



**Address by Mayor, Her Worship - Cllr Zandile Gumede
Special Council – Budget Speech
30 MAY 2017
Durban ICC**

- Honourable Speaker, Cllr William Mapena
- Deputy Mayor, Cllr Fawzia Peer
- Chief Whip, Cllr Nelly Nyanisa
- Members of the Executive Committee and Councillors
- Our City Manager, Mr Siphon Nzuza,
- Amakhosi nezinduna,
- Deputy City Managers and Senior Management
- Leaders of political parties and Regional Secretary Ntuli,
- Abezindaba,
- Ratepayers,
- Izichukuthwane zethu,
- Abahlali baseThekwini

Sanibonani

INTRODUCTION

We would like to take this opportunity and welcome you to this special Council meeting convened for us to adopt the Peoples' Budget.

The budget we are tabling for adoption- is a Peoples' budget because it is the first time in the history of the eThekweni Municipality that we held 110 budget IDP hearings in each ward and a further 6 regional hearings. In addition, we also held forums where we consulted different stakeholders, such as business and civil society. Lolu uhlahlomali lwabantu!

We are the Peoples' Government – and the people have spoken! The city is now responding because we said in our Freedom Charter "**People Shall Govern!**"

When we campaigned last year we said –

- Our councilors will be visible and available in communities through Masakhane and ward meetings

- Councilors must be accountable to communities and report back to communities
- ANC councilors will sign performance contract and they have signed it.
- Our councilors will work together with Amakhosi and izinduna
- We will launch Operation Sukuma Sakhe, community participation in IDP roadshows and active ward communities. We have completed Ward Committees in every ward
- Indeed People are governing in the eThekweni Municipality, local government is the hands of our people!

This budget is for the people by the People. This budget will respond to peoples concerns around poverty, unemployment, inequalities and underdevelopment. It is will respond to issues that are affecting our people who are living in townships, rural areas, backroom dwellings, hostel dwellings, informal settlements and especially the homeless.

The People have spoken to us. Our women have reminded us that this is the decade of women, we need a budget that will respond to their needs. Our youth have spoken to us. They said

they want a holistic budget that will respond to youth development issues.

We have heard them. Sinizwile! We have really listened to what our people have had to say at the budget hearings. All your suggestions have been recorded and will be part of a separate report to the respective standing committees. Wherever possible, we have incorporated your suggestions. For example, we have increased the block sum from R266 million to R990 million over the MTREF. This block sum will be used to address concerns relating to pedestrian bridges, traffic calming measures, health hazards, sidewalks, passages and other critical issues, especially in under developed areas and will be prioritized taking into account the areas with the most need.

2017 THE YEAR OF PRESIDENT OLIVER TAMBO

The year 2017 is the year of President Oliver Tambo. It is the year of deepening unity and cohesion. President OR Tambo once said, (I quote) **“It is our responsibility to break down barriers of division and create a country where there will**

be neither Whites nor Blacks, just South Africans, free and united in diversity”. (close quote).

In his memory, we want to unite the people of eThekweni to be one. Part of what we are going to do is to have a big statue of President of OR Tambo in front of the Durban City Hall. Long live the spirit of President OR Tambo.

Tata Tambo is a symbol of unity and we will begin a process of changing the Logo of the eThekweni Municipality. We will unveil a logo that will reflect who we are as the people of Durban, where we come from and where we are going. The DOME logo will be changed and we call on creative minds to come with a new symbol of eThekweni.

The logo must be reflective of our vision of building the most liveable and caring city in Africa by 2030.

RADICAL ECONOMIC TRANSFORMATION

Speaker,

Durban is the economic powerhouse of KZN and it makes a huge contribution to the South African economy. It is the first multi-modal logistical platform and international passenger airport.

It is home to Africa's busiest container port, global conferencing and tourist's destination.

The people have spoken to us and they said they want to benefit from the City's economic opportunities. The city cannot be experiencing economic growth opportunities that excludes our people.

This Peoples budget is inspired by President OR Tambo who said, (I quote) **"We have a vision of South Africa in which black and white shall live and work together as equals in conditions of peace and prosperity"**. (close quote)

Our 1994 democratic break through helped us to achieve peace but we need to move towards prosperity. It is time for our people to prosper. We have a vision of seeing Indians and Africans benefiting equally in the economy of the city of Durban. People have said give us opportunities to grow as Africans, we cannot be small business for more than 23 years into democracy.

The biggest challenge of our time is to transform the South African economy – to grow it in an inclusive manner.

Our economy must reduce inequalities, significantly decrease unemployment and eliminate poverty. The economy we have today is still largely informed by, and still reflects, our colonial and apartheid past.

In our ANC 2014 election manifesto, we promised to use state procurement strategically and radically, to ensure localization, promotion of black-owned, women-owned, youth-owned enterprises and SMMEs, as well as to facilitate industrialization.

We remain unapologetic about using the state's spending power to grow black enterprises. We mean black and those who want to do business with us must get used to "Black!"

The total budget for the 2017/2018 financial year is R45 billion made up of an operating budget of R37.5 billion and a capital budget of R7.5 billion.

The focus of this budget will be directed to the key areas in line with our promises to improve the lives of our people. These were mentioned during 2016 local government elections campaign and in my inaugural speech last year.

In my inaugural address I promised to continue to improve people's lives through **accelerating service delivery, economic growth, job creation, social and rural development.**

I want to repeat that I am still committed, it was not just a political speech but a commitment. I promised to be Peoples Mayor and this is the reason I am presenting a Peoples' Budget. As a collective leadership, we are committed to improve the economic conditions of our people through implementing inclusive radical economic transformation.

Honourable Speaker, when we talk of Radical Economic Transformation, we are talking about the process that will speed up economic transformation to help us realise economic freedom that comes through sharing the wealth of the country. In this regard, I also want to remind you of the words of Nelson

Mandela, and I quote, **“With freedom come responsibilities ...We dare not linger, for our long walk is not ended. YINDE LENDLELA ESIYIHAMBAYO”** Unquote. Comrades, we have achieved a lot, but our long walk has certainly not ended, especially in terms of economic freedom. We are not truly free until we have achieved Land and Economy for our people.

The two pillars that this Council’s radical economic transformation is built on, consists of:

1. Economic growth and transformation in the ownership and control of productive assets in the economy
2. The delivery of basic services, housing and social goods to business and poor communities.

The intention is that radical economic transformation will bring about transformation and inclusive growth.

Honourable Speaker, we have also sought to deliberately ensure that Black Businesses develop and grow to be big business. Through adopting the Radical Economic Transformation Framework, which seeks to ensure that Black Businesses receive

significantly greater preference through the municipal procurement process than has been the case previously.

Our SCM unit is currently meeting with all departments to ensure its implementation and road shows with stakeholders will take place throughout the municipal area and will be advertised.

As part of radical economic transformation, this week we were at Electricity department, announcing the sub-contractors who will now will be benefiting on the major projects from the department. About 21 sub-contractors are going to be benefiting in the first phase and more will benefit especially the youth and women sub-contractors. We are serious about unbundling these big projects so that our people can benefit. Electricity has a huge budget and black business must get a fair share. The days of big contractors sub-contracting to their friends and connections are over.

The Municipality in partnership with Ithala has embarked on an economic empowerment program to transform township and rural based stores into commercially viable and sustainable enterprises. This economic transformation initiative is called the “bulk buying” program. In addition, we have rolled out an informal economy

support programme which supports the survivalist businesses while fostering the growth of informal and micro businesses that have potential to grow.

We are looking into ways of empowering informal businesses, such as Tuck Shops so that people can buy prepaid electricity closer to their homes. This will empower them and assist these tuck shops to grow.

We have also undertaken numerous initiatives at the Bulk Fresh Produce Market as well as within informal settlements and other areas.

In partnership with the Province, the Municipality has been implementing the Radical Agrarian Socio-Economic Transformation initiative commonly called RASET. The initiative looks at the agricultural value chain and seeks to strengthen the role of small business through targeted interventions. In addition, the Municipality is in the process of acquiring farms from RCL Foods to capacitate local communities and encourage youth to participate in Agriculture.

This forty five billion rand budget is thus a budget that facilitates socio-economic transformation.

ECONOMIC CLIMATE

I table this budget within a tough economic climate which restricts our ability to put forward an expansive budget.

We have a shared responsibility to address the social and economic challenges before us. As united South Africans we must together face with some of the following challenges:

- Income growth has been uneven - the bottom 20% have benefited from social grants and better access to services, the top 20% have benefited from the rising demand for skills and pay increases. Those in the middle have been left behind.
- Wealth remains highly concentrated – 95% of wealth is in the hands of 10% of the population, largely white males.

- 35% of the labour force are unemployed or have given up hope of finding work.
- More than half of all school-leavers each year enter the labour market without a senior certificate pass. 75% of these will still be unemployed five years later.
- Our towns and cities remain divided and poverty is concentrated in townships and rural areas.
- Our growth has been too slow – we remain vulnerable to global financial volatility and rapid capital outflows.

Speaker, I am confident that we are resilient enough to pass through these economic turbulences. In tabling this R45 billion budget, I believe we will effectively respond to triple imperatives.

Which are, firstly, the prudent control in tough economic times; secondly, providing a stimulus for economic growth and transformation; and thirdly, service delivery to our people.

ECONOMIC DEVELOPMENT

Let me turn to our local economy and plans regarding economic development.

The economy is at the heart of society and it is only through a collective sharing of the economy. The Freedom Charter says, **“The People Shall Share in the Country's Wealth! The national wealth of our country, the heritage of South Africans, shall be restored to the people.”**

We need to use the available opportunities in our city to empower the marginalised groups such as youth, women and disabled. We must ensure that we empower youth and women through all that we do.

Facilitating Catalytic Projects

All the catalytic projects that will assist us in growing our economy, food security programmes, job creation and ensuring that women as well as youth development programmes are running full steam, and have all been budgeted for. I want to highlight a few where we have made significant progress:

- Council has approved all the Planning and Zoning applications for the Kings Estate. This is a multi-purpose development in the far North of Durban worth more R40 Billion.
- As part of commercially consolidating IRPTN C3 project, the Municipality has approved selling of land to the Black empowered Investor to build a shopping complex in one of the C3 stations. This investment by Private Sector is more than R300 million. It will create thousands of jobs.
- The City has approved the Leasing of further land to KwaMnyandu Shopping Mall. The extension of this Mall will provide more job opportunities. There will be a further investment by the developer of more than R30 Million.

- The biggest project in this region is Cornubia, and I'm happy to report that through the initiatives of the Municipality in partnership with Tongaat-Hulett the Cornubia Business and Industrial Estate has been completed and all sites have been sold. In addition construction is in the preliminary stages for a Retail Facility to provide retail and social services and this will be completed in 2017/18, in addition to the completion of upgrades to the Flanders Drive interchange. We are also in the process of developing a further 2000 subsidised homes.
- At the Dube Trade Port Industrial Development Zone, leases have been secured for all sites in Trade Zone 1 with a number of key factories constructed and now operational. In 2017/18 construction will start on the multi-billion rand CIPLA biotechnology hub, which will be a world class state of the art facility. Environmental authorization has been received for Trade Zone 2 and construction will commence in 2017/18.

- A key Catalytic Project driven by the Municipality is the Renewal of the Inner City. In February this year the Council approved the implementation of phase 1 of the Inner City Regeneration Programme which included Intensive Urban Management.

This consists of, increased visible security; engagement with business; alternative uses for all bad buildings and rationalizing street trading as a positive contributor livelihoods. We will also facilitate the realisation of Catalytic Projects that are within the Inner City to refocus investment and align budgets to deliver infrastructure in support of the vision.

About R88.5million is allocated for the Inner City Renewal Programme in the MTEF. In addition to the above, R99m is allocated to the Beachfront upgrade; R123m for Warwick Junction; R61m for the development of the Centrum site and R90m for enabling infrastructure for the Point Waterfront development.

- We are also making progress in partnership with the private sector in the development of the Durban Film City; the

Brickworks Development; the extension of the Beverly Hills hotel as well as phase 2 of the Oceans Development in Umhlanga. These projects amount to Billions of Rands invested by Private Sector.

Fostering Tourism

Honourable Speaker, eThekweni's beautiful natural setting, moderate climate and rich culture remains one of its strategic economic assets, which is being used to attract tourists. Strategic partnerships have been forged with National Geographic which has seen Durban reach 500 million viewers, and Eurosport which reached 147 million viewers world-wide. Partnerships have also been developed with local brands that travel extensively, such as the Sharks and Ladysmith Black Mambazo to promote the city overseas.

The Municipality continues to focus on strategic events that bring in visitors. Events are used as a tool to introduce township businesses into the visitor economy, which have had tremendous benefit to township businesses.

In 2016 calendar year the tourism events generated a direct spend of more than One Billion Rands.

Two weeks ago, the City hosted a highly successful Tourism Indaba and was announced as the host city for this event for a further 5 years, much to the envy of other cities! In 2016 the direct spend by visitors only at events was R 1 billion and the contribution towards the City's GDP based on 2016 events was approximately R 2.2 billion. Our focus should be on Events that have long term impact not these once-off events. We want programs instead of just events.

One of our major draw cards attracting overseas tourists is the Inkosi Albert Luthuli ICC which remains our flagship project. Recently, it has successfully hosted the World AIDS Conference and World Economic Forum Africa and grew its revenue by 17% having a positive impact on the local economy as well as on the finances of the Municipality. The ICC also plans to upgrade the Durban Exhibition Centre next year.

Ushaka Marine World continues to record impressive results boasting higher admissions in 2016/17 than it had anticipated. The

entity has yet again received a clean audit and scooped a number of national awards as a must see attraction. The entity will commence work in 2017/18 on a new master plan which will direct its future re-development plans.

Earlier this week, Transnet officially launched the first Durban Tug vessel – that was built here by a company that is based Durban at the cost of R1,4 billion.

This is good news for Durban. But what is also exciting was the announcing of the preferred bidder for the Durban Cruise Terminal. The cruise terminal will be a draw card for tourism in the City of Durban which is already among the leading destinations in South Africa and globally.

Siyaqhuba! Si-ON kakhulu ngalento yezokuvakasha!

We are glad that we have a City Manager that understands the port who will be able to link the community and city with the Port. Ordinary people must begin to access opportunities in the port, Durban is the coastal city and the only mine we have is the Sea.

We must be part and parcel of the Oceans Economy and strengthen our working relations with the Port.

Promoting Township Regeneration

Spatial transformation has been a key imperative of national as well as local government over the past few years. Sesifikile isikhathi sokuthuthukisa amalokishi nomnotho wasemalokishini. In this regard we have made progress in bringing economic opportunities to township communities through a combination of improved urban planning as well as key investments funded by the Municipality and National Treasury through grants such as the Neighbourhood Development Partnership Grant (NDPG).

About R180m has been budgeted over the MTEF for specific economic interventions in township areas. Our vision for our township is bigger and broader than car-wash, shisanyama, stokvel, Masingcwabisane but we want something big for our people. The City has delivered on a range of township regeneration projects, primarily focussed on INK (Inanda

KwaMashu Ntuzuma); Umlazi; Mpumalanga, Umgababa and Clermont.

- In the INK area significant progress has been made at Bridge City and we're going to address the accessibility issues in addition to developing an incubator for small and micro business as well as a government services centre. Council spending in Bridge City has thus far leveraged R850million worth of private sector investment. Over the past few years the Municipality has made significant investments into the KwaMashu Town Centre. The most recent has been the development of a furniture incubator to support small business in the furniture manufacturing industry.
- The focus on Mpumalanga has been on getting the New Town Centre developed and Council's investment of R56million over the past few years has leveraged R200million worth of outside investment. Going forward we will be investing in road upgrades; the development of a heritage centre; a business incubator for small business; an agricultural support centre for small farmers, as well as a

waste beneficiation centre – all of which will create much needed jobs in that area.

- Significant projects have already been implemented in Umlazi in the form of the KwaMyandu development. In addition we will be developing an industrial park for small business as well as an automotive hub at Ezimbuzini. Council's investment in Umlazi has thus far leveraged R350million worth of private investment.
- A number of projects have been implemented in Clermont which included the upgrade of Zazi Street. In future, the Municipality will facilitate a retail development and business hive in KwaDabeka as well as an entrepreneurship centre in Clermont.

The challenge put forward by the Minister of Finance, Mr Malusi Gigaba, during the World Economic Forum, was to focus on productive investments in township areas. I'm glad to report that many of the investments that the City is making is focussed within the productive sector.

In addition, the City has developed an Innovation partnership called 'Innovate Durban' which is aimed at promoting innovation within the municipal area, with a particular footprint in the Inner City and the townships. It is intended that this will help catapult the city and the youth in particular, into the future of business, called the fourth industrial revolution.

Planning for Growth

Mr Speaker, the Municipality has participated in provincial and sub-provincial scale planning through the Strategic Infrastructure Project 2 known as the Gauteng to Durban Development Corridor, which seeks to guide development along the N3. We have also developed a set of spatial plans that guides development within the municipal boundaries. The most strategic of these plans is the Spatial Development Framework, which has been reviewed in 2016/17 with the aim of creating a more integrated city, while the newly adopted Rural Development Strategy establishes a set of actions to promote rural development.

Our Planning Unit has also proactively undertaken planning for the newly incorporated Vulamehlo area, which began even before

the area was incorporated into eThekweni. Local Area Plans have been drawn up for numerous areas within the municipal boundaries, and these plans take account of emerging trends and provides direction to development.

In 2016/17 a new appeals structures for land use applications was successfully established. The Municipality has also been working towards an integrated land use management system to ensure uniformity throughout the metro area. In addition, 2017/18 will see the adoption of new planning by-laws.

Apart from various plans being undertaken, we have also been working to improve the processing of building plans. Thus far, in 2016/17, 1603 buildings have been completed at a value of six hundred and twenty three million rands. In 2017/18 we will be implementing actions plans aimed at improving the efficiency of planning applications.

Somlomo, sizosebenza kanzima ukuze abantu bakithi bahlomule emnothweni wezwe labo. We will use various initiatives that we have outlined, we are working towards a more inclusive economy.

Job Creation

During the elections we said to our People that, **“we shall develop and strengthen local economies, create jobs and promote job placements, especially for the youth.”**

The EThekweni Municipality continues to be one of the biggest employers in the province thereby playing a pivotal role in dealing with unemployment, poverty reduction and inequalities. These provisions speak directly to the City’s Radical Economic Transformation Framework which aims to accelerate service delivery, provide economic opportunities to poor and unemployed residents and grow the small business sector. Provisions in this medium term budget continue to support government’s commitment to address unemployment & create job opportunities. This includes the following:

- Zibambele Poverty Alleviation at a cost R93 million with over 6 500 jobs created
- Sihlanzimvelo Stream Cleaning at a cost of R21 million and over 500 jobs created
- 943 plumbing contractors to undertake water related services.

- 366 Community Based Contractors employing about 1770 people for Refuse Removal services
- 140 Community Based Contractors utilised in the roll out of rural water and sanitation projects
- 31 graduate engineers will be employed under the Water mentorship program
- 1250 caretakers employed at ablution facilities
- The EPWP for 2017/18 is R66.7 million – work opportunities estimated at 23,484
- R58.7 million on various youth skills development programs
- As regards food aid programs, soup kitchens increased from 36 to 54 for which R72 million has been provided
- R30.6 million has been provided for 85 community gardens. This is expected to increase once feasibility and planning for the Agripark is completed
- R42.5 million provided for vulnerable groups

Youth Development

As Tambo said: **“A nation that does not take care of its youth has no future and does not deserve one.”**

As the caring city- we care about our youth and our future. We have a number of initiatives across the municipality that are specifically targeting youth development. In some instances, it is specific areas of scarce skills, in other instances, it is general upskilling initiatives. We have also had a workshop on mainstreaming Youth Development for the city.

We understand that Youth activities cuts across all department hence we have located Youth in the office of the Mayor.

The following is a summary of these initiatives to provide an overview of the programmes in place:

- 199 learnerships relating to business administration, CCTV cameras, disaster management, contact centres, and payroll administration at a cost of R5.48 million.
- 190 skills programmes relating to firefighting, life guards, business processing, IT, educators, early childhood development practitioners, and professional driving at a cost of R3.5 million.
- 92 artisan development programmes relating to fitters & turners, boilermakers, diesel mechanics, welders, automotive

electricians, electricians, plumbers, and air conditioning & registration repairmen at a cost of R3.3 million.

- 1 000 graduate work experience opportunities at cost of R36.8 million.
- About R34 million from EPWP set aside for youth work opportunities
- About R58million has been set aside youth skills development
- I have tasked the city to look at addressing the issue of students' accommodation. This matter has been outstanding for a long time.

ITRUMP

As the collective leadership we said to the officials they must quickly fix the institutional arrangement of iTRUMP. We want iTRUMP to urgently deal with these empty and decaying buildings around the city. If possible we must expropriate them for the benefit of our people. Some of the buildings are used for criminal activities.

We will expropriate them and create job opportunities and accommodation for students and graduates who are looking for jobs. We will convert them to hotels that will be owned by Black people as part of radical economic transformation.

OPERATION SUKUMA SAKHE

We are very passionate about improving the quality of lives of our People. We have decided to join our two outreach programmes namely Operation Sukuma Sakhe (OSS) and the Expanded Public Works Programme (EPWP) under one structure in the Mayor's office. This move will strengthen service delivery in communities, job creation, and contractor development program.

The merging of the two programmes, which have impacted positively on a number of eThekweni residents, will ensure better coordination and further strengthen work that has already been done. Furthermore it will ensure an improved response to community issues both service delivery related and those of social ills. Siyaqhuba!

CITY FINANCES

Ensuring good governance in the City and our commitment to tackling fraud and corruption, is one of our key priorities. In a bid to ensure the effective use of public funds and enhance accountability, I have spearheaded the process of merging the Finance and Procurement Committee with the Executive Committee to strengthen political oversight and guidance over the fiscal as well as financial affairs of the Municipality. Furthermore, the merger of the two committees will continue to enhance accountability and transparency.

In our manifesto, we committed to pursuing action against companies involved in bid rigging, price fixing and corruption in Procurement.

Ensuring there are consequences for municipal Councils' illegal decisions.

Implementing recommendations emanating from forensic investigations conducted including those made by Auditor General. We will urgently unveil our plans and responses in order to have clean governance that is trusted by the people.

We have an increased the capital budget in 2017/2018. This means there is more monies available for service delivery and infrastructure development. However, this expenditure will be prioritized in terms of need and it will focus on underdeveloped areas. This will also help eradicate our service delivery backlogs despite the impact of rural-urban migration.

In terms of Back To Basics, the budget clearly provides funding for addressing issues such as potholes, grass cutting, street lighting, robots, water leaks, etc.

Despite the current economic climate and the downgrading of the sovereign credit rating, we have managed to maintain our credit rating of AA in the long-term and A1+ in the short term. This is a very commendable achievement indeed! Together with our unqualified audit report, this attests to the financial sustainability and viability of the municipality in the short and long term. This is underpinned by strong cash generation with the highest collection rate in the country, prudent cash balances and strong liquidity, as well as a well geared balance sheet with moderate borrowings

and careful expenditure management. We have also introduced austerity measures in terms of the National Treasury circular.

SERVICE DELIVERY

The City has made major gains in the provision of basic service in the past twenty years despite servicing large populations. Key outputs delivered show significant progress in the eradication of household backlogs by the city. The recent South African Cities Network 2016 Report has lauded the municipality for fast-tracking service delivery to improve the quality of life of its citizens. The municipality has pledged to support the Provincial Governments Back to Basics programmes aimed at rekindling the spirit of service delivery in the province's municipalities.

In our Elections Manifesto, we shall build on the achievements made in the delivery of basic services by:

- Expanding the electrification programme to the remaining areas and rolling out solar energy in certain areas. This includes electrification programme for the informal settlement.

- Enhancing the capacity of municipalities to accelerate upgrading and integration of informal settlements.
- Intensifying cleaning campaigns in towns and cities and increasing households with access to refuse removal.
- Ensuring that tarred roads are maintained and gravel roads are graded.
- Addressing challenges related to billing systems and enhancing the system

In response to that we have

- During **Sugar Ray public hearing** - people of Ward 13 and 16 have complained about problems of Sanitation. In response we are saying 15000 more consumers are going to be provided with basic level of sanitation through our sanitation programs e.g. ablution program. The prioritization to take into account matters from communities
- People **of Magabheni** and surrounding areas said to us they need water. In response to that we will connect about-10000 households per annum over the next 3 years

- In **Umlazi** people have of ward 80,85,89 and 94 said they need electricity. In response to that we will be connecting about 30 000 units over the next year include electrification of informal settlement. Sizowufaka ugesi emjondolo.
- In all the areas people complained about houses. They said we must build more RDP houses, renovate their R293 houses in KwaNdengezi, Umlazi, KwaMashu, Lamontville have complained about their houses. Izindlu ziyabola zidingwa ukulungiswa. We understand that housing is provincial government competency. As the city we will build about 14 700 houses over the next 3 years and 300 hectares of land to be acquired for more new subsidized houses.
- **Informal Settlement:** We will provide incremental services to informal settlement covering 5000 households per annum over the next 3 years through access roads, foot paths, storm water controls and others.
- **Roads** are important for social economic activities. People have asked for side-walks and speed humps to avoid the repeat of what we saw in Ntuzuma during the opening of

Schools. About 25Km of sidewalks to be done over the next financial year.

- When it comes to rural areas there is about 10 km of unsurfaced/gravel roads to be converted to surfaced roads next year. The prioritization of these roads to take into account the inputs from consultations.
- People with disabilities have spoken about the state of their transport – in response to that we will increase provision of accessible transport to disabled people by covering about 50000 people with disability.
- In **Umlazi and Inner City** people have spoken refuse collection and cleanness. We will improve refuse collection services and ensure that there is 100% coverage across the city.
- I will be launching **Operation Khukulula** to clean every street corner. The Operation Khukulula will start from Ward level. In Umlazi last year, a girl child from Tsotesti family was found dead next to the school in a small bush. May her soul rest in peace. In order to fight criminals we must clean and cut grass and ensure that our lights are working.

- On Monday, our City Manager did a brief walk-about which shows that he is proactive man and serious about cleaning the city
- People have spoken to us and we must respond with speed.

Honourable Speaker,

SOCIAL ISSUES: INEQUALITY, POVERTY & CRIME

This Peoples Budget will also aid in bridging the gap between the rich and poor, mainly focusing on underdeveloped communities, eThekwini Municipality is steadfastly installing wi-fi equipment in various hotspots around the City.

In my inaugural speech on 23 August, we committed to addressing homelessness and poverty in order to ensure that everyone lives with dignity.

We have established the City's first Multi-Disciplinary Task Team in August last year that are tasked to find an integrated approach to dealing with various social ills and challenges communities face.

The task team is supported by a special Multi-Operational Response Team, which consists of Metro Police Officers dedicated to supporting and addressing issues identified by the task team.

The ripple effect of ridding our City of social ills will also ensure that eThekweni is a safer and more resilient City together with the roll out of the new citywide, high-tech closed-circuit television project which will include License Recognition cameras and 24 hour monitoring.

SOCIAL PACKAGE

With our commitment to fast track service delivery and provide basic services to our free basic services package, pensioners, child-headed households, disability grantees and the medically boarded are exempt from paying rates on the first R460 000 of their property value.

- Residential Properties valued up to R 230 000 (previously R 185 000) will be exempt from paying rates.

- All other properties valued above R 230 000, for the first R 120 000 of value no rates will be charged.
- The first 6kl of water is free to households with property values under R250 000.
- The first 50kwh of electricity is free to residents using less than 150kwh per month in Eskom reticulated areas.
- The first 65kwh of electricity is free to residents using less than 150kwh per month in eThekweni reticulated areas.
- The first 6kl of effluent disposal is exempt for all properties with values under R250 000. In addition, a free basic service is also available to indigent consumer units with VIP's, urine diversion toilets and in informal settlements serviced by means of a toilet/ablution block within 200 metres.
- Residential property valued up to R250 000 are exempt from the domestic refuse removal tariff. In addition, a free basic refuse removal service is also available to indigent residents living in rural and informal settlements.

TARIFF INCREASES

Notwithstanding the current economic climate and the pressure in terms of a weakening currency, a growth rate of under 1%, growing unemployment, inflation over the 6% threshold, as well as increasing food and fuel prices, we have still managed to produce a basket of services with an overall increase of less than 6%. This is below inflation and very commendable under the current economic climate.

Some of the increases have been unavoidable. For example, the bulk water tariff increase by the Umgeni Water Board was 15%.

In terms of the specifics, the proposed tariff increase for Rates is 6.9% on average, 1.88% for electricity, 15% for domestic water consumers, 17% for business water consumers, 9.9% for refuse removal, and also 9.9% for sanitation.

We have published our new 2017/2018 General Valuation Roll. Whilst the value of properties in certain areas have gone up moderately, we have reduced the rate randage by 11% for

residential properties and up to 13% for agricultural properties. This will help ensure that our ratepayers are not over-burdened. We also extended the objection period and we received just over 6 000 objections. Whilst we encourage objections so that we can correct our valuation roll, this equates to just over 1% of all properties on the valuation roll. The objections will now be dealt with and property owners will have a further opportunity to lodge an appeal if they are dissatisfied with the outcome of the objection.

National Treasury annually undertakes a comparison of all Metros. In the most recent comparison the eThekweni Municipality had the lowest electricity loss in distribution of 6.7% compared to the industry norm of 7-10%.

More importantly, based on the basket of services provided by each Metro the eThekweni Municipality had an average cost R1 609.96 per month for rates, electricity, water, sanitation and refuse removal. This is lower than the average cost in Johannesburg, Cape Town and Tshwane which are Metros that are comparable to the size of the eThekweni Municipality.

REVENUE COMPLETENESS

To ensure that service delivery and job creation is maximized we have to ensure that all accounts are billed and all monies due to the Municipality are collected. In this regard our new revenue management system will certainly assist. The RMS has stabilized and collections rates have been increased to 96%. The new system links all services to a property and therefore data cleansing is a key issue.

As a smart city we have also committed to Electronic Bill Presentment billing and our partnership with Ithala Development Bank will take our billing system and collections to a new level. The Ithala partnership will also create opportunities for entrepreneurs and will further advance our radical economic transformation drive. In addition, we are looking at pre-paid metering and smart metering which will improve our collection rates and reduce our water and electricity losses. We will be ensuring that all meters are accounted for, recorded on the system, meter readings done and captured, and all are billed. We also want to take this opportunity to thank all ratepayers and consumers for their understanding with us moving to a new

revenue system and for paying their accounts timeously. We sincerely appreciate it. This initiative will create jobs for youth and economic opportunities for Small Businesses.

SMART CITY

During our Manifesto we committed in **“Expanding broadband access in local government, including through free Wi-Fi areas.”**

We have also started rolling out free wi-fi. We piloted about 75 free Wifi sites and we are planning to roll out 250 more mainly in townships and rural areas. Innovation and technology is key to addressing the current challenges cities face. To accommodate the growing number of citizens in our cities due to rural-urban migration, we also need to find smarter ways to manage complexities, reduce expenses, increase efficiency, and improve

the quality of life of our citizens. Accordingly, smart city initiatives are crucial.

We have many projects and initiatives that we are looking at as this Council. This includes, inter alia, pre-paid and smart metering, cloud computing, fibre-optic networks, digital technology, and other technological improvements. We want to become a smart city that manages its resources efficiently. Traffic, public services and disaster response will be operated intelligently in order to minimize costs and increase performance. Smart cities are the safer cities!

SAFER CITY

To ensure a safer city, a further 600 police persons will be employed over the next three years at 200 per year. In addition, funding has been provided for new and maintaining of existing CCTV cameras.

I would like to take this opportunity and condemn the abuse of women and call on Police to protect our children and women. We say enough is enough. Our safer city and Metro police will come up with plans to respond to the public outcry.

A GREENER CITY

We said in our Manifesto that – **“Strengthen our plans that are aimed at reducing the negative impact of changing environmental conditions and taking advantage of new opportunities that may be presented.”**

I have been elected to the global board C40 and I am the Head of C40 in Africa. The impact of climate change has a very real long-term impact on the sustainability and viability of cities. Ultimately it is about reducing our carbon footprint and leaving a legacy that the next generation can be proud of. Accordingly, we all need to commit to the triple bottom line. Businesses and the City need to be responsible, in particular when assessing projects we must take into account the impact on the environment when doing the cost-benefit analysis. As mentioned earlier, we are also looking at developing a green economy. We are looking for green technologies and products. We also looking at business to come

up with an innovative model to fund green projects. The City is looking at introducing a green bond, but this is still in its exploratory phase. In addition, I have requested our City Fleet Unit to look at piloting the introduction of electrical buses. I also believe that it is the responsibility of business to protect the environment, and pay their taxes! This will help us achieve our strategic priority of becoming a greener city.

CORPORATE SOCIAL RESPONSIBILITY

This brings me to the issue of corporate social responsibility. I believe that businesses have a responsibility to the local communities in which they operate. There are several initiatives that businesses can help the City. For example, businesses can adopt community gardens and soup kitchens to ensure food security and reduce poverty. As this will also help reduce poverty and inequality, it will help us achieve our strategic priority of becoming a more socially cohesive city.

NATIONAL TREASURY ASSESSMENT OF BUDGET

In terms of the Municipal Finance Management Act, a constructive engagement was held with National Treasury on the 8 and 9 May 2017. The purpose of the engagement was to discuss National Treasury's assessment of eThekweni's tabled 2017/18 budget. The presentations made by the municipality were well received. In summary, National Treasury made the following conclusion (and I quote): "The budget is therefore credible, reliable, funded and sustainable over the MTREF in terms of Section 18 of the MFMA." Unquote.

AWARDS & COMMENDATIONS

Durban is certainly a world class city! The eThekweni Municipality has for the third consecutive year been ranked the top South African City with the highest quality of life in the international Mercer's 19th Quality of Life survey. Furthermore, DSW scooped the Greenest Municipality Award and the Municipality was awarded the Govan Mbeki award for Best Metro for service delivery. Moreover, the City was officially recognized as one of the New7Wonders Cities. As you can see, we are clearly a world class city. As I have mentioned before that we are happy to have

won Indaba and we should all celebrate our achievement. We are the winning Team.

CONCLUSION

In closing I would like to thank everyone who contributed in making this budget a truly – peoples budget. I would like to thank our Deputy Mayor and Speaker, our Exco whip Cllr Mondli Mthembu, our New City Manager- Mr Siphon Nzuza – siyabonga Mshazi, DCM Krish Kumar, Mr Sandile Mnguni - Phakathwayo, my office led by Mr Martin Xaba and all the staff. We thank all the councilors, stakeholders and communities for participating.

Closing the first consultative Conference at the University of Durban Westville which is now UKZN, President Tambo said (open quote); **“Working together as fellow South Africans, we have it within our power to transform this country into the land of plenty for all, where the nightmare of apartheid will just be a faint memory of the past.”**

I present to you the peoples budget!

I thank you.

Long live the spirit of OR Tambo! Forward to Radical Economic Transformation!