

Mayor's Speech at Ordinary Council Meeting on 28 July 2022

Good morning, Speaker, Executive Deputy Mayor, Chief Whip, Aldermen, Councillors, Municipal Manager, Directors, Officials, Members of the Media and the Public

With this being the first Council Meeting of the 2022/23 financial year, I thought it would be appropriate to review the activities and achievements of the six months from January to June 2022.

This is therefore a macro view of the work that has been undertaken across George and impacted each and every ward. This review therefore will not necessarily touch what has taken place in each ward or all aspects of what has been achieved.

In reflecting on these various snapshots, we will recall that the year commenced with a significant influx of holidaymakers who provided a wonderful boost for our tourism sector.

We also faced some significant challenges with infrastructure, in particular water pipe breakages and damage effected through loadshedding, the latter being another of our challenges.

Our capital and operating budget philosophy required re-working to take account of the R1,2bn BFI grant with R81m being immediately advanced In March 2022 by National Treasury with the instruction to have this amount spent by the end of June 2022.

Our capital budget spending horizon had to be expanded to five years as we re-examined priorities that were also impacted by the ravages that resulted from the 22 November 2021 floods.

We closely examined our operating expenditure which meant that we had to boldly approve tariff increases above inflation to ensure that meaningful improvements could be made in areas that would directly benefit our constituents.

In addition, new staffing regulations meant that a raft of new policies had to be written and approved by Council to ensure that we were ready for the 1 July 2022 implementation date.

Interwoven into this tough work programme, we have experienced an influx of semi-grants into George, the full impact of which we continue to interpret as more data becomes available.

The December 2021 to February 2022 period was nerve-racking for our Water team as usage virtually matched our daily treatment capacity. I have been informed that at present our daily usage averages 33-35 ML while we are treating 37-38 ML per day. This means that there is a very small margin in reserve to replenish reservoirs; that the trends of additional usage emerging over the summer holiday period have therefore largely continued. This implies that water usage has increased by the order of 20% from November 2021. Plans are in hand to provide additional treatment capacity before the end of 2022 to provide temporary relief while construction takes place on the new WTW.

Considerable work has been done to install additional meters, valves and telemetry and to undertake additional studies to improve the management of the water reticulation system; and will continue. This is a substantial undertaking with R11,4m being spent.

Work on the new 20 ML per day Water Treatment Works ("WTW") has commenced as part of the BFI project and we were able to spend the required R81m by mid-June. We are scheduled to receive R240m from National Treasury for BFI in the present financial year, but we are already ahead in terms of spending, and have applied for funding for 2023/24 to be brought forward.

At the new 10 ML Outeniqua Wastewater Treatment Works ("WWTW"), the new addition has been completed with the refurbishment of the existing 15 ML is now being undertaken to ensure finalisation in May 2023.

Work is also underway on the refurbishment of the large sewer pump stations as part of the BFI project. These pump stations were erected around 1975 and now require complete re-builds.

We have made significant improvements in the spending of our Capital Budget for 2021/22. The original budget was R370m which was increased to R489m at Adjustment Budget stage. At 30 June 2022, R431m or 88% had been spent, which increases to 91% once provisions are accounted for. This percentage increases to 96% once savings achieved on Actual versus Budgeted expenditure are taken into account.

The entire management team is to be congratulated and thanked for achieving this feat.

As part of the Capital projects, construction activity has taken place over the past six months on stormwater, roads, sewer lines and the replacement of aging water pipelines receiving attention in areas such as Themba lethu, Pacaltsdorp, Maraiskamp, Lawa aikamp, Parkdene to name a few.

During the Adjustment Budget, Council approved spending on the following:

- Improvements to Streetlights: R6,3m
- On the negative side we have had to spend R7,5m on dealing with Illegal dumping.
- our Anti-Land Invasion has incurred expenses of R12,8m and a further R2,3m in Overtime costs to deal with illegal land invasions.
- Cable theft is another scourge that is costing the Municipality millions. I do not have a cost at hand. In June 2022 alone, there were 101 incidents.
- The Electro-tech Directorate requested funding of R10,5m to undertake preventative maintenance to their network, starting with the large transformers. During oversight visits, the pride in their achievements was very evident as they completed these tasks before year-end. This work is key to ensuring stability in the network. This work will no doubt continue in the months ahead.
- Illegal electrical connections have cost the Municipality R2,5m.

The first draft financial statements for the year ended 30 June indicate that the overall debtor's collection rate reached 96,69% which is an excellent improvement on the 93,8% achieved for 2020/21 financial year. Every additional 1% represents approximately R18m that ultimately assists in service delivery or capital spending for our communities.

Billings for the year increased by 12,68% year on year. For the Jan-Jun period, there is a more significant increase of 14,24% in 2022 when compared to 2021.

Within the Administration, appointments of senior personnel have been made in many Directorates, thereby bringing experienced staff members into the organisation who will play their role in the strive for continuous improvements.

We welcome all of them to our team and wish them a great and happy future as we take George to higher levels.

The management team have put in long hours extending to after hours and often to weekends where they have also spent time to update Policies, By-laws and Strategies, some of which have not been updated for quite a few years.

In this regard, 63 policies, bylaws, strategies and plans have been approved by Council in the first 6 months of the year. This is an exceptional achievement.

During the adjustment budget stage in February, decisions were made to acquire back-up generators to the value of R15,4m to alleviate problems during loadshedding at the water works and wastewater treatment works, as example.

We have completed a project to install UPSs at 40 of our intersections with the remaining 14 intersections to be completed in the next 2 months.

In May 2022, Council took the bold decision to approve a range of PV Solar plants that we would acquire. This includes the building of a total of 10 MWp PV Solar plants (1 MWp plus 8-9MWp).

In addition, 6 projects totalling 1325 kWp PV plants to be erected at the WTW, WWTW and elsewhere were also approved for rolling out in the next couple of years.

The Supply Chain process for the solar plant for the Water Treatment Works and some of the municipal buildings is already underway. We are also going out on tender for the 1MW plant to feed into the grid. That plant should hopefully be commissioned by August next year. We have commenced the EIA for the 9 MW plant. We have applied for funding from Infrastructure SA for 30 MW plant and 100MWh battery storage. We are reviewing a proposal which we received for a hydroelectric plant.

The Management is actively in discussions with a range of possible funding solution providers, inclusive of World Bank advisers. The aspect of battery storage is being investigated.

I would also like to touch on a number of other developments:

- We will be opening the first drive-through facilities for vehicle licences in the Western Cape in the next month. This will include three counters for bulk transactions for motor dealers.

- We have obtained a R18 m grant for the funding of a composting facility where we have already commenced work. At least 75% of green waste, inclusive of organic waste, will be diverted to that facility as from July 2023.
- We are also commencing a project for household composting. The public is urged to apply for a green genie that they can use at home for their own composting.
- Vandalism of electrical cables remains problematic with 101 incidents taking place during June. We are looking at testing electronic sensors to serve as an early warning system for vandals. The costs resulting from damage to infrastructure is significant.
- Illegal dumping is problematic, and we are grateful to some communities and our EPWP workers who have beautified some of the dumping spots, particularly in Thembalethu.
- We are applying to host a Fan Park for the Netball World Cup due to take place in July 2023.
- Following the 22 November floods along with some flash flooding during a recent rainstorm, we are concerned about Climate Change and intend commissioning a study to review our response to climate change. This may influence developments in the future and some of our Infrastructure Master Plans may need to be reviewed. This matter will require attention at adjustment budget stage.
- Semi-migration remains significant, and we processed 534 building plans in June and 510 in May. The challenge will be to ensure sufficient infrastructure of the rapidly increasing population. During the past year, 1518 prepaid meters were added, approximately 3%. The number of additional municipal accounts added appears to be of the order of 3,4%.

- In relation to the Neighbourhood Development Partnership Programme Grant: – The tenders have closed for the appointment of the consultants to prepare an investment plan, area management strategy, site development plan and land-use application, with supportive studies for the Thembalethu CBD precinct. The project focus is on identification and packaging (funded, contextualized and managed) realistic, sustainable project components to bring the Thembalethu CBD to life – to the benefit of the receiving community.
- As one of the largest Intermediary Cities, we are applying to participate in the Integrated Urban Development Grant (“IUDG”) program with is funded by COGTA. The objectives of the program include access to social and economic services and opportunities, inclusive and sustainable growth and development of a new spatial form for cities.
- We have been selected as one of three finalists for the Cities Adapt Grant – this is a donor funded grant, through international funds with the focus on building more environmentally resilient cities. It is expected that we will receive information on any progress towards the end of August 2022.

This overview has dealt with the impact on the whole of George without necessarily specifically mentioning individual wards or communities. The prime focus has been in tackling our infrastructure and service delivery as these are the essential requirements for an enabling environment to attract investment that will benefit the economy and employment. We are already seeing that there is a positive impact on the economy.

I have specifically not directly covered the economy, or the positive impact being experienced in the tourism sector in this address. We are constantly busy with interactions in the economy in many areas. In the next few months, increasingly more attention will be given to the economy with many engagements being lined up. We will no doubt be expanding on this topic in due course.

The achievements that I have briefly described today are a reflection of the dedication and energy that our management team have collectively contributed over long hours to make George a better place.

On behalf of Council, I wish to thank you, Dr Gratz, the Directors and your teams.

Thank you, Mr Speaker.