COUNCIL DECISION CIRCULAR: MEETING HELD 2026-02-26

TO ALL EXECUTIVE DIRECTORS AND DIRECTORATES DIRECTORS:

Attached please find the decisions adopted by the Council at its meeting held on 26 February 2026.

Executive Directors and Directorates Directors are kindly requested to facilitate the implementation of decisions impacting their respective Departments and Directorates within the applicable timeframes.

Kindly note that the word **"ADOPTED",** marked in bold at the end of a recommendation, confirms that the item has been approved by Council and is ready for implementation. Any other relevant status will be reflected at the end of the recommendation to indicate the position taken by Council on that particular item.

Should further information be required on any item contained in the Council agenda, kindly contact the Office of the Senior Manager: Secretariat for assistance.

Theresa Ndlovu
Senior Manager: Secretariat
theresa.ndlovu@durban.gov.za
031 311 2101
083 652 3882

1. FIRST REPORT OF THE EXECUTIVE COMMITTEE: MEETING HELD TUESDAY, 2026-02-17

1. REPORT OF THE HUMAN SETTLEMENTS, ENGINEERING AND TRANSPORT COMMITTEE: MEETING HELD 2026-02-05

(Page R1)

1.1 Authority to Issue MUVO Cards to the Public at No Charge for a Limited Period Due to Mandatory Requirements to Replace Expired Cards (26/3/1/5):
(Page 19: Human Settlements, Engineering and Transport Committee - Agenda 2026-02-05)

Authority is hereby sought for the approval of an amount of R535 900.00 (Five Hundred and Thirty-Five Thousand Nine Hundred Rand), inclusive of VAT, to facilitate the issuance of replacement MUVO cards to members of the public at no charge for a limited period, due to mandatory requirements to replace expired cards. The MUVO rollout commenced in May 2012, with cards issued through banking institutions and certified by Mastercard. In line with banking regulations, the cards have a limited lifespan of five (05) years, as the underlying technology is periodically updated to enhance security and prevent compromise. Once a card reaches its expiry date, it becomes non-functional, preventing commuters from loading additional trips or tapping on board buses.

The first batch of cards issued in 2012 expired in 2017 and was replaced at no cost to commuters, as there was no alternative means of accessing the service. Subsequent batches expired in February, March, and May 2021; December 2022; December 2023; November and December 2024; and June 2025. Additional batches are scheduled to expire in May 2026, June 2026, and October 2026.

The procurement process to replace the current Automated Fare Collection (AFC) system is underway. The new system will allow commuters the option of using their own devices or non-expiring MUVO cards. The transition from the current AFC system to the new system is anticipated to take approximately eighteen (18) to twenty-four (24) months.

In view of the above, it is proposed that cards expiring on **31 May 2026, 30 June 2026, and 31 October 2026** be replaced at no cost, subject to the following conditions:

31 May 2026 and 30 June 2026 expiries:

- Cards handed in between 01 April 2026 and 31 July 2026 will be replaced at no charge.
- Cards handed in from 01 August 2026 onwards will be replaced at a cost of R20.00 (Twenty Rand), per card.

31 October 2026 expiry:

- Cards handed in between 01 September 2026 and 30 November 2026 will be replaced at no charge.
- Cards handed in from 01 December 2026 onwards will be replaced at a cost of R20.00 (Twenty Rand), per card.

It is estimated that approximately eight thousand (8 000) cards will need to be replaced at the cost reflected in the table below:

Card procurement cost 2025/2026 (excluding VAT)	R58.25
Quantity to be replaced	8000
Total cost (excluding VAT)	R466 000.00
VAT	R69 000.00
Total Cost (including VAT)	**R535 900.00**

During discussion, the Committee requested the relevant official from eThekwini Transport Authority to submit a report providing a breakdown of the numbers of Scholars; Pensioners; and People with Disabilities, included in this programme, to the next meeting of the Human Settlements, Engineering and Transport Committee (HSET).

The Executive Committee reiterated the Support Committee's request for a detailed breakdown of the beneficiaries mentioned in the preceding paragraph, emphasizing that the Committee must ensure this breakdown is made available.

Accordingly,

COMMITTEE RECOMMENDS:

1.1.1 That authority be granted to the Acting Director: eThekwini Transport Authority to incur expenditure in the amount of R535 900.00 (Five Hundred and Thirty-Five Thousand Nine Hundred Rand), including VAT, to issue MUVO Cards to the public at no charge for a limited period, due to mandatory requirements to replace expired cards.

1.1.2 That MUVO cards expiring on **31 May 2026, 30 June 2026, and 31 October 2026** be replaced at no cost, subject to the following conditions:

1.1.2.1 **31 May 2026 – 30 June 2026:**

- Expiring cards handed in during the period 01 April 2026 to 31 July 2026 will be replaced at no charge.
- Expired cards handed in from 01 August 2026 will be replaced at a cost of R20.00 (Twenty Rand), per card.

1.1.2.2 **31 October 2026**

- Expiring cards handed in during the period **01 September 2026 to 30 November 2026** will be replaced at no charge.
- Expired cards handed in from 01 December 2026 will be replaced at a cost of R20.00 (Twenty Rand) per card.

1.1.3 That it is estimated that approximately eight thousand (8 000) cards will need to be replaced at an estimated total cost of R535 900.00 (Five Hundred and Thirty-Five Thousand Nine Hundred Rand) (inclusive of VAT)**.**

Financial implications:
FC Number: 2026/50/038
Vote Number: 52200/14105.33/12120/0000/MRC01/0010.

ADOPTED.

1.2 Proposed Alienation of Erf 55 Siphumelele (Plan No. SJ 4852/8 Extent 3309m²), for Victim Empowerment Programmes (17/2/1/2/3):
(Page 65: Human Settlements, Engineering and Transport Committee - Agenda 2026-02-05)

An application to purchase the property was received from the applicant, an empowerment programme organisation, namely the Ubuntu Crisis and Family Care Centre (UCFCC**)**. The UCFCC's mission is to improve the health and social well-being of persons infected with and affected by HIV and AIDS, provide care and support to orphaned and vulnerable children, and offer counselling, hope, and assistance to children, youth, and individuals in crisis situations. The organisation also provides support to victims of Gender-Based Violence and actively addresses violence against women and children in South Africa.

The UCFCC was established in 2000 and formally registered as a Non-profit Organisation in 2006 under NPO registration number 051-667. The organisation operates from Wyebank, approximately 25 kilometres west of Durban, and serves communities within the Inner and Outer western areas of the Municipality, including parts of Clermont (Sub 5), Wyebank (Sub 16), KwaDabeka, and lower Molweni.

The property is currently zoned Passive Open Space in terms of the applicable Town Planning Scheme, which permits certain social and community uses, including places of worship, retirement centres, and crèches. Aerial photographs indicate the presence of two small structures near the road boundary, which will require either formalisation through a relaxation application or demolition.

The market value of the Property has been assessed at R880 000.00 (Eight Hundred and Eighty Thousand Rand), exclusive of VAT, as determined by a registered valuer. In accordance with Regulation 13(2) of the Municipal Asset Transfer Regulations (MATR)**,** it is proposed that the Property be alienated at a discounted price of 10% of the market value, resulting in a purchase price of R88,000.00 (Eighty-Eight Thousand Rand), exclusive of VAT.

With the Committee being in support of the proposed alienation,

COMMITTEE RECOMMENDS:

1.2.1 That the Municipal Council declares in terms of Regulations 5(1) (b), 7 and 11 of the Municipal Assets Transfer Regulations (MATR), read together with, Section 14(2)(a) and (b) of the MFMA that:

1.2.1.1 The Property as depicted on Plan No: SJ4852/8, is not required to provide the minimum level of basic Municipal services.

1.2.1.2 The current market value of the Property as depicted on Plan No: SJ4852/8 is currently assessed at a value of R880 000.00 (Eight Hundred and Eighty Thousand Rand) excluding VAT.

1.2.2 That the Municipal Council approves the proposed alienation of the Property as depicted on Plan No: SJ4852/8 for empowerment programmes purposes to the applicant.

1.2.3 That the alienation of the Property as depicted on Plan No: SJ4852/8, is supported but will require the passive open space to be formally closed and rezoned to an appropriate zone to accommodate the use for empowerment programmes purposes.

1.2.4 That the purchase price will be discounted by 90% of the fair market value, having duly considered the principles as set out in regulation 13(2) of the MATR, the discounted value is determined to be R88,000.00 (Eighty-Eight Thousand Rand) excluding VAT.

1.2.5 That the transfer of the Property shall be subject to the following conditions:

1.2.5.1 The Property is alienated for empowerment programmes and will be subject to a reversionary clause relative to the use which can only be utilised for empowerment programmes purposes and for ancillary purposes thereto and no other purpose whatsoever being registered against the title deed of Erf 55 Siphumelele, Registration Division FT.

1.2.5.2 A reversionary clause to be included in the alienation agreement that in the event of Erf 55 Siphumelele, Registration Division FT not being utilised by the applicant for the purpose as indicated in this report, then the Property will revert to the Municipality. In that event the Property will be transferred by the applicant at no cost to the Municipality free of any encumbrances, liens, hypothec and mortgage bonds. The applicant shall sign all documents necessary to give effect to the transfer of the Property to the Municipality. This provision shall be included in the alienation agreement between the prospective buyer and the Municipality.

1.2.6 That all costs incidental to the transaction shall be at the cost of the applicant, including the rezoning.

1.2.7 That all conditions by the Municipality's service delivery Directorates, as detailed in paragraph 5 of the report will form part of the alienation agreement.

1.2.8 That a public notice shall be issued to afford the affected community an opportunity to comment or object on the proposed alienation of the Property by direct negotiations to the applicant prior to transfer.

1.2.9 That in the event of objections being lodged to the proposed alienation of the Property to the applicant, the matter be referred to the accounting officer for a final decision in terms of Section 50 of the Supply Chain Management Policy headed "Resolution of disputes, objections, complaints and queries" and thereafter to the Minister of Cooperative Governance and Traditional Affairs for consent.

1.2.10 That subject to the adoption of .1 to .9 above, authority be granted to the Director: Property Valuations and Management to sign all the documents necessary to give effect to this transaction in terms of the eThekwini Municipality's Supply Chain Management Policy and any other applicable legislation. The Director: Property Valuations and Management shall further consider and impose such conditions necessary to protect the Municipality's interest.

ADOPTED.

1.3 Proposed Granting of Rights to Use, Control or Manage a Property by Way of a Long-Term Lease of Erf 668 Earlsfield, Situated at 2 Bishopfield Close as Depicted on SJ Plan 4798/9 (17/2/1/2/5):
(Page 109: Human Settlements, Engineering and Transport Committee - Agenda 2026-02-05)

The Committee received a report regarding the proposed granting of rights to use, control, or manage a property by way of a long-term lease of Erf 668 Earlsfield. The property, situated at 2 Bishopfield Close**,** Earlsfield, is described as Erf 668 Earlsfield and measures approximately 1 403m**²**, as depicted on Surveyor-General Plan 4798/9. The site is currently vacant and is capable of being developed independently.

The property is zoned as Limited Commercial in terms of the applicable Town Planning Scheme. The open market value of the Property has been assessed at R1,260,000.00 (One Million Two Hundred and Sixty Thousand Rand), exclusive of VAT. The annual rental, exclusive of VAT, is determined to be R88,200.00 (Eighty Eight Thousand Two Hundred Rand**)**, equating to a monthly rental of R7,350.00 (Seven Thousand Three Hundred and Fifty Rand**)**, as assessed by a registered valuer. The rental will be subject to an annual escalation of 7%**,** with a market review conducted every five years.

The proposed lease period is **t**hirty (30) years. The leasing of the Property to the prospective lessee will be effected through the granting of long-term rights by way of a notarial deed of lease, to be registered against the title deed of the Property. The registration of the notarial deed of lease will be undertaken by a conveyancer appointed from the Municipality's approved panel, at the cost of the prospective lessee.

With the Committee expressing support for the proposal,

COMMITTEE RECOMMENDS:

1.3.1 That the Municipal Council declares in terms of Section 14 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA) that:

1.3.1.1 The Proposed Erf 668 Earlsfield in extent 1403m² as depicted on hand plan SJ 4798/9 is not needed to provide the minimum level of basic Municipal services and is considered to be surplus to the requirements of the Municipality for the period that the proposed granting of rights to use, control or manage the Property is proposed; and

1.3.1.2 The Municipality has considered the fair market value of the capital asset and the economic and community value to be received in exchange for the asset. The current market value of the Property is R1 260 000.00 (One Million Two Hundred and Sixty Thousand Rand) at an assessed market rental of R88 200.00 (Eighty-Eight Thousand Two Hundred Rand) per annum, excluding VAT, or R7,350.00 (Seven Thousand Three Hundred and Fifty Rand) per month excluding VAT, has been considered.

1.3.2 That the Municipal Council approves that a right be granted to use, control or manage the capital asset described as Erf 668 Earlsfield in extent 1403m² as depicted on SJ 4798/9 in terms of Regulation 34(1)(b), read together with Regulation 36, and Regulation 41(1) of the MATR as follows:

1.3.2.1 That a thirty-year lease be granted in respect of the Property. It being recorded that after the proposed lease period has lapsed, control of the Property will revert to the Municipality.

1.3.2.2 The rental be assessed on the open market value.

1.3.2.3 That all conditions received from the Municipality's service delivery units as detailed in Clause 5 of the report will form part of the lease agreement to be concluded between the Municipality and the successful tenderer.

1.3.2.4 That the Property described as Erf 668 Earlsfield in extent of 1403m² as depicted on Hand Plan SJ 4798/9 be leased by way of a public tender in accordance with the eThekwini Municipality: Supply Chain Management Policy, at a base rental of R88,200.00 (eighty-eight thousand two hundred rand) per annum or R7,350.00 (seven thousand three hundred and fifty rand) per month exclusive of VAT, escalating by 7% per annum and reviewable every five (5) years for a period of 30 (thirty) years.

1.3.2.5 That all costs incidental to the transaction shall be borne by the prospective lessee and all development plans are to be submitted to the Municipality for approval prior to any construction.

1.3.2.6 That the rental be suspended for the development period stipulated on the bidder's proposal or until the practical completion certificate is issued (whichever comes first) from date of registration of the lease to allow for the development of the Property provided that the development period or period until the practical completion certificate is issued does not exceed 3 (three) years from the date of registration of the lease and provided that the capital investment is above R15,000,000.00 (Fifteen Million Rand). The effective date of the lease shall be the date of practical completion.

1.3.2.7 That should the successful bidder not complete the development within a three-year period; an application can be made to Real Estate to submit a request to the full Council to consider an extension of time to complete the development in accordance with suitable terms and conditions as recommended by the Director: Property Valuations and Management.

1.3.3 That subject to the adoption of .1 to .2 above and compliance with the eThekwini Municipality: Supply Chain Management Policy, authority be granted to the Director: Property Valuations and Management to sign all documents necessary to conclude the required Lease Agreement.

ADOPTED.

1.4 <u>Proposed Road Closure and Alienation of Proposed Portion [A] of Erf 263 Verulam, by Direct Negotiations to the Adjoining Owner Plan No. SJ 4900/10; Extent 1563m² (17/2/1/2/5):</u>
(Page 141: Human Settlements, Engineering and Transport Committee - Agenda 2026-02-05)

The adjoining owner of the property has expressed an intention to purchase it for use as a place of worship. The adjoining property, located at 68 Russom Street and occupied by the Shree Sithee Vinayager Temple, is currently utilised as a place of worship. The property proposed for acquisition has been primarily maintained and used by the applicant for parking purposes. As the property is not capable of being developed independently, a private treaty sale to the adjoining owner is considered feasible. The relevant line departments have confirmed that the property is not required for the provision of basic Municipal services**.**

The property is presently zoned as an existing Street Reservation in terms of the applicable Town Planning Scheme and will require formal closure and a scheme amendment. The applicant's adjoining property is zoned Special Residential 650. To utilise the property for place of worship purposes, the property will need to be subdivided, consolidated with the applicant's property, and rezoned accordingly. These processes will be undertaken by the applicant, and all costs associated with the transaction shall be borne by the purchaser**.**

The market value of the property has been assessed at R550 000.00 (Five Hundred and Fifty Thousand Rand), excluding VAT, as determined by a registered valuer. In accordance with Regulation 13(2) of the Municipal Asset Transfer Regulations (MATR)**,** it is proposed that the property be alienated at a 10% discounted rate**,** resulting in a purchase price of R55 000.00 (Fifty-Five Thousand Rand), excluding VAT will be raised at the standard rate and paid by the applicant.

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

1.4.1 That the Municipal Council declares that in terms of Regulation 5(1)(b), Regulation 7 and Regulation 11of the Municipal Assets Transfer Regulations (MATR), read together with Section 14(2)(a) and (b) of the Local Government: Municipal Finance Management Act No. 56 of 2003:

1.4.1.1 The Property described as Proposed Portion [A] of Erf 263 Verulam in extent of 1563m^2 as depicted on Plan SJ 4900/10 is not needed to provide the minimum level of basic Municipal services and to be surplus to the requirements of the Municipality.

1.4.1.2 The current market value of the Property is currently assessed at a value of R550, 000.00 (Five Hundred and Fifty Thousand Rand), excluding VAT, as assessed by a registered valuer.

1.4.2 That Council approves that the proposed alienation for Place of Worship purposes will be discounted by 90% of the fair market value having duly considered the principles as set out in Regulation 13(2) of the MATR, read together with clause 5.4.1(2) and (3) of the eThekwini Municipality Land Disposal and Granting of Rights Policy. The discounted value is determined to be R55,000.00 (Fifty-Five Thousand Rand), excluding VAT. However, the transaction shall attract payment of VAT.

1.4.3 That Proposed Portion [A] described as Portion Erf 263 Verulam be sold to the adjoining owner at a purchase price of R55,000.00 (Fifty-Five Thousand Rand), excluding VAT. This transaction shall attract payment of VAT. The Property is alienated for Place of Worship purposes and will be subject to a revisionary clause relative to the use which can only be utilized for Place of Worship purposes and no other purposes whatsoever being registered against the Title Deed of the Property.

1.4.4 That in terms of section 211 of the Local Authorities Ordinance No. 25 of 1974 the portion of existing street as depicted on SJ Plan 4900/10 over Proposed Portion [A] of Erf 263 Verulam be permanently closed. The portion of existing street to be closed is to be advertised via the Land Use Management application process and is to be read together with section 28(2)(e) of the eThekwini Municipality: Planning and Land Use Management By-law 2016, as amended.

1.4.5 That in the event of objections being lodged to the proposed closure of the portion of existing Street Reservation as depicted on SJ Plan 4900/10 over Proposed Portion [A] of Erf 263 Verulam, when it is advertised, the process as detailed in the eThekwini Municipality: Planning and Land Use Management By-law 2016, as amended, will be followed to address these objections.

1.4.6 That the Proposed Portion described as portion [A] of Erf 263 Verulam is to be subdivided and consolidated with Remainder of Erf 262 Verulam. All Costs involved in this transaction shall be borne by the purchaser.

1.4.7 That Proposed Portion [A] of Erf 263 Verulam is zoned as existing Street Reservation in terms of the Town Planning Scheme and will require a scheme amendment. The amendment application scheme must be submitted in terms of the Spatial Planning and Land Use Management Act. All costs involved in this transaction shall be borne by the purchaser.

1.4.8 That all conditions by the Municipality's Service Delivery Units as detailed in Clause 5 of the report will form part of the sale agreement.

1.4.9 That subject to the adoption of paragraphs above, authority be granted to the Director: Property Valuations and Management to sign all the documentation necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality and any other applicable legislation and that it shall be further subject to such further conditions as the Director: Property Valuations and Management considers necessary means to protect the Council's interest.

ADOPTED.

1.5 Proposed Alienation of Proposed Portion (A) of Erf 1086 Umlazi A (Plan No. SJ 4929/9-Extent 2339m²), for Worship Purposes (17/2/1/2/3):
(Page 177: Human Settlements, Engineering and Transport Committee - Agenda 2026-02-05)

An application to purchase the property was received from the applicant, a religious organisation, seeking to acquire the property for worship purposes. The property is currently zoned as a **c**ommunity facility in terms of the applicable Town Planning Scheme. This zoning permits various social and community uses, including a place of worship, a retirement centre, and a crèche.

The market value of the property has been assessed at R590 000.00 (Five Hundred and Ninety Thousand Rand), excluding VAT**,** as determined by a registered valuer. In accordance with Regulation 13(2) of the Municipal Asset Transfer Regulations (MATR)**,** it is proposed that the sale price be discounted by 90% of the market value**,** resulting in a purchase price of R59 000.00 (Fifty-Nine Thousand Rand), excluding VAT.

With the Committee being in support of the application,

COMMITTEE RECOMMENDS:

1.5.1 That the Municipal Council declares in terms of Regulations 5(1)(b), 7 and 11 of the Municipal Asset Transfer Regulations, 2008, read together with, Section 14(2)(a) and (b) of the Local Government: Municipal Finance Management Act, No. 56 of 2003 that:

1.5.1.1 The Proposed Property described as Portion (A) of Erf 1086 Umlazi A, Registration Division FT in extent of 2339m² as depicted on plan number SJ 4929/9, (refer to Annexure B), is not required to provide the minimum level of a basic municipal service; and

1.5.1.2 The current market value of the Proposed Portion (A) of Erf 1086 Umlazi A, Registration Division FT in extent of 2339m² as depicted on plan number SJ 4929/9 is currently assessed at a value of R590 000.00 (Five Hundred and Ninety Thousand Rand) exclusive of VAT.

1.5.2 That Municipal Council approves the proposed alienation of Proposed Portion (A) of Erf 1086 Umlazi A, Registration Division FT in extent of 2339m² as depicted on plan number SJ 4929/9, for worship purposes to the applicant.

1.5.3 That the alienation of Proposed Portion (A) of Erf 1086 Umlazi A, Registration Division FT in extent of 2339m² as depicted on plan number SJ 4929/9, is supported but will require the public open space to be formally closed and then rezoned for worship purposes. The aerial photos show two small buildings close to the road boundary. These buildings will either need to be formalised with a relaxation application or demolished.

1.5.4 That the application is approved subject to the following:

1.5.4.1 A Traffic Impact Assessment may be required prior to any development on site; based on the number of congregants attending the church. Access details and parking will be assessed at site development stage.

1.5.5 That the purchase price will be discounted by 90% of the fair market value having duly considered the principles as set out in Regulation 13(2) of the Municipal Asset Transfer Regulations, 2008, the discounted value is determined to be R59 000.00 (Fifty-Nine Thousand Rand) exclusive of VAT.

1.5.6 That it should be a condition of transfer that:

1.5.6.1 The Proposed Portion (A) of Erf 1086 Umlazi A, Registration Division FT in extent of 2339m² as depicted on plan number SJ4929 is alienated for worship purposes and will be subject to a reversionary clause relative to the use which can only be utilised for worship purposes and for ancillary purposes thereto and no other purpose whatsoever being registered against the title deed of Proposed Portion (A) of Erf 1086 Umlazi A.

1.5.6.2 A reversionary clause to be included in the sale agreement that in the event of Proposed Portion (A) of Erf 1086 Umlazi-A, not being utilised by the prospective buyer for the purpose as indicated in this report then ownership of Proposed Portion (A) of Erf 1086 Umlazi-A, will revert to the Municipality. In such event Proposed Portion (A) of Erf 1086 Umlazi A, will be transferred by the prospective buyer at no cost to the Municipality free of any encumbrances, liens, hypothec and mortgage bonds. The prospective buyer to sign all documents necessary to give effect to transfer of Proposed Portion (A) of Erf 1086 Umlazi A to the Municipality. This provision to be included in the sale agreement between the prospective buyer and the Municipality.

1.5.7 That all costs incidental to the transaction shall be at the cost of the purchaser, including the rezoning.

1.5.8 That all conditions by the Municipality's Service Delivery Units as detailed in point 5 of the report will form part of the sale agreement.

1.5.9 That a public notice be issued to afford the affected community an opportunity to comment or object on the proposed alienation of Proposed Portion (A) of Erf 1086 Umlazi A by direct negotiations to the applicant prior to transfer.

1.5.10 That subject to the adoption of above, authority be granted to the Director: Property Valuations and Management to sign all the documents necessary to give effect to this transaction in terms of the Municipality's Supply Chain Management Policy and any other applicable legislation. The Director: Property Valuations and Management to further consider and impose such conditions necessary to protect the Municipality's interest.

ADOPTED.

1.6 Proposed Granting of Rights to Use, Control or Manage Property by Way of a Long-Term Lease on Portion 7 of Erf 52 Umlaas, in Extent 6940m^2 as Depicted on Hand Plan No. SJ 4780/2 and SG Diagram 1424/1969 (17/2/1/2/5):
(Page 217: Human Settlements, Engineering and Transport Committee - Agenda 2026-02-05)

The proposed property is located approximately 12 kilometres south of Durban Central and enjoys convenient access to the M4 and N2 National Roads. The panhandle-shaped site is generally level in topography and is situated at 1610 South Coast Road**.** It is described as Portion 7 of Erf 52 Umlaas**,** measuring approximately 6,940 m²**,** as depicted on Surveyor-General Plan SJ 4780/2. The surrounding area is predominantly characterised by commercial and industrial land uses, with a recent trend toward repurposing vacant land for truck parking.

The property is currently occupied by Jade Rock 001 Trading CC**,** trading as Quickfreight, on a month-to-month tenancy effective from 4 October 2011. Rental payments are in arrears, with an outstanding balance of R675 176.02 as at 17 October 2024. The property contains no permanent improvements, aside from temporary structures used as offices and ablution facilities for truck drivers and related industry workers. In terms of the eThekwini Municipality Land Use Scheme, the property is zoned General Industry.

This report addresses, *inter alia*, comments arising from the public participation process undertaken in accordance with Regulation 34(3)(a) of the Municipal Asset Transfer Regulations (MATR**)** regarding the proposed granting of rights to use, control, or manage the Property. A public notice was published on 02 February 2024, inviting members of the local community and other interested parties to submit comments or representations regarding the proposed granting of long-term lease rights over the Property.

No comments were received from the public during this process. Additionally, the views and recommendations of the National Treasur**y** and the Provincial Treasury were sought in accordance with Regulation 35 of the MATR and Section 21A of the Local Government: Municipal Systems Act, No. 32 of 2000. Responses were received from both treasuries, and the required response was subsequently submitted to the National Treasury.

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

1.6.1 That the Municipal Council declares in terms of Section 14 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA) that:

1.6.1.1 The property described as a Portion 7 of Erf 52 Umlaas, in extent of 6940m^2 as depicted on Hand Plan No SJ 4780/2 is not needed to provide the minimum level of basic municipal services and is considered to be surplus to the requirements of the Municipality for the period that the proposed granting of rights to use, control or manage the said property is proposed; and

1.6.1.2 The Municipality has considered the fair market value of the Subject Property and the economic and community value to be received in exchange for the property. The current market value of the Subject Property is R18,740,000.00 (Eighteen Million Seven Hundred and Forty Thousand Rand) at an assessed market rental of R125,000.00 per month (One Hundred and Twenty-Five Thousand Rand) per month, excluding VAT, has been considered.

1.6.2 That the Municipal Council approves, in principle, that a right be granted to use, control or manage the capital asset described as Portion 7 of Erf 52 Umlaas, in extent of 6940m^2 as depicted on Hand Plan No SJ 4780/2 in terms of Regulation 34(1)(b) read with Regulations 36, and 41(1) of the Municipal Asset Transfer Regulations, 2008 as follows:

1.6.2.1 A long-term right is proposed to be granted in respect of Portion 7 of Erf 52 Umlaas, in extent of 6940m^2 as depicted on Hand Plan No SJ 4780/2.

1.6.2.2 The rental be assessed on the open market value.

1.6.2.3 All conditions received from the Municipality's service delivery units as detailed in section 6 of this report will form part of the lease agreement to be concluded between the Municipality and the successful tenderer.

1.6.3 That the property described as Portion 7 of Erf 52 Umlaas, in extent of 6940m^2 as depicted on Hand Plan No SJ 4780/2 be leased by way of a public tender in accordance with the eThekwini Municipality: Supply Chain Management Policy at a base rental of R125 000.00 per month (One Hundred and Twenty Five Thousand Rand) per month, excluding VAT escalating by 8% per annum and be reviewable every 5 (five) years for a period of 45 (forty five) years;

1.6.4 That all costs incidental to the transaction shall be borne by the lessee, and all the developmental plans must be submitted to the Local Authority for approval prior to any construction.

1.6.5 That the rental be suspended for the development period stipulated on the bidders proposal or until the practical completion certificate is issued (whichever comes first) from date of registration of the lease, to allow for the refurbishment/development of the property, provided that the development period or period until the practical completion certificate is issued does not exceed 3 years from the date of registration of the lease and provided that the capital investment is above R30,000,000.00 (Thirty Million Rand). The effective date of the lease shall be the date of practical completion.

1.6.6 That should the developer not complete the development within a three-year period an application must be made to the Head: Real Estate submit a request to the Municipal Council to consider an extension of time, to complete the development in accordance with suitable terms and conditions as recommended by the Director: Property Valuations and Management.

1.6.7 That subject to the adoption of .1 to .6 above and compliance with the eThekwini Municipality: Supply Chain Management Policy, authority be granted to the Director: Property Valuations and Management to sign all documents necessary to conclude the required lease agreement.

ADOPTED.

1.7 Proposed Granting of Rights to Use, Control or Manage a Property by Way of a Long-Term Lease Over a Portion of the Remainder of Erf 1 Durban, Located at 24 Botanic Grove as Depicted on Plan No. SJ 4908/1 (17/2/1/2/5):

a) To Approve the Closure of a Public Open Space and Rezoning Over a Portion of the Remainder of Erf 1 Durban as Depicted on Plan No. SJ 4908/1
(Page 238: Human Settlements, Engineering and Transport Committee - Agenda 2026-02-05)

The proposed property described as a portion of the Remainder of Erf 1 Durban, measuring approximately 1,330m², as depicted on Surveyor-General Plan No. SJ 4908/1, comprises an oval-shaped, level, vacant site, located in close proximity to the Durban University of Technology (DUT). The property is situated at 24 Botanic Grove, Musgrave, Durban, and is accessible from both Botanic Grove and Botanic Gardens Road.

The area is well serviced by public transport and taxi routes, and most amenities are within walking distance. The property is owned by the eThekwini Municipality and is currently zoned Public Open Space Reservation**.** The surrounding zoning is predominantly General Residential 1**,** which represents the highest and best use of the area. The rezoning of the Property will be undertaken by the successful tenderer.

The open market value of the property has been assessed at R3 400 000.00 (Three Million Four Hundred Thousand Rand), exclusive of VAT. The upset rental has been calculated at R21.30 per square metre**,** amounting to R340 000.00 (Three Hundred and Forty Thousand Rand) per annum, exclusive of VAT, escalating at 10% per annum and subject to review every five (5) years, in accordance with the eThekwini Municipality Supply Chain Management Policy**.**

The proposed lease period is thirty (30) years**.** Leasing of the Property to the prospective lessee will be effected through the granting of long-term rights by way of a notarial deed of lease, to be registered against the title deed of the property. The registration of the notarial deed of lease will be undertaken by a conveyancer appointed from the Municipality's approved panel**,** at the cost of the prospective lessee.

At the Support Committee level, the Members of the Democratic Alliance voted against the recommendations. Accordingly, the proposal was approved by the majority vote.

At the Executive Committee level, the DA (02) voted against the matter. With the ANC (03), EFF (01), IFP (01) and NFP (01) being in support,

COMMITTEE RECOMMENDS:

1.7.1 The Municipal Council declares in terms Section 14 of the Local Government: Municipal Finance Management Act No. 56 of 2003 that:

1.7.1.1 The proposed lease on a portion of the Remainder of Erf 1 Durban as depicted on SJ 4908/1 in an approximate extent of 1330 square metres is not needed to provide the minimum level of basic municipal services and is considered to be surplus to the requirements of the Municipality for the period that the proposed granting of rights to use, control or manage a portion of the Remainder of Erf 1 Durban is proposed; and

1.7.1.2 The Municipality has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset. The current market value of the subject property is R3 400 000.00 (Three Million Four Hundred Thousand Rand) at an assessed market rental of R340 000.00 (Three Hundred and Forty Thousand and) per annum or R28 333.00 (Twenty-Eight Thousand Three Hundred and Thirty-Three Rand) per month, excluding VAT, has been considered.

1.7.2 That the designated Public Open Space over a portion of the Remainder of Erf 1 Durban as depicted on hand plan SJ 4908/1 be closed in terms of Section 212 of the Local Authorities Ordinance No. 25 of 1974 read together with Section 28(2)(e) of the eThekwini Municipality: Planning and Land Use Management By-law 2016 as amended, be closed. Once the Municipal Council approval is received, this closure is to be advertised via the Land Use Management application process and is to be read together with Section 28(2)(1) of the eThekwini Municipality: Planning and Land Use Management By-law 2016, as amended.

1.7.3 That in the event of objections being lodged to the proposed closure of the designated Public Open Space over the Property described as a portion of the Remainder of Erf 1 Durban as depicted on hand plan SJ 4908/1 when it is advertised, the eThekwini Municipality: Planning and Land Use Management By-law, 2016 as amended process be followed to attend to these objections.

1.7.4 That the rezoning of the Property from Public Open Space is to be undertaken by the successful tenderer at his expense.

1.7.5 That the Municipal Council approves, in principle, that a right be granted to use, control or manage the capital asset described as, a portion of the Remainder of Erf 1 Durban as depicted on hand plan SJ 4908/1 in terms of Regulation 34(1)(b) read together with Regulations 36, and 41(1) of the MATR as follows:

1.7.5.1 A long-term right is proposed to be granted in respect of, Proposed Lease on a portion of the Remainder of Erf 1 Durban as depicted on hand plan SJ 4908/1.

1.7.5.2 The rental be assessed on the open market value.

1.7.5.3 All conditions received from the Municipality's service delivery units as detailed in Paragraph 5 of this report will form part of the lease agreement to be concluded between the Municipality and the successful tenderer.

1.7.4 That a portion of the Remainder of Erf 1 Durban, as depicted on hand plan SJ 4908/1 be leased by way of a public tender in accordance with the eThekwini Municipality: Supply Chain Management Policy at a base rental of R340 000.00 (three hundred and forty thousand rand) per annum or R28 333.00 (Twenty Eight Thousand Three Hundred and Thirty Three Rand) per month, excluding VAT escalating by 10% per annum and be reviewable every 5 (five) years for a period of 30 (thirty) years;

1.7.5 That all costs incidental to the transaction shall be borne by the lessee, and all the developmental plans must be submitted to the local authority for approval prior to any construction.

1.7.6 That the rental be suspended for the development period stipulated on the bidders proposal or until the Practical Completion Certificate is issued (whichever comes first) from date of registration of the lease, to allow for the refurbishment/development of the property, provided that the development period or period until the practical completion certificate is issued does not exceed 3 (three) years from the date of registration of the lease and provided that the capital investment is above R30 000 000.00 (Thirty Million Rand).

1.7.7 That the effective date of the Lease be the date of practical completion.

1.7.8 That should the developer not complete the development within a three-year period an application must be made to the Director: Property Valuations and Management to submit a request to the Municipal Council to consider an extension of time, to complete the development in accordance with suitable terms and conditions as recommended by the Director: Property Valuations and Management.

1.7.9 That subject to the adoption of above and compliance with the eThekwini Municipality: Supply Chain Management Policy, authority be granted to the Director: Property Valuations and Management to sign all documents necessary to conclude the required lease agreement.

With the DA Abstaining, the recommendations were by majority support; ADOPTED.

1.8 Request for Authority to Conduct a Public Participation Process in Terms of the Municipal Asset Transfer Regulations 2008, to Grant Rights to Use, Control or Manage Proposed Lease Over Portions 275, 370 and 439 (of 43) All of the Farm LOT 31 No. 1560, in Extent 2,5514Ha, as Depicted on Hand Plan SJ 4893/9 (17/2/1/2/5):
(Page 276: Human Settlements, Engineering and Transport Committee - Agenda 2026-02-05)

Authority is sought for approval to conduct a public participation process in terms of the Municipal Asset Transfer Regulations, 2008, to grant rights to use, control, or manage the proposed lease over Portions 275, 370, and 439 (of 43) of Farm Lot No. 1560, measuring approximately 2.5514 ha, as depicted on Hand Plan SJ 4893/9.

The Real Estate Unit has implemented a Proactive Land Release Strategy, which aims to ensure that the release of Municipal property assets is conducted proactively, rather than solely in response to applications, as was previously the practice. This approach enables the Municipality to prevent situations where municipal land, not required for municipal purposes, is occupied illegally, or where development opportunities are lost. It is emphasised that all provisions of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA) and the Municipal Asset Transfer Regulations (MATR) will continue to be fully adhered to.

This strategy supports the Municipality in achieving its developmental objectives by stimulating economic activity and promoting black economic empowerment through the utilisation of municipal land. Implementation of the strategy is achieved through collaboration among various municipal departments, as illustrated below:

- Land Use Management Department – aligning with the Regional Spatial Development Framework to guide the use or development of municipal land.
- Economic Development Department – developing priority development corridors or unlocking properties to stimulate economic activity and attract investment to the Municipality.
- Human Settlement Department – driving the social transformation agenda in relation to social and gap housing.

With the Committee being in support of the application,

COMMITTEE RECOMMENDS:

1.8.1 That the Accounting Officer be authorized to conduct a public participation process as envisaged in terms of Regulation 34(3)(a) read together with Regulation 34(3)(b) of the Municipal Asset Transfer Regulations 2008, for the proposed granting of long-term rights to use, control or manage the property described as Proposed lease on Portions 275, 370 and 439 (of 43) all of the Farm Lot 31 No.1560, in extent 2,5514ha as depicted on hand plan SJ4893/9, for a period of 30 (thirty) years. It is recorded that the respective fair market value of the property exceeds R10 000 000 (Ten Million Rand) and the duration of the proposed rights to be granted exceeds 3 (three) years.

1.8.2 That the public participation process be conducted in accordance with the provisions of Regulation 35 of the Municipal Asset Transfer regulations 2008, including:

1.8.2.1 Inviting the local community and other interested parties to submit comments or representations.

1.8.2.2 Soliciting the views and recommendations of the National Treasury and the Provincial Treasury; and Complying with Section 21A of the Local Government: Municipal Systems Act, No. 32 of 2000 by publishing the notification through the media, in a local newspaper(s) published in the area of jurisdiction of the Municipality, in a newspaper(s) circulating in its area of jurisdiction and determined by the Municipality as a newspaper of record, or by means of radio broadcasts covering the area of jurisdiction of the Municipality.

1.8.3 That authority be granted for the Director: Property Valuations and Management to sign all the documents necessary to give effect to the above-mentioned recommendations.

Financial Implications:

The proposed long-term lease will generate an approximate monthly revenue as follows:

- R220 000.00 (Two Hundred and Twenty Thousand Rand) per month.
- The proposed long-term lease will generate income for the Municipality as well as create job opportunities for the local community.

ADOPTED.

1.9 Request for Authority to Conduct a Public Participation Process in Terms of the Municipal Asset Transfer Regulations 2008, to Grant Rights to Use, Control or Manage the Proposed Lease on Erf 841 Dunns Grant in Extent 2,5359 Hectares as Depicted on Hand Plan SJ 4901/9 (17/2/1/2/1):
(Page 302: Human Settlements, Engineering and Transport Committee - Agenda 2026-02-05)

Authority is sought for approval to conduct a public participation process in terms of Municipal Asset Transfer Regulations 2008, to grant right to use, control or manage the proposed lease on Erf 841 Dunns Grant in extent 2,5359ha as depicted on hand plan No. SJ 4901.

The Real Estate Unit has introduced a Proactive Land Release Strategy which seeks to ensure that the release of Municipal property assets is now pro-active and not only application driven which was the strategy in the past. In that process, the Municipality has become proactive, thus avoiding a scenario where Municipal owned land, which is not required for Municipal purposes, is occupied illegally resulting in development opportunities being lost.

It must be noted that all provisions of the Local Government: Municipal Finance Management Act, No. 56 of 2003 ("MFMA") and the MATR are and will still be complied with. This strategy assists the Municipality to achieve its developmental objectives by stimulating economic activity and black economic empowerment using land. This strategy is done through collaboration between the different Municipal Departments. This collaboration is illustrated in the following examples:

- Land Use Management Department in relation to Regional Spatial Development Framework which will guide the usage or development of the property to be released.
- Economic Development Department in developing priority development corridors or unlocking a certain property in terms of economic activity, attracting investment to the Municipality; and
- Human Settlement Department in driving the social transformation agenda in relation to Social and Gap Housing.

With the Committee being in support of the application,

COMMITTEE RECOMMENDS:

1.9.1 That the Accounting Officer be authorised to conduct a public participation process as envisaged in terms of Regulation 34(3)(a) read together with Regulation 34(3)(b) of the MATR, for the proposed granting of long-term rights to use, control or manage the property described as Proposed Lease on Erf 841 Dunns Grant, in extent 2,5359 hectares as depicted on hand plan SJ 4901/9. It is being recorded that the respective fair market value of the property exceeds R10 000 000 (Ten Million Rand) and the duration of the proposed rights to be granted exceed 3 (three) years.

1.9.2 That the public participation process be conducted in accordance with the provisions of Regulation 35 of the Municipal Asset Transfer Regulations 2008, including:

1.9.2.1 Inviting the local community and other interested parties to submit comments or representations.

1.9.2.2 Soliciting the views and recommendations of the National Treasury and the Provincial Treasury; and Complying with Section 21A of the Local Government: Municipal Systems Act, No. 32 of 2000 by publishing the notification through the media, in a

local newspaper(s) published in the area of jurisdiction of the Municipality, in a newspaper(s) circulating in its area of jurisdiction and determined by the Municipality as a newspaper of record, or by means of radio broadcasts covering the area of jurisdiction of the Municipality.

1.9.3 That authority be granted to the Director: Property Valuations and Management to sign all the documents necessary to give effect to the above-mentioned recommendations.

Financial Implications:
The proposed long-term lease will generate an approximate monthly revenue as follows:
- R520 000.00 (Five Hundred and Twenty Thousand Rand) per month.
- The proposed long-term lease will generate income for the Municipality as well as create job opportunities for the local community.

ADOPTED.

1.10 Proposed Granting of Rights to Use, Control or Manage Properties by Way of a Long-Term Lease on a Portion of the Remainder of Portion 113 of Erf 40 and a Portion of Portion 4 of Erf 41 Both of Durban North, in Extent 8254m^2 as Depicted on Hand Plan No. SH 9946:

(a) To Permanently Close the Public Open Space Area Over a Portion of the Remainder of Portion 113 of Erf 40 and a Portion of 4 of Erf 41 both of Durban North, in Extent 8254m^2 as Depicted on Hand Plan No. SH 9946, in Terms of Section 212 of the Local Authority Ordinance No. 25 of 1974, Read Together With Section 28 (2)(e) of the eThekwini Municipality Planning and Land Use Management By-Law 2016.

(b) To Set Aside Proposed SA 910 on Part of the Remainder of Portion 113 of Erf 40 and Part of Portion 4 of Erf 41 Both of Durban North As Depicted on Hand Plan SJ 4791/3 to Parks, Leisure & Cemeteries Unit for Municipal Purposes
(Page 331: Human Settlements, Engineering and Transport Committee - Agenda 2026-02-05)

Authority is sought for approval of the proposed granting of rights to use, control, or manage properties by way of a long-term lease over portions described as Remainder of Portion 113 of Erf 40 and Portion 4 of Erf 41, both located in Durban North. The property is situated approximately 5km north of the Durban CBD, in the Riverside neighbourhood, a sought-after middle to high-income residential suburb with a variety of retail amenities, popular schools, and convenient access to the central business district of Durban and surrounding areas.

The property is located off Soofie Saheb Drive, adjacent to the Riverside Hotel. In terms of the eThekwini Municipality Land Use Scheme, the property is currently zoned as Public Open Space Reservation, which permits uses such as public parks, gardens, recreational grounds, zoological gardens, and similar activities. Closure of the Public Open Space and rezoning will be required at the cost of the successful tenderer.

This report also addresses, *inter alia,* comments arising from the public participation process conducted in accordance with Regulation 34(3)(a) of the Municipal Asset Transfer Regulations (MATR)**.** A public notice was published on 25 November 2022, inviting the local community and other interested parties to submit comments or representations regarding the proposed granting of long-term lease rights over the property. No comments were received from the public. The portions making up the property are irregularly shaped, but together they form a rectangular site. According

to feedback from the eThekwini Transport Authority (ETA), the property can only be accessed from Soofie Saheb Drive**.** Background regarding the proposed set-aside:

The Set-Aside Property adjoins the Subject Property and contains a double-storey building measuring approximately 300 m². The Parks, Leisure, and Cemeteries Unit of the Municipality has requested that this portion be set aside for operational needs. A road currently runs along the southern boundary of the Subject Property, which will be required for access to the Set-Aside Property from Soofie Saheb Drive. To formalise this access, a right-of-way condition will be recorded in the lease agreement of the Subject Property, granting access rights in favour of the Set-Aside Property over the existing road.

Some Members did not support the recommendations due to a dispute in the Court of Law. The Director: Real Estate clarified that the matter went to Court, and the Court ruled in favour of the Municipality, confirming that the Property is owned by the eThekwini Municipality. The Director also undertook to provide Committee Members with the Court Order and Title Deed of the Property.

Following the debate at the Support Committee level, the matter was put to a vote and approved by majority vote. With 22 Councillors present, 16 Councillors (ANC – 11, IFP – 2, EFF – 2, Independent – 1) voted in support of the recommendations, and 6 DA Councillors voted against, resulting in approval by majority.

At the Executive Committee level, the DA (02) maintained its dissention on the matter. Accordingly, with the ANC (03), EFF (01), IFP (01) and NFP (01) being in support,

COMMITTEE RECOMMENDS:

1.10.1 The Municipal Council declares in terms of section 14 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA) that:

1.10.1.1 The Proposed Properties described as a Portion of the Remainder of Portion 113 of Erf 4 and a Portion of Portion 4 of Erf 41 both of Durban North, in extent of 8252m^2 as depicted on Hand Plan No SH 9946 are not needed to provide the minimum level of basic municipal services and are considered to be surplus to the requirements of the Municipality for the period that the proposed granting of rights to use, control or manage the said properties is proposed; and

1.10.1.2 The Municipality has considered the fair market value of the properties and the economic and community value to be received in exchange for the properties. The current market value of the Subject Property is R15 000 000.00 (Fifteen Million Rand) at an assessed market rental of R112 500.00 per month (One Hundred and Twelve Thousand Five Hundred Rand) per month, excluding VAT, has been considered.

1.10.2 That the Municipal Council approves, in principle, that a right be granted to use, control or manage the capital asset described as a Portion of the Remainder of Portion 113 of Erf 4 and a Portion of Portion 4 of Erf 41 both of Durban North, in extent of 8252m^2 as depicted on Hand Plan No SH 9946 in terms of Regulation 34(1)(b) read with Regulations 36, and 41(1) of the Municipal Asset Transfer Regulations, 2008 as follows:

1.10.2.1 A long-term right is proposed to be granted in respect of a Portion of the Remainder of Portion 113 of Erf 4 and a Portion of Portion 4 of Erf 41 both of Durban North, in extent of 8252m^2 as depicted on Hand Plan No SH 9946.

1.10.2.2 The rental be assessed on the open market value.

1.10.2.3 All conditions received from the Municipality's service delivery units as detailed in section 6 of this report will form part of the lease agreement to be concluded between the Municipality and the successful tenderer.

1.10.2.4 That the properties described as a Portion of the Remainder of Portion 113 of Erf 4 and a Portion of Portion 4 of Erf 41 both of Durban North, in extent of 8252m^2 as depicted on Hand Plan No SH 9946 be leased by way of a public tender in accordance with the eThekwini Municipality: Supply Chain Management Policy at a base rental of R112 500.00 (One Hundred and Twelve Thousand Five Hundred Rand) per month, excluding VAT escalating by 9% per annum and be reviewable every 5 (five) years for a period of 45 (forty five) years;

1.10.2.5 That all costs incidental to the transaction shall be borne by the lessee, and all the developmental plans must be submitted to the Local Authority for approval prior to any construction.

1.10.2.6 That the rental be suspended for the development period stipulated on the bidders proposal or until the practical completion certificate is issued (whichever comes first) from date of registration of the lease, to allow for the refurbishment/development of the Subject Property, provided that the development period or period until the practical completion certificate is issued does not exceed 3 years from the date of registration of the lease and provided that the capital investment is above R30 000 000.00 (Thirty Million Rand). The effective date of the lease shall be the date of practical completion.

1.10.2.7 That should the developer not complete the development within a three-year period an application must be made to the Head: Real Estate to submit a request to the Municipal Council to consider an extension of time, to complete the development in accordance with suitable terms and conditions as recommended by the Head: Real Estate.

1.10.2.7.1 To permanently close the public open space area over a Portion of the remainder of Portion 113 of Erf 4 and a Portion of Portion 4 of Erf 41 both of Durban North, in extent of 8252m^2 as depicted on Hand Plan No SH 9946, in terms of section 212 of the Local Authorities Ordinance No. 25 of 1974, read together with section 28 (2)(e) of the eThekwini Municipality Planning and Land Use Management By-law 2016.

1.10.2.7.2 To set aside Proposed SA 910 on part of the Remainder of Portion 113 of Erf 40 and part of Portion 4 of Erf 41 both of Durban North in total extent 3821 square metres as depicted on Hand Plan SJ4791/3 to Parks, Leisure & Cemeteries Unit for municipal purposes.

1.10.2.8 That a condition be included in the Lease Agreement of the Subject Property and carried forward into the Notarial Deed of Lease to the effect that access to the Set-Aside property is to be granted over the existing "road" that is depicted as a proposed Right of Way servitude on Hand Plan No. SH 9946 over the Subject Property.

1.10.2.9 That subject to the adoption of .1 to .2.7 above and compliance with the eThekwini Municipality: Supply Chain Management policy, authority be granted to the Director: Property Valuations and Management to sign all documents necessary to conclude the required lease agreement.

ADOPTED, by the majority vote.

1.11 Proposed Alienation of Erf 535 Klaarwater by Public Tender for Social Purposes Plan No. SJ 4737: Extent 900M² (17/2/1/2/3):
(Page 372: Human Settlements, Engineering and Transport Committee - Agenda 2026-02-05)

It was noted that the report regarding the proposed alienation of Erf 535 Klaarwater by public tender for social purposes was previously considered by the Human Settlements, Engineering and Transport Committee at its meeting held on 23 June 2025**,** and subsequently by the Executive Committee**.**

However, at the Council meeting held on 26 June 2025**,** the matter was referred back to the Committee to correct the proposed sale amount**.** Council approved that the proposed alienation for social purposes should be discounted by 90% of the fair market value**,** having duly considered the principles set out in Regulation 13(2) of the Municipal Asset Transfer Regulations (MATR), 2008**,** and Clause 5.4.1(2) and (3) of the eThekwini Municipality Land Disposal and Granting of Rights Policy**.** The discounted value has been determined to be R25 200.00 (Twenty-Five Thousand Two Hundred Rand), excluding VAT.

It is therefore necessary to submit this matter back to the Executive Committee and Council for final approval.

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

1.11.1 That the Municipal Council declares in terms of Regulation 5(1) (b), Regulation 7 and Regulation 12 of the MATR 2008, read together with Section 14(2) (a) and (b) of the MFMA No.56 of 2003 that:

1.11.1.1 The Proposed Property described as Erf 535 Klaarwater in extent 900m² as depicted on Plan SJ 4737/2 is not needed to provide the minimum level of basic municipal services and to be surplus to the requirements of the Municipality.

1.11.1.2 The current market value of Erf 535 Klaarwater is currently assessed at a value of R252 000.00 (Two Hundred and Fifty-Two Thousand Rand) Excluding VAT.

1.11.2 That Council approves that the proposal alienation for social purposes will be discounted by 90% of the fair market value having duly considered the principles as set out in Regulation 13(2) of the MATR 2008 and Clause 5.4.1 (2) and (3) of the eThekwini Municipality Land Disposal and Granting of Rights Policy. The discounted value is determined to be R25 200.00 (Twenty-Five Thousand Rand) excluding VAT.

1.11.3 That the subject property is alienated for social purposes and will be subject to a reversionary clause relative to the use which can only be utilised for social and community purposes and for ancillary purposes thereto and no other purpose whatsoever being registered against the title deed of the property.

1.11.4 That the Proposed Property described as Erf 535 Klaarwater be sold by public tender at a reserve price of R25 200.00 (Twenty-Five Thousand Rand), excluding VAT.

1.11.5 That all conditions by the Municipality's service delivery units will form part of the sale agreement.

1.11.6 That subject to the adoption of above, the Head: Real Estate be authorised to sign all documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality and any other applicable legislation and that it shall be further subject to such further conditions as the Director: Property Valuations and Management considers necessary to protect the Municipality's interest.

ADOPTED.

1.12 Cancellation of a Road Servitude Over Portion 48 of Erf 776 Tongaat, in Extent 2148m² as Depicted on SJ 4867/11 and SG Diagram Numbers 2916/2004 Respectively, Held by Deed of Servitude No. 1432/1983:

(a) To Permanently Close the Road Over Portion 48 of Erf 776 Tongaat in Extent 2148m² as Depicted on SJ 4867/11 and SG Diagram Number 2916/2004 Respectively, in Terms of Section 211 of the Local Authorities' Ordinance No. 25 of 1974, Read Together With Section 28(2)(e) of the eThekwini Municipality Planning and Land Use Management By-Law 2016

(b) To Claim Compensation in Respect of the Cancellation of the Road Servitude Over Portion 48 of Erf 776 Tongaat, in Extent 2148m² as Depicted on SJ 4867/11 and SG Diagram Numbers 2916/2004 Respectively (25/4/1)
(Page 384: Human Settlements, Engineering and Transport Committee - Agenda 2026-02-05)

An application has been received from the registered property owner to permanently close a road servitude**.** It is proposed to approve the application, as the servitude under consideration is redundant**.** The servitude is not required for basic Municipal services**,** as confirmed through the public participation process**.** The Municipality will generate revenue, as the costs of closing the servitude, amounting to R173,000.00 (One Hundred and Seventy-Three Thousand Rand) will be borne by the applicant. Approval of the closure will also relieve the Municipality of ongoing maintenance responsibilities. The matter is being submitted for consideration and approval**.**

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

1.12.1 That in terms of Regulations 5 (1) (b), 7 and 11 of the MATR, read together with Section 14(2) (a) and (b) of the MFMA that:

1.12.1.1 The Road Servitude over Portion 48 of Erf 776 Tongaat in total extent 2148m² as depicted on SJ 4867/11 and SG diagram numbers 2916/2004 respectively, is not required to provide a minimum level of basic municipal services and is surplus to the requirements of the Municipality

1.12.1.2 The current market value of the road servitude over Portion 48 of Erf 776 Tongaat is assessed at a value of R173 000.00 (One Hundred and Seventy-Three Thousand Rand) excluding VAT.

1.12.2 That the Municipal Council declares that I above is subject to the conditions below:-

1.12.2.1 The Road Servitude over Portion 48 of Erf 776 Tongaat in total extent of 2148m² as depicted on SJ 4867/11 and SG diagram number 2916/2004 respectively, be cancelled.

1.12.2.2 The compensation in the amount of R173 000.00 (One Hundred and Seventy Three Thousand Rand) excluding VAT, such price reflecting the current market value of the road servitude over the property to be cancelled. As assessed by a registered valuer, be claimed from the Applicant.

1.12.3 That in terms of Section 211 of the Local Authorities Ordinance No.25 of 1974 the portion of the road area as depicted on SJ4867/11 and SG diagram number 2916/2004 respectively over Portion 48 of Erf 776 Tongaat, be permanently closed.

1.12.4 That the closure of the road area as depicted on SJ 4867/11 and SG diagram number 2916/2004 respectively, over Portion 48 of Erf 776 Tongaat, is to be advertised via Land Use Management application process and is to be read together with Section 28(2)(e) of the eThekwini Municipality: Planning and Land Use Management By-law 2016 as amended.

1.12.5 That in the event of the objections being lodged to the proposed closure of the portion of the road as depicted on SJ 4867/11 and SG diagram numbers 2916/2004 respectively over Portion 48 of Erf 776 Tongaat, when it is advertised, the process as detailed in the eThekwini Municipality: Planning and Land Use Management By-law 2016, as amended will be followed to address these objections.

1.12.6 That all conditions by the Municipality's service delivery units will form part of the Memorandum of Agreement and will be carried forward into the notarial deed of cancellation of servitude.

1.12.7 That all cost incidental to the transaction shall be at the cost of the Applicant.

1.12.8 That all development plans and applications must be submitted and approved by the Local Authority prior to any commencement of construction of the property.

1.12.9 That subject to the adoption of paragraphs .1 to .8 above, the Director: Property Valuations and Management be authorised to sign all the documents necessary to give effect to the above- mentioned recommendations.

ADOPTED.

1.13 Request for Directive on Beachfront Shareblock Leases that are Due to Expire:
(Page 418: Human Settlements, Engineering and Transport Committee - Agenda 2026-02-05)

Authority is sought for approval to extend existing beachfront-block notarial leases for a once-off, non-renewable period of three (3) year, on substantially the same terms and conditions, solely to facilitate the completion of leasehold-to-freehold conversion programme at 100% of the unencumbered market value of the land.

At the Support Committee level, the Members of the Democratic alliance abstained on this matter. It was therefore approved by a majority vote.

At the Executive Committee level, the DA maintained its abstention on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

1.13.1 That Council approves in terms of Regulation 34(1)(b), read together with Regulation 36 and 40 of the MATR, a once off non-renewable three year lease for existing beachfront share block notarial leases, including those that expired in December 2025, on substantially the same terms and conditions, solely for the purpose of completing leasehold to freehold conversions at 100% of the unencumbered market value of the land.

1.13.2 That Council invokes Regulation 13(2) of the MATR to permit the disposal of reverted sectional title units (land plus improvements) at land-only value, on the basis that the disposal of such units at less than full unit market value is justified in the public interest to:

1.13.2.1 Maintain fairness and consistency with the Council Resolution effective 01 January 2005. Prevent involuntary Municipal ownership of residential units and building liabilities and Protect lawful tenure without penalising differential timing of conversion.

1.13.3 That Council authorises the aforesaid disposal of Municipal land through conversion from leasehold to freehold in terms of Regulations 5(1) (b), 7 and 11 of the MATR, read together with Section 14(2) (a) and (b) of the MFMA, using the same land value basis and valuation methodology applied in terms of the Council Resolution effective 01 January 2005, in order to ensure consistency and fairness between previous converters and reverted units.

1.13.4 That no further concessions or extensions shall be granted beyond this once off process, and that any unit which remains unconverted after the three-year period shall revert fully to the Municipality for disposal at the City's discretion.

1.13.5 That the Director: Property Valuations and Management be authorised to sign all the documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the City and other applicable legislation and that it shall be further subject to such further conditions as the Director: Property Valuations and Management consider necessary to protect Council interest.

ADOPTED.

1.14 Review of 2026/27 Tariffs: eThekwini Transport Authority:
(Page 437: Human Settlements, Engineering and Transport Committee - Agenda 2026-02-05)

Authority is sought to conduct a public participation process in respect of a proposed 5% tariff increase for the eThekwini Transport Authority operations during the 2026/2027 financial year. The intention is to approve the final tariffs at the 2026/2027 budget approval stage, for implementation with effect from 01 July 2026. The proposed increase is informed by Section 75A of the Local Government: Municipal Systems Act, No. 32 of 2000.

It should be noted that private jobbing services, including traffic signal works and special directional signage, will be charged at full cost-recovery tariffs based on the specific services rendered. Furthermore, no tariff increases are proposed for copies of accident reports or the sale of Traffic Court data, as the tariffs for these items were adjusted in 2025.

At the Support Committee level, the matter was unanimously supported by all Political Parties present.

At the Executive Committee level, the DA abstained on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

That the proposed tariffs increase of 5% in respect of the eThekwini Transport Authority operations, be approved in-principle, pending a public participation process to commence thus enabling input and comments by various stakeholders, with a view to approving fully consulted tariffs together with the 2026-27 budget approval in May 2026.

ADOPTED, by the majority vote.

2. REPORT OF THE GOVERNANCE AND HUMAN RESOURCE COMMITTEE: MEETING HELD 2026-02-12

(Page R22)

2.1 Proposed 2026-27 Tariffs Increase for the Use of Customer Relations Management Directorate Committee Rooms (7/6/R):
(Page 67: Governance and Human Resource Committee - Agenda 2026-02-12)

The Customer Relations Management Directorate operates from premises located across various parts of the eThekwini Metropolitan Municipality area to bring Municipal services closer to local communities. These premises also accommodate boardrooms that are made available for hire by both internal and external stakeholders. This initiative serves as an additional source of revenue generation for the Municipality.

The premises affected include the following:

- Mpumalanga, 197 Shezi Road Building;
- Hillcrest, 22 Delamore Road;
- Sankontshe, 850H, M430, Georgedale;
- Upper Molweni, 70 Bhejane Road;
- Pinetown, 60 Kings Road;
- Clermont, 1106 Zazi Road;
- Craigieburn, 01 Civic Street;
- Kingsburgh, 11 Mayors Mews;
- Umnini Thusong, R102 Old Main Road;
- Umlazi Megacity, 50 Mangosuthu Highway;
- Lamontville, 01 Hull Road;
- Tongaat, 325 Main Road;
- Verulam, 157 Wick Street;
- Umhlanga, 327 Umhlanga Rocks; and

- Westville Civic Centre, 01 William Lester Drive

In line with the provisions of Section 75A of the Local Government: Municipal Systems Act, No. 32 of 2000, an annual increase is applied to tariffs levied for venue hire. Consequently, a proposed 5% across-the-board increase in tariffs charged for the boardrooms utilised by the Directorates is recommended.

In compliance with statutory requirements, authority is sought to commence the public participation process to solicit input and comments on the proposed tariff increase. The intention is to approve the fully consulted tariffs by May 2026, together with the approval of the annual budget, for subsequent implementation with effect from 01 July 2026.

During the discussion at the Support Committee level, it was noted that some members did not support the recommendations. Consequently, the matter was put to a vote and was thereafter adopted by majority decision. With 25 Councillors present, 18 Councillors (ANC – 12, EFF – 4, ABC – 1 and APF – 1) voted in support of recommendations and 7 – DA voted against the recommendations.

At the Executive Committee level, the DA (02) maintained its dissention on the matter. With the ANC (03), EFF (01), IFP (01) and the NFP (01) being in support,

COMMITTEE RECOMMENDS:

That the proposed 5% across-the-board increase in tariffs charged for the boardrooms located within the Customer Relations Management Directorate, be approved in-principle, pending a public participation process to commence thus enabling input and comments by various stakeholders, with a view to approving fully consulted tariffs together with the 2026-27 budget approval in May 2026.

ADOPTED, by the majority vote.

2.2 Cellphone and Data Card Policy Review (4/8/P):
(Page 72: Governance and Human Resource Committee - Agenda 2026-02-12)

The eThekwini Municipality has the existing Cellphone and Data Card Policy that is due for reviewal given the recent developments in the cellular/data network space. The purpose of policy is:

(i) To create an enabling environment for effective communication.
(ii) To ensure effective and efficient utilization of Council resources.
(iii) To clearly define officials eligible to a cellular phone allowance and data cards.
(iv) To determine the cellular phone allowance and data card provision payable to employees.
(v) To promote a uniform policy for the granting of cellular phone allowance and data cards for employees

To enable and enhance the productivity of the Municipality's business units, it is critical to leverage the latest communication technologies. In this regard, cellular phones, data cards, and related technologies are recognized as essential tools for effective service delivery. The importance of reviewing this policy cannot be overemphasized; hence, it was deemed necessary to update the guidelines to ensure clarity, promote efficiency, and align with current technological and operational requirements.

Accordingly,

COMMITTEE RECOMMENDS:

That the revised eThekwini Metropolitan Municipality Cellphone and Data Card Policy, be adopted, thereby supporting digital transformation to enhance operational efficiency, with the revised policy clearly outlining operational requirements for eligibility to receive a cellphone allowance, the applicable allowance thresholds, expectations to prevent damage, theft, or loss of Municipality-subsidized technological equipment, associated health and safety considerations, RICA compliance requirements, and other key components of the policy.

ADOPTED.

2.3 Request for Authority to Enter Into a Memorandum of Understanding Between eThekwini Municipality and the Independent Electoral Commission for the 2026 Local Government Elections (3/1/1/R):
(Page 83: Governance and Human Resource Committee - Agenda 2026-02-12)

South African Municipalities will be participating in the 2026 Local Government elections to commence a new five-year term of office for the Municipal Councils. In line with best practice, informed by constitutional requirements and the provisions of the Local Government: Municipal Structures Act, 1998 (as amended), collaboration is encouraged between the organs of state and the Independent Electoral Commission (IEC) to support and facilitate the election process effectively.

The eThekwini Metropolitan Municipality has played a pivotal role over the years in ensuring that the election process within the City of eThekwini is conducted successfully. Its involvement remains crucial as the IEC prepares for the 2026 Local Government Elections.

Accordingly, authority is sought for the Municipality to continue supporting the IEC, and for the City Manager to be mandated to sign a Memorandum of Understanding (MOU) in this regard, thereby providing clarity on roles and responsibilities. The draft MOU has been prepared, with the roles of the respective parties outlined as reflected in the table below:

eThekwini Municipality	**Independent Electoral Office**
• Appointing a Municipal Electoral Officer within thirty (30) days of signing. • Managing all Results Operation Centres procurement processes. • Providing Council with updates on election readiness.	• Providing three (03) for the Municipal Electoral Officer role. • Providing office accommodation or regional hubs for IEC operations. • Availing decentralized storage facilities for election material. • Sponsoring the use of the ICC as the Regional Operation Centre and for the Judge Conference in November 2025. • Deploying Metro Police to support SAPS in high-risk voting stations. • Providing City Fleet vehicles for distribution of election material.

eThekwini Municipality	Independent Electoral Office
	• Collaborating in civic education and outreach. • Supporting infrastructure improvements at voting stations when required. • Providing access to the Municipal address database.

The MOU therefore seeks to formalize the working relationship in pursuit of the responsibilities outlined in the table above. A budget provision of R6 million has been made, with R2 million budgeted for the 2025/26 financial year and the remaining R4 million to be accommodated in the 2026/27 budget process. Overall, the budget covers staffing costs, printing requirements, fleet requirements, infrastructure maintenance, the voter registration process, voter education, venue hire, policing of high-risk areas, and other incidental election-related expenses.

During the discussion at the Support Committee level, it was noted that some members did not support the recommendations. Consequently, the matter was put to a vote and was adopted by majority decision. With 25 Councillors present, 21 Councillors (ANC – 12, DA – 7, ABC – 1 and APF – 1) voted in support of recommendations and 4 – EFF Councillors voted against the recommendations.

At the Executive Committee level, the matter was unanimously supported, and, accordingly,

COMMITTEE RECOMMENDS:

2.3.1 That the Municipal Council notes the legislative requirements for the eThekwini Metropolitan Municipality to support the Independent Electoral Commission (IEC) in ensuring readiness for the 2026 Local Government Election process, and to facilitate the hosting of the elections in a transparent and peaceful manner.

2.3.2 That, in line with these legislative requirements, authority be granted for the City Manager to enter into and sign a Memorandum of Understanding (MOU) between the eThekwini Municipality and the IEC KwaZulu-Natal Provincial Office, to support the preparations for and successful hosting of the 2026 Local Government Elections (LGE 2026).

Financial Implications:
2025/26 Financial year:

ACTIVITY	VOTE NUMBERS	AMOUNT
Staffing support on voter education, voter registration and material management (overtime)		R 600 000.00
Logistical Support (vehicle)		R 800 000.00
Logistical Support (Printing)		R 100 000.00
Infrastructure Maintenance/ Repairs		R 500 000.00
TOTAL BUDGET		**R2 000 000.00**

2026/27 Financial Year:

ACTIVITY	VOTE NUMBERS	AMOUNT
Staffing support voter education, voter registration, material management and vote counting (overtime		R1 000 000.00
Logistical Support (vehicle)		R1 000 000.00
Logistical Support (Printing)		R 1 00 000.00
Infrastructure Maintenance/ Repairs		R 500 000.00
Results Operating Centre		R1 400 000.00
TOTAL BUDGET		**R4 000 000.00**

ADOPTED.

3. REPORT OF THE ECONOMIC DEVELOPMENT AND PLANNING COMMITTEE: MEETING HELD: 2026-02-12

(Page R37)

3.1 Request for Authority to Review Tariffs and Implement Additional New 2026/2027 Tariffs for Agribusiness Agripark Incubators (7/6/1/6):
(Page 71: Economic Development and Planning Committee - Agenda 2026-02-12)

The Agribusiness intends reviewing its tariffs to be applicable in the 2026-27 financial year, in line with the statutory requirement. A 5% increase is being proposed in this regard. The Directorate also intend introducing additional Agribusiness tariffs, effective from 01 July 2026, and applicable to the following facilities.

- Broiler production units
- Agro-processing facility
- Packhouse
- Market stalls
- Sheep feedlot

The Agribusiness rental programme emanates from the eThekwini Agribusiness Master Plan focus area, which seeks to incubate start-up and growth-oriented entrepreneurs operating within the sustainable food value chain. The proposed tariff structure and the availability of rental space are strategic instruments aimed at stimulating economic growth by improving productivity, competitiveness, and market access for Small, Medium and Micro Enterprises (SMMEs) within the Agribusiness value chain. This is achieved through customized support interventions, including but not limited to:

- Provision of affordable infrastructure and business accommodation for emerging agribusiness enterprises.
- Facilitation of economic development through enterprise and supplier development initiatives.
- Improvement of access to markets and incubation support programmes.
- Development and enhancement of both upstream and downstream agricultural value chain opportunities.

At the Support Committee level, the DA abstained on the matter, and the other Political Parties present supported the proposed tariffs review, taking into account that this is still to be subjected to a public participation process prior to adopting final tariffs increase.

At the Executive Committee level, the DA maintained its abstention on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

That an in-principle approval be granted to increase the Agribusiness tariffs by 5%, and to subsequently commence with the public participation process in accordance with statutory requirements, with this process to solicit public input in preparation for the approval of fully consulted tariffs together with the Municipality's annual budget in May 2026, it being recorded that the consultation will also include newly introduced tariffs relating to the following facilities, Broiler production units; Agro-processing facility; Packhouse; Market stalls; and Sheep feedlot, with the details thereof contained in the report by the City Manager dated 21 January 2026 that served before the Committee.

ADOPTED, by the majority vote.

3.2 Review of Tariffs for Retail Markets for the 2026/2027 Financial Year (7/6/1/6):
(Page 78: Economic Development and Planning Committee - Agenda 2026-02-12)

The eThekwini Municipality operates a number of retail markets, namely: Early Morning Market, Verulam Market, Ezimbuzini Market, Bangladesh Market, Fragrance Market, Hammarsdale Market, Phoenix Millennium Market, Tongaat Market, Mansel Road Market, and Brookdale Market. In terms of legislative requirements, provision is made for tariffs to be reviewed and increased on an annual basis. Accordingly, it is proposed that a 5% tariff increase be implemented for all eThekwini Municipality retail markets for the 2026/2027 financial year.

The Small, Medium & Micro Enterprise Division of the Economic Development Directorate provides the overall management of properties that serve as trade and distribution centres for informal economy, thus bridging the gap between formal and informal economies. The management and development of informal economy, especially retail markets, is a task involving the identification of strategic locations for the establishment of new Retail and Flea markets, issuing of permits or lease agreements, organising traders into market committees that feed into the citywide forum, and the ongoing collection of rentals.

Sourcing of products to be sold by the Traders has become challenging, due to exorbitant costs from the suppliers. This is due to various socio-economic challenges that continue to impact negatively on Traders. To this day, there is very little to no improvement in the country's economic climate for the Traders to thrive. It is for this reason that an increase of at least 5% is proposed in order keep up with rising costs for utilities, repairs, and general upkeep of retail markets. In addition, the Municipality also bears costs associated with insurance services which have risen significantly over the past three years.

At the Support Committee level, the DA abstained on the proposed tariffs, while the other Political Parties were in support taking into account that this is to be subjected to a public consultation process.

At the Executive Committee level, the DA maintained its abstention on the matter. With the majority of other Political Parties present being in support,

Accordingly,

COMMITTEE RECOMMENDS:

That an in-principle approval be given to increase tariffs of the retail markets, including Early Morning Market, Verulam Market, Ezimbuzini Market, Bangladesh Market, Fragrance Market, Hammarsdale Market, Phoenix Millennium, Tongaat Market, Mansel Road Market & Brookdale Market, by 5% and to subsequently commence with the public participation process, as per the statutory requirements, to solicit views of the public in preparation to approve fully consulted tariffs together with the annual budget in May 2026.

ADOPTED, by the majority vote.

3.3 Review of Tariffs 2026/2027 – Itinerant Traders, Street Traders, Hive Sites & Containers (7/6/1/6):
(Page 85: Economic Development and Planning Committee - Agenda 2026-02-12)

The eThekwini Municipality plays a central role in regulating and supporting informal trade activities across the City. This includes the management of itinerant traders, street traders, hive sites, and container-based trading facilities. The Municipality's responsibilities are aimed at promoting orderly trade, ensuring public safety, and supporting economic development, while balancing the needs of formal businesses and the broader community.

In regulating and supporting informal trade activities, the eThekwini Municipality levies applicable tariffs, which are subject to annual review in line with legislative requirements. Accordingly, it is proposed that a 5% increase be applied to the 2026/2027 tariffs to align with current inflationary trends. A public participation process will be conducted to solicit views from the public regarding the proposed tariff increase, in accordance with statutory obligations.

At the Support Committee level, the DA abstained on this matter, while all other political parties expressed support for the process, noting that the proposed tariff increase would still be subjected to stakeholder consultation prior to final approval.

At the Executive Committee level, the DA maintained its abstention on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

That an in-principle approval be given to increase tariffs of the Itinerant Traders, Street Traders, Hive Sites & Containers, by 5%, and to subsequently commence with the public participation process, as per the statutory requirements, to solicit views of the public in preparation to approve fully consulted tariffs together with the annual budget in May 2026.

ADOPTED, by the majority vote.

3.4 Review of Tariffs for Bulk Fresh Produce Market for the 2026/2027 Financial Year (7/6/1/6):
(Page 91: Economic Development and Planning Committee - Agenda 2026-02-12)

The eThekwini Municipality operates bulk fresh produce markets to facilitate the structured and efficient distribution of agricultural produce within the City and surrounding areas. These markets play a vital role in supporting local farmers, traders, and the broader food supply chain, while ensuring food security and stimulating economic activity. The Bulk Fresh Produce Market, in addition to its core business of commission income, provides other associated rental space and services to facilitate trade. In respect of the rentable space and other services, tariff charges are levied.

The key variances are explained below, with a schedule of tariffs also attached herein for ease of reference:

- Transaction Fee, item 3(d) is considered fair and reasonable, thus no increase is proposed.
- Cold Storage of fresh produce or other articles, item 6(a), (b), (c) and Multipurpose Room, item 7, increase of 7.22%, 6.50%, 6.96% and 7.54% respectively, is substantially due to the increased cost of maintaining the facility, coupled with the anticipated 13.68% increase in electricity costs.
- Farmers Retail Market, item 11(a) to (d), no increase is proposed due to the need to compensate the impact of poor economic conditions experienced by these users of Farmers Retail Market.

At the Support Committee level, the DA abstained on this matter, while all other political parties expressed support for the process, noting that the proposed tariff increase would still be subjected to stakeholder consultation prior to final approval.

At the Executive Committee level, the DA maintained its abstention on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

That an in-principle approval be given for the revised tariffs ranging from 0% to 7.54% to be implemented by the Economic Development Directorate for the 2026/2027 financial year, as outlined in Annexure “A” (attached on the report by the City Manager dated 2025-12-22 and circulated separately for ease of reference), with the proposed revision of tariffs to then be taken for the public participation process, as per the statutory requirement, with final tariffs review to be approved together with the annual budget in May 2026.

ADOPTED, by the majority vote.

3.5 Review of Tariffs for Planning Sector for the 2026/2027 Financial Year (7/6/1/6):
(Page 97: Economic Development and Planning Committee - Agenda 2026-02-12)

The planning sector within the eThekwini Municipality plays a critical role in regulating land use, development approvals, building compliance, and associated services. Tariffs within this sector are levied to recover costs, fund Municipal planning functions, and ensure sustainable urban development. Planning sector tariffs are therefore essential instruments for cost recovery, sustainable urban development, regulatory compliance, and the strategic growth of eThekwini Municipality. They

ensure that development is orderly, accountable, and aligned with the City's Integrated Development Plan objectives.

The proposed tariffs with effect from 2026-07-01 are as follows:

- Re-instate the previous Financial Year (2024/2025) Printing Tariffs for the printing of archived records, as indicated below.
  (i) AO – Copies: R 46.00;
  (ii) A1 – Copies: R 24.00;
  (iii) A3 – Copies: R 3.00; and
  (iv) A4 – Copies: R 2.00

The above printing tariffs were in the approved tariff book for the 2024/2025 financial year and, was removed in the 2025/2026 financial year due to these print sizes not being used in the Central Region. The reason for the re-instatement of the tariff is due to complaints from the public that resides in the various regions that these print sizes are required and thus a need for reinstatement for the 2026/2027 financial year.

- Introduce a new tariff for the Removal of Large format Unauthorised Advertisements/Signs (Billboards), with effect from 2026-07-01. The proposed tariff will be the Contractor's Cost plus 15% or the Contractor's Cost plus a minimum recovery fee of R15 000.00 (excluding VAT), R17 250.00 (including VAT), whichever is greater. Currently, when the City undertakes the removal of unauthorised Billboards, the cost recovery is limited to the amount paid to the Contractor for the physical removal of the structure only. There is substantial internal work that is undertaken by the Municipality to initiate the removal process and, these costs are never recovered. This tariff will serve as an administrative cost associated with the removal of Unauthorised Billboards.

- Introduce new tariffs for Short Term Accommodation [R370.43 (excl. VAT) and R426.00 (incl. VAT)] and Early Childhood Centres [R370.43 (excl. VAT) and R426.00 (incl. VAT)], with effect from 2026-07-01. The eThekwini Municipal Land Use Management Scheme has been amended to include the above definitions and, they can be applied for by consent under the exemption clause in the scheme, therefore these new tariffs had to be catered for.

- Implement a 5% increase on the existing tariffs for the Spatial Planning and Land use Management Directorate and the Building Regulation Services Directorate with effect from 2026-07-01 and, on the re-instated fees indicated above for the printing of archived records.

At the Support Committee level, the DA abstained on this matter, while all other political parties expressed support for the process, noting that the proposed tariff increase would still be subjected to stakeholder consultation prior to final approval.

At the Executive Committee level, it was reiterated that the proposed introduction of a new tariff for the removal of large-format unauthorised advertisements/signs (billboards) is intended to hold billboard owners accountable for the costs associated with the removal of such structures. It was noted that, historically, the Municipality has incurred these costs without recovering the related expenses.

Furthermore, it was highlighted that some of these billboards are owned by major international companies that have continued to disregard removal fees, thereby necessitating this submission. The proposed tariff will therefore enable the Municipality to recover costs and ensure that budget allocations remain directed

towards planned projects, without the need to reallocate funds to cover expenses arising from billboard removals.

Notwithstanding the explanation, the DA maintained its abstention on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

3.5.1 That an in-principle approval be given for the increase of 5% on the existing tariffs for the Spatial Planning and Land Use Management Directorate and the Building Regulation Services Directorate, and on the re-instated fees for the printing of archived records, as indicated below:

(a) AO – Copies: R46.00;
(b) A1 – Copies: R24.00;
(c) A3 – Copies: R 3.00; and
(d) A4 – Copies: R 2.00

3.5.2 That the introduction of a new tariff for the Removal of Large format Unauthorised Advertisements/Signs (Billboards) with effect from 2026-07-01, be approved, it being noted that the proposed tariff will be the Contractors Cost plus 15%, or the Contractor's Cost plus a minimum recovery fee of R15 000.00 (excluding VAT), R17 250.00 (including VAT), whichever is greater.

3.5.3 That new tariffs for short term Accommodation [R370.43 (excl. VAT) and R426.00 (incl. VAT)] and Early Childhood Centres [R370.43 (excl. VAT) and R426.00 (incl. VAT)], be implemented with effect from 2026-07-01.

3.5.4 That the proposals alluded to in .1 and .2 above, (Annexed for ease of reference) then be taken for the public participation process, as per the statutory requirement, and in preparation to approve fully consulted tariffs together with the annual budget in May 2026.

ADOPTED, by the majority vote.

3.6 Request for Approval to Review the Business Licensing Tariffs and Implement Additional New Tariffs for 2026/2027 Financial Year (7/6/1/6):
(Page 123: Economic Development and Planning Committee - Agenda 2026-02-12)

The Business License Directorate is responsible for regulating and managing business activities to ensure compliance with Municipal by-laws, promote economic growth, and safeguard public interest. The Directorate plays a critical role in licensing, monitoring, and supporting businesses across the City. The Directorate intends increasing tariffs for its operations by 5% in the 2026-27 financial year. Also, a decision to implement new business licensing tariffs for beauty salon applications and renewal of all the licences and certificates issued in terms of the eThekwini Municipality: Business Licensing By-law, 2024, and the eThekwini Municipality: Accommodation Establishment By-law, 2022, with effect from 2026-07-01.

The provisions of these respective By-laws prescribe that businesses that are licensed must renew their licences every year and pay a prescribed fee. Furthermore, Schedule 1 of the Business Licensing By-law, provides that beauty salons require regular compliance checks and balances and they are to operate legally by registering their businesses and obtaining licences for them to operate in eThekwini jurisdiction.

The proposed tariffs of charges will lead to significant benefits and solutions for the Municipality and the businesses in that, it will:

- Enhance the regulatory compliance of businesses.
- Enhance data collection, improved data analysis and tracking of compliance.
- Encourage good practices by businesses.
- Facilitate economic development through regulation of businesses and compliance monitoring.
- Mitigate on illegal activities risks and address the impacts of global phenomenon of immigrant entrepreneurship.

Business Licensing derives its legislative mandate from the provisions of the Constitution of the Republic of South Africa; Businesses Act 1991 (Act 71 of 1991); Businesses Regulations, 1994; eThekwini Municipality: Accommodation Establishment By-law, 2022 and eThekwini Municipality: Business Licensing By-law, 2024. It regulates formal businesses that are operating on private property, and those businesses include food businesses, entertainment and/or health facilities and accommodation establishments.

In addition, Business Licensing monitors and enforces compliance with the provisions of the legislative prescripts in collaboration with other external law enforcement agencies or regulatory bodies such as SAPS, NPA, Home Affairs, Department of Employment and Labour, KwaZulu-Natal Liquor Authority and SARS. The key responsibility of the department is to support businesses and enable them to legally conduct their businesses by creating awareness with the regulatory provisions through compliance workshops and/or road shows in various Wards of the Municipality jurisdiction to empower the business community in line with the economic development strategic objectives and enterprise development strategy.

At the Support Committee level, the DA abstained on this matter, while all other political parties expressed support for the process, noting that the proposed tariff increase would still be subjected to stakeholder consultation prior to final approval.

At the Executive Committee level, the DA maintained its abstention on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

That an in-principle approval to increase tariffs for the existing business licensing operations by 5%, subject to a public participation process to be commenced, as per the statutory requirement, to solicit the public views on the proposed increase and in preparation to approval fully consulted tariffs increase together with the annual budget in May 2026, it being recorded that new business licensing tariffs will be introduced for beauty salon applications and renewal of all the licenses and certificates issued in terms of the eThekwini Municipality: Business Licensing By-law, 2024, and the eThekwini Municipality: Accommodation Establishment By-law, 2022, with effect from 2026-07-01.

ADOPTED, by the majority vote.

3.7 Approval of Incentive as per Economic Development Incentive Policy (EDIP) (20/1/P):
(L148: Economic Development and Planning Committee - Agenda 2026-02-12)

Authority is sought for approval of the applications for financial incentives as per the Economic Development Incentive Policy (EDIP).

The following entities have qualified:

a) Estine Development (Pty) Ltd
b) Cedar Point (Pty) Ltd)

The key outcome of the EDIP is to create a conducive investment environment through offering incentives that reduce the cost of development across the Municipality. Coupled with the aim of becoming the most competitive City, one of the key objectives of the EDIP is to increase the Municipality's rates base in perpetuity by attracting new investors. The EDIP focuses on supporting new investments based on their potential and future contribution to economic growth, spatial regeneration, and job creation within the Municipal area, in accordance with the strategic objectives of the Municipality.

The Economic Development Directorate is the custodian of the EDIP in the Municipality and is required to report back on implementation of Council decisions. However, in fulfilling its role the Directorate is required to work in partnership with other municipal directorates, other spheres of government and relevant sector organisations to ensure compliance of all beneficiaries. Key municipal implementing directorates include the Finance Directorate, Property Valuations & Management Directorates, Spatial Planning & Land Use Management Directorate.

The Policy offers financial incentives in the form of a rebate on property rates. In this review of the Policy, extensive stakeholder engagement was undertaken to ensure that the Policy offerings are aligned and responsive to the needs of the targeted industries as well as commensurate with City development priorities, budget priorities and affordability as determined by Council. Rating values are determined by Council as promulgated in the Municipal Rates Resolution S14 MPRA Notice, approved each financial year.

Background to the incentive applications
ESTINE DEVELOPMENT (Pty) Ltd

Estine Developments is a new capital investment of approximately R250 million including shop fit-outs by both developers and tenants will be injected into the local economy, with a strong emphasis on sourcing from local suppliers and labour. The construction phase is expected to create approximately one thousand (1000) jobs, while around three hundred and fifty (350) permanent jobs will be sustained once the development is fully operational. To support local entrepreneurship, the development will incorporate numerous smaller retail spaces, allowing local vendors the opportunity to trade within the new centre. This approach is aimed at stimulating economic growth in Kingsburgh to the benefit of surrounding communities. Designed with convenience and safety in mind, Kingsburgh Junction will offer the community easy access to a modern, secure shopping environment. In addition to its economic and social benefits, the project will contribute to the expansion of the local municipal tax base, enhancing service delivery and quality of life in the region.

Qualifying Criteria EDIP 2021-2022

Criteria	Rule	Estine Investment Qualifying Percentage	Reason for Allocation
Value of Investment	R0 – R299 million	10%	R83, 000,000.00
Jobs created	50 – 250 jobs	n/a	350 permanent jobs created
	251 jobs & above	20%	
Target Sector	Investment in Targeted Sectors as defined in the eThekwini Inclusive Growth Strategy 2020-2025	n/a	n/a
Spatial Priority	Prime Investment Corridor	20%	Located on Prime Investment Corridor
Total Rebate Percentage	50%		

CEDAR POINT (Pty) Ltd

Whetstone Petro Port is a commercial development. The development sits within the aerotropolis precinct launched by the Municipality almost fifteen (15) years ago. The Whetstone Petro Port is the first private owned development in this precinct which is initiating new investments into the precinct. This development valued at approximately R320 million comprises of a mega commercial footprint of 12 000m² that houses a fuel station built on 2 500m² of land. This development also comprises vehicle service centre, carwash, KFC drive through, Steers/Fish-aways drive through, McDonalds drive through, a Mugg & Bean sit down cafe and a Spar Express Convenience Store. These facilities within this development service the entire industrial, precinct as well as local communities. The Whetstone Petro Port development provides a vibrant atmosphere, services and enhances the social economic landscape of the area. This development creates more than six hundred (600) jobs both temporary & permanent for surrounding community youth.

Qualifying Criteria EDIP 2024-2025

Criteria	Rule	Cedar Point Pty Ltd Qualifying Percentage	Reason for Allocation
Value of Investment	R0 – R299 million	n/a	R320, 000,000.00
	>R300 million	20%	
Jobs created	20 – 250 jobs		280 permanent jobs created
	251 jobs and above.	20%	
Target Sector	Investment in Targeted Sectors as defined in the City's Spatial Development Framework & the eThekwini Economic Strategy 2022 to 2027	n/a	n/a
Spatial Priority	Prime Investment Corridor	20%	Located on Prime Investment Corridor
Total Rebate Percentage	60%		

With the Committee being in support of the foregoing,

COMMITTEE RECOMMENDS:

3.7.1 That the award of a property rates rebates of 50% to Estine Developments (Pty) Ltd for a fixed period of three (3) years commencing from the date of final signature on the Memorandum of Agreement, be approved.

3.7.2 That the award of a property rates rebates of 60% to Cedar Point (Pty) Ltd for a fixed period of three (3) years commencing from the date of final signature on the Memorandum of Agreement, be approved.

3.7.3 That subject to the approval of .1 and .2 above, the City Manager on behalf of the eThekwini Municipality be authorised to enter into a Memorandum of Agreement with each of the aforementioned applicants.

ADOPTED.

3.8 Request for Authority to Advertise the Draft 2026/2027 Municipal Spatial Development Framework (21/5/1):
(Page 173: Economic Development and Planning Committee - Agenda 2026-02-12)

Authority is sought for approval of the Draft 2026/2027 Municipal Spatial Development Framework (MSDF) to be advertised for public comment between February and April 2026 in the Ezasegagasini and local newspapers circulating in the eThekwini Municipal area. The document will also be placed in all Sizakala Centres, Municipal Libraries and on the Municipal website. Municipal line Departments, Provincial Sector Departments and neighbouring Municipalities will also be invited to comment. Engagement with all stakeholders will be encouraged.

Additionally, to provide an update of the Municipal Spatial Development Framework review process. It is further proposed that presentations be given to the Portfolio Committees of Council, Ward Committees and the Traditional Leaders to understand all implications associated therewith prior to approving the SDF in May 2026. The comments received will be considered and an amended Final DRAFT Municipal Spatial Development Framework 2026/2027 will be prepared and tabled for adoption by Council in May 2026 for subsequent submission to the MEC for Co-operative Governance and Traditional Affairs (COGTA), and gazetted as per the statutory requirement.

The Municipal SDF is the primary spatial response to the development context, needs and development vision of the Municipality. It is a key land use management tool which informs strategic choices and interventions especially regarding the future growth and development of the Municipality, and has an important role to play in guiding and managing Municipal decisions relating to the use, development, and planning of land and in the identification of strategic/ catalytic projects. It is a legislative requirement and should resonate with the National and Provincial spatial development plans and priorities.

The SDF is also a transformation tool. With its focus on spatial restructuring and transformation, it guides the location of future development in a manner that addresses the imbalances of the past to achieve accessible, equitable and sustainable development. It enables the Municipality to manage its land resources in a developmental and sustainable manner. It provides an analysis of the spatial needs and

issues and recommends strategies, programs and projects to address these challenges. In summary, the SDF has the following benefits:

- It facilitates effective use of scarce land resources and risk reduction.
- It facilitates decision making regarding the location of service delivery projects.
- It guides public and private sector investment.
- It strengthens democracy, integration, inclusivity, and spatial transformation.
- It promotes intergovernmental coordination on spatial issues.
- It serves as a framework for land development decisions and the development of lower order plans and Schemes.
- It guides and informs the spatial location of municipal infrastructure investment and spatial priorities.
- Provides visual representation of the desired urban form of the municipality in the short, medium and long term.

This Draft MSDF 2026-2027 has focused on the following:

- Achieving SPLUMA compliance in terms of the required content of a Municipal SDF;
- Engaging with COGTA to achieve alignment between the Provincial SDF and the Municipal SDF
- Alignment with the District Development Model spatialization framework
- On-going Sector engagements to achieve better alignment of the municipal budget with spatial priorities
- Ongoing Mapping Improvements and information updates;

Having noted the foregoing,

COMMITTEE RECOMMENDS:

3.8.1 That the Draft Municipal Spatial Development Framework 2026-2027, be advertised for public comments.

3.8.2 That the Draft Municipal Spatial Development Framework 2026/2027 be referred to the respective Portfolio Committees for presentation to understand all implications associated therewith, prior to approving the Spatial Development Framework in May 2026.

3.8.3 That the comments received during the public participation process be considered, and an amended Final Draft Municipal Spatial Development Framework 2026/2027 be prepared and submitted to the Economic Development and Planning Committee for consideration.

3.8.4 That the Final Draft Municipal Spatial Development Framework Review 2026/2027 be tabled at the Council meeting in May 2026 for final adoption.

ADOPTED.

3.9 Request for Approval of the Precinct Plan for the KwaMnyandu Urban HUB (20/1/3/1):
(Page 180: Economic Development and Planning Committee - Agenda 2026-02-12)

Authority is sought to approve the Precinct Plan for the KwaMnyandu Urban Hub, prepared under the Neighbourhood Development Partnership Grant (NDPG) initiative in partnership with the eThekwini Municipality's Programme Co-ordination Directorate.

The KwaMnyandu Precinct Plan sets out a long-term spatial and implementation framework to guide the transformation of KwaMnyandu into a vibrant, connected, and economically active township hub that strengthens Umlazi's integration with the wider metropolitan region.

The KwaMnyandu Precinct is located within Ward 87, Umlazi, in the southern planning region of eThekwini Municipality. It covers the KwaMnyandu Station and Shopping Mall precinct and its immediate surroundings, extending from MUT and King Zwelithini Stadium in the north to the T-Section residential area in the south. KwaMnyandu currently accommodates a diverse mix of residential, institutional, and commercial uses, but faces spatial fragmentation due to the railway line and low residential densities that limit investment and pedestrian movement. The precinct serves as a transportation interchange zone linking rail, taxi, and bus networks, making it the logical anchor for an integrated urban hub serving Umlazi's 400 000+ residents.

The KwaMnyandu Urban Hub Project forms part of eThekwini Municipality's implementation of the National Treasury's Urban Network Programme (UNP) through the NDPG. This programme promotes spatial transformation and township regeneration by investing in key urban hubs that integrate transport, business, and social infrastructure. KwaMnyandu has been identified as the primary urban hub for the southern region of eThekwini, supported by secondary nodes at Umlazi-V, Umlazi-W, and Umlazi-J. The area lies approximately 20 km south of the Durban CBD, strategically located along the Griffiths Mxenge Highway (M30) and anchored by major assets including the KwaMnyandu Railway Station and shopping mall, King Zwelithini Stadium, and Mangosuthu University of Technology (MUT).

The KwaMnyandu Urban Hub Plan seeks to consolidate and align various planning initiatives to establish KwaMnyandu as the southern counterpart to the KwaMashu and Bridge City Urban Hubs.

The plan builds on Transit-Oriented Development (TOD) and Complete Streets principles, ensuring that transport, land use, housing, and economic activities are closely integrated. It emphasizes:

- Enhancing north–south connectivity across the railway line through the proposed KwaMnyandu Underpass Link Road,
- Establishing a pedestrian-friendly promenade along Griffiths Mxenge Highway,
- Upgrading the KwaMnyandu Transport Interchange, and
- Expanding the commercial core to support job creation and investment.

The Precinct Plan further integrates ecological and social frameworks, including open-space rehabilitation, small business support, and incremental residential densification to create a compact, liveable, and resilient township centre.

The long-term success of the KwaMnyandu Precinct depends on highly functional transport systems, integrated land use, and co-ordinated investment, i.e. Phase One (Improving Accessibility) and Phase Two (Strengthening Economic and Social Functions).

To catalyze implementation, the following projects are proposed as priority lead projects for municipal and NDPG funding:

- KwaMnyandu Underpass Link Road
- KwaMnyandu Promenade and NMT Network
- Civic and Government Precinct
- Ntonto Zulu Township High Street Redevelopment
- KwaMnyandu Social Housing Development
- Upgrade of KwaMnyandu Railway Station and Taxi Rank

The KwaMnyandu Urban Hub is central to the Municipality's goal of establishing a self-sustaining, transit-oriented, and inclusive urban centre that supports local economic growth, employment, and improved accessibility for Umlazi residents.

Having noted the foregoing,

COMMITTEE RECOMMENDS:

3.9.1 That the KwaMnyandu Urban Hub Precinct Plan as supported by the Neighbourhood Development Programme in the eThekwini Municipality, be approved.

3.9.2 That subject to .1 above, the following Lead Projects be prioritised for Neighbourhood Development Partnership Grant (NDPG) funding:

- KwaMnyandu Underpass Link Road
- KwaMnyandu Promenade and NMT Network
- Civic and Government Precinct
- Ntonto Zulu Township High Street Redevelopment
- KwaMnyandu Social Housing Development
- KwaMnyandu Railway Station and Taxi Rank Upgrades

ADOPTED.

3.10 Global Business Services (GBS) Sector Development Programme: Support of the Special Purpose Vehicle to Undertake Development Programmes to Grow the Sector in the eThekwini Municipal Area (20/1/5):
(Page 240: Economic Development and Planning Committee - Agenda 2026-02-12)

Authority is sought to continue participation in the Global Business Services (GBS) Development Programme. Additionally, authority is sought for approval for funding of the Global Business Services and to enter into a new Memorandum of Agreement (MOA) with industry association, Business Process Enabling South Africa (BPeSA) KwaZulu Natal (KZN). Lastly, authority is sought for approval to disburse funds in terms of Section 67 of Municipal Finance Management Act (MFMA).

The Economic Development Directorate is the responsible line function of eThekwini Municipality that is mandated to develop and implement the municipality's economic sector development programmes, through the Industry Development Division. The programme contributes towards the realisation of the plan 2 of the municipality Integrated Development Plan (IDP). The goal of plan 2 is to develop a prosperous diverse economy and employment creation. The Industry Development Division seeks to improve employment creation within the eThekwini Municipal Area. This is intended to be achieved by implementing interventions through programmes that have economic growth potential which also have potential for new labour absorption.

The GBS is an economic sector that cuts across many industries and sectors both directly and indirectly. Not only does it generate expenditure and create jobs in the GBS and the broader tertiary sector, but it also encourages growth in the primary and secondary sectors of industry.

The eThekwini Municipality has collaborated with industry stakeholders to prioritise and support the Global Business Services (GBS) sector due to its potential to create a large number of sustainable job opportunities for the youth.

To ensure the realisation of this potential, the City partnered with Durban Calling T/A BPeSA KZN, a Section 21 institution that was established to develop and implement sector development interventions. Since the collaborative agreement between the eThekwini Municipality and BPeSA KZN, the industry has witnessed an increase in international jobs created in the region. The eThekwini Municipality has a partnership agreement with Durban Calling T/A BPeSA KZN which ended in December 2025.

The partnership with BPeSA KZN, a regional wing of the National BPeSA body started in 2016, which has been renewed every three years through Council Resolution, and subsequently, a three-year MOA.

In December 2024, Economic Development Directorate embarked on a transparent Call for Proposal advertisement. This call for proposal was advertised on all Municipal media platforms from 2024-12-10 with a closing date of 2025-02-07. After this period of advertisement only two responses were received, they were from BPeSA KZN and Luphahla Holdings from Gauteng province. After adjudicating the received proposals, BPeSA KZN came at the top, proved suitable to understand the scope of work required and the proposed partnership was in accordance with the mandate of Economic Development Directorate.

BPeSA KZN is a strategic Special Purpose Vehicle (SPV) that was established in partnership with the GBS industry to drive the development and growth of the industry in the eThekwini Municipal area. This strategic partnership enjoys the support of the major industry role players and key stakeholders in the regional and national level. As an industry driven initiative, it draws on leadership and expertise of individuals from a broad range of GBS member firms. It uses the expertise to identify and address a wide range of challenges confronting the industry.

Through the strategic partnership between the industry and different spheres of government, BPeSA KZN plays a leadership and convening role on issues specific to the sector and also in developing strategic initiatives to build the sector, in line with the ever-changing global market. Among other initiatives, the partnership drives the co-ordination of standardized, widely accessible, industry specific training to ensure a sufficient, ready-to-work labour pool that helps stabilise employment in the GBS industry which drives attrition rates downward, as well as to support employee development which contributes to organisational and industry sustainability and job creation.

In the next three financial years 2025/2026, 2026/2027 and 2027/2028 the industry intends to enroll 1 500 youth to the programme. The training boosts the individual’s personal confidence and competence. It also builds an individual’s confidence and competence in numeracy, basic PC skills, problem solving and logic, induction to Contact Centres, telephone etiquette, and customer service.

GBS PRIORITISED PROGRAMMES FOR THE NEXT THREE YEARS

1. SKILLS DEVELOPMENT PROGRAMME

(a) Work Readiness Programme

The Work Readiness Programme focuses on impact sourcing (hiring of excluded youth who have been locked out of formal economy) and inclusive hiring (is particularly for advanced sales and services jobs, analytics and technology related jobs). This practice has the double benefit of increasing the supply of quality skills at entry level, while positively impacting our social challenges of exclusion, poverty and youth unemployment.

The Work Readiness Programme is essential to effectively develop a robust, sustainable and internationally competitive GBS industry which adds socio-economic value, opportunity and empowerment to the lives of Durban citizens.

(b) Skills Development programme in partnership with PEP office

During 2024/2025 financial year, Industry Development Division of Economic Development Directorate partnered with PEP office to train and employ two hundred and thirty one (231) unemployed youth through BPeSA KZN. This partnership yielded positive results and contributed immensely to employment creation among the youth. This collaboration bodes well with PEP objectives of creating youth employability, furthermore these jobs are permanent. The GBS PEP funded initiative will adopt an Impact Sourcing model, a strategy that focuses on creating jobs in low-income communities. This model not only provides employment but also ensures social equity and inclusion. It targets youth from impoverished backgrounds, offering them an entry point into the formal job market, thereby initiating a transformative ripple effect in their communities.

2. BUSINESS DEVELOPMENT
South Africa’s GBS landscape is vibrant, diverse and burgeoning. In fact, between 2010 and the first quarter of 2025 there are one hundred and seventy three thousand nine hundred and forty four (173 944) internationals cumulative GBS jobs were created, generating export revenue of US $2 783 billion. The improved country profile and proven capabilities have the potential, through increased FDI, to scale up the rate and quantum of growth significantly to create an additional one hundred and twenty thousand (120 000) jobs over the next five years. South African GBS delivery centres service various international source markets and regions, including Australia, Europe, the UK and the US. A robust GBS stakeholder ecosystem, consisting of government, industry bodies, skills development organizations and private operators, has propelled South Africa forward as a competitive location for outsourced services, achieving top rankings as a preferred and high performer location in CX lifecycle management, customer support and back office processing services.

Having noted the foregoing,

COMMITTEE RECOMMENDS:

3.10.1 That the Director: Economic Development be authorised to continue with participation in the Global Business Services (GBS) Development Programme for the development and growth of the sector.

3.10.2 That subject to the approval of .1 above, the City Manager on behalf of eThekwini Municipality be authorised to conclude a Memorandum of Agreement (MOA) with Business Process Enabling South Africa (BPeSA) KwaZulu Natal to give effect to the above.

3.10.3 That subject to the approval of .1 and .2 above, the Director: Economic Development be authorised in terms of Section 67 of the Municipal Finance Management Act (MFMA), and in accordance with the Memorandum of Agreement, to disburse the funds to the Non-Profit Company (NPC), Business Process Enabling South Africa KwaZulu-Natal Registration Number: 2014/043785/08, for the operations and implementation of GBS development programme amounting to R3 145, 960.00 (Three Million One Hundred and Forty Five Thousand Nine Hundred and Sixty Rand) (no VAT) for the 2025/2026 financial year; R3 303, 260.00 (Three Million Three Hundred and Three Thousand Two Hundred and Sixty Rand) (no VAT) for the 2026/2027 financial year and R3 468, 420.00 (Three Million Four Hundred and Sixty Eight Thousand Four Hundred and Twenty Rand) for the 2027/2028 financial year.

3.10.4 That the Director: Economic Development be authorised to report progress on this initiative on an annual basis.

Financial Implications

The funding model to execute the GBS development programme of this nature will be a partnership model. The total budget over a three-year period is R9 917 640.00 (Nine Million Nine Hundred and Seventeen Thousand Six Hundred and Forty Rand) is outlined in the table below. This amount is requested as a grant funding from the Municipality.

The proposed budget will enable agents training, team leaders training, master classes for specialised skills and knowledge sharing initiatives with the primary objective of increasing the size of the GBS sector across Durban and in turn creating much needed employment for young people. The 70% of skills development initiatives and job opportunities are targeted towards African youth especially women and the 30% is split amongst other races.

It is requested that the funding be increased by 5% from the funding that was allocated in the previous three financial year agreement. This increase request will cover the escalating training costs material and other operating costs to implement the programme.

ITEM	2025/2026	2026/2027	2027/2028	TOTAL
GBS Development Programme	**R3 145 960.00**	**R3 303 260.00**	**R3 468 420.00**	**R9 917 640.00**
TOTAL	**R3 145 960.00**	**R3 303 260.00**	**R3 468 420.00**	**R9 917 640.00**

VOTE NUMBER	AMOUNT	YEAR
26102.25030.17.12120.0000.38873.0010	R3 145, 960.00 (no VAT.)	2025/2026
26102.25030.17.12120.0000.38873.0010	R3 303, 260.00 (no VAT.)	2026/2027
26102.25030.17.12120.0000.38873.0010	R3 468, 420.00 (no VAT.)	2027/2028

FC No.: 2026/18/34

ADOPTED.

2. SECOND REPORT OF THE EXECUTIVE COMMITTEE: MEETING HELD THURSDAY, 2026-02-24

1. REPORT OF THE SECURITY AND EMERGENCY SERVICES COMMITTEE: MEETING HELD: 2026-02-13

(Page R1)

1.1 Request for Authority to Accept Vehicles, Quad Bikes and Personal Protective Equipment Donated by Tourism Industry Associations (28/1/R):
(Page 44: Security and Emergency Services Committee - Agenda 2026-02-13)

The Coastal and Tourism Policing Division exists within the Metro Police Directorate. This is a specialized Division established to enhance safety, security and visitor experience along Durban's 100lm coastline and key tourism products. Its primary focus is law enforcement and the protection of both residents and tourist in beachfront environment thereby supporting broader safety and tourism goals in the City. The parties have mutually beneficial partnership enhancing tourist safety, boosting the local economy and maintain public order.

Arising from Revitalisation of Tourism in EThekwini Region under Presidential Workstream 4, dated 2025-03-07, chaired by National Director General Tourism, Honourable Vele, resolutions were taken to assist Metro Police Coastal and Tourism Policing Unit to strengthen coastal tourism safety, policing visibility and emergency capacity along the City's coastline. It was thereafter agreed that on behalf of TOMSA, FEDHASA and TBCSA, designate funding and be made available to FEDHASA for the specific purpose of overseeing the purchase and procurement of strategic vehicles and equipment that will be donated to the eThekwini Municipality Coastal & Tourism Policing Division.

Accordingly, the aforementioned tourism associations have donated vehicles and equipment to the value of R4.3 million, the breakdown of which is contained under recommendations below. This donation will benefit the Municipality by saving considerable amount of money that would have been spent on procuring strategic vehicles and equipment for use by Metro to strengthen safety and security measures. Authority is therefore sought to accept the donation, it being noted that immediately after the Council approval of the proposed donation, the donors will be vetted by the Legal Services Directorate.

The Support Committee unanimously supported the item.

The Executive Committee resolved to remove Recommendation 1.2, which mandated the Legal Services Directorate to vet the donors. This decision was based on the understanding that the vetting of donors does not fall within the Directorate's mandate. However, the Directorate will participate in the development of the Donation Agreement to ensure that all relevant legislative requirements are appropriately incorporated. As a result of this amendment, the recommendation previously listed as number three (3) has now been renumbered and will appear as recommendation number two (2).

Accordingly,

COMMITTEE RECOMMENDS:

1.1.1 That authority be granted for the Commissioner: Metro Police to accept the donation of vehicles, quad bikes and Personal Protective Equipment by Tourism Marketing South Africa (TOMSA), Federated Hospitality Association of South Africa (FEDHASA) and the Tourism Business Council of South Africa (TBCSA) for the purpose of strengthening safety in the eThekwini coastal area and thus promotion of tourism and local economy.

1.1.2 That Council notes that there are no tangible financial implications to the Municipality by accepting the donation valued R4.3 million, and with the breakdown reflected in the table below:

1 x Toyota Quantum 2.8GL White 14 Seater	Vin No JTFEB9CP806071478	Engine No. 1GD9582276
1 x Isuzu D-Max 3.0 D/Cab White 4x4 LSE AT	Vin No ACVTFS40JPD191899	Engine No 4JJ3FEU793
1 x Isuzu D-Max 3.0 D/Cab White 4x4 LSE AT	Vin No ACVTFS40JPD191864	Engine No 4JJ3FED262
4 x Quad Bikes (All RED)	Chassis Number 5SAAK4E31R7100219 5SAAK4E39R7100209 5SAAK4E32R7100214 5SAAK4E38R7100220	Engine No K441301985 K441302004 K441302019 K441301986
2 x Automatic Quad Bikes Green Red	Chassis Number 5SAAK4D35S7101140 5SAAK4D37S7100703	Engine no K439309528 K439309020
2 x Trailers	Vin No : AE9B175UBNHKR8014 Vin no. : AE9B175UBNHKR8013	KYX054L KYX053L

Uniforms Description and Quantity as follows:

(i) 60 x MISCELAF Golf Shirts - MAS PKD5 Cypher golfer
(ii) 60 x VAS/002 EMB Branding Metro Police /logo/Coastal
(iii) 60 x VAS/001 EMB Branding Individual Names

(iv) 45 x VAS/003 EMB Branding logo Back - Metro Police
(v) 24 x MISCELAF Shorts BAR PS-ROG Navy
(vi) 12 x MISCELAF Jackets BAR IL-JAC Lime

(vii) 12 x VAS/002 EMB Branding Metro Police /logo/Coastal
(viii) 12 x VAS/001 EMB Branding Individual Names
(ix) 9 x VAS/003 EMB Branding logo Back - Metro Police
(x) 48 x MISCELAF Socks Black

(xi) 1 x MISCELAF Footwear HiTEc Ares Black sneakers sz 6
(xii) 4 x MISCELAF Footwear HiTEc Ares Black sneakers sz 7
(xiii) 4 x MISCELAF Footwear HiTEc Ares Black sneakers sz 8
(xiv) 3 x MISCELAF Footwear HiTEc Ares Black sneakers sz 9

ADOPTED.

1.2 Request for Authority to Support the Outer West Fire Protection Association Registration:
(L156: Security and Emergency Services Committee - Agenda 2026-02-13)

Some landowners in the Outer West of the Municipality have initiated the formation of a Fire Protection Association (FPA) through the Department of Environment, Forestry and Fisheries. If the application is approved by the Minister, the Association will serve as an additional institution to support the Municipal Fire Service in the area.

Membership of the Municipality in the Association is mandatory. This provides an opportunity for the Municipal Fire Service to maintain close relations with organized land-owning communities and promotes cooperation on matters related to veldfire prevention and firefighting.

Authority is therefore sought for the Municipality to support the application to register the Outer West FPA. Upon registration, the Fire Services Directorate will represent the Municipality's membership in the Association.

The National Veld and Forest Fire Act No. 101 of 1998 provides for the establishment, registration, duties, and functioning of FPAs, ensuring they deal with all aspects of veldfire prevention and firefighting. The Act further stipulates that when an Association is registered in an area under a Municipality, the Municipality must be a member. Where the Municipality is a member and operates a service, the Chief Fire Officer assumes the role of Fire Protection Officer.

With the Committee noting the legislative mandate,

COMMITTEE RECOMMENDS:

1.2.1 That authority be granted for the Municipality to support the application by landowners to the Minister of the Department of Environment, Forestry and Fisheries to register the Outer West Fire Protection Association.

1.2.2 That, subject to Council adoption and upon full registration of the Association, authority be granted for the Fire Services Directorate to represent the Municipality's membership, as prescribed in the National Veld and Forest Fire Act No. 101 of 1998.

ADOPTED.

2. REPORT OF THE FINANCE COMMITTEE: MEETING HELD 2026-02-18

(Page R4)

2.1 Budget Statement Report for the Month Ended 30 November 2025 (7/1/4):
(Page 62: Finance Committee - Agenda 2026-02-18)

The Committee noted the overall financial performance analysis of the Municipality as at the end of November 2025. The actual operating revenue of 97% of the year-to-date budget, with a variance of -3%. The actual operating expenditure was reported as a percentage of year-to-date budget figure of 91% with a variance of -9%. The capital expenditure was reported to be sitting at 77% of the budget and with a variance of -23%. The capital year to date spent is 22,82%.

The cash collection rate of 88% is lower when compared to the same period in the previous year (94%). Furthermore, the municipality has reported a net debtor ratio of 246 days.

Accordingly,

COMMITTEE RECOMMENDS:

2.1.1 That the Budget Statement report for the month ended 2025-11-30 and the supporting documents, submitted by the City Manager as per his report dated 2025-12-12, in compliance with Section 71 of the Municipal Finance Management Act No.56 of 2003 and in terms of Government Notice 32141 dated 17 April 2009, relating to the "Local Government: Municipal Finance Management Act No. 56 of 2003, the Municipal Budget and Reporting Regulations", be noted.

2.1.2 That in compliance with Section 32(2) of the Local Government: Municipal Finance Management Act (LG: MFMA) No.56 of 2003, Council notes the Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFWE) incurred for the month of November 2025 as detailed on section 11 of the Budget Statement Report.

2.1.3 That Council refers the UIFWE referred to in .2 above to the Municipal Public Accounts Committee (MPAC) for investigation into the recovery or write-off of the said expenditure in terms of Section 32(2)(b) of the LG: MFMA No.56 of 2003 and request MPAC to report back to Council on the outcome of its investigations.

NOTED.

2.2 Public Tender Awards of eThekwini Municipality for the Month Ended 30 November 2025 (9/1/3):
(Page 225: Finance Committee - Agenda 2026-02-18)

The Committee noted that the amount of R726 344 059.35(Seven Hundred and Twenty Six Million Three Hundred and Forty Four Thousand Fifty Nine Rand Thirty Five Cents) was the total value of tenders issued during the month of November 2025.

It should be noted that the Committee resolved to amend recommendation 3. below to remove the words *"reserves the right"* and in all other future Public Tender Awards monthly reports to read as follows: - "That the City Manager to investigate the awards with a view to taking disciplinary, criminal and recovery actions where wilful and negligent violation of Supply Chain Management Policies and Municipal Finance Management Act provisions are observed."

Thereafter,

COMMITTEE RECOMMENDS:

2.2.1 That the public tender awards by the City for the month of November 2025, inclusive of awards made in terms of Section 36 of the Supply Chain Management Regulations, as contained in the report of the Director: Procurement and Supply Chain Management dated 2025-12-09, be noted.

2.2.2 That it be noted that where information is available for Wards and registration numbers, it is included in the report, as information used to compile the report is taken from submissions made by the Units.

2.2.3 That the City Manager to investigate the awards with a view to taking disciplinary, criminal and recovery actions where wilful and negligent violation of Supply Chain Management Policies and Municipal Finance Management Act provisions are observed.

NOTED.

2.3 Public Tender Awards of eThekwini Municipality for the Month Ended 31 December 2025 (9/1/3):
(Page 259: Finance Committee - Agenda 2026-02-18)

The Committee noted that the amount of R 152 085 245. 97 (One Hundred and Fifty Two Million Eighty Five Thousand Two Hundred and Forty Five Rand Ninety Seven Cents) was the total value of tenders issued during the month of December 2025.

As mentioned above, recommendation 3. below was amended to remove the words *"reserves the right"* and to read as follows: - "That the City Manager to investigate the awards with a view to taking disciplinary, criminal and recovery actions where wilful and negligent violation of Supply Chain Management Policies and Municipal Finance Management Act provisions are observed."

Accordingly,

COMMITTEE RECOMMENDS:

2.3.1 That the public tender awards by the City for the month of December 2025, inclusive of awards made in terms of Section 36 of the Supply Chain Management Regulations, as contained in the report of the Director: Procurement and Supply Chain Management dated 2026-01-14, be noted.

2.3.2 That it be noted that where information is available for Wards and registration numbers, it is included in the report, as information used to compile the report is taken from submissions made by the Units.

2.3.3 That the City Manager to investigate the awards with a view to taking disciplinary, criminal and recovery actions where wilful and negligent violation of Supply Chain Management Policies and Municipal Finance Management Act provisions are observed.

NOTED.

2.4 Quarterly Report on Withdrawals from Municipal Bank Account in Terms of the Municipal Finance Management Act Dated 07 January 2026 (11/1/2):
(Page 281: Finance Committee - Agenda 2026-02-18)

The Committee noted the report on withdrawals from the Municipal bank account as at 31 December 2025, submitted in terms of Section 11 (4) of the Local Government: Municipal Finance Management Act No. 56 of 2003.

Accordingly,

COMMITTEE RECOMMENDS:

2.4.1 That the report on withdrawals from the Municipal bank account as at 31 December 2025, submitted in terms of Section 11(4) of the Local Government: Municipal Finance Management Act, be noted, it being recorded that the withdrawals relate to the following:

- Section 11(f): To refund money incorrectly paid into a bank account.
- Section 11(g): To refund guarantees, sureties and security deposits.
- Section 11(h): Investment of money not immediately required.

2.4.2 That Council notes that the report on withdrawals will also be submitted to the Provincial Treasury and the National Treasury as well as the Auditor-General, in line with the statutory requirement.

NOTED.

2.5 Investment Report for the Month Ended 30 November 2025 (7/11/4):
(Page 285: Finance Committee - Agenda 2026-02-18)

The Committee noted the Municipal funds invested at different Financial Institutions are recorded to amount to R2 726 542 000.00 (Two Billion Seven Hundred and Twenty Six Million Five Hundred and Forty Two Thousand Rand), at an average rate of return on investment of 6.51%. Also, that the Municipality has an overdraft facility of R1 000 000 000.00 (One Billion Rand) and the unutilised Capital and Operational Grants as at the end of November 2025 was reported to be R1 401 000.00 (One Million Four Hundred and One Thousand Rand). It was further noted that there were 09 (nine) days cash on hand excluding grants.

Thereafter,

COMMITTEE RECOMMENDS:

That the report on investments for eThekwini Municipality as at 2025-11-30, which records the total funds invested at financial institutions as R2 726 542 000.00 (Two Billion Seven Hundred and Twenty Six Million Five Hundred and Forty Two Thousand Rand), at an average rate of return on investment of 6.51%, as submitted by the City Manager, in line with the requirements of the Municipal Cash Management and Investment Regulation of the Local Government: Municipal Finance Management Act No. 56 of 2003, be noted.

NOTED.

2.6 Investment Report for the Month Ended 31 December 2025 (7/11/4):
(Page 291: Finance Committee - Agenda 2026-02-18)

The Committee noted the Municipal funds invested at different Financial Institutions are recorded to amount to R3 583 332 000.00 (Three Billion Five Hundred and Eighty Three Million Three Hundred and Thirty Two Thousand Rand), at an average rate of return on investment of 7.04%. Also, that the Municipality has an overdraft facility of R1 000 000 000.00 (One Billion Rand) and the unutilised Capital and Operational Grants as at the end of December 2025 was reported to be R1 157 000.00 (One Million One Hundred and Fifty-Seven Thousand Rand). It was further noted that there were 17 (seventeen) days cash on hand excluding grants.

Thereafter,

COMMITTEE RECOMMENDS:

That the report on investments for eThekwini Municipality as at 2025-12-31, which records the total funds invested at financial institutions as R3 583 332 000.00 (Three Billion Five Hundred and Eighty Three Million Three Hundred and Thirty Two

Thousand Rand), at an average rate of return on investment of 7.04%, as submitted by the City Manager, in line with the requirements of the Municipal Cash Management and Investment Regulation of the Local Government: Municipal Finance Management Act No. 56 of 2003, be noted.

NOTED.

2.7 Billing Report for the Month Ended 31 December 2025 (7/6/2/R):
(Page 297: Finance Committee - Agenda 2026-02-18)

The National Treasury's MFMA Circular 58 advises Municipalities to pay attention to ensuring the collection of revenue, **"municipalities need to ensure that billing systems are accurate, send out accounts to residents and follow-up to collect revenues owed"**;

The Circular also guides municipalities on factors to consider when determining their annual tariffs; these include, amongst others:

- The input costs of trading services,
- Financial sustainability,
- Local economic conditions,
- Affordability of municipal services;
- The municipal indigent policy and the relevant sector specific policies;

Furthermore, Circular 58 provides substantial information to guide municipalities with tariff determination processes that ensure cost reflective tariffs in respect of municipal trading services.

The Accounts Management Section is responsible for the following core functions:

- **Billing**: Processing day-to-day billing, development incentives, customer rates rebates, refunds, Special Rating Areas (SRAs), and account updates.
- **Housing Loans**: Administration of municipal housing loans and vacant land rebate applications.
- **Dispatch**: Bill dispatch, e-Services registrations, and handling returned mail.
- **Reconciliations**: Ensuring 100% billing completeness by reconciling the general and supplementary valuation rolls.
- **Enquiries Management** : Call Centre and Correspondence to customer queries
- **Meter Reading Management** : Reading of both electricity and water meters

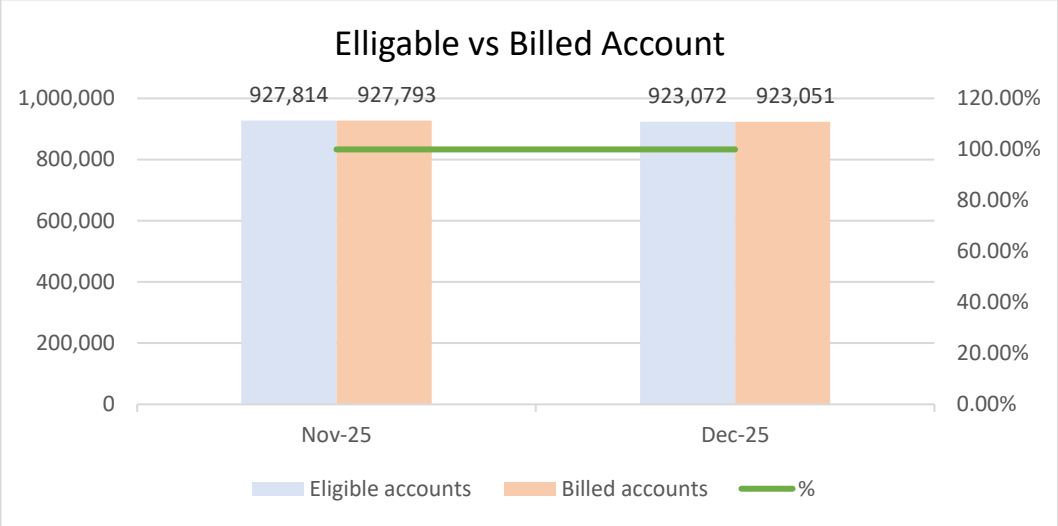
ACCOUNTS MANAGEMENT REPORTS:
Completeness of Billing:

- There were 923 072 accounts eligible to bill for the month ended 31 December 2025, and 923 051 accounts were billed resulting in 99.99% in completeness of billing.

- The same percentage of 99.99% was obtained for the month of November 2025 and we have been consistent throughout the current financial year;
- Daily and monthly monitoring of the completeness of billing is performed and this is measured through SDBIP on a monthly basis.

Completeness of Billing – December 2025:

Completeness			
Months	**Eligible accounts**	**Billed accounts**	**%**
November-2025	927,814	927,793	99.99%
December-2025	923,072	923,051	99.99%



- Between accounts eligible for billing and billed accounts is as a result of new accounts creation to be billed in the next cycle for the next month.

Property Values:
As per the 2022 General Valuation roll with its supplementary rolls, the municipality have 555 539 total number of properties with the rand value of R717,067 Billion as of December 2025 all combined as tabulated below. There has been a decrease in the value of properties from November to December to the value of R165,582 Million.

Rates Summary 2025/2026:

	November 2025		**December 2025**	
Row Labels	**Market Value**	**No. of Properties**	**Market Value**	**No. of Properties**
	R		**R**	
Agricultural	4,469,601,000.00	1150	4,469,601,000.00	1150
Agricultural (Non Sewered)	-	11	-	11
Agricultural (Sewered)	2,650,000.00	10	2,650,000.00	10
Business & Commercial	145,921,966,025	17,793	145,935,919,025	17,796
Business & Commercial (Non Sewered)	15,529,000	13	15,529,000	13
Business & Commercial (Sewered)	112,748,000	510	112,748,000	509
Development Phasing Line (vacant land)	194,822,000	414	194,822,000	414
Industrial	73,983,323,700	7,412	73,958,533,700	7,411
Industrial (Non Sewered)	-	6	-	6
Industrial (Sewered)	73,372,000	113	73,372,000	113
Mining Property	227,544,000	11	227,544,000	11
Public Benefit Activities	1,236,069,000	61	1,236,069,000	61

	November 2025		December 2025	
Row Labels	**Market Value**	**No. of Properties**	**Market Value**	**No. of Properties**
	R		**R**	
Public Service Infrastructure	16,891,761,000	6,777	16,889,942,000	6,783
Public Service Infrastructure (Non Sewered)	750,000,500.00	16	750,000,500.00	16
Public Service Infrastructure (Sewered)	9,741,500	170	9,741,500	170
Public Service Purposes	21,008,066,000	764	21,010,756,000	765
Residential	434,871,846,909	483,085	435,040,114,909	483,148
Residential (Non Sewered)	1,810,000	81	1,810,000	81
Residential (Sewered)	39,622,000	387	39,622,000	387
Sectional Title Real Right	12,499,000	10	12,499,000	10
Unauthorised / Illegal Dev. / Use	1,284,123,000	498	1,293,643,000	498
Unauthorised / Illegal Dev. / Use (Sewered)	230,000.00	1	230,000.00	1
Vacant Land	15,708,322,700	35,130	15,706,082,700	35,134
Vacant Land (Non Sewered)	21,562,000	180	21,562,000	180
Vacant Land (Sewered)	65,094,000	861	65,094,000	861
	716,902,303,334	**555,464**	**717,087,885,334**	**555,539**

Residential properties are charged rates depending on the value of as tabulated below:

Number of Properties Billable for Rates – Residential Property:

Description	**> 350 000 (Rateable)**		**< 350 000 (Non-Rateable)**	
	Market Value	**Number of Properties**	**Market Value**	**Number of Properties**
Residential Properties	R406 851 028 000.00	331 282	R28 230 518 090.00	152 334

Properties below R350 000 are 100% exempted from rates and those above R350 000 are charged as per approved tariff less R120 000 property value as permissible which is R15 000 as regulated by Municipal Property Rates Act and additional R105 000 as rebate granted by eThekwini.

Customer Rates Rebates:

eThekwini Municipality grants different rates rebates to qualifying customers. The aim of these rebates is to alleviate the burden to our senior citizens, child headed households, disability grantees, etc, who have a fixed income and limited resources.

Below is the table showing the amounts and the number of ratepayers who have benefitted from this program for the month of December 2025.

Current Active Customer Rebate (Rands):

Rebate Labels	**No of Propertied in the Valuation Roll**	**Rebate Amount September 2025 R**	**No of Propertied in the Valuation Roll**	**Rebate Amount October 2025 R**
Bed & Breakfast Rebate	84	-388,498	83	-370,849
Child Headed Households Rebate	1	-480	1	-480

Rebate Labels	No of Propertied in the Valuation Roll	Rebate Amount September 2025 R	No of Propertied in the Valuation Roll	Rebate Amount October 2025 R
Disability Grantees Rebate	848	-392,289	852	-393,728
Holiday Accommodation Rebate	6	-28,604	6	-28,604
Indigent Rebate	161	-75,243	181	-84,543
Life Rights Schemes & Retirement Villages Rebate	7	-145,191	7	-145,191
Medically Boarded Rebate	431	-206 829	433	-204 903
Natural Disaster & Other Rebate	-	-	1	-386
Nature Reserve and Conservation Area	1	2,655	1	-2,655
School Not for Gain	28	-416,632	28	-416,632
Senior Citizens Rebate	57,072	-26,963,392	57,412	-27,017,926
Vacant Land – New Development	1	-7,357	1	-7,357
Vacant Land Rebate	94	-423,503	97	-1,494,608
Other Properties not illegible for rebate	496,730	-	496,436	-
Grand Total	**555,464**	**-29 050 673**	**555,539**	**-30 167 608**

Vacant Land Rebates: December 2025:

Vacant land rebate was introduced in the year of 2024/2025 and effected from the 1st of July 2024 where qualifying vacant landowners were given 10% discounts on their rates in line with the approved policy. For the year 2025/26 the revised percentage is 30%. In the month of December 2025 there was only 1 new application that has been processed and approved where the ratepayer received 30% rebate amounting to the total revenue forgone of **R2,478.68.**

Date Received	Date Processed	Monthly Rates	30% Rebate	Monthly Rates After 30% Rebate	Rate No.	Account No.	Address
11/12/2025	11/12/2025	8 262.27	2 478.68	5 783.59	97643108	83628267145	Portion 210 Erf 55 Sibaya
		8 262.27	**2 478.68**	**5 783.59**			

Dispatch:

a) With the implementation of the online e-Services platform, which enables customers to register, view, download, and pay their municipal bills electronically, there has been a notable increase in customer registrations. The Revenue Management Unit is preparing to embark on an intensified registration campaign to further increase customer uptake of the e-Services platform.

b) In collaboration with other organs of the state, the Municipality is leveraging data from their database to support and accelerate the onboarding of additional customers onto the e-Services platform.

c) Ongoing efforts are in place to continuously register customers, ensuring that they receive their municipal bills either via email or by logging into the system to view and print their statements.

d) Alternative solutions are being explored to support the transition to a fully digital environment, including the potential introduction of self-service Kiosk Machines at designated municipal centres. These kiosks would enable customers to independently access and print their municipal bills post-digitization.

Enquiries Management:

Call Centre and Correspondence Department is responsible for handling inbound calls from customers, enquiring their accounts, among other things, billing related queries, payment of accounts and responding to enquiries received from customers through E-Correspondence System. E-Correspondence System manages all written correspondences including emails, letters official documents ensuring timely and professional communication with customers.

Below is the statistical information on Call Centre and Correspondence Department for the month of December 2025, which indicates number of calls received, nature of customer queries measured in a percentage % form.

eCorrespondence December 2025 Query Types	
Balance of Enquiry/ Copy Bill Request	**Other (General Accounts Queries)**
47%	**53%**

eCorrespondence	**TOTAL**	**%**
Balance Enquiry/ Copy Bill Request	994	47%
Other (General Accounts Queries	1 129	53%
	2 123	**100%**

Meter Reading:

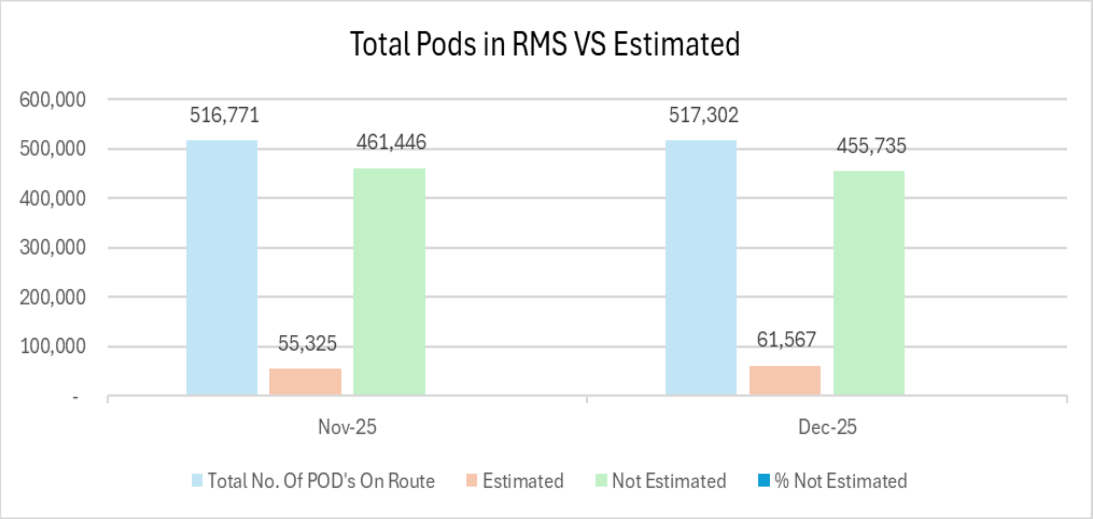
Meter reading services is a critical component of revenue collection through accurate billing of services. The department is responsible for accurately and efficiently reading both electricity and water meters to ensure correct billing and revenue collection. Below is the statistical information for the period of December 2025, on meter reading which details read and unread meters, significant challenges encountered during the process of meter reading and mitigating actions.

Water Meter Reading:

Below is the statistics of meter reading for water which details unread and read meters: Water meters are read monthly:

The average estimation rounded off is 12%

Total Pods in RMS VS Estimated					
MONTH	**Total No. of POD's On Route**	**Estimated**	**Not Estimated**	**% Not Estimated**	**% No of Estimated**
November-2025	516 771	55 325	461 446	89%	11%
December-2025	517 302	61 567	455 735	88%	12%



Narration of the estimated Meters:

NB! The 1% increase in the estimation is due to a number of meters removed on site but are still existing on RMS

No of Estimated	% Estimated	Responsible Department	Remarks	Action Plan	Time Frame
44829	73%	Maintenance	Faulty Meters reported to maintenance & Meters Removed on site but not on RMS	Maintenance team to replace these meters	Continuous
16706	27%	Meter Reading	These are mainly due to properties being locked, obstruction to access the meter, vicious dogs prohibiting access to yards. Readings rejected by audit	Revenue department is currently issuing notifications to customers requesting access to their properties for meter reading purposes. Should there be no improvement, punitive tariffs will be applied to accounts not read for a period exceeding three months from the date of notification, in accordance with the Credit Control Policy.	Continuous
32	0%	Adjustments	Overreads to be adjusted	Adjustments department to resolve these in the following month	

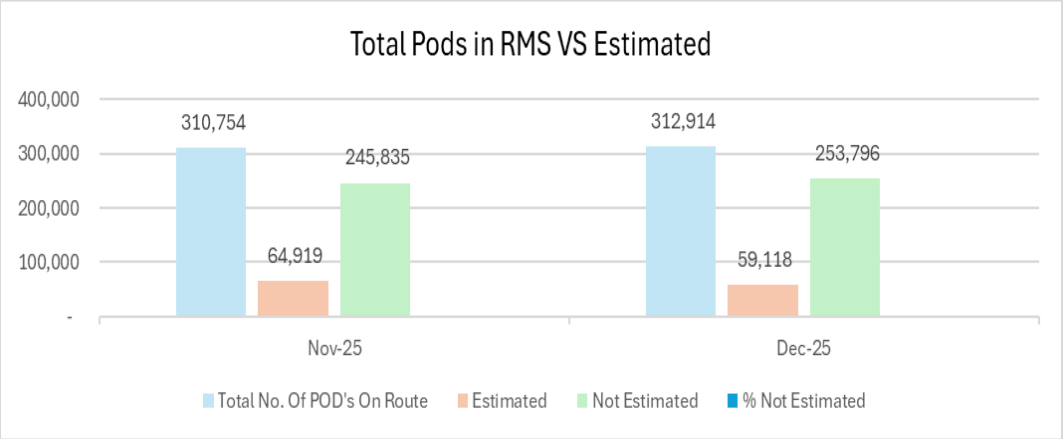
Electricity Meter Reading:

Electricity meter reading is conducted every third month, except for business meters which are read on monthly basis for actual and accurate billing of consumption used. In As indicated in the water meter reading, below is a table that shows the number of unread meters and its ageing for the month of December 2025.

The average estimation rounded off is 19%, part of these estimates are in line with the reading meters once every 3 months.

There are also **15 889** meters which are disconnected however in some instances there seem to be movements which therefore suggests tempering.

Total Pods in RMS VS Estimated					
Months	**Total No. Of POD's On Route**	**Estimated**	**Not Estimated**	**% Not Estimated**	**% Estimated**
November-25	310,754	64,919	245,835	79%	21%
December-25	312,914	59,118	253,796	81%	19%



Narration of the estimated Meters:

Description	< 1 Year	> 1 Year ≤ 3 Years	>3 Year ≤ 5 Years	> 5 Years	Grand Total
Meter Reading					
Rejected @ Audit - Due to high/low Consumption	5,303	1,405	121	33	6,862
Route Not Completed	18,810	3,745	541	310	23,406
No Access	18,005	5,852	585	244	24,686
House Vacant	95	24	3	2	124
Refused Entry by Consumer	1,483	443	34	14	1,974
Vicious Dog	92	33	4	3	132
Wasps Nest Around Meter	5	-	-	-	5
	43,793	**11,502**	**1,288**	**606**	**57,189**
MAINTENANCE					
Faulty Meter	7	3	1	1	12
Foreign Lock	481	47	15	14	557
Lock Faulty	31	3	-	-	34
Meter Bypassed	13	10	4	2	29
Meter Damaged	2	2	1	1	6
Meter Obstructed	49	14	1	2	66
Meter Removed	119	153	82	64	418
Meter Tampered	1	2	-	-	3
New Meter	23	20	14	4	61
No Keys	67	11	2	-	80
Unable to Locate	341	170	86	66	663
Total	**1,134**	**435**	**206**	**154**	**1,929**

Accordingly,

COMMITTEE RECOMMENDS:

That Council notes the dashboard overview of the Accounts Management Billing report for the month of December 2025, with the activities having been pursued in compliance with the legislative requirements stipulating that Municipalities are empowered to ensure the billing systems are accurate, send out accounts to residents and follow-up to collect revenue owed.

NOTED.

2.8 Review of the Tariff for Revenue Clearance Certificate Fee for the 2026/2027 MTREF (7/6/1/5):
(Page 307: Finance Committee - Agenda 2026-02-18)

Authority is sought for approval of the public participation for the Revenue Clearance Certificate Tariffs (2026/2027 financial year) in terms of Section 75A (1) (a) of the Local Government: Municipal System Act No.32 of 2000. The Revenue Clearance Section is under the Revenue Management Directorate and part of the Finance Cluster, and its function falls within Plan 8 of the IDP. The main purpose of the Revenue Management Directorate is to provide efficient and effective systems of revenue and customer management that are necessary to enable the Municipality to collect all monies due in respect of revenue services such as property tax, electricity, water, sewerage and refuse collection and other services provided described as "sundry services".

The main responsibility of the Revenue Clearance Section is to manage the issuing of Revenue Clearance Certificates by ensuring that the property debt is fully recovered before the certificate is issued. The Interim Rates Clearance Application Management System (hereinafter referred to as "IRCARM") was developed to manage the application process for Revenue Clearance applications. IRCARM is used to verify property information for pending property sales and determine all outstanding charges related to the property.

Currently, for all electronic applications, attorneys access the system via 3rd party systems which are managed by E4 and Lexis Nexis. A number of applications come through IRCARM and as a result, the Municipality has to invoice E4 and Lexis Nexis monthly. E4 and Lexis Nexis pays the Municipality a commission for all the applications that they are processing on Municipality's behalf.

The current deficit is expected to increase overtime as indicated in the table of income and expenditure under item 6.4 in the report of the Director: Revenue Management dated 2025-11-27. This is due to the payment of salaries and other employee benefits to the staff as required for operations. The application fee has remained static and increased marginally. The Revenue Clearance Section must recover the expenses from the revenue clearance application fees generated.

To cover the estimated expenditure of R16,5 Million for 2026/2027 financial year, the tariff will have to be increased by more than double the current tariff to reduce the deficit that is being absorbed by the Section. As the tariff relates to a service provided for transfer of properties, the increase in the tariffs will be limited to 5%.

At the Support Committee level, the DA abstained on the matter. Accordingly, the matter was approved by a majority vote.

At the Executive Committee level, the DA maintained is abstention on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

2.8.1 That the proposed 5% increase in tariffs for Revenue Clearance Certificate (RCC) be levied as set out in the 2026/2027 financial implications below and in the report of the Director: Revenue Management dated 2025-11-27, be approved in-principle, and be taken for the public participation process together with the draft budget, as per the statutory requirements, as follows:

2.8.1.1 The cost of processing an electronic application for a RCC be R290.85 (Two Hundred and Ninety Rand Eighty Five Cents) including VAT for properties below or equal to R185 000.00 and at R467.25 (Four Hundred and Sixty Seven Rand Twenty Five Cents) including VAT for properties above R185 000.00 in value.

2.8.1.2 For each application applied for through Revenue Clearance system, vendors will pay R16.80 (Sixteen Rand Eighty Cents) as a Commission to Council: R16.80 (Sixteen Rand Eighty Cents) is inclusive of VAT.

TARIFF DESCRIPTION	Present Tariff 25/26 Excl. VAT	Proposed Tariff 26/27 Excl. VAT	Increase Proposed %	Proposed Tariff 26/27 Incl. VAT	Proposed Tariff 27/28 Incl. VAT	Proposed Tariff 28/29 Incl. VAT
Electronic Applications: Property value below and equal to R185,000	R240.87	R252.91	5%	**R290.85**	R305.39	R320.66
Electronic Applications: Property value above R185,000	R386.96	R406.31	5%	**R467.25**	R490.62	R515.16
Commission charged from vendors for each application	R13.91	R14.61	5%	**R16.80**	R17.64	R18.52

2.8.2 That subject to the in-principle approval, the City Manager be mandated to comply with the provisions of Section 75A (3) and (4) of the said Act to display notices of such an increase.

2.8.3 That the City Manager be mandated to send a copy of the notice to the KwaZulu-Natal MEC for Co-operative Governance and Traditional Affairs.

Financial Implications:
In terms of section 17(3)(a)(ii) of the Local Government: Municipal Finance Management, 2003 (Act 56 of 2003), the setting of any municipal tariffs must be done in a form of a draft resolution that must accompany an annual budget to be tabled for approval before a municipal Council. Data relating to income and expenditure are shown below:

Revenue	Actual 2024/2025	Estimate 2025/2026	Forecast 2025/2026	Budget 2026/2027	Budget 2027/2028	Budget 28/29
	R	R	R	R	R	
Total Revenue	-9,466,886.51	-10,510,500.00	-10,510,500.00	-10,510,500.00	-11,036,030.00	-11,587,830.00
Total Expenditure	14,686,788.72	16,743,660.00	16,743,660.00	16,541,833.83	17,489,503.49	18,491,507.30
SURPLUS/ DEFICIT	**5,219,902.21**	**6,233,160.00**	**6,233,160.00**	**6,031,333.83**	**6,453,473.49**	**6,903,677.30**

ADOPTED, by the majority vote.

2.9 Budget Statement Report for the Month Ended 31 January 2026 (7/1/4):
(Page 331: Finance Committee - Agenda 2026-02-18)

The Committee noted the overall financial performance analysis of the Municipality as at the end of December 2025. The actual operating revenue of 101% of the year-to-date budget, with a variance of 1%. The actual operating expenditure was reported as a percentage of year-to-date budget figure of 91% with a variance of -9%. The capital expenditure was reported to be sitting at 83% of the budget and with a variance of -17%. The capital year to date spent is 35,81%. The cash collection rate of 87% is lower when compared to the same period in the previous year (93%). Furthermore, the municipality has reported a net debtor ratio of 244 days.

During deliberations, the following salient points were raised:

- Reservations were expressed on the reported 17 days of cash on hand against the benchmark of 1 to 3 months, a submission made that the Municipality was regressing, and that more work needed to be undertaken to salvage the situation. A request being made for the Cost Containment Strategies that were developed to improve the cashflow position to be within the required norms to be made available to the Committee for oversight purposes.

- The reported anticipated over expenditure for Metro Police and the EPWP was expressed as a concern, clarity being requested as to the reasons for this over expenditure given that the financial year was only coming to an end in few months. The reported irregular expenditure was also raised as a concern; mention being made that the Auditor General has flagged irregular expenditure as an urgent matter which the Municipality needed to address and reduce in future. Clarity being requested as to the cause for the rise in irregular expenditure and the plans to resolve same.

- On the other hand, it was noted that the debtors' book was increasing due to various factors including unaffordability, mention being made the relief programmes being provided by the Municipality were not yielding the intended results, emphasis made that the Municipality had to prioritize resolving customer queries and address incorrect billings prior to entering into payment agreements with consumers. An update was also requested on the disconnection of Section 20 and Section 21 Schools.

- It was noted that the water distribution losses were reported to be 53,13%, above the norm of 15% to 30%, information being requested as to what constitutes the total water losses in terms bursts, leaking meters and illegal connections. Against the back drop of the reported total loans outstanding of R9,7 billion which were related to capital infrastructure, and the ageing infrastructure being mentioned as one of the major reasons for water losses, a query was submitted on the number of water pipes in terms of kilometres replaced over the last two (02) years, to respond to the ageing infrastructure.

- On the other hand, a proposal was also made for the Municipality to also consider imposing a tariff to disperse water through water tankers into private Jojo tanks. An enquiry was also made on whether the Municipality has an existing database of areas with recurring water bursts to track abnormalities. Emphasis being made that as part of reducing water losses, the Municipality should also fix all leaking standpipes in Townships including Informal Settlements and to also intensify revenue collection in all hostels including installation of smart meters.

As part of responses to the above comments submitted, the following was noted:

- A commitment was made that a presentation will be made at the next Committee regarding the debt dispute resolution mechanism, which will detail what is regarded as a dispute, the number of disputes received and resolved, values involved and the age analysis thereof. That the presentation will also entail the contact office for dispute resolutions and how the Municipality manages the process of disputes for accountability purposes.

- That a close out report on the recent Special Debt Relief Programme inclusive of the impact on the debt reduction will form part of next Committee meeting.

- In terms of disconnection of services for Schools, information was given that the Municipal debt owed by the Department of Education was close to half a Billion Rand for Municipal services rendered, including the provision of water through water tankers. That in respect of Section 20 Schools, the Municipality is engaging directly with the Department to ensure that the outstanding debt is settled. However, in case of Section 21 Schools, both the Department and the individual Schools are engaged as their funding is allocated directly to the Schools and have a discretion in how the allocated budget is utilized for their operational needs, therefore disconnections are effected in order to prevent further accumulation of debt, as these schools are required to settle their accounts using the allocated resources. Confirmation being given that some of the Section 21 Schools are being proactive and are approaching the Municipality for payment arrangements to settle their outstanding debts. It was also confirmed that meters were being read regularly at Schools, and estimated bills were not issued.

- On the other hand, it was reported that during the second quarter, the Eskom bill went up from R1,5 billion to R2,5 billion a month and having an impact on the available cash on hands, however, mention was made that in terms of the budget, it was projected that before the financial year end, cash on hand will be R4,9 billion.

- On the issue of overtime, it was noted that some services were of emergency in nature and times, expenditure is incurred, however, control measures were in place including finalisation of recruitment for the additional Metro Police Officers to reduce overtime and revised allocations to be considered during the adjustment budget, for the EPWP.

- It was also mentioned that the loans were raised in line with the Council resolutions and are there to substitute the grants. Further, information being given that as part of the Council approved turnaround strategies, the key focus areas were Non-Revenue Water (NRW) wherein there were initiatives in place to reduce the NRW, further that an amount of R409 million was received from the National Treasury in the month of November 2025 for these NRW initiatives. Assurance being given that the Cost Containment Strategies to improve the cashflow position to be within the required norms will be shared with the Committee including the report to apprise the Committee on the NRW initiatives.

With the Committee having critically analyzed the financial position of the Municipality, it was subsequently

COMMITTEE RECOMMENDS:

2.9.1 That the Budget Statement report for the month ended 2026-01-31 and the supporting documents, submitted by the City Manager as per his report dated 2026-02-13, in compliance with Section 71 of the Municipal Finance Management Act 56 of 2003 and in terms of Government Notice 32141 dated 17 April 2009, relating to the "Local Government: Municipal Finance Management Act (LG: MFMA) No. 56 of 2003, the Municipal Budget and Reporting Regulations", be noted.

2.9.2 That in compliance with Section 32(2) of the Municipal Finance Management Act, Council notes the Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFWE) incurred for the month of January 2026 as detailed on section 11 of the Budget Statement Report.

2.9.3 That Council refers the UIFWE referred to in .2 above to the Municipal Public Accounts Committee (MPAC) for investigation into the recovery or write-off of the said expenditure in terms of Section 32(2)(b) of the LG: MFMA No.56 of 2003 and request MPAC to report back to Council on the outcome of its investigations.

NOTED.

2.10 Public Tender Awards of eThekwini Municipality for the Month Ended 31 January 2026 (9/1/3)
(Page 498: Finance Committee - Agenda 2026-02-18)

The Committee noted that the amount of R276 369 238.69 (Two Hundred and Seventy Six Million Three Hundred and Sixty Nine Thousand Two Hundred and Thirty Eight Rand Sixty Nine Cents) was the total value of tenders issued during the month of January 2026.

As mentioned on previous Public Tender Awards Reports, recommendation 3. below was amended to remove the words *"reserves the right"* and to read as follows: - "That the City Manager to investigate the awards with a view to taking disciplinary, criminal and recovery actions where wilful and negligent violation of Supply Chain Management Policies and Municipal Finance Management Act provisions are observed."

Accordingly,

COMMITTEE RECOMMENDS:

2.10.1 That the public tender awards by the City for the month of January 2026, inclusive of awards made in terms of Section 36 of the Supply Chain Management Regulations, as contained in the report of the Director: Procurement and Supply Chain Management dated 2026-02-09, be noted.

2.10.2 That it be noted that where information is available for Wards and registration numbers, it is included in the report, as information used to compile the report is taken from submissions made by the Units.

2.10.3 That the City Manager to investigate the awards with a view to taking disciplinary, criminal and recovery actions where wilful and negligent violation of Supply Chain Management Policies and Municipal Finance Management Act provisions are observed.

NOTED.

2.11 Investment Report for the Month Ended 31 January 2026 (7/11/4):
(Page 535: Finance Committee - Agenda 2026-02-18)

The Committee noted the Municipal funds invested at different financial institutions as R2 916 306 000.00 (Two Billion Nine Hundred and Sixteen Million Three Hundred and Six Thousand Rand), at an average of return on investment of 6.91%, Also, that the Municipality has an overdraft facility of R1 000 000 000.00 (One Billion Rand) and the unutilised Capital and Operational Grants as at the end of January 2026 was reported to be R937 800 000.00 (Nine Hundred and Thirty Seven Million Eight Hundred Thousand Rand). It was further noted that there were 14 (fourteen) days cash on hand excluding grants.

Accordingly,

COMMITTEE RECOMMENDS:

That the report on investments for eThekwini Municipality as at 2026-01-31, which records the total funds invested at financial institutions as R2 916 306 000.00 (Two Billion Nine Hundred and Sixteen Million Three Hundred and Six Thousand Rand), at an average rate of return on investment of 6.91%, as submitted by the City Manager, in line with the requirements of the Municipal Cash Management and Investment Regulation of the Local Government: Municipal Finance Management Act No. 56 of 2003, be noted.

NOTED.

2.12 Debt Collection Report for the Month Ended 30 November 2025 (7/6/3/1):
(Page 541: Finance Committee - Agenda 2026-02-18)

In terms of Section 64(1) of the Local Government: Municipal Finance Management Act No. 56 of 2003, the Accounting Officer of a Municipality is responsible for managing the financial administration of the municipality and must for this purpose take all responsible steps to ensure that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal control.

Revenue management is a fundamental and routine financial management function of the municipality's revenue generating business that encompasses billing and collection activities in respect of trading services and property rates levied.

The Local Government: Municipal Systems Act No. 32 of 2000, Chapter 2, Legal Nature and Rights and Duties of Municipalities, establishes the right of Municipal Councils 'to fund the affairs of the municipality by charging fees for services.

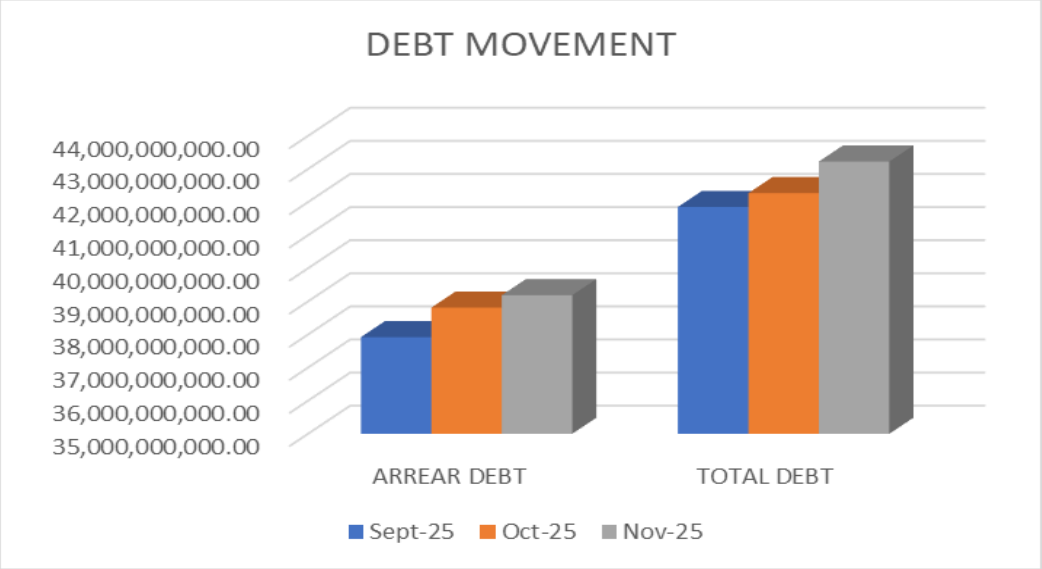
Furthermore, Chapter 8, Municipal Services, Section 75A, provides general powers to the municipality to levy and recover fees, charges, and tariffs in respect of any municipal function or service provided.

Chapter 8 goes on to provide specific information as to what is required from the municipality to give effect to executing such general powers and functions. The legal framework provides for municipal powers and functions that enable municipalities to charge for services rendered, to collect money due and to levy interest on outstanding amounts.

The Local Government: Municipal Systems Act no. 32 of 2000, sections 12 and 13, deals extensively with municipal legislative processes, particularly the passing and publishing of municipal by-laws in a provincial government gazette.

State of Debtors:

MONTH	ARREAR DEBT	TOTAL DEBT
September 2025	37,920,164,380.78	41,854,306,028.57
October 2025	38,811,746,156.08	42,271,024,256.20
November 2025	39,188,075,078.01	43,225,651,334.48



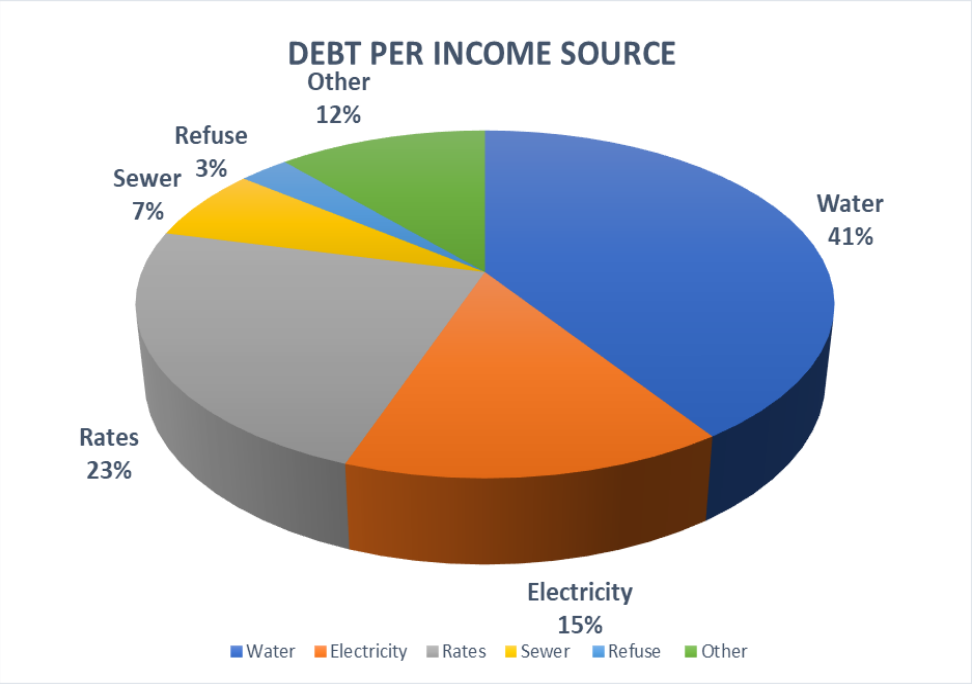
- The total debtors as of 30 November 2025 was R43,225,651,334.48 of which R39,188,075,078.01 is above 30 days and is considered as arrear debt.
- The increase in the debtor's book is generally attributed to the following factors which have impacted on the customers' ability to pay/pay on time:

(a) Poverty and Unemployment;
(b) Un-affordability due to low or loss of income;
(c) Number of indigent supports take ups;
(d) Slow/late payment rate from government and parastatals;
(e) Schools not paying for services S 21 schools;
(f) Inadequate disconnection of both water and electricity/ follow ups/investigation services for non-payment;
(g) Customers tampering with meters resulting in loss of income.
(h) Deceased, Liquidated Estates matters
(i) Deregistered company and increase in business liquidations
(j) Prescription of debt due to slow process of issuing summons;
(k) Non-availability of electricity pre-paid/smart meters resulting to some household legally by-passed or illegal connected or tempering.

Debt by Income Source:

Income Source	Total	Percentage
Water	17,521,675,995	41%
Electricity	6,446,636,375	15%

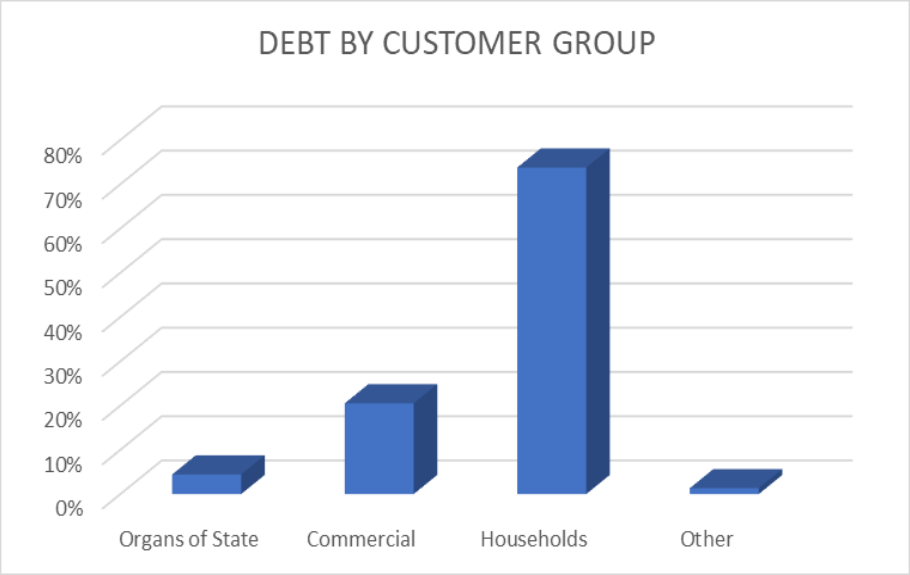
Income Source	Total	Percentage
Rates	10,125,174,027	23%
Sewer	2 933,896,912	7%
Refuse	1,196,305,050	3%
Other	5,001,962,976	12%
GRAND TOTAL	**43,225,651,334**	**100%**



- Water makes up 41% of total debt, while property rates and electricity are 23% and 15% respectively.
- The remaining debt is made up of Other, Wastewater, Waste Management, Interest and Property Rental.
- In total R38 Billion relates to rates and services debt while R5 Billion is for all other debtors including sundries and interest charges.

Debt by Customer Group:

NAME	AMOUNTS	PERCENTAGE
Households	31,895,875,526.40	74%
Commercial	8,912,775,127.93	21%
Organs of State	1,888,422,266.08	4%
Other	528,578,414.07	1%
TOTAL	**43,225,024,256.20**	**100%**



- Household debt makes up the bulk of the debt at **R32 Billion** (contributing 74% of the total debtors).

- This reflects growth in the number of households who are struggling to pay their municipal bill due to various factors affecting households.

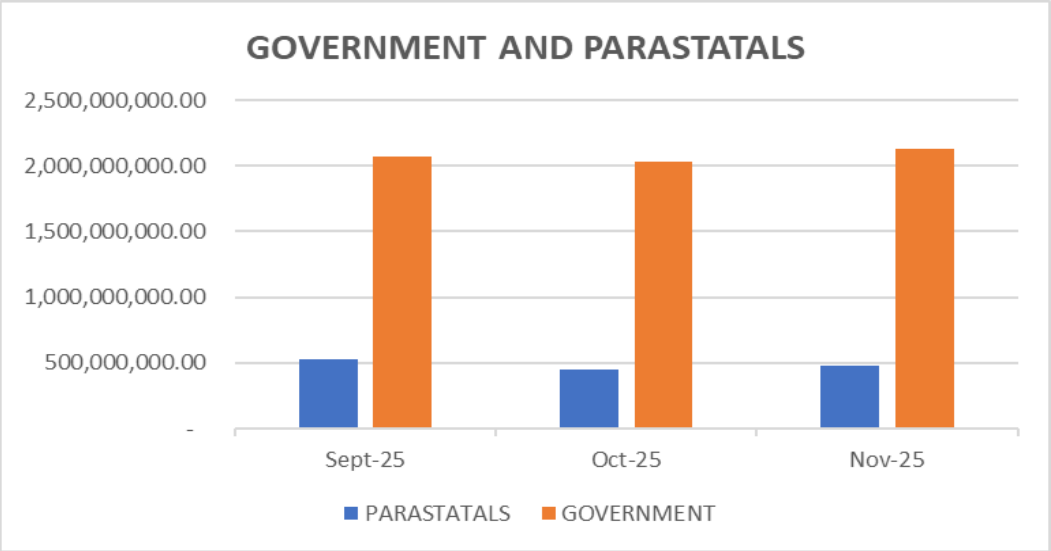
- Commercial debt includes business accounts which amount to R8.9 Billion (contributing 21% of the total debtors.

- Organs of State include government departments and parastatals accounts, which amount to R1.8 Billion (contributing 4% of the total debtors).

- The Council has developed a short-term and long-term debt collection & reduction strategy which includes amongst others targeted collection by customer group, meetings with key stakeholders such as government, businesses, parastatals, bulk users as well conducting an in-depth analysis of the debtor's book.

Government and Parastatals Debt:

	September 2025	**October 2025**	**November 2025**
PARASTATALS	526,877,634.00	449,084,151.00	479,362,362.00
GOVERNMENT	2,067,776,398.00	2,027,509,980.00	2,056,261,101.00
TOTAL	**2,594,654.032.00**	**2,476,594,131.00**	**2,535,623,369.00**



Total Government and Parastatals debt amounts to R2,535 Billion. While some progress has been made in reducing arrears, the overall pace of repayment remains slow and below target. Bulk of the debt is owed by Provincial Government at R1,641,471,176, Ingonyama Trust, owes R322,060,748.61 and National government owes R92,729,175.58.

Below are departments with long outstanding debts/contributing to government debt increase:

Comparison of Government Debt over 3 Months			
	September 2025	**October 2025**	**November 2025**
	R	**R**	**R**
National Government			
National Public Works	19,961,430	18,594,323	25,966,304
Rural Development & Land Reform	30,718	30,718	-
Dept. of Water Affairs	42,985,408	43,171,240	43,355,789
Dept. of Defence	4,108,493	4,203,494	3,801,253
Dept. of Correctional Services	7,284,425	7,697,692	15,887,072
Dept. of Justice	7,678,795	3,619,334	3,718,758
Totals for National Government	**82,049,270**	**77,316,801**	**92,729,176**
Ingonyama	316,048,701	319,038,029	322,060,749
Provincial Government			
Education – Section 21 Schools	330,054,547	346,958,304	368,084,354
Dept. of Health	43,177,277	26,372,567	37,673,982
Human Settlement	128,728,315	119,407,783	119,533,217
Education – Section 20 Schools	593,839,663	598,581,512	607,887,472
Office of the Premier	133,800	33,158	29,929
Dept. of Arts & Culture	141,010	317,275	388,287
Dept. of Economic Development	147,331	124,418	96,668
Dept. of Agriculture	10,661	9,434	16,490

Comparison of Government Debt over 3 Months			
	September 2025	**October 2025**	**November 2025**
	R	**R**	**R**
Provincial Public Works	564,439,462	530,093,418	497,287,281
Dept. of Transport	2,401,967.93	2,401,967.93	3,066,130.47
Dept. of Social Welfare	6,451,768.10	6,541,666.56	6,860,638.20
COGTA	152,626	313,646	546,729
Totals for Provincial Government	**1,669,678,428**	**1,631,155,151**	**1,641,471,176**
TOTAL	**2,067,776,398**	**2,027,509,980**	**2,056,261,101**

(a) **National Government Debt & Ingonyama Trust Board**

(i) **Ingonyama Trust Board**

The Ingonyama Trust Board has taken a decision to review the entire Asset Register to clarify several issues, they have requested an extension of time to determine the amount payable to the Municipality as per their communication dated 10 November 2025.

The Breakdown of Ingonyama debt is as follows:

- **R23,641,507.91** inclusive Interest relating to properties which had been confirmed by the ITB as their own and had agreed on payment. While in the process of negotiating a payment plan, Ingonyama Trust has now regressed stating further verifications need to be done before they can commit to paying.

- **R70.9 Million** relates to Hammarsdale Junction Mall – According to ITB, Property Management Groups Eris & Vukile are liable for the rates payment as per the lease agreement between. Ethekwini Municipality is of the view that ITB as the owners of the property remain liable for this debt.

- **R227.5 Million**, inclusive of interest, Rates for the 2X Shell Ultra City Garages at Umgababa & many other properties where ownership and liability for rate are being disputed. ITB claims that these properties belong to The Traditional Council. This matter was referred to legal, and it is still the view of the Municipality after consulting with legal that ITB remains liable as owners of the property.

(ii) **Department of Water & Sanitation:**

The debts relate to Inanda and Hazelmere dams rates prior to the introduction of PSI. Engagements between eThekwini, Public Works and Water affairs are ongoing through a task team that was formed representing all parties concerned. This matter is also being discussed at (PEWG WAS1) – The Presidential Working Group, an amicable solution has been reached on the amount owed by the Department of Water and Sanitation and another is yet to be reached on the debt owed by the National Department of Public Works.

(iii) **National Public Works:**
Arrears of R4,485,403.60 relates mainly to the interest accumulated on accounts – Capital debt has been paid and a submission for reversal of interest has been made by National Public Works. Payment of the current debt of was delayed due to issues related to the change in eThekwini banking details. This matter is being resolved.

(b) **Provincial Government Debt**
The key departments contributing to Provincial debt are:

(i) **Provincial Public Work** Total Rates Debt as at the end of November 2025 the balance owing was R497,287,281.11. The debt relates to annual rates which was due by end of October but has not been paid. Disconnections have been issued to compel the department to pay.

(ii) **Department of Education (S20 and Offices)-** Debt outstanding R607.9 Million. Relates to water tankers for schools and infrastructure sundry charges. Due to failing infrastructure some areas do not have supply of water, Council continues to supply water and bill the department, though the contract has expired. The meeting was held with relevant stakeholders; it was confirmed no SLA was signed. Recommendations were made by Management to terminate the supply until legal matters with DOE and Ethekwini were resolved, but the Water Department continues to supply water. DOE requested a detailed breakdown of costs for schools who received the services. Water Dept provided the relevant information. Once DOE agrees to the cost billed, they will negotiate payment arrangement. Disconnections in progress

(iii) **Department of Education (Section 21 Schools):**
Debt outstanding is R368 Million. Current is R42 Million, and arrears are R326 Million. Meeting was held on 15th of October 2025, based on the September outstanding balance, DOE did not agree on the proposed offer by Ethekwini which was in line with the credit control policy. DOE proposed counteroffer was not accepted since it is not inline with the credit control policy. Disconnection notices have been issued for DOE.

(vi) **Human Settlement:**
Total debt is R119.5 Million, R65.2 Million relates to Land Availability Agreements (LAA) queries, the department is investigating the validity of the LAA's and follow up meetings are in progress, R28,2 Million relates to Bramcote Project - transferring water debt to individual units, currently in progress. Balance of the debt is payable by the department, and they have promised to pay by mid-December 2025.

(v) **Department of Health**:
Total debt is R37.6 Million, current is R22.3 Million, and arrears is R15.3 Million. At the meeting held at Addington Hospital, on the 20th of November 2025, was advised these institutions had depleted their funds and waiting for budget from Head Office, once budget is uploaded, District Office will process payments.

(vi) **Sanral**:
Total owed by Sanral is 12,766,554.01, the debt is for rates on N2 and N3 prior to PSI Sanral claims that debt owing should never have been raised in the 1st instance, Sanral interpretation of PSI phasing and of the Municipality's Rates Policy does not agree with the Municipalities interpretation. The matter has been going on for some time and there seems to be no agreement between the two organs of state therefore this matter is to be declared as a formal dispute to be resolved through the IGR process.

(vii) **Other Municipalities:**
uGu District Municipality owes R44,795,302.36 & **uMgungundlovu District Municipality** owes R10,782,002.43 for Water debts. The City took over the supply of water to these two Municipalities & continue to supply water as these are Sales Meters & no payment is being received due to Financial Constraints from these municipalities. eThekwini cannot disconnect the Water supply as these meters feed residence on both sides of the demarcation borders and eThekwini residents could also be affected if disconnected. The water dept has confirmed meter readings on the accounts. Meeting to be arranged with senior officials in the municipalities to try and resolve the matter amicably.

(c) **Parastals And Municipal Entities:**

The total outstanding for Parastatals is R 479,362,268.20 of which R193,800,886.23 is current, and R285,561,381.97 is arrears:, key contributes to arrears are:

(i) **Durban Marine - Arrears of R113.1 Million.** Durban Marine engaged the city in respect of a payment plan since they are struggling financially. A proposal for a payment plan was approved, the payment plan over 36 months. Durban Marine has signed a payment plan.

(ii) **Transnet -** R56.3 Million, which was a backdated electricity charge raised on Transnet's account. The Municipality has negotiated with Transnet on the resolution of this matter, but Transnet has claimed prescription on the debt since it is a period between 2012 -2017. The city responded to the claim and declined prescription. Section 102 notice has been issued to Transnet for receipt transfers if no payment is received.

(iii) **Ithala -** Arrears amount to R10.9 Million. The amount in arrears relates to a water dispute yet to be resolved. Due to delay in updating of banking details on CSD, some payments were delayed.

Councillors and Staff Debt:

Category	November 2025		October 2025		September 2025	
	No.	Amount	No.	Amount	No.	Amount
Councillors	48	2 719 039	53	2 465 525	47	2 376 013
Employees	4 850	84 021 487	4 671	82 770 118	4 449	78 550 237
Total	**4 898**	**86 740 526**	**4 724**	**85 235 643**	**4 496**	**80 926 250**

- Staff and Councillors in arrears are subject to all credit control processes including disconnections, redlining with credit bureau and legal processes.

- Furthermore, staff members in arrears more than 90 days are subject to salary deductions, although this is an effective tool in collecting from staff in arrears, the salary deduction is only limited to 25% of net salary, this is sometimes not enough to cover the amount of arrears hence the continuous increase in staff debtors;

- A circular has been prepared in partnership with Human Capital for consideration and approval by the City Manager. Should this not be successful, all employees in arrears for a period longer than 90 days will be handed over to external debt collectors;

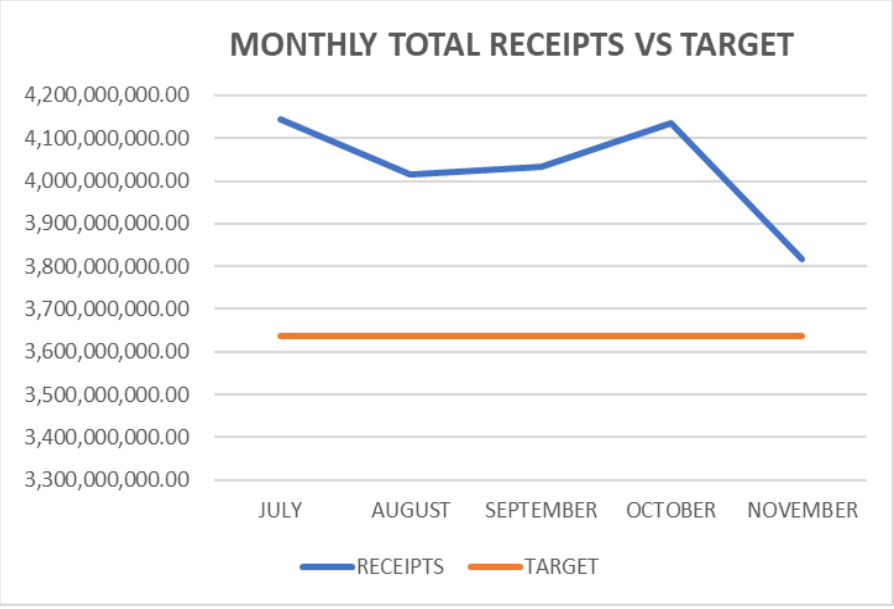
- Staff have an option to utilise their leave to settle their arrear accounts;

- A report is submitted monthly to the Speaker Office for Councillors in arrears and a list of staff in arrears is sent to heads of units on an ongoing basis. As a result, the debt owed by Councillors has reduced drastically over the past three months;

Revenue Receipts and Collection Rate:

Receipts for the period 01 July 2025 to 30 November 2025:

TOTAL RECEIPTS VS TARGET		
Month	**RECEIPTS**	**TARGET**
JULY	4 145 662 539.68	3 635 414 259.81
AUGUST	4 016 188 845.48	3 635 414 259.81
SEPTEMBER	4 032 826 616.29	3 635 414 259.81
OCTOBER	4 136 525 696.91	3 635 414 259.81
NOVEMBER	3 815 380 765.04	3 635 414 259.81
TOTAL RECEIPTS	**20 146 584 463.40**	**18 177 071 299.04**



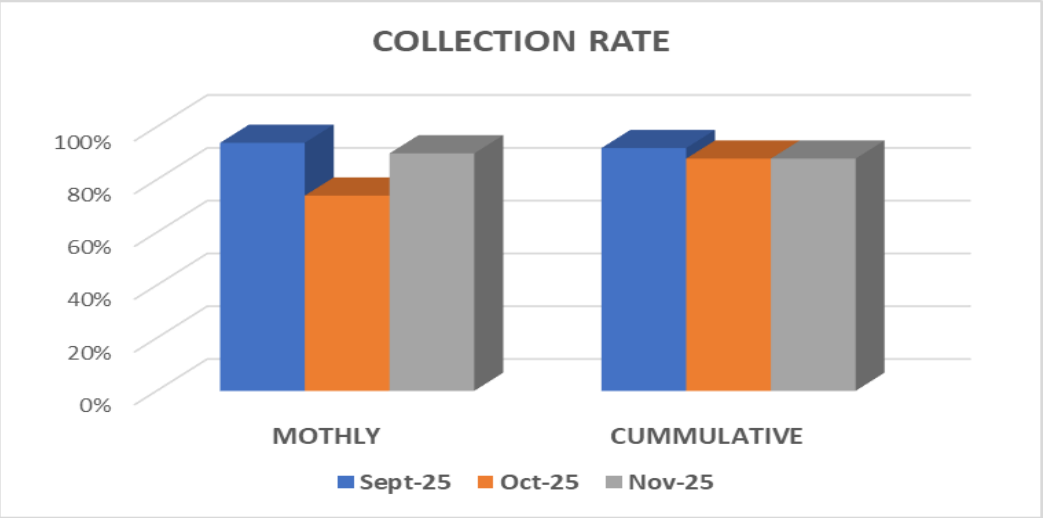
Highlights:

- Although there was a slight decrease in cash collection for the month of November, revenue collected for the period remains higher than budget and the Council has maintained a monthly collection rate of over R4 Billion.

- A Total amount of R16,331,203,698.36 has been collected from the municipality's own income sources for the period from July 2025 to 30 November 2025.

Collection Rate:

Collection Rate	Monthly	Cumulative
September 2025	94%	92%
October 2025	74%	88%
November 2025	90%	88%



- The collection rate measures the total billing vs total collections on the Municipalities main revenue sources (Rates, Water, Electricity, Sewer and Refuse); for the period ending 30 November 2025;

- The collection rate for the month of November 2025 was 90% and the cumulative collection rate was 88%;

- The low collection rate is due to annual rates payment delays.

Disconnections:

- As part of the debt reduction strategy, the ED of Finance and ED of Trading Services established a Disconnection Committee, chaired by the ED Finance, which seats at least once a month.

- This Disconnection Committee is supported by the Technical Disconnection Committee, chaired by the Deputy Head Arrears Management, which seats every Monday to review disconnections for arrears, investigation and tampering.

- This Disconnection Committee is supported by the Technical Disconnection Committee, chaired by the Deputy Head Arrears Management, which seats every Monday to review disconnections for arrears, investigation and tampering.

- During the month of November 2025, the Disconnections Committee recorded the performance on water disconnections, totalling 5981 valued at R659,884,864.00 and on electricity disconnections totalling 875 valued at R160,780,382.00 as follows:

Months	Electricity		Water	
	No. Disconnected	**Amount**	**No. Disconnected**	**Amount**
September - 2025	175	18,695,499.28	3503	602,753,222.90
October - 2025	527	37,605,925.09	3526	459,331,535.03
November - 2025	875	160,780,382.00	5981	659,884,864.00

- The Committee noted that there were minimal disconnections recorded for electricity due to the no disconnection contract in place.

Revenue Clearance Certificates:

Revenue Clearance unit is expected to issue the certificates in line with the targets set in the Council's SDBIP. The set target for 2025/2026 financial year is to issue 85% of Revenue Clearance Certificates within 10 working days from the time of costs paid message date. The table below depicts performance from July 2025 to November 2025: 80% was achieved for NOVEMBER 2025 as out of 1581 costs paid messages received, 1267 revenue clearance certificates were issued within 10 days after the receipt of cost paid messages.

2025/2026 Financial Year:

85% of Revenue Clearance Certificates Issued within 10 working days from the time of costs paid message date							
Month	**No. of Cost Paid Messages Received Per Month**	**No. of RCC's Issued Per Month**	**Percentage Achieved Per Month**	**No. of Cost Paid Messages Received Per Quarter**	**No. of RCC's Issued Per Quarter**	**Percentage Achieved Per Month**	
Jul-25	1647	1571	95%				
Aug-25	1539	1423	92%				
Sept-25	1661	1571	95%	**4847**	**4565**	**94%**	**Q1**
Oct-25	1711	1613	94%				
Nov-25	1581	1267	80%				

Below are the reasons for 80% percentage achieved for November 2025:

- The recent change in banking institutions resulted in a technical issue that prevented payments from being receipted on the billing system for a period exceeding one week, causing operational disruptions, and negatively impacting our performance.

- Reduced overtime whilst the team is still currently experiencing a shortage of staff is impacting operational efficiency.

- The onboarding process for our new supervisors resulted in a temporary productivity adjustment, as they required training and system access to assume their full responsibilities.

- The limited availability of the billing system, currently only accessible for 2 hours per day, is hindering our ability to meet daily operational requirements and performance targets.

SIE & Legal Processes:
Consolidated bad debt written offs:

Consolidated Bad Debt written off (Rands)									
Months	**Debt Relief Circular 09/2024**	**Indigent Relief**	**Prescribed Debt**	**Full & Final Settlement**	**Water Loss Insurance Write Off**	**Insolvent & Liquidation**	**Deceased Estate**	**Special Debt Relief (50%) Circular 03/2025**	**Totals**
Jul 25	208,134.70	3,813,284.49	365,862.85	-	-	-	40,401,922.02	714,702,994.45	759,492,197.51
Aug 25	-	461,841.05	274,838.04	-	-	-	141,369,167.71	25,770,589.92	167,876,436.72
Sept 25	-	2,183,159.53	-	262,126.62	-	-	61,804,297.86	10,194416.10	74,444,045.11
Oct 25	-	3,191,087.23	2,802,097.85	649,883.73	-	-	40,638,128.59	2,794,717.80	50,075,915.20
Nov 25	-	6,043,270.34	1,675,435.40	25,380.88	4,739,625.92	39,618,172.13	40,463,492.74	47,347,434.81	139,912,812.22
TOTALS	**208,134.70**	**15,692,642.64**	**937,391.23**	**5,118,233.14**	**4,739,625.92**	**39,618,172.13**	**324,677,008.92**	**800,810,198.08**	**1,191,801,406.76**

Write-off statistics, in the month of November 2025, total bad debt written off amounted to R1.1 Billion. The monthly write off is broken down as follows:

- In terms of circular 09/2024 the write off for November 2025 amounted to zero
- Write-off due to Indigent relief was R6.0 Million,
- Prescribed debt written of amount to R1.6 Million,
- Other write offs comprising full and final settlement interest write off R25 Thousands, liquidations and Insolvencies amount to R39 Million for November 2025,
- Deceased estate (circular 03/2025) R40 Million.
- 50% Special Debt Relief write off (ended in June) amounted to R3.2 Million.
- 50% Special Debt Relief write off (started in November) amounted to R44.0 Million
- To date a total of R1.1 Billion has been written off as shown in table above (Consolidated bad debt written offs).

Deceased estates write offs:

- The table below illustrates the monthly progress report on the estate of the deceased since the project's inception in November 2024.

- November reporting will be the primary focus. At the start of November 2025, there were zero applications left for processing; 377 were received, and 27 turned down for failing to meet the requirements of the deceased estate write-off;

- About 350 applications went through processing in November 2025;

- By November 30, 2025, all applications were processed. Since July 2025 this project has written off 3453 applications for deceased estates totalling R324 Million.

Monthly Report on Deceased Estate Write Offs for November 2025:

	Opening Balance	Total Deceased Estate W/O Applications Received	Rejected Applications	Monthly Write-offs Processed	Cumulative Total Number deceased Written Off	Applications still to be processed for Write-off	Monthly Write-off Amount	Cumulative Deceases Written off
Months	**Number**	**Number**	**Number**	**Number**	**Number**	**Number**	**Amt (R)**	**Amt (R)**
July	1 087	517	24	522	522	1 058	40 401 922.02	40 401 922.02
August	1 058	558	27	1 589	2 111	-	141 369 167.71	181,771,089.7386
September	-	653	35	618	2 729	-	61,804,297.86	243,575,387.59
October	-	393	19	374	3 103	-	40,638,128.59	284,213,516.18
November	-	377	27	350	3 453		40,255,552.36	324,469,068.54
TOTALS	**1,087**	**2 496**	**132**	**3 453**		**0**	**324,469,068.54**	

Review of the Debt Reduction Strategy:

(a) The Revenue Management has recently conducted a detailed analysis to establish causal factors for the resilient increase in the debtors book;

(b) The analysis has identified the following as causal factors;
  (i) Under-estimation of service consumption;
  (ii) Service back charges;
  (iii) Late registration of services when there is a change of ownership;
  (iv) Failure to call all costs at the time of applying for the Rates Clearance Certificate;
  (v) Deceased estate, liquidations and deregistration;

(c) In line with the findings in (b) above, the directorate is reviewing the debt reduction strategy to respond effectively to the causal factors and consistently reduce the debtors' book over the next thirty six months

Accordingly,

COMMITTEE RECOMMENDS:

That Council notes the report on debt collection as well as the performance of the Revenue Management Directorate with regards to the management of the Council's debtors' book for the month of November 2025, it being further noted the Debt Collection and Debt Reduction Strategies developed by the Revenue Management Directorate are being implemented on an ongoing basis.

NOTED.

2.13 Debt Collection Report for the Month Ended 31 December 2025 (7/6/3/1):
(Page 556: Finance Committee - Agenda 2026-02-18)

In terms of Section 64(1) of the Local Government: Municipal Finance Management Act No. 56 of 2003, the Accounting Officer of a Municipality is responsible for managing the financial administration of the municipality and must for this purpose take all responsible steps to ensure that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal control.

Revenue management is a fundamental and routine financial management function of the municipality's revenue generating business that encompasses billing and collection activities in respect of trading services and property rates levied.

The Local Government Municipal Systems Act, 2000 (Act 32 of 2000) Chapter 2, Legal Nature and Rights and Duties of Municipalities, establishes the right of Municipal Councils 'to fund the affairs of the municipality by charging fees for services.

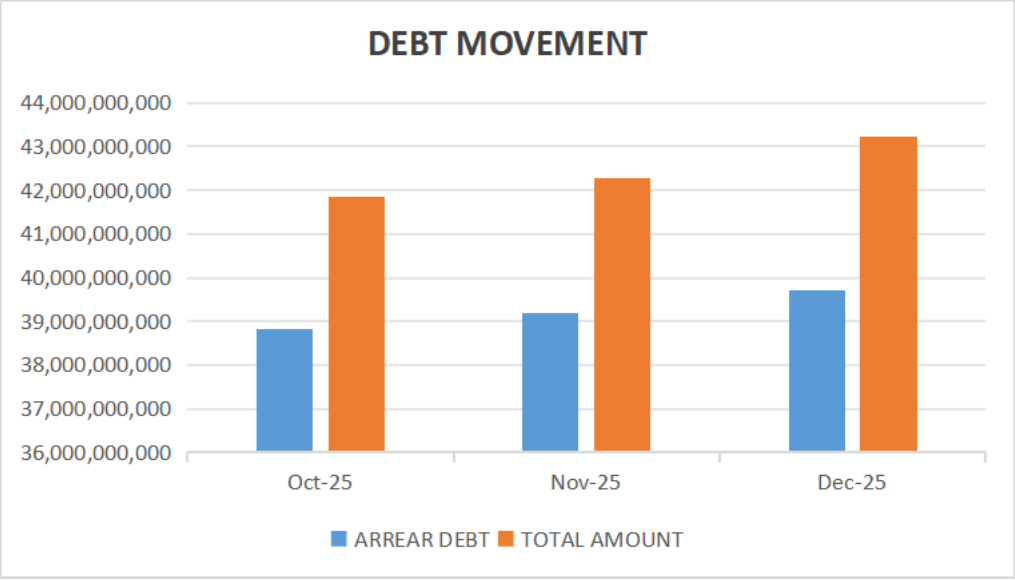
Furthermore, Chapter 8, Municipal Services, Section 75A, provides general powers to the municipality to levy and recover fees, charges, and tariffs in respect of any municipal function or service provided.

Chapter 8 goes on to provide specific information as to what is required from the municipality to give effect to executing such general powers and functions. The legal framework provides for municipal powers and functions that enable municipalities to charge for services rendered, to collect money due and to levy interest on outstanding amounts.

The Local Government Municipal Systems Act, sections 12 and 13, deals extensively with municipal legislative processes, particularly the passing and publishing of municipal by-laws in a provincial government gazette.

State of Debtors:

MONTH	ARREAR DEBT	TOTAL AMOUNT
October 2025	38,811,746,156.00	41,854,306,028.00
November 2025	39,188,075,078.00	42,271,024,256.00
December 2025	39,697,011,336.00	43,240,203,394.00



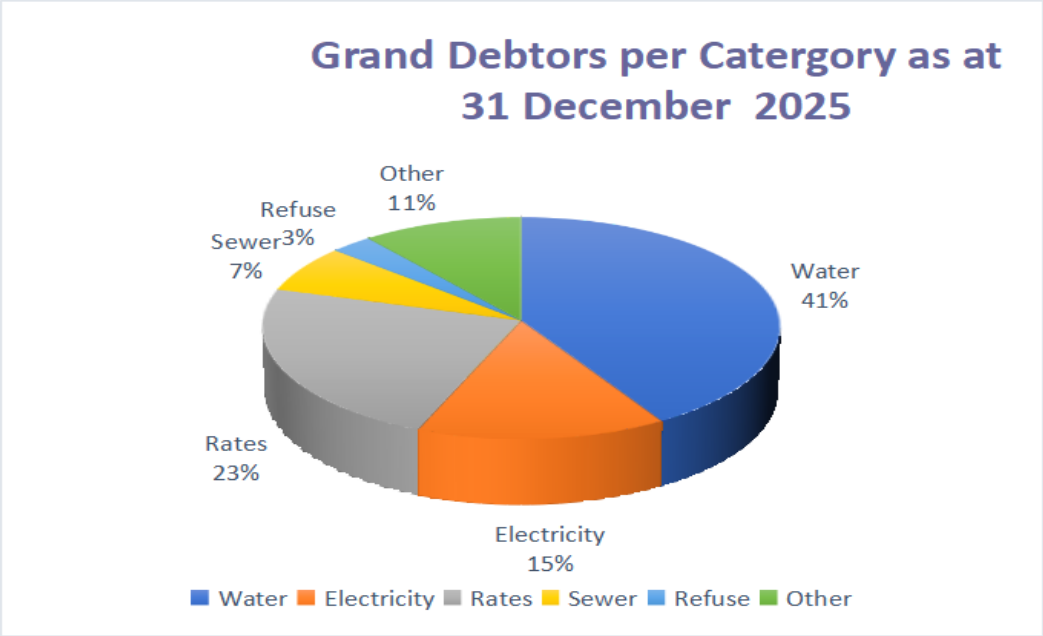
- The total debtors as of 31 December 2025 was **R 43,240,203,394** of which **R39,697,011,336** is above 30 days and is considered as arrear debt.

- The increase in the debtor's book is generally attributed to the following factors which have impacted on the customers' ability to pay/pay on time:
  (a) Poverty and Unemployment;
  (b) Un-affordability due to low or loss of income;

(c) Number of indigent supports take ups;
(d) Slow/late payment rate from government and parastatals;
(e) Schools not paying for services S 21 schools;
(f) Inadequate disconnection of both water and electricity/ follow ups/investigation services for non-payment;
(g) Customers tampering with meters resulting in loss of income.
(h) Deceased, Liquidated Estates matters
(i) Deregistered company and increase in business liquidations
(j) Prescription of debt due to slow process of issuing summons;
(k) Non-availability of electricity pre-paid/smart meters resulting to some household legally by-passed or illegal connected or tempering.

Debt by Income Source:

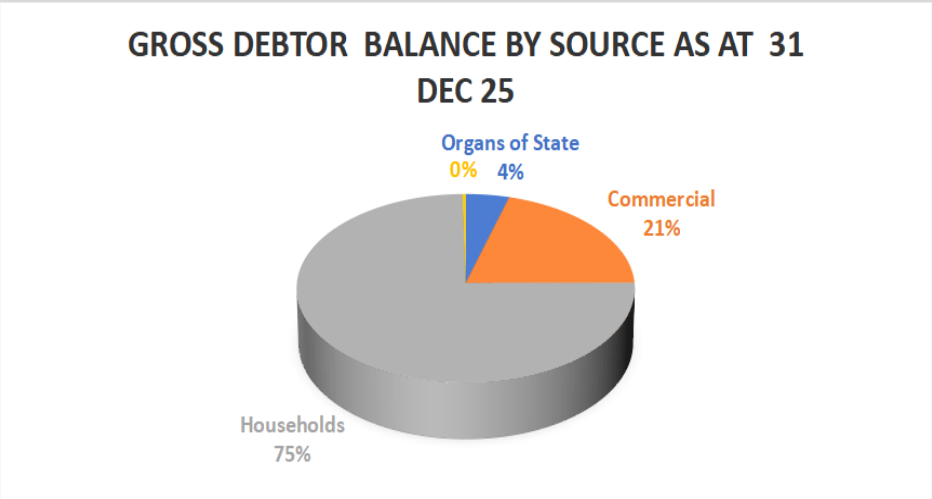
Income Source	Total	Percentage
Water	17,879,487,314	41%
Electricity	6,418,303,484	15%
Rates	10,152,040,336	23%
Sewer	2 994,471,343	7%
Refuse	1,210, 051,508	3%
Other	4,585,849,410	11%
GRAND TOTAL	**43,240,203,394**	**100%**



- Water makes up 41% of total debt, while property rates and electricity are 23% and 15% respectively.
- The remaining debt is made up of Other, Wastewater, Waste Management, Interest and Property Rental.
- In total R38 Billion relates to rates and services debt while R4,5 Billion is for all other debtors including sundries and interest charges.

Debt by Customer Group:

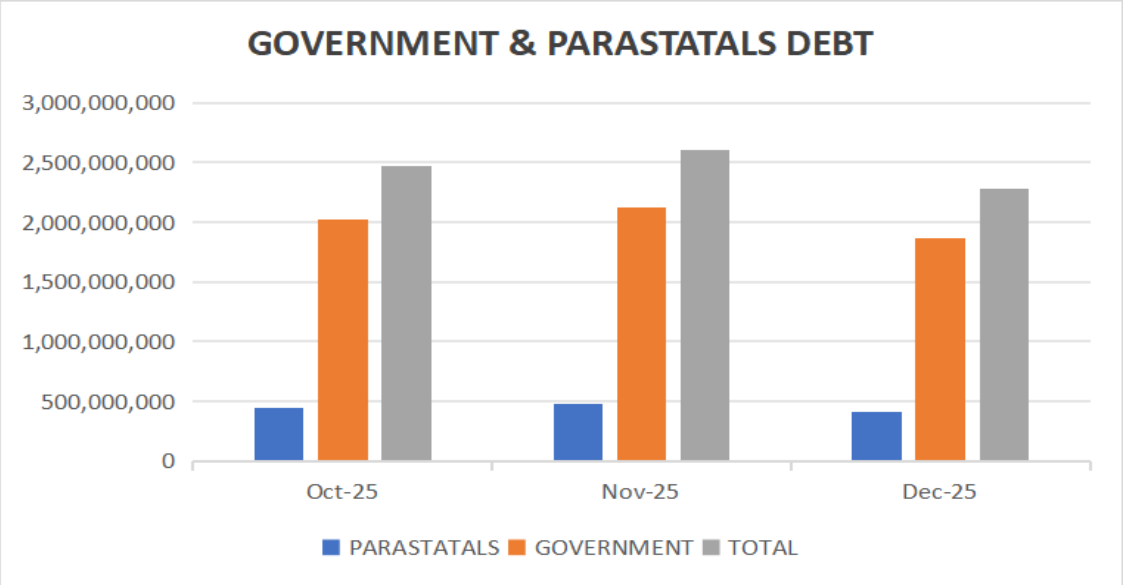
SOURCE	DEBT OUTSTANDING	PERCENTAGE
Organs of State	1,895,168,983.00	4%
Commercial	8,907,702,376.00	21%
Households	32,303,846,425.00	75%
Other	133,485,510.00	0%
TOTAL	**43,240,203,294.00**	**100%**



- Household debt makes up the bulk of the debt at **R32 Billion** (contributing 75% of the total debtors).
- This reflects growth in the number of households who are struggling to pay their municipal bill due to various factors affecting households.
- Commercial debt includes business accounts which amount to R8.9 Billion (contributing 21% of the total debtors.
- Organs of State include government departments and parastatals accounts, which amount to R1.8 Billion (contributing 4% of the total debtors).
- The Council has developed a short-term and long-term debt collection & reduction strategy which includes amongst others targeted collection by customer group, meetings with key stakeholders such as government, businesses, parastatals, bulk users as well conducting an in-depth analysis of the debtor's book.

Government and Parastatals Debt:

	October 2025	November 2025	December 2025
PARASTATALS	449,084,151.00	479,362,362.00	416,998,223.00
GOVERNMENT	2,027,509,980.00	2,127,325,178.00	1,861,724,505.00
TOTAL	**2,476,594,131.00**	**2,606,687,446.00**	**2,278,722,728.00**



Total Government and Parastatals debt amounts to **R2.278** Billion. While some progress has been made in reducing arrears, the overall pace of repayment remains slow and below target. Bulk of the debt is owed by Provincial Government at R1,641,471,176, Ingonyama Trust, owes R322,060,748.61 and National government owes R92,729,175.58.

Below are departments with long outstanding debts/contributing to government debt increase:

(a) **<u>National Government Debt & Ingonyama Trust Board:</u>**

(i) **<u>Ingonyama Trust Board:</u>**

The Ingonyama Trust Board has taken a decision to review the entire Asset Register to clarify several issues, they have requested an extension of time to determine the amount payable to the Municipality as per their communication dated 10 November 2025.

The Breakdown of Ingonyama debt is as follows:

- **R23,641,507.91** inclusive Interest relating to properties which had been confirmed by the ITB as their own and had agreed on payment. While in the process of negotiating a payment plan, Ingonyama Trust has now regressed stating further verifications need to be done before they can commit to paying.

- **R70.9 Million** relates to Hammarsdale Junction Mall – According to ITB, Property Management Groups Eris & Vukile are liable for the rates payment as per the lease agreement between. EThekwini Municipality is of the view that ITB as the owners of the property remain liable for this debt.

- **R227.5 Million**, inclusive of interest, Rates for the 2X Shell Ultra City Garages at Umgababa & many other properties where ownership and liability for rate are being disputed. ITB claims that these properties belong to The Traditional Council. This matter was referred to legal, and it is still the view of the Municipality after consulting with legal that ITB remains liable as owners of the property.

(ii) **Department of Water & Sanitation:**
The debts relate to Inanda and Hazelmere dams rates prior to the introduction of PSI. Engagements between eThekwini, Public Works and Water affairs are ongoing through a task team that was formed representing all parties concerned. This matter is also being discussed at (PEWG WAS1) – The Presidential Working Group, an amicable solution has been reached on the amount owed by the Department of Water and Sanitation and another is yet to be reached on the debt owed by the National Department of Public Works.

(iii) **National Public Works:**
Total outstanding Debt, R39,260,063.60 inclusive of Rates; Services & Rates for 293 properties. The change of banking details has had its repercussion due to the delay in the CSD updates on the central database. NDPW has also requested their own forms to be completed by eThekwini & have been given the run around, due to no designated person assigned to complete these forms. Due to these delays of payments have not been released to offset debts owing. Payment of R19,386,669.03 was received in the month of December 2025 – not allocated to accounts. Balance of debt owing is current charges.

(b) **Provincial Government Debt:**
The key departments contributing to Provincial debt are:

(i) **Provincial Public Work**:
Total Rates Debt as at the end of December 2025 the balance owing was R380,966,486.94. The debt relates to annual rates which was due by end of October but has not been paid. Disconnections have been issued to compel the department to pay.

(ii) **Department of Education (S20 and Offices):**
Debt outstanding R537,7 Million. Relates to water tankers for schools and infrastructure sundry charges. Due to failing infrastructure some areas do not have supply of water, Council continues to supply water and bill the department, though the contract has expired. The meeting was held with relevant stakeholders; it was confirmed no SLA was signed. Recommendations were made by Management to terminate the supply until legal matters with DOE and Ethekwini were resolved, but the Water Department continues to supply water. DOE requested a detailed breakdown of costs for schools who received the services. Water Dept provided the relevant information. Once DOE agrees to the cost billed, they will negotiate payment arrangement. Disconnections in progress

(iii) **Department of Education (Section 21 Schools)**:
Debt outstanding is R336,7 Million. Current is R43 Million, and arrears are R302 Million. Meeting was held on 15th of October 2025, based on the September outstanding balance, DOE did not agree on the proposed offer by Ethekwini which was inline with the credit control policy. DOE proposed counteroffer was not accepted since it is not inline with the credit control policy. Disconnection notices have been issued for DOE.

(iv) **Human Settlement:**
Total debt is R112,5 Million, R65,2 Million relates to Land Availability Agreements (LAA) queries, the department is investigating the validity of the LAA's and follow up meetings are in progress, R28,2 Million relates to Bramcote Project - transferring water debt to individual units, currently in progress. Balance of the debt is payable by the department, and they have promised to pay by mid-December 2025.

(v) **Department of Health**:
Total debt is R42,5 Million, current is R18,1 Million, and arrears is R24,4 Million. At the meeting held at Addington Hospital, on the 20th of November 2025, was advised these institutions had depleted their funds and waiting for budget from Head Office, once budget is uploaded, District Office will process payments.

(vi) **Sanral**:
Total owed by Sanral is R11,605,171, the debt is for rates on N2 and N3 prior to PSI Sanral claims that debt owing should never have been raised in the 1st instance, Sanral interpretation of PSI phasing and of the Municipality's Rates Policy does not agree with the Municipalities interpretation. The matter has been going on for some time and there seems to be no agreement between the two organs of state therefore this matter is to be declared as a formal dispute to be resolved through the IGR process.

(vii) **Other Municipalities:**
uGu District Municipality owes R46,610,841 & **uMgungundlovu District Municipality** owes R 10,912,805 for Water debts. The City took over the supply of water to these two Municipalities & continue to supply water as these are Sales Meters & no payment is being received due to Financial Constraints from these municipalities. eThekwini cannot disconnect the Water supply as these meters feed residence on both sides of the demarcation borders and eThekwini residents could also be affected if disconnected. The water dept has confirmed meter readings on the accounts. Meeting to be arranged with senior officials in the municipalities to try and resolve the matter amicably.

(c) **Parastals and Municipal Entities:**
The total outstanding for Parastatals is R416,998,222 of which R215,820,772 is current, and R201,177,451 is in arrears, key contributes to arrears are:

(i) **Durban Marine - Arrears of R180,78 Million.** Durban Marine engaged the city in respect of a payment plan since they are struggling financially. A proposal for a payment plan was approved, the payment plan over 36 months. Durban Marine has signed a payment plan.

(ii) **Transnet -** R56,3 Million, which was a backdated electricity charge raised on Transnet's account. The Municipality has negotiated with Transnet on the resolution of this matter, but Transnet has claimed prescription on the debt since it is a period between 2012 - 2017. The city responded to the claim and declined prescription. Section 102 notice has been issued to Transnet for receipt transfers if no payment is received.

(iii) **Ithala -** Arrears amount to R11,2 Million. The amount in arrears relates to a water dispute yet to be resolved. Due to delay in updating of banking details on CSD, some payments were delayed.

Councillors and Staff Debt:

Category	October 2025		November 20252025		December 2025	
	No.	Amount	No.	Amount	No.	Amount
Councillors	53	2 465 525	48	2 719 039	39	2 799 905.55
Employees	4 671	82 770 118	4 850	84 021 487	4 308	91 583 977.10
Total	**4 724**	**85 235 643**	**4 898**	**86 740 526**	**4 347**	**94 383 882.65**

- Staff and Councillors in arrears are subject to all credit control processes including disconnections, redlining with credit bureau and legal processes.

- Furthermore, staff members in arrears more than 90 days are subject to salary deductions, although this is an effective tool in collecting from staff in arrears, the salary deduction is only limited to 25% of net salary, this is sometimes not enough to cover the amount of arrears hence the continuous increase in staff debtors;

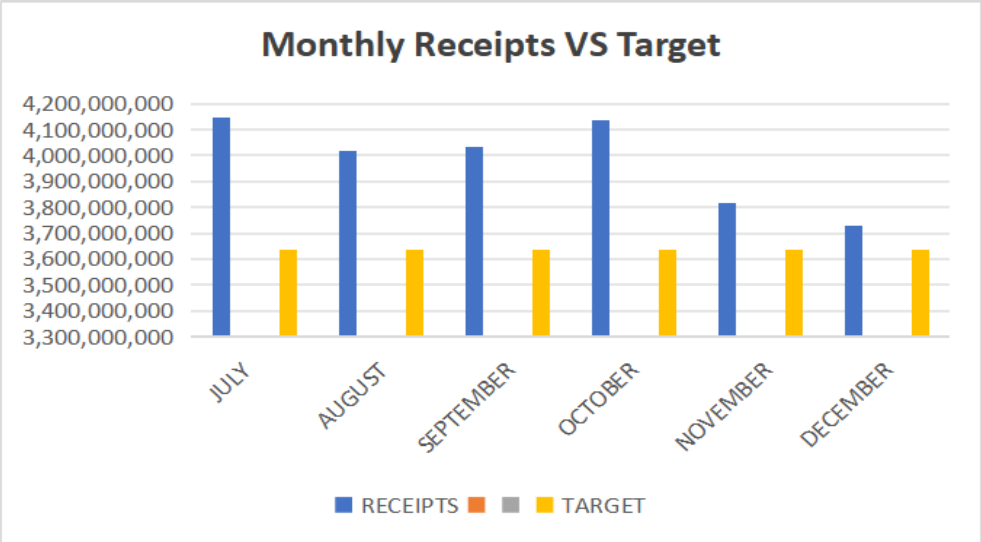
- A circular has been prepared in partnership with Human Capital for consideration and approval by the City Manager. Should this not be successful, all employees in arrears for a period longer than 90 days will be handed over to external debt collectors;

- Staff have an option to utilise their leave to settle their arrear accounts;

- A report is submitted monthly to the Speaker Office for Councillors in arrears and a list of staff in arrears is sent to heads of units on an ongoing basis. As a result, the debt owed by Councillors has reduced drastically over the past three months;

Revenue Receipts and Collection Rate:
Receipts for the period 01 July 2025 to 31 December 2025

TOTAL RECEIPTS VS TARGET		
Month	**RECEIPTS**	**TARGET**
JULY	4 145 662 540.00	3 635 414 260.00
AUGUST	4 016 188 845.00	3 635 414 260.00
SEPTEMBER	4 032 826 616.00	3 635 414 260.00
OCTOBER	4 136 525 697.00	3 635 414 260.00
NOVEMBER	3 815 380 765.00	3 635 414 260.00
DECEMBER	3 728 381 171.00	3 635 414 260.00
TOTAL RECEIPTS	**23 874 965 634.00**	**21 812 485 560.00**



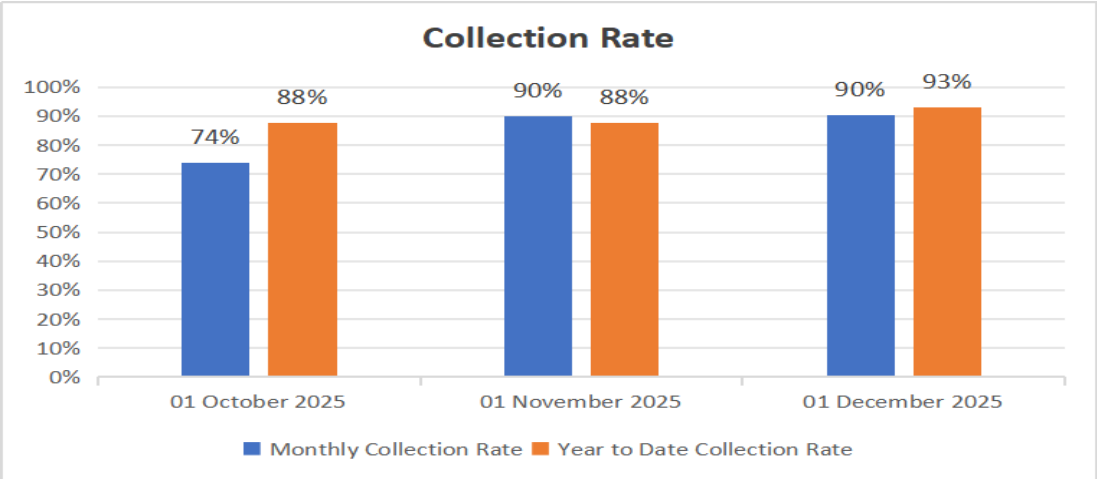
Highlights:

- Although there was a slight decrease in cash collection for the month of December 2025, revenue collected for the period remains higher than budget and the Council has maintained a monthly collection rate of over R4 Billion.

- A Total amount of R23,874,965,634 has been collected from the municipality's own income sources for the period from July 2025 to 31 December 2025.

Collection Rate:

Detail	31 October 2025	30 November 2025	31 December 2025
Monthly Collection Rate	74%	90%	90%
Year to Date Collection Rate	88%	88%	93%



- The collection rate measures the total billing vs total collections on the Municipalities main revenue sources (Rates , Water, Electricity, Sewer and Refuse); for the period ending 31 December 2025;

- The collection rate for the month of December 2025 was 90% and the cumulative collection rate was 93%;

- The low collection rate is due to annual rates payment delays.

Disconnections:

- As part of the debt reduction strategy, the ED of Finance and ED of Trading Services established a Disconnection Committee, chaired by the ED Finance, which seats at least once a month.

- This Disconnection Committee is supported by the Technical Disconnection Committee, chaired by the Deputy Head Arrears Management, which seats every Monday to review disconnections for arrears, investigation and tampering.

- This Disconnection Committee is supported by the Technical Disconnection Committee, chaired by the Deputy Head Arrears Management, which seats every Monday to review disconnections for arrears, investigation and tampering.

- During the month of December 2025, the Disconnections Committee recorded the performance on water disconnections, totalling 2463 valued at R366,540,674 and on electricity disconnections totalling 496 valued at R77,189,000 as follows:

Months	Electricity		Water	
	No. Disconnected	Amount	No. Disconnected	Amount
October - 2025	527	37,605,925.00	3526	459,331,535.00
November - 2025	875	160,780,382.00	5981	659,884,864.00
December - 2025	496	77,189,000.00	2463	366,540,674.00

- The Committee noted that there were minimal disconnections recorded for electricity due to the no disconnection contract in place.

Revenue Clearance Certificates:

- Revenue Clearance unit is expected to issue the certificates in line with the targets set in the Council's SDBIP. The set target for **2025/2026 financial year** is to issue **85% of Revenue Clearance Certificates within 10 working days from the time of costs paid message date**.

- The table below depicts performance from **July 2025** to **December 2025**: **79%** was achieved for **DECEMBER 2025** as out of **1306 costs paid messages** received, **1028 revenue clearance certificates** were issued within 10 days after the receipt of cost paid messages.

- The department was able to meet its quarter 2 target as **85%** was achieved for the period starting October 2025 to December 2025 , out of **4598 costs paid messages** received, **3908 revenue clearance certificates** were issued within 10 days after the receipt of cost paid messages.

- **Below are the reasons for 79% percentage achieved for December 2025:**

(a) The recent change in banking institutions resulted in a technical issue that prevented payments from being receipted on the billing system for a period exceeding one week, causing operational disruptions, and negatively impacting our performance.

(b) Reduced overtime whilst the team is still currently experiencing a shortage of staff is impacting operational efficiency.

(c) The limited availability of the billing system, currently only accessible for 2 hours per day is hindering our ability to meet daily operational requirements and performance targets.

2025/2026 Financial Year:

85% of Revenue Clearance Certificates Issued within 10 working days from the time of costs paid message date							
Month	**No. of Cost Paid Messages Received Per Month**	**No. of RCC's Issued Per Month**	**Percentage Achieved Per Month**	**No. of Cost Paid Messages Received Per Quarter**	**No. of RCC's Issued Per Quarter**	**Percentage Achieved Per Month**	
Jul-25	1647	1571	95%				
Aug-25	1539	1423	92%				
Sept-25	1661	1571	95%	**4847**	**4565**	**94%**	**Q1**
Oct-25	1711	1613	94%				
Nov-25	1581	1267	80%				
Dec-25	1306	1028	79%	**4598**	**3908**	**85%**	**Q2**

SIE & Legal Processes:
Consolidated bad debt written offs:

Consolidated Bad Debt written off (Rands)									
Months	**Debt Relief Circular 09/2024**	**Indigent Relief**	**Prescribed Debt**	**Full & Final Settlement**	**Water Loss Insurance Write Off**	**Insolvent & Liquidation**	**Deceased Estate**	**Special Debt Relief (50%) Circular 03/2025**	**Totals**
Jul 25	208,134.70	3,813,284.49	365,862.85	-	-	-	40,401,922.02	714,702,994.45	759,492,197.51
Aug 25	-	461,841.05	274,838.04	-	-	-	141,369,167.71	25,770,589.92	167,876,436.72
Sept 25	-	2,183,159.53	-	262,126.62	-	-	61,804,297.86	10,194416.10	74,444,045.11
Oct 25	-	3,191,087.23	2,802,097.85	649,883.73	-	-	40,638,128.59	2,794,717.80	50,075,915.20
Nov 25	-	6,043,270.34	1,675,435.40	25,380.88	4,739,625.92	39,618,172.13	40,463,492.74	47,347,434.81	139,912,812.22
Dec 25	-	7,297,477.79	3,405,924.28	-	2,044,504.72	5,999,850.27	27,187,294.53	134,884,113.65	180,819,165.24
TOTALS	**208,134.70**	**22,990,120.43**	**937,391.23**	**8,524,157.42**	**6,784,130.64**	**45,618,022.40**	**351,864,303.45**	**935,694,311.73**	**1,372,620,572.00**

- Write-off statistics, in the month of December 2025, total bad debt written off amounted to R1.1 Billion. The monthly write off is broken down as follows:
  (a) In terms of circular 09/2024 the write off for December 2025 amounted to zero
  (b) Write-off due to Indigent relief was R6.0 Million,
  (c) Prescribed debt written of amount to R1.6 Million,
  (d) Other write offs comprising full and final settlement interest write off R0, liquidations and Insolvencies amount to R5,9 Million for December 2025,
  (e) Deceased estate (circular 03/2025) R27,1 Million.
  (f) 50% Special Debt Relief write off (ended in June) amounted to R5,4 Million.
  (g) 50% Special Debt Relief write off (started in November) amounted to R129,3 Million

- To date a total of R1.3 Billion has been written off as shown in table above (Consolidated bad debt written offs).

Deceased estates write offs:

- The table below illustrates the monthly progress report on the estate of the deceased since the project's inception in November 2024.
- November reporting will be the primary focus. At the start of November 2025, there were zero applications left for processing; 238 were received, and 10 turned down for failing to meet the requirements of the deceased estate write-off;
- About 228 applications went through processing in December 2025;
- By December 31, 2025, all applications were processed. Since July 2025 this project has written off 3681 applications for deceased estates totalling R351 Million.

Monthly Report on Deceased Estate Write Offs for December 2025:

	Opening Balance	Total Deceased Estate W/O Applications Received	Rejected Applications	Monthly Write-offs Processed	Cumulative Total Number deceased Written Off	Applications still to be processed for Write-off	Monthly Write-off Amount	Cumulative Deceases Written off
Months	**Number**	**Number**	**Number**	**Number**	**Number**	**Number**	**Amt (R)**	**Amt (R)**
July	1 087	517	24	522	522	1 058	40 401 922.02	40 401 922.02
August	1 058	558	27	1 589	2 111	-	141 369 167.71	181,771,089.7386
September		653	35	618	2 729	-	61,804,297.86	243,575,387.59
October		393	19	374	3 103	-	40,638,128.59	284,213,516.18
November		377	27	350	3 453		40,463,492.74	324,677,008.92
December		238	10	228	3 681		27,187,294.53	351,864,303.45
TOTALS	**1,087**	**2736**	**142**	**3681**		**1058**	**351,864,303.45**	

Review of the Debt Reduction Strategy:

(a) The Revenue Management has recently conducted a detailed analysis to establish causal factors for the resilient increase in the debtors book;

(b) The analysis has identified the following as causal factors;
  (i) Under-estimation of service consumption;
  (ii) Service back charges;
  (iii) Late registration of services when there is a change of ownership;
  (iv) Failure to call all costs at the time of applying for the Rates Clearance Certificate;
  (v) Deceased estate, liquidations and deregistration;

(c) In line with the findings in (b) above, the directorate is reviewing the debt reduction strategy to respond effectively to the causal factors and consistently reduce the debtors book over the next thirty six months.

Accordingly,

COMMITTEE RECOMMENDS:

That Council notes the report on debt collection as well as the performance of the Revenue Management Directorate with regards to the management of the Council's debtors' book for the month of December 2025, it being further noted the Debt Collection and Debt Reduction Strategies developed by the Revenue Management Directorate are being implemented on an ongoing basis.

NOTED.

2.14 Debt Collection Report for the Month Ended 31 January 2026 (7/6/3/1):
(Page 571: Finance Committee - Agenda 2026-02-18)

In terms of Section 64(1) of the Local Government: Municipal Finance Management Act No. 56 0f 2003, the Accounting Officer of a Municipality is responsible for managing the financial administration of the municipality and must for this purpose take all responsible steps to ensure that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal control.

Revenue management is a fundamental and routine financial management function of the municipality's revenue generating business that encompasses billing and collection activities in respect of trading services and property rates levied.

The Local Government Municipal Systems Act No. 32 of 2000, Chapter 2, Legal Nature and Rights and Duties of Municipalities, establishes the right of Municipal Councils 'to fund the affairs of the municipality by charging fees for services.

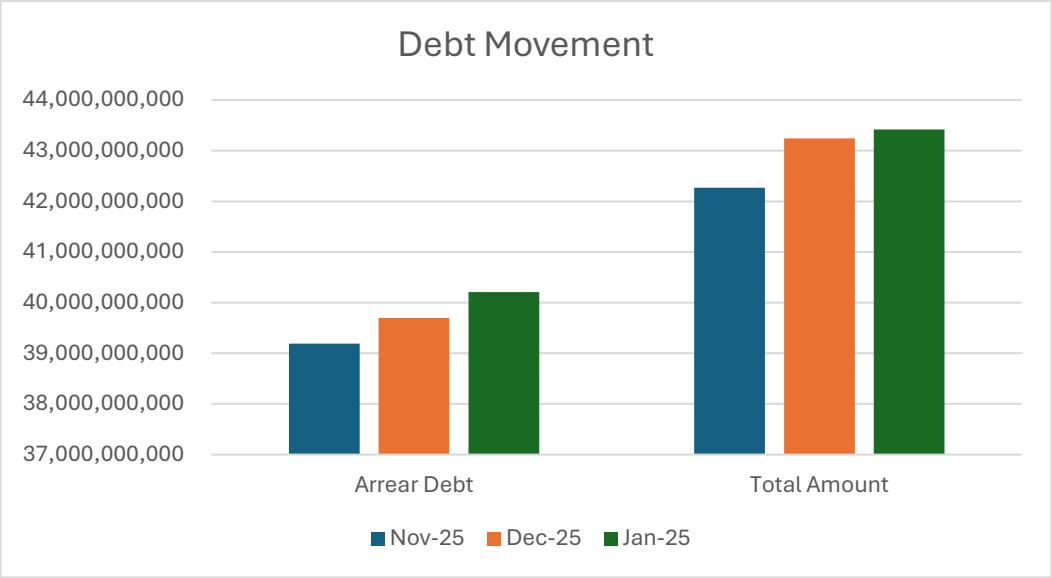
Furthermore, Chapter 8, Municipal Services, Section 75A, provides general powers to the municipality to levy and recover fees, charges, and tariffs in respect of any municipal function or service provided.

Chapter 8 goes on to provide specific information as to what is required from the municipality to give effect to executing such general powers and functions. The legal framework provides for municipal powers and functions that enable municipalities to charge for services rendered, to collect money due and to levy interest on outstanding amounts.

The Local Government Municipal Systems Act, sections 12 and 13, deals extensively with municipal legislative processes, particularly the passing and publishing of municipal by-laws in a provincial government gazette.

State of Debtors:

MONTH	ARREAR DEBT	TOTAL AMOUNT
November 2025	39,188,075,078.00	42,271,024,256.00
December 2025	39,697,011,336.00	43,240,203,394.00
January 2026	40,207,655,504.00	43,421,088,790.00



TRADE DEBTORS	
DETAILS	**TOTAL**
Water	18,121,000,225.44
Electricity	6,371,638,567.28
Property Rates	10,081,892,330.32
Waste Water Management	3 027,748,830.58
Waste Management	1,208,531,719.68
	38,810,811,673.30
OTHER DEBTORS	
Property Rentals	597,921,404.93
Interest in Arrears	685,356,210.12
Other - Sundries	3,326,999,497.97
TOTAL DEBTORS	**43,421,088,790.32**

- The total debtors as of 31 January 2026 was **R43,421,088,790** of which **R40,207,655,504** is above 30 days and is considered as arrear debt.

- Trade debtors amount to R38,810,811,673.30 and Sundry debtors amount to R4,310,593,580. Included in the Sundry debtors account is a debt owed by Tansnat to the value of R1,697,582,459 as at end of January 2026.

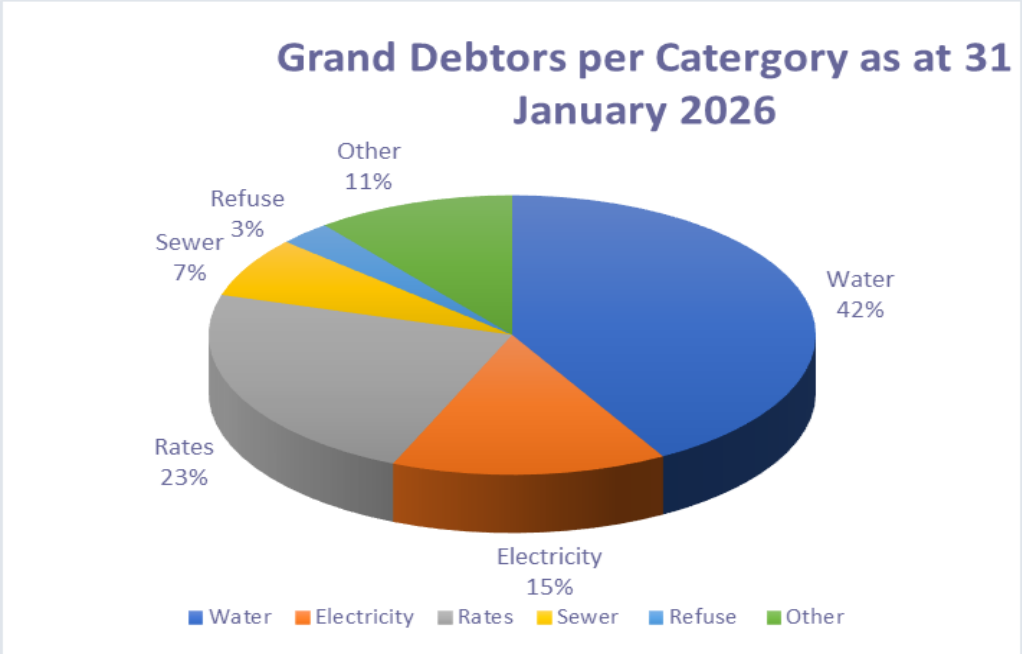
- The increase in the debtor's book is generally attributed to the following factors which have impacted on the customers' ability to pay/pay on time:

  (a) Poverty and Unemployment;
  (b) Un-affordability due to low or loss of income;
  (c) Number of indigent supports take ups;
  (d) Slow/late payment rate from government and parastatals;
  (e) Schools not paying for services S 21 schools;
  (f) Inadequate disconnection of both water and electricity/ follow ups/investigation services for non-payment;
  (g) Customers tampering with meters resulting in loss of income.

(h) Deceased, Liquidated Estates matters
(i) Deregistered company and increase in business liquidations
(j) Prescription of debt due to slow process of issuing summons;
(k) Non-availability of electricity pre-paid/smart meters resulting to some household legally by-passed or illegal connected or tempering.

Debt by Income Source:

Income Source	Total	Percentage
Water	18,121,000,225	42%
Electricity	6,371,638,567	15%
Rates	10,081,892,330	23%
Sewer	3,027,748,831	7%
Refuse	1,208,531,720	3%
Other	4,610,277,117	11%
GRAND TOTAL	**43,421,088,790**	**100%**



- Water makes up 42% of total debt, while property rates and electricity are 23% and 15% respectively.

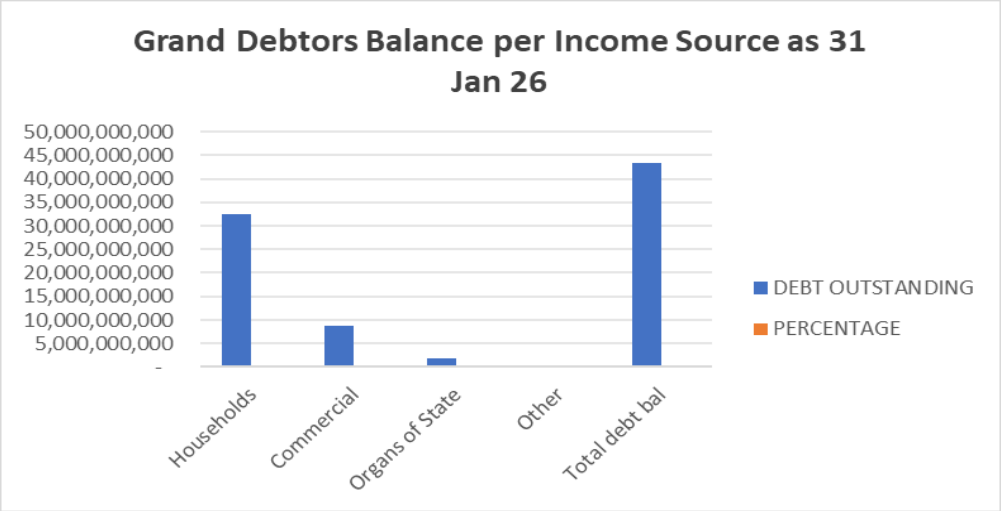
- The remaining debt is made up of Other, Wastewater, Waste Management, Interest and Property Rental.

- In total R38,8 Billion relates to rates and services debt while R4,6 Billion is for all other debtors including sundries and interest charges.

Debt by Customer Group:

SOURCE	DEBT OUTSTANDING	PERCENTAGE
Households	32,604,020,882	75%

SOURCE	DEBT OUTSTANDING	PERCENTAGE
Commercial	8,810,697,424.00	20%
Organs of State	1,882,799,566.00	4%
Other	123,570,919.00	0%
TOTAL DEBT BALANCE	**43,421,088,790.00**	**100%**



- Household debt makes up the bulk of the debt at **R32 Billion** (contributing 75% of the total debtors).

- This reflects growth in the number of households who are struggling to pay their municipal bill due to various factors affecting households.

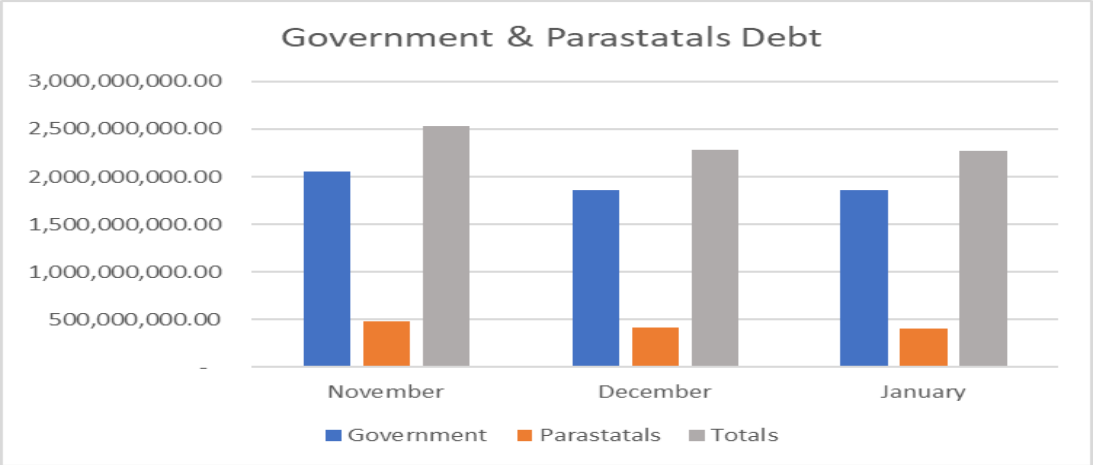
- Commercial debt includes business accounts which amount to R8.8 Billion (contributing 20% of the total debtors).

- Organs of State include government departments and parastatals accounts, which amount to R 1.8 Billion (contributing 4% of the total debtors).

- The Council has developed a short-term and long-term debt collection & reduction strategy which includes amongst others targeted collection by customer group, meetings with key stakeholders such as government, businesses, parastatals, bulk users as well conducting an in-depth analysis of the debtor's book.

Government and Parastatals Debt:

	November 2025	December 2025	January 2026
PARASTATALS	479,361,116.00	416,998,223.00	406,567,806.00
GOVERNMENT	2,056,261,101.00	1,861,724,505.00	1,861,736,714.00
TOTAL	**2,535,622,217.00**	**2,278,722,728.00**	**2,268,304,520.00**



Total Government and Parastatals debt amounts to **R2.268** Billion. While some progress has been made in reducing arrears, the overall pace of repayment remains slow and below target. Bulk of the debt is owed by Provincial Government at R1,440,891,196.97. Ingonyama Trust owes R328,006,542.22 and National government owes R92,838,974.58

Below are departments with long outstanding debts/contributing to government debt increase:

Comparison of Government Debt over 3 Months			
	November 2025	**December 2025**	**January 2026**
	R	**R**	**R**
National Government			
National Public Works	25,966,304	39,260,064	19,839,986
Rural Development & Land Reform	-	-	-
Dept. of Water Affairs	43,355,789	43,539,681	43,721,472
Dept. of Defence	3,801,253	7,922,517	5,794,179
Dept. of Correctional Services	15,887,072	15,497,385	16,384,673
Dept. of Justice	3,718,758	7,648,313	7,098,665
Totals for National Government	**92,729,176**	**113,867,959**	**92,838,975**
Ingonyama	322,060,749	325,031,833	328,006,542
Provincial Government			
Education – Section 21 Schools	368,084,354	336,737,831	345,309,082
Dept. of Health	37,673,982	42,534,535	54,743,432
Human Settlement	119,533,217	112,790,478	117,757,496
Education – Section 20 Schools	607,887,472	537,745,364	537,329,382
Office of the Premier	29,929	21,027	19,350
Dept. of Arts & Culture	388,287	110,229	211,090
Dept. of Economic Development	96,668	95,995	100,391
Dept. of Agriculture	16,490	25,146	9,020
Provincial Public Works	497,287,281	383,114,024	374,210,357
Dept. of Transport	3,066,130.47	3,853,952.91	5,162,281.35

Comparison of Government Debt over 3 Months			
	November 2025	**December 2025**	**January 2026**
	R	**R**	**R**
Dept. of Social Welfare	6,860,638.20	5,730,736.84	5,991,771.23
COGTA	546,729	65,394	47,546
Totals for Provincial Government	**1,641,471,176**	**1,422,824,713**	**1,440,891,197**
TOTAL	**2,056,261,101**	**1,861,724,505**	**1,861,736,714**

a) **National Government Debt & Ingonyama Trust Board**

(i) **Ingonyama Trust Board:**

The Ingonyama Trust Board has taken a decision to review the entire Asset Register to clarify several issues, they have requested an extension of time to determine the amount payable to the Municipality as per their email response, dated 10 November 2025.

The Breakdown of Ingonyama debt is as follows: -

- **R24,084,683.80** inclusive Interest relating to 160 x properties had been confirmed by the ITB as their own and had agreed on payment. While in the process of negotiating a payment plan, Ingonyama Trust has now regressed stating further verifications need to be done before they can commit to paying.

- R73 Million relates to Hammarsdale Junction Mall - Property Management Groups Eris & Vukile are the signatories of the Lease Agreement between themselves & Ingonyama Trust Officials. An in-house meeting was held with our Legal Dept & Real Estates dept. Letters were drafted by legal officials to be sent to ITB Board officials. **R33.9 Million**, inclusive of interest, Rates for the 2X Shell Ultra City Garages at Umgababa & many other properties in the amount of **R196,868,169.88** where ownership and liability for rate are being disputed. ITB claims that these properties belong to The Traditional Council. This matter has been referred to our legal dept for the declaratory Order to establish who is liable for the rates. Letter has been drafted by our legal dept regarding these Properties in the anticipation of applying to the Law Courts of a declaratory order regarding this debt.

(ii) **Department of Water & Sanitation:**

A task team was formalized between DWS, NDPW & Municipality. Meeting has been held to quantify debt & Valuation of the Dams. Ethekwini has complied with & submitted all information needed by task team. acknowledgement was received. Manual Invoices for 3 x Accounts relating to Hazelmere & Inanda dams with the split of debt between NDPW & DWS. The emailed with the Invoices as requested by officials of DWS were emailed for payment, Awaiting payment from the department

(iii) **National Public Works**
Total outstanding Debt, **R19,839,985.62** inclusive of Rates; Services & Rates for 293 properties. Current Debt is **R13,473,380.67** and Arrears of **R6,366,604.95**. disconnection of services is system generated which is a key instrument to control the collection of debts over 60 days.

(iv) **Rural Development & Land Reform:**
Annual rates paid – Zero balance outstanding.

(v) **Department of Defence:**
Accounts are up to date – Current Charges

(vi) **Department of Correctional Services:**
Total Debt is 16,384,672.83. Current Charges are 16,321,919.89. Arrears of R62,752.94 is the interest due to CSD form delays of New Banking details.

(vii) **Department of Justice:**
Total Debt of R7,648,312.53 **–** awaiting payments.

(b) **Provincial Government Debt**
The key departments contributing to Provincial debt are:

(i) **Provincial Public Works**:
Total Rates Debt as at end December 2025 is R380,966,486.94. The months of December 2025 was a month of trials & tribulations between Public Works & Municipality. Many Offices were disconnected for the non-payment of Rates & after Legal advice was sort – an amicable resolution was reached. The Payment of R50 Million was received in the month of December 2025 and the Balance of Debt owing to be settled in 3 x Instalments ending the payment plan at the end of June 2026.

(ii) **Dept of Transport Rates**: included in debt owing by Public Works - amount for DOT Rates = **R1,207,436.15 –** part of the agreement to be settled by end of June 2026

(iii) **PDPW – Services Accounts** - Total Debt = R2,147,537.52. There are just 4 Vacant Properties no usage of municipal services just nominal charges being raised every month - properties were handed back to PDPW with outstanding Service debts. 1x Rental, sundry account with no valid signed lease agreement for Provincial Clinic. PDPW in the process of acquiring Clinic from municipality but lease charges are still being raised, escalating the outstanding Debt. All other Accounts are up to date.

(iv) **Dept of Transport Services**: Total Debt of R3,853,952.91 - Sundry charges – periodical income – challenges with these 2 x accounts - Most of Accounts for services were disconnected due to non-payment of Rates debts by Provincial Public Works- disconnections instructed by CFO & Revenue Management Team. Accounts were in disconnected status – no meter readings were uploaded – accounts did not bill current charges

(v) **Department of Social Welfare**: Total debt outstanding R5,730,736.84. Current collectable Debt = R1,955,383.49 & Arrears of R3,775,353.35 relates mainly to 2 x Electricity & Water Accounts for Umlazi Place of Safety under dispute, minimal payments on the Electricity Account – Payment is the responsibility of IDT – in huge dispute to property being invaded & illegal usage of municipal services on site - Accounts are disconnected status – still billing estimate charges.

(vi) **COGTA:** - Just 3 x service accounts - Accounts are up to Date

(c) **Provincial Government Debt**- The key departments contributing to Provincial debt are:

(i) **Department of Health**:
Total debt is R54.7 Million, current is R22.4 Million, and arrears is R32.3 Million. Institutions have depleted their funds and are waiting for budget from Head Office, District Office will process payments once budget is uploaded. Notices of disconnection sent to Clinics.

(ii) **Department of Education (S20 and Offices):**
Debt outstanding R537,3 Million. Relates to water tankers for schools and infrastructure sundry charges. Due to failing infrastructure some areas do not have supply of water, Council continues to supply water and bill the department, though the contract has expired. The meeting was held with relevant stakeholders; it was confirmed no SLA was signed. Recommendations were made by Management to terminate the supply until legal matters with DOE and Ethekwini were resolved, but the Water Department continues to supply water. DOE requested a detailed breakdown of costs for schools who received the services. Water Dept provided the relevant information. DOE identified discrepancies with breakdown of debt and dates on recons. Water Department reviewed the records and forwarded updated figures to the DOE. Once DOE agrees that costs are accurate, they will negotiate payment arrangement. Disconnections in progress

(iii) **Department of Education (Section 21 Schools)**:
Debt outstanding is R345.3 Million. Current is R34.3 Million, and arrears are R311 Million. Meeting was held on the 15th of October 2025, based on the September outstanding balance, DOE did not agree on the proposed offer by Ethekwini which was in line with the credit control policy. DOE proposed a counter-offer, which was not accepted since it is not in line with the credit control policy. Schools are being disconnected and some are signing credit agreements directly with the municipality for reconnection.

(iv) **Office of the Premier**: Current debt is R19 Thousand.

(v) **Department of Arts & Culture**:
Debt outstanding is R211 Thousand, current is R159 and arrears is R52. Disconnections are in progress.

(vi) **Department of Economic Development**:
Current debt is R100 Thousand.

(vii) **Department of Agriculture**:
Current debt R9 Thousand.

(viii) **Human Settlement**:
Total debt is R117.8 Million, R67.1 Million relates to Land Availability Agreements (LAA) queries, the department is investigating the validity of the LAA's and follow up meetings are in progress. Balance of R50.7 Million debt is for rates and services, of which services R28,5 Million relate to Bramcote Project - transferring water debt to individual units, currently in progress. Upon investigation, some properties are to be confirmed if acquired by Municipality. Furthermore, properties transferred to individuals but not updated on the Valuation Roll, Dept of Human Settlements provided copies of Deed Search to update municipalities systems accordingly, which are continuing. 654 Reconciliations for rates and sectional accounts were provided as requested. Some properties are in the process of being transferred, transfer is pending approval for interest reversal.

(ix) **SOE & OTHER:**
Sanral – Total Debt outstanding = R11,605,171.08. R5.7 Million Debts is the N2 and N3 PSI Roads debt in an ongoing dispute of N2/N3 Roads. Sanral claimed that these 3 x accounts are PSI & exempt for Rates from 01/07/2020. Debt owing relates to debt prior to exemption & phasing out process. Sanral claims that debt owing should never have been raised in the 1st instance, quoting their interpretation of the Municipality's Rates Policy. An internal meeting was held with higher management & our Manager of Policy & Compliance to give directions on the matter. It was resolved that the charges raised for rates were correct and Sanral misinterpreted the policy. There have been numerous engagements over the years & SANRAL does not share the Municipality's interpretation of the Act & Policy. SANRAL disputes the liability of Rates. It is now clear that despite numerous engagements aimed at avoiding a formal dispute between the Municipality and SANRAL (an Organ of State), the declaration of a formal dispute and resolution in the appropriate forum is now unavoidable. In this regard, we have received feedback that SANRAL is finalizing their Notice in terms of Section 41 of the Intergovernmental Framework Relations Act (the Act) for signature by the SANRAL CEO or another delegated representative of SANRAL. We have received official letter from Sanral regarding the legal process & IGR process as this debt we are claiming payment for is not validated & is incorrect. Sanral has not made any payments for all their other Accounts due to the contracts of managing agents that religiously paid us every month – agent contracts have been terminated. Schedules have been emailed to Sanral for comment.

(x) **Other Municipalities:**
uGu District Municipality owes R46,610,841.40 & uMgungundlovu District Municipality owes R10,912,805.84 for Water debts. The City took over the supply of water to these two Municipalities & continue to supply water as these are Sales Meters & no payment is being received due to Financial Constraints from these municipalities. eThekwini cannot disconnect the Water supply as these meters feed residence on both sides of the demarcation borders and eThekwini residents could also be affected

if disconnected. The water dept has confirmed meter readings & update systems as charges are based on estimations. Once accounts are finalized with correct billing charges, the meeting will be set up with uGu District Municipality. Internal meetings between the Revenue Management & Water Dept are finalizing the correctness of the Accounts before meetings are to be arranged with these.

A total of R251,101,410.99 was received as payments from government departments in the month of January 2026 and including payments received but not yet receipted.

Parastatals and Municipal Entities:

Summary of Arrear Parastatals Debt for Rates and Services for January 2026							
Account Name	**0 to 30 Days**	**31 Days +**	**61 Days +**	**91 Days +**	**121 Days +**	**Outstanding Amount**	**Payments Received for the Month**
Transnet	115,161,966.02	53,558,069.60	38,514,565.32	10,506,102.64	75,318,622.36	293,059,325.94	147,508,335.24
Prasa – IA & L10	17,230,738.61	30,554,528.99	239,016.11	193,961.79	8,159,913.30	56,378,158.80	23,524,956.29
Metro Rail	2,464,025.54	-	-	-	-	2,464,025.54	8,518,610.85
Durban Marine - Ushaka	2,567,533.83	318,776.36	3,169.40	-	60,330.65	2,949,810.24	8,079,734.67
Durban ICC	4,326,915.66	2,475,348.62	-	-	-	6,802,264.28	3,756,372.26
Eskom	1,508,548.00	1,968,939.52	1,022,437.01	965,655.27	31,152.83	5,496,732.63	83,972.18
Telkom	4,312,166.72	1,326,605.84	2,174,829.05	397,661.80	3,182,424.26	11,393,687.67	7,308,950.46
Ithala	4,806,450.34	773,271.77	681,652.90	3,947,359.59	-	10,208,734.60	4,784,683.20
Airports	2,226,275.29	-	-	-	-	2,226,275.29	28,672,807.96
SABC	457,178.49	-	-	-	-	457,178.49	1,240,202.90
Umngeni Water	13,467,918.28	2,466.53	-	-	-	13,470,384.81	23,521,441.86
Dube Tradeport	1,642,644.31	11,383.90	7,199.03	-	-	1,661,227.24	897,503.29
TOTAL	**170,172,361.09**	**90,989,391.13**	**42,642,868.82**	**16,010,741.09**	**86,752,443.40**	**406,567,805.53**	**257,897,571.16**

(a) **Transnet** - Total arrears are R177,8 Million. The undisputed debt is R122,9 Million. Transnet's arrear debt is mostly attributable to a dispute, R56.3 Million, which was a backdated electricity charge raised on Transnet's account. A full and final settlement was sent to Transnet via their attorney, no payment commitment received. A section 102 notice was sent. A payment of R19,8 Million received, was not receipted at time of reporting.

(b) **Prasa** – Arrear amount is R39.1 Million of which R4,3 Million is for annual rates charges which remains unpaid as of 31st January 2026. Payment not received as promised. Notices of disconnect issued.

(c) **Durban Marine** – Arrear amount is R382 Thousand on payment plan. Durban Marine engaged the city in respect of a payment plan, which was signed on 4 accounts over 36 months in December 2026, of which one account is already in arrears. A reminder has been sent to settle arrears.

(d) **ICC** - Arrear amount is R2,47 Million. Payment plan signed in December. They are not keeping up with the payments as promised. Notice of disconnection issued.

(e) **Ithala** – Arrear amount is R5.4 Million. The amount of R4.3 Million in arrears relates to a water dispute which has been resolved, Customer to acknowledge acceptance of recalculation and settle the capital. Balance is R1.0 Million and payment **of R1.6 Million received, was not receipted at time of reporting.**

(f) **Telkom** – Arrear amount is R7 Million. A meeting was held with the Managing Agents, and they have stated that they need to review the unpaid accounts and provide feedback as they claim some of these accounts were terminated and they are liable to settle the balance of the accounts which they are negotiating with Telkom's Head Office. Feedback to be provided by 6th February 2026

(g) **ESKOM HOLDINGS -** Arrear amount is R3.9 Million - this is due to change in banking details. Despite numerous reminders, advising Customer that the issue has been resolved, Eskom Finance Department refusing to make payment, thus disconnections have been processed.

Overall Major Debtors Debt Increase:
There is a decrease in the total debt for Parastatals

The total outstanding for Parastatals is R406,567,805.53 of which R170,172,361.09 is current, and R236,395,444.44 is arrears:

- Payments received but receipted after month end report run amounting to **R29,3 Million**.
- A total of R257 897 571.16 Million was received as payments from parastatals for the month of January 2026.

Councillors and Staff Debt:

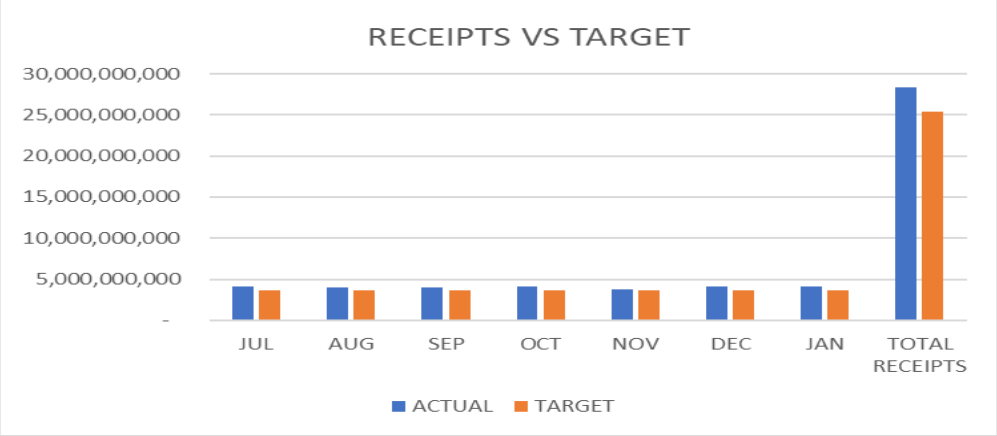
Category	November 20252025		December 2025		January 2026	
	No.	**Amount**	**No.**	**Amount**	**No.**	**Amount**
Councillors	48	2 719 039.00	39	2 799 905.55	41	2 216 558.13
Employees	4 850	84 021 487.00	4 308	91 583 977.10	3 780	79 361 717.04
Total	**4 898**	**86 740 526.00**	**4 347**	**94 383 882.65**	**3 821**	**81 578 275.17**

- Staff and Councillors in arrears are subject to all credit control processes including disconnections, redlining with credit bureau and legal processes.
- Furthermore, staff members in arrears more than 90 days are subject to salary deductions, although this is an effective tool in collecting from staff in arrears, the salary deduction is only limited to 25% of net salary, this is sometimes not enough to cover the amount of arrears hence the continuous increase in staff debtors.
- Staff have an option to utilise their leave to settle their arrear accounts.
- A report is submitted monthly to the Speaker Office for Councillors in arrears and a list of staff in arrears is sent to heads of units on an ongoing basis. As a result, the debt owed by Councillors has reduced drastically over the past three months.

Revenue Receipts and Collection Rate:
Receipts for the period 01 July 2025 to 31 January 2026 have been averaging slightly over R4 Billion per month and are as follows:

TOTAL RECEIPTS VS TARGET		
Month	**RECEIPTS**	**TARGET**
JULY 2025	4 145 662 540.00	3 635 414 260.00
AUGUST 2025	4 016 188 845.00	3 635 414 260.00
SEPTEMBER 2025	4 032 826 616.00	3 635 414 260.00

TOTAL RECEIPTS VS TARGET		
Month	**RECEIPTS**	**TARGET**
OCTOBER 2025	4 136 525 697.00	3 635 414 260.00
NOVEMBER 2025	3 815 380 765.00	3 635 414 260.00
DECEMBER 2025	3 728 381 171.00	3 635 414 260.00
JANUARY 2026	4 171 309 012.00	3 635 414 260.00
TOTAL RECEIPTS	**28 394 682 816.00**	**25 447 899 819.00**



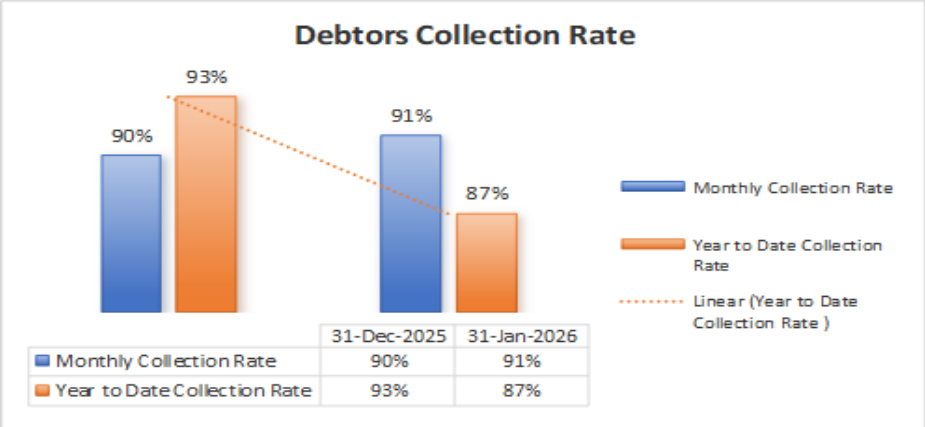
Highlights:

- There was an increase in cash collection for the month of January 2026, compared to December 2025. Revenue collected for the period remains higher than budget and the Council has maintained a monthly collection rate of over R4 Billion.

- A Total amount of R28,394,682,816 has been collected from the municipality's own income sources for the period from July 2025 to 31 January 2026.

Collection Rate:

Detail	31 December 2025	31 January 2026
Monthly Collection Rate	90%	91%
Year to Date Collection Rate	93% (**86**)	87%



- The collection rate measures the total billing vs total collections on the Municipalities main revenue sources (Rates, Water, Electricity, Sewer and Refuse); for the period ending 31 January 2026.

- The collection rate for the month of January 2026 was 91% and the cumulative collection rate was 87%.

- The collection rate has increased by 1% compared to December 2025.

- The drop in the cumulative collection rate is due to an adjustment made to correct the receipts reported in August 2025 which included unallocated credits as payment, this was an error in the reporting system which has since been identified and corrected.

Disconnections:

As part of the debt reduction strategy, the ED of Finance and ED of Trading Services established a Disconnection Committee, chaired by the ED Finance, which seats at least once a month:

- This Disconnection Committee is supported by the Technical Disconnection Committee, chaired by the Deputy Head Arrears Management, which seats every Monday to review disconnections for arrears, investigation and tampering.

- This Disconnection Committee is supported by the Technical Disconnection Committee, chaired by the Deputy Head Arrears Management, which seats every Monday to review disconnections for arrears, investigation and tampering.

- During the month of January 2026, the Disconnections Committee recorded the performance on water disconnections, totalling 2570 valued at 209,790,378.15 and on electricity disconnections totalling 1897 valued at 1,094,106,071.40 as follows:

Months	Electricity		Water	
	No. Disconnected	**Amount**	**No. Disconnected**	**Amount**
November - 2025	875	160,780,382.00	5981	659,884,864.00
December - 2025	965	341,578,728.05	849	71,368,214.65
January - 2026	1 897	1 094,106,071.40	2 570	209,790,378.15

- The Disconnection Committee noted an improvement in the number of electricity disconnection in the month of January 2026, and the committee is pleased to announce that the disconnection contract is now in place

Revenue Clearance Certificates:

- Revenue Clearance unit is expected to issue the certificates in line with the targets set in the Council's SDBIP. The set target for **2025/2026 financial year** is to issue **85% of Revenue Clearance Certificates within 10 working days from the time of costs paid message date**.

- The table below illustrates performance from July 2025 to January 2026: 94% was achieved for JANUARY 2026 as out of 1166 costs paid messages received, 1094 revenue clearance certificates were issued within 10 days after the receipt of cost paid messages.

- In the year 2025/2026 FY, RCC has been able to meet its quarter 1 and quarter 2 targets.

- So far, 90% has been achieved for the period starting July 2025 to January 2026, meaning that the section has exceeded its target by 5% as out of 10 611 costs paid messages received, 9 567 revenue clearance certificates were issued within 10 days after the receipt of cost paid messages.

Total RCC's Issued For The Month vs Amount Collected for 2025/2026 Financial Year					
Month	**Total No. of RCC's Issued Per Month**	**Amount Collected Per Month**	**Total No. of RCC's Issued Per Quarter**	**Amount Collected Per Quarter**	
Jul-25	1741	63,291,680.98			
Aug-25	1739	76,958,652.38			
Sept-25	1814	63,241,500.11	**5294**	**203,491,833.47**	**Q1**
Oct-25	1942	75,416,809.52			
Nov-25	1871	75,820,143.26			
Dec-25	1482	51,098,173.76	**5295**	**202,335,126.54**	**Q2**
Jan-26	1151	35,721,091.36			
	11740	**441,548,051.37**			

SIE & Legal Processes:
Consolidated bad debt written offs:

Consolidated Bad Debt written off (Rands)									
Months	**Debt Relief Circular 09/2024**	**Indigent Relief**	**Prescribed Debt**	**Full & Final Settlement**	**Water Loss Insurance Write Off**	**Insolvent & Liquidation**	**Deceased Estate**	**Special Debt Relief (50%) Circular 03/2025**	**Totals**
Jul 25	208,134.70	3,813,284.49	365,862.85	-	-	-	40,401,922.02	714,702,994.45	759,492,197.51
Aug 25	-	461,841.05	274,838.04	-	-	-	141,369,167.71	25,770,589.92	167,876,436.72
Sept 25	-	2,183,159.53	-	262,126.62	-	-	61,804,297.86	10,194416.10	74,444,045.11
Oct 25	-	3,191,087.23	2,802,097.85	649,883.73	-	-	40,638,128.59	2,794,717.80	50,075,915.20
Nov 25	-	6,043,270.34	1,675,435.40	25,380.88	4,739,625.92	39,618,172.13	40,463,492.74	47,347,434.81	139,912,812.22
Dec 25	-	7,297,477.79	3,405,924.28	-	2,044,504.72	5,999,850.27	27,187,294.53	134,884,113.65	180,819,165.24
Jan 26	-	8,392,950.66	3,161,400.51	-	4,381,100.04	-	33,389,389.83	273,310,257.36	322,635,098.40
TOTALS	**208,134.70**	**32,383,071.09**	**11,685,557.93**	**937,391.23**	**11,165,230.68**	**45,618,022.40**	**385,253,693.28**	**1,209,004,569.09**	**1,695,255,670.40**

Write-off statistics, in the month of January 2026, total bad debt written off amounted to R322m. The monthly write off is broken down as follows:

- In terms of circular 09/2024 the write off for January 2026 amounted to zero

- Write-off due to Indigent relief was R31.3 Million,

- Prescribed debt written of amount to R11.6 Million,

- Other write offs comprising full and final settlement interest write off R0.00, liquidations and Insolvencies amount to R0.00 for January 2026,

- Deceased estate (circular 03/2025) R33.3 Million.
- 50% Special Debt Relief write off (ended in June) amounted to R861 Thousand.
- 50% Special Debt Relief write off (started in November) amounted to R272 Million
- To date a total of R1.6 Billion has been written off as shown in table above (Consolidated bad debt written offs).

Deceased estates write offs:

The table below illustrates the monthly progress report on the estate of the deceased since the project's inception in November 2024. January reporting will be the primary focus. At the start of January 2026, there were zero applications left for processing; 468 were received, and 0 turned down for failing to meet the requirements of the deceased estate write-off. About 468 applications went through processing in January 2026; by January 31, 2026, all applications were processed. Since July 2025 this project has written off 4149 applications for deceased estates totalling R385 Million.

	Opening Balance	Total Deceased Estate W/O Applications Received	Rejected Applications	Monthly Write-offs Processed	Cumulative Total Number deceased Written Off	Applications still to be processed for Write-off	Monthly Write-off Amount	Cumulative Deceases Written off
Months	**Number**	**Number**	**Number**	**Number**	**Number**	**Number**	**Amt (R)**	**Amt (R)**
July	1 087	517	24	522	522	1 058	40 401 922.02	40 401 922.02
August	1 058	558	27	1 589	2 111	-	141 369 167.71	181,771,089.7386
September		653	35	618	2 729	-	61,804,297.86	243,575,387.59
October		393	19	374	3 103	-	40,638,128.59	284,213,516.18
November		377	27	350	3 453		40,463,492.74	324,677,008.92
December		238	10	228	3 681		27,187,294.53	351,864,303.45
January 26		468	-	468	4 149		33,389,389.83	385,253,693.28
TOTALS	**1,087**	**3 204**	**142**	**4 149**	**19 748**	**1 058**	**385,253,693.28**	

Accordingly,

COMMITTEE RECOMMENDS:

That Council notes the report on debt collection as well as the performance of the Revenue Management Directorate with regards to the management of the Council's debtors' book for the month of January 2026, it being further noted the Debt Collection and Debt Reduction Strategies developed by the Revenue Management Directorate are being implemented on an ongoing basis.

NOTED.

2.15 Billing Report for the Month Ended 31 January 2026 (7/6/2/R):
(Page 590: Finance Committee - Agenda 2026-02-18)

The National Treasury's MFMA Circular 58 advises Municipalities to pay attention to ensuring the collection of revenue, **"municipalities need to ensure that billing systems are accurate, send out accounts to residents and follow-up to collect revenues owed"**;

The Circular also guides municipalities on factors to consider when determining their annual tariffs; these include, amongst others:

- The input costs of trading services,
- Financial sustainability,
- Local economic conditions,
- Affordability of municipal services;
- The municipal indigent policy and the relevant sector specific policies;

Furthermore, Circular 58 provides substantial information to guide municipalities with tariff determination processes that ensure cost reflective tariffs in respect of municipal trading services.

The Accounts Management Section is responsible for the following core functions:

- **Billing**: Processing day-to-day billing, development incentives, customer rates rebates, refunds, Special Rating Areas (SRAs), and account updates.
- **Housing Loans**: Administration of municipal housing loans and vacant land rebate applications.
- **Dispatch**: Bill dispatch, e-Services registrations, and handling returned mail.
- **Reconciliations**: Ensuring 100% billing completeness by reconciling the general and supplementary valuation rolls.
- **Enquiries Management** : Call Centre and Correspondence to customer queries
- **Meter Reading Management** : Reading of both electricity and water meters

ACCOUNTS MANAGEMENT REPORTS:

Completeness of Billing:

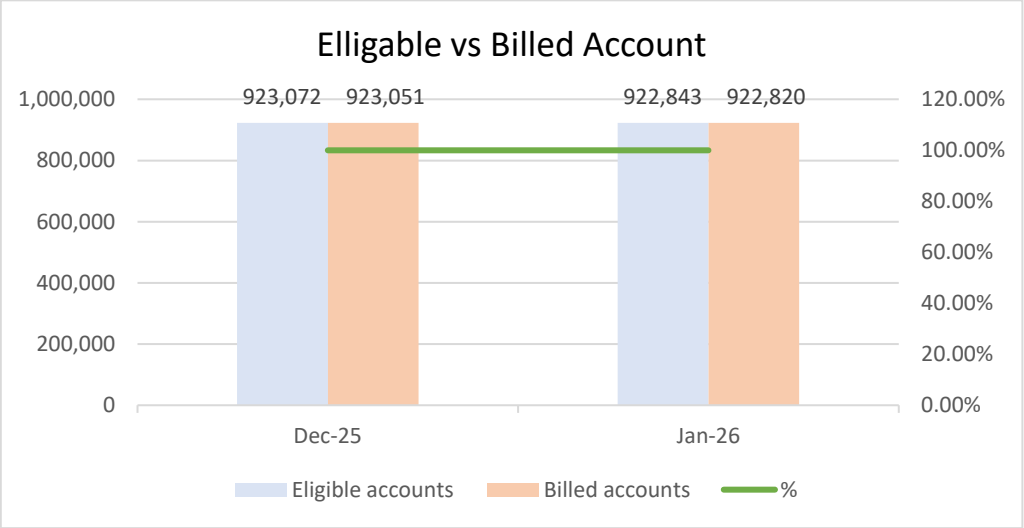
- There were 922 843 accounts eligible to bill for the month ended 31 January 2026, and 922 820 accounts were billed resulting in 99.99% in completeness of billing.

- The same percentage of 99.99% was obtained for the month of December 2025 and we have been consistent throughout the current financial year;

- Daily and monthly monitoring of the completeness of billing is performed and this is measured through SDBIP on a monthly basis.

Completeness of Billing – January 2026:

Completeness			
Months	**Eligible accounts**	**Billed accounts**	**%**
December-2025	923,072	923,051	99.99%
January-2026	922,843	922,820	99.99%



- Between accounts eligible for billing and billed accounts is as a result of new accounts creation to be billed in the next cycle for the next month.

Property Values:

As per the 2022 General Valuation roll with its supplementary rolls, the municipality have 555 836 total number of properties with the rand value of R717,231 Billion as of 31 January 2026 all combined as tabulated below. There has been an increase in the value of properties from December 2025 to January 2026 to the value of R163,699 Million.

Rates Summary 2025/2026:

	December 2025		January 2026	
Row Labels	**Market Value**	**No. of Properties**	**Market Value**	**No. of Properties**
	R	**R**	**R**	
Agricultural	4,469,601,000.00	1150	4,472,291,000.00	1151
Agricultural (Non Sewered)	-	11	-	11
Agricultural (Sewered)	2,650,000.00	10	2,650,000.00	10
Business & Commercial	145,935,919,025	17,796	146,033,946,025	17,815
Business & Commercial (Non Sewered)	15,529,000	13	15,529,000	13
Business & Commercial (Sewered)	112,748,000	509	112,748,000	509
Development Phasing Line (vacant land)	194,822,000	414	194,622,000	413
Industrial	73,958,533,700	7,411	74,004,243,700	7,411
Industrial (Non Sewered)	-	6	-	6
Industrial (Sewered)	73,372,000	113	73,372,000	113
Mining Property	227,544,000	11	227,544,000	11
Public Benefit Activities	1,236,069,000	61	1,236,069,000	61
Public Service Infrastructure	16,889,942,000	6,783	16,891,596,000	6,794
Public Service Infrastructure (Non Sewered)	750,000,500.00	16	750,000,500.00	16

	December 2025		January 2026	
Row Labels	**Market Value**	**No. of Properties**	**Market Value**	**No. of Properties**
	R	**R**	**R**	
Public Service Infrastructure (Sewered)	9,741,500	170	9,741,500	170
Public Service Purposes	21,010,756,000	765	21,016,094,000	768
Residential	435,040,114,909	483,148	435,057,467,909	483,307
Residential (Non Sewered)	1,810,000	81	1,810,000	81
Residential (Sewered)	39,622,000	387	39,622,000	387
Sectional Title Real Right	12,499,000	10	12,499,000	10
Unauthorised / Illegal Dev. / Use	1,293,643,000	498	1,270,443,000	501
Unauthorised / Illegal Dev. / Use (Sewered)	230,000.00	1	230,000.00	1
Vacant Land	15,706,082,700	35,134	15,722,408,200	35,236
Vacant Land (Non Sewered)	21,562,000	180	21,562,000	180
Vacant Land (Sewered)	65,094,000	861	65,094,000	861
	717,087,885,334	**555,539**	**717,231,584,834**	**555,836**

Residential properties are charged rates depending on the value of as tabulated below:

Number of Properties Billable for Rates – Residential Property:

Description	**> 350 000 (Rateable)**		**< 350 000 (Non-Rateable)**	
	Market Value	**Number of Properties**	**Market Value**	**Number of Properties**
Residential Properties	R405 246 294 000.00	326 785	R29 852 605 909.00	156 990

Properties below R350 000 are 100% exempted from rates and those above R350 000 are charged as per approved tariff less R120 000 property value as permissible which is R15 000 as regulated by Municipal Property Rates Act and additional R105 000 as rebate granted by eThekwini.

Customer Rates Rebates:

eThekwini Municipality grants different rates rebates to qualifying customers. The aim of these rebates is to alleviate the burden to our senior citizens, child headed households, disability grantees, etc, who have a fixed income and limited resources.

Below is the table showing the amounts and the number of ratepayers who have benefitted from this program for the month of January 2026.

Current Active Customer Rebate (Rands):

Rebate Analysis 2025/2026	**December 2025**	**Number**	**January 2026**	**Number**
Bed & Breakfast Rebate	-370,849	83	-375,230	84

Rebate Analysis 2025/2026	December 2025	Number	January 2026	Number
Child Headed Households Rebate	-480	1	-480	1
Disability Grantees Rebate	-393,728	852	-391,202	852
Holiday Accommodation Rebate	-28,604	6	-28,604	6
Indigent Rebate	-84,543	181	-89,487	188
Life Rights Schemes & Retirement Villages Rebate	-145,191	7	-145,191	7
Medically Boarded Rebate	-204 903	433	-207 686	439
Natural Disaster & Other Rebate	-386	1	-386	1
Nature Reserve and Conservation Area	-2,655	1	-2,655	1
School Not for Gain	-416,632	28	-416,632	28
Senior Citizens Rebate	-27,017,926	57,412	-27,221,656	57,696
Vacant Land – New Development	-7,357	1	-7,357	1
Vacant Land Rebate	-1,494,608	97	-447,767	99
Other Properties not illegible for rebate	-	496,436	-	496,433
Grand Total	**-30 167 608**	**555,539**	**-29 334 333**	**555,836**

Vacant Land Rebates: January 2026:

Vacant land rebate was introduced in the year of 2024/2025 and effected from the 1st of July 2024 where qualifying vacant landowners were given 10% discounts on their rates in line with the approved policy. For the year 2025/26 the revised percentage is 30%. In the month of January 2026 there was only 6 new application that has been processed and approved where the ratepayer received 30% rebate amounting to the total revenue forgone of **R38,124.50.**

Date Received	Date Processed	Monthly Rates	30% Rebate	Monthly Rates After 30% Rebate	Rate No.	Account No.	Address
10/01/2026	14/01/2026	11 960.63	3 588.19	8 372.44	97884396	83638352803	474 of 465 of Erf 143, Kindlewood Estate, Mount Edgecombe
16/01/2026	19/01/2026	11 567.19	3 470.16	8 097.03	97623110	83634507430	443 of Erf 55, 46 Strelitzia Avenue Mount Edgecombe, Salta Estate, Sibaya
21/01/2026	22/01/2026	4 249.17	1 274.75	2 974.42	62246650	83613396309	Portion 440 of Erf 907 of Sterkspruit, 21 – D706, Peacevale
26/01/2026	29/01/2026	6 924.58	2 077.37	4 847.21	02602107	83622058776	68 Old Main Road, Rem of Erf 71 of Ottawa
27/01/2026	27/01/2026	80 498.16	24 149.45	56 348.71	13999452	83605700411	36 Aloe Drive, Portion 48 of 1557 of LOT 20 No. 1557, Verulam
29/01/2026	29/01/2026	11 881.94	3 564.58	8 317.36	97619373	83630822949	79 MT Cotton Boulevard, Umdlothi, Portion 428 of Erf 55, Sibaya
		127 081.67	**38 124.50**	**88 957.17**			

Dispatch:

a) With the implementation of the online e-Services platform, which enables customers to register, view, download, and pay their municipal bills electronically, there has been a notable increase in customer registrations. The Revenue Management Unit is preparing to embark on an intensified registration campaign to further increase customer uptake of the e-Services platform.

b) In collaboration with other organs of the state, the Municipality is leveraging data from their database to support and accelerate the onboarding of additional customers onto the e-Services platform.

c) Ongoing efforts are in place to continuously register customers, ensuring that they receive their municipal bills either via email or by logging into the system to view and print their statements.

d) Alternative solutions are being explored to support the transition to a fully digital environment, including the potential introduction of self-service Kiosk Machines at designated municipal centres. These kiosks would enable customers to independently access and print their municipal bills post-digitization.

Enquiries Management:

Call Centre and Correspondence Department is responsible for handling inbound calls from customers, enquiring their accounts, among other things, billing related queries, payment of accounts and responding to enquiries received from customers through E-Correspondence System. E-Correspondence System manages all written correspondences including emails, letters official documents ensuring timely and professional communication with customers.

Below is the statistical information on Call Centre and Correspondence Department for the month of January 2026, which indicates number of calls received, nature of customer queries measured in a percentage % form.

eCorrespondence January 2026 Query Types	
Balance of Enquiry/ Copy Bill Request	**Other (General Accounts Queries)**
38%	**62%**

eCorrespondence	**TOTAL**	**%**
Balance Enquiry/ Copy Bill Request	917	38%
Other (General Accounts Queries	1 475	62%
	2 392	**100%**

Meter Reading:

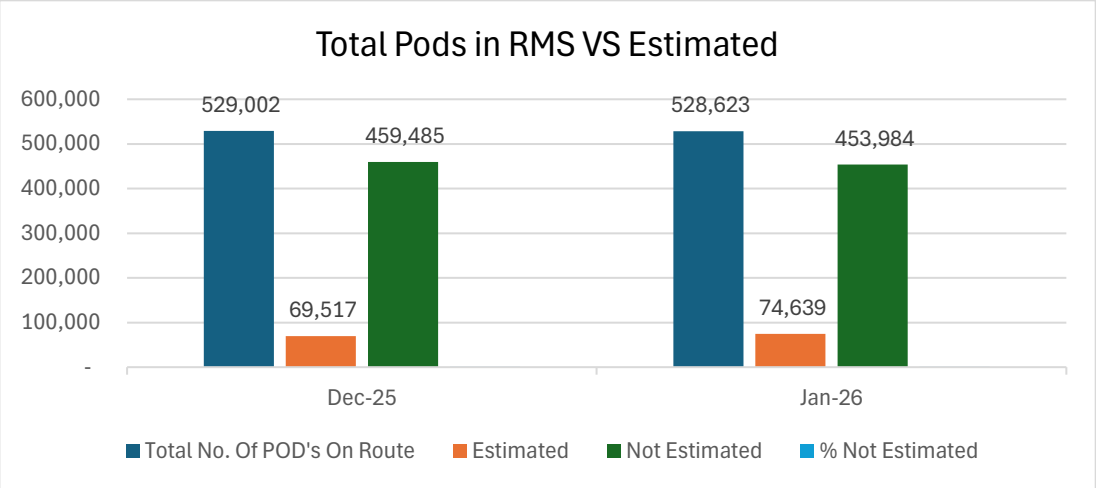
Meter reading services is a critical component of revenue collection through accurate billing of services. The department is responsible for accurately and efficiently reading both electricity and water meters to ensure correct billing and revenue collection. Below is the statistical information for the period of January 2026, on meter reading which details read and unread meters, significant challenges encountered during the process of meter reading and mitigating actions.

Water Meter Reading:

Below is the statistics of meter reading for water which details unread and read meters: Water meters are read monthly:

NB! The average estimation rounded off is 14%. The increase in the estimation is due to January being a month where much of communities are on holidays during this time and as such access is limited to their properties.

Total Pods in RMS VS Estimated					
MONTH	**Total No. of POD's On Route**	**Estimated**	**Not Estimated**	**% Not Estimated**	**% No of Estimated**
December-2025	529 002	69 517	459 485	87%	12%
January-2026	528 623	74 639	453 984	86%	14%



No of Estimated	% Estimated	Responsible Department	Remarks	Action Plan	Time Frame
47618	64%	Maintenance	Faulty Meters reported to maintenance & Meters Removed on site but not on RMS	Maintenance team to replace these meters	Continuous
26997	36%	Meter Reading	These are mainly due to properties being locked, obstruction to access the meter, vicious dogs prohibiting access to yards. Readings rejected by audit	Revenue department is currently issuing notifications to customers requesting access to their properties for meter reading purposes. Should there be no improvement, punitive tariffs will be applied to accounts not read for a period exceeding three months from the date of notification, in accordance with the Credit Control Policy.	Continuous
24	0%	Adjustments	Overreads to be adjusted	Adjustments department to resolve these in the following month	
74639					

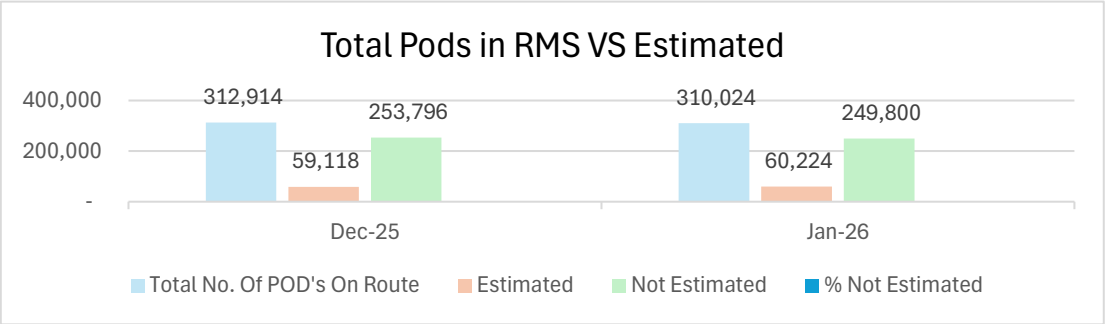
Electricity Meter Reading:

Electricity meter reading is conducted every third month, except for business meters which are read on monthly basis for actual and accurate billing of consumption used. In As indicated in the water meter reading, below is a table that shows the number of unread meters and its ageing for the month of January 2026.

The average estimation rounded off is 19%, part of these estimates are in line with the reading meters once every 3 months.

There are also **13 970** meters which are disconnected however in some instances there seem to be movements which therefore suggests tempering.

Total Pods in RMS VS Estimated					
Months	**Total No. Of POD's On Route**	**Estimated**	**Not Estimated**	**% Not Estimated**	**% Estimated**
December-25	312,914	59,118	253,796	81%	19%
January-26	310,024	60,224	249,800	81%	19%



Ageing of Estimated Meters

Read Code Description	< 1 Year	> 1 Year ≤ 3 Years	> 3 Years	Grand Total
METER MAINTANANCE				
Accepted Low Consumption	3	1		4
Faulty Dial	1			1
Faulty Meter	6	7	2	15
Foreign Lock	415	53	41	509
Generate Site Investigation	1	2		3
High Consumption	226	41	7	274
Lock Faulty	32	3		35
Low Consumption	478	102	14	594
Meter Bypassed	12	11	5	28
Meter Damaged	1	2	2	5
Meter Obstructed	66	13	4	83
Meter Removed	140	178	185	503
Meter Tampered	3	2		5
New Meter	21	23	17	61
No Keys	54	11	3	68
Rejected High Consump - Site Investigation	61	51	10	122

Read Code Description	< 1 Year	> 1 Year ≤ 3 Years	> 3 Years	Grand Total
Rejected High Consumption - No Action	1692	344	52	2088
Rejected High Consumption - Spcl. Read	810	126	7	943
Rejected Low Consump - Site Investigation	192	168	20	380
Rejected Low Consumption - No Action	1238	514	42	1794
Rejected Low Consumption - Spcl. Read	778	101	2	881
Wasps Nest Around Meter	4	2	1	7
Total	**6234**	**1755**	**414**	**8403**

METER READING				
House Vacant	108	34	8	150
Incorrect Route	16	19	4	39
No Access	18025	5820	911	24756
Reading Illegible	155	140	42	337
Refused Entry By Consumer	1841	565	61	2467
Route Not Completed	19252	3269	753	23274
Unable To Locate	334	182	149	665
Vicious Dog	94	32	7	133
Total	**39825**	**10061**	**1935**	**51821**

Grand Total	**46059**	**11816**	**2349**	**60224**

Accordingly,

COMMITTEE RECOMMENDS:

That Council notes the dashboard overview of the Accounts Management Billing report for the month of January 2026, with the activities having been pursued in compliance with the legislative requirements stipulating that Municipalities are empowered to ensure the billing systems are accurate, send out accounts to residents and follow-up to collect revenue owed.

NOTED.

2.16 Review of the Tariff For Direct Debit Penalties for the 2026/2027 MTREF (7/1/4):
(Page 600: Finance Committee - Agenda 2026-02-18)

Authority is sought for approval of the public participation in line with the Municipality's budget process of the proposed increased in direct debit rejection tariffs (2026/2027 financial year) in terms of Section 75A (1) (a) of the Local Government: Municipal Systems Act No. 32 of 2000. The Receipting and Systems Control section falls under the Revenue Management Directorate and is part of the Finance Cluster, and its function falls within Plan 8 of the IDP. The main purpose of the Revenue Management Directorate is to provide efficient and effective systems of revenue and customer services management that are necessary to enable the Municipality to collect all monies due in respect of services provided. These services include property tax, electricity, water, sewerage, refuse collection and other services described as "sundry services".

The Receipting and Systems Control section is responsible for ensuring that all funds paid to the Municipality are receipted and that customers' accounts are credited accordingly to reflect all monies received. The Receipting and Systems Control section also administers the direct debit facility by capturing all direct debit applications to ensure revenue collection takes place on the set strike dates when a debit order is processed to the customers' bank accounts to facilitate payment of their municipal bills.

Direct debits are administered on 4 strike dates in the month each customer being debited on a date following their billing date. Therefore, a customer's debit order is authorised after they have received a bill reflecting the amount owing and due to be debited on their particular strike date. On the day of the debit order, the Revenue Management System (RMS) upon doing receipt uploads automatically credits the customers' RMS account with the direct debit payment.

In instances where the debit order is not successful, this may be due to insufficient funds or reversed debit orders by customers. The bulk printing of bank statements after each strike date to compile a list of rejected debit orders has a financial impact on our resources, and reversing each debit order on RMS takes up a significant amount of time for the staff involved as it needs to be captured and authorized individually because customers' accounts are credited on the strike date.

In analyzing the direct debit rejections Systems Control does pick up instances of regular rejection of debit orders by customers as the penalty is minimal in comparison to the owing balance. A customer will benefit from their account reflecting that a payment was made to avoid disconnection and have full access to municipal services. Customers then proceed to reverse the debit order to get their funds returned and by the time their next bill is generated reflecting the reversal they can then make a late payment to avoid disconnection of services in the following billing period. Systems Control does cancel direct debits after 3 consecutive rejections.

Considering this, the Revenue Management Directorate proposes that a tariff of R95.55 (Ninety Five Rand and Fifty Five Cents) be implemented for rejected debit orders to mitigate reversals of payments. This will also prompt customers to ensure they make timely provision for payment of their municipal debit order to avoid a penalty being levied. This penalty fee is also in line with the fee charged across the board by banking institutions for rejected debit orders.

At the Support Committee level, the DA Abstained on the matter. Accordingly, the matter was approved by a majority vote.

At the Executive Committee level, the DA maintained its abstention on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

2.16.1 That the proposed tariff of R95.55 (Ninety Five Rand and Fifty Five Cents) for the 2026-27 financial year with a general of 5% annual increase for Direct Debit Penalties, levied in respect of the penalty charged on rejected direct debits to customers for accounts payments, set out in the financial implications below and in the report of the Director: Revenue Management dated 2025-01-06, be approved in-principle, and be taken for the public participation process together with the draft budget, as per the statutory requirements.

2.16.2 That subject to the in-principle approval, the City Manager be mandated to comply with the provisions of Section 75A (3) and (4) of the said Act to display notices of such an increase.

2.16.3 That the City Manager be mandated to send a copy of the notice to the KwaZulu-Natal MEC for Co-operative Governance and Traditional Affairs.

Financial Implications:
In terms of Section 17(3)(a)(ii) of the Local Government: Municipal Finance Management Act 2003 (Act no. 56 of 2003) the setting of any Municipal tariff must be done in the form of a draft resolution that must accompany an annual budget to be tabled for approval before a Municipal Council.

Data relating to the tariff to be raised is as per the table in Annexure A of this report. Data relating to income and expenditure for the Receipting section of Revenue Management Directorate is shown below:

Reason for direct debit rejection	RMS code	Present Tariff VAT exempt (2025/26)	Proposed Tariff VAT exempt (2026/27)	Proposed Tariff VAT exempt (2027/28)	Proposed Tariff VAT exempt (2028/29)
		R	R	R	R
Insufficient funds	02	91.00	95.55	100.33	105.35
Payment stopped by account holder	04	91.00	95.55	100.33	105.35
Debit not allowed on this account	03	91.00	95.55	100.33	105.35
Account frozen	06	0	0	0	0
Account in sequestration	08	91.00	95.55	100.33	105.35
Account in liquidation	10	91.00	95.55	100.33	105.35
Account closed	12	91.00	95.55	100.33	105.35
Account transferred within banking group	14	91.00	95.55	100.33	105.35
Account transferred to other banking group	16	91.00	95.55	100.33	105.35
Account holder deceased	18	0	0	0	0
Account effects not cleared	22	91.00	95.55	100.33	105.35
Invalid account	26	0	0	0	0
Recall/ Withdrawal	28	91.00	95.55	100.33	105.35
No authority to debit	30	91.00	95.55	100.33	105.35
Debit in contravention of payer's authority	32	91.00	95.55	100.33	105.35
Authorisation cancelled	34	91.00	95.55	100.33	105.35
Previously stopped via stop payment advice	36	91.00	95.55	100.33	105.35
Amount less than zero	44	0	0	0	0
Rejected on load report	50	0	0	0	0
Receipt Transfer - DD	70	0	0	0	0
Debit returned by branch	71	91.00	95.55	100.33	105.35

ADOPTED, by the majority vote.

2.17 Property Valuations and Management Unit (Real Estate) Report of the Review of the Valuation Roll Tariff 2026/2027 (7/6/1/5):
(Page 606: Finance Committee - Agenda 2026-02-18)

Authority is sought for approval of the review of the Valuation Roll Tariff (2026/2027 financial year) in terms of Section 75A(1)(a) of the Local Government: Municipal Systems Act No. 32 of 2000. Property Valuation and Management primary goal is to deliver on the mandate as indicated in the Municipality's Integrated Development Plan under Plan 8, financial accountable and sustainable City. The goal is to maximise the Municipality's financial resources to ensure long-term financial viability and sustainability.

Section 30 (1) of the Local Government: Municipal Property Rates Act (MPRA), 2004 (Act 6 o 2004) makes provision for Municipalities who intend levying property rates to cause a General valuation and the preparation of the valuation roll. It is noted that section 32 (1) (b) (i) of the MPRA requires the Municipality to undertake a General Valuation at least once every four (04) years, where it is advertised and inspected by the Public. The MPRA (Act 6 of 2004), therefore, allows any person within the specified period to lodge an objection against a specific individual property. In terms of Section 49 (1) (a) (i) of the MPRA Act 6 of 2004, the minimum period for the submission of the objections must be within 30 days of the advertising of the valuation roll.

In the event where ethe intended objector has not complied with the provisions of Section 49 (1) (a) (ii) of the MPRA (Act 6 of 2004), and the property owner believes he/she has a valid query, a provision has been made for the property owner to submit the query in terms of Section 78 (5) of the MPRA (Act 6 of 2004).

In terms of the Section 53 (2) of the MPRA (Act 6 of 2004), an objector or owner may apply in writing to the Municipal Manager for the reasons of the objection outcome. A prescribe fee must accompany the application. Since the 2020/2021 financial year, the Directorate implemented the levying of a non-refundable tariff for the Section 53 request for reasons. This is due to the time-consuming efforts and other complexities involved in undertaking the process e.g. the researching and compilation of reports. Each property query varies in nature and certain skills, and expertise are required depending on property category, the nature of a query and/or the owners representatives i.e. legal etc.

At the Support Committee level, both the DA and the MF abstained on the matter. Accordingly, the matter was approved by a majority vote.

At the Executive Committee level, the DA maintained its abstention on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

2.17.1 That the proposed 5% increase for all Valuation Roll tariffs for the 2026/2027 Financial year, be levied as set out in the financial implications below and in the report of the Director : Property Valuations and Management dated 2025-11-25, be approved in principle, and be taken for the public participation process together with the draft budget, as per the statutory requirements, and relates to the following categories:
(i) Valuation Roll in digital format
(ii) Supplementary Valuation Roll

(iii) Valuation Certificate
(iv) Appeal against a value in the Valuation Roll (Section 78 Query Residential and Non-Residential; and Section 53 Query Request for Reasons: Residential and Non-Residential; and Request for VAB Proceedings (Recordings)

2.17.2 That subject to the in-principle approval, the City Manager be mandated to comply with the provisions of Section 75A (3) and (4) of the said Act to display notices of such an increase.

2.17.3 That the City Manager be mandated to send a copy of the notice to the KwaZulu-Natal MEC for Co-operative Governance and Traditional Affairs.

Financial Implications:
In terms of Section 17(3)(a)(ii) of the Local Government: Municipal Finance Management Act 2003 (Act no. 56 of 2003) the setting of any Municipal tariff must be done in the form of a draft resolution that must accompany an annual budget to be tabled for approval before a Municipal Council.

Data relating to the tariff to be raised is as per the table in Annexure A of this report. Data relating to income and expenditure for the Receipting section of Revenue Management Directorate is shown below:

Charge Code	Description	Present Tariff Excluding VAT (2025/26)	Proposed Tariff Excluding VAT (2026/27)	Proposed Tariff Including VAT (2026/27)	Tariff Including VAT (2027/28)	Tariff Including VAT (2028/29)
		R	R	R	R	R
REAL0002CC	Valuation Roll in digital format	739.13	776.52	893.00	893.00	893.00
REAL0008CC	Supplementary Valuation Roll	191.30	200.87	231.00	231.00	231.00
REAL0003CC	Valuation Certificate	90.43	94.96	109.20	109.20	109.20
An Appeal against a value in the valuation roll						
REAL0012CC	Section 78 Query Residential	547.83	575.65	662.00	662.00	662.00
REAL0013CC	Section 78 Query Non Residential	5,596.52	5,876.52	6,780.00	6,780.00	6,780.00
REAL0028CC	Section 53 Request for Reasons Residential	456.52	480	552.00	552.00	552.00
REAL0030CC	Section 53 Request for Reasons Non Residential	913.04	959.13	1,103.00	1,103.00	1,103.00
NEW	Request for VAB Proceedings (Recordings)		434.78	500.00	500.00	500.00

ADOPTED, by the majority vote.

2.18 Unauthorised, Irregular, Fruitless and Wasteful (UIFW) Expenditure Incurred for Quarter Ended 31 December 2025 (7/7/R):
(Page 612: Finance Committee - Agenda 2026-02-18)

The Committee was informed of the non-compliance with the Supply Chain Management Policy as well as the Local Government: Municipal Financial Management Act No. 56 of 2003 which resulted in Irregular, Fruitless and Wasteful Expenditure being incurred by the Municipality during the year ended 31 December 2025.

Thereafter, it was noted that majority of the irregular expenditure were attributable to the non-compliance with the local content production and content requirement as stipulated in the Preferential Procurement Regulations of 2017, as the contracts were awarded years ago and therefore, were still valid and continuation contracts. In this regard, a request was made for the list of contracts including names of the Companies, details of work being undertaken and areas involved to be submitted at the next Committee meeting to enable Members to have a comprehensive understanding of matters relating to the local content production and content requirement in its entirety.

With assurance given that the Municipality will continue to improve on contract management to reduce irregular expenditure,

COMMITTEE RECOMMENDS:

2.18.1 That the Unauthorised, Irregular, Fruitless and Wasteful Expenditure reported for the 2025/2026 financial year, which is Quarter 2 ended 31 December 2025 amounting to R409 239 313.15 (Four Hundred and Nine Million Two Hundred and Thirty Nine Thousand Three Hundred and Thirteen Rand Fifteen Cents), be noted.

2.18.2 That depending on the outcome of the process detailed in terms of Section 32 of the Municipal Finance Management Act No. 56 of 2003, further action may arise, including disciplinary action, recovery of monies and criminal charges being instituted where applicable.

2.18.3 That a report be prepared and submitted to the MEC for Co-operative Governance and Traditional Affairs, National Treasury and the Office of the Auditor-General in terms of Section 32 and Section 170 of the Local Government: Municipal Finance Management Act No. 56 of 2003.

NOTED.

3. REPORT OF THE COMMUNITY SERVICES COMMITTEE: MEETING HELD 2026-02-19

(Page R63)

3.1 Notice of Intention to Continue Operating Bester's Library at its Current Premises (34/R):
(Page 8: Community Services Committee - Agenda 2026-02-19)

The Parks, Recreation and Culture Directorate renders library services at Bester's Library, located at N25 Ntuzuma Road. The library was opened to the public in 1997 and serves the community of Besters Camp, which consists largely of informal settlements. The premises also accommodate additional Municipal services, including Electricity Customer Services, a Community Hall, Business Support services, and a school.

The library is situated on private land owned by Bester's Camp Development Company. In August 1997, the Inanda Community Development Trust, on behalf of Bester's Camp Development Company, entered into a Memorandum of Agreement with the then North Central Local Council and South-Central Local Council of the Durban Metropolitan area for the lease of the Besters Community Library building. The lease period was for thirty (30) years, commencing on 01 July 1996 and

terminating on 30 June 2026, with renewal rights for a further two (2) periods of thirty (30) years each under the same terms and conditions. Although the lease provides for renewal, the Libraries Division has been unable to locate the landlord or the Trustees of the Trust to deliberate on the renewal of the agreement.

It is reported that the landlord abandoned the premises in 2017 after accruing approximately R10 million in outstanding Municipal utility charges and allegedly owing the South African Revenue Service (SARS). Several attempts to trace the landlord have been unsuccessful. In the absence of the landlord, the Municipality has assumed responsibility for the operational costs of the library to ensure the continued provision of essential services to the community. Service disconnections previously caused significant inconvenience to library users, necessitating intervention by the Revenue Directorate With the lease expiring imminently and no landlord available for engagement, the Property Valuations and Management Directorate has been approached and intends to initiate processes to expropriate the land so that ownership may vest in the Municipality. The rental arrangement has effectively lapsed due to the disappearance of the landlord.

eThekwini Municipal Libraries is mandated to establish and maintain public libraries to enable citizens to realise their full potential in alignment with the educational, recreational, cultural, social inclusion, urban renewal, and rural development objectives of eThekwini Municipality. Bester's Library is centrally located within the community and plays a pivotal role in community empowerment, addressing societal challenges, promoting education, and serving as a conduit for the delivery of municipal services. The library is extensively utilised by school learners, UNISA students, students from local FET colleges, unemployed youth, and members of the public. Services offered include a Cyberzone facility, printing and photocopying, free internet and Wi-Fi access, lending of books, a study hall, a discussion room, and a Human Resources Centre of Excellence.

These services align with the Municipality's vision of becoming a smart city and support various educational programmes for learners, youth, and the broader community. In the medium to long term, the Department intends relocating the library to the Bridge City Mall precinct, together with a Sizakala Centre, upon completion of the new Council premises. Internationally, there is a growing trend of locating public libraries in or near shopping centres to support the "one-stop-shop" concept, which enhances accessibility and convenience for users. Co-location benefits both retailers and libraries, particularly in terms of accessibility and parking convenience.

Locating the library within a mall environment would also enhance security, thereby reducing the risk of burglaries, vandalism, and loss of Council property, as shopping centres generally provide more advanced security measures. The one-stop-shop model, where services such as a library, Sizakala Centre, SASSA offices, and retail outlets are housed together, has proven effective. This model is successfully implemented at facilities such as Midway Crossing, where a library, Sizakala Centre, Human Capital Centre, eThekwini Transport Authority offices, and retail stores operate within a single complex. Notwithstanding these future plans, the existing building at Besters Camp will not be abandoned but will instead be repurposed as a study hall for continued community use.

Given these developments, approval is sought from Executive Committee and Council for the continued operation of Bester's Library and associated Municipal services at the current premises beyond 30 June 2026, pending the finalisation of the land expropriation process. Support is also sought for the initiation and processing of

expropriation proceedings by the Property Valuations and Management Directorate to secure Municipal ownership of the land.

At the Support Committee level, the matter was unanimously supported by all Parties present.

In response to a query raised by the DA, the Executive Committee considered the status of the current occupation, particularly in light of the inability to renew the lease and the implications of potential expropriation in the absence of the landlord. The Committee was informed that various options were being explored and that a formal report on the proposed expropriation process would be submitted to the Committee for consideration and approval. It was further confirmed that the landlord is indebted to the Municipality for outstanding utility charges and that the Municipality cannot reasonably be expected to continue making payments to an entity that is in arrears on its Municipal account.

The DA subsequently abstained on the matter, pending the submission of concrete plans addressing the land issue relating to the Bester's Library. The remaining political parties present expressed their support, noting the importance of ensuring the continued provision of library services, the outstanding debt owed by the trust, and the intention to consider land expropriation.

Accordingly, by majority support,

COMMITTEE RECOMMENDS:

3.1.1 That, with the lease expiring imminently and no landlord available to engage on the exercise of the renewal rights provided for in the existing lease agreement, authority be granted to the Director: Recreation and Parks to continue operating Bester's Library and associated Municipal services at the current premises for a further period of two (2) years beyond the lease expiry date of 30 June 2026, pending the finalisation of the land expropriation process.

3.1.2 That, subject to .1 above, the Municipal Council supports the initiation and processing of expropriation proceedings by the Property Valuations and Management Directorate to secure Municipal ownership of the land on which Bester's Library is situated.

With the DA Abstaining, the recommendations were by the majority support, NOTED.

3.2 Request for Approval for Public Participation: eThekwini Municipality: Noise Control and Management By-Law 2024:
(Page 44: Community Services Committee - Agenda 2026-02-19)

In terms of Section 156 of the Constitution, a Municipality has executive authority and the right to administer local government matters listed in Parts B of Schedules 4 and 5. Accordingly, eThekwini Municipality has the executive and legislative mandate to make and administer By-laws for the effective management of matters within its jurisdiction, including noise control and noise management. There is therefore a need to develop legislation to regulate and manage noise within the Municipality. The draft By-law under consideration seeks to regulate noise emanating from the following sources:

- Public places used for entertainment
- Vehicles exceeding prescribed noise standards
- Open-air events

- Residential sources (excluding ordinary human activity)
- Industrial operations

The proposed By-law further provides for enforcement mechanisms and the imposition of penalties for contraventions. In line with statutory requirements, the draft By-law will be subjected to a public participation process to solicit the views of the community. This process will enable the Municipality to adopt an inclusive By-law after stakeholders have made their representations, ensuring it aligns with the legislative framework and community expectations.

While the By-law is undergoing the public participation process, the Support Committee will conduct workshops to unpack its key elements. This approach aims to ensure the adoption of a balanced By-law that effectively addresses the needs of both the Municipality and its residents.

In light of the foregoing, the Committee unanimously,

COMMITTEE RECOMMENDS:

That authority be granted to the Director: Environmental Health Services to commence the public participation process for the draft eThekwini Municipality Noise Control and Noise Management By-law, 2024**,** to run for a period of not less than thirty (30) days**,** thereby providing the public with an opportunity to make representations, in preparation to approve a fully consulted By-law, which will include provisions for enforcement mechanisms and the imposition of penalties for contraventions.

ADOPTED.

3.3 Request for Authority for eThekwini Municipality to Enter Into a Memorandum of Agreement with ISU ELIHLE Non-Profit Organisation for Isipingo Food for Health Clinic Garden Project (19/1/1/1/1):
(Page 77: Community Services Committee - Agenda 2026-02-19)

The Primary Health Care Directorate implements food security initiatives as part of its strategy to enhance clinical outcomes for patients. These initiatives include the establishment of clinic-based food gardens to improve access to nutritious food, particularly for vulnerable patients. Isipingo Clinic was identified as a suitable site for the establishment of a health food garden due to its landscape which is suitable for gardening. The garden was subsequently established in partnership with the AIDS Healthcare Foundation.

Despite the establishment of the garden, the following challenges have been experienced:

- Lack of consistent commitment from local participants and beneficiaries;
- Inadequate maintenance and sustainability of the garden; and
- Risk of deterioration of the project and loss of its intended health benefits.

The Directorate became aware of potential support available through the Department of Correctional Services. Through engagements with the Department, the Municipality was linked to Isu Elihle Non-Profit Organization (NPO), an organization that participated in the Expanded Public Works Programme (EPWP). The NPO utilizes parolees and ex-offenders to perform structured community service initiatives. It is therefore proposed that these participants be assigned to maintain and sustain the Isipingo Clinic Garden.

The proposed partnership is expected to:

- Enhance the sustainability and ongoing maintenance of the clinic garden;
- Support improved food security outcomes for clinic beneficiaries;
- Promote social reintegration of parolees and ex-offenders; and
- Facilitate skills development and community upliftment.

It is noteworthy that this arrangement imposes no financial burden on the Municipality. Authority is therefore sought to pursue the agreement to strengthen community food security by sustaining and expanding the clinic garden project. This initiative also contributes to the rehabilitation and social integration of parolees and ex-offenders**,** while simultaneously promoting community-based health interventions.

Accordingly,

COMMITTEE RECOMMENDS:

3.3.1 That the Municipal Council support partnership between eThekwini Municipality and the Department of Correctional Services, through ISU ELIHLE NPO, for the sustained implementation and maintenance of the Isipingo Food for Health Clinic Garden Project and the future community services related projects, through the placement of parolees and ex-offenders, thus contribution to the rehabilitation process and social integration, whilst also strengthening wellness and community-based health interventions.

3.3.2 That, subject to .1 above, authority be granted for the City Manager to enter into and sign a Memorandum of Agreement between eThekwini Municipality and ISU ELIHE NPO to facilitate the placement of parolees and ex-offenders as community service participants.

ADOPTED.

3.4 Extension of the Memorandum of Agreement Between eThekwini Municipality and Centre for AIDS Programme of Research in South Africa (30/1/10/6):
(Page 103: Community Services Committee - Agenda 2026-02-19)

The Memorandum of Agreement (MOA) between eThekwini Municipality and the Centre for the AIDS Programme of Research in South Africa (CAPRISA) commenced on 21 March 2021 and is due to expire on 21 March 2026. Authority is therefore to extend the MOA for another five-year period.

The Municipality has collaborated with CAPRISA in conducting research on HIV management within public health clinics, including those operated and managed by the eThekwini Municipality. The purpose of the collaboration is to implement research projects that:

- Assess the effectiveness of the HIV programme in public clinics in South Africa;
- Evaluate the extent to which National HIV Treatment Guidelines are being implemented; and
- Generate evidence-based findings to improve patient health outcomes.

The research findings have contributed significantly to improving the overall health status of communities served by Municipal health facilities, with the outcomes assisting in identifying areas requiring targeted improvement. The implementation of the MOA requires no financial resources from the Municipality. Given the Municipality’s mandate to manage HIV/AIDS within the eThekwini region,

the MOA with CAPRISA remains highly relevant. Authority is therefore sought to engage with the organization for a further five-year period.

During consideration of the matter at the Executive Committee, His Worship the Mayor declared that he had previously received a briefing from the organisation concerned. This declaration was duly noted. It was further confirmed that the Mayor had no vested interest in the organisation and, as such, no explicit conflict of interest arose in this regard.

Thereafter,

COMMITTEE RECOMMENDS:

3.4.1 That given the significance of research findings, the Primary Health Care Directorate review and extend the Memorandum of Agreement (MOA) between eThekwini Municipality and the Centre for AIDS Programme of Research in South Africa (CAPRISA) for a further five (5) year period, at no cost to the Municipality, it being recorded that the research findings generated through the study conducted in Municipal health facilities are supported by CAPRISA and that the resulting recommendations are implemented across all Health Care Facilities.

3.4.2 That, subject to .1 above, authority be granted for the City Manager to enter into and sign the MOA on behalf of the Municipality.

ADOPTED.

3.5 Review of 2026/2027 Tariffs for Commercial Sport Facilities:
(Page 115: Community Services Committee - Agenda 2026-02-19)

Approval is sought for public participation process for Commercial Sports Facilities Tariffs (202612027

In preparation for the 2026/27 financial year, the Directorate has undertaken a review of existing tariffs for the Commercial Sports Facilities and is proposing 3,2% tariffs increase to accommodate rising input costs. These tariffs relate to the hire of sports facilities, hospitality areas, and associated amenities. The Commercial Sports Facilities comprises the following stadiums:

- Moses Mabhida Stadium,
- Princess Magogo Stadium,
- Chatsworth Stadium,
- Sugar Ray Xulu Stadium,
- Mpumalanga Stadium, and
- King Zwelithini Stadium.

The other five stadiums are community-based facilities with service tariffs that are non-commercial and subsidized by Council. In reviewing tariffs for the 2026/27 financial year, the Directorate is proposing standardizing tariffs across similar facilities to achieve uniformity. As part of this review, some tariffs will be increased by 3.2% to absorb rising input costs, while others will be retained to maintain their attractiveness to users. Additionally, tariffs that have become redundant over the past

three years have been identified and removed from the proposed schedule for 2026/27.Tariffs provide a direct source of income for the Municipality or facility management. This revenue can be used to cover operational costs, including utilities, maintenance, staffing, and security. Maintaining stadiums involves significant ongoing expenses, from grass cutting and seating maintenance to electricity for lighting and water supply. Tariffs allow the Municipality to recover part of these costs, ensuring that facilities remain functional and safe for users.

Given the circumstances, the Support Committee considered necessary to increase the tariffs and keep with inflationary costs. On the other hand, the DA abstained on the matter. However, the matter was approved by a majority vote.

At the Executive Committee level, the DA maintained its abstention on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

That in principle approval be granted to increase tariffs of the Commercial Sport Facilities by 3.2% and to subsequently commence with the public participation process in accordance with statutory requirements, with this process to solicit public input in preparation for the approval of fully consulted tariffs together with the Municipality's annual budget in May 2026.

ADOPTED, by the majority vote.

3.6 Request for Authority to Engage Professional Football Associations and Clubs to Solicit Football Content:
(Page 143: Community Services Committee - Agenda 2026-02-19)

Moses Mabhida Stadium was constructed as one of the host venues for the 2010 FIFA World Cup. The City adopted a commercial model to ensure the stadium's sustainability beyond the World Cup period. This model required the establishment of long-term, content-driven contracts to unlock economic activity through event hosting, thereby meeting its commercial and business objectives. These objectives were achieved through contractual partnerships with football associations and professional clubs.

In fulfilling its commercial mandate, the Commercial Sport Facilities Directorate submitted a motivation to Council seeking authority to enter into three-year mutually beneficial partnerships and agreements with football associations and professional football clubs. Under these agreements, an allocated number of league matches, knockout tournaments, and national team fixtures would be hosted at Moses Mabhida Stadium. The first such approval was granted by Council on 31 August 2020, followed by a second approval in 2023.

To ensure that the stadium continues to deliver value and meets its commercial objectives, the Directorate engaged the services of a research company, procured in accordance with the Supply Chain Management (SCM) processes, to undertake an event impact study. This study is designed to measure the quality of event content, assess customer satisfaction, and evaluate the socio-economic impact that these events contribute to the city.

In terms of the proposed partnership, the benefits associated therewith are reflected in the tables below:

A: Premier Soccer League (PSL)

Moses Mabhida Stadium (MMS)	MMS entered into mutually beneficial agreement with PSL in hosting some of its competition match fixtures (Such as Nedbank Cup, Carling Cup, MTN 8) at MMS in return for: • 50% of Hospitality food and beverage revenue • 100% Public catering revenue • 100% Suite-holder income • Parking income generate from the sale of parking on matchday
Premier Soccer League (PSL)	PSL in return benefited through: • Exclusive use of venue including an allocation of complementary VIP suites and parking • 50% of Hospitality food and beverage sales • 100% ticket sale revenue • Exclusive branding rights

B: South African Football Association (SAFA)

Moses Mabhida Stadium	MMS entered into mutually beneficial agreements with SAFA to host some of the national team match fixtures at MMS. The stadium obligations were to provide for the venue and match related costs services in return for: • 100% Hospitality food and beverage revenue • 100% ticket sales • 100% Public catering revenue • 100% Suite-holder income • 100% Parking income generate from the sale of parking on matchday
South African Football Association	SAFA in return benefited through: • Use of venue including an allocation of VIP suites and parking • Rights fee payment • Exclusive branding rights and advertising

C: Council of Southern Africa Football Association (COSAFA)

Moses Mabhida Stadium	MMS entered into mutually beneficial agreements with COSAFA to host COSAFA Men's Tournament; Women's Tournament and Beach Tournament for the duration of three year (i.e. 2022/2023/2024). The stadium and city obligations were to pay for venue and match related costs and services, in return for: • Legacy and internship programme • 100% revenue derived from Hospitality food and beverage; ticket sales; Public catering; Suite-holder sales and Parking on match day. • City and MMS television and marketing exposure • An allocation of complementary VIP suites and parking
Council of Southern Africa Football Association (COSAFA)	COSAFA in return benefited through: • Exclusive use of Stadiums, including training m-1 • Branding rights and advertising • An allocation of complementary VIP-suites and parking

D: Kaizer Chiefs FC

Moses Mabhida Stadium	MMS entered into a three (03) season and one (01) mutually beneficial agreement with Chiefs for the hosting of three (03) of their PSL home league fixtures. The stadium obligations were to pay Host Fee and cover all venue and match related costs and services in return for: • 100% of ticket sales for the first 22 000 sold. Thereafter the ticket sales were split 70/30 in favour of MMS • 50% Hospitality foot and beverage revenue • 100% Public catering revenue, parking income and Suite-holder income
South African Football Association	Kaizer Chiefs in return benefited through: • Exclusive right to use of Stadium on match and training day • An allocation of complementary VIP suites and parking • A Hosting Fee payment • Exclusive branding rights and advertising on match day

E: AmaZulu FC

Moses Mabhida Stadium	MMS entered into mutually beneficial agreements with AmaZulu for the hosting of all AmaZulu PSL home league fixtures at MMS. The stadium's obligations were to provide the Club with an administration office at minimal fee and cover all venue related costs and services on those match days in return for: • A percentage profit split of ticket sales per match and hospitality sales.

	• 100% revenue derived from public catering; suite-holder income; and public parking on match day.

F: Lamontville Golden Arrows FC

MMS entered into mutually beneficial agreements with LGA for a minimum of three (03) of their categories a PSL home matches at MMS over three (03) seasons. The stadium's obligations were to provide the Club with an administration office at minimal fee, exclusive designated training facilities, and cover all venue related costs and services on those match days in return for:

- A percentage share split of ticket sales and hospitality sales.
- 100% revenue derived from public catering; suite-holder income; and public parking on match day.

G: Durban City FC

MMS entered into mutually beneficial agreements with Durban City FC for a minimum of three (03) of their categories a PSL home matches at MMS over three (03) seasons. The stadium's obligations were to provide the Club with an administration office at minimal fee, exclusive designated training facilities at Chatsworth Stadium, and cover all venue related costs and services on those match days in return for:

- A percentage share split of ticket sales and hospitality sales.
- 100% revenue derived from public catering; suite-holder income; and public parking on match day.

H: Feedback on Football Content Performance: Past two cycles of football seasons:

Cycle 2 (3 seasons)					Cycle 3 (3 seasons)				
Period	**Projected Matches**	**Actual Matches hosted**	**Total Attendance**	**Total Revenue (excl. VAT)**	**Period**	**Projected Matches**	**Actual Matches hosted**	**Total Attendance**	**Total Revenue (excl. VAT)**
2020/21	14	2	750	R75 708.00	2023/24	14	31	154 435	R24 459 066
2021/22	14	14	22 730	R1 673 560.85	2024/25	14	26	243 617	R35 048 965
2022/23	13	20	231 500	R6 185 254.92	2025/26	14	Tbc	Tbc	Tbc
	42	**36**	**254 980**	**R7 934 523.77**		**42**	**57**	**259 052**	**R59 508 031**

With regard to the past performance regarding the partnership with professional football clubs, the table below reflects the actual performance and the financial outcome as a result thereof.

The following are the observations during the past contracts:

- While the events were leveraged to create brand awareness and address the challenge of low revenue conversion, operational and financial challenges were experienced under the existing contracts.
- The 2024–25 season saw minor adjustments to the contractual Moses Mabhida Stadium (MMS) content, with AmaZulu FC impacted by the MMS rehabilitation works programme and the PSL fixture schedule. In some cases, fixture clashes necessitated the relocation of AmaZulu matches to community stadiums.
- Both the 2023–24 and 2024–25 seasons recorded an overachievement in projected matches, as MMS benefited from CAF matches involving Zimbabwe and Lesotho, which were hosted at the stadium due to their home venues not meeting CAF standards.
- During 2024–25, MMS hosted two major PSL finals, the MTN8 and Nedbank Cup Finals, which contributed to increased stadium attendance and revenue generation.
- In the 2023–24 season, Royal AM FC relocated its home base from Durban to Pietermaritzburg, affecting the fixture allocation at MMS.

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

3.6.1 That authority be granted to the Acting Director: Commercial Sports Facilities to continue partnerships with PSL teams (AmaZulu FC, Kaizer Chiefs FC, and Durban City FC), SAFA, CAF, FIFA, and COSAFA, in line with the game's commitments reflected in the table below, as well as the projected costs and revenue, this partnership to ensure the continued hosting of soccer activities at Moses Mabhida Stadium, promote the local economy, and generate revenue to supplement the stadium's operational costs.

3.6.2 That, subject to .1 above, authority be granted to the City Manager to enter into and sign a three (3) year mutually beneficial agreement with the football fraternity in relation to soccer activities at Moses Mabhida Stadium, with progress reports to be submitted at the end of each season to monitor and report on performance.

Financial Implications:

Partner	Agreement	Projected cost	Projected revenue
SAFA	2 games per season	R1 251 320,80	R3 337 420,00
PSL	4 games per season	R11 277 887,22	R24 340 546, 20
AmaZulu FC	14 games per season	R889 757,92	R1 058 397,70
Kaizer Chiefs FC	3 games per season	R4 617 105,00	R3 951 215,76
Durban City FC	3 games per season	R280 000	R570 377,00

2026/27 Financial year:

Estimated cost to Council		
Item	**Excluding VAT**	**Including VAT**
Event promoters	R8 000 000	R9 200 000
Other stadium related costs	R10 316 070	R11 863 480,50
Contract authority	R18 316 070,94	R21 063 480,50

Provision and FC No.:

Financial year	BU	Item	Budget available	Budget required
2026/27	95050	various	R18 316 070.94	R18 316 070,94
2027/28	95050		R18 957 133,42	R18 957 133,42
2028/29	95050		R19 620 633,90	R19 620 633,90
FC No	**2026/30/08**			

ADOPTED.

3.7 Request for Authority to Enter Into Commercial Media Partnership Agreement (31/2/1/5/2):
(Page 182: Community Services Committee - Agenda 2026-02-19)

The Commercial Sport Facilities Directorate fulfils a mandate to sell, promote and strategically position its facilities as the most preferred and leading event destinations in Durban. In fulfilling this mandate both print and electronic media platforms are used to drive event programs and promote the stadium's attractions, existing retail tenant activities and Peoples Park. Also, to market all the facilities within the Directorate, thereby increasing revenue and visitor numbers.

Using print and electronic media to advertise sporting activities helps to maximize visibility, increase attendance, attract sponsorship, enhance brand credibility, and support the local economy, while providing flexibility to reach diverse audiences effectively. The concept of media partnership is one of the business practices used to create platforms for businesses to form mutual beneficial partnerships and seek to create sustainable management of stadia for socio economic empowerment. The purpose of the partnership is not to provide any funding, but trade exchange value of services offered by both parties, which is equal to and measured in terms of Rand for Rand value.

As per previous Council approval, the Commercial Sport Facilities Directorate has an existing media partnership agreement set to expire on 30 April 2026. The contract was originally secured through a competitive bidding process, in compliance with Clause 58(6) of the eThekwini Municipality Supply Chain Management Policy.

The current agreement is held with Gagasi FM and East Coast Radio. This three-year, mutually beneficial media partnership arrangement provides a total value in kind of R9 000 000 (Nine Million Rand) per annum.

The contractual obligations of the parties are outlined in the table below:

Media House	**Specification Category**	**Services Offered by Moses Mabhida Stadium**	**Rand For Rand Value In Kind**
GAGASI FM	1x Urban Zulu Radio Station	• Use of suite 524, excluding food and beverages. • 20m tier branding rights at Princess Magogo Stadium. • Exclusive naming rights for Moses Mabhida Stadium venue GBCI1. • Venue Hire	R3 000 000
ECR	1x Radio Station based in KZN, with mixed target audience, LSM *(Living Standard Measures)* population group.	• Use of suite 550, excluding food and beverages. • Retail area branding. • ECR big walk event at People's Park area. • Exclusive naming of rights for Moses Mabhida Stadium venue DBC 5	R6 000 000

Given the benefits derived from the existing trade exchange partnership agreements with media houses, authority is sought to retain this arrangement and to commence a process to identify new partners for this purpose. The provisions of Section 58(6) of the Supply Chain Management Policy remain applicable, and feedback in this regard will be submitted to the relevant Council oversight structures.

This submission therefore serves to advise of the imminent expiry of the existing trade exchange partnership agreements with Gagasi FM and East Coast Radio, and seeks authority to initiate a new competitive bidding process with a view to securing new partners for a further mutually beneficial media partnership.

At the Support Committee level, the DA recorded its abstention on the matter. Accordingly, the matter was approved by a majority vote.

At the Executive Committee level, the DA maintained its abstention on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

3.7.1 That the Municipal Council notes the imminent expiry of the trade exchange partnership agreement held with Gagasi FM and East Coast Radio, which is due to expire on 30 April 2026.

3.7.2 That, subject to .1 above, and in line with the provisions of Section 58(6) of the eThekwini Municipality Supply Chain Management Policy, authority be granted to the Acting Director: Commercial Sport Facilities to identify and negotiate trade exchange partnership rights for print and electronic media advertising opportunities within the Commercial Sports Facilities, with a view to securing new three (3) year mutually beneficial media partnership agreements.

With the DA Abstaining, the recommendations were by the majority support, ADOPTED.

3.8 Ad-Hoc Grant-In-Aid for AMA-Zebra Youth Organization (7/14/1):
(Page 235: Community Services Committee - Agenda 2026-02-19)

AMA-Zebra Youth Organization is a registered Non-Profit Organization (NPO) that focuses on making indigenous arts more accessible to the community and beyond, positioning arts as a valuable contributor to economic development in eThekwini. Founded in 2010 and based in Inanda Newtown A, eThekwini, KwaZulu-Natal, the organization advocates for youth empowerment through arts, culture, and heritage via strategic traditional programs.

The organization has been offered an opportunity to travel to France to participate in the International Dance Music Festival from 19 July to 17 August 2026. AMA-Zebra Youth Organization is requesting assistance in the amount of R45,000.00 (Forty-Five Thousand Rand) to cover costumes and uniforms for the delegation.

This international travel presents an ideal platform for the organization to showcase indigenous traditional dance on a global stage. It also promotes the UNESCO (United Nations Educational, Scientific and Cultural Organization) declaration of culture for peace and non-violence, adopted in 2000, fostering cultural awareness among children worldwide.

The Municipality has a developmental mandate, and providing ad hoc Grant-in-Aid support aligns with its objectives to promote community and youth empowerment, social inclusion, poverty alleviation, and local economic participation. Supporting AMA-Zebra Youth Organization to access the international stage not only empowers youth but also positions the City of eThekwini globally, contributing to City branding and image building.

With the Committee being in support that financial assistance be provided to the organization,

COMMITTEE RECOMMENDS:

3.8.1 That the Municipal Council approves the implementation of an Ad Hoc Grant-in-Aid to support AMA-Zebra Youth Organization, a Non-Profit Organization focusing on indigenous arts, to participate in the International Dance Music Festival from 19 July to 17 August 2026 in France.

3.8.2 That, subject to the adoption of .1 above, authority be granted to the Director: Social and Community Development to incur an expenditure of R45 000.00 (Forty-Five Thousand Rand) to assist the organization with costumes and uniforms for the delegation.

3.8.3 That the processing of the Grant-in-Aid referred to in .2 above will only proceed upon receiving written confirmation from the organization that all other travel logistics for the delegation have been confirmed and funded through other sources, and, failure to provide such confirmation will result in the withdrawal of the Grant-in-Aid funding.

ADOPTED.

3.9 Request for Authority to Conduct Grant-In-Aid Capacity Building Workshops (7/14/1):
(Page 267: Community Services Committee - Agenda 2026-02-19)

The Grant-in-Aid (GIA) programme seeks to respond to socio-economic inequalities in eThekwini by supporting Non-Profit Organizations (NPOs) and Non-Profit Companies (NPCs). This is achieved through collaboration between government, NPOs, and NPCs, ensuring that organizations with community development objectives aligned to the Municipality's Integrated Development Plan (IDP) are assisted with grant funding.

The GIA Office successfully conducted capacity-building workshops during the 2024/25 financial year. These workshops are a key tool to equip organizations with the skills and knowledge to apply for funding effectively. The workshops focus on a detailed presentation of the GIA Policy, step-by-step guidance on completing the application form, and practical tools to ensure compliance with the policy. The Social and Community Development Directorate has a well-established team of internal facilitators who conduct these workshops efficiently. Capacity building manuals are also provided, containing all necessary information to assist NPOs and NPCs in meeting policy requirements.

For 2026, the workshops are scheduled to commence in May and run until June, covering all six regions of the Municipality. A Memorandum of Agreement (MOA) workshop will be conducted specifically for beneficiary organizations, capacitating them and enabling them to sign the MOA before receiving the sundry grant. The workshops will place special focus on financial management, report writing, and MOA compliance.

To maximize attendance and impact:

- Regional workshops will be conducted over weekends.
- Workshops targeting Councillors, Traditional Leaders, and Religious Leaders will take place during weekdays.

With the Committee being in support, subsequently,

COMMITTEE RECOMMENDS:

That authority be granted to the Director: Social and Community Development to incur expenditure of R209 600.00 (Two Hundred and Nine Thousand Six Hundred Rand) to implement the Capacity Building Workshops within the eThekwini region for the purpose of capacitating beneficiaries and prospective beneficiaries on the following categories:

(i) Completing the GIA application form
(ii) Understanding GIA policy
(iii) Financial management
(iv) Reporting obligations
(v) Memorandum of Agreement (MOA) requirements

Financial Implications:

Details	Vote No	Amount
Catering for 20 facilitators@R150 pp	32301.11400.12120.0000. 38870.0010	R3000.00
Catering for 125 ppl per workshop @R150 pp X 6 Regions		R112 500.00
Catering for 222 Councillors Workshop @R150 pp		R33 300.00
Catering for 32 Traditional leadership @R150 pp		R4 800.00
Catering for 100 Religious Leadership @ R150 pp		R15 000.00
Venue Hire x 10 workshops	32301.27999.7051.99000. 7051.PD001.0010	R20 000.00
PA Sound system x6 regions @R3500	32301.11400.12120.0000. 38870.0010	R21 000.00
Total		**R209 600.00**

FC No: 2026/06/12

ADOPTED.

3.10 Tariffs Review for the Parks, Recreation and Culture Directorate, 2026/2027 Financial Year:
(L159: Community Services Committee - Agenda 2026-02-19)

The Recreation and Culture Directorate intends reviewing its tariffs and implement a 5% increase in alignment with the inflationary adjustments. As per the legislative requirements, tariff reviews are conducted annually and thereafter be subjected to a public participation process to enable representation by the members of the public and other relevant stakeholders. Fully consulted tariffs are then approved together with the annual budget for implementation in the beginning of the new financial year.

In line with the legislative provisions, the Directorate has reviewed its tariffs and seeking authority to commence with the public participation process.

At the Support Committee level, the matter was unanimously supported by all parties present. However, at the Executive Committee level, the DA recorded its abstention on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

That in principle approval be grated to increase tariffs by 5% to be implemented by the Recreation and Parks Directorate for the 2026/2027 financial year and to subsequently commence with the public participation process in accordance with statutory requirements, with this process to solicit public input in preparation for the approval of fully consulted tariffs together with the Municipality's annual budget in May 2026.

ADOPTED, by the majority vote.

4. REPORT OF THE TRADING SERVICES COMMITTEE: MEETING HELD: 2026-02-19

(Page R74)

4.1 Noting Intention to Amend Contract No. 27024(5E) in Terms of Section 116 (3) of the Local Government: Municipal Finance Management Act No. 56 of 2003 for Additional Funding for the Supply, Delivery and Off-Loading Of Test Equipment During a 36 Month Period:
(Page 40: Trading Services Committee - Agenda 2026-02-19)

A need exists to amend Contract 27024(5E) in terms of Section 116(3) of the Municipal Finance Management Act No.53 of 2003 to increase financial authority for the supply, delivery and off-loading of critical test equipment for the electrical distribution network over a 36-month period which commenced on 2024-12-05 and expires on 2027-12-04

Authority to increase contract authority to purchase additional test equipment under existing contract 27025 (5E) for the supply, delivery and off-loading of test equipment. The existing 36-month contract expires 04 December 2027. This will result in increase in scope and financial authority for the supply, delivery and off-loading of critical test equipment for the electrical distribution network. The increase is required for the following reasons:

(i) To replace existing test equipment units that have failed and are no longer operational.
(ii) To procure additional test equipment required for newly approved Test Officer posts.
(iii) To ensure availability of specialised equipment critical for cable fault location.
(iv) To provide equipment required for over-voltage pressure testing.
(v) To provide equipment necessary for current transformer testing.
(vi) Failure to replace and procure the required equipment will pose significant risks, including prolonged power outages, compromised community safety, and impediments to effective service delivery.

Originally, funding provisions had been made for the replacement costs for aging equipment, but this was subsequently removed due to budget cuts. The breakdown in contract value is as follows:

- **Original** contract value of **R3 420 426.27**
- **Additional** funding required is **R14 715 426.47**
- **Revised** contract authority to be **R18 135 851.74**

The public participation process was undertaken as per the statutory requirements, and there were no objections received in this regard.

With the Committee noting compliance requirements associated with this matter,

COMMITTEE RECOMMENDS:

4.1.1 That the Municipal Council notes the intention to amend Contract No. (27024) (5E), in terms of Section 116 (3) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, for the increase in contract authority from R3 420 425.27 (Three Million Four Hundred and Twenty Thousand Four Hundred and Twenty-Five Rand Twenty

Seven Cents), excluding VAT, with an additional amount of R14 715 426.47 (Fourteen Million Seven Hundred and Fifteen Thousand Four Hundred and Twenty-Six Rand Forty-Seven Cents), excluding VAT, thus arriving at a revised contract authority of R18 135 851.74 (Eighteen Million One Hundred and Thirty-Five Thousand Eight Hundred and Fifty-One Rand Seventy-Four Cent), excluding VAT, for the supply delivery and off-loading of test equipment during a 36-month period in accordance with Section 55 of the Supply Chain Management Policy and Section 116(3) of the Municipal Finance Management Act No. 56 of 2003, for the following reasons:

(i) To replace existing test equipment units that have failed and are no longer operational.
(ii) To procure additional test equipment required for newly approved Test Officer posts.
(iii) To ensure availability of specialised equipment critical for cable fault location.
(iv) To provide equipment required for over-voltage pressure testing.
(v) To provide equipment necessary for current transformer testing.
(vi) Failure to replace and procure the required equipment will pose significant risks, including prolonged power outages, compromised community safety, and impediments to effective service delivery.

4.1.2 That the Municipal Council notes that the public participation process was advertised through the media in terms of Section 116(3) of the MFMA, as part of achieving compliance requirements pertaining to the public process to invite comments on the proposed contract amendment, and there were no objections received in this regard.

Financial Implications:

Item Number	Description	Year 1 Price Excluding VAT	Year 2 Price Excluding VAT	Year 3 Price Excluding VAT
1	Cable fault location equipment	R1 338 930.00	R1 338 930.00	R1 338 930.00
2	Current transformers test equipment	R410 171.00	R410 171.00	R410 171.00
3	Portable VLF (Very Low Frequency) Pressure test equipment	R332 394.27	R355 661.87	R380 558.20

NOTED.

4.2 Noting Intention to Amend Contract 1F-28284 in Terms of Section 116(3) of the Local Government Municipal Finance Management Act 2003, for Office Accommodation in Delta Towers Situated at 303 Pixley Ka Seme Street (17/2/2/1/2):
(Page 68: Trading Services Committee - Agenda 2026-02-19)

Authority is sought to amend Contract 1F-28284, the lease for office space at Delta Towers, to accommodate the Executive Director: Technical Services and team. The Executive Director's previous office at Durban Club Chambers was vacated due to repeated non-compliance issues with the landlord. Currently, the Technical Services team is temporarily housed at 26 Matthews Meyiwa Road, which is operationally inefficient. Contract 1F-28284 runs from 01 June 2024 – 31 May 2025, with an option to renew for two consecutive years.

The proposed contract amendment will entail the following:

- Extend the contract to include Technical Services office from 01 March 2026 – 31 May 2026.
- Incorporate the Technical Services office into the second-year renewal option, potentially extending the contract until 31 May 2027.
- Existing contract: 1,007.30 m² with 10 parking bays.
- Proposed amendment: increase to 1,557.30 m² with 16 parking bays.

The reasons for amending the existing contract include the following:

(i) **Operational efficiency**:
Providing adequate office space for the Technical Services team to function effectively.

(ii) **Procurement challenges**:
Difficulty securing suitable CBD office space makes amending the current contract the most practical solution.

The public participation process was conducted, as per the statutory requirement, and there were no objections received.

Accordingly,

COMMITTEE RECOMMENDS:

4.2.1 That the Municipal Council notes the intention to amend Contract 1F-28284 in terms of Section 116(3) of the Local Government Municipal Finance Management Act, 2003, and Section 55(1) of the Supply Chain Management Policy, 2023, to accommodate the Executive Director: Technical Services and team, with the new extent and parking, commencing 01 March 2026 – 31 May 2026, and included in the second-year renewal option, for the reasons including:

(i) **To achieve Operational efficiency**:
Providing adequate office space for the Technical Services team to function effectively.

(ii) **To prevent Procurement challenges**:
Difficulty securing suitable CBD office space makes amending the current contract the most practical solution.

4.2.2 That the Municipal Council notes that the public participation process was conducted, as per the statutory requirement, and there were no objections received regarding the intention to amend the contract.

NOTED.

4.3 Solid Waste Reform Programme: Municipal Commitments for Waste Management Directorate (7/1/21):
(Page 121: Trading Services Committee - Agenda 2026-02-19)

Authority is sought for Council to formally endorse the minimum commitments required under the National Treasury (NT) Metro Trading Services Reform (MTSR) for solid waste. These commitments are pre-requisites to access grant funding and performance incentives for the 2026/2027 financial year. Institutional reform under MTSR ensures that Municipal trading services (as recently applied for Water and Electricity) operate efficiently, are financially viable, and provide reliable services.

Eight (08) minimum commitments (M1–M8) form the foundation of the MTSR, focusing on governance, operational efficiency, financial sustainability, and accountability. Non-compliance by May 2026 will disqualify the Municipality from incentive funding under the programme.

The commitments are outlined below as follows:

Commitment	Description	Target Date
M1 – Service Compact	Implement a service compact clarifying roles, accountabilities, and authorities between service authority and provider.	June 2027
M2 – Executive Appointment	Recruit an Executive Director: Waste Management with required commercial, technical, managerial expertise and reform-focused performance targets.	June 2027
M3 – Organisational Structure	Approve macro-structure supporting the Executive Director's mandate and accountability across operational and support value chains.	June 2027
M4 – Delegations	Finalise delegations supporting Executive Director authority and responsibility across operations.	June 2027
M5 – Financial & Investment Planning	Develop a multi-year financial model and business/investment plan to achieve strategic objectives.	March 2027
M6 – Budget Support	Ensure 2026/27 Metro budget accommodates and funds business and investment plans.	June 2027
M7 – Financial Transparency	Provide separate annual financial statements for Waste Management business unit per MFMA template.	June 2027
M8 – Change Management & Capacity	Establish capacity to support organisational change and increased trading services CAPEX.	June 2027

The following are key considerations regarding the Municipal Commitments:

- Commitments must be maintained throughout the programme; dismantling any commitment will preclude further participation.
- Metro audit performance is critical; an adverse or disclaimed audit opinion will prevent participation until a satisfactory audit is achieved.
- Adoption of these commitments enables optimized service delivery, enhanced accountability, and long-term sustainability of solid waste services.

Accordingly, the Committee noted compliance requirements associated therewith,

COMMITTEE RECOMMENDS:

That the Municipal Council endorse the eight minimum commitments (M1–M8) for the Solid Waste Directorate to comply with National Treasury Municipal Trading Services Reforms requirements and secure grant funding for the 2026/2027 financial year:

(i) **Service Compact (M1):** By June 2027, implement a service compact clarifying the separation of roles between the service authority and service provider, defining accountabilities and authorities.

(ii) **Executive Appointment (M2):** By June 2027, implement a formal recruitment process to appoint the Executive Director: Waste Management, with the necessary commercial, technical, and managerial expertise, and performance targets aligned to reform priorities.

(iii) **Organisational Structure (M3):** By June 2027, approve a macro-organisational structure that supports the mandate, responsibility, and accountability of the Executive Director across all operational and support value chains.

(iv) **Delegations (M4):** By June 2027, finalise delegations to ensure the Executive Director has clear authority and accountability over all operational and supporting functions.

(v) **Financial & Investment Planning (M5):** By March 2027, develop a multi-year financial model reflecting utility characteristics and use it to prioritise and generate business and investment plans to achieve long-term strategic objectives starting from 2026/27.

(vi) **Budget Support (M6):** Ensure that the 2026/27 Metro budget accommodates and funds the business and investment plans to the maximum extent possible.

(vii) **Financial Transparency (M7):** By June 2027, provide full, separate annual financial statements for the Waste Management business unit, in accordance with the MFMA specimen template, for 2026/27 and subsequent years.

(viii) **Change Management & Capacity (M8):** By June 2027, establish additional capacity to support planned organisational change and the anticipated increase in trading services capital expenditure.

ADOPTED.

4.4 Request to Enter Into a Memorandum of Agreement with Rowles Group for the High Voltage Infrastructure Upgrade in Eldorado Development (27/1/2/1/1): (L110: Trading Services Committee - Agenda 2026-02-19)

The Energy Management Directorate is managing a project to upgrade the Waterfall Substation to provide additional capacity for multiple developments in the precinct. Cognizance is taken that delays may occur due to weather, construction delays, SCM processes and commissioning issues, most of which are outside EMD's control. Urgent capacity requirements therefore prompted an alternate design reducing the number of new power transformers from four to three, accepting continued use of an aged transformer until a replacement contract is secured. This design is non-standard and requires procurement of high voltage equipment not currently under contract.

Given the changes, authority is sought for the City Manager to enter into a Memorandum of Agreement (MOA) with the Rowles Group to ensure the upgrade of high voltage infrastructure supporting the planned Eldorado Development. The Energy Management Directorate (EMD), through the Architecture Department, has made significant progress on civil works, with the civil package targeted for completion by June 2026. Full upgrade project is scheduled for June 2029, which is too late to support the immediate electricity capacity needs of the Eldorado precinct.

In terms of risk management Conditional B4 Certificates allocated to the Rowles Group to allow plan approvals. Developer acknowledges that the planned completion date cannot be guaranteed. Development Charges Policy applies to any costs linked to SPLUMA compliance. In terms of proposed solution, the Rowles Group has offered to complete the upgrade on a turnkey basis, promising faster delivery. Entering into a formal Memorandum of Agreement will formalize responsibilities and mitigate procurement and delivery risks.

With the Committee noting an urgent need to provide additional electricity capacity specifically for the Eldorado Development, also noting the upgrade design has been revised to prioritize delivering urgent capacity within a shorter timeframe, which

requires the procurement of high-voltage equipment not currently covered under existing contract,

COMMITTEE RECOMMENDS:

That authority be granted to the City Manager to enter into Memorandum of Agreement (MOA) between eThekwini Municipality and the Rowles Group to ensure upgrade to high voltage infrastructure to deliver the electrical capacity to support the planned Eldorado Development for the project to proceed as planned, expediting the project and minimizing the risks associated with sourcing resources independently.

ADOPTED.

5. REPORT OF THE ECONOMIC DEVELOPMENT AND PLANNING COMMITTEE: SPECIAL MEETING HELD: 2026-02-23

(Page R79)

5.1 Review of Tariffs for Durban Tourism Ricksha Bus for the 2026/2027 Financial Year (7/6/1/7):
(Page 1: Economic Development and Planning Committee - Agenda 2026-02-23)

The Durban Tourism Division derives its mandate from the Tourism Act (Act No. 3 of 2014), which provides, *inter alia*, for the promotion and development of tourism to stimulate economic growth and job creation. Within the jurisdiction of eThekwini Municipality, this mandate is implemented through various destination marketing and visitor experience initiatives. As part of its destination promotion programme, Durban Tourism operates the Durban Ricksha Bus service, which serves as both a tourism experience and a strategic marketing tool. The bus tours showcase Durban as a premier leisure and business events destination by providing guided commentary and destination "edutainment" on key attractions, hidden gems, cultural heritage sites, and available visitor experiences. This initiative contributes meaningfully to enhancing visitor awareness, extending length of stay, and encouraging repeat visits.

The core business of the Ricksha Bus Operations is therefore aligned to the Visitor Marketing Strategy, positioning Durban as a "must-visit" destination across various promotional platforms. To ensure financial sustainability and recover operational costs associated with the Ricksha Bus Operations, it is necessary to levy user tariffs and implement annual adjustments in line with inflationary pressures. Such adjustments are guided by the provisions of the Local Government: Municipal Systems Act and the Municipal Finance Management Act, which regulate Municipal tariff setting and budgetary processes.

Accordingly, and in compliance with legislative requirements, Durban Tourism proposes a 5% tariff increase for the Durban Ricksha Bus Operations for the 2026/27 financial year. Approval is sought to subject the proposed tariff adjustment to the prescribed public participation process in order to solicit the views and inputs of the public.

The Support Committee noted that that the proposed tariff increase remains subject to public consultation. Accordingly, the proposed tariffs increase and the commencement of the public participation process was supported, with the exception of the DA that abstained on the matter.

At the Executive Committee level, the DA maintained its abstention on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

That an in-principle approval be given to increase tariffs of the Durban Tourism Ricksha Bus, by 5%, as per the categories reflected in the schedule reflected below, and to subsequently commence with the public participation process, as per the statutory requirements, to solicit views of the public in preparation to approve fully consulted tariffs together with the annual budget in May 2026.

CLUSTER: **Economic Development & Planning**
UNIT: **Durban Tourism**
TARIFF: **Rickshaw Bus**

Charge Code	Description	Tariff Including VAT (2025/2026)	Tariff Excluding VAT (2026/2027)	Tariff Including VAT (2026/27)	Tariff Including VAT (2027/2028)	Tariff Including VAT (2028/2029)
		R	R	R	R	R
	RICKSHAW BUS HIRE - Daily Visitors					
DBNT0001CC	Adult	110.00	100.87	116.00	122.00	128.00
DBNT0002CC	Pensioner - South African Only	56.00	51.30	59.00	62.00	65.00
DBNT0003CC	Child - 3 years to 16	56.00	51.30	59.00	62.00	65.00
DBNT0004CC	Learner - School	34.00	31.30	36.00	37.00	39.00
DBNT0005CC	Student - Tertiary	56.00	51.30	59.00	62.00	65.00
DBNT0006CC	Educators	110.00	100.87	116.00	122.00	128.00
	RICKSHAW BUS HIRE - Private Hire Exclusive Use					
DBNT0007CC	Private Booking Per Hour- (Minimum 3 hours)	1,476.00	1,347.83	1,550.00	1,627.00	1,709.00
DBNT0009CC	NGO, NPO, NPC, PBO, CBO, FBO	737.00	673.04	774.00	813.00	853.00
DBNT0010CC	Tour Operators, Travel Agents, B&Bs, Guest Houses, Self-Catering (STOs)	295.00	269.57	310.00	325.00	342.00
	RICKSHAW BUS HIRE - Group Bookings (Min 10)					
DBNT0011CC	Private Booking Per Person	110.00	100.87	116.00	122.00	128.00
DBNT0012CC	NGO, NPO, NPC, PBO, CBO, FBO	56.00	51.30	59.00	62.00	65.00
DBNT0014CC	Special Tours	56.00	51.30	59.00	62.00	65.00

CLUSTER: Economic Development & Planning UNIT: Durban Tourism TARIFF: Rickshaw Bus						
Charge Code	**Description**	**Tariff Including VAT (2025/2026)**	**Tariff Excluding VAT (2026/2027)**	**Tariff Including VAT (2026/27)**	**Tariff Including VAT (2027/2028)**	**Tariff Including VAT (2028/2029)**
		R	**R**	**R**	**R**	**R**
DBNT0015CC	Interdepartmental bookings (Minimum 3 hours)	1,476.00	1,347.83	1,550.00	1,627.00	1,709.00
No Charge	Competitions Winners	No Charge	No Charge	No Charge	No Charge	No Charge
No Charge	Hosting Tourism & Marketing Campaigns	No Charge	No Charge	No Charge	No Charge	No Charge

ADOPTED, by the majority vote.

5.2 Aircraft Landing and Venue Hiring Tariffs Approval for Virginia Airport 2026/2027 Financial Year (7/6/1/5):
(Page 6: Economic Development and Planning Committee - Agenda 2026-02-23)

The Municipality operates an airport facility that serves commercial, private, and emergency flights. To ensure financial sustainability and cost recovery, it is necessary to implement aircraft landing fees that reflect the operational costs and maintenance requirements of the airport infrastructure. The Programme Co-ordination Directorates intend introducing new Virginia Airports tariffs, effective from 2026-07-01, applicable to the following services:

- Aircraft landing
- Approaching
- Parking
- Passenger services
- Venue hiring

It is necessary to implement aircraft landing and related airport tariffs that appropriately reflect the operational, maintenance and infrastructure costs associated with the facility. The adoption of these tariffs will enable the Municipality to efficiently levy and collect airport charges, thereby strengthening revenue sustainability and ensuring continued compliance with applicable statutory requirements. The implementation of these tariffs will facilitate proper billing and revenue collection for airport operations.

Previously, the collection of charges for the service was managed by an appointed service provider using a Pastel system. The current intention is to integrate the collection and billing processes directly into the Revenue Management Directorate. This integration necessitates the determination and formalization of new tariffs, which will be incorporated into the Revenue Management System. The consolidation of billing and collection processes within the Municipal system is expected to promote more accurate tracking and management of revenue streams, ensure improved monitoring of customer accounts, and enhance overall financial control and reporting efficiency.

In accordance with legislative requirements governing Municipal tariff setting, the proposed tariffs must be subjected to a public participation process to solicit the views and inputs of the public. Accordingly, in-principle approval is sought for the

proposed tariff structure for Virginia Airport, together with approval to commence the required public participation process.

At the Support Committee level, the DA abstained on this matter. Accordingly, the matter was supported by the majority of the political parties present.

During discussion at the Executive Committee, a query was raised regarding the absence of a specific percentage increase. The Committee was referred to an annexure that detailed the various categories of tariffs. It was noted that these tariffs are newly introduced.

Again, at this level, the DA abstained on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

That an in-principle approval be given to increase tariffs of the Virginia Airport operations as outlined in Annexure "A", circulated separately for ease of reference, and attached to the report by the City Manager dated 2026-02-22, including tariffs for aircraft landing, approaching, parking, passenger services and venue hire, and to subsequently commence with the public participation process, as per the statutory requirements, to solicit views of the public in preparation to approve fully consulted tariffs together with the annual budget in May 2026.

ADOPTED, by the majority vote.

5.3 Request for Authority to Enter Into a Memorandum of Agreement with the Korea South Power Consortium to Develop an Artificial Intelligence Data Centre (10/2/1 & 20/1/6/3):
(Page 12: Economic Development and Planning Committee - Agenda 2026-02-23)

The global economy is undergoing rapid digital transformation, with data and advanced information systems at the centre of economic growth and social development. In this context, it is strategically imperative for eThekwini Municipality to proactively position itself within the Artificial Intelligence (AI) economy by supporting enabling digital infrastructure initiatives.

Artificial Intelligence (AI) data centres are specialised digital infrastructure facilities designed to support high-performance computing required for AI model training, advanced analytics, machine learning, and complex data processing. Compared to traditional data centres, AI facilities are significantly more resource-intensive, particularly in respect of electricity demand, cooling capacity, and high-speed digital connectivity. Globally, leading cities are actively positioning themselves to attract such investments due to their catalytic role in enabling digital economies, smart city applications, and high-value economic development.

In alignment with the Presidential launch of the inclusive Smart Cities Framework, a development of this nature would complement and strengthen existing local smart city initiatives, including traffic optimization, transport analytics, energy management and data-driven Municipal planning. The proposed AI Data Centre will enhance Municipal service delivery analytics and strategic planning capability, while positioning the Municipality as a competitive digital investment destination capable of attracting high-value ICT and innovation-sector investment. Importantly, the development will strengthen data sovereignty and local hosting capacity for public

sector systems. By developing and potentially co-owning advanced data infrastructure, the Municipality will reduce reliance on foreign-based technology platforms and reinforce its digital sovereignty.

The proposed site for the AI Data Centre is located in Ward 97, south of Durban, being Erf 919, Kingsburgh. The site is currently an underutilized open space with potential for eco-tourism development. The AI Data Centre is envisaged to become operational during the 2027/2028 financial year, enabling the Municipality to assume a strategic leadership role in the AI sector. The development is expected to stimulate economic growth and create employment opportunities, particularly within the southern region of the City.

The AI Data Centre introduces a new and more capital-intensive economic sector compared to traditional Information Technology industries. Conceptually, the proposed development can be designed to integrate with the eco-tourism vision of the site, incorporating an AI Training Hub and architectural elements that complement recreational and open space activities, thereby enhancing its attractiveness and public interface.

Skills development forms a critical component of the initiative. While AI technologies may automate certain functions, they simultaneously create new, high-value technical roles requiring advanced skills. Investment in education and training in areas such as AI, data analytics and digital engineering will be essential to prepare residents for participation in the digital economy. Anticipated economic and skills impacts include:

- Significant capital investment;
- Temporary construction-related employment;
- Limited but high-value permanent technical employment;
- Development of scarce and specialised digital skills; and
- Strong indirect economic multipliers and spin-offs.

Additional opportunities include local supplier development and strategic partnerships with eThekwini-based Technical and Vocational Education and Training (TVET) colleges and universities. The development presents an opportunity to address inequality and bridge the digital divide through inclusive access to digital infrastructure. It also supports the creation of a broader AI ecosystem, fostering local AI start-ups, research collaboration and innovation clusters capable of attracting talent and further investment.

AI-enabled data capability will empower the Municipality to:

- Improve service delivery reliability;
- Protect and enhance Municipal revenue streams;
- Optimize capital expenditure planning;
- Strengthen governance and oversight mechanisms;
- Enhance disaster resilience through predictive analytics; and
- Position eThekwini as a future-ready, digitally competitive city.

At the Support Committee level, the DA abstained on the matter, while the majority of the other political parties present expressed support for the initiative, recognizing its strategic importance in positioning eThekwini Municipality as a competitive player in the AI sector, driving economic growth, skills development and digital innovation within the City.

During discussion at the Executive Committee level, the DA Councillor Beetge declared that the proposed development is located within his Ward. He expressed concern that the report presented to the Committee reflected incorrect boundaries and further indicated that it appeared no consultation had taken place in respect of the development.

On the other hand, the Committee acknowledged the significance of the proposed development for the South Durban area, which has historically lagged behind in terms of major projects, and welcomed the identification of the southern region for this initiative. It was confirmed that the issue relating to the incorrect boundaries would be rectified and that amended, accurate boundaries would be submitted. In principle, however, the Committee supported the identification of the South Durban area for the project.

Regarding consultation, the Director: Legal Services provided a detailed explanation of the processes applicable to large-scale projects. It was noted that projects with an anticipated duration exceeding five (05) years are subject to extensive consultation processes, including engagement with National Government, relevant internal Municipal departments, and communities affected. That such consultation is required in terms of the Municipal Asset Transfer Regulations and other applicable legislations, and with Council to consider the matter for final approval only once all stakeholder consultation requirements have been fulfilled.

It was further clarified that the matter currently under discussion sought project authority, with the land transaction processes to follow. Therefore, the requisite consultation processes would be undertaken as part of those subsequent land transaction proceedings.

Notwithstanding the explanation, the DA maintained its abstention on the matter. With the majority of other Political Parties present being in support,

COMMITTEE RECOMMENDS:

5.3.1 That the proposed partnership between the Municipality and the Korea South Power Consortium, to facilitate development of Artificial Intelligence (AI) Data Centre within the eThekwini Municipal area, be approved.

5.3.2 That subject to the approval .1 above, authority be granted to the City Manager to enter into, and sign a Memorandum of Agreement with the Korea South Power Consortium to facilitate the Artificial Intelligence Data Centre in Ward 97, South of Durban: Erf 919 Kingsburgh.

5.3.3 That subject to the approval of .1 and .2, authority be granted to the Director: Property Valuations and Management to facilitate land transaction process of the proposed site.

Financial Implications:
The municipality will be providing the land and infrastructure required for development. All other costs of building and operating will be covered by the developer. The total AI data centre development cost is estimated at US$ 3 billion - US$ 10 billion depending on the size and other factors such as the technology partners identified for the advanced technology operations.

With the DA Abstaining, the recommendations were by the majority support, ADOPTED.

6. REPORT OF THE HUMAN SETTLEMENTS, ENGINEERING AND TRANSPORT COMMITTEE: MEETING HELD 2026-02-20

(Page R86)

6.1 Request to Amend Approved Allocation Criteria of Cornubia Phase 2 Housing Project (22/7/1/1/2):
(Page 9 : Human Settlements, Engineering and Transport Committee - Agenda 2026-02-20)

The Cornubia development is being undertaken on a strategically located parcel of land and has been in progress for approximately fourteen (14) years. Phase 1 is substantially complete, with 2 662 Breaking New Ground (BNG) housing units constructed and occupied, and 2 654 of these units already transferred to qualifying beneficiaries. Construction of 232 affordable housing units remains outstanding, alongside the continued development of non-residential sites.

Phase 2 of Cornubia comprises five (5) sub-phases, providing a mix of housing typologies, including fully subsidized units, partially subsidized GAP/affordable housing, and rental opportunities. Open market units will be developed by the private sector on privately owned land within the broader precinct.

Current Implementation Status:

- **Phase 2A South and Phase 2B** – Combined yield of 1 200 sites currently under implementation.
- **Phase 2A North, Phase 2C and Phase 2D** – Pending approval under the Spatial Planning and Land Use Management Act (SPLUMA), expected by September 2026.

Council, at its meeting on 30 September 2021, approved the Allocation Guidelines for Phase 2A and 2B, prioritizing beneficiaries from existing informal settlements, transit camps, and identified special cases. In light of the urgent need to accommodate households affected by the April 2022 storm disaster currently residing in temporary rental accommodation, it is necessary to amend the Allocation Guidelines to include qualifying storm disaster victims. This amendment will facilitate permanent housing solutions, while reducing the financial burden on the Municipality and State by redirecting funds currently spent on temporary rentals to sustainable housing delivery.

Delays in the project were primarily related to procurement processes, which have since been concluded, allowing implementation to progress. The top structures will be funded through the applicable Public Quantum Subsidy. Beneficiaries affected by the floods were identified collaboratively by the Municipality and the Provincial Government through a comprehensive eligibility screening process. Engagements with the Department of Transport and the eThekwini Transport Authority are ongoing to ensure adequate public transport provision to Cornubia residents, improving accessibility and mobility.

The table below reflects progress to date on the various phases:

CONTRACT NO.	NO. OF SITES	STATUS
PHASE 2A SOUTH		
Jamjo – 1H-48237	113	Services compiled in 2024/2025 financial year and handed over for top structure construction.
Afriscan – 1H-19203	60	Construction in progress

CONTRACT NO.	NO. OF SITES	STATUS
1H-33260	129	SCM in progress. This platform has had massive geotechnical fill with related rock toes and subsoil works done and requires a settlement period of a minimum of 12 months before any construction work proceeds
	302	Total No. of sites in Phase 2A South
PHASE 2B		
WK – 1H-18728	146	Construction in progress
SCM in progress	830	SCM in progress
	976	Total no. of sites in Phase 2B
PHASE 2A AND 2B SITES TOTAL – 1 278		

Top Structure:

PHASE 2A SOUTH		
1H-44444 (Mandlethu and Masholfe	113	Construction in progress, planned completion by end March 2026
1H-31918	189	SCM in progress – Advert stage
	302	**TOTAL NO. OF TOP STRUCTURES IN PHASE 2A SOUTH**
PHASE 2B		
1H-32115	976	
	976	**TOTAL NO. OF TOP STRUCTURE IN PHASE 2B**

In view to the foregoing,

COMMITTEE RECOMMENDS:

6.1.1 That authority be granted to amend the Allocation Guidelines for Cornubia Phase 2 Housing Project, previously approved by Council on 30 September 2021, to include the April 2022 flood victims within the beneficiary allocation framework.

6.1.2 That the Committee notes the current implementation progress and financial resources/budget required for the delivery of Cornubia Phase 2A South and Phase 2B.

Financial Implementation:
A budget of R420 365 411.00 is required for the delivery of 1200 serviced sited inclusive of bulk earthworks required.

Description	Budget	No of Site's	Comment's
Current Financial Year approved Budget	R177 000 000.00	319 includes major bulk earthworks and valley infill's	R78 m + R30m (approved in November 2025) + R69m Concurrence letter received from Province
Additional Budget requested as part of mid-term adjustment	R80 000 000.00		Required for quarter 4 in the 2025-26 financial year
Budget required in the next financial year 2026/27	R163 365 411	959 includes major bulk earthworks	R98 m reflected in the draft 2026/27 budget Shortfall of R65.3m

Description	Budget	No of Site's	Comment's
Total budget required to achieve 1 200 sites	R420 365 411.00	1 278	Challenging terrain and unsuitable soil conditions have necessitated extensive cuts and massive fill requirements with associated rock toes and subsoil drainages to fill up valley's as per geotechnical recommendations for 1 200 sites

ADOPTED.

DIRECT EXCO REPORTS:

7. APPROVAL OF THE ETHEKWINI MUNICIPALITY ADJUSTMENTS BUDGET 2025/2026 (7/1/2/2)

(Page 10)

Section 28 of the Local Government: Municipal Finance Management Act (Act No. 56 of 2003), read together with the Municipal Budget and Reporting Regulations (Regulation 23(3)), makes provision for the revision of an approved annual budget by way of an Adjustments Budget in order to consider additional expenditure requests, the reallocation and/or reprioritization of expenditure, as well as to provide for unforeseen and unavoidable expenditure requiring amendments to the approved 2025/2026 Budget.

The following funding adjustments have been incorporated into the 2025/2026 Annual Budget:

- Adjustments in respect of grant allocations to the Municipality in line with the amended Division of Revenue, including the Metro Trading Services Grant, Municipal Disaster Recovery Grant, related reimbursements, and the reduction of the Public Transport Network Grant.
- Approved grant roll-overs for the Municipal Disaster Response Grant, Library and Museum ICT Grant, and the Urban Settlements Development Grant.
- Revenue adjustments relating to Property Rates and Interest on Receivables.

The following reallocation adjustments have been effected to the expenditure levels of the 2025/2026 Annual Budget:

- The reprioritization of the 2025/2026 financial year approved budget, as adopted by the Municipal Council on 13 November 2025, to accelerate expenditure on projects that were in a state of readiness to spend, over those experiencing procurement-related delays. The deferred projects have accordingly been shifted to the 2026/2027 Medium-Term Revenue and Expenditure Framework (MTREF).
- The reprioritization of the 2025/2026 financial year approved budget to respond to urgent and critical storm damage affecting the eThekwini Sanitation Services Directorate, in compliance with the Court Order and related directives issued to the City on 18 December 2025.

- Adjustments relating to the reallocation of costs between operating and capital budgets, as well as the alignment of funding sources.

- The unbundling of block sums, including Community Infrastructure Projects (CIP), to allocate funding to the relevant implementing departments and to specific capital projects.

In order to promote effective and efficient service delivery and to enhance the operational efficiency of Directorates, the above budget reallocations were necessary to ensure improved cost-effectiveness in operations. It is further noted that the mid-year budget and performance assessment informed the preparation of this Adjustments Budget.

1. Grant Allocation:

1.1 Approved Rollover of Grants for 2024/2025:
National Treasury approved the rollover of grants in terms of Section 21(2) of DORA 2024, based on the projected cash flows and commitment to utilise grants in the 2025/2026 financial year.

Name of the Grant	Rollover Grants R'000
Municipal Disaster Response Grant (MDRG)	250
Library Museums/ ICT Grants	2 097
Urban Settlements Development Grant (USDG)	15 900
TOTAL	**18 247**

1.2 Additional of Grants Allocations (Gazetted, not yet received):

	R'm
Public Transport Network Grant (PTNG) (Reimbursement)	303.2
Municipal Disaster Recovery Grant	47.8
Metro Trading Services	409.0
TOTAL	**760.0**

1.3 Grant Reduction:

	R'm
Public Transport Network Grant (PTNG)	186.6
TOTAL	**186.6**

2. Adjustment Budget Summary:
The Mid-Year Adjustment Budget to 2025/2026 budget as reflected in Annexures 'A & B' be approved.

2.1 Operating Budget: Annexure A:

Additional expenditure requests are funded from overall savings	R'm
Governance: Architectural	**0.6**
Governance: Maintenance of Buildings	**3.8**
Governance: Cleaning Services	**3.9**

Additional expenditure requests are funded from overall savings	**R'm**
Governance: Hygiene Services	**0.5**
CHC: Cleaning Services	**1.7**
CHC: External Security	**0.7**
CHC: Maintenance of Buildings	**0.2**
CHC: Medical Examination	**0.1**
CSW: Maintenance of Buildings	**1.7**
CSW: Maintenance Equipment	**5.0**
CSW: Materials and Supplies	**0.5**
CSW: Refuse Bags	**2.2**
CSW: Software Licences	**1.5**
CMO: Legal Expenses – Litigation	**12.0**
Finance: Repairs and Maintenance	**30.8**
Finance: Fuel	**4.0**
Finance: Vehicle Tracking & Tickets	**2.2**
Finance: Tyre and Consumables	**16.8**
GOV: EPWP	**91.3**
GOV: Elections	**2.0**
GOV: City Wide Cleaning Programme	**2.1**
CES: Poverty Relief	**3.5**
CES: Security Learnership	**3.1**
CES: SMU (Overtime)	**26.0**
CES: Clinics (Cleaning & Grass Cutting)	**8.0**
CES: Overtime	**39.0**
HSI: Software Licences/ Fire protection	**1.0**
HSI: Maintenance of Buildings	**1.3**
HSI: Software Support/ Maintenance	**0.7**
HSI: Maintenance of Unspecified Assets	**17.1**
HSI: Materials and Supplies	**70.5**
Sanitation: Chemicals	**3.0**
Sanitation: Maintenance of Unspecified Assets	**201.0**
Electricity: Maintenance of Buildings	**3.6**
External: Security	**11.8**
Electricity: Electrical Network	**84.6**
Electricity: Materials and Supplies	**50.0**
TOTAL	**707.8**

	R'm
Reallocation of additional expenditure funded from Departments savings	2,738.6
TOTAL	**2,738.6**

2.2 Capital Budget (Annexure "B":

Revised Capital Budget:
The Revised Budget allocation per department excluding entities is as follows:

No.	Department	Original Budget	Grant Adjustments	Other Movements	Adjusted Budget
		R'000	R'000	R'000	R'000
1.	Housing	748,812	102,501	144,478	995,791
2.	Water	1,153,395	164,892	-93,857	1,224,431
3.	Sanitation	604,115	59,400	634,270	1,297,785
4.	Cleansing & Solid Waste	380,459	-	-117,073	263,386
5.	Governance & International Relations	92,237	-	-31,180	61,057
6.	Finance	384,599	-	-14,604	369,995
7.	OCM: Zonal Plans	333,000	-	-333,000	-
8.	Engineering	482,529	47,800	41,732	572,061
9.	Electricity	854,057	143,857	-149,464	848,450
10.	CES: Health & Social Services	295,808	-200	47,455	343,063
11.	CES: Services – MMS	115,394	-	105,120	220,514
12.	CES: Safety & Security Services	253,558	250	-206	253,602
13.	Economic Development & Planning	496,256	15,891	-59,520	452,627
14.	EThekwini Transport Authority	746,727	-126,441	-149,213	471,07
15.	OCM: CMO – OSM	316,319	-	-24,940	291,379
16.	Corporate & Human Resources	8,082	-	-	8,082
17.	Durban ICC	4,505	-	-	4,505
18.	Ushaka Marine World	26,944	-	-12,501	14,443
	TOTAL BUDGET	**7,296,796**	**407,950**	**-12,501**	**7,692,245**

The main reasons for the Capital Budget adjustments are summarized as follows:
The additional allocation and reduction from Grants is as follows:

No.	Grant Description	Adjustment Amount	Adjustment Budget
		R'000	R'000
	Approved Original Budget:		**7,296,796**
1.	Urban Development Financing Grant (UDFG) for Metro Trading Services of R368 Million under Capital Budget and R41 Million allocated to Operating Budget	368,149	

No.	Grant Description	Adjustment Amount	Adjustment Budget
		R'000	**R'000**
2.	Roll-over Grant for Urban Settlement Development Grant (USDG) for the Budget Facility for Infrastructure (BFI) of R15,891 Million which is allocated to EDP Catalytic Projects for the Brickwork Project.	15,891	
3.	The additional allocation for Human Settlement is a rollover of R69 Million from unspent HSDG conditional grant and R50 Million from income received in advance.	119,000	
4.	Hostels – Reduction	-17,499	
5.	Additional R1 Million was transferred from operating to Capital Budget under Informal Settlements Upgrading Partnership Grant (ISUPG).	1,000	
6.	Public Transport Network Grant (PTNG) – Reduction (CAPEX Portion)	-126,441	
7.	Disaster Grant Allocation of R47.8 Million and rollover of R250K	48,050	
8.	Museum Subsidy transferred to operating	-200	
	Total Grants Adjustments	**407,950**	
	Internal Funding: Budget Reduction (uShaka Marine World - R12,501)	**-12,501**	
	TOTAL ADJUSTMENTS BUDGET	**395,449**	**7,692,245**

3. <u>Total Adjusted Budget for 2025/2026 as revised below:</u>

3.1 <u>Consolidated Budget (including entities):</u>

Details	Original Budget 2025/2026	Adjustment Budget 2025/2026
	R'000	**R'000**
Operating Budget	63,635,255	65,134,367
Capital Budget	7,296,796	7,692,245
Total Budget	**70,932,051**	**72,826,612**

3.2 <u>Parent Municipality (excluding entities):</u>

Details	Original Budget 2025/2026	Adjustment Budget 2025/2026
	R'000	**R'000**
Operating Budget	63,202,663	64,747,685
Capital Budget	7,265,350	7,673,297
Total Budget	**70,468,013**	**72,420,982**

At this stage of the proceedings, the DA abstained on the matter. With the majority of the other Political Parties present expressing their support, it being also recorded that officials from the Finance Department committed to making themselves available to any Political Party Caucus requiring a detailed briefing on the contents of the Adjustments Budget.

Accordingly,

COMMITTEE RECOMMENDS:

That in accordance with the provisions of Section 28 of the Local Government: Municipal Finance Management Act No. 56 of 2003, and in compliance with the Municipal Budget and Reporting Regulations, the additional adjustments to the 2025/2026 Budget as reflected in Annexures "A" & "B" reported herein, be approved, and that the approval of the Capital Adjustments Budget shall constitute approval of the specific capital projects as contained herein.

ADOPTED, by the majority vote.

_____

pp
TB Mbhele
City Manager
27 February 2026.