagements with informal traders to instill the culture of cleanliness | LED<br>Informal Trade Associations |
| Non-occupancy of stalls at Osizweni CBD | Allocation of stalls to traders on the database | LED<br>Informal Trade Association |
| Unregistered, illegal sale of expired foodstuff, non-compliance with Business Regulations | Inspections conducted on a quarterly basis-DICOREF<br>Revival of the MICOREF- to conduct regular inspections on issues of compliance | LED/Business Licensing<br>Town Planning<br>Building Inspectorate<br>Traffic<br>Law Enforcement<br>Environmental Health<br>Home Affairs<br>Dept of Labour<br>SAPS |
| Taxi drivers forcefully occupying shelters designed for informal trade | Approach and removal of taxi drivers from informal trade shelters | Law enforcement<br>SAPS |
| Trading on the walkways and sidewalk thus threatening business in the CBD | Traders not to block walkways and limit competition with shop owners | LED<br>Law Enforcement<br>Informal Trade Associations |
| Trading on prohibited areas- areas near bank institution | Removal of all traders in Scott Street, between Allen and Voortrekker Streets, as these areas are high risks because of bank institutions in the area | Law Enforcement<br>Informal Trade Associations |
| Impact of job losses in major industries around Newcastle, create a need for alternative source of income thus mushroom of informal traders | LED to create an environment to assist job seekers with skills to venture in other avenues other than informal trade | LED |

- **Status Quo on the E-Licensing System as at 17th of March 2021.**

| ITEM | KZN PROVINCE | AMAJUBA DISTRICT | NEWCASTLE MUNICIPALITY |
|---|---|---|---|
| Licenses | 736 | 396 | 581 |
| Permits | 997 | 458 | 1014 |
| Jobs created-Businesses | | 6325 | |
| Jobs created- informal Trade | | 523 | |

****Note the system only shows figures per districts in relation to jobs created

### 3.14.6. Mining.

Mining forms an important component of the economy of Newcastle and the history of organized mining in the municipality which has generated associated industries. Mining activities includes coal mining, brick clay, Iron Oxide, dimension stone, aggregate and sand. Particularly two areas are of interest, namely KIB and the MBO area.

### a) Coal Mining.

Mintek (2007) estimates that 23% of the coal resources still remain within the Klip River coalfield, of which 51% are found in the Top seam and 49% within the Bottom seam. The coal reserves can (and probably will) be increased with additional coal exploration. It is also estimated that there are approximately 4.5Mt of *in situ* coal within the Klip River coalfield – a large portion of which is located within the Newcastle Local Municipal area. The vast majority (87%) of this coal is considered to be thermal (or steam) coal with a minor portion (8%) of anthracite and 5% of metallurgical coal. The only coal mining and associated operations that appear to be taking place within the municipality are related to dump/stockpile reclamation along the N11 outside Newcastle and to the east near the old Ngagane Colliery, as well as a char plant and siding stockpiles (for coal from outside the Newcastle area) within the Ballengeich area.

There are a number of areas where mining has ceased through decommissioning or abandonment, but rehabilitation has either not taken place or is incomplete. These include the following:-

- Macalman Walmsley.
- Tendeka North Opencast (Osizweni area).
- Ballengeich / Natal Cambrian Colliery.
- Kilbarchan Colliery.
- Horn River Colliery – Gardinia.
- Witklip Colliery near Charlestown.

This has implications for environmental management in terms of water, ground stability and issues of safety. Many of the operations were underground with a number of audits (underground access points) that were linked to a single mining entity or operation. This has an impact on potential land use, however the footprint of the workings cannot be determined from the surface.

According to the DMR, there are several prospecting projects that are currently being carried out within the NLM. The accuracy of this data is questionable as there are duplicate holders of prospecting rights over the same farms and farm portions. Nevertheless, coal applications are located north-south and east of the N11.

### b) Iron oxide.

Iron oxide potential is concentrated east of Newcastle within the Madadeni / Osizweni areas. Two mines appear to have been operational to the far east of Osizweni, with a number of abandoned areas of mining or with mining potential. However, field verification of these areas show no latent evidence of mining, with most being within areas that are now built up. It is now unclear whether surface disturbance within these areas is from mining or construction activities. In general, it would appear that the deposits are small and may have been mined out. Mining of weathered dolerite within the area may be a source of iron oxide for pigment; however much of this may also be used in the construction industry.

### c) Bauxite (Al).

Several bauxite occurrences have been reported from within the Newcastle LM. These can be found to the west and southwest of the town, but are all considered to be of insufficient scale and / or grade to be economically viable at this stage. However, further detailed exploration may well prove otherwise. At this stage, bauxite is unlikely to be mined within the LM therefore the potential environmental risk is low.

### d) Dimension stone.

In the Newcastle area, there is an abundance of dolerite and sandstone, which both have potential as sources of dimension stone. The dolerite is commonly very dark in colour – due to its fine grain size and enrichment in magnetite – with the result that it is often commercially attractive and is marketed as “Black Granite”. Despite this, there do not appear to be any dimension stone mines within the Newcastle LM. Dolerite outcrops throughout the LM, primarily west of the N11. Although the quality of these deposits for use as dimension stone is currently unknown, there is significant potential.

### e) Aggregate.

AfriSam has closed their operation in Newcastle. They are currently in the process of Section 189; Retrenchment process. The Quarry has been confirmed closed since December 2020. AfriSam has agreed to continue with their Early Child Development (ECD) Centre, despite the closure of the AfriSam Quarry in Newcastle. This includes the refurbishment of the mobile clinic in the Imagine community. The originally proposed R2 million has reduced to R950 000 due to Covid-19 Pandemic.

### f) Sand Winning.

There are plenty of quaternary deposits along stream and river courses for sand winnowing (such as along the Buffels, Horne and Ngagane Rivers) In the Newcastle area. Much of the sand mining within the Newcastle LM is associated with the wetland areas adjacent to water courses. Sand mining was prevalent east and southeast of Newcastle town. According to the DMR there is only one sand application (mining permit) northeast of Osizweni, however this information appears to be questionable as there are more areas where sand mining takes place. This could have serious environmental implications.

### g) Brick clay.

There is a large number of clay deposits in the Newcastle Area which can be utilised for brick clay manufacturing

### 3.14.7. Social and Labour Plans.

The following tables entail the Social and Labour Plans (SLPs) from the Future Coal (Pty) Ltd mine in Chelmsford, known as the Chelmsford Colliery:-

| | | | | | |
|---|---|---|---|---|---|
| **Mine Name:** | Future Coal (Pty) Ltd | | | | |
| **Background:** | A need was identified for the upgrading and maintenance of existing ECD Centres in the Haig, Gijimani, Ballengeich and Ncandu areas. These facilities currently have little infrastructure and are in desperate need of repair. Through this project, the mine would like to ensure that these centres receive the necessary equipment, educational resources, as well as invest in teacher development to the pre-school children the opportunity to increase their knowledge and increase their knowledge and grow in a child friendly environment. | | | | |
| **Project Classification:** | The project aims to establish better educational facilities for pre-school children. | **Geographical Location:** | Newcastle Local Municipality | **Community:** | Ward 21 Community:-<br>- Haig.<br>- Gijimani.<br>- Ballangeich.<br>- Ncandu. |
| **Responsible Entity:** | Future Coal (Pty) Ltd | **Number of Beneficiaries:** | 206 pre-school children | **Budget:** | R400,000.00 |
| **Classification of jobs:** | 5 jobs will be created | **Comments:** | Future Coal will not only renovate and repair these ECD Centres, but will also ensure that one staff member at each of the centres obtains a formal qualification through offering a learnership in Early Childhood Development. | | |
| **Completion Date and Exit Strategy:** | | Project management structures and mentoring processes will be implemented to allow the handing over at the end of the project. | | | |

| | | | | | |
|---|---|---|---|---|---|
| **Mine Name:** | Future Coal (Pty) Ltd | | | | |
| **Background:** | Kadwa High School is located in Ballangeich. The school has an excellent pass rate and reported 95% of pupils passed in 2018. Currently they do not have sufficient space for all the children attending the school and has classes with 68 children in class. The Department of Education has committed to employ more teachers at the school if the school gets more classrooms. Future Coal with therefore supply the school with three (3) additional prefabricated classrooms which will reduce the number per class. | | | | |
| **Project Classification:** | The project aims to establish better educational facilities for high school pupils. | **Geographical Location:** | Newcastle Local Municipality | **Community:** | Ward 21 Community:-<br>- Ballangeich. |
| **Responsible Entity:** | Future Coal (Pty) Ltd | **Number of Beneficiaries:** | 350High School Children | **Budget:** | R510,000.00 |
| **Classification of jobs:** | 3 jobs will be created | **Comments:** | Future Coal plans to supply three (3) fabricated classrooms. | | |
| **Completion Date and Exit Strategy:** | | Exit on delivery of the classrooms which will be the property of Kadwa High School. | | | |

| | | | | | |
|---|---|---|---|---|---|
| **Mine Name:** | Future Coal (Pty) Ltd | | | | |
| **Background:** | Future Coal mine is located 25km outside the town of Newcastle and transport to town is not readily available to transport community members to town. Due to the distance and limited transport to town, the community has requested a facility which will allow them access to computers, the internet and printing. Schools will also able to use the centre for research and projects. Extra Life Science and Mathematics classes will be held for school children requiring additional tuition. The plan is to get the centre accredited as a private training provider to offer Basic Computer Skills courses and other skills training. A high speed internet line will be installed which will also allow for data to be sold cheaply. Income will be generated through printing, training, selling of data bundles etc. This centre will contribute to the income of the community as the centre will be registered as a Co-operative. | | | | |
| **Project Classification:** | The project aims to establish a facility which is open for learning which allows access to computer technology. | **Geographical Location:** | Newcastle Local Municipality | **Community:** | Ward 21 Community. |

| | | | | | |
|---|---|---|---|---|---|
| **Responsible Entity:** | Future Coal (Pty) Ltd | **Number of Beneficiaries:** | The entire community of ward 21. | **Budget:** | R660,000.00 |
| **Classification of jobs:** | 5 jobs will be created | **Comments:** | Future Coal will supply a prefabricated building which will be located on the same land as Chelmsford Village. The building will be equipped with all furniture, computers, printer, and be an Internet Hotspot. Community members working at the Centre will receive a formal qualifications as they will be attending a learnership in New Venture Creation (SMME). | | |
| **Completion Date and Exit Strategy:** | | A Co-operative will be registered and formalised. Mentorship and guidance will take place on a continuous basis. On exit the project will be handed over to the community to run as a sustainable business unit. | | | |

| | | | | | |
|---|---|---|---|---|---|
| **Mine Name:** | Future Coal (Pty) Ltd | | | | |
| **Background:** | The management of waste, more particularly plastic and glass, is a major global concern as it has a huge impact on the sustainability of the environment. Future Coal would like to contribute to the environmental sustainability and create a socio-ecological environment. Corporate businesses located within the Newcastle Local Municipality will, as part of their CSR, provide the plant with waste that will go through a process to produce building blocks. Through this jobs will be created and blocks will be sold to ensure an income for community members involved in this project. The project will also include all other waste (apart from plastic and glass), to form a compost business which will be bagged and sold. | | | | |
| **Project Classification:** | The project aims to establish a facility which will make use of recyclable material to produce building blocks. | **Geographical Location:** | Newcastle Local Municipality | **Community:** | Ward 21 Community. |
| **Responsible Entity:** | Future Coal (Pty) Ltd | **Number of Beneficiaries:** | The entire community of ward 21. | **Budget:** | R2,800,000.00 |
| **Classification of jobs:** | 10 jobs will be created | **Comments:** | Future Coal will supply all equipment, prefabricated office building, vehicle to be used for collection of material, training and mentoring. | | |
| **Completion Date and Exit Strategy:** | | A community trust will be registered and the business will be handed over to the community. Mentorship and guidance will take place on a continuous basis. | | | |

| | | | | | |
|---|---|---|---|---|---|
| **Mine Name:** | Future Coal (Pty) Ltd | | | | |
| **Background:** | The community requested the erection of a protected waiting area at which the elderly can wait to access the mobile clinic. Currently they have no shelter from the elements while waiting. | | | | |
| **Project Classification:** | To provide a facility for the elderly to protect them from the ailments. | **Geographical Location:** | Newcastle Local Municipality | **Community:** | Ward 21 Community.<br>- Kilbarchan.<br>- Vezubuhle. |
| **Responsible Entity:** | Future Coal (Pty) Ltd | **Number of Beneficiaries:** | The elderly and sick from Kilbarchan and Vezubuhle Communities. | **Budget:** | R100,000.00 |
| **Classification of jobs:** | 4 jobs will be created | **Comments:** | Future Coal will supply materials and erect a structure that will be a shelter for the elderly. They will also provide adequate seats for them. | | |
| **Completion Date and Exit Strategy:** | | Will be handed over to the community upon completion. | | | |

| | | | | | |
|---|---|---|---|---|---|
| **Mine Name:** | Future Coal (Pty) Ltd | | | | |
| **Background:** | In consultations with the communities and the Newcastle Local Municipality it was suggested that the mine provide assistance with setting up an agricultural project at which vegetables can be planted for resale. Community members involved in the project to be self-sustainable and to create food security. | | | | |
| **Project Classification:** | Agriculture – Plant Production. | **Geographical Location:** | Newcastle Local Municipality | **Community:** | Ward 21 Community. |
| **Responsible Entity:** | Future Coal (Pty) Ltd | **Number of Beneficiaries:** | The whole community of ward 21. | **Budget:** | R3,200,000.00 |
| **Classification of jobs:** | 5 jobs will be created | **Comments:** | The project has been successfully executed. | | |

| | |
|---|---|
| **Completion Date and Exit Strategy:** | The project will continue under the guidance of the Department of Agriculture and SEDA through regular monitoring. |

| | | | | | |
|---|---|---|---|---|---|
| **Mine Name:** | Future Coal (Pty) Ltd | | | | |
| **Background:** | In consultations with the communities and the Newcastle Local Municipality it was suggested that a sewing project be started in order to manufacture overalls and school uniforms. The project will ensure that the community members that participate in this project will gain a skill and will become self-sustainable by earning income. | | | | |
| **Project Classification:** | Clothing Manufacturing. | **Geographical Location:** | Newcastle Local Municipality | **Community:** | Ward 21 Community. |
| **Responsible Entity:** | Future Coal (Pty) Ltd | **Number of Beneficiaries:** | The whole community of ward 21. | **Budget:** | R3,200,000.00 |
| **Classification of jobs:** | 10 jobs will be created | **Comments:** | The project has been successfully executed. | | |
| **Completion Date and Exit Strategy:** | | Monitoring and evaluation is currently taking place on a continuous basis and will continue until the project is a profit-making business. | | | |

Below are other Social and Labour Plans which are implemented by other mining activities within the jurisdictional area of the Newcastle Local Municipality:-

| **CURRENT SLP PROJECTS IN KZN (COMMITTED AND IMPLEMENTED)** | | | | |
|---|---|---|---|---|
| **Company Name** | **Projects** | **District Municipality** | **Local Municipality** | **Community** |
| Afrisam (South Africa) Properties (Pty) Ltd | Renovation of Ingagane Early Childhood Development Centre and Extension of the Centre to Multipurpose Centre | Amajuba | Newcastle | Kilbarchan |

Moving forward, the Newcastle Local Municipality will be establishing an SLP Forum which will have the following key stakeholders:-

- Newcastle Local Municipality;
- EDTEA;
- DMR;
- Mining companies operating within the jurisdictional area of the Newcastle Local Municipality;
- KZN-COGTA; and
- Any other relevant key stakeholder which is deemed as being necessary to serve in the proposed structure.

The intension of the proposed is to ensure that there is effective and efficient implementation of the SLPs in line with the relevant legislative prescripts (MPDRA). Through the structure, the municipality aims to reposition itself and have control over the mining activities taking place within our jurisdiction, and also control the development, planning and the implementation of the SLPs through participation in monitoring. Some of the mining activities are taking place within the neighbouring local municipalities. And in most instances, such activities are placing a burden on bulk infrastructure that's within the jurisdictional area of Newcastle, and, to a certain extent, leading to environmental impacts within Newcastle (i.e. air pollution, water pollution, noise pollution etc). Due to such, it is also imperatives that we strengthen planning mechanisms with neighbouring municipalities in order to ensure the implementation of meaningful Social and Labour Plans.

### 3.14.8. LED Forum.

Newcastle Local Municipality has revived the LED Forum through having the first meeting whereby the Terms of Reference in this regard were approved. The LED Forum which has the following key stakeholders:-

- Newcastle Local Municipality;
- Local Chambers of Business;
- EDTEA;
- Amajuba District Municipality;
- Organised groups within the various economic sectors such as manufacturing, trading, services, SMME's and Tourism Sectors operating within the jurisdictional area of the Newcastle Local Municipality;
- TIKZN; and
- Any other relevant key stakeholder which is deemed as being necessary to serve in the proposed structure.

The aim of the LED forum is to facilitate and stimulate the development of Trade & Industry across all sectors in accordance with the principles of sustainable development within the Newcastle Municipality. The establishment of the LED Forum is aimed at encouraging partnerships and aligning trade and industry institutions and sectors. The forum has been divided into different sectors with nominated representation from relevant stakeholders.

The following entails the objectives of the LED Forum:-

- To develop greater awareness and understanding within the local community and institutional structures on the significant opportunities and contributions available within the commercial environment of Newcastle.
- To promote and facilitate equal access to opportunities for all the sectors of the economy.
- To ensure that the full value of the natural and cultural environment are taken into account in all development decisions, so as to create opportunities for employment and income generation.

With the absence of the ADM LED Forum, and the ADM District Development Agency, we hope that the NLM LED Forum will also help thus to bridge the gap in that respect. In as much as the LED Forum is an initiative by Newcastle Municipality, we also seek to utilise it towards enhancing tourism and investment within Newcastle.

### 3.14.9. Economic Regeneration Strategic Thrust.

Key strategic thrusts have been identified within the NLM's LED Strategy as a framework for the Economic Regeneration Strategy within Newcastle Municipality. These strategic thrusts serve as a direct response in addressing the key challenges identified during the situational analysis phase. Furthermore, these strategic thrusts seek to respond to the economic vision of the municipality thereby allowing the formulation of proactive strategic thrusts that will guide future intervention and related growth and development thereof.

These strategic priorities have been identified by partners after taking into account weaknesses, challenges, strengths and opportunities facing the local economy in order to achieve future growth. These priorities or strategic thrusts will support delivery of the Newcastle Economic Partnership vision for the area and further realize outcomes as articulated under each strategic priority. They are underpinned by a series of intermediate outcomes and key actions which provide a detailed articulation of our aspirations for the local economy.

### ❖ Strategy 1: Land Release and Development Strategy.

*Outcome 1: Improved land availability and its access thereof to Black Africans in particular and blacks in general.*

The rationale for the strategy states that the growth and development of Newcastle is entirely dependent on land availability, and a willingness of investors to take advantage of available space and broader opportunities offered by the town. However, it is noted with concern that, while the prospects for city growth are evident, the participation of Black Africans in the mainstream economy of the city remains a pie in the sky. Therefore, this strategy seeks to sway and influence land related decision-making within Council, so as to remain biased towards affording a black man an opportunity to own land within the CBD, industrial areas, farm land and prime residential sites. Undoubtedly, access to land should be a priority and it calls for a proper land release strategy guided by the desire to bring black people to the pole position economically. As it stands the municipality is working on the land release strategy for Equarand area within the CBD. The release of this piece of land will prove the commitment and seriousness of Council towards black economic empowerment and further shape the economic history of Newcastle for generations to come.

### ❖ Strategy 2: Infrastructure Development Strategy.

The rationale for the strategy is premised on the fact that the economy requires reasonably developed infrastructure for it to grow and develop. Again, the attraction of inward investments is mainly dependent on a conducive environment for business. Hence, the prioritization of infrastructure improvement remains central to the economic regeneration programme of Newcastle. The strategy's focus asserts that improved physical infrastructure investment will be required in Newcastle as a primary economic hub for Northern KwaZulu-Natal. The availability of suitable infrastructure is just one of the key factors in the investment attraction and business retention programme. Therefore, local authorities need to be a step ahead in terms of achieving broad based infrastructure satisfaction for the business fraternity.

### ❖ Strategy 3: Agricultural Development Strategy.

*Outcome 3: Accessibility and a vibrant agricultural sector that promotes primary production, agri-processing and creating sustainable economic opportunities for local residents.*

The strategic focus of this strategy is that the agricultural sector in Amajuba district faces a number of challenges, the most significant of which relates to underinvestment in bulk infrastructure (predominantly road infrastructure and water for agriculture), a lack of diversification, a need for stronger relationships between stakeholders, limited small-scale farmer support and assistance, and the need for redevelopment of vacant farms. In order to address these challenges, a number of strategic interventions are required that specifically target to assist both commercial and emerging farmers. This includes significant investment into infrastructure such as access roads, identification of new potential agricultural opportunities, improving and strengthening the institutional relationships and partnerships between stakeholders, and provision of support and assistance to the agricultural sector, particularly small-scale farmers. To this end, strategic programmes have been conceptualized which pave the way for the identification of related projects aimed to tackle the challenges. The programmes identified within this strategy, will require a concerted effort from the stakeholders to ensure their implementation thereof.

### ❖ Strategy 4: Industrial Development and Investment Strategy.

*Outcome 4: Industrialization of Newcastle through active and potential economic sectors. In addition, the attraction of investments will be central to this outcome.*

The rational of the strategy indicates that the need for the industrial development strategy emanates from the National development plan and IPAP2 that encourages the creation of rural industries. Furthermore, the current potential of green economy in Newcastle provides a marvellous platform to initiate green industries. Without a doubt the area of Newcastle stands to boom out this sector as well as agro-processing. The rationale stems from existing resources that call for smart and strategic thinkers from the economic partners of Newcastle to see a bigger picture and be fond of the possibilities.

### ❖ Strategy 5: Public Works Improvement and Job Creation Strategy.

The rationale of the strategy asserts that job creation remains central to socio-economic emancipation of a black man in South Africa. In the main, poverty levels perpetually increase without any proper response from both public and private sectors. Undoubtedly, Newcastle Local Municipality requires immediate proactive actions to address unemployment in the region. Hence, this strategy advocates to capacitate the municipality to implement its infrastructure projects internally thereby enhancing and improving employment potential for local job seekers at all levels.

### ❖ Strategy 6: SMME and Green Sector Development Strategy.

*Outcome: Creating sustainable economic growth through the green economy.*

South Africa has committed itself to reducing its emissions below a baseline of 34% by 2020 and 42 percent by 2025. “The approach to mapping out the transition to a low-carbon economy is informed by the need to reach broad consensus on the challenges and trade-offs involved in implementing South Africa’s climate policy”

(NDP, Ch5). The transition to a low-carbon and resilient economy requires a capable state to lead, enforce the regulation of GHG emissions, and respond to the impacts of climate change. The transition to a low-carbon economy depends on the country's ability to improve skills in the workforce, at least in the early phases of the transition. The policy framework indicates a high level of willingness from South African government to transform the economy and cease the opportunity while the window is still open. Interestingly the proposals on localization of solar geysers and panel manufacturing and improvement of investment climate within the industrial set-up of the green sector are surely gaining the momentum. The objective of this strategy seeks to promote sustainable economic growth within the municipal area through the introduction of green opportunities for local companies and creation of green jobs for local people.

The Key Action Areas of the strategy are as follows:-

- Encourage companies and the municipality to develop a Directory of Green Products that can be produced locally and mobilize necessary investment for implementation purposes.
- Partner with Industrial Development Corporation Green Fund to implement strategic green projects.
- Prioritise local manufacturing of Solar Geysers and Solar Panels to support government initiative of installing more solar geysers in low cost housing
- Educate and promote the development of culturally, environmentally and economically sustainable projects relating to the protection and conservation of wildlife, eco-sensitive areas and natural resources.

A high quality natural environment and green infrastructure are integral to the health and well-being of sustainable local communities in order to meet their environmental, social and economic needs. Open space and recreational facilities make a fundamental contribution to the quality of an area for both residents and visitors alike, and supporting the development of these as well as cultural and heritage assets ensures an appealing environment for both people and wildlife to prosper.

Funding must be acquired for the provision of solar panels (photovoltaics) on rural homes to decrease the electricity burden. Although solar energy is a more costly upfront, the long run costs as well as the impact on the environment prove worth its initial cost. It is therefore suggested that exploration of large scale solar photovoltaics take place. Interventions which address flood alleviation and the enhancement of land for biodiversity and recreation conserve the quality of the environment, and contribute to wider economic benefits. Climate change presents a major challenge for any area, and acknowledging responsibility for future generations means protecting the environment by creating more energy efficient, and sustainable communities. This includes reducing energy consumption by developing alternative energy sources, ensuring buildings use resources more efficiently and have an impact on ultimately decreasing the municipality's ecological footprint.

The following is a list of some of the green initiatives with which the municipality has initiated, and/or has been involved in. Most of them relates to environmental conservation through waste management, and they entail the following:-

- **Newcastle Clean-Up Campaign:**

- Clearing illegal dumping sites.
- Partnered with Department of Environment, Forestry, Fishers, YCOP (Youth Community Outreach Program) to clean-up the tower at Signal Hill.
- Ground water chemical & microbiological cleaning project.

- **Newcastle Taxi and Bus Rank Clean–Up campaign:**

- Partnered with Coco Cola in cleaning up the rank.
- Partnered with Thuma Mina Good Green Deeds beneficiaries aimed at raising awareness regarding the importance of a clean & well maintained town.
- Educating the public on proper waste management practises.
- Covid-19 response project (sanitising the taxi rank).

- **EPWP and CWP cleanliness Programs:**

- Cutting of trees.
- General cleanliness in the CBD.
- General cleanliness in the residential areas.
- General cleanliness in the industrial areas, farms and schools.

- **Public Participation Unit and the Sukuma Sakhe Programme:**

- Community members are briefed on waste related issues and also raise their concerns which are then attended to.

- **Environmental Awareness Program:**

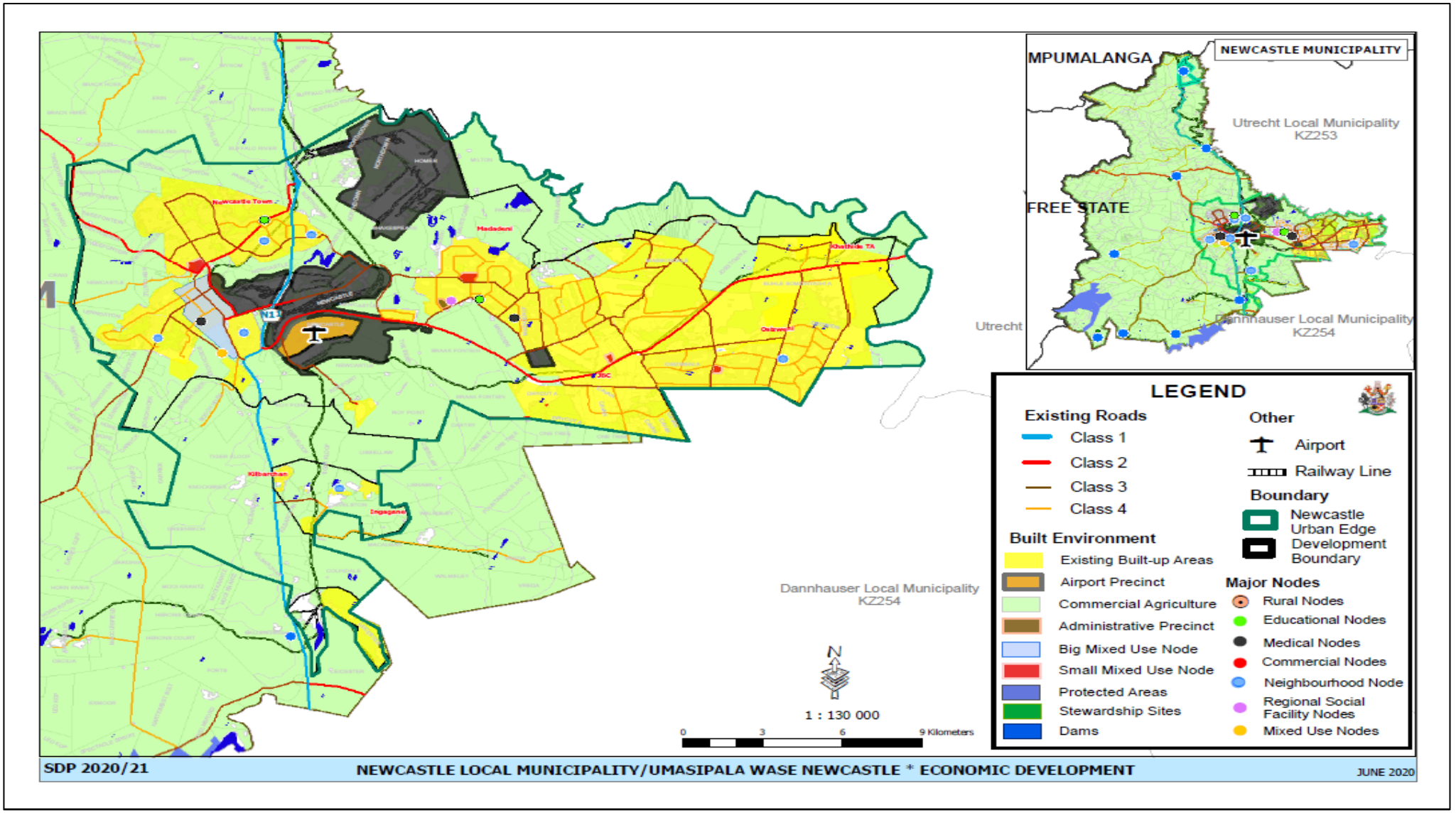
- Supported DEFF clean-up campaigns and community clean-up campaign e.g. Ingagane (Chamacha recycling company).
- Support Educational programmes like SEEP and Eco-Schools with partnership with EDTEA.
- Support local schools by conducting Eco-Bricks competition in primary schools.

- **Private Programmes:**

- Mpilenhle Buy-Back Centre separating of waste project.

### ❖ Strategy 7: Institutional Enhancement Strategy.

The economic function in Newcastle has been constrained and extremely over undermined over a period of time. Hence, the representation of relevant bodies to participate in LED programmes was not prioritized. The level of willingness and enthusiasm from the local partners necessitates the formalization of the relevant forum and execution of the programme as per conditions of the Partnership Agreement.




*Map 37: NLM Economic Development Map.*

### 3.14.10. Newcastle Airport Techno-hub.

The Newcastle Airport Techno-hub concept is based on the dynamic and integrated trio of institution, enterprise and business, whose main aim is to generate innovation. The institutional sphere involves knowledge generation through students and research activity which feeds into the enterprise sphere associated with business support, idea generation and training and technology transfer to develop small businesses to eventually expand to become medium to large establishments. These spheres combined, result in innovation and a sustained knowledge economy. The techno-hub is defined as "an enterprise associated with research, development, design and related activities in the high technology sector which is accommodated in a park-type work environment specifically created for the industrial needs of the enterprise concerned."

The main attributes of a technology hub include:-

- Specialised Business Park with tenants focused on technology, and scientific research;
- Close alignment to tertiary institutes, and their academic staff;
- Parks linked to wider innovation and collaboration between formal educational institutions;
- Research firms and the end user business;
- Business incubation and support and technological capacity building;
- Creating business synergies;
- Should have good physical infrastructure, steady power, communal services like security and management and often shared business administrative services; and
- Facilities should include, manufacturing, high level training, technology and business incubation, financing institutions, standardization and calibration laboratories, and testing.

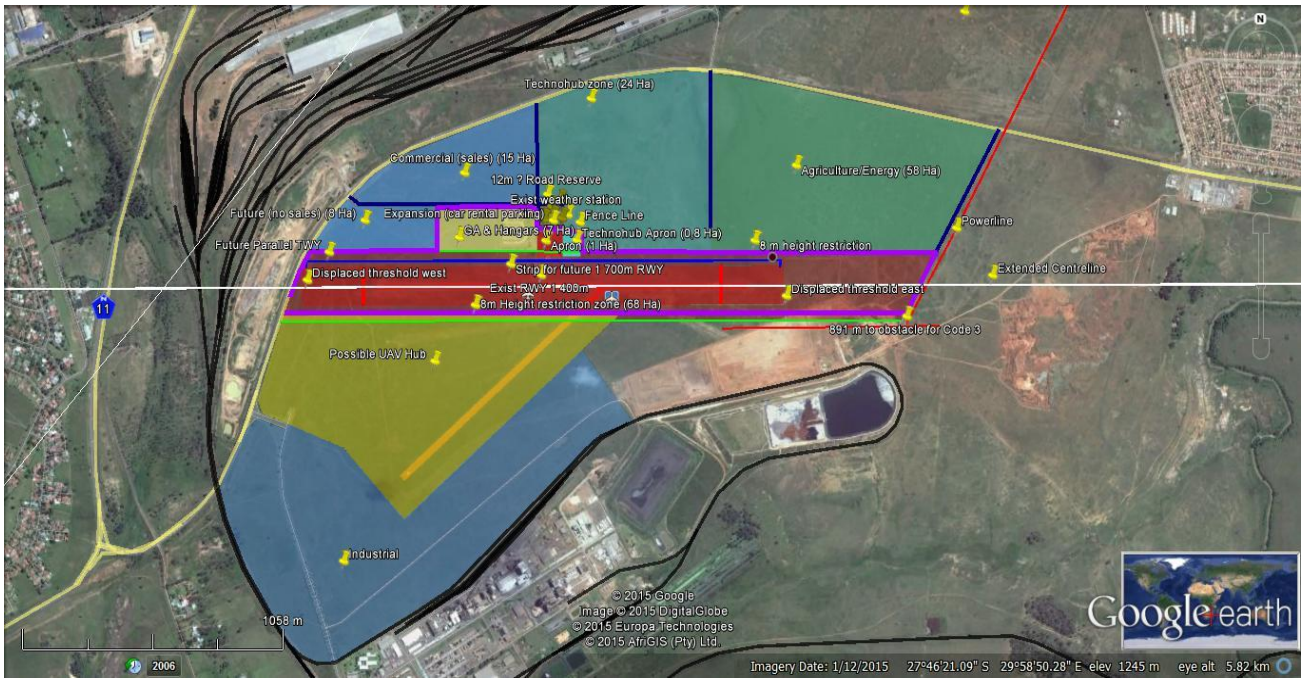
The main aim of a techno-hub is the commercialisation of innovative ideas through which products, processes, strategies, and services are formulated to create jobs and to generate wealth in Newcastle. The notion of a techno-hub is supported by all business chambers within Newcastle. Such support is mainly vested upon the anticipated job opportunities which will emanate through the hub. This will have an advantage in terms of the existing pool of advanced wireless and IT companies that are within Newcastle. The benefits of establishing a techno-hub are not only limited to job creation only, but also to investment opportunities and skills development.

The Project will be executed over a two (2) year period starting from March 2015, and the techno-hub site will be owned by the Municipality as an asset and managed preferably by a separate Municipal Entity. The airport was identified as an integral part of the hub, and the hub entity will be required to include services to the hub such as security, cleaning and other operating facilities. Training facilities will accommodate

the National Development Skills Plan (SDPS), and the hub will be in a state that will enable it to compete with other International techno-hubs.




*Map 38: The current site where the Airport is situated.*




*Map 39: Techno-hub development plan.*

With the development of the Techno hub, the old Airport will undergo a series of improvement such as fencing, sewer upgrades, and the upgrading of the terminal building. The following entails an outline of the objectives as raised by the

stakeholders of the project, including those of the Department of Science and Technology, through various engagements with the municipality:-

- Ensure that the Techno Hub meets the National Development Plan, Regional and Local IDP Development Plans;
- Envisaged as a mechanism of Innovation and knowledge development;
- Important that the Newcastle Municipality and Treasury emphasize the purpose of the hub to their stakeholders, it is not meant to be a Business Park;
- Meant to bring together Academia/Business/Government in order to generate knowledge and R&D as a balanced approach;
- Must be reperesantive of the community with a forum to manage the hub with independent and neutral stakeholders;
- Training facilities to accommodate the National Development Skills Plan (SIPS);
- Require the hub to be a Balanced Playing Field with realization of dis-quality;
- Be able to compete with International Techno-Hubs; and
- Revive the economy through the development of the hub.

In addition to the abovementioned objectives, some other issues to be taken into cognisance and which are essential to establishing a world class techno-hub were raised by the stakeholders and these are as follows:-

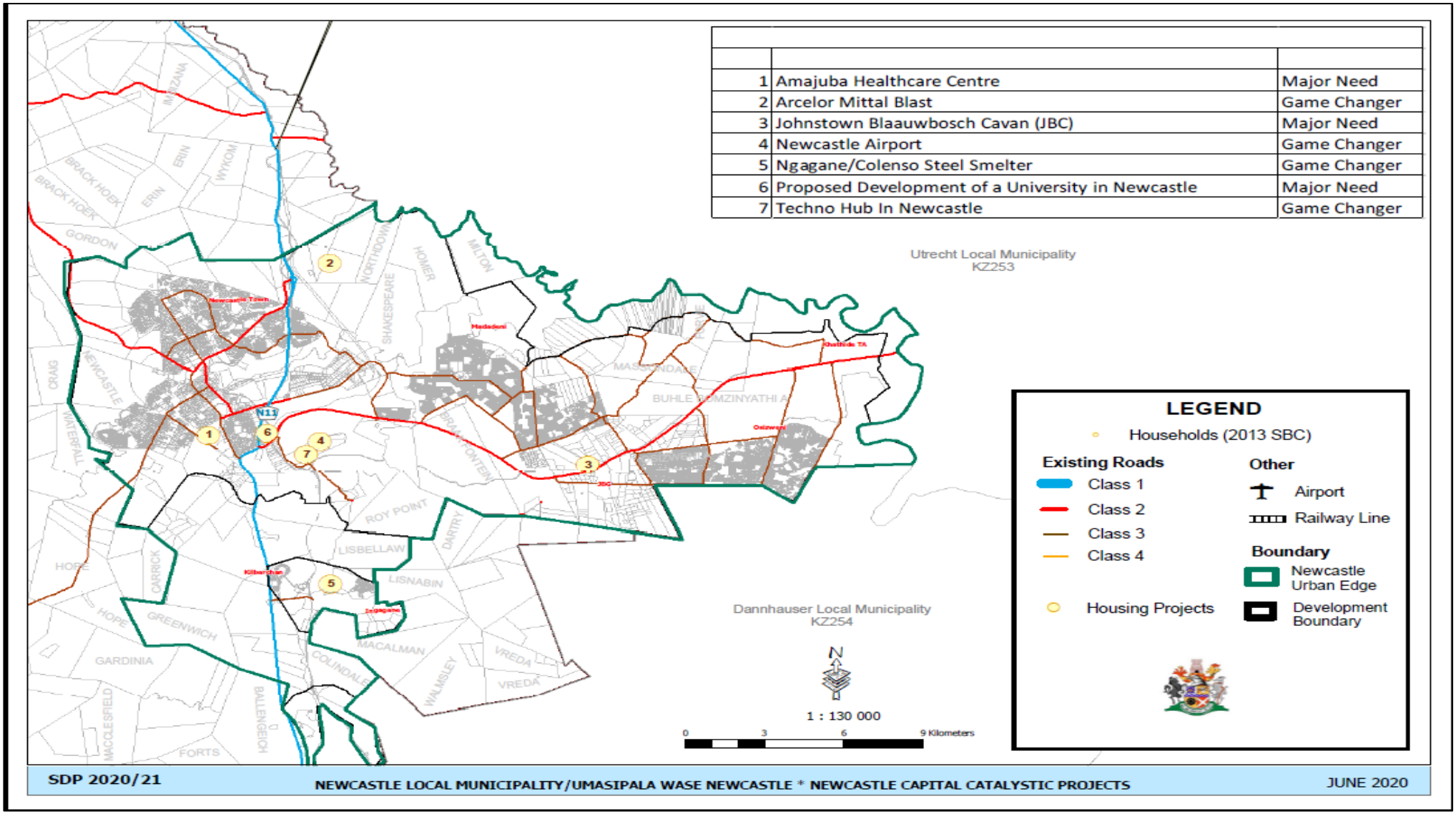
- Request for free wifi at the techno-hub;
- Investigate the student facilities required for the transfer of skills towards skills development for the community;
- 67% of the Newcastle industry is within the manufacturing sector;
- The entire hub precinct detailed in Spatial Development Plan of municipal site to be called techno hub site;
- Adopt a techno hub that will suit South Africa, as other countries models not suitable;
- Should have a separate Municipal Property Entity formed to own and manage the precinct;
- Due diligence should be performed on any Business/Tenant entering the hub; and
- Techno-hub to create development for Skills Science and Technology.

In terms of the airport, the municipality is currently awaiting the final approval of the Global Navigation System from the Civil Aviation Authority (CAA). This is a very lengthy process which requires the provision of a lot of in-depth data towards ensuring that the airport is “fail safe”.

The following table indicates the current activity taking place with regard to the functionality of the Airport:

| Subject Matter | Progress of subject |
|---|---|
| Expression of Interest (EOI) | The expression of interest to invite aircraft carrier companies to come forward to offer scheduled flights to and from Newcastle, Johannesburg and Durban has been completed and will be published on the relevant platforms to the public when SCM processes have been completed. |

| Subject Matter | Progress of subject |
|---|---|
| Supply of fuel Bid (BID) | A call for tender proposals for a fuel company to operate, supply and manage a fuel station situated at the Newcastle Airport has been completed and will be published on the relevant platforms to the public when SCM processes have been completed. |
| Fuze Air Flight School | Discussion indicate that the facility at Newcastle Airport is ready to accommodate flight training. Fuze Air Flight School passed the CAA (Civil Aviation Association) audit in January 2021 and are now awaiting for the authority to issue the training certification. The certificate is scheduled to be received by the first week of April 2021 as per the advised from the CAA inspector. |




*Map 40: NLM Capital Catalytic Projects.*

### 3.14.11. Newcastle Municipality EPWP.

Newcastle Municipality's IDP is formulated in line with the strategic directives of the KZN PGDS, and is also fully aligned to the national development goals. Amongst other things, the PGDS gives focus to the delivery of infrastructure and basic services in order to address the identified backlogs. It also places emphasis on intervention towards socio-economic well-being within KZN. The status of the physical and economic development of a community is measured based on the the provision of quality infrastructure for technical services i.e. quality of roads, access to electricity, access to water and sanitation. Within Newcastle this has proven to be a huge challenge evident in the form of the contrast between the need for maintaining existing roads within the urban areas and the provision of new roads in rural areas, inlcuding basic services. The challenge is further exercerbated by the need to attend to the various needs of the community whereas there are limited financial resources. However Newcastle Municipality has made progress in addressing the development challenges and, in the process, has made progress towards socio-economic transformation through the provision of employment opportunities that also advocate for skills development through the development and implementation of the EPWP Policy Phase 4 which is due for a review in the 2020/21 financial year. The NLM EPWP Policy is in line with the overall Vision 2035 and Mission of the Municipality, and seeks through its goal to:

*"Enhance the delivery capacity of Newcastle Municipality on EPWP through addressing its challenges, providing integrated and coordinated approach to support the implementation of EPWP for the holistic development of the society".*

Through this policy the NLM is aimed to achieve the following objectives:-

- To have EPWP as an approved delivery strategy for projects implementation, employment creation and skills development by ensuring that EPWP guidelines and principles are adhered to in the implementation of any Municipal project across all the EPWP sectors inter alia, the Infrastructure, Social, Environmental & Culture and Non-State Sectors;
- To develop skills within communities through EPWP training programmes, by accredited training providers;
- To maximize the percentage of the Council's annual total budget spent and retained within local communities in the form of wages and by promoting the procurement of goods and services from local manufacturers, suppliers and service providers;
- To adopt and align cluster and departmental annual business plans to the EPWP in-line with prioritized socio-economic objectives;
- Using clearly defined key performance indicators to monitor, evaluate and report all EPWP initiatives, including those being implemented using Provincial and National Government budgets.
- To inform all Departments and Units within the Council on how their functions should contribute towards achieving the EPWP objectives;

- To entrench the EPWP methodology within the Council's Integrated Development Plan;
- To capacitate SMME's and emerging contractors within local communities by facilitating the transfer of sustainable technical, managerial and financial skills through appropriate Learnership Programmes and SMMEs development initiatives;
- Re-engineer how the planning, design and implementation of projects within Newcastle Municipality maximize greater employment opportunities per unit of expenditure.

The coordination of the EPWP within the Local Sphere of Government, is spearheaded by the Executive/Mayor who provides leadership and direction on the implementation of the EPWP in the municipality. The Executive/Mayor appoints a Member of the Mayoral Committee (MMC) to champion and lead the EPWP in the Municipality. The appointed MMC must also ensure that EPWP aligns with IDPs and key policies and programmes within the municipalities and also ensure the effective coordination and monitoring of the implementation of the EPWP within the Municipality; assist and mobilise departments within the Municipality to meet their targets.

The Municipal/City Manager (MM) appoints the Executive Director (ED) and or delegate functions of the coordination of EPWP to a particular Unit. The Executive Director has to ensure that the EPWP is incorporated in the development plan of the Municipality and also ensure that the Municipal departments incorporate EPWP FTE targets into their programme plans.

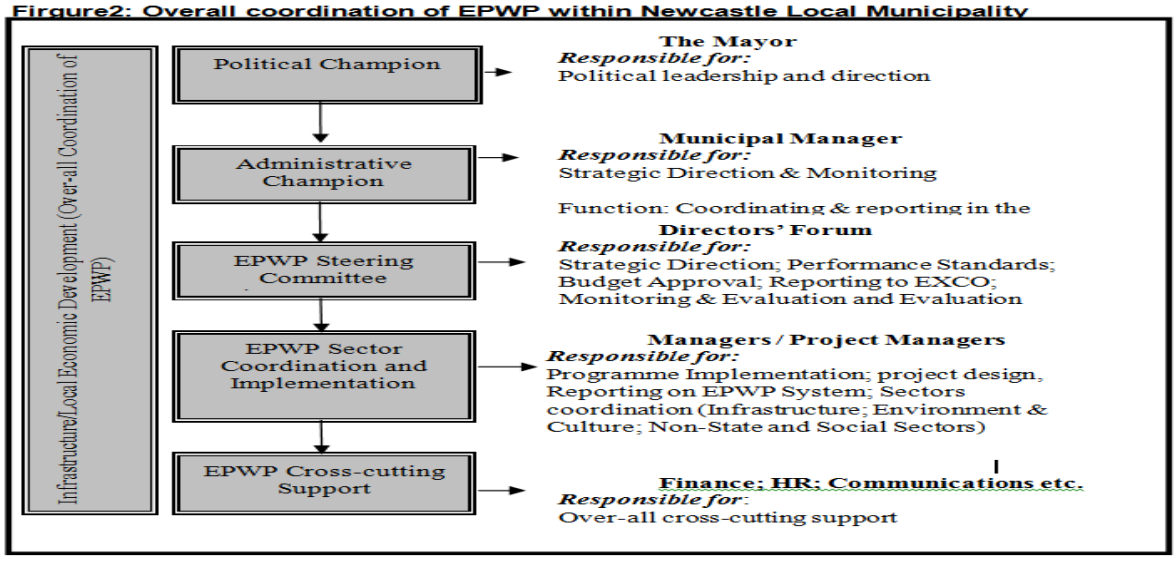



*Figure 29: Overall coordination of EPWP within NLM.*

All Departments within the municipality have a responsibility in the implementation of EPWP. All the Departments and their Heads have EPWP Targets in their Business

Plans and Performance Agreements, which will cascade down to officials of the departments. Amongst other things the Departments are responsible for:-

- The appointment of a dedicated EPWP "Champions";
- The selection of suitable projects for inclusion in the NLM's EPWP Projects Plan;
- Participating in setting task rates for workers to be employed on labour intensive projects;
- The identification of projects which are suitable for inclusion in the NLM's Learnership programmes;
- Ensuring that the planning, design and contract administration of labour intensive works are carried out by consultants who have completed the necessary skills training i.e. NQF Level 7;
- Monitoring and reporting on the implementation of EPWP projects.
- Ensuring that there is labour intensive component in all the projects and inclusion of EPWP conditions in all the projects that go on tender.
- Facilitate and arrange appropriate awareness campaigns among local communities to illustrate the benefits of labour-intensive methods in projects implementation;
- Ensure that all the projects of their Departments are compliant to the Department of Labour's legislations and the Ministerial Determination on Expanded Public Works Programme.

## a) Key focus area of Newcastle EPWP.

The key focus area of the Newcastle Municipality's EPWP may be summed as the Triple-Bottom Line – social, economic, and environmental development. In terms of social development, the focus is on contractor development in what is known as the Sebenzel'ekhaya Programme. In terms of environmental sustainability, the focus is on building environmental knowledge and a culture of sustainability through the Food for Waste Programme which has saw Newcastle Municipality receiving accolades for being the cleanest town in the KZN province. In terms of economic development, Newcastle continues to create a conducive environment for attracting investments and subsequently economic development. This is done through municipal projects for road maintenance and unblocking of stormwater drains in naming just a few.

The Siyazenzela Programme may be deemed as one of the successful programs of the municipality. The name of the programme translates to "we're doing it for ourselves," and was initiated by two municipal departments namely - the Department of Technical Services and the Department of Community Services. The intension was to reduce the levels of unemployment within Newcastle whilst also fighting against poverty. The main beneficiaries of the programmes are the previously disadvantaged communities, targeting specifically the poorest of households usually characterised by a general lack of skills due to absence of any form of formal education.

So far the Newcastle Municipality EPWP has had a lot of success with regards to the outcomes of its implementation. More jobs are created every year through the EPWP Integrated grant from National Department of Public Works and Infrastructure. Some of the beneficiaries of the programme have also received training for funded by NDPWI and the details of the training are as follows:-

| Name of Training | Participants | NQF Level | Duration | Service Provider |
|---|---|---|---|---|
| National Certificate: Environmental Management Skills Programme | 55 | 2 | 21 days | Elective Training Institute Enterprise |
| National Certificate: Community House Building | 25 | 2 | 49 days | Novi General Services |
| Supervision of Construction Processes (Learnership Programme | 20 | 4 | 12 Months | Sphola Consulting |
| National Certificate: Construction road works | 30 | 2 | 27 days | Imbawula Civil Projects |

### b) Phase IV Targets.

The following entails Newcastle Municipality's EPWP targets for phase 4 and these relate to the number of people to be employed under the programme within municipal development initiatives:-

| FINANCIAL YEAR | TARGET NO. OF PEOPLE |
|---|---|
| 2019/20 | 932 |
| 2020/21 | 942 |
| 2021/22 | 949 |
| 2022/23 | 954 |
| 2023/24 | 960 |

## 3.14.12. SWOT Analysis: Local Economic and Social Development.

| STRENGTHS | WEAKNESSES |
|---|---|
| • Central location to existing industrial centres - Johannesburg and Durban<br>• Good existing agricultural and manufacturing base<br>• Large domestic market - located between the Gauteng, KwaZulu-Natal and Free-State markets<br>• Array of events that occur within Newcastle attracting thousands of people each year, as well as business visitors<br>• Good base of educational and research institutions (a number of higher education | • Lack of value-adding (including agro-processing)<br>• Decline in employment within agriculture and manufacturing<br>• Insufficient funding for the implementation of LED projects<br>• Lack of coordination between the private and public sector (especially provincial and national departments relevant to the project)<br>• Poor institutional support and assistance in the region from public sector. |

| | |
|---|---|
| institutions including Amajuba college, Damelin, Boston and UNISA)<br>• Relatively reliable transportation network and relatively good basic infrastructure<br>• Relatively safe locality<br>• Close proximity to mining centres – mainly Dannhauser and Mpumalanga | • Red-tape is creating an regulatory and administrative burden for business (incl environmental processes)<br>• Current weak tourism sector<br>• Lack of business retention and expansion<br>• High levels of unemployment<br>• Inadequate infrastructure (road and rail network, and bulk services)<br>• Limited access to credit |
| **OPPORTUNITIES** | **THREATS** |
| • Community development through agro-processing and community agricultural projects<br>• Diversification of the manufacturing sector and development of new value-chains (incl renewable energy products) with a clear vision<br>• Infrastructure development<br>• Opening of new mines in Dannhauser (30 km away) - Newcastle has traditionally provided housing for mining workers<br>• Targeting of national, provincial and regional sporting events and conferences/functions<br>• Capturing of the new emerging skilled workforce<br>• Development of an ICT and Innovation base within Newcastle to stimulate the knowledge economy (including industrial product design)<br>• Investment promotion and facilitation (including development of incentives)<br>• Development of under-utilised or unutilised agricultural and industrial land (vacant farms and industrial lots) – such as an inland logistics hub geared for exports<br>• Promotion of business retention and expansion programmes<br>• Upgrading of the airport<br>• Establishment of industry driven training and skills development through internships and apprenticeships. | • Increased international competition in both the manufacturing and agricultural sectors, with limited protection or support from government<br>• Threat of mechanisation in both industrial and agricultural development<br>• Increasing input costs (electricity, transport, capital and equipment)<br>• Collapse of the rail network and unreliability of the current rail service<br>• Corruption and a lack of accountability (financial and management)<br>• Worsening climatic conditions which have translated into water scarcity and therefore negatively impacting on farming around Northern KwaZulu-Natal.<br>• National labour regulations which has impacted negatively on the textile industry with little support for the industry by local government<br>• Lack of relevant and suitable skills being produced by FET and tertiary institutions (particularly engineers)<br>• Land reform and associated challenges (poor skills transfer to new farmers, slow process, etc) |

## 3.15. Good Governance and Public Participation.

The Newcastle Municipality is a Category B Municipality. It functions under the Collective Executive system, consisting of 9 members. The Mayor is elected from the Executive Committee. The Council consists of 68 councillors of which 10 are full-time councillors. 34 of the 68 councillors are ward elected councillors while the other 30 comprises of proportional representation councillors. The Council has five Portfolio Standing Committees, with members of the Executive Committee serving as a Chairperson and Deputy Chairpersons.

### 3.15.1. Intergovernmental Relations.

Newcastle Municipality participates in the District IGR forum which is in two folds, the Mayors Forum and the Technical Forum for Municipal Managers. These Forums give the strategic and political direction for all municipalities within the District, particularly on planning and development. There is also a Growth and Development Summit that

is being held annually for municipalities to discuss development agenda for the region. Newcastle being the District bub takes the leading role as well as the centre stage on infrastructure development and economic issues. At the Provincial level, the municipality participates on the Premiers Coordinating Forum and Min-MEC Forum for Municipal Managers

To enhance relations and to ensure synchronized development thereof with other local municipalities within the district family, the Newcastle Local Municipality prides itself in participating in the below-mentioned provincial and district-level IGR Structures:-

- Amajuba District Municipality IDP Representative Forum.
- ADM District Development Model
- ADM Planners Forum
- KZN IDP Stakeholders Meeting
- Planning Steering Committee.
- Amajuba District Area Planning & Development Forum.
- Strategic Corridor Development Plan Steering Committee (for Vryheid, Emadlangeni, Newcastle and Ermelo).

The municipality has also recently held its 1st NLM Decentralised IGR Forum whereby a number of government sector departments were in attendance and managed to render presentations to the various municipal departments. This exercise was to ensure that there is an aligned flow of service delivery and information through all spheres of government.

**Internal Audit Activity.**

Newcastle Municipality has a fully functional internal audit unit that reports to audit committee quarterly.

The Institute of Internal Auditors defines internal auditing as:
"An independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objective by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

The internal audit activity evaluates and contributes to the improvement of risk management, control and governance systems of the organisation. Typical input/responsibilities of the internal audit activity include, amongst others:-

### a) Governance.

The Internal Audit Activity assists management in achieving the goals of the Municipality by evaluating the process through which:-

- Goals and values are established and communicated.
- The accomplishment of goals is monitored.

- Accountability is ensured and corporate values are preserved.

### b) Controls.

Internal Audit evaluates whether the controls, which management relies on to manage the risks down to acceptable levels, are appropriate and functioning as intended (i.e. are they effective yet efficient) and propose recommendations for enhancement or improvement.

The Internal Audit unit will conduct audits in accordance with the "Code of Ethics" and "Standards for the Professional Practice of Internal Auditing- of The Institute of Internal Auditors, as well as other corporate governance regulations.

### c) Internal Audit Strategic/Coverage Plan.

The "Standards for the Professional Practice of Internal Auditing- as issued by the Institute of Internal Auditors requires that: "The internal audit activity's plan of engagements should be based on a risk assessment, undertaken at least annually. The inputs of senior management should be considered in this process."

- The Internal Audit Plan is aligned with the strategic risks identified and could encompass risk-based, compliance, financial discipline and cyclical reviews.
- The planned audit activities will be focussed at strategic, process and component level as appropriate.
- The plan for each year will be determined by the priority ranking (based on the risk assessment) of identified audit areas and the expertise and resources available to Internal Audit.

| No. | Auditor General's Findings | MANAGEMENT ACTION PLAN | REPORTING FREQUENCY | Responsible Person | Department |
|---|---|---|---|---|---|
| 7. | **Material uncertainty relating to financial sustainability**<br><br>I draw attention to note 51 to the financial statements, which indicates that the municipality had an accumulated deficit of R353 million during the year ended 30 June 2020 and, as of that date the municipality's current liabilities exceeded its current assets. As stated in note 51, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern. | "1. CFO to develop a financial recovery plan and a cash flow forecast for the next three years to manage revenue, assets and liabilities to meet short term, medium and long term objectives. | CFO to report monthly to Manco and Exco. | CFO | BTO |
| | | 2. Progress on reducing the deficit must be monitored monthly by the CFO and reported to Manco and EXCO monthly as well as any challenges experienced. | | CFO | BTO |
| | | 3. SED's to report to BTO monthly on savings on budgeted line items in accordance with the approved cost containment strategy. | | CFO | BTO |
| | | 4. Progress on the cost containment strategy (savings) is to be reported quarterly to Manco by BTO. | | CFO | BTO |
| | | 5. CFO to also report to Manco and Exco monthly on budget vs actual expenditure as well as UIFW. | | CFO | BTO |
| | | 6. CFO to report to Manco and Exco monthly on expenditure, revenue collection, debtors book etc. | | CFO | BTO |
| 9. | **Uncertainty relating to the future outcome of exceptional litigation**<br><br>With reference to note 46 to the financial statements, the municipality is the defendant to various lawsuits. The ultimate outcome of these matters could not be determined and no provision of any liability that may result was made in the financial statements | 1. Legal Service Unit to regularly update litigation register and submit to AMM for review with supporting evidence of cases finalised, in progress etc. | Legal to report monthly to the Acting Municipal Manager. | LEGAL OFFICER | Legal |
| | | 2. BTO to review the accuracy of all supporting notes to the financial statements to evidence provided by department to eliminate errors. | | CFO | BTO |
| | | 3. Legal service unit to obtain attorney confirmations in June on the contingent liability disclosed in the financial statements. | | LEGAL OFFICER | Legal |
| 10. | **Restatement of corresponding figures.**<br><br>As disclosed in note 48 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2020 | 1. CFO , Director Budget as well as all officials preparing financial statements is to attend GRAP training in order to be updated with changes in legislation as well as training in preparing accurate set of financial statements, asset management, revenue, expenditure etc. | Director Budget and reporting to report monthly to the CFO | DIRECTOR: BUDGET | BTO |
| | | 2. Monthly financial Statements must be prepared. All financial statement accounts is to be reconciled monthly and there must be ongoing supervisory checks by senior official in BTO and the Director Budget and Reporting. | | DIRECTOR: BUDGET | BTO |
| | | 3. All suspense accounts must be cleared monthly. The Directors must ensure that this happens. CFO to implement consequence management for errors on the financial statement. (Evidence of Director and CFO reviews as well as how the CFO is holding people accountable for errors and accounts not reconciled and suspense accounts not cleared.) | | DIRECTOR: BUDGET | BTO |
| | | 4. BTO should not utilise consultant for financial statement review and addressing AG issues and utilise skills within BTO and internal audit. (We have 2 CA'S employed at the municipality). | | DIRECTOR: BUDGET | BTO |
| | | 5. Financial statements must be reviewed by the Director Budget and Reporting and the CFO (evidence is to be kept of reviews). The number errors must be eliminated monthly or consequence management is to be applied for errors identified on the AFS that could have been eliminated. | | DIRECTOR: BUDGET | BTO |
| | | 6. The Director Budget and Reporting is to develop SLA's for consultants used for Technical Asset verification only (infrastructure assets only) and updating of asset register and also monitor the asset consultant monthly. (Evidence of these reviews should be kept). For all other assets (e.g. furniture, equipment | | DIRECTOR: BUDGET | BTO |

| No. | Auditor General's Findings | MANAGEMENT ACTION PLAN | REPORTING FREQUENCY | Responsible Person | Department |
|---|---|---|---|---|---|
| | | etc.) the reconciliation and verification should be performed in-house. (This will save costs). | | | |
| 11. | **Debt impairments**<br>As disclosed in note 12 to the financial statements, the municipality recognised an impairment on receivables from non-exchange transactions of R45,16 million (2019: R36,86 million) as the recoverability of these amounts were doubtful. | 1. The Director Revenue must implement credit control policy, debtors SOP and also identify innovative ways in improving the revenue collection as well as revenue enhancement strategies. ( Evidence of new strategies and action plans to improve the situation must be submitted as POE) | Director Revenue to report monthly to the CFO | DIRECTOR: BUDGET and Financial reporting | BTO |
| | | 2. Debt impairment calculation to be prepared in compliance with GRAP 104. | | DIRECTOR: BUDGET and Financial reporting | BTO |
| | | 3. The debtors book is to be cleansed and debtors risk profiling to be performed. | | DIRECTOR: BUDGET and Financial reporting | BTO |
| | | 4. Debtors outstanding based on the risk profiling is to be considered for write off. ( e.g. deceased estates, debtors handed over that is unlikely to be collected etc., debtors over 180 days but subject to risk profiling) | | DIRECTOR: BUDGET and Financial reporting | BTO |
| 12. | As disclosed in note 13 to the financial statements, the municipality recognised an allowance for impairment on consumer debtors of R1,11 billion (2019: R933,90 million) as the recoverability of these amounts were doubtful. | 5. BTO and Technical Services should meter the unmetered wards and also put more controls in place over illegal connections etc. | | DIRECTOR: BUDGET and Financial reporting | BTO |
| | | 6. Indigent register is to be updated and reviewed monthly. | | DIRECTOR: BUDGET and Financial reporting | BTO |
| | | 7. Supervisory reviews and on-going checks and balances is to be performed by the Director on an ongoing Basis. | | DIRECTOR: BUDGET and Financial reporting | BTO |
| | | 8. The CFO is to set performance measures in place to improve the situation and also implement consequence measures for errors and reconciliations not performed etc. (evidence of CFO REVIEWS) | | DIRECTOR: BUDGET and Financial reporting | BTO |
| 13. | **Material losses – water**<br>As disclosed in note 60 to the financial statements, the municipality incurred material water losses of 12 551 693 kilolitres (2018-19:14 788 167 kilolitres) which resulted in revenue losses of R43,68 million (2018-2019: R45,10 million). The losses were mainly due to leaks and burst pipes, unauthorised consumption and illegal connections. | 1. SED: Technical to identify and investigate the areas that are causing high water losses and report to Manco. | Monthly reporting by SED to Manco | SED: Technical services | Technical services |
| | | 2. SED: Technical Services to budget for and install bulk meters and flow monitors in areas of high water losses. | | SED: Technical services | Technical services |
| | | 3. Install restrictors for excess water use above 6kl for the indigent consumers | | SED: Technical services | Technical services |
| | | 4. Turnaround time for repairing burst pipes is to be reduced. | | SED: Technical services | Technical services |

| No. | Auditor General's Findings | MANAGEMENT ACTION PLAN | REPORTING FREQUENCY | Responsible Person | Department |
|---|---|---|---|---|---|
| | | 5. SED is to report to Manco monthly on the percentage of water losses as well as challenges incurred. (Evidence of job cards and time taken to attend to water leaks is to be kept). | | SED: Technical services | Technical services |
| | | 6. Technical Services is to perform consumer meter audit and reconciliations with billing information monthly. This must be reviewed by the SED. | | SED: Technical services | Technical services |
| 25. | "**Various indicators**<br><br>The planned targets for the indicators listed below were not specific and measurable in clearly identifying the nature and required level of performance.<br>**Reported indicators per APR**<br><br>Purchasing of 1,75m3 containers<br>Purchase of Recycling Bins." | 1. PMS is to workshop Managers, Directors and SED's on setting of targets in accordance with the SMART principle. | Monthly | SED: DPHS | M&E |
| | | 2. PMS unit to attend PMS training and become familiar with recent developments in PMS. | | SED: DPHS | M&E |
| | | 3. Ongoing reviews, checks and balances on the SDBIP is to be performed monthly by the Manager and Quarterly by the SED: DPHS SED. | | SED: DPHS | M&E |
| | | 4. A KPI to be brought on all Section 56/57 employee performance plans for the compliance with performance reports | | SED: DPHS | M&E |
| 28. | **Adjustment of material misstatements**<br><br>I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for the basic service delivery objective. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above. | 1. CFO , Director Budget as well as all officials preparing financial statements is to attend GRAP training in order to be updated with changes in legislation as well as training in preparing accurate set of financial statements, asset management, revenue, expenditure etc. | Director Budget and reporting to report monthly to the CFO | DIRECTOR: BUDGET | BTO |
| | | 2. Monthly financial Statements must be prepared. All financial statement accounts is to be reconciled monthly and there must be ongoing supervisory checks by senior official in BTO and the Director Budget and Reporting. | | DIRECTOR: BUDGET | BTO |
| | | 3. All suspense accounts must be cleared monthly. The Directors must ensure that this happens. CFO to implement consequence management for errors on the financial statement. (Evidence of Director and CFO reviews as well as how the CFO is holding people accountable for errors and accounts not reconciled and suspense accounts not cleared.) | | DIRECTOR: BUDGET | BTO |
| 31. | The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. A material misstatement in the prior period error note identified by the auditors in the submitted financial statements was subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion. | 4. BTO should not utilise consultant for financial statement review and addressing AG issues and utilise skills within BTO and internal audit. (We have 2 CA'S employed at the municipality). | | DIRECTOR: BUDGET | BTO |
| | | 5. Financial statements must be reviewed by the Director Budget and Reporting and the CFO (evidence is to be kept of reviews). The number errors must be eliminated monthly or consequence management is to be applied for errors identified on the AFS that could have been eliminated. | | DIRECTOR: BUDGET | BTO |
| | | 6. The Director Budget and Reporting is to develop SLA's for consultants used for Technical Asset verification only (infrastructure assets only) and updating of asset register and also monitor the asset consultant monthly. (Evidence of these reviews should be kept). For all other assets (e.g. furniture, equipment etc.) the reconciliation and verification should be performed in-house. (This will save costs). | | DIRECTOR: BUDGET | BTO |
| 32. | **Strategic planning and performance management**<br>Performance targets were not set for each of the key performance indicators for the financial year, as required by section 41(1)(b) of the Municipal Systems Act, 2000 (Act No. | 1. PMS is to workshop Managers, Directors and SED's on setting of targets in accordance with the SMART principle. | 1. All SED's and M & E to ensure that targets are set for all KPI's | SED: DPHS | M&E |
| | | 2. PMS unit to attend PMS training and become familiar with recent developments in PMS. | | | |

| No. | Auditor General's Findings | MANAGEMENT ACTION PLAN | REPORTING FREQUENCY | Responsible Person | Department |
|---|---|---|---|---|---|
| | 32 of 2000) and Municipal Planning and Performance Management Regulation 12(1). | 3. Ongoing reviews, checks and balances on the SDBIP is to be performed monthly by the Manager and SED. | regardless of revisions during the Mid-year review of the budget/PMS. | | |
| | | 4. The SED is to hold people accountable for errors in reporting that was not picked up by the PMS team. | | | |
| 33. | **Procurement and contract management**<br><br>Some of the contracts were not awarded in an economical manner and the prices of the goods or services were not reasonable as required by MFMA section 62(1) (a). | 1. SCM to issue a memorandum to departments on compliance with section 62(1) (a). | Ongoing immediately | CFO | BTO |
| | | 2. SCM to implement controls and be strict in applying section 62(1) (a). (evidence that SCM is advising departments and that any noncompliance is not accepted by SCM and that the Director is reviewing on-going) | | CFO | BTO |
| | | 3. The CFO is to implement consequence management for SCM officials and departments that do not comply and challenges experienced in complying with section 62 is to be reported to the AMM. (Evidence of CFO reviews and employees that have not complied). | | CFO | BTO |
| 34. | Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with Municipal Supply Chain Management Regulation 29(2). Similar non-compliance was also reported in the prior year. | The Municipality appointed Director SCM on 18 June 2020 who serves as a standing member in the Bid Adjudication Committee to ensure compliance with Municipal Supply Chain Management Regulation 29(2). All bids awarded from July 2020 comply with the composition in line with regulation 29(2). | Finding has been addressed with the appointment of the Director: SCM | CFO | BTO |
| 35. | **Expenditure management**<br><br>Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA | 1. CFO is to develop a plan and SOP on how the municipality is planning to pay all creditors within 30 days considering the cash flow situation of the municipality. E.g. Third parties such as Eskom, SARS, PAYE, Salaries | Monthly | ACTING DIRECTOR: EXPENDITURE | BTO |
| | | 2. The receiving of invoices is to be centralised to BTO. BTO must develop an invoice register of date invoice received and date invoice paid | | ACTING DIRECTOR: EXPENDITURE | BTO |
| | | 3. All invoices must be stamped by creditors on the date received and must be prioritised for payment. | | ACTING DIRECTOR: EXPENDITURE | BTO |
| | | 4. Creditors age analysis and reconciliation is to be reviewed daily by the Director Budget and Reporting and approved by the CFO. | | ACTING DIRECTOR: EXPENDITURE | BTO |
| 36, | Reasonable steps were not taken to prevent irregular expenditure amounting to R96,48 million as disclosed in note 55 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by payments made on contracts where supply chain management processes were not followed | 1. SCM Director to maintain a UIFW register and develop controls to reduce UIFW (develop UIFW SOP). | Onoing checks and balances should be be in place and regular reporting by CFO to Manco. CFO to engage COGTA for investigation of prior years' UIFW. | DIRECTOR : SCM | BTO |
| | | 2. All contracts must be reviewed by the contract manager weekly to ensure that all contracts have SLA's and the contract register must be kept up to date for all contracts that the municipality has in place. The contract manager should alert departments on contracts that are expiring and not complying with SCM Regulations on an ongoing basis. The Director SCM must review the contract register monthly as well as all deviations and contracts to ensure compliance with SCM regulations. All UIFW must be reported to the CFO. | | DIRECTOR: SCM/ ACTIING DIRECTOR: EXPENDITURE | BTO |
| 37. | Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R12,60 million, as disclosed in note 54 to the annual financial statements, in contravention of section 62(1)(d) of the | 3. The CFO must report monthly to Manco on UIFW incurred and the AMM is to implement consequence management for SCM officials and departments involved in UIFW. | | DIRECTOR: SCM/ ACTIING | BTO |

| No. | Auditor General's Findings | MANAGEMENT ACTION PLAN | REPORTING FREQUENCY | Responsible Person | Department |
|---|---|---|---|---|---|
| | MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by late payments on expenditure accounts. | | | DIRECTOR: EXPENDITURE | |
| | | 4. Prior years UIFW to be investigated by September 2021 by COGTA. | | DIRECTOR: SCM/ ACTIING DIRECTOR: EXPENDITURE | BTO |
| 43. | Leadership did not exercise adequate oversight responsibility regarding financial, performance reporting and compliance with legislation. The accounting officer did not adequately implement reporting requirements; as per the SA standards of GRAP and the framework for managing performance information to support the achievement of credible financial and performance reporting and compliance with legislative requirements. | 1. Too much reliance on junior officials preparing AFS and consultants to review AFS is to be avoided. | Daily reviews by the Director and monthly reviews by the CFO. | CFO | BTO |
| | | 2. CFO and Director Budget and Reporting is to supervise and review monthly financial statements on an ongoing basis. More senior reviews of financial statement accounts will eliminate errors and material misstatements. | | CFO | BTO |
| 44. | Management did not undertake routine monthly reconciliations and reviews, to support amounts reported in the financial statements and the annual performance report. This was due to management not fully understanding the requirements of the financial and performance reporting frameworks as well as poor records management. Moreover, management did not adhere to policies and procedures relating to supply chain management requirements. | 3. Skills within BTO and internal audit is to be utilised for financial statements review. No consultants to be appointed for review of AFS. | | CFO | BTO |
| | | 4. Service providers for assets is to be monitored on an ongoing basis and there must be strict timelines in work performance. | | CFO | BTO |
| | | 5. CFO to hold officials accountable for errors on the financial statements that were not picked up by ongoing supervisory checks. | | CFO | BTO |

### d) Authority.

Internal audit reports via the Accounting Officer to the Municipal Audit Committee and has unrestricted access to the Chairperson of Audit Committee, the Accounting Officer and Senior Management and has unrestricted access to all relevant functions, records, property and personnel.

### e) Audit committee.

The audit committee is a committee of Council. The requirement for municipalities and municipal entities to establish Audit and Performance Committee is contained in Section 166 of the Municipal Finance Management Act 56 of 2003 and article 14 (2)(a) of the Municipal Planning and Performance Management Regulations 2001. The Audit and Performance Committee is an independent advisory body, appointed by Council to assist Council in discharging its responsibilities. The Audit and performance Committee Charter sets out the committee specific responsibilities and details the manner in which it will operate. The audit committee charter is approved annually by Council.

The following audit committee members were appointed by Council on the 1st of March 2021 for a period of three years:-

| Name of Member |
|---|
| **Mr. Yaasir Haffejee - Chairperson** |
| **Mr. Rabelani Tshimola** |
| **Ms. Zanele Nkosi** |
| **Mr. Collin Nciki** |
| **Mr. Themba Radebe** |

## 3.15.2. Effectiveness of Internal Controls.

The municipality's system of internal control is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are effectively managed. According to the Municipal Finance Management Act (Act No. 56 of 2003) and the King Reports on Corporate Governance requirements, Internal Audit and the Auditor General reports provide that the Audit Committee and Management, with assurance that the internal controls of the municipality, are appropriate and effective. This is achieved by means of a risk assessment and review process, testing of controls, as well as identification of corrective actions and suggested enhancements to controls and processes. The committee has reviewed various reports from the Internal and External Auditors, which highlighted the adequacy and effectiveness of internal control systems within the municipality. The Committee noted a significant improvement within the Supply Chain Management process, in particular, the issue of irregular expenditure. This has also improved in the last quarter of the financial year.

Management has taken the views of both the Internal and External Auditors seriously even though some of the processes did not allow the municipality to move from its previous audit opinion. A lot of efforts in terms of human resources and financial resources were employed to assist the situation which is hoped that the results will be realised in the 2021/2022 financial year audit. Quarterly reports on progress made in implementing the plan was also tabled at the Audit Committee for the purposes of continuous monitoring.

### 3.15.3. Objectives.

- Maintaining oversight responsibilities of all financial and performance reporting.
- Seek reasonable assurance that the operations of the municipality are conducted efficiently and effectively.
- Seek reasonable assurance that the Council has developed and complies with its policies, plans, procedures and internal controls.
- Seek assurance that the Council complies with relevant legislation, regulations and professional pronouncements.

### 3.15.4. Internal Audit.

- Review the Internal Audit Charter and submit to audit committee for approval.
- Review of the Audit Committee Charter and submit to council for approval.
- Report to audit committee as to whether the internal audit unit is given the resources and operational independence required to fulfil its role as outlined in the Internal Audit Charter.
- Prepare the annual risk based internal audit plan which is approved by the audit committee.
- Prepare internal audit reports and provide independent, objective assurance and consulting services to management on matters relating to:
- Internal Audit;
- Internal controls;
- Accounting procedures and practices;
- Risk and risk management;
- Performance management;
- Loss control;
- Compliance with the Municipal Finance Management Act, Division of Revenue Act (DORA) and any other applicable legislation; and
- Investigate any other matter as requested by the Municipal Manager.

### 3.15.5. Internal Control.

- Evaluate the overall effectiveness of the internal control and risk Management frameworks and consider whether recommendations made by the internal and/or external auditors have been implemented by management.
- Assess whether proper adequate accounting records are being maintained.

- Ensure that Council has the necessary policies in place to protect and safeguard assets and to ensure legal compliance with all relevant legislation. Examples - Prevention of Fraud Policy, Procurement Policies.

## 3.16. Municipal ByLaws and Policies.

As a creature of statute and an organ that subscribes to the rule of law, the Municipality exercises vested executive powers make law and polices to provide for regulation of its activities and environment. By-Laws play vital roles in assisting the Municipality to discharge its functions in terms of values of the rule of law and accountability that is founded on law. There have been a total of four by-laws approved in the municipality during the years 2020 and 2021, the most recent of these being the Anti-Corruption Strategy and Fraud Prevention by-law as well as the Risk Management Policy which were approved in January 2021. These by-laws have been set in place in order to enhance efficiency and effectiveness of the Municipality.

### 3.16.1. Batho Pele Policy and Service Delivery Charter.

The Newcastle Local Municipality recognizes the need for the existence of a Batho Pele Policy and its importance as a service delivery tool. The Municipality also acknowledges that a guiding philosophy for service delivery is to get its employees to be customer oriented, strive for excellence in service delivery and to commit to continuous service delivery improvement.

The Newcastle Local Municipality Batho Pele Policy and Service Delivery Charter are being developed in coherence to the relevant applicable legislature policies namely the:-

- Constitution of the Republic of South Africa Act 108 of 1996
- White paper on transforming Public Service Delivery of 1997
- Promotion of access to Information Act of 2000
- Municipal Finance Management Act of 2003.Section
- Municipal Systems Act, 2000, Section 5
- Promotion of Administrative Justice Act, 2000

Adhering to the above mentioned legislature, the Newcastle Local Municipality's Communications department has thus formulated a process plan as to how to properly formulate and ensure the implementation of the Batho Pele Policy, as well as the Service Delivery Charter. Below is a table illustrating the various Milestones along with their target dates in the process leading up to the approval of the Batho Pele Policy as well as the Service Delivery Charter.

*Table 50: Batho Pele and Service Delivery Charter Formulation Process Plan*

| KEY ACTIVITIES/ MILESTONES | TARGET DATE |
|---|---|
| 1. Draft documents to be presented to the extended Manco meeting. | 5 February 2021 |

| KEY ACTIVITIES/ MILESTONES | TARGET DATE |
|---|---|
| 2. Draft documents to be submitted to all the departments and employees for comments. Comments received and were implemented. | 22 February 2021 |
| 3. Draft documents to be presented to the extended Exco meeting. | 24 March 2021 |
| 4. Draft documents to be presented to the provincial Batho Pele and complaints forum. | 25 March 2021 |
| 5. Presentation of draft documents to Municipal representative forums | 30 April 2021 |
| 6. Formulation of Batho Pele Forum Terms of Reference | 12 April 2021 |
| 7. Internal Batho Pele forum will be formed, made up of members from various departments and external stakeholders. | 21 April 2021 |

The Batho Pele forum has been formed as well as the terms of reference to guide it, this in conjunction with the feedback received from KZN COGTA are huge steps towards improving the draft document and ensuring it is as effective and diligent as possible for effective service delivery to ensue

## 3.16.2. Municipal Governance Structures.

The Newcastle Municipality has 61 democratically elected councillors which constitute the council. Council meets at least monthly and is the final decision making body within the municipality. The Executive Committee (EXCO) is responsible for the day-to-day running of the organization, and decision making. They meet regularly to receive reports from the Municipal Manager. EXCO is supported by the following portfolio committee, who serve as oversight structures in respect of various line functions and responsibilities of the municipality:-

*Table 51: Portfolio Committees*

| PORTFOLIO | CHAIRPERSON |
|---|---|
| Finance | Cllr. Cllr E.M. Nkosi: **Mayor** |
| Technical Services | Cllr. R. M. Molelekoa |
| Community Services | Cllr. S.E. Shabangu |
| Development Planning and Human Settlements | Cllr. M. Shunmugam |
| Corporate Services | Cllr. R.N. Mdluli |

In addition, the municipality has established a Municipal Public Accounts Committee (MPAC) to oversee the expenditure and accountability for public funds entrusted to the municipality. The structure and current membership of this committee is indicated on the table below:-

***Municipal Public Accounts Committee:-***

- Cllr B S Dlamini (Chairperson).
- Cllr T N Dlamini.
- Cllr F A Malinga.
- Cllr A P Meiring.
- Cllr S G Ngcobo.
- Cllr M S Mlangeni.

- Cllr B C Ngema.
- Cllr D Ngwenya.
- Cllr D M Sibilwane.
- Cllr L T Sikhosane.
- Cllr L G Thwala.
- Cllr V G Zondo.

## 3.17. Risk Management.

Newcastle Municipality has implemented risk management system in compliance with Section 62 (1) (c) (i) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), which requires the Accounting Officer/Municipal Manager to take all reasonable steps to ensure that the Municipality has and maintains effective , efficient and transparent systems of risk management and internal controls.

South Africa's codes on corporate governance, the King iv report on good corporate governance, has consistently identified Risk Management as one of the key pillars for good governance practices and this, as a continuous process, enables constant improvements in strategy design and implementation as well as an organisation's systems and operations. The King iv report on corporate governance has identified risk governance as one of the cornerstones that if successfully implemented can create and sustain stakeholder value.

Newcastle Municipality recognizes risk management as a critical part of the municipality's strategic management, which is a process whereby the municipality both systematically and intuitively mitigates the risk attached to its strategic objectives with the ultimate goal of achieving sustained benefit within each programme and across the portfolio of activities. Risk Management is therefore recognized as an integral part of sound organizational management and is being promoted throughout the municipality as good management practice for ensuring good governance.

Like all other government institutions, Newcastle Municipality also faces uncertainty, and the challenge for management is to determine how much **uncertainty** the municipality is prepared to accept as it strives to grow stakeholder value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance **value**. Newcastle Municipality recognizes that value is maximized when management sets objectives to strike an optimal balance between growth and related risks, and effectively deploys resources in pursuit of the municipality's objectives.

The Municipality has adopted an integrated approach to risk management with the primary aim to of embedding a culture of making the right and timely decisions which take into consideration associated risk exposures and opportunity. This therefore means that, risk management at Newcastle Municipality, is not just a simple compliance with the requirements of the Municipal Finance Management Act (MFMA) which requires the Municipal Manager as the Accounting Officer to implement a

system of risk management, however, it has been implemented in recognition of the substantial value-add of risk management.

### 3.17.1. Risk Governance in the Municipality.

The Municipality has an independent governance oversight and advisory committees, namely, the Audit and Risk Committee ; which operates in accordance with Council approved terms of reference, corporate governance guidelines and practices (King iv), and professional practice standards and codes. The audit committee is responsible for independent oversight and appropriate advice on the risk management process in the Municipality, the mitigation of key risk exposures and advisories on emerging risk issues that may have an impact on the Municipality. Audit Committee was appointed as Risk Management Committee/Combined function. Audit Steering Committee has been established to address issues raised by AG, and it sits weekly

Some of the key strategies in the short to medium term to ensure successful implementation of Risk Governance and Enterprise Risk Management in the Municipality are itemised below and are performed by the Risk Management Unit:-

- Risk Governance Structure, Framework, Policy and Activities;
- Risk Infrastructure and Oversight;
- Adoption and alignment of risk frameworks;
- Risk Ownership and Accountability;
- Risk Management Approach and Principles;
- Risk Management Language;
- Risk assessment Methodology;
- Continuous risk assessment, design and implementation of risk responses;
- continuous monitoring; and
- Risk Profile and Integrated Risk Reporting.

### 3.17.2. Enterprise Risk Management (ERM).

The management of risks has evolved from the management of financial risks, and transfer of risks through insurance, to business risk management and recently to enterprise risk management which includes the management of risks at all levels of the organisation. The ERM process creates that consciousness at both political and administrative levels of the Municipality's risk appetite and profile. The benefits which the Municipality strives to achieve include:

- aligning risk appetite to the Municipality's strategies;
- enhancing management's risk response decisions;
- seizing opportunities and,
- reducing operational surprises and losses through continuous identification of potential events;
- identifying and managing multiple and crossenterprise risks;
- improving deployment of capital and allocation of resources through the use of reliable; and

- relevant and timeous risk information.

The overall strategic objective is to embed a culture of risk management in the Municipality, at strategic and operational levels.
Accordingly, the risk management unit has mapped the Enterprise Risk Management programme to the Municipal IDP.

A number of priorities have been identified in the Municipality's ERM programme, for the fifth year of the 4th generation of the IDP, and these cover:

- Identification, documentation and communication of the Municipal-Wide Risk
- Universe
- Municipal Risk threshold levels / appetite
- Strategic & Operational Risk Profiles
- Standardised Municipality risk assessment methodology
- IT, Fraud, Compliance risk assessments and profiles
- Risk Monitoring and Risk response plans advisories
- Departmental risk profiles & registers, and risk reporting
- Municipal-wide risk threshold / tolerance levels
- Consulting on risk responses
- Business Continuity Management (BCM) plans & advisories

### 3.17.3. Enterprise Risk Management Projects.

Projects in the ERM programme are advisory and management consulting services, are long term in nature, will straddle the entire current 5-year IDP, and even go beyond this term though the focus in each year may vary:-

- Municipality Risk Governance.
- Integrated Risk Management Implementation Planning.
- Risk assessment and advisories on management of risks:-
    - Strategic Risk Management.
    - Operational risk management.
    - Financial Risk Management.
    - Compliance Risk Management.
    - Project Risk Management advisories.
    - Contracting and contract risk management
- Business Continuity Management.
- Risk Finance (Insurance covers).
- Risk management application software.
- Integrated reporting capabilities (dashboard).

### 3.17.4. Integrated approach to Risk Management and GRC functions.

There is therefore a high co-dependence between Risk Management unit and the other assurance functions within the Municipality. The Municipality has adopted an integrated approach to the management of risk, risk advisory and assurance processes and systems. This will enable collaboration and cooperation between all the internal assurance role players.

### 3.17.5. Risk ownership and accountability.

The embedding of a risk management culture is one of the priorities that have been agreed to by the leadership of the Municipality:-

- One of the key strategies that has been designed is to ensure that there is convergence in the management of risks and performance.
- The Municipality's organisational scorecard and performance scorecards of executive and senior management now include risk management as one of the key performance areas.
- Further, each of the top strategic risks is assigned a risk owner at Executive Director or Divisional head in respect of the Municipal Manager's department.
- Risk owners must ensure that risk response plans and mitigation actions are designed and implemented by responsible officials.

### 3.17.6. Continuous Risk Assessment.

The assessment of risks requires the identification of organisational objectives and strategies, and an analysis of inherent events that may impact on the achievement of objectives and strategies. While Municipality's Risk Management unit facilitates the assessments of risks through workshops or reviews of existing risks, the primary responsibility for the management of identified and emerging risks lies with the respective executive management.

The Municipality continuously assesses its risk exposures and measures and prioritises these risks using its risk assessment methodology. Priority is given to the potential uncertainties that have been measured to have extreme and high inherent risk exposures. Similar priority is given to those risks have high residual risk exposure, alternatively, where the respective risk response plans are inadequate and/or ineffective.

### 3.17.7. Strategic Risk Management.

Strategic risk assessments are conducted at least annually, and facilitated internally by the Municipality's Risk Management Unit. The Municipality identifies the top 15 Municipality-wide strategic risks for each financial year.

### 3.17.8. Operational Risk Management.

Operational risk assessments are conducted at the level of each directorate in the

departments and at the level of business units or directorates in the entities. The outputs hereof are departmental risk profiles, and directorate risk profiles. Both Internal Audit and the Auditor General usually focus on the risk, control and audit universe at operational levels to evaluate the design and effectiveness of the internal control environment, which is a bottom-up approach. Therefore it is critical that management assisted by Municipality Risk Management unit should consistently analyse operational risk exposures and implement adequate systems of internal controls. Operational risk profiles must be communicated to the management and staff of the department or directorate to ensure that all role players are aware of the risk environment and the responsibilities for the management of identified and emerging risks.

### 3.17.9. Risk Response Plans Advisories on Risk Management Strategies.

The risk matrix enables the prioritisation of risks. The risk mitigation strategies, i.e. whether to accept, avoid, transfer or control risks, will be evaluated to ensure they appropriately respond to the identified risks, and the cost vs benefit analysis conducted. While Risk management unit will monitor the design of risk mitigation strategies / responses in respect of all identified risks, focus will be placed on those risks that have been identified as Extreme or High according to the risk matrix.

### 3.17.10. Risk Monitoring and Risk Reporting/ Communication.

Subsequent to the risk assessments and identification of risk management strategies by respective management, Municipality's Risk Management unit analyses the adequacy of the risk strategies in bringing the risks to acceptable tolerance levels. The Internal Audit Activity prepares risk based audit plans having assessed the risk environment and determined the risk and audit universe. The risk based auditing approach ensures that internal audit effort is focused on extreme and high risk areas, and internal audit projects are therefore derived from the strategic and operational risk registers. Internal audit also provides independent assurance on the effectiveness and efficiency of risk mitigation plans.

## 3.18. Public Participation.

### 3.18.1. Mechanisms for Public Participation.

Public participation is important to determine the exact needs that exist in the communities in relation to the developmental priorities during the public meetings and information gathering. The Newcastle Municipality will be utilizing the following mechanisms for public participation when developing its IDP.

- **IDP Representative Forum (IDP RF):** This forum represents all stakeholders and key interested and affected parties. This includes the Ward Committees, AmaKhosi, Non-Governmental Organizations (NGOs), Community Based Organisations (CBOs), Organized Business, Faith Organizations and organized agriculture.
- **Media:** Local newspapers will be used to inform the community of the progress of the IDP and further due meetings' including the IDPRF and community road shows.
- **Radio Slots:** The Newcastle Community radio station will be used to make public announcements where necessary.
- **The Newcastle Website:** The Newcastle Municipality's website will also be utilized to communicate and inform the community. Copies of the IDP and Budget will be placed on the website for communities, general stakeholders and service providers to download.
- **Ward Committees:** The Newcastle Municipality has adopted the Ward Committee policy which has resulted to the establishment of ward committees. The municipality considers ward committees as one of the institutional bodies to fast-track service delivery and deepen democracy. Ward Committees represents a wide range of community interest through the IDP RF meetings and their inputs are always considered. They also being used to disseminate the information about the developmental agenda of the municipality.
- **IDP/ Budget Road Shows:** The Newcastle Municipality hosts its community road shows through ward committee system to publicize the draft IDP and Budget during April and May 2021. The venues for these meetings are publicized at the IDP RF, public places and as well as through the local print media.
- **Constituency Meetings:** The Newcastle Local Municipality has developed the Public Participation Policy and Strategy document to enhance and expound on the core key functions of the municipality and the Office of the Speaker which are to identify and prioritize the ward committees as a legislated vehicle for communities to communicate their needs, aspirations and inputs into the operations of the municipalities. These programmes assists in obtaining the issues of the community which feeds into the IDP and then during the budget process, the departments will then prioritize the projects which emanates from the community inputs through these meetings will.

  -

### 3.18.2. Ward Committee System.

The Municipality has developed and apdopted a Ward committee operational plan which is a guiding document that will ensure the functionality and the effectiveness of the ward commettees. The Newcastle Local Municipality has thirty four (34) wards, and each ward has a Ward Committee constituted of ten (10) members. In line with the requirements of Outcome 9, the operational document prescribes that the institutional arrangemnt be as follows;

The wards are divided into ward forums namely;

- Zone A which will has 11 wards (Madadeni);
- Zone B which will has 9 wards (Osizweni);
- Zone C which will has 6 wards (Blauubosch); and
- Zone D which will has 8 wards (Town).

The Ward Committee system is structured according to the following fora:-

- Chairpersons forum.( all 34 ward councillors);
- Secretaries forum; and
- 340 ward committees.

The Public Participation Directorate, established in the Office of the Developent Planning and Human Settkement and supports the Speaker, is responsible to ensure that the ward committees are functional in line with an approve Ward Committee policy and the Ward Operational Plan. Furthermore, as part of the government programmes stream-lined towards the improvement of good governance, the Provincial government shall be rolling out workshops on the role of ward committee members in the implementation of the Back to Basics Programme and Newcastle Municipality is to benefit from the programme.

The functionality of Ward Committees are monitored through the submission of ward reports regarding Ward Committee Performance, which basically assesses the performance of Ward Committees within Newcastle. The performance is measured in terms of the following indicators:-

- Number of Ward Committee Meeting held – 1 per month;
- Number of Ward Committee Meetings chaired by the Councillor – 1 per month;
- Percentage of attendance – 50 plus 1;
- Number of community meetings held – 1 per quarter;
- Number of sectoral reports – 10 per month; and
- Number of reports submitted to the municipality – 1 per quarter.

The assessments are made on a quarterly basis, namely, the periods between July – September, October – December, January – March, and April – June of each year. The following entails the common challenges that have surfaced based on the report:-

In general, the overall performance of the Newcastle Ward Committees is satisfactory. The stringent measures are being implemented by the Office of the Speaker to improve the situation.

Newcastle Municipality will facilitate Constituency meetings across all 34 wards as part of strengthening democracy and governance structures within the municipality. It also played an integral role to cascade the service delivery information and information sharing within the governance structures.

Furthermore, a Capacity Building Training for all Ward Committees is to be facilitated by the Public Participation Unit whose main purposes is to train Ward Committees on municipal processes.

### 3.18.3. The Participation of Amakhosi within the Council Meetings.

The Amakhosi Traditional Council of Newcastle are active participants to the Council meetings. They have an elected representative who looks out for the best interests of the Traditional Council, and his name is iNkosi u-C. S. Kubheka of the Khathide Traditional Council. The elected representative is also the Chairperson of the Amakhosi Traditional Council within the Amajuba District Municipality knowns as the Amajuba Traditional Council.

On the last IDP Representative Forum they were also participants who were actively involved in the robust discussion pertaining to the administration of land that held in trust under the Ingonyam. Some of the issues which were raised were in relation to the traditional process towards the allocation of land to interested parties, and the evironmental cosniderations thereof. The following entails the members of the Amakhosi Traditional Council which were present in the 3rd (last) IDP Representative Forum:-

- iNkosi u-C. S. Kubheka (Khathide Traditional Council and the Chairperson of the Amajuba Traditional Council);
- iNkosi u-Z. P. Nzima (Ndlamlenze Traditional Council);
- iNkosi u-Z. G. Mabaso (Mgundeni Traditional Council); and
- iNkosi u-M. Gule (Gule Traditional Council).

### 3.18.4. The Communication Unit.

Newcastle Municipality has a fully functional Communication Unit that supports and coordinates all communication efforts of the municipality. The Unit actions this with the main aim of enabling the Mayor and the Municipal Manager to perform their functions as chief communicators. The Unit also provides strategic advice/guidance with regards to communications policy development, programme planning and programme implementation, they develop and implement communication plans and produce publication for information dissemination thereof.

The Communication Unit within the NLM, with the help of a newly appointed Head of Communications, houses dedicated communication officers who exist for each department within the municipality. These officers are responsible for communicating activities for all the departments to internal and external stakeholders.

The Communications Unit evaluates and identifies communication issues, develop communication strategies, implement and manage communication actions such as campaigns, events, advertising, design and printing of communication material. Typical functions/responsibilities of Communications Unit include, amongst others:-

### f) Functions of the Communications Unit.

- Internal communication
- External communication
- Media and stakeholder liaison
- Media production, marketing, communications and branding
- Events Management
- Customer care and Batho Pele
- Publications productions
- Graphic designing
- Provide support municipality leadership/ appointed officials.

### g) Functions of the Head of Communications.

- Establishing and maintaining relations with the stakeholders in the municipal area.
- Communicating with the immediate superior on specific key performance areas (communication, relationship management, strategic events) with a view to aligning functions and objectives.
- Analyzing the adequacy of current approached, submits reports supporting specific provision associated with communication interventions considered during the preparation of financial expenditure estimates.
- Assisting with the interpreting of situational and contextual issues and researching relevant topics to enable the preparation of speeches, letters, the
- Publication of newsletters, brochures and advertisements and other relevant material through appropriate forms of media.
- Co-ordinating the planning, editing, layout and distributions of articles, arranging photo-shoots and compiling and seeking approval of articles and information for inclusion in national, provincial and business print mediums.
- Attending to the information needs with respect to the internet/website of the municipality, checking the usage or insertion of news items, articles and photographs for approval of the municipal manager.
- Co-ordinating the set-up and implementation of communication mediums to serve

as avenues to facilitate transfer of functional information and receive comment, opinions and complaints.
- Collecting information for publication.
- Writing articles for in-house newsletter.
- Assisting with translation and editing of communication material.
- Responding, through the collection of factual information and conducting the necessary investigation/ research to enquiries and concern from the general public, councillors, government departments and media etc.

### h) Objective of the Communications Unit.

To restore the credibility of the communications unit and to formulate an annual communication roadmap with the sole aim of enhancing effective communication through the 4 Industrial Revolution. Moreover the objective of the unit is to establish a communication network that will disseminate crucial and critical information to the length and breadth of the municipality. Creating a positive and moral boosting work environment where staff can see the changes that are taking place within the municipality.

## 3.18.5. Communications Strategy.

The Newcastle Municipality is currently developing its Communications Strategy. The review of the communication strategy is aimed at meeting the objectives of the newly appointed council and to provide a record of the service delivery activities of the municipality. Moreover, it is aimed towards assisting the municipality to communicate its achievements effectively to communities within the Newcastle Municipal jurisdiction as well as to relevant stakeholders.

The strategy will be centred on assisting the municipality in attaining Vision 2035 together with its mission thereof. Moreover the purpose of the strategy will be to create and develop an effective communication strategy for the Newcastle Local Municipality with the incomparable aim of becoming the first source of information for all stakeholders. The communication strategy should be an inception to an effective communication roadmap which aims to position the municipality as a leader of a trustworthy hub of government information.

The strategy is formulated with the guidance of the following legislation:-

- Local Government Municipal Systems Act, 32 of 2000
- Local Government Municipal Structures Act 117 of 1998
- Promotion of Access to Information Act, 3 of 2000
- Municipal Finance Management Act, 56 OF 2003
- Intergovernmental Relations (IGR) Framework Act, 2005
- Media Development and Diversity Act, 14 of 2002 Government
- Communicators' Handbook (GCIS)
- And Section 32 of the Constitution of the Republic of South Africa.

### a) Aims and Objectives of the Communications Strategy.

The pivotal and paramount outcomes for the communication strategy will be to establish the following:-

- The municipality to fulfil its role as the first source of information on municipal matters.
- Provide a result orientated guide for the municipality's marketing communications framework, in particular in relation to its stakeholder relations undertakings.
- Identify the municipality's key audience for all its programs.
- Profile the municipality as a credible and efficient government entity.
- Profile the municipal leadership, employees and key stakeholders.
- Establish a brand a marketing policy, municipal identity and imagery.
- Enable the municipality to communicate effectively and efficiently both internally and externally.

## 3.18.6. SWOT Analysis: Good Governance and Public Participation.

| STRENGHTS | WEAKNESSES |
|---|---|
| • Functional Municipal Public Accounts Committee (MPAC)<br>• Functional section 79 and Section 80 committees.<br>• Functional Audit Committee in accordance with section 166 of the Municipal Finance Management Act, no 56 of 2003.<br>• Municipal policies in place.<br>• Functional Independent Internal Audit activity established in terms of section 165 (1) (c ) of the MFMA<br>• Functional Risk Management Unit established in terms of section 62 (1) (c ) of the MFMA<br>• Functional Performance monitoring and evaluation unit established in terms chapter 6 of the Municipal systems act.<br>• Functional IGR structures.<br>• Functional portfolio committees that perform an oversight function.<br>• Public involvement in municipal affairs.<br>• Functional ward committees. | • Human resource capacity contraints (High vacancy rate/ Unfilled vacant positions);<br>• Financial resource contraints, Negative/Low cash flows;<br>• Out-dated Municipal policies;<br>• Lack of in-house investigation capacity;<br>• Lack of concequence management systems;<br>• Lack of proper whistle-blowing system;<br>• Lack of an ethics committee;<br>• Slow progress in implementation of internal audit and risk action plans;<br>• Ineffective internal controls;<br>• Non-implementation of policies approved by council;<br>• Accuracy, usefulness and credibility of performance information; |
| **OPPORTUNITIES** | **THREATS** |
| • Support from national and provincial government (including grants)<br>• Public confidence and good media coverage<br>• Publicity and good marketing campaigns<br>• External newsletter;<br>• IGR Support;<br>• Revenue enhancement strategy providing additional revenue streams;<br>• Enhanced revenue collection system;<br>• Improved credit control and debt collection processes<br>• Filling of critical vacancies | • Constant changes in local government legislation and policies.<br>• Political violence and intolerant<br>• Slow pace of service delivery which may spark service delivery protests.<br>• Non-Compliance with legislations, regulations and Municipal policies,<br>• Failure to achieve service delivery targets;<br>• Loss of key staff<br>• Loss of critical data due to lack of off-site backup storage facility;<br>• New technologies;<br>• Unfavorable audit outcomes |

| | |
|---|---|
| • Reduced expenditure through Cost cutting measures | • Failure to ensure business continuity in case of disruption;<br>• Fraud and corruption;<br>• Unmitigated risks could materialize and cause severe impact to the operations of the Municipality and ultimately on service delivery.<br>• Lack of integrity, accuracy, and credibility of financial and performance information.<br>• Collapse of aged and ageing infrastructure (water reticulation infrastructure and electrical distribution infrastructure, roads and stormwater, etc) resulting in service delivery failure and community unrest. |

## 3.19. Financial Viability and Management.

This IDP chapter deals with financial viability and management of the municipality, providing historical and the current perspective of the state of finances. In line with the financial and over-arching strategies of the municipality, the section will further highlight some of the most critical measures that will be undertaken by the municipality in order to address the shortcomings faced by the municipality, i0n line with the approved budget, financial resources to address the shortcomings and to implement the IDP within the medium terms are also discussed.

### 3.19.1. Capital Expenditure.

The capital expenditure indicates the ability of the municipality to provide services to communities. It comprises of service delivery projects that are required by communities through the IDP and the MTREF Budget. These include, but not limited to, the roads networks, electricity infrastructure, water and sewer networks, halls, sports-fields, swimming pools, park and recreation, libraries and museums as well as refuse sites.

The municipality's capital expenditure performance over the past three financial years is tabulated as follows:-

*Table 52: Historical capital expenditure.*

| Financial Year | Budget | Expenditure | Variance | % Spent |
|---|---|---|---|---|
| 2018 | 195 448 000 | 179 810 000 | 15 638 000 | 91% |
| 2019 | 226 919 000 | 158 834 000 | 68 085 000 | 69% |
| 2020 | 165 392 293 | 107 642 142 | 57 750 151 | 65% |

Over the past three previous financial years, the municipality has spent a total of R446 million on capital infrastructure and assets. While the reduction in the expenditure has been observed in each year with R179 million spent in 2018, R158 million spent in 2019 and R107 million spent in 2020, this can be attributed to the financial situation that the municipality finds itself in currently.

The municipality is already developing a strategy to build up cash-backed reserves in order to ensure its ability to finance some of the capital programme internally. The bulk of the municipality's capital expenditure is funded from grants. The table below depicts the summary funding sources of the capital programme of the municipality. Over the past three years, the municipality has spent approximately R446 million on capital projects, of which R366 million was funded from government grants and R80.3 million from internal reserves.

*Table 53: Funding source for the capital programme.*

| Funding source | 2018 Budget R'000 | 2018 Actual R'000 | 2018 Variance R'000 | 2019 Budget R'000 | 2019 R'000 | 2019 Variance R'000 | 2020 Budget R'000 | 2020 R'000 | 2020 Variance R'000 |
|---|---|---|---|---|---|---|---|---|---|
| Reserves | 23 890 | 21 117 | 2 773 | 42 196 | 31 088 | 11 108 | 36 335 | 28 179 | 8 156 |
| Loans | 0 | 0 | 0 | | 0 | 0 | | 0 | 0 |
| Grants | 171 558 | 158 693 | 12 865 | 184 723 | 127 746 | 56 977 | 129 057 | 79 463 | 49 594 |
| **Capital Budget** | **195 448** | **179 810** | **15 638** | **226 919** | **158 834** | **68 087** | **165 392** | **107 642** | **57 750** |

## 3.19.2. Capital Budget (2022 – 2024).

The municipality has appropriated a total budget of R379 million over the next three financial years towards its capital programme. The table below seeks to reflect the capital budget for each financial year over the next three financial years. It is critical to note that the projects included in the budget are those projects that were identified through the ward based planning and prioritization model of the IDP of the municipality.

*Table 54: Capital budget (2022 - 2024).*

| DIRECTORATE DESCRIPTION | PROJECT DESCRIPTION | DRAFT BUDGET 2021 2022 | DRAFT BUDGET 2022 2023 | DRAFT BUDGET 2023 2024 |
|---|---|---|---|---|
| SPECIAL PROGRAMMES | PURCHASE OF VEHICLE | 300 000 | | |
| TOWN PLANNING | MEDICAL PRECINCT:PROFESSIONAL FEES | 99 478 | | |
| TOWN PLANNING | MEDICAL PRECINCT:CONSTRUCTING OF ROADS | 4 420 668 | | |
| TOWN PLANNING | MEDICAL PRECINCT:STORM WATER | 1 108 705 | | |
| TOWN PLANNING | MEDICAL PRECINCT:STREET LIGHTS | 2 183 529 | | |
| TOWN PLANNING | MEDICAL PRECINCT:WATER | 757 983 | | |
| TOWN PLANNING | MEDICAL PRECINCT:SEWER | 697 289 | | |
| TOWN PLANNING | MEDICAL PRECINCT:SUBSTATIONS | 1 348 347 | | |
| ROADS & STORMWATER | RESEALING OF ROADS MADADENI | 2 000 000 | 1 500 000 | 1 500 000 |
| ROADS & STORMWATER | RESEALING OF ROADS OSIZWENI | 2 000 000 | 1 500 000 | 1 500 000 |
| ROADS & STORMWATER | RESEALING OF ROADS NEWCASTLE RESIDENTIAL | 2 000 000 | 1 000 000 | 1 000 000 |
| ROADS & STORMWATER | RESEALING OF ROADS NEWCASTLE INDUSTRIAL & CBD | 3 000 000 | 4 000 000 | 4 000 000 |
| MECHANICAL WORKSHOP | PURCHASE OF REFUSE COMPACT TRUCK | 2 800 000 | 1 500 000 | 1 500 000 |
| BUDGET AND REPORTING | FURNITURE AND EQUIPMENT | 200 000 | 300 000 | 300 000 |
| BUDGET AND REPORTING | MACHINERY & EQUIPMENT | 100 000 | 200 000 | 200 000 |
| BUDGET AND REPORTING | IT EQUIPMENT | 900 000 | 1 000 000 | 1 000 000 |
| **TOTAL INTERNAL FUNDING** | | **23 916 000** | **11 000 000** | **11 000 000** |
| | | | | |
| HOUSING | FURNITURE AND EQUIPMENT | 35 000 | | |
| TOWN PLANNING | JBC LIBRARY | - | 10 000 000 | 10 000 000 |
| **TOTAL DPHS** | | **35 000** | **10 000 000** | **10 000 000** |
| | | | | |
| PROJECT MANAGEMENT UNIT (PMU) | FURNITURE AND EQUIPMENT | 115 000 | 100 000 | 300 000 |
| PROJECT MANAGEMENT UNIT (PMU) | Madadeni Wastewater Treatment Works Extensions: Contract IV: Mechanical and Electrical Related Work including supporting Civil and Structural related work | 26 000 000 | 22 200 000 | - |
| PROJECT MANAGEMENT UNIT (PMU) | Blaauwbosch Bulk Water Project | 18 000 000 | 18 000 000 | - |
| PROJECT MANAGEMENT UNIT (PMU) | Construction of H39 Bus Road and Street Lighting | 5 153 658 | - | - |
| PROJECT MANAGEMENT UNIT (PMU) | Osizweni Urban Access Road Phase 4 | - | 14 000 000 | 15 000 000 |
| PROJECT MANAGEMENT UNIT (PMU) | Construction of OB1 Link Road | 5 145 670 | - | - |
| PROJECT MANAGEMENT UNIT (PMU) | OA44 | 3 600 000 | - | - |
| PROJECT MANAGEMENT UNIT (PMU) | Madadeni Urban Access Roads and Stormwater Phase 3 | - | 14 000 000 | 15 000 000 |
| PROJECT MANAGEMENT UNIT (PMU) | Upgrading of MF18 and MF19 to Blacktop in Madadeni | 3 895 470 | - | - |
| PROJECT MANAGEMENT UNIT (PMU) | Upgrade of MF7, MF10 and MF69 Roads | 6 008 417 | - | - |
| PROJECT MANAGEMENT UNIT (PMU) | MA23,26 & 25 | 3 608 645 | - | - |
| PROJECT MANAGEMENT UNIT (PMU) | Pipe Replacement and Upgrade Project | 10 000 000 | 10 000 000 | 10 000 000 |
| PROJECT MANAGEMENT UNIT (PMU) | Viljoenpark Bulk Water and Sanitation (Phase 2):Refurbishment of the Newcastle Waste Water Treatment Works | 14 706 540 | 10 293 460 | 35 935 450 |
| PROJECT MANAGEMENT UNIT (PMU) | Replacement of the DN150 Bulk Outfall Sewer Clay Pipeline in StaffordHill | 8 608 600 | - | - |
| PROJECT MANAGEMENT UNIT (PMU) | Upgrade and Refurbishment of Bulk Sewer Pipeline from Siyahlala-la to Voortrekker Pump station | 1 500 000 | 22 056 040 | 19 300 000 |
| WSIG: CAPEX: WATER PROJECTS | NEWCASTLE EAST WATER MAINS EXTENSION | 4 000 000 | 2 800 000 | 6 000 000 |
| **TOTAL TECHNICAL SERVICES** | | **110 342 000** | **113 449 500** | **101 535 450** |
| | | | | |
| **TOTAL CAPITAL EXPENDITURE** | | **134 293 000** | **134 449 500** | **122 535 450** |
| | | | | |
| INTERNAL FUNDING | | 23 916 000 | 11 000 000 | 11 000 000 |
| GRANT FUNDING | | 110 377 000 | 123 449 500 | 111 535 450 |
| **TOTAL CAPITAL BUDGET** | | **134 293 000** | **134 449 500** | **122 535 450** |

The municipality is planning to spend a total of R391 million, of which R151 million will be appropriated towards roads, R79 million towards water and R161 million towards sewer infrastructure. The municipality is planning to fund its capital programme from a mix of the government grants and internal funding. No loans are planned to be taken over the next three financial years. The municipality is expecting to receive grants and subsidies of about R345.4 million from national and provincial government and about R45.9 million from internal reserves. The following tables depicts a summary of the capital funding sources for the next three years:-

*Table 55: Capital funding sources.*

| Funding Source | Budget 2021/2022 | Budget 2022/2023 | Budget 2023/2024 |
|---|---|---|---|
| Government grants | 110 377 000 | 123 449 500 | 111 535 450 |
| Internal Funding | 23 916 000 | 11 000 000 | 11 000 000 |
| **Total Expenditure** | **134 293 000** | **134 449 500** | **122 535 450** |

Over the next three years, the municipality will implement new projects to the tune of R82.6 million, of which the upgrade to the existing infrastructure is projected to cost the municipality about R308.6 million. Given the financial situation and the economic climate, it is imperative that council invest funds towards the maintenance of the existing assets in order to avoid early replacement, which is likely to cost the municipality more. The summary of projects between existing and new projects is as follows:-

*Table 56: New/existing assets.*

| New / Existing | Budget 2021/2022 | Budget 2022/2023 | Budget 2023/2024 |
|---|---|---|---|
| New Assets | 38 219 658 | 31 100 000 | 13 300 000 |
| Existing Assets | 96 073 342 | 103 349 500 | 109 235 450 |
| **Total Expenditure** | **134 293 000** | **134 449 500** | **122 535 450** |

While the municipality's financial status is not currently favourable, strides are however made to ensure that funds are invested with various institutions in order to ensure that funding is available for the capital programme. These funds are invested to ensure that funding from internal reserves is available, and that conditional grants not yet spent are available when needed. The following table reflects that status of the investment portfolio of the municipality.

*Table 57: Investment portfolio.*

| SUMMARY OF INVESTMENTS FOR NEWCASTLE FOR MARCH 2021 | | | | | |
|---|---|---|---|---|---|
| **Account Number** | **Opening Balance** | **Investment Made** | **Withdrawals Made** | **Interest Capitalized** | **Balance** |
| Standard Bank 068450354/015 | R 1 089 090 | | | R 27 879 | R 1 116 969 |
| Standard Bank 068450354/016 | R 28 701 727 | R 51 000 000 | R 51 000 000 | R 666 209 | R 29 367 936 |
| Standard Bank 068450354/035 | R 43 254 | R 0 | R 0 | R 183 | R 43 438 |
| Standard Bank 068450354/036 | R 598 081 | R 0 | R 0 | R 15 310 | R 613 392 |
| Standard Bank 068450354/037 | R 422 224 | R 0 | R 0 | R 10 808 | R 433 032 |
| Standard Bank 068450354/038 | R 60 264 | R 0 | R 0 | R 483 | R 60 747 |
| Standard Bank 068450354/039 | R 78 434 | R 0 | R 0 | R 628 | R 79 062 |
| Standard Bank 068450354/040 | R 5 553 011 | R 0 | R 0 | R 142 151 | R 5 695 162 |
| Absa: 9288456248 | R 64 920 | R 0 | R 0 | R 0 | R 64 920 |
| Absa 9300506428 | R 529 582 | R 0 | R 0 | R 13 245 | R 542 827 |
| Nedbank 037648555441 46 | R 113 | R 0 | R 0 | R 3 | R 116 |
| Nedbank 037648555441 47 | R 113 | R 0 | R 0 | R 3 | R 116 |
| Nedbank 037648555441 48 | R 113 | R 0 | R 0 | R 3 | R 116 |
| Nedbank 037648555441 49 | R 113 | R 0 | R 0 | R 3 | R 116 |
| Nedbank 037648555441 52 | R 965 440 | R 370 432 000 | R 286 500 000 | R 853 481 | R 85 750 921 |
| Nedbank 037648555441 53 | R 47 | R 0 | R 0 | R 0 | R 47 |
| Nedbank 037648555441 54 | R 366 309 | R 0 | R 0 | R 14 323 | R 380 632 |
| **Total as '2021/03/31** | **R 38 472 837** | **R 421 432 000** | **R 337 500 000** | **R 1 730 389** | **R 124 134 930** |

### 3.19.3. Social and Economic redress via Indigent Support.

The criteria for approval of an indigent status will be as follows as per the draft Indigent Policy (21/22):-

- The household income in terms of the revised Indigent Policy, the monthly household earnings of an indigent application be capped at R5000.00 per month.
- The approved indigent policy (2021/2022) has been attached for perusal. The qualifying indigent consumer will be receiving the following as an indigent benefit:-
  - 50 Kwh electricity;
  - 6Kl water;
  - 100% rates subsidy;
  - 100% sewer subsidy;
  - 100% refuse subsidy; and
  - 100% availability charges for water and electricity subsidy.

- The qualifying indigent consumers are as follows from the 2016 / 2017 financial year end:-

| **Financial year** | **Number of indigents as per the indigent register** |
|---|---|
| | |
| 2016/2017 | 20 975 |
| 2017/2018 | 3 357 |
| 2018/2019 | 7 484 |
| 2019/2020 | 8 952 |
| 2020/2021 | 8 654 (April 2021) |

With regards to the table above, there was a significant decrease in the number of qualifying indigent consumers as the numbers dropped from 20 975 at 30 June 2017 to 8 654 in April 2021. This was due to the Municipality undertaking an aggressive program to cleanse the indigent register to ensure that only valid indigents are reflected. Letters and sms messages were sent out to affected indigent consumers who were asked to reapply for their indigent status. Those who did not come through to the Municipality within the prescribed time period were deregistered. The municipality further implemented the findings of the Auditor General for the 2020 audit in order to correctly reflect its state of the indigatents.

The Municipality further implemented an online indigent verification system which is linked to the Department of Labour, CIPC, Department of Home Affairs which assists us to ensure that the indigent status is granted to those that qualify, and we have a complete and accurate indigent register. Outreach programs are conducted so that the public is made aware of the indigent policy and criteria thereof, and is encouraged to apply should they meet the qualifying criteria.

We envisage the growth in the indigent register to be as follows:-

- 2019/2020 9 000
- 2020/2021 10 000
- 2021/2022 11 000

*Table 58: The monthly benefit granted to the qualifying consumers.*

| Financial year | Total benefit (subsidy) granted by Municipality | Total equitable share received | % of the indigent benefit as a percentage of equitable share |
|---|---|---|---|
| 2016/2017 (actual) | 87 506 322 | 306 952 000 | 28.50 |
| 2017/2018 (actual) | 60 946 013 | 318 176 000 | 19.14 |
| 2018/2019 (actual) | 41 636 607 | 341 408 000 | 17.69 |
| 2019/2020 (actual) | 54 528 787 | 373 648 000 | 14.60 |
| 2020/2021 (budget) | 49 617 365 | 403 064 000 | 12.31 |

The percentage allocation of the equitable share for utilisation on the indigent benefit or subsidy decreased substantially from 2018/2019 onwards. This was due to an aggressive cleaning up campaign of the indigent register as highlighted above. This was necessitated by the Auditor General's finding in respect of the credibility of the indigent register. Whilst it is important for a Municipality to provide relief to its consumers, it has a responsibility to ensure that this relief is granted to those individuals who qualify for such benefits.

Even though the Municipality has an online indigent verification system in place, a yearly review is conducted by a third party on the bulk register to ensure that the indigent register is valid, accurate and complete at all times. This mechanism also assists the Municipality to identify those customers that were granted the status incorrectly therefore acts as an internal control mechanism as well. The yearly review also gives the Municipality an indication of the number of consumers who may qualify as possible indigents but are not on the indigent register, which will then necessitate the communication of the indigent policy to the community so that they are able to apply for the status. The onus is on the affected consumer to apply for the indigent status and approval thereof will be granted in respect of the approved policy.

### 3.19.4. Revenue Enhancement Strategies.

The municipality has established and is implementing the Revenue Enhancement Strategy, which is aimed at improving the revenue of the municipality across all streams. The following are some of the most significant programmes that the municipality has identified with a view to enhance its revenue base:-

- Conduct community campaigns throughout the jurisdiction of Newcastle Municipality in order to create awareness of the need to pay, the incentives available for payment, and the various methods of payment;
- Conduct a desktop consumer data cleansing exercise with a view to ensure that the billing information is correct and accurate;
- Develop and centralised customer care with focus of Batho Pele Principle in order to obtain a meaningful and useful feedback of the level of services from the consumers;
- Initiate a process of billing the cost reflective service tariffs in order to ensure that the municipality is able to recover its cost of providing services;

- Perform monthly reconciliation of the billing file in order to obtain accurate indication of collections and debtors;
- Cleansing and updating of the indigent register in order to ensure that consumers who afford to pay for services do pay;
- Improve debt collection strategies by ensuring that cutting-off and litigations on services for the consumers who do not pay on time;
- Improve collection of government debt through engagement of CoGTA and Treasury for intervention;
- Collecting outstanding staff accounts by ensuring that monthly accounts are paid through staff payroll;
- Identify new sources of grant funding in order to fund the capital programme and other operating expenditure of the municipality; and
- Identify scrap assets and material for the purpose of disposal.

Management is utilising the Management Committee, and the Portfolio Committees to report progress on the implementation of the strategy. Any new opportunities and leakages are identified during the implementation, and may trigger the need for review of the strategy through an interactive process. Based on these, the municipality has practiced the review of its Revenue Enhancement Strategy on an annual basis.

In addition to the abovementioned initiatives towards Revenue Enhancement, the municipality, in conjunction with the Development Bank of Southern Africa (DBSA), has recently compiled a report by the Transaction Advisory Services and Integration of Financial and Billing Systems using Geographical Information Systems. The report is also known as the "TABS Report," and the intension is to present a packaged plan depicting revenue protocol aimed at the following objectives:-

- Completeness of all revenues associated with land use through the integration of the financial systems with geo-spatial information.
- Protection of revenue through the development of a protocol that will inform the use of appropriate technology like metering, early warning systems, etc. to pick up illegal connections, bypassing and tampering with infrastructure and determine the preventative and/or punitive measures.
- To assess the performance of trading assets in relation to the tariffs charged and determine the appropriate tariffs that should be charged with the development, replacement or rehabilitation or upgrade of infrastructure for quality services delivery.
- To identify financing mechanisms and options for revenue protection infrastructure.

The implementation of the TABS Report has potential to yield benefits, mainly the enhancement of the municipal revenue through appropriate mechanisms. It will also help to guide the development of business plans towards the delivery of revenue protection infrastructure. Below is a table depicting the recommendations which can be implemented immediately thus enhancing municipal revenue. The detailed report

also entails the multi-year project recommendations, which basically look at a longer planning horizon. The recommendations entail the enhancement of the billing activity, meter replacements, audits on consumption levels in order to influence savings, and the collection of rates from government sector departments, to name just a few.

### ❖ Scope of the Project.

The following entails a high-level overview of the key activities that took place in order to develop the TABS Report:-

*Table 59: Scope of Work regarding the TABS Report.*

| PHASE | ACTIVITY |
|---|---|
| PART A: Transaction Advisory | Analyse Metering and billing systems audit and recommendations for optimal commercial management. |
| | Develop financing options and mechanisms other than balance sheet for the financing of CAPEX program (Water and Electricity infrastructure). |
| | Develop financing options and mechanisms other than balance sheet for the financing of CAPEX program (Water and Electricity infrastructure). |
| | Assist NLM to raise capital for the financing of the infrastructure on the back of a detailed financial model. |
| | Modelling, current asset performance versus optimal performance cost reflective tariff adjustment strategy, and identification of investment and cost estimates for water and electricity infrastructure roll-out. |
| PART B: Integration of Financial and Filling Systems with the Geographical Information System | Collect and analyse the water and electricity sales, billing, and collection data for the past 10 years (or as otherwise available). Review of the entire water and electricity sales process and technology systems including but not limited to customer records, billing processing, invoice preparation and delivery, payment collections, disconnections and re-connections, debt collection and management including the institutional and legal framework. |
| | Integrate the revenue management process across planning, technical services, community services and finance. |
| | Undertake land use audit and integration with Surveyor General and the Registrar of Deeds (analysis of the Valuation Roll). |

*Table 60: TABS Project Recommendations/Quick Wins.*

| | Description/Comment | 2020/21 | 2021/22 | 2022/23 | Potential Revenue/Saving R/Annum |
|---|---|---|---|---|---|
| 1. | Include in the billing system the 11,443 stands in unbilled areas, mainly in Newcastle East, after a detailed feasibility study and appropriate social awareness campaigns. Installation of pre-paid water meters with trickle feed and tamper detection functionality should be considered. | 11,400,000.00 | | | 15,000,000.00 |
| 2. | Audit 1630 identified developed stands with no water meters | 1,000,000.00 | | | 1,200,000.00 |
| 3. | Implement a meter replacement strategy or switch to smart meters as a high priority to enhance revenue accuracy starting with 6331 meters older than 15 years. Detailed due diligence is recommended. | 3,200,000.00 | | | 2,100,000.00 |
| 4. | Determine the reason for not reading 2303 water meters on 1720 stands within the last 6 months and devise a strategy to improve the process. Installation of pre-paid water meters with trickle feed and tamper detection functionality should be considered. | 600,000.00 | | | Unknown |

| | Description/Comment | 2020/21 | 2021/22 | 2022/23 | Potential Revenue/Saving R/Annum |
|---|---|---|---|---|---|
| 5. | Investigate the 3610 stands with water meters recording less than 0.1 kL/day/stand (assume average increase to 0.6 kl/d/stand). | 900,000.00 | | | 4,200,000.00 |
| 6. | Determine the reason for the high water consumption (> 18kL/day) by 2295 indigents and limit the consumption through appropriate water conservation and demand management measures such as flow limiters, fixing plumbing leaks or pre-paid meters. | 3,400,000.00 | | | 1,800,000.00 |
| 7. | Limit 7633 high water users (> 18kL/day) with old debt (> 90 days) through appropriate water conservation and demand management measures such as flow limiters, fixing plumbing leaks or pre-paid meters. | 11,400,000.00 | | | 8,300,000.00 |
| 8. | Install Pre-paid electricity meters to remaining 767 Indigents. | 1,200,000.00 | | | 600,000.00 |
| 9. | Install Pre-paid electricity at 771 stands with >90 days Debtors > 18 kWh/month. | 1,200,000.00 | | | 6,400,000.00 |
| 10. | Investigate 3400 stands with no sanitation accounts, but with water accounts and add to the billing system where appropriate. | 500,000.00 | | | 300,000.00 |
| 11. | The municipality undertakes a detailed property rates project (after the necessary cost vs. benefit analysis has been performed). | | | | |
| 12. | Performing property valuation integrity; | X | | | Unknown |
| 13. | Recommend the corrections to be made in the valuation roll in respect to all properties to Municipality / Municipal Valuer in terms of sections 33 and 34 of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004) for consideration; | X | | | Unknown |
| 14. | Reconciliation of rates and taxes that will support the invoice claims from Government Departments and various privately owned properties | X | | | Unknown |
| 15. | Collection of arrear rates from various Government Departments and private owners | X | | | Unknown |
| 16. | Land audit | X | | | Unknown |
| 17. | Billing and tariff validations | X | | | Unknown |
| 18. | Transfer of land owned by the municipality occupied by the community | X | | | Unknown |
| 19. | NLM has credit agreements with the majority of its consumers. Therefore interest should be charged to all arrear customers and not only non-residential accounts. | X | | | Unknown |
| 20. | Although it is still general practice to make use of credit meters for water sales, the advantages to switching to pre-paid water meters (and electricity) need to be considered, (as supported by the NLM's IDP) because the municipality would receive its money on average 21 days earlier than credit customers. | X | | | Unknown |
| 21. | NLM has bank accounts with FNB, ABSA and Standard Bank. All three these banks have reward programs namely: Ebucks, ABSA rewards and U-Count. This is a possible way to earn additional income with minimal effort. These rewards can be used for various purchase activities, for example, fuel, | X | | | Unknown |

| | Description/Comment | 2020/21 | 2021/22 | 2022/23 | Potential Revenue/Saving R/Annum |
|---|---|---|---|---|---|
| | operational costs like printing and stationery. | | | | |
| 22. | NLM should ensure that all major assets and insured to minimise the risk of financial loss in the case of theft or damage. Assets should only be claimed through insurance if there is a cost benefit. Sometimes the GAP payment is more/equal to the total claim value and therefore it should not be claimed, as this will increase the insurance expense.<br><br>Events could be held at the public swimming pool to attract people and therefore increase the swimming tickets - this could also be combined with a grant-spending event.<br><br>Burial plots sales decreased. Consideration should be given to selling cremation plots as more people cremate loved ones.<br><br>Adverting signs is a great way to generate income. Newcastle should remove any boards of non-payers and promote this type of advertising on social media. Newcastle should sign new leases with advertisers as these contracts have expired but no new lease agreements have been signed. | | | | |
| 23. | Overtime represents approximately 10% of the total employee related cost. This is a clear indication of the staff shortage that exists within the NLM. The municipality must revisit its organogram and ensure that all critical posts to revenue enhancement processes are filled. | X | | | Unknown |
| 24. | Update of policies | X | | | Unknown |

## 3.19.5. Financial indicators.

The following table illustrates the financial ratios or indicators of the state of finances of the municipality for the past two years, and the next projected financial year, 2020.

*Table 61: Financial ratios.*

| Ratio Name | Norm | 2018 | 2019 | 2020 |
|---|---|---|---|---|
| Cost coverage | 1 - 3 months | 0,04 months | 0,01 months | 0 months |
| Current ratio | 1,5 | 0,82 | 0,85 | 0,76 |
| Capital Expenditure to Total Expenditure | 10% - 20% | 6,70% | 7,40% | 5% |
| Debt to Revenue | 45% | 33% | 32% | 22% |
| Collection Rate | 95% | 73% | 78% | 76% |
| Remuneration to Total Expenditure | 35% | 25% | 28% | 26% |
| Distribution losses: Water | 15% - 30% | 48% | 46% | 39% |
| Distribution losses: Electricity | 7% - 10% | 4% | 5% | 6% |

### 3.19.6. Cost Coverage.

The cost coverage ratio indicates the period by which the municipality will be able to carry itself with the available cash, assuming that no additional cash will be received. The National Treasury norm for this indicator is 1-3 months. The cost coverage ratio of the municipality for the past two financial years has been 0.01 and 0 months in 2019 and 2020 respectively. This indicates the serious shortage of cash-flow experienced by the municipality. As at 31st March 2021, the cash coverage ratio is 0.03 months. Again this is still below the norm, however with slight improvement. The municipality is currently implementing the cost containment strategies with a view to curb its expenditure. This is done in line with the approved Budget Funding Plan.

### 3.19.7. Capital Expenditure to Total Expenditure.

The ratio seeks to establish the level of capital expenditure and projects that are aimed at service delivery. The National Treasury norm is 10% to 20% of the capital expenditure in relation to the aggregate expenditure for the municipality in each financial year. The municipality recorded ratios of 7.4% and 5% in 2019 and 2020 respectively. The municipality is further projecting that it will spend 5% by the end of 2021. These ratios indicate that the expenditure of the municipality towards the capital programme is not adequate to address service delivery. This is mainly due to a lack of internal funding, and the fact that there are no plans to take external loans. In line with the Revenue Enhancement Strategy, the municipality is planning to access more government grants and to build internal reserves by identifying more revenue streams in order to improve its capital expenditure.

### 3.19.8. Debt to revenue.

The ratio seeks to determine adequacy of the municipality's own revenue to repay its debt. The National Treasury norm is the debt of 45% to the total own revenue. The municipality recorded the ratio of 32% and 22% in 2019 and 2020 respectively. The municipality is further projecting to record the ratio of 25.7% at the end of 2021 financial year. This ratio is within the norm, which is an indication that the municipality's revenue is able to accommodate the repayment of its debt. It is further noted that the ratio is decreasing over the years, which is caused by the fact that the debt is declining due to the repayments of loans.

### 3.19.9. Collection rate.

The ratio seeks to determine the rate at which the municipality is able to collect its billed revenue and its outstanding debtors. The National Treasury norm is the collection of 95% of the revenue billed. The municipality recorded the ratio of 78% and 76% in 2019 and 2020 respectively. The municipality is further projecting to record the ratio of 83% at the end 2021 financial year. While it is noted that the ratio is improving over the years, it is however noted that the current rate is below the norm. With the implementation of a number of revenue enhancement strategies and the credit control strategies which will be implemented as part of a long term financial strategy, the ratio is expected to improve closer to the norm in the long term.

### 3.19.10. Remuneration to total expenditure.

The ratio seeks to determine the level of expenditure of employees and councillors in relation to the total operating expenditure of the municipality. The National Treasury norm is the remuneration of 40% of the operating expenditure. The municipality recorded the ratio of 28% and 26% in 2019 and 2020 respectively. The municipality is further projecting to record the ratio of 25% at the end 2021 financial year. The ratio is well within the norm of 40%, which has indicated that remuneration of the employees and councillors are not excessive. Despite this, the municipality will continue to explore the cost containment measure in the areas of overtime and acting allowances within the personnel remuneration in order to continue to curb wastage within the employee costs, which is expected to improve this ratio even further.

### 3.19.11. Distribution losses: water.

The ratio seeks to determine the amount of water that is purchased by the municipality but not billed as revenue or which is being lost in the process. The National Treasury norm is 15% - 30% of water consumed but not billed. The municipality recorded the ratio of 46% and 39% in 2019 and 2020 respectively. The municipality is further projecting to record the ratio of 40% at the end 2021 financial year. It is noted that this current ratio is way above the norm of 30%, which is an indication that the municipality is losing a lot of water for which it does not generate any revenue. The municipality is currently rolling out a number of non-revenue water projects to address this problem.

These include pipe replacement, meter replacement and detection of meter tempering programmes as well aware awareness programme with communities.

### 3.19.12. Distribution losses: electricity.

The ratio seeks to determine the amount of electricity that is purchased by the municipality but not billed as revenue. The National Treasury norm is the 7% - 10% of the electricity purchased but not billed. The municipality recorded the ratio of 5% and 6% in 2019 and 2020 respectively. The municipality is further projecting to record the ratio of 7% at the end 2021 financial year. It is noted that this ratio is within the norm of 7%, which is an indication that the municipality is not losing excessive electricity in the system. Despite this status, the municipality continues to roll-out programs to ensure that this ratio is improved further. These include infrastructure maintenance, meter replacement and the detection of meter tempering programs.

### 3.19.13. Ongoing concern.

In the 2020 Annual Financial Statements, the municipality reported an unfavourable going concern status. The municipality incurred an operating deficit of R353 million, while the municipality's current liabilities exceeded the current liabilities by R225 million. These factors or conditions indicate that a material uncertainty exists that may cast doubt on the municipality's ability to continue is an ongoing concern. However, due to the fact that the municipality is a government entity, it is still expected to continue to be a going concern since it has the mandate to generate revenue from billing of rates and services. The municipality is also expected to received equitable share and other government grants in order to ensure its continuity and its mandate of service delivery to its people.

## 3.20. Supply Chain Management (SCM).

The Newcastle Municipality has the SCM unit which is fully and independently functional in line with the SCM regulations and the approved SCM policy of Council. The procurement of goods is done in accordance with the prescripts of the regulations, through the approved budget. Each year, the municipality develops the Procurement Plan, which is regarded as a tool that will be used to implement the budget and guide the procurement of goods and services. This plan is also aligned with the municipality's approved Service Delivery and Budget Implementation Plan.

The Newcastle Municipality has in place functional Bid Committees established in line and in terms of regulations 26, 27, 28, and 29 of the Municipal Finance Management Act and the Supply Chain Management Regulations. The committee system advocates for a competitive process, and it consists of the following:-

**(i) Bid Specifications Committee.**

M Nsele
Thava Kelly

S Zwane
X Sithole
T Dube
B Khumalo
M Hlatshwayo

**(ii) Bid Evaluation Committee.**

Mfanafuthi Ndlovu
Ntsiki Kathide
Sthembiso Dlamini
Zama Ntombela
Nomaswazi Shabalala
Dudu Molefe
Nto Vinkhumbo

**(iii) Bid Adjudication Committee.**

Sisho Nkosi
Laurence Short
Sydney Chauke
Nompumelelo Mbatha-Mahlubi
(iv) Mukelani Mdlalose

The accounting officer appoints the membership of the bid committees for a period of one financial year, and the process is repeated every year to ensure that for each financial year a functional bid committee system is in place. However, the municipality, has experienced challenges in the Supply Chain Management Unit, some of which are listed here below:-

- The Acquisition Management section has not been able to ensure that the turnaround times for bids and/or formal quotations is within the acceptable norms. This is largely due to the absence of proper monitoring of the whole bidding process from the bid specification stage to bid adjudication stage.
- There's absence of a proper register for quotations in terms of relations 16 and 17 of the municipal supply chain management regulations, respectively.
- The rotation of suppliers/service providers in the system of quotation is not effective.
- The Demand Management Section is not fully capacitated to enable to put together a Procurement/Demand Management Plan.
- The Supply Chain Management Unit is not fully staffed, with a vacancy rate of approximately 60%. Notable vacancies are that of Director: Supply Chain Management and Manager: Demand and Contract Management.
- The Supply Chain Management Unit is placing over reliance on interns and temporary contract workers, most of whom their contract will be expiring soon.
- There's also acting appointments for supply chain management practitioner positions that have not been filled for years. Should these not be extended, the unit will be faced with serious challenges.
- The contract management section has no permanent staff.

In order to deal with the above challenges, the municipality has budgeted for all the critical positions in the 2021/22 staff budget, and has already initiated a process to fill in the positions in order to ensure that incumbents are able to resume early at the beginning of the 2021/22 financial year. A number of trainings for the SCM practitioners and bid committee members have been arranged with CoGTA, and Provincial Treasury in a bid to improve capacity and to curb unauthorised, irregular, fruitless and wasteful expenditure.

## 3.21. Asset and Infrastructure.

Asset and infrastructure management are crucial in ensuring that service delivery does take place. The maintenance and safeguarding of assets is key to ensure their long lifespan. The municipality utilises these resources in ensuring that services are rendered effectively and efficiently and that assets are maintained and upgraded in order to meet the service delivery demand.

### 3.21.1. Asset Management Strategies and Programs.

The following are some of the most significant programmes that have been identified by the municipality in managing its assets and infrastructure:-

**a) The ongoing maintenance of an integrated asset management system.**

This programme involves the ongoing updating of a suitable integrated asset management system. It also includes the capturing of all assets onto the system, the maintenance of this system and the production of a complete asset register in terms of the GRAP Accounting Standards requirements.

**b) The review and update of asset and risk insurance procedures and the renewal of the insurance portfolio.**

This programme will involve the identification of risks in conjunction with insurers and all heads of departments. It will also include the review of the existing insurance portfolio (inclusive of self-insurance where appropriate) and the renewal of the insurance policy as per renewal terms.

**c) The unbundling of the assets or projects under construction is regarded as one of the very critical elements of the asset management strategy.**

This is so imperative in order to ensure that components of the assets are recorded separately into the asset register and that they are easily identified and accurately costed for maintenance and replacement purposes.

**d) The development of the infrastructure master plans for each class of asset.**

This will assist the municipality to understand accurately its network for maintenance purposes and for future upgrades or development.

**e) Ongoing maintenance and upgrade of assets to ensure optimal and efficient use.**

This is done through annual conditional assessment and through customer and sector complaints system.

### 3.21.2. Capital infrastructure investment policies.

The municipality has developed a comprehensive capital budget, which will be implemented over the next three years. This budget will be updated annually to ensure that bulk infrastructure services, and internal infrastructure services, together with the foreseen funding sources are planned in an integrated and coordinated manner. An annual capital investment budget will be developed and adopted by Newcastle Municipality as part of the annual budget in accordance with the IDP. Unspent capital project budgets shall not be carried forward to future fiscal years unless the project expenditure is committed or funded from grant funding, and all relevant approvals have been obtained.

### 3.21.3. Asset Management Policies.

The municipality has the approved Asset Management Policy in place, which is reviewed annual as part of the budget process. The objective of the asset management policy is to prescribe the accounting and administrative processes and procedures relating to Property, Plant & Equipment (PPE), which are immoveable and moveable assets of Newcastle, and, computer software as well as servitudes which are intangible assets of Newcastle Local Municipality. The policy also covers are classes of assets, e.g. land and buildings, investment properties, intangibles, heritage, which are also critical assets of the municipality. The principles and policy statements are embedded in the Asset Management Policy of Council.

### 3.21.4. Depreciation.

Depreciation is the systematic expensing of the value of an asset as it is used up and does not relate to any cash payment made (nor is the money owed to anyone for that matter). A road can last for 40 years and every year 1/40th of the road is “used up” and that must be shown as an expenditure item called depreciation. Depreciation represents 16% of the total operating expenditure in the 2021/22 budget. The intention is to set these funds aside so that there is cash available at the end of the useful life of the asset to replace the asset. However, given the financial situation that the municipality finds itself in, the depreciation amount is currently not cash-backed, which will make it difficult should be municipality wishes to replace its assets or infrastructure in future.

### 3.21.5. Repairs and Maintenance.

Repairs and represents about 5% of the total operational expenditure in the 2021/22 budget. National Treasury requires that the municipality should budget for at least 8% of the Property Plant and Equipment (PPE). The following table depicts the projected value of the PPE as well as the repairs and maintenance budget over the next three financial years.

*Table 62: Repairs and maintenance and PPE.*

| Item Description | 2022 | 2023 | 2024 |
|---|---|---|---|
| | | | |
| Property Plant & Equipment | 6 410 126 000 | 6 699 351 000 | 6 973 243 000 |
| | | | |
| Repairs and Mainteneance | 116 629 000 | 119 317 000 | 135 067 000 |
| | | | |
| **% of R & M** | **1,82%** | **1,78%** | **1,94%** |

In the current financial year, the municipality's budget on the repairs and maintenance of assets is R111 million. This represents about 1.7% of the PPE. Over the next three years, the municipality is planning to spend 1.82%, 1.78% and 1.94% percent towards the maintenance of its PPE.

While the planned slight improvement is noted, it is further equally noted that this expenditure is way below the budget of 8% as required in accordance with National Treasury regulations. This is mainly due to the financial situation currently faced by the municipality, as well as the revaluation of the infrastructure assets that was performed by the municipality three years ago. The municipality is planning to gradually increase its provision for the repairs and maintenance, however, within affordability in mind. It is estimated that, the municipality will need to budget approximately R513 million per annul on repairs and maintenance, which is not affordable at this stage. With the assistance of the Provincial Treasury, the municipality is currently in the process of establishing a five-year financial plan or strategy, which seeks to address a number of financial challenges being faced by the municipality. The improvement of the repairs and maintenance budget in line with the Treasury norm of 8% will be one of the key focus areas in the strategy.

## 3.22. Municipal Borrowings and Grant Dependency.

The following sections highlight the level of municipal borrowings, the affordability, and the ability to repay or to take new loans. The sources to fund both the operating and the capital budget are also discussed with a view to conclude where the municipality is dependent on grants to provide services.

### 3.22.1. Borrowings/loans.

The purpose of embarking on borrowings or loans is to obtain funding for the capital program of the municipality. Newcastle Municipality has not taken any loans for the past four years, and is not planning to take any for the next three financial years. This is due to current balance of the loans, which the municipality considers to be too high.

The following table reflects the loans currently being owed by the municipality:-

*Table 63: Borrowings.*

| Account number | Interest Rate | LOAN AMOUNT | Opening balance as at 01.04.2021 | Total Capital Payments | Interest Capitalised to Date | Total Interest Payments | Balance |
|---|---|---|---|---|---|---|---|
| **Loan Account: 61000536** | **9,37%** | **24 285 550,00** | 4 433 632,86 | 2 593 052,07 | 403 323,60 | 592 810,20 | 4 468 380,55 |
| **Loan Account: 61000654** | **9,10%** | **25 993 166,00** | 8 901 765,28 | 2 493 572,65 | 668 157,79 | 835 711,38 | 7 303 381,84 |
| **Loan Account: 61000826** | **11,29%** | **12 750 000,00** | 4 687 294,12 | 891 122,99 | 428 827,09 | 529 689,99 | 4 019 795,15 |
| **Loan Account: 61000827** | **11,25%** | **1 975 000,00** | 1 473 027,52 | 91 803,90 | 132 620,11 | 160 750,72 | 1 360 190,16 |
| **Loan Account: 61000919** | **10,09%** | **800 000,00** | 65 169,24 | 0,00 | 0,00 | 0,00 | 65 169,24 |
| **Loan Account: 61000920** | **10,69%** | **7 000 000,00** | 4 813 630,27 | 473 598,29 | 431 835,21 | 458 783,29 | 4 856 564,01 |
| **Loan Account: 61000921** | **10,83%** | **1 850 000,00** | 1 219 080,16 | 43 461,19 | 109 201,89 | 133 575,91 | 1 230 093,68 |
| **Loan Account: 61007325** | **5,00%** | **11 980 174,80** | 6 356 955,04 | 874 854,25 | 272 185,39 | 347 236,65 | 6 383 574,96 |
| **Loan Account: 61007195** | **10,40%** | **122 185 000,00** | 96 241 504,25 | 6 093 416,71 | 8 347 625,76 | 10 343 817,25 | 97 077 105,21 |
| **Loan Account: 3042598105** | **11,44%** | **284 839 959,00** | 232 030 562,27 | 13 898 093,47 | 24 199 571,34 | 29 782 042,97 | 234 386 355,35 |
| **Totals** | | | **360 222 621,01** | **27 452 975,52** | **34 993 348,18** | **43 184 418,36** | **361 150 610,15** |

The municipality is currently carrying the loan debt amounting to R361.2 million. The municipality will servicing this loan through payment of finance charges (interest on loans) of R43 million in 2021, R38 million in 2022 and R35 million in 2023. The loans are with DBSA (R126.7 million) and ABSA (R234.4 million). The municipality is expecting to fully pay these loans by the end of 2030.

### 3.22.2. Affordability of loans.

The **debt to revenue** ratio seeks to determine adequacy of the municipality's own revenue to repay its debt. The debt to revenue ratio for 2020 was recorded at 22%, while this ratio is projected at 25% at the end of 2021 financial year. Given the National Treasury norm of 45%, the ratio of 22% indicates that the municipal revenue is adequate to allow the municipality to consider taking new loans.

The **capital cost ratio** indicates the level of interest on loans and capital payment of the loan in relation to the total operating expenditure of the municipality. The National Treasury norm for this ratio is 6% - 8%. The municipality recorded the capital cost ratio of 3% in 2020 and the same ratio is projected to be maintained at the end of 2021. This implies that the municipality's expenditure towards repayment of borrowings is not excessive.

The above two both indicate that the municipality can afford to take new loans and that it is not over-burdened to pay the current loans. However, given other challenges associated with historical financial management, the municipality is not planning to take loans in the near future.

### 3.22.3. Grant Dependency.

Grant dependency seeks to determine whether the municipality is dependent on the government grants in order to fulfil its constitutional mandate of service delivery. The ratio compares the level of own revenue in relation to the total revenue of the municipality. The following table depicts the total revenue of the municipality for the

current and the next three financial years. The table further indicates the rate of own and grant levels of the municipality in relation to the total revenue.

*Table 64: Grant dependency - Operational.*

| Funding Source | Budget 2020 2021 | Budget 2021 2022 | Budget 2022 2023 | Budget 2023 2024 |
|---|---|---|---|---|
| Own revenue | 1 468 419 000 | 1 524 622 000 | 1 470 438 000 | 1 536 649 000 |
| Government funding | 662 833 000 | 695 021 000 | 632 136 000 | 646 973 000 |
| **Total revenue** | **2 131 252 000** | **2 219 643 000** | **2 102 574 000** | **2 183 622 000** |
| Own funding rate | 69% | 69% | 70% | 70% |
| Government funding rate | 31% | 31% | 30% | 30% |

The above table indicates that the municipality generates about 70% of the total revenue from rates and services, and about 30% from government grants in order to fund its operating activities. This ratio is fairly constant over the next three financial years, with 71%, 72% and 72% projected to be generated internally over the medium term. National Treasury requires that at least 60% of the total revenue of the municipality must be generated internally. The above status therefore implies that Newcastle Municipality is not dependant on grants to conduct its operating activities. This state is only true in relation to the operating activities of the municipality.

The following table depicts the sources of funding in relation of the municipality's capital budget for the next three years:-

*Table 65: Grant dependency - Capital.*

| Funding Source | Budget 2021 2022 | Budget 2022 2023 | Budget 2023 2024 |
|---|---|---|---|
| Government Grants | 110 377 000 | 123 450 000 | 111 535 000 |
| Internal Funding | 23 916 000 | 11 000 000 | 11 000 000 |
| **Total Expenditure** | **134 293 000** | **134 450 000** | **122 535 000** |
| Government funding rate | 82% | 92% | 91% |
| Internal funding rate | 18% | 8% | 9% |

The above table reflects that about 82%, 92% and 91% of the funding to implement the capital programme will be sourced from government grants, while only 18%, 8% and 9% will come from internal reserves over the next three financial years. This implies that the municipality heavily relies on government grants to roll-out its capital programme. Each year, the municipality is planning to put together business plans in order to ensure that funding is secured. In terms of the revenue enhancement strategy, the municipality is also planning to put more effort in application of new funding in order to ensure that adequate capital expenditure of 10% as per the norm is achieved. The above table further illustrate a notable reduction in the internal funding source, as the municipality is planning to cut its internal funding for the purpose

of capital programme. This is in line with the municipality's approved Budget Funding Plan and its Cost Containment Strategies.

## 3.23. Municipal Consumer Debt Position.

The outstanding debtors can be broken down as follows per financial year per category:-

*Table 66: Debtors by consumer type.*

| Debtor Category | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 |
|---|---|---|---|---|
| Business | 101 714 747 | 135 491 197 | 146 287 165 | 208 197 899 |
| Government | 30 972 807 | 34 500 878 | 55 615 069 | 30 688 811 |
| Individuals | 866 113 602 | 1 064 198 118 | 1 288 118 468 | 1 451 633 932 |
| Other | 7 338 533 | 12 747 552 | 1 159 847 | 0 |
| **Total** | **1 006 139 691** | **1 246 937 746** | **1 491 180 550** | **1 690 520 642** |

*Table 67: Debtors by aging category per consumer class.*

| Category: Business | 0 – 90 days | 91 days – 180 days | 181 days – 360 days | Greater than 360 days | Total |
|---|---|---|---|---|---|
| 2016/2017 | 38 271 250 | 5 450 853 | 10 084 900 | 47 907 743 | 101 714 747 |
| 2017/2018 | 59 269 235 | 12 109 386 | 9 999 998 | 55 651 238 | 137 029 858 |
| 2018/2019 | 24 582 758 | 29 543 992 | 33 875 539 | 58 284 875 | 146 287 165 |
| 2019/2020 | 67 722 035 | 5 812 122 | 3 854 934 | 130 808 808 | 208 197 899 |

| Category: Government | 0 – 90 days | 91 days – 180 days | 181 days – 360 days | Greater than 360 days | Total |
|---|---|---|---|---|---|
| 2016/2017 | -3 739 537 | 2 873 761 | 7 609 434 | 24 229 150 | 30 972 807 |
| 2017/2018 | - 5 720 819 | 2 874 037 | 7 700 021 | 29 477 317 | 34 330 556 |
| 2018/2019 | 11 842 959 | 16 318 085 | 7 201 600 | 19 942 669 | 55 305 315 |
| 2019/2020 | 927 597 | 6 802 010 | 516 378 | 22 442 826 | 30 688 811 |

| Category: Individuals | 0 – 90 days | 91 days – 180 days | 181 days – 360 days | Greater than 360 days | Total |
|---|---|---|---|---|---|
| 2016/2017 | 71 148 197 | 53 232 994 | 112 613 182 | 629 119 227 | 866 113 602 |
| 2017/2018 | 89 879 393 | 63 692 732 | 120 158 987 | 788 761 725 | 1 062 492 841 |
| 2018/2019 | 83 905 845 | 79 707 347 | 167 506 479 | 957 311 737 | 1 288 431 409 |
| 2019/2020 | 129 838 323 | 28 826 514 | 28 054 478 | 1 264 914 617 | 1 451 633 932 |

| Category: Other | 0 – 90 days | 91 days – 180 days | 181 days – 360 days | Greater than 360 days | Total |
|---|---|---|---|---|---|
| 2016/2017 | 209 518 | 360 114 | 806 852 | 5 962 048 | 7 338 533 |
| 2017/2018 | 2 312 001 | 495 452 | 2 266 828 | 8 010 209 | 13 084 490 |
| 2018/2019 | 113 285 | 90 091 | 123 000 | 830 282 | 1 156 660 |
| 2019/2020 | 0 | 0 | 0 | 0 | 0 |

*Table 68: Analysis of the correction rate.*

| Year | Collection rate |
|---|---|

| | |
|---|---|
| 2017/2018 | 73.07% |
| 2018/2019 | 79.85% |
| 2019/2020 | 76.00% |

The Newcastle Municipality has regressed in the collection rate from a high of 79% for the 2018/2019 financial year, 76% in the 2019/2020 financial year. The reason for reduction was due to covid-19 which led to some people losing their jobs.

An analysis indicates that the individual debtor category comprises 8% of the total book debt. The reason for this is the low collection of monies with respect to the Eastern Region, an area where the electricity is supplied by Eskom, and therefore an area where credit control processes are ineffective. The Western Region is the area where the Municipality supplies electricity, and therefore the collection rate in this area is 9% which is an indication that electricity is used effectively as leverage in the credit control processes.

An aggressive community outreach program was carried from August 2018 as an initiative to increase the payment factor in the Eastern Region. Mobile offices were set up at Malls, schools, hospitals, police stations where consumers were able to query their accounts, make payments, and make payment arrangements on the spot. An incentive scheme was also rolled out to consumers encouraging the payment of municipal bills. This program was effective and increased the payment factor in the Eastern Region from lows of 15% to a current average of 40%. However, we seem to have reached a plateau now and the support of Council is of paramount importance if we are to increase the collections in the area.

There has been a number of retrenchments and closing down of large industrial companies within Newcastle and this has had a negative impact on the growth of the collection rate and thereof. The Municipality wishes to partner with its Council and other external government sectors to increase the collection rate. An aggressive campaign involving councillors, ward committee members and municipal officials will be taking place during the 2021 /2022 financial year to improve the collection rate even further.

There has been a reduction in the amount outstanding by Government and this is due to the collective effort of Provincial Treasury, National Treasury and Cogta, and we will be continuing with this partnership to reduce the government debt even further.

The strategy in respect of business debt is more aggressive than the strategy of individual debt. The following credit control processes are followed to collect the debt:-

- Section 28 letters where landlords are owing rates but tenants have paid for services;
- Restriction of water or shutting off water supply for businesses in the East and West where necessary; and
- Resolving long outstanding queries to fast track the payment that is outstanding.

The Municipality will be implementing strict application of the credit control and debt collection policy to increase the collection rate. The write off policy will be adhered to in respect of the writing off of long outstanding debt. The following will be considered:-

- Prescription of debt in respect of the Prescription Act, No 68 of 1969;
- If the debtor has been sequestrated or liquidated and the proceeds of the sequestration or the liquidation are insufficient to satisfy the debt;
- The cost of recovery of the debt is likely to exceed the amount outstanding;
- The ITC report indicates that the debtor is deceased, is an uncollectable individual and the business is liquidated or deregistered.

## 3.24. Auditor General's Opinion.

The audit results of the financial statements for the past three financial years can be summarised as follows:

*Table 69: Audit opinion.*

| Year | Audit opinion | Basis for qualification |
|---|---|---|
| 2020 | Unqualified | Not applicable |
| 2019 | Unqualified | Not applicable |
| 2018 | Unqualified | Not applicable |

Over the past three financial years, the municipality has maintained an unqualified audit opinion with matters. There has been an improvement in a number and the severity of matters to be addressed by the municipality in its bid to achieve a clean audit in the future.

### 3.24.1. Emphasis of matters.

The Auditor General, through his report on the audit of the 2019/20 financial statements, has drawn the attention of the municipality to the following matters, which are being attended to during the 2020/21 financial year:

- Uncertainty relating to the future outcome of exceptional litigations. The outcome of the matters could not be determined and no provision for any liability was made in the financial statements.
- Restatement of corresponding figures. The corresponding figures for 2018/19 were restated as a result of errors in the financial statements of 2019/20.
- Material impairment of debtors. Material losses of R1.11 billion were incurred as a result of a provision for impairment of receivable from exchange and non-exchange revenue.
- The municipality recognised an impairment on receivables from non-exchange of R45.16 million as the recoverability of these amounts were doubtful.
- Material losses of water. Material losses of R44 million were incurred, representing 39% of the total water purchased.

### 3.24.2. Action Plan to improve audit outcomes.

In response to the matters raised by the Auditor General in the 2019/20 report, the municipality has put together the action plan to address the above matters and those that were included in the Management Report. The summary of the action plan is as follows:-

- The legal service unit will engage all attorneys with a view to determine the estimates of the pending civil lawsuits or damages against the municipality. This will enable the municipality to reliably make the provision in the financial statements;
- The financial statements will be prepared, reviewed, and managed on a monthly basis. This will assist to mitigate errors on the financial statements at the end of the financial year. The personnel dealing with the preparation of the Annual Financial Statement will also be embarking on the training that deals with financial reporting;
- The municipality will seek the services of the service provider who will perform data cleansing of debtors and to perform the risk-profiling of all debtors in order to determine their level of affordability;
- The municipality is also in a process of appointing the debt collector in order to improve the collection of debtors;
- The debtors books will be scrutinised and all debtors identified as uncollectable will be submitted to council for write-off;
- Enhanced level of capacity and understanding of SCM functions by providing training to the bid committee members and SCM practitioners.
- Establish the contract management unit in order to reduce irregular expenditure.
- Report unauthorised, irregular, fruitless and wasteful expenditure to council on a quarterly basis in order to trigger the consequence management process.
- Develop a comprehensive plan to address water losses. This will include the procurement of the system that will assist with the detection of areas of water losses.

## 3.25. Financial Plan.

The municipality does not currently have a long term financial plan in place. The municipality has requested the technical assistance of the National and Provincial Treasury to develop the plan, which process is still in progress. The plan is aimed at ensuring that the various strategies of the municipality (financial and non-financial), which will require financial muscle both in the medium and long term are achieved. The financial plan will provide a sypnosis of how much it will cost to fund all the requirements of the municipality which are included in the strategic plan of the municipality, being the IDP. In the absence of the financial plan, the municipality however makes use of its medium term budget to ensure that financial requirements and service delivery are being done.

## 3.26. Operational Budget.

The operating budget of the municipality for the next three years is a total of R17.3 billion, made up of R16.9 billion for the operation expenditure and R379.2 million for the capital expenditure. The summary of the operation expenditure is as follows:-

*Table 70: Operating expenditure.*

| ITEM DESCRIPTION | ADJUSTED BUDGET 2020 2021 | DRAFT BUDGET 2021 2022 | DRAFT BUDGET 2022 2023 | DRAFT BUDGET 2023 2024 |
|---|---|---|---|---|
| **OPERATING EXPENDITURE** | | | | |
| Employee related costs | 544 452 561 | 557 038 495 | 575 974 203 | 600 995 178 |
| Remuneration of councillors | 27 351 636 | 29 593 858 | 30 836 800 | 32 193 620 |
| Debt impairment | 252 999 817 | 262 866 810 | 273 907 216 | 285 959 133 |
| Depreciation & asset impairment | 390 035 | 401 736 453 | 418 609 384 | 437 028 197 |
| Finance charges | 42 881 638 | 39 754 198 | 41 423 874 | 43 246 524 |
| Bulk purchases | 499 675 238 | 588 617 430 | 613 339 362 | 640 326 294 |
| Other materials | 132 734 523 | 136 064 419 | 141 726 394 | 147 961 695 |
| Contracted services | 385 428 428 | 388 305 778 | 355 559 215 | 381 331 535 |
| Other expenditure | 120 147 161 | 106 289 848 | 110 587 828 | 115 432 073 |
| Losses | 1 000 | 1 000 | 1 042 | 1 088 |
| **TOTAL EXPENDITURE** | **2 395 707 395** | **2 510 268 289** | **2 561 965 318** | **2 684 475 337** |

During 2021/22 financial year, the municipality is projecting to incur the expenditure of R2.510 billion. The following are expenditure items included in the 2020/21 budget:-

- **Employee Related Costs: R557.0 million, increase of R12.5 million (2%).**

Employee related costs has increased from R544.4 million to R557.0 million, representing an increase of R12.5 million (2%). Included in the employee related costs is an amount of R29 million for overtime. This constitute 5% of the total employee related costs, which is also within the National Treasury norm of 5%. The bulk of this provision relates to overtime for essential services which the municipality cannot avoid. These services include waste management, electricity maintenance, water maintenance, waste management, public safety and other essential services which the municipality is required to provide to communities. It must be noted that the municipality is currently implementing a number of measures to ensure that overtime is not abused and is kept to the bear minimum.

- **Remuneration of Councillors: R29.5 million, an increase of R2.1 million (8%).**

Remuneration of councillors is projected to be R29.5 million, representing an increase of R2.1 (8%) from the current financial year budget of R27.4.8 million. The projection is based on the 2020/21 notice of the upper limits issued by the MEC for Local government in December 2020, and an increase of 4% has been estimated in respect for 2021/22, which will be determined by the MEC for CoGTA at the beginning of 2022. This provision also is based on the expectation that EXCO councillors, MPAC Chair and the Chief Whip will be approved as full-time councillors during the 2021/22 financial year.

- **Bulk Electricity Purchases: R588.6, an increase of R88.9 million (18%).**

Expenditure on bulk electricity purchases is projected at R588.6 million, representing an increase of R88.9 million (17.8%) from the current financial year budget of R499.6 million. The provision of R588.6 million is informed by the NERSA guidelines and the

expected demand for electricity to the municipal consumers in the 2021/22 financial year.

- **UThukela Water Entity: R131 275 million, an increase of R5.0 million (4%).**

The municipality's contribution to uThukela Water increased from R126.2 million to R131.2 million which represents an increase of R5.0 million (4%) from the current financial year. While the entity has submitted a budget of R134.8 million, the current financial state of the municipality makes in impractical to afford the full budget requested by the entity. Hence, the municipality has only afforded the increase in line with the inflation rate and the expected tariff increase of the municipality on water. It will critical that the entity adjust its expenditure in order to fit within the budget of R131.2 million.

- **Debt impairment: R262.8 million, an increase of R9.8 million (4%).**

The municipal has projected to incur R262.8 million on debt impairment, representing an increase of R9.8 million (4%) from the current financial year budget of R252.9 million. The provision and the increase is based on the council's debtors' book, and the rate at which doubtful debt is expected to escalate. The provision for doubtful debt is calculated in line with the provision of the Council's approved Credit Control and Debt Collection Policy. It must however be mentioned that the recent campaign to collect outstanding debtors and to build the culture of payment of services in the townships has started to yield positive results.

- **Depreciation: R401.7 million, an increase of R11.7 million (3%).**

Provision for depreciation has been projected to be R401.7 million, representing an increase of R11.7 million (3%) from the current financial year's budget of R390.0 million. The provision is based on the municipality's asset register the expected lives of the assets. The increase is attributable to the projected capital expenditure and the infrastructure projects which were completed during the current financial year, the impact of the depreciation in expected fully during the budget year.

- **Finance Charges: R39.7 million, a decrease of R3.1 million (-7%).**

Expenditure on interest on loans is projected to be R39.7 million, representing a decrease of R3.1 million (-7%) from the current financial year budget of R42.8 million. The estimation of finance charges of R39.7 million is based on the amortisation schedules of the loan portfolios of the municipality and the loan agreements with the financial institutions, which is expected to last for at least next nine years. It must however be noted that no new loans will be taken by the municipality in the 2021/22 financial year.

- **Contracted services: R387.9 million, an increase of R2.6 million (1%).**

Expenditure on contracted services is projected to be R387.9 million, representing an increase of R2.6 million (1%) from the current financial year budget of R385.2 million. The increase is due to the increase in housing and other grants from national and provincial departments. It must be noted that, included under this provision is an amount of R150 million in respect of the housing grant for the various housing projects.

- **Other materials: R136.0 million, an increase of R3.6 million (3%).**

Expenditure on materials is projected at R136.0 million, representing an increase of R3.6 million (3%) from the current financial year budget of R132.4 million. Included under this item is the allocation for Uthukela Water for R131 million as well as the materials for the cleaning of municipal buildings, halls, chemicals, cleansing material, pest control.

- **Other expenditure: R106.6 million, a decrease of R13.5 million (-11%).**

Other expenditure is projected to be R106.6 million, representing a decrease of R13.5 million (-11%) from the current financial year budget of R120.2 million. The decrease is due to the implementation of cost containment measures in line with affordability of the municipality. Included under other expenditure is an amount of R19 million in respect of departmental services for the municipality's usage of water, electricity, sanitation and refuse.

The following revenue sources are included in the medium term budget in order to fund the budget:-

*Table 71: Operating revenue.*

| ITEM DESCRIPTION | ADJUSTED BUDGET 2020 2021 | DRAFT BUDGET 2021 2022 | DRAFT BUDGET 2022 2023 | DRAFT BUDGET 2023 2024 |
|---|---|---|---|---|
| **OPERRATING REVENUE** | | | | |
| Property rates | 348 822 174 | 362 426 238 | 368 526 912 | 385 130 791 |
| Service charges - electricity revenue | 619 100 407 | 710 188 478 | 647 963 202 | 677 129 811 |
| Service charges - water revenue | 187 534 519 | 193 909 678 | 198 345 503 | 207 284 048 |
| Service charges - sanitation revenue | 116 273 759 | 119 428 804 | 118 731 867 | 124 095 853 |
| Service charges - refuse revenue | 92 725 066 | 95 600 842 | 96 482 547 | 100 843 640 |
| Rental of facilities and equipment | 7 441 797 | 7 732 027 | 8 056 772 | 8 411 270 |
| Interest earned - external investments | 2 372 963 | 2 465 509 | 2 569 060 | 2 682 099 |
| Interest earned - outstanding debtors | 5 106 711 | 4 642 465 | – | – |
| Fines, penalties and forfeits | 8 613 896 | 8 614 492 | 9 325 731 | 9 736 063 |
| Licences and permits | 15 174 | 15 766 | 16 428 | 17 151 |
| Transfers and subsidies | 724 383 968 | 695 021 000 | 632 135 500 | 646 972 550 |
| Other revenue | 18 861 926 | 19 597 541 | 20 420 638 | 21 319 146 |
| **TOTAL REVENUE** | **2 131 252 362** | **2 219 642 840** | **2 102 574 160** | **2 183 622 422** |

Total operating revenue is projected at R2.219 billion in the 2021/22 financial year, representing an increase of R88.3 million (4%) from the current year's adjusted budget of R2.131 billion.

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

- **Electricity services: R710.1 million, increase of R91.0 million (15%).**

Electricity tariffs are expected to increase by 14.59%. It must be noted that this tariff increase is as per the NERSA's guidelines of municipal tariff increase as well as the application that will be submitted by the municipality to NERSA. With the tariff increase of 14.59%, electricity revenue is expected to increase by R90.0 million (15%) in the 2021/22 financial year. Cognisance should also be taken that this percentage increase of 14.59% is way above the projected inflation rate of 3.9%, however this increase is based on the NERSAs tariff approval for municipal tariffs. The revenue figure of

R710.1 million is also net of the cost of free basic service of R8.5 million in respect of electricity as required in terms of the Budget and Reporting Regulations.

- **Water services: R193.9 million, increase of R6.3 million (3%).**

Water tariffs are expected to increase by 3.9% in the 2021/22 financial year. The increase of 3.9% in tariffs is expected to generate additional revenue of R6.3 million (3%), from R187.5 million in the current year to R193.9 million in the 2021/22 financial year. The revenue figure of R193.9 million is net of the cost of free basic services of R10.3 million in respect of water as required in terms of the Budget and Reporting Regulations.

- **Refuse removal: R95.6 million, increase of R2.8 million (3%).**

Refuse removal tariffs are expected to increase by 3.9% in the 2021/22 financial year. The increase of 3.9% in tariffs is expected to generate additional revenue of R2.8 million (3%), from R92.7 million in the current year to R95.6 million in the 2021/22 financial year.

- **Sanitation: R119.4 million, increase of R3.1 million (3%)**

Sanitation tariffs are expected to increase by 3.9% in the 2021/22 financial year. The increase of 3.9% is expected to generate additional revenue of R3.1 million (3%), from R116.2 million in the current year to R119.4 million in the 2021/22 financial year. The revenue figure of R119.4 million is net of the cost of free basic services of R15.1 million in respect of sanitation as required in terms of the Budget and Reporting Regulations.

- **Property rates: R362.4 million, increase of R13.6 million (4%).**

Property rates tariffs are expected to increase by 3.9% in the 2021/22 financial year, while the impermissible amount will be remain at R85 000. The increase in the property rates tariffs is expected to generate additional revenue of R13.6 million (3%), from R348.8 million in the current year to R362.4 million in the 2021/22 financial year. The revenue figure of R362.4 million is net of the rates rebates and indigent benefit of R79.1 million as required in terms of the Budget and Reporting Regulations.

- **Transfers recognised: R695.0 million, decrease of R29.3 million (-4%).**

Revenue from grants is expected to generate operating revenue of R695.0 million in the 2021/22 financial year. This represents a decrease of R29.3 million (4%) from the budget of R724.3 million in the current year to the budget of R695.0 million in the 2021/22 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. Reference is made to table SA18 in respect of the split of transfers which will fund operational and capital expenditure. The appropriation of grant transfers in the budget has been made in accordance with the Division of Revenue Act and the provincial gazette.

- **Fines: R8.6 million, increase of R596 rands (0%).**

Revenue for fines is expected to generate revenue of R8.6 million in the 2021/22 financial year. This represents an increase of R596 rands (0%) from the budget of R8.6 million in the current year, to R8.6 million in the 2021/22 financial year. Fines will be imposed in accordance with the traffic laws and regulations and will be influenced by law enforcement and the behaviour of road users in the jurisdiction of Newcastle.

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

Interest on investments is expected to generate revenue of R2.4 million in the 2021/22 financial year. This represents an increase of R92 thousand (4%) from the budget of R2.3 million in the current year to R2.4 million in the 2021/22 financial year. Interest will be earned based on the value of the investments that the municipality will make with various financial institutions for any additional funds during the financial year.

- **Interest on outstanding debtors: R4.6 million, decrease of R464 thousand (-9%).**

Interest on outstanding debtors is expected to generate revenue of R4.6 million in the 2021/22 financial year. This represents a decrease of R464 thousand (-9%) from the budget of R5.1 million in the current year to R4.6 million in the 2021/22 financial year. Interest will be earned based overdue business accounts without any arrangements in place.

- **Rental of facilities: R7.7 million, increase of R290 thousand (4%).**

Tariffs from rental of municipal facilities will be increased by 3.9% and is expected to generate revenue of R7.7 million in the 2021/22 financial year. This represents an increase of R290 thousand (4%) from the budget of R7.4 million in the current year to R7.7 million in the 2020/21 financial year.

- **Licences: R15 766, increase of 592 rands (4%).**

Tariffs from licences will be increased by 3.9% and is expected to generate revenue of R15 thousand in the 2021/22 financial year. This represents an increase of R592 (4%) from the budget of R15 174 in the current year to R15 766 in the 2021/22 financial year.

- **Other revenue: R19.5 million, an increase of R735.6 thousand (4%).**

Sundry tariffs will be increased by 3.9% and are expected to generate revenue of R19.5 million in the 2021/22 financial year. This represents an increase of R735 thousand (4%) from the budget of R18.6 million in the current year to the budget of R19.5 million in the 2021/22 financial year.

- **Disposal of properties: R11 million.**

The municipality is in the process of disposing a properties through for the medical precinct project for the estimated purchase price of R11 million. Based on the value of the land, the municipality is projecting to generate a gain of R1 million in the transaction. A number of properties have already been identified and advertised for disposal, the process of which is expected to drag up to 2021/22 financial year.

- **Inflation target.**

In terms of the National Treasury's budget circular No.108, the projected inflation rate for 2021/22 is 3.9%. It is noted that the tariff increase of 3.9% for rates and services

and 14.59% for the electricity exactly in line with the projected inflation rate as well as the NERSA guideline on municipal tariff increase.

## 3.27. Capital Budget.

The summary of the capital programme of the municipality, with the funding sources for the next three financial years is as follows:

**Table 18: Capital expenditure by asset class**

| ASSET TYPE | DRAFT BUDGET 2021 2022 | DRAFT BUDGET 2022 2023 | DRAFT BUDGET 2023 2024 |
|---|---|---|---|
| Electricity distribution | 3 531 877 | - | - |
| Furniture and equipment | 1 350 000 | 1 600 000 | 1 800 000 |
| Libraries | - | 10 000 000 | 10 000 000 |
| Roads and stormwater | 40 932 006 | 36 000 000 | 38 000 000 |
| Sanitation | 51 512 429 | 54 549 500 | 55 235 450 |
| Vehicle and Maintenance | 3 100 000 | 1 500 000 | 1 500 000 |
| Water distribution | 33 866 689 | 30 800 000 | 16 000 000 |
| **TOTAL CAPITAL BUDGET** | **134 293 000** | **134 449 500** | **122 535 450** |

Over the next three years, the municipality is planning to spend R391 million towards the capital programme. During the 2020/21 financial year, The municipality will be spending the bulk of its capital programme towards basic infrastructure, with R40.9 million towards roads, R33.8 million towards water, R51.5 million towards sanitation and R3.1 million on the electricity infrastructure. A further R3.1 million will be spent on new plant, R1.3 million of furniture and other tools of trade.

The following tables reflects a detailed listing of projects that are planned to be implemented by the municipality over the MTREF period:

| DIRECTORATE DESCRIPTION | PROJECT DESCRIPTION | DRAFT BUDGET 2021 2022 | DRAFT BUDGET 2022 2023 | DRAFT BUDGET 2023 2024 |
|---|---|---|---|---|
| SPECIAL PROGRAMMES | PURCHASE OF VEHICLE | 300 000 | | |
| TOWN PLANNING | MEDICAL PRECINCT:PROFESSIONAL FEES | 99 478 | | |
| TOWN PLANNING | MEDICAL PRECINCT:CONSTRUCTING OF ROADS | 4 420 668 | | |
| TOWN PLANNING | MEDICAL PRECINCT:STORM WATER | 1 108 705 | | |
| TOWN PLANNING | MEDICAL PRECINCT:STREET LIGHTS | 2 183 529 | | |
| TOWN PLANNING | MEDICAL PRECINCT:WATER | 757 983 | | |
| TOWN PLANNING | MEDICAL PRECINCT:SEWER | 697 289 | | |
| TOWN PLANNING | MEDICAL PRECINCT:SUBSTATIONS | 1 348 347 | | |
| ROADS & STORMWATER | RESEALING OF ROADS MADADENI | 2 000 000 | 1 500 000 | 1 500 000 |
| ROADS & STORMWATER | RESEALING OF ROADS OSIZWENI | 2 000 000 | 1 500 000 | 1 500 000 |
| ROADS & STORMWATER | RESEALING OF ROADS NEWCASTLE RESIDENTIAL | 2 000 000 | 1 000 000 | 1 000 000 |
| ROADS & STORMWATER | RESEALING OF ROADS NEWCASTLE INDUSTRIAL & CBD | 3 000 000 | 4 000 000 | 4 000 000 |
| MECHANICAL WORKSHOP | PURCHASE OF REFUSE COMPACT TRUCK | 2 800 000 | 1 500 000 | 1 500 000 |
| BUDGET AND REPORTING | FURNITURE AND EQUIPMENT | 200 000 | 300 000 | 300 000 |
| BUDGET AND REPORTING | MACHINERY & EQUIPMENT | 100 000 | 200 000 | 200 000 |
| BUDGET AND REPORTING | IT EQUIPMENT | 900 000 | 1 000 000 | 1 000 000 |
| **TOTAL INTERNAL FUNDING** | | **23 916 000** | **11 000 000** | **11 000 000** |
| | | | | |
| HOUSING | FURNITURE AND EQUIPMENT | 35 000 | | |
| TOWN PLANNING | JBC LIBRARY | - | 10 000 000 | 10 000 000 |
| **TOTAL DPHS** | | **35 000** | **10 000 000** | **10 000 000** |
| | | | | |
| PROJECT MANAGEMENT UNIT (PMU) | FURNITURE AND EQUIPMENT | 115 000 | 100 000 | 300 000 |
| PROJECT MANAGEMENT UNIT (PMU) | Madadeni Wastewater Treatment Works Extensions: Contract IV: Mechanical and Electrical Related Work including supporting Civil and Structural related work | 26 000 000 | 22 200 000 | - |
| PROJECT MANAGEMENT UNIT (PMU) | Blaauwbosch Bulk Water Project | 18 000 000 | 18 000 000 | - |
| PROJECT MANAGEMENT UNIT (PMU) | Construction of H39 Bus Road and Street Lighting | 5 153 658 | - | - |
| PROJECT MANAGEMENT UNIT (PMU) | Osizweni Urban Access Road Phase 4 | - | 14 000 000 | 15 000 000 |
| PROJECT MANAGEMENT UNIT (PMU) | Construction of OB1 Link Road | 5 145 670 | - | - |
| PROJECT MANAGEMENT UNIT (PMU) | OA44 | 3 600 000 | - | - |
| PROJECT MANAGEMENT UNIT (PMU) | Madadeni Urban Access Roads and Stormwater Phase 3 | - | 14 000 000 | 15 000 000 |
| PROJECT MANAGEMENT UNIT (PMU) | Upgrading of MF18 and MF19 to Blacktop in Madadeni | 3 895 470 | - | - |
| PROJECT MANAGEMENT UNIT (PMU) | Upgrade of MF7, MF10 and MF69 Roads | 6 008 417 | - | - |
| PROJECT MANAGEMENT UNIT (PMU) | MA23,26 & 25 | 3 608 645 | - | - |
| PROJECT MANAGEMENT UNIT (PMU) | Pipe Replacement and Upgrade Project | 10 000 000 | 10 000 000 | 10 000 000 |
| PROJECT MANAGEMENT UNIT (PMU) | Viljoenpark Bulk Water and Sanitation (Phase 2):Refurbishment of the Newcastle Waste Water Treatment Works | 14 706 540 | 10 293 460 | 35 935 450 |
| PROJECT MANAGEMENT UNIT (PMU) | Replacement of the DN150 Bulk Outfall Sewer Clay Pipeline in StaffordHill | 8 608 600 | - | - |
| PROJECT MANAGEMENT UNIT (PMU) | Upgrade and Refurbishment of Bulk Sewer Pipeline from Siyahlala-la to Voortrekker Pump station | 1 500 000 | 22 056 040 | 19 300 000 |
| WSIG: CAPEX: WATER PROJECTS | NEWCASTLE EAST WATER MAINS EXTENSION | 4 000 000 | 2 800 000 | 6 000 000 |
| **TOTAL TECHNICAL SERVICES** | | **110 342 000** | **113 449 500** | **101 535 450** |
| | | | | |
| **TOTAL CAPITAL EXPENDITURE** | | **134 293 000** | **134 449 500** | **122 535 450** |
| | | | | |
| INTERNAL FUNDING | | 23 916 000 | 11 000 000 | 11 000 000 |
| GRANT FUNDING | | 110 377 000 | 123 449 500 | 111 535 450 |
| **TOTAL CAPITAL BUDGET** | | **134 293 000** | **134 449 500** | **122 535 450** |

## 3.28. Sector Department Funding.

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 2020 Division of Revenue Act have been included in the medium term budget.

**Table 19: National allocations**

| GRANT DESCRIPTION | BUDGET 2021 2022 | BUDGET 2021 2022 | BUDGET 2021 2022 |
|---|---|---|---|
| Equitable Share | 417 790 000 | 442 574 000 | 439 225 000 |
| Finance Management Grant | 1 650 000 | 1 850 000 | 1 850 000 |
| Neighbourhood Development Partership (Capital) | 15 000 000 | 10 000 000 | 10 000 000 |
| Water Services Infrastructure Grant | 40 000 000 | 35 000 000 | 40 000 000 |
| Municipal Infrastructure Grant | 119 182 000 | 129 140 000 | 133 085 000 |
| Intergrated National Electrification (Municipal) | 13 500 000 | 10 000 000 | 11 000 000 |
| Energy Efficience and Demand side Management Grant | 4 000 000 | 4 000 000 | 0 |
| Expanded Public Works Programme Incentive | 2 948 000 | | |
| **TOTAL NATIONAL GRANTS** | **614 070 000** | **632 564 000** | **635 160 000** |

The municipality is projecting to receive total grants and subsidies of to the tune of R1.88 billion from national government.

**Table 20: Provincial allocations.**

| GRANT DESCRIPTION | BUDGET 2021 2022 | BUDGET 2021 2022 | BUDGET 2021 2022 |
|---|---|---|---|
| Housing | 192 793 000 | 109 146 000 | 109 146 000 |
| Accredited Municipalities | 3 839 000 | 3 839 000 | 3 839 000 |
| Sports and recreation | 11 000 000 | 11 000 000 | 10 097 000 |
| Art & culture Museum | 429 000 | 449 000 | 476 000 |
| Provincialisation of libraries | 6 757 000 | 6 992 000 | 6 992 000 |
| Community Library Services Grant | 2 475 000 | 2 595 000 | 2 595 000 |
| **TOTAL NATIONAL GRANTS** | **217 293 000** | **134 021 000** | **133 145 000** |

The municipality is projecting to receive total grants and subsidies of to the tune of R484.4 million from national government.

### 3.28.1. SWOT Analysis: Financial Viability and Management.

| STRENGHTS | WEAKNESSES |
|---|---|
| • Implementation of the Budget Funding Plan<br>• Weekly sitting of the Finance Committee<br>• Implementation of Cost Containment Strategies<br>• Implementation of the MPRA.<br>• Supply chain management systems in place.<br>• Integrated Financial Management System.<br>• Indigent support. | • Non-payment for services, particularly in the Madadeni and Osizweni areas.<br>• Vacancies in critical positions<br>• Increase in expenditure in relation to revenue generated.<br>• Low debt collection.<br>• Increase in list for indigent support and Free Basic Services.<br>• Limited access to funding in relation to need.<br>• Over-committed reserves into the funding of capital expenditure<br>• Increased employee related costs and other contracted services |

| OPPORTUNITIES | THREATS |
|---|---|
| • Support from Treasury and COGTA.<br>• Access to grants with other government sectors;<br>• Explore more funding models with DBSA and other private partners;<br>• Strengthen implementation of Revenue Enhancement Strategies;<br>• Strict implementation of by-laws to maximize revenue base<br>• New municipal property rates system. | • Fraud and corruption.<br>• Poor implementation of the supply chain and financial management policies.<br>• Operating at a deficit<br>• Inadequate provision for repairs and maintenance in relation to the value of assets.<br>• Inadequate reserves<br>• Loss of municipal assets<br>• Poor exist system, resulting in fruitless and wasteful expenditure. |

### 3.28.2. Financial Viability and Management.

| DEVELOPMENT CHALLENGES | RECOMMENDATION |
|---|---|
| Inadequate revenue collection systems within the municipality. | - Introduction of new technology towards improving revenue collection .i.e. water smart meters, prepaid electricity.<br>- Strategic support and assistance to industry. |
| Low recovery of amounts owed for rendering of municipal services from consumer debtors. | - Outstanding accounts with no queries to be forwarded to the respective consumers for making the necessary payment arrangements.<br>- Indigent verification.<br>- Capacitating of staff and field workers. |
| Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts. | - Appointment of field workers.<br>- Investigate the possible use of a service provider for meter reading as compared to performing the function in-house. |
| Lack of advice to Council on revenue enhancement mechanisms. | - Updated financial plan.<br>- Capacity building towards revenue enhancement and the related mechanisms. |

### 3.28.3. Good Governance and Public Participation.

The Newcastle Municipality is a developmental local government structure that is committed to working with citizens and organised interest groups to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives. This assertion complements the right of communities to participate in the decisions that affect development in their respective areas, and a corresponding duty on the municipality to encourage community participation in matters of local governance. The Municipality achieves this goal mainly through Ward Committee structures and a variety of other measures designed to foster open, transparent and consultative municipal governance.

However, the functionality and effectiveness of the ward committees remains a major challenge. Some of these are not unique to Newcastle Municipality as they relate to the design of the ward committee system as well as the procedures for their operation. As such, they are systemic in nature and should be addressed as part of government programmes to deepen democracy. Synergistic relations should also be strengthened

with the business community, farmers associations, organised labour and other stakeholders.

### 3.28.4. Cross-cutting issues.

| DEVELOPMENT CHALLENGES | RECOMMENDATION |
|---|---|
| The town serves as an administrative and economic hub for the North-Western part of KwaZulu-Natal, including the whole of Amajuba District and some of the surrounding areas in the Ubuhlebomzinyathi District and the Mpumalanga Province. However the key question raised relates to whether or not NLM is developed with sufficient infrastructure including adequate capacity to play its role as a sub-regional economic hub. | - Infrastructure Master Plan.<br>- Absorption and retainment of highly skilled personnel within NLM. |
| There's been a rapid increase in the rate of urbanization in Newcastle resulting in the development of settlements along P483, in particular, linear settlements such as KwaMathukuza, JBC towards the Khathide area. Rapid urbanization bring with it many problems and places huge demands on the need for land, municipal services, housing, transportation and employment. | - Spatial integration through densification, gentrification and compaction.<br>- Establishment of service delivery centers.<br>- Sustainable human settlements. |
| NLM can broadly be defined as a region exhibiting a legacy of poor apartheid planning through an inefficient spatial pattern. This includes the low-density urban sprawl which is fuelled in the Newcastle-West area by anti-city values of suburbia that promotes large plots as an image of good urban living, a cellular development pattern that occurs in relatively discrete pockets based on the introverted concept of neighborhood unit or super block, and the separation of land uses, urban elements, races and income groups. The dominant land use pattern resembles a series of relatively homogenous blobs of different uses tied together by high speed transport routes. | - Spatial integration through densification, gentrification and compaction.<br>- Development of community residential units (CRUs) in order to achieve higher densities within the urban areas. |
| Poor quality of the environment manifested in the form of deteriorating water quality, poor air quality, poor waste disposal and collection thereof, and a general lack of open spaces within NLM. | - Development of a climate change strategy.<br>- Environmental awareness campaigns.<br>- Development of positively performing open spaces.<br>- Air quality management.<br>- Water conservation awareness campaigns.<br>- Planting of trees. |
| High levels of poverty attributed to general low levels of income and skilled labour. | - Improved roll-out of the LED program.<br>- Promotion of urban agriculture in the denser urban settlements.<br>- Assistance and support to SMMEs particularly within the MBO area.<br>- Skills training and development. |
| Disparities regarding residential densities within the municipality. Higher densities are found closer to established nodes as well as informal settlements. Subsequently the lower densities are found on the peri-urban areas located within the urban edge and other rural nodes beyond the urban edge. This has resulted in a disintegrated spatial pattern characterized by uniform, irregular, random and concentrated residential densities at specific areas. | - Spatial integration through densification, gentrification and compaction. |

| DEVELOPMENT CHALLENGES | RECOMMENDATION |
|---|---|
| Lack of sufficient GIS data pertaining to the environment. | - Improved alignment with environmental management custodians such as KZN Wildlife as well as the World Wildlife Fund in order to align and streamline priorities towards improved environmental management and also data sharing.<br>- Finalization of the environmental management framework. |
| The NLM waste disposal site is nearing the end its carrying capacity hence its lifespan. | - Establishment of a new landfill site. |

## 3.29. Development Trends and Patterns.

### 3.29.1. Regional Role and Significance of Newcastle.

The identification of Newcastle as an important secondary investment node with potential for industry, agriculture and tourism, indicates its importance on a regional and provincial scale. Newcastle is strategically located halfway between Johannesburg and the harbours of Durban and Richards Bay, and is well connected to these centres by means of both rail and road infrastructure. The N11, P612 and the P483 are some of the roads running through the NLM serving a national, provincial and regional function.

The town serves as an administrative and economic hub for the north-western part of KwaZulu-Natal. This includes the whole of Amajuba District and some of the surrounding areas in Mpumalanga Province and Umzinyathi District. This raises a key question whether the town is developed with sufficient infrastructure and has enough capacity to play its role as a sub-regional economic hub. Some of the critical infrastructure includes tertiary education and health facilities, regional government offices and sports facilities. Equally important is the ability to create employment opportunities and absorb the urbanising labour force. Therefore, planning for the future development of the NLM should go beyond a narrow focus on local issues and incorporate regional social and economic issues.

### 3.29.2. Urbanisation – Sustainable Human Settlements.

Urbanisation is the process in which the number of people living in cities increases compared with the number of people living in rural areas. An area is considered to be urbanised when over 50% of its population lives in urban places. Rate of urbanisation in Newcastle has been very rapid, resulting in the development of settlements along P483 in particular as linear settlements from KwaMathukuza through JBC to Khathide in the north.

Rapid urbanisation brings with it many problems as it places huge demands on land, water, housing, transport and employment. In Newcastle like many other South African Towns, apartheid has made the problems of urbanisation more complex. Urbanisation of black people was made difficult by forcing them to live in areas far from the town. With the lifting of racial restrictions on where people may live and work, many

unemployed people have migrated to urban centres such as Newcastle in search of work, bringing their families with them. The shortage of accommodation in town has forced them to live in informal settlements hence the informal settlements that are spread throughout the area with huge concentrations in the eastern areas. Land under the control of Ubuhlebomzinyathi Community Authority has also been specifically targeted as these areas present opportunities for a rural lifestyle in an urban context.

This presents the municipality with a challenge to devise strategies to manage the urbanisation phenomenon, and ability to undertake pro-active planning in anticipation of population growth. All housing projects undertaken to-date have been reactive.

### 3.29.3. Roads and Stormwater.

Local government has a constitutional duty to provide basic services and Newcastle Municipality is no exception. In conjunction with both national and provincial plans, Newcastle Municipality is required to build infrastructure in order to grow the capacity of the economy, boost various sectors of the economy with a specific emphasis for faster growth and address the inequality that marginalize the poor in the second economy. In terms of road infrastructure, over 80% of all roads in Newcastle are in a poor state, of which 704km are unpaved with 254km surfaced roads. The gravel roads constitute 404km of roads. In an attempt to address this, the municipality has intensified their roads programs over the past 5 years, which addresses primary and secondary roads. Newcastle Municipality has a huge legacy in addressing the basic needs. The challenge is also due to spatial inefficiency in ensuring that rural communities also enjoy the same benefits as those enjoyed by urban communities. In this regard, roads and transport plays a critical role in facilitating the movement of goods and services and rural areas to urban centres. The accommodation of storm-water has a tremendous influence on the life of a road. This requires the municipality also to focus on storm-water management in order to increase the life span of the roads. While the municipality focuses on upgrading new roads, they also need to do maintenance on the existing roads in order to keep the municipal area an accident free.

### 3.29.4. Inefficient Spatial Structuring.

While the regional economic development forces remain one of the main structuring elements within the NLM, the past apartheid policies have had a profound impact on the structure and functionality of the area. It fragmented communities, marginalised their economic activities and undermined their participation in the economy. It located people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development.

The NLM could broadly be described as an apartheid region in the sense that it embodies most if not all the attributes of apartheid spatial patterns. These include the following:

- Low density sprawl which is fuelled in the Newcastle West by anti-city values of suburbia which promotes large plots as an image of good urban living. Factors that contribute to urban sprawl includes continued existence of low density residential suburbs designed in terms of garden city concepts, and entrenched into the Town Planning Scheme through inflexible density controls and scheme clauses such as coverage, minimum site sizes and permissible uses, and easy access to land for settlement in the east.
- Cellular development pattern that occurs in relatively discrete pockets based on the introverted concept of neighbourhood unit or super block. This has given rise to a coarse grain urban environment characterized by single dwelling units and building ancillary thereto on large plots of land (garden city concept). As such there is a high impact on available land in relation to population size, and travel within the city is costly in terms of time. This gives rise to inefficiency in the use of energy, transportation and movement, and delivery of services.
- Separation of land uses, urban elements, races and income groups. The dominant land use pattern resembles a series of relatively homogenous blobs of different uses tied together by high speed transport routes. The separation of places of work and residence was deeply entrenched in the philosophy of urban management. A large number of the poor are living on the urban periphery further away from the opportunities.
- Despite businesses being attracted to decentralised locations, the central area has shown some resilience in that new businesses have moved in to occupy space vacated by those who have moved to decentralised locations. However, decay/decline is evident in some sections of the central area.
- The combined consequences of these spatial patterns have been phenomenal leaving the area with entrenched inequality and functional inefficiency. It created islands of spatial affluence in a sea of geographical misery (CSIR, July 2002:4). It created a distorted, fragmented, incoherent and inefficient settlement pattern. It also gave rise to spatial, social and economic exclusion of certain race groups to the benefit of other, and created a poorly functioning land and housing market.

### 3.29.5. Economic Stagnation.

Over the last few decades, the economy of the Newcastle Municipality area of jurisdiction experienced variable trends marked, in all, by shift from one sector to the other and general decline in both output and performance. Although some mining activities are still evident in the area, it is no longer appropriate to regard Newcastle as a coal mining town. The same applies to agriculture. Both sectors have shed a number of jobs and their contribution to the local economy is at the lowest point ever. Manufacturing remains the main economic activity in the NLM, but is itself facing a number of structural challenges which if not addressed at this juncture will relegate this sector into insignificance. These challenges include the dominance of the clothing and textile sub-sector which implies the lack of economic diversity, poor labour conditions in some of the factories and lack of new investment.

In the light of this, there is an urgent need to redefine the role of Newcastle in the provincial and national economy. This may include the identification of new sectors, diversification of some existing factors and strengthening functional integration between Newcastle Town and the surrounding rural hinterland. Tourism development is also one of the key sectors that need to be explored.

### 3.29.6. Poor Access to Social Facilities.

Huge backlogs in the delivery of public services have been identified as one of the key issues facing Newcastle Municipality. It manifests itself in the following forms:

- Poor condition of schools, which does not contribute to building a culture of learning and teaching.
- Poor access to institutions for early childhood education. This field has been identified by the national government as a priority area of intervention.
- Poor access to health services which affects delivery of primary health care. The latter is a strategy used by the national government to deliver health services.
- Poor access to library services which also affects the development of a culture of learning and teaching.
- Poor access to welfare services including pension pay points, magistrate services, etc.
- Poor access to cemeteries.

Attention should be given to lack of sport fields, parks and swimming pools in the MBO area in order to revive the sport in Newcastle considering that the municipality has a history of producing world stars on soccer.

### 3.29.7. Infrastructure Backlog.

Access to basic services is one of the main elements of socio-economic wellbeing of an area. The status of the physical and economic development level of a community such as that of Newcastle is often measured based on the provision and quality of infrastructure for technical services, i.e. access to roads, electricity, water and sanitation. These are found to be a huge challenge for Newcastle Municipality whereas the town suffers from maintaining of existing services while rural areas have no basic services at all. In addition, the Newcastle Local Municipality is challenged with the maintenance and development of basic road and storm water infrastructure to serve the local community, particularly in the Newcastle East. This will be severely constrained by limited financial resources. Public transport plays an important role in the economy of Newcastle and deserves some attention in the planning efforts of the municipality.

### 3.29.8. Poor Quality of the Environment.

The quality of the environment within the NLM requires an urgent attention. This is symbolized mainly by the following:

- Deteriorating quality of water due to mining activities, pit latrines, use of pesticides and fertilizers, and other water contaminating activities.
- Poor air quality due to emissions. Equipment for air quality monitoring is in place but has not been maintained. Closer collaboration with local industries needs to be developed in this regard.
- Urbanization which results in the establishment of settlements in areas that is unsuitable for human habitation. These include flood lines, wetlands, etc.
- Waste collection and disposal. The municipality needs to work together with local communities, particularly in the townships to develop community based programs for keeping the area clean.
- General lack of active open space in the NLM, particularly the township areas.
- Dirt roads which also contribute to a sterile environment.

### 3.29.9. Financial Management and Accounting.

The general lack of requisite knowledge by the finance team on GRAP/GAMAP requirements culminates in:-

- An inability to account for financial accounts in line with GRAP/GAMAP accounting standards;
- Reliance on consultants in preparing financial statements in line with GRAP/GAMAP requirements by municipalities already converted from IMFO to GRAP/GAMAP;
- Lack of preparedness by those municipalities still to convert to GRAP/GAMAP requirements; and
- Financial systems not geared towards GRAP/GAMAP requirements.

In addition, the financial diagnostic report identifies the following challenges in financial administration, management and reporting within municipality:

- Lack of systems of internal controls to manage assets evidenced by asset registers not updated when acquisitions, impairments or disposals are made. Reconciliations' of the asset register to the general ledger not performed. Further, the existence of assets cannot be ascertained due to a lack of ongoing process to verify them.
- Inadequate revenue collection systems within municipalities evidenced by low recovery of amounts owed for municipal services from consumer debtors, Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts, Lack of advice to the council on revenue enhancement mechanisms.
- Lack of month end discipline resulting in month end closure not performed, critical month end reconciliations not performed, inability to identify completeness of recording of transactions, and inability to report meaningfully to the municipal structures on financial performance;

- Poor record management resulting in difficulties in tracing financial records supporting the financial affairs of the municipality;
- Lack of processes to identify and manage unauthorised, irregular and wasteful expenditure;
- Issues raised by the Office of the Auditor General not followed up and cleared on time.

### 3.29.10. High Rate of Poverty.

Poverty manifests itself in different dimensions with income poverty and human poverty being the most common. Income poverty refers to the lack of sufficient income to satisfy basic food needs and essential non-food needs such as clothing, energy and shelter. It arises from a high rate of unemployment, poor access to productive resources, lack of marketable skills and general lack of job opportunities.

Human poverty broadly refers to the lack of basic human capabilities and it arises from high representation of the members who cannot read, write and numerate food insecurity, malnutrition, declining life expectancy, increase of sickness and deaths related to preventable diseases and poor access to basic services. Overcrowding also contributes to this situation.

### 3.29.11. Impact of HIV and AIDS.

Accurate statistical information about the prevalence of HIV and AIDS in the NLM could not be obtained. However, AIDS has generally been identified as one of the key factors that will influence development over the next few decades. HIV and AIDS will lead to a range of social and economic problems including the following:

- Increase in the dependency ratio as the number of the economically active who dies of AIDS increase.
- Increase in the number of orphans, which in turn may put strain on the limited welfare budget.
- Decline of population with 20 and below years of age.
- Increase in the number of households with members who need special care and treatment thus putting burden on their families, particularly women who are often the ones who look after the seek in addition to their daily activities
- Slowing of population growth.
- Lack of income in cases where breadwinners die of AIDS.
- Low productivity rate.

### 3.29.12. Debt Management.

Newcastle Municipality has a total debt roll amounting to R 748 934 335. The majority of this is more than 180days old. Individual households account for R647 851 436 of this amount while government departments owing about R23 174 411. This situation arises from a number of factors including the following:-

- Lack of control over excessive water leaks is the main and major contributing factor for low payment factor – where does a person start paying an account when it amounts to thousands of rands.
- Indigent using excess water – about 14100 indigent accounts have arrears of R 178 million leaving only about 7000 accounts having balances of less than R 500.
- Electricity meter audit not yet finalized – awaiting technical section report
- Lack of community and or buy in from communities
- No policies regarding water leaks other than that account is to be paid
- Need an improved customer care facility, i.e. call centre, with a proper query recording system.

However, the politicians are showing the political will to resolve this predicament by resolving that a Task Team needs to be established with a clear plan to improve the payment factor.

### 3.29.13. Lack of Financial Discipline.

| KEY PERFORMANCE AREAS | KEY ISSUES |
|---|---|
| Spatial Rational | • The role of Newcastle as a regional hub in the northern part of KZN.<br>• Spatial fragmentation between Newcastle East and Newcastle West.<br>• Low density largely informal urban sprawl particularly in Newcastle East.<br>• Increase in the isolated and dislocated settlements such as Ingogo.<br>• Lack of housing opportunities for the poor in and around the CBD.<br>• Settlements occurring in environmentally sensitive areas.<br>• Implementation of a wall-to-wall scheme. |
| Municipal Transformation and Organisational Development | • Appointment of females and the disabled in senior management positions.<br>• Implementation of Municipal Turn Around Strategy.<br>• Developing systems for effective information management and institutional memory.<br>• Ongoing staff training and capacity building.<br>• Ability to attract and retain qualified and experienced staff in technical and financial management functions. |
| Service Delivery and Infrastructure Analysis | • Aging infrastructure in Newcastle West.<br>• Service backlogs in JBC and surrounding rural settlements.<br>• Lack of spare capacity in the water treatment works.<br>• Storm water management.<br>• Dirt roads in the MBO.<br>• Poorly located landfill site.<br>• Informal settlements.<br>• Lack of social housing opportunities. |
| Local Economic and Social Development | • Lack of investment.<br>• Lack of structured support for the SMMEs.<br>• Decline in the agricultural sector.<br>• Decentralisation of shopping facilities and increase in the number of shopping centres.<br>• Opportunities in the coal mining sector. |
| Municipal Financial Viability and Management | • Debt collection.<br>• Revenue generation.<br>• Implementation of the MPRA.<br>• Financial management. |

| KEY PERFORMANCE AREAS | KEY ISSUES |
|---|---|
| Good Governance and Public Participation | • Legislative compliance. |

## 3.30. Project Prioritization Model.

The Project Prioritization Model relates to the proposed capital projects and operational activities aimed as remedial actions to the identified issues of service delivery at ward level. This is a strategic approach towards project prioritization and budget which not only considers the short-term deliverables, but also the medium-to-long term objectives. The model is informed by submissions received though public participation processes, amongst others, the Community Based Planning process which involves the Ward Councillors and their respective Ward Committees as part of the key stakeholders.

The intension of the approach is not only to influence project prioritization within the Newcastle Local Municipality, but to also guide planning within other government sector departments. Moving forward, the model will also align to the ADM District Development Model upon finalisation, and this is in order to better foster buy in from key external stakeholders. The prioritization exercise will also entail key discussions with municipal Council, in order to ensure a clear representation of the community interests at grass-root level.

## 3.30.1. Template on the Project Prioritization Model.

| | Challenge | Wards | Role Payer | Priority Wards | Strategy | Action Plan | CAPEX/ OPEX | Commit (Y/N) | 5 Year Budget Estimates (Rands) | | | | | Source of Funding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
| 1. | Poor access to energy for cooking and lighting | 7, 9, 30, 6, 12 | Dept. of Technical Services | - | - | Upgrade 11 and 132 KV substation | CAPEX | No | - | 40,000,000.00 | 43,600,000.00 | 44,000,000.00 | 44,500,000.00 | Internal |
| | | | | | | | OPEX | No | - | 10,000,000.00 | 10,000,000.00 | 10,000,000.00 | 10,000,000.00 | Internal |
| | | | | - | - | Load Balancing-Industrial Area | CAPEX | No | - | 5,000,000.00 | 5,000,000.00 | 5,000,000.00 | 5,000,000.00 | - |
| | | | | | | | OPEX | No | - | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | - |
| 2. | Poor access to adequate water and sanitation (i.e. Installation of toilets and bulk sewer, the upgrading of pipes) | 2, 3, 4, 5 14, 19, 27, 29, 20, 22, 23, 24, 25, 7, 8, 9, 11, 13, 30, 6, 12, 15, 18, 33, 22, 31, 30 | Dept. of Technical Services | - | - | Upgrade of Madadeni West water treatment works | CAPEX | Yes | - | 26,566,234.00 | 25,000,000.00 | - | - | MIG |
| | | | | - | - | Blaaubosch bulk water project | CAPEX | Yes | - | 10,000,000.00 | 10,000,000.00 | 18,000,000.00 | 20,000,000.00 | MIG |
| | | | | - | - | Osizweni urban access road phase 4 | CAPEX | Yes | - | 10,000,000.00 | 10,000,000.00 | 18,000,000.00 | 20,000,000.00 | MIG |
| | | | | - | - | Madadeni urban access road and Stormwater phase3 | CAPEX | Yes | - | 4,000,000.00 | 10,000,000.00 | - | 2,071,118.00 | MIG |
| | | | | - | - | Pipe replacement and upgrade project | CAPEX | Yes | - | 15,000,000.00 | 20,000,000.00 | 40,000,000.00 | 13,082,427.00 | MIG |
| | | | | - | - | Viljoenpark Bulk services phase2 | CAPEX | Yes | | 10,000,000.00 | 10,590,285,86 | 40,000,000.00 | 19,772,788.00 | MIG |
| | | | | - | - | Staffordhill waterborne sewage refurbishment of toilet structures phase5 | CAPEX | Yes | - | 5,600,000.00 | - | - | 1,489,699.00 | MIG |
| | | | | - | - | Osizweni E and F waterborne sewage scheme phase4 | CAPEX | Yes | - | 8,608,600.00 | - | - | - | MIG |
| | | | | - | - | Replacement of DN150 | CAPEX | Yes | - | 10,000,000.00 | 15,000,000.00 | 19,300,000.00 | - | MIG |

| | Challenge | Wards | Role Payer | Priority Wards | Strategy | Action Plan | CAPEX/ OPEX | Commit (Y/N) | 5 Year Budget Estimates (Rands) | | | | | Source of Funding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
| | | | | | | Bulk outfall sewer clay pipeline in Staffordhill (ward14, 18, 19 and 29) | | | | | | | | |
| | | | | - | - | Upgrade and refurbishment of bulk sewer pipeline from Siyahlala- La to voortrekker pump station | - | - | - | - | - | - | - | - |
| | | | | - | - | Replacement of AYLIFF pump station rising main | OPEX | Yes | - | 1,000,000.00 | 1,000,000.00 | - | - | Internal |
| | | | | - | - | Upgrade of sewer pipeline in Newcastle West | OPEX | No | - | - | - | 1,000,000.00 | 1,000,000.00 | Internal |
| | | | | - | - | Upgrade of sewer pipeline in Newcastle East | - | - | - | - | - | - | - | - |
| | | | | - | - | Meter replacement and new installation (domestic and bulk) | OPEX | Yes | - | 10,000,000.00 | 5,000,000.00 | - | - | WSIG |
| | | | | - | - | Installation of water network (stand pipes) | OPEX | Yes | - | 3,000,000.00 | 1,000,000.00 | - | - | WSIG |
| **3.** | Poor road infrastructure (i.e. Upgrading of gravel roads and maintenance of potholes) | 34, 20, 23, 26, 27, 28, 29, 31, 7, 8, 13, 17, 30, 32, 6, 12, 18, | Dept. of Technical Services | - | - | Streetlights and high mast lighting | CAPEX | No | - | 10,000,000.00 | 10,000,000.00 | 10,000,000.00 | 10,000,000.00 | Internal |
| | | | | | | | OPEX | No | - | 4,000,000.00 | 4,000,000.00 | 4,000,000.00 | 4,000,000.00 | Internal |
| | | | | - | - | Regravelling at Madadeni – 10km | OPEX | TBD | - | 10,000,000.00 | 10,000,000.00 | 10,000,000.00 | 10,000,000.00 | Internal |
| | | | | - | - | Regravelling at Osizweni – 10km | OPEX | TBD | - | 10,000,000.00 | 10,000,000.00 | 10,000,000.00 | 10,000,000.00 | Internal |
| | | | | Madadeni wards | - | Light grading, pothole | OPEX | TBD | - | 10,000,000.00 | 11,000,000.00 | 12,000,000.00 | 14,000,000.00 | Internal |

| | Challenge | Wards | Role Payer | Priority Wards | Strategy | Action Plan | CAPEX/ OPEX | Commit (Y/N) | 5 Year Budget Estimates (Rands) | | | | | Source of Funding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
| | | 21, 3, 15, 10, 21, 1, 33 | | | | patching and stormwater management – Madadeni. | | | | | | | | |
| | | | | Newcastle West wards | - | Light grading, pothole patching and stormwater management – Newcastle West. | OPEX | TBD | - | 5,000,000.00 | 6,000,000.00 | 6,000,000.00 | 7,000,000.00 | Internal |
| | | | | Ngagane /Kilbarchan wards | - | Light grading, pothole patching and stormwater management – Ngagane/Kilbarchan. | OPEX | TBD | - | 500,000.00 | 600,000.00 | 700,000.00 | 800,000.00 | Internal |
| | | | | 1 | - | Light grading, pothole patching and stormwater management – Charlestown | OPEX | TBD | - | 1,000,000.00 | 1,100,000.00 | 1,200,000.00 | 1,200,000.00 | Internal |
| | | | | - | - | **NN CBD** ( Hardwick street, Marconi, Montague, Albert wessels, Albert wessels to magnolia, Bmw to Allen, Bird street, Hardwick-Van der byl to Albert Wessels) | CAPEX | No | - | 32,590,740.00 | 213,759,200.00 | 26,208,000.00 | 33,196,800.00 | Internal |
| | | | | - | - | **NN Residential** (Auriga street,Impala street, Jenkyn, Link | CAPEX | No | - | 2,293,000.00 | 26,063,856.00 | 8,561,280.00 | 11,466,000.00 | Internal |

| | Challenge | Wards | Role Payer | Priority Wards | Strategy | Action Plan | CAPEX/ OPEX | Commit (Y/N) | 5 Year Budget Estimates (Rands) | | | | | Source of Funding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
| | | | | | | road to hospital, Drakensberg by old Casino, Amethyst Drive) | | | | | | | | |
| | | | | - | - | **Madadeni (**Mad3, Mad2, Mad7- New Spar, Nkosibambatha road- Boxer**)** | CAPEX | No | - | 8,255,520.00 | 5,350,800.00 | 12,588,000.00 | 11,466,000.00 | Internal |
| | | | | - | - | **Osizweni (**Osiz6, OB77, Osiz2, OB53) | CAPEX | No | - | 7,644,000.00 | 7,644,000.00 | 12,776,400.00 | 7,644,000.00 | Internal |
| **4.** | Poor access to health facilities (i.e. Clinic/upgrade of old clinic, old age home and hospice, HIV/AIDS center, increased consultation hours at clinics) | 21, 25, 19, 23, 24, 27, 29, 9, 10, 13, 17, 32, 6, 12, 15, 18, 33 | Dept. of Health | | | | | | | | | | | |
| **5.** | Poor access to educational facilities (i.e. primary Schools, high schools, finishing school and ECD centers) | 21, 5, 14, 19, 24, 26, 31, 20, 9, 11, 6, 15, 33 | Dept. of Education | | | | | | | | | | | |

| | Challenge | Wards | Role Payer | Priority Wards | Strategy | Action Plan | CAPEX/ OPEX | Commit (Y/N) | 5 Year Budget Estimates (Rands) | | | | | Source of Funding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
| **6.** | Poor access to public facilities (i.e. Community hall and youth center; Library, pensioners pay point, skills incubation center, swimming pool) | 14, 31, 9, 6, 8, 12, 1, 5, 21, 25, 20, 23, 24, 28, 29, 31, 7, 8, 11, 13, 6, 15, 18 | Dept. of Community Services | 14, 31, 6 | Improvement and provision of access to community facilities. | - | CAPEX | No | - | 12,000,000.00 | 12,000,000.00 | 12,000,000.00 | - | TBD |
| | | | | 15 & 18 | Improvement and provision of access to community facilities. | Construction of blaaubosch library<br><br>(Department to conduct situational analysis, acquire funding) | CAPEX | Yes | 7,135,894.00 | 40,000,000.00 | 8,000,000.00 | - | - | NDPG |
| **7.** | Poor access to sports and recreational facilities (i.e. Sports field and recreational hall, children's play park, indoor cricket facility, netball and basketball court, public gym) | 1, 3, 4, 5, 21, 25, 34, 14, 19, 23, 24, 26, 28, 29, 31, 10, 11, 17, 32, 6, 12, 15, 18 | Dept. of Community Services | - | - | Department to conduct situational analysis in order to Audit of all sport facilities. | OPEX | No | - | - | - | - | - | TBD |
| | | | | - | - | Costing of the development of the facilities for sourcing funding. | OPEX | No | - | - | - | - | - | TBD |
| **8.** | Fencing of the N11 from Charlestown to Wykom | 1 | Dept. of Transport | | | | | | | | | | | |
| **9.** | Poor access to LED (Job creation: The revival | 1, 29, 9, 11, 5, 10, | Dept. of Development Planning and Human | - | - | - | - | - | - | - | - | - | - | - |

| | Challenge | Wards | Role Payer | Priority Wards | Strategy | Action Plan | CAPEX/ OPEX | Commit (Y/N) | 5 Year Budget Estimates (Rands) | | | | | Source of Funding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
| | of the firms and introduction of shopping center, Youth unemployment, Mini market, Poverty and unemployment alleviation, indigent support, involvement in municipal programmes and projects (i.e. EPWP), entrepreneurship and the allocation of 30% of total value in terms of the allocated projects, Provision of food security (i.e. community gardens) | 21, 20, 9, 13, 17, 32, 6, 15, 18 30, 28,18 | Settlements | | | | | | | | | | | |
| **10.** | Poor maintenance of stormwater drains (i.e. V-drains) | 2, 3, 4, 20, 22, 27, 28, 8, 9, 10, 17, 26, 34 | Dept. of Technical Services | - | - | Maintenance of industrial siding to Transnet | CAPEX | Yes | - | 6,000,000.00 | 1,000,000.00 | 1,200,000.00 | 1,400,000.00 | Internal |
| | | | | - | - | Maintenance of industrial siding to Transnet | OPEX | Yes | - | 8,000,000.00 | - | - | - | Internal |

| | Challenge | Wards | Role Payer | Priority Wards | Strategy | Action Plan | CAPEX/ OPEX | Commit (Y/N) | 5 Year Budget Estimates (Rands) | | | | | Source of Funding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
| 11. | Poor environmental management services and community safety (i.e. Illegal dumping and crime in vacant sites, cutting of trees, grass cutting, Skip bins, termite infestation in the floor cracks of some of the 4 rooms, cleaning of dongas, cleaning of streams and rivers, Soil stabilizer to reduce soil erosion of river banks) | 2, 3, 22, 28, 10, 9, 1, 12, 18, 11, 17, 32, 26 | Dept. of Community Services | - | - | Purchase of tree felling equipmen and vehicle | CAPEX | No | - | - | - | - | - | Internal |
| | | | | - | - | Budget allocation for the filling of critical vacancies | OPEX | No | - | - | - | - | - | Internal |
| | | | | - | Eradication of illegal dumping | Purchase of Tipper with grab | CAPEX | No | 2,300,000.00 | 825,000.00 | 900,000.00 | 1,000,000.00 | 1,100,000.00 | Internal |
| | | | | - | Eradication of illegal dumping | Erecting of No Dumping Signs | OPEX | No | 800,000.00 | 60,000.00 | 70,000.00 | 80,000.00 | 90,000.00 | Internal |
| | | | | - | Eradication of illegal dumping | - | - | No | - | - | - | - | - | - |
| | | | | - | Establishment of a landfill site | Expedite the process of identifying and licensing of a new site. Separation at source project and promote recycling | CAPEX | Yes | 3,000,000.00 | - | 3,500,000.00 | 4,000,000.00 | 4,500,000.00 | Internal |
| | | | | - | - | Maintenance of Landfill Site | CAPEX | Yes | - | 25,000,000.00 | 3,500,000.00 | 4,000,000.00 | 4,500,000.00 | Internal |
| | | | | - | - | Maintenance of Landfill Site | OPEX | Yes | - | 3,000,000.00 | 3,500,000.00 | 4,000,000.00 | 4,500,000.00 | Internal |
| | | | | - | - | Replacement of plant and equipment (Dozer, Weight bridge) | CAPEX | Yes | - | R 10 000 000 | R 8 000 000 | R 10 000 000 | R 10 000 000 | - |

| | Challenge | Wards | Role Payer | Priority Wards | Strategy | Action Plan | CAPEX/ OPEX | Commit (Y/N) | 5 Year Budget Estimates (Rands) | | | | | Source of Funding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
| **12.** | Poor access to community safety, pedestrian safety and traffic control mechanisms (i.e. pedestrian walkways near D96,pedestrian bridge, speed humps, stop signs and robots, scholar patrol for school children , 3 Phase robot at Victoria Road, Robot in the intersection of the brewery, Mobile police station, streetlights and the replacement of street lights, high mast lights, crisis center) | 4, 5, 14, 19, 20, 22, 24, 29, 7, 8, 9, 10, 11, 13, 30, 4, 19, 5, 21, 14, 26, 27, 29, 31, 11, 15, 18, 33, 3, 19, 20, 22, 24, 27, 28, 7, 8, 9, 10, 13, 30, 6, 12 | Dept. of Community Services | - | Road Safety Audit | Department to Conduct a Road Safety Audit within various wards | OPEX | No | - | - | - | - | - | Internal |
| **13.** | Sustainable human settlements and security of | 25, 9, 17, 19, 29, 31, | Dept. of Development Planning and Human | - | - | Middle income housing development/ vacant | CAPEX | Yes | - | - | - | - | 454,000,000.00 | - |

| | Challenge | Wards | Role Payer | Priority Wards | Strategy | Action Plan | CAPEX/ OPEX | Commit (Y/N) | 5 Year Budget Estimates (Rands) | | | | | Source of Funding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
| | tenure (i.e. Siyahlala la and the provision of housing, roads, schools, churches, supermarkets , land tenure upgrading, occupation of vacant sites, title deeds, RDP, removing of asbestos, ratification of housing) | 19, 20, 22, 23, 24, 26, 27, 31, 8, 11, 13, 6, 12, 15, 18, 33, 7, 9, 16, 17, 30, 32, 25, 34 | Settlements | | | middle income earners. | | | | | | | | |
| | | | | - | - | Blaaubosch, Johnstown and Cavan (JBC) Mega housing projects | CAPEX | Yes | - | - | - | - | 24,000,000.00 | - |
| | | | | - | - | Social Housing Units and CRUs | CAPEX | Yes | - | - | - | - | 441,000,000.00 | - |
| | | | | - | - | Social Housing Units and CRUs | OPEX | Yes | - | - | - | - | 210,000,000.00 | |
| | | | | - | - | Low Income Housing Development (Urban) | CAPEX | Yes | - | - | - | - | 335,000,000.00 | - |
| | | | | - | - | Rural Housing Development | CAPEX | Yes | - | - | - | - | 90,000,000.00 | - |
| **14.** | Poor implementation of municipal bylaws | 34 | Dept. of Development Planning and Human Settlements | | | | | | | | | | | |
| **15.** | Poor access to telecommunications facilities (i.e. ICT center, WI-FI) | 24, 20 | Office of the Municipal Manager | | | | | | | | | | | |
| **16.** | Poor access to quality student accommodation. | 26 | Dept. of Development Planning and Human Settlements | | | | | | | | | | | |

| | Challenge | Wards | Role Payer | Priority Wards | Strategy | Action Plan | CAPEX/ OPEX | Commit (Y/N) | 5 Year Budget Estimates (Rands) | | | | | Source of Funding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
| **17.** | Education/ skills training (i.e. Bursaries for matriculants) | 9 | Dept. of Education | | | | | | | | | | | |
| **18.** | No access to war room | 10 | Office of the Municipal Manager | | | | | | | | | | | |
| **19.** | Poor public health and safety (i.e. asbestos) | 11 | Dept. of Development Planning and Human Settlements | | | | | | | | | | | |
| **20.** | Poor access to infrastructure for the disabled. | 9 | Office of the Municipal Manager | | | | | | | | | | | |
| **21.** | Alcohol and drug abuse (i.e. programmes towards the reduction of substance abuse, rehabilitation centers, Crime and safety (i.e. Substance abuse, unregulated taverns)) | 16,25, 13 | Office of the Municipal Manager | | | | | | | | | | | |
| **22.** | Construction of a taxi rank | 1 | Dept. of Community Services | | | | | | | | | | | |
| | | | Dept. of Transport | | | | | | | | | | | |

## 3.31. IDP Steering Committee Action Plan on the comments by the MEC: KZN-COGTA.

**LEGEND:**

| | |
|---|---|
| | Areas that still need further attention. |
| | Partial compliance with the IDP Guidelines, thus room for improvement. |
| | Full compliance with IDP Guidelines. |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| **KPA 1: Municipal Transformation and Institutional Development = 4.4** | | | | | | | | |
| 1.1. | Commended for ensuring key human resource policies are in place i.e. Workplace Skills Plan (WSP), Human Resource Management Plan, Recruitment and Selection Policy, Employment Equity Plan. | | Workplace Skills Plan: was approved in April 2021 | Next review will be conducted during the 2021/22 financial year. | - | - | Human Resource Section | NA |
| | | | HRM Plan: The last review was done in March 2018 | Next review scheduled for August 2021/22. | | | | Yes |
| | | | Recruitment & Selection Policy is currently being reviewed. | Ongoing. | | | | No |
| | | | Employment Equity Plan: was last reviewed in September 2016. | August 2021 | | | | No |
| 1.2. | To provide an update on the development of the Human Resource Strategy. | | It still under review and the next approval is scheduled for 2021/2022. | To be reviewed by June 2021 | - | - | Human Resource Section | No |
| 1.3. | Commended for providing up to date information for your Workplace Skills Plan (WSP). | | Noted. | - | - | - | Human Resource Section | NA |
| 1.4. | Commended for having a Council approved Organisational Structure and providing time-frames as to its review. | | Noted, the organogram is scheduled for review. | During the 4rd quarter of 2020/21. | - | - | Human Resource Section | No |
| 1.5. | Commended for including the organisational vacancy rate, as opposed to just including senior management vacancy rate. | | Noted, Information on the vacancy rate will be updated based on the changing circumstances. | - | - | - | Human Resource Section | NA |
| 1.6. | To provide updated information on the critical | | Noted, Information on the vacancy rate will be | - | - | - | Human Resource Section | No |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| | positions in the next review of the IDP. | | updated based on the changing circumstances. | | | | | |
| 1.7. | Staff Retention Policy | | Currently in Draft phase | - | - | - | Human Resources Section | No |
| | **MEC COMMENTS** | **20/21** | **ACTION PLAN** | **IMPLEMENTATION DATE** | **CHALLENGES** | **RECOMMENDATIONS** | **RESPONSIBLE DEPARTMENT** | **INFORMATION RECEIVED (YES/NO)** |
| **KPA 2: Local Economic Development = 3.3** | | | | | | | | |
| 1.8. | Commended the LED Strategy for factoring inputs received from MEC comments and other stakeholders. | | Noted. | - | - | - | Local Economic Development | NA |
| 1.9. | Commended the LED Strategy for being aligned to the National Framework on LED | | Noted. | - | - | - | Local Economic Development | NA |
| 1.10. | Commended the LED Strategy for being in line with the PGDP and the DGDP priorities. | | Noted. | - | - | - | Local Economic Development | NA |
| 1.11 | To quantify backlogs and total contribution to the PGDS with regards to job creation, access to basic services, ECD and skill development | | Noted. Led core enabling pillars have been added as addendum to the LED Strategy. Additional item to be served at PSC. | | - | - | Local Economic Development | Yes |
| | | | Statistics on the total contribution to the PGDS regarding job creation will be sourced from the relevant government sector departments i.e. KZN EDTEA, KZN Treasury, Stats SA. | Ongoing | Due to the current economic climate, the mentioned statistics is not easily sourced nor identified due to the erratic economy. | The completed job creation list provided by EPWP and CPWP may allow a tentative estimation on the number of jobs created. | Local Economic Development | No |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| | | | **ECD initiatives**<br>**Private Sector CSI;**<br>• Afrisam currently completing ECD Center in Ngagane.<br>• NPC - Currently revamping blockyard in Madadeni – Training and skills development for provision of start-up materials to block makers.<br>• Future Coal - Have already established Tunnel Farming for food production and also established a sewing project for the manufacture of overalls and other PPE items.<br>• Waiting for figures from Social Welfare and Department of Education. | | | | | Yes |
| 1.12. | To provide a clear 5year trajectory for targets set on job creation and access to basic services | | Arising from PGDS strategies are in place however no evidence of roll out as yet. Only sector priorities have been documented. This department need urgent Budget to do more poverty Alleviation projects. (Financial constraints). | Ongoing | Funding required - Due to the current economic climate, the mentioned statistics is not easily sourced nor identified due to the erratic economy | Source funding from other agencies. - The completed job creation list provided by EPWP and CPWP may allow a tentative estimation on the number of jobs created. | Local Economic Development | No |
| 1.13. | To define backlogs and set targets for skills development and ECDs. | | Engage with the Department of education with regards to the analysis of the needs pertaining to ECD and skills development. Factoring in SEDA and SETA. An engagement | April 2021 – July 2021 | Funding required | - | Local Economic Development | Yes |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| | | | with the IGR Forum took place which outlined the ECD programs. Awaiting the statistics on the number of ECD funded and/or implemented to further identify backlogs. | | | | | |
| 1.14. | To provide an analysis on food production initiatives offered to households within the municipality. | | Gather information on food production initiatives within our jurisdictional area. Information will cater for initiatives from the government sector departments and private sector. | March 2021 | - | - | Local Economic Development | Yes |
| 1.15. | To finalise, adopt and implement the Business Retention and Investment Policy. | | This has been done by the Unit on the 16th of January 2018 and approved by council. | (Provided to the IDP Unit) | - | - | Local Economic Development | Yes |
| 1.16. | To develop and implement the EPWP 4 aligned policy | | Information to be provided to the IDP Unit by the relevant official. | March 2021 | - | - | EPWP Section | Yes |
| 1.17. | To develop a plan to mobilise private sector funding, including the tabulation of a budget for research and development specifically towards local economic development. | | The development of an investment brochure to market and mobilise private sector funding. The brochure is in the process of development. The concept document has been completed and is regularly updated with new projects for investment promotion purposes. | Ongoing – Concept document completed | | | Local Economic Development | Yes |
| | | | The filling of critical of positions which has been escalated in the 2021/22 Strategy Plan which took place in February 2021. The Local Labour Forum and Human Resources are currently in the process of filling the mentioned critical vacancies. | - | Lack of funds for Research and Development (R&D). | To use own SMME. To appoint a Research practitioner. | | Yes |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| | | | Additionally, the Investment Promotion Policy can be utilized. Please refer to the IPP. | - | - | - | | Yes |
| 1.18. | To develop a comprehensive and realistic Municipal Safety Plan. | | The NLM Community Safety Plan has been developed by the Department of Community Services. | - | - | - | Community Services | Yes |
| 1.19. | To provide a thorough analysis on safety and security as well as nation building and social cohesion. | | The NLM Community Safety Plan has been developed by the Department of Community Services. | - | | - | Community Services | Yes |
| 1.20. | To facilitate the development or resuscitation of the LED Forum to ensure coordination among vital sectors i.e. Agriculture, manufacturing and Tourism | | **COMPLETED.**<br><br>The launch of the LED Forum took place on the 16th of March 2021 virtually. The LED Forum meeting will be held by monthly (Every second month). | March 2021 | None | Multi-stakeholder engagements | Local Economic Development | Yes |
| 1.21. | To provide an analysis of the functionality of the district LED Forum. | | The District LED Forum has been non-functional/in-active. However, the Newcastle Municipality has made provision for the District Municipality to have representation on the LED Forum. | - | Based on our knowledge, the District LED Forum is not functional. Detailed information on the functionality can be provided once the district LED Forum has been resuscitated by the district manager LED. | Development of Terms of Reference for the District forum to be developed by the Manager LED from the district municipality. | ADM Local Economic Development | Yes |
| 1.22. | The municipality is required to identify and implement opportunities and initiatives in the Green Economy (recycling, renewable energy, rainwater harvesting, etc.) | | Green economy initiatives have been incorporated into the IDP.<br>Green economy initiatives have been identified and supplied to the IDP Unit. Information on new initiatives is being sourced and is an on-going | Completed<br>- Regularly will be updated with new initiatives. | -- | - | Local Economic Development | Yes |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| | | | process together with Community services to identify new opportunities. | | | | | |
| 1.23. | To prioritise the vulnerable groups on the beneficiation from all programmes through Supply Chain Management process. | | SMME Preferential Procurement Policy in place however implementation is the jurisdiction of Supply chain Unit. | Ongoing | - | To further engage with SCM in order to enhance implementation. | Supply Chain Management Unit | No |
| | | | SMME's are not clearly identified by SCM Policies, however a database should be supplied to the SCM directorate by LED. SMME's should be encouraged to register on the CSD Database from where SCM will ring fence a certain amount of funds to encourage procurement from that particular sector. | - | - | - | Supply Chain Management and Local Economic Development | No |
| | | | The LED Unit will be releasing an advert to encourage the SMME owners to register on the CSD website. SEDA will also assist with this function.<br>The LED Unit has taken an active role in communicating with SMME owners to follow due processes by encouraging them to register on the CSD Website. Telephonic calls were made to all SMME owners. Please see attached of the database of SMME Owners. | Completed – An ongoing process with regard to contacting SMME owners to follow due processes and register on CSD | - | - | Local Economic Development | Yes |
| 1.24. | To identify priority issues and proposals on Ease of Doing Business / Red tape reduction | | Incentive Scheme: Previous incentive scheme which has been approved, has been reviewed by the | Ongoing | To identify if the Incentive scheme is still applicable considering the | Multi-stakeholder. Buy-in Rates rebate has been offered and valid where | Local Economic Development | Yes |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| | | | Finance Department and has offered the attached Rates Rebate. | | current financial constraints. | businesses/investors can benefits as an incentive. | | |
| | | | BR&E: Business Retention and Expansion strategy completed and to assist business to expand and retain business. | - | | | | Yes |
| | | | IPP: Investment Promotion is to promote local and foreign investment into Newcastle. See attachment. | - | - | - | | Yes |
| | | | LED Unit attends regular Provincial and District Red-Tape Reduction Workshops and Forums to be well informed on the latest developments surrounding the ease of doing business. Please see the attachment labelled Red tape reduction workshops. A concept document which tabulates internal and external challenges and interventions has been completed. To identify with various departments of possible solutions in the ease of doing business which has been mentioned in the provided document. | Ongoing | Statutory compliance remains a firm internal and external process which needs to be followed. This cannot be influenced nor changed. | Internal process flows to be revised for potential ease of doing business. | | No |
| 1.25. | To provide information on the functionality of the District Development Agency | | Based on our knowledge the District Development Agency is non-existent. Detailed information on the functionality can only be provided once the District development agency has been | - | Based on our knowledge the District Development Agency is non-existent. Detailed information on the functionality can only be provided | - | Local Economic Development | Yes |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| | | | resuscitated by the district manager for LED. | | once the District DEVELOPMENT agency has been resuscitated by the district manager for LED. | | | |
| | | | According to interaction with district officials there and no current Plans to revive the Agency thus SEDA has been established to assist the entire District | - | | | | |
| | **MEC COMMENTS** | **20/21** | **ACTION PLAN** | **IMPLEMENTATION DATE** | **CHALLENGES** | **RECOMMENDATIONS** | **RESPONSIBLE DEPARTMENT** | **INFORMATION RECEIVED (YES/NO)** |
| **KPA 3: Basic Service Delivery and Infrastructure = 2.19** | | | | | | | | |
| 1.26. | To develop the Water Service Distribution Plan. | | An Item to MANCO was presented that the WSDP for 20/21 FY would be done internally by our Water Services | March 2021 | Nil | - | Technical Services | No |
| 1.27. | To develop of the Asset Management Plan for water and sanitation infrastructure. | | An Infrastructural Asset Register in the form of the Information Management Query System (IMQS), is currently in the process of being developed. The WSA is currently in the process of procuring the IMQS so as to better inform the infrastructure needs with regards to water and sanitation. | August 2021 | - | - | Technical Services | No |
| 1.28. | To develop the Infrastructure Procurement Strategy for water and sanitation infrastructure. | | An Infrastructural Asset Register in the form of the Information Management Query System (IMQS), is currently in the process of being developed. The WSA is currently in the process of procuring the IMQS so as to better inform the infrastructure needs with regards to water and sanitation. | August 2021 | - | - | Technical Services | No |
| 1.29. | To develop the Programme Management Plan for water and sanitation infrastructure. | | The Programme Management Plan for water and sanitation | March 2021 | - | - | Technical Services | No |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| | | | infrastructure will be developed during the 2020/21 financial year. | | | | | |
| 1.30. | To provide an End of Year Report on water and sanitation infrastructure. | | The report will be finalised in line with the reporting requirements for Capital and Operational Budget applicable for this particular financial year. | June 2021 | - | - | Technical Services | No |
| 1.31. | To develop a Maintenance Management Plan for water and sanitation infrastructure. | | The Maintenance Management Plan is currently in place and will be provided to the IDP unit for incorporation on the upcoming review. | June 2021 | - | - | Technical Services | No |
| 1.32. | To provide the Operations & Maintenance Review Report for water and sanitation infrastructure. | | The report will be finalised at the end of the financial year, in line with the reporting requirements for the Capital and Operational Budget applicable for this particular financial year. | March 2021 | - | - | Technical Services | No |
| 1.33. | To improve on maps on the raw water abstraction points; the water treatment plants; the pipelines, reservoirs and pump stations conveying the water from the water treatment plants to the municipal residents acknowledged. | | To update information pertain to upgrades that have taken place over the years in order enhance the quality of the maps | On-going | - | - | Technical Services | No |
| 1.34. | To improve on maps overlaying the water infrastructure with the applications lodged in terms of the Municipal Spatial Planning and Land Use Management Bylaw and Human Settlement projects. | | To update information pertain to upgrades that have taken place over the years in order enhance the quality of the maps. | On-going | - | - | Technical Services | No |
| 1.35. | To provide maps showing the wastewater treatment plants, the sewer pipelines, the areas that have VIPs | | The department is in the process of finalising the panel, then subsequently the appointment of a | On-going | - | - | Technical Services | No |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| | and the areas using conservancy tanks. Also required to Use the Census data to identify those areas using conservancy tanks. | | consultant who will improving map with respect to the issue raised | | | | | |
| 1.36. | Required to Categorize the municipal areas as per the 2017 National Norms and Standards for Sanitation Services & as per those for Water Services | | Noted<br><br>Information to be incorporated into the WSDP and also the IDP Unit for incorporation into the next review | August 2021 | - | - | Technical Services | No |
| 1.37. | To provide maps showing the areas supplied per the different categories identified in the 2017 National Norms and Standards for Sanitation and Water Services. | | Noted<br><br>Information to be incorporated into the WSDP and also the IDP Unit for incorporation into the next review. | August 2021 | - | - | Technical Services | No |
| 1.38. | To provide an in-depth description of the water & Sanitation infrastructure that: Needs to be decommissioned, to be replaced, to be repaired, to be upgraded, and to be augmented and the new water & Sanitation infrastructure that is needed. | | Information to be enhanced in line with the requirements by the MEC: KZN-COGTA. | May 2021 | - | - | Technical Services | No |
| 1.39. | Commended for list of the water & Sanitation projects over the three planning horizon from the current financial year but the five planning horizon is required. | | The list will be finalised at the end of the financial year, in line with the reporting requirements for the Capital and Operational Budget applicable for this particular financial year, and stretching over a 5 year horizon. | May 2021 | | | Technical Services | No |
| 1.40. | Commended for the summary (with supporting maps) of the status, backlogs, needs and priorities for solid waste | | Noted. | - | - | - | Community Services | N/A |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| | collection, removal and disposal. | | | | | | | |
| 1.41. | To provide a more in-depth description of the municipality's system to divert waste from the landfill site for recycling (i.e. separation at source, buy back centre, Material Recovery Facilities). | | • In house composting plant, diverting garden waste from Landfill<br>• Onsite informal recyclers (approximately 80)<br>• Buy Back Centre constructed by DEA for Municipality and run by beneficiary. Mpilenhle. | Ongoing | • Staff shortages.<br>• Lack of PPE. | PPE to be Supplied | Community Services | No |
| | | | We out on Expression of Interest (EOI) for Material Recycling Facility (MRF) | EOI was advertised in March 2020 | Funding Issues to implement the project, | Require funding for the construction and operation of the MRF | | No |
| | | | Separation at Source Pilot project funded by UNEP | Pending | | | | No |
| 1.42. | Commended for the updating of the waste management plan. | | Noted. | - | - | - | Community Services | N/A |
| 1.43. | To provide the Energy Service Delivery Plan and subsequent adoption. | | The development of the ESD is in progress. We will be finalising the procurement process. | March 2021 | - | - | Technical Services | No |
| 1.44. | To improve on the summary (with supporting maps) of the status, backlogs, needs and priorities for electricity / energy services. | | The development of the ESDP is in progress. We will be finalising the procurement process. | March 2021 | - | - | Technical Services | No |
| 1.45. | Commended for sufficient information with regards to accessing community facilities like pounds, ECD centres, disabled friendly access etc. | | Noted. | - | - | - | Community Services | N/A |
| 1.46. | Commended for the provision of Human Settlements general information. | | - | - | - | - | Human Settlements | N/A |
| 1.47. | To develop a comprehensive Infrastructure Plan aligned to | | The KZN-IIMP is currently in the process of being developed. The | N/A | - | - | Technical Services | NA |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| | Draft KZN Integrated Infrastructure Master Plan. | | Comprehensive Infrastructure Plan will be developed and aligned to the KZN-IIMP once it is finalised. | | | | | |
| | **MEC COMMENTS** | **20/21** | **ACTION PLAN** | **IMPLEMENTATION DATE** | **CHALLENGES** | **RECOMMENDATIONS** | **RESPONSIBLE DEPARTMENT** | **INFORMATION RECEIVED (YES/NO)** |
| **KPA 4: Financial Viability and Management = 4.9** | | | | | | | | |
| 1.48. | Commended for the 3-year synopsis of funds received, spent, unspent, source of funding, variance tables and contingency plans to address challenges such as delays | | - | - | - | - | BTO | N/A |
| 1.49. | Commended the progress on projects, and also indicate if the project is new/ongoing. | | - | - | - | - | BTO and DPHS | N/A |
| 1.50. | Commended for the number of registered indigents for the previous financial year. | | - | - | - | - | BTO | N/A |
| 1.51. | Commended for the amount allocated for the Indigent Support from the Equitable Share. | | - | - | - | - | BTO | N/A |
| 1.52. | Commended for indicated data with respect to Indigent support, or specifically the projected amounts and the source of funding. | | - | - | - | - | BTO | N/A |
| 1.53. | Commended for the increase or decrease of the indigent support. | | - | - | - | - | BTO | N/A |
| 1.54. | Commended for the Revenue Enhancement Strategy | | - | - | - | - | BTO | N/A |
| 1.55. | Commended for the 3-year debt per category. | | - | - | - | - | BTO | N/A |
| 1.56. | Commended for the debtor's age analysis for the current year. | | - | - | - | - | BTO | N/A |

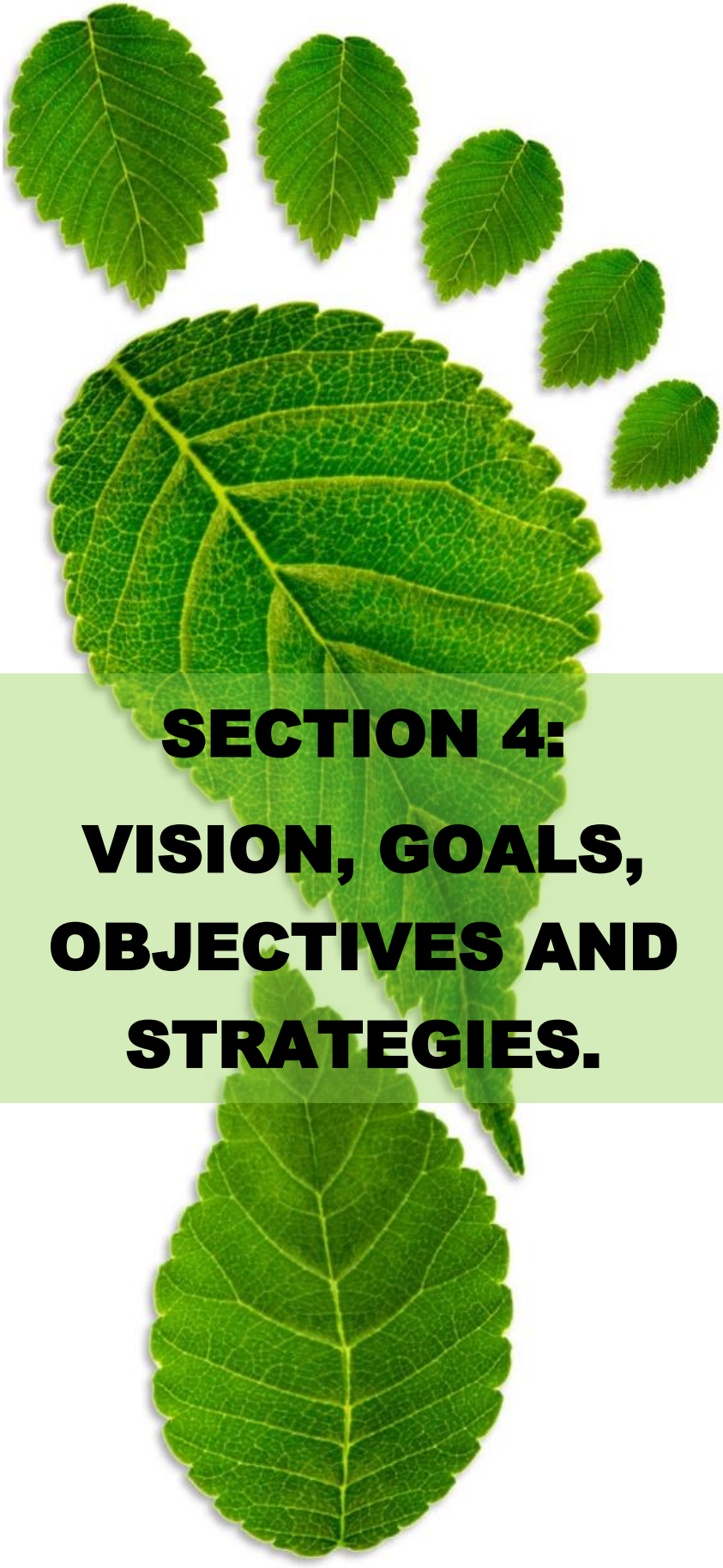
| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| 1.57. | Commended for the Repairs & Maintenance Plan to address the shortlist/ challenges | | - | - | - | - | BTO | N/A |
| 1.58. | Commended for the feasibility of the Repairs & Maintenance Plan. | | - | - | - | - | BTO | N/A |
| 1.59. | Commended for the financial ratios for the previous 2 financial years based on audited AFS | | - | - | - | - | BTO | N/A |
| 1.60. | Commended for indicating the loans/borrowings, purpose, level of grant dependence and the capability of the municipality to repay loans/borrowings. | | - | - | - | - | BTO | N/A |
| 1.61. | Commended the information on the Auditor General's Opinion for the previous financial year. | | - | - | - | - | BTO | N/A |
| 1.62. | Commended the Audit Improvement Plan to make it applicable to the most recent financial year. | | - | - | - | - | BTO | N/A |
| 1.63. | Commended the Municipal Financial Viability & Management SWOT analysis | | - | - | - | - | BTO | N/A |
| 1.64. | Commended the 3 year Operational Expenditure. | | - | - | - | - | BTO | N/A |
| 1.65. | Commended the cohesiveness to assess whether the primary objectives are met by SCM management | | - | - | - | - | BTO | N/A |
| 1.66. | To make provision for the disabled to qualify for tenders on a SCM policy | | The SCM policy is in line with Preferential Procurement Policy Framework Act Regulation of 2017 which all compulsory subcontracting of contracts to make provision for the disabled | Ongoing | The PPPFA regulation of 2017 is not specific to geographical location of people living with disability to cater for people within Amajuba | The Municipality must develop Local Economic Development (LED) strategy or policy to be approved by Council with the provision of prioritising people living with disability within Amajuba jurisdiction on certain procurements. The SCM will | BTO | No |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| | | | to quality for tenders on a SCM Policy. | | District or Newcastle Municipality jurisdiction. It impossible to restrict this provision to be within Amajuba District without supporting legislation or Municipality approved policy | amend the SCM Policy in line with the approved LED policy or strategy. | | |
| | **MEC COMMENTS** | **20/21** | **ACTION PLAN** | **IMPLEMENTATION DATE** | **CHALLENGES** | **RECOMMENDATIONS** | **RESPONSIBLE DEPARTMENT** | **INFORMATION RECEIVED (YES/NO)** |
| **KPA 5: Good Governance and Public Participation= 4.25** | | | | | | | | |
| 1.67. | Commended for the comprehensive coverage and detailed reporting on the Good Governance KPA. | | Noted. | - | - | - | PMS | NA |
| 1.68. | To implement the Batho Pele Principles as per the requirements of the Cabinet resolution dated September 2016 | | The process for the development of the Draft Batho Pele Policy ad Service Delivery Charter has been initiated. | - | - | - | Communications | No |
| 1.69. | To develop a Batho Pele Policy, Service delivery Charter/Standards, and the Service delivery Improvement Plan (SDIP) with an identification of 3 services to be improved. | | The process for the development of the Draft Batho Pele Policy ad Service Delivery Charter has been initiated. | - | - | - | Communications | No |
| 1.70. | Commended for the participation of sector departments in IGR forums within the district. | | Noted. | - | - | - | All | N/A |
| 1.71. | To provide an indication as to whether the strategic pronouncements from | | To be referred to MANCO. | Next Council Meeting | - | - | All | Yes |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| | National & Provincial structures are discussed and progress monitored at the IGR Structures | | | | | | | |
| 1.72. | To provide an indication as to whether IGR Reports are tabled at council. | | To be referred to MANCO. | - | Adherence to the SITTINGS scheduled dates OF IDPRF | We would like to appreciate the introduction of District Development Model to all Government Departments because it will assist in monitoring the processes of all different departments to better serve the community. | - | Yes |
| 1.73. | Commended for the indication of the status of the functionality of ward committees. | | Noted. | - | - | - | Public Participation Unit | N/A |
| 1.74. | Commended for the participation of Amakhosi in Council meetings in line with Section 81 of Municipal Structures Act. | | Noted. | - | - | - | Corporate Services | N/A |
| 1.75. | Commended for the provision of a comprehensive list of Council adopted Municipal Policies. | | Noted. | - | - | - | Corporate Services | N/A |
| 1.76. | Commended the adoption and promulgation of all bylaws by council in terms of Schedule 4B and 5B of the Constitution | | Noted. | - | - | - | Corporate Services | N/A |
| 1.77. | Commended the various municipal Bid Committees established | | - | - | - | Include the names of those that make up the committees. | Supply Chain Management | No |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| | as well as their functionality | | | | | | | |
| 1.78. | Commended on the establishment and functionality of a Municipal Public Accounts Committee (MPAC) | | Noted. | - | - | - | Internal Auditor | N/A |
| 1.79. | Commended the proper constitution, representation and functionality of Portfolio Committees. | | Noted. | - | - | - | All | N/A |
| 1.80. | Commended for the undertaking, development as well as the alignment of Ward Based Plans. | | Noted. | - | - | - | Public Participation Unit | N/A |
| | **MEC COMMENTS** | **20/21** | **ACTION PLAN** | **IMPLEMENTATION DATE** | **CHALLENGES** | **RECOMMENDATIONS** | **RESPONSIBLE DEPARTMENT** | **INFORMATION RECEIVED (YES/NO)** |
| **KPA 5: Cross-Cutting = 4.25** | | | | | | | | |
| 1.81. | Commended for complying with Section 26 of the Municipal Systems Act of 2000 (Act No.32 of 2000) and Section 20 of the Spatial Planning and Land Use Management Act of 2013 (Act No. 16 of 2013) which requires the submission of the SDF & Disaster Management Plan as an annexure to the IDP. | | Prepare Draft SDF by the end of March 2021 | 31 March 2021 | - | Continuous cooperation with the IDP Unit on the provision of spatial information and SDF | DP&HS | N/A |
| 1.82. | Commended for a sufficient assessment on the level of development and subsequently the | | - | - | - | - | DP&HS | N/A |

| | MEC COMMENTS | 20/21 | ACTION PLAN | IMPLEMENTATION DATE | CHALLENGES | RECOMMENDATIONS | RESPONSIBLE DEPARTMENT | INFORMATION RECEIVED FOR 21/22 (YES/NO) |
|---|---|---|---|---|---|---|---|---|
| | identification of development priorities and strategic interventions. | | | | | | | |
| 1.83. | To improve information on the provision of services to existing and future developments. | | Incorporation of the Capital Expenditure Framework | 31 March 2021 | Lack of recent statistical information | Regular engagements with Statistics SA | DP&HS | Yes |
| 1.84. | To provide mapping that reflects environmentally sensitive areas, agricultural potential areas and disaster risk profile. | | Improvement on the articulation of environmental information from the EMF | 31 March 2021 | Appointment of an Environmentalist to advice on matters relating to environment. | The Municipality to look into reviewing the EMF in the near future. | DP&HS | No |
| 1.85. | Commended for attention focused on the Spatial Transformation Agenda & inclusion of an Environmental SWOT analysis. | | - | - | - | - | DP&HS | N/A |
| 1.86. | To provide geo-referencing on all projects. | | Spatially reference all the capital projects under the Capital Expenditure Framework | 31 March 2021 | Coordination of projects i.e. Municipal and Sector Departments | Improve engagements with relevant stakeholders. | DP&HS | Yes |
| 1.87. | To improve on mapping indicating areas where priority spending and investment is required, including phasing of development. | | In-progress | - | The Municipal does not have an Infrastructure Master Plan in place. | Improving engagements with Technical Services on planned projects in the absence of the Master Plan. | DP&HS | No |
| 1.88. | Commended for the provision of information regarding the Municipal vision, goals and objectives from a spatial perspective. | | - | - | - | - | DP&HS | N/A |



# SECTION 4: VISION, GOALS, OBJECTIVES AND STRATEGIES.

# 4. DEVELOPMENT STRATEGY.

The development strategy of the NLM is designed to fit-in and give effect to the intention of both the national and provincial development strategies. This includes, within the national development plan, Vision 2030 and various government programs. NLM IDP also fits within the provincial development framework as set out in the PGDS. The NLM strategy covers the following:-

- Strategic fit (alignment with national and provincial development strategies).
- NLM long-term strategic direction and organizational culture.
- NLM short to medium term strategies and action plans.

In addition, the IDP also considers the emerging national and provincial long term strategic plans as encapsulated in the Draft National Development Plan and the Draft Provincial Growth and Development Strategy. Given its strategic location in the northern part of KwaZulu-Natal, Newcastle Municipality will make a significant contribution towards the implementation and attainment of the strategic objectives of each of these strategic plans. Again, it is critically important to ensure that the IDP

The strategic approach is meant to highlight the impact that the municipality seeks to create in the short to long term period. As indicated on Figure 29 above, in addition to outcome 9, the NLM will contribute to the attainment of outcomes 2, 4, 5, 6, 8, 9, 10 and 12 with the 5 KPAs as the strategic areas for intervention. As such, the development strategy for the NLM is designed to address issues that are specific to the NLM while also contributing to the attainment of the national priorities.

## 4.1. Long Term Vision and Mission.

Newcastle Municipality's long-term development vision was formulated within the context of the national and provincial vision statements as outlined in the National Development Plan (NDP) and the Provincial Growth and Development Strategy (PGDS). It reflects a joint commitment by the local leadership, municipal administration and the local communities to make Newcastle a better place and improve the quality of life for those who work and/or live in NLM.

The vision is based on the following overarching principles:-

- Sustainability.
- Integrated development.
- Equitable access to basic services and public facilities.
- Efficient and effective delivery of services.

### 4.1.1.Vision 2035.

**By 2035, Newcastle will be a resilient and economically vibrant city, promoting service excellence to its citizens.**

### 4.1.2.Mission Statement.

**Newcastle Local Municipality together with its citizenry, commits to realize its vision through innovative service excellence, accelerated service excellence, sustainable infrastructure development, promoting socio-economic development and spatial integration.**

### 4.1.3.Priority Development Issues.

- **Sound Financial Management/Viability (incl. Debt collection and management);**
- **Improved access to basic service delivery (i.e. water, sanitation, electricity, housing, waste removal);**
- **Local Economic Development (eradication of poverty and unemployment);**
- **Improved quality of roads and stormwater infrastructure (including sidewalks);**
- **Environmental sustainability (environmental conservation/management);**
- **Accelerated Municipal Transformation and Corporate Development;**
- **Improved access to public facilities (including educational facilities – provincial mandate);**
- **Improved community safety;**
- **Improved access to basic health services (NB: provincial mandate); and**
- **Improved access to land (including Land Reform).**

### 4.1.4.Development Strategy.

The development strategy is based on a long-term vision, but acknowledges the significance of issues that need to be addressed in the short-to-medium term. As such, the municipality has formulated development goals that seek to address the challenges facing the institution currently and reposition the area in a developmental path as follows:-

- To develop Newcastle as a service and industrial hub.
- To eradicate all forms of poverty and destitution/indigence.
- To be an example of service and governance excellence.
- To improve the quality of life.
- To achieve environmental sustainability.
- To promote gender equality and empowerment.

In the short-to-medium term, the municipality will initiate projects with clear targets and outputs towards the attainment of these goals. It will accelerate delivery of services and gradually consolidate outcomes so as to attain the desired future situation.

Particular focus will be paid to the following key areas of strategic intervention:-

- ***Spatial integration and environmental sustainability:*** Particular focus will be paid on the development and implemtation of systems and procedures for effective land use and environmental management.
- ***Local economic development:*** The municipality has a responsibility to create a climate conducive for the flourishment of both public and private sector investments. As such, the municipality is committed to working with other government agencies and departments to deliver state of the art economic infrastructure that will facilitate development of effective service to the business sector.
- **Service delivery and infrastructure development:** The NLM is the sphere of government that is closest to the communities. This bestows a huge responsibility to deliver services where the municipality is directly responsible and coordinate the delivery of services that fall outside the constitutional obligations of the municipality.
- **Municipal transformation and organisational development:** The attainment of development goals as outlined above requires the municipality to establish effective systems and procedures for both municipal administration and local governance. This includes attracting and retaining well trained, experienced and committed employees.
- **Financial viability and management:** Funds will be a critical input in the process towards the attainment of the abovemenioned goals. Due to such, it is critically important to ensure that the municipality is able to generate sufficient funds to be able to deliver services and facilitate development. Also important is the ability to account for the use and disbursements of public funds.
- **Good governance and public participation:** The municipality is committed to putting in place systems and procedures for accountable local governance. This includes oversight responsibilities, auditing function, risk management, etc. Members of the public will be kept informed and engaged in all municipal affairs.

## 4.2. IDP Strategic Objectives.

### 4.2.1.Municipal Transformation and Institutional Development.

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC OBJECTIVE/GOAL | NO. | STRATEGIES | KPI NO. | KEY PERFORMANCE INDICATOR | ANNUAL TARGET 2021/22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | IT1 | Maintain accountable, transparent, best practice HR information structures and systems | IT1.1 | To embark on an investigation aimed at understanding efficiency and effectiveness of organizational systems and procedures by 2022 | IT1.1.1 | Number of work study reports conducted as per year plan | 4 (Shortage of staff – Water Services, Waste, Electrical/Mechanical and Civil Services) | Corporate Services |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | IT2 | To enhance organisational performance by attracting and retaining the best talent by 2022 | IT2.1 | To implement the Workplace Skills Plan | IT2.1.1 | Percentage of the Municipal budget actually spent on implementing its workplace skills plan | 100% | Corporate Services |
| | | | | IT2.2 | To develop and/or review HR policies , procedures and process flows | IT2.2.1 | Corporate Services policies approved by Council by June 2022 | Council Approval of the following policies: Induction Policy, Overtime Policy, Remuneration Policy, Retention and Succession Policy, Sexual Harassment Policy, Subsistence and Travel Allowance, Acting Policy | |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | IT3 | Ensure attainment of labour stability | IT3.1 | To promote employee relations (ER) and labour stability | IT3.1.1 | Percentage of LLF issues addressed in terms of the resolutions taken at the LLF Meeting | 100% | Corporate Services |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | IT4 | Facilitate effective logistics management & related activities to support Council committees, Management Committee & other related meetings, and provide timely protocol | IT4.1 | To provide quality administrative services, to support optimal organisational performance | IT4.1.1 | Percentage compliance with Annual Meeting Plan as approved by Council | 100% | Corporate Services |
| Output 6: Administrative and financial capability | Accelerated Municipal Transformation and Corporate Development | IT5 | Effectively provide an inclusive, clean, safe, healthy and environmentally friendly workplace that stimulates innovation & productivity, strengthens communication & teamwork, and preserves the Council's assets | IT5.1 | To promote zero fatalities and ensure a healthy and safe working environment | IT5.1.1 | Percentage of safety issues addressed in terms of the resolutions taken at the Safety Meeting | 100% | Corporate Services |

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC OBJECTIVE/GOAL | NO. | STRATEGIES | KPI NO. | KEY PERFORMANCE INDICATOR | ANNUAL TARGET 2021/22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | IT6 | To render an Effective and efficient records management system. | IT6.1 | Ensure sound records management through accessibility of electronic and paper based records by authorized users | IT6.1.1 | Annual disposal of Municipal records either by transferring them to KZN Archives Services and/or destroying records without value | Transfer A20 records to KZN archives and destroy and obtain the destruction certificate ephemeral record (D), in terms of authorisation received from KZN Archives | Corporate Services |
| | | | To enhance organizational performance by attracting and retaining the best talent by 2022 | IT6.2 | To fill all vacancies budgeted for in FY 20/21 | IT6.2.1 | The number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan | 1 x Section 57 positions (African – Female) (SED: Community Services | |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | IT7 | Encourage an organisational culture that stimulates professional excellence and personal leadership | IT7.1 | To foster a culture of peak performance and improvement across the organisation | IT7.1.1 | Review and approval of the Individual Performance Management Policy Framework | Approval of the reviewed Individual Performance Management Policy Framework by Council | Corporate Services |

## 4.2.2.Good Governance and Public Participation.

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC OBJECTIVE/GOAL | NO. | STRATEGIES | KPI NO. | KEY PERFORMANCE INDICATOR | ANNUAL TARGET 2021/22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| Output 6: Administrative and financial capability | Accelerated Municipal Transformation and Corporate Development | GG1 | To ensure good governance through openness, transparency and accountability in the organization. | GG1.1 | Implementation of resolutions taken by council committees to ensure good governance through openness, transparency and accountability. | GG1.1.1 | Percentage of Council Committee Resolutions not addressed that are escalated to the Municipal Manager. | 100% | Office of the Municipal Manager |
| | | | | GG1.2 | To develop a system of delegation that will maximise administrative and operational efficiencies. | GG1.2.1 | Annual review and approval of Delegations Policy by Council by 30 June 2022. | Annual review and approval of Delegations Policy by Council by 30 June 2022 | |
| | | | | GG1.3 | To provide effective and efficient legal support services | GG1.3.1 | Percentage of contracts drafted and vetted as requested by departments | 100% | |
| | | | | | | GG1.3.2 | Percentage of objections addressed | 100% of objections resolved within 60 days | |

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC OBJECTIVE/GOAL | NO. | STRATEGIES | KPI NO. | KEY PERFORMANCE INDICATOR | ANNUAL TARGET 2021/22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | within 60 days as per SCM Regulations | | |
| Output 6: Administrative and financial capability | Accelerated Municipal Transformation and Corporate Development | GG2 | To promote and enhance good governance in the organization. | GG2.1 | To facilitate the implementation of an effective Risk Management System towards ensuring the achievement of the organizational objectives and service delivery targets. | GG2.1.1 | Annual review of Risk Management Policy , Risk Management Methodology, Anti-Fraud & Corruption Strategy, Business Continuity strategy and Combined Assurance Strategy by Council in 30 June 2022 | Approved Risk Management Policy, Risk Management Methodology, Anti-Fraud & Corruption Strategy, Business Continuity Strategy and Combined Assurance Strategy by Council by 30 June 2022. | Office of the Municipal Manager |
| | | | | | | GG2.1.2 | Annual risk assessment report for 2022/23 as approved by Audit Committee in 30 June 2022 | Annual risk assessment report for 2022/23 as approved by Audit Committee by 30 June 2022 | Office of the Municipal Manager |
| | | | | | | GG2.1.3 | Quarterly monitoring of implementation of risk management action plans submitted to Audit Committee | 4 | Office of the Municipal Manager |
| | | | | | | GG 2.1.4 | Quarterly progress reports on implementation of management action plan to AG findings submitted to Audit Committee and MPAC | 4 | Office of the Municipal Manager |
| | | | | | To facilitate, promote, ensure and encourage compliance with relevant legislations | GG 2.1.5 | Number of Quarterly compliance monitoring reports (checklist) submitted to Audit Committee | 4 | Office of the Municipal Manager |
| Output 6: Administrative and financial capability | Accelerated Municipal Transformation and Corporate Development | GG3 | To facilitate good governance by providing assurance to council on internal controls, risk management and governance processes. | GG3.1 | Providing recommendations and advice to management to improve internal controls, risk management and governance processes. | GG3.1.1 | Percentage of Projects implemented as per Internal Audit Plan | 100% | Office of the Municipal Manager |
| | | | | | | GG3.1.2 | Number of Audit Committee meetings convened | 4 | |

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC OBJECTIVE/GOAL | NO. | STRATEGIES | KPI NO. | KEY PERFORMANCE INDICATOR | ANNUAL TARGET 2021/22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| Output 5: Deepen democracy through a refined Ward Committee Model | Accelerated Municipal Transformation and Corporate Development | GG4 | To keep the communities and stakeholders informed and involved in the affairs of the municipality | GG4.1 | To improve both internal and external communication | GG4.1.1 | Quarterly Ward Functionality Reports compiled in preparation for COGTA assessment. | 4 | Development Planning and Human Settlement |
| Output 6: Administrative and financial capability | Accelerated Municipal Transformation and Corporate Development | GG5 | To keep internal & external communities and stakeholders informed, empowered and involved by 2022 | GG5.1 | To develop and implement an optimal communication strategy | GG5.1.1 | Annual review of the Communication Strategy by Council by June 2022 | Approval of the Communications Strategy by Council in June 2022 | Office of the Municipal Manager |
| Output 6: Administrative and financial capability | Accelerated Municipal Transformation and Corporate Development | GG6 | To ensure that the municipality has and maintains an accountable and standardised ICT systems | GG6.1 | To facilitate the annual implementation of good ICT governance processes | GG6.1.1 | Percentage of ICT issues addressed at the ICT steering committee meetings. | 100% | Office of the Municipal Manager |
| Output 6: Administrative and financial capability | Accelerated Municipal Transformation and Corporate Development | GG7 | To obtain a clean audit on the Audit of Performance Objectives by 2022 | GG7.1 | To ensure good governance through openness, transparency and accountability in the organization. | GG7.1.1 | Quarterly performance reports submitted to Audit Committee (Quarter 1: APR Quarter 2-4: Top Layer SDBIP) | 4 (Annual Performance Report, Quarter 1 Performance Report, Quarter 2/Section 72 Mid-year Performance and the Quarter 3 Performance Report | Office of the Municipal Manager |
| Output 6: Administrative and financial capability | Accelerated Municipal Transformation and Corporate Development | GG8 | To promote good governance through the Annual performance reporting process | GG8.1 | To ensure compliance with Annual report process | GG8.1.1 | Approval of the Annual Report and Oversight Report by the 31st of March 2022. | Tabling of The Annual Report to Council by 31 January 2022 and Approval of Annual Report and Oversight Report by 31 March 2022 | Office of the Municipal Manager |
| Output 7: Single window of coordination | Accelerated Municipal Transformation and Corporate Development | GG9 | To ensure the development and the maintenance of credible IDP | GG9 | To develop IDP in line with 5th generation guide packs/guidelines | GG9.1.1 | Review and Adoption of IDP by 31 May 2022 | Review and Adoption of IDP by 31 May 2022 | Development Planning and Human Settlements |
| | | | | | To ensure that a Public Participation process is followed for the IDP review | GG9.2.1 | Number of IDP RF meetings held | 3 | Development Planning and Human Settlements |

## 4.2.3.Financial Viability and Management.

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC GOAL/OBJECTIVES | NO. | STRATEGIES | KPI NO. | KEY PERFORMANCE INDICATOR | ANNUAL TARGET 2021/22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| Output 6: Administrative and financial capability | Sound Financial Management/Viability | FV1 | To improve access to basic services | FV1.1 | To promote and / improve indigent subsidy and / benefit by ensuring that all indigent are eligible for the support and to eradicate a culture of non payment | FV1.1.1 | The percentage of formal households earning less than R1100 per month with access to free basic services; (R5000 as per the approved Newcastle Indigent Policy) | 23,3% 11500/49329*100) | Budget & Treasury Office |
| Output 6: Administrative and financial capability. | Sound Financial Management/Viability | FV2 | To ensure implementation of capital programme | FV2.1 | To ensure compliance with budget planning and implementation | FV2.1.1 | The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the Municipality's Integrated Development Plan (IDP) | 100% | Budget & Treasury Office |
| Output 6: Administrative and financial capability. | Sound Financial Management/Viability | FV3 | Improve the quality of credit control and the quality of revenue management | FV3.1 | To ensure effective and efficient billing and revenue collection processes in order to achieve the norm of 95% which has been set by National Treasury. | FV3.1.1 | Quarterly percentage of collection rate | 87% | Budget & Treasury Office |
| Output 6: Administrative and financial capability. | Sound Financial Management/Viability | FV4 | Achieve Value for money | FV4.1 | To have an effective Supply Chain Management system in place; | FV4.1.1 | Approval of 2022/23 annual procurement plan by June 2022 by the Municipal Manager | Approved 2022/23 annual procurement plan by June 2022 by the Municipal Manager | Budget & Treasury Office |
| | | | | FV 4.2 | To have an effective Supply Chain Management system in place | FV4.2.1 | Percentage implementation of the procurement plan per quarter | 100% | |
| Output 6: Administrative and financial capability. | Sound Financial Management/Viability | FV5 | Revenue Enhancement | FV5.1 | To report on the implementation of the Revenue Enhancement Strategy | FV5.1.1 | Percentage implementation of the Revenue Enhancement Action Plan for BTO. | 100% | Budget & Treasury Office |
| | | | | FV5.2 | Facilitate the annual Review of the Revenue Enhancement Strategy | FV5.2.1 | Annual Review and Approval of the Revenue Enhancement Strategy by Council by June 2022 | Annual Review and Approval by Council of the Revenue Enhancement Strategy and action plan by June 2022 | |

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC GOAL/OBJECTIVES | NO. | STRATEGIES | KPI NO. | KEY PERFORMANCE INDICATOR | ANNUAL TARGET 2021/22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| Output 6: Administrative and fina ncial capability. | Sound Financial Management/Viability | FV6 | To ensure sound financial and fiscal management and good governance | FV6.1 | Review the financial policies to ensure sound financial and fiscal management and good governance | FV6.1.1 | Number of Financial policies reviewed and approved by May 2022: 1. Provision for doubtful debt and debtors write-off policy. 2. Tariff policy 3. Rates policy 4. Indigent policy 5. Customer care, Credit control, and Debt collection policy 6. Budget policy 7. Virement policy 8. Petty cash policy 9. Short Term insurance 10. Fund & Reserve policy 11. Cash management and Investment policy 12. Borrowing policy 13. Loss control policy 14 Asset management policy 15 SCM Policy 16, Cost containment policy | Approved 16 Financial policies | Budget & Treasury Office |
| | | | | FV6.2 | To ensure efficient and effective implementation of financial internal controls | FV6.2.1 | Percentage compliance with MFMA Calendar for all Financial Reporting | 100% Percentage compliance with MFMA Calendar for all Financial Reporting | Budget & Treasury Office |
| | | | | | | FV6.2.2 | Financial viability in terms of debt coverage within the financial year | 5,0% | |
| | | | | | | FV6.2.3 | Financial viability in terms of cost coverage within the financial year | 1 Month | |
| | | | | | | FV6.2.4 | Financial viability in terms of outstanding service detors. | <1 | |
| Output 6: Administrative and financial capability. | Sound Financial Management/ Viability | FV7 | To purchase tools of trade for the use by staff members and councillors of the municipality | FV7.1 | To purchase IT equipment. | FV7.1.1 | Purchase of IT Equipment by June 2022 | Purchase of 33 x laptops, 12 x desktops, 1 x projector and 1 server | Budget & Treasury Office |
| | | | | FV7.2 | To purchase furniture and equipment. | FV7.2.1 | Purchase and delivery of Furniture and Equipment as per the approved Purchase of | Purchase and delivery of Furniture and Equipment as per the approved Purchase of Furniture and Equipment Plan. | |

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC GOAL/OBJECTIVES | NO. | STRATEGIES | KPI NO. | KEY PERFORMANCE INDICATOR | ANNUAL TARGET 2021/22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Furniture and Equipment Plan. | | |
| | | | | FV7.3 | To purchase Machinery Equipment | FV7.3.1 | Purchase of Machinery Equipment in terms of the Approved Purchase of Machinery and Equipment Plan | Purchase of Machinery Equipment in terms of the Approved Purchase of Machinery and Equipment Plan | |

## 4.2.4.Basic Service Delivery.

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC OBJECTIVE/GOAL | NO. | STRATEGIES | KPI NO. | KEY PERFORMANCE INDICATOR | ANNUAL TARGET 2021//22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| Output 2: Improving access to basic services | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS1 | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality. | BS1.1 | Increase number of households with access to basic potable (drinkable) water. | BS1.1.1 | The number of formal households with access to water | 51029 | Technical Services |
| | | | | | | BS 1.1.2 | Upgrade Viljoen park bulk water and sanitation | Completion of the Refurbishment of 2 screens, 1 new screw conveyor, 1 new wash compactor, and Replace 2 grit pumps, refurbish 5 sluice valves. New anerobic sludge ponds, 2 primary settling tank and desludging patoons | |
| | | | | | | BS1.1.3 | Percentage Implementation of the water maintenance plan | 100% | |
| | | | | | | BS1.1.4 | Construction of 2km of pipeline and 10 standpipes in ward 33 and 15 | Construction of 2km of pipeline and 10 standpipes in ward 33 and 15 | |
| | | | | BS1.2 | Increase number of households with access to basic sanitation. | BS1.2.1 | The number of formal households with access to a basic level of sanitation | 52340 | |
| | | | | | | BS1.2.2 | Replacement of the DN150 Bulk Outfall Sewer Clay Pipeline in Stafford Hill | Completion of the replacement of the DN150 Bulk Sewer Clay Pipeline from Stafford Hill | |
| | | | | | | BS1.2.3 | Upgrade and Refurbishment of | Appointment of the Contractor Upgrade and | |

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC OBJECTIVE/GOAL | NO. | STRATEGIES | KPI NO. | KEY PERFORMANCE INDICATOR | ANNUAL TARGET 2021//22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Bulk Sewer Pipeline from Siyahlala-la to Voortrekker Pump station | Refurbishment of Bulk Sewer Pipeline from Siyahlala-la to Voortrekker Pump station | |
| | | | | BS1.3 | Upgrade wastewater collection and treatment facilities | BS1.3.1 | Upgrade of Madadeni Waste Water Treatment Plant | Installation, testing and commissioning of mechanical screening at the inlet works | |
| | | | | BS1.4 | To ensure that waste Water quality and sanitation services is rendered in an efficient and affordable manner | BS1.4.1 | Achieve 90% waste water quality (green drop) score in terms of SANS 241. | 90% | |
| | | | | BS1.5 | Provide housing and development projects reticulated water service through provision of new infrastructure and existing infrastructure upgrades | BS1.5.1 | Progress on the construction of Blaawbosch Bulk water Supply | 6km's of trench excavation &pipe laying for the construction of 11.5 km pipeline from Brackfontein reservoir to Blaawbosch area | |
| Output 2: Improving access to basic services | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS2 | To reduce water loss | BS2.1 | To reduce the percentage of water losses. | BS2.1.1 | Limit the water losses to below ≤40% | ≤ 40% | Technical Services |
| Output 2: Improving access to basic services | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS3 | To create a safe and healthy environment | BS3.1 | To implement the Waste Management Strategy in line with relevant legislation | BS3.1.1 | Annual review and approval of the Integrated Waste Management Plan in June 2022 | Annual review and approval of Integrated Waste Management Plan by Council in June 2022 | Community Services |
| | | | | BS3.2 | To provide a refuse removal service to the Newcastle Community | BS3.2.1 | Number of formal households serviced: Refuse Removal | 51 029 | |
| | | | | BS3.3 | To establish a new landfill site including management of the existing facility | BS3.3.1 | Monthly internal monitoring checklists performed to ensure compliance with EDTEA requirements for a landfill site. | Monthly internal monitoring compliance checklist completed with all non-compliance issues addressed. | Community Services |
| | | | | | To establish a new landfill site including management of the existing facility | BS3.3.2 | To finalise and submit the Environmental Impact Assessment Report to the | Finalise and submit the EIA report for the approval of the landfill site | Development Planning and Human Settlements |

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC OBJECTIVE/GOAL | NO. | STRATEGIES | KPI NO. | KEY PERFORMANCE INDICATOR | ANNUAL TARGET 2021//22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Department of Economic Development, Tourism and Environment Affairs for the approval of the Landfill Site. | | |
| Output 2: Improving access to basic services | Improved quality of roads and storm water infrastructure (including sidewalks) | BS4 | To ensure the provision and maintenance of safe roads and effective storm water infrastructure. | BS4.1 | Refurbishment and maintenance of roads, storm water infrastructure, traffic calming devices and provision of pedestrian walkways. | BS4.1.1 | Km of Roads resealed for Madadeni | 0,9 Km of Roads resealed at Madadeni (Mad6 ) | Technical Services |
| | | | | | | BS4.1.2 | Km of Roads resealed for Osizweni | 0,3 km of Roads resealed at Osizweni (JR4) | |
| | | | | | | BS4.1.3 | Km of Roads resealed for Newcastle Residential Area | 0,8km of roads resealed at Newcastle Residential (Resealing for Henrietta street 0,4 km and Ribbon street 0,4 km) | Technical Services |
| | | | | | | BS4.1.4 | Km of Roads resealed for Newcastle CBD Area | 1,1 km's of Roads resealed in Newcastle CBD (Resealing for Hardwick street 0,5 km and Marconi street 0,6 km) | |
| | | | | | | BS4.1.5 | Km's of road gravelled in Madadeni | Completion of 3km of graveling (Madadeni school=1km, Charlestown road in ward 1=1km, Mndozo clinic=0,5km and OC44=0,5km) | |
| | | | | | | | Km's of road gravelled in Osizweni | Completion for 3km (ward 14-MP 29 (0,5km), ward 15 Kwantshangase (0,5km), ward 22-MB24 (0,5km), ward 30 Thiyasizwe (0,5km) and ward 31 Bus Route-1km) | |
| Output 2: Improving access to basic services | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS5 | To ensure the provision of appropriate basic services in Newcastle Municipality | BS5.1 | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | BS5.1.1 | Construction of a new road for medical precinct. | Completion of 0,74 km of road for the medical precinct completed | Technical Services |
| | | | | | | BS5.1.2 | Completion of construction of 0,708 km of stormwater drainage for the medical precinct | Completion of construction of 0, 708 km of storm-water drainage for the medical precinct | |

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC OBJECTIVE/GOAL | NO. | STRATEGIES | KPI NO. | KEY PERFORMANCE INDICATOR | ANNUAL TARGET 2021//22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| | | | | | | BS5.1.3 | Construction of streetlights for the medical precinct | Completion of the installation of 20 streetlights for the medical precinct | |
| | | | | | | BS5.1.4 | Servicing of land for the medical precinct with water | Completion 0.68km's of water pipeline at the medical precinct | |
| | | | | | | BS5.1.5 | Servicing of land for the medical precinct with sewer | Completion 0,933km's of sewer pipeline at the medical precinct | |
| | | | | | | BS5.1.6 | Completion of the commission of the electrical substation for the medical precinct | Completion of the commissioning of the electrical substation for the medical precinct | |
| | | | | | | BS5.1.7 | Purchase and delivery of 1 compactor truck. | Purchase and delivery of 1 compactor truck | |
| Output 2: Improving access to basic services | Improved quality of roads and storm water infrastructure (including sidewalks) | BS6 | Upgrade of gravel roads to tarred roads with storm water infrastructure | BS6.1 | Implementation of the Capital Program (MIG+INTERNAL FUNDING) | BS6.1.1 | Km's of roads upgraded from gravel to blacktop including stormwater for MF18 & MF19 | 0,75 Km's of gravel road upgraded to blacktop complete (MF18 & 19) | Technical Services |
| | | | | | Implementation of the Capital Program (MIG+INTERNAL FUNDING) | BS6.1.2 | Km's of roads upgraded from gravel to blacktop including stormwater for MF69, 7,10 | 0,714 Km's of gravel road upgraded to blacktop complete (MF69, 7,10) | |
| | | | | | Implementation of the Capital Program (MIG+INTERNAL FUNDING) | BS6.1.3 | Km's of roads upgraded from gravel to blacktop including stormwater for OC44 and OC22 | Completion of 0,48km's of gravel road upgraded to blacktop complete (OC44 and OC22) | |
| | | | | | Implementation of the Capital Program (MIG+INTERNAL FUNDING) | BS6.1.4 | Km's of roads upgraded from gravel to blacktop including | 1.1 Km's of gravel road upgraded to blacktop complete (OB Link Road) | |

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC OBJECTIVE/GOAL | NO. | STRATEGIES | KPI NO. | KEY PERFORMANCE INDICATOR | ANNUAL TARGET 2021//22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | stormwater for OB1 Link Road | | |
| | | | | | Implementation of the Capital Program (MIG+INTERNAL FUNDING) | BS6.1.5 | Km's of roads upgraded from gravel to blacktop including stormwater for MA23,26 &25 roads | Completion 0,61 Km's of gravel road upgraded to blacktop complete (MA23,26 &25) | |
| | | | | | Implementation of the Capital Program (MIG+INTERNAL FUNDING) | BS6.1.6 | Km's of roads upgraded from gravel to blacktop including stormwater for H39 Bus Road | Completion of 1.2 Km's of gravel road upgraded to blacktop (H39 Bus Road) | |
| Output 2: Improving access to basic services | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS7 | To ensure access to electricity within the Newcastle Licence area | BS7.1 | To develop and implement the Electricity Services Delivery Plan (ESDP) | BS7.1.1 | Approval of the electricity Service Delivery Plan (ESDP) by June 2022 | Approval of Electricity Service Delivery Plan (ESDP) by Council in June 2022. | Technical Services |
| | | | | BS7.2 | To provide electricity within the Newcastle Municipality Licensed Areas. | BS7.2.1 | Number of formal households with access to a basic level of electricity | 50 451 | |
| | | | | | | BS 7.2.2 | Percentage implementation of the electricity maintenance plan | 100% | |
| Output 1: Implement a differentiated approach to municipal financing, planning and support | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS8 | To facilitate the provision of sustainable human settlements in line with the national and provincial norms and standards. | BS8.1 | To reduce housing backlog to meet the provincial and national targets | BS8.1.1 | Number of Top-structures (completed with access to water and sanitation) built in a year | 300 | Development Planning and Human Settlements |
| | | | | | | BS8.1.2 | Number of completed Top-Structures to roof level | 411 | |
| Output 4: Actions supportive of the human settlement outcome | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS9 | To facilitate secure tenure and clear property rights | BS9.1 | Fast-track Title Deed Restoration Project | BS9.1.1 | Number of houses transferred through Enhanced Extended Discount benefit Scheme (EEDBS) | 100 | Development Planning and Human Settlements |
| | | | To facilitate secure tenure and clear property rights | BS9.2 | Disposal of municipal land in line with Land Disposal Policy | BS9.2.1 | Number of sites released for disposal | Advertisement of 25 properties for disposal | |

## 4.2.5.Local Economic Development.

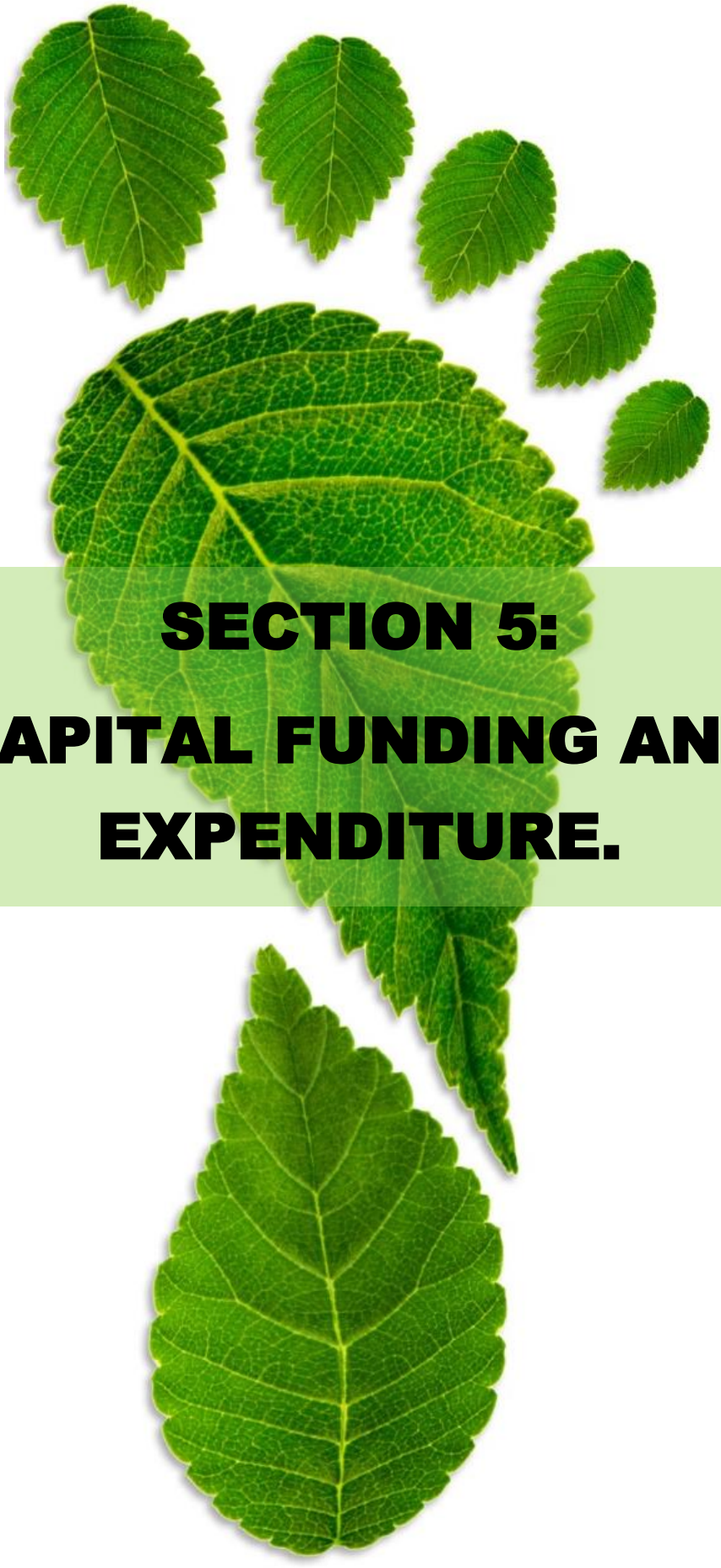
| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC OBJECTIVE/GOAL | NO. | STRATEGY | KPI NO. | KEY PERFORMANCE INDICATOR | DRAFT ANNUAL TARGET 2021/22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| Output 1: Implement a differentiated approach to municipal financing, planning and support | Local Economic Development (eradication of poverty and unemployment) | ED1 | To facilitate economic development that will result in sustainable job creation and growth of the Town | ED1.1 | Facilitation and Promotion of SMME development and Entrepreneurship | ED1.1.1 | Percentage of business licenses and trading permits applications processed within 21 days as per the Business Act No. 71 of 1991. | 100% | Development Planning and Human Settlements |
| | | | | | | ED1.1.2 | Number of SMME's trained | 40 SMME's from the Fruit and Vegetable Miscellaneous category in ByLaws and Regulations Training. 40 SMME's fro the Fast Food Owners Category in Food Handling and Transportation Training. | |
| Output 1 :Implement a differentiated approach to municipal financing, planning and support | Local Economic Development (eradication of poverty and unemployment) | ED2 | Local Economic Development (eradication of poverty and unemployment) | ED2.1 | To promote economic development that will result in sustainable job creation | ED2.1.1 | The Number of jobs created through the municipality's Extended Public Works Program (EPWP) | 942 | Technical Services |

## 4.2.6.Cross-Cutting Issues.

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC OBJECTIVE/GOAL | NO. | STRATEGY | KPI NO. | KEY PERFORMANCE INDICATOR | DRAFT ANNUAL TARGET 2021/22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved access to land (including Land Reform) | CC1 | To develop an efficient and effective land use management system so as to promote a rational and harmonious land use activity system | CC1.1 | To undertake efficient and effective building controls | CC1.1.1 | Percentage of building plans processed within statutory timeframes. | 100% | Development Planning and Human Settlements |
| Output 1: Implement a differentiated approach to municipal financing, planning and support | Improved access to land (including Land Reform | CC2 | To ensure an effective and integrated Geographic Information Management System | CC2.1 | GIS System integration other municipal systems | CC2.1.1 | 100% capture of the properties that change ownership | 100% capture of the properties that change ownership | Development Planning and Human Settlements |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved access to land (including Land Reform) | CC3 | To promote spatial restructuring and integration | CC3.1 | Development of municipal SDF in line with the 5th Generation of IDP | CC3.1.1 | Approved Spatial Development Framework by 31 May 2022 | Approved Spatial Development Framework by 31 May 2022 | Development Planning and Human Settlements |

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC OBJECTIVE/GOAL | NO. | STRATEGY | KPI NO. | KEY PERFORMANCE INDICATOR | DRAFT ANNUAL TARGET 2021/22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved access to land (including Land Reform) | CC4 | To promote sustainable development and sound environmental planning | CC4.1 | To undertake efficient and effective building controls. | CC4.1.1 | Submission of the EIA Report to Environmental Affairs for approval of a Cemetery Site | Submission of the EIA report to the Department of Environmental Affairs | Development Planning and Human Settlements |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved Community Safety | CC5 | To ensure the provision of traffic management services | CC5.1 | Intensify Law Enforcement activities | CC5.1.1 | Number of internal roadblocks conducted | 24 | Community Services |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved Community Safety | CC6 | To ensure provision of fire and disaster management services | CC6.1 | To provide and maintain an efficient and effective disaster management service to Newcastle. | CC6.1.1 | Annual review of Summer and Winter Contingency Plans and adoption by Council | Annual review and adoption of Winter Contingency Plan in December 2021 and Summer Contingency Plan in June 2022 | Community Services |
| | | | | | | CC6.1.2 | Percentage of Disaster related incidents attended | 100% | Community Services |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved community safety | CC7 | To facilitate the responsive role of the municipality in OSS (National and Provincial government, Civil society and private sector) | CC7.1 | To mainstream programmes with the National and Provincial government; Civil society, private sector and OSS structures | CC7.1.1 | Number of Local Task Team meetings held to refer issues relating to Operation Sukuma Sakhe in compliance with the Intergovernmental Relations Framework Act | 8 | Office of the Municipal Manager |
| | | | | | | CC7.1.2 | Percentage of issues raised at Special Programmes fora and referred to relevant departments by the Special Programmes | 100% | |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved community safety | CC8 | To respond to the needs of vulnerable groups within Newcastle jurisdictional area | CC8.1 | Empowerment of target groups (Senior citizens, Disability, People living with HIV/AIDS, Women Men) through human rights activities | CC8.1.1 | Percentage implementation of the Special Programmes Year Plan. | 100% | Office of the Municipal Manager |
| | | | | CC8.2 | To mainstream programmes with the National and Provincial government; Civil society, private sector and OSS structures | CC8.2.1 | Purchase of 1 x light motor vehicle | Purchase of 1 x light motor vehicle | Office of the Municipal Manager |

| OUTCOME 9 | IDP PRIORITY | NO. | STRATEGIC OBJECTIVE/GOAL | NO. | STRATEGY | KPI NO. | KEY PERFORMANCE INDICATOR | DRAFT ANNUAL TARGET 2021/22 | RESPONSIBLE DEPARTMENT |
|---|---|---|---|---|---|---|---|---|---|
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved access to public facilities | | Improved access to sports facilities | CC9.1 | To increase the number of sports facilities in Newcastle | CC9.1.1 | Completion of the design and submission of the business plan for the funding of the Construction of 1 x sports facility | Completion of the design and submission of the business plan for the funding of the Construction of 1 x sports facility | Technical Services |



# SECTION 5:
# CAPITAL FUNDING AND EXPENDITURE.

# 5. CAPITAL FUNDING AND EXPENDITURE.

## 4.1. Three Year Investment Programme.

### 4.1.1.Capital Investment Plan.

To ensure the practical application and success of the spatial principles, concepts, strategies and policies of the SDF, a multifaceted implementation plan is required. The implementation of the SDF also requires the alignment of spatial strategies and infrastructure planning and budgeting through the IDP.

The Newcastle Municipality developed a capital investment framework as part of this SDF, which identify where funds will be allocated through the spatial priorities and corresponding implementation strategies identified within the Western Service Delivery Region (WSDR), Eastern Service Delivery Region (ESDR) and Rural Service Delivery Region (RSDR). This Capital Investment Framework guides the Newcastle Municipality's capital expenditure in order to achieve citizen-centered public service and to shape the desired form of the municipality. It intends to bridge the gap between the spatial priorities, strategies and the implementation plan and sets the background and basis on which other sector plans should focus with their priorities.

The process of developing a Capital Investment Framework includes the collection of information from other municipal departments and verifying it where necessary. **Collected information from other departments will give an indication of the current development profile of the different departments through the Service Delivery and Budget Implementation Plan (SDBIP).** This is followed by a spatial illustration to also inform spatial interventions and investments for example bulk infrastructure and corridor development.

The Capital Investment Framework explores areas that present potential for sustainable economic and corridor development, therefore attracting private sector investment and creating long term employment for the public. In conclusion, the Capital Investment Framework for this SDF assists the Newcastle Municipality to address spatial distortions and inequalities of past policies in the form of densification, compaction and nodal development.

The major key capital projects with a spatial dimension/implication, which are currently planned or underway as part of the IDP process and have a spatial impact or significance are listed below and illustrated on the attached Capital Projects Plan.

## 4.2. Medium Term Expenditure Framework.

### 4.2.1.NLM Final CAPEX (2021/22): Capital Projects.

| FINAL CAPITAL BUDGET 2021/2022 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **FUNDING SOURCE** | **PROJECT DESCRIPTION** | **ASSET CLASS** | **NEW/RENEWAL/UPGRADE** | **IDP PRIORITY** | **NO.** | **IDP STRATEGIC OBJECTIVE** | **NO.** | **IDP STRATEGY** | **IDP PROJECT NUMBER** | **WARDS** | **FINAL BUDGET 2021 2022** | **FINAL BUDGET 2022 2023** | **FINAL BUDGET 2023 2024** |
| **OFFICE OF THE MUNICIPAL MANAGER-SPECIAL PROGRAMMES** | | | | | | | | | | | | | |
| INTERNAL | PURCHASE OF VEHICLE | Vehicle and Maintenance | NEW | Improved Community Safety | CC8 | To respond to the needs of vulnerable groups within Newcastle jurisdictional area | CC8.2 | To mainstream programmes with the National and Provincial government; Civil society, private sector and OSS structures | MM0001/2021/04 | | 300 000 | | |
| **DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS** | | | | | | | | | | | | | |
| INTERNAL | MEDICAL PRECINCT:PROFESSIONAL FEES | Roads and stormwater | NEW | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS5 | To ensure the provision of appropriate basic services in Newcastle Municipality | BS5.1 | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | DPHS0004/20241/04 | 25 | 99 478 | | |
| INTERNAL | MEDICAL PRECINCT:CONSTRUCTING OF ROADS | Roads and stormwater | NEW | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS5 | To ensure the provision of appropriate basic services in Newcastle Municipality | BS5.1 | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | DPHS0005/2021/04 | 25 | 4 420 668 | | |
| INTERNAL | MEDICAL PRECINCT:STORM WATER | Water distribution | NEW | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS5 | To ensure the provision of appropriate basic services in Newcastle Municipality | BS5.1 | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | DPHS0006/2021/04 | 25 | 1 108 705 | | |
| INTERNAL | MEDICAL PRECINCT:STREET LIGHTS | Electricity distribution | NEW | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS5 | To ensure the provision of appropriate basic services in Newcastle Municipality | BS5.1 | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | DPHS0007/2021/04 | 25 | 2 183 529 | | |

| FINAL CAPITAL BUDGET 2021/2022 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **FUNDING SOURCE** | **PROJECT DESCRIPTION** | **ASSET CLASS** | **NEW/RENEWAL/UPGRADE** | **IDP PRIORITY** | **NO.** | **IDP STRATEGIC OBJECTIVE** | **NO.** | **IDP STRATEGY** | **IDP PROJECT NUMBER** | **WARDS** | **FINAL BUDGET 2021 2022** | **FINAL BUDGET 2022 2023** | **FINAL BUDGET 2023 2024** |
| INTERNAL | MEDICAL PRECINCT:WATER | Water distribution | NEW | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS5 | To ensure the provision of appropriate basic services in Newcastle Municipality | BS5.1 | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | DPHS0008/2021/04 | 25 | 757 983 | | |
| INTERNAL | MEDICAL PRECINCT:SEWER | Sanitation | NEW | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS5 | To ensure the provision of appropriate basic services in Newcastle Municipality | BS5.1 | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | DPHS0009/2021/04 | 25 | 697 289 | | |
| INTERNAL | MEDICAL PRECINCT:SUB STATIONS | Electricity distribution | NEW | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS5 | To ensure the provision of appropriate basic services in Newcastle Municipality | BS5.1 | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | DPHS0010/2021/04 | 25 | 1 348 347 | | |
| **TECHNICAL SERVICES** | | | | | | | | | | | | | |
| INTERNAL FUNDING | RESEALING OF ROADS MADADENI | Roads and stormwater | | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS5 | To ensure the provision of appropriate basic services in Newcastle Municipality | BS5.1 | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | TCS0019/2021/04 | | 2 000 000 | 1 500 000 | 1 500 000 |
| INTERNAL FUNDING | RESEALING OF ROADS OSIZWENI | Roads and stormwater | | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS5 | To ensure the provision of appropriate basic services in Newcastle Municipality | BS5.1 | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | TCS0020/2021/04 | | 2 000 000 | 1 500 000 | 1 500 000 |

| FINAL CAPITAL BUDGET 2021/2022 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **FUNDING SOURCE** | **PROJECT DESCRIPTION** | **ASSET CLASS** | **NEW/RENEWAL/UPGRADE** | **IDP PRIORITY** | **NO.** | **IDP STRATEGIC OBJECTIVE** | **NO.** | **IDP STRATEGY** | **IDP PROJECT NUMBER** | **WARDS** | **FINAL BUDGET 2021 2022** | **FINAL BUDGET 2022 2023** | **FINAL BUDGET 2023 2024** |
| INTERNAL FUNDING | RESEALING OF ROADS NEWCASTLE RESIDENTIAL | Roads and stormwater | | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS5 | To ensure the provision of appropriate basic services in Newcastle Municipality | BS5.1 | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | TCS0017/2021/04 | | 2 000 000 | 1 000 000 | 1 000 000 |
| INTERNAL FUNDING | RESEALING OF ROADS NEWCASTLE INDUSTRIAL & CBD | Roads and stormwater | | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS5 | To ensure the provision of appropriate basic services in Newcastle Municipality | BS5.1 | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | TCS0021/2021/04 | | 3 000 000 | 4 000 000 | 4 000 000 |
| INTERNAL FUNDING | PURCHASE OF REFUSE COMPACT TRUCK | Vehicle and Maintenance | | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS5 | To ensure the provision of appropriate basic services in Newcastle Municipality | BS5.1 | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | TCS0022/2021/04 | WHOLE OF NEWCASTLE | 2 900 000 | 1 500 000 | 1 500 000 |
| **BUDGET AND TREASURY OFFICE** | | | | | | | | | | | | | |
| INTERNAL FUNDING | FURNITURE AND EQUIPMENT | Furniture and equipment | - | Sound Financial Management/ Viability | FV7 | To purchase tools of trade for the use by staff members and councillors of the municipality | FV7.1 | To promote and / improve indigent subsidy and / benefit by ensuring that all indigent account holders are eligible for the support | BTO0005/2021/04 | - | 200 000 | 300 000 | 300 000 |
| INTERNAL FUNDING | MACHINERY & EQUIPMENT | Furniture and equipment | - | Sound Financial Management/ Viability | FV7 | To purchase tools of trade for the use by staff members and councillors of | FV7.1 | To promote and / improve indigent subsidy and / benefit by ensuring that all indigent account holders are | BTO0006/2021/04 | - | 100 000 | 200 000 | 200 000 |

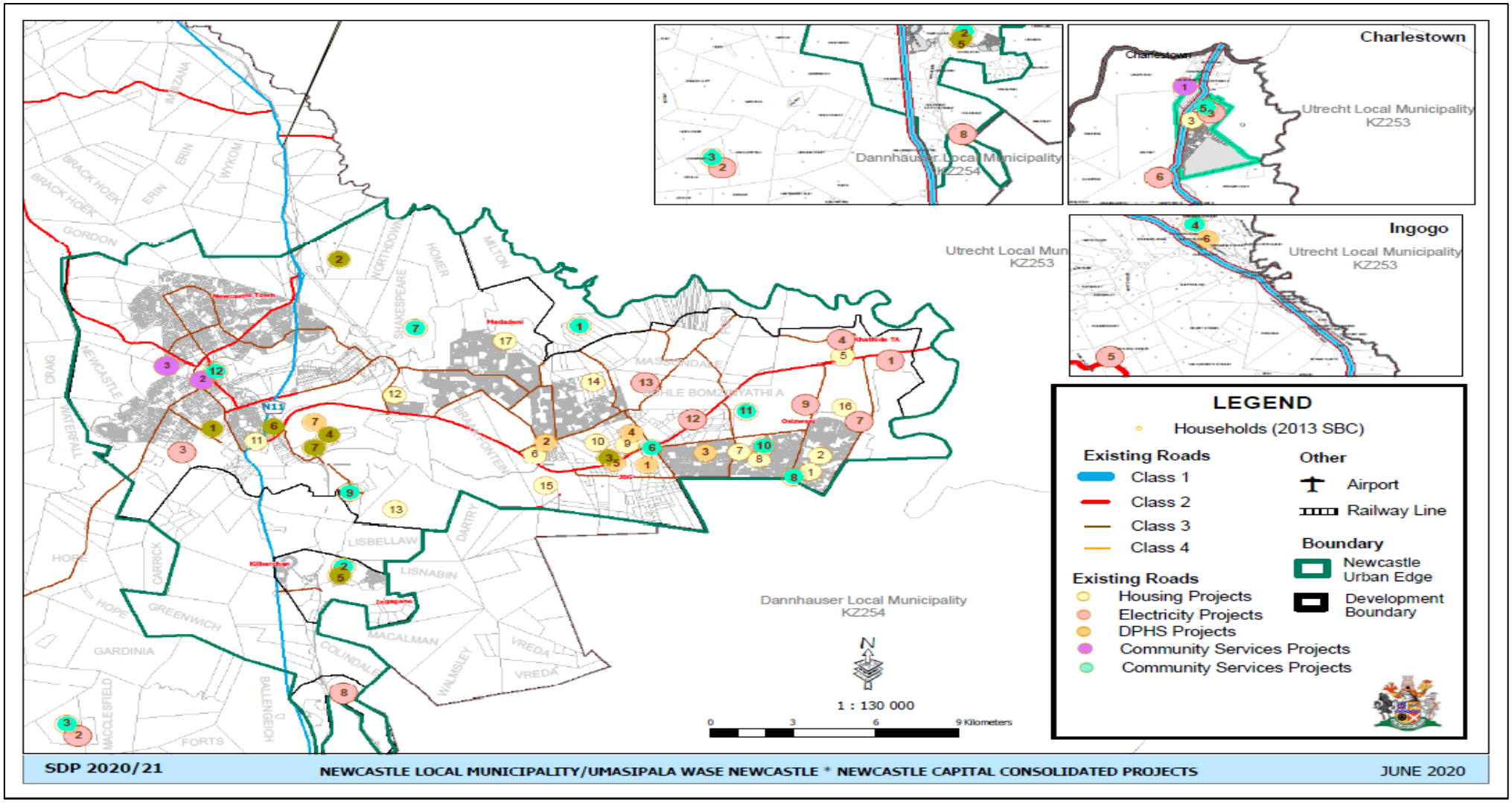
| FINAL CAPITAL BUDGET 2021/2022 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **FUNDING SOURCE** | **PROJECT DESCRIPTION** | **ASSET CLASS** | **NEW/RENEWAL/UPGRADE** | **IDP PRIORITY** | **NO.** | **IDP STRATEGIC OBJECTIVE** | **NO.** | **IDP STRATEGY** | **IDP PROJECT NUMBER** | **WARDS** | **FINAL BUDGET 2021 2022** | **FINAL BUDGET 2022 2023** | **FINAL BUDGET 2023 2024** |
| | | | | | | the municipality | | eligible for the support | | | | | |
| INTERNAL FUNDING | IT EQUIPMENT | Furniture and equipment | - | Sound Financial Management/ Viability | FV7 | To purchase tools of trade for the use by staff members and councillors of the municipality | FV7.1 | To promote and / improve indigent subsidy and / benefit by ensuring that all indigent account holders are eligible for the support | BTO0004/2021/04 | - | 900 000 | 1 000 000 | 1 000 000 |
| | | | | | | | | | | | **24 016 000** | **11 000 000** | **11 000 000** |
| **DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS** | | | | | | | | | | | | | |
| LEVEL 2 ACCREDITATION | FURNITURE AND EQUIPMENT | Furniture and equipment | NEW | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS9 | The purchase of equipment will assist in the establishment and strengthening role of the beneficiary administration with the unit | BS9.3 | To establish a walk-in office for the community to register their names on a data base; that is transparent, and information is available for all. Also, where all queries to application forms can be addressed | DPHS0011/2021/04 | - | 35 000 | | |
| NDPG | JBC LIBRARY | Libraries | NEW | Improved access to public facilities (including educational facilities - provincial mandate) | CC9 | To ensure efficient use and management of community facilities. | CC9.1 | Establishment and provision of community facilities | DPHS0012/2021/04 | 18 | - | 10 000 000 | 10 000 000 |
| | | | | | | | | | | | **35 000** | **10 000 000** | **10 000 000** |
| **TECHNICAL SERVICES** | | | | | | | | | | | | | |
| MIG | FURNITURE AND EQUIPMENT | Furniture and equipment | NEW | Improved access to basic service delivery (i.e. Water, sanitation, electricity, | BS5 | To ensure the provision of appropriate basic services in | BS5.2 | To provide the municipality with an effective and efficient Project Management Unit | TCS0014/2021/04 | N/A | 115 000 | 100 000 | 300 000 |

| FINAL CAPITAL BUDGET 2021/2022 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **FUNDING SOURCE** | **PROJECT DESCRIPTION** | **ASSET CLASS** | **NEW/RENEWAL/UPGRADE** | **IDP PRIORITY** | **NO.** | **IDP STRATEGIC OBJECTIVE** | **NO.** | **IDP STRATEGY** | **IDP PROJECT NUMBER** | **WARDS** | **FINAL BUDGET 2021 2022** | **FINAL BUDGET 2022 2023** | **FINAL BUDGET 2023 2024** |
| | | | | housing, waste removal) | | Newcastle Municipality | | | | | | | |
| MIG | Madadeni Wastewater Treatment Works Extensions: Contract IV: Mechanical and Electrical Related Work including supporting Civil and Structural related work | Sanitation | UPGRADE | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS1 | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality | BS1.3 | Upgrade wastewater collection and treatment facilities | TCS0022/2021/04 | 31 | 26 000 000 | 22 200 000 | - |
| MIG | Blaauwbosch Bulk Water Project | Water distribution | NEW | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS1 | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality | BS1.5 | Provide housing and development projects reticulated water service through provision of new infrastructure and existing infrastructure upgrades. | TCS0012/2021/04 | 15,16 | 18 000 000 | 18 000 000 | - |
| MIG | Construction of H39 Bus Road and Street Lighting | Roads and stormwater | NEW | Improved quality of roads and storm water infrastructure (including sidewalks) | BS6 | Upgrade of gravel roads to tarred roads with storm water infrastructure and street furniture | BS6.1 | Implementation of the Capital Program (MIG+INTERNAL FUNDING | TCS0009/2021/04 | 19 | 5 153 658 | - | - |
| MIG | Osizweni Urban Access Road Phase 4 | Roads and stormwater | - | Improved quality of roads and storm water infrastructure (including sidewalks) | BS6 | Upgrade of gravel roads to tarred roads with storm water infrastructure and street furniture | BS6.1 | Implementation of the Capital Program (MIG+INTERNAL FUNDING | TCS0023/2021/04 | - | - | 14 000 000 | 15 000 000 |
| MIG | Construction of OB1 Link Road | Roads and stormwater | NEW | Improved quality of roads and storm water infrastructure | BS6 | Upgrade of gravel roads to tarred roads with storm water infrastructure | BS6.1 | Implementation of the Capital Program (MIG+INTERNAL FUNDING | TCS0024/2021/04 | 12 | 5 145 670 | - | - |

| FINAL CAPITAL BUDGET 2021/2022 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **FUNDING SOURCE** | **PROJECT DESCRIPTION** | **ASSET CLASS** | **NEW/RENEWAL/UPGRADE** | **IDP PRIORITY** | **NO.** | **IDP STRATEGIC OBJECTIVE** | **NO.** | **IDP STRATEGY** | **IDP PROJECT NUMBER** | **WARDS** | **FINAL BUDGET 2021 2022** | **FINAL BUDGET 2022 2023** | **FINAL BUDGET 2023 2024** |
| | | | | (including sidewalks) | | and street furniture | | | | | | | |
| MIG | Upgrade of OC44, OC22 | Roads and stormwater | | Improved quality of roads and storm water infrastructure (including sidewalks) | BS6 | Upgrade of gravel roads to tarred roads with Stormwater infrastructure | BS6.1 | Implementation of the Capital Program (MIG+INTERNAL FUNDING | TCS0031/2021/04 | | 3 600 000 | - | - |
| MIG | Madadeni Urban Access Roads and Stormwater Phase 3 | Roads and stormwater | - | Improved quality of roads and storm water infrastructure (including sidewalks) | BS6 | Upgrade of gravel roads to tarred roads with storm water infrastructure and street furniture | BS6.1 | Implementation of the Capital Program (MIG+INTERNAL FUNDING | TCS0004/2021/04 | - | - | 14 000 000 | 15 000 000 |
| MIG | Upgrading of MF18 and MF19 to Blacktop in Madadeni | Roads and stormwater | NEW | Improved quality of roads and storm water infrastructure (including sidewalks) | BS6 | Upgrade of gravel roads to tarred roads with storm water infrastructure and street furniture | BS6.1 | Implementation of the Capital Program (MIG+INTERNAL FUNDING | TCS0001/2021/04 | 29 | 3 895 470 | - | - |
| MIG | Upgrade of MF7, MF10 and MF69 Roads | Roads and stormwater | NEW | Improved quality of roads and storm water infrastructure (including sidewalks) | BS6 | Upgrade of gravel roads to tarred roads with storm water infrastructure and street furniture | BS6.1 | Implementation of the Capital Program (MIG+INTERNAL FUNDING | TCS0027/2021/04 | 27 | 6 008 417 | - | - |
| MIG | Upgrade of MA23,26 & 25 | Roads and stormwater | NEW | Improved quality of roads and storm water infrastructure (including sidewalks) | BS6 | Upgrade of gravel roads to tarred roads with storm water infrastructure and street furniture | BS6.1 | Implementation of the Capital Program (MIG+INTERNAL FUNDING | TCS0030/2021/04 | 22 | 3 608 645 | - | - |

| FINAL CAPITAL BUDGET 2021/2022 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **FUNDING SOURCE** | **PROJECT DESCRIPTION** | **ASSET CLASS** | **NEW/RENEWAL/UPGRADE** | **IDP PRIORITY** | **NO.** | **IDP STRATEGIC OBJECTIVE** | **NO.** | **IDP STRATEGY** | **IDP PROJECT NUMBER** | **WARDS** | **FINAL BUDGET 2021 2022** | **FINAL BUDGET 2022 2023** | **FINAL BUDGET 2023 2024** |
| MIG | Pipe Replacement and Upgrade Project | Water distribution | UPGRADE | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS6 | | BS6.1 | Implementation of the Capital Program (MIG+INTERNAL FUNDING | TCS0013/2021/04 | 2,3,4,5 | 10 000 000 | 10 000 000 | 10 000 000 |
| MIG | Viljoenpark Bulk Water and Sanitation (Phase 2):Refurbishment of the Newcastle Waste Water Treatment Works | Sanitation | UPGRADE | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS1 | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality | BS1.1 | Increase number of households with access to basic potable (drinkable) water. | TCS0011/2021/04 | 25 | 14 706 540 | 10 293 460 | 35 935 450 |
| MIG | Replacement of the DN150 Bulk Outfall Sewer Clay Pipeline in StaffordHill | Sanitation | UPGRADE | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS1 | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality | BS1.2 | Increase number of households with access to basic sanitation | TCS0028/2021/04 | 14 | 8 608 600 | - | - |
| MIG | Upgrade and Refurbishment of Bulk Sewer Pipeline from Siyahlala-la to Voortrekker Pump station | Sanitation | UPGRADE | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS1 | Increase number of households with access to basic sanitation | BS1.2 | Increase number of households with access to basic sanitation | TCS0029/2021/04 | 25 | 1 500 000 | 22 056 040 | 19 300 000 |
| SPORTS FACILITIES | Construction of Sport Facility - Old Casino | Sports and recreation | NEW | Improved access to public facilities | CC9 | Improved access to sport faclities | CC9.1 | The increase the number of sports facilities in Newcastle. | TCS0032/2021/04 | | 11 000 000 | 11 000 000 | 10 907 000 |

| FINAL CAPITAL BUDGET 2021/2022 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **FUNDING SOURCE** | **PROJECT DESCRIPTION** | **ASSET CLASS** | **NEW/RENEWAL/UPGRADE** | **IDP PRIORITY** | **NO.** | **IDP STRATEGIC OBJECTIVE** | **NO.** | **IDP STRATEGY** | **IDP PROJECT NUMBER** | **WARDS** | **FINAL BUDGET 2021 2022** | **FINAL BUDGET 2022 2023** | **FINAL BUDGET 2023 2024** |
| WATER SERVICE INFRASTRUCTURE GRANT | NEWCASTLE EAST WATER MAINS EXTENSION | Water distribution | | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | BS1 | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle municipality | BS1.4 | Increase number of households with access to basic (drinkable) water. | TCS0031/2021/04 | 33 and 15 | 4 000 000 | 2 800 000 | 6 000 000 |
| | | | | | | | | | | | **121 342 000** | **124 449 500** | **112 442 450** |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | **145 393 000** | **145 449 500** | **133 442 450** |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | 24 016 000 | 11 000 000 | 11 000 000 |
| | | | | | | | | | | | 121 377 000 | 134 449 500 | 122 442 450 |
| | | | | | | | | | | | **145 393 000** | **145 449 500** | **133 442 450** |




*Map 41: NLM Capital Consolidated Projects.*

## 4.2.2.NLM Final OPEX (2021/22): High-level.

| HIGH LEVEL FINAL OPERATIONAL BUDGET: 2021/2022 | | | | | | | |
|---|---|---|---|---|---|---|---|
| ITEM LISTING | CURRENT ADJ BUDGET 2020 2021 | FINAL BUDGET 2021/22 | CASHFLOW FINAL 2021/22 | FINAL BUDGET 2022/23 | CASHFLOW FINAL 2022/23 | FINAL BUDGET 2023/4 | CASHFLOW FINAL 2023/24 |
| REVENUE | | | | | | | |
| 0200: Revenue By Source / Property rates | (348 822 173) | (362 426 238) | (271 819 678) | (380 547 550) | (293 021 613) | (401 477 665) | (321 182 132) |
| 0300: Service charges - electricity revenue | (619 100 408) | (710 188 479) | (695 984 709) | (827 369 578) | (810 822 186) | (968 022 406) | (938 981 734) |
| 0400: Service charges - water revenue | (187 534 519) | (193 909 678) | (116 345 807) | (203 605 162) | (128 271 252) | (214 803 446) | (150 362 412) |
| 0500: Service charges - sanitation revenue | (116 273 760) | (119 428 804) | (72 254 426) | (125 400 244) | (79 002 154) | (132 297 258) | (92 608 080) |
| 0600: Service charges - refuse revenue | (92 725 066) | (95 600 841) | (58 316 513) | (100 380 883) | (63 239 957) | (105 901 832) | (74 131 282) |
| 0800: Rental of facilities and equipment | (7 441 797) | (7 532 027) | (7 532 027) | (7 908 628) | (7 908 628) | (8 343 603) | (8 343 603) |
| 0900: Interest earned - external investments | (2 372 963) | (2 295 509) | (2 295 509) | (2 410 284) | (2 410 284) | (2 542 850) | (2 542 850) |
| 1000: Interest earned - outstanding debtors | (5 106 711) | (4 642 465) | - | (4 874 588) | - | (5 142 690) | - |
| 1200: Fines, penalties and forfeits | (8 613 896) | (2 104 944) | (420 989) | (2 210 191) | (1 878 662) | (2 331 751) | (1 748 813) |
| 1300: Licences and permits | (15 174) | (104 939) | (104 939) | (110 186) | (110 186) | (116 246) | (116 246) |
| 1500: Transfers and subsidies | (724 383 969) | (695 021 000) | (695 021 000) | (633 135 500) | (633 135 500) | (648 972 550) | (648 972 550) |
| 1600: Other revenue | (18 861 926) | (20 986 800) | (20 986 800) | (22 036 140) | (22 036 140) | (23 248 128) | (23 248 128) |
| 1700: Revenue By Source/Gains | - | - | - | - | - | - | - |
| TOTL REVENUE | (2 131 252 362) | (2 214 241 723) | (1 941 082 397) | (2 309 988 934) | (2 041 836 562) | (2 513 200 424) | (2 262 237 830) |
| | | | | | | | |
| EXPENDITURE | | | | | | | |
| 2000: Employee related costs | 544 456 686 | 570 233 898 | 570 233 898 | 590 500 417 | 590 500 417 | 622 221 168 | 622 221 168 |
| 2100: Remuneration of councillors | 27 459 633 | 28 882 467 | 28 882 467 | 30 037 766 | 30 037 766 | 31 239 277 | 31 239 277 |
| 2200: Debt impairment | 252 999 817 | 283 536 108 | - | 294 877 552 | - | 306 672 654 | - |
| 2300: Depreciation and asset impairment | 390 035 391 | 378 675 137 | - | 390 035 391 | - | 401 736 453 | - |
| 2400: Finance charges | 42 881 638 | 39 754 198 | 39 754 198 | 41 423 874 | 41 423 874 | 43 246 524 | 43 246 524 |
| 2500: Bulk purchases | 499 675 238 | 557 137 890 | 557 137 890 | 649 065 642 | 649 065 642 | 759 406 801 | 759 406 801 |
| 2600: Other materials | 132 406 413 | 136 114 419 | 136 114 419 | 140 002 661 | 140 002 661 | 144 059 052 | 144 059 052 |

| HIGH LEVEL FINAL OPERATIONAL BUDGET: 2021/2022 | | | | | | | |
|---|---|---|---|---|---|---|---|
| ITEM LISTING | CURRENT ADJ BUDGET 2020 2021 | FINAL BUDGET 2021/22 | CASHFLOW FINAL 2021/22 | FINAL BUDGET 2022/23 | CASHFLOW FINAL 2022/23 | FINAL BUDGET 2023/4 | CASHFLOW FINAL 2023/24 |
| 2700: Contracted services | 385 234 207 | 387 905 778 | 387 905 778 | 344 957 278 | 344 957 278 | 352 922 294 | 352 922 294 |
| 2900: Other expenditure | 120 217 402 | 106 689 848 | 106 689 848 | 94 102 325 | 94 102 325 | 89 554 234 | 89 554 234 |
| 3000: Loss on disposal of PPE | 1 000 | 1 000 | - | 1 000 | - | 1 000 | - |
| TOTAL EXPENDITURE | 2 395 367 425 | 2 488 930 743 | 1 826 718 498 | 2 575 003 908 | 1 890 089 964 | 2 751 059 457 | 2 042 649 350 |
| | | | | | | | |
| SURPLUS/DEFICIT | 264 115 063 | 274 689 020 | (114 363 900) | 265 014 974 | (151 746 598) | 237 859 033 | (219 588 481) |
| OPENING BALANCE | | | (15 985 000) | | (9 149 752) | | (69 641 736) |
| PROCEEDS ON ASSETS DISPOSAL | | | (11 000 000) | | (11 000 000) | | (11 000 000) |
| INCREASE/DECREASE IN CONSUMER DEPOSITS | | | - | | (2 000 000) | | (2 000 000) |
| CAPEX GRANT FUNDING | | | (121 377 000) | | (134 449 500) | | (122 442 450) |
| CAPITAL EXPENDITURE | | | 145 393 000 | | 145 449 500 | | 133 442 450 |
| ESKOM DEBT - WORKING CAPITAL | | | 89 600 000 | | 89 600 000 | | 89 600 000 |
| LOAN REDEMPTION | | | 31 884 356 | | 31 884 356 | | 31 884 356 |
| VAT RECIEPTS | | | (203 563 592) | | (224 542 597) | | (251 001 835) |
| VAT PAYMENTS | | | 199 986 140 | | 206 036 611 | | 204 235 554 |
| CREDITORS TO BE PAID NEXT FY | | | (9 723 756) | | (9 723 756) | | (9 723 756) |
| | | | | | | | |
| A7 POSITION | | | (9 149 752) | | (69 641 736) | | (226 235 899) |
| | | | | | | | |
| UNSPENT CONDITIONAL GRANTS | | | 22 279 330 | | 21 218 409 | | 19 289 463 |
| STATUTORY REQUIREMENTS | | | 47 605 000 | | 45 338 095 | | 41 216 450 |
| OTHER WORKING CAPITAL REQUIREMENTS | | | 51 075 012 | | 48 642 869 | | 44 220 790 |
| OTHER PROVISIONS | | | 9 752 125 | | 10 142 210 | | 10 649 321 |
| RESERVES TO BE CASH BACKED | | | 29 341 324 | | 30 514 977 | | 32 040 726 |
| | | | | | | | |
| A8 POSITION | | | 150 903 039 | - | 86 214 824 | - | (78 819 150) |

## 4.2.3.KZN Provincial Treasury Preliminary Allocations (Transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2020).

| HUMAN SETTLEMENTS | | | |
|---|---|---|---|
| **OPEATIONAL COSTS – ACCREDITED MUNICIPALITIES** | | | |
| **Purpose:**<br>- **To provide compensation to accredited municipalities for operational costs.** | | | |
| **Name of Municipality** | **2020/21 Allocation R'000** | **2021/22 Allocation R'000** | **2022/23 Allocation R'000** |
| **Total: Amajuba Municipalities** | **3 839** | **3 839** | **3 839** |
| Newcastle | 3 839 | 3 839 | 3 839 |
| eMadlangeni | - | - | - |
| Dannhauser | - | - | - |
| Amajuba District Municipality | - | - | - |

| HUMAN SETTLEMENTS | | | |
|---|---|---|---|
| **TITLE DEEDS RESTORATION PROGRAMME** | | | |
| **Purpose:**<br>- **To ensure that preparatory work including verification is done for the individual units to be transferred through the Enhanced Extended Discount Benefit Scheme and beneficiary verification.**<br>- **Opening of Township Registers and resolving disputes for the post 94 housing projects.** | | | |
| **Name of Municipality** | **2020/21 Allocation R'000** | **2021/22 Allocation R'000** | **2022/23 Allocation R'000** |
| **Total: Amajuba Municipalities** | **3 000** | **-** | **-** |
| Newcastle | 3 000 | - | - |
| eMadlangeni | - | - | - |
| Dannhauser | - | - | - |
| Amajuba District Municipality | - | - | - |

| HUMAN SETTLEMENTS | | | |
|---|---|---|---|
| **PLANNED EXPENDITURE FROM HSDG – Level 1 or 2 Accredited Municipalities** | | | |
| **Purpose:**<br>- **To provide capital funding to Accredited Municipalities.** | | | |
| **Name of Municipality** | **2020/21 Allocation R'000** | **2021/22 Allocation R'000** | **2022/23 Allocation R'000** |
| **Total: Amajuba Municipalities** | **170 140** | **124 462** | **100 843** |
| Newcastle | 170 140 | 124 462 | 100 843 |
| eMadlangeni | - | - | - |
| Dannhauser | - | - | - |
| Amajuba District Municipality | - | - | - |

| CO-PERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS | | | |
|---|---|---|---|
| **Spatial Development Framework Support** | | | |
| **Purpose:**<br>- **To support municipalities in preparing legally compliant Spatial Development Frameworks.** | | | |
| **Name of Municipality** | **2020/21 Allocation R'000** | **2021/22 Allocation R'000** | **2022/23 Allocation R'000** |
| **Total: Amajuba Municipalities** | **3 000** | **1 000** | **-** |
| Newcastle | 1 500 | 1 000 | - |
| eMadlangeni | - | - | - |
| Dannhauser | - | - | - |
| Amajuba District Municipality | 1 500 | - | - |

| ARTS AND CULTURE | | | |
|---|---|---|---|
| **Museum Subsidies** | | | |
| **Purpose:**<br>- **To provde financial support to municipalities with focus on development and maintenance of care and preservation of culture.** | | | |
| **Name of Municipality** | **2020/21 Allocation R'000** | **2021/22 Allocation R'000** | **2022/23 Allocation R'000** |
| **Total: Amajuba Municipalities** | **407** | **429** | **449** |
| Newcastle | 407 | 429 | 449 |
| eMadlangeni | - | - | - |
| Dannhauser | - | - | - |
| Amajuba District Municipality | - | - | - |

| ARTS AND CULTURE | | | |
|---|---|---|---|
| **Provincialisation of libraries** | | | |
| **Purpose:**<br>- **To begin addressing the Constitutional mandate whereby public libraries are an exclusive provincial competency. The funding will be for the provision of library service within municipalities.** | | | |
| **Name of Municipality** | **2020/21 Allocation R'000** | **2021/22 Allocation R'000** | **2022/23 Allocation R'000** |
| **Total: Amajuba Municipalities** | **8 539** | **8 627** | **8 954** |
| Newcastle | 6 729 | 6 757 | 6 992 |
| eMadlangeni | 905 | 935 | 981 |
| Dannhauser | 905 | 935 | 981 |
| Amajuba District Municipality | 1 500 | - | - |

| ARTS AND CULTURE |
|---|
| **Community Library Services Grant** |
| **Purpose:**<br>- **To provide access to modern day technology and information resources.** |

| | | | |
|---|---|---|---|
| - **To secure library collections.**<br>- **To provide relevant collections of material in libraries which meet the needs of communities.**<br>- **To provide for staffing and operational cost of new library facilities.** | | | |
| **Name of Municipality** | **2020/21 Allocation R'000** | **2021/22 Allocation R'000** | **2022/23 Allocation R'000** |
| **Total: Amajuba Municipalities** | **3 401** | **4 708** | **4 936** |
| Newcastle | 2 312 | 2 475 | 2 595 |
| eMadlangeni] | 863 | 924 | 969 |
| Dannhauser | 226 | 1 309 | 1 372 |
| Amajuba District Municipality | 1 500 | - | - |

## 4.2.4.Department of Education (2021/22): Projects.

| EMIS NUMBER | PROJECT NAME | SCOPE OF WORKS | INFRASTRUCTURE PROGRAMMES | MUNICIPAL WARD NO. | TOTAL PROJECT COST R'000 | DRAFT ESTIMATE ALLOCATION 2021-22 R'000 | DRAFT ESTIMATE ALLOCATION 2022-23 R'000 | DRAFT ESTIMATE ALLOCATION 2023-24 R'000 |
|---|---|---|---|---|---|---|---|---|
| 500101602 | AMAJUBA COMBINED SCHOOL | STORM DAMAGED PHASE 18 | REFURBISHMENT AND REHABILITATION | 5 | 2 900 | 0 | 0 | 195 |
| 500MAIAma | AMAJUBA MAINTENANCE DISTRICTS:DOE | MAINTENANCE | MAINTENANCE AND REPAIR | #N/A | 12 000 | 3 000 | 3 000 | 3 000 |
| 500107744 | BETHAMOYA HIGH SCHOOL | SANITATION PHASE 3 PROGRAMME - 3 EXISTING ABLUTION FACILITIES AND 3 TO BE RENOVATED | UPGRADES AND ADDITIONS | 24 | 208 | 113 | 388 | 0 |
| 500110408 | BLAAUWBOSCH PRIMARY SCHOOL | SANITATION PHASE 3 PROGRAMME - 6 EXISTING ABLUTION FACILITIES, 4 TO BE RENOVATED, 2 TO BE DEMOLISHED AND 2 NEW ABLUTION FACILITIES REQUIRED | UPGRADES AND ADDITIONS | 16 | 193 | 113 | 423 | 0 |
| 500111888 | BOTHA'S PASS INTERMEDIATE SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILETS | UPGRADES AND ADDITIONS | 1 | 1 284 | 170 | 190 | 272 |
| 500113183 | BUHLEBENTUTHUKO PRIMARY SCHOOL | STORM DAMAGED SCHOOLS PHASE 14 | REFURBISHMENT AND REHABILITATION | 30 | 4 663 | 1 536 | 150 | 0 |
| 500113183 | BUHLEBENTUTHUKO PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 30 | 2 400 | 221 | 255 | 577 |

| EMIS NUMBER | PROJECT NAME | SCOPE OF WORKS | INFRASTRUCTURE PROGRAMMES | MUNICIPAL WARD NO. | TOTAL PROJECT COST R'000 | DRAFT ESTIMATE ALLOCATION 2021-22 R'000 | DRAFT ESTIMATE ALLOCATION 2022-23 R'000 | DRAFT ESTIMATE ALLOCATION 2023-24 R'000 |
|---|---|---|---|---|---|---|---|---|
| 500226884 | BUSY BEE PRIMARY SCHOOL | UPGRADING OF EXISTING SCHOOL INFRASTRUCTURE TO MEET THE DBE NORMS AND STANDARDS | UPGRADES AND ADDITIONS | 34 | 23 001 | 1 380 | 117 | 6 451 |
| 500114811 | CATHULANI PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 29 | 13 200 | 954 | 117 | 3 639 |
| 500114811 | CATHULANI PRIMARY SCHOOL | SANITATION PHASE 3 PROGRAMME - 4 EXISTING ABLUTION FACILITIES, 4 TO BE RENOVATED AND 1 NEW ABLUTION FACILITIES REQUIRED | UPGRADES AND ADDITIONS | 29 | 204 | 113 | 272 | 0 |
| 500114996 | CEBELIHLE PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 12 | 3 300 | 360 | 117 | 847 |
| 500114996 | CEBELIHLE PRIMARY SCHOOL | SANITATION PHASE 3 PROGRAMME - 4 EXISTING ABLUTION FACILITIES, 4 TO BE RENOVATED AND 1 NEW ABLUTION FACILITIES REQUIRED | UPGRADES AND ADDITIONS | 12 | 262 | 113 | 1 456 | 0 |
| 500449291 | CELANI PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 27 | 9 900 | 756 | 117 | 2 708 |
| 500449291 | CELANI PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 27 | 1 474 | 170 | 117 | 144 |
| 500449291 | CELANI PRIMARY SCHOOL | 4 STANDARD CLASSROOM, 2 GRADE R,1 MULTIPURPOSE CLASSROOMS INCLUDING LABORATORIES AND SPECIALIST ROOMS, 0.5 MEDIA CENTRE, 0.5 COMPUTER ROOM(S), 3 OFFICE(S), 3 STOREROOM(S), 1 STRONGROOM, 1 SNP KITCHEN/TUCKSHOP, 4 | NEW /REPLACEMENT INFRASTRUCTURE ASSETS | 27 | 42 437 | 3 369 | 5 472 | 1 642 |

| EMIS NUMBER | PROJECT NAME | SCOPE OF WORKS | INFRASTRUCTURE PROGRAMMES | MUNICIPAL WARD NO. | TOTAL PROJECT COST R'000 | DRAFT ESTIMATE ALLOCATION 2021-22 R'000 | DRAFT ESTIMATE ALLOCATION 2022-23 R'000 | DRAFT ESTIMATE ALLOCATION 2023-24 R'000 |
|---|---|---|---|---|---|---|---|---|
| | | GIRLS' TOILET SEATS, 4 BOYS' TOILET SEATS AND URINAL SPACES, 4 TEACHER TOILET SEATS, 1 DISABLED TOILETS, WATER PROVISIONING, ELECTRIFICATION PROVISIONING, FENCING, | | | | | | |
| 500324971 | CHARLESTOWN HIGH SCHOOL | STORM DAMAGED PHASE 18 | REFURBISHMENT AND REHABILITATION | 1 | 2 900 | 384 | 288 | 668 |
| 500117068 | CLAVIS PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 1 | 9 900 | 756 | 117 | 2 708 |
| 500117068 | CLAVIS PRIMARY SCHOOL | SANITATION PHASE 3 PROGRAMME - 1 EXISTING ABLUTION FACILITIES, 1 TO BE RENOVATED, AND 2 NEW ABLUTION FACILITIES REQUIRED | UPGRADES AND ADDITIONS | 1 | 2 000 | 113 | 0 | 0 |
| 500120620 | DEDANGIFUNDE HIGH SCHOOL | SANITATION PHASE 3 PROGRAMME - 5 EXISTING ABLUTION FACILITIES, 4 TO BE RENOVATED, 1 TO BE DEMOLISHED AND 1 NEW ABLUTION FACILITIES REQUIRED | UPGRADES AND ADDITIONS | 14 | 2 547 | 113 | 0 | 0 |
| 500123617 | DUCK PONDS SECONDARY SCHOOL | REPAIRS AND RENOVATIONS | REFURBISHMENT AND REHABILITATION | 22 | 9 099 | 539 | 384 | 2 416 |
| 500128205 | EKUBONGENI PRIMARY SCHOOL | STORM DAMAGES TO SCHOOL | REFURBISHMENT AND REHABILITATION | 1 | 3 450 | 1 003 | 103 | 0 |
| 500340511 | EMTHUNZINI PRIMARY SCHOOL | 1 X ECD, 4 TOILETS AND 1 JUNGLE GYM | UPGRADES AND ADDITIONS | 1 | 2 360 | 523 | 117 | 417 |
| 500340511 | EMTHUNZINI PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILETS | UPGRADES AND ADDITIONS | 1 | 1 115 | 162 | 237 | 210 |

| EMIS NUMBER | PROJECT NAME | SCOPE OF WORKS | INFRASTRUCTURE PROGRAMMES | MUNICIPAL WARD NO. | TOTAL PROJECT COST R'000 | DRAFT ESTIMATE ALLOCATION 2021-22 R'000 | DRAFT ESTIMATE ALLOCATION 2022-23 R'000 | DRAFT ESTIMATE ALLOCATION 2023-24 R'000 |
|---|---|---|---|---|---|---|---|---|
| 500137159 | ENHLOKWENI PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 10 | 3 300 | 360 | 117 | 847 |
| 500137159 | ENHLOKWENI PRIMARY SCHOOL | SANITATION PHASE 3 PROGRAMME - 2 EXISTING ABLUTION FACILITIES, 2 TO BE RENOVATED AND 1 NEW ABLUTION FACILITIES REQUIRED | UPGRADES AND ADDITIONS | 10 | 1 005 | 113 | 0 | 0 |
| 500140193 | ESIDIDINI PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 31 | 2 400 | 194 | 117 | 447 |
| 500143523 | EZINCWADINI PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 24 | 283 | 113 | 0 | 0 |
| 500155881 | HLABANA PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 23 | 208 | 113 | 0 | 0 |
| 500156103 | HLALANATHI HIGH SCHOOL | STORM DAMAGES TO SCHOOL | REFURBISHMENT AND REHABILITATION | 26 | 2 205 | 0 | 0 | 134 |
| 500158434 | HOPE COMBINED SCHOOL | UPGRADE AND ADDITIONS | UPGRADES AND ADDITIONS | 5 | 1 600 | 0 | 0 | 134 |
| 500162689 | INDONI PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 8 | 199 | 113 | 0 | 0 |
| 500162689 | INDONI PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 8 | 9 900 | 756 | 117 | 2 708 |
| 500162726 | INDONSA SECONDARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 11 | 1 636 | 182 | 117 | 187 |
| 500163355 | INGOGO PRIMARY SCHOOL | REPAIRS AND RENOVATIONS | REFURBISHMENT AND REHABILITATION | 1 | 3 432 | 206 | 384 | 853 |
| 500168091 | ISIKHALISEZWE HIGH SCHOOL | UPGRADES AND ADDITIONS | UPGRADES AND ADDITIONS | 6 | 10 000 | 600 | 2 117 | 2 185 |
| 500440004 | IZAZI SECONDARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 7 | 1 729 | 189 | 237 | 384 |

| EMIS NUMBER | PROJECT NAME | SCOPE OF WORKS | INFRASTRUCTURE PROGRAMMES | MUNICIPAL WARD NO. | TOTAL PROJECT COST R'000 | DRAFT ESTIMATE ALLOCATION 2021-22 R'000 | DRAFT ESTIMATE ALLOCATION 2022-23 R'000 | DRAFT ESTIMATE ALLOCATION 2023-24 R'000 |
|---|---|---|---|---|---|---|---|---|
| 500170385 | IZIKO PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 32 | 9 900 | 756 | 117 | 2 708 |
| 500171421 | JOBSTOWN PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 6 | 9 900 | 756 | 117 | 2 708 |
| 500171421 | JOBSTOWN PRIMARY SCHOOL | STORM DAMAGED PHASE 18 | REFURBISHMENT AND REHABILITATION | 6 | 2 900 | 384 | 288 | 668 |
| 500447552 | KADWA SECONDARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILETS | UPGRADES AND ADDITIONS | 21 | 922 | 181 | 237 | 148 |
| 500173826 | KHASELIHLE PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 24 | 2 900 | 113 | 0 | 0 |
| 500186591 | LINCOLN HIGH SCHOOLEIGHTS S | STORM DAMAGED SCHOOLS PHASE 14 | REFURBISHMENT AND REHABILITATION | 25 | 1 255 | 1 401 | 0 | 0 |
| 500186961 | LINGANI PRIMARY SCHOOL | REPLACING ROOF STRUCTURES , BROKEN WINDOWS AND DOORS , PLASTERING AND PAINT WORKS , STORMWATER DRAINIGE IMPROVEMENT | MAINTENANCE AND REPAIR | 13 | 3 360 | 772 | 2 592 | 0 |
| 500186961 | LINGANI PRIMARY SCHOOL | UPGRADES & ADDITIONS TO SCHOOL | UPGRADES AND ADDITIONS | 13 | 1 982 | 0 | 0 | 134 |
| 500186961 | LINGANI PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 13 | 18 | 113 | 117 | 0 |
| 500193436 | MAHLEKEHLATHINI PRIMARY SCHOOL | 1 X ECD, 4 TOILETS AND 1 JUNGLE GYM | UPGRADES AND ADDITIONS | 1 | 2 360 | 542 | 117 | 412 |
| 500203537 | MBALENHLE PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 22 | 6 600 | 558 | 117 | 1 778 |
| 500203537 | MBALENHLE PRIMARY SCHOOL | CONSTRUCTION OF 4 BOYS, 4 URINALS, 8 GIRLS, 1 DISABLED,3 STAFF AND 2 URINALS | UPGRADES AND ADDITIONS | 22 | 2 400 | 221 | 2 400 | 0 |

| EMIS NUMBER | PROJECT NAME | SCOPE OF WORKS | INFRASTRUCTURE PROGRAMMES | MUNICIPAL WARD NO. | TOTAL PROJECT COST R'000 | DRAFT ESTIMATE ALLOCATION 2021-22 R'000 | DRAFT ESTIMATE ALLOCATION 2022-23 R'000 | DRAFT ESTIMATE ALLOCATION 2023-24 R'000 |
|---|---|---|---|---|---|---|---|---|
| | | TOILET BLOCK 5 GRD R + 1 TCHR | | | | | | |
| 500212528 | MLAMLELI PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 28 | 156 | 113 | 136 | 0 |
| 500212935 | MLONDOLOZI SECONDARY SCHOOL | UPGRADE AND ADDITIONS | UPGRADES AND ADDITIONS | 18 | 15 200 | 1 074 | 2 404 | 3 517 |
| 500213712 | MNTIMANDE PRIMARY SCHOOL | 6 ECD CLASSROOMS | UPGRADES AND ADDITIONS | 16 | 2 379 | 555 | 150 | 0 |
| 500221926 | MZAMO HIGH SCHOOL | 25 CLASSROOMS, 1 MULTIPURPOSE, 1 MEDIA CENTRE, 1 LAB, 3 COMPUTER ROOM, 1 TEAM TEACHING, 1 KITCHEN, 1 ADMIN AND SUPPORT SPACES, 1 GUARD HOUSE, ABLUTIONS AND PARKING BAYS | NEW /REPLACEMENT INFRASTRUCTURE ASSETS | 16 | 45 505 | 5 | 0 | 0 |
| 500223406 | NCANDU COMBINED SCHOOL | REPLACE ROOF SHEET, CEILING, PAINTWORK, FLOOR & ELECTRICAL REPAIRS | REFURBISHMENT AND REHABILITATION | 21 | 3 464 | 93 | 114 | 497 |
| 500230473 | NHLOSOKUHLE SECONDARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 18 | 657 | 299 | 0 | 0 |
| 500234173 | NOKUKHANYA PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 13 | 374 | 113 | 80 | 0 |
| 500246124 | PANORAMA COMBINED SCHOOL | STORM DAMAGED PHASE 18 | REFURBISHMENT AND REHABILITATION | 5 | 2 900 | 384 | 288 | 668 |
| 500246124 | PANORAMA COMBINED SCHOOL | RENOVATIONS, REHABILITATION OR REFURBISHMENTS | REFURBISHMENT AND REHABILITATION | 5 | 26 849 | 5 727 | 0 | 0 |
| 500247530 | PHAMBILI PRIMARY SCHOOL | STORM DAMAGED PHASE 18 | REFURBISHMENT AND REHABILITATION | 8 | 2 900 | 384 | 288 | 668 |

| EMIS NUMBER | PROJECT NAME | SCOPE OF WORKS | INFRASTRUCTURE PROGRAMMES | MUNICIPAL WARD NO. | TOTAL PROJECT COST R'000 | DRAFT ESTIMATE ALLOCATION 2021-22 R'000 | DRAFT ESTIMATE ALLOCATION 2022-23 R'000 | DRAFT ESTIMATE ALLOCATION 2023-24 R'000 |
|---|---|---|---|---|---|---|---|---|
| 500247530 | PHAMBILI PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 8 | 3 300 | 360 | 117 | 847 |
| 500252414 | QAPHELANI PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 26 | 176 | 113 | 213 | 0 |
| 500252414 | QAPHELANI PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 26 | 6 600 | 558 | 117 | 1 778 |
| 500252488 | QEDIZABA PRIMARY SCHOOL | STORM DAMAGED PHASE 18 | REFURBISHMENT AND REHABILITATION | 28 | 2 900 | 384 | 288 | 668 |
| 500440041 | QHAWELESIZWE PRIMARY SCHOOL | STORM DAMAGED PHASE 19 | REFURBISHMENT AND REHABILITATION | 21 | 4 025 | 242 | 384 | 1 020 |
| 500253154 | QHUBIMFUNDO PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 13 | 13 200 | 954 | 117 | 3 639 |
| 500253154 | QHUBIMFUNDO PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 13 | 268 | 113 | 16 | 0 |
| 500253154 | QHUBIMFUNDO PRIMARY SCHOOL | 5 ECD CLASSROOMS | UPGRADES AND ADDITIONS | 13 | 5 971 | 1 905 | 222 | 0 |
| 500256928 | S E VAWDA PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 25 | 375 | 113 | 16 | 0 |
| 500257076 | SABELA HIGH SCHOOL | STORM DAMAGES TO SCHOOL | REFURBISHMENT AND REHABILITATION | 28 | 3 466 | 196 | 0 | 0 |
| 500257076 | SABELA HIGH SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 28 | 205 | 113 | 16 | 0 |
| 500259999 | SEBENZANI PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 17 | 13 200 | 954 | 117 | 3 639 |
| 500259999 | SEBENZANI PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 17 | 2 500 | 113 | 16 | 0 |
| 500449217 | SEBENZILE PRIMARY SCHOOL | 11 STANDARD CLASSROOMS , 1 MULTIPURPOSE, 2 | NEW /REPLACEMENT INFRASTRUCTURE ASSETS | 0 | 14 204 | 2 136 | 3 774 | 2 488 |

| EMIS NUMBER | PROJECT NAME | SCOPE OF WORKS | INFRASTRUCTURE PROGRAMMES | MUNICIPAL WARD NO. | TOTAL PROJECT COST R'000 | DRAFT ESTIMATE ALLOCATION 2021-22 R'000 | DRAFT ESTIMATE ALLOCATION 2022-23 R'000 | DRAFT ESTIMATE ALLOCATION 2023-24 R'000 |
|---|---|---|---|---|---|---|---|---|
| | | GRADE R CLASSROOM,1 MEDIA CENTER,1 COMPUTER ROOM, TEAM TEACHING ROOM 1 STOREROOMS, 1 GARDEN STORE & CHANGE ROOM, 1 SNP KITCHEN,1 GATE HOUSE, 6 GIRLS' TOILET SEATS , 4 BOYS' TOILET SEATS AND URINAL SPACES , 4 TEACHER TOILET SEATS, 5 GRADE R TOILETS SEATS, AND 1 DISABLED TOILETS | | | | | | |
| 500260628 | SESIYABONGA HIGH SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 17 | 3 934 | 243 | 117 | 761 |
| 500261072 | SGODIPHOLA INTERMEDIATE SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILETS | UPGRADES AND ADDITIONS | 7 | 1 279 | 275 | 0 | 0 |
| 500264957 | SIKHONA PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILETS | UPGRADES AND ADDITIONS | 16 | 619 | 295 | 0 | 0 |
| 500267251 | SIPHENI HIGHER PRIMARY SCHOOL | CONSTRUCTION OF 2 BOYS, 1 URINALS, 2 GIRLS, 1 DISABLED, STAFF 1M, 1 URINALS, 1 FEMALE TOILET BLOCK | UPGRADES AND ADDITIONS | 24 | 435 | 305 | 0 | 0 |
| 500267880 | SIPHUMELELE PRIMARY SCHOOL | NEW SCHOOL | NEW /REPLACEMENT INFRASTRUCTURE ASSETS | 18 | 11 000 | 0 | 3 793 | 0 |
| 500267880 | SIPHUMELELE PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 18 | 2 500 | 113 | 16 | 0 |
| 500268361 | SISIZAKELE PRIMARY SCHOOL | 1 ECD CLASSROOM AND 4 TOILTES, 01 JUNGLE JIM AND FENCING | UPGRADES AND ADDITIONS | 18 | 3 311 | 1 106 | 222 | 0 |
| 500268842 | SITHOBELUMTHETHO SENIOR PRIMARY SCHOOL | 9 CLASSROOMS,2 MULTIPURPOSE, 1 MEDIA CENTRE, 1 TEAM TEACHING ROOM, ADMIN AND SUPPORT SPACES, 1 GATE HOUSE,1 KITCHEN, 6 | UPGRADES AND ADDITIONS | 29 | 36 220 | 1 167 | 0 | 0 |

| EMIS NUMBER | PROJECT NAME | SCOPE OF WORKS | INFRASTRUCTURE PROGRAMMES | MUNICIPAL WARD NO. | TOTAL PROJECT COST R'000 | DRAFT ESTIMATE ALLOCATION 2021-22 R'000 | DRAFT ESTIMATE ALLOCATION 2022-23 R'000 | DRAFT ESTIMATE ALLOCATION 2023-24 R'000 |
|---|---|---|---|---|---|---|---|---|
| | | TEACHERS, 2 DISABLE AND 30 PARKING BAYS. | | | | | | |
| 500269841 | SIYALUNGELWA SECONDARY SCHOOL | UPGRADES & ADDITIONS | UPGRADES AND ADDITIONS | 1 | 1 520 | 78 | 128 | 328 |
| 500269915 | SIYAMUKELA HIGH SCHOOL | RENOVATIONS, REHABILITATION OR REFURBISHMENTS | REFURBISHMENT AND REHABILITATION | 22 | 28 017 | 1 617 | 0 | 0 |
| 500269915 | SIYAMUKELA HIGH SCHOOL | STORM DAMAGED PHASE 18 | REFURBISHMENT AND REHABILITATION | 22 | 2 900 | 384 | 288 | 668 |
| 500343693 | SIYATHUTHUKA PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 6 | 6 050 | 577 | 222 | 0 |
| 500343693 | SIYATHUTHUKA PRIMARY SCHOOL | STORM DAMAGED PHASE 19 | REFURBISHMENT AND REHABILITATION | 6 | 48 300 | 2 898 | 384 | 115 |
| 500270914 | SIZAKANCANE PRIMARY SCHOOL | RENOVATIONS, REHABILITATION OR REFURBISHMENTS | REFURBISHMENT AND REHABILITATION | 16 | 2 160 | 123 | 384 | 463 |
| 500303770 | SIZAMOKUHLE PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 12 | 2 500 | 225 | 1 878 | 119 |
| 500303770 | SIZAMOKUHLE PRIMARY SCHOOL | 2 ECD CLASSROOMS AND 6 TOILET SEATS | UPGRADES AND ADDITIONS | 12 | 1 344 | 822 | 222 | 0 |
| 500271136 | SIZANANI SECONDARY SCHOOL | RENOVATIONS, REHABILITATION OR REFURBISHMENTS | REFURBISHMENT AND REHABILITATION | 6 | 33 221 | 1 286 | 0 | 0 |
| 500271136 | SIZANANI SECONDARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILETS | UPGRADES AND ADDITIONS | 6 | 2 700 | 234 | 1 456 | 303 |
| 500271765 | SIZWE SECONDARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 16 | 794 | 171 | 237 | 112 |
| 500105598 | ST LEWIS BERTRAND'S SECONDARY SCHOOL | DAMAGE TO 3 CLASSROOMS | MAINTENANCE AND REPAIR | 18 | 3 468 | 0 | 470 | 890 |
| 500105598 | ST LEWIS BERTRAND'S SECONDARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 18 | 2 500 | 225 | 124 | 645 |
| 500276538 | ST OSWALDS SECONDARY SCHOOL | UPGRADE AND ADDITIONS | UPGRADES AND ADDITIONS | 25 | 15 200 | 1 074 | 2 404 | 3 517 |
| 500281383 | THEMBALENTSHA HIGH SCHOOL | RENOVATIONS, REHABILITATION OR REFURBISHMENTS | REFURBISHMENT AND REHABILITATION | 11 | 8 900 | 534 | 5 242 | 937 |
| 500489954 | THEMBINKOSI PRIMARY SCHOOL | NEW SCHOOL | NEW /REPLACEMENT INFRASTRUCTURE ASSETS | 9 | 1 942 | 1 933 | 21 000 | 0 |

| EMIS NUMBER | PROJECT NAME | SCOPE OF WORKS | INFRASTRUCTURE PROGRAMMES | MUNICIPAL WARD NO. | TOTAL PROJECT COST R'000 | DRAFT ESTIMATE ALLOCATION 2021-22 R'000 | DRAFT ESTIMATE ALLOCATION 2022-23 R'000 | DRAFT ESTIMATE ALLOCATION 2023-24 R'000 |
|---|---|---|---|---|---|---|---|---|
| 500489954 | THEMBINKOSI PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 9 | 3 300 | 360 | 117 | 847 |
| 500489954 | THEMBINKOSI PRIMARY SCHOOL | STORM DAMAGED SCHOOLS PHASE 14 | REFURBISHMENT AND REHABILITATION | 9 | 3 470 | 172 | 112 | 945 |
| 500281977 | THIYASIZWE PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 30 | 13 200 | 954 | 117 | 3 639 |
| 500200023 | TUGELA SCHOOL | GENERAL REPAIRS AND RENOVATIONS | REFURBISHMENT AND REHABILITATION | #N/A | 4 443 | 267 | 426 | 1 125 |
| 500285455 | TUGELA LSEN SCHOOL | GENERAL REPAIRS AND RENOVATIONS | REFURBISHMENT AND REHABILITATION | 34 | 4 443 | 267 | 427 | 1 125 |
| 500322196 | UMCEBOWOLWAZI SENIOR PRIMARY SCHOOL | CONSTRUCTION OF 4 BOYS, 4 URINALS, 8 GIRLS, 2 DISABLED,STAFF 3, 2 URINALS AND 3F TOILET BLOCK GRADE 3 R PLUS 1 GR TCH | UPGRADES AND ADDITIONS | 29 | 2 400 | 221 | 237 | 583 |
| 500414511 | V S ZULU PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 34 | 2 500 | 113 | 2 | 0 |
| 500414511 | V S ZULU PRIMARY SCHOOL | UPGRADING OF EXISTING SCHOOL INFRASTRUCTURE TO MEET THE DBE NORMS AND STANDARDS | UPGRADES AND ADDITIONS | 34 | 33 925 | 2 036 | 117 | 35 |
| 500343730 | VULINDLELA PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 32 | 3 300 | 360 | 117 | 847 |
| 500293854 | VUMELANI PRIMARY SCHOOL | Construction of New Grade R facilities and Ablutions | UPGRADES AND ADDITIONS | 22 | 3 300 | 360 | 117 | 847 |
| 500293854 | VUMELANI PRIMARY SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 22 | 2 500 | 113 | 2 | 0 |
| 500298220 | YWCA LSEN SCHOOL | 20x standard classrooms with storerooms,3 x Multipurpose classrooms with storerooms,1 x Workshop with storeroom,3 x therapy | UPGRADES AND ADDITIONS | 28 | 75 011 | 1 939 | 356 | 0 |

| EMIS NUMBER | PROJECT NAME | SCOPE OF WORKS | INFRASTRUCTURE PROGRAMMES | MUNICIPAL WARD NO. | TOTAL PROJECT COST R'000 | DRAFT ESTIMATE ALLOCATION 2021-22 R'000 | DRAFT ESTIMATE ALLOCATION 2022-23 R'000 | DRAFT ESTIMATE ALLOCATION 2023-24 R'000 |
|---|---|---|---|---|---|---|---|---|
| | | suite attached to classrooms,1 x Media center with storeroom,1x Computer room with storeroom,1 x Activity room, 1 x Administration block,4 x offices outside admin, 4 x Small storerooms outside admin,1 x Large storeroom outside admin,1 x Garden stores and changerooms,1 x Garage for Bus and Vehicle storage,1 x Guardhouse,1 x Tuck-shop, 6x teachers toilets,5 x Girls toilets,3 x Boys toilet.1 x BOYs Hostel with 25 beds,1 x GIRLS Hostel with 25 bedspaces1 x Kitchen with Cooking Area, Prep Area Storage, Scullery, Refuse areas, and Dining hall with 300 seating's,,Paving from gate to admin block and towards the new building ,general renovation to existing buildings. | | | | | | |
| 500298294 | ZABALAZA INTERMEDIATE SCHOOL | CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK, | UPGRADES AND ADDITIONS | 23 | 2 500 | 113 | 1 | 0 |
| 500318126 | ZAMA SECONDARY SCHOOL | 13 CLASSROOMS, 5 MULTIPURPOSE, 1 HOD OFFICE, TEACHER WORK ROOM, SMALL STAFF ROOM,1 GATE HOUSE,0.5 KITCHEN, 1 DISABLED, 2 GRADE R TOILETS AND 5 PARKING BAYS. | UPGRADES AND ADDITIONS | 8 | 42 000 | 420 | 2 117 | 635 |

## 4.2.5.Department of Environment, Forestry and Fisheries.

| Project Name | Project Description | Project Status | Timeframe / Duration | Total Project Budget |
|---|---|---|---|---|
| **EPIP** | | | | |
| Amajuba District Thuma Mina Green Deeds | The project is aimed at encouraging better environmental management practices through street cleaning, clearing of illegal dumps and public open spaces as well as the conducting of environmental education with the following deliverables: recruitment and placement of participants, street cleaning and clearing of illegal dumps, Education and Awareness campaigns, Non-accredited training to participants. . | Implementation | Mar 2019 – Nov 2021 | R 6 787 330.00 |
| **NRM** | | | | |
| NRM WoF Ingogo Fire Base | Fire Control and Prevention | Implementation | 2018/19 – 2021/22 | Not indicated |
| NRM WoF Ixopo Fire Base | Fire Control and Prevention | Implementation | 2018/19 – 2021/22 | Not indicated |
| NRM WoF Normandien Fire Base | Fire Control and Prevention | Implementation | 2018/19 – 2021/22 | Not indicated |

## 4.2.6.Department of Small Business Development.

| Projects | Project description | Location / Targeted areas | Time frames | Budget |
|---|---|---|---|---|
| **SheTradesZA** | Initiative supporting women owned businesses with products that are ready for market or with limited market access. It is a platform that serves as a unique opportunity for women entrepreneurs in the SMME sector to participate in the global value chains and markets | Targeted beneficiaries - 2500 | 2019 - 2024 | Not indicated |
| **100 Thousand young entrepreneurs** | Initiative targeting young people between the ages of 16 and 40 with businesses with the potential to create a minimum of 10 sustainable jobs | Targeted beneficiaries - 1100 | 2019 - 2024 | Not indicated |
| **SMME expansion/ scale up** | Initiative targeting small and medium enterprises that have been in existence for more than 4 years and employ more than 5/10 staff members. It supports businesses to scale up and expand through access to working capital and markets for goods and services. | Targeted beneficiaries - 1900 | 2019 - 2024 | Not indicated |
| **Township and rural entrepreneurship** | A dedicated programme to transform and integrate opportunities in townships and rural areas into productive business ventures. | Targeted beneficiaries - 5313 | 2019 - 2024 | Not indicated |
| **Incubation and digital hubs** | Business and technology incubation centres that offer enterprises business and management skills, support and platforms for a minimum of 3 years. It targets start-ups that require hand holding as they start their journey in business. | Targeted beneficiaries - 2 | 2019 - 2024 | Not indicated |

| Projects | Project description | Location / Targeted areas | Time frames | Budget |
|---|---|---|---|---|
| **Cooperatives** | Initiative aimed at supporting cooperatives as enterprises that are income and profit generating. It targets registered cooperatives that have potential to generate income and profit. | Targeted beneficiaries - 110 | 2019 - 2024 | Not indicated |
| **Informal businesses** | Initiative aimed at supporting informal businesses with compliance support, business skills development, business infrastructure and technical support. | Targeted beneficiaries – 10626 | 2019 - 2024 | Not indicated |
| **SMME products** | Initiative to coordinate and direct the buy local campaign to be impactful by targeting a minimum number of enterprises that should benefit. | Targeted beneficiaries - 1600 | 2019 - 2024 | Not indicated |
| **Start-up nation** | Initiative that seeks to promote innovation that can have a ripple effect on the national economy. Target beneficiaries are Tech and Engineering Start-ups and Social enterprises. | Targeted beneficiaries - 3200 | 2019 - 2024 | Not indicated |

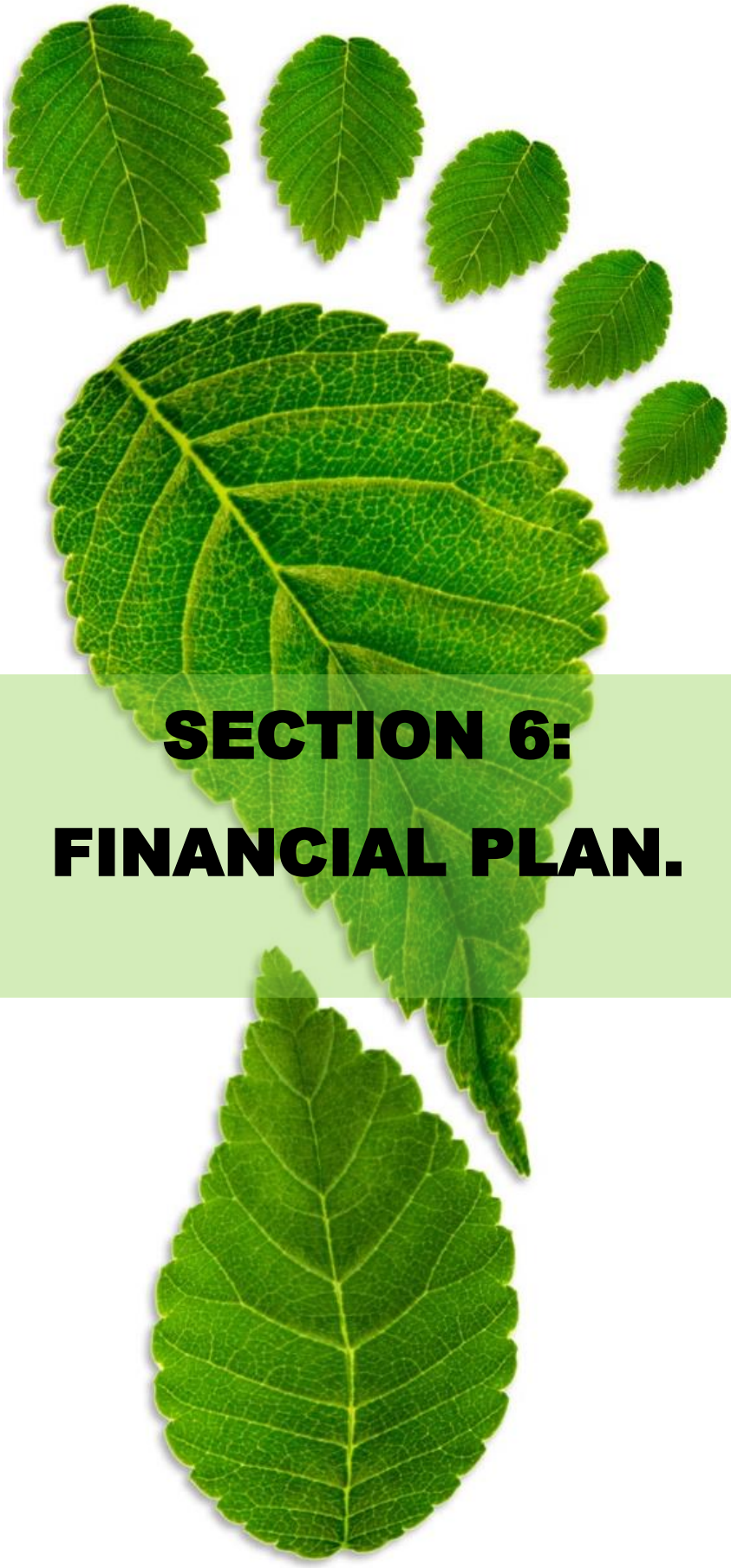
## 4.2.7.Department of Public Enterprise: ESKOM.

| Project Name | Project Description | Project Status | Timeframe / Duration | Total Project Budget (R'M) |
|---|---|---|---|---|
| Klipspruit Substation: Upgrade 5MVA to 10MVA Trfr and Normalise the substation | Strengthening | Not indicated | 2020/21 | 16.92 |
| Duckspond SS Control Room refurbishment | Refurbishment | Not indicated | 2020/21 | 14.00 |

## 4.2.8.Department of Agriculture and Rural Development.

| GOAL DEFINITION | PROJECT NAME | PROJECT OBJECTIVE | LEAD RESP | TOTAL BUDGET REQUIRED | BUDGET COMMITTED 2021/22 | BUDGET COMMITTED 2022/23 | BUDGET COMMITTED 2023/24 | DURATION OF PROJECT | LOCAL MUNICIPALITY & WARD | GPS |
|---|---|---|---|---|---|---|---|---|---|---|
| **Economic Positioning:** Define Strategic Role of the District/Metro in National Economy and build a Resilient and Transformed regional Economy | MAG Thompson | Beef Production | N.N Ndlovu | 1 000.000.00 | R 1 000 000.00 | R - | R - | I year | Ward 1 Emadlangeni | S27°32" 19' E 30° 19" 34' |
| | Nontando Masimula Enterprise CC | Beef Production | N. Ndlovu | 1 500 000.00 | R 1 500 000.00 | R - | R - | I year | Ward 3 Emadlangeni | S27°31" 47,7' E 29° 55" 13,3' |
| | Ziyabua Trading PTY LTD | Beef production | N.Ndlovu | R1280 000.00 | R 1 280 000.00 | R - | R - | 1year | Ward 3 Emadlangeni | S27°46" 43' E 30° 192" 19' |
| | Ayabonga Consulting services CC | Beef Production | N.Ndlovu | R1 900 000.00 | R 1 900 000.00 | R - | R - | 1 year | Ward 1 Newcastle | S27°37" 55,5' E 30° 02"57,5' |
| | Emagozini Livestock PTY LTD | Beef Production | N.Ndlovu | R1980 000.00 | R 1 980 000.00 | R - | R - | 1year | Ward 1 Emadlangeni | S27°32" 19' E 30° 19" 34' |
| | Ezekhethelo Products CC | Feed lot & Abattoir | N. Ndlovu | R20 000 000.00 | R 7 000 000.00 | R 7 000 000.00 | R 6 000 000.00 | 3 Years | Ward 3 Emadlangeni | S27°45" 66,0' E 30° 18"60,8' |

| GOAL DEFINITION | PROJECT NAME | PROJECT OBJECTIVE | LEAD RESP | TOTAL BUDGET REQUIRED | BUDGET COMMITTED 2021/22 | BUDGET COMMITTED 2022/23 | BUDGET COMMITTED 2023/24 | DURATION OF PROJECT | LOCAL MUNICIPALITY & WARD | GPS |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |
| | Mvelitha Trading | Beef Production & Agro-processing | N.Ndlovu | R 9 000 000.00 | R 3 000 000.00 | R 300 000.00 | 3 000 000.00 | 3 years | Ward 01 Newcastle | S 27 69 18'6<br>E 29 82 52'0 |
| | Cebolakhe Projects | Beef Production | N.Ndlovu | R 4 000 000.00 | R 1 000 000.00 | R 3 000 000.00 | | 2 years | ward 1 Emadlangeni | S27°32" 20'<br>E 30° 19" 35' |
| | Mayihlome Poultry Hatching | Hatchery | N.ndlovu | R4 500 000.00 | R 4 500 000.00 | | | 01 year | Ward 8 Dannhauser | S 27 84 33.3''<br>E 30 24'' 72' |
| | Nyezenhle Holdings Pty LTD | Abattoir | N.Ndlovu | R19 150 000.00 | R7 000 000.00 | R 5 500 000.00 | R 6 65 000.00 | 3 years | Ward 2 Dannhauser | S27 08 02"<br>E 29 58' 41" |



# SECTION 6:

# FINANCIAL PLAN.

# 5. FINANCIAL PLAN.

The municipality does not currently have a long term financial plan in place. The municipality has requested the technical assistance of the National and Provincial Treasury to develop the plan, which process is still in progress. The plan is aimed at ensuring that the various strategies of the municipality (financial and non-financial), which will require financial muscle both in the medium and long term are achieved. The financial plan will provide a sypnosis of how much it will cost to fund all the requirements of the municipality which are included in the strategic plan of the municipality, being the IDP. In the absence of the financial plan, the municipality however makes use of its medium term budget to ensure that financial requirements and service delivery are being done.



# SECTION 7:

# IMPLEMENTATION PLAN.

# 6. ANNUAL IMPLEMENTATION PLAN.

## 7.1. Final Top-Layer Service Delivery and Budget Implementation Plan (2021/22).

### 7.1.1.Municipal Transformation and Institutional Development.

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| INSTITUTIONAL TRANSFORMATION | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **APPROVED KEY PERFORMANCE INDICATOR** | **BASELINE** | **APPROVED ANNUAL STANDARD ACCUMULATIVE/AVERAGE TARGET(1 JULY 2021-30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **FINAL BUDGET INFORMATION**<br>**BUDGET AMOUNT** |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | Maintain accountable, transparent, best practice HR information structures and systems | To embark on an investigation aimed at understanding efficiency and effectiveness of organizational systems and procedures by 2022 | **IT1.1.1** | Number of work-study reports conducted as per year plan | 4 | 4 (Shortage of staff - Water Services, Waste, Electrical/Mechanical and Civil Services) | Corporate Services | R10 395 009,00 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To enhance organizational performance by attracting and retaining the best talent by 2022 | To implement the Workplace Skills Plan | **IT 2.1.1** | Percentage of the approved budget actually spent on implementing its workplace skills plan | 0,0374% | 100% | Corporate Services | Vote no: 10134010383 Description ( Bursaries) Budget : R17 600 10134010292 Description (Training vote) Budget :R670 000 Vote no: 10134010612 Vote Description: Grant Training Budget: R 500 000 10134010386 Description (ABET) Budget : R17 600 10134010402 Description (Study assistance) Budget : R110 441 |

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| INSTITUTIONAL TRANSFORMATION | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **APPROVED KEY PERFORMANCE INDICATOR** | **BASELINE** | **APPROVED ANNUAL STANDARD ACCUMULATIVE/AVERAGE TARGET(1 JULY 2021-30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **FINAL BUDGET INFORMATION**<br>**BUDGET AMOUNT** |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To enhance organizational performance by attracting and retaining the best talent by 2022 | To develop and/or review HR policies , procedures and process flows | **IT2.2.1** | Corporate Services policies approved by Council by June 2022 | . Development and approval of Office space allocation policy for Councillors by June 2021 | Council Approval of the following poilcies: Induction policy<br>Overtime policy<br>Remuneration policy<br>Retention and Succession policy<br>Sexual Harassment policy<br>Subsistence and Travel Allowance<br>Acting Policy | Corporate Services | R10 395 009 + R14 647 976 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | Ensure attainment of Labour stability | To promote employee relations (ER) and Labour stability | **IT3.1.1** | Percentage of LLF issues addressed in terms of the resolutions taken at the LLF Meeting | 100% | 100% | Corporate Services | R10 395 009 + R14 647 976 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | Facilitate effective logistics management & related activities to support Council committees, Management Committee & other related meetings, and provide timely protocol | To provide quality administrative services, to support optimal organizational performance | **IT4.1.1** | Percentage compliance with Annual Meeting Plan as approved by Council | 100% | 100% | Corporate Services | R14 647 976,00 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | Effectively provide an inclusive, clean, safe, healthy and environmentally friendly workplace that stimulates innovation & productivity, strengthens communication & | To promote zero fatalities and ensure a healthy and safe working environment | **IT5.1.1** | Percentage of Safety issues addressed in terms of the resolutions taken at the Safety Meeting | 100% | 100% | Corporate Services | R14 647 976.00 |

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| INSTITUTIONAL TRANSFORMATION | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **APPROVED KEY PERFORMANCE INDICATOR** | **BASELINE** | **APPROVED ANNUAL STANDARD ACCUMULATIVE/AVERAGE TARGET(1 JULY 2021-30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **FINAL BUDGET INFORMATION**<br>**BUDGET AMOUNT** |
| | | teamwork, and preserves the Council's assets | | | | | | | |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To enhance organizational performance by attracting and retaining the best talent by 2022 | To fill all vacancies budgeted for in FY 21/22 | **IT6.2.1** | The number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan | 4 (3 x Director and 1 Municipal Manager positions) | 1 x Section 57 positions (african - female) (SED: Community Services) | Corporate Services | R10 395 009,00 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To render an Effective and efficient records management system. | Ensure sound records management through accessibility of electronic and paper based records by authorized users | **IT6.1.1** | Annual disposal of Municipal records either by transferring them to KZN Archives Services and/or destroying records without value | Annual disposal of Municipal Records by transferring them to KZN Archives Services and/or destroying records without value | Transfer A20 records to KZN archives and destroy and obtain the destruction certificate ephemeral records (D), in terms of authorisation received from KZN Archives. | Corporate Services | R14 647 976,00 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | Encourage an organizational culture that stimulates professional excellence and personal leadership | To foster a culture of peak performance and improvement across the organization | **IT7.1.1** | Review and approval of the Individual Performance Management Policy Framework | Approved IPMS Policy Framework by council | Approval of the reviewed Individual Performance Management Policy Framework by Council. | Corporate Services | R14 647 976,00 |

## 7.1.2.Good Governance and Public Participation.

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| GOOD GOVERNANCE | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ACCUMULATIVE/AVERAGE TARGETS(1 JULY 2021 -30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To ensure good governance through openness, transparency and accountability in the organization. | Implementation of resolutions taken by council committees to ensure good governance through openness, transparency and accountability. | **GG1.1.1** | Percentage of council committee resolutions not addressed that are escalated to the Municipal Manager | 100% | 100% | Office of The Municipal Manager | R 28 262 757 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To ensure good governance through openness, transparency and accountability in the organization. | To develop a system of delegation that will maximise administrative and operational efficiencies | **GG1.2.1** | Annual review and approval of Delegations Policy by Council by 30 June 2022 | Council approval of the Delegations Policy for Newcastle Municipality | Annual review and approval of Delegations Policy by Council by 30 June 2022 | Office of The Municipal Manager | R 28 262 757 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To promote and enhance good governance in the organization. | To facilitate the implementation of an effective Risk Management System towards ensuring the achievement of the organizational objectives and service delivery targets. | **GG2.1.1** | Annual review of Risk Management Policy , Risk Management Methodology, Anti-Fraud & Corruption Strategy, Business Continuity strategy and Combined Assurance Strategy by Council in 30 June 2022 | Approval of Risk Management Policy , Risk Management Methodology, Anti-Fraud & Corruption Strategy, Business Continuity policy for 2021/22 by Council | Approved Risk Management Policy , Risk Management Methodology, Anti-Fraud & Corruption Strategy, Business Continuity strategy and Combined Assurance Strategy by Council by 30 June 2022 | Office of The Municipal Manager | R 28 262 757 |

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| GOOD GOVERNANCE | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ACCUMULATIVE/AVERAGE TARGETS(1 JULY 2021 -30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To promote and enhance good governance in the organization. | To facilitate the implementation of an effective Risk Management System towards ensuring the achievement of the organizational objectives and service delivery targets. | **GG2.1.2** | Annual risk assessment report for 2022/23 as approved by Audit Committee in 30 June 2022 | Annual Risk Report for 2021/22 approved by Audit Committee by June 2021 | Annual risk assessment report for 2022/23 as approved by Audit Committee by 30 June 2022 | Office of The Municipal Manager | R 28 262 757 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To promote and enhance good governance in the organization. | To facilitate the implementation of an effective Risk Management System towards ensuring the achievement of the organizational objectives and service delivery targets. | **GG2.1.3** | Quarterly monitoring of implementation of risk management action plans submitted to Audit Committee | 4 | 4 | Office of The Municipal Manager | R 28 262 757 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To promote and enhance good governance in the organization. | To facilitate the implementation of an effective Risk Management System towards ensuring the achievement of the organizational objectives and service delivery targets. | **GG2.1.4** | Quarterly progress reports on implementation of management action plan to AG findings submitted to Audit Committee and MPAC | 4 | 4 | Office of The Municipal Manager | R 28 262 757 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To promote and enhance good governance in the organization. | To facilitate ,promote, ensure and encourage compliance with relevant legislations | **GG2.1.5** | Number of Quarterly compliance monitoring reports (checklist) submitted to Audit Committee | 4 | 4 | Office of The Municipal Manager | R 28 262 757 |

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| GOOD GOVERNANCE | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ACCUMULATIVE/AVERAGE TARGETS(1 JULY 2021 -30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To facilitate good governance by providing assurance to council on internal controls, risk management and governance processes. | Providing recommendations and advice to management to improve internal controls, risk management and governance processes. | **GG3.1.1** | Percentage of Projects implemented as per Internal Audit Plan | 100% | 100% | Office of The Municipal Manager | R 28 262 757 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To facilitate good governance by providing assurance to council on internal controls, risk management and governance processes. | Providing recommendations and advice to management to improve internal controls, risk management and governance processes. | **GG3.1.2** | Number of Audit Committee meetings convened | 9 | 4 | Office of The Municipal Manager | R 28 262 757 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To ensure good governance through openness, transparency and accountability in the organization. | To provide effective and efficient legal support services | **GG1.3.1** | Percentage of contracts drafted and vetted as requested by departments | 100% | 100% | Office of The Municipal Manager | R 28 262 757 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To ensure good governance through openness, transparency and accountability in the organization. | To provide effective and efficient legal support services | **GG1.3.2** | Percentage of objections addressed within 60days as per SCM Regulations | 100% of objections resolved within 60days | 100% of objections resolved within 60days | Office of The Municipal Manager | R 28 262 757 |
| Output 5: Deepen democracy through a refined Ward Committee Model. | Accelerated Municipal Transformation and Corporate Development | To keep the communities and stakeholders informed and involved in the affairs of the Municipality | To improve both internal and external communication | **GG4.1.1** | Quarterly Ward Functionality Reports compiled in preparation for COGTA Assessment | 4 | 4 | Development Planning and Human Settlements | R 28 262 757 |

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| GOOD GOVERNANCE | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ACCUMULATIVE/AVERAGE TARGETS(1 JULY 2021 -30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To keep internal & external communities and stakeholders informed, empowered and involved by 2022 | To develop and implement an optimal communication strategy | **GG5.1.1** | Annual review of the Communication Strategy by Council by June 2022 | Approval of The Communications Strategy by Council | Approval of The Communications Strategy by Council in June 2022 | Office of The Municipal Manager | R 28 262 757 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To ensure that the municipality has and maintains an accountable and standardised ICT systems | To facilitate the annual implementation of good ICT governance processes | **GG6.1.1** | Percentage of ICT issues addressed at the ICT steering committee meetings | 100% | 100% | Office of The Municipal Manager | R 28 262 757 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To obtain a clean audit on the Audit of Performance Objectives by 2022 | To ensure good governance through openness, transparency and accountability in the organization. | **GG7.1.1** | Quarterly performance reports submitted to Audit Committee (Quarter 1: APR Quarter 2-4: Top Layer SDBIP) | 4 | 4 (Annual Performance Report, Quarter 1 Performance Report, Quarter 2/Section 72 Mid-year Performance and the Quarter 3 Performance Report) | Office of The Municipal Manager | R 28 262 757 |
| Output 6: Administrative and financial capability. | Accelerated Municipal Transformation and Corporate Development | To promote good governance through the Annual performance reporting process | To ensure compliance with Annual report process | **GG8.1.1** | Approval of the Annual Report and Oversight Report by the 31st March 2022 | Tabling of The Annual Report to Council by 31 January 2021 and Approval of Annual Report and Oversight Report by 31 March 2021 | Tabling of The Annual Report to Council by 31 January 2022 and Approval of Annual Report and Oversight Report by 31 March 2022 | Office of The Municipal Manager | R 28 262 757 |
| Output 7: Single window of coordination. | Accelerated Municipal Transformation and Corporate Development | To ensure the development and the maintenance of credible IDP | To develop IDP in line with 5th generation guide packs / guidelines | **GG9.1.1** | Review and Adoption of IDP by 31 May 2022 | Review and Adoption of IDP by 31 May 2021 | Review and Adoption of IDP by 31 May 2022 | Development Planning and Human Settlements | R 28 262 757 |
| Output 7: Single window of coordination. | Accelerated Municipal Transformation and Corporate Development | To ensure the development and the maintenance of credible IDP | To ensure that a Public Participation process is followed for the IDP review | **GG9.2.1** | Number of IDP RF meetings held | 3 | 3 | Development Planning and Human Settlements | R 28 262 757 |

## 7.1.3.Financial Viability and Management.

| NEWCASTLE MUNICIPALITY<br>TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22<br>FINANCIAL VIABILITY | | | | | | | | | |
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| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP/COST CENTER** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STARNDARD/ ACCUMULATIVE/ AVARAGE TARGET (1 JULY 2021-30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| Output 6: Administrative and financial capability. | Sound Financial Management/ Viability | To improve access to basic services | To promote and / improve indigent subsidy and / benefit by ensuring that all indigent are eligible for the support and to eradicate a culture of non payment | **FV1.1.1** | The percentage of formal households earning less than R1100 per month with access to free basic services; (R5000 as per approved NLM indigent policy) | 20% (10000/49329*100) | 23,3% (11500/49329*100) | Budget & Treasury Office | R45 204 635,00 |
| Output 6: Administrative and financial capability. | Sound Financial Management/ Viability | To ensure implementation of capital programme | To ensure compliance with budget planning and implementation | **FV2.1.1** | The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the Municipality's Integrated Development Plan (IDP) | 100% | 100% | All Departments | R145 393 000,00 |
| Output 6: Administrative and financial capability. | Sound Financial Management/ Viability | Improve the quality of credit control and the quality of revenue management | To ensure effective and efficient billing and revenue collection processes in order to achieve the norm of 95% which has been set by | **FV3.1.1** | Quarterly percentage of collection rate | 87% | 87% | Budget & Treasury Office | R45 204 635,00 |

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| FINANCIAL VIABILITY | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP/COST CENTER** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STARNDARD/ ACCUMULATIVE/ AVARAGE TARGET (1 JULY 2021-30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| | | | National Treasury. | | | | | | |
| Output 6: Administrative and financial capability. | Sound Financial Management/ Viability | Achieve Value for money | To have an effective Supply Chain Management system in place; | **FV4.1.1** | Approval of 2022/23 annual procurement plan by June 2022 by the Municipal Manager | Approval of 2021/22 annual procurement plan by June 2021 by the Municipal Manager | Approved 2022/23 annual procurement plan by June 2022 by the Municipal Manager | Budget & Treasury Office | R45 204 635,00 |
| Output 6: Administrative and financial capability. | Sound Financial Management /Viability | Revenue enhancement | To report on the implementation of the Revenue Enhancement Strategy. | **FV5.1.1** | Percentage implementation of the Revenue Enhancement Action Plan for BTO. | New KPI | 100% | Budget & Treasury Office | R45 204 635,00 |
| Output 6: Administrative and financial capability. | Sound Financial Management/ Viability | Achieve Value for money | To have an effective Supply Chain Management system in place; | **FV4.2.1** | Percentage implementation of the procurement plan per quarter | 100% Implementation of the procurement plan. | 100% | Budget & Treasury Office | R45 204 635,00 |
| Output 6: Administrative and financial capability. | Sound Financial Management/ Viability | To ensure sound financial and fiscal management and good governance | Review the financial policies to ensure sound financial and fiscal management and good governance | **FV6.1.1** | Number of Financial policies reviewed and approved by May 2022: 1. Provision for doubtful debt and debtors write-off policy.2. Tariff policy3. Rates policy4. Indigent policy5. Customer care, Credit control, and Debt collection policy6. Budget policy7. Virement policy8. Petty cash policy9. Short | Approved 16 Financial policies | Approved 16 Financial policies | Budget & Treasury Office | R45 204 635,00 |

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| FINANCIAL VIABILITY | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP/COST CENTER** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STARNDARD/ ACCUMULATIVE/ AVARAGE TARGET (1 JULY 2021-30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| | | | | | Term insurance10. Fund & Reserve policy 11. Cash management and Investment policy12. Borrowing policy13. Loss control policy14 Asset management policy15 SCM Policy 16, Cost containment policy | | | | |
| Output 6: Administrative and financial capability. | Sound Financial Management/ Viability | Revenue enhancement | Facilitate the annual Review of the Revenue Enhancement Strategy | **FV5.2.1** | Annual Review and Approval of the Revenue Enhancement Strategy by Council by June 2022 | Annual Review and Approval by Council of the Revenue Enhancement Strategy and action plan by June 2021 | Annual Review and Approval by Council of the Revenue Enhancement Strategy and action plan by June 2022 | Budget & Treasury Office | R45 204 635,00 |
| Output 6: Administrative and financial capability. | Sound Financial Management/ Viability | To ensure sound financial and fiscal management and good governance | To ensure efficient and effective implementation of financial internal controls | **FV6.2.1** | Percentage compliance with MFMA Calendar for all Financial Reporting | 100% Percentage compliance with MFMA Financial reporting obligations | 100% Percentage compliance with MFMA Calendar for all Financial Reporting | Budget & Treasury Office | R45 204 635,00 |
| Output 6: Administrative and financial capability. | Sound Financial Management/ Viability | To ensure sound financial and fiscal management and good governance | To ensure efficient and effective implementation of financial internal controls | **FV6.2.2** | Financial viability in terms of debt coverage within the financial year | 5,2% | 5,0% | Budget & Treasury Office | R45 204 635,00 |

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| FINANCIAL VIABILITY | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP/COST CENTER** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STARNDARD/ ACCUMULATIVE/ AVARAGE TARGET (1 JULY 2021-30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| Output 6: Administrative and financial capability. | Sound Financial Management/ Viability | To ensure sound financial and fiscal management and good governance | To ensure efficient and effective implementation of financial internal controls | **FV6.2.3** | Financial viability in terms of cost coverage within the financial year | 1 Month | 1 Month | Budget & Treasury Office | R45 204 635,00 |
| Output 6: Administrative and financial capability. | Sound Financial Management/ Viability | To ensure sound financial and fiscal management and good governance | To ensure efficient and effective implementation of financial internal controls | **FV6.2.4** | Financial viability in terms of outstanding service debtors | <1 | <1 | Budget & Treasury Office | R45 204 635,00 |
| Output 6: Administrative and financial capability. | Sound Financial Management/ Viability | To purchase tools of trade for the use by staff members and councillors of the municipality | To purchase IT equipment | **FV7.1.1** | Purchase of IT Equipment by June 2022 | Purchase of 97 IT Equipment | Purchase of 33 x laptops, 12 x desktops, 1 x projector and 1 server | Budget & Treasury Office Technical Services DPHS | R 900 000 R 115 000,00 R 35 000,00 |
| Output 6: Administrative and financial capability. | Sound Financial Management/ Viability | To purchase tools of trade for the use by staff members and councillors of the municipality | To purchase furniture and equipment | **FV7.2.1** | Purchase and delivery of Furniture and equipment as per the approved Purchase of Furniture and Equipment Plan | Purchase of 1 x survey equipment, 1 x cell phone, 10 x chairs and 2 x measuring wheels for the PMU office. Purchase of 1 x laptop. Purchase of 1x Fridge freezer, 1x bar fridge, 1x 10ltr urn, 1 x Dell latitude 5500 intel core i74 x Executive chairs, 3 x wall units, 1 x boardroom table, 8 x boardroom table and 4 x executive chairs | Purchase and delivery of Furniture and equipment as per the approved Purchase of Furniture and Equipment Plan | Budget and Treasury | R 200 000.00 |

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| FINANCIAL VIABILITY | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP/COST CENTER** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STARNDARD/ ACCUMULATIVE/ AVARAGE TARGET (1 JULY 2021-30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| Output 6: Administrative and financial capability. | Sound Financial Management/ Viability | To purchase tools of trade for the use by staff members and councillors of the municipality | To purchase Machinery Equipment | **FV7.3.1** | Purchase of Machinery Equipment in terms of the Approved Purchase of Machinery and Equipment Plan | Purchase of machinery as per the approved procurement plan | Purchase of Machinery Equipment in terms of the Approved Purchase of Machinery and Equipment Plan | Budget & Treasury Office | R100 000,00 |

## 7.1.4.Basic Service Delivery.

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| BASIC SERVICE DELIVERY | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ ACCUMALATIVE / AVERAGE TARGET ( 1 JULY 2021 - 30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality. | Increase number of households with access to basic potable (drinkable) water. | **BS1.1.1** | The number of formal households with access to water | 50729 | 51029 | Technical Services | R150 000 000,00 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality. | Increase number of households with access to basic sanitation | **BS1.2.1** | The number of formal households with access to a basic level of sanitation | 51040 | 52340 | Technical Services | R 3 000 000, 00<br>R 5 000 000,00<br>R 6 000 000,00<br>R 150 000 000,00 |

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| BASIC SERVICE DELIVERY | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ ACCUMALATIVE / AVERAGE TARGET ( 1 JULY 2021 - 30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To reduce water loss | To reduce the percentage of water losses. | **BS2.1.1** | Limit the water losses to below ≤40% | New KPI | ≤ 40% | Technical Services | R 3 000 000,00<br>R 5 000 000,00<br>R 10 800 000,00 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To create a safe and healthy environment | To implement the Waste Management Strategy in line with relevant legislation | **BS3.1.1** | Annual review and approval of the Integrated Waste Management Plan in June 2022 | Approved Integrated Waste Management Plan by June 2021 | Annual review and approval of Integrated Waste Management Plan by Council in June 2022 | Community Services | R18 991 057,00 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To create a safe and healthy environment | To provide a refuse removal service to the Newcastle Community | **BS3.2.1** | Number of formal households serviced: Refuse Removal | 50729 | 51029 | Community Services | R18 991 057,00 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To create a safe and healthy environment | To establish a new landfill site including management of the existing facility | **BS3.3.1** | Monthly internal monitoring checklists performed to ensure compliance with EDTEA requirements for a landfill site | 12 | Monthly internal monitoring complaince checklist cpmpleted with all non-compliance issues addressed. | Community Services | R18 991 057,00 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To create a safe and healthy environment | To establish a new landfill site including management of the existing facility | **BS3.3.2** | To finalise and submit the Environmental Impact Assessment Report to the Department of Economic Development, | Finalise and submit the EIA report for the approval of the landfill site | Finalise and submit the EIA report for the approval of the landfill site | Development Planning and Human Settlements | R10 553 527,00 |

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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| BASIC SERVICE DELIVERY | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ ACCUMALATIVE / AVERAGE TARGET ( 1 JULY 2021 - 30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| | | | | | Tourism and Environment Affairs for the approval of the Landfill Site. | | | | |
| Output 2: Improving access to basic services. | Improved quality of roads and storm water infrastructure (including sidewalks) | To ensure the provision and maintenance of safe roads and effective storm water infrastructure. | Refurbishment and maintenance of roads, storm water infrastructure, traffic calming devices and provision of pedestrian walkways. | **BS4.1.1** | Km of Roads resealed for Madadeni | 0,9 Km of Roads resealed in Madadeni (Mad4=0,7km and Mad6= 0,2km) | 0,9 Km of Roads resealed at Madadeni (Mad6 ) | Technical Services | R2 000 000,00 |
| Output 2: Improving access to basic services. | Improved quality of roads and storm water infrastructure (including sidewalks) | To ensure the provision and maintenance of safe roads and effective storm water infrastructure. | Refurbishment and maintenance of roads, storm water infrastructure, traffic calming devices and provision of pedestrian walkways. | **BS4.1.2** | Km of Roads resealed for Osizweni | 0,3 km of Roads resealed in Osizweni (JR4) | 0,3 km of Roads resealed at Osizweni (JR4) | Technical Services | R2 000 000,00 |
| Output 2: Improving access to basic services. | Improved quality of roads and storm water infrastructure (including sidewalks) | To ensure the provision and maintenance of safe roads and effective storm water infrastructure. | Refurbishment and maintenance of roads, storm water infrastructure, traffic calming devices and provision of pedestrian walkways. | **BS4.1.3** | Km of Roads resealed for Newcastle Residential Area | 1,1 Km of Roads resealed in Newcastle Residential (Drakensberg = 0,9KM, Panorama = 0,1 km and Henrietta = 0,1 km) | 0,8 Km of Roads resealed at Newcastle Residential (Resealing for Henrietta street 0,4 Km and Ribbon Street 0,4 Km) | Technical Services | R2 000 000,00 |
| Output 2: Improving access to basic services. | Improved quality of roads and storm water infrastructure | To ensure the provision and maintenance of safe roads and effective | Refurbishment and maintenance of roads, storm water | **BS4.1.4** | Km of Roads resealed for Newcastle CBD Area | 1,1 Km's of Roads resealed in Newcastle CBD (Terminus = | 1,1 Km's of Roads resealed in Newcastle CBD (Resealing | Technical Services | R3 000 000,00 |

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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| BASIC SERVICE DELIVERY | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ ACCUMALATIVE / AVERAGE TARGET ( 1 JULY 2021 - 30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| | (including sidewalks) | storm water infrastructure. | infrastructure, traffic calming devices and provision of pedestrian walkways. | | | 0,5km, Voortrekker= 0,1km, Memel = 0,4km and York Street = 0,1km) | for Hardwick street 0,5 Km and Marconi street. 0,6 Km) | | |
| Output 2: Improving access to basic services. | Improved quality of roads and storm water infrastructure (including sidewalks) | To ensure the provision and maintenance of safe roads and effective storm water infrastructure. | Refurbishment and maintenance of roads, storm water infrastructure, traffic calming devices and provision of pedestrian walkways. | **BS4.1.5** | km's of road gravelled in Madadeni | 0.2 km pf gravel layer completed at ward 7 Mndozo clinic area | Completion of 3 km of graveling (Madadeni school = 1km, Charlestown road in ward 1 =1km, Mndozo Clinic = 0,5km and OC44= 0,5km) | Technical Services | R2 000 000,00 |
| Output 2: Improving access to basic services. | Improved quality of roads and storm water infrastructure (including sidewalks) | To ensure the provision and maintenance of safe roads and effective storm water infrastructure. | Refurbishment and maintenance of roads, storm water infrastructure, traffic calming devices and provision of pedestrian walkways. | | km's of road gravelled in Osizweni | 0.2 km pf gravel layer completed at ward 7 Mndozo clinic area | Completion for 3km (ward 14-MP 29 (0,5km), ward 15-Kwantshangase (0,5km), ward 22-MB24 (0,5km),ward 30 Thiyasizwe (0,5km) and ward 31 Bus Route-1km) | Technical Services | R2 000 000,00 |
| Output 2: Improving access to basic services. | Improved quality of roads and storm water infrastructure (including sidewalks) | Upgrade of gravel roads to tarred roads with storm water infrastructure | Implementation of the Capital Program (MIG+INTERNAL FUNDING) | **BS6.1.1** | Km's of roads upgraded from gravel to blacktop including stormwater for MF18 & MF19 | 0,75 Km's of the sub-base layer complete (MF18 & MF19) | 0,75 Km's of gravel road upgraded to blacktop complete (MF18 & 19) | Technical Services | R3 895 470,00 |
| Output 2: Improving access to basic services. | Improved quality of roads and storm water infrastructure | Upgrade of gravel roads to tarred roads with storm water infrastructure | Implementation of the Capital Program (MIG+INTERNAL FUNDING) | **BS6.1.2** | Km's of roads upgraded from gravel to blacktop including | 0,714 Km's of the sub-base layer complete (MF69, 7,10) | 0,714 Km's of gravel road upgraded to blacktop | Technical Services | R6 008 417,00 |

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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| BASIC SERVICE DELIVERY | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ ACCUMALATIVE / AVERAGE TARGET ( 1 JULY 2021 - 30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| | (including sidewalks) | | | | stormwater for MF69, 7,10 | | complete (MF69, 7,10) | | |
| Output 2: Improving access to basic services. | Improved quality of roads and storm water infrastructure (including sidewalks) | Upgrade of gravel roads to tarred roads with storm water infrastructure | Implementation of the Capital Program (MIG+INTERNAL FUNDING) | **BS6.1.3** | Km's of roads upgraded from gravel to blacktop including stormwater for OC44 and OC22 road | New KPI | Completion of 0,48 Km's of gravel road upgraded to blacktop complete (OC44 and OC22) | Technical Services | R3 600 000,00 |
| Output 2: Improving access to basic services. | Improved quality of roads and storm water infrastructure (including sidewalks) | Upgrade of gravel roads to tarred roads with storm water infrastructure | Implementation of the Capital Program (MIG+INTERNAL FUNDING) | **BS6.1.4** | Km's of roads upgraded from gravel to blacktop including stormwater for OB1 Link Road | 1.1 Km's of the sub-base layer complete (OB Link Road) | 1.1 Km's of gravel road upgraded to blacktop complete (OB Link Road) | Technical Services | R5 145 670,00 |
| Output 2: Improving access to basic services. | Improved quality of roads and storm water infrastructure (including sidewalks) | Upgrade of gravel roads to tarred roads with storm water infrastructure | Implementation of the Capital Program (MIG+INTERNAL FUNDING) | **BS6.1.5** | Km's of roads upgraded from gravel to blacktop including stormwater for MA23,26 &25 roads | New KPI | Completion 0,61 Km's of gravel road upgraded to blacktop complete (MA23,26 &25) | Technical Services | R3 608 645,00 |
| Output 2: Improving access to basic services. | Improved quality of roads and storm water infrastructure (including sidewalks) | Upgrade of gravel roads to tarred roads with storm water infrastructure | Implementation of the Capital Program (MIG+INTERNAL FUNDING) | **BS6.1.6** | Km's of roads upgraded from gravel to blacktop including stormwater H39 Bus Road | 1.2 Km's of the sub-base layer complete (H39 Bus Road) | Completion of 1.2 Km's of gravel road upgraded to blacktop (H39 Bus Road) | Technical Services | R5 153 658,00 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure access to electricity within the Newcastle Licence area | To develop and implement the Electricity Services Delivery Plan (ESDP) | **BS7.1.1** | Approval of the Electricity Service Delivery Plan (ESDP) by June 2022 | Approved Electricity Service Delivery Plan (ESDP) by council. | Approval of the Electricity Service Delivery Plan (ESDP) by Council in June 2022. | Technical Services (Electrical and Mechanical Services) | R425 000,00 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, | To ensure access to electricity within the Newcastle Licence area | To provide electricity within the Newcastle | **BS7.2.1** | Number of formal households with access to a basic level of electricity | 50092 | 50451 | Technical Services (Electrical and | R13 500 000,00 |

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| BASIC SERVICE DELIVERY | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ ACCUMALATIVE / AVERAGE TARGET ( 1 JULY 2021 - 30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| | electricity, housing, waste removal) | | Municipality Licensed Areas. | | | | | Mechanical Services) | |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality. | Provide housing and other development projects reticulated water service through provision of new infrastructure and existing infrastructure upgrades | **BS1.5.1** | Progress on the Construction of Blaauwbosch Bulk Water Supply | Appointment of a Contractor | 6km's of trench excavation & pipe laying for the construction of 11.5 km pipeline from Brackfontein reservoir to Blaawbosch area. | Technical Services | R18 000 000,00 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate basic services in Newcastle Municipality. | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | **BS5.1.1** | Construction of a new road for medical precinct | 0.74 km of road excavation for the medical precinct completed | Completion of 0.74 km of road for the medical precinct completed | Technical Services | R4 420 667,64 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality. | Upgrade wastewater collection and treatment facilities | **BS1.3.1** | Upgrade of Madadeni Waste Water Treatment Plant | Construction of chlorination building and paving parking area complete in Madadeni Waste Treatment and pump line, 10 speed mixers, 2 mechanical screens, 2 classifiers, 2 slush pumps, inlet channel around parking area and gravity pipe from distribution box to | Installation, testing and commissioning of Mechanical screening at the inlet works | Technical Services | R26 000 000,00 |

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| BASIC SERVICE DELIVERY | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ ACCUMALATIVE / AVERAGE TARGET ( 1 JULY 2021 - 30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| | | | | | | the waste activated sludge and scrum boxes. | | | |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality. | Increase number of households with access to basic potable (drinkable) water. | **BS1.1.2** | Upgrade Viljoenpark bulk water and sanitation | Consultant appointed for the Viljoenpark bulk water and sanitation (upgrade of Newcastle Waste water treatment plant) | Completion of the Refurbishment of 2 screens, 1 new screw conveyor, 1 new wash compactor, Replace 2 grit pumps, refurbish 5 sluice valves. New anerobic sludge ponds, 2 primary settling tank and desludging patoons | Technical Services | R14 706 540,00 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality. | To ensure that waste Water quality and sanitation services is rendered in an efficient and affordable manner | **BS1.4.1** | Achieve 90% waste water quality (green drop) score in terms of SANS 241. | 90,00% | 90% | Technical Services | R52 959 626,00 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality. | Increase number of households with access to basic potable (drinkable) water. | **BS1.1.3** | Percentage Implementation of the water maintenance plan | 100% | 100% | Technical Services | R5 033 600,00<br>R1 432 267,00<br>R2 462 720,00 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. | To ensure access to electricity within the | To provide electricity within the Newcastle | **BS7.2.2** | Percentage Implementation of the electricity | 100% | 100% | Technical Services | R900 000,00<br>R431 701,00<br>R832 000,00 |

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| BASIC SERVICE DELIVERY | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ ACCUMALATIVE / AVERAGE TARGET ( 1 JULY 2021 - 30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| | Water, sanitation, electricity, housing, waste removal) | Newcastle Licence area | Municipality Licensed Areas. | | maintenance plan | | | | |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To facilitate the provision of sustainable human settlements in line with the national and provincial norms and standards. | To reduce housing backlog to meet the provincial and national targets | **BS8.1.1** | Number of Top-structures (completed with access to water and sanitation) built in a year | 247 | 300 | Development Planning and Human Settlements | R150 000 000,00 |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To facilitate the provision of sustainable human settlements in line with the national and provincial norms and standards. | To reduce housing backlog to meet the provincial and national targets | **BS8.1 2** | Number of completed Top-structures to roof level | New KPI | 411 | Development Planning and Human Settlements | R150 000 000,00 |
| Output 4: Actions supportive of the human settlement outcome | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To facilitate secure tenure and clear property rights | Fast-track Title Deed Restoration Project | **BS9.1.1** | Number of houses transferred through Enhanced Extended Discount Benefit Scheme (EEDBS) | 100 | 100 | Development Planning and Human Settlements | R150 000 000,00 |
| Output 4: Actions supportive of the human settlement outcome | Improved access to land (including Land Reform) | To facilitate secure tenure and clear property rights | Disposal of municipal land in line with Land Disposal Policy | **BS9.2.1** | Number of Sites released for disposal | 25 | Advertisement of 25 properties for disposal | Development Planning and Human Settlements | R11 478 195,00 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate basic services in Newcastle Municipality. | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | **BS5.1.2** | Completion of construction of 0, 708 km of storm-water drainage for the medical precinct | 0.708km of trench excavations complete for the stormwater drainage for the medical precinct . | Completion of construction of 0, 708 km of storm-water drainage for the medical precinct | Technical Services | R1 108 705,27 |

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| BASIC SERVICE DELIVERY | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ ACCUMALATIVE / AVERAGE TARGET ( 1 JULY 2021 - 30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate basic services in Newcastle Municipality. | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | **BS5.1.3** | Construction of Streetlights for the medical precinct | 20 streetlight poles procured and 800m of electrical cable. | Completion of the installation of 20 streetlights for the medical precinct | Technical Services | R2 183 529,43 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate basic services in Newcastle Municipality. | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | **BS5.1.4** | Servicing of land for the medical precinct with water | 0,68 km of trench excavations for the water pipeline at medical precinct completed | Completion 0,68km's of water pipeline at the medical precinct | Technical Services | R757 983,26 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate basic services in Newcastle Municipality. | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | **BS5.1.5** | Servicing of land for the medical precinct with sewer | 0,933 km of trench excavations complete for the sewer pipeline at the medical precinct . | Completion 0,933km's of sewer pipeline at the medical precinct | Technical Services | R697 289,21 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate basic services in Newcastle Municipality. | Provide development projects through provision of new infrastructure and existing infrastructure upgrades | **BS5.1.6** | Completion of the commissioning of an electrical substation for the medical precinct | Foundation earthworks for the substation of the medical precinct complete | Completion of the commissioning of the electrical substation for the medical precinct | Technical Services | R1 348 347,18 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, | To ensure the provision of appropriate basic services in Newcastle Municipality. | Provide development projects through provision of new infrastructure and existing | **BS5.1.7** | Purchase and delivery of 1 compactor truck | 4 vehicles purchased ( 2-4*4 Long driven vehicles and 2- 3 ton trucks) | Purchase and delivery of 1 compactor truck | Technical Services | R2 900 000,00 |

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| BASIC SERVICE DELIVERY | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL/OBJECTIVES** | **STRATEGIES** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ ACCUMALATIVE / AVERAGE TARGET ( 1 JULY 2021 - 30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| | housing, waste removal) | | infrastructure upgrades | | | | | | |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality. | Increase number of households with access to basic potable (drinkable) water. | **BS1.1.4** | Construction of 2km of pipeline and 10 standpipes in ward 33 and 15 | New KPI | Construction of 2km of pipeline and 10 standpipes in ward 33 and 15 | Technical Services | R4 000 000,00 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality. | Increase number of households with access to basic sanitation | **BS1.2.2** | Replacement of the DN150 Bulk Outfall Sewer Clay Pipeline in Stafford Hill | New KPI | Completion of the replacement of the DN150 Bulk Sewer Clay Pipeline from Stafford Hill | Technical Services | R8 608 600,00 |
| Output 2: Improving access to basic services. | Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal) | To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality. | Increase number of households with access to basic sanitation | **BS1.2.3** | Upgrade and Refurbishment of Bulk Sewer Pipeline from Siyahlala-la to Voortrekker Pump station | New KPI | Appointment of the Contractor Upgrade and Refurbishment of Bulk Sewer Pipeline from Siyahlala-la to Voortrekker Pump station | Technical Services | R1 500 000,00 |

## 7.1.5.Local Economic Development.

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
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| TOP-LAYER SERVICE DELIVERY IMPLEMENTATION PLAN 2021'22 | | | | | | | | | |
| LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL / OBJECTIVE** | **STRATEGY** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ACCUMULATIVE/AVERAGE TARGETS(1 JULY 2021-JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Local Economic Development (Eradication of poverty and unemployment) | To facilitate economic development that will result in sustainable job creation and growth of the Town | Facilitation and Promotion of SMME development and Entrepreneurship | ED1.1.1 | Percentage of business licenses and trading permits applications processed within 21 days as per the Business Act No. 71 of 1991 | 100% | 100% | Development Planning and Human Settlements | R2 199 164,00 |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Local Economic Development (Eradication of poverty and unemployment) | To facilitate economic development that will result in sustainable job creation and growth of the Town | Facilitation and Promotion of SMME development and Entrepreneurship | ED1.1.2 | Number of SMME's trained | 60 | 40 SMME's from the Fruit and Vegetable and Misellaneous catergory in By-laws and Regulations training. 40 SMME's from the Fast Food Owners Catergory in Food Handling and transportation training | Development Planning and Human Settlements | R35 200,00 |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Local Economic Development (Eradication of poverty and unemployment) | Local Economic Development (eradication of poverty and unemployment) | To promote economic development that will result in sustainable job creation | ED2.1.1 | The Number of jobs created through municipality's Extended Public Works Program (EPWP) | 942 | 942 | TECHNICAL SERVICES | R2 768 000,00 |

## 7.1.6.Cross-Cutting Issues.

| NEWCASTLE MUNICIPALITY | | | | | | | | | |
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| 2021/22 TOP-LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN | | | | | | | | | |
| CROSS CUTTING | | | | | | | | | |
| **OUTCOME 9** | **IDP PRIORITY** | **GOAL / OBJECTIVE** | **STRATEGY** | **KPI No. LINKED TO IDP** | **KEY PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL STANDARD/ ACCUMALATIVE / AVERAGE TARGET ( 1 JULY 2021- 30 JUNE 2022)** | **RESPONSIBLE DEPARTMENT** | **BUDGET AMOUNT** |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved access to land (including Land Reform) | To develop an efficient and effective land use management system so as to promote a rational and harmonious land use activity system. | To undertake efficient and effective building controls. | CC1.1.1 | Percentage of building plans processed within statutory timeframes | 100% | 100% | Development Planning and Human Settlements | R10 553 527,00 |

| OUTCOME 9 | IDP PRIORITY | GOAL / OBJECTIVE | STRATEGY | KPI No. LINKED TO IDP | KEY PERFORMANCE INDICATOR | BASELINE | ANNUAL STANDARD/ ACCUMALATIVE / AVERAGE TARGET ( 1 JULY 2021- 30 JUNE 2022) | RESPONSIBLE DEPARTMENT | BUDGET AMOUNT |
|---|---|---|---|---|---|---|---|---|---|
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved access to land (including Land Reform) | To ensure an effective and integrated Geographic Information Management System. | GIS System integration with other municipal systems. | CC2.1.1 | 100 % capture of the properties that change ownership | New KPI | 100 % capture of the properties that change ownership | Development Planning and Human Settlements | R10 553 527,00 |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved access to land (including Land Reform) | To promote spatial restructuring and integration | Development of municipal SDF in line with the 5th Generation of IDP | CC3.1.1 | Approved Spatial Development Framework by 31st May 2022 | Approved Spatial Development Framework by 31 May 2021 | Approved Spatial Development Framework by 31st May 2022 | Development Planning and Human Settlements | R10 553 527,00 |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved access to land (including Land Reform) | To promote sustainable development and sound environmental planning | To undertake efficient and effective building controls. | CC4.1.1 | Submission of the EIA Report to Environmental Affairs for approval of a Cemetery Site | To finalise and submit the EIA Report to Enviro Affairs | Submission of the EIA report to the Department of Environmental Affairs | Development Planning and Human Settlements | R10 553 527,00 |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved Community Safety | To ensure the provision of traffic management services | Intensify Law Enforcement activities | CC5.1.1 | Number of internal roadblocks conducted | 24 | 24 | COMMUNITY SERVICES | R13 720 770,00 |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved Community Safety | To ensure provision of fire and disaster management services | To provide and maintain an efficient and effective disaster management service to Newcastle. | CC6.1.1 | Annual review of Summer and Winter Contingency Plans and adoption by Council | Adoption of Contingency Plan by Council by June 2021 and Submission to Amajuba District Municipality | Annual review and adoption of Winter Contingency Plan in December 2021 and Summer Contingency Plan in June 2022 | COMMUNITY SERVICES | R11 786 840,00 |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved Community Safety | To ensure provision of fire and disaster management services | To provide and maintain an efficient and effective disaster management service to Newcastle. | CC6.1.2 | Percentage of Disaster related incidents attended | 100% | 100% | COMMUNITY SERVICES | R1 000 000,00 |

| OUTCOME 9 | IDP PRIORITY | GOAL / OBJECTIVE | STRATEGY | KPI No. LINKED TO IDP | KEY PERFORMANCE INDICATOR | BASELINE | ANNUAL STANDARD/ ACCUMALATIVE / AVERAGE TARGET ( 1 JULY 2021- 30 JUNE 2022) | RESPONSIBLE DEPARTMENT | BUDGET AMOUNT |
|---|---|---|---|---|---|---|---|---|---|
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved Community Safety | To facilitate the responsive role of the municipality in OSS (National and Provincial government, Civil society and private sector) | To mainstream programmes with the National and Provincial government; Civil society, private sector and OSS structures | CC7.1.1 | Number of Local Task Team meetings held to refer issues relating to Operation Sukuma Sakhe in compliance with the Intergovernmental Relations Framework Act | 8 | 8 | OFFICE OF THE MUNICIPAL MANAGER | R 28 262 757 R127 600 TOTAL R 28 390 357 |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved Community Safety | To facilitate the responsive role of the municipality in OSS (National and Provincial government, Civil society and private sector) | To mainstream programmes with the National and Provincial government; Civil society, private sector and OSS structures | CC7.1.2 | Percentage of issues raised at Special Programmes fora and referred to relevant departments by Special Programmes | 100% | 100% | OFFICE OF THE MUNICIPAL MANAGER | R 28 262 757 R76 500 R66 000 R123 200 R96 800 R102 000 R114 400 R34 000 TOTAL R 28 875 657 |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved Community Safety | To respond to the needs of vulnerable groups within Newcastle jurisdictional area | Empowerment of target groups (Senior citizens, Disability, People living with HIV/AIDS, Women and Men) through human rights activities | CC8.1.1 | Percentage implementation of the Special Programmes Year Plan | new KPI | 100% | OFFICE OF THE MUNICIPAL MANAGER | R 28 262 757 |
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved Community Safety | To respond to the needs of vulnerable groups within Newcastle jurisdictional area | To mainstream programmes with the National and Provincial government; Civil society, private sector and OSS structures | CC8.2.1 | Purchase of 1 x light motor vehicle | NEW KPI | Purchase of 1 x light motor vehicle | OFFICE OF THE MUNICIPAL MANAGER | R300 000,00 |

| OUTCOME 9 | IDP PRIORITY | GOAL / OBJECTIVE | STRATEGY | KPI No. LINKED TO IDP | KEY PERFORMANCE INDICATOR | BASELINE | ANNUAL STANDARD/ ACCUMALATIVE / AVERAGE TARGET ( 1 JULY 2021- 30 JUNE 2022) | RESPONSIBLE DEPARTMENT | BUDGET AMOUNT |
|---|---|---|---|---|---|---|---|---|---|
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | Improved access to public facilities | Improved access to sport facilities | Increase the number of sports facilities in Newcastle. | CC9.1.1 | Completion of the design and submission of the business plan for the funding of the Construction of 1 x sports facility | New KPI | Completion of the design and submission of the business plan for the funding of the Construction of 1 x sports facility | Technical Services | **R11 000 000,00** |

## 7.2. IDP, Budget and PMS Integration through the SDBIP.

### 7.2.1.Organisational Performance Management System (PMS).

Chapters 6 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000), requires local government to:-

- Develop a performance management system.
- Set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (IDP)
- Publish an annual report on performance management for the councillors, staff, the public and other spheres of government.
- Incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for local government.
- Conduct an internal audit on performance report audited by the Auditor-General.
- Involve the community in setting indicators and targets and reviewing municipal performance.

### 7.2.2.Rationale of Performance Management.

As outlined in Section 40 of The Local Government Municipal Systems Act 32 of 2000, Newcastle Municipality must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels. Section 34 of the MSA furthermore points out that the Integrated Development Plan (IDP) has to be reviewed on an annual basis, and that during the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets are reviewed and this review will form the basis for the review of the municipal PMS and Performance Contracts of Section 57 Managers.

- The Performance Management System (PMS) is informed by the following legislation and policy:
- The Municipal Systems Act, 2000 (Act 32 of 2000)
- DPLG Performance Management Guidelines 2001
- Municipal Planning and Performance Management Regulations (2001).
- Municipal Finance Management Act,2003 (Act 56 of 2003)
- Municipal Performance Regulation for Section 57 Employee (2006)
- The National Treasury Framework for Managing Programme Performance Information (FMPPI- 2007)
- The Municipal Finance Management Act of 2003, Circular 13 (31 January 2005)
- Department of Cooperate Governance Guidelines for the development of a pms policy framework in municipalities (2010)
- The Municipal Finance Management Act of 2003, Circular 88 (30 November 2017).

### 7.2.3.Objectives of the Performance Management System.

As indicated in the previous section, the Municipality's PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the

progress made in achieving the objectives set out in the IDP. The performance management system should fulfil the following objectives:

- Facilitate **increased accountability** - The performance management system should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team.
- Support **municipal oversight** - The performance management system should support oversight by the Council and community over the performance of the executive committee and Municipal Administration.
- Facilitate **learning and improvement** - The PMS should facilitate learning in order to enable the Municipality to improve delivery.
- Provide **early warning signals** - It is important that the system ensures decision-makers are timeously informed of performance related risks, so that they can facilitate intervention where necessary.
- Facilitate **decision-making** - The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

### 7.2.4.Guiding principles of the Performance Management System.

The performance management system for Newcastle Municipality is guided by the following principles:

- Simplicity so as the facilitate implementation given any current capacity constraints,
- Politically acceptable to all political role-players,
- Administratively managed in terms of its day-to-day implementation,
- Implementable within any current resource constraints,
- Transparency and accountability both in terms of developing and implementing the system,
- Efficient and sustainable in terms of the ongoing implementation and use of the system,
- Public participation in terms of granting citizens their constitutional right to participate in the process,
- Integration of the PMS with the other management processes within the municipality;
- Objectivity based on credible information; and
- Reliability of the information provided on the progress in achieving the objectives as set out in its IDP.

### 7.2.5.Implementation of the scorecard.

The Newcastle Municipality, had adopted a two-level approach for managing performance information. The levels are:

- The Top-Layer SDBIP – is aligned to the IDP and reflects the strategic priorities of the municipality. This Top-layer SDBIP will also inform the individual Performance Plans of the Section 56/57 Managers.
- The Service SDBIP Level (SDBIP) – which captures the municipality's performance in each defined service by department and functional area, provides a comprehensive picture of the performance of a particular functional area as budgeted and consisted of objectives, indicators and targets.

The two levels of reporting will be utilized as the performance management system (PMS) of Newcastle Municipality. The two levels of reporting will be the Top-layer SDBIP and the SDBIP (departmental). All reporting on the municipality's performance will be informed by information derived from the two-level SDBIP and reflect the municipality's performance on the six (6) perspectives which are as follows:-

1. Basic Service Delivery.
2. Cross cutting.
3. Local Economic Development.
4. Municipal Transformation and Institutional Development.
5. Financial Viability and Management.
6. Good Governance.

### 7.2.6.Developing the scorecard and outlining the concept.

During the IDP process a corporate vision and mission were formulated for The Newcastle Municipality, together with broad key performance areas (KPA's), development objectives and key performance indicators (KPIs) which feed into the vision and mission. It is now necessary to take this process further into the performance management system, by developing an organizational or strategic Top-layer SDBIP that will encompass all the relevant areas or concepts that will allow measurement of the performance of the organization using this Top-layer SDBIP. This will be done by using relevant concepts to populate the organizational and service SDBIP's of The Newcastle Municipality. This process of developing the Top-layer SDBIP and service/departmental SDBIP's will be followed every year after adoption of the IDP and the budget and after evaluation of the previous year's SDBIP or municipal performance. An illustration of the components of the Top-layer SDBIP is reflected in figure 1 below.

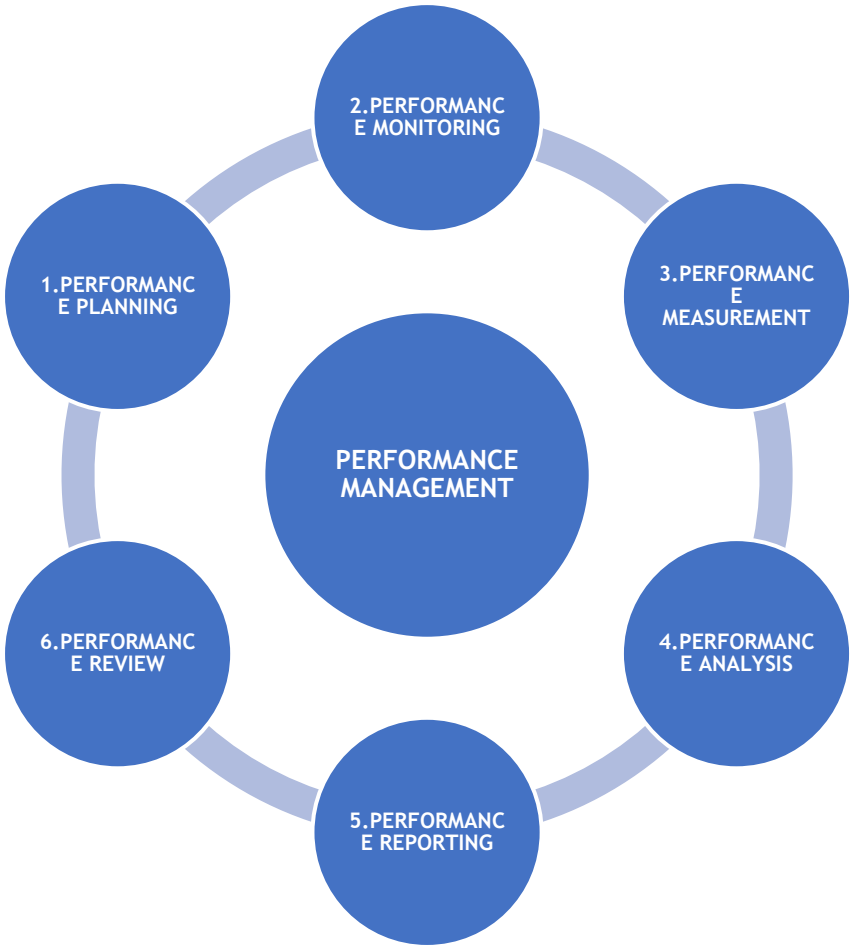
## 7.3. Top-Layer SDBIP Concepts.

| | |
|---|---|
| **Step 1** | Outline the National Key Performance Areas (KPA's) and IDP alignment |
| **Step 2** | Define Strategic Focus Areas (SFA's) that fall under each KPA |
| **Step 3** | Formulate appropriate development objectives (IDP Objectives) for each SFA |
| **Step 4** | Develop suitable Key Performance Indicators (KPIs) |
| **Step 5** | Indicate the types of Key Performance Indicators |

| | |
|---|---|
| **Step 6** | Provide baseline information |
| **Step 7** | Set annual targets for each KPI over the 5 year period to be reviewed annually |
| **Step 8** | Indicate quarterly targets to be met arising out of the each of the set annual targets based on the budget for the year under review which will cascade into the SDBIP |
| **Step 9** | Allocate responsibility to departments for execution of actions |
| **Step 10** | Provide frequency of reporting on progress |
| **Step 11** | Specify the source of evidence to be used for verification and auditing purposes |

### 7.3.1.Implementation of the PMS.

The process of managing performance at organisational level at Newcastle Municipality involves the stages as set out in the following diagram:




The diagram provides for the cycle of performance management in Newcastle Municipality to commence with performance planning followed by performance monitoring, performance measurement, performance analysis, performance reporting and lastly performance review. The outcome of the performance review feeds back into the performance planning process. It is important to note that each of the stages

in the cycle is underpinned by Council and community oversight over the performance of the Municipal Executive Committee and Administration.

The PMS unit will conduct a 100% review of the performance information as submitted from departments in terms of relevance, sufficiency, accuracy and reliability. The SDBIP will be reviewed against the approved targets and KPI's in the Top-layer SDBIP and SDBIP Reports. The performance Reports will be evaluated based on reviewing the approved targets and KPI's. The PMS Unit will use the Performance Management Checklist (Annexure C) to review the performance information submitted by departments. The Performance Management Checklist is based on Relevance, Sufficiency and Accuracy of the portfolio of evidence submitted to PMS by departments. If a target as specified in the Top-layer SDBIP has not been achieved, a reason for variance with supporting evidence must be submitted together with a recommended corrective action that must be implemented in the next quarter. A reason for variance must also be specified if a target has been over achieved and supporting evidence must be submitted to the PMS unit for review. If a department fails to submit supporting information for the over achievement of a planned target, the department will be scored as a target not met and not supported. The PMS Checklist has prompting questions based on relevance, sufficiency and accuracy, with a drop-down list with specific answers to ensure that each PMS official reviews the performance information systematically. The purpose of the PMS Checklist is to ensure that actuals are fully supported by the evidence submitted.

The following table provides a description on the criteria that is used to assess performance information:

| | |
|---|---|
| **Relevance** | Closely connected or appropriate to what is being measured/ assessed |
| **Sufficiency** | Enough or adequate evidence to support the actual |
| **Reliable** | Evidence that is good in quality, credible and trustworthy. |

A performance dashboard will be used to score departments based on the actuals reported and the portfolio of evidence submitted to the PMS unit. Departments are required to submit sufficient evidence to support the actual performance reported and if a reason for variance is reported, supporting evidence must be submitted. The diagram below is an illustration of how the PMS unit scores departments:

| LEVEL | TERMINOLOGY | DESCRIPTION | RATING DASHBOARD |
|---|---|---|---|
| **4** | Target Over Achieved | A KPI is scored as a Target Over Achieved, if the actual reported exceeds target and the evidence submitted to support the actual is relevant, sufficient and reliable. The actual reported must be:<br>• Plausible<br>• Factual<br>• Results driven | **4** |

| LEVEL | TERMINOLOGY | DESCRIPTION | RATING DASHBOARD |
|---|---|---|---|
| 3 | Target met | A KPI is scored as target met, if the target has been achieved and the evidence submitted supports the actual report and the evidence is relevant, sufficient and reliable. | 3 |
| 2 | Target not met but supported | A KPI is scored as a target not met but supported if the target has not been achieved but the following is submitted:<br>• a reason for variance that shows that the department has done everything to achieve the target and that it was beyond the control of the department to achieve that target,<br>• a recommended corrective action,<br>• evidence to support the actual reported is relevant, sufficient and reliable, and<br>• evidence to support the reason for variance is relevant, sufficient and reliable. | 2 |
| 1 | Target not met | A KPI is scored as target not met, if the target has not been achieved. The evidence submitted does not support the actual reported as it is not relevant, sufficient and reliable or no evidence submitted. | 1 |

### 7.3.2.Employee Performance Management.

Section 57 (1)(b), (4A), and (5) of the Local Government: Municipal Systems Act requires the municipal manager and managers reporting directly to the municipal managers to enter into performance agreement. A performance agreement is an agreement between an employer and the employee the – (a) outlines employers expectations of the employee's performance and (b) establishes procedures for assessment of the employee' performance against agreed criteria. In order to comply with the Systems Act and the Regulations all section 57 employees will be required to enter into performance agreements.

The performance regulations require Section 57 managers to enter into Performance Agreements with the municipality. These Performance Agreements define the municipality's performance expectations of section 57 managers and. Significantly the performance plans which integral part of the Performance Agreement are informed by institutional outputs and targets as captured in the municipality' Integrated Development Plan (IDP) and top layer and Service Delivery and Budget Implementation Plan (SDBIP).

The performance agreements to be entered into by Section 57 employees entail:–

- Specifying accountabilities as set out in the performance plan;
- Monitoring and measuring performance against targeted outputs;
- Establishing a transparent and accountable working relationship; and
- Assessing compliance with performance expectations.

## 7.4. Annual Performance Report (2019/20).

### 7.4.1.Performance Management Framework.

The 2019/20 Annual Performance Report represents the year-end performance results for the financial year under review. The Draft Annual Performance Report is

compiled by the Monitoring and Evaluation Unit after reviewing all Key Performance Indicators on the Top-Layer Service Delivery Budget Implementation Plan (TLSDBIP). The TLSDBIP comprises of the six National Key Performance Area's (NKPA's), these are: Basic Services, Cross Cutting, Good Governance, Financial Viability, Local Economic Development and Institutional Development. All NKPA's contain Key Performance Indicators (KPI's) and each KPI has a target that is measurable, specific, attainable, reliable and time-bound. All Capital Projects have been linked to a KPI on the TLSDBIP.

The Top Layer Service Delivery Plan (SDBIP) has been adapted by Newcastle Municipality as the preferred performance management tool for measuring performance on key developmental areas that are relevant to municipal service delivery and the public sector. There are six KPA's that municipalities are required to align their strategic planning. The municipal Top-layer SDBIP measures a municipality's performance through the following six perspective as listed below.

- The Municipal Local Economic Development Perspective
- The Basic Service Delivery Perspective
- The Institutional Development Perspective
- The Financial Management Perspective,
- Governance Process Perspective and
- The Cross-Cutting Perspective.

Section 46 of The Local Government Municipal Systems Act 32 of 2000 requires municipalities to publish an annual performance report reflecting the performance of the Municipality and of each external service provider; a comparison of the performances with targets; and measures taken to improve performance. The NLM has thus formulated a PMS framework geared towards the cumulative production of a clear and informative Annual Performance Report. The following table, based on the legislative framework for performance management and the PMS Framework provides a summary of the various performance reporting deadlines which apply to the Municipality:

| **Report Frequency Submitted for consideration and/or review to Remarks** | **Report Frequency Submitted for consideration and/or review to Remarks** | **Report Frequency Submitted for consideration and/or review to Remarks** | **Report Frequency Submitted for consideration and/or review to Remarks** |
|---|---|---|---|
| SDBIP's | Quarterly | Executive Committee | See MFMA Circular 13 of National Treasury for further information |
| Monthly budget statements | Monthly | Mayor (in consultation with The Executive Committee) | See sections 71 and 54 of the MFMA |
| Implementation of the budget and financial state of affairs of the Municipality | Quarterly | Council | See section 52 of the MFMA |

| Report Frequency Submitted for consideration and/or review to Remarks | Report Frequency Submitted for consideration and/or review to Remarks | Report Frequency Submitted for consideration and/or review to Remarks | Report Frequency Submitted for consideration and/or review to Remarks |
|---|---|---|---|
| SDBIP mid-year budget and performance assessment | Annually during January of each year | Mayor (in consultation with The Executive Committee) | See sections 72 and 54 of the MFMA |
| Performance report | Annually | Council | See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report |

## 7.4.2.Organisational Score-Card 2017'18 Analysis.

Accordingly, for the 2017/18 financial year, a total of 88 key performance indicators (relevant and applicable) are evaluated against targets set as summarized below:-

| KEY PERFORMANCE AREA | TARGET MET | TARGET NOT MET | TOTAL NUMBER OF APPLICABLE KPI'S |
|---|---|---|---|
| **Basic Services** | **11** | **10** | **21** |
| **Cross Cutting** | **9** | **20** | **29** |
| **Financial Viability** | **2** | **13** | **15** |
| **Good Governance** | **7** | **7** | **14** |
| **Institutional Transformation & Development** | **2** | **4** | **6** |
| **Local Economic Development** | **3** | **0** | **3** |
| **Total** | **34** | **54** | **88** |

The information contained in the table above indicates the following:-

- That the Basic Services KPA has met 45% of the planned targets. Access to basic water, sanitation and refuse removal has increased. The total number of new households built for the 2019/20 financial year was 376. 1120 VIP toilets were installed in various parts of Newcastle East, thus the graph illustrates that although less than 50% of target were achieved the livelihoods of the community members has improved.
- That only 31 % of planned the targets for the **Cross Cutting** KPA were achieved. The KPI's related to development planning were all achieved however the KPI's for Public Safety, Parks, Libraries and recreation were not achieved.
- That only 50% of the KPI's related to **Good Governance** were achieved. This is concerning as the targets set out for Risk Management were not achieved, the Delegations policy was not finalised and issues of ICT for were not resolved.
- That **Financial Viability** still remains in a state of recovery as the percentage of indigents has increased since 2018/19. The Expenditure on Capital Projects was only 66% as at the end of June 2020. The collection rate has decreased and the cash coverage of the municipality as at the end of June 2020 was 9 days, this below the National Treasury norm of 30 days.
- That **Local Economic Development** has significantly improved since 2018/19 as the Business Retention Strategy was approved, 1070 EPWP jobs were created

and the municipality trained 74 SMME's. The municipality also established a Business Licensing Unit to ensure that all businesses and Informal Traders in Newcastle comply with the National Business Act.

- That the performance of the **Institutional Transformation and Development** KPA has seen no significant improvement in terms of targets met and targets not met. It must be noted that the LLF did not sit due to dismissal of some LLF members and safety committees could not resolve issues as the departments did not comply with timeously nominating safety representatives. However the department did ensure that the position of the CAE and SED: BTO were filled and the position for the Municipal Manager was advertised.

Overall, the organisational performance for 2019/20, based on the information above translates to only 38, 63 % of targets being achieved and 61, 36 % of targets that were set not being achieved. The Municipality has only declined in performance from the 2018/19 financial year by 1, 11%.

### 7.4.3.Performance Achievements.

Despite the significant room for improvement, noteworthy progress was still made on numerous service delivery objectives, including but not limited to the following:

- The Municipality has built 376 houses through the housing program which was mostly aimed at restoring the dignity for first time home owners. These households have access to clean water, sanitation and refuse removal.
- As a caring municipality we've given 8952 indigent households free basic water, electricity, sanitation and refuse removal. This is yet another clear indication that this municipality understands the daily struggles faced by many of our residents, in particular the unemployed and previously disadvantaged.
- 28 residential sites have been advertised for sale.
- 1070 EPWP jobs were created to tackle the high number of unemployment within this municipality.
- The municipality has done training for 74 SMMEs.
- 189 title deeds have been transferred though the EEDBS program. A majority of these beneficiaries are first time home owners.
- 6, 908 km's of roads have been resealed within the jurisdiction of Newcastle Municipality.
- 8,644 km's of roads were light graded / gravelled.
- 5, 808 km's of roads were upgraded from gravel to black-top (tar).
- We have accelerated our efforts and response time to addressing potholes as part of "making potholes a thing of the past" campaign.
- The municipality completed the planning and design for the upgrade of Ngagane waste water treatment plant phase one.
- 1120 VIP toilets have been installed.

- The municipality has made two appointments of Strategic Executive Directors; namely the CFO and CAE.
- The mayor's office has awarded of 50 bursaries to the youth
- The mayor's office has had to go beyond the set budget to award a further ten students by linking the students with private donors.
- The municipality has purchased a 3 ton truck for traffic services.
- Despite National Covid-19 Lockdown Newcastle Municipality ensured that the Budget/IDP/PMS were approved and adopted as per the National Treasury Circular.

### 7.4.4.Challenges.

- Performance reporting is not prioritized by all officials.
- Insufficient, unreliable and inaccurate information was submitted for some KPI's
- Lack of consequence management for the non-achievement of planned targets.
- The National Covid-19 Lockdown.
- Delay by departments to submit specifications timeously to BTO.
- Vacant positions

### 7.4.5.Measures to improve consequence management.

- Implementation of Consequence Management.
- Performance Assessments for Section 56/57 employees be fast tracked.
- Covid-19 Recovery Action Plans to be developed for all KPI's that had targets that were not achieved.
- Weekly capital status meetings to be convened by all Section 56/57 employees.
- Weekly monitoring of SDBIP's by Section 56/57 employees.
- M & E unit to monitor departmental reporting weekly for the Covid-19 Recovery Action Plan and the Quarterly SDBIP reports.
- SED's to sign off all performance information before submission to the M & E unit.

### 7.4.6.Assessment of External Service Providers.

In terms of Section 46 of The Local Government Municipal Systems Act 32 of 2000, a municipality must prepare for each financial year a performance report reflecting-

(a) The performance of the municipality and of each external service provider during that financial year.

Currently UThukela Water (Pty) Ltd is the only External Service Provider of the Newcastle Municipality, for which bulk water services is being rendered. UThukela Water (Pty) Ltd is an Entity of Newcastle Municipality. Newcastle Municipality currently has a signed Service Level Agreement with UThukela Water that was renewed on the 21st of June 2019. Unfortunately UThukela Water did not meet any of planned targets set in the 2019/20 SDBIP. The main reason for not achieving the targets is that the information submitted from UThukela Water was insufficient,

unreliable and the actuals could not be verified.  Another reason for UThukela Water not achieving their targets was that the fact most planned meetings were not convened and the National Covid-19 Lockdown also negatively the entity's performance.



# SECTION 8:

# SECTOR PLANS.

# 8. SECTOR PLANS.

## 8.1. Newcastle Local Municipality Sector Plans.

| Ref | Name of Sector Plan | Date of last review | Date of next review | Comments |
|---|---|---|---|---|
| 1. | Disaster Management Plan/ Contingency Plan | 03 August 2016 | 30 June 2021 | Review of Disaster Management Plan |
| 2. | Winter Contingency Plan | N/A | December 2021 | Review of Winter Contingency Plan (In line with 2021/22 SDBIP targets) |
| 3. | Summer Contingency Plan | N/A | June 2022 | Review of Summer Contingency Plan (In line with 2021/22 SDBIP targets) |
| 4. | Performance Management System (PMS) | June 2020 | May 2021 | - |
| 5. | Skills Development Plan | 30 April 2021 | 30 April 22 | - |
| 6. | Financial Management Plan | - | - | The municipality currently does not have a stand-alone financial management plan. The municipality treats the MTREF budget for each financial years as its financial plan. This covers a period of 3 years for each time of approval |
| 7. | Capital Investment Framework (CIP) | June 2020 | May 2021 | - |
| 8. | Environmental Management Framework | June 2015 | 2022/23 | - |
| 9. | Local Economic Development (LED) | Internal Amendment - 05/March/2021 | 2023 | 2018 to 2023 The LED Strategy is implemented. There can be amendments but not reviews in this period. |
| 10. | Poverty Relief/Alleviation Programme | - | - | - |
| 11. | Revenue Enhancement Strategy | 01July 2020 | 01 July 2021 | This Strategy is revised on an annual basis. |
| 12. | Housing Sector Plan | June 2020 | 2021/22 | - |
| 13. | Water Services Development Plan (WSDP) | - | - | - |
| 15. | Waste Management Plan (IWMP) | 05 May 2021 | 2021/2022 | SENT to MEC for endorsement |
| 16. | Roads and Storm water Master Plan | - | - | |
| 17. | Integrated Traffic and Transport Plan | February 2016 | 2021/22 | - |
| 18. | Electrification Plan | - | - | |
| 19. | Tourism Strategy | 2020 | 2024 | - |
| 20. | Town Planning Scheme | October 2016 | June 2021 | |
| 21. | Spatial Development Framework | June 2020 | May 2021 | - |
| 22. | Gender Employment Equity Plan | 01 September 2016 | 01 July 2021 | - |
| 23. | Communication Strategy | | | |
| 24. | IT **Communications Policy** | | | |

| Ref | Name of Sector Plan | Date of last review | Date of next review | Comments |
|---|---|---|---|---|
| 25. | **IT Policy** | 05 March 2021 | TBD | The IT Policy is only reviewed pending a need to do so. |
| 26. | **IT Strategy** | 31 March 2021 | 2023/2024 | The IT Strategy is reviewed on a 3 year basis. |
| 27. | **Asset Management Policy** | March 2021 | March 2022 | The policy is reviewed on an annual basis. |
| 28. | Fraud and Corruption Prevention Strategy | 27 January 2021 | 30 June 2021 | - |
| 29. | Cemetery Plan | - | - | The plan has not yet been established |
| 30. | Ward Committee Policy | 12 August 2020 | 2021/22 | The next review will take place after the local elections |
| 31. | Ward Committee Operational Plan | 14 May 2021 | 2021/22 | Document was sent to COGTA for approval on the 14th of May 2021. The next review will take place after the local elections |
| 32. | Public Participation Policy | July 2020 | 2021/22 | The next review will take place after the local elections |
| 33. | Public Participation Strategy | July 2020 | 2021/22 | The next review will take place after the local elections |
| 34. | Business Retention and Expansion Strategy | 2020 | 2024 | - |
| 35. | Capital Expenditure Framework | March 2021 | June 2022 | - |