

# STATE OF THE CITY ADDRESS 2021



**BUFFALO CITY**  
METROPOLITAN MUNICIPALITY

PRESENTED BY  
THE EXECUTIVE MAYOR OF BCMM,  
CLLR XOLA PAKATI





# 1. Introduction – Political Context

## Introduction – Political Context

Hon Speaker Cllr Humphrey Maxhegwana - who is driving our virtual programme today,  
Deputy Executive Mayor, Councillor Helen Neale-May  
Chief Whip of Council, Councillor Mawethu Marata,  
Members of the Legislature and other arms of government who are watching,  
Councillors and Traditional Leaders from the City,  
City Manager and the entire Management,  
Our International partners, investors and visitors who are watching this SOCA  
Business, Organised Labour and Civil Society,  
Comrades, friends, and colleagues,  
Residents of our Metro watching and listening to this address from various media platforms,  
Good evening, molweni!

In one of his seminal writings, the African revolutionary intellectual Amilcar Cabral, makes a profound remark that that we find relevant in beginning this address:

“...Always bear in mind that the people are not fighting for ideas, for the things in anyone’s head. They are fighting to win material benefits, to live better and in peace, to see their lives go forward, to guarantee the future of their children.”

In making this address, we will detail how we have contributed to changing the lives of the people of Buffalo City in material ways for them and for their children. Whilst we have been pursuing development in a rapidly changing world where disease has negatively impacted on our lives, we know that the lingering question from residents will be what have you done to change our city and our lives, and we are here today to present details of what we have done and what we will still do.

When we delivered the State of the City Address last year, it was uncertain times as the COVID-19 outbreak had already spread throughout the world and had been declared a global pandemic by the World Health Organisation.

As we speak today, our country has been on lockdown since midnight of the 26th of March 2020, yet the virus has found its way of spreading and causing devastation despite the implementation of the various stages of the risk-adjusted strategy.

The President of the Republic and various role-players have spoken about the effects of the virus on human life and this cannot be downplayed. The acknowledgement of dignitaries that I have just done today on its own creates a sombre mood because the last virtual State of the City Address was presided over by the late Speaker of Council, Councillor Alfred Mtsi and the late Deputy Executive Mayor, Councillor Zoliswa Matana gave a vote of thanks. We are now at this moment without these two activists, two ward councillors and many municipal employees all because of COVID-19

The virus continues to cause mayhem in our communities bringing death to many people and orphaning many children and we now know that we are on the third wave of rising infections. This is a reality for most cities and towns across the country. As the vaccination programme continues to be implemented, we should still try to protect ourselves.

We should be reminded of the impact of COVID-19 on livelihoods. The Coronavirus outbreak happened during a time where our country still faced structural economic challenges. These relate to the fact that our economy is not diversified enough and remains locked into a capital intensive, energy-intensive historic growth path that is too dependent on commodity booms. This is why our economy has not been performing well during this period, a situation which saw many people go hungry as they rely on wages and social security.

If we needed any evidence that the vast majority of our people live in poverty and that even those who work are a salary away from poverty, COVID-19 gave us such. Within few weeks of the hard lockdown, we saw many people begging for food and decisive social security measures announced by President Ramaphosa were quite timely. As a municipality, we also had to intervene by supporting 40 000 households with R750 food vouchers, spending around R30 Million and this is a decision we do not regret.

In these trying times of the COVID-19 devastation we must remember the resounding words of one of the instrumental leaders of the 20th century, the Vietnamese revolutionary, Ho Chi Minh, who once remarked:

“Remember, the storm is a good opportunity for the pine and the cypress to show their strength and their stability.”

I am making this point realising the fact that there is now a need for implementing economic recovery and reconstruction and the National Government has already created a framework for implementing such. As a city we are already implementing an economic recovery plan which is focused on the following fundamentals:

- The protection of the existing industrial base whilst seeking to stimulate more investment.
- Using infrastructure investment as a stimulus, And
- The revitalisation of our tourism and hospitality value chain.

As we consider these measures towards economic recovery, which will be elaborated on in this address, we should be mindful of the fact that engulfing our city and the country is another pandemic; the pandemic of Gender-Based Violence and femicide.

We have been noting that incidences of gender-based violence and femicide in our country are increasing and it is proving to be a deadly pandemic. Our communities are constantly mourning due to acts of barbarity by men who are ideally supposed to be the main protectors of women. This is a sad state of affairs and it is a time for all of us to unite and fight the scourge of gender-based violence and femicide. We must all stand up and make a stand that enough is enough: no to abuse and killing of women.

Fellow Residents of our Metro,

When we took over office as this Council in 2016, we committed ourselves towards a paradigm shift in service of the people of the Metro. To this end we resolved on Servant Leadership being at the centre of the new paradigm shift towards service delivery. Staying true to this mission has created a formidable and resilient city that is a place to live and work for the residents of our city.

We knew in 2016 that the people of Buffalo City deserve better and as such we borrowed from the holy book on Luke 12:48 “to whom much is given, much will be required.” The call resonated within the leadership collective of the City and its stakeholders. Our commitment was to contribute towards changing the face of the city for the better whilst making a dent in the human lives of our communities and stakeholders.

Since 2016, we have been practicalising and implementing the Manifesto of the governing party into tangible milestones and in keeping with the theme in the start of term, we have indeed been A City Hard at Work. From the numerous public consultations we have had with our communities, we have established the fact that there is generally agreement that the municipality has done good work in creating socio-economic infrastructure for our communities.

We are constructing roads, houses, bridges, taxi ranks, water and sanitation infrastructure and many other socio-economic infrastructure projects. We are providing an efficient traffic service, fire-fighting service, land, and administrative service. There is no doubt that we are having a credible municipality with operational systems that are naturally imperfect. We are making this point with a clear acknowledgement that more still can be done and that more still needs to be done.

The State of the City Address we are giving today is therefore a service delivery and development account for the previous five years and a forward-looking development vision into the future. It maps out the impact of the work we have done over the past years and how this builds into the achievement of the city’s long-term vision of creating a productive, globally connected, green, spatially transformed, and well-governed city.





## 2. Economic Recovery Plan and Budget Framework

## Economic Recovery Plan and Budget Framework

Ladies and Gentlemen, therefore

We are in the era of hope and recovery, which is characterised by correction and progress. As we all know COVID-19 has negatively impacted the global and the domestic economy and our country is officially on the third wave of rising infections which is likely to have more impact on the economy and livelihoods.

Since the start of the outbreak, what we can deduce is that the impact of the pandemic has been severe on our city, affecting our levels of investment by at least 20 percent in 2020 resulting from the hard lockdown. Our contraction has however been slightly better than the national contraction due to continued investment by Mercedes Benz in the W206 plant and machinery, and our continued implementation of infrastructure projects.

We have seen the closure of many small businesses in sectors such as tourism and leisure, construction, manufacturing, financial services, and trade. This has created job losses with many of these newly unemployed joining the ranks of our indigent population.

To arrest this situation, we have thought it important that the focus for our municipality should now be on economic recovery. As a result, we have already developed an economic recovery plan framework that aligns with the National Economic Reconstruction and Recovery Plan. Our economic recovery plan is built around seven pillars which are:

- Export competitiveness to grow and deepen the impact of the automotive sector.
- Infrastructure-led growth.
- Agricultural value chain development.
- Green growth.
- Digitization.
- Tourism recovery and the creative industries,
- And Governance reforms.

This economic recovery plan integrates the city's investment strategy and incentives, including measures to retain business, address constraints, and unlock opportunities. The minimum set of measures in the Economic Recovery and Investment Plan (ERIP) will form the basis of a Buffalo City Economic Recovery compact with business and other stakeholders, assuming levels of trust across divergent interests can be enabled.

In addition to this, we want the industry-level implementation plans to include inclusivity-enabling measures so that transformation imperatives can be achieved even during this period of recovery. It is important to highlight that our budget strategy is also anchored around the notion of creating an environment of hope, resilience, and recovery in our City.



This State of the City Address we are presenting takes tune from the Budget adopted by the Council which is R10 billion, consisting of the operating expenditure budget of R8.23 billion and the capital budget of R1.80 billion for the next financial year. Our budget will increase to R11.01 billion in the 2022/2023 financial year and will grow to R11.5 Billion in 2023/2024.

We are implementing cost-containment measures to achieve operational efficiency and avoid budget deficit. The implementation of these initiatives has contributed to the continued financial sustainability of the municipality. We have never had a situation where we are unable to pay our creditors, our suppliers or our employees because of financial challenges and we are determined to keep it this way.

Except for electricity, the tariff increases in our city are at single digits and this is indicative of our philosophy of seeking to ensure revenue collection whilst not overstretching the consumer. Rates will increase by 8 percent, refuse by 8.5 percent, sewerage by 8.5 percent, water by 9.1 percent, fire and sundry will both increase by 8 percent. Electricity will increase by 14,59 percent and this is emanating from the National Energy Regulator of South Africa (NERSA) approved guideline of a 14,59 percent increase. This has been applied by most Metropolitan Municipalities except the City of Cape Town which increased electricity by 13.48 percent, a difference that is marginal relative to other Metros. So, the peddled idea that Buffalo City has the highest electricity increases is not only malicious but also fallacious.

When we started the term, we made an undertaking that we will install Smart Water Meters which will improve the accuracy of readings and thus billing. We are happy to report that this project is now 80 percent complete and it is poised to resolve most of the billing issues that residents raised, particularly regarding water. Another matter related to this is the question of punitive tariff which I want to address in detail.

In terms of the Municipal Tariffs approved by the Council on an annual basis, water consumption is billed in a step tariff format. The principle is that the higher the consumption in a month, the more the cost per kilolitre will be. Depending on the level of water in the dams that supply the municipality, punitive tariffs are implemented at different stages. The purpose of the punitive tariff is for customers to conserve water due to the level of scarcity.

Since the beginning of January last year, Council has been implementing stage 3 water punitive tariffs. This means that significantly higher tariffs are implemented for every kilolitre consumed over 20kl in a month. For those consumers who have not curbed their consumption at 20kl or less per month, it has resulted in increased billed water charges. This has also resulted in a significant rise in water-related billing queries. This increase in water billing has also resulted in a significant increase in outstanding debt.

With the implementation of smart water meters, the consumption of water is billed consistently every month based on consumer usage. Therefore, whatever the customer has consumed will be submitted from the metering device through to the monthly billing of the account. This also assists the customer to receive up to date readings from the meter. We once more want to urge consumers to curb their monthly consumption to below the threshold to avoid being charged punitive tariffs and to avoid the depletion of our water resources, a situation that will be bad for everyone.

As an attempt to ensure that the poor and vulnerable in our city continue to receive services, since 2016 we have spent an amount of R1.7 Billion on registered indigent consumers. We will continue to provide this social package and in the next financial year, an indigent consumer will receive a subsidy amount of R782,26 per month which includes a maximum of 50 kilowatts for electricity and 6 kilolitres for water.



### **3. Building a Productive and Innovative City**

## Building a Productive and Innovative City

Honoured Stakeholders of Buffalo City,

The MGDS implores us to build a productive and innovative city, that achieves higher levels of growth and revenue for the city, as well as higher levels of inclusivity to reduce inequality.

To fulfil this objective, we have been actively creating enabling conditions for new productive investments. We have thus made significant improvements in the quality of basic services and built roads and transport infrastructure that has made a dent in the costs of logistics.

Investment levels in the Metro have been fairly consistent, averaging around R7.5 billion at constant prices. This is far better than the national and provincial investment climate, indicative of Buffalo City's crucial role as one of the key growth points for the country's economy.

It should be noted that our higher levels of capital investment did not just happen, but they are a product of our counter-cyclical infrastructure spending over the past 5 years. Capital spending in the city more than doubled over this period, with half of this funded from own revenues, including reserves. Over the past years, we have spent a great portion of our budget on socio-economic infrastructure development. This has seen the Municipality's assets-less-liabilities increase from R14 billion in 2014 to R21 billion currently.

Over the past four years, the Mercedes Benz South Africa investment in their factory expansion and a new plant to prepare for the W206 model has also contributed to the fairly consistent investment levels in the city. The company has invested R10 Billion in the city over the past 4 years in preparation for the production of this new C-Class model which will run from this year to 2027.

This morning we joined the Minister of Economic Development, Ebrahim Patel at the Mercedes Benz plant in West Bank on the occasion of the launch of the new C-Class Model. We are proud to be the home of Mercedes Benz in South Africa and we are happy with the fact that the company continues to support many businesses in the Auto Manufacturing Value chain.

Importantly, as an outcome of the South African Automotive Masterplan, the new MBSA model brings with it more than 30 component suppliers. Many of these suppliers are located in the East London Industrial Development Zone, where we are a shareholder. It is important to indicate that due to this investment and other efforts made by different partners, the ELIDZ has gone from 30 percent investment occupancy when we took office in 2016 to 75 percent currently. We have therefore made decisive strides in growing our economy and protecting our industrial base.

Whilst focusing on the Automotive Sector, we have been equally on the path of diversification in order to reduce risk on the economy and to expand the reach and potential of our economy. Before the onset of the pandemic, tourism was also performing relatively well in an overall depressed economy. Tourism spend in Buffalo City has been on the rise with increases of around 6.5 percent when averaged from 2016 and this is compared to 3.5 percent when compared to the Eastern Cape as a whole. This is because we have been proactive in the tourism space, with a clear tourism strategy that has been developed with key role players in the Metro. We have successfully repositioned our city as an event and sports destination of choice, hosting international and national sporting events.

The Tourism Hub at the Orient Theatre, which we established during this term of office, had been instrumental in the growth of the sector before the onset of COVID-19. Part of our key anchor projects in the tourism sector has been the completion of the world-class Kiwane Campsite Resort.

Two other key tourism projects we have been undertaking are the Court Crescent Project, which will beautify our beachfront, and the Water World Fun Park project. Already we are seeing interest from private investors in these tourism projects. The intention is to breathe new life into our entire coastline and stimulate the local economy in ways never seen before. The completion of these projects would mean that our coastline, from Kwelera to Kiwane, will have state of the art offerings for leisure.

The city's two largest agro-processors (Nestle and Sundale) commenced on large expansion plans before lock-down, although with suboptimal linkages into local, small farmer supply chains. It is important to indicate that whilst our unemployment rate is high as a city, we have however better performed against our counterparts in Nelson Mandela Metro Municipality ever since the start of the term in 2016. Our unemployment rate now stands at 30.3 percent whilst that of the Nelson Mandela Metro stands at 39.2 percent with the Eastern Cape unemployment rate standing at 43.8 percent. This happened because of the efforts we have been making in our economy as a municipality and we will continue to make these investments up until our unemployment rate is greatly reduced.

Fellow Residents,

For our City to be productive, it needs to have the required infrastructure to carry a modernising industrial economy. We are a City hard at work in the provisioning of adequate infrastructure and as such we have turned the City into a construction site.

We are continuing to ensure that 4 percent of the revenue generated is reinvested back into the electrical network so that it remains reliable and meets safety standards.

We have since the start of the term spent R630 Million on electricity which has seen the electrification of around 3200 formal households and 2629 informal dwellings. The bulk of our capital expenditure on electricity has gone towards the maintenance, upgrading and refurbishment of our electricity infrastructure to ensure reliability and consistency of supply. In the next financial year, we will spend R18 Million electrifying an additional 400 formal households and 600 informal dwellings.

Over the years we have spent an amount of R64 Million on informal settlement electrification and we will continue to electrify qualifying informal settlements with 1500 dwellings targeted for electrification in the next three year.

With regards to water and sanitation, we can report that the percentage of households with access to a basic level of water supply is 98 percent. The overall access to a basic level of sanitation is 92

percent. The percentage of access to basic services was impacted by the incorporation of additional new areas into the City's boundaries. We continue to provide a stable water and sanitation service supply to all the industries that are present in our City.

We want the people of the Metro to always have a reliable and clean water supply and this is why we invested an amount of R340 million for our water projects since the start of term with an additional budget of R41 Million allocated for the current financial year. We have erected communal water points for informal settlements and rural areas giving water supply access to 2500 households. We are continuing to deliver water through water tankers to those communities that do not have a water supply and with the help from the National Department of Water and Sanitation, we have upscaled this service ever since the outbreak of COVID-19.

We are constructing water supply systems that will see consistent supply for the communities of Mxhalanga, Magqobhokeni and Cwengwe. A project is underway to ensure consistent supply to Dikidikana and Mdingi Villages. We are finalising the construction of a water reservoir for water supply in Kwetyana and addressing water challenges in Tsholomqa, Khayelitsha and Nosanti.

Since the start of the term we have spent R82 Million for sewer reticulation and the upgrade of our Wastewater Treatment Works in Reeston and King Williams Town. The Tunnel Sewer Diversion of the Central Wastewater Treatment Works to Reeston estimated at R1.4 Billion is current at the Tender Adjudication Stages and thereafter construction will commence. The completion of this project will enable densified human settlements in the North West Corridor and will allow for the Duncan Village Redevelopment project to go full steam ahead.

Over the years we have installed 21 370 VIP toilets in rural areas spending an amount of 250 Million. We have also completed 150 seats of new Ablution facilities in informal settlements ever since the start of the term and have employed 540 Caretakers under EPWP for these toilets.

We will continue to prioritise Water and Sanitation as part of our quest of building business confidence through the reliability of supply whilst bringing dignity to all the people of Buffalo City.





## 4. Achieving a Spatially Transformed City

## Achieving a Spatially Transformed City

Honourable Speaker,

In keeping with the vision outlined in the Metro Growth and Development Strategy, we have made progress in the area of spatial integration in the city and we are making strides in the prioritisation of our catalytic urban development programme areas in the Metro. We are making visible investments in the inner city, which have improved the quality of the area and we are confident that this will strengthen investor confidence and appetite for investment in our CBD.

The key lever for achieving spatial transformation and integration is our Built Environment Performance Plan which is our strategic spatial planning tool aimed at consolidating the implementation of priority catalytic projects within the City. We have taken steps that are transforming the Metro's built environment into a more compact, liveable, integrated, inclusive, productive, and sustainable place.

We have prioritized four Catalytic Urban Development Programme Areas in the Metro. These include the revitalization of East London CBD and surrounds, the transformation of the MELD (Mdantsane East London Development) Corridor, the revitalization of the Mdantsane Urban Hub and the revitalization of the Bhisho – King Williams Town Corridor.

Through the East London CBD and Inner-City Regeneration Programme, we have made visible investments in the CBD and inner-city area and we are confident that this will spur additional investments which could strengthen the growth and performance of this node. In this corridor, we have completed the Fleet Street and Oxford Street Road projects thus decisively easing traffic in the city centre. We have completed the R72 road realignment from Eastern Cape Motors to Currie Street in Quigney and the construction of the City-to-Sea Boulevard. This road is poised to be a catalyst for bringing in public and private investment into the Sleeper Site.

We are also busy with other inner-city catalytic programmes in the East London CBD and this is also through approval of developments which have seen many buildings converted to student accommodation. The Buffalo City Metropolitan Development Agency has also been instrumental in the development of our inner. Steady progress is being made in facilitating investments in mixed property developments at the Sleeper Site, Marina Glen A, Seaview Terrace and Water World.

The Mdantsane Urban Hub is a programme aimed at creating a self-sustaining, attractive, and vibrant economic hub within the township of Mdantsane. We have made steady progress in this Corridor as we have constructed a substantial number of roads in Mdantsane. We have built the state of the art Qumza Highway Road which has eased traffic in Mdantsane whilst also beautifying the township.

What remains a concern is recent events where a community decided to protest by burning this road that we recently completed. This one act that requires the harshest condemnation as it does not have a place in our city. The next time, we will hear the community complaining about the road when some of us actively went out to destroy a road that is meant to assist us.

We are registering substantial progress through the Mdantsane East London Development (MELD) Corridor programme as we are creating development links between the East London CBD and the Mdantsane Urban Hub. This corridor also includes the upgrading of the Mdantsane Access Road which is currently undergoing construction with an estimated budget of R34 Million.

The Qonce – Bhisho – Zwelitsha Corridor Programme is made up primarily of the historic CBD of eQonce and the link southwards to the township of Ginsberg as well as the R63 – Qonce – Bhisho link northwards from Qonce to Bhisho. A large part of the corridor is made up of the Bhisho Revitalisation Project which will enhance Bhisho as the capital of the Provincial Administration. The development of land along the corridor is unlocked by the Zwelitsha Regional Bulk Sewage Scheme which is currently underway.

It is important to indicate that our Municipality is fully compliant with the Spatial Planning and Land Use Management Act of 2013 and this has assisted us to increase speed in the approval of plans and we are determined to reduce the turnaround for the approval of plans even further.

Township establishments that will automatically activate development in many of our informal settlements have been undertaken and since 2016 we have established 19 new townships. These are Ilitha, Soga 2 and 3, Masibulele, Phola Park, East Bank Restitution, Hani Park, Empilisweni, Khayelitsha, Matsheni Park, Mzamomhle Phase 3, Ginsberg Area G1, Hlalani, Berlin Lingelitsha Phase 1 and 2, Dacawa and Kwatshatshu. This translates into a total number of 2955 residential land parcels created to accommodate housing needs in the City while ensuring the security of tenure and shelter for all BCMM beneficiaries.

Fellow Councillors,

Achieving spatial integration and transformation also means having an overlay between human settlements, the Central Business Districts and Transport infrastructure. This automatically places a responsibility on us to develop our public transport facilities, expand our road network and coordinate the necessary investment from transport players such as Sanral, Prasa and Transnet. When we assumed office, there were challenges of public transport facilities eQonce and we are happy to report that we have upgraded the Taxi City, Market Square Bus and Taxi Rank eQonce. The upgrade of Ginsberg Taxi Rank is in progress and we will soon be upgrading Ebuhlanti Taxi Rank. Siqhubile, kwaye sisaqhuba!

Since the start of our term in 2016, working with the Provincial Department of Human Settlements, we have built and handed over 8 930 houses and 11 367 serviced sites to the people of Buffalo City. In the next financial year, we will be handing over around 1600 houses and 800 serviced sites.

The housing projects we have implemented are namely the: Boxwood Housing Project, Potsdam Ikhwezi Block 1, Mdantsane Zone 18cc, Tyutyu Phase 3, Potsdam Village, Mzamomhle Housing Project and the Scenery Park Housing Project,

Together with the National Human Settlements Department, we are now busy implementing the massive Duncan Village Project which will see 20 000 households moved into habitable houses and it will also lead to the de-densification of Duncan Village. We are happy to report that already 931 housing units have been built in Reeston and handed over to beneficiaries from Duncan Village. To fast track the process, we are developing the Ziphunzana Bypass Temporary Relocation Area which will have 2000 temporary units and this project is 47 percent complete. We are also developing the Mtsotso Temporary Relocation Area which will have 1174 units and 119 of these have already been completed.

These projects are a confirmation that the de-densification of Duncan Village is already being implemented and we appeal to residents to cooperate with the process of moving to temporary structures as this is an effective way of creating space for construction within Duncan Village. We are therefore making significant strides in the provisioning of human settlements. It is our view that calling a place, a home should not be because it is where you happen to live but because it is reflective of your cultural sense of self and your being.





## 5. Towards a Well-Connected City

## Towards a Well-Connected City

Fellow Residents of our City,

We are making decisive steps in achieving our objective of creating a globally connected city that is predicated by an advanced overlay of transport and telecommunication networks. In any modern economy, this is a key ingredient for long-term inclusive economic growth, universal access to social services and the establishment of an efficient and equitable urban form.

We can report that all of our offices are all connected to the fibre network and we have assisted the connection of many public facilities. We have also connected the main hospitals in our Metro into the network. As part of implementing our Smart City Strategy, we are working on integrating systems and data for our processes to be less manual.

Part of the Smart City Strategy is the coordination of public-private partnerships aimed at technological innovation and digitisation as one of the key strategies of leapfrogging into the 4th Industrial Revolution. It is with pride that many ICT and digitisation initiatives are proliferating in the city and these include the:

- ELIDZ Smart Park
- Provincial Government Digitisation Services
- BCMDA Free Wifi-Installation
- Think Wifi
- MBSA Learning Academy
- MTN Data Centre, And many other initiatives.

Since the start of term, we have been emphasising the fact that transport and telecommunications systems are critical for the achievement of our vision of creating a well-connected City. The rail, road, airline and shipping networks are therefore key if we are to have a globally connected city. In the almost 5-year period, we have been in Council, we have made the necessary improvements in the conditions of our roads and we have constructed new roads changing the face of the city for the better. Over the years we have spent an amount of R951 Million on roads rehabilitation and construction in the Municipality and I am confident that we can all see where it went.

When we assumed many thought the stop-start construction that had been happening at Fleet and Oxford Streets before 2016 will still continue; we arrived, we upgraded and widened the roads and they are now convenient transport route for all in our city.

We surfaced internal roads in Mdantsane as part of the R444 Million roads upgrade project and this work is continuing. We have purchased our own road construction plant in order to build internal capacity and to consistently maintain our rural roads. We are on sites in many areas of our city undertaking road construction, upgrading our bridges and stormwater systems.

Recently we officially did sod-turning as a start of the implementation stage of the Settlers Way Road Expansion Project which is projected to cost R460 Million. This is an important development as it will beautify the entire route from the airport, thereby creating an authentic city feel. This will also enable more than 400 trucks and inter-links per day to carry parts between the East London IDZ and many businesses in West Bank, including the MBSA plant. It will also create flows from the Port of East London to various industries in our Metro.

Since 2016 we have spent an amount of R60 million on road construction fleet, thereby increasing our internal capacity. Over the past years, we have done our best to ensure that roads are maintained to a suitable standard through in-house construction teams in all the regions and we will continue road rehabilitation and upgrade programmes in the next financial year. We have also been

re-gravelling our rural roads through the hiring of plant and maintaining storm-water infrastructure. Since 2016, we have spent R290 Million on the re-gravelling of rural roads.

We have also been rehabilitating bridges and storm-water systems in various areas of our metro. Since 2016 we have spent an amount of R36 Million, upgrading 15 bridge structures across Buffalo City. We are currently on-site upgrading the bridge along Douglas Smith Highway, Smythlands Road Bridge, Albatross Road Bridge, and the Pearce Street Bridge. In the next financial year, an amount of 363 Million will be spent on upgrading roads, stormwater, and bridges in our city.

It will be remiss of us to reflect on progress towards the creation of a connected city without raising our discontent regarding the Port of East London. We know that the leadership of the port is trying to efficiently run our port in order to ensure that the ships that continue to dock in it are serviced in accordance with the best standards. The reality however is that Transnet has not made any real investment in the Port of East London for 50 years.

Most parts for Mercedes Benz South Africa and suppliers are imported through Port Elizabeth and transported by road to East London. This pushes up the cost of doing business for MBSA and component suppliers and effectively gives Buffalo City a competitive disadvantage.

As the Executive Mayor, I have been engaging Transnet on the need to attend to the port constraints. The reality is that the port continues to pose a risk to not only our investment attraction efforts but to the retention of our existing industrial base. We have met with the Transnet Board and the Investment and Infrastructure Office in the Presidency to raise these concerns.

The essence of our case is that the country and Transnet need to shift from commodities exports as their core source of growth. South Africa has experienced stagnant growth since 2012 because the country has failed to diversify towards enhanced export competitiveness based on productivity and innovation. As is happening elsewhere in the world, especially the Indian Ocean Rim countries, a major contributor to future growth will be coastal cities with a Special Economic Zone. We will not tire in making this business case until the mindset of the decision-makers changes.

We are welcoming the establishment of the National Ports Authority as an independent subsidiary of Transnet with keen interest. We are also hoping that the new reforms will indeed improve the efficiency of South Africa's ports, such as the Port of East London, thereby leading to increased investments.



## **6. Building a Clean, Safe and Healthy City**

## Building a Clean, Safe and Healthy City

Members of the Public,

The Metro Growth and Development Strategy implores us to take advantage of our natural endowment through building on Buffalo City's comparative advantage as a green city. The key to this will be to keep our city clean, protect our river systems, practice waste minimization, and prioritize waste diversion and re-use, preventing water loss, and diversifying our energy mix to include green energy.

Since 2016, we have been implementing a number of measures aimed at improving the state of cleanliness of our City. The measures we have adopted have been in acknowledgement of the fact that not all is well on this front. When we diagnosed the problem, we found that the challenge has been historical, mainly caused by the underfunding of the waste management function in prior years. As a result, there were serious incapacities in the refuse removal fleet, and this was coupled with a problematic work ethic amongst the Waste Management Staff.

We have been working to improve this reality as part of our quest to reclaim our status of being the cleanest city in South Africa. Since 2016 we have procured 39 refuse removal compactor trucks, 5 tipper trucks, 4 Skip Loaders and 3 Skip loader Trailers Trucks, 1 excavator and 4 TLB' spending an amount of R132 Million. We have placed 850 street litter bins in all three regions of our city and we now busy placing waste skips for informal and commercial areas. One of the key highlights of this term has been our continued running of the Good Green Deeds campaign aimed at encouraging communities to play a role in keeping our city clean.

Whilst the state of cleanliness is not yet to the desired levels, we can confirm that we are now operating at optimal refuse removal fleet capacity throughout the Metro and waste is being collected on schedule. We intend to not only keep things this way but improve the state of cleanliness for the better.

Another intervention that Council has taken in an effort to improve our waste management capacity has been the splitting of the Municipal Services Directorate into two directorates: The Waste Management and Environmental Services Directorate and the Sports, Recreation and Community Development Directorate. The reasons for this split was to ensure that there is better focus on both functions. We are happy to report that we have filled the vacancy of the Head of Directorate for Solid Waste and Environmental Management Services and are now left only with the vacancy for the Directorate for Sports, Recreation and Community Development.

During this term of Council, we have made progress in the development of the Mdantsane Sports Precinct with the first major project being the upgrades at Sisa Dukashe Stadium which now qualifies to host national games. In addition to this, we are currently finalising the refurbishment of the Mdantsane N.U 2 Swimming Pool and we open this pool just in time for the festive season. We are confident that once fully completed, the Mdantsane N.U 2 Swimming Pool will host National and International Swimming Championships, and this is why it is designed and constructed to meet National and International Swimming Standards.

During this term, we have also upgraded the Phakamisa Soccer Sport and Rugby Fields, Sweat Waters Sportsfield, N.U 14 Sportsfield, N.U 7 Soccer and Rugby Fields and Bunkers Hill Sportsfield.

For indoor community leisure, recreation, and significant events we are decisive in building and upgrading community halls. We have completed the Nompumelelo Hall and we have upgraded community halls in Scenery Park, Gesini, Phakamisa, Ndevana, Tyutyu, Postdam and Greenfields. We have been also busy upgrading cemeteries throughout the Metro and on the onset of the COVID-19 pandemic, we took it upon ourselves to dig graves for all funerals in rural areas, replicating what we have been doing in urban areas. We want the best for the people of Buffalo City.

Members of the Public,

Ensuring the safety of the residents and stakeholders of our city has been one of our key measures of improving the quality of life for our residents whilst building investor confidence in our economy.

We now have 92 Law Enforcement Officers with 26 vehicles and when we arrived in 2016, we had an overstretched staff of only 64 officers. The steady growth of our law enforcement officials is linked to our efforts of keeping the city safe and enforcing our by-laws.

Since the start of this term, we have reviewed and rationalised eleven municipal by-laws among them are the By-Laws on Informal Trading, Dilapidated Buildings, Disaster Management, Heritage Facilities, Outdoor Advertising, and Installation of electronic Communications Facilities.

Our law enforcement has been actively fighting against people who are illegally selling land and those who are land invaders. This is a battle we are determined to win because we are of the view that all settlements in our City should be planned with the requisite amenities. What is unfortunate is that the land schemers are continuing to thrive, and we will tirelessly work to take them out of business and eventually get them to jail. We have applied for prohibitor orders against construction on all land parcels that are under threat in our city.

We have decisively improved the firefighting capacity of the Metro ever since we took office and we can now confirm that our city can manage any form of fire outbreak. When we arrived, the city had firefighting challenges mainly related to the ageing fleet and with many breakdowns more especially on the fire engines with international motors. The fire-fighting status quo now is that the City has three aerial appliances, fifteen fire engines and eighteen bush tenders, and these are placed in all fire stations of our Metro. Very soon we will be beginning construction for the Berlin Fire Station. Our investment in the improvement of our firefighting capacity is meant to protect our citizens and the property of the investors located in our city.

Our traffic services continue to work in ensuring that motorists behave properly on the roads and we regularly run intensive road safety campaigns and roadblocks to reduce road carnage. Since 2016 we have employed 28 additional traffic officers, taking our capacity to 120 traffic officers with 64 vehicles and our famous Automated Number-Plate Recognition Bus which can read and print traffic fines on the spot. The state-of-the-art Traffic Centre in King Williams Town is now complete, and it has been officially opened. This centre allows for a full range of traffic services in one building which benefits residents of our metro in the inland region.

Overall, the capability of our Municipal Health and Safety function has been demonstrated in the management of the COVID-19 pandemic, more particularly inspection of premises and enforcement operations on the road. We are able to better enforce lockdown regulations because the operations of our law enforcement and traffic are fully integrated into the operations of the South African Police Service in the Province. We will therefore continue to work hard to protect the residents of our city during this period and beyond.



## 7. Towards a Well-Governed City

## Towards a Well-Governed City

Ladies and Gentlemen,

All that we have achieved since 2016 would have never been impossible without a credible democratic institution as the main driver of development in our metro. After our inauguration as the current council we made a statement that things will work well when workers work, managers manage, and leaders lead.

We made this statement as part of our efforts of uprooting the foreign culture we found where workers were too involved in managerial decisions, managers too involved in political affairs and councillors too involved in the administration. If you would recall, our city was synonymous with corruption and there were many arrests done by law enforcement agencies, with some case still before the courts.

We set ourselves on a path to improve governance by firstly creating a stable political and administrative environment characterised by ethics and professionalism.

Having found the institution with many administrative deficiencies, with acting even at the level of the City Manager and some Head of Directorate positions, we have been able to stabilise the administration. We can report that most senior management positions have been filled with the exception of the newly created Municipal Sports, Recreation and Amenities Directorate HOD. Governance has been stable, with the council, oversight committees, the COVID command council and top management meeting regularly. We now have functioning risk and audit committees that sit as scheduled. The mSCOA steering committee is established and functional and we have a Disciplinary Board that is functional.

All senior managers meet minimum competency levels, and all senior managers have signed performance contracts. Our council, therefore, operates on sound advice in the execution of its duties. We have also been working with the National Treasury's Government Technical Advisory Centre (GTAC) which has been instrumental in helping us to institutionalise our Metro Growth and Development Strategy (MGDS). One area of concern that the council continues to have has been the slow improvement of audit outcomes. We are implementing an audit improvement plan with weekly monitoring reports.

We have also worked to create harmony in our labour relations and job satisfaction amongst our employees. The intention of this has been to improve the performance culture of our workers whilst minimising protests and disruptions.

The job evaluation process has progress appreciably. We have graded 1230 jobs affecting 4 642 employees and we are projecting to complete the job evaluation process by the end of September this year. Already we have paid around R110 Million to qualifying employees as backpay. We have achieved all of our milestones because our council is focused and dedicated to serving the people of Buffalo City. Throughout this term, our council has been characterised by stability and robust engagements.



We are not without our differences as we come from different backgrounds and represent different constituencies, but we all coalesce on the fact that the people of Buffalo City deserve better.

In one Council Meeting, I once remarked that:

“Whilst we might differ seriously sometimes, we have as this council came to understand that difference does not necessarily amount to enmity. What I like about us is that we know that service delivery ought to come first and that our people are a priority. There is therefore nothing wrong in differing on the path to take in resolving the challenges of our people – that is positive difference.”

This statement still holds true and it is a succinct account of how our council has been since 2016. We have been hard at work as this collective of Council and we have also been making solid partnerships that are critical for us to fulfil our objectives.

During this term we have created and strengthened partnerships with many sister cities internationally such as the Jinhua People’s Government, Chongqing, Yubie District from China, and Gavle in Sweden. Whilst some of the formalised partnerships have ended, we continue to engage over issues of mutual interest.

One of the significant activities that happened during this term was the hosting of the BRICS Friendship Cities and Urban Conference in Buffalo City in 2018. This meeting saw major cities from BRICS countries descending into our city to consider many areas of mutual cooperation and partnership and collectively devise solutions for the urban challenge. One key outcome of this conference is the adoption of the profound 2018 Buffalo City Declaration which amongst others, made a commitment:

“To building urban resilience in our cities and towns through the development of quality, resource efficient infrastructure, environmentally informed spatial planning, and ensuring the protection of risk-prone areas of formal and informal settlements, and the progressive rehabilitation of unsafe areas.”





## 8. Conclusion

## Conclusion

Ladies and Gentlemen,

As we move towards the conclusion of this term of Council, we are comfortable that for many residents of our Metro today is better than yesterday and that tomorrow will bring more joy than today. We have changed the face of the City by building roads in places that previously had bushes thereby creating the flow of traffic and connectivity for the communities of Buffalo City. We have dug trenches and piped water to the most far-flung of areas bring dignity to our people. We have built houses that are fully equipped with water, sanitation, and electricity. We know that more can be done and more must be done.

The progress we have made and the dedication we have given towards its achievement was all in appreciation of the nobleness of the honour to be elected by our communities to serve them. The work we have been doing has not been without mistakes but all these have happened because we were not resting but we have been busy pursuing our task of serving the people of Buffalo City with all that we can give. The late President Nelson Mandela once remarked that:

“The ability to conduct struggle is gained in struggle. The ability to score victories is a function of the experience that we gain in struggle. Experience also means mistakes and failures. It is by learning from these that we are able to struggle in a better way. Fear of mistakes and failures means only one thing: it means fear of engaging in struggle.”

We conclude this financial year hoping for a better tomorrow for all of us in Buffalo City. This is not just wishful thinking, but it is based on the concrete progress and plans we have outlined today. We know that we should always pray and be hopeful, but we equally know that it is essential to plan and action our aims so that faith intervenes in our own terms.

This is what has guided us in building this resilient city that has so far been able to face the storm of COVID-19. We have all suffered greatly due to the pandemic, but we find comfort in the fact that our city is not on its knees. Just in March this year, GCR Ratings gave the municipality a credit rating of A, indicating a stable outlook. This is one of the reasons why we are confident that our economic recovery will take us to an even higher pedestal, thus creating prosperity for all the residents of the Metro. We will continue to pursue development until the last stage without fail.

Fellow Residents of Buffalo City,

As I conclude this address, I want to plead with you to be vigilant against COVID-19; we are all needed in the process of recovery for our city and our country. Let us practice the protocols of physical distancing, sanitising, and wearing masks without fail. This will contain the spread of the virus whilst allowing for a better population penetration of the vaccine until it is safe again. Let us protect the sick and elderly all the time and encourage them to get vaccinated in this current phase. We have been fighting the whole time, let us therefore not lose our energy just before the finish line of the marathon. It is all in our hands!

**It has, and it is still a humbling honour to serve you!**

**I thank you!**



*Buffalo City*  
**BUFFALO CITY**  
METROPOLITAN MUNICIPALITY

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