

MAYOR'S SPEECH TO ORDINARY COUNCIL ON 25 AUGUST 2023

Good Morning

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

Although we are only two months into the new financial year, it is now the time when capital projects need to be accelerating to ensure completion by year-end.

At of 23 August 2023, the amount of the Capital Budget already spent and orders already committed is R80m out of the R1023m to be spent which is approximately 8%. Out of this amount, R34m relates to C&ES and R33m to Electrotech.

It is important to note our Capital Budget for 2023/24 is R1023m which is the largest amount of spending to be undertaken in the history of George. This will require very diligent focus from the top structure within the Directorates from the engineering, project management through to the finance team. The Mayo team members therefore need to ensure that they monitor and encourage the progress of these projects. We need to ensure that we have sufficient technical personnel to execute the work.

It is useful for us to reflect on the Top 10 major project spending areas totalling R352m to be undertaken in this financial year:

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| Extension of the Waterworks 20ML per day: | R117m |
| 9 MW Renewable Energy project: | R42m |
| Pacaltsdorp 14,5ML reservoir and 2,4ML water tower: | R35m |
| New 20MVA Transformers: Glenwood: | R25m |
| Pipework Rehabilitation at Garden Route Dam: | R21m |
| Filtersand at Waterworks: | R21m |
| Installation of Smart Water Meters: | R20m |
| Pacaltsdorp East Reservoir, Tower & Pumpstation: | R19m |
| Thembaletu East Reservoir, Tower & Pumpstation: | R18m |
| Renewables Feasibility Study: | R18m |

Kaaimans Water Pump Station Rehabilitation: R16m

You will note that these projects focus heavily on the work being undertaken across George in respect of the BFI projects funded through the RBIG grant and Electricity being the largest components with R670m spread across the rest of the projects being worked on.

It is useful to note that of the R456m in BFI Grant funding received, R336m has been spent with R120m unspent at 30 June 2023. On 31 March 2023, R134m was transferred to George following an application that we made in July 2022 for an acceleration in grant funding. Due to late confirmation that we would receive this funding, it now forms part of the roll-over item being tabled in the Adjustment Budget today.

During this 2023/24 financial year we are due to receive R375m of this grant followed by R275m in 2024/25.

A number of our projects have been adversely affected by the amount of rain during the January to June period where in some months we received 100 mm of rain and 200 mm in May.

At Electrotech various Substation projects are underway focusing on upgrades as well as strengthening the network. As an example this includes the new Thembaletu Substation which is will be commissioned later in this financial year.

The Informal Settlements electrification programme was significantly delayed by the heavy rains and muddy conditions with two ready for the official switch-on by the end of September 2023 and another one shortly thereafter.

Upgrades on MV and LV networks are underway in order to normalise some areas which were significantly impacted by storms and historic floods.

Regarding PV Solar Projects:

The MVR Building, Tourism Building and Electrotechnical Services Building systems have been commissioned.

The Outeniqua WWTW Plant is planned for commissioning on 31 August 2023.

The Gwaing WWTW Project – The contractor has been appointed, the construction will resume soon, in order to complete this within the financial year.

The 1MWp project is currently underway, once the last approvals are provided, this construction will resume.

The 9MWp project is currently in the EIA processes, the final public participation process will be in September 2023.

Regarding the Battery Energy Storage Projects – the specifications are almost complete and these tenders should be advertised by mid September 2023.

The Highmast projects:

30 High Mast were installed and commissioned in the last financial, with the support of MIG

Municipal funding has catered for 5 High Masts in the following areas: Pacaltsdorp, Conville, Rosemore, Blanco, Uniondale; with switch-on due soon.

ACSA has donated high mast lights that are being prepared for the following areas:

Parkdene Stadium, Thembalethu Stadium, Croton Valley and in the vicinity of Jakaranda street Pacaltsdorp with switch-on likely in October 2023.

Additional High Mast installations are being considered.

The project to retrofit streetlights as well as install newly designed steel poles is continuing.

At Community Services, R8,4m worth of work is underway at Community Safety particularly in relation to the fibre network for CCTV cameras. We are beginning to experience significant advances in the detection of criminal activity through our CCTV camera network that is leading to apprehensions. At Sport Maintenance, R1,6m worth of work is about to be undertaken including on the Pacaltsdorp stadium pavilion roof.

The procurement of additional vehicles at Refuse is also underway.

I will now turn to the Operating Budget:

Our Debtors reached R527m at the end of July 2023 which reflects a 25,5% increase from R420m in July 2022.

For the 0-90 day period of outstanding debtors the debtors are at R218m which is a 18,5% year on year increase from R184m in July 2022.

These figures reflect the seriousness of the debt collection drive that our Administration is compelled to undertake to ensure the continued financial viability of the municipality. As Council we fully support the efforts that are being implemented to collect outstanding debt. The CFO and his team will need to closely examine monthly collections against the billings and the overall 12 month average debt collection rate to ensure that collections are increased. If there are not meaningful increases in collections over the four months to December, we are going to have to reduce expenditure at Adjustment Budget stage.

I would like to touch on a number of other topics of importance:

Early in 2023 we facilitated the Planet Youth project where George is the pilot site on the African continent for working with our youth to understand more of the issues they face in their young lives ranging from health and wellness, family and home life to harms, after hours activities, etc. An extensive survey was conducted with 6400 learners in grades 8 and 9 with 92% completing the survey. The outcomes will guide the way forward in supporting youth in this project where the WCG Dept of Health, Dept of Education, Social Development, Culture, Arts & Sport, UCT and other partners will work together. The Municipality will participate to facilitate activities.

We have also engaged with social entrepreneurial entities who wish to promote SMME development projects.

We have recently engaged at Ministerial level with the WCED to actively seek solutions for additional schooling facilities in George. Over the ensuing weeks and months we intend collaborating to ensure that additional high and primary schools can be secured for George.

The Premier's Council on Skills recently met in Knysna to roll out the WCG Growth for Jobs Strategy to grow the WC economy into a R1 trillion economy by 2035. The work we are embarking upon in George to grow the economy dovetails with this strategy. One of the key features is that Infrastructure is the

key driver to attract Investment which then leads to increased levels of employment.

In closing I wish to express my gratitude to our management team and staff who continue to provide excellent services to our communities. In the next few days, the Finance team will be finalising the annual financial statements for the year ended 30 June 2023 ahead to handing these statements over to the Auditor General. We wish them well in these final days,

Thank you Speaker.

Ald Leon van Wyk

Executive Mayor: George Municipality

25 August 2023