



DRAKENSTEIN

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Paarl | Wellington | Gouda | Saron | Simondium

Executive Mayor Budget Speech

2024/2025 Budget

30 May 2024

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,

It is a great privilege to deliver my budget speech and table the 2024/2025 budget. At a total of **R4.1 billion**, it is Drakenstein Municipality's largest annual budget to date.

When we reflect on the 2023/2024 financial year, we see that the resilience of Drakenstein Municipality as a City of Excellence has been constantly tested. We experienced heavy rain and flooding in September 2023. In early April 2024, we also faced one of the worst windstorms in this valley, uprooting over **120** trees and damaging many roofs of our rental stock, as well as blowing off several roofs of privately owned houses. We weathered these storms and I can rightly say that our team – including the political leadership, senior management, and the employees of the Municipality – work together as a well-oiled unit.

I am pleased to announce that Drakenstein Municipality was rated as the best secondary city in South Africa by Good Governance Africa. The Municipality was also recognised at the **8th** Provincial Government's Service Excellence Awards Ceremony on the 19th of April. We were awarded Silver for the Best Project for our groundbreaking initiative to implement uninterrupted power supply (UPS) systems at our traffic intersections. We also received a Bronze Award for our Best Red Tape Reduction and Ease of Doing Business initiatives.

Drakenstein Municipality received its **16th consecutive unqualified audit opinion** from the **Auditor-General of South Africa** for the 2022/2023 financial year. This was also our **ninth clean audit opinion**. As Executive Mayor, 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 contributions to 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, resulting 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. As a result of our proven track record of successful project implementation and timely, efficient spending of grant funds, Drakenstein secured a National Treasury Grant of **R1.4 billion** over a three-year period. This will assist us to expand our water and wastewater treatment capacity, increasing our readiness for future implementation of economic development projects.

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

Speaker, vandalism and theft of municipal infrastructure and assets are rapidly increasing in certain areas. This form of vandalism, especially electrical cable theft, is **10** times worse during Eskom loadshedding. 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 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, such as the paving bricks in Klein Drakenstein Road that were stolen by residents and are being replaced with tar.

Speaker, in addition, I would like to give special recognition to Mr. San Paulse from Saron for his lifelong contribution to the community of Saron, touching the lives of many. Mr. Paulse served as the president of the Saron Rugby Club and was a member of the Saron choir, which had the privilege and honour of recording a CD of their music. Mr. Paulse is a well-respected senior citizen, an active community activist, and serves as a living example of what we should strive to be.

PUBLIC PARTICIPATION PROCESS

The Draft Integrated Development Plan (IDP), Budget, budget-related policies, and draft tariffs were tabled at Council on 27 March 2024 and approved for public participation.

Speaker, for the fourth 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 9 to 29 April 2024.

COMMENTS RECEIVED FROM THE PUBLIC

Written comments were received from the Provincial IDP and Budget Assessment Team, and the community, on the Draft Budget and IDP. All comments submitted were scrutinised and considered. Detailed feedback on the budget, tariffs, and budget-related policy comments is attached to the budget item as Annexure A.

ECONOMIC AND FINANCIAL OVERVIEW

South Africa's economy narrowly avoided a technical recession after shrinking by **minus 0.2%** in the third quarter of 2023 and growing by a mere **0.1%** in the fourth quarter. For 2023 as a whole, the country's economy recorded a modest growth of **0.6%**, on the back of energy supply challenges, rising food and fuel prices, and the impact of the Russia-Ukraine and Israeli-Palestine wars, among others. The South African economy remains under strain, with Real GDP growth forecasted at **1.0%** in 2024 and **1.2%** in 2025.

However, the Drakenstein economy is experiencing the opposite and is growing in leaps and bounds. The city continues to witness an increase in residential developments, economic infrastructure upgrades, and new businesses opening their doors within the municipal area.

The latest data by Quantec indicates that the Drakenstein economy is valued at approximately **R30 billion** (2023), a significant increase from just over **R25 billion** recorded in 2020. All 10 sectors of the economy have reported growth in income and employment between 2022 and 2023, signalling a positive recovery from the impacts of the COVID-19 pandemic.

In 2022/2023, employment across all **10** economic sectors in Drakenstein saw an increase, with the most jobs created in the wholesale, retail trade, hospitality sector (**2 319 jobs**), followed by agriculture, forestry and fishing (**1 614 jobs**); finance, insurance, real estate and business services (**845 jobs**); community, social and personal services (**311 jobs**); manufacturing (**222 jobs**); transport, storage and communication (**219 jobs**); and construction (**139 jobs**). Although not officially recorded, many more jobs have been created in the informal sector. Drakenstein currently supports more than 300 informal traders, each of whom employs at least one individual.

The steady economic sectoral growth and the reduction of the official unemployment rate demonstrate that Drakenstein's investment promotion efforts are reaping rewards. Drakenstein remains well positioned, through its innovative institutional reforms, to attract investment in alignment with the Western Cape Government's Growth for Jobs Strategy and Vision, which aim for an annual growth rate of at least **4%**. The recent large-scale investments in the tourism, manufacturing (agro-processing) and real estate sectors also provide locals with a diverse range of sustainable job opportunities.

The recent **R400 million** expansions of Döhler, a German company that operates in the agro-processing industry, demonstrates the private sector's high levels of business confidence. This new production facility, set to be complete by the end of this year, is expected to create at least **160** permanent jobs. In addition, Ener-G-Africa opened the doors to its new cookware manufacturing plant in Drakenstein earlier in May 2024, employing **150** people from our communities, with plans to further expand their workforce by **40 to 60** employees over the next **12 to 20 months**.

We are encouraged by the spread of diverse development across Drakenstein, such as continued residential developments along Carolina Road. In Northern Paarl, we have the Paarl Valleij Lifestyle Estate which has commenced with construction, as well as the imminent opening of the Optenhorst Retail Centre. In the Southern Paarl area, construction commenced on the 2 on Tabak development, and the Picardie Estate in Courtrai. Furthermore, construction has recently begun on a new Checkers Hyper on the N1 corridor, adjacent to the MyRide Nissan building. Together with various residential developments in Wellington, the above confirms investors' confidence in the Drakenstein brand.

One of the key revenue enhancement initiatives was a renewed focus on promoting development and investment in Drakenstein. During the 2023/2024 financial year, **1 291** new residential opportunities, **20 702** square meters of new commercial development, and **1 040** square meters of new industrial developments were granted land use development rights.

Over and above these accomplishments, land use rights applications for **1 679** new residential opportunities, **24 659** square meters of new commercial land and **44 679** square meters of new industrial developments are currently being processed.

A total of **1 420** building plan approvals were granted for the period from 1 July 2023 to date. The total value of the approved building plans is approximately **R2.94 billion**.

The approvals granted consist of:

1. **1 241** Residential building plans to the value of **R2.49 billion**;
2. **76** Commercial building plans to the value of **R205 million**;
3. **43** Agricultural building plans to the value of **R132 million**;
4. **36** Industrial building plans to the value of **R81 million**; and
5. The remaining **24** building plans represent a variety of other uses such as state, institutional uses, and minor building works to the value of **R34 million**.

Speaker, the Municipality has often come under scrutiny for taking up large loans to invest in bulk infrastructure to ensure that development opportunities are unlocked. This decision was not taken lightly, but was based on our long-term vision to create an area where people can live, work, and play, knowing that its growing bulk infrastructure demands are being met.

The decision to invest in infrastructure development over the past **12 years** unlocked unimaginable returns, where an additional annual amount of **R304.6 million** is currently billed and received for rates and services at new residential and commercial developments.

This is commendable as various external factors such as COVID-19 and a volatile economy posed serious challenges. Speaker, I can with confidence say, the revenue from property rates and the revenue received from the new developments are sufficient to cover the Municipality's 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 retention and expansion. The results and output of this section have earned accolades from the Drakenstein Business Chamber.

2023/2024 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 **28.5%** of our total operating budget, while the industry norm is between **25%** and **40%**;
- 1.2 Our Current Ratio (liquidity) improved from **1.68** in July 2023 to **2.14** in April 2024, while the industry norm is **1.5**;
- 1.3 Water distribution losses is currently **17%**, while the industry norm is **15%** to **30%**; and
- 1.4 Electricity losses is **3.95%**, 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 **704** houses since the start of the project;
- 2.2 The Simondium Housing Project is a reality. After numerous engagements with the Western Cape MEC for Human Settlements, an amount of **R20 million** was transferred to Drakenstein Municipality for the development of bulk infrastructure services at the Simondium Housing Project. This project will improve the living conditions of people residing in the Simondium catchment area and is currently in progress;
- 2.3 Basic and internal bulk infrastructure services were constructed at our Schoongezicht emergency site at an estimated cost of **R3.8 million**;
- 2.4 Basic services were upgraded in informal settlements at a cost of **R7.2 million**;

- 2.5 An estimated **R277 million** was spent on upgrading water and wastewater systems in Paarl and Wellington. This includes an amount of **R252 million** Budget Facility for Infrastructure (BFI) allocation received from the National Treasury for the upgrade of our sewerage and water networks;
- 2.6 Stormwater systems throughout Drakenstein were upgraded at a cost of **R5.6 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 **R8.7 million**;
- 2.8 Roads across Drakenstein were upgraded and resealed at an estimated cost of **R9.6 million**, with an additional **R8.7 million** allocated specifically to rebuild Drommedaris Road; and
- 2.9 Sidewalks were upgraded at a cost of **R3.5 million**.

CAPITAL AND OPERATING BUDGET 2024/2025

Speaker, the total proposed budget for the 2024/2025 financial year amounts to **R4.1 billion**, comprising a **R3.3 billion** operating budget and a **R766 million** capital budget. No new external loans will be taken up to fund the capital projects.

This will ensure that our current gearing ratio decreases to below **50%** in 2024/2025 and to an estimated **25%** in the 2028/2029 financial year, which is well below the national norm of **45%**.

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. Sport Facilities, Parks and Cemeteries;
- 9. Tourism;
- 10. Public Safety and Municipal Court;
- 11. Community Development;

12. Financial Assistance to the Poor;
13. Fleet Replacement;
14. New Tariffs; and
15. Concluding Remarks.

EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

Speaker, it is important that we create job opportunities in a fair and transparent manner. 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 2024/2025 financial year makes provision for approximately **472** job opportunities at an estimated cost of **R19.4 million**. The National Department of Transport and Public Works' EPWP Grant contributes **R2 million**, while Drakenstein Municipality contributes **R17.4 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, community buildings, resorts, 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 catchpits;
6. Artisan training in the mechanical workshop;
7. Informal settlements – cleaning of toilets; and
8. Maintenance of rental stock.

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. Safety Support Project;
4. Direct donations to non-profit organisations (NPOs); and
5. Job opportunities (community initiatives).

Each ward committee member will also receive a **quarterly stipend of R900** 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 approach, resources and focus. Drakenstein's urbanisation and human settlement challenges are enormous. Our number of backyarders is rising – not only on private premises, but also at our rental stock units.

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 **R44.9 million** has been awarded to the Municipality for the 2024/2025 financial year, of which the bulk of the funds will be used to service sites at the Simondium Housing Development and the balance to undertake further planning at Mbekweni, Erf 557.

Through the Informal Settlements Upgrading Partnership Grant, an amount of **R2.5 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 **R11.9 million** will be spent directly by the Provincial Government on the Vlakkeland Housing Project for the 2024/2025 financial year.

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

1. The installation of water meters in Fairyland and Siyahlala with a budget of **R1 million**; and
2. The maintenance of aged 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.

WATER AND SANITATION

1. Projects

One of the basic services that Drakenstein Municipality is obligated to provide is clean drinking water and sanitation. We are budgeting **R567 million** for these services, which will include the following:

- 1.1 Rehabilitation and upgrade of the Paarl Wastewater Treatment Works – **R482 million;**
- 1.2 Upgrade of the Southern Paarl Bulk Sewer – **R39.8 million;**
- 1.3 Simondium Bulk Services – **R20 million;**
- 1.4 Replacement of water networks – **R11.6 million;**
- 1.5 Upgrade and replacement of basic services – **R3 million;**
- 1.6 Replacement of equipment for Water and Sanitation Services – **R2 million;**
- 1.7 Back-up power installations at Water and Sanitation Services – **R3.3 million;**
and
- 1.8 Replacement of sewage networks – **R5 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 sewerage networks and Paarl Wastewater Treatment Works in the previous year. This project will continue over the next three years and will 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.

ELECTRICITY

The 2024/2025 budget makes provision for **R35.7 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 – **R4 million**;
3. Increase existing low tension network capacity – **R1.3 million**;
4. Increase existing high-tension network capacity – **R3 million**;
5. Upgrade Dalweiding Substation and Switchgear – **R2.9 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 – **R2 million**.

WASTE MANAGEMENT

Speaker, waste management remains one of our biggest 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 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 will be piloted to keep the identified hotspots clean, with the support of EPWP workers and the Municipality's waste collection services;
3. We will continue to utilise 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 2024/2025 financial year:

1. **R2 million** for purchasing skips and wheelie bins to ensure that a higher number of formalised areas dispose of waste; and
2. **R5.6 million** to finalise the construction of organic waste diversion infrastructure to comply with new waste legislation.

ROADS AND STORMWATER

Speaker, a well-developed and maintained integrated road network is of utmost importance. Therefore, the maintenance of roads and stormwater infrastructure is a focus area, and we have provided **R63.1 million** for the 2024/2025 financial year.

The following provision has been made for roads and stormwater projects in the 2024/2025 financial year:

1. Rebuilding of Drommedaris Road – **R26 million**;
2. Resealing of roads – **R13.3 million**;
3. Upgrading of Oosbosch Street – **R11.7 million**;
4. Refurbishing of stormwater systems – **R6.9 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**.
6. Upgrading of Addy Road intersection Wellington, Champagne Road crossing Wellington and Paarl Taxi Rank Master Planning – **R1.6 million**.

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 **R30 million** in the 2024/2025 financial year as the final contribution 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 **R14.8 million** for this purpose in the 2024/2025 financial year.

The main capital projects include:

1. The upgrading of the parking area at the Dal Josaphat Athletics Stadium – **R7.4 million**;
2. The further establishment of the new Nieuwedrift Cemetery – **R3 million**; and
3. The upgrading of facilities at Orleans Park, as well as the upgrading of parks and main roads and tools of the trade – **R4.4 million**.

The safeguarding and maintenance of our current cemeteries and related infrastructure is a big focal point that will receive the necessary attention in the new financial year. A focussed plan will be compiled and implemented to ensure that our loved ones rest in dignity.

To ensure that our communities have access to safe spaces to gather for community events and sport-related activities, we have budgeted an amount of **R1.5 million** to purchase the I.O.T.T. Hall in Wellington.

TOURISM

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

The implementation of the Tourism Roadmap for Paarl-Wellington and surrounds remains on track. We are encouraged by the sector's investor confidence, with notable premium infrastructure investments such as Adara-Palmiet Valley Hotel, located at the foot of the Klein Drakenstein Mountains in Paarl East, to the latest leisure, wine, and dining destination Vrymansfontein, which is also a working almond farm on the Agter-Paarl Road, as well as the upgrading of the Simonsvlei Wine Farm.

Sporting events continue to dominate the region's events calendar, and the recent successful hosting of six major South African cycling events demonstrates that Drakenstein is well on its way to becoming the Cycling Mecca of Africa. Securing a R1 billion investment at the internationally renowned Boland Cricket Stadium, with the launch of the Boland Oval mixed-use live, work and play sports development, will undoubtedly confirm our destination's position as the top sporting destination in the Winelands.

The tourism sector continues to show a strong recovery, exceeding pre-pandemic levels as both international and domestic markets remained at full recovery well into January 2024. Arrivals exceeded the **100 000** visitors mark compared to the **96 222** tourism visitors recorded in January 2019, with overseas markets comprising **92%** of the visitors.

The top international source market was the United Kingdom, followed by Germany and thereafter the USA, Netherlands, and France. A total of **937 067** tourists visited the Western Cape in January 2024, showing a **19%** growth compared to January last year, with the Winelands representing **39.8%** of visitors. Also, **41.5%** of visitors returned for a repeat visit, and the Cape Winelands remained one of the top five destinations where tourists spend an average of two days maximum per trip.

We are committed to make tourism everybody's business, and we are pleased to announce that during the past financial year, we developed two products: the Paarl East Street Museum and the Winelands Sustainable Tourism Route, demonstrating our commitment to broadening participation and benefiting the community.

As for community events, we are pleased to announce that we have changed the format of the annual Drakenstein Festival of Lights to the Drakenstein Christmas series. The Christmas series will include a series of events, from a Long Table Charity dinner on Paarl Main Road and a Drakenstein's Got Talent competition, to the annual switching on of Christmas Lights events in all four towns.

PUBLIC SAFETY

Speaker, the safety, security, and wellbeing of the residents of Drakenstein are paramount. This is not only critical to ensure that our communities can live free of fear and prosper, but it also creates a space where developers want to invest so that Drakenstein grows and develops, helping us to realise the reachable dream of a "Better Life for All".

It has become evident that the cooperation and support from various stakeholders are of critical importance in fulfilling this legacy. No single stakeholder can ensure a safer environment in our Municipality. To this extent, the newly established Public Safety Department has positioned itself as the coordinator and liaison among the different stakeholders. Without the role of the South African Police Service (SAPS), the Community Policing Forum (CFP), Neighbourhood Watches, and Private Security Companies, it will not be possible.

What is important is that each of these stakeholders play their mandated role as required. It is important to understand that where one stakeholder falls short in meeting their mandate, this impacts the overall safety objective. Experience has shown that when this occurs, the Municipality is expected to bridge the gap.

Speaker, policing will always remain the responsibility of the South African Police Service; however, Drakenstein Municipality has taken a conscious decision to expand its public safety resources to complement the resources of all our partners and ensure the effective achievement of the "public safety multiplier effect" at local level.

We have listened to our community and established a dedicated Public Safety Department that allows for a more focussed and visible approach to law enforcement. The Department is currently in the process of establishing the Community Safety Forum, which will involve key partners and stakeholders. The support of the Provincial Department of Police Oversight has been instrumental in laying the foundation to establish this forum.

We recently established a specialist programme within the Law Enforcement space with the introduction of the "Green Ranger Programme", which resulted in a safer environment on Paarl Mountain. This initiative will also be expanded to cover the Arboretum to help restore this unique area to its intended purpose.

The Drakenstein Smart Safety Network, or more commonly known as the DSSN, will expand its operations in the next financial year. Even in this instance, the role of safety partners and stakeholders will be further entrenched in the functioning of the centre. The sharing of data, information, and knowledge between partners will improve planning, prevention, and response to incidents. This project is built on the growing network of CCTV cameras installed in critical areas across the Municipality. The CCTV camera network of all the safety partners will also be integrated.

Traffic Services also form an integral part of public safety, and we are reaping the benefits of our homegrown electronic learner licensing system. This system will now also be rolled out to other municipalities in the province. In addition, our team has placed a strong focus on the collection of traffic fines, and I can report that the revenue collected looks encouraging.

The 2023/2024 financial year experienced more than double the number of veld and bush fires compared to the previous financial year. While this phenomenon strained our resources, it also showcased an amazing spirit of camaraderie among the neighbouring Fire Services departments. For example, Drakenstein's Fire Services provided support to the City of Cape Town and the Cape Winelands District Municipality on multiple occasions, and, in return, we received assistance from our neighbours when required.

COMMUNITY DEVELOPMENT

General projects

Speaker, today we celebrate two remarkable milestones in our community's journey towards compassion and support for those in need. With great pride and gratitude, I announce the initiation of two significant projects aimed at enhancing the quality of life for our most vulnerable residents: the upgrading of the Soup Kitchen and the transformation of the Paarl Night Shelter.

Firstly, we budgeted **R400 000** for soup kitchens, which have long been a sanctuary for the hungry and the unemployed. Through this investment, we aim to improve our support to the vulnerable.

Secondly, we budgeted **R800 000** for the Paarl Night Shelter. We aim to provide support to our homeless community.

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

We strongly believe that gender-based violence should be a 365 days-a-year programme.

Speaker, some of the key GBV programmes and initiatives, are the following:

1. Our GBV workshops served as platforms for education and empowerment.
2. These high-school GBV awareness campaigns have been instrumental in engaging young people and shaping attitudes from an early age.
3. Domestic violence workshops and early intervention programmes in primary schools provide age-appropriate education.

The Municipality's GBV programmes raise awareness, promote education, and foster collaboration.

Homeless Persons

The Municipality, in collaboration with the Provincial Department of Social Development, is in the process of finalising a Memorandum of Understanding to establish and manage night shelters in Drakenstein.

Our Social Development section will focus on:

1. Substance abuse and rehabilitation programmes and referrals;
2. Family reintegration; and
3. Workmanship skills.

Early Childhood Development Centres (ECDs)

Various Early Childhood Development Centres (ECDs) have received training. From first aid and health and safety protocols to fire awareness, we have equipped our caregivers.

We have also streamlined the registration process for creches to ease the administrative burden. Our monthly ECD Forum meetings serve as a platform for collaboration and knowledge-sharing.

We recently opened a new playpark in Wellington – the Happy Toddler Centre. This space will provide opportunities for laughter, learning, and exploration for toddlers.

FINANCIAL ASSISTANCE TO THE POOR

Speaker, our monthly Section 71 Report shows that more than **60%** of households in Drakenstein are poor. As on 30 April 2024, we had **16 372** indigent households on our database.

A total of **R183 million** is estimated to be spent on indigent benefits to assist the poorest of the poor in 2024/25, which excludes the cost of refuse removal, sanitation, and water provision in the **43** registered informal settlements. Furthermore, Drakenstein Municipality will for the 2024/25 budget provide indigent assistance per household of up to **R1 560** per month.

For the current financial year until 30 April 2024, an amount of **R21 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, 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 services in Drakenstein's **43** registered informal settlements in the form of water, sanitation and refuse removal.

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. Municipal inflation is affected by factors such as the cost of electricity, fuel, materials, equipment, and more. For example, the cost increase of electricity is **12.7%**; while petrol and diesel costs increased respectively by **27.7%** and **54.1%**. The estimated municipal inflation rate is between **10%** and **15%**.

The proposed tariff increases for the 2024/2025 financial year are as follows:

1. Water and Sanitation – **6.7%**;
2. Refuse Removal – **6.7%**;
3. Property Rates – **4.9%**; and
4. Electricity – **8.56%**.

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 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 as 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 national, provincial and district 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 2024/2025 budget. The Deputy Executive Mayor, Alderman Gert Combrink, will now formally deal with the Budget Item.

I thank you.