

EMBARGOED UNTIL 12H15 ON 29 MAY 2009

THE STATE OF THE DISTRICT ADDRESS BY HIS WORSHIP THE EXECUTIVE MAYOR OF AMATHOLE DISTRICT MUNICIPALITY, ALDERMAN SAKHUMZI SOMYO AT THE CHRISTIAN CENTRE IN EAST LONDON ON FRIDAY, 29TH MAY 2009

All Protocols observed.

The past year has been a tumultuous one for the Amathole District Municipality. We have concluded a rigorous election process that was fiercely contested on all sides. Even though the Local Government sphere was not contested in these elections, they took place in our wards and also in our communities. It was thus a challenge to manage the process so that there was no major fallout at a local level. However ten of our members were expelled by the ruling party and were subsequently replaced.

In this address last year, we also noted the prevalence of a hostile global political and economic environment, characterized by escalating oil prices resulting in further fuel price increases. The energy crisis also affected our economy. The same atmosphere prevails this year, emanating from the meltdown of the financial institutions in the United States and elsewhere. Because of the global nature of today's world, the effects of that are felt world-wide. This has impacted negatively on our economy and includes -

- High inflation and diminishing investment programmes;
- a decline of the manufacturing sector, particularly the automobile sector; and
- a dramatic rise in unemployment with more jobs on the line.

Arising from figures released by Statistics SA, South Africa is officially now in recession for the first time in 17 years with our Gross Domestic Product figures reflecting a 1.8% fall in the fourth quarter of 2008 and a dramatic 6.4% plunge in the first quarter of this year. It is expected that the prevailing conditions will also impact negatively on the ADM as many people will be laid off work and will not be able to afford services rendered. This is expected to swell the ranks of our debt book and our indigent register. It calls for fiscal discipline in challenging times whilst in the interim we must also create a balance on issues of social assistance. The ADM must consciously support those who do not have the means whilst also balancing our books and sourcing sufficient funding to carry out our core functions in a sustainable way.

The inauguration on 9th May 2009 of our new President, Mr Jacob Zuma ushered in a new administration. In his words **“it is a moment of renewal”**. Indeed, an era of hard work, cooperation and high levels of service delivery has arrived. Let us all embrace it with willing hands. In the words of President Jacob Zuma, **“There is no place for complacency, no place for cynicism, no place for excuses.”**

Madam Speaker, it will be recalled that when delivering the same address last year, I challenged both the councillors and management of ADM to do an introspection and decide on

the kind of leadership we want for our institution. It would do well for councillors and officials to remember the principle reason of why we are all here – to improve the lives of our people.

You know, Mother Theresa was once asked the requirements for people assisting in her work with the destitute in Calcutta. She cited two things: **the desire to work hard and a joyful attitude**. If someone could be expected to be joyful among the sick and dying and the poorest of the poor like she did, then certainly we can do the same in our situation. John Maxwell once wrote: **“The secret of your success is determined by your daily agenda. MAKE TODAY COUNT!”** However, it needs to be acknowledged that we cannot do this on our own. We need the support of our communities because together we can do more.

We are once again gathered here in this council to take stock of what we were able to achieve as well as what we could not achieve during the year under review, particularly for our programme to meet the Millennium Development Goals, and to summarise programmes and projects arising from our Integrated Development Plan for the year ahead. -

In June 2008, our development agency, Aspire, held its first review of Amathole Regional Economic Development Strategy (AREDS) for 2007-2014. Since its establishment Aspire positioned itself as a “trusted advisor, stimulator and partner in the regional economic environment”. The strategy review, however, pointed to the challenges and gaps in the implementation of projects.

As a response to the strategy review, both the board and the management of Aspire resolved that instead of acting in an advisory capacity to the local municipalities, they would work together with the municipalities to speed up implementation and service delivery and to ensure that economic decisions could be better influenced. This has heralded the renewed role of Aspire to act as both a project manager on behalf of the ADM and as a partner in the implementation of projects at local municipalities.

The council will recall that Aspire entered the 2008/2009 financial year with a ground breaking Neighbourhood Development Partnership Grant (NDPG) of R300 million from National Treasury. The grant is expressly for the support of Amathole’s Small Town Development Programme. A contract for this purpose has now been signed with National Treasury by Aspire on behalf of the ADM. The funding will, in the next three years, be used to facilitate the development of the small towns of Alice, Butterworth, Dutywa, Hamburg and Stutterheim. The actual finalization of the contract includes the following:-

- The mobilization of Council resolutions and support, from not only the ADM but also the five affected local councils of Amahlathi, Mbhashe, Mnquma, Nkonkobe and Ngqushwa.
- The drafting of Milestone Project Schedules (MPS) for each of the five town areas.
- Increased communication to promote local programme ownership and capturing of multi-ranging stakeholder interests.

- The completion of some pre-feasibility studies aimed at establishing the status quo in these local economies and presenting a business case for their economic development.

After a year of implementation of ADM's Small Town Development by Aspire, we have identified the following, as the crucial factors to the success of the programme:-

- The formulation of a town regeneration strategy.
- The facilitation of spatial integration elements between the town and its rural hinterland.
- The development of a precinct or nodal area to allow for the flow of the town's economy, for instance, a functional Central Business District (CBD), mixed residential or accommodation centres, retail/commercial and industrial points etc.
- The identification of an anchor project to build the economic character of the area; and
- Communications to ensure increased public participation and local ownership.

As far as Stutterheim is concerned, Aspire is finalizing a draft regeneration strategy which covers Mlungisi, Cenyuland, Cenyu and the town area which is aimed at impacting on the lives of more than 37 000 people living in this region. In addition, a local spatial development framework has been completed. Spatial integration elements are planned and being implemented and this includes the construction of a vehicular bridge between Mlungisi and the town as well as the development of a Petro-Park which is a facility that brings together a fuel station, a visitor's information centre, an arts and crafts facility; and a coffee shop.

All this was done on ADM owned land, at the town's entrance linking King Williams Town (the R345), and East London (on the N6) routes.

In addition to this, Aspire is completing a Spatial Development Plan for the development of Amabhele Village, which also stands to benefit from the provincial rail-tourism initiative and Aspire's efforts to expand blue-berry production along the N6 corridor. The blue-berry production will also spread from Thornhill farm to cover the neighbouring Ndakana community.

The third component of the development of Stutterheim is a precinct or nodal development for the promotion of commercial, retail, small business and government services in Mlungisi township. This node will be anchored by the development of a commercial community park – and a process to secure provincial government's Thusong initiative to anchor the development is underway.

The fourth component of the development of Stutterheim is the Woodhouse Project, which is a facility for small business training, skills development and wood processing. This has been identified as an anchor project for the development of Amahlathi's economy. The Woodhouse project has found partners in the private sector and a Seta-accredited service provider.

It is also very important to note that Project Steering Committee (or PSC) meetings are held monthly to ensure stakeholder buy-in and local ownership. In these meetings progress by

consultants and suggestions presented by Aspire and the community are reviewed. Increased communication with the community is then driven by committee members. The PSC is chaired by a local councillor and members of the committee are drawn from ward committees, community development workers (CDWs) and other community interest groups.

What is interesting about the programme structure in Stutterheim is that it also fits well with the four intervention areas as contained in the AREDS framework, namely that projects should have high impact, practice good governance, build human capital and ensure consultation with relevant stakeholders.

The downside of the whole development process by Aspire is that because of the budgetary constraints that have been piling up over the last three years, the agency now requires five times its current budget – not only to improve staffing but also to support the ADM in ensuring that a stable delivery mechanism for the realization of its contract with the National Treasury is maintained.

Despite the challenges, what is encouraging is Aspire's resolve and commitment to deliver on its projects in the next twelve months according to clear plans, such as:-

- The Construction of the Mlungisi bridge in November 2009.
- The establishment of the Artists Residence in Hamburg in April 2010.
- The development of the Petro Park in May 2010, and
- A number of other projects in Ibika, Amabhele, Ndakana, Msobomvu township, Hala, Govan Mbeki township and Alice.

It is heartening to note that these projects – from construction to operations – will provide the much needed jobs, and business opportunities while at the same time trigger further economic investments.

The Local Economic Development and Environment cluster of the ADM includes tourism, heritage, agriculture, environment, SMMEs and Cooperatives. After carefully considering the challenges identified by business in ADM, the Local Economic Development Unit embarked on a process of drafting the SMME and cooperative strategies. These strategies seek to outline both the vision and the role the institution should play in supporting these businesses.

We have also partnered with Metropolitan and other stakeholders involved in SMME development to host the SMME Business Portal in the district. These portals give SMME's a platform to air their concerns with fellow stakeholders.

Despite the setbacks encountered in the evolution of our Cooperatives Strategy, it is my pleasure to account to this council that we launched a Cooperatives Forum in October 2008. The purpose of this forum is to afford an opportunity for cooperatives to speak in one voice and present their challenges to the institution. We also successfully hosted a Cooperatives Indaba

in December 2008. It afforded an opportunity for cooperatives to address their concerns with the relevant departments as well as institutions established to support them.

The ADM Tourism Master Plan recommends that events and festivals should be initiated and supported. Against this background, we have supported the following events during the year under review:-

- The Christmas in July which was held in Hogsback. This event attracted visitors from all over South Africa.
- The Bedford Garden Festival was held in October 2008.
- The Craft Mania which was held in Amahlathi area also attracted visitors from the various parts of the district.
- The second Africa Open Golf Challenge was held in East London in January this year.
- Buffalo City has recently hosted the Indian Premier League cricket series, once again reaffirming that we are able to host world class events in the district.
- The Hamburg Beach Festival was also held in the Ngqushwa Municipal area last weekend.
- And the upcoming Mquma Arts & Culture Festival will be held tomorrow, on 30th May 2009.

As part of our endeavour to boost our tourism industry, the ADM has also partnered with communities in the establishment as well as the refurbishment of tourism facilities in their localities. This process is going well in areas like Chata, Ikhamanga Cultural Village and Mount Pleasant. However, we are faced with challenges that require social facilitation in the areas of Bawa Falls as well as the Highlands Area.

The ADM recently donated 47 cows and heifers, to the Keiskamma Irrigation Scheme, currently operating as "Seven Stars Central Agricultural Cooperative".

The Silwindlala Womens' Project is a recipient of funds amounting to R400,000.

On 24 March 2009, a tractor and its implements were handed over at a ceremony held at Ngqamakwe.

Ntseshe Red Meat and Wool Growers Association project boasts a membership of more than seventy nine households from the community. The association has also been joined by households from the adjoining villages. The project is also involved in land care and a pasture management programme and in these ventures 135 local residents were employed in soil conservation and fencing. Eight Nguni Bulls were donated to the communities of Ntseshe and Kei Farm to fulfill the objective of livestock improvement.

The project to resuscitate the Dube Irrigation Scheme resulted in employment opportunities for ten people for a period of 6 months from 1 March this year.

The food security project, the Mtyolo Agricultural Cooperative Ltd started in 2007. Its membership grew from the initial 5 to about 20 members by 30 April 2009, the day on which it was officially launched. The project focuses on three activities, i.e. crop production, piggery and egg production.

Crop production is split into dryland crops in the arable lands and irrigated vegetables at the local primary school. The ADM assisted the project with a drip irrigation system and 8 water tanks, each with a capacity of 5 000 litres, which members have used to kick start production at the school.

The dryland production is on 5 hectares of arable land and has so far yielded potatoes, butternuts and pumpkin through the assistance of the Ngqushwa Department of Agriculture.

Members are planning to be part of the Massive Food Programme in the 2009/10 financial year and both the Department and the Ngqushwa LED Unit will provide members with financial and technical assistance.

The site for the piggery project has already been identified and construction work is progressing well. Members have formed strong linkages with various relevant organizations and bodies and have arranged markets for all their products, both current and planned.

The ADM donated 3 Nguni Bulls to the Dabane Farmers' Association. Twelve hectares of land were prepared for these farmers.

The ADM also donated a tractor to the Ludiza Irrigation Scheme. The pervasive challenge facing the Agricultural Unit is inadequate project management skills and therefore the unit is planning for all its project managers to undergo a Project Management course before the commencement of the next financial year.

In line with the District Heritage Sites Improvement Plan and District Heritage Resources Management Strategy, the ADM has rehabilitated two sites for the 2008/09 financial year, i.e. the Alcott Skwenene Gwentshe, and Victoria and Griffiths Mxenge memorial graves.

We also witnessed the completion of the King Ngqika Memorial Grave. The Victoria and Griffiths Mxenge and King Ngqika Memorial will be officially unveiled before the end of the financial year.

Work is due to start shortly on the Jabavu House in Middledrift as material has already been purchased.

The Early Modern African Intellectuals Heritage Trail Exhibition which is an integral part of the first phase of the project (Ntsikana, Soga, Jabavu, Rubusana and Mqhayi) has been exhibited at Queenstown Museum and is now housed at Barkly East Museum. For the 2008/09 financial

year the heritage unit has been researching the histories of Gwayi Tyamzashe, Elijah Makhiwane and Daisy Majombozi.

The project aims at unearthing other layers of our rich history and heritage in the district that relate to African intellectual heritage and to celebrate life histories and communal achievements of people that excelled in various spheres of life.

The ADM's Infrastructure Cluster includes water and sanitation, community facilities, land and housing, the Project Management Unit and building regulations.

In support of settlements and social development in our district, the ADM has implemented the following community facility projects in the past financial year at a total cost of R12,7 million, providing services for 14,863 beneficiaries and employment for 123 people:-

- The Blackwood Community Hall
- The Gonzana Community Hall
- The Mount Pleasant Community Hall
- The Platform Community Hall
- The Macleantown sportsfield
- Services for Mount Pleasant Settlement
- The Kwelerha Community Hall
- The Komga Community Hall
- The Wortel Drift Farm Settlement
- The Ducats Community Hall; and
- The Cata Internal Hall a

The following challenges have been identified, with regards to community facilities:-

- Use of emerging contractors on community halls has proven very challenging, as progress is very slow and some contractors ultimately abandon sites;
- Unethical behaviour by certain consultants ;
- Lack of community participation as communities did not readily embrace the projects and some Project Steering Committees simply dissolved for no reason ;

- Price escalation on materials which normally meant revision of tendered amounts by certain contractors;
- Contractors requiring extension of time to avoid penalties on projects; and
- Scarcity of certain materials in certain areas.

The proposed solutions to deal with these challenges are as follows:-

- It has been observed that the usage of emerging contractors does not yield good results. Therefore, where possible, contractors will be encouraged to sub-contract some of the work to boost capacity.
- In future all contractors will be encouraged to source their own material for projects as experience has shown that this is not the best practice on the ADM's part.
- Experienced consulting services will be sought in order to ensure the smooth running of projects.

The ADM was able to operate with its transport infrastructure programme despite limited resources and funding. We pursue our objectives of improving the safety and accessibility of our public transport facilities with great vigour through the support of our partners, the Department of Roads and Transport and the National Department of Transport. The achievement in this sector thus far includes the completion of a feasibility study for the Stutterheim Public Transport Facility at a cost of R200,000.00.

The following transport projects are planned for the next financial year :

The Great Kei Public Transport Services Plan will be developed in the amount of R300,000.00. It is expected that a service provider will be appointed at the end of this month.

Feasibility studies for Komga and Mooiplaas Public Transport Facilities are planned at a cost of R500,000.00.

Pedestrian and bicycle infrastructure will be implemented in Amahlathi, Mnquma and Nkonkobe local municipalities at a cost of R6 million;

The Butterworth Multimodal public transport facility is planned at a cost of R14 800 000.00. This project is linked to the ADM's FIFA 2010 World Cup programme.

Funding is the major challenge in the implementation of transport infrastructure to fulfill ADM's objectives and the ADM plans to continue engaging the Provincial and National Departments of Transport.

Waste management projects are listed as follows:

- The number of permitted sites has now increased as the Fort Beaufort Transfer Station and Eliotdale solid waste sites have been issued with permits. This increases the

number of permitted solid waste sites from 14 to 16 out of the operational waste sites within the district.

- The Elliotdale project received funding from the Municipal Infrastructure Grant (MIG) for the construction of a waste disposal site. The project is now at tender stage.
- The Nkonkobe Municipality has four solid waste sites. The construction of the Fort Beaufort Transfer Station is in the final stages. It is envisaged that the transfer station will be complete by the end of June 2009.
- The processes for the establishment of the Regional Waste Site in the Eastern Region in Butterworth and its operations are planned to continue in 2009/10.

The broad objective of ADMs Land and Housing Unit is to ensure accessibility to land through the Land Reform Programmes, and provision of adequate and sustainable human settlements as well as organized methods of Settlement Planning through acceptable methods of development or planning laws.

The mission is to execute core and support responsibilities of the district municipality, by supporting, guiding, coordinating and implementing programmes and projects at local municipal level, aimed at improving the citizens' aspirations of access to land development initiatives, and building sustainable and viable human settlements for the district communities.

The Peoples Housing Programme is to be piloted in 4 local municipalities such as Nxuba, Mnquma, Mbhashe and Great Kei, as depicted in their spatial development frameworks.

Significant progress has been registered for the "Breaking New Ground" comprehensive pilot plan project at the Elliotdale rural sustainable human settlement. Vigorous efforts are in place to address socio-economic challenges through the BNG approach.

In addition significant progress has also been registered with the 9 Rural Housing projects which are more than 90% complete. It is envisaged that these projects will be complete by September 2009.

With regards to the accessing of land through the Land Reform Programme, the following are target areas in line with the rural development process:-

- ✓ Kwelerha
- ✓ Kubusie
- ✓ Ndlovini; and
- ✓ Needscamp

These parcels of land are currently being registered with the Deeds office. These parcels of land are being acquired for various development initiatives such as commonage development and settlement planning.

Other areas targeted for commonage and settlement development in line with the Land Reform and Settlement Plan include Haga-haga, Komga, Mgwali and Kubusie areas.

The process of implementing identified projects within the Development Plans of Chatha and Dwesa-Cwebe is progressing well.

To cite a few development processes in the respective areas, the following have since been completed to the satisfaction of those communities:-

In Catha:

- ✓ Afforestation in the development of a Wattle Forest has been completed, where communities have benefitted with skills transfer. The Pine Forest has also commenced.
- ✓ In terms of agriculture, the development of 7 hectares on irrigation is nearing completion; The environmental assessment on grazing land has also been completed; and community gardens for food security is also commencing.
- ✓ With regard to local economic development, the development of a community museum for tourist attraction, and spring water studies have been done, and the building of chalets have been completed with the assistance of the University of Fort Hare.
- ✓ In terms of infrastructure, the resurfacing of internal roads and the school fencing projects have been completed.
- ✓ And with respect to community development, the registration of the community into a trust through the Community Property Association has been completed.

In DWESA-CWEBE

Various projects have since been achieved in the area and some of these include electrification, planning and surveying, the upgrading of the Haven Hotel, the establishment of resource centres, commercial and community gardens and CPA Registration.

In terms of water and sanitation, despite many challenges the Operation and Maintenance Division (otherwise known as the O&M division) continues to operate as the backbone of service delivery in the Amathole District. Dedicated O&M staff together with our partners, the Amatola Water Board, ensure the provision of a potable water supply to over 700 000 people throughout the district. Regular monitoring and reporting of the quality of the water has ensured that water quality has been maintained at a high standard, with health failures being attended to quickly and effectively.

The ongoing drought in some areas of the district has, however, been a major challenge and in certain cases water interruptions have been unavoidable. In particular the towns of Adelaide and Bedford have been most severely affected. The supply dams did not fill at all during the rainy season and there is currently no water in the Bedford dam and the Adelaide dam is only 3% full. Fortunately the extension of the supplementary supply line from the Fish River to Bedford and Adelaide was at the end stages of completion when the towns ran out of water in December 2008. With the assistance of the SANDF and private service providers, the ADM was able to provide water to all the citizens in these two towns until the completion of the upgrade of the pumps on the Fish River Scheme. Although not all residents are able to receive water through the pipe networks, some form of normality has returned to the water supply in these two towns, with those in the higher lying areas still having to fetch water from the 'Jo jo' tanks that have been distributed throughout the affected areas.

The O&M division acquitted itself extremely well during the recent national democratic elections, when one and half days before the elections it was requested to supply water to approximately one hundred and fifty polling stations. Senior managers within the division were able to organize, and mobilize fourteen [14] water tankers and co-ordinate the delivery of water to the polling stations in record time, and 95% of the identified voting stations were supplied with water.

A key challenge for the O&M division and for the institution as a whole is the high rate of non-revenue water. Currently revenue is only being generated on 5% of all water produced. The key reasons for this are the high number of indigent consumers estimated at 83.6% - which excludes the Buffalo City area, the ageing infrastructure and the resulting high rate of water loss and poor debt collection rates which currently stands at 30% of billed consumption. Without a solid and substantial revenue base the Amathole District Municipality is unable to fund the much needed refurbishment required to provide a high level of service to its communities. In order to address this, the Operation and Maintenance Division has created a Water Conservation and Demand Management Unit to tackle the problem. Together with the Budget and Treasury's "Revenue Enhancement Strategy" this unit aims to reduce water loss and increase revenue in order to ensure the sustainability of the Water Services Function.

Due to the belt tightening measures undertaken by the ADM and due to the fact that the municipality has had to dip into its reserves in the amount of R100m to balance its budget for the next financial year, and also the fact that the MIG allocations cannot be used for refurbishment purposes, there is no funding allocated for the refurbishment of bulk infrastructure projects. Discussions are underway with the Department of Water and Environmental Affairs to assist us with our refurbishment programme.

In the current financial year, the ADM received a Municipal Infrastructure Grant allocation of R189,9 million and will be receiving R228,1 million in the next financial year for the implementation of both water and sanitation projects. Projects to the value of R183,7 million were implemented in the current financial year, providing services to some 107,333 beneficiaries and employment for 831 people. These projects included the Ngqamakhwe Water

Treatment Works Refurbishment, the Kei Road Water Treatment Works phase 1, the Qwaninga Water Supply phases 1, 2 and 3, the Kei Mouth Water Treatment Works, the Fish River Pumping Main, the Bedford, Adelaide, Seymour and Bhofolo bucket eradication programme, the Middledrift Bulk Water Services for Ward 12, the Tyefu Bulk Water Services phase 2, the Joji Sanitation Project, and the West Victoria East Bulk Water Services phase 2.

All Expanded Public Works Programme learnership phase 1 projects were completed in April 2008. Phase 2 of classroom training resumed in June 2008 for a period of eight (8) weeks and thereafter phase 2 projects for on-site training were allocated and valued between R1m and R2m.

As required by Department of Public Works (DPW) all projects implemented under the EPWP have been registered with the Department of Labour (DOL) for Technical and Life Skills Training. The skills analysis for the phase 2 projects was done and projects were registered with the Department of Labour (DOL) for Technical and Lifeskills training to train labourers which are to be employed on learnership projects before commencement of the works. Due to challenges faced by DOL with funding, no training has taken place and therefore no accredited training will be conducted for this phase.

All ten contractors have been awarded contracts for phase 2 and commenced on site in January 2009. The total number of jobs created stood at 2473 as at the end of March 2009.

The ADM has experienced several delays caused by ESKOM in connecting electricity to new schemes. Alternative sources are being investigated whilst waiting for ESKOM's long term processes to catch up. It has been established that ESKOM has a huge backlog on the electricity connection processes, and the ADM is ensuring that the applications are done on time during the initial phase of implementation to avoid the delays when the projects are complete.

The key focal areas for the Social Needs Cluster include Primary Health Care, Municipal Health Services, Disaster Management, Fire Services and Community Safety Services.

The Social Needs Cluster faces a big challenge from the delayed devolution of Municipal Health Services to the district. This includes the transfer of staff from the local municipalities and the Eastern Cape Department of Health to the ADM. As the receiving party, the ADM has been making preparations for the process in terms of legal requirements and operational issues.

The process mainly constituted the following activities:-

- The transfer of staff: there are approximately 40 officials from the local municipalities and about 50 officials from the National Department of Health.
- The transfer of assets: an audit and verification of assets from the Eastern Cape Department of Health and the Local Municipalities was undertaken.

- The personnel structure: a review of the existing structure has been completed and Council adopted the targeted organogram.

A Placement Policy was developed and adopted by council to facilitate the populating of the organogram. The cluster is now ensuring that all the necessary resources are available e.g. office space, office equipment, vehicles etc. The cluster is also looking into the existing different Conditions of Service and different Municipal Grades which impact on remuneration packages for employees.

In terms of water quality monitoring, sampling and testing of drinking water is ongoing. Water samples are taken from a total of 42 drinking water sampling points covering the whole district. An assessment of the state of water boreholes has been completed. Rivers and dams where communities get their drinking water, are being identified so as to monitor the quality of water and minimize the chances of outbreaks of water-borne diseases. It is worth mentioning here that the ADM was awarded the blue drop status for water quality by the Department of Water & Environmental Affairs at two sites in the Ngqushwa and Amahlathi Municipal areas which are managed by Amatola Water.

With respect to food and food handling premises control, the regular inspection of food handling premises is ongoing. Training sessions for food caterers at various municipalities have been held to promote safe food handling and good hygiene practices. With 2010 around the corner, food vendors and caterers are being registered and trained to minimize the chances of food-borne disease outbreaks and to support the informal economy. A total of 150 food handlers have been through the training sessions conducted.

In terms of the surveillance and prevention of communicable diseases, health and hygiene awareness programmes have been conducted, covering various themes. The Participatory Hygiene and Sanitation Transformation Programme was implemented at Kotyana, Nqileni in Mphashe Municipality and Blythwood High School in Mnquma Municipalities in order to prevent communicable diseases and promote good sanitation practices.

The ADM is responsible for fire-fighting services in Mphashe, Mnquma, Great Kei and Ngqushwa municipalities. We have continued to expand our services in these municipalities and have also envisaged the establishment of two additional satellite fire stations at Kei Mouth and Chintsa East respectively for the 2009/10 financial year.

The fire services strive to provide effective and efficient services to all communities in the ADM.

Fire services have increased their resources by 16 staff members and 3 vehicles are being utilized on 24 hour shifts for better service delivery.

Fire services levies and availability levies are being implemented for the first time in 2009/10 as a cost recovery strategy.

Disaster Management has increased its staff compliment by 2 and the unit now has permanent officials deployed at 6 of the local municipalities within the ADM. Plans for the establishment of

a District Disaster Management Centre, as per the national requirements, have been passed and it will be constructed in the 2009/10 financial year. Provincial DLG&TA have committed R5 million to this project.

Backlogs of disaster damaged homes up to August 2007 will be eradicated this year. Challenges include new incidents occurring and then having to source funding to assist which results in further backlogs. The Department of Housing [emergency housing unit] has recently assisted families left homeless with temporary structures.

As far as Community Safety Services are concerned, programmes for the previous years have gained momentum. These programmes range from crime prevention awareness programmes, community safety forums and providing diversionary options to potential perpetrators of crime. In all these programmes we sought to identify vulnerable groups, such as youth, women, the elderly and children. The provision of diversionary options manifests itself in the form of a Mayor's Cup that will be held on 6 June 2009 in Adelaide. The format this year requires all municipalities to play home and away quarter finals and these were hotly contested and included the sporting codes of rugby, netball, football and, for the first time, boxing. The Mayor's Cup is an attempt to promote community safety by encouraging positive recreational activities amongst the youth and to draw them away from crime related activities. The sustainability of Community Safety Forums remains a challenge.

Revised crime prevention strategies and workshops at local municipalities have resulted in some local municipalities identifying projects which ADM is supporting e.g. house numbering and awareness campaigns in areas with identified problems, e.g. Toleni village in Mnquma and Kei Road in Amahlathi.

Primary Health Care continues to be rendered by ADM on an agency basis for the Department of Health at 9 fixed clinics and 17 mobile clinics in Buffalo City, Great Kei, Amahlathi, Nkonkobe and Nxuba Municipalities. Health awareness campaigns were held in the aforementioned municipalities.

The infection rate for HIV and AIDS in the district continues to increase which is aggravated by the threat of a TB epidemic that has surfaced, especially the Multiple Drug Resistant [MDR] and Extreme Drug Resistant [XDR] TB. As an intervention measure, the ADM has implemented the following programmes:-

- HIV and AIDS awareness campaigns and Sexually Transmitted Diseases; and
- The establishment of Post Test Clubs

The ADM community actively participates in the production of the HIV and AIDS magazine which is published twice a year, hence the theme "ADM Community Speaks".

The ADM's partnership with an NGO, Humana People to People, is proving to be invaluable in approaching the HIV and AIDS and TB issues holistically and is therefore aptly named as the "Total Control of the Epidemic" or TCE. ADM has lodged an application for further funding to

cover more areas in the district in the 2009/10 financial year. The project interacts with communities on a door-to-door basis, bringing the message of HIV and AIDS and related diseases to the people that are affected most. This project will also address the TB pandemic. The programme also forms part of the Healthy Living Clubs that are aligned to our Post Test Club Programme.

The ADM's Institutional and Finance Cluster includes the areas of Corporate Services, Budget and Treasury, Strategic Planning, Municipal Support Unit, Communications, Community Liaison, Special Programmes, Intergovernmental Relations, Municipal International Relations and Information & Communication Technology.

People will recall that when we gathered at this time last year, our concern was the exodus of senior management with its resultant loss of institutional memory, expertise and on-the-job experience. We also reported at that time that we were in the process of appointing the Municipal Manager, the Strategic Manager and the Director of Corporate Services.

I am happy to report that our new Municipal Manager, Dr Vuyo Mlokoti, rejoined us on 1 December 2008. Ms Vuyo Mbelani, our new Strategic Manager, assumed her duties on 1 November 2008. Last but not least, Madam Speaker I have pleasure to introduce for the first time to this council Mr Gordon Taku, our new Corporate Services Director, who joined the ADM on 1st May 2009. On behalf of this Council I wish to congratulate all these senior managers and hope they will enjoy executing their responsibilities to effect service delivery in this institution.

The ADM, through the Municipal Support Unit, provides structured support to all local municipalities under its area of jurisdiction as required by the Local Government Municipal Structures Act 117 of 1998, with a view to assisting local municipalities in performing their powers and functions. Support rendered includes administration, human resources, land and housing, shared IT financial systems, the drafting of financial statements, engineering, IDP and Performance Management Systems. It is worth noting that the training in IDPs has paid dividends as the quality of the IDPs of the local municipalities this year has much improved.

For us to succeed to better the lives of our communities, it is paramount to ensure maximum stability of the local government system. We remain committed to work with our local municipalities to stabilize their environment.

The ADM is expected to comply with the Employment Equity Act as a designated employer. The ADM has developed a new Employment Equity Plan which has spelled out the strategies that will be employed to address these imbalances.

The Employment Equity Plan advocates a 3 year phased approach in achieving 42% for women and 58% for men by June 2012.

In terms of the two learnership programmes at NQF level 2, i.e. Wastewater Process Operations and Water Purification Process Operator there were a total of 48 participants. Of the 48 participants, 32 were unemployed. Four of these candidates have since been employed by the

ADM and with the dire shortage of Plant Operators, the learnership is sure to open job opportunities for them in the near future.

ADM received R11 340 000 million from the National Skills Fund for the implementation of both the Learnership and Internship Programmes.

120 unemployed candidates have been enrolled for various Learnership Programmes under this National Skills Fund Project , namely for the New Venture Creation section, mixed farming, automotive repairs and professional cookery. These candidates come from all over the district and these learnerships will hopefully lead to gainful employment for them or even to self employment initiatives.:-

44 Candidates enrolled for the Internship Programme during 2008. These programmes included agriculture, tourism and LED, finance, corporate services and human resources, engineering, internal audit, inventory and stores, strategic planning and community services

The ADM is still continuing with the Bursary for Rare Skills where unemployed candidates wishing to study civil engineering are financially assisted. The programme currently has 6 students studying at various tertiary institutions.

Our Communications officials have been hard at work in the current financial year. Once again IDP/Budget and PMS roadshows were held with ward committee members at all local municipalities within our district to consult them on these documents before they are approved by Council. The process started on 30th April this year and concluded with the Council Open Day which was held on 22 May 2009.

Seven customer care assistants were employed and are now located at the Customer Care & Service Centres that have been established at all the local municipal areas and another official is currently being recruited. Consumers can now register as indigents, pay their water accounts, lodge any complaint or query, or request any government information at these centres. The customer care assistants will also be on hand to assist those who cannot read or write. Next year, the ADM intends to strengthen community participation and customer care through the Masibonisane Campaign and in so doing give meaning to our Batho Pele implementation programmes and Service Delivery Improvement Plans.

In terms of International Relations and cooperation, a mention was made already of the Post Test Clubs and the National Small Industries Corporation, flowing from our partnership with Uganda and India respectively.

In addition to that, ADM is resuscitating the partnership with the City of Glassgow and Buffalo City and the partnerships will focus on:-

- ✓ A Joint Marketing Bureau
- ✓ Mdantsane Urban Renewal Programme

- ✓ Lighting strategy for key Buffalo City buildings of significance which also serve as tourism attractions.

The Executive Mayors of ADM and Buffalo City have signed a Memorandum of Understanding to consolidate relations between the municipalities.

The ADM also has a partnership with the Oxfordshire County Council. A funding proposal has been developed and submitted to the Commonwealth Local Government Fund in the United Kingdom and is now awaiting approval.

The areas of cooperation includes the following;-

- ✓ Tourism
- ✓ Waste Management; and
- ✓ Micro credit loan scheme for the disadvantaged

Some work still needs to be done to strengthen intergovernmental relations, particularly between municipalities and the provincial and national departments. Such envisaged high levels of cooperation find expression in the municipal IDPs.

The Special Programmes Unit seeks to ensure that all the vulnerable groups such as Women, Youth, people with disabilities and children are empowered. ADM should therefore always ensure that through preferential procurement such groups benefit from the procurement processes of the institution.

It is exciting therefore to note that 75% of contracts have been awarded to Historically Disadvantaged Individuals. This is truly an outstanding performance.

The ADM's budget for 2009/10 amounts to R890,217,171. The Division of Revenue allocations amount to R714,862,000 . The equitable share allocation for fire services, health, and water and sanitation amount to R225,742,000. The RSC Levies replacement grant amounts to R175,7 million. The MIG allocations for the next financial year amount to R224,2 million for water and sanitation and housing; R1 million for solid waste; and R3 million for local amenities.

The ADM assumed a 12,2% increase for all salaries based on a 9 month CPIX average, with an increase of 12,2% on the current minimum wage of R3,350.72; 13% increases for medical aid; 10% budgetary increase applied to all group schemes, 9% increase for travel allowances, and bad debts provision set at 50% of billed amounts. The growth parameter applied was 10% for the 2009/10 financial year; R13 million was assumed for interest earned on funds invested; depreciation provided for was based on revalued water infrastructure assets, and redemption of 14 days accumulative leave was budgeted for.

Operating budgets were analysed and programmes of a project nature were separated and included in the project listing. The total requirements for projects is R41,5 million. These projects are no capital in nature and are therefore included in Council's General Expenses. The

funding contribution to Aspire for the 2009/10 financial year is limited to R5 million, although the ADM remains committed to seek additional funding for the agency.

The ADM continues to render primary health care on behalf of the Department of Health with a budget requirement of R15,7 in the 2009/10 financial year. The level of funding from the province has not yet been confirmed, but is assumed as a fully funded service.

Building plan fees remain constant for 2009/10 after the increases implemented in the current financial year. Fees will be based on 0.5% of project value with the minimum charge being R415.00 except for the R100 fee applicable to low cost housing, which also remains unchanged. The rates applied are per m².

The internal rate for the hire of the Calgary Conference centre amounts to R225 for the first 15 people and then R25 per head. The external rate is R275 for the first 15 people and then R35 per head with a R350 refundable deposit. The Calgary Museum entrance fee is R6 per adult and R3 per child.

The proposed tariffs for solid waste remain constant for the next financial year being R345 per ton and a minimum service charge of R194,697 for Mnquma and R13,636 for Mbhashe respectively, based on the number of sites in each local municipality.

Tariffs for fire services also remain unchanged with varying rates for different categories of vehicles ranging from R600 per hour for a major pumper to R160 per hour for a service vehicle. For incidents outside the ADM's municipal jurisdiction, an additional rate per km is to be levied. However, the next financial year sees the introduction of a fire levy of R10 per household and R15 per business in Dutywa, Butterworth, Komga and Peddie, where the fire service is readily available. In Centane, Ngqamakwe, Elliotdale, Willowvale, Chintsa East, Chintsa West, Kei Mouth, Morgans Bay, Mooiplaas, Bluewaters, Kwelera, Hamburg and Wesley where the service is not readily available due to the vast distance, a fire availability levy of R5 per household and R10 for businesses will be implemented. Indigents will be exempt from these levies.

It should be noted that all water systems within the ADM have been costed for sustainability purposes. Whilst all indigents are allocated free water for the first 6 kilolitres, stepped tariffs have been applied for the next financial year, depicting mainly the principle of usage, in other words, the more you use, the more you pay. These tariffs were tabled at our Council meeting this morning.

The ADM is undertaking a number of belt-tightening measures in the next financial year. Among these is the freezing of all new posts with the exception of those allocated to core functions such as water and sanitation and municipal health services. The Employee Study Assistance Scheme will be limited to those who have already registered and were sponsored in 2008/09. Telephone expenses, S&T and overall conference expenses will be reduced to 20% and promotional material will be kept to essential requirements.

In conclusion, Madam Speaker, though the political environment was contentious over the past few months, it needs to be noted that there has been a relatively smooth management of the

process. The desire to serve our communities has prevailed, as has common sense. And despite the turmoil that prevailed elsewhere, our councillors and officials remained true in serving the institution and our communities. It was for this reason that processes ran relatively smoothly at the ADM and the reason why we have been able to record the achievements of the past financial year. Today we pay tribute to the dedication and commitment of all and express our grateful thanks for all their hard work. As a municipality working together with our communities, I would like to say, that if today was ours, then it is in our hands and through our dedication and commitment that we will determine our tomorrow.

In the words of one of Germany's greatest men of letters, Mr Johann Wolfgang von Goethe: "We must always change, renew, rejuvenate ourselves, otherwise we harden". And in this new dispensation, we must strive also to promote reconciliation, peace and harmony in a world that is increasingly fraught with challenges and hardship. Deepak Chopra, an Indian-American medical doctor and writer who has written extensively on spirituality and other diverse topics, once wrote: "The spiritual meaning of love is measured by what it can do. Love is meant to heal. Love is meant to renew. Love is meant to bring us closer to God." We will do well to spread some of that love around and to demonstrate it in a practical sense to improve the lives of our people and especially for our children who are our future. This week is Child Protection Week and next month is Youth Month. We should do all we can to protect our youth and their future. Let us make today count.

And with those words, Madam Speaker, I take great pleasure in presenting the ADM's Integrated Development Plan and Budget for the 2009/10 financial year for Council's approval.

I thank you.