



# **eThekweni Municipal Council**

## **MINUTES**

**Special Meeting held on Wednesday, 2023-05-31.**

**No. 36****MINUTES****OF****ETHEKWINI MUNICIPAL COUNCIL**Special meeting held on Wednesday, 2023-05-31T12:49,  
at Durban Exhibition Centre, Durban.

**PRESENT :** Councillors TE Nyawose (Speaker), TM Kaunda (Mayor), ZP Myeni (Deputy Mayor), J Annipen, A Beetge, M Billy, T Biyela, JM Black, NJ Bollman, M Brauteseth, WJD Burne, MH Buthelezi, SB Cele, SP Chebure, J Chetty, R Cloete, SV De Boer, CB Dlamini, Z Dzanibe, J Essop, BA Fortein, SN Gabela, GM Gasa, DM Gcabashe, FO Gcabashe, NBC Godlwana, R Gokool, G Govender, S Govender, SV Govender, Y Govender, BR Gumede, NC Gumede, S Gumede, BM Gwala, MS Gwala, GJ Hegter, MM Hlengwa, NP Hlomuka, SD Hlongwa, MF Ismail, DM James, M Johnson, MA Mgobhozi, K Khambule, MH Khan, MN Khubisa, KNN Khubone, NL Khuzwayo, ZW Khuzwayo, SNC Khwela, A Kisson, BG Kubheka, V Kunju, CJ Laing, SW Lushaba, M Lutchmen, WM Luthuli, MA Madlala, NI Madlala, SR Madlala, RP Maharaj, S Maharaj, FN Majola, TG Makhanya, HS Makhathini, MW Manqele, JB Maphumulo, NJ Maphumulo, TZ Mathe, SH Mazibuko, WM Mazibuko, M Mbambo, KT Mbhele, RP Mbonambi, BA Mchunu, JL Mchunu, NP Mchunu, SW Mcineka; RL McKenzie, X Mdlazi, FW Mdletshe, SP Mfeka, K Mhlaba, GN Mhlongo, NM Mhlongo, SE Mhlongo, MB Mjadu, AZ Mkhize, KV Mkhize, MA Mkhize, ME Mkhize, MP Mkhize, NN Mkhize, NA Mkhize, SM Mkhize, TJ Mkhize, B Mkhwanazi, BR Mngadi, DF Mngadi, S Mngadi, SV Mngadi, MR Mngonyama; TJ Mnguni, DP Mngoma, BV Mngwengwe, ZO Mnomiya, S Mnyandu, T Mohamed, R Moses, ND Motseke, SB Mpanza, LI Msomi, DV Msweli, LG Mthembu, SSS Mthethwa, TD Mthethwa, N Munien, OB Mvubu, SK Mzimela, BD Naidoo, J Naidoo, AB Ndlovu, MF Ndlovu, PB Ndlovu, NS Ndlovu, V Ndlovu, SG Nene, TH Nene, SB Ngcongo, S Ngema, DB Ngubane, LE Nkomeni, MS Nkosi, DR Nowbuth, XM Nqweniso, DM Nsundwane, SH Ntombela, PC Ntshangase, BT Ntuli, N Ntuli, NZ Ntuli, PB Ntuli, B Nxumalo, MR Nxumalo, PH Nxumalo, NN Nyanisa, MV Nzimande-Madlala, AAK Paruk, DT Pillay, P Pillay, GDA Pullan, A Rampersad, VG Reddy, T Sabelo, A Shaheed, BH Shange, LP Shange; MG Shange, TE Shezi, IM Shinga, HP Shoji, JN Sibisi, KS Sibisi, WP Sibiya, LC Sikhakhane, BSB Sindane, J Singh, S Singh, PS Sishange, CN Sisoka, NI Sithole, BS Sivetye, EG Smith, ZR Sokhabase, ZA Solomon, I Syed, BB Thusi, ME Thusi, M Thusi, ZN Tshazela, NT Tyelinzima, JC Van den Berg, HM Van Der Ryst, NB Vilakazi, SM Windvogel, TV Xulu, NY Young, GN Zondi, M Zondi, N Zondi, ON Zondi-Mthembu, TG Zungu and there being two (02) vacancies.

**ABSENT :** Councillors A Abdul, AD Beesley (Personal Commitments); KPM Cele (Personal Commitments); SG Gama, F Ismail (Indisposed); J Jacquire (Personal Commitments); LBS Jali, ME Mabaso, RD Macpherson, A Maharajh, ZM Mncwango (Personal Commitments); T Miya (Indisposed); E Mngadi, NP Msibi (Indisposed); NP Msomi, TM Mthethwa (Personal Commitments); SR Moodley (Indisposed); V Ncukana, NB Ndlela, PC Ndlovu, MM Ngiba,

BW Phewa, S Sewshanker, EL Singh (Indisposed), AD Snyman (Indisposed), NI Webster and T Xuma.

AMAKHOSI

PRESENT : None

AMAKHOSI

ABSENT : Inkosi S Mlaba, Inkosi JJ Shangase and Inkosi EB Shozi (All on Personal Commitments).

OFFICIALS

PRESENT : Messrs/Mesdames TB Mbhele (City Manager), M Mhlongo (Head: Legal & Compliance), A Seheri (Head: City Administration & Secretariat); BM Mhlongo (Deputy Head: Office of the Speaker) and SC Zondi (Chief Committee Officer).

(At the commencement of the meeting 184 Councillors were present, comprising ANC - 88, DA - 48, EFF - 16, IFP - 15, ASA - 02, ABC - 01, ACC - 01, ACDP - 02, AIC - 01, ADEC - 00, APF - 01, ATM - 01, AL JAMA-AH - 00, DLC - 01; JEP - 01, KZNI - 01, MF - 01, MOSA - 00, NFP - 01, PFP - 00, PRM - 01, TA- 00, UIM - 01 and VF Plus - 01).

**Upon confirming Members present in this meeting, it was noted that there was sufficient number of Members present to constitute a quorum required to approve the 2023-24 eThekweni Municipality budget.**

1. NOTICE CONVENING THE SPECIAL MEETING

Following the directive by the Speaker, time being 12h49; the City Manager read the notice convening the special meeting in terms of Rule 5 subsection 4 of the Rules of Order By-Law, 2014, as amended.

2. OPENING

As the Council meeting this day was split into two sessions, that of ordinary and special Council meetings, it was then noted that the Speaker has already declared the meeting open at the commencement of the ordinary Council meeting.

3. AFRICAN UNION AND NATIONAL ANTHEM

It was also noted that the Anthems have been sung at the commencement of the ordinary Council meeting prior to reconvening as special meeting.

4. OPPORTUNITY FOR PRAYER/MEDITATION

Likewise, the moment's silence was observed as part of preliminaries at the commencement of the ordinary Council meeting.

5. APPLICATIONS FOR LEAVE OF ABSENCE**RESOLVED:**

The following Councillors and Amakhosi be granted leave of absence as indicated: -

**COUNCILLORS**

Councillor AD Beesley	:	2023-05-31	Personal Commitments
Councillor KPM Cele	:	2023-05-27 To 2023-06-02	Personal Commitments
Councillor F Ismail	:	2023-05-31	Indisposed
Councillor J Jacquire	:	2023-05-31	Personal Commitments
Councillor ZM Mncwango	:	2023-05-31	Personal Commitments
Councillor T Miya	:	2023-05-31	Indisposed
Councillor NP Msibi	:	2023-05-31	Indisposed
Councillor TM Mthethwa	:	2023-05-30 To 2023-05-31	Personal Commitments
Councillor SR Moodley	:	2023-05-25 To 2023-06-12	Indisposed
Councillor EL Singh	:	2023-05-31	Indisposed
Councillor AD Snyman	:	2023-05-31	Indisposed

**AMAKHOSI**

Inkosi S Mlaba	:	2023-05-31	Personal Commitments
Inkosi JJ Shangase	:	2023-05-31	Personal Commitments
Inkosi EB Shozi	:	2023-05-31	Personal Commitments

6. DECLARATION OF INTEREST

It was noted that none of the members of Council had declared any interest on the matters contained in the agenda.

*(Prior to Council debating the final draft 2023-2024 Budget, the Speaker afforded His Worship the Mayor, Councillor TM Kaunda, opportunity to present his Budget Speech. In this regard, His Worship ascended a podium accordingly)*

**Opening his speech, His Worship referred to service delivery turnaround strategies unveiled during the State of the City Address last month, and confirmed that the budget presented today serves as a vehicle to practically implement turnaround strategies. The ultimate objective being the betterment of the lives of the people of eThekweni. His Worship appreciated resilience displayed for the Municipality to vigorously drive the economic Agenda of the City notwithstanding global economic constraints.**

**Reference was made to the latest Quarterly Labour Force Survey (QLFS) released by Statistics South Africa, His Worship then advised that the outcome of the survey revealed that eThekweni is reducing its unemployment rate by 9% year-on-year. That this outcome is positioning eThekweni as one of the leading Metropolitans in the Country in terms of reducing unemployment. He mentioned that the City attributes this achievement to the resilience displayed by the local communities and the support by the business community. That this achievement also reflects the strength of measures implemented to recover from the triple disaster, the Covid-19 pandemic; civil unrest; and the storm damages. Words of gratitude were extended to stakeholders that stood with the City while navigating through these catastrophic events.**

Drawing from a perspective by the National Government with regard to economic growth objectives, His Worship reported three (03) key pillars highlighted by the Minister of Finance, the Honourable Enoch Godongwana, namely,

- (i) Creation of a stable macroeconomic framework;
- (ii) Implementation of growth-enhancing reforms; and
- (iii) Strengthening capacity of the state to deliver quality public services.

As part of enhancing capacity of the state to deliver quality services, His Worship advised that the City has committed to empower cooperatives and social enterprises with tools to render services in communities where they are located. That this will reduce over-reliance on consultants and the tender system. Indication was given that this approach will not only radically transform the economy of the City, but it will also provide much-needed jobs and drive skills revolution in communities.

## STATE OF FINANCES IN THE CITY

Councillors were informed that despite challenges faced by the City and compounded by the triple disaster, the financial situation of the Municipality remains healthy. Information being given that this status is supported by the unqualified audit opinion of the Auditor-General. Also, that the Municipality has achieved a collection rate of 95% in the last financial year and 93% thus far in the current 2022/2023 financial year. This being achieved notwithstanding the current economic climate impacting the collection rates. Days cash on hand was reported to be 56 days at the end of the 2021/2022 financial year (R5.3 billion). Confirmation given that this is within the National Treasury benchmark of 30-60 days cash on hand. Mention was made that the key driver of sustainability within the Municipality is to grow cash reserves. His Worship was delighted to announce that as a result of the collection strategy implemented, the Municipality has achieved cash on hand of 80 days and equivalent to R9 Billion as at 31 March 2023.

## ACCOUNTABLE AND CLEAN GOVERNMENT

His Worship advised that the Municipality remains committed to achieving clean governance and is continuously working on reducing irregular expenditure, in line with the Council-approved Irregular Expenditure Reduction Strategy aimed at strengthening and improving the relevant internal controls to prevent further occurrences in this regard.

The Irregular Expenditure Reduction Strategy focuses on the following key interventions:

- Automating contract management and procurement cycle. The Finance and the Legal Teams to deploy dedicated staff to support all Units to improve contract management;
- Procurement planning;
- Compliance checklists;
- Demand analysis;
- Strengthening of key budget and internal controls; and
- Capacity building.

To ensure that this budget achieves the desired impact, His Worship advised of stringent measures being implemented to root out fraud and corruption. With the Financial Misconduct Board and the City Integrity & Investigations Unit being the Council's implementing agents to conduct investigations with a view to holding people implicated to account.

## WATER AND SANITATION

His Worship reported that the Municipality is facing a challenge of high non-revenue water, advising of the Team established to formulate a plan and implement strategic interventions to reduce non-revenue water from the current 56.7% to acceptable levels. Some of the reasons for water losses were cited to include:

- Illegal water connections;
- Ageing Infrastructure;

- Damaged infrastructure due to floods;
- Vandalism of infrastructure; and
- Unread meters

Remedial actions, some of which are already being implemented, include:

- Installation of Pressure Reducing Valves (PRVs);
- Reservoir inlet and outlet metering;
- Pipe Replacement;
- Meter Connection to Housing Projects;
- Meter Connection to Community Ablution Blocks;
- Installation of meters in informal settlements;
- Investigation of properties with zero consumption;
- Metering historically unmetered Housing Projects;
- Replacement of Domestic Water meters; and
- Billing Data Cleaning.

## **BUDGET COMPLIANCE REQUIREMENTS**

Process to be followed to draft and approve annual budget is prescribed in the Local Government: Municipal Finance Management Act No. 56 of 2023. In a nutshell, this includes a requirement for draft budget to be tabled in Council in its March meeting; thereafter, stakeholder consultation process; and budget approval in May.

His Worship the confirmed that all steps referred to in the preceding paragraph have been complied with and culminating in the presentation of final draft budget in this meeting. Confirmation was given that the Municipality has lived up to its standard of being a caring City, hence, submissions made during the stakeholder consultation process have been incorporated where practical. As such, some of the tariffs have been reduced downwards.

## **ISSUES RAISED AT THE BUDGET HEARINGS**

Listed below are some of the issues raised during stakeholder budget hearings, it being advised that every effort has been made to incorporate same into the final draft budget being presented:

- Unaffordability of tariffs due to tough economic conditions;
- Poor service delivery;
- Ineffective repairs to water leaks and electricity faults – prolonged periods of no water and/or electricity;
- Poor workmanship by contractors resulting in repetitive breakdowns of areas repaired;
- Sewer spillages;
- Non-functional call centres;
- Lack of a clear plan to eradicate informal settlements;
- Streetlights not working;
- Job creation and skills development;
- Refuse collection;
- Shortage of clinics; community halls; and libraries

His Worship then dispelled a notion that budget hearings are merely a ticking exercise, emphasizing that this is a legislative requirement which is taken seriously to listen to the voices of the residents thereby achieving the objectives of participatory governance.

## **REVISED TARIFF INCREASES**

The National Energy Regulator of South Africa (NERSA) reported electricity increase of 18.65% to be levied by Eskom. This was concerning given the burden to the residents already struggling given the current economic hardships.

Drawing from the NERSA increase, the Municipality initially proposed a 21.91% increase which effectively translated to 3% increase on electricity. However, listening to the outcry by the community, this increase has been revised downwards to 18.49%.

The water tariffs remain at 14.9% increase for residential customers and 15.9% for business customers. Some of the key drivers of the water tariff increase include:

- 5,5% increase imposed by Umgeni Water
- 3% increase related to the construction of the essential Upper UMkhomazi Dam
- Repairs & Maintenance contributes around a 4.3% and security around 1%.

It was reported that the Upper UMkhomazi Dam will address persistent water challenges in the City. That experts have warned that if the Municipality do not invest in this infrastructure there will be inadequate water supply in eThekweni in the near future.

His Worship mentioned that the Municipality as a caring government feels the financial pain of residents. That the Municipality is conscious of prevailing tough economic conditions globally. Therefore, consolidating this budget together has been a tough balancing act between cost reflective tariffs and break-even from a business perspective while ensuring sustainability and uninterrupted service delivery.

His Worship was delighted though to announce measures to be put in place to cushion customers, as listed below:

- Reduction in property rates tariff increase from 8.9% to 7.9%;
- Reduction in sanitation tariff increase from 11.9% to 10.9% for domestic and from 12.9% to 11.9% for business; and
- Reduction in refuse tariff increase from 8% to 6.9%.

## **SOCIAL RELIEF PACKAGE**

To demonstrate that the Municipality is a caring government biased towards the poor, a comprehensive social relief package has been consolidated for vulnerable groups. Therefore, over 866 000 households will benefit from this initiative in the next financial year at a cost of R 4.47 billion.

The relief package includes the following:

### **Property Rates**

- Residential properties valued up to R350 000 will be exempt from paying rates. For all other properties valued above R350 000, no rates will be charged on the first R120 000;
- A further allowance will be afforded on application to all residential property owners with a total household income of R4 220 and less and with a property value of more than R350 000 and up to R650 000;
- Properties owned by pensioners, child-headed households, disability grantees and the medically boarded are exempt from paying rates where their annual rates do not exceed the maximum rebate of R5 290. A maximum limit of R2.5 million applies on the value of the property in respect of the pensioners' rebate. All other properties will be liable for rates less the rebate; and
- No rates levied on the first R30 000 value of vacant land and Outside the Urban Development Line. Having considered the economic climate, we have agreed to reduce rates on vacant land by 30%.

### **Water**

- The first 6 kilolitre of water is free to households with property values under R250 000.

### **Electricity**

- The first 50kilowatt of electricity is free to residents using less than 150kwh per month in Eskom reticulated areas; and

- The first 65kwh of electricity is free to residents using less than 150kwh per month in eThekweni reticulated areas.

#### **Refuse Removal**

- Residential property valued up to R250 000 are exempt from domestic refuse removal tariff; and
- In addition, a free basic refuse removal service is also available to indigent consumer units living in rural, informal settlements and non-kerbside residents.

#### **Sanitation**

- The first 6kl of effluent disposal is exempt for all properties with values under R250 000.;
- In addition, a free basic service is also available to indigent consumer units with Ventilated Improved Pit latrines (VIPs), urine diversion toilets and in informal settlements serviced by means of a toilet/ablution block within 200 metres; and
- In the current financial year, the Municipality allocated R130 million for the alternative sanitation technology and in 2023/24 financial year, the Municipality have set aside R50 million.

The social packages represent evidence that this is certainly a People's Budget in a true sense of the word. That people have spoken, and the Municipality has listened. It was highlighted that one of the core mandates of local government is to deliver quality basic service, such as water and electricity.

#### **ELECTRICITY**

To manage modern and industrial economy, the Municipality needs to build dependable and reliable electricity supply. This approach being critical if the Municipality aims to expand its revenue base and create employment opportunities for over 600 000 unemployed individuals in the City.

To achieve a more reliable electricity supply, the Municipality has allocated capital budget of R2.2 billion for electricity over the next three (03) years. The bulk of this funding will be spent on ongoing extensions and reinforcements of existing networks as well as seventeen (17) new substations to be commissioned. The Municipality will also focus on the streetlights project with the intention to repair all faulty streetlights across the eThekweni region. With the electricity infrastructure having been severely affected as a result of the storm damages, the loadshedding exemption granted the hardest hit areas was appreciated

As part of addressing electricity challenges, the Municipality is looking forward into implementing renewable sources of energy to supplement its energy supply. The Municipality recently hosted the Energy Transition Summit where detailed plans were unveiled, including the procurement of 400Megawatts solar and gas energy. It was reported that the Municipality has already invited proposals alternate sources of energy to increase energy supply.

#### **WATER & SANITATION**

It was highlighted that reliable water supply and water security are also key issues. The combined water and sanitation capital budgets over the next 3 years is R5 billion. Water has a capital budget of R1 billion in 2023/2024. One of the priority projects is the repair of the Southern Aqueduct project to alleviate water challenges in Umlazi, KwaMakhutha, Folweni and surrounding areas. That the Municipality will also be upgrading the Supervisory Control and Data Acquisition (SCADA) system. This technology will assist to monitor water reservoir levels and functionality of pump stations to prevent sewer spillages and water overflows.

This budget will also be utilized to implement the Ogunjini Waterworks, Mkhizwana Waterworks, Adams Water Reservoirs and Zwelibomvu Watermain Inlet Phase 2. Shongweni Reservoir has been completed and will improve water supply in Ngonyameni.



To address water challenges in Ward 1, KwaXimba, it was reported that the Municipality will be installing a booster pump station. In Ward 3 in uMzinyathi, the Municipality has completed two (02) projects by installing a pipeline, pump station and a trunk main. All these interventions will improve water supply in these areas.

Over the MTREF, R2.1 billion will be spent on the replacement of water pipes and other water loss interventions to address a challenge of non-revenue water.

It was emphasized that it remains the Municipality's priority to ensure that people are treated with dignity and receive decent services. Accordingly, it was reported that sanitation has a capital budget of R1.2 billion to be spent on the upgrading of various wastewater treatment works, alternative sanitation technology, and to upgrade the Mahatma Gandhi Road sewer pump station.

Over the MTREF, R2.9 billion will be spent on the expansion and upgrade of the following wastewater treatment works:

- Umhlanga Wastewater Treatment Works
- Hammarsdale
- Hillcrest
- KwaNdengezi
- Dassenhoek
- Umbilo
- Northern Wastewater Treatment Works
- Phoenix
- OThongathi Central
- Umdloti
- Southern Wastewater Treatment Works
- Isipingo
- Amanzimtoti
- Kingsburgh
- Verulam and
- KwaMashu Wastewater Treatment Works

## WASTE MANAGEMENT

His Worship the Mayor reported that while the Municipality is beginning to see improvement in the level of cleanliness in the City. A plea was made for communities to work with the Municipality by not disposing litter in undesignated places. Furthermore, a warning was issued for those who continue to pollute the environment by creating illegal dumpsites that the City will deal harshly with those implicated.

It was reported that operations are being reviewed at Cleansing and Solid Waste to improve refuse collection and to develop long-term strategies that will enhance the cleanliness of the City.

To this end, the Municipality will be allocating R362 million in the next financial year to procure new waste collection fleet and heavy plant for landfill sites. Furthermore, this budget will be utilised to procure new infrastructure for waste disposal at Bufflesdraai landfill and laying down bulk infrastructure for Shongweni landfill site. The Municipality will also rehabilitate transfer stations and upgrade the New Germany and Ottawa depots. The bulk of the budget will be invested in the new fleet and landfill sites to ensure waste collection and disposal is safe and reliable.

## HOUSING

Rapid urbanization has led to an increase in the number of informal settlements in the City which contributes to the rising housing backlog. In this regard, it was reported that currently, the Municipality has close to 600 informal settlements that the Municipality is providing with services such as water, electricity and waste removal.

**Human Settlements has a capital budget R953 million in 2023/2024 which will be used to build 1 661 new housing units. Over the MTREF, R2.6 billion will be spent on housing and infrastructure. One of the methods the City has adopted to address housing backlog is to provide fully serviced sites for people to build their own houses instead of waiting for government to provide them with top structures.**

#### **Transit Camps**

**It was mentioned that the Municipal programme to eradicate transit camps is ongoing and His Worship was pleased to report that by the end of June next month, the Municipality will be closing down the Isipingo Transit Camp as 360 families who are currently accommodated in this camp will be relocating to the newly built Kanku Road housing project.**

#### **PUBLIC TRANSPORT**

**It was recalled that during SOCA, a commitment was made by the Municipality that it will continue providing affordable, safe, and reliable public transport. It is only through an integrated and transformed public transport that the Municipality can become a world class City. It was mentioned that efficient public transport is central to improving quality of life of the people as it makes it easy for them to access social amenities like schools, hospitals, and places of work. Therefore, in the next financial year, the Municipality will allocate R805 million for public transport infrastructure and road safety.**

**Other projects to be funded through this budget include Go Durban Integrated Rapid Public Transport Network, traffic calming devices, Bridge City bus terminal, taxi ranks resurfacing, and a new transport management system. Over the MTREF R2.3 billion will be spent on transport.**

#### **ROAD INFRASTRUCTURE**

**His Worship advised that during the budget consultations, residents complained about the state of the City's Road infrastructure. In response thereof, the next financial year, the Municipality has allocated R249 million for various road rehabilitation and upgrades from gravel to tar road in rural areas.**

**Over the MTREF, R2.4 billion will be spent on repairing and upgrading the road network. In addition, the Municipality is going to use block sums of R3 million per Ward to supplement this budget and build new access road infrastructure, sidewalks, and pathways in disadvantaged Wards. R1 million has been allocated to other Wards.**

#### **ECONOMIC DEVELOPMENT**

**The eThekweni Municipality remains one of the biggest contributors to the national economy.**

**During the 2023/26 MTREF period, the Municipality has set aside a total amount of R805 million prioritized towards the implementation of the following key catalytic projects to drive the socio-economic agenda of the Municipality and ensure that decent jobs, work opportunities and skills development receive much-needed attention:**

- **Shongweni development;**
- **Oceans Umhlanga development for the completion of the public transport facility for the node. The City has allocated a budget of R60 million towards the public transport facility;**
- **Avoca Nodal Development, which consists of three precincts ideally located along the N2 corridor at the cost of R10 billion, namely the Brickworks, Northfields industrial developments and the Caneridge residential development. The Municipality will be funding some of the bulk infrastructure;**
- **Durban Film City, which is a R7,5 billion investment project;**
- **GIBA Business Park which is a new R2 billion catalytic projects anticipated to be completed in 2024;**
- **R18 billion Cato Ridge Freight and Logistics development; and**
- **R22.5 billion Keystone Logistics Park on the N3 Hammarsdale interchange.**

## **EMPLOYMENT OPPORTUNITIES**

To reduce unemployment, especially among the youth, the Municipality plans to create 20 000 job opportunities including EPWP. Furthermore, over 6000 jobs will be created through the Presidential Employment stimulus, employment of caretakers at communal ablution facilities, and plumbers who will be used on a rotational basis for water repairs.

## **DRIVER TRAINING PROGRAMME FOR YOUTH**

Young people continue to swell the ranks of the unemployed. It was mentioned that the struggle icon and former ANC president Oliver Tambo once said; “A country that does not take care of its youth does not deserve its future.”

Therefore, the Municipality recognises the importance of building a bright and prosperous future for the City, and to leverage on the competitive advantages the Country which has a large youth population. In heeding Oliver Tambo’s call, the Municipality will be investing R1 million in the next financial year to equip young people with driving skills. 142 young people from high schools, tertiary institutions and out of school will benefit from this programme. The Municipality is confident that this initiative will aid many young people from poor households who would have otherwise not been able to obtain driver’s license while still studying.

## **COMMUNITY SERVICES**

It was reported that Sport, Arts and Culture play an important role in defining national identity. It is also a catalyst for unity and social cohesion in communities. For this reason, the Municipality will allocate R1 billion over the MTREF to build and upgrade community facilities.

EThekweni is known for producing superstars in sport and arts and culture who have progressed to represent the Country at a global stage. Therefore, investment in this sector is informed by the desire to keep it alive and allow young and upcoming athletes and artists to realise their dreams.

To create an environment where young people can participate in various sporting and cultural activities, the Municipality has prioritized building the following sport facilities in the next financial year:

- Rotary stadium upgrade
- Siripat ground
- Abrams sport facility
- JL Dube
- Eastbury top and bottom

Funding has also been allocated to rehabilitate the following swimming pools:

- Laguna pool in North Beach
- South Beach pool
- Westbrook beach
- Newlands pool
- Umlazi BB pool
- Inanda swimming pool
- Children Amusement Centre Pool in South Beach

## **FIGHTING CRIME**

EThekweni Municipality contributes significantly to the crime statistics of both the Province and the Country since the Municipality is one of the largest economic regions in the Country. To increase police visibility for crime prevention and enforcement of by-laws, the Municipality will be allocating R129.5 million for the recruitment of 400 additional Metro Police. To reach the target of 5000 members, the Municipality will continue to recruit 400 Metro Police officers per annum.

**BUDGET**

His Worship was honoured to present this final 2023/2024 Budget. The total budget for 2023/2024 is R65.5 billion made up of an operating budget of R57.4 billion and a capital budget of R8.1 billion.

**NATIONAL TREASURY'S ASSESSMENT OF THE BUDGET**

It was reported that the National Treasury benchmarking engagement took place on 22 May 2023. The budget was assessed for credibility, relevance, and sustainability. National Treasury has concluded that the budget is credible, relevant, and sustainable. Another key observation was that the total capital expenditure increased by 33.2% due to massive investment in key infrastructure to accelerate basic service delivery and stimulate economic growth in the local economy.

In concluding his budget speech, His Worship, believed that this is a balanced budget responding to socio-economic needs of the people of eThekweni. That it will also help to ensure the sustainability and viability of the Municipality during these tough times. He also took the opportunity to extend gratitude to the Executive Committee, the Chairpersons of Portfolio Committees, and the entire political leadership for their input into this budget.

Gratitude was also extended to the City Manager, Chief Financial Officer and his team, for the sterling work balancing this budget under trying circumstances.

His Worship also extended gratitude to his political party, the African National Congress and all other political parties for continuing to entrust the Municipal leadership with this responsibility. He reiterated that this is the People's Budget which responds to the needs and aspirations of the people.

Accordingly, His Worship tabled the 2023/2024 Medium Term Revenue and Expenditure Framework for final approval.

*At this stage of the proceedings, time being 13h38, Council took a comfort break and the meeting thereafter resumed at 14h52.*

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(His Worship the Mayor, Councillor TM Kaunda presented the Second Report of the Executive Committee)

**SECOND REPORT OF THE EXECUTIVE COMMITTEE**

(Special Meeting held 2023-05-30)

PRESENT : Executive Committee Members TM Kaunda (Mayor and Chairperson), ZP Myeni (Deputy Mayor), A Beetge, Y Govender, NI Madlala, OB Mvubu, MS Nkosi, BT Ntuli and ZR Sokhabase.

ABSENT : Executive Committee Member TM Mthethwa (On leave – Personal Commitments)

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1. BUDGETS 2023/2024 - 2025/2026 MEDIUM TERM REVENUE AND EXPENDITURE (MTREF)

(Item circulated separately)

The 2023/2024 MTREF is balanced and has been prepared in terms of the guidelines as contained in the National Treasury's Municipal Finance Management Act (MFMA) Circular No. 122 & 123. The balance had to be maintained between social, economic and development expenditure to ensure service delivery is not compromised.

With the City having gone through the devastating floods in April 2022, this has resulted to the 2023/24 MTREF having a high emphasis on the reconstruction and rehabilitation of the damaged infrastructure and ensure the City builds better should similar disasters occur in the future. National Treasury also concluded that this budget is credible, relevant and sustainable and offered full funding in this regard. The CFO proudly reported that eThekweni Municipality is one of the top 3 Municipalities that passed the National Treasury budget effectiveness test.

The 2023/2024 MTRF has undergone the public consultation process with key stakeholders. The stakeholder consultation outcomes have enabled the City to revise the budget in order to incorporate some of the comments made by the stakeholders. These are some of the areas of concerns raised during the public consultation:

- Unaffordability of tariffs
- Poor service delivery
- Ineffective repairs of water leaks and electricity faults-prolonged outages of water and electricity supply
- Contractor performance – repetitive breakdowns of areas repaired
- Sewer spillages
- Non-functional call centres
- Housing matters
- Ineffective informal settlement plan
- Non-functional streetlights
- Issues regarding job creation and skills development
- Some areas collection of refuse not done timeously
- Shortage of clinics, community halls and libraries.

In addressing some of the key concerns, the Municipality has been able to effect the following amendments on the tariff increase:

- Electricity tariff increase has been reduced from 21.91% to 18.49%. However, subjected to NERSA approval
- Domestic refuse tariff increase reduced from 8% to 6.9%
- Sanitation tariff increase reduced from 11.9% to 10.9% for domestic and 12.9% to 11.9% for business
- Rates tariff increase has been reduced from 8.9% to 7.9%

However, it should be noted that water tariffs remain as proposed in order to match the tariff increase imposed by Umgeni Water and the budget allocation to respond to UMkhomazi water project.

The total budget for the 2023/2024 Medium Term Revenue and Expenditure Framework (MTREF) appears below:

## Consolidated Budget (Including entities):

Details	Budget Year (2023/2024)	Budget Year (2024/2025)	Budget Year (2025/2026)
	R,000	R'000	R'000
Operating Budget	57 372 967	60 957 343	65 987 843
Capital Budget	8 143 224	5 879 153	5 880 230
<b>Total Budget</b>	<b>65 516 191</b>	<b>66 836 496</b>	<b>71 868 073</b>

The Summary of the Capital Budget over the MTREF is set out in the table below:

Details	Budget Year (2023/2024)	Budget Year (2024/2025)	Budget Year (2025/2026)
Total Capital Budget <u>Funded as follows</u>	8 143 224	5 879 153	5 880 230
Grant Funding	4 674 106	3 642 649	3 644 762
Internal Funding	1 969 118	1 236 504	1 235 468
Internal Funding	1 500 000	1 000 000	1 000 000
	<b>8 143 224</b>	<b>5 879 153</b>	<b>5 880 230</b>

Upon deliberations at the Executive Committee level, appreciation was extended on the progressive and balanced budget document. Management was commended for the ability to take into account the comments received from the public which then led to the reduction of tariff increase.

Public comments were viewed as progressive towards providing effective services delivery. That these comments should be used as targets to be achieved by the Municipality throughout the financial year. Also, that some of the comments require short-term measures which could be implemented whilst working on implementing long term-measures. In this regard, it was recommended that ongoing progress report should be submitted to ensure that all matters raised by various stakeholders are eventually attended to in entirety.

To beef up some of the grant funding, emphasis was made on the need for the Municipality to provide accurate and realistic figures of all citizens who qualify for the indigent assistance. It also being emphasis that a need exists to implement aggressive approach and to recover debts owed by government departments and other parastatals to boost the City revenue. That in some instances, the City should take advantage and leverage some of the offering of all those who owe the City. Reference being made in particular to leveraging land availability which is required by the Municipality all the item for housing purposes. That the Municipality can consider selling sites, especially, to the middle-income earners.

Monitoring contractor performance was also considered critical to ensure projects implementation with strict adherence being made to predetermined timelines. With regard to office space; clinics; libraries and other Municipal use, it was reiterated that consideration be given to procuring land or buildings for the Municipality to stop renting private buildings for years, which approach is not considered cost-effective.

The Committee over-emphasised the importance of creating conducive environment to stimulate investment within the City and thus subsequently accelerate job creation.

The Political Parties agreed that the budget will still be interrogated further in preparation to approve same in Council. Therefore, at this stage an in-principle approval was granted, with efforts made to prepare a balanced in the midst of challenges being reiterated and highly commended,

Accordingly.

#### COMMITTEE RECOMMENDS:

- 1.1 That the following resolutions approving the 2023/24 – 2025/26 MTREF of the eThekweni Municipality and its entities tabled in terms of Section 24 of the Municipal Finance Management Act (MFMA), be approved in principle subject to final approval at the Council meeting level on 31 May 2023.
- 1.2 That note be taken of the contents of the budget documentation circulated in accordance with the Municipal Finance Management Act, No.56 of 2003.
- 1.3 Estimates of Income and Expenditure:
- 1.3.1 That in terms of Section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the municipality for the financial year 2023/24; and indicative allocations for the two projected outer years 2024/25 and 2025/26; and the multi-year and single year capital appropriations are approved as set-out in the following tables of the budget document:
- Budgeted Financial Performance (Revenue & Expenditure by Standard Classification) **(Table A2; Page 81)**
  - Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote) **(Table A3; Page 82)**
  - Budgeted Financial Performance (Revenue by Source and Expenditure by Type) **(Table A4; Page 83)**
  - Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source **(Table A5; Page 84)**
- 1.3.2 That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables:
- Budgeted Financial Position **(Table A6; Page 86)**
  - Budgeted Cash Flows **(Table A7; Page 88)**
  - Asset Management **(Table A9; Pages 90 – 91)**
  - Basic Service Delivery Measurement **(Table A10; Page 93)**
- 1.4 Municipal Entities:
- That the Municipal Entities budget as reflected on pages 289 to 312 be approved

1.5 Recapitulation: Valuation of Rateable Property:

1.5.1 That it be recorded that the recapitulation certificate summarising the valuations of rateable property, as certified by the City Valuer.

1.5.2 The following resolutions, pertaining to property rates (items 1.6 to 1.11) and in conformity with the provisions of Section 14 of the Local Government: Municipal Property Rates Act 6 of 2004 and Sections 17 (3) (a) (ii) and 24 (2) (c) (i) of the Local Government: Municipal Finance Management Act 56 of 2003, be adopted.

1.6 Determination of Rates:

1.6.1 In terms of Section 8 of the Local Government: Municipal Property Rates Act, 2004 read together with the eThekweni Municipal Rates Policy, as amended, and to be adopted with the current budget, the Municipality may levy different Rates for different categories of Property.

1.6.2 The proposed rate randage for the financial year 2023/2024, be revised as set out below and levied in respect of the following categories at:

CATEGORY OF PROPERTY	Current Budget 2022/23 Cents in the Rand	2023/24 Cents in the Rand	2024/25 Cents in the Rand	2025/26 Cents in the Rand
Agricultural	0.2959	0.3191	0.3351	0.3518
Business & Commercial	2.9820	3.2271	3.3885	3.5579
Outside Urban Development Line	1.9459	2.0984	2.2034	2.3135
Industrial	3.8484	4.1643	4.3725	4.5911
Public Service Infrastructure (PSI)	0.2959	0.3191	0.3351	0.3518
Residential	1.1837	1.2765	1.3403	1.4073
Unauthorised/ Abandoned/ Illegal Usage	23.6728	23.6728	24.8564	26.0993
Vacant Land***	11.7932	8.3855	8.8048	9.2451
Sectional Title Registered Real Rights of extension	11.7932	8.3855	8.8048	9.2451
Mining property	3.8484	4.1643	4.3725	4.5911
Public Service Purpose (PSP)	2.9820	3.2271	3.3885	3.5579
Public Benefit Activities (PBA)	0.2959	0.3191	0.3351	0.3518

\*\*\* **Randage for Vacant land has been decreased by approximately 30%**

Multiple-Use Property will be dealt with in accordance with the Rates Policy.

1.7 Exemptions, Rebates and Reductions:

That the following reductions on the market value of the property and rebates on the rates payable, be and are hereby granted in accordance with the Municipal Rates Policy.



1.7.1 Residential Property:

That in addition to the statutory reduction of R15 000, a further reduction of R105 000 be and is hereby approved for property values exceeding R350 000.

1.7.1.1 Indigent Households:

(i) That all residential properties with a market value of R350 000 and less, as assigned in the valuation roll or supplementary valuation roll, be recognized as indigent households for the purposes of relief contemplated in the Indigent Policy and qualify for a 100% exemption from rates.

(ii) That residential households with a property market value of - R350 001 up to and including R650 000 of which the aggregate monthly household income is R4,220 or less, be eligible to apply for registration as an indigent household under the Indigent Policy, - The applicant must not be the registered owner of more than one property (Registered individually or jointly).

1.7.2 Public Benefit Organisations:

1.7.2.1 That on application and approval, only Public Benefit Organisations listed in Clause 7.5 of the Municipal Rates Policy 2023/2024 shall receive an exemption from rates.

1.7.2.2 That it be recorded that Public Benefit Organisations that do not qualify for exemption from rates in terms of (i) above, shall be rated in accordance with the Municipal Property Rates Regulations on the Rate Ratio between Residential and Non – Residential Categories of Property published in Notice R195 dated 12 March 2010, namely at no more than 25% of the residential property rate-in-the-rand. Expressed as a ratio in relation to residential property, this is 1:0,25.

1.7.3 Senior Citizens, Disability Grantees / Medically Boarded Persons and Child Headed Households:

1.7.3.1 That where a property is not exempt from rates in terms of 1.7.1.1 above, a rebate not exceeding R5 290 or such lesser amount as may otherwise be payable, be and is hereby approved (in addition to the reduction stipulated in 1.7.1 above) for qualifying Senior Citizens, disability grantees / medically boarded persons and child headed households as defined in the rates policy.

1.7.3.2 That it be and is hereby resolved to place a maximum limit of - R2.5 Million on the value of the property, in order to qualify for the Senior Citizens rebate in (1.7.3.1) above.

1.7.3.3 That it be and is hereby resolved that a rebate under Clause 7.2.2.4 of the rates policy may be granted to qualifying Senior Citizens who are trustees in a trust, notwithstanding that an independent professional person also holds office as a trustee and does not meet the qualifying criteria.

1.7.3.4 That it be and is hereby resolved that, for the purposes of Clause 7.4.2.3 (Child Headed Households) of the Rates Policy and the rebate contemplated in (1.7.3.1) above, no threshold limit be imposed on the value of the property.

1.7.4 Life Rights Schemes and Retirement Complexes:

That on application and approval, a 25% rebate be granted to qualifying Life Rights Schemes and Retirement Complexes registered in terms of the Housing Development Scheme for Retired Persons Act 65 of 1988.

1.7.5 Schools Not for Gain:

That a rebate of 50% be and is hereby granted to qualifying schools not for gain.

1.7.6 Bed & Breakfasts Undertakings:

That on application and approval a rebate of 35% be granted to all bed & breakfast establishments that satisfy the requirements of the Municipal Rates Policy, as amended.

1.7.7 Back-Packer Lodges, Holiday Accommodation and Student Accommodation:

1.7.7.1 That on application and approval, the following rebates shall apply to Back-packer establishments that satisfy the requirements of the Municipal Rates Policy, as amended:

- a) Where up to 40 beds are available to guests, a rebate not exceeding 50% will apply.
- b) Where up to 80 beds are available to guests, a rebate not exceeding 25% will apply.

1.7.7.2 That on application and approval, property let out for the purposes of Holiday Accommodation, be granted a rebate of 64%

1.7.7.3 That on application and approval, property let out for the purposes of Student Accommodation, be granted a rebate of 25%.

1.7.7.4 That the rebate for Student Accommodation be restricted to those properties that are located within areas identified in the Municipality's Land Use Scheme as being suitable for student accommodation. Where properties are owned by an Organ of State, the Organ of State must be registered as an institution of Higher Learning.

1.7.8 Disasters:

1.7.8.1 That properties that have been damaged by a disaster, as defined in terms of the Disaster Management Act, 2002 may be revalued provided an application is made within one hundred and eighty (180) days from the date of such disaster.

1.7.8.2 That on application and approval, a temporary rebate of 75% be granted in respect of property damaged by causes other than those defined by the Disaster Management Act, 2002, as contemplated in Clause 7.11.1 of the Municipal Rates Policy; for a period of six months or a portion thereof.

- 1.7.8.3 That on application and approval, a further temporary rebate of 75% be granted thereafter in respect of property referred to in Clause 7.11.1 of the Municipal Rates Policy for a period not exceeding six months provided an application is made within forty-five (45) days prior to the expiry of the six-month period.
- 1.7.8.4 That the rebate is granted on the category of property prior to damage.
- 1.7.8.5 That the Municipal Council may determine if a rebate is to be granted in relation to a disaster as envisaged in 7.11.1 of the Municipal Rates Policy. In this regard a special rebate be allowed.
- 1.7.9 Vacant Land:  
That the reduction of R30 000 on the market value of Vacant Land as defined in the amended Rates Policy, be granted.
- 1.7.10 Properties in the Ownership of the Municipality or Municipal Entities or Held in Trust by the Municipality:
- 1.7.10.1 That all municipal owned properties are exempted from property rates, except for Trading Services and municipal owned properties where the Municipality has entered into an agreement with any person, indicating otherwise.
- 1.7.10.2 That a rebate of 63% be and is hereby granted to the International Convention Centre in respect of property rates payable to the Municipality.
- 1.7.10.3 Properties held in trust in perpetuity by the Municipality in terms of a testamentary trust and where municipal officials hold letters of authority in terms of the Trust Property Control Act, 1988 (Act No.57 of 1988) are exempted from rates unless an agreement between the Municipality and any person specifies the contrary.
- 1.7.11 Nature Reserves and Conservation Areas:  
That on application and approval:  
(i) Nature reserves and conservation areas shall be exempted from rates.
- 1.7.12 Economic Development:
- 1.7.12.1 Economic Development Incentives applicable to valid and subsisting Rates Rebate Agreements concluded in the 2015-2016 to 2019-2020 financial years in accordance with Clauses 14.1-14.6 of the Rates Policy, as amended from time to time-
- (i) Greenfield Developments in Priority Areas:  
That all non-residential developments which are located in Priority Areas, shall continue to receive a rebate limited to the difference between the Vacant Land rate randage and that of the intended use of the developed land until such time as the respective Agreements expire by effluxion of time or are terminated.
- (ii) Brownfield Developments in Priority Areas:  
That all non-residential developments which are located in Priority Areas shall continue to receive a rebate based on the value of the development as per the table below until such time as the respective Agreements expire by effluxion of time or are terminated:

VALUE OF DEVELOPMENT R (MILLIONS)	PERCENTAGE REBATE ON RATES
0 - 50	15%
51 – 150	25%
151 – 300	50%
301 and above	65%

## 1.7.12.2

Economic Development Investment Incentives Applicable:

That subject to compliance with criteria contained in the Economic Development Incentive Policy read together, where applicable, with the Rates Policy, a rebate may be allowed for the following identified investment categories (i.e Investment Value, Jobs Created, Targeted Sector, Spatial Priority). The rebate will be per property for greenfield and brownfield developments in commercial, industrial or multiple use developments.

The maximum rebate available will be the aggregate of the percentage rebates assigned to the qualifying criteria as set out in the table below:

CATEGORY	CRITERIA	INVESTMENT VALUE	MAXIMUM %AGE REBATE
<b>Investment Value</b>	New investment in any Industrial or Commercial or Mix Use Property Development.	R<1million – R299 million; or	10%
		>R300 million	20%
<b>Jobs Created</b>	FTE Jobs Created calculated post construction in new investment in any Sector for a fixed 3-year period.	All-inclusive values	
		• 50-250 jobs	10%
		• 251 jobs and above.	20%
<b>Targeted Sectors</b>	Investment in Targeted Sectors as defined in the Draft eThekweni Inclusive Growth Strategy 2021-2022 to 2026-2027.	All-inclusive values	40%
<b>Spatial Priority:</b>  <b>Secondary Economic Nodes, Former Township Areas; Transit Oriented Development Nodes, Prime Investment Corridor, Urban Zones, Bespoke Inner City &amp; Surrounding Areas and Densification Zones.</b>	Investment in Spatial Priority Area.  As defined in the City's Spatial Development Plan & the eThekweni Inclusive Growth Strategy 2021-2022 to 2026-2027	All-inclusive values.	20%

- (i) The incentive policy will not be implemented retrospectively but rebates as stated herein will be implemented for a maximum period of 3-years from date of approval or as approved from the date post construction. It is suggested that applicants submit an application by 31<sup>st</sup> January as per Section 14.11 of the Rates Policy, thereby allowing the Municipality to budget accordingly in anticipation of approval.
- (ii) The incentive is not available to residential property which has not been identified within the Densification Strategy and the Inner-City LAP of the City.

#### 1.7.13 Special Rating Areas:

- 1.7.13.1 That the existing Special Rating Areas as indicated in Annexure A be hereby noted.
- 1.7.13.2 That in respect of the Special Rating Areas, additional rates, as indicated in Annexure A hereto, be approved and levied (subject to any exclusions or exemptions determined in the Municipal Rates Policy) in respect of each category of rateable property within the boundaries of the Special Rating Area.
- 1.7.13.3 That it be noted that in accordance with Clause 9.2.1.3 of the Municipality's Rates Policy, the Additional Rate contemplated in terms of Section 22 of the Act may not exceed 25% of the municipal rates payable by the registered owner of a rateable property
- 1.7.13.4 That the establishment of the Pigeon Valley Special Rating Area which serves as the promotion of urban partnership and an important strategic tool It being recorded that this approach enables communities to self-fund supplementary and additional services to improve and upgrade their areas, thus ensuring well maintained, safe and attractive public spaces that support the social and economic functions of these precincts thereby retaining and attracting investments. That authority be granted for the Head: Revenue Services to levy an additional rate of 0,11013 c/Rand of property value in 2023/2024 on properties in the Pigeon Valley Special Rating Area in the 2023/2024 Municipal budget.

#### 1.7.14 Consulates:

That property owned by Consulates be valued and rates be raised and recovered from the Department of International Relations and Co-operation in terms of the Diplomatic Immunities and Privileges Act 2001 (Act 37 of 2001).

#### 1.7.15 Green Certified Buildings:

The Green Building Incentives Policy was out for public participation in Sept 2021.

On application and approval by Municipal Council, all non-residential developments which fall within the Municipality, as contemplated in the Green Building Incentive Policy of Council read together with the Municipal Rates Policy shall receive a rebate as set out below, for the 2023/2024 financial year:

(a) **Green Star**

Certification	Description	Incentive/Provision	Responsibility
6 Star	Mandatory: 6 Star rating, i.e., over 75 points, with a minimum of 14 points for ENE 1. Optional additional: 1. 6 points or more for the Socio-Economic Category, and/or 2. 3 points or more for the Innovation Category.	Rebate calculated on property rates tax payable: Mandatory: 35% reduction. Optional additional: 1. Additional 3%; and/or 2. Additional 2%.	Revenue Management Unit and Development Planning, Management and Environment Unit.
5 Star	Mandatory: 5 Star rating, i.e., between 60 and 74 points, with a minimum of 8 points for ENE 1. Optional additional: 1. 12 points or more for the Socio-Economic Category, and/or 2. 5 points or more for the Innovation Category.	Rebate calculated on property rates tax payable: Mandatory: 20% reduction. Optional additional: 1. Additional 6%; and/or 2. Additional 4%.	Revenue Management Unit and Development Planning, Management and Environment Unit.
4 Star	Mandatory: 4 Star rating, i.e., between 45 and 59 points, with a minimum of 4 points for ENE 1. Optional additional: 1. 12 points or more for the Socio-Economic Category.	Rebate calculated on property rates tax payable: Mandatory: 9% reduction. Optional additional: 1. Additional 6%	Revenue Management Unit and Development Planning, Management and Environment Unit.

(b) **Edge:**

Certification	Description	Incentive/Provision	Responsibility
Edge	Mandatory: Residential buildings to achieve minimum 20% less energy use (than National Building Regulations), 20% less water use, and 20% less embodied energy in materials, as per the EDGE tool.	Rebate calculated on property rates tax payable: Mandatory: 35% reduction.	Revenue Management Unit and Development Planning, Management and Environment Unit.

## 1.8

**Phasing in of Rates:**

A rate levied on property belonging to a Land Reform Beneficiary or his or her heirs must, after ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds, be phased in over a period of three financial years.

1.9 Threshold Values Determined in Terms of the Credit Control and Debt Collection Policy:

1.9.1 That the threshold value determined in terms of Clause 6.5 with regards to the payments made by debit card or credit card be set at a maximum of R4 500.00 per payment once a month;

1.9.2 That the percentage payable to employers where they deduct rates and or other municipal charges as per Clause 11.3 be set at 2.5% on the total amount deducted monthly;

1.9.3 That the property threshold for debt relief as per Clause 15.2(c) be set at R250 000.00 of the market value of the property as recorded in the Municipal Valuation Roll;

1.9.4 That the property value for the adjustment of water losses as per Clause 16.4 be set at R500 000.00;

1.9.5 That the property threshold for the prepayment recovery as per Clause 20.2 be set at R750 000.00.

1.9.6 That the property threshold value for which the Municipality will not attach the primary property for judgement debt as per Clause 22.3 be set at R350 000.00

1.10 Date of Operation of Determination of Rates:

That this determination comes into operation on 1 July 2023.

1.11 Final Date for Payment of Rates:

1.11.1 Where rates are payable in monthly instalments, such payments shall be in twelve (12) equal or near equal instalments payable 21 days from the date of account.

1.11.2 Where rates are payable annually the final date for payment shall be 31 October 2023, provided that where this date falls on a Sunday or public holiday payment shall occur on the last working day prior to such Sunday or public holiday.

1.12 Administration Charge on Arrear Debts:

That the administration charge on arrear debts as referred to in Clause 9.8 of the Credit Control and Debt Collection Policy is determined at 10%. Collection of arrear debts is in accordance with the Credit Control and Debt Collection Policy.

1.13 Interest on Arrears:

That the interest rate to be applied to arrear accounts with effect 1 July 2023, shall be the interest rate as prescribed by Regulation 9 of the Municipal Property Rates Regulations, 2006.

1.14 Other Tariffs and Charges:

That other tariffs and charges as circulated with the budget document in terms of Section 24(2)(c)(i) be approved for the financial year commencing 1 July 2023.

1.15 Rural Sustainable Services Charge:

That it be and is hereby resolved to charge a flat Rural Sustainable Services charge from each rural property as follows:

(a) Households (residential property)	R100 (VAT exclusive)
(b) Churches and Non-Profit Organizations	R100 (VAT exclusive)
(c) Businesses and Commercial properties	R1000 (VAT exclusive)
(d) Government and Organ of State properties	R1000 (VAT exclusive)

1.16 Infrastructure Surcharge:

1.16.1 That an additional infrastructure surcharge of R1,50/kl for water be charged for the three (3) financial years 2022/2023, 2023/2024 and 2024/2025 in conjunction with the base tariffs in the report WS2022/036 (Potable Water and Sundry Water Tariffs for the 2022/23 Financial Year).

1.16.2 That an additional infrastructure surcharge of R1,50/kl for sewage disposal be charged for the three (3) financial years 2022/2023, 2023/2024 and 2024/2025 in conjunction with the base tariffs in the report WS2022/037 (Sewage Disposal Usercharge and Sundry Tariffs for the 2022/23 Financial Year).

1.17 Domestic Water Debt Relief Programme:

That it be and is hereby resolved to place a maximum limit of R250 000 on the rateable value of the property in order to qualify for the Water Debt Relief Program.

1.18 Budget Related Policies:

1.18.1 Rates Policy:

That the amended Rates Policy, as approved by Council be adopted with the final budget.

1.18.2 Credit Control and Debt Collection Policy:

That the amended Credit Control and Debt Collection Policy, as approved by Council be adopted with the final budget.

1.18.3 Tariff Policy:

That the amended Tariff Policy, be approved with the budget.



1.18.4 Funding and Reserves Policy

That the Funding and Reserves Policy adopted by Municipal Council on 3 May 2010 has been reviewed and remains unchanged.

1.18.5 Budget Policy:

That the Budget Policy adopted by Municipal Council on 23 February 2011 has been reviewed and remains unchanged.

1.18.6 Investment Framework Policy and Borrowing Policy:

That the reviewed Investment Framework policy and Guidelines as adopted by Municipal Council on 2017-06-28 remains unchanged.

1.18.7 Supply Chain Management Policy:

That the Supply Chain Management Policy has been reviewed and the amended policy was approved by Council in December 2022.

1.18.8 Indigent Policy:

That the Indigent Policy has been reviewed and remains unchanged.

1.18.9 Other Budget Related Policies:

That in terms of Section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, there are no proposed amendments to any other budget related policies.

1.19 Capital Expenditure Estimate:

1.19.1 That in those instances where information has been provided in terms of Section 19(2)(b) of the Municipal Finance Management Act No. 56 of 2003, together with project procurement scheduling, the approval of the capital budget constitutes project approval for the specific projects as reflected in the detailed capital budget. It being noted that project budgets will be re-prioritised if departments fail to submit their project procurement schedules.

1.19.2 Where information in terms of Section 19(2)(b) is not provided, specific project approval is to be sought from Municipal Council during the year and that approval by Municipal Council be given only if the report seeking approval is accompanied by the specific project procurement schedule. All Capital projects must have QAC and Architecture Unit Approval (where applicable) for inclusion in the budget.

1.19.3 That the borrowing to fund capital budget be R1.5bn to deal with infrastructure projects and R1bn per annum for the outer 2 years.

1.19.4 That Project authority be granted for the Projects listed on Annexure B, that are not funded or partially funded subject to savings being identified during the year or S33 of the MFMA being complied with, if funding is beyond the MTREF

- 1.19.5 That the capital budget procurement process commences with the approval in principle of the tabled budget.
- 1.19.6 That authority be granted for projects from Programme and Project preparation support grant (PPPSG) with positive return on investments (ROI), to be considered for approval subject to the identification of savings being identified during the years
- 1.19.7 That Service delivery should not be compromised, ward-based projects be accelerated per zonal plans allocation and the visibility of service delivery must be ensured. Zonal Plans allocation will be R1m for all wards except the disadvantaged wards that will share the balance in order to address service delivery backlogs.
- 1.20 Borrowings to Finance the Capital Budget:
- That authority be sought from Municipal Council for the raising of appropriate long-term debt in terms of Section 46 of the Municipal Finance Management Act No 56 of 2003, to finance in part the municipality's capital budget over the MTREF period. In this regard authority is sought to raise an amount of R1.5 bn for 2023/24 and R1 billion per annum for each of the outer years of the MTREF period.
- 1.21 Housing/Hostels Deficit
- 1.21.1 That the estimated Formal Housing Deficit of R67.9m for the 2023/2024 financial year be met from the Rate Fund.
- 1.21.2 That the estimated New Development Housing and Hostels deficit of R303.6m be funded from the Rate Fund.
- 1.21.3 That appropriate interventions be escalated by the Executive Committee including, inter alia, the phased introduction of economic rentals, the constructive engagement of the Provincial State Authorities to secure additional funding and develop/ introduce strategies to reduce electricity and water consumption.
- 1.22 New Functions/ Services:
- That no new functions or service be introduced without specific approval thereto by the Council after full consideration of the effect thereof on the municipality's Budget. In addition, the budgets pertaining to new functions or services can only be approved in principle and thereafter would have to be prioritised in terms of the Integrated Development Plan together with all other submissions that have been received.
- 1.23 Measurable Performance Objectives:
- That in terms of Section 24(2)(c)(iii) of the Municipal Finance Management Act No. 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium-term revenue and expenditure framework as set out in **Table SA7 (Page 157 )** be approved.

1.24 Integrated Development Plan (IDP):

That the draft reviewed Municipality's Integrated Development Plan (IDP) tabled with the budget in terms of Section 17(3)(d) of the Municipal Finance Management Act No.56 of 2003, it being recorded that the annual review process as prescribed in terms of Section 34 of the Municipal Systems Act, is continuing and that a report to the Executive Committee will be submitted on completion of the consultative process.

1.25 Particulars of Investments:

That in terms of Section 17 (3) (f) of the Municipal Finance Management Act No. 56 of 2003, particulars of the municipality's investments are reflected in **Tables SA15 - SA16 (Pages 168 - 169)**

1.26 Remuneration of Councillors and Senior Officials:

That in terms of Section 17(3)(k) of the Municipal Finance Management Act No.56 of 2003 that the proposed cost to Council of the salary, allowances and benefits of each political office bearer, councillor and senior officials of the municipality and its entities, is reflected in **Table SA23 (Page 177)**.

1.27 Unfunded Mandates:

That the eThekweni municipality make representation to the Provincial and National Government regarding unfunded mandates presently undertaken by the Municipality with a view to securing funding for and handing over of these services in terms of the mandates as stipulated by the Constitution. Develop an interim approach on addressing unfunded mandates based on Rand for Rand.

The cost of unfunded mandates is set out hereunder:

<b>DETAILS</b>	<b><u>BUDGET 2023/24</u></b> <b><u>R M</u></b>
Libraries	395,9
Health – Other than municipal health services	155,8
Museums	97,1
Housing: New Development and Hostels	303,6
Formal Housing	67,9
<b>TOTAL</b>	<b>1 020,3</b>

1.28 Impact of Housing Expenditure on the Cash Reserves:

1.28.1 That municipality makes further representation regarding expenditure incurred in previous years by the municipality amounting to R4.7bn for the construction and provision of housing done on an agency basis on behalf of the KZN Department of Human Settlements (KZN DOHS)

- 1.28.2 In addition, in order to avoid the cash reserves dropping below prudent levels that could negatively impact our good credit rating, the municipality only implement KZN DOHS approved housing projects and implementation (incl. invoicing and submission of claims to KZN DOHS) of these approved projects to be in line with the approved KZN DOHS budget and cash flows. It should be noted that the City has taken a decision to align project cashflows with KZN DOHS, which has proven to be impractical owing to the misalignment of financial years. The three months overlap continuously creates a gap, in which the MTREF view may need to be incorporated, to enable mid-term financial decisions.
- 1.29 Expenditure Control, Austerity Measures & Tariffs in the Current State of the Economy:
- 1.29.1 That in view of the current economic climate further austerity measures be considered and that all departments review their expenditure and ensure that municipality is getting best value for all expenditure.
- 1.29.2 That in view of water, sanitation and electricity increases and the decreasing volumes of sales over the past few financial years, the sustainability of these services need to be closely monitored. Tariff structures as well as alternate sources of revenue need to be considered together with the improved effectiveness of spend.
- 1.29.3 The security tender be urgently finalized, the right sizing of services done and replacement of services with electronics be considered
- 1.29.4 That Cost containment regulations be strictly adhered to iro cost containment with regard to travel, entertainment, eventing, consultants etc.
- 1.29.5 That urgent interventions be put in place to improve the collection rates in hostels and that appropriate sanctions be considered to enforce payment.
- 1.29.6 That Manager's closely monitor the use of municipality vehicles and ensure that all trips are justified and in the best interest of municipality. i.e., Effective and efficient use of Fleet across the city
- 1.30 Free Basic Services:
- 1.30.1 That the Free Basic Services Package as set out on **page 107** is approved for the budget year 2023/2024.
- 1.30.2 That in view of the sustainability of providing free basic services a flat rate for services be considered so that will be recovered based on prepaid electricity sales as a matter of urgency.
- 1.31 Off Balance Sheet Financing:
- That approval in principle be granted for alternate financing options/models to be considered, incorporating but not limited to Sect 33 (Contracts having future budgetary implications) of the MFMA type arrangements, to finance major infrastructure works requiring significant capital sums over several years where risks and rewards are equitably shared between the municipality and its chosen partner/s. Each specific project will be submitted to Council for consideration.

1.32 Food Aid Programme (Soup Kitchens):

That in order to assist the municipality in its food aid program and maximize this service, the engagement of external stakeholders has started in the North Region where one Soup Kitchen was established with the assistance of the ISIBAYA COMMUNITY TRUST. During the 2022/2023 financial year, two new soup kitchens were established. A provision of R118 m has been made to fund the 85 soup kitchens.

A total of 759 Volunteers are currently running the soup kitchens on a daily basis.

1.33 Destination Marketing Programmes:

1.33.1 That Council approves the hosting of the destination marketing programs as budgeted for.

1.33.2 That be recorded that:

1.33.2.1 In addition to the global impact of Covid that affected the tourism sector, the tourism sector of Durban was further affected by unique disasters.

1.33.2.2 The 2021 July Unrest affected the destination's tourism economy and brand which reduced visitors' confidence to choose the destination resulting in visitor numbers declined.

1.33.2.3 As depicted in TABLE A, for 2 consecutive years, the performance of the eThekweni Municipality Industry was on the decline.

TABLE A

Number of Visitors	2017	2018	2019	2020	2021
Domestic overnight	3 458 211	3 376 504	3 545 534	1 664 127	2 082 176
International overnight	339 007	281 040	283 604	69 553	58 271
Total overnight visitors	3 797 218	3 657 544	3 829 138	1 733 680	2 140 447
Day visitors	1 286 052	1 256 029	1 273 308	823 386	1 133 131
Total visitors	5 083 270	4 913 573	5 102 446	2 557 066	2 273 578

1.33.2.4 The relation festive season decline trend was observed in past 3 years as depicted in TABLE B and the recovery from that, is as per strategic focus of national and international destination promotion programmes, media partnerships and business tourism through MECE. The decline included the loss of domestic market share which is the biggest portion of visitors segment for Durban.

TABLE B

<b>SEASON ECONOMIC IMPACT TREND: 2020/2021; 2021/2022 AND 2022/2023</b>			
	<b>Festive Season 2020/21</b>	<b>Festive Season 2021/22</b>	<b>Festive Season 2022/23</b>
<b>Accommodation Occupancy</b>	55%	68%	60%
<b>Number of Visitors</b>	313 893 (ON 207 125 , Day 97 307)	781 707 (ON 547 195, Day 234 512)	329 588 (ON 222 820, Day 136 731)
<b>Direct spend (R' million)</b>	R522 471 574	R1 276 715 053	R548 595 153
<b>GDP contribution (R' million)</b>	R 1 292 588 782	R3 191 787 632	R1 371 487 883
<b>Employment contribution (permanent)</b>	2 886 4000 (temp)	6 782 11000 (temp)	3 031 4000 (temp)
<b>Government taxes (R' million)</b>	R 96 411 870	R 235 592 695	R101 232 464

- 1.33.2.5 As part of tourism recovery, after much tourism sector consultation, the eThekweni Municipality in October 2022 adopted a 5-year Durban Tourism Visitor Marketing Strategy of 2022 to 2026.
- 1.33.2.6 This is with a strategic focus of re-igniting the tourism economy locally and internally through, leisure tourism through regular holiday makers and leisure events and business tourism through MECE – (Meetings, Exhibitions, Conferences/ Conventions and Events).
- 1.33.2.7 The MECE tourism focus is important to close keep the tourism economy in off-peak seasons with no holiday makers.
- 1.33.2.8 As aligned to the adopted Durban Visitor Marketing Strategy, it is for this reason that the focus of the destination promotion and marketing programmes was to attract, partner and stage programmes that will boost destination tourism and recovery as well as achieve the strategic objectives of:
- 1.33.2.8.1 Attracts national, regional and international visitors and increase visitor numbers during both at peak and off-peak season.
- 1.33.2.8.2 Boost accommodation occupancy in tourism products.
- 1.33.2.8.3 Profiles destination through pre, during and post promotion in Public Relations Value.
- 1.33.2.8.4 Increase the length of stay to the destination.
- 1.33.2.8.5 Destination Brand and holistic experience exposure
- 1.33.2.8.6 National, regional and international Media Exposure and Media leveraging
- 1.33.2.8.7 Trade Relations for further leveraging without additional costs to the City.
- 1.33.2.8.8 Economic Boost for the City within the value chain of tourism products

1.33.2.8.9 Increase contribution to government taxes and rates

1.33.2.8.10 Job creation in the tourism dynamic value chain.

1.33.2.9 The TABLE C reflects the projected performance of the eThekweni Municipality industry from the holistic execution of what all the focus areas of the adopted Durban Visitor Marketing Strategy.

**TABLE C**

**PROJECTED PERFORMANCE AREAS & TARGETS : 2022 – 2026**

**Domestic Tourism Base Case**

	2022	2023	2024	2025	2026
Number of tourists	2 768 066	2 941 070	2 999 892	3 059 890	3 121 087
% Growth	32.9%	6.3%	2.0%	2.0%	2.0%
% Of pre-COVID average (2017-2019)	80%	85%	87%	88%	90%
Total direct expenditure (billions)	R5.7	R6.3	R6.7	R7.2	R7.7

**International Tourism Base Case**

	2022	2023	2024	2025	2026
Number of tourists	123 093	184 639	246 186	246 186	346 787
% growth	111.2%	50.0%	33.3%	0.0%	40.9%
% of pre-COVID average	40%	60%	80%	80%	N/A
% share of total tourists to eThekweni	4%	6%	8%	7%	10%
Total direct expenditure (billions)	R0.79	R1.21	R1.63	R1.66	R2.37

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1.33.2.10 To align with the strategic objectives of the Council adopted Durban Visitor Marketing Strategy, the destination promotion and marketing programs selection will be also guided by the categorization listed in TABLE D below.

**TABLE D**

NO	Destination Promotion Programme Categorization	Description
1	Category A	<ol style="list-style-type: none"> <li>Has a national, regional, and international footprint in attracting visitors</li> <li>These category programmes are important for the rejuvenating peak season of Easters and festive season as it helps Durban to bring in visitors as they choose Durban instead of any other competitor holiday destination.</li> <li>Attracts visitors to come to Durban to attend and spend a minimum of 3 days in Durban.</li> <li>Visitors make a travel decision to come to Durban to attend the event and explore other tourism attractions of Durban.</li> <li>It also attracts a high LSM that spend money in Durban various tourism value chain, shopping,</li> </ol>

NO	Destination Promotion Programme Categorization	Description
		<p>restaurants and it is the market that wants exclusive type of entertainment.</p> <p>6. This category also helps promote the destination through their influential marketing plan,</p> <p>7. Event owners are influential, and generally goes beyond one event beneficiation but has pre activations that also boost the tourism economy especially in townships.</p>
2	Category B	<p>1. has a local footprint of visitors coming from outside Durban but within the Province of KwaZulu Natal. They boost occupancy but at a low scale.</p> <p>2. The type of attendees it attracts are not big spenders.</p> <p>3. It is an event that does not necessary influence an out-of-town visitor to come to Durban but it becomes and entertainment option for visitors when they are already in Durban. to come to Durban to attend and spend days in Durban.</p> <p>4. The attendees are generally people that do use many tourism value products of accommodations, shuttle services, restaurants, fine dining</p> <p>5. It attracts a mid to lower LSM that are generally not big spenders and not seeking exclusive type of entertainment.</p> <p>6. Due to the nature of their marketing plan, this category generally requires marketing support and other value in Kind support from the City.</p>
3	Category C	<p>1. has a local footprint of visitors that is mostly Durbanites not from out of town.</p> <p>2. It is an event that does not necessary influence an out-of-town visitor to come to Durban but it becomes and entertainment option locals that are generally in the communities and not booking tourism accommodation.</p> <p>3. The attendees are generally people that do not use much of tourism value products of accommodations, shuttle services, restaurants, fine dining as they are local.</p> <p>4. It attracts a lower LSM that are generally not big spenders and not seeking exclusive type of entertainment.</p> <p>5. Due to the nature of their marketing plan, this category generally requires a lot of marketing support and other value in Kind support from the City.</p> <p>6. There is minimal leveraging benefits of media leveraging, brand exposure form their self-funded robust marketing</p>



NO	Destination Promotion Programme Categorization	Description
4	Business Tourism (Meetings, Exhibition, Conference/Convention, Events-MECE)	<ol style="list-style-type: none"> <li>1. A great tourism booster with visitor numbers on of peak seasons through business visitors and accompanying spouses.</li> <li>2. Boost accommodation occupancy as MECE delegates and visitors</li> <li>3. A great booster for job creation in the tourism value chain including MECE- convention centres, shuttles services, tour operators through MECE pre and post tours.</li> <li>4. Media leveraging and exposure as MECE venture has international media</li> <li>5. Increase length of stay by attendees as MECE are staged and hosted in Durban for a minimum of 3 days excluding day of arrival for set up and days of free time or/and free time</li> <li>6. Stimulates repeat visits as MECE attendees from business tourism travel will return to destination for leisure with family.</li> <li>7. Bulk high MECE visitor spend as these are generally subsidized by their businesses not from their personal disposable income.</li> </ol>

Financial provisions – R 41 m ( 2023/24 )

1.33.2.11 It is accordingly recommended:

1.33.2.11.1 That Council provisionally approves the hosting of the destination promotion and marketing programs as budgeted for and indicated on **Annexure C** subject to programmes fulfilling the objectives of the strategy as listed in Section 1.8 and TABLE D.

1.33.2.11.2 That Council grants authority for the City Manager to bid and secure international and national business tourism MECE Programmes to host in the City during off peak season that fulfill the objectives of the strategy as listed in Section 1.8 and TABLE D.

1.33.2.11.3 The unit to submit a report to the standing committee with the final programmes listed and selected against the criteria of responding to the strategic objectives of re-igniting tourism as per list strategic focus and also demonstrable benefit to the city in line with extent of contributing to the targets of the Council adopted Durban Visitor Marketing Strategy for noting.

1.33.2.11.4 That authority be granted to the City Manager to negotiate benefits and rights to leverage the destination and profile Durban with the organizers.

1.33.2.11.5 That authority be granted to the City Manager to conclude contracts with the owners in terms of the partnership investment.

1.34 Additional Recommendations:

1.34.1 That whilst we have provided for a 5.5 % increase in salaries and a further R220 m for performance notch increases, this will only be payable subject to affordability.

1.34.2 That the average Electricity Tariff increase of 18,49%

1.34.3 That it be noted that the Water tariff increase is at 14.9% for Domestic consumers and 15.9% for Business consumers. The bulk purchase increase from Umngeni Water Board is 5.5%.

1.34.4 That it be noted that the refuse user charge tariff increase of 6.9% for residential

	2023/24 Proposed tariffs	2024/25	2025/26
Electricity	18,49%	11,25%	13,67%
Water: <ul style="list-style-type: none"> <li>• Domestic</li> <li>• Business</li> </ul>	14,9% 15,9%	14,9% 15,9%	14,9% 15,9%
Refuse Removal <ul style="list-style-type: none"> <li>• Domestic</li> <li>• Business</li> </ul>	6,9% 7 - 9%	9,9 % 7 - 9 %	9,9% 7 - 9 %
Sanitation <ul style="list-style-type: none"> <li>• Domestic</li> <li>• Business</li> </ul>	10,9% 11,9%	10,9% 11,9%	10,9% 11,9%
Rates: Average	7.9 %	5%	5%

**ANNEXURE A – 2023/2024****ADDITIONAL RATES LEVIED ON SPECIAL RATING AREAS (1.7.13 REFER)**

Special Rating Areas	Residential	Business & Commercial	Industrial	Vacant Land	Agriculture	Unauthorised/abandoned	Public Service Infrastructure
a) Precincts bordered by Monty Naicker, Dorothy Nyembe, Anton Lembede and Dr Yusuf Dadoo Streets. (CBD Precinct)	0,001310	0,00297	0	0	0		
b) Precinct bordered by Soldiers Way, Dr AB Xuma Road, Florence Nzama Street and Bram Fischer Road. (North East Business Precinct)	0	0,000547	0,000705	0,001081	0		

Special Rating Areas	Residential	Business & Commercial	Industrial	Vacant Land	Agriculture	Unauthorised/abandoned	Public Service Infrastructure
c) Precinct bordered by Dorothy Nyembe Street, Margaret Mncadi Avenue, Beach Walk and Anton Lembede Street. (North East Business Precinct)	0	0,000547	0,000705	0,001081	0		
d) Precinct bordered by Soldiers Way, Bram Fischer Road, Sylvester Ntuli, KE Masinga and Archie Gumede (Place) Roads. (North East Business Precinct)	0	0,000547	0,000705	0,001081	0		
e) Precinct bordered by OR Tambo Parade, Dr Pixley KaSeme Street Mall, Rutherford and Gillespie Streets (South Beach Precinct).	0,002397	0,005435	0	0,010747	0		
f) Umhlanga Promenade Precinct bordered by Ocean Way (South), Lot 430 (North), Lagoon Drive (West) and the Indian Ocean (East).	0,000972	0,002205	0	0,00436	0		
g) Precinct bordered by Burlington Road, Burlington Drive, Nagel Road, Windsor Road, Midmar Road and Henley Road.	0.003394	0.007695	0	0.015216	0	0	0
h) Umhlanga Village Precinct bordered by Flamingo Lane, Ocean Way, Lagoon Drive, McCauland Crescent, Weaver Crescent and the Ruth First Highway.	0	0,003915	0	0	0		
i) Giba Gorge bordered by N3 Highway (South), Reservoir Road, Jan Smuts Avenue, Galloway Lane, Mountbatten Place, Alexander Drive, King Cetshwayo Highway (East), Portion 157 of Clifton (North) to Saint Helier Road (West)	0,000428	0	0	0,001918	0,00010		
j) Maytime Community bordered by M13 Highway, Woodside Avenue, Haygarth Road, Abrey Road, Msonti, Quilhall Lane, Alexander Avenue, Mtonbi and Victory Road.	0,002599	0,005893	0	0,011653	0		
k) Area consisting of the length of Florida Road, from Lillian Road to Mitchell's Park, including properties on both sides of Florida Road.	0	0,008459	0	0	0	0	0

Special Rating Areas	Residential	Business & Commercial	Industrial	Vacant Land	Agriculture	Unauthorised/abandoned	Public Service Infrastructure
l) Westville Perth West Area bounded by Glencairn Close in the West, Stanley Teale Road in the South, Robert Herrick Avenue in the North and the eastern boundary consisting of Linford Place and Drayton Place in Westville	0,002944	0	0	0,002944	0	0	0
m) Glenwood area bounded by Helen Joseph Road, King Dinuzulu Road, Berea Road, Turners Avenue, Che Guevara Road, Moore Road, Clark Road and Bulwer Road.	0	0,004513	0,005824	0	0	0	0
n) Pigeon Valley area bounded by Mazisi Kunene, Lamont, Penzance, Evans, Frere Crsescnt, ZK Matthews, Alan Paton, Lena Ahrens, Helen Joseph, Cato and Clark Roads	0.001101	0.001101	0	0	0	0	0

### Schedule of Destination Promotion for Council Approval of Events 31 May 2023

#### Destination Marketing Programs:

#### ANNEXURE C- MAY 2023

DESTINATION PROMOTION PARTNERSHIPS PROGRAMMES			PROFILE AND MOTIVATION
1.	Hollywoodbets Durban July	Quarter 1	Hollywoodbets Durban July in an annual race horsing event that takes place on first weekend of July at the Greyville Racecourse. It offers a variety of activities taking place such as fashion, music and entertainment and also a showcase of Durban lifestyle. This is Africa's greatest horse racing event it draws a number of visitors to the city, which in turn generates substantial revenue for the City.
2.	Fact Durban Rocks	Quarter 1 and Quarter 2	The Fact Durban Rocks is an event that takes places bi-annually at the Moses Mabhida Stadium since July 2011. Promote and grow Durban artists and talent, increase domestic tourism to the city through its multiple performance stages. This FDR as become a household brand name all over the country & regionally.
3.	East Coast radio House and Garden Show	Quarter 2	The show consists of a Home-Grown Design Fair, Outdoor, Garden and Lifestyle area, Foodie Fair and curated design features. The Durban Kitchen promotes township products taking Township Kasi Lifestyle and showcasing music, food, furniture SMME's during the show across all demographics.
4.	South African Music Conference (SAMC) and Mother of all Parties (MOAP)	July	Three-day local creative industry empowerment workshop by music industry legends & regulatory bodies in the music industry. IT helps local talent to promote music that highlights Durban lifestyle & tourism products. The conference discusses the commercialization of local music. Exhibition of Durban emerging talent utilizing township lounges.

DESTINATION PROMOTION PARTNERSHIPS PROGRAMMES			PROFILE AND MOTIVATION
5.	Any Given Sunday	July and Summer Season	A four-edition national road show of Durban destination brand building. This is concluded by a grand finale to Durban to a 2-day Durban explore extravaganza. It is packaged with various accommodation establishments, tour guides, tour operators, shuttle services.
6.	Ekasi Durban July Stakeholder Hosting	July	This is a robust destination promotion of townships in during to end off the Durban July weekend. It has great economic impact to business in townships and also destination exposure through the hosting of local and international stakeholders in various township tourism products and experiences. This will towards the venue hosting and experience package.
7.	Durban July Week Tourism Precinct Pop-Up Traveller Extravaganza	Multiple dates in July from Wednesday to Monday	Narrative should cover various precinct in Florida Road, Chartwell Drive, Davenport, Coastal Experience including Wilson's wharf to revitalize the harbour's tourism brand following the sewage spill reputational damage. Will also promote various new fine dining products in various areas of Durban.
8.	Durban Township & Rural Tourism Promotion in various regions.  <ul style="list-style-type: none"> <li>• 503 Music Festival and Youth Festival</li> <li>• Ekasi July Experience</li> <li>• Mashamplane Lounge</li> <li>• Mojos Lounge</li> <li>• Artizen Lounge</li> <li>• And many other establishments</li> </ul>	In various periods between July, December Friday to Monday in various precinct in Winter Season and Festive Season	This destination programme will visitor dispersal in the townships during the Durban July. It will be robustly promotion township tourism whereby the Durban July experience will be staged in various township tourism products. Spread to north, south, west and central to accommodate SMMEs tourism owed products. This experience will include the elements of betting stations, fashion, entertainment that will include the township local talent. The products at which this will be done are those that are fully compliant with business operations requirements. This will absorb the numbers that cannot be accommodated at Greyville Racecourse due to the Covid limitations of 50%.
9.	SoDubu Whale Festival financial support as little as R80k as start up.	June to July	With the unique Durban whale watching experience, visitors come to Bluff area to view that experience. This happens over a number of day and the CTO has amplified the visitor experience through a festival that enhances the positioning of Durban through Bluff as one of the gems.
10.	Comrades Marathon  Review sponsorship amount.	June	The Comrades Marathon is an ultramarathon of approximately 89 kilometres which is run annually in the KwaZulu-Natal province of South Africa between the cities of Durban and Pietermaritzburg. It is the world's largest and oldest ultramarathon race
11.	Sarafina Musical and World Tour	Various times of the year by June 20	Theatrical production, directed by Mbongeni Ngema, based on the 1976 Soweto Uprising. This production is a Broadway Hit Musical and will be staged at the Durban Playhouse Company in preparation for the World Tour to the United States of America. It was recruit new Durban talent affording them a lifetime breakthrough opportunity.
12.	Music is King	Quarter 2	The event is a weekender/3 night event, which will have different themes for each show, namely being; Music is King, We don't play the same genre and Africa is not a Jungle, which will have Black Coffee as a headlining artist and features many local artists. This concept will not only bring national, international and domestic markets to Durban but will drive potentially high occupancy rates for central region accommodation establishments
13.	Amashova Cycle Race	October	This is an annual cycle race from Pietermaritzburg to Durban. IT attracts national and international visitors into the City and it gives the City massive media exposure.

DESTINATION PROMOTION PARTNERSHIPS PROGRAMMES			PROFILE AND MOTIVATION
14.	Joyous Celebration	Easter, Winter and Summer Season	The concept behind the Kings and Queens of Gospel is having a gospel music concert that combines royalty, elegance and prestige gospel entertainment and offers the “Kings” and “Queens” of the industry. It attracts a new different market and offers a new visitor experience during the festive season.
15.	Endless Summer	December	Endless Summer Experience is an event that boasts that destination and the various ongoing campaigns from Durban Tourism and endless summer in Durban
16.	Annual Durban Underground	December	An annual Christmas Day program that celebrates Durban artists and offers visitors in Durban an entertainment and fun experience during Christmas day.
17.	Durban Jazz Festival	December	Biggest program in South Africa during the festive season taking place on 26 December. Strategic hosting of stakeholders and gives Durban visitors
18.	Woza Durban Picnic	January	Attracts high LSM from Gauteng and other provinces to come to Durban during the Festive Season. It renders opportunity to local entertainment artists targeting hotel visitors to experience various options.
19.	Lovers and Friends	February	The event is tailor made to celebrate love, friendship and social cohesion. Previously this event has attracted 3617 patrons and steadily increased as the years passed. 2020 the event even had an international act which unfortunately could not hold as there were COVID – 19 restrictions.
20.	Crown Gospel Awards	November	An annual gospel awards ceremony that attracts a large number of gospels followers across the country and the African region. The destination promotion starts from the regional event promotion in various African countries culminating to the event. The destination promotion goes beyond the day of the event as these is a live broadcast and post broadcast on television which promotes the destination repetitive as no additional cost to the City.
21.	Good Food, Cheese and Wine Township Festival	November	This is a groundbreaking event that promotes the township hospitality through the tranquil fine dining experience. It will host celebrity chefs that will be paired with local chefs and showcasing the food pairing of good food and wine. This will attract is high LSM market to the township and boost the economy.
22.	Durban Spin Festival move to monetary	December	Partnering with Durban Tourism with the purpose to broaden the Durban bucket list for visitors. The event is about car owners bring their cars to the car park and spin their cars. This event allows the culture of car spinning to come alive and spectators enjoy it as they learn. This event is usually televised on ETV and sometimes Supersports and the Car Channel on DSTV. To provide outdoor marketing
23.	All White Party Elegant Township Experience	January	This event is huge township economic booster. It attracts the big spenders and big national personal brands to Durban towards the end of the festive as it also boost visitor spend as shops run out of white clothing from various shopping centres and malls of Durban.

DESTINATION PROMOTION PARTNERSHIPS PROGRAMMES			PROFILE AND MOTIVATION
24.	MTV Music Awards	Date to be confirmed by July 2023	This is mega event owned by Paramount Group formally known as Viacom, the owners of MTV channel and BET Awards. It has huge international and African footprint and last time Durban hosted it in 2015 it was hosted by American comedian and actor Anthony Anderson and draw card artist Ne-Yo. The event will have a pre-campaign of "Road to Durban MAMA" will give a huge exposure and attract like It recognizes African talent. Partnership will boost visitor numbers to the City, give huge media exposure and also boost local tourism lounges in townships and rural areas. The local event promoters and creative industry will also benefit build activations will done local towards the awards as well as after parties.
25.	The Paradise Beach Club Experience	July and December	<p>This is beach tourism lifestyle and fine dining activation that happened within the golden mile adjacent to Ushaka Marine. It provide a great ambience to visitors and gives prestige to the Durban beach. It also boost the foot traffic o Ushaka Marine World as the attendees to the Paradise beach Club visit the Ushaka Maine Village Walk for shopping.</p> <p>Aims to bring all higher LSM holiday makers and locals together during the weekend of the Durban July and December holidays. This event will assist in correcting the narrative for Durban beaches after the recent E.Coli challenges. It also aims at getting the different demographic to the Durban Beachfront and also profiling Ushaka Marine and the restaurants along the golden mile who will benefits in the long run as the confidence to frequent our beaches will be enhanced.</p> <p>The previous event held was massive success and multiracial. Guests can enjoy our ocean side paradise setting fully furnished with day beds, cabanas &amp; deck chairs in our fully tented lounge area. Gourmet food and ice cold drinks served while listening to some of the finest DJ's.</p>
26.	Durban International Beach Festival	Over 5 days In off peak seasons of the holiday season	This is a beach extravaganza in the golden mile of Durban that offers a multiple entertainment package at the beach front for the whole family. This is a strategic turn around for the Durban against the challenges of ecoli that effected the beach water quality and negative publicity to the visitors. It will include various activities of day and night, from atmospheric entertainment, spa treatments aments, water sports, beach sport and more. This will assist with job creation in tourism value chain, the creative industry as they will be performing regain positive Durban publicity there will be national and regional media partnerships. It also affords a platform for local artists' development through performance after a series of road show recruitments.
27.	Metro FM Music Awards	Tentative- May	This is mega event owned by national media house in recognizing South African Talent. It will boost visitor numbers to the City, give huge media exposure and also boost local tourism lounges in townships and rural areas. The local event promoters and creative industry will also benefit build activations will done local towards the awards as well as after parties.
28	Oceans 8	June	This is a water sport swimming challenge that will happen in the beaches of Durban. It has a global, footprint and will attract international visitors that will come with their families. It also attracts national and international media partnerships. Event will assist the City to erode the negative perception of poor Durban beach water quality and instill visitor confidence.

<b>DESTINATION PROMOTION PARTNERSHIPS PROGRAMMES</b>			<b>PROFILE AND MOTIVATION</b>
29	The White Party Lifestyle	July	This is the largest lounge open air festival that happens at Moses Mabhida Stadium to provide a prolonged Durban entertainment during the Durban July week, It as media partnerships, affords creative industry platform to get work as they perform and Durban forges trade off deals with national influencers to promote the destination.
<b>VALUE IN KIND FINANCIAL SUPPORT</b>			
1.	Durban Umhlanga Extravaganza	July	This destination programme will visitor dispersal in the townships during the Durban July. It will be robustly promotion tourism whereby the Durban July experience will be staged in Umhlanga to spread visitors to north
2.	Celebrity Sports Challenge	July	The Celebrity Sports Challenge is a fun and exciting day full of sport games championed by South Africa's most loved icons, taking place at the Durban Beach Front.
3.	Family Fun Day Picnic	Nov	Traditionally held at the Munies Hockey Club in Durban, the Family Fun Day Picnic is a family-oriented event hence people travel in groups and offers a family desired holiday experience to Durban. It has different games for children, sporting activities for adults and a stage which has performances to keep the "vibe" of the fun day. This is suitable for family entertainment and helps attracts
4.	5 <sup>th</sup> Annual Xmas Kasi Cultural Experience	Dec	The Annua Kasi Cultural Experience is an outdoor experience that is aimed at promoting the Hammarsdale in the outer west region whilst promoting a tourism product.
5.	Aquelle Tour Durban	April as the New dates post covid	A two-day mass participation cycling event incorporating road cycling races as well as other allied events and activities. The event has been staged for the past number of years with the primary aim as a fundraising mechanism. The event attracts cyclists from all over the country. The Tour Durban is also a primary tourism driver for the city and environs.
6.	Ironman 70.3 Triathlon:	October	It is an international triathlon that profiles the City and iconic attraction beach front prescient of Durban. If gives the City international exposure through visits and internal media
<b>TOTAL BUDGET OF R 41 000 000.00 PER ANNUM OVER THE MTREF PERIOD.</b>			



**ANNEXURE B (1.19.4) REFER)****LIST OF PROJECTS NOT FUNDED OR PARTIALLY FUNDED THAT WILL  
BE FUNDED WHEN FUNDING BECOMES AVAILABLE**

Capital Budget Description	Project	Proposed Budget 2023/24	Proposed Budget 2024/25	Proposed Budget 2025/26	Total Budget Shortfall
<b>Total Capital Budget</b>		<b>1,616,126</b>	<b>909,315</b>	<b>300,602</b>	<b>2,826,043</b>
<b>Human Settlements, Engineering &amp; Transport Authority</b>		<b>211,649</b>	<b>47,912</b>	<b>-</b>	<b>259,561</b>
<b>Engineering</b>		<b>20,000</b>	<b>-</b>	<b>-</b>	<b>20,000</b>
Roads - Low Volume		20,000	-	-	20,000
<b>EtheKwini Transport Authority</b>		<b>191,649</b>	<b>47,912</b>	<b>-</b>	<b>239,561</b>
C3 Buses		191,649	47,912	-	239,561
<b>Trading Services</b>		<b>452,500</b>	<b>592,500</b>	<b>235,000</b>	<b>1,280,000</b>
<b>Electricity</b>		<b>207,500</b>	<b>207,500</b>	<b>-</b>	<b>415,000</b>
Prepaid Meters		207,500	207,500	-	415,000
<b>Water and Sanitation</b>		<b>245,000</b>	<b>385,000</b>	<b>235,000</b>	<b>865,000</b>
Community Ablution Blocks (Including alternative Sanitation)		150,000	150,000	150,000	450,000
Jetting Machines		80,000	80,000	-	160,000
Standy Generators		-	140,000	80,000	220,000
Boreholes		15,000	15,000	5,000	35,000
<b>Economic Development and Planning</b>		<b>122,748</b>	<b>-</b>	<b>-</b>	<b>122,748</b>
NTSHONGWENI ROAD UPGRADE	CP005A	122,748	-	-	122,748
<b>Community &amp; Emergency Services</b>		<b>262,324</b>	<b>268,902</b>	<b>65,602</b>	<b>596,829</b>
<b>Agro-Ecology</b>		<b>32,801</b>	<b>65,602</b>	<b>65,602</b>	<b>164,006</b>
Inchanga Hub Upgrade.	N1760CD	9,133	18,267	18,267	45,667
Newlands Hub Upgrade.	N1761CD	8,261	16,522	16,522	41,304
Marianridge Hub Upgrade	N1762CD	5,550	11,100	11,100	27,750
Hambanathi Hub	N2543	9,857	19,714	19,714	49,285
<b>Parks, Recreation &amp; Culture</b>		<b>144,523</b>	<b>203,300</b>	<b>-</b>	<b>347,823</b>
Tractors	PMZ002078	118,200	203,300	-	321,500
Rehabilitation of CAC Pools		23,023	-	-	23,023
Storm Damages		3,300	-	-	3,300
<b>MMS</b>		<b>85,000</b>	<b>-</b>	<b>-</b>	<b>85,000</b>
Sky Car		85,000	-	-	85,000

Capital Budget Description	Project	Proposed Budget 2023/24	Proposed Budget 2024/25	Proposed Budget 2025/26	Total Budget Shortfall
<b>Corporate Human Resources</b>		<b>16,905</b>	-	-	<b>16,905</b>
Rollout of Computer Labs, Self	CL33163	6,979	-	-	6,979
Building Refurbishment /	I0006	400	-	-	400
Renovations / Support network	I0032	520	-	-	520
HRP&I	I0042C	60	-	-	60
HR PARKS	I0047C	150	-	-	150
HR EMERGENCY SERVICES	I0049C	200	-	-	200
HR Centre of Excellence Renova	I0060AC	4,906	-	-	4,906
Renovations Electricity	I0088	150	-	-	150
Non-infrastructure   New   Computer Equipment	PMZ000011	1,630	-	-	1,630
Non-infrastructure   New   Computer Equipment	PMZ001936	375	-	-	375
Non-infrastructure   New   Furniture and Office E	PMZ000015	250	-	-	250
Non-infrastructure   New   Furniture and Office E	PMZ000086	100	-	-	100
Non-infrastructure   New   Computer Equipment	PMZ000087	50	-	-	50
Non-infrastructure   New   Computer Equipment	PMZ000165	85	-	-	85
Non-infrastructure   New   Computer Equipment	PMZ000591	100	-	-	100
Non-infrastructure   New   Computer Equipment	PMZ001609	100	-	-	100
Non-infrastructure   New   Computer Equipment	PMZ001744	100	-	-	100
Non-infrastructure   New   Computer Equipment	PMZ001745	50	-	-	50
Non-infrastructure   New   Computer Equipment	PMZ001746	50	-	-	50
Non-infrastructure   New   Computer Equipment	PMZ001747	50	-	-	50
Non-infrastructure   New   Computer Equipment	PMZ001748	50	-	-	50
Non-infrastructure   New   Computer Equipment	PMZ001749	50	-	-	50
Non-infrastructure   New   Computer Equipment	PMZ001750	50	-	-	50
Non-infrastructure   New   Computer Equipment	PMZ001751	50	-	-	50
Non-infrastructure   New   Computer Equipment	PMZ001753	50	-	-	50
Non-infrastructure   New   Computer Equipment	PMZ001754	50	-	-	50
Non-infrastructure   New   Computer Equipment	PMZ001755	50	-	-	50
Non-infrastructure   New   Computer Equipment	PMZ001756	50	-	-	50
Non-infrastructure   New   Computer Equipment	PMZ001761	50	-	-	50
Non-infrastructure   New   Computer Equipment	PMZ001762	50	-	-	50
Non-infrastructure   New   Computer Equipment	PMZ001763	50	-	-	50
Non-infrastructure   New   Computer Equipment	PMZ001764	50	-	-	50
<b>Office of the City manager</b>		<b>100,000</b>	-	-	<b>100,000</b>
MSCOA		100,000	-	-	100,000
<b>Finance</b>		<b>450,000</b>	-	-	<b>450,000</b>
<b>Finance City Fleet</b>					
<b>Real Estate</b>		<b>450,000</b>	-	-	<b>450,000</b>
Office Buildings		450,000	-	-	450,000

*Following the presentation of the Budget Speech by His Worship, the DA queried the late arrival of the budget document and cited that in terms of the Rules, meeting documents had to be furnished to all Councillors 72hrs before the meeting. They further enquired if there was a different budget adoption meeting procedures to be followed other than the guidelines from the Rules of Orders. Also, citing that not all political parties were represented in the Executive Committee. On this basis, they requested clarity and legal advice, to ascertain whether, the meeting was legally compliant to consider these documents.*

*Thereafter, confirmation was given that copies of the budget document were circulated to Councillors during the meeting as insufficient number of copies were printed on the previous day. However, it was recalled that the Executive Committee meeting normally convene in the morning on the day of Council meeting to deliberate on budget items and thereafter Secretariat begin with the process of compiling and printing the Report arising from the Executive Committee meeting and for tabling in the Council meeting.*

*The Speaker reported that in this instance, the Executive Committee had convened its meeting the previous day so that budget copies are distributed earlier to Councillors. Consequently, the Speaker was of the view that there has been no deviation that could warrant for the meeting procedures to be challenged. Also, that Council is ready to engage on the budget debate. In addition, he reported that the Rules allows that once the Speaker has applied his mind on the matter, his ruling is final, and the legal opinion thereof cannot suppress that ruling unless it is challenged by a Court of Law.*

*Also commenting on the matter, the ANC was of the view that matters which can be resolved by Council should not be referred for a legal opinion, reference being made to meeting procedures. That when such legal opinion is given, Council will be prompted to engage in what was viewed as unnecessary debate.*

*In concluding the matter at hand, the Head: Legal and Compliance read Rule 12 (1a) of the Rules of Order By-Law, in its entirety as follows, "The agenda for an ordinary meeting together with all relevant documentation, must, where possible, be delivered or made available to all Councillors at least 72 hours before such meeting: Provided that failure by any Councillor to receive an agenda or relevant documentation does not affect the validity of any item placed on the agenda."*

*The Head advised that the fact that other Councillors have not received copies of the documents does not invalidate the meeting.*

**Subsequently, discussions reverted back to the budget debate, wherein the DA drew the attention of Council to what they viewed as service delivery challenges and hinderances thereof, citing high tariffs, sewage spillages, congested informal settlements, accumulating Municipal debts which was reported to be R22 Billion. They further expressed concern on non-operational Municipal Call Centres, inflation of property rates, meters not being read for prolonged periods, unresolved illegal connections, unattended water burst pipes, unspent grant funding within the prescribed period.**

**The DA further expressed concern about the increase in unemployment rates, backlog in housing provision, water losses of 57%, dilapidated Municipal infrastructure. They pleaded with Council to go back to basics, citing amongst other things, interacting with residents to find lasting solutions; strengthening of debt recover strategies; streamlining processes and expenditure patterns; fixing faulty streetlights; and application of consequence management.**

**Continuing with input, the DA mentioned that open spaces are unfortunately not given necessary attention, including inadequate verge cutting service etc. The budget document was considered gross misrepresentation of the people of eThekweni. From the supply chain management perspective, the DA maintained that there was no effective contract management in place. That a need exists to review processes since some of the services currently undertaken by external services providers could be insourced and strengthen capacity within the**

**Supply Chain Management Unit to handle electronic data and administration of procurement process.**

The DA then expressed gratitude to sixteen thousand (16 000) eThekweni residents for signing petition opposing increase on Municipal tariffs. They mentioned that the budget provides an opportunity for Council to showcase its commitment to provide basic needs of the community, fixing of infrastructure, to attract domestic investors and create job opportunities. They indicated that in the current financial year, the Municipality had failed to implement crucial projects, others being delayed and not completed. The DA was strongly of the view that this final budget is not inspiring, and short of recovery plans following the triple disasters, hence also lacked innovation to change lives of the people of eThekweni. On this basis, they dissented on the approval of the 2023-2024 Budget.

Commenting on the budget, the EFF commended what they viewed as pro-poor, balanced budget, reflective of the comments and inputs received during the Budget and IDP public consultation process. Reference being made to, amongst other things, the reduction in electricity tariffs. The EFF emphasised that as much as the electricity tariff has been reduced the Municipality is still required to generate revenue from the electricity purchased from Eskom.

The EFF noted with appreciation the budget set aside for water and sanitation, citing that Councillors should conduct site visits in various Municipal projects as part of playing their oversight role and establishing that indeed the approved budget translates into tangible and visible results on the ground. The EFF was also delighted about the budget allocated to increase the number of Police Officers to assist in crime prevention strategies and safeguarding City's infrastructure which appears to be under attack. Also applauded service standards, including plans to engage service provider(s) to manage ablution facilities, indication given that this approach is in alignment with the EFF political manifesto.

Meanwhile, the IFP dissented on the approval of the final budget, citing that the Municipality has failed to address, amongst other things, high tariff increases; water losses of 57% (non-revenue water), accumulating debtors; poor planning; electricity outages, dilapidating Municipal infrastructure, unread meters, billing system challenges etc. That non-implementation of consequence management compromises the local government mandate and the inability to manage assets.

The ongoing adjustments to the Service Delivery and Budget Implementation Plan was viewed as a sign of poor planning and/or ignoring compliance with agreed performance plans. The IFP was also not delighted about the exclusion of the Neighbourhood Watch Programme in this budget, citing the significant role played by the individuals engaged thereto in fighting crime locally, and thus contributing immensely in crime fighting strategies. In conclusion, the IFP expressed concern about failure to spend budget adequately.

The ActionSA joined Parties dissenting on this budget and pointing out the budget speech does not represent true reflection of the situation on the ground. For instance, reference being made to failure to achieve target of delivering 350 houses at Isipingo by 30 June 2023. Also, the budget was considered not competent for execution given the public outcry on tariffs increases.

Meanwhile, the AIC supported the budget and viewing this to be a balanced budget, which included focus on rural development; pro-poor benefits through effective Credit Control Policy and Indigent Policy.

Subsequently, the ADEC felt strongly about the late submission of the budget document; deliberations on budget not taking place at the Support Committees level for effective oversight role, thus concluding that the budget preparation process is questionable. Speaking on the tariffs increases, the ADEC submitted that this is not equivalent to the service practically delivered on the ground, hence, increases are not justified. This being compounded by poor workmanship by contractors engaged by the Municipality. The ADEC viewed the budget as placing burden to loyal citizens religiously paying the Municipal fees and that apparently subsidizing those dodging payments. Overall, the ADEC regarded this to be an election campaign budget.

The ACDP was also not in support of the budget, stating that during the public engagements, it was emphasised that households' costs continue to increase, including the unemployment rate affecting ratepayers' ability to make payments for services. Poor infrastructure maintenance was concerning. Also, that there appears to be lack of accountability with the concerns of the residents not being taken into account.

Joining the discussion, the DLC extended gratitude to the Finance team for preparing the budget. The budget was supported but with the DLC expressing concern over expensive tariffs. The tendency of not completing projects was also concerning, and with the DLC finding it strange that common reasons were presented for all uncompleted projects. The issue of escalating crime was also concerning, also water losses, these being regarded key areas needing attention.

In support of the final budget, the ATM welcomed adjustment or elimination of age restriction for entry level positions. Pointing out this would assist job seekers who have not been considered in the past due to age restrictions. The outcome of the public participation process was appreciated as well as responses by the Municipality in terms of tariffs reduction in certain categories.

The MF expressed the view that declining economy has negative impact on the eThekweni residents hence the inability to pay for services. The Municipality was viewed not to prioritize the working class. On the positives, the MF appreciated plans for job creation and emphasized a need to exercise equal representation of races. On the negatives, the MF advised of a need to improve Municipal Bus Service operations; concerns over what was regarded excess payments of performance bonuses; VIP protection services; and catering services and with a call being made to reduce excess payments in this regard. Overall, the MF did not support the budget

Also commenting, the PRM welcomed the budget citing this budget will assist to address grass-root level challenges, including installation of meters to address water losses.

The VF-Plus played down issues of Radical Economic Transformation, pointing out this should not be emphasised, but rather focus be made to prioritizing safety measures; strengthening education system; and conflict eradication.

**The NFP considered this budget to be responding to the needs of the local communities, and with input and comments raised during the budget hearings having been incorporated accordingly in the final budget. Plans to recruit additional Metro Police Officers were applauded and this to also contribute in crime fighting strategies. The NFP emphasised the importance of exercising collective stakeholder responsibility to stretch the Municipal budget by monitoring implementation on the ground matches expenditure and also safeguarding Municipal infrastructure and assets to prevent vandalism and theft. Pointing out acts of vandalism and theft redirect budget aimed for critical service delivery projects to the undertake unplanned repairs and/or assets replacements. The NFP then commended parties to the budget preparation process for arriving at a balanced budget under difficult economic conditions.**

**Contributing input, the ANC welcomed the budget speech by His Worship the Mayor and then appreciated to see budget responding to the mandate of the Municipality as enshrined in Section 152 of the Constitution of the Republic of South Africa.**

**The ANC confirmed that service delivery and infrastructural challenges cited by the opposition have been catered for in terms of allocating budget to respond directly to specific challenges identified and implementation of project plans in this regard to be monitored through submissions to the relevant Council Support Committees. Infrastructure improvements were also to be realised with National Treasury having allocated the Municipality grant funding in the amount of R1.5 Billion to respond to storm damages. Upgrade or rehabilitation projects to then include major damages in Ntuzuma Pump Stations and others damaged infrastructure to be prioritized accordingly.**

**Community services such as grass-cutting, upgrade of Municipal swimming pools were to be prioritized as well. Meanwhile, the allocation of budget to upgrade Municipal facilities such as the Moses Mabhida Stadium was also commended, with the stadium considered the jewel of the City in terms of displaying capacity to host prestigious events at a local, national and international levels. The budget also catered for projects aimed at addressing bad buildings in the City.**

**From the local economic growth, the ANC appreciated budget allocation to support small businesses. With focus being also the promotion of township economy. Emphasis being made that the Radical Economic Transformation Agenda is still to be pursued to address economic misalignments and promoting integration of informal and small business into the economic mainstream.**

**As part of crime fighting strategies, plans to recruit additional Metro Police Officers was commended as a very good initiative. This approach being viewed to promote the image of the City.**

**The ANC shared similar views that this budget has been prepared while the City is part of global economic constraints. The leadership being then highly commended for still listening to the communities under this economic challenges, and effected tariffs reductions in certain categories.**

**Both political and administrative leadership was then commended for working tirelessly; enduring prolonged meetings; working far beyond a call of duty; and making great strides to ensure the Municipality ultimately achieves a balanced budget responding specifically to the needs of the various eThekweni stakeholders.**

**Following a lengthy debate and with some Councillors not supporting the 2023-24 budget presented, the matter was put to the vote. With 186 Councillors present, 112 Councillors (ANC – 88, EFF – 16; ABC – 01, AIC– 1; APF - 01, ATM -01, JEP - 01;KZNI -01, NFP -01 and PRM - 01) voted in favour of the recommendations; 74 Councillors (DA – 48; IFP – 16, Action SA – 02, ACC -01, ACDP – 02, DLC - 01, ADEC - 01, MF – 01; UIM – 01 and VF Plus - 01) voted against the recommendations. There were no abstentions recorded.**

**Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED.****

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At this stage of the proceedings, time being 17h20, this Special meeting terminated, and Council reverted back to the ordinary meeting.

MINUTES APPROVED AT THE MEETING OF THE ETHEKWINI COUNCIL ON 2023-07-13.

SPEAKER

Date: