

**Figure 3.6.6.3: Ugu District Households Access to Internet Device**

**Source:** Statics SA, Census 2011

### 3.6.7.1. Telecommunications Delivery Standards

Government Gazette No 85 dated 8 February 2010, in a notice issued by the Department of Communications as an Amendment to the Electronic Communications Act, Act No 36 of 2005, reflected the following telecommunication infrastructure standards:

- Voice Services: 1 public phone per 2000 people and within 1 kilometre of place of residence;
- Data Services: 1 public internet access point per 10 000 people within 2 kilometre of place of residence;
- Radio Broadcasting:
  - ✓ 1 community radio broadcasting service in the most relevant language available to all areas;
  - ✓ 1 public radio broadcasting service in the most relevant language
- TV Broadcasting:
  - ✓ 1 community TV broadcasting service in the most relevant language
  - ✓ 1 public TV broadcasting service in the most relevant language

### 3.6.7.2. Telecommunications Backlog Eradication Plan

Without sufficient data on current backlogs, and without service providers being able to provide us future plans and budgets, it becomes very difficult to cost the different facets of telecommunications provision.

The Ugu Broadband Project plan does provide us with some rudimentary financials, indicating planned expenditure and expected revenue over the next five (5) years. Initial estimates show a total capital expenditure of approximately R 100 Million over five (5) years, with an operational expenditure of approximately R 35 million. Expected revenue from bandwidth sales over the same years is expected to be approximately R87 million.

### 3.6.7.3. Alternative Delivery Methods

Alternative methods for communication refer largely to methods outside of traditional copper lines and cellular towers. These methods do however rely entirely on the existing backbone of these major



service providers for bandwidth. All methods would rely on voice communication being handled through high speed internet. Common alternative delivery methods are largely focused in an urban environment where household densities are high and there is a small coverage area in relation to total potential subscribers. Services in rural areas are however feasible, but not commercially viable. The outlay of capital is nonetheless high, and would be dependent on a private or public organisation to assist with the capital outlay.

**i. Wide Area Wireless Networks**

This involves the erection of wireless repeater masts at vantage points that relay a wireless signal from point to point. Each repeater is anything from 10km to 100km away from another. At each point a localised area has access to services provided through the connection. Capital outlay and maintenance for these services are very high. The Ugu broadband project is designed around the philosophy of a Wide Area Wireless network.

Since data transfer speeds decrease significantly over distance, this solution does not provide a real alternative for voice communication, but does provide an alternative for internet services provision.

**ii. Wireless Mesh Network**

A wireless mesh network follows the same principles as a wide area network, except the wireless repeaters are closely connected and of a smaller scale. Typically each repeater is within 10 or 100 metres of another, and usually affixed to a street pole or housed in a residential building. Wireless mesh networks are generally used in an urban environment. Each repeater is inexpensive, and therefore the network is made up by creating a large “mesh” of hundreds of individual repeaters. Due to the proximity of these repeaters, signal strength is not degraded and therefore, dependant on the existing backbone, a wireless mesh network can be used as an alternative for voice communication.

**iii. Mesh Potato**

Mesh Potato is a small wireless device that is focused on providing voice communication at a village level. The Mesh Potato wireless device is connected to a normal telephone, enabling that person to make free calls to any other Mesh Potato devices in the area. A greater the number of devices results in a bigger network. Each device costs approximately R800-R1000 dependant on quantity.

**3.6.6.1 Ugu DGDS on Telecommunications**

The Ugu DGDS Strategic Objective 4.3 **Develop ICT Infrastructure to Support the Knowledge Economy** reveals that broadband services are limited and only available in major centres. In response to this need, the Ugu DM has initiated a broadband project for the region. There is very high penetration of cell phones in the district; however, the majority of households have access to GSM/voice services only, with only 36.6% of the district having 3G coverage. The majority of this is on the coast. The impact of basic cell phone access on rural communities should not be underestimated and the potential for utilizing this technology for empowering communities through access to information is yet to be fully realized. Development of Primary and Secondary POPs (Points



of Presence) as well as Municipal Access Networks is currently a priority of the DEDT's ICT Directorate and the district must ensure that these are rolled out within the district and local municipalities to increase access to communities. In general, technology backlogs in rural areas perpetuate spatial disparities and unequal access to opportunity. Ugu needs to ensure that it is not left out of IT developments and investments within the province.

### **3.6.8. Access to Community Facilities**

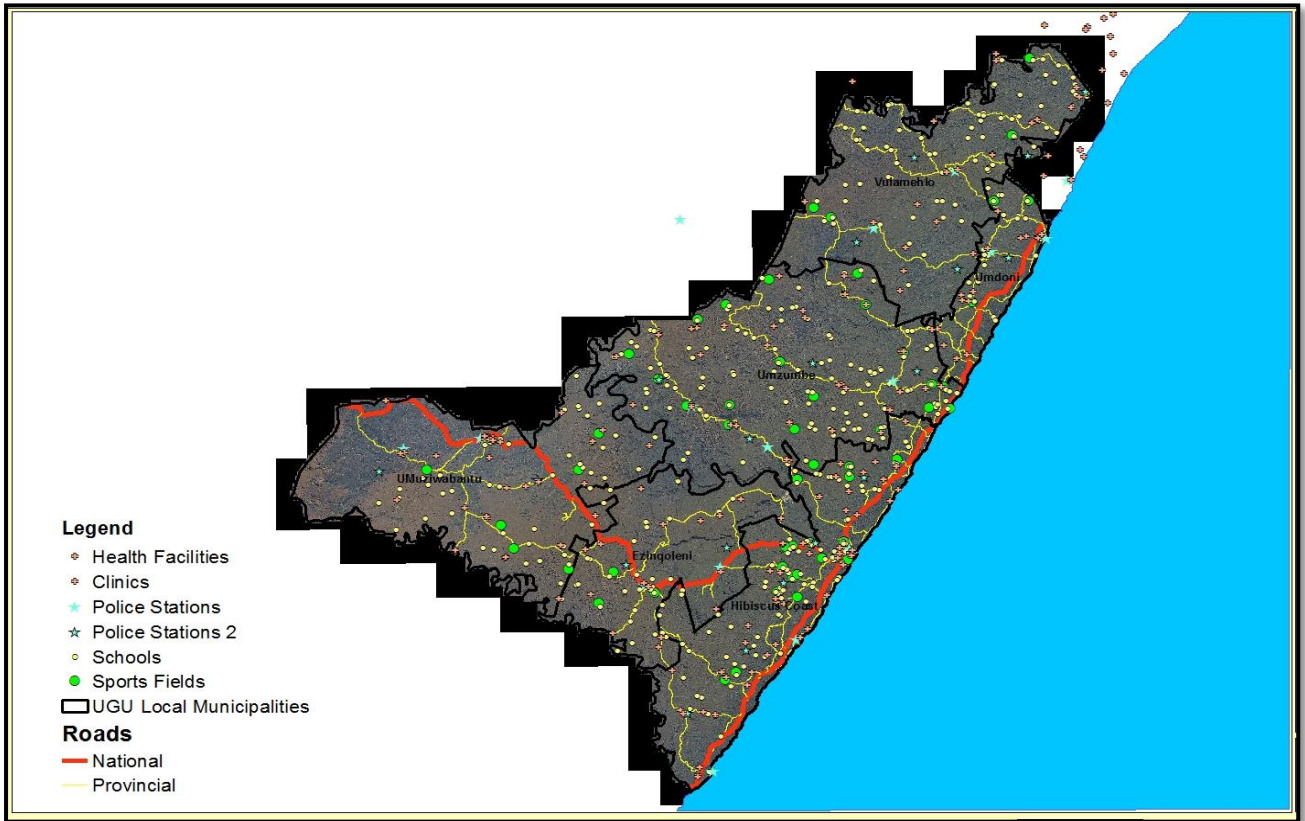
Major facilities exist and are evenly spread throughout the District and the entire District is well served for the most part with a range of facilities. Some facilities serve immediate and "local" level populations; while other facilities require large thresholds of support, and consequently serve large areas. Educational facilities have to spread in relation to settlement patterns as they are "local" level facilities and health facilities require large thresholds and consequently will tend to be located at appropriate interceptory locations, mainly at appropriate "Nodes". The distribution of the community facilities in the Ugu District area of jurisdiction is illustrated in figure 3.6.7.1.

In terms of health care facilities, there are about 75 structures which ranges from a Mobile Clinic to a regional hospital. The Ugu District area of jurisdiction with regards to Primary Health Care (PHC) facilities has two community health centres, 15 mobile clinics and 53 clinics the most number of these facilities being concentrated in Hibiscus Coast Municipality having four of its facilities functioning as 24 hour clinics located in Gamalakhe, Izingolweni, Gcilima and Ntabeni.

With regards to physical educational infrastructure, there are 519 registered public and independent ordinary schools in the Ugu District of which 492 are ordinary public schools, 16 are ordinary independent schools and 3 are special needs schools and 8 are Pre-primary schools.

There are 29 libraries in Ugu District area of jurisdiction which are largely concentrated in the Hibiscus Coast Municipality; however, there is at least one library in each local municipality. There are only two museums which are all located in the Hibiscus Coast Municipality. There is a reasonable spread of sport fields in the Ugu District area of jurisdiction with over 50 fields across the district.

The civic centres are only limited to the predominantly urban municipalities and are only three, which are namely, Port Shepstone, Umzinto and Scottburgh Civic Centres. There is however, a wide distribution of community halls across the district which are 47 in total. There are 14 police stations spread across in the district and seven cemeteries



**Source:** Ugu District GIS, 2015

The emerging key issues with regards to Service Delivery and Infrastructure Development are summarised from 3.6.8.1 to 3.6.8.8 below.

- 2016 / 2017 Ugu District Municipality IDP Review



### **3.7. Local Economic Development**

This section provides a brief overview of the economic indicators of the Ugu District Municipality area of jurisdiction. The data that has been used was sourced from the Statistics SA Census 2011 results, DGDS, Ugu LED Strategy, Department of Education, and Department of Health.

The municipality is currently reviewing its LED Strategy which was last adopted in 2007 to ensure that there is up to date information regarding the economic state of the district.

#### **3.7.1. Municipal Comparative & Competitive Advantages**

The Ugu District has significant economic development potential that if realized could have a substantial positive impact on the lives of everyone that lives, works or visits in the region. The district has notable comparative advantages that could be leveraged, such as:

- Its location with eThekweni bordering to the north and the Eastern Cape to the south.
- A mild, tropical climate that is suited for substantial growth in specific agricultural crops, such as bananas, sugar and macadamia nuts (dependent on infrastructure investment i.e., irrigation schemes and roads), and all-year-round tourism season.
- Large tracts of undeveloped fertile trust and communal land that could be developed for commercial agriculture.
- A large number of nature and forest reserves and conservancies, including the spectacular 1,880ha Oribi Gorge that offers adventure activities, such as white-water rafting and the world's highest swing and opportunities for growing the hinterland tourism product offering.
- A 112 kilometre coastline with the potential for: a massive growth in maritime activities, the marketing of a variety of beach experiences, including some with Blue-Flag status; unique adventure tourism activities including the Aliwal Shoal which ranked within the top ten dive experiences in the world and an annual event calendar including the Sardine Run.
- Existing public transport infrastructure that needs to be upgraded and extended such as the railway line that only offers passenger services as far south as Kelso and the Margate Airport that is currently unable to accommodate low-cost airlines.
- Major national and provincial linkage roads with the potential for increasing the accessibility of the region such as the N2 development.
- A relatively diversified regional economy with strong representation of the agricultural, manufacturing, tourism, retail, mining and other sectors.
- Labour availability is another factor that gives Ugu a comparative advantage. There are large rural populations within the District as well as to the South.
- Well established commercial sector and support services: The Ugu District has a strong commercial agricultural sector (cane, timber, macadamias, and bananas in particular). This means that there is existing expertise and support as well as infrastructure and dedicated markets that can be used to uplift the second economy.

Despite these clear comparative and competitive advantages, a situational analysis undertaken of the district in 2011/12 has painted a picture of a district that is underperforming and following a trajectory that is leading to growing unemployment and deepening poverty. Spatially, the district is divided into



an urbanised coastal zone with a relatively resilient and diversified formal economy and a largely impoverished rural interior with some large commercial farms and many struggling subsistence farmers. There is evidence of uneven environmental management resulting in degradation of some natural assets and resources.

### 3.7.2. Main Economic Contributors

The Ugu District Municipality has five main economic contributors which are, agriculture; tourism; trade and commerce; manufacturing and mining. Sections 3.7.2.1 to 3.7.2.5 gives a detailed description of these sectors.

#### 3.7.2.1. Agricultural Sector

The Ugu District area of jurisdiction is blessed with large tracts of fertile soil. Temperate, mild climate with no winter zones, allow for a large variety of crops to possibly be grown over 70 small rivers and several small dams spread around the district with a couple of Irrigation schemes to be upgraded.

The main crop produced is sugar cane, however, there are also forestry plantations, although timber processing takes place largely outside the district. Banana farming, poultry, cattle and goat farming, as well as vegetable farming, occur on a limited scale. Tribal land is used for subsistence farming and only an extremely small part of the land is dedicated to commercial farming.

Sugar cane is sold to the two sugar mills which are within the district and timber is sent to Durban for processing and local furniture manufacturers end up buying the material back from Durban once it is processed. Vegetables and poultry are largely sold to people in the local communities. Table 3.7.2.1.1 gives more details regarding the commodities produced in the Ugu District area of jurisdiction.

**Table 3.7.2.1.1: Ugu District Agricultural Sector**

**Source:** Ugu District Agricultural Plan, 2007

Commodity	Current markets	Supply side factors	Demand side factors
Sugar Cane	<ul style="list-style-type: none"> <li>All cane is supplied to local mills in Ugu</li> </ul>	<ul style="list-style-type: none"> <li>Competition from other countries</li> <li>Loss of sugar cane land to other developments (industrial and residential)</li> <li>Improved organisation and support of small growers could increase their efficiency and supply</li> </ul>	<ul style="list-style-type: none"> <li>The mills are currently running under full capacity so there is a demand for cane locally</li> <li>Local demand is unlikely to fluctuate greatly</li> <li>Exports can be affected by competitors that are able to produce more cheaply</li> <li>Demand is generally likely to increase due to increasing consumption in developing countries</li> <li>Demand is increasing significantly as cane is being used for the production of bio-ethanol.</li> </ul>





Commodity	Current markets	Supply side factors	Demand side factors
<b>Broilers</b>	<ul style="list-style-type: none"> <li>Local rural market for live birds</li> <li>Urban demand for slaughtered and processed birds</li> <li>No export currently</li> </ul>	<ul style="list-style-type: none"> <li>This commodity can rapidly respond to changes in demand due to short production cycle</li> <li>Strong competition from large producers and cheap imports</li> </ul>	<ul style="list-style-type: none"> <li>Outbreak of disease such as Avian influenza can reduce consumption leading to a reduced demand</li> </ul>
<b>Bananas</b>	<ul style="list-style-type: none"> <li>All bananas are sold within Southern Africa</li> <li>Low grade bananas are sold locally via the hawkers, much of the harvest leaves the district and the province</li> </ul>	<ul style="list-style-type: none"> <li>New producers are likely to enter the market due to reduced national production</li> <li>Government initiatives are encouraging the establishment of outgrowers in Ugu</li> </ul>	<ul style="list-style-type: none"> <li>Demand is relatively constant in South Africa and currently exceeds supply</li> </ul>
<b>Macadamias</b>	<ul style="list-style-type: none"> <li>Most of the crop is exported, some nuts are sold locally through retail outlets, processed and sold at roadside stalls</li> </ul>	<ul style="list-style-type: none"> <li>A lot of recently established orchards will come into production in 5 – 8 years – possibility of oversupply</li> </ul>	<ul style="list-style-type: none"> <li>International demand appears to be growing steadily</li> <li>International competition from other countries that have significant production</li> </ul>
<b>Timber</b>	<ul style="list-style-type: none"> <li>Timber is sold mainly to mills in Ugu (Sappi Saiccor) and eThekweni (Mondi at Merebank)</li> <li>Some timber is supplied to local sawmills and pole treatment plants</li> </ul>	<ul style="list-style-type: none"> <li>Forestation requires the granting of permits by DWAF</li> <li>Much of the land available for forestation is communal land and requires buy-in from traditional authorities</li> </ul>	<ul style="list-style-type: none"> <li>Local demand is unlikely to decline, especially with the Sappi Saiccor mill expanding</li> <li>There are export markets available for pulp and wood chips, amongst other timber-derived products (including bio-fuel pellets)</li> </ul>
<b>Vegetables</b>	<ul style="list-style-type: none"> <li>Current production is limited but local markets exist for fresh produce</li> <li>The new Fresh Produce Market at Ugu creates opportunities as it will serve as a conduit to other markets</li> <li>Dube Trade Port will open opportunities for export (especially for baby veg and organic vegetables)</li> </ul>	<ul style="list-style-type: none"> <li>Current production of vegetables in Ugu is fairly limited and there is little competition currently</li> </ul>	<ul style="list-style-type: none"> <li>Demand for organic produce and baby vegetables is large (locally and internationally)</li> </ul>

It is important however, to note that the agricultural industry is currently under pressure and faces a number of key constraints and opportunities which may include:

- Declining investment in the sector due to declining commodity prices, influx of imports.
- Rising costs of production (Minimum wages, fuel, electricity).
- Lack of broader participation.
- A change of land-use from 'agriculture' to other commercial land-uses threatens the sustainability of agricultural industries.
- Coordination is required between local government and Traditional Authorities.



- Competitive advantages include: location, climate, water, tourism, labour availability and well established Commercial Sector and Support Services.

### 3.7.2.2. Tourism

The Tourism industry is a key contributor to the KZN and Ugu economy which is buoyant with the major activities based on the sea and associated activities. The development and implementation in the Ugu region is driven and headed by the Ugu South Coast Tourism Entity.

The Ugu District boasts of pristine beaches and marine life which includes, five “blue flag” beaches, whales, dolphins and the Sardine Run. Inland there is some level of adventure tourism that is taking place such as the Oribi Gorge and also boasts of ten world-class golf courses.

There are a large number of Bed and Breakfasts and guest houses accommodation in the district, but only a few hotels. Major activities include swimming, surfing and fishing which take place at the beach; offshore there is whale and dolphin watching, deep sea fishing, scuba diving; in terms of adventure there is abseiling, wild water rafting, wild slide, wild swing, hiking and bike trails. In terms of sport there is golf and water sports.

The district has traditionally been the destination of choice for South African domestic tourists and has therefore developed according to these needs. In terms of tourists about 90% of total visitors are domestic and the international visitors come mainly from UK and Germany. Table 3.7.2.2.1 gives a summary of Ugu District Municipality major tourism resources.

**Table 3.7.2.2.1: Ugu District Major Tourism Resources**

Source: Ugu District LED Plan, 2007

Resource	Location	Key Attractions for Tourists
<b>Blue Flag Beaches</b>	Hibberdene; Lucien; Ramsgate; Uvongo; and Marina Beach.	<ul style="list-style-type: none"> <li>• Excellent water quality for swimming and surfing</li> <li>• Safety – shark nets and lifeguards</li> <li>• Clean, well maintained shore</li> <li>• Good ablution and other facilities</li> </ul>
<b>Oribi Gorge</b>	22 km inland from Port Shepstone	The Wild 5: abseiling, wild water rafting, wild slide, wild swing, hiking and bike trails
<b>Golf courses</b>	Scottburgh; Selborne; Port Shepstone; Margate; Southbroom; San Lameer; Port Edward; and Wild Coast.	<ul style="list-style-type: none"> <li>• Rated amongst the best golf courses in SA</li> <li>• Views of the ocean</li> <li>• Spa facilities at some golf courses</li> </ul>

The biggest challenge of the district when it comes to tourism remains the difference between the developed / tourist coastal strip and the underdeveloped / rural hinterland. The other challenges facing the tourism sector in the district are:

- There is a small range of tourism products in the district as the tourism product in the area revolves largely around the beaches.
- There is a general lack of skill amongst local people especially the rural people as they do not





have an understanding of what kind of tourism businesses could be successful.

- There is poor accessibility to areas outside the coastal strip as the roads leading into the inland section of the district are very poor and as a consequence, very few tourists venture that way.

### 3.7.2.3. Manufacturing (Industrial)

The sector has been largely ignored in terms of analysis and funding by local authorities. The manufacturers are quite small and suffer from competition from larger factories outside Ugu and the few bigger manufacturers often struggle to find a reliable long-term supplier locally (e.g. within the furniture sub-sector, suppliers of inputs like wood and lacquer). Cost of utilities provided is far too high and suitable land for industrial activity is not readily available. Furthermore, there is a lack of basic and technical skills. Companies need to train locals or hire in bigger centres.

There is however opportunities that can be explored within the sector such as the labour that is relatively cheap and the coastal area is connected to bigger centers like Durban. The housing and property sector is booming in the area (i.e. increasingly more people want to move or retire on the South Coast), and some manufacturing sub-sectors like furniture should benefit from that.

Spatially, manufacturing remains clustered close to the major nodes of Port Shepstone and Marburg, due to the availability of serviced land and connectivity to the N2 network. Ugu District's major manufacturing activities include clothing, textiles, metal products, cement production, food and beverages and wood products. Ugu has the only 'marble' delta within the province, mined for cement and calcium carbonate. NPC CIMPOR is the province's premier cement manufacturing company and has developed an R 800 million operation in the Oribi Gorge region.

More than 75% of the 242 registered manufacturing enterprises in Ugu on the district levy database are located in the Hibiscus Coast Municipality, mostly in the Port Shepstone / Marburg and Margate areas. The developed industrial areas in Ugu are situated in Port Shepstone / Marburg, Park Rynie, Umzinto North, Umzinto South, Margate Quarry, Margate Airport and Harding. Table 3.7.2.3.1 below shows the spatial distribution of manufacturing activity in the District.

**Table 3.7.2.3.1: Ugu District Spatial Distribution of Manufacturing Activity**

Source: Ugu District DGDS, 2013

Manufacturing Sector	Hibiscus Coast	Umdoni	Umuzi-wabantu	Ezingoleni	Total In Sector	% Per Sector
Construction Related	32	6			38	15.7%
Clothing and Textiles	25	7			32	13.2%
Printing	25	5	1		31	12.8%
Metal	22	7	1		30	12.4%
Timber and Related	17	4	8	1	30	12.4%
Furniture	18	3	2		23	9.5%
Chemicals	11			1	12	5.0%
Food and Beverages	7	3	2		12	5.0%
Signage	10				10	4.1%
Vehicle	9		1		10	4.1%
Crafts	4	1			5	2.1%



Manufacturing Sector	Hibiscus Coast	Umdoni	Umuzi-wabantu	Ezingoleni	Total In Sector	% Per Sector
Other	3				3	1.2%
Packaging	2		1		3	1.2%
Fibre glass	1	1			2	0.8%
Mining				1	1	0.4%
<b>Total</b>	<b>186</b>	<b>37</b>	<b>16</b>	<b>3</b>	<b>242</b>	<b>100.0%</b>

The key industrial sectors in the Ugu district are agri-processing, timber and timber products including furniture, clothing and textiles, food and beverages, arts and crafts and construction related manufacturing. Nearly 75% of the manufacturing enterprises in Ugu are small enterprises (less than 50 employees), with a handful of manufacturers in Ugu being medium and large businesses. The majority of firms produce only for the local market with less than a quarter of firms targeting the international market – these being mostly the larger clothing and textiles, and timber related industries. Many manufacturing firms are optimistic about future developments of their businesses, though some identified skills and labour, transport and roads, and access to finance as constraints to potential development of their businesses.

#### 3.7.2.4. Trade and Commerce

The sector comprises about 56% of the Ugu economy and includes wholesale and retail trade, finance and business services, community, social and other personal services including provincial and local government, hairdressing, funeral services, and many other services. Within the local municipalities, the sector constitute about 60% of the economy in Hibiscus Coast, about 50% of the economies in Umdoni, Umzumbe and Umuziwabantu, and about 36% of the economies in Vulamehlo and Ezingoleni. The main commercial hubs in Ugu are Port Shepstone, Shelly Beach, Margate, Port Edward, Hibberdene, Pennington, Scottburgh, Dududu, Phungashe, Ezingoleni and Harding.

A survey amongst formal businesses in most of the commercial hubs revealed the large impact that tourism has on the local economy. Nearly 43% of businesses rely solely on tourists for customers, with a further 10% relying on both tourists and local residents. Most businesses surveyed indicated improved business performance in the past two years, with more than three quarters of business upbeat about future business prospects in Ugu. The majority of surveyed businesses felt services and infrastructure support from local government to be inadequate and suggested that local government must focus on infrastructure improvement and maintenance to improve the local business climate.

Key to development of this sector is SMME development, in particular in underdeveloped areas. In most cases this would entail support for development of informal enterprises. Due to its very nature, informal sector activities are hard to measure. The size of the informal sector activities is estimated to be between 10% and 20% of economically active population. The urban informal economy in Ugu is distinctly different from the rural informal economy. While the former consist mostly of traders targeting tourists, the latter consists of construction, transport, food production, wood products, traditional medicines and other activities that target the rural populace in the absence of formal enterprises. In both urban and rural informal economies, there is a lack of market space, facilities and storage, as well as access to affordable finance.



### **3.7.2.5. Mining**

There is negligible new investment in the sector. Reasons offered for this poor performance include the impact of the National Credit Act, especially in the construction sector, electricity supply shortages; competition from cheap cement imports<sup>36</sup> and the global economic recession. The sector is highly capital intensive and requires market stability to encourage investment.

The two major mining industries produce limestone related products. Alpha Carbonates, located in the Hibiscus Coast local municipality, supplies the fertilizer, animal fodder, paint, paper and plastic industries. Simuma Cements, located in the Ezingoleni local municipality, largely supplies the construction sector<sup>37</sup>. NPC has two quarries in the region based in Margate and Marburg<sup>38</sup> respectively. There is some local sourcing of supplies and services by these firms in terms of engineering support systems but large equipment such as stone crushers is sourced from Durban.

Smaller contractors within this sector have battled for survival largely owing to delays in government payments. The construction sector within the Ugu District largely services the public sector such as the provision of low-cost housing, schools and clinics.

There are some cautious expansion plans in the sector. For example, NPC has recently acquired the mining rights to adjacent land that it has recently purchased. The life span of this deposit is 10 – 15 years.

The formal mining sector in the district has regular inspections by the Department of Minerals and Energy and rarer inspections from the Department of Labour in terms of the Occupational Health and Safety Act. Both SIMUMA and IDWALA have approved Social and Labour Plans. The firms have approved Environmental Management Plans that are audited and address issues such as rehabilitation.

The formal expansion of small to medium-scale building material in mining is possible within the Ugu District and potential exists to develop stone-crushing plants and lime and cement mining activities.

However, illegal small-scale mining and quarry (including sand-mining and water extraction) is happening extensively around the district, particularly in rural areas. These illegal operators are undercutting formal suppliers in the market with the result that some formal suppliers are sourcing from the illegal operators in order to remain competitive in the market. The negative consequences of these activities include environmental degradation and an inability to ensure sand replacement along the coast, increasing vulnerability of workers and downward pressure on wages and benefits, poorer quality products, decrease in tax revenue to the state, and an informalisation of the formal economy. Greater monitoring and regulation of such activities is required to avoid such negative consequences.

### **3.7.2.6. Employment and Income Levels**

As per the Stats SA Census the unemployment rate (official) has shown a steady decrease from 40.7% in 1996 to 29.1% in 2011 and the decrease is also evident in the youth unemployment rate. The number of households in the Ugu District area of jurisdiction grew by 16% (28829 hh) from 2001



to 2011. The number of indigent households decreased by one percent in 2011 from 2001 as shown in Table 3.7.3.1. Furthermore, as reflected in Table 3.7.3.1, there hasn't been much change in the annual households income from 2001 to 2011 in Ugu District Municipality area of jurisdiction. The number of people receiving some of state grant is high as about 40% of the total population receives some form of government grant in the district.

**Table 3.7.3.1: Employment and Income Status Ugu District Municipality**

**Source:** Statistics SA, Census 2011

Socio-Economic Indicators	1996	2001	2011
<b>Employment Status</b>			
Unemployment Rate(official)	40,7	38,3	29,1
Unemployment Rate(Youth)	48,2	44,6	36,0
Main Occupation Sector	Info. not available	Info. not available	Formal sector
<b>Income Status</b>			
Indigent Households (below R800)	Info. not available	29%	28%
Social Grants Recipients	Info. not available	Info. not available	288 728 (40%)
<b>Annual Households Income</b>			
R 1 - R 9600	Info. not available	15%	14%
R 9601 - R 38 200	Info. not available	46%	45%
R 38 201 - R 153 800	Info. not available	18%	18%
R 153 801 - R 614 400	Info. not available	6%	7%
R 614 001 - R 2 457 600	Info. not available	1%	1%
R 2 457 601 or more	Info. not available	0%	0%
No income	Info. not available	14%	14%

The income levels of the Ugu District Municipality area of jurisdiction are relatively low as reflected in Table 3.7.3.1 above. This may be associated with the low education levels as discussed in section 3.8.1.

### 3.7.3. Creation of Job Opportunities

Unemployment has been identified as one of the major structural constraints within KZN and contributes to high levels of poverty and income inequality, and deteriorates the overall quality of life of the people of the Province. High unemployment results in high dependency ratios, with many more people relying on fewer wage earners. This has resulted in the phenomenon of a large number of working households living near or below the poverty line. Currently an unequally large proportion of the population of KZN relies on grants and related forms of welfare as a source of income.

The situation of the Ugu District is similar to that of the province. It is for this reason therefore that the district also views job creation as a primary means through which economic growth and transformation can occur by distributing the benefits of growth more widely and consequently reducing dependency on the welfare system. This will require investment and interventions by both the public and private sector in order to create a more enabling environment to stimulate the generation of employment opportunities and inclusive economic growth.

The district has explored the Expanded Public Works Programme (EPWP) and Community Works Programme as two main programmes to create job opportunities especially in the rural areas where



there is extreme poverty. There are also other programmes such as SMME Development and Private Public Partnerships that the district is engaging on.

### 3.7.3.1. Expanded Public Works Programme (EPWP)

The EPWP is a National Government strategy aimed at eradicating poverty, while creating jobs and providing opportunities to the previously disadvantaged communities through the provision of temporary employment opportunities, labour training, learnerships and skills programmes, etc. The philosophy of the EPWP, with its focus on labour intensive methods is adopted wherever possible and practical in the areas of housing and basic service delivery in order to provide a direct municipal response to the high unemployment rate in Ugu District area of jurisdiction.

At a community level, the intention is to use the infrastructure provision platform to stimulate socio-economic activities within communities, not only in terms of job opportunities, but also with the packaging of appropriate training such as life skills, technical skills and area based livelihood skills for the communities that work on these projects. In addition, in response to growing construction industry demands, a multi-tier contractor development programme provides training and mentorship in labour based construction technologies. The focus is on the number of sustainable employment opportunities (also referred to as full-time job equivalents), training, contractor and cooperative development.

Table 3.7.4.1.1 shows the number of job opportunities that have been created through EPWP visa viz the number of days worked for the Ugu District family of Municipalities.

**Table 3.7.4.1.1: Ugu District EPWP Job Opportunities**

Source: Ugu PMU, 2014

Project Owner Name	Days Worked	Work Opportunities
Ugu	6 946	221
Vulamehlo	400	10
Umdoni	1 658	35
Umzumbe	1 910	55
Umuziwabantu	778	19
Ezinqoleni	5 349	129
Hibiscus Coast	546	13
<b>Total</b>	<b>17 587</b>	<b>482</b>

In the financial year 2015/16, the UGU District Disaster Management Centre implemented a pilot EPWP Project for Disaster Management Section within Umzumbe Local Municipality.

The EPWP structure is made up of volunteers from different parts of the municipal wards and will be eventual implements in all 6 LM's. Terms of Reference for the said structures were formulated and are in place. Umzumbe Local Municipality has a total of 40 Volunteers who form part of the structures that is fully active.



The District will provide all necessary tools/resources including the necessary training such as Basic Disaster Management, First Aid and Basic Fire Training. Monitoring and mentoring is done by the District supported by Umzumbe Local Municipality. The programme commenced on the 01 February 2016 and will run for a period of six (6) months.

### 3.7.3.2. Community Works Programme (CWP)

The CWP is a community-driven government programme based in the Department of Cooperative Governance (DCoG). The primary purpose of the CWP is to create access to a minimum level of regular and predictable work for the unemployed and/or under-employed, providing a small income and work experience. It also aims to contribute to the development of community assets and services, community development approaches, especially community participation, strengthen the economic 'agency' of people in marginalized economic areas, thereby enhancing dignity and promoting social and economic inclusion.

Community Work Programme aims at creating access to a minimum level of regular and predictable work for those who need it, targeting areas of high unemployment, where sustainable alternatives are likely to remain limited for the foreseeable future. In this process, the CWP's purpose is also to achieve the following:

- Provide an employment safety net in recognition of the fact that sustainable employment solutions will take time and will reach the most marginalised last
- Contribute to the development of public assets and services in poor communities
- Strengthen community development approaches, including community participation Department of Cooperative Governance
- Strengthen the economic 'agency' of people in marginalised economic areas through the provision of work opportunities and work experience thus enhancing dignity and promoting social and economic inclusion.

#### Profile of CWP in Ugu District Municipality

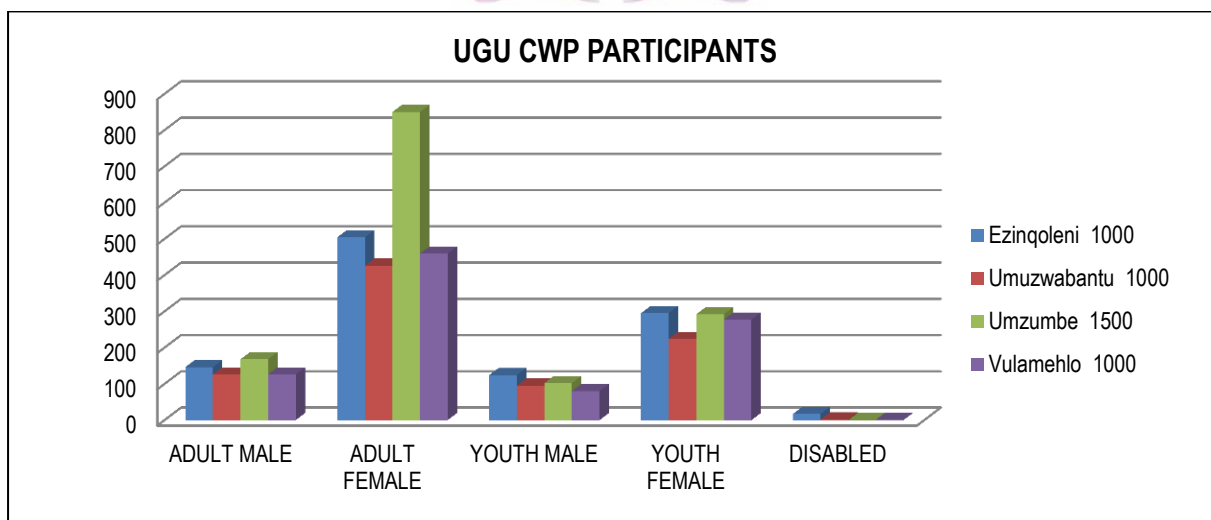
CWP was first introduced to the Ugu District in 2009 when the Umzumbe local municipality was included in the initial pilot. Umzumbe Municipality has been operating since then. In 2012 three new sites were added as part the roll out of the programme. Since 2012 KZN has 29 CWP sites. CWP is currently being implemented in four local municipalities in the Ugu District. The municipalities benefiting are Ezinqoleni, Umuziwabantu, Umzumbe and Vulamehlo municipalities. There are no indications that the programme will expand to cover more sites in the next financial year although there are indications that the programme will continue for the next three years.

**Table 3.7.4.2.1: Ugu District CWP Job Opportunities**

Source: AFSA, 2014

Site Name	Target	Composition					Current Total
		Adult Male	Adult Female	Youth Male	Youth Female	Disabled	
<b>Ezinqoleni</b>	1000	146	504	124	295	17	1086
<b>Umuziwabantu</b>	1000	126	426	95	224	2	873
<b>Umzumbe</b>	1500	168	850	102	292	0	1412
<b>Vulamehlo</b>	1000	126	459	80	277	1	943





**Figure 3.7.3.2.1 Ugu CWP Participants**

Source: AFSA, 2014

### 3.7.3.3. Environmental Job Opportunities

The Department of Environmental Affairs has targeted 176 jobs over a period of three financial years starting from 2014 / 2015 to 2016 / 2017. The jobs will be done through the Coast (Amahlongwa to Umthamvuna River), KZN South Coast Reserves (Vernon Crooks, Oribi Gorge, Umthamvuna and Mbumbazi) and Youth Jobs in Waste programmes (across all six LMs).

### 3.7.4. Local Economic Development Emerging Key Issues

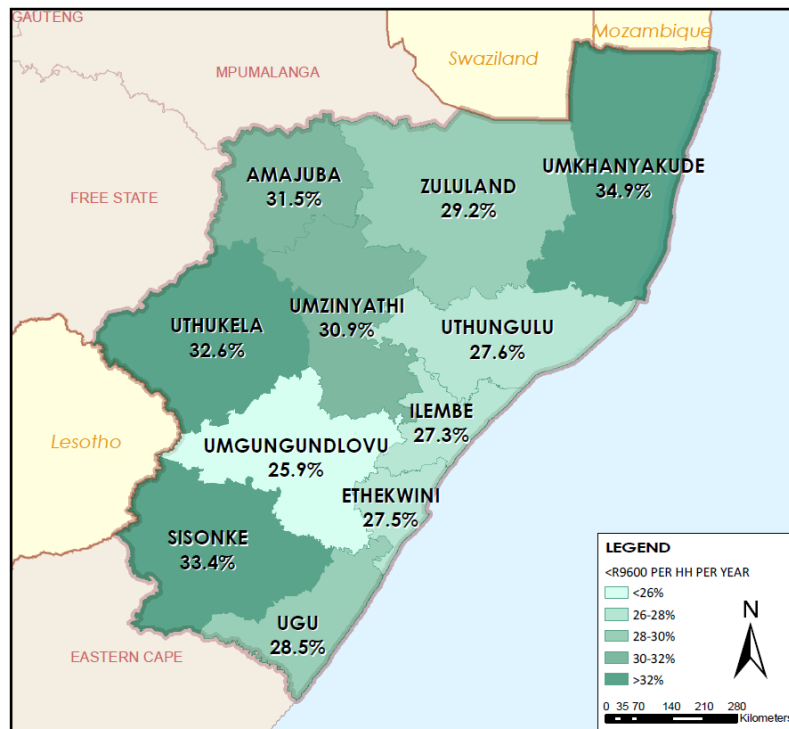
The emerging key issues with regards to Local Economic Development analysis are summarised as follows:

- Lack of capacity to facilitate and manage Anchor projects,
- Lack of mainstreaming of LED across local government functions,
- Poor conceptualization of LED projects,
- Poor support and alignment with Land Affairs and Rural Development on Agriculture Sector,
- Weak Private sector partnerships,
- Lack of detailed and up to date economic data
- Poverty, unemployment and low levels of economic growth
- The low levels of economic activity in rural areas
- Shortage of investment in the Human Development Capital
- Difficulty for disabled persons to find employment,
- Investment promotion and facilitation as a catalyst for securing new investment and creating jobs,
- Ensure coordinated, streamlined investment promotion activities between itself and local municipalities,
- The assurance of a seamless communication across all tiers of local government, in terms of skills development, training and interventions to retain the current out-migration of skills is proving to be a challenge.



### 3.8. Socio Economic Indicators

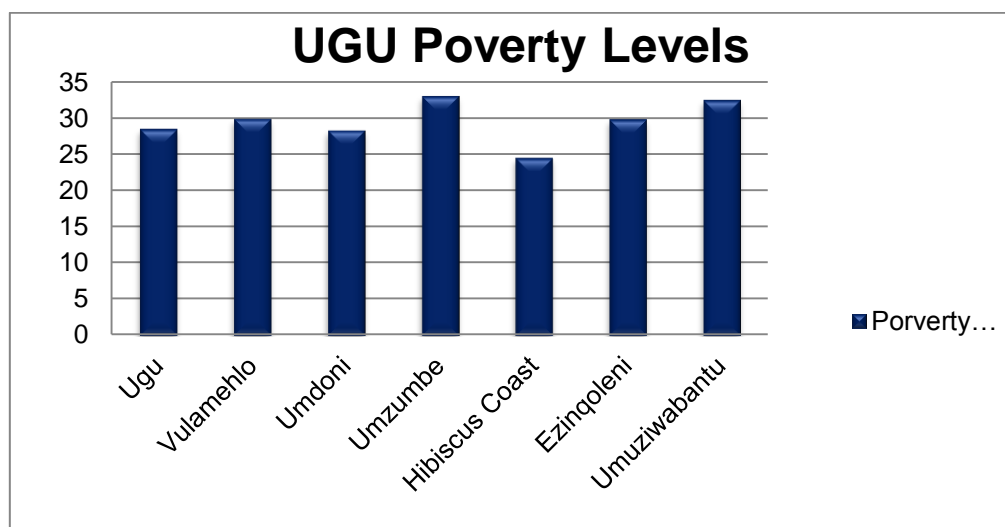
It is perhaps important that this section begins with giving an overview of the levels of poverty in the district even though it will not go in depth to indentify the underlying causes of poverty. The poverty level in the Ugu District Municipality is 28.5% as illustrated in figure 3.8.1 which is equivalent to provincial average of 28.8%. Compared to other district municipalities, Ugu is on average.



**Figure 3.8.1 KZN Poverty Levels**

Source: Statics SA, Census 2011

Taking a closer look at the district and its family of municipalities, it comes as no surprise that the predominantly rural municipalities are plagued with the highest poverty rates as illustrated in figure 3.8.2. The Umzumbe Municipality endures the highest poverty levels with Hibiscus Coast municipality enduring the lowest at 33% and 24.5% respectively.



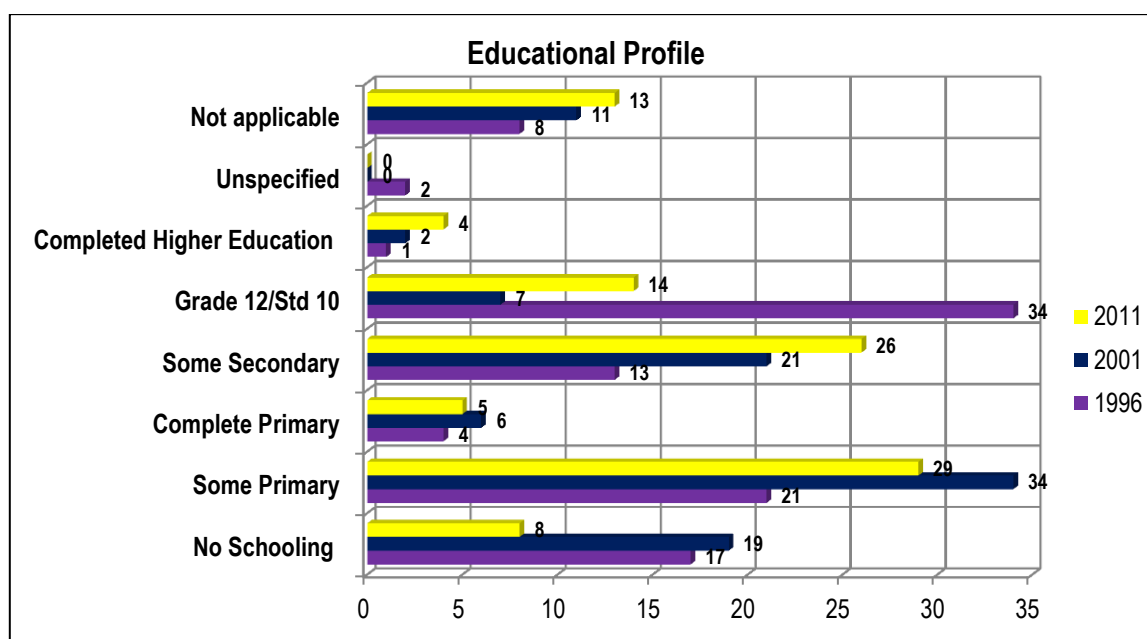
**Figure 3.8.2 Ugu Poverty Levels**

Source: Statistics SA, Census 2011



### 3.8.1. Educational status

In terms of the educational profile of the Ugu District Municipality the Stats SA Census, 2011 shows that the literacy rate has grown by 5% from 73% in 1996 to 78% in 2011. There is a concern with the dropping number of people with grade 12 / Std 10 which dropped from 34% in 1996 to 14% in 2011 as illustrated in figure 3.8.1.1. However, there has been a slight increase in the number of people who completed higher education even though the numbers are still relatively low. Based on these stats it is evident that the Ugu District Municipality has a low skills base.



**Figure 3.8.1.1: Ugu District Municipality Educational Profile**

Source: Statistics SA, Census 2011

Table 3.8.1.1 gives an analysis of the grade 12 pass rate over the past five years starting from 2011. Based on these statistics as received from DoE there has been a steady progress and increase in the grade 12 pass rate with the exception of the 2014 academic year. Furthermore, there are more people passing with higher certificate and diploma than those with the bachelors.

**Table 3.8.1.1: Grade 12 Pass Rate**

Source: Department of Education, 2016

	2011		2012		2013		2014		2015	
	No.	%	No.	%	No.	%	No.	%		
<b>Candidates</b>	9120		9355		10146		9367		12073	
<b>Passed</b>	6241	<b>68</b>	6741	<b>72</b>	7624	<b>75</b>	6798	<b>73</b>	7141	<b>59</b>
<b>Failed</b>	2879	<b>32</b>	2614	<b>28</b>	2522	<b>25</b>	2569	<b>27</b>	4711	<b>39</b>
<b>Bachelors</b>	1956	<b>31</b>	2496	<b>37</b>	3072	<b>40</b>	2488	<b>37</b>	1254	<b>10</b>
<b>Diploma</b>	2584	<b>41</b>	2638	<b>39</b>	2821	<b>37</b>	2745	<b>40</b>	2824	<b>23</b>
<b>Higher Certificate</b>	1701	<b>27</b>	1607	<b>24</b>	1731	<b>23</b>	1565	<b>23</b>	2003	<b>17</b>



To further re analyse the educational status in the district this section interrogates the level of schools' access to basic services. Tables 3.8.1.2 show the level of schools access to basic water services. With regards to water services the statistics shows that 35 (7%) schools in the Ugu area of jurisdiction have no access to basic water and about 29% uses tanks. 3.8.1.3 show the level of schools access to basic sanitation services.

**Table 3.8.1.2: Schools Access to Water**

Source: Department of Education, 2015

Municipality	On-Site	Off-Site	Borehole	Mobile	Tanks	None
<b>Vulamehlo</b>	44	18	5	5	59	12
<b>Umdoni</b>	37	1	1	2	22	1
<b>Umzumbe</b>	49	11	10	7	142	18
<b>Hibiscus Coast</b>	100	17	10	3	54	1
<b>Ezingoleni</b>	20	8	1	1	28	0
<b>Umuziwabantu</b>	38	10	9	4	41	3
<b>Ugu DM</b>	<b>291</b>	<b>28</b>	<b>14</b>	<b>13</b>	<b>152</b>	<b>35</b>
<b>%</b>	<b>55</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>29</b>	<b>7</b>

Table 3.8.1.3 shows the level of access to sanitation services within Ugu District area of jurisdiction. What is worth noting is that all the schools do have some level of access to sanitation. However, the high percentage of pit latrines (50%) is cause for concern as per the standards of Ugu District as the VIP is the minimum acceptable sanitation standard. Table 3.8.1.3 further shows the schools' level of access to electricity. About 90% of the schools have access to electricity through Eskom, about 5% using alternative energy and only 4% having no access at all.

**Table 3.8.1.3: Access to Sanitation**

Source: Department of Education, 2015

Municipality	Flush Toilet	VIP	Pit Latrine	Temporary	Eskom	Generator	Solar	None
<b>Vulamehlo</b>	11	36	47	1	73	2	3	6
<b>Umdoni</b>	22	11	20	0	46	1	1	1
<b>Umzumbe</b>	10	52	117	6	150	6	10	9
<b>Hibiscus Coast</b>	50	30	50	3	121	1	0	2
<b>Ezingoleni</b>	3	8	16	5	28	0	0	1
<b>Umuziwabantu</b>	10	18	31	2	52	1	0	2
<b>Ugu DM</b>	<b>106</b>	<b>155</b>	<b>281</b>	<b>17</b>	<b>470</b>	<b>11</b>	<b>14</b>	<b>21</b>
<b>%</b>	<b>19</b>	<b>28</b>	<b>50</b>	<b>3</b>	<b>91</b>	<b>2</b>	<b>3</b>	<b>4</b>

### 3.8.2. Health

The Utilisation rate and actual headcount are viewed together. This is done to ensure the change in reference population values resulting from the adoption of Census estimates is taken into account. The table below depicts the change in population. The growth or decline in population according to the estimates will have the following impact:



It may reflect an apparent improved uptake of services in areas where the population dropped and an apparent reduced uptake of services where the population (denominator) has increased. This is seen in Ezingoleni, Vulamehlo and Umzumbe which have the biggest declines in population estimates and the biggest positive variation in PHC utilisation. It is Umdoni, however, that has the biggest positive variation in actual headcounts, followed by Ezingoleni and Umuziwabantu. Vulamehlo is the only subdistrict with a drop in the headcounts.

**Table 3.8.2.1: Primary Health Care Service Volumes**

Source: Ugu DHP, 2016/17

Sub-District	2013/14			2014/15			Variation		
	Headcount		PHC Utilisat ion Rate	Headcount		PHC Utilisat ion Rate	Headcount		PHC Utilisat ion Rate
	Provincial	Total		Provincial	Total		Provincial	Total	
<b>Ezingoleni</b>	212 189	212 189	3.9	205 709	205 709	3.8	-3.05	-3.05	-2.56
<b>Hibiscus Coast</b>	965 353	965 353	3.7	986 016	986 016	3.7	2.14	2.14	0.00
<b>Umdoni</b>	267 090	267 090	3.4	283 682	283 682	3.5	6.21	6.21	2.94
<b>Umuziwabantu</b>	327 108	327 108	3.3	337 031	337 031	3.4	3.03	3.03	3.03
<b>Umzumbe</b>	513 808	513 808	3.1	530 184	530 184	3.2	3.19	3.19	3.23
<b>Vulamehlo</b>	170 487	170 487	2.2	189 629	189 629	2.4	11.23	11.2	9.09
<b>District</b>	2 456 035	2 456 035	3.3	2 532 251	2 532 251	3.4	3.10	3.10	3.03

### 3.8.2.1. HIV / AIDS and TB

Ugu district remains with the highest TB incidence per 100 000 population. In terms of infectious TB (Smear positive PTB) Ugu ranks 12th at approximately 325 cases per 100 000 population well above the countries average of 208 cases per 100 000 population.

Smear conversion being the pre-cursor for a cured client is often low as found in Ugu district and hospitals where found to play a major role in this area as often it is found that this is where we are lacking in collecting the required specimens pre-treatment. It is important to have pre-treatment smears as well as 2 month and end of treatment smears in order to improve the treatment outcomes and ensure most of our clients are cured at end of treatment.

Ugu has a smear conversion rate of 63.8% and a TB cure rate of 65.9% below the WHO target of 80%.

TB successful treatment rate of 74.4% below the targeted 85%. Many factors contribute to this and these include poor follow up from facilities when clients are moved to other facilities; poor submission of data records from registers for capturing on time; high number of clients left unevaluated at end of treatment. Facility managers need to pay close attention to completeness of records and adhere to submission times.



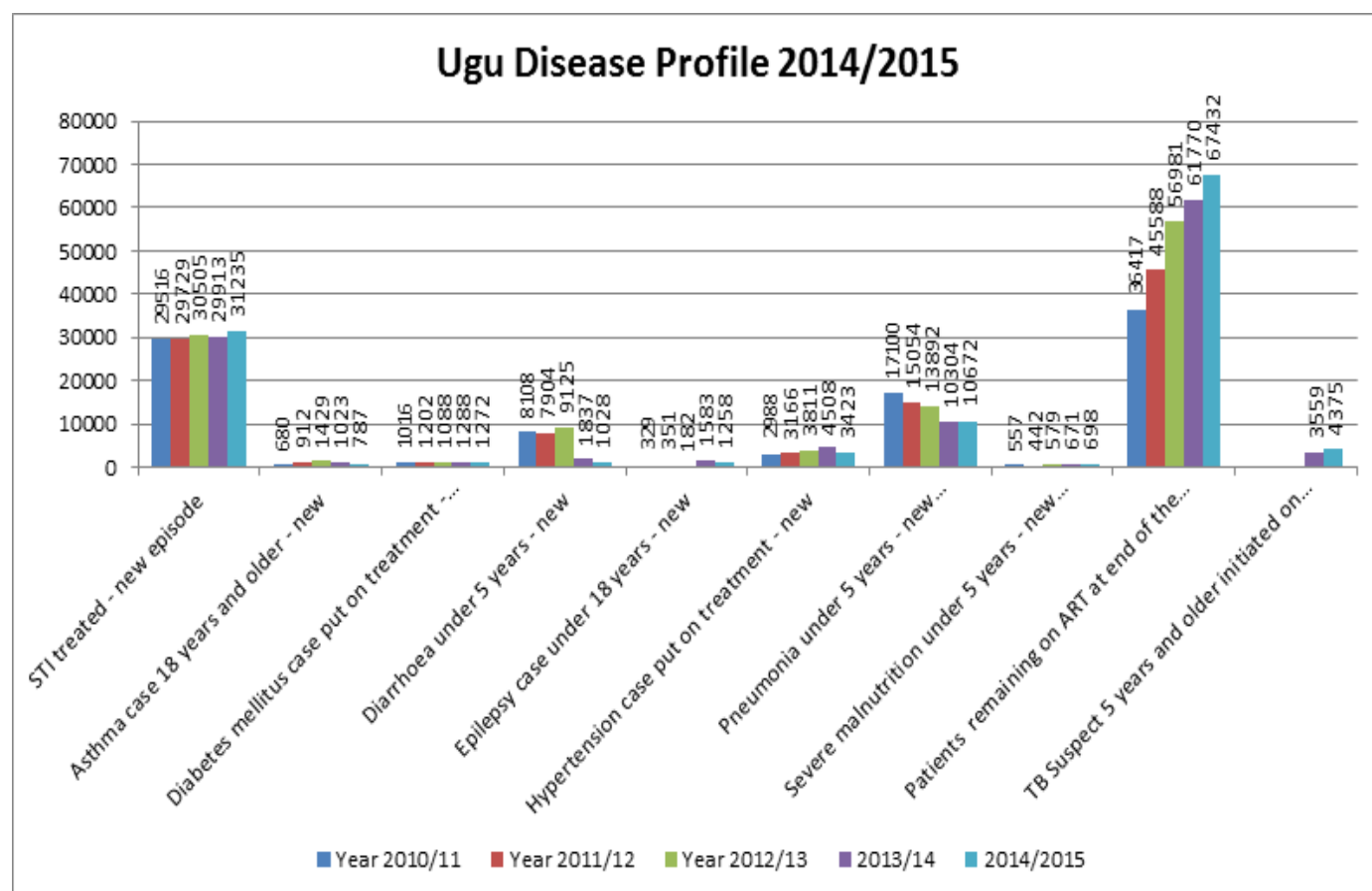
**Table 3.8.2.1.1: Ugu District TB Profile**

Source: Ugu DHP, 2016/17

TB profile Ugu district	2012	2013	2014
New smear positive cases	1823	2637	3411
Death Rate	10.2%	5.2%	3.6%
Cure Rate	73.3%	76.1%	65.9%
MDR cases confirmed	178	184	131
MDR cases not confirmed	2	37	53
XDR cases	0	2	1
TB/HIV co-infected clients	4413	4597	5044
TB/HIV co-infected started on ART	996 (22.6%)	1849 (40.2%)	4072 (80.7%)

### 3.8.2.2. Epidemiological (Disease) Profile of the District

This section looks at the mortality data of the major causes of death in the Ugu District, which are, sexually transmitted infections (STI), asthma, diabetes, diarrhoea, epilepsy, hypertension, pneumonia, and severe malnutrition. Figure 3.8.2.1.1 reflects the trend over the past three years, 2010 / 11 – 2013 / 14.



**Figure 3.8.2.1.1 Ugu Disease Profile**

Source: Ugu DHP, 2013

#### a) STI treated, new episode

In comparison to what was seen during 2013/14, there was a slight increase in the STI treated, new episode in 2013/14. The IUCD insertions that were intensified in the first part of the year had a secondary benefit of improved identification of STIs among the female clients.





**b) NCD (Asthma, Diabetes, Hypertension, Epilepsy)**

There is reduction of both diabetes and hypertension new cases put on treatment in 2014/15. This can be as a result of improved community awareness programmes. The newly diagnosed need to be properly monitored, healthy lifestyle behaviours advocated and defaulters identified early. The integrated management of Chronic Diseases is being implemented in the district. Screening needs to be intensified in the current financial year. There is underreporting of new Asthma and Epilepsy cases at Hospital OPDs. This is being corrected at facilities and should show an increase in the subsequent reporting year.

**c) Pneumonia (Under 5)**

Slight increase in reported cases of pneumonia. Ongoing IMCI trainings are taking place to maintain correct IMCI classification and reporting at the clinics. It had previously been discovered that not all those classified as having pneumonia actually had pneumonia.

**d) Severe Acute Malnutrition**

This is still a problem in the district and it cuts across many levels. It does require a multi sectorial approach from DSD regarding grants, Municipality with regards to adequate supply of safe water, proper linkage to the war rooms via the CCGS and full functioning of the PHILA Mntwana Centres. Also the IMAM Training that will be rolled out should improve management of those presenting at the health facilities. The District has created the social cluster arm through OSS to address malnutrition across the district by improving intersectoral management of the problem.

**e) ART**

There is steady increase in those remaining in care in the ART Programme. However, the challenges are still proper monitoring of those in care, timeous tracing of defaulters, management of TB/HIV Co-infected, IPT roll out, and early identification of those developing resistance. On-going counselling needs to be strengthened at all levels of care. The New ART guidelines will result in an increase in the number of clients on ARTs in the new financial year. The 90 90 90 targeted plan will assist facilities to plan their own targets in line with the districts 90 90 90 targets.

**3.8.2.3. Mortality**

There is lack of uniformity in how deaths are classified and recorded at facilities e.g. at PSH 29% of deaths are due to AIDS and none to TB while TB is the main cause of death at district hospitals with none reported as due to AIDS at GJ Crookes. Second highest is due to “sepsis” and it is uncertain what the underlying cause is. The use of ICD 10 codes and better classification of direct underlying cause will be prioritised for the next financial year.

In general most deaths are caused by Infective causes and most are HIV related. However there is a strong component of NCD as life expectancy is increasing and more patients are on lifelong ARV e.g. CVA, renal failure and cardiac causes also lead to appreciable number of deaths which are preventable by good PHC management.



### **3.8.3. Safety & Security**

Some communities have converted the Community Policing Forums into Safety and Security Committee. There was also a safety and security strategy that was developed by the Department of Community Safety and Liaison in 2009, which is due to be reviewed and it is at the same level where the District Safety and Security Forum will be established.

### **3.8.4. Nation Building & Social Cohesion**

Ugu District Sports Council was launched in 2009. Ugu District Municipality also participates in SALGA-KZN Games, however did not participate in 2013 due to financial constraints.

There are Sport Development Hubs that were established by the Department of Art, Culture Sports and Recreation. The District Youth Council is also responsible for the coordination of social cohesion activities targeted to the youth

### **3.8.5. Community Development with particular Focus on Vulnerable Groups**

Special programmes cater for Vulnerable Groups and those that were previously disadvantaged. The programmes that Ugu District Municipality coordinates are:

- HIV and AIDS
- People with Disabilities
- Youth
- Gender
- Senior citizens
- Children
- Farm workers

#### **3.8.5.1. Role of Ugu District Special programmes Unit**

The Ugu District Municipality has a dedicated Special Programmes Unit which amongst other functions, performs the following:

- Coordinating all Special Programmes within the district
- Mainstreaming of Youth development, HIV/AIDS and special programmes within local government
- Providing guidance and support to all six local municipalities and sector departments
- Overseeing implementation of programmes and reporting on status of all vulnerable groups within the district
- Ensuring that all government departments, NGOs and civil society work in a coordinated manner on issues affecting vulnerable groups through Operation Sukuma Sakhe Programme
- Supporting local, Provincial and National activities

There is programme of action, internal funding, coordinating forum for each programme and strategies to link with the local economic development in line with the National Policy Frameworks. HIV and AIDS Strategic Areas/Pillars

- Addressing Social & Structural Drivers of HAST Prevention, Care and Impact
- Prevention of HIV, AIDS, STI and TB



- Sustaining Health and Wellness
- Ensuring Protection of Human Rights and Improving Access to Justice
- Coordination, Monitoring and Evaluation (The implementation Plan targets all the above areas)

### **3.8.5.2. Youth Development**

The IDP objective for undertaking Youth Development within Ugu District Municipality is to promote a culture of participatory democracy and integration. Youth Development is located under the National Key Performance Area, of Good Governance and Public Participation. The strategic focus areas are derived from the National Government Directives, of ensuring the institutionalisation and mainstreaming of Youth Development at Local Government level.

Ugu Youth Development Policy Framework (UDYDF) 2008 – 2014 that was approved by Ugu District Council serves as a guiding tool for the implementation of youth development programmes covering all the family of municipalities within the district.

#### **➤ Institutionalization and Mainstreaming:**

Ugu District Special Programmes Portfolio Committee is a portfolio that was established to, monitor and evaluate the implementation of youth development programmes within Council, and there are Youth Development Practitioners responsible for the operations and this combination constitutes Ugu District Youth Unit.

Ugu District Youth Council is a civil society organ which is responsible for the formation of Local Youth Councils and Ward Youth Forums, the same serves as a consultative body representing the voice and interests of young people to be communicated to government and vice-versa, furthermore an annual youth parliament is held in June, which is a dialogue platform created for the youth to share their aspirations with Ugu District EXCO Councilors and Top Management

#### **➤ Information Dissemination and Awareness Creation:**

Taking from the strong partnership formed between Ugu District Youth Unit and Umsobomvu Fund, which saw a financial contribution of R1, 595 Million for the establishment of Youth Advisory Centers across the District, which remains the centre for information dissemination, the Ugu District Youth Unit has strengthened its focus on meaningful partnerships.

The Unit has since established partnerships with a number of Celebrities e.g. Melusi Yeni, Non Profit Making Organizations, Department of Correctional Services, Department of Community Safety and Liaison, Department of Education, for the purpose of creating awareness on youth related challenges and dissemination of information to the youth in Schools, Correctional Facilities, Children's homes, etc.

Further to the above, a Youth Development Internet page has been established waiting to be formally launched in 2014. Using the Municipal Road Shows, as a strategic tool, the Unit has managed to interact with various sectors within the District on matters relating to Youth needs, and challenges as well as the Unit's plans targeting Youth Development within the District.



A number of awareness programmes were implemented working hand in hand with the Ugu District Youth Council and other strategic partners e.g Motivational Talks for Juveniles, 16 Days of Activism against the abuse of women and children. Father and Son Walk/Talk, My Life My Future which was targeting the youth in schools, focusing on teenage pregnancy, drugs and substance abuse and crime prevention, Intergeneration dialogue focusing on raising awareness regarding the rape and abuse of elderly people by the youth.

➤ **Social Well Being:**

Ugu District baseline survey report is the source of this intervention, whereby it was found that 70 % of young people within the district are abusing drugs due to high rate of unemployment, the recommendation was to intensify this kind of awareness creation and campaigns. This resulted in the unit packaging a number of intervention strategies in a form of programmes targeting the youth such as “Anti Human Trafficking” which was a programme implemented in partnership with the National Prosecuting Authority, focusing on young women.

Further to the above, a programme targeting the youth in schools, “My Life My Future” was packaged to address social challenges resulting from Drugs and Substance Abuse, Teenage Pregnancy and to further remind the Youth regarding their place and role within the society.

Prayer sessions in various corners of the district were also prioritized for the purpose of strengthening the spiritual element in addressing societal challenges.

In addition to the above, motivational talks by the Mayor Cllr NF Gumede together with other councilors were implemented in ensuring the youth draws strength from the experiences of those senior to them.

➤ **Education, Training and Skills Development:**

The Youth Advisory Centre points, remain the centre pillar for education, training and skills development through the dissemination of bursary, internships information and one on one consultations with the youth on matters relating to career development and entering the job market.

The Ugu District youth unit in its efforts to intensify education, training and skills development has since internally established a healthy working relationship with the Human Resources Sections within all the members of the Ugu District family of municipalities for the purpose of providing Internships for the youth. Further to the above, members of the family of municipalities are providing registration funds to the Youth entering tertiary whereas some youth were currently benefiting from bursaries offered by same.

Our partnership with the Department of Education has seen a number of career exhibitions being implemented across the district targeting youth in schools for the purpose of guiding same towards their careers. Further to the above, our partnership with the Department of Rural Development, the Esayidi FET, for the NARYSERC Programme has seen a number of young people being absorbed by Ugu District Family of Municipalities for practical experience and skills development.



Our partnership with the Department of Economic Development resulted in a selected number of youth from Ugu District being selected for the Maritime Programme which benefited same through exposure to the maritime world, opportunities and bursaries.

➤ **Ugu District Municipality Youth Development Policy Framework:**

It is influenced by the International Institutional & Policy Environment, National Institutional & Policy Environment and Provincial Institutional & Policy Environment.

➤ **Ugu District Youth Unit/Umsobomvu/NYDA Youth Advisory Centre Project:**

The Youth Advisory Centre Point Project was aimed at providing young people with relevant and up to date information that could help them taking correct decisions concerning the livelihoods. The existing centres are used to help the youth to access information in this regard

### **3.8.5.3. Development of the People with Disabilities & Gender**

There is about 4% of the Ugu District municipality living with disability and the district has a sex ratio of 89 males per 100 females. In terms catering for these groups the following has been achieved to date:

- District and local municipality forums are in place with dedicated annual budgets
- Skills development programmes ongoing.
- Support for civil society organizations.
- Integrated planning with other sectors in the Disability programme.
- Implementation plans are developed for both programs.

### **3.8.5.4. Development of the Elderly**

About 7% of the Ugu District Municipality is above the age 65. The district has put measures in place to ensure that these senior citizens are taken care of and the following is in place:

- District and local municipality forums are in place and have Sector plans and dedicated annual budgets
- Integrated District programmes of action are in place since 2009
- Programmes facilitated in collaboration with all key implementing sectors
- Standardized monitoring, evaluation and reporting systems

### **3.8.5.5. People affected by Crime, HIV/Aids, Drugs, etc.**

The district has also put in place structures to deal with the people affected by crime, HIV / AIDS, drugs, etc and the following is in place:

- Functional District AIDS Council launched in December 2006
- Dedicated EAP coordinator, with a Workplace programme for HIV and AIDS, adopted by Council
- Strategy for HIV and AIDS 2007/2008-2011/2012 developed, adopted by Council

Table 3.8.4.5.1 below gives a summary of programmes that have been implemented in 2014/ 15 financial year for the vulnerable groups.



**Table 3.8.4.5.1: Special Programmes Implementation**

Source: Ugu Special Programmes, 2014

Programme	Programmes Implemented In 2014/15
<b>Gender, Children, Elderly, Farm workers and People with disabilities</b>	<ul style="list-style-type: none"> <li>➤ Back to school campaign</li> <li>➤ My life, my future – behavioural change</li> <li>➤ Take a girl Child to court</li> <li>➤ One Child, one Fruit tree</li> <li>➤ Christmas in Ugu Hospitals</li> <li>➤ Women empowerment session for farm workers</li> <li>➤ Awareness campaigns on children's rights in ECD centres</li> <li>➤ Ugu Men's talk Show</li> <li>➤ Moral regeneration in prisons</li> <li>➤ Child protection workshops for educators</li> <li>➤ Sugar daddy campaigns</li> <li>➤ Roadshows : 16 days of activism against senior citizens, women &amp; children</li> <li>➤ Father and Son walk/talk</li> <li>➤ Strengthening existing luncheon clubs</li> <li>➤ Facilitate new establishment of luncheon clubs</li> <li>➤ Sanitary Dignity campaign – Primary schools and special schools</li> <li>➤ Golden Games for senior citizens</li> <li>➤ Ugu Disability Sports Day</li> <li>➤ Established support groups for mothers with disabled children</li> </ul>
<b>Youth Development</b>	<ul style="list-style-type: none"> <li>➤ Youth Debates</li> <li>➤ Career exhibitions in 6 LM's</li> <li>➤ Back to school campaigns</li> <li>➤ Sports Development</li> <li>➤ Sanitary Dignity campaign – High Schools</li> <li>➤ Youth Summit/Parliament</li> <li>➤ Skills development – NARYSERC</li> <li>➤ Maritime career pathing programme</li> <li>➤ My life, my future – High schools</li> </ul>
<b>HIV/AIDS</b>	<ul style="list-style-type: none"> <li>➤ Strengthening and support to Local AIDS Council (LACs)</li> <li>➤ Providing support to LACs in establishing Ward AIDS Councils (WACs)</li> <li>➤ Capacity Building training and report writing for WACs</li> <li>➤ Training conducted for People Living with HIV and AIDS</li> </ul>

### 3.8.6. Social Development: Key Emerging Issues

The emerging key issues with regards to the Social analyses are summarised as follows:

- There is still a challenge with the quality, quantity, and access to educational facilities and resources particularly in the rural areas. Lack of physical resources such as laboratories and computer centres are still pertinent. To add to this challenge is the quality and quantity of educators.





- With those who have the access there is a need to enhance maths, science and life skills. Furthermore, there is a need to deal with the limited focus on technical subjects (including agricultural) within the primary and secondary schooling system.
- There is a very high rate of teenage pregnancy in the district.
- Socio economic factors e.g. increasing number of orphans and vulnerable children (OVCs).
- HIV Prevalence increased from 37.1 % to 40.2% (Ugu District HIV/AIDS Survey).
- Complexity of key programmes e.g HIV & Senior citizens require dedicated focus.
- The lack of both National and Provincial guideline frameworks for the farmworker programs makes it difficult to develop clear strategies to address farmworkers.

### **3.9. Municipal Financial Viability & Management Analysis**

Ugu District Municipality's Constitutional Mandate of ensuring the provision of services to communities in a sustainable manner requires long term financial sustainability to support the service delivery objectives.

Long term financial sustainability must be ensured by the application of sound financial principles, strengthening of financial management systems and promotion of transparency. The multi-year budgeting method is currently being used to ensure stability. The method balances funding of capital expenditure with the impact on future operational budgets in the medium and long-term.

Sound financial principles must be addressed by ensuring that compliance to legislation is maintained and policies, delegations, roles and responsibilities are properly reviewed and implemented.

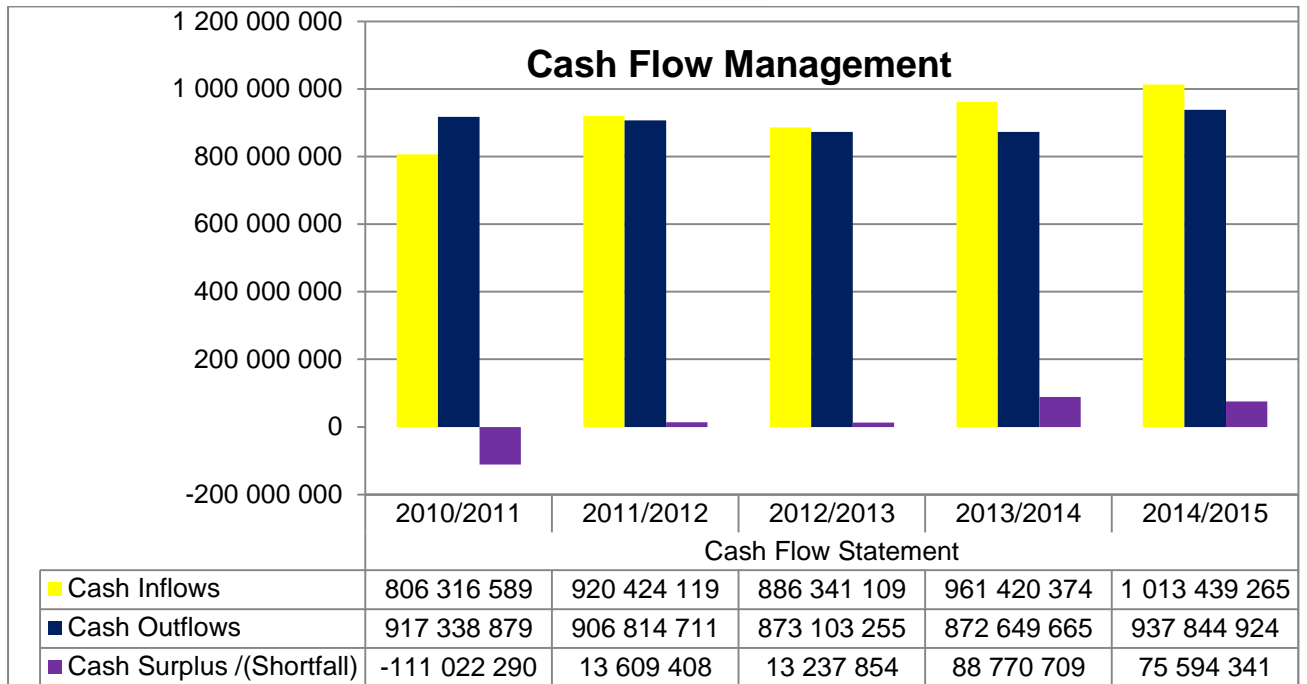
The municipality is grant dependent and cannot fund capital projects in the short and medium term from internal funding or reserves. The servicing of existing loan commitments from generated revenues has delayed the process of cash backing of the depleted reserves which had supplemented capital investment when the municipality was in a cash crisis.

The municipality has improved the liquidity and cash coverage ratios in the previous financial year and continues to implement the turnaround plans in order to cash back capital replacement reserves.

These plans were all targeting cost reduction in specific cost drivers and revenue opportunities in all functions of the municipality. The municipality has not yet fully stabilised and must continue managing identified risks in order to maintain the improved cash position.

#### **3.9.1. Cash Flow Management**

Figure 3.9.1.1 gives a summary of the cash flow management of the Ugu District Municipality over a period of five years from 2010 / 2011 to 2014 / 2015 financial years. The municipality experienced a cash flow shortfall in the 2010 / 2011 financial year where the cash out flow was higher than the cash inflow. This situation changed in 2011 / 2012 to 2014 / 2015 financial year as a cash flow surplus was experienced with the cash inflow being higher than the cash outflow.



**Figure 3.9.1.1 Ugu Distric Cash Flow Management**

Source: Ugu District Finance, 2016

Table 3.9.1.1 gives a summary of the district's cash coverage ratio for a period of three financial years from 2012 / 2013 to 2014 / 2015. The district is targeting to improve the cash coverage ratio to three months in the next financial year.

**Table 3.9.1.1: Ugu District Cash Coverage Ratio**

Source: Ugu District Municipality Finance, 2016

	2011/2012	2012/2013	2013/2014	2014/2015
<b>Cash and cash equivalents</b>	55 319 334	68 557 188	157 327 897	232 922 238
<b>Unspent Conditional Grants</b>	47 196 906	50 775 951	48 333 086	21 365 817
<b>Total Monthly Operational Expenditure</b>	34 299 928	35 688 634	43 516 620	47 503 362
<b>Cash Coverage Ratio</b>	<b>-3.52</b>	<b>-2.74</b>	<b>2.50</b>	<b>4.45</b>

In terms of liquidity ratio which looks at the district's ability of paying its short term debt, the analysis looks at three financial years from 2012 / 2013 to 2014 to 2015. There has been improvement over the 3 year period from 50 cents to pay for every one rand owed in 2012/ 2013 to R 4.45 in 2014/ 2015. The district is has achieved a target of R 2 to pay for every R 1 owed as per the norm.

**Table 3.9.1.2: Ugu District Municipality Liquidity Ratio**

Source: Ugu District Municipality Finance, 2016

	2011/2012	2012/2013	2013/2014	2014/2015
<b>Current Assets</b>	141 546 140	206 510 687	318 803 339	419 143 666
<b>Current Liabilities</b>	240 494 913	222 818 558	215 849 272	259 881 922
<b>Liquidity</b>	<b>0.59</b>	<b>0.93</b>	<b>1.48</b>	<b>1.61</b>



### **3.9.2. Supply Chain Management**

There have been some difficulties that have been experienced with the municipality's supply chain management as listed below:

- Lack of a monitoring demand management system. (procurement planning)
- Increase in appeals by unsuccessful bidders and MBAT taking long to resolve appeals.
- Delays in turnaround time to award tenders.
- Poor contract management leading to late contract renewals.
- Increase in irregular expenditure due to non compliance to regulations.
- Poor monitoring of vendor performance.

To address the challenges that the district encounters with regards to supply chain management are the following:

- Centralisation of the receiving function
- Conduct 3 stock counts to minimise losses
- Adoption of Procurement Plans aligned to SDBIP
- Maintain improvements in the functionality of Bid Committees
- Turnaround time to award contracts – 90 days
- Intensify Contract management
- Enforce vendor performance policy
- Reduction of Irregular expenditure to 1.5% of total expenditure.

### **3.9.3. Asset Management**

In the 2014 / 2015 financial year the municipality has set up an asset management unit which comprises of technical and financial sections to address asset management challenges. This was a response to various analyses that have been undertaken by the municipality which have been pointing to asset management as one of the main challenges, and most importantly in the attempt to address the AG findings. Below is a summary of the challenges that were identified regarding asset management and the subsequent attempts that has been made to address them:

- Inadequate policies and procedures, the Fixed Asset Management and Asset Disposal Policies are now in place and the Asset Management Procedure Manual is under review.
- Lack of human resource capacity. Asset Manager, Senior Assets Accountant, two Assets Accountants, Asset Data Capturer and Insurance clerk- Appointed have been appointed to bolster the asset management unit.
- Lack of asset management software system, the Market Demand Asset Management System has been put in place.

### **3.9.4. Revenue Management**

Revenue management and enhancement has been identified as one of the key elements to lifting the municipality from its current financial distress and every attempt is being done to ensure it functions effectively and efficiently. Some of the challenges experienced in the current financial year include:

- Inadequate consumer database.
- Incorrect meter readings and incomplete billing.
- Long outstanding debt