REMARKS BY ETHEKWINI MUNICIPALITY MAYOR, CLLR MXOLISI KAUNDA ON THE TABLING OF ADJUSTMENT BUDGET, 25 FEBRUARY 2021

- Honourable Speaker
- Deputy Mayor
- Chief Whip
- EXCO Members
- Leaders of Opposition Parties
- Members of the Media

Sanibonani

Before I proceed with my address, let me start by conveying our profound gratitude on behalf of the people of eThekwini to the Deputy Mayor who has tendered her resignation from the council.

In fact, this is the last council meeting the Deputy is attending because her resignation comes into effect at the end of this month.

Before Cllr Scott was deployed into the city, she informed us of her plans to complete her PHD studies and to pursue a new career in the private sector. It is precisely for this reason that after dedicating her time for over a year in the service of the people of eThekwini, we accepted her resignation.

The Deputy Mayor has been a pillar of our strength in the city, particularly in the committees that she led which include finance, safety and the budget reprioritization committees.

During the outbreak of the COVID-19 pandemic, Cllr Scott became the prime mover behind the initiative of accommodating homeless people in the city. This programme, which saw 12 temporary shelters for homeless people being erected in the city. This programme saw the city receiving accolades from the United Nations as it also assisted homeless people to amass skills that enabled them to be self-reliant.

We would like to thank your family for allowing you to serve the people of eThekwini. As a cadre of our movement, we have no doubt that you will

continue to contribute in the building a better life for all our people wherever you are.

On behalf of the people of eThekwini, we wish you all the best in your future endeavors and we will continue to tap into your fountain of knowledge.

Honourable Councillors, it is a distinct honour and privilege to come before you today and table the special adjustment budget for 2020/21 – a year that has tested our resolve as a nation and required us to quickly adapt to the New Normal.

The tabling of this adjustment budget takes place against the background of the budget speech policy statement delivered by the Minister of Finance yesterday, which emphasized the importance of supporting economic recovery initiatives and ensuring the sustainability of public finances.

Colleagues, COVID-19 continues to pose a great threat to our economy as it puts a strain on our budget and exposes thousands of the City's residents to job losses and strips many of their livehoods.

It is important to state it upfront that the exercise of adjusting this budget has been difficult but, throughout the process, we have been energized by the fact that our actions seek to cushion our residents from the devastating impact of this pandemic.

Ladies and Gentlemen, evidence shows us that while hard lockdown goes a long way in curbing the spread of the virus amongst our people, unfortunately, it also has undesirable effects of forcing some businesses to close. Therefore, the delicate act of balancing saving lives, and livelihoods becomes even more critical. This is precisely what we have done when we prepared this pro-poor adjustment budget.

Colleagues, in terms of Section 28 of the Municipal Finance Management Act only one budget adjustment per financial year is permitted. However, in this financial year we have two adjustments budget due to a special dispensation by National Treasury to have a special adjustments budget in September 2020.

Given the impact of the COVID-19 pandemic on all sectors of the economy and society at large, we have remained steadfast in our commitment to make sure that service delivery which is a core mandate of this sphere of government, is not compromised.

In line with our vision of being a caring city, we have not undertaken the disconnection of services to the most vulnerable consumers since March 2020, except customers with substantial arrears who have also not demonstrated that they could not meet their monthly financial obligations.

Notwithstanding this, the City has managed to achieve a collection rate of 95% up to the end of January 2021. This demonstrates that the measures we have put in place to improve our billing system even prior COVID-19, are yielding positive results.

We anticipate an improvement of collection rate in the month of February and we are confident that we will see positive development throughout the financial year. Therefore, rest assured that our municipality is still functional and able to meet all its financial obligations.

To further assist our poor and struggling consumers, the municipality made several concessions including offering a generous package to consumers where the interest on arrears accrued in 2020/2021 would be written off, and arrangements made to pay for the outstanding balance after a 5% to 10% deposit. We are happy to announce that this concession will be available until the end of the financial year on 30 June 2021.

The city has also been very pragmatic with its budget and introduced staged budgeting in 2020/2021. Certain items in the budget were deferred and only brought back based on affordability. The Council will recall that an amount of R1 billion was brought back on the capital budget in September 2020 to be spent on improving service delivery infrastructure.

Madam Speaker, we are happy to announce that we expect a maximum spend on our capital budget with a key focus on core service delivery items that are critical in improving the lives of the poor, particularly in rural and township communities.

Therefore, this adjustment budget will unlock the implementation of the following projects:

- Sibusiso Mdakane Road upgrade in Umlazi;
- Nozaza development node in Ntuzuma;
- KwaMashu Waste Beneficiation Centre;
- Business Hives in Folweni, KwaMakhutha and Dalton Hostel;
- Building and renovation of fire stations in Hammarsdale, Phoenix, Verulam, Umlazi and Chatsworth;
- Renovation of Cato Manor Museum;
- Construction of Mapholoba Road in Ward 17, Sundu Road in Ward 45, Khehla Mkhize Road in Ward 94, Vusi Mzimela Road in Ward 29 and Palm Road in Ward 99.

Due to time constraints, I will not be able to go through all the projects that will be delivered by this adjustment budget.

Ladies and Gentlemen, in fulfilling our commitment to provide uninterrupted water and electricity supply we have increased the provision for electricity bulk charges due to the increased demand, as well as for bulk water due to the commissioning of the western aqueduct. This project

is critical as it seeks to provide sustainable supply of water in the west and northern areas of our city.

We are pleased to announce that in the true spirit of cooperative governance, the city was able to convince the National Minister for Human Settlements, Water & Sanitation to reduce the 2020/2021 bulk water tariff increase to zero. We really commend the Minister for providing leadership and acceding to our request.

Colleagues, we are committed to continuing with strict austerity measures, improving our collection rate throughout the financial year, and continuing to strive for value-for-money and productivity in all areas of the municipality.

Sustainability and affordability without compromising on core service delivery will continue to be our guiding principle.

Ladies and Gentlemen, this ANC-led municipality is committed to build an inclusive, caring and prosperous city. In this regard, we will spare no effort

in ensuring that municipal services are provided to all communities regardless of their geographic location.

We also accelerate the implementation of all major investment projects in the city as they have a potential of growing our economy and create employment. While COVID-19 has devasted our communities and claimed the lives of many of our loved ones, we are proud of the resilience that has been shown by some of the sectors of our economy that have been able to weather the storm.

As the leadership of eThekwini Municipality, we are putting all our efforts to reviving our economy and deliver much-needed services to the people. We are therefore calling upon you to support this adjustment budget as it seeks to chart a new service delivery path for the city.

Honourable Councillors, it gives me pleasure to table the 2020/21 special adjustment budget for approval by the council.

I thank you.