

## **MAYOR'S SPEECH FOR THE ORDINARY COUNCIL MEETING**

**ON 30 NOVEMBER 2023**

Good Morning

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

Today is scheduled as our last Ordinary Council meeting of this year as we begin the wind-down of another eventful year. While I do not intend covering all of the activities of the past year, I do wish to highlight some recent matters of interest to Council, particularly in relation to the economy, employment and challenges.

Census 2022 published the outcomes of the census undertaken up to February 2022 which then pronounced George to have a population of 294 929 with an indicative year on year growth of 4,1% per annum from 2011's population of 193 672. This growth of 100 000 is significant in the context of the Western Cape where Mossel Bay, Overstrand and Saldanha Bay all grew by just 50000 citizens and at above 4%, being the handful of locations in the country experiencing such growth levels.

The City of Cape Town's population is now at 4,8 million and the Western Cape is at 7,4 million which makes this Province the third largest compared to 2011 when it was the fifth largest surpassing the Eastern Cape and Limpopo Provinces. The debate now begins on how the Western Cape receives a larger portion of the National Budget.

The Census has revealed that George has almost 86000 households. In all likelihood with a 4% growth trajectory we could have a population of approximately 310000 by the end of this year.

Our management team has already held a strategic session to re-calibrate and re-imagine the challenges, provision of services and infrastructure needs for the future given the increase. This discussion will continue early in the new year when the Mayco team and management to continue to project our Vision and Future.

The issues that will require consideration will include:

Water sources; Electricity; Spatial Planning; Community Safety; Data Analytics; facilitating Economic Growth; Education and Health facilities; Sporting and recreation facilities; caring for the environment, etc.

The recently released MERO report (Municipal Economic Review and Outlook) indicates that in 2021 George had a GDP of R22,8bn which is 40% of the Garden Route Region whereas our population accounts for 35,2%.

Two significant studies on South Africa by the World Bank and Harvard University's renowned Growth Lab have noted the worrying collapse of the state's capability to deliver key services in the country and the damaging impact of costly preferential procurement policies as the prime causes for the inability to promote growth in the economy. Intuitively and in practical terms we are aware of these stumbling blocks and the daily challenges that our George citizens have to obtain employment and to earn sufficiently to cover the costs of living. In countries where the advice of the Growth Lab has been adhered to, rapid turnarounds have taken place as countries have risen up the ranks of important indices. George Municipality has been acknowledged in the report for the consultations we were so fortunate to have had with the Harvard team a year ago.

The pro-active policy approach that we have applied in George over the past three years to insist on high service delivery standards and the maintaining and upgrading of infrastructure along with following the principles of creating an enabling environment thereby making the city more investor friendly has contributed to investments being attracted to George. As a result, construction projects to the value of at least R3 billion have either commenced or are about to be undertaken that alone will add at least 4% to the present R72 billion of municipal valuation. It is noteworthy to see how rapidly work has commenced on the recently announced business park being established within the airport precinct which will also attract employment.

Our growth in population that I have referred to comes from semi-gration where citizens have migrated from other parts of the country where municipal services are deteriorating. These citizens bring with them new energy and enthusiasm that is already benefiting George.

During the Medium-Term Budget Policy Statement ("MTBPS") it was evident that there would be budgetary cutbacks which have already affected the Province with follow-throughs to be effected for Local Government in the

Budget during February 2024. The state of the country's National Finances are of increasing concern while actual service delivery across virtually all state departments and parastatal enterprises are collapsing.

An Adjustment Budget will be presented later in the meeting reflecting withdrawals of Grants previously allocated to Municipalities. In this regard we have lost R10m of our RBIG for the current financial year but will no doubt seek to recover that in the forth-coming year. We have however secured the roll-over of the R200m plus Flood Disaster Relief Grant that was transferred to George at the end of March into the 24/25 financial year. This will enable the roll-out and completion of all the listed damage claims that arose during the 22 November 2021 floods during our inauguration of our Council.

Our Civil & Engineering Services Directorate currently has 150 projects that they need to execute. This is an all-encompassing task as they deal with R1400m of capital expenditure to be executed in this financial year.

The recurrence of loadshedding at Stages 4, 5 and 6 once again sets off alarm bells within the economy as have to endure and struggle through days when often there is no electricity for 6 hours of the working day. At these high stages our generators consume diesel to the value of R250 000 per day which also requires the logistics of procuring diesel and then distributing to the various locations. This also comes at a time when our George economy is preparing for the holiday season that is upon us.

It is therefore welcoming to note the advances we are making in the installation of our 1MW solar PV plant in the industrial area. We have recently also received environmental approval for the large 9MW solar PV plant where we plan to commence installation within six months with the technical and financial requirements to be finalised early in 2024. That project will become another step towards the realisation of our dream to self-generate sufficient electricity so that we are able to provide power for the municipal installations ranging from water works to waste water treatment plants and other buildings that need to have power to keep George working.

The growth challenges are also impacting Education as we require more schools. We are in constant engagement with the WC Dept of Education. The provision of additional Health facilities has also come onto our radar.

A few weeks ago, Go George commenced bus services into Thembaletu following years of negotiation with the first route being opened via the industrial

area to Blanco. More routes will follow including to George hospital, the CBD and the Garden Route Mall in due course. I wish to congratulate the entire team for their dedication and perseverance in this task.

We are nearing the completion stages of the annual audit by the Auditor-General (“AG”) for the 2022/23 financial year ended June. The technical aspects of accounting standards have become exceedingly complex over the past two decades making the achievement of clean audits an ever increasing and costly challenge. During the last few weeks it has become apparent that the AG wishes to introduce new technical requirements and hurdles that municipalities were unaware of prior to the commencement of the 2022/23 financial year. Their retroactive implementation could impact clean audits. Negotiations were held yesterday between Provincial Treasury and the AG to seek urgent resolution of interpretations being made. During the course of this Council meeting we may need to request an adjournment of the Meeting in the event that Council needs to be briefed on implications for the Municipality.

Over the past week, George Municipality has been requested to provide assistance to Knysna Municipality regarding the transfer of refuse to the regional landfill site due to not having vehicles and equipment available to remove waste from the Waterfront. There have also been requests for water tankers to assist in Hessequa and Knysna Municipalities.

In concluding, Speaker, I wish to express thanks to our entire committed municipal team so ably led by our municipal manager, Dr Gratz, the team of Directors, deputies, managers and all our dedicated staff members who have worked tirelessly in 2023 in serving to make George probably the most admired municipality in South Africa. Thank you so much.

I would also like to congratulate the new Mayco team and the councillors who served previously in those and other positions. Thank you to the Mayco team and all councillors for your dedication and commitment to the task and service to own communities during 2023.

We have been preparing for what we believe will be a busy holiday and festive season as we understand that our accommodation establishments are pretty much fully booked. Thank you in advance to our staff who will be working through December and into January continuing being in service for our George communities. Best wishes for a blessed Christmas, festive, safe season and recess. Thank you, Speaker.