

**STATE OF THE DISTRICT ADDRESS DELIVERED BY THE
EXECUTIVE MAYOR, HIS WORSHIP, COUNCILLOR Z.I. DUMZELA
on 20 APRIL 2018**

Mr 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 be afforded this opportunity to present the State of Joe Gqabi District Municipality Address 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 and sector departments within the District in the last financial year and

- to outline the future plans in pursuit of the broader goals of government

The state of the address we are presenting today has also attempted to reflect and present an average overview of the performance of government in general within our District.

This year, 2018, has been declared by the President of the Republic of South Africa as the year of the former President of South Africa Rolihlahla Nelson Mandela, who would have celebrated his 100th birthday had he been alive. An icon to the country, and the world who, *inter alia*, sacrificed his entire life to the liberation struggle of the oppressed people of South Africa. Dalibhunga did not only inspire the liberation of the people of South Africa but also stood for the emancipation of the oppressed peoples of the world. For this reason, his life and times will remain a source of inspiration to all who are still alive.

The year 2018 has also been dedicated to celebrate the life of Mama Albertina Sisulu, whose dedication and sacrifice equally distinguish her in the galaxy of stars whose existence on the globe broadcasted a sad story of humanity that was at war with itself. She, together with the stalwarts of her league contributed immensely in the attainment of the freedom of the people of South Africa. Their sacrifices will always serve as reminders of what our country was to all of us who continue to enjoy the fruits of freedom that they fought for.

Only a week ago, the nation mourned the passing away and celebrated the life of Mama Winnie Nomzamo Madikizela Mandela. We once again dip our banner in salute of this great and outstanding icon of our liberation struggle.

As we celebrate and enjoy the fruits of our democratic dispensation, we should never forget that it was brought about by the sweat, blood, sacrifice and selflessness of the leaders of Mandela's generation. The least we can do as the current generation of leaders is:

- to honour their legacy and contribution,
- to follow on their footsteps and
- to emulate the values they lived to uphold as leaders of our revolution.

Mr Speaker,

The medium term growth outlook for the South African economy continues to gradually improve at the back of higher than expected quarter –on-quarter growth in Gross Domestic Product (GDP) of 2% and 2.8% in quarters 2 and 3 of 2017.

Factors contributing to this steady recovery relate to improvements in domestic business confidence, and a sustained recovery of the global economy which is boosting demand for domestic exports of mining and Agriculture commodities, and manufactured goods.

Consequently, National Treasury has slightly revised upwardly its GDP growth estimates and forecasts for the country. Compared to earlier projections, economic growth for 2017 was revised up from 0.7% to 1% and for 2018 from 1.1% to 1.5%.

The 1 percentage increase in the Value Added Tax (VAT) from 14% to 15% coupled with other factors such as petrol increase are likely to impact negatively the disposable income of individuals although they may have long term benefits for the country.

On the other hand the World Bank has noted that poverty rates remained high in South Africa, with more than half of South Africans, or 30 million people living below the national poverty line of R992 a month. Poverty has remained highest among female headed households, black South Africans and children under 15 years old.

The slow economic growth juxtaposed with high poverty levels in the country creates a difficult situation within which to allocate shrinking resources to the ever increasing developmental demands.

As part of government machinery, the local sphere of government cannot escape this environment and as such our planning and operations have to be attuned to these realities.

BUILDING INFRASTRUCTURE

During the months of March and April, we received above average rainfalls thereby replenishing the raw water resources throughout the District. Most of the dams are full to capacity whilst others are overflowing. This has brought a relief to the communities that experienced water restrictions for most of the summer months.

The heavy rainfalls have also resulted in silting of our dams thus creating a false impression that they are full yet half of the dam is filled with sand. The rehabilitation programme rehydrating the wetlands and stabilizing head cuts and other erosion prone areas as well as re-vegetation of disturbed areas will go a long way in minimising silting of the dams. This project is implemented by the District on behalf of the Department of Environmental affairs.

The situation will be monitored on an on-going basis to ensure that water is used wisely to minimise the impact of possible water shortages in the coming winter months.

A multi-pronged approach is being implemented to ensuring water conservation and demand management. These include the provision of new and refurbishment of existing Bulk water infrastructure, increasing storage capacity, installation of bulk metres, provision of boreholes and prompt response to water leakages.

Up to R39 million has been spent in 2017/18 financial year:

- for the construction and fencing of 2 x 3 megalitre clear water reservoir in Walter Sisulu, Aliwal North area
- Construction and fencing of 1x 3MI clear water tank in Burgersdorp,
- Procurement and installation of bulk water meters in Lady Grey, Aliwal North, Maclear and Sterkspruit,
- Upgrading of raw water pumps in Steynsburg (source is Gariep Dam),
- upgrading of both raw and clear water high lift pumps in Mooi River WTW (Maclear,
- Upgrading clear water high lift pumps in Mt Fletcher WTW, Refurbishment of Oviston WTW.

Refurbishment of Maclear WTW is almost complete. The plans are already in place for the refurbishment of Ugie filtration system and the projected completion date is June 2018

The Lady Grey sub-project for 4 additional storage reservoirs and boreholes has been allocated R19 million for the 2018/19 financial year. The District is investigating long-term solutions under the Zachtevlei dam and the Karringmelkspruit supplementary scheme which will provide the town of Lady Grey with a sustainable source of raw water supply.

In Maclear, the programmes for the upgrading of both water and waste water treatment works and reticulation infrastructure for the whole town

will continue under the Municipal Infrastructure Grant. An amount of R25 million has been budgeted for the Maclear Bulk Water Services and R15 million has been budgeted for the upgrading of Maclear bulk sanitation.

The sewer spillages in Burgersdorp and Aliwal North are concerning and the District Municipality will urgently address this issue. An amount of R20 million has been budgeted for the refurbishment of the Burgersdorp waste water treatment works.

The District has budgeted for installation of 2500 VIP toilets in the Senqu and 2500 in the Elundini Municipalities during the 2017/18 financial year. The projects have just commenced this month due to delays experienced in the procurement of small contractors to be used on the programme.

Though it has taken some time to get the international agreements and development planning in place for the Orio programme, all has been approved and the designs of the water systems are at an advance stage. This programme, which is co-funded by COGTA and the Netherlands Government will provide water to 107 rural villages in Elundini. The project will be completed in 2021.

Mr Speaker,

Our efforts to provide sustainable and uninterrupted services to the community are undermined by a number of factors.

Illegal connections to the water reticulation network reduce the pressure of water in the pipes resulting in high lying areas not receiving water at all or water being available only at night. This phenomenon is common in Sterkspruit and requires undivided attention from all key role players to find solution thereto.

Theft and vandalism of municipal infrastructure have become a common place in Burgersdorp resulting in perpetual sewerage spillages on the streets of Mzamomhle and other areas.

Increase in vandalism and theft of copper wire and other metals by stripping electrical panels, pumps and all other metal from buildings have created serious losses and threatening health of the residents.

The cost for the replacement of stolen or vandalised infrastructure has escalated over time to such an extent that blocked lines will have to be replaced.

In the Mt Fletcher area, more than 100 taps were stolen in a space of one week resulting in interruption of water supply to all of the affected villages and wards.

These acts by community members need to be condemned in the strongest possible words.

WATER CONSERVATION AND DEMAND MANAGEMENT

The installation of prepaid water metres will continue to be rolled out throughout the District as part and parcel of water conservation and demand management.

To date 1400 water metres have been installed in different parts of the district and the aim is to double this figure before the end of the 2018/19 financial year. The feedback we have received from the users of these metres thus far is very encouraging and impressive.

The massive installation of the prepaid metres will not, in any way, negatively affect those receiving indigent support of 6000 litres of water per month. They will continue to receive this benefit as long as they are

in the indigent register of the municipality. Prepaid water metres are by far advantageous to the consumer than the conventional one.

I therefore want to call upon the residents of our District to join hands with us as we try to respond effectively and efficiently to their needs by embracing the installation of these metres at their homes.

JOB CREATION AND POVERTY ALLEVIATION

Through the Local Economic Development, capital projects, working for water and wetlands projects and the implementation of the roads Service Level Agreement, the JGDM has contributed immensely in reducing the debilitating impact of poverty and unemployment throughout the District.

Through these projects 439 job opportunities were created during the 2017/18 financial year. An amount of R2.2 million has been set aside in the 2018/19 budget to create and sustain EPWP employment opportunities. A fully fledged EPWP unit will also be established and resourced accordingly in order to ensure that we create more employment opportunities and are able to provide timely and accurate reports to the Department of Public Works thus increase the possibility of an increased allocation.

The government departments and local municipalities within Joe Gqabi created 10 231 job opportunities through their Extended Public Works Programmes.

We will continue to provide workplace experience to the unemployed graduates within the District. Currently, there are 26 graduates receiving work place experience and an amount of R1.5 million has been provided to carry on with the project in the 2018/19 financial year.

SMME DEVELOPMENT AND SUPPORT

The District will continue to provide the necessary support and development to the SMMEs operating within its geographical space.

The Joe Gqabi Development agency has entered into a 3 year agreement with the University of Stellenbosch to build and enhance the business skills of the emerging SMMEs in the District. Through this project, 26 small enterprises owners graduated with NQF level 5 certificates in Small Business Development programme at a cost of R1.2 million.

In 2018/19 financial year, 23 participants have been admitted by the University and are currently busy with their studies. We invite owners of small businesses to take up this opportunity to sharpen their skills in business administration.

PROMOTING AGRICULTURE

Agriculture, Forestry and tourism are some of the economic sectors with high potential for job creation and drawing investment in our area.

An amount of R4.4million was allocated for the Rural Agricultural Financial Initiative for feasibility study, soil analysis and modern technology agricultural training and development. The project will focus on increasing food security, reducing input costs, increasing product output and capacity building for the agricultural activities in our District.

The Rural Agricultural Financial Initiative and Agri-parks programme will run as one project. 4 Tractors have already been procured by the Department of Agrarian and Land Reform and will be delivered to the District.

The essential purpose of **the maize-meat hub** in Elundini Local Municipality is to increase income and employment for beneficiaries by

developing the red meat value chain in a region which holds competitive advantage within livestock production.

Through the project JoGEDA aims to stimulate the involvement of historically disadvantaged farmers in partnership with commercial farmers in the formal maize and livestock industry in the province. Significant role players and stakeholders in the agriculture sector have agreed that there would be considerable value in developing a business venture that can involve the different types of communal cattle and maize farmers.

The **Department of Rural Development and Agrarian Reform** has allocated an amount of R15.5 million towards infrastructure development to assist emerging and communal farmers. This project includes fencing, construction of feedlots, multi-purpose shearing sheds and equipment.

The Department of Rural Development and Land Reform is in the process of acquiring land for beneficiaries in Elundini and Senqu Local Municipalities. About 4000 hectares is planned to be acquired in Senqu, Walter Sisulu and Elundini Local Municipal areas.

An amount of R4.5 million has been allocated to Mcwangele Agricultural Co-op, Tapuleng Agricultural Project, Ikwezi Locusa Textiles and Matelswai Recyclers as part of the Rural Enterprise and Industrial Development project.

As Joe Gqabi District Municipality, through the programme of Livestock improvement we are in the process of acquiring 40 rams and 5 bulls that are going to be distributed to the farming enterprises owned by emerging farmers.

PROMOTING ARTS AND CULTURE

The year 2017 saw the Sondela youth festival reach unprecedented heights in terms of attendance by youth and artists that graced the occasion. To ensure that the festival continues on this trajectory an amount R 2 million has been allocated in the 2018/19 financial year.

Two years ago the movie “Five Fingers for Marseilles”, was produced in Lady Grey. This local film with local cast was financed through a joint effort of South African and International funding for a world audience. The Department of Sport, Arts and Culture in liaison with the Eastern Cape Arts and Culture Development identified Joe Gqabi District as a suitable destination for the production of movies due to its natural beauty thus providing new tourism opportunities in our region.

The only ski-resort in South Africa is located within the District. Tiffindell ski-resort attracts a great number of local as well as international tourists to our area. This is an opportunity for further job creation. The District will ensure that roads to access this tourism destination remain in good order.

This month, a group of Belgian youth visited the Joe Gqabi region. A youth camp was hosted by the Joe Gqabi Special Programmes unit, the Department of Social Development and the Youth Organisation. Local Youth had the opportunity to engage in dialogues with the visitors on Youth issues running across borders.

Our district will also see the return of Spanish youth who has identified the Joe Gqabi District to host them in their developmental contribution towards the poor. The District Municipality aims to improve International relations through more initiatives similar to these in future.

PROMOTING HEALTH

A healthy nation is a working nation. The **Department of Health** has allocated a multi-million rand budget to improve health across the District. These include staffing, refurbishment and the maintenance and upgrading of various structures. The budget will also cover cancer, HIV & AIDS, STI and TB campaigns.

The **Aliwal North private hospital** project has reached a financing stage and will start with 50 bed hospital facility. JoGEDA is a project sponsor and has brought together local doctors who are General Practitioners and Specialists who are mainly from Bloemfontein. The total investment in this project is valued at R70 million.

FACILITATING ECONOMIC DEVELOPMENT

Mr Speaker, His Excellency, President Cyril Ramaphosa, during his State of Nation Address, emphasized that economic development, expropriation of land and job creation are key components to fight poverty and to create employment in particular for the youth.

JoGEDA remains a very strategic and important special purpose vehicle to facilitate and drive economic development in the District. To ensure that it delivers on this mandate, an amount of R8.9 million has been allocated to the Agency in the 2018/19 financial year.

The Joe Gqabi Economic Development Agency (JoGEDA) has established various strategic partnerships for investment promotion in key priority areas. This constitutes an important step to stimulate trade and industrial development whilst providing opportunities for job creation within the district.

Resuscitating of the ALIWAL SPA - the agency heightened its focus in pursuit of ensuring that full commercialisation of the Aliwal Spa is

realised. Discussions with Walter Sisulu Municipality are contemplating various operational partnerships and business models that will be adopted in the event that a private partner is secured.

JoGEDA seeks to ignite the productive potential of **Senqu Plastic Manufacturing** as a multi-plastic and related products manufacturing centre. The project centres around PVC pipe manufacturing and by making use of plant and machinery which was donated to JoGEDA by Senqu Local Municipality.

PROVISION OF DECENT SHELTER

In the 2017/18 financial year, the **Department of Human Settlements** planned to build 754 houses, of which only 386 were completed. 67 of the planned 186 houses were rectified.

For the 2018/19 financial year, R119 million to build additional 560 units and 559 VIP services has been allocated.

JoGEDA has assessed 15.6 hectares of land which is partially serviced for **Middle-Income housing in Ugie**. Through creating strategic partnerships with the Housing Development Agency, public sector entities and relevant departments, JoGEDA aims to fast track the development of the necessary bulk infrastructure.

PROMOTING EDUCATION AND SKILLS DEVELOPMENT

Joe Gqabi DM has reaffirmed its resolve to facilitate the establishment of the Skills centre within the District and to this end, discussions are underway with the Services SETA. If this objective should be realised, the centre will be linked to the Ikhala TVET college and will constitute the epicentre of skills provision within the District. The centre will, inter

alia, focus on artisan training, leadership and management development and on the much needed on-the-job training for municipal employees.

The **Joe Gqabi District of the Education Department** produced 4 top matric performers at National as well as Provincial levels in 2017.

In 2017 the District has produced 4 top matric performers on National as well as Provincial levels.

Mofitiso Reamohetse from Lehana SS school in Mt Fletcher was one of the best performing students nationally.

Molofe Siphosethu from Lehana SS in Mt Fletcher was one of the best performing students in the Eastern Cape, and fellow classmate **Lipholo Khotsofalang** was one of the best performing students in our District. **Lindani Mtsila from Ebenezer Nyathi School in Sterkspruit** was also amongst one of the best performing students in our District.

We wish to commend and congratulate all key role players including teachers, learners, parents and departmental officials who contributed to this magnificent achievement.

The Department of Transport has allocated **R23.5** million towards scholar transport in our region.

A further amount of R1 million has been allocated towards walking bus services. This means that individuals are appointed to walk with smaller children to and from school to ensure their safety

The Department of Roads and Public Works has allocated R230 million towards maintenance of schools in our District.

RURAL ELECTRIFICATION

Mr Speaker, in 2017/18 financial year, **Eskom** connected 2347 houses in the Elundini Local Municipal area and 975 in Senqu area. For the 2018/19 financial year, Eskom has allocated R88.7 million towards connecting 4803 houses in Senqu and Elundini Municipal areas.

ROAD INFRASTRUCTURE

With regards to road infrastructure, the Department of Roads and Public works has extended its Service Level Agreement with Joe Gqabi District Municipality for another 3 years to the amount of R36 million for roads re-gravelling and re-surfacing during the 2017/18 financial year.

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.

2018/19 DRAFT BUDGET HIGHLIGHTS

Mr Speaker, the total budget for 2018/19 financial year is R770 million, R205million of which has been appropriated to build and purchase capital infrastructure.

Department of Co-operative governance and Traditional affairs (Cogta) allocated R40 million for 2018/19 to assist the municipality with drought relief initiatives.

CAPITAL PROJECTS

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

- Ugie Bulkwater infrastructure phase 2 : R11 million
- Augmentation of clear water storages in Herschell and Rhodes - R7 million
- Sterkspruit- upgrading of Water Treatment Works and Bulk lines : R10 million
- Senqu Rural Water programme : R23 million
- Elundini Rural Water Programme (ORIO) : R10 million
- Jamestown Sanitation phase 2 : R12 million
- Refurbishment of Burgersdorp Water Treatment Works – R20 million
- Burgersdorp Water Treatment Works – storage reservoir – R25 million
- Refurbishment of Water Treatment Works in Jamestown , Rhodes and Steynsburg – R5 million

EXPENDITURE SUMMARY

The total expenditure for the 2018/19 financial year amounts to R551 million. This is an increase of R15.6 million in comparison to the 2017/18 Adjustment Budget.

Mr Speaker, we remain committed to rolling out free Wi-fi to our communities and to this end an amount of R2million has been allocated to this project. The pilot hot spot will be the Sterkspruit municipal library and will take on 500 users who will be registered on a first come first served basis. As a start each user will receive 500 megabytes per month

at no cost. Lessons learnt from the pilot site will enable the District to roll out this project on a wider scale.

PROPOSED TARRIF INCREASES

All the existing tariffs will be increased by 6% except the water tariff. The tariff increases proposed for the 2018/19 financial year are 8% for conventional water and 4% for pre-paid water.

The municipality is also introducing new tariffs in cases where the District faces water scarcity or drought challenges. These tariffs will be linked to the relevant water restriction levels.

Properties that have a straight connection will pay basic charges plus 30kl of usage. Pre-paid meters will be installed to these properties.

CONCLUSION

It gives me great pleasure to announce that Council of Joe Gqabi, at its meeting held on 27 March 2018, resolved to declare 31 July as **Joe Gqabi Day** in the District. This day will be celebrated annually, with the inaugural event set to take place this year, 2018.

We call upon all government departments and other role players to make common purpose with us in celebrating and honouring the life and times of Joe Gqabi. Joe Gqabi day must become a permanent feature in their calendars.

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