



**STATE OF THE DISTRICT ADDRESS BY HER WORSHIP THE MAYOR OF
UGU DISTRICT MUNICIPALITY, CLLR NH GUMEDE AT THE PORT
SHEPSTONE CIVIC CENTRE ON 27 JUNE 2016**

Mr Speaker

During the year 2011 at the start of the current term of office, we convened a series of intensive, open conversations with various communities across the district. We asked you to help us imagine the best possible Ugu District Municipality that will be in a position to fulfil its existence and also to understand the choices we had to make to get there. At the time, the municipality was at the state of financial paralysis where its ability to provide adequate services had been adversely compromised.

We have over the course of this term of office rolled out measures which have aggressively changed the state of Ugu District Municipality. The theme for this address which says: “Our District is better Today than it was Yesterday” gives a true reflection of the state of Ugu District.

It has been 22 years since the advent of democracy and 16 years into the operation of a new local government dispensation. Local government has not only survived a fundamental restructuring over the past 16 years, it has also made great strides towards extending service delivery and development to marginalised communities.

In 16 years, local government has emerged from being an institution that was subservient and illegitimate to an institution with democratically elected leadership, who have constitutional status and a developmental agenda. And our task going forward is to work tirelessly in addressing the triple challenge of poverty, unemployment and inequality.

June this year marks yet another milestone in the country's revolution as we commemorate the 40th anniversary of the student uprisings against Bantu education – an education system that was exclusively designed by the minority white regime exclusively for blacks. As a country we have a duty to invest in our youth by empowering them through education, jobs and economic opportunities - for they are our future.

Mr Speaker, Cllr SB Cele

MECs and Members of the Provincial Legislature

Amakhosi present

Deputy Mayor of Ugu District Municipality, Cllr Chiliza

Mayors from Local Municipalities

Chief Whip of the Majority party in council, Cllr Mavundla

Members of the Executive Committee

Fellow Councillors

ANC Leadership

Leaders of political parties

Municipal Managers

Managers and officials of council

Distinguished Guests

Members of the Media

All protocol Observed

Let me also acknowledge in the audience today, Our MEC Champion, Weziwe Thusi and most importantly members of my family who have come to offer support.

Mr Speaker

We have made major strides during this term of our political office towards addressing the triple challenge of poverty, inequality and unemployment. We know and agree that, in the words of our late states man, Nelson Rolihlahla Mandela, I QUOTE “...*overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right – the right to dignity and a decent life. Because while poverty persists there is no true freedom.*” END QUOTE.

Today, I once more stand before this august house as a humble servant of the people of Ugu District, ready to account for the work we have done, and are doing, and to share plans related to the work we will be doing in the future to move our district forward. I stand here today to say with no fear of contradiction that Ugu District is better **Today** than it was **yesterday**. We have indeed moved our District Forward.

Let me also welcome the People of our District who are joining us today via the live broadcasts throughout the District.

Mr Speaker, we have over this term of office had open conversations with our communities through various community participation platforms across the six local municipalities of our district and residents confirmed that Ugu District is indeed at work in delivering water, sanitation, electricity, houses, roads, but more work still needs to be done.

Financial Position

Over the course of this term of office we have made bold pronouncements and commitments aligned to the identified priorities. Yes, we have kept our word. We have done what we said we would do. We have worked hard to improve and strengthen our finances. Our finances **Today** are in a better shape than they were **Yesterday**. We have built a solid foundation of financial sustainability. We have worked hard to increase our investments in infrastructure aimed at improving the quality of life of our communities. We have worked hard to improve the quality of our services.

The Municipality has improved its audit opinion from a disclaimer in the 2012/13 financial year to a qualified audit opinion in the 2013/14 progressing to an unqualified audit in 2014/15 financial year. And our journey to clean audit for 2015/16 financial year is within reach.

The municipality currently has healthy cash coverage and is able to meet its monthly fixed operating commitments from cash generated income. Our grants and budget are cash backed indicating that the municipality is in a healthy financial position to sustain itself and deliver on service delivery objectives for the next financial year.

We have rolled out water meter audit/replacement programme in effort to improve our revenue management and debt collection still remains a challenge which requires all of our effort to overcome. Billing queries older than 120 days are now being adequately resolved as we have set up focus teams to deal with logged calls at our contact centre.

This council has adopted Revenue Enhancement and Debt Reduction Strategies which are currently under implementation in order to reduce dependency on grants and increase our collections on all services rendered. And in order to sustain this healthy financial position we rely heavily on you as our customers to continue supporting the municipality by honouring your monthly payments for services rendered. Also, another notable threat to our stable financial position is the illegal water connections which are rife among our communities. Council has recently granted amnesty on illegal connections where a window of opportunity was opened to those with illegal water connections to report to the municipality in order to make applications for the amnesty.

Overview of 2016/17 Budget

Mr Speaker, it is our firm belief that all the programmes outlined in our IDP which are set out as our targets for 2016/17 financial year will be achieved. The council has approved a total budget of One billion, Three hundred and Thirty Three million, One hundred and Forty Six thousand, Nine hundred and Ninety One Rands (R 1 333 146 991) with an allocation of Three hundred and Sixty Eight million, Five hundred and Fifty Seven thousand Rands (R368 557 000) for capital and an allocation of Nine hundred and Sixty Four million, Five hundred and Eighty Nine thousand, Nine hundred Ninety One Rands (R964 589 991) for the operational budget.

From the Municipal Infrastructure Grant (MIG), the Municipality has set aside an amount of Two hundred and Thirty Three million, Eight hundred and Seventy Three Thousand Rands (R233 873 000) for the water and sanitation infrastructure programme.

For the Ugu South Coast Tourism, council has adopted a total budget of Eighteen million, Seven Hundred and Fifty thousand, Four hundred and Twenty Eight Rands (R 18 750 428) for the 2015/16 financial year as part of our commitment to tourism development.

And for the Ugu South Coast Development Agency council also adopted a total budget of *Thirteen million, Six hundred and Eighty Four thousand Rands (R 13 684 000)* for the next financial year as part of our commitment to local economic development.

Mr Speaker, we are ready and capable through this budget allocation to continue not only to make a massive contribution to the development of our district but also to spearhead, champion and coordinate such development. We recommit ourselves to overcoming the difficult challenges which impede our progress towards a better life for all.

Water & Sanitation Infrastructure

Our district is currently confronted with a challenge of water scarcity due to drought and unless we change our behaviour towards controlling our water consumption patterns, we will be heading towards a disastrous situation as we are currently experiencing strain on water supply.

Mr Speaker, allow me to remind this house on the progress we have made thus far, during our political term of office, major projects of water and sanitation services are currently being undertaken as follows:

- Vulamehlo – Dududu Water Reticulation, Maphumulo Water Supply and Phase 4 of Thoyane Water Project;
- Umdoni – Umzinto Farm Isonti Water and Sanitation; Malangeni Sanitation project
- Umzumbe – Ndelu Water Project, Umhlabashane Water Reticulation and Mabheleni East Water Project
- Hibiscus Coast – Stick Farm Water Supply, KwaXolo Bulk Water Supply, Umzimkhulu Off Channel Storage Dam, Umtamvuna Pump Station Upgrade, Murchison Water Projects; Gamalakhe Water Projects
- Ezingqoleni – Ezingqoleni Bulk Water Supply; and we are currently upgrading the KwaNyuswa Bulk Scheme to finalise water reticulation
- Umuziwabantu – we are finalising designs for the Harding Weza Dam; Harding Sanitation Projects.

In ensuring that we fulfil our mandate of delivering high quality drinking water and improved access to water services, the municipality has in the 2014/15 financial year commenced with the refurbishment and upgrade of Vulamehlo, Weza and Bhobhoyi Water Treatment Works. When completed these projects will ensure water supply security for the communities of Vulamehlo, Umuziwabantu and Hibiscus Coast municipalities.

A total of 25 kilometres of water pipelines were upgraded and replaced as from 2014/15 financial year including the critical project in Murchison where the municipality intervened in the water crisis and was able to bring forward the Murchison Upgrade Project which included an upgrade of 7.7 kilometres of pipeline, a 10ML storage reservoir and a pump station. And during this current financial year of 2015/16 we have further extended our water pipe network by 14 kilometres in the Murchison and Gamalakhe water upgrade projects. The municipality has completed Phase 2 of the Emalangen Waterborne Sanitation Project which will contribute towards the eradication of bucket systems.

We have completed the construction of Mhlabatshane Dam at Umzumbe and the completion of Mhlabatshane Dam at Umzumbe Local Municipality marks our municipality's continued commitment of ensuring provision of basic water infrastructure to all communities. This project will serve about 100 000 people in the Umzumbe and Hibiscus Coast Local Municipalities with potable water.

Fellow councillors,

Through the successful implementation of the Mhlabatshane bulk water project, the municipality is proud to have provided access to water to an additional 2200 households in areas of Gumatane, Phongolo, Nhlabane and Ncengesi under the Umzumbe municipality.

Also, we will be on community visits across the district to conduct official handover of the following completed projects, the Mhlabatshane bulk water project in Umzumbe, Maphumulo water supply in Umdoni, Egoli

Water supply in Vulamehlo, Mathulini water supply in Umzumbe and KwaXolo water supply in Hibiscus Coast municipality.

While the project unfolds, the municipality is continuously implementing effective alternative water supply delivery through the tanker services to various areas of the district.

The municipality positively looks ahead to the year 2016/17 as it aims to continue with its mandate of rendering services to communities in spite of the drought challenge that is upon us.

Our district is currently facing drought with increasing severity and frequency and unless our call for coordinated water conservation is met with decisive action by all consumers, we face risk of having no water for survival as we all aware, that water is life.

We therefore urge the public not to become complacent amid the recent rain showers and continue to conserve water to ensure that the current reserves last longer. The recent rainfall may give the false impression that the worst of the current drought is over.

The impact of the current drought has been so severe that all this rainfall is simply insufficient to relieve even the most urgent shortages of water in the most affected areas of the district. Our campaign to conserve water will therefore continue.

And in rapidly responding to the drought challenge that is upon us, an allocation of two hundred and thirty three million, eight hundred and seventy three thousand rand (R233, 873,000.00) will be used during the

2016/17 financial year to complete the Bhobhoyi Water Treatment Works upgrade and also commence with the uMthamvuna Water Treatment Works Upgrade from 20ML per day to 40ML per day and the Mistake Farm Water Project.

In the 2016/2017 financial year the municipality will intensify programmes on water loss management through its Non-Revenue Water Programme.

We have also increased our operations and maintenance budget for the new financial year to the generally accepted norm of 7% of the total municipal budget. This will enable the district municipality to fast track the implementation of this current council's adopted Water Safety Plans geared towards ensuring efficient and effective delivery of compliant water in line with the South African National Standards. And with technology being the enabler of service delivery in this modern day, the municipality will be embarking on the upgrade of the telemetry system to enable us to swift respond to infrastructure breakdown.

In the 2014/2015 financial year the municipality spent R75 million of its MIG allocation towards sanitation projects, these including the refurbishment of 25 sanitation pump stations to ensure minimal sewage spillages due to aged infrastructure.

The Umzinto Water Treatment Works is at its final stages of upgrade for the assurance of service in the Umzinto areas and ready to take on Low Cost Housing Developments. The municipality is currently in the process of finalising the completion of critical sanitation projects such as Malangeneni Waste Water Upgrade, Harding Sanitation Project and Margate Sewer Pipeline Upgrade.

Local Economic Development

Local Economic Development is at the forefront of our efforts to mitigate the triple challenges of poverty, inequality and joblessness. I am very pleased to report that despite numerous economic challenges that we have experienced during the year, we are able to report some notable success to mitigate the scourge of the triple challenges through LED Initiatives.

We have been able to facilitate 330 job opportunities directly from our LED Initiatives. Among the contributors to these jobs are Ezingoleni Essential Oils Project with job opportunities emanating from the Tea Tree Distillery Plant, Plantation of additional hectares of Tea tree, Business Database Establishment, Ugu Jazz Festival and One-Village-One Product.

It is also worth mentioning that through the Tea Tree Distillery plant a total of more than four thousands litres of essential oils were produced in KwaNyuswa. This has far exceeded our yearly estimate of a 1000 litres! Even more pleasing is that this is an export earning product with its clientele paying in dollar denomination. Overall, we are very pleased and excited that through the Tea Tree Essential Oils Project, we have a viable proposition that lends credence to our aspirations of unleashing the agricultural potential within our own economy as envisioned in the PGDP and Ugu GDS. For the first in our lives we believe we are in a uniquely advantageous position to harness the vast export earnings prospects associated with the commodity to the benefit of the marginalized communities.

We have also successfully implemented the Cooperative and SMME Development programmes continue to be an integral part of our LED efforts. To this end, it is pleasing to note among the highlight of trainings which benefitted this sector is the Crafters Commercialization training. Through this training, not only did crafters get exposure to training that enhanced their proficiency, new market channels for their produce among which is the export market which were opened for their produce.

His Excellency President Jacob Zuma in his “State of the Nation Address” made an announcement about the establishment of AGRIPARKs in 27 nodal district municipalities and our Executive Committee has resolved that the same be located in the Horse Shoe Farm. This project is driven by the Department of Rural Development and Land Reform and I must report that, this is at a very inception stage of implementation.

Mr. Speaker, the Executive Committee will be reaching out to make an assessment of all the poverty alleviation agricultural projects with a view to identify the project needs and the required support so that as the leadership we are able to mobilize the required resources for communities involved with community development activities.

Education

We have put in place various support programs for schools tailored to ensure that learners receive the best education available.

All municipalities have consistently promoted programs such as the Mayoral Bursary Fund where school leaving learners are given financial assistance to access tertiary education.

We have also consistently supported the annual dress the child campaign where the municipality contributes school uniforms to the poorest schools.

Fellow Councillors, the municipality through the schools mayoral programs has established fully equipped computer centres in schools across the six local municipalities. And the schools that benefitted from this program are: Sister Joan's School and the Gamalakhe FET College under Hibiscus Coast Municipality, KwaHluzingqondo High School in Umdoni, Sizophumelela High School in Vulamehlo, Nani High school in Umzumbe, Idwala Lesizwe High School, and Bhanoyi High School in Ezingoleni and Mlotshwa Secondary School in Umuziwabantu. Through this program, we intended to build capacity of rural schools in providing quality education in ensuring that learners have access to computers.

The computer centers will be able to accommodate eleven learners at a time and this is in line with the municipality's developmental mandate of improving the levels of education particularly in rural schools.

Housing

To reinforce our commitment as a caring government responsive to the needs of our people, our local municipalities in collaboration with other

spheres of government have restored the dignity of our people in providing decent housing.

Notwithstanding the serious backlog of housing and the constraints of the present housing provision model. We have indeed made progress and the following figures will attest to this:

Hibiscus- a total number of more than fifteen thousand house units have been constructed from various projects implemented in the community of Hibiscus Coast Municipality.

Vulamehlo- 2200 house units being constructed with 6000 units which will be constructed in six phases still on the planning stage.

Umuziwabantu- a total number of 3000 houses being constructed and 6000 still on the implementation stage.

Umdoni- 500 housing units are currently being constructed with 1425 units planned.

Umzambe- a total number of 1000 houses have been built with the 7000 units still in the implementation stage.

Ezingoleni- 3000 houses have been built and 6000 units still being implemented.

Electricity

Notwithstanding the present challenges being experienced within the energy sector, as a responsive collective leadership, it is incumbent

upon us to ensure that our communities are not confined to live in darkness for their entire lives.

The issue of domestic connections especially in our rural areas is championed aggressively at every appropriate forum, as a result we have had the Department of Energy and Eskom responding positively as the following statistics will show.

The completion of the Kenterton power station will definitely assist us to achieve this noble objective and light up the homes of our communities in the North of the District benefitting communities under the Umzumbe Local municipality

The following statistics bear testimony to this:

VULAMEHLO- 200 households have been electrified with 430 to be completed in the next phase.

UMUZIWABANTU- A total number of 560 households has been electrified and 350 houses are to be completed in the next phase.

EZINQOLENI- In Ezinqoleni 95% households have been switched on in ward 1.

UMZUMBE- A total numbers of 448 households have been electrified with 1300 to be completed in the next phase.

Disaster and Fire Services

During the past financial years, the District experienced a high level of fire related incidents followed by heavy rain and lightning. Most of the fire incidents reported was structural fires within informal settlements. The incidents that were reported occurred in all six local municipalities.

We have completed the construction of the first phase of the Ugu District Disaster Centre which comprises of the Disaster Management block of offices, external works and earthworks which are part of this phase. The second phase of the center will be completed with the construction of the Council Chambers and the third phase will be the Fire and Rescue Unit.

The completion of all the phases of this project will create greater opportunities to fulfill the district's municipality's vision of having a fully-fledged disaster management center which will fully service the local municipalities and have a bigger impact in the management of disasters in the district.

HIV/AIDS

Our HIV and Aids prevention and care programmes promote healthy communities in order to build a District that is fully responsive to the scourge of HIV and further reduce the infection and prevalence rate. The District Aids Council is functional and closely monitors the HIV/Aids programmes in the District.

The impact of HIV and AIDS related illness has contributed a lot in Orphans and Vulnerable Children and Child Headed Households in the District.

We have therefore established the Ugu District AIDS Councils and forums for vulnerable groups which are Senior Citizens, Rights of the Child, Gender, Disability, Farm Workers and Youth.

The District Municipality is working hand in hand with other stakeholders in developing an operational plan for 90-90-90 Strategy (90% of Ugu

community must be tested, 90% of those tested positive must receive treatment and 90% of people receiving treatment must be virologically suppressed.

Let us re-commit ourselves to build a society that will settle for nothing less than a society that works with us to eradicate the scourge of abuse and rape against women, girls and infants.

Youth Development

Oliver Tambo the late former ANC President once said “A nation that does not take care of its youth does not have the future and does not deserve one”. Youth Development is the cornerstone to the future of our country hence we have undertaken implementation of the following programmes to ensure that we develop responsible youth:

- Youth dialogues
- My life, my future school visit program
- Nelson Mandela Day
- Moral regeneration in prisons
- Expanded Public Works Program (EPWP)
- Business Breakfast: Youth in Business

Municipal Demarcation

We are currently participating in the re-demarcation of municipal boundaries in the district which will have an impact on our local municipalities. Following the publication of the notice of the Municipal

Demarcation Board, Vulamehlo municipality will be de-established where three and a half wards will be incorporated into EThekweni and six

and a half into Umdoni Municipality. Both Hibiscus Coast and Ezingoleni Municipalities will be de-established and a new municipality will be established. The public participation process to name this new municipality was concluded and the proposed name submitted for approval.

A Change Management committee for each area, North and South has been established to deal with the processes and as the District municipality we are entrusted with the coordination role in this process.

It must be noted that alignment of boundaries is to ensure effective coordination and provisioning of services to our communities. Such changes do not suggest that residents will be moved to another area. We therefore thank communities for their cooperation with the process of the municipal redetermination.

Fighting Corruption

As this council we will continue with our efforts to fight corruption by councillors, staff or private companies that do business with us. Fellow councillors and our guest, corruption deprives our people of the necessary resources for development.

To this end, we urge the communities to cooperate and work with us in rooting out crime and corruption in our District. Accordingly we have put in measures and systems that the public may utilise in the fight against corruption. We have put in place an anti fraud and corruption hotline

Which operates 24 hours and available in all languages and we encourage the communities to protect their public resources.

Conclusion

Mr Speaker, we have come to the end of our political term as councils of all municipalities in the district and it is not a coincidence that these municipalities are all ANC led municipalities.

And I have taken you on a journey to show you we can realise our freedom, social cohesion, equity, a shared economy and provision of basic services which are at the core of the Freedom Charter and remain relevant today as they were more than 60 years ago. As we celebrate sixteen years of democratic local government service delivery, we realise that our District has transformed into a mature but young adult ready to perfect the art of delivering exceptional services to all communities.

I believe it is befitting to extend a word of gratitude to the organisation of the people, the African National Congress for the trust you placed to serve our communities and the support you have always provided. This is the last time I stand before you today to deliver the state of the district address. However, I will not put down the Weapons of the War on Poverty, I will not exchange the Tools of development for a life of complacency, and I will not ever turn my back on the people of the Ugu District. I am ready to continue the fight for a better life for our people in whatever capacity that my organisation, the ANC, calls me to serve.

Let me also extend a word of gratitude to all Mayors, Deputy Mayors, Speakers and councillors of all local municipalities whom we have started this long journey with, of changing lives of our communities in the district, thank you to your support and commitment over the years.

To my family in particular, thank you for the support, understanding you have given me when I needed it most.

To the Municipal Managers and management of all local municipalities and the Ugu District municipality, I appreciate your hard work, dedication and commitment in ensuring that our municipalities in the district are positioned in a healthy stable position to be able to carry out their developmental mandate.

Fellow Councillors, the people spoke; we delivered, the people are speaking; we are responding; the people are indeed governing in this district. Our district is indeed better Today than it was Yesterday

As we look forward towards the 2016 local government elections, we reiterate our unwavering allegiance to the core imperatives of the Freedom Charter and proudly proclaim our readiness to accelerate the radical transformation of the economy to bring about an equitable, just and inclusive District.

Let me urge you to ensure that you are registered to vote on the 3rd of August 2016 and that you exercise your vote with intelligence. It is always said that your vote is your secret, but mine is not, for I vote ANC.

I thank you.

Cllr NH Gumede

ISSUED BY:

UGU DISTRICT MUNICIPALITY

COMMUNICATIONS UNIT