# UGU DISTRICT MUNICIPALITY 2022 / 2023 – 2026 / 2027 INTEGRATED DEVELOPMENT PLAN

## FINAL ANNUAL REVIEW

## 2026 / 2027 FINANCIAL YEAR

Ugu District Municipality

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# Glossary

| LIST OF ACRONYMS IN THE INTEGRATED DEVELOPMENT PLAN | | | |
|---|---|---|---|
| **AGSA** | Auditor General South Africa | **IWMP** | Integrated Waste Management Plan |
| **AIDS** | Acquired Immune Deficiency Syndrome | **KPA** | Key Performance Area |
| **ART** | Antiretroviral Therapy | **LED** | Local Economic Development |
| **CDWs** | Community Development Workers | **LM** | Local Municipality |
| **CWP** | Community Workers Programme | **LTT** | Local Task Team |
| **CoGTA** | Department Cooperative Governance and Traditional Affairs | **LUMS** | Land Use Management System |
| **EDTEA** | Department of Economic Development Environmental Affairs Tourism | **LUMF** | Land Use Management Framework |
| **DoT** | Department of Transport | **MEC** | Member of the Executive Council |
| **DM** | District Municipality | **MIG** | Municipal Improvement Grant |
| **DoHS** | Department of Human Settlement | **MSIG** | Municipal Systems Improvement Grant |
| **DTT** | District Task Team | **NEMA** | National Environmental Management Act |
| **EAP** | Employee Assistance Programme | **PGDS** | Provincial Growth and Development Strategy |
| **EIA** | Environmental Impact Assessment | **PHC** | Primary Health Care |
| **EKZNW** | Ezemvelo KwaZulu Natal Wildlife | **PMS** | Performance Management System |
| **EMF** | Environmental Management Framework | **POE** | Portfolio of Evidence |
| **EMP** | Environmental Management Plan | **SANRAL** | South African National Roads Agency Limited |
| **EPWP** | Expanded Public Works Programme | **SDBIP** | Service Delivery and Budget Implementation Plan |
| **FBS** | Free Basic Services | **SDIP** | Service Delivery Implementation Plan |
| **FET** | Further Education and Training | **SDF** | Spatial Development Framework |
| **GDS** | Growth and Development Strategy | **SEA** | Strategic Environmental Assessment |
| **HH** | Households | **SONA** | State of the Nation Address |
| **HIV** | Human Immunodeficiency Virus | **SOPA** | State of the Province Address |
| **HR** | Human Resources | **STATSA** | Statistics South Africa |

| | | | |
|---|---|---|---|
| **ICT** | Information and Communication Technology | **WTT** | Ward Task Team |
| **IDP** | Integrated Development Plan | **KPI** | Key Performance Indicator |
| **IDPRF** | Integrated Development Plan Representative Forum | **KZN** | KwaZulu Natal |
| **IGR** | Inter-Governmental Relations | **SWOT** | Strengths, Weaknesses, Opportunities and Threats |
| **AOPO** | Audit of Predetermined Objectives | **SOOGs** | Strategic Outcome-Oriented Goals |
| **PPE** | Property, Plant and Equipment | **OPMS** | Organisational Performance Management System |
| **GDP** | Gross Domestic Product | **MPAC** | Municipal Public Accounts Committee |
| **GDPR** | Gross Domestic Product (Rand Value) | **EXCO** | Executive Committee |
| **GVA** | Gross Value Added | **SDP** | Spatial Development Plan |
| **CoGTA** | Department of Cooperative Governance and Traditional Affairs | **NDP** | National Development Plan |
| **SDG** | Sustainable Development Goals | **IUDF** | Integrated Urban Development Framework |
| **NFLED** | National Framework for Local Economic Development | **MTSF** | Medium Term Strategic Framework |
| **DDM** | District Development Model | **MTESF** | Medium Term Expenditure Strategic Framework |
| **SPLUMA** | Spatial Planning and Land Use Management Act | **IAS** | Invasive Alien Species |
| **CBA** | Critical Biodiversity Areas | **BSP** | Biodiversity Sector Plan |
| **ESA** | Ecological Support Areas | **AQMP** | Air Quality Management Plan |
| **AEL** | Atmospheric Emission Licenses | **CMC** | Coastal Management Committee |
| **TBC** | To be Confirmed | **SAPS** | South African Police Services |
| **SA** | South Africa | **PDMC** | Provincial Disaster Management Committee |
| **NDMC** | National Disaster Management Committee | **MDMC** | Municipal Disaster Management Committee |
| **TFR** | Total Fertility Rate | **TB** | Tuberculosis |
| **VIP** | Pit toilet with ventilation | **ECD** | Early Childhood Development |
| **TVET** | Technical and Vocational Education and Training | **FPL** | Food Poverty Line |
| **LBPL** | Lower-Bound Poverty Line | **UBPL** | Upper-Bound Poverty Line |
| **MANCO** | Management Committee | **EDES** | Economic Development and Environmental Services |
| **BTO** | Budget and Treasury Office | **OMM** | Office of the Municipal Manage |
| **SMME** | Small, Medium and Micro-Enterprises | **SCTIE** | South Coast Tourism and Investment Enterprise |

| | | | |
|---|---|---|---|
| **NQF** | National Qualifications Framework | **SMS** | Short Message Service |
| **HRD** | Human Resources Development | **ABET** | Adult Basic Education and Training |
| **WSP** | Work Place Skills Plan | **SALGA** | South African Local Government Association |
| **4IR** | Fourth Industrial Revolution | **WTW** | Water Treatments Works |
| **WWTW** | Wastewater Treatment Works | **UUW** | Umgeni-Uthukela Water |
| **ERA** | Execution Release Approval | **DRA** | Design Release Approval |
| **CRA** | Concept Release Approval | **CBD** | Central Business District |
| **DME** | Department of Minerals and Energy | **INEP** | Integrated National Electrification Programme |
| **SAEON** | South African Environmental Observation Network | **SCF** | Social and Community Facilities |
| **CSIR** | Scientific and Industrial Research | **SASSA** | South African Social Security Agency |
| **BNG** | Breaking New Ground | **UISPG** | Upgrading of Informal Settlements Partnership Grant |
| **CRU** | Community Residential Units | **FTE** | Full Time Equivalent |
| **WO** | Work Opportunities | **DCoG** | Department of Cooperative Governance |
| **BARE** | Business Attraction, Retention and Expansion | **NGO** | Non-Profit Organisations |
| **NSC** | National Senior Certificate | **PSET** | Post School Education and Training |
| **NCDs** | Non-Communicable Diseases | **CBO** | Community Based Organisations |
| **DSD** | Department of Social Department | **DoE** | Department of Basic Education |
| **DPSA** | Department of Public Service and Administration | **HOD** | Head of Department |
| **GM** | General Manager | **DSF** | District Speakers Forum |
| **MFMA** | Municipal Finance Management Act | **SCM** | Supply Chain Management |
| **CFO** | Chief Financial Officer | **DORA** | Division of Revenue Act |
| **GRAP** | Generally Recognised Accounting Practice | **DBSA** | Development Bank of South Africa |
| **B2B** | Back to Basics | **CIF** | Comprehensive Infrastructure Investment |
| **CEF** | Capital Expenditure Framework | **RSDF** | Regional Spatial Development Framework |
| **POE** | Portfolio of Evidence | **OPEX** | Operating Expenditure |
| **CAPEX** | Capital Expenditure | **Ml** | Mega Litres |
| **RBIG** | Regional Bulk Infrastructure Grant | **WSIG** | Water Services Infrastructure Grant |
| **MBRR** | Municipal Budget and Reporting Regulations | **mSCOA** | Municipal Standard Chart of Accounts |
| **CPI** | Consumer Price Index | **MTDP** | Medium Term Development Plan |

# 1 CHAPTER 1: EXECUTIVE SUMMARY

In compliance with the Local Government Municipal Systems Act, 32 of 2000 (Systems Act hereafter), the Ugu District Council adopted the 05th Generation Integrated Development Plan (2022 / 2023 to 2026 / 2027) in May 2022. The 05th generation integrated development plan provided a basis for both public and private sector investment in the district and strengthened intergovernmental relations within the spheres of government. This document presents the final annual review of the plan. In terms of the Systems Act, the municipal council must review its integrated development plan annually in accordance with an assessment of its performance measurements and the extent that changing circumstances so demand.

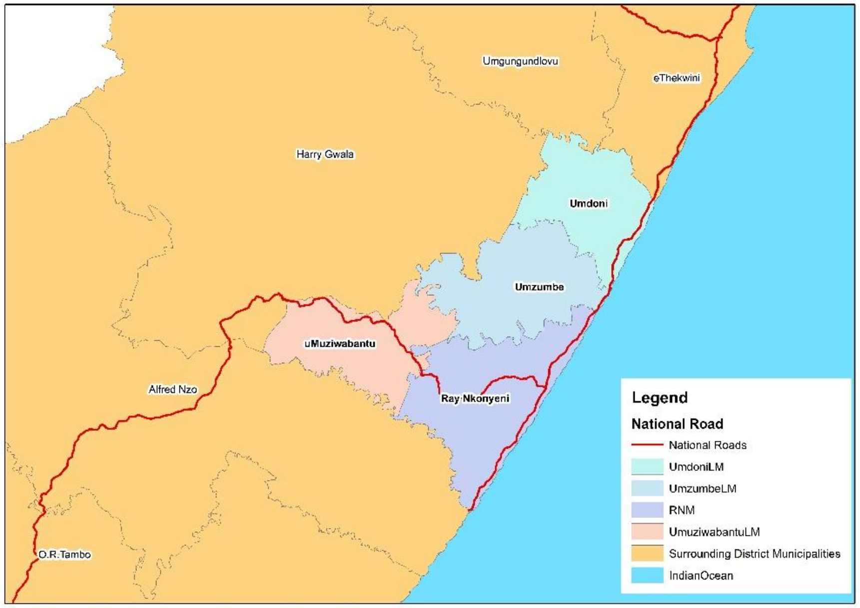
The final annual review of the Ugu District Municipality 2022 / 2023 – 2026 / 2027 Integrated Development Plan is therefore, informed by:

- 2024 / 2025 Annual Report (including Annual Performance Report).
- 2024 / 2025 Auditor-General of South Africa Audit Report.
- 2025 / 2026 Mid-Year Performance Report.
- Assessment of the Ugu District Municipality 2025 / 2026 reviewed Integrated Development Plan by Department of Cooperative Governance and Traditional Affairs.

The review did not culminate into drastic changes to the 05th Generation Integrated Development Plan and as such the district's strategic matrix remains intact. The review, therefore, was more concerned with updates, realignments and addition of new information.

## 1.1 DISTRICT OVERVIEW

Ugu District Municipality is a category C municipality which is a municipality that has municipal executive and legislative authority in an area that includes more than one municipality. It is 4 908 km² in extent and boasts a spectacular coastline of 112 kilometres, which forms its Eastern border. The region is bordered on the North by the eThekwini, in the West by Umgungundlovu and Harry Gwala District municipalities and on the Southern side shares its borders with the Eastern Cape Province. The municipality consists of 86 municipal wards, which culminate into four local municipalities, namely Ray Nkonyeni, Umuziwabantu, Umzumbe and Umdoni. The district has forty-two (42) traditional council areas within its jurisdictional area.




**Map 1.1.1:** Ugu District Locality
**Source:** Ugu GIS Unit

### 1.1.1 Demographics in a Brief

As per the 2022 Stats SA Census, the district is home to a population of 773 402 which is accommodated in 172 628 households. The African race population group is the most dominant at 87% followed by White at 6%, Indian at 5% and lastly Coloureds at 1%. IsiZulu is the most spoken language with it being a home language of 81% of the population.

The district population is composed mainly of the 15 to 64 (Working Age) which accounts for 62% of the total population, followed by the 0 to 14 (Children) accounting for 29% and lastly the 65 and above (Elderly) accounting for 8%, functional age groups. The district has a youthful population with the youth (33%) and children (29.2%) population group accounting for 62.2% of the population. The district's sex ratio is 90 males per 100 females which translates to females accounting for a 52.6 percent of the total population.

#### 1.1.1.1 Population Education Level

The population that is 20 years and older that has no schooling as per the 2022 census was 9% and 47% had education level less than grade 12 (matric).

#### 1.1.1.2 Unemployment, Poverty and Inequality

As per S&P Global data, as of 2022, the official unemployment rate in the district stood at 41.5% and stood at 62.7% for the youth. The district's proportion of people living below food poverty line stood at 40.2% in 2022 as per the S&P Global Data. In terms of the district's income inequality, the S&P Global Data recorded a Gini Coefficient of 0.62 for the district.

### 1.1.2 Households Access to Services

The district's households have relatively good access to services. A total of 83% of the households has access to piped water, 71% has access to decent sanitation and 96% has access to electricity. Only 35% of the households has access to solid waste removal.

### 1.1.3 Economic Outlook

The district is the fourth largest economy in the province with a GDP-R contribution of R43 151 billion. The district's main economic contributors based on their percentage share of GDPR and GVA are Agriculture, Community Services, Finance, Manufacturing, Trade and Transport. Employment in the district is driven by the tertiary sector with a proportion of 73.3% with community services industry having the highest share of 24.1% in this sector. The secondary sector shares a proportion of 17.4% with trade being the lead industry in this sector and lastly primary sector has a proportion of 9.3% with Agriculture being the lead industry in this sector by 8.2%.

## 1.2 DEVELOPMENT OF THE INTEGRATED DEVELOPMENT PLAN

In developing its Integrated Development Plan (IDP), the district followed the process outlined in Section 29 of the Systems Act and is summarised in this section.

### 1.2.1 Predetermined Programme

On the 28th of August 2025, the Ugu Council adopted its 2026 / 2027 IDP Framework and Process Plan that guided the planning, drafting, adoption and review of its IDP. The process plan which is a predetermined programme specifying timeframes for the different steps was structured into five (5) phases which are Preparatory, Analysis, Strategic and Projects, Integration and Approval.

- The **Preparatory Phase** was between the **01st of July to the 30th of September 2025**. The phase incorporated activities such as drafting and adoption of Framework and Process Plan as well as giving notice to the local community. The local community was given notice of particulars of the process the district intended to follow on the 26th of July 2024.

- The **Analysis Phase** was undertaken between the **01st of October to the 31st of December 2025**. The phase incorporated the activities such as evaluation of the changed circumstances and conducting socio analytical research, determination of funding availability and requirements and all the necessary preparations, determination of which sector plans need to be reviewed and commencement with the process of reviewing thereof, consideration of MEC Comments, conduction of community needs consultation and hosting of Mayoral Izimbizos.

- The **Strategic and Projects Phase** was undertaken between the **01st of January to the 28th of February 2026**. The phase incorporated the activities such as hosting of strategic sessions, aligning the strategic framework with internal and external policies, assessing financial feasibility of proposed new projects based on existing and potential funds, hosting of Sector - Municipal Alignment sessions under the auspices of COGTA, integrating reviewed sector plans into the IDP and aligning the IDP with neighbouring district and local municipalities' IDPs.

- The **Integration Phase** was undertaken between the **01st of February to 31st of March 2026**. The phase incorporated the activities such as finalisation of the draft IDP and alignment and integration of different plans.

- The **Approval Phase** was undertaken between the **27th of March and the 31st of May 2026.** The phase officially commenced when the Council noted the draft IDP review and authorised that it be publicised to seek public comments / inputs which incorporates the hosting of the IDP / Budget Roadshows. Once the public comment period lapses and the comments are taken into account, the IDP is the adopted by Council.

### 1.2.2 Local Community Consultation and Participation

The district made use of two (2) main mechanisms to allow for local community consultation and participation which are namely, the IDP Representative Forum and Mayoral Izimbizos / IDP Roadshows. The IDP Representative Forum meetings were held on the 15th of August 2025, 21st of November 2025 and 13th of February 2026.

The Mayoral Izimbizo were held from the 30th of September to the 19th of November 2025 and the IDP / Budget Roadshows were held from the 08th of April to the 12th of May 2026.

## 1.3 KEY CHALLENGES

The key challenges that the district faces were derived from the Status Quo and SWOT analysis conducted in Chapter 3 of this document and have been grouped into the six (6) KZN Key Performance Areas (KPAs).

### 1.3.1 Cross Cutting Interventions KPA

The Cross Cutting Interventions KPA key challenges incorporates the challenges derived from the spatial, environmental and disaster management status quo and SWOT analysis. These key challenges can be summarised as follows:

- Within the district there are households that are located in the high-risk areas such as steep slopes which exposes them to risks such as slumping sensitive biodiversity areas which exposes them to high risk of flooding. These households are at a higher risk of a devastating impact in the event a disaster occurs and place an added strain on the limited resources to respond to disasters especially natural disasters as these areas often become inaccessible during the disaster.
- Inequitable development which sees development being concentrated along the coast as a result of the apartheid planning legacy and the previously neglected inland areas remains undeveloped or underdeveloped.
- Gradual loss of high agricultural potential land due to the ever-increasing demand for land for development which has observed through a number of commercial farms having been or are in a process of being converted into private property development.
- Other spatial challenges such as urban sprawl, derelict small town-built form and spatial inefficiency confronts the district.
- The challenges that were picked up during the environmental analysis included limited formally protected areas, poor management of estuaries, climate change impacts and Invasive Alien Species infestations.
- The key challenges picked up during the disaster management analysis include delayed response to incidents and emergencies and limited resources to deal with hazardous material Incidents.

### 1.3.2 Municipal Transformation & Institutional Development KPA

The key challenges for the Municipal Transformation and Institutional Development KPA as derived from the status quo and SWOT analysis of the KPA can be summarised as follows:

- The fourth industrial revolution presents certain risks to the institution which if not mitigated may pose serious challenges as the institution's skills base is not necessarily aligned with the direction that the fourth industrial revelation is directing the institutions towards.
- Limited LED human resource capacity which hinders the implementation of the LED Strategy.
- Limited fleet for both service delivery and support services.

### 1.3.3 Basic Service Delivery KPA

The key challenges for the Basic Service Delivery KPA as derived from the status quo and SWOT analysis of the KPA can be summarised as follows:

- Rapidly aging basic services infrastructure.

- The water demand is much greater than the current supply capacity which ultimately results in manual supply balancing or water rationing.
- Illegal connections for both water and electricity placing excessive unplanned strain on the existing infrastructure.
- Other challenges identified include infrastructure vandalism, lack of formal waste management systems in rural areas, limited rail transportation, inadequate maintenance of infrastructure, informal settlements, lack of social housing, below minimum standards score of NO, Blue and Green Drop as well as lack of capacity of key treatment plants.

### 1.3.4 Local Economic Development KPA

The key challenges for the Local Economic Development KPA (incorporates Social Development) as derived from the status quo and SWOT analysis of the KPA can be summarised as follows:

- The Local Economic Development challenges include economy contraction, lack of investment / business attraction, low skills base, triple threat challenge and economic leakage.
- The Social Development challenges include poor levels of education in rural areas, prevalence of chronic diseases, social ills, high crime rates and OSS War Rooms not fully functional.

### 1.3.5 Good Governance & Public Participation KPA

The key challenges for the Local Economic Development KPA as derived from the status quo and SWOT analysis of the KPA can be summarised as follows:

- Limited public participation.
- Enforcement and implementation of policies and bylaws.
- Municipal documents and communication are in English.

### 1.3.6 Municipal Financial Viability & Management KPA

The key challenges for the Municipal Financial Viability and Management KPA as derived from the status quo and SWOT analysis of the KPA can be summarised as follows:

- Collection rate below the 95 – 100% norm.
- High debt book.
- Poor Cashflow.
- Expenditure in excess of income.

## 1.4 LONG TERM VISION

The strategic planning session that was held in March 2022 produced the long-term vision, mission and values. The long-term vision of the district reads as follows:

***"By 2035 Ugu District Municipality will provide adequate access to basic services in an efficient and sustainable manner, enhancing the quality of its citizens in an inclusive progressive economy."***

The mission of the district reads as follows:

***"To ensure all our communities have access to quality drinking water, decent sanitation, sustainable economic opportunities underpinned by the active participation our citizens in exemplary government."***

In terms of the values, the district agreed to subscribe to the following values:

1) Innovation,
2) Stakeholder Driven,
3) Integrity,
4) Delivery Focused, and
5) Excellence.

## 1.5 UNLOCKING OF KEY CHALLENGES

In the quest to unlock the identified challenges, the district developed five (5) Strategic Outcome-Oriented Goals (SOOGs) which are aligned to the six (6) KZN KPAs as reflected in Table 1.5.1.

**Table 1.5.1:** Alignment of Strategic Outcome Oriented Goals to KZN KPAs

| Strategic Outcome-Oriented Goals | KZN KPAs |
|---|---|
| Universal access to Basic Services | Basic Service Delivery |
| Effective Governance and Leadership | Good Governance and Public Participation |
| 100% compliance with all laws and regulations | Municipal Financial Viability and Management |
| Highly Motivated, Skilled, Productive and Disciplined Workforce | Municipal Transformation and Institutional Development |
| Develop an Inclusive Economy through a Diverse and Innovation Driven Economy | Local Economic Development |

Spatially, the district developed a long-term spatial vision for its areas of jurisdiction which reads:

***"By 2035 Ugu District will be a spatially, socially and economically transformed living environment; its economy and natural resources accessible to all its people through targeted actions to provide better living, social and economic opportunities."***

The vision commits the district to champion economic and social transformation within its key sectors, this includes the delivery of new opportunities closer to major economic centres (e.g. GAP Housing) The attainment of this vision requires the municipality to facilitate the development of a spatial system that promotes social, economic, financial, institutional and environmental sustainability. Map 1.5.1 depicts the summary of the district's SDF.

The district has identified high priority catalytic projects that will change the outlook of the district and unlock some of the key challenges. The catalytic projects are as follows:

The catalytic projects are categorised into three main categories which are namely, Major Needs (Major Projects), Major Enablers and Game Changers. Major needs apply to projects that are meant to address wide-scale regional needs major enablers apply to projects that will unlock downstream infrastructure services and game changers apply to projects that will structurally change the economy.

## MAJOR NEEDS

1. Renishaw Property Development
2. Umdoni Point Property Development
3. Harding Integrated Residential Development Project
4. Harding Private Hospital

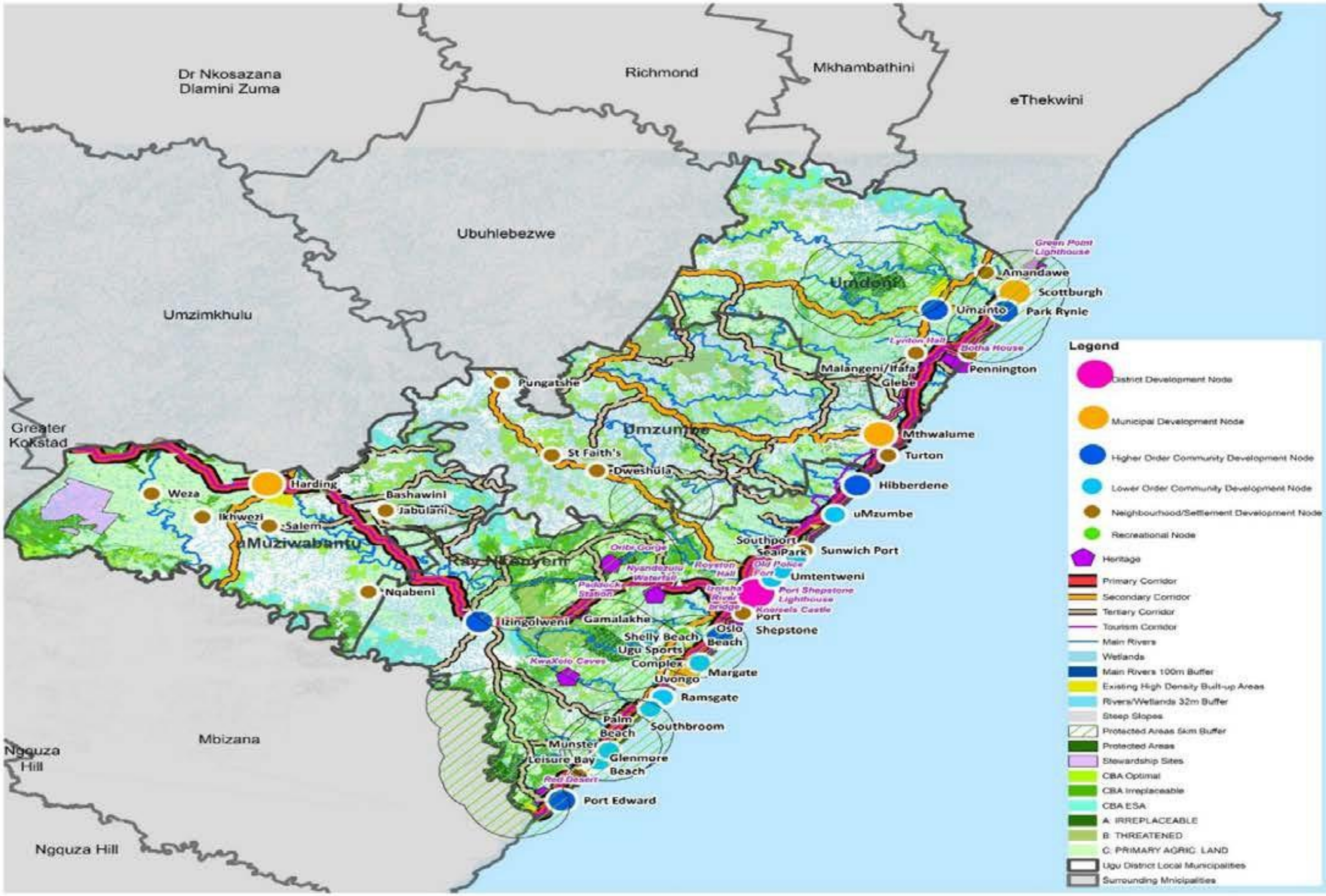
## MAJOR ENABLERS

1. Smart Circular Economy Waste Management
2. Rehabilitation and Development of Railway Lines
3. Renewable Energy
4. Smart Connectivity Broadband and Connectivity Roll Out
5. Upgrade of Umbango Waste Water Treatment Works
6. Upgrade of Melville Waste Water Treatment Works
7. Lovu Raw Water Augmentation Pipeline
8. St Michaels to Margate Promenade
9. Port Shepstone Beachfront Redevelopment
10. Bulk Water Infrastructure uMthamvuma Upgrade
11. Waterborne Upgrade Margate Waterborne Sanitation Upgrade
12. Waterborne Upgrade Uvongo Waterborne Sanitation Upgrade
13. Bulk Water Infrastructure St Helens Rock Upgrade & Umzimkhulu permanent berm
14. South Coast Pipeline 2b- Kelso to Malangeni
15. South Coast Pipeline Phase 3
16. Scottburgh beachfront development
17. Upgrade of Main Road P77 (Km 0.00-Km 42.129)
18. uMkhomazi Water Project
19. Bulk Water Infrastructure Harding-Weza Bulk Regional Scheme
20. Kokstad Interchange

## GAME CHANGERS

1. Industrial Parks Revitalisation and Development
2. Margate Airport Upgrade
3. Port Shepstone Technology Hub (Internal Infrastructure)
4. Port Shepstone Technology Hub (Innovation Centre)
5. RNM (Hibberdene, Port Shepstone & Port Edward) Small Craft Harbours
6. Port Shepstone Government Complex
7. South Coast Regional Conferencing
8. Ifafa Industrial Park
9. Scottburgh Aeropark Development
10. Park Rynie Industrial Strip
11. Hibiscus Coast Marine Route
12. Turton Beach Development
13. Turton Town Development
14. Harding New Town Development
15. Umzumbe Industrial Park
16. Development of ST Faiths Mixed Use Precinct

**Figure 1.5.1:** Catalytic Projects Summary




**Map 1.5.1: Ugu District SDF**
**Source:** Ugu District GIS Unit

## 1.6 STRATEGIC OBJECTIVES AND TARGETS

The SOOGs are not measurable and as such are further developed as separate distinguishable outcomes through strategic objectives, key performance indicators and targets which provides specific and measurable targets for accomplishing the SOOGs. The key performance indicators and targets set quantifiable measurements to gauge overall performance. The district developed 52 strategic objectives with associated key performance indicators and targets to ensure the realisation of the vision and mission of the district.

In this regard, the district developed a five (5) year scorecard which provides five-year targets that are broken down into annual targets and the progress is provided on an annual basis through the SDBIP.

## 1.7 PERFORMANCE MANAGEMENT OVERVIEW

The district's Organisational Performance Management System (OPMS) contains performance measurement; performance monitoring, reviewing and evaluation; performance auditing; performance reporting; and intervention as core elements.

The two-level scorecard which consists of the Strategic or Organisational and the Service or Departmental Scorecards is used to measure performance progress. The performance is continuously monitored to ascertain if progress is being made towards achieving results (outputs, outcomes, and goals) through record keeping and regular reporting systems. The district's performance through the two-level scorecard system is reviewed on a quarterly basis at a political and administrative level.

In evaluating its performance, the district focuses on the results of inputs delivered and the work done. The outcome of this evaluation determines whether the programme has achieved or is likely to achieve its outputs and contribute to achieving programme outcomes and impact.

The district's OPMS complies with Section 41 of the Systems Act as it monitors, reports and redress which then allows for steps to be taken to improve performance and acts as an early warning system for underperformance allows for regular reporting to relevant stakeholders.

## 1.8 MEC COMMENTS FOR THE 2025 / 2026 IDP REVIEW

Section 32. (1) (a) of the Systems Act requires that the municipal manager of a municipality must submit a copy of the Integrated Development Plan as adopted by the council of the municipality and any subsequent amendment to the plan, to the MEC for local government in the province within 10 days of the adoption or amendment of the plan. Upon the receipt of the district's IDP, the MEC through his appointed panel, assessed the credibility of the district's 2025 / 2026 IDP in line with the IDP assessment criteria. Table 1.8.1 provides a summary of the MEC comments as well as the district's response.

**Table 1.8.1:** Responses MEC Comments

| KPA | MEC Comment | District's Response |
|---|---|---|
| **Municipal Transformation Institutional Development** | Municipality is encouraged to provide more detailed information on the implementation of the Recruitment Policy and Staff Retention Policy. | More detailed information on the implementation of the Recruitment Policy and Staff Retention Policy has been provided. |
| | Government institutions are required to implement the new employment equity target as per the Employment Equity Amendment Act of 2025. | The district's employment equity targets have been updated as per the Employment Equity Amendment Act of 2025. |
| **Local Economic Development** | The Municipality is advised to prioritise the review of the LED strategy and to identify LED capacity constraints / challenges that hinders the implementation of the LED Strategy. | The district reviews its LED strategy on annual basis, and a major review is conducted in a 5-year cycle with last review being on 29 May 2025. |
| | The Municipality is encouraged to forge partnerships with various stakeholders (including Non-Governmental Organisation) and lobby for financial and non-financial support for the implementation of the LED Strategy. | A social compact agreement is in place and other relevant consultation structures that enable the forging of different partnerships with stakeholders are also in place. |
| **Basic Service Delivery** | It is requested that water and sanitation projects be listed over the five-year planning horizon using the Infrastructure Delivery Management System (IDMS) phases as required by National Treasury to improve alignment and implementation. | The water and sanitation projects have been listed over the five-year planning horizon using the Infrastructure Delivery Management System (IDMS) phases as required by National Treasury. |
| | The municipality is requested to include the supporting maps on the status, backlogs, needs, priorities and challenges for telecommunications, including broadband. | Supporting maps on the status, backlogs, needs, priorities and challenges for telecommunications, including broadband have been included. |
| | It is recommended that the district further elaborates on issues of waste collection by providing information on the responsibility for waste collection within the district as well as provision of an of an assessment on the engineering and auditing of the state of landfill sites. | Further elaboration on issues of waste collection has been provided. |
| | It is recommended that the current state of waste bylaws or their implementation is incorporated into the IDP and the Municipality is urged to submit the Integrated Waste Management Plan to the MEC for EDTEA for endorsement. | The current state of waste bylaws or their implementation has been incorporated into the IDP, and the Integrated Waste Management Plan to the MEC for EDTEA for endorsement. |
| | The SDF must address basic service provision for farm dwellers, and the Municipality is encouraged to use the KZN CoGTA Farm Dweller Service Guidelines to integrate these services into spatial planning. | The SDF review has ensured that the basic service provision for farm dwellers is provided. |
| **Financial Viability and Management** | There should be detailed report on the roll-over grants as well as detailed presentation of the Supply Chain Management Unit's challenges. | Detailed report on the roll-over grants as well as detailed presentation of the Supply Chain Management Unit's challenges has been provided. |
| | The write-off amount for each year should be clearly disclosed with the implementation of the municipal policy on data cleansing, write-off and impairments. | The write-off amount for each year has been clearly disclosed with the implementation of the municipal policy on data cleansing, write-off and impairments. |
| **Good Governance and Public Participation** | The Municipality is encouraged to continue with efforts to ensure functionality of Intergovernmental Relations (IGR) structures, ensuring they meet regularly with the strategic agenda informed by the One Plan, and a decision matrix to monitor discussions and implementation. | The district's Intergovernmental Relations (IGR) structures remain functional. |
| | The Municipality is encouraged to clearly report on the participation of sector Departments in the IGR forums / District Development Model (DMM) structures within the district. | The participation of sector Departments in the IGR forums / District Development Model (DMM) structures within the district have been clearly reported on. |

| KPA | MEC Comment | District's Response |
|---|---|---|
| Cross Cutting Issues | The SDP review needs to synthesise the key findings of the SDF's Status Quo Analysis to provide not only the linkages to the relevant objectives and strategies, but also a basis to describe the proposed changes in the Municipal spatial form in the next 5-year. | The SDP review synthesised the key findings of the SDF's Status Quo Analysis and provided the linkages to the relevant objectives and strategies, as well as a basis to describe the proposed changes in the Municipal spatial form in the next 5-year. |
| | Further elaboration is required on how relevant national, regional and provincial plans and policies specifically relate to and influence the municipal planning and operations. | Further elaboration on how relevant national, regional and provincial plans and policies specifically relate to and influence the municipal planning and operations have been provided. |
| | The district is encouraged to include refined information contained in the CEF and include more project information on the CIF. | Refined information contained in the CEF and more project information have been included on the CIF. |
| | The Municipality is also encouraged to ensure that Geographic Information System (GIS) maps are consistently clear and include all the fundamentals. | Geographic Information System (GIS) maps are consistently clear and include all the fundamentals. |
| | The Municipality must consider recruiting additional personnel in line with Municipality staff regulation to enhance functionality of the centre as well as consider increasing its budget for disaster management and fire services to address operational challenges. | This is being attended to incrementally over long term. |
| | The Municipality should note the difference between Environmental Health Services and Environmental Management to minimise confusion when reading the document. | The difference between Environmental Health Services and Environmental Management has been clarified. |
| | It is recommended that the district should reflect Invasive Alien Species Projects (IASP) that are implemented in municipalities and spatially present the same. | Invasive Alien Species Projects (IASP) that are implemented in municipalities have been reflected and are spatially presented. |
| | Further work is required to strengthen the integration of the demographic dividend and gender considerations into the analysis. | Demographic dividend and gender considerations have been integrated. |
| Strategic Thrust | The objectives in the IDP are not fully aligned to the objectives in the SDBIP. | The objectives in the IDP are now fully aligned to the objectives in the SDBIP. |

# 2 CHAPTER 2: GOVERNMENT PRIORITIES

Alignment of government policies and plans is crucial in the strategic planning processes of the municipality. Therefore, the relevant binding and non-binding national and provincial policies including programmes and strategies need to be considered in the municipal development planning process and interventions. Our implementation and proposed interventions will focus only on the key mandates relevant to the municipal context in co-operative governance and those will be considered and addressed.

## 2.1 LEGISLATIVE CONTEXT

In ensuring the development of a credible and compliant Integrated Development Plan (IDP), different critical pieces of legislation were consulted namely, the Constitution, Municipal Structures Act, Municipal Systems Act, Municipal Finance Management Act, Spatial Planning and Land Use Management Act, Disaster Management Act, Fire Brigade Services Act and National Veld and Forest Fires Act as discussed in the subsequent sections.

### 2.1.1 Constitution Act No. 108 of 1996

Section 40(1) of the Constitution states that government is constituted as national, provincial and local spheres of government, which are distinct from each other and yet interdependent and interrelated. The Constitution further enjoins the other spheres of government and all organs of state within each sphere to respect the constitutional status, institutions, powers and functions of government in the other spheres; and must "*not assume any power or function except those conferred on them in terms of the Constitution*".

### 2.1.2 Municipal Structures Act No. 117 of 1998

The Structures Act provides for an appropriate division of functions and powers between categories of municipalities. Section 83 states that the district

Section 152 sets out clear objects of local government which include but not limited to:

a) Providing democratic and accountable government for local communities.
b) Provision of services in a sustainable manner.
c) Promote social and economic development.
d) Promote Safety and healthy environment.
e) Encourage community and community organisations' involvement in the matters of local government.

Section 156 read with Part B of Schedule 4 and Part B of Schedule 5 confers the powers and functions for local government. It is therefore clear from the Constitution that the basis for all land development and land-use planning in South Africa is the municipal planning process. Thus, the development and implementation of IDPs becomes central in giving effect to the constitutional principle of cooperative government.

municipality must seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by:

a) Ensuring integrated development planning for the district as a whole;

b) Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking;
c) Promoting bulk infrastructural development and services for the district as a whole; and
d) Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

Section 84 outlines the powers and functions of both the district and local municipalities.

### 2.1.3 Municipal Systems Act No.32 of 2000 as amended

The Systems Act establishes an enabling framework for core local government processes such planning, performance management, resource mobilisation and organisational change. In terms of this act, all categories of municipalities are expected to undertake developmentally oriented planning to achieve objects of local government set out in Section 152 of the Constitution. Section 25(1) of the MSA specifically require a municipal council to within a prescribed period after the start of the electoral term adopt a single, inclusive, and strategic plan for the development of the municipality. Furthermore, the Act requires IDPs to “link, integrate and coordinate plans”, as well as “take into account proposals for the development of the municipality”.

The centrality of municipal IDPs is articulated in section 35 which describes IDPs as “the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality.”

### 2.1.4 Municipal Finance Management Act No. 56 of 2003

The Act obligates the Councils of municipalities to approve annual budgets and requires the mayors of the municipalities to coordinate the processes of preparing these annual budgets and for reviewing the municipality’s integrated development plan and budget related policies to ensure that the budget and any revisions of the integrated development plan and budget related policies are mutually consistent. The Act further compels the mayors of the municipalities to take into account the municipalities’ integrated development plan when preparing annual budgets.

### 2.1.5 Spatial Planning Land Use Management Act No. 16 of 2013

The Municipal Systems Act requires municipalities to adopt IDPs that contain Spatial Development Frameworks (SDFs) as a core component. These SDFs must include basic guidelines for a land use management system for the municipality. The SDFs as contemplated in the Municipal Systems Act, are further elaborated in the Spatial Planning and Land Use Management Act.

The Act provides clarity and specificity on the relationship between spatial planning and the land use management system and other kinds of planning, and aims to create inclusive, developmental, equitable and efficient spatial planning within different spheres of government. The Act is therefore an important legislative component in the development of IDPs and the implementation of the NDP, IUDF and other critical policies.

The principles set out in the Act inform the goals within which land use should be shaped and call on all three spheres of government to redress spatial imbalances and improve access to land. The five (5) development principles of the Act are as follows:

i. **Spatial Justice** - The principle of spatial justice aims to redress the spatial imbalances of the past through improved and equitable access to land, basic services, social amenities, and economic opportunities. Removal of apartheid spatial imprints is at the core of this principle.

ii. **Spatial Sustainability** - The principle of spatial sustainability seeks to balance effective management of natural resources with the transformation of the natural environment to meet human needs and the impact of human activities (economic activities and livelihood strategies) on the environment. It promotes land development that does not harm the environment, effective management of natural resource assets, and recognition that social and economic development depends on the quality of the natural environment.

iii. **Efficiency** - The principle of spatial efficiency is about the creation of a functional spatial system that facilitates and enables effective use of infrastructure; unlocks economic potential and creates economic opportunities and enables land use integration and development of sustainable communities.

iv. **Spatial Resilience** - The principle of spatial resilience calls for the evolution of settlements and land use patterns that can withstand natural shocks, including the impact of climate change and the concomitant natural catastrophes. A resilient human settlement can meet respond and adjust to changes in their environment.

v. **Good Administration** - The principle of good governance requires that spatial planning must be democratic, legitimate, and participatory. It affects the lives of all people within an area. Therefore, authorities should undertake this function in a participatory manner with fairness, transparency, and accountability. The interested and affected parties should be afforded an opportunity to participate in decisions that affect their lives.

### 2.1.6 Disaster Management Act No. 57 of 2002

Section 53 (2) (a) of Disaster Management Act No. 57 of 2002 specifies that a disaster management plan for a municipal area must form an integral part of the municipality's integrated development plan (IDP). The plan must:

- anticipate the types of disaster that are likely to occur, in the municipal area and the possible effects.
- place emphasis on measures that reduce the vulnerability of disaster–prone areas, communities, and households.
- consider indigenous knowledge relating to disaster management.
- promote disaster management research.
- identify and address weaknesses in capacity to deal with possible disasters.
- provide for appropriate prevention and mitigation measures.
- establish strategic communication links; and
- facilitate maximum emergency preparedness and response.

### 2.1.7 Disaster Management Amendment Act No.16 of 2015

The Disaster Management Amendment Act No.16 of 2015 aims to clarify policy focus on rehabilitation and functioning of disaster management centers; to align the functions of the National Disaster Management Advisory Forum to accommodate the South African National Platform for Disaster Risk Reduction; to provide for the South African National Defense Force, South African Police Service and any other organ of state to assist the disaster management structures; to provide for an extended reporting system by organs of state on information regarding occurrences leading to the declarations of disasters, expenditure on response and recovery, actions pertaining to risk reduction and particular problems experienced in dealing with disasters; to strengthen reporting on implementation of policy and legislation relating to disaster risk reduction and management of allocated funding to municipal and provincial intergovernmental forums established in terms of the Intergovernmental Relations Framework Act, 2005; to strengthen the representation of traditional leaders in national, provincial and municipal disaster management advisory forums; to expand the contents of disaster management plans to include the conducting of disaster risk assessments for functional areas and the mapping of risks, areas and communities that are vulnerable to disasters; to provide measures to reduce the risk of disaster through adaptation to climate change and developing of early warning mechanisms; to provide for regulations on disaster management education, training and research matters and declaration and classification of disasters; and to provide for matters incidental thereto.

### 2.1.8 Fire Brigade Services Act No. 99 of 1987

The Fire Brigade Services Act, Act 99 of 1987 (FBSA) is the primary piece of legislation regulating fire services and seeks to provide for the establishment, maintenance, employment, co-ordination, and standardization of fire brigade services. In terms of the FBSA, local authorities are allowed to establish and maintain a fire brigade service for the following purpose:

a) Preventing the outbreak or spread of a fire.
b) Fighting or extinguishing a fire.
c) The protection of life or property against a fire or other threatening danger.
d) The rescue of life or property from a fire or other danger.
e) Subject to the provisions of the Health Act, 1977 (Act No. 63 of 1977), the rendering of an ambulance service as an integral part of the fire brigade service.
f) The performance of any other function connected with any of the matters referred to in paragraphs (a) to (e).

### 2.1.9 National Veld and Forest Act 101 of 1998

The National Veld and Forest Fires Act, 1998 confers on landowners a responsibility to prevent veld fires through the provision of fire breaks and other means as well as the responsibility to fight fires. To achieve this, mandate the Act provides for the creation of fire protection associations, local authority is required to register and become a member of the association, which is led by the Chief Fire Officer of a municipal fire service. However, should a Chief Fire Officer decline to be appointed as Fire Protection Officer, a member of the fire protection association must be appointed to perform the functions.

## 2.2 INTERNATIONAL POLICY CONTEXT

At an international policy level, the 2030 Agenda for Sustainable Development 17 Sustainable Development Goals as well as the African Union Agenda 2063 seven (7) Aspirations which are discussed in the subsequent subsections have been considered in the development of this IDP.

### 2.2.1 The 2030 Agenda for Sustainable Development

The 2030 Agenda for Sustainable Development is a set of seventeen aspirational "Global Goals" with 169 targets between them. The agenda is an action plan for people, the planet, and prosperity, with a focus on strengthening peace and partnerships. The SDGs are integrated and indivisible and balance the three dimensions of sustainable development: the economic, social, and environmental. The SDGs are reflected in Table 2.2.1.1:

**Table 2.2.1.1:** Sustainable Development Goals

| No. | Goal |
|---|---|
| **1.** | End poverty in all its forms everywhere. |
| **2.** | End hunger, achieve food security and improved nutrition, and promote sustainable agriculture. |
| **3.** | Ensure healthy lives and promote well-being for all ages. |
| **4.** | Ensure inclusive and equitable quality education and promote life-long learning opportunities for all. |
| **5.** | Achieve gender equality and empower all women and girls. |
| **6.** | Ensure availability and sustainable management of water and sanitation for all. |
| **7.** | Ensure access to affordable, reliable, sustainable, and modern energy for all. |
| **8.** | Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all. |
| **9.** | Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation. |
| **10.** | Reduce inequality within and among countries. |
| **11.** | Make cities and human settlements inclusive, safe, resilient, and sustainable. |
| **12.** | Ensure sustainable consumption and production patterns. |
| **13.** | Take urgent action to combat climate change and its impacts. |
| **14.** | Conserve and sustainably use the oceans, seas, and marine resources for sustainable development. |
| **15.** | Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat deforestation, halt and reverse land degradation, and halt biodiversity loss. |
| **16.** | Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels. |
| **17.** | Strengthen the means of implementation and revitalise the global partnership for sustainable development. |

#### 2.2.2 Africa Union Agenda 2063

AGENDA 2063 is a rededication of the African Union to the enduring Pan African vision of *"an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena."* It is the African continent's prioritisation of inclusive social and economic development, continental and regional integration, democratic governance and peace and security amongst other issues aimed at repositioning the continent to becoming a dominant player in the global arena. the African Union Agenda 2063 seven (7) Aspirations are as follows:

1. A prosperous Africa based on inclusive growth and sustainable development.
2. An integrated continent, politically united based on the ideals of Pan Africanism and the vision of Africa's Renaissance.
3. An Africa of good governance, democracy, respect for human rights, justice and the rule of law.
4. A peaceful and secure Africa
5. An Africa with a strong cultural identity, common heritage, values and ethics.
6. An Africa, whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children
7. Africa as a strong, united, resilient and influential global player and partner

#### 2.2.3 International Policy Applicability to Ugu District

The SDGs drives progress in several important areas such as, income poverty, access to improved, sources of water, primary school enrolment and child mortality. The Ugu District Municipality remains committed to these areas. Furthermore, SDG goal 6 talks directly to the Ugu District's commitment availability and sustainable management of water and sanitation for all.

The seven (7) Agenda 2063 strike a chord with the Ugu District Municipality in as the align with the South African National Development Plan vision which the district is aligned to.

## 2.3 NATIONAL POLICY CONTEXT

The National Development Plan, Integrated Urban Development Framework, State of the Nation Addresses, Medium Term Expenditure Frameworks and District Development Model has been considered in the development of this IDP as they are seen as critical national policies for the development and implementation of IDPs.

#### 2.3.1 National Development Plan

The National Development Plan (NDP) aims to eliminate poverty and reduce inequality by 2030. South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. Given the complexity of national development, the plan sets out six (6) interlinked priorities:

1. Uniting all South Africans around a common programme to achieve prosperity and equity.

2. Promoting active citizenry to strengthen development, democracy and accountability.
3. Bringing about faster economic growth, higher investment and greater labour absorption.
4. Focusing on key capabilities of people and the state.
5. Building a capable and developmental state.
6. Encouraging strong leadership throughout society to work together to solve problems.

### 2.3.2 Integrated Urban Development Framework

The National Development Plan (NPD) indicated that by 2030, South Africa should observe meaningful and measurable progress in creating more functionally integrated, balanced, and vibrant urban settlements. To attain this goal, the Department of Cooperative Governance, working in collaboration with other national departments and other role-players, developed the Integrated Urban Development Framework (IUDF) to transform and restructure South Africa's urban spaces.

The IUDF aims to guide the development of inclusive, resilient, and liveable urban settlements while directly addressing the unique conditions and challenges facing South Africa's cities and towns.

To achieve the transformation vision, four (4) overall strategic goals were introduced as outlined in Figure 2.3.3.1.1.

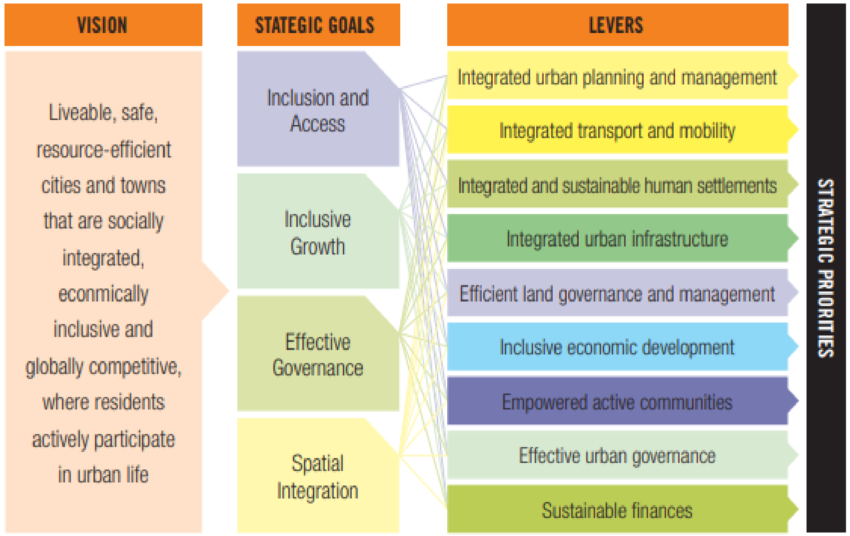



**Figure 2.3.3.1:** Integrated Urban Development Plan Strategic Goals and Levers

### 2.3.1 National Framework for Local Economic Development

The aim of the National Framework for Local Economic Development (NFLED) is to provide strategic guidance to LED agents, actors and their activities in order to achieve innovative, competitive, sustainable, inclusive local economies that maximise local opportunities, address local needs, and contribute to national and provincial development objectives.

In addition, NFLED seeks to shape LED planning and implementation and influence government, civil society, academia, science councils, community-based innovation agents, traditional authorities, indigenous knowledge holders, private sector, and individuals, so they may contribute to more sustainable development of local economies. In doing this, the Framework sets out strategic objectives for innovation-led LED.

The vision of the NFLED reads as follows:

"***LED will seek to create competitive, sustainable, diverse, innovation-driven and inclusive local economies that are vibrant places in which to live, invest, work, innovate, maximise local opportunities, address local needs, and contribute to South Africa's national development objectives, including sustainable ways of utilising local resources and expand learning capabilities.***"

The strategic objectives of NFLED are as follows:

1) To launch a radical battle against poverty, inequality and unemployment - with a particular focus on the youth - and to enhance the quality of life for all citizens through the development of innovative, inclusive and competitive local economies.
2) To support the potential of local economies to grow and develop the national economy.
3) To raise greater awareness of the significance of regions, metropolitan municipalities and localities as focal points in generating national prosperity.
4) To intensify the support for local economies in realising and building their economic potential, diversity, levels of employment and the creation of decent work for communities.
5) To strengthen intergovernmental coordination for planning of inclusive economic development between government and non-governmental sectors.
6) To facilitate the adoption and adaptation of innovation systems and economies of technical change.

The NFLED has six (6) core policy pillars that influence the design, development and implementation of LED over a 10-year period which are:

1) Building diverse and innovation-driven local economies.
2) Developing inclusive economies.
3) Developing learning and skilful economies.
4) Enterprise development and support.
5) Economic governance and infrastructure.
6) Strengthening local systems of innovation.

The core policy pillars are supported by five (5) enabling pillars without which the implementation objectives of this Framework cannot be met. The enabling policy pillars are as follows:

1) Research, Planning and Strategy.
2) Funding and Finance.
3) Human Resources and Capacity Development.
4) Monitoring, Evaluation and Knowledge Management.
5) Organisational and Institutional arrangements.

### 2.3.2 State of the Nation Address

The 2026 State of the Nation Address sets out a decisive national agenda centred on renewing economic growth, restoring the reliability of basic services, strengthening state capability, and building resilient, safe and cohesive communities. For KwaZulu Natal, these priorities carry heightened urgency given the province's persistent service delivery failures, high unemployment especially among youth and acute vulnerability to climate related shocks. Six core priorities that require immediate provincial alignment are identified in the 2026 SONA, which are as follows:

1) Inclusive economic growth and job creation;
2) Poverty reduction, food security and reduction of stunting;
3) Reliable, efficient and well-maintained basic services and infrastructure;
4) Safety, crime reduction and social cohesion;
5) A capable, ethical and developmental state; and
6) Climate resilience, disaster preparedness and sustainability.

### 2.3.3 National Medium Term Development Plan

"***A nation that works for all***" is the vision that underpins the National Medium-Term Development Plan (MTDP) 2024 - 2029, which is government's programme for the transformation and development of South Africa.

The MTDP 2024–2029 aligns with the goals and objectives of the NDP and the minimum programme of priorities of the Government of National Unity (GNU). The NDP remains South Africa's long-term country plan towards 2030 and is aligned with its international commitments. The MTDP 2024–2029 is the medium term plan towards the achievement of the NDP, replacing the Medium Term Strategic Framework (MTSF) by aligning with international naming conventions and emphasising development outcomes.

Government has set five goals for the next five years, which are:

1) A dynamic, growing economy;
2) A more equal society, where no person lives in poverty;
3) A capable state delivering basic services to all citizens;
4) A safe and secure environment; and
5) A cohesive and united nation.

To achieve these goals, the MTDP 2024 - 2029 identifies three Strategic Priorities which will be implemented across the state:

- Strategic Priority 1: Drive inclusive growth and job creation.
- Strategic Priority 2: Reduce poverty and tackle the high cost of living.
- Strategic Priority 3: Build a capable, ethical and developmental state.

### 2.3.1 National District Development Model and One Plan

Cabinet approved the District Development Model (DDM) as an All of Government and Society Approach, providing a method by which all three spheres of government and state entities work in unison in an impact-oriented way to speed up service delivery to ensure that municipalities are properly supported and adequately resourced. The DDM is an intergovernmental approach focusing on 44 districts and 8 metropolitan spaces for more effective joint planning, budgeting, and implementation over multi-year planning and electoral cycles. Although each sphere, sector, or entity has its own distinct constitutional powers, functions, and responsibilities, they cooperate and undertake collaborative planning, budgeting, and implementation processes, converging developmental efforts at the district / metropolitan level. The DDM model espouses a district scale developmental planning that produces one plan elaborating key transformation processes required to achieve long-term strategic goals and a desired future in all 44 district and 8 metropolitan areas. Six features are identified as key transformation areas that are components of the plan. The six transformational areas are as follows:

1) People Development and Demographics;
2) Economic Positioning;
3) Spatial Restructuring and Environmental Sustainability;
4) Infrastructure Engineering;
5) Integrated Service Provisioning; and
6) Governance and Management.

### 2.3.2 Local Government Back to Basics Programme

In particular, the objective of the Back to Basics(B2B) Programme, which was launched in 2014, was to create well-functioning municipalities that serve their communities better. The B2B Programme had two phases with the first phase having focused on laying the foundations for the development of local government, by getting the basics in place encompassing the following five (5) pillars:

i. Putting people first and ensuring effective public participation platforms for them;
ii. Creating conditions for decent living by consistently delivering municipal services to the desired quality and standard, which includes planning, delivery and maintenance of infrastructure and amenities;
iii. Promoting good governance, efficient administration and accountability;
iv. Facilitating sound financial management, accounting and prudent management of resources; and
v. Creating sound institutional and administrative capabilities at all levels.

The second phase of the B2B Programme was meant to take local government to a higher developmental trajectory to realise the NDP goals. Municipalities should endeavour to become 'ideal' by fulfilling the Constitutional vision of local government. In this regard, municipalities had to promote social and economic development; promote a safe and healthy environment; encourage the involvement of communities in matters of governance; facilitate a culture of public service and accountability among its staff; assign clear responsibilities to municipal management; and ensure the coordination of administrative units and mechanisms.

### 2.3.3 The National Disaster Management Framework

The NDMF serves as a legal instrument to ensure consistency in disaster management practices across South Africa. It prioritizes developmental measures to reduce vulnerability in disaster-prone areas. The framework provides a coherent and inclusive policy on disaster management whilst emphasising disaster prevention and mitigation as core principles. The framework also informs the development of provincial and municipal disaster management plans.

The NDMF consists of four key performance areas (KPAs) and three supportive enablers aimed at enhancing disaster risk management across all government levels. It emphasizes cooperative governance, stakeholder involvement, and the establishment of effective institutional arrangements.

### 2.3.4 National Policy Applicability to Ugu District

Similarly to the most of South Africa, the Ugu District area of jurisdiction bemoaned by the triple threat challenge experiencing high levels of poverty, inequality and unemployment. The district has therefore aligned its efforts to combat the triple threat challenge with those of the country as encapsulated in the **NDP, MTDP** and **SONA**.

The district has quite a number of urban settlements which are mono-functional and are in need of transformation to more functionally integrated, balanced, and vibrant urban settlements. This can be achieved through the implementation of the **IUDF** which the district subscribes to.

The district Mayor and Municipal manager have a legislative obligation to champion the **DDM** both politically and administratively. The district plays a critical role in the coordination of its family of municipalities in the development of the One Plan and implementation of DDM in general.

The **NFLED** provides the district with strategic guidance in its activities in order to achieve innovative, competitive, sustainable, inclusive local economies that maximise local opportunities, address local needs, and contribute to national and provincial development objectives. Furthermore, NFLED shapes the district's LED planning and implementation.

The district has a legislative obligation to have a fully functional and compliant disaster management centre and further play a supportive and coordination role to the local municipalities and as such takes its guidance from the **NDMF**.

As part of the continued implementation of **B2B** programme, MFMA Circular 88 (C88) introduced planning, budgeting, and reporting reforms that had been factored into municipal planning, budgeting, and reporting. C88 introduced a set of indicators applicable to all municipalities differentially applied per category of municipality and the district duly reports on a quarterly basis.

## 2.4 PROVINCIAL POLICY CONTEXT

The main provincial policy that was consulted in the development of this IDP is the Provincial Growth and Development Strategy as it is the principal development policy of the province.

### 2.4.1 KZN Provincial Growth Development Strategy

The Provincial Growth and Development Strategy (KZN PGDS) bolsters the province's commitment to achieving the vision:

"***KwaZulu-Natal will be a prosperous Province with a healthy, secure and skilled population, living in dignity and harmony, acting as a gateway to Africa and the World***".

The PGDS provides a reasoned strategic framework for accelerating and sharing economic growth through catalytic and developmental interventions, within a coherent equitable spatial development architecture, putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments. Concomitant attention is also given to the provision of infrastructure and services, to restoring natural resources, to public sector leadership, delivery and accountability, thus ensuring that these changes are responded to with resilience, innovation and adaptability. This strategy will lay the foundations for attracting and instilling confidence from potential investors and to develop social compacts that address the Provincial challenges.

The main purpose of the KZN PGDS can be summarised as, being the primary growth and development strategy for KwaZulu-Natal to 2035; mobilising and synchronising strategic plans and investment priorities in all spheres of government, state owned entities, business, higher education institutions, labour, civil society and all other social partners in order to achieve the desired growth and development goals, objectives and outcomes; to spatially contextualise and prioritise interventions so as to achieve greater spatial equity; and to develop clearly defined institutional arrangements that ensure decisive leadership, robust management, thorough implementation and ongoing review of the growth and development plan.

The seven (7) Provincial Strategic Priorities as per the 2021 review of the KZN PGDS are as follows:

1. Priority 1: Capable, Ethical and Developmental State.
2. Priority 2: Economic transformation and job creation.
3. Priority 3: Health and Education.
4. Priority 4: Consolidating Social Wage through reliable and quality basic services.
5. Priority 5: Spatial integration, human settlements and local government.
6. Priority 6: Social Cohesion and Safe Communities.
7. Priority 7: Better Africa and the World.

### 2.4.2 KZN Medium -Term Development Plan

The KZN Medium-Term Development Plan is KZN's strategic response to the MTDP and NDP and contextualises the agreed deliverables to the provincial context. It therefore serves as the PGDP and provides a five-year roadmap for inclusive and sustainable development.

The KZN MTDP Implementation Framework adopts a **results-based approach**, focusing on evidence-driven interventions to address persistent challenges such as poverty, inequality, unemployment, and climate vulnerability. It is implemented through the provincial cluster system and aligned with the international, national, provincial and local imperatives through the **District Development Model (DDM)** and **Ward-Based Plans** to ensure integrated, bottom-up planning and service delivery.

The KZN Province, over and above the endorsement of National Priorities, identified eight (8) Provincial Priority Focus Areas which are:

1) Rebuilding the Economy;
2) Strengthening Local Government and Governance;
3) Sustainable Development and Sustainable Dialogues;
4) Improving Health Care and Education;
5) Delivering better Human Settlements and Infrastructure;
6) Improving Community Safety;
7) Mitigating Climate Change; and
8) Building a capable, ethical and developmental state.

### 2.4.3 State of the Province Addresses

The 2026 State of the Province Address (SOPA) reiterated the 7th KZN Province administration's commitment to eight (8) focus areas that are linked to the linked to national priorities.

### 2.4.4 Provincial Policy Implications to Ugu District

The Ugu District Municipality as a water services provider will contribute immensely to the development of strategic infrastructure in its endeavours to eradicate water and sanitation backlogs in the district. Furthermore, the district plays a coordination role in ensuring that the local municipalities make a coordinated effort in realising the province's long-term vision.

## 2.5 DISTRICT AND REGIONAL POLICY CONTEXT

The District One Plan and Eastern Seaboard Regional Spatial Development Frameworks are the main critical district and regional policies that has been taken into account in the development of this IDP.

### 2.5.1 Ugu District One Plan

Ugu District One Plan Vision 2042:

"***Ugu District will be a socio-economically, sustainable, spatial and transformed destination anchored by tourism, agriculture and industrialization***".

The emerging vision elements for the district are:

1. Promote more even, sustainable and integrated development.
2. Increase levels of participation, investment and value-add within the district economy.
3. Substantial job creation within the district.
4. Poverty reduction, prioritising vulnerable groups and addressing social ills.

The plan through the DDM seeks to programmatically address the persistent socio-economic challenges of poverty, inequality, under-development and unemployment.

### 2.5.2 Eastern Seaboard Development Framework

The Eastern Seaboard region is situated along the 600-kilometre coastal stretch between Buffalo city and eThekwini Metro and is largely underdeveloped. The area is endowed with natural resources spreading across multiple administrative boundaries and lies between two provinces, the Eastern Cape and Kwa Zulu Natal. In terms of connectivity and spatial relationships between the two provinces it spans across four district municipalities namely, Alred Nzo, Ugu, OR Tambo and Harry Gwala.

The spatial vision for the Eastern Seaboard Region:

"***A Region known for its thriving economy, using its natural environment in a way that is responsible, inclusive, 'smart' and sustainable.***"

The development objectives of the Eastern Seaboard region are as follows:

1. Sustainable and resilient natural resources.
2. Viable and inclusive spatial transformation.
3. Promoting land reform.
4. Smart infrastructure and service delivery.
5. Productive urban and rural economy.

### 2.5.3 District Policy Implications to Ugu District

The Ugu District Municipality plays a critical coordination role in the development of the One Plan and the functioning of the DDM governance and institutional structures. Therefore, the successful implementation of the One Plan relies heavily on the district's role. The Ugu District Municipality also played a critical coordination role in the development of the Eastern Seaboard Spatial Development Framework and all the other relevant studies for its family of municipalities. The same coordination role will also be critical in the implementation of the framework thereof.

# 3 CHAPTER 3: SITUATIONAL ANALYSIS

## 3.1 SPATIAL ANALYSIS

The spatial analysis examines the locations, attributes, patterns, and relationships of features in spatial data of the district for purposes of gaining useful insight of the district for informed decision making.

### 3.1.1 Regional Context

The district is located on the southern part of KwaZulu-Natal province and is bordered in the north by eThekwini Municipality, in the West by Umgungundlovu and Harry Gwala District Municipalities and on the Southern side shares its borders with the Eastern Cape Province. Accessed to the district is gained via N2 and the R102 from eThekwini on the north. The N2 is an important access point as it stretches throughout the district and provides regional access to Eastern Cape on the western border where it interfaces with Harry Gwala District Municipality. R61 (National Road) links the district with the Eastern Cape on the South where it interfaces with Alfred Nzo District Municipality whilst the R102 links the district with uMgungundlovu to the west. The district poses several strategic features that embraces this location such as the following:

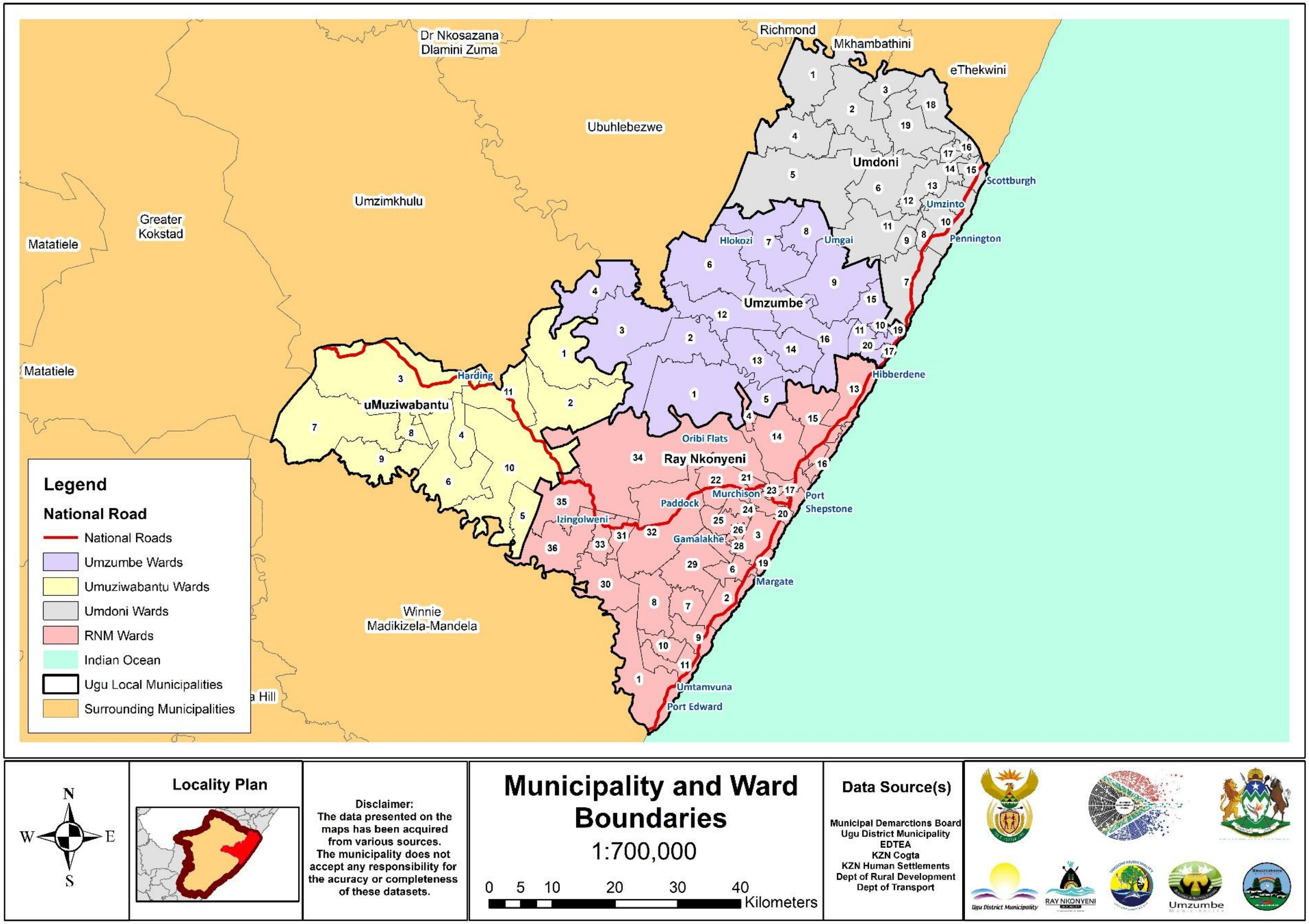
- Highly accessible via N2 and R61 which connects it with a number of towns within KwaZulu-Natal as well as Eastern Cape and beyond;
- Situated within a highly admired coastal strip which is affectionately known as the South Coast by the tourists, residents and general travellers; and
- Shares borders with eThekwini Municipality which is the economic powerhouse of KwaZulu-Natal and a very notable economic point within the country.

### 3.1.2 Administrative Entities

Ugu District Municipality is one of the 11 District Municipalities in the KwaZulu-Natal province. The district is made up of 86 wards spread across four (4) local municipalities which are namely, Umdoni (19 wards), Umzumbe (20 wards), Ray Nkonyeni (36 wards) and Umuziwabantu (11 wards) as depicted in Map 3.1.2.1. The district has 42 traditional council areas as outlined in Table 3.1.2.1 and depicted in Map 3.1.2.2.

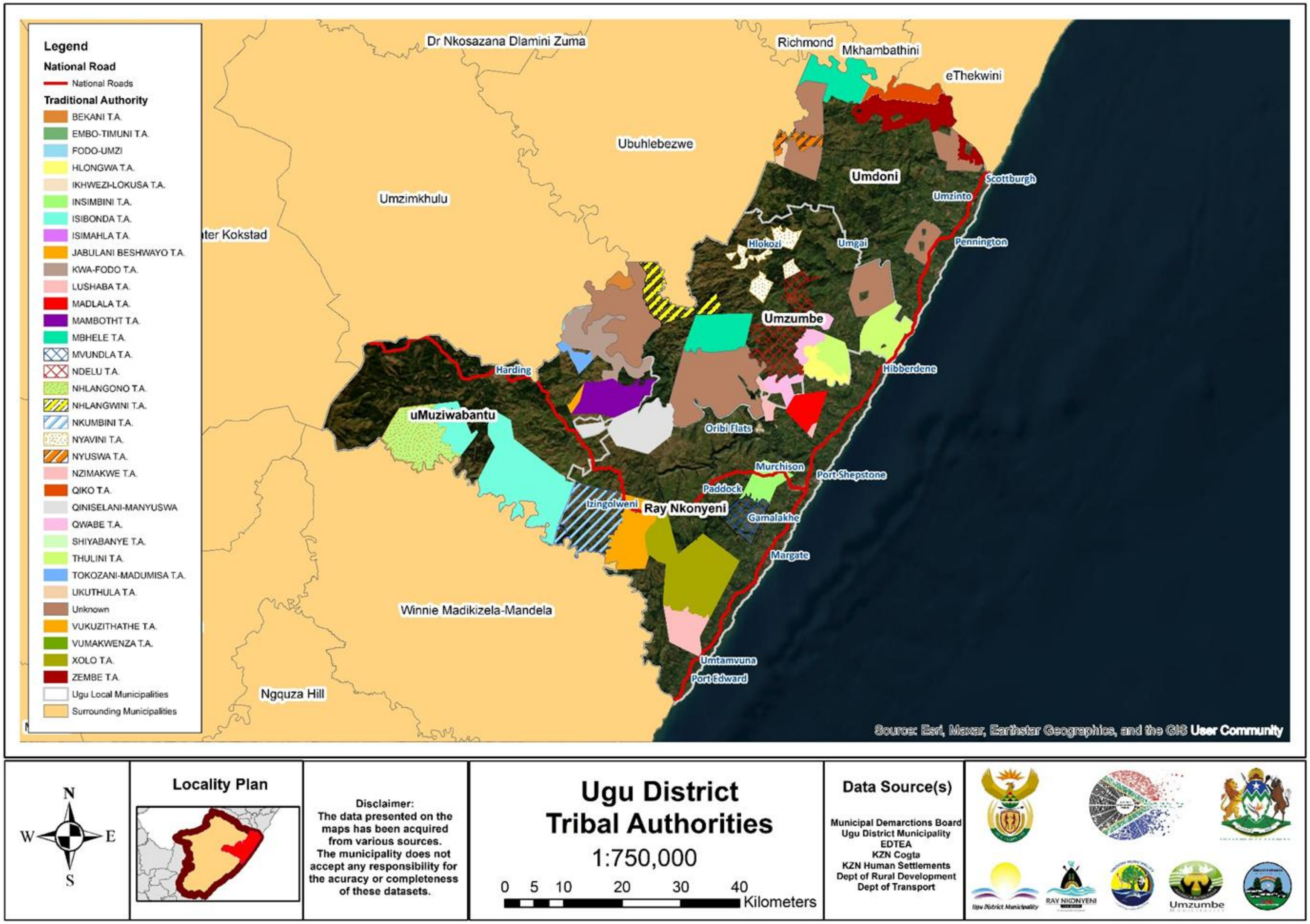
**Table 3.1.2.1:** Ugu District Tribal Authority Areas

| Municipality | Tribal Authority Area |
|---|---|
| **Umdoni** | Mbele; Qiko; Zembeni; Izimpethu Zendlovu; Mandleni; Ukuthula; AmaNyuswa; Cele; Ncwane and Malangeni. |
| **Umzumbe** | Bhekani; Cele P; Nhlangwini; Mabheleni; Bombo; Nyavini; Ndelu; Thulini; Hlongwa; Qwabe N; Cele K; Dungeni; AmaDunge; Qoloqolo; Qwabe P; Xaba and Hlubi. |
| **Ray Nkonyeni** | Qiniselani Manyuswa; Mavundla; Vukuzithathe; Xolo; Nzimakwe; Mthimude; Nsimbini; Lushaba and Madlala. |
| **Umuziwabantu** | Fodo; Thokozani Madumisa; Jabulani Beshwayo; Mbotho; Nhlangono and Izibonda. |




**Map 3.1.2.1:** Ugu District Administrative Entities – Municipalities and Municipal Wards

**Source:** Ugu GIS, 2025




**Map 3.1.2.2:** Ugu Traditional Authorities

**Source:** Ugu GIS, 2025

### 3.1.3 Structuring Elements

SPLUMA requires SDFs to identify current and future significant structuring and restructuring elements of the spatial form of the municipality, including development corridors, activity spines and economic nodes where public and private investment will be prioritised and facilitated as depicted in Map 3.1.3.1.

#### 3.1.3.1 Existing Activity Nodes

The district SDF identifies five (5) Activity Nodes within the district's area of jurisdiction which are, District Development, Municipal Development, Community Development, Neighbourhood / Settlement Development and Recreational Nodes as depicted in Map 3.1.3.1.1.

##### 3.1.3.1.1 District Development

The district SDF identified Port Shepstone / Marburg as the District Development Node which is a node that serves as the economic centre for the entire district municipality.

##### 3.1.3.1.2 Municipal Development

The district SDF identified Scottburgh, Mthwalume, Margate, and Harding as the Municipal Development Nodes which are nodes that serve as the economic centre of the entire municipality.

The district municipal, provincial and national government district offices are all located in this activity node.

##### 3.1.3.1.3 Community Development

The district SDF identified Umzinto, Park Rynie, Hibberdene, Izingolweni, Port Edward, Shelly Beach, Umzumbe, South Port, Sea Park, UMtentweni, Gamalakhe, Uvongo, Ramsgate, Southbroom, Palm Beach and Munster which are nodes that serves as the location for economic activities that serve surrounding communities.

##### 3.1.3.1.4 Neighbourhood / Settlement Development

The district SDF identified Sunwhich Port, Glenmore Beach, Leisure Bay, Oslo Beach, Morrison's Posts, Assissi, Dweshula, Ikhwezi, Salem, Jabulani, Bashawini, and Weza which are nodes that serve as a location for economic activities that serve the surrounding settlements (urban/rural).

##### 3.1.3.1.5 Recreational

The district SDF identified Ugu Sports and Leisure Complex as the Recreational Node which is a node that serves has a potential district wide impact for recreation

#### 3.1.3.2 Existing Development Corridors

The district SDF identified five (5) main types of development corridors within the district's area of jurisdiction which are, Primary, Secondary, Tertiary, Tourism and Industrial corridors. The district SDF further identifies potential future corridors which may require attention and encouragement.

#### 3.1.3.2.1 Primary Development Corridor

The district SDF identified the N2 and R61 which function as an inter-regional arterial to connect across the district, primarily to link with other district municipalities as well as connectivity and fast car and freight mobility and access to primary centres, districts, as primary development corridors.

The N2 freeway is a national road which has been identified as a primary corridor for Ugu DM, it is a generator for growth and is the main high level limited access mobility road which is a significant part of the national and provincial corridor system. The interchanges connect this road to the regional major arterials which grant access to settlement clusters across the district. This corridor is identified for public transport linkages and accessibility to communities at the interchange points with other movement networks.

The R61 is another primary corridor of the Ugu District which links the Ugu District and the Alfred Nzo District and the rest of the Eastern Cape Province. It is also identified in the Provincial Spatial Development Plan (PSDP) - Eastern Cape as some of the Strategic Transport Routes. Given the current settlement patterns and population distribution, the R61 has attracted significant amounts of settlement and establishment of business uses depending on the level of accessibility and population concentrations.

#### 3.1.3.2.2 Secondary Development Corridor

The district SDF identified R102; R620; P68; P73; R612; R517; P59; and P417 which function as connectivity and mobility between towns and residential settlements - movement of people and goods as well as fast connectivity and mobility of goods and people between rural areas, as secondary development corridor.

The secondary corridors play a key role in the district and local economies of the respective Municipalities they traverse. This is a second tier / category of corridors, and the role of these roads would be more localised, and access would be less restricted although still regulated. These roads connect different settlement areas and towns in the district.

#### 3.1.3.2.3 Tertiary Corridor

The district SDF identified P69; P732; P482; P344; D686; D0165; P0860; P0262; P0354; P0284; P0057, P005; P188; P197; P75; P254; R417; D1054; D168; D949; D946; D1115; D947; D895; D950; D938; D20; D121; D927; D250; D1079; D919; and P327 which function as a district level mobility at the sub-district level (connecting town and settlements within the Municipalities), as a tertiary development corridor. The secondary function is a linear rural settlement corridor supporting both access to residential plots and services along the route. Linear growth is acceptable, but facilities are to be encouraged in these nodes.

#### 3.1.3.2.4 Tourism Corridor

The district SDF identified the N2; R102 and R620; P73 (Siphofu Road); and Road linking Turton Beach to Siphofu Road as a tourism development corridor. These corridors aim at promoting and facilitating tourism development.

The following land uses are encouraged for these corridors:

- Tourism and recreational activity;
- Tourism related commercial activity at intersections; and
- Cultural villages land uses are encouraged for these corridors.

#### 3.1.3.2.5 Industrial Corridor

The district plays host a range of industrial areas which amongst others are, Weza Sawmill Merensky in Umuziwabantu area; Izotsha Industrial Development Corridor in the Ray Nkonyeni area; Marburg and Port Shepstone which also extensively contribute in the economic growth of the district; Umdoni in Scottburgh abutting the N2; Park Rynie abutting the N2 off-ramp; Esparanza (south); Umzinto North and Specific sites in Umzinto South; Sezela Farm Mill in Harding; Umzimkhulu Sugar Mill; and Idwala NPC.

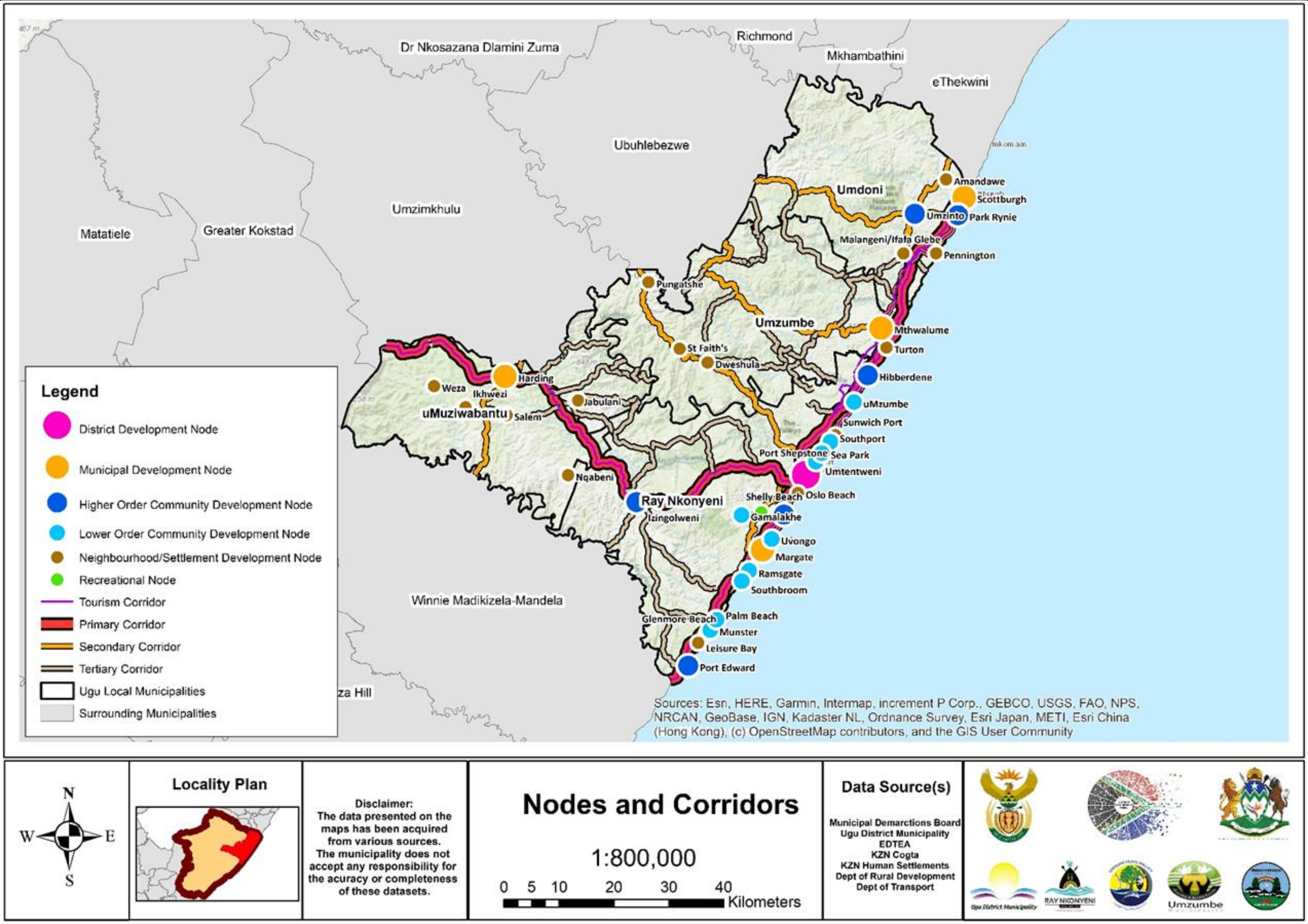
Industrial development requires a reliable transportation system to transport goods and services, therefore corridor development in or around industrial areas is a key strategic intervention that is proposed.

This should include strategic accesses, improvement and maintenance of existing infrastructure and stakeholder engagement to deal with issues affecting industrial development such as land release, infrastructure shortages etc.

#### 3.1.3.2.6 Future Development Corridors

In the Ray Nkonyeni area, a future development corridor is proposed to allow for the expansion of Port Shepstone and Marburg towards the south-western part of the municipality.

In the Umuziwabantu Area, the P68 is proposed as a future corridor which will provide access to potential tourism assets that could be developed in the west of the municipality. Another proposed future corridor in Umuziwabantu is the D250, D1079, or alternatively the D919 which could form a link across the uMzimkhulu River.




**Map 3.1.3.1:** Activity Nodes and Development Corridors

**Source**: Ugu GIS, 2025

### 3.1.4 Land Cover and Broad Land Uses

As depicted in Map 3.1.4.1 the built up and cultivated land covers are the most dominant along the coast. As you move further in land, the built up, cultivated and forested land cover dominates the rural hinterland. The district's land cover is generally synonymous with its broad land uses. A lot of commercial farming activity can be identified along the coast as well as tourisms facilities. The broad land uses along the coast are, therefore, Agriculture; Residential (including resorts); Mixed Use (includes industrial and utilities); Civic and Social; and Open Spaces. The broad land uses in the rural areas are Agriculture and Residential. Mostly subsistence farming takes places in the rural areas, however, they are pockets of commercial farming especially timber.

### 3.1.5 Land Ownership

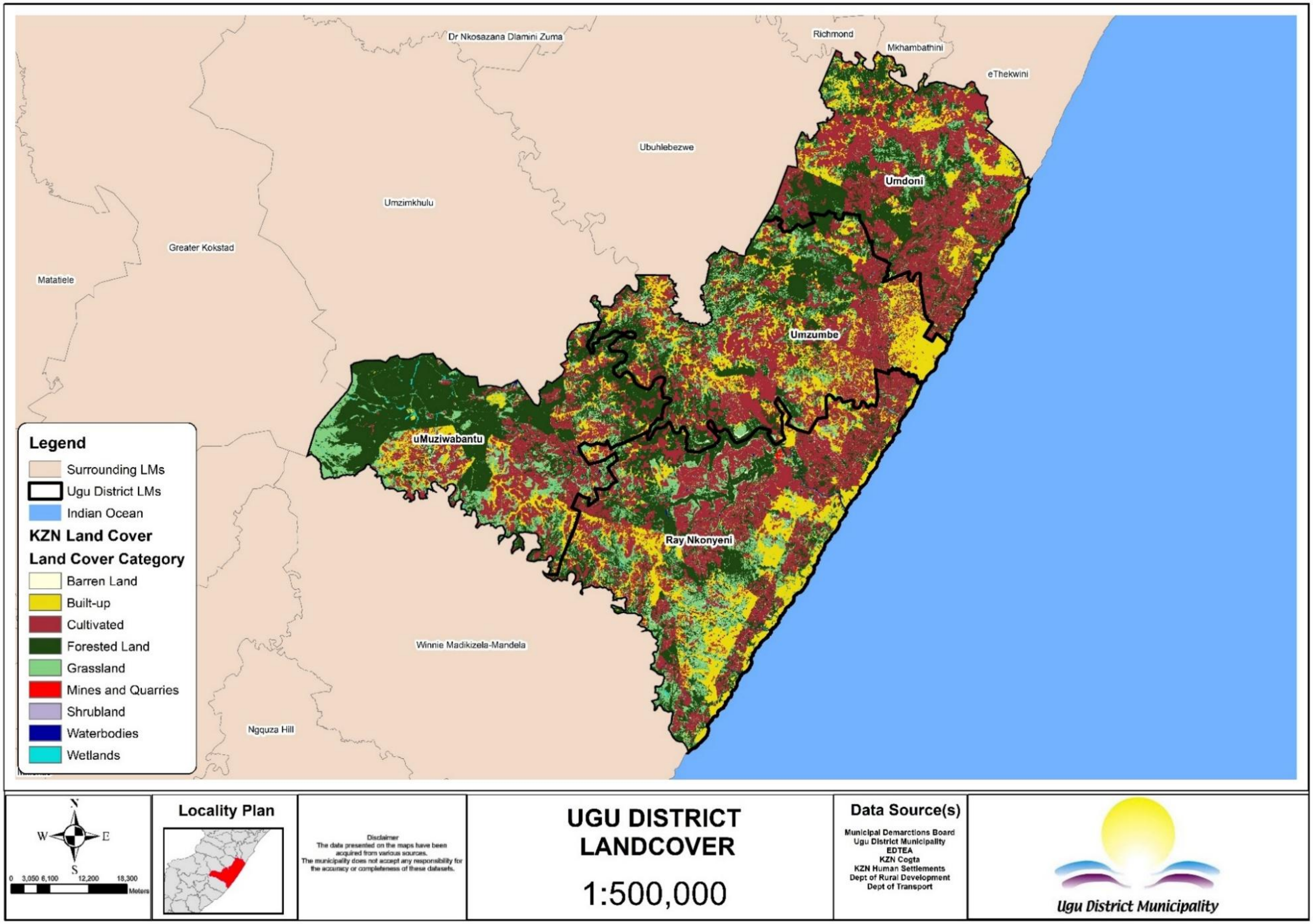
Land ownership within Ugu as depicted in Map 3.1.5.1 is diverse but the dominant owner within the inland is Ingonyama Trust Board, other land is privately owned within the coastal urban areas and the farms are either privately or owned by corporate. A large percentage of the Ugu District area of jurisdiction land is privately owned (52.7%), the Ingonyama Trust Board has 29.8% land ownership share whilst government, municipalities and parastatals jointly have a 15% share.

The current dual system of land ownership and management within the district perpetuates the existing spatial pattern, of a narrow strip of urban coastal development and a large, under-developed hinterland. The challenges experienced in implementing and / or enforcing single land use schemes in the rural areas has also resulted in uncontrolled haphazard development in these areas making service installations difficult or near impossible. The privately owned farms in the rural areas has also posed a challenge in terms of provision of RDP housing for communities residing in those farms.

### 3.1.6 Land Reform

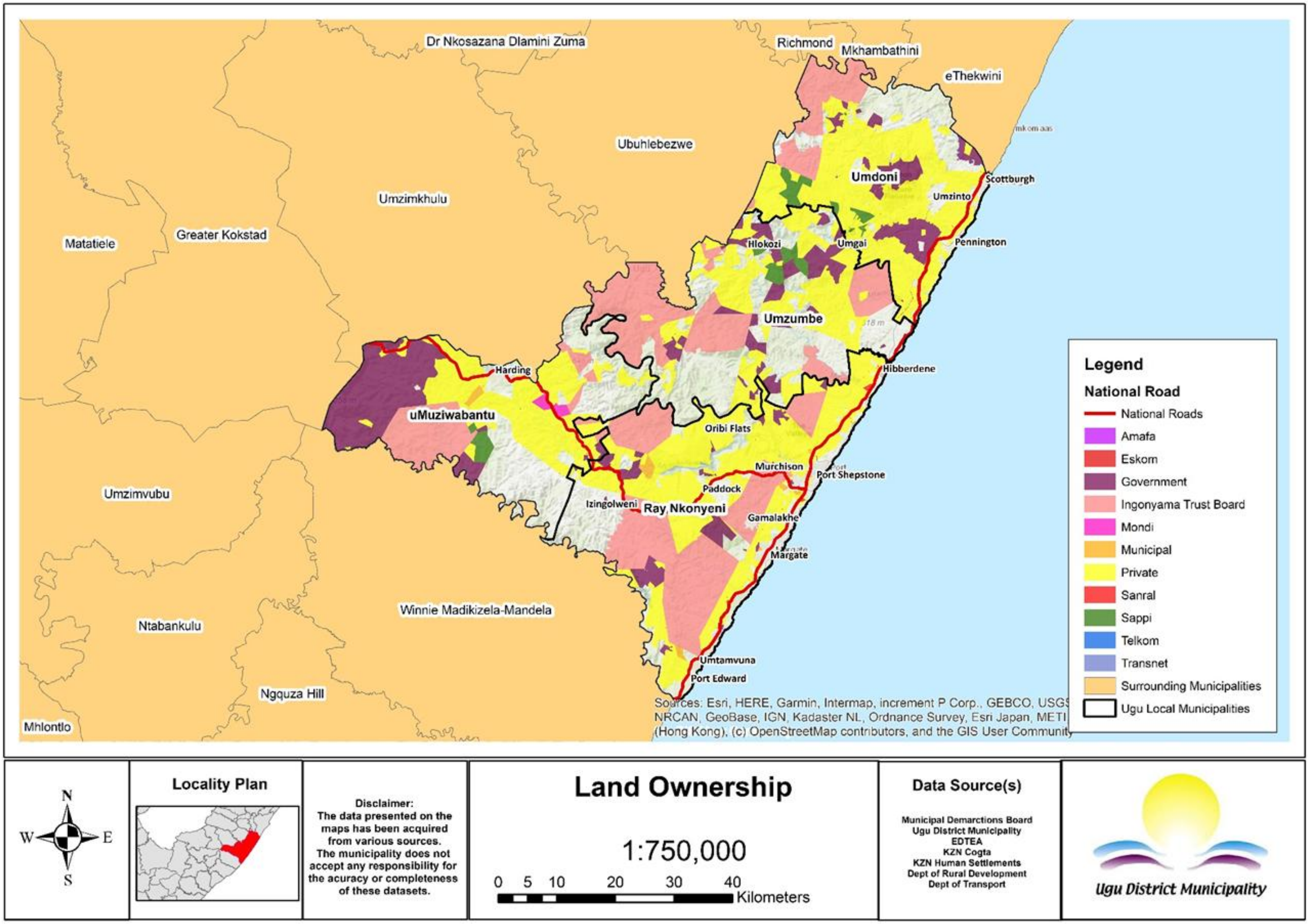
Land reform is an integral part of the transformation of the South African urban and rural landscape and limited success has been achieved to date across South Africa. Where it has been implemented it has been generally regarded as unsuccessful leaving communities and individuals destitute. There are quite a number of land claims that were lodged within the district, adds up to 146 509 ha in extent. It is worth noting however, that only as few as 1.9% (2 768 ha) of these claims were transferred into projects, inter alia Nzimkwe, Impenjati and Khoshwani.

There are also a number of gazetted restitution claims within the area (142 337ha). This includes Beshawu claim, Ezinqoleni claim, kwaXolo claim, Madlala claim, Masakhana claim, Mathulini claim, Mavundla claim and Oshabeni claim. The importance of implementing successful land reform initiatives can, however, not be doubted. Such initiatives should contribute to improving household food security and supporting economic development in the district. As the focus of spatial planning is on the appropriate use of land, it is of specific importance that the impact of spatial planning proposals in the district on all facets of land reform be considered. The different facets of the land reform programme include land redistribution; land restitution; and land tenure.



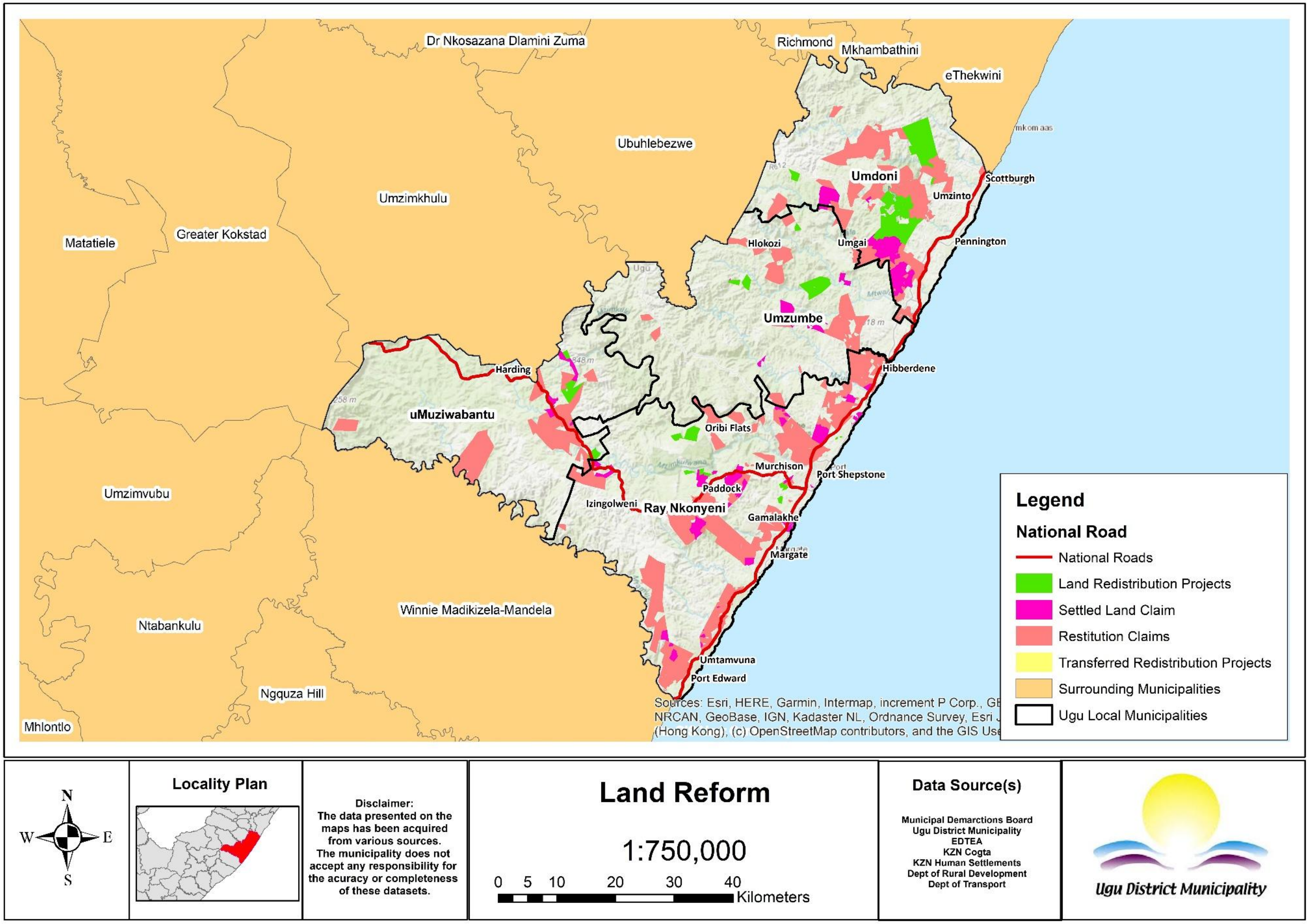

**Map 3.1.4.1:** Land Cover and Broad Land Uses

**Source:** Ugu GIS, 2025




**Map 3.1.5.1:** Land Ownership

**Source:** Ugu GIS, 202




**Map 3.1.5.1:** Land Reform

**Source:** Ugu GIS, 2025

### 3.1.7 Land Capability

Land capability is an interpretive method of land classification and evaluation, which is determined by the combined effects of soil (geology), terrain (topography and slope) and climate.

There are seven (7) broad Agricultural Land Potential Categories in KwaZulu-Natal which are Category A: Irreplaceable (Includes 'unique agricultural land'); Category B: Threatened; Category C: Primary agricultural land use; Category D: Secondary agricultural land use; Category E: Mixed land use; Category Permanently Transformed; and Category Proclaimed Reserves

High value agricultural land is a scarce, non-renewable and threatened resource which must be conserved for food production purposes, whilst concurrently addressing the need for economic growth and development in the district. Thus, for food security, it is necessary to identify and retain suitable land for agricultural production and expand production to currently unutilised land. The land capability of the district is depicted in Map 3.1.7.1 and outlined on Table 3.1.7.1.

**Table 3.1.7.1:** Land Capability Categories

| Land Category | Area (ha) | % share of Total Area |
|---|---|---|
| Category A: Irreplaceable | 2 390.53 | 0.5 |
| Category B: Threatened | 1 544.89 | 0.3 |
| Category C: Primary agricultural land use | 176 040.37 | 37.9 |
| Category D: Secondary agricultural land use | 218 093.41 | 47.0 |
| Category E: Mixed land use | 37 625.95 | 8.1 |
| Category Permanently Transformed | 17 184.41 | 3.7 |
| Category Proclaimed Reserves | 11 406.06 | 2.5 |

#### a) Irreplaceable Land Category

This is a very high potential agricultural land that should be retained exclusively for agricultural use so as to ensure national food security as it is limited making only 0.5% of the total land category area. Included within this category is also identified grazing land that has a very high production value for sustained livestock production.

#### b) Threatened Land Category

High potential agricultural land. As reflected in Table 3.1.7.1, this category is only 0.3% of the total land categories area and due to its limited in the district (and in the province), all efforts should be focussed on retaining land within this Category for predominantly agricultural use.

#### c) Primary Agricultural Land Use Land Category

Primary agricultural land use land category is one of the most dominant land categories making up 37.9% (see Table 3.1.7.1) of the total land category area. It is land with moderate agricultural potential, on which significant interventions would be required to achieve viable and sustainable food production, although agriculture is the still the majority land use in the rural landscape.

#### d) Secondary Agricultural Land Use Land Category

Secondary agricultural land use land category is one of the most dominant land categories making up 47% (see Table 3.1.7.1) of the total land category area. It is land with restricted to low agricultural potential. This land requires significant interventions to enable sustainable agricultural production.

**e) Mixed Land Use Land Category**

Land regarded as land with very restricted to very low potential for agricultural production. Cultivation within this land category is severely limited in both extent and in terms of the natural resources available. Grazing value will be poor with a very low carrying capacity.

**f) Category Permanently Transformed**

Demarcated areas within this Category have been permanently transformed to non-agricultural land uses (urban/built up areas, mines, quarries) and can therefore not be utilized for agricultural production purposes.

**g) Category Proclaimed Reserves**

Parcels within this Category have formally been proclaimed as either a national or provincial reserve under the significant legislation and not available for cultivation purposes. However, should this land be removed from such protected status, this land would be re-evaluated and assigned to the applicable Category.

The district can, therefore, be considered to have good agricultural potential land, setting up a conducive environment for a thriving agricultural sector. This is evident through the commercial farming activity, that can be identified along the coast and subsistence farming in the hinterland. There is, however, a gradual loss of high agricultural potential land due to increasing demand for land for development purposes. Several commercial farms have been or are in a process of being converted into private property development. A collective effort from all the relevant stakeholders is necessary to address this challenge.

#### 3.1.7.1 Geology Analysis

Map 3.1.7.1.1 spatially depicts the geology of the district. The solid geology of the district is covered by varying thickness of residual and transported soils. Soil cover greater than 750 mm may be encountered in the area around Harding, along the coast from Margate to Scottburgh, and the northern boundary of the district. The vast majority of the district has soil cover depth (450 mm ‑ 750 mm) above the solid geology. Soil cover less than 450 mm may be encountered along the coast behind the deep soil areas and above Umzinto extending towards the Ugu District Municipal boundary.

Parent geological material along the coast includes the Dwyka Series occurring south of the UMkomaas River, inland from the UMtwalume River to the Ifafa River, south of the UMzimkulu River and north of the UMtentweni River. Slight-moderate erosion occurs. Alluvial deposits occur along estuaries and river flood plains, highly productive soils ranging from sandy through loamy to clay deposits, rich and humus, prone to extensive development pressure for cultivation activity. Sands that are overlaying the bluff beds are berea red sands representing the old dunes. ‑ north of Sezela, south of Mpambanyoni and south of Mkomaas rivers.

Sands colour generally range typically from white to gray, red or brown to yellow depending on the oxidation state of the iron containing minerals coating the quartz grains, typically poor for cultivation as they are subject to erosion if disturbed through inappropriate development. Dolorite is found along the uMzumbe coast and in the vicinity of the Damba River. Soils are usually nonstructured clay formations with loam. High agricultural potential. Sections of structured upland clays become waterlogged and there are extensive deposits of Gneiss (Granite) along the entire coast with cretaceous marine sediment deposits. Small quantities of gold, asbestos, limestone, kaolinite, bauxsite, graphite, copper and nickel occur on the coast.

### 3.1.7.2 Topography and Slope Analysis

The surface elevation (or altitude) of the district ranges from 0m (sea level) to 2267.7m above sea level. The highest point within the district is the peak of the Ngele mountain (part of the Ngele escarpment), which forms the western boundary of the district.

Large parts of the district towards the coastline and along the many river valleys have an elevation below 600m above sea level. The most prominent of these valleys are the Mtamvuna (southern boundary of the district), Mzimkhulu and Mkomazi rivers. Besides the many river valleys, the district is further characterized by a great variation in slope elevation (i.e. steep slopes), resulting in a very undulating and hilly topography.

The coastline of the district extends for roughly 112 kilometres between the towns of Scottburgh in the north and Port Edward in the south. Elevations across the District range from 0m (sea level) along the coastline to altitudes of nearly 1500m further inland near Harding/Weza in the west. The general topography along the coastline is relatively gentle, changing dramatically as one proceeds inland towards the plateau, with undulating river valleys, deep gorges and steep hillslopes generally encountered. North facing slopes are characteristically warmer and drier than South facing slopes, which tend to be cooler and wetter, commonly providing favourable conditions for supporting indigenous forest vegetation in higher rainfall areas. Valley sides often exceed gradients of 40 %, and cliff faces are common within many of the river valleys. The general slope of the land is between 1:5 and 1:6 and is susceptible to soil erosion where it is not carefully managed.

The lowest variation in topography is associated with Local Municipalities (LMs) situated along the coastal belt and include the Ray Nkonyeni LM and Umdoni LM. The remaining four LMs are associated with a relatively moderate variation in topography, with the Umuziwabantu LM in the western section of the district containing areas with the highest regional elevations. According to Environmental Management Framework of the district, slopes greater than a ratio of 1:3 are at high risk of slumping and therefore development must identify these areas as high-risk zones, and have strict management and stabilisation requirements for any development and infrastructure permitted in these zones. To ensure this, slope and geological structure needs to be assessed in all feasibility assessments and building designs. Renewable energy generation facilities can be considered for these areas, but residential development should be avoided. There should be an establishment of “no settlement areas” along river valleys, hill slopes and mountain tops, therefore to create an open space plan with linkages between areas of high biodiversity. The developed areas within district are located within a steep terrain which implies that further expansion of these areas may be subjected to hindrances from a topographical perspective.

In terms of the district's SDF, there are approximately 12 198 households within district that are located on slopes steeper than 1:3. The area is covered by large scale commercial agriculture subsistence farming. The total area available for agriculture is limited due to rugged hills and steel slopes particularly in Umzimkulu. This is particularly the case for commercial farming (which also generally avoids the tribal areas) which requires larger areas. Competition for space limits subsistence farming to use these less suitable hilly areas. Commercial agriculture consists predominantly of sugarcane in the coastal areas with timber plantations being found further inland. There is a general continuity in the ratio of commercial to rural farming between 75% and 85% toward the commercial side. This ratio is skewed to the commercial side in Umdoni (coastal) and to the subsistence side in Umuziwabantu.

### 3.1.7.3 Climate Analysis

The climate of district can be categorised into three distinct climate zones. These are coastal, inland north and inland south.

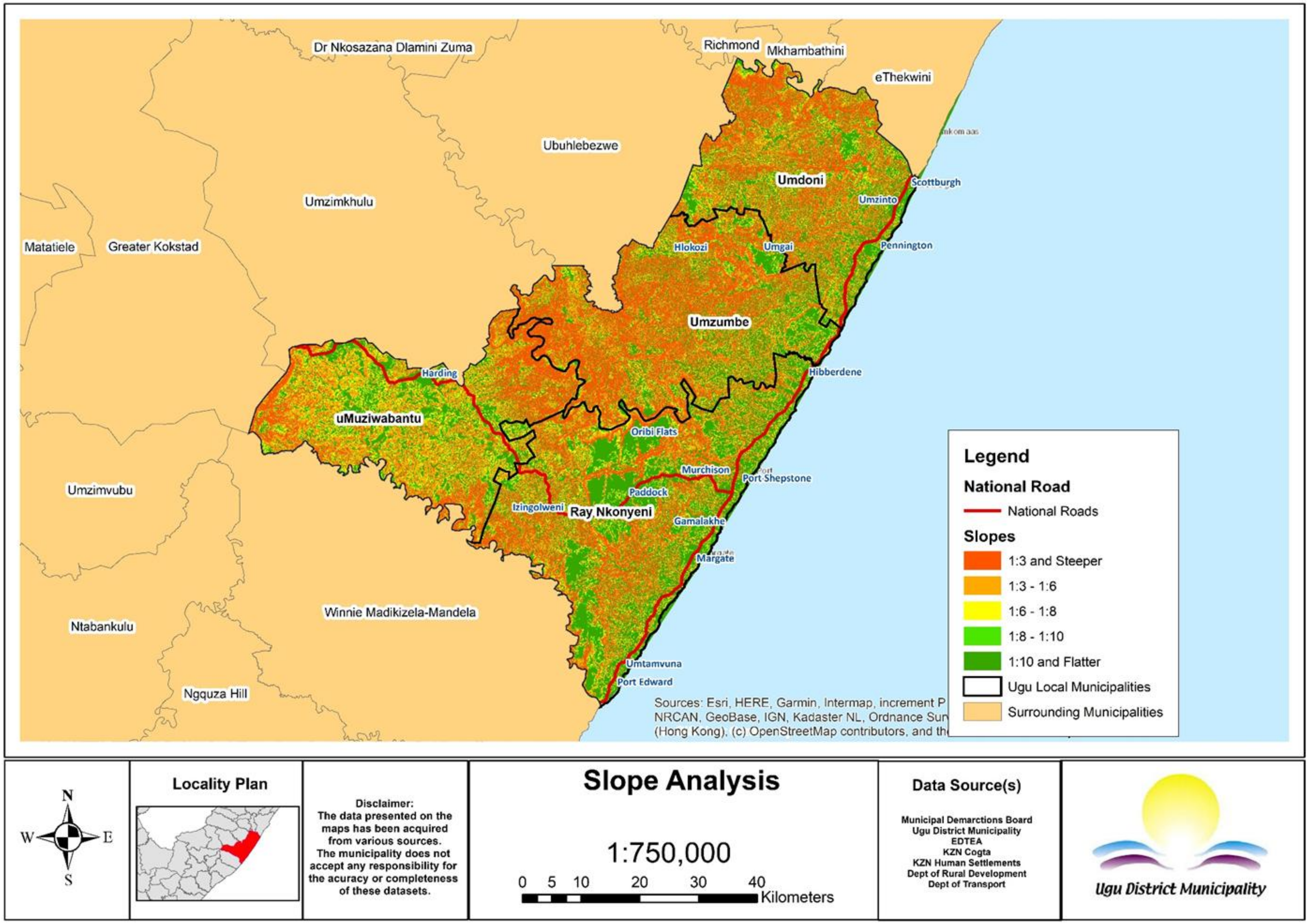
The coastal climatology is influenced largely by the proximity to the warm Agulhas Ocean current. The thermal heat retentive capacity of the ocean reduces the diurnal temperature range and thus results in more mild temperatures along the coastal areas. The warm ocean current along the eastern coast provides water that is more predisposed to evaporation. Coastal areas therefore experience high humidity and significantly more precipitation than inland and west coast areas.

The inland climate zones do not receive the mitigation effect of proximity to the ocean and therefore have a larger diurnal temperature range. This is particularly noted in the northern inland areas which as the highest annual average daytime temperature. The inland southern areas partly cover higher altitude areas and will therefore have a reduced annual average temperature with increased altitude inland. The precipitation profile is very similar between the inland northern and southern areas, and both exhibit reduced precipitation from that which is noted toward the coast.

**Table 3.1.7.3.1:** Climate Potential

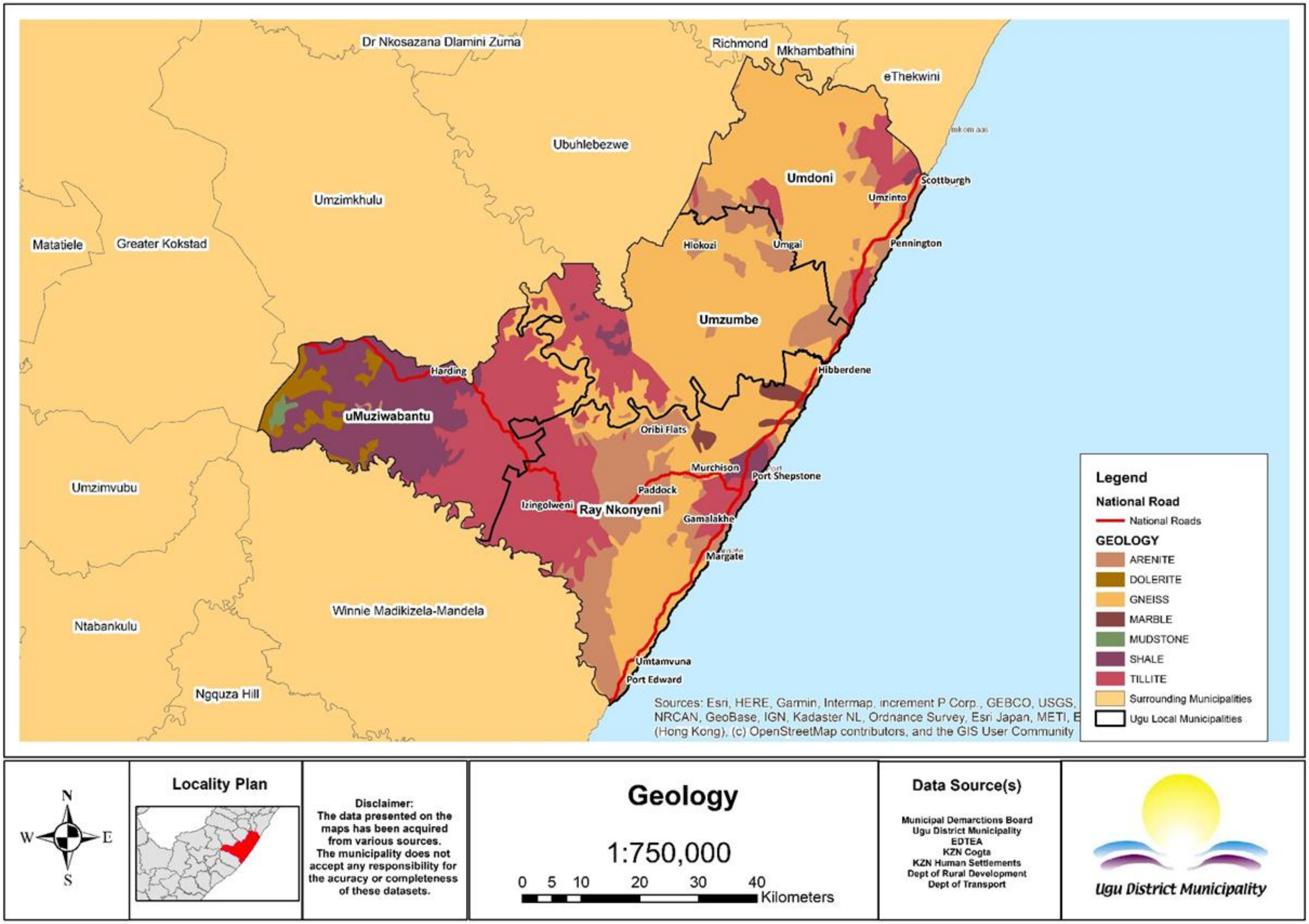
| Climate Potential | Area (ha) | % share of Total Area |
|---|---|---|
| **High** | 251 130.29 | 52.5 |
| **Good** | 74 095.31 | 15.5 |
| **Relatively Good** | 119 911.84 | 25.0 |
| **Moderately Good** | 8 741.65 | 1.8 |
| **Low** | 11 585.12 | 2.4 |
| **Poor** | 13 299.77 | 2.8 |

As depicted on Map 3.1.7.3.1 and reflected in Table 3.1.7.3.1 a large extent of the district's land (52%) enjoys a high with 42.3% enjoying good to moderately good climate potential. Only a small percentage of the land suffers from low to poor (5.2%) climate potential.



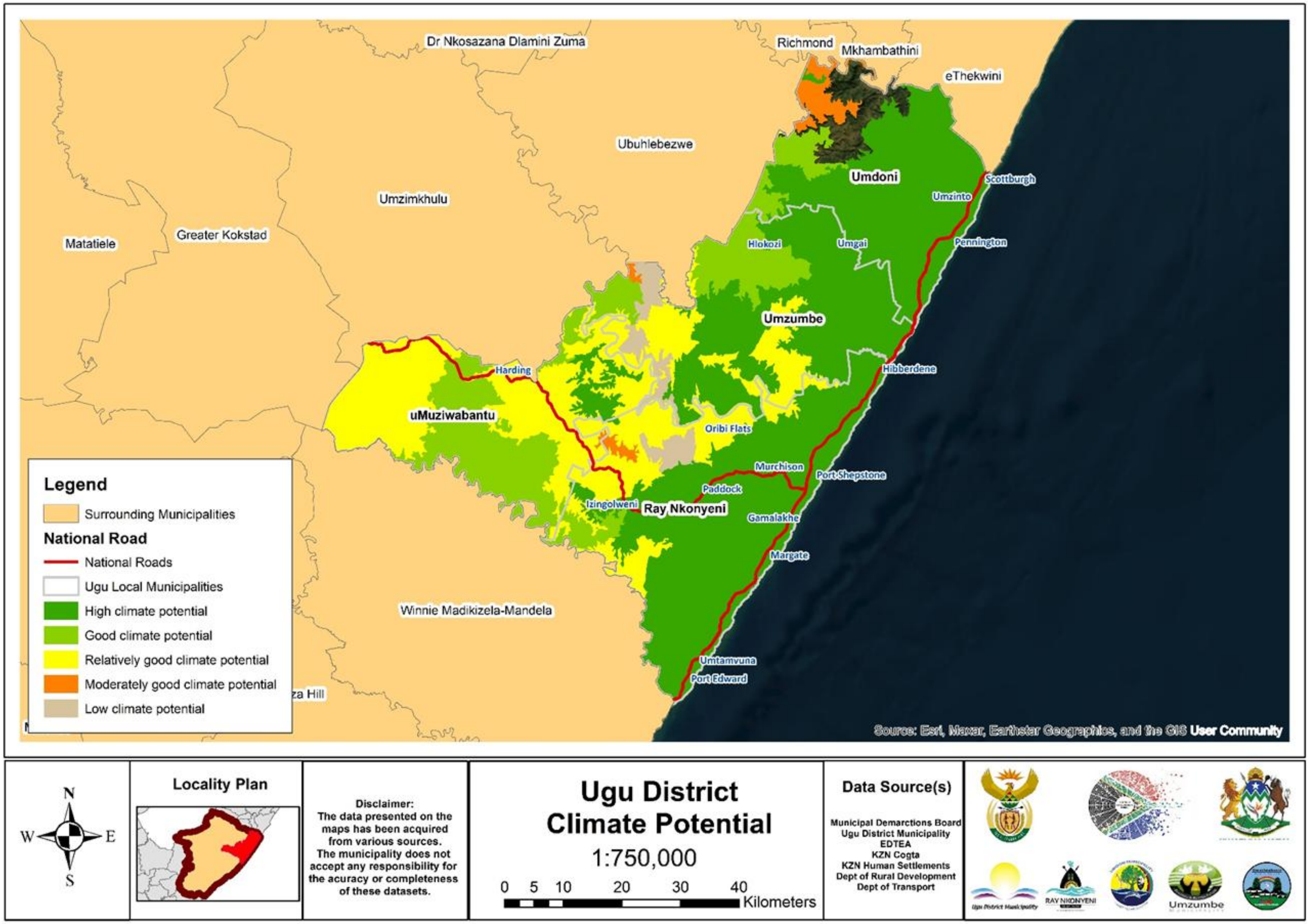

**Map 3.1.7.3.1:** Topography and Slope

**Source:** Ugu GIS, 2025




**Map 3.1.7.1.1:** Geology

**Source:** Ugu GIS, 2025




**Map 3.1.7.3.1:** Climate Potential

**Source:** Ugu GIS, 2025

### 3.1.8 Private Sector Developments

In the period commencing from the 1st of July 2022 to date, no big private developments have been approved within the district's area of jurisdiction. There is however, three (3) big private developments currently being implemented which are Renishaw Coastal Precinct mixed use development, Umdoni Point Mixed use development (Umdoni Municipality) and Injabulo Lifestyle Estate Development housing development (Ray Nkonyeni Municipality).

Land use and land development applications are received mostly by the Umdoni and Ray Nkonyeni Municipalities. The towns that the land use and land development applications are mostly submitted for are Pennington, Margate, Ramsgate, Marburg, Southbroom, Port Shepstone, Uvongo, Port Edward, Shelly Beach and Scottburgh. Over 500 land use and land development applications were received and processed by the local municipalities from the 1st of July to date. The bulk of the application were special consent (i.e. relaxation of building lines etc.) and to lesser extent rezoning.

There is an emergent trend in the district lifestyle housing development which somewhat meets the objectives of smart city. Careful attention is necessary however, to ensure that these are well integrated and do not lead to further disintegration of the district.

Another trend that has been observed since the dawn of COVID 19 is the increase of home businesses as can be observed in the special consent application for home offices and businesses.

### 3.1.9 Spatial SWOT Analysis and Key Challenges

The spatial analysis undertaken above culminated in the identification of several challenges, which the district needs to redress, address and mitigate. The spatial SWOT Analysis of the district detailed in Table 3.1.9.1 is followed by summary of key challenges in Table 3.1.9.2.

**Table 3.1.9.1:** Spatial SWOT Analysis

| | |
|---|---|
| **STRENGTHS** | ▪ The district is strategically located enjoying high accessibility through the N2 and R61 which connect the district with several towns within the province as well as Eastern Cape and beyond.<br>▪ Good agricultural potential land, setting up a conducive environment for a thriving agricultural sector.<br>▪ Single land use schemes that give effect to and are consistent with the municipal SDFs and determine the use and development of land within the district's area of jurisdiction in place.<br>▪ Mild tropical climate which is suitable for agriculture. |
| **WEAKNESSES** | ▪ Current land ownership patterns within the district perpetuates the existing spatial pattern, of a narrow strip of urban coastal development and a large, under-developed hinterland.<br>▪ Topography is relatively gentle along the coast, changing dramatically in the inland, with undulating river valleys, deep gorges and steep hillslopes generally encountered, which limits land available for development.<br>▪ Poor enforcement of SPLUM Bylaws and single land use schemes which results in settlement sprawl amongst other things. |
| **OPPORTUNITIES** | ▪ Substantial growth in specific agricultural crops, such as bananas, sugarcane and macadamia nuts, tunnels (vegetables) and poultry production, and an all-year-round tourism season.<br>▪ Large tracts of undeveloped fertile Trust and communal land that could be developed for commercial agriculture, or small grower. |
| **THREATS** | ▪ Gradual loss of high agricultural potential land due to increasing demand for land for development purposes.<br>▪ Climate change.<br>▪ Unavailability of land for further development.<br>▪ Uncontrolled and haphazard development. |

**Table 3.1.9.2:** Spatial Key Challenges

| | |
|---|---|
| **Key Challenge** | **Households located in high-risk areas** |
| **Description** | Approximately 12 198 households within district that are located on slopes steeper than 1:3. In terms of topography, slopes greater than a ratio of 1:3 are at high risk of slumping and therefore development must identify these areas as high-risk zones, and have strict management and stabilisation requirements for any development and infrastructure permitted in these zones. |
| **Key Challenge** | **Inequitable development along the inland** |
| **Description** | Development is concentrated along the coast as a result of the apartheid planning legacy and the previously neglected inland areas remain undeveloped or underdeveloped. |
| **Key Challenge** | **Settlement sprawl** |
| **Description** | Lack of effective land use management as well as poor enforcement relevant land use management legislation has created dispersed, inefficient low density rural settlements. |
| **Key Challenge** | **Derelict small towns-built form i.e. UMzinto and Ezingolweni** |
| **Description** | Declining economy in the small towns has led to unattractiveness of these towns. |
| **Key Challenge** | **Spatial inefficiency** |
| **Description** | Dispersed settlements and disjuncture between settlements and economic opportunities which have led to lack of access to economic opportunities for these settlements. |
| **Key Challenge** | **Gradual loss of high agricultural potential land** |
| **Description** | The increasing demand for land for development has resulted in high agricultural potential land being under threat as a number of commercial farms have been or are in a process of being converted into private property development.<br>A balance is crucial to ensure the food security for the district is not placed under threat as well. |

## 3.2 ENVIRONMENTAL ANALYSIS

Environmental management is the process to improve the relationship between human beings and the environment guided by the National Environmental Management Act which may be achieved through checks on anthropogenic activities, conservation, protection, regulation and regeneration of nature. Ugu District Municipality endeavours to engage in the process of adjustment of a relationship of man with nature which involves judicious exploitation and utilization of natural resources without disturbing the ecosystem balance and ecosystem equilibrium. A background desktop analysis of the state of the environment in the district is outlined in this section of the IDP.

Integrated Environmental Management (IEM) in the form of EIA compliance is a major milestone being achieved under the National Environmental Management Act (NEMA) across various sectors, both public and private. This milestone is of high importance in achieving the overall objective of maintaining harmony between man and the environment whilst there is no hinderance in development. A background desktop analysis of the state of the environment in Ugu District Municipality is outlined in this chapter of the IDP.

The environmental analysis of the IDP provides an assessment of key Environmental features for the Municipal area and outline the key pressures and opportunities.

### 3.2.1 Biodiversity

Historic levels of transformation and land use have resulted in dramatic impacts to the environment, particularly along the coastal zone and higher rainfall areas. Levels of transformation are such that a large number of ecosystems are now critically endangered and stand out amongst the most critical areas in the district for biodiversity protection. This has considerably compromised ecological infrastructure and the goods and services available to society. This has also resulted in widespread species decline.

As depicted in Map 3.2.1.1, less than 2% of the land surface area is formally protected, which is below par. While opportunities for protection and improved management still remain, socio-economic drivers such as agricultural expansion, the spread of alien invasive plants and deteriorating water quality continues to erode the remaining environmental assets. Both terrestrial and aquatic biodiversity are analysed hereunder.

### 3.2.1.1 Terrestrial Biodiversity

The most threatened ecosystems in the district are located along the intensely developed coastal strip, resulting in significant implications for development in the coastal zone. Less than 2% (± 8,880 ha) of the district falls within formally protected areas. Terrestrial formally Protected Areas in the district are reflected in Table 3.2.1.1.1.

High levels of transformation in the district, particularly along the coast and the higher lying inland area, have contributed to six vegetation types (i.e. KwaZulu-Natal Coastal Belt Grassland, KwaZulu-Natal Coastal Forests - Southern Mesic Coastal Lowlands Forest, KwaZulu-Natal Coastal Forests - Southern Moist Coastal Lowlands Forest, KwaZulu-Natal Dune Forests - East Coast Dune Forest, KwaZulu-Natal Sandstone Sourveld and Pondoland-Ugu Sandstone Coastal Sourveld) being classified as critically endangered and a further three vegetation types (i.e. Eastern Mistbelt Forests, Midlands Mistbelt Grassland and Moist Coast Hinterland Grassland) being classified as endangered. Together, these vegetation types account for 58% of the district terrestrial vegetation, while 24% of the district's terrestrial vegetation types are considered vulnerable and only 17% are classified as least threatened.

The total number of species of conservation concern in the district is 180 and includes plants, mammals, birds, amphibians, reptiles, invertebrates and fish. This includes at least 6 species regarded as critically endangered with a further 22 species that are endangered. Species listed as critically endangered are *Turraea streyi* (Dainty leaved Honey-suckle Bush); *Chrysospalax villosus dobsoni* (Roughhaired golden mole); *Hirundo atrocaerulea* (Blue Swallow); *Bugeranus carunculatus* (Wattled Crane); *Anhydrophryne ngongoniensis* (Mistbelt Moss Frog) and *Gulella salpinx* (Trumpet-mouthed hunter snail). All confirmed through – SANBI RED Data List. The total number of species of conservation concern may be higher, due to large areas of the district not yet being sampled by specialists.

In the district and KZN in general, at least 80% of the important biodiversity lies outside formally protected areas, on privately or communally owned land. The Biodiversity Stewardship Programme, initiated by Ezemvelo KZN Wildlife, helps to secure some of these areas for long-term biodiversity conservation while maintaining the productivity of the landscape for landowners as well. There are different types of biodiversity stewardship agreements, ranging from non-binding to long-term, formally declared protected areas. There is one stewardship Biodiversity Agreement in the district in terms of the Biodiversity Act 10 of 2004 for Rossmin. The Stewardship Agreement is on-going, with annual meetings with Ezemvelo and I&APs. The Stewardship agreement has a Conservation Management Plan which is reviewed at annual meetings along with NPOs who volunteer to review progress of alien invasive species removal in the area. The DMPR is the lead agent for environmental compliance auditing.

**Table 3.2.1.1.1:** Terrestrial Formally Protected Areas

| Site | Date Proclaimed | Extent (Ha) |
|---|---|---|
| **Oribi Gorge Nature Reserve** | 1950 | 1745.7 |
| **Skyline Nature Reserve** | 1986 | 17.1 |
| **Mbumbazi Nature Reserve** | 1986 | 2022.9 |
| **Mehlomnyama Nature Reserve** | 1908 | 160.6 |
| **Umtamvuna Nature Reserve** | 1971 | 2653.0 |
| **Vernon Crookes Nature Reserve** | 1973 | 2188.9 |
| **Mpenjati Nature Reserve** | 1985 | 94.9 |

### 3.2.1.2 Aquatic Biodiversity

As a result of intensive urban development along the coast and agricultural practices (commercial and informal), an estimated 67% of wetland areas have been subject to transformation, significantly affecting the ecosystem services derived from these resources. While no critically endangered wetland types were identified in the provincial assessment, more than 50% (5 out of 9) of wetlands occurring in the UGU District fall within an endangered wetland vegetation type. The national assessment paints a worse picture, as 73% of 82 inland wetland types are considered threatened, and altogether 86% of the total national wetland extent is considered threatened.

### 3.2.1.3 Invasive Alien Species

Invasive Alien Species (IAS) are one of the biggest causes of biodiversity loss and species extinctions and are also a global threat to food security. Alien species are a threat to estuaries, disrupt the natural ecology and pose risks to the economy through damage to infrastructure or displacement of natural species. Not only do invasive species threaten indigenous biodiversity, but they also have serious socioeconomic impacts including threats to water security, reduced productivity of rangelands, increased fire risk, and impacts on crop agriculture.

The district has identified the need for a comprehensive Invasive Alien Species Management Plan and is in the process of drafting this sector plan. This strategic document will address the ongoing challenges posed by IAS which are currently managed through partnership with the local conservancies, clearing projects by government, sector departments and EKZNW. There is currently no detailed information on the areas infested by alien plants.

The IAS are compounded by climate change which facilitates the spread and establishment of many alien species and creates new opportunities for them to become invasive. IAS can reduce the resilience of natural habitats, agricultural systems and urban areas to climate change. Conversely, climate change reduces the resilience of habitats to biological invasions.

There are IAS programmes which are currently being implemented focusing on catchment areas around the district. Ray Nkonyeni Local Municipality in Partnership with DFFE is implementing the Working for The Coast programme, as part of its ongoing efforts to manage and clear IAS along the coast.

UGU District Municipality is currently implementing an Alien Vegetation Removal Project across four water treatment works within two Local Municipalities. The project is managed jointly by the Environmental Management Section and the UGU EPWP Programmes Section and will run for a period of 12 months (1 July 2025 – 30 June 2026) under the Expanded Public Works Programme (EPWP) standards. Due to limited funding, the project has engaged 10 participants, who are tasked with clearing alien vegetation around water treatment works. The initiative aims to:

- Safeguard water treatment infrastructure and ensuring environmental sustainability through alien vegetation removal.
- Ensure continuous access to safe drinking water and decent sanitation for communities, and
- Provide socio-economic opportunities through citizen participation in public works programmes that reflect good governance.

### 3.2.1.4 Mining

Mining is a process where valuable minerals are being extracted from the earth's crust. This activity leads to removal of large hectors of vegetation, fertile topsoil, alteration of geological makeup of the earth's crust and creates sinkholes. Ugu District is currently facing a significant mining pressure with illegal sand mining, multiple new prospecting and mining rights applications. Mining activities are one of the main economic industries that poses a significant threat to biodiversity.

**Table 3.2.1.4.1:** Operational Mines

| Mine | Location |
| --- | --- |
| SA Lithium Highbury Mine | Umzumbe Municipality |
| Dududu Borrow Pits | Umdoni Municipality |
| Mthwalume River Mine | Umzumbe Municipality |
| Alpha Carbonate | Ray Nkonyeni Municipality |
| Simuma Cement | Ray Nkonyeni Municipality |
| NPC Cimphor Quarries | Ray Nkonyeni Municipality |

Impacts of mines on Biodiversity:

- Pollution
- Mining activities may result in Acid Mine drainage which causes an existence of heavy metal in river bodies, sedimentations, salinization and Air Pollution.
- Physical Habitat Destruction.
- Direct habitat loss due to removal of large hectors of vegetation
- Hydrological disruption due to sand mining which alters stream flow, habitat fragmentation which creates barriers that disrupt wildlife movement and habitat loss may threaten existence of terrestrial and aquatic species.
- Legislative framework and Municipal action to manage impacts on biodiversity from mining activities:
- Environmental authorisation is required for listed activities that are likely to have a significant impact on the environment. For example, Critical Biodiversity Areas trigger an EIA (Environmental Impact Assessment) in terms of Listing Notice 3 of the EIA Regulations under NEMA.

- The Municipality also plays an active role in the Environmental Impact Assessment of proposed activities from the initial prospecting phase, to mining authorisation phase, to decommissioning phase, with the purpose of achieving environmental sustainability within the district's mining sector.

#### 3.2.1.5 Mechanisms to Manage Biodiversity

Apart from the strong legislative framework that protects terrestrial biodiversity, various mechanisms exist to manage the associated features in the district.

- Critical Biodiversity Areas (CBAs) for the district have been identified as part of a strategic planning initiative to ensure biodiversity conservation and persistence in the district. It is noted that the CBA layer still needs to be adopted by the Competent Authority or gazetted in terms of a Bioregional Plan.
- Protected areas are managed in accordance with their respective Management Plans (MPs) and buffer zones (where applicable).

- Ezemvelo KZN Wildlife developed the Biodiversity Sector Plan (BSP) for the district. The objectives of the BSP are met largely through the core elements of the plan which include:

  - ✓ A map of biodiversity priorities that identifies those sites critical for meeting biodiversity targets, namely CBAs and Ecological Support Areas (ESAs), by maintaining biodiversity pattern and ecological processes; and
  - ✓ Accompanying land-use planning and decision-making guidelines which aim to incorporate biodiversity considerations into land-use planning and decision-making with the aim being to maintain the integrity of CBAs by avoiding loss and degradation of natural habitat, whilst managing sustainable development in other remaining natural areas.

- Terrestrial CBAs within the district were mapped and defined in the BSP according to the following: CBA Irreplaceable and CBA Optimal from the KZN Terrestrial Systematic Conservation Assessment; CBA Irreplaceable Linkages from the Landscape Corridors; Critically Endangered category from the National Threatened Ecosystems; Critically Endangered and Endangered category from KZN Threatened Ecosystems; CBA Irreplaceable and CBA Optimal derived from local and specialist knowledge.
- The Terrestrial ESAs within the district were mapped and defined in the BSP according to Landscape and local corridors; Ecosystem via expert input; and specific habitat requirements data.

- Land Use Planning and Management Guidelines have been compiled separately for (i) the terrestrial and freshwater aquatic environments and (ii) the marine and inshore environments. The guidelines are qualitative statements concerning the desired level of biodiversity loss one is willing to accept within the various CBA map categories and the types of land uses/activities that would be considered compatible or incompatible with the specific biodiversity conservation priorities for each of these categories. These guidelines are designed to be used in conjunction with the CBA maps for the district to better inform land use planning, decision making and environmental authorisations.

#### 3.2.1.6 Households on Sensitive Biodiversity Areas

As per the district SDF, there are approximately 7 785 households within Ugu District that are located on sensitive biodiversity areas. The wetlands and the rivers are protected by various pieces of environmental legislations. With the recent climate change events leading to excessive heavy rainfall and floods, it has become more important for these situations to be avoided.

### 3.2.2 Hydrology

Eight main river systems and numerous minor coastal catchments drain the district. The major systems with the largest carrying capacity are the Mkomazi, the Mzimkulu and the Mtamvuna which flow all year around. The Mtamvuna River is regarded as being in the best ecological state of all rivers within southern KwaZulu - Natal.

Majority of the catchments within the district are in good ecological state and have a low level of anthropogenic impact, although highly impacted by invasive alien vegetation. The geohydrological units underlying the Ugu DM are classified as secondary aquifers. Generally, borehole yields can be expected to be satisfactory, except for low yield areas. Groundwater quality is generally good, and recharges depending on elevation and precipitation. The district contains three main river systems (Umkomaas, Mzimkhulu and Mtamvuna) as well as several smaller, but significant, rivers.

Only a small portion of the Umkomaas River Catchment falls within the Ugu District. The region has 12 Quaternary Catchments, only two of the twelve fall partially within the district. Both are relatively undeveloped but with a relatively high proportion of alien invasive vegetation. These catchments have relatively low to no anthropogenic impacts and are in a good ecological state. There are extensive areas of significant wetlands which are in good ecological condition.

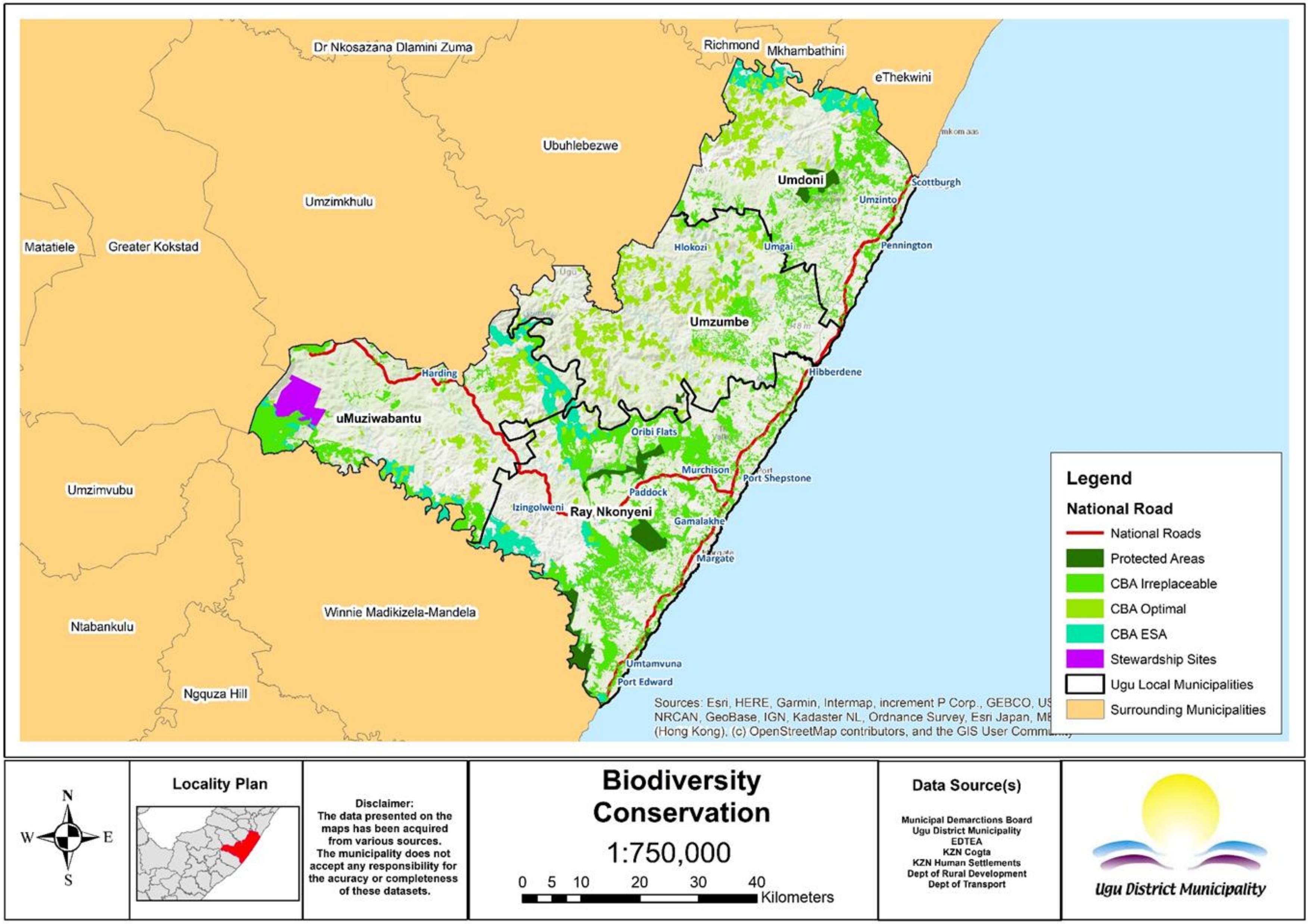
A small portion of the Mzimkhulu River Catchment falls within the district. The catchment is relatively well developed throughout and most of the Quaternary Catchments have a high proportion of alien invasive vegetation. This catchment has relatively low to no anthropogenic impacts and is in a good ecological state. There are extensive areas of significant wetlands which are in good ecological condition.

The Mtamvuna River Catchment falls mostly within the district. The inland portion of the catchment is relatively well developed, while the three Quaternary Catchments closer to the coastline have markedly less development. Most of the Quaternary Catchments have a high proportion of alien invasive vegetation. This catchment has relatively low to no anthropogenic impact and is in a good ecological state. There are extensive areas of significant wetlands which are in good ecological condition.

The remaining smaller but significant catchments vary in their levels of development and proportion of alien invasive vegetation. However, all, except the Mzinto River Catchment is classed as having relatively low to no anthropogenic impacts and is in a good ecological state. The Mzinto River Catchment is classed as having a higher level of impact. There are also significant wetlands within these catchments.

The geohydrological units underlying the district are classified as secondary aquifers (except for the unconsolidated sediments, where they occur) with groundwater occurrence characterised either by aquifers with fractured flow or by aquifers with inter-granular and fractured flow. Borehole yields are expected to be satisfactory apart from a limited number of low yield areas (e.g. north of Umkomaas). Due to the variability of the geology, groundwater levels and aquifer parameters such as hydraulic conductivity and transmissivity will differ across the district, and will be locally dependent on aquifer type, geological structure, and topography. Groundwater quality is generally good. However, groundwater quality will be heavily influenced by the depositional environment, proximity to the coast and industrial activities.

There is a trend of increasing runoff potential towards the southern section of the district. At this desktop level of study, it is unclear as to how best to access the available water resources, should they be required. If the streamflow is variable, then storage structures may be required to get specific demands at the required assurance of supply. Conversely, if the flow volumes are sufficient and the streamflow is not variable, then run-of river abstractions may become plausible.




**Map 3.2.1.1:** Biodiversity Conservation

**Source:** Ugu GIS, 2025

### 3.2.3 Air Quality

Air quality in South Africa is governed under the National Environmental Management Air Quality Act No 39 of 2004 (NEM: AQA) and related legislation such as the National Ambient Air Quality Standards (NAAQS). The NEM: AQA requires Districts to develop Air Quality Management Plans (AQMPs) that seek to improve air quality by identifying and addressing emissions that are harmful to human health.

The Act requires for the (AQMP) to form part of the IDP. The District Municipality is in the process of reviewing the Air Quality Management Plan which was first developed and Adopted in the year 2013. The Air Quality Management Plan aims to improve and maintain acceptable air quality within the district by identifying key sources of air pollution, including industrial activities, vehicle emissions, domestic fuel burning and agricultural practices and implementing targeted mitigation measures. The plan promotes a coordinated and participatory approach involving all spheres of government, local municipalities, industry and communities to ensure to ensure effective air quality governance, compliance monitoring, and public awareness. Through strengthened monitoring systems, institutional capacity, and alignment with climate change adaption strategies, the municipality seeks to protect public health, enhance environmental sustainability, and ensure clean and healthy air for present and future generations.

The vision statement for Air Quality Management Plan is:

*"**Air quality in the Ugu District continues to be the envy of South Africa.**"*

The mission statement to achieve the vision is:

***"Air quality in the Ugu District is managed by the District's Environmental Services through sound governance, active engagement with stakeholders to meet the air quality objectives and to promote sustainability and continuously protect health and wellbeing."***

The four goals to achieve the mission of the AQMP are:

**Goal 1:** Air quality governance meets all legislative requirements

**Goal 2:** Systems and tools are established to effectively manage air quality

**Goal 3:** Air quality management is conducted in a participatory manner

**Goal 4:** Sufficient capacity exists to perform air quality management function

The four goals are divided into a number of achievable objectives in the Air Quality Management Plan's implementation plan. Each objective is assigned to the appropriate implementing officer and short and longer-terms timeframes, with defined measurable outcomes. The district initiated the development of an Ambient Air Quality Monitoring station. In identifying ambient air quality monitoring sites, the district developed a set of criteria to identify suitable locations for employing the ambient air quality monitoring stations.

The district is the Atmospheric Emission Licensing Authority, and the function is executed with the assistance of the provincial Department of Economic Development, Tourism and Environmental Affairs. The Municipality has also assumed responsibility for air quality management on behalf of the respective local municipalities. There are 12 facilities which were issued with Atmospheric Emission Licenses in the district, however due to the various challenges some facilities have been decommissioned and some have ceased operations for the interim. All AEL's are valid for a period of five (5) years with the exception of the Provisional AEL which is valid for a period of one year. The municipality in partnership with various sector departments conducts regular industry inspections to ascertain compliance with AEL conditions.

### 3.2.4 Coastal Management

The Ugu DM coastline stretches for approximately 112 kilometres, from the Mtamvuna River in the south to Scottburgh in the north. There are 40 estuaries located along the coastal stretch of the district, ranging in size from 0.01 ha to 72 ha. Apart from the Mzimkulu estuary, all are classified as 'Temporarily closed'. The Mzimkulu estuary, classified as 'Permanently open', does occasionally close due to recent anthropogenic impacts, but is artificially maintained as an open estuary. The Kaba, Umbhoyibhoyi and Solwane estuaries have been flagged as Fresh Water Priority Areas by the South African National Biodiversity Assessment. Estuaries within the District are heavily impacted on with only 20% of estuaries in a Good or Excellent condition. Of the remainder, 30% are reportedly in a Poor condition while the remaining 50% are in Fair condition. The Mtamvuna is currently the only estuary within the district regarded as being in an excellent condition. Two Marine Protected Areas have been established in the district as reflected in Table 3.2.4.1.

**Table 3.2.4.1:** Marine Formally Protected Areas

| Site | Date Proclaimed | Extent (Ha) |
|---|---|---|
| **Aliwal Shoal Marine** | 2004 | 67 000 |
| **Trafalgar Marine Reserve** | 2019 | 830 |
| **Protea Banks** | 20219 | 120 000 |

The National Environmental Management: Integrated Coastal Management Act 24 of 2008 defines the ''coastal zone'' as the area comprising coastal public property, the coastal protection zone, coastal access land and coastal protected areas, the seashore, coastal waters and the exclusive economic zone and includes any aspect of the environment on, in, under and above such area. This is a complex entity, an ecosystem where oceanic and terrestrial forces meet in transition. The coastal ecosystem acts as a provisional tool offering ecologically and socio-economically rich natural resources which sustain livelihoods, and coastal and ocean recreation which enhances the quality of life as a whole.

The coast, encompassing all these natural treasures, thus becomes a niche for the social, economic and ecological influences for human and other activities. Due to the foregoing, the coast becomes a desired location for public infrastructure such as harbours, road and rail networks as well as human populations for various reasons.

In terms of the Integrated Coastal Management Act No. 24 of 2008 Estuaries within the Republic must be managed in a co-ordinated and efficient manner and in accordance with a national estuarine management protocol. The national estuarine management protocol determines a strategic vision and objectives for achieving effective integrated management of estuaries. Furthermore, with regards to management of the estuaries, it requires that management standards are set, and procedures established, or guidance be given regarding management and application of management responsibilities by different organs of state and other parties. With regards to estuarine management plans, there must be establishment of minimum requirements, identification of parties to prepare as well as outlining of the process to be followed for the preparation, specification of the reviewing process and publication for public comment of the plans.

An estuarine management plan may form an integral part of a provincial coastal management programme or a municipal coastal management programme. The district has about 40 estuaries which are distributed along a 112-kilometre coastline. These estuaries are characterised by high biodiversity and productivity and provide a range of environmental services and socio-economic benefits. Table 3.2.4.2.2 reflects the estuaries located within the district and the status of their management plans.

**Table 3.2.4.2:** Estuaries Located within Ugu District

| No. | Estuary | Date Management Plan Gazetted | Responsible Body |
|---|---|---|---|
| 1. | uMahlongwa | No Plan | TBC |
| 2. | uPhambanyoni | Plan in place | Umdoni LM |
| 3. | iNkomba | No Plan | TBC |
| 4. | uMzimayi | No Plan | TBC |
| 5. | Mdesingane | No Plan | TBC |
| 6. | uMuziwezinto | Plan in place | Umdoni LM |
| 7. | iSezela | No Plan | TBC |
| 8. | iFafa | Plan in place | Umdoni LM |
| 9. | uMthwalume | Plan in place | Umdoni LM |
| 10. | Mkumbane | No Plan | TBC |
| 11. | Mvuzi | No Plan | TBC |
| 12. | uMnamfu | No Plan | TBC |
| 13. | uMfazezala | No Plan | TBC |
| 14. | uMhlabashana | No Plan | TBC |
| 15. | uMzumbe | No Plan | TBC |
| 16. | uMhlangamkhulu | Plan in place | TBC |
| 17. | uMthente | Plan in place | TBC |
| 18. | uMzimkhulu | Plan in place | TBC |
| 19. | uMbango | Plan in place | TBC |
| 20. | Mlangeni | Plan in place | TBC |
| 21. | Bilanhlolo | Plan in place | TBC |
| 22. | iBhobhoyi | No Plan | TBC |
| 23. | iZotsha | No Plan | TBC |
| 24. | oHlangeni | No Plan | TBC |
| 25. | iKongweni | Plan in place | TBC |
| 26. | iMvutshini | No Plan | TBC |
| 27. | iMpenjani | Plan in place | TBC |
| 28. | uMthavuna | No Plan | TBC |
| 29. | Umuntuongazi | Plan in place | TBC |
| 30. | Kaba | No Plan | TBC |
| 31. | Vungu | No Plan | TBC |
| 32. | Mbizana | No Plan | TBC |
| 33. | Little Mpenjathi | No Plan | TBC |
| 34. | Zolwane | No Plan | TBC |
| 35. | Domba | No Plan | TBC |
| 36. | Uvuzana | No Plan | TBC |
| 37. | Ikhandalendlovu | No Plan | TBC |
| 38. | Ikhoshwana | No Plan | TBC |
| 39. | Intshambili | No Plan | TBC |
| 40. | Umhlungwa | No Plan | TBC |

Integrated Coastal Management Act requires the district to establish a Coastal Committee (CMC) of which the district has duly complied and has a fully functional coastal committee. The CMC has the following objectives:

- To promote integrated coastal management in the municipality and the coordinated and effective implementation of the Act and the municipal coastal management programme.
- Promote a co-ordinated, inclusive and integrated approach to coastal management within the municipality by providing a forum for, and promoting, dialogue, co-operation and co-ordination between the key organs of state and other persons involved in coastal management within its area of jurisdiction.
- Promote the integration of coastal management concerns and objectives into the municipality's IDP and SDF and into other municipal plans, programmes and policies that affect the coastal environment.

- Advise the local municipalities and their municipal managers on coastal management matters, including activities that may have impacts on the coastal environment.

#### 3.2.4.1 Coastal Management Programmes

Climate change refers to long-term shifts in temperature and weather patterns, largely driven by human activities such as greenhouse gas emissions. It is widely recognised as a significant global and national challenge, with far-reaching implications for environmental sustainability, economic development, and human well-being. In South Africa, the response to climate change is guided by a comprehensive policy and legislative framework, including the National Climate Change Response Policy (2011), the National Climate Change Adaptation Strategy (2019), and the recently enacted Climate Change Act (2024), which strengthens the country's commitment to a coordinated and legally binding response to climate risks. These frameworks place increasing responsibility on local government to integrate climate change considerations into planning, infrastructure development, and service delivery. Within this context, Ugu District Municipality is required to assess their vulnerability to climate change and implement appropriate adaptation and mitigation measures to enhance resilience. Against this legislative and policy backdrop, the district is already experiencing the impacts of climate variability and change, as outlined below.

The district implemented projects with Working for the Coast programme; the objective of the programme is to protect and conserve the coastal environment and also to assist municipalities in obtaining and maintaining blue flag status for their beaches, regular coastal clean-ups, as well as the removal of invasive alien vegetation. Ugu became recipients of the programme project in 2020 to 2021, and the programme commenced in 2025 and will close-out in 2026. The programme benefitted communities with short term employment opportunities and empowered them to have small businesses whilst taking care of their own environment and health.

### 3.2.5 Climate Change

The effects of climate change in SA are not limited to increased water scarcity in some parts of the country and drastic qualitative changes in the water supply, but extend to losses in biodiversity and rangelands, which impacts in the farming and agricultural sector, as well as possible increases in infectious and respiratory diseases. Climate change will have a significant impact on food availability, food accessibility and food systems stability.

Climate change affects the large proportion of district's population who have a low resilience to extreme climate events due to poverty, inadequate housing infrastructure and location. Climate change affects the decision-making processes of the vulnerable poor people in district's communities, such as where they choose to live and which areas are sustainable for their livelihoods. In some household's people survive on subsistence farming as they may not have the opportunities to access formal employment channels neither are they close to any public facilities which could enable them to access employment opportunities.

The Ugu District Municipality is already experiencing the impacts of climate change, characterised by rising temperatures, increasing rainfall variability, and a growing frequency of extreme weather events such as floods, droughts, and storms. The district currently receives high annual rainfall ranging between approximately 1 500 mm in inland areas and up to 2 400 mm along the coast, with most inland areas receiving 1 600–2 000 mm and coastal zones 2 000–2 400 mm annually. Despite these relatively high rainfall levels, variability and intensity have increased, contributing to flooding, soil erosion, and pressure on stormwater infrastructure. Historical records indicate that between 1980 and 2022 the district experienced approximately five storm-related disasters and five drought-related events, highlighting its exposure to climate extremes. Current temperature conditions reflect relatively few extreme heat days (0–20 days above 35°C annually), but there is a clear upward trend in temperature and heatwave occurrence.

Climate projections indicate that by 2050, average temperatures are expected to increase by up to 2.0°C inland and 1.5°C along the coast, with a slight increase in very hot days and heatwave frequency. Rainfall is projected to increase by approximately 130–300 mm per year, particularly in the eastern and northern parts of the district, but with significantly greater variability and intensity, resulting in more frequent extreme rainfall events. These changes are expected to exacerbate flooding risks, reduce water security due to unpredictability, and place additional strain on infrastructure, ecosystems, and service delivery systems. The district's coastal location further increases vulnerability to flooding and potential sea-level rise, while rural inland areas remain the most vulnerable due to lower adaptive capacity. Overall, climate change presents a significant and cross-cutting risk to the district's environmental sustainability, economic development, and community wellbeing

In responding to climate change, a shared and common vision for climate change response has been established as a way for the district to integrate response objectives and required principles into the broader vision of the district. The vision reads as follows:

***"A climate resilient Ugu committed to responsible and sustainable economic and community development"***

The key principles which are recognised to support effective climate change response are increased awareness of climate change and its projected impacts, building of institutional capacity required to address climate change. Integration of relevant climate change information into planning, policies and decision-making process, improvement of the adaptive capacity of human, natural and built systems and establishment or strengthening of partnerships that enhances climate change response capacity.

In the implementation of the district's Climate Change Response Strategy the district supports the idea that integrated planning at all levels of government should include the consideration of climate change aspects in relevant sectors. The district is also of the opinion that the mitigation of, and adaptation to climate change will require standalone mitigation and adaptation policies and plans as well as the mainstreaming of adaptation measures into the existing activities and functions of national, provincial and local government. The mainstreaming of climate change response implies that local government adopt, expand and enhance the measures that factor climate risk into their normal day-to-day activities and planning processes.

### 3.2.5.1 Climate Change Adaptation

The district is in the process of finalising a Climate Change Adaptation Framework: Strategy and Plan by end of May 2025. South Africa's institutional policy and legislative framework makes provision for climate change adaptation and mitigation at all levels of government, with local governments increasingly identified as the primary drivers.

With the promulgation of the Climate Change Act 22 of 2024, through the assistance and partnerships from stakeholders such as the National Department of Forestry Fisheries and the Environment (DFFE), Council for Scientific and Industrial Research (CSIR), Santam and Disaster Resilience Fund (CDRF) the district has since then been able to develop a Climate Change Risk Profile Report and Climate Change Adaptation Plan for the district in the year 2024. The two documents have been adopted by council on the 28th of May 2025.

The Climate Risk Profile report provides an overview of the unique climate change needs and risks of the district based on the science, evidence, and information from the GreenBook. The report identifies the major risks that need to be prioritised and sets out adaptation goals to further inform the adaptation plan and its implementation.

The Climate Change Adaptation Plan is a plan that aims to reduce climate-related risks by adjusting a system to the actual or anticipated climate and seeking to moderate or avoid harm [and] exploit beneficial opportunities that may derive from unavoidable impacts of climate change such as extreme hazards.

The Climate Change Adaptation Plan and its accompanying Risk Profile report have been specifically drafted for the Ugu District Municipality, with the aim of strengthening its strategic response to climate change.

### 3.2.5.2 Climate Change Programmes

Through strategic partnerships, the district implements projects and programmes aimed at mitigating and adapting to the impacts of climate change. The district has implemented two notable climate change programmes, namely the Transformative River Management Programme and the Green Smart Municipality Project. In addition, there are several other climate change mitigation and adaptation initiatives being implemented within the district by various stakeholders.

#### 3.2.5.2.1 Transformative River Management Programme

One of the local responses to climate change impacts adapted to district's context is the ecosystems-based adaptation. The ecosystems-based adaptation approach supports climate actions that promote conservation of the environment and ecosystems, on which our lives and livelihoods depend, while at the same time alleviating poverty and boosting local socio-economic development. The following identified outcomes / deliverables of the programme were derived from the challenges that are currently facing the district:

**Deliverable 1:** Improved River catchments through AIS removal and catchment rehabilitation. AIS mapping will enable better understanding of alien vegetation in the river and catchment and hotspot identification to develop a prioritisation plan for the AIS management plan.

**Deliverable 2:** Improved sustainable solid waste management systems in the river catchments. This will be done by developing a solid waste management plan and raising awareness campaigns for changed mindset and behaviour within local communities.

**Deliverable 3:** Promote stakeholder engagement and environmental education and awareness raising by developing and maintaining a stakeholder database as well as developing a stakeholder outreach plan, including with communities, schools and the private sector.

**Deliverable 4:** Promote youth engagement and participation by developing a corps of eco-teams, as well as AIS management co-ops and community clean-ups.

The district received funding from the provincial Department of Economic Development, Tourism and Environmental Affairs (EDTEA) for the implementation of the River Transformative Management Programme.

#### 3.2.5.2.2 Green and Smart Municipality Project (GSM)

The Green and Smart Municipality project protects and improves the energy efficiency of the municipality whilst promoting community involvement, capacity development and creation of economic opportunities.

The district was funded by EDTEA to implement the GSM project with the overall aim of employing technology to improve energy efficiency and reduce carbon dioxide emissions emanating from the district's buildings by employing solar energy technology and reducing the use of energy that is derived from fossil fuels.

The ultimate objective is to achieve nearly-zero energy buildings and incorporating energy efficient approach in municipal planning. The outcomes/deliverables are as follows:

**Deliverable 1:** Reduced carbon footprint emanating from Ugu District Municipality building.

**Deliverable 2:** Promote energy saving practices from the municipality.

**Deliverable 3:** Reduce the cost of energy.

**Deliverable 4:** Create awareness to all users of Ugu District Municipality facilities including communities.

The district further advances climate resilience through collaborative programmes such as ongoing tree-planting initiatives, which contribute to carbon sequestration, ecosystem restoration, and improved environmental quality.

Furthermore, the District has recently strengthened its climate change response through the implementation of Quarterly Climate Change Mainstreaming Sessions derived from the Ugu District Municipality Climate Change Adaptation Plan. These sessions, facilitated by the Environmental Management Section, are aimed at building the capacity of municipal officials to systematically integrate climate adaptation considerations into municipal functions, planning processes, and decision-making frameworks. This initiative promotes institutional readiness and ensures that climate resilience becomes a cross-cutting priority across all departments.

The Environmental Management Section is also committed to working closely with the District Disaster Management Section to enhance coordinated and proactive responses to climate-related risks. This collaboration seeks to strengthen risk reduction planning, improve early preparedness measures, and shift the District's approach from reactive disaster response to proactive climate risk management.

The District is currently undertaking an internal review of its Climate Change Response Strategy to ensure alignment with current legislation and national policy frameworks. This process aims to strengthen institutional compliance, improve strategic direction, and ensure that climate change mitigation and adaptation initiatives remain relevant, effective, and responsive to evolving regulatory requirements.

#### 3.2.5.3 Environmental Education and Awareness

The education and awareness component is a critical element of environmental management, as it encompasses a wide range of environmental aspects and supports informed decision-making. Awareness initiatives in alignment with the environmental calendar, including public awareness campaigns in the form of school-based awarenesses whereby a prize giving ceremony is conducted, compliance promotion campaigns, clean-up campaigns as well as internal awareness campaigns are being implemented. The internal awareness campaign includes the development and circulation of eco-green posters to municipal employees to promote sustainable practices within the organisation.

Furthermore, the municipality supports environmental awareness initiatives led by various departments and local municipalities, fostering a coordinated approach to environmental education. The Environmental Management Section also convenes an Education and Awareness Forum monthly, which includes participation from national and provincial departments, local municipalities, and sector departments. The purpose of this forum is to provide a platform for stakeholders to share updates on awareness initiatives and programmes undertaken within their respective sectors, thereby enhancing collaboration and alignment in environmental education efforts

### 3.2.6 Environmental Key Challenges and SWOT Analysis

The environmental analysis undertaken above culminated in the identification of a number of challenges, which the district needs to redress, address and mitigate. The environmental SWOT Analysis of the district is detailed in Table 3.2.6.1 which is followed by a summary of key challenges in Table 3.2.6.2.

**Table 3.2.6.1:** Environmental SWOT Analysis

| | |
|---|---|
| **STRENGTHS** | ▪ 112 kms of coastline which offers the district ecologically and socio-economically rich natural resources that sustain livelihoods, as well as recreation which enhances the quality of life as a whole.<br>▪ Good distribution of rivers, wetlands, beaches, agricultural areas and nature reserves.<br>▪ River catchments in good ecological state and have a low level of anthropogenic impact.<br>▪ Large number of nature and forest reserves and conservancies, including the spectacular 1,880ha Oribi.<br>▪ Environmental management tools in place i.e. EMF. |
| **WEAKNESSES** | ▪ Land transformation and land use results in dramatic impacts to the environment, particularly along the coastal zone and higher rainfall areas.<br>▪ Most of the important biodiversity lies outside formally protected areas, on privately or communally owned land.<br>▪ IAS infestation causing biodiversity loss and species extinctions and a threat to food security as well as water quality.<br>▪ Majority of the estuaries in a poor to fair condition. |
| **OPPORTUNITIES** | ▪ Green economy as a sustainable development path based on addressing the interdependence between economic growth, social protection and natural ecosystem.<br>▪ Reduction of greenhouse gas emissions and transitioning to renewable energy.<br>▪ Development and rehabilitation of ecological infrastructure and the goods and services available to society. |
| **THREATS** | ▪ Climate change effects on economic and societal sectors (biodiversity, health, economy, food security, water resources, disaster management).<br>▪ Rural to urban population migration threatening the coastal environment thereby compromising beach tourism and human health.<br>▪ Water resources - quality and quantity (pollution, invasion of water bodies by water intensive alien plants). |

**Table 3.2.6.2:** Environmental Key Challenges

| | |
|---|---|
| **Key Challenge** | **Households located in hazardous areas** |
| **Description** | There are approximately 7785 households within the district that are located on sensitive biodiversity areas. With the recent climate change events leading to excessive heavy rainfall and floods, it has become more important for these situations to be avoided. |
| **Key Challenge** | **Limited formally protected area** |
| **Description** | Less than 2% of the land surface area is formally protected, which is below par. Whilst opportunities for protection and improved management remain, socio-economic drivers such as agricultural expansion, the spread of alien invasive plants and deteriorating water quality continues to erode the remaining environmental assets. |
| **Key Challenge** | **Poor management of estuaries** |
| **Description** | The district has about 40 estuaries which are distributed along a 112-kilometre coastline which are characterised by high biodiversity and productivity and provide a range of environmental services and socio-economic benefits. However, a hand full of these estuaries have developed estuary management plans. This has resulted in majority of the estuaries being in a poor to fair condition which ultimately compromises the water quality of the district. |
| **Key Challenge** | **Climate change impacts** |
| **Description** | Unpredictable weather patterns and more extreme storms lead to loss of commodity, rising sea levels, higher and unpredictable rainfall and warmer temperatures alter natural ecosystems. |
| **Key Challenge** | **Invasive Alien Species infestations** |
| **Description** | IAS causes of biodiversity loss and species extinctions and are threat to food security. IAS are a threat to estuaries, disrupt the natural ecology and pose risks to the economy through damage to infrastructure or displacement of natural species. IAS also have serious socioeconomic impacts including threats to water security, reduced productivity of rangelands, increased fire risk, and impacts on crop agriculture. |

## 3.3 DISASTER MANAGEMENT ANALYSIS

Section 42 of the Disaster Risk Management Act No.57 of 2002 requires each district municipality to establish and implement a framework for disaster management in the municipality aimed at ensuring an integrated and uniform approach to disaster management in its area by the municipality and statutory functionaries of the municipality; all municipal entities operating in its area; all non-governmental institutions involved in disaster management in its area; and the private sector. The district municipality must establish its disaster management framework after consultation with the local municipalities in its area. The district has duly complied with the Act and have has a disaster management framework in place.

Section 43-50 of the same act outlines the establishment and functions of the Disaster Management Centre to ensure an integrated and coordinated approach to Disaster Risk Management within the district. Ugu District Municipality Disaster Management Risk Centre was duly established in 2005 and is fully functional.

Disaster Management and Fire Services ensure an integrated and well-coordinated approach to Disaster Risk Management and Fire Services within the district. The District Fire and Rescues serve as secondary response to incidents reported within the district. The District Fire team provides back-up support to those Local Municipalities with limited capacity and resources. The District Fire Capacity Assessment was conducted by the Provincial Disaster Management Centre (COGTA). The outcome of the study proved that out of four (4) municipalities only two (2) municipalities were found to be well established and fully functional. The District Disaster Management and Fire Services then initiated support towards those municipalities in the form of financial grant support, equipment, and personnel.

The Ugu District has a Control Centre that is well equipped and functional. It operates on a 24/7-hour basis. The Control Centre has a maximum of 02 staff members per shift. Complaints calls are received, logged and response teams are dispatched to conduct rescue and assess the extent of the damage and further provide with temporal relief material.

The Control Centre further attends to all technological correspondence such as e-mails and SMSs and disseminates bulk warning alerts to the relevant stakeholders.

### 3.3.1 Disaster Risk Assessment

The Disaster Risk Assessment was evaluated against the standards as laid down in South Africa's Framework for Disaster Management (DN654 of 2005), with specific reference to Key Performance Area 2, Disaster Risk Assessment. The identified list of risks and hazards is depicted in the Map 3.3.1.1 to 3.3.1.8. The most common risks identified in all LMs are heavy rain, lightning, flooding, veld / forest fires, drowning, hazmat, stormwater floods, structural fire, strong winds, vegetation fire and motor vehicle accidents. Following the risk assessment which identified the common risks in the district, the district's disaster risk profile was then developed.

The risk profile categorises the hazards into four (4) main risk categories which are namely, extremely high ( ), high ( ), moderate ( ) and low ( ). Table 3.3.2.1 provides details of the district's risk profile.

**Table 3.3.2.1:** Disaster Risk Profile

| Municipality | Hazard | Hazard Risk Category |
|---|---|---|
| Umdoni | Structural Fire | High |
| | Strong winds | |
| | Floods | |
| | landslide | |
| | Heavy Rain | |
| | Lightning | Moderate |
| | Air pollution | |
| | Veld Fire | Low |
| | Water pollution | |
| | Bush pigs | |
| | drowning | |
| Umzumbe | Structural Fire | Extremely High |
| | Veld Fire | High |
| | Strong winds | |
| | Floods | |
| | Lightning | |
| | Heavy Rain | |
| | Water pollution | Low |
| | Drowning | |
| | Soil Erosion | |
| Ray Nkonyeni | Floods | Extremely High |
| | Heavy rainfall | |
| | Structural Fire | High |
| | Veld Fire | |
| | Strong winds | |
| | Landslide | Moderate |
| | Lightning | Low |
| | Water pollution | |
| | Drowning | |
| | Soil erosion | |
| Umuziwabantu | Lightning | Extremely High |
| | Heavy Rain | High |
| | Structural Fire | |
| | Veld Fire | |
| | Strong winds | |
| | Floods | Moderate |
| | drowning | Low |
| | Snow | |

According to the risk profile (see Table 3.3.2.1), there are seven (7) hazards that poses a high to extremely high risk in the district which are namely, floods, heavy rain, landslides, lightning, strong winds, structural fire and veld fire. Structural fire is an extremely high risk in the Umzumbe Municipality, floods and rainfall in Ray Nkonyeni Municipality and lightning in Umuziwabantu Municipality.

## 3.3.2 Disaster Risk Reduction and Prevention

To achieve sustainable development, disaster risk reduction aims to prevent new disasters, reduce existing ones, and manage residual risks. All of these initiatives help towards building resilience within communities. Disaster risk reduction programs providing for prevention and mitigation strategies have been compiled through a participative process with all stakeholders.

### 3.3.2.1 Prevention

In promoting the culture of prevention, including mobilisation of adequate resources and investing the same on disaster risk reduction, continuous risk assessment of the municipalities in the district and putting up comprehensive early warning systems are some of the key investments that protect and save lives, property and livelihoods, contribute to the sustainability of development, and are far more cost-effective in strengthening coping mechanisms than relying primarily on post-disaster response and recovery. The district future development choices and plans take into consideration proactive measures in a way that build community resilience and reduce vulnerabilities to future disaster risks.

#### 3.3.2.2 Mitigation

In undertaking proactive disaster risk mitigation measures, the hazard and risk information generated through risk assessment must be incorporated into the planning processes by all sector departments and municipalities. Proactive planning and investments in mitigation measures – structural and non-structural - go a long way in mitigating the long-term impacts of natural disasters. As informed by the findings of this study, most areas are highly threatened by lightning, therefore, mitigation programs like lightening conductor installation must be intensified. It is important that the municipalities must take mitigation measure serious through well informed Integrated Development Planning that comprises of comprehensive risk reduction programs.

#### 3.3.2.3 Preparedness

In strengthening disaster preparedness for effective response at all levels, building community's capacity to face natural disasters is imperative. Learning to live with the prevailing hazards and risks should be imprinted to the most vulnerable and rural communities where development and service delivery is bleak. Compilation of comprehensive and implementable contingency plans towards the seasonal coordination is imperative for preparedness and effective response.

In intensifying the raising of public awareness promotion on basic concept of Disaster Risk Management and reduction at all levels, public awareness is a core element of successful disaster risk reduction.

In undertake School Safety programmes, there is an urgent need for introducing school safety programmes in the province. School safety programmes would promote a culture of safety in the community. The programme may cover multi hazards, and can include the training of teachers and students, formal curriculum-based education, non-formal aspects such as school disaster management plans, preparedness drills.

Enhancement of the capacity in the disaster management and fire service fraternity in the district to cope with the prevailing hazards and risks in close to non-existence. Vigorous and extensive capacity building program should be employed to address the issues of low capacity. Specialised and hazard specific training would be recommended.

#### 3.3.2.4 Early Warning

Setting up of Early Warning dissemination systems and mechanisms at all levels that are people-cantered, systems whose warnings are timely and understandable to those at risk. This should also include provision of guidance and building people's capacities on how to act after receiving warnings. Setting up of community level early warning systems would ensure effective response to disasters.

#### 3.3.2.5 Building Inspections

Fire Safety inspections are ordered in terms of Fire Brigade Act 99 of 1987 and enacted in Ugu District Community Fire Safety Bylaws, therefore the Disaster Management and Fire Services team in the District conducts fire safety programs aiming at reducing the disaster risks. The district has a responsibility of ensuring public safety and compliance by both government department as well as private entities by conducting random inspection on buildings and public facilities.

#### 3.3.2.6 Events and Contingency Plans

District's Disaster Management and Fire Services with its family of Local Municipalities are mandated to ensure that all the events that took place within the district area of jurisdiction are in-line with planning and prevention through identifying, eliminating, and controlling hazards and risks associated with Safety at Sports and Recreational Events Act 2 of 2010 read with Regulation of Public Gatherings Act 205 of 1993. Also to ensure the coordination of roles and responsibilities by Multi- Sectoral Stakeholders (Security Cluster Meetings) this is a crucial component to guarantee that all necessary precautions and measures are taken into consideration for the wellbeing and safety of patrons in the event.

#### 3.3.2.7 Household Inspections

The district is conducting household's inspections for rural fire prevention programme in various wards using the door-to-door approach. The objective is to identify possible hazards and to reduce the impact and vulnerability of structural fires within wards. This approach was informed by the constant Incline in Structural fires hence the implementation, following findings the Household heads are given awareness on housekeeping, fire breaks, fuel load, exposed electrical wiring and dangers of illegal electrical connections etc.

### 3.3.3 Disaster Response and Recovery

During response and recovery operations the relevant disaster preparedness plans of the municipality will be executed by the disaster management structures as outlined in Table 3.3.4.1.

**Table 3.3.4.1:** Disaster Management Structures

| | Command Structure | Joint Operational and Intelligence Structure | Disaster Management Joint Operations Committee |
|---|---|---|---|
| **National** | National Command Council **(PRESIDENT)** | National Joint Operational and Intelligence Structure **(SAPS NATIONAL COMMISSIONER)** | National Disaster Management Joint Operations Committee **(NDMC HEAD)** |
| **Provincial** | Provincial Command **(PREMIER)** | Provincial Joint Operational and Intelligence Structure **(SAPS PROVINCIAL COMMISSIONER)** | Provincial Disaster Management Joint Operations Committee **(PDMC HEAD)** |
| **District** | District Command **(MAYOR)** | Cluster **(SAPS DISTRICT COMMANDER)** | District Disaster Management Joint Operations Committee **(MDMC HEAD)** |
| **Local** | Local Command **(MAYOR)** | N/A | Local Disaster Management Joint Operations Committee **(MM / HOD)** |
| **Ward** | Ward Command **(COUNCILLOR)** | N/A | OSS / Ward Committee **(COUNCILLOR)** |

#### 3.3.3.1 Interventions in case of Incident / Disaster

The municipalities and Sector Departments have put together detailed preparedness plans and implementation plans outlining the interventions required to normalize the situation. These interventions are categorized as follows:

**Immediate / Short-Term Interventions**

- Procurement and provision of humanitarian aid
- Procurement and provision of temporal shelters or temporal accommodation
- Emergency mobile classroom for needy schools
- Clean-up campaign and restoration of critical services
- Repair to critical infrastructure and services (Prioritize critical infrastructure for emergency grant funding)

**Medium-Long Term Interventions**

- Sanitization of municipal public spaces/facilities, municipal buildings, etc.
- Provision of water services
- Drilling, equipping and refurbishment of boreholes.

### 3.3.4 Disaster Training and Awareness

The aim of public education programmes should be to create what is often called a 'culture of safety', where awareness of risk and adoption of risk reducing measures are part of daily life. It is relatively easy to improve understanding of hazards and risks and how to deal with them, but harder to change people's behaviour so that they take up appropriate measures, individually or collectively.

Achieving this 'culture of safety' is a long-term process. It cannot be achieved through a one-off intervention. A programme of activities is needed to reach different target groups, explain, and reinforce messages (repetition of messages is an important element in successful public education campaigns), and give people opportunities to think about, question and validate the information they receive. It may be a long time – perhaps years – before behaviour change takes place.

#### 3.3.4.1 Planned Capacity Building Programmes

The district in collaboration with Local Municipalities and other role players as part of its initiative to mitigate and reduce impact disaster incidents further capacitating the community has embark on an ongoing Community Based Disaster Management Trainings, Basic Fire Fighting trainings and First Aid trainings.

Volunteers are recruited per ward and further receive training as listed above, to enable to assist their communities and municipalities with awareness campaigns and impact assessment should disaster strike. Training sessions are also facilitated through Local Municipalities for Amakhosi and Izinduna.

#### 3.3.4.2 Planned Public Awareness Campaigns

In line with Section 15 of the Disaster Management Act 57 of 2002 which specifies the promotion of education and Training, the encouragement of a broad-based culture of risk management is inculcated through public awareness campaigns. It may be impossible to avoid natural disasters, but it is necessary to prepare and plan of time to minimize the impact that disaster which might have on the people's lives, health, environment, infrastructure, and properties. The district in partnership with its family of local municipalities and the Provincial Disaster Management Centre are conducting on-going disaster community awareness campaigns.

The district together with other role player embarks on an Awareness Program in line with the district identified hazards. The fundamental purpose of such campaigns is to encourage communities at risk to exercise risk-avoidance behaviour and to enlighten them about precautionary measures in-order to prevent or mitigate disasters. The campaigns are necessary to promote informed, alert, and self-reliant society capable of playing its part.

### 3.3.5 Disaster Funding Arrangements

The district budgets for all Disaster Risk Management Programs. Budget is separated for Operations and Capital items. National / Provincial Disaster Management also provides conditional grants for Reconstruction and Rehabilitation Projects in line with the general overview of the recommendations on funding arrangements for Disaster Risk Management to cover the costs associated with the following activities:

- start-up activities,
- Disaster Risk Management
- Disaster risk reduction,
- Response, recovery and rehabilitation activities, and
- Training and capacity-building programmes.

A detailed disaster and fire services budget is detailed in Table 3.3.5.1 of the document.

**Table 3.3.5.1:** Disaster Management and Fire Services Budget, 2026 / 2027
**Source:** Budget and Treasury Office, 2026

| Description | 2026 / 2027 |
|---|---|
| Procurement of Emergency Relief | R3 500 000.00 |
| Disaster Management Workshops, Trainings and Awarenesses (Promotional Material) | R 100 000.00 |
| Disaster Management Uniform | R 200 000.00 |
| Fire Services operations | R1 500 000.00 |
| Fire Services Uniform & PPE | R 200 000.00 |
| Fire Safety Workshops, Trainings and Awarenesses | R 100 000.00 |
| **Total** | **R 5 600 000.00** |

#### 3.3.5.1 Grant funding allocated for post-disaster recovery

In 2025/26, Ugu district was affected by heavy rains accompanied by strong wind associated with lightning. The adverse weather caused damages to households as well as the infrastructure throughout all four (4) Local Municipalities within the district. In response to the said damages, National Treasury approved the municipal disaster grant funding to repair and reconstruct the damaged roads as broken down in Table 3.3.5.1.1.

**Table 3.3.5.1:** 2026 / 2027 Post-Disaster Recovery Grant Funding
**Source:** Disaster Management and Fire Services, 2026

| Municipality | Allocation | Cumulative Expenditure | % | Balance |
|---|---|---|---|---|
| Ugu | R 30 000 000, 00 | - | - | - |
| Umzumbe | R 25 000 000, 00 | - | - | - |
| Umdoni | R14 852 000,00 | R9 312 543,41 | 75.4 % | R5 487 456,59 |

### 3.3.6 Disaster Management Key and Fire Services Challenges and SWOT Analysis

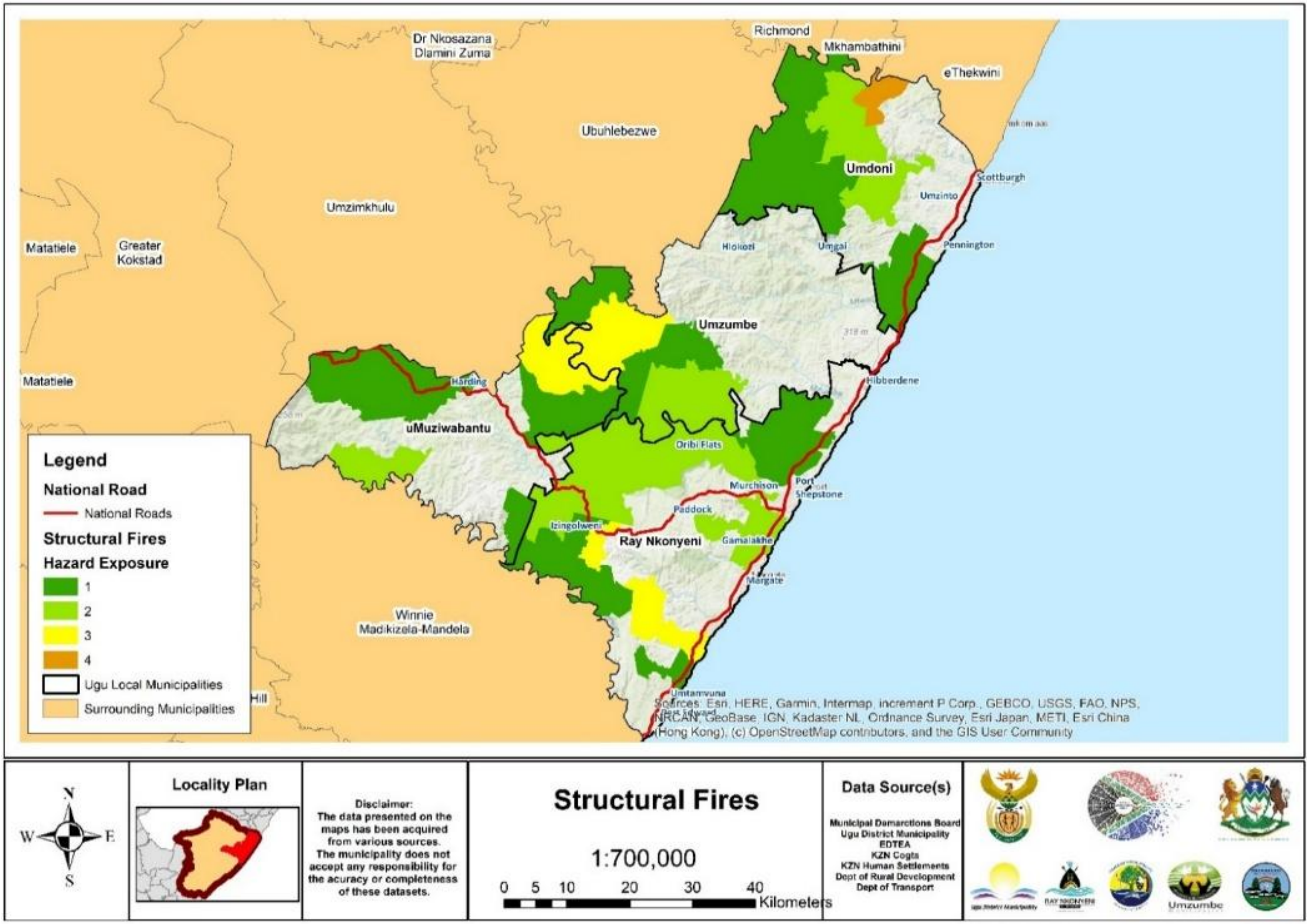
The disaster management analysis undertaken above culminated in the identification of a number of challenges, which the district needs to redress, address and mitigate. The disaster management SWOT Analysis of the district detailed in Table 3.3.6.1 which is followed by a summary of key challenges in Table 3.3.6.2.

**Table 3.3.6.1:** Disaster Management and Fire Services SWOT Analysis

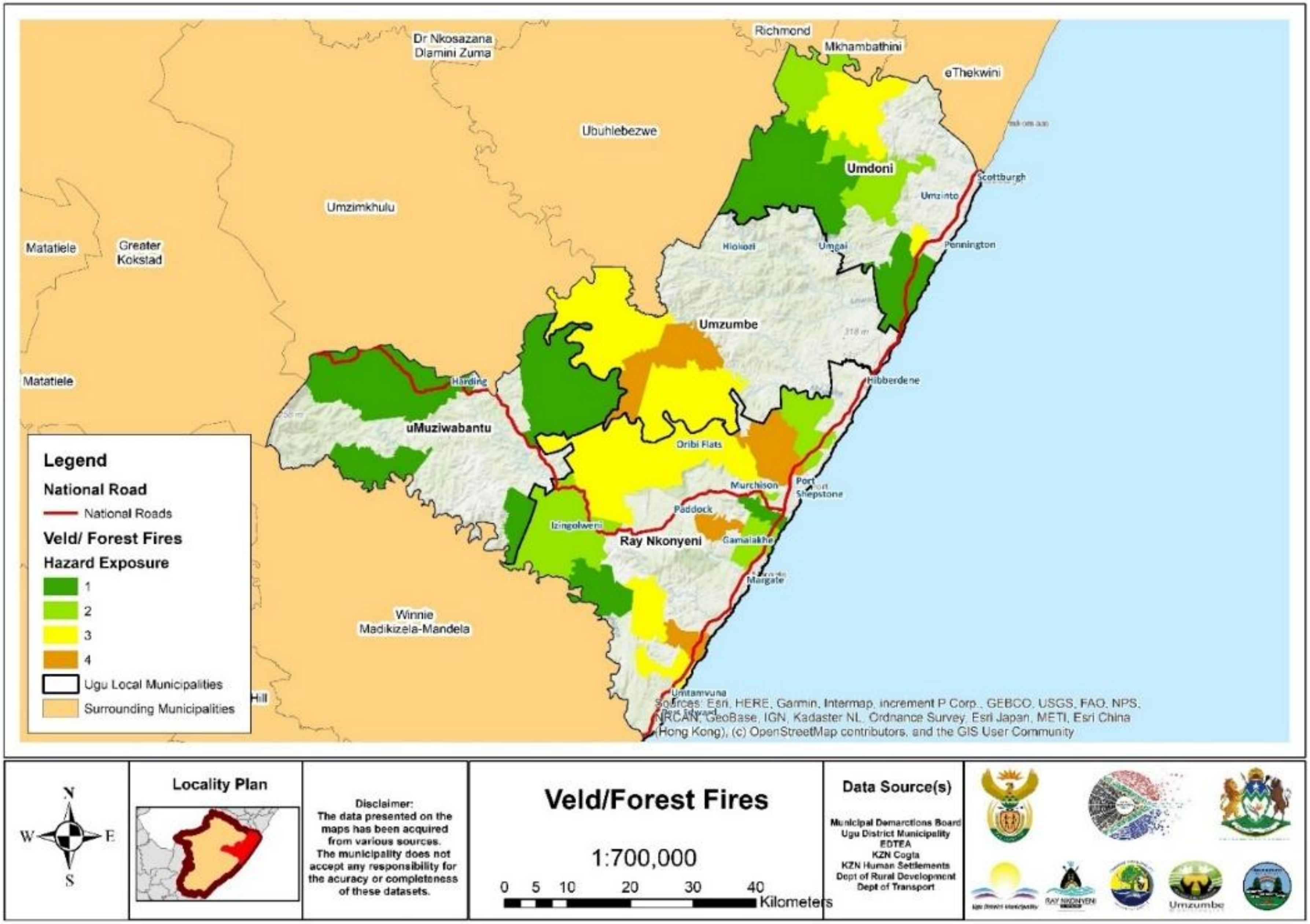
| | |
|---|---|
| **STRENGTHS** | ▪ A functional Disaster Management Centre supports coordinated emergency planning, response, and communication across the district.<br>▪ Established coordination structures, including advisory and fire coordination forums, strengthen multi-stakeholder collaboration.<br>▪ The service has 24-hour emergency response capability supported by trained personnel and operational resources.<br>▪ Ongoing specialised training, public education, and community awareness initiatives support prevention, preparedness, and response. |
| **WEAKNESSES** | ▪ Limited personnel, funding, and equipment constrain operational capacity at district and local municipal levels.<br>▪ Insufficient local disaster management capacity and lack of integrated communication systems hinder effective implementation and coordination.<br>▪ Response times are affected by limited satellite stations, vast service areas, and difficulty accessing remote or hazardous locations.<br>▪ Staff wellness challenges, including physical and psychological strain, affect long-term resilience of emergency personnel. |
| **OPPORTUNITIES** | ▪ Further enhancement of the Disaster Management Centre can strengthen integrated support for disaster, fire, rescue, and hazardous materials incidents.<br>▪ Expansion of satellite stations, search-and-rescue capacity, and specialised response resources can improve district-wide coverage.<br>▪ Investment in smart detection systems, drones, data-driven tools, and modern communication platforms can improve operational effectiveness.<br>▪ Expanded training, leadership development, and inter-agency planning can strengthen institutional capacity and service delivery. |
| **THREATS** | ▪ Budget constraints and insufficient ring-fenced funding threaten service readiness, fleet renewal, and equipment replacement.<br>▪ Ageing infrastructure and fleet reduce reliability and may compromise emergency response effectiveness.<br>▪ Climate change, severe weather, and increasing incident complexity place growing pressure on disaster and fire services.<br>▪ High-risk operating environments, including hazardous materials, structural collapse, smoke, and toxic exposure, threaten responder safety and health.<br>▪ Rapid technological change and uneven compliance with safety standards increase operational risk if not addressed consistently. |

**Table 3.3.6.2:** Disaster Management and Fire Services Key Challenges

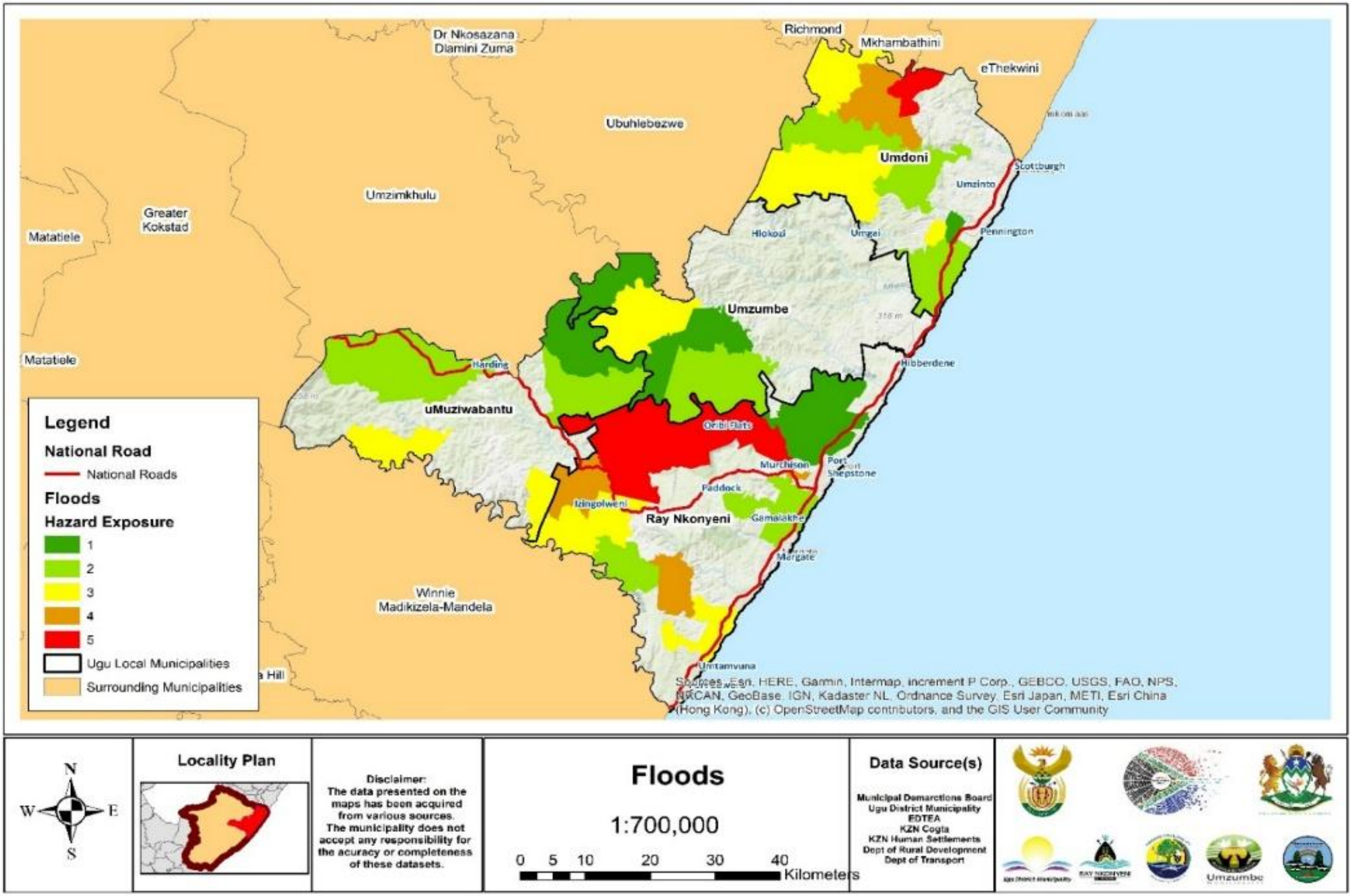
| | |
|---|---|
| **Key Challenge** | **Delayed response to incidents and emergencies** |
| **Description** | Due to the vastness of the district, the response to incidents and emergencies especially in the hinterland, is often delayed as disaster centres are concentrated on the urban coastal strip and no satellite offices in the hinterland.<br><br>Failure to respond promptly to disasters and emergencies results to the impacts of the disasters being more severe than they would have been if the response was prompt. |
| **Key Challenge** | **Limited resources to deal with hazardous material Incidents** |
| **Description** | Hazardous materials by road hazard are a priority hazard for all the local municipalities, however, the is there is no sufficient resources to deal with such incident in the event they occur. |
| **Key Challenge** | **Households located in hazardous areas** |
| **Description** | There are households which are located in hazardous areas within the district i.e. floodplains which places them at a higher risk of a devastating impact in the event a disaster occurs.<br><br>These areas further place an added strain on the limited resources to respond to disasters especially natural disasters as these areas often become inaccessible during the disaster. |
| **Key Challenge** | **Limited resources to deal with disasters and emergencies** |
| **Description** | There is limited human, financial and technological resources to deal with disasters and emergencies especially at the local municipality level.<br><br>The limited resources have a direct bearing on the effectiveness of the early warning systems, response to disasters and emergencies and disaster recovery. |



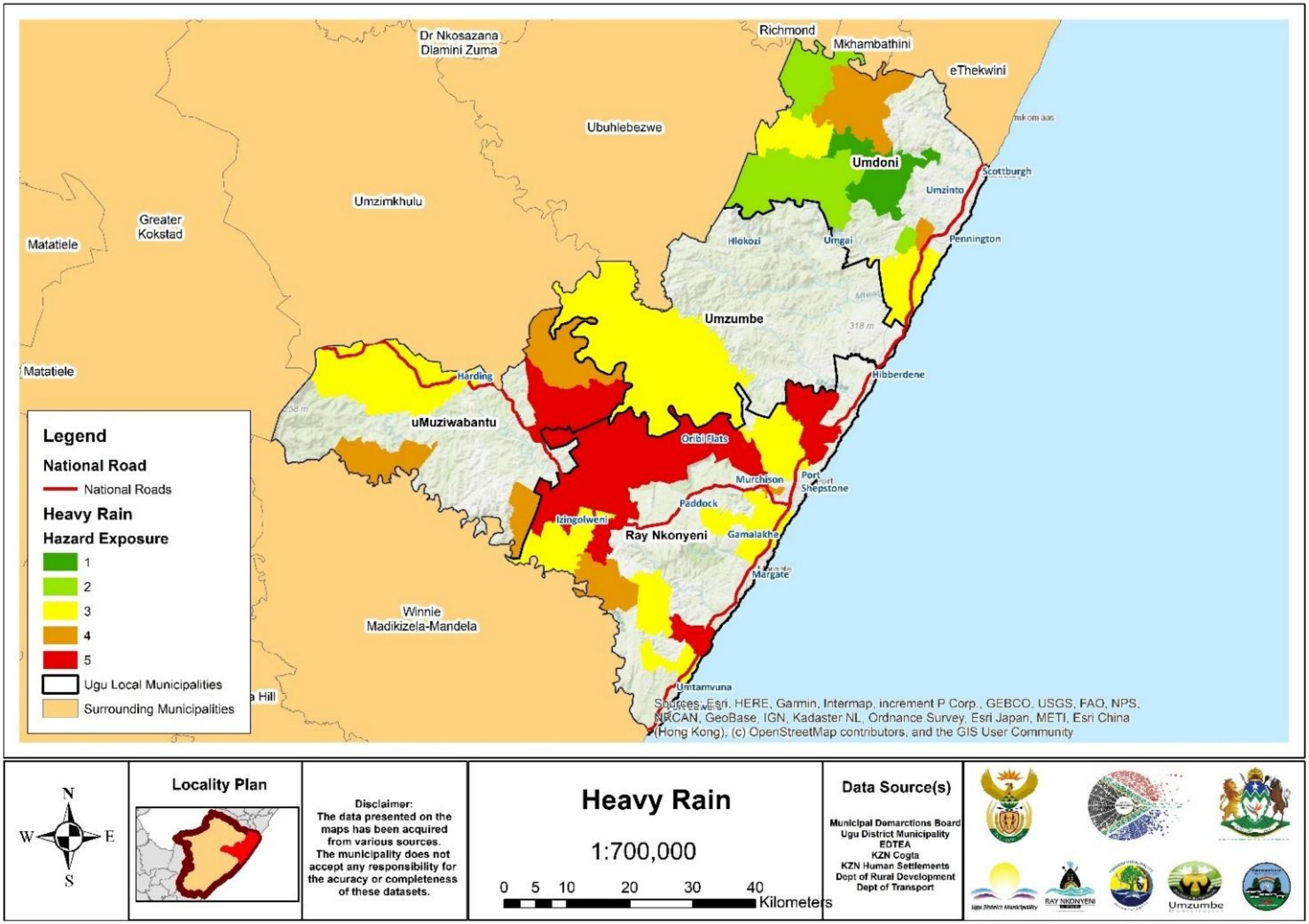

**Map 3.3.1.1:** Disaster Risk Profile - Structural Fire
**Source:** Ugu GIS, 2026



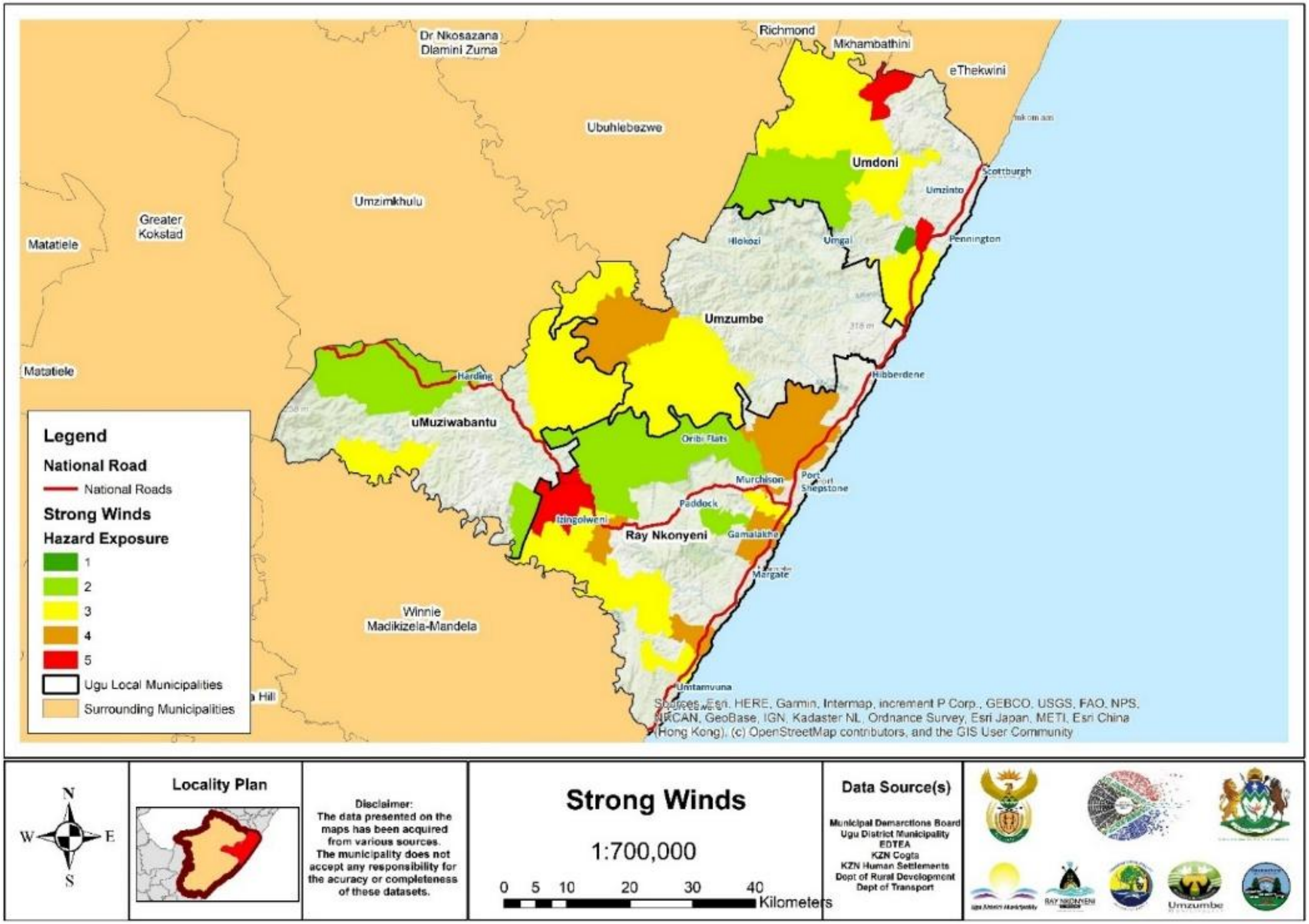

**Map 3.3.1.2:** Disaster Risk Profile – Veld / Forest Fires
**Source:** Ugu GIS, 2026



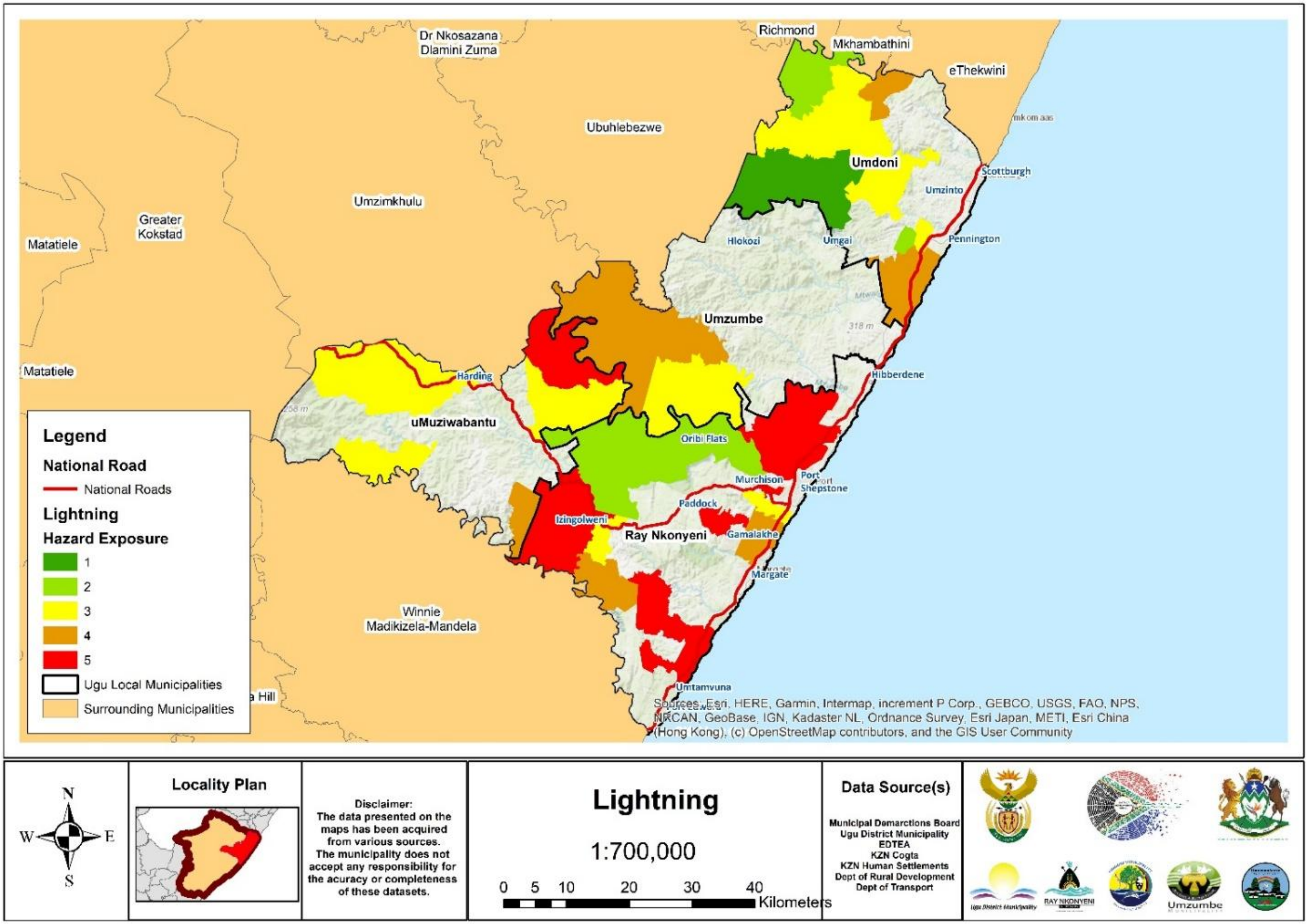

**Map 3.3.1.3:** Disaster Risk Profile – Floods
**Source:** Ugu GIS, 2026



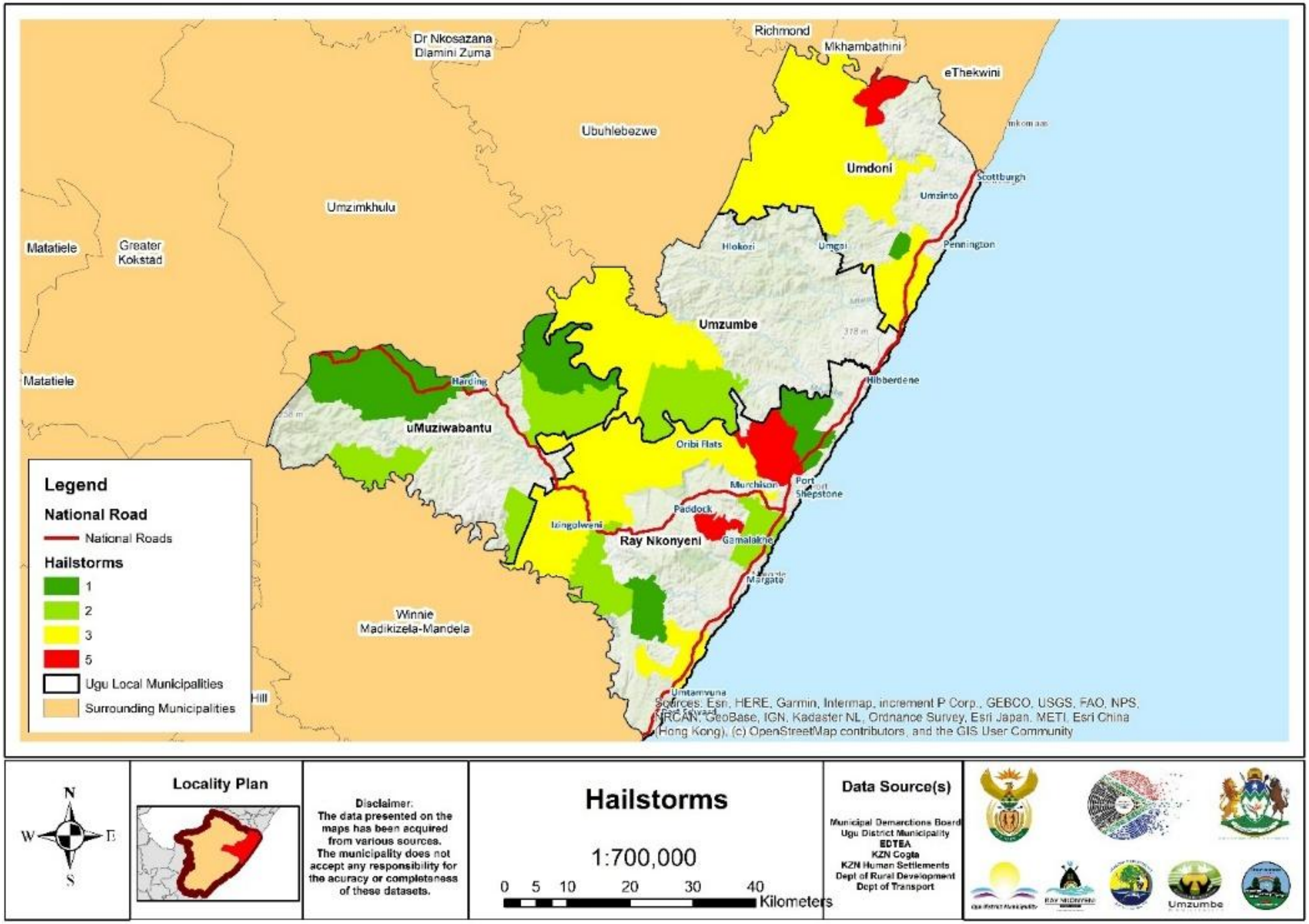

**Map 3.3.1.4:** Disaster Risk Profile – Heavy Rain
**Source:** Ugu GIS, 2026



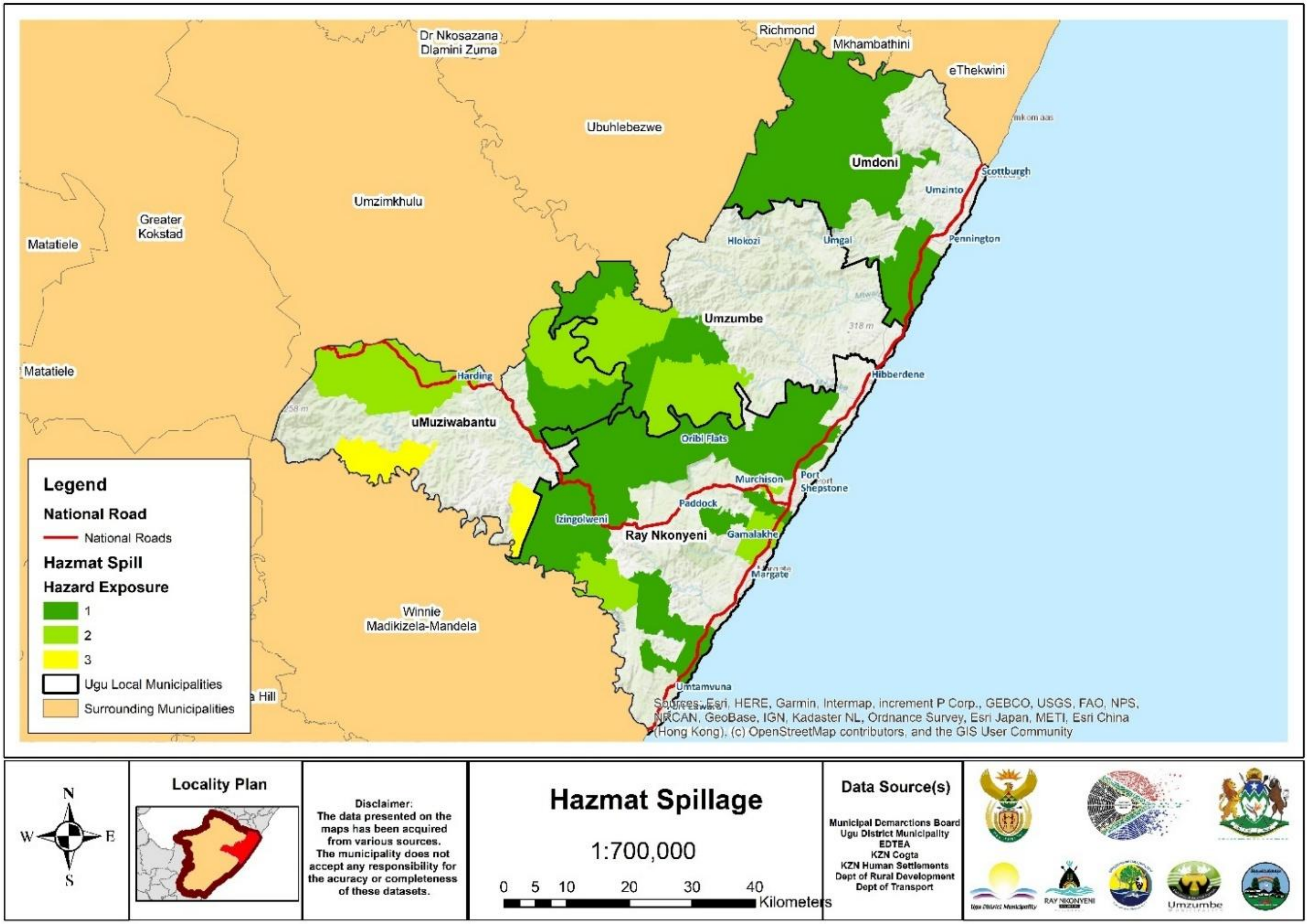

**Map 3.3.1.5:** Disaster Risk Profile – Strong Winds
**Source:** Ugu GIS, 2026




**Map 3.3.1.6:** Disaster Risk Profile – Lightning
**Source:** Ugu GIS, 2026




**Map 3.3.1.7:** Disaster Risk Profile – Hailstorm
**Source:** Ugu GIS, 2026




**Map 3.3.1.8:** Disaster Risk Profile – Hazmat Spillage
**Source:** Ugu GIS, 2026

## 3.4 DEMOGRAPHIC CHARACTERISTICS

Policy making, planning and decision-making needs a reliable, relevant, credible and sustainable statistical data. For this purpose, Statistics South Africa has the statutory obligation in terms of Statistics Act for the collection, production and dissemination of official and other statistics, including the conducting of a census of the population, and for co- ordination among producers of statistics, and therefore, Stats SA is the only authority that is mandated to produce official statistics in South Africa.

In the context of this IDP, the demographic information and analysis will assist with several number of planning decisions, including, but no limited to the following:

- To determine the demand of services among different segments of the community.
- To study the present and future composition of the population and its spatial distribution to identify the best locations to provide services to meet local needs.
- To examine population characteristics to determine the feasibility for new programs.
- To evaluate the impact of new plans on population change. revised to meet the needs of new households that may move into the area.
- To evaluate the impact of population growth on the ability to implement existing plans.

Given the foregoing, where appropriate, the statistical data used in this document for the purposes defined above, is solely sourced from Stats SA and in its application and processing, Stats SA is acknowledged as the original source of the data.

### 3.4.1 Population Size

The district's population as per the Statistics South Africa Census 2022 stands at **773 402.** The district's population grew at an annual growth rate of 1.1 from 2011 to 2022. The district's proportional share of the province's population is 6.2% making it the seventh most populated district in the province as shown in Figure 3.4.1.2.

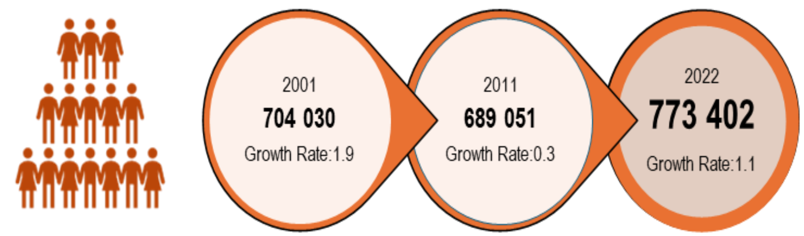



**Figure 3.4.1.1:** Population and Growth Rates

**Source:** Stats SA Census, 2022

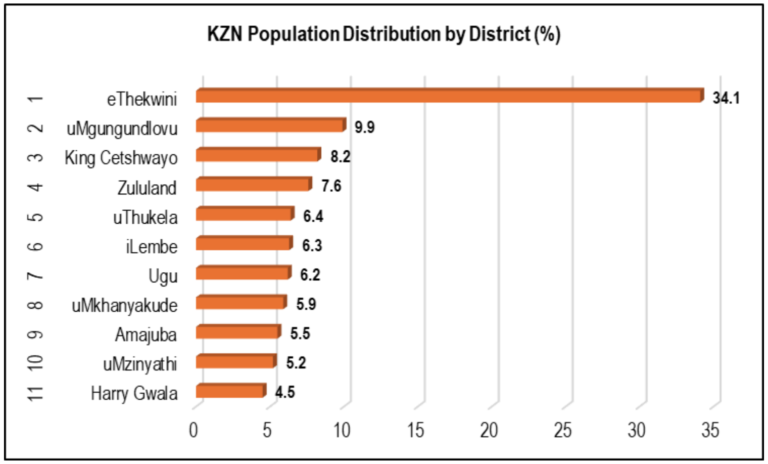



**Figure 3.4.1.2:** KZN Population Distribution by District

**Source:** Stats SA Census, 2022

The Ray Nkonyeni Municipality accounts for the largest share of the district's population at 47% followed by the Umdoni Municipality at 20% with Umzumbe and Umuziwabantu Municipalities accounting for 18% and 15% respectively (see Table 3.4.1.1). The Umdoni and Umuziwantu municipalities had the highest growth rate of 1.8 followed by Ray Nkonyeni at 1.6. Umzumbe Municipality experiencing a negative growth of 1.0 (see Table 3.4.1.1). The negative growth experienced at the Umzumbe Municipality can be attributed to many factors one of them being rural to urban migration.

**Table 3.4.1.1:** Population Distribution by Local Municipality

**Source:** Stats SA Census, 2022

| Municipality | Census 2011 | | Census 2022 | | |
|---|---|---|---|---|---|
| | No. | % | No. | % | Growth Rate |
| **Umdoni** | 130,413 | 19 | 156,443 | 20 | **1.8%** |
| **Umzumbe** | 153,407 | 22 | 139,045 | 18 | **1.6%** |
| **Ray Nkonyeni** | 308,675 | 45 | 362,134 | 47 | **-1.0%** |
| **Umuziwabantu** | 96,556 | 14 | 115,780 | 15 | **1.8%** |

### 3.4.2 Population Composition

As reflected in Figure 3.4.2.1, the overall population is made up of different racial groups, which is primarily dominated by Africans, constituting 87% of the total district population in 2022, lower than 91% in 2011. Whilst the African population race group is on a steady but insignificant decline in the total population share, Indian / Asian and White race groups experienced an increase whilst Coloured race group remained the same.

The most spoken language in the district is IsiZulu at 81% followed by English at 11%, IsiXhosa at 3% and Afrikaans at 2%.

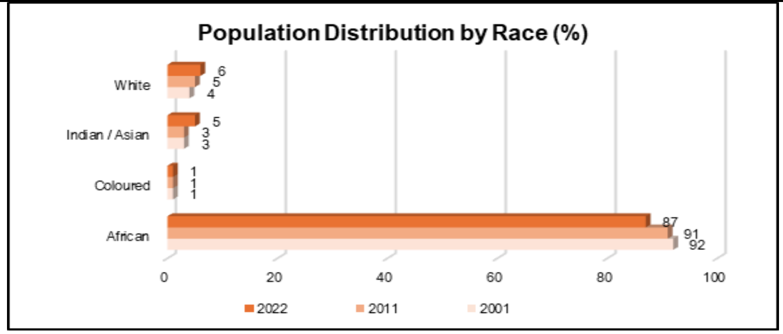



**Figure 3.4.2.1:** Distribution of Population by Race

**Source:** Stats SA Census, 2022

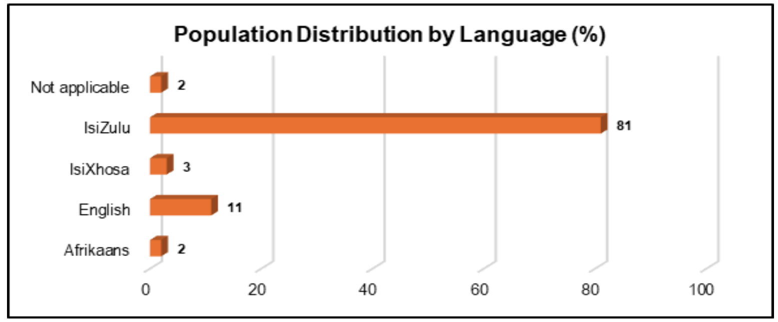



**Figure 3.4.2.2:** Population Distribution by Language

**Source:** Stats SA Census, 2022

As reflected in Table 3.4.2.3 the district population is composed mainly of the 15 to 64 (Working Age) which accounts for 62% of the total population, followed by the 0 to 14 (Children) accounting for 29% and lastly the 65 and above (Elderly) accounting for 8%, functional age groups. The district has a youthful population with the youth (33%) and children (29.2%) population group accounting for 62.2% of the population. A steady constant decline in the Children age group is notable across the 2001, 2011 and 2022 censuses whilst the opposite is notable for the Elderly and Working Age groups.

The steady decline in the children age group especially 0 – 4 years may be attributed to the steady decline in in fertility rates. The district seems to be progressing towards the desired demographic transition where population has a proportionately high number of working-age people and a proportionately low number of young and old. That is a state the dependency ratio (the percentage of those over 64 and under 15 relative to the working-age population) is at a level where there are enough people of working age to support the non-working population. The dependency ration for the district's area of jurisdiction as per the 2002 census is 70.1 which reflects a steady decline from 76.4 in 2001.

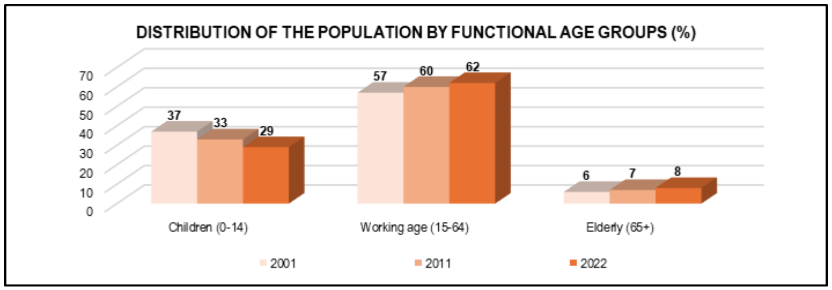



**Figure 3.4.2.3:** Distribution of Population by Functional Age Groups

**Source:** Stats SA Census, 2022

Although statistically the district is moving towards a position to cash in on a demographic dividend, the challenges of joblessness and HIV/AIDS are a burden on those who are working. Furthermore, if the working age group especially the 15 – 29 cohort is alienated from mainstream society and without decent prospects, it can become potentially dangerous. The district, therefor, has a challenge of putting the working-age population at work.

The other age group to watch closely is the elderly as it is on a steady increase since 2022. The steady increase may be attributed to the steady increase in in the life expectancy in the district. This ageing population will put pressure on the economy, especially as a significant percentage of the older population will be living with HIV/AIDS as treatments become more effective. This age group is also more vulnerable to non-communicable diseases which increases the demand on health spending. The increased demand on health spending and social security will have significant budgetary implications, which taxpayers will have to fund.

The district's sex ratio is 90 males per 100 females which translates to females accounting for a 52.6 percent of the total population. The ratio slightly improved by 1 from the 2011 census which was 89 males per 100 females. The population pyramid of the district is typical of a developing country as it shows that growth rates are slow, the birth rate is high and short life expectancy. It is an expansive population pyramid as it reflects larger numbers or percentages of the population in the younger age groups. However, the signs of demographic transition are beginning to be visible.

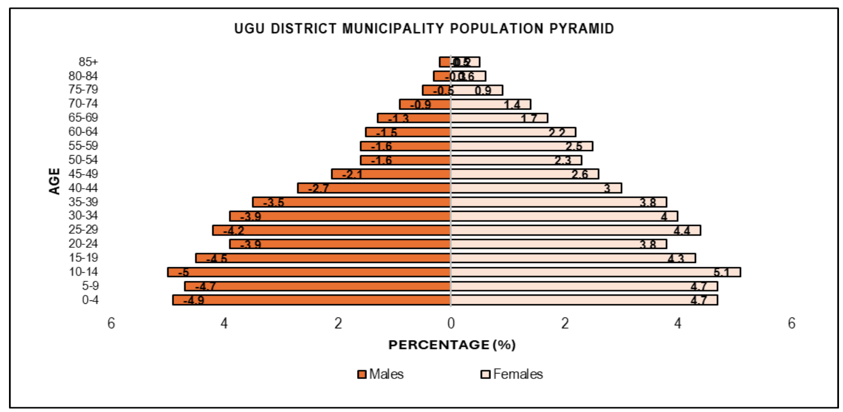



**Figure 3.4.2.4:** Distribution of Population by 5 Year Age Group and Sex

**Source:** Stats SA Census, 2022

Changes in population structure can significantly affect district performance, because individual economic behaviour varies with age. The young and the old tend to consume more than they produce, and nations with a high ratio of dependants to workers devote a relatively high proportion of resources to these groups, often limiting economic growth. In contrast, nations with a relatively large share of the population of prime working age can experience a boost in income and savings, because the working-age population tends to produce more than it consumes. However, demographic dividends can only stimulate substantial economic growth where there are appropriate economic and labour policies that allow the young to enter the workplace, investments in health and education, and a stable and effective government.

The degree to which the demographic dividend can be banked, and the risks avoided, depends on policy choices and how effectively they are implemented. Government needs to apply a "youth lens" to policies to expand opportunities, enhance capabilities and provide second chances. Areas most identified as unlocking the potential of a demographic dividend are:

- Better health, including food security.
- Better health care.
- Better education to meet the demands for higher skill levels.
- Easy labour market entry.
- Labour mobility.

Access to proper health care for children is critical, as this can have lasting effects on physical and mental development, which can affect children's future productivity, earnings and economic well-being. Although health and education are necessary to take advantage of a youthful population, they are not sufficient. Expanding opportunities for higher education without an associated increase in employment opportunities can be hazardous. High unemployment among educated youth can potentially lead to political upheaval and violence. Economic opportunities and jobs are therefore crucial. The demographic dividend can be realised only if gainful employment is created for the growing proportion of people of working age.

#### 3.4.2.1 Fertility, Mortality, Life Expectancy and Migration

Changes in the size and composition of the population focus on four main factors, which include fertility rates, mortality rates, life expectancy, and migration. The statistical information for these indicators however, are limited when it comes to district and local municipality level and as such reliance is placed on provincial trends.

##### 3.4.2.1.1 Fertility

Figure 3.4.2.1.1.1 depicts the fertility changes in KZN from 2011 to 2026. The Figure shows a gradual decline in the average total fertility rate (TFR) from 2.71 children per woman between 2011 and 2016 to 2.59 children per woman between 2016 and 2021. It is projected to decline further to 2.53 between 2021 and 2026. As the fertility rate declines, the education system faces smaller and smaller cohorts of school children for which it must provide. In addition, parents with fewer children have opportunities to nurture and support their children.

The TFR is a key driver behind the rapid ageing of the population. Population ageing can induce social problems such as rising costs for health care services and the lack of skilled and productive labour, amongst others. Lower fertility rate can induce higher labour force participation rates, particularly for women and reduced child dependency rate may lead to increased investment in the health and education of each child, thereby increasing children's productivity when they enter the labour force. This will also assist in lessening the burden on government fiscus due to declining government support for children through grants.

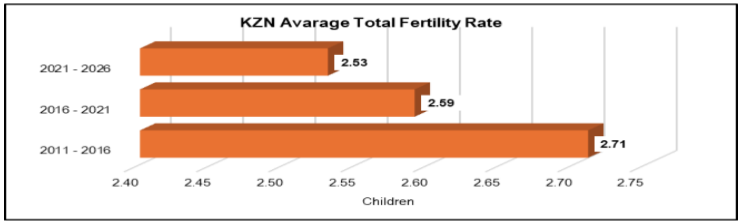



**Figure 3.4.2.1.1.1:** Average Total Fertility Rate in KZN

**Source:** Stats SA, 2022

### 3.4.2.1.2 Mortality

It is estimated that in 2050, a 65-year-old person will be expected to live on average, an additional 19.8 years globally. Mortality rates have declined due to factors such as the distribution of disease control medicines, public health programmes for keeping the environment clean, improved medical facilities and the spread of education.

The reduced mortality leads to increased population and is consequently critical for policy and planning. Due to limited statistics that are specific to the district, the analysis cannot be conclusive as to the extent mortality has had on district's population composition.

### 3.4.2.1.3 Life Expectancy

Figure 3.4.2.1.3.1 depicts the life expectancy at birth for males and females changes in KZN from 2011 to 2026. The life expectancy at birth for both males and females have been on a gradual increase between 2011 and 2021, and the upward trajectory is projected to continue in the period between 2021 and 2026. The females continue to have a higher life expectancy that their male counterpart which maybe contributed to various factors.

The increase in life expectancy has had a direct impact on the steady increase of the elderly population age group. Life expectancy increase attributes include improvement in access to health care and basic services such as access to water and sanitation as well new treatments for multiple diseases. Moreover, there has been a significant decline in TB and HIV / AIDS due to increased intake of treatment.

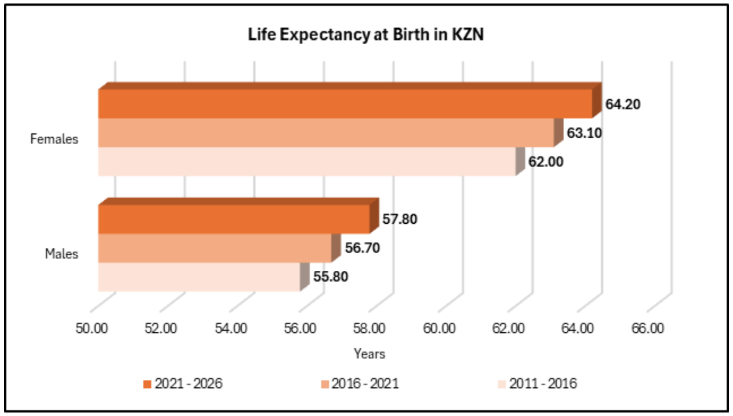



**Figure 3.4.2.1.3.1:** Life Expectancy at Birth in KZN

**Source:** Stats SA Census, 2022

### 3.4.2.1.4 Migration

As reflected in Figure 3.4.2.1.4.1, migration has played a minimal role in the change of the district's population as only 19 011 migrants were recorded in the 2022 census which accounts for 2.5% of the total population. Most of the migrants come from the Gauteng (38%) and Eastern Cape (35%) provinces with only 8% of the migrants coming outside the country.

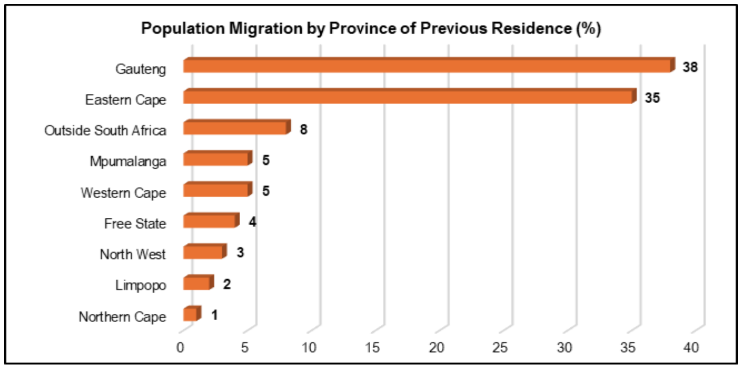



**Figure 3.4.2.1.4.1:** Population Migration by Province of Previous Residence

**Source:** Stats SA Census, 2022

Further analysis of migrants by age groups reveals that most of the (71%) are of the working age groups which suggests that most of the migrants come to the district for employment purposes as reflected in Figure 3.6.2.1.4.2. The elderly population group also accounts for a significant share of the migrants with a 20% share. This can be attributed to abundance of retirement villages in the district. Furthermore, as much as it is minimal, the elderly age group migrants have had a direct impact to the gradual increase of the elderly group cohort across the censuses.

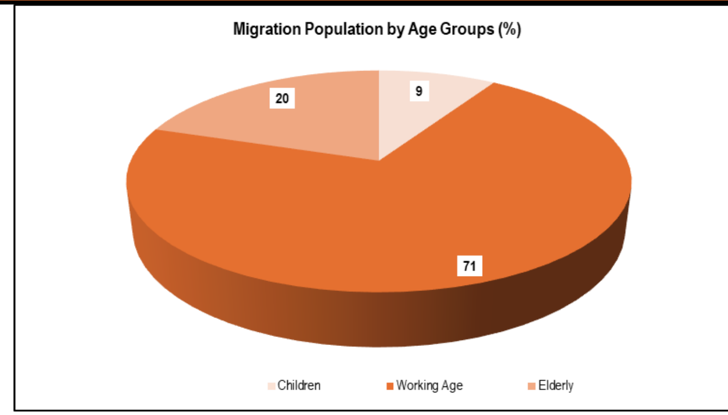



**Figure 3.4.2.1.4.2:** Migration Population by Age Groups

**Source:** Stats SA Census, 2022

Figure 3.4.2.1.4.3 the half of the migrants (50%) are the white race population group followed by the African race. As much as the impact is minimal, migration has played a direct role in the increase of the white race population group cohort of the district.

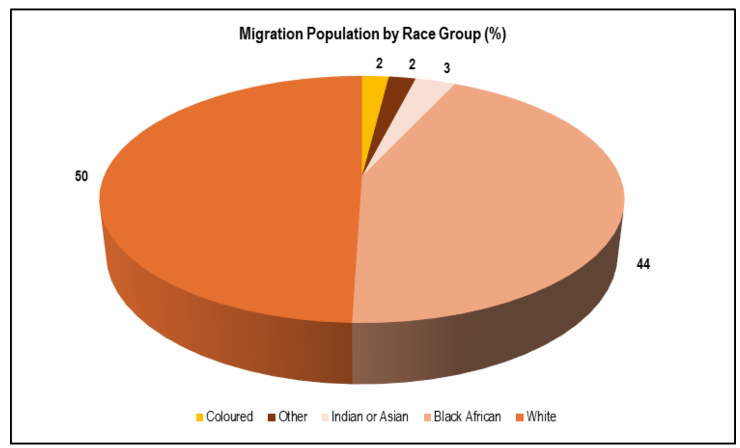



**Figure 3.4.2.1.4.3:** Migration Population by Race Groups

**Source:** Stats SA Census, 2022

### 3.4.3 Households and Services

The total number of households within the district's area of jurisdiction as per census 2022 is 172 628 with an average of 5 people per household. A decrease of 0.2% has been recorded between the 2011 and 2022 census in the number of households in the district. The Umzumbe Municipality (4 853) recorded the highest drop, whilst the Umzuwabantu Municipality (3 988) recorded the highest gain in the number of households. The Umdoni and Umzumbe Municipalities recorded a total loss of 5 960 households whilst Ray Nkonyeni and Umuziwabantu Municipalities recorded a total gain of 5 688 households making the net loss of 272 households for the district.

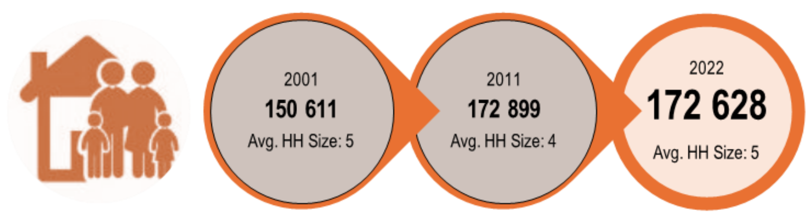



**Figure 3.4.3.1:** Household and Household Size

**Source:** Stats SA Census, 2022

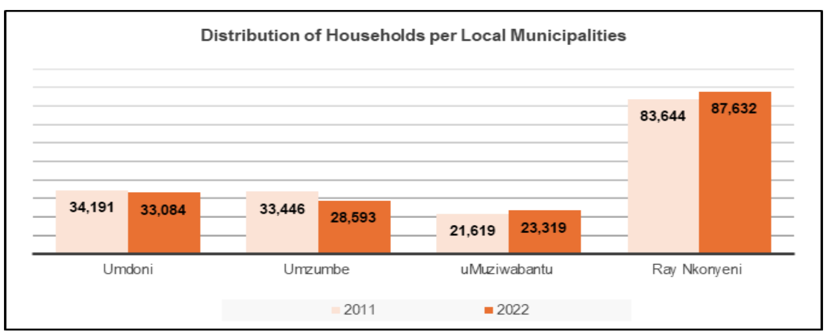



**Figure 3.4.3.2:** Distribution of Households per Local Municipalities

**Source:** Stats SA Census, 2022

A gradual increase in the number of household formal dwellings moving from 53.9% in 2001 to 85.1% in 2022 whilst the traditional and informal dwellings decreased during the same period.

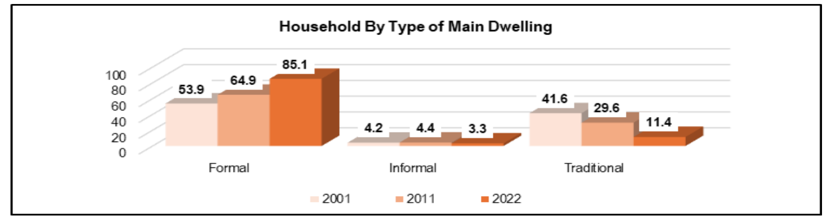



**Figure 3.4.3.3:** Household by Type of Main Dwelling

**Source:** Stats SA Census, 2022

Figure 3.6.3.4 reflects that the females remain the head of households for most of the households in the district. The female headed households increase from 50,5% in 2011 to 55% in 2022. The dominance of female headed households maybe attributed to the lower life expectancy rates of the males in the district. Another factor is the migration of the males in search of employment leaving females to look after the households.

As could be expected, child headed households account for a very small percentage of the total households, however, it is one to many as ideally no child should be heading a household. One of the main attributes to the child headed households is the HIV / AIDS scourge which has orphaned a lot of children. The positive take home is that these households has not increased as they have remained at 1% in 2022. It is critical that programmes such as Operation Sukuma Sakhe needs to come closer to these households to ensure that the affected children's wellbeing is not severely affected and that they received all the support available.

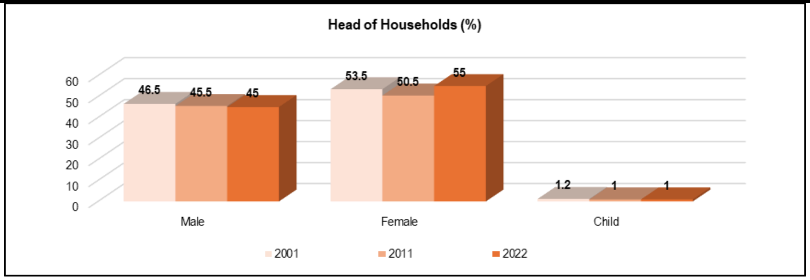



**Figure 3.4.3.4:** Head of Households

**Source:** Stats SA Census, 2022

### 3.4.3.1 Households' Access to Water

In terms of the Census 2022, 83% of the district's households had access to piped water (inside dwelling, inside yard, outside yard or community standpipe). As reflected in Figure 3.4.3.1.1, a tremendous strides have been made in the eradication of households without access to piped water from 2001 to 2022 with the biggest stride being between 2001 to 2011. A 0.4% increase in the backlog was recorded between 2011 and 2022. The slow progress in backlog eradication between 2011 and 2022 as compared to 2001 and 2011 can be attributed to aging infrastructure and limited funding to renew aging and to construct new infrastructure.

The households' access to piped water outside yard / on community stand recorded a decline of 21.4% between 2011 and 2022 whilst piped water inside dwelling / yard increased by 21% for the same period. As depicted in Map 3.4.3.1.1, the highest number of households with access to piped water is along the coast and as you move further inland there is less access. The topography and scattered nature of the rural households attributed to such reality.

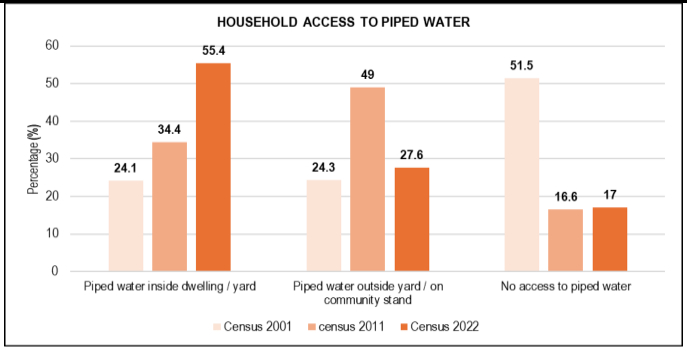



**Figure 3.4.3.1.1:** Households Access to Piped Water

**Source:** Stats SA Census, 2022

### 3.4.3.2 Households' Access to Sanitation

As reflected in Figure 3.4.3.2.1, percentage of households with access to decent sanitation is 62.5% as per the census 2022 making the backlog 37.5%. The decent sanitation level refers to the minimum requirements for acceptable access to sanitation which are Flush toilet (connected to sewerage system, with septic tank or conservancy tank) and Pit toilet with ventilation (VIP).

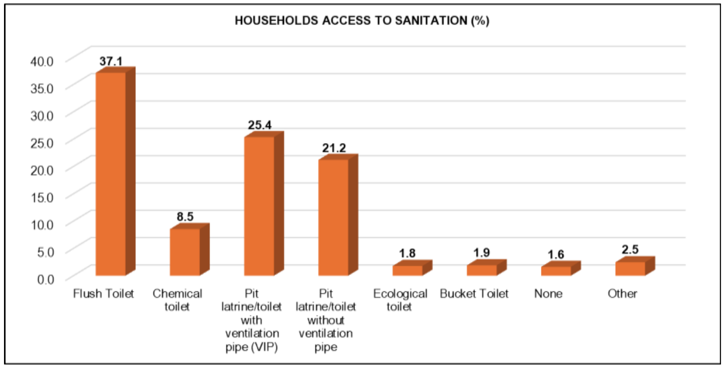



**Figure 3.4.3.2.1:** Households Access to Sanitation

**Source:** Stats SA Census, 2022

The major sanitation backlogs are in the rural Umdoni and Umzumbe Municipalities. Most of the households with access to decent sanitation have access to flush toilets at 37.1% followed by pit latrine / toilet without ventilation pipe.

#### 3.4.3.3 Households' Access to Electricity

As reflected in Figure 3.4.3.3.1, a total of 96% of households used electricity as a source for lighting in 2022 which is a vast improvement from the 48.8% in 2001. As per the census 2022 the current electricity backlog stands at 4% which is an 24.1% decline from the 28.1% in 2011. The access to electricity backlog is concentrated mainly in the rural areas within Umdoni and Umzumbe Municipalities.

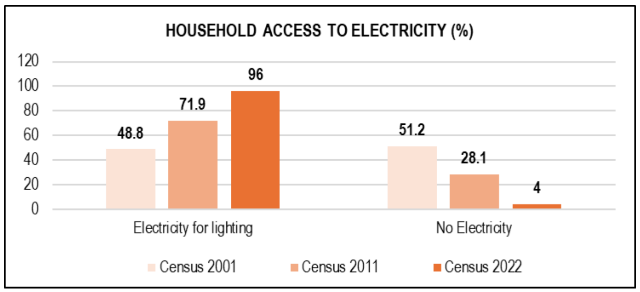



**Figure 3.4.3.3.1:** Households Access to Electricity

**Source:** Stats SA Census, 2022

#### 3.4.3.4 Households' Access to Solid Waste Removal

As reflected in Figure 3.4.3.4.1, the households that have access have their solid waste removed by local authority or private company as per census 2022 is 35% with households having access to communal container or own refuse dump sitting at 60.3% and those with no disposal at 4.7%.

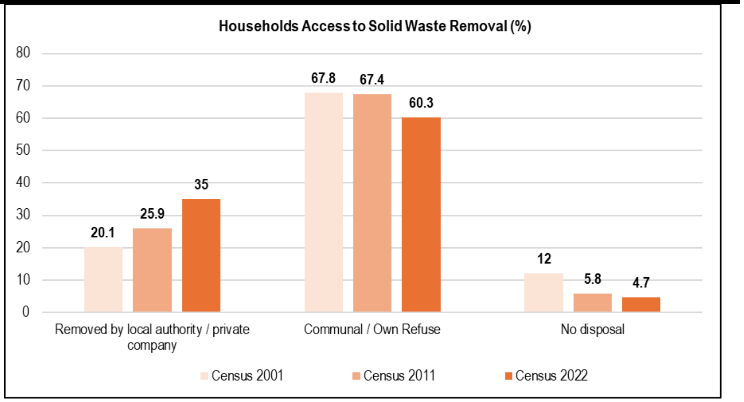



**Figure 3.4.3.4.1:** Households Access to Solid Waste Removal

**Source:** Stats SA Census, 2022

### 3.4.4 Population Education Level

The socio-economic impact of education within municipalities is profound and complex, touching on various aspects of community development and individual well-being. Quality education equips individuals with essential skills, knowledge, and critical thinking abilities, empowering them to participate meaningfully in the local economy. As the educational attainment level rises within the district, there should ideally be a corresponding increase in employment opportunities and higher earning potential for residents. Additionally, an educated workforce attracts investments and industries, fostering economic growth and stability. Education also plays a pivotal role in reducing poverty and promoting social equity by breaking the cycle of intergenerational poverty.

The district's literacy rate has grown steadily from 73% in 2001 to 78% in 2016.

### 3.4.4.1 Population Highest Level of Education Attained

Figure 3.4.4.1.1 reflects the highest level of education for the population that is aged 20 years and older whilst Figure 3.4.4.1.2 reflects the same for youth. There has been a notable decline of 18.1% in the population that is 20 years and older that has no schooling as well as sharp increase of 21.8% with grade 12 or equivalent for the same group of population between 2001 and 2022. A focus to the youth population shows that 46% of the youth had a grade 12 or equivalent education level.

The proportion of the population that is 20 years and older whose education level is less than grade 12 is still unacceptably high at 47% which is nearly half of the that population group. A focus on the youth's highest level of education reveals that the picture was similar as 43% had less than grade 12. This is indicative that the district generally has a low skills base.

The population that is 20 years and older that has education level that is higher than grade 12 is only 9% and as much as 4.3% increase between 2001 and 2022 was achieved it is still below the district's desired percentage.

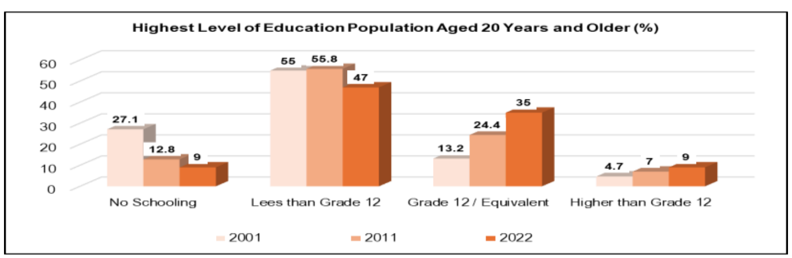



**Figure 3.4.4.1.1:** Highest Level of Education for Population Aged 20 Years and Older

**Source:** Stats SA Census, 2022

### 3.4.4.2 School Attendance

Currently in South Africa the compulsory school going age is 5 to 15 years (grades R to 9). Further Education and Training (FET) band (Education and training for Grades 10 to 12) which caters mainly for ages 16 to 18 is not of compulsory school age. Further education and training is offered by FET colleges and public schools. As per 2022 census, 95% of the children aged 5 to 15 in the district are at school as illustrated in Figure 3.4.4.2.1. Figure 3.4.4.2.2 shows that 19% of the population aged 16 to 18 years which is not a compulsory school going age are not attending any form of educational facility. Based on the 2022 census, as much as the population aged 16 to 18 has an option to take the TVET route, the traditional grade 10 to 12 is still the preferred option for these learners with only 1% opting for TVET.

The South African government is gearing up for making schooling compulsory for ages 3 and 4 years. As per the 2022 census, 70% of this age group is already attending an ECD institution. As shown in Figure 3.4.4.2.3, six (6) out of 10 of the population aged three (3) years and eight (8) out of 10 aged four (4) are attending ECD institution.

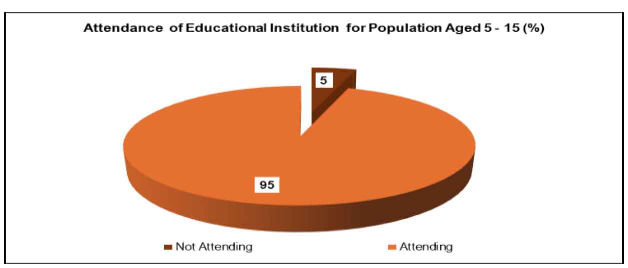



**Figure 3.4.4.2.1:** Attendance of Educational Institution for Population Aged 5 to 15 Years

**Source:** Stats SA Census, 2022

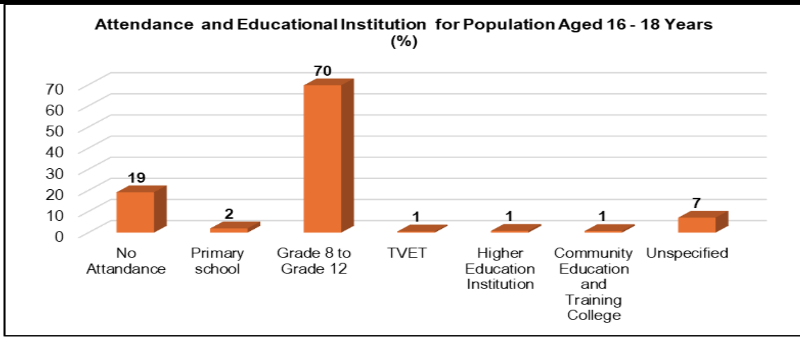



**Figure 3.4.4.2.2:** Attendance of Educational Institution for Population Aged 16 to 18 Years

**Source:** Stats SA Census, 2022

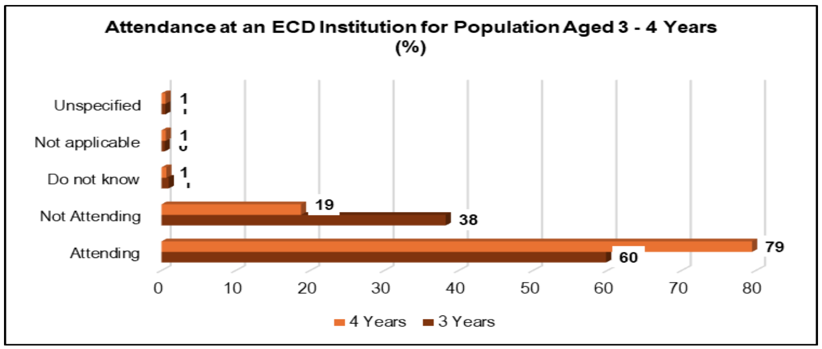



**Figure 3.4.4.2.3:** Attendance at an ECD Institution for Population Aged 3 to 4 Years

**Source:** Stats SA Census, 2022

### 3.4.5 Population Employment Rates

As per S&P Global data, as of 2022, the official unemployment rate in the district stood at 41.5%. The levels of unemployment as reflected in Table 3.6.5.1, have risen significantly within the district over the past ten-year period between 2012 and 2022 increasing by 8.4% and by 11.3% for a five-year period between 2017 and 2022 as per S&P Global data. At a provincial level, the district has the fifth lowest unemployment rate behind eThekwini Metro, Umgungundlovu and iLembe districts as reflected in Figure 3.4.5.1.

Table 3.4.5.1 reflects the Unemployment Rate distribution by age for both the official and expanded definitions. Young people aged between 15 and 34 years are the most affected by, whilst older people of the working age experience a lower, unemployment rate. The scourge of unemployment among the youth population is pronounced when measured using the expanded definition, which includes discouraged work-seekers as it goes as high as 74.2%.

The analysis of the districts and its family of municipalities unemployment rate using S&P Global data the Umzumbe Municipality's population has the highest rate of unemployment which as of 2022 was sitting at 59% as reflected in Figure 3.4.5.1 when compared to Umdoni, Ray Nkonyeni and Umuziwabantu Municipalities who were sitting at an average of 41%. The contrast between Umzumbe and other municipalities may be attributed to the fact that it is 100% rural which the others have some urban portion. The Ray Nkonyeni Municipality which is the district's economic hub experienced the unemployment rate increase between 2019 to 2022 moving from 26% to 41.3%.

**Table 3.4.5.1:** Unemployment Rate Trend 2012 – 2022

**Source:** S&P Global Data, 2022

| Cumulative Average Annual Growth | | Official Unemployment Rate | | |
|---|---|---|---|---|
| 2012 - 2022 | 2017 - 2022 | 2012 | 2017 | 2022 |
| 8.4 | 11.3 | 25.2 | 28.5 | 41.5 |

**Table 3.4.5.2:** Unemployment Rate Distribution by Age – 2022

**Source:** S&P Global Data, 2022

| Unemployment Rate - Official | | | | Unemployment Rate - Expanded | | | |
|---|---|---|---|---|---|---|---|
| 15-34 | 35-44 | 45-54 | 55-64 | 15-34 | 35-44 | 45-54 | 55-64 |
| 62.7 | 34.1 | 24 | 14.5 | 74.2 | 48 | 38.7 | 27.8 |

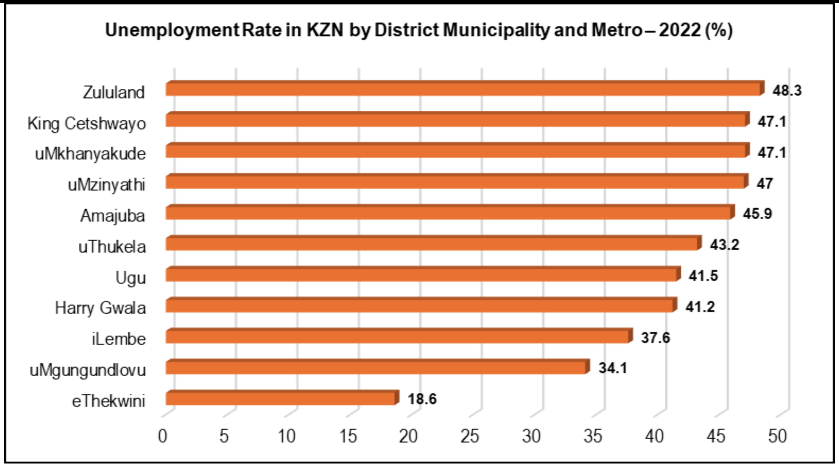



**Figure 3.4.5.1:** Unemployment Rate in KZN by District Municipality and Metro – 2022

**Source:** S&P Global Data, 2022

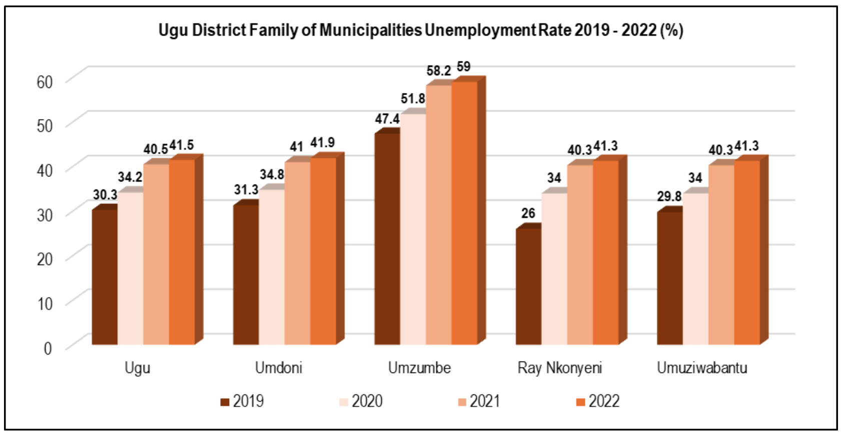



**Figure 3.4.5.2:** Unemployment Rate 2019 - 2022

**Source:** S&P Global Data, 2022

### 3.4.6 Population Poverty Levels

In SA, measures of poverty are used, which are, the food poverty line (FPL), the lower-bound poverty line (LBPL), and the upper-bound poverty line (UBPL), for statistical reporting. The FPL (also referred to as extreme poverty line) reflects the level of consumption below which individuals cannot purchase sufficient food to provide them with an adequate diet (R663 in April 2022 prices per person per month). Those living below this line are consuming insufficient calories for their nourishment. The LBPL denotes food and non-food items required by households (R945 in April 2022 prices per person per month). However, those living below this line must sacrifice some food to get these non-food items such as transport and airtime. Finally, individuals living below the UBPL are those who can consume both food and non-food items but cannot meet other necessities such as shelter, education, security and healthcare (R1 417 in April 2022 prices per person per month).

The NDP aims to eliminate poverty and reduce inequality by 2030. Considering the national, provincial and district poverty levels, achievement of the NDP goal is not possible. The KZN province had the largest proportion of people living below the FPL in the country at 40.5% which is 8.6% higher than the country's 31.9%. The district's proportion of people living below FPL stood at 40.2% in 2022 which was slightly lower than the province's proportion. As much as the district's people living below the FPL is unacceptable high, it was the fourth lowest proportion in the province (see Table 3.4.6.1).

The proportion of people living below the LBPL is 55.8% which is the fourth lowest proportion in the province and is slightly higher than province's 55.1. The proportion of people living below the UBPL 71.5% which is third lowest in the province and is slightly higher than province's 70.3%.

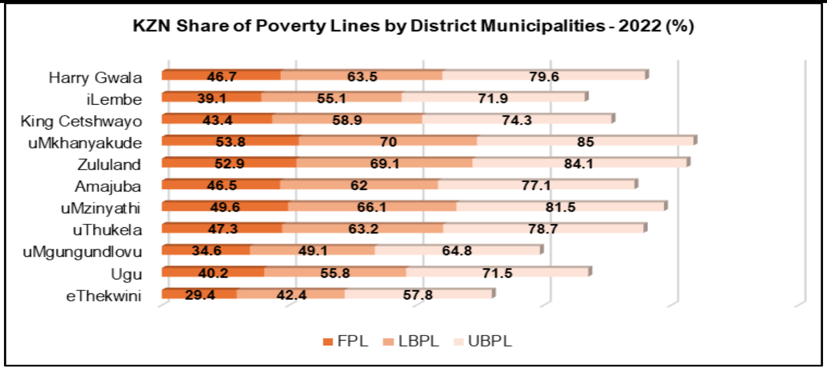



**Figure 3.4.6.1:** KZN Share of Poverty Lines by District Municipalities

**Source:** S&P Global Data, 2022

### 3.4.7 Household Income and Inequality

The NDP targets to reduce income inequality (measured by the Gini Coefficient) from 0.69 to 0.60 by 2030. In 2022, SA reported a Gini coefficient of 0.61, signalling that the country remains characterised by significant inequality and KZN was one of provinces displaying notable income inequality registering a Gini Coefficient of 0.61. The district together with Umgungundlovu and Amajuba had the highest Gini Coefficient of 0.62 as reflected in Figure 3.4.7.1.

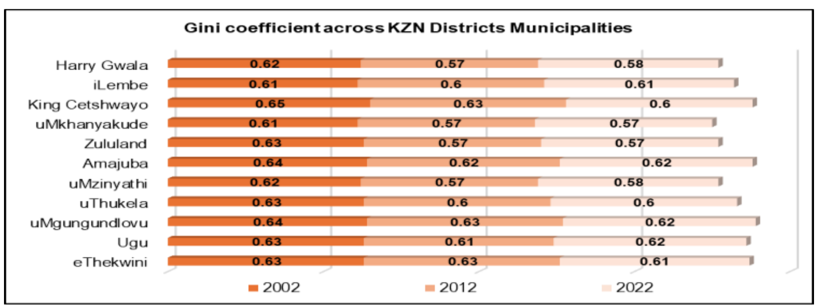



**Figure 3.4.7.1:** Gini Coefficient Across KZN District Municipalities

**Source:** S&P Global Data, 2022

### 3.4.8 Demographic Characteristics Key Emerging Issues

The demographic characteristics analysis undertaken above culminated in the identification of a number of key emerging issues and trends. The summary of key emerging issues and trends are summarised as follows:

- **Demographic dividend**

  The district has a healthy proportion of the working age population group which places it in a position to cash in the demographic dividend. However, to maximise demographic dividend potential, supportive socio-economic conditions need to be in place. These include low unemployment, policies that successfully support economic growth (and create jobs), education and training. The current economic condition in the district therefor, does not place the district in a favourable position to reap the demographic dividend.

- **Improved households access to basic services**

  There has been a substantial reduction backlogs of households with no access to basic services. The distribution of the access of households to basic services between the urban and rural areas remains a challenge as most backlogs are in rural areas.

- **Low skills base**

  As much as there has been a decrease in the number of population with no schooling, a substantial proportion of the population has education levels of less than grade 12 (47%). Most of the population's highest level of education is grade 12 and very few have an education level higher than grade 12.

- **Triple threat challenge**

  The triple treat challenge of unemployment, poverty and inequality continues to be persistent in the district. The unemployment rate is at its highest whilst poverty continues to be at an unacceptable high level.

- **Improved Fertility Rates**

  The fertility rate has gradually increased of the years in the district which was propelled by the steady decline in mortality rates. This requires additional investment in health care services especially as the more the population ages the health they require.

## 3.5 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Municipal Transformation and Institutional Development is the foundation of sound administration and preparedness of any institution to deliver on its mandate. The developmental duties of municipalities as per the Constitution are to structure and manage their administrations and budgeting and planning processes to give priority to the basic needs of the community, to promote the social and economic development of the community; and to participate in national and provincial development programmes.

The district taking its cue from the Constitution and other legislative prescripts has structured its administration accordingly as discussed in this section.

### 3.5.1 Powers and Functions

Chapter 5 of the Municipal Structures Act of 1998 (as amended) makes provision for the division of powers and functions between the district and local municipalities. It assigns the region wide functions to the district municipalities and most day-to-day service delivery functions to the local municipalities. The provincial MECs are empowered to adjust these powers and functions according to the capacity of the municipalities to deliver services. In terms of the Act the district must seek to achieve the integrated, sustainable and equitable social and economic development of its area whole by:

a) Ensuring integrated development planning for the district as a whole.
b) Promoting bulk infrastructure development and services for the district as a whole.
c) Building the capacity of municipalities in its area to perform their functions and exercise their powers where such capacity is lacking.
d) Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

The district’s powers and functions are outlined in Section 84 of the Act.

### 3.5.2 Institutional / Organisational Arrangements

The district has structured it administration in accordance with the legislative prescripts and such way that it effectively fulfils all of its legislative mandates effectively and efficiently.

The Municipal Manager is the Chief Accounting Officer of the municipality. The Municipal Manager is the head of the administration and primarily must serve as the chief custodian of service delivery. The Municipal Manager is assisted by the Management Team that consist of four (4) Senior Managers that reports directly to the Municipal Manager. The structure of the management team is outlined in the Figure 3.5.2.1.

The district has five (5) departments four of which are headed by General Managers that reports directly to the Municipal Manager and one which is the Office of the Municipal Manager is headed by the Municipal Manager. The functions performed by each department are outlined in Figure 3.5.2.1. The district also has a development agency as a special purpose vehicle which is an investment arm of the district across all sectors of the economy.

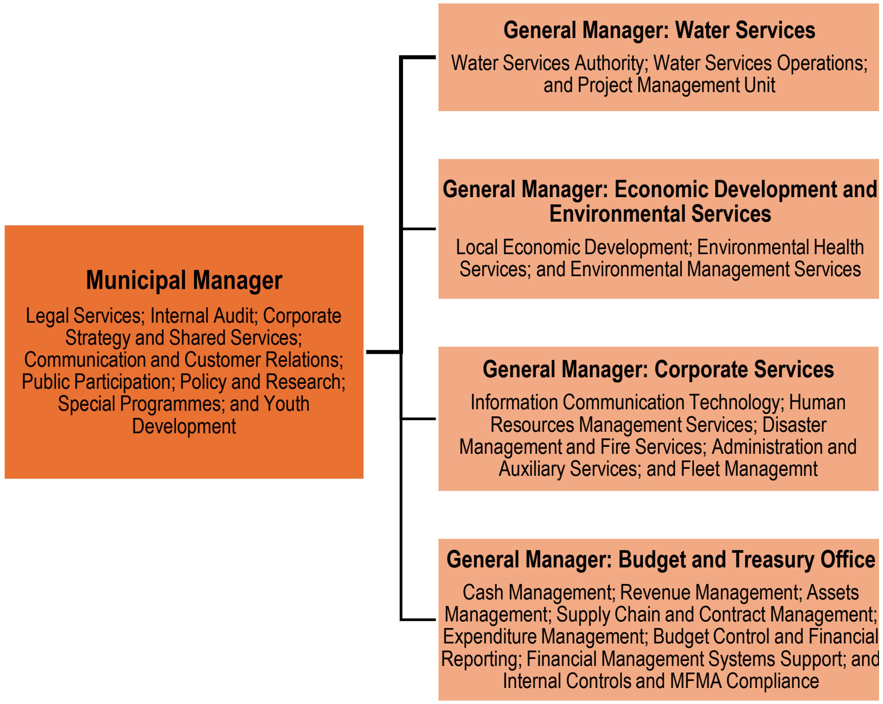



**Figure 3.5.2.1:** Top Management Structure

The Management Committee (MANCO) is functional and sits on a regular basis and is functional. The Municipal Manager and MANCO oversee the strategic direction and organisational objectives as well as ensuring financial transparency, accountability, and regulatory compliance.

### 3.5.2.1 Water Services

The main purpose of the department is to provide water services directly to the consumer. The main functions of the departments amongst others are to operate and maintain water distribution systems, implement water conservation and water demand management as well as operate and maintain boreholes. The Water Services Department management structure is made up of General Manager, two (2) Senior Managers and seven (7) Managers as depicted in Figure 3.5.2.1.1.


**Figure 3.5.2.1.1:** Water Services Department Management Structure

### 3.5.2.2 Economic Development and Environmental Services

The main purpose of the department is to plan, regulate and coordinate economic planning and development, and environmental health management. The main functions of the department are to facilitate and coordinate the development and implementation of an Environmental Health Management Strategy and implement the district 's Economic Development Programmes which are namely, Agricultural, Rural Development, Forestry, and SMME and Cooperatives Development.

The Economic Development and Environmental Services Department is made up of General Manager, Senior Manager and three (3) Managers as depicted in Figure 3.5.2.2.1.

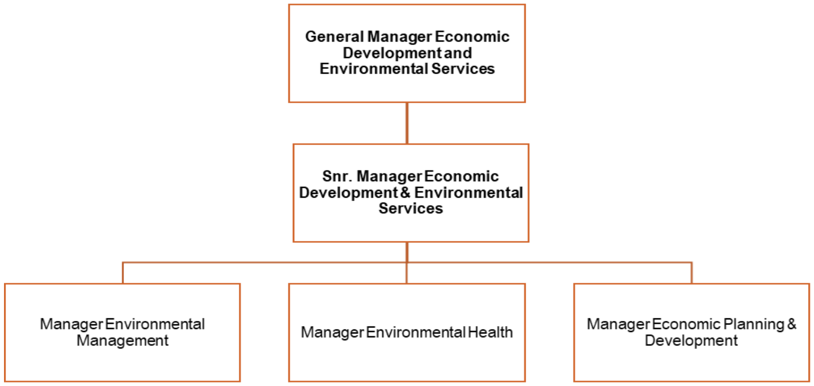



**Figure 3.5.2.2.1:** Economic Development and Environmental Services Department Management Structure

### 3.5.2.3 Corporate Services

The main purpose of the department is the provision of an integrated corporate service. The main function is to provide an integrated human resources service to all municipal departments, to provide an integrated administration service constituted of Council and Committee Support, Auxiliary and Office support Services, and to provide a comprehensive ICT support service to all the municipal components. The Corporate Services Department is made up of General Manager, two (2) Senior Managers and six (6) Managers as depicted in Figure 3.5.2.3.1.

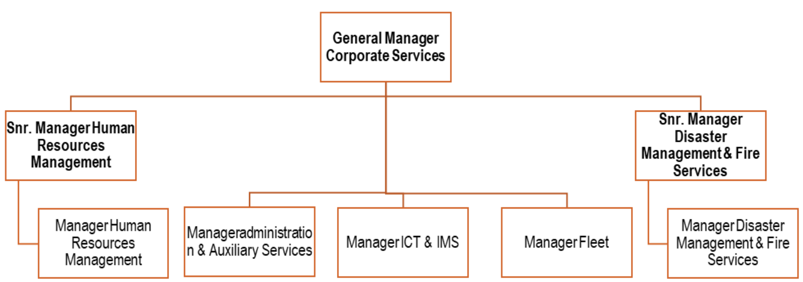



**Figure 3.5.2.3.1:** Corporate Services Department Management Structure

### 3.5.2.4 Budget and Treasury Office

The main purpose of the department is to manage municipal finances, procurement and assets. The main functions are to render financial planning, budgeting and expenditure services, to collect and manage income and revenue, to render provisioning, assets, stock and fleet management services, to render and to manage financial risk management services, and to coordinate and control internal and external material storage supply arrangements and facilities. The Budget and Treasury Office Department is made up of General Manager, Senior Manager and nine (9) Managers as depicted in Figure 3.5.2.4.1.

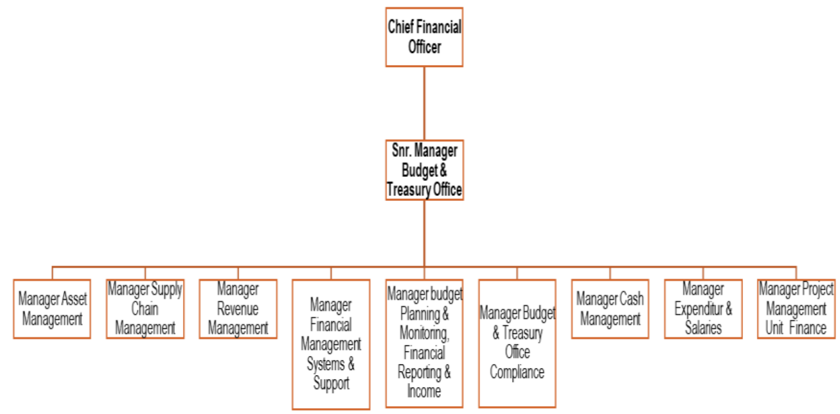



**Figure 3.5.2.4.1:** Budget and Treasury Office Department Management Structure

### 3.5.2.5 Office of the Municipal Manager

The main purpose of the department is to oversee the administration of and serve as Chief Executive and Accounting Officer of the Municipality. The main functions of the department are to develop and lead an economical, effective, efficient and accountable municipal administration, oversee the implementation of the municipality's IDP, oversee the appointment of staff other than Section 57 appointees, subject to the Employment Equity Act (55) of 1998, oversee the maintenance of discipline of municipal staff, advise political structures and political office bearers of the municipality, manage communications between the municipality's administration and its political structures and political office bearers, account for the implementation of Council Resolutions, oversee the administration and implementation of municipal by-laws, policies and other legislation, account for municipal income, expenditure and assets, facilitate participation by the community in the affairs of the municipality, and provide internal Communications support and Customer Relations Services.

The Office of the Municipal Manager Department is made up of Municipal Manager as the head of the department, two (2) Senior Managers and nine (9) Managers as depicted in Figure 3.5.2.5.1.

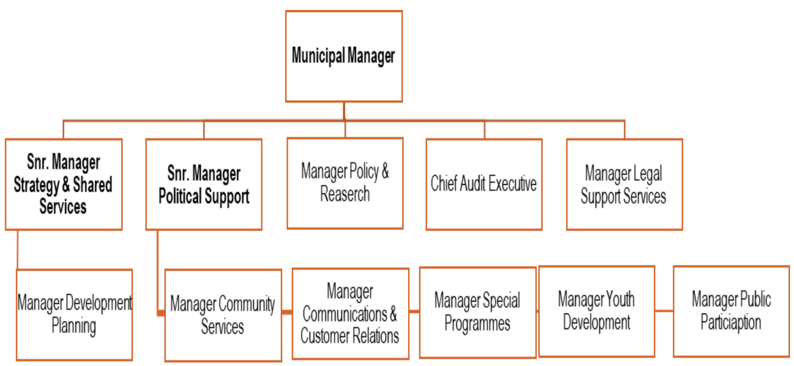



**Figure 3.5.2.5.1:** Office of the Municipal Manager Department Management Structure

#### 3.5.2.6 Municipal Entity

The district in 2021 resolved to undertake a change management process with regards to the function of Local Economic Development (LED) and change management structures were set up to coordinate and undertake the process. Two agencies, namely Ugu South Coast Tourism and Ugu South Coast Development Agency from 1 July 2022 were merged into the South Coast Tourism and Investment Enterprise (SCTIE). The mandate of the SCTIE is to drive investment and be the investment arm of the district across all sectors of the economy. The four main goals being of the agency are investment attraction, increased tourists, stakeholder management and financial viability.

### 3.5.3 Organisational Analysis

As per the adopted revised organogram, that was approved on the 24th of October 2024, the organisational structure has 1191 positions of which 965 are filled making the vacancy rate of 18.97%. The organisational structure can be categorised into seven (7) positions / levels which are Top Management, Senior Management, Middle Management, Professional, Technical, Administrative and General Workers.

The distribution of these positions / levels in organisational structure is depicted in Figure 3.5.3.1. The General Workers and Administrative dominates the organisational structure positions / levels with a share of 54% and 21% respectively collectively making a total share of 75%. The management (top, senior and middle) makes up 6% whilst professionals and technical takes the remaining 19% share of the organisational structure positions / levels.

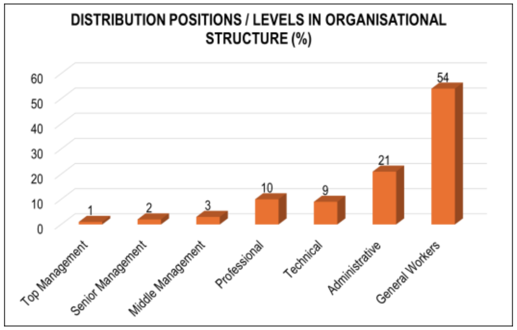



**Figure 3.5.3.1:** Positions / Levels in the Organisational Structure

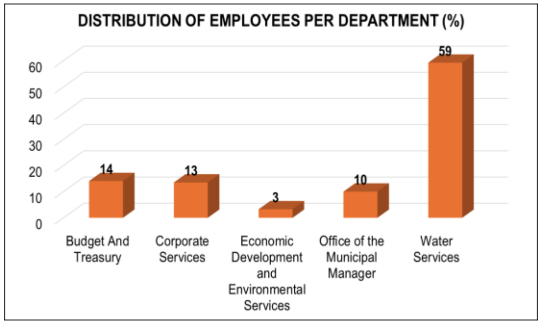



**Figure 3.5.3.2:** Distribution of Employees per Department

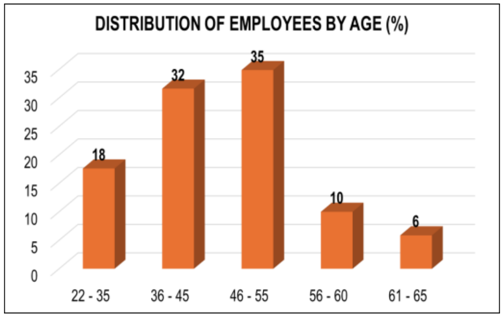



**Figure 3.5.3.3:** Distribution of Employees by Age

The distribution of current employees per the district's five (5) departments is shown in Figure 3.5.3.2. The Water Services department has a more than half share of the total employees as the service delivery department. The support departments Budget and Treasury and Corporate Services makes up 27% with the Economic Development and Environmental Services, and Office of the Municipal Manager making up the remaining 13%

The distribution of employees by age is reflected in Figure 3.5.3.2. Most of the employees are between the ages of 36 to 55 years. The youth make up 18% of the total number of the district's employees.

Analysis of the current employees by gender, race and disability reveals the following:

- In terms of employee distribution by gender, nearly two (2) thirds (66%) of the employees are males. These proportions are indicative of employment equity figures which do not favour female employees and requires attention in the district's implementation of its Employment Equity strategy.
- In terms of employee distribution, the African had a 91%, Indian 6%, White 2% and Coloured 1% share of the race groups which is synonymous with district's demographics
- A total of 2% of the employees have disability which is commensurate with acceptable national standard.

As reflected in Figure 3.5.3.4 large proportion of the employees have been with the district for more than four (4) years which might be indicative of an efficient retention strategy. Furthermore, this is advantageous for the district as there leads to good institutional memory.

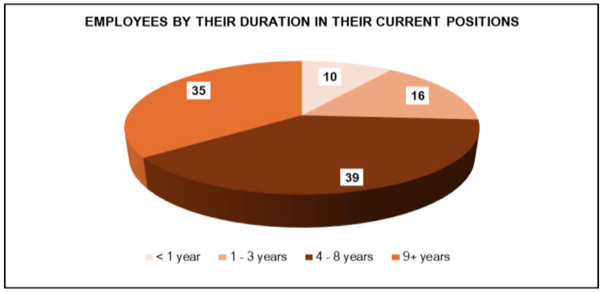



**Figure 3.5.3.4:** Employees by their Duration in their Current Positions

The skills and qualifications required for the organisational structure based on the job descriptions is reflected in Figure 3.5.3.5. The distribution of required qualification reveals that a large proportion of the organisational structure requires matric / NQF level 4 and NQF certificate qualification. The organisational structure positions that require a diploma or a degree are 19% whilst 1% require post graduate qualification.

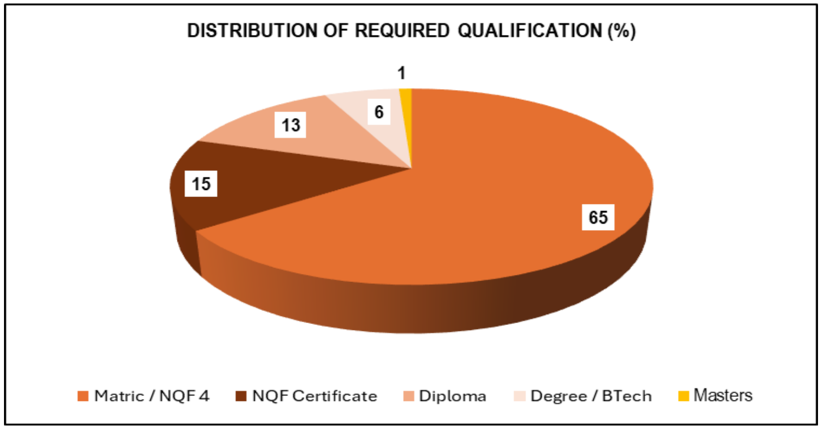



**Figure 3.5.3.5:** Distribution of Required Qualifications

### 3.5.4 Municipal Institutional Capacity

The lack of capacity is one of the perennial explanations for shortcomings in municipal service delivery and core to this capacity problem are the very high vacancy rates in local government in general. The district currently has a vacancy rate of 18.97%. Furthermore, Section 26 of the Systems Act indicates that an IDP amongst other things must reflect applicable disaster management plans and local development aims (i.e. LED Strategy or Plan). The capacity of the district therefore, to ensure such strategies and plans are in place and implemented is also reflected in in this section.

#### 3.5.4.1 Status of Critical Posts

The critical posts refer to the Municipal Manager and all the Section 56 posts. The position of the Municipal Manager is currently filled. In terms of section 56 posts, all posts are also filled as reflected in Figure 3.5.4.1.1.

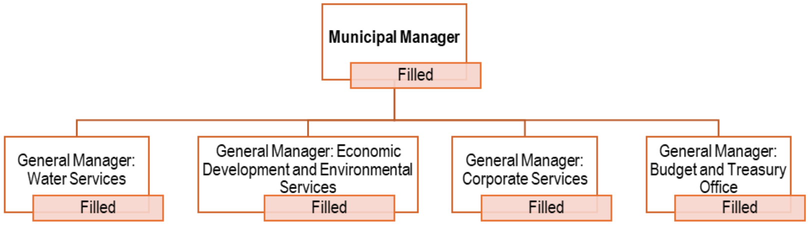



**Figure 3.5.4.1.1:** Status of Critical Posts

#### 3.5.4.2 Disaster Management Institutional Capacity

In line with Section 43 on the Disaster Management Act 57 of 2002, the district established the Disaster Management Section in 2005 within its administration and its fully functional. In 2013 another decision was taken in- line with the Fire Brigades Act 90 of 1987, towards the establishment of District Fire Services. In terms of the approved organogram, the Disaster Management and Fire Services Unit have a total number of 27 positions of which 23 is filled (see Figure 3.5.4.2.1) making the unit's vacancy rate to be 14.81%. The unit is further supplemented by six (6) EPWP beneficiaries which are placed within the unit.

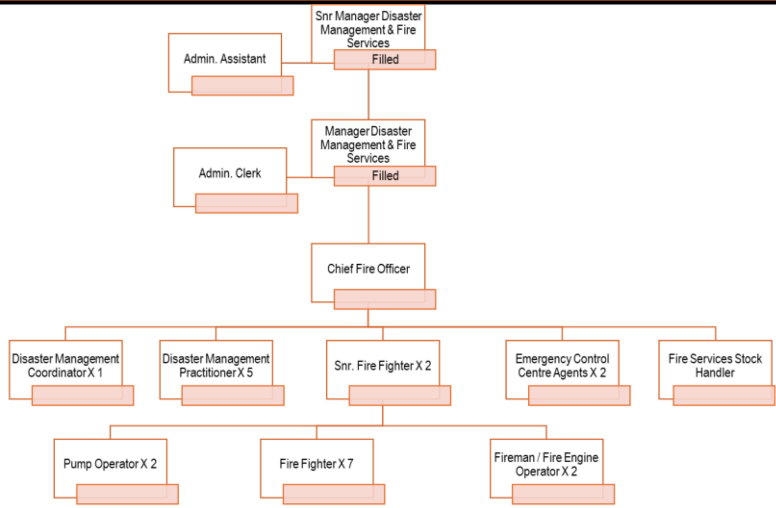



**Figure 3.5.4.2.1:** Disaster Management Institutional Capacity

The District Disaster Management and Fire Services Section ensure an integrated and a well- coordinated approach to disaster risk management and fire services within the district. The district fire and rescues serve as secondary response to incidents reported within the district. The district fire team provide back-up support to the local municipalities with limited capacity and resources.

The district fire capacity assessment was conducted by the Provincial Disaster Management Centre (COGTA). The outcome of the study revealed that out of four (4) municipalities only two (2) municipalities have established and fully functional fire services. The district Disaster Management and Fire Services then initiated support towards the two (2) municipalities that are not fully established or functional in a form of financial grant support, equipment, and personnel.

The district has a Control Centre that is well equipped and functional which operational 24 hour a day and seven (7) days a week. Complaints calls are received, logged and response teams are dispatched to conduct rescue and assess the extent of the damages and further provide with temporal relief material. The Control Centre further attends to all technological correspondence such as e-mails, SMSs, and disseminates bulk warning alerts to the relevant stakeholders.

### 3.5.4.3 LED Functionality and Capacity

The LED Unit has an enormous task of formulating regional economic development plans, vertical and horizontal co-ordination through the preparation of district economic and sectoral-based cluster plans, implementing public sector process of economic intervention actions, initiating economic development opportunities when appropriate through special purpose vehicles created for the initiative, managing and controlling local economic initiatives in accordance with the expressed role and function of the municipality, monitoring, evaluating and reviewing economic development initiatives at local government level, directing and coordinating implementation by the establishing districtwide economic development organisations and agencies, supporting LED implementation by local municipalities, and mobilising resource for LED implementation.

In terms of the approved organogram, the LED Unit has a total number of nine (9) positions of which six (6) is filled (see Figure 3.5.4.3.1) making the unit's vacancy rate to be 33.3%. The high vacancy rate within the LED Unit depicts the human resource capacity constraints when it comes to implementation of LED in the district.

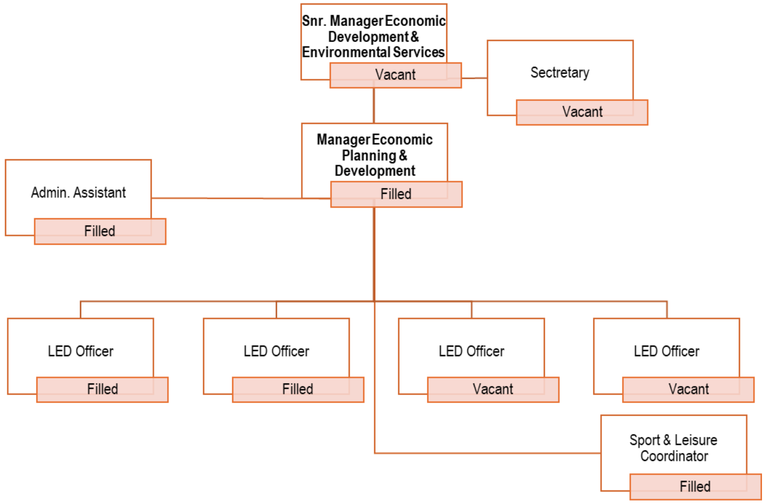



**Figure 3.5.4.3.1:** LED Institutional Capacity

The benchmarking exercise of the LED institutional structures at the local and district municipal levels that was conducted in 2021 reveals that the human resource capacity constraints is also prevalent in the local municipalities. In ensuring effective LED within the district the exercise than proposed ideal LED institutional arrangements for both the district and local municipalities.

The district has a development agency (SCTIE) which implements economic development plans as guided by the municipal frameworks and strategies, investment attraction and retention and identification of economic development initiatives to be implemented as guided by the plans of the municipalities. The development agency is an extended capacity for the district and local municipalities LED unit and functions as a special purpose vehicle for the economic growth of the district.

### 3.5.5 Human Resource Development

Human resource development planning is important in keeping the workers aligned with the goals of the municipality. In this regard, the district has developed strategies and policies aimed at ensuring human resource development within the institution which includes amongst others, Human Resources Strategy and Plan, Employment Equity Plan Skills Development Plan, Recruitment and Selection policy, Retention policy and Exit Policy.

The district is fully cognisant of the skills employees bring to the workplace and how critical input in the delivery of all services the district delivers they are. It is of pivotal importance therefore that people with the required skills are recruited, retained, appropriately deployed and continuously developed.

The district's Human Resources Development (HRD) Strategy Framework puts forward a set of strategies to help organisation to form a partnership for helping the employees acquire the necessary knowledge, skills and attitude to perform their jobs better.

#### 3.5.5.1 Employment Equity

Section 20 of the Employment Equity Act requires that designated employer prepares and implements Employment Equity Plan which will achieve reasonable progress towards employment equity. The district developed and adopted the plan on the 24th of November 2022.

The district's Employment Equity fosters and promotes an inclusive and equal employment work environment for employees and the diverse community we serve, promotes a harassment and discrimination-free workplace, provides guidance, training, and resources. The Employment Equity Plan aim to:

- Promote a workforce that reflects the diversity of the Municipality's population throughout all job categories and job levels.
- Promote awareness and understanding of the municipality's commitment to equal employment opportunities and the prevention of harassment and discrimination in the workplace.

**Table 3.5.5.1.1:** Employment Equity Priorities

| PRIORITIES | 2022 / 2023 | 2023 / 2024 | 2024 / 2025 | 2025 / 2026 | 2026 / 2027 |
|---|---|---|---|---|---|
| Ensuring compliance to the employment equity targets at a Management Level 0-6 | 45% | 45% | 45% | 45% | 45% |
| Employment Equity Plan Review | NA | NA | Yes | NA | NA |

### 3.5.5.2 Skills Development

The skills audit was conducted and concluded in November 2021 through GAPSKILL System, presentation was to the Municipal Council on the 25th of August 2022, and the results are used to implement the Work Skills Plan (WSP). The WSP is reviewed annually to identify training and capacity building requirements. The summary of training interventions targeted is:

- Multi-skilling of other general workers to improve morale is required.
- A Special type ABET programme is rolled out to address illiteracy.
- Water and wastewater treatment works have 36 operators, 20 are skilled with NQF level 4.
- Maintenance of pipes and valves give rise to more over-time being worked, however there are 47 Plumbers and Special Workmen. 42 of these have been trained with 25 having successfully completed the relevant trade test.

### 3.5.5.3 Employee Attraction and Retention

To be able to realise its delivery objectives and to attain the levels of efficiency that will enable it to deliver on its constitutional mandate, the district must be able to attract and retain personnel with requisite competencies, and in particular with regard to scarce and critical occupational posts. The development of a framework to attract and retain skills that are scarce and critical to the realisation of the municipality's vision for long term development therefore becomes crucial with special emphasis to its most critical development and transformation needs.

The district adopted a Talent Management, Retention and Succession Planning Policy on the 29th of February 2024 which seeks to ensure that employees are kept within the institution, especially employees with valued or needed skills or experience in a scarce / critical field (where recruitment is difficult) and employees from the designated groups (as defined in the Employment Equity Act, 1998) namely black people, women and people with disabilities, using various techniques. The different staff retention techniques identified in the policy includes scarce skills, employment equity, service providers, encouraging performance, morale building, boost of employee's self-esteem, sense of ownership, communication, performance appraisal and staff development and training.

One of the yardsticks to measure the effectiveness of the implementation of the retention policy is the duration of employees in the institution. As already indicated in the organisational analysis section, well over 70% of the employees have been with the institution for more than four (4) years. Furthermore, as reflect in the Human Resource Management Plan, the district implements a number of programmes on an annual basis in line with the Staff Retention Policy and most recently has implemented an individual performance management system.

#### 3.5.5.4 Health and Safety in the Workplace

The employer's common law duty to provide safe working conditions. The employer is required to take reasonable care for the health and safety of the employees by conducting periodic Risk Assessments. The district in fulfilling its legislative duty ensures that frequent Risk Assessments and Audits are conducted, and the findings that have been identified over the years are of the similar nature being the following:

- Building Maintenance Requirements in several Municipal Buildings.
- The manholes that are missing covers.
- Non - compliance to chlorine handling form certain workstations.
- Aged Municipal Vehicles.
- Overgrown vegetation in different Workstations.
- Sub - standard electrical installations in some workstations.

In year 2023 / 2024 the Health and Safety Committee was established and Safety Representatives in different Workstations were appointed, who are tasked with the responsibility of ensuring workplace safety.

#### 3.5.5.5 Employee Assistant Programme (EAP)

Employee Health and Wellness is the promotion and maintenance of the highest degree of physical, mental, spiritual and social well-being in all occupations; prevention of illness caused by working conditions; protection of employees in their employment from risks resulting from factors adverse to health; placement and maintenance of employees in an occupational environment adapted to optimal physiological and psychological capabilities; and the adaptation of work to employees and of each employee to his/her job. The explicit aim of the EAP is to improve the quality of life of all employees by providing support and helping to alleviate the impact of everyday work, personal and family problems.

The district's EAP ensures that the emotional well-being of its employees that may affect their productivity is attended to through programmes ranging from the following areas:

- Management of Chronic Diseases
- HIV/AIDS Management
- Stress/Mental Health
- Incapacity due to ill health
- Medical awareness and check-ups
- Promotion of Health, Good nutrition
- Financial Wellness
- Spiritual Wellness Management
- Impact of Alcohol Abuse

#### 3.5.5.6 Employer / Employee Relations

Through Employer / Employee Relations the district promotes a high-quality workforce and collaborates relationships between employees, management, and employee organisations. Employer / Employee Relations provides the district with a platform to form strategic partnership whilst providing guidance, training, and recommendations on management of employee performance.

The district through Employer / Employee Relations aims to achieve the following goals:

- Promote a work environment which values cooperation and collaboration where issues are resolved at the lowest possible level.
- Ensure that all employees are treated equitably and consistently.
- Develop and strengthen interactions with departments through training, communication, information, and support on employee relations issues allowing for prevention, early discovery, and/or prompt resolution.
- Expect and meet the changing needs of the workforce.

### 3.5.6 Administration and Auxiliary

In ensuring that the proper records of council meetings are kept and that the council resolutions are implemented, the secretariat service is provided. This is done by providing secretariat support to the Committees of the District Municipal Council such as Council, Exco, Portfolio Committees, Sub-Committees, and Forums.

This supporting structure serves as both the catalyst and the hub of information or engine room that suitably co-ordinates and records all the proceedings of the decision-making bodies for future references and implementation. This is also regarded as a confluence of information from all Departments that the Municipality has. The kind of support this Unit provides is indispensable throughout the organisation.

### 3.5.7 Fleet Management

Fleet Management plays a very integral part in the execution of daily activities in the Municipality and is one of the biggest spenders of the operational budget thus its proper management is of utmost importance. Fleet Management involves the following functions:

- Identification of vehicles for replacement and disposal.
- Repair and maintenance of vehicles.
- Licensing of vehicles.
- Monitoring fuel usage and vehicle abuse.
- Annual verification of vehicles and driver’s licenses; and
- Accident management.

The district has about 246 vehicles within its Fleet, used primarily for water services provision. The in-house mechanics currently does some minor repairs due to non-availability of the workshop structure. The coordination of vehicle licenses renewals at relevant intervals is also of importance to ensure all vehicles are always roadworthy.

### 3.5.8 Internal Information and Communication Technology (ICT)

The Council's 5-year ICT Digital Strategy (2022–2027) guides ICT projects, emphasizing digital transformation and data-driven decision making. The Council also adopted the ICT Cloud Strategy in 2024, Cybersecurity Strategy in 2025, and will adopt the Data and AI Strategies in 2026. Together, these initiatives advance the Municipality into the digital era.

The District's ICT Digital Strategy aims to guide progress toward a forward-thinking digital future by emphasising long-term strategic goals. After a SALGA assessment of the Municipality's ICT capability maturity in December 2024, the Municipality improved its score from 3.5 in 2021—which reflected a Proactive Technology approach—to 4.01, representing an Aligned Service provision approach. This improvement followed two years of implementing the ICT Digital Strategy, positioning the Section to achieve the highest score in KZN. For context, the KZN baseline at that time was 2.28.

This ICT Digital Strategy encompasses a comprehensive background, contextual analysis, and understanding of the ICT needs of both internal stakeholders and citizens. It establishes a strategic framework with key priorities and programs aimed at delivering value to the Municipality and its constituents over the short, medium, and long terms, supported by a roadmap to achieve these objectives. The five (5) value drivers are lowering of municipal cost drivers, provision of revenue, delivering of efficiencies, realisation of developmental goals and fostering of citizen engagement.

Value drivers are residing at an Organisational-wide and domain-wide level and as such – are at a strategic level. To realise the use of digital technology and interventions to deliver value – there are value principles that have been adopted to guide the decision-making process relating to digital projects, governance of digital, the measurement of impact of interventions, and full strategic alignment between Organisational strategy and operational goals and objectives with the digital interventions. The key underpinning technology value principles for the digital strategy are to simplify, integrate, give pulse / data driven, lower costs, and cater for the creation of new services.

Over the period of the Digital strategy, the district will prioritise the connected infrastructure, citizens and workforce, paperless administration and data driven local government as building blocks and 4IR Initiatives.

To deliver what are challenging change programmes and maintain its excellent status, it is paramount that the district maximizes the use of ICT resources.

### 3.5.9 Municipal Transformation and Institutional Development Swot Analysis

The municipal transformation and institutional development analysis undertaken above culminated in the identification of a number of challenges, which the district needs to redress, address and mitigate. The municipal transformation and institutional development SWOT Analysis of the district is detailed in Table 3.5.9.1 which is followed by a summary of key challenges in Table 3.5.9.2.

**Table 3.5.9.1:** Municipal Transformation and Institutional Development SWOT Analysis

| | |
|---|---|
| **STRENGTHS** | ▪ Human Resource Development Strategy and Plan, HR Strategy and Plan, Employment Equity Plan, Workplace Skill Plan, Recruitment and Selection Policy, Retention Policy, are in place and are reviewed timeously.<br>▪ Approved Organisational Structure / Organogram in place.<br>▪ Effective and efficient information and communication technology.<br>▪ Individual performance management system in place.<br>▪ Sound employer / employee relations.<br>▪ Skilled labour.<br>▪ Ongoing specialised trainings for firefighters. |
| **WEAKNESSES** | ▪ Information and communication technology is not utilised to its full capacity within the Municipality.<br>▪ Limited and ageing fleet for service delivery as well as emergency and support services.<br>▪ Limited human resource capacity for LED and Fire Services.<br>▪ Limited funding to implement some of the municipal transformation and institutional development programmes / projects.<br>▪ Succession planning and talent management.<br>▪ Misplacement of skills.<br>▪ Lack of understanding of organisational culture individual performance management system. |
| **OPPORTUNITIES** | ▪ Full exploitation of the fourth industrial revolution.<br>▪ Reskilling of employees to take full advantage of the fourth industrial revolution.<br>▪ Automation of the individual performance management system. |
| **THREATS** | ▪ The fourth industrial revolution may render certain positions redundant if such positions are not repurposed and incumbents reskilled.<br>▪ Loss of critical highly skilled personnel to other organisations. |

**Table 3.5.9.2:** Municipal Transformation and Institutional Development Key Challenges

| | |
|---|---|
| **Key Challenge** | **Fourth industrial revolution** |
| **Description** | As much as the fourth industrial revolution comes with positive prospects, it also presents certain risks to the institution which if not mitigated may pose serious challenges.<br><br>The institutions skills base is not necessarily aligned with the direction that the fourth industrial revelation is directing the institutions towards. A reskilling of some of the employees is necessary to realise the full potential of the fourth industrial revelation. |
| **Key Challenge** | **Limited funding to implement municipal transformation and institutional development programmes / projects** |
| **Description** | There is limited funding to effectively and efficiently implement programmes such as EAP, skills development and OHS. The district is doing the bare minimum for compliance purposes with the current available funding. |
| **Key Challenge** | **Limited human resource capacity for LED** |
| **Description** | The vacancy rate for the LED Unit is 87.5% meaning that the unit is currently functioning at 12.5%. This compromises the district's ability to fulfil its coordination and facilitation role which is further exacerbated by the limited capacity at the local municipality level as well. |
| **Key Challenge** | **Limited fleet for both service delivery and support services** |
| **Description** | There is limited available fleet for performance of service delivery and support services which is further worsened by the down time of fleet due to repairs and maintenance. The vastness of the district does not make the situation any better. |
| **Key Challenge** | **Skewed Human Capital Ratio** |
| **Description** | There is a need for the rationalisation of Human Capital Ratio to 60 Support Services and 40 Service Delivery. |

## 3.6 BASIC SERVICE DELIVERY AND INFRASTRUCTURE ANALYSIS

The Constitution stipulates that every citizen has the right to adequate housing access and that the state must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right. Access to housing also includes access to basic services such as potable water, basic sanitation, safe energy sources, and refuse removal services, to ensure that households enjoy a decent standard of living.

Furthermore, the district needs to invest in a strong network of economic infrastructure designed to support the district's medium- and long-term economic and social objectives. This economic infrastructure is a precondition for providing basic services such as electricity, water, sanitation, telecommunications and public transport, and it needs to be robust and extensive enough to meet industrial, commercial and household needs.

### 3.6.1 Water and Sanitation Provision and Infrastructure

In terms of division of powers and functions as outlined in Structures Act, the district is duty bound to promote bulk infrastructure development and services for the district as a whole and is responsible for portable water supply systems as well as domestic wastewater and sewage disposal systems.

#### 3.6.1.1 Water and Sanitation Provision Standards

The norms and standards for levels of water services particularly draw on the principles of universal access, human dignity, user participation, service standards, redress, and value for money. The principles of sustainability, affordability, effectiveness, efficiency, and appropriateness are kept uppermost in supplying water to a community. The current norms and standards for water and sanitation have, over the last few decades, inadvertently focused on addressing water services and backlogs in urban areas, unintentionally overlooking the diverse variances and challenges prevalent in the rural areas.

#### 3.6.1.2 Water Supply Systems Capacity

The major water supply systems within the district were analysed to determine the number of households (population) and the subsequent water demands per water supply system to determine their capacity to meet the current and future water demands. The district's major water supply systems are listed in Table 3.6.1.2.1.

**Table 3.6.1.2.1.:** Major Water Supply Systems

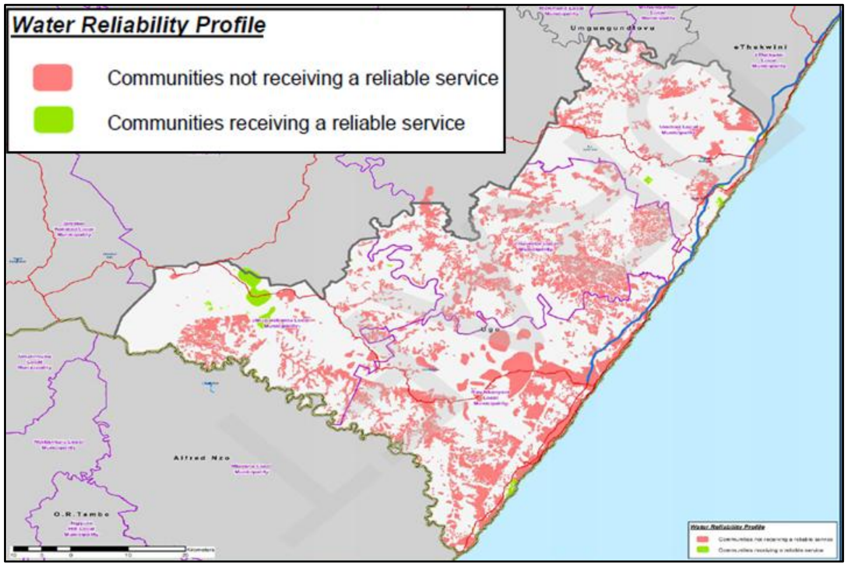
| No. | Water Supply System | Local Municipality |
|---|---|---|
| 1 | **Umzimkulu-Bhobhoyi** | Ray Nkonyeni |
| 2 | **Umtamvuna** | Ray Nkonyeni |
| 3 | **KwaHlongwa-KwaNdelu** | Ray Nkonyeni |
| 4 | **Greater Vulamehlo** | Umdoni |
| 5 | **Umzinto** | Umdoni |
| 6 | **Hlokozi-Vulamehlo** | Umdoni (and Umzumbe) |
| 7 | **Pungashe-Mhlabatshane** | Umzumbe |
| 8 | **Umtulwane** | Umzumbe |
| 9 | **Harding-Weza** | uMuziwabantu |
| 10 | **KwaFodo** | uMuziwabantu |
| 11 | **Umgeni (Operated by UUW)** | North Umdoni |

The current and future water demands for each water supply system were calculated and compared with previous studies in this regard, as well as with actual water usage figures where they were available. The actual usage figures assisted in calibrating the water demand model as best as possible. The future or "ultimate" water demands represent a scenario where backlogs have been eradicated, and all households have access to at least a basic RDP level of service. Future developments that are known and "development drivers" that have been identified in the district's SDF have also been considered with the calculation of the future water demands. The population growth rate was assumed to be 2,3% per year for Rural Municipalities and 0,5% for urban Municipalities.

As reflected in Table 3.6.1.2.2, the district's current water demand **199 mega litres** per day which is anticipated to increase to 329 mega litres per day by 2050. The current infrastructure design capacity is **152 mega litres** which results in a deficit of **47 mega litres per day**. However, the water supply systems analysis indicate that they are operating at 13 mega litres per day less the design capacity as the current average operating capacity is 139 mega litres per day. This than make the deficit **60 mega litres per day.**

Based on the water supply analysis conducted, out of the 11 major water supply systems, only one (1) has the capacity to meet the current and future demands which is the Umzimkhulu-Bhobhoyi Water Supply System. The water demand versus water supply capacity has resulted in communities not receiving reliable water service as depicted in Map 3.6.1.2.1.

The 13 mega litres per day deficit between the infrastructure design capacities and average operating capacity has been targeted to be rectified as a quick win through operational efficiencies and operations and maintenance (short-term interventions). The deficit in the minor water supply systems is set to be addressed through a borehole programme which is anticipated provide an additional capacity of 3 mega litres per day over a period of three (3) financial years.




**Map 3.6.1.2.1:** Water Reliability Profile
**Source**: Water Services Department, 2023

The deficit in the major water supply systems is set to be addressed through medium to long-term interventions (3-6 years) which require either augmentation or storage (dams) of raw water and upgrading of the WTW design capacities and bulk storage and distribution networks. These interventions have a potential of providing additional capacity of an additional 60 mega litres per day, as well, generate stability in the existing supply of water.

**Table 3.6.1.2.2:** Major Water Supply Systems Analysis

**Source:** Water Services Department, 2023

| No. | Water Supply System | Est. No. of HH. | Est. Population | | WTW's Capacity / Day Demand | | WTW's | WTW's Capacity / Day | |
|---|---|---|---|---|---|---|---|---|---|
| | | | 2020 | 2050 | 2020 | 2050 | | Design | Average Operating |
| 1. | Umzimkhulu-Bhobhoyi | 43 018 | 234 230 | 376 258 | 57 *Ml* | 94 *Ml* | Bhobhoyi | 81 *Ml* | 75 *Ml* |
| 2. | Umtavuna | 19 048 | 127 834 | 205 343 | 31 *Ml* | 51 *Ml* | Umtavuna | 30 *Ml* | 24 *Ml* |
| 3. | KwaNdelu-KwaHlongwa | 7 240 | 40 034 | 63 742 | 7 *Ml* | 12 *Ml* | KwaNdelu | 1.4 *Ml* | 1.4 *Ml* |
| | | | | | | | KwaHlongwa | 0.25 *Ml* | 0.25 *Ml* |
| 4. | Greater Vulamehlo | 5 010 | 18 514 | 29 740 | 4 *Ml* | 7 *Ml* | KwaLembe | 0.75 *Ml* | 0.75 *Ml* |
| 5. | Umzinto | 32 634 | 119 855 | 192 526 | 28 *Ml* | 46 *Ml* | Umzinto (Uthukela-Umngeni Water) | 12 *Ml* | 10.5 *Ml* |
| 6. | Hlokozi-Vulamehlo | 12 504 | 59 496 | 95 152 | 12 *Ml* | 20 *Ml* | Vulamehlo | 4.5 *Ml* | 2.8 *Ml* |
| | | | | | | | Hlokozi | 0.5 *Ml* | 0 *Ml* |
| 7. | Pungashe-Mhlabashane | 9 051 | 57 145 | 90 986 | 10 *Ml* | 17 *Ml* | Mhlabashane | 4 *Ml* | 4 *Ml* |
| | | | | | | | Asisi | 0.36 *Ml* | 0,36 *Ml* |
| 8. | KwaNyuswa | 8 131 | 36 319 | 58 342 | 9 *Ml* | 15 *Ml* | KwaNyuswa Phase 1 | 0.25 *Ml* | 0.25 *Ml* |
| | | | | | | | KwaNyuswa Phase 2 | 0.25 *Ml* | 0.25 *Ml* |
| 9. | uMtwalume | 13 638 | 80 228 | 127 736 | 14 *Ml* | 24 *Ml* | Mtwakume (Uthukela-Umngeni Water) | 9.5 *Ml* | 13 *Ml* |
| 10. | Harding-Weza | 4 536 | 31 339 | 50 340 | 6 *Ml* | 10 *Ml* | Harding | 2.8 *Ml* | 1.8 *Ml* |
| | | 16 085 | 98 973 | 158 956 | 18 *Ml* | 31 *Ml* | Weza | 3.6 *Ml* | 3.6 *Ml* |
| 11. | KwaFodo | 2 410 | 12 605 | 20 247 | 2 *Ml* | 4 *Ml* | KwaFodo | 0.25 *Ml* | 0.25 *Ml* |
| **Totals** | | **173 307** | **916 972** | **1 469 398** | **199 *Ml*** | **329 *Ml*** | | **152 *Ml*** | **139 *Ml*** |

**Table 3.6.1.2.3:** Water Infrastructure to be Decommissioned, Replaced, Repaired, Upgraded, Augmented and New.

**Source:** Water Services Department, 2023

| No. | Infrastructure | Water Supply System | WTW | WTW's Capacity / Day Increase | Status | Location | | Project |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Municipality | Ward | |
| 1. | Bomela water pump station | - | - | 0.5 *Ml/d* | New | Ray Nkonyeni | 3,24,25,26 & 27 | Msikaba and Surrounds Water Supply Scheme |
| | Nyandezulu elevated reservoir and booster pump station | | | | New | | | |
| | 7.2 km of water pipeline | | | | New | | | |
| | Water pump station | | | | New | | | |
| 2. | Replacement of 24kms water pipeline | - | - | *N/A* | Replacement | All | All | Water Pipeline Replacements (AFA) |
| 3. | Water treatment works upgrade from 2.5 to 7.5 mega litres per day | - | - | 2.5 *Ml/d* | Upgrade | Umzumbe | 8 | Vulamehlo Cross-Border Water Scheme |
| 4. | 60 boreholes installed | - | - | 3 *Ml/d* | New | All | All | Emergency Borehole Programme Phase 2 |
| | 42 boreholes refurbished | | | *N/A* | Refurbished | | | |

| No. | Infrastructure | Water Supply System | WTW | WTW's Capacity / Day Increase | Status | Location | | Project |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Municipality | Ward | |
| 5. | Raw Water Abstraction and Water Treatment Plant | - | - | - | Upgrade | Ray Nkonyeni | | Umtamvuna Raw Water Abstraction and Water Treatment Plant Upgrade |
| 6. | | - | - | - | Repair | Ray Nkonyeni | | Repairs and Refurbishment of Umtamvuna Water Abstraction & Treatment Works |
| 7. | Bulk water supply system | - | - | - | Upgrade | Ray Nkonyeni | 12, 13 & 14 | Upgrading of Umzimkhulu Northern Systems Bulk Water Supply |
| 8. | Bulk water supply and reticulation | KwaNyuswa | - | - | Upgrade | Ray Nkonyeni | 34 | Upgrade of KwaNyuswa Bulk Water Supply and Reticulation |
| 9. | Bulk water supply and reticulation | KwaFodo | KwaFodo | - | Upgrade | Umuziwabntu | 2 | Upgrade of KwaFodo Bulk Water Supply and Reticulation |
| 10. | Bulk water pipelines | Umtavuna | Umthavuna | - | New | Ray Nkonyeni | 7.9 &10 | Upgrade of Umthamvuna to Port Edward Bulk Water Supply |
| | 2.5 ML Reservoir | | | | New | | | |
| 11. | Increase WTW capacity by 10 mega litres per day | Umzimkhulu-Bhobhoyi | Bhobhoyi | 10 *Ml/d* | Augmantation | Ray Nkonyeni | | Umzimkhulu Bulk Water Augmentation Scheme Stage One Award Adjustment |
| 12. | Water pipeline | - | - | 5 *Ml/d* | New | Ray Nkonyeni | 7, 8, 9, 29, 30, 31 & 32 | Kwaxolo Water Supply - Bulk Supply (AFA) MIS 229750 |
| | 1ML water treatment works | | | | New | | | |
| | 5ML Reservoir | | | | New | | | |
| 13. | 6.5Ml Water Treatment Works | Greater Vulamehlo | KwaLembe | 6.5 *Ml/d* | New | Umdoni | 4,5,6 & 7 | KwaLembe Water Supply Scheme Extension |
| | River abstraction works | | | | New | | | |
| 14. | 14.4 kms bulk water pipeline | - | - | 5.25 *Ml/d* | New | Umdoni | 19 | Mistake Farm Water Supply Scheme |
| | Water pump station | | | | New | | | |
| | Reservoir | | | | New | | | |
| 15. | Bulk water supply scheme | - | - | 1 *Ml/d* | New | Umdoni | 11, 12 & 13 | Umzinto Slum Clearance: Farm Isonti Low cost Housing Water and Sanitation Scheme |
| 16. | Bulk water supply scheme | - | - | - | New | Ray Nkonyeni | 9 & 12 | Chenge Water and Sanitation Project Infrastructure |
| 17. | 2.1 million cubic metres dam | - | - | - | New | Umuziwabantu | 3 | Harding Weza Regional Bulk Water |
| 18. | Water pipeline | - | - | - | New | Ray Nkonyeni | 1, 4, 5 & 6 | Cwabeni Bulk Water Supply |
| | Water treatment works | | | | New | | | |
| 19. | Bulk water infrastructure | - | - | - | New | Umdoni | | KwaMgai and Surrounds Water |
| | Water pipeline | - | - | - | New | | | |
| 20. | | - | - | - | | Umdoni | | Umdoni South Bulk Augmentation Phase 1 - Planning |
| 21. | Bulk water pipelines | - | - | - | New | Ray Nkonyeni | | Upgrade of Umthamvuna to Port Edward Bulk Water Supply |
| | 2.5ML Reservoir | - | - | - | New | | | |
| 22. | Water pipeline | - | - | - | New | Umdoni | | South Coast Pipeline 2b- Kelso to Malangeni |
| 23. | Water pipeline | - | - | - | New | Ray Nkonyeni | | Lovu Raw Water Augmentation Pipeline |

| No. | Infrastructure | Water Supply System | WTW | WTW's Capacity / Day Increase | Status | Location | | Project |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Municipality | Ward | |
| 24. | Water pipeline | - | - | - | New | Umdoni | | South Coast Pipeline Phase 3 |
| 25. | Bulk water supply scheme | - | - | - | New | Umzumbe | | Mhlabashane Bulk Water Supply Scheme Phase 2 |
| 26. | 7 km water pipeline | - | - | - | New | Umuziwabantu | | Harding-Weza Emergency Scheme |
| 27. | Water pipeline | - | - | - | New | Umdoni | | Lower Umkhomazi Bulk Water Supply Scheme |
| 28. | Water pipeline | - | - | - | New | Ray Nkonyeni | 23 | Dunjazane Water Pipeline and Pump Station Emergency Scheme |
| | Water pump station | - | - | - | New | | | |
| | 1 000 KL Reservoir | - | - | - | New | | | |
| | 5 000 KL Reservoir | - | - | - | New | | | |
| 29. | Water pipeline | - | - | - | New | Ray Nkonyeni | | KwaMadlala Water Pipeline and Pumpstation Emergency Scheme |
| | Water pump station | - | - | - | New | | | |
| 30. | - | - | - | - | - | - | - | Supply, Installation & Commissioning of Non-Revenue Water Reducing Equipment Within Ugu DM |
| 31. | - | - | - | - | - | - | - | KwaNositha And Game Reserve Bulk Water Infrastructure and Reticulation - Phase 1 |
| 32. | - | - | - | - | - | - | - | Non-Revenue Water Reduction: Borehole Infrastructure & Water Infrastructure Management System - Phase 2 |
| 33. | - | - | - | - | - | - | - | Murchison Bulk Water Supply and Reticulation Pipelines |
| 34. | - | - | - | - | - | - | - | Replacement and refurbishment of pipeline infrastructure for Area South |
| 35. | - | - | - | - | - | - | - | Replacement and refurbishment of pipeline infrastructure for North - Umdoni LM |
| 36. | - | - | - | - | - | - | - | Replacement and refurbishment of pipeline infrastructure for Area North - Umzumbe LM |
| 37. | - | - | - | - | - | - | - | Replacement and refurbishment of pipeline infrastructure for Area South Central |
| 38. | - | - | - | - | - | - | - | Construction of Rudimentery Water Supply Schemes Phase 1, Phase 2 and Phase 3 |
| **Total** | | | | **33 *Ml/d*** | | | | |

#### 3.6.1.3 Water Infrastructure Development

The district based on the 2022 census, currently provides about 143 281 households with access to piped water through the existing water infrastructure that is depicted in Map 3.6.1.3.1 (Ugu District Municipality operated) and Map 3.6.1.3.2 (Umngeni-Uthukela operated). The major infrastructure for water includes 5 dams, estimated 4 300 km Pipelines, 153 Reservoirs and 125 pump stations spread across 18 Water Treatments Works (WTWs). This infrastructure is inclusive of the Umngeni-Uthukela operated water infrastructure.

There is therefore, based on the 2022 census, a backlog of 29 347 that still needs to be provided with access to piped water. This backlog needs to be eradicated whilst the current access of 143 281 is maintained. This then requires the district to decommission, repair, upgrade, augment and provide new water infrastructure. Map 3.6.1.3.3. spatially depicts the projects for infrastructure decommissioning, repairing, upgrading, augmenting as well new.

One of the measures of determining the water infrastructure needs overlaying the water infrastructure with the applications lodged in terms of the Municipal Spatial Planning and Land Use Management Bylaws and Human Settlement projects (Bulk infrastructure to support housing developments). Map 3.6.1.3.4. provides an overlay of Municipal Spatial Planning and Land Use Management Bylaws and Human Settlement projects to determine the water needs for the district.

##### 3.6.1.3.1 Water Infrastructure to be Decommissioned

In addressing the access to water backlogs, the current 18 WTW's will have to phased out over a period of time due to lack of raw water capacity and be replaced with regional WTW's to ensure universal excess to water for the entire district. The raw water sources for these small plants have either reached their maximum available capacities or are close to reaching their maximum capacities and larger regional raw water sources will have to supply the future demands. The existing schemes will however continue to exist until the proposed new schemes are in place. The Water Services Masterplan identified seven proposed major systems for the medium term which are namely, Umtamvuna, Bhobhoyi, Harding / Weza, Mhlabatshane, Ncwabeni, Vulamehlo and South Coast Pipeline.

##### 3.6.1.3.2 Water Infrastructure to be Repaired / Upgraded / Augmented

The district has over the past has experienced resource challenges and the lack of an Operations and Maintenance Plan which have been disabling factors in terms of infrastructure repair. A comprehensive water quality monitoring program is in place for the water infrastructure operations and maintenance.

The infrastructure that requires upgrading and / or refurbishment either for sustained optimal operation or to increase water supply systems' capacity is outlined in Table 3.6.1.2.3. Once the water infrastructure that has been identified for upgrade has been upgraded, a total **12.5 mega litres per day** water supply capacity will be added to the current capacity. These infrastructure upgrade needs have been packaged into different projects and prioritised accordingly for funding over medium to long term period (refer to Chapter 5 for detailed project information).

#### 3.6.1.3.3 New Water Infrastructure

The new water infrastructure identified to providing additional capacity as well, generate stability in the existing supply of water is outlined in Table 3.6.1.2.3. These new infrastructure needs have been packaged into different projects and prioritised accordingly for funding over medium to long term period (refer to Chapter 5 for detailed project information). The proposed new water infrastructure is going to add a total of **20.5 mega litres per day** water supply capacity to the current capacity.

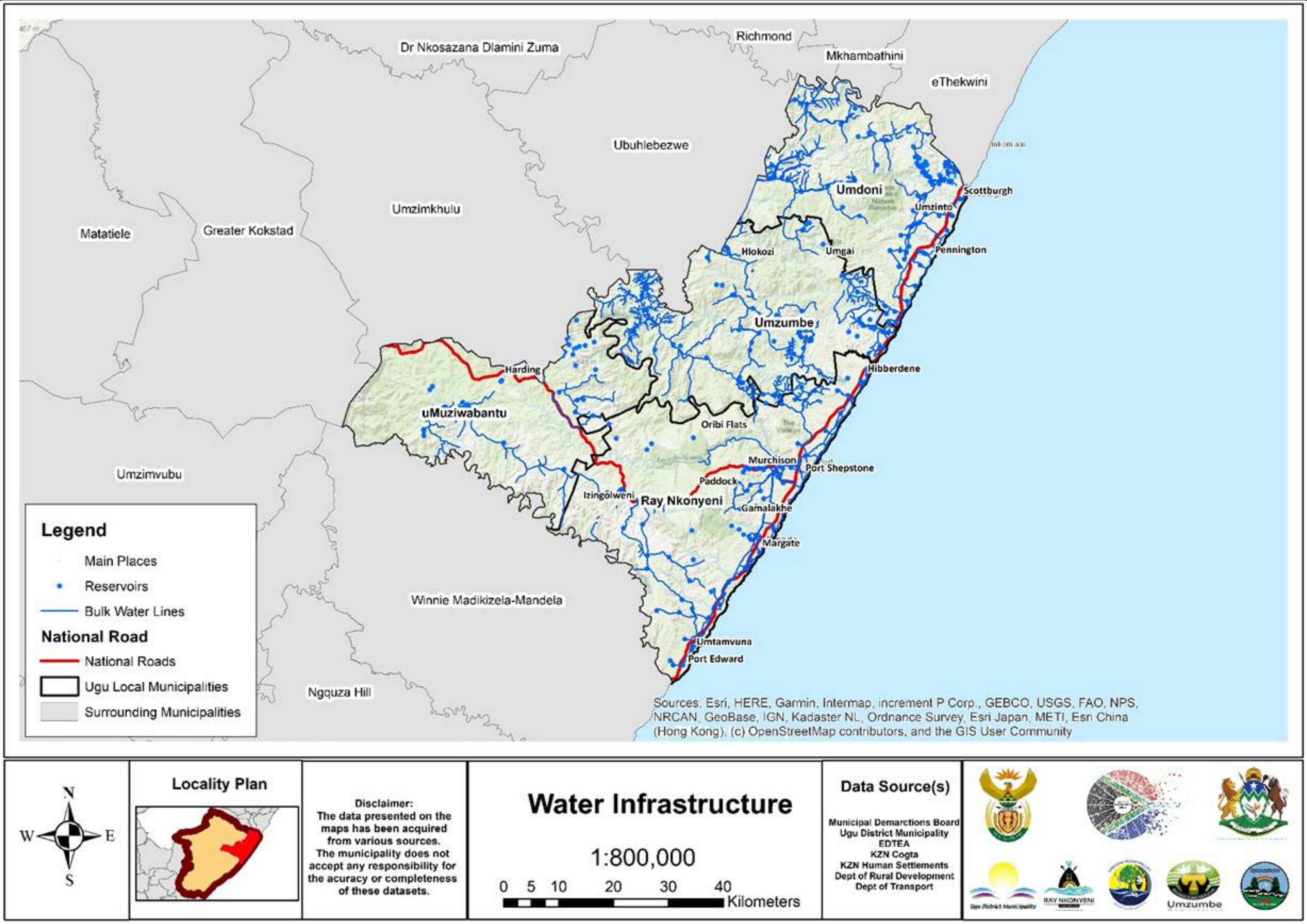
### 3.6.1.4 Water Augmentation

The water resources in the whole of the district are stressed, especially during peak demand periods. The situation has become so critical that it is not a matter of whether the district makes use of alternative augmentation options but which option to use.

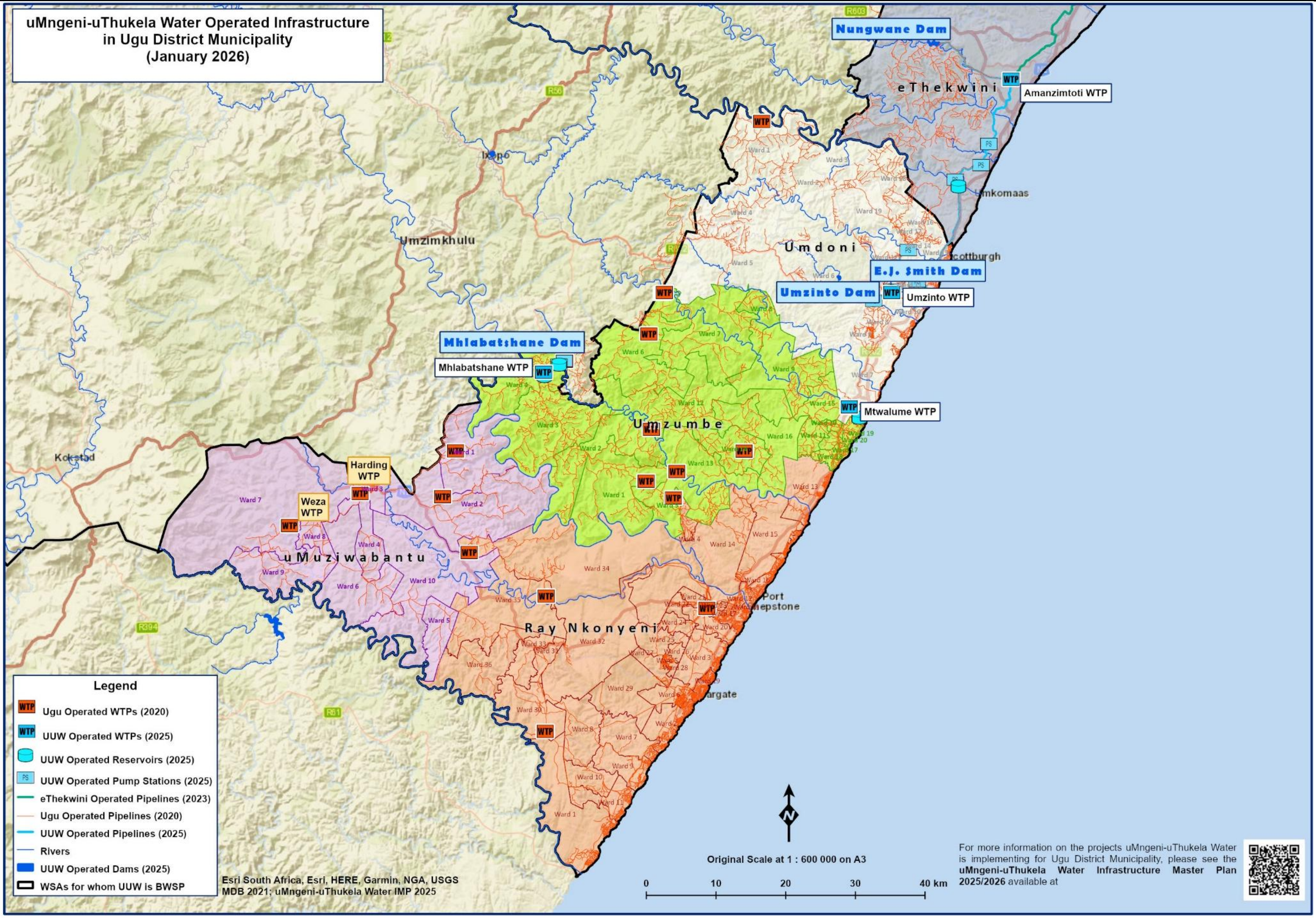
As one of the augmentation options, the district appointed Umgeni-Uthukela Water (UUW) as its Bulk Water Service Provider for certain areas within the Umdoni and uMzumbe Local Municipalities. The details of the contractual relationship between the district and Umgeni-Uthukela Water are captured in the Ugu- Umgeni Water Bulk Water Supply Agreement. UUW in its role as a Bulk Regional Water Services Provider has implemented the South Coast Augmentation Pipeline (SCP) to augment the water supply of the South Coast System from the uMgeni River System and is currently operating the Mzinto, Mtwalume and Mhlabatshane WTWs.

Due to the increasing demands for potable drinking water within in district, UUW is currently implementing six (6) projects for the benefit of the district to meet these increasing demands and to increase the assurance of supply. The location and status of these projects is depicted in Map 3.6.1.4.1. These projects are aligned with the planning of the district family of municipalities as identified in the respective IDPs and SDFs. Further details on these projects and the bulk water supply system providing water to the district is described in Volume 4 of the Umgeni Water Infrastructure Master Plan.

As further augmentation option, the district implements a Ground Water Programme, which is a rudimentary water supply programme incorporating the use of boreholes and spring water. There is a spring Protection and Borehole Maintenance Programme to support supply to communities. However, the ground water potential is not very good in most areas, resulting in the failure of such schemes.

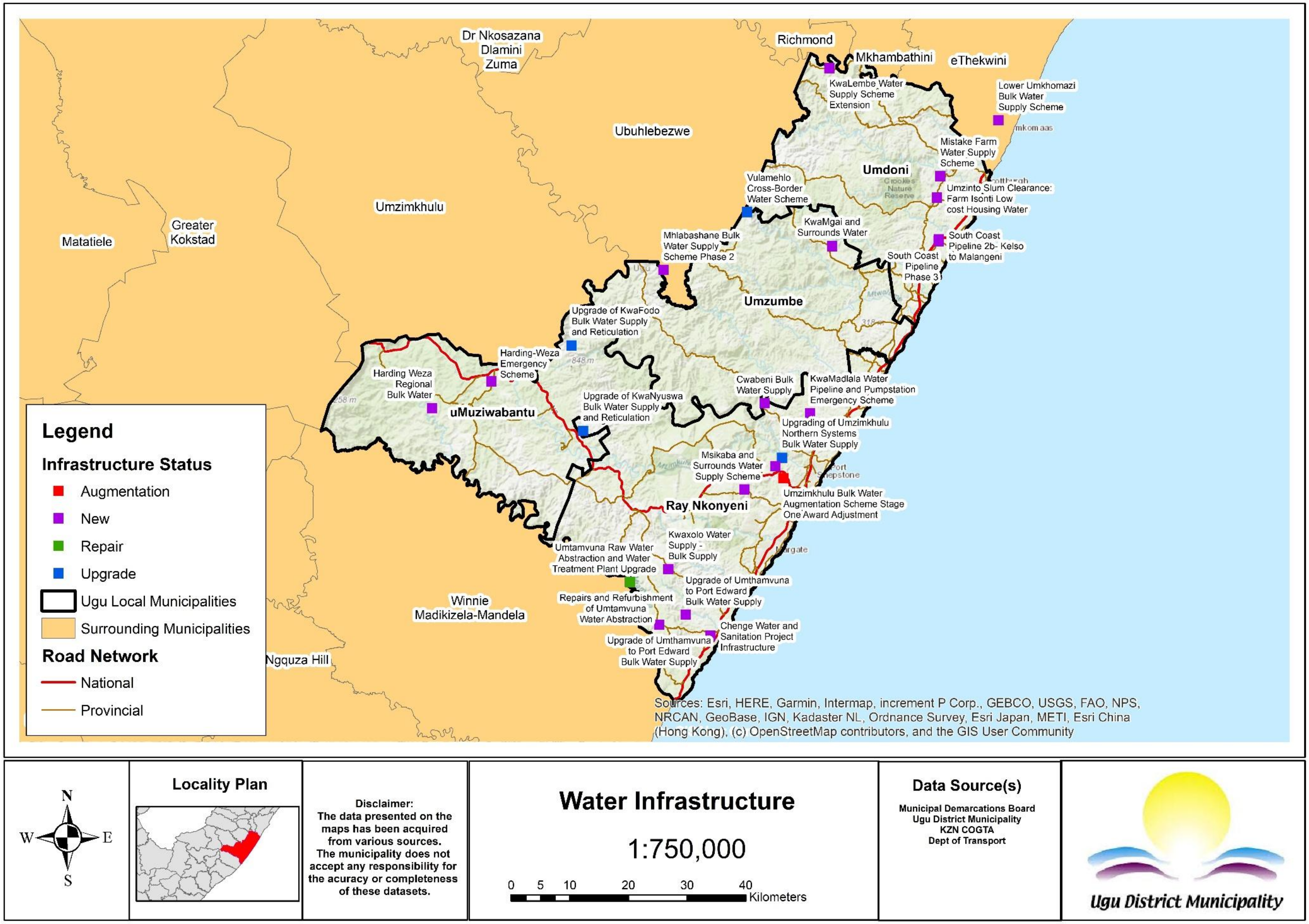



**Map 3.6.1.3.1:** Existing Water Infrastructure
**Source:** Ugu GIS, 2025

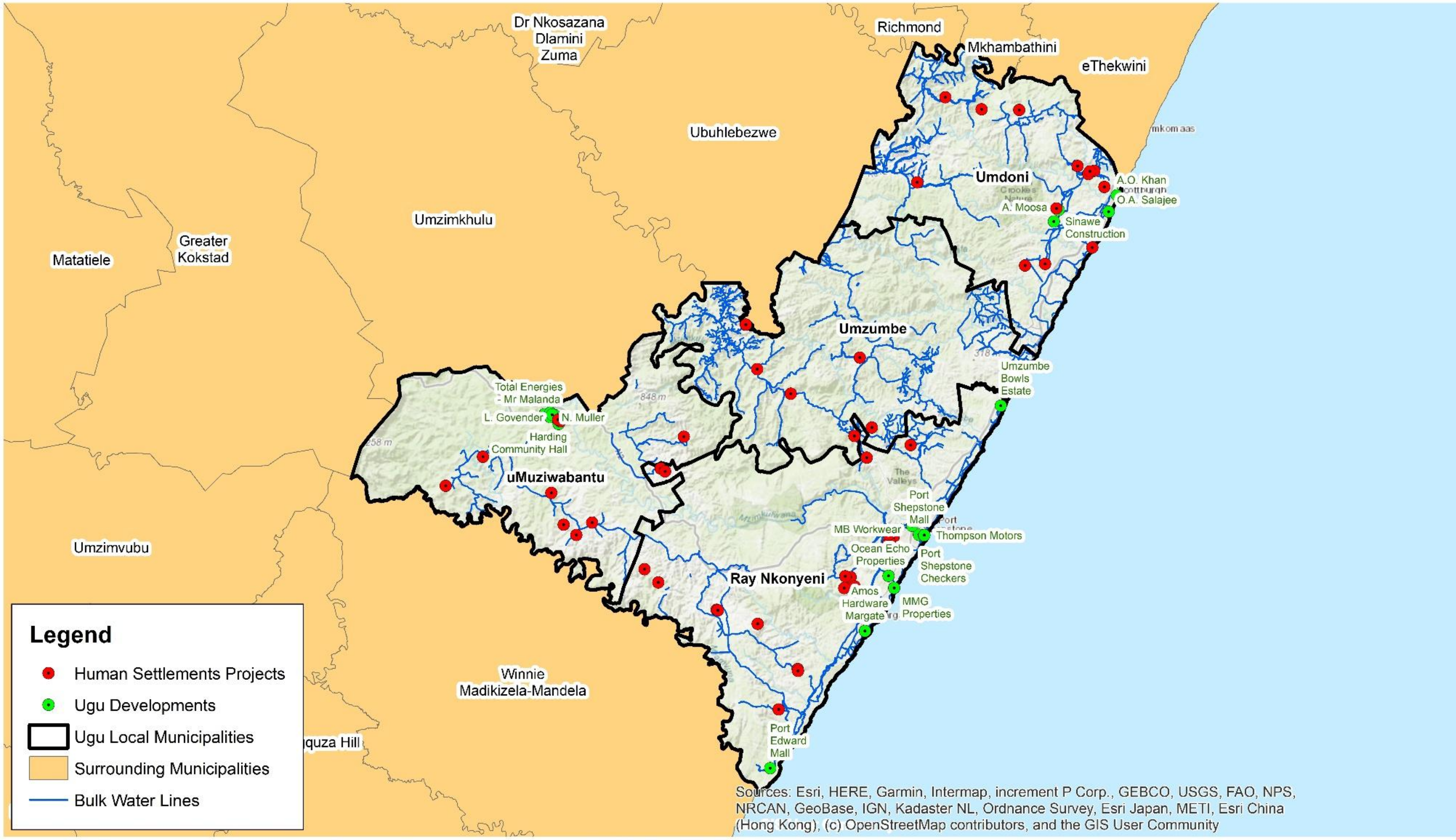


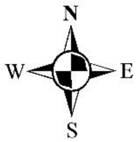

**Map 3.6.1.3.2:** Umngeni-Uthukela Water Operated Infrastructure in Ugu District Municipality

**Source:** Umngeni-Uthukela, 2026

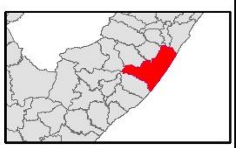



**Map 3.6.1.3.3:** Water Infrastructure Status
**Source:** Ugu GIS, 2026




**Locality Plan**



**Disclaimer:**
The data presented on the maps has been acquired from various sources.
The municipality does not accept any responsibility for the acuracy or completeness of these datasets.

## Water Needs

1:750,000

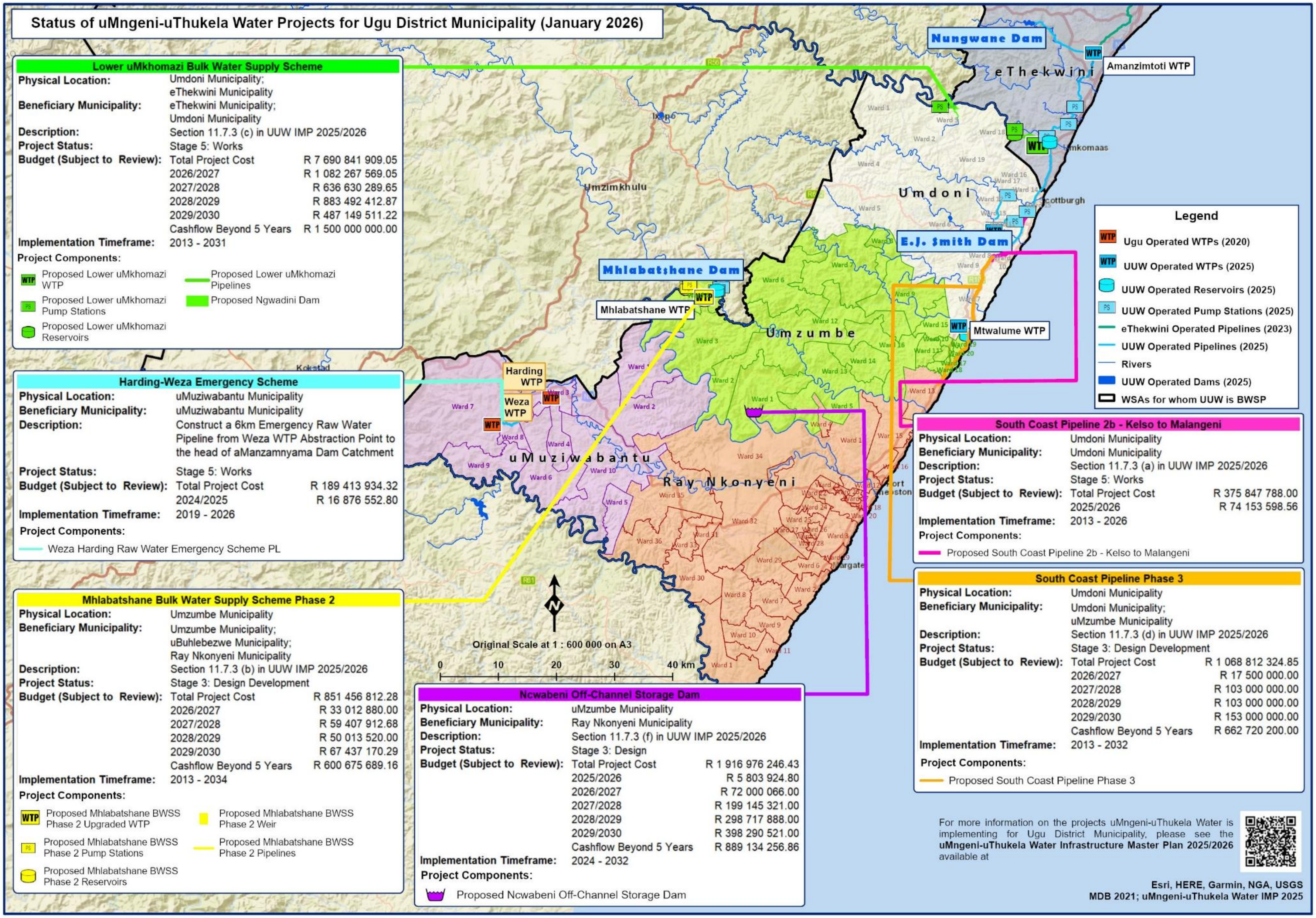
0 5 10 20 30 40 Kilometers

**Data Source(s)**

Municipal Demarcations Board
Ugu District Municipality
KZN COGTA

Ugu District Municipality

**Map 3.6.1.3.4:** Water Needs
**Source:** Ugu GIS, 2026




**Map 3.6.1.4.1:** Umngeni-Uthukela Water Projects for Ugu District

**Source:** Umngeni-Uthukela, 2026

### 3.6.1.5 Wastewater Treatment Works Capacity

Map 3.6.1.5.1 depicts the district's sanitation infrastructure that is operated by different stakeholders. The district's major wastewater treatment works systems as well as their capacity are outlined in Table 3.6.1.5.1.

**Table 3.6.1.5.1.:** Major Wastewater Treatment Works Analysis

| No. | Wastewater Treatment Works | Infrastructure Capacity in Ml / day | | |
|---|---|---|---|---|
| | | Current | Required | Shortfall |
| 1 | Edenwilds | 1.0 | 2.0 | - 1.0 |
| 2 | Gamalakhe | - | - | - |
| 3 | Harding | 4.5 | 6.0 | - 1.5 |
| 4 | Hibberdene | 0.3 | 0.3 | 0.0 |
| 5 | Kwambonwa | 2.4 | 3.0 | - 0.6 |
| 6 | Malangeni | 1.0 | 4.0 | - 3.0 |
| 7 | Margate | 7.0 | 12.0 | - 5.0 |
| 8 | Mbango | 12.0 | 20.0 | - 8.0 |
| 9 | Mellville | 0.2 | 1.0 | - 0.8 |
| 10 | Munster | 0.2 | 0.5 | - 0.3 |
| 11 | Palm Beach | 0.2 | 1.0 | - 0.8 |
| 12 | Pennington | 2.0 | 6.0 | - 4.0 |
| 13 | Ramsgate | 0.7 | 2.0 | - 1.3 |
| 14 | Red Desert | 0.2 | 1.0 | - 0.8 |
| 15 | Scottburgh | 2.3 | 6.0 | - 3.7 |
| 16 | Shelly Beach | 2.0 | 6.0 | - 4.0 |
| 17 | Skogheim | - | - | - |
| 18 | Southbroom | 0.2 | 1.0 | - 0.8 |
| 19 | Umzinto | 3.0 | 6.0 | - 3.0 |
| 20 | Uvongo | 2.4 | 8.0 | - 5.6 |
| Totals | | **41.6** | **85.8** | **44.2** |

The condition of all WWTWs and pumpstations have reached a state of disrepair and require urgent attention to avoid a total collapse of the entire wastewater treatment system. The current capacity of the WWTWs is **41.6** Ml/d whereas the required capacity is **85.8** Ml/d resulting in a capacity deficit of **44.2** Ml/d.

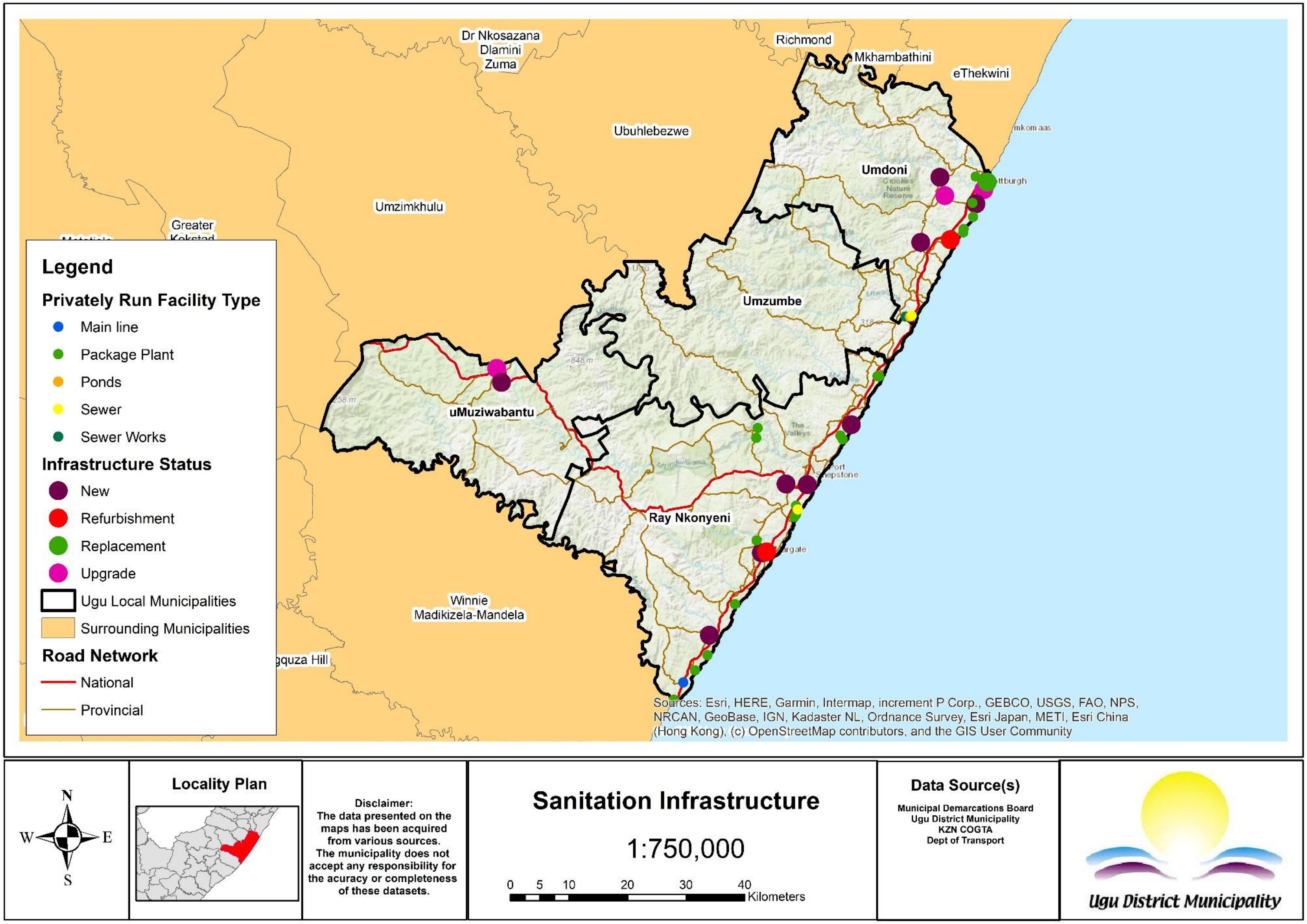
### 3.6.1.6 Sanitation Infrastructure Development

The sanitation infrastructure assessment has been conducted to determine infrastructure that needs to be decommissioned, repaired, upgraded or augmented as well as new infrastructure that needs to be provided to meet the eradicate backlogs and improve sanitation services in general. Map 3.6.1.5.2 depicts this assessment spatially.

The urban sanitation comprises a combination of waterborne sewerage (56 780 households as per 2022 census) linked to WWTW as well as a system of septic tanks and conservancy tanks (7 335 households as per 2022 census) in the less densely populated areas. Most of the sewer treatment facilities are owned and managed by the district. There are also several privately owned and managed, small sewage treatment plants – mostly "package" plants.

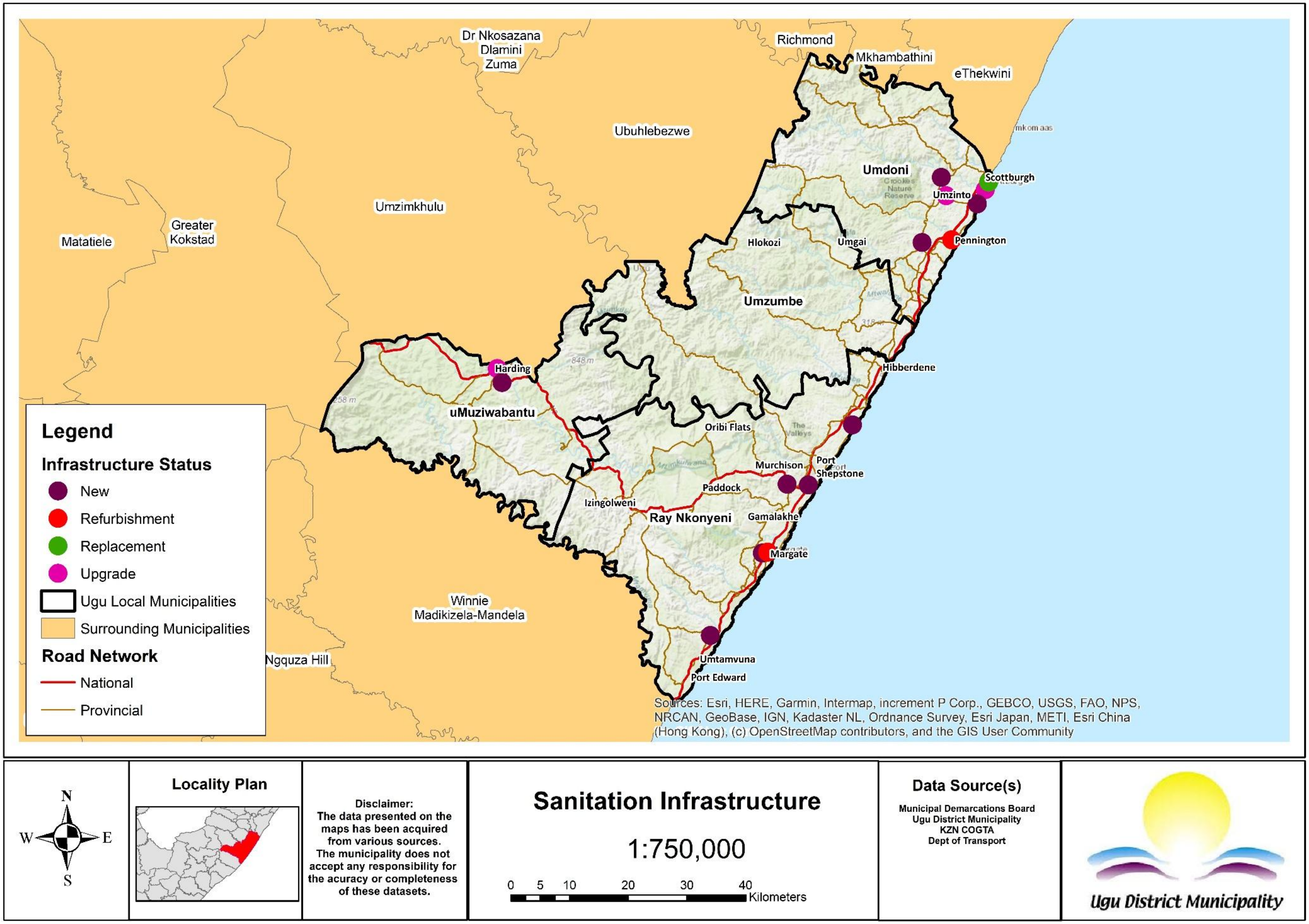
In terms of sanitation backlogs in the urban areas, other than the maintenance issues and upgrades / extensions of existing sewerage schemes it stands to reason that formal township development requires the provision of adequate sanitation and as such there are in effect very few backlogs other than those "informal urban upgrade" areas adjoining the coastal, urban strip which by nature of their density should be provided with reticulated, waterborne sewerage as opposed to a basic level of service.

The standard for a basic level of rural sanitation in the district is a ventilated, improved pit latrine (VIP) and 43 788 households in the rural areas have been provided with one.




**Map 3.6.1.5.1:** Existing Sanitation Infrastructure

**Source:** Ugu GIS, 2025




**Map 3.6.1.5.2:** Sanitation Infrastructure Status

**Source:** Ugu GIS, 2026

#### 3.6.1.6.1 Sanitation Infrastructure to be Decommissioned

There is currently no sanitation infrastructure that has been identified for decommissioning either be it owned by the district municipality or privately owned.

#### 3.6.1.6.2 Sanitation Infrastructure to be Repaired / Upgraded / Augmented

The district has over the past has experienced resource challenges and the lack of an Operations and Maintenance Plan which have been disabling factors in terms of infrastructure repair. Currently a comprehensive water quality monitoring program is in place and budget is duly allocated in the budget for the sanitation infrastructure operations and maintenance.

The refurbishment / upgrading of certain sanitation infrastructure and the proper management of sludge disposal were identified as immediate priorities for the district municipality in the district's Water Services Master.

In the case of rural sanitation, there is no reliable data spatial or otherwise pertaining to either the location or age of Ventilated Improved Pit Latrines (VIPs) constructed in the past. Furthermore, there is limited information on the conservancy / septic tanks constructed in these rural areas.

Table 3.6.1.6.2 outlines the sanitation infrastructure to be refurbished or upgraded. Once the sanitation infrastructure that has been identified for upgrade has been upgraded, a total **6 mega litres per day** sanitation infrastructure capacity will be added to the current capacity. These infrastructure upgrade needs have been packaged into different projects and prioritised accordingly for funding over medium to long term period (refer to Chapter 5 for detailed project information).

#### 3.6.1.6.3 New Sanitation Infrastructure

The new sanitation infrastructure to be provided is outlined in Table 3.6.1.6.2. The new sanitation infrastructure seeks to address the challenge of conservancy / septic tanks that have been constructed in wetlands areas resulting in serious pollution in many areas through increasing access to waterborne sanitation to the urban households.

The proposed new sanitation infrastructure is going to add a total of **8 mega litres per day** WWTW capacity to the current capacity.

**Table 3.6.1.6.2:** Sanitation Infrastructure to be Decommissioned, Replaced, Repaired, Upgraded, Augmented and New.

**Source:** Water Services Department, 2025

| No. | Infrastructure | WWTW | WWTW's Capacity / Day Increase | Status | Location | | Project |
|---|---|---|---|---|---|---|---|
| | | | | | Municipality | Ward | |
| **1.** | 1.7 kms of water pipeline | Malangeni | 1 *Ml/d* | New | Umdoni | 9 | Malangeni Low-Cost Housing Project Stage 2 |
| | Sewer pump station | | | New | | | |
| | 1Ml Wastewater Treatment Works | | | New | | | |
| **2.** | Sewer pump station | Margate | | New | Ray Nkonyeni | 6 | Margate Extension 3 & 7 Sanitation Scheme - Ward 6 |
| | 14.8 km of sewer reticulation pipeline | | | New | | | |
| **3.** | Wastewater treatment works from 2.5 Ml to 4.0 Ml | Umzinto | 1.5 *Ml/d* | Upgrade | Umdoni | 12 & 13 | Umzinto Wastewater Treatment Works and Outfall Sewers Upgrade and Rehabilitation |
| **4.** | Refurbished of existing Wastewater treatment works | Pennington | 4.5 *Ml/d* | Refurbishment | Umdoni | 10 | Pennington Waterborne Sanitation Phase 3 |
| **5.** | Waterborne sanitation scheme | Harding | | New | Umuziwabantu | 3 | Greenfields / Mazakhele Sanitation |
| **6.** | Wastewater treatment works | Scottburgh | | Upgrade | Umdoni | 15 | Upgrade of Scottburgh Wastewater Treatment Works |
| **7.** | Wastewater treatment works | Margate | 0.0 *Ml/d* | Refurbishment | Ray Nkonyeni | 6 | Refurbishment and Upgrade of Margate Wastewater Treatment Works and Effluent Main |
| **8.** | Bulk sanitation scheme | Umzinto | - | New | Umdoni | 11, 12 & 13 | Umzinto Slum Clearance: Farm Isonti Low-Cost Housing Water and Sanitation Scheme |
| **9.** | Bulk sanitation scheme | - | - | New | Ray Nkonyeni | 9 & 11 | Chenge Water and Sanitation Project Infrastructure |
| **10.** | 5.5ML/d Extension of WWTW | Mbango | 5.5 *Ml/d* | New | Ray Nkonyeni | 17 | 5.5ML/d Extension of uMbango WWTW-Planning Phase |
| **11.** | 1.5ML/d Extension WWTW | Mellville | 1.5 *Ml/d* | New | Ray Nkonyeni | 16 | New 1.5ML/d Melville WWTW- Planning Phase |
| **12** | Waterborne sanitation scheme | - | - | New | Ray Nkonyeni | 20 | Mkholombe Sanitation Project (Planning Phase) |
| **13.** | 11 803 VIP toilets | N/A | N/A | New | Umzumbe and Ray Nkonyeni | Rural Wards | Hibiscus Coast Sanitation Project Phase 2 (VIPs) |
| **14.** | 3.7 kms of sewer reticulation pipeline | - | - | New | Umdoni | 10 | Park Rynie Sewer Reticulation |
| **15.** | - | Harding | - | Upgrade | Umuziwabantu | 3 | Upgrade of Harding Sewer Reticulation System & Refurbishment of Wastewater Treatment Works |
| **16.** | - | Scottburgh | - | Replacement | Umdoni | 15 | Replacement Of Sewer Mains and Refurbishment of Sewer Pumpstations and Backup Generators in Scottburgh and Sanitation Network |
| **Total** | | | **14 *Ml/d*** | | | | |

### 3.6.2 Solid Waste Management

Waste management services involve the waste collection, treatment, recycling and disposal. The Waste Act No. 59 of 2008 has placed a huge responsibility on municipalities to deliver waste services. The solid waste management service (i.e. refuse removal, refuse dumps and solid waste) function is vested in the local municipalities as per the provisions of the Constitution, Structures Act and Systems Act whilst the district municipality provides support to the extent that it has the capacity with regards to solid waste management.

Where services are being offered, they are usually limited to the formal, urban areas of the district. Waste minimisation in the district is poorly organised and there is no integrated system which exists that private recyclers may link to. The viability of recycling relies heavily on economies of scale as there must be enough recyclables available to justify the cost of transport associated with the collection of recyclable materials. The district requires a great deal more work before an economically viable waste recycling system can be put in place.

Only 35% of the districts households gets their solid waste removed by local authority which are mainly the households located along the coastal urban strip. Around 60% of the households use own or communal dumpsite with 4.7% having no form of refuse disposal and most of these households are in the rural areas further inland. Similar to the other services in the district, the access to solid waste services is concentrated along the coast and as you move inland very limited access is observed as depicted in Map 3.6.2.1.

#### 3.6.2.1 Integrated Waste Management Plans and Waste Bylaws

Section 11(4)(a) requires all municipalities to submit its Integrated Waste Management Plans (IWMP) to the MEC for approval and include the approved IWMPs in their IDPs. The status of the district and its family of local municipalities' IWMPs is reflected in Table 3.6.2.1.1.

**Table 3.6.2.1.1:** Status of Integrated Waste Management Plans and Waste Bylaws

| Municipality | Date IWMP Adopted | Date Bylaw Promulgated |
|---|---|---|
| **Ugu District** | October 2018 | NA |
| **Umdoni Local** | March 2013 | Draft in Place |
| **Umzumbe Local** | March 2025 | To be developed |
| **Ray Nkonyeni Local** | June 2017 | February 2019 |
| **Umuziwabantu Local** | July 2018 | Draft in place |

As can be observed in Table 3.6.2.1.1, the IWMPs for the Umdoni, Ray Nkonyeni and Umuziwabantu local municipalities are outdated as they all have been in place for more than five years and haven't been reviewed since. The Department of Forestry, Fisheries and the Environment has committed to assist and fund the review of these IWMP outdated. The review process is currently underway and is expected to be concluded by 31st of December 2026 for all the municipalities concerned.

In terms of Waste Bylaws, only Ray Nkoyeni local municipality has promulgated Waste Bylaws. Furthermore, the Waste Bylaws are not applicable to the district as the solid waste management function only rest with the local municipalities.

#### 3.6.2.1.1 Implementation of the IWMPs

The programmes and projects in the IWMPs are incorporated into each municipality's SDBIP (operational plan) and are implemented through the SDBIP. The progress in the implementation of the IWMPS can therefore be tracked through the Annual Report of each municipality.

#### 3.6.2.1.2 Enforcement of the IWMP Bylaws

The enforcement of bylaws rests with the local municipalities only as the solid waste management function only rest with them.

### 3.6.2.2 Solid Waste Collection and Removal

Varying levels of service is received by households that are serviced by the local municipalities depending on the land uses or zonings.

- The general residential areas receive a weekly kerbside collection service of household refuse
- Businesses, medium to high density residential and CBDs receive a collection twice to seven times a week depending on the amount of waste generated and type of operation done by a specific business.
- Industrial areas have skips in place and are cleared daily and based on the need to do so.
- Informal settlements have skips and are serviced once weekly.

In rural areas of the municipality, waste and dumping in not controlled and when heavy rains come, the refuse is washed into rivers resulting in diseases for those communities drinking the running water. Furthermore, most of these communities buries or burns their waste in their own backyard which has environmental, health and safety implications for of the community of the district. There is currently no capacity within the district to extend the solid waste collection and removal to rural areas. In the interim, education and awareness campaigns on waste is critical.

### 3.6.2.3 Solid Waste Treatment / Disposal

Landfilling is the least desired option for disposal of waste, however, low cost of landfilling compared to other alternatives makes it the preferred option. Only waste with no recycling or recovery alternative should be disposed of at landfills.

The district has three (3) landfill sites which are outlined in Table 3.6.2.1 and spatially depicted in Map 3.6.2.1.

**Table 3.6.2.1.1:** Status of Landfill Sites

| Name | Owner | Available Airspace | Registered? | Licenced? |
|---|---|---|---|---|
| **Oatlands** | RNM Municipality | 12 years | Yes | Yes |
| **Humberdale** | Umdoni Municipality | 10 years | Yes | Yes |
| **Harding** | Umuziwabantu Municipality | 20 years | Yes | Yes |

#### 3.6.2.3.1 Oatlands Landfill

Oatlands Landfill has an estimated 12 years of airspace remaining and is projected to be filled in year 2035 with a plan for a new site planned to commence in the year 2025.

There is currently a temporary cell for stock-piling waste, while the construction of Cell-4C is underway. The landfill has a total of 6 Cells, and as such only Cells 5 and 6 will be available after Cell-4C is operational.

The Ray Nkonyeni Local Municipality has a team of engineers, three (3) internal and one (1) external. The team of engineers audit the landfill site management focusing on the issue of compliance with the landfill site certificate.

#### 3.6.2.3.2 Humberdale Landfill

The Humberdale Landfill was commissioned and has been in operation since February 2002 with 244 000m$^3$ airspace equating to an expected lifespan of 10 years. The landfill has two phases with phase 1 cell being approximately 3 hectares in extent and phase 2 cell approximately 2 hectares. Phase 2 of the landfill site is currently not operational due to phase 1 not having reached its full capacity.

The Umdoni Local Municipality has engineering consultant on site in terms of engineering of the landfill and compliance with the landfill site certificate. There is an internal team that audits the landfill on a quarterly basis.

#### 3.6.2.3.3 Harding Landfill

The Harding Landfill has been operational since July 2019 and is 213 500m$^2$ in extent with an expected lifespan of 60 years. All engineering activities are conducted by an outsourced landfill site operator and qualified engineer. The operations of the landfill site are audited both internally and externally with the audits being conducted annually.

### 3.6.2.4 Solid Waste Recycling

The ultimate aim of recycling is the protection of the environment and public health by reducing the ever-increasing volumes of waste being generated by developing societies, as well as reducing the amount of natural resources necessary for the manufacture of any product.

There is generally a lack of recycling initiatives in the district with Umdoni (Umdonomuhle and HLC Packworld) and Ray Nkonyeni (Ravine Lane Recycling Facility) Municipalities being the only municipalities to have formal recycling initiatives. The Umdoni and Umuziwabantu Municipalities have a recycling component in their landfill site and are in processes of expanding recycling initiatives beyond landfill sites. The Umzumbe Municipality due to its rural nature and lack of existing waste management system that can serve as a base of recycling initiatives, currently has no recycling initiative.

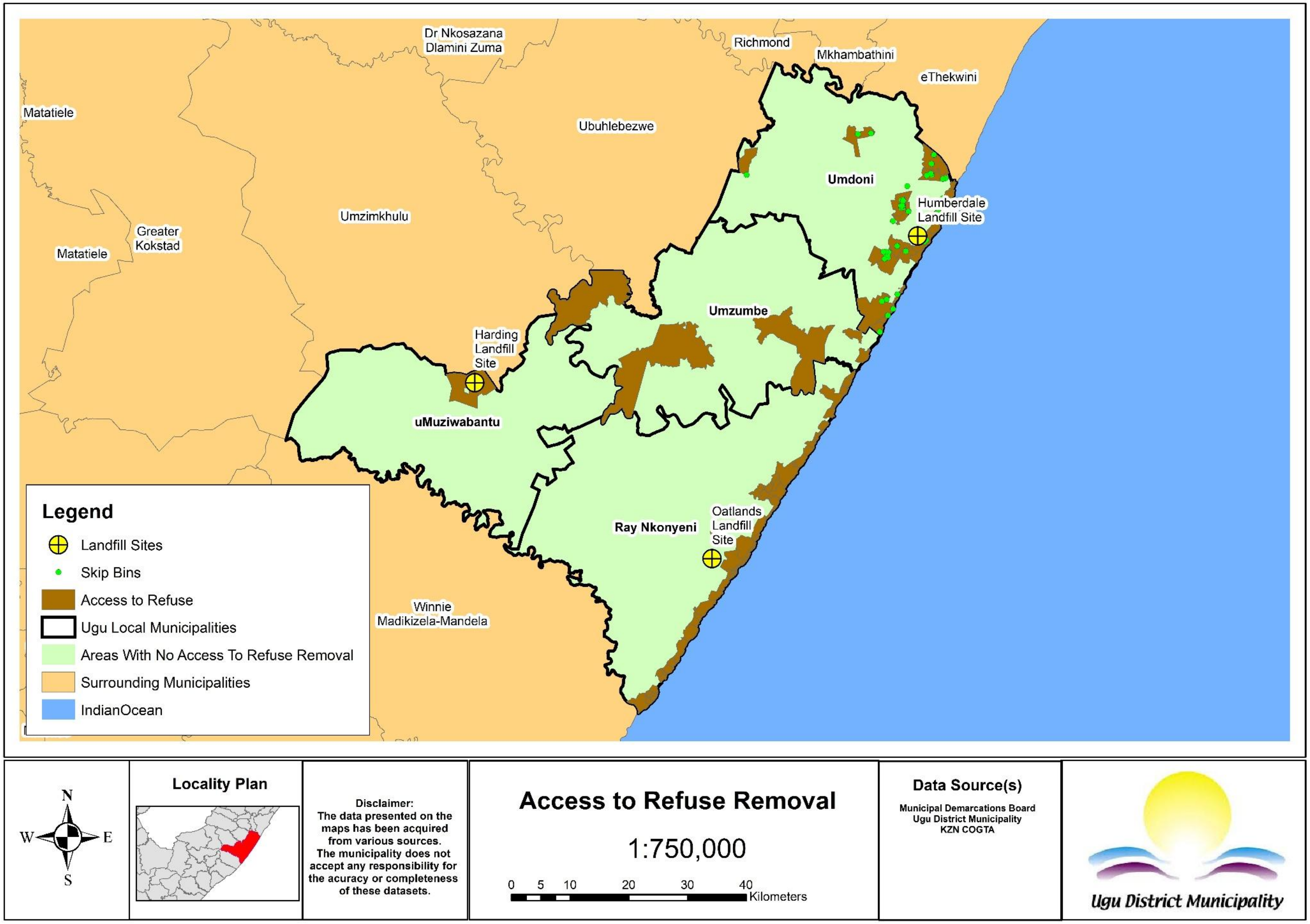
#### 3.6.2.4.1 Umdonomuhle and HLC Packworld

The municipality has signed an MOU with Umdonomuhle and HLC Packworld. The ultimate aim of the Municipality with regards to implementation of a recycling initiative is for the protection of the environment and public health by reducing the ever-increasing volumes of waste being generated by developing societies, as well as reducing the amount of natural resources necessary for the manufacture of any product. The Municipality has not made much progress in relation to recycling having only two recycling depots one being at Pennington and the other at the Humberdale landfill site.

#### 3.6.2.4.2 Ravine Lane Recycling Facility

Ravine Lane Recycling Facility is appointed by the Ray Nkonyeni Municipality for recycling of waste within its area of jurisdiction. The facility is used to assist SMME's and small business, as some are working with the appointed service provider in operating the Ravine Lane Recycling Facility.

Recycling programmes have been developed by the municipality using a separation at source program and voluntary drop-off centres. The process begins with a two-bag system for kerbside collection. Recyclables are placed in clear bags and collected separately from black nonrecyclable bags. Clear bags are sent to Ravine Lane Recycling/Buy-Back Centre where further separation / baling is carried out by a private enterprise.




**Map 3.6.2.1:** Solid Waste Infrastructure and Access
**Source:** Ugu SDF, 2025

### 3.6.3 Transportation Infrastructure

National, Provincial and Local Government are responsible for the development of the district's transport infrastructure. An extensive transport network exists in district, which includes, road, rail, maritime and air infrastructure as reflected in Map 3.6.3.1.

The district last developed an Integrated Transport Plan (ITP) in the 2006 / 2007 financial year and has not reviewed since due to financial constraints. The ITP has become outdated and a development of the new ITP for the district's area of jurisdiction has become an urgent issue, however, the funding remains a challenge. The district was fortunate to be part of the Eastern Seaboard Region and has been included in the 2024 Eastern Seaboard Region Integrated Transport Master Plan which currently fulfils the district's ITP requirements whilst the district continues in its pursuit to secure funding for the development of a new ITP. The district has also engaged the Department of Transport with regards to the development of a new ITP, however, to date it has proven to be unsuccessful.

#### 3.6.3.1 Road Transport Infrastructure

As reflected in Table 3.6.3.1.1 the district's road network adds up to 2 494.244kms in length. The gravel road makes up 74.63% of the total length, blacktop 25.15% and concrete 0.22%. Map 3.6.3.1.1 depicts the geographical spread of these roads. Whilst the national and provincial roads are in a generally good condition state, the quality of district and local roads is poor.

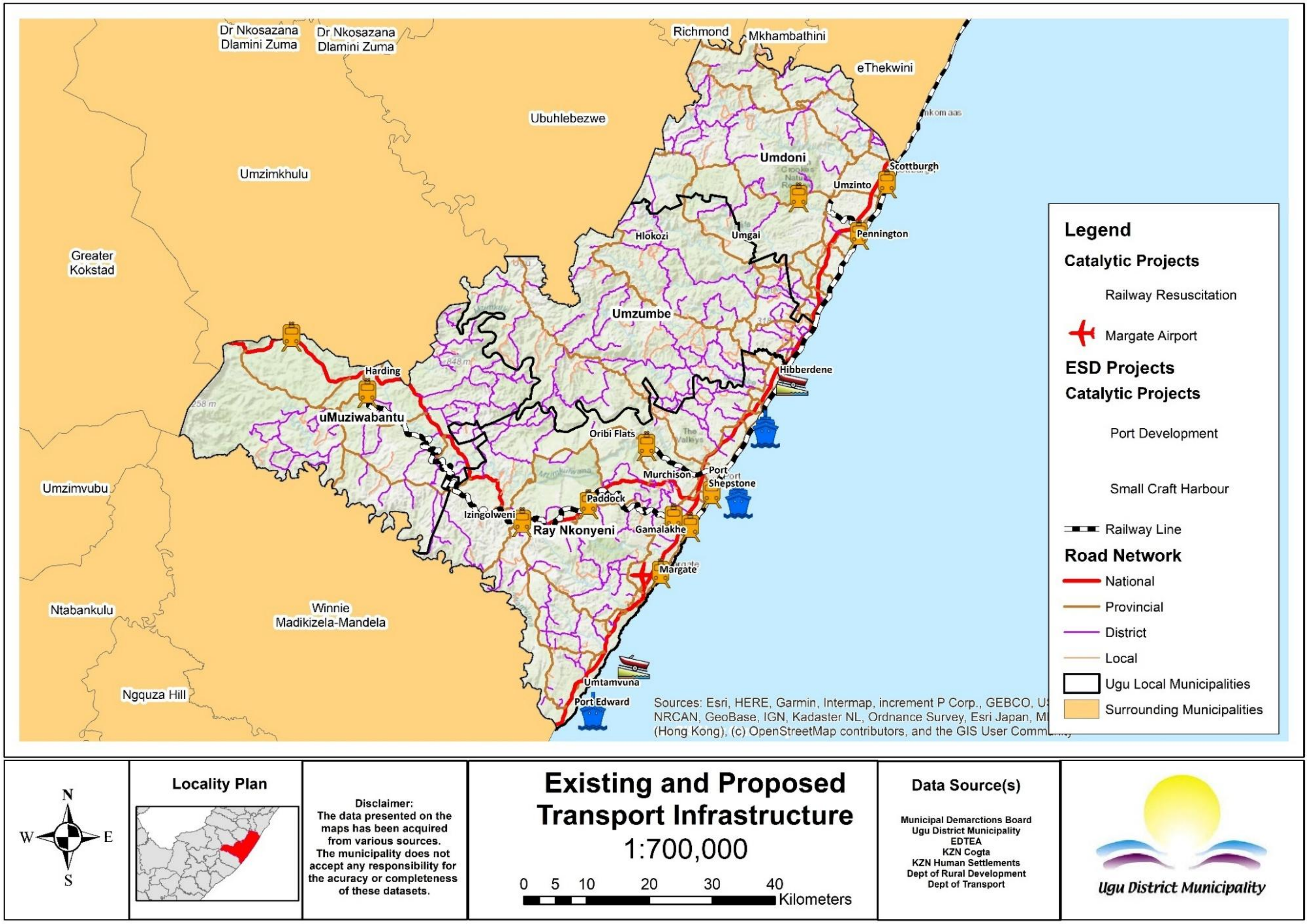
The local municipality's mandate when it comes to road infrastructure is to maintain the existing road networks in terms of potholes, black top and re-gravelling whilst maintenance of all district roads was transferred to DOT.

Local municipalities are responsible for maintenance and development of local access roads. The coastal urban roads are mostly tarred whilst the rural inland is mostly covered by the gravel roads. Generally, access roads are in a bad condition and requires urgent attention.

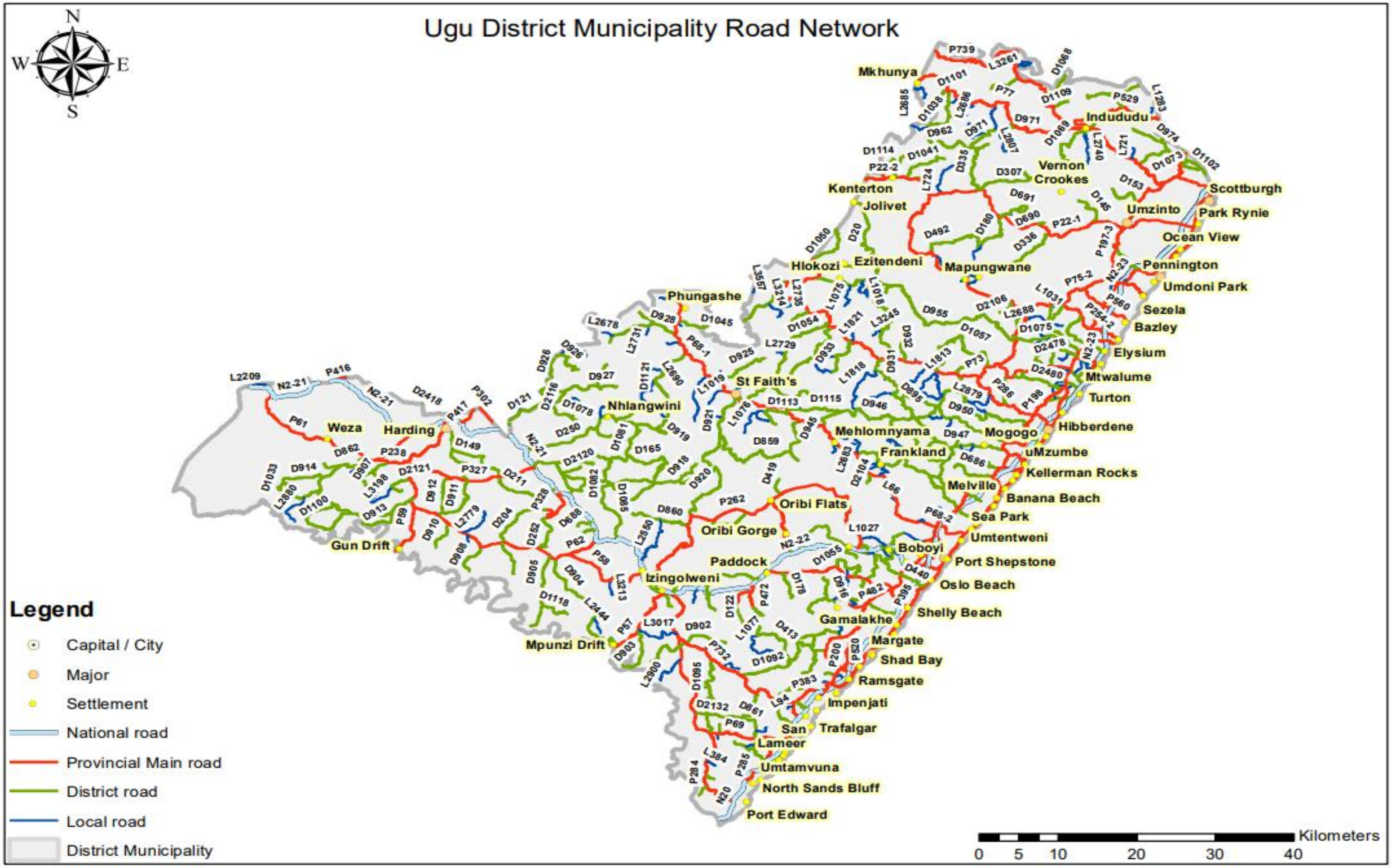
**Table 3.6.3.1.1:** District Road Network

**Source:** Department of Transport, 2026

| Municipality | Blacktop (kms) | Concrete (kms) | Gravel (kms) |
|---|---|---|---|
| **Umzumbe** | 81.806 | 2.050 | 635.358 |
| **Ray Nkonyeni** | 322.297 | 3.049 | 531.830 |
| **Umuziwabantu** | 85.055 | 0 | 339.121 |
| **Umdoni** | 138.338 | 0.274 | 355.066 |
| **Grand Total** | **627.496** | **5.373** | **1 861.375** |




**Map 3.6.3.1 existing and planned transport infrastructure**
**Source:** Ugu GIS, 2025




Map 3.6.3.1.1: District Road Network
**Source:** Department of Transport, 2026

#### 3.6.3.2 Rail Transport Infrastructure

Access to rail transport is limited within the region. The metropolitan rail system serving eThekwini only reaches the northern extremity of the district area with three stages in the Umdoni municipality. According to the figures provided by Metrorail, the daily average number of passengers, (7-day week) from each station is Scottburgh 949, Park Rynie 759, and Kelso 244 passengers. The south coast railway line was electrified and in use by Transnet Freight Rail as south as Port Shepstone, no commuter services are offered beyond these three stations. This railway line was intended to develop agriculture in the lower South Coast. This is the standard gauge line was primarily used to transport timber and sugar cane. However, the volume of freight has declined dramatically on this line in recent years, as road deliveries have increased. Currently, the narrow-gauge line from Port Shepstone (Banana Express station) to Harding no longer functions and is in a state of disrepair. In the past, the narrow-gauge line was also used for tourism, providing excursions to Paddock. Unfortunately, the line has been abandoned due to the demise of the Alfred County Railway and the final destruction of the Izotsha River Bridge in 2007.

The dysfunctional line between the Port Shepstone station and the Banana Express station creates a major barrier between developments to the north thereof and the beachfront. It effectively separates and restricts any integration between these two areas. It also limits opportunities to redevelop this area and creating an attractive and functional beachfront development.

#### 3.6.3.3 Air Transport Infrastructure

In terms of air transport infrastructure, the district has two (2) notable infrastructures which are Margate Airport and Scottburgh Airfield. The Margate Airport is owned by the Ray Nkonyeni Municipality whilst Scottburgh Airfield is privately owned.

##### 3.6.3.3.1 Margate Airport

In terms of the Margate Airport Master and Land Use Plan the intention is to develop a Smart Aero City Development (aerotropolis) and to stimulate the economy in both aeronautical and non-aeronautical developments and in support of the regional network of airports in KZN. This will include the development of an airport into a regional airport with investment opportunities in various areas including an aviation school, hangars, restaurant, hotel, car hire agencies, and a commercial and residential precinct.

The Margate Airport Upgrade and Development takes on a phased approach which has two (2) main phases which are namely Initial Development: Transition Phase to 2025 and Growth and Development Phase: 2025 – 2040.

- **Initial Development: Transition Phase to 2025**

A transition phase is anticipated until 2025, during which period the primary focus will be on securing the necessary approvals, and thereafter creating best-practice airport infrastructure that will enable Margate Airport to attain a position of ‘preferred destination airport’ for southern KZN and Eastern Cape passengers (scheduled and non-scheduled), and to kick-start accelerated growth in line with the Smart City initiative.

General Aviation (GA) at Margate has been suppressed for many years, despite there being intrinsic latent growth and development potential, such as seen at George and Pietermaritzburg Airports, and at various other GA-specific developments around the country. While charter, training and other limited tourism activities have continued at small scale, opportunities exist to double the resident GA fleet within the forecast period, to a scale at which a viable GA community, inclusive of a range of aircraft and operator maintenance and support services will be sustainable. The additional area for GA expansion, with better location and improved access and infrastructure, both landside and airside, is part of the initiative to facilitate expansion.

- **Growth and Development Phase: 2025 – 2040**

On an infrastructural viewpoint, focus will be on continuing to create appropriate best-in-class infrastructure to match the growth targets, and to ensure that passenger needs are addressed within the terminal zone and adjacent support areas. This will involve the incremental expansion of the terminal as traffic grows, plus the introduction of discretionary support services and possible competitive new scheduled services, where justified.

If the full range of development packages are realized and strong traffic growth resumes, it is anticipated that by about 2030 there may be a need to implement additional upgrades to enable the deployment of aeroplanes in the 75-98 seat range, plus the possible introduction of regular night-time operations. In this event, infrastructure improvements may include lengthening of the runway to 1500-1520m and installation of additional lighting.

Continued consolidation and expansion of GA is expected to continue and accelerate, once reasonable scale has been established, with full development of the proposed 10 000m2 within the new GA zone, fully developed by 2040.
During this phase, development of the commercial ‘outside the fence’ areas identified will continue. While these would all need to be demand driven and subject to specific feasibility studies for each, it is expected that full development of the two zones identified, could be achieved before 2040.

The priority projects will address the short-term infrastructural and pre-existing capacity and maintenance challenges already identified, together with preparations for future developments, guided by the Master Plan.

##### 3.6.3.3.2 Scottburgh Airfield

The Scottburgh airfield is located on Farm Portion 249 (of 1) of Farm Lot No 15 No 1665, measuring 87,33 Ha, located between the R 102 South Coast Rd and the N2. There is a proposal to re-align and develop into a surfaced runway the unsurfaced airstrip (previously registered with the CAA), and associated maneuvering areas to ICAO Code 2B, suitable for short-haul regional jets of up to 50 seats. The new runway alignment will create air approach and departure corridors parallel and close to the N2 freeway, ensuring that noise zones and other safety risk areas are far removed from the beachfront and residential areas. The site has excellent connectivity to both existing road and rail infrastructure. The 62 Ha portion (or larger) not required for aviation uses is a natural location for new mixed-use and 'Smart City' development in Scottburgh.

#### 3.6.3.4 Maritime Transport Infrastructure

There is currently no maritime transport infrastructure, there is no existing infrastructure in the district, however, there are three (3) proposed small craft harbours in Ray Nkonyeni Municipality which are namely Hibberden, Port Shepstone and Port Edward.

#### 3.6.3.5 Public Transport Facilities and Systems

The district has about 17 taxi associations with over 800 member and well over 1500 mini-bus taxis operating within its area of jurisdiction. Furthermore, Ugu Transport manages buses in the district and is subsidised by the provincial government through the Public Transport Operations Grant. The buses begin to operate at various locations as early as 4:30 in the morning. As per the bus schedule, the longest district route, at 140.2 km, runs between Port Shepstone and Gumantane. This is indicative of the dependence of the district's population on the public transport system with an estimated 18 321 925 bus passengers and 11 650 460 mini-bus taxis passengers per annum.

The buses and mini-bus taxis make an estimated 3 964 trips per day. The buses and mini-bus taxis make use of about 24 public transport facilities which are listed in Table 3.6.3.5.1. Only 12 of these public transport facilities are formal and most of the public transport facilities generally lack the pre-requisite amenities. Considering government's limited financial resources, a medium to long term plan is necessary to formalise the informal public transport facilities and provide the necessary amenities.

The public transport plays a pivotal role in the daily lives of many citizens of the district and as such it is critical that it is afforded the required attention to ensure the dignity and safety its users. This calls for a collaborative effort from all stakeholders involved.

**Table 3.6.3.5.1: Public Transport Facilities**

**Source:** Ugu District Municipality Sector Wide Infrastructure Audit, 2014

| No. | Name | Type | Municipality |
|---|---|---|---|
| 1 | Izingolweni Taxi Rank 1 | Formal | Ray Nkonyeni |
| 2 | Izingolweni Taxi Rank 2 | Informal | Ray Nkonyeni |
| 3 | Hiberdene Taxi Rank | Formal | Ray Nkonyeni |
| 4 | Port Shepstone taxi rank | Formal | Ray Nkonyeni |
| 5 | Margate Taxi Rank | Formal | Ray Nkonyeni |
| 6 | Margate Bus Rank | Formal | Ray Nkonyeni |
| 7 | Port Edward Taxi Rank | Formal | Ray Nkonyeni |
| 8 | Murchison Taxi Rank | Formal | Ray Nkonyeni |
| 9 | Nyadezulu Taxi Rank | Informal | Ray Nkonyeni |
| 10 | Gamalakhe Taxi Rank | Formal | Ray Nkonyeni |
| 11 | Scottburgh Taxi Rank | Informal | Umdoni |
| 12 | Umzinto Taxi Rank | Formal | Umdoni |
| 13 | Umzinto Bus Rank | Formal | Umdoni |
| 14 | Mandawe Taxi Rank | Informal | Umdoni |
| 15 | Harding Taxi Rank | Formal | Umuziwabantu |
| 16 | Harding Bus Rank | Forma | Umuziwabantu |
| 17 | Pungashe Taxi Rank | Informal | Umzumbe |
| 18 | ST Faiths Taxi Rank | Informal | Umzumbe |
| 19 | Mtwalume Taxi Rank | Informal | Umzumbe |
| 20 | Morrison Taxi Rank | Informal | Umzumbe |
| 21 | Dweshula Taxi Rank | Informal | Umzumbe |
| 22 | Kwanogoduka Taxi Rank | Informal | Umzumbe |
| 23 | Mswilili Taxi Rank | Informal | Umzumbe |
| 24 | Nhlanhleni Taxi Rank | Informal | Umzumbe |

## 3.6.4 Energy

Eskom is the sole supplier of electricity in the district apart from the urban areas of Port Shepstone and Harding. About 96% of the households use electricity for lighting. The coastal urban strip is almost fully electrified with small pockets of infills that needs to be attended to. The rural inland is also nearly at 100% electrification with few areas still requiring electrification.

### 3.6.4.1 Electricity Provision Standards

Households within 5 km of existing electrical grid infrastructure and with a density of greater than 50 households per square kilometre can receive grid electricity. Households more than 5km from grid and with densities less than 50 households per square kilometre are "non-grid" customers.

The district has few households that are more than 5 km from existing grid infrastructure. Furthermore, Eskom's approach to cost per connection targets has had to be adjusted upwards as they are still committed to electrifying all households and, after years of electrifying the most viable (lower cost per connection) households, they are now left with mainly "expensive" connections to do. This is generally assisted through the Department of Minerals and Energy (DME) run Integrated National Electrification Programme (INEP).

Cost per connection motivators will still influence an area's electrification priority which means that "customer" projects (i.e. to build a power line to a pump stations, Tribal Court, etc.) will reduce the cost per connection of the electrification project if the bulk feeder line no longer needs to be built.

The current electricity infrastructure is not sufficient to support future commercial development within the district and as such, financial commitment from the investor is required before infrastructure is built for the development.

### 3.6.4.2 Electricity Bulk Infrastructure

The current reticulation network within the district as indicated in Map 3.6.4.1 which shows areas already electrified and the location of the bulk electricity infrastructure. In terms of backlog analysis, all households greater than 4km from the network and in settlements of less than 50 households per square kilometre (50hh/km2) can theoretically not be supplied by the existing network. None the less, capacity problems are of a more localised nature because of the "Electrification for All" programme and major developments that have occurred over time. In addition, future developments, and electrification backlog programmes will require localised infrastructure upgrades. The ESKOM's Infrastructure Plan is summarised in Map 3.6.4.2.

### 3.6.4.3 Alternative Energy

The census 2022 statistics reflects that 96% of the households use electricity from the mains for lighting which is indicative that there is still very minimal use of alternative energy within the district with electricity being the preferred energy. A feasibility study for renewable energy in the Eastern Seaboard region was conducted in 2022 which in turn will serve as a framework for clean and renewable energy-led economic development undertaken through a structured and systematic evaluation and development of projects without compromising the environment. Renewable Energy is energy produced from natural resources such as sun, wind, water, biomass which do not run out but are in abundance. The feasibility study assessed the potential of these natural resources for the district.

#### 3.6.4.3.1 BioEnergy Resource

BioEnergy Atlas is an initiative funded by the Department of Science and Innovation and implemented by the South African Environmental Observation Network (SAEON). This interactive dashboard presents the finding of the feasibility analyses with the aim of providing regional contextual information about BioEnergy options which are feasible. Production of Bioenergy within S.A is determined by several factors such as climate, soil, land use practice and population density.

BioEnergy Atlas incorporates information on the basic factors involved in the production of biomass, potentials and yields for a variety of biomass resources, and assesses the technoeconomic feasibility of energy products from these resources. It serves as an information resource on processes for energy production from biomass, and on the likely impacts of these value chains on social, economic and environmental indicators. As reflected in Table 3.6.4.3.1.1 Umuziwabantu Municipality has the highest effective generation in the district followed by Ray Nkonyeni Municipality.

**Table 3.6.4.3.1.1:** BioEnergy Potential per Local Municipality
**Source:** Eastern Seaboard Renewable Energy Feasibility Study, 2022

| Municipality | Total Effective Generation Potential (in MW) |
|---|---|
| Ugu District | 736,417 |
| Umdoni Local | 0,425 |
| Umzumbe Local | No Data |
| Ray Nkonyeni Local | 129,785 |
| Umuziwabantu Local | 606,207 |

### 3.6.4.3.2 Onshore and Offshore Wind Resource

Onshore wind energy is the power generated by wind turbines located on land driven by the natural movement of the air. Council for Scientific and Industrial Research (CSIR) conducted a study to assess the aggregation of Wind and Solar energy within SA. The district regarded as one of the optimal locations for good wind resource which are regarded as strategic corridors where transmission infrastructure expansion as they have minimal environmental impact.

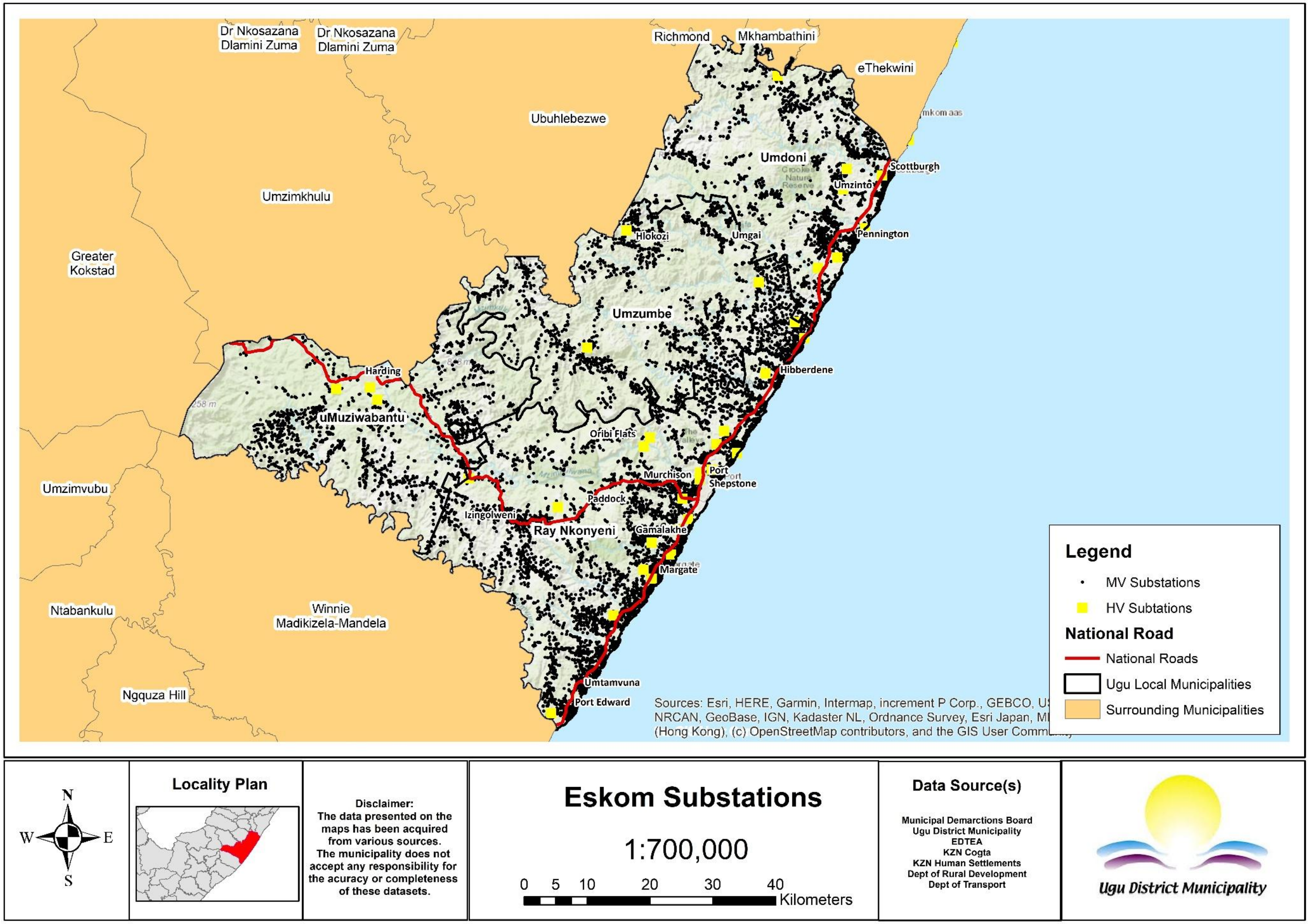
Whereas onshore wind farms are powered by wind on land, offshore wind farms are powered by wind blowing across the sea. In comparison, offshore winds are more efficient due to the higher wind speed, better consistency and the absence of physical obstacles found on land, whether natural or man-made. Larger scale plants are possible due to the large free areas available offshore with less restrictions on noise pollution as opposed to onshore wind where space is limited and added noise level and aesthetic considerations. However, the capital and operating costs are higher for offshore wind when compared to onshore wind.

### 3.6.4.3.3 Solar Resource

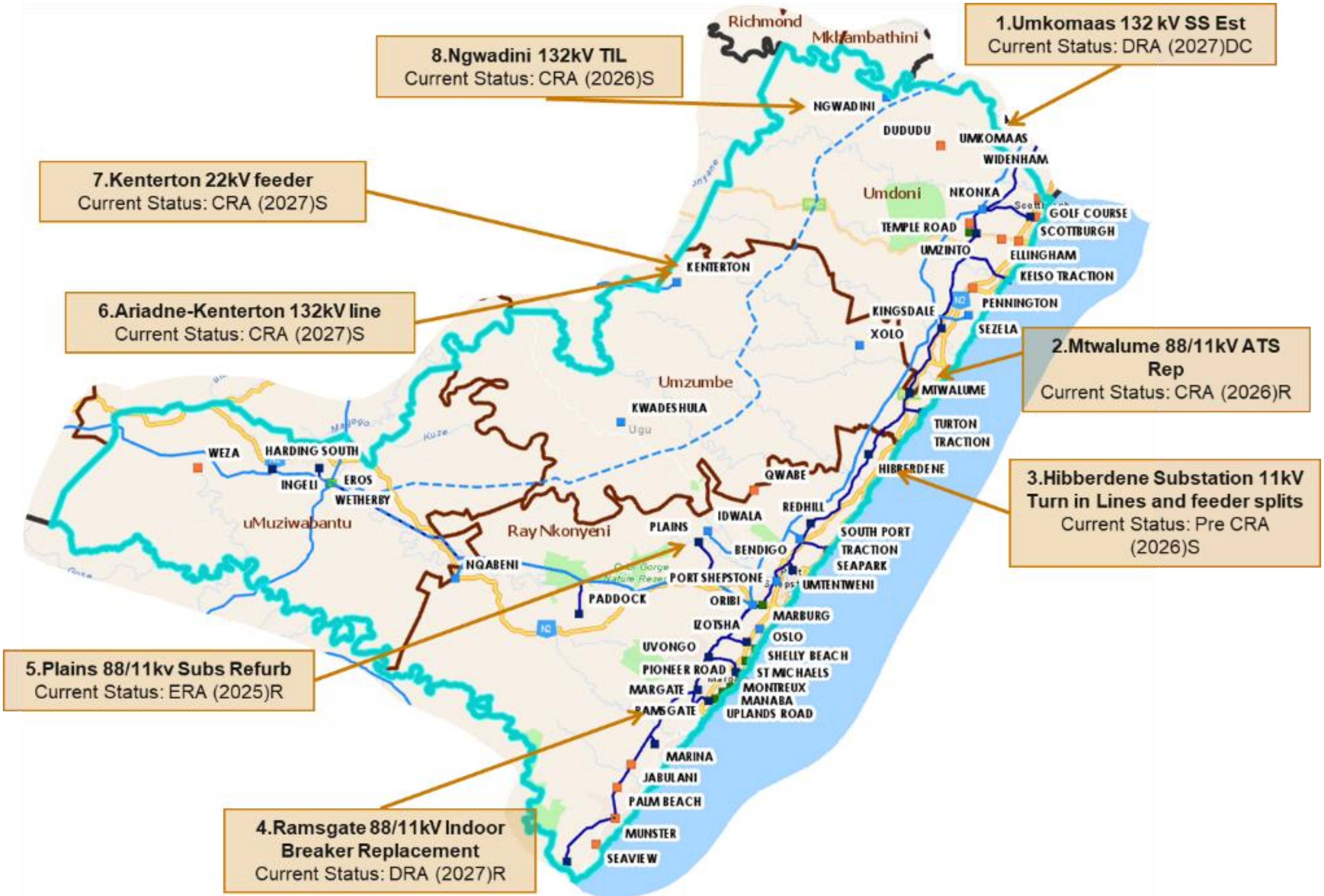
In terms of the study conducted by CSIR, a PV yield of above 1850 kWh/kWp is recommended for solar resource. The solar potential output and optimum angle irradiance are higher inland than on the coastal area. It can be noted that they both increase (solar potential output and optimum angle irradiance) towards inland. Ray Nkonyeni, Umzumbe and Umdon local municipalities have low solar resource potential output of 3-4.1570 kWh/kWp. Umziwabantu local municipality on the other, a low solar potential output while some parts of it have high solar potential output.

### 3.6.4.3.4 Hydropower Resources

Mkhomazi Mini Hydro in Umdoni local municipality is the only sites that have potential for hydropower in the district with a potential total effective generation potential of 1.2 MW.




**Map 3.6.4.1:** Bulk Electricity Infrastructure
**Source:** Ugu GIS, 2025




**Map 3.6.4.2:** ESKOM Infrastructure Projects

**Source:** ESKOM, 2025

### 3.6.5 Access to Social and Community Facilities

Social and Community Facilities (SCFs) contribute to the liveability of a neighbourhood by offering various services to those living in and around the neighbourhood. Most individual social facilities cannot be sustained by only one neighbourhood, and it is therefore important that facilities are placed throughout a settlement in such a way that they can be shared equitably by all residents. Not all facilities have to be in close proximity to all residents, but some, such as schools, health services and police stations need to be reasonably accessible to all communities.

The decisions regarding the types and sizes of SCFs to be provided and their locations throughout a settlement is coordinated at a municipal level. The respective local municipality considers a holistic view of the needs of an entire municipal area and the locations of existing facilities throughout the settlement prior to decision making. The issues that are considered when decisions regarding the provision of SCFs that would serve present and future needs are made include the availability and capacity of existing social facilities, the population thresholds required for viable social facilities, the distances that residents have to travel to reach SCFs, the cumulative demand for social facilities in the broader area, government's priorities for social service delivery and the demographic profile and specific needs of the community.

Map 3.6.5.1 depicts the distribution of the SCFs within the district's area of jurisdiction. The SCFs that typically require physical infrastructure at a neighbourhood level and land may have to be set aside or rezoned to accommodate them include Cemeteries; Clinics; Community halls, civic and multi-purpose centres; Community Health Centres (CHCs); Early Childhood Development Centres (ECDs); Fire / disaster centres stations; Government departments offices; Hospitals; Libraries; Police stations; Pounds; Primary schools; Secondary schools; and Sport fields.

In assessing the district communities' access to SCFs, it is also important to reflect on the user friendliness of such facilities to the disabled. The National Building Regulations through SANS 10400 prescribes the required standards for SCFs to be accessible and user friendly to the disabled and enforcement of such rests with the local municipalities. Due to the vastness and volume of the SFCs, determination of each facility can not be ascertained at this high level, however, there has been a general improvement in the accessibility of these facilities to the disabled. It can also be confirmed that all the Ugu District Municipal buildings comply with the National Building Regulations SANS 10400 and as such have disabled friendly access.

#### 3.6.5.1 Cemeteries

The cemeteries in the district's area of jurisdiction are located in Scottburgh, Shayamoya, Park Rynie, Kelso, Oslo Beach, Port Shepstone, Albersiville, KwaNositha Cemetery, Margate and Harding. Most of these cemeteries have been closed as they have reached capacity with the exception of the ones in Kelso, Izotsha and Harding. There are no formal cemeteries in the rural areas, hence the prevalence of on-site burials. There is a clear limited access to cemeteries in the district especially in the urban areas. The Umdoni Municipality is in the processes of extending their currently active gravesite, as well as Umuziwabantu. As much as there is prevalence of on-site burial systems in the rural areas, there is a need to identify cemetery sites in these rural areas in line with the principle of environmental sustainability.

#### 3.6.5.2 Community Halls, Civic and Multi-Purpose Centres

There is, a wide distribution of community halls, civic and multi-purpose centres across the district which are 47 in total. An application of the Kwazulu-Natal Draft Norms and Standards to community halls, requires one hall for 5 000 people within a 30-minute walking time or 1.5km walking distance.

#### 3.6.5.3 Education Facilities

The educational facilities seem to be fairly spread amongst different parts of the district. Although there are a number of educational facilities within the district, it does not indicate that the condition of those facilities is up to standard. There are 519 registered public and independent ordinary schools in the 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.

Based on the population catchment there are approximately 627 primary, and 312 secondary schools required in the district. The KwaZulu-Natal Draft Norms and Standards suggests that primary schools should be accessible within 1,5km while secondary schools are within a 2km traveling distance. The population catchment threshold differs on the basis on the density requirements whereby the lowest density settlements can be provided with a Micro Primary School for every 60 households while the population catchment which warrants the small Secondary School is 200 households. What becomes evident from the application of this requirement is that some of the coastal settlements do not have access to schools within the required distance. Small parts of district do not conform to the 5km service radius of facilities. The location of educational facilities occurs on access corridors (roads). The challenge, with this number of facilities, will be the maintenance, upgrading and quality of these facilities. Depending on the topography, and natural features such as rivers (which negate access to facilities) accessibility might also pose challenges to the community.

##### 3.6.5.3.1 Early Childhood Development Centres (ECDs)

The ECDs have a population threshold of 2 400 to 3 500 people with a 2 to 5 km Ideal maximum access distance. These facilities include day-care centres, nursery schools, play schools and after-school care facilities and provide programmes for the care of more than six and less than 150 children younger than five years of age. There is a wide distribution of these facilities in the district.

##### 3.6.5.3.2 Libraries

There are 29 libraries in the district area of jurisdiction which are largely concentrated in the Ray Nkonyeni Municipality; however, there is at least one library in each local municipality.

#### 3.6.5.4 Government departments offices

Government departments (national and provincial) often provide local branches or service delivery points where the public can access department-specific services or information. These offices are often part of public service centres or may be part of a periodic mobile e-government outreach service. The following departments or agencies are typically establishing local facilities for this purpose:

- Department of Home Affairs offices,
- Department of Labour offices,
- Department of Social Development offices, and
- SASSA offices (for registration and administration of grants).

#### 3.6.5.5 Health Facilities

The district with regards to health facilities has seven (7) Hospitals, two (2) community health centres and 53 clinics with the greatest number of these facilities being concentrated in Ray Nkonyeni Municipality having four of its facilities functioning as 24-hour clinics located in Gamalakhe, Izingolweni, Gcilima and Ntabeni.

The district has an uneven distribution of the population which has the following implications:

- The client movement is often seen to increase at the urban clinics due to ease of access via the established transport routes/taxis and buses. This results in clinics in the 'easy to access' areas often being overburdened because they are serving their own catchment area and the catchment of surrounding rural areas. The trends in headcount in urban clinics needs to be monitored over the coming year and budget allocation should be made based on these trends of where clients are using services.
- As stated above, many communities are living in the sparse traditional areas, so clinics built in these areas to improve access are often underutilised as there are small catchments. It is necessary to conduct outreach from these clinics to be able to reach the communities.

The catchment populations are calculated from the addition of the catchment populations of the referring clinics. Murchison has been most affected in terms of catchment population as Gamalakhe CHC has taken over clinics that were previously attached to Murchison Hospital. The Regional hospital continues to have clinics in its catchment.

The planning standards for the provision of health facilities are as follows:

- Clinic: 7000 – 30 000 people
- Community Health Centre: 30 000 – 160 000 people
- Hospital: 100 000 - 500 000 people
- Regional Hospital: 1.2 million people

The application of these norms and standards depends on location e.g. low-density rural settlements are normally serviced using the 7000-people threshold. According to these standards there are 107 Clinics required and seven (7) Hospitals.

#### 3.6.5.6 Safety and Security

There are currently 14 police stations within the district, with an average ratio of 1 police person to 525 people. There is only one existing prison in the area, located in Port Shepstone, although the Department of Public Works has made a commitment for the development of an additional R500 million prison facility. The provincial planning standards suggests that a population 50 000 people need to be provided with one Police Station at a radius of 10km. There are few areas that this radius does not reach.

##### 3.6.5.6.1 Fire / Disaster Centres Stations

The fire / disaster centre stations are context dependent. The response times for fire stations are critical when it comes to context, these are specified in *SANS 10090:2003 Edition 3*. It ranges from 8 minutes for high-risk land uses (including informal settlements) and CBD areas to 13 minutes for conventional brick residential areas and 23 minutes for rural areas.

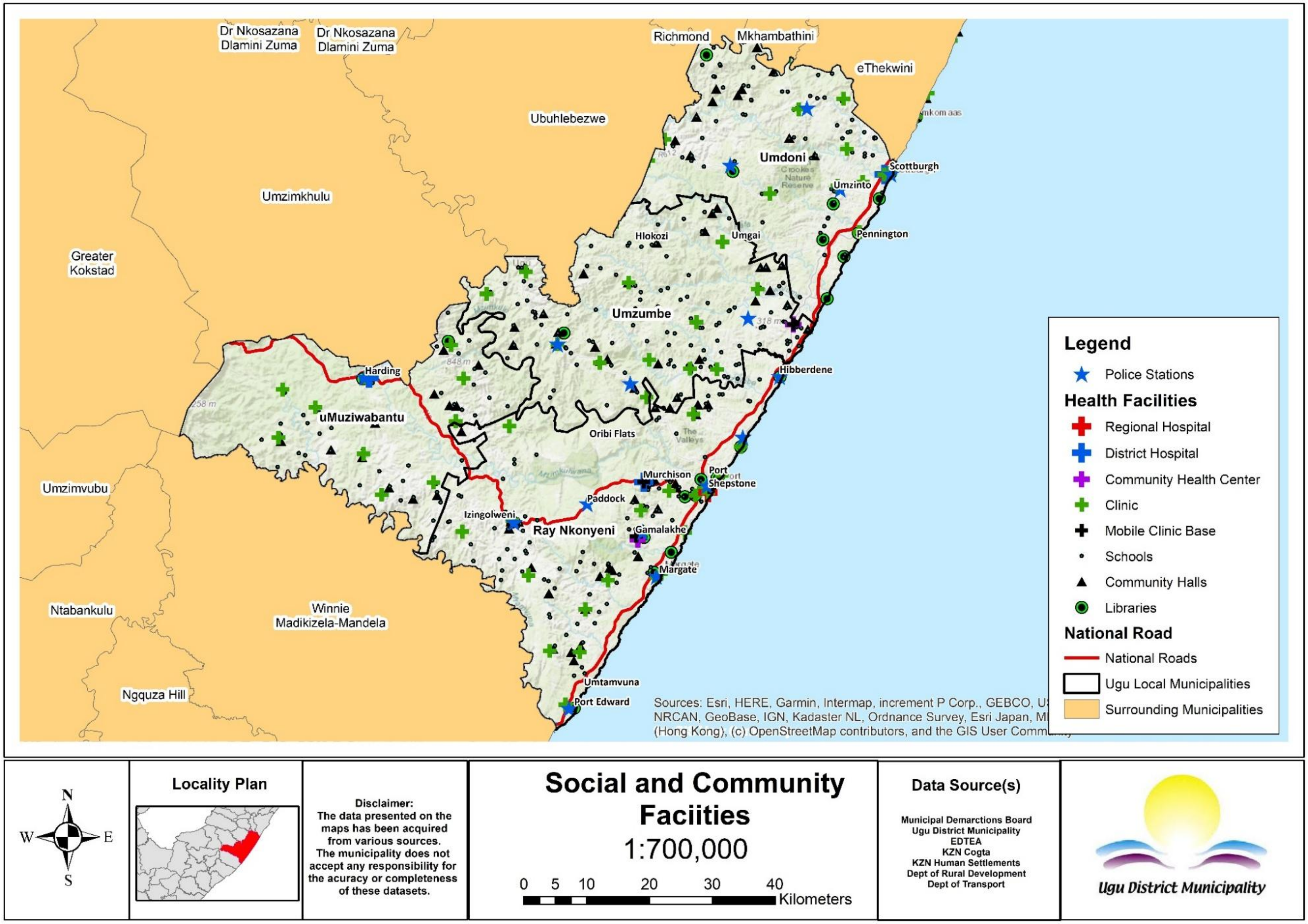
The district has fire / disaster station in Umzinto, Port Shepstone and Marburg. There are also three satellite stations which are located in Seaslopes; Margate Airport, Izingolweni. The is a serious lack of access to fire / disaster centre facilities within the district especially for the rural areas. The Umzumbe and Umuziwabantu municipalities do not have such centres within their area of jurisdiction and as such they rely on the district or neighbouring municipalities.

#### 3.6.5.7 Pounds

There are currently no municipal pounds within the district, however, Umdoni and Umzumbe municipalities have Service Level Agreement (SLA) with the local SPCA, which carries out the function. The agreement includes details on how dead, uncontrolled, and stray animals are dealt with by SPCA.

#### 3.6.5.8 Sport fields

The district has 11 sport complexes and well over 100 sport fields. The Gamalakhe Sport and Leisure sports complex serves as a regional sport facility the districts and has been identified as a recreational node for the district.




**Map 3.6.5.1:** Access to Social and Community Facilities
**Source:** Ugu GIS, 2025

### 3.6.6 Human Settlements

Based on the Housing Sector Plans of the local Municipalities the housing need / demand for the district is 59 627. The distribution of the housing need / demand per municipality is reflected in Figure 3.6.6.1. This housing need / demand is mainly based on the low-cost housing market and does not necessarily consider the holistic new Breaking New Ground (BNG) housing policy concept.

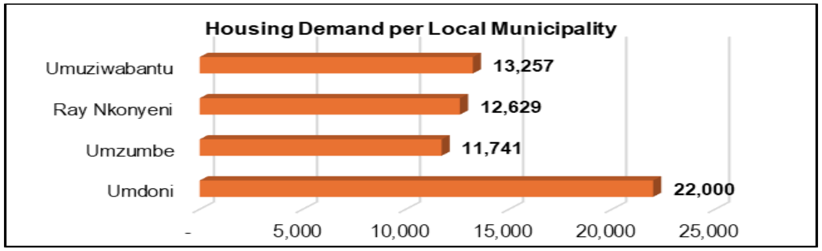



**Figure 3.6.6.1:** Housing Demand per Local Municipality
**Source:** Local Municipalities Housing Sector Plans

Through this new BNG approach, there is shift towards a reinvigorated contract with the people and partner organizations for the achievement of sustainable human settlements. Sustainable human settlements as per BNG refer to "*well-managed entities in which economic growth and social development are in balance with the carrying capacity of the natural systems on which they depend for their existence and result in sustainable development, wealth creation, poverty alleviation and equity*". This means the present and future inhabitants of sustainable human settlements, located both in urban and rural areas, live in a safe and a secure environment and have adequate access to economic opportunities, a mix of safe and secure housing and tenure types, reliable and affordable basic services, educational, entertainment and cultural activities and health, welfare and police services. Specific attention is paid to ensuring that low-income housing is provided in close proximity to areas of opportunity. Investment in a house becomes a crucial injection in the second economy, and a desirable asset that grows in value and acts as a generator and holder of wealth. Sustainable human settlements are supportive of the communities which reside there, thus contributing towards greater social cohesion, social crime prevention, moral regeneration, support for national heritage, recognition and support of indigenous knowledge systems, and the ongoing extension of land rights.

At the heart of BNG is the move beyond the provision of basic shelter towards achieving the broader vision of sustainable human settlements and more efficient cities, towns and regions. The National Housing Code 2007 sets the understanding, policy principles, guidelines and norms and standards which apply to government's various housing assistance programmes introduced since 1994 and updated in 2007. These programmes are presented in overview in Table 3.6.6.1 according to the four different intervention categories.

There are currently 61 human settlement projects with an estimated yield of 31 931 households at a financial investment of R 3 297 824 575.59 funded through the different subsidies. The rural housing programme has the largest proportion of the financial resource at 77% followed by Integrated Residential Development and Informal Settlement Upgrade Housing programmes at 7% each, Emergency Housing Assistance programme at 6%, Rectification Housing programme at 3% and Institutional Subsidy Programme at 1%.

These programmes and projects cut across the different intervention categories and other projects are funded by different subsidy schemes dependent on the nature of the project. Progress can be observed in the government's efforts to enhance the housing product, however, the production of single houses on single plots seems to be persistent.

**Table 3.6.6.1:** Overview of Intervention Categories, Definitions and National Housing Programmes

| Intervention Category | Definition | National Housing Programmes |
|---|---|---|
| 1. Financial | Programmes that facilitate immediate access to housing goods and services creating enabling environments and providing implementation support | 1.1. Individual Housing Subsidies: Credit and Non-credit linked R0 - R3 500<br>1.2. Enhanced Extended Discount Benefit Scheme<br>1.3. Primary public, social and economic facilities<br>1.4. Operational Capital Budget (OPS/CAP)<br>1.5. Rectification of pre-1994 housing stock. |
| 2. Incremental Housing | Programmes that facilitate access to housing opportunities through a phased process | 2.1. Integrated Residential Development Programme<br>2.2. People's Housing Process<br>2.3. Informal settlement upgrading<br>2.4. Consolidation subsidies<br>2.5. Emergency Housing Assistance |
| 3. Social and Rental Housing | Programmes that facilitate access to rental housing opportunities, supporting urban restructuring and integration | 3.1. Institutional subsidies<br>3.2. Social housing<br>3.3. Community residential units |
| 4. Rural Housing | Programmes that facilitate access to housing opportunities in rural areas | 4.1. Rural subsidy: communal land rights |

### 3.6.6.1 Financial Housing Intervention

The dominant production of single houses on single plots in distant locations with initially weak socio-economic infrastructure is inflexible to local dynamics and changes in demand. The human settlements plan moves away from the current commoditised focus of housing delivery towards more responsive mechanisms which addresses the multi-dimensional needs of sustainable human settlements. The movement towards increased flexibility and demand responsiveness inevitably increases tension between uniform subsidy payments and increasingly non-uniform housing products as policy moves away from allocative equity to demand responsiveness and flexibility.

The Individual Housing Subsidies programme provides access to state assistance where qualifying households wish to acquire an existing house or a vacant residential serviced stand linked to a house construction contract through an approved mortgage loan. These properties are available in the normal secondary housing market or have been developed as part of projects not financed through one of the national housing programmes. The programme encourages growth of the secondary residential property market achieving an objective of the Comprehensive Plan for the creation of sustainable human settlements.

The Enhanced Extended Discount Benefit Scheme's policy framework and implementation guidelines were specifically formulated and implemented to support decisions made regarding the transfer of pre-1994 housing stock and is intended to stimulate and facilitate the transfer of public housing stock to qualifying occupants.

The provision of primary social and economic facilities programme recognises that due to backlogs in existing settlements and the need to priorities those, authorities responsible for the provision of social and economic facilities, such as schools, clinics, community halls, recreational facilities and trading facilities, have not been able to provide facilities in most new housing projects. The programme, therefore, in line with policy to establish quality, sustainable human settlements, funds primary social and economic amenities, where funding is not available from other sources.

Rectification of pre-1994 housing stock programme facilitate the improvement of state financed residential properties created through state national housing programme interventions during the pre-1994 housing dispensation that are still in ownership of the public sector institution and / or were disposed of to the beneficiaries. There are currently two rectification housing projects within the district with an estimated yield of 449 households at a financial resource investment of R 83 672 801.42 which are detailed in the implementation plan.

#### 3.6.6.2 Incremental Housing Intervention

Due to the magnitude of the housing backlog, the financial resource is not sufficient to address it at a go and as such a phased approach to access to housing opportunities is often applied. The Integrated Residential Development Programme, People's Housing Process, Informal Settlements Upgrading, Consolidation Subsidies and Emergency Housing Assistance programmes are being implemented in phased approach.

##### 3.6.6.2.1 Integrated Residential Development Programme

This is a programme introduced to facilitate the development of integrated human settlements in well located areas which provides convenient access to urban amenities, including places of employment. The Integrated Residential Development Programme (IRDP) provides for the acquisition of land, servicing of stands for a variety of land uses, including commercial, recreational, schools and clinics, as well as residential stands for low, middle and high income groups.

There are currently five IRDP projects being implemented within the district with an estimated yield of 2 147 households at financial resource investment of R 231 538 402.36. The IRDP projects that are currently being implemented within the district are detailed in the implementation plan.

##### 3.6.6.2.2 People's Housing Process Programme

The People's Housing Process (PHP) programme was introduced by government to facilitate a self-built housing process. The programme helps qualifying beneficiaries in the form of technical advice, guidance and training to build their own houses. Apart from the capital subsidy amount for the construction of the houses, the programme also funds facilitation initiatives and helps with the employment of expertise to guide the project application process and obtain project approval. The programme is project oriented, and the housing subsidy is thus not available on an individual beneficiary basis. Beneficiaries who wish to participate in the construction of their own buildings must form themselves into a support organisation or acquire the services of such a support organisation.

#### 3.6.6.2.3 Informal Settlement Upgrading

The informal settlement upgrading programme is one of the most important programmes of government which seeks to upgrade the living conditions of poor people by providing secure tenure and access to basic services and housing. The informal settlements in the district are located mostly in the Umdoni and Ray Nkonyeni municipalities with an estimated 6 888 households spread across 14 informal settlements which are namely Alexandra, Farm Abrahams/Kelso, KaMbetheni, Kiss-Kiss, Lindelani, Louisiana, Masinenge, Mkholombe, Msholozi, Nkonka, NPA, Paddock, Roseville, Sanathan and Thokoza. A total of nine (9) informal settlements upgrading plans have been completed with four (4) being for Ray Nkonyeni and five (5) Umdoni local municipalities.

There are currently six informal settlements upgrading projects being implemented within the district with an estimated yield of 5 345 households at a financial resource investment of R 240 078 278.05, funded through the Upgrading of Informal Settlements Partnership Grant (UISPG). The informal settlements upgrading projects being implemented within the district are detailed in the Implementation Plan.

#### 3.6.6.2.4 Consolidation Subsidies

Before the introduction of the White Paper on a New Housing Policy and Strategy for South Africa in December 1994, a substantial number of households had received serviced sites only in terms of state housing schemes instituted pre-1994. To enable such households to access adequate housing, a consolidation subsidy has been introduced which provides for the completion of houses on the serviced sites. Therefore, beneficiaries of such stands may apply under this programme for further assistance to construct a house on their stands or to upgrade / complete their house they may have constructed from their own resources.

#### 3.6.6.2.5 Emergency Housing Assistance

During the process of upgrading informal settlements, it may be necessary to temporarily re-house households while services are being installed or formal houses are being built on sites previously occupied by informal structures. Likewise, it may be necessary to provide temporary housing relief to households in stress following natural or man-made disasters where Emergency Housing Assistance Programme may then be used for temporary housing for disaster victims until such time as they can be provided with permanent houses.

There are currently 11 emergency housing projects being implemented within the district with an estimated yield of 937 households at a financial investment of R 193 211 231.22. These projects are processed mostly through Operation Sukuma Sakhe.

### 3.6.6.3 Social and Rental Housing Intervention

Security of tenure remains one of the fundamental principles of housing policy. Where other programmes provide freehold tenure to households, there has been an increasing need for affordable rental units which provide secure tenure to households which prefer the mobility provided by rental accommodation. The need for affordable rental housing is witnessed by the large number of households and individuals who currently rent overcrowded and sub-standard but inexpensive accommodation in backyards and informal settlements.

#### 3.6.6.3.1 Institutional Subsidies

Owing to a variety of reasons, the market has not provided adequate units in the lower end of the rental market. As the Social Housing Programme focuses mainly on achieving urban integration and upgrading and is applicable only in declared restructuring zones, the need remains for a programme that will provide for affordable rental accommodation in other parts of settlements. The institutional housing subsidy programme has been introduced to provide capital grants to social housing institutions that construct and manage affordable rental units.

There is currently one institutional subsidy project being implemented within the district which is an old age home at an estimated value of R 16 684 848.00 with a target of 120 beds facility. This is a crosscutting project as it also embodies rectification and upgrade aspects.

#### 3.6.6.3.2 Social Housing

The Comprehensive Plan identifies the need to address the inequities of the Apartheid-induced spatial frameworks of our cities and towns by promoting integration across income and population group divides. There is a need to provide especially poor households with convenient access to employment opportunities and the full range of urban amenities. The Social Housing Programme therefore applies only to “restructuring zones” which are identified by municipalities as areas of economic opportunity and where urban renewal / restructuring impacts can best be achieved. The programme also aims to develop affordable rental in areas where bulk infrastructure (sanitation, water, transport) may be under-utilised, therefore improving urban efficiency.

There is a very limited social housing stock within the district with Ray Nkonyeni being the only local municipality to have social housing projects in the pipeline. The Ray Nkonyeni local municipality has identified Erf 1675-Uvongo, Lot 26 of 4939 and Lot 29 of 4941 Marburg sites within the Restructuring Zones for development in terms of this programme. These sites collectively have a potential of 3036 housing opportunities. Development on these sites, however, faces bulk infrastructure services availability challenges such as the upgrading the wastewater treatment plants. There is an urgent need to explore more opportunities within the district to explore more social housing opportunities especially in the Ray Nkonyeni and Umdoni Municipalities as the main economic hubs of the district.

#### 3.6.6.3.3 Community Residential Units

Both the Social Housing and the Institutional Subsidy Programmes do not provide affordable rental accommodation to the very poor and often informally employed, because of the high cost of multi-level units (and facilities provided) and the resultant high rental charges. Likewise, there is a need for a programme that will support the upgrading of government-owned communal rental accommodation (hostels). Hence, the Community Residential Units programme (CRU) aims to facilitate the provision of secure, stable rental tenure for lower income persons. The programme provides a coherent framework for dealing with the many different forms of existing public sector residential accommodation.

### 3.6.6.4 Rural Housing Intervention

The rural housing programme applies in areas of communal tenure and where traditional leaders allocate land for settlement to households or persons, where freehold tenure cannot in most cases be easily secured. Furthermore, subsidies are only available on a project basis but can be flexibly applied to meet real needs. The Rural Housing Programme thus deals with the rules for housing subsidies for housing development on communal land registered in the name of the state or which will be held by community members subject to the rules or customs of that community. It is a prerequisite for the allocation of subsidies under the programme that the beneficiary community member provide proof of uncontested land tenure rights and qualifies for a new order tenure right on the portion of land allocated to him or her. The housing subsidy may be utilised for the development of internal municipal residential services where no alternative funds are available, house building, upgrading of existing services where no alternative funding is available, and the upgrading of existing housing structures or any combination of the said options. This programme adheres to the objective of the Comprehensive Plan for the Creation of Sustainable Human Settlements, for a need orientated rural development programme that caters for traditional technologies, appropriate funding mechanisms and addressing the important issues of tenure security, livelihood strategies and the broader socio-cultural matters.

The rural housing projects are one of the main human settlements interventions being implemented within the district with 36 projects across the district with a total estimated yield of 23 052 households at a R 2 532 639 014.54 financial resource investment. The rural housing projects being implemented within the district are detailed in the Implementation Plan.

### 3.6.7 Telecommunications

Telecommunications data is not easily accessible for the district especially regarding the infrastructure on the ground. Whilst no detailed indication of fixed line or broadband services is available, it has been noted that broadband services are limited and only available in major centres. In response to this need, the district is exploring broadband rollout project for the region.

As depicted in Figure 3.6.7, about 17% of the households do not have access to internet as per the 2022 census. Most households access the internet through the cell phone / mobile device. There is no data available to determine the reliability and speed of the internet access. Furthermore, level of accessibility between the urban and the rural areas can also not be determined based on the available data.

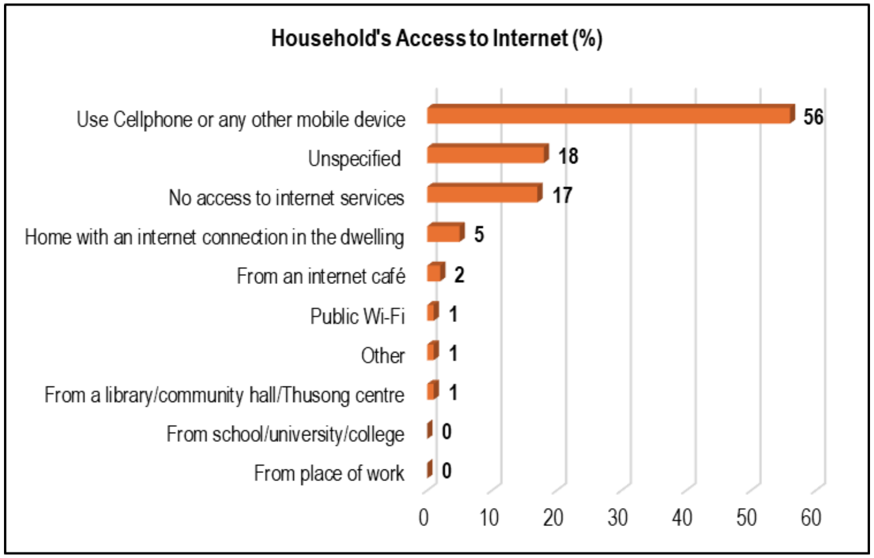



**Figure 3.6.7.1:** Household's Access to Internet

### 3.6.8 Basic Service Delivery Key Challenges and SWOT Analysis

The basic service delivery analysis undertaken above culminated in the identification of a number of challenges, which the district needs to redress, address and mitigate. The basic service delivery SWOT Analysis of the district are detailed in Table 3.6.8.1 which is followed by a summary key challenges in Table 3.6.8.2.

**Table 3.6.8.1:** Basic Service Delivery SWOT Analysis

| | |
|---|---|
| STRENGTHS | ▪ Existing water and sanitation infrastructure covering most of the district resulting in backlogs below 20% for water service and 30% for sanitation.<br>▪ Good existing road network.<br>▪ More 90% access to electricity.<br>▪ Even spread of community facilities (reasonable access across the district). |
| WEAKNESSES | ▪ Rapidly aging basic services infrastructure (water, sanitation, and road).<br>▪ Inadequate maintenance of basic service delivery infrastructure.<br>▪ Below minimum standards No, Blue, and Green Drop scores.<br>▪ Solid waste management systems limited to the coastal urban strip.<br>▪ Lack of organised waste minimisation and recycling system.<br>▪ Limited access to public transport.<br>▪ Outdated Integrated Transport Plan.<br>▪ Informal settlements.<br>▪ Illegal Connections.<br>▪ Lack of capacity of key treatment plants. |
| OPPORTUNITIES | ▪ Alternate sources of energy and water.<br>▪ Circular economy.<br>▪ Recycling and waste minimisation.<br>▪ Social and rental housing (Gap Housing Market).<br>▪ Integrated public transport system. |
| THREATS | ▪ Natural adversities such as droughts and flooding.<br>▪ Urbanisation and rural population outmigration.<br>▪ Immigration – the district is the Eastern Cape gateway to KZN, the arrival of people seeking better opportunities often further burdens the already stretched infrastructure. |

**Table 3.6.8.2:** Basic Service Delivery Key Challenges

| | |
|---|---|
| **Key Challenge** | **Rapidly aging basic services infrastructure** |
| **Description** | The rapidly aging infrastructure especially water infrastructure is leading to numerous water outages and slows down the pace of backlog eradication. With sanitation infrastructure in particular, it leads to spillages which contaminates the water often leading to beach closures which have a very dire effect on the district's economy. |
| **Key Challenge** | **Water supply capacity vs demand deficit** |
| **Description** | The water demand is much greater than the current supply capacity which ultimately results in manual supply balancing or water rationing. |
| **Key Challenge** | **Illegal water connections** |
| **Description** | There is a high level of illegal water connections which leads increase on unplanned repairs / maintenance due to pipeline bursts, disruption of bulk and reticulated water services Water losses and possible water contamination. |
| **Key Challenge** | **Water and sanitation infrastructure vandalism** |
| **Description** | There is a widespread of water and sanitation infrastructure vandalism which leads to disruption of bulk and reticulated water and sanitation services. Negative impact to the environment, e.g., water contamination. |
| **Key Challenge** | **Lack of formal waste management systems in rural** |
| **Description** | There is a lack of solid waste service in the rural hinterland which leads these communities to use own refuse disposal methods which may not necessarily be environmentally friendly. |
| **Key Challenge** | **Lack of capacity of key treatment plants** |
| **Description** | The capacity of key treatment plants has not kept up with the increase in demand leading to limited capacity of these plants which has a negative impact especially to the environment. |
| **Key Challenge** | **Rail transport is limited** |
| **Description** | The metropolitan rail system serving eThekwini only reached the northern extremity of the district. The south coast railway line was electrified and used by Transnet Freight Rail as south as Port Shepstone, no commuter services were offered beyond these three stations.<br><br>Volume of freight declined dramatically on this line in recent years, as road deliveries have increased which is one of the major reasons for the demise of the rail services. |
| **Key Challenge** | **Inadequate maintenance of infrastructure** |
| **Description** | The basic service infrastructure requires routine maintenance to keep it operational and delivering services. However, in the district older infrastructure is often not being refurbished and / or renewed timeously and there is inadequate planned preventative maintenance on new infrastructure. |
| **Key Challenge** | **Informal Settlements** |
| **Description** | An estimated 6 888 households spread across 14 informal settlements within the district which live in poor living conditions, crammed in shacks and squatter camps. These households require provision of basic services such as water, sanitation, and electricity |
| **Key Challenge** | **Lack of Social Housing** |
| **Description** | There is a growing demand affordable rental housing stock within the district, however, there is a very limited social housing stock within the district with Ray Nkonyeni being the only local municipality to have social housing projects in the pipeline. |
| **Key Challenge** | **Below minimum standards Blue, and Green Drop scores** |
| **Description** | As a result of the aged, and inadequate maintenance of the water and sanitation infrastructure which subsequently results in breaks, the district struggles to meet the minimum standard Blue and Green Drop score. |

## 3.7 LOCAL ECONOMIC AND SOCIAL DEVELOPMENT ANALYSIS

The district's primary challenge is to roll back unemployment, poverty and inequality. Raising living standards to the minimum level proposed in the National Development Plan requires a combination of increasing employment, higher incomes through productivity growth, a social wage and good-quality public services. The fragility of district's economy lies in the distorted pattern of ownership and economic exclusion created by apartheid policies. The effects of decades of racial exclusion are still evident in both employment levels and income differentials. The fault lines of these differentials are principally racially defined but also include skill levels, gender and location. Consequently, the district has developed into one of the most unequal societies in the world, with very high levels of poverty, carrying all the associated risks. In addition, the district has failed to reap a demographic dividend by harnessing the potential of a proportionately large cohort of working-age youth.

A sustainable increase in employment will require a faster-growing economy and the removal of structural impediments, such as poor-quality education or spatial settlement patterns that exclude the majority. These are essential to achieving higher rates of investment and competitiveness and expanding production. Business, labour, communities and government will need to work together to achieve faster economic growth.

Social cohesion needs to anchor the district economic development strategy. If the district registers progress in deracialising ownership and control of the economy without reducing poverty and inequality, transformation will be superficial. Similarly, if poverty and inequality are reduced without demonstrably changed ownership patterns, the district's progress will be turbulent and tenuous.

### 3.7.1 Local Economic Development Analysis

The district is the fourth largest economy in the province as reflected in Figure 3.7.1.1 making one of the big districts in terms of GDP-R contribution in KZN. The GDP-R per capita for eThekwini was R108 114 billion in 2022, followed by uMgungundlovu at R66 461 billion, King Cetshwayo at R43 193 billion and Ugu at R43 151 billion, districts.

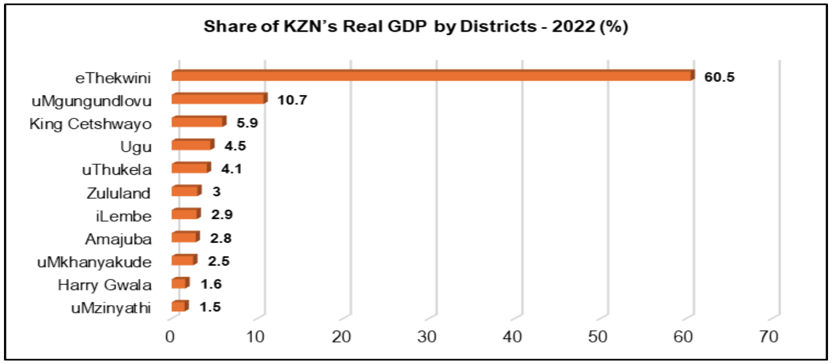



**Figure 3.7.1.1:** Share of KZN's Real GDP by District Municipalities

**Source:** S&P Global, 2022

The district's economic prospects are no exception to several structural challenges that have affected the national and provincial economies in 2022 and 2023. Following the robust rebound in 2021, real GDP-R weakened considerably across all districts and the metro in the province, with the district, uMkhanyakude and Ilembe experiencing the greatest contractions in quarter one of 2023 in the province. The substantial deterioration in economic activity was triggered by a combination of global uncertainties amid heightened geopolitical conflicts as well as local structural constraints, particularly the energy crisis and disruptions caused by disastrous flooding in 2022, and more recently end of 2023 and early 2024.

As evident in Figure 3.7.1.2, similar to the provincial trend, the real GDP-R per capita dropped significantly in 2020 across all districts. The district had the third largest decline in the province after King Cetshwayo and uMgungundlovu districts.

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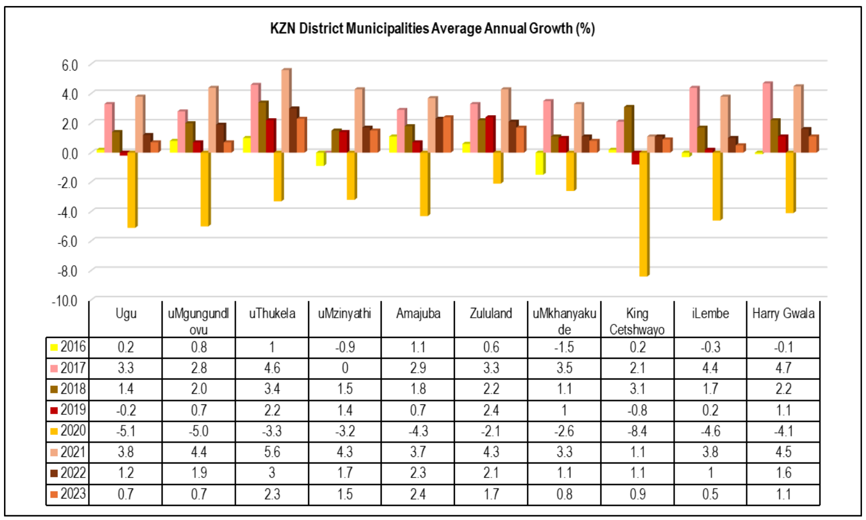
The decrease in real GDP-R per capita during the COVID-19 pandemic could be attributed to a substantial contraction in GDP-R. The real GDP-R per capita recovered strongly across all districts in 2021, whereby the district had the fourth lowest recovery increase after King Cetshwayo, uMkhanyakude and Amajuba.




| | Ugu | uMgungundlovu | uThukela | uMzinyathi | Amajuba | Zululand | uMkhanyakude | King Cetshwayo | iLembe | Harry Gwala |
|---|---|---|---|---|---|---|---|---|---|---|
| 2016 | 0.2 | 0.8 | 1 | -0.9 | 1.1 | 0.6 | -1.5 | 0.2 | -0.3 | -0.1 |
| 2017 | 3.3 | 2.8 | 4.6 | 0 | 2.9 | 3.3 | 3.5 | 2.1 | 4.4 | 4.7 |
| 2018 | 1.4 | 2.0 | 3.4 | 1.5 | 1.8 | 2.2 | 1.1 | 3.1 | 1.7 | 2.2 |
| 2019 | -0.2 | 0.7 | 2.2 | 1.4 | 0.7 | 2.4 | 1 | -0.8 | 0.2 | 1.1 |
| 2020 | -5.1 | -5.0 | -3.3 | -3.2 | -4.3 | -2.1 | -2.6 | -8.4 | -4.6 | -4.1 |
| 2021 | 3.8 | 4.4 | 5.6 | 4.3 | 3.7 | 4.3 | 3.3 | 1.1 | 3.8 | 4.5 |
| 2022 | 1.2 | 1.9 | 3 | 1.7 | 2.3 | 2.1 | 1.1 | 1.1 | 1 | 1.6 |
| 2023 | 0.7 | 0.7 | 2.3 | 1.5 | 2.4 | 1.7 | 0.8 | 0.9 | 0.5 | 1.1 |

**Figure 3.7.1.2:** KZN District Municipalities Average Annual Growth

**Source:** S&P Global, 2022

As reflected in Figure 3.7.1.3, Ray Nkonyeni local municipality enjoys a lion's share of the district's real GDP with a 62% proportion followed by Umzumbe with 21%, Umdoni with 13% and Umuziwabantu with 4%.

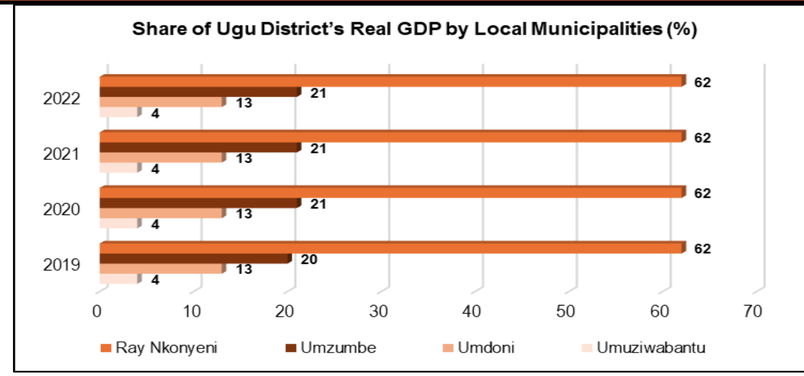
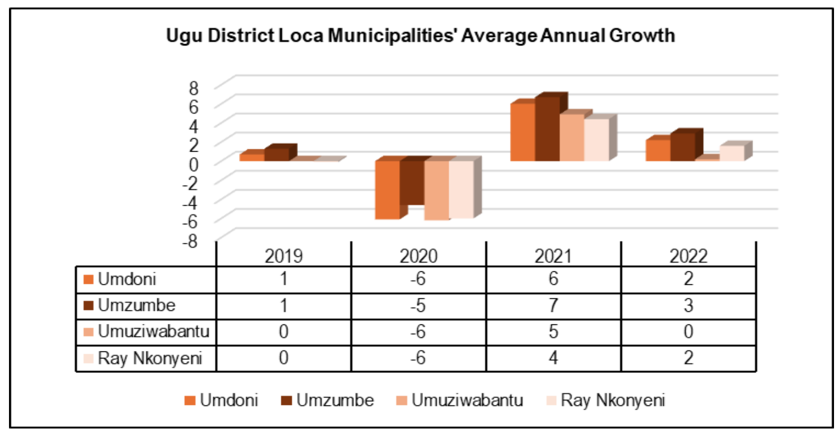



**Figure 3.7.1.3:** Share of Ugu District's Real GDP by Local Municipalities

**Source:** S&P Global, 2022

As reflected in Figure 3.7.1.4, local municipalities within the district followed a similar trend to the district overall trend in terms of GDP percentage increase or decrease (growth and decline / shrinkage). Umdoni had the largest shrinkage whilst Umzumbe has made the quickest recovery and achieved the highest GDPR percentage growth post-Covid.




| | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Umdoni | 1 | -6 | 6 | 2 |
| Umzumbe | 1 | -5 | 7 | 3 |
| Umuziwabantu | 0 | -6 | 5 | 0 |
| Ray Nkonyeni | 0 | -6 | 4 | 2 |

**Figure 3.7.1.4:** Ugu District Local Municipalities' Average Annual Growth

**Source:** S&P Global, 2022

### 3.7.1.1 Summary of Key Economic Sectors

The GDP which is the total monetary or market value of all the finished goods and services produced within borders in a specific time as well as GVA which is the measure of the value of goods and services produced in an area, industry or sector of an economy were analysed to determine the district's main economic contributors.

Nominal GDP is used which is the value of the goods and services in 2022, unless otherwise indicated. As reflected in Figure 3.7.1.1.1 and 3.7.1.1.2, the GDPR (rand value) for the district in 2023 was R33 399 billion and R29 743billion for GVA (rand value) according to the Statistics South Africa estimates. A total of nine (9) economic sectors contributed to this R33 399 billion and R29 743billion which are:

1) Agriculture, forestry and fishing (Agriculture hereafter).
2) Community, Social and Personal Services (Community Services hereafter).
3) Construction.
4) Electricity, Gas and Water (Electricity hereafter).
5) Financial Intermediation, Insurance, Real Estate and Business Services (Finance hereafter).
6) Manufacturing.
7) Mining and Quarrying (Mining hereafter).
8) Transport, Storage and Communication (Transport hereafter).
9) Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles, and Personal Household Goods; Catering and Accommodation (Trade hereafter).

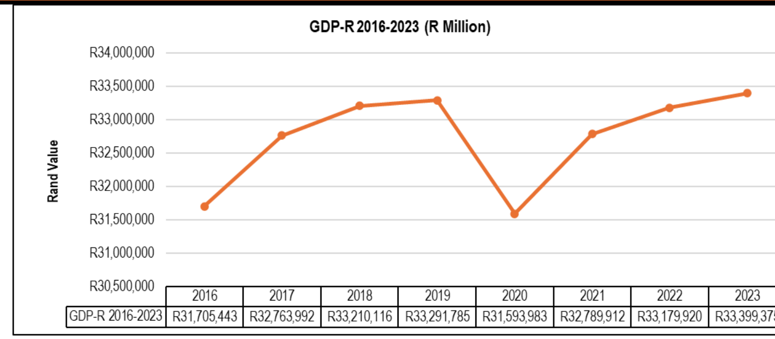



**Figure 3.7.1.1.1:** GDPR 2016 - 2023

**Source:** S&P Global, 2022

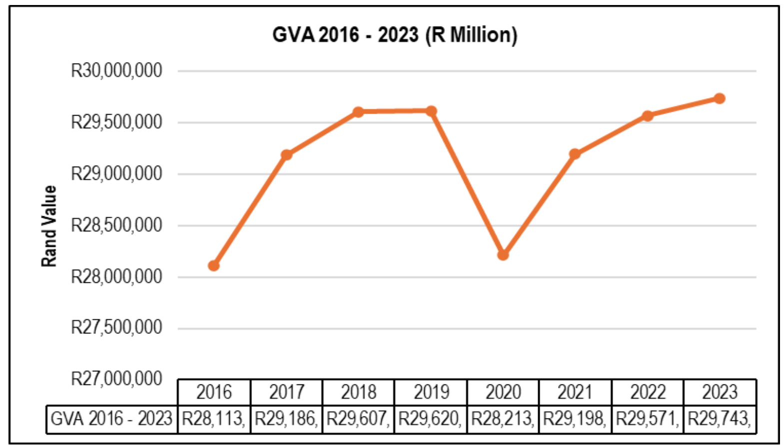



**Figure 3.7.1.1.2:** GVA 2016 - 2023

**Source:** S&P Global, 2022

The district's economic main economic contributors based on their share of GDPR and GVA are Agriculture, Community Services, Finance, Manufacturing, Trade and Transport as reflected in Figure 3.7.1.1.3 and 3.7.1.1.4. The economic sectors, with the exception of electricity and mining sector, still make a significant contribution to the district's economy.

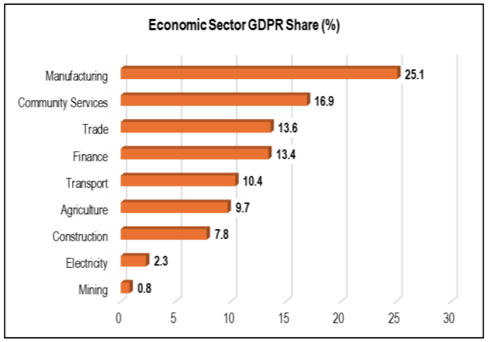



**Figure 3.7.1.1.3:** Economic Sector GDPR Share
**Source:** S&P Global, 2022

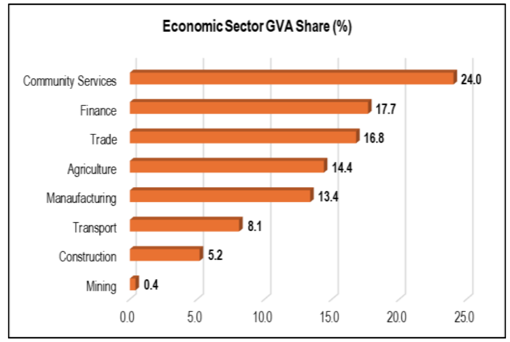



**Figure 3.7.1.1.4:** Economic Sector GVA Share
**Source:** S&P Global, 2022

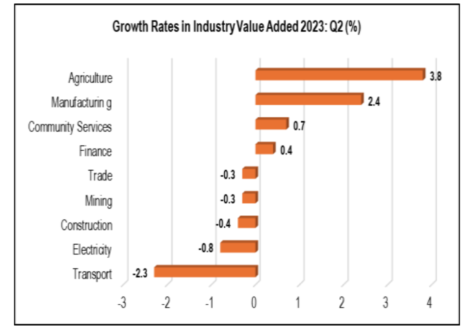



**Figure 3.7.1.1.5:** Growth Rates in Industry Value Added
**Source:** S&P Global, 2022

#### 3.7.1.1.1 Agriculture

The agriculture industry as reflected in Figure 3.7.1.1.5, recorded the highest GVA growth in 2023 and continues to make an important contribution to economic production in the district. Within the provincial context the district has become known for specifically banana, nut and coffee production, whereas timber and sugar cane are also well-established industries. Formal and commercial agriculture production in Ugu is mainly concentrated in sugar cane, bananas, macadamia nuts and timber forestry. The district already has a diversified agricultural economy involving an established commercial farming sector and various corporates. Historically, some attention has been given to the development of specifically small-scale cane and timber growers in traditional settlement areas, with some success.

The agriculture sector in the district is identified as a priority sector given the district's vast land of relatively good agricultural potential which if fully exploited and properly developed can promote sustainable food production and livelihoods. The promotion of sustainable agricultural development especially among small scale farmers and households is key towards enhancing food security and growing potential income for these respective farmers.

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

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

#### 3.7.1.1.2 Community Services

As can be seen in Figures 3.7.1.1.3 to 3.7.1.1.5, the community services industry makes a significant contribution to the district's economy and was one of the industries that recorded on of the highest GVA growth in 2023.

#### 3.7.1.1.3 Finance

As can be seen in Figures 3.7.1.1.3 to 3.7.1.1.5, the finance industry makes a significant contribution to the district's economy and was one of the industries that recorded on of the highest GVA growth in 2023. Eco-type estates in Umdoni and Ray Nkonyeni are evidence of increased investment in this sector.

#### 3.7.1.1.4 Manufacturing

As can be seen in Figures 3.7.1.1.3 to 3.7.1.1.5, the manufacturing industry makes a significant contribution to the district's economy and recorded the second highest GVA growth in 2023.

Manufacturing activity is concentrated along the coastal strip with some light industrial parks such as Marburg, Park Rynie and Margate. There are also a number of industrial development points in the hinterland such as Harding and some that are related to the activities of large firms, such as Idwala NPC, Sezela Sugar Mill, Umzimkulu Sugar Mill and the Weza Sawmill. The developed industrial areas in the district are situated in Port Shepstone / Marburg, Park Rynie, Umzinto North, Umzinto South, Margate Quarry, Margate Airport and Harding. The district has been earmarked primarily as a furniture manufacturing hub (Harding and/or Marburg) and secondly, as a perishable goods processing hub. There are other industrial areas which specialise with various manufacturing and Table 3.7.1.1.1.1 shows what they manufacture, and Map 3.7.1.1.1.1 depicts where are they strategically located.

#### 3.7.1.1.5 Trade

As can be seen in Figures 3.7.1.1.3 and 3.7.1.1.4, the trade industry makes an important contribution to the district's economy despite the negative impact of the COVID-19 pandemic. The decline in tourist visiting the district also resulted in decrease in demand for locally produced goods and services. As the economy and tourism-related establishments and beaches domestic tourism shows signs of recovery so is the retail sector.

The district is endowed with several natural attractions, with beach tourism being the major segment of this sector. The district has several coastal tourism towns. These towns are along R61 from Port Shepstone to Port Edward, however coastal tourism is also seen in Scottburgh, Park Rynie, Pennington, Sunwhich Port, Hibberdene etc. These towns are also surrounded by associated formal suburbs. These towns have several commercial and entertainment activities which embolden this tourism environment. However, tourism infrastructure and facilities in these towns are in most instances outdated or dilapidated and require urgent attention as part of the strategy to further grow the industry.

Inland or hinterland tourism in the district is currently extremely limited with the only noteworthy inland tourism node being the Oribi Gorge. However, potential for inland or hinterland tourism related to specifically natural, heritage and adventure activities are prevalent throughout the district, with many nature reserves, forests and formal conservancies contained within the district.

It is important to correctly package attractions, sites, products and experiences that make them easier to buy by the travelling public. It has been said that the simple objective of the tourism industry is to give people a reason to come, a reason to stop, a reason to stay and a reason to spend. This is achieved by making information available that is up-to-date, user-friendly, accurate and believable with regards to both tourism attractions, as well as existing investment opportunities.

#### 3.7.1.1.6 Transport

As can be seen in Figures 3.7.1.1.3 and 3.7.1.1.4, the transport industry makes an important contribution to the district's economy. This is on of the industries that were hardest hit during the COVID-19 pandemic and is currently on a steady recovery.

#### 3.7.1.1.7 Construction, Electricity and Mining

As can be seen in Figures 3.7.1.1.3 and 3.7.1.1.4, construction, electricity and mining make the least total value of GVA output in the district. As much as these industries made the least contribution, they still have a potential especially mining and construction.

**Table 3.7.1.1.1.1:** Ugu District Industrial Areas

| Area | Basic Description | Type Of Industry |
|---|---|---|
| **Marburg Industrial** | The only major industrial zone in the district. It has been developed on the N2 to the south-west of the Port Shepstone CBD. The land is not flat, but the topography is reasonable for industrial development. A large variety of manufacturing and service sector businesses are in the area. | Most industrial sectors are represented in the area. Furniture, textile and clothing and food seem to dominate. Sizes range from small service industries to major plants. |
| **Harding Industrial** | A substantial industrial area has been developed in the formal town of Harding. The grid structure of the layout provides easy access to the industries. | In the case of Harding there is an exceptionally strong focus on the timber and timber products sector (see list of industries). Kulu Snacks, a major employer in the district, is also located in Harding. |
| **Margate Quarry Industry** | The industrial area is located close to the entrance to the NPC Quarry immediately to the west of the N2 as you approach the Margate turnoff from Durban. The area is separated from neighbouring developments either by the N2 or vacant land. | The number of concrete block, brick and moulded concrete block manufacturers benefiting from the location in relation to the Quarry is clearly noticeable. Furniture manufacturers and a church are also housed in industrial buildings. |
| **Margate Airport Industrial** | This industrial area is located on the northern end of the runway of Margate airport. It is located on relatively flat land. The area is home to only a handful of industries. | Construction related, and furniture manufacturing firms are located in the area. |
| **Park Rynie Industrial** | The industrial area is located to the west of Park Rynie, between the residential area and the N2. The land gently slopes towards the coast. Roads are currently being constructed to expand the industrial area. | Manufacturing activity in this township is limited. Paint manufacturing and block making are two of the manufacturing activities. Majority of space available is used for storage and distribution or service industries. |
| **Umzinto South Industries** | The original town centre of Umzinto is located to the south of the CBD. This area consists mostly of older buildings fronting on to the main street. | The Albany bakery is the only industry of note in this node. Small services industries and distributors are also located in this node. |
| **Umzinto North Industries** | A cluster of industries are in Umzinto North (east of Main Road); however, it is obvious that three larger textile/clothing firms used to dominate. Two are in the vicinity of the cluster and one within Umzinto | The three textile industries dominate industrial development in the area |

### 3.7.1.2 Labour Markets

Labour market trends in district resemble those of provincial and national trajectories, whereby employment levels increase at a slow pace whilst the unemployment rates rise considerably. The challenges of low employment levels and high unemployment rates affect all ten district municipalities and the eThekwini Metro. The negative implications of COVID-19 aggravated the districts' labour market challenges. However, the recovery path from the global pandemic has been partly disrupted by numerous devastating external and domestic economic shocks. As reflected in Figure 3.7.1.2.1, the district together with iLembe District Municipality has the joint fourth largest proportion of employment in the province after eThekwini, uMgungundlovu and King Cetshwayo.

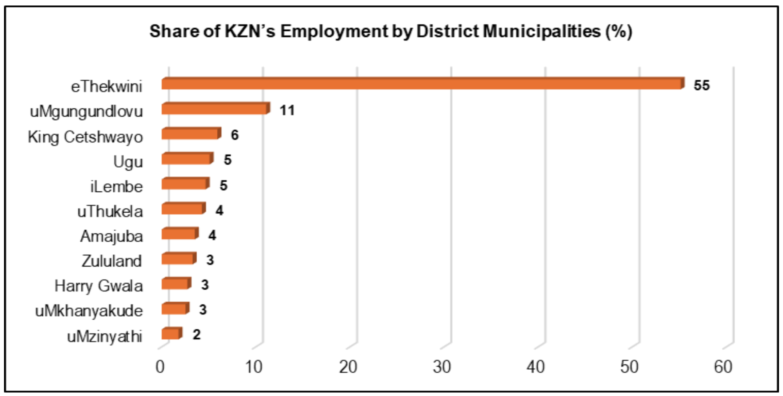



**Figure 3.7.1.2.1:** Share of KZN's Employment by District Municipality

**Source:** S&P Global, 2022

Table 3.7.1.2.1 reflects employment trend in KZN by district municipality for a period between 2012 and 2022 as per S&P Global data. Cumulative average annual growth rates for the district over the ten-year period between 2012 and 2022 shows that the district remained stagnant as it neither grow nor declined with only three districts performing worse as they recorded a decline in the province which are Zululand, Umzinyathi and King Cetshwayo. Employment levels dropped significantly across all districts in the last five-year period between 2017 and 2022, with the largest decrease reported for King Cetshwayo, uMzinyathi and Zululand. The decrease in employment levels across districts over the five-year period reflect the enduring negative effects of Covid-19 on labour market.

**Table 3.7.1.2.1:** Employment Trend in KZN by District Municipality, 2012 – 2022

**Source:** S&P Global, 2022

| Municipality | Total employment | | | Cumulative Av. Annual Growth | |
|---|---|---|---|---|---|
| | 2012 | 2017 | 2022 | 2012 - 2022 | 2017 - 2022 |
| eThekwini | 1 251 215 | 1 350 647 | 1400453 | 1.3 | 0.9 |
| Ugu | 129 495 | 146 668 | 129 170 | 0.0 | -3.1 |
| uMgungundlovu | 275 819 | 312 796 | 281 985 | 0.2 | -2.6 |
| uThukela | 105 515 | 120 237 | 108 329 | 0.3 | -2.6 |
| uMzinyathi | 48 127 | 54 289 | 45 314 | -0.7 | -4.4 |
| Amajuba | 88 909 | 98 214 | 89 462 | 0.2 | -2.3 |
| Zululand | 87 162 | 99 471 | 83 433 | -0.5 | -4.3 |
| uMkhanyakude | 63 736 | 72 608 | 64 124 | 0.1 | -3.1 |
| King Cetshwayo | 168 643 | 182 443 | 150 047 | -1.3 | -4.8 |
| iLembe | 117 195 | 133 113 | 118 384 | 0.1 | -2.9 |
| Harry Gwala | 67 967 | 78 582 | 69 148 | 0.2 | -3.1 |

Table 3.7.1.2.1 shows KZN District employment by industries as per S&P Global data. Employment across the KZN districts and the Metro is driven largely by industries within the tertiary sector, followed by those in the

secondary and primary sectors. In 2022, the community services sector was the largest employer in eight districts. The trade industry was the largest contributor to employment in two districts and the Metro. Employment in the secondary sector was concentrated mainly in the manufacturing industry across most districts and the Metro. Employment within the primary sector is dominated by the agricultural industry across all districts.

Zooming into the district as reflected Figure 3.7.1.2.1, similarly to the province, employment in the district is driven by the tertiary sector with a proportion of 73.3% with community services industry leading by 24.1%. The secondary sector shares a proportion of 17.4% with trade being the lead industry and lastly primary sector has a proportion of 9.3% with Agriculture being the lead industry by 8.2%.

Figure 3.7.1.2.2 reflects the jobs lost per industry sector as per the S&P Global data. As much as all the sectors have generally maintained proportional share of formal employment in the district between 2019 and 2022, a total of 16 210 formal jobs were lost across all sectors over the same period. As shown in Figure 3.7.1.2.3, major formal job losses were observed in Community Services, Finance, Trade, Manufacturing, Households and Agriculture.

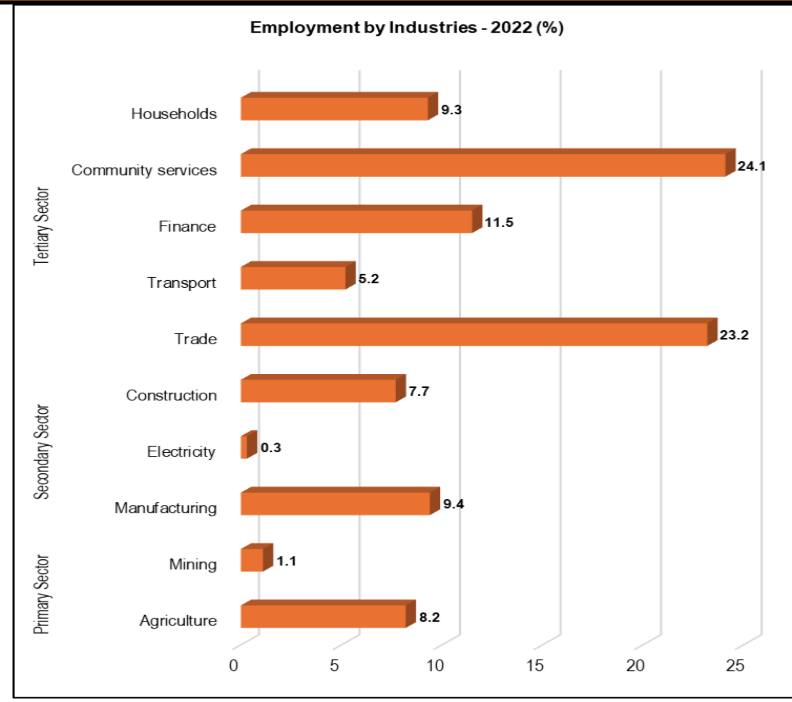



**Figure 3.7.1.2.2:** Formal Employment by Sector

**Source:** S&P Global, 2022

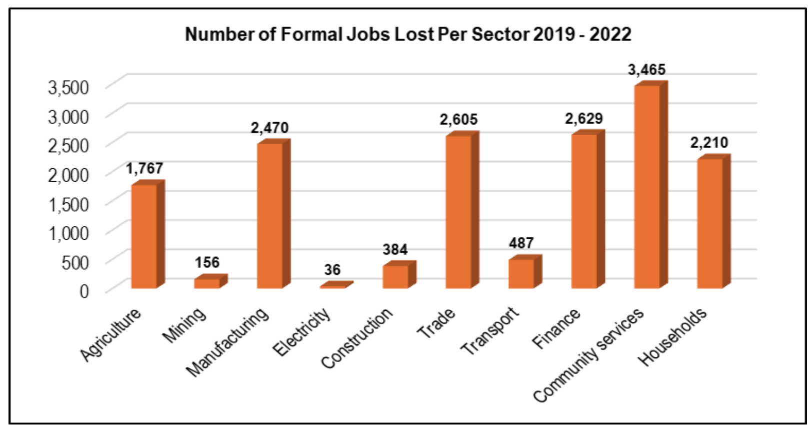



**Figure 3.7.1.2.3:** Formal Jobs Lost per Sector

**Source:** S&P Global, 2022

**Table 3.7.1.2.1:** KZN District Employment by Sector and Industries

**Source:** S&P Global, 2022

| Sector | Industry | eThekwini | Ugu | uMgungundlovu | uThukela | uMzinyathi | Amajuba | Zululand | uMkhanyakude | King Cetshwayo | iLembe | Harry Gwala |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Primary | Agriculture | 2.3 | 8.2 | 8.6 | 9.6 | 9.3 | 4.4 | 6.6 | 6.4 | 8 | 9.8 | 12.4 |
| | Mining | 0.2 | 1.1 | 0.3 | 0.5 | 0.4 | 0.2 | 1.3 | 1.2 | 2.3 | 0.5 | 0.2 |
| Secondary | Manufacturing | 12.1 | 9.4 | 10 | 9.3 | 6.5 | 12.4 | 6.2 | 3.3 | 10.5 | 15.7 | 5.4 |
| | Electricity | 0.3 | 0.3 | 0.4 | 0.4 | 0.3 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 |
| | Construction | 7.7 | 7.7 | 7.2 | 8.7 | 9 | 7 | 8.1 | 10.6 | 9.5 | 12.6 | 10.9 |
| Tertiary | Trade | 23.3 | 23.2 | 19.8 | 22.5 | 19.7 | 25.6 | 20.3 | 20.9 | 19.9 | 20.4 | 20.3 |
| | Transport | 6.9 | 5.2 | 4.8 | 4.4 | 4.2 | 6.8 | 5.2 | 4.4 | 6.5 | 4.4 | 4.4 |
| | Finance | 16.7 | 11.5 | 13.2 | 10.9 | 12.7 | 14.5 | 14.5 | 9.5 | 13 | 11.4 | 8.7 |
| | Community services | 21.5 | 24.1 | 26.7 | 27.6 | 28.6 | 22.3 | 29.6 | 35.9 | 23.3 | 16.9 | 28 |
| | Households | 8.9 | 9.3 | 9.1 | 6.1 | 9.3 | 6.6 | 7.7 | 7.6 | 6.7 | 8.1 | 9.4 |

### 3.7.1.2.1 Informal Employment

Notwithstanding the benefits of creating formal employment opportunities, attention should also be directed at promoting informal employment to cater to the population that does not possess adequate skills to be absorbed in the informal sector. This is because focusing a great deal of attention on formal employment may perpetuate unemployment, especially among unskilled people of the working age. In this regard, job seekers might spend longer searching for formal employment instead of venturing into informal employment or opening their businesses.

As per S&P Globa data the informal employment in the district stood at 27 512 which constituted 21% of total employment. Trade generates the largest share of informal employment in the district with 40.8% followed by community services with 20.2%. Construction and transport sectors also make a significant contribution with 16.1% and 10.4% respectively. The least contributing sectors to informal employment are finance and manufacturing at 6.6% and 5.8% respectively.

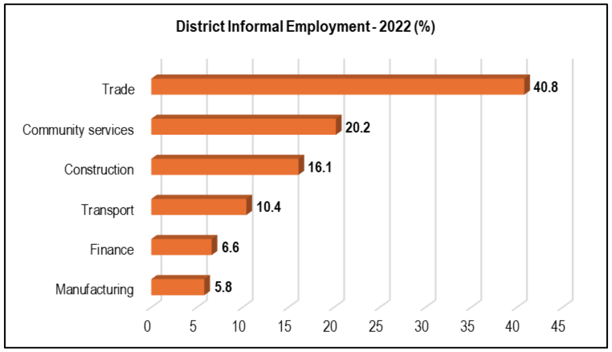



**Figure 3.7.1.2.1.1:** Formal Jobs Lost per Sector

**Source:** S&P Global, 2022

### 3.7.1.3 Employment initiatives

The national, provincial and local government continues to implement programmes aimed at creating employment opportunities especially amongst the youth. In doing so, skills development is at the forefront, whereby new entrants are allowed to gain entry-level experience through internships, mentorships and learnership programmes. The government also strives to promote Small, Medium and Micro Enterprises (SMMEs) owned by the youth.

#### 3.7.1.3.1 Expanded Public Work Program

The Expanded Public Work Program (EPWP) is a nationwide government programme that provides poverty and income relief through temporary work for the unemployed. In addition, the programme provides an essential avenue for labour absorption and income transfers to poor households in the short to medium term. EPWP projects employ workers on a temporary or ongoing basis with government, contractors, or other non-governmental organisations under the Ministerial Conditions of Employment for the EPWP or learnership employment conditions.

Each financial year municipalities are given Full Time Equivalent (FTE) performance targets which they must endeavour to create in implementing Infrastructure, Environment or Culture / Social EPWP programmes. The summary of these targets per municipality and sector is detailed in Table 3.7.1.3.1.1. The district and its family of municipalities receives EPWP Integrated Grant on annual basis to expand job creation programmes and projects.

The district and its family of municipalities have displayed varied levels of performance over a period of three (3) financial years and there has been a notable challenge in reaching 100% of the FTEs annual targets.

The analysis of EPWP per sector reveals that there is a consistent challenge in the achievement of the infrastructure sector FTE targets with an achievement rate of 19% over a period 2022 / 2023 and 2024 / 2025. The Environment and Culture Sector over the same period averaged 61% whilst the social sector performed exceptionally well achieving an average of 167% for the same period.

The overall challenges that are attributed to the non-achievement are summarised as follows:

- One of the major challenges confronting the district and its family of municipalities is the limited funding for EPWP. The Extended Grant is supposed to be a supplementary grant that seeks to expand job creation efforts, however, due to the financial constraints it ends up being the only funding which is not sufficient to meet the set targets.
- The infrastructure sector is the most challenged sector when it comes to the achievements of EPWP targets. This is as a result of infrastructure projects implementation being delayed or put to a halt due to various reason which includes protests. The non deployment of labour-intensive delivery methods in the implementation of the infrastructure projects.
- As much as a lot of progress has been made by the district and its family of municipalities in ensuring proper EPWP data capturing for comprehensive and accurate reporting, there is a challenge with the capturing of infrastructure projects being implemented by the municipalities.

**Table 3.7.1.3.1.1:** EPWP Targets versus Actuals

**Source:** Ugu DM EPWP Unit

| EPWP TARGETS BY MUNICIPALITY | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Municipality | | 2022 / 2023 | | | 2023 / 2024 | | | 2024 / 2025 | | | 2025 / 2026 | 2026 / 2027 |
| | | Target | Actual | % Achieved | Target | Actual | % Achieved | Target | Actual | % Achieved | | |
| Ugu District | WO | 1 805 | 1905 | 106 | 1 816 | 1608 | 89 | 1967 | 1234 | 63 | TBC | TBC |
| | FTE | 634 | 288 | 45 | 638 | 407 | 64 | 767 | 319 | 42 | TBC | TBC |
| Umdoni | WO | 866 | 1242 | 143 | 877 | 784 | 89 | 878 | 782 | 89 | TBC | TBC |
| | FTE | 332 | 498 | 150 | 336 | 156 | 46 | 368 | 216 | 59 | TBC | TBC |
| Umzumbe | WO | 287 | 199 | 69 | 291 | 156 | 54 | 436 | 234 | 54 | TBC | TBC |
| | FTE | 108 | 14 | 13 | 109 | 14 | 13 | 122 | 34 | 28 | TBC | TBC |
| Ray Nkonyeni | WO | 183 | 209 | 114 | 185 | 133 | 72 | 174 | 207 | 119 | TBC | TBC |
| | FTE | 67 | 63 | 94 | 68 | 26 | 38 | 66 | 67 | 102 | TBC | TBC |
| Umuziwabantu | WO | 254 | 183 | 72 | 255 | 127 | 50 | 230 | 200 | 87 | TBC | TBC |
| | FTE | 89 | 48 | 54 | 90 | 17 | 19 | 86 | 53 | 62 | TBC | TBC |

| EPWP TARGETS BY SECTOR | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sector | | 2022 / 2023 | | | 2023 / 2024 | | | 2024 / 2025 | | | 2025 / 2026 | 2026 / 2027 |
| | | Target | Actual | % Achieved | Target | Actual | % Achieved | Target | Actual | % Achieved | | |
| Infrastructure | WO | 1 298 | 807 | 62 | 1 300 | 477 | 37 | 1 031 | 220 | 21 | TBC | TBC |
| | FTE | 429 | 125 | 29 | 430 | 83 | 19 | 327 | 30 | 9 | TBC | TBC |
| Environment and Culture Sector | WO | 317 | 446 | 141 | 326 | 595 | 183 | 336 | 359 | 107 | TBC | TBC |
| | FTE | 132 | 38 | 29 | 136 | 114 | 84 | 140 | 100 | 71 | TBC | TBC |
| Social | WO | 190 | 643 | 338 | 190 | 536 | 282 | 600 | 601 | 100 | TBC | TBC |
| | FTE | 73 | 125 | 171 | 73 | 209 | 286 | 300 | 148 | 49 | TBC | TBC |

#### 3.7.1.3.2 Community Works Programme

The Community Works Programme (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.

As reflected in Table 3.7.1.3.1.2, CWP on average has an average of 5 200 beneficiaries working per financial year with the district's area of jurisdiction. These work opportunities are evenly distributed across the district's local municipalities.

**Table 3.7.1.3.1.2:** CWP Targets versus Actuals

**Source:** CoGTA, CWP Unit

| Municipality | 2022/23 | | 2023/24 | | 2024/25 | | 2025/26 | 2026/27 |
|---|---|---|---|---|---|---|---|---|
| | Target | Actual | Target | Actual | Target | Actual | | |
| **Umdoni** | 1300 | 1350 | 1300 | 1358 | 1000 | 1240 | Not yet approved | Not yet approved |
| **Umzumbe** | 1500 | 1500 | 1500 | 1530 | 1104 | 1423 | Not yet approved | Not yet approved |
| **Ray Nkonyeni** | 1400 | 1431 | 1400 | 1434 | 1104 | 1363 | Not yet approved | Not yet approved |
| **Umuziwabantu** | 1000 | 1096 | 1000 | 1106 | 750 | 1014 | Not yet approved | Not yet approved |
| **Total** | **5 200** | **5 377** | **5 200** | **5 428** | **3 958** | **5 040** | Not yet approved | Not yet approved |

### 3.7.1.3.3 Green Economy Programmes / Projects

The district creates socio-economic opportunities for the green economy through recycling initiatives in the landfill sites, river clean-up campaigns and removal of alien invasive species. The majority of the climate change related initiatives and actions in the district has been implemented under the guise of Air Quality and Biodiversity Management and in moving towards a green economy, rather than being explicitly linked to climate change and climate change response.

**a) Sihlanzimvelo Project**

The principal objective of the Sihlanzimvelo programme is to remove invasive alien plant species and waste debris from stressed rivers and streams. The programme benefitted communities with short term employment opportunities and empowered them to have small businesses whilst taking care of their own environment and health. The programmed had a budget of approximately R870 000 to be implemented in three phases for a period of three (3) financial years. The programme created over 100 work opportunities in the three years of implementation.

**b) Ugu Transformative River Management Programme**

The district received funding from the provincial Department of Economic Development, Tourism and Environmental Affairs (EDTEA) of R2.5 million for the implementation of the River Transformative Management Program. The programme created 500 work opportunities in the financial year of 2022 / 2023. In addition to the R 2.5 million; EDTEA funded the Municipality with an additional R 1.5 million for the 2023 / 2024 financial year for the second phase of the programme with 62 employment opportunities.

**c) Ugu Green and Smart Municipality Project**

The Green and Smart Municipality project protects and improves the energy efficiency of the municipality whilst promoting community involvement, capacity development and creation of economic opportunities. The district was funded by EDTEA with an amount of R1.2 million to implement the GSM project with the overall aim of employing technology to improve energy efficiency and reduce carbon dioxide emissions emanating from district's buildings by employing solar energy technology and reducing the use of energy that is derived from fossil fuels.

### 3.7.2 LED Strategy

The district adopted a five (5) year LED Strategy in September 2021 the latest review of the strategy was adopted by Council on the 29th of May 2025. The review of the LED strategy of district aligns to the hierarchy of plans and policy considerations which are aimed at reconstructing the economy of the province, districts and local municipalities in the long term. It draws significant input from the KwaZulu-Natal Reconstruction, Growth and Transformation Plan, Ugu Spatial Development Framework, District Growth and Development Plan (Vision 2030) and the Eastern Seaboard Development and is aligned to the pillars of the National LED Framework (2018). The LED Strategy is therefore underpin-by the Vision and definition of LED and supported by the five (5) strategic thrusts as reflected in Figure 3.7.2.1.

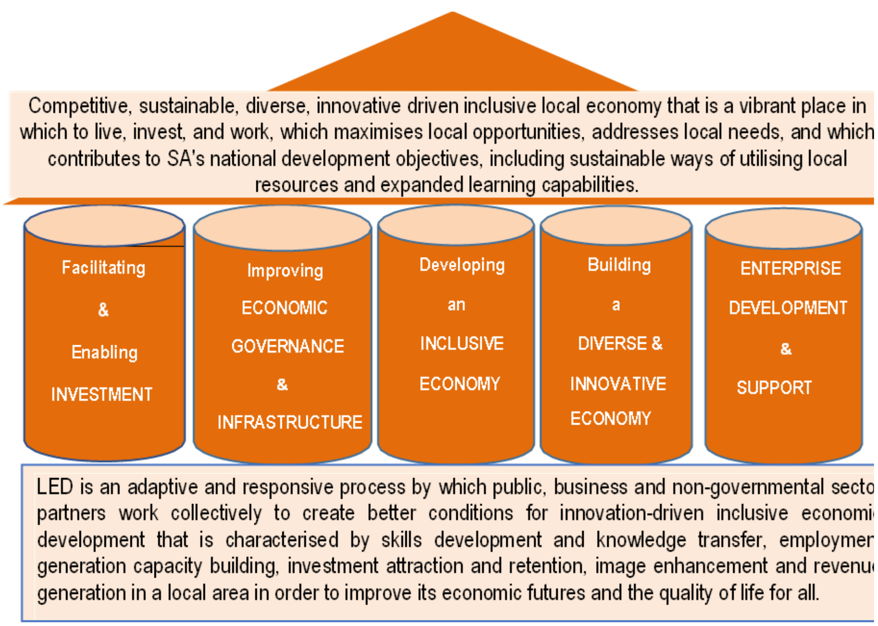



**Figure 3.7.2.1:** LED Strategy Vision and Strategic Thrusts

#### 3.7.2.1 Strategic Thrusts / Goals

Five strategic thrusts underpin the district LED vision which are namely facilitating and enabling investment, developing an inclusive economy, building a diverse and innovative economy, enterprise development and support, and improving economic governance and infrastructure. Through these strategic thrusts, the district seeks to enable and facilitate economic growth to achieve an average annual growth rate of 2%.

##### 3.7.2.1.1 Facilitating and Enabling Investment

The goal of facilitating and enabling investment is to increase investment into the district economy through increased Gross Fixed Formation as a share of GDPR by at least 3% by 2030. This is to be achieved through the development of a framework (strategy and plan) to attract domestic and international investors, investment related economic intelligence (monitoring, reporting on actual to plan and impact), identification and packaging (for ease of investment) investment opportunities in the district, development and implementation of a framework for Business Retention and Expansion, lobbying for stable and reliable service provision (water, energy, refuse, waste -water management), re-ignition of the property investment and development market, and image enhancement and beautification.

##### 3.7.2.1.2 Developing an Inclusive Economy

The goal of developing and inclusive economy is to reduce percentage of poverty household index, improve the standard of living (GDPR per Capita growth), reduce inequality (Gini-coefficient rank), reduce unemployment, reduce youth unemployment, Increased youth labour absorption capacity, and increased youth labour participation rate.

This is to be achieved through rethinking and developing the informal economy, promoting and supporting an inclusive and integrated rural economy, promoting and supporting township economic development, promoting and supporting capitalising on opportunities in green economy, promoting and supporting oceans economy development, and promoting, supporting small town economic development, and implementing a practical and tangible radical economic transformation programme.

#### 3.7.2.1.3 Building A Diverse and Innovative Economy

The goal of building a diverse and innovative economy is to enable and support the building of a sustainable, competitive and productive economy which is characterised by increasing sectoral GVA contributions, and comparative advantage, increasing job creation which increasingly contributes to the Provincial GVA. The is to be achieved through exploiting science, technology and innovation to enhance sustainability, competitiveness and productivity, and linking LED to corridor and nodal developments.

#### 3.7.2.1.4 Enterprise Development and Support

The goal of enterprise development and support is to facilitate, promote, support and enable local enterprise development so as to achieve inclusive economic growth, and transformation.

This is to be achieved through developing and implementing “Buy Local” programme to enable individuals to contribute towards strengthening the district economy, driving innovation in townships and rural areas to find new innovative ideas, widely marketing products produced by township and rural SMMEs, enterprise development programme and support in targeted growth sectors and supporting the development of rural tourism experiences (e.g., homestays).

#### 3.7.2.1.5 Improving Economic Governance and Infrastructure

The goal of improving economic governance and infrastructure is to improve LED planning, management and administrative capacity / skills so as to enable, facilitate and promote inclusive economic growth and transformation. This is to be achieved through improving LED Planning, management and administrative capacity, strengthening of LED agencies, improving access to development funding / finance, improving the ease of doing business and red tape reduction, and improving BARE. A detailed implementation plan with all the interventions, programmes and projects is incorporated into the implementation plan this IDP and can also be found in the LED Strategy.

### 3.7.3 Ease of Doing Business / Red Tape Reduction

Rules, regulations, and / or bureaucratic procedures and processes that are excessively complex and which impose unnecessary delay(s), inaction and / or costs that exceeds their benefits, and / or is no longer effective in achieving the purpose for which they were originally created results in red tape. Red tape can be caused by one or a combination of the following:

- The inefficiency of the processes and administration systems that are used by the municipality (government). There should be clearly defined, timed, monitored, reported on and managed effectively.
- The incompetence of the personnel / staff in the organization that have to deal with a particular issue. This includes the necessary skills and experience for the job at hand.
- Poorly defined, unexplained and out -dated strategies, policies, rules and regulations, sometimes it is the understanding of these by the people they are intended to benefit, and this is caused by lack of specific information on the strategies, policies, rules and regulations.
- Strategies, policies, rules and regulations that complex, cumbersome and do not achieve the objectives for which they were designed.

Red tape has a negative impact on socio-economic development, thus affecting service delivery in government. The effects of red tape make business processes lengthy and costly for businesses and investors, and in turn result in loss of investment opportunities for identified localities. It is therefore imperative that red tape be reduced in Municipalities to improve service delivery, in the business environment to support economic growth, to enhance job creation and to improve poverty reduction.

### 3.7.4 Social Compact

After the formation of the Provincial Economic Council and the signing of the social compact framework between Provincial Government and the Economic Council. It was agreed that these social compact agreements should be cascaded down to District Municipalities to improve service delivery and create an enabling environment. With a specific focus on Municipalities that house Secondary Cities. Agreement highlights different areas that municipalities are expected to deliver on and ensures that partners have a role in supporting and ensuring delivery on the agreed targets.

The district followed suite and developed a social compact **(Attached as Annexure I2)** of its own recognising that to economic success cannot be achieved in isolation and that the formation of social compact will aid in bringing together relevant stakeholders to provide guidance, ensure accountability and maximise partnership. The district's social compact is founded on the following pillars:

- Ensuring sound and responsive governance at the local level by all social partners.
- Ensuring that the Local government is supported by all role-players in implementing their constitutional mandate of basic service delivery.
- Assisting business and other role players in retaining and growing by creating an enabling environment.

### 3.7.5 LED Key Challenges and SWOT Analysis

The LED analysis undertaken above culminated in the identification of a number of challenges, which the district needs to redress, address and mitigate. The LED SWOT Analysis of the district are detailed in Table 3.7.5.1 which is followed by summary key challenges in Table 3.7.5.2.

**Table 3.7.5.1:** LED SWOT Analysis

| | |
|---|---|
| **STRENGTHS** | ▪ A 112-kilometre coastline with the potential for growth in maritime activities; variety of beach experiences, including some with Blue-Flag status; unique adventure tourism activities including the Aliwal Shoal which ranked within the top 10 dive experiences in the world; and an annual event calendar including the Sardine Run.<br>▪ A relatively diversified regional economy with strong representation in the agricultural, manufacturing, tourism, retail, mining and other sectors.<br>▪ Thriving tourism economy. |
| **WEAKNESSES** | ▪ Low employment levels and high unemployment rates.<br>▪ Lack investment / business attraction.<br>▪ Economic leakage.<br>▪ Economy contraction.<br>▪ Low skills base. |
| **OPPORTUNITIES** | ▪ New tourism product development and marketing in the hinterland.<br>▪ Unlocking of Ingonyama Trust land for development.<br>▪ Investment opportunities in renewable energy and circular economy.<br>▪ Property Investment and Development Market. |
| **THREATS** | ▪ Global uncertainties and geopolitical conflicts as well as local structural constraints.<br>▪ Economic recession.<br>▪ Energy and water crisis.<br>▪ Fourth industrial revolution. |

**Table 3.7.5.2:** LED Key Challenges

| | |
|---|---|
| **Key Challenge** | **Economy contraction** |
| **Description** | The district's real GDP-R per capita dropped significantly in 2020 which was triggered by a combination of global uncertainties amid heightened geopolitical conflicts as well as local structural constraints, particularly the energy crisis and disruptions caused by disastrous flooding in 2022.<br><br>The real GDP-R recovered strongly in 2021, however, it subsequently weakened post 2021 and has not reached the desired growth rate. |
| **Key Challenge** | **Low employment levels and high unemployment rates** |
| **Description** | Employment levels increase at a slow pace whilst the unemployment rates rise considerably. The negative implications of COVID-19 aggravated the district's labour market challenges. The recovery path from the global pandemic has been partly disrupted by numerous devastating external and domestic economic shocks. |
| **Key Challenge** | **Lack investment / business attraction** |
| **Description** | Investment / business Attraction and quantification not optimal. (no targets set, nor baseline reported against). |
| **Key Challenge** | **Economic leakage** |
| **Description** | Economic leakages from the district, and barriers not necessarily given the attention needed in plans, reporting and accountability timeously. |
| **Key Challenge** | **EPWP Targets** |
| **Description** | The district and its family of municipalities have consistently failed to meet the annual set targets for FTEs. This is as a result of various challenges which includes financial constraints and no deployment of labour intensive delivery methods. |

## 3.8 SOCIAL DEVELOPMENT

The sustainable development goals envision a world with universal literacy and equitable and universal access to quality education at all levels, to health care and social protection, where physical, mental and social wellbeing are assured. The NDP aligns with this sustainable development goals and as such investments have been made on the health, education and safety systems. The social development analyses assess the impact such investments have made to date and the demand that still exists.

### 3.8.1 Education

The NDP argues that South African education system needs urgent action and that building national capabilities requires quality early childhood development, basic education, further and higher education. The NDP further suggests that Further Education and Training colleges, public adult learning centres, sector education and training authorities, professional colleges and Community Education and Training Centres are important elements of the post-school system that provide diverse learning opportunities. In line with the NDP, the PGDS identifies access to pre-schooling expansion to 95% and quality improved, more children in foundation phase acquire levels of literacy and numeracy required for meaningful lifelong learning, improved quality of learning outcomes in the intermediate and senior phases, with inequalities reduced by 2024, more learners obtain a national senior certificate (NSC) with marks above 60% in critically important subjects and improved quality of teaching, learning through provision of appropriate infrastructure as specific impacts proposals for the education system and improved economic participation and social development.

#### 3.8.1.1 Access to Pre-Schooling

The coverage of quality early childhood development services is uneven. Early childhood development services below Grade R are mainly provided by private for-profit operators, community-based organisations and large Non-Governmental Organisations (NGOs). Through a family income means test, a per-child subsidy is provided to registered centres. However, because early childhood development is still privately provided, registered centres are unevenly distributed and do not yet reach the most vulnerable poor children, especially in rural areas. Fees also inhibit the poorest families from using what services are available. Early childhood development programmes need to expand, with government support, to reach all vulnerable children, including children with disabilities.

In tackling this challenge, the PGDS proposes the expansion of access to pre-schooling to 95% and quality improved thereof with an anticipated improved school- readiness of children outcome.

#### 3.8.1.2 Literacy and Numeracy for Lifelong Learning

The single most important investment any country can make is in its people. Education has intrinsic and instrumental value in creating societies that are better able to respond to the challenges of the 21st century. Lifelong learning, continuous professional development and knowledge production alongside innovation are central to building the capabilities of individuals and society as a whole.

The PGDS proposes an impact that will see more children in foundation phase acquire levels of literacy and numeracy required for meaningful lifelong learning which will result in 10-year-old learners enrolled in publicly funded schools read for meaning.

### 3.8.1.3 Quality of Learning Outcomes

The quality of education for most black children in the district is poor. This denies many learners an access to employment. It also reduces the earnings potential and career mobility of those who do get jobs and limits the potential dynamism of district's businesses. With grade 9 being last compulsory grade and the learners either furthering their studies or entering the world of work, thereafter, makes the senior schooling phase very critical in having the ready for the world. The PGDS seeks for impact that will lead to improved quality of learning outcomes in the intermediate and senior phases, with inequalities reduced by 2024 which will in turn result in youths better prepared for further studies and the world of work beyond Grade 9.

### 3.8.1.4 Learner to Educator Ratio

Educators are an essential part of the educational system as they have a vital and decisive role in the quality of education and how well learners perform. Therefore, it is necessary to examine the factors that affect educators' quality and effectiveness in imparting knowledge to learners and how they impact learners' academic achievements. A high learner-educator ratio is one of the challenges facing learners and educators, more especially in the public education system.

A sizeable amount of literature has shown that smaller classes allow teachers to focus more on the needs of individual learners and reduce the amount of class time needed to deal with disruptions. As a result, they contribute to a better learning environment and improved working conditions for educators. The ratio of learners to educators is also an essential indicator of the resources devoted to education. Along with learners' total instruction time, educators' average working time, and the division of educators' time between teaching and other duties, class size and learner-educator ratios are determinants of countries' teaching force.

Figure 3.8.2.4.1 reflects the district's learner to educator ratio as of 2022. The overall and rural ratios are 30:1 which is equivalent to the norm and 36:1 for urban which above the norm. The district's urban learner educator ratio is also above the province's 30:1 ratio.

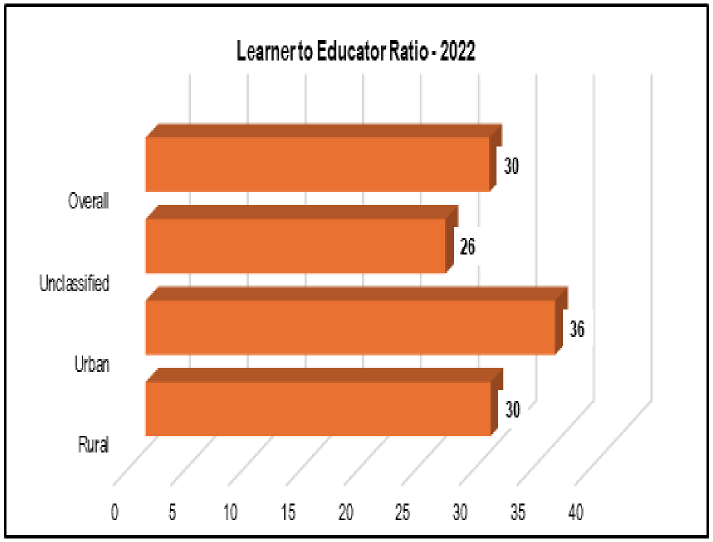



**Figure 3.8.2.4.1:** Learner Educator Ratio

**Source:** S&P Global, 2022

#### 3.8.1.5 National Senior Certificate (NSC)

Table 3.8.2.5.1 reflects the districts National Senior Certificate (NSC) pass rate over a period of five (5) year. The district has consistently achieved a NSC pass rate of above 80% since 2020. As commendable as the district's performance when it comes to NSC pass rate is, learners not achieving the desired maths and science subjects pass mark remains a challenge.

**Table 3.8.2.5.1:** Grade 12 Pass Rate 2021 – 2025

**Source:** Department of Education, 2026

| Year | No. that Wrote | Percentage Passed | Percentage Failed |
|---|---|---|---|
| **2021** | 10 811 | 80.4 | 19.6 |
| **2022** | 8 853 | 87.2 | 12.8 |
| **2023** | 10 633 | 89.5 | 10.5 |
| **2024** | 10638 | 91.7 | 8.3 |
| **2025** | 11748 | 91.8 | 8.2 |

The PDGS advocates for more learners obtaining a NSC with marks above 60% in critically important subjects' impact for an anticipated youth leaving the schooling system more prepared to contribute towards a prosperous and equitable South Africa outcome.

#### 3.8.1.6 Provision of Appropriate School Physical Infrastructure

Over and above provision of suitable buildings, schools need access to services such as water, sanitation and electricity. The rollout of infrastructure for these services is perplexed by poor coordination between different state agencies and local authorities, who are responsible for providing infrastructure services.

In ensure that all schools meet minimum standards for infrastructure and commit to progressively upgrading each school's infrastructure to meet optimum standards, the PGDS proposes improved quality of teaching and learning through provision of appropriate infrastructure as an impact with a potential outcome of school physical infrastructure and environment that inspires learners to learn and teachers to teach.

#### 3.8.1.7 Skilled Resources for Economic Growth and Development

In order for the district to maximise the benefits of its "demographic dividend", one of the ingredients the district requires is improved educational standards, increased access to further and higher education and easier entry into the labour market. The education and training system should therefore cater for different needs and produce highly skilled individuals. The graduates of higher educational institutions and TVETs should have the skills and knowledge to meet the present and future needs of the economy and society.

Figure 3.8.2.7.1 reflects attendance of educational institution for population aged 16 to 24 years as per the 2022 census. This is the age group that should be at an educational institution in the event that they opted to further their education post grade 9. Nearly half (49%) are not attending any educational institution which suggests that post grade 9 and 12 they opted to join the labour market or did not have sufficient resources to further their education. As much as TVETs are accessible in the district especial for the previously disadvantaged, there is still low uptake at only three percent of the population aged 16 to 24 years. The limited percentage that is attending higher educational institution may be attributed to there being no higher educational institution within the district. This makes higher educational institutions inaccessible for the district's youth as it further increases the cost.

Table 3.8.2.7.1 reflects the highest level of education for the population aged 18 to 35 as per the 2022 census. Only eight percent of the youth had educational level higher than grade 12, a large proportion had grade 12 or NQF Level 4 (46%), grade 10 / NQF Level 2 to Grade 11 / NQF Level 3 made up 26%, grade R to grade 9 / NQF Level 1 17% and with no schooling 3%. This is indicative of the low skills base of the district and limits the district's ability to cash in on the demographic dividend. The district does not have large enough pool of skills to aid the desired economic growth and development. A concerted effort is required to ensure that skills base of the district is improved across board.

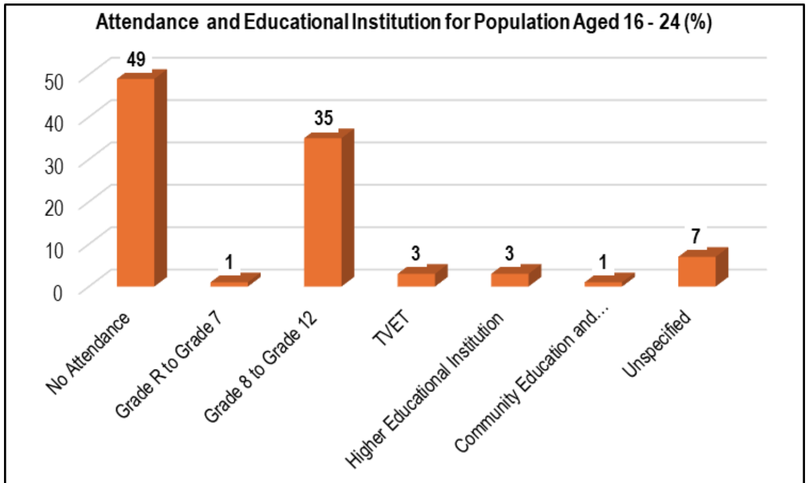



**Figure 3.8.2.7.1:** Attendance and Educational Institution for Population Aged 16 - 24

**Source:** Stats SA Census, 2022

**Table 3.8.2.7.1:** Highest Level of Education for Population Aged 18 to 35

**Source:** Stats SA Census, 2022

| Age | Grade R/0 - Grade 9 / NQF Level 1 | Grade 10 / NQF Level 2 - Grade 11 / NQF Level 3 | Grade 12/ NQF Level 4 | Higher than Grad12 / NQF Level 4 | No schooling |
|---|---|---|---|---|---|
| **18** | 1 | 2 | 2 | 0 | 0.1 |
| **19** | 1 | 2 | 2 | 0 | 0.1 |
| **20** | 1 | 1 | 3 | 0 | 0.1 |
| **21** | 1 | 1 | 3 | 0 | 0.1 |
| **22** | 1 | 1 | 3 | 0 | 0.1 |
| **23** | 1 | 1 | 3 | 0 | 0.1 |
| **24** | 1 | 1 | 3 | 1 | 0.1 |
| **25** | 1 | 2 | 3 | 1 | 0.2 |
| **26** | 1 | 1 | 3 | 1 | 0.2 |
| **27** | 1 | 1 | 3 | 1 | 0.2 |
| **28** | 1 | 1 | 3 | 1 | 0.2 |
| **29** | 1 | 1 | 3 | 1 | 0.2 |
| **30** | 1 | 1 | 3 | 1 | 0.2 |
| **31** | 1 | 1 | 2 | 1 | 0.2 |
| **32** | 1 | 1 | 2 | 1 | 0.2 |
| **33** | 1 | 1 | 2 | 0 | 0.2 |
| **34** | 1 | 1 | 2 | 0 | 0.2 |
| **35** | 1 | 1 | 2 | 0 | 0.2 |
| **Total** | **17** | **26** | **46** | **8** | **3** |

The PGDS targeted outcome in addressing such challenges is expanded access to Post School Education and Training (PSET) opportunities will result in improved economic participation and social development impact.

The different parts of the education system should work together allowing learners to take different pathways that offer high quality learning opportunities. There should be clear linkages between schools, FET colleges, universities of technology, universities and other providers of education and training. There should also be clear linkages between education and training and the world of work.

The FET system is proving to be not effective as it is too small, and its output quality remains poor. The quality and relevance of courses needs urgent attention. When quality starts to improve and the employability of graduates begins to increase, demand for FET services will rise automatically. Simply growing the sector without focusing on quality is likely to be expensive and demoralising for young people, further stigmatising the system.

### 3.8.2 Health

Access to quality healthcare services is a fundamental human right enshrined in constitution, making public healthcare legally available to all citizens. In this context, the provision of effective, adequate and affordable health services is pivotal in ensuring quality healthcare. The NDP health vision is captured as follows:

"*A health system that works for everyone and produces positive health outcomes is not out of reach. It is possible to:*

- *Raise the life expectancy of South Africans to at least 70 years.*
- *Ensure that the generation of under-20s is largely free of HIV.*
- *Significantly reduce the burden of disease.*
- *Achieve an infant mortality rate of less than 20 deaths per thousand live births, including an under-5 mortality rate of less than 30 per thousand."*

The PGDS stemming from the NDP through its interventions seeks progressively achieve universal health coverage for all South Africans and protection of all citizens from the catastrophic financial impact of seeking health care by 2030 which will have the following outcomes:

- Universal health coverage for all South Africans achieved by 2030,
- Progressive improvement in the total life expectancy of South Africans, and
- Reduce maternal and child mortality.

#### 3.8.2.1 District's Epidemiological Profile

Deaths are the main determinant of life expectancy. Reducing the incidence of diseases leads to the decrease in deaths. Historically, mortality in the district has been significantly driven by communicable diseases, such as HIV and TB. However, there has been an increasing trend in the proportion of deaths caused by non-communicable diseases (NCDs) in recent years. This has placed an increasing burden on the public health system. As reflected in Table 3.8.3.1.1, the order of the top ten causes of death in KZN is changing. TB fell outside the top five leading causes of death in 2022 which reflects the efforts that has been made towards controlling the disease.

**Table 3.8.3.1.1:** Leading Causes of Death in Ugu District
**Source:** Department of Health, 2022

| Rank | Leading Causes of Death | |
|---|---|---|
| | 2011 | 2022 |
| 1. | TB | STI Treated New Episode |
| 2. | HIV | HIV |
| 3. | Diarrheal disease | Lower Respiratory Infection |
| 4. | Lower Respiratory Infection | Mental Health Disorder |
| 5. | Cardiovascular Disease | Hypertension |
| 6. | Hypertensive Heart Disease | TB |
| 7. | Interpersonal Violence | Diabetes |
| 8. | Ischemic Heart Disease | Diarrheal |
| 9. | Road Injuries | Bilharzia |
| 10. | Meningitis | Severe Acute Malnutrition |

The district's Department of Health expansion of the HIV program, as well as the reduction in maternal, infant and child mortality has had a positive impact on the life expectancy as upward trajectory has been observed. The neonatal mortality, however, remains a challenge in the district.

#### 3.8.2.1.1 HIV / AIDS / STI

The UNAIDS acknowledges that although many strategies are necessary to close the book on the AIDS epidemic, it will be impossible to do so without bringing HIV treatment to all who need it. Whereas previous AIDS targets sought to achieve incremental progress in the response, the aim in the post-2015 era is nothing less than the end of the AIDS epidemic by 2030. This post-2015 era propelled a powerful momentum towards a new narrative on HIV treatment and a new, final, ambitious, but achievable three-part target referred to the 90-90-90 strategy. In essence the strategy translates to 90% of all people living with HIV knowing their HIV status, 90% of all people with diagnosed HIV infection receiving sustained antiretroviral therapy and 90% of all people receiving antiretroviral therapy having viral suppression.

The district's Department of Health adopted the three-part setting the targets at 95-95-95. As at the end of March 2024, a total of 142 552 people were living with HIV in the district. As reflected in Figure 3.8.3.1.1.1, the total population actuals for the district were at 97-87-82 in terms of performance against the 95-95-95 targets across its total population as per data available in the public and private sector. The target for people living with HIV who know their status however, the target was not met for people diagnosed with HIV receiving sustained antiretroviral therapy and people receiving antiretroviral therapy having viral suppression were not achieved. As at March 2024, a total of 4 846 people living with HIV were not aware of their status and 24 621 who should have been on the antiretroviral therapy were not. Furthermore, 29 786 people on antiretroviral therapy were not virologically suppressed. This essentially means that a total of 54 407 people living with HIV carried a high risk of transmitting the virus which greatly undermines the governments efforts of a non-HIV affected population. Results for each of the sub-populations vary, with better performance in the female population group as compared to the male and children population groups.

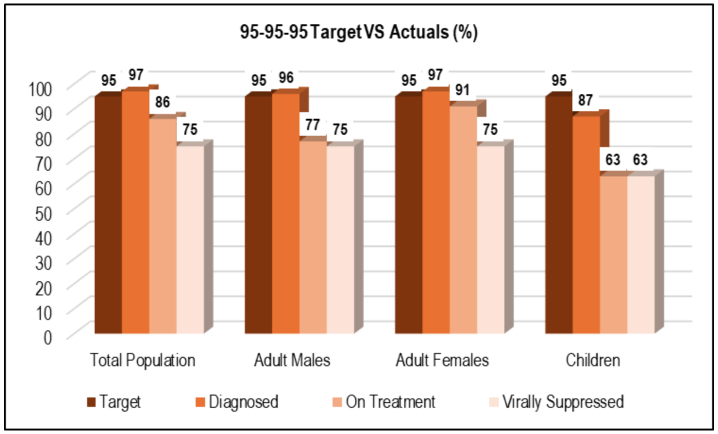



**Figure 3.8.3.1.1.1:** 95-95-95 HIV Targets Versus Actuals

**Source:** S&P Global, 2022

The district's HIV prevalence in 2022 was sitting at 16.4% which is a 25% decline from the 2011 41.70%. This decline together with a notable shift in the HIV epidemic curve towards older age categories has been observed which suggests that the epidemic is stabilising. Disparities in the burden of HIV remain, with HIV prevalence approximately 3-fold higher among young females (9.8%) aged 15–24 years compared to young males (3.3%); and among those aged 25–49 years, nearly 2-fold higher among women (38.4%) than among men (21.5%). ART coverage is still low in the 15-24 years age group.

As reflected in Figure 3.8.3.1.1.2, the new HIV cases fluctuated month to month with an average of 548 for a period commencing in April 2021 to February 2024. The Infant PCR test positive at birth rate also fluctuated quarter to quarter for a period between 2017 and 2023 with an average of 0.37% which is above the district's target of 0.32%.

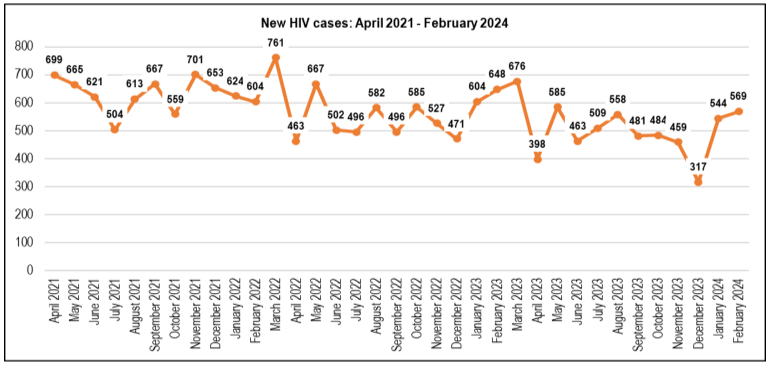



**Figure 3.8.3.1.1.2:** New HIV Cases

**Source:** Department of Health, 2025

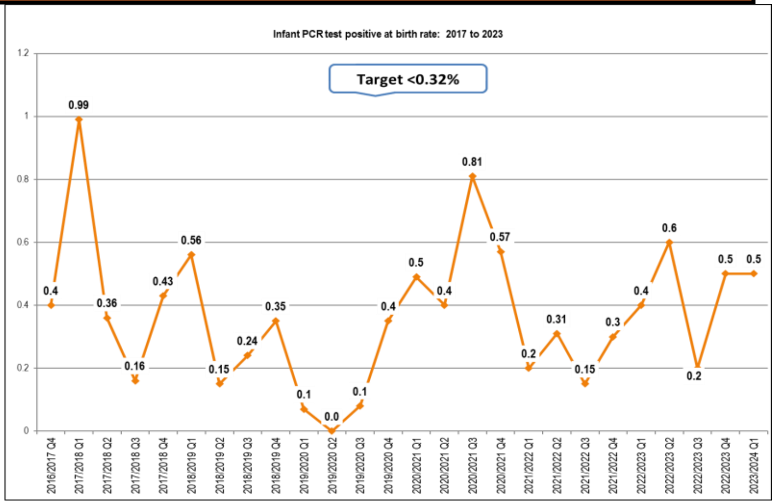



**Figure 3.8.3.1.1.3:** Infant PCR Test Positive at Birth Rate

**Source:** Department of Health, 2025

### 3.8.2.1.2 Tuberculosis (TB)

TB still causes a high proportion of all deaths, and the resistant strains that have emerged posing a new threat to public health. Similarly to other communicable diseases, for TB, an important challenge in control is the retention of patients within the treatment programmes. Figure 3.8.3.1.2.1 shows the TB client treatment success rate over a period between 2017 to 2024. The district's target for TB client treatment rate is 90% of which the district gas struggled to achieve with an average achievement of 80%.

The district Department of Health set a target of less than 15% TB Treatment Interruption (Defaulter) Rate and as reflected in Figure 3.8.3.1.2.2 the target has generally been met with an achievement of 11% average. The target for the TB client death rate was set at less than 7% and as reflected in Figure 3.8.3.1.2.2 this target generally not met with an average achievement that is slightly higher at 7.9%. The district was generally maintaining a rate below 7% till the don of the COVID-19 pandemic and has not recovered since.

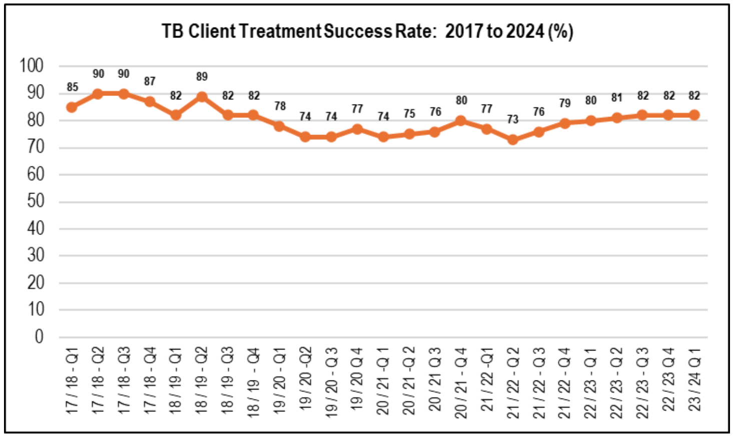



**Figure 3.8.3.1.2.1:** TB Client Treatment Success Rate

**Source:** Department of Health, 2025

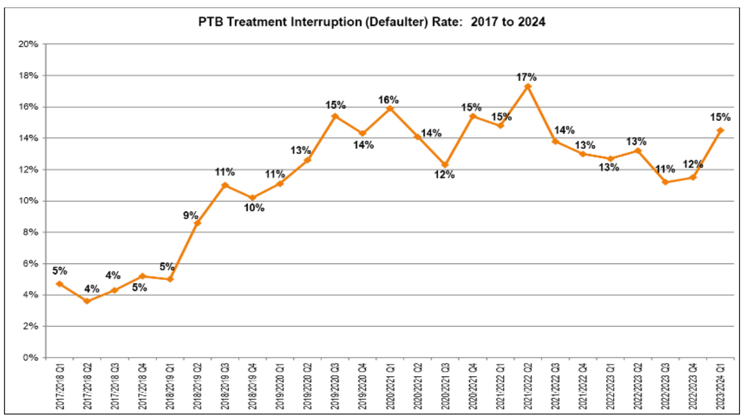



**Figure 3.8.3.1.2.2:** TB Treatment Interruption (Defaulter) Rate

**Source:** Department of Health, 2025

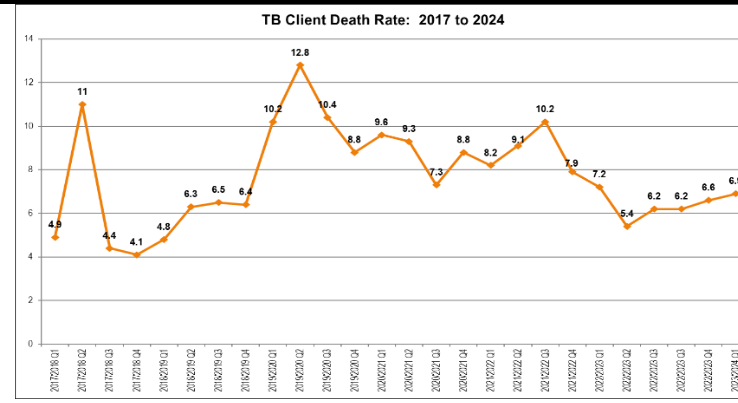



**Figure 3.8.3.1.2.3:** TB Client Death Rate

**Source:** Department of Health, 2025

### 3.8.2.1.3 Non-Communicable Diseases

The increasing importance of non-communicable diseases, particularly diabetes mellitus (type 2) and hypertension reflect the ageing of the population as well as changing lifestyles (reduced physical activity and increasing consumption of foods high in salt and sugar). Both diabetes and hypertension contribute directly to the development of cardio- and cerebrovascular diseases which are becoming increasingly important causes of death in the district.

### 3.8.2.1.4 Maternal, Neonatal, Child and Women's Health

As reflected in Figure 3.8.3.1.4.1, there has been a spike in the number of maternal deaths, neonatal deaths as well as child deaths in 2021/22 during the Covid -19 pandemic (March 2020 to July 2022). The subsequent decrease can be attributed to the implementation of the Covid-19 vaccination program.

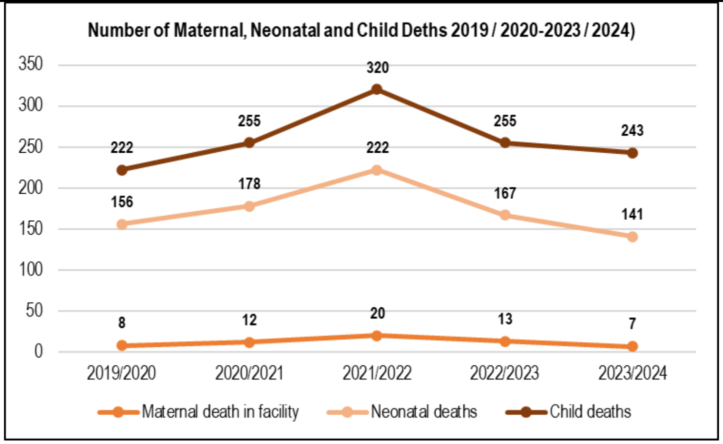



**Figure 3.8.3.1.4.1:** TB Client Death Rate

**Source:** Department of Health, 2025

### 3.8.2.2 District Health Plan Priorities

The priorities set out in the District Health Plan are in line with the three over-arching outcomes that aim to address a single IMPACT of "Increased life Expectancy". The outcomes that seek to merge to achieve this impact are "Universal Health Coverage", "Improved Client Experience of Care" and "Reduced Morbidity and Mortality."

The focus is to accelerate the re-engineering of Primary Health Care to strengthen disease prevention and the health promotion strategy, by investing in Community-Based Programs. Strengthening primary health care will reduce the burden of disease, since ailments will be identified early, while improving efficiencies at all other levels of care.

Among the DOH key priorities are to encourage behaviour modification and improve health-consciousness; reduce communicable and non-communicable diseases; promote nutrition programmes and strategies to reduce specific nutritional challenges; strengthen maternal, child and women's health; and reduce the preventable causes of morbidity and mortality. Effective screening, follow-up and support services are vital to attain positive health outcomes.

### 3.8.3 Environmental Health

When the population is exposed to environmental hazards, a relationship is established between the levels of exposure and health outcomes of that particular population and such relationship is referred to as "environmental health".

As depicted in Figure 3.8.3.1, environmental health protects human health by combating physical, chemical, biological, and social threats in the environment. It is the most fundamental public health approach, affecting the whole population and provides a foundation for modern living.

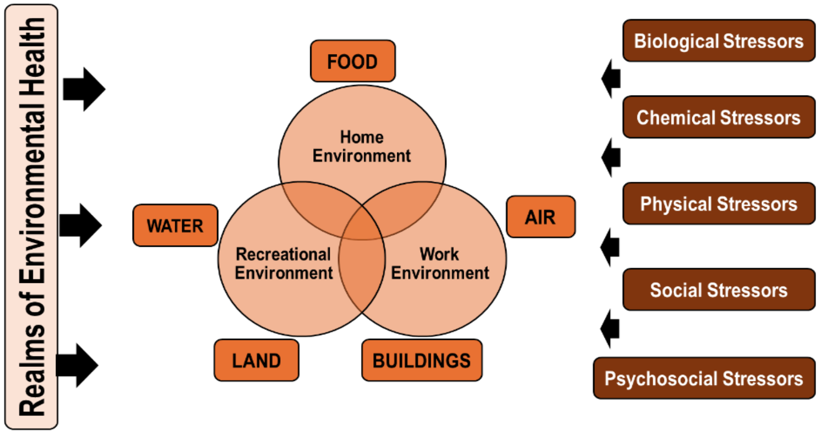



**Figure 3.8.3.1:** Realms of Environmental Health Practice

Environmental health covers the assessment, correction, control and prevention of environmental factors that can adversely affect human health. It encompasses measures necessary to deal with issues such as environmental degradation and climate change, and with hazards including chemical exposure and contamination of air, water and food.

The district has Public Health Bylaws in place to enable the district to promote and protect the health and well-being of all people within its area of jurisdiction by providing in conjunction with any other applicable law an effective legal and administrative framework within which health obligations are developed and managed.

#### 3.8.3.1 Assessment of Environmental Health Factors

One of the key tools for the assessment of environmental factors is the health surveillance of premises service which include the inspection of non-food premises, such as funeral undertakers, schools, creches, prisons, offices, and government institutions. The inspection entails among others, checking for adequate lighting and ventilation, the provision of suitable toilet facilities, and adequate floor space to avoid overcrowding, especially in creches and schools. Residential, business and public premises are regularly monitored to ensure that there are no health nuisances. There are other planning tools that are in place that aid assessment of the environmental factors such as Strategic Environmental Assessment and Environmental Management Framework.

The health surveillance is conducted in line with the district's Public Health Bylaws and in the event that the premises inspected are not complying, a contravention notice is issued stipulating the nature of the contravention and the applicable penalties.

Similarly to the rest of the country, the district experiences a burden of disease as a result of environmental factors. The assessment shows that these environmental factors are avoidable environmental hazards such as use of contaminated water, poor hygiene, inadequate sanitation, poor water resource management, use of unsafe fossil fuels, atmospheric pollution and poor infrastructure.

#### 3.8.3.2 Correction of Environmental Health Factors

The contravention notice gives the offender a period by which their premises must be compliant with the district's Public Health Bylaws. The severity and impact on public health determines the duration or length of the compliance notice period, however, prohibition notice where there is immediate danger to the public health.

Tremendous strides have also been made in provision universal access to basic services such as portable drinking water, decent sanitation and electricity which eradicates or mitigates some of the environmental health hazards.

#### 3.8.3.3 Control of Environmental Health Factors

The district offers a suite of services to ensure proper control and management of environmental health factors which includes Food Control; Water Quality Monitoring; Communicable Diseases Control;

Vector Control; Hazardous Chemical Substances; Disposal of the Dead; Environmental Pollution; Environmental Health Education; and Waste Management Control.

#### 3.8.3.4 Prevention of Environmental Health Factors

A critical aspect of environmental health services is the prevention and reduction of the incidence of diseases emanating from environmental factors; with a stronger focus being on communicable diseases.

### 3.8.4 Safety and 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. A municipal safety plan is a consultative document that sets out the strategic objectives and operationalise those into local crime prevention action steps. It should contain elements of law enforcement, situational and social crime prevention, must address social unrest and mediation.

### 3.8.5 Nation Building and Social Cohesion

The District Sports Council was launched in 2009. The district also participates in SALGA-KZN Games. 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 at the youth.

### 3.8.6 Community Development with Focus on Vulnerable Groups

The NDP acknowledges the need for the vulnerable groups from adverse effects of poverty, inequality, and crime through coordinated and integrated responses by government, business, civil society and communities. The PGDS taking its cue from the NDP also advocates for the protection and empowerment, and socio-economic inclusion f vulnerable groups thereof of the vulnerable groups. The PGDS identifies vulnerable groups as cross-cutting focus areas that need to be mainstreamed across all elements of provincial policies, plans and programmes to ensure equitable and inclusive development.

Guided by these strategic frameworks, the NDP and PGDS, the district prioritises the protection and empowerment of the vulnerable groups. Over and above ensuring that vulnerable groups through mainstreaming approach embedded across all planning instruments, sector programmes, and service delivery initiatives. In addition, the district has established a dedicated Special Programmes Unit to coordinate interventions, ensure compliance with legislative and policy prescripts, and promote inclusive development outcomes.

The district is currently implementing five (5) special programmes aimed at aimed at advancing the rights, protection and socio-economic empowerment of the vulnerable groups which are namely, Senior Citizens; Gender Development; HIV / AIDS; Rights of the Child, and Disability.

These programmes are aligned to national and provincial priorities and are implemented through targeted projects, advocacy initiatives, capacity-building programmes and intergovernmental coordination mechanisms. The specific projects and programmes of the community development with special focus on vulnerable groups are entailed in the implementation plan and Chapter 4 of this document.

#### 3.8.6.1 Senior Citizens Programmes

In terms of the district's demographics, the age group 65 years and above (elderly) make up 8% of the total population which translate to 64 778 people. Nearly half (49%) of the elderly population is still confronted with a responsibility of heading household wild 31 488 elderly population group being head of households in the 2022 census. Increasingly, the burden of care has fallen on the poorest communities, especially on the elderly, often leading to a sense of powerlessness and social isolation.

The elderly age group population, education levels are very low with only 26% possessing an educational level that is a matric equivalent or above. This suggests that a majority of the elderly population group in the district are dependent on state grant as most based on skills levels would have never worked or have not secured decent jobs during their working years.

Furthermore, the elderly population is prone to chronic illness and as such access to nutritional services becomes critical for them. The further such services are to them, the more burden is placed on them.

The elderly group population therefore require measures which include removing obstacles to accessing social protection, and measures to provide assistance as they bear the brunt of poverty and inequality. To this regard, the district has established Senior Citizens Forum tasked with the responsibility of coming up with programmes and projects to aid the protection and protection of the senior citizens.

#### 3.8.6.2 Gender Development Programmes

The Ugu District Municipality acknowledges that Gender-Based Violence and Femicide (GBVF), gender inequality, unemployment, poverty, and social exclusion continue to negatively affect communities within the district. Women, children, youth, elderly persons, and persons living with disabilities remain vulnerable to violence, abuse, discrimination, and unequal access to socio-economic opportunities.

The Municipality further recognises that GBVF undermines social cohesion, economic development, public health, and community safety. In response, the Municipality commits itself to mainstreaming gender equality and GBVF prevention within all municipal planning, budgeting, service delivery, and community development programmes.

The district has established Gender, Men's, and Widow's Forum through which gender development programmes are implemented.

#### 3.8.6.3 HIV / AIDS Programme

The burden of HIV/AIDS affect the ability of families to care for children, persons with disabilities and the aged. The high mortality rate amongst young adults due to HIV/AIDS places a greater burden on the elderly for raising children. Furthermore, the high incidence of HIV/AIDS and results

in an increasing number of orphan / children headed households. The impact HIV / AIDS has on the vulnerable groups can, therefore, not be neglected as it will always negate any efforts made by the government to protect and empower the vulnerable groups.
The district is one of the province's five districts who have a high burden of HIV, TB and STIs. Interventions will then be prioritised according to the burden as the essence of the methodology is to deliver results that can provide the greatest impact with limited resources and highest value for money.

The district has established District AIDS Council has been entrusted with the responsibility of overseeing the implementation of the district's programmes and projects for the HIV / AIDS programme.

#### 3.8.6.4 Rights of a Child Programme

The Convention on the Rights of the Child defines a child as "every person below the age of eighteen (18) years unless under the law applicable to the child". Vulnerable children include and not limited to orphans, child-headed households, children in foster care, children who are victims of violence, exploitation, abuse, and neglect, refugees, children in conflict with the law and so forth.

Children constitute approximately of 29% of the total population within the district (census 2022). Key indicators reflecting the status of children include:

- Child headed households: 1% (1 726) of the total households.
- Out of school children: Approximately 5% of children aged 5 to 15 years, that by law should be attending some form of educational institution, are not attending any.
- Early Childhood Development: 70% of children aged 3 – 4 years are enrolled in ECD centres.
- Sexual offences against children: An average of 84 reported child sexual assault cases per quarter between 2017 and 2024 reporting period (District Department of Health Data).

Despite an enabling legislative framework, children in the district continue to face high levels of poverty. abuse and neglect; unequal access to social services, particularly in rural and under-resourced communities; and limited integration of child-focused priorities in municipal budgeting.

The Rights of the Child Programme is the responsibility of all government institutions including municipalities to create an environment that is child-friendly; prioritizes and protects children's rights further analysis will be made on institution specific programme development.

In line with the IDPs developmental mandate and child-rights prescripts, the Rights of the Child Programme prioritises:

- Child Protection and Safety by strengthening intersectoral coordination and referral systems to prevent and respond to abuse, neglect, and violence cases. Supporting awareness campaigns to promote the rights and protection of children.
- Education and ECD Support that promote universal access to quality ECD centres. Collaborating with education stakeholders

to reduce dropouts and address barriers to school attendance.

- Social protection and support to vulnerable households by facilitating access to social services for child-headed households and vulnerable children. Promoting food security and basic services access in indigen communities.
- Child Participation and Child-Friendly Spaces encouraging child participation in matters that affect them, consistent with Section 10 of the Children's Act.

The role of the district is primarily coordination, facilitation, advocacy, and oversight. The Ugu Intersectoral Child Protection and Families' Forum serve as a coordinating structure for all child-related programmes in the district. Key stakeholders in this platform include government departments (Social Development, Education, Health, Justice, SAPS); Local Municipalities, CYCCs, NGOs, CBOs and faith-based organisations. The Forum is responsible for programme planning, aligning district inventions with provincial and national priorities, monitoring implementation, and reporting.

#### 3.8.6.5 Disability Programme

People with disability in the district account for about 15% of the total population. People with Disability face multiple discriminatory barriers which prevent them from enjoying and accessing their full civil, political, economic, and social and developmental rights. Furthermore, disability and poverty operate in a vicious circle as disability often leads to poverty and poverty, in turn, often results in disability. Disability must, therefore, be integrated into all facets of planning, recognising that there is a no one-size fits-all approach.

People with disabilities must have enhanced access to quality education and employment. Efforts to ensure relevant and accessible skills development programmes for people with disabilities, coupled with equal opportunities for their productive and gainful employment, must be prioritised.

One of the main objectives of the community development with special focus on vulnerable groups mainstreaming the Disability Programme within the District. Mainstreaming involves the integration of disability issues and interventions with government legislation and programmes and other sector organisations or programs.

### 3.8.7 Youth Development

The youth population comprises one third of the total population as per the census 2022. The youth also head about 20% of the households in the district which is approximately 34 472 households as per the 2022 census. Furthermore, the unemployment rate is highest for the youth population group sitting at 73.8 in 2022. The youth population accounts for more than half of the total working population which therefore necessitate special focus on the youth development for the betterment of the district as a whole.

As can be seen in Figure 3.8.7.1, a large proportion (64%) of the youth is not attending any form of educational institution with the second largest proportion (23%) attending secondary school. The low educational institution by, and the high unemployment rate of, the youth population suggests that there is a large number of youth population that is disengaged. Furthermore, the distribution of the youth population by the level of highest education level suggests a very low skills base for the district's youth population with more than half of it not having a qualification level high than grade 12 / NQF Level 4 as reflected in Figure 3.8.7.2. This makes it even more difficult for the youth population to be employed.

Unresolved, this trend poses the single greatest risk to social stability. Young people are more likely to rebel if left with no alternative but unemployment and poverty. Generally, homicides are committed 20 by males between the ages of 16 and 30. In the district, this could translate into social disorder, widespread political unrest and increased crime.

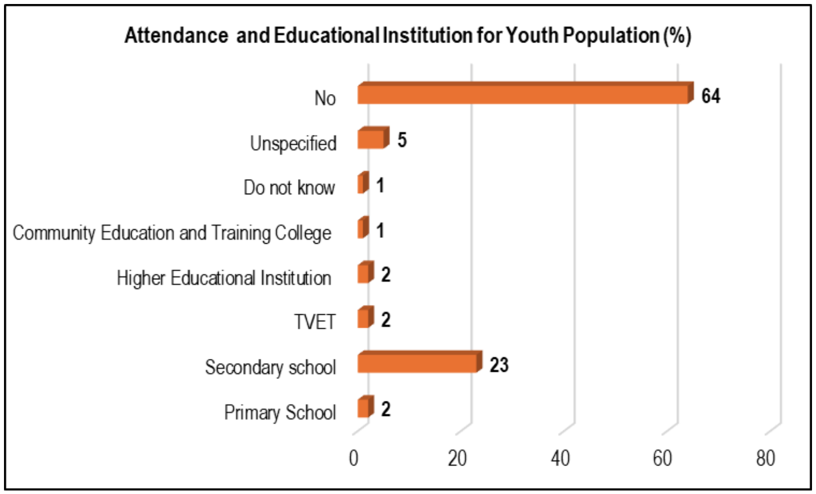



**Figure 3.8.7.1:** Attendance and Educational Institution for Youth Population

**Source:** Stats SA Census, 2022

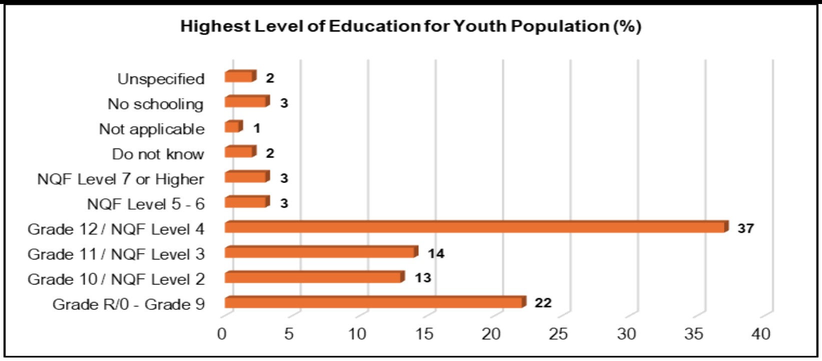



**Figure 3.8.7.2:** Highest Level of Education for Youth Population

**Source:** Stats SA Census, 2022

The district has an adopted 2020 to 2030 Youth Strategic Framework which is aimed at ensuring that all levels of society see youth development as key to the development of the district and make the necessary investment for long term sustainability.

The specific youth projects and programmes implemented by the district are captured in the implementation plan which is attached to this plan. Every effort has been made to ensure that absolute integration of the youth programmes and projects are integrated into the main programmes and projects.

### 3.8.8 Social Development Key Challenges and SWOT Analysis

The social development analysis undertaken above culminated in the identification of a number of challenges, which the district needs to redress, address and mitigate. The social development SWOT Analysis of the district is detailed in Table 3.8.8.1 which is followed by a summary of key challenges in Table 3.8.8.2.

**Table 3.8.8.1:** Social Development SWOT Analysis

| | |
|---|---|
| **STRENGTHS** | ▪ Good matric (grade 12) pass rate.<br>▪ TVET and FET institutions.<br>▪ Effective non-communicable and communicable disease management.<br>▪ Constantly improving life expectancy. |
| **WEAKNESSES** | ▪ Uneven access to pre-schooling.<br>▪ Poor level of education in rural schools.<br>▪ Low skill base.<br>▪ Prevalence of Chronic Diseases.<br>▪ High crime rates.<br>▪ Social ills (Teenage pregnancy, drugs and substance abuse, gender-based violence).<br>▪ Water quality and quantity posing environmental health risk.<br>▪ High school dropout rate. |
| **OPPORTUNITIES** | ▪ Forging partnership with Private Sector (taking advantage of available Corporate Social Investment).<br>▪ New innovative initiatives to address social ills.<br>▪ Establishment of university and / or university of technology institutions.<br>▪ Youth training and employment initiatives. |
| **THREATS** | ▪ Gateway to Eastern Cape and eThekwini (inward immigration) put burden on social resources.<br>▪ Disease outbreaks and pandemics.<br>▪ Outward immigration of economically active population groups. |

**Table 3.8.8.2:** Social Development Key Challenges

| | |
|---|---|
| **Key Challenge** | **Uneven access to pre-schooling** |
| **Description** | Because early childhood development is still privately provided, registered centres are unevenly distributed and do not yet reach the most vulnerable poor children, especially in rural areas. Fees also inhibit the poorest families from using what services are available. |
| **Key Challenge** | **Poor level of education in rural schools** |
| **Description** | 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. |
| **Key Challenge** | **Low skill base** |
| **Description** | The district does not have large enough pool of skills to aid the desired economic growth and development. The high school drop out rate also had a major impact in the low skills base of the district. |
| **Key Challenge** | **Prevalence of Chronic Diseases** |
| **Description** | As much a tremendous strides has been made in reducing HIV and TB, their prevalence in the district have been made, it is still relatively high. Furthermore, non-communicable diseases, particularly diabetes mellitus (type 2) and hypertension reflect the ageing of the population as well as changing lifestyles (reduced physical activity and increasing consumption of foods high in salt and sugar). |
| **Key Challenge** | **High crime rates** |
| **Description** | The district has high crime rates coupled with high gender base violence and femicide. This heavily impedes on the district's right to safety and security especially for the vulnerable population groups. |
| **Key Challenge** | **Social ills** |
| **Description** | The district is riddled with social ill which is exacerbated by high prevalence of drug and substance abuse especially amongst the youth. |

## 3.9 GOOD GOVERNANCE AND PUBLIC PARTICIPATION ANALYSIS

Good governance as per the democratic principles can be achieved through effective public participation. Public participation allows constituents to monitor the governance record of their elected officials and further encourages the public to take an active interest in the performance of their municipality and region. It is through broad public participation that citizens can recognise that their interests are taken to heart – especially the needs of the most vulnerable members of society.

The district has therefore made every attempt to ensure it allows all its citizens to be heard in determining the political, social and economic priorities through the establishment of a broad societal consensus that includes civil society, government and the private sector.

However, community participation alone is not sufficient in ensuring that good governance practices are adopted. Institutional integrity is of equal importance and therefore, the district has ensured the Council Committees, and its committees are in place and fully functional. This was done through the adoption of effective by-laws and policies that entrench the effective performance of all aspects of municipal governance.

### 3.9.1 National and Provincial Programmes

The National and Provincial government rolls out different programmes which are often implemented at a local government level. The National government is currently two (2) programmes which are the District Development Model (DDM) and Batho Pele. The Provincial government is currently implementing the Operation Sukuma Sakhe Programme.

#### 3.9.1.1 District Development Model

This section provides a brief synopsis of the DDM, and further analyses and discussion is under the IGR section. DDM is the roll out of a new integrated district-based approach to effectively address service delivery challenges and localised procurement and job creation, that promotes and supports local businesses, and that involves communities. The introduction of DDM followed the pattern of operating in silos challenge as identified by the President in the 2019 Presidency Budget Speech (2019), which led to lack of coherence in planning and implementation and has made monitoring and oversight of government's programme difficult. The consequence has been non optimal delivery of services and diminished impact on the triple challenges of poverty, inequality and employment.

The DDM focusses on implementation of immediate priority projects, stabilisation of local government and long-term institutionalisation of integrated planning, budgeting and delivery anchored on the development and implementation of the One Plan. As such the DDM focuses on building state capacity as the system of Local Government is stabilised, and in the medium term, to improve cooperative governance, integrated planning and spatial transformation, inclusive economic development, and where citizens are empowered to contribute and partner in development. This is to be achieved through:

- Solving horizontal and vertical **Silos**,
- **Narrow distance** between people and government,
- Deliver **Integrated Services** and monitoring and evaluation,
- **Budgets and programmes** based on community needs, inclusive and gender-responsive,

- **Youth** empowered,
- Maximising **impact**,
- Facilitate for **Local Economic Development**,
- **Sustainable development**, accelerate initiates to promote zero hunger, poverty eradication, employment and equality, and
- Inculcate **Long-range** Planning.

#### 3.9.1.2 Batho Pele Programme

The Batho Pele principles were introduced in 1997 to encourage public participation and promote citizens' ability to know and claim their rights. They state that "*government departments should inform citizens about the level and quality of public services they will receive so that they are aware of what to expect" and that "citizens should be given full and accurate information about the services they are entitled to*". These principles emphasise transparency and information as key to accountability. This requires that information is available at the point of delivery and officials are empowered to act. When entering a public building, citizens should be able to see what service they can expect, and where to go and to whom they can talk if they do not get that service. Frontline staff should wear name tags to make it easier for citizens to provide feedback on the standard of service they receive.

The Department of Public Service and Administration (DPSA) has embarked on a programme to revitalize the practice of Batho Pele in the Public service. In an effort to enhance the implementation of Batho Pele, the DPSA undertook a study to determine the extent to which progress is being made by various spheres of Government in the implementation and promotion of the Batho Pele. The overall findings of the study provided clear indications of lack of understanding in the interpretation of the requirements of the transformation programme by the majority of Municipalities which resulted in differing implementation approaches by the Municipalities.

All government Municipalities both national and provincial are compelled to align their service delivery mandates and service delivery improvement plans with the overall service delivery priorities of the government based on the needs of the citizens. The legislative frameworks call for the setting up of service standards, defining outputs and targets, and benchmarking performance indicators against international standards. Similarly, it also calls for the introduction of monitoring and evaluation mechanism and structures to measure progress on a continuous basis.

Under the direction and guidance of DPSA the district's Batho Pele implementation has focused on principles and Service Delivery Improvement Plan. Batho Pele Belief which says, "We Belong, We Care, We Serve." is a value system which clearly captures the revitalized Batho Pele culture. More still needs to be done relevant to belief sets. A Batho Pele belief set implementation Strategy will be developed and made available. The Public Service Regulations Act of 2001 states the SDIP must be approved annually and to ensure its implementation by all Departments, the departmental assessments are conducted annually before the end of the year. The district duly complies with this legislative provision with its SDIP being approved on annual bases and implementation thereof monitored regularly.

The district adopted Batho Pele Policy on the 27th of November 2025, and Customer Service Charter and Service Standards was last adopted on the 29th of September 2022. The Customer Service Charter and Service Standards set a demanding but realistic, measurable level to be reached by adopting more efficient and customer- focused working practices. The Customer Service Charter and Service Standards and Batho Pele Policy implementation is done through the SDBIP (draft attached).

Batho Pele Flagship Projects: Since 2008 / 2009 the following flagship projects, also known as service delivery watch, were implemented and are continuously conducted:

i. Municipal Service week and Project Khaedu.
ii. Know your Service Rights Campaign.
iii. Batho Pele Learning Network.
iv. Unannounced site visits or mystery customer.
v. Change Management.

Services such as water and sanitation provision and budgeting can all be improved through increased alignment to the SDBIP.

#### 3.9.1.3 Operation Sukuma Sakhe

The Operation Sukuma Sakhe Programme (OSS), formerly known as the Flagship, Social Cluster Programme (War on Poverty), was introduced to the district in 2009. OSS was conceptualised and adopted to focus on strengthening integrated service delivery, enhancing community participation, and accelerating poverty eradication through a coordinated, ward-based approach.

OSS is aligned to the principles of the District Development Model (DDM), particularly the "One District, One Plan, One Budget" approach, by promoting inter-governmental coordination and joint planning at ward, local and district level. The key objectives of OSS are as follows:

- Strengthening interaction between Members of the Executive Council (MECs), deployed as MEC Champions in the District Municipalities;
- Promotion and enhancement of provision of integrated services to the communities;
- Support coordinated responses of sector departments and civil society in addressing social ills, poverty, disease and inequality;
- Promote ward-based planning and citizen participation in the programmes of government; and
- Facilitate collective responses to community challenges.

##### 3.9.1.3.1 Operation Sukuma Sakhe Structures

The OSS operates through a three-tier governance structures which are namely Ward Task Team (War Rooms), Local Task Team (LTT) and District Task Team (DTT).

**a) Ward Task Team (War Rooms)**

The WTT serves as the primary interface between government and the communities. The structure is comprised of Ward Councillor (as Political Champion), members of WAC, Sector Departments, Private Sector, Traditional Council, Traditional Healers, Ward Committee, Youth Sector, Disability Sector, Gender, Sector, Senior Citizens, Community Caregivers, Crime Prevention Volunteers, NGOs, FBOs, Moral Regeneration. Key functions of the War Room:

- Household profiling and identification on vulnerable households. Profiling is conducted by CCGs, CHWs and CDWs at ward level;
- Referral of cases to relevant sector departments and municipalities for further intervention;
- Consolidation of ward-level reports on all interventions, events, reports from WAC and statistics from sector departments; and reports to the LTT; and
- Oversight, coordination and implementation of household profiling and the facilitation of interventions.

Table 3.9.1.3.1.1 reflects the War Room functionality status (as of 30 April 2026). Out of 86 wards in the district:

- 64 War Rooms (74%) are functional;
- 22 War Rooms (26%) are non-functional.

**Table 3.9.1.3.1.1: War Room Functionality**
**Source:** Special Programmes Unit, 2026

| Municipality | No. of Wards | Functional | Not Functional |
|---|---|---|---|
| **Umdoni** | 19 | 13 | 6 |
| **Umuziwabantu** | 11 | 9 | 2 |
| **Ray Nkonyeni** | 36 | 27 | 9 |
| **Umzumbe** | 20 | 15 | 5 |
| **Total** | **86** | **64** | **22** |

Household profiling remains ongoing in functional wards. War Rooms continue to serve as referral platforms or social relief, housing, social grants, ID applications, and health-related interventions.

**b) Local Task Team**

The LTTs consolidate the ward-level reports and ensure alignment of interventions within each Local Municipality. The structure comprises of members from WAC, Ward Task Team, Sector Departments, Managers from Municipalities, Political Principals from the local municipality. Key functions of the Local Task-Team:

- Consolidates and compiles all reports from the WTTs and submits consolidated report to the DTT;
- Provides monitoring and support to War Rooms / WTTs;
- Monitors the functionality of the WTT; and
- Escalation of systemic challenges to DTT level.

The functionality status of LTTs:

- All LTTs are fully functional and convene meetings monthly to review progress, address emerging challenges, and plan community-based interventions in alignment with OSS objectives.
- Each LTT has been assigned a member of Senior Management Service as a DTT Mentor.
- The DTT Mentors, in collaboration with the LTTs, are tasked with overseeing the revitalization and sustained functionality of War Rooms, ensuring that they remain active platforms for integrated service delivery and stakeholder engagement at the ward level.

- Capacity-building for both LTTs and War Room are facilitated through training workshops and support sessions conducted by the Office of the Premier. These workshops focus on strengthening planning, coordination, and reporting.

LTTs serve as coordination platforms for joint planning and integration of sector interventions at local municipal-level.

**c) District Task Team**

The DTT provides strategic leadership and oversight. The structure comprises:

- Political Champions (MEC and District Mayor) - to provide political leadership and guidance.
- Administrative Champion (HOD) - to provide administrative leadership and guidance – develop a monitoring mechanism in terms of the participation and compliance of government departments.
- Provincial Convener - to provide the linkages between the Office of the Premier and the District Task- Team.
- Provincial and District Members of the Senior Management Services;
- Local Task Teams
- Civil Society stakeholders.

The DTT is fully functional and meetings are convened monthly to ensure effective coordination, oversight, and strategic guidance across all Local Task Teams. The Quarterly OSS Report is consolidated and submitted to the Social Cluster for monitoring and policy intervention.

#### 3.9.1.3.2 OSS Programme Implementation

The Office of the Premier, the District through OSS implements the following programmes:

- Integrated Public Service Monitoring and Evaluation Week;
- OSS / DDM Cabinet Imbizo Programme;
- Operation MBO;
- KZN Legislature School Functionality Monitoring Programme;
- Monitoring of the National School Nutrition Programme (NSNP);
- Operation MBO
- Outreach Programmes
- World AIDS Day; and
- Household Profiling.

These programmes enhance oversight, accountability and direct community engagement ensuring service delivery and unblocking project and/or services bottlenecks.

#### 3.9.1.3.3 OSS Achievements

Key achievements recorded through OSS interventions include:

- Approval of 271 housing units through OSS referrals implemented under the OSS Housing Project.

- Successful implementation of OSS Cabinet Imbizo Programmes
- Strengthened interdepartmental coordination and implementation of Outreach Programmes, GBVF Prevention Programmes and Operation MBO.
- Institutionalisation of ward-based profiling to inform planning.

The OSS has come up with different interventions emanating from the implementation of their programmes which have yielded positive results and directly challenged the poverty and inequality status quo.

#### 3.9.1.3.4 OSS Implementation Challenges

The challenges that have been experienced in the implementation of OSS includes amongst others:

- Poor and inconsistent attendance by of some government departments.
- Non-submission of reports by government departments and LTTs.
- Limited tools of trade (ICT, stationery, venues, etc.) for the War Rooms.
- 26% of War Rooms that non-functional.

These challenges impact efficiency, delay service responses, and undermine the full realisation of integrated service delivery.

### 3.9.2 Intergovernmental Government Relations

Despite the existence of IGR legislation and structures, a lack of coordination between national and provincial governments, between departments and particularly at local government level was still evident and the pattern of operating in silos led to lack of coherence in planning and implementation which deemed monitoring and oversight of government's programme difficult. To this effect, in August 2019, Cabinet approved the District Development Model (DDM) as a government approach to improve integrated planning and delivery across the three spheres of government with District and Metropolitan spaces as focal points of government and private sector investment.

The DDM is an intergovernmental approach focusing on 52 district and metropolitan spaces as IGR impact zones for more effective joint planning, budgeting and implementation over multi-year planning and electoral cycles. DDM Implementation is part of the institutionalisation of a programmatic IGR approach. The DDM focusses on implementation of immediate priority projects, stabilisation of local government and long-term institutionalisation of integrated planning, budgeting and delivery anchored on the development and implementation of the "One Plan". As such the DDM focuses on building state capacity as the system of Local Government is stabilised, and in the medium term, to improve cooperative governance, integrated planning and spatial transformation, inclusive economic development, and where citizens are empowered to contribute and partner in development.

DDM is implemented through the Political and Technical Committees and the committees that have been established in the district are reflected in Figure 3.9.2.1. The district has opted to retain some of the existing IGR structure such as the Mayors' Forum, Speakers' Forum and Municipal Managers' Forum as parallel structures to the new DDM political and technical committees. The other sub committees such as the District Planning and Development Forum will be sub committees of the new DDM Clusters.

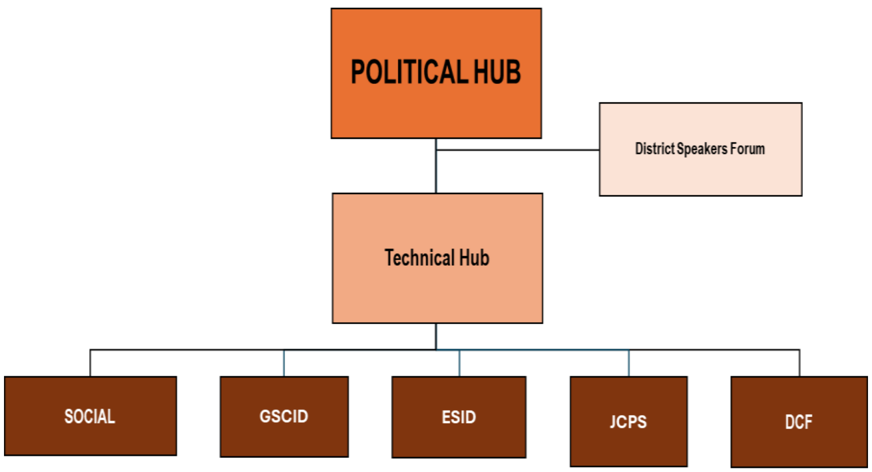



**Figure 3.9.2.1.:** District IGR / DDM Structures

The IGR / DDM structures further provide the district and its family of municipalities with a platform to deliberate on National and Provincial strategic pronouncements. These strategic pronouncements when made becomes standing items at respective IGR / DDM structure to ensure continuous deliberation, monitoring and implementation.

### 3.9.2.1 Political Hub / Mayors Forum

In terms of S24 of the Intergovernmental Relations Framework Act, a District Intergovernmental Forum (DIF) must be established in each district, comprising the Mayor of the district municipality as the chair and the Mayors of the local municipalities as members. The district opted to retain this IGR structure for matters that requires the attention of district and local mayors only.

The Political Hub is an intergovernmental political structure responsible for overseeing the DDM implementation including development of the One Plan in relation to each specific district and metro space. The Political Hub also fulfils the requirements of S24 of the Intergovernmental Relations Framework Act. The DDM Political Committee is comprises of Ministerial Champion; MEC Champion; District Mayor; Local Mayors; Speakers; Chair of Local House of Traditional Leaders; and MM's, HOD champion, and DDM IGR secretariat as support team. The mayor of the district is the local champion of the DDM and leads the district DIF as contemplated in the IGR Act and thus by default becomes the co-chairperson of the Political Hub with the MEC assigned to the district by the Premier as the district champion.

The Political Hub refers a matter arising in its meeting to the Premier's Coordinating Forum or any formal provincial intergovernmental forum established in terms of Section 21 of the IGR Framework Act. Furthermore, the member municipalities of the Political Hub decide on matters through a resolution or a recommendation or a combination thereof.

A resolution of the Political Hub is considered by the member municipalities at their first council meeting following the meeting of the Political Hub, where they must ratify, accept, reject or accept with amendments the resolution of the Political Hub. With the Political Hub sitting on quarterly basis, the chairperson tables the reports and minutes of the Political Hub to the district's Municipal Council on quarterly basis.

#### 3.9.2.1.1 District Speakers Forum

The District Speakers Forum (DSF) is a forum established as a sub structure accountable to the DIF. The purpose of this intergovernmental sub forum is to provide expert support advice to the District IGR on public participation related issues.

### 3.9.2.2 Technical Hub / Support Forum

The Technical Support Forum (MMs Forum) is a forum of Municipal Managers established in terms of the IGR Act of 2005 and is a sub structure accountable to the District Intergovernmental Forum. The MMs Forum shall communicate with the technical structures of the Provincial Intergovernmental Forum.The Technical Hub is an intergovernmental technical structure responsible to support the DDM Political Committee with the DDM implementation including the development of the One Plan in relation to a district or metro space. The DDM Technical Hub is comprises of HOD Champion; District Municipal Manager; Local Municipal Managers; Senior Municipal Officials; National and Provincial Sector Representatives; State Owned Entity's/ Municipal Entities Representatives; Local House of Traditional Leaders Representatives; DDM Cluster Chairs; DTT Chair; and DDM IGR secretariat support.

The Technical Hub is co-chaired by the municipal manager of the district and the HOD of the province assigned as the district champion. Technical Hub is responsible for the overall coordination of DDM implementation in the district space; overall management of the One Plan development process; establish secretariat capacity to provide administrative support to the process; facilitating all engagements towards the development of the One Plan; commission research studies where applicable; consulting all the relevant stakeholders throughout the process of developing the One Plan; developing the One Plan; and submitting the One Plan to the Political Committee for consideration and approval.

### 3.9.2.3 DDM IGR Clusters

The DDM IGR Clusters are committees established as sub committees accountable to the Technical Hub committee. The DDM IGR clusters that have been established in the district are as Social Protection, Community and Human Development (Social) Cluster; Governance, State Capacity and Institutional Development (Governance) Cluster; Economic Sector, Investment and Infrastructure Development (Economic) Cluster; Justice and Crime Prevention Security (Justice) Cluster; and District Communicators Forum (DCF).

The DDM IGR clusters comprises of Local Municipal Managers; Municipal Senior Managers; Senior National and Provincial Sector Officials; Local House of Traditional Leaders Representatives; OSS LTT Chairpersons; Municipal Entities Representatives; DDM IGR Cluster Sub Committee Chairpersons; and other relevant Civil Society Groups.

The DDM IGR clusters are chaired by the Local Municipal Managers and is responsible for the platform for sector specific co-ordinated joint planning and oversight of approved DDM plans, and sector advisory role to DDM technical hub.

**Table 3.9.2.3.1:** DDM IGR Clusters Work Streams

| Cluster | Work Stream |
|---|---|
| **Social** | Human Settlement, Operation Sukuma Sakhe, Public Participation, Health Services and One Plan. |
| **Governance** | One Plan, Institutional and Capacity Building, IGR, One Implementation Strategy, Monitoring and Evaluation and State of the District Finances. |
| **Economic** | Infrastructure (Housing, Transit Camps, Grants, Basic Services), Public Transport Infrastructure, Economic Development (Economic Recovery, Job Creation and Skills Revolution, and Catalytic Projects. |
| **Justice** | Safety and Security, Gender Based Violence and One Plan |

### 3.9.2.4 Othe IGR Structures

The district has other IGR structures that are in place and functional which includes:

- Air Quality Management Forum;
- Biodiversity Forum;
- Coastal Management Committee;
- Development Planners Forum;
- Disaster Management Advisory Forum;
- Environmental Education and Awareness Forum;
- Estuary Management Sub-Committee;
- IDP Representative Forum;
- Information and Communication Technology District Forum; and
- Local Economic Development Forum.

### 3.9.2.5 Functionality of the IGR / DDM Structures

The IGR / DDM structures are currently functional as all the required minimum of four (4) meetings for the 2026 / 2027 financial year were held successfully. The DDM Clusters are duly tabling their recommendations / resolutions to the Technical Hub which subsequently tables them to the Political Hub for further recommendation to the Council. The Political Hub duly tables its reports to the Council.

**Table 3.9.2.5.1:** Functionality of IGR / DDM Structures 2026 / 2027 Financial Year

**Source:** Corporate Strategy and Shared Services Section, 2026

| Structure | Frequency of Meetings | No. of Meetings Held | Functional (Yes / Partial / No) |
|---|---|---|---|
| **Political Hub** | Quarterly | **3** | Yes |
| **Speakers Forum** | Quarterly | **4** | Yes |
| **Technical Hub** | Quarterly | **4** | Yes |
| **Social Cluster** | Quarterly | **4** | Yes |
| **Governance Cluster** | Quarterly | **4** | Yes |
| **Economic Cluster** | Quarterly | **4** | Yes |
| **Justice Cluster** | Quarterly | **4** | Yes |
| **DCF** | Quarterly | **4** | Yes |

#### 3.9.2.5.1 Stakeholders Participation in IGR / DDM Structures

The IGR / DDM stakeholders are categorised into three (3) broad categories which are municipalities, sector departments and community / civil society.

In terms of the municipalities, the district plays the coordination role of the IGR / DMM structures and participated fully in all the structure. With regards to local municipalities, as reflected in Table 3.9.2.5.1.1, their participation in the IGR / DDM structure has been inconsistent.

**Table 3.9.2.5.1.1:** Municipalities' Participation in IGR/DDM Structures 2025/2026 Financial Year

**Source:** Corporate Strategy and Shared Services Section, 2026

| Structure | Number of Meetings Attended | | | |
|---|---|---|---|---|
| | Umdoni | Umzumbe | RNM | Umuziwabantu |
| Political Hub | 1 / 3 | 1 / 3 | 2 / 3 | 1 / 3 |
| Technical Hub | 2 / 4 | 3 / 4 | 3 / 4 | 3 / 4 |
| Social Cluster | 3 / 4 | 1 / 4 | 1 / 4 | 1 / 4 |
| Governance Cluster | 2 / 4 | 3 / 4 | 3 / 4 | 4 / 4 |
| Economic Cluster | 1 / 4 | 4 / 4 | 4 / 4 | 1 / 4 |
| Justice Cluster | 1 / 4 | 2 / 4 | 3 / 4 | 3 / 4 |

With regards to sector departments, as reflected in Table 3.9.2.5.1.1, there has been a poor participation of sector departments responsible for infrastructure development such as Departments of Water and Sanitation, Transport, Human Settlements, Public Works, ESKOM and Umngeni-Uthukela Water. In terms of social services and other sector departments, there has been a satisfactory participation with the exception of Correctional Services, Justice, Education and Social Services departments.

In terms of community / civil society, there has been no participation.

**Table 3.9.2.5.1.2:** Sector Department Participation in IGR / DDM Structures 2025 / 2026 Financial Year

**Source:** Corporate Strategy and Shared Services Section, 2026

| Sector Department | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|---|---|---|---|
| Department of Cooperative Governance and Traditional Affairs | | | | |
| Department of Water and Sanitation | | | | |
| Department of Transport | | | | |
| Department of Land Reform and Rural Development | | | | |
| Department of Human Settlements | | | | |
| Department of Public Works | | | | |
| KZN Provincial Treasury | | | | |
| Small Enterprise Development and Finance Agency | | | | |
| Department of Small Business Development | | | | |
| South African Police Services | | | | |
| Correctional Services | | | | |
| Department of Justice | | | | |
| Department of Community, Safety and Liaison | | | | |
| Department of Social Development | | | | |
| Department of Sports, Arts and Culture | | | | |
| Department of Economic Development, Tourism and Environmental Affairs | | | | |
| Department of Health | | | | |
| Department of Education | | | | |
| South African Social Services | | | | |
| Office of the Premier | | | | |
| Government Communication and Information System | | | | |
| Trade and Investment KZN | | | | |
| Eskom | | | | |
| Umngeni-Uthukela Water | | | | |

### 3.9.3 Municipal Structures

As mandated by the Constitution a municipality has the right to, govern on its own initiative the local government affairs of its community, exercises its legislative authority by making and administering bylaws for the effective administration of the matters that it has a right to administer, administer the local government matters listed in parts B of Schedules 4 and 5 to the Constitution and any other matter assigned to it by national or provincial legislation. A municipality has executive authority (i.e. policy and decision-making powers) in respect of the same matters.

The Constitution vests the legislative and executive authority of a municipality in its municipal council. A municipal council makes decisions concerning the exercise of all the powers and the performance of all the functions of the municipality. Where a council has delegated decision-making power to another body or person, it may change the decisions of that delegated body, subject to any rights that may have accrued pursuant to a decision of the delegated body.

In ensuring sound governance in executing its legislative mandate, the district has established the Council Committee, Executive Committee (EXCO) and other committees of Municipal Council as reflected in Figure 3.9.3.1.

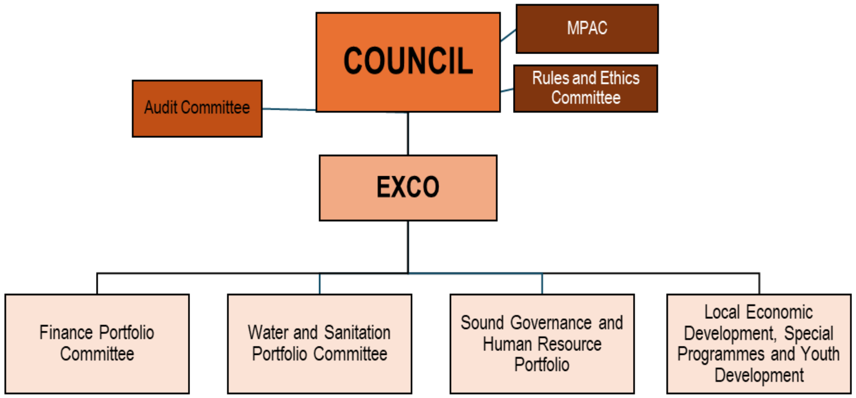



**Figure 3.9.3.1:** Municipal Council and Council Committees Structure

#### 3.9.3.1 Council

The current district's Council was constituted on 02nd of December 2021 and consists of a democratically elected municipal council comprised of Councillors and political office bearers. The district's Council is comprised of 35 members made up of eight full time and 27 part time members. The district subscribes to Section 81(2) of the Municipal Structures Act which provides for the participation of traditional leaders in municipal Councils and to this effect, three (3) Traditional Leaders were identified to participate in the district's Council. The main objective of the municipal council is to achieve the developmental mandate of local government which, as stipulated in the Constitution, which is to:

- Provide democratic and accountable government for communities,
- Ensure provision of services to communities in a sustainable manner,
- Promote social and economic development,

- Promote a safe and healthy environment, and
- Encourage the involvement of communities and community organisations in the matters of the municipality.

In pursuit of achieving its developmental mandate, additional executive obligations are imposed on the Council by Structures Act. The obligations are for the council to annually review the needs of the community, its priorities to meet those needs, its processes for involving the community, its organisational and delivery mechanisms for meetings the needs of the community, and its overall performance in achieving the Constitutional mandate for local government.

### 3.9.3.2 Executive Committee (EXCO)

The EXCO comprises of comprises of seven (7) members and is chaired by the Mayor as reflected in Table 3.9.3.2.1. EXCO is the principal committee of the council of the municipality and as such receives reports from the other committees of the council. EXCO considers these reports and disposes of those which the committee is authorised to do in terms of its delegated powers and forwards the remainder of the reports together with its recommendations to the municipal council for decision. EXCO is mandated by Structured Act to:

- identify the needs of the municipality,
- review and evaluate those needs in order of priority,
- recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans, and
- recommend or determine the best methods, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.

**Table 3.9.3.2.1:** Executive Committee Composition

| Chairperson | ANC Members | IFP Members | DA Members | EFF Members |
|---|---|---|---|---|
| Mayor (ANC) | 4 Councillors | 1 Councillor | 1 Councillor | 1 Councillor |

#### 3.9.3.2.1 Committees to Assist EXCO

The Council established four (4) properly constituted, representative and functional committees in terms of the Section 80 of the Structures Act to assist the Executive Committee which are namely:

- Portfolio Committee on Finance,
- Portfolio Committee on Local Economic Development, Special Programmes and Youth Development,
- Portfolio Committee on Water and Sanitation, and
- Portfolio Committee on Sound Governance and Human Resource.

The responsibilities of these committees, in respect of their functional areas, are to develop and recommend strategy, develop and recommend bylaws, consider and make recommendations in respect of the draft budget and IDP, ensure public participation in the development of policy, legislation, IDP and budget, monitor the implementation of Council policies, and exercise oversight on all functional areas. Furthermore, these committees report to EXCO. The composition of each committee is reflected in Table 3.9.3.2.1.1.

**Table 3.9.3.2.1.1:** Portfolio Committees Composition

| Chairperson | ANC Members | IFP Members | DA Members | EFF Members |
|---|---|---|---|---|
| **Finance Portfolio Committee** | | | | |
| Mayor (ANC) | 6 Councillors | 2 Councillor | 2 Councillor | 1 Councillor |
| **Water and Sanitation Portfolio Committee** | | | | |
| Deputy Mayor (ANC) | 6 Councillors | 2 Councillor | 2 Councillor | 1 Councillor |
| **Local Economic Development, Special Programmes and Youth Development Portfolio Committee** | | | | |
| EXCO Member (ANC) | 6 Councillors | 2 Councillor | 2 Councillor | 1 Councillor |
| **Sound Governance and Human Resource** | | | | |
| EXCO Member (ANC) | 6 Councillors | 2 Councillor | 2 Councillor | 1 Councillor |

### 3.9.3.3 Other Established Council Sub-Committees

The Council established two (2) committees in terms of Section 79 of the Structures Act which it deemed necessary for the efficient and effective performance of any of its functions and exercise any of its powers. These committees are the Municipal Public Accounts Committee (MPAC) and Rules and Ethics Committee. These committees report directly to the Council.

#### 3.9.3.3.1 Municipal Public Accounts Committee (MPAC)

The district's MPAC is comprised of six (6) members. The main role of the MPAC is to perform an oversight function on behalf of the municipal council and assist the council to hold the executive and municipal entities to account and to ensure the efficient and effective use of municipal resources. MPAC meetings are scheduled on a bimonthly basis which means MPAC holds six (6) meetings in a year excluding special meetings which are held as and when they arise. MPAC provide regular reports directly to the Municipal council. The general functions of the MPAC are to:

- Review the Auditor-General reports and comments of the management and the audit committee and make recommendations to the municipal council,
- Review internal audit reports together with comments from the management and audit committee and make recommendations to the municipal council,
- Initiate and develop the oversight report contemplated in Section 129 of the MFMA,
- Attend to and make recommendation to the municipal council on any matter referred to it by the municipal council, executive committee, a committee of the council, a member of this committee, a councillor and the municipal manager, and
- On its own initiative but subject to the direction of the municipal council, investigate and report to the municipal council on any matter affecting the municipality.

#### 3.9.3.3.2 Rules and Ethics Committee

The primary purpose of the Rules and Ethics Committee is to investigate and make findings on any alleged breaches of the Standing Rules and Orders and Councillors' Code of Conduct, including sanctions for non-attendance at meetings and to make recommendations to council regarding any other matter concerning the rules and orders.

The Committee can also be delegated responsibilities to develop the uniform standing procedures and other relevant policies related to enforcement of the Code of Conduct for Councillors and table these before the municipal council.

### 3.9.3.4 Statutory Committees

The district has two (2) key statutory committees established which are namely, Audit Committee which is established in terms of Section 166 of the MFAM and Performance Audit Committee established in terms of Regulation 14(2) of the Local Government: Municipal Planning and Performance Regulations (No. 796, 24 August 2001).

#### 3.9.3.4.1 Audit Committee

The audit committee is the Council's independent advisory body and considers the Auditor General's report and its implications for internal risk management. The chairperson of the audit committee reports to the municipal council on the operations of the internal audit unit and the audit committee. The district's Audit Committee comprises of five (5) members and sits as per a schedule that is approved by Council no later than December of each year.

The purpose and objective of the audit committee is to advise Municipal Council, the political office bearers, the accounting officer and the management of the municipality or municipal entity on matters relating to Internal financial control and internal audits; Risk Management; Accounting policies; The adequacy, reliability and accuracy of financial reporting and information; Performance Information; Effective governance; Compliance with the Act, the annual Division of Revenue Act and any other applicable legislation; Performance evaluation; Any other issues referred to it by the municipality nor municipal entity; and Advise the executive committee and council on matters relating to internal control and performance as set out in section 166 of the Municipal Finance Management Act and the process for monitoring compliance with approved procedures and systems.

#### 3.9.3.4.2 Performance Audit Committee

The district opted to utilise the Audit Committee as the Performance Audit Committee. The combined Audit Committee therefore has the following responsibilities when it comes to performance management system:

- review quarterly reports submitted by Internal Audit on their audits;
- review the district's performance management system and make recommendations in this regard to the council; and
- at least twice during a financial year submit an audit report to the municipal council.

### 3.9.3.5 IDP Steering Committee

The district's IDP Steering Committee is fully functional and is comprised of the members of the Management Committee and is chaired by the Municipal Manager. The committee serves to improve the participation of internal staff members in the IDP process for their better understanding and buy-in to the process. The committee is responsibilities:

- Consideration of all work and documentation that needs to be submitted;
- Ensuring the validity and technical correctness of the information presented to the other important IDP stakeholders; and
- Ensuring the integration of the IDP policies, objectives, strategies and projects into the daily functioning and planning of the municipality.

**Table 3.9.3.5.1:** IDP Steering Committee Membership and Attendance

| Member | No. of Meetings Attended | % Meetings Attended |
|---|---|---|
| Municipal Manager | 2 out of 3 | 67% |
| General Manager Water Services | 3 out of 3 | 100% |
| General Manager: Economic Development and Environmental Services | 3 out of 3 | 100% |
| General Manager: Corporate Services | 2 out of 3 | 67% |
| General Manager: Budget and Treasury Office | 3 out of 3 | 100% |
| Senior Manager Mayoralty and Communications | 2 out of 3 | 67% |
| Senior Manager Corporate Strategy and Shared Services | 3 out of 3 | 100% |
| Chief Audit Executive | 3 out of 3 | 100% |
| Manager Legal Support Services | 0 out of 3 | 0% |
| Manager Information and Communications Technology | 1 out of 3 | 33% |
| Manager Development Planning | 3 out of 3 | 100% |

### 3.9.3.6 Traditional Leadership

The Traditional Leadership participates in the district's Council committee and all Council committees as per the provisions of Section 81 of the Structures Act.

The district further consults the Local House of Traditional Leadership on specific issues that require the attention of the Traditional Leadership at a district wide level.

### 3.9.3.7 Functionality of Municipal Structures

The district's Council committee is in place and fully functional. The Council committee sits on a monthly basis unless there is council recess which normally takes place between December and January and between June and July. Over and above the monthly scheduled meetings, special meetings are convened as and when required.

The EXCO is in place, fully functional and sits on a monthly basis unless there is council recess. Over and above the monthly scheduled meetings, special meetings are convened as and when required. All the Portfolio (Section 80) committees are in place, fully functional and sits on a quarterly basis.

The MPAC and Rules and Ethics (Section 79) committees are in place, fully functional and sits on a quarterly basis. Audit committee which is a statutory committee is also in place, fully functional and sits as per schedule that is approved before commencement of each calendar year. The IDP Steering Committee is also fully functional.

**Table 3.9.3.7.1:** Functionality of Municipal Structures for the 2025 / 2026 Financial Year

| Committee | Frequency of Meetings | No. of Meetings Held | Functional (Yes / No) |
|---|---|---|---|
| **Council** | Monthly | 14 | Yes |
| **EXCO** | Monthly | 8 | Yes |
| **Finance Portfolio** | Monthly | 8 | Yes |
| **Water and Sanitation Portfolio** | Monthly | 8 | Yes |
| **Sound Governance and Human Resource Portfolio** | Monthly | 8 | Yes |
| **LED, Special Programmes and Youth Development Portfolio** | Monthly | 8 | Yes |
| **MPAC** | Quarterly | 7 | Yes |
| **Rules and Ethics** | Quarterly | 3 | Yes |
| **Audit** | Per Schedule | 9 | Yes |
| **Risk** | Bi-Monthly | 6 | Yes |
| **IDP Steering** | Quarterly | 3 | Yes |

### 3.9.4 Internal Audit

The MFMA compels municipalities to have internal audit units which will:

- Prepare a risk-based audit plan and an internal audit programme for each year,
- Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to; internal audit; internal controls; accounting procedures and practices; risk and risk management; performance management; loss control; and compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation, and
- Perform such other duties as may be assigned to it by the accounting officer.

The district has established a fully functional Internal Audit unit within the office of the Municipal Manager in terms of Section 165 (1) of the Municipal Finance Management Act. The Internal Audit unit is led by the Chief Audit Executive with a staff complement of seven (7). The Internal Audit unit functionally reports to the Chairperson of the Audit Committee and administratively reports to the Accounting Officer via the Chief Audit Executive. The Chief Audit Executive provides internal audit reports on a regular basis to the audit committee which sits on a bimonthly basis. The Internal Audit unit duly reports to the Audit Committee as per the legislative requirements.

Internal audits have an independent status within the district and is not involved in the day-to-day internal checking of systems within the municipality nor involved in the implementation of internal control systems. In discharging its responsibilities, internal audit:

- review systems and operations to assess the extent to which Municipal objectives are achieved, and the adequacy of controls over activities leading to such achievement;
- evaluate the relevance, reliability and integrity of management and financial information;
- appraise utilisation of resources with regard to economy, efficiency and effectiveness;
- assess the means of safeguarding assets and verify their existence;
- ascertain the extent of compliance with established policies, procedures and
- instructions;
- recommend improvements in procedures and systems to prevent

waste, extravagance and fraud;

- advise on appropriate systems of controls and other accounting and operational matters in a consulting capacity;
- draw attention to any failure to take remedial action;
- carry out any ad hoc appraisals, inspections, investigations, examinations or reviews requested by the Audit Committee or by the Accounting Officer; and
- To maintain a professional internal audit staff with sufficient skills, knowledge, experience and qualifications.

### 3.9.5 Enterprise Risk Management

Risk Management is one of Management's core responsibilities in terms of section 62 of the MFMA and is an integral part of the internal processes of a municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of a municipality. When properly executed, risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

#### 3.9.5.1 Risk Management Committee

A Risk Management Committee is in place to assist the accounting officer in the execution of his responsibility for an effective, efficient and transparent system of risk management. The committee consist of members of the Management Committee assisted by standing invitees.

The principal duties of the committee are to provide guidance and support to ensure the effective functioning of the risk management, review the manner in which the important risk exposures of the municipality are managed and the overall effectiveness of the system of risk management.

The Risk Management Committee is in place, fully functional and sits on a quarterly basis.

#### 3.9.5.2 Risk Register

The risk register is developed and implemented on annual basis.

A comprehensiveness risk identification by the district identified risk factors through consideration of both internal and external factors, through appropriate processes of:

- Strategic Risk Identification,
- Operational Risk Identification,
- Project Specific Risk Identification, and
- Specialized Risk Identification i.e.:
  - ✓ Occupational Health and Safety risk Assessment,
  - ✓ Information Technology Risk Assessment, and
  - ✓ Fraud Risk Assessment.

The district has identified about 12 strategic high risks as listed below:

1) Inability to respond to disaster and fire incidences within the prescribe response time,
2) Financial unsustainability (going concern),
3) Non-Compliance to Drinking Water Quality Standards,
4) Bulk sanitation infrastructure and Vacuum Tanker Services not

adequate to meet customer demands. (Failure to meet the demand for Vacuum Tanker Services),

5) Non-Compliance of Sanitation Effluent Quality to General Authorisation Standards,
6) Failure to provide potable water,
7) Pervasive illegal connections to water and sanitation systems,
8) Failure to provide continuous service in the event of disruption,
9) Environmental degradation (Failure to manage spillages),
10) Inability to respond to cybercrime and cyber security incidents,
11) Inability to implement capital projects, and
12) Vulnerability to fraud and corruption.

Mitigation measures and controls were put in place to address the identified risks, and progress is reported on a quarterly bases through the Risk Management Committee.

#### 3.9.5.3 Anti-Fraud and Corruption Strategy

Fraud and corruption undermine good governance, which includes sound institutions and the effective operation of government. The district needs an anti-corruption system that makes public servants accountable, protects whistle-blowers and closely monitors procurement.

The district developed a strategy to set down its the stance towards fraud and corruption as well as to reinforce existing systems, policies, procedures, rules, and regulations of the district aimed at preventing, deterring, detecting, reacting to, and reducing the impact of fraud and corruption, where such dishonest activities exist.

The commitment of the district to the Anti-Fraud and Corruption strategy is for the protection of the public funds it administers and to achieve a reputation for maintaining good systems of internal controls that are determined to prevent and detect all forms of internal and external fraud and corruption committed against the Municipality.

The district together with its local municipalities have committed themselves to fight against fraud and corruption. They have strengthened their fraud prevention and detection techniques by jointly procuring an Anti-Fraud and Corruption Hotline from an independent service provider where members of the public can anonymously blow the whistle.

### 3.9.6 Bid Committees

The district makes use of a competitive bidding procurement of goods and services as well as long term contracts. A committee system is in place to oversee different procurement stages or cluster of procurements which are namely bid specification, evaluation and adjudication committees.

#### 3.9.6.1 Bid Specification Committee

This committee is responsible for the compilation of bid specifications and comprise of at least five (5) officials from the municipality and may when appropriate, invite an external technical expert. The composition of the committee is as follows:

- Chairperson – equivalent grading to Manager and above from the Water Services Directorate - (Permanent member).
- Vice Chairperson - equivalent grading to Manager and above -

(Permanent member).

- Member - equivalent grading to Manager (Permanent member).
- Member - Municipal Official (Permanent member); and
- An official responsible for demand management (Permanent member).

#### 3.9.6.2 Bid Evaluation Committee

This committee is responsible for the evaluation of bids received and comprise of at least five (5) officials from the municipality and may when appropriate. Every attempt was made to ensure that the committee is in so far as it may be possible, cross functional. The composition of the committee is as follows:

- Chairperson –- (Permanent member),
- Vice Chairperson - (Permanent member),
- Two other Municipal Officials (Permanent members),
- SCM Practitioner (Permanent Member), and
- The Accounting Officer may appoint an external technical expert to serve in the committee for that specific bid in an advisory capacity only and not as a member.

#### 3.9.6.3 Bid Adjudication Committee

This committee consist of at least five (5) senior officials constituted as follows:

- CFO, as the chairperson of the committee (where possible),
- Deputy Chairperson: an official at least at a general management level,
- Two other Municipal Officials (Senior Managers and Permanent members), and
- Head of the SCM Unit is permanent member.

The committee considers the reports and recommendations made by the bid evaluation committee and make a recommendation to the accounting officer to make the final award.

### 3.9.7 Municipal Policies and Bylaws

The municipal council has an obligation to make policies and bylaws that are informed by, and seek to satisfy, community needs with regard to the matters that it has the right to administer. The Council has to date adopted six (6) Bylaws and 73 policies. The status of the municipal policies and bylaws is captured in Chapter 8 of the document.

### 3.9.8 Communications and Customer Relations

The Constitution stipulates that to foster transparency, the public should be provided with information that is timely, accurate and accessible. The Systems Act further requires the municipalities to establish clear relationships, and facilitate co-operation and communication, between them and the local community giving members of the local community full and accurate information about the level and standard of municipal services they are entitled to receive. The Systems Act also requires that a number of notices be published and / or information be made available to the public.

The Systems Act further requires municipalities in relation to the imposition of taxes and service charges a municipality to establish a sound customer management system that aims to create a positive and reciprocal relationship between persons liable for these payments and the municipality as well as mechanisms for users of services and ratepayers to give feedback to the municipality regarding the quality of the services and the performance of the service provider. An accessible mechanism for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality must also be made available.

The district has adopted Communication Strategy, Integrated Complaints Management System Framework and Complaints Policy in fulfilment of the requirements of the Systems Act.

### 3.9.8.1 Communications

The district has developed various communication tools to communicate with its stakeholders. In determining the right tools of communication for communicating, the district categorised stakeholders into different categories as reflected in Table 3.9.8.1.1.

**Table 3.9.8.1.1:** Suitable Communication Tools for Stakeholders

| Stakeholder Category | Most Suitable Tool of Communication | Alternative Tool |
|---|---|---|
| **Internal / Employees** | Email, Staff meetings, Bulk SMS for urgent matters, Circular Newsletter and social media (groups). | Telephone (Supervisors) |
| **Ratepayers Board** | Email, Bulk SMS, Meetings and Social media. | Telephone, Radio and Print media. |
| **Ward Councillors and Committees** | Bulk SMS, Meeting, Telephone and Forum. | Social media, Print media, Community radio. |
| **Business Association** | Meeting / dialogue, Email, Telephone and Print media. | Social media and Radio. |
| **Sector Departments** | Meetings, Forum and Email | Bulk SMS |
| **Individual Account Holders (Customers)** | Bulk SMS, Print media, Message on the invoice, Email, Social Media, Call Centre, Voice Recording, Telephone and Meeting / Awareness Campaign. | Loud hailing and Radio. |
| **Tourists / Visitors** | Radio, Print Media, Social Media and Call Centre Recording. | |
| **Indigent / Rural Households** | Loud Hailing, Izimbizo, Meeting / Awareness Campaigns, Community Radio and Print media. | Bulk SMS |
| **Media** | Email, Press conference, Social Media and Media tours. | Telephone |
| **Interest groups** | Social media, Meetings and Email. | Telephone |
| **Traditional Authorities / Leaders** | Meetings, Written correspondence and Izimbizo. | Telephone |
| **General Consumers / Citizens** | Call Centre Voice Recording, Radio stations, Izimbizo, Print Media, Social Media, Loud hailing, Billboards, Flyers, Exhibitions and Meetings / Campaigns. | Television |

### 3.9.8.1 Customer Care

The Integrated Complaints Management System Framework is in place to ensure that Municipalities have a feedback mechanism whereby citizens can communicate to Government when service are not being delivered in line with the expectation as espoused within the eleven Batho Pele Principles; assist Municipalities reviewing their complaints management systems, as well as those setting up such system for the first time; provide guidance on the development of an effective complaints management system; set standards for judging adequacy of the existing complaints systems; and set out parameters and principles which should underpin development, implementation, monitoring, and reviewing of complaints management systems.

The district provides different mechanism for lodging complaints which are 24-hour Call Centre line; Citizens App; SMS; WhatsApp; Email; Complaints / Suggestion Boxes; Post Box; OSS War Room or Ward Committee; Walk-Ins, and Presidential Hotline.

### 3.9.8.2 Customer Satisfaction Survey

The district undertook a customer satisfaction survey to assess how well it meets its customer expectations for the 2023 / 2024 financial year. The survey focused on specific services areas vis. water, sanitation, customer care and communications.

The findings of the survey are then used as base information for future studies and in assisting in directing and informing the district's plans for future programmes.

#### 3.9.8.2.1 Access to Water Satisfaction Level

The survey considered the level of satisfaction for different levels of access to water which are namely, water tap, standpipe, water tanker, borehole and static tanks. The highest levels of dissatisfaction the district's service provision were recorded by the water tankers and standpipes users. The water tankers users cited inconsistent delivery and unreliable supply; standpipe users cited poor conditions, frequent water cuts and long walking distances; tap users cited frequent water cuts; borehole users cited dirty water; and static tanks users cited poor water quality and safety concerns.

#### 3.9.8.2.2 Access to Sanitation Satisfaction Level

There is generally a high level of satisfaction with the flush toilet users and an almost equal split between satisfied and dissatisfied VIP toilet users. The reasons cited for dissatisfaction with VIP toilets includes amongst others, the VIP toilets provided by the district are now old and deteriorating; they are full and unusable; toilet structure collapsing or poorly constructed; and absence of VIP toilets suitable for individuals with disabilities.

#### 3.9.8.2.3 Customer Care Services Satisfaction Level

The satisfaction levels with the customer care services revealed mixed responses. The survey revealed that the customers expressed dissatisfaction with employees' availability to handle queries, how employees treated them and with the accuracy and completeness of information provided by the employees.

#### 3.9.8.2.4 Communication Services Satisfaction Level

The survey revealed that the traditional methods of receiving information from the district is the most preferred by the customers. These in a chronological order, Loud Hailing, Ward Councillor / Committee, SMS / WhatsApp, Radio and Newspaper.

### 3.9.9 Public Participation

The Constitution obliges municipalities to encourage the involvement of communities and community organisations in local government. The municipality has a responsibility therefore to put in place mechanisms and processes to enable public participation. In this regard, the district has a Public Participation Strategy in place which clearly communicate the expectations of the municipality to officials and community, as this help all involved to know when they should consult and why. The district shall ensure that the community is involved in the implementation and review of the IDP; establishment, implementation and review of the PMS, monitoring and review of the performance of municipality; preparation of budget; strategic decisions relating to the provision of municipal services; development of by-laws and regulations; and implementation of projects and initiatives.

#### 3.9.9.1 Ward Committees

Citizen participation in local government affairs must take place through the ward committees provided for in the Structures Act, the mechanisms and procedures provided for in the Systems Act, mechanisms and procedures established by the municipal council and through councillors.

Ward Committees are the vehicles through which the notions of a participatory democracy and a representative democracy as outlined in Section 152 of the Constitution become a reality. The duties of the ward committees amongst other things include advising ward councillors on policy matters affecting wards, identifying needs and challenges that wards face, receiving complaints from residents about municipal service delivery, and communicating information to wards on budgets, IDP's and service delivery options.

The district has 85 ward committees distributed across four (4) municipalities, and all have been established and are functioning. However, the key challenges that hinder effectiveness of ward committees include administration / logistics support and the vastness and inaccessibility of rural wards. Some of the areas are serviced by the Community Development Workers who have a dual responsibility to report to Department of Cooperative Governance and Traditional Affairs and local municipalities.

### 3.9.10 Good Governance and Public Participation Key Challenges and SWOT Analysis

The good governance and public participation analysis undertaken above culminated in the identification of a number of challenges, which the district needs to redress, address and mitigate. The good governance and public participation key challenges of the district are summarised in Table 3.9.10.1 which is followed by SWOT Analysis in Table 3.9.10.2.

**Table 3.9.10.1:** Good Governance and Public Participation SWOT Analysis

| | |
|---|---|
| **STRENGTHS** | ▪ Functional municipal structure (Council and council committees).<br>▪ Functional IGR / DDM Structures.<br>▪ Good governance structures in place.<br>▪ Public participation mechanisms in place.<br>▪ Communications structures and tools in place.<br>▪ Adopted policies and bylaws in place. |
| **WEAKNESSES** | ▪ Limited public participation especially in rural areas due to the vastness of the district.<br>▪ Enforcement and implementation of policies and bylaws.<br>▪ Most of the municipal documents and communication is in English whereas the majority of the population speaks and understands IsiZulu. |
| **OPPORTUNITIES** | ▪ Fourth industrial revolution for innovative and improved public participation and communications.<br>▪ Multi-stakeholder engagement and collaboration.<br>▪ Participation and involvement of Traditional leadership in Council and council committee. |
| **THREATS** | ▪ Unpredictable nature of the political environment.<br>▪ Lack of commitment and participation of stakeholders in governance structures.<br>▪ Community unrests.<br>▪ Fraud and corruption. |

**Table 3.9.10.2:** Good Governance and Public Participation Key Challenges

| | |
|---|---|
| **Key Challenge** | **OSS War Rooms not fully functional** |
| **Description** | There are still OSS war rooms that are not functional within the and some that has never been established since the inception of the OSS programme. This has a detrimental effect of the communities that require OSS intervention but cannot receive it due to non-functionality of the war rooms. |
| **Key Challenge** | **Non-functional IGR / DDM Structures** |
| **Description** | The IGR / DDM structures are not fully functional which is mainly due to the lack of commitments and participation or attendance from sector departments and some local municipalities. This has an adverse effect on the oversight and monitoring of the implementation of the one plan. |
| **Key Challenge** | **Limited public participation** |
| **Description** | There is limited public participation especially in the rural areas. One of the contributing factors is that public participation is costly in terms of time, personnel and financial resources required to ensure effective and meaningful stakeholder involvement in the IDP and other district's activities. |
| **Key Challenge** | **Enforcement and implementation of policies and bylaws** |
| **Description** | There is limited capacity to implement and enforce some of the policies mainly due to the vastness of the district and lack of coordination between the different stakeholders that needs to partake in the implementation or enforcement. |
| **Key Challenge** | **Municipal documents and communication are in English** |
| **Description** | Over 80% of the district population's home language is IsiZulu, however most of the district communication and documents are in English. This has a negative effect on the public's participation in the affairs of the district. |

## 3.10 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

The district'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. The application of sound financial principles must ensure long term financial sustainability, 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.

### 3.10.1 Budgeting

The district has an adopted Budget Policy in place which set a broad framework within which the district's budget related decisions of are taken and implemented to ensure efficient and transparent financial planning that promotes sound and sustainable financial management, that essential for the achievement of the district's developmental priorities as contained in this IDP.

In line with the MFMA the district's budget is divided into operational and capital. The capital budget provides for the acquisition of noncurrent assets by the over the MTREF period whilst the operating budget consists of all revenues and expenses over a specific period (one financial year with estimates for two outer years) which is used to plan operations.

The budget process forms the foundation for the district's financial planning, both for the budget year and the longer term. Financial sustainability and cash management start with the budget. District's adherence to the budget and reporting regulations process to ensure a funded budget largely assist the district to avoid a financial crisis or cash constraints during the financial year. The developed budget related policies set the tone for the budget and all financial management processes.

### 3.10.2 Revenue Management

For the district to continue improving the quality of services provided to its citizens it needs to generate the required revenue. A strong revenue management is fundamental to the financial sustainability of the district as it is faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding, hence difficult choices must be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

As reflected in Table 3.10.2.1, the district has two broad revenue sources which are own generated revenue, and grants and subsidies. Own revenue is generated through the billing for the water, sanitation, environmental health and other miscellaneous services. The grants and subsidies are allocated by national and provincial governments as per DORA.

The district's total revenue (own revenue plus grants and subsidies) averages R 1.7 billion per financial year for a period between 2022 and 2025. The own revenue for a period between 01st of July 2022 to 30th of June 2025. Own revenue avarages 45% whilst grants and subsidies averages 55% for the same period.

**Table 3.10.2.1:** Revenue Sources

**Source:** Budget and Treasury Office, 2026

| Revenue Source | 2022 / 23 | 2023 / 24 | 2024 / 25 |
|---|---|---|---|
| Own Revenue | R536 576 914 | R581 204 235 | R696 713 895 |
| Grants and Subsidies | R1 135 256 580 | R1 087 365 266 | R1 129 398 399 |
| Total Revenue | R1 671 833 494 | R1 668 569 501 | R1 826 122 293 |
| Own Revenue | **32.10%** | **65.17%** | **38.15%** |
| Grants and Subsidies | **67.90%** | **34.83%** | **61.85%** |

### 3.10.2.1 Own Revenue

The Water Services Policy (incorporating the Tariff Policy) is in place which informs the billing of the water and sanitation customers. The environmental health and other miscellaneous services are billed as and when the need arises. The district's billing value chain is summarised in Figure 3.10.2.1.

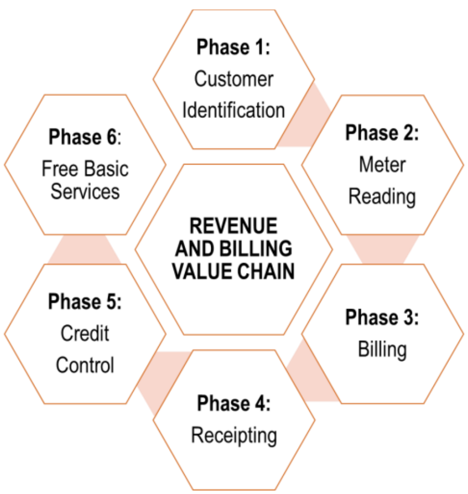



**Figure 3.10.2.1:** Revenue and Billing Value Chain

**Source:** Budget and Treasury Office, 2025

#### 3.10.2.1.1 Customer Identification

As reflected in Table 3.10.2.1.1.1, the district's customers can be categorised into four (4) broad categories which are water, sanitation, environmental services and miscellaneous. The water services customers are further categorised into four (4) sub-categories and sanitation into three (3) sub-categories. The environmental health and other miscellaneous services do not have standard set of customers which are billed monthly as these services are provided at ad hoc basis. The general residential customers make up the bulk of the total customers of the district followed by the waterborne sanitation customers.

**Table 3.10.2.1.1.1:** Identified Customer

**Source:** Budget and Treasury Office, 2026

| Customers | | |
|---|---|---|
| **Category** | **Sub-Category** | **Number** |
| Water | **Category A** - General Residential | 41 002 |
| | **Category B** - Multi-Unit Residential - Estates and Other Bulk Users | 324 |
| | **Category C** - Commercial, Industrial or Other | 2 889 |
| | **Category D** - Special Category | 3 |
| Sanitation | Waterborne Sanitation | 14 264 |
| | Conservancy Tank Clearances | 717 |
| | Ad hoc Vacuum tanker services | Ad hoc |
| Environmental Health | Food | Ad hoc |
| | Water Pollution | Ad hoc |
| | Sanitary Services | Ad hoc |
| | Disposal of the Dead | Ad hoc |
| | Burial Sites and Burials | Ad hoc |
| | Keeping of Animals | Ad hoc |
| | Scheduled Trades | Ad hoc |

The challenges associated with identification of customers include:

- Incomplete database,
- Areas receiving water and sanitation, yet consumers are not on the district's database and are not billed,
- Not all properties, sub-divisions and consolidations are on the billing system,
- New connections backlogs,
- Accounts with no deposits,
- Errors when performing finalization on the system,
- Inability to amend properties on the billing system, and
- Inability to draw a new connection's report on the system.

#### 3.10.2.1.2 Meter Reading

Portable water supply is the only metered service the district provides and there are currently 44 218 customers that are billed monthly. The district has, within practical and financial limits, provided meters to every paying customer for all metered services. This then suggests that there are 43 218 meters to be read on monthly basis. The meters are read monthly, however on exceptional cases the municipality averages the consumption for the preceding month(s). If a service is metered but it cannot be read due to financial and human resource constraints or circumstances out of the control of the municipality or its authorised agent, and the customer is charged for an average consumption the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.

The metering challenges that have been identified include:

- Inability to read all meters in a billing period,
- Illegal water connection and by-passes,
- Meters not being replaced timeously, and
- Estimation of meters for a period that exceeds 3 months.

#### 3.10.2.1.3 Billing and Receipting

Credit Control and Debt Collection Policy is in place to ensure that all money due and payable to the municipality in respect of fees for services, sundry charges, surcharges on such fees, charges, tariffs, interest which has or will accrue in respect of, and any collection charges are collected efficiently and promptly.

The district ensures that the billing is accurate and is done timeously. The district bill an average of R 50 million per month and an average of 66% is receipted / collected. The district collection rate of 66% is below the 95% national norm. There are many contributing factors to the district's collection rate which include incomplete billing of private contracted services (honey suckers and water tankers) bulk water sales, and incorrect billing of interest.

#### 3.10.2.1.4 Consumer Debt Position

The consumer debtors are categorised into three (3) categories which are households (residential customers), business and government. The biggest proportion of the total consumer debt is that of residential customers which accounts for 83% followed by business with 15% and lastly government with 2%.

One of the major contributing factors to the high debt book is that most customers have installed boreholes and storage facilities in their properties which adversely affect the collections process as customers do not respond to water disconnections and restrictions as their supply doesn't get affected. With regards to the government debt, the district is attending to it through relevant IGR processes over and above disconnections and restrictions.

Credit Control and Debt Collection Policy, and Debt Recovery Plan are in place and currently being implemented to reduce the outstanding debt. The current economic situation, however, presents a constant challenge when it comes to implementation.

**Table 3.10. 2.1.4.1:** Consumer Debt

**Source:** Budget and Treasury Office, 2026

| Description | 2022 / 23 | 2023 / 24 | 2024 / 25 |
|---|---|---|---|
| Households | R 951 464 363.52 | R 1 156 520 880.29 | R 1 420 361 989.63 |
| Business | R 165 349 298.07 | R 197 847 196.73 | R 229 191 935.69 |
| Government | R 21 741 904.15 | R 34 161 780.65 | R 52 121 433.94 |
| Ugu DM accounts | - R 443 177.07 | - R 872 279.13 | - R 740 535.50 |
| **Total Debt** | R 1 138 112 388.67 | R 1 387 657 578.55 | R 1 70 934 823.76 |
| **Debt Increase** | **16%** | **18%** | **18%** |

Table 3.10.2.1.4.2 reflects the district's consumer debt age analysis. The biggest proportion of debt is the debt that is over 180 days which accounts for 83%. The Credit Control and Debt Collection Policy make provision for debt that is considered to be irrecoverable to be written off.

**Table 3.10. 2.1.4.2:** Consumer Debt Age Analysis

**Source:** Budget and Treasury Office, 2026

| Days | Rand Value | % |
|---|---|---|
| **0 - 30** | R 65 184 654.75 | 4% |
| **31 - 60** | R 48 917 389.55 | 3% |
| **61 - 90** | R 47 157 963.71 | 3% |
| **91 - 120** | R 41 021 335.72 | 2% |
| **121 - 180** | R 81 507 644.90 | 5% |
| **Over 180** | R 1 417 145 835.13 | 83% |

### 3.10.2.1.5 Indigent Support and Free Basic Services

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the district's Indigent Policy a process which is reviewed annually. District's indigent register as of 30 June 2024 had a total of 1 633 for water and 1 633 sanitation households with R 9 million being set aside for each indigent register category. An additional amount of R90 million from the Equitable Share will be spent to ensure that we continue to provide our people with free basic water via the communal standpipes. In respect of water provision, an allocation of R 21 million indigent support has been set aside to provide 6kl of water to deserving and qualifying households, whose total gross monthly income of all me members of the household must not exceed two old age pension grants.

The total number of households registered in the ESKOM's indigent register for free basic electricity is 10 167 and 19 667 in the local municipalities' indigent registers. In comparison, the district's indigent register is a fraction of these registers. It is acknowledged, however, that one of the contributing factors to the huge difference in numbers is the form of service provision where in district it both at communal and individual level whilst for ESKOM and local municipalities it is purely per individual household.

The non registration of households on the municipality's indigent register can be to a certain extent be attributed to there being no inducement for the majority of the indigent households to register as they already not paying for the service but are still receiving the service. The district remains committed to ensuring all indigent households are registered in the indigent register.

**Table 3.10.2.1.5.1:** Indigent Households Support

**Source:** Budget and Treasury Office, 2026

| Description | 2022 / 23 | 2023 / 24 | 2024 / 2025 |
|---|---|---|---|
| Water | | | |
| Indigent HH | 1 605 | 1 633 | 1 563 |
| Budget | R 15 000 000 | R 9 000 000 | R 9 441 000 |
| Sanitation | | | |
| Indigent HH | 1 525 | 1 570 | 1 036 |
| Budget | R 15 000 000 | R 9 000 000 | R 9 441 000 |

### 3.10.2.2 Grant and Subsidies

The district was 55% grant dependent on average for a period between 01st of July 2022 to 30 June 2025. The operating grants and subsidies the district received over the same period are amount to R 3.2 billion as reflected in Table 3.10.2.2.1.

**Table 3.10.2.2.1:** Operating Grants and Subsidies

**Source:** Budget and Treasury Office, 2026

| Description | 2022 / 23 | 2023 / 24 | 2024 / 2025 |
|---|---|---|---|
| EPWP Incentive | R3 319 000 | R3 606 000 | R2 864 000 |
| Finance Management | R1 950 000 | R1 950 000 | R1 900 000 |
| Local Government Equitable Share | R585 146 000 | R630 083 000 | R667 211 000 |
| Municipal Disaster Recovery Grant | R2 000 000 | R9 950 000 | R15 500 000 |
| Municipal Infrastructure Grant | R277 374 000 | R270 958 000 | R274 745 993 |
| Rural Road Asset Management Systems Grant | R2 848 000 | R1 661 964 | R3 289 036 |
| Water Services Infrastructure Grant | R220 000 000 | R135 900 000 | R115 000 000 |
| **Total Grants and Subsidies** | **R1 090 639 000** | **R1 054 108 964** | **R1 080 510 029** |

### 3.10.2.3 Revenue Enhancement

The district is currently facing severe financial constraints due to several factors impacting its ability to achieve the 95% collection rate norm. Factors include the slowdown in the economy both locally and globally resulting from COVID-19, the increasing cost of delivery of services leading to unaffordable tariffs and poor culture of payment from many consumers, both business and residential amongst others.

Improved revenue management is one of the areas needing attention to address the financial challenges of the district and as such revenue management programmes and the recovery of debt owed to the district have been prioritised. The district is addressing the challenges and inefficiencies identified in the revenue generation cycle. To this effect, a Revenue Enhancement Strategy was adopted by the Council which outlines tasks to be performed in efforts to reduce the debt owed. These tasks include ensuring that the master data is correct, the outstanding queries are attended to so that customers can pay their accounts, billing customers based on actual readings and the implementation of the Debt Recovery Plan to enhance revenue collections and reducing outstanding debt. The system related issues are also detailed and have been shared with the service provider so that they can be attended to in efforts to ensure continuity and that credible information is produced form the system generated statistical reports.

In addition, the flow of information from user departments to the revenue management section has improved and meetings are held to ensure that the reported information is correct and accurate.

### 3.10.3 Expenditure Management

Sound expenditure management allows municipalities to use available resources optimally to meet the needs of the community. Expenditure management is not about spending less, but more about maximising the impact of the available resources to improve the quality of life for all citizens, thus spending better.

Over the recent years, the national government has been advocating for the need to contain costs and Cabinet resolved that all spheres of government, including municipalities and municipal entities must implement measures to contain operational costs and eliminate all non-essential expenditure. Excessive and wasteful expenditure must be reduced, and increased action be taken to manage unnecessary expenditure is of pivotal importance. To this effect, the district adopted Cost Containment Policy. The district also has an Expenditure Policy in place whose objective is to:

- Set out a framework for the municipality to deal with all expenditure related transactions and to establish and maintain procedures to ensure adherence to the Municipality's IDP review and budget processes,
- Ensure that all monies due by the municipality is paid in full within the 30 days of date of invoice or statement; whichever is the latest as prescribed by the MFMA, and
- Ensure that the principles applied, as a result of this policy, will enhance and support a healthy working capital position for the municipality.

#### 3.10.3.1 Capital Expenditure

The district's capital budget is funded mostly by the national and provincial grants and totalled R 1.2 billion for the period between the 01st of July 2022 to 30th June 2025. The district's maintained an expenditure rate 100% for the same period as reflected in Table 3.10.3.1.1. The district's capital expenditure performance saw it being recognised and awarded a "***100% MIG Expenditure for 3 Consecutive Years***" award in the 2026 KZN Municipal excellence awards that were held on the 12th of March 2026 at the Durban ICC, hosted by the KZN CoGTA.

**Table 3.10.3.1.1:** Capital Budget Expenditure

**Source:** Budget and Treasury Office, 2026

| Description | 2022 / 23 | 2023 / 24 | 2024 / 2025 |
|---|---|---|---|
| **Budget** | R399 023 000 | R416 471 000 | R400 691 000 |
| **Expenditure** | R410 606 000 | R416 808 000 | R400 691 000 |
| **Expenditure (%)** | **102.90%** | **100.08%** | **100%** |

#### 3.10.3.2 Operating Expenditure

The operating budget is funded mostly through the equitable share grant and own generated revenue. On average for the same period, the district's average operating expenditure was 181%.

**Table 3.10.3.1.2:** Operating Budget Expenditure

**Source:** Budget and Treasury Office, 2026

| Description | 2022 / 23 | 2023 / 24 | 2024 / 2025 |
|---|---|---|---|
| **Budget** | R1 285 469 000 | R893 656 957 | R856 276 768 |
| **Expenditure** | R1 555 207 024 | R1 806 653 120 | R1 874 744 627 |
| **Expenditure (%)** | **120.98%** | **202.16%** | **218.95%** |

### 3.10.4 Supply Chain Management (SCM)

SCM is about delivering the correct goods and services at the correct time and place for service delivery. According to the MFMA, SCM applies to the procurement of goods and services, disposal of goods no longer needed, selection of contractors to assist in providing municipal services and selection of external mechanisms.

The SCM process is one of the most critical processes in a municipality for service delivery. With an efficient and effective SCM process, it is possible to reach the municipality's performance targets. The SCM processes are informed by the IDP and budget processes. SCM consists of more activities than just acquisitions as indicated in the Figure 3.10.4.1.

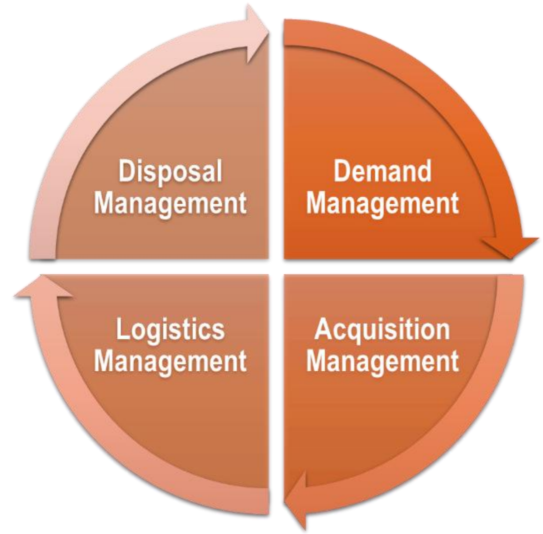



**Figure 3.10.4.1:** Supply Chain Management Process

#### 3.10.4.1 Demand

A procurement plan is developed following a needs analysis or assessment to understand the current and future needs emanating from the strategic and operational commitments of the Council.

The implementation of the Procurement Plan is monitored on an ongoing basis. While progress has been made, there are instances where targets are not achieved within the originally planned timeframes. These delays are mainly attributable to end-user departments initiating procurement processes later than the dates planned in the approved Procurement Plan.

This affects the ability of the SCM unit to finalise procurement processes within the initially targeted periods, as SCM can only commence once complete specifications, requisitions and supporting documentation have been submitted by user departments. To address this, the Procurement Plan is reviewed and updated during the mid-year adjustment process to ensure alignment between actual procurement needs, budget adjustments and implementation timelines. The SCM unit also continues to engage user departments to encourage timely submission of procurement requests and to improve planning discipline.

#### 3.10.4.2 Acquisitions

The SCM policy provides for different acquisition processes are used for predetermined limits for procurement transactions ranging from petty cash to competitive bidding. The policy further sets timeframes for each acquisition processes to ensure goods and services are acquired timely. Competitive bidding has comprehensive administration and a system of bid committees.

#### 3.10.4.3 Logistics

Logistics is concerned with the analyses of inventory, setting of inventory levels, placement of orders, receiving and distribution of inventory, management of storage and transport, expedition of orders, review of vendor performance, verification and valuation of inventory, maintenance and safeguarding of inventory, and administration of contracts.

#### 3.10.4.4 Disposals

Disposal involves disposing of assets or goods that are no longer needed in the municipality when assets are obsolete, redundant or unserviceable. Before the disposal decision, the reasons for the under-utilisation and under-performance are examined and corrective action is taken to remedy the performance.

There are no major challenges with regards to SCM that have resulted in material non-compliance. This is further supported by the audit outcomes, which do not indicate significant SCM non-compliance in this regard. The matters experienced are mainly operational in nature and relate to delays in the procurement process caused by slow responses from user departments, including delays in submitting specifications, responding to clarification requests, evaluating bids, or confirming technical requirements. These matters are being managed through ongoing communication with user departments, follow-ups on outstanding information, and strengthened monitoring of procurement activities. The timeframe for addressing these operational delays is continuous, with monitoring performed throughout the financial year and formal alignment undertaken during the mid-year review process.

### 3.10.5 Asset Management

Asset management is critical in the public sector, particularly as some of the significant assets are infrastructure assets with long life spans and enormous capital outlay that are vital to providing foundation for economic activity.

As a provider of public services using public funds, the district has a responsibility of stewardship and accountability towards the community. Assets have the potential to contribute directly or indirectly to the flow of cash and cash equivalents to the district, or for the district to be able to render services using those assets. Assets provide the means for the district to achieve their service delivery objectives. Figure 3.12.5.1 illustrates the main components of the asset management process.

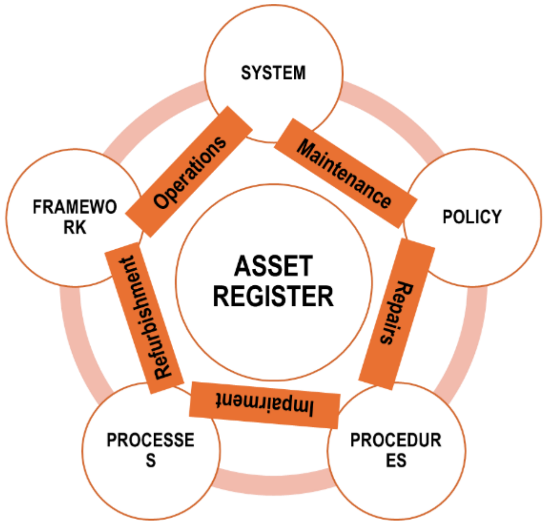



**Figure 3.10.5.1:** Components of Asset Management Process

### 3.10.5.1 Framework

An Asset Management Framework which is aligned with the legislative framework is in place. The Asset Management Framework highlights the principles of and need for asset management and to provide broad guidelines and definitions.

### 3.10.5.2 System

The district implements an asset management system that follows the prescripts of the asset management framework. The asset management system keeps track of assets vital to the day-to-day service delivery of the district.

### 3.10.5.3 Policy, Processes and Procedures

An Asset Management Policy is in place which determines all the aspects of the asset lifecycle. From the policy, processes and procedures are developed to ensure that all the asset management objectives can be achieved.

### 3.10.5.4 Operations

The district recognises the vital importance of managing the operation of assets efficiently. The district considers the available capacity versus service delivery requirements and the cost of operations. Every attempt is made to ensure that assets are operated correctly, to avoid any possible decline in output, quality or even shortening the useful life of the asset.

### 3.10.5.5 Maintenance

The norm for the asset maintenance budget is 8% of the carrying value of the assets, however, in the district it is underfunded, due to the district's cash flow challenges and therefore not able to spend. A budget provision for the maintenance the district's assets is made on annual basis. The district ensure proper and careful planning for maintenance as asset maintenance does not only have a cost implication but also impact service delivery. Often, while an asset is being maintained, it is not available for service.

### 3.10.5.6 Impairment

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

#### 3.10.5.7 Refurbishment

Refurbishment involves replacing worn and critical parts of an asset to bring the asset's performance up to a pre-determined quality standard. It usually includes limited improvements to functionality and no changes to the original design. Slight malfunctions or a slight deviation from the original service standards are normally tolerated. As with asset maintenance, the implication of downtime and the service delivery requirements must be considered when planning the refurbishment.

#### 3.10.5.8 Asset Register

The asset register is at the centre of the asset management process. The district has an GRAP compliant asset register in place which reflects all the asset management activities.

In ensuring that the asset register is accurate, valid and complete, the district conducts an asset verification on an annual basis. During the verification, the following checks are performed:

- Confirm that the asset still exists,
- Confirm that the asset is still in good working order and not impaired,
- Confirm that the asset is still under the control of the relevant user department, and
- Confirm that there are no assets on the floor that is not in the asset register.

Once the physical verification is complete, the asset register, results of the verification and the general ledger are reconciled. All the discrepancies are investigated and resolved. Furthermore, the asset register plays a vital role when insuring the assets as it provides an inventory of the assets to be insured as well as their current values. The district has accordingly insured its assets as per the asset register.

### 3.10.6 Financial Viability / Sustainability

National Treasury introduced standard Ratios and Norms to assess financial position and performance, quality of budgeting, management, and other characteristics of Municipalities, which holistically provide an overview of the financial health of the Municipality, taking the respective and unique circumstances into account. Table 3.10.6.1 provides an overview of these ratios over a three-year period.

Although the district is technically solvent as its total assets exceed its total liabilities, liquidity remains a challenge. The district might not be able to fulfil its financial obligations as it does not have enough investments, cash and other assets to repay it short term obligations in a timely manner. This significantly contributes to going concern uncertainty as well as severe cash-flow and operational difficulties.

The district's expenditure (such as employee costs, rent, and bulk electricity purchases) exceeds its revenue (such as the equitable share of national revenue, unconditional grants, and consumer revenue for water and sewer services), however the net cash inflows from operating activities indicates that the Municipality is able to reasonably contain its cash operating expenditure and collect reasonably its anticipated revenue. Further, the district's management and the leadership remain committed to good budgeting and financial management, and for this purpose will monitor the implementation of budgets, including expenditure, revenue collection and borrowing. The effective functioning of the budget processes will contribute significantly to developing and sustaining the financial health of the district.

**Table 3.10.6.1:** Financial Ratios

**Source:** Budget and Treasury Office, 2026

| Ratio | 2022 / 23 | 2023 / 24 | 2024 / 2025 |
|---|---|---|---|
| **Cash / Cost Coverage Ratio** | 0.09 Months | 0.31 Months | 0.04 Months |
| **Current** | 0.28:1 | 0.16:1 | 0.33:1 |
| **Liquidity** | | | |
| **Capital Expenditure to Total Expenditure** | 26% | 14% | 18% |
| **Collection Rate** | 58% | 54% | 48% |
| **Debt to Revenue** | 5% | 6% | 3% |
| **Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)** | 0% | 0% | 0 |
| **Creditors Payment Period** | 165 days | 298 days | 383 days |
| **Remuneration to Total Expenditure** | 34% | 31% | 32% |

### 3.10.7 Loans / Borrowings

The municipality currently has three (3) long-term loan commitments from Development Bank of South Africa (DBSA) which were sourced for the purposes of infrastructure provision, as reflected in Table 3.10.7.1. 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.

**Table 3.10.7.1:** Long Term Loans
**Source:** Budget and Treasury Office, 2026

| Institution | Amount | Start Date | End Date | Purpose |
|---|---|---|---|---|
| **DBSA** | R 25,000,000.00 | 21 / 12 / 2006 | 31 / 03 / 2022 | Provision of Infrastructure |
| **DBSA** | R 25,000,000.00 | 23 / 12 / 2008 | 30 / 06 / 2023 | Provision of Infrastructure |
| **DBSA** | R 62,000,000.00 | 30 / 10 / 2009 | 30 / 06 / 2029 | Provision of Infrastructure |
| **Total** | **R 112,000,000** | | | |

### 3.10.8 Auditor-General's Opinion

The Auditor-General of South Africa (AGSA) has a constitutional mandate and, as the supreme audit institution (SAI) of South Africa, exists to strengthen the country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. The audits provide AGSA unique insights into the successes, failures and challenges in local government, and into those in national and provincial government that support them. This information, assist AGSA to contribute to the much-needed improvement at municipal level by sharing our insights widely, making recommendations, and advocating for leadership at all levels of government to play their part.

The district having received an unqualified audit opinion for the 2022 / 2023, 2023 / 2024 and 2024 / 2025 financial years. This is indicative of the district's effort to instil a culture of performance, accountability, transparency and institutional integrity, which will ultimately result in a better life for the people of district which will ultimately revive the public's confidence in the district as a public institution.

**Table 3.10.6.1:** Audit Opinion Over a Five (5) Year Period

**Source:** Budget and Treasury Office, 2026

| Financial Year | Audit Outcome | Basis for Audit Opinion |
|---|---|---|
| **2022 / 2023** | Unqualified | ▪ NA |
| **2023 / 2024** | Unqualified | ▪ NA |
| **2024 / 2025** | Unqualified | ▪ NA |

In line with Section 131(1) of the MFMA which compels the municipalities to address any issues raised by the Auditor-General in an audit report, the district developed comprehensive Corrective Action Plan (attached as **Annexure A**) to address the issues. The plan was subjected to a review process by all the relevant stakeholders which included Internal Audit, Audit Committee, Auditor General and COGTA in ensuring credibility of the plan.

The progress on the implementation of the Corrective Action Plan will be monitored periodically through established Audit Steering Committee that sits monthly. Furthermore, the findings have been considered in the review of the current IDP review to avoid recurrence and persistence of the findings.

### 3.10.9 Municipal Financial Viability and Management

The municipal financial viability and management analysis undertaken above culminated in the identification of a number of challenges, which the district needs to redress, address and mitigate. The municipal financial viability and management key challenges of the district are summarised in Table 3.10.9.1 which is followed by SWOT Analysis in Table 3.10.9.2.

**Table 3.2.10.1:** Municipal Financial Viability and Management SWOT Analysis

| | |
|---|---|
| **STRENGTHS** | ▪ Multiple revenue sources (including own revenue).<br>▪ MSCOA compliant financial systems.<br>▪ Revenue enhancement and cost containment strategies in place and being implemented. |
| **WEAKNESSES** | ▪ Collection rate below the norm of 95 -100%.<br>▪ High debt book.<br>▪ Excessive expenditure.<br>▪ Non registration of indigent households in the district's indigent register. |
| **OPPORTUNITIES** | ▪ Property development and industrialisation.<br>▪ Fourth industrial revolution to ultimately reduce cost of doing business.<br>▪ Economic growth and development.<br>▪ Alternate sources of revenue. |
| **THREATS** | ▪ Economic recessions, increasing costs of delivery of services leading to unaffordable tariffs and poor culture of payment from of consumers.<br>▪ Alternate water sources i.e. boreholes and rainwater harvesting. |

**Table 3.10.9.2:** Municipal Financial Viability and Management Key Challenges

| | |
|---|---|
| **Key Challenge** | **Collection rate below the 95 – 100% norm** |
| **Description** | The below the norm collection rate is mainly due to incomplete and incorrect billing of customers, water supply challenges affecting billable consumption, meter connection backlog, alternate water sources, and slowdown of the economy. |
| **Key Challenge** | **High debt book** |
| **Description** | Global slowdown in the economy has impacted on the customers' ability to pay bills leading to a constantly increasing debt book. |
| **Key Challenge** | **Poor Cashflow** |
| **Description** | The constant decrease in revenue and continuous excessive expenditure results in poor cashflows. The non-compliance to cost containment measures, is one of the leading factors to excessive expenditure. |
| **Key Challenge** | **Excessive expenditure** |
| **Description** | The decrease rate of revenue outpaces that of expenditure resulting in excessive expenditure. The pace of reduction of expenditure is impacted by the rate of fixed costs. |
| **Key Challenge** | **High proportion of indigent households** |
| **Description** | The increase in the number of indigents households subsequently reduced the collectable revenue as they have to be afforded the services at no cost. |
| **Key Challenge** | **Indigent Register** |
| **Description** | The number of registered indigent households in the district's indigent register are way below the estimated number of indigent households in the district. The non registering of the indigent households in the district's indigent register is attributed to various factors including the lack of incentives. |

## 3.11 COMBINED SWOT ANALYSIS

The combined SWOT analysis consolidates all the SWOT analysis per KPA and gives a holistic overview of the district.

### 3.11.1 Strengths

The strengths identify the internal attributes of the district that will aid it in achieving its objectives and are generally areas and are generally areas where the district is doing things right. The consolidated strengths of the district are detailed hereunder.

i. **Strategic location** with eThekwini metro (KZN economic hub) bordering to the north and the Eastern Cape to the south as well as high accessibility through the N2 and R61 which connects the district with several towns within the province as well as Eastern Cape and beyond.

ii. **112 kms 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 10 dive experiences in the world; and annual events calendar including the Sardine Run.

iii. **Tropical climate** that is suited for substantial growth in specific agricultural crops, such as bananas, sugar and macadamia nuts, tunnels (vegetables) and poultry production, and an all-year-round tourism season.

iv. **Environmental Assets** as the district boast of good distribution of rivers, wetlands, beaches, agricultural areas and nature reserves.

v. **Disaster Management Centre facility** in place and fully functional as it has hosted multiple role-players.

vi. **Information communication technology** is efficient and effective.

vii. **Human resource development** strategies and plans in place and implemented.

viii. **Existing basic services infrastructure** across the district with an even spread of community facilities.

ix. **Diversified regional economy** with strong representation in the agricultural, manufacturing, tourism, retail, mining and other sectors.

x. **Good matric (grade 12) pass rate** which expands the pool of working age population group that is eligible to further their studies can subsequently improve the skills base of the district.

xi. **TVET and FET institutions** with the district providing platform for skills development.

xii. Effective **non-communicable and communicable disease management**.

xiii. **Good governance structures** together with adopted **policies and bylaws** in place as well as communications structures and tools.

xiv. **Multiple revenue sources** including own revenue exists.

### 3.11.2 Weaknesses

The weaknesses identify the internal attributes of the district that limits it from achieving its objectives and are generally areas where the district require improvement. The consolidated weaknesses of the district are detailed hereunder.

i. **Land ownership patterns** within the district perpetuates the existing spatial pattern, of a narrow strip of urban coastal development and a large, under-developed hinterland.

ii. **Topography** in the inland undulating river valleys, deep gorges and steep hillslopes generally encountered, which limits land available for development.

iii. **Enforcement** of the district's bylaws especially environmental and land use is a general challenge.

iv. **Land transformation and land use** results in dramatic impacts to the environment, particularly along the coastal zone and higher rainfall areas.

v. **Invasive alien species** infestation causing biodiversity loss and species extinctions and a threat to food security as well as water quality.

vi. **Poor condition of estuaries** within the district.

vii. **Centralized disaster management centres** make it difficult to respond promptly.

viii. **Lack of sufficient budget** as a general weakness in addressing the district challenges and gaps.

ix. **Limited and aging fleet** for both service delivery and support services.

x. **Limited human resource capacity** in terms of warm bodies and shortage of skills in some critical areas i.e. LED.

xi. Rapidly **aging and inadequately maintained basic services infrastructure**.

xii. Below minimum standards **Blue, and Green Drop** scores.

xiii. **Solid waste management systems** limited to the coastal urban strip.

xiv. Lack of organised **waste minimisation and recycling** system.

xv. High number of households living in **informal settlements**.

xvi. **Tripple threat challenge** of high unemployment rate, high levels of inequality and high levels of poverty.

xvii. **Low skills base** limiting the district's potential to attract certain industries.

xviii. **Uneven access to pre-schooling** as most of these facilities are private and charges enrolment fees.

xix. **Unequal levels of education** as there is generally poor level of education in rural schools.

xx. The district is confronted by **social Ills and high crime rates**.

xxi. **Non-functional IGR / DDM Structures** which affects the oversight and implementation of the one plan.

xxii. **Limited public participation** especially in rural areas due to the vastness of the district.

xxiii. The **collection rate** is below the resulting in cash constraints.

xxiv. High **debt book**.

### 3.11.3 Opportunities

The opportunities identify the external attributes of the district which has a potential to assist the district in achieving its objectives and in general the district will have limited to no control on them. The consolidated opportunities of the district are detailed hereunder.

i. **Large tracts of undeveloped fertile land** (Ingonyama Trust and communal) that could be developed for commercial agriculture, small grower and poverty alleviation projects.

ii. **Green economy and renewable energy** as a sustainable development path based on addressing the interdependence between economic growth, social protection and natural ecosystem.

iii. **Fourth industrial revolution** offers window of opportunity across board.

iv. **Recycling and waste minimization** as well as **circular economy** exploration.

v. **Social and rental housing** (Gap Housing Market).

vi. **Investment attraction and retention** initiatives to boost and expand the district's economy.

vii. **Property investment and development** market growth and expansion.

### 3.11.4 Threats

The threats identify the external attributes of the district which has a potential to negatively affect the district in achieving its objectives and in general the district will have limited to no control on them. The consolidated threats of the district are detailed hereunder.

i. **Uncontrolled and haphazard development** which places pressure on existing infrastructure and threatens the environment.

ii. **Loss of high agricultural potential land** due to increasing demand for land for development purposes.

iii. **Climate change** effects on economic and societal sectors (biodiversity, health, economy, food security, water resources, disaster management).

iv. **Water resources** **-** quality and quantity (pollution, invasion of water bodies by water intensive alien plants).

v. **Loss of critical highly skilled personnel** to other districts, provinces and countries.

vi. **Immigration** – the district is the Eastern Cape gateway to KZN, the arrival of people seeking better opportunities often further burdens the already stretched infrastructure.

vii. Non **availability of land** for further development.

viii. **Rural to urban population migration** places tremendous pressure on the urban infrastructure and resources as well as perpetuates the informal settlements.

ix. **Economic recession** exacerbates the scourge of the triple threat challenge.

x. **Disease outbreaks and pandemics** places excessive strain on the already strained health infrastructure and resources.

xi. **Unpredictable nature of the political environment** poses a constant threat to the stability of government institution as a whole.

xii. **Fraud and corruption** is a constant threat to service delivery.

## 3.12 DISTRICT KEY CHALLENGES

The district's key challenges that have been identified following the situational analysis that has been undertaken above are summarised in Table 3.12.1.

**Table 3.12.1:** Summary of District's Key Challenges

| No. | Key Challenge | Description |
|---|---|---|
| 1. | **Households located in high-risk areas** | Approximately 12 198 households within district that are located on slopes steeper than 1:3. In terms of topography, slopes greater than a ratio of 1:3 are at high risk of slumping and therefore development must identify these areas as high-risk zones, and have strict management and stabilisation requirements for any development and infrastructure permitted in these zones. A further 7 785 households are located on sensitive biodiversity areas and with the recent climate change events leading to excessive heavy rainfall and floods, it has become more important for these situations to be avoided. These households are at a higher risk of a devastating impact in the event a disaster occurs and place an added strain on the limited resources to respond to disasters especially natural disasters as these areas often become inaccessible during the disaster. |
| 2. | **Inequitable development along the inland** | Development is concentrated along the coast as a result of the apartheid planning legacy and the previously neglected inland areas remains undeveloped or underdeveloped. |
| 3. | **Settlement sprawl** | Lack of effective land use management as well as poor enforcement relevant land use management legislation has created dispersed, inefficient low density rural settlements. |
| 4. | **Derelict small towns-built form** | Declining economy in the small towns has led to unattractiveness of these towns |
| 5. | **Spatial inefficiency** | Dispersed settlements and disjuncture between settlements and economic opportunities which have led to lack of access to economic opportunities for these settlements. |
| 6. | **Gradual loss of high agricultural potential land** | The increasing demand for land for development has resulted in high agricultural potential land being under treat as a number of commercial farms have been or are in a process of being converted into private property development. A balance is crucial to ensure the food security for the district is not placed under threat as well. |
| 7. | **Limited formally protected area** | Less than 2% of the land surface area is formally protected, which is below par. Whilst opportunities for protection and improved management remain, socio-economic drivers such as agricultural expansion, the spread of alien invasive plants and deteriorating water quality continues to erode the remaining environmental assets. |
| 8. | **Poor management of estuaries** | The district has about 40 estuaries which are distributed along a 112-kilometre coastline which are characterised by high biodiversity and productivity and provide a range of environmental services and socio-economic benefits. However, a hand full of these estuaries have developed estuary management plans. This has resulted in majority of the estuaries being in a poor to fair condition which ultimately compromises the water quality of the district. |

| No. | Key Challenge | Description |
|---|---|---|
| 9. | **Climate change impacts** | Unpredictable weather patterns and more extreme storms lead to loss of commodity, rising sea levels, higher and unpredictable rainfall and warmer temperatures alter natural ecosystems. |
| 10. | **Invasive Alien Species infestations** | IAS causes of biodiversity loss and species extinctions and are threat to food security. IAS are a threat to estuaries, disrupt the natural ecology and pose risks to the economy through damage to infrastructure or displacement of natural species. IAS also have serious socioeconomic impacts including threats to water security, reduced productivity of rangelands, increased fire risk, and impacts on crop agriculture. |
| 11. | **Delayed response to incidents and emergencies** | Due to the vastness of the district, the response to incidents and emergencies especially in the hinterland, is often delayed as disaster centres are concentrated on the urban coastal strip and no satellite offices in the hinterland. Failure to respond promptly to disasters and emergencies results to the impacts of the disasters being more severe than they would have been if the response was prompt. |
| 12. | **Limited resources to deal with hazardous material Incidents** | Hazardous materials by road hazard are a priority hazard for all the local municipalities, however, the is there is no sufficient resources to deal with such incident in the event they occur. |
| 13. | **Low skills base** | As much as there has been a decrease in the number of population with no schooling, a substantial proportion of the population has education levels of less than grade 12 (47%). Most of the population's highest level of education is grade 12 and very few have an education level higher than grade 12. |
| 14. | **Triple threat challenge** | The triple treat challenge of unemployment, poverty and inequality continues to be persistent in the district. The unemployment rate is at its highest whilst poverty continues to be at an unacceptable high level. |
| 15. | **Fourth industrial revolution** | As much as the fourth industrial revolution comes with positive prospects, it also presents certain risks to the institution which if not mitigated may pose serious challenges. The institutions skills base is not necessarily aligned with the direction that the fourth industrial revelation is directing the institutions towards. A reskilling of some of the employees is necessary to realise the full potential of the fourth industrial revelation. |
| 16. | **Limited human resource capacity for LED** | The vacancy rate for the LED Unit is 87.5% meaning that the unit is currently functioning at 12.5%. This compromises the district's ability to fulfil its coordination and facilitation role which is further exacerbated by the limited capacity at the local municipality level as well. |
| 17. | **Limited fleet for both service delivery and support services** | There is limited available fleet for performance of service delivery and support services which is further worsened by the down time of fleet due to repairs and maintenance. The vastness of the district does not make the situation any better. |
| 18. | **Skewed Human Capital Ratio** | There is a need for the rationalisation of Human Capital Ratio to 60 Support Services and 40 Service Delivery. |
| 19. | **Rapidly aging basic services infrastructure** | The rapidly aging infrastructure especially water infrastructure is leading to numerous water outages and slows down the pace of backlog eradication. With sanitation infrastructure in particular, it leads to spillages which contaminates the water often leading to beach closures which have a very dire effect on the district's economy. |

| No. | Key Challenge | Description |
|---|---|---|
| 20. | Water supply capacity vs demand deficit | The water demand is much greater than the current supply capacity which ultimately results in manual supply balancing or water rationing. |
| 21. | Illegal water connections | There is a high level of illegal water connections which leads increase on unplanned repairs / maintenance due to pipeline bursts, disruption of bulk and reticulated water services Water losses and possible water contamination. |
| 22. | Water and sanitation infrastructure vandalism | There is a widespread of water and sanitation infrastructure vandalism which leads to disruption of bulk and reticulated water and sanitation services. Negative impact to the environment, e.g., water contamination. |
| 23. | Lack of formal waste management systems in rural areas | There is a lack of solid waste service in the rural hinterland which leads these communities to use own refuse disposal methods which may not necessarily be environmentally friendly. |
| 24. | Rail transport is limited | The metropolitan rail system serving eThekwini only reached the northern extremity of the district. The south coast railway line was electrified and used by Transnet Freight Rail as south as Port Shepstone, no commuter services were offered beyond these three stations.<br>Volume of freight declined dramatically on this line in recent years, as road deliveries have increased which is one of the major reasons for the demise of the rail services. |
| 25. | Inadequate maintenance of infrastructure | The basic service infrastructure requires routine maintenance to keep it operational and delivering services. However, in the district older infrastructure is often not being refurbished and / or renewed timeously and there is inadequate planned preventative maintenance on new infrastructure. |
| 26. | Informal Settlements | An estimated 6 888 households spread across 14 informal settlements within the district which live in poor living conditions, crammed in shacks and squatter camps. These households require provision of basic services such as water, sanitation, and electricity |
| 27. | Lack of Social Housing | There is a growing demand affordable rental housing stock within the district, however, there is a very limited social housing stock within the district with Ray Nkonyeni being the only local municipality to have social housing projects in the pipeline. |
| 28. | Below minimum standards No, Blue, and Green Drop scores | As a result of the aged, and inadequate maintenance of the water and sanitation infrastructure which subsequently results in breaks, the district struggles to meet the minimum standard Blue and Green Drop score. |
| 29. | Lack of capacity of key treatment plants | The capacity of key treatment plants has not kept up with the increase in demand leading to limited capacity of these plants which has a negative impact especially to the environment. |
| 30. | Economy contraction | The district's real GDP-R per capita dropped significantly in 2020 which was triggered by a combination of global uncertainties amid heightened geopolitical conflicts as well as local structural constraints, particularly the energy crisis and disruptions caused by disastrous flooding in 2022. The real GDP-R recovered strongly in 2021, however, it subsequently weakened post 2021 and has not reached the desired growth rate. |
| 31. | Lack investment / business attraction | Investment / business Attraction and quantification not optimal. (no targets set, nor baseline reported against). |

| No. | Key Challenge | Description |
|---|---|---|
| 32. | **Economic leakage** | Economic leakages from the district, and barriers not necessarily given the attention needed in plans, reporting and accountability timeously. |
| 33. | **Uneven access to pre-schooling** | Because early childhood development is still privately provided, registered centres are unevenly distributed and do not yet reach the most vulnerable poor children, especially in rural areas. Fees also inhibit the poorest families from using what services are available. |
| 34. | **Poor level of education in rural schools** | 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. |
| 35. | **Prevalence of Chronic Diseases** | As much a tremendous strides has been made in reducing HIV and TB, their prevalence in the district have been made, it is still relatively high. Furthermore, non-communicable diseases, particularly diabetes mellitus (type 2) and hypertension reflect the ageing of the population as well as changing lifestyles (reduced physical activity and increasing consumption of foods high in salt and sugar). |
| 36. | **High crime rates** | The district has high crime rates coupled with high gender base violence and femicide. This heavily impedes on the district's right to safety and security especially for the vulnerable population groups. |
| 37. | **Social ills** | The district is riddled with social ill which is exacerbated by high prevalence of drug and substance abuse especially amongst the youth. |
| 38. | **OSS War Rooms not fully functional** | There are still OSS war rooms that are not functional within the and some that has never been established since the inception of the OSS programme. This has a detrimental effect of the communities that require OSS intervention but cannot receive it due to non-functionality of the war rooms. |
| 39. | **Non-functional IGR / DDM Structures** | The IGR / DDM structures are not fully functional which is mainly due to the lack of commitments and participation or attendance from sector departments and some local municipalities. This has an adverse effect on the oversight and monitoring of the implementation of the one plan. |
| 40. | **Limited public participation** | There is limited public participation especially in the rural areas. One of the contributing factors is that public participation is costly in terms of time, personnel and financial resources required to ensure effective and meaningful stakeholder involvement in the IDP and other district's activities. |
| 41. | **Enforcement and implementation of policies and bylaws** | There is limited capacity to implement and enforce some of the policies mainly due to the vastness of the district and lack of coordination between the different stakeholders that needs to partake in the implementation or enforcement. |
| 42. | **Municipal documents and communication are in English** | Over 80% of the district population's home language is IsiZulu, however most of the district communication and documents are in English. This has a negative effect on the public's participation in the affairs of the district. |
| 43. | **Collection rate below the 95 – 100% norm** | The below the norm collection rate is mainly due to incomplete and incorrect billing of customers, water supply challenges affecting billable consumption, meter connection backlog, alternate water sources, and slowdown of the economy. |
| 44. | **High debt book** | Global slowdown in the economy has impacted on the customers' ability to pay bills leading to a constantly increasing debt book. |
| 45. | **Poor Cashflow** | The constant decrease in revenue and continuous excessive expenditure results in poor cashflows. The non-compliance to cost containment |

| No. | Key Challenge | Description |
|---|---|---|
| | | measures, is one of the leading factors to excessive expenditure. |
| **46.** | **Excessive expenditure** | The decrease rate of revenue outpaces that of expenditure resulting in excessive expenditure. The pace of reduction of expenditure is impacted by the rate of fixed costs. |
| **47.** | **High proportion of indigent households** | The increase in the number of indigents households subsequently reduced the collectable revenue as they have to be afforded the services at no cost. |
| **48.** | **Indigent Register** | The number of registered indigent households in the district's indigent register are way below the estimated number of indigent households in the district. The non registering of the indigent households in the district's indigent register is attributed to various factors including the lack of incentives. |
| **49.** | **EPWP** | There is a consistent challenge in the achievement of the infrastructure sector FTE targets which is as a result of infrastructure projects implementation being delayed or put to a halt due to various reason which includes protests as well as non deployment of labour-intensive delivery methods in the implementation of the infrastructure projects. |

# 4 CHAPTER 4: DEVELOPMENT STRATEGIES

Ugu District Municipality held a strategic planning session for the development of the 2022 / 2023 to 2026 / 2027 Integrated Development Plan on the 22nd to the 24th of March 2022 at The Margate Hotel. The strategic planning session produced the long-term vision, mission, long term development goals, associated objectives and strategies.

## 4.1 Vision

The long-term vision of the district reads as follows:

***"By 2035 Ugu District Municipality will provide adequate access to basic services in an efficient and sustainable manner, enhancing the quality of its citizens in an inclusive progressive economy."***

## 4.2 Mission

The mission of the district reads as follows:

***"To ensure all our communities have access to quality drinking water, decent sanitation, sustainable economic opportunities underpinned by the active participation our citizens in exemplary government."***

## 4.3 Values

The district subscribes to the following values:

1) Commitment,
2) Integrity,
3) Honesty,
4) Respect, and
5) Ethical.

## 4.4 Strategic Outcome Orientated Goals

In developing the strategic objectives and Strategic Outcome-Oriented Goals (SOOG) cognisance was taken from the municipal mandate expressed through National Key Performance Areas (NKPA) and aligned to the Back-to-Basics Programme (B2B). The alignment is captured in Table 4.4.1. The Ugu District Municipality strategic outcome-oriented goals were confirmed and agreed as follows:

1) **Universal access to Basic Services**
2) **Effective Governance and Leadership**
3) **Financial sustainability and sound financial principles**
4) **Highly Motivated, Skilled, Productive and Disciplined Workforce**
5) **Develop an inclusive economy through a diverse and innovation driven economy**
6) **Integrated approach towards planning for urban and rural communities**

## 4.5 Strategic Objectives

Stemming from the SOOGs, strategic objectives were developed which provided clear targets for the district. A total of 21 strategic objectives were developed during the strategic planning session to ensure the realisation of the vision and mission of the district. Table 4.4.1 shows how these strategic objectives align with the national and provincial strategies and objectives.

**Table 4.4.1:** Alignment of Strategies

| NKPA | B2B Pillar | SOOG | Goal Statement | SO. No. | Strategic Objective |
|---|---|---|---|---|---|
| **Basic Service Delivery** | **Delivering Basic Services** | **Universal access to Basic Services** | Creating conditions for decent living by consistently delivering municipal services to the right quality and standard. This includes planning for and delivery of infrastructure and amenities, maintenance, and upkeep, including the budgeting to do this. Ensuring there are no failures in services and where there are, restore services with urgency. | **BSD 1** | To ensure access to adequate basic services |
| | | | | **BSD 2** | To ensure compliance with quality drinking water and decent sanitation standards |
| | | | | **BSD 3** | To increase the capacity of water supply systems |
| | | | | **BSD 4** | To maintain, repair, replace, refurbish and construct new water pipeline |
| | | | | **BSD 5** | To increase the capacity of wastewater treatment works |
| **Good Governance and Public Participation** | ▪ **Putting People First**<br>▪ **Good Governance** | **Effective Governance and Leadership** | Ensuring municipality is well governed and demonstrate good governance and administration, cut wastage, spend public funds prudently, hire competent staff, ensure transparency and accountability. | **GGPP1** | To strengthen good governance |
| | | | | **GGPP2** | To ensure that the communities fully participate in the affairs of the municipality as per the legislative provisions |
| | | | | **GGPP3** | To strengthen communication and stakeholder relations |
| **Municipal Financial Viability and Management** | **Sound Financial Management** | **Financial sustainability and sound financial principles** | Ensuring sound financial management and accounting; and prudently manage resources to sustainably deliver services and bring development to communities. | **MFVM1** | To ensure effective and efficient budgeting and financial reporting |
| | | | | **MFVM2** | To improve revenue collection |
| | | | | **MFVM3** | To optimise expenditure |
| | | | | **MFVM4** | To optimise asset management |
| **Municipal Transformation and Institutional Development** | **Building capable Local Government institutions** | **Highly Motivated, Skilled, Productive and Disciplined Workforce** | Building and maintaining sound institutional and administrative capabilities, administered, and managed by dedicated and skilled personnel at all levels. | **MTID 1** | To optimise systems and operations |
| | | | | **MTID 2** | To ensure highly motivated, skilled, productive and disciplined workforce |
| **Local Economic Development** | **N/A** | **Develop an inclusive economy through a diverse and innovation driven economy** | To rethink and develop informal economy. Further promote and support an inclusive and integrated rural economy; township economy; green economy; oceans economy; small towns economy. | **LED 1** | To facilitate growth and development of the District Economy |
| | | | | **LED 2** | To improve job creation opportunities |
| | | | | **LED 3** | To promote special vulnerable focus groups development |
| | | | | **LED 4** | To promote youth and sport development |
| | | | | **LED 5** | To enhance measures to reduce community exposure to diseases and health risk |
| **Cross Cutting Interventions** | **NA** | **Integrated approach towards planning for urban and rural communities** | NA | **CCI 1** | To promote a healthy, safe, and sustainability environment |
| | | | | **CCI 2** | Improve Coordination and Planning |

## 4.6 Implementation of Strategies

The implementation of the district's strategies matrix is depicted in Figure 4.6.1. The vision provides the desired end result by the year 2035 whilst the mission statement expresses how the desired end result will be achieved. The SOOGs serves as an intermediary step between mission statement and the strategic objectives. The SOOGs are not measurable and as such are further developed as separate distinguishable outcomes through strategic objectives which provides specific and measurable targets for accomplishing the SOOGs. The key performance indicators then set quantifiable measurements to gauge overall performance.

The implementation strategies expressed in this chapter are directly related to the Ugu District Municipality as an institution and as such are directly linked to the district's functional areas.

Table 4.6.1 provides details of the implementation of the strategies in the form of a Five (5) Year Organisational Scorecard. The five (5) year organisational scorecard provides five-year targets for broken down into annual targets and the progress is provided on an annual basis through the SDBIP.

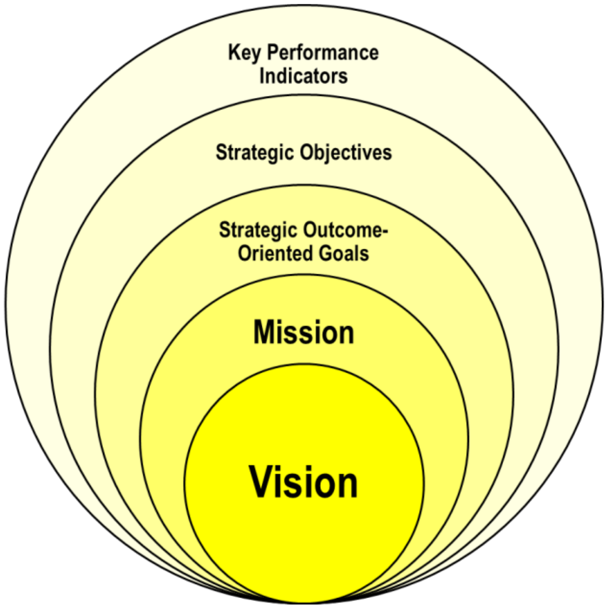



**Figure 4.6.1:** Implementation of Strategies Matrix

**Table 4.6.1:** Five Year Scorecard (Institutional Implementation Plan)

| SO No. | Strategic Objective (SO) | IDP Ref | Project / Programme | Location | | Demand | Baseline | Backlog | Key Performance Indicator | 5 Year Target | Yearly / Annual Targets | | | | | Annual Budget | | | Responsible Department |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Municipality | Ward No. | | | | | | 2022 / 2023 | 2023 / 2024 | 2024 / 2025 | 2025 / 2026 | 2026 / 2027 | CAPEX | OPEX | Funding Source | |
| MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | | | | | | | | | | |
| MTID 1 | To optimise systems and operations | MTID 1.1 | Information and Communication Technology (ICT) | Administrative | NA | 100% | 100% | 0 | To ensure 100% functionality internal ICT | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Corporate Services |
| | | MTID 1.2 | Organisational Performance Management System (OPMS) | Administrative | NA | 100% | 100% | 0 | Percentage implementation of OPMS policy and procedural manual | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| | | MTID 1.3 | Individual Performance Management System (IPMS) | Administrative | NA | 100% | 100% | 0 | Percentage implementation of IPMS for level 2 to 18 | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | All |
| | | MTID 1.4 | Records Management | Administrative | NA | 100% | 100% | 0 | Percentage compliance with record management legislative framework | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | All |
| | | MTID 1.5 | Facilities Management | Administrative | NA | 100% | 100% | 0 | Percentage compliance with Facilities Management | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Corporate Services |
| | | MTID 1.6 | Security Services | Administrative | NA | 100% | 100% | 0 | Percentage compliance with Security Services | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Corporate Services |

| SO No. | Strategic Objective (SO) | IDP Ref | Project / Programme | Location | | Demand | Baseline | Backlog | Key Performance Indicator | 5 Year Target | Yearly / Annual Targets | | | | | Annual Budget | | | Responsible Department |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Municipality | Ward No. | | | | | | 2022 / 2023 | 2023 / 2024 | 2024 / 2025 | 2025 / 2026 | 2026 / 2027 | CAPEX | OPEX | Funding Source | |
| MTID 1 | To optimise systems and operations | MTID 1.7 | Fleet Management | Administrative | NA | 100% | 100% | 0 | Percentage implementation of fleet management system | 100% | - | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Corporate Services |
| MTID 2 | To ensure highly motivated, skilled, productive and disciplined workforce | MTID 2.1 | Human Resource Management and Development | Administrative | NA | 100% | 100% | 0 | Percentage implementation of Human Resources Plan and Strategy | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | All |
| | | MTID 2.2 | Employee Assistance Program (EAP) | Administrative | NA | 100% | 100% | 0 | Percentage implementation of EAP | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Corporate Services |
| | | MTID 2.3 | Occupational Health and Safety (OHS) | Administrative | NA | 100% | 100% | 0 | Percentage implementation OHS | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Corporate Services |
| **BASIC SERVICE DELIVERY** | | | | | | | | | | | | | | | | | | | |
| BSD 1 | To ensure access to adequate basic services | BSD 1.1 | Access to Basic Services | All | All | 100% | 83% | 17% | Percentage of households with access to basic level of water | 77% | NA | NA | NA | NA | 77% | R0.00 | R0.00 | NA | Water Services |
| | | BSD 1.2 | | All | All | 100% | 71% | 29% | Percentage of households with access to decent sanitation | 69% | NA | NA | NA | NA | 69% | R0.00 | R0.00 | NA | Water Services |
| | | BSD 1.3 | Alternative Water Supply | All | All | 120 000 000 litres per annum | 140 000 000 litres per annum | 0 | Number of Litres of water delivered via water tankers | 744,000,000 | 192,000,000 | 192,000,000 | 120,000,000 | 120,000,000 | 120,000,000 | R0.00 | R0.00 | NA | Water Services |

| SO No. | Strategic Objective (SO) | IDP Ref | Project / Programme | Location | | Demand | Baseline | Backlog | Key Performance Indicator | 5 Year Target | Yearly / Annual Targets | | | | | Annual Budget | | | Responsible Department |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Municipality | Ward No. | | | | | | 2022 / 2023 | 2023 / 2024 | 2024 / 2025 | 2025 / 2026 | 2026 / 2027 | CAPEX | OPEX | Funding Source | |
| BSD 1 | To ensure access to adequate basic services | BSD 1.4 | Alternative Water Supply | All | Rural Wards | N/A | N/A | NA | Number of emergency boreholes installed and maintained | 160 | 82 | N/A | 66 | 12 | N/A | R100,026,022.20 | R0.00 | NA | Water Services |
| BSD 2 | To ensure compliance with quality drinking water and decent sanitation standards | BSD 2.1 | Quality Drinking Water Standards | Administrative | NA | 75% | 95% | 0% | Percentage of compliance with access to quality drinking water standards | 100% | 96% | 97% | 98% | 99% | 100% | R0.00 | R0.00 | NA | Water Services |
| | | BSD 2.2 | General Authorizations for Sanitation Services | Administrative | NA | 75% | 75% | 0% | Percentage of sanitation effluent quality compliance with general authorizations for sanitation services | 70-75% | 75% | 75% | 70 - 75% | 70 - 75% | 70 - 75% | R0.00 | R0.00 | NA | Water Services |
| | | BSD 2.3 | Non-Revenue Water (NRW) | Administrative | NA | 0.5% | 0.3% | 0.2% | Percentage reduction of Non-Revenue Water (NRW) by volume per annum | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | R0.00 | R0.00 | NA | Water Services |

| SO No. | Strategic Objective (SO) | IDP Ref | Project / Programme | Location | | Demand | Baseline | Backlog | Key Performance Indicator | 5 Year Target | Yearly / Annual Targets | | | | | Annual Budget | | | Responsible Department |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Municipality | Ward No. | | | | | | 2022 / 2023 | 2023 / 2024 | 2024 / 2025 | 2025 / 2026 | 2026 / 2027 | CAPEX | OPEX | Funding Source | |
| BSD 3 | To increase the capacity of water supply systems | BSD 3.1 | Construction, Refurbishment, Augmentation and Upgrade of Water Treatments Works | All | All | 199 Mega Litres / Day | 139 Mega Litres / Day | 60 Mega Litres / Day | Number of mega litres increase in the capacity of water supply system | 19 Mega Litres / Day | N/A | N/A | N/A | N/A | 19 Mega Litres / Day | R 676,943,185.64 | R0.00 | NA | Water Services |
| BSD 3 | To increase the capacity of water supply systems | BSD 3.2 | Construction of Dams and Reservoirs | All | All | TBC | TBC | TBC | Number of mega litres increase in the capacity of water supply systems storage | 2.5 Mega Litres / Day | N/A | 1.5 Mega Litres / Day | 2 Mega Litres / Day | 0.5 Mega Litres / Day | 1.5 Mega Litres / Day | R708,616,926.76 | R0.00 | NA | Water Services |
| BSD 4 | To maintain, repair, replace, refurbish and construct new water pipeline | BSD 4.1 | Water Pipeline | All | All | 12 kms | TBC | TBC | Number of kilometres of aged water pipeline replaced | 12 kms | N/A | N/A | N/A | N/A | 12 kms | R100,000,000.00 | R0.00 | NA | Water Services |
| BSD 4 | To maintain, repair, replace, refurbish and construct new water pipeline | BSD 4.2 | Water Pipeline | All | All | 55.4 kms | TBC | TBC | Number of kilometres of new water pipeline constructed | 55.4 kms | N/A | N/A | 3.7 kms | N/A | 51.7 kms | R14,232,217.59 | R0.00 | NA | Water Services |

| SO No. | Strategic Objective (SO) | IDP Ref | Project / Programme | Location | | Demand | Baseline | Backlog | Key Performance Indicator | 5 Year Target | Yearly / Annual Targets | | | | | Annual Budget | | | Responsible Department |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Municipality | Ward No. | | | | | | 2022 / 2023 | 2023 / 2024 | 2024 / 2025 | 2025 / 2026 | 2026 / 2027 | CAPEX | OPEX | Funding Source | |
| BSD 5 | To increase the capacity of waste water treatment works | BSD 5.1 | Construction, Refurbishment and Upgrades / Extensions of Sewerage Schemes | All | All | 85.8 Mega Litres per day | 41.6 Mega Litres per day | 44.2 Mega Litres per day | Number of mega per day litres increase in the capacity of waste water treatment works | 7 Mega Litres / Day | NA | NA | 1 Mega Litre / Day | 4.5 Mega Litres / day | 1.5 Mega Litres / day | R254,567,372.40 | R0.00 | NA | Water Services |
| BSD 6 | To maintain, repair, replace, refurbish and construct new sewer pipeline | BSD 6.1 | Sewer Pipeline | N/A | N/A | N/A | N/A | N/A | Number of kilometres of aged sewer pipeline replaced | TBC | NA | NA | NA | NA | NA | R0.00 | R0.00 | NA | Water Services |
| | | BSD 6.2 | | All | All | 49 kms | N/A | N/A | Number of kilometres of new sewer pipeline constructed | 49 kms | NA | NA | 19 kms | NA | 30 kms | NA | R0.00 | NA | Water Services |
| LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | | | | | | | | | | | |
| LED 1 | To facilitate growth and development of the District Economy | LED 1.1 | Inclusive Economy | Administrative | All | 4 | 4 | 0 | Number of Quarterly Reports detailing support in: Informal, Rural, Township, Green, Oceans Economy and Small Town Development. | 18 | N/A | N/A | 6 | 6 | 6 | R0.00 | R0.00 | NA | Economic Development and Environmental Services |
| | | LED 1.2 | Diverse and Innovative Economy | Administrative | All | 4 | 4 | 0 | Number of Quarterly Reports detailing sectoral support. | 15 | N/A | N/A | 5 | 5 | 5 | R0.00 | R0.00 | NA | Economic Development and Environmental Services |

| SO No. | Strategic Objective (SO) | IDP Ref | Project / Programme | Location | | Demand | Baseline | Backlog | Key Performance Indicator | 5 Year Target | Yearly / Annual Targets | | | | | Annual Budget | | | Responsible Department |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Municipality | Ward No. | | | | | | 2022 / 2023 | 2023 / 2024 | 2024 / 2025 | 2025 / 2026 | 2026 / 2027 | CAPEX | OPEX | Funding Source | |
| LED 1 | To facilitate growth and development of the District Economy | LED 1.3 | Enterprise Development and Support | Administrative | All | 4 | 4 | 0 | Number of Quarterly reports detailing support in enterprise development and support matters | 240 | N/A | N/A | 40 | 40 | 160 | R0.00 | R2 000 000.00 | NA | Economic Development and Environmental Services |
| | | LED 1.4 | Council-Owned Strategic LED Assets | Administrative | All | 4 | 4 | 0 | Number of Quarterly Reports on Council Owned LED Assets: Horseshoe Farm, Ugu Sports and Leisure, Woodgrange Farm. | 9 | N/A | N/A | 3 | 3 | 3 | R0.00 | R0.00 | NA | Economic Development and Environmental Services |
| | | LED 1.5 | Economic Governance and Infrastructure | Administrative | All | 4 | 4 | 0 | Number of Reports on Improving LED planning, management and administrative capacity; Strengthening LED SPV (SCTIE), Improving access to development finance, Ease of doing business/red tape reduction and BARE. Bi-Annual state of the | 20 | 4 | 4 | 4 | 4 | 4 | R0.00 | R0.00 | NA | Economic Development and Environmental Services |

| SO No. | Strategic Objective (SO) | IDP Ref | Project / Programme | Location | | Demand | Baseline | Backlog | Key Performance Indicator | 5 Year Target | Yearly / Annual Targets | | | | | Annual Budget | | | Responsible Department |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Municipality | Ward No. | | | | | | 2022 / 2023 | 2023 / 2024 | 2024 / 2025 | 2025 / 2026 | 2026 / 2027 | CAPEX | OPEX | Funding Source | |
| | | | | | | | | | District Economy Report. Economic Recovery Strategy Review. | | | | | | | | | | |
| LED 1 | To facilitate growth and development of the District Economy | LED 1.6 | Social and Economic Data | Administrative | NA | 4 | 4 | 0 | Number of Social / Economic Statistics / Database Reports Circulated / Uploaded on Website / Intranet | 20 | 4 | 4 | 4 | 4 | 4 | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| LED 2 | To improve job creation opportunities | LED 2.1 | Expanded Public Works Programme (EPWP) | Administrative | NA | NA | 250 | 0 | Number of jobs created through the EPWP | 1250 | 250 | 250 | 250 | 250 | 250 | R0.00 | R13,966,000.00 | EPWP Integrated Grant | Office of the Municipal Manager |
| LED 3 | To promote special vulnerable focus groups development | LED 3.1 | Special Programmes | Administrative | NA | 6 | 6 | 0 | Number of special programmes implemented per annum | 20 | 4 | 4 | 4 | 4 | 4 | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| LED 4 | To promotion youth and sport development | LED 4.1 | Youth Development | Administrative | NA | 4 | 4 | 0 | Number of youth development initiatives implemented per annum | 20 | 4 | 4 | 4 | 4 | 4 | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| | | LED 4.2 | Sport Development | Administrative | NA | 3 | 3 | 0 | Number of sport developme | 3 | 3 | 3 | 3 | 3 | 3 | R0.00 | R0.00 | NA | Office of the |

| SO No. | Strategic Objective (SO) | IDP Ref | Project / Programme | Location | | Demand | Baseline | Backlog | Key Performance Indicator | 5 Year Target | Yearly / Annual Targets | | | | | Annual Budget | | | Responsible Department |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Municipality | Ward No. | | | | | | 2022 / 2023 | 2023 / 2024 | 2024 / 2025 | 2025 / 2026 | 2026 / 2027 | CAPEX | OPEX | Funding Source | |
| | | | | | | | | | nt initiatives implemented per annum | | | | | | | | | | Municipal Manager |
| LED 5 | To enhance measures to reduce community exposure to diseases and health risk | LED 5.1 | Environmental Health Services | Administrative | NA | 100% | 100% | 0 | Percentage implementation of legislated environmental health services | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | R0.00 | Economic Development and Environmental Services |
| GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | | | | | | | | | | |
| GG PP 1 | To strengthen good governance | GG PP 1.1 | Council and Council Committees | Administrative | NA | 100% | 100% | 0 | Percentage of functional Council and Council Committees | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | All |
| | | GG PP 1.2 | Policy Development and Review | Administrative | NA | TBC | TBC | TBC | Number of policies developed / reviewed | 125 | 25 | 25 | 25 | 25 | 25 | R0.00 | R0.00 | NA | All |
| | | GG PP 1.3 | Litigation Risk Mitigation / Litigation Management | Administrative | NA | 100% | 100% | 0 | Percentage Compliance to Litigation Risk Reduction Action Plan | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| | | GG PP 1.4 | Internal Audit | Administrative | NA | 100% | 100% | 0 | Percentage implementation of Internal Audit Plan | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| | | GG PP 1.5 | Risk Management | Administrative | NA | 100% | 100% | 0 | Percentage implementation of | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Office of the Municipal Manager |

| SO No. | Strategic Objective (SO) | IDP Ref | Project / Programme | Location: Municipality | Location: Ward No. | Demand | Baseline | Backlog | Key Performance Indicator | 5 Year Target | Yearly / Annual Targets: 2022 / 2023 | 2023 / 2024 | 2024 / 2025 | 2025 / 2026 | 2026 / 2027 | Annual Budget: CAPEX | OPEX | Funding Source | Responsible Department |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Risk Management Policy | | | | | | | | | | |
| GG PP 1 | To strengthen good governance | GG PP 1.6 | Anti-Fraud and Corruption | Administrative | NA | 5 | 5 | 0 | Number of the Anti Fraud and Anti Corruption Strategy reviews conducted | 5 | 1 | 1 | 1 | 1 | 1 | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| | | | | Administrative | NA | 5 | 5 | 0 | Number of Anticorruption and awareness campaigns co-ordinated | 5 | 1 | 1 | 1 | 1 | 1 | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| | | GG PP 1.7 | Inter Governmental Relations | Administrative | NA | 8 | 8 | 0 | Number of IGR structures in place and functional | 8 | 8 | 8 | 8 | 8 | 8 | R0.00 | R0.00 | NA | All |
| | | GG PP 1.8 | Annual Report | Administrative | NA | 5 | 5 | 0 | Number of Annual Reports adopted by 31 March of each year | 5 | 1 | 1 | 1 | 1 | 1 | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| GG PP 2 | To ensure that the communities fully participate in the affairs of the municipality as per the legislative provisions | GG PP 2.1 | Public Participation | Administrative | NA | 100% | 100% | 0 | Percentage public participation strategy and plan implementation | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Office of the Municipal Manager |

| SO No. | Strategic Objective (SO) | IDP Ref | Project / Programme | Location | | Demand | Baseline | Backlog | Key Performance Indicator | 5 Year Target | Yearly / Annual Targets | | | | | Annual Budget | | | Responsible Department |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Municipality | Ward No. | | | | | | 2022 / 2023 | 2023 / 2024 | 2024 / 2025 | 2025 / 2026 | 2026 / 2027 | CAPEX | OPEX | Funding Source | |
| GG PP 3 | To strengthen communication and stakeholder relations | GG PP 3.1 | Customer Relations | Administrative | NA | 100% | 100% | 0 | Percentage implementation of the Integrated Complaints Management System (ICMS) | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| | | GG PP 3.2 | Batho Pele | Administrative | NA | 100% | 100% | 0 | Percentage implementation of the Batho Pele Programme | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| | | GG PP 3.3 | Communications | Administrative | NA | 100% | 100% | 0 | Percentage of implementation of the Communication Strategy | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| **MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT** | | | | | | | | | | | | | | | | | | | |
| MFVM 1 | To ensure effective and efficient budgeting and financial reporting | MFVM 1.1 | Municipal Budget | Administrative | NA | 1 | 1 | 0 | Number of annual budgets adopted by 31 May of each year | 5 | 1 | 1 | 1 | 1 | 1 | R0.00 | R0.00 | NA | Budget and Treasury Office |
| | | MFVM 1.2 | | Administrative | NA | 1 | 1 | 0 | Number of Mid Year performance assessments approved by 25 January of each year | 5 | 1 | 1 | 1 | 1 | 1 | R0.00 | R0.00 | NA | Budget and Treasury Office |

| SO No. | Strategic Objective (SO) | IDP Ref | Project / Programme | Location | | Demand | Baseline | Backlog | Key Performance Indicator | 5 Year Target | Yearly / Annual Targets | | | | | Annual Budget | | | Responsible Department |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Municipality | Ward No. | | | | | | 2022 / 2023 | 2023 / 2024 | 2024 / 2025 | 2025 / 2026 | 2026 / 2027 | CAPEX | OPEX | Funding Source | |
| MFVM 1 | To ensure effective and efficient budgeting and financial reporting | MFVM 1.3 | Municipal Budget | Administrative | NA | 1 | 1 | 0 | Number of budgets adjustments adopted by 28 February of each year | 5 | 1 | 1 | 1 | 1 | 1 | R0.00 | R0.00 | NA | Budget and Treasury Office |
| | | MFVM 1.4 | Annual Financial Statements | Administrative | NA | 1 | 1 | 0 | Number of annual financial statements prepared and submitted to Auditor General by 31 August of each year | 5 | 1 | 1 | 1 | 1 | 1 | R0.00 | R0.00 | NA | Budget and Treasury Office |
| | | MFVM 1.5 | | Administrative | NA | 1 | 1 | 0 | Number of annual consolidated financial statements prepared and submitted to Auditor General by 30 September of each year | 5 | 1 | 1 | 1 | 1 | 1 | R0.00 | R0.00 | NA | Budget and Treasury Office |
| | | MFVM 1.6 | In-Year Financial Reporting | Administrative | NA | 12 | 12 | 0 | Number of in-year financial reports submitted | 60 | 12 | 12 | 12 | 12 | 12 | R0.00 | R0.00 | NA | Budget and Treasury Office |
| MFVM 2 | To improve revenue collection | MFVM 2.1 | Revenue Management Systems (RMS) | Administrative | NA | 100% | 100% | 0 | Percentage implementation of RMS | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Budget and Treasury Office & Water Services |

| SO No. | Strategic Objective (SO) | IDP Ref | Project / Programme | Location | | Demand | Baseline | Backlog | Key Performance Indicator | 5 Year Target | Yearly / Annual Targets | | | | | Annual Budget | | | Responsible Department |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Municipality | Ward No. | | | | | | 2022 / 2023 | 2023 / 2024 | 2024 / 2025 | 2025 / 2026 | 2026 / 2027 | CAPEX | OPEX | Funding Source | |
| MFVM 3 | To optimise expenditure | MFVM 3.1 | Supply Chain Management | Administrative | NA | 100% | 100% | 0 | Percentage implementation of supply chain management policy | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | All |
| | | MFVM 3.2 | Payment of Creditors | Administrative | NA | 100% | 100% | 0 | Percentage Compliance with creditors payment plan | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Budget and Treasury Office |
| | | MFVM 3.3 | Capital Budget Expenditure | Administrative | NA | 100% | 100% | 0 | Percentage expenditure on capital budget | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | All |
| | | MFVM 3.4 | Maintenance Budget Expenditure | Administrative | NA | 100% | 100% | 0 | Percentage expenditure on maintenance budget | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Water Services & Corporate Services |
| MFVM 4 | To optimise asset management | MFVM 4.1 | Asset Register | Administrative | NA | 12 | 12 | 0 | Number of a GRAP compliant asset register updates per annum | 60 | 12 | 12 | 12 | 12 | 12 | R0.00 | R0.00 | NA | Budget and Treasury Office |
| **CROSS CUTTING INTERVENTIONS** | | | | | | | | | | | | | | | | | | | |
| CCI 1 | To promote a healthy, safe, and sustainability environment | CCI 1.1 | Disaster Management | All | All | 100% | 100% | 0 | Percentage implementation of Disaster Risk Management Plan | 100% | 100% | 100% | 100% | 100% | 100% | R0.00 | R0.00 | NA | Corporate Services |

| SO No. | Strategic Objective (SO) | IDP Ref | Project / Programme | Location | | Demand | Baseline | Backlog | Key Performance Indicator | 5 Year Target | Yearly / Annual Targets | | | | | Annual Budget | | | Responsible Department |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Municipality | Ward No. | | | | | | 2022 / 2023 | 2023 / 2024 | 2024 / 2025 | 2025 / 2026 | 2026 / 2027 | CAPEX | OPEX | Funding Source | |
| CCI 1 | To promote a healthy, safe, and sustainability environment | CCI 1.2 | Environmental Management | All | All | 5 | 5 | 0 | Number of environmental management programmes / projects implemented per annum | 25 | 5 | 5 | 5 | 5 | 5 | R0.00 | R0.00 | NA | Economic Development and Environmental Services |
| CCI 2 | Improve Coordination and Planning | CCI 2.1 | Integrated Development Plan (IDP) | Administrative | NA | 30-Jun-27 | 30-Jun-22 | 0 | Date 2027 / 2028 to 2031 / 2032 IDP adopted by Council | 30-Jun-27 | NA | NA | NA | NA | 30-Jun-27 | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| | | | | Administrative | NA | 4 | 4 | 0 | Number 2022 / 2023 to 2026 / 2027 IDP reviews adopted by Council | 4 | 1 | 1 | 1 | 1 | 0 | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| | | CCI 2.2 | Spatial Development Framework (SDF) | Administrative | NA | 30-Jun-27 | 30-Jun 22 | 0 | Date 2027 / 2028 to 2031 / 2032 SDF adopted by Council | 30-Jun-27 | NA | NA | NA | NA | 30-Jun-27 | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| | | | | Administrative | NA | 4 | 4 | 0 | Number of 2017 to 2040 SDF reviews adopted | 4 | 1 | 1 | 1 | 1 | 0 | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| | | CCI 2.3 | Geographic Information Systems (GIS) | Administrative | NA | 100% | 100% | 0 | Percentage implementation of GIS policy | 100% | NA | NA | NA | 100% | 100% | R0.00 | R0.00 | NA | Office of the Municipal Manager |
| | | CCI 2.4 | District Integrated Transport Plan | Administrative | NA | 30-Jun-27 | New | NA | Date District Integrated Transport Plan adopted by Council | 30-Jun-27 | NA | NA | NA | NA | 30-Jun-27 | R0.00 | R0.00 | NA | Office of the Municipal Manager |

# 5 CHAPTER 5: STRATEGIC MAPPING AND SERVICE DELIVERY / IMPLEMENTATION PLAN

This first part of the section indicates the desired growth and development (addressing issues and trends highlighted in the situational analysis Chapter) of the document, and reflects the desired spatial outcomes; land use guidelines; spatial reconstruction of the district; strategic guidance in respect of the location and nature of development within the municipality; Spatial alignment with neighbouring municipalities; Comprehensive Infrastructure Investment (CIF); areas where strategic intervention is required; and areas where priority spending is required. The second part of this section outlines the implementation plans of the sector involvement in the identified programmes and projects that contribute to the district's achievement of development goals as stated in the NDP, PGDS, One Plan, sector plans and IDPs. The involvement is represented in the programmes and projects and responsible departments / institutions. The programs and projects by Government Departments and stakeholders are expressed in the three to five-year financial plan. This list is not detailed but a highlight of the key issues to be addressed by these entities at programme and project level. The relevant institution has provided the information.

## 5.1 Strategic Mapping

Strategic mapping incorporates the Spatial Development Framework into the IDP. The SDF provides a visual representation of the desired spatial form of the municipality and clearly and explicitly indicates desired or undesired utilisation of space across the district in broad terms. The district developed a long-term spatial vision for its areas of jurisdiction which reads:

***"By 2035 Ugu District will be a spatially, socially and economically transformed living environment; its economy and natural resources accessible to all its people through targeted actions to provide better living, social and economic opportunities."***

The vision commits the district to champion economic and social transformation within its key sectors, this includes the delivery of new opportunities closer to major economic centres (e.g. GAP Housing) The attainment of this vision requires the municipality to facilitate the development of a spatial system that promotes social, economic, financial, institutional and environmental sustainability. The district spatial vision aims to achieve the following:

- Transformation of the economy and inclusion of the previously disenfranchised into the mainstream economy.
- Restructuring of the spatial geography through spatial planning and strategically catalytic projects.
- Investments are directed towards nodes in order to strengthen their sustainability and impact.
- Medium to high density settlements are contained within urban edges to reduce the cost of services and optimise capital investments.
- Enhance existing sustainable economic development opportunities.
- Protect and enhance the quality of the environmental assets and harmonise with human development through planning.
- Facilitates non-discriminatory access to a range of services and development opportunities; develops sustainable human settlements where residents can lead enriched, healthy and convenient lives.

<u>**Note:**</u> Map 5.1.1 depicts the districts latest composite SDF.

### 5.1.1 Desired Spatial Form and Land Use

Based on the challenges identified in the situational analysis chapter careful consideration was given to finding a new regeneration strategic direction for the district. This should enable the authorities to meaningfully deal with the above challenges in such a way that it would meet the requirements of national, provincial and local planning policies and at the same time benefit the people of the district. Provision has been made for the establishment of one primary node and four secondary nodes which are intended to house the majority of the future population growth over the next 20 years. These growth centres would need to be structured such that they include opportunities for public-private investment in the agriculture; tourism; commerce; retail, Social and Utility Services; and a range of Housing Options and Densities sectors.

This would allow them to benefit from higher levels of social and utility services and locally based employment opportunities. It is argued in national policies that investment in high density urban areas is more cost effective and sustainable for municipalities than attempting to extend low level services throughout rural areas. Following these policies, the aim in rural settlements is to discourage further growth in housing. This is necessary in order to maintain areas of good agricultural land for cultivation and livestock production as the economic basis of these areas. The emphasis in rural services provision should be to continue with basic service levels in identified rural areas.

A further opportunity in rural areas is the rehabilitation of degraded open space using certain of the state funding mechanisms to create 'green jobs'. Owing to the unique landscape qualities of this area and to certain of its natural and cultural heritage features there is scope for the establishment of different types of tourism routes through the area including landscape, hiking, mountain biking and culture. This in turn would enable involvement of local communities in the guiding and hospitality industry. In the rural areas of the district where the emphasis is on sustaining agriculture and open space, adjustments will also have to be introduced into the traditional system of land allocation and municipal system of land use. This will involve defining limits to settlement expansion and internal sub-division of land. It will also need to involve including controls over use of agricultural land and open space such that it cannot be converted into further housing development.

### 5.1.2 Spatial Reconstruction of the District

The spatial reconstruction of the district follows an understanding of the character of the district in terms of the physical, social and economic environment. This is followed by an understanding of the systems and / or guidelines to be used in bridging the gap between current spatial realities and the spatial objectives of the SDF. Central to the systems and / or guidelines for SDF development are SPLUMA principles and objectives which have been discussed and related guidelines or interventions such as planning having taken into account nodes, corridors and other structuring and restructuring elements.

The first structuring element is the development and reinforcement of a system of varied activity nodes. This will enable greater access to districtwide opportunities, as well as equitable access to a system of local opportunities.

The idea is to ensure that all people within the area live within easy walking distance of a public transport hub which will link to the district's public transport systems. These nodes, depending on their position in the hierarchy, will form points of access to a range of local and in some cases, regional opportunities. Through the focus of development at these points the 'emerging core' will begin to reflect the opportunities that are present in the more developed areas of the district.

**Table 5.3.1:** Activity Nodes

**Source:** Ugu District SDF Review, 2025 / 2026

| Classification | Economic Development | Service Delivery Centre | Administration Centre |
|---|---|---|---|
| **District Development Node** | Economic centre that serves the entire district | Centre for the coordination of bulk infrastructure throughout the district | Seat of the district municipality. Location of provincial and national government districts offices |
| **Municipal Development Node** | Economic Centre that serves the entire municipality | Centre of coordination of delivery of services to the local communities | Seat for the local municipality offices. Location of decentralised government offices. |
| **Community Development Node** | Location of economic activities that serve the surrounding communities | Cluster of public facilities serving the Surrounding communities | |
| **Neighbourhood / Settlement Development Node** | Location of economic activities that serve The surrounding settlements (urban and rural) | Cluster of community facilities serving the surrounding settlements | |

### 5.1.3 Hierarchy of Development Corridors

Corridors link Nodes and important areas of activity within the district and are intended to be key locations for residential intensification. Corridors may form the boundaries of residential subdivisions or neighbourhoods but should act as a linear focus for activities and uses within the community.

The District's Corridors provide a significant opportunity for creating vibrant pedestrian and transit- oriented places through in-vestment in hard and soft infrastructure, residential intensification, infill and re-development. The concept of spatial development requires an understanding of the movement networks of people, goods and services which are channelled along specific routes. These routes are described as networks of interaction. The level and intensity of activity that these networks of interaction provide result in the concept of "Development Corridors" which are broad areas of development which are centred on activity and development routes.

They are characterised by dynamic, mutually supporting relationships between land uses and the supporting movement system. These development corridors are generally supported by a hierarchy of transport services which function as an integrated system to facilitate and foster ease of movement for private and public transport users. A key element of corridor development is intensification. A large portion of the district's land use intensification target is directed to Nodes and Corridors. In older Corridors, intensification stabilizes and grows the population, helping to support local businesses, institutions and community facilities such as community centres, parks and schools, and returning vitality to these areas. In new or developing corridors, intensification, supported by transit, provides a diversity of housing types and living environments that reduce the dependency on automobiles, creating liveable environments.

The SDF recognized Corridors as key structural elements which for municipal, neighbourhood and precinct planning; however, some corridors function as an integral part of a much broader environment with a national, provincial and district wide impact (N2). Therefore, a central element of corridor planning will be to identify the unique role played by each corridor and ensure that proper planning co-ordination and guidance is provided for each of the corridors identified, whilst embracing the general ethos of corridor development planning.

Development corridors in the district occur at various scales and are dependent on function and categorisation of the transportation route that forms the basis of the corridor. They carry flows of people and trade between two points (origin and destination) and foster nodal development at strategic points. Corridor development forms the basis of spatial structuring, and is a tool for economic growth, seeks to create functional linkages between areas of higher thresholds and economic potential, with those that have insufficient thresholds. This, in turn, enables areas that are poorly serviced, to be linked to areas of opportunity and benefit and with higher thresholds. Based on this, the primary; secondary; tertiary; and tourism corridors have been identified.

### 5.1.4 Land Use Management Guidelines

Since it is the responsibility of the local municipality to manage and control local development it is its responsibility to establish an appropriate land use management system. The land use management framework at the district level is expected to ensure that local systems are based on a common district-wide approach, that the appropriately address issues of district-wide significance and that they connect to each other across local municipality boundaries.

### 5.1.5 Spatial Alignment with Neighbouring Municipalities

Spatial planning assists Municipalities and other authorities to guide their development planning processes; it is a continuous process in the physical space that would almost have no end, however for the SDF the Municipal boundary is the indicative point in which the SDF must normally conclude its business. It must be noted however, that Municipal boundaries are mainly for administrative reasons and in the perfect world such boundaries would not really affect the spatial planning process. Communities and the physical environment should not be impacted negatively by administrative boundaries, especially in the case of the delivery of basic services. Communities should not be affected by Municipal boundaries in the manner and type of services they receive from the government, the government ultimately has one face and should present itself as such in its various plans.

Cross boarder Municipal Planning is important in order to co-ordinate service delivery to communities which are affected by cross boarder planning, institutional structures should be put in place to ensure that Municipalities plan together for affected areas, evidence has shown that such areas can be subject to Municipal boundary alignments, making them fall under one Municipal area or dividing them to fall within two Municipal area, hence the importance of tangible spatial plans that go beyond administrative and political boundaries.

### 5.1.6 Cross-Border Development Implications – Service Delivery

eThekwini Municipality: Areas which would be affected by cross boarder planning between Ugu and eThekwini would be at the Boundary of eThekwini and Umdoni Municipality namely:

- Amahlongwa Traditional Settlement across the N2 inland, the settlement is connected through the R197 which traverses both Umdoni (Ugu) and eThekwini as an inland route parallel to the N2 from Amahlongwa to Umkomaaz (a portion of Amahlongwa falls within eThekwini Municipality).
- Freeland Park, which is small high-end suburban area located along the coast.
- Renishaw Hills Development, a newly developed high-end development inland of the N2 and a small sugar cane agricultural strip between Freeland Park (Umdoni-Ugu) and Umkomaas (eThekwini).

Table 5.1.5.1 reflects the service delivery projects are currently being implemented in the affected area.

**Table 5.1.5.1:** eThekwini and Umdoni Cross-Border Projects

**Source:** Ugu District SDF Review, 2025 / 2026

| Project name | Implementing Municipality | Stage | Budget |
|---|---|---|---|
| **Lower Umkomaaz bulk water supply schem** | eThekwini | Detailed planning | R2,8bn |
| **Amahlongwa Rural Water and Sanitation Project** | eThekwini | Future project | TBC |
| **Amahlongwa Rural Housing Phase 2** | Umdoni | Under construction | TBC |
| **Amahlongwa Rural Housing Phase 3** | Umdoni | Land acquisition | TBC |
| **Malangeni Rural Housing Projects Phase 2 (1000 units)** | Umdoni | Under construction | TBC |

eThekwini Municipality has planned for water provision in and around the areas earmarked for cross border planning, the Amahlongwa areas in particular as there it will benefit from both the Lower Umkomaas bulk water supply scheme and the Amahlongwa Rural Water and Sanitation. On the other hand, Umdoni Municipality has planned for housing delivery within the Amahlongwa, with its Municipal boundaries, Ugu, Umdoni and eThekwini Municipalities, through a mutually accepted arrangement must engage on cross broader alignment issues and these should not be limited to service delivery projects but around the future of the strip between Umdoni and eThekwini and how it can be co-ordinated for the betterment of residents of both Municipalities.

Among the housing projects in this part of the Umdoni Municipality is the Amandawe Rural Housing Project, of which 1000 units have been completed, as well as the Malangeni Phase 1 and 2 Housing Projects, the latter of which us still under construction. It proposed that planning be put in place for the provision of water services from the people of Amahlongwa area, this is meant to expedite service delivery and to avoid any potential conflict that may arise from certain sections of Amahlogwa getting water whilst other sections are still without sufficient water supply. Harry Gwala District Municipality:

Main linkages between the Ugu DM and Harry Gwala DM are through the P68 regional road, P73 and R612 provincial roads and N2 national freeway, where the boundaries of both Districts interface there are the settlement areas of Mnqumeni, Phungashe, Nhlalwane, Hlokozi, Hlutakungu, Kenterton and Sangwaba, these are mainly rural settlement clusters located across the boundaries of both Districts, Table 5.1.5.2 reflects some notable service delivery project within the identified areas.

**Table 5.1.5.2:** Ubuhlebezwe and Umzumbe Cross-Border Projects
**Source:** Ugu District SDF Review, 2025 / 2026

| Project name | Implementing Municipality | Stage | Budget |
|---|---|---|---|
| **Mnqumeni (Santombe) Water Supply Project Phase 3** | Harry Gwala District | Completed 150Kl and 100Kl reservoirs, 16km water reticulation pipeline | R662, 000,000.00 |
| **Hlokozi Water project phase 4** | Harry Gwala District | 520 households have access to water | R13 400 000.00 |
| **Gaybrook Water Supply** | Harry Gwala District | Under construction | R20 076 520.00 |
| **Highflats Bulk Water Supply** | Harry Gwala District | | R10 000 000.00 |
| **Highflats Slums Clearance** | Harry Gwala District | Land legal and bulk services issues | |
| **Sangcwaba Operation Sukuma** | Harry Gwala District | IA did not accept the contract; the Department is in a process to reallocate to UFCC/ABT. | R3 158 379.73 |

Harry Gwala, Ugu and its Municipalities, through a mutually accepted arrangement must engage on cross broader alignment issues and these should not be limited to service delivery projects but around the future of the strip between Umdoni and eThekwini and how it can be co-ordinated for the betterment of residents of both Municipalities.

Umgungundlovu Municipality: Umgungundlovu and Ugu DM are bordered via UMkhambathini Municipality, and a portion thereof links with Umdoni. For the most part, the land uses bordering these municipalities are rural settlements and subsistence farming, thus making the development uniform along the borders. There are, however, environmentally sensitive areas which have been identified in both municipalities' SDFs as protected/conservation areas. The following areas are affected by cross broader service delivery: Odidini, Ezimini, Mdumezulu and kaMpuco, Table 5.1.5.3 reflects some of the service delivery projects identified in the affected areas.

**Table 5.1.5.3:** uMkhambathini and Umdoni Cross-Bored Projects
**Source:** Ugu District SDF Review, 2025 / 2026

| Project name | Implementing Municipality | Stage | Budget |
|---|---|---|---|
| **Mdumezuku bulk water supply scheme** | Umgungundlovu District | Detailed Planning | R2,8bn |
| **KwaMpuco Rural Housing Project** | Mkhambathini | Future project | TBC |

Umgungundlovu, Ugu and its Municipalities, through a mutually accepted arrangement must engage on cross broader alignment issues and these should not be limited to service delivery projects but around the future of the strip between Umdoni and eThekwini and how it can be co-ordinated for the betterment of residents of both Municipalities. Alfred Nzo District Municipality: Both district municipalities have identified their bordering areas as environmentally protected areas with Critical

Biodiversity Areas which are irreplaceable, the integral linkage between Umuziwabantu LM and Mbizana LM is the P59 provincial road whilst The R61 which links connects into the upper areas of the Ray Nkonyeni Municipality. Table 5.1.5.4 reflects areas are important for cross boarder planning between the two districts: Port Edward, rural settlements Across the N2 and Umtamvuna in Alfred Nzo DM, Rennies Beach, and Wild Coast tourism development area.

**Table 5.1.5.4:** Ray Nkonyeni and Winnie Madikizela Mandela Cross-Border Projects

**Source:** Ugu District SDF Review, 2025 / 2026

| Project name | Implementing Municipality | Stage | Budget |
|---|---|---|---|
| **Upgrade of the N2** | SANRAL | Construction | |
| **Proposed Port Edward Interchange** | SANRAL | Detailed Planning and community consultation | |
| **Cross-Border Tourism Initiative between Port Edward business and the broader "Wild Coast"** | Port Edward Business Persons | Future project | TBD |

#### 5.1.6.1 Implications of Cross-Border Characteristics

Settlements located along cross border areas are mainly rural settlements, agricultural areas and environmental sensitive areas. For the most part, the district and local Municipal SDF's identify these areas as "rural settlements and/or environmentally sensitive areas. These areas are notably the most which have service delivery gaps in terms of water, sanitation, human settlements and other infrastructure and social and economic services. Their access to economic opportunities is also very limited and this is clearly because of their location.

Municipalities are implementing various projects which affect areas along their boarders (water, human settlements, sanitation etc.), but there is little emphasis on cross boarder planning which may result in conflict among communities in these areas, there are instances where one Municipality is planning water provision in a cross-border area, whilst the other Municipality is implementing a housing project. Ideally these two projects should be planned to be aligned and communicated with the community in partnership. The same principle should apply for all government projects implemented in cross boarder communities; this will require institutional structure to be put in place for cross planning between Municipalities and province.

### 5.1.7 Capital Investment Framework (CIF)

Capital Investment Framework (CIF) is a legal requirement in terms of the Municipal Systems Act Regulations S2 (4)(e). It plays a key role in the economic growth, social development and environmental well-being of any municipality. The CIF is a very important component of the Spatial Development Framework (SDF). It is a sound step towards a more systematic approach to infrastructure planning and coordination.

The objectives of the Capital Investment Framework include provision of practical and appropriate alignment regarding capital investment, to strive to ensure appropriate budget - IDP linkages, to link capital projects with potential sources of funding, and to ensure that there are staff and services providers to deliver on projects that are funded. The key goals of this component are as follows:

- Spatial budgeting – which involves mapping of the capital infrastructure projects that are approved by the IDP. This assists to determine whether the development trajectory that is advocated by the IDP is in harmony with the spatial development vision that is suggested by the SDF;
- Intensify spatial objectives with infrastructure proposals – the SDF identifies a number of spatial development proposals for further economic development and investments within the area but these proposals will be meaningless if the supporting infrastructure has not been planned for in tandem with the overall SDF. The CIF provides an opportunity to relook at these proposals in line with infrastructure requirements;
- Comparison of areas of greatest needs and where services or infrastructure proposals are directed to – this is intended to establish if the areas that encounters backlogs are receiving attention to address that. There are areas within the municipal area which suffers from historical and institutional neglect from benefiting from services. It is the role of a developmental government to be pro-active at developing these areas. This is part of the reconstruction and developmental mandate.

The normative aims and objectives are:

- To inform public and private sector investment decision-making.
- To influence municipal capital infrastructure project allocation.
- To serve as a strategic infrastructure guide for economic infrastructure priority areas.
- To map out all service delivery priority areas.
- To identify all major infrastructure priority areas including the projects currently underway.
- To determine if spatial proposal can be resourced by sufficient infrastructure resources.
- To integrate Capital Investment Framework with the IDP
- The framework aligns future capital spending with settlement hierarchy (nodes) and corridors, not just mapping of municipal and Sector Department projects and Tables of sector department or municipal expenditure. It maps out longer- term projects and programmes Municipal Sector Plan projects (up to 20 years).

### 5.1.8 Capital Expenditure Framework (CEF)

The South African local government association describes the capital expenditure framework as a consolidated high-level view of infrastructure investment needs in municipalities over a long-term period (20 years). The framework seeks to provide context for performance measurement against development objectives and outcomes. Engagements with stake holders will be guided by evidence- based planning. The framework's approach to implementation is as follows:

- Identify Infrastructure owned by the district,

- What the district aims to do with the infrastructure over a 10 t 20 a year period,
- What type of infrastructure the municipality requires, and
- The financial implications.

### 5.1.9 Areas Requiring Strategic Intervention

With respect to areas requiring strategic intervention, areas where development intensity should be increased or decreased has been identified.

#### 5.1.9.1 Areas where Development Intensity Should Increase

The following proposal is made in terms of direction for future growth:

- Outward expansion of the nodes. This should involves linking the existing nodes through activity or mobility route in a manner that promotes infill and interface development. This should be prioritized for District, Municipal and Community Development Nodes; and
- The existing nodes are still low in terms of densification. Inward densification could be encouraged within the District and Municipal Development Nodes. However, this should be supported provided that there is sufficient infrastructure capacity to warrant it.

#### 5.1.9.2 Areas Where Development Intensity Should Decrease

The following proposal is made in terms of direction for future growth:

- Some of the nodes on the northern part of the municipality are surrounded by agricultural land. Expansion of these nodes to high potential agricultural land would be undesirable.
- Expansion of the nodes to environmentally sensitive areas is prohibited. This includes expansion to KZN CBA Irreplaceable zones and KZN ESA zones.

### 5.1.10 Catalytic Projects

The One Plan, Eastern Seaboard RSDF and the district's SDF has identified catalytic projects for the district for the purpose of achieving growth and development as well as supporting the proposed spatial structure and areas in need of intervention. The district adopted the DDM regulations and PGDS definition of a "catalytic project" which defines it as a multi-year IGR and projects of high budget value and impact as set out in existing budgetary and fiscal frameworks whilst the DGDS defines it as a project of significant scale (i.e., its reach) and scope (i.e., impact on employment, services, economic and social investment, and/or rates), thereby displaying some or all of the following characteristics:

- It makes a substantial impact;
- It provides leverage and/or creates multiplier effects;
- It has the power to radically activate development (social, economic or both);
- It significantly impacts spatial form;
- It creates jobs, and increase land value; and
- Contributes to the achievement of the vision and goals of the district.

The catalytic projects are categorised into three main categories which are namely, Major Needs (Major Projects), Major Enablers and Game Changers.

Major needs (Major Projects) apply to projects that are meant to address wide-scale regional needs which may include, human settlements, higher education facilities, health facilities, business incubation, skills centres, small town rehabilitation and urban renewal. There is a total of four (4) major projects within the district's area of jurisdiction which add up to an estimated total investment value of more than R 15 billion. The major needs (major projects) within the district's area of jurisdiction are captured in Table 5.10.1 and depicted in Map 5.10.1.

**Table 5.10.1.** Catalytic Projects - Major Needs (Major Projects)

| No. | Project Name | Project Status | Budget |
|---|---|---|---|
| 1 | **Renishaw Property Development** | Stage 5: Works | R10,000,000,000.00 |
| 2 | **Umdoni Point Property Development** | Stage 5: Works | R5,000,000,000.00 |
| 3 | **Harding Integrated Residential Development Project** | Stage 3: Design Development | R4,689,993.00 |
| 4 | **Harding Private Hospital** | Stage 3: Design Development | R154,689,993.00 |
| **Total** | | | **R15,159,379,986.00** |

Major enablers apply to projects that will unlock down stream infrastructure services which may include, road upgrade, freight rail upgrades, pipeline infrastructure, ICT infrastructure, energy upgrades, dam development, water infrastructure, sanitation infrastructure and intermodal facilities. There is a total of 24 major enablers projects within the district's area of jurisdiction which add up to an estimated total investment value of more than R 27 billion. A huge percentage of the major enablers projects are the water infrastructure related. The major enablers within the district's area of jurisdiction are captured in Table 5.10.2 and depicted in Map 5.10.2.

**Table 5.10.2.** Catalytic Projects - Major Enablers

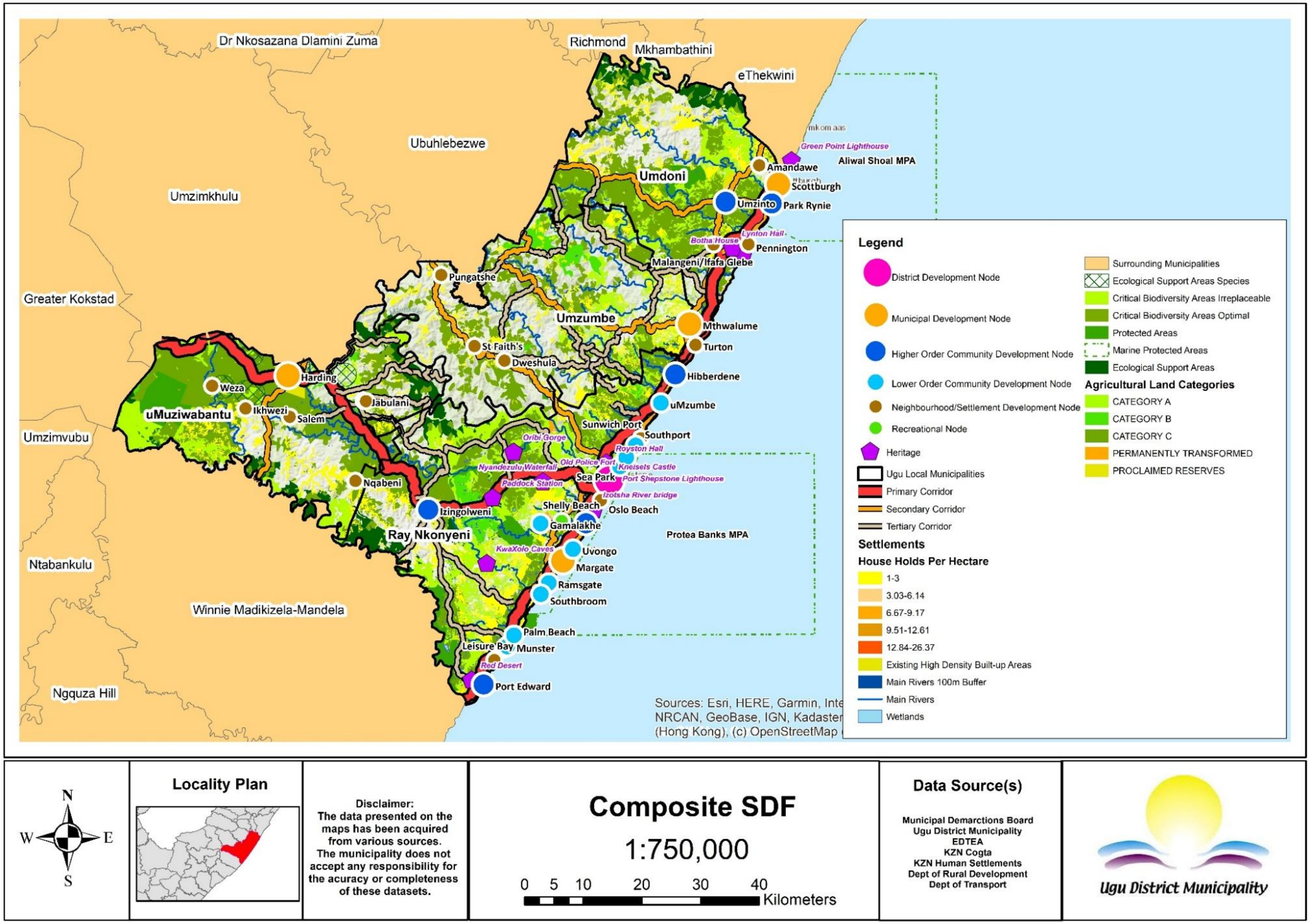
| No. | Project Name | Project Status | Budget |
|---|---|---|---|
| 1 | **Smart Circular Economy Waste Management** | Stage 1: Initiation | R0.00 |
| 2 | **Rehabilitation and Development of Railway Lines** | Stage 1: Initiation | R0.00 |
| 3 | **Renewable Energy** | Stage 1: Initiation | R0.00 |
| 4 | **Smart Connectivity Broadband and Connectivity Roll Out** | Stage 1: Initiation | R0.00 |
| 5 | **Upgrade of Umbango Waste Water Treatment Works** | Stage 4: Design documentation | R7,717,584.00 |
| 6 | **Upgrade of Melville Waste Water Treatment Works** | Stage 4: Design documentation | R3,684,415.97 |
| 7 | **Lovu Raw Water Augmentation Pipeline** | Stage 7: Close Project | R73,182,309.22 |
| 8 | **St Michaels to Margate Promenade** | Stage 4: Design documentation | R91,000,000.00 |
| 9 | **Port Shepstone Beachfront Redevelopment** | Stage 4: Design documentation | R180,000,000.00 |
| 10 | **Bulk Water Infrastructure uMthamvuma Upgrade** | Stage 3: Design Development | R332,322,712.00 |
| 11 | **Waterborne Upgrade Margate Waterborne Sanitation Upgrade** | Stage 4: Design documentation | R109,482,118.00 |
| 12 | **Waterborne Upgrade Uvongo Waterborne Sanitation Upgrade** | Stage 4: Design documentation | R0.00 |
| 13 | **Bulk Water Infrastructure St Helens Rock Upgrade & Umzimkhulu permanent berm** | Stage 4: Design documentation | R14,490,941.00 |
| 14 | **South Coast Pipeline 2b- Kelso to Malangeni** | Stage 5: Works | R216,095,400.77 |
| 15 | **South Coast Pipeline Phase 3** | Stage 2: Concept | R794,144,161.00 |
| 16 | **Scottburgh beachfront development** | Stage 3: Design Development | R20,000,000.00 |
| 17 | **Upgrade of Main Road P77 (Km 0.00-Km 42.129)** | Stage 5: Works | R944,700,000.00 |
| 18 | **uMkhomazi Water Project** | Stage 2: Concept | R23,000,000,000.00 |
| 19 | **Bulk Water Infrastructure Harding-Weza Bulk Regional Scheme** | Stage 3: Design Development | R1,051,088,848.00 |
| 20 | **Kokstad Interchange** | Stage 5: Works | R600,000,000.00 |
| 21 | **Umuziwabantu Solar Farm** | Stage 2: Concept | R25,000,000.00 |
| 22 | **Upgrade of P59 into blacktop (Harding to Bizana)** | Stage 3: Design Development | R280,000,000.00 |
| 23 | **Mnafu N2 Interchange** | Stage 2: Concept | R90,000,000.00 |
| 24 | **ICT Incubation Hub in Umzumbe Municipality** | Planning Phase | R10,000,000.00 |
| **Total** | | | **R27,842,908,489.96** |

Game changers apply to projects that will structurally change the economy which may include, universities, airport development, port development, mining licenses, refinery, industrial development zones / special economic zones, flagship integrated human settlement, technology hubs, industrial hubs, agrizone / agriparks and new nodal development. A total of 16 game changer catalytic projects have been identified within the district's area of jurisdiction with a total estimated investment of over R 10 billion. The game changer catalytic projects within the district's area of jurisdiction are captured in Table 5.10.3.

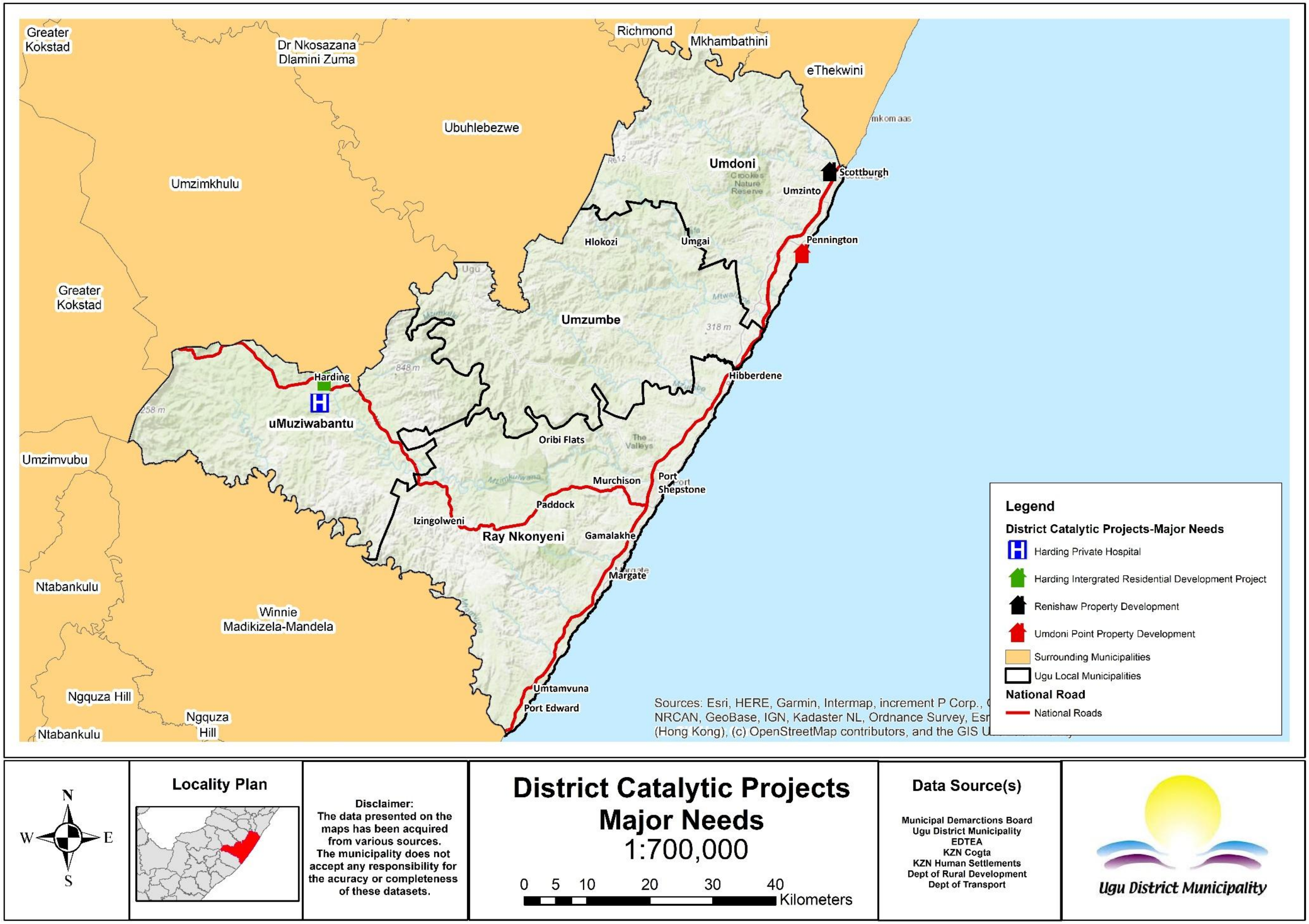
Collectively, the district has a total number of 44 catalytic projects with a total estimated value of over R 53 billion. In terms of the progress of the catalytic projects, a large number of them are between stage 1 to 3 which is initiation, concept and design. Funding availability plays a fundamental role in the speedily implementation of these projects. Funding application for the implementation of the projects have been submitted to various stakeholders. Furthermore, different platforms have been put in place address bottlenecks other than funding that are delaying the implementation of these projects at a district, provincial and national levels.

**Table 5.10.3.** Catalytic Projects – Game Changers

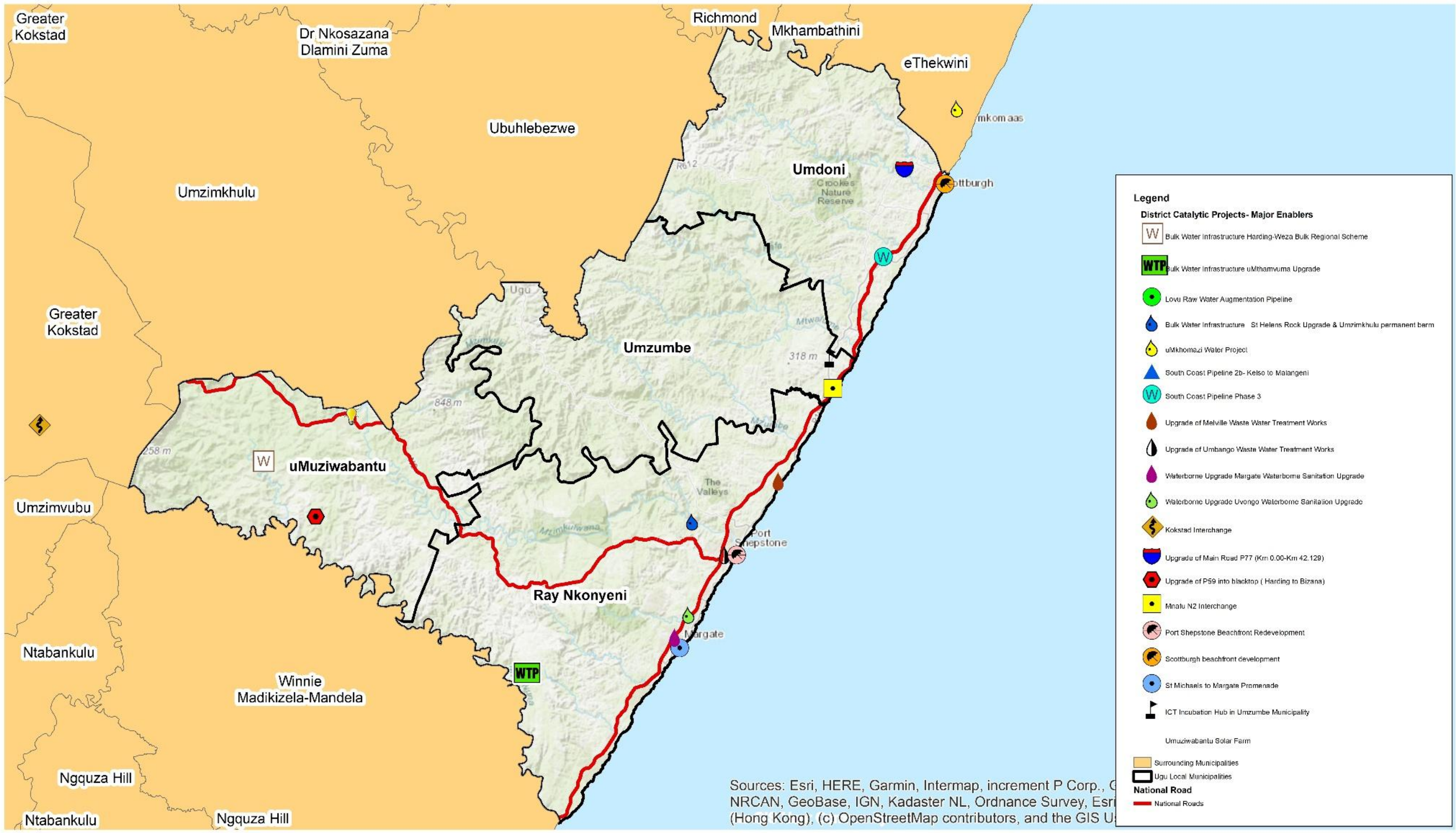
| No. | Project Name | Project Status | Budget |
|---|---|---|---|
| 1 | **Industrial Parks Revitalisation and Development** | Stage 1: Initiation | R0.00 |
| 2 | **Margate Airport Upgrade** | Stage 5: Works | R285,000,000.00 |
| 3 | **Port Shepstone Technology Hub (Internal Infrastructure)** | Stage 5: Works | R61,000,000.00 |
| 4 | **Port Shepstone Technology Hub (Innovation Centre)** | Stage 5: Works | R55,000,000.00 |
| 5 | **RNM (Hibberdene, Port Shepstone & Port Edward) Small Craft Harbours** | Stage 2: Concept | R1,041,000,000.00 |
| 6 | **Port Shepstone Government Complex** | Stage 1: Initiation | R500,000,000.00 |
| 7 | **South Coast Regional Conferencing** | Stage 2: Concept | R150,000,000.00 |
| 8 | **Ifafa Industrial Park** | Stage 1: Initiation | R120,000,000.00 |
| 9 | **Scottburgh Aeropark Development** | Stage 1: Initiation | R0.00 |
| 10 | **Park Rynie Industrial Strip** | Stage 1: Initiation | R0.00 |
| 11 | **Hibiscus Coast Marine Route** | Planning Phase | R8,000,000,000.00 |
| 12 | **Turton Beach Development** | Stage 3: Design Development | R60,000,000.00 |
| 13 | **Turton Town Development** | Framework with Implementation Plan Completed | R100,000,000.00 |
| 14 | **Harding New Town Development** | Stage 1: Initiation | R45,000,000.00 |
| 15 | **Umzumbe Industrial Park** | Feasibility study Stage | R150,000,000.00 |
| 16 | **Development of ST Faiths Mixed Use Precinct** | Feasibility study Stage | R200,000,000.00 |
| **Total** | | | **R10,767,000,000.00** |




**Map 5.1.1:** Composite SDF
**Source:** UGU GIS, 2025




**Map 5.10.1:** Catalytic Projects – Major Needs (Major Projects)
**Source:** UGU GIS, 2025

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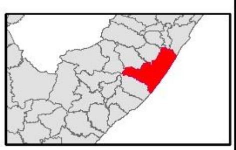
**Locality Plan**



**Disclaimer:**
The data presented on the maps has been acquired from various sources. The municipality does not accept any responsibility for the acuracy or completeness of these datasets.

# District Catalytic Projects Major Enablers

1:700,000

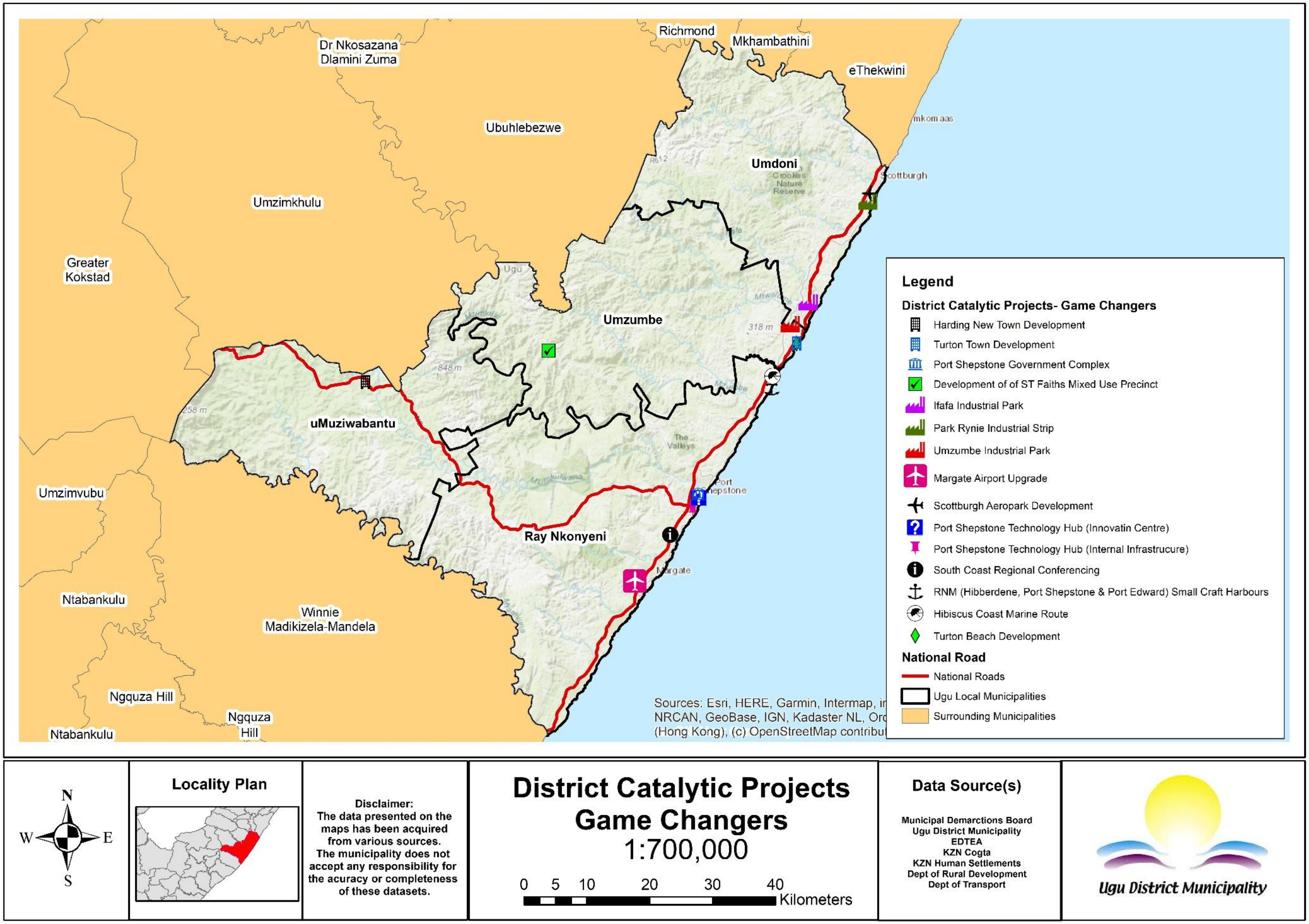
0 5 10 20 30 40 Kilometers

**Data Source(s)**

Municipal Demarctions Board
Ugu District Municipality
EDTEA
KZN Cogta
KZN Human Settlements
Dept of Rural Development
Dept of Transport

Ugu District Municipality

**Map 5.10.2:** Catalytic Projects – Major Enablers
**Source:** UGU GIS, 2025




**Map 5.10.2:** Catalytic Projects – Major Enablers
**Source:** UGU GIS, 2025

## 5.2 Service Delivery Implementation Plan

Section 2(1)(b) to 2(1)(D) of the 2001 Municipal Planning and Performance Management Regulations requires the IDP to identify any investment and development initiatives in the municipality including infrastructure, physical, social, economic and institutional development as well as all known projects, plans and programs to be implemented within the municipality by any organ of state.

The national government through the annual Division of Revenue Act (DORA) conditional grants to provinces and municipalities through which service delivery programmes and projects are funded. These conditional grants fund the largest proportion of service delivery and infrastructural development in the district. The other proportion of service delivery and infrastructural development is funded through municipalities' own generated revenue.

This implementation plan focuses on strategic projects and programes and not operational activities of respective different spheres of government. The projects and programs are categorised into the five (5) national key performance areas as well as the additional Cross Cutting Intervention KZN key performance area.

### 5.2.1 Funding of the Service Delivery Implementation Plan

An amount of about **R 4 609 518 000.00** has been allocated to municipalities including indirect or in-kind allocations to entities executing specific projects in municipalities through various conditional grants in the current IDP cycle which commenced 01st of July 2022 and shall effectively come to an end on the 30th of June 2027. The infrastructure conditional grants proportion of the total conditional grants is 98% with economic development being 2%.

#### 5.2.1.1 Infrastructure Conditional Grants

An amount of about **R 4 534 083 000.00** has been allocated to municipalities including indirect or in-kind allocations to entities executing specific projects in municipalities through various infrastructure grants in the current IDP cycle which commenced 01st of July 2022 and shall effectively come to an end on the 30th of June 2027.

Table 5.2.1.1 reflects the national transfers for infrastructure projects which amount to R 3 898 678 000.00 for the district with a total of R 729 743 000.00 being allocated for the 2026 / 2027 financial year review cycle. Table 5.2.1.2 on the other hand reflects provincial transfers for infrastructure projects which amount to R 635 405 000.00 for the district with a total of R 82 930 000.00 being allocated for this 2026 / 2027 financial year review. The various infrastructure grants allocated by both the national and provincial governments that are applicable to the district are summarised hereunder.

##### 5.2.1.1.1 Municipal Infrastructure

This grant is administered by the National Department of Cooperative Governance, and it supports government's aim to expand service delivery and alleviate poverty. The grant funds the provision of infrastructure for basic services, roads and social infrastructure for poor households in all non-metropolitan municipalities. The grant funds the following infrastructure:

- basic residential infrastructure for the poor for water, sanitation, roads and stormwater, solid waste management, street lighting and community facilities;

- new or upgrading of municipal bulk infrastructure to support existing areas, the formalisation of informal settlements and to support economic development;
- renewal of eligible infrastructure servicing the poor subject;
- renewal and refurbishment of water and sanitation, roads infrastructure, solid waste management infrastructure mainly servicing the poor; and
- specialised waste management vehicles servicing the poor.

A total value of R1 883 464 000.00 has been allocated to date over the current IDP cycle which is the largest (48.31%). A massive 39.62% decrease in the allocation is notable in the 2024 / 2025 financial year as well as 29.41% increase in the 2025 / 2026 allocation. The district and its family of municipalities received the grant.

#### 5.2.1.1.2 Integrated Urban Development

This grant is administered by the National Department of Cooperative Governance and is allocated to selected urban local municipalities in place of the municipal infrastructure grant. It is intended to support spatially aligned public infrastructure investment that will lead to functional and efficient urban spaces, as well as enable and incentivise municipalities to invest more non-grant funding in infrastructure projects in intermediate cities. The grant can be spent on the following:

- basic residential infrastructure for the poor for water, sanitation, roads, waste management, street lighting, community facilities as well as associated municipal bulk and connector infrastructure;
- new infrastructure, upgrading existing infrastructure or renewing existing infrastructure;
- maintenance of roads infrastructure mainly serving the poor;
- specialised waste management vehicles servicing the poor; and
- undertaking specified planning and programme management activities.

A total value of R 441 041 000.00 has been allocated to date over the current IDP cycle with the Ray Nkonyeni Local Municipality being the only recipient of this grant within the district.

#### 5.2.1.1.3 Informal Settlements Upgrading Partnership

This grant is administered by the National Department of Human Settlements. Informal settlements upgrading is an inclusive process through which informal residential areas are incrementally improved, formalised and incorporated into the city or neighbourhood by extending land tenure security, infrastructure and services to residents of informal settlements.

A total value of R 13572 000.00 has been allocated to date over the current IDP cycle with the Ray Nkonyeni Local Municipality being the only recipient of this grant within the district.

#### 5.2.1.1.4 Neighbourhood Development Partnership

This grant is administered by National Treasury and supports municipalities in developing and implementing urban network plans though funding the upgrading of identified precincts to stimulate third-party public and private investment. A total value of R 130 199 000.00 with a further R 6 000 000.00 for technical assistance has been allocated to date over the current IDP cycle with the Ray Nkonyeni Local Municipality being the only recipient of this grant within the district.

#### 5.2.1.1.5 Water Services Infrastructure

This grant is administered by the National Department of Water and Sanitation and aims to accelerate the delivery of clean water and sanitation facilities to communities that do not have access to basic water services through funding various projects, including the construction of new infrastructure and the refurbishment and extension of existing water schemes.

This is the third largest conditional grant allocation in the district with total value of R 549 000 000.00 having been allocated to the district for the current IDP cycle with the District Municipality being the only recipient of this grant within the district.

#### 5.2.1.1.6 Regional Bulk Infrastructure

This grant is administered by the National Department of Water and Sanitation and supplements the financing of the social component of regional bulk water and sanitation infrastructure through funding the bulk infrastructure needed to provide reticulated water and sanitation services to individual households. There are currently no funds that are allocated to the district for the current IDP cycle.

#### 5.2.1.1.7 Integrated National Electrification Programme

These grants are administered by the National Department of Electricity and Energy, and aim to provide capital subsidies to municipalities to provide electricity to poor households and fund bulk infrastructure to ensure a constant supply of electricity.

This is the second largest conditional grant allocation in the district with total value of R 605 002 000.00 having been allocated to the district for the current IDP cycle with R 125 907 000.00 transferred directly to the local municipalities and R 479 095 000.00 to ESKOM.

#### 5.2.1.1.8 Energy Efficiency and Demand-Side Management

This grant funds implementation of projects with a focus on public lighting and energy-efficient municipal infrastructure. A total value of R 18500 000.00 has been allocated to date over the current IDP cycle with the Ray Nkonyeni Local Municipality being the only recipient of this grant within the district.

#### 5.2.1.1.9 Rural Roads Asset Management Systems

This grant is administered by the National Department of Transport and funds the collection of data on the condition and usage of rural roads in line with the Road Infrastructure Strategic Framework for South Africa.

A total value of R 15 065 000.00 has been allocated to date over the current IDP cycle with the District Municipality being the only recipient of this grant within the district.

#### 5.2.1.1.10 Municipal Disaster Recovery

This grant is administered by the National Department of Cooperative Governance and funds the repair of damaged municipal basic service infrastructure after the initial response to a disaster has been addressed. A total value of R 250 407 000.00 has been allocated to the district over the current IDP cycle. The district and its family of municipalities except for Umdoni Local Municipality, have received the grant over the current IDP cycle.

#### 5.2.1.1.11 Human Settlements Development

This grant is administered by the National Department of Human Settlements and provides funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements.

This grant is the largest proportion of Provincial Conditional with a total value of R 596 093 000.00 (93.81%) having been allocated to the district over the current IDP cycle. All the local municipalities have received the grant over the current IDP cycle.

#### 5.2.1.1.12 Sport and Recreation Infrastructure

This grant is administered by Department of Sport, Arts and Culture, and funds new / renovated / upgraded / resourced community / school and recreation facilities. A total value of R 5 940 000.00 has been allocated to date over the current IDP cycle with the Umzumbe Local Municipality being the only recipient of this grant within the district.

#### 5.2.1.1.13 Airports

The Airports Conditional Grant is administered by the Department of Economic Development, Tourism and Environmental Affairs and a total value of R 7 500 000.00 was allocated to the Ray Nkonyeni Local Municipality for the Margate Airport.

#### 5.2.1.1.14 Corridor Development

This grant is administered by the KZN Department of Co-operative Governance and Traditional Affairs, and a total value of R 4 600 000.00 was allocated to Umuziwabantu Local Municipality. The main purpose of the grant is to stimulate economic activities within identified corridors and to Create environment for private sector investment.

#### 5.2.1.1.15 Small Town Rehabilitation Programme

This grant is administered by the KZN Department of Co-operative Governance and Traditional Affairs, and a total value of R 7 700 000.00 was allocated to Umdoni Local Municipality. The purpose of the grant is to support small and rural municipalities with the rehabilitation of small towns as local centres of economic activity and nodes of concentrated and focused delivery of services.

**Table 5.2.1.1.1:** Basic Service Delivery Infrastructure Development National Government Grants

| No. | Grant | 2022 / 23 (R'000) | 2023 / 2024 (R'000) | 2024 / 25 (R'000) | 2025 / 26 (R'000) | 2026 / 27 (R'000) | Total | % Share of the Total |
|---|---|---|---|---|---|---|---|---|
| 1 | Integrated Urban Development Grant | 81 360 | 88 848 | 86 218 | 89 404 | 95 211 | **441 041** | 11.31 |
| 2 | Municipal Disaster Response Grant | 9 000 | 241 407 | 0 | 0 | 0 | **250 407** | 6.42 |
| 3 | Municipal Infrastructure Grant (MIG) | 386 720 | 401 753 | 287 743 | 407 608 | 399 640 | **1 883 464** | 48.31 |
| 4 | Energy Efficiency and Demand-Side Management Grant | 5 000 | 0 | 8 500 | 5 000 | 0 | **18 500** | 0.47 |
| 5 | Integrated National Electrification Programme Municipal Grant (INEP) | 37 945 | 29 415 | 24 605 | 18 926 | 15 016 | **125 907** | 3.23 |
| 6 | Integrated National Electrification Programme Eskom Grant (INEP) | 128 508 | 156 680 | 37 205 | 79 373 | 77 329 | **479 095** | 12.29 |
| 7 | Neighbourhood Development Partnership Grant | 46 000 | 19 000 | 40 000 | 14 900 | 10 299 | **130 199** | 3.34 |
| 8 | Neighbourhood Development Partnership Grant (Technical Assistance) | 2 000 | 2 000 | 1 000 | 1 000 | 0 | **6 000** | 0.15 |
| 9 | Rural Roads Asset Management Systems Grant | 2 848 | 2 859 | 2 988 | 3 122 | 3 248 | **15 065** | 0.39 |
| 10 | Regional Bulk Infrastructure Grant (RBIG) | 0 | 0 | 0 | 0 | 0 | **0** | 0 |
| 11 | Water Services Infrastructure Grant (WSIG) | 70 000 | 150 000 | 100 000 | 100 000 | 129 000 | **549 000** | 14.08 |
| Total | | **769 381** | **1 091 962** | **588 259** | **719 333** | **729 743** | **3 898 678** | 100% |

**Table 5.2.1.1.2:** Basic Service Delivery Infrastructure Development Provincial Government Grants

| No. | Grant | 2022 / 23 (R'000) | 2023 / 2024 (R'000) | 2024 / 25 (R'000) | 2025 / 26 (R'000) | 2026 / 27 (R'000) | Total | % Share of the Total |
|---|---|---|---|---|---|---|---|---|
| 1 | Human Settlements Development Grant | 206 600 | 148 021 | 80 823 | 87 759 | 72 890 | **596 093** | 93.81 |
| 2 | Informal Settlements Upgrading Grant | 0 | 0 | 5 150 | 4 322 | 4 100 | **13 572** | 2,14 |
| 3 | Sport and Recreation Infrastructure Grant | 0 | 0 | 0 | 0 | 5 940 | **5 940** | 0.93 |
| 4 | Small Town Rehabilitation programme Grant | 4 000 | 3 700 | 0 | 0 | 0 | **7 700** | 1.21 |
| 5 | Airports Grant | 5 000 | 2 000 | 500 | 0 | 0 | **7 500** | 1.18 |
| 6 | Corridor Development Grant | 4 600 | 0 | 0 | 0 | 0 | **4 600** | 0.72 |
| Total | | **220 200** | **153 721** | **86 473** | **92 081** | **82 930** | **635 405** | 100 |

#### 5.2.1.2 Economic Development Conditional Grants

An amount of about **R 75 435 000.00** has been allocated through various grants for local economic development projects including indirect or in-kind allocations to municipalities and entities executing specific projects in municipalities for the current IDP cycle which commenced 01st of July 2022 and shall effectively come to an end on the 30th of June 2027.

Table 5.2.1.2.1 reflects national transfers for capacity building and other allocations to municipalities and entities executing specific projects in municipalities, amount to R 57 935 000.00 for the district with a total of R 10 214 000.00 being allocated for the 2026 / 2027 financial year which the current review cycle. Table 5.2.1.2.2 on the other hand, reflects provincial transfers for execution of local economic development projects amount to R 17 500 000.00 for the district with a total of R 1 300 000.00 being allocated for this 2026 / 2027 financial year review. The various economic development conditional grants allocated by both the national and provincial governments that are applicable to the district are summarised hereunder.

##### 5.2.1.2.1 Expanded Public Works Programme Integrated

This grant is administered by the National Department of Public Works and Infrastructure, and it promotes the use of labour-intensive methods in delivering municipal infrastructure and services. A total value of R 57 935 000.00 has been allocated to the district over the current IDP cycle, and all the local municipalities have received the grant over the current IDP cycle.

##### 5.2.1.2.2 Informal Economy Infrastructure Grant

This grant is administered by the Department of Economic Development, Tourism and Environmental Affairs and is for development of informal trader stalls, ablution and other facilities for informal traders. A total value of R 9 750 000.00 has been allocated to the district over the current IDP cycle, and all the local municipalities have received the grant over the current IDP cycle.

##### 5.2.1.2.3 Municipal Employment Initiative Grant

This grant is administered by the Department of Economic Development, Tourism and Environmental Affairs and provides financial and non-financial support for municipal employment initiatives that support micro, small and informal enterprises. A total value of R 2 750 000.00 has been allocated to the district over the current IDP cycle, and all the local municipalities have received the grant over the current IDP cycle.

##### 5.2.1.2.4 Beach Development Grant

This grant is administered by the Department of Economic Development, Tourism and Environmental Affairs and it supports the development and upgrade as a strategic coastal tourism asset. A total value of R 5 000 000.00 has been allocated to the district over the current IDP cycle, and Umdoni Local Municipality is the only recipient of this grant over the current IDP cycle.

**Table 5.2.2.1:** Local Economic Development National Government Grants

| No. | Grant | Type of Grant | 2022 / 23 (R'000) | 2023 / 2024 (R'000) | 2024 / 25 (R'000) | 2025 / 26 (R'000) | 2026 / 27 (R'000) | Total |
|---|---|---|---|---|---|---|---|---|
| 1 | **Expanded Public Works Programme Integrated Grant for Municipalities** | Specific Purpose | 13 847 | 12 890 | 10 265 | 10 719 | 10 214 | 57 935 |
| Total | | | **13 847** | **12 890** | **10 265** | **10 719** | **10 214** | **57 935** |

**Table 5.2.2.2:** Local Economic Development Provincial Government Grants

| No. | Grant | Type of Grant | 2022 / 23 (R'000) | 2023 / 2024 (R'000) | 2024 / 25 (R'000) | 2025 / 26 (R'000) | 2026 / 27 (R'000) | Total |
|---|---|---|---|---|---|---|---|---|
| 1 | **Informal Economy Infrastructure Grant** | Infrastructure | 2 000 | 2 000 | 2 750 | 1 700 | 1 300 | **9 750** |
| 2 | **Municipal Employment Initiative Grant** | Specific Purpose | 1 000 | 0 | 0 | 1 750 | 0 | **1 750** |
| 3 | **Beach Development Grant** | Infrastructure | 2 500 | 2500 | 0 | 0 | 0 | **5 000** |
| Total | | | **5 500** | **4 500** | **2 750** | **3 450** | **1 300** | **17 500** |

### 5.2.2 Summary of Projects' Outputs

The projects, for the purposes of ease of reference and alignment have been categorised into the five (5) National KPAs as well the additional KZN KPA which are namely, Basic Service Delivery, Local Economic Development, Municipal Transformation and Institutional Development, Good Governance and Public Participation, Municipal Financial Vaibility and Management as well as Cross Cutting Interventions (KZN).

**Annexure M** provides full details of the projects that are being implemented through these various conditional infrastructure grants from the national government. The status of infrastructure projects, for the purposes of alignment, are documented using the Infrastructure Delivery Management System (IDMS) phases as required by National Treasury to improve alignment and implementation.

The IDMS project phases are summarised in Figure 5.2.2.1. below for ease of reference.

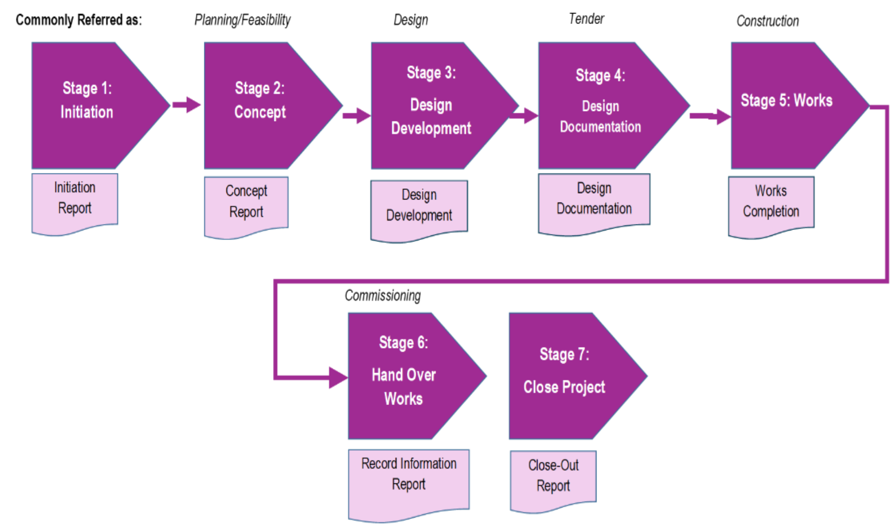



**Figure 5.2.2.1:** Infrastructure Delivery Management System (IDMS) Phases

**Table 5.2.2.1.1:** Summary of Infrastructure Projects Outputs and Status

| No. | Basic Service | Infrastructure | Outputs | No. of Projects | No. of Projects Per IDMS Phases | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1. | Community Facilities | Education Facilities | **1** New Schools Constructed | 1 | 1 | - | - | - | - | - | - |
| 2. | | | **1** School Replacement Constructed | 1 | - | - | - | 1 | - | - | - |
| 3. | | | **130** Schools Renovations, Rehabilitation or Refurbishments | 121 | 51 | 9 | - | 37 | 10 | 13 | 1 |
| 4. | | | **120** Schools Upgrades and Additions | 114 | 3 | 1 | - | 34 | 21 | 45 | 10 |
| 5. | | Health Facilities | **14** New Clinics Constructed | 14 | - | - | - | - | 1 | - | - |
| 6. | | | **10** Replacement Clinics Constructed | 10 | - | - | - | - | - | - | - |
| 7. | | | **2** New CHCs Constructed | 2 | - | - | - | - | - | - | - |
| 8. | Electricity (Energy) | Reticulation Infrastructure | **12 584** Households Electrified | 28 | - | 2 | 8 | 2 | 5 | - | 11 |
| 9. | | Bulk Infrastructure | Infrastructure | - | - | - | - | - | - | - | - |
| 10. | Housing | Housing | **6 344** Informal Settlement Upgrading Housing Units | 6 | - | - | 5 | - | 1 | - | - |
| 11. | | | **781** Integrated Residential Development Programme Housing Units | 6 | - | - | 4 | - | 2 | - | - |
| 12. | | | **792** Emergency Housing Assistance Housing Units | 11 | - | - | 4 | - | 7 | - | - |
| 13. | | | **26 852** Rural Housing Units | 42 | - | - | 6 | - | 30 | - | 6 |
| 14. | | | **949** Pre-1994 Housing Stock Units Rectified | 3 | - | - | 1 | - | 2 | - | - |
| 15. | | | Social Housing Units | 1 | - | - | - | - | 1 | - | - |
| 16. | | | **1** Institutional Subsidy 120 Beds Facility Constructed | 1 | - | - | - | - | 1 | - | - |
| 17. | Transportation | Vehicular Bridges | **1** New Vehicle Bridge Constructed | 1 | - | - | - | - | - | - | 1 |
| 18. | | | **1** Vehicle Bridge Repaired | 1 | - | - | - | - | 1 | - | |
| 19. | | Pedestrian Bridges | **1** New Pedestrian Bridge Constructed | 1 | - | - | - | - | - | - | 1 |
| 20. | | Road Upgrade | **281.049 Km** of Provincial and District Road Upgraded from Gravel to Blacktop | 18 | - | - | - | - | 5 | - | - |
| 21. | | Road Rehabilitation | km of Provincial and District Road Rehabilitated | 8 | 1 | - | - | - | 5 | - | - |
| 22. | Water | Water | Water Infrastructure | 38 | - | - | 3 | 17 | 12 | - | 6 |
| 23. | | | **60** Boreholes Installed | 1 | - | - | - | - | - | - | 1 |
| 24. | | | **42** Boreholes Refurbished | | - | - | - | - | - | - | |
| 25. | Sanitation | Sanitation | Sanitation Infrastructure | 17 | - | - | - | 6 | 7 | - | 1 |
| 26. | | | **11 803** VIP Toilets Installed | 1 | - | - | - | - | - | - | 1 |
| **Total** | | | | **502** | **56** | **12** | **31** | **97** | **112** | **58** | **38** |

#### 5.2.2.1 Basic Service Delivery

This KPA is mainly concerned with the delivery of basic services and development of the related infrastructure. These basic services are Community Facilities; Electricity (energy); Housing; Solid Waste Management; Telecommunications; Transportation Infrastructure; and Water and Sanitation. As reflected in Table 5.2.2.1.1, the implementation plan contains 509 infrastructure projects for the current IDP cycle. Only 305 of the 522 projects have been reported in line with the IDMS phases as required by National Treasury. A total of 28% of the projects have been reported in line with the IDMS phases are in phase 5 (works), 24% in phase 4 (design documentation), 14% in phase 6 (handover), 14% in phase 1 (initiation), 9% in phase 7 (close project), 7% phase 3 (design development) and 2% in phase 2 (concept).

#### 5.2.2.2 Local Economic Development

This KPA is mainly concerned with the policy and regulatory environment, local economic and social development, ease of doing business / red tape reductio, as well as funding and implementation of local economic development projects as well infrastructure. There are currently 13 registered projects under this KPA in the current IDP cycle. These projects focus mostly on enhanced infrastructure and job creation coupled with suitable beaches able to attract both domestic and international standards; financial and non-financial support for municipal employment initiatives that support small, informal and local enterprises; development of informal trader stalls, ablution and other facilities for informal traders; ttourism and economic infrastructure; and skills development.

#### 5.2.2.3 Cross-Cutting Interventions KPA

This KPA is concerned mainly with planning, environmental management and disaster management. A number of interventions in this KPA are operational, and compliance matters and not necessarily projects and therefore, have not been included in the implementation plan.

#### 5.2.2.4 Municipal Transformation and Institutional Development

This KPA is concerned mainly with the institutional arrangements, capacity as well as information communication technologies of the municipalities. The KPA by its very nature is operational and as such does not have strategic projects, only operational projects.

#### 5.2.2.5 Good Governance and Public Participation

This KPA is concerned mainly with National and Provincial Programmes roll out by, IGR, Management Structures, Municipal Structures, auditing, risk management, policies, bylaws and public participation of the municipalities. The KPA by its very nature is operational and as such does not have strategic projects, only operational projects.

#### 5.2.2.6 Municipal Financial Viability and Management

This KPA is concerned mainly with the financial matters of the municipalities. The KPA by its very nature is operational and as such does not have strategic projects, only operational projects. The implementation of this KPA is reflected in the municipalities' respective operational plans (SDBIPs).

# 6 CHAPTER 6: FINANCIAL PLAN

In terms of Section 26 of the Municipal Systems Act, the IDP must reflect a financial plan that include a budget projection for at least the next three (3) years. The Municipal Planning and Performance Management Regulations requires the financial plan to further indicate the financial resources that are available for capital project development and operational expenditure as well as financial strategy that defines sound financial management and expenditure control. The financial strategy should further define means of increasing revenue and external funding for the municipality and its development priorities and objectives. The 2026 / 2027 Medium Term Revenue and Expenditure Framework (MTREF) was guided by the MFMA Circular No. 132, Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (*m*SCOA) which strives to support municipalities' budget preparation processes so that the minimum requirements are achieved. Budget is attached as **Annexure B**.

The total budget revenue of the district for the 2026 / 2027 financial year is **R2 285 941 445** with an allocation of **R399 851 851** for capital and **R1 886 089 594** for the operational budget (Table 6.1 provides a Consolidated Overview of 2026 / 2027 Medium Term Revenue Framework).

Total operating revenue has increased by 1.55% for the 2026 / 27 when compared to the 2025 / 2026 Financial year Adjustments Budget. For the two outer years, operational revenue will increase by an average of 6.72% in totality, equating to a total revenue growth of R126.6 million over the MTREF when compared to the 2026 / 2027 financial year.

Total operating expenditure for the 2026 / 2027 financial year has been appropriated at R929.1 million and translates into a budgeted surplus of R959.9 million. When compared to the 2025 / 2026 Adjustments Budget, operational expenditure has increased by 5.10% in the 2026/27 budget and by 2.18% for 2027/28 outer year and 3.18% for the 2028 / 29 outer year of the MTREF. The operating surplus for the two outer years steadily increases to R1.2 billion.

The capital budget of R399.8 million from grants for 2026 / 2027 is 2.32% less when compared to the 2025 / 2026 Adjustment Budget. The capital programme increases to R464.5 million in 2027 / 2028 financial year and then decreases in 2028 / 2029 to R420 million.

**Table 6.1:** Consolidated Overview of 2026 / 2027 Medium Term Revenue Framework
**Source:** Budget and Treasury Office, 2026

| Description | Current Year 2025 / 2026 | | | | 2026 / 2027 MTREF | | |
|---|---|---|---|---|---|---|---|
| R Thousands | Original Budget | Adjusted Budget | Full Year Forecast | Pre-Audited Outcome | **2026 / 2027** | **2027 / 2028** | **2028 / 2029** |
| **Total Revenue** (excluding capital transfers and contributions) | R 1 469 793 | R 1 857 287 | R 1 857 287 | R 1 028 176 | R 1 886 090 | R 1 955 560 | R 2 012 785 |
| Total Expenditure | R 911 672 | R 884 057 | R 884 057 | R 1 138 187 | R 929 145 | R 949 359 | R 979 562 |
| Surplus / (Deficit) | R 558 122 | R 973 230 | R 973 230 | - R 110 012 | R 956 945 | R 1 006 201 | R 1 033 223 |
| **Transfers and subsidies - capital** | R 373 245 | R 409 356 | R 409 356 | R 281 725 | R 399 852 | R 464 562 | R 420 010 |
| **Surplus / (Deficit) for the year** | **R 931 366** | **R 1 382 585** | **R 1 382 585** | **R 171 713** | **R 1 356 796** | **R 1 470 762** | **R 1 453 232** |

## 6.1 Overview of Budget Assumptions

The budget assumptions that have been made in the preparation of this MTREF are discussed hereunder.

### 6.1.1 External Factors

GDP growth is expected to average 2.7% from 2026 to 2029. Medium term growth will be underpinned by household consumption on the back of rising purchasing power, moderate employment recovery and wealth gains. Continued investments in renewable energy and easing structural constraints are expected to support higher investment. Key factors for achieving faster economic growth and creating much-needed jobs include greater collaboration with the private sector in energy and transport, rapid implementation of structural reforms, easing of regulatory constraints and increased infrastructure investment.

Owing to the economic slowdown which lead to the financial resources being limited thus resulting in reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the district's finances.

Headline inflation is projected to remain within the target range over the 2026 to 2029 period, with moderate increases expected in line with economic conditions. Consumer inflation is anticipated to average between approximately 4.5% and 5.0% over the medium term, with slight upward pressure driven by general price increases including oil/ fuel. Core inflation is expected to follow a similar trend, reflecting underlying price pressures in the economy. However, relatively lower global crude oil prices are anticipated to help contain fuel price inflation, thereby supporting overall price stability during the 2026 to 2029 period.

### 6.1.2 General Inflation Outlook

Table 6.1.1.1 reflects macro-economic forecasts that were considered in the preparation of the district's 2026 / 2027 MTREF budgets.

**Table 6.1.2.1:** Macroeconomic performance and projections, 2023 – 2027
**Source:** Medium Term Budget Policy Statement 2024.

| FY | 2023 / 2024 | 2024 / 2025 | 2025 / 2026 | 2026 / 2027 | 2027 / 2028 |
|---|---|---|---|---|---|
| CPI Inflation | Actual | Estimate | Forecast | | |
| | 5.9% | 4.6% | 4.4% | 4.5% | 2.5% |

**Note:** the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

### 6.1.3 Collection Rate for Revenue Services

The base assumption is that tariff and rating increases will increase at a rate slightly higher that CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (80 per cent) of annual billings. Cash flow is assumed to be 75% of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### 6.1.4 Growth or Decline in Tax Base of the Municipality

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff / rate pricing, real growth rate of the district, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition, the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

### 6.1.5 Salary Increases

The increase in the cost of remuneration. Employee related costs comprise major part of total operating expenditure in the 2026/27 MTREF and therefore the increase was contained within the inflation places to ensure that the employee related costs do not continue to accelerate upward pressure on the expenditure budget.

The wage agreement concluded at the South African Local Government Bargaining Council (SALGBC) in September 2024 between municipalities and organised labour remains applicable for the period 2026 to 2029 and will continue to guide salary and wage increases over the medium term.

### 6.1.6 Impact of National, Provincial and Local Policies

Integration of service delivery between national, provincial and local government is critical to ensure focused service delivery and, in this regard, various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

### 6.1.7 Municipality's Ability to Spend and Deliver on Programmes

It is estimated that a spending rate of at least 100% is achieved on operating expenditure and 100% on the capital programme for the 2026 / 2027 MTREF of which performance has been factored into the cash flow budget.

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The district derives most of its operational revenue from the provision of goods and services such as water and, sanitation.

## 6.2 Operating Revenue Framework

In order for the district to continue improving the quality of services it provides to its citizens generation of the required revenue is critical. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty and the expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices must be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The district's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the District and continued economic development;
- Efficient revenue management, which aims to ensure a 95% and above annual collection rate for water and sanitation service charges;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement per service;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services;
- The revenue; and
- Tariff policies of the district.

Table 6.1.1 provides a summary of the 2026 / 2027 MTREF (classified by main revenue source).

**Table 6.1:** Summary of Revenue Classified by Main Revenue Source

**Source:** Budget and Treasury Office, 2026

| **Description** | **Current Year 2025 / 2026** | | | | **2026 / 2027 MTREF** | | |
|---|---|---|---|---|---|---|---|
| R Thousands | Original Budget | Adjusted Budget | Full Yr. Forecast | Pre-Aud. Outcome | 2026 / 2027 | 2027 / 2028 | 2028 / 2029 |
| Service charges - Water | R 496 566 | R 603 328 | R 603 328 | R 314 278 | R 684 777 | R 707 375 | R 730 011 |
| Service charges - Waste Water Management | R 138 779 | R 191 048 | R 191 048 | R 108 073 | R 216 839 | R 223 995 | R 231 163 |
| Sale of Goods and Rendering of Services | R 3 114 | R 5 335 | R 5 335 | R 1 549 | R 6 055 | R 6 255 | R 6 455 |
| Interest earned from Receivables | R 83 863 | R 91 455 | R 91 455 | R 61 887 | R 103 801 | R 107 226 | R 110 658 |
| Interest earned from Current and Non-Current Assets | R 13 607 | R 10 055 | R 10 055 | R 4 509 | R 11 412 | R 11 789 | R 12 166 |
| Rental from Fixed Assets | R 1 902 | R 3 653 | R 3 653 | R 1 831 | R 4 146 | R 4 283 | R 4 420 |
| Operational Revenue | R 2 589 | R 223 040 | R 223 040 | R 555 | R 85 418 | R 88 237 | R 91 061 |
| Transfer and subsidies - Operational | R 729 373 | R 729 373 | R 729 373 | R 535 145 | R 773 640 | R 806 399 | R 826 852 |
| **Total Revenue** (excluding capital transfers and contributions) | **R 1 469 793** | **R 1 857 287** | **R 1 857 287** | **R 1 028 176** | **R 1 886 090** | **R 1 955 560** | **R 2 012 785** |

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus / deficit.

Revenue generated from water and sanitation services charges forms a significant percentage of the revenue basket for the district. In the 2025 / 2026 financial year, revenue from water and sanitation service charges totalled R617.3 million. This increased to R901.6 million in the 2026 / 2027 financial year, then increases to R931.3 million and R961.1 million in the respective financial years of the MTREF. A notable trend is the increase in the total revenue generated from water and sanitation service charges.

### 6.2.1 Service Charges

The tariff increase for the 2026 / 2027 financial year is 13.5% (from R24.82 to R28.17) for water and sanitation services. The major considerations that informed the tariff increase were the input costs from the suppliers i.e. Eskom tariff increase of **8.76%** and Umgeni-Uthukela Water tariff increase of **13%** on bulk water supply; staff salary increment of **4.25%** and the costs of producing water which is currently **R28.06** per kilolitre for water and sanitation.

In terms of cost of producing water, the tariff charged to customers is affected by two factors which are the tariff charged by uMgeni-uThukela Water for water purchased and cost of producing water in-house.

#### 6.2.1.1 Tariff Charged by Umgeni-Uthukela Water

uMgeni-uThukela Water has increased its bulk tariffs from **R11.44** per kℓ of water excluding VAT effective the 1st of July 2025, to **R12.93** per kℓ of water excluding VAT. This translates to a staggering 33%. The major contributor to this is the introduction of tariffs that seek to recover costs for the construction of the new uMkomazi Dam which stand to benefit Ugu District Municipality community through increased and more secure water supply. These new tariffs amount to **R2.81** per kℓ of water excluding VAT. Table 6.1.1.2 depicts the by uMgeni-uThukela Water tariff increase.

**Table 6.2.1.1.1:** uMngeni-uThukela Water Tariffs
**Source:** uMngeni-uThukela Water, 2025.

| Description | Before Tariff (R/kl) | After Tariff (R/kl) | Rand Value Increase | % Increase |
|---|---|---|---|---|
| Umngeni Water Bulk | R9.37 | R10.12 | R0.75 | 8 |
| Mkomazi Bulk Water Scheme | R0.00 | R0.20 | R0.20 | New |
| Mkomazi Capital Unit Charge | R0.00 | R2.14 | R2.14 | New |
| **Total** | **R9.37** | **R12.46** | **R3.09** | **33** |

#### 6.2.1.2 Cost of Producing Water In-House

In terms of cost of producing water in-house, the main cost drivers are employee costs; depreciation and amortisation; consumables; insurance; fuel and oil; electricity; uniforms; licenses; vehicle tracking; laboratory testing services; security services and water tankers. Table 6.1.1.4 reflects the district's total cost of producing water.

**Table 6.1.1.3:** Cost of Producing Water Inhouse
**Source:** Budget and Treasury Office, 2026

| Production Costs | 2025 / 26 | 2026 / 27 | 2027 / 28 | 2028 / 29 |
|---|---|---|---|---|
| Employee costs | R 234 364 963.55 | R 243 036 467.20 | R 251 056 670.62 | R 259 090 484.08 |
| Electricity | R 1 5 737 413.61 | R 1 7 116 011.04 | R 1 8 615 373.61 | R 2 0 246 080.34 |
| Materials - chemicals | R 1 0 941 331.97 | R 1 1 346 161.25 | R 1 1 720 584.57 | R 1 2 095 643.28 |
| Other operational costs (incl. Depreciation) | R 105 136 266.34 | R 109 026 308.19 | R 112 624 176.37 | R 116 228 150.01 |
| **Total Production costs** | **R 366 179 975.47** | **R 380 524 947.69** | **R 394 016 805.17** | **R 407 660 357.71** |

The total cost of producing water has been calculated as follows and have been increased over the MTREF in line with the CPI of **3.7%** in the **2026/27**; **3.3%** in the **2027/28** and **3.2%** in **2028/29** as directed by Circular No.132 of the Municipal Finance Management Act No. 56 of 2003.Employee costs has been increased in line with the Salary and Wage collective agreement of 2024 to 2029 which translate to **4.25%** in the **2026/27**; **5%** in the **2027/28** and **5.75%** in **2027/28**.

In computing the cost of producing water per kilolitre the above costs of producing water must be divided by the projected water produced per kilolitre The water production volumes have been increasing in the past years at an average rate of 13%. It has been proposed that 13.5% will be applicable in the 2026 / 2027 financial year (refer tariff policy in **Annexure B** for detailed tariff of charges). The outer years have been prudently projected at 3.3% and 3.2% respectively. The Umngeni water tariff was also prudently projected to increase in outer years at 3.3% and 3.2% respectively.

The district has ensured that the increases are kept at levels that reflect an appropriate balance between the affordability to poorer households and other customers whilst ensuring its financial sustainability. The increase sees an average single household paying an additional **R100.52** for a 30-day period and a non-residential customer an additional **R105.91** for water consumption.

**Table 6.2.1.1:** Total Cost of Producing Water

**Soure:** Budget and Treasury Office, 2026

| Cost of Producing Water (R/kl) | 2025 / 26 | 2026 / 27 | 2027 / 28 | 2028 / 29 |
|---|---|---|---|---|
| Total direct costs for producing water | R 366 179 975.47 | R 380 524 947.69 | R 394 016 805.17 | R 4 07 660 357.71 |
| Total water produced (volumes / Litres) | 29 777 266 | 30 879 025 | 31 898 033 | 32 918 770 |
| % Water produced (volumes / Litres) increase | 6% | 4% | 3% | 3% |
| Cost of Producing Water internally (R/kl) | R 1 2.30 | R 1 2.32 | R 1 2.35 | R 1 2.38 |
| uMngeni-uThukela Water (R/kl) | R13.93 | R15.74 | R16.24 | R16.76 |
| % uMngeni-uThukela Tariff increase | 49% | 13% | 3% | 3% |
| **Total Cost of Producing Water (R/kl)** | R26.23 | R28.06 | R28.59 | R29.14 |

### 6.2.2 Operating Transfers and Subsidies

As part of operating revenue, the municipality will receive Equitable share to the value of R744.6 million this is utilised for the operations of the municipality. There was also an allocation of R14.5 million for operational MIG; R6 million for operational WSIG; R2.2 million for FMG; R3 million for EPWP which is aimed at capacity building with the municipality as well as R3.2million grant for Rural Road Asset Management Systems.

The total allocation of operating transfers and subsidies for the 2026 / 2027 year amounted to R773.5 million. Table 6.1.2.1 provides the breakdown of the transfers and subsidies allocation which was gazetted as per the Division of Revenue Bill in Government Gazette No. 54086 of 6 February 2026.

**Table 6.1.2.1:** Operating Transfers and Subsidies

**Source:** Budget and Treasury Office, 2025

| Description | 2025 / 2026 | 2026 / 2027 MTREF | | |
|---|---|---|---|---|
| R Thousands | | 2026 / 2027 | 2027 / 2028 | 2028 / 2029 |
| EPWP Incentive | R 3 222 | R 3 019 | - | - |
| Finance Management | R 2 000 | R 2 200 | R 2 300 | R 2 400 |
| Local Government Equitable Share | R 706 648 | R 744 602 | R 784 454 | R 804 162 |
| Municipal Infrastructure Grant | R 14 381 | R 1 4 571 | R 16 267 | R 16 807 |
| Rural Road Asset Management Systems Grant | R 3 122 | R 3 248 | R 3 378 | R 3 483 |
| Water Services Infrastructure Grant | - | R 6 000 | - | - |
| **Total Operating Transfers and Grants** | **R 729 373** | **R 7 73 640** | **R 8 06 399** | **R 8 26 852** |

### 6.2.2.1 Equitable Share Grant

The equitable share serves as a subsidy to the municipalities to cater for the following three components: Basic Services Component; Institutional Component; and Community Services Component. An equitable share over the medium term is allocated to compensate for the rising costs of providing free basic services to the growing number of indigent households. This covers the likely above inflation increases in the costs of bulk water and electricity. This also allows for faster increases in the allocations to poorer and rural municipalities through the redistributive components of the equitable share formula. The equitable share allocation for the district was gazetted to increase by 5% over the 2026 / 2027 MTREF. The allocation gradually increases from R 744 million in 2026 / 2027 to R 804 million in 2028 / 2029.

### 6.2.2.2 Municipal Infrastructure Grant

The Municipal Infrastructure Grant (MIG) allocation for the district was gazetted to increase by 1.3% over the 2026 / 2027 MTREF. The allocation moves from R14.5 million in 2026 / 2027 to R16.8 million in 2028 / 2029.

### 6.2.2.3 Water and Sanitation Infrastructure Grant

The Water and Sanitation Infrastructure Grant (WSIG) allocation for the district was gazetted to be R6 million over the 2026 / 2027 MTREF.

### 6.2.2.4 Local Government Financial Management Grant

The Local Government Financial Management Grant (FMG) allocation for the district was gazetted to increase by 15% over the 2025 MTREF. The allocation moves from R2 million in 2025 / 2026 to R2.3million in 2027 / 2028.

### 6.2.2.5 Expanded Public Works Programme Integrated Grant

The Expanded Public Works Programme Integrated Grant (EPWP) allocation for the district was gazetted at R3 million for the 2026 / 2027 MTREF. The allocation for this grant is often made with no allocation for the outer years.

### 6.2.2.6 Rural Roads Asset Management Systems Grant

The Rural Roads Asset Management Systems Grant (RRAMS) allocation district was gazetted to increase by 9% over the 2026 / 2027 MTREF. The allocation moves from R3.2 million in 2026 / 2027 to R3.4 million in 2028 / 2029.

### 6.2.3 Timely Revenue Collection Strategies

One of the municipality's revenue strategy key components is efficient revenue management, which aims to ensure a 95% and above annual collection rate for water and sanitation service charges. Several strategies are therefore being implemented to ensure timely collection of revenue.

#### 6.2.3.1 Credit Control and Debt Collection Measures

In line with the approved Credit Control and Debt Collection Policy, the Municipality implements the following:

- **Automated SMS notifications** to customers whose accounts are in arrears.
- **Issuing of warning notices** advising customers of impending water supply disruptions if payments are not made.
- **Physical disconnections** for business and intergovernmental debtors who fail to settle outstanding amounts.
- **Water flow restrictions** for residential customers in arrears.

These measures are applied consistently to enforce payment discipline while ensuring fairness and procedural compliance.

#### 6.2.3.2 Intergovernmental Support

The Municipality has enlisted the assistance of **COGTA** (Department of Cooperative Governance and Traditional Affairs) to support the recovery of outstanding intergovernmental debt. This approach strengthens institutional leverage and promotes accountability within the intergovernmental framework.

#### 6.2.3.3 External Debt Collection

Debtors are handed over to an appointed **Debt Collection Agency** for:

- Soft collections (calls, reminders, negotiated settlements).
- Hard collections (legal demand processes and further enforcement action).

This ensures professional recovery processes and improved collection ratios.

#### 6.2.3.4 Debt Relief and Incentive Programmes

To stimulate cash inflows and encourage settlement of historical debt, the Council approved relief programmes such as:

- Waiver of interest on full settlement of capital debt;
- Pensioner rebates;
- Amnesty programmes for:
  - ✓ Residential customers;
  - ✓ Business customers; and
  - ✓ Intergovernmental debtors.

These initiatives improve liquidity while cleaning up aged debtor balances.

#### 6.2.3.5 Payment Arrangements

Customers are permitted to enter into **structured instalment agreements** in terms of the Credit Control Policy, enabling gradual settlement while maintaining continued service provision.

#### 6.2.3.6 Innovative Revenue Generation Strategies and Additional Revenue Streams

The Municipality has adopted modernised and sustainability-focused revenue enhancement initiatives to improve billing accuracy and customer confidence.

#### 6.2.3.7 Meter Replacement Programme

A structured **meter replacement programme** is underway to ensure:

- Accurate consumption measurement;
- Elimination of under-billing;
- Reduction in estimated billing; and
- Improved customer trust in municipal accounts

Accurate billing directly strengthens revenue integrity and collection rates.

#### 6.2.3.8 Citizen Mobile Application

The Municipality has introduced a **Citizen App**, enabling customers to submit meter readings, view statements and balances immediately after billing finalization and make payments electronically.

This enhances convenience, transparency, and real-time account management.

#### 6.2.3.9 Cost-Reflective Tariffs

The implementation of cost-reflective tariffs ensures that revenue aligns with the actual cost of service provision, supporting long-term financial sustainability.

#### 6.2.3.10 Database Cleansing and Ownership Updates

Continuous updating of the customer database ensures correct billing to current property owners, improved indigent register management and reduced revenue leakage which subsequently strengthens billing accuracy and accountability.

The implementation of these strategies has yielded measurable and structural improvements, including:

**Positive Impacts**

- Improved billing accuracy through meter replacements;
- Enhanced customer compliance due to enforcement consistency;
- Increased accessibility and convenience through digital platforms;
- Reduction in billing disputes following database updates;
- Improved liquidity through amnesty programmes and structured payment arrangements; and
- Strengthened revenue governance framework.

**Structural Improvements**

The combined enforcement, digitalisation, and tariff reform approach has stabilised revenue performance trends, improved debtor management discipline, enhanced customer confidence in the billing system and reduced reliance on estimates and manual processes. Whilst liquidity pressures may still exist (particularly where bulk creditors impact cash flow), the revenue base has been structurally strengthened through these reforms.

## 6.3 Operating Expenditure Framework

The district's expenditure framework for the 2026 / 2027 Final budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan.
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit.
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA.
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan.
- The repairs and maintenance are aligned to a maintenance plan.
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.
- The principles of cost containment as per the Municipal Budget Circular 82 For the Cost Containment Measures 30 March 2016

The district operating expenditure for the 2026 / 2027 financial year is R929 million which is projected to increase by 2% in the 2027 / 2028 and 3% in 2028 / 2029 as reflected in Table 6.2.1. The increments are exclusive of employee related costs which are governed by the Salary and Wage collective agreement of 2024 to 2029. The major cost drivers of the operating expenditure are the employee related costs, contracted services and operational costs.

**Table 6.2.1:** Summary of operating expenditure by standard classification item

**Source:** Budget and Treasury Office, 2026

| Description | Current Year 2025 / 2026 | | | | 2026 / 2027 MTREF | | |
|---|---|---|---|---|---|---|---|
| R Thousands | Original Budget | Adjusted Budget | Full Yr. Forecast | Pre-Aud. Outcome | 2026 / 2027 | 2027 / 2028 | 2028 / 2029 |
| Employee related costs | R 3 13 024 | R 3 12 672 | R 3 12 672 | R 4 45 334 | R 3 25 632 | R 3 35 431 | R 3 46 139 |
| Remuneration of councillors | R 1 4 996 | R 1 3 476 | R 1 3 476 | R 8 882 | R 1 3 975 | R 1 4 436 | R 1 4 898 |
| Inventory consumed | R 6 7 534 | R 5 6 177 | R 5 6 177 | R 1 77 096 | R 5 8 065 | R 5 9 981 | R 6 1 901 |
| Debt impairment | R 2 8 424 | R 2 8 424 | R 2 8 424 | R 1 6 581 | R 2 9 476 | R 3 0 449 | R 3 1 423 |
| Depreciation and amortisation | R 2 40 934 | R 2 40 934 | R 2 40 934 | R 1 58 689 | R 2 49 849 | R 2 58 094 | R 2 66 353 |
| Interest | R 5 304 | R 5 356 | R 5 356 | R 2 6 838 | R 5 554 | R 5 737 | R 5 921 |
| Contracted services | R 1 26 582 | R 1 27 777 | R 1 27 777 | R 1 17 707 | R 1 46 582 | R 1 42 147 | R 1 46 543 |
| Transfers and subsidies | R 8 000 | - | - | - | - | - | - |
| Irrecoverable debts written off | R 4 732 | R 5 920 | R 5 920 | R 3 998 | R 6 139 | R 6 342 | R 6 545 |
| Operational costs | R 1 02 141 | R 9 3 320 | R 9 3 320 | R 1 83 061 | R 9 3 874 | R 9 6 743 | R 9 9 841 |
| **Total Expenditure** | **R 911 672** | **R 8 84 057** | **R 884 057** | **R 1 138 187** | **R 929 145** | **R 949 359** | **R 979 562** |

### 6.3.1 Employee Related Costs

The budgeted allocation for employee related costs for the 2026 / 2027 financial year totals R325.6 million. The salary increases have been factored into this budget at a percentage increase of 4.25% for the 2026 / 2027 financial year. An annual increase of 5% and 5.75% has been included in the two outer years of the MTREF respectively. The existing salary agreement expires on 30 June 2029. Salaries have increased from the adjusted budget figure of R312.6 million to R325.6 million. The increase in employee-related costs is mainly attributed to annual salary and wage increments, including cost-of-living adjustments, as well as the filling of vacant positions and new appointments. Additional contributing factors include overtime and standby allowances due to operational demands, increased pension fund and medical aid contributions, and the implementation of collective bargaining agreements or regulatory changes.

### 6.3.2 Remuneration of Councillors

The cost associated with the remuneration of councillors is determined by the Minister of CoGTA in accordance with the Remuneration of Public Office Bearers Act 20 of 1998. The gazette on the Public Office Bearers Act was not available at the stage preparing this final budget. The budget for the councillor's allowance includes other costs like the travelling claims (km), which are not gazetted on the Remuneration of Public Office Bearers Act.

### 6.3.3 Inventory Consumed

Bulk purchases are directly informed by the purchase of water from uMgeni-uThukela Water, in the 2026 / 2027 has been factored under Inventory Consumed because of changes in the mSCOA requirements which seek to achieve compliance with GRAP. The annual price increases are factored into the budget appropriations and directly inform the revenue provisions.

Other materials, also under Inventory Consumed, comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the district's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the district's infrastructure.

### 6.3.4 Debt Impairment

The provision of debt impairment was determined based on the Debt Write-off Policy of the District. For the 2026 / 2027 financial year this amount equates to R29.4 million and increases to R30.4 million by 2027 / 2028 and R31.4 million for 2028 / 2029. While this expenditure is a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

### 6.3.5 Depreciation and Amortisation

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R249.8 million for the 2026 / 2027 financial year, R258 million for 2027/28 and R266.3 for 2028 / 2029 financial year. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. In previous years the district had been conservative
in budgeting for depreciation and thus providing for unrealistic figures.

### 6.3.6 Interest

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.60% (R5.5 million) of operating expenditure excluding annual redemption for 2026 / 2027 and increases for R5.7 million by 2027 / 2028 ana R5.9 million 2028 / 2029. This is due to historic loans, and the district has no plans to take up any new loans in the upcoming years.

### 6.3.7 Contracted services

Contracted services have been identified as a cost saving area for the district. As part of the compilation of the 2026 / 2027 MTREF this group of expenditure was critically evaluated, and operational efficiencies were enforced. In the 2026 / 2027 financial year. The increase in Contracted Services is due to additional projects being reclassified from Operational Costs to Contracted Services, this group of expenditure totals R146.6 million which has considered an array of repairs and maintenance expenditure for the district's infrastructure. For 2027 / 2028 financial year it decreases to R142.1 million and increased to R146.5 million for 2028 / 2029.

### 6.3.8 Operational costs

Operating expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. This has been increased by 0.59% for 2026 / 2027 and 3.06% and 3.20% increase for the two outer years respectively. The minor increase in 2026 / 2027 is attributable to the cost containment strategy, as well as the reclassification of certain operational costs to Contracted Services.

### 6.3.9 Repairs and Maintenance

Aligned to the priority being given to preserving and maintaining the district's current infrastructure, the 2026 / 2027 budget and MTREF provide for extensive growth in asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the district. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following Table 6.2.2.1 is a consolidation of all the expenditures associated with repairs and maintenance:

**Table 6.2.2.1:** Operations and Maintenance Allocation

**Source:** Budget and Treasury Office, 2026

| Description | 2025 / 2026 | 2026 / 2027 | 2027 / 2028 | 2028 / 2027 |
|---|---|---|---|---|
| Contracted Services | R83 858 935.00 | R86 961 715.60 | R89 831 452.21 | R92 706 058.68 |
| Employee Related Costs | R271 925 166.00 | R283 481 985.56 | R297 656 084.83 | R314 771 309.71 |
| Inventory Consumed | R4 627 152.00 | R4 798 356.62 | R4 956 702.39 | R5 115 316.87 |
| Operating costs | R18 276 162.00 | R20 612 608.48 | R23 158 075.99 | R25 992 698.60 |
| **Total R&M Expenditure** | **R378 687 415.00** | **R395 854 666.26** | **R415 602 315.43** | **R438 585 383.86** |
| Capital Grants on repairs and maintenance | R351 393 870.00 | R399 851 850.00 | R430 655 550.00 | R375 302 500.00 |
| **Total R&M Expenditure** (After Capital Grants) | **R730 081 285.00** | **R795 706 516.26** | **R846 257 865.43** | **R813 887 883.86** |
| **Book Value of PPE & Investment Property** | **R3 842 143 530.00** | **R3 992 146 491.20** | **R4 164 708 139.06** | **R4 273 657 732.06** |
| R&M as a % of PPE & Investment Property | 10% | 10% | 10% | 10% |
| R&M as % Operating Expenditure | 19% | 20% | 20% | 19% |

The municipality has prioritised and made sufficient provision for Repairs and Maintenance within the budget, in full compliance with National Treasury guidelines, ensuring the sustainability and preservation of existing infrastructure assets.

The 2026 / 2027 MTREF allocation for repairs and maintenance is 20% as a percentage of the PPE & Investment Property book value. This is above the norm of 8%. The repairs and maintenance allocation makes up 42.88% as a percentage of Operating Expenditure which is very significant.

### 6.3.10 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the District's Indigent Policy. The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

An additional amount of R99.1 million from the Equitable Share will be spent to ensure that we continue to provide free basic water via the communal standpipes. In respect of water provision, an allocation of R43 million indigent support has been set aside to provide 6kl of water to deserving and qualifying households, whose total gross monthly income of all me members of the household must not exceed two old age pension grants.

The indigent register for Ugu District currently stands at approximately 1,600 households, which is considered significantly low. One of the major contributing factors identified is the qualification criteria, particularly the household income threshold.

In determining an appropriate income threshold for indigent support, the Municipality undertook a structured assessment of practices across district municipalities, metropolitan municipalities, and secondary cities. This process also considered national social protection measures, including the old-age state pension and the national minimum wage. The assessment indicates that rural and district municipalities generally apply lower income thresholds, typically ranging between R3,500 and R5,000 per household per month, while metropolitan municipalities apply higher thresholds, commonly between R7,000 and R7,800, to accommodate higher living costs. These insights were further evaluated against the Municipality's own socio-economic profile, affordability considerations, and current financial and liquidity constraints to ensure a balanced, sustainable, and defensible approach. Based on the outcomes of the assessment, the Municipality adopted an indigent qualification threshold of R7,300 per household per month.

As a way forward, it is further proposed that the threshold be formally approved by Council, incorporated into the Indigent Support Policy, and reviewed periodically, or earlier should there be material changes in national pension values, minimum wage levels, or the Municipality's financial position. This approach will ensure that the policy remains responsive, equitable, and aligned with prevailing economic conditions.

## 6.4 Capital Expenditure Framework

The district's capital expenditure framework is 100% funded by grants. Due to the district's current financial position no capital projects have been funded through the internal funding. Table 6.4.1 provides a breakdown of the capital grants allocation.

**Table 6.4.1:** Capital Transfers and Grant Receipts
**Source:** Budget and Treasury Office, 2026

| Grant | Current FY | 2026 / 2027 MTREF | | |
|---|---|---|---|---|
| | 2025 / 2026 | 2026 / 2027 | 2027 / 2028 | 2028 / 2029 |
| Municipal Disaster Recovery Grant | R 30 000 | - | - | |
| Municipal Infrastructure Grant | R 273 245 | R 276 852 | R 275 156 | R 274 617 |
| Regional Bulk Infrastructure Grant | R 6 111 | - | - | - |
| Water Services Infrastructure Grant | R 100 000 | R 123 000 | R 155 500 | R 100 686 |
| **Total** | **R 409 356** | **R 399 851 850** | **R 430 655 550** | **R 375 302 500** |

An allocation of **R399 851 851 (Three Hundred and Ninety-Nine Million, Eight Hundred and Fifty-One Thousand, Eight Hundred and Fifty-One Rand)** has been made for infrastructure related expenditure for the 2026 / 2027 financial year, this amount is made of MIG CAPEX to the value of **R276 851 851(Two hundred and seventy-six million, eight hundred and fifty-one thousand, eight hundred and fifty-one rand)** and WSIG allocated an amount to the value of **R123 000 000 (One hundred and twenty-three million rand)**.

The capital projects funded through these grants are detailed in Chapter 5 and 6 of the IDP document. Table 6.4.2 only provides a summary of sanitation and water infrastructure projects.

### 6.4.1 Municipal Infrastructure Grant (MIG)

The main purpose of the grant is to provide specific capital finance for eradicating basic municipal infrastructure backlogs through the construction of new infrastructure, and the renewal and refurbishment of existing infrastructure for poor households, microenterprises, and social institutions servicing poor communities as well as to provide specific funding for the development of asset management plans for infrastructure servicing the poor.

### 6.4.2 Water Services Infrastructure Grant (WSIG)

The main purpose of the grant is to facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities; provide basic and intermittent water and sanitation supply that ensures provision of services to identified and prioritised communities, including spring protection and groundwater development; support municipalities with refurbishment of water and sanitation infrastructure, including upgrades; support municipalities in implementing water conservation and water demand management projects; support the close-out of the existing Bucket Eradication Programme intervention in formal residential areas; and support drought relief projects in affected municipalities.

**Table 6.4.2:** Capital Grant Funded Projects
**Source:** Budget and Treasury Office, 2025

| No. | Project Name | Grant | Current FY | 2026 / 2027 MTREF | | |
|---|---|---|---|---|---|---|
| | | | 2025 / 2026 | 2026 / 2027 | 2027 / 2028 | 2028 / 2029 |
| **Water Infrastructure Projects** | | | | | | |
| **1.** | Dunjazane Water Pipeline and Pump Station Emergency Scheme | WSIG | R500 000.00 | - | - | - |
| **2.** | KwaMadlala Water Pipeline and Pumpstation Emergency Scheme | WSIG | R15 411 311.66 | - | - | - |
| **3.** | Supply, Installation & Commissioning of Non-Revenue Water Reducing Equipment Within Ugu DM | WSIG | R40 273 259.01 | - | - | - |
| **4.** | KwaNositha And Game Reserve Bulk Water Infrastructure and Reticulation - Phase 1 | WSIG | R6 450 000.00 | R24 000 000.00 | - | - |
| **5.** | Murchison Bulk Water Supply and Reticulation Pipelines | WSIG | R6 465 429.33 | - | - | - |
| **6.** | Non-Revenue Water Reduction Project | WSIG | - | R20 000 000.00 | - | - |
| **7.** | Boreholes Management System | WSIG | - | R20 000 000.00 | - | - |
| **8.** | KwaMadlala Water Pipeline | WSIG | - | R1 500 000.00 | - | - |
| **9.** | Water Pipeline Replacements Programme | WSIG | - | R50 000 000.00 | - | - |
| **10.** | Refurbishment of Mechanical and Electrical Infrastructure | WSIG | - | R23 500 000.00 | - | - |
| **11.** | KwaMgai and Surrounds Water (Umzumbe) | MIG | R19 183 778.00 | R39 639 333.61 | - | - |
| **12.** | Vulamehlo Cross-Border Water Scheme | MIG | R23 300 000.00 | - | - | - |
| **13.** | Umzimkhulu Bulk Water Augmentation Scheme - Phase 2 | MIG | R35 750 000.00 | R45 474 577.84 | - | - |
| **14.** | KwaLembe Water Supply Scheme Extension Implementation - Phase 1 | MIG | R33 955 719.00 | R57 358 807.00 | - | - |
| **15.** | Emergency Borehole Programme Phase 2 - Implementation | MIG | R28 672 700.00 | R3 642 009.93 | - | - |
| **16.** | Msikaba and Surrounds Water Supply Scheme | MIG | | R14 232 217.59 | - | - |
| **Sanitation Infrastructure Projects** | | | | | | |
| **17.** | Upgrade of Harding Sewer Reticulation | WSIG | | R2 000 000.00 | - | - |
| **18.** | Umzinto Slum Clearance: Farm Isonti Low-Cost Housing Water and Sanitation Scheme | MIG | R19 011 464.93 | R5 150 463.65 | - | - |
| **19.** | Umzinto Wastewater Treatment Works and Outfall Sewers Upgrade and Rehabilitation | MIG | R21 950 000.00 | R26 559 348.09 | - | - |
| **20.** | Margate Extension 3 & 7 Sanitation Scheme | MIG | R21 192 638.07 | R22037430.46 | - | - |
| **22.** | Refurbishment and Upgrade of Margate Storm-Damaged Infrastructure, Wastewater Treatment Works and Effluent Main (Phase 1) | MIG | R32 500 000.00 | R27 020 706.31 | - | - |
| **23.** | Refurbishment of Sanitation Infrastructure | MIG | R15 311 700.00 | R13 597 288.00 | - | - |
| **24.** | Pennington Waterborne Sanitation Phase 3A | MIG | R22 416 700.00 | R22 139 667.52 | - | - |

# 7 CHAPTER 7: ANNUAL OPERATIONAL PLAN

The Service Delivery and Budget Implementation Plan (SDBIP) fulfils the role of an annual operational plan for the district. The SDBIP is essentially the management and implementation tool which sets in-year information, such as quarterly service delivery targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services and the inputs and financial resources to be used (MFMA Circular 13).

The SDBIP therefore serves as a "contract" between the administration, Council and community expressing the goals and objectives set by the Council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring performance in service delivery against end of year targets and implementing the budget.

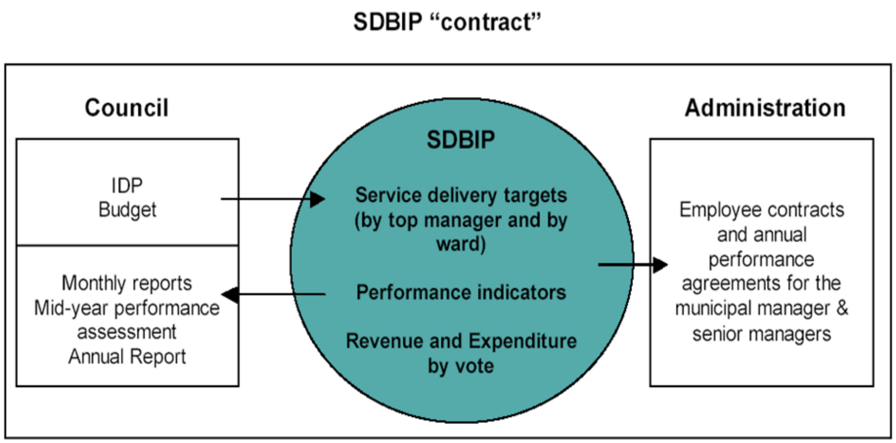



**Figure 7.1**: IDP, Budget and SDBIP Link

**Source:** MFMA Circular No. 13, 2005

The SDBIP is a layered plan, with the top layer dealing with consolidated service delivery targets and linking these targets to management. The next layer will detail each output and activities for each output that are linked to middle and junior management. Much of this detail will be included in Performance Plans. The top layer cannot be revised without Council's approval of an adjustments budget; however, the lower level can be continually revised.

The SDBIP is an implementation plan approved by the Mayor and not Council, after Council has approved the budget. The district used the five (5) components as proposed by National Treasury for the SDBIP, which are:

i. Ward Information.
ii. Monthly projections of revenue to be collected by source.
iii. Quarterly projections of service delivery targets and performance indicators for each Vote.
iv. Monthly projections of operating and capital expenditure and revenue for each Vote.
v. Detailed capital works plan broken down by Ward over three (3) years.

This section provides a summary of the SDBIP, a detailed SDBIP is appended to this document as **Annexure N**.

# 8 CHAPTER 8: ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

In line with Chapter Six of the Systems Act, the district has established a performance management system that is commensurate with its resources, best suited to its circumstances and in line with the priorities, objectives, indicators and targets contained in Chapter Four of this IDP document.

## 8.1 Overview of the Organisational Performance Management System

The district's Organisational Performance Management System (OPMS) contains performance measurement; performance monitoring, reviewing and evaluation; performance auditing; performance reporting; and intervention as core elements.

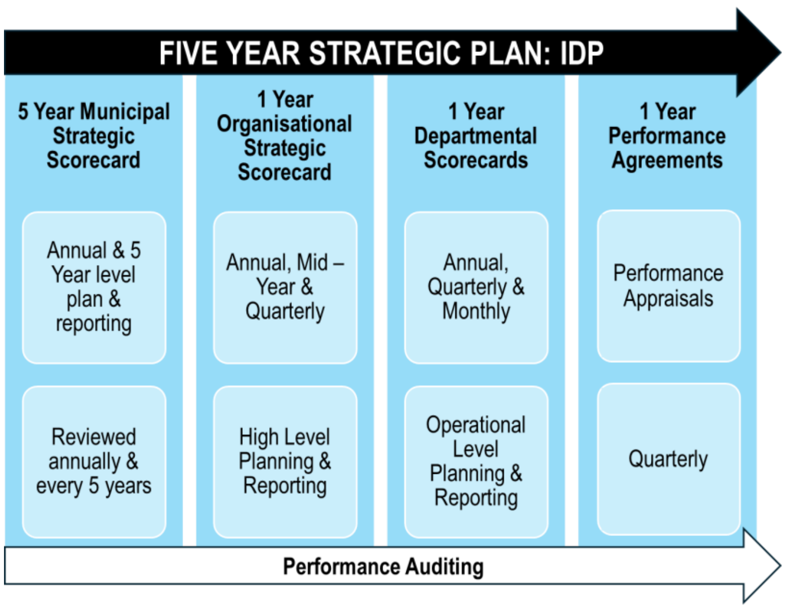



**Figure 8.1:** Organisational Performance Management System Matrix

**Source:** Organisational Performance Management System Framework, Policy and Procedural Manual

Figure 8.1 illustrates the district's OPMS matrix from the five-year scorecard to the annual performance agreements. Alignment is ensured between all the OPMS components. The preparation starts from the left side of the Figure with the preparation of the five-year scorecard as entailed in Chapter Four of this document whilst the reporting starts from the right side of the Figure which is the performance agreements and departmental scorecards.

### 8.1.1 Performance Measurement

Regulation 13(3) of the Local Government: Municipal Planning and Performance Regulations (No. 796, 24 August 2001) requires performance in respect of the key performance indicators and performance targets measurement to include:

- costs, resources and time used to produce outputs in accordance with the input indicators;
- the extent to which the municipality's activities or processes produced outputs; and
- the total improvement brought by outputs in accordance with the outcome indicators.

In fulfilment of this legislative provision, the district adopted the Two-Level Scorecard Approach to measure the implementation of its performance. The two-level scorecards consist of the Strategic or Organisational and the Service or Departmental Scorecards. Both the Strategic or Organisational and the Service or Departmental Scorecards have been designed in a way that they respond this legislative provision.

- **Strategic / Organisational scorecard** reflects KPA's, objectives, indicators and targets at a strategic level align directly with the IDP priorities follow SDBIP but will not have the monthly financial cash flow projections and the ward level projects.

- **The Service / Departmental Scorecards** reflects objectives, indicators and targets at a departmental level and informs the individual scorecards of the Section 54 and 56 Managers.

### 8.1.2 Performance Monitoring, Reviewing and Evaluation

The district has varying mechanisms for the monitoring, reviewing and evaluation of its performance in respect of the key performance indicators and performance targets in line with Local Government: Municipal Planning and Performance Regulations (No. 796, 24 August 2001).

#### 8.1.2.1 Monitoring

Regulation 13(2) of the Local Government: Municipal Planning and Performance Regulations (No. 796, 24 August 2001) requires the mechanisms, systems and processes for monitoring performance in respect of the key performance indicators and performance targets to:

- provide for reporting to the municipal council at least twice a year;
- be designed in a manner that enables the municipality to detect early indications of under-performance; and
- provide for corrective measures where under-performance has been identified.

The district reports to the council on a quarterly basis as discussed in detail in section 8.4.1. The breakdown of key performance indicators and performance targets into quarterly targets and timeous reporting ensures any possible underperformance is detected early. In the event of underperformance corrective measures are provided and monitored periodically until such time that they are fully implemented.

#### 8.1.2.2 Reviewing

Regulation 13(2) of the Local Government: Municipal Planning and Performance Regulations (No. 796, 24 August 2001) requires the mechanisms, systems and processes of reviewing performance in respect of the key performance indicators and performance targets to at least:

- identify the strengths, weaknesses, opportunities and threats of the municipality in meeting the key performance indicators and performance targets set by it, as well as the prescribed general key performance indicators;
- review the key performance indicators set by the municipality; and
- allow the local community to participate in the review process.

Performance review sessions are done in a quarterly, mid-year and annual cycle. The reviews are conducted on a quarterly basis at a political and administrative levels.

#### 8.1.2.3 Evaluation

Evaluations include preparations to define standards to be used to conduct an impact assessment on achievement of the planned outcome, collecting information, analysing information, drawing conclusions, documenting lessons learned and formulating recommendations.

When assessing programme performance, evaluations look beyond the delivery process and focus on the results of inputs delivered and the work done. The outcome of this assessment determines whether or not the programme has achieved or is likely to achieve its outputs and contribute to achieving programme outcomes and impact.

The core evaluation concerns to assess programme performance are:

- Relevance: Does the programme continue to meet our needs?
- Effectiveness: Are we achieving the desired results?
- Efficiency: Are the results cost-effective?
- Outcome: Does it have an impact in the community?
- Sustainability: Can the results be sustained after withdrawing support?
- Alternative Strategies: Are there better alternatives to achieve the desired results?

### 8.1.3 Performance Auditing

Section 45 of the Systems Act compels municipalities to audit the results of performance measurements as part of the internal auditing process and by Auditor General on annual basis. In line with Regulation 14 of the Local Government: Municipal Planning and Performance Regulations (No. 796, 24 August 2001) the district has: developed and implements mechanisms, systems and processes for auditing the results of performance measurements as part of its internal auditing processes which includes assessments of:

- the functionality of the municipality's performance management system;
- whether the municipality's performance management system complies with legislative provisions; and
- the extent to which the municipality's performance measurements are reliable in measuring performance of municipalities.

The Internal Audit unit on a continuous basis audits the performance measurements of the municipality and submits quarterly reports on their audits to the municipal manager and the performance audit committee. The Performance Audit Committee in turn:

- reviews the quarterly reports submitted to it by Internal Audit;
- review the municipality's performance management system and make recommendations in this regard to the council; and
- submit audit reports to municipal council.

The Performance Audit Committee focuses on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned.

### 8.1.4 Performance Reporting

The performance reporting takes place at three levels which are namely, departmental; strategic or organisational; and political levels.

#### 8.1.4.1 Departmental Level

Each month of the financial year a sectional meeting is held in all the departments where the supervisors / officers' report to their respective Managers who then submit a consolidated section report to their respective General Managers of departments. The Managers submit their reports and give monthly progress on the implementation of their set objectives on their performance contracts at departmental meetings which are also held on a monthly basis. The General Managers then consolidate the sections' reports into the Departmental Report. At this point, the General Managers work with the PMS champions at their department to coordinate the compilation of portfolio of evidence files.

The General Managers submit reports, which include recommendations, to the relevant portfolio committees on a monthly basis. On a quarterly basis, the General Manager consolidates the monthly reports into a quarterly report and together with the PMS champions compiles the POE file and submits to the PMS unit by the 05th of the first month after the end of each quarter.

#### 8.1.4.2 Strategic / Organisational Level

The PMS unit on receipt of departments' quarterly performance reports scrutinizes the reports and consolidates them into the organizational performance report accompanied by the POE files. The PMS unit then sends the reports together with the POE files to the internal audit unit for auditing no later than the 10th of the first month after the end of each quarter. Once the PMS receives feedback from the internal audit unit it channels the comments to the right departments through the PMS Champion and once there is an agreement between the departments and the PMS unit regarding the report, it is then sent to the Accounting Officer for interrogation and scrutiny. The Accounting Officer uses MANCO and Extended MANCO for this purpose, which doubles as a pre-quarterly review session. Once the reports and POEs are audited vigorously, MANCO interrogates the quarterly organisational performance report. In the process members of the MANCO concentrate on monitoring progress towards the achievement of performance targets and KPIs. After this is done recommendations are formulated which are aimed at taking corrective action if necessary. Before the 30th of every month after the end of each quarter, the quarterly review session is then held which includes the Extended MANCO, the PMS champions and the EXCO.

#### 8.1.4.3 Political Level

In the quarterly performance review sessions, the quarterly performance reports are evaluated critically by the EXCO members. This evaluation is aimed at determining to what extent the performance targets and KPIs are positively impacting on the development objectives. Recommendations are then formulated around corrective actions in this regard if necessary. The quarterly municipal performance report, together with recommendations, is then forwarded to the council.

## 8.2 Annual Report

The Systems Act requires municipalities to prepare an annual report for each financial year which must consist of performance report, financial statements and audit report. The performance report must reflecting the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year; the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and measures that were or are to be taken to improve performance. These than form part of the building blocks for the annual review of the IDP. The 2024 / 2025 Annual Report was adopted by the Council on the 26th of March 2026.

### 8.2.1 Annual Performance Report

The Annual Performance Report focuses on the implementation of the SDBIP, in relation to the objectives in the district's IDP. The report reflects the actual performance of the district's as measured against the performance indicators and targets in its SDBIP. The format of the report reflects the district's Key Performance Indicators (KPIs), challenges and corrective measures in relation to each Key Performance Areas.

The district set a total of 223 targets for the 2024 / 2025 financial year across all Key Performance Areas as reflected in Table 8.2.1.1. The district achieved 98% of its targets for the 2024 / 2025 financial year. The basic services KPA recorded the lowest performance of 83%.

**Table 8.2.1.1:** Organisational Performance for 2024 / 2025 Financial Year

**Source:** 2024 / 2025 Annual Performance Report

| Key Performance Area | Total KPIs | Achieved | | Unachieved | |
|---|---|---|---|---|---|
| | No. | No. | % | No. | % |
| Basic Service Delivery | 23 | 19 | 83% | 4 | 17% |
| Municipal Transformation and Institutional Development | 60 | 60 | 100% | 0 | 0% |
| Local Economic Development | 6 | 6 | 100% | 0 | 0% |
| Municipal Financial Viability and Management | 23 | 23 | 100% | 0 | 0% |
| Good Governance and Public Participation | 72 | 72 | 100% | 0 | 0% |
| Cross Cutting Interventions | 39 | 39 | 100% | 0 | 0% |
| **Total** | **223** | **219** | **98%** | **4** | **2%** |

A reflected in Tale 8.2.1.2, the district has demonstrated a four percent improvement in the overall performance in the 2024 / 2025 financial year as compared to the 2023 / 2024 financial year.

**Table 8.2.1.2:** Organisational Performance Comparison 2023 / 2024 and 2024 / 2025

**Source:** 2024 / 2025 Annual Performance Report

| 2023 / 2024 | | | 2024 / 2025 | | |
|---|---|---|---|---|---|
| Total KPI | Unachieved | Achieved | Total KPIs | Unachieved | Achieved |
| 253 | 14 | 239 | 223 | 4 | 219 |
| **100%** | **6%** | **94%** | **100%** | **2%** | **98%** |

## 8.3 Mid-Year Performance Report

Municipal Finance Management Act requires the accounting officer of a municipality to conduct a mid-year performance assessment by 25 January of each year and submit a report on such assessment to the mayor of the municipality, National Treasury and relevant Provincial Treasury. The mid-year performance assessment mentioned above needs to take into account:

- the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the SDBIP; and
- the past year's annual report, and progress on resolving problems identified in the annual report.

Figure 8.3.1 provides a summary of the 2025 / 2026 mid-year performance per KPA which was 100% across all KPAs.

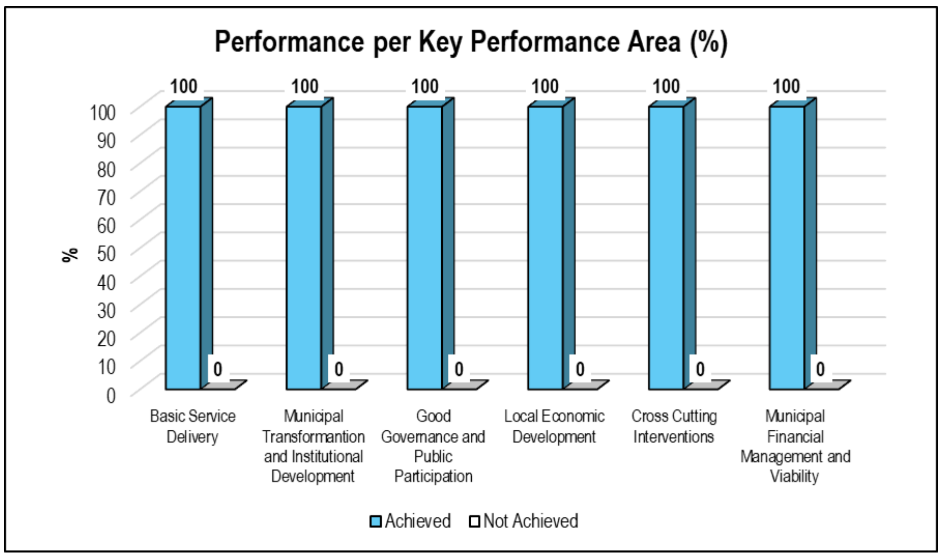



**Figure 8.3.1:** 2025 / 2026 Mid-Year Performance Per KPA

**Source:** Mid-Year Performance Report, 2026

## 8.4 Areas of Underperformance

The measurement, monitoring, review, evaluation and auditing of the performance in respect of the key performance indicators and performance targets identified delays in the completion of capital projects as significant service delivery underperformance. The challenges that led to the underperformance with regards to capital projects can be summarised as follows:

- **Accuracy in defining, measuring, and reporting performance indicators** – the material misstatement in the reported performance information in the annual performance report has been largely attributed a challenge in accurately defining, measuring, and reporting performance indicators.
- **Implementation of corrective measures** – the underestimation of effort to implement corrective actions and unrealistic target dates set for corrective measures are root causes cited for the limited implementation of corrective measures.

## 8.5 Underperformance Mitigating Strategies

The district in its review of the IDP for the 2026 / 2027 financial year considered the underperformances identified in the 2024 / 2025 Annual Performance Report as well as the 2025 / 2026 Mid-Year Report and came up with mitigation strategies which have been incorporated into Chapter 4 of this document.

# 9 CHAPTER 9: ANNEXURES

This section gives an outline on the status of all applicable Sector Plans. The summary of Sector Plans that are applicable to the district are outlined in Table 9.1 whilst Table 9.2 and 9.3 provides the policy and bylaw schedule inclusive of their status quo.

**Table 9.1:** Status Quo of Sector Plans

| No. | Sector Plan No. | Sector Plan Description | Date Last Adopted | Frequency of Reviews | Date of Next Review | Responsible Section | Custodian Department |
|---|---|---|---|---|---|---|---|
| 1 | | **Agricultural Plan** | 1-Jun-18 | As and when the need arises | NA | Economic Planning and Development | Economic Development and Environmental Services |
| 2 | | **Air Quality Management Plan** | 1-Sep-18 | As and when the need arises | NA | Environmental Management | Economic Development and Environmental Services |
| 3 | | **Anti-Fraud and Anti-Corruption Strategy** | 1-Mar-19 | As and when the need arises | NA | Internal Audit and Risk Management | Office of the Municipal Manager |
| 4 | | **Biodiversity Sector Plan** | 2014 | As and when the need arises | NA | Environmental Management | Economic Development and Environmental Services |
| 5 | 18/4/2/P/5 | **Business Continuity Plan** | 1-Jun-18 | As and when the need arises | NA | Corporate Strategy and Shared Services | Office of the Municipal Manager |
| 6 | | **Capital Investment Framework** | 29-May-25 | Annual | 28-May-26 | Development Planning | Office of the Municipal Manager |
| 7 | | **CCTV Security Strategy** | 27-Mar-25 | Every Five Years | 27-Mar-30 | Security Services | Corporate Services |
| 8 | | **Coastal Zone Management Plan** | 1-Jun-18 | As and when the need arises | NA | Environmental Management | Economic Development and Environmental Services |
| 9 | | **Climate Change Adaptation Plan** | 29-May-25 | As and when the need arises | NA | Environmental Management | Economic Development and Environmental Services |
| 10 | | **Climate Change Response Strategy** | 2017 | As and when the need arises | NA | Environmental Management | Economic Development and Environmental Services |
| 11 | | **Climate Risk Profile Report** | 29-May-25 | As and when the need arises | NA | Environmental Management | Economic Development and Environmental Services |
| 12 | 11/1/P/3 | **Communications Strategy** | 23-Sep-21 | Every Five Years | 23-Sep-26 | Communications and Customer Relations | Office of the Municipal Manager |

| No. | Sector Plan No. | Sector Plan Description | Date Last Adopted | Frequency of Reviews | Date of Next Review | Responsible Section | Custodian Department |
|---|---|---|---|---|---|---|---|
| 13 | | **Customer Service Charter and Service Standards** | 29-Sep-22 | As and when the need arises | NA | Communications and Customer Relations | Office of the Municipal Manager |
| 14 | | **Cybersecurity Strategy** | 27-Feb-25 | Annual | 27-Feb-26 | Information and Communication Technology | Corporate Services |
| 15 | 2/1/P/1 | **Delegation of Authority Framework** | 24-Oct-24 | Every Five Years | 24-Oct-29 | Administration and Auxiliary Services | Corporate Services |
| 16 | 18/4/2/P/1 | **Disaster Risk Management Plan** | 29-Aug-24 | As and when the need arises | NA | Disaster Management and Fire Services | Corporate Services |
| 17 | | **District Fire Safety Plan** | 1-Jun-18 | As and when the need arises | NA | Disaster Management and Fire Services | Corporate Services |
| 18 | | **District One Plan** | 27-Mar-2025 *(endorsed)* | Annual | 27-Mar-2026 *(endorsed)* | Development Planning | Office of the Municipal Manager |
| 19 | 3/26/P | **District Youth Strategic Framework** | 29-Apr-21 | As and when the need arises | NA | Youth Development | Office of the Municipal Manager |
| 20 | 15/7/P/2 | **Economic Recovery Framework** | 25-May-24 | As and when the need arises | NA | Economic Planning and Development | Economic Development and Environmental Services |
| 21 | | **Employment Equity Plan** | 24-Nov-22 | Every Five Years | 24-Nov-27 | Human Resource Management | Corporate Services |
| 22 | | **Environmental Management Framework** | 1-Jun-18 | As and when the need arises | NA | Environmental Management | Economic Development and Environmental Services |
| 23 | | **Fire and Rescue Strategy** | 1-Jun-18 | As and when the need arises | NA | Disaster Management Services | Corporate Services |
| 24 | | **Five Year Financial Management Plan** | 1-May-18 | Every Five Years | 30 June 2027 | Budget Planning and Monitoring, Financial Reporting and Income | Budget and Treasury Office |
| 25 | 5/12/1/P/1 | **Fraud Prevention Strategy** | 28-Nov-24 | Annual | 28-Nov-24 | Internal Audit and Risk Management | Office of the Municipal Manager |
| 26 | | **Fraud Response Plan** | 1-Sep-18 | As and when the need arises | NA | Internal Audit and Risk Management | Office of the Municipal Manager |

| No. | Sector Plan No. | Sector Plan Description | Date Last Adopted | Frequency of Reviews | Date of Next Review | Responsible Section | Custodian Department |
|---|---|---|---|---|---|---|---|
| 27 | | **Human Resource Development Strategy** | 1-Mar-21 | Every 5 Years | 28-Feb-26 | Human Resources Management | Corporate Services |
| 28 | 4/28/P/2 | **Human Resources Plan and Strategy** | 31-Mar-21 | As and when the need arises | NA | Human Resources Management | Corporate Services |
| 29 | 6/3/P/15/1 | **Information and Communication Technology Cloud Strategy** | 24-Oct-24 | Annual | 24-Oct-25 | Information and Communication Technology | Corporate Services |
| 30 | 6/3/P/12/2017/2 | **Information and Communication Digital Strategy** | 24-Oct-24 | Annual | 24-Oct-25 | Information and Communication Technology | Corporate Services |
| 31 | 6/3/P/13/2016/4 | **Information and Communication Disaster Recovery Plan** | 27-Mar-25 | Annual | 27-Mar-26 | Information and Communication Technology | Corporate Services |
| 32 | 6/3/P/11/2016/1 | **Information and Communication Governance Charter** | 24-Oct-24 | Annual | 24-Oct-25 | Information and Communication Technology | Corporate Services |
| 33 | 6/3/P/10/2016/1 | **Information and Communication Governance Framework** | 24-Oct-24 | Annual | 24-Oct-25 | Information and Communication Technology | Corporate Services |
| 34 | | **Information and Communication Strategy** | 1-Mar-22 | As and when the need arises | NA | Information and Communication Technology | Corporate Services |
| 35 | 2/9/P/1 | **Integrated Complaints Management System Framework** | 24-Nov-22 | As and when the need arises | NA | Communications and Customer Relations | Office of the Municipal Manager |
| 36 | | **Integrated Development Plan Framework and Process Plan** | 1-Aug-24 | Annual | 31-Aug-25 | Development Planning | Office of the Municipal Manager |

| No. | Sector Plan No. | Sector Plan Description | Date Last Adopted | Frequency of Reviews | Date of Next Review | Responsible Section | Custodian Department |
|---|---|---|---|---|---|---|---|
| 37 | | **Integrated Transport Plan (ITP)** | 1-Jun-16 | Every Five Years | # Funding being sourced to develop a new one | Development Planning | Office of the Municipal Manager |
| 38 | | **Integrated Waste Management Plan** | 1-Oct-18 | Every Five Years | # Funding being sourced to develop a new one | Environmental Management | Economic Development and Environmental Services |
| 39 | | **Invasive Species Monitoring, Control and Eradication Plan** | New | As and when need arises | 30-Jun-26 | Environmental Management | Economic Development and Environmental Services |
| 40 | | **Litigation Risk Management Strategy** | 1-Mar-18 | As and when need arises | NA | Legal Services | Office of the Municipal Manager |
| 41 | | **Local Economic Development Strategy** | 29-May-25 | As and when need arises | NA | Economic Planning and Development | Economic Development and Environmental Services |
| 42 | 6/3/P/20 | **Municipal Enterprise Systems Architecture Framework** | 27-Jun-24 | As and when need arises | NA | Information and Communication Technology | Corporate Services |
| 43 | 11/1/P/2 | **Public Participation Strategy** | 2018 | As and when need arises | NA | Public Participation | Office of the Municipal Manager |
| 44 | | **Service Delivery and Budget Implementation Plan** | 1-Jun-20 | Annual | 1-Apr-21 | Development Planning | Office of the Municipal Manager |
| 45 | | **Service Delivery Improvement Plan** | NA | Annual | NA | Communications and Customer Relations | Office of the Municipal Manager |
| 46 | | **Spatial Development Framework** | 29-May-25 | Annual | 28-May-26 | Development Planning | Office of the Municipal Manager |
| 47 | | **Water Services and Sanitation Master Plan** | 1-Jun-20 | As and when need arises | NA | Water Services Authority | Water Services |
| 48 | | **Water Services Development Plan** | TBC | Annual | TBC | Water Services Authority | Water Services |
| 49 | | **Workplace Skills Plan** | NA | Annual | NA | Human Resources Management | Corporate Services |

**Table 9.2:** Schedule of Policies and Status Quo

| No. | Policy No. | Policy Description | Date Last Adopted | Frequency of Reviews | Date of Next Review | Responsible Section | Custodian Department |
|---|---|---|---|---|---|---|---|
| 1 | 4/6/4/2/P/1 | **Acting Allowance Policy** | 29-Feb-24 | As and when the need arises | NA | Human Resources Management | Corporate Services |
| 2 | 5/17/P/1 | **Asset Disposal Policy** | 29-May-25 | Annual | 28-May-26 | Assets Management | Budget and Treasury Office |
| 3 | 5/17/P | **Asset Management Policy** | 29-May-25 | Annual | 28-May-26 | Assets Management | Budget and Treasury Office |
| 4 | 6/2/1/5/P/2014/2 | **Base Telecommunications Stations (BTS) Policy** | 27-Feb-25 | Annual | 27-Feb-26 | Administration and Auxiliary | Corporate Services |
| 5 | 2/9/P/2 | **Batho Pele Policy** | 29-Aug-24 | Annual | 29-Aug-25 | Communications and Customer Relations | Office of the Municipal Manager |
| 6 | 5/10/P | **Borrowing Policy** | 29-May-25 | Annual | 28-May-26 | Cash Management | Budget and Treasury Office |
| 7 | 2/5/P | **Budget Policy** | 29-May-25 | Annual | 28-May-26 | Budget Planning and Monitoring, Financial Reporting and Income | Budget and Treasury Office |
| 8 | 4/6/4/P/1 | **Car Allowance Policy** | 23-Feb-23 | As and when the need arises | NA | Human Resource Management | Corporate Services |
| 9 | 5/11/P | **Cash Banking and Investment Policy** | 29-May-25 | Annual | 28-May-26 | Cash Management | Budget and Treasury Office |
| 10 | 4/11/P/1 | **Code of Ethics Policy** | 27-Feb-25 | Bi-Annual | 27-Feb-27 | Human Resource Management | Corporate Services |
| 11 | 4/31/P | **Compensation for Occupational Injuries and Diseases Policy** | 27-Feb-25 | Annually | 27-Feb-27 | Human Resource Management | Corporate Services |
| 12 | 5/28/P | **Cost Containment Policy** | 29-May-25 | Annual | 28-May-26 | Expenditure and Salaries | Budget and Treasury Office |
| 13 | 18/8/4/1/12/P | **COVID-19 policy** | 26-May-22 | As and when the need arises | NA | Human Resource Management | Corporate Services |
| 14 | 5/22/P | **Credit Control and Debt Collection Policy** | 29-May-25 | Annual | 28-May-26 | Revenue Management | Budget and Treasury Office |

| No. | Policy No. | Policy Description | Date Last Adopted | Frequency of Reviews | Date of Next Review | Responsible Section | Custodian Department |
|---|---|---|---|---|---|---|---|
| **15** | 4/33/P/1 | **Death of a Councillor and / Traditional Leader Policy** | 27-Nov-25 | As and when the need arises | NA | Human Resource Management | Corporate Services |
| **16** | 4/33/P | **Death of Staff Member Policy** | 27-Nov-25 | Bi-Annual | 26-Nov-27 | Human Resource Management | Corporate Services |
| **17** | 4/13/P | **Disciplinary Policy and Procedure** | 27-Nov-25 | As and when the need arises | NA | Human Resource Management | Corporate Services |
| **18** | | **Emerging Contractor Development Policy** | 28-Jun-18 | As and when the need arises | NA | Economic Planning and Development | Economic Development and Environmental Services |
| **19** | 4/19/P | **Employee Assistance Programme Policy** | 27-Feb-25 | Bi-Annual | 27-Feb-27 | Human Resources | Corporate Services |
| **20** | 4/16/P | **Employment Equity Policy** | 27-Nov-25 | Bi-Annual | 26-Nov-27 | Human Resource Management | Corporate Services |
| **21** | 10/6/3/P | **Expanded Public Works Programme (EPWP) Phase IV Policy** | 29-Sep-22 | As and when the need arises | NA | Special Programmes | Office of the Municipal Manager |
| **22** | 5/25/P | **Expenditure Policy** | 29-May-25 | Annual | 28-May-26 | Expenditure and Grants | Budget and Treasury Office |
| **23** | 16/10/P | **Facilities Control and Usage Policy Ugu Sports and Leisure Centre** | 29-Aug-24 | Annual | 29-Aug-25 | Economic Planning and Development | Economic Development and Environmental Services |
| **24** | 7/6/P/2014/2 | **Facilities Management Policy** | 27-Feb-25 | Annual | 27-Feb-26 | Administration and Auxiliary | Corporate Services |
| **25** | 3/21/P | **Fleet Management Policy** | 25-May-23 | As and when the need arises | NA | Fleet Management | Corporate Services |
| **26** | 17/1/1/2/P | **Free Basic Water Policy** | 29-May-25 | Annual | 28-May-26 | Revenue Management | Budget and Treasury Office |
| **27** | | **Funding and Reserves Policy** | 29-May-25 | Annual | 28-May-26 | Cash Management | Budget and Treasury Office |
| **28** | 6/3/5/P | **Geographic Information System (GIS) Policy** | 29-Aug-24 | As and when need arise | 26-Jun-25 | Development Planning | Office of the Municipal Manager |

| No. | Policy No. | Policy Description | Date Last Adopted | Frequency of Reviews | Date of Next Review | Responsible Section | Custodian Department |
|---|---|---|---|---|---|---|---|
| **29** | 5/7/P/1 | **Handling of Insurance Claims Procedures and Processes** | 23-May-24 | Annual | 29-May-25 | Assets Management | Budget and Treasury Office |
| **30** | 4/6/5/1 | **Homeowners and Rental Allowance Policy** | 27-Nov-25 | As and when the need arises | NA | Human Resource Management | Corporate Services |
| **31** | 4/11/P | **Hours of Work Policy** | 23-Feb-23 | As and when the need arises | NA | Human Resources | Corporate Services |
| **32** | 6/3/P/13/2016/4/5 | **Information and Communication Technology Disaster Recovery Standard Operating Procedures** | 27-Mar-25 | Annual | 27-Mar-26 | Information and Communication Technology | Corporate Services |
| **33** | 6/3/P/13/2016/3 | **Information and Communication Technology Operations Policy** | 24-Oct-24 | Annual | 24-Oct-25 | Information and Communication Technology | Corporate Services |
| **34** | 6/3/P/18 | **Information and Communication Technology Project and Portfolio Management Framework** | 24-Oct-24 | Annual | 24-Oct-25 | Information and Communication Technology | Corporate Services |
| **35** | 6/3/P/17 | **Information and Communication Technology Return on Investment Policy** | 24-Oct-24 | Annual | 24-Oct-25 | Information and Communication Technology | Corporate Services |
| **36** | 6/3/P/1/2013/5 | **Information and Communication Technology Security Controls Policy** | 27-Feb-25 | Annually | 27-Feb-26 | Information and Communication Technology | Corporate Services |
| **37** | 6/3/P/7/2013/3 | **Information and Communication Technology User Management Policy** | 24-Oct-24 | Annual | 24-Oct-24 | Information and Communication Technology | Corporate Services |
| **38** | 17/1/5/P | **Illegal and Unauthorised Water Connections Policy** | 24-Nov-22 | As and when the need arises | NA | Water Services Authority | Water Services |

| No. | Policy No. | Policy Description | Date Last Adopted | Frequency of Reviews | Date of Next Review | Responsible Section | Custodian Department |
|---|---|---|---|---|---|---|---|
| 39 | 17/1/10/P | **Indigent Support Policy** | 29-May-25 | Annual | 28-May-26 | Revenue Management | Budget and Treasury Office |
| 40 | 4/17/2/P | **Individual Performance Management Policy** | 27-Jun-24 | Annual | 26-Jun-25 | Human Resource Management | Corporate Services |
| 41 | | **Informal Economy Development and Support Policy** | 28-Jun-18 | As and when need arises | NA | Economic Planning and Development | Economic Development and Environmental Services |
| 42 | 4/3/P/1 | **In-service Training Policy** | 24-Oct-24 | Bi-Annual | 24-Oct-26 | Human Resource Management | Corporate Services |
| 43 | 5/7/P | **Insurance Policy** | 23-May-24 | Annual | 29-May-25 | Assets Management | Budget and Treasury Office |
| 44 | 3/17/2/P | **Internal Bursary Policy** | 24-Oct-24 | Annual | 24-Oct-25 | Human Resource Management | Corporate Services |
| 45 | 4/3/P | **Internship policy** | 27-Nov-25 | Annual | 26-Nov-26 | Human Resource Management | Corporate Services |
| 46 | 4/6/6P | **Leave Management Policy** | 29-Jun-23 | As and when the need arises | NA | Human Resource Management | Corporate Services |
| 47 | 4/3/P/1 | **Occupational Health and Safety Policy** | 27-Jun-24 | As and when the need arises | NA | Human Resource Management | Corporate Services |
| 48 | 2/9/P/2019/1 | **Organisational Performance Management System Framework, Policy, and Procedural Manual** | 27-Jun-24 | Annual | 29-May-25 | Corporate Strategy and Shared Services | Office of the Municipal Manager |
| 49 | 5/29/P | **Petty Cash Policy** | 29-May-25 | Annual | 28-May-26 | Cash Management | Budget and Treasury Office |
| 50 | 1/P/2014/1 | **Policy Management Policy and Procedure** | 29-May-25 | Annual | 28-May-26 | Policy and Research | Office of the Municipal Manager |
| 51 | | **Pandemic Policy** | 27-Nov-25 | As and when the need arises | NA | Human Resource Management | Corporate Services |
| 52 | 5/21/P/3 | **Preferential Procurement Policy** | 23-May-24 | Annual | 29-May-25 | Supply Chain Management | Budget and Treasury Office |
| 53 | 4/2/6/P/1 | **Private Work Policy** | 27-Feb-25 | Annually | 27-Feb-26 | Human Resources | Corporate Services |

| No. | Policy No. | Policy Description | Date Last Adopted | Frequency of Reviews | Date of Next Review | Responsible Section | Custodian Department |
|---|---|---|---|---|---|---|---|
| **54** | 1/2/P/2014/1 | **Promotion of Access to Information (PAIA) and POPIA Policy and Procedure Manual** | 29-Feb-24 | As and when required | NA | Administration and Auxiliary | Corporate Services |
| **55** | 11/1/P/1 | **Public Participation Policy** | 29-Jun-23 | As and when need arises | NA | Public Participation | Office of the Municipal Manager |
| **56** | 2/3/P/1/2014/1 | **Records Control Schedule** | 29-Feb-24 | As and when need arises | NA | Administration and Auxiliary | Corporate Services |
| **57** | 2/3/P/2014/1 | **Records Management Policy** | 27-Feb-25 | Annually | 27-Feb-26 | Administration and Auxiliary | Corporate Services |
| **58** | 4/2/3/P | **Recruitment and Selection Policy** | 25-Aug-22 | As and when need arises | NA | Human Resource Management | Corporate Services |
| **59** | 2/3/1/2014/1 | **Registry Procedure Manual** | 27-Feb-25 | Annually | 27-Feb-26 | Administration and Auxiliary | Corporate Services |
| **60** | 5/12/1/P/2 | **Risk Management Policy and Risk Management Charter** | 28-Nov-24 | Annual | 28-Nov-25 | Internal Audit and Risk Management | Office of the Municipal Manager |
| **61** | 3/2/3/P/1 | **Secretariat Procedure Manual** | 29-Aug-24 | As and when the need arises | NA | Administration and Auxiliary | Corporate Services |
| **62** | 6/7/P | **Security Policy** | 27-Feb-25 | Annually | 27-Feb-26 | Administration and Auxiliary | Corporate Services |
| **63** | 4/13/P/1 | **Sexual Harassment, Intimidation and Victimisation in the workplace Policy** | 28-Sep-23 | Bi-Annual | 28-Sep-25 | Human Resource Management | Corporate Services |
| **64** | | **SMME Development and Support Policy** | 28-Jun-18 | As and when need arises | NA | Economic Planning and Development | Economic Development and Environmental Services |
| **65** | 4/11/P/3 | **Social Media Policy** | 25-May-23 | Every Three Years | 24-May-26 | Communications and Customer Relations | Office of the Municipal Manager |
| **66** | 4/4/P | **Staff Termination Policy** | 27-Jun-24 | Bi-Annual | 27-Jun-26 | Human Resource Management | Corporate Services |
| **67** | 5/2/P/2 | **Standard Infrastructure Procurement and Delivery Management Policy** | 29-May-25 | Annual | 28-May-26 | Supply Chain Management | Budget and Treasury Office |

| No. | Policy No. | Policy Description | Date Last Adopted | Frequency of Reviews | Date of Next Review | Responsible Section | Custodian Department |
|---|---|---|---|---|---|---|---|
| 68 | 3/2/3P | Standing Rules and Orders of the Ugu District Municipal Council and its Committees: Virtual Meetings | 25-Aug-22 | As and when need arise | NA | Administration and Auxiliary | Corporate Services |
| 69 | 4/6/4/P/2 | Subsistence and Travel Policy | 28-Sep-23 | Bi-Annual | 28-Sep-25 | Human Resource Management | Corporate Services |
| 70 | 5/21/P | Supply Chain Management Policy | 29-May-25 | Annual | 28-May-26 | Supply Chain Management | Budget and Treasury Office |
| 71 | 4/3/3/P/1 | Talent Management Policy | 29-Feb-24 | As and when the need arises | NA | Human Resource Management | Corporate Services |
| 72 | 4/3/3/P/1 | Training and Development Policy | 28-Sep-23 | Bi-Annual | 28-Sep-25 | Human Resource Management | Corporate Services |
| 73 | 5/25/P/1 | Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy | 29-May-25 | Annual | 28-May-26 | Expenditure and Salaries | Budget and Treasury Office |
| 74 | 5/26/P | Virement Policy | 29-May-25 | Annual | 28-May-26 | Budget Planning and Monitoring, Financial Reporting and Income | Budget and Treasury Office |
| 75 | 17/1/8/P | Water and Sanitation Tariff Policy | 24-Nov-22 | As and when the need arises | NA | Water Services Authority | Water Services |
| 76 | 17/2/1/P | Water Services Operational Maintenance Policy | 24-Nov-22 | As and when the need arises | NA | Water Services Authority | Water Services |

**Table 9.3:** Schedule of Bylaws and Status Quo

| No. | Bylaw No. | Policy Description | Date Last Adopted | Frequency of Reviews | Date of Next Review | Responsible Section | Custodian Department |
|---|---|---|---|---|---|---|---|
| 1 | 15/11/P/3 | **Air Quality Management By-Law** | 15-Jul-09 (*Promulgated*) | As and when the need arises | NA | Environmental Management | Economic Development and Environmental Services |
| 2 | 5/22/P/1 | **Credit Control and Debt Collection By-Law** | 25-May-25 (*Promulgated in terms of Provincial gazette 08 August 2019*) | As and when the need arises | NA | Revenue Management | Budget and Treasury Office |
| 3 | 18/4/2/P/3 | **Disaster Management By-Law** | 10-Jun-16 (*Promulgated in terms of Provincial gazette 1684 August 2016*) | As and when the need arises | NA | Disaster Management and Fire Services | Corporate Services |
| 4 | 15/11/P/2 | **Public Health By-Law** | 25-May-17 (*Promulgated in terms of Provincial gazette 1965 August 2018*) | As and when the need arises | NA | Environmental Health | Economic Development and Environmental Services |
| 5 | 18/4/2/P/4 | **Ugu Community Fire Safety By-Laws for Fire and Rescue Services** | 26-Feb-15 (*Promulgated in terms of Provincial gazette 1474 August 2015*) | As and when the need arises | NA | Disaster Management and Fire Services | Corporate Services |
| 6 | 1/1/5/1 | **Water and Sanitation Services By-Law** | 26-Apr-18 (*Promulgated in terms of Provincial gazette 2069 August 2019*) | As and when the need arises | NA | Water Services Authority | Water Services |