



SPEECH BY THE CITY'S EXECUTIVE MAYOR, PATRICIA DE LILLE, AT THE FULL COUNCIL MEETING ON 27 JULY 2017

Mr Speaker, may we have a moment of silence for the councillors who passed away: Templeton Mgxekeni, Xolile Gwangxu, Mandisa Menisi, anti-apartheid activist and government spokesperson, Ronnie Mamoepa, jazz legends Errol Dyers and Ray Phiri, and the fire victims.

Thank you.

Good morning, goeie dag, molweni, as-salaam alaikum, shalom.

I would like to welcome all councillors back from the mid-year recess. I trust that we are ready to continue taking service delivery to the next level.

Let me start with the drought crisis and yes, despite the recent rains, we are still in a drought. By now this should not be news to anyone and we certainly cannot go back to business as usual or acting under the assumption that we will get sufficient rain.

Due to the impacts of climate change we are seeing experiencing our third winter of below annual average rainfall.

The dam levels remain extremely low for this time of the year and it is disappointing that while many Capetonians and businesses have made great efforts to save water, there are still too many people who are not saving water.

The little rain we had in the past few weeks has had an insignificant impact on our dam levels and too many people have relaxed their water-saving efforts thinking the few drops of rain have saved us.

I am pleading with people to please limit their water use to 87 litres a day in line with Level 4b restrictions so that we can meet our new target of 500 million litres of water per day.

Since the new target was implemented on 1 July, we have not even come close to 500 million litres, with shocking over consumption of 643 million litres per day in the past week.

As of this week, we have 17,4% useable water left in our dams compared with 37,6% at the same time last year.

Those stubborn people who are carrying on as if it's business as usual are playing with all of our futures.

The drought is the New Normal and requires all of us to radically change our thinking, planning, our over-reliance on rain water and, importantly, our behaviour towards this scarce resource.

High consumption households have been warned and I am personally going to be joining the Water and Sanitation Management Department to install water management devices at properties who cannot justify their high water use in the next few days.

We are also contacting businesses such as hairdressers, beauty spas, gyms and car washes to warn them of their water use and ask them to inform us of their plans to reduce water.

Our ThinkWater exhibition continues going to shopping centres across the city where residents and businesses can view the many water-saving solutions that are out there.

This past weekend the exhibition was at Somerset Mall, this weekend it will be at Golden Acre on 28 and 29 July, at the V&A Waterfront from 4 to 6 August, at Blue Route Mall from 11 to 13 August, Nyanga Junction on 12 August and Maynard Mall in Wynberg on 26 August. More venues will be confirmed in the coming weeks.

In terms of our Water Resilience Plan, I advised Council that I would report back regularly on our plans to manage the drought.

We received over 100 submissions through our Request for Information/Ideas (RFI) to test the market for proposed solutions that will enable the City to temporarily establish several small, intermediate and possibly even large plants to help supply drinking water.

The RFI solicited interest from for-profit and non-profit entities in forming possible partnerships with the City to supply, install, and operate temporary plants at various locations along the sea shore and at certain inland locations, for the injection of drinking water into the City's water distribution network.

Our Water and Sanitation Management Department is currently busy with the technical scrutiny of the inputs received. We will communicate in more detail as soon as possible.

I am confident that we will start partnerships with the companies behind these ideas that will help us find solutions.

The proposed solutions are varied, as one would expect from a wide-ranging call for information and ideas.

I would now like to turn to a very exciting project before Council today.

When the Transport and Urban Development Authority (TDA) was established in January this year, we said that the City has turned a corner in our approach to affordable housing and to tackle apartheid spatial planning.

Part of the undertaking is to, within our means, provide those who are facing emergency situations with safe, decent, and affordable temporary housing as close as possible to public transport.

The City will commence with its very first inner-city transitional housing project subject to Council approval today.

The transitional housing development will be located in Salt River, less than 5 km from the Cape Town central business district and it is recommended that this project is development on the Pickwick site.

The estimated cost is R11,1 million to develop the transitional housing project which will include access control to ensure the safety of those residing there.

We are also investigating the feasibility of developing further inclusionary housing projects in other parts of the city.

In taking our work to the next level, I am pleased to also share a key highlight of the past month which was indeed a first for Cape Town and the country.

On 12 July, we took our inaugural green bond of R1 billion to the market where investors from across the country participated in a closed auction.

It was something to behold to see how within two hours investors placed their bids which amounted to over R4,3 billion.

The City only went out for a R1 billion bond but with bids to the value of R4,3 billion coming in, the bond was significantly oversubscribed and this is a firm testament of the level of confidence which investors have in the City of Cape Town.

During June, I embarked on a roadshow speaking to investors across Cape Town and in Johannesburg to inform them about our green bond.

I shared our City's successes which are underpinned by our excellent financial standing and prudent financial management arming investors with the information they needed to invest in our green bond.

I further conveyed our commitment to addressing climate change and I am pleased that today Council will also consider our comprehensive Climate Change Policy.

Even in financing, we have to change strategy because of the impact that climate change has on our infrastructure.

We went to the market for a green bond because currently we spend over R6 billion annually on infrastructure split, with 60% on new infrastructure and 40% on maintaining and repairing existing infrastructure.

The green bond allows us to add another R1 billion to that spend and scale up our investment to address this global challenge.

The green bond is in line with our Organisational Development and Transformation Plan's governance principles of being a proactive, responsive and progressive city.

Green bonds will certainly be the way forward for us in terms of how we finance projects that also help us to build sustainable cities and reduce carbon emissions.

Our green bond was certified by the Climate Bonds Initiative, while international ratings agency Moody's also awarded the bond a GB 1 rating – which means they are impressed enough with the green credentials and controls around this bond to name it 'Excellent'.

Some of the projects to be funded by the green bond include the procurement of electric buses, energy efficiency in buildings, and water management devices.

Another critical part of our climate change goals is energy security and making a greater contribution to reducing carbon emissions by introducing more renewables such as solar and wind energy into our energy mix.

Our energy goals include sourcing at least 20% of our energy needs from renewables by 2020.

The only obstacle to achieving that goal is our own National Government who is preventing us from procuring renewable energy directly from independent power producers (IPPs).

The City cannot proceed with such energy procurement because the Minister of Energy and the National Energy Regulator of South Africa (NERSA) consider that a prior determination in terms of Section 34 of the Electricity Regulation Act is required to do so.

The Minister of Energy recently informed the City of Cape Town that she had placed a hold on all new determinations.

In light of the stance taken by the Minister of Energy and NERSA, the City will be launching a High Court application, copies of which will be served on the Minister of Energy and NERSA shortly, seeking the following substantive orders:

- It is declared that a determination by the Minister of Energy in terms of Section 34 of the Electricity Regulation Act 4 of 2006 is not required for an independent power producer to create new capacity for the generation of electricity; to produce electricity by the capacity so created; and to sell the electricity so produced to the City of Cape Town
- If it is held that such a determination is required, then the City of Cape Town claims an order declaring that Section 34 is unconstitutional and invalid
- If it is held that such a determination is required but Section 34 is not declared invalid with immediate effect, then the City of Cape Town claims an order that the Minister of Energy determine the City of Cape Town's application for such a determination, made on 3 November 2015, within one month of this order

We are confident that we will be successful in our legal challenge which will also pave the way for other cities to do the same.

The City is committed to procuring clean and renewable energy from IPPs for a number of important reasons.

We need to diversify our energy mix so as to mitigate against the risk of huge price increases Eskom is no doubt going to force on the public over the next decade.

The majority of Eskom's electricity supply is also generated by dirty fossil fuels, contributing immensely to the global climate change crisis.

In order to live up to our commitments as climate change champions, we need to be able to take greater control over our own energy supply and ensure that we give the residents and companies of Cape Town a cleaner supply of electricity.

Speaking about dirty fossil fuels, I have informed our Finance Directorate that we are going to divest from fossil fuel assets and companies in favour of greener and cleaner investments which are in line with our vision of a sustainable future.

We are going to instruct investors looking after our money not to put our money into fossil fuel-related companies or for it to be used to fund the development of dirty and unsustainable projects. We want our investments to be aligned with our principles of resilience and sustainability.

As our water crisis is starkly showing, climate change is a reality which poses severe risks to our city. The City of Cape Town stands in solidarity with the American cities who committed to addressing climate change despite President Donald Trump's decision to withdraw the United States from the COP 21 Paris Agreement.

As further evidence of our commitment and to guide our strategic thinking and our work, before Council today is our first comprehensive Climate Change Policy.

The goal of the policy is for Cape Town to become a city that is climate resilient, resource efficient and lower carbon.

Previously, consideration of climate change issues fell under a more general environmental policy, however it has been recognised that climate change is a such an important, cross-cutting, and consequential issue that it requires its own dedicated policy approach.

The Climate Change Policy focuses on both mitigation and adaptation and aims to address these both in an integrated and innovative way.

The policy went out for public participation and an expert workshop was also held to allow for detailed discussion of climate change issues.

Over 750 comments were received through the process, and many of these provided useful insights that allowed us to improve the policy.

Under the Climate Change Policy, the City strives to ensure that all City-led projects or programmes have incorporated climate change considerations into their design and implementation.

Another goal under the policy is to ensure that the City accesses and uses both the best available technologies and most up to date climate science data.

We will also incorporate climate change adaptation in the construction and maintenance of service delivery infrastructure so as to minimise future impacts.

We will ensure that Cape Town's natural ecosystems are protected, managed and made resilient so that they can act as effective buffers to climate change impacts and provide benefits of ecological infrastructure in support of current and future physical infrastructure.

And we will ensure that Cape Town's businesses and residents, particularly the most vulnerable communities, are made more aware of and are able to withstand the impacts of climate change.

The policy will also guide us to maximise the socio-economic opportunities that may arise from climate change in an inclusive manner, enabling the City to use climate change as an opportunity to rethink and transform how we deal with poverty and inequality.

All of these developments are aimed achieving the chief objectives of the ODTP to take government to the next level, to be more proactive, responsive and customer-centric.

In closing, I would like to highlight two important issues we are faced with.

We are making some progress with the super-blocking project to rebuild Imizamo Yethu for the victims of the devastating fire that ravaged the area earlier this year.

Unfortunately, the violent protests in the past three weeks have caused delays to the projects that we cannot afford but we remain resolute to continue rebuilding Imizamo Yethu.

I will also be meeting with the community leaders later this evening to provide them with further updates on the next action steps for the super-blocking project.

I have to commend the majority of the community leaders who have always been working in good faith with the City.

The recent unrest was caused by a minority group of leaders who had misconceptions about the super-blocking and resorted to violence to hamper progress.

Eventually this past weekend they approached the City and the community leaders who have been working with the City to offer peace.

The two groups of community leaders in Imizamo Yethu met to negotiate a peace deal to restore calm in the area.

As of this week, the super-blocking work in Madiba Square has reconvened after the delays caused by the protest.

Current work progressing in Madiba Square include the reinstatement of the electrical connections to the dwellings, the completion of a road, the installation of bulk services, and the refurbishment of the shared sanitation houses.

In the Dontse Yahke section, the removal of unlawful structures continues, the detailed programme planning and design is under way, and the civil contractor tender is in progress.

A highly skilled project performance management team is leading this plan which the community leaders have expressed full confidence in.

We reiterate our commitment to working with all community leaders and residents to ensure that we make progress possible together and provide the services the residents need through the super-blocking project.

Sadly, in another important project for one of our communities, we had to take the hard decision to halt works to the R50,8 million informal settlement upgrade project in Agste Laan in Valhalla Park.

This stems from constant delays as a result of ongoing threats from gangsters who are holding the project hostage in the area.

We will not negotiate with or give into the extortion attempts by these criminals, but we will do everything we can to navigate our way out of this delay so that we bring progress to the people of Valhalla Park.

I thank you.

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