ADDRESS BY ETHEKWINI MUNICIPALITY MAYOR, CLLR CYRIL XABA, AT THE ENGAGEMENT WITH PROFESSIONALS AND ACADEMICS, 18 NOVEMBER 2025

- Programme Director
- Speaker of Council: Cllr Thabani Nyawose
- City Manager: Mr Musa Mbhele
- Chief Financial Officer: Dr Sandile Mnguni
- Executive Directors and Directors present
- Academics and Professionals in our midst
- Ladies and Gentlemen

Good Morning

Let me express my appreciation for the opportunity to address one of the most important stakeholder groups in our municipality, the academic and professional community.

Since assuming office, I have embarked on a listening campaign, engaging with various stakeholders to gather insights on how we can collectively move our city forward.

I would like to thank the Speaker of Council, Cllr Thabani Nyawose, for organising this engagement, which allows us to share the work we are undertaking to ensure that the municipality is stable, functional, and financially sustainable.

We firmly believe that once you understand our current initiatives and future plans, you will be better positioned to help us spread the message that eThekwini is a city at work, fully committed to building a better life for all residents.

IMPROVING PERFORMANCE AND ACCOUNTABILITY

As the Mayor, I have made it clear that improved performance and accountability will be central to our programme of action. To this end, the

City Manager has developed a new, outcome-based performance management tool. This tool requires officials to set clear targets that deliver measurable results. Importantly, the tool links the Integrated Development Plan (IDP) with the Service Delivery Budget Implementation Plan (SDBIP) and performance indicators. Going forward, we want to ensure that our service delivery budget is fully aligned with our performance targets. This will strengthen our ability to monitor progress and improve the quality of services we deliver to the public.

We are also working diligently to improve governance and accountability. Our main objective is to address all issues raised by the Auditor-General (AG), including repeat findings, and ultimately achieve a clean audit.

As the Mayor I now hold quarterly engagements with the Office of the Auditor-General to assess progress on audit action plans. The City Manager also reports quarterly to the Executive Committee on consequence management measures taken against officials involved in wrongdoing. This is the only way to rebuild public trust and restore the image of our city.

FINANCIAL HEALTH

Ladies and Gentlemen, I am optimistic about the future of this municipality. My optimism is supported by assessments from independent institutions, including the National Treasury, which has confirmed that eThekwini Municipality remains in a strong financial position. This is a positive foundation for improved service delivery and increased investment attraction.

In its recent assessment, National Treasury indicated that the municipality is financially sound based on data from financial reports and audited financial statements. These reports indicate municipal revenue is above expenditure, meaning that the city is operating on a surplus budget.

Other key areas where we are performing well include

- Payment of creditors within 30 days
- Adoption of a fully funded budget

- Employee-related costs within the Treasury norm of 25-40% (EThekwini is at 25.3%), showing balanced spending on staff vs service delivery
- Capital budget is within the 10-20% norm (our current financial year's capital budget is 11% of the entire budget), indicating adequate infrastructure investment
- We are also one of the few municipalities that is not depended on grants which is beneficial for service delivery
- The city's credit rating is favourable, allowing borrowing for infrastructure projects to boost economic growth

We are working tirelessly to reduce fruitless and wasteful expenditure and to curb water losses. We are confident that once we succeed in these areas, we will become the leading municipality in South Africa in terms of performance and financial management. Currently, we are ranked second.

TRADING SERVICES REFORMS

Ladies and Gentlemen, you will agree that irregular water and electricity supply, as well as waste management challenges, continue to affect our city due to ageing infrastructure and rapid urbanisation. These challenges are not unique to us. They are nationwide, and for this reason National Treasury has instructed all metros to implement trading services reforms.

I am pleased to report that we are the first metro in the country to develop turnaround strategies for water and sanitation, electricity, and waste management. These strategies have been adopted by Council and approved by National Treasury. At the centre of these reforms is the ring-fencing of each of the three services into distinct entities within the municipality to improve their efficiency and financial sustainability.

We also welcome the fact that National Treasury has begun allocating grant funding to implement these turnaround plans.

In the water environment, we have committed to reducing non-revenue water by 5% annually, targeting a reduction to 25% within the next three

years. We have also committed to increasing infrastructure maintenance funding to 8% to accelerate the replacement of aging infrastructure.

Additional measures to combat water losses include replacing all water meters older than 15 years. Our target is to replace 40 000 meters annually, enabling more accurate billing and credit control.

We have set a standard that at least 98% of water bills must be based on actual meter readings. Currently, 10% of water bills are still estimated. We have also introduced a requirement that all burst pipes be responded to and repaired within 24 hours. To make this possible, we have strengthened internal capacity by insourcing more plumbers.

Proactive leak detection, supported by technology is also a priority, and we are also enhancing quality assurance systems. Going forward, plumbers will now be required to submit pre and post work photographs so that repairs can be verified.

Through our improved call centre and communication platforms, we will also provide feedback to customers and verify whether the work done meets their expectations.

IMPROVING BILLING

To improve billing accuracy, we have moved the meter-reading function to the Revenue Department. This will help eliminate estimated bills and ensure customers are billed only for actual consumption. While our staff will continue to read meters in people's properties, we encourage residents to download our municipal app, which allows them to upload water and electricity meter readings directly. I strongly believe that we can eliminate the challenge of estimated bills if our customers also play their part.

INVESTMENTS, PORT EXPANSION AND RAIL MODERNISATION

Ladies and Gentlemen, I am pleased that Durban has become a preferred investment destination. This year alone, I have opened catalytic projects worth close to R40 billion which will create thousands of sustainable jobs. These include:

- The Isibaya Precinct Development (R25 billion)
- Beachwood Estate (R3.6 billion)
- Insimbi Ridge Development (R10 billion)

We are also excited about projects implemented in partnership with Transnet, SANRAL and PRASA, which will reshape Durban into a vibrant logistics hub. These include the R100 billion port expansion programme which is aimed at decongesting and enhancing port performance and the rail revitalisation and modernisation programme, which will help shift freight transport from road to rail.

We have also agreed with the Minister of Transport, Ms Barbara Creecy, to revive the proposed speed train between Durban and Johannesburg. A Request for Information (RFI) was issued last month to test market interest. This project will significantly reduce travel time between the two

cities and boost tourism, as more people in Johannesburg will prefer to spend weekends in Durban because of our tourism offerings.

Ladies and Gentlemen, the City Manager and his team will share further details on how we intend to position eThekwini as the investment and tourism destination of choice.

We look forward to fruitful engagements that will help take our city forward.

I thank you.