DRAKENSTEIN
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Paarl | Wellington | Gouda | Saron | Simondium

Executive Mayor Budget Speech

2023/2024 Budget

30 May 2023

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; and

Ladies and gentlemen.

Executive Mayor
Ald CJ Poole

Good morning,

It is a great privilege to deliver my budget speech and to table the 2023/2024 budget. At a total of **R3.4 billion** it is Drakenstein Municipality's largest annual budget to date.

As we reflect on the 2022/2023 financial year, we see that the resilience of Drakenstein Municipality as a City of Excellence has been continuously tested. We have withered many storms and can rightly say that our team, the political leadership, senior management, and the employees of the Municipality work together as a well-oiled unit. This was again evident in the successful hosting of the Presidential Imbizo on the **19th** of May at the Dal Josaphat Athletics Stadium. Thank you to everyone who assisted in organising a national event of such magnitude in such a short space of time.

I am happy to announce that Drakenstein Municipality was confirmed as the Western Cape's best secondary city and runner-up in the Best Municipality category at the 8th Provincial Government's Service Excellence Awards Ceremony on Friday, 12 May 2023. We are grateful that our hard work as a team was recognised by the Provincial Government.

Drakenstein Municipality received its **15th consecutive unqualified audit opinion** from the **Auditor-General of South Africa** for the 2021/2022 financial year. This was also our **eighth clean audit opinion**. I am thrilled by these achievements and want to thank the Deputy Executive Mayor, MMCs, Councillors, the City Manager, CFO, Executive Directors and all our staff for their contribution in achieving these outstanding results.

Speaker, on the national front, the economy is not showing any positive signs of recovery. Currently, the inflation rate is still above the Reserve Bank's preferred limits. The national fiscus is shrinking due to increased government debt, which results in a reduction in national and provincial grants. Locally the impact is mostly felt by the sharp increase in fuel, food and electricity prices, among others. During challenging times such as these we need to think out of the box, while continuing to exercise fiscal discipline.

Our main objective is and will always be to deliver excellent services to all our residents.

Speaker, vandalism and theft of municipal infrastructure and assets are rapidly increasing in certain areas. This form of vandalism and electricity cable theft are **10** times worse during Eskom loadshedding. While the Municipality is making great strides in clamping down on cable theft and our electricity teams repair damaged infrastructure on an ongoing basis, we need our community's assistance in fighting this plague. We appeal to our residents to report cable theft and infrastructure vandalism to our toll-free number, **080 131 3553**.

The Municipality remains steadfast in our efforts to improve areas affected by vandalism and to mitigate losses by investigating alternative ways of beautification. One example is the paving bricks on Klein Drakenstein Road that were stolen by criminals and are now being replaced with tar.

PUBLIC PARTICIPATION PROCESS

The Draft IDP, Budget, budget-related policies, and the draft tariffs were tabled at Council on 29 March 2023 and approved for public participation.

Speaker, for the third year, Drakenstein Municipality embarked on a series of Community Open Days. Communities could directly engage with Ward Councillors and municipal departments to raise concerns and to provide their input into the Draft Budget, IDP and Spatial Development Framework. The **33** wards were clustered into **23** Open Day sessions over a period of three weeks, from 4 to 26 April 2023.

In addition, the Draft Budget and IDP were also advertised on our online platforms for the community to provide input electronically or in writing. Our communities were also notified of these engagements through newspaper advertisements, the distribution of pamphlets, radio interviews, loud hailing, Facebook, the municipal website, SMS communication, and ward councillors.

COMMENTS RECEIVED FROM THE PUBLIC

Written comments were received from the community on the Draft Budget and IDP, which includes the Provincial IDP and Budgeting Assessment Report. Detailed feedback to the comments is attached to the budget item as Annexure A.

Speaker, most of the comments received were on the proposed tariff increases. This will be comprehensively dealt with when I discuss the new tariffs.

ECONOMIC AND FINANCIAL OVERVIEW

The South African economy is currently in distress and the Real GDP growth is expected to moderate to **1.4%** in 2025.

Drakenstein continues to experience noticeable economic growth despite the glaring structural challenges that the South African economy faces with rolling loadshedding and unfavorable labour reforms. The growth in the top economic sectors namely, finance, real estate, insurance and business services at **R6.8 billion**; wholesale, retail trade, catering and accommodation at **R3.9 billion** and manufacturing at **R3.6 billion** are indicative of the efforts that Drakenstein has made in positioning the area as an investment friendly area focusing on maximising economic recovery opportunities in South Africa. Whilst the recent unemployment figures nationally depict a gloomy picture for South Africa, the Western Cape is enjoying steady employment growth with **360 000** more jobs created in the Western Cape in quarter 1 of 2023 compared to the same quarter of 2022.

These statistics reflect that we are reaping rewards from our efforts that we have made in the Investment Promotion and Ease of Doing Business space such as the launch of the Development and Investments Prospectus, the establishment of the Investment Desk and associated steering committees to facilitate the ease of doing business with the municipality, the establishment of the Drakenstein Property Development Forum and the implementation of a focused Investment Area Management function to ensure business retention and build business confidence.

We are encouraged to see the diverse spread of developments across the whole of Drakenstein, such as the new Paarl Village Convenience Centre, situated opposite the Drommedaris housing development, with the major anchor being Shoprite. Furthermore, the new Dal Josaphat Primary School and a new clinic are currently under construction at the Mountain Ridge Estate development formerly known as Erf 16161. There are two new Engen filling stations, one at the entrance to Mbekweni and the other in the Paarl CBD. To the south, at the N1 Corridor, we have the Paarl Junction Commercial Development that currently includes Panda, Nissan MyRide and a Shell filling station which is nearing completion. In close proximity to the Paarl Junction, is the recently opened Medicentre.

Furthermore, a number of new residential developments commenced such as the Mountain Crest Estate and Bergvliet Manor Estate along Carolina Road in Paarl East. Further extensions to existing residential developments such as Le Parc Estate, Honeydew Country Estate in Northern Paarl, Diemersfontein Estate and Verdeau Estate in Wellington, as well as Val de Vie and Pearl Valley estates, were undertaken. The above confirms investors' confidence in the Drakenstein brand.

Despite slow economic growth, Drakenstein is performing exceptionally well. Our continued focus on revenue enhancement and protection, as well as cost containment initiatives are yielding positive results. The improved financial and sustainability ratios are reported in the MFMA monthly Section 71 Report and confirmed by INCA Portfolio Managers (Pty) Ltd with the latest report on the Municipality's long-term financial projections.

One of the key revenue enhancement initiatives was a renewed focus on promoting development and investment in Drakenstein. During the 2022/2023 financial year **384** new residential developments, **1 536** square meters of new commercial development, and **10 998** square meters of new industrial developments were granted land use development rights.

Over and above these accomplishments, land use rights applications for **2 801** new residential opportunities and **48 249** square meters of new commercial land are currently being processed.

A total of **1 474** building plan approvals were granted for the period from 1 July 2022 to date. The total value of the approved building plans is approximately **R2.3 billion**.

The approvals granted consist of:

1. **1 298** Residential building plans to the value of **R1.88 billion**;
2. **59** Commercial building plans to the value of **R115 million**;
3. **56** Agricultural building plans to the value of **R112 million**;
4. **24** Industrial building plans to the value of **R52.2 million**; and
5. The remaining **37** building plans represent a variety of other uses such as state, institutional uses, and minor building works to the value of **R131 million**. This includes building works to the value of approximately **R117 million** at the Groenheuwel Clinic, the Green School, Paarl Girls High School, Courtrai Primary School, the Saron Clinic, Paarl Hospital, and the Hawaqua Forest Station.

Growth in the business, commercial and manufacturing sectors continues to stimulate the local economy. A total of **11** new businesses opened their doors in Drakenstein with a total of **836** new job opportunities created to date.

Speaker, the Municipality has many times come under scrutiny for taking up large external loans to invest in bulk infrastructure to ensure that development opportunities were unlocked in the area. This decision was not taken willy nilly but was based on our long-term vision to create an area where people can live, work and play knowing that its growing demands are being met. The decision to invest **R1.55 billion** in infrastructure development over the past **12** years unlocked huge returns such as an additional amount of **R243 million** which is generated from rates and services at residential and commercial developments.

This is truly commendable as various external factors such as COVID-19 and a volatile economy posed serious challenges. Speaker, I can say with confidence that the revenue from property rates and the revenue received from the new developments are sufficient to cover the Municipality's capital and redemption loan payments.

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

2022/2023 BUDGET HIGHLIGHTS AND ACHIEVEMENTS

Speaker, during the past year we have expanded on 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:

- Staff costs at **28.5%** of our total operating budget, while the industry norm is between **25%** and **40%**;
- Our Current Ratio (liquidity) improved from **1.57** in July 2022 to **2.17** in April 2023;
- Water distribution losses currently stand at **16.6%**, while the industry norm is **15%** to **30%;** and
- Electricity losses stand at **6.4%**, 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 results:

2.1 Budget allocations to the Vlakkeland Housing Project to date have contributed to the servicing of **942** sites and constructing **454** houses since the start of the project;

2.2 Speaker, it is with great excitement that I announce that the Simondium Housing Project will become a reality. After numerous engagements with the Western Cape MEC for Human Settlements, it was confirmed that Drakenstein Municipality has been allocated **R40 million** for the development of bulk services at the Simondium Housing Project. This project will improve the living conditions of people residing in the Simondium catchment area. We plan to break ground early in the new financial year;

2.3 An estimated **R1 million** was invested in the "**Paint my Story**" project, which entailed the repainting of rental stock and provided jobs for 18 community members;

2.4 Basic and internal bulk infrastructure services were constructed at our Schoongezicht emergency site at an estimated cost of **R8.2 million**;

2.5 Basic services were upgraded in informal settlements at a cost of **R2 million;**

2.6 An estimated **R31 million** was spent on the upgrading of water and wastewater systems in Paarl and Wellington;

2.7 Stormwater systems throughout Drakenstein were upgraded at a cost of **R5 million;**

2.8 The capacity at the Dalweiding electricity substation and Vlakkeland switching station was increased to supply electricity to the new Vlakkeland housing development - at an estimated cost of **R14 million**;

2.9 Roads across Drakenstein were upgraded and resealed at an estimated cost of **R5 million**, with an additional **R7.9 million** allocated specifically to rebuild Drommedaris Road;

2.10 Sidewalks were upgraded at a cost of **R1.5 million**;

2.11 The Oosbosch Road class 3 dual carriageway project from the Berg River Boulevard to the R301 was completed with a **20%** contribution from the Municipality out of the total cost of **R198.8 million over the past four financial years**. This project was largely funded by the Western Cape Government as it is classified as a provincial road;

2.12 The sporting facilities at Fairyland, Gouda, Boy Louw, Faure Street and De Kraal were constructed and upgraded at a cost of **R4 million.** These improvements are multi-year projects to enhance the standard of our facilities;

2.13 An amount of **R1.3 million** was spent to finalise multi-year projects at the Weltevrede, Mbekweni, Faure Street and Drakenstein swimming pools; and

2.14 A special project was implemented to revitalise the Paarl Arboretum and to create a Climate Smart Park was implemented at a cost of **R2.6 million.** This was undertaken through our partnership with the City of Neumarkt in Germany. This includes the construction of a green classroom, which boasts solar and wind energy generation and rainwater harvesting. Environmental education and awareness programmes are implemented here. This project also includes the upgrading of the walkways along the Berg River.

CAPITAL AND OPERATING BUDGET 2023/2024

Speaker, the total proposed budget for the 2023/2024 financial year amounts to **R3.4 billion**, comprising of a **R3 billion** operating and **R457.5 million** capital budget. No new external loans will be taken up to fund capital projects. This will ensure that our current gearing ratio decreases to an estimated **46.9%** in 2023/2024 and to an estimated **22.3%** in the 2027/2028 financial year, which is well below the national norm of **45%**.

I will summarise the budget in terms of the following:

- Expanded Public Works Programme (EPWP);
- Ward Committee Support;
- Land Use and Urbanisation Management;
- Water and Sanitation;
- Electricity and Loadshedding Resilience;
- Waste Management;
- Roads and Stormwater;
- Sport Facilities, Parks and Cemeteries;
- Tourism;
- Public Safety and Municipal Court;
- Community and Social Development;
- Financial Assistance to our indigents;
- Fleet Replacement;
- New Tariffs; and
- Concluding remarks.

EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

Speaker, it is important for us to facilitate the creation of job opportunities and recruitment in a fair and transparent manner. In this regard the EPWP Policies and procedures were implemented to improve control of recruitment, selection and contract administration.

The budget allocation for EPWP for the 2023/2024 financial year makes provision for approximately **500** job opportunities at an estimated cost of **R21.8 million**. The National Department of Transport and Public Works' EPWP Grant contributes **R4.3 million**, while Drakenstein Municipality contributes **R17.5 million.**

The programme will primarily focus on the following projects:

1. Solid waste, refuse removal and cleaning projects;
2. Parks, ensuring our public open areas and road verges are well maintained;
3. Community facilities and services such as public toilets, swimming pools, sports fields, cemeteries, community buildings, resorts, libraries, parks and grass cutting;
4. Public safety projects such as peace officers, security guards and firefighter training;
5. Cleaning and maintenance of stormwater systems and catch pits, pumpstations, electrical substations, and general buildings;
6. Artisan training in the mechanical workshop;
7. Informal settlement plumbing and cleaning of toilets;
8. Maintenance of rental stock; and
9. Demolition of illegal structures.

WARD COMMITTEE SUPPORT

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

1. Clean and Green Project;
2. Support Projects (NGOs, Schools, Elderly and Sport);
3. Safety Support Project;
4. Skills Development; and
5. Community Projects.

Each ward committee member will also receive a **quarterly stipend** of **R750** for assisting the ward councillor in the ward.

LAND USE AND URBANISATION MANAGEMENT

Speaker, one of National Government's mandates is to provide housing opportunities to all South African citizens. 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 municipal area. We have listened to our residents, and we are reorganising our resources and focus. Drakenstein's urbanisation and human settlement challenges are enormous. The number of backyarders is rising - not only on private premises, but also at our rental stock units. This worsens the risk of fires significantly.

I know this will take time, as well as additional resources, but it is an important process that needs to take place.

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 **R24.5 million** was awarded to the Municipality for the 2023/2024 financial year which will be used to service sites on Mbekweni Erf 557, with funds availed for further planning in Fairyland, Saron, Paarl East and Simondium.

Through the Informal Settlements Upgrading Partnership Grant an amount of **R9 million** was allocated to Drakenstein Municipality for improvements in Lover's Lane, Chester Williams and other informal settlements.

In addition to the aforementioned, an amount of **R42.7 million** will be spent directly by the Provincial Government on the Vlakkeland Housing Project for the 2023/2024 financial year, which will assist in building **265** new houses.

During the new financial year, we will also focus on the following projects:

1. Ensuring manholes and sewer connections are installed in Fairyland and Siyahlala with a budget of **R2.5 million**;
2. Maintenance of ageing municipal rental stock is high on the priority list. An amount of **R5 million** has been provided for the maintenance of the rental stock and to rectify structural defects; and
3. Installation of bulk and internal services in Simondium to the amount of **R40 million**.

WATER AND SANITATION

1. Capital Projects

One of the basic services that Drakenstein Municipality is obligated to provide, is clean drinking water and sanitation. We are budgeting **R303 million** for these services, which will include the following:

- Upgrade of the Ysterbrug-Victoria Booster Pump Line – **R10.2 million;**
- Upgrade of the Southern Paarl Bulk Sewer – **R82 million;**
- Rehabilitation and upgrade of the Paarl Wastewater Treatment Works – **R183 million;**
- Replacement of water networks – **R13.9 million**;
- Upgrade and replacement of basic services – **R4 million;**

- Replacement of equipment for Water and Sanitation Services – **R2.2 million**;
- Minor upgrades of various pumpstations and treatment works – **R1.4 million;**
- Installation of a UV Disinfection System and flow meters at the Wellington Wastewater Treatment Works – **R2.8 million**; and
- Replacement of sewage networks – **R3 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 National Treasury for the upgrade of our sewerage and water networks. This project will run over the next three years and will benefit all our residents. The decision to award Drakenstein Municipality a BFI grant is 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 allocated grants and budgets on infrastructure upgrades – in the interest of our broader community.

Procurement procedures are well underway for the first two projects which will start in July 2023. These include the first phase of the upgrading of the Paarl Wastewater Treatment Works, and the construction of the Southern Paarl Bulk Sewer.

3. Water Service Infrastructure Grant (WSIG)

Speaker, as we all know, water is a precious resource that is essential to the wellbeing of our communities. Therefore, we must ensure that our water infrastructure is properly maintained and upgraded to meet the needs of our growing city.

Many of our pipes are old and timeworn, and we have experienced numerous leaks and bursts in recent years. These issues not only impact on the quality of our water supply, but also result in water distribution losses.

I am therefore pleased to announce that we have been allocated a Water Service Infrastructure Grant of **R16 million** to address our ageing water reticulation infrastructure. These funds will be used to rehabilitate and upgrade our water distribution network and ensure reliable water supply.

ELECTRICITY AND LOADSHEDDING RESILIENCE

1. Projects

The 2023/2024 budget makes provision for **R40.3 million** to cater, inter alia, for the following electricity infrastructure projects:

1. Replace old equipment – **R3 million;**
2. Increase existing medium-tension network capacity – **R4 million;**
3. Increase existing low tension network capacity – **R1.2 million;**
4. Increase existing high-tension network capacity – **R5.9 million;**
5. Upgrade of bulk electricity to the Vlakkeland Housing Project – **R8.6 million**;
6. Repairs following vandalism and theft of infrastructure – **R4 million**; and
7. Electrical Infrastructure Upgrade Programme, which will include the electrification of informal settlements – **R3.25 million**.

2. Eskom Loadshedding Resilience Plan

Eskom's persistent and high-stage loadshedding has a severely negative impact on our households and businesses, as well as different sectors of the economy.

We are currently doing our research and we are learning lessons, such as the Rural Management Project in the Free State, where Eskom challenged an external energy provider's supply of solar energy to a municipality. It boggles the mind how National Government can allow this to happen. Eskom, a state-controlled entity, is the only business selling a product that I am aware of that is begging its customers to buy less.

Therefore, we have prioritised our resources and reinforced our three-pronged Eskom Loadshedding Resilience Plan.

Firstly, we focus on sustainable service delivery. We have developed a comprehensive contingency plan to mitigate possible service delivery disruptions caused by Eskom loadshedding, as well as to safeguard municipal infrastructure.

During the 2022/2023 financial year, the Western Cape Government awarded Drakenstein Municipality an Emergency Municipal Loadshedding Relief Grant (EMLRG) of **R6 million**, to be spent on back-up generators at key water and wastewater infrastructure installations. The Municipality allocated another **R6 million** from our own mid-year capital expenditure adjustment budget to extend the mitigation. A further **R2.8 million** has been allocated for the 2023/2024 year to continue with this initiative.

To mitigate the impact of Eskom loadshedding, we have upgraded almost all our primary signalised traffic intersections with Uninterrupted Power Supply (UPS) systems to ensure free traffic flow, to the amount of **R3 million**. This is bringing huge relief to our road users and minimises the risk of road accidents.

Secondly, we are protecting our revenue. During 2022/2023 we have noticed a significant decrease in revenue generated, due to higher stages of Eskom loadshedding.

Thirdly, we are investigating ways of generating or purchasing alternative and renewable energy - to help alleviate the sting of Eskom loadshedding.

We are engaging with various Independent Power Producers (or IPPs). These are large-scale commercial investors who specialise in generating alternative energy for sale. We are also considering the pros and cons of wheeling – this is when IPPs use the municipal grid to distribute their power. All these actions illustrate our willingness to find an amicable solution to the current challenges.

Speaker, with regards to alternative energy, Drakenstein Municipality will not mislead its community by making unrealistic promises of alternative or renewable energy solutions. It is neither that quick, nor that simple to reduce loadshedding or to replace Eskom, and renewable energy is no quick fix. In Drakenstein we have decided to follow a cautious approach when considering alternative energy options. It is important to ensure that whichever energy solution we propose is sustainable, reliable, affordable, and does not add an extra financial burden on our ratepayers.

I can assure you that this Municipality will not take any haste decisions, incur additional bank loans, or sign any contracts with IPPs without a proper business case, public engagement or a council decision.

We will continue to monitor, review, and amend this plan and keep a close eye on the industry as new information and regulations on the national energy crisis becomes available.

WASTE MANAGEMENT

Speaker, waste management remains one of our toughest challenges in Drakenstein, the district and the province. We need our residents to take ownership of their environment and work together 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 illegal dumping and to ensure a clean, beautiful, and healthy Drakenstein for all.

These include:

1. Continuing to place skips in hotspot areas which are cleaned regularly;
2. The "Aunty Dinah" project proved to be a success and will be continued by appointing supervisors to keep the identified hotspots clean, with the support of EPWP workers and the Municipality's collection services; and
3. The War on Waste (WoW) programme is an ongoing initiative. As from 1 July this year, **250** EPWP workers will be deployed daily throughout Drakenstein to clean specific problem areas. It is also supported by social media campaigns and awareness programmes.

The following provision has been made for waste management projects and equipment in the 2023/2024 financial year:

1. **R5.1 million** for the construction of organic waste diversion infrastructure to comply with new waste legislation; and
2. **R1.7 million** for additional skips.

ROADS AND STORMWATER

Speaker, a well-developed and maintained integrated road network which provides for mobility of all transport sectors - in support of integrated urban planning, economic growth, and sustainable development - is of utmost importance. Therefore, we have provided **R34.6 million** for the maintenance of roads and stormwater infrastructure.

The maintenance projects will focus on:

1. Resealing of roads;
2. Upgrading of our stormwater system;
3. Tarring of sidewalks; and
4. Upgrading of traffic signals and provision of UPS systems.

The upgrading of Main Road 201 to a dual carriageway between the N1 and the Kliprug Road is well underway, and we are set to contribute **R10 million** in the 2023/2024 financial year to the project's total cost of **R196 million**. Most of the funding will be provided by the Provincial Government.

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 provided **R9.4 million** for this purpose in the 2023/2024 financial year.

Here the main capital projects include:

1. The upgrading of the parking area at the Dal Josaphat Athletics Stadium – **R3 million**;
2. Further development at the De Kraal Sport Complex – **R3 million;** and
3. The establishment of the new **Nieuwedrift Cemetery – R1 million**.

TOURISM

Speaker, although tourism is primarily a national and provincial competency, Drakenstein Municipality is committed to grow our area as a preferred tourism and investment destination and to stimulate economic development and job creation.

The development of the De Poort site has been identified as a key project to help achieve this goal. In partnership with the private sector, we want to transform De Poort into a mixed-use space which caters for tourism-related activities. In March 2023, Council awarded a 50-year lease in this regard. This development is a catalyst in further unlocking the development potential of the Southern Paarl Hamlet.

In respect of tourism, the Municipality has also embarked on a renewed drive to establish Paarl-Welllington as a premier tourism destination for sport, wellness, wine and adventure. The sector is enjoying a healthy influx of local and international travellers visiting our City.

As for community events, we are pleased to announce that we have changed the format of the annual Drakenstein Festival of Lights to rotate between our towns. This year it will be hosted in Paarl and Saron respectively. We have decided to consolidate the activities so that a top-notch and more diverse event can be offered to the residents of Drakenstein.

PUBLIC SAFETY AND MUNICIPAL COURT

1. Public Safety

Speaker, the failure of the South African Police Service (SAPS) to protect our residents has forced us to budget for additional human resources, equipment and smart technology to strengthen public safety in Drakenstein.

Speaker, policing and law enforcement will always remain the responsibility of the South African Police Service; however, Drakenstein Municipality has taken a conscious decision to expand on its public safety mandate to complement the South African Police Service.

We have listened to our community and we are responding with a new, dedicated Public Safety Department that will have a northern and southern precinct presence. This will allow for a more focused and visible law enforcement.

To further support law enforcement, 18 young people are currently being trained as Law Enforcement Peace Officers to boost our capacity. Another 16 Bobbies on the Beat will be trained and deployed in our Central Business Districts to improve safety.

The Drakenstein Smart Safety Network (or DSSN) - a partnership between Drakenstein Municipality, the Provincial Department of Community Safety, the South African Police Service, community-based safety organisations including neighbourhood and farm watches, and the private sector (security companies) - will be further developed. The DSSN provides a platform to work together and share information on safety and security incidents and threats in real time, using cutting-edge technology. During the first two phases of the project, capital spending of **R2.4 million** was invested, which included the renovation of the central control room and expansion of smart technology.

Previous investments included the installation of CCTV cameras, security beams, alarms, security lights and license plate recognition (or LPR) cameras at a cost of approximately **R2 million** in 2021/2022 and of **R1.1 million** in the current financial year, whilst a further **R3.1 million** has been budgeted for 2023/2024. A number of ward councillors availed a total amount of **R638 000** from the ward project allocations, to assist with these projects as safety was identified as a high priority.

We have installed a total of **71** CCTV and LPR cameras in this financial year, monitoring all entrances to our city and providing valuable information to our municipal control room at 60 Breda Street in Paarl.

Traffic Services also forms an integral part of law enforcement and I am proud to confirm the success of our homegrown electronic motor vehicle registration system, as well as our electronic learner licensing testing centre implemented in the previous financial year. This inspired us to look for further innovative solutions and we are currently introducing a satellite motor vehicle license renewal system for Saron and surrounding areas in Drakenstein.

I want to recognise the contribution made by the following safety partners: Paarl Business Watch, Drakenstein Farm Watch, the South African Police Service, Wellington and Paarl East Community Policing Forums, and all neighbourhood watches.

2. Municipal Court

We welcome the opening of the Municipal Court on 1 December 2022. Up to now bylaw-related contraventions did not receive the attention it deserved on an overburdened Magistrates Court Roll. One such bylaw is our Problem Premises Bylaw of 2020 that enables the Municipality to address the appearance and safety of a building or property. We are pleased that **42** cases are currently being addressed via the Municipality's Problem Premises Bylaw. The Municipal Court has already found in favour of the Municipality in one case since December, while **10** cases were resolved without legal action because of the owners' rectifications. During the 2023/2024 financial year the Municipal Court will continue to adjudicate cases to ensure bylaw enforcement in the Drakenstein area.

COMMUNITY AND SOCIAL DEVELOPMENT

1. General Projects

Speaker, the general projects, programmes and initiatives that we will support to improve service delivery and the living conditions of our community in the next financial year, are:

1. Upgrading of soup kitchens – **R400 000** to ensure that the buildings are effectively equipped;
2. Upgrading of the containerised night shelter – **R800 000**;
3. Purchasing of fire safety vehicles and equipment – **R1.4 million**;
4. Purchasing of tools of the trade for various sections to ensure that all staff have the correct equipment to be more effective and efficient in delivering services to the community – **R2.5 million**; and
5. Investing in information technology infrastructure – **R3.1 million**.

2. Gender-Based Violence and 365 Days of Activism

Drakenstein Municipality has declared war against gender-based violence in our society. We strongly believe that gender-based violence should be fought **365** days a year and should not be a once-off campaign.

Our Social Development section is focusing on the following gender-based violence initiatives:

- Gender-based violence workshops;
- High school outreach programmes;
- Community awareness programmes;
- Domestic violence workshops; and
- Early intervention and prevention at primary school.

3. Street People

The effective management of street people within the municipal area is a complex matter and needs a holistic approach. The Municipality, in collaboration with the Department of Social Development, is busy finalising a Memorandum of Understanding to establish and manage overnight shelters in Wellington and Paarl. We firmly believe this initiative will assist in restoring the dignity of the homeless in Drakenstein – in a structured way.

Our Social Development section, in partnership with Networking for Christ and other stakeholders, will focus on:

- Substance abuse programmes;
- Rehabilitation referrals;
- Family reintegration; and
- Workmanship skills.

4. Early Childhood Development Centres (ECDs)

Speaker, our children are our future. Currently we support **132** registered Early Childhood Development Centres (or ECDs) across our municipal area - from Simondium to Saron.

The Social Development section, in partnership with the Department of Education, implements the following initiatives:

- First aid training;
- Health and safety training;
- Fire awareness;
- Assisting with the registration of crèches; and
- Conducting of Early Childhood Development Forum meetings.

5. Training for Unemployed Youth

The Municipality is working tirelessly to provide opportunities for our youth. Our Corporate and Planning Services, and Engineering Services Departments - in partnership with education and training authorities and our local colleges - have during the first three quarters of the 2022/2023 financial year provided vocational, soft skills and work placement interventions for **156** unemployed youth from Drakenstein. During the next financial year these interventions will again be prioritised.

FINANCIAL ASSISTANCE TO OUR INDIGENTS

Speaker, our monthly Section 71 Report shows that more than **60%** of our residents in Drakenstein are indigent. This includes residents on the indigent register, backyard and informal settlement dwellers. At 30 April 2023, we had **14 597** indigent households on our database. The equitable share allocation received from National Government does not sufficiently address the plight of our people and that is why we will continue to support our indigent households.

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, according to a sliding scale, for the following benefits:

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 meters every month;
5. Assessment rates charge on valuation limited to **R700 000** 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 service (water, sanitation and refuse removal) in Drakenstein's **43** registered informal settlements - to ensure that all communities receive these services.

FLEET REPLACEMENT

Our fleet of vehicles is a critical component of our municipal operations. Our vehicles enable us to deliver essential services to our residents, maintain our infrastructure, and respond to emergencies.

Our ageing fleet of vehicles requires an urgent upgrade and as our city grows, we have to acquire additional vehicles to provide the same level of service. Therefore, I am pleased to announce that we have allocated **R5.5 million** to purchase new vehicles.

NEW TARIFFS

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

Before I deal with tariffs, it is important to understand our proposed tariffs in the context of the normal inflation rate (the CPI) and the municipal inflation rate. Currently, the normal inflation rate is **7.1%** and all projections are that it will not decrease in the near future.

Municipal inflation however is affected by factors such as the cost of electricity, fuel, material, equipment, and more. For example, the cost increase of electricity is **18.49%**; while petrol and diesel costs rose respectively by **27.7%** and **54.1%**. The estimated municipal inflation rate is between **10%** and **15%**.

Against this background and despite expected high normal and municipal inflation rates, the proposed tariff increases for the financial year 2023/2024, are as follows:

1. Water and Sanitation – **6.5%;**
2. Refuse Removal – **6.9%;**
3. Property Rates – **3.9%;** and
4. Electricity – **15.1%**.

Speaker, as we all know, Eskom is increasing bulk electricity tariffs with **18.49%**. With the compilation of our Draft Budget in March 2023 the proposed tariff increase was **18.02%**. NERSA tentatively communicated that Municipalities may increase their tariffs with **15.1%** subject to final approval.

As a responsible local government institution, and conscious of the impact on our residents, Drakenstein Municipality will therefore implement the **15.1%** or the NERSA final approved tariff increase. Included in today's item are the revised electricity tariffs, which will be submitted to the NERSA for approval.

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 thanks to the co-operation of our community.

CONCLUDING REMARKS

Speaker, in conclusion, building on our successes of the past five years, the proposed final budget is focusing 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 as a thriving and highly efficient city, for our people to live, work and play in.

Drakenstein Municipality's Vision 2032 and its strategic objectives are aligned to the national, provincial and district strategic objectives and outcomes. The proposed final Budget, aligned with the IDP, Spatial Development Framework and the Disaster Management Plan also tabled today, is based on realistic revenue streams and is credible and sustainable as confirmed by the assessment report from the Western Cape Provincial Government.

I want to take this opportunity to thank the Deputy Executive Mayor, MMCs, Councillors, City Manager, CFO, Executive Directors and all staff who contributed to the compilation of this well-balanced budget.

Speaker, with these remarks, I table the 2023/2024 budget. The Deputy Executive Mayor, Alderman Gert Combrink, will now formally deal with the Budget Item 9.15 in the agenda.

I thank you.