

MAYORAL NEWSLETTER



STATE OF THE MUNICIPALITY

Thank you to our residents for the trust placed in our beautiful Mossel Bay, our Council and the Administration. Thank you for your investment in our town, for choosing to make Mossel Bay your home, and for building a life here for your family.

Mossel Bay is well known as the fastest-growing municipal area in the Western Cape and can rightly boast being one of the leading Municipalities in the country trusted for service delivery excellence. This would not be possible without the support of our community, our Administration, and every employee and contractor working to serve our community with diligence and care.

While today we have more residents to cater for than ten years ago, this municipality can pride itself on a stable administration with personnel who truly live the service excellence ethos. Our employee's efficiency is supported by our equally competent municipal executive leadership.

2025 IS THE YEAR FOR NEW BEGINNINGS, but it also marks the start of the 4th year in office of the Council of Mossel Bay. Some of the highlights to date include:

- the Official Sod-Turning Ceremony of the Garden Walk Mall set to open its doors in 2026. Members of the Mayoral Committee joined me on Tuesday at this auspicious occasion that was also blessed by some very welcome rain, indicative of the growth and progress to be expected from these young developers.
- In the first week back at the office I was fortunate to join the official opening and first day of King's College when I attended their Pioneer Gathering at the school's premises at Outeniquabosch. This private initiative will help address the need for quality educational opportunities in our growing town. During a touching ceremony where inspiring words of hope and commitment were shared, the twinning agreement between the Municipalities of Mossel Bay and Keetmanshoop in Namibia were signed on 5 February 2025. This agreement is a historic occasion during which a leading town from a neighbouring SADC country forged formal ties with Mossel Bay.



Alderman Dirk Kotzé

Negotiations started in February 2024 at the request of Keetmanshoop when the current Deputy Mayor of Keetmanshoop, Honourable MacDonald Hanse lead the delegation on an exploratory visit to Mossel Bay to discuss the possibility of forging closer ties between the two municipalities. The current mayor, Honourable Councillor Annelize Knaus, recently signed the twinning agreement.



SOUTH AFRICA'S LEADING TOURISM DESTINATION

• Earlier this month Mossel Bay was recognised by Lightstone Properties as South Africa's leading tourism destination for the 2024/2025 Festive Season. This is once again proof that Mossel Bay Municipality succeeds in setting a high bar for dedicated service excellence and inclusive service delivery. Mossel Bay has so much to be proud of. To boot, Great Brak River, part of the Mossel Bay Municipality, was placed second in the same survey.

• Western Cape Provincial Minister for Cultural Affairs & Sport, Ricardo Mackenzie was in Mossel Bay this month to handover a cheque for R 500 000 to the Point of Discovery Centre in support of promoting the World Heritage status of the Pinnacle Point caves, that was designated a UNESCO World Heritage Site on July 26, 2024. The site is a collection of caves that contain evidence of early human behaviour and climate change. The donation by the Western Cape Government will have a positive effect on tourism and job creation and augment local efforts to erect a world class interpretive centre at the Point to celebrate the earliest evidence of modern human behaviour in the world, including the use of tools and seafood, and evidence of symbolic behaviour, such as the heat treatment of stone to make tools.

• As a Municipality, we are particularly proud of the success of IRONMAN 70.3 in which we invested R 2 mil.

By way of a return on investment, independent research indicates that the event injected R50 million into the local economy. Mossel Bay was also rated tops as a destination of choice by the more than 2500 athletes and their supporters for the second year running.

In 2024, the Council of Mossel Bay Municipality also renewed the partnership so that the IRONMAN 70.3 will be hosted in Mossel Bay for another three years.

Background image: The iconic Pinnacle Point Caves which now has World Heritage status.

•The Mossel Bay Tourism Route 12 initiative is a fantastic new addition to the marketing endeavours that highlight the diversity of Mossel Bay's culture, art and food. Mossel Bay Tourism, chaired by Alderman Mark Furness, have had several successes with their marketing excellence, most notable is the 29 Cruise Liners that have or will call on the Port of Mossel Bay this season, up from a mere four cruise liners previously. These initiatives are intended to support the local economy and job creation opportunities for the residents.

Other municipalities budget to attract events to their towns. Mossel Bay Municipality, to the contrary, only invests in a few choice events elected for their positive return on investment.

Mossel Bay nevertheless attracted more than 100 events in 2024. These events gave a welcome boost to our tourism sector as it translated into more beds taken up in holiday accommodation, more meals sold in our restaurants, and more purchases from local merchandisers.

An example of this is the South African Shore Angling Association, which returned to Mossel Bay, this time for their National Championships.

Soon our beautiful town will host the World Championships Qualifier event for the African continent from 7-10 April 2025 at the Mossel Bay Squash Club, with 24 players from Egypt (said to be the best squash players in the world), Namibia, Nigeria, and South Africa. The winner of this event will proceed to the 2025 World Championships, an event with over \$1,000,000 worth of prize money. Mr. Jean-Pierre Brits, a former SA National Champion and Eden Squash Vice-President, recently moved from Gauteng to Mossel Bay and is instrumental in promoting the sport locally, in the Eden District and in the Western Cape. He visited my office last year and we are cooperating with him to develop the sport in Mossel Bay.

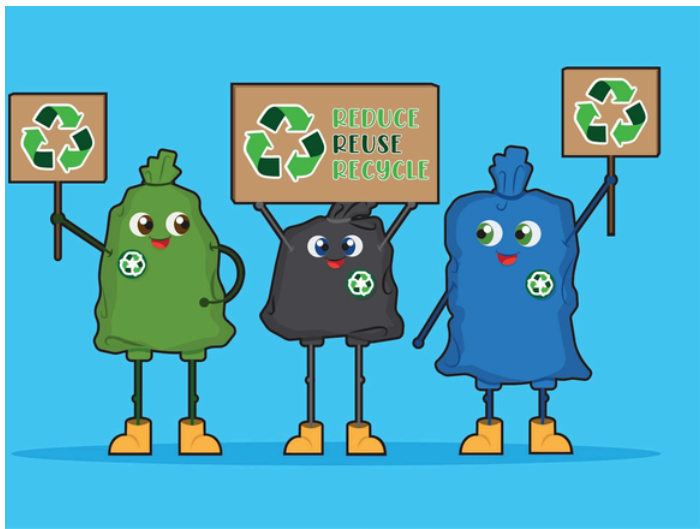
The Eden District has already hosted two Professional Squash Association (PSA) tournaments in 2025, namely the George Open, and the Mossel Bay Diaz Open. Both these events saw the best players in South Africa, as well as a few international players, participate in our beautiful town. Mr. Brits was also the Tournament Director of the Cape Town Open, which took place at the end of November 2024, and saw the Top 20 ranked players of the world take part.

In 2026, we will host the Growthpoint Jarvis Cup, the most prestigious squash tournament on the Squash SA calendar. This event will bring approximately 250 players to Eden for a week-long event.

WASTE MANAGEMENT

While Mossel Bay is often lauded for its neat and well-cared for appearance, there remains challenges in some of our more densely populated communities. To ensure service excellence, waste removal takes place twice a week in most of these and in our rural communities.

Going forward, the Municipality intends to implement a buy-back system to assist communities with their waste management and assist waste pickers to profit from their efforts. We will communicate more about this project in due course.



Mossel Bay Municipality uses the three-bag waste segregation system.

CLEANING

While we are renowned as a well-functioning and clean town, one cannot negate that our image as a well-functioning town comes at a cost.

Recycling

Available budget for year: R3 821 051
Expenditure until end January: R2 587 915

Street cleaning / open spaces etc

Available budget for year: R12 210 000 + R 11 607 626
= R23 817 626
Expenditure until end January: R7 599 143 + R7 488 964,90 = R15 088 107,90

Refuse Bags

Mossel Bay is one of very few municipalities offering free bags to households to help manage waste.

Available budget for year: R6 456 000
Expenditure until end January: R5 301 213

Refuse Removal

Available Budget for year: R10 553 364
Expenditure until end January: R4 896 947

Illegal dumping, a preventable expense if only all residents would work together to curb this scourge, is the cause of considerable expense to our ratepayers.

Hire of machines for Illegal dumping clearing and clearing of hazardous dumped waste

Available budget for the year: R1 973 000
Expenditure until end January: R814 653

Beach Cleaning Project

Available budget for the year: R2 278 168
Expenditure until end January: R1 094 599,73

Alien Vegetation Clearing

Available budget for the year: R 2 285 041.00
Expenditure until end January: R1 297 679,20

GLOBAL BRAND RECOGNISES MOSSSEL BAY FOR CLEANLINESS

Independent researchers reported on the social & economic impact of the IRONMAN 70.3 that, in terms of Host City Cleanliness, Mossel Bay scored tops at 97%, where the Global Average is 85%. While this is an IRONMAN statistic of which we can all be very proud of, we urge residents to manage waste and support our efforts to keep a clean and tidy town.

CHANGE MANAGEMENT & TALENT MANAGEMENT

Benjamin Franklin said that the only certain things in life were death and taxes. Someone added that change is as certain as death and taxes.

Our vision remains 'to be a trendsetting, dynamic municipality that delivers quality services'. The Political, Economic, Social, Technological, Environmental and Legal dynamics within our environment, however, change constantly, impacting on the way we work towards achieving our vision. The municipality operates within the limits of available resources, requiring innovative to maintain our iconic service standards.



The annual strategic session was held on 3-4 February 2025.

This will inevitably require changes to processes, systems and policies. Technology offers fascinating solutions. It may in fact be more cost effective to automate processes and implement digital solutions, than to increase the municipal staff establishment. However, this may require reskilling, adjusting to new ways of doing things, and moving out of existing comfort zones.

I am proud of our HR team, led by Director Annette Potgieter, who has drafted a change management strategy to prepare leadership at different levels in our organisation for their role as change agents and to empower employees to embrace change.

The fear of change is real and often results in resistance. It is only through effective change management that an organisation can lead staff through the uncertainties that change brings.

As the Mayor of a trend-setting municipality, I am fascinated by change. But it is my mission to lead a team of change agents, until every staff member is empowered to accept change, implement change and celebrate change. Therefore, the development of a change management strategy is right on time. As an organisation we need to embrace and invest in change to prudently serve our community within the available resources.

LOUIS FOURIE ROAD UPGRADE

Mossel Bay Municipality thanks the Western Cape Government's Infrastructure Department for the Louis Fourie Road upgrade, the largest provincial infrastructure initiative in the area. It entails the section of Trunk Road 33 from Beach Boulevard West to Garret Street and is designed to improve traffic flow in our rapidly expanding town.

Construction commenced on 28 July 2022 and, despite difficulties, is set to be completed in 2026. Considering the customary heavy daily traffic flow it is no easy task for local contractor Entsha-Henra to rebuild the road while in daily use.

The Provincial Government is investing approximately R490 million to upgrade the Louis Fourie Road infrastructure into work that entails, among other things, a new N2 on/off ramp at Vyf Brakke Fontein Road, the upgrading of intersections, and the construction of a central median. The exit off the N2 at the Langeberg Mall is being changed to facilitate and ease the heavy traffic flow.

The project scope entails the relocation of a municipal water main, a municipal sewer trunk main, and the Loftly Nel municipal electricity substation, protection works to PetroSA infrastructure, installing Telkom sleeves and relocating Telkom cables, building retaining walls at various locations, the construction of a new rail-over-road bridge at Garret Street and installing a ground beam at the completed Garret Street rail-over-road bridge, constructing a new bridge over the Twee Kuilen River, repairing an existing portal culvert, building numerous retaining walls, and periodic maintenance consisting of an asphalt mill and overlay between Marsh Street and Hartenbos. A pedestrian sidewalk from Waboom Road to Sonskynvallei is being constructed to ensure safe passage for school-going youth. More importantly, underground services and infrastructure, much of which are very old, are being relocated and/or replaced. Bridges are being widened or replaced, and the existing single lane along this section of the road is being turned into a dual carriageway. This project created a variety of jobs and opportunities for small, medium, and micro enterprises (SMMEs).

The Louis Fourie Road upgrade project is set for completion in 2026.

CRIME ON LOUIS FOURIE ROAD

The municipality shares residents' concerns about recent criminal incidents on Louis Fourie Road in the Blue Waters area.

Crime prevention and control remains the mandate and responsibility of the SA Police Service.

As a responsible local government, the municipality underscores effective partnerships aimed at economic growth and development within a safe environment.

The SAPS is a valuable partner that can rely on the municipality's support to foster a safer environment for all our communities.

Everyone is aware of the SAPS' challenges with infrastructure and especially the availability of personnel.

Everyone realizes the need for a safe environment for our local economy to be able to grow and create jobs so that we may progress as a society. Therefore, the Community Safety Directorate provides support to the SA Police Service and serves as a valuable force multiplier to strengthen the reach and efficacy of the police and security forces in their fight against crime.

The careful and effective coordination of information to apply joint capabilities for greater impact to the countermeasure against crime is a primary function of the Joint Operations Centre, also known as the JOC.



BUDGET

Currently, 25 % of the annual Budget goes toward employee costs. Nationally, the norm is 35% - this percentage difference allows for limited scope to manage tariff increases for our ratepayers. This also underscores the important focus of our HR Department on change management.

LIQUIDITY

Only four factors affect liquidity calculations negatively or positively, and these are as follows:

1.Tariff setting:

Incorrect tariff setting can put a strain on the available cash. This has not been the case, as a process of cautious and deliberate budgeting was followed which considered the affordability for consumers. It is, however, noted that the affordability of municipal services is increasingly becoming more strenuous for ratepayers and residents, as it is evident that more people take longer to pay their utility bills, or simply cannot afford to pay their bills.

This will have to be seriously considered while compiling the 2025/2026 budget.

2.Funding of the budget:

The shortage before recognition of capital grant funding is the main contributing element. This is viewed in a serious light and the matter is receiving the most dedicated attention of the Budget Steering Committee.

3.Operating expense aligned with Operating Revenue.

We have long anticipated the negative effect Eskom's loadshedding would have on the Municipalities capital budget. This is why the Municipality has previously tried to keep electricity available to as many neighbourhoods for as much as possible. Despite strong resistance from residents who suffered load-shedding, we had to endure by keeping on certain substations so that the effect of power outages on the local economy could be mitigated.

This past year, purchases from Eskom has increased by R65.8 million, but our sales of electricity increased by only R32.3 million. This resulted in a R33.5 million deficit.

The lack of income from electricity sales is a tendency all municipalities across South Africa experiences – what traditionally has been the prominent income stream of local government has dwindled significantly.

4. Energy losses

The municipality's energy losses have increased by 3% year on year.

The year to date (July to January) electricity losses are estimated at 17,5%, which is 3,5 % more than the correlating period for the previous financial year.

Therefore, going forward a dedicated focus will be on tamper management to address the consequences of residents who cannot afford to pay for services.

Our Community Safety and Infrastructure Services directorates' focused prevention measures to curb electricity theft are ongoing and will be intensified. We will be adding initiatives such as metre audits and metre inspections to curb tampering across all our wards in the greater Mossel Bay. It is a fallacy that electricity theft are limited to certain wards only.

Despite the cost involved, the Municipality invested in solar alternatives to limit the effect of energy losses on key infrastructure, and to secure ongoing service delivery of important infrastructure when Eskom does not supply electricity. This investment will, over time, provide a handsome return on investment for ratepayers when sustainable service delivery can be guaranteed.

Peak curtailment

While the Municipality is paying more for electricity during peak hours, the residential energy consumers pay a flat rate irrespective of when the electricity was used. This detrimentally affects municipal finances. The Municipality urges energy consumers to limit peak-hour energy consumption, failing which, the Municipality will have no option but to reconsider the flat tariff structure.



DECREASE IN GRANT FUNDING

Equitable share

The Municipality currently uses full grant funding of the equitable share to serve the poorest of the poor communities in Mossel Bay. This is funding received for this purpose from the National Government. However, Mossel Bay's population has grown considerably more than could be expected, while the grant allocation is based on 40% fewer inhabitants than what the Stats SA's population statistics predicted.

This means that we are currently receiving approximately R60m less from the Equitable Share than we would have received if the correct population statistics had been used for the calculation.

Currently, the Municipality has the necessary cash reserves on hand to cover this deficit.

Furthermore, the budget is adversely affected by a decrease in Provincial Grants of R27 million as per latest gazette allocations.

Collection rate. The current rate of the payment of utilities is 94,8. Before COVID, this rate was at 99%.

Every percentage point short of a 100% collection rate equates to roughly R12,8 million in cash. The Municipality is committed to collecting all outstanding debt. Special efforts are made to increase the collection rate.

However, going forward strict credit management will be maintained and special efforts will be made to communicate outstanding debt with identified arrears account holders. Increased focus will be placed on data cleansing to ensure that accounts reach consumers at the correct addresses and an effort will be made to deliver accounts electronically, wherever possible. Residents are invited to share their email addresses with the municipality to ensure they receive their accounts timeously.

Performance against budget. Over recovery or under spending from the original approved budget creates surplus cash. As tariffs cannot be adjusted during the Adjustment Budget the focus of the Budget Steering Committee is currently on realistic revenue calculations. During this process the expenditure budget is reduced to align with the cash that is estimated to be generated.

LIQUIDITY POLICY

Mossel Bay's Liquidity policy is very conservative and way stricter than that of many other municipalities. For example, often other municipalities do not look at a cash-backed budget.

The residents should consider that this is merely an adjustment to our annual budget. The tendency in Mossel Bay Municipality over a number of years is to have a budget deficit at mid-year, but that the budget will balance at the end of the year. The Municipality has a loan policy which stipulates that no interest is capitalised during the construction of capital projects. All loans are structured for end of June of each year to be taken up. During the year, the Municipality uses the reserves as bridging capital to finance spending on the projects from loans. In the near end of the financial year, until the tender process for taking up loans is completed, and the interim bridging funds are transferred back into the municipality's reserves, the calculation as required in Mossel Bay's liquidity policy will definitively be negative.

However, as also pointed out in the investigations, there is a problem with the originally approved budgets in that they show deficits before recognition of capital donations. Finance has been warning about this for some time.

In closing, and on a more positive note, Mossel Bay Municipality remains committed to the preservation of our natural environment.



CONSERVATION

During the recent Mayoral Committee / Director's Strategic Session, we discussed advocating for a Marine Protected Area along the Mossel Bay coastline.

To this end, I want to thank Dr Enrico Gennari who assisted me at a meeting with Minister of Environment, Forestry and Fisheries Dion George as well as marine and conservation researchers from the University of Cape Town and Stellenbosch University.

We had a productive discussion about what can be done to protect the great white sharks along the coastline of Mossel Bay, long a draw card for international tourists to our coastline.

We have established an NPC for Conservation in 2024 will host an official launch in April 2025. This effort includes Conservancies and conservancy minded organisations in the greater Mossel Bay to ensure a concerted, coordinated effort for nature conservation.

LOVE ONE ANOTHER AS I HAVE LOVED YOU

I want to thank my wife, who celebrated her birthday on Valentine's Day, for her continuing support in the words of former US President Ronald Reagan:

"Coming home to you is like coming out of the cold into a warm room with a fireplace. I more than love you, I'm not whole without you. You are life itself to me. When you are gone, I'm waiting for you to return so I can start living again."

To the community of ICONIC Mossel Bay, I want to quote from Ephesians 4:32 which says:
"Be kind to each other, tender-hearted, forgiving one another, just as God through Christ has forgiven you."

Alderman Dirk Kotzé



Executive Mayor
Mossel Bay Municipality

PLATFORMS TO CONNECT WITH MOSSSEL BAY MUNICIPALITY

Good governance is about taking governance and decision-making to the people. I invite residents to liaise directly with the Municipality on any of the following:

- Collab Citizen APP
- Mossel Bay Municipality Facebook Page, Whatsapp group and Website
- Mayor Dirk Kotzé Facebook Page, Whatsapp Group, Instagram, TikTok and Website
- Ensure that you have the contact number of your Ward Councillor
- Join your local neighbourhood watch or community policing forum WhatsApp group

To ensure you receive information firsthand and from the source, please engage directly with the Municipality.



Alderman Dirk Kotzé and his wife, Rietje