**BUDGET POLICY STATEMENT FOR 2026/27 FINANCIAL YEAR BY ETHEKWINI MUNICIPALITY MAYOR, CLLR CYRIL XABA, 29 MAY 2026**

- Honourable Speaker, Cllr Thabani Nyawose;
- Amakhosi aseNdlunkulu
- The Deputy Mayor, Cllr Zandile Myeni;
- Whip of Council: Cllr Sinegugu Sishange
- Members of the Executive Committee;
- Honourable Councillors;
- City Manager, Mr Musa Mbhele
- Chief Financial Officer, Dr Sandile Mnguni;
- Executive Directors
- Social partners – Business, Labour, and Civil Society;
- Members of the media;
- People of eThekwini;

**Sanibonani.**

I have the distinct honour, as Mayor of this great Municipality, to table the Budget Policy Statement for the 2026/27 financial year. While this is the final budget for the current five-year local government term, it also marks a defining moment to reflect on the progress we have made, the challenges we have overcome, and the foundation we have laid for the future

Before I turn to the numbers, let us remind ourselves of who we are.

**ETHEKWINI: THE STRATEGIC GATEWAY TO AFRICA AND THE WORLD.**

Honourable Speaker, the City of eThekwini is not just another municipality. We are host to the Port of Durban – the busiest, most strategic port on the African continent, handling 60% of South Africa's container traffic. We are the mainstay of the KwaZulu-Natal economy, contributing 60% of the province's GDP. We are the undisputed hub of tourism, manufacturing, logistics, and the automotive sector in this region. The city will soon host a R50 billion AI Data centre that will power the rest

of the continent.  In the coming months, I will stand on this podium to announce the investor.

When Pixley ka Isaka Seme – a son of our soil, born near Inanda – delivered his seminal speech as a student in the United States of America, “The Regeneration of Africa”, on 5 April 1906 – a little over 120 years ago – he spoke of a continent awakening to its commercial potential.

He envisioned African people taking their rightful place in global trade, industry, and commerce. I have no doubt that in his context, he was picturing a place like eThekwini: a city where the ocean meets enterprise, where the continent’s produce flow outward, and where the world’s goods arrive at our shores. We are that vision made real. But a great port does not guarantee a great city. It only guarantees great potential. The work of transforming that potential into prosperity – into jobs, into homes, into safety, into dignity – falls to us.  To that effect I am announcing a R10 billion dry port development in the Cato Ridge to ease congestion at seaport and improve its operational efficiencies.

**THE CHALLENGES WE FACED, AND THE WORK WE BEGAN.**

When I was entrusted with leadership approximately two years ago, I found a city of immense potential wrestling with few, structural challenges such as inner-city decay, ageing infrastructure, water demand which exceeds supply, crime and grime as well as high levels of unemployment, particularly among the youth.

My administration did not look away from these realities. We confronted them. And today, I can report that the trajectory of eThekwini has fundamentally changed. I want to thank the African National Congress for entrusting me with the responsibility to lead the City turn around strategy.

**A CITY CLEANED, A TOURISM SECTOR REVIVED.**

The clean-up of Durban is not a distant promise. It is a visible, daily practice. We have reclaimed public spaces such as Albert Park, intensified by-law enforcement, and restored dignity to our beachfront and urban core. We have kept our streets lights and robots working. I kept to the promise.

The results are tangible as demonstrated by the sharp increase in business confidence. Direct tourism spending increased by 24% in 2025, reaching R2.7 billion. The Hilton Hotel (now called Royal Majestic Hotel) has reopened.

Durban's beachfront is undergoing a major transformation, driven by Southern Sun's R1 billion investment in the Elangeni and Maharani hotels, as well as the R1 billion redevelopment of Funworld. These projects are set to significantly enhance the tourism experience for visitors in this precinct.

Major events such as Africa's Travel Indaba and the Metro FM Music Awards have returned. Meanwhile, the Comrades Marathon and the Hollywoodbets Durban July continue, reflecting that we are a functioning city.  The city has been chosen as one of the the cities that will host the 2027 Cricket World Cup matches. Early this year, we hosted the Jonson Workwear Durban Open, a tournament that brought the city under world spotlight as it saw international stars locked horns.

Tourism is growing because we have made it a priority.

**LEVERAGING OUR LOGISTICS AND INDUSTRIAL ADVANTAGE.**

Honourable Councillors in this city, we have stopped managing decline and started managing growth. The Port of Durban remains the engine room of our national logistics network. Our automotive sector is not merely surviving, it is expanding. In recent years, major original equipment manufacturers have deepened their commitment to eThekwini. Toyota has invested substantially in its Prospecton plant, reinforcing Durban as the heart of its African operations. Volvo Trucks has expanded its assembly footprint. Mahindra has increased its local manufacturing presence.

These are not small votes of confidence. They are billions of Rands in realised investment, thousands of direct and indirect jobs, and a clear signal that eThekwini remains the preferred destination for automotive manufacturing on the continent.

Beyond automotive, new growth sectors are emerging: logistics and warehousing, the digital economy, and the green economy tied to our climate resilience agenda. Through catalytic projects valued at R227 billion – including the Sibaya Coastal Precinct, Shongweni Development and the Insimbi Ridge Development – we are unlocking private investment at scale.

Our Proactive Land Release Strategy has placed 97 prime sites into the market with private investment of 2.8 billion, resulting in 9000 jobs. Our Investor Fridays, led by the City Manager are removing bureaucratic bottlenecks, unlocking billions of investments weekly. And our Economic Development Incentive Policy has already attracted billions in confirmed investment.

This is not recovery. It is resurgence in motion.

**ACCESS TO BASIC SERVICES**

Honourable Speaker, over the last five years, we have significantly improved access to basic services, with over 21,000 new electricity connections, mostly in previously underserved areas, bringing electricity coverage to almost 100%. Due to rapid urbanisation, however, this remains a moving target.

Regarding access to housing, we are pleased that during this period we have built 7,910 housing units and issued 3,200 title deeds, restoring dignity and providing security of tenure to families who previously had no shelter.

To improve mobility, particularly in township and rural areas, we have upgraded 48 kilometres of gravel roads to tarred roads. In line with our commitment to bury potholes, we have rehabilitated over 500 kilometres of roads, as evidenced by the number of streets that have been resurfaced throughout the city, including the M4 South, KE Masinga Road, Julius Nyerere Road (formerly Warwick Avenue), Soldiers Way, and Market Road.

Currently, we are rehabilitating Pixley kaSeme Street (West Street). These projects are key to our strategy of rejuvenating the inner city.

**A SAFER CITY,**

Honourable Councillors, this administration has recruited 751 additional Metro Police officers, with the goal of reaching a total of 5,000 to increase visibility. It has also procured 300 high-performance vehicles and is implementing a Smart Policing System to help prevent crime. In addition, we have established specialised units to strengthen the safety of both residents and visitors.

**A CLEANER GOVERNANCE**

We have secured an unqualified audit opinion for five consecutive years. We have aligned the Integrated Development Plan (IDP), the budget, and the Service Delivery and Budget Implementation Plan (SDBIP) to ensure effective governance and service delivery.

Consequence management is being implemented against individuals involved in corruption and maladministration. We are also among the few

municipalities that are not in arrears with Eskom and Umgeni-Uthukela Water for bulk electricity and water purchases.

Furthermore, the Presidential eThekwini Working Group has institutionalised a new era of collaborative governance.

**THE UNFINISHED WORK**

Let me be clear, we have not solved every problem. We continue to face a significant housing backlog, as evidenced by more than 600 informal settlements and over 40 transit camps resulting from ongoing rural-to-urban migration. Water supply challenges also persist, while infrastructure theft and vandalism remain stubborn.

Climate-related floods have repeatedly tested our resilience. But, we have shifted from reactive disaster management to proactive “build back better” engineering. Flood lines are being redrawn. Stormwater capacity is being expanded. Community-based early warning systems are being rolled out.

**RESPONDING TO PUBLIC PROTEST AGAINST ILLEGAL FOREIGN NATIONALS AND SOCIAL DISCONTENT.**

Honourable Speaker, we cannot speak honestly about this city without addressing the rising tide of public protest. Our communities are angry – rightly so – about crime that goes unpunished, about jobs that are scarce and basic cost of living that outpaces many household incomes. We must listen to hear them and respond correctly and tangibly.

We have seen these legitimate discontents, at times, channelled into protests specifically targeting illegal foreign nationals living in our midst. Let me be unequivocal, the people of eThekwini are not xenophobic. But there is an understandable sense of anxiety and impatience. And these discontents, when left unaddressed, can be weaponised by those seeking to repeat the 2021 looting. We recognise that the presence of illegal foreign nationals, often undocumented, operating outside the formal economy, and in some cases linked to criminal networks, has become a flashpoint for broader frustrations.

Our approach is twofold. First, we are working with national and provincial government, the Department of Home Affairs, civil society and law enforcement to enforce immigration laws rigorously, close down illicit businesses, and remove those who are in the country unlawfully.

Second, and more importantly, we are addressing the root causes of the discontent – unemployment, housing, and safety – as the only sustainable cure for this unrest. This budget prioritises job creation, skills development for youth, and visible policing precisely because a city that delivers for its lawful residents is a city that remains stable.

**THE NATIONAL CONTEXT:**

Honourable Speaker, we table this budget for the 2026/27 financial year at a favourable national moment. President Cyril Ramaphosa, in his 2026/27 State of the Nation Address, declared that South Africa has turned the economic corner. For the first time in 17 years, national debt is stabilising. Our country has been removed from the grey list. We secured our first credit rating upgrade in 16 years. Load-shedding is no longer a feature of our daily lives.

Minister Enoch Godongwana, in his 2026/27 Budget Speech, affirmed that fiscal discipline, infrastructure investment, and municipal support are the pillars of the next phase.

EThekwini is the living proof of that national vision.

## TRANSITION TO THE 2026/27 BUDGET ALLOCATIONS

Honourable Speaker, having laid out the strategic direction and the progress of the last five years, in the context of the term that is about to end, I now turn to the substance of how this City will allocate resources for the coming financial year.

The 2026/27 budget is not an aspirational document. It is a funded, credible, and sustainable plan – assessed as such by National Treasury. It prioritises the acceleration of repairs, the upgrading of bulk infrastructure, and the full implementation of our trading services turnaround strategies.

## BUDGET HEARINGS

Following the tabling of the draft budget in March 2026, it was subjected to 12 public budget hearings held across the City between 13 April and 11 May. Three hearings were dedicated to key stakeholders, including business, disability organisations, and ratepayer associations. The remaining 9 were regional hearings covering every ward in the Municipality.

The hearings were well attended, with most inputs reflecting the real challenges faced by our communities. The process was widely advertised through radio, print, and social media, inviting public participation and written submissions.

## ISSUES RAISED BY STAKEHOLDERS & COMMUNITIES

The public participation process was constructive and appreciated by residents. We listened carefully and incorporated a number of inputs into the final budget.

Honourable Speaker, we have heard our people. We understand their frustrations, particularly in these difficult economic times. As a result, we have made meaningful adjustments to the draft budget.

However, not all requests can be accommodated due to the financial envelope. This budget therefore balances service delivery, infrastructure renewal, job creation, affordability, and financial sustainability.

**ISSUE 1: THE TARIFF INCREASES ARE UNAFFORDABLE**

Residents vehemently complained that the tariff increases are too high and unaffordable.

It is important to indicate that our tariff increases are dependent on the tariff increases by Eskom & uMngeni-uThukela Water Board (U-UWB. Accordingly, I wrote to the two Ministers Hon Pemmy Majodina and Hon

Kgosientsho Ramakgoba to express my outrage at the proposed tariffs and to implore them to ensure that in future these increases are inflation-related over the next three years so that we can keep our tariff increases to the minimum. The responses have been positive. We have reviewed and decided to revise the tariff increases for 2026/2027 from the draft budget as follows:

- **Water Tariff –**
  - I am pleased to announce that following my interaction with the Ministers, the U-UWB has agreed to reduce its tariff increase from 13% to 10%.
  - Accordingly, the proposed domestic water tariff increase has been reduced by 3% from 15% in the draft budget to 12%.
  - The proposed water tariff increase for business has been reduced by 3% from the proposed 16% to 13%.

- **Sanitation Tariff –**
  - The proposed domestic sanitation tariff increase has been reduced by 5% from 13% to 8%.
  - The proposed sanitation tariff increase for business has also been reduced by 5% from 14% to 9%.

- **Property Rates -**
    - The average property rates increase has been reduced by 3% from 5% to 2%.

- **Refuse Tariff -**
    - The proposed refuse tariff increases for domestic households and businesses have been reduced by 3.5% from 13% to 9.5%.

- **Electricity –**
    - The proposed tariff increases for electricity for domestic households and businesses have been reduced by 1.5% from 10.5% to 9%.

As a caring City, we certainly hope that this brings some relief to our ratepayers and consumers.

**ISSUE 2: WATER OUTAGES AND LEAKS**

Residents complained about water outages and an insufficient water supply, which has led to water rationing.

As you are aware, eThekwini Water and Sanitation (EWS) is implementing a comprehensive turnaround strategy and institutional governance reform roadmap to improve operational capacity and management.

More specifically, the Municipality is undertaking several projects to improve water provision in all affected areas. These include upgrading pipelines to larger diameters in line with population growth, as well as installing pump stations to ensure that water can reach high-lying areas.

The strategy to reduce water losses will also help ensure that purchased water reaches affected communities. It must be noted that the supply of water from uMngeni Water remains a major challenge. Teams are actively repairing air valves, monitoring control valves, and installing restrictor meters in areas with high water losses. The Municipality is also actively patrolling and repairing vandalised or tampered infrastructure.

Even as infrastructure projects such as reservoirs, pump stations, and the southern and northern aqueduct upgrades are completed, the uMkhomaas Water Project will provide long-term relief by increasing overall water supply.

The City is also procuring two new water reuse plants to treat secondary effluent into potable drinking water, supplementing the existing plant that supplies industries. In addition, the Municipality is drilling boreholes to supplement supply in peripheral and rural communities that are most affected by limited bulk water supply, such as Umzinyathi and Amaotana.

Residents also raised concerns about water and sewer leaks caused by ageing infrastructure. The Municipality has allocated budget for the replacement of pipes as part of addressing this ageing infrastructure. The operational budget is allocated to continue day-to-day maintenance and repair of water and sewer leaks. Key interventions include the rollout of digital leak-detection sensors, installation of household water restrictors to manage pressure, replacement of ageing pipelines, and insourcing additional plumbers to speed up repair turnaround times.

**ISSUE 3: STREETLIGHTING & REPLACEMENT OF ELECTRICITY METERS**

Regarding streetlights and the replacement of electricity meters, the Municipality has set aside a budget to repair and replace streetlight bulbs in the affected wards. Provision has also been made for R172 million in

the operating budget for meter replacement in the 2026/27 financial year, and R543 million across the Medium-Term Revenue and Expenditure Framework (MTREF).

In the operating budget, R1.3 billion has been proposed for electricity repairs and maintenance across the City in the 2026/27 financial year, and R4.1 billion across the MTREF. In addition, the capital budget allocates R753 million for ongoing network extensions, substation upgrades, and broader grid reinforcement to improve power and lighting reliability in the 2026/27 financial year, and R2.6 billion across the MTREF.

**ISSUE 4: ROADS MAINTENANCE & UPGRADES**

Sazizwa nezikhalo eziphathelene nokwakhiwa kwemigwaqo. Angisho ukuthi sinohlelo oluhle kakhulu lokuthuthukisa imigwaqo ewubhuqu siyenze ibe itiyela ikakhulukazi ezindaweni ezisemakhaya nasemalokishini. Sibe nomhlangano naMakhosi ngaluthula loluhlelo. Emuva kwalokho, ngabe sengijuba abasebenzi ukuthi baxhumane neNkosi ngayinye ukubheka imigwaqo edinga ukulungiswa ngokushesha ezindaweni zawo. Ngakhoke ngifisa ukusho ukuthi yonke imigwaqo

ekhonjwe aMakhosi ukuthi ayilungiswe, sizoyenza ikakhulukazi leyo ehamba nezimoto zethu zamanzi.

## ISSUE 5: HOUSING DELIVERY

Olunye odaba olwavela kakhulu ngesikhathi sezithangami, kwaba inkinga yokuthi ukwakhiwa kwezindlu ezindaweni eziningi akusheshi ngendlela efanele. Abantu baphinde babuza ngodaba lokwakhelwa kwabantu abadilekelwa izindlu ngesikhathi sezikhukhula. Ngifisa ukusho ukuthi sesiqalile ukufaka abantu ezindlini ezithi bona eCornubia. Lomsebenzi siwuqale ngesonto eledlule njengoba sesiphothule izindlu ezingu 113. Lena ingxenye yezindlu ezingu 1200 esizakhela izisulu zezikhukhula lapha eThekwini. Sifuna kuthi kushaya uJune ngonyaka ozayo sibe sesibakhiphile bonke abantu abahlala kulezindawo esibaqashele zona zesikhashana. Sizothi uma sesiqedile ngalaba bezikhukhula, silandelise ngalabo abahlezi kuma transit camps, siphinde sibheke labo abakhosela ezihlotsheni zabo ngesikhathi bedilikelwa izindlu.

Zonke lezizindlu sizimisele ngokuthi sizakhe eCornubia ngoba leyandawo kufanele isinikeze izindlu ezingu 17 000.

## ISSUE 6: INDIGENT POLICY

Residents also raised concerns that the Indigent Policy needs to be revised and improved, as some individuals who are not deserving may be benefiting from free basic services. It was further noted that property values alone do not necessarily indicate whether a household is indigent.

To address this issue, we have reviewed the Indigent Policy and tariffs. Going forward, a more targeted, application-based approach is being implemented. A digital application system is currently being developed to assess whether households meet the indigency criteria set out in the Policy. Qualifying households will then receive appropriate assistance. In addition, roadshows will be conducted to improve awareness and access.

**ISSUE 7: RATE REBATE THRESHOLD VALUES**

Concerns were raised at the hearings that the rebate thresholds were outdated and excluded some vulnerable households and pensioners from financial relief.

In response, the threshold value for exemption from property rates for indigent households will be increased in 2026/2027 to R400 000 from R350 000. The residential households with a property market value above

R750 000 up to R1 000 000, where special circumstance exist, shall also be eligible under the Indigent Support Policy, subject a detailed assessment.

In addition, the threshold value for pensioners to qualify for a rates rebate has been increased to R2 750 000 from R2 500 000.

There were other issues raised. However, these were the main ones.

**BUDGET OVERVIEW**

Honourable Speaker, following the changes emanating from the budget hearings, the total budget for the 2026/2027 financial year amounts to R75.3 billion, comprising an operating budget of R69 billion and a capital budget of R6.3 billion.

The main sources of funding for the operating budget are service charges (54.2%), property rates (22.1%), and grants and levies (16%).

The major items of operating expenditure include bulk purchases (38%), salaries and allowances (24.4%), and contracted services and operational costs (17%).

The main focus of the budget is to ensure efficient and effective service delivery to our residents in order to uplift their quality of life. The budget therefore allocates significant resources to accelerating service delivery, upgrading ageing infrastructure, and implementing spatial transformation. Accordingly, substantial investment is earmarked to improve the efficiency and reliability of water, sanitation, and energy services.

**INFRASTRUCTURE RENEWAL & MAINTENANCE**

Honourable Councillors, the 2026/2027 capital budget amounts to R6.3 billion, representing 8.4% of the total budget.

The capital budget has allocated significant funding towards the renewal and upgrading of infrastructure assets, with 52.4% of the capital budget directed to infrastructure renewal and upgrading.

This investment will contribute to reducing repairs and maintenance costs, with approximately a further 6% of the operating budget allocated to repairs and maintenance.

While ongoing plans are being implemented for infrastructure upgrading and renewal, including engineering services, the implementation of the Trading Services Reform Programme will further improve service delivery, with specific focus on water, sanitation, electricity, and refuse services.

## KEY SERVICE DELIVERY DELIVERABLES 2026/2027

We plan to deliver, inter alia, the following in the 2026/2027 financial year:

### WATER

Water supply has been a challenge, but the Municipality is making significant strides in transforming our water and sanitation services.

With support from National Treasury, EWS has already achieved several of its goals of the Water Turnaround Strategy, marked by vital infrastructure upgrades, increased budget allocations, and improved bulk

water network reliability. Critical projects like the Southern Aqueduct are progressing to secure a reliable bulk network for more than 1.2 million residents.

The City is also rolling out performance-based water loss reduction initiatives in high-leak areas like Phoenix, Inanda, Ntuzuma, and KwaMashu. Thousands of domestic water meters have been replaced to accurately track usage. Despite these strategic wins, full turnaround takes time, and the Umkhomazi dam is key to this.

For the next financial year, the municipality will deliver the following:

- 4 000 new water connections.
- Reduce non-revenue water to 48.6%
- Meter 95% of all water connections.

To improve water supply in the southern areas, the municipality will allocate R255 million to finalise the Southern Aqueduct project. An amount of R305 million over the MTREF will be allocated to upgrade the oThongathi Waterworks, bringing much-needed relief the community of oThongathi and surrounding areas such as Hambanathi.

**SANITATION**

Honourable Speaker, as a result of implementing the Turnaround Strategy, wastewater treatment compliance has significantly improved, raising effluent quality and helping to resolve severe sewer overflows affecting local beaches.

The 2026/27 budget for sanitation will focus on major upgrades in bulk sewer systems to accommodate population growth by implementing the following:

- 500 new sewer connections are targeted for 2026/27.
- 90% of trade effluent producers will be inspected for compliance.
- Over 1 000 coastal water samples and over 4 000 inland water samples will be taken to ensure water quality and keep our beaches open.

To reduce environmental risks and ensure regulatory compliance, key projects will be undertaken at a cost of R1.5 billion to upgrade the following wastewater infrastructure:

- Isipingo Wastewater Treatment Works

- KwaMashu Wastewater Treatment Works
- Tongaat Central Wastewater Treatment Works
- Amanzimtoti Wastewater Treatment Works
- Southern Wastewater Treatment Works Upgrade
- Kingsburgh Wastewater Treatment Works Modification
- Umbilo Wastewater Treatment Works
- Northern Wastewater Treatment Works Upgrade

**WASTE MANAGEMENT**

As part of our efforts to keep the city clean, the municipality will utilise a substantial budget within the Waste Management Directorate to:

- Provide weekly refuse removal services to 1.8 million households in the City.
- Invest in modernising the waste fleet and equipment to improve collection efficiency.
- Upgrade four landfill sites and implement waste programmes to extend landfill lifespan.
- Expand separation-at-source programmes and strengthen public awareness initiatives on waste reduction.

## ENGINEERING

Road infrastructure continues to be the backbone of economic growth. In this regard, for the 2026/27 financial year, the municipality will:

- Convert 17.76 km of gravel roads to surfaced roads.
- Convert 10 km of rural unsurfaced roads to surfaced roads.
- Blade 100% of unsurfaced rural roads.

This will help connect communities to economic opportunities and social amenities such as schools and clinics.

## HUMAN SETTLEMENTS

Providing adequate housing, particularly for the poor, is key to restoring dignity. For this reason, in the next financial year the municipality will focus on:

- Construction of 1 661 new subsidised housing units.
- Allocation of 900 fully subsidised housing units.
- Acquisition of 30 hectares of land for human settlements.

- Servicing of 9 404 sites.
- Upgrading of 24 Communal Residential Units.
- Upgrading of 100 pre-1994 houses.
- Registration of 1 000 title deeds for beneficiaries.

**BUILDING WINNING AND SOCIALLY COHESIVE CITY**

Sport, arts, and culture are foundational to a thriving society. Together, they drive economic growth through tourism and job creation, while fostering social cohesion by bridging social divides.

It is within this context that the Municipality will continue to repair, build, and upgrade sporting facilities across the city, not only to encourage mass participation in sport, but also to attract major sporting and entertainment events.

We are pleased that these efforts are yielding positive results, as evidenced by the numerous sporting and entertainment events continuously hosted at our facilities, including our iconic Moses Mabhida Stadium.

As one of the host cities for the 2027 Cricket World Cup, we want to assure the residents of eThekwini that we are fully committed to delivering a successful tournament, building on our proven track record of hosting major international events.

These events are crucial not only for stimulating the local economy, but also for bringing people together and showcasing our city on the global stage.

**ECONOMIC DEVELOPMENT & PLANNING**

Honourable Councillors, for the city's economy to thrive, we must invest in bulk infrastructure and create an environment that promotes ease of doing business.

For the 2026/27 financial year, the municipality will allocate R503 million for the implementation of catalytic projects. To fast-track development applications, the City will maintain a 20-day turnaround time for building plans under 500 sqm, and 40 days for buildings over 500 sqm.

The municipality will also accelerate efforts to eradicate derelict buildings to attract investment into the inner city. We are actively pursuing domestic and foreign direct investment, with ongoing efforts to improve the

investment climate in Durban by streamlining engagement with developers and prioritising economic growth initiatives.

The investment community has noted improved responsiveness and dedicated attention to development applications, which has contributed to growing business confidence in the City.

Our focus will also include initiatives aimed at revitalising township economies and expanding opportunities for local entrepreneurs. We remain committed to dismantling the legacy of spatial inequality created by apartheid-era planning.

**INVESTMENT AND JOB CREATION**

Honourable Speaker, to create jobs, the City has a significant pipeline of catalytic projects that will generate both construction and permanent employment opportunities. These projects also serve to strengthen investor confidence and expand the City’s rates base.

In the Inner City and Central Corridor, planned investment of R23.85 billion includes projects such as Point Precinct, Centrum, DBN Film City,

Durban University of Technology precinct developments, Durban Bay, Northfields, Brickworks, and Caneridge.

The R25 billion Sibaya Precinct is advancing, with the shopping mall nearing completion and hotel developments in progress. Upon completion, this project is expected to create approximately 70 000 sustainable jobs.

In the Aerotropolis North Corridor, investment of R54.1 billion includes projects such as Kings Estate, DTP, and Whetstone.

In the N3 West Corridor, investment of R34.4 billion includes Keystone, Cato Ridge, Ntshongweni, and Giba Business Estate.

These catalytic projects demonstrate that Durban is a preferred business destination. When cranes are moving and construction activity is visible, hope is restored. Durban is increasingly becoming a construction site, reflecting that we are open for business.

**JOB CREATION**

Honourable Speaker, the City's long-term strategy is centred on job creation, inclusive economic participation, and reducing dependency through entrepreneurship and local economic development.

Therefore, the next financial year's budget will fund programmes that will create over 15 000 skills development and employment opportunities, particularly for youth. These include learnerships, artisan development, bursaries, cooperatives, community-based contractors, and Zibambele programmes.

**INNER CITY REGENERATION**

Honourable Speaker, to restore the inner city to its former glory, we are accelerating the implementation of the Inner-City Regeneration Programme, driven by the establishment of an independent Inner-City Development Company to manage properties and catalytic projects.

The Municipality is restructuring its approach to inner-city revitalisation to ensure a coordinated response to funding, expenditure, and urban management.

A dedicated entity, the Inner-City Development Company, is being proposed to act as a developer, asset manager, and catalytic delivery agency for properties within the Durban CBD.

**PRODUCTIVITY AND VALUE FOR MONEY**

Honourable Councillors, improving service delivery and enhancing quality of life requires us to drive productivity and value for money. We must do more with less and ensure that every cent spent delivers real value.

In this regard, the Municipality is driving productivity through:

- Targeted workforce reforms, including the implementation of a Shift Systems Development Policy to reduce overtime abuse and improve response times.
- Filling only critical vacancies, based on demonstrated impact on service delivery and return on investment.
- Increased use of AI and digitalisation to improve efficiency and effectiveness. The revenue digitalisation project will enable residents to access bills, query accounts, submit meter readings, open new accounts, apply for rates clearance certificates, request rebates, and make payments online.

To ensure value for money, the following initiatives are being implemented:

- Benchmarking prices for goods and services, with all bid committee reports required to include a value-for-money assessment.
- Implementing the Trading Services Turnaround Strategy to reduce non-revenue water and electricity losses and move these directorates towards financial self-sufficiency.
- Actively challenging unaffordable bulk tariff increases from Eskom and U-UWB.
- Modernising revenue management to reduce billing errors and improve efficiency.
- Rolling out a unified billing and meter management system to improve transparency for ratepayers.
- Migrating ratepayers to the digital eServices Portal to reduce postage costs.

## NATIONAL TREASURY ASSESSMENT OF THE BUDGET

National Treasury has assessed this budget and deemed it credible, funded, relevant, and sustainable.

## RESTORING PUBLIC TRUST THROUGH GOOD GOVERNANCE

Honourable Speaker, improving governance and audit outcomes remains a key priority. We are committed to strengthening financial discipline, enhancing internal controls, and ensuring full compliance with legislative and regulatory requirements.

Decisive consequence management will be implemented against corruption, maladministration, poor performance, and any form of abuse of public resources.

Transparency and Accountability must become defining features of the Municipality at every level of leadership and administration. By improving audit outcomes, restoring ethical governance, and ensuring efficient and transparent use of public funds, we will build a municipality that is more responsive, credible, and capable of delivering quality services.

Ultimately, these reforms are not merely about compliance; they are about improving the lived experience of the people of eThekwini by rebuilding trust, accelerating service delivery, and ensuring that every rand delivers tangible value to our communities.

## CONCLUSION

This budget forms part of a broader vision to transform eThekwini into an economically inclusive and sustainable metropolitan city capable of overcoming historical inequalities and infrastructure constraints.

Honourable Councillors, residents of eThekwini, and all stakeholders, we share a responsibility to build a City that works for all its people.

This is not an easy task. It requires balance, discipline, and honest prioritisation. We will not achieve everything in a single budget cycle, but through steady and deliberate progress we will move the City forward.

We may not satisfy every expectation, but we remain committed to providing ethical leadership and ensuring fairness, transparency, and effective and sustainable service delivery.

Despite the challenges, this budget reflects a clear direction: to rebuild infrastructure, restore dignity in service delivery, grow the economy, and secure the financial future of eThekwini.

Together, we will build a stronger, more inclusive, and better-performing City.

I would also like to take this opportunity to thank the Executive Committee and all Councillors for their input into this budget, the City Manager, Musa Mbhele, and our Chief Financial Officer, Dr Sandile Mnguni, and his team, for their excellent work in balancing this budget under trying circumstances.

Mr Speaker, with that I table the 2026/27 Medium Term Revenue and Expenditure Framework for final approval.

I thank you. / Ngiyabonga.