BUDGET POLICY STATEMENT BY ETHEKWINI MUNICIPALITY MAYOR, CLLR CYRIL XABA AT THE COUNCIL MEETING, 26 MAY 2025

- Honourable Speaker
- Sibingelele eMakhosini aseNdlunkulu
- Deputy Mayor
- Whip of Council
- Chairpersons of Committees
- EXCO Members
- Honourable Councillors
- City Manager and Senior Management
- The Business Sector
- Organised Labour
- Civil Society organisations
- The Academia
- Members of the Media
- Ladies and Gentlemen

Sanibonani

Honourable Speaker, it is a distinct honour for me to present the 2025/26 budget for consideration and approval. A budget crafted amid real constraints, but driven by bold ambition, honest reflection, and a commitment to inclusive growth and service delivery.

I present this budget in a context of rising public expectations, economic recovery after years of fiscal strain, multiple natural disasters, and the urgent need to restore public trust through promoting transparent governance, ensuring responsive service and improving accountability. This is not just a promise, but a commitment that has come to define the posture of the leadership and indeed the entire management of the city.

Today marks the culmination of a thorough consultative process which gave our residents and key stakeholders an opportunity to make their voices heard. To kick start the process, we conducted a two-day meeting with unit heads, unpacking their proposed budget allocations and plans for the ensuing financial year, and thereafter conducted several budget shows.

As we criss-crossed all the regions of the municipality, residents made valuable input and when we drafted this final budget, we ensured that their views were considered. The budget was presented at 17 budget hearings across the City and to all stakeholders including business, the disability sector and traditional leaders from 22 April to 17 May.

These hearings were publicised on the radio stations, print media, social media and through adverts calling for comments on the draft budget. Therefore, today we can confidently say that we are tabling the budget that has been consulted on extensively, which will focus on accelerating service, improving resilient infrastructure and ensuring an economic growth that leaves no one behind. The primary focus of our growth strategy is job creation.

Last year, when I assumed office, we indicated that our priorities will include among others, provision of uninterrupted water supply, improving customer care, and building an economically sustainable city.

We also committed to strengthen partnership with social partners to build a city that we imagine not only for ourselves, but for future generations.

For this reason, we embarked on a listening campaign, soliciting views from business, organised labour and civil society on how we can achieve this goal.

Inspired by President Cyril Ramaphosa’s State of the Nation Address where he emphasised the importance of forging strong ties with social partners, we continue to work with all support teams from provincial and national government that have been assigned to the city to help us improve in all identified areas of intervention.

Honourable Speaker, our municipality—like others across the country—continues to face the following challenges:

- Infrastructure decay in key urban and township areas
- Growing informal settlements and housing backlogs
- High levels of unemployment and youth disillusionment
- Financial constraints and revenue collection difficulties
- Climate vulnerability and a need to accelerate resilience

Therefore, the 2025/26 budget seeks to change this status quo and reshape the future of eThekwini. Since this budget is a contract that binds the municipality and residents, we are now increasing accountability by strengthening internal controls, enhancing project monitoring, and introducing real-time performance dashboards linked to service delivery targets.

SERVICE DELIVERY TARGETS OVER THE MTREF

Honourable Speaker, over the 2025/2026 MTREF, we plan to introduce major reforms in the trading services unit, namely water and sanitation, electricity and solid waste. We will roll out:

- Over 5 000 new houses will be built over the MTREF
- 6 000 new water connections
- 13 500 new electricity connections
- 7 386 new sewer connections
- 53 km of wastewater pipes
- Upgrading of 14km of gravel road to blacktop
- Build 13 new sports fields

- Build two new libraries and refurbishing 13
- Repair and upgrade 11 community halls, and
- Build three new fire stations
- We will bury potholes, sweep the street, cut the verges and keeps the lights on.

WATER SUPPLY

Honourable Speaker, while we continue to experience water challenges in the municipality, we are making progress in ensuring that all households receive uninterrupted water supply.

We have noted all the water-related issues that were raised during the budget hearings which include water meters being out of stock, water outages, water leaks, aging infrastructure as well as flood damages that have not yet been repaired.

Despite these challenges, the Municipality is making significant strides in transforming our water and sanitation services.

The eThekwini Water and Sanitation Turnaround Strategy, approved in April 2023, targets 13 critical areas, ranging from financial sustainability to infrastructure development and customer service.

The notable achievements in the implementation of the strategy include a 30 percent reduction in repair backlogs, increased operational resources and major partnerships with the Department of Water and Sanitation, the World Bank and uMngeni-uThukela Water.

The City also secured a R266 million grant and an interest-free loan for non-revenue water reduction in the Phoenix, Inanda, Ntuzuma and KwaMashu (PINK) areas. I will elaborate further on what the water turnaround strategy entails.

To secure consistent water supply across the municipality, we have completed several critical infrastructure projects. These include the Northern Aqueduct which has improved water supply in Phoenix, Amaoti and Verulam, new rising mains from Hazelmere to Grange and the recommissioning of the Grange-to-Mt. View pumping main.

Currently, our technical teams are finalising work on the pipeline to Waterloo, Umhlanga and Blackburn Reservoirs. This work will be

completed by August this year. Over and above these projects, the Municipality has completed and commissioned new reservoirs in Emona and Burbreeze to support the oThongathi area.

In collaboration with the Department of Water and Sanitation and Umgeni-uThukela Water, we recently commissioned a 5 megalitre package plant in KwaXimba in addition to the 2 megalitre package plant which was launched last year.

The entire community of KwaXimba is now receiving 7 million litres of water per day. This has brought relief to the community which has been plagued by water shortages for many years. We want to thank the Minister of Water and Sanitation and Umgeni-uThukela Water for partnering with us in this project.

Honourable Speaker, the upgrading of the Ntuzuma Pump Station is ongoing, and the contractor will complete this project in November this year. This will improve water supply in areas such as Ntuzuma, Lindelani, Machobeni and Inanda. I am monitoring this project very closely because a few days after being sworn into office, I was inundated with phone calls from the community of Inanda who complained bitterly about lack of water supply in the area.

This prompted me to visit the area on the 14th of July last year where I met six families who confirmed that indeed they have not received water from their taps since 2015 and they rely on water tankers. We cannot allow this situation to persist where people live without water for extended periods. So, I want to return to this community in November after we have completed this pump station to tell them that the municipality has addressed their plight.

Honourable Councillors, we are also making progress on the replacement of the Southern Aqueduct, a pipeline that supplies water to Umlazi, Chatsworth, Shallcross, Folweni, KwaMakhutha and many other communities in the south. This R1.2 billion project, will be completed by August next year.

We acknowledge that despite these efforts, many regions in the municipality still experience intermittent water supply due to high demand, power supply instability and ageing infrastructure.

To further improve service reliability, we have begun insourcing plumbers, a move expected to enhance operational efficiency, reduce repair times and align with the Municipality's revised plumbing policy. This shift is part

of a broader institutional reorganisation, including the creation of a dedicated Non-Revenue Water Branch and the rollout of a single point of management accountability. As part of our efforts to increase capacity within the water services, we will also continue to procure our own yellow fleet including water tankers to reduce reliance on hired services.

Our long-term plans to strengthen water resilience include a commitment to replace ageing pipelines at a rate of two percent per year, improve rural water systems and leverage partnerships on major water augmentation projects such as the Upper and Lower uMkhomazi Water Projects, set to be completed by 2032 and 2026, respectively.

Honourable Speaker, to provide reliable and efficient water supply, the total operating budget for water is R11,3 billion which includes R5.3 billion for Bulk Water Purchases and R1.9 billion for Free Basic Water. The capital budget for this service in 2025/2026 is R1.15 billion which will focus on the Water Loss Intervention Programme and the replacement of water pipes.

Whilst the municipality will continue to maintain the network that spans 14 533km and services over 980 000 households, the focus and key deliverables of the water budget in the next financial year are on:

- Infrastructure Expansion to increase pipelines, reservoirs, and boreholes to improve water access and reduce losses. In this regard, 2 000 new water connections will be implemented, and 79 kilometres of new water pipes will be laid.
- Non-revenue water will be reduced to 53% in the next financial year and 92.7% of all water connections will be metered.
- In ensuring that our service is reliable, significant investment will be made in the maintenance of pump stations and pressure management systems.
- We will focus on new infrastructure development in communities that do not have water network to ensure service availability.
- To improve customer service, 75% of all callouts will be attended to within 24 hours.

SANITATION

Honourable Speaker, while we are making progress in repairing and upgrading Wastewater Treatment Works (WWTW) and pump stations, we are still dealing with the challenge of some effluent not reaching our WWTW. This is due to the backlog in repairing the sanitation network that

was severely damaged by the floods. We are also grappling with the issue of vandalism and ageing infrastructure.

It is in this context that during the budget hearing people raised issues related sewer leaks and spillages as well as clogged sewer lines and manholes.

To address these issues, we have issued contracts for public-private partnerships to upgrade wastewater treatment facilities. We will also be allocating the total operating budget of R3.3 billion for sanitation which will be used to manage the sewer network. R876 million will be spent on free basic sanitation. The capital budget for sanitation is R550.6 million which will be used to upgrade wastewater treatment works and explore alternative ablution technologies.

Honourable Speaker, the focus of the sanitation budget is on the following:

- Bulk sewer upgrades to accommodate population growth.
- 7 386 new sewer connections over the MTREF. 14 kilometres of sewer pipes will be laid, and 13 wastewater treatment works will be maintained.

- Support to informal areas by improving sanitation services including alternative sanitation technologies to enhance hygiene and dignity.
- Implement compliance and maintenance projects to prioritize regulatory compliance and proactive maintenance to reduce environmental risks.
- Improve customer service by ensuring that 75% of all callouts are attended to within 24 hours.

Honourable Speaker, while investment in infrastructure is essential, vandalism remains a big hindrance in our efforts to restore and maintain this critical service. We want to emphasise that the municipality alone, will not be able to deal with the challenge that results from vandalism and theft of our sewer infrastructure. Therefore, we urge members of the community to continue to be our eyes and ears and report acts of criminality.

WATER AND SANITATION TURNARROUND STRATEGY

Honourable Speaker, we have acknowledged that there is a challenge in the management and delivery of water service in the municipality. In

response, we have developed the Water Turnaround Strategy which has been adopted by Council and approved by National Treasury as part of the trading services reforms introduced to Metros in the country.

At the heart of the strategy, is the commitment to enhance the financial sustainability of the water utility by achieving the following targets:

- Sound financial management by increasing the cash collection of the unit to 92%
- Reducing non-revenue water, which is currently sitting at 58%, by cutting 5% annually to reach the target of 25%.
- Replace all water meters that are older than 15 years. Our target is to replace 40 000 water meters annually. This will ensure that 98% of the bills we issue are based on actual meter readings rather than on monthly estimates.
- Clamping down on water theft and vandalism
- Responding to all burst pipes within 24 hours
- Increasing the unit's internal capacity by insourcing ward-based plumbers and yellow plant
- Proactive leak detection by deploying technology on our infrastructure.

- Create addresses for properties in rural areas and install water meters so that we can start collecting revenue in these areas and improve service delivery. This will also assist us to identify people who are indigent and qualifying for free basic services. Before we implement this programme, there will be a thorough consultation process with Amakhosi and all relevant stakeholders.
- Ringfence water and sanitation business unit and ensuring a single point of accountability for all support functions such as human resources, fleet, finance, supply chain management and information technology.
- Root out fraud and corruption within the unit as well as address all Auditor-General's findings
- Increasing asset maintenance budget to 8%
- Improve the efficiency of our call centre and automate it with the latest technology. The call centre must complete the cycle by giving feedback to customers who have logged service delivery issues.
- Improve professionalism and work ethic within the unit

We are happy to report that the municipality has submitted documents that are required by National Treasury on institutional, governance and management capacity. Furthermore, our business and investment plan as

well as the governance roadmap have been approved. The focus is now on the adoption of eight minimum commitments to qualify for the first tranche of R 365 million by September 2025 with a total of R2,5 billion over the MTREF. This funding will be utilized for the long-term sustainability of our trading services.

ELECTRICITY

Honourble Speaker, efforts to turnaround the electricity unit are also at an advance stage. Last year, the council adopted the electricity turnaround strategy which was approved by National Treasury. We are confident that these changes will not only improve the efficiency of the electricity service, but they will also guarantee energy security in the municipality.

Honourable Speaker, allow me to commend Eskom for the sterling work it has done to reduce the frequency of load shedding. However, we are aware that most communities are still experiencing prolonged power outages due to theft, vandalism and aging infrastructure.

To continuously supply residents with electricity, the municipality will allocate an operating budget of R23.6 billion, of which R18.7 billion (or

over 80% of the budget) is for bulk purchases from Eskom. R578 million will be spent on free basic electricity. The capital budget for Electricity is R859 million.

Whilst the Unit will continue to service 760 000 customers, the focus of the 2025/2026 Electricity budget is on:

- Network Refurbishment to replace aging infrastructure and upgrading substations for better load capacity. All planned maintenance will also be undertaken. 17 new substations will be commissioned whilst a further 30 will be upgraded.
- Introduction of smart metering and street lighting projects to reduce losses and improve energy use. Electricity loss targeted in the next financial year is less than 11.5%.
- Targeted delivery of electricity to informal settlements and new developments.
- We undertake to connect new commercial and industrial customers as well as aiming to connect 4 500 residential dwellings to reduce the current backlog of 345 825 households.
- We will increase the number of teams to proactively protect the electrical infrastructure and respond to infrastructure theft incidents as well as effectively removing illegal connections to reduce non-technical losses.

- We will procure and replace non-operational electricity meters to improve revenue generation.
- Improving the number of operational streetlights which includes the provision of high mast lighting at major intersections to improve safety and security.
- Accelerating the process of procuring alternate sources of energy

WASTE MANAGEMENT (CLEANSING & SOLID WASTE)

Honourable Councillors, keeping the city clean is key to attracting tourists and investors. It also contributes to the health and wellbeing of our residents.

To ensure seamless provision of waste management services, the municipality has set aside an operating budget of R1.9 billion which includes R454 million for community-based contractors and R85 million for refuse bags. The capital budget for this service is R375.5 million which will be spent on transport assets and landfill sites.

Whilst the budget will be used to manage the entire waste management function in the municipality, the focus of the Cleansing and Solid Waste budget is to:

- Continue providing weekly refuse removal services to 1.24 million households in the municipality including informal settlements.
- Invest in modernising the waste fleet and equipment to improve collection efficiency.
- Upgrade our four landfill sites and implement waste programmes to extend the landfill site life span.
- Expansion of separation-at-source programmes and public initiatives on waste reduction. We will also intensify awareness campaigns encouraging people to keep the city clean

HUMAN SETTLEMENTS

Honourable Speaker, it has been seven decades since the adoption of the Freedom Charter which remains our guiding document for building a just, equal and prosperous society.

One of the pillars of the Freedom Charter is that and I quote ***"There shall be Houses, Security and Comfort."*** In line with this noble goal, we will

endeavour to provide decent houses for all our people, particularly the poor.

As a city, we currently have a housing backlog of over 474 000 households which is growing due to rural-urban migration. We also have the largest number of informal settlements in the country. There are approximately 600 informal settlements with 314 000 households.

It is against this background that during the budget hearings, people raised issues about long-standing housing projects, refurbishment of flats, tittle deeds not being issued, eradication of transit camps and informal settlements as well as shortage of land for housing development.

However, compounding the situation, is the recurring floods which destroy houses and displace many families. Working with all spheres of government and Amakhosi who are the custodians of land in rural communities, we continue to search for suitable land to settle those living in informal settlements and transit camps. Priority is given to victims of disasters who usually find themselves in temporary accommodation.

For the 2025/26 financial year, the Human Settlements budget will deliver on the following key priorities:

- Construction of top structures, storm damaged houses, building of social housing, and hostels.
- Construction of 1 641 new subsidized housing units
- 30 hectares of land will be acquired for human settlements.
- 608 informal settlements will be assessed and classified.
- 720 serviced sites for human settlements will be identified and prepared.
- 9 424 households in informal settlements will benefit from incremental services

PUBLIC TRANSPORT

Honourable Speaker, provision of safe, reliable and integrated public transport remains our priority. The majority of our people, particularly the working class and the poor rely on this service. Therefore, it is vital that our fleet and infrastructure operate optimally to meet the needs of commuters. During the budget hearings people raised queries about the Go Durban! Project, poor bus service in certain areas, lack of bus shelters and faulty traffic signals.

To address these challenges, eThekwini Transport Authority (ETA), will be undertaking the following projects in the next financial year:

- Construction of Integrated Public Transport Network Infrastructure which includes bus stations, depots, feeder routes, corridor C3, C1, C9, Bridge City Terminal
- Upgrade public transport facilities such as taxi and ranks
- Building public transport shelters
- Installation of 1.9 km of guardrails
- Traffic and safety improvements (intersection upgrade projects).
- Build traffic calming - speed humps at 48 different locations.
- Building sidewalks for pedestrian safety at 17 different locations
- Implementing traffic signals.

ENGINEERING

Honourable Speaker, adequate road infrastructure is key in growing our economy. It also plays a crucial role in linking communities with social amenities and economic activities.

Most of the communities we met during the budget hearings, particularly in rural areas complained about gravel roads and poor road maintenance. Therefore, we must continue to invest in maintaining existing infrastructure and expanding our new road network in rural and township communities.

You will agree with me that road infrastructure has bore the brunt of the severe weather events that constantly visit the municipality. As we rebuild damaged roads and bridges, we are applying the principle of building back better to ensure that we have a resilient infrastructure that can withstand future disasters. At the same time, we are intensifying programmes to keep our rivers and streams clear of debris to allow unrestricted flow of excess water during flooding.

Honourable Councillors, the key outcomes for the Engineering budget in the next financial year are the following:

- Undertake approximately 90km-lane of road rehabilitation.
- Converting 4.61km of gravel roads to tar.
- Strengthening the municipality's stormwater network.
- Blading gravel roads in rural communities

ECONOMIC DEVELOPMENT AND JOB CREATION

Honourable Speaker, the strong partnership the municipality has built with the private sector continues to yield positive results as demonstrated by the appetite shown by business to invest in eThekwini. For 2025/26 MTREF, the municipality will allocate R588 million to build bulk infrastructure for various catalytic projects.

This budget will attract billions of rands of investment in development projects that will catapult the City into a new era of prosperity. Apart from boosting investment and business confidence in eThekwini, these projects increase our rates base.

They also prove that Durban is an investment destination of choice. When cranes are swinging and yellow plant moving, people's hopes are revived. We are happy that Durban has become a construction site and it clearly shows that we are open for business.

We will continue to ensure that private sector investment is not only concentrated in the urban areas, but it is also spread to township and rural

communities. We will also put strong emphasis on the revitalisation of secondary CBDs, industrial renewals and upgrading of tourism nodes and corridors.

The growth of our tourism sector is intrinsically linked to the investments the municipality in partnership with business is making in changing the skyline of the city. We are happy that the beach front is poised for a major facelift due to the announcement by Southern Sun of over R1 billion investment to revamp their hotels.

Recently, we also witnessed the reopening of The Hilton Hotel which will boost our prospects of securing more conferences as it complements the Inkosi Albert Luthuli ICC because of its proximity. As part of our plans to restore the golden mile, we launched the Durban Beach Café and announced plans for the redevelopment of Joe Cools and the Durban Fun World into a modern facility.

Honourable Speaker, we are pleased that the municipality continues to be the preferred destination for entertainment, leisure and conferencing.

We are looking forward to welcome thousands of visitors to the city for the Comrades Marathon and the Hollywoodbets Durban July.

These events assist us to boost our local economy and create much-needed jobs. They also align perfectly with our recently launched visitor's strategy of taking Durban to the world.

Honourable Speaker, the 2025/26 budget will also fund employment creation programmes that will create 13376 jobs through EPWP, Zibambele and Sihlanzimvelo stream cleaning programmes.

INNER CITY REGENERATION

Honourable Speaker, eThekwini Municipality is actively working on the regeneration of its inner city through various initiatives, including renovating buildings, improving safety and security, and attracting investment. The focus is on revitalizing urban spaces, stimulating economic growth, and enhancing the quality of life for residents and visitors.

The "bad buildings" programme aims to address and renovate problematic buildings in the CBD. We are collaborating with property owners, the Department of Public Works, and Transnet which has led to the renovation of many buildings, with plans for more. The programme

also includes initiatives to reclaim hijacked buildings and provide incentives for property owners to renovate their properties. We are working with property owners to wrap problem buildings, allowing them to generate revenue from advertising to help pay for renovations.

The municipality is deploying security teams, armed patrol units, and rapid-response squads to enhance public safety. Urban Improvement Precinct Ambassadors have been introduced to further enhance safety and security, with additional deployments to specific areas. Our CCTV cameras are also assisting in preventing crime.

Currently, the Municipality is developing a 2040 Inner City Local Area and Regeneration Plan to attract and retain investment and people in the inner city. This plan includes proposals for social housing and affordable residential units. Specific buildings are being identified and planned for conversion into social housing and student accommodation.

The City is also hard at work creating a more welcoming and vibrant environment through the refurbishment of buildings and improved safety.

The initiative also aims to stimulate economic growth and create new jobs in the inner city.

GOING GREEN

Honourable Councillors, our budget also supports the implementation of the Durban Climate Action Plan, which aims to achieve climate resilience and carbon neutrality by 2050.

The Municipality is actively involved in several green projects, including those focused on climate resilience, renewable energy, and sustainable transportation. These initiatives aim to reduce emissions, enhance food security, and promote biodiversity.

The Municipality is working to reduce emissions by 40% by 2030 and 80% by 2050, aiming for carbon neutrality. This involves implementing a smart electricity grid, promoting renewable energy sources like rooftop solar panels, and transforming transportation systems.

YOUTH DEVELOPMENT

Honourable Speaker, our city has a youthful population and we will continue to invest in programmes that seek to empower our youth with

skills and provide them with opportunities that will enable them to play a meaningful role in the mainstream economy.

During the budget and IDP hearings, the voice of the youth was loud and clear that they don’t want to live on handouts as most of them have post matric qualifications. We want to say that as the leadership of the municipality, we have not only listened to your cries, but we have also responded. Therefore, in the 2025/26 financial year, the municipality will allocate funding for youth programmes across various units in the municipality.

Through the Youth Office, we will continue to fund educational and skills development programmes in the form of bursaries and the Student Relief Fund.

The city will also strengthen partnership with tertiary institutions to equip young people with information technology skills including robotics and Artificial Intelligence to prepare them for the jobs of the future.

DISABILITY SECTOR

Honourable Speaker, I want this house to note that we are conscious of the challenges faced by people with disabilities in eThekwini. As part of the budget and IDP consultations, we have engaged with them and made commitments that all the issues they raised with us which include inadequate transport, housing, jobs and business opportunities will receive attention.

Currently, we do have programmes in the municipality that seek to address these concerns, but we have agreed that they need to be accelerated by relevant line function units within the municipality.

FIGHTING CRIME

Honourable Councillors, we must work towards building a city where people are safe to work, live and play. The people of eThekwini have told us that they are experiencing crime daily due to lack of police visibility.

It is for this reason that last year, we have entered into a cooperative agreement with the South African Police Service to increase our capacity by sharing resources to improve responsiveness.

Furthermore, we all agree that technology can play a crucial role in fighting crime. For this reason, we will be allocating R300 million in the current financial year to roll out the smart policing programme. We will also recruit additional Metro Police officers to ensure greater visibility in our communities.

However, we must mention that police alone, will not be able to defeat the scourge of crime. Through our Safer Cities Programmes, we will implement community safety and crime prevention programmes in collaboration with business and community crime fighting structures.

To address land invasion, we will prioritise the implementation of community-based integrated operational land Invasion strategy to curb the increase in unauthorized occupation of land. We will also establish an electronic land invasion complaints management system and strengthen partnerships with community forums for rapid response.

PARKS, RECREATION & CULTURE (PRC)

Honourable Speaker, investing in sport, arts and culture is crucial not only to keep young people occupied, but also to promote unity and social cohesion. Among the issues that people raised sharply during the budget hearings was building and maintenance of sport facilities as well as rehabilitation of community halls and libraries.

Therefore, in the 2025/26 financial year, we commit to allocate funding to rehabilitate our sport, arts and culture facilities throughout the city.

In the past few weeks, we have all witnessed the importance of sport in uniting our people when we successfully hosted the NEDBANK Cup Final. Indeed, this calls on us to continue to invest in upgrading our sport facilities as we are currently doing with the Moses Mabhida Stadium and the King Spark Swimming Pool so that we can also continue to attract major sporting events and promote sport tourism in the city.

The PRC budget for the next financial year will deliver the following:

- 131 community-based infrastructure projects.
- Rehabilitation of several libraries, halls, sporting facilities, Botanic Gardens offices, museums, lifeguard towers, swimming pools at

Kings Park and Umlazi, as well as various crematoria and cemeteries.

- Construction of a multipurpose hall and sporting facilities in Cornubia.
- 8 cuts of grass per year. This will be reviewed during the financial year.

Let me take this opportunity to commend the work that has been done by our teams from Parks and Recreation, Metro Police and Safer Cities in revitalising the Albert Park and returning it to the community. Our profound gratitude also goes to the Ward 32 Councillor Mngonyama for leading from the front and mobilising all stakeholders to reclaim the park from vagrants. I want to make a call to all councillors to lead campaigns in our wards and reclaiming public spaces from criminals so that families can feel safe and enjoy our parks.

FIGHTING GBV AND HIV

Honourable Speaker, in our efforts to address social ills, we are accelerating programmes to fight the scourge of gender-based violence. Through the District Aids Council, the city will intensify initiatives aimed at

reducing the spread of HIV and TB. We have also heightened the campaign to tackle the challenge of teenage pregnancy which also contributes to the spread of HIV among teenage girls. Our health unit will continue to test and screen people to reduce the burden of HIV and other communicable diseases.

SERVICE DELIVERY STRATEGY

Honourable Councillors, we remain committed to address service delivery challenges that are plaguing eThekwini Municipality. In the new financial year, we will be rolling out a bold new approach to boost service delivery that hinges on real-time accountability, regional management, and technology-driven innovation, while acknowledging systemic weaknesses that continue to frustrate residents.

A combination of unannounced site visits, artificial intelligence tools, and decentralised management will form the backbone of the municipality's renewed push for service excellence. We have picked up a couple of things that we are not happy about. For instance, adherence to the

legislated response time after service delivery queries have been raised, it takes too long, particularly when you're dealing with a water leak.

To close the gaps, we are promoting "transversal management" and tighter standard operating procedures between municipal units. Sometimes they take long to respond to a water leak because they don't have a TLB to dig up that particular pipe. Another example is where water dig up a road to replace a water pipe, but Roads do not come and fix the road timeously. This will help resolve such issues and we are already noticing the impact.

Key is regionalising service accountability so that each geographic area has dedicated teams with direct access to all necessary resources from support departments, without relying on centralised departments. For example, an area manager responsible for the South will have access to all those particular services and be able to provide them without having to wait for someone to come from Prior Road or Springfield.

Citizen-focused innovation is also key. For instance, the eThekwini Mobile App, was downloaded over 150 000 times, which allows residents to log faults, pay bills, and get updates. This tool reflects our vision of building a smart, digitally enabled city.

REVENUE ENHANCEMENT STRATEGIES

Honourable Councillors, increasing revenue collection is critical in ensuring financial sustainability of the municipality as well as accelerating service delivery. In the past few months, we have introduced impactful revenue enhancement strategies.

These include, among others, migrating meter reading from water and electricity to revenue. In August last year, we introduced the deceased estate debt write-off programme to provide a once off relief to beneficiaries of the deceased estates. As at 30 April, the municipality has approved over 9000 applications for write off amounting to R747,5 million.

Last week, the Council approved a 50% debt write-off programme of arrears debt accumulated up to 31st of January 2025. This is part of our effort to cushion our customers who are grappling with the rising costs of living.

After we received complaints from customers about our bills not being user friendly, we are happy to report that we have now simplified the

document. We have also digitized our revenue management services through the introduction of the e-Services platform.

This platform assists customers to access our services at the click of a button in the comfort of their homes. It also allows customers to access their monthly bills, track their usage of services and make payments online.

All these interventions are designed not only to enhance revenue, but also to improve customer service because a happy customer is a paying customer.

BUDGET ENVELOPE OVERVIEW

Honourable Speaker, the total budget for 2025/2026 is R70,9 billion which is made up of an operating budget of R63.6 billion (or 89,7 % of the total budget) and a capital budget of R7.3 billion (or 10,3 % of the total budget).

As I have indicated, the main focus of the budget is the replacement and rehabilitation of infrastructure and the implementation of the trading

services turnaround strategies to ensure efficient and effective service delivery to our people to uplift their quality of life.

TARIFF ADJUSTMENTS: BALANCING SUSTAINABILITY AND AFFORDABILITY

Honourable Speaker, during the extensive budget and IDP consultations, communities expressed their deep concern about the proposed tariffs for 2025/26 financial year, citing tough economic climate, unemployment and high cost of living. They also raised concerns about service delivery.

To demonstrate that these consultations were not a box-ticking exercise, we have listened to all the inputs and considered the concerns raised by the residents. In this regard, we are happy to announce that the tariffs have been critically reviewed and revised as follows:

WATER TARIFF

While the proposed domestic water tariff increase has been reduced from 15% to 13%, the water tariff increase for business has been reduced from the proposed 16% to 14%.

SANITATION TARIFF

The proposed domestic sanitation tariff increase of 13% has been reduced to 11%, whilst the proposed sanitation tariff increase for business has been reduced from 14% to 12%.

PROPERTY RATES

The average property rates increase has been reduced from 6.5% to 5.9%.

REFUSE TARIFF

The proposed refuse tariff increase for domestic households has been reduced from 9.9% to 9% in line with the tariff increase for business.

ELECTRICITY

The proposed tariff increase for electricity of 12.72% remains unchanged.

INFRASTRUCTURE SURCHARGE

The surcharge is being reviewed and a report will be submitted to council in June.

RATES REBATES

Honourable Speaker, in addition to the reduction in the tariff increases, the rebate on vacant land will be increased to 30% in 2025/2026 from 10% in 2024/2025 upon application and approval.

Furthermore, where property previously categorized as Agriculture as at 1 July 2025 is being developed, it will be re-categorized as Vacant Land and a rebate of 50% will be granted to the developer upon application and approval for a maximum period of 36 months as a once-off relief. This will be applicable to agricultural properties rezoned or subdivided from 1 July 2025 that do not qualify for any other rebate or incentive.

NATIONAL TREASURY ASSESSMENT OF THE BUDGET

Honourable Speaker, the National Treasury has assessed this budget and came to a conclusion that it is credible, funded, relevant, and sustainable.

CONCLUSION

Honourable Councillors and Residents of eThekwini—this is not the time for despair. This is the time to pull together, to restore faith in local government, and to work tirelessly to build a city that works for all its people.

The 2025/26 budget is bold yet responsible. It puts people first, confronts our challenges honestly, and positions eThekwini for renewal and resilience.

Let us rise to the occasion and approve this budget—not just as a technical document, but as a blueprint for hope and impact.

Let me take this opportunity to thank the Executive Committee and the political leadership for their input into this budget, the City Manager, Mr Musa Mbhele, as well as our Chief Financial Officer, Dr Sandile Mnguni, and his team, for the excellent work in balancing this budget under trying circumstances.

Most importantly, I wish to thank my organisation, the African National Congress for the responsibility it has bestowed on me and the collective leadership. I also want to thank all political parties we are working with for their cooperation. Your support remains crucial in ensuring that the municipality is politically stable.

Finally, I want to thank my family and my wife in particular for continuing to be my pillar of strength.

Honourable Speaker, with that, I table the 2025/2026 Medium Term Revenue and Expenditure Framework for final approval.

I thank you.