



*Australia South Africa Local Governance Partnership
Funded by the Australian Government*

ACTIVITY COMPLETION REPORT

Activity 9.1.2: Xhariep District Municipality/
Letsemeng Local Municipality/
Barossa Council

Partnership Exchange Visit

Prepared by: Andrew Cameron
Manager – Administrative Services
The Barossa Council

Kevin Hoskin
Agriculture Coordinator
Nuriootpa High School

August 2004

DISCLAIMER

The findings, interpretations and conclusions expressed in this document are entirely those of the author/s and should not be attributed in any manner to the Australian Agency for International Development (AusAID). AusAID does not guarantee the accuracy of the data contained in the document and accepts no responsibility for any consequence of their use.

PARTNERSHIP PROGRAM

The partnership program was predominantly based in the Letsemeng Local Municipality which is situated in the South-western Free State. It has an area of 10,192 square kilometres with an estimated population of 40,000 spread over five major townships. We were based in Koffiefontein which is situated 135 kilometres west of the capital Blomfontein. Koffiefontein is the major township within the region with a population of over 12,000 and is the home of the municipality head office.

The hospitality of both Councils was amazing. In particular the Letsemeng office with Macy offering us their Community Liaison Officer, Andrew, to accompany us to all meetings and programmed events. Sadly Mayor Rens wife had recently passed away with the funeral being held on the Saturday prior to our arrival. The acting Mayor, Mona took time from his job and accompanied us on all but one day, as did several councillors, where travel and time constraints were not too great.

Both Andrew and Mona's commitment to us during our visit was above and beyond what either of us expected or imagined. The days were long, some up to sixteen hours with early morning starts. Their goodwill further enhanced our friendship and co-operation agreement, to the point that both parties were sad for it to end when we waved goodbye at the Blomfontein airport.

The program focussed on meetings held throughout the Xhariep Council area with key winery industry representatives, Local Government staff and Elected Members, workshops with Local School Principals and staff and viewing areas of interest within both districts. All organised meetings provided us with the opportunity to address those people present in a structured manner. Following presentations we responded to question and answer sessions and open discussion. It was generally evident that our audiences were keen to listen and keen to learn. They seemed to be classifying our suggestions as achievable (with funding, support etc) and not achievable. They are aware that they must be proactive in planning or face increasing social and economic problems.

The exchange of mutual experiences was predominantly in a relaxed and informal environment. We quickly realised that the suits and power point presentations that we took over, were not required. The exchange of information particularly with the key winery representatives and Council Administration were most fruitful in a relaxed environment over lunch or dinner. It was here that the exchange of information flowed, by providing the opportunity to interact on a more personal level. These moments were the most enjoyable and gave us some appreciation in terms of delivering on our agreed terms of reference.

KOFFIEFONTEIN

The 2001 census recorded the Koffiefontein population to be 11,384 made up of 72% black, 20% coloured and 7% white. According to the Letsemeng Integrated Development Plan (2002) (IDP) there are 2279 houses in Koffiefontein and the average number of people per household is five (5), although, some instances of six (6) to eight (8) people per household occur. The Letsemeng Council is currently

undertaking a housing project by building basic four room brick houses and allocating on a priority basis, to families within the adjoining 'Shanty Towns'. Once complete the housing, attached with a small parcel of land, is given to a family with the title placed in the family name with a proviso that it can never be sold. Basically the idea of the project is to move the people from what are very humble structures with no amenities to a house with running water and common effluent.

Of note is the fact that a large number of these buildings were near completion, yet out of respect, the township people appreciated that they were allocated and did not attempt to "squat". It was interesting to note that the main idea of the project was to relocate people from the "Shanty Town" to township life, but in reality when the families are relocated to the new houses they in turn rent out their "shanty", thereby becoming makeshift landlords, leaving the Council with an ever increasing problem.

In terms of education there are four schools in the Koffiefontein area, ranging from Intermediate to Secondary. Few matriculants go on to further tertiary education mainly due to the lack of financial means. Those who complete their tertiary training seldom return to Koffiefontein which further exacerbates the depreciation of skill level as well as the intellectual capacity of the area.

A small section of the Koffiefontein population has acquired professional tertiary training. A significant portion of this section is not from the Koffiefontein area having taken up professional positions at the mine. Other professional careers include nurses, teachers, police officers, and administrative positions within the government structure.

The Letsemeng municipality renders community services basically in line with our own existing Local Government structures. What did surprise was the role that the Koffiefontein mine played within the community in terms of service delivery.

The DeBeers mine provided free computer classes to anyone that was interested and had also entered into a partnership with the Free State Department of Health and donated funds towards the extension of the Etherberi Clinic. The Etherberi Primary Health Care Clinic and mobile clinic services 163 service points a month to render health services. The mine and its staff were very conscious in terms of being involved within the community. We were, with senior staff from the mine, special guests at the opening of the local community hall, which was attended by Provisional government representatives and 150 local residents. The mine employees were keen for photographs and handshaking to ensure community spirit. It was not uncommon to see these mine employees at the local council office or other community functions. To be honest it was refreshing to see a company take such an active interest in the economic, social and environmental issues of its local community. The company's public consultation with key stakeholders and interested or affected parties should be commended.

We were fortunate enough to meet the Managing Director of the local mine who organised an underground tour of the operational diamond mine. It wasn't long before the harsh reality of the mining environment was evident, with the current underground resources being depleted and the impact of the Dollar/Rand exchange rate. The life of the Koffiefontein Mine has been seriously affected. For example they are currently

finding an average, 6 to 7 carats per tonne. The neighbouring Kimberley mine is extracting 20 carats per tonnes from disused dump sites.

Consequently, management is currently exploring several options with regards to the future of the mine. The reality, however, is that mineral resources are finite and even though the life of Koffiefontein mine can be prolonged through reducing costs, mining lower grades, and benefiting from higher commodity prices, eventually the mine will close.

The social impacts that emanate from such a closure are a major concern for the Letsemeng and Xhariep municipalities. Any future decisions or developments will affect the physical and social well-being of people subjected to these proposed actions. The challenge for the municipalities is to ensure that upon closure, costs to the community will be minimised and any benefits optimised but the social impacts will be extensive. The 1982 mine closure at Koffiefontein resulted in one third of the population leaving within three years. When the mine reopened in 1987 the population soared from 4,247 (1985), to 8,722 (1991).

The following summarises the potential impacts of the mine closure:

- Decrease in population size
- Permanent outflow of skilled people
- Changes in age structure
- Increased burden on agriculture sector
- Deterioration in the quality of health services
- Downscaling of businesses

Decrease in Local and District Revenue

- Increased financial burden on municipality
- Pressure on cash flow of municipality
- Deterioration of service delivery
- Increased burden on Provincial Government to extend support and funding
- Increased risk of poor service payments (rates and taxes)

Decreased contributions by De Beers to Social Programmes

- Impact on schools
- Lack of investment in children.
- Closure of mine clinic (Human well being)

TOURISM

Tourism in Koffiefontein and surrounding areas is still very underdeveloped, although several initiatives are currently revolving around some of the existing attractions in the area.

The planned Diamond/Wine route in the Southern Free State will cover a distance of 250km and include the towns of Philippolis, Jagersfontein, Fauresmith, Koffiefontein and Jacobsdal. Once established, it will cater for local and international tourists and is

intended for organised tours as well as individual travellers. It aims to be a community project that will include contributions from schools, churches, community organisations, government departments, the business sector and De Beers.

Further opportunities that will emerge from the route include the training of tour guides, the development of alternative accommodation in traditional black townships, cleaning projects in towns and special weekends for, amongst others, fishing, hunting or mountain biking.

An example of under-utilised tourist attractions is Jagersfontein. People associate diamonds with “Kimberley” and “the big hole”. Jagersfontein is home to the world’s oldest diamond mining town, founded in 1870. It was the first place in the world where a diamond was discovered in “blue ground” or “Kimberlite”.

The mine produced the largest number of the world’s biggest gem stone diamonds of exceptional quality, including the “Jubilee” at 995 carats found in 1893 with a present day value of R1.2 billion. The hole was dug by hand from 1870 until 1909, with the top surface area measuring 19.65ha. In comparison the Kimberley hole is 17ha. The suspension bridge built over the hole is amazing. It takes your breath away and provides for spectacular views. We visited the mine on a Saturday and were the only visitors, apparently for some time.

Around the corner, walking some 500 metres from the mine is the “glass studio”. The studio employs 20 highly qualified craftsmen producing a number of items, ranging from small wire animals to specially commissioned artistic pieces. The art is typically African and is exported all around the world. The establishment has grown from 2 employees in 2000 to 20 today and with high unemployment in the area, a job creation program of this nature needs to be nurtured and hopefully sustained, providing creative and enjoyable employment to the local community and a positive contribution to the South African economy.

During discussions on Tourism related activities I was able to expand on Broken Hill’s experiences and its correlation and dependence on mining along with its transformation and breakaway from the traditional mining industry being the economic base. The Broken Hill experience could provide some valuable insight for the municipalities. The Broken Hill mines currently employ 400 people after a high of 9000 in the early 1900’s to around 6,500 in the mid 1950’s. The mines are expected to close by 2020 and the Council took a proactive approach to focus on Tourism by badging itself “Living Museum”, “Accessible Outback” and “The Living Desert”.

The physical topography and climate ranges of Koffiefontein and Broken Hill were very similar in terms of temperature variations, general flat topography, mine dumps and arid regions. Details of Broken Hill’s transformation, including what they are doing well and where they could improve were left with the administration staff of both councils.

SUMMARY

Our visit to South Africa, in particular the Free State was a truly rewarding experience for all concerned. It was a fantastic opportunity to see a large part of South Africa, experience the culture and network with colleagues from half way around the world. The very close friendships that were formed in such a short period of time are a credit to all involved.

Issues facing Local Government across the world are primarily the same, obviously the degree to which an individual Council is affected varies but in the main we are all the same:

- The need for congruence of culture between elected members and staff;
 - Shared vision and culture
 - Mutual trust and respect
 - Continuous exchange of views
- Managing infrastructure and basic public needs
- Managing the environment
- Fostering sound public judgement
- Management reform
- Showing leadership to tackle complex issues
- Regular fine tuning of Policies and Strategic Plans
- Ongoing consultation with the community
- Tackling Youth issues
- Meeting Community expectations

Whilst the study tour was relatively brief both municipalities would have further benefited from a more structured programme with more clearly articulated outcomes on both sides. Many of the winery representatives and schools were unaware and not prepared for our visit. Presentations were made in a relaxed format and at times stimulated questions, discussion and comment. Copies of formal presentations were given to officers where relevant, along with reports and manuals, including the recently released winery impact study which highlighted the Barossa's issues over the next ten years along with associated action plans. In addition we also offered to provide any further information required on any issue discussed and give assistance where possible, contact details were regularly exchanged.

Both municipalities are extremely keen to continue close links with The Barossa Council. They see the potential closure of the De Beers diamond mine further adding to the existing social and economic pressures within the region. They are keen to diversify and value-add to their existing economic structures and are keen to develop programs that are in some way similar to the Barossa. Again, as always the major hurdle is funding.

Should financing be available we would envisage a longer term stay, specifically targeted to a unique project. For example a four week program detailing effluent waste management where a qualified Council employee would work towards practical solutions and vice versa.

RECOMMENDATIONS

1. Address the need for the training of students in preparation for employment. There appears to be a tremendous void existing between schools and industry. There is a need to include “skills training centres”, vocational education and other schemes to make students more ready for employment. The burden of training rests with employers. Training in Small Business Management could encourage more people to become owner/managers of their own businesses. Opportunities exist in areas such as South African crafts, tourism and hospitality.
2. Address the severe lack of information and resources for potential tourists. Maps, road signage, tourist information centres, accommodation, location of tourist attractions etc. While the district requires far more facilities to accommodate tourists, what it currently has is not easily accessible by tourists and visitors.
3. Continued support for the Council’s housing developments, which is addressing the massive problems faced in township areas. While some progress is being made a majority of people are living in sub-standard conditions.
4. Continue programs that allow the exchange visits between people from Australia and the Xhariep district. By visiting Australia and in particular The Barossa Council, members have seen first hand the types of developments that are needed in their area. Visiting consultants from Australia (as we were) are invaluable in providing information, support and constructive advice to various sections of their communities.

TERMS OF REFERENCE

AUSTRALIA – SOUTH AFRICA LOCAL GOVERNMENT PARTNERSHIP

ACTIVITY 9.1.2 – LETSEMENG LOCAL COUNCIL

Co-operative agreement between The Barossa Council & Letsemeng Local Council
“Sustainability partnerships between South Africa and Australian counterparts”.

INTRODUCTION

The AusAID funded, Australia South Africa Local Government Partnership (ASALGP) aims to support the continued development and enhancement of South African Local Government. The project design:

- Recognises the relatively sophisticated system of Local Government already in place in South Africa.
- Recognises that Australia has much to learn from South Africa.
- Seeks to establish long term partnerships between the Australian and South Africa systems of Local Government.
- Calls for activities to be effectively and continuously linked as a strategic, integrated package.

BACKGROUND

The Xhariep District Council shares many similarities with Barossa including agriculture, wine production and tourism. Representatives from the partnership visit in October 2003 were particularly interested in The Barossa Councils amalgamation process.

The Mayor of Letsemeng Local Municipality, Mayor Rens the Mayor of Xhariep District Council TS Mofakeng and the Mayor of The Barossa Council Brian Hurn, entered into a Friendship and Cooperation Agreement with one another during their partnership visit to the Barossa in October 2003. The partnership program was based on local and regional Economic Development, investment attraction, tourism and employment creation.

During the debriefing with the Xhariep/Letsemeng delegates it was obvious that the Nuriootpa High School approach to education in the VET sector was one of the highlights and a project that they would like to promote in the Xhariep district.

In addition they expressed keen interest in Tourism promotion and supporting development in their fledgling wine industry to increase investment and create additional employment. They identified tourism opportunities around the Gariep Dam and promotion of the Diamond Wine Trail as priorities. This is supported by the proposal to incorporate a tourism desk and associated displays in the new Council administration building at Tromsburg.

PROPOSED TERMS OF REFERENCE

The one week exchange by Mr Andrew Cameron (The Barossa Council) and Mr Kevin Hoskin (Nuriootpa High School) has been designed to enhance relationships and exchange experiences with the following specific deliverables:

- Strengthening the Friendship and Cooperation Agreement through a spirit of Co-operation and Goodwill.
- The exchange of mutual experiences on all levels of government administration.
- Provide further information on the Barossa experiences in particular education, economic development, tourism and investment attraction.
- Provide information to key educators in setting up pilot school models and seeking support from local business to support the programmes (ie Commercial School Winery).
- Meet key wine industry representatives in the Jacobsdal area to identify the level of industry support for a potential school program.
- Provide information on the Broken Hill experience in terms of changing the economic base from mining to tourism.
- Provide information on The Barossa Council's experience of gaining community support for proposed relocation and building of a new Administration Centre.