

BUDGET PRESENTATION

(2023-2024)



CONTENT

- **Brief Historical Financial Performance**
- **Budget 2023/24**



TEAMWORK



CUSTOMER FOCUS



COMMUNICATION



FAIRNESS AND EQUITY

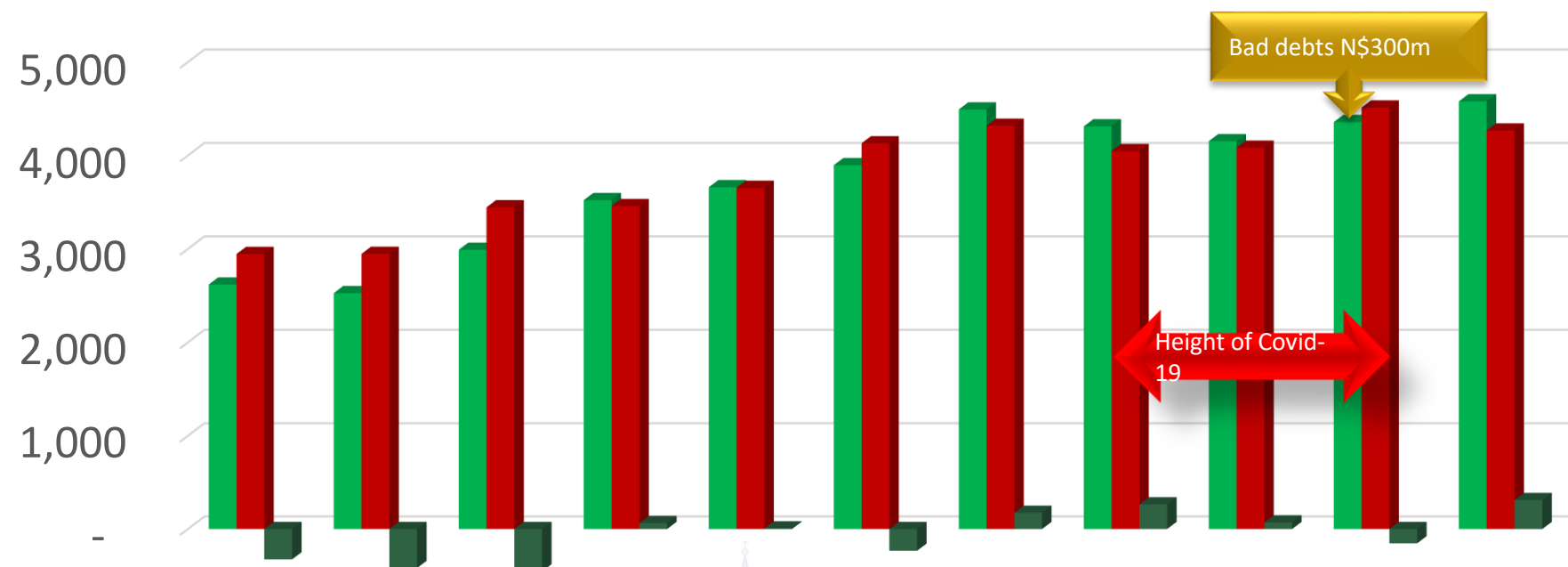


INTEGRITY

Time Allocation:
10 min

Financial performance as per MURD Budget format

N\$m



(1,000)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	2,619	2,527	2,991	3,522	3,661	3,897	4,493	4,312	4,153	4,359	4,580
Expenditure	2,946	2,948	3,447	3,459	3,654	4,131	4,318	4,047	4,083	4,514	4,268
Surplus (deficit)	(327)	(420)	(456)	64	7	(234)	175	266	71	(155)	312

Revenue Expenditure Surplus (deficit)



TEAMWORK



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FAIRNESS AND EQUITY



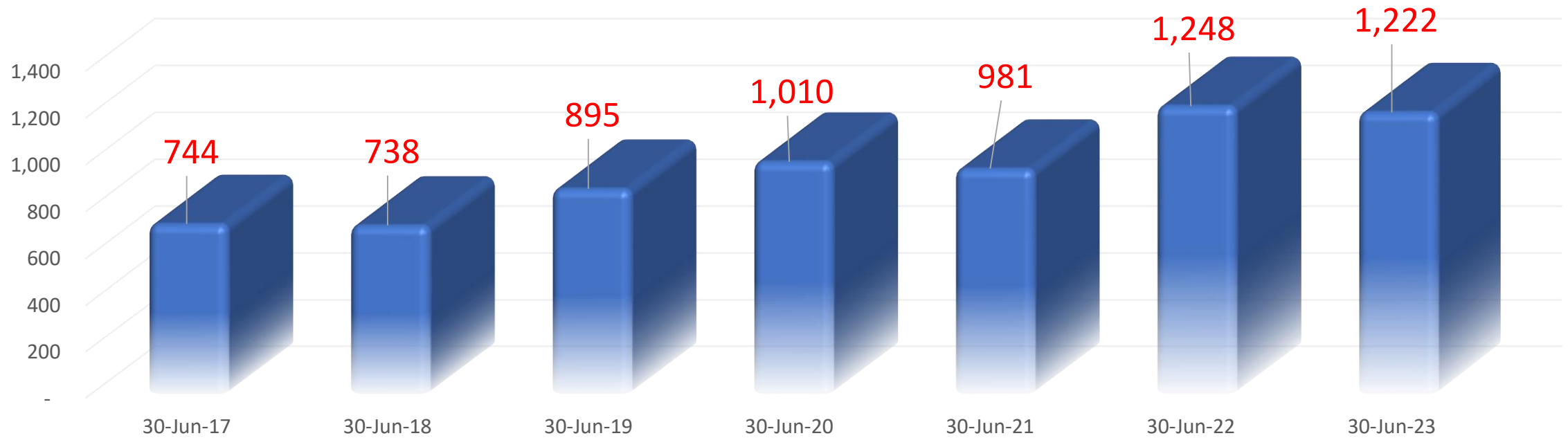
INTEGRITY

FINANCIAL POSITION

	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23	
Status	Audited	Audited	Audited	Unaudited	Draft	
Assets	N\$	N\$	N\$	N\$	N\$	
Current assets	1,044	1,201	941	930	1,043	
Non-current assets	19,316	18,942	18,363	17,946	17,499	
Total assets	20,360	20,143	19,304	18,876	18,543	
Liabilities	Current ratio	0.44	0.52	0.50	0.46	0.59
Current liabilities	2,351	2,304	1,884	2,013	1,768	
Non-current liabilities	1,052	951	1,077	1,127	1,166	
Total Liabilities	3,403	3,255	16,344	3,140	2,934	
Total Net assets	16,957	16,888	16,344	15,736	15,609	



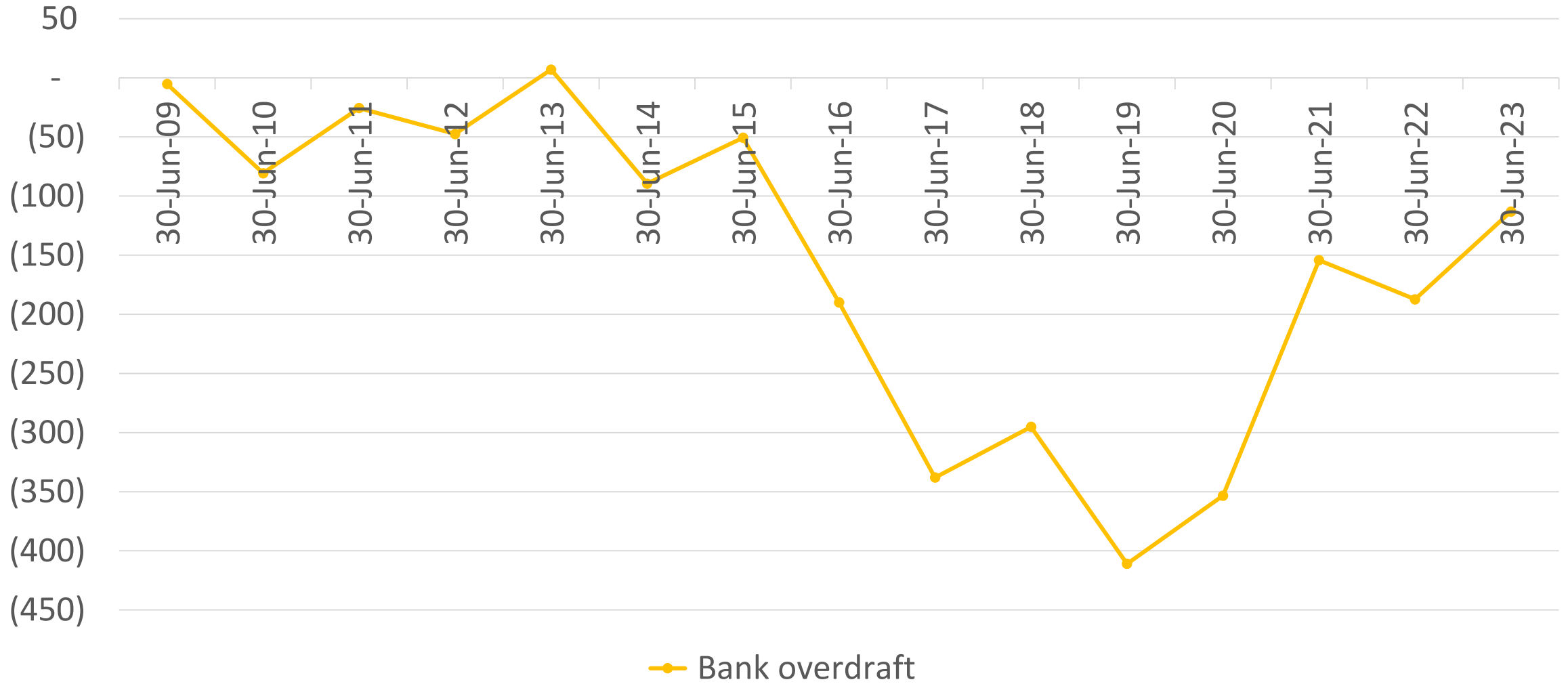
DEBTORS N\$m



Includes free water debt amounting to N\$60m and N\$105m on 30 June 2022 and 2023 respectively



Bank overdraft



BUDGET 2023/24



FUNDING OF COUNCIL OPERATIONS



SERVICES:

- Electricity
- Water and Sewerage Services
- Refuse/Solid waste

TAXES & OTHER

- Property Taxes
- Levies
- Rental
- Land sales
- Other minor services



WHAT IS COVERED BY TAXES?



To fund or cross subsidise any service or item not covered by direct levied tariff

SERVICES:

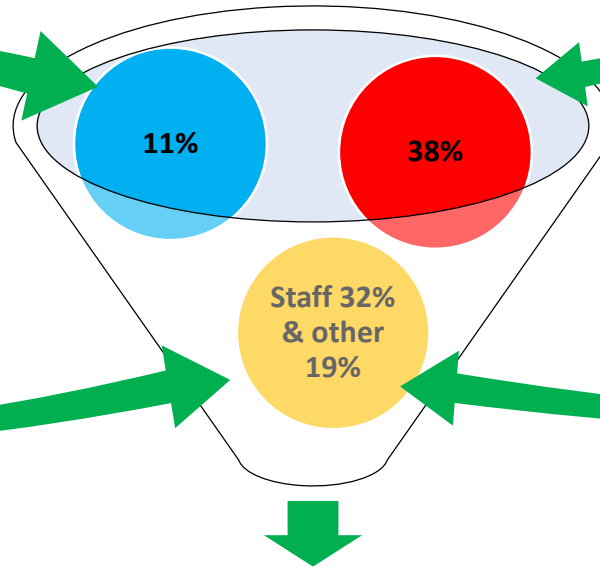
- BUS SERVICES
- ROADS
- CITY POLICE
- EMERGENCY SERVICES (INCLUDING FIRE AND AMBULANCE)
- PARKS AND GARDENS
- SME AND INFORMAL MARKETS
- ECONOMIC AND SOCIAL DEVELOPMENT
- YOUTH DEVELOPMENT
- COUNCILLORS AND STAFF REMUNERATIONS
- HEALTH



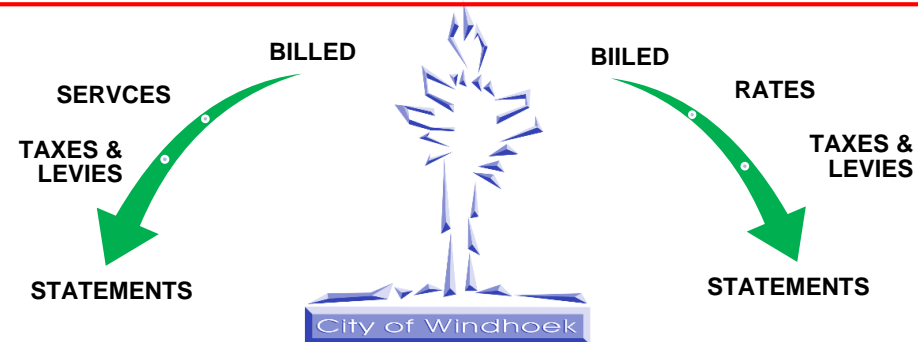
OUR BUSINESS MODEL

NAMWATER
Namibia Water Corporation Ltd

NamPower



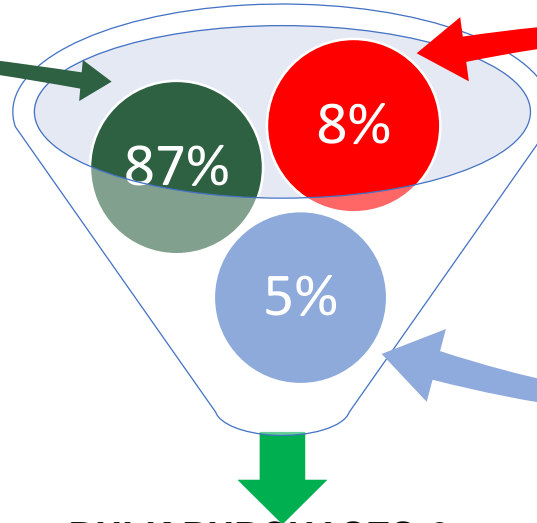
COST OF SERVICES AND GOODS DETERMINES TARIFFS



The Gateway to Endless Opportunities



ELECTRICITY



Direct or Indirect operational costs

Support services & surcharges and capital return

**BULK PURCHASES &
OVERHEADS DETERMINES
TARIFFS**

Tariffs are regulated by ECB

Electricity is used as an enabler rather than being a major cross subsidy revenue source

*Basic Charges are not included
As it relates to covering overheads*



Water Tariffs is not regulated

to cover operational costs not covered by basic charges including shared costs, Other direct costs 17% and overheads (shared) costs and distribution losses 20%

Distribution losses accounts between 18% to 28% of Bulk Purchases KL

Factors impacting budget

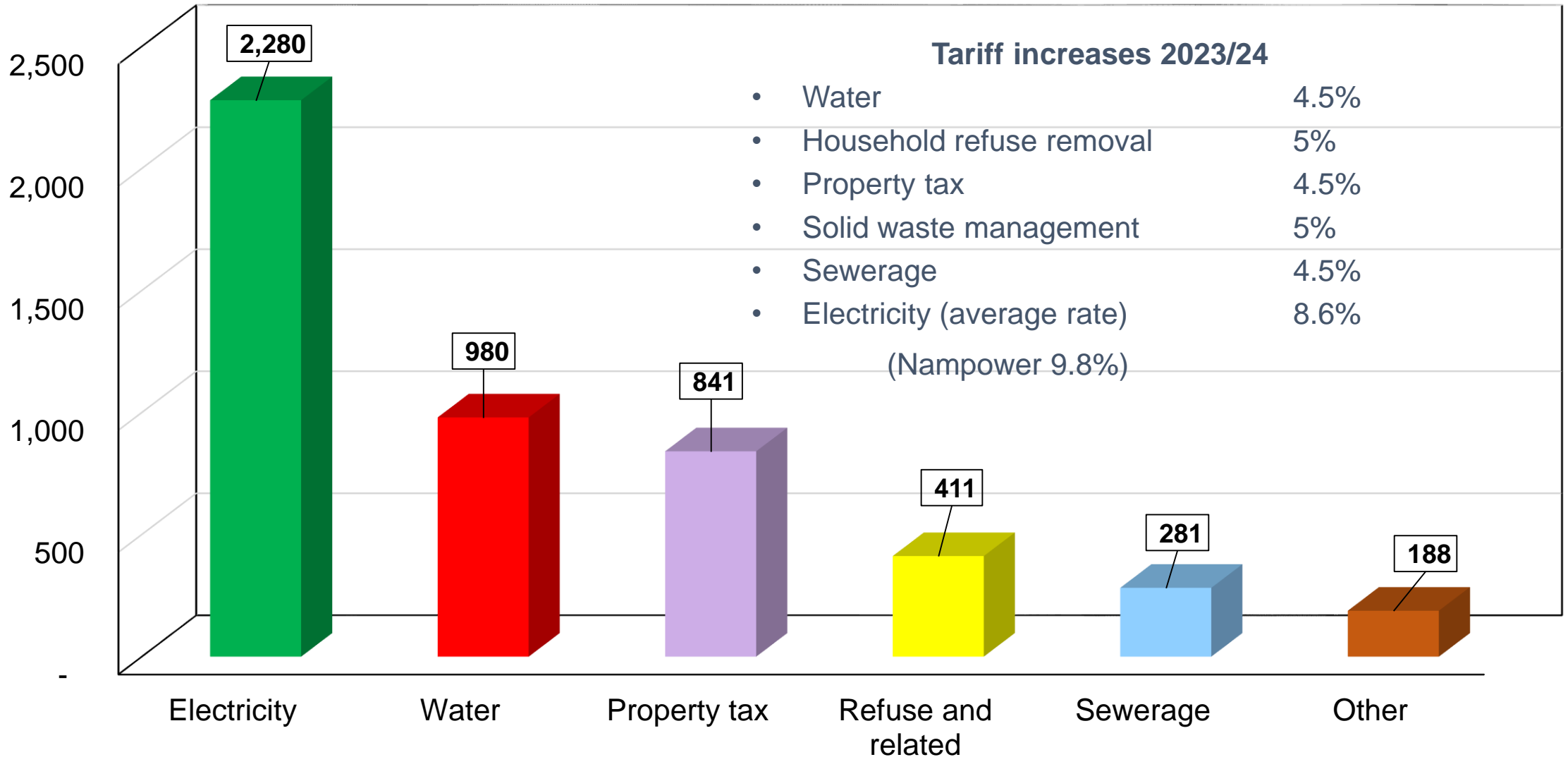
- Increase in bulk services tariffs
- Inflation (including impact of Ukraine/Russian conflict and foreign exchange rate)
- High unemployment in Windhoek (COVID-19 pandemic)
- Growing population
- Pressure of urbanization on provision of basic services
- Ageing infrastructure

HISTORICAL ACTUALS VS BUDGET 2024

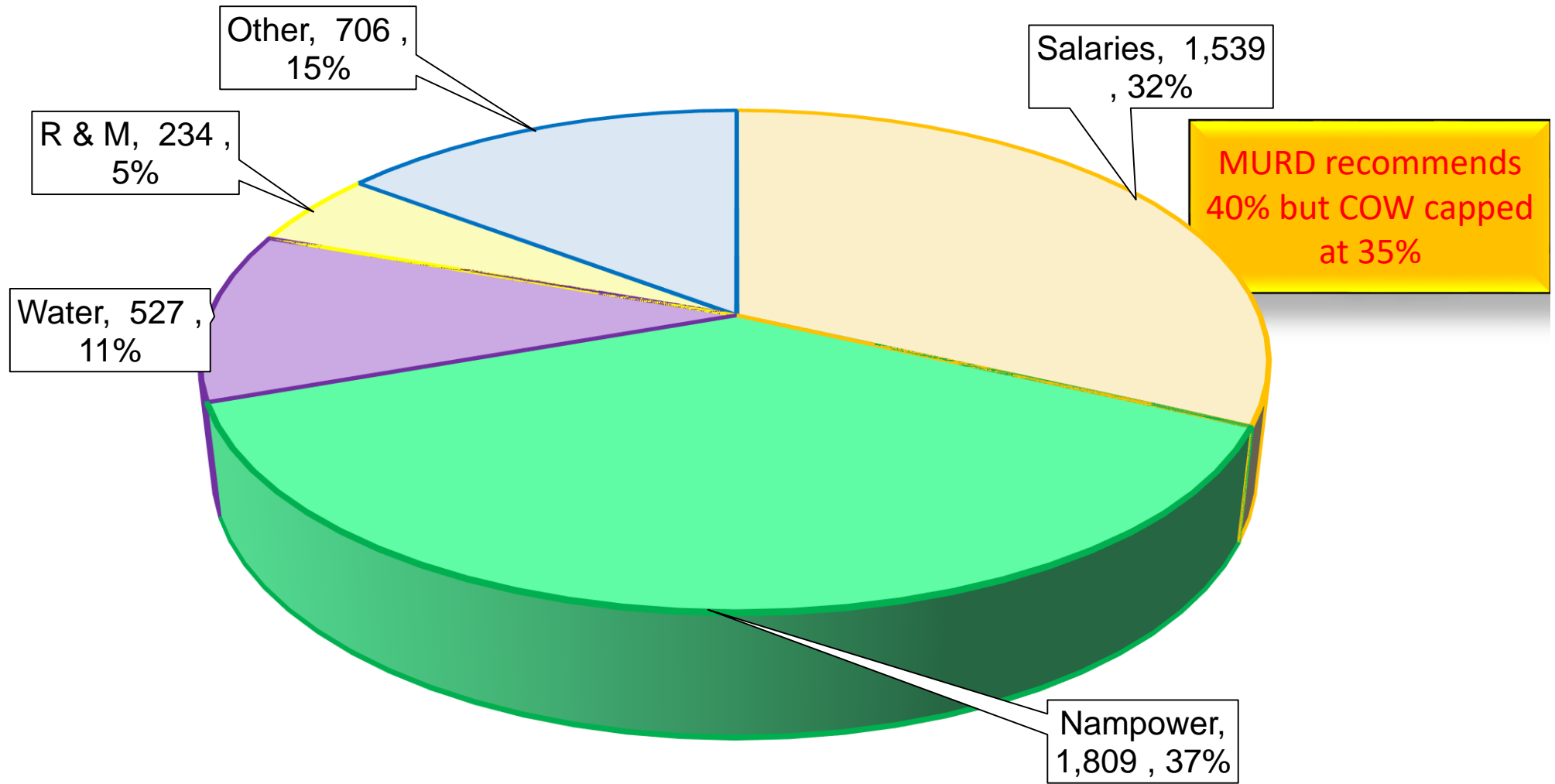
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	2018 Actual AUDITED	2019 Actual AUDITED	2020 Actual AUDITED	2021 Actual AUDITED	2022 Actual FINAL	2023 Actual DRAFT	2024 Budget APPROVED
Revenue	3,897	4,493	4,312	4,153	4,359	4,580	5 010
Expenditure	4,131	4,318	4,047	4,083	4,514	4,268	4,844
Surplus(deficit)	(234)	175	266	71	(155)	312	165

Revenue N\$m

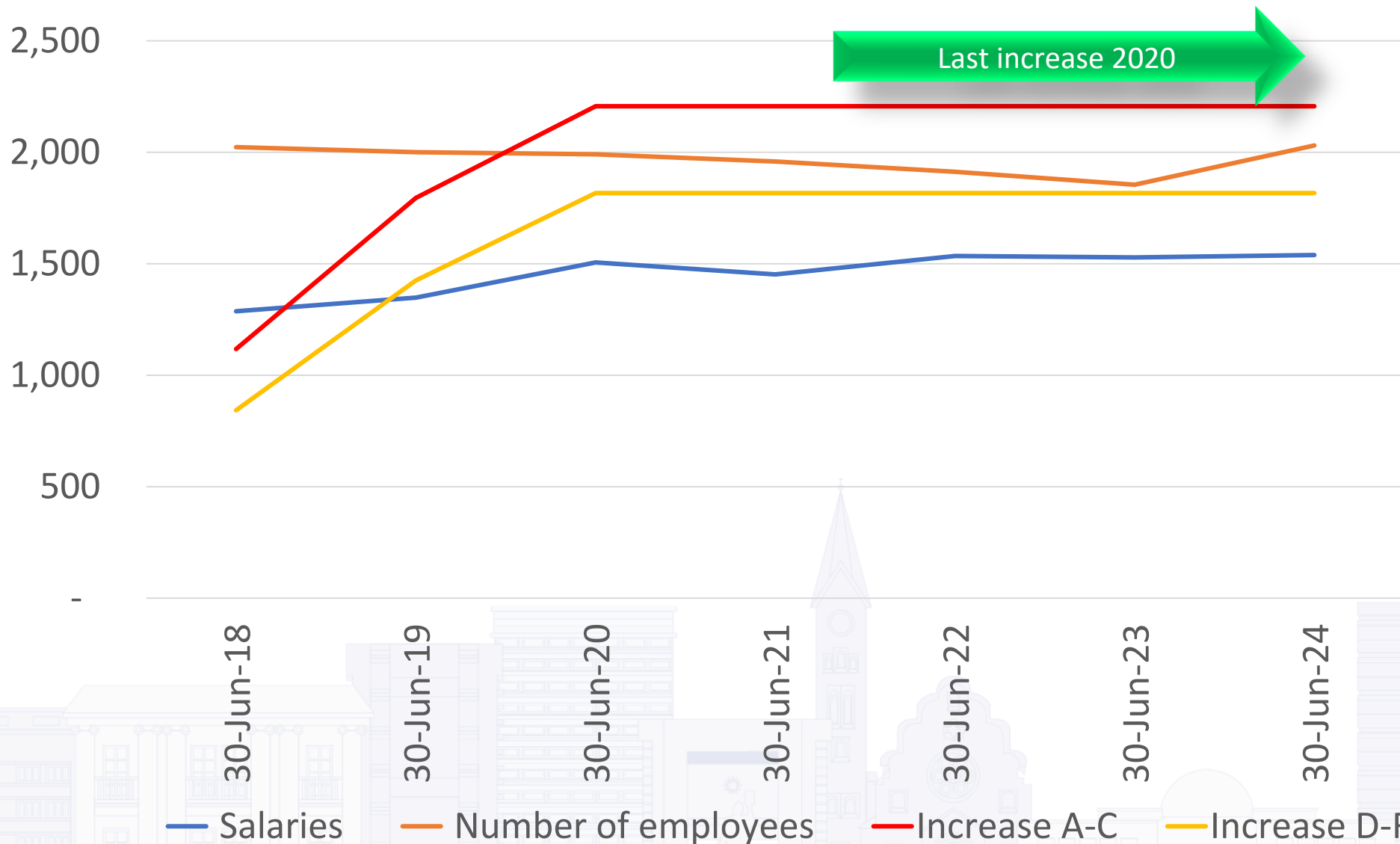


OPERATIONAL EXPENSES N\$m



Total operational expenditure N\$4.8 billion

Salary costs vs # of staff vs Salary increases



TEAMWORK



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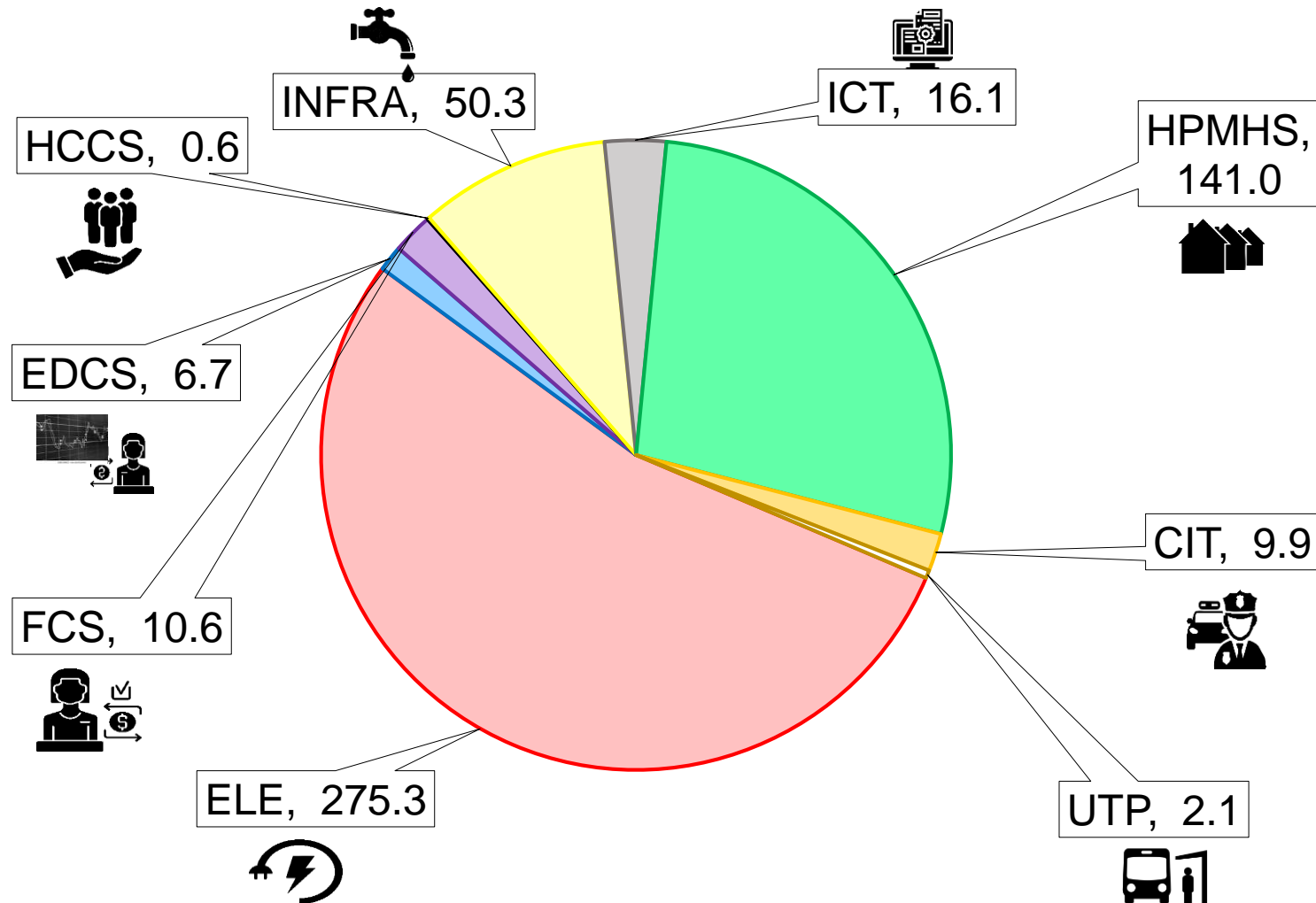
FAIRNESS AND EQUITY



INTEGRITY

Salary increases
annualized with
baseline of N\$100 in
2009

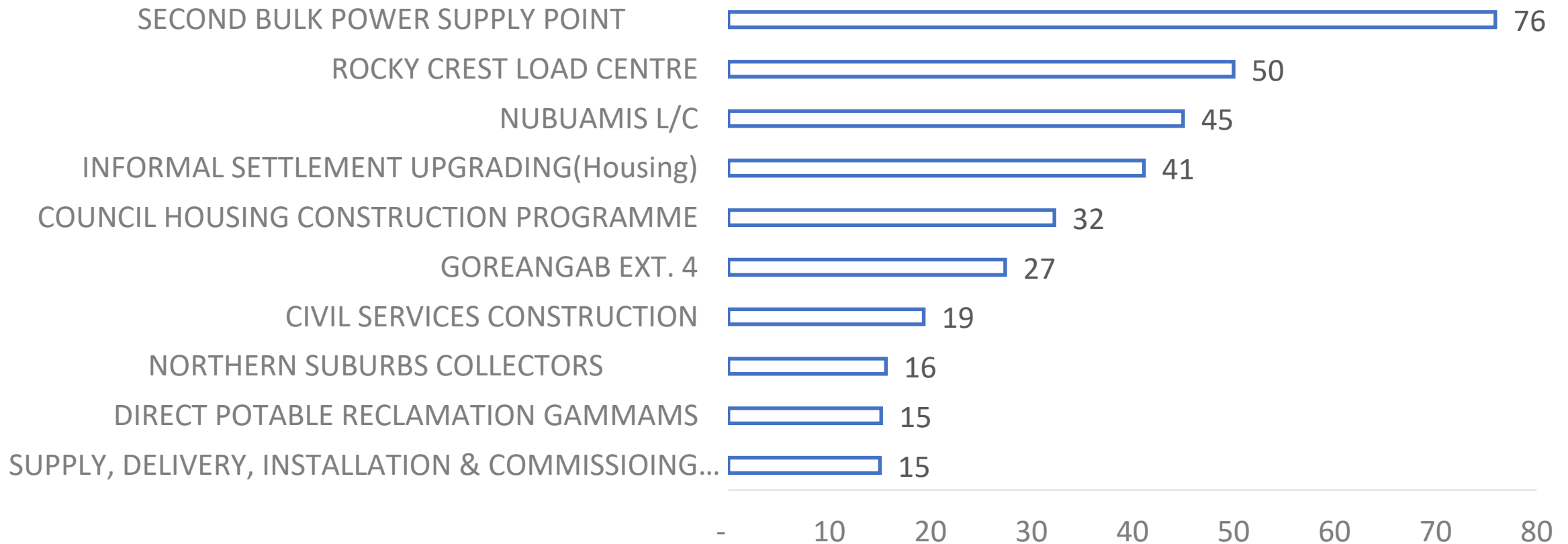
Capital Expenditure N\$507 million



TOP 10 CAPITAL PROJECTS

N\$m

TOP 10 CAPEX



MAJOR PROJECTS

- Clearing of interim valuation backlog
- Stand audit completed – to ensure completeness of revenue
- Drafting of Strategic plan 2022-27 completed
- 2nd Khomas substation at procurement stage with NAMPOWER
- 25 MW SOLAR PLANT is at RFP stage
- Prepaid Electricity and Water meters
- Upgrade of Gammams Waste water treatment plants
- Council Housing and Land service projects



TEAMWORK



CUSTOMER FOCUS



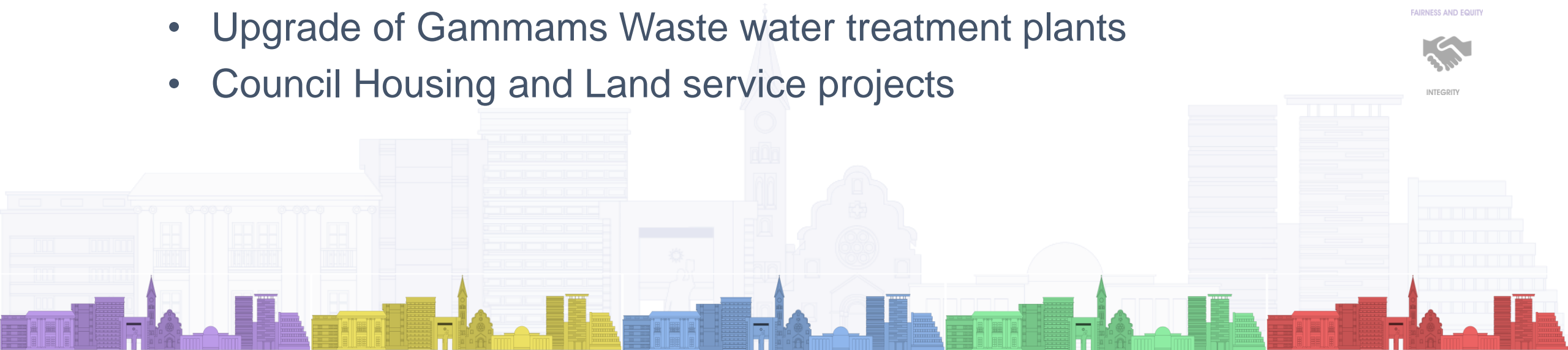
COMMUNICATION



FAIRNESS AND EQUITY



INTEGRITY



WAYFORWARD

- Revenue enhancement
- Continuous Financial Management
- Cash flow management
- Innovative ways to do service delivery
- Automation of services



TEAMWORK



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FAIRNESS AND EQUITY



INTEGRITY

