MFMA REPORT BY ETHEKWINI MUNICIPALITY MAYOR, CLLR MXOLISI KAUNDA AT THE FULL COUNCIL MEETING, 31 JANUARY 2023

- Hon Speaker
- Amakhosi AseNdlunkulu
- Hon Councillors
- Acting City Manager and Senior Management
- Members of the Media

Sanibonani

The report we are tabling today indicates that the leadership of this municipality is committed to accelerate service delivery and run a clean and accountable administration.

As testimony to this commitment, we are proud to announce that the Municipality has received an unqualified audit opinion for the 2021/22 financial year. Our audit outcome remains unchanged from the 2020/21 financial year. This continues the proud record of the Municipality of always receiving an unqualified audit opinion since its inception.

We are hard at work to address some of the issues that have been raised by the Auditor-General which include implementation of consequence management, contract management and performance information. The city is currently conducting investigations on all reported irregularities with a view of recovering any confirmed financial losses and we are strengthening our internal controls to prevent re-occurrence of financial loss.

Honourable Councillors, the overall financial situation of the Municipality remains sound and healthy. Our budget continued to be credible and balanced as our collection rate stood at 95%. Despite the current economic climate, we are pleased that we were able to maintain an AA+ investment grade credit rating with a stable outlook 51 days cash on hand. The municipality was also able to spend 100% on major grants which delivered over R 3bn worth of free basic services.

Although we were aiming for a clean audit, we must give ourselves a huge pat on the back for this achievement as you know that other Metros obtained

disclaimers and we are told that their bus fleet is not operating due to fuel shortages.

It is important to indicate that this audit outcome was achieved at a time when the city was faced with COVID-19 and the July 2021civil unrests. Therefore, we want to thank all our social partners including business, organised labour, and civil society for working with us to rebuild our city from these catastrophic disasters. Our gratitude also goes to businesses who have shown confidence by maintaining and expanding their investments in the city after this difficult period.

As the leadership of the City, we want to commend the City Manager and the CFO for this achievement and their continued effort in ensuring that our city remains functional. They still have an unenviable task of reducing all the matters that have been raised by the auditor general to achieve a clean audit outcome.

We also want to congratulate uShaka Marine and the Inkosi Albert Luthuli International Convention Centre (ICC) for achieving a clean audit. Let me

take this opportunity to convey our deepest condolences to the CEO of the ICC, Ms. Lindiwe Rakharebe who lost her daughter over the weekend. Our prayers are with the family during this difficult period of bereavement.

Honourable Speaker, the ANC government has declared 2023 as the year of decisive action to advance the people's interests. In this regard, work is underway in the city to repair all water and sanitation infrastructure that was damaged during last year's April and May floods.

Last week, we commissioned a second water pump at the oThongathi Water Treatment Plant to increase water supply in Hambanathi. You will recall that after the city completed the repairs at the treatment plant, the community of Hambanathi continued to experience water shortages. Now we have two pumps that are running parallel for Hambanathi, and the water supply situation has improved.

Yesterday, we installed a new water pump at Ntuzuma reservoir 3 after the community complained about intermittent water supply in the area. We are confident that these interventions including the commissioning of the Durban

Height Reservoir 3, will eradicate the challenge of water supply in Ntuzuma, Verulam and Phoenix. In the next few weeks, we will be visiting all wards that are experiencing water shortages to unlock some of the infrastructure challenges.

However, we are aware that other areas are experiencing water shortages as a result of prolonged loadshedding. To address the energy crisis in the city, work is underway to convene the Energy Summit which will bring together all stakeholders in the energy sector under one roof to find a lasting solution.

We are also forging ahead with the procurement of 400 MW of alternative energy (300 MW gas and 100 MW solar) from Independent Power Producers in line with our Energy Transition Policy. A concurrence has been received from the provincial government to proceed with this programme.

Work continues to repair our pump stations and we are pleased that the progress we have made, particularly on the pumps along the coastline, has resulted in more beaches being opened.

Honourable Councillors, we remain committed to finalise repairs to our road infrastructure that was severely damaged by the floods. On Thursday, we will be handing over a contractor to commence with the rehabilitation of M4 South Bound Carriageway.

We are determined to rebuild our city and we encourage all stakeholders to work with us because the process of rebuilding and restoration is a collective responsibility.