

**STATE OF THE DISTRICT ADDRESS DELIVERED BY THE EXECUTIVE MAYOR,  
HIS WORSHIP, COUNCILLOR Z.I. DUMZELA**

Honourable Speaker

Mayors and speakers from the local Municipalities

Honourable Executive Mayors and Mayors from the Chris Hani and Amathole District municipalities

Chief Whips from the District and Local municipalities

Political leadership from all organisations

Members of the Mayoral Committee

Traditional Leaders

Councillors

Municipal Managers, Directors and municipal officials

CEOs of government entities and businesses

HODs and managers from government departments

Members of the civil society

Distinguished Guests

Members of the community

Ladies and Gentlemen

It is with a great sense of humility to have been afforded this opportunity to present the State of Joe Gqabi District Municipality on behalf of the Council at this very important occasion in the political calendar of the District.

The occasion aims to achieve two things in the main, namely;

- to give an account of the historical performance of the Council in the recent past from 2015 to date; and
- to outline the course of action into the future.

This year, 2017, has been declared by the President of the Republic of South Africa as the year of the former President of the ANC, Oliver Reginald Tambo, who

amongst other things selflessly sacrificed his entire life to the liberation struggle of the oppressed people of South Africa.

There is no gainsaying that the fruits of our democratic dispensation that we are enjoying, were brought about by the sweat, blood, sacrifice and selflessness of the leaders of his generation. The least we can do as the current generation of leaders is:

- to honour his legacy and contribution,
- to follow on his footsteps and
- to emulate the values he lived to uphold as a leader of our revolution.

Honourable Speaker,

On the economic front, this occasion must be seen against the backdrop of the sluggish performance of South Africa's economy.

The growth of the economy as measured by the Growth Domestic Product is very low and this will, inevitably, impact negatively on the ability of our government to meet its developmental imperatives.

It is estimated that the economy will grow by a merely 1.5% in the current year on one hand, whilst the inflation on the other hand is hovering around 7.5%.

In real terms this situation implies that the delays in eradicating huge infrastructure backlogs and expanding access to basic services are inevitable.

Increasingly, the resources are becoming scarcer and scarcer. This environment requires that careful and best utilisation of the available limited resources.

### **WATER IS LIFE AND SANITATION IS DIGNITY**

Although not all households have access to the basic municipal services, it is pleasing to note that significant headway has been made to provide potable water and decent sanitation to our communities.

About 90% of the households have access to a basic level of sanitation and 78% have access to water. Whilst **24 522** VIP toilets have been constructed in Elundini; **18 269** have, to date, been built in Senqu rural villages.

Water quality has improved over the years, from 50% to 94%. These figures suggest quality of our drinking water is safe for consumption in terms of water quality standards.

The **Oviston Venterstad** area has benefitted in the past with a successful bucket eradication programme whereby the area was upgraded to a water borne system. Recently the Water Treatment Works was also refurbished to sustain quality water supply

**Steynsburg** has also seen the development of a new Waste Water Treatment works and new reticulation which connected about 1500 households to water borne sanitation. Despite there being the secure supply of water to the new Water treatment Works there has been the need to augment the water supply through some minor boreholes to sustain water supply when the Tunnel is under maintenance. A number of small operational matters have also been addressed to reduce water loss in the system

**Burgersdorp** has over the past 5 years been negatively affected by both vandalism and drought. This has led to partial failure of the waste water treatment system and also a reduction in water security as boreholes were also vandalised. JGDM through funding from the Provincial Treasury has been improving water security by replacing leaking pipes, increasing storage and getting boreholes on stream. The existing dams are being refurbished and there is ongoing investigation into a long term additional water supply for the town.

**Jamestown** has benefited from past interventions in securing its water supply and has both a dam and active boreholes. More recently the Waste Water Treatment Works has been upgraded and outfall sewers constructed but some legal action has delayed some of the work to ensure that the households are connected to the sewer system. This has now been resolved and work should start shortly

**In Aliwal North**, there has been significant upgrading undertaken on the Waste Water reticulation and at the Waste Water Treatment works funded by the PT. Water supply was temporary augmented during the drought from new boreholes and the Aliwal Spa water but it is intended that there be some changes at the weir and

also development of off channel storage so as to manage the silt load of the river which at times prevents the provision of quality water to residents.

**Lady Grey** has been plagued with water security and 12 new sustainable boreholes have been brought on stream to assist in times of drought. Reservoir storage as also been increased. A new Water Treatment Works has been developed so that once a new dam is in place, the processing of water can take place. RBIG will be funding the new dam development on the Wilge River

**Sterkspruit** has had a number of upgrading of the Water Treatment system over time including the upgrading of the Water Treatment Works so that supply of good quality water will meet demand. There are still challenges in the network mainly due to the number of illegal connections but there is a plan to continually upgrade the network and so attempt to meet demand. A number of quick win programmes have been implemented with ward councillors to ensure that with a small amount of funding large gains can be made. This programme has been very successful and will be continued into the foreseeable future

A temporary package plant has been developed in Sterkspruit town to provide waste water processing until such time as a Regional Bulk Sanitation Scheme can be developed.. This new project will be funded by RBIG and ensure that a wider area will have benefit of water borne sanitation.

**In Sterkspruit**, the dignity of about 15 000 households has been restored by the construction of household VIPs. This project will continue to be implemented until universal access to decent sanitation by all is realised.

**In Barkly East** the Department of Human Settlements provided additional funding to upgrade the Water Treatment Works so as to supply sufficient water to the new 298 houses that are to be developed

**Ugie** has in the past had a number of upgrades to both its water and sanitation, but additional work is still needed. It is anticipated that an upstream dam on the Wildebeest River will be starting soon. Plans are also under-development for the upgrading of the sanitation in the system so as to get rid of the conservancy tank system and therefore reduce sewage spills.

**Maclear** has been plagued for some time with poor quality water and sanitation. This past year the programme for the upgrading of both water and waste water treatment works and reticulation was initiated. This programme is a multi-year activity and will result in time in the improvement of the services to this town. In the short term challenges will still remain.

An amount of R48.8 million is being spent on the upgrade of Waste Water Treatment Works, bulk sanitation upgrade and reticulation for the entire Maclear to waterborne sewerage system and connecting houses and businesses to the system.

The provision of bulk water to **Sonwabile township development in Maclear** at a cost of R5 million has, temporarily, been stopped on account of disagreement with the contractor, who consequently abandoned the site.

The **Mount Fletcher** regional bulk water supply has been completed this last year with the last few villages being connected to the system. Next year the Orio programme funded by the Netherlands Government will be starting. It has taken some time to get the international agreements and development planning all in place but these are now all approved and so construction will start soon. During the past year there were also some replacement of leaking reservoirs on stand-alone schemes so as to reduce water loss. The JGDM has started the planning for a regional bulk sanitation scheme for the broader town of Mount Fletcher. This is linked to the revitalisation of the town as planned by Elundini Municipality and the Office of the Premier.

In addition, the District has over the past years committed itself to the implementation of the working for water catchment management activity upstream of Mount Fletcher dam to improve the sustainability of the Tina River catchment. Working for Wetlands activities in the Ugie area to increase sustainable water supply from wetlands.

As a way of curbing water losses through illegal connections and aging infrastructure, the war on water leaks programme will be intensified and peace officers to enforce by-laws relating to water will be recruited.

## **JOB CREATION AND POVERTY ALLEVIATION**

The past five years have seen a creation of more than 15 000 job opportunities through programmes such as EPWP, mass job creation, working for water and working for wetlands programme. The implementation of the Service Level Agreement (SLA) between the District and the Department of Roads and Public Works has also seen creation and maintenance of a number of medium term employment opportunities covering a three year period in line with the SLA duration.

Through the Local Economic Development, capital, working for water and wetlands projects and the implementation of the roads SLA, the JGDM has contributed immensely in reducing the debilitating impact of poverty and unemployment throughout the District. The youth internships, learnerships and workplace learning programmes have also contributed positively in reducing high rates of youth unemployment.

The District has given concrete expression to its commitment to SMME and emerging businesses empowerment. The District statistics reveal that about 47% (about R138 million) of the value of contracts awarded in the past few years went to businesses that are located within the District. Contracts to the value of 41% (about R122 million) were allocated to companies from the Eastern Cape and only 12% (R35 million) was allocated to companies from outside the District. With regard to SMME development, about 66% (about R194.7 million) of the contracts awarded went to SMMEs.

As this council we have committed ourselves to continue with programmes such as emerging business and SMME support, local procurement as well as value addition on agriculture and wood lots. Agriculture, Forestry and tourism are some of the economic sectors with a potential in our area.

## **FINANCIAL VIABILITY**

The District has a good record of expenditure which is above 95% on the critical expenditure items such as grants.

The expenditure MIG has always been about 100% over the past five year period. This has been recognised by funders and the District received additional funding as a result of the exemplary expenditure patterns.

The District has proved to be handling and administering its financial affairs in a transparent, sound and accountable manner as evidenced by the attainment of **clean audit** results for two consecutive years (2014/15 and 2015/16 financial years).

Key actions that have been implemented over the years include the take-over of the water and sanitation services provision from local municipalities to the District.

This intervention has improved various elements of the water and sanitation business such as operations and maintenance and improved access.

Pre-paid water meter installation project is underway and further expansion to cover the whole District is currently in the planning phase.

The Council resolved to implement water and sanitation services debt write-off after identification that consumers incurred huge debts due to poor or incorrect meter readings, water seepages due to aging infrastructure and illegal connections.

Thus Council intends to conduct road shows throughout the District to inform members of the community about this decision. The write-off will be in the form of stepped discounting method for business, government institutions and the household consumers.

## **GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

We will continue to seek meaningful ways of ensuring community participation in the affairs of the municipality. The capacity of the ward committees must always be a priority to ensure that our communities are served better and efficiently.

The fight against fraud and corruption remains on the radar screen of the leadership and management of the municipality. We cannot afford the cost of abandoning the fight against this societal scourge.

## **2017/18 DRAFT BUDGET HIGHLIGHTS**

Mr Speaker, the budget for 2017/18 financial is R737, 700 million, the equitable share allocation has been increased by R15 million in comparison to 2016/17 financial year.

RBIG is allocated R6 million for this financial year whilst the provincial Treasury has allocated R50 million for drought relief programme.

Up to R101 million has been appropriated for the capital projects. The rural sanitation in the form of VIP toilets has been allocated R52 million to continue with the projects that have already been started.

The District municipality has committed itself to promote connectivity and access to the means of communication by all. To this end R3million has been set aside to provide free access to wi-fi (communication net-work) in strategic areas to be identified in due course.

An amount of R2.2million has been provided for Extended Public Works Programme over and above the allocation by Department of Public Works.

This will enable the municipality to continue to contribute to the efforts of creating employment opportunities for the Youth.

A lot of preparatory work will be undertaken in the coming financial year for the establishment of the Joe Gqabi Learning Academy which will contribute immensely in the skills development of our youth.

We will intensify our efforts to give work place experience to the unemployed graduates. An amount of R2 million has been provided for this purpose.

2017/18 will also see the District Municipality intensify the government to government partnerships nationally, continentally and internationally with a view to mobilising resources to resolve the developmental challenges facing the District.

We will continue to profile the once popular Sondela festival by partnering with DSRAC and other important stakeholders. The budget of R1 million in 2017/18 will assist in the preparations for this event. We wish to call upon all local municipalities in the District to support this festival aiming at helping local artists to show case their talent.

The Joe Gqabi District Economic Development agency will continue to be supported and resources will be provided to enable it to deliver on its mandate. From time to time as circumstances demand, its mandate will be reviewed to ensure alignment and responsiveness to the developmental imperatives of the District.



The allocation for the capital projects alluded to above will be expended in the following projects:

- Ugie Bulkwater infrastructure phase 2 : R10 million
- Mt Fletcher Villages – Bulkwater supply : R5 million
- Sterkspruit- upgrading of Water Treatment Works and Bulk lines : R10 million
- Senqu Rural Water programme : R25 million
- Elundini Rural Water Programme : R20 million
- Jamestown Sanitation phase 2 : R10 million
- Maclear upgrading of Bulk Water Services : R10.4 million
- Maclear upgrading of Bulk Sanitation ; R10.4 million
- Sterkspruit Regional Bulk Sanitation :R2.5 million
- Elundini VIP toilets : R7 million
- Senqu Rural Water Supply Scheme : R5 million
- Elundini Water Treatment Works refurbishment : R5 million
- Aliwal North alternative source of water : R32 million

All of the above projects are set to be implemented in 2017/18 financial year and as the leadership of the municipality we have committed ourselves in ensuring that local companies and SMMEs receive a sizeable share from these projects. Plans have been put in place to ensure that this objective is achieved without fail. **Siyaqhuba asidlali**

## **CONCLUSION**

In closing I want to thank the community of Joe Gqabi and its stakeholders for their support to the leadership of the municipality and it is our wish that we will continue on this path until we realise our vision of improving the lives of all residents of Joe Gqabi.

We have a will to deliver and we dare not fail you, the community of Joe Gqabi.

**I THANK YOU**

