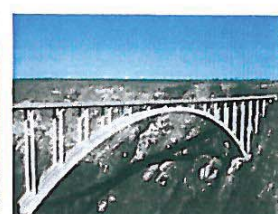




KOU-KAMMA MUNICIPALITY

Annual Report 2006/2007



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CHAPTER 1: INTRODUCTION AND OVERVIEW

1.1 Mayor's Foreword

"Do what you want to do, do it now, but please rush it!"

Koukamma, a place where people come first. A home for the destitute where we treasure the aspirations and ambitions of our people. The Koukamma Municipality with its unique rural character provides its own challenges in terms of governance and political dynamics.

Koukamma was long plagued by institutional challenges like:

- Lack of institutional capacity
- Lack of resource base (high indigent population)
- Lack of financial discipline and non-adherence and non-compliance to relevant finance regulations
- Lack of technical infrastructure capacity which explains the huge infrastructure backlogs
- Lack of institutional order and discipline
- Low morale from communities and absence of sector stakeholder support

The Municipality realised its obligation to institute a turn-around plan to ensure sound governance and to promote institutional excellence. We managed to introduce certain turn-around strategies which are as follows:

Convene strategic summit where inter-alia the following decisions were taken:

- To adopt a financial turn-around strategy with the aim of increasing the resource base and introducing strict fiscal discipline
- To adopt a resolution to restructure the organisation (staff follow function)
- To re-design and review relevant institutional policies (Human Resources, Corporate and Finance)
- To embark on a lobbying campaign and to intensify fundraising efforts for crucial projects and programmes
- To adopt strategies to intensify and advance democratisation and governance through active community participation

We also managed to achieve many milestones to achieve a goal of advancing efficiency and excellence.

Despite all the hiccups, constraints and challenges we are still confident to overcome and defeat the challenges. As a collective (councillors, officials and community) we are committed to work.

A special word of appreciation to my fellow councillors, officials, communities and sector stakeholders for the continuous support to me.

Best Regards

Noël J. O'Connel
Mayor/Speaker

1.2 Overview Of The Municipality

The Kou-Kamma Municipality is situated in the south-west corner of the Cacadu District Municipality along the Indian Ocean coastline in the south western sector of the Province. To the west lies the Western Cape Province. Kou-Kamma also borders the Baviaans Municipality in the north and Kouga Municipality to the East. The geographical area of the municipality is 12540 square kilometres.

The Kou-Kamma Municipal area is characterised by two distinctive areas, i.e. the coastal belt (referred to as the Tsitsikamma) and the inland area of the Langkloof. The two areas are separated by the Tsitsikamma mountain range. The Kou-Kamma municipal area is also separated from the Baviaans Municipality by the Kouga Mountains to the north. Tsitsikamma and Langkloof are characterized by fertile soils that are extensively farmed or used for forestry purposes.

The Kou-Kamma Municipality has incorporated several settlements from the Cacadu District Municipality for service delivery. The various settlement areas are Krakeelrivier, Louterwater, Misgund, Clarkson, Woodlands, Stormsriver, Sandrift (Nompumolelo Village), Coldstream, Koomansbos, Thornham, Griqua Rust, Blikkiesdorp, Kwaabrand, Eersterivier Kruis, Wittekleibos, Snykclip, Guava Juice and Doriskraal.

Kareedouw and Joubertina, as former TLC's and current Municipal administrative nodes, are the only towns depicting significant urban characteristics. All the other towns mentioned above depict an ultra-rural milieu and originated primarily as residential facilities for farm workers of surrounding farms.

In the Tsitsikamma area there are 12 rural villages that fall under the jurisdiction of the Koukamma Municipality. They are namely:

- **Coldstream:** situated approximately 60km south-west of Kareedouw, and the township consists of approximately 842 residential erven.
- **Koomansbos:** situated approximately 25km west of Kareedouw. The current population of 60 formal residential erven is estimated to be 260 people.
- **Storms River:** a semi-rural township approximately 34 km from Kareedouw. The town displays two distinct residential types, that being of the affluent residential part (Storms River Village) and the low income section (Storms River West).
- **Thornham:** a medium to small rural township approximately 45km south-west of Kareedouw. Low-income housing is the predominant land use pattern.
- **Griqua Rust:** consisting of approximately 60 families and is situated adjacent to Sandrift , approximately 34km south-west of Kareedouw alongside the N2.
- **Sandrifft and Blikkiesdorp:** a semi-rural township approximately 30km south-west of Kareedouw, Low-income housing is the predominant land-use pattern. The town is divided into two distinct suburbs viz. Sandrift Village (medium to high income) and Nompumelelo (medium to low income)
- **Kwaabrand:** an ex-forestry station situated approximately 23 km south of Kareedouw and lies. Approximately 60 houses are situated on the farm.
- **Woodlands:** approximately 17km south-west of Kareedouw. Low-income housing is the predominant land-use pattern and forestry and farms surrounding the township, are the main source of employment and income to the residents.
- **Eersterivier Kruis:** a small community consisting of 57 households with 1 school situated near the small holiday resort of Eerste River Strand along the banks of the Eerste River situated

approximately 16 km south of Kareedouw.

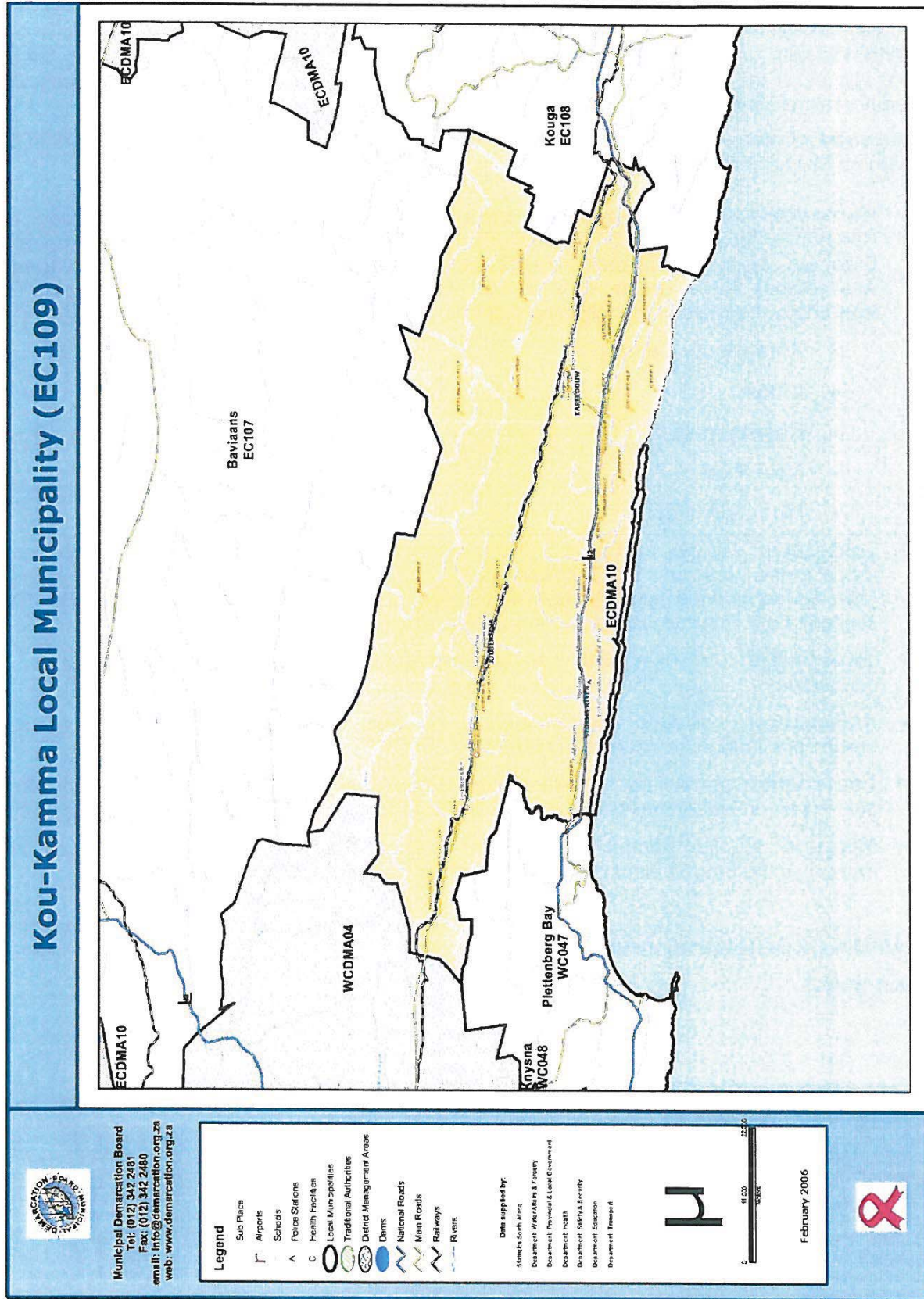
- **Clarkson:** approximately 18km south-east of Kareedouw. Low-income housing is the predominant land-use pattern.
- **Wittekleibos:** a small community of 200 families living on privately owned land falling under the jurisdiction of the Tsitsikamma Development Trust (TDT), and is situated approximately 23 km south-east of Kareedouw.

In the Langkloof area we have two towns and 4 rural settlements falling under the jurisdiction of the Koukamma Municipality namely:

- **Kareedouw (the gateway to the Langkloof):** situated against the northern slopes of the Kareedouw Mountains in the Eastern Cape. It is approximately 130 km to the west of Port Elizabeth, along the N2 and the R62 routes. The Krom River runs north of the town, the Assegaaibos Kloof stream runs to the east, and the Ouwerf Kloof stream to its west. Kareedouw consists of the following suburbs:
 - Kareedouw Central
 - Uitkyk
 - Kagiso Heights
 - New Rest
 - Mountain View
- **Joubertina:** is the main town in the Langkloof area and lies between the Kouga Mountain range in the north and the Tsitsikamma Mountain range in the south. Joubertina is a small town and is situated approximately 45km west of Kareedouw on the R62 road. The town is divided into 2 suburbs viz. Joubertina Central and Ravinia.
- **Tweeriviere:** a farming district situated in the Langkloof, approximately 2 km east of Joubertina.
- **Krakeelrivier:** situated approximately 9 km west of Joubertina on the R61 route. The predominant land-use pattern is residential.
- **Louterwater:** a medium, semi-rural farming community in the Langkloof area, approximately 18km west of Joubertina. Medium to low-income housing is the predominant land-use pattern.
- **Misgund:** situated approximately 32 km west of Joubertina in the Langkloof. Low-income housing is the predominant land-use pattern for the approximately 2100 residents.

KOUKAMMA GEOGRAPHIC AREA

(see next page)



1.3 Governance And Organisation Structure

1.3.1 Council Structure Of The Kou-Kamma Municipality 30 June 2007



Clr N.J. O'Connell (ANC)
Mayor/Speaker



Clr N.E. Mntambo (ANC)
Portfolio Councillor
Social & Special Programmes



Clr J. Kettledas (ANC)
Portfolio Councillor
Infrastructure & Technical



Clr F J Yake (ANC)
Portfolio Councillor
LED, Tourism and
Economic Affairs



Clr M.W. Wogane (ANC)
Portfolio Councillor
Finance & Management
Whip



Clr S. Jacobs (ANC)



Clr D. Ncethezo (ANC)



Clr F. Strydom (DA)
Whip



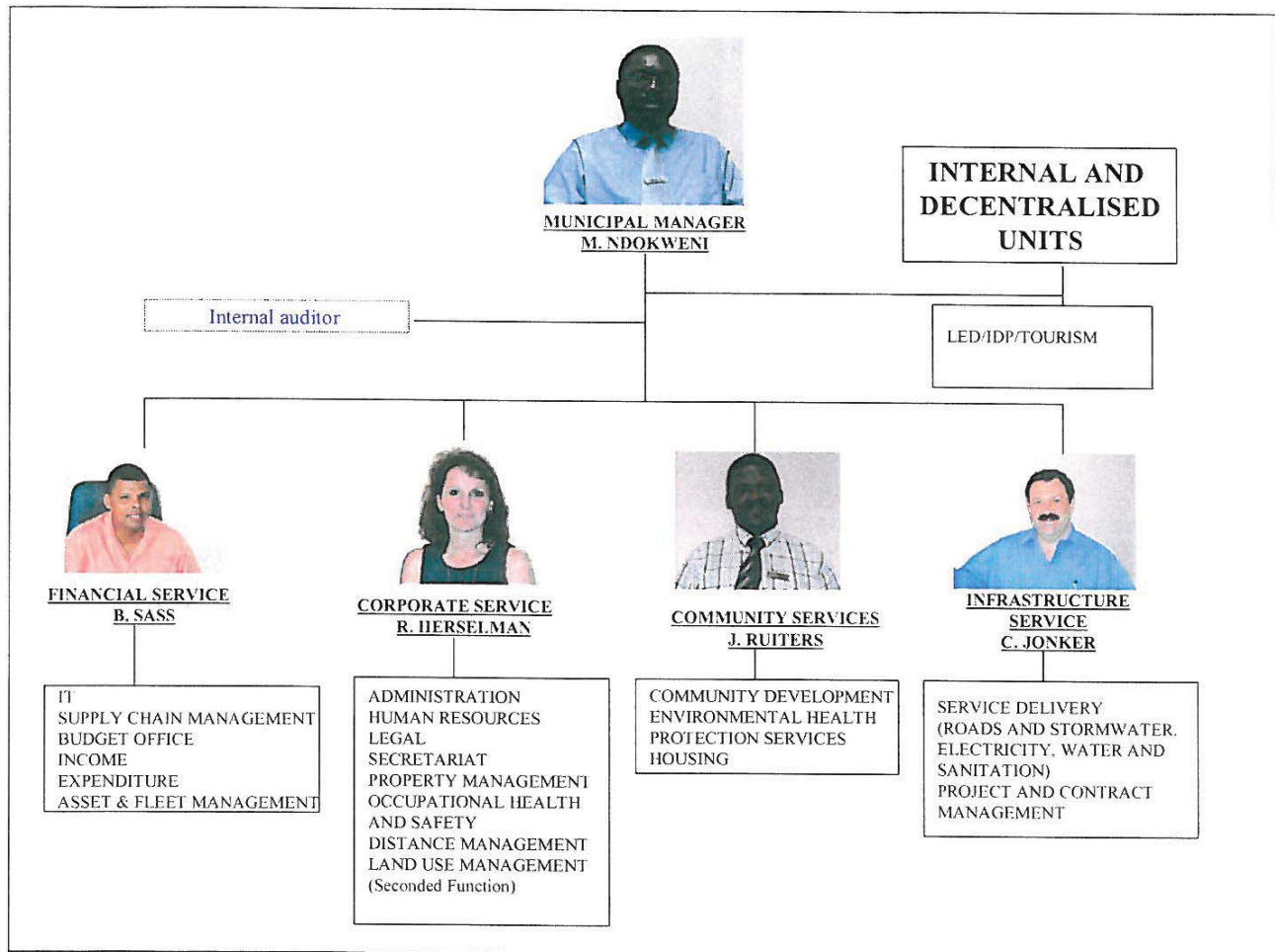
Clr C. Reeders (DA)



Clr D. Jacobs (ID)

1.3.2 Kou -Kamma Municipality : Administrative Structure

The Kou-Kamma Municipal administration has been organised into 5 main departments. Each of the departments, including the office of the Municipal Manager, contains a set of operation divisions. Plans are developed by each department to ensure quality and effective delivery.



1.4 Executive Summary

The scattered nature of settlements in the Kou-Kamma region, and the incorporation of two former TLC's into the municipal structure, means that the provision of infrastructure and basic services will remain a challenge for some time. Kou-Kamma Municipality is a relatively poor area with high unemployment and low levels of literacy. Employment tends to be seasonal and based on the agriculture or forestry sectors. The citizens of Kou-Kamma have access to some basic services, including water, sanitation and electricity, and the Municipality is working to extend these services to a wider section of the population.

In order to ensure that this happens, Kou-Kamma Municipality has developed the following values, vision, and mission as guiding principles in all developments and decision making in our area.

VALUES

**TRANSPARENCY
HONESTY
COMMITMENT**

VISION

Kou-Kamma strives to be a vibrant and responsibly managed area, which has an integrated, democratic community supported by a strong and a sustainable economy.

MISSION

To promote a well planned municipality, by which delivery and access to sustainable services creates an environment in which all its citizens can prosper through socio-societal upliftment and accountable corporate governance.

The performance of the municipality is reported in terms of the functional areas as required by the National Treasury. This annual report is therefore compiled in terms of the guidelines of National Treasury.

Chapter 5 of this annual report which deals with the functional areas, discusses the performance, covering the overview and the descriptions of the activity. Included also are progress reports on the strategic objectives and key performance indicators.

PLANNING, DEVELOPMENT AND OTHER

Local Economic Development, Tourism and Integrated Developmental Planning (IDP), functions as a unit within the office of the Municipal Manager. The unit is managed by the IDP/LED Officer assisted by an administrator/clerk. The municipality has appointed a service provider to develop the LED strategy. The tourism plan is in the process of being developed.

of understaffing in the Fire Services Section.

An activity hub for the promotion of Sports (rugby, soccer, netball and volley ball) within the Kareedouw community was a programme of the Mass Participation Programme (MPP) of the Department of Sports, Recreation, Arts and Culture (DSRAC).

Response times to incidents of fire remain a challenge due to the shortage of vehicles and non-installation of radios in traffic and fire vehicles hampering effective service delivery.

TECHNICAL AND INFRASTRUCTURE DEVELOPMENT

The Municipality is responsible for its own technical and infrastructure services in terms of the powers and functions assigned to it. The municipality received a municipal infrastructure grant (MIG) directly for the first time, in the year under review.

In accordance with the MIG conditions a PMU business plan was approved. The focus was more on water and sanitation projects through the MIG programme. Cacadu District Municipality assisted from time to time with rehabilitation programmes, and these include:

- Kou-kamma municipality is a Water Services Authority. Attracting skilled personnel in this area is a huge challenge and this has a negative impact on the effectiveness of operations in this function. The Department of Water Affairs is visible in assisting the municipality to overcome the challenges as identified. A capacity building project is earmarked to start next year. The water and sanitation backlog is discussed in Chapter 2 of this report.
- Section 78(1) assessment and the Water Development Plan was completed through the assistance of the Cacadu District Municipality. The Spatial Development Framework was completed. This document could not assist the municipality during the year under review as there were delays in the stakeholders' participation programme.

The MIG allocation for the 2006/07 financial year came to R3,76 million of which R770 000 was ring-fenced for bucket eradication projects. The Cacadu District Municipality assisted Koukamma from time to time with rehabilitation programmes. These include:

- Rehabilitation of Stormsriver West Sewerage mainline R1,2 million
- Procurement of sewer line maintenance equipment R350 000

The Technical and Infrastructure department is mostly responsible for service delivery, infrastructure planning and development of the following sections:

- Water and Sanitation
- Roads and Storm water
- Electricity distribution (reticulation level)
- Land Use Planning which includes town planning and building control
- Cleansing (refuse removal) and solid waste management
- Project management unit.

The Technical department encountered service delivery challenges and can be summarised as follows:

- Slow response time to customer complaints
- Lack of skilled and trained personnel
- Limited earth moving equipment
- Aging and deteriorating vehicles
- Limited available budget to provide basic services
- Due to geographical layout distance management in terms of staff monitoring and control becomes risky
- Absence of a Mechanical workshop – vehicle down time at service providers contributes to service delivery challenges.
- Maintenance backlogs escalate specifically on water, sanitation and roads.

In terms of Project Implementation and Management the Technical department mostly rely on consulting engineers.

Attempts have been made to enrol the community in cleaning campaigns in most areas whereby job creation programmes have been implemented.

CORPORATE SERVICES

The Department of Corporate Services is to provide corporate services to the Council and Departments, including Human Resources; Training; Secretariat; Legal; Labour Relations and Administration. In addition to these functions the department also assists in the rendering of the following functions: Public Relations, Performance Management System, Mayoral Support Services and Land Use Management.

The main achievements of the Corporate Services Department for the period under review were to:

- Review, draft and adopt the Recruitment and Selection and Employment Equity policies
- Establish ward committees in all 5 wards
- Review the organogram
- Adopt and promulgate 18 by-laws

The main challenges of the Corporate Services Department for the period under review were:

- The management of the decentralised units (distance management);
- Effective communication through the vast area of jurisdiction;
- Budgetary constraint that hampered the overall performance of the department.
- Inadequate office and storage space
- Proper functioning of the ward committees
- Attracting and retaining skilled staff
- Skills development and training of staff
- The delay in the finalisation of the direction for the filling of critical positions
- Absence of employee wellness programme and funding thereof
- Absence of proper communication systems and channels
- Rendering a support service to all stakeholders
- Improve and expand communication with and to all stakeholders.

In light of the critical role that this department plays in stabilising the institution, transformation to comply with legislative requirements, community needs and ensuring

that effective and efficient services are delivered by creating a conducive environment for the above to take place, the Corporate Services Department should continuously strive to:

- render administrative support services to all internal stakeholders
- enhance training and capacity building of all staff
- develop review and update policies
- improve employee performance
- ensure proper record keeping and recording
- ensure easy access to information
- improve and expand communication with all stakeholders
- enhance and expand relations amongst all stakeholders
- ensure a safe environment to operate in.

FINANCIAL PERFORMANCE

The municipality started the financial year with conditional grants amounting to R2,67 Million. Expenditure amounted to R 8,79 Million which represents a percentage of 30,6%. The balance of R5,7 million is unacceptable considering the backlog in infrastructure development.

Auditing of financial statements for the past four years was done in the year under review. The municipality has obtained adverse opinion on all those financial statements. This is primarily due to financial systems not being fully compliant with the Finance Management Act principles. The municipality will make every effort to comply with the required standards.

The municipality completed the year under review without a Chief Financial Officer whose contract ended before the end of the year. An Acting Chief Financial Officer was appointed.