



**BUDGET POLICY STATEMENT FOR 2022/23 DELIVERED BY
ETHEKWINI MUNICIPALITY MAYOR, CLLR MXOLISI KAUNDA, 31 MAY
2022 AT INKOSI ALBERT LUTHULI CENTRE**

Sanibonani!

INTRODUCTION

Honorable Speaker we converge today under the theme: “***Unity and cohesion, towards building a thriving social solidarity economy, people-centered development and integrated growth within our city***”

The Floods disaster that we have experienced in our city and the province calls on us to demonstrate more than ever before our utmost commitment to the socio-economic development of the people of eThekweni.

We draw inspiration from Thomas Sankara, a true champion of African Renaissance and one of the greatest revolutionaries who championed the liberation and progressive radical reforms for the people of Burkina Faso. Sankara displayed exemplary leadership by implementing programmes for

social, ecological and economic change to improve the lives of his fellow citizens.

As the leadership of eThekweni Municipality, we commit ourselves to follow on his footsteps to change the lives of our residents for the better.

Honourable Speaker, in memory of our late Zulu King Goodwill Zwelithini and our late Queen Mantfombi, we will continue to seek guidance from His Majesty King Misuzulu ka Zwelithini as we tackle challenges that confront us daily.

We want to declare today on this auspicious occasion that despite the setbacks occasioned by a number of calamities in the past three years, this ANC-led government has risen to the occasion and ushered in a revolutionary programme to lead our city out of the abyss of social and economic challenges.

We commit to leading the city into a new pedestal of change and people-centered economic transformation and developmental growth.

Honourable Speaker, we have converged here today against the backdrop of four consecutive disasters that have left a trail of destruction amounting to billions of rands in the city.

Sadly, these devastating events have also cost many lives and livelihoods, not forgetting that hundreds of people who were once homeowners are now displaced and living in temporary shelters.

Of all the disasters we have seen in recent years, the April floods appear to be the worst we have experienced in hundred years. In this regard, we send our condolences to the bereaved families. We also convey our sympathies to those who have not found closure as they continue to search for the remains of their loved ones. Over 400 people died from this catastrophe and more than 60 are still missing.

Our search and recovery efforts are ongoing, and we would like to assure all affected families that we will walk this journey with them until they find closure. As the leadership of the municipality, we understand the pain of families that are still searching, and we appeal for patience and calm as our rescue efforts continue.

Honourable Councillors, these floods resulted in many of our residents and communities being unable to access basic services such as water and electricity. We commend our teams for working day and night to restore the provision of these basic services timeously. Although many of our employees were affected by this disaster, they continued to serve the public.

Honourable Speaker, while we are responding to this disaster, we are still reeling from the adverse effects of the COVID-19 pandemic and the July civil unrest. You will recall that in order to cushion our communities and affected businesses, we came up with a comprehensive economic recovery plan. Sadly, the recent floods reversed the gains we were beginning to make.

Despite these challenges, nothing is going to take wind off our sails. We have proven to be a resilient city each time we are confronted with adversity. We call upon all sectors of society, including political parties, to continue to work together irrespective of political orientation. We also want to caution some leaders in our midst to desist from using this disaster to advance their political agenda.

This ANC-led municipality will continue to meet the needs of all its residents irrespective of their race, gender, class and creed. This is in line with our historical mission of building a non-racial, non-sexist and democratic society as outlined in our founding document, the Freedom Charter.

Honourable speaker, poverty and inequality continue to be a moving target. This is despite numerous interventions by all spheres of government. The recent data released by Stats SA on unemployment is a cause for concern. The report shows that more than 278 000 people joined the ranks of the

unemployed towards the end of last year, bringing the rate of unemployment to 35.3 percent.

These figures echo the World Bank's report on inequality in South Africa which revealed that our country remains the most unequal society in the world.

This reality means that we must intensify our programme to change the status quo. It is for this reason that this state of the city address is not about making empty promises but about shedding light on the commitments we have made to improve the wellbeing of our residents. At the same time, this budget policy statement is the recommitment of this fifth administration to address the triple challenges of poverty, inequality and unemployment that are plaguing the country.

This budget speech is going to outline a tangible and clear programme of action to unlock all service delivery bottlenecks for the benefit of all our people. Furthermore, it will lay bare our efforts to create a conducive climate to attract foreign direct investment that will usher in economic opportunities for ordinary people.

Honourable Speaker, we are fully cognisant of the geopolitical impasse between Russia and the Ukraine and its impact on our economy. As these

countries are our trading partners, economists have warned us that we are likely to be hit by high inflation, especially on grain products and cooking oil. These are part of the food basket of ordinary South Africans. We support the position taken by our government of encouraging constructive engagement between the two countries. We are confident that eventually a peace deal shall be brokered.

Honourable Speaker, we are equally concerned about the developments in China following the resurgence of the COVID-19 Omicron variant that resulted in Beijing implementing a hard lockdown. We fear that if this is prolonged, there is a likelihood of supply chain processes being derailed to the detriment of the developing world.

Honourable Councillors, when we tabled the draft budget for 2022/23 in March, we did not anticipate the recent floods which caused extensive damage to our infrastructure which is estimated at R3.8 billion.

The floods and subsequent damage to infrastructure have compelled us to reprioritize our budget by focusing on infrastructure development to improve the quality-of-service delivery, particularly in the areas of water, electricity provision and human settlements. It is important to highlight that when preparing this budget, the city conducted extensive consultations with

various stakeholders and their views were considered in the final draft budget.

PROVISION OF WATER

Honourable Councillors, Honourable Speaker, in the previous budget speech, we committed the municipality to invest in water infrastructure to improve water supply in rural and township communities such as Mbumbulu, Ngonyameni, Inanda, Ntuzuma, Mnini and KwaMakhutha.

Before the devastating floods, the city, in partnership with Umgeni Water, was already implementing six major projects to address water challenges in the following areas:

- Renovation of the Durban Heights Water Reservoir which will be completed before the end of June.
- The replacement of a water aqueduct to maximise water supply in Umlazi Water Reservoir at an estimated cost of R892 million.
- Upgrading of Umbumbulu Pump Station which will be completed in 2024
- Upgrade on the construction of R28 billion Umkhomazi Dam
- Lower Umkhomazi Water Scheme to be completed in 2025

- Hazelmere Water Reservoir upgrade which will start next year at a cost of R70 million
- Lovu River Emergency Scheme which has already commenced and will be completed in February next year

In addition to these projects, the municipality is implementing the following interventions:

- Umlazi and Ngonyameni, the municipality has allocated R67 million for the installation of Southern Aqueduct project and Inwabi to Ngonyameni Bulk pipeline
- Umzinyathi, the city has allocated R29 million for emaQadini water projects
- R27 million has been set aside for Zwelibomvu inlet phase project
- The municipality has allocated R8 million for Ntuzuma Reservoir and a water pump station upgrade
- R2.5 million has been set aside for Umnini to upgrade Amagcino reservoir and installation of water pumps to improve water supply in high lying areas
- In Mfume, the Municipality will invest R31 million to upgrade water infrastructure in the area

- In KwaMakhutha, Adams, Mbubulu and Folweni, we have allocated R54 million to install an inlet main and upgrading of two water reservoirs
- We will upgrade Kwanyuswa Pipeline, Thandokuhle and Kwanqetho reservoirs at R59 million
- R15 million has been allocated for the drilling of boreholes throughout the municipality.

We are confident that these projects will go a long way in addressing water challenges and contribute towards attracting more investment in the city. In addition, we are in the process of engaging Umgeni Water to establish the extent to which the time frames initially set have been negatively impacted by recent events.

Honourable Speaker, it is of paramount importance to point out that in areas such as Adams, Mbumbulu and Umzinyathi we have a challenge of high-water consumption.

Due to the increase in the number of households in Adams Mission, certain parts of KwaMakhutha are now experiencing interruption of water supply. What is compounding our woes is that, while most rural areas are accessing some of our services like water supply, they are still not paying for them. We

are currently engaging the Ingonyama Trust with an intention of finding a lasting solution.

Due to rapid urbanization these areas that were regarded as rural areas saw a dramatic growth of households, resulting in an increase in demand for basic services. Therefore, the provision of basic services in rural areas continues to be an unreachable target because of the movement of people from the urban areas to the rural areas.

Honourable Speaker, we cannot ignore the reality of our aging infrastructure that is resulting in water leaks which are also worsened by illegal connections. We appeal to community members to work with us and be our eyes and ears to root out this scourge. Equally, we urge community leaders, including councillors, to create awareness about this illicit behaviour which contributes to water losses.

Honourable Councillors, as we are moving with speed to become a smart city. We will soon be using technology to monitor and detect water leaks via satellite. We are happy to announce that procurement processes are underway in this regard, and we are confident that this initiative is going to drastically reduce water losses.

POST FLOODS INTERVENTIONS

WATER

Due to the extensive damage to our water infrastructure, our teams worked day and night to restore water supply in all areas that were affected by the floods.

We have also improved water supply from 30% to 80% in the Inner West Region and from 45% to 70% in the Outer West Region. Significant progress has also been made in the South Region where our sterling efforts have improved supply from 15% to 85%. Similarly, in the Central Region supply has improved from 45% to 72%.

Because of the severity of the challenge in the Northern Region, we have seen a slight improvement from 40% to 60% which is largely due to our interventions in oThongathi.

We want to assure the residents of oThongathi and other areas still experiencing water/electricity supply challenges that we are putting all our resources towards finding a lasting solution. We appeal for patience, and we understand the frustration as some repairs will take some time to complete. For example, our water treatment plant in oThongathi will take approximately six months to repair at an estimated cost of R30m.

In the next financial year, the city has set aside over R1 billion for water infrastructure repairs and replacement. However, this figure is likely to increase due to the reprioritization process following the disaster.

ELECTRICITY

Honourable Speaker, it is not a secret that the national grid is under pressure as shown by constant loadshedding. Our Municipality is among metros that account for a substantial number of consumers. We are also home to over 500 informal settlements for which we are providing all basic services including electricity.

In 2021/22 financial year, the municipality set aside R71 million for the electrification of 6000 houses in areas such as Uganda in Umlazi, Palmiet, Siyanda, Blackburn, Mpola and Marianridge.

For 2022/23 financial year, the Municipality will electrify 24 settlements which include Mshayazafe, Amatikwe, Tshelimnyama, Emmaus and Bottlebrush at an estimated cost of R51 million.

The increased demand has impacted negatively on our electricity infrastructure, including transformers that are constantly overburdened by illegal connections resulting in them exploding. Annually, the city spends approximately R40m to replace these transformers.

At the same time, we lose over R800m as a result of power and cable theft. Notwithstanding these difficulties, we continue to strive to electrify more homes to improve the lives of our people.

Through our collaboration with Eskom, we have intervened in areas like Geogedale in Hammarsdale to ensure that residents are legally connected to the grid and to prevent overloading of infrastructure.

Early this year, we also met with the community of Clermont to outline our programme to upgrade electricity infrastructure following complaints of ongoing power outages which are not linked to the load shedding.

To address the challenges of electricity infrastructure, the city will invest R2.2 in the next financial year. This demonstrates our commitment to make meaningful improvement in the lives of our people and to create a conducive environment for economic growth and investment.

Honourable Speaker, you will recall that over 100 power stations were severely affected by the floods which plunged many parts of our city into darkness. We are pleased to report that all our power stations are now in good working condition and electricity services have been fully restored. We continue to respond to complaints about electricity faults as and when they are reported.

Honourable Councillors, in line with our energy transition policy, which was adopted by the Council last year, eThekweni is making great progress towards implementing the energy reforms. This policy seeks to mitigate, among other things, the impact of loadshedding to the local economy. In July last year, the city released a Request for Information (RFI) to the market for the procurement of 400 Mega Watts in line with our Energy Transition Policy.

About 104 projects were received during that period. An average of R10 billion worth of investment is anticipated for this project and will create about 4000 jobs.

We are currently engaging with CoGTA, Treasury and Economic Development to obtain concurrence for 400Mega Watts. We remain hopeful that once this project has been finalised, electricity supply constraints will soon be a thing of the past in eThekweni Municipality.

SANITATION

Honourable Speaker, our sanitation infrastructure requires urgent intervention following a number of incidents where our test of sea water projected high levels of E-COLI. This has left the city with no option but to close beaches.

Chief among the reasons for closure was that there was a spate of vandalism to our sewage pump stations resulting in raw sewage ending up in our fresh and sea water. Constant load shedding made matters worse because for these facilities to function, they largely depend on electricity.

Our interventions in this regard include the procurement of generators in the event of load shedding. We will also be looking into preventing vandalism by installing CCTV cameras that will enable our security personnel to respond with speed in the event of any signs of tampering with our infrastructure. As the city, we are also prioritizing the replacement of aging infrastructure. We are optimistic that the implementation of these interventions is going to arrest all these incidents of raw sewage polluting our water resources.

We continue to have incidents of sewer manhole blockages, and in response, we have issued a clear directive that the turnaround time to unblock these manholes must be 24 hours. This is going to be complemented by an aggressive communication campaign to educate the public not to dispose of foreign objects into our system.

In all informal settlements within the city, we continue to restore the dignity of our residents by ensuring that they have access to basic services including communal ablution facilities. Following complaints from members of the

community about the vulnerability of these facilities which are in the form of containers, the city has resolved to build brick and mortar structures at the cost of R450m over the next three years.

Our water and sanitation teams will also embark on an intensive educational campaign to create a sense of ownership of these facilities to prevent vandalism and theft.

WASTE MANAGEMENT

The city has been grappling with the issue of keeping the city centre and secondary CBDs such as Isiphingo, Pinetown, Verulam and oThongathi clean. This has always been a concern for us as the leadership eThekweni because the CBD is the heartbeat of any city. Equally, our secondary CBDs are a hive of economic activity, so we should not compromise when it comes to implementing an effective waste management programme.

As such, the leadership of the city has been conducting walkabouts in all hotspot areas to identify the kind of interventions required to rid the city of grime and filth. We then embarked on an aggressive cleaning programme which is beginning to yield positive results as evidenced by the law-enforcement officers in deployed to many street corners to enforce the city's by-laws.

The city has also concluded the process of recruiting street ambassadors under the Public Employment Programme (PEP) who will support our inner-city regeneration teams to enforce trading by-laws, public safety, bad buildings, and waste management by-laws.

ROAD INFRASTRUCTURE

Honourable Councillors, while we are making great progress in the provision of access roads in the township and rural communities, it is rather unfortunate that some of this infrastructure was washed away by the recent floods.

Last year, we committed to upgrade 42.5km of access roads in rural and township communities from gravel to tar. We are pleased to report that the city has been able to achieve over 83% of our target. However, due to the recent floods, some of this road infrastructure was severely damaged and through the reprioritization of budget, the city has allocated R1 billion for new roads and maintenance.

We are happy to announce that in the next financial year, the Municipality will upgrade 37km of roads in township and rural areas from gravel to tar. Plans are afoot to rehabilitate 175km of roads throughout the city. To improve

road safety, we will also build pedestrian bridges around schools and areas with high traffic volumes.

Honourable Speaker, we are convinced that to advance the cause of development in our communities, we must build adequate road infrastructure.

As part of alleviating congestion in the port, we are continuing to engage with Transnet to improve infrastructure, including railway lines, so that we can move some of the cargo from road to rail. This move will significantly improve road safety and the life span of our road infrastructure.

Honourable Speaker, we have heard the cries of our communities who are complaining about the state of provincial and national roads within our jurisdiction. Engagements are at an advanced stage with the provincial Department of Transport to transfer some of these roads to the city so that we can maintain them.

HUMAN SETTLEMENT

Honourable Speaker, the demand for human settlements continues to increase every year. We are also facing a challenge of land invasion and building of illegal structures. The floods that consistently hit our city dictate that we must have a paradigm shift in the manner we address the issue of

housing. Because of the topography of our city, we must ensure that as we rebuild after this disaster, we build better and smarter.

During these floods, we have noticed that not only informal settlements were affected, but even formal houses were not spared because of the landscape on which they are built. With scientists warning us of worsening global warming, we must be better prepared for disasters linked to severe weather patterns.

The city is currently providing accommodation to flood victims in temporary shelters. In addition, work has already commenced to build temporary houses for displaced people through the Department of Human Settlements in the province.

In the previous financial year, the city delivered the following projects:

- 1554 new subsidized houses were built
- 7 995 hectares of land were acquired for future housing projects.
- 127 pre-1994 houses were upgraded.
- 1652 title deeds were submitted to the Deeds Office for registration, and 1388 title deeds were handed over to beneficiaries.

Honourable Speaker, we are privileged to have introduced the Mayoral 10 Point Plan which remains our strategic resolve to drive Radical Socio-Economic Transformation within our city.

It gives me great privilege and honor to give you progress and planned interventions on the implementation of our Mayoral 10 Point Plan. Through this plan we commit to reshape the Socio- Economic future of the people of eThekweni.

Mayoral 10 Point Plan Implementation

Honourable Speaker, for the past 3 years since the introduction of the Mayoral 10 Point Plan, we have learnt three fundamental lessons.

Firstly, we have an **execution deficit**, which is often linked to service delivery units poor project planning and delivery capacity or lack thereof. Secondly, we lack project management capacity, and this is linked to poor procurement planning. Finally, **budget expenditure is not linked to Budget Policy Statement**. To remedy these shortcomings, we must build capacity within the office of the city manager to better discharge the coordination and the full implementation of the Mayoral 10 Point Plan.

This will enable us to prioritize the following critical activities:

- Institutionalization of the Mayoral 10 Point Plan Governance Handbook

- Finalization and Implementation of all the Mayoral 10 Point Plan Work Stream Business Plans
- Mobilization of external Public and Private Sector Partners
- Implementation of the Social Solidarity Economy Programme
- Implementation of the eThekweni Enterprise and Supplier Development Fund
- Coordination of the Africa Procurement Indaba 2022
- Implementation of Infrastructure Procurement Reforms and Procurement Center of Excellence
- Implementation of the Artificial Intelligence and Social Enterprise Development Academy.

Despite the shortcomings outlined above, there are several notable achievements of the Mayoral 10 Point Plan

1. On the reindustrialization of the City's Economic Trajectory driven by the Port City Industrial Programme:

- An international benchmarking and research study into the socio-economic benefits of industrialization through the port city is underway.

- We will soon table a comprehensive Port City Strategy and Business Plan for the adoption by council.

2. Mayoral Jobs Creation, Catalytic Projects and Skills Revolution

War Room

- Funding through the Presidential Employment Programme (PEP) which will enable us to create over 3000 jobs opportunities this year has been secured and a plan to rollout this initiative has been finalized
- A Mayoral Jobs and Social Enterprise Imbizo Programme is planned to start immediately within the 17 Zones to outline our Jobs and Social Solidarity Economy Programme. Here we will share a clear framework on how we intend to create more jobs and skills opportunities across all communities, and we will share how we intend to maximize meaningful community economic participation in all catalytic projects and strategic economic infrastructure projects.
- Our message in this regard is clear “Nothing for the community without the community”. We are committed to rebuilding our city with our people at the center of the rebuilding.

3. Infrastructure Delivery, Energy Reforms and Climate Change

- Our Infrastructure Fund programme has been finalized and operationalization will start in the new financial year
- The Energy Reforms and Climate Change Master plan is under way.
- A Mayoral Energy Reforms and Climate Change Advisory Council will be established this year.

4. On Social Solidarity Economy

- The eThekweni Enterprise and Supplier Development Fund was launched in October 2021 and will be capitalized with an initial R50 Million to drive an integrated Social Enterprise Development Programme
- An Impact Investment Policy Statement has been finalized for council adoption, this policy will guide the operations and functions of our Enterprise Supplier Development and Infrastructure Fund Programme.
- 75 Wards have been identified for the establishment of ward-based Social Enterprises. Ward-based economic profiling will take place this financial year

- A meeting with Captains of Industry to mobilise ESD Contributions and Private Sector Integration has been held
- An ESD Webinar is scheduled to take place next month. The webinar will provide an opportunity to market and promote our social solidarity economy programme.
- Plans to table a social procurement policy framework which will enable the city to utilize 30% of our procurement spend to support the social solidarity economy programmes are at advance stages.

5. PROCUREMENT CENTER OF EXCELLENCE

- Africa Procurement Indaba 2022 Host City Agreement will be finalized within this financial year. The Indaba will position the City as the leader of procurement excellence in Africa.
- Changes in today's global landscape mean emerging markets must consider how they shape their own futures. Many countries in the developed world have focused their efforts and resources inwards as a result of challenging economic times. There is a danger that a shift away from emerging markets will negatively impact the global economy's ability to grow in the future.

- Under the Theme: Enhancing Trade Integration & Socio-Economic Development in Africa through Efficient Local Procurement, we will bring together Africa's policy makers, innovative thinkers, industry leaders, researchers, and entrepreneurs to share ideas on how to leverage the government & private sector spend across the continent as a critical driver for improving intra-Africa trade, promote local manufacturing and sourcing, and alleviate poverty, unemployment and inequality
- Infrastructure Procurement Reforms Framework to workshop EXCO, Infrastructure Units, SCM and Business Support Units has been finalized. The infrastructure Procurement reforms framework will create over 1500 decent work opportunities

6. SMART CITY AND 4TH INDUSTRIAL REVOLUTION

- A partnership with Development Bank of Southern Africa has been secured for the technical support for the implementation of the smart city programme. Phase 1 diagnostic and state of readiness assessment has been finalized
- A business case for the establishment of the Artificial Intelligence and Social Enterprise Academy has been finalized.

- We will also champion the hosting of our inaugural Coastal Smart City Summit to assess our state of readiness and mobilize social partners to support of our vision.

7. IMPLEMENTATION OF THE RASSET MASTER PLAN

- Plans to finalise the RASSET Business Plan are at an advance stage. We will soon unveil a collaboration between Private Sector, National and Provincial Governments. The collaboration is aimed at strengthening and growing the sector within our city.
- The Collaboration will target women and youth led SMMEs and social enterprises into various value chains of the agricultural sector, with a primary focus on food security and export markets.
- We remain committed to the AgriPark vision, and we strongly believe that the AgriPark will create a platform to support our Black Industrialist Programme

8. ETHEKWINI ENTERPRISE SUPPLIER DEVELOPMENT (ESD) AND INFRASTRUCTURE FUND

- Honourable Speaker we launched ESD fund last year in October and pledged an initial R50 Million to capitalise this fund
- The eThekwini Municipality has concluded all the processes of implementing a Radical Socio-Economic Transformation

Framework that will give opportunities to youth, women, people with disabilities, military veterans, social enterprises and rural communities.

- This framework aims to ensure inclusion of citizens in projects that are taking place at ward level, resulting in the improvement of economic and social wellbeing of poor communities.
- We are capitalizing the eThekweni Enterprise Supplier Development and Infrastructure Fund with R50 million because we aim to increase this contribution in the future in order to comply with revised BBBEE Codes and Enterprise and Supplier Developments of the BBBEE Score card which will see the City invest over R540 Million Rands annually into this Fund.
- We make a call to our corporate partners and industry stakeholders to take advantage of this ESD Fund platform by pledging support in order to ensure that we implement a truly integrated world-class enterprise and supplier development programme.
- The programme will focus on the following four key areas including:
 - An Infrastructure Fund, where infrastructure suppliers will be supported with large scale financing and strategic technical partnership resources.

- An Enterprise and Supplier Development Fund, targeted at 51% or more black owned SMMEs. Support will include working capital funding, technical development support as well as access to markets.
 - Youth Fund focusing on the development of youth owned enterprises, job creation and skills development.
 - A Social Development Fund for social enterprises across the municipality's rural and township economies.
- Our enterprise supplier development and infrastructure fund programme aims to accelerate socio-economic empowerment; and intensify transformation by:
- Promoting opportunities and participation of black-owned enterprises
 - Promoting the creation and empowerment of social enterprises
 - Maximizing participation of youth, women, people with disabilities, and military veterans
 - Driving enterprise and supplier development to ensure black economic empowerment across the City's supply value chains.

- Promoting skills transfer, mentorship and training through strategic partnerships with the private sector
- Ensuring business development support and procurement through the Supplier Development Programme.
- It is through eThekweni's Enterprise Supplier Development and Infrastructure fund that local entrepreneurs will be able to build businesses that can usher us into a future of inclusivity, sustainability, and greater human dignity within the entire city.

9. ESTABLISHMENT OF THE ETHEKWINI ECONOMIC COUNCIL

- The establishment of the economic council has ushered in a renewed culture and social compact between government, labour, business and civil society. The July unrest demonstrated to us that we need an integrated business approach and that as stakeholders we need each other more.
- We are planning to utilize this platform to be our strategic enabler and driver of the social solidarity economy programme
- Working with all social partners the social solidarity economy programme is our only solution to deal with the unemployment, poverty and high inequality levels within our city.

- We will table a comprehensive business plan during this financial year which will outline our joint priority intervention with our social partners and provide a clear integrated approach on our plan to reignite our economy as a collective.
- We are re-aligning the functions and operations of the Mayoral Job Creation, Catalytic Projects and Skills Revolution War Room with the mandate of the economic council.

10. RADICAL BUDGET RE-ENGINEERING REFORMS

- Honourable Speaker, our plan to overhaul our budgeting tools and systems are underway
- To meet our service delivery targets of today and into the future requires a comprehensive review of our organisational structure, budget and systems. Our Current 28 000 staff compliment vs service delivery outputs is currently unsustainable
- Organisational structures, budgets and systems for future modern local governments must be designed around a vision of a Project Management. Strategic service delivery units such as Water, Electricity, Roads Maintenance, and Human Settlements must be organised as semi-independent entities of the municipality. Basic service delivery intervention such as grass cutting, basic

- maintenance, waste collection can be decentralized to community based social enterprises.
- It is our intent to pilot the organisational structure and budget review within the Electricity Units and we will commission a feasibility and due diligence business case within this financial year
 - Honourable Speaker, we have adopted a five-pillar approach towards the implementation of our Budget Re-Engineering Reforms.
 - The Pillar is outlined as follows:
 - Pillar 1 – undertake a comparative and diagnostic review - focusing on measuring our historical budget performance against economic, social, environmental, infrastructure, institutional and labour market resilience elements.
 - Pillar 2 – Quantifying the Implementation of the Mayoral 10 Point Plan with special focus on Port City Industrialization, Energy and Climate Change Reforms, Strategic Sourcing and Procurement Center of Excellence, State led Enterprise Supplier Development and Infrastructure Fund, Social Solidarity Economy, Smart City and 4th Industrial Revolution Programme

- Pillar 3 – Re-Engineering – focused on a regional growth and employment model for poverty reduction, a review of current budget structure, balancing the IDP and Mayoral 10 Point Plan, identification of Areas to restructure, modelling different budget scenarios, financial and economic stakeholder management
- Pillar 4 - Monitoring and Evaluation (Improvement in SDIP Reporting) – focusing on economic dynamism, social Resilience, environmental sustainability. Infrastructure, institutional efficiency, labour market resilience and a reporting format for change
- Pillar 5 - Quarterly Socio-Economic Dashboard – focusing on Economic Dynamism, social resilience, environmental sustainability, infrastructure, Social Solidarity Economy and Institutional Efficiency

CATALYTIC PROJECTS

Honourable Speaker, attracting foreign direct investment in the city remains our key priority.

Last year, we reported progress on a number of catalytic projects. We are happy to report that some of these projects have been completed and others will be launched soon.

In September, we opened a R780m Midway Crossing Mall in Newlands West. This project also houses a Sizakala Centre, a library and Go Durban offices which we recently launched. In line with our radical socio-economic transformation programme, we were able to spend R98m on the empowerment of local suppliers, resulting in the creation of 900 jobs.

The empowerment opportunities created included work packages such as plastering, brickwork, steel fabrication, roof sheeting and reinforcement. We have always pleaded with developers to ensure that they source some of the services and materials from local enterprises to ensure there is greater benefit for local businesses.

Honourable Speaker, to attract more investment in the CBD, the city committed to invest R270m to improve water supply and sanitation in the Point Precinct and Anton Lembede Street. This project also included the upgrading of public realms on Mahatma Gandhi Road. We are pleased to report that this work is nearing completion. This will ensure there is enough water supply for the Point Waterfront Development.

The city continues to build world-class facilities in line with our vision to make eThekweni a destination of choice for investment. This Friday, we will be officially launching the Radisson Blue Hotel which is part of the Oceans Umhlanga Development, and we have no doubt that this will boost tourism and economic trajectory of the city. It will also retain tourists that used to go other cities to purchase these rare brands.

This R4.2 billion development consists of retail shops that will be home to international brands found in world-class cities. This is a welcome development, and we are confident that it will enhance the tourism experience of our visitors in Durban and create jobs.

The hotel component of this project has introduced for the first time a broad-based public offer of investment opportunities to 23000 BEE shareholders. The offer is for all sectors of society. It will also create 10700 temporary and permanent employment opportunities. Through this project, the city will collect R34.4million in rates revenue annually.

We are also impressed about the work that has been done on the Rivertown Public Realm Project. Here, we are repurposing the area between the ICC and the beachfront to establish restaurants, pubs and art galleries. We have completed the paving of walkways in this R40m development precinct, and

we are confident that through this development we will attract more investments.

In line with our Aerotropolis Master Plan (DURAMP) which entails building a city in the 32 000 hectares around the King Shaka International Airport, we have commenced with the first phase of the Whetstone development. This is a light industry node with an investment value of R1.8bn will be completed this year.

Through this aviation-linked commercial development, we will be able to enhance regional and national competitiveness through improved multi-modal transport access.

In the West, the Ntshongweni Urban Development phase valued at R8 billion will create 10,000 construction jobs over a period of 10 years for the city, thus enabling our people to put food on the table. This mixed-use development is strategically located along the N3 and will create a new economic hub in the outer west areas of the city. Once completed, we envisage that an estimated 35,000 job opportunities will be created.

The development of the 153 hectares of the Keystone Logistics Park on the N3 Hammersdale interchange will ease the burden on our roads leading to the harbour.

Since Durban Port is one of the busiest in the Southern Hemisphere, the creation of this R6.5 billion logistic hub will not only increase storage capacity but will also ensure there is a seamless and timely movement of goods between our city and various destinations in the SADC region. The city will generate an annual revenue of R179 million from this project.

Linked to this project, is the Cato Ridge Freight and Logistics development with an investment value of R18 billion. This project is expected to create more than 10000 jobs and generate an annual revenue of R300 million for the city.

Honourable Speaker, as a responsive government that listens, we have heard the concerns raised by tenants at the Virginia Airport. In this regard, the city has taken a decision to temporarily halt the process of evictions while we continue to engage tenants. It is important to highlight that the city owns this 26.25 hectare of land.

It is common knowledge that leases at some point lapse as they are not title deeds. The eviction notices that the city issued were within the ambit of the law. Our main intention is to rezone the land and open it up for developers. We must be mindful of the fact that the city has a responsibility of seizing any

opportunity that would help it to expand its revenue base to the benefit of all its residents.

Honourable Speaker, the city will commence with the construction of bulk infrastructure in July 2022 as part of the Brickworks development in the north of the city. We are currently finalizing funding to commence with construction for the Chris Hani Road (Old North Coast Road) at an estimated cost of R280 million for the current financial year.

Another exciting development is the Avoca Nodal Development. It is made up of three precincts ideally located along the N2 corridor. The precincts consist of the Brickworks Development, the Northfields Industrial Development, and the Caneridge Residential Development. The investment value of this development is estimated at R10 billion.

Following the court decision which ruled in favour of the development of film city at the old Natal Command site, eThekweni municipality is ready to conclude the land transfer processes. The Durban Film City is touted as a landmark project for the city. It has a projected capital cost of more than R 7.5 billion, and it boasts world-class film studios and related film industry elements with tourism, lifestyle, and entertainment components. Over 17 000

jobs will be created during the construction phase and close to 8,000 people will gain employment once the project is operational.

The site re-zoning has been completed and the municipality is currently consolidating the development of land into a single portion in order to transfer it to the developer.

Another example of a positive public private partnership between the city and Toyota is the construction of the R6.5-billion Auto Supply Park which is aimed at centralising production, assembly, sequencing, and warehousing facilities in close proximity to the manufacturing plant.

Through this initiative, companies will benefit from economies of scale in areas like land development, construction, shared services, logistics hub and infrastructure. The project will create 6 000 jobs during construction and 2 600 permanent jobs.

Honourable Speaker, you may remember that at the Presidential Investment Summit in 2019 Toyota pledged to invest more than R 2.5 billion in the production of a new passenger car. Then last year, Toyota announced an investment of R3 billion for the manufacturing of the new Corolla Cross sport utility vehicle (SUV) at its engineering plant in Prospecton.

Toyota started production of this compact SUV in October last year, with the investment generating about R 2.85 billion in additional component purchases in the South African economy. Investment at this scale is significant and will promote local value-addition, technology transfer and job creation.

As a result of this investment, 575 new jobs were created in the plant and a further 1200 at the component manufacturers. The launch of the Corolla Cross Hybrid is also noted for helping to transform the automotive industry into a green industry success story, in line with the COP26 Climate Change conference obligations. The hybrid Corolla Cross is exported to 40 countries across Africa, providing green options to consumers as well as helping boost the African Continental Free Trade Area.

Honourable Speaker, we are happy to report that the Waterfront Development Project remains on course, however, due to current market conditions the investors have decided to repackage the project. Instead of going full swing with the original concept of the project, they have decided to start with the retail component. What is exciting about this project is that after completion it is going to breathe life into Ushaka Marine World.

Honourable Speaker, it will be remiss of me not to mention that the Passenger Cruise Terminal is operational. Every week there is a cruise ship docking at this terminal, ferrying passengers to various destinations. Since the operation started, it has created business opportunities for taxi operators, restaurants and other tourist attractions. At R200million, this investment puts Durban on the world map in this lucrative industry.

Honourable Councillors, we would like to inform the public that the multibillion rand Go Durban project is proceeding, and we are busy deliberating on a variety of issues with all stakeholders, including the taxi industry. We are optimistic that in the next few months at the latest we will be going live with this much needed public transport system.

We are also forging ahead with the establishment of the eThekweni Public Transport Entity. However, we need to acknowledge that there are litigation bottlenecks that we need to attend to. Recently, the current operator of Durban Transport interdicted this noble initiative. We will then wait for the due process of the law to determine our next course of action.

Be that as it may be, we want to state that we remain resolute in our intention to establish this entity. We are convinced that that this initiative will improve our public transport to the benefit of millions of our residents who rely on it.

In the next five years, eThekweni will attract more than R200 billion in investment that is likely to yield close to 200 000 jobs. This is a clear indication that during our term of office, our City stands a chance to be a busy construction site. We are very conscious that globally most economies are hamstrung but we remain determined to knock on all doors for Foreign Direct Investments.

Equally, our city will pull out all the stops to ensure that a conducive climate for investment is created.

We would like to thank the business community for their insatiable appetite to invest in our city. We are humbled that while other cities are battling to attract much needed investment, we continue to remain ideal for foreign direct investment. We would like to assure the business community that our city will not take its foot off the pedal in rolling out infrastructure for streams of investment to continue flowing to our city.

Through the eThekweni Economic Council which is a platform where social partners are able to discuss issues of common interest, we will be able to create more investment opportunities for the city.

GOVERNMENT MALL

The Government Mall project which seeks to integrate government services including Home Affairs, SAPS, Metro Police and Customs remains a priority for us as a vehicle to improve safety and security in the city.

Initiated in 2021, conceptual designs have been concluded and presented to various stakeholders.

At an estimated value of over R6 billion, the project is expected to go to market mid 2023 following a public procurement process based on the most suitable development model providing value for money.

POSITIONING THE CITY AS A DESTINATION OF CHOICE FOR LOCAL AND INTERNATIONAL TOURISTS

Honourable Speaker, tourism continues to be our gold and as a result, we will endeavour to develop attractive tourism packages to ensure that we remain a preferred tourism destination.

COVID-19 reversed significant gains we had made in this sector. Notwithstanding the July Civil Unrest and the recent floods, we have shown signs of bouncing back. We recently hosted a successful Africa Travel Indaba which brought over 4000 delegates to our city, with an estimated spend of R29 million and a contribution of R72m to the GDP.

In collaboration with the provincial government, the city hosted the Intra-Africa Trade Fair where 12000 delegates, including Heads of States across the continent, converged in Durban. During this important gathering of key African players in the trading space, deals worth close to R36 billion were clinched.

Two weeks ago, the city hosted the 5th Global Conference on the Elimination of Child Labour which saw over 3000 delegates descending on our city. We are humbled by multi-lateral organizations of the world for continuing to have confidence in us successfully staging gatherings of this magnitude. This is a clear message from the world and to the world that we are open for business, and we are ready to welcome visitors to our city.

Honourable Speaker, the recent international events that were hosted at the Inkosi Albert Luthuli Convention Centre have once again confirmed that this iconic conferencing venue remains one of the best in the world. We are proud that this facility continues to obtain clean audits and we commend the management for this sterling work.

On the other hand, our efforts to keep uShaka Marine fully operational are ongoing and we are currently conducting a feasibility study's on how the

entity can continue to be financially viable. The study will be completed by the end of this year.

In partnership with our Provincial counterparts from Tourism KwaZulu-Natal and other Provincial entities like the Dube Trade Port in the Air Access-Route Development, we are excited to announce that we have welcomed Airlink which has a direct international flight into Durban from Zimbabwe. We are also excited about the return of South African Airways. By the end of July, we will be welcoming ESwatini Air and Turkish Airlines to our city.

Honourable Councillors, our beaches remain closed following high levels of E-COLI. Our teams are hard at work testing our water regularly to ascertain the level of this bacteria. Once the levels of contamination are reduced and it is safe to swim, we will open our beaches without delay.

We believe it is important that we communicate this message because it was as a result of circumstances beyond our control. However, the closure of beaches does not mean that visitors must stay away from the city because we have a variety of tourism products on offer.

In our quest to cement our place as a unique tourism mecca, we are elated to announce that the construction of the R400m Durban Eye which will be located on the promenade is commencing in July. We commend this public

private partnership which is set to change the skyline of the city, offering a spectacular 360-degree panoramic view of the City. It will also serve as an iconic tourist attraction to the area, complementing the city's current tourist offerings.

On 15 June, the city will be hosting the Durban Tourism Business Awards to recognise excellence and resilience in the tourism sector during the difficult times. We hope this will also encourage businesses in this sector to continue investing in the city, thereby contributing to our local tourism economy.

Honourable Speaker, last year we committed to continue to support Durban sport teams to promote sport tourism. Currently the city is supporting The Sharks, Golden Arrows FC, AmaZulu FC and Royal AM. Plans are afoot to support the Durban Ladies Football Club and all Durban soccer teams in the Glad Africa League. The ladies' team is representing Durban in the elite women's football league in the country.

GOOD GOVERNANCE

Honourable Speaker, fraud and corruption permanently remains our enemy Number One. We believe that each and every cent of taxpayers' money must go towards service delivery to improve the wellbeing of our residents. All of us here have a responsibility to ensure that this scourge is eliminated for our

city to live to its constitutional mandate of providing basic services to all citizens.

We are also making strides in ensuring that we hold our official accountable by improving our consequence management processes. From 2019, we have reduced our disciplinary case backlog from 334 to 57.

While ensuring that those accused of wrongdoing face the music, we also want to acknowledge employees who go the extra mile in executing their duties. In this regard, we will continue to host our Customer Care Awards in recognition of employees who provide quality services to the public. Plans are also in place to host the Mayoral Excellence Awards to celebrate and honour excellent performance among our employees.

Honourable Councillors, as part of dealing with the cancer of corruption, we made a commitment to recoup from culprits, funds gained through malfeasance. We are pleased to report that the Municipality through the City's Integrity and Investigations Unit (CIU) has been able to recover close to R12 million in fraudulent payments from service providers.

Our efforts to run a clean administration continue to be recognised by independent institutions including the Auditor-General. Last year, we

committed ourselves to address the concerns that had been raised by the auditor-general, particularly the issue of irregular expenditure.

We are pleased that through the Integrated Clean Administration Strategy we have been able to reduce irregular expenditure to below 50%. This augurs well for us to achieve a clean audit. It is also encouraging that even the Global Credit Rating Agency's report showed faith in the financial affairs of our municipality. In August last year, it gave our city AA+ status – meaning that the municipality is of a very high credit quality and our financial controls remain strong.

Honourable Councillors, we are proud to say that in the last two years, there has been relative stability in the municipality.

FIGHTING CRIME AND GRIME

Honourable Speaker, we have not been able to shake off the evil tag of being the crime capital of the country. The latest crime statistics indicate that eThekweni Municipality contributes 50% of crime in the province. We recorded an increase in business robberies in the CBD, Umlazi, and KwaMashu and Inanda continue to lead in murder and sexual offences.

We are also concerned about the ongoing killings of public representatives including councillors and traditional leaders. Recently, we have witnessed a growing trend of mass killings, particularly in Umlazi.

As part of addressing the scourge of crime in our communities, we have taken a decision to convene izimbizo together with the Minister of Police, General Bheki Cele. This is going to be in uMlazi and Inanda. These areas have proven to be hotbeds for violent crime.

Both these izimbizos will culminate in a Crime Summit involving community crime fighting structures, law enforcement agencies, academia, and civil society. In this summit, we must be able to develop a comprehensive programme of action to tackle crime head on.

Honourable Councillors, it is also worrying that we continue to have incidents where our employees lose their lives on duty. Apart from intervention we are implementing with the Minister of Police, plans are afoot to meet with our employees, more especially eThekweni water and sanitation, trade unions and senior management to map a way forward about strengthening security in all our buildings.

We are confident that we are going to win this battle. Since the beginning of the year, we have been holding regular meetings with Minister Cele to

assess the progress in the implementation of our crime prevention strategies.

Interventions that the Minister and the City agreed upon include the following:

- Deployment of multi-disciplinary teams to deal with the killing of councillors and officials.
- Make Amaoti a fully-fledged police station within 12 months
- The installation of CCTV to go beyond the CBD
- Dedicated teams to deal with bad buildings, drugs, and illegal liquor outlets

To increase police visibility in the municipality, we are currently finalising the recruitment of more than 200 Metro Police officers to increase our crime prevention capacity. This is an ongoing recruitment programme which will ensure that the city ultimately reaches its target of 5000 law enforcement officers.

INNER CITY REGENERATION

Honourable Speaker, last year we reported that the city would intensify its programme of eradicating problem buildings in the CBD. Having conducted consultations with property owners, the Department of Public Works and

Transnet, we are pleased of the progress we have seen with over 80% of the 33 identified buildings being renovated.

Furthermore, the negotiations with the Department of Public Works and Transnet to attend to their seven buildings are yielding positive results. For instance, three buildings owned by the Public Works Department are in the process of being transferred to new owners for repurposing and/or redevelopment. Transnet has demolished one of their problem buildings in the Mahatma Gandhi precinct. We want to caution property owners who continue to ignore our building by-laws that we will not hesitate to institute legal proceedings against them.

The city has also concluded the process of recruiting 300 street ambassadors under the Public Employment Programme (PEP) who will support our inner-city regeneration teams to enforce trading by-laws, public safety, bad buildings, and waste management by-laws. These street ambassadors will be placed in secondary CBDs (Isipingo 71, inner city 129 and Pinetown 100).

In partnership with the Durban University of Technology (DUT), Urban Future Centre NGO, market, and informal traders, we have initiated a zero-waste

management programme at the Warwick Market Precinct. This programme will have a positive impact in saving our land fill space and contribute to our climate adaptation agenda because it reduces the cost of removing organic waste.

BUILDING AN HIV AND AIDS FREE GENERATION

Honourable Councillors, in our quest to create an HIV/AIDS-Free generation, the work of establishing Ward and Zonal AIDS Councils continues and we are confident that this approach will have positive results because we are able to reach more people when there is community involvement.

These community-based structures will be tasked with, among other things, helping implement the National HIV/AIDS Sexually Transmitted Infections (STI) Strategic Plan through various educational campaigns targeting the most vulnerable groups in our society.

We will be intensifying the “Welcome Back Campaign” which seeks to get back into care and treatment those patients who have defaulted due to various reasons. Part of this initiative is also to encourage HIV positive people who have never started treatment to take advantage of free Anti-Retroviral Treatment

Furthermore, the introduction and rollout of PrEP (pre-exposure prophylaxis) gives us hope that we will eventually win the war against this virus. When taken after exposure to the virus, PrEP is able to help people to reduce the risk of contracting the virus.

Through the “Mina For Men For Health” campaign, we are working hard to reach more men, using various educational tools to encourage them not only to know their HIV status, but to also lead healthy lifestyles once they test HIV positive. While we continue to target new patients, there is an effort to get those who may have opted out of the programme to come back. We are calling on men to become activists in the fight against HIV/AIDS.

YOUTH, WOMEN AND PEOPLE WITH DISABILITY

Honourable Speaker, youth is the cornerstone of every society. As a result, their needs are always elevated high on our development agenda. Reason being that ignoring their plight could be a recipe for a disaster.

Equally, women and people with disability remain the most vulnerable groups in our society and their emancipation remains sacrosanct. For this reason, the municipality has developed bold initiatives to address their plight and to ensure they participate in the mainstream economy.

To this end, the municipality is implementing the radical socio-economic transformation which prioritises women, youth, people with disability and Military Veterans. It is important to mention that through this programme, we will be allocating 30% of the municipality's procurement spent to these designated groups. The municipality also encourages the establishment of social enterprises which promotes broad community participation in the economy.

We are proud that our work readiness programme has resulted in the city to absorb 900 graduates every year with a total budget of R43 million for a period of two years. Some of them have landed themselves permanent job opportunities within the municipality. While others, through this programme are furnished with skills that are relevant to the job market.

Honourable Speaker, we are pleased to announce that in the next financial year, we will allocate R58million to assist deserving graduates to further their studies in various institutions of higher learning.

We are also proud of the giant leap forward in ensuring that we respond to the demand of the fourth industrial revolution. To date, we have opened 21 Human Capital Centres of Excellence in all regions of the city. In the next financial year, we have planned to open additional seven centres which are

equipped with computers, internet and Wi-Fi. Walking long distances by our young people to access these services has become a thing of the past and we have crossed the Rubicon in this regard.

We also continue to affirm women in strategic management positions in the municipality. We are making strides in deploying women in areas that were previously occupied by males.

Honourable Speaker, we regret that women and children continue to bear the brunt of the scourge of gender-based violence. The recent statistics indicate that some of our police stations are leading nationally in terms of reported sexual offence cases.

We must indicate that fighting gender-based violence is a collective responsibility. Therefore, we urge community members to join our efforts and participate in our Men's Sector programmes which seeks to bring men together to teach young boys to be responsible men. Somlomo isiZulu sithi libunjwa liseva.

SOCIAL COHESION SUMMIT

As eThekweni Municipality, we have a huge responsibility resting on our shoulders to ensure that all our residents irrespective of their race, gender and creed are able to coexist. We are coming from a horrible past that

polarized our society to advance an evil agenda of the apartheid regime. It is a fact that the killings we have seen in Phoenix, the attacks that were directed to African nationals were antithetical to the provisions of the Freedom Charter. Preparations are at an advanced stage to host the Social Cohesion Summit in July this year. This will enable us to deliberate on the route courses and solutions to racism, Afro-phobia and xenophobia.

CLIMATE CHANGE SUMMIT

We are fully aware that our planet is warming up at an alarming speed. Global warming is now a reality and changing weather patterns at scale that has never been imagined before. This state of affairs is sending a clear message to us the inhabitants of this planet that there has to be a serious paradigm shift in the manner we do things.

In eThekweni, we are rising to the occasion in that in all our plans climate change and interventions thereof feature prominently. The floods we have experienced recently are nothing but the manifestation of changing weather patterns. We are now starting a conversation of how we are going to build better by ensuring that our infrastructure is resilient to climate change disasters.

In August, we have planned to host the eThekweni Municipality Conference on Climate Change. This gathering will bring together experts in the academia, civil society, research institutions, business communities, traditional leadership and other key stakeholders.

OVERVIEW OF THE BUDGET

Honourable Speaker, the total budget for 2022/23 is R55.4 billion with an operating budget of R49.8 billion and a capital budget of R5.6 billion. The budget is fully funded, balanced, realistic, credible and strategically aligned, and is based on the principles of affordability and sustainability.

OPERATING BUDGET

The operating budget, which funds the continued provision of services provided by the municipality, increases from R 47 billion in 2021/22 to R 49.8 billion in 2022/23, R 52.7 billion in 2023/24 and R 55.9 billion in 2024/25.

The growth of the operating budget is mainly due to:

- Repairs and maintenance of infrastructure
- Cost of addressing service delivery backlogs
- Cost of bulk purchases - water and electricity; and
- Employee related costs

The Main Items contributing to the operating budget of R49.8 billion:

- R16.6 billion for Electricity
- R6.9 billion for Water and Sanitation
- R6.6 billion for Community and Emergency Services
- R1.5 billion for Cleansing and Solid Waste
- R2.3 billion for Roads and Engineering; and
- R1.5 billion for ETA

CAPITAL BUDGET

The capital budget of the City projects a spending plan of approximately R 15.6 billion over the next three-years. The capital budget for the 2022/23 financial year amounts to approximately R 5.6 billion and thereafter at R 4.9 billion in 2023/24. A provision of R 5.1 billion has been made for the 2024/25 financial year. The capital budget continues to reflect consistent efforts to address backlogs in basic services and the renewal of the infrastructure of existing network services, in particular Water and Sanitation.

The major capital projects over the MTREF include:

- R2.2 billion on electricity infrastructure
- R2.1 billion on the Ethekewini Transport Authority
- R1.9 billion on low-cost housing and infrastructure
- R1.9 billion on sanitation infrastructure

- R 1.5 billion on water infrastructure
- R1.3 billion on roads rehabilitation and reconstruction, and new access roads
- R804 million on addressing community service backlogs
- R605 million on catalytic Projects (Ntshongweni, Brickworks and Oceans Umhlanga)
- R520 million for waste management including landfill sites

TARIFF INCREASES

The proposed tariff and rates increases are the lowest for years as we sincerely appreciate the plight of our residents. The proposed increases are as follows:

- There is no proposed increase for residential property rates. Instead, the city is happy to announce that the rate randage on residential has been decreased by 10% due to the implementation of the new valuation roll.
- The water tariff increases for residential is 5.9% and 9% for business. This is to secure the water supply of the city and ensure that the infrastructure is maintained to reduce water losses.

- The electricity tariff increase is 7.47%. This is against an Eskom increase of 9.61%.
- The sewerage tariff increases for residential is 5.9% and 9% for business.
- The refuse tariff increase is 4.5% for residential customers and 7.9% for business.

As a caring and responsive city, we want to assure the residents and businesses of eThekweni that we have worked very hard to keep the tariffs and rates increases as low as possible. Municipalities are currently facing a difficult fiscal environment. These tariff increases represent an appropriate balance between the interest of poor households and other customers while ensuring the financial sustainability of the Municipality.

We have extended the deadlines for objections to the new property valuations and applications for rates rebates. We have also implemented several initiatives to help residents and businesses survive and recover through the COVID pandemic, civil unrest and the floods.

CONCLUSION

Honourable Speaker, we want to reiterate that this is a recovery and people-centred budget. The adversity that has befallen our city in the past three

years will not deter us from achieving the universal goal of a better life for all. We call upon all our stakeholders to work with us as we have started the process of restoration and rebuilding our city.

We want to thank all political parties, particularly the African National Congress (ANC) and our coalition partners for continuing to work with us to make eThekweni the most livable and caring city.

We want to convey our appreciation to the EXCO and all councillors for the guidance and oversight role they continue to play in the running of our municipality. Equally, we thank the administration led by the Acting City Manager, Mr. Musa Mbhele for steering the administrative ship in the right direction.

Most importantly, I want to thank my family for their continued support and sacrifice.

I thank you