

BUFFALO CITY METROPOLITAN MUNICIPALITY

STATE OF THE CITY ADDRESS

**PRESENTED BY THE EXECUTIVE MAYOR OF BCMM
COUNCILLOR XOLA PAKATI**

26 JULY 2019 EAST LONDON ICC

GROWING OUR ECONOMY. A CITY HARD AT WORK

SPEECH BOOKLET



BUFFALO CITY
METROPOLITAN MUNICIPALITY





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STATE OF THE CITY ADDRESS (SOCA)

**PRESENTED BY THE EXECUTIVE MAYOR OF BCMM
COUNCILLOR XOLA PAKATI**



Hon Speaker Cllr A. Mtsi- who is driving our programme today

Members of the Provincial Executive

Members of the Legislature

Deputy Executive Mayor Cllr Z. Matana

Chief Whip of Council Cllr M. Marata

Members of the Mayoral Committee

Fellow Councillors

Former Mayors and Former Deputy Mayors Present

Mayors from our sister municipalities

Traditional Leadership

Leaders of Political Parties

City Manager and the entire Management

Religious Leaders

Business leaders

Organised Labour and Civil Society

Members of the Media

Progressive Formations and Fellow Residents

Distinguished Guests and Dignitaries

Comrades, friends and colleagues

Citizens of our Metro watching and listening to this address from various media platforms

Receive my Humble Greetings,

It is an honour for me to be standing before you to present the State of the City Address for our Metro.

I am saying this mainly because carrying the responsibility of leading the implementation of your City and your country's vision is the most honourable task that can be given to an activist and a patriot.

The environment in which we pursue the goals of bringing about a better life for our people, building a resilient City that has capacity to address the challenge of unemployment, poverty and inequality is a challenging environment. Our stability and strength will certainly be tested in the crucible of struggles towards the attainment of goals and expectations of the people.

This is why I have chosen to anchor this year's State of the City Address on the theme, **Growing our Economy: A City Hard at Work.**

We derive this from our national government's action statement that we should work to Grow South Africa Together. This is our way of making a firm indication that we are growing Buffalo City, working hard and in tandem with all the relevant stakeholders of our Metro.

Ladies and Gentlemen,

We have no choice but to continue to implement our vision of changing our City for the better. It is a given that we come from varied backgrounds both currently, and in the political history of our country, but it is also a fact that we share the same objective of growing our city and our country.

We are now on the fourth year since the adoption of our economic development strategy, the Metro Growth and Development Strategy, the MGDS Vision 2030, which was collectively created by the citizens and stakeholders of our City. It is essential that I remind you that our rationale for having this strategy was to ensure that it is a common plan for the growth and development of our Metro.

The MGDS and the actions we are taking in implementing it are building blocks towards the achievement of the future South Africa that was imagined by President Ramaphosa in the occasion of the State of the Nation Address last month. Within the spirit of *Khawuleza*, we are actively building our Metro into that prosperous city that was visualised by the President.

Through the implementation of our strategy, we will see a Buffalo City Metro that is economically productive, spatially integrated, globally connected, green, safe and well-governed. The strategic priorities of the MGDS fully align with the National Development Plan, Vision 2030 and to the Provincial Development Plan.

While we accept that conditions are economically tough, we are very confident that working together we can fend off any uncertainty that the prevailing reality brings (**STORMS**). It is true that the world is now characterized by growing competition among global cities and city regions for the attraction of new investment and for the retention of existing investors. This is an objective reality, but we are trying to create solid partnerships with a number of cities across the world as a strategy of mitigating its impact. This is why we appreciate our good relationship with the Swedish City of Gävle and the City of Oldenburg in Germany. It is also the reason for our enhanced social and economic cooperation with Chinese cities such as Jinhua, Qinhuangdao and Yubei District.

Tonight I will be welcoming an inbound delegation from China of 27 members, the biggest ever to our City on an official visit, 19 members of the delegation are business representatives from different economic sectors such as Film and Television, Manufacturing, mining, Renewable energy, High-tech industry to mention but just a few.

I have extended an invitation to our stakeholders to join me when we receive this delegation for purposes of pairing some of our local stakeholders with the Chinese counterparts. We have been in constant engagements with our business sector in the past few months, I will elaborate later on some of the detail.

In addition to this, we are confident that the natural endowment and the institutions that are present in our city create a perfect case for the mobilisation of major investments. There is no denying that Buffalo City is an under-tapped well of opportunity, with many business cases that are yet to be fully explored.

We are working to further improve the value offering of our city for investors through a combination of infrastructure improvements and incentives.

We have realised that investment attraction and retention require more than just bankable business concepts. It is our experience that collective political leadership and persistent lobbying is the necessary method to attract more investment, particularly that which is leveraged through interventions of state-owned companies.

I believe that it is time for all the stakeholders of Buffalo City and the Eastern Cape to work together to ensure that their participation in the democratic processes of our country is followed by the necessary investments. It is our duty to make democracy more meaningful. As we are to demonstrate, our municipality will create the suitable governance environment that is necessary to earn us better credibility for the location of major investments.

OUR BUDGET FRAMEWORK

Ladies and Gentlemen,

We are gathering at a very concerning period for the South African economy, with growth forecasts having been recently revised downwards from 1.5 percent to 0.7 percent for this year. Tax revenues have also been revised down and gross debt has not yet stabilized. There is therefore no doubt that the fiscal consolidation framework will continue beyond the Medium-Term Revenue and Expenditure Framework in order to avoid a ratings downgrade. This is not a crisis for our City, but it means that we should begin to stand more on our feet by strategically utilising our own revenue base in a manner that attracts investment and furthers development.

In the State of the Nation Address last month, President Cyril Ramaphosa recommitted his government to the programme of growing the South African economy through restoring integrity and fixing economic fundamentals. Whilst the economic situation is currently bleak, there is all evidence that the leadership we have has the capacity and zeal to grow investment confidence in our country's economy. The President has set an investment target of R1.2 trillion in fixed investment over 5 years, with cities expected to contribute the lion's share of this investment. We have thus decided to fully align with this objective and ensure that we attract even more investment into our city.

The budget for our Metro in this current financial year is designed such that it lays a basis for our strategy of attracting investment, building socio-economic infrastructure and growing our revenue base. We are thus fully implementing a reprioritised budget framework which focuses on infrastructure and aims to contain costs on things we can do without.

The total budget adopted by council is R37.5 Billion over the Medium-Term Revenue and Expenditure (MTREF) period, with R8.7 Billion of this allocated for the current financial year. R7.12 billion of this Budget is going to be spent on capital and operating projects, giving a decisive boost to the City's infrastructure. The key priorities of the budget are water and sanitation, roads and storm water, human settlements development, transport infrastructure and electricity. We have deliberately focused the budget on a mix of social and economic infrastructure investments.

We continue to keep our expenditure budget at reasonable and affordable levels. This is why we are deliberately reducing the amount appropriated to the Capital budget from own funding. Due to our application of cost-containment measures, we have reduced the amount allocated to general expenses.

We are happy to report that we are not a city in debt and financial strain. Currently our borrowing is at 36 percent of total revenue which is way below the ceiling of 45 percent that is set by National Treasury. This is why both the National Treasury and the ratings agencies have continuously given our city's finances a clean bill of health.

Our budget is within the spirit of avoiding overburdening already stretched ratepayers and this has been clearly balanced with the need to ensure maximum development in our communities. As a result, with the exception of electricity, we have kept our tariff increases to a single digit percentage. The sewerage tariff increase is 9.4 percent, reducing to 5.4 percent in the 2021/22 financial year.

Property rates have been adjusted by 9 percent and this will reduce to 5.4 percent in the 2021/22 financial year. Refuse removal has increased by 9.45 percent and this increase will reduce to 5.4 percent in the 2021/22 financial year. The water service charge has increased by 9.4. The electricity tariff has will see increases of 13.07 percent and this was arrived at using the NERSA guidelines.

These are necessary to enhance the revenue of the City in order to give us capacity to implement more socio-economic projects which will stimulate our economy thus enhancing the quality of life for our citizens.

As an attempt to cushion the poor and vulnerable against inflationary pressures we have increased the basic welfare package for households that qualify in terms of our indigent policy by 9.76 percent. This translate to R527.08 worth of services that will be received by indigent households every month.

Honoured Guests,

Allow me to indicate that preliminary figures for the last financial year show that we have spent 87 percent of our capital budget and we have achieved 100 percent expenditure on the grant funding portion of it. This funding includes the additional R200 million that our city received in April for infrastructure development. Through enhancing our planning, we will ensure that systems are in place for more efficient expenditure of the capital budget that we have just allocated.

The council of our metro was recently provided with detailed business plans for all annual and multi-year projects that are to be implemented. It is however important for me to indicate that what we are not going to do is to create a culture where the budget is hastily spent through unexplainable deviations due to a fear of a public backlash that we might be slow in spending. Our goal is to ensure that all our processes are above board and that there is value for money in any expenditure that we do.

As an active step of improving our expenditure, we have set aside R80 Million over the MTREF for the procurement of an Enterprise Resource Planning system with the initial stage focusing on supply chain management and asset management. This will lead to the automation of supply chain management processes and contracts management to improve efficiency and the turnaround time of the procurement processes. It will also evolve our asset management activities into a comprehensive, standards-driven management approach across all facets of the Metro.

We are also implementing a revenue enhancement strategy which is aimed at improving our collection rate and reducing the debtors' book. As a result of the electricity and water losses facing our City, the strategy focuses on installation of smart meters, temper detection and removal, and meter replacement. Our aim is to ensure that all meters are registered in the billing system and that customers are billed timeously and accurately for the consumption.

Related to the installation of smart electricity meters, we have completed a total of 6,200 business and residential post-paid meters thus far and the installation programme has moved to include smart pre-paid residential meters. Our goal is to install 63 000 meters by the end of August next year. The monthly billing for the meters has already converted to the smart devices and we have seen improved consistency and accuracy as a result. We will also be beginning our smart water meter installation programme in the current financial year.

The above investment on automation and systems will assist the City in strengthening its control environment. It will also assist in addressing the concerns that were raised by the Auditor General regarding water meters and will thus pave our way towards an unqualified audit opinion.

BUILDING A PRODUCTIVE AND INNOVATIVE CITY

Ladies and Gentlemen,

The Metro Growth and Development Strategy (MGDS) mandates us to create and maintain an inclusive and sustainable economic growth by targeting core productive sectors such as manufacturing, tourism, agro-processing, communications technology, the creative sector, construction and forestry. Our vision is that this will move us into a competitive economy which will be mainly driven by a world class infrastructure, a robust public and private sector partnership framework, an industry targeted skills base and a conducive climate for investment.

This is why we agree with the suggestion by Qhayiya Mashologu, who through my Facebook Page, advised that we need to focus on growing the economy and creating jobs. This suggestion is widely shared by many residents and stakeholders of our city.

This is why we are moving with speed in finalizing our own Investment Strategy and Incentives Framework which will now be subject to public consultation. We concur with our business sector that there is too much red-tape in our systems, and through the investment strategy we will improve the turnaround times in processing development applications. One of the objectives of the Investment Strategy is to make it easier to do business in the City. The administrative burden on business, particularly small businesses, will be reduced.

We have also made progress in establishing our own Investment Centre which will provide investors with streamlined services to fast-track investment projects in the city. This centre will complement the Provincial Investment One-Stop-Shop that is being established in the city. We welcome the Provincial One-Stop-Shop announced by Premier Oscar Mabuyane in the State of the Province Address and see this as a critical co-ordinating mechanisms around which our municipality, the ELIDZ, provincial and national departments can develop a shared perspective on how to best attract and service investors in the city and the province. This will allow us to converge around agreed priorities, promote synergies, and avoid duplication. It will also enable us to speak with one voice when we engage with the private sector and other key investors like state-owned companies.

Our Investment Centre will ensure that all referrals and blockages identified in the Provincial One-Stop Shop get addressed with urgency. The Investment Centre will also refer issues to the Provincial One-Stop-Shop to ensure they get addressed by relevant provincial and national departments. Here we will work closely with Invest SA to ease delays for investors in obtaining visas, licences, permits, registration and approvals. **We are resolved in Growing our Economy in order to create the required Jobs.**

The partnership we have with the National Treasury and the World Bank on the sub-national cost of doing business project is bearing fruit and a reform agenda has been developed. The implementation of this agenda will assist in reducing red-tape and it will improve efficiencies in processing building applications, property registrations and electricity connections. We are also automating our processes to derive efficiencies.

In addition to this, we intend to reduce costs through an incentives' framework, which part of our investment strategy. Our City already offers rates and tariff discounts for large investments that are above R50 million. We are looking at reducing the threshold investment so that smaller investors can benefit. The incentives framework is in favour of spatially targeted discounts as a deliberate tool of encouraging investment in priority nodes in the City.

As we mobilise investment, we will streamline and better mainstream youth development across the institution in order to ensure maximum impact to young people. This is whilst we are continuing to implement the Harambee employment accelerator programme which is opening opportunities for many young people in the Metro. Young people are our city's most precious asset as they drive the entrepreneurial spirit and form the base of the labour force.

Honoured Guests,

Whilst we are pursuing these interventions, we are proud to report that investment confidence in the city is already growing. The R10 billion Mercedes Benz W206 investment consolidates and expands East London's role as an auto export hub. This time around, efforts have been made to deepen the impact, with around 25 locally based component suppliers linked to the new model.

The East London IDZ is continuing to spearhead investment attraction into the city and as a shareholder, we are proud of its achievements. In the past five years, the IDZ has attracted 19 new investors with an overall investment value of R4 billion. In the last financial year, five new investors were signed, and they brought in a combined R819 million into our City. In the current financial year, the ELIDZ is confident that 13 new projects will begin with a combined estimated investment value of R2 billion. This will create 1300 new manufacturing and services jobs in the zone.

The transition from an IDZ to a Special Economic Zone has provided the ELIDZ with a comprehensive incentives package to attract investment. As we speak, the operations of investors at the EL IDZ have created 4666 jobs, thus proving decisive in the fight against poverty and joblessness in our city.

We are continuing to collaborate with the ECDC and the Department of Economic Development in the revitalization of industrial areas in the metro and these include Dimbaza, Fort Jackson, Berlin, Wilsonia and West Bank. Security, infrastructure, and access to services has been greatly improved in these industrial parks. In our investment drive we always impress upon companies to locate in these industrial areas that are in our townships as part of the Township Economy revitalisation pillar of the MGDS.

Through our investment strategy, we are exploring the possibility of creating an incentive package for investors who are willing to locate in these areas, thus giving a boost to our township and rural economies ***Siyakhawuleza***.

We continue to provide a basket of interventions for the support of our rural and subsistence economy. Our aim is to create a rural economy that promotes enterprise development in a manner that positively impacts on food security. Working with the Department of Rural Development and Agrarian Reform, we continue to assist communities in our rural areas with the construction of irrigation systems, provision of farming infrastructure and crops.

The Fresh Produce Market is one of the vehicles we are utilising to drive agricultural transformation and to unlock the potential of small-scale farmers. The Market is exploring measures of including more previously disadvantaged farmers in the distribution of agricultural products.

We are continuing to be an events and sports destination of choice through our successful hosting of major events and topflight football games in our city. Events hosted in the last financial year contributed immensely to the economy of the city, more particularly the retail and the hospitality industry. To give our tourism efforts a better coordination, we launched our Tourism Hub at the Orient Theatre and it is already assisting to attract foreign and domestic tourists to our Metro.

As part of a stimulus to grow investment in our Metro, we are busy implementing major infrastructure projects which will unlock new property development for private investment across our city whilst supporting our continued delivery of sustainable human settlements and improving the quality of life for our residents.

Recently, the Council of our Metro approved a loan funding of R500 Million for the implementation of the Sewer Tunnel Diversion of Central Wastewater Treatment Works to Reeston Wastewater Treatment Works. We had initially decided to decommission the Central Wastewater Treatment Works located in Amalinda due to its non-compliance and proximity to residential areas. This will be a multi-year project which will see the construction of a sewer tunnel which will traverse underneath Scenery Park to the newly refurbished Reeston Wastewater Treatment Works. This project will provide the necessary support for new development in the metro and it will also unlock new land for development in Amalinda.

In addition to this, we have allocated an overall budget of R672 Million over the MTREF for the upgrading of sanitation infrastructure and the provision of decent sanitation to the residents of the Metro. We are also addressing sanitation backlogs and we are currently constructing 3300 VIP toilets in rural areas of our metro. ***Siyakhawuleza asimanga***

We are implementing a number of projects that intended to ensure consistent water supply to all residents and stakeholders of our Metro. Access to basic water supply is currently at 98 percent in our City and we are still investing more resources towards the improvement of this reality. In the current financial year, we will be spending R82.5 million for the upgrading of our water infrastructure and for the improved provision of water to many residents of the City.

In the few areas of our Metro who sometimes experience water challenges, we are consistent in providing communal water tanks and we deliver water with mobile tankers. We have recently procured four water tanker trucks for this purpose and this will drastically reduce our hiring costs. Whilst we have not experienced conditions of draught like in other regions, we urge citizens of our Metro to consume water sparingly.

Through our consistent investment into our electricity infrastructure, I am proud to report that the City has one of the best performing electrical networks in South Africa. We are continuing to ensure consistent improvements in this regard and since our arrival in office, we have successfully upgraded the electrical infrastructure in the King Williams Town, East London CBD, Zwelitsha, Wilsonia, Mdantsane, East Bank, Phakamisa and many other suburbs in the Metro. In the current financial year, we will upgrade and refurbish the main 132 kilovolt substations and overhead lines and related networks. These are critical projects, as this is the main electricity in-feed to the City.

Eskom has also confirmed that it will start the implementation of the Greater East London electrical network strengthening scheme later this year. This massive project will see the installation of a 40 kilometers 400 kilovolt transmission powerline running from Neptune Substation, outside East London to Pembroke Substation near King Williams Town. It will also include the construction of 400 kilovolt Feeder Bays and transformer bays at both Neptune and Pembroke substations. This will be a multi-year project which will improve the reliability of our electrical network and create the much-needed employment during its construction stage.

In the past year, we provided additional formal household electricity connections in Fynbos and Mdantsane NU 6. In the current financial year, we have allocated R16 Million for the electrification of 600 houses in Phakamisa South. Eskom has committed to electrify households in Ezizeni, Ncera Village 6, a greater portion of eMagqazeni, Dikidikana, Enkosini, Msintsi Village and many other identified villages in the Buffalo City Infill area in the current financial year.

We are ensuring that no one is left behind in our development efforts and as such we are gradually rolling out informal settlement electrification projects across the Metro. In the last financial year, we electrified the Kanana Informal Settlement and just two weeks back we officially turned on the lights for the people of the area. We also installed the electrical network in Sunny-South and we will be finalising consumer connection in the current financial year. In the current financial year, we will be electrifying Mzamomhle and Xhwithinja. With the availability of budget permitting, we will electrify other informal areas once layout plans have been finalised. In the current financial year, we have committed R18 Million for the electrification of informal settlements in our Metro.

For the current financial year, we have overall budgeted R102 Million for the provision of electricity in our Metro, with R60 Millions of this going to be spent on bulk electricity infrastructure upgrades. It is important to note that access to electricity for formal houses in our metro sits at 100 percent and we are working to ensure that newly constructed houses come with electricity.

CREATING A SPATIALLY INTEGRATED CITY

Ladies and Gentlemen,

We are determined to achieve spatial integration in our city through the decisive prioritisation of our catalytic urban development programme areas in the Metro. We are making visible investment in the inner city, and our intention is to improve the quality of the area which would in turn strengthen investor confidence and growth, with the aim of attracting more investment in our CBD.

The Sleeper Site Project which will see the creation of a massive Civic Precinct remains the major anchor project for our inner-city revitalization. The Council of our Metro has recently mandated the BCMDA to shop for various methods of funding the sleeper site project. To create fertile ground for the project, we will soon be constructing the City-to-Sea Boulevard Road and a contractor has already been appointed for this purpose.

We have also tasked our development agency to unlock private property investment on the Beachfront through the Water World and Court Crescent Projects. The physical implementation of these projects will start in this financial year and we have allocated a combined initial amount of R63 Million for this purpose. We are convinced that these two projects will enable more private sector investment into our beachfront and broadly our inner-city region. The reality is that the projects look set to add value in decisively strengthening the city's position as an attractive destination for tourists and holiday makers.

We have recently approved the sale of land for the development of the Buffalo City Campus of Walter Sisulu University. This will be a major investment which will cause a major boost in the property sector of our city. The campus will provide a conducive and compact learning environment which will better integrate the programme offerings of the campus. A decisive boost to the reputation and prestige of Walter Sisulu University will be very beneficial for our city.

Honoured Guests,

Our MGDS tasks us to address apartheid spatial patterns by providing adequate housing and affordable services in better living environments. This is why we have allocated an amount of R396 Million for housing delivery in the Metro. It should be understood that this is also a moving target due to the rapid urbanisation of our city. We are however resolved that we will make an even more impact as evidenced by the work that we have so far done in the provision of houses in our city.

We are currently finalising procurement for the construction of around 2870 houses for Westbank Restitution, Amalinda Co-op, Postdam Kanana and Reeston Phase 3 projects. We have provided internal services for 2560 sites.

In the previous financial year, the Provincial Department of Human Settlements constructed 1523 housing units. In the current financial year, the province will build 1680 houses for the residents of our Metro.

We are currently implementing Boxwood Housing project where we are resettling the Orange Groove informal settlement. This project is being implemented with the Provincial Department of Human Settlements and we are already installing engineering services for the first 800 housing units. Overall, the project will see close to 4500 houses being constructed.

We are finalising negotiations with companies who will be responsible for the construction of 952 housing units in Reeston Phase 3 Stage 2. This is after the Constitutional Court ruling which declined ASLA's implementation of the project. ASLA will however complete the planning and implementation of the Duncan Village housing project which will see the construction of 5000 housing units.

Together with the Housing Development Agency, we are finalizing the appointment of other key consortiums to finalize the engagement of the implementation agents for Duncan Village. We will be purchasing land parcels for the relocation of incumbents from Duncan Village to assist with fast tracking the Duncan Village housing project.

We have started with the construction of the Reeston Multi-Purpose Centre (MPC) and it will be completed in this financial year. Our Municipality and a number of government departments will be anchor tenants of this centre.

It is our vision that by 2030 all the rural areas in our metro should be spatially, socially and economically well integrated with improved access to basic services. This is why we are decisive in building houses and providing other amenities in our rural areas. I have recently launched the Peelton Village Housing Project where 620 houses are being constructed.

We have also appointed a contractor for the Postdam Village Housing Project where 500 houses will be built.

I am happy to announce that due to the efficiency and the effectiveness of our housing delivery, our municipality was voted as the best run Metro in South Africa when it comes to Human Settlement Delivery Programmes that are targeting upgrading of human life and restoration of lost dignity. This is a humbling pat on the back for our good work and we have taken this as an encouragement for us to do better.

We have also laid the groundwork for massive infrastructure and housing developments in many communities of our metro. We are finalising the creation of 1444 residential sites in Mzamomhle, eMajarantiyeni, Hani Park, Matsheni Park, Khayelitsha and Cambridge West. We have also carried out tache surveys for the Cuba and Eluxolweni communities. In the current financial year, we will create 1555 sites in Ginsberg, Kwatshatshu, Xhwithinja, Ilitha Sportsf Field, Empilisweni, Phola Park, Masibulele and East Bank Restitution.

The creation of these sites is a necessary build-up for infrastructure and housing development in these areas. These have been also designed in a manner that makes a positive impact to racial integration and the mutual co-existence of low, middle and high-income residential development.

It is worth mentioning that in Mzamomhle and Cambridge we have created 10 land parcels which are meant for high density, high rise residential development. We believe that this allows for efficient utilisation of the land and it will allow for more people to benefit in development. We are at an advanced stage in finalising the land acquisition for the housing project which will accommodate beneficiary residents of both Nompumelelo and Ducats.

Building Human Settlements closer to amenities and to where people work is essential for our municipality and this is why we have become aggressive in dealing with the spate of land grabs in our Metro. It is so unfortunate that ordinary people who are yearning for land and housing have fallen prey to actions of a land syndicate which is hellbent on exploiting this need for financial gain whilst causing ruin to the property sector and the overall economy of our metro.

As an immediate intervention on this challenge, we have identified land parcels which are under threat of being invaded and have approached the high court for a prohibitory court interdict. The order prohibits illegal allocation and construction of informal settlements on Municipal land in the identified areas in Parkridge, Scenery Park, Macleantown, Braelyn and Mdantsane Unit 1. Our law enforcement services conduct periodical patrols on identified areas to eliminate any illegal occupation and to identify the perpetrators.

As a long-term measure, we are reviewing the Land Management Policy of our Metro to ensure that there are clear and definitive assignment of responsibilities regarding land. The institutional arrangements will establish a clear framework for integrated coordination, strategizing and decision making around land management in the Municipality. We are confident that these efforts will drastically curtail the untoward habit of land invasion and unlawful occupation. Another related matter to this is the illegal occupation of houses at the detriment of approved beneficiaries.

I want to take this opportunity to once more plead with the people of our City to not fall prey to the schemes of people selling land and houses and we plead with them to report these devious acts. In order to communicate the message that we are resolute in fighting the lawlessness that this brings to our city, we unfortunately had to obtain a court order for the demolition of structures built in invaded land and we also obtained an order to evict some people who illegally occupied houses in Phakamisa and Fynbos.

As a Municipality, we are also resolved to build sustainable human settlements for the people of the city, with all the relevant amenities. It is our policy that all newly developed urban settlements should have a waterborne sewerage system and all the other required internal services before top structures are constructed. This is to bring dignity to our people, guarantee their health and ensure that they live fulfilling lives. Illegal occupation of land is an attempt to undermine these noble developmental objectives and it is also a fundamental threat to the property sector of our City.

As a forward-looking intervention, we have instructed the management of the municipality to explore the possibility of creating and selling affordable serviced sites for those residents of our Metro who can afford to build their houses. The proliferation of settlements such as eBhongweni and the traction gained by the Cove Rock New Development makes this intervention a necessity going forward.

BUILDING A GLOBALLY CONNECTED CITY

Ladies and Gentlemen,

We are making decisive steps in achieving our objective of creating a globally connected city which 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 are decisively attracting technological infrastructure investments that are set to position our City as a key ICT node for Africa in this era of the 4th Industrial Revolution.

A truly catalytic investment in this regard is the Indian Ocean Exchange (IOX) Subsea Fibre Optic Cable Project which will see the installation of 8, 850 kilometres access ultra-high-speed cable which will connect Africa and the rest of the world. The cable will land in our city, at the East London IDZ, through Mauritius and India. The impact of this project will be massive and unimaginable for our economy as a city and as a province. When it has been fully constructed, the cable will deliver internet connection speeds of 54 terabytes per second making our city the main connectivity point between Africa, and the rest of the world. This will clearly provide the people of our city with affordable and stable data around which a host of ICT-related and dependent industries can flourish.

This will also make us to achieve our vision of expanding access and affordability to communication technology and facilitate broadband access to all households. A project of this nature will dovetail into the connectivity infrastructure that we have recently rolled out in our city. It will also enhance our project of providing high speed Wi-Fi to the residents of our Metro and to connect public service institution to our broadband network.

The Port of East London is a major critical asset that our city has in its quest for enhanced global connectedness. We already enjoy a close relationship with the Port, and we are making steady progress in positioning it for major infrastructure investment aimed at boosting its capacity. The recently signed five-year Memorandum of Understanding between our Municipality, Transnet National Ports Authority (TNPA) and the East London Industrial Development Zone (ELIDZ) will give further impetus to this.

Whilst we are collaboratively working on improving its capacity, I am proud to report that the port is already a vibrant trade gateway that is involved in all sectors of the economy and is stretching boundaries to meet the needs of industry. Not long after welcoming the widest and the biggest vessel in this city's history in 2018, the record-breaking momentum continued at the start of this year with the successful docking of the longest vessel ever to call at the port.

The port handled over 300 commercial vessels in previous financial year, close to 60,000 containers, over one million kilolitres of liquid bulk products. It also saw a surge in breakbulk volumes and handled more than 100 000 automotive units, including efficiently servicing the biggest car carrier ever to call at the port. The port is geared to support the city's positioning as a manufacturing hub anchored by its strong automotive sector and will play an important role in supporting the huge recent investments by Mercedes Benz and other major manufactures.

By welcoming a growing number of cruise liners to the city the port also provides a boost for the region's tourism sector. This in addition to opening port waters for a number of water related sporting events in support of our City's sports tourism strategy. These include one of East London's biggest water events, the Buffalo Regatta, as well as the Iron Man which takes place at the port entrance.

Ship repair remains an important aspect of the port's strategy. Under the government's Operation Phakisa programme various refurbishments are underway at the port's dry dock.

Transnet will be soon replacing the existing Latimer's Landing structure with a modern, fit for purpose quayside leisure development that will be a premier tourist attraction for the benefit of the entire region. Phase 2 of the Latimer's Landing development will focus on escalating the project into a fully-fledged waterfront that contributes positively to the growth of the city's tourism and leisure industry. The envisaged waterfront will contain a number of interesting features with water-based attractions, quayside restaurants and coffee shops that will enliven and revitalize the area, drawing steady traffic into the precinct.

These are our efforts in addressing the sentiments of our residents and stakeholders around the port which are succinctly captured by Ayanda Matiti who advised on my Facebook that:

"We need to improve the Capacity of our East London Port for amongst other things to receive larger quantities of whatever items that are brought into our shores. That will grow our local economy and create much needed Jobs. It will also offer us an opportunity to diversify our port into a platform for multiple activities."

We agree with this sentiment and there is no doubt that the economy of not only our City, but the Eastern Cape is largely reliant on the Port of East London. It is a necessity that we work together to make the business case for the expansion of the port. I therefore want to use this opportunity to call upon business and all other relevant stakeholders in our city to support the cause for the development of the port.

Honoured Guests,

The upgrading of our road network to the best standards is a critical step towards achieving a truly connected city with a sophisticated interlay of various transport forms. Working with other state-owned institutions, we are massively investing in the upgrading and modernisation of our road infrastructure so that it can be fully unleashed as one of our strategic logistical assets.

In this regard the South African National Roads Agency (SANRAL) will be massively upgrading the R63 road up to the N6 intersection and a budget of R650 million has been allocated for this purpose. In addition to this an amount of R300 million will be spent over the next three years for the construction of a dual carriageway of the N6 from the N2 intersection up to the Ducats Township. This will make the N6 to be an even more friendly and safe route in our province.

We have now entered Phase 3 of the Quinera Link Road, which will connect Beacon Bay and Gonubie. The designs for all the other phases have been completed and we will soon finalise the procurement for the Phase 4 of the project. We are confident that as the road is being constructed more development will be unlocked in the land between Beacon Bay and Gonubie.

We are finalising the Fleet Street and Oxford Street project and already residents of our metro are enjoying an improved traffic flow in our Central Business District. I can confirm that the congestion caused by the construction works that Ian Radcliffe complained about in our social media is now a thing of the past.

We are also decisively upgrading roads in many residential areas of our Metro and the example of the success of this project can be visibly seen in Mdantsane. In the current financial year, we have budgeted R87 Million for road construction. We are also making a huge impact in the upgrade of our rural roads and we will be spending R33 Million in this regard. We have purchased our own road construction plant in order to build internal capacity and to consistently maintain our rural roads.

In the last previous year, we piloted the use of polymer for stabilising some of the gravel roads in our rural areas. We will upscale this project in the current financial year and this will be dependent on road condition and the availability of budget.

Our efforts of improving mobility for the people of our Metro are also showed by our decisive investment in our public transport facilities. We have implemented decisive upgrades to the Taxi City Rank, the Market Square Bus Rank and the Market Square Taxi Rank in King Williams Town. Already this has improved the flow of traffic in the King William CBD and a lot of space has been availed for other uses.

The Qumza Highway Upgrade remains one of the decisive flagship programmes in the creation of an integrated public transport system in our City. We are moving with speed in implementing this project with the intention of recovering lost time after we terminated the initially appointed contractor. The replacement contractor is on site and we have appointed 24 SMME companies as subcontractors in the project.

The construction of road, railway stations and the improvement of public transport facilities are aimed at the achievement of an integrated public transport system as envisaged by the MGDS. Last year we finalised an Integrated Public Transport Network Plan whose aim is to create an efficient transport and logistical network for the benefit of all citizens and stakeholders in the City.

CREATING A GREEN, CLEAN AND SAFE CITY

Fellow Citizens of our Metro,

On the 08th of March this year the President of the Republic, Cyril Ramaphosa launched the Good Green Deeds Programme in our City. On the occasion of this launch, I vowed that we will heed the call of the President and I made a statement that:

“We will ensure that we keep our city clean and strive to reclaim our status as the cleanest city in South Africa.

We are making a commitment that will improve our environmental management efforts towards other Good Green Deeds such as ensuring waste minimization, diversion and recycling. We will also focus our efforts on the beautification and greening of key areas in our metro. We will clean our coastline and protect it against all forms of pollution.”

This is a commitment that we are going to see through, and I want to be the first to admit that we have historically had a challenge with waste management in our city. This was mainly due to incapacity in so far as the optimal fleet was concerned and there is also a problematic work ethic amongst our refuse removal staff.

I am happy to announce that we have partnered with Mercedes Benz in implementing an organisational culture change management project in the Municipality. The aim of this project is to improve dedication, service and customer orientation amongst our staff, more particularly those dealing with refuse removal.

We have also addressed the systematic challenges for a sustainable future, which should see the City not only collecting refuse on time **BUT** all the time. We are also engaged in beautification efforts and enhancements of public spaces and public cemeteries.

As a step of improving our waste management service, Council has recently approved the splitting of the Municipal Services Directorate into two directorates. One will focus specifically on waste whilst the other will focus on amenities, sporting infrastructure, parks and cemeteries.

I want to report here that our city is now operating at optimal refuse removal fleet capacity throughout the Metro, waste is being collected day and night. Regardless of whether the area is a suburb or township all ratepayers and the indigent are receiving this service on time all the time currently.

We are however working to improve this reality so that we reclaim our status of being the cleanest City in South Africa. In this regard in the last financial year, we procured 20 refuse removal compactor trucks, eight tipper trucks, four Skip Loader and Skip Trailers Trucks and three TLB's for clearing of illegal dumping sites. We are finalising the procurement of Street Litter Bins and Waste Skips for informal areas and commercial areas. These interventions will address the cleanliness concerns that residents continue to raise. **The recently purchased waste management fleet is displayed outside. Siyakhawuleza**

We have reviewed our Integrated Waste Management Plan and it now gives effect to our strategy of waste recycling, re-use and diversion from landfill. Already in the current financial year, we will begin the construction of a Material Recovery Facility at the Roundhill Landfill Site. This means that when a Refuse Compactor Truck arrives at the landfill site, all waste will start at the Material Recovery Facility (MRF) and it will be sorted and all waste that is re-usable and recyclable would be recovered and further processed.

Starting from October this year, we will be piloting a project whose intention is to deal with the management of household hazardous waste. This will be done in partnership with the Swedish Environmental Protection Agency and the National Department of Environmental Affairs.

Through the BCMDA, we have received an allocation of R9, 2 million from the Department of Environmental Affairs as part of the war against litter. The project current support the employment of 199 young people from our Metro.

In the true spirit of the Good Green Deeds programme which calls on all stakeholders and citizens to participate in keeping South Africa clean, we are encouraged by the commitment by South African Breweries of supporting the establishment of a black owned Buy-Back Centre in Mdantsane to the tune of R 3 million. This is in addition to the good work by the Call-to-Action project which is coordinated by the Border Kei Chamber of Business. We want to also thank the community of Haven Hills led by Pastor Plaattjes for coordinating a massive clean-up campaign of the area as part of responding to the call to clean the city. I call upon the Members of the Mayoral Committee and business to join this initiative tomorrow. We are calling on all our citizens and stakeholders to continue playing their part and ensuring that our City is Clean and Green, let us make this habit and conduct to go viral in our City and Province.

Ladies and Gentlemen,

Through our social media platforms, we were advised by Lesley Ann Foster, Mzimasi Mhlola, Daidre du Plessis and many other residents of the Metro that we should prioritise the fight against crime and gender-based violence.

Ensuring the safety of the citizens and stakeholders of our city has been one of our key measures of improving the quality of life for our residents whilst building investment confidence in our economy. Since our election, we have installed CCTV cameras throughout our Metro, and we can confirm that these are making a decisive impact on the levels of crime in our communities. Our observation is that in all the crime hotspots where the cameras have been installed serious crimes have drastically reduced.

Due to our enhanced safety operations which have been greatly aided by the CCTV cameras there was no rape or murder at the East London beachfront during the festive season. There has also been a reduction of robberies in Highway and in the East London CBD.

We are however finalising the integration of our CCTV camera system with the South African Police Services operations. This means that there will be members of the police in our control rooms ready to effect arrest immediately. This will happen as we wait for the final approval of our fully-fledged Metro Police Service, which will decisively broaden our traffic services and law enforcement scope.

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. These bylaws will be enforced by our law enforcement which will gradually transform into a Metro Police Service and all disputes regarding them will be addressed in our Municipal Courts. In the coming weeks, I will be officially opening the Midland Municipal Court which is located at the NU 10 Rent Office.

We are improving our firefighting capacity to the best standards so that we can be able to manage any form of fire outbreak in our Metro. We have recently unveiled two additional fire engines, thus taking our capacity to 8 operational major fire engines placed across the metro. We are also in the process of finalizing procurement for two major pumps which will give the required boost to our capacity. 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.

Recently, the Council approved a plan for the implementation of a parking management system for our Metro. Moving from this, we have tasked our Public Health and Safety Directorate to explore feasible measures that will lead to a secure parking in our CBD. This will regulate motor vehicle use of the public parking spaces, thus creating a safer and appealing city centre.

TOWARDS A WELL-GOVERNED CITY

Honoured Guests,

We are making significant progress in achieving our objective of being a well-governed city. This is a fundamental objective as increasing the speed of service delivery and development vests on there being a capable and credible local state with all the required systems.

We are cognisant of the fact that for this to happen, there ought to be suitable levels of political leadership guided by the principles of good corporate governance which are founded in our legislations. There is therefore no doubt that the effective implementation of all the projects that we have announced vests on the leadership of the institution having the credibility that is sufficient to garner the confidence of the public.

In the comments that I receive from communities, I am picking up that many residents of our city have appreciation of the fact that the leadership elected in 2016 is beginning to make strides in changing the Metro. They however question if it will be able to sustain its credibility and not abate problematic things that were a significant feature of our recent past.

I want to make a pledge that we will continue in our endeavours of ensuring that we clean the image of the municipality of any stain of corruption. This means we will strengthen our systems to be even more difficult for those who might be interested in performing acts of corruption. We will also jealously protect the institution against individuals or parties who might be interested in capturing it for wrong ends. We urge our residents to join us in this quest by reporting all incidences of corruption and malpractice to our fraud hotline.

There is no doubt that there exists a fundamental relationship between a well governed and a well-managed institution. With the required commitment, we are resolved to make the management and all workers of the institution to work even harder, faster, smarter and corruption free.

At systemic level, we have already institutionalised risk management and we have an Audit Committee that has a collegial relationship with the management of the institution. We are already implementing an audit improvement plan that is intended to address all the challenges that made us to receive a qualified audit opinion.

We are therefore continuing to build sound financial and administrative management through improving our institutional capacity, ethical culture and professionalism. We are finalising the appointment of a fully employed Chief Financial Officer with the sole aim of furthering our work of cleaning our institution.

We are making strides in creating the requisite performance culture in the organisation by expediting the job-evaluation process. We have improved our relations with the recognised unions in our municipality and have moved with speed in addressing all the challenges that led to the strike which took place towards the end of last year. As we speak, the Job-Evaluation process is progressing well. With five batches of results already having been approved and implemented, we can confirm that the project is ahead of its revised targets.

It is important for me to also report that for the first time ever, we have established a Monitoring and Evaluation Unit which will be located in the Office of the Executive Mayor and the General Manager for this unit will begin work from the 1st of August 2019. This will give us capacity to better monitor progress on implementation of our decisions, thus enhancing our performance. In agreeing with Viwe Sidali who wrote an open letter to me last week, this is one unit that needed to be established in order to give a further boost to our performance.

To enhance our governance and create the necessary efficiencies in the administration we have begun undertaking a macro-structure review of the institution. This is flowing from the Diagnostic Assessment that was done by the National Treasury's Government Technical Advisory Centre on our Municipality. The intention of this programme is to institutionalise the MGDS, enhance end-to-end accountability and appropriately group services in the manner prescribed by the Constitution and the Municipal Structures Act for Category A municipalities. When finalised, the new macro-structure will strengthen efficiency, integration, and accountability.

We have appointed a team which has proposed a re-organised structure with clusters for various municipal functions. These clusters of functions form the basis for the establishment of new directorates. The new macro-structure is currently undergoing a process of consultation and will be taken to council for approval over the course of the next few months. This will provide the basis for us to develop a new micro-structure and establishment structure, in consultation with unions and other stakeholders of our Metro.

The key feature of a well-governed city is the involvement of the citizens of the metro in our decision making. We have once more thoroughly done this through our IDP and Budget Consultations and our Mayoral Imbizo programme. We are also having a number of citizen-engaged activities through our Making Service Delivery Fashionable programme where I go to communities at least once a week.

Through our operating Ward Committee Public Participation Framework, we ensure that residents of Buffalo City seamlessly participate in our decision-making processes. We always impress upon councillors to have monthly meetings in their wards where they receive people's suggestions and report on progress on earlier made proposals.

I recently had a working visit to the Buffalo City Customer Service Centre, and this was to ensure that our strategy of improving our customer relations is being optimally implemented. I want to announce that we will soon be allowing citizens to log complaints and get their account statement through social networking platforms such as WhatsApp.

1. CONCLUSION

Ladies and Gentlemen,

This is the State of our City, its future development and progress. It reflects a positive and decisive advance in growing our economy and creating prosperity for all. Allow me to thank citizens of our Metro who are doing great things which bring character, inspiration and life to our city. I have a pleasure of hosting these citizens as my special guests today and they are:

- **Mthobi Maxatana**, a businessman from our city who has made it his duty to assist ex-convicts and drug addicts regain a place in society and lead positive, drug and crime free lives through employing them.
- **Jahmil Qhubeka** is an award-winning filmmaker from Mdantsane who was recently nominated for the best Director category in the South African Film & Television Awards (SAFTAS).
- **Clayton Reabow**, Award-winning winemaker who has been named the 2018 Diners Club SA Winemaker of the Year. We call upon our retail and hospitality sector to support **Clayton**.
- **Phumeza Ceshemba**, founder and CEO of Afri-Waste, a recycling company located in Fort Jackson Industrial Park.
- **Azinga Fuzile**, East London boxing sensation whose fight which saw him beat Malcolm Klassen in our City was recently named the IBF Continental Africa Fight of the Year. He will be fighting in an IBF elimination match with Rakhomov of Russia here in our city in September this year.
- **Bianca Wood**, Grade 12 pupil from Clarendon who was recently selected for the SA Womens Hockey Team.
- **Mtungwa Mapantsela**, Selborne College Rugby Captain who has been awarded a 2020 bursary to attend The Sharks Academy in Durban
- **Keenan Groep**, Special needs swimmer from Breidbach who won a bronze medal in the 25 metres freestyle swimming event at the Special Olympics World Games in Abu Dhabi earlier this year.
- **Prof Willie Tafadzwa Chinyamurindi** from the University of Fort Hare who was recently named one of South Africa's top lecturers by the Council on Higher Education (CHE) and the Higher Education Learning and Teaching Association of Southern Africa (Heltasa)

As you can see, these are special guests whose everyday acts create this hopeful State of Buffalo City Metro. We thought it important that we acknowledge them and many others who are doing good things in our city as a way of inspiring our people, more particularly the youth.

It is important to acknowledge the fact that this State of the City was not going to be possible without the participation of various stakeholders such as government, the legislature, state owned entities, business, labour, civil society, the judiciary and the media. Whilst development is an unending task, we are happy that in doing your work you have assisted in building this hopeful reality of our city. The prosperous city we want will be created by our collective actions.

I want to also appreciate the role played by the councillors of our metro, across all political formations for having created this State of the City. This is the product of our intense debates, where we counsel each other on better ways of growing our city and bettering its people. We should continue to work together to accelerate our development by properly exercising our oversight role.

I also appreciate the efforts of the management and workers of the city in executing its tasks with the necessary professionalism and understanding that we are tough because we know that more can be achieved. As a result of my leadership of the executive, it sometimes appears that I am not as harsh on the management. This is mainly because most of the public engagements such as council come after we have constructively fought in closed meetings. We more importantly want to thank the ordinary workers of the municipality, the men and women who on a daily basis strive to make our city a better place to live in.

I want to lastly thank the members of the community who assisted in giving a structure and focus to this State of the City by making contributions in the IDP processes and in our social media platforms. The comments reflect us to be a City that is on a correct route to growth and prosperity. The contributions will continue to inspire the manner we implement our Metro Growth and Development Strategy.

It is essential that I report that we begin this new financial year with R1,3 Billion of cash reserves;

We begin the 2019/20 financial year with an A credit Rating;

We shall in the current financial year set up 4 Cooperatives in Waste Management;

We want to see jobs being created;

We are turning waste management into an economic opportunity for our people;

This is but just the beginning, we have set the BCMDA a target of establishing a further 10 Cooperatives going into the future;

We are a sound and financially viable municipality committed to its citizens and all stakeholders within the City.

Let me once more highlight the point that this address is inspired by the interests and constructive suggestions of the citizens of the Metro among them **Mzolisi ka-Xengxe** who wrote on my Facebook Page that:

“Our municipality has so much potential. Real development must unfold. It is time for the Eastern Cape at large to explore & exploit its geographic position and natural resources at its disposal to boost its economy and do away with the culture of dependency in its citizens.”

Let us together perform this task of growing our economy with the requisite commitment and dedication. We should do this knowing that we are standing in the shoulders of giants who have dedicated their lives to see our city and country develop for the better. In unveiling the life size statue of Reverend Dr Mpilo Walter Benson Rubusana that we erected in front of the City Hall, I made a remark that:

“We are confident that the presence spirit of Reverend Rubusana amongst us will help give our councillors and council the ‘Wisdom of Solomon’ as we are dealing with affairs of the people of the Buffalo City.”

Let this be a call for all us to wisely contribute to the development of the better city that we so desire.

It is essential to note that there are those of us who departed the earth since we last met in this manner. Among them are councillors Mlandeli Ngabayena, Jan Smit, Sabelo Hoyo and Richard Rooy. We also lost veterans of our struggle amongst them Mfengu Makhhalima, Malgidi Ramba Ntlebi and many others. We should all commit ourselves to continue to struggle for the development of our Metro and broadly our province in their honour. Let their passing be not in vain.

In concluding this address, allow me to borrow from the words of our Icon President Nelson Mandela in his opening address to the first conference of the ANC in South Africa in 1991, where he states:

“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.”

I want to commit that we will continue to pursue the mandate that our people have given us knowing that experience also means mistakes. We will not be terrified by mistakes into not pursuing our programme of growing our economy and creating prosperity for the people of our Metro. Buffalo City is open for Business!

I Thank You!



BUFFALO CITY
METROPOLITAN MUNICIPALITY

BCMM EXECUTIVE MAYOR, HON CLLR. XOLA PAKATI
STATE OF THE CITY ADDRESS

GROWING OUR ECONOMY. A CITY HARD AT WORK
DATE: 26 JULY 2019 . TIME: 09H00 . EAST LONDON ICC



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