MAYOR'S MFMA REPORT ON ADJUSTMENT BUDGET 28 FEBRUARY 2023

- Hon Speaker
- Deputy Mayor
- Whip of Council
- Honourable Councillors
- City Manager and Senior Management
- Members of the Media
- Ladies and Gentlemen

It gives me pleasure to table this adjustment budget which takes place against the backdrop of a constrained economic environment occasioned by floods, COVID-19, prolonged loadshedding and the 2021 civil unrest.

Despite these challenges, we are happy that the finances of the municipality remain sound and healthy. This was confirmed by the Auditor-General as the municipality received an unqualified audit report for 2021/2022. Furthermore,

the city maintained its investment grade credit rating of AA+ in the long term and A1+ in the short term with a positive outlook.

However, the slow economic growth globally has adversely affected our consumers and a result, we had undertaken unprecedented steps to cushion our residents. These included providing debt relief package to help consumers after the floods. We want to thank residents who took advantage of this programme which ends today.

Honourable Speaker, the focus of this adjustments budget is on prioritizing infrastructure repairs, maintenance and upgrades. The recent natural disasters have taught us the importance of a sustained maintenance and building of resilient infrastructure. This is not only critical in saving lives, but also in attracting new investment in the city and creating much-needed job opportunities. Therefore, we are confident that this adjustment budget will unleash the economic potential of the city.

Honourable Councillors, in the adjustments budget, there is an additional R679 million in grants by National Treasury. R423 million of this adjustment

relates to the Disaster Recovery Grant which will be used to repair the damages caused by the floods. There is a further R95 million for the Urban and Informal Settlement Programme which will be used to acquire land to build permanent houses for flood victims.

Other key adjustments are focusing on repairs and maintenance of water, sanitation, electricity, engineering infrastructure and strengthening communication and community engagement.

Apart from the devastating April and May 2022 floods which destroyed our infrastructure, we are acutely aware that because of our historical background, the majority of the people of eThekwini were deliberately excluded from accessing some of the most basic services such as water and electricity. In terms of human settlements, the apartheid spatial development planning forced black people and Africans in particular to reside far away from areas of employment and economic activity.

This is the legacy we are continuously trying to undo. While great progress has been made in making basic services accessible to all and building

integrated human settlements, the challenge of rapid urbanisation means that addressing service delivery backlog will remain a moving target.

We want to assure you that this democratic government remains steadfast in ensuring that there is a better life for all.

Therefore, the adjustment budget we are tabling today is meant to make meaningful impact in the provision of houses to reduce the number of people residing in informal settlements, particularly in flood-prone areas.

At the same time, this adjustment budget will consolidate the work the municipality has already started in the repairing and restoration of water and sanitation infrastructure.

The work we have started in Umlazi to repair water and sanitation infrastructure along the Umlazi Canal will ensure that people in the Durban south receive better services.

While these repairs are ongoing, some of our colleagues have decided to score cheap political points with this issue by asking the court to force us to do exactly what we are already doing.

Honourable Councillors, we want to plead with everyone regardless of our different political views to work with us to find lasting solutions to the challenges confronting our city.