

Crumbling municipality forces factory closure

300 jobs lost at Clover cheese

By **Mpho Sibanyoni**

The Ditsobotla local municipality in North West has conceded that its failure to maintain public infrastructure resulted in Clover SA closing down its plant and moving it to another province.

Clover SA this week announced it was closing SA's biggest cheese factory and moving it from Lichtenburg to KwaZulu-Natal.

Relations between the municipality and the company soured following problems of poor road infrastructure, water shortages and constant power outages.

"Ongoing poor service deliv-

ery is the main reason for Clover's decision to move its cheese production from Lichtenburg to Queensburgh, Durban. Clover already has operation in Queensburgh and the eThekweni municipality has proven to be supportive," read the company's statement.

According to media reports the move will cost the company R1.5bn and result in more than 300 jobs being lost.

"For years, the Lichtenburg factory has been experiencing water and power outages and the surrounding infrastructure has not been maintained by the municipality. Despite numerous efforts to engage the municipality on these matters, the issues have not been resolved," said Clover.

Ditsobotla mayor Tebogo Buthelezi yesterday confirmed that Clover had for years

raised complaints about the poor public infrastructure.

"This is a very big blow to Ditsobotla municipality and its communities," said Buthelezi.

"It is true that Clover has been raising [the issues for many years]. Those [problems] have been accumulating for quite some time and now it is just unfortunate that we are at a point of no return due to poor infrastructure," said Buthelezi.

He said the municipality was struggling to fix public infrastructure as most residents were not paying for services.

"Due to this low revenue collection rate we [unsuccessfully] requested the assistance of the department of public works to finance the revamping of the road leading to the Clover industrial side. The road is totally worn out. It cannot be patched. It needs to be

reconstructed from the ground," he said.

Buthelezi stopped short of saying it would be sad to see the company leave because Clover had been assisting the municipality with technicians whenever there were water problems. "Clover also assisted the municipality whenever there were issues regarding electricity transformers.

"I must be honest with you, when the water is not there, Clover is losing a lot of money. They need water to process their product."

He said the municipality collected between R20m and R22m a month.

"The salary bill runs at R14.5m a month. There is under-collection of revenue and there are also illegal connections of both water and electricity," he said.