



**DRAKENSTEIN**

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# Executive Mayor Budget Speech

## 2025/2026 Budget

28 May 2025

A city of excellence

Honourable Speaker

Deputy Executive Mayor

Chief Whip

Members of the Mayoral  
Committee

Councillors

City Manager, CFO and  
Executive Directors

Representatives of the media

Members of the public

Ladies and gentlemen

Good afternoon,

Let us take a moment of silence to honour the memory of Councillor Vanessa Booysen, a dedicated ward councillor who passed away on the 10<sup>th</sup> of May 2025.

***Moment of silence.***

It is a great privilege to deliver my budget speech and table the 2025/2026 budget. At a total of **R4.4 billion**, it is Drakenstein Municipality's largest annual budget to date.

Speaker, on the national front, the economy is not showing any positive signs of recovery. Currently, the inflation rate is **4.9%**, which is within the National Treasury Norm of **3 – 6%**. The national fiscus is shrinking due to increased government debt, resulting in a reduction in national and provincial grants. The National Government sits with a Budget deficit of **R75 billion** due to the successful court case against the VAT increase of **0.5%**. Minister Enoch Godongwana indicated that he will revise the Division of Revenue Act to cut back on revenue allocations to National Departments, Provincial Governments and Municipalities. Fortunately, this did not happen, and allocations remain unchanged. For the first time in three years the fuel levy will increase, and the above inflation increases in sin taxes announced in the March budget have been retained in order to address the National deficit. Locally, the effect is mostly felt by the sharp increase in fuel, food, and electricity prices, amongst others. During these challenging times, we need to be innovative while continuing to exercise fiscal discipline.

Drakenstein Municipality received its **10<sup>th</sup> clean audit opinion** from the **Auditor-General of South Africa** for the 2023/2024 financial year. I want to thank the Deputy Executive Mayor, MMCs, Councillors, the City Manager, CFO, Executive Directors, and all our staff for their contributions to achieving these outstanding results.

Our main objective is to deliver excellent and affordable services to all our residents.

During the heavy rains in July last year, Drakenstein was able to initiate a working group, with the assistance of our Deputy Mayor and MEC Anton Bredell, consisting of the Provincial Disaster Management Centre, City of Cape Town, who is the owner of the Wemmershoek

Dam, the Department of Water and Sanitation and our own officials. The purpose of the group was to monitor the flow of the Berg River and the levels of the Wemmershoek Dam. The team used detailed weather forecasting technology to determine when and where heavy rainfall would occur and what the impact of the downpour on the river would be. This team worked 24 hours a day to keep the level of the river from overflowing its banks, by strategically opening and closing the sluice gates of the dam. This team remains in contact with each other, building on the relationship that contributed to last year's success.

Speaker, vandalism and theft of municipal infrastructure and assets are rapidly increasing in certain areas. Our electricity division repairs damaged infrastructure on an ongoing basis. While the Municipality is making great strides, we appeal to our residents to report cable theft and infrastructure vandalism on our toll-free number, **080 131 3553**.

## **PUBLIC PARTICIPATION PROCESS**

The draft Integrated Development Plan (IDP), Budget, budget-related policies, and draft tariffs were tabled at Council on 28 March 2025 and approved for public participation.

Speaker, for the fifth consecutive year, Drakenstein Municipality successfully hosted a series of Community Open Days where residents could engage with ward councillors and municipal officials, to raise concerns and provide input into the draft Budget, IDP, and Spatial Development Framework (SDF). The draft Budget, IDP and SDF were advertised for community input. Communities were notified of these engagements through various channels, including newspaper advertisements, pamphlet distribution, radio interviews, loud hailing,

Facebook, the municipal website, SMS communication, and via ward councillors.

The **33** wards were clustered into **20** Open Day sessions held over three weeks, from 31 March to 16 April 2025.

Speaker, we also found that there was confusion regarding the new valuation roll. Residential properties went up by **60%** on average, which caused the residents to think that their property tax would also go up by **60%**. To clarify the confusion the Deputy Mayor and the City Manager attended **12** public meetings to provide the correct information for the community.

## **COMMENTS ON THE DRAFT BUDGET**

Written comments were received from the Provincial IDP and Budget Assessment Team; Councillor Jacobs from CDR; Councillor Landsberg from the Freedom Front Plus; the Freedom Front Plus as a collective; AfriForum; Dr Stander on behalf of Drakenstein Civic Association; Drakenstein Farm Watch, and the community. All these comments were carefully scrutinised and considered. Detailed feedback on the comments received is attached to the budget item in Annexure A.

## **ECONOMIC AND FINANCIAL OVERVIEW**

South Africa's economy recorded a **0.6%** growth rate in 2024, marginally lower than the **0.7%** growth recorded in 2023. Although these growth rates are still below the **4%** actual growth achieved through the Western Cape Government's Growth for Jobs Strategy, there are positive performances, such as actual growth of **3.5%** by Drakenstein Municipality, which indicates that the national, provincial

and local economies are on a recovery path from the devastating impact of the COVID-19 lockdown. Higher economic activities in the finance, real estate and business services sectors, as well as personal services, electricity, gas and water contributed the most to the annual increase in real National GDP of **0.6%** in 2024.

Over the past three years, Drakenstein's economy has experienced rapid growth, sustained by increased manufacturing, retail trade, finance, agriculture, and construction activities, amongst others. The recent extension of Paarl Mall and the construction of three new malls in Paarl (Drakenstein Centre, Paarl Convenience Centre and Optenhorst Village), and two shopping centres in the pipeline (Winelands Mall and Boschenmeer Centre), are indications of strong business confidence in the local economy by retailers and investors.

Major roads are being upgraded to ensure a smooth flow of economic goods and consumers, with the Mandela Freedom Road (R301), from the N1 to Kliprug Road, already completed. The upgrade of the R45 between Old Paarl Road and Franschoek Pass, implemented by the Western Cape Government, is ongoing and making good progress. The project is expected to be completed by early 2027 and created approximately **384** job opportunities and bring an investment of approximately **R750 million** into our valley.

The unemployment rate of the municipal area has dropped from **18.9%** in 2021 to **15.2%** in 2023, much lower than the national figure of **33%**, and it is expected to be around **14%** for 2024. In the construction sector alone, an estimated **577** job opportunities were created in 2024 in various government projects within the municipal area, and **37** small contractors were awarded subcontracts. The

construction of Dal Josaphat Primary School has resumed, and local contractors are set to benefit from the project.

Available data indicates that the Drakenstein economy was valued at approximately **R25 billion** in 2020, **R32 billion** in 2023, and given the increased investments and economic activities, it is likely that the value of the economy is approaching **R35 billion** in 2025.

The local economy also benefited from a reduction in fuel prices announced in March. The petrol price dropped by **7 cents** per litre while the price for diesel decreased by **17.5 cents** per litre. Lower international fuel prices have helped ease inflationary pressures to multi-year lows. However, with the fuel levy increase announced by the National Treasury, as from 4 June the general fuel levy on petrol will increase **16 cents** and on diesel by **15 cents** which negates the effect of the lower fuel prices. Inflation has receded, supported by well-calibrated monetary policies and the unwinding supply shocks. Headline consumer price inflation accelerated from a low of **2.8%** in October 2024 to **3.2%** in February 2025 amid an acceleration in non-durable goods price inflation due to the much lower rate of deflation in fuel prices. The main contributors to the **3.2%** annual inflation rate were housing and utilities, food and non-alcoholic beverages, and restaurants and accommodation services. Annual producer price inflation (final manufacturing) was **1.0%** in February 2025, down from **1.1%** in January 2025.

Ongoing conflicts and wars, geopolitical tensions, economic fragmentation and rising protectionism, disruptions to global supply chains, elevated public and private debt levels and high debt servicing costs, persistent inflation, climate change and frequent extreme weather events were highlighted during the recent G20 meeting held

in South Africa as risks that may hinder the achievement of strong, sustainable, balanced and inclusive economic growth.

We are encouraged by the spread of diverse development across Drakenstein, such as continued private investment in residential developments throughout Drakenstein. In Northern Paarl, the Paarl Valleij Lifestyle Estate is continuing with construction, with over **20** families already having moved in. The Optenhorst Retail Centre has also been operating for the past few months. In the Southern Paarl area, construction on the 2 on Tabak development is nearing completion, and construction is progressing on the Winelands Square retail centre that will be home to a new Checkers Hyper on the N1 corridor, with an anticipated opening date of October 2025. The latest information on this construction indicates that a total of **231** job opportunities were created to date.

Construction has also recently commenced at the Parelberg retail centre adjacent to Boschenmeer, with an anticipated opening date of November 2025. Together with various residential developments in Wellington currently progressing with construction, the above-mentioned confirms investors' confidence in the Drakenstein brand.

One of the key revenue enhancement initiatives was a continued focus on promoting development and investment in Drakenstein. During the 2024/2025 financial year, **515** new residential opportunities, **12 737** square metres of new commercial development, and **16 232** square metres of new industrial developments were granted land use development rights.

In addition to these accomplishments, land use rights applications for **650** new residential opportunities, **34 699** square metres of new

commercial land, and **142 474** square metres of new industrial developments are currently being processed.

A total of **1 373** building plan approvals were granted for the period from 1 July 2024 to date. The total value of the approved building plans is approximately **R2.84 billion**.

The approvals granted consist of:

1. **1 225** Residential building plans to the value of **R2.15 billion**;
2. **57** Commercial building plans to the value of **R393 million**;
3. **40** Agricultural building plans to the value of **R114 million**;
4. **31** Industrial building plans to the value of **R147 million**; and
5. The remaining **20** building plans represent a variety of other uses, such as state, institutional uses, and minor building works to the value of **R40 million**.

To preserve business confidence in our area, we have established a new Investment Area Management section. This team has already made great strides in improving business retention and expansion. The results and output of this section have earned accolades from the Drakenstein Business Chamber.

## **2024/2025 BUDGET HIGHLIGHTS AND ACHIEVEMENTS**

Speaker, during the past year, we have confirmed our record of excellent service delivery, good governance, and sound financial management.

Let us now reflect on some of the highlights of the past financial year:

## 1. FINANCIAL RATIOS

Key financial ratio achievements are, amongst others, the following:

- 1.1 Staff costs at **27.16%** of our total operating budget, while the industry norm is between **25%** and **40%**;
- 1.2 Our Current Ratio (liquidity) improved from **1.85** in June 2024 to **2.19** in April 2025, while the industry norm is **1.5**;
- 1.3 Water distribution losses are currently **21.90%**, while the industry norm is **15%** to **30%**; and
- 1.4 Electricity losses are **7.09%**, while the industry norm is **7%** to **10%**.

## 2. SERVICE DELIVERY AND PROJECTS

We previously made various commitments to our community – let us reflect on some of the positive outcomes:

- 2.1 Budget allocations to the Vlakkeland Housing Project to date have contributed to the servicing of **942** sites and the construction and occupation of **754** houses since the start of the project;
- 2.2 The development of the Nieuwedrift Cemetery, a **R2.5 million** project to provide much-needed burial space in

the area, is well underway and this phase is scheduled for completion by the end of June 2025;

- 2.3 The tarring of the western side parking at the Daljosafat Athletics Stadium became a reality at **R6.7 million** and is also scheduled to be finalised by the end of June 2025;
- 2.4 Basic services were upgraded in informal settlements at a cost of **R5 million**;
- 2.5 An estimated **R351 million** was spent on upgrading water and wastewater systems in Paarl and Wellington. This includes an amount of **R326 million** Budget Facility for Infrastructure (BFI) allocation received from the National Treasury for the upgrade of our bulk sewerage network and treatment capacity at Paarl Wastewater Treatment Works that will benefit the whole of Drakenstein;
- 2.6 Stormwater systems throughout Drakenstein were upgraded at a cost of **R7.5 million**;
- 2.7 The capacity at the Dalweiding electricity substation and Vlakkeland switching station was increased to supply the new Vlakkeland housing development, at an estimated cost of **R2.9 million**;
- 2.8 Various electrical upgrades on electrical networks and replacements due to vandalism were done in various parts of the Drakenstein area for the amount of **R22.6 million**; and

- 2.9 Roads across Drakenstein were upgraded and resealed at an estimated cost of **R18.5 million**, with an additional **R32.4 million** allocated specifically to rebuild Drommedaris Road.

After numerous engagements with the Western Cape MEC for Human Settlements, the Simondium Housing Project was approved, and funding was made available and allocated to the municipality for implementation. Unfortunately, the development of bulk and internal infrastructure services at the Simondium Housing Project had to be halted due to activities that triggered additional unforeseen environmental requirements, thereby delaying the project. We are currently awaiting Environmental Authorisation and will continue implementation as soon as it is received.

## **CAPITAL AND OPERATING BUDGET 2025/2026**

Speaker, the proposed total budget for the 2025/2026 financial year amounts to **R4.4 billion**, comprising of a **R3.7 billion** operating budget and a **R714 million** capital budget.

I will summarise the budget in terms of the following:

1. Expanded Public Works Programme (EPWP);
2. Ward Committee Support;
3. Land Use and Urbanisation Management;
4. Water and Sanitation and Budget Facility Infrastructure (BFI) grant;
5. Electricity and Loadshedding Resilience;
6. Waste Management;
7. Roads and Stormwater;

8. Fleet Supplementation;
9. Sport Facilities, Parks and Cemeteries;
10. Tourism;
11. Public Safety and Municipal Court;
12. Community Development;
13. Financial Assistance to the Poor;
14. New Tariffs; and
15. Concluding Remarks.

### **EXPANDED PUBLIC WORKS PROGRAMME (EPWP)**

Speaker, we must create job opportunities fairly and transparently. In this regard, the EPWP Policy and Procedures ensure that recruitment, selection, and contract administration are correctly implemented.

The budget allocation for EPWP for the 2025/2026 financial year makes provision for approximately **461** job opportunities at an estimated cost of **R21.6 million**. The National Department of Transport and Public Works' EPWP Grant contributes **R3.3 million**, while Drakenstein Municipality contributes **R18.3 million**.

The programme will primarily focus on the following projects:

1. Solid waste, refuse removal, and cleaning projects, which include refuse machine handler training;
2. Parks – ensuring that our public open areas and road verges are well maintained;
3. Community facilities and services such as cemeteries, resorts, parks, sports fields, and grass cutting;
4. Public safety projects such as peace officers, security guards, and firefighter training;

5. Cleaning and maintenance of stormwater systems and catchpits;
6. Artisan training in the mechanical workshop;
7. Informal settlements and demolition of illegal structures; and
8. Maintenance of rental stock.

We will also focus on improving the efficiency of EPWP projects by applying the lessons learned from the illegal dumping hotspot EPWP pilot projects. These projects are based on performance management principles, where outputs are measured and remuneration is linked to the level of service achieved in specific areas.

## **WARD COMMITTEE SUPPORT**

Speaker, to ensure visible change and a larger impact in wards through ward projects, it has been decided that ward allocations will be structured according to themes and will consist of the following projects:

1. Clean and Green Project;
2. Assisting disabled, elderly, and youth through direct donations;
3. Direct donations to non-profit organisations (NPOs, ECDs, neighbourhood watches, etc); and
4. Job opportunities (community initiatives).

Each ward committee member will also receive a **quarterly stipend of R900** for assisting the ward councillor.

## **LAND USE AND URBANISATION MANAGEMENT**

Speaker, one of National Government's mandates is to provide housing opportunities to all South Africans. Their inability to fulfil this

mandate has forced Drakenstein Municipality to focus on the management of urbanisation, to manage the growing demand and the need for adequate housing opportunities in our municipality. We have listened to our residents and are re-organising our approach, resources, and focus. Drakenstein's urbanisation and human settlement challenges are enormous. The number of backyard dwellers is rising – not only on private premises, but also at our rental stock units.

I know this will take time, and additional resources, but it is an important process that needs to happen.

National housing legislation prescribes that a municipality must perform this function on behalf of National Government with financial assistance from the national fiscus.

In this regard, a grant allocation of **R30.7 million** has been awarded to the Municipality for the 2025/2026 financial year. The bulk of the funds will be used to service sites at the Simondium Housing Development. A Council contribution of **R20 million** is also earmarked for spending on this housing project.

Through the Informal Settlements Upgrading Partnership Grant, an amount of **R12.7 million** was allocated to Drakenstein Municipality for improvements in Lover's Lane and other informal settlements.

The maintenance of aged municipal rental stock is high on the priority list. **R5 million** has been provided for the maintenance of the rental stock and to rectify structural defects.

## WATER AND SANITATION

### 1. Projects

One of the basic services that the Municipality is obligated to provide is clean drinking water and sanitation. We are budgeting **R465 million** for these services, which will include the following:

- 1.1 Rehabilitation and upgrade of the Paarl Wastewater Treatment Works – **R426 million**;
- 1.2 Rehabilitation and extension of Wellington Wastewater Treatment Works – **R3.9 million**;
- 1.3 Simondium bulk services – **R20 million**;
- 1.4 Replacement of water networks – **R19.5 million**;
- 1.5 Upgrade and replacement of basic services – **R2 million**;
- 1.6 Replacement of equipment for Water and Sanitation Services – **R2.9 million**; and
- 1.7 Replacement of sewage networks – **R5.1 million**.

### 2. Budget Facility for Infrastructure (BFI)

Due to the Municipality's excellent track record in good governance and ability to spend capital budgets, we were awarded **R1.4 billion** by the National Treasury for the upgrade of our bulk sewerage network and Paarl Wastewater Treatment Works in the 2023/2024 financial year. This project will continue over the next three years and benefit all our residents. The decision to award Drakenstein Municipality a BFI grant was a clear sign that a healthy investment climate has been created in Drakenstein.

It was also an endorsement of the Municipality's competence to spend the allocated budget on infrastructure upgrades, in the interest of our broader community.

Procurement processes were completed for the first two projects and started in September 2023. These include the first phase of the upgrading of the Paarl Wastewater Treatment Works and the construction of the Southern Paarl Bulk Sewer. These projects aim to improve effluent quality, meet current service demands, and support capacity for growth and future development across all areas of Paarl, Simondium, and Wellington.

## **ELECTRICITY**

The 2025/2026 budget makes provision for **R65.7 million** to cater, inter alia, for the following electricity infrastructure projects:

1. Replace old equipment – **R4.8 million**;
2. Increase existing medium-tension network capacity – **R5.6 million**;
3. Increase existing low tension network capacity – **R1.2 million**;
4. Increase existing high-tension network capacity – **R1.5 million**;
5. Upgrade Dalweiding substation and switchgear – **R10.5 million**;
6. Upgrading of SCADA system – **R3.1 million**; and
7. Electrical Infrastructure upgrade programme, which will include the electrification of informal settlements – **R2.5 million**.

## **WASTE MANAGEMENT**

Speaker, waste management remains one of our biggest challenges in Drakenstein, the district, and the province. We want our residents to take ownership of their environment and work with the Municipality

to keep it clean. Only then will we win the war against waste. Several initiatives are being planned for this financial year to reduce and control illegal dumping and to ensure a clean, beautiful, and healthy Drakenstein for all.

The following initiatives will be implemented:

1. We will continue and increase the placing and servicing of skips in hotspot areas;
2. A ward-based cleaning project identified and motivated by myself will be further implemented to keep the identified hotspots clean, with the support of EPWP workers and the Municipality's waste collection services;
3. We will continue to use EPWP workers to clean specific problem areas on a scheduled basis; and
4. The Housing Inspectors will monitor the refuse removal in informal settlements.

The following provision has been made for waste management projects in the 2025/2026 financial year:

1. **R1.5 million** for purchasing skips, street refuse bins, and wheelie bins to ensure that a higher number of formalised areas dispose of waste;
2. **R1.15 million** for upgrading and operationalising the satellite stations;
3. **R5 million** for purchasing of recycling and other vehicles; and
4. **R8 million** for the refuse compactor renewal programme.

## ROADS AND STORMWATER

Speaker, a well-developed and maintained integrated road network is of utmost importance. Therefore, the maintenance and upgrading of roads and stormwater infrastructure is a focus area, and we have provided **R51.7 million** for the 2025/2026 financial year.

The following provision has been made for roads and stormwater projects in the 2025/2026 financial year:

1. Rebuilding of Drommedaris Road – **R21 million**;
2. Resealing of roads – **R17.8 million**;
3. Upgrading of Lady Grey and surrounding areas – **R1.7 million**;
4. Refurbishing of stormwater systems – **R6 million**; and
5. Upgrading of traffic lights, traffic calming measures, tarring of sidewalks, bus shelters, closing of walkways, and machinery and equipment – **R3.4 million**.

The upgrading of Main Road 201 to a dual carriageway between the N1 and the Kliprug Road, has been completed, thanks to a total contribution by Council of **R80 million** over the last four financial years. The project's total cost amounted to **R215 million**. The project was implemented by the Provincial Government, who also provided the balance of the funding for this catalytic project. The project created approximately **240** job opportunities.

## FLEET SUPPLEMENT PROGRAMME

Our fleet plays a critical role in supporting daily operations and ensuring efficient service delivery. We allocated **R32.4 million** towards supplementing and modernising our current fleet across all departments. This investment will enable us to build a more reliable

and efficient fleet, ensuring that we continue to meet the service delivery needs of our communities.

## **SPORT FACILITIES, PARKS AND CEMETERIES**

Speaker, the infrastructure for sport, parks, and cemeteries is also an important focus area in our IDP, and we have allocated **R16.7 million** for this purpose in the 2025/2026 financial year.

The main capital projects include:

1. The continued upgrading of the parking area at the Daljosafat Athletics Stadium – **R2.5 million**;
2. Specific works at the De Kraal Sport facility – **R1 million**;
3. The further establishment of the Nieuwedrift Cemetery – **R3 million**;
4. The upgrading of swimming pools and sport facilities in Gouda and Hermon – **R1.8 million**; and
5. The upgrading of facilities at Orleans Park, as well as the upgrading of parks, main roads and tools of the trade – **R7.4 million**.

To ensure that our communities have safe access to Paarl Mountain, **R500 thousand** has been allocated for the upgrade of roads leading up to various areas in the mountain.

## **TOURISM**

During the past year, the Municipality has shifted its tourism focus to create an enabling environment for the private sector to lead the tourism sector growth in Drakenstein. This change in approach led to the development of a joint tourism agenda to set out the growth path for tourism in Drakenstein. We are encouraged by the tourism

sector's drive to boost the industry and welcome the recent expansion of Laborie Estate's five-star accommodation offering, Plaisir Wine Estate and Diamant Estate's exquisite function venue offerings, and the recent launch of the Paarl Boutique Hotel, which is testimony to the overall business confidence in the destination.

The most notable change in the Municipality's basket of destination marketing services is the revival of the #visitwellington and #visitpaarl's social media platforms, currently managed by a local service provider appointed to do specific destination marketing services.

As I reflect, we can confidently say that the destination is coming into its right as a premium events destination. In September 2024, the Municipality successfully hosted the 17<sup>th</sup> Fair Trade Towns and Cities International Conference in Paarl. This was a first for Africa. Just two months ago, Paarl played host to four stages of the most untamed mountain biking race in the world, the ABSA Cape Epic.

Finally, the format of the annual Drakenstein Festival of Lights was changed, and the feedback received was very positive. This year, we will have a few amendments to incorporate the lessons we have learnt.

## **PUBLIC SAFETY**

Speaker, the core principle guiding our strategy to enhance public safety in the municipality is the security and well-being of our residents.

Drakenstein Municipality has made remarkable progress in enhancing safety, creating a more inviting environment for investment that benefits our community. The Public Safety department has collaborated with key stakeholders like the South African Police Service, Community Policing Forum, neighbourhood watches, and private security firms to create a sustainable and significant impact through force multiplication.

The launch of the Green Rangers programme has improved safety protocols on Paarl Mountain and the Arboretum. Green Rangers are essential in promoting the safety and well-being of those who come to enjoy these natural spaces, and we plan to broaden this programme in the upcoming year.

Through continuous engagement with the community, we have created a focused and visible approach to bylaw enforcement.

The Drakenstein Operational Control Centre (DOCC) is poised for significant expansion and enhancement in the upcoming financial year. This initiative will strengthen collaboration with safety partners and stakeholders to improve the effectiveness of incident response. By fostering deeper integration, we will facilitate the seamless exchange of vital data, information, and expertise. Furthermore, we will expand our network of strategically positioned CCTV cameras, aligning them with our safety partners' systems. This will ensure that incidents are managed with unprecedented speed and efficiency. In addition, we will harness drone technology to provide real-time aerial footage, further augmenting our ability to respond effectively to any situation.

Traffic Services are a vital component of Drakenstein Municipality's public safety framework. The Municipality has successfully adopted an innovative electronic learner licensing system, of which Drakenstein Municipality is the front runner in the province.

In the 2024/2025 financial year, the municipality encountered a significant increase in veld and bushfires, with notable incidents like the Paarl Mountain fire and the Groenberg Mountain fire. During these challenging times, the Fire and Rescue Service team demonstrated exceptional commitment and dedication to serving the community. The Fire and Rescue Service further focused on a collective effort, as guided by existing agreements, to exemplify the spirit of community service and highlight the importance of shared responsibility for safety and security throughout the region, while working with neighbouring municipalities in serious fire outbreaks.

This collaboration was evident during the fire at New Rest, where invaluable assistance was received from our neighbouring municipalities. We extend our heartfelt gratitude for their unwavering support and help.

Additionally, we will invest in professional development for our officers and provide specialised training, so they are better equipped to meet the diverse needs of our community. It is also crucial to clarify the services rendered by the municipality to those provided by the district and other stakeholders, ensuring that every resident understands the available resources. This proactive approach will not only enhance public safety but also reinforce our collective commitment to a secure and supportive environment for all.

In our ongoing commitment to improving the safety and well-being of our community, we are dedicated to improving the image of the Public Safety department and fostering trust between the municipality and our residents.

## **COMMUNITY DEVELOPMENT**

### **General Projects**

Speaker, today marks a significant moment in our community's ongoing journey of compassion and care. It is with pride and gratitude that I announce the launch of two initiatives designed to uplift and support our most vulnerable residents, namely the enhancement of our Soup Kitchen programme and the revitalisation of the Paarl and Wellington night shelters.

Firstly, we have allocated funding for new soup kitchens in under-resourced wards. This investment will strengthen our ability to provide daily nourishment for those in need.

Secondly, we have budgeted for upgrades to the Paarl and Wellington night shelters. Through this, we reaffirm our commitment to offering safe and supportive spaces for our homeless community.

These efforts represent more than infrastructure; they symbolise our shared values of care, solidarity, and human dignity.

### **Gender-Based Violence (GBV) and 365 Days of Activism**

We firmly believe that the fight against Gender-Based Violence (GBV) should be a sustained effort, **365** days a year.

Drakenstein Municipality continues to pave the way in the national fight against GBV. We are proud to be one of the front-runners in the GBVF 100 Days Challenge and will once again participate for the third consecutive year.

Some of our key GBV programmes and initiatives include the following:

1. Empowerment Through Education: Our GBV workshops have provided vital platforms for education, empowerment, and support within communities;
2. Youth Engagement: Awareness campaigns in high schools have played a crucial role in engaging young people, helping to shift attitudes and behaviours from an early age; and
3. Early Intervention: Domestic violence workshops and tailored programmes in primary schools ensure age-appropriate education and early intervention strategies.

Through these initiatives, Drakenstein Municipality continues to raise awareness, promote education, and foster a culture of accountability and respect.

## **Homeless People**

Speaker, we are pleased to announce that our second night shelter is operational. In addition, the Wellington night shelter has increased its capacity to accommodate more individuals in need.

These shelters are steppingstones designed to empower homeless individuals to reintegrate into society and become part of the working community. Each person entering the shelter will be required to participate in various developmental programmes, aimed at equipping them to be able to help themselves.

Our Social Development section will focus on:

1. Substance abuse support and rehabilitation referrals;
2. Family reunification, which is one of the most crucial aspects of the process; and
3. Skills development and work-readiness training.

### **Early Childhood Development (ECD) Centres**

Speaker, Drakenstein Municipality takes the registration of Early Childhood Development (ECD) centres very seriously. Our commitment is to ensure we meet all standards and remain at the forefront of ECD development. We are proud to be the municipality within the Cape Winelands District with the highest number of registered ECD centres.

To date, we have provided First Aid training to **55** ECD teachers, ensuring they are equipped to handle emergencies with confidence. We have also assisted **24** teachers in obtaining their National Certificate in ECD – a major step toward professional growth and improved service delivery.

Furthermore, we have streamlined the ECD registration process to reduce the administrative load on centre managers and support them more effectively. Our monthly ECD Forum meetings continue to serve

as a valuable platform for collaboration, training, and sharing of best practices.

We remain committed to nurturing a safe, supportive and high-quality learning environment for our youngest residents

## **FINANCIAL ASSISTANCE TO THE POOR**

Speaker, our monthly Section 71 Report shows that more than **54%** of households in Drakenstein are poor. As of 30 April 2025, we had **16 659** indigent households on our database.

A total of **R208 million** is estimated to be spent on indigent benefits to assist the poorest of the poor in 2025/2026, which excludes the cost of refuse removal, sanitation, and water provision in the **44** informal settlements. For the 2025/2026 budget, Drakenstein Municipality will provide indigent assistance per household of up to **R1 560** per month.

For the current financial year until 30 April 2025, an amount of **R28 million** of outstanding indigent debt was written off in terms of the **50/50** principle, where **50%** of the outstanding debt of indigent households is written off at the beginning of each year.

In an ongoing effort to assist the most vulnerable, it must be mentioned that Drakenstein's indigent support is more than twice the national norm and significantly higher than that of our neighbouring municipalities.

Our Indigent Support Policy makes provision for the following benefits according to a sliding scale:

1. **6** Kilolitres of water every month;
2. **85** Electricity units (for Category A and B consumers) and **50** units (for Category C and D consumers) every month, plus basic charges for up to **30** Amp single-phase pre-paid or conventional electricity meters;
3. Refuse removal charges (once a week for one refuse bin);
4. Sewerage charge levy for one toilet plus basic charges for an erf size up to **550** square metres every month;
5. Assessment rates charged on valuation limited to **R1 million** per erf; and
6. Municipal rentals rebate equivalent to the maximum amount of the total basket of free basic services.

Furthermore, the Municipality also provides free basic services in Drakenstein's **44** informal settlements in the form of water, sanitation, and refuse removal.

## **NEW TARIFFS**

Speaker, I want to provide the Council with the assurance that robust internal and external financial discussions take place, as well as benchmarking exercises with neighbouring municipalities, to ensure that we implement fair and affordable tariffs.

This is even more true as we stand on the brink of implementing the new General Valuation Roll on 1 July 2025 and must think out of the box to ensure that our community is not severely affected due to the average increases in the property market values of between **50%** and **60%**.

Drakenstein Municipality has managed to keep the budget for property rates income to **R538 million** for the 2025/2026 financial year, which translates to a **7.2%** increase from the 2024/2025 financial year. The modest growth in the property rates income is the result of various initiatives taken by the Municipality to ensure that the citizens of Drakenstein are not negatively affected by the surge in property valuations.

The key initiatives taken are as follows:

1. The residential cent in the rand (base rate) will be decreased by **22.5%** for the 2025/2026 financial year;
2. The exemption for all residential property owners will be increased from **R220 thousand** to **R350 thousand**, which translates into a rebate equal to **R81 million**;
3. All qualifying indigent consumers will receive a rebate up to **R1 million** on the value of the property, equaling an amount of **R11.5 million** that is subsidised;
4. All pensioners over **60 years old** will receive an automatic **5%** reduction on property rates payable. This new initiative totals a rebate amount of **R6.9 million**;
5. Additionally, pensioners over **60 years old** with a proven monthly income of **R35 thousand or less** will receive an additional rate reduction of **10%** upon application and approval;
6. Residential properties where the owner cannot connect to the water, sewer or electricity networks will qualify for an additional rebate per service as follows:
  - Water – **7.5%**;
  - Sewer – **7.5%**;

- Electricity – **7.5%**; and
- If the owner is physically disabled, an additional **7.5%** rebate will apply.

However, a game changer this year is the introduction of the capping principle. We engaged the National Department of Cooperative Governance and Traditional Affairs (CoGTA), the custodians of the Municipal Property Rates Act, regarding capping property rates increases from one financial year to another, as the Act does not explicitly make provision for this.

Extensive consultations were held with officials of CoGTA National, who concurred that the capping of rates payable will not lead to an interference or a distortion of the market values of properties and is, therefore, acceptable and implementable. It must be noted that Drakenstein Municipality will be the first municipality to implement such a property rates module that includes the capping of property rates for a category of consumers.

A property rates capping of **12.5% for residential property owners** will be introduced for the 2025/2026 financial year, which will enable **42 635** property owners to have a maximum increase of **12.5%** or less in their property rates payable year on year, regardless of the increase in their market values. Another first this year was the introduction of the municipal calculator to calculate your monthly bill.

The proposed tariff increases for other services for the financial year 2025/2026 are as follows:

1. Water – **7.7%**; that is directly linked to the increase in bulk water of **20.6%** of the City of Cape Town;

2. Refuse Removal and Sanitation – **5.9%**; and
3. Electricity – **10.32%**.

Lastly, the fees for new residential water and sewerage connections will be reduced by **50%**.

Speaker, I would like to take this opportunity to thank our ratepayers for honouring their commitments and paying their municipal accounts. The quality of services we render is only possible due to the cooperation of our community.

## **CONCLUDING REMARKS**

Speaker, in conclusion, building on our successes of the past five years, the proposed final budget focuses on enabling economic development to help stimulate job creation, alleviate poverty, and improve people's lives while maintaining financial sustainability. We want to grow Drakenstein into a thriving and highly efficient city, where our people can live, work, and play.

Drakenstein Municipality's Vision 2032 and its strategic objectives are aligned to the district, provincial and national strategic objectives and outcomes. The proposed final Budget, aligned with the IDP and SDF, is based on realistic revenue streams and is credible and sustainable, as confirmed by the assessment report from the Provincial Government.

I want to take this opportunity to thank the Deputy Executive Mayor, MMCs, City Manager, CFO, Executive Directors, and all staff who played a role in compiling this budget.

Speaker, with these remarks, I table the 2025/2026 budget. The Deputy Executive Mayor, Alderman Gert Combrink, will now formally deal with the Budget Item.

Thank you.